

**KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION
BUSINESS MEETING**



November 22, 2024 – 10:00 a.m. ET
 Bellarmine University, Louisville – Centro Hall, Hilary’s
 Virtual Livestream Link: <https://us02web.zoom.us/j/89129396618>

**consent action item*

- I. Call to Order and Roll Call**
- II. Appointment of Temporary Chair, per Council bylaws**
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A RESOLUTION HONORING AND COMMENDING

CHLOE MARSTILLER

for her service to the Kentucky Council on Postsecondary Education

WHEREAS, Chloe Marsteller has ably represented the students of Kentucky as a member of the Kentucky Council on Postsecondary Education from August 2023 through October 2024; and

WHEREAS, Chloe invested her time and talents by serving on the Council's Finance Committee and Academic and Strategic Initiatives committees while also serving as the liaison between the Council and Board of Student Body Presidents; and

WHEREAS, she has exhibited both leadership and service during the attainment of her undergraduate degree, serving as the 2022-23 SGA President as well as a Student Alumni Ambassador and resident advisor; and

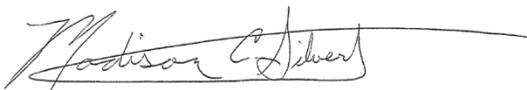
WHEREAS, Chloe was a passionate advocate for college affordability during her tenure, encouraging all students to complete the FAFSA and leveraging student voices to rally for increases in KEES funding at the Capitol; and

WHEREAS, she raised awareness of mental health challenges faced by college students and supported the Council's work to provide campuses with more accessible healthcare and counseling services; and

WHEREAS, the Council appreciates Chloe's dedication to the improvement of all people through the power of postsecondary education; and

WHEREAS, we wish Chloe continued success and good fortune as she completes her master's degree and pursues her professional and personal goals;

NOW, THEREFORE, BE IT RESOLVED, that the members of the Kentucky Council on Postsecondary Education do hereby adopt this resolution, November 22, 2024, expressing their gratitude to Chloe Marsteller for her service to the Kentucky Council on Postsecondary Education and for her commitment to the people of the Commonwealth.



Madison Silvert, Chair



Aaron Thompson, Ph.D., President

MEETING MINUTES

Draft for Approval by the Council on November 22, 2024

Who: Kentucky Council on Postsecondary Education
Meeting Type: Business Meeting
Date: September 16, 2024
Time: 8:00 a.m. ET
Location: Hyatt Regency, 401 West High Street, Lexington – Kentucky room

WELCOME REMARKS

The Kentucky Council on Postsecondary Education held a business meeting on Monday, September 16, 2024, at 8:00 a.m. ET. The meeting occurred at the Hyatt Regency in Lexington, Kentucky. Vice Chair Elaine Walker presided.

ATTENDANCE

The following Council members attended the meeting in person: CB Akins, Jacob Brown, Lindsey Case, Jennifer Collins, Kellie Ellis, Meredith Figg, Karyn Hoover, Faith Kemper, and Elaine Walker. Council members who attended virtually were Muhammad Babar, Chloe Marsteller, and LaDonna Rogers.

Council members who did not attend were Madison Silvert, Kevin Weaver, and Commissioner Robbie Fletcher.

CPE President Aaron Thompson served as secretary of the board, per the CPE Bylaws. Ms. Heather Faesy, CPE's board liaison, served as recorder of the meeting minutes.

APPROVAL OF THE MINUTES

The minutes of the June 20-21, 2024, meetings were approved as presented.

CPE PRESIDENT REPORT

President Aaron Thompson's written report was included in the board materials. He provided additional comments on upcoming CPE events that are engaging not only institutional faculty and staff but also workforce and policy leaders. He also discussed recent testimony to the Interim Joint Committee on Economic Development and Workforce Investment about the State Workforce and Talent Team, a cross-agency effort to improve Kentucky's efforts to increase workforce participation and success.

KY DEPARTMENT OF EDUCATION (KDE) COMMISSIONER REPORT

KDE Deputy Commissioner Thomas Tucker provided the report on behalf of Commissioner Fletcher who was unable to attend the meeting. His report focused on new members of the Kentucky Board of Education, an update on the Kentucky United We Learn Council, a new campaign that focuses on chronic absenteeism, and the known teacher shortage and how KDE is evaluating how to best address this statewide issue.

UPDATE FROM THE STUDENT COUNCIL MEMBER

Ms. Marstiller provided an update on the newly elected student body presidents at the Kentucky institutions. They are in the early planning stages of identifying the priorities they want to focus on in the next year, Ms. Marstiller stated that mental health and student engagement continue to be topics of discussion.

ACADEMIC AND STRATEGIC INITIATIVES COMMITTEE – REPORT & ACTION ITEMS

Committee Chair Karyn Hoover presented the report and recommendations made by the Academic and Strategic Initiatives (ASI) Committee, which met on September 9, 2024. Committee members:

- Learned about a new initiative called Heroes to Healers, which aims to help veterans with military occupational specialty healthcare skills transition into accelerated pathways for healthcare certifications that result in civilian positions.
- Received an update on the Healthcare Workforce Investment Fund, which is in its implementation stage. The steering committee recently reviewed 35 proposals submitted in response for healthcare training scholarship partnerships, and staff are preparing contracts with award recipients. Awardees will be announced at the Collaboratory on October 30.
- Received an update on the mid-term review of the statewide strategic agenda. Preliminary changes to the key performance indicators are in progress, and drafted changes to the statewide strategies were also shared.
- Reviewed and endorsed for Council approval a proposed new academic program at Morehead State University – Master of Social Work (CIP 44.0701).
- Reviewed and endorsed for Council approval the Academic Readiness Indicators for 2025-2027, which had no changes from the current indicators.

MOTION: The ASI Committee's recommendation of approval of the endorsed action items served as the motion. A second was not needed.

VOTE: The motion passed.

FINANCE COMMITTEE – REPORT AND ACTION ITEMS

Committee Chair Jacob Brown presented the report and recommendations made by the Finance Committee, which met on September 9, 2024. Committee members:

- Received an update on the distribution of funds in relation to the 2022-24 Endowment Match Program.
- Received an update on early discussions of the Performance Funding Working Group, which was convened for the sole purpose of redefining the term “underrepresented students” in the funding model.
- Received an update that the University of Louisville submitted 2024-25 tuition and fee rates that complied with the Council's approved ceilings. Those rates were approved by President Thompson on behalf of the Council, per the delegation that was approved at the June Council meeting.
- Reviewed and endorsed for Council approval a Memorandum of Understanding between Northern Kentucky University and CPE that modifies a current MOU by eliminating the EDGE scholarship program and launching a new undergraduate tuition program called the NKU Tri-state program. The revised MOU goes into effect in the fall 2025.
- Reviewed and endorsed for Council approval an Asset Preservation Pool project to raze the Somerset Community College Laurel South Campus building and replace it with a new building at the Laurel North Campus.

MOTION: The Finance Committee's recommendation of approval of the endorsed action items served as the motion. A second was not needed.

VOTE: The motion passed.

At the September 9 meeting, the Finance Committee also reviewed a raze and replace asset preservation pool project at Southeast KY Community and Technical College but deferred discussion until the Council meeting. The project request is to use funds from the 2024-26 Asset Preservation Pool to demolish and reconstruct a pedestrian bridge at the Southeast KY Community and Technical College, Whitesburg Campus. The total scope of the proposed project is \$1,395,000.

While the Committee agreed this was an immediate need for the campus, the lack of an up-to-date cost estimate for the project was needed before approval could be granted. The last study was completed on January 9, 2020, and it estimated the cost to cost to raze and replace at \$609,453. The project scope of \$1,395,000 was estimated based on standard cost increases, and staff advised that Board that KCTCS had agreed to conduct an updated study should the project not be approved.

MOTION: Committee Chair Brown moved that due to the age and deteriorating condition of the bridge, impact of historic flooding in Eastern Kentucky on the bridge, and immediate

safety concerns for faculty, students, and staff who are currently using an alternate bridge that supports primarily vehicular traffic, the Council approve the request contingent upon KCTCS officials bringing updated and policy-compliant cost estimates to the Council at its next available meeting date. Rev. Akins seconded the motion.

President Thompson stated that Council staff will review the policy for necessary revisions to reflect this requirement on future project requests.

VOTE: The motion passed.

EXECUTIVE COMMITTEE – REPORT

Chair Silvert presented the report and recommendations of the Executive Committee, which met the morning of September 15, 2024. Committee members:

- Reviewed the agenda for the upcoming 2024 Postsecondary Education Trusteeship Conference.
- Received a status update on the studies directed by Senate Joint Resolutions 132, 170, and 179 and section 79 of Senate Bill 91.
- Received an implementation update of the KSU Management Improvement Plan.

There were no action items proposed for approval.

STATEWIDE STRATEGIC AGENDA DISCUSSION – UNIVERSITY OF LOUISVILLE

Mr. Travis Muncie, Executive Director of Data and Advanced Analytics, reminded the Council about the key performance indicators and status of the target-setting process for 2027.

President Kim Schatzel provided the Council with an update on the University of Louisville (UL). The update focused on UL's key strategies for each of the strategic priorities of the statewide agenda, as well as the baseline data and 2023-24 targets for key performance indicators. President Schatzel answered questions from the Council on UL's efforts around intrusive advising, a centralized advising process, and summer bridge programming and its impact on students. She also discussed the impact of dual credit on student completion.

CAMPUS GOOD NEWS REPORTS

Reports from the institutions were provided in the agenda materials. Vice Chair Walker provided highlights from the University of Kentucky, Western Kentucky University and Northern Kentucky University.

ADJOURNMENT

The Council adjourned the business meeting at 9:05 a.m. ET.

DRAFT

TITLE: CPE President Report

DESCRIPTION: President Thompson will highlight specific initiatives during his report to the Council. This written report serves as his official report for November 22, 2024.

STAFF CONTACT: Dr. Aaron Thompson, CPE President

Workforce Visits: Over the last several months I joined members of the Workforce and Economic Development and Communications units to visit partners engaged in CPE's healthcare and aviation initiatives. These visits provided an excellent opportunity to educate stakeholders about CPE's mission and hear feedback on how the Council can deepen its engagement in local areas.

- In September, we met with students taking aviation classes from Shawnee High School. Our conversation ranged from aviation career opportunities to the importance of higher education in general. Following this, I participated in a roundtable discussion with Louisville business leaders to explore potential education-employer partnerships. Thank you to CPE board members Elaine Walker and Lindsey Case for participating in this roundtable discussion.
- In October, we visited Prestonsburg to meet with students and faculty involved in CPE's CLIMB Health initiative at Southcentral Kentucky Community and Technical College. This is a program that trains individuals in recovery from substance use disorders to serve as peer support specialists. Following that, we met with SOAR (Shaping our Appalachian Region) about workforce and economic development issues facing Eastern Kentucky and how CPE can assist in these efforts.

CPE Events: Since our last meeting in September, Council staff have held several large-scale events that, when combined, were attended by over 600 faculty, staff, policy and legislative leaders in the state.

- On October 17, around 200 participants attended a convening at the University of Louisville's Shelby Campus focused on removing barriers to adult learner reenrollment. Coordinated by CPE's Kentucky Student Success Collaborative, programming focused on enrolling post-traditional students in greater numbers and making programs and services more adult-friendly.
- On October 30, over 175 attendees from healthcare, postsecondary and legislative/policy fields attended the Healthcare Workforce Collaboratory to discuss

strategies for ramping up credential production to fill critical healthcare practitioner shortages. At the luncheon, I awarded a total of \$11.8 million in matching dollars to 33 healthcare partnerships from the Healthcare Workforce Investment Fund.

- The sixth cohort of the Academic Leadership Development Institute (ALDI) held its final seminar at CPE earlier this week. ALDI provides a series of highly interactive sessions and small group seminars led by faculty and administrators from across Kentucky and other states. The goal is to create a learning community of early career, underrepresented minority faculty and staff who are on track for professional advancement.
- The Academic Excellence unit convened the first meeting of the Faculty Leadership Academy (FLA) in October. This new opportunity involves 24 full-time, mid-career faculty who are seeking to further develop their leadership skills and better understand their institutions' place within the state and national postsecondary landscape. A series of professional development and mentoring activities are scheduled through the summer of 2025.
- The Graduate Profile Academy met at Kentucky State University earlier this month to review progress made since 2021 in embedding the ten essential skills into undergraduate programming and discuss the next steps in assessing students' mastery of these skills.

GEAR UP Kentucky Campaigns: A new GEAR campaign launched this month called "I'm In." Members of the Kentucky high school class of 2025 will record themselves reading acceptance letters to public and private Kentucky postsecondary institutions. The best of these will be shared on social media and through other channels. Additionally, GEAR UP—in conjunction with CPE's Kentucky Advising Academy, KHEAA, and the Prichard Committee for Academic Excellence—launched GO!vember this month to encourage students to fill out the FAFSA and apply to college.

Staff Recognitions: CPE staff members continue to gain state and national recognition for their good work.

- Travis Muncie, Chief Information Officer, and Melissa Bell, Vice President for Academic Excellence, were part of a Kentucky team participating in a Gates Foundation-sponsored community of practice focusing on defining and measuring postsecondary value and return-on-investment. The event was held in Minneapolis, and Kentucky was one of only 13 states invited to join.
- KYSSC's Executive Director, Lilly Massa-McKinley, was invited to a NACAC-sponsored conference last week to share information about Kentucky's efforts to redesign

admissions processes to improve access and help students more seamlessly transition to postsecondary programs.

- I was extremely honored to be inducted into the Bluegrass Business Hall of Fame on October 3. Past honorees include Kentucky governors, UK presidents and basketball coaches, noted entrepreneurs, community leaders, media personalities and others.

New CPE Staff Members: I'm pleased to welcome or welcome back several new employees to CPE.

- Olivia Morris-Bush, who has served as a research intern with the Student Success Collaborative since June, will continue her work in a full-time associate position as a research fellow. Olivia comes to us from Vanderbilt University, where she earned her master's degree in higher education and worked as a graduate research fellow with Tennesseans for Student Success.
- Regan Satterwhite joined CPE on October 1 as the Director for Government Relations. Regan comes to us from the Kentucky Department of Education, where she served as Executive Policy Advisor in the Office of Career and Technical Education.
- Sherron Jackson, a former and much beloved CPE employee from 1997 until 2020, returned on October 1 for a six-month term as a part-time senior fellow with finance. He'll provide much-needed help in the areas of asset preservation and other capital items.
- Stephanie Cheung joined the KY Student Success Collaborative on October 7th as an associate director. Stephanie comes to us from York University in Toronto, ON, where she worked as the manager of student success and stakeholder engagement for the York faculty of health.

TITLE: Proposed New Academic Programs

DESCRIPTION: The Academic and Strategic Initiatives Committee recommends the Council approve the proposed new academic programs from the University of Kentucky and the University of Louisville.

STAFF CONTACT: Melissa Bell, Ph.D., Vice President of Academic Excellence

COMMITTEE REVIEW & APPROVAL

The Academic and Strategic Initiatives Committee reviewed and endorsed for final approval the proposed new academic programs from the University of Louisville and the University of Kentucky at its November 15, 2024, meeting.

PROGRAMS PROPOSED FOR APPROVAL

Council staff have reviewed the proposed programs and recommends approval by the board. The university-submitted program summary for each has been included in your materials for review.

University of Louisville

- Bachelor of Science, Communication Sciences and Disorders (CIP 51.0201)

University of Kentucky

- Bachelor of Science, Pharmaceutical Science (CIP 51.2010)

SUPPORTING INFORMATION

KRS 164.020 (15) empowers the Council on Postsecondary Education to define and approve the offering of all postsecondary education technical, associate, baccalaureate, graduate, and professional degree, certificate, or diploma programs in the public postsecondary education institutions.

PROPOSED PROGRAM SUMMARY

Institution: University of Louisville
Program Name: Communication Sciences and Disorders
Degree Destination: Bachelor of Science

CIP Code: 51.0201

Credit Hours: 120

Implementation Date: 1/8/2025

Program Description

The proposed program focuses on the biological, physical, sociocultural, and linguistic aspects of human communication, as well as human communication disorders and differences. Successful completion of a graduate degree in the field is required for licensure, so the proposed baccalaureate program will facilitate students' progression into Louisville's Master of Science program in Speech-Language Pathology and the Audiology doctorate (AuD) program.

Creating an undergraduate pipeline into graduate programs will reduce the time-to-degree for students. Without an undergraduate program, many graduate students must first complete a 23-credit "leveling year" prior to beginning graduate-level coursework.

As a result of this program, graduates will be able to:

- identify the basic processes and influences related to the developmental, biological, neurological, acoustical, psychological, and cultural correlates of human communication;
- demonstrate foundational knowledge of typical and disordered communication, including areas of prevention, evaluation, intervention, and treatment;
- think critically by analyzing, synthesizing, and evaluating data based on existing research;
- examine their own individual and professional identities while learning with, from, and about one another through inter-professional paradigms; and
- apply for admission to graduate programs in speech-language pathology and/or audiology.

A unique aspect of this program is offering an accelerated track to students who also plan to earn the Doctor of Audiology. Undergraduate students will be permitted to apply to the doctoral program during their junior year. Students will earn the bachelor's degree after successfully completing the first year of doctoral coursework.

Connection to Other Programs

Faculty from institutions with similar programs will continue to regularly serve as guest lecturers at other institutions.

The University of Louisville's proposed program in Communication Sciences and Disorders will facilitate a student's completion of a graduate program that is required for licensure. The

program will enhance both the existing master's program in Speech-Language Pathology and the AuD Audiology by facilitating continuity between undergraduate and graduate research activities and relationships. The proposed program will also create a pipeline of students into the related graduate program and reduce the time to degree.

Student Demand

Initial estimates of enrollment are:

Year 1 – 10

Year 2 – 23

Year 3 – 41

Year 4 – 64

Year 5 – 79

Employment Demand

Upon graduation, students who do not pursue a graduate degree will be qualified to be Speech-Language Pathology assistants, working under the supervision of licensed practitioners.

Positions for speech-language pathologist assistants are projected to grow in Kentucky by 10% from 2020 to 2030.

For students who progress to a graduate program, the projected job outlook for Speech-Language Pathology (2020-2030) is 29% growth with 16% projected growth for Audiology during the same period. This is substantially faster than the average growth of 8% for all occupations. The state of Kentucky ranks 19th in the United States for personnel-to-population ratio for Speech-Language Pathologists.

Budget

No additional faculty lines are being requested for the program. Revenue projections are conservative and account for expected, possible attrition. The program will be revenue neutral in its first year, although revenue is expected to increase in conjunction with the growing undergraduate enrollment.

Projected Revenue over Next Five Years (\$): \$ 1,806,776

Projected Expenses over Next Five Years (\$): \$ 1,250,000

PROPOSED PROGRAM SUMMARY

Institution: University of Kentucky
Program Name: Pharmaceutical Science
Degree Destination: Bachelor of Science

CIP Code: 51.2010

Credit Hours: 120

Implementation Date: 8/16/2025

Program Description

The pharmacy sciences area encompasses a broad array of areas of study, including pharmacy practice, pharmaceutical sciences, and pharmaceutical outcomes and policy. Students graduating from the proposed program will be prepared to enter the workforce as clinical trial managers and certified pharmacy technicians, as well as pursue professional degrees within the medical sciences, such as the PharmD, MD, or DVM, or enter graduate training programs. Each year, more than 300 incoming freshmen indicate an interest in pre-pharmacy on their undergraduate application. The proposed program will provide primary training in clinical and basic sciences with the opportunity for students to diversify their studies with the use of elective courses tailored to their interests.

As a result of this program, graduates will be able to:

- integrate and apply knowledge of the biomedical and pharmaceutical sciences to explain and predict drug actions and effects;
- demonstrate proficiency in the use of modern pharmaceutical technologies and instrumentation for drug discovery, formulation, and delivery;
- critically analyze and integrate scientific research;
- communicate in multiple modalities with multidisciplinary research stakeholders, such as members of the scientific community, healthcare providers, and business professionals.

Connection to Other Programs

Anchored in the basic sciences, students will complete a series of non-pharmacy courses. The College of Arts and Sciences will provide instruction in mathematics, statistics, biology, and chemistry.

For the last 30 years, the University's College of Pharmacy has been consistently ranked as one of the top 10 pharmacy schools in the nation. The proposed program will serve as a pipeline to the College's professional (PharmD) and graduate (MS and PhD) programs.

Student Demand

Initial estimates of enrollment are:

Year 1 – 40

Year 2 – 77

Year 3 – 111

Year 4 – 145

Year 5 – 145

Employment Demand

Pharmaceutical Sciences is a growing major with high employer demand. Careers in this field are projected to grow at a rate faster than the average for all occupations. Salaries for pharmaceutical sciences positions begin at \$42,000 annually for entry-level roles, such as pharmacy technicians. More advanced positions, such as pharmaceutical sales and medical research, offer salaries of \$97,000 and higher. Of the 278,225 unique job postings for baccalaureate-prepared positions, approximately one-quarter preferred candidates with a bachelor's degree or higher.

Budget

Previous year fund balances will be utilized to provide startup support and allow the proposed program to grow and earn tuition revenues.

It is important to note that the College of Arts and Sciences is expected to receive over \$500,000 in tuition revenue each year due to the use of its courses in the proposed program.

Projected Revenue over Next Five Years (\$): \$ 2,100,000
Projected Expenses over Next Five Years (\$): \$ 2,100,000

TITLE: Proposed Revisions to the 2022-30 Statewide Strategic Agenda

DESCRIPTION: The Academic and Strategic Initiatives Committee recommends the Council approve the proposed revisions to the 2022-30 statewide Strategic Agenda.

STAFF CONTACTS: Lee Nimocks, Sr. Vice President and Chief of Staff
Travis Muncie, Chief Information Officer
Melissa Young, Executive Director and Chief Writer, Communications

COMMITTEE REVIEW & APPROVAL

The Academic and Strategic Initiatives Committee reviewed and endorsed for final approval the proposed revisions to the 2022-30 statewide Strategic Agenda at its November 15, 2024, meeting.

BACKGROUND INFORMATION

The CPE is directed by KRS 164.020 to develop a statewide strategic agenda for the public postsecondary education system and revise it on a regular cycle. The agenda identifies statewide priorities and a vision for long-term economic growth through improvements in the education and skill levels of Kentucky’s workforce. The agenda sets performance goals for students and institutions that reflect high expectations and standards, emphasize continuous improvement, and support technology-based solutions and innovative practices.

AGENDA & MID-TERM REVIEW

The Council's statewide strategic agenda for 2022-30, "Higher Education Matters," was approved by the Council at its November 2021 Council meeting, and campus metric goals were established in early 2022. Because the plan extends over nine years, staff built in a review process that would allow for necessary adjustments every three years (in 2024 and 2027).

Over the last three years, staff has monitored implementation at the campus level and engaged in a variety of statewide initiatives to advance progress. Over the last several months, CPE staff engaged in a comprehensive review of the statewide strategies and key performance indicators with internal and campus work groups.

PROPOSED REVISIONS

In general, the statewide agenda narrative has been updated to decrease references to the COVID pandemic and update data in the text and infographics. Additionally, verbiage regarding underrepresented students and diversity, equity and inclusion has been updated to conform with new CPE standards. Specifically, “underrepresented minority students” is now “underrepresented students,” and “diversity, equity and inclusion” is now “access, engagement and belonging.”

CPE staff propose the following revisions to the key performance indicators:

- 2030 Target Year - Performance targets will be established for 2030 with a mid-cycle review in 2027.
- 3-Year Average Baseline - To smooth out yearly variance, baselines will be based on a 3-year average.
- First-Time Student Unmet Need Metric- Unmet need targets will be set for each institution as well as for the state.
- Debt at Graduation Added - Total debt at graduation will be added as the primary contextual metric under the “Affordability” priority area.
- Adult Student Subgroups Added – Performance metrics will be disaggregated by adult student populations.
- Technical Changes to FAFSA Completion Metric- FAFSA completion now will be calculated based on the proportion of high school seniors completing the FAFSA, instead of students enrolled in postsecondary institutions.
- Addition of Workforce-Oriented Metrics - New metrics that focus on the return on investment of postsecondary degrees and salary outcomes of low-income graduates will be added.

CPE staff proposes the following revisions to the objectives and strategies:

Affordability, Objective 1

- Remove existing strategy 1c.
- Add new 1c that states, “Work with campuses to reduce unmet financial need and student loan debt among undergraduate students.”
- Add strategy 1d that states, “Monitor the financial health of Kentucky public institutions and their ability to facilitate financial access and student success.”

Affordability, Objective 2

- Amend objective to include the words “the out-of-pocket cost of.”
- Add “financial literacy” to list of resources in strategy 2a for college counselors, teachers and community partners.
- Reword 2d to emphasize the need for increased awareness of FAFSA changes.

Transitions, Objective 3

- Revise strategy 3c to include adult education programs in the list of outreach partners.

Transitions, Objective 4

- Add “increase college-going rates” to the objective.
- Remove the word “minoritized” from strategy 4a and emphasize the three student populations that need increased focus.

Success, Objective 5

- Revise strategy 5c to remove the words “of color” and change “low-income students” to “students with low incomes.”

Success, Objective 6

- Add strategy 6c that states, “Increase opportunities for students to earn credit for prior learning.”

Success, Objective 7

- Revise strategy 7a to specify that the Kentucky Graduate Profile applies to undergraduate programming and call out our intention to increase work-based learning opportunities.
- Remove existing strategy 7b.
- Add a new strategy 7b that states, “Align statewide policies and initiatives to the Kentucky Graduate Profile, including program review and approval processes.”

Talent, Objective 8

- Replace existing objective 8 with the following, “Improve postsecondary education’s responsiveness to and alignment with current and projected workforce demands.”
- Replace existing strategy 8a with, “Engage adult learners, veterans, justice-involved individuals and others in programs designed to fill critical work shortages.”
- Revise strategy 8c to include wording that references the need to strengthen Kentucky’s workforce and economy.

Talent, Objective 9

- Replace objective 9 with the following: “Guide investments in research, training and scholarships to support innovation and growth.”
- Add strategy 9c that states, “Work with policy makers to create innovative solutions to grow Kentucky’s talent pool and alleviate educational barriers to workforce participation.”

Value, Objective 10

- Add the word “transformative” to objective 10.

- Replace strategy 10a with the following, “Implement communications strategies that articulate what postsecondary education is (i.e., it includes short-term technical training, certifications and degrees) and why it’s critically important to individuals and the Commonwealth.”
- Add a new strategy 10b that states, “Leverage partnerships with campuses, state agencies and national partners to amplify messages about the value of postsecondary education and its return on investment.”

Value, Objective 11

- Revise strategy 11a to reference the benefits of higher education instead of its return on investment.



Affordability



Transitions



Success



Equity



Talent



Value

HIGHER EDUCATION Matters

A Statewide Strategic Agenda for Kentucky Postsecondary Education

2022-2030

Revised 2024



KENTUCKY'S PUBLIC POSTSECONDARY SYSTEM

VISION

Kentucky will be a national leader in building a strong, sustainable and equitable economy through increased educational attainment and affordable, high-quality postsecondary programs.

MISSION

Kentucky's postsecondary education system drives innovation, enhances public health and well-being, breaks cycles of generational poverty and improves quality of life by preparing students to be lifelong learners and excel in a diverse, knowledge-based economy.

VALUES

- Access, engagement & belonging
- Transparency & accountability
- Comprehensive student support
- Institutional collaboration
- Quality & excellence
- Affordability & accessibility
- Innovation
- Business & community partnerships



FROM THE PRESIDENT

Aaron Thompson, Ph.D.

In accordance with Kentucky Revised Statute 164.020, we are pleased to present “Higher Education Matters: A Statewide Strategic Agenda for Kentucky Postsecondary Education, 2022-2030.”

This agenda advances a bold vision for increased economic growth and vitality in the Commonwealth through improvements in the education and skill levels of our workforce. It establishes strategic priorities to drive higher education innovation and improvement, and key performance indicators to monitor progress toward an ambitious educational attainment goal - for 60% of working-age Kentuckians to have a high-quality postsecondary credential by the year 2030.

The previous iteration of this agenda, “Stronger by Degrees,” promoted high-impact practices that enabled us to reimagine developmental education and infuse workplace essential skills into select degree programs. “Higher Education Matters” will accelerate the adoption of high-impact practices that further improve teaching and learning, ensure the quality and relevancy of postsecondary credentials and invite non-traditional and historically excluded individuals onto our campuses in greater numbers.

A critical focus of “Higher Education Matters” is creating equitable higher education opportunities for all Kentuckians. We must ensure everyone is provided access to life-changing postsecondary

credentials, as well as the academic, social and emotional supports to succeed. Doing so is both an economic and moral imperative.

This strategic agenda provides a framework that is fixed enough to provide focus and continuity, yet flexible enough to respond to changing conditions. Revisions in 2024 include new key performance indicators to monitor college affordability and return on investment, as well as adjustments to some objectives and strategies to better reflect statewide priorities.



Kentucky will rise or fall based on our collective, united efforts to enable all residents to reach their highest potential.

This plan was not created in a vacuum. It relies on the contributions of many constituencies and committees.

I would be remiss if I did not thank the hundreds of individuals - including CPE board members, higher education leaders, faculty members, students, K-12 educators, legislators, employers and partners - who provided valuable insight and direction throughout the development and revision process.

This is not CPE’s strategic plan; this agenda belongs to each and every one of us. Kentucky will rise or fall based on our collective, united efforts to enable all residents to reach their highest potential. We have a lot of ground to cover, but together we can navigate the path toward a more equitable and prosperous Commonwealth.



INTRODUCTION

Higher Education Matters

Restoring Higher Education's Value Proposition

This strategic agenda for Kentucky postsecondary education is built on a simple, enduring premise: higher education matters to our state and its people.

Higher education empowers individuals to reach their highest potential and achieve personal and professional fulfillment. It improves collective health and well-being, advances knowledge and discovery, ignites innovation and fuels our economy.

Research studies enumerate its benefits to individuals and society. On average, college graduates earn more money, have lower rates of unemployment, enjoy better health, live longer and are more active citizens and volunteers. States with high levels of educational attainment - like Massachusetts, Colorado and Washington - generate higher tax revenues, create more jobs, spend more money on local economies and devote fewer resources to disease, addiction and incarceration.

Despite these findings, the value of college has become a matter of debate. Media stories portray recent college graduates as underemployed and overburdened with debt. These depictions have undermined the public's faith in higher education at a time when a college credential is more important than ever. By the year 2031, 72% of all U.S. jobs will require some postsecondary education or training, according to the Center on Education and the Workforce at Georgetown University. In Kentucky, that percentage is estimated at 63%.

We must restore the value proposition to higher education. Kentucky's future prosperity and quality of life depend on it.

Developing the Agenda

This agenda is Kentucky's plan to create a more inclusive, innovative higher education system that serves students of all ages, backgrounds and beliefs. It reaffirms our goal for 60% of Kentucky adults to have a postsecondary credential by the year 2030, and builds on unprecedented gains in degree production over the last decade.

It responds to the suggestions and concerns of hundreds of Kentuckians - higher education faculty and administrators, K-12 educators, board members, legislators, employers and others - who worked with us on its development. Based on trend analysis, research and stakeholder feedback, this agenda identifies the strategic priorities that will focus our efforts over the next decade, with equity as a cross-cutting priority. They are: affordability, transitions, success, talent and value.

A Framework for Accountability

This agenda includes common objectives that will guide system-wide progress. The statewide strategies will be led by CPE, in conjunction with its partners. Public institutions will implement campus-level strategies to advance this agenda. The strategic agenda will be reviewed and revised every three years.

CPE and campuses will set numeric targets for key performance indicators, which will be reviewed annually. Additional contextual metrics will help us monitor progress and adjust strategies as needed, but targets will not be set.

Kentucky's higher education institutions will pursue these objectives, strategies and targets as one system, united by common challenges and enhanced by individual strengths.

We must restore the value proposition to higher education.



Higher education strengthens the economy, creates wealth, reduces inequality, breaks cycles of generational poverty, improves health and well-being and preserves democracy.



60% of Kentucky's working-age adults (ages 25-64) will have a high-quality postsecondary credential by the year 2030.



KY's 60x30 Goal Our North Star

Progress Toward the Goal

In ancient times, sailors used the North Star as a navigational guide due to its fixed position in the sky. Today, the North Star has come to symbolize any guiding principle or purpose. During prosperity or adversity, it is a steadfast point on which we set our sights.

For Kentucky's postsecondary system, the 60x30 goal is our North Star. The previous strategic agenda, "Stronger by Degrees," established this educational attainment goal back in 2016. With its adoption, Kentucky joined 45 other states and the Lumina Foundation in efforts to raise the education and skill levels of our workforce to meet current and future demands for talent.

Kentucky has made phenomenal progress toward the goal. Between 2010 and 2020, Kentucky's improvement in educational attainment ranked fifth among states, according to Georgetown University's Center on Education and the Workforce. At 55.1% in 2022, Kentucky's attainment rate is fast approaching the national average.

Much of this progress is due to increases in short-term credentials, which include certificates and industry certifications. The state's current short-term credential attainment rate is 15.6%, of which 11.3% are certificates and 4.3% are industry certifications.

Statewide Challenges

However, Kentucky is facing some strong headwinds in the decade to come, which threaten to blow us off course. These include:

- A declining number of high school graduates. Overall, Kentucky's high school graduate cohort size is expected to fall by 3% from 2022 to 2035. Decreases will be much larger in rural areas, which will disproportionately affect enrollment at some comprehensive universities and community and technical colleges. Campuses must increase participation among working-age adults and out-of-state students to maintain current enrollment levels.

- Falling adult enrollments. Undergraduate enrollment among adults 25 and older has fallen more than 40% over the last decade. Kentucky will need aggressive recruitment efforts and redesigned programs and supports to attract adults returning to college or enrolling for the first time.

- Unequal rates of attainment. There are significant disparities in educational attainment linked to race and ethnicity that must be addressed, especially since the state's population is growing more diverse. The percentage of adults with an associate degree or higher in 2022 was 30.3% for Black Kentuckians and 29.8% for Hispanic Kentuckians, compared to 40.1% for White Kentuckians. These gaps must be closed.

Looking Ahead

CPE will provide more detailed projections to monitor progress toward the 60% attainment goal and focus on raising the education and skills levels of our current workforce.

From 2010 to 2020, KY's progress in educational attainment ranked 5th in the nation.



KENTUCKY'S ATTAINMENT GOAL

60% with a postsecondary credential

KY is making progress toward the 60% goal



Percentage of Kentuckians (25-64) with a short-term certificate or higher. 2020 data are not available due to the COVID-19 pandemic.

but attainment gaps must be addressed.



Source: Lumina Foundation. Percentages represent Kentuckians ages 25-64 with an associate degree or higher in 2022. Short-term certificates are not available by race/ethnicity.

STRATEGIC PRIORITIES

Building on previous agendas, “Higher Education Matters” is a blueprint for accelerating change and improvement in Kentucky’s public postsecondary system. The strategic priorities identified in this plan represent our primary issues and top concerns as we face head-on the demographic, economic and technological forces reshaping higher education in Kentucky.





Kentucky will ensure all students have equitable access to postsecondary education and the necessary tools to complete their programs prepared for life and work.



EQUITY

A Cross-Cutting Priority

Statewide Challenges

Since its founding, America has been known as a land of opportunity, where hard work and perseverance lead to prosperity. Yet in reality, our nation has not provided a level playing field for all of its citizens.

Inequities in Kentucky's educational systems have exacerbated disparities in employment, income and health. While 40.1% of White Kentuckians (ages 25-64) have a college degree, only 30.3% of Black Kentuckians and 29.8% of Hispanic Kentuckians do. These opportunity gaps prevent all Kentuckians from reaching their full potential.

Demographers predict that the United States will become a minority-majority nation by the year 2045. Currently, 82.5% of Kentucky residents identify as White; by 2040, that percentage is projected to fall to around 80%. Kentucky's ability to meet our 60x30 attainment goal hinges on enrolling and graduating a more diverse student body, requiring us to create more inclusive, welcoming and supportive educational spaces.

The U.S. will become a minority-majority nation by the year 2045.

Equity Cuts Across all Other Issues

Kentucky can no longer accept an educational system that produces inequitable results for individuals of similar talents, aspirations and abilities. Because of the urgency of this challenge, equity has been identified as a cross-cutting priority of this agenda.

There are no specific statewide objectives and strategies proposed for equity, because equity is a critical component of every strategic priority. As we implement the statewide strategies set forth in this agenda, each action will be examined through an equity lens. Action plans will outline how interventions will be targeted to at-risk and underrepresented students. For every key performance indicator, we will disaggregate results to ensure improvement rates are equitable among targeted student populations.

Through an unwavering focus on access, engagement and belonging, Kentucky's postsecondary system will work to ensure that income, race, ethnicity, religion, sexual orientation, geography, physical or learning disabilities or any other factors are never a barrier to college success.



AFFORDABILITY

A Strategic Priority

Statewide Challenges

Over the last two decades, federal and state disinvestment in public higher education has shifted the majority of college costs to students and their families. In the past, the state of Kentucky subsidized about two-thirds of postsecondary operational costs, with tuition and fees accounting for one-third. Now, this situation is reversed, with one-third of costs supported by state appropriations and two-thirds borne by students.

Consequently, increases in college costs have become a serious burden for many Kentucky families. While the cost of living has steadily increased, real wages have remained flat. Declining amounts of college savings mean student borrowing is at an all-time high. As of 2024, student loan borrowers in the U.S. collectively owed over \$1.7 trillion in federal and private loans, exceeding auto and credit card debt.

At a time when postsecondary education and training are essential to long-term economic security, college is becoming financially inaccessible to our most vulnerable populations. If left unchecked, declines in college access will lead to greater income inequality, making it all but impossible for everyday Kentuckians to get ahead.

Responding to rising concerns from students, parents and elected officials, the Council has elevated college affordability to one of five strategic priorities our public postsecondary system will pursue over the next eight years.

Federal & state disinvestment in public higher education has shifted costs to students.

Systemwide Responses

To this end, the state’s higher education system will build on the success achieved over the last decade to increase college access and affordability.

We will work with elected leaders to increase state funding for postsecondary education and student financial aid, so rising costs are not passed on to students.

We will work to limit increases in tuition and fees, while exploring collaborative purchasing agreements, open educational resources and other efficiency measures to keep ancillary costs in check.

We will work in partnership with P-12 educators, advisors, counselors and other stakeholders to help incoming students understand the complexities of college pricing, and the role of grants, scholarships and responsible borrowing in managing costs. The published cost of attendance stops many students and families in their tracks. Providing greater transparency around out-of-pocket costs will ensure sticker shock does not prevent students from applying.

We also will focus on decreasing the time it takes to earn a credential, since additional semesters mean additional cost. Early postsecondary opportunities and improved advising are strategies that can help students graduate on time.



Kentucky will ensure postsecondary education is affordable for all Kentuckians.



AFFORDABILITY

Objectives, Strategies & KPIs

1. Reduce financial barriers to college enrollment and completion.

- 1a. Work with campuses, state leaders and other stakeholders to increase access to grants and scholarships for students with low and middle incomes.
- 1b. Moderate increases in tuition and mandatory fees at Kentucky's public colleges and universities.
- 1c. Work with campuses to reduce unmet financial need and student loan debt among undergraduate students.
- 1d. Monitor the financial health of Kentucky public institutions and their ability to facilitate financial access and student success.

2. Improve the public's understanding of the out-of-pocket cost of college and how to pay for it.

- 2a. Provide informational resources, financial literacy and advising strategies for counselors, teachers and community partners on paying for college.
- 2b. Coordinate and support efforts to educate Kentuckians about Free Application for Federal Student Aid (FAFSA) changes and increase the number of individuals who complete the application.
- 2c. Establish state-level networks for high school counselors and other college access professionals to share effective practices, build expertise and develop common outreach and messaging for Kentucky students.

Key Performance Indicators and Contextual Metrics

First-time, In-state Student Unmet Need (State and Campus-Level): The total cost of attendance (tuition, fees, room and board, transportation, textbooks and other costs) for an academic year minus Student Aid Index or SAI (formerly Expected Family Contribution or EFC) and all financial aid, excluding loans.

Debt at Graduation (Contextual Metric): The sum of loans taken from the year of first enrollment to the highest undergraduate credential earned.

Time to Degree (Contextual Metric): The average total number of academic years students are enrolled prior to undergraduate degree or credential completion.



COLLEGE IN KENTUCKY

May Cost Less Than You Think

The actual cost of college is less than advertised.

The total estimated cost of college, including tuition, room, board, fees and other expenses

The actual out-of-pocket cost of college once federal, state and institutional grants and scholarships are factored in



Sticker Price



Net Price

2-Yr. Public	\$12,550	\$5,567
4-Yr. Public	\$24,629	\$12,985

This chart reflects median annual amounts for in-state, undergraduate students at Kentucky public institutions. For median amounts by institution, visit KY Students' Right to Know at <https://kystats.ky.gov/Reports/Tableau/KSRTK>

What a typical KY undergraduate owes at graduation:



Graduate of a public community and technical college



\$4,138

Graduate of a public university



\$18,674

Amounts reflect median loan balances for undergraduate students who completed a credential in 2022-23, including students with zero debt. When students with no debt are excluded, these medians rise to \$13,644 at a public community and technical college and \$33,317 at a public university. Source: Council on Postsecondary Education. "Undergraduate Student Debt Levels in Kentucky," April 2024.



Kentucky will ensure more students transition to college prepared to succeed.



TRANSITIONS

A Strategic Priority

Statewide Challenges

Over the decade, the U.S. saw little movement in the percentage of high school seniors enrolling directly in college. Kentucky, on the other hand, experienced a rather steep decline in its immediate college-going rate, falling from nearly 60% in 2015 to 53.3% in 2022.

Systemwide Responses

There are actions higher education can take to help more high school graduates successfully transition to postsecondary programs. We can provide extra and earlier guidance to students and remove tripwires that cause individuals to stumble on the path to college, particularly if they are first-generation or historically underserved by postsecondary institutions. We can simplify bureaucratic and onerous admission processes, for instance, and help demystify financial aid applications like the FAFSA.

The rise of early college experiences in high school show tremendous promise. Dual credit/enrollment, Advanced Placement (AP), International Baccalaureate (IB) and similar programs allow students to earn college credit while still in high school, giving them a jump-start on postsecondary education. The challenge is to expand access to

students of all socioeconomic backgrounds and ability levels, and ensure credits count toward degree requirements and not just as electives.

It is unrealistic to expect high school guidance counselors to help every student navigate the maze of college admission requirements and decisions. With its partners, CPE will advocate for dedicated college coaches and advisors in middle and secondary schools, and create resources that walk students and their parents step-by-step through the planning and application process.

The rise of early college experiences in high school show tremendous promise.

Colleges and universities also must do their part to enroll and retain students through those critical first months.

CPE will work with campuses to increase recruitment of individuals historically excluded or underrepresented in higher education, including working-age adults balancing careers and families. We will streamline and digitize admission processes and materials to the greatest extent possible. Predictive analytics can help pinpoint at-risk students and better target intervention strategies.

Such actions will go a long way toward creating smoother educational transitions, from cradle to career.



TRANSITIONS

Objectives, Strategies & KPIs

3. Increase students' readiness to enter postsecondary education.

- 3a. Expand access to high-quality, early postsecondary opportunities.
- 3b. Develop digital resources to help students explore career interests and college options.
- 3c. Partner with public P-12 schools, adult education programs and postsecondary institutions to provide outreach to prospective students that helps them prepare and plan for college.

4. Increase college-going rates and enrollment in postsecondary education.

- 4a. Enhance college recruitment strategies through partnerships with postsecondary institutions and other stakeholders, with attention to students who are adult, underrepresented or have low incomes.
- 4b. Work with education providers to streamline and simplify postsecondary admission processes.

Key Performance Indicators and Contextual Metrics

Undergraduate Enrollment (State & Campus-Level): Total unduplicated number of students who enroll in an undergraduate program in an academic year, either full-time or part-time.

Immediate College-Going Rate (State-Level): Percent of recent Kentucky high school graduates who attend any in-state or out-of-state postsecondary institution in the summer, fall or spring following high school graduation.

FAFSA Completion (Contextual Metric): Percent of high school seniors who complete the FAFSA in an academic year.



IMPROVING COLLEGE ACCESS

Strengthening P-12 to College Transitions

Kentucky must increase its immediate college-going rate.



47.0%

College-going rate of Hispanic students in Kentucky in 2022.



46.1%

College-going rate of Black students in Kentucky in 2022.

Percentage of KY high school students who enroll directly in an in-state or out-of-state public or private college the fall or spring following graduation.

Source: KY Center for Statistics (KYSTATS)

These statewide initiatives will help.



- A federal grant program administered by CPE
- Provides early college awareness & readiness
- Serves thousands of K-12 and college students in low-income schools across Kentucky
- Teaches students how to plan, apply and pay for college
- Follows students from middle school through their first year of college
- Offers mentoring and support



Commonwealth Education Continuum

- Collaboration of CPE, KDE, KHEAA and the Education & Workforce Development Cabinet
- Recommendations for more equitable early college experiences
- Strategies for improved college & career readiness
- Diversification of teaching & advising corps



SUCCESS

A Strategic Priority

Statewide Successes & Challenges

Kentucky's colleges and universities made impressive gains in retention and completion over the last decade. The six-year graduation rate rose from 48.9% to 59.9% at public universities, while the three-year graduation rate at KCTCS jumped from 23.4% to 41.2%.

However, while institutions are narrowing completion gaps at a historic pace, more progress is needed to close them. The six-year graduation rate of minority students currently stands at 45.9%, while the three-year minority graduation rate is 31.8%.

Increasing degree production for everyone is an overriding concern of this agenda, but we are not prioritizing quantity over quality. High-quality credentials equip students to thrive in a rapidly evolving world that demands critical thinking, ingenuity, flexibility and teamwork. From certificates to doctorates, we must ensure students master the content, skills and mindsets necessary for future success and fulfillment. The challenge is producing quality credentials at a pace commensurate with our overarching attainment goal.

Systemwide Responses

In the years ahead, Kentucky higher education will double down on the widespread adoption of high-impact practices that research has proven to be effective. CPE launched the Kentucky Student Success Collaborative, a one-of-a-kind center dedicated to the advancement of

innovative strategies and best practices. This entity will increase our capacity to engage and unite campuses in more sustained, comprehensive improvement efforts.

We will continue to improve transfer from two-year to four-year institutions by helping students and practitioners understand how credits apply to specific degree programs across the state. We will promote credit for prior learning and accelerated programs to make our institutions friendlier for working-age adults, an underserved market that is critical to creating a more competitive workforce and reaching our 60x30 goal.

The system will not prioritize the quantity of credentials over quality.

Just as technology is revolutionizing the way we work, it is also transforming teaching and learning. Artificial intelligence, global online collaborations and personalized learning software are only the beginning. Combined with face-to-face instruction, technology can accelerate and deepen learning in profound ways. But we cannot harness this powerful tool if educators lack training and resources, or if broadband access is not universally accessible and affordable.

Finally, we intend to make internships, apprenticeships, service and other forms of work-based learning the rule rather than the exception. Students should be able to connect classroom learning to the world of work and articulate these connections to employers. More robust employer partnerships will increase the relevance and responsiveness of academic programs and ensure students are able to secure meaningful employment in their field of study.



Kentucky will ensure more students earn high-quality degrees and credentials.



SUCCESS

Objectives, Strategies & KPIs

5. Increase persistence in and timely completion of postsecondary programs.

- 5a. Share, implement and evaluate emerging, promising and proven practices supporting student success and college completion.
- 5b. Identify and promote efforts to ensure “on-time” program completion.
- 5c. Work with campuses and other state and national partners to close opportunity and success gaps for historically underserved students and students with low incomes.
- 5d. Work with education providers to limit barriers to enrollment and completion for adult learners and other students balancing the competing demands of work, life, family and school.

6. Maximize transfer of academic and experiential credit.

- 6a. Work with campuses to reduce barriers that prevent the seamless transfer of credit.
- 6b. Lead statewide efforts to increase transfer opportunities and program pathways.
- 6c. Increase opportunities for students to earn credit for prior learning.

7. Ensure academic offerings are high-quality, relevant and inclusive.

- 7a. Work with campuses to increase work-based learning opportunities and ensure the essential competencies and outcomes outlined in the Kentucky Graduate Profile are embedded in undergraduate programming.
- 7b. Align statewide policies and initiatives to the Kentucky Graduate Profile, including program review and approval processes.

Key Performance Indicators

Undergraduate Degrees and Credentials (State & Campus-Level): Total degrees and credentials awarded by public universities and KCTCS institutions.

150% Graduation Rate (State & Campus-Level): The percent of first-time, full-time credential-seeking students receiving a bachelor’s degree within 6 years at public universities, or an associate degree or credential within 3 years at KCTCS from their starting institution.

2-Year to 4-Year Transfer (Sector Level): Percent of first-time, full-time credential-seeking students entering KCTCS in the fall who transfer to any in-state, 4-year public institution within 3 years of entry.

Retention Rate (State and Campus-Level): Percent of first-time, credential-seeking students enrolled in the summer or fall who return to the same institution the following fall.



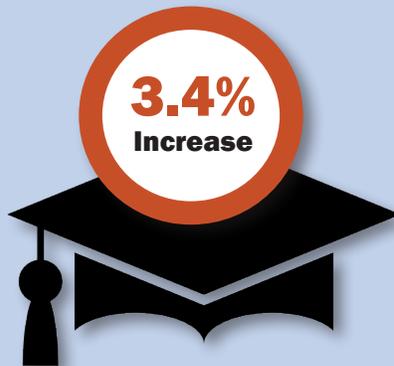
ACCELERATING SUCCESS

Building on a Decade of Credential Growth

Undergraduate Credential Growth Over the Last Decade:



In Certificates, Diplomas & Associate Degrees Awarded by KCTCS



In Bachelor's Degrees Awarded by Public Universities



In Graduate Degrees Awarded by Public Universities

The Kentucky Student Success Collaborative

To accelerate meaningful transformation around student success, CPE launched the KYSSC, a first-of-its-kind statewide program supporting greater degree completion and successful career transitions. KYSSC offers its higher education partners the following resources and assistance:

Professional Development

Virtual and online assistance based on campus priorities.

Communities of Practice

Collaboration and resource sharing around common challenges and opportunities.

Resource & Knowledge Hub

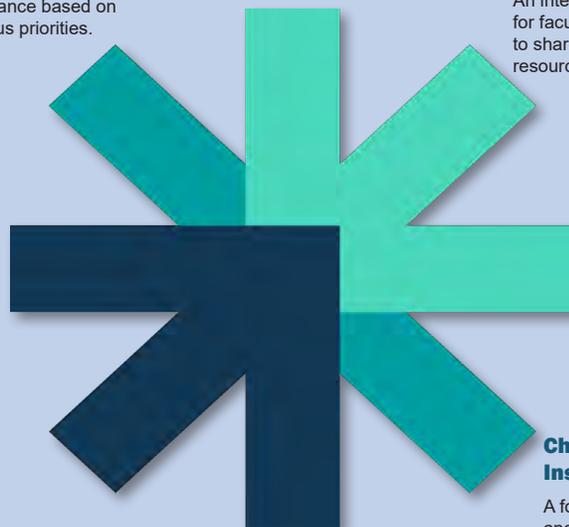
An interactive, online platform for faculty and practitioners to share experiences and resources.

Technical Assistance

Guidance from national organizations and thought leaders on issues and challenges.

Change Leadership Institute

A forum for faculty, staff, and administrators to build capacity for growth and innovation.



<https://kystudentsuccess.org>



Kentucky will increase talent and innovation to support our communities, employers and economy.



TALENT

A Strategic Priority

Statewide Challenges

A primary purpose of postsecondary education is to produce adaptive, highly skilled workers to fuel the economy. As noted by the Center on Education and the Workforce at Georgetown University, nearly three out of four jobs in the U.S. will require postsecondary experience by the year 2031.

A 2021 report by the Kentucky Chamber of Commerce estimates that the state has 90,000 to 100,000 job openings in any given month, and 65% to 85% of these vacancies require training, credentialing or degrees beyond high school. Data from the Chamber's Talent Pipeline Management (TPM) program show that only 30% of the state's jobs require a high school diploma or less, corroborating this finding.

At 57.9%, Kentucky currently has one of the lowest workforce participation rates in the nation. Poor health, substance use disorders and childcare shortages are partly to blame, but the lack of requisite skills and credentials, especially in Appalachian counties, is a large and growing part of the problem. The lack of active, skilled workers limits Kentucky's economic growth and expansion, increases spending on public assistance programs and reduces state tax revenues.

**65% to 85%
of Kentucky
job openings
require training
beyond high
school.**

Systemwide Responses

Kentucky must expand postsecondary access to undereducated, working-age adults to fill critical work shortages in healthcare, STEM fields, early childhood development and other high-demand areas. Work-based education opportunities, tuition assistance and public-private partnerships can put adults to work while they gain valuable credentials that move them up the career ladder.

Endless debates pitting technical training against liberal arts education miss the larger point: today's graduates need both. We must ensure liberal arts graduates gain technical and vocational proficiencies, just as students pursuing technical and vocational credentials gain exposure to the humanities and liberal arts.

Besides talent production, higher education institutions drive economic development through basic and applied research and business services. Innovations originating in laboratories are driven to the marketplace, spawning new companies and creating products and processes that improve our lives. To maximize economic development, these efforts should be aligned with the state's emerging and existing industries.

Finally, Kentucky's postsecondary system will continue its mission of regional stewardship by working with community partners to exchange knowledge and expertise for the mutual benefit of the Commonwealth.



TALENT

Objectives, Strategies & KPIs

8. Improve postsecondary education's responsiveness to and alignment with current and projected workforce demands.

- 8a. Engage adult learners, veterans, justice-involved individuals and others in programs designed to fill critical work shortages.
- 8b. Work with colleges and universities to strengthen campus-based career advising and development.
- 8c. Facilitate meaningful partnerships among employers, community partners and education providers to improve career outcomes for postsecondary graduates and strengthen Kentucky's workforce and economy.

9. Guide investments in research, training and scholarships to support innovation and growth.

- 9a. Identify high-growth, high-demand and high-wage industries by region and target postsecondary programs for increased enrollment in those areas.
- 9b. Encourage targeted research, the development of signature academic programs and expanded community engagement supporting Kentucky's high-need workforce areas.
- 9c. Work with state policy makers to create innovative solutions to grow Kentucky's talent pool and alleviate barriers to workforce participation

Key Performance Indicators and Contextual Metrics

Graduate and Professional Degrees (State & Campus-Level): Total number of graduate/professional degrees awarded in an academic year.

Statewide Educational Attainment Goal (State-Level): Percent of Kentuckians ages 25-64 with a postsecondary credential (certificate or higher).

Graduates Working or Pursuing More Education (Contextual Metric): Percent of certificate, associate and bachelor's degree graduates working in Kentucky or pursuing additional education one year following graduation.

Institutional Degree Premium (Contextual Metric): Average wage of in-state postsecondary graduates by degree level compared to the state median.



WORK-READY GRADUATES

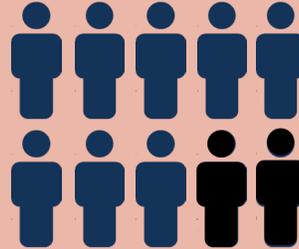
Producing Talent for Kentucky Employers



Only **48%** of Kentuckians have skills training beyond high school, which **65%-85%** of jobs require.

Source: KY Chamber of Commerce, "20 Years in the Making: Kentucky's Workforce Crisis." September 2021.

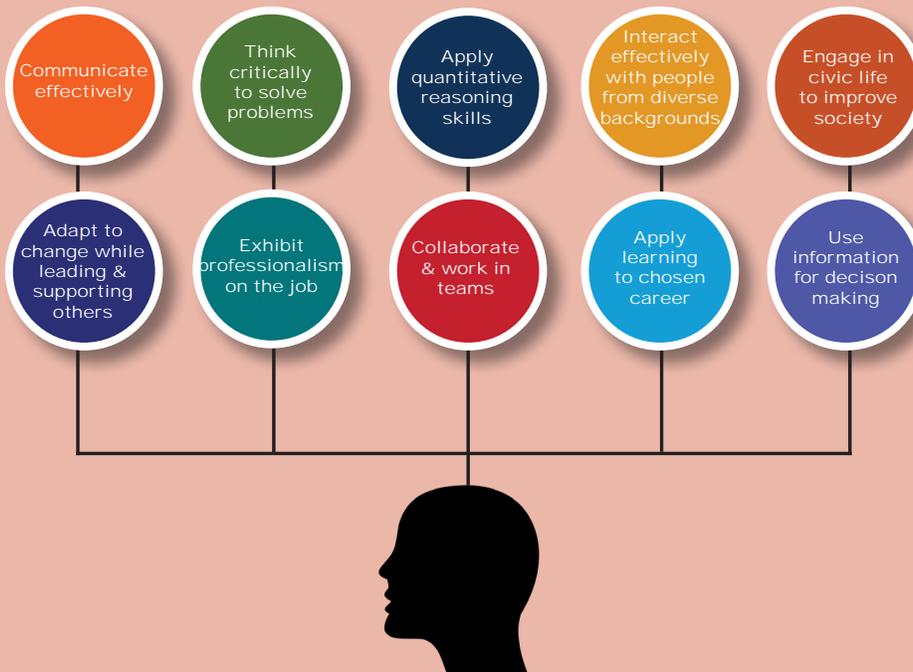
8 out of 10



Kentucky businesses have trouble finding workers with the right skills.

Source: 2017 study conducted by Talent Pipeline Management, a statewide initiative of the Kentucky Chamber of Commerce.

Kentucky Graduate Profile



In partnership with Kentucky campuses, CPE identified 10 essential skills that employers expect in college graduates. CPE is working with campuses to integrate these competencies into their curricular and co-curricular offerings.



VALUE

A Strategic Priority

The Perceived Value of College

Increasingly, Americans are questioning the value of higher education. The extent of this skepticism varies according to socioeconomic status, political party affiliation, geographic region and other factors.

When Gallup first polled Americans about their faith in higher education in 2015, 57% had a great deal or quite a lot of confidence in higher education, while 10% had little or no confidence. By 2024, these percentages were nearly evenly divided, with 36% reporting a great deal or quite a lot of confidence in higher education, and 32% reporting little or no confidence.

The Actual Value of College

Research show that negative beliefs about the value of college are based more on feeling than fact. College's return on investment in strict financial terms depends on how much you paid for your degree and the marketability of your chosen field. Some students reap greater financial rewards than others. But to promote the belief that college is no longer a wise investment is a grave disservice to parents and students everywhere. While a college credential does not guarantee economic security, the lack of a credential most certainly limits earning potential and perpetuates generational poverty in our communities.

In September 2021, CPE released a study showing that among Kentucky's high school class of 2011, postsecondary graduates were earning substantially more money than high school graduates by 2019, despite fewer years of full-time work. The typical community college or university graduate recouped their higher education investment in about three to five years, depending on the credential earned.

A worker with a bachelor's degree makes \$1.2M more than a high school graduate over a lifetime.

Over a 30-year career, bachelor's degree graduates in Kentucky make about \$1.2 million more than high school graduates, while those with associate degrees make over half a million more.

Systemwide Responses

The Council on Postsecondary Education regularly disseminates communications and public awareness materials to counteract negative opinions about the value of college. We educate students about the benefits of a college credential, and inform policy makers about how higher education increases tax revenue, decreases unemployment and public assistance expenditures, improves health outcomes and produces a myriad of benefits that can't easily be quantified, like increased volunteerism and voting.

Part of this effort is helping Kentuckians understand that college is not only a four-year, residential undergraduate degree. There are a multitude of college options in our state, many technical in nature, that allow students to pursue careers in the skilled trades, ranging from short-term certificates to applied associate degrees.

It is our hope that increasing higher education's value proposition will lead to greater investment from both the General Assembly and the private sector. More profoundly, it will restore our belief in higher education's ability to put Americans on a path to future prosperity and fulfillment.



Kentucky will improve public understanding that postsecondary education is key to greater opportunity and economic growth.



VALUE

Objectives, Strategies & KPIs

10. Increase the public's belief in the transformative power of postsecondary education.

10a. Implement communications strategies that articulate what postsecondary education is (i.e., it includes short-term technical training, certifications and degrees) and why it's critically important to individuals and the Commonwealth.

10b. Leverage partnerships with campuses, state agencies and national partners to amplify messages about postsecondary education's value and return on investment.

11. Build support for greater investment in postsecondary education.

11a. Communicate the benefits of higher education and the need for increased state and federal support.

11b. Seek funding from foundations and other external sources to support Strategic Agenda priorities.

Contextual Performance Metrics

State General Fund Appropriations: Percent change in net general fund appropriations for full-time equivalent students, excluding state financial aid or state monies for debt service.

Economic Mobility: Proportion of low-income students who are earning salaries above the 50th percentile of Kentucky wages within three years of graduation.



HIGHER EDUCATION MATTERS

College-Educated Citizens Build a Better Kentucky

College Benefits Individuals & Society



Earnings

College graduates earn more and are less likely to rely on public assistance.



Health

College graduates are more likely to be insured, exercise and enjoy better health.



Civic Responsibility

College graduates are more likely to vote, donate to charity and be civically engaged.



Literacy

College graduates are more likely to read to their children and be supportive of their education overall.



Employment

College graduates are more likely to find jobs and stay employed, even in a down economy.



Economy

The state gains more from college graduates through higher earnings and less dependence on public assistance.



ACKNOWLEDGEMENTS

CPE thanks the following individuals for their contributions to this Strategic Agenda in 2022:

Academic & Strategic Initiatives Committee

Lori Harper, Chair
Muhammad Babar
Colby Birkes
Karyn Hoover
Lucas Mentzer
Richard Nelson
Vidya Ravichandran
Robert Staat
Kevin Weaver

CPE Staff to ASI Committee

Heather Faesy
Lee Nimocks
Melissa Young

Campus Advisory Committee

Courtney Andrews, MoSU
Bonita Brown, NKU
Alicia Crouch, KCTCS
Mason Dyer, AIKCU
Renee Fister, MuSU
Bob Goldstein, UL
Tuesdi Helbig, WKU
Katherine McCormick, UK
Beverly Schneller, KSU
Tanlee Wasson, EKU

CPE Board (upon adoption on 11/5/21)

Lucas Mentzer, Chair
Muhammad Babar
Ronald Beal
Colby Birkes
Kellie Ellis
Eric Farris
Lori Harper
Karyn Hoover
Richard Nelson
Vidya Ravichandran
Madison Silvert
Elaine Walker
Kevin Weaver
Carol Wright
Jason Glass (ex officio)

Thanks to Stefanie Ashley & Sarah Gilbert, ECU Facilitation Center, for leading focus groups & conducting executive interviews in 2022 with:

Elected & State Officials

Jacqueline Coleman, Lt. Governor
Jason Glass, Commissioner of Education
Regina Huff, State Representative
Robert Stivers, Senate President
James Tipton, State Representative

Stephen Pruitt, Southern Regional Education Board
Yolanda Watson Spiva, Complete College America
Henry Stoeber, Association of Governing Boards
Belle Whelan, Southern Association of Colleges & Schools
Amanda Winters, National Governors Association

National Organizations

Jeremy Anderson, Education Commission of the States
Rob Anderson, State Higher Education Executive Officers
Thomas Brock, Community College Research Center
Alex Chough, National Council for Community & Education Partnerships
Michael Collins, Jobs for the Future
Kim Cook, National College Attainment Network
Matt Gandal, Education Strategy Group
Debra Humphreys, Lumina Foundation
Rebecca Martin, National Association of System Heads

University & College Presidents

Neeli Bendapudi, University of Louisville
Christopher Brown, Kentucky State University
Tim Caboni, Western Kentucky University
Eli Capilouto, University of Kentucky
Paul Czarapata, KCTCS
Robert Jackson, Murray State University
David McFaddin, Eastern Kentucky University
Jay Morgan, Morehead State University
OJ Oleka, Association of Independent KY Colleges & Universities
Ashish Vaidya, Northern Kentucky University



ACKNOWLEDGEMENTS

Thanks to all 2022 focus group participants:

Focus Groups On Issues

- Diversity, Equity & Inclusion
- College Affordability
- Transitioning from Postsecondary Education to the Workforce
- Engaging the Adult Learner
- Stronger Partnerships between P-12 and Postsecondary Education

2022 Focus Groups with Standing Committees

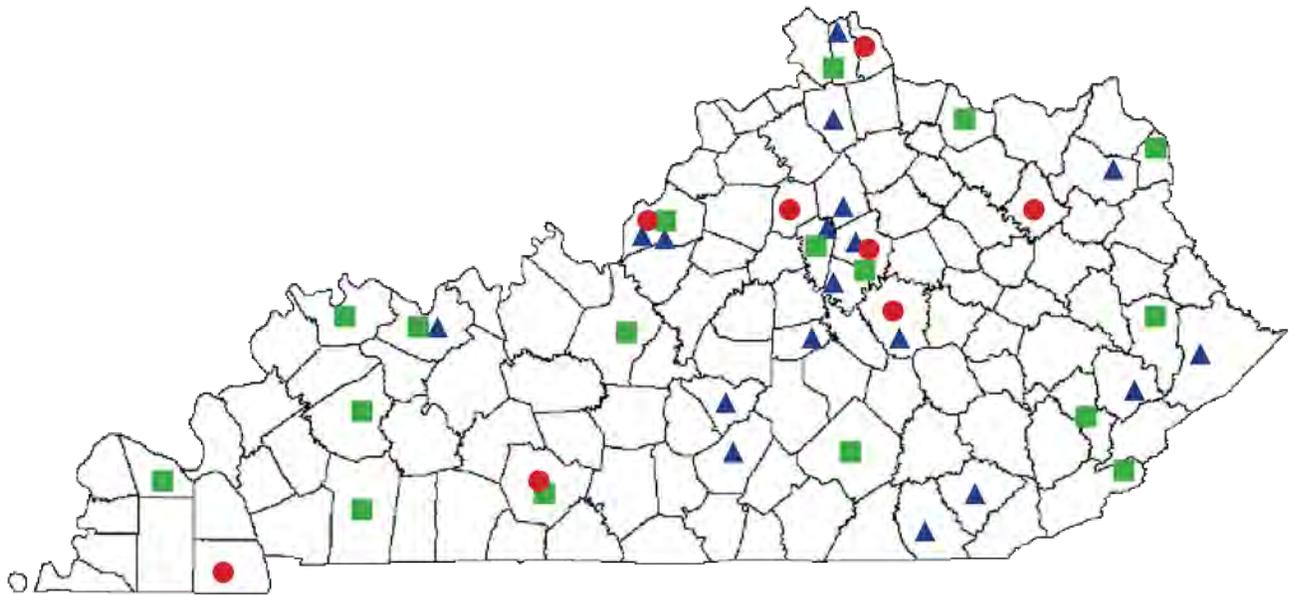
- **Student Advisory Group:** Eyouel Mehonnen, ECU; Aaron Nethery, MuSU; Abigail Stewart, UofL; Gregory Wieland, NKU; Emily Wiley, MoSU; Noah Young, UofL
- **Chief Business Officers:** Elizabeth Baker, UK; Buddy Combs, KCTCS; Jackie Dudley, MuSU; Mary Fister-Tucker, MoSU; Wendell Followell, KCTCS; Rick Graycerec, UofL; Ryan Green, ECU; Mike Hales, NKU; Brendan LeHane, KCTCS; Teresa Lindgren, MoSU; Shannon Means, UK
- **Chief Academic Officers:** Scott Cook, MCC; Laurie Couch, MoSU; Lori Gonzalez, UofL; Rob Hale, WKU; Larry Holloway, UK; Ashley Ireland, MuSU; Abdou Ndoye, NKU; Robert Pervine, MuSU; Jerry Pogatshnik, ECU; Greg Russell, MoSU; Beverly Schneller, KSU; Cheryl Stevens, WKU; Tim Todd, MuSU; Reneau Waggoner, HCC; Jennifer Wies, ECU; Beth Wiley, UofL; Kris Williams, KCTCS; Sara Ziegler, ECU
- **CPE Executive Leadership Team:** Melissa Bell, Amanda Ellis, Jennifer Fraker, Lee Nimocks, Bill Payne, Travis Powell, Rick Smith, Aaron Thompson
- **CPE Senior Leadership Team:** Bruce Brooks, Leslie Brown, Ilona Burdette, Cody Davidson, Wayne Fielder, Jevonda Keith, Sarah Levy, Stephanie Mayberry, Shaun McKiernan, Travis Muncie, Dawn Offutt, Sue Patrick, Missy Ross, Kim Welch, Melissa Young

Thanks to the following groups who assisted with the Strategic Agenda 2024 revision:

- **CPE Academic and Strategic Initiatives Committee:** Kellie Ellis, Meredith Figg, Sean Garber, Karyn Hoover, LaDonna Rogers, Kevin Weaver
- **Campus Representatives:** Bethany Miller, ECU; Wendy Dixie, KSU; Jill Ratliff, MoSU; Dedrick Brooks, Renee Fister, and Alyssa Spencer, MuSu; Holly Chason and Amy Ishmael, NKU; Todd Brann, Angie Martin and Chris Thuringer, UK; Robert Goldstein and Becky Patterson, UofL; Tuesdi Helbig and Jessica Spears, WKU; Alicia Crouch, Alan Lawson and Steve Popple, KCTCS
- **CPE Internal Work Group:** Tony Bartley, Melissa Bell, Adam Blevins, Bruce Brooks, Shelia Brothers, Leslie Brown, Beth Ann Collins, Sterling Crayton, Amanda Ellis, Heather Faesy, Gabrielle Gayheart, Leah Halliday, Robin Hebert, Mitzi Holland, Mary Jackson, Ryan Kaffenberger, Chris Ledford, Lily Massa-McKinley, Michaela Mineer, Blake Nantz, Laura Negron, Lee Nimocks, Kelli Norman, Dawn Offut, Bill Payne, Jessica Romious, Missy Ross, Leslie Sizemore, Janna Vice, Trinity Walsh, Kim Welch, Carl Wilson, Melissa Young



KENTUCKY CAMPUSES



● Public Universities

Eastern Kentucky University
 Kentucky State University
 Morehead State University
 Murray State University
 Northern Kentucky University
 University of Kentucky
 University of Louisville
 Western Kentucky University

■ Kentucky Community & Technical College System

Ashland Community & Technical College
 Big Sandy Community & Technical College
 Bluegrass Community & Technical College
 Elizabethtown Community & Technical College
 Gateway Community & Technical College
 Hazard Community & Technical College
 Henderson Community College
 Hopkinsville Community College
 Jefferson Community & Technical College
 Madisonville Community College
 Maysville Community & Technical College
 Owensboro Community & Technical College
 Somerset Community College
 Southcentral Kentucky Community & Technical College
 Southeast Kentucky Community & Technical College
 West Kentucky Community & Technical College
 KCTCS System Office Headquarters

▲ Association of Independent Kentucky Colleges and Universities

Alice Lloyd College
 Asbury University
 Bellarmine University
 Berea College
 Brescia University
 Campbellsville University
 Centre College

Georgetown College
 Kentucky Christian University
 Kentucky Wesleyan College
 Lindsey Wilson College
 Midway University
 Spalding University
 Thomas More University

Transylvania University
 Union College
 University of Pikeville
 University of the Cumberlands



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cpe.ky.gov

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Revised November 2024

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TITLE: 2024 Fall Preliminary Enrollment

DESCRIPTION: The Academic and Strategic Initiatives Committee received an update on the preliminary enrollment numbers for Kentucky’s public institutions for the fall of 2024.

STAFF CONTACTS: Chris Ledford, Director of Data and Advanced Analytics
Annalise Hale, Intern for Data and Advanced Analytics

COMMITTEE’S REVIEW

The Academic and Strategic Initiatives Committee received this information update at their November 15, 2024, meeting. It will not be covered or presented in detail at the board meeting; however, staff will be available for questions. Slides covered during the meeting have been included for review.

SUPPORTING INFORMATION

CPE staff provided an update on the preliminary enrollment numbers at the meeting, and a final report will release in the coming months.

Overall, enrollment data show impressive growth in undergraduate enrollment across sectors, including record numbers for first-time, underrepresented, and dual credit enrollment over the past decade. Fall 2024 also marks a consecutive year of growth for credential-seeking and adult enrollment, both of which were declining until last fall.

Fall 2024 Preliminary Enrollment

Annalise Hale

Intern, Data and Advanced Analytics

Kentucky Council on Postsecondary Education

Chris Ledford

Director, Data and Advanced Analytics

Kentucky Council on Postsecondary Education

Summary



Preliminary enrollment over the decade:

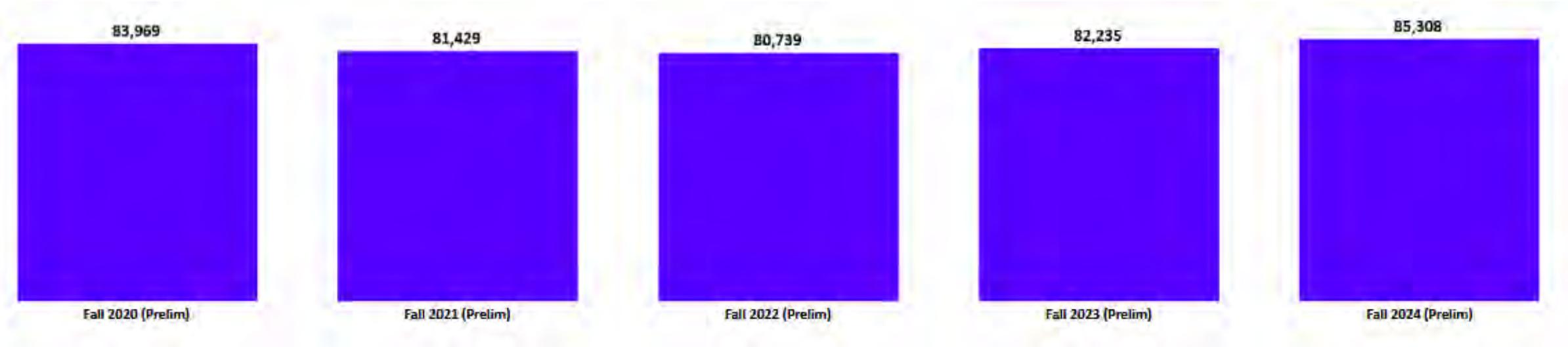
- Fall 2023 and Fall 2024 mark consecutive (and the only) years of credential-seeking enrollment growth.
- Fall 2023 and Fall 2024 mark consecutive (and the only) years of adult enrollment growth.
- Record first-time cohort.
- Record URM enrollment.
- Record dual credit enrollment.

Four-Year Publics

Credential-Seeking Undergraduate

Fall 2023	Fall 2024	
Enrollment Count	Enrollment Count	% Change
82,235	85,308	3.7%

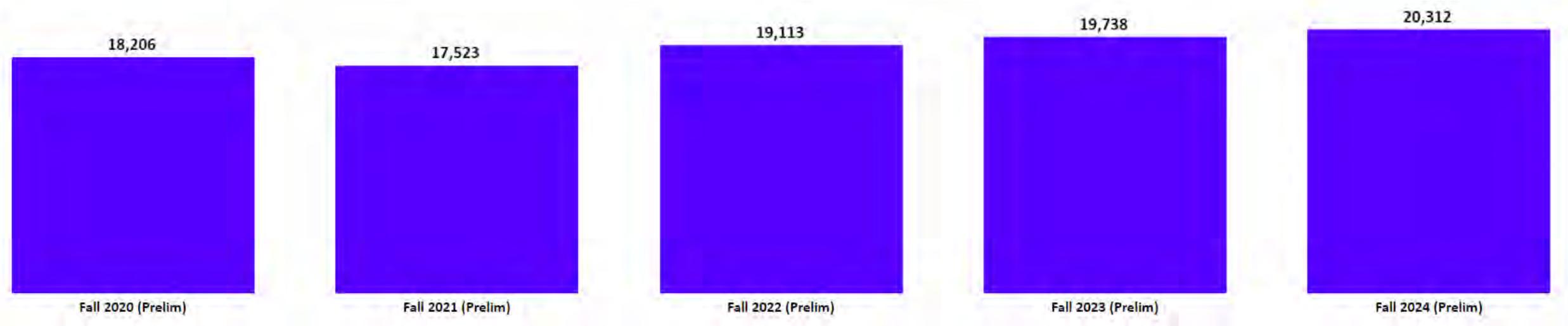
Fall 2020	Fall 2024	
Enrollment Count	Enrollment Count	% Change
83,969	85,308	1.6%



First-Time Undergraduate

Fall 2023	Fall 2024	
Enrollment Count	Enrollment Count	% Change
19,738	20,312	2.9%

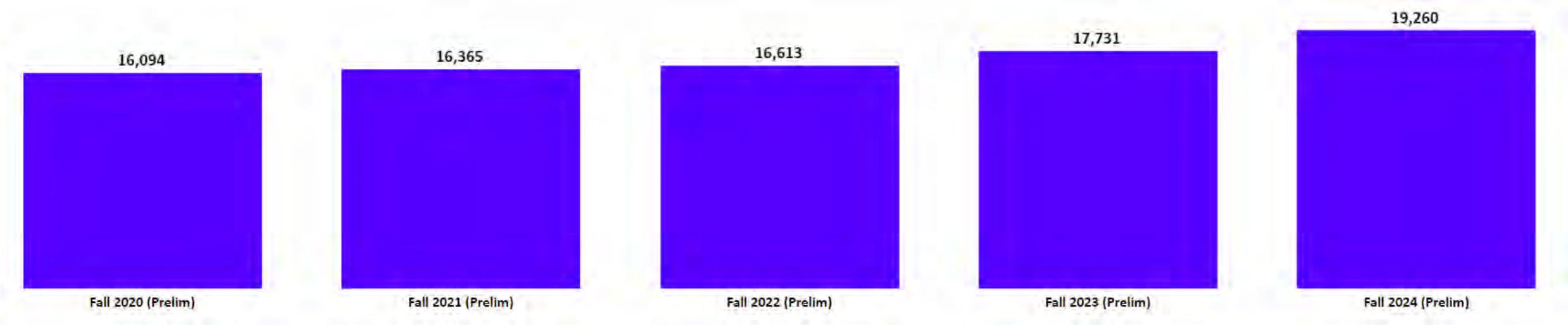
Fall 2020	Fall 2024	
Enrollment Count	Enrollment Count	% Change
18,206	20,312	11.6%



Underrepresented Minority (URM) Undergraduate

Fall 2023	Fall 2024	
Enrollment Count	Enrollment Count	% Change
17,731	19,260	8.6%

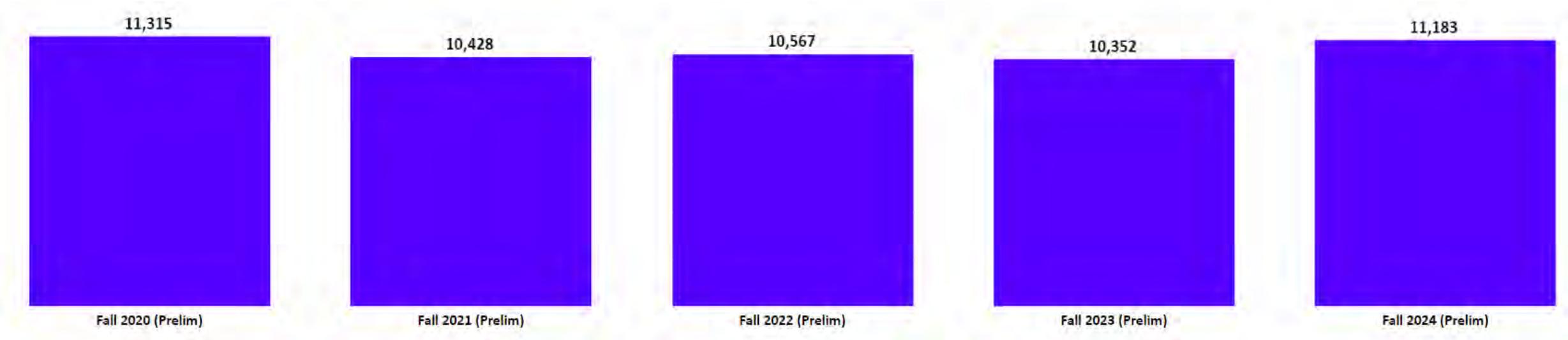
Fall 2020	Fall 2024	
Enrollment Count	Enrollment Count	% Change
16,094	19,260	19.7%



Adult (Ages 25-64) Undergraduate

Fall 2023	Fall 2024	
Enrollment Count	Enrollment Count	% Change
10,352	11,183	8.0%

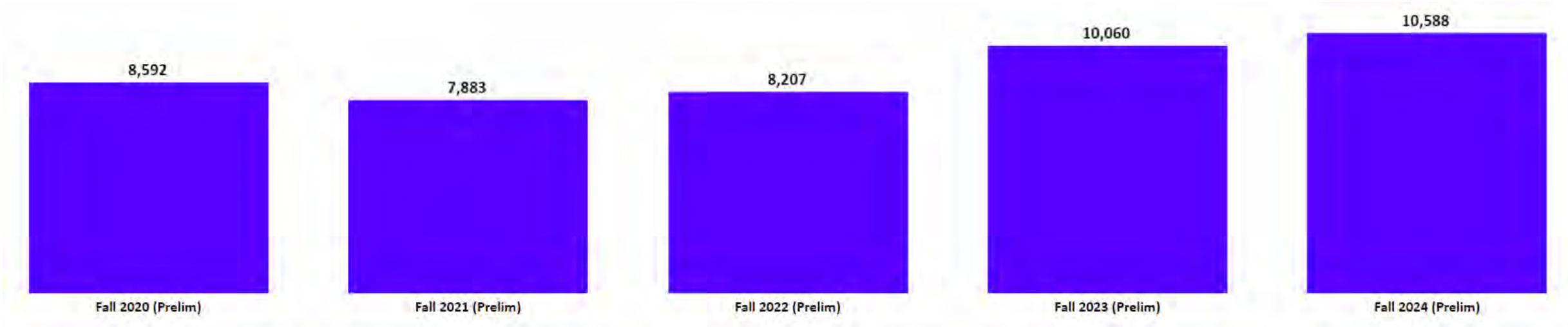
Fall 2020	Fall 2024	
Enrollment Count	Enrollment Count	% Change
11,315	11,183	-1.2%



Dual Credit

Fall 2023	Fall 2024	
Enrollment Count	Enrollment Count	% Change
10,060	10,588	5.3%

Fall 2020	Fall 2024	
Enrollment Count	Enrollment Count	% Change
8,592	10,588	23.2%

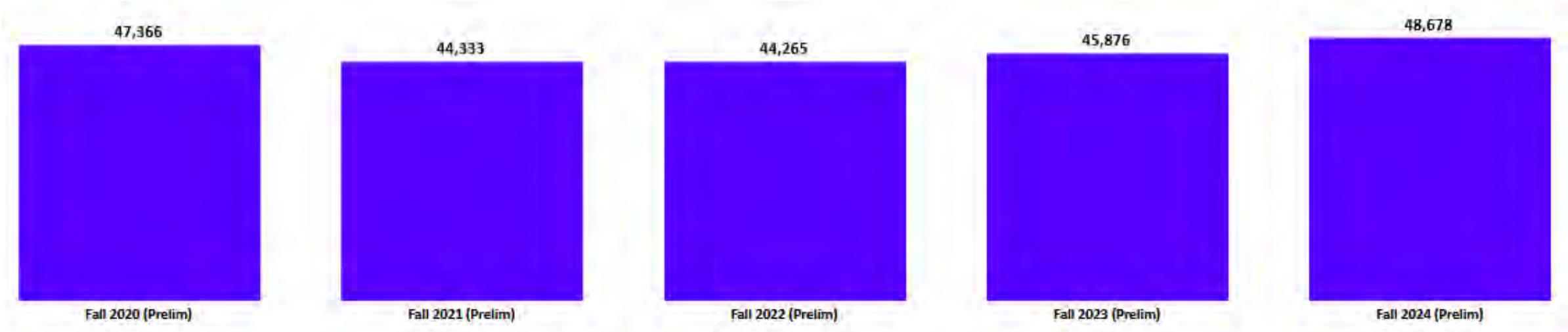


2-Year Publics

Credential-Seeking Undergraduate

Fall 2023	Fall 2024	
Enrollment Count	Enrollment Count	% Change
45,876	48,678	6.1%

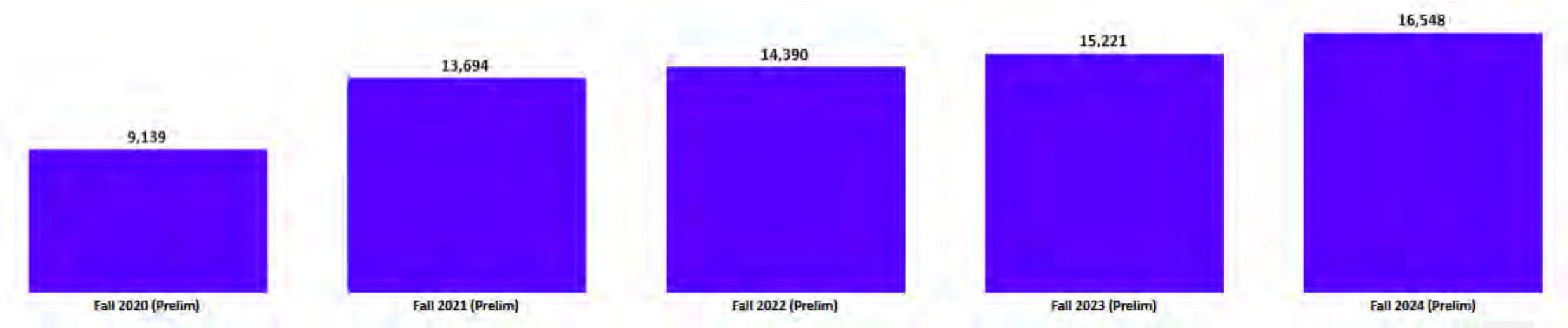
Fall 2020	Fall 2024	
Enrollment Count	Enrollment Count	% Change
47,366	48,678	2.8%



First-Time Undergraduate

Fall 2023	Fall 2024	
Enrollment Count	Enrollment Count	% Change
15,221	16,548	8.7%

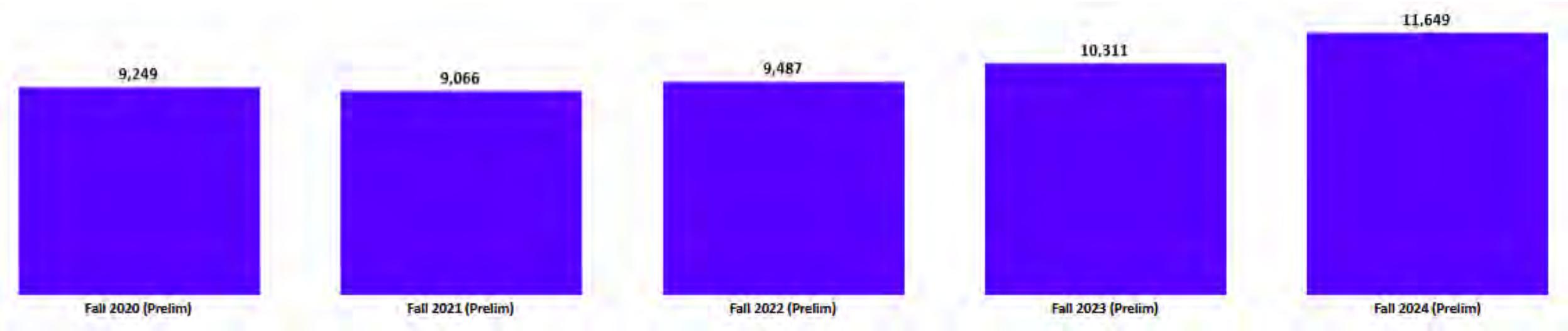
Fall 2020	Fall 2024	
Enrollment Count	Enrollment Count	% Change
9,139	16,548	81.1%



Underrepresented Minority (URM) Undergraduate

Fall 2023	Fall 2024	
Enrollment Count	Enrollment Count	% Change
10,311	11,649	13.0%

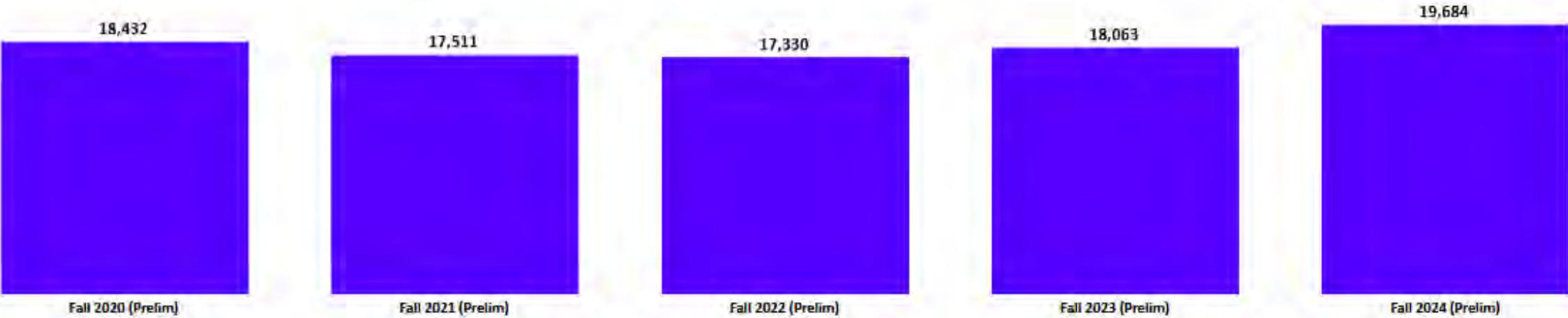
Fall 2020	Fall 2024	
Enrollment Count	Enrollment Count	% Change
9,249	11,649	25.9%



Adults (Ages 25-64) Undergraduate

Fall 2023	Fall 2024	
Enrollment Count	Enrollment Count	% Change
18,063	19,684	9.0%

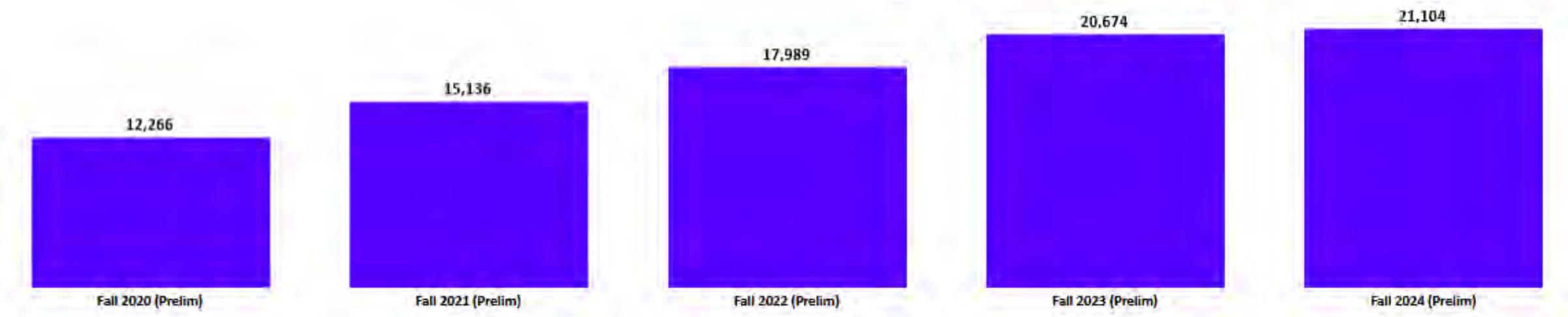
Fall 2020	Fall 2024	
Enrollment Count	Enrollment Count	% Change
18,432	19,684	6.8%



Dual Credit

Fall 2023	Fall 2024	
Enrollment Count	Enrollment Count	% Change
20,674	21,104	2.1%

Fall 2020	Fall 2024	
Enrollment Count	Enrollment Count	% Change
12,266	21,104	72.1%



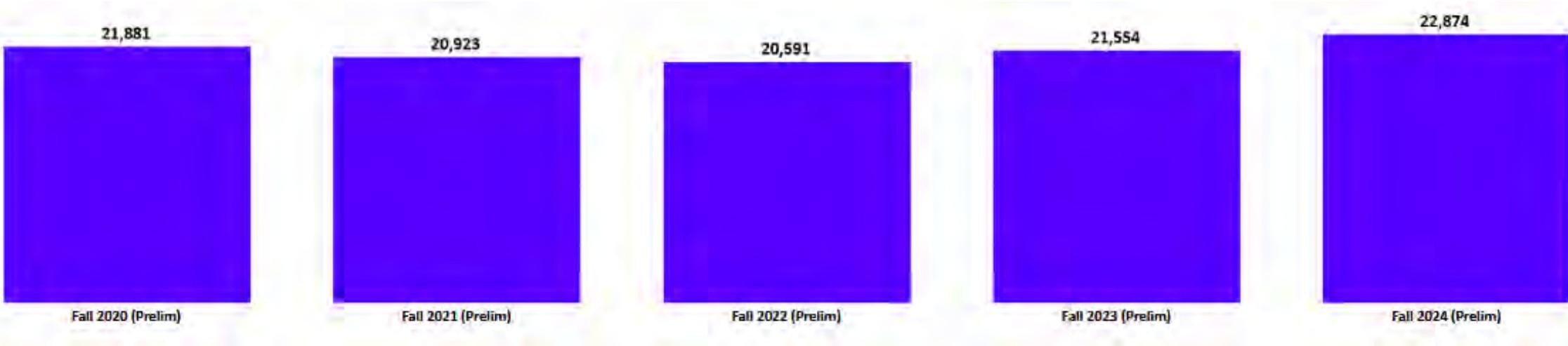
AIKCU

Note: *Campbellsville and Centre removed. Awaiting corrected files.*

Credential-Seeking Undergraduate

Fall 2023	Fall 2024	
Enrollment Count	Enrollment Count	% Change
21,554	22,874	6.1%

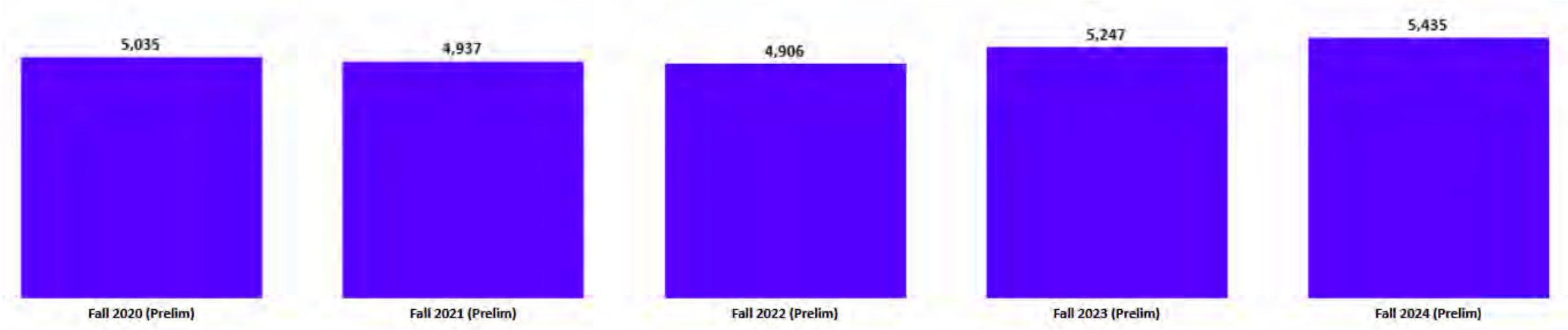
Fall 2020	Fall 2024	
Enrollment Count	Enrollment Count	% Change
21,881	22,874	4.5%



First-Time Undergraduate

Fall 2023	Fall 2024	
Enrollment Count	Enrollment Count	% Change
5,247	5,435	3.6%

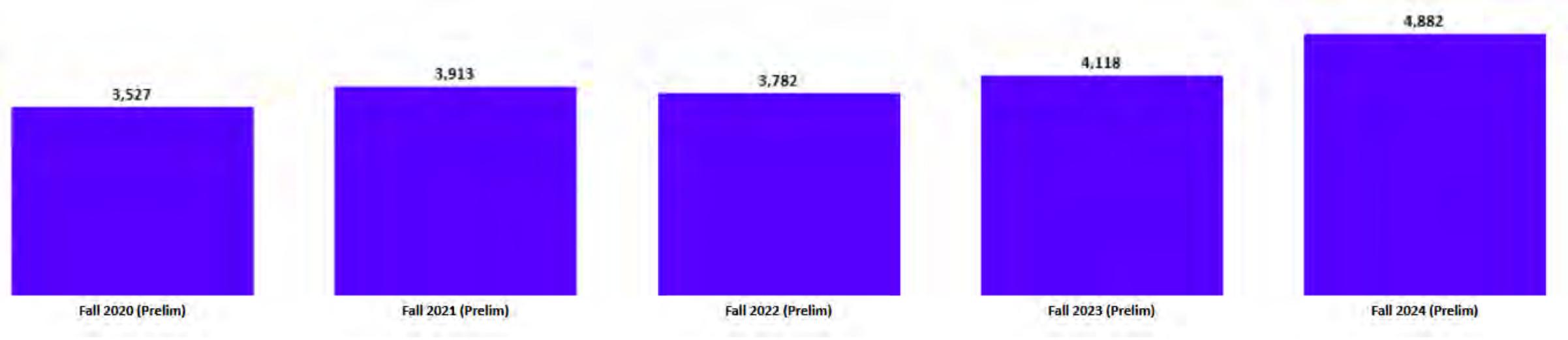
Fall 2020	Fall 2024	
Enrollment Count	Enrollment Count	% Change
5,035	5,435	7.9%



Underrepresented Minority (URM) Undergraduate

Fall 2023	Fall 2024	
Enrollment Count	Enrollment Count	% Change
4,118	4,882	18.6%

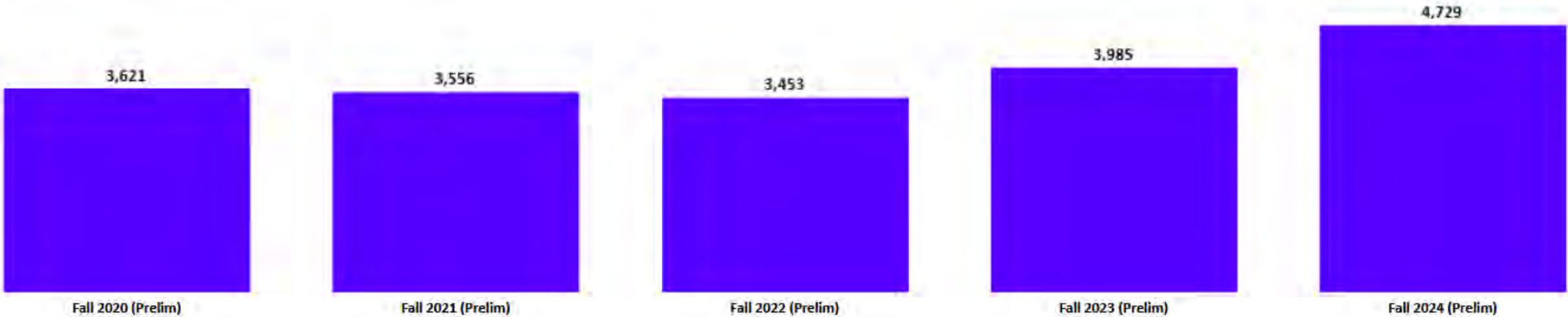
Fall 2020	Fall 2024	
Enrollment Count	Enrollment Count	% Change
3,527	4,882	38.4%



Adult (Ages 25-64) Undergraduate

Fall 2023	Fall 2024	
Enrollment Count	Enrollment Count	% Change
3,985	4,729	18.7%

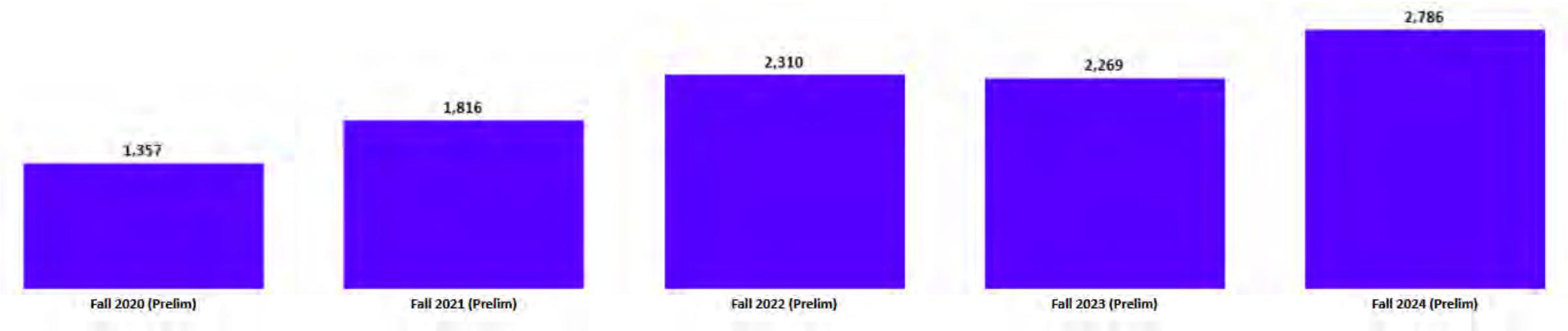
Fall 2020	Fall 2024	
Enrollment Count	Enrollment Count	% Change
3,621	4,729	30.6%



Dual Credit

Fall 2023	Fall 2024	
Enrollment Count	Enrollment Count	% Change
2,269	2,786	22.8%

Fall 2020	Fall 2024	
Enrollment Count	Enrollment Count	% Change
1,357	2,786	105.3%

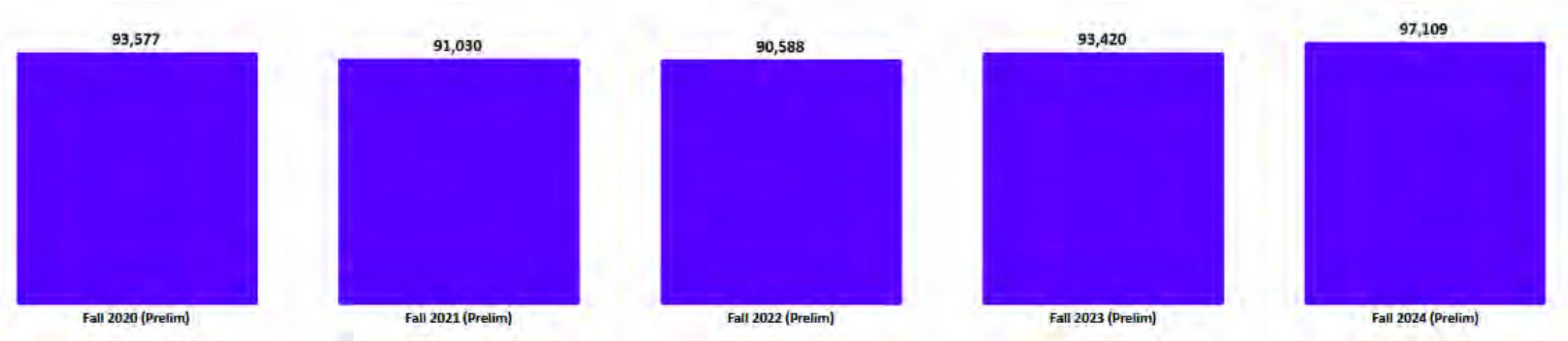


The Big Picture

Four-Year Public Undergraduate

Fall 2023	Fall 2024	
Enrollment Count	Enrollment Count	% Change
93,420	97,109	3.9%

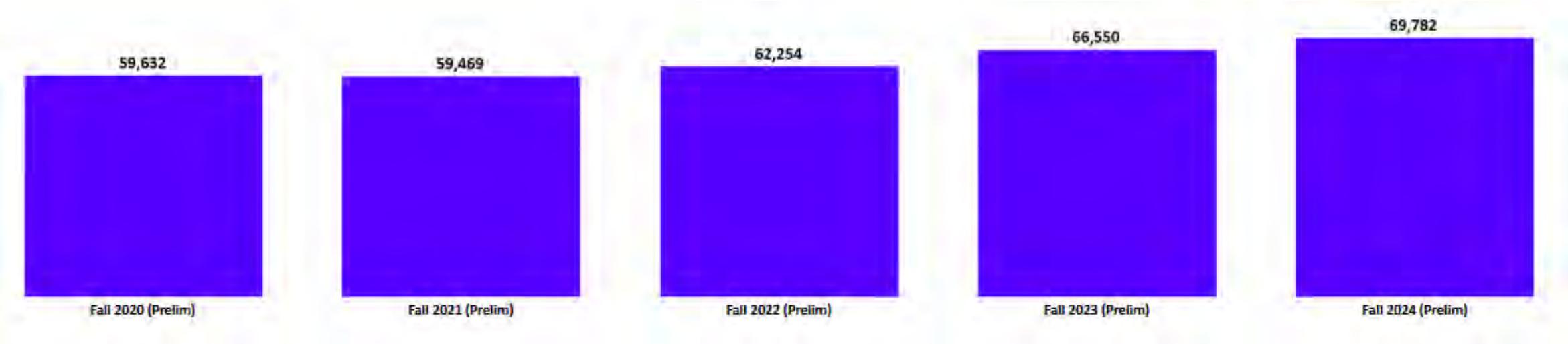
Fall 2020	Fall 2024	
Enrollment Count	Enrollment Count	% Change
93,577	97,109	3.8%



Two-Year Public Undergraduate (Excludes Workforce)

Fall 2023	Fall 2024	
Enrollment Count	Enrollment Count	% Change
66,550	69,782	4.9%

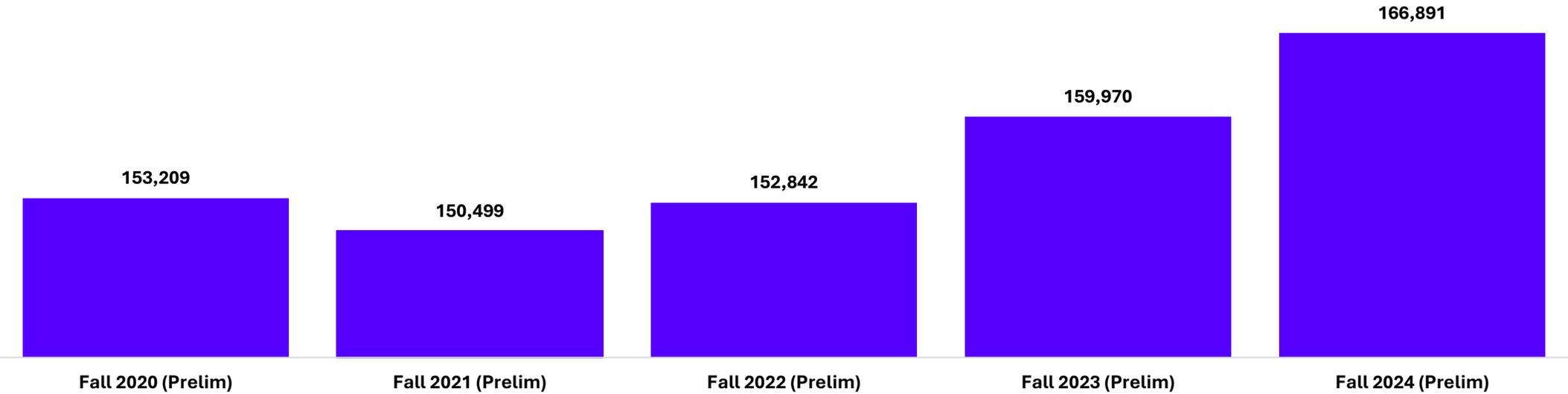
Fall 2020	Fall 2024	
Enrollment Count	Enrollment Count	% Change
59,632	69,782	17.0%



Total Public Undergraduate (Excludes KCTCS Workforce)

Fall 2023	Fall 2024	
Enrollment Count	Enrollment Count	% Change
159,970	166,981	4.3%

Fall 2020	Fall 2024	
Enrollment Count	Enrollment Count	% Change
153,209	166,891	8.9%



Thank you!

TITLE: Nuclear Medicine Technology Program Grants Awarded

DESCRIPTION: The Academic and Strategic Initiatives Committee received an update on the funding provided by the Kentucky Board of Medical Imaging and Radiation Therapy to award \$100,000 in grant dollars to new or existing nuclear medicine technology academic programs.

STAFF CONTACT: Dr. Leslie Sizemore, Associate Vice President for Workforce & Economic Development

COMMITTEE’S REVIEW

The Academic and Strategic Initiatives Committee received this information update at their November 15, 2024, meeting. It will not be covered or presented in detail at the board meeting; however, staff will be available for questions.

SUPPORTING INFORMATION

The Kentucky Board of Medical Imaging and Radiation Therapy (KBMIRT) provided \$100,000 to CPE to solicit proposals and award grants to establish new or support existing nuclear medicine technology academic programs.

Kentucky needs nuclear medicine technologists’ education programs to address the growing demand for specialized healthcare services in diagnosing and treating various medical conditions. Nuclear medicine technologists play a crucial role in utilizing radioactive materials to perform imaging and therapeutic procedures that are essential for accurate diagnosis and effective treatment of diseases such as cancer, heart disease, and neurological disorders. By establishing these programs, Kentucky can ensure a steady supply of skilled professionals to support its healthcare system, improve patient outcomes, and keep pace with advancements in medical technology. Additionally, these programs can provide valuable career opportunities for residents, contributing to the state's economic development and overall public health.

Due to the lack of educational programs for nuclear medicine technology in Kentucky, those students interested in the profession previously had to seek education at out-of-state institutions. Prior to these grant awards, the only active program in the state was Morehead State University’s nuclear medicine technology track within the Bachelor of Science in Imaging Sciences (BSIS) program.

After soliciting proposals, CPE was able to award two \$50,000 grants:

- Morehead State University - BSIS Nuclear Medicine Technology track
- Hazard Community & Technical College – Nuclear Medicine Technology, AAS

Hazard Community & Technical College's new Nuclear Medicine Technology, AAS program has been approved through CPE's program approval process and is pending implementation.

TITLE: Futuriti: A Kentucky College and Career Platform

DESCRIPTION: The Academic and Strategic Initiatives Committee received a preview of the newly developed Futuriti website – an online platform for all potential students seeking out career and education opportunities offered in Kentucky – which was an initiative of the Commonwealth Education Continuum to increase access for more Kentuckians to earn credentials towards their career goals.

STAFF CONTACT: Amanda Ellis, Ed.D, Vice President of Student Access and Success

COMMITTEE’S REVIEW

The Academic and Strategic Initiatives Committee received this information update at their November 15, 2024, meeting. It will not be covered or presented in detail at the board meeting; however, staff will be available for questions. Slides covered during the meeting have been included for review.

SUPPORTING INFORMATION

Based on the recommendations of the Commonwealth Education Continuum (CEC) workgroups, staff began the development of a website and communications campaign aimed at connecting Kentucky’s middle and high school students, as well as adult learners, with advising resources and information regarding early postsecondary opportunities, postsecondary institutions, career pathways, financial aid information, etc.

Now branded as “Futuriti,” the website is a one-stop shop web platform for students, parents, teachers, and counselors to find information about career paths, educational roadmaps, financial assistance and employment opportunities. Currently, there are many Kentucky-based websites that perform a part of these functions, but they are often not connected, leaving the navigation of them challenging, if indeed the seeker knows they exist.

In addition to Kentucky-specific content on college-going and job searches, the platform also includes a “Future Finder” which accesses KYSTATS occupation and college data, to allow users to research occupations and find job descriptions, wage and job outlooks, see which jobs are in high demand, and find out where they can attend classes to get the credentials and degrees required for their desired job.

The data used in the Future Finder meets the requirements of a Kentucky Statute, called the Kentucky Students' Right to Know, enacted by our General Assembly in 2021 to inform students about high-demand occupations, the cost of college, and employment outcomes.

Futuriti is an excellent tool that helps to support the CPE 60X30 goal for Kentucky. The launch of this website is set for February 4, 2025.

Communicating College and Career Opportunities to Kentuckians

Jessica Fletcher, MPA

The Task ...

In response to the 2021 CEC Recommendations, the team set out to ...

- Create a comprehensive communications strategy to better equip high school students with the necessary knowledge to successfully transition to postsecondary.
- Catalyze a statewide, cross-agency campaign to improve FAFSA completion rates and access to FAFSA data for schools and districts.
- Strengthen local and regional partnerships among high schools, institutions, and the workforce to expand access, advising, and support to early postsecondary opportunities.

The Need ...

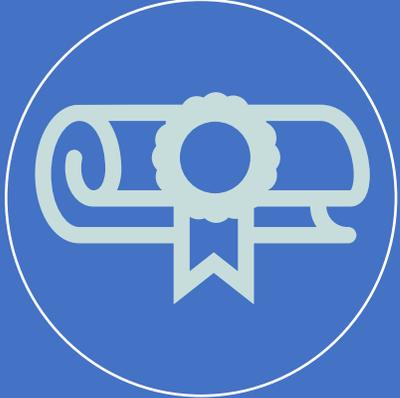
There are many unconnected online resources but there has never been a mechanism to connect the dots for our citizens to help them on their paths to a sustainable career.





Choose Your Career Path

Career exploration for K-12 students, adult learners & military veterans.



Continue Your Education

Find your major and choose a school, find financial aid options.



Start Your Career

Create your resume, land the interview and land the job you've been working toward.

Objective

To create a platform that Kentuckians can use to visualize their paths from classroom to career.

Goal

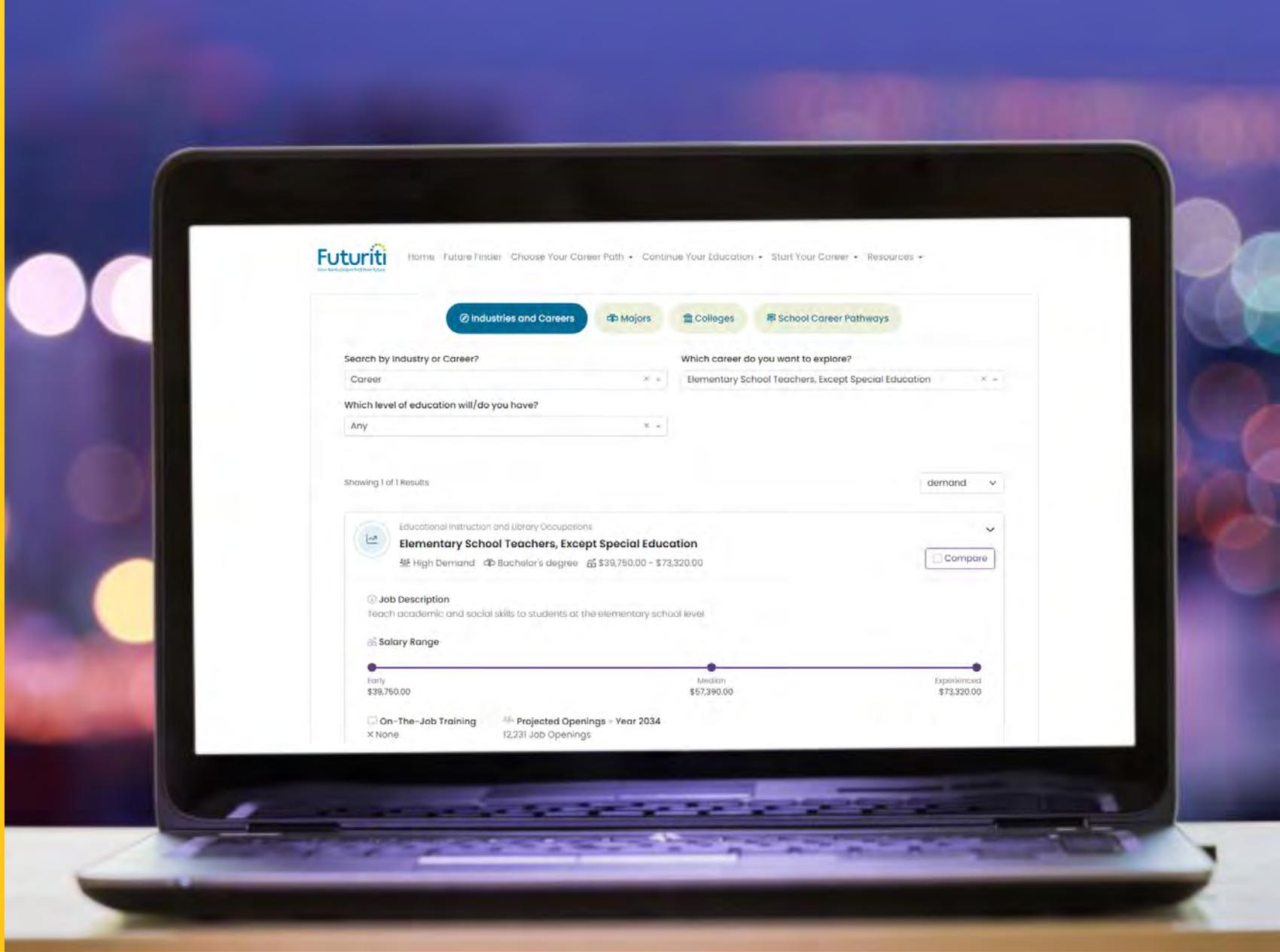
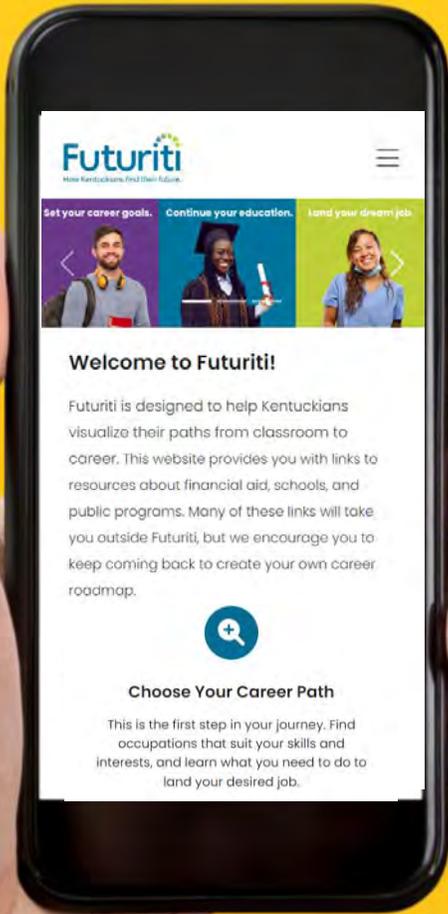
To increase Kentucky's educational attainment and labor force participation rates so they meet or exceed the national average.

Introducing ...

The logo for Futuriti features the word "Futuriti" in a bold, blue, sans-serif font. Above the letters "u", "r", and "i" are several small, colored circles in shades of blue, green, and yellow, arranged in a slight arc.

Futuriti

How Kentuckians find their future.



How does it work?

Futuriti is divided into 3 sections. Each section explains the process of going from classroom to career.

- **Choose Your Career Path** - Helps Kentuckians choose paths that align with their knowledge, skills and abilities and meet their financial needs.
- **Continue Your Education** - Helps students plan for college and technical training and provides information on enrollment, financial aid and academic success.
- **Start Your Career** - Provides information about how to improve your chances of getting hired and links to the Kentucky Career Center's job bank, as well as links for veterans, disabled Kentuckians, parents with childcare needs, and more.

What does Futuriti offer?

- Links to career aptitude tests and cost of living calculators
- Lists of in-demand careers by attainment level
- Information about grants, scholarships and other sources of college aid.
- Tutorials on admissions and enrollment.
- Links to job search resources such as the Kentucky Career Center.
- Tips on resume creation, interviewing and more!

About the Future Finder Data

- Occupational wage and employment data from KYSTATS' **Labor Market Information** division.
- Career Pathway offerings at all public high schools and technical centers from the Kentucky Department of Education **Technical Education Database System**.
- College & Major listings from the **Council for Postsecondary Education** (complies with the 2021 Kentucky Students Right to Know Act):
 - Public and private institution listings include majors by certificate/degree level.
 - 2022-2023 Academic Year Cost After Grants & Scholarships
 - Graduation Rate
 - % of Students With Federal Loans
 - Loan Default Rate
 - Avg Loan Debt at Graduation
 - School Website
 - School Application
 - Location (Map)

Feedback Sessions

Kentucky High School Counselors

Kentucky High School Students

Association of Independent Kentucky
Colleges and Universities

Kentucky Education and Labor Cabinet

CEC Affordability Workgroup

Office of Adult Education

Kentucky Chamber of Commerce Foundation
Workforce Center

College Admissions Professionals

Kentucky Community and Technical College
(KCTCS) Students

KCTCS Workforce Professionals

Launch & Marketing Plans

- **Kickoff February 4, 2025** in coordination with Career and Technical Education Month.
- Partnerships to help spread the word.
- Posters in schools, career centers and other public buildings.
- Search engine optimization.
- Instagram storytelling campaign.
- Events and career fairs.
- Counselor training.

TITLE:	Proposed revisions to the <i>2024-2026 Asset Preservation Pool Guidelines</i> and <i>2022-2024 Asset Preservation Pool Guidelines</i>
DESCRIPTION:	The Finance Committee recommends the Council approve the proposed revisions to the <i>2022-2024 Asset Preservation Pool Guidelines</i> and <i>2024-2026 Asset Preservation Pool Guidelines</i> as shown in Attachments A and B.
STAFF CONTACTS:	Ryan Kaffenberger, Director, Finance Policy and Programs Bill Payne, Vice President, Finance Policy and Programs

COMMITTEE REVIEW & APPROVAL

The Finance Committee reviewed and endorsed for final approval the proposed revisions to the *2024-2026 Asset Preservation Pool Guidelines* and *2022-2024 Asset Preservation Pool Guidelines* as shown in Attachments A and B at its November 15, 2024, meeting.

SUPPORTING INFORMATION

In the *2022-2024 Budget of the Commonwealth* (22 RS, HB 1), the Kentucky General Assembly authorized \$683.5 million in General Fund supported bond funds for a Postsecondary Education Asset Preservation Pool to provide funding for individual asset preservation, renovation, and maintenance projects at Kentucky public postsecondary institutions. In 2024-2026, the General Assembly made another major investment in the renovation and renewal of existing postsecondary education facilities. The enacted *2024-2026 Budget of the Commonwealth* (24 RS, HB 6) authorized \$563.0 million in General Fund supported bond funds for a Postsecondary Education Asset Preservation Pool to provide funding “for individual asset preservation, renovation, and maintenance projects at Kentucky’s public postsecondary institutions in Education, General, and state-owned and operated residential housing facilities”.

In each biennium, the General Assembly included language in the budget bill authorizing capital projects, as defined in KRS 45.750(1)(f), funded from the Asset Preservation Pools. Per KRS 164.020(11)(a), CPE is also required to “review and approve all capital construction projects covered by KRS 45.750(1)(f), including real property acquisitions, and regardless of the source of funding for projects or acquisitions”. Furthermore, CPE, in collaboration with the Office of the State Budget Director, certifies that individual projects are eligible for Asset Preservation Pool funds. As such, on June 17, 2022, and June 21, 2024, the Council approved *the 2022-2024 Asset Preservation Pool Guidelines* and *2024-2026 Asset Preservation Pool Guidelines* (the

Guidelines), respectively, which specify the criteria institutions' capital projects must meet in order to be eligible for funding from the Asset Preservation Pools. *The 2022-2024 Asset Preservation Pool Guidelines* were revised at the June 21, 2024, Council meeting to incorporate new language, which was also included in the *2024-2026 Asset Preservation Pool Guidelines*. At each of these meetings, the Council also delegated authority to CPE staff to review and approve capital projects submitted for Asset Preservation Pool funds to expedite the reimbursement process.

As asset preservation pool projects have been planned, submitted, and reviewed for eligibility, it has become apparent to both CPE staff and campus Chief Budget Officers (CBOs) that the Guidelines could be improved by adding and removing language. Attachments A and B contain marked up versions of the Guidelines showing proposed additional language in green and proposed language to be removed in red-strikethrough. There are a number of minor clarifying revisions included in the suggested changes. The sections below highlight the major suggested changes to each set of guidelines and their rationale. Campus CBOs and CPE leadership are supportive of the suggested changes and clarifications and propose the *2022-2024 Asset Preservation Pool Guidelines* and *2024-2026 Asset Preservation Pool Guidelines* be revised as shown in Attachment A and B.

SUGGESTED CHANGES TO BOTH 2022-2024 AND 2024-2026 ASSET PRESERVATION POOL GUIDELINES

- *Suggested Language:*

“For the purposes of these guidelines, “facilities” includes buildings and key building systems, such as the plumbing system, electrical system and permanently affixed power generators, mechanical and HVAC system, elevator system, escalator system, fire protection and alarm system, gas distribution system, and the security system.”

 - *Rationale:* In the Eligibility Criteria section, a list of “key building systems” has been added to improve clarity and resemble those found in the [IRS’s tangible property regulations](#) (i.e., Internal Revenue Bulletin: 2013-43) and its “Facts and Circumstance Analysis” that has aided in CPE staff’s evaluation of proposed asset preservation pool projects.

- *Suggested Language:*

“For the purposes of these guidelines, “campus infrastructure”, includes infrastructure, such as roads, walkways, ~~electrical grids~~ high voltage distribution systems, steam tunnels, and water chiller plants, that support current and ongoing use of eligible facilities.”

 - *Rationale:* In the Eligibility Criteria section, “campus infrastructure” has been broken out into its own bullet and defined to improve clarity. Additionally, “electrical grid” has been replaced with “high voltage distribution systems” to use appropriate nomenclature.

- *Suggested Language:*

“If it would be more cost effective to raze and replace rather than renovate an existing facility, then asset preservation funds may be used for demolition and reconstruction. For such a project to be considered cost effective, the cost to raze and replace may not exceed 115% of the cost required to renovate a facility. The cost of each option must be certified in writing by an independent third-party industry professional, **with the assessment dated not more than six months prior to the initial date the raze and replace request was submitted to CPE staff.**”

- *Rationale:* In the Eligibility Criteria section, additional language is proposed to provide guidance regarding the acceptable length of time between when the required assessment for a proposed raze and replace project was conducted and when the project is initially submitted to CPE staff to determine eligibility for asset preservation pool funds. This additional language will address an issue raised by a previous raze and replace request.

➤ *Suggested Language:*

~~“To qualify as an individual project, the project must be bid and awarded as a complete project and be overseen and administered by a single prime or general contractor or be completed pursuant to another delivery method as allowed by statute (KRS 45A), such as employing the construction management at risk (CMR) method.”~~

~~“If time and cost savings can be achieved, a project or portion of a project may be overseen by an institution’s chief facilities officer. In such cases, campus facilities officers will adhere to all applicable state laws governing procurement and bidding and awarding of construction contracts.”~~

- *Rationale:* In the Project Identification section, removal of two bullets regarding how asset preservation projects are bid, awarded, overseen, and administer is suggested. This is in recognition that institutions’ capital projects must abide by the Kentucky Model Procurement Code (i.e., Kentucky Revised Statutes Chapter 45A) and that CPE is not the agency tasked with ensuring institutions comply with the procurement code. Per KRS 45A.045, the Finance and Administration Cabinet is the central procurement and contracting agency of the Commonwealth. As such, the current language is unnecessary.

➤ *Suggested Language:*

“As institutions incur expenses on eligible asset preservation, renovation, and maintenance projects, they can submit requests for reimbursement to the Council on Postsecondary Education (CPE) and Office of State Budget Director (OSBD), which will include a certification letter with expenditures listed by project. ~~CPE staff will review the requests, verify that the projects and related expenditures meet guideline requirements, and notify OSBD staff that project expenditures are eligible to be reimbursed.~~”

...

~~“CPE staff will review requests and certify to OSBD staff that project expenditures are eligible for reimbursement.”~~

- *Rationale:* In the Expenditure Certification section, removal of two sentences regarding CPE staff review of institutions’ reimbursement requests is suggested.

OSBD staff has indicated that they do not need us to review institutions' requests for reimbursement so long as we provide them with the most up to date list of each institution's certified projects. As such, OSBD staff has indicated that their preference is for them to handle reviewing reimbursement requests.

SUGGESTED CHANGES TO THE 2024-2026 ASSET PRESERVATION POOL GUIDELINES

➤ *Suggested Language:*

"If an individual project adds a permanently affixed power generator to an eligible building or upgrades or expands the existing high voltage distribution system or steam or chilled water system to create redundancy and ensure the proper functioning of eligible facilities in the event of an outage or natural disaster, then asset preservation funds may be used to finance the project."

- *Rationale:* This additional language in the Eligibility Criteria section was suggested by officials at Murray State University. Per campus staff, "The issue of building redundancy for our electrical/high voltage infrastructure is to protect buildings and occupants in the event of a deferred maintenance or natural disaster event." Furthermore, "Redundancy will go a long way to preserving our facility assets when the need arises. Redundancy will also provide us more opportunity to maintain our current electrical yard (which is currently very difficult since it is our only campus power source), by having an alternative to providing power to the campus."

➤ *Suggested Language:*

"The process described above will be different for Kentucky State University ~~and KCTCS~~. Capital projects at these institutions are administered by the Finance Cabinet. Instead of submitting reimbursement requests to CPE and OSBD, KSU ~~and KCTCS~~ will deposit campus matching funds into project specific eMars accounts and the Finance Cabinet will expend state and campus matching funds for requested projects."

...

"Since capital projects at Kentucky State University ~~and KCTCS~~ are administered by the Finance Cabinet, the existing process will remain in place, whereby cabinet staff will report capital projects funded from the Asset Preservation Pool for these institutions to CPBOC upon request of the institution."

- *Rationale:* The language "and KCTCS" has been removed in the Expenditure Certification and Reporting sections as KCTCS staff has notified CPE staff that they have opted out of having the Finance and Administration Cabinet manage their capital construction projects for the 2024-26 Asset Preservation Pool. Per KCTCS officials:

"The Huron Study 2021-2023 indicated that KCTCS could improve its capital investment efforts by assuming the management of the Capital Project Management as enabled by KRS 164A.560. This provision of the statute authorizes the governing boards of public institutions of higher education to elect to perform financial management functions pursuant to

KRS 164A.555 through KRS 164A.630 by issuing administrative regulations. The KCTCS has issued administrative regulation which implements the provisions established in KRS 164A.580 at the Kentucky Community and Technical College System... The KCTCS has received approval of two Kentucky Administrative Regulations, 739 KAR 001.060 and 739 KAR 001.070 from the Administrative Regulation Review Subcommittee in October 2024 and is awaiting approval of these two regulations from the Education Committee. Once that approval is received the KCTCS will begin managing their own Capital Projects.”

Council on Postsecondary Education 2022-2024 Asset Preservation Pool Guidelines

Introduction

In 2005, the Council on Postsecondary Education (CPE) and Kentucky colleges and universities contracted with Vanderweil Facilities Advisors, Inc. (VFA), Paulien & Associates, and NCHEMS to conduct a comprehensive review and assessment of the state's public postsecondary facilities. Evaluators took more than a year and examined over 700 Education and General (E&G) facilities located on college and university campuses across the system and concluded in early 2007 that Kentucky's facilities inventory was in relatively poor condition compared to industry standards.

Most buildings at the time were over 30 years old and their condition and utility was consistent with their age. Heating, ventilation, and air conditioning (HVAC) systems, plumbing, and electrical wiring in many buildings had far exceeded their useful life expectancies and many buildings no longer adequately supported the academic programming for which they were originally intended. Overall, evaluators identified a cumulative amount of \$6.1 billion in asset preservation needs for the postsecondary system, projected to come due by 2018 (*Facility Condition Assessment & Space Study*, VFA, 2007).

During the six years following the VFA study, a combination of factors, including a growing inventory of aging facilities, infrastructure, and systems in need of renovation and renewal, increasing construction costs, and minimal state investment in asset preservation resulted in more than a \$1.0 billion increase in asset preservation need. In a 2013 update to the original VFA Study, researchers found that the cumulative cost of bringing the state's postsecondary education facilities up to industry standards was projected to reach to \$7.3 billion by 2021.

Every biennium since 2008, the Council has included a relatively large request for asset preservation in its biennial budget recommendation. Between 2008 and 2022, the state appropriated \$282.0 million for asset preservation projects. For 2022-2024, the Council requested \$700.0 million in state funding to address the estimated \$7.3 billion cumulative need for asset preservation and renovation on state college and university campuses. The Governor and General Assembly supported this request and the 2022-2024 state budget (22 RS, HB 1) funded the Council's proposal in its entirety.

Program Funding

In the *2022-2024 Budget of the Commonwealth* (22 RS, HB 1), the Kentucky General Assembly authorized \$683.5 million in General Fund supported bond funds for a Postsecondary Education Asset Preservation Pool to provide funding for individual asset preservation, renovation, and maintenance projects at Kentucky public postsecondary institutions. In addition to funds appropriated to the pool, the budget bill appropriated \$16.5 million for a stand-alone asset preservation project at KCTCS. Combined, the \$683.5 million pool and the line-itemed \$16.5 million KCTCS project total \$700.0 million, which was the amount of asset preservation funding requested in the Council's biennial budget submission.

Allocation of Funds

The \$683.5 million Asset Preservation Pool was allocated among institutions based on each institution’s share of system total Category I and II square feet. Allocated pool funds were appropriated to institutions in both years of the biennium, with each institution receiving an appropriation for half (50%) of its allocation in 2022-23 and receiving an appropriation for the other half (50%) of its allocation in 2023-24. The resulting allocation of Asset Preservation Pool funds is shown in the table below.

Asset Preservation Pool Allocations

Institution	Fiscal Year 2022-23	Fiscal Year 2023-24	Biennial Total
University of Kentucky	\$77,098,000	\$77,098,000	\$154,196,000
University of Louisville	40,943,000	40,943,000	81,886,000
Eastern Kentucky University	27,403,000	27,403,000	54,806,000
Kentucky State University	8,039,000	8,039,000	16,078,000
Morehead State University	17,611,000	17,611,000	35,222,000
Murray State University	23,588,000	23,588,000	47,176,000
Northern Kentucky University	23,397,000	23,397,000	46,794,000
Western Kentucky University	34,040,000	34,040,000	68,080,000
KCTCS	89,631,000	89,631,000	179,262,000
Total Appropriation	\$341,750,000	\$341,750,000	\$683,500,000

In addition to the \$683.5 million appropriated to the Asset Preservation Pool, the General Assembly authorized a stand-alone asset preservation project for \$16.5 million at KCTCS. This bond funded project was appropriated as a line-item for KCTCS and is not included in the Asset Preservation Pool. For this reason, it is not subject to campus matching requirements.

Matching Requirements

Included in the 2022-2024 budget bill (HB 1) is language, specifying institutional matching requirements for accessing allocated Asset Preservation Pool funds:

- each project for research institutions shall be matched at 30 percent from funds provided by each research institution, and
- each project for comprehensive institutions and the Kentucky Community and Technical College System shall be matched at 15 percent from funds provided by each comprehensive institution and the Kentucky Community and Technical College System (pages 167-168).

Also included in the budget bill is the amount of state bond funds appropriated to each institution for asset preservation, along with the amount of agency bond or restricted funds authority provided to each institution to meet state matching requirements. Although universities are authorized to issue agency bonds to finance asset preservation projects and meet matching requirements, they can also use cash, private funds, grants, or other institutional funds to achieve the required match.

For KCTCS, the General Assembly provided a restricted fund appropriation (i.e., authority for the institution to use its own resources) each year of the upcoming biennium to meet its required match. The table below shows the amount of agency bond authority provided to each

university and the amount of restricted funds authority provided to KCTCS each year of the upcoming biennium, which can be used to meet the match on Asset Preservation Pool funds.

As can be seen in the table below, the General Assembly operationalized the Asset Preservation Pool matching requirement by requiring research universities to spend thirty cents (\$0.30) for every state dollar (\$1.00) used to complete an individual asset preservation project and by requiring the comprehensive universities and KCTCS to spend fifteen cents (\$0.15) for every state dollar (\$1.00) used to complete an individual asset preservation project.

Agency Bond and Restricted Funds Authority

Institution	Fiscal Year 2022-23	Fiscal Year 2023-24	Biennial Total
University of Kentucky	\$23,130,000	\$23,130,000	\$46,260,000
University of Louisville	12,283,000	12,283,000	24,566,000
Eastern Kentucky University	4,111,000	4,111,000	8,222,000
Kentucky State University	1,206,000	1,206,000	2,412,000
Morehead State University	2,642,000	2,642,000	5,284,000
Murray State University	3,539,000	3,539,000	7,078,000
Northern Kentucky University	3,510,000	3,510,000	7,020,000
Western Kentucky University	5,106,000	5,106,000	10,212,000
KCTCS	13,445,000	13,445,000	26,890,000
Total Matching Funds	\$68,972,000	\$68,972,000	\$137,944,000

These ratios, when applied using an expenditure and reimbursement approach for accessing pool funds (i.e., described in the Reimbursement Process section of these guidelines) result in campus matching fund rates of 23.08% (i.e., $30/130 = .2308$) at the research universities and 13.04% ($15/115 = .1304$) at comprehensive universities and KCTCS. In addition, the match ratios result in state reimbursement rates of 76.92% (i.e., $1 - .2308 = .7692$) and 86.96% (i.e., $1 - .1304 = .8696$), respectively, which are the reciprocals of campus matching rates.

Uses of Funds

Language included in the budget bill (22 RS, HB 1) stipulates that Asset Preservation Pool funds are to be used for individual asset preservation, renovation, and maintenance projects at Kentucky’s public postsecondary institutions in Education and General, and state-owned and operated residential housing facilities.

Eligibility Criteria

In order for an asset preservation project and related expenditures to be eligible for reimbursement, the following criteria must be met:

- Projects that preserve, renovate, or renew Education and General facilities **and campus infrastructure that supports such facilities** are eligible to receive funds from the Asset Preservation Pool.
- Projects that preserve, renovate, or renew state-owned and operated residential housing facilities **and campus infrastructure that supports such facilities** are eligible to receive

funds from the Asset Preservation Pool. Housing facilities owned and operated by a university, or its affiliated corporations are state-owned.

- For the purposes of these guidelines, “facilities” includes buildings and key building systems, such as the plumbing system, electrical system and permanently affixed power generators, mechanical and HVAC system, elevator system, escalator system, fire protection and alarm system, gas distribution system, and the security system.
- For the purposes of these guidelines, “campus infrastructure” includes infrastructure, such as roads, walkways, ~~electrical grids~~ high voltage distribution systems, steam tunnels, and water chiller plants, that support current and ongoing use of eligible facilities.
- Projects that preserve, renovate, or renew non-Education and General athletics facilities, hospitals, or auxiliary enterprise facilities are not eligible to receive funds from the pool.
- Only project expenditures made after April 15, 2022, can be used to meet state matching requirements.
- Sources of campus matching funds for a project must be cash, agency bonds, private funds, grants, or other institutional funds. General Fund appropriations cannot be used as a match.
- If an individual project contains both asset preservation and expansion of space components, asset preservation funds may be used for the renovation and renewal portion of the project.
- Generally, new construction and expansion projects are not eligible to receive funds from the Asset Preservation Pool. However, under certain limited circumstances, as described below, use of asset preservation funds to finance new construction or expansion may be permissible.
- If it would be more cost effective to raze and replace rather than renovate an existing facility, then asset preservation funds may be used for demolition and reconstruction. For such a project to be considered cost effective, the cost to raze and replace may not exceed 115% of the cost required to renovate a facility. The cost of each option must be certified in writing by an independent third-party industry professional, with the assessment dated not more than six months prior to the initial date the raze and replace request was submitted to CPE staff.
- It is anticipated that requests to raze and replace rather than renovate an existing facility will be infrequent occurrences. For this reason, CPE staff will bring such requests along with certified cost estimates from independent third-party industry professionals to the Finance Committee and full Council for review and approval.
- If an asset preservation project includes a minor expansion component that supports or enhances the accessibility, functionality, or safety and security of a facility, then asset preservation funds may be used to finance the project.
- Routine maintenance and repair projects and ongoing building maintenance and operations (M&O) costs, typically funded through an institution’s operating budget, are not eligible to receive funds from the Asset Preservation Pool.

Project Approval

Generally, a number of boards, agencies, and committees are involved in the postsecondary institution capital project approval process in Kentucky, including campus governing boards, the Council on Postsecondary Education, Capital Projects and Bond Oversight Committee, the Office of State Budget Director (OSBD), and the Kentucky General Assembly. Identified below are actions that each of these entities either have taken or will undertake in the review, approval, and oversight of projects funded from the Asset Preservation Pool.

- Asset preservation, renovation, and maintenance projects that are listed in the *2022-2024 Budget of the Commonwealth* (22 RS, HB 1) are authorized by the General Assembly.
- If an asset preservation project is not specifically listed in the enacted budget, language included in the bill authorizes capital projects, as defined in KRS 45.750(1)(f), funded from the Asset Preservation Pool (22 RS, HB 1, p. 168).
- Capital projects funded from the pool that meet or exceed the \$1.0 million threshold for construction or the \$200,000 threshold for an item of equipment (defined in KRS 45.750) must be reported to the Capital Projects and Bond Oversight Committee.
- All asset preservation, renovation, and maintenance projects that were identified by an institution and included in the Council's 2022-2024 biennial budget submission already have CPE approval.
- Previously unidentified projects above the threshold (i.e., those that were not listed in the Council's budget submission) require Council approval. Given that the General Assembly has authorized capital projects (i.e., those that exceed the threshold) from Asset Preservation Pool funds in HB 1, CPE staff will recommend that the Council delegate authority to staff to approve asset preservation and renovation capital projects.
- Asset preservation projects that fall below the threshold do not require Council approval, however, CPE staff will review all planned projects and certify that they meet eligibility criteria to receive Asset Preservation Pool funds.
- CPE staff will also review campus reimbursement requests and certify to OSBD that they comply with budget bill language (HB 1) and Council approved guidelines.
- Once projects are certified by CPE, OSBD will transfer funds to institutions using the existing reimbursement process for capital projects.
- Regardless of funding source, campus governing board approval is required for all projects funded from the Asset Preservation Pool that meet or exceed an anticipated scope of \$1.0 million for construction and \$200,000 for an item of equipment.

Reimbursement Process

Asset Preservation Pool funds will be distributed to postsecondary institutions primarily using an expenditure and reimbursement approach. Specifically, an institution will be required to expend its own agency bond funds, cash, private funds, grants, or other institutional funds on eligible asset preservation projects before seeking reimbursement from the state. Under this approach, the state will reimburse 76.92% (i.e., 1.0 - 0.2308) of eligible asset preservation project expenditures at research universities (i.e., or about \$0.77 for every \$1.00 spent) and 86.96% (i.e., 1.0 - 0.1304) of eligible asset preservation project expenditures at comprehensive

universities and KCTCS (i.e., or about \$0.87 for every \$1.00 spent), up to the total amount of Asset Preservation Pool funds allocated to each institution.

A different process will be used for asset preservation project expenditures made between April 15, 2022 and June 30, 2022. Although campus spending during this period can be used to match Asset Preservation Pool funds, only the amount spent up to the level of the required match on each individual project is eligible for that purpose. For example, if a research university initiates a \$1.3 million project after April 15 and spends \$300,000 on the project before July 1, then the entirety of that expenditure can be used as a match. Upon project completion, if \$1.3 million in total was spent on the project, the institution would be able to request \$1.0 million in state funds (or one state dollar for every thirty cents in campus match). However, in this example, any expenditure made above \$300,000 between April 15 and June 30 would not count toward the match or be eligible to be used as a match for another project, due to the “individual project” language included in the budget bill.

Project Identification

Before seeking reimbursement for asset preservation project expenditures, each institution will submit to the Council a list (or several lists) of projects that it plans to initiate, or already has initiated, for which it intends to request funding from the Asset Preservation Pool. CPE staff will work with campus officials to develop a Project Identification Template for submitting project lists, which will include a unique identifier, title, and description for each individual project, building numbers and building names associated with each project, the anticipated scope, state funds, and campus matching funds for each project, sources of matching funds, and anticipated start and completion dates for each project. Listed below is additional information regarding the project identification process.

- Each institution will be allowed flexibility to submit a single list (or several lists) to CPE, identifying planned asset preservation projects, with the total combined scope of the projects not to exceed its Asset Preservation Pool allocation.
- Project lists can be adjusted as needed. An additional project or projects can be added at a later time, or a project or projects can be removed from the list.
- The timing for submitting a project list to the Council is at the institution’s discretion, however it may be helpful for an institution to know whether projects are eligible early in the process. At a minimum, project identification must precede reimbursement requests.
- Projects do not need to reach a given cost threshold to be eligible for Asset Preservation Pool funding, but all planned projects and related buildings must be identified and submitted to the Council, and the required campus match must be maintained on each individual project.
- For the purposes of these guidelines, an individual project can either be one type of renovation or renewal activity undertaken in a single building or across several buildings, or multiple types of renovation and renewal activities within a single building. Roof replacement, HVAC and mechanical systems, plumbing, and electrical wiring are examples of renovation and renewal activity types.
- ~~To qualify as an individual project, the project must be bid and awarded as a complete project and be overseen and administered by a single prime or general contractor or be~~

~~completed pursuant to another delivery method as allowed by statute (KRS 45A), such as employing the construction management at risk (CMR) method.~~

- ~~• If time and cost savings can be achieved, a project or portion of a project may be overseen by an institution's chief facilities officer. In such cases, campus facilities officers will adhere to all applicable state laws governing procurement and bidding and awarding of construction contracts.~~
- As indicated in the Project Approval section of these guidelines, projects that meet or exceed the \$1.0 million threshold for construction and the \$200,000 threshold for an item of equipment must be approved by an institution's governing board.
- Before seeking reimbursement, each institution must submit documentation of board approval to the Council for each project that meets or exceeds the threshold.
- During the project identification phase, CPE staff will review project lists and certify to submitting institutions **and to OSBD staff** that the **planned** projects **meet guideline requirements and** are eligible for reimbursement from the Asset Preservation Pool.

Expenditure Certification

As institutions incur expenses on eligible asset preservation, renovation, and maintenance projects, they can submit requests for reimbursement to the Council on Postsecondary Education (CPE) and Office of State Budget Director (OSBD), which will include a certification letter with expenditures listed by project. ~~CPE staff will review the requests, verify that the projects and related expenditures meet guideline requirements, and notify OSBD staff that project expenditures are eligible to be reimbursed.~~

Once campus spending has been certified, OSBD staff will transfer funds to a requesting institution's 2022-2024 Capital Projects Pool account and then institutions can request Statewide Accounting to wire them the funds. If an institution is using agency bond funds to finance a project (or projects), it will also need to request those funds in the reimbursement letter. This process is consistent with the existing reimbursement process for capital projects that use agency bond funds. Listed below is additional information regarding the expenditure certification process.

- Requests for reimbursement of asset preservation expenditures will be submitted to both CPE and OSBD staffs.
- Request submissions will include a certification letter with expenditures listed by project.
- In the certification letter, campus officials will indicate that project expenditures are eligible to be reimbursed in accordance with language included in the *2022-2024 Budget of the Commonwealth* (22 RS, HB 1) and the Council's Asset Preservation Pool Guidelines.
- The letter will identify the total amount of project expenditures made during the request period, state funds requested, and campus matching funds.
- Requests can be submitted on an ongoing basis, as asset preservation expenditures are made. The timing of submissions is flexible, although the Council encourages institutions to accumulate expenditures and submit no more than one request per month.

- ~~CPE staff will review requests and certify to OSBD staff that project expenditures are eligible for reimbursement.~~
- As indicated in the Reimbursement Process section of these guidelines, the state will reimburse 76.92% of eligible asset preservation project expenditures at the research universities and 86.96% of eligible expenditures at comprehensive universities and KCTCS.
- In terms of reimbursement timing, distributions from the Asset Preservation Pool cannot begin until July 1, 2022. However, as indicated in the Reimbursement Process section of these guidelines, some asset preservation expenditures made between April 15, 2022 and June 30, 2022 may count toward an institution's matching requirement.

The process described above will be different for Kentucky State University and KCTCS. Capital projects at these institutions are administered by the Finance Cabinet. Instead of submitting reimbursement requests to CPE and OSBD, KSU and KCTCS will deposit campus matching funds into project specific eMars accounts and the Finance Cabinet will expend state and campus matching funds for requested projects.

Reporting

The *2022-2024 Budget of the Commonwealth* (22 RS, HB 1, p. 168) requires postsecondary institutions to report capital projects funded from the Asset Preservation Pool that meet or exceed the \$1.0 million threshold for construction and the \$200,000 threshold for an item of equipment (as defined in KRS 45.750) to the Capital Projects and Bond Oversight Committee (CPBOC). Campus officials should report such projects to CPBOC as they become active (i.e., after project bids are received or after projects are approved by campus governing boards) and begin including the projects in their quarterly reports to CPBOC.

Since capital projects at Kentucky State University and KCTCS are administered by the Finance Cabinet, the existing process will remain in place, whereby cabinet staff will report capital projects funded from the Asset Preservation Pool for these institutions to CPBOC upon request of the institution.

CPE staff will provide the Council on Postsecondary Education with periodic updates regarding the status of Asset Preservation Pool distributions and campus matching funds by project and institution. Much of the information for these updates will come from Project Identification Templates and certification letters previously submitted by institutions. Staff will work with campus officials to develop the format of asset preservation reports provided to the Council.

Council on Postsecondary Education

2024-2026 Asset Preservation Pool Guidelines

Introduction

In 2005, the Council on Postsecondary Education (CPE) and Kentucky colleges and universities contracted with Vanderweil Facilities Advisors, Inc. (VFA), Paulien & Associates, and NCHEMS to conduct a comprehensive review and assessment of the state's public postsecondary facilities. Evaluators took more than a year and examined over 700 Education and General (E&G) facilities located on college and university campuses across the system and concluded in early 2007 that Kentucky's facilities inventory was in relatively poor condition compared to industry standards.

Most buildings at the time were over 30 years old and their condition and utility was consistent with their age. Heating, ventilation, and air conditioning (HVAC) systems, plumbing, and electrical wiring in many buildings had far exceeded their useful life expectancies and many buildings no longer adequately supported the academic programming for which they were originally intended. Overall, evaluators identified a cumulative amount of \$6.1 billion in asset preservation needs for the postsecondary system, projected to come due by 2018 (*Facility Condition Assessment & Space Study*, VFA, 2007).

During the six years following the VFA study, a combination of factors, including a growing inventory of aging facilities, infrastructure, and systems in need of renovation and renewal, increasing construction costs, and minimal state investment in asset preservation resulted in more than a \$1.0 billion increase in asset preservation need. In a 2013 update to the original VFA Study, researchers found that the cumulative cost of bringing the state's postsecondary education facilities up to industry standards was projected to reach to \$7.3 billion by 2021.

Program Funding

Every biennium since 2008, the Council has included a relatively large request for asset preservation funds in its biennial budget recommendation. For more than a decade, ongoing budget constraints limited the state's investment in existing postsecondary facilities. For example, between 2008 and 2022, the state appropriated a total of \$282.0 million for campus renovation and renewal projects. Beginning in 2022, the cycle of persistent underinvestment was broken.

In 2022-2024, the Council requested \$700.0 million in state funds to address the estimated \$7.3 billion need for facilities renovation and renewal on state college and university campuses. The Governor and General Assembly supported this request and provided \$700.0 million in bonds funds to finance individual asset preservation projects at Kentucky public postsecondary institutions during the 2022-2024 biennium. That amount included \$683.5 million for an asset preservation pool and \$16.5 million for a line-itemed renewal project at KCTCS (22 RS, HB 1).

In 2024-2026, the General Assembly made another major investment in renovation and renewal of existing postsecondary education facilities. The enacted *2024-2026 Budget of the*

Commonwealth (24 RS, HB 6) authorized \$563.0 million in General Fund supported bond funds for a Postsecondary Education Asset Preservation Pool to provide funding “for individual asset preservation, renovation, and maintenance projects at Kentucky’s public postsecondary institutions in Education, General, and state-owned and operated residential housing facilities”

(HB 6, p. 199), and “for fixed asset pedestrian and student parking areas, and for the razing of university-owned buildings” (SB 91, p. 17).

Allocation of Funds

In 2022-2024, the General Assembly allocated asset preservation pool funds among institutions based on each institution’s share of system total Category I and Category II square feet. For the upcoming biennium (i.e., 2024-2026), the methodology used to allocate the asset preservation pool differed from the previous approach, in that it provided a fixed base level of funds for each institution, before the remainder was allocated based on square feet. Then legislators made individual adjustments to the amounts that had been allocated to KSU and KCTCS.

Specifically, the General Assembly started with a target total appropriation of \$600.0 million for the asset preservation pool. Each university received a \$15.0 million base allocation (i.e., a total of \$120.0 million for the eight universities), KCTCS received a \$30.0 million base allocation, and the remaining \$450.0 million (i.e., \$600.0 million minus \$150.0 million base total) was allocated among institutions based on share of system total Category I and II square feet. Finally, KSU’s allocation was increased from the calculated total of \$25.7 million to \$60.0 million and KCTCS’s allocation was reduced from \$142.3 million to \$71.0 million.

This method of allocating funds among institutions resulted in a total asset preservation pool appropriation of \$563,042,000 for the 2024-2026 biennium. Each institution’s biennial total was asset preservation funds shown in the table below.

divided by two and apportioned equally each year of the biennium, resulting in the allocation of

Asset Preservation Pool Allocations

Institution	Fiscal Year 2024-25	Fiscal Year 2025-26	Biennial Total
University of Kentucky	\$61,725,000	\$61,725,000	\$123,450,000
University of Louisville	34,553,000	34,553,000	69,106,000
Eastern Kentucky University	25,910,000	25,910,000	51,820,000
Kentucky State University	30,000,000	30,000,000	60,000,000
Morehead State University	18,835,000	18,835,000	37,670,000
Murray State University	23,341,000	23,341,000	46,682,000
Northern Kentucky University	23,076,000	23,076,000	46,152,000
Western Kentucky University	28,581,000	28,581,000	57,162,000
KCTCS	35,500,000	35,500,000	71,000,000
Total Appropriation	\$281,521,000	\$281,521,000	\$563,042,000

Matching Requirements

Included in the 2024-2026 budget bill (24 RS, HB 6) is language, specifying institutional matching requirements for accessing allocated Asset Preservation Pool funds:

- each project for research institutions shall be matched at 25 percent from funds provided by each research institution (p. 199), and
- no match is required for comprehensive institutions or Kentucky Community and Technical College System institutions.

The enacted 2024-2026 state budget (24 RS, HB 6) authorizes the research universities to issue agency bonds to finance asset preservation projects and meet matching requirements, but they can also use cash, private funds, grants, or other institutional funds to achieve the match. The General Assembly provided agency bond authorization of \$15,431,000 at the University of Kentucky and \$8,638,000 at the University of Louisville each year of the upcoming biennium.

The General Assembly operationalized the Asset Preservation Pool matching requirement by requiring research universities to spend twenty-five cents (\$0.25) for every state dollar (\$1.00) used to complete an individual asset preservation project. This ratio, when applied using an expenditure and reimbursement approach for accessing pool funds results in a campus matching fund rate of 20.0% (i.e., $\$0.25/\$1.25 = .20$) at the research universities. Thus, the state reimbursement rate would be 80.0% (i.e., $1 - .20 = .80$), which is the reciprocal of the campus matching rate.

Uses of Funds

Language included in the budget bill (24 RS, HB 6) stipulates that Asset Preservation Pool funds are to be used for “individual asset preservation, renovation, and maintenance projects at Kentucky’s public postsecondary institutions in Education, General, and state-owned and operated residential housing facilities” (p. 199). Senate Bill 91 (24 RS) modified the budget bill language, adding that asset preservation funds could be used for “fixed asset pedestrian and student parking areas, and for the razing of university-owned buildings” (p. 17).

Eligibility Criteria

In order for an asset preservation project and related expenditures to be eligible for reimbursement, the following criteria must be met:

- Projects that preserve, renovate, or renew Education and General facilities and campus infrastructure that supports such facilities are eligible to receive funds from the Asset Preservation Pool.
- Projects that preserve, renovate, or renew state-owned and operated residential housing facilities and campus infrastructure that supports such facilities are eligible to receive funds from the Asset Preservation Pool. Housing facilities owned and operated by a university, or its affiliated corporations are state-owned.
- Projects that preserve, renovate, or renew pedestrian and student parking areas, or raze university-owned buildings are eligible to receive funds from the Asset Preservation Pool.
- For the purposes of these guidelines, “facilities” includes buildings and key building systems, such as the plumbing system, electrical system and permanently affixed power

generators, mechanical and HVAC system, elevator system, escalator system, fire protection and alarm system, gas distribution system, and the security system.

- For the purposes of these guidelines, “campus infrastructure” includes infrastructure, such as roads, walkways, ~~electrical grids~~ high voltage distribution systems, steam tunnels, and water chiller plants, that support current and ongoing use of eligible facilities.
- Projects that preserve, renovate, or renew non-Education and General athletics facilities, hospitals, or auxiliary enterprise facilities are not eligible to receive funds from the pool.
- Only project expenditures made after July 1, 2024 are eligible to be reimbursed from the 2024-2026 asset preservation pool, provided they meet all other guideline requirements.
- Sources of campus matching funds for a project must be cash, agency bonds, private funds, grants, or other institutional funds. General Fund appropriations cannot be used as a match.
- If an individual project contains both asset preservation and expansion of space components, asset preservation funds may be used for the renovation and renewal portion of the project.
- Generally, new construction and expansion projects are not eligible to receive funds from the Asset Preservation Pool. However, under certain limited circumstances, as described below, use of asset preservation funds to finance new construction or expansion may be permissible.
- If it would be more cost effective to raze and replace rather than renovate an existing facility, then asset preservation funds may be used for demolition and reconstruction. For such a project to be considered cost effective, the cost to raze and replace may not exceed 115% of the cost required to renovate a facility. The cost of each option must be certified in writing by an independent third-party industry professional, with the assessment dated not more than six months prior to the initial date the raze and replace request was submitted to CPE staff.
- It is anticipated that requests to raze and replace rather than renovate an existing facility will be infrequent occurrences. For this reason, CPE staff will bring such requests along with certified cost estimates from independent third-party industry professionals to the Finance Committee and full Council for review and approval.
- If an asset preservation project includes a minor expansion component that supports or enhances the accessibility, functionality, or safety and security of a facility, then asset preservation funds may be used to finance the project.
- If an individual project adds a permanently affixed power generator to an eligible building or upgrades or expands the existing high voltage distribution system or steam or chilled water system to create redundancy and ensure the proper functioning of eligible facilities in the event of an outage or natural disaster, then asset preservation funds may be used to finance the project.
- Routine maintenance and repair projects and ongoing building maintenance and operations (M&O) costs, typically funded through an institution’s operating budget, are

not eligible to receive funds from the Asset Preservation Pool.

Project Approval

Generally, a number of boards, agencies, and committees are involved in the postsecondary institution capital project approval process in Kentucky, including campus governing boards, the Council on Postsecondary Education, Capital Projects and Bond Oversight Committee, the Office of State Budget Director (OSBD), and the Kentucky General Assembly. Identified below are actions that each of these entities either have taken or will undertake in the review, approval, and oversight of projects funded from the Asset Preservation Pool.

- Asset preservation, renovation, and maintenance projects that are listed in the *2024-2026 Budget of the Commonwealth* (24 RS, HB 6) are authorized by the General Assembly.
- If an asset preservation project is not specifically listed in the enacted budget, language included in the bill authorizes capital projects, as defined in KRS 45.750(1)(f), funded from the Asset Preservation Pool (24 RS, HB 6, p. 199).
- Capital projects funded from the pool that meet or exceed the \$1.0 million threshold for construction or the \$200,000 threshold for an item of equipment (defined in KRS 45.750) must be reported to the Capital Projects and Bond Oversight Committee.
- All asset preservation, renovation, and maintenance projects that were identified by an institution and included in the Council's 2024-2026 biennial budget submission already have CPE approval.
- Previously unidentified projects above the threshold (i.e., those that were not listed in the Council's budget submission) require Council approval. Given that the General Assembly has authorized capital projects (i.e., those that exceed the threshold) from Asset Preservation Pool funds in HB 6, CPE staff will recommend that the Council delegate authority to staff to approve asset preservation and renovation capital projects.
- Asset preservation projects that fall below the threshold do not require Council approval, however, CPE staff will review all planned projects and certify that they meet eligibility criteria to receive Asset Preservation Pool funds.
- CPE staff will also review campus reimbursement requests and certify to OSBD that they comply with budget bill language (HB 6) and Council approved guidelines.
- Once projects are certified by CPE, OSBD will transfer funds to institutions using the existing reimbursement process for capital projects.
- Regardless of funding source, campus governing board approval is required for all projects funded from the Asset Preservation Pool that meet or exceed an anticipated scope of \$1.0 million for construction and \$200,000 for an item of equipment.

Reimbursement Process

Asset Preservation Pool funds will be distributed to postsecondary institutions primarily using an expenditure and reimbursement approach. Specifically, an institution will be required to

expend its own agency bond funds, cash, private funds, grants, or other institutional funds on eligible asset preservation projects before seeking reimbursement from the state. Under this approach, the state will reimburse 80.0% (i.e., 1.0 - 0.20) of eligible asset preservation project expenditures at the research universities (i.e., or \$0.80 for every \$1.00 spent), up to the total amount of Asset Preservation Pool funds allocated to each institution.

Project Identification

Before seeking reimbursement for asset preservation project expenditures, each institution will submit to the Council a list of projects for which it intends to request funding from the Asset Preservation Pool. CPE staff will work with campus officials to develop a Project Identification Template for submitting project lists, which will include a unique identifier, title, and description for each individual project, building numbers and building names associated with each project, the anticipated scope, state funds, and campus matching funds for each project, sources of matching funds, and anticipated start and completion dates for each project. Listed below is additional information regarding the project identification process.

- Each institution will submit a single list to CPE, identifying planned asset preservation projects, with the total combined scope of the projects not to exceed its respective Asset Preservation Pool allocation.
- Project lists can be adjusted as needed. An additional project or projects can be added at a later time, or a project or projects can be removed from the list.
- The timing for submitting a project list to the Council is at the institution's discretion, however it may be helpful for an institution to know whether projects are eligible early in the process. At a minimum, project identification must precede reimbursement requests.
- Projects do not need to reach a given cost threshold to be eligible for Asset Preservation Pool funding, but all planned projects and related buildings must be identified and submitted to the Council, and the required campus match must be maintained on each individual project.
- For the purposes of these guidelines, an individual project can either be one type of renovation or renewal activity undertaken in a single building or across several buildings, or multiple types of renovation and renewal activities within a single building. Roof replacement, HVAC and mechanical systems, plumbing, and electrical wiring are examples of renovation and renewal activity types.
- ~~To qualify as an individual project, the project must be bid and awarded as a complete project and be overseen and administered by a single prime or general contractor or be completed pursuant to another delivery method as allowed by statute (KRS 45A), such as employing the construction management at risk (CMR) method.~~
- ~~If time and cost savings can be achieved, a project or portion of a project may be overseen by an institution's chief facilities officer.~~
- As indicated in the Project Approval section of these guidelines, projects that meet or exceed the \$1.0 million threshold for construction and the \$200,000 threshold for an item of equipment must be approved by an institution's governing board.
- Before seeking reimbursement, each institution must submit documentation of board

approval to the Council for each project that meets or exceeds the threshold.

- During the project identification phase, CPE staff will review project lists and certify to submitting institutions **and to OSBD staff** that the planned projects **meet guideline requirements and** are eligible for reimbursement from the Asset Preservation Pool.

Expenditure Certification

As institutions incur expenses on eligible asset preservation, renovation, and maintenance projects, they can submit requests for reimbursement to the Council on Postsecondary Education (CPE) and Office of State Budget Director (OSBD), which will include a certification letter with expenditures listed by project. ~~CPE staff will review the requests, verify that the projects and related expenditures meet guideline requirements, and notify OSBD staff that project expenditures are eligible to be reimbursed.~~

Once campus spending has been certified, OSBD staff will transfer funds to a requesting institution's 2024-2026 Capital Projects Pool account and then institutions can request Statewide Accounting to wire them the funds. If an institution is using agency bond funds to finance a project (or projects), it will also need to request those funds in the reimbursement letter. This process is consistent with the existing reimbursement process for capital projects that use agency bond funds. Listed below is additional information regarding the expenditure certification process.

- Requests for reimbursement of asset preservation expenditures will be submitted to both CPE and OSBD staffs.
- Request submissions will include a certification letter with expenditures listed by project.
- In the certification letter, campus officials will indicate that project expenditures are eligible to be reimbursed in accordance with language included in the *2024-2026 Budget of the Commonwealth* (24 RS, HB 6) and the Council's Asset Preservation Pool Guidelines.
- The letter will identify the total amount of project expenditures made during the request period, state funds requested, and campus matching funds.
- Requests can be submitted on an ongoing basis, as asset preservation expenditures are made. The timing of submissions is flexible, although the Council encourages institutions to accumulate expenditures and submit no more than one request per month.
- ~~• CPE staff will review requests and certify to OSBD staff that project expenditures are eligible for reimbursement.~~
- As indicated in the Reimbursement Process section of these guidelines, the state will reimburse 80% of eligible asset preservation project expenditures at the research universities (i.e., the required match is \$0.25 cents for every \$1.00 of state funding, or $\$0.25 \div \$1.25 = 20\%$) and 100% of eligible expenditures at comprehensive universities and KCTCS (i.e., there is no required match for these institutions).
- In terms of timing, distributions from the Asset Preservation Pool cannot begin until July 1, 2024.

The process described above will be different for Kentucky State University ~~and KCTCS~~. Capital

projects at these institutions are administered by the Finance Cabinet. Instead of submitting reimbursement requests to CPE and OSBD, KSU and ~~KCTCS~~ will deposit campus matching funds into project specific eMars accounts and the Finance Cabinet will expend state and campus matching funds for requested projects.

Reporting

The *2024-2026 Budget of the Commonwealth* (24 RS, HB 6, p. 199) requires postsecondary institutions to report capital projects funded from the Asset Preservation Pool that meet or exceed the \$1.0 million threshold for construction and the \$200,000 threshold for an item of equipment (as defined in KRS 45.750) to the Capital Projects and Bond Oversight Committee (CPBOC). Campus officials should report such projects to CPBOC as they become active (i.e., after project bids are received or after projects are approved by campus governing boards) and begin including the projects in their quarterly reports to CPBOC.

Since capital projects at Kentucky State University and ~~KCTCS~~ are administered by the Finance Cabinet, the existing process will remain in place, whereby cabinet staff will report capital projects funded from the Asset Preservation Pool for these institutions to CPBOC upon request of the institution.

CPE staff will provide the Council on Postsecondary Education with periodic updates regarding the status of Asset Preservation Pool distributions and campus matching funds by project and institution. Much of the information for these updates will come from Project Identification Templates and certification letters previously submitted by institutions. Staff will work with campus officials to develop the format of asset preservation reports provided to the Council.

TITLE: Raze and Replace: Morehead State University, Normal Residence Hall

DESCRIPTION: The Finance Committee recommends the Council approve Morehead State University's request to approve to use \$10,200,000 from the 2024-2026 Asset Preservation Pool to raze the existing Normal Hall and replace it with a new building at the main campus.

STAFF CONTACT: Ryan Kaffenberger, Director, Finance Policy and Programs

COMMITTEE REVIEW & APPROVAL

The Finance Committee reviewed and endorsed for final approval the proposed revisions to the *2024-2026 Asset Preservation Pool Guidelines* and *2022-2024 Asset Preservation Pool Guidelines* as shown in Attachments A and B at its November 15, 2024, meeting.

SUPPORTING INFORMATION

Morehead State University is requesting approval to use funds from the 2024-2026 Asset Preservation Pool to demolish the existing Normal Residence Hall and replace it with a new residence hall with similar square footage located on the main campus. Normal Hall is both state-owned and -operated. The institution is requesting approval to finance building demolition and reconstruction using 2024-2026 Asset Preservation Pool funds, at a total project scope of \$10,200,000 (see Attachment A). The proposed project will construct the new residence hall first and then demolish the existing building to minimize disruption to students and campus operations.

Based on an assessment conducted by Schmidt Associates, renovating Normal Hall is estimated to cost approximately \$8,990,000. JRA Architects estimated the total cost to build a new Residence Hall, with similar square footage, and to raze the existing building at \$10,200,000 (see Attachments B and C). The MoSU Board of Regents approved up to \$10,200,000 for the Normal Hall raze and replace project using \$7,610,000 of the fiscal year 2024-2025 Asset Preservation Pool funds (\$5,000,000 of which will be reallocated from a previously approved project for renovating Normal Hall) and \$2,590,000 of the 2025-2026 fiscal year Asset Preservation Pool funds (see Attachment D).

The estimated cost to raze and replace the Normal Residence Hall does not exceed 115% of the estimated cost to renovate the building (i.e., \$10,338,500). Therefore, the raze and replace project complies with the Council's *2024-2026 Asset Preservation Pool Guidelines*. The new

hall will be approximately 35,000 square feet, multi-story, with a double-double (Jack and Jill) style bedroom and bathroom arrangement, and the possibility of a limited number of triple bedrooms (see Attachments B and C).

The *2024-2026 Budget of the Commonwealth* contain a project titled, “Renovate Normal Residence Hall Additional Reauthorization” at \$4,420,000 in agency bonds. The agency bonds authorized to support the Normal Hall Renovation project will not be issued if this request for asset preservation funds is approved.

ASSET PRESERVATION POOL GUIDELINES

In the *2022-2024 Budget of the Commonwealth* (22 RS, HB 1), the Kentucky General Assembly authorized \$683.5 million in General Fund supported bond funds for a Postsecondary Education Asset Preservation Pool to provide funding for individual asset preservation, renovation, and maintenance projects at Kentucky public postsecondary institutions. In 2024-2026, the General Assembly made another major investment in the renovation and renewal of existing postsecondary education facilities. The enacted *2024-2026 Budget of the Commonwealth* (24 RS, HB 6) authorized \$563.0 million in General Fund supported bond funds for a Postsecondary Education Asset Preservation Pool to provide funding “for individual asset preservation, renovation, and maintenance projects at Kentucky’s public postsecondary institutions in Education, General, and state-owned and operated residential housing facilities”.

In each biennium, the General Assembly included language in the budget bill authorizing capital projects, as defined in KRS 45.750(1)(f), funded from the Asset Preservation Pools. Per KRS 164.020(11)(a), CPE is also required to “review and approve all capital construction projects covered by KRS 45.750(1)(f), including real property acquisitions, and regardless of the source of funding for projects or acquisitions”. Furthermore, CPE, in collaboration with the Office of the State Budget Director, certifies that individual projects are eligible for Asset Preservation Pool funds. As such, on June 17, 2022, and June 21, 2024, the Council approved the *2022-2024 Asset Preservation Pool Guidelines* and *2024-2026 Asset Preservation Pool Guidelines* (the Guidelines), respectively, which specify the criteria institutions’ capital projects must meet in order to be eligible for funding from the Asset Preservation Pools. The *2022-2024 Asset Preservation Pool Guidelines* were revised at the June 21, 2024, Council meeting to incorporate new language, which was also included in the *2024-2026 Asset Preservation Pool Guidelines*. At each of these meetings, the Council delegated authority to CPE staff to review and approve capital projects submitted for Asset Preservation Pool funds to expedite the reimbursement process. Attachments F and G contain the Guidelines.

Both the *2022-2024 Asset Preservation Pool Guidelines* and *2024-2026 Asset Preservation Pool Guidelines* include an exception to the Council’s delegation of authority to CPE staff for project review and approval. The Guidelines allow Asset Preservation Pool funds to be used for the demolition and reconstruction of a facility if the estimated cost to raze and replace does not exceed 115% of the estimated cost to renovate the facility and is certified in writing by an independent third-party industry professional. CPE staff is required to bring raze and replace

requests to the Finance Committee and full Council, along with the certified cost estimates, for review and approval. Excerpts of relevant language from the guidelines are provided below.

- For the purposes of these guidelines, “facilities” includes buildings, building systems, and campus infrastructure, such as roads, walkways, electrical grids, steam tunnels, and water chiller plants, that support current and ongoing use of eligible facilities.
...
- Generally, new construction and expansion projects are not eligible to receive funds from the Asset Preservation Pool. However, under certain limited circumstances, as described below, use of asset preservation funds to finance new construction or expansion may be permissible.
- If it would be more cost effective to raze and replace rather than renovate an existing facility, then asset preservation funds may be used for demolition and reconstruction. For such a project to be considered cost effective, the cost to raze and replace may not exceed 115% of the cost required to renovate a facility. The cost of each option must be certified in writing by an independent third-party industry professional.
- It is anticipated that requests to raze and replace rather than renovate an existing facility will be infrequent occurrences. For this reason, CPE staff will bring such requests along with certified cost estimates from independent third-party industry professionals to the Finance Committee and full Council for review and approval.

RECOMMENDATION

The Morehead State University request to raze and replace Normal Hall complies with the eligibility criteria contained in the Council’s *2024-2026 Asset Preservation Pool Guidelines*. As such, CPE staff recommends approve and endorse for full Council approval the Normal Hall Raze and Replace project as eligible to receive funds from the 2024-2026 Asset Preservation Pool.



Mary Fister-Tucker
Vice President Fiscal Services
305 Howell-McDowell | Morehead, KY 40351
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www.moreheadstate.edu

October 28, 2024

President Aaron Thompson
KY Council on Postsecondary Education
100 Airport Road
Frankfort, Kentucky 40601



President Thompson,

Morehead State University would like to seek approval from the CPE Finance Committee and Board to Raze and Replace our Normal Residence Hall. We anticipate our Board of Regents approving the \$10,338,500 project the morning of Friday, November 15, 2024 and would like to have it on the agenda for the CPE Finance Committee later that same day for consideration with it going to your full board on November 22, 2024.

Normal Hall is almost 60 years old and is in need of major renovation and repair. Based on a study conducted by Schmidt Associates, renovating Normal Hall is estimated to cost approximately \$8,990,000. JRA Architects provided an estimate to raze Normal and build a new Residence Hall, with similar square footage, at \$10,200,000 which is less than 115% (\$10,338,500) of the cost to renovate the facility.

We would like to seek approval to utilize \$10,338,500 of our 2024-26 Asset Preservation Pool funding to raze and replace rather than spending \$8,990,000 to renovate the existing structure. Please let me know if you have any questions regarding our project. We have submitted copies of the Schmidt Associates study as well as a letter from JRA Architects documenting the above to CPE Finance staff.

We appreciate your support for recommending approval of our project during your November meetings.

Sincerely,

Mary Fister-Tucker



October 21, 2024

Kim Oatman
Morehead State University Office of Facilities Management
180 Martindale Drive, W.H. Rice Building
Morehead, KY 40351

Re: Fee Proposal for Design Phases of the Morehead State Normal Hall Replacement Building

Dear Kim:

JRA Architects (JRA) is excited to continue our partnership with Morehead State University (MSU) for the design of a new, approximately 35,000sf residence hall to replace Normal Hall as an amendment to our existing residence hall contract. The following proposal outlines our services, highlights specific exclusions, and sets the basis for our fee and payments. Please review the following specifics about our work scope, and, if the arrangement is acceptable, please issue your approval for us to proceed.

1) PROJECT SCOPE

We understand that the university wishes to reallocate the asset preservation funds earmarked for Normal Hall's renovation to build a new hall instead. The total project budget will be approximately \$10,200,000, and we expect to work with you to finalize the target construction budget and schedule. Normal Hall will be demolished as part of this project, but we will need to complete site planning before determining whether the building can remain in place during construction or needs to be demolished first.

The new hall will be multi-story, with a double-double (Jack and Jill) style bedroom and bathroom arrangement identical to our existing hall under construction, and the possibility for a limited number of triple bed rooms if the budget requires. We expect that many of the setups and details will be similar to our current project, but will likely need significant rework for the smaller and differently oriented building.

2) PROFESSIONAL DESIGN SERVICES

JRA will provide project management, design team coordination, architecture, and interior design services for the project. JRA will hire Brown+Kubican for structural engineering, CMTA for MEP engineering, Element Design for civil engineering and landscape design, and Robert Pass & Associates for cost estimating. We expect to provide a similar level of service to the existing project.

During the course of developing these design documents, JRA will be generating limited interior and exterior renderings as needed to confirm the design intent with MSU and coordinate design decisions with consultants.

JRA and all of our consultants will maintain MSU-standard professional liability insurance coverage throughout the course of the project, and can provide proof of the coverage's specific applicability to this project, upon request.

3) ITEMS REQUIRED FROM MOREHEAD STATE

The following items are required from the Owner:

- Access to campus and permission to photograph the existing property.
- Availability to meet and review project content on a regular basis.
- Existing building drawings. We plan to publish these for the contractor to use for pricing demolition.
- Background information on campus utilities, geology, and university design standards
- Licensed engineering or specialized consultants for the following responsibilities:
 - Site Surveying
 - Geotechnical Exploration & Site Design Criteria
 - Hazardous Material Surveying & Testing for Normal Hall
- Payment for all insurance, licenses, permits, fees, and other ancillary costs not specifically related to the standard of care for licensed architects or structural engineers

4) EXCLUSIONS

The following are standard services offered by JRA, but are outside the proposed project scope. Any of these services are available for an additional fee.

- Permitting or any governmental engagement to confirm code compliance.
- Hazardous material removal reports and Phase 1 Environmental studies.
- Rendered animation(s).

5) PROJECT SCHEDULE

JRA would propose to begin this work immediately. We expect the design phases to take approximately 7 months, though we need to finalize the project calendar with you. The timetable for demolition of Normal will be determined as soon as possible, and will be coordinated with university leadership to match broader institutional goals.

6) COMPENSATION

In consideration of providing the outlined deliverables, but in light of the final project scope still being variable, JRA Architects Inc. proposes a lump sum fee based on the KDE standard rate of 5.6%. This represents a 6.7% reduction in fee from our current fee basis rate to reflect the reduction in design effort associated with using a similar bedroom type (based on a construction budget of \$10,000,000, this would equate to a fee of \$560,000). Additional fee savings might be possible with the reuse of construction documents or overlap of construction administration with the current job, but will need to be discussed in greater detail to finalize.

Additional overhead costs associated with providing the service scope (travel, printing, etc.) would be billed separately, and are not expected to exceed \$20,000. Assuming that the project remains on the

proposed schedule, JRA will invoice 25% for Schematic Design, 15% for Design Development, 40% for Construction Documents and Bidding, and 20% for Construction Administration.

7) CANCELLATION

If the project is abandoned, in part or in whole, payment on account of the services performed will be made upon presentation of a final accounting report.

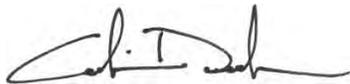
8) FORM OF AGREEMENT

We anticipate executing a change order to our existing agreement with the university. We understand that the terms of our contract are in effect at all times during the work.

9) CONCLUSION

We are excited to continue this relationship with the university, and look forward to shaping a remarkable new residence hall with your team. If you have questions regarding our proposal, please do not hesitate to contact us. If you anticipate needing to have JRA begin work while our per diem purchase order is still being processed, please just return a scan of this signed notice as a placeholder notice to proceed.

Sincerely,
JRA Architects



Colin Drake, FAIA, LEED AP
Principal

Preliminary Notice to Proceed:

Authorized Representative
Morehead State University

Date

Cc: Tammy Durrum, Mike Nett



NORMAL HALL ASSESSMENT

OCT
2024



**MOREHEAD STATE
UNIVERSITY**



**SCHMIDT
ASSOCIATES**

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01

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

PURPOSE

During this study, Schmidt Associates architects and engineers evaluated the existing conditions of Normal Hall for the purpose of making recommendations for capital improvements aligned with campus priorities. Contained within this assessment are key findings that enable Morehead State University to:

- create a deferred maintenance summary, including costs, for Normal Hall.
- prioritize investments into the dormitory building to promote a safe and hospitable environment for its occupants.
- identify areas of improvement that will enable the University to extend the working life of Normal Hall for another 15 years.

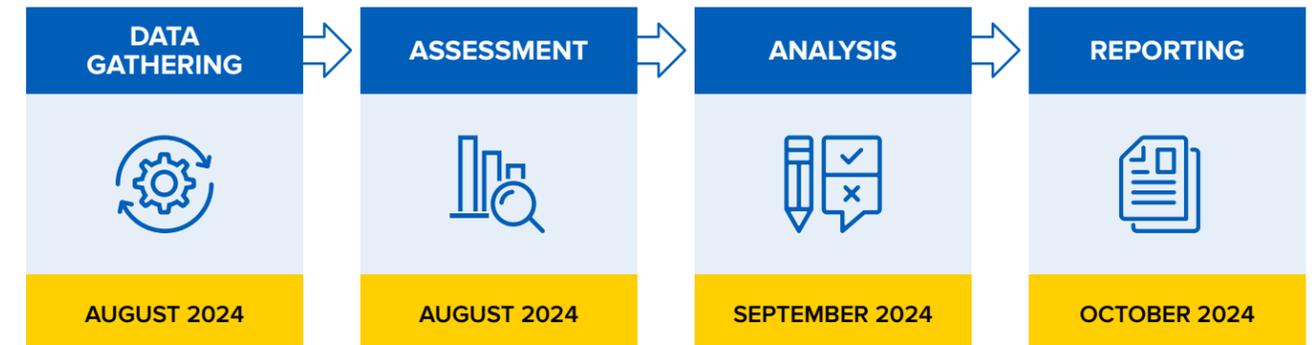
NOTE: The budget priority rating in this report is based on a 0 to 5 scale, with 5 being the most urgent work to be performed. The SCOPE framework compares multiple buildings on a campus. Because we are focused on a single building at Morehead State University, some fields in this report, such as the Building Summaries tab, will appear temporarily underpopulated. They will get filled out when more buildings are assessed and their data is entered into SCOPE. We analyzed only one typical dorm unit for this study. We assume all units are in a similar condition.



**SCAN OR CLICK HERE
TO VIEW THE FULL
SCOPE REPORT**

TIMELINE

Schmidt Associates was engaged to perform an assessment of Morehead University's Normal Hall in August 2024. Data gathering was conducted in August, and the formal assessment was performed on August 28, 2024. Analysis continued through the month of September, and the assessment was reported to the client on October 2, 2024.



METHODOLOGY

This study is based on a predictive life cycle model focused on data collected on the facilities, a review of past projects, on-site observations, and a priority rating system.

Data Collected

- Building or component age
- Building component functionality and use
- Current replacement value (CRV) - based on RS Means data from 2023
- Building component values

On-Site Observation

- Observations to determine a ranking of overall condition and functionality based on a 5-point system that identifies the sense of urgency and recommended dates for replacement

Budget Priority Rating	
5	Significant Issue Urgent Priority • Replace 2025-2027
4	Poor Condition High Priority • Replace 2028-2030
3	Average Condition Medium Priority • Replace 2031-2033
2	Good Condition Low Priority • Replace 2034-2037
1	New Condition Outside Scope • Replace 2038 or Beyond
0	No System / Not Applicable

PRIORITY RATINGS

There are three ratings that make up the overall project priority rating. These three scores are multiplied together to create the priority rating that helps rank and prioritize projects over the next 15 years.

The **Building Priority Rating** rates the essentialness of the building on campus.

- 5 – Academic Instruction, Instructional Lab, Research Lab, Residence Hall
- 4 – Faculty and Academic Offices, Academic Study, Library Services Building
- 3 – Student Services, Educational Support, University Administration, Public Safety
- 2 – Food Service, IT, CNS Services/Support, Facilities Services/Support
- 1 – Performing Arts, Museum, Bookstore, Warehousing

The **System Priority Rating** rates the essentialness of the buildings' systems to overall functionality, asset preservation, and life safety in terms of regular maintenance.

- 5 – Fire Protection, Mechanical (including HVAC Controls/BAS), Electrical (Distribution), Fire Alarm
- 4 – Plumbing, Elevator, ADA, Roofing, Lighting
- 3 – Exterior Walls/Windows/Doors
- 2 – Site Sidewalks/Approaches,
- 1 – Foundations, Structure, Stairs, Interior Walls/Doors, Interior Finishes, Signage

The **Budget Priority Rating** is based on the site observations noted in Budget Priority Rating chart. A percentage of the system to be replaced was then determined (i.e., 25%, 50%, 75%, 100%).

MAJOR FINDINGS

1. This study anticipates a total of \$8.99 million in hard and soft project costs at Normal Hall over the next 15 years. It also anticipates \$615,000 in FFE expenses associated with the identified projects.
2. A \$4.82 million investment is needed for Urgent and High Priority work.
3. Medium, Low, and Long-Range Priority Scopes would require an additional \$3.57 million investment if performed in 2025.

*All numbers assume work to be completed in 2025 and include a 4% markup for expected inflation.



GENERAL RECOMMENDATIONS

The capital improvement recommendations for Normal Hall focus on addressing urgent maintenance needs, enhancing safety, and extending the building's useful life by 15 years. The study highlights the necessity of investing approximately \$8.99 million to modernize the facility, with \$4.82 million earmarked for urgent and high-priority work. The recommendations emphasize the importance of aligning these improvements with the University's broader strategic initiatives and future campus master plans. Key areas of focus include architectural upgrades, electrical system overhauls, interior refurbishments, and mechanical system repairs.

Architectural

- Replace the existing roof and insulation.
- Remove and replace worn plexiglass and metal guardrails.
- Replace uninsulated single-pane windows with insulated units.
- Paint façades, balconies, doors, and precast canopies.
- Reflash and seal around existing skylights.
- Refinish doors and replace non-accessible doorknobs with levers.

Electrical

- Replace the outdated General Electric 4,160-volt secondary unit substation.
- Replace the damaged metering cabinet with digital metering.
- Replace and relocate panelboards in secured rooms/closets.
- Replace all interior and exterior lighting with LED fixtures.
- Update emergency lighting and fire alarm systems.
- Electrical system upgrades to account for the transition from gas to electric stoves in all units.

Interiors

- Replace dated and damaged casework in kitchens, study nooks, bedrooms, and bathrooms.
- Paint all interior spaces.
- Replace VCT and ceramic tile flooring.
- Install ADA signage throughout.

Mechanical

- Replace roof-mounted exhaust fans and condensate pump.
- Add a 2 pipe fan coil unit to eliminate the need for window A/C units.

Plumbing/Fire Protection

- Install a backflow preventer.
- Replace domestic piping, storm, and sanitary piping.

Structural

- Remove rust and coat structural steel angles with zinc-rich paint.
- Repair or replace spalled concrete and address large masonry cracks.

We understand the University has about \$5 million available for investment in the dormitory. Study results show a range of investment possibilities between \$4.82 and \$8.99 million to extend the building life another 15 years. We look at these results and reflect how best to use this information in the future.

- **Investing for the Future:** It is recommended that the University invest a minimum of \$4.82 million to address the Urgent and High Priority work we have identified in this report to enhance the safety and near-term viability of Normal Hall as a dormitory building. It should be noted that only addressing the Urgent and High Priority work will not make a significant aesthetic improvement to this building. In order to make Normal Hall an attractive and competitive dormitory, an additional investment will need to be made based on the University's available budget and priorities. We have created "Alternate" and "Base" tabs in our online SCOPE document. By clicking the "Base" tab, you will see all recommended projects and an estimated cost of \$6.4 million. By clicking the "Alternate" tab, an additional \$1.99 million of work is identified, including upgrading to a centralized HVAC system and replacing all domestic water, sanitary waste, and storm water drainage piping. To complete all projects we have identified in this report, a total investment of \$8.99 million is needed.
- **Planning for Growth:** The results of this and any future building studies should be overlaid with a comprehensive campus master plan to ensure alignment with larger strategic initiatives. Enrollment trends and projected on-campus housing demand data should be studied to plan appropriately for the decommissioning and replacement of Normal Hall at the end of its useful life, what we are assuming to be 15 years from now.

02

ASSUMPTIONS + DEFINITIONS

ASSUMPTIONS

1. The CRV amounts used in this study are based on August 2023 values as reported by RS Means and adjusted for General Conditions (15%), OH&P (10%), Insurance/Bonding (1%), Design Contingency (10%), Construction Contingency (10%), CM Fee (3%), and Soft Cost (30%).
2. Costs are based on the 2024 costs without inflation. Inflation rate factors of 4% per year are available in the SCOPE model for evaluation.

DEFINITIONS

Current Replacement Value (CRV) – Current replacement value is defined as “the actual cost of replacing the facilities...not the book value” and “the total expenditure in current dollars required to replace a facility...to meet current acceptable standards of construction and comply with regulatory requirements” (APPA – May/June 2004 “Facility Manager”). The current replacement value for this report was derived by multiplying gross square feet (GSF) by an estimated cost per square foot from RS Means 2023 report.

Component Values – Component values are the percentage of the CRV of a building allocated to a particular component of a building based on industry standards and the configuration of the building, i.e., HVAC will range between 5% and 20% for a building based on its use (Rubeck report 2020).

Building Component Expected Life – The design life (or design service life) of a building, other structure, or component is the period of use as intended by the designer after which it may need to be replaced. Before this period has elapsed, it should remain fit for purpose (BCI Construction).

Building Component Year Constructed or Repaired – This is the year the building was constructed or was repaired/renovated.

Building Component Condition Estimate – A component condition estimate is the relative ranking of building components based on age, use, and visual inspection. Systems ranked from 5 would be considered urgent and should be replaced in the next year or two. Systems ranked with a 1 would be good working condition and not require replacement within the timeframe of this study.

Renewal & Replacement (R&R) – Renewal and replacement are two terms often used interchangeably, but they have distinct meanings. Renewal refers to the process of extending the life of something, typically by repairing or refurbishing it. Replacement, on the other hand, involves completely replacing an item with a new one. Renewal and replacement or “R&R” means the systematic repairs and replacements that extend the life and retain the usable condition of a facility, component, or system. (The Content Authority and Law Insider).

Facility Condition Index (FCI) – This term is used to rate the overall condition of a building. The number is the ratio of the total amount of R&R projects divided by the current building’s current replacement value (APPA).

03

CRITICAL BUILDING NEEDS

MOREHEAD STATE UNIVERSITY

BUILDING SUMMARY

Facility Condition Analysis
Morehead State



MOREHEAD STATE UNIVERSITY



Normal Hall

BUILDING STATISTICS

57 <i>Building Number</i>	Residence Hall <i>Building Type</i>	1967 <i>Year built</i>
27,890 <i>Gross Square Feet</i>	\$10,483,382 <i>Replacement Cost</i>	8/28/2024 <i>Assessment Date</i>

COMPLETED PROJECTS

Year Cost Project Description

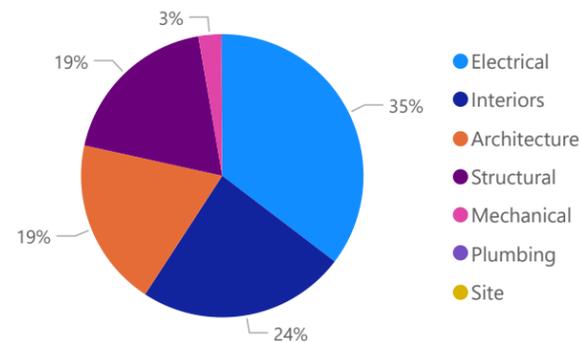
SYSTEM COST SUMMARY BY YEAR

Year	System Cost
2025-2027	\$3,333,716
ADA/Code	\$78,625
Electrical Distribution	\$550,378
Electrical Service	\$629,003
Lighting	\$681,420
Roofing & Flashings	\$314,501
Stairs & Railings	\$31,450
Superstructure	\$1,048,338
2028-2030	\$1,677,341
Casework	\$419,335
Exterior Walls	\$183,459
Exterior Windows	\$314,501
Fire Alarm	\$314,501
Floor Finishes	\$419,335
Signage	\$26,208
2031-2033	\$1,006,405
HVAC - Heat Generation	\$52,417
HVAC - Ventilation	\$104,834
Interior Doors	\$209,668
Interior Partitions	\$10,483
Wall Finishes	\$629,003
2034-2037	\$136,284
Domestic Water Equipment	\$10,483
Exterior Doors	\$15,725
Foundation	\$110,076
Total	\$6,153,745

ANALYSIS METRICS

\$6,153,745	\$8,066,963	\$10,483,382
Base Scope	Alt Scope	Replacement Cost
58.70	76.95	
Base RR Score	Alt RR Score	

BUILDING ANALYSIS SUMMARY



BUILDING PRIORITY RATING

5

[Details](#)

PROJECT LIST BY OVERALL PRIORITY

CATEGORY	SYSTEM PRIORITY	BUDGET PRIORITY	OVERALL PRIORITY	SYSTEM COST
Electrical Service - Base	5	5	125	\$629,003
Electrical Distribution - Base	5	5	125	\$550,378
Controls - Base	5	5	125	\$0
Lighting - Base	4	5	100	\$681,420
Fire Alarm - Base	5	4	100	\$314,501
Roofing & Flashings - Base	4	5	100	\$314,501
ADA/Code - Base	4	5	100	\$78,625
Domestic Water Piping - Alternate	4	4	80	\$366,918
Sanitary Waste - Alternate	4	4	80	\$183,459
Storm Water Drainage - Alternate	4	4	80	\$183,459
Domestic Water Piping - Base	4	4	80	\$0
Sanitary Waste - Base	4	4	80	\$0
Storm Water Drainage - Base	4	4	80	\$0
HVAC - Cooling Generation - Alternate	5	3	75	\$1,179,381
HVAC - Ventilation - Base	5	3	75	\$104,834
HVAC - Heat Generation - Base	5	3	75	\$52,417
HVAC - Cooling Generation - Base	5	3	75	\$0
Exterior Windows - Base	3	4	60	\$314,501
Exterior Walls - Base	3	4	60	\$183,459
HVAC - Distribution Systems - Base	5	2	50	\$0
Sprinklers - Base	5	2	50	\$0
Domestic Water Equipment - Base	4	2	40	\$10,483
Fixtures - Base	4	2	40	\$0
Exterior Doors - Base	3	2	30	\$15,725
Superstructure - Base	1	5	25	\$1,048,338
Stairs & Railings - Base	1	5	25	\$31,450
Casework - Base	1	4	20	\$419,335
Floor Finishes - Base	1	4	20	\$419,335
Signage - Base	1	4	20	\$26,208
Wall Finishes - Base	1	3	15	\$629,003
Interior Doors - Base	1	3	15	\$209,668
Interior Partitions - Base	1	3	15	\$10,483
Foundation - Base	1	2	10	\$110,076
Sidewalks/Approaches - Base	2	1	10	\$0
Ceiling Finishes - Base	1	1	5	\$0

PROJECT LIST BY SYSTEM PRIORITY

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Sidewalks/Approaches - Base	2	1	10	\$0
Ceiling Finishes - Base	1	1	5	\$0

RENEWAL AND REPLACEMENT BY SYSTEM

CATEGORY	SYSTEM COST	TOTAL WITH 4% INFLATION
Architecture	\$1,184,622	\$1,232,007
Electrical	\$2,175,302	\$2,262,314
Interiors	\$1,467,674	\$1,526,380
Mechanical	\$1,336,631	\$1,390,097
Plumbing	\$744,320	\$744,093
Structural	\$1,254,948	\$1,204,750
TOTAL	\$8,066,963	\$8,389,641

SYSTEM SUMMARY

STRUCTURAL

The exposed brick shelf and structural steel angles at the underside of the balconies supporting the northeast façade are not galvanized or properly coated with a zinc rich paint. This has resulted in progressive rusting and deterioration of the steel that must be addressed. We recommend a thorough removal of the corroded layers of steel, down to the 'good stuff,' followed by coating the steel with a zinc rich primer and two layers of zinc rich paint.

Prior to this remediation effort, we suggest an investigative removal of a 2' section of the brick below the brick shelf to expose more of the shelf and confirm our belief that the steel is not corroded beyond the exposed portion.

Concrete repair or replacement is required at Normal Hall. Most of the concrete work is patching of areas where concrete has spalled and left reinforcing bar exposed. This was primarily observed at the underside of the stairs and the balcony beams. Other concrete work needed is the removal and replacement of broken concrete sills and lintels in the stairwells.

Large cracks in the masonry were found at the rear of the building near the mechanical room. We believe this is related to expansion and contraction in that area due to the equipment. We also observed a large crack in the west stairwell. We recommend repairing each condition and making sure the source of the cracking is also addressed.



- A.** Southwest masonry joint failure
- B.** Southwest masonry joint failure
- C.** Deteriorated brick shelf requires remediation
- D.** Detail of deteriorated brick shelf
- E.** Broken sill at stairwell
- F.** Cracking at guardrail tie in
- G.** Exposed rebar in stairwell
- H.** Rusted steel and cracked concrete beam at upper balcony
- I.** Exposed rebar at underside of stairwell
- J.** Large crack in masonry in west stair

SYSTEM SUMMARY

ARCHITECTURE

The existing roof is past its useful life. Large air pockets are present between the built-up roofing layers—a clear sign of a failing system. We recommend removal of roofing and insulation down to the structural deck and replacing it with new rigid and tapered insulation and an SBS roof.

The existing plexiglass and metal guardrails are worn, cracked, unsightly, and improperly anchored to ensure student safety. There is cracking at the floor structure in many areas at the guardrail stations. We recommend removing the guardrails fully, repairing the slab where stanchion holes and cracks exist, and installing a new 42"-high, code-compliant aluminum or steel railing. We suggest going back with a perforated metal infill panel in lieu of pickets or glazing.

Similarly, the plexiglass safety infill in the stairwells is unsightly and damaged. We recommend using a similar aluminum infill panel in these areas.

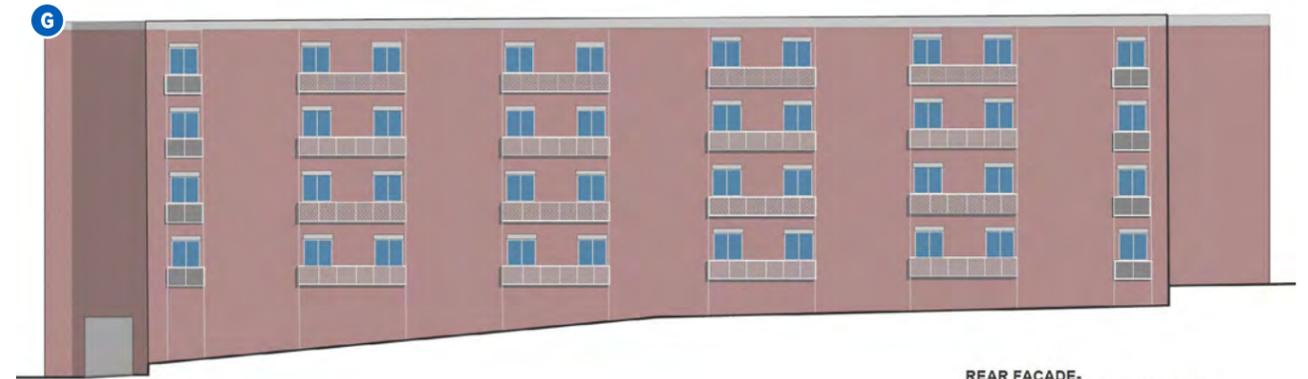
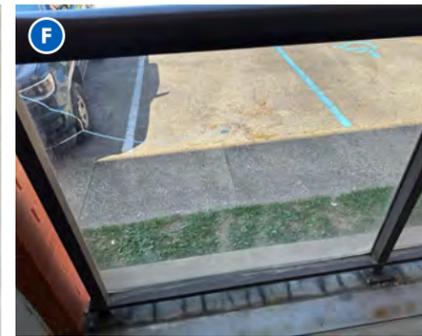
The northeast façade has large uninsulated single-pane windows in good condition at each living unit. Uninsulated units reduce the efficiency of the envelope. We recommend replacement of these windows with insulated units if the budget allows.

The southwest façade windows are due to be replaced. They are currently operable and would need to remain operable if the existing window units are to remain. To improve the aesthetics, we recommend a combination of window replacement—replacing the existing window unit brackets and installing a screening element around the units.

Paint façade, balconies, doors, and precast canopies.

Reflash and seal around existing skylights. The blocking is currently exposed on the interior, which makes it look unfinished and leaves it exposed for deterioration or pests.

Refinish doors and replace non-accessible doorknobs with levers.



REAR FACADE-
WINDOW UNIT SCREENING STUDY

- A.** Unsafe, unsightly, and (in places) cracked balcony guardrail required replacement
- B.** Delaminating, aged roof requires replacement
- C.** Southwest double-hung windows and brackets
- D.** Exposed blocking at skylight
- E.** Non-accessible knob hardware
- F.** Cracked plexiglass-metal railing
- G.** Elevation study of screening element for window A/C units

SYSTEM SUMMARY

INTERIORS

The existing casework is dated and damaged from the small amount we were able to observe. We recommend replacing all existing casework in the kitchen, study nook, bedrooms, and bathrooms.

Paint all interior spaces.

The VCT and ceramic tile in the living units are dated and, in some areas, damaged. We recommend a full flooring replacement.

There is the bare minimum signage currently, and we recommend installing ADA signage throughout.



- A. Dated interior casework
- B. Poor signage and example of need for paint
- C. Dated kitchen casework
- D. Dated bathroom casework
- E. Dated wall finishes

SYSTEM SUMMARY

ELECTRICAL

Replace the existing General Electric 4,160-volt secondary unit substation (switchgear line-up). The line-up is original from 1967 and beyond its life expectancy. It is unknown if preventative maintenance has occurred to ensure all components are operational. In addition, the ampacity may not be adequate (historical power usage is required) to allow for the conversion from gas cooking equipment to electric cooking equipment in the housing units. Guidance is required from the university regarding the condition of the incoming medium-voltage feeder from the utility tunnel system.

The existing metering cabinet is damaged and dangerous. It is recommended to replace the cabinet and meter with digital metering that can be monitored and recorded by the campus for its use.

The existing power distribution predominantly includes original equipment from 1967 (which should be replaced) and more recent equipment nearing the end-of-life expectancy from 1991 and 2001. Panelboard locations currently include the incoming sprinkler service room, laundry rooms and the mechanical room. The laundry room panelboards have missing covers, missing circuit breaker covers and violate clearance requirements. It is recommended to replace all equipment and relocate the panelboards in secured rooms/closets. Doing so would require the replacement of all electrical branch circuits throughout the building.

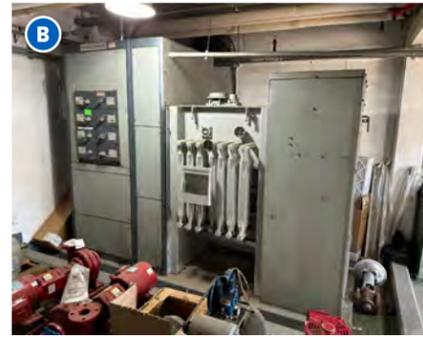
Interior lighting consists of many different technologies. This includes T-12 fluorescent lamps, LED and screw-in retrofits, to new a few. It is recommended to replace all interior lighting with LED lighting fixtures.

Exterior lighting also consists of compact fluorescent lighting and what appears to be HID fixtures. There was noticeable buzzing/humming from some of the fixtures. There are also damaged step light fixtures that should be replaced. It is recommended to replace all exterior lighting with LED lighting fixtures.

Exit lighting consists of bugeyes and exit signs. There is limited exterior building lighting at egress points on the building needing to be addressed. It is recommended to review the current emergency fixture locations in the building and update to satisfy current codes.

The lighting controls and wiring devices appear to be mostly original and/or are at the end of useful life. It is recommended to replace all wiring devices and update the lighting controls for exterior lighting. It is also recommended to review the university expectations for occupancy controls.

The fire alarm system is a Notifier NFS-640 voice system. It was installed in 2003. It is at the end useful life. With exterior devices as part of the system, the usual life expectancy is decreased. It is recommended to replace the system in its entirety and revisit proper spacing for devices and review the university expectations for fire alarm for student housing.



- A.** 1967 incoming medium-voltage feeder from utility tunnel system
- B.** 1967 GE medium-voltage secondary unit substation
- C.** 1967 damaged metering cabinet
- D.** 1967 panelboard "T"
- E.** 1991 panelboard "T-2"
- F.** 2001 panelboard "F"
- G.** 1967 panelboards in incoming sprinkler service room
- H.** 1967 panelboards in laundry room
- I.** Interior LED retrofit light fixture
- J.** Interior retrofit light fixture
- K.** Interior fluorescent light fixture
- L.** Exterior canopy light fixture
- M.** Exterior canopy light fixture - compact fluorescent
- N.** Exterior wall-mounted light fixtures
- O.** Exterior step lighting
- P.** Emergency lighting
- Q.** Emergency exterior bug-eye light fixture
- R.** Exterior exit sign - faded
- S.** Wiring device receptacle
- T.** Wiring device switch
- U.** 2003 fire alarm control panel - Notifier NFS-640
- V.** Fire alarm local smoke detector in student unit
- W.** Fire alarm system smoke detector in student union
- X.** Fire alarm system manual pull station and speaker strobe

SYSTEM SUMMARY

MECHANICAL

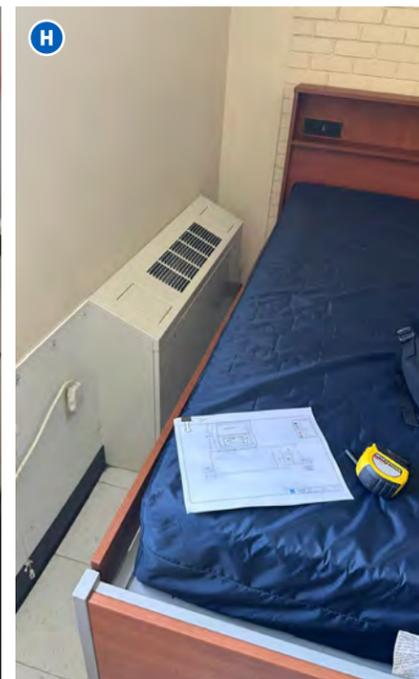
The heating and cooling systems are functioning well. The HVAC system was partially replaced in 2003. At that time, a new steam-to-hot water heat exchanger was installed with hot water distribution pumps, floor-mounted fan coil units were installed throughout the building, the majority of the heating hot water piping was replaced, and window A/C units were installed in each living space.

It is recommended the following systems be repaired:

- The ten roof-mounted exhaust fans appear to be original to the construction and should be replaced.
- The condensate pump appears to be in poor condition as well. For that reason, it is recommended the condensate pump be replaced for good operation over the 15-year time period.

There is no central control system and the systems are all manually manipulated. With the shorter 15-year timeframe being considered, it is not recommended a digital control system be installed.

A central heating/cooling system could be installed to remove the window A/C units, but with the current budget and the 15-year timeframe, it is recommended to keep the current heating and cooling system in place.



- A.** Condensate pump at near end of life
- B.** Heating hot water pumps
- C.** Steam to hot water heat exchanger in good condition
- D.** Steam pressure reducing valve
- E.** Incoming gas service
- F.** Restroom exhaust fans on roof - at end of life
- G.** Simple fan coil unit controls
- H.** Typical floor-mounted fan coil unit
- I.** Window AC unit
- J.** Window AC unit outdoor view

SYSTEM SUMMARY

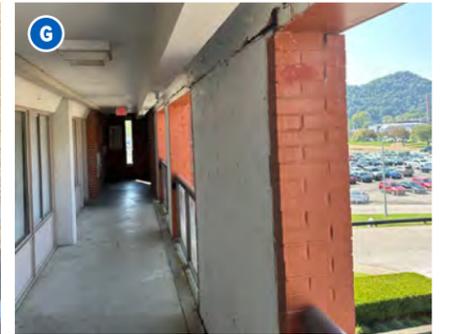
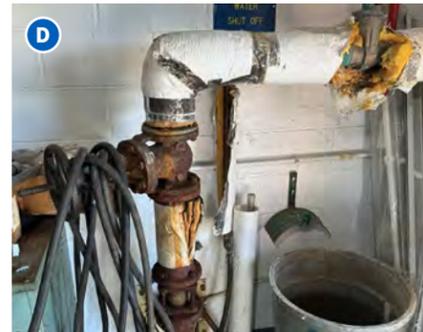
PLUMBING / FIRE PROTECTION

The plumbing systems are generally in good condition without any major issues. The original storm and sanitary piping and domestic hot and cold piping remain in service from the original construction, but no operational issues are reported. For the 15-year timeframe, it is not recommended that any piping should be replaced. If problems occur during the upcoming 15-year period, spot repairs can be made.

A gas-fired domestic hot water heater, domestic hot water pump, and thermostatic mixing valve are installed in the lower-level mechanical room. The system is in good condition.

The fire sprinkler system is in good condition. It is a dry pre-action system because a good amount of the piping is exposed to outdoor conditions.

There was no backflow preventer observed on our site visit. It is recommended that a backflow preventer be installed.



- A.** Domestic hot water heater in good condition
- B.** Domestic hot water pump and mixing valve in good condition
- C.** Domestic hot water storage tank in good condition
- D.** Domestic water main shutoff valve - no backflow preventer
- E.** Gas stove in living quarters
- F.** Dry preaction fire sprinkler system
- G.** Metal enclosure for sprinkler piping in breezeway
- H.** Sprinkler head
- I.** Storm and sanitary piping is a mixture of iron pipe and PVC
- J.** Typical bathroom sink
- K.** Typical kitchen sink
- L.** Typical shower tub
- M.** Typical water closet

04

APPENDIX

APPENDIX A

TYPICAL BUILDING LIFE CYCLES

System and component life cycles used in the cost models for this project were based on average service life as shown in the *Preventive Maintenance Guidebook: Best Practices to Maintain Efficient and Sustainable Buildings* published by Building Owners and Managers Association (BOMA) International. When life cycle information is not provided by BOMA, life cycles have been assigned using ALPHA's professional judgment.

ROOFING	YEARS	FIRE PROTECTION	YEARS
Built-Up	25	Fire Sprinklers and Standpipe (Piping/Risers)	40
Composition Shingle	20	Fire Detection (Activation Devices)	20
Metal Panels	25	Fire Detection (Notification Devices)	20
Modified Bitumen	20	Fire Detection (Wiring)	30
Standing Seam Metal	35	HVAC	YEARS
SPF Roofing	30	Cooling Generating	25
BUILDING EXTERIOR	YEARS	Controls	20
Exterior Doors	25	Distribution	30
Exterior Walls (Finishes)	10-30	Heat Generating	30
Exterior Windows	30	Terminal and Package Units	15
INTERIOR FINISHES	YEARS	ELECTRICAL	YEARS
Interior Doors	25	Branch Wiring	40
Ceiling (Acoustical Tile and Grids)	20	Lighting	30
Ceiling (Painted)	10	Service and Distribution	40
Walls	10	Generators	30
Floors	15	EQUIPMENT	YEARS
BUILT-IN EQUIPMENT/SPECIALTIES	YEARS	Institutional Equipment	25
Built-in Equipment and Specialties	20	Other Equipment	15-25
CONVEYING SYSTEMS	YEARS		
Elevators	35		
Chair Lifts	15		
PLUMBING	YEARS		
Plumbing Fixtures	30		
Domestic Water Distribution	30		
Sanitary Waste	30		



[SCAN OR CLICK HERE TO VIEW THE FULL SCOPE REPORT](#)



SCHMIDT
ASSOCIATES

BETTER FORESIGHT. BETTER INSIGHT. BETTER ON-SITE.

**APPROVE NORMAL HALL RAZE AND
REPLACEMENT CAPITAL PROJECT****BOR VI.C.
November 15, 2024**

Recommendation:

That the Board of Regents, upon recommendation of the President:

- 1) Approve \$10,200,000 for the Normal Hall Raze and Replacement Capital Project, and
- 2) Authorize the razing of the existing Normal Residence Hall.

Background:

On June 14, 2024, the Board of Regents approved the 2024-2025 Budget Adoption Resolution which requires all capital construction projects of \$1,000,000 or greater to have prior approval of the Board of Regents and be contained in the Biennial Legislative Appropriations Act in accordance with KRS 45.750.

In the 2024-2026 Biennial Budget, the University received \$37,670,000, from bonds to be issued by the Commonwealth of Kentucky, for Asset Preservation (AP) Pool Projects in the 2024-2025 and 2025-2026 fiscal years.

Under the Council on Postsecondary Education 2024-2026 Asset Preservation Pool Guidelines, in situations where it is more cost effective to raze and replace rather than renovate an existing facility, AP funds may be used for demolition and reconstruction. Projects are considered cost effective when the cost to raze and replace does not exceed 115% of the cost required to renovate a facility.

On August 9, 2024, the Board of Regents approved the Normal Hall Renovation Capital Project using \$5,000,000 of fiscal year 2024-2025 AP Pool authorization. Based on an assessment conducted by Schmidt Associates, renovating Normal Hall is estimated to cost approximately \$8,990,000.

JRA Architects estimate that the total costs to build a new Residence Hall, with similar square footage, and to raze the existing building, at \$10,200,000 which is less than 115% (\$10,338,500) of the cost to renovate the facility.

Therefore, it is recommended that the Board of Regents approve up to \$10,200,000 for the Normal Hall Raze and Replacement Capital Project using \$7,610,000 of the 2024-2025 fiscal year AP Pool funds (\$5,000,000 of which will be reallocated from the previously approved Normal Hall Renovation Capital Project) and \$2,590,000 of the 2025-2026 fiscal year AP Pool funds.

It is also recommended that the Board of Regents approve the razing of the existing Normal Residence Hall, in a timely manner, after completion of the construction of the new facility.

TITLE: Interim Capital Project – Maysville Community and Technical College Montgomery Campus Welding Lab Renovation

DESCRIPTION: The Finance Committee recommends the Council approve, contingent upon approval by the KCTCS Board of Regents, a \$1,220,000 federal and agency restricted fund interim project at the Maysville Community and Technical College Montgomery Campus that will renovate space for a new welding lab.

STAFF CONTACT: Ryan Kaffenberger, Director, Finance Policy and Programs

COMMITTEE REVIEW & APPROVAL

The Finance Committee reviewed and endorsed for final approval the proposed interim capital project at Maysville Community and Technical College Montgomery Campus at its November 15, 2024, meeting.

SUPPORTING INFORMATION

Kentucky Community and Technical College System (KCTCS) staff request authorization for an interim capital project to renovate space at the Maysville Community and Technical College Montgomery Campus for a new welding lab. The lab will include 14 welding booths. One of the booths will be designed to be ADA accessible. The project’s total scope is \$1,220,000 and will be funded with \$976,000 in federal funds and \$244,000 in agency restricted funds.

The project will be submitted for approval by the KCTCS Board of Regents at their December 6, 2024, meeting. As such, CPE staff recommends the Finance Committee endorse the project for full Council approval contingent upon its approval by the KCTCS Board of Regents.

House Bill 592 (2018) created a new provision in KRS 164A.575, which allows public postsecondary institutions to authorize capital projects not specifically listed in the state budget as long as the projects are funded with non-general fund appropriations, do not jeopardize funding for existing programs, and are reported by the institution to the Capital Projects and Bond Oversight Committee. The pertinent section of KRS 164A.575 is provided below:

- (15) Notwithstanding KRS 45.760, the governing board may authorize a capital construction project or a major item of equipment even though it is not specifically listed in any branch budget bill, subject to the following conditions and procedures:
- (a) The full cost shall be funded solely by non-general fund appropriations;
 - (b) Moneys specifically budgeted and appropriated by the General Assembly for another purpose shall not be allotted or re-allotted for expenditure on the project or major item of equipment. Moneys utilized shall not jeopardize any existing program and shall not require the use of any current general funds specifically dedicated to existing programs; and
 - (c) The institution's president, or designee, shall submit the project or major item of equipment to the Capital Projects and Bond Oversight Committee for review as provided by KRS 45.800.

The approval process for a capital project that exceeds \$1,000,000 is as follows:

- The project must be approved by an institution's board of trustees or regents;
- The project must be submitted to the Council on Postsecondary Education for review and action;
- If approved by the Council, projects at KCTCS and KSU are submitted to the Secretary of the Finance and Administration Cabinet for review and action, and subsequently submitted by the Secretary to the Capital Projects and Bond Oversight Committee for review;
- If approved by the Council, projects at EKU, MoSU, MuSU, NKU, UK, UofL, and WKU are submitted by the requesting institution to the Capital Projects and Bond Oversight Committee for review, and a copy is provided to the Finance and Administration Cabinet as information; and
- Following review and action by the appropriate agencies, the project may be initiated by the requesting institution.

Because this project was not previously approved by the Council and it was not authorized in the enacted 2024-26 budget (HB 6), Council approval is now required to authorize this project. KCTCS will not be debt financing any portion of this project; therefore, provisions of KRS 45.763 do not apply.

NEXT STEPS

Following action by the Council and KCTCS Board of Regents, CPE staff will notify the president of KCTCS, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee concerning this interim capital project.



October 22, 2024

Mr. Aaron Thompson, President
Council on Postsecondary Education
1024 Capital Center Drive, Suite 320
Frankfort, KY. 40601

Re: Interim Authorization Request – KCTCS Capital Project

Dear President Thompson:

In accordance with KRS 164A.575, Kentucky Community and Technical College System (KCTCS) respectfully requests interim authorization for one project that is being funded with federal and agency restricted funds.

The project is Maysville Community and Technical College Montgomery Campus Welding Lab Renovation. The total budget is \$1,220,000 and will be funded with \$976,000 in federal funds and \$244,000 in agency restricted funds. This project will renovate space for a new welding shop at the Montgomery Campus and will include 14 welding booths, one of which will be designed for ADA access.

The design and construction of the project will be implemented through the KCTCS Facilities Support Services Capital Construction division. We are requesting CPE approval, contingent upon KCTCS' Board of Regents approving this project at the December 6, 2024 meeting.

Should you have any questions, please feel free to contact Andy Casebier at 859-256-3287.

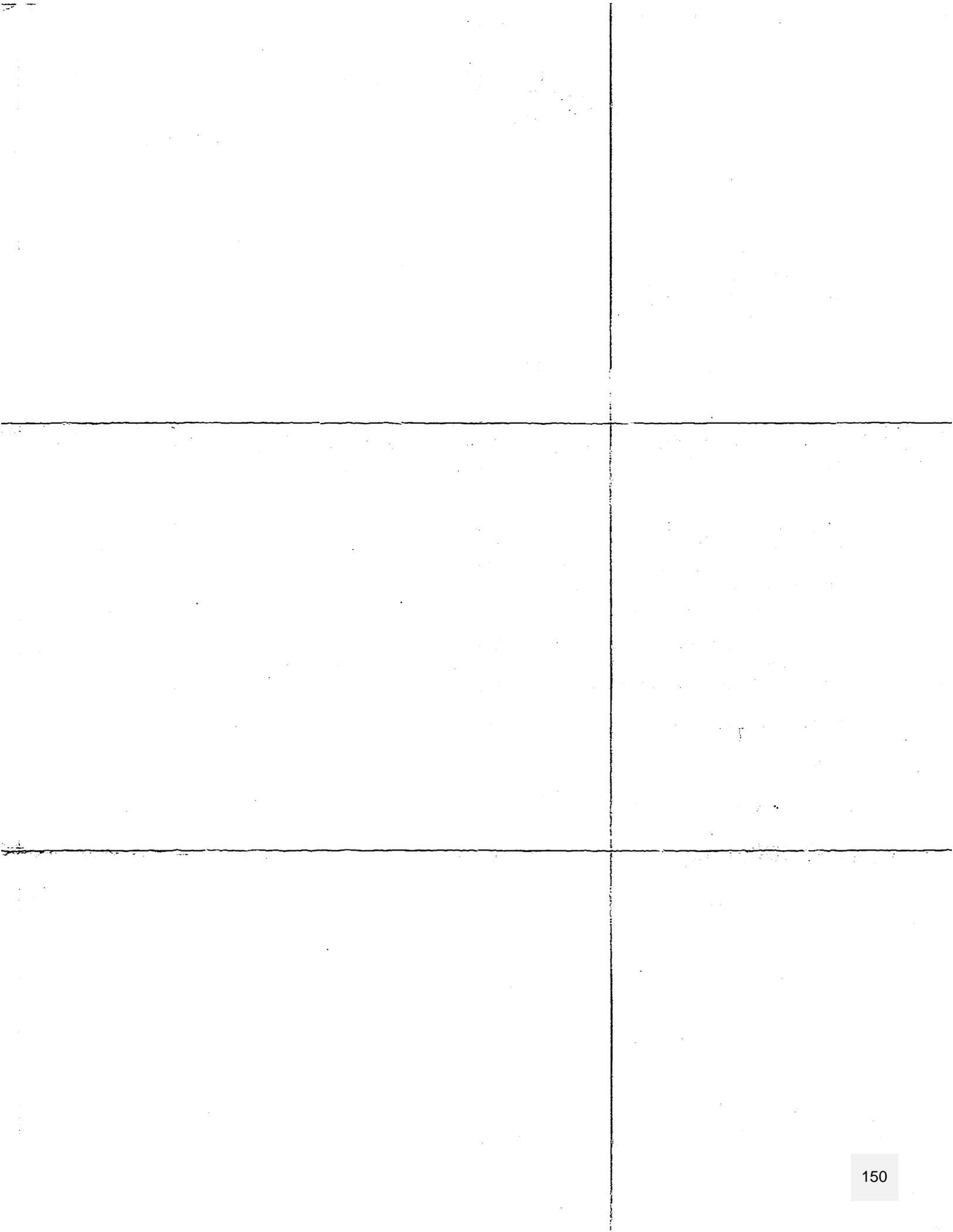
Sincerely,

A handwritten signature in black ink, appearing to read "Todd Kilburn", written over a horizontal line.

Todd Kilburn
Chief Financial Officer

cc: Dr. Ryan F. Quarles, KCTCS President
Carla Wright
Ryan Kaffenberger
Andy Casebier
Sandy Adkins





TITLE: Southeast KY Community and Technical College, Whitesburg Campus Pedestrian Bridge Raze and Replace Project Update

DESCRIPTION: The Finance Committee received updated cost estimates for a raze and replace project at Southeast Kentucky Community and Technical College’s Whitesburg Campus that was previously approved for 2024-2026 Asset Preservation Pool funds contingent upon KCTCS officials bringing updated and policy-compliant cost estimates to the Council at its next available meeting.

STAFF CONTACT: Ryan Kaffenberger, Director, Finance Policy and Programs

COMMITTEE’S REVIEW

The Finance Committee received this information report at their November 15, 2024, meeting. It will not be covered or presented in detail at the board meeting; however, staff will be available for questions.

BACKGROUND INFORMATION

At its September 16, 2024, meeting, the Council approved the following motion regarding a raze and replace project involving a pedestrian bridge at Southeast KY Community and Technical College’s (SEKY CTC) Whitesburg Campus:

Due to the age and deteriorating condition of the bridge, impact of historic flooding in Eastern Kentucky on the bridge, and immediate safety concerns for faculty, students, and staff who are currently using an alternate bridge that supports primarily vehicular traffic, the Council approves the request contingent upon KCTCS officials bringing updated and policy-compliant cost estimates to the Council at its next available meeting date.

Brown and Kubican completed an initial study on January 9, 2020, providing renovation and demolition and reconstruction cost estimates for SEKY CTC’s Whitesburg Campus pedestrian bridge that complied with the Council’s *2024-2026 Asset Preservation Guidelines*; however, there was a significant difference between the 2020 raze and replace cost estimate (i.e., \$609,453) and the project’s current scope (i.e., \$1,395,000). For this reason, the Council provided approval contingent upon their receiving updated policy-compliant cost estimates.

On November 4, 2024, Brown and Kubican completed a structural condition survey and opinion of probable cost for the pedestrian bridge. In the report, the engineers note that renovating the pedestrian bridge is no longer a viable option and, thus, no renovation cost estimate is provided (see Attachment A). Two excerpts from the report stating this are shown below.

“We performed a visual investigation which included the extent of the pedway, raised landing, and overall site conditions for future construction. Visual observation was performed from the ground and photographs were taken for comparison to the original inspection of 2019. We did not use selective demolition as part of this observation, since the repair of the bridge is no longer a viable option, and selective demolition is unnecessary to determine the scope of replacement.” (p. 3)

“In 2019, we considered both repair and replacement of the bridge superstructure. However, due to accelerated deterioration over the past 5 years, we no longer consider the repair option as viable.” (p. 13)

Brown and Kubican estimate the probable demolition and construction cost at \$1,550,000. Additionally, they estimate design and inspection costs for the replacement bridge at \$215,000. Altogether, the engineers recommend KCTCS budget \$1,850,000 to raze and replace the SEKY CTC Whitesburg Campus pedestrian bridge, which also includes contingency funds (see Attachment B).

Because it is the opinion of the independent third-party industry professional (i.e., Brown and Kubican) that repairing the pedestrian bridge is no longer a viable option and, therefore, a cost estimate is not practical, it is CPE staff’s opinion that the updated structural condition survey and opinion of probable cost comply with Council policy.

ASSET PRESERVATION POOL GUIDELINES

The *2024-2026 Asset Preservation Pool Guidelines* include an exception to the Council’s delegation of authority to CPE staff for project review and approval. The Guidelines allow Asset Preservation Pool funds to be used for the demolition and reconstruction of a facility if the estimated cost to raze and replace does not exceed 115% of the estimated cost to renovate the facility and is certified in writing by an independent third-party industry professional. CPE staff is required to bring raze and replace requests to the Finance Committee and full Council, along with the certified cost estimates, for review and approval. Excerpts of relevant language from the guidelines are provided below.

- Projects that preserve, renovate, or renew pedestrian and student parking areas, or raze university-owned buildings are eligible to receive funds from the Asset Preservation Pool.

- For the purposes of these guidelines, “facilities” includes buildings, building systems, and campus infrastructure, such as roads, walkways, electrical grids, steam tunnels, and water chiller plants, that support current and ongoing use of eligible facilities.
...
- Generally, new construction and expansion projects are not eligible to receive funds from the Asset Preservation Pool. However, under certain limited circumstances, as described below, use of asset preservation funds to finance new construction or expansion may be permissible.
- If it would be more cost effective to raze and replace rather than renovate an existing facility, then asset preservation funds may be used for demolition and reconstruction. For such a project to be considered cost effective, the cost to raze and replace may not exceed 115% of the cost required to renovate a facility. The cost of each option must be certified in writing by an independent third-party industry professional.
- It is anticipated that requests to raze and replace rather than renovate an existing facility will be infrequent occurrences. For this reason, CPE staff will bring such requests along with certified cost estimates from independent third-party industry professionals to the Finance Committee and full Council for review and approval.

October 31, 2024

Mr. Brian Easton
Facilities Project Manager
Kentucky Community and Technical College System
Office of Facilities Support Services
300 North Main Street
Versailles, Kentucky 40309

RE: Southeast Kentucky Community and Technical College
Replacement of Whitesburg Bridge
2 Long Ave.
Whitesburg, KY 41858
B+K Project Number: 24310
AE job #: 000001

Mr. Easton,

Pursuant to your request, Brown + Kubican, PSC performed an updated structural condition survey and opinion of probable cost estimate to further develop the scope of replacement for the pedestrian bridge at Southeast Kentucky Community and Technical College in Whitesburg, Kentucky. Our work included a new site observation of the pedway and review of available construction documents. We also reviewed the previous structural condition survey performed by Brown + Kubican, PSC in 2019. Preparation of construction documents (drawings and specifications) are not included in our current scope. Our observation was performed on October 28, 2024. All items discussed in the kick-off meeting on October 28, 2024 were also considered in the development of the scope of replacement.

Executive Summary:

Per visual inspection of our updated photos in comparison to the photos taken in 2019, the bridge shows accelerated corrosion and delamination of the bottom chords, cross members, lateral bracing, and steel deck. **The entire pedestrian bridge superstructure should remain closed and barricaded until replacement or demolition can be arranged. Portions of the raised pavilion slab, supporting beams and columns, and lintels above the parking garage openings also show signs of accelerated deterioration and should be replaced or remediated.** The existing bridge piers and abutments will likely become structurally sufficient after patching spalled areas; however, a full load capacity check of the existing piers will be necessary as part of the scope of a future phase to determine the adequacy of the existing piers. We recommend the future bridge include a roof as part of the design to improve its design life. Regular maintenance should also be conducted in the future to prevent deterioration of the future bridge. See the following report for observations, recommendations for repair, and a cost opinion.

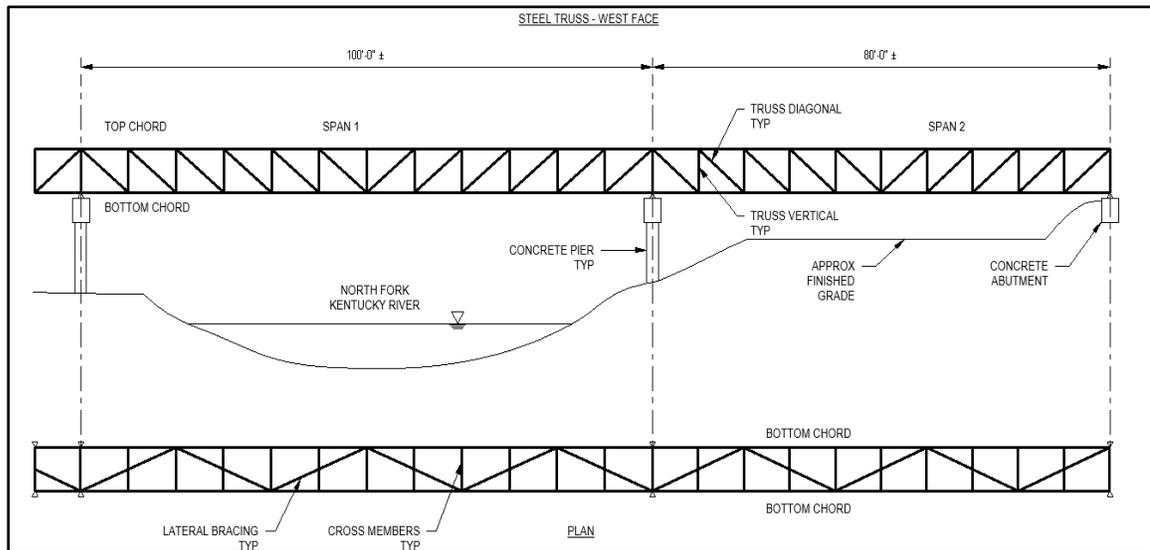


Image 1: Bridge Diagram

Kick-Off Meeting:

A kick-off meeting was held in the Belinda Mason Academic/Technical Building on October 28, 2024 to discuss the programming phase project scope for the replacement of the pedestrian bridge. Topics were discussed that relate to the scope of the project, including:

1. The current bridge lighting is inadequate for the safety of pedestrians. The new future bridge should incorporate a more robust lighting system. Brown + Kubican, PSC will coordinate with the electrical engineer in a future phase.
2. The current bridge may not meet accessibility standards per the Americans with Disabilities Act if it slopes steeper than 5% as it has no intermittent landings. The existing drawings that BK has on file does not include the bridge elevations. The new bridge should meet ADA standards, or the accessibility signage will need to be removed from the bridge side of the building. There is access on the front side of the building that will not be affected.
3. A survey will need to be conducted to gather elevations for the existing abutments and piers, including existing anchor bolt locations and existing vertical truss ends. This will streamline the construction of a new bridge and provide the data needed for a future load capacity analysis of the existing piers. Brown + Kubican, PSC will coordinate with the surveyor to determine the details as part of the scope of a later phase.
4. An extreme flood event occurred in Eastern Kentucky in 2022, and this bridge falls within the target area. Per comments from KCTCS, the water level was approximately 2 feet below the bottom chord of the bridge at crest and therefore did not encroach on the bridge directly; however, it was noted that one of the masonry-wrapped columns supporting the north landing is damaged, leaving the wrapped steel column exposed to mud during the flood event, and open air thereafter. See the discussion on the landing for a detailed explanation of our conclusions after conducting a new visual inspection.
5. There is an existing fiber line that will need to be attached to the new bridge in a secure manner, preferably with a conduit. New design should incorporate a conduit, but not relocate the line.
6. KCTCS reported that a neighbor living in the house near the bridge currently drives under the bridge to access their home. Reasonable accommodation for the neighbor may be necessary once construction begins.

2024 Inspection:

We performed a visual investigation which included the extent of the pedway, raised landing, and overall site conditions for future construction. Visual observation was performed from the ground and photographs were taken for comparison to the original inspection of 2019. We did not use selective demolition as part of this observation, since the repair of the bridge is no longer a viable option, and selective demolition is unnecessary to determine the scope of replacement.



Image 2: Cross Member Above Abutment

Structure Description:

Existing construction documents made available to us for the Belinda Mason Academic/Technical Building by DCT Design Group, Ltd. and Bradford Walton Structural Engineer, dated July 15, 2002 are on file. Shop drawings of the existing pedway bridge were not provided.

The existing pedestrian bridge is a two-span steel pratt truss between the Mason Academic Building and the Hogg Allied Health Center. The truss has HSS8x8 top and bottom chords, HSS5x5 verticals and HSS3x3 diagonals. Each truss is connected together with HSS6x4 cross members and HSS3x3 lateral bracing below the concrete slab on deck to provide lateral buckling stability. The bridge has an open top with tabs welded to the vertical members for the attachment of a roof. The existing drawings call for the roof to be an alternate; no roof was installed at the time of our inspection. All steel tube members are welded together all around. Steel guardrails are constructed using channels and rounds steel rods for the entire length of the pedway. All steel has a weathering finish. Weathering steel is installed as "raw" steel and allowed to rust. The rust performs a

protective coating to the elements. The bridge is spliced with bolted splice plates at two locations, the mid span of each span.



Image 3: Bridge West Elevation

The walking surface is exposed concrete with no apparent sealer or traffic membrane. The concrete surface has a broom finish with sawn construction joints at $\sim 7'-6"$ on center with no sealer in the joints. The walking surface is constructed with $2\frac{1}{2}"$ concrete over non-composite $1\frac{1}{2}"$ galvanized metal deck (4" total thickness). The bridge spans between concrete abutments and piers with no apparent sealer applied to their surface. The Southeast span ($\sim 80'-0"$) is over a parking lot and the Northwest span ($\sim 100'-0"$) is over the North Fork Kentucky River. The height to the underside of the bridge ranges from $\sim 7'-6"$ at the Southeast span and $\sim 17'-9"$ at the Northwest span. Photographs of the bridge and its components were taken, some of which are included herein.

The raised landing at the North end of the bridge is constructed of a concrete walking surface that appears to be unsealed. The walking surface is constructed with a $2\frac{1}{2}"$ concrete slab over $1\frac{1}{2}"$ composite painted metal deck (4" total thickness) spanning between wide flange steel beams. The steel beams are supported by steel columns wrapped in masonry piers and the building. A steel handrail is attached to the edge angle around the perimeter of the raised landing. The foundation system of the landing is concrete drilled piers. All steel, including the underside of the steel deck, is painted.



Image 4: Bridge Walking Surface



Image 5: Raised Landing

Observed Deficiencies:

We observed the following structural deficiencies:

Item 001: Truss Bottom Chords

The truss bottom chords are in moderate to poor condition. The truss bottom chords have consistent mild delamination on the underside of the tube for the full length of the bridge on both chords. While no new measurements were taken, these chords appear to be in worse condition when compared to the photos in the 2019 report. The corrosion is especially severe near the splices.

We believe this is caused by the improper drainage of the walking surface above. The salt/water combination is draining onto the top of the steel bottom chords and causing the chords to rapidly deteriorate. Also, the bridge generally slopes to the west side of the deck, causing the water to drain to the West chord more than the East chord.



Image 6: West Bottom Chord Deterioration

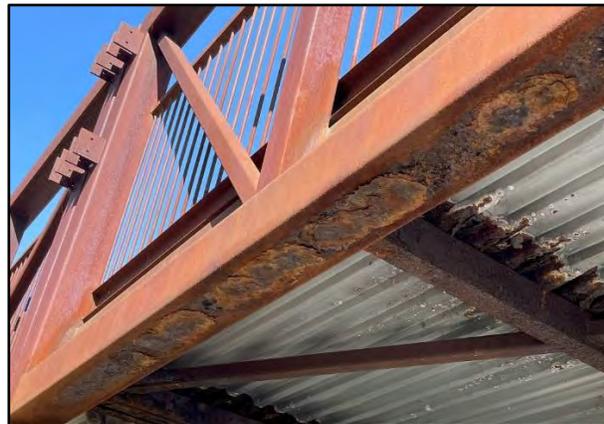


Image 7: Underside of Bottom Chord Delamination

Item 002: Bridge Cross Members

The cross members are consistently corroded and delaminating at both ends where they connect to the trusses. The bridge is spliced in two locations and has three end-bearing conditions. Each end bearing condition and splice is experiencing infiltration of water through the slab joint and significant corrosion of the cross members.

We believe this is due to the bridge improperly draining over the edge of the walking surface and corroding the end of the cross members. The lack of joint sealants at the splice and bearing locations is causing extra water to corrode the members below these locations.



Image 8: Cross Member Corrosion

Item 003: Lateral Bracing

In general, the condition of the lateral braces below the deck are fair. The lateral brace members are corroding on all sides of the section at the ends connected to the cross members. Deterioration is currently localized to the surface of the members, deterioration has yet to greatly impact the welded connections.

We believe this is caused by the lack of joint sealant in the concrete slab on deck sawn joints. Water is infiltrating through the sawn joints and corroding the ends of the lateral braces.

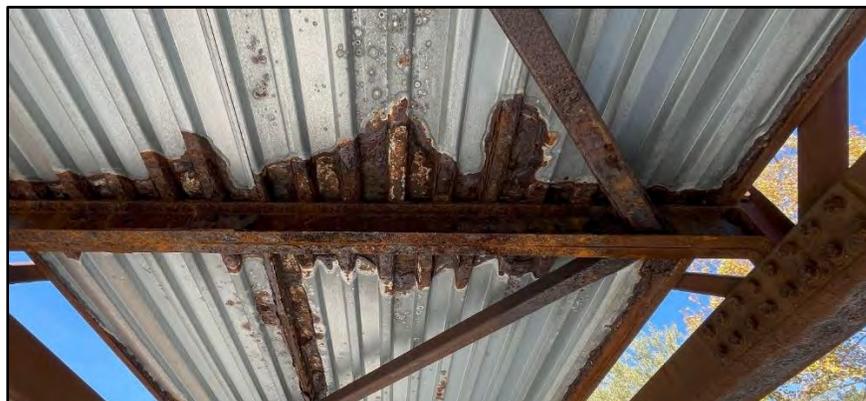


Image 9: Lateral Bracing Corrosion

Item 004: Concrete Slab Over Steel Deck

The concrete slab over the steel deck is in fair condition. All bearing locations of the galvanized steel deck are experiencing corrosion. Bearing locations include the ends, intermediate supports, and all edge conditions at the perimeter. All locations are experiencing moderate to severe corrosion with some localized areas experiencing full loss of the steel deck.

We believe the deck is corroding at these locations due to the interaction between the galvanized steel and weathering steel. Galvanized steel rapidly deteriorates when in contact with weathering steel. The weathering steel protective rust coating constantly corrodes the galvanized coating until it is gone, and the steel below deteriorates. Another cause is the lack of a traffic membrane allowing water to infiltrate through the sawn joints and corroding the steel deck.

This issue cannot be resolved without full replacement of the concrete slab on deck.



Image 10: Weathering Steel/Galvanized Deck Interaction

Item 005: Concrete Abutments/Piers

Overall, the concrete piers and abutments are in good condition. A few locations are experiencing spalling of the concrete and exposed corroded rebar. The south pier between spans 1 and 2 has an exposed section of reinforcement the full width of the Pier. Further exposure to the elements will result in additional loss of concrete and reinforcement section.

We believe this is a result of inadequate cover for the reinforcement, leading to accelerated corrosion of the reinforcement.



Image 11: Concrete Pier Spall

Item 006: Bolted Splice Connections

The condition of the bolts at the chord splices were not able to be inspected. Each splice has external cover plates with bolts that thread to an interior nut. Some surface rust was seen at the interior of the chord splice. We are concerned that the bolts are experiencing section loss and severe loss of bearing against the chord walls.

We believe this is caused by the lack of weep holes in the bottom chord, leading to the bottom chords collecting water.



Image 12: Bottom Chord Splice Corrosion

Landing at North end of Bridge:

While on site we performed a visual observation of the landing attached to the Mason Academic Building, below are our observations.



Image 13: North Raised Landing

The condition of the landing has deteriorated since the observations made in 2019. The steel beams are showing moderate section loss due to corrosion of the top and bottom flanges around the perimeter of the landing. Some localized corrosion was observed at the underside of the deck and at bearing conditions resulting in approximate 90% section loss of the steel deck. The edge angle is experiencing surface rust where it is in contact with the beam top flange.

We believe the corrosion of the underside of the raised landing is due to no galvanizing used on the steel, no special detailing for exterior exposure, no sealant on the concrete slab, and concealed/trapped structure against the building with no weathering protection.

Also, as mentioned in the kick-off meeting, the 2022 flood crest elevation was within feet under the bridge and appears to have chipped off the masonry wrapping on the east column, exposing the steel column to the elements. Due to an exposure of over 2 years and the state of the remainder of the landing, we believe it is unreasonable to repair this column.



Image 14: North Landing Underside Corrosion



Image 15: Chipping of Masonry from Flooding

Due to the acceleration of corrosion determined by comparing the photos from 2019 to our current photos, and the compromised state of the masonry-wrapped columns from the flood of 2022, it is recommended to remove and replace the landing slab, including all steel support beams and both masonry-wrapped steel columns. The lintels beneath the landing in the parking garage wall, should also be replaced (including the soldier bricks between the lintels and landing support beams) due to their accelerated corrosion. The slab on deck should be replaced with a formed slab and be sealed to prevent further water infiltration.



Image 16: Lintel Corrosion Under Raised Landing

Replacement

The current condition of the bridge is not sustainable to keep the bridge operational for its intended lifespan. **During replacement efforts the bridge shall remain closed with a barricade that states the closure.** The following elements shall be replaced based on our visual observation.

1. Full superstructure replacement shall be performed. An in-depth load capacity check will be required at a later phase of the project to determine the structural viability of the piers and abutments, however for now, assume they will be retained.
2. If the piers and abutments are found to be structurally sufficient to support the proposed load of the new superstructure, per load capacity calculations, the exposed rebar in the abutments and piers would be repaired. Sawcut around the perimeter of the exposed rebar, undercut concrete to $\frac{3}{4}$ " behind reinforcement, blast clean, prime, and apply repair mortar.
3. The original construction documents planned for a covering over the bridge. It is recommended to incorporate this covering as part of the replacement bridge.
4. Replace the raised landing slab, including all steel supporting members and the two masonry-wrapped columns. Also, replace the two lintels beneath the landing (above the two openings for the parking garage), including the soldier bricks between the lintels and landing support beams.

Summary:

In summary, we believe that there are two root causes to the bridge deterioration discussed below:

- Use of de-icing salts
 - De-icing salts have been used on the bridge to provide a safe walking path for pedestrians. The salt, mixed with melted snow and ice improperly drains onto the weathering steel and is causing excessive corrosion.
- Bridge detailing
 - Improper drainage of the walking surface:
 - The walking surface drains the salt/water combination onto the bottom chords below.
 - The construction joints in the slab on grade are actively leaching the salt/water combination onto the steel cross members below.
 - Drip edges are not provided, allowing the water to drip from the bottom of the steel members and causing corrosion and delamination.
 - The bridge generally slopes to the West side, leading more water to drain over the West side of the bridge and deteriorate the West side faster.
 - Lack of drainage holes on underside of closed sections.
 - The galvanized deck is in contact with the weathering steel
 - Constant contact with the weathering steel has caused the galvanized steel to deteriorate and lose its galvanized coating.

In 2019, we considered both repair and replacement of the bridge superstructure. However, due to accelerated deterioration over the past 5 years, we no longer consider the repair option as viable. The existing bridge was not detailed for serviceability and maintenance, explaining the accelerated corrosion and spalling we have observed. **We recommend a full replacement of the superstructure with one that is properly detailed for serviceability, along with a properly detailed replacement of the raised landing and its supporting structural members.**

Opinion of probable cost:

Due to the speed of project schedule, our opinion of probable cost will be provided under separate cover.

If you have any questions regarding this report, or if we can be any further assistance, please call.

Best regards,



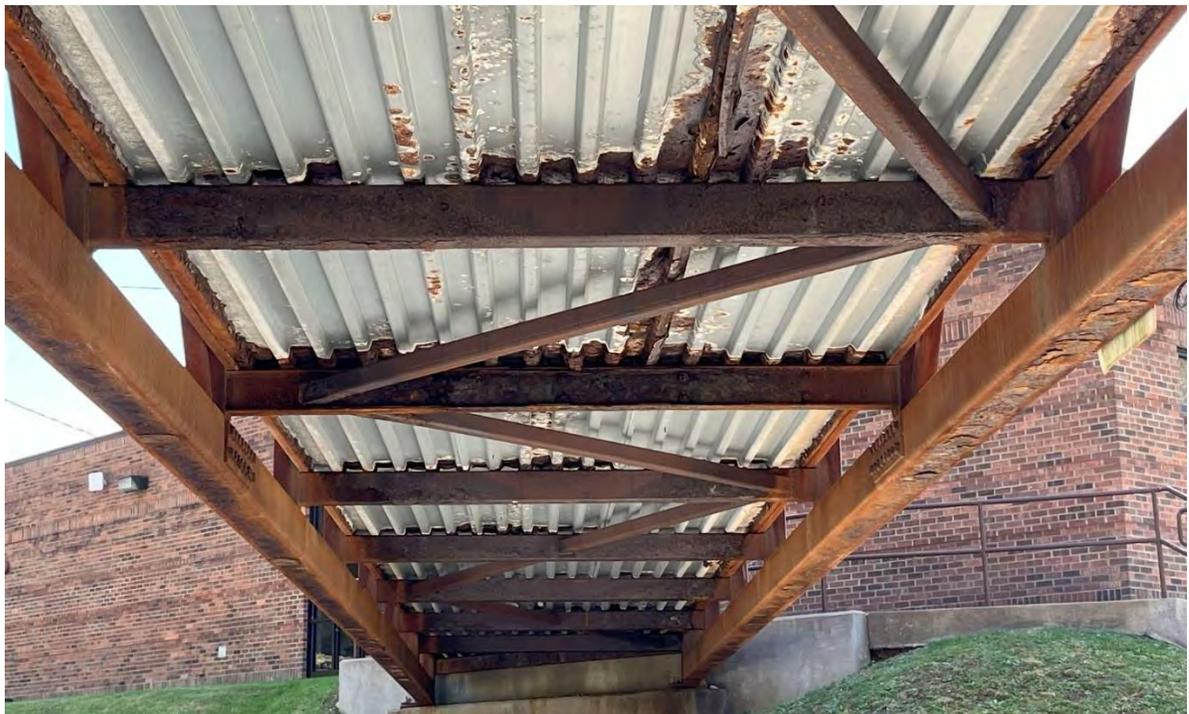
Jason Campbell, PE
Project Manager
Brown + Kubican, PSC
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Dan Kubican, PE
President
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dkubican@bkse.net

Additional Photographs







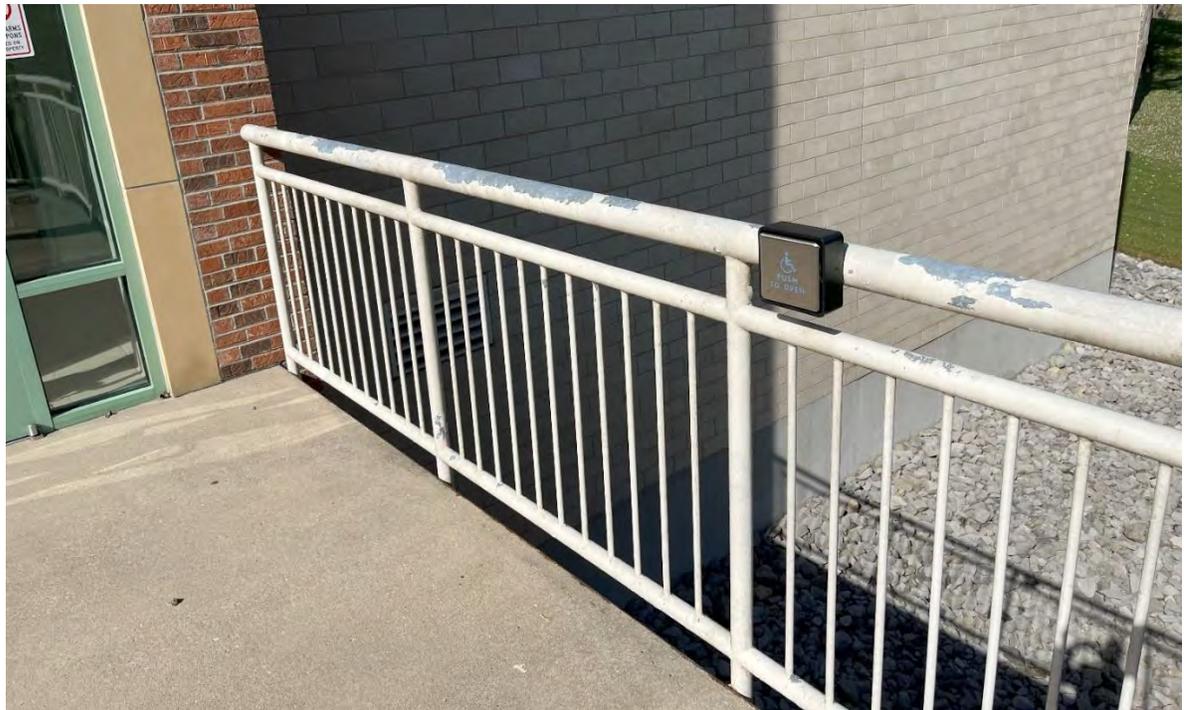














LEXINGTON

546 E. Main Street, Ste 300
Lexington, KY 40508
859-543-0933

November 4, 2024

Mr. Brian Easton
Facilities Project Manager
Kentucky Community and Technical College System
Office of Facilities Support Services
300 North Main Street
Versailles, Kentucky 40309

RE: Southeast Kentucky Community and Technical College
Replacement of Whitesburg Bridge
2 Long Ave.
Whitesburg, KY 41858
B+K Project Number: 24310
AE job #: 000001

Mr. Easton,

Related to our updated condition report dated October 31, 2024, Brown + Kubican, PSC has itemized an opinion of probable cost to further develop the scope of replacement for the pedestrian bridge at Southeast Kentucky Community and Technical College in Whitesburg, Kentucky. Our estimate was based on an itemized takeoff of operations, contractors, labor, and materials. Our estimate is based on reuse and repair of the existing abutments; demolition and reconstruction of the raised plaza at the Belinda Mason Building; replacement of certain lintels at the garage level; addition of minor lighting along the pedway; demolition and reconstruction of the pedway superstructure; zinc rich primer and high performance topcoat on the structural steel; new conduit for fiber line; restoration of the site gravel and plantings around the building; some allowance for pavement restoration after damage from the cranes; sealants and traffic coating on the pedway and plaza slabs.

The costs presented are accurate to the best of our ability, but they are not guaranteed to be true or exact. The past four years have exhibited extreme inflation, volatility, and availability drought of construction materials due to the COVID pandemic and then unprecedented nationwide demand. Steel products have risen, and held, to two- to three-times pre-COVID costs. During years 2021 and 2022 projects were commonly receiving bids which would not be held more than 7 days (though that has stabilized and now held at 30 days) and many construction material costs were only being quoted to the contractor after they were loaded on the truck for delivery forcing contractors to inflate their bids. Most recently in 2023 and 2024, the labor shortage has caused many large, attractive projects to receive few and even no bids in major packages. We have seen the availability of projects to bid to be low in far eastern and far western Kentucky, allowing for competitive bids from local contractors. That said, the larger construction managers who frequently serve those markets have significant backlog of work regionally and seem to be avoiding the laborious renovation projects due to shortage of capable project managers. Therefore, we would recommend competitive bidding to general contractors.

Based on our calculations we estimate the probable construction cost as:

General Conditions and Equipment	\$270,000
Demolition	\$85,000
Site	\$65,000
Structure	\$930,000
Electrical	\$15,000
Profit	\$135,000
Total	\$1,550,000

Related to design and other soft costs, we anticipate the need for minor involvement of an electrical engineer to design lighting and conduit for the fiber optic line. We expect that a survey will need to be undertaken to verify pedway slopes, abutment elevations, and anchor rod locations. The project will require special inspections. Due to the construction over the river, there may be need to do water modeling for temporary encroachment into the floodway, permitting, and other analysis by a Civil Engineer. We hope to reuse the abutments such that we do not anticipate the need for geotechnical engineering. We estimate the related design and inspection costs as:

Initial Assessment / OPC	\$10,000
Civil Engineering Study	\$10,000
Base Structural/Electrical Design	\$140,000
Surveying	\$20,000
Special Inspection	\$35,000
Total	\$215,000

Other soft costs from KCTCS should be included by yourself when presenting an overall budget. Minus such costs **we recommend budgeting a \$1,850,000 for construction, fees, and contingency.** We have not included escalation in the estimate; should you anticipate not funding the project for construction in 2025, include 7% escalation for each year's delay based on overall economy trends.

If you have any questions regarding this report, or if we can be any further assistance, please call.

Best regards,



Dan Kubican, PE
President
Brown + Kubican, PSC
dkubican@bkse.net

TITLE: Performance Funding Work Group Update

DESCRIPTION: The Finance Committee received an update on the recommendations of the 2024 Postsecondary Education Work Group that was charged define “underrepresented students” in the funding model.

STAFF CONTACTS: Bill Payne, Vice President for Finance Policy and Programs
Ryan Kaffenberger, Director of Finance Policy and Programs

COMMITTEE’S REVIEW

The Finance Committee received this information report at their November 15, 2024, meeting. It will not be covered or presented in detail at the board meeting; however, staff will be available for questions.

BACKGROUND INFORMATION

Senate Bill 191, adopted during the 2024 Regular Session, included language specifying that the comprehensive funding models for the public postsecondary system implemented by the Council on Postsecondary Education “shall not include any race-based metrics or targets in the formulas” (p. 3). It also struck the word “minority” in two places, resulting in an allocation of resources to “underrepresented students”. In this manner, underrepresented minority (URM) student degree and credential metrics were removed from university and KCTCS funding models that they had been a part of for the past seven years.

In addition, SB 191 directed the Postsecondary Education Working Group to convene during 2024 “for the sole purpose of considering how to define ‘underrepresented students’ in the comprehensive funding model for the public postsecondary education system” (p. 10). Pursuant to this language, CPE staff brought together statutorily required members of the work group (KRS 164.092), including university presidents, the KCTCS president, CPE president, and state policymakers, to determine how to define the term “underrepresented student” and replace the former URM student degree and credential metrics in the models.

Finally, SB 191 directed the Council to report the recommendations of the working group to the Governor and to the Legislative Research Commission for referral to the Interim Joint Committees on Education and Appropriations and Revenue by December 1, 2024.

WORK GROUP MEETINGS

The Postsecondary Education Working Group met three times in 2024. The first meeting was held on September 4 at Northern Kentucky University. At that meeting, staff shared background information regarding adjustments to the funding models recommended by the 2023 working group, the manner by which URM student bachelor's degrees and two-year credentials were removed from the models, replacement metrics that were used to run the 2024-25 iterations of university and KCTCS models, and the impact of using unweighted metrics on the distribution of funds among institutions within the university model.

In addition to providing background information, staff provided information regarding the scope of the 2024 working group's charge and a timeline for completion of their work. Specifically, SB 191 established the following limit for the working group's review:

The postsecondary education working group... shall convene during the 2024 Interim for the sole purpose of considering how to define "underrepresented students" in the comprehensive funding model for the public postsecondary education system... (p. 10)

The deadline for submitting work group recommendations to the Governor and Legislative Research Commission is December 1, 2024.

Finally, staff shared information regarding four potential replacement metrics for the URM bachelor's degree metric in the university funding model, including:

- Low-income student bachelor's degrees
- First-generation college student bachelor's degrees
- Underprepared student bachelor's degrees
- Bachelor's degrees awarded to students from high-need high schools

There was much discussion and many questions about the four potential metrics. Work group members were encouraged to identify and propose other potential metrics for consideration. No decisions were made, and no votes were taken at the first meeting. All potential alternatives to replace the URM bachelor's degree metric remained on the table and at least two campus officials indicated an interest in considering additional metrics.

Second Meeting. The second meeting of the 2024 working group was held on October 2 and took place virtually. At that meeting, group members continued to discuss the four potential replacement metrics identified at the first meeting and reviewed several scenarios that incorporated some combination of those metrics (e.g., one scenario included a mixture of 1.0% low-income student, 1.0% first-generation student, and 1.0% underprepared student bachelor's degrees). In addition, the group discussed a new low-income student enrollment metric proposed by Morehead State University.

Specifically, MoSU officials proposed that the working group consider using the number of full-time, first-time degree seeking students with income levels between \$0 and \$30,000 as a replacement for the URM metric. The income-level data for this metric are obtained from the FAFSA and reported to the Integrated Postsecondary Education Data System (IPEDS) by campus financial aid officers. Below is the official IPEDS definition for this metric.

The number of full-time, first-time degree/certificate seeking undergraduate students paying the in-state or in-district tuition rate who were awarded Title IV federal student aid and have income levels between \$0 - \$30,000.

MoSU officials asked CPE staff to run two scenarios using their proposed metric, one using primary data and another using data weighted to account for the proportion of low-income students in each institution's overall entering full-time, first-time degree seeking cohort. The primary rationale for including a low-income enrollment metric in the model is that it would provide a financial incentive for institutions to recruit and enroll students from impoverished socioeconomic backgrounds, thus expanding access for this underrepresented group. Again, there was much discussion surrounding the potential replacement metrics. No single metric or combination of metrics was endorsed by all members, nor were any options removed from consideration. No votes were taken.

Third Meeting. The third and final meeting of the 2024 working group took place on October 28. At that meeting, KCTCS officials presented a final recommendation to group members regarding a replacement metric for URM credentials in the two-year college model. Specifically, they recommended that the group adopt first-generation college student credentials as the "underrepresented students" metric beginning in 2025-26. In addition, they asked that language in KAR regulation be adjusted to align allocation percentages at 4.0% each for first-generation student (i.e., underrepresented student), low-income student, underprepared student, and nontraditional age (25+) student credentials. All of these recommendations were endorsed by the KCTCS Presidents' Leadership Team. The work group voted unanimously to adopt KCTCS' recommendations.

In terms of the university model, the working group continued their discussion of potential replacements for the URM student bachelor's degree metric. In addition, CPE staff shared two scenarios that had previously been requested by group members, including one that examined the impact of applying differential weights by sector to the low-income student enrollment metric proposed by MoSU and another that combined first-generation bachelor's degrees (@ 1.50%) and low-income enrollment (@ 1.50%), both weighted and unweighted.

In an attempt to achieve consensus, CPE staff also shared a "Proposal for Consideration" that included the following recommended elements within the university funding model:

- Define "underrepresented students" as first-generation college students
- Use bachelor's degrees earned by such students as the metric
- Assign the full 3.0% of available allocable resources to this metric

- Calculate and apply a sector weighting to the data at the midpoint between no weighting and full weighting (i.e., half weighting)

This proposal was the result of discussions between CPE Executive Leadership and state policymakers. It was intended to lend a statewide perspective to group discussions and represent a fair outcome for all stakeholders.

During deliberations about the “Proposal for Consideration”, President David McFaddin from Eastern Kentucky University proposed that the working group consider retaining the same methodology for distributing the available 3.0% funding pool in 2025-26 and 2026-27, that had been used to determine the 2024-25 performance distribution. As a reminder, the URM bachelor’s degree metric was replaced in 2024-25 using a combination of low-income student bachelor’s degrees (@ 1.50%) and first-generation bachelor’s degrees (@ 1.50%), with neither metric weighted to account for cost and mission differences between sectors.

President Thompson asked group members if there were any other proposals they wanted to consider. Hearing none, he led the group through a series of votes on the components of each proposal, including group preferences regarding how to define “underrepresented students”, metrics, and sector weightings. Ultimately, a majority of group members voted to adopt all elements of the “Proposal for Consideration” as presented by CPE staff.

RECOMMENDATIONS

Pursuant to directives outlined in SB 191, the Postsecondary Education Working Group convened in 2024 for the sole purpose of determining how to define "underrepresented students" in the university and KCTCS funding models. After three meetings and much discussion, a majority of work group members voted to define “underrepresented students” in the university funding model as first-generation college students and to assign 3.0% of available allocable resources to bachelor’s degrees earned by such students. In addition, a majority of members voted to apply a sector weighting to the first-generation bachelor’s degree metric, calculated at the midpoint between no weighting and full weighting.

With respect to the two-year college model, the working group unanimously accepted the recommendations of KCTCS officials to adopt first-generation college student credentials as the “underrepresented students” metric and to align allocation percentages at 4.0% each for first-generation college student (i.e., underrepresented student), low-income student, underprepared student, and nontraditional age (25+) student credentials.

With these actions, the work and activities of the 2024 Postsecondary Education Working Group were thereby concluded. A transmittal letter conveying the recommendations of the work group will be sent by December 1, 2024, to the Governor and Legislative Research Commission for referral to the Interim Joint Committees on Education and Appropriations and Revenue. It is anticipated that the recommendations of the working group can be operationalized through

changes in administrative regulation, instead of requiring passage of a bill or changes in statute (KRS 164.092).

Copies of CPE staff and KCTCS PowerPoint presentations that were shared with work group members at the October 28 meeting can be found at:

https://cpe.ky.gov/aboutus/records/perf_funding/agenda-2024-10-28-pf.pdf

TITLE: Components of the Total Cost of Attendance (*at Kentucky public universities*)

DESCRIPTION: The Finance Committee received a report that explore trends over time in room and board costs, books and supplies, and other costs that comprise component elements of the total cost of attendance at Kentucky public universities.

STAFF CONTACT: Ryan Kaffenberger, Director, Finance Policy and Programs

COMMITTEE’S REVIEW

The Finance Committee received this information report at their November 15, 2024, meeting. It will not be covered or presented in detail at the board meeting; however, staff will be available for questions. Slides covered during the meeting have been included for review.

SUPPORTING INFORMATION

At an earlier Finance Committee meeting, Council Chair Silvert requested information on the trends of total cost of attendance over the last few years, including housing, board and book pricing. In response, staff compiled the following information.

Every year since 2009-10, the Council on Postsecondary Education has adopted rate ceilings for resident undergraduate tuition and fee charges, resulting in considerably lower levels of annual increase compared to the seven years prior. As can be seen in the chart below, the system average increase in resident undergraduate tuition and fee charges grew at an average annual rate of 11.5% between academic years 2002-03 and 2008-09 and increased at an annual rate of 3.4% over the 16 years since.

At the March 24, 2024, meeting of the Finance Committee, Chair Madison Silvert asked staff to review and report on the change over time in component elements of the total cost of attendance, such as room, board, and book costs at Kentucky postsecondary institutions. Specifically, Chair Silvert wanted to know if pricing structures at the institutions changed in response to Council adopted tuition and fee ceilings. Change in room and board costs were identified as being of particular interest.

Attached is a presentation that shows trends over time in the components of total cost of attendance at each Kentucky public university from 2009-10 to 2023-24, using data from the

National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS). The analyses were limited to the state's public universities because KCTCS colleges do not charge room and board.

Key takeaways from staff's analysis of the components of total cost of attendance at the public universities include:

- In general, room and board prices have not drastically outpaced growth in tuition and fees since CPE began setting tuition and fee ceilings, however, room and board rates at some institutions have been accelerating in recent years.
- Room and board increases occur more sporadically than tuition and fees, often aligned with the opening of new/improved residence halls and other auxiliary services.
- Universities serving rural areas, in particular, have made efforts to maintain affordability as evidenced by (1) room and board increases closely tied to the Council's historically low tuition and fee increases, (2) decelerating room and board increases, and (3) reductions in the cost of books and supplies.
- Data reported to IPEDS by the institutions would benefit from using a standardized methodology for calculating each cost component, which would result in greater comparability across institutions over time, particularly for room and board, other expenses, and books and supplies.
- Methodologies and the rationales for their use differ across universities when calculating the components of total price, which can have a differential impact on current and prospective students.

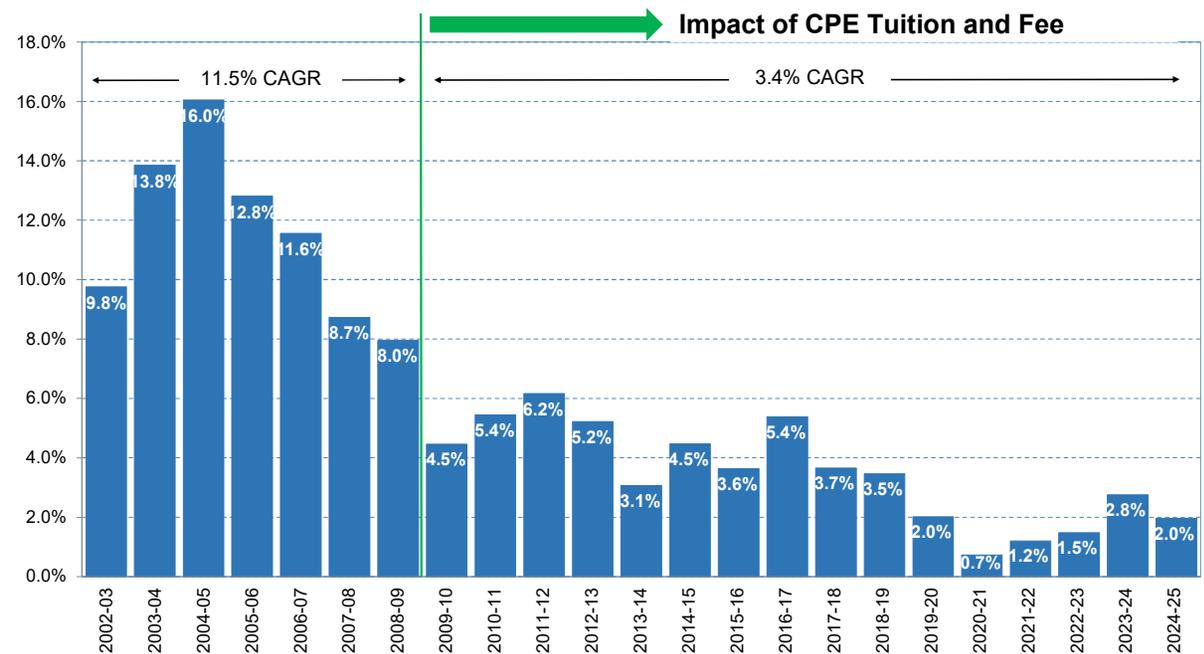
Total Cost of Attendance at Kentucky Public Universities



Purpose

- The Council has kept **tuition and fee increases at historically low levels** since setting ceilings in 2009-10
- Council members asked whether institutions have **responded by increasing prices on other components of the cost of attendance**, such as room and board and books and supplies
- **This presentation displays trends in the total cost of attendance (i.e., total price)** for KY's public universities using data from the National Center for Education Statistics' Integrated Postsecondary Education Data System (IPEDS)
- This analysis compares trends across components of total price as reported by KY public universities from **2009-10 to 2023-24 to coincide with CPE's tuition and fee ceilings**

Kentucky Public Postsecondary Institutions
Annual Change in Resident Undergraduate Tuition and Fees
Academic Years 2001-02 through 2024-25



Source: Council on Postsecondary Education, Comprehensive Database.

CAGR = Compound Annual Growth Rate

Interpreting the Data

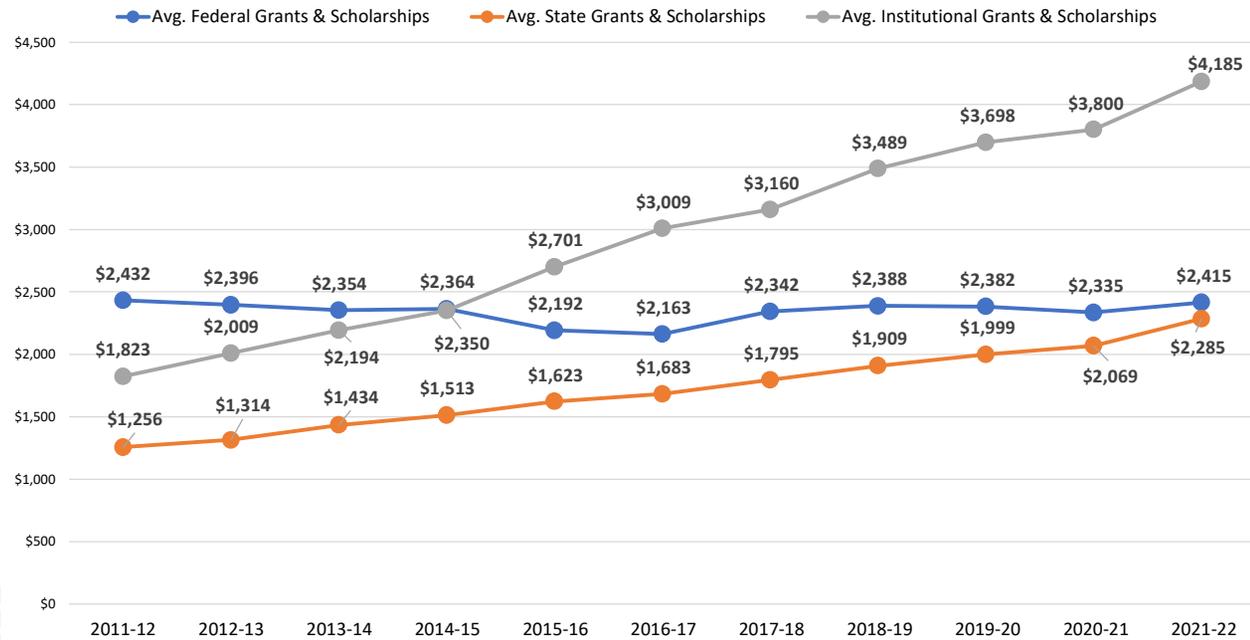
An important note on interpretation:

- **Total price is one of many metrics** used to determine how universities' pricing structures have evolved and their effects on affordability
- For example, in recent years, KY's public universities have **dramatically increased the amount of institutional grants and scholarships** they award annually
- As such, **average net price is a better indicator of how affordability has changed** over time across various student groups.
- **Average net price as a percentage of median household income** is another useful indicator for assessing affordability

Avg. Net Price = total price – avg. grant and scholarship aid from federal, state, or local governments, or the institution

- **The analysis in this presentation is limited to trends in total price and its components**

4-year Public Average Grants & Scholarships for Degree-seeking Undergraduate Kentucky Resident Students



Source: Kentucky Postsecondary Education Data System (KPEDS)

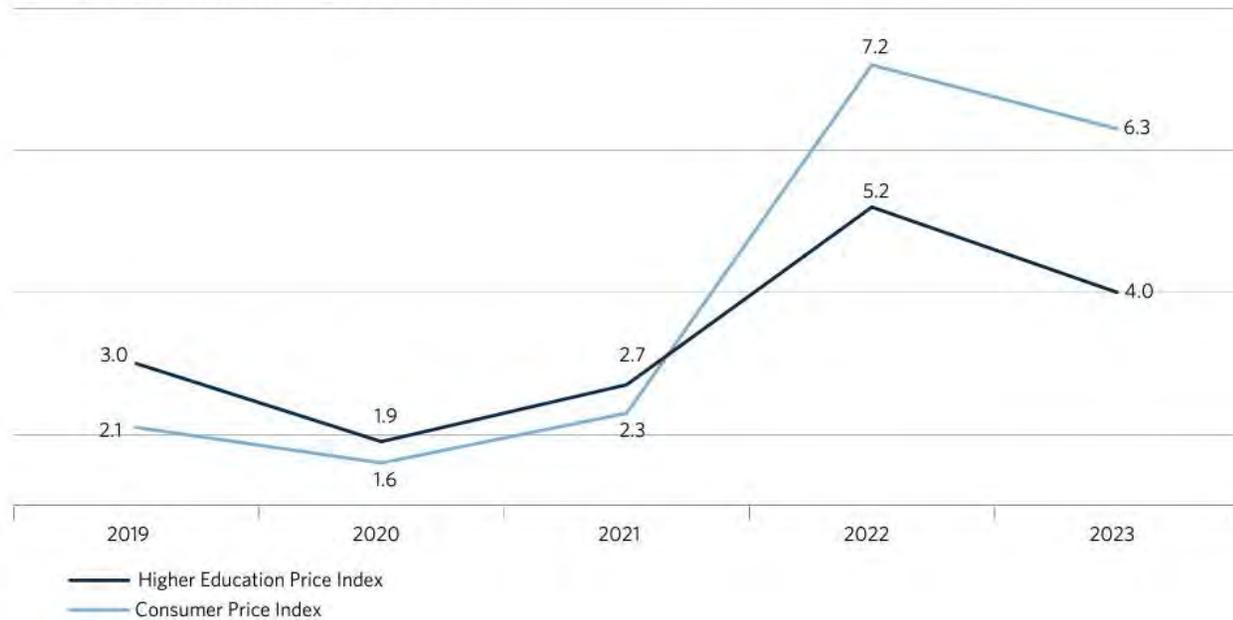
Interpreting the Data

An important note on interpretation:

- In recent years, the higher education sector has **experienced significant budgetary pressure from inflation**
- As such, **increases in the components of total cost due to inflation over this period are expected**
- The General Assembly acknowledged this pressure by **appropriating \$35.8 million to address inflation at KY institutions** in the 2024-2026 biennial budget bill (HB 6)

THE HIGHER EDUCATION PRICE INDEX VERSUS THE CONSUMER PRICE INDEX

Fiscal years 2019 - 2023 | Numbers in percent



Source: Commonfund Higher Education Price Index: 2023 Update

IPEDS Data Definitions

Institutions may have different methodologies for calculating these elements

- **Total price for in-state students living on campus**

- Cost of attendance for full-time, first-time degree/certificate seeking in-state undergraduate students living on campus. It includes in-state tuition and fees, books and supplies, on campus room and board, and other on campus expenses.

- **Published in-state tuition and fees**

- Price of attendance for full-time, first-time undergraduate students for the full academic year. The tuition charged by institutions to those students who meet the state's or institution's residency requirements. Tuition is the amount of money charged to students for instructional services. Tuition may be charged per term, per course, or per credit. Required fees are fixed sum charged 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 an exception.

- ★• **Books and supplies**

- The average cost of books and supplies for a typical student for an entire academic year (or program). Do not include unusual costs for special groups of students (e.g., engineering or art majors), unless they constitute the majority of students at your institution

- ★• **On campus, room and board (i.e., food and housing)**

- Room consists of charges for an academic year for rooming accommodations for a typical student sharing a room with one other student. Board consists of charges for an academic year for meals, for a specified number of meals per week.

- ★• **On campus, other expenses**

- The amount of money (estimated by the financial aid office) needed by a student to cover expenses such as laundry, transportation, entertainment, and furnishings.

Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved April 10, 2024.

Kentucky Council on Postsecondary Education

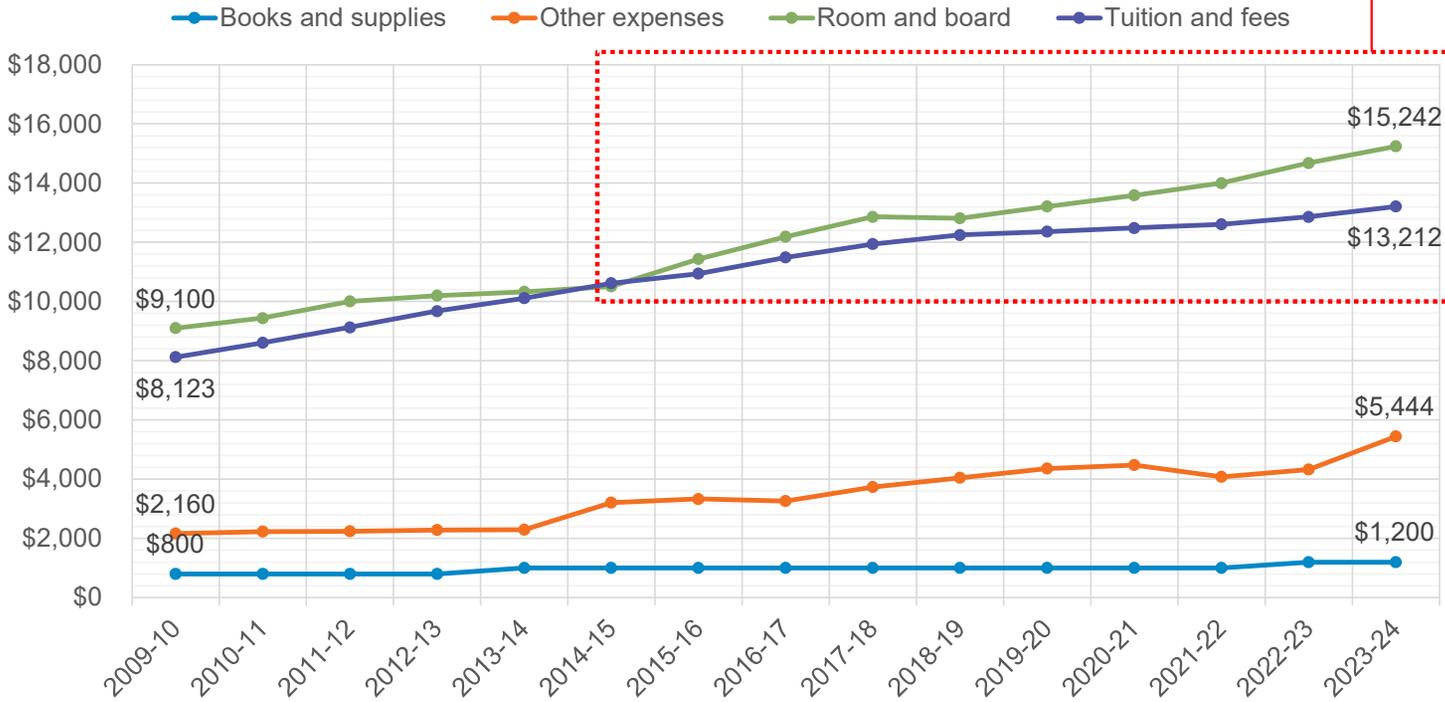
University of Kentucky

Public Universities

University of Kentucky

Acceleration in room and board prices relative to tuition and fees; consistent with residence hall construction (i.e., addition of 6,800 beds across 14 residence halls) and inflation

Components of Total Price
In-state students living on campus



Percent Change from 2009-10:

- *Tuition and fees*
 - 62.6%
 - CAGR: 3.5%
- *Room and board*
 - 67.5%
 - CAGR: 3.8%
- *Other expenses*
 - 152.0%
 - CAGR: 6.8%
- *Books and supplies*
 - 50.0%
 - CAGR: 2.9%

CAGR = Compound Annual Growth Rate

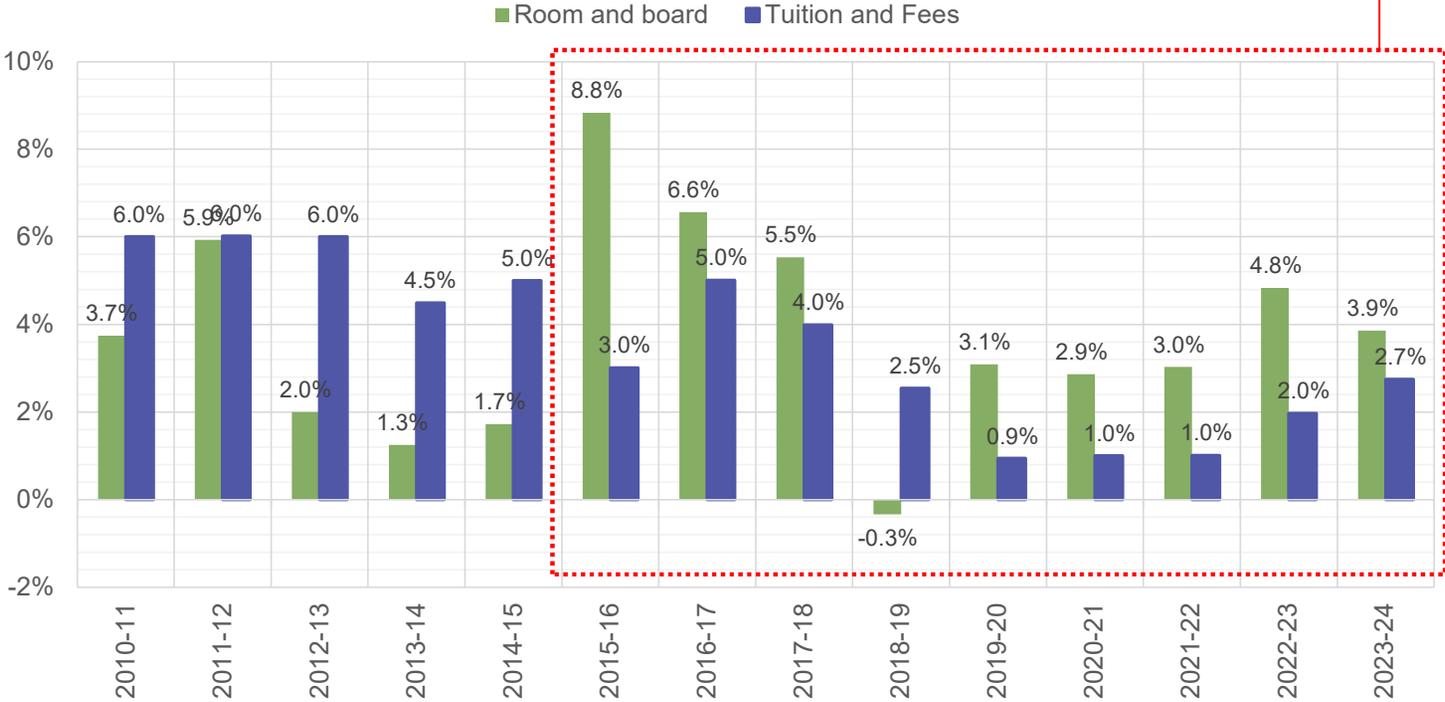
Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 31, 2024.
Kentucky Council on Postsecondary Education

Public Universities

University of Kentucky

Some acceleration in room and board prices relative to tuition and fees; consistent with residence hall construction (i.e., addition of 6,800 beds across 14 residence halls) and inflation

Year-Over-Year % Change in Room and Board and Tuition and Fees
In-state students living on campus

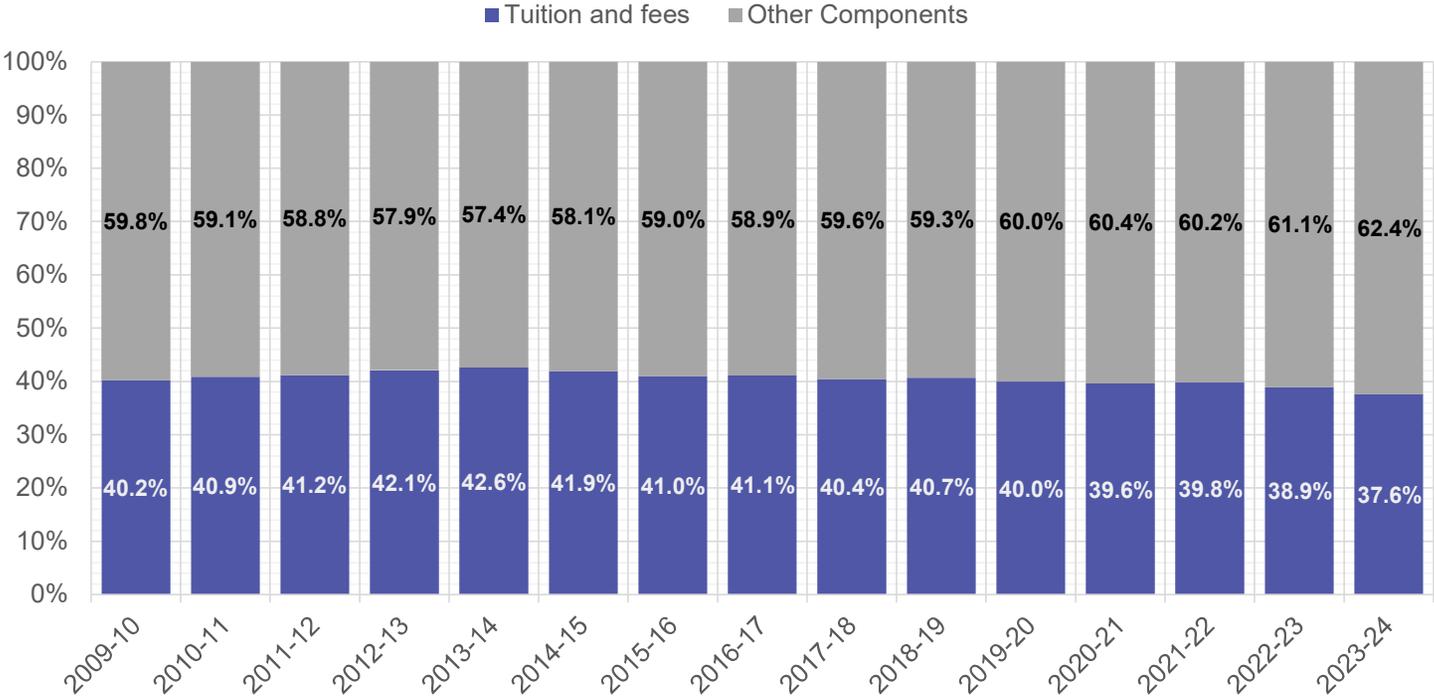


Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved April 5, 2024.

Public Universities

University of Kentucky

Tuition and Fees as a Percent of Total Price
 In-state students living on campus



- As a percent of total price, tuition and fees have remained relatively stable
- However, since peaking in 2013-14, the share attributed to tuition and fees has gradually declined and is at its lowest point in 2023-24

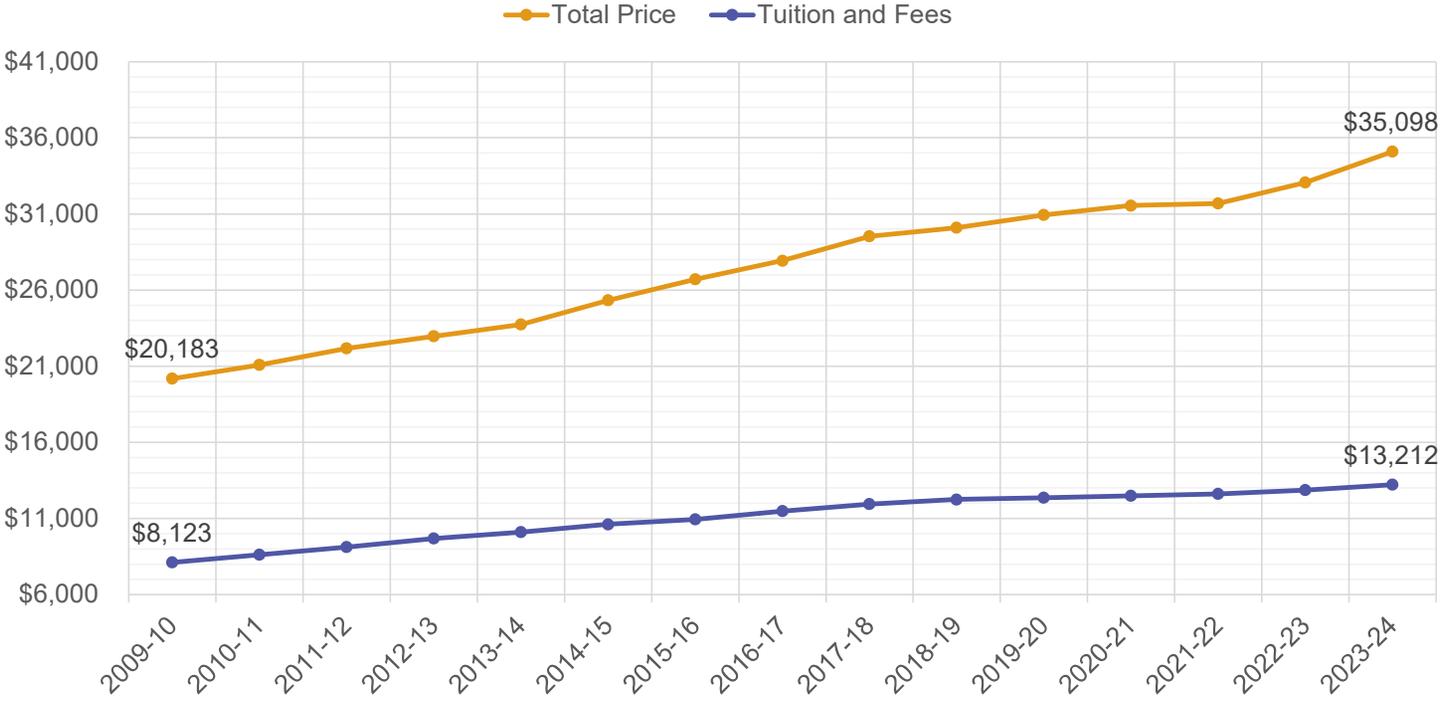
Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 31, 2024.

Public Universities

University of Kentucky

Total Price vs. Tuition and Fees

In-state students living on campus



Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 31, 2024.

University of Louisville

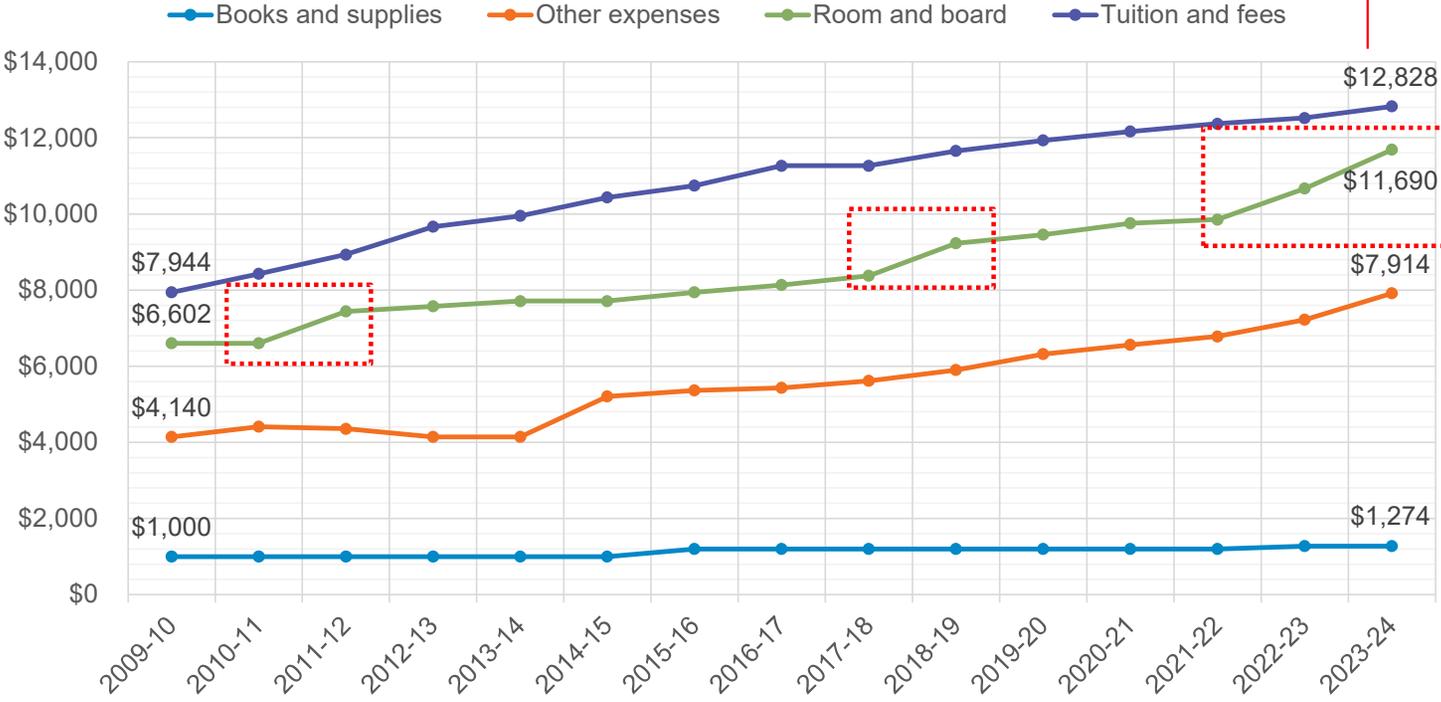
Public Universities

University of Louisville

Recent acceleration in room and board; Periodic large increases in room and board

Components of Total Price

In-state students living on campus



Percent Change from 2009-10:

- *Tuition and fees*
 - 61.5%
 - CAGR: 3.5%
- *Room and board*
 - 77.1%
 - CAGR: 4.2%
- *Other expenses*
 - 91.2%
 - CAGR: 4.7%
- *Books and supplies*
 - 27.4%
 - CAGR: 1.7%

CAGR = Compound Annual Growth Rate

Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 31, 2024.

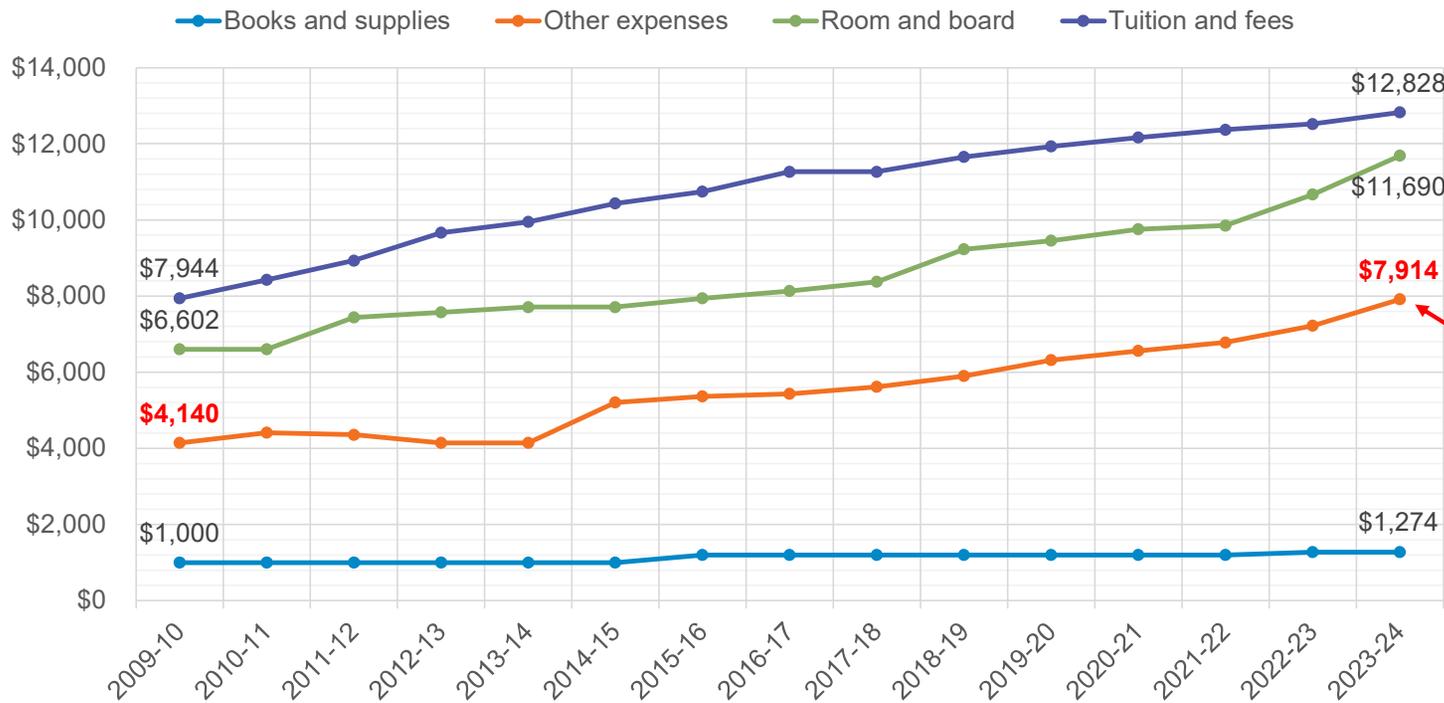
Kentucky Council on Postsecondary Education

Public Universities

University of Louisville

Components of Total Price

In-state students living on campus



UofL's "Other expenses" are consistently higher than other KY universities

Campus Staff Explanation:

- Institutions are allowed to use **different methods for calculating this amount**
- To ensure uniform reporting, CPE or the U.S. Department of Education would have to standardize this element
- A more "realistic" cost of attendance **makes students eligible for more student-friendly low-interest loans**
- Artificially low amounts can make a university appear favorably to prospective students but **underestimating "other expenses" ultimately hurts students**

Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 31, 2024.

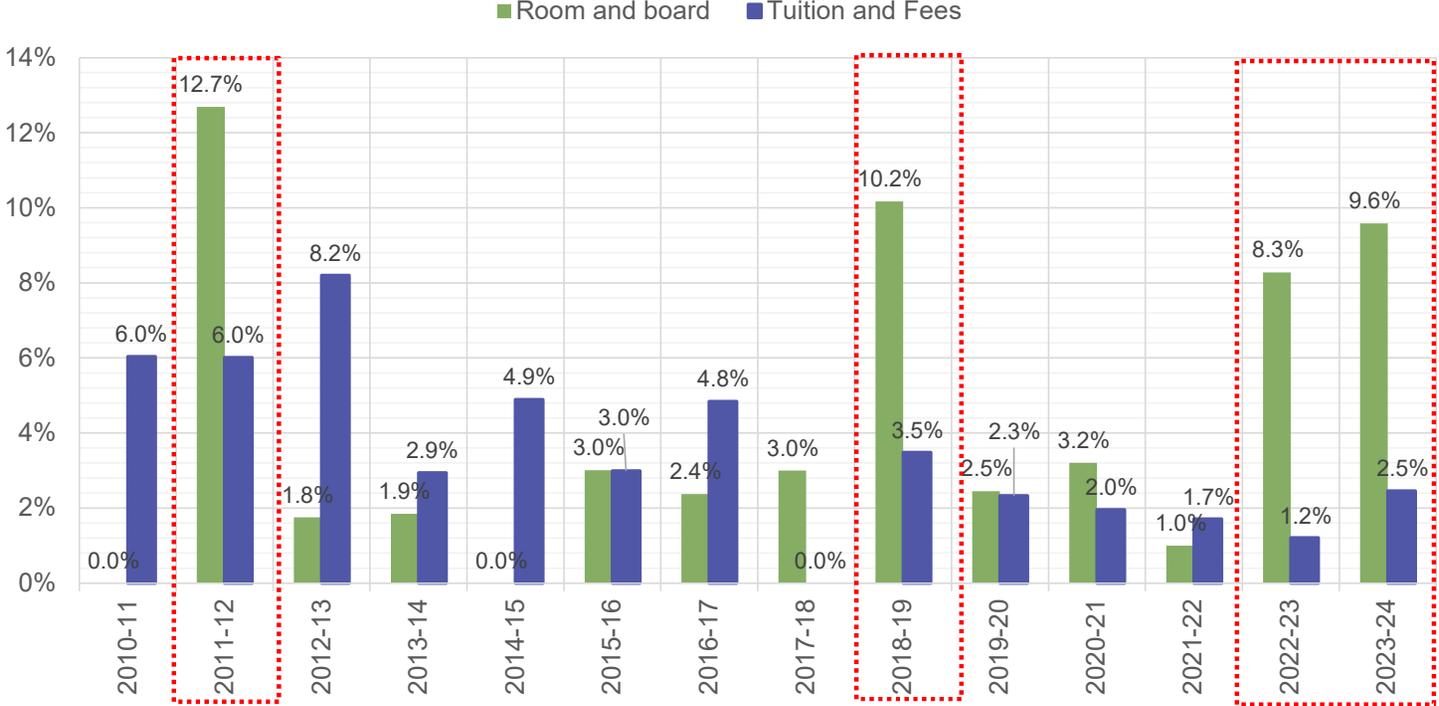
Kentucky Council on Postsecondary Education

Public Universities

University of Louisville

Recent acceleration in room and board; Periodic large increases in room and board

Year-Over-Year % Change in Room and Board and Tuition and Fees
In-state students living on campus



Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 31, 2024.

Eastern Kentucky University

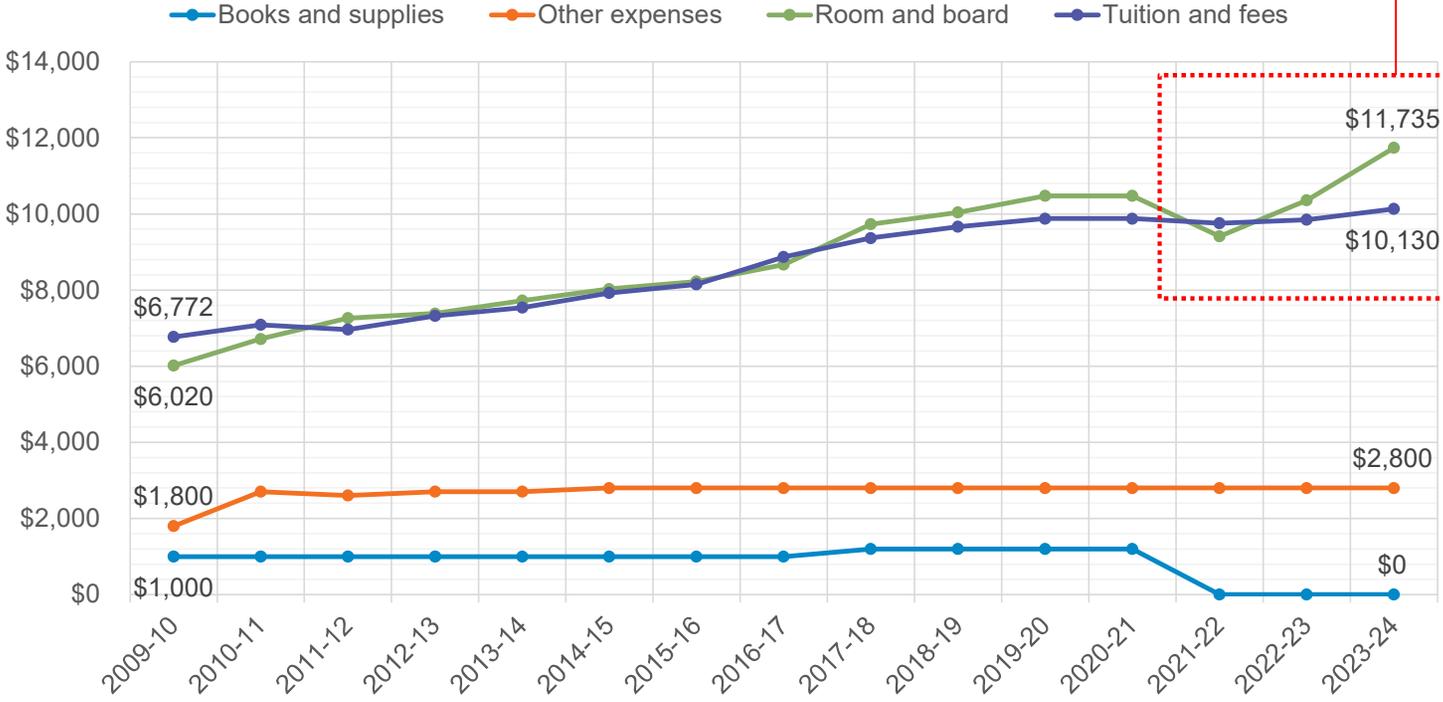
Public Universities

Eastern Kentucky University

Room and board jumped in 2022-23 and 2023-24; EKU's BookSmart program has had a positive impact

Components of Total Price

In-state students living on campus



Percent Change from 2009-10:

- *Tuition and fees*
 - 49.6%
 - CAGR: 2.9%
- *Room and board*
 - 94.9%
 - CAGR: 4.9%
- *Other expenses*
 - 55.6%
 - CAGR: 3.2%
- *Books and supplies*
 - -100.0%
 - CAGR: -100.0%

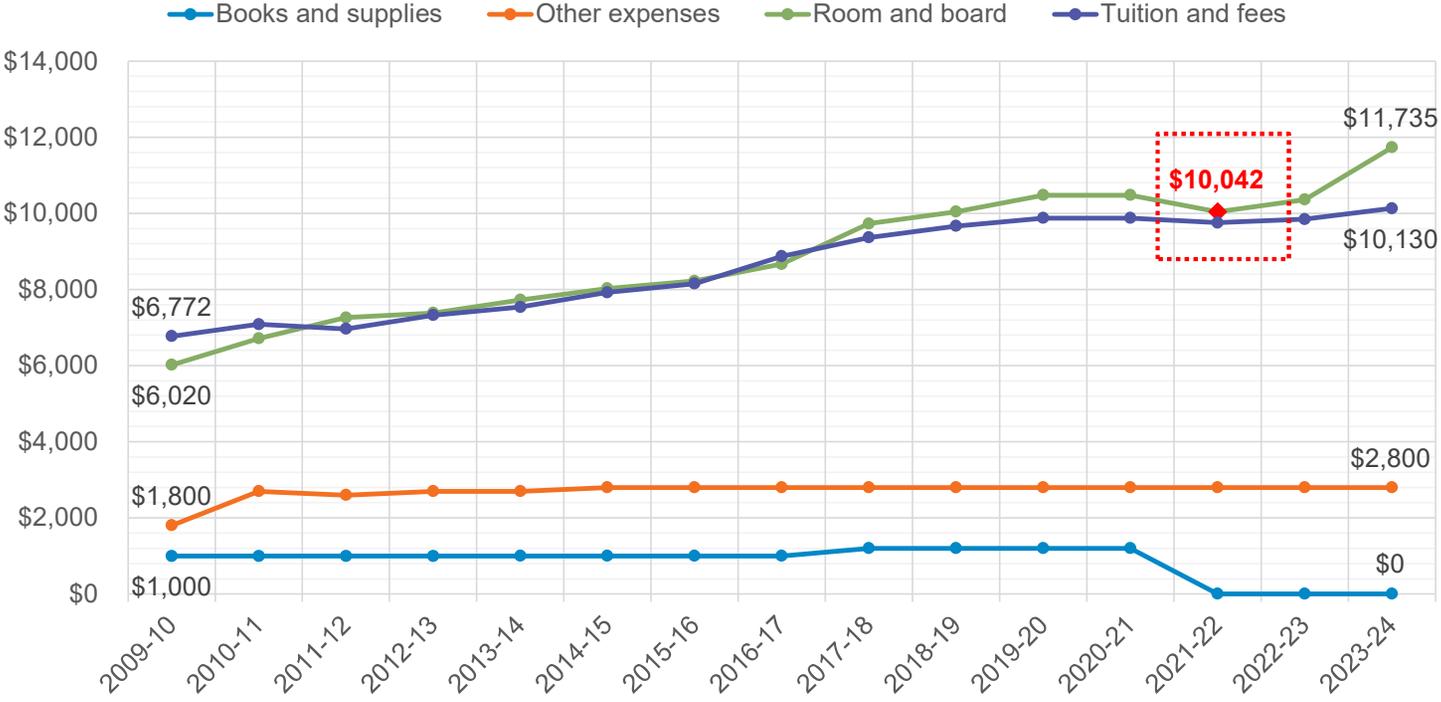
CAGR = Compound Annual Growth Rate

Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 31, 2024.

Public Universities

Eastern Kentucky University

Components of Total Price
In-state students living on campus



EKU officials indicated the dip in room and board in 2021-22 was because a different methodology was used; the chart below shows the corrected rate at \$10,042

Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 10, 2024.
Kentucky Council on Postsecondary Education

Public Universities

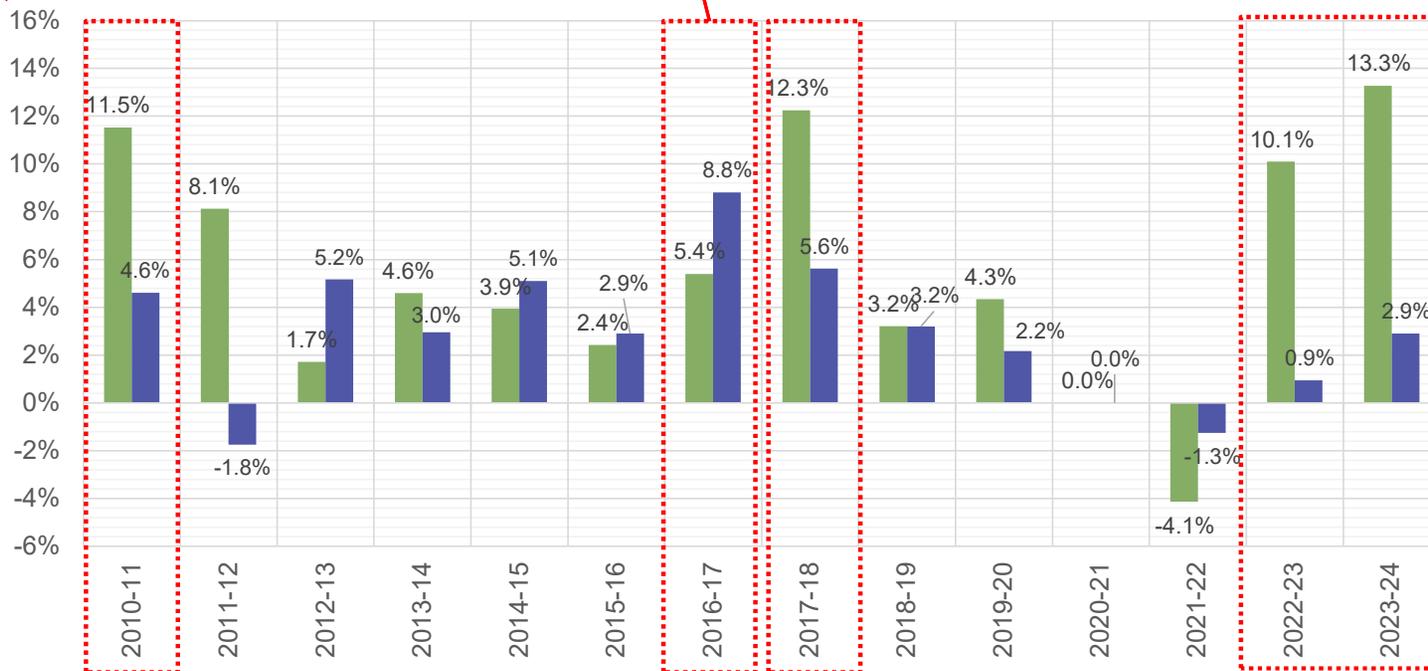
Eastern Kentucky University

Room and board has occasionally increased by more than 10%, including 2022-23 and 2023-24

Year-Over-Year % Change in Room and Board and Tuition and Fees

In-state students living on campus

■ Room and board ■ Tuition and Fees



EKU instituted a Special Use Fee of \$300 per year in 2015-16 which was not included in their IPEDS data and resulted in the 8.8% year-over-year change in tuition and fees

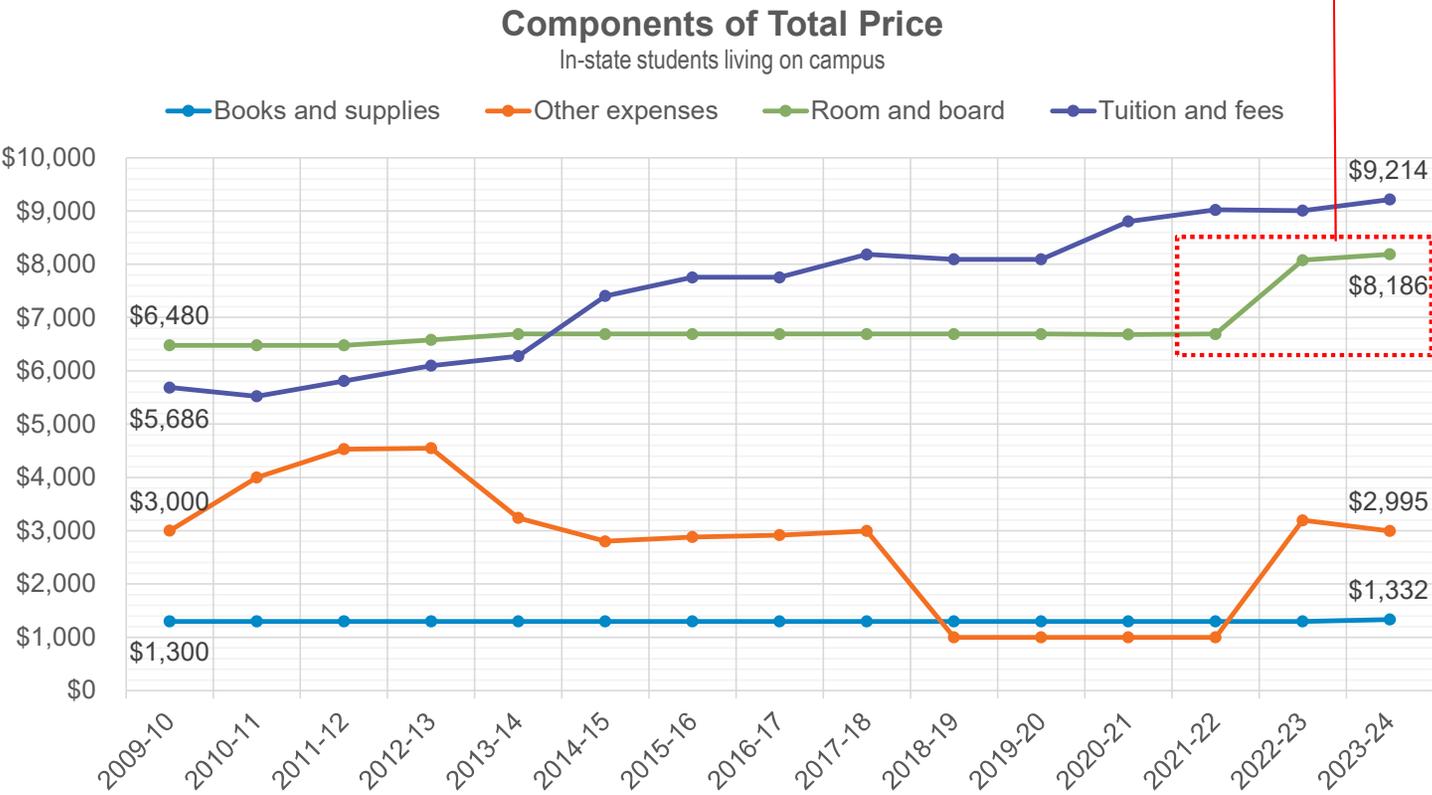
Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 10, 2024.

Kentucky State University

Public Universities

Kentucky State University

Room and board rates are increasing because they were much lower than those at the other comprehensive universities, coinciding also with the opening of their new residence hall



Percent Change from 2009-10:

- *Tuition and fees*
 - 62.0%
 - CAGR: 3.5%
- *Room and board*
 - 26.3%
 - CAGR: 1.7%
- *Other expenses*
 - -0.2%
 - CAGR: 0.0%
- *Books and supplies*
 - 2.5%
 - CAGR: 0.2%

CAGR = Compound Annual Growth Rate

Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 10, 2024.

Kentucky Council on Postsecondary Education

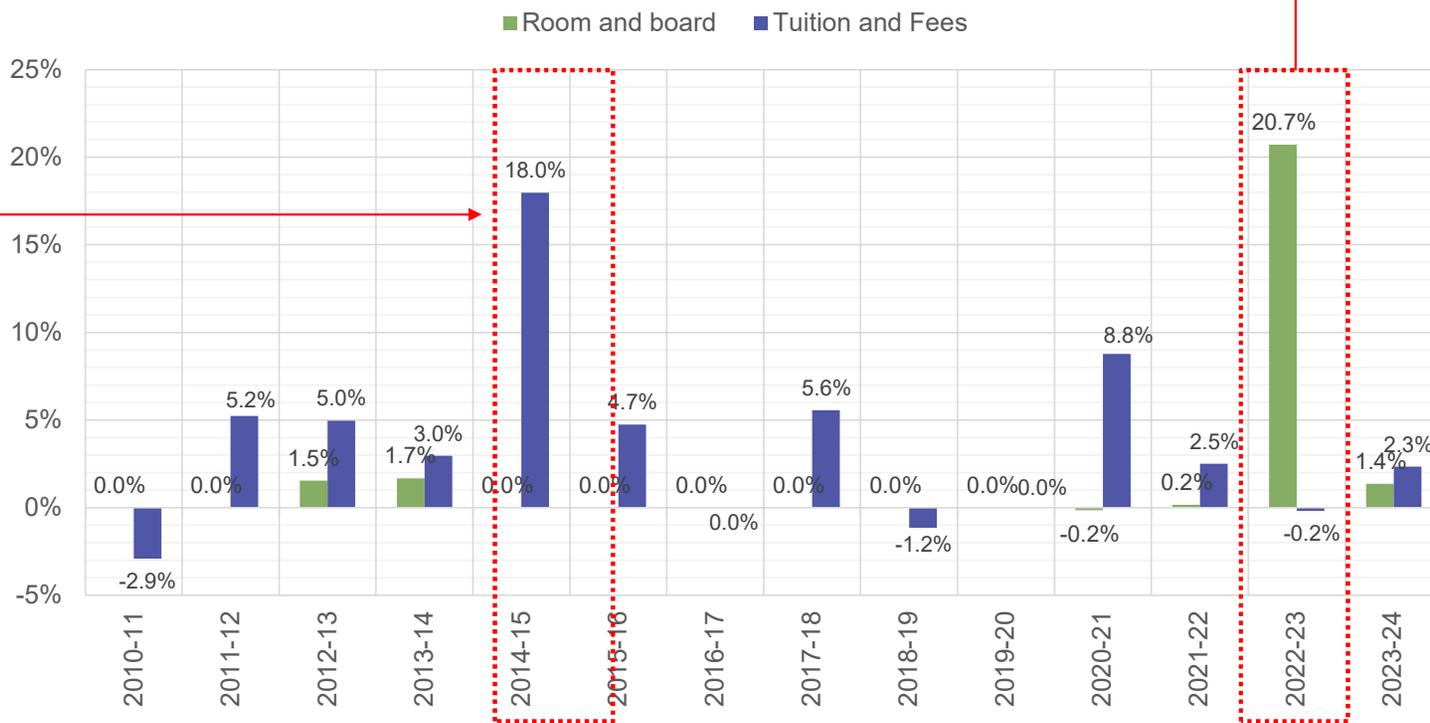
Public Universities

Kentucky State University

Room and board rates are increasing because they were much lower than those at the other comprehensive universities, coinciding also with the opening of their new residence hall

KSU transitioned from per-credit-hour pricing structure to a flat-rate pricing structure between 2013-14 and 2014-15 which resulted in a weighted average rate increase of 5% for all resident undergraduate students

Year-Over-Year % Change in Room and Board and Tuition and Fees
In-state students living on campus



Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 31, 2024.

Morehead State University

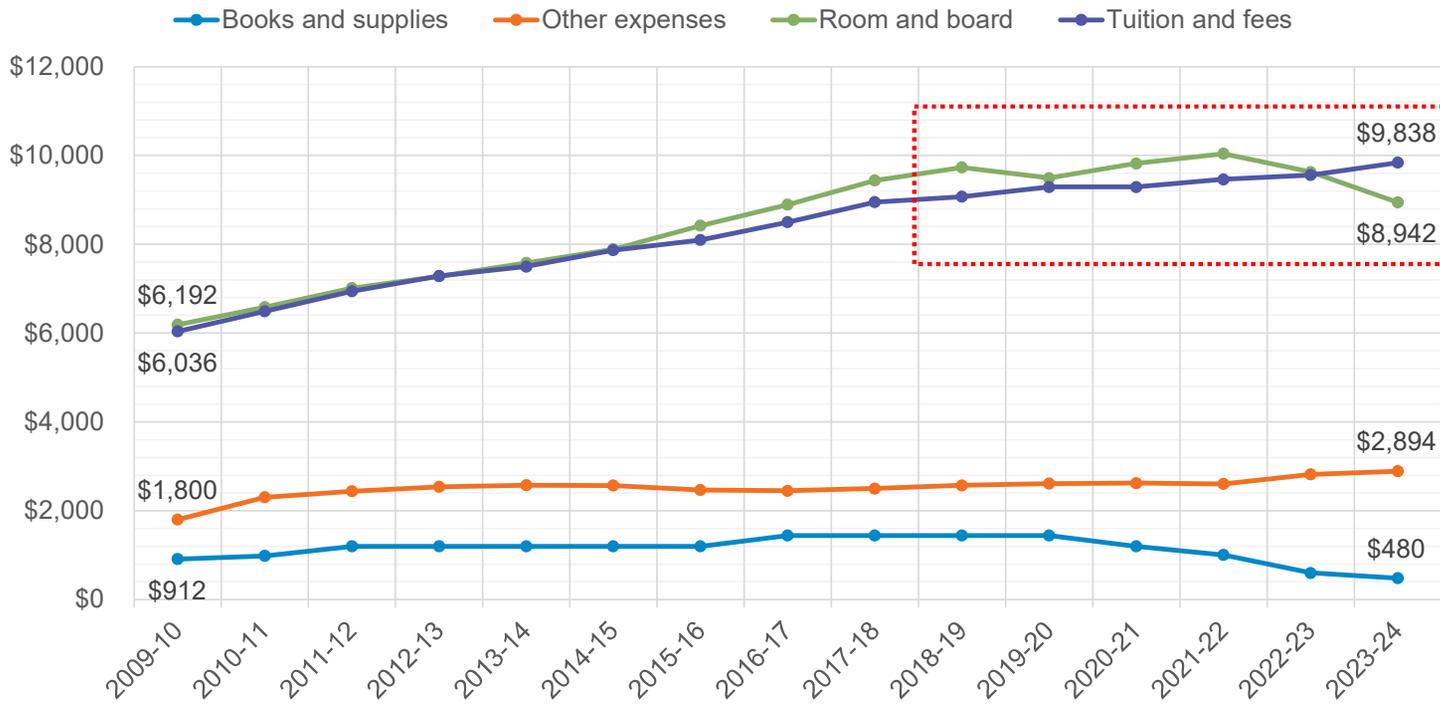
Public Universities

Morehead State University

Room and board rates closely follow tuition and fees, remain relatively flat, and then decline due to a change in methodology; books and supplies are decreasing

Components of Total Price

In-state students living on campus



Percent Change from 2009-10:

- *Tuition and fees*
 - 63.0%
 - CAGR: 3.6%
- *Room and board*
 - 44.4%
 - CAGR: 2.7%
- *Other expenses*
 - 60.8%
 - CAGR: 3.4%
- *Books and supplies*
 - -47.4%
 - CAGR: -4.5%

CAGR = Compound Annual Growth Rate

Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 31, 2024.

Kentucky Council on Postsecondary Education

Public Universities

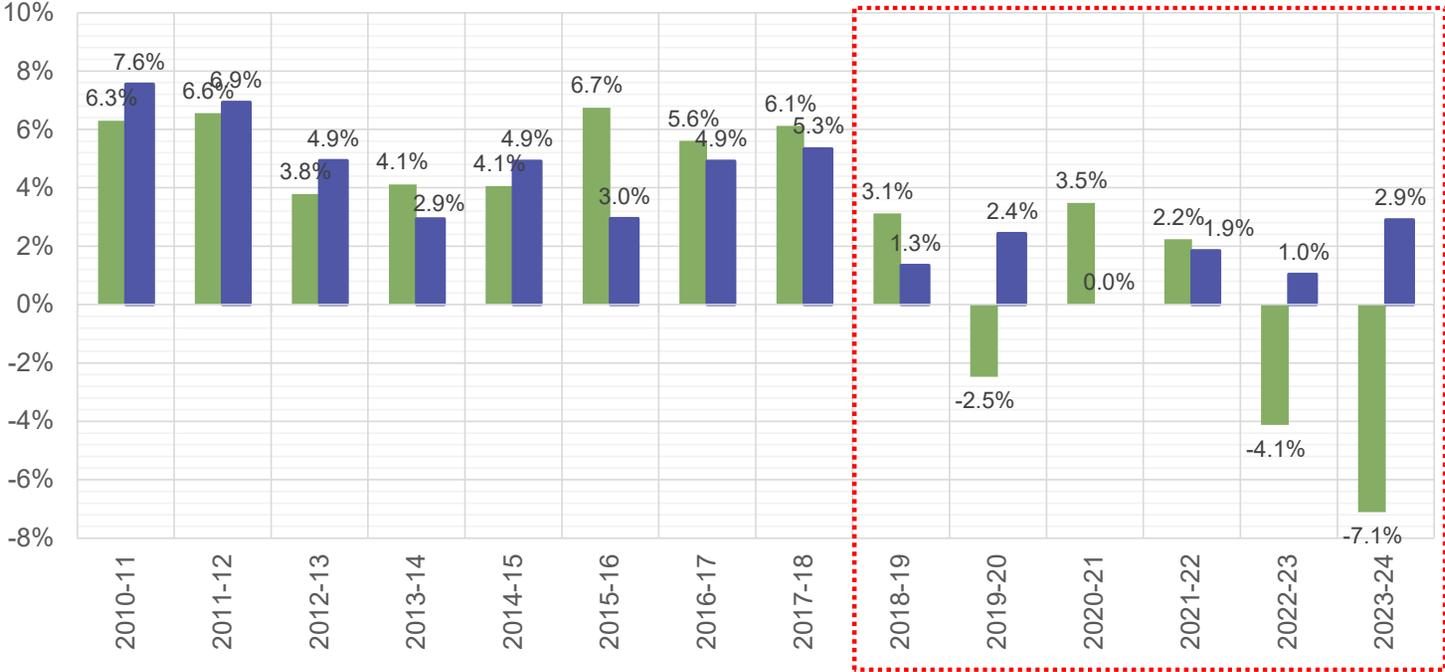
Morehead State University

Room and board rates closely follow tuition and fees, remain relatively flat, and then decline due to a change in methodology

Year-Over-Year % Change in Room and Board and Tuition and Fees

In-state students living on campus

Room and board Tuition and Fees



Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 31, 2024.

Murray State University

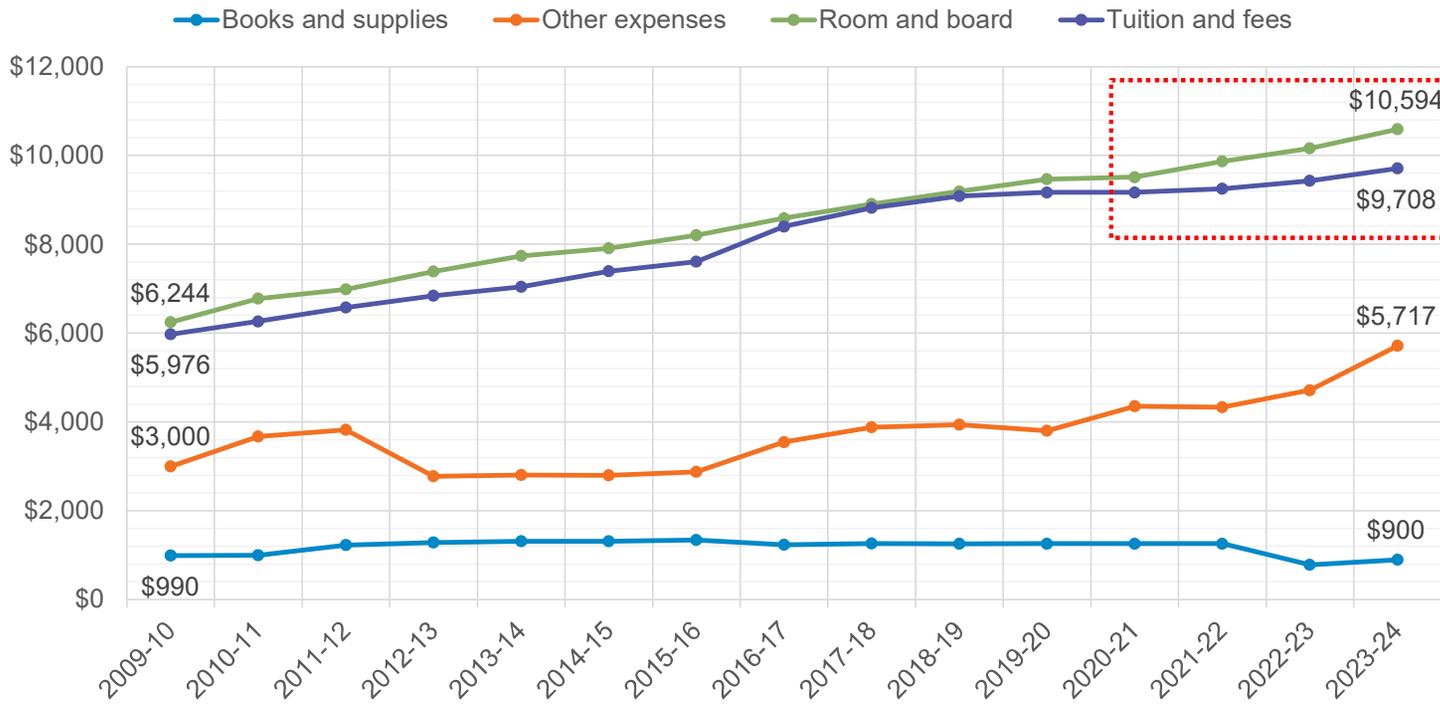
Public Universities

Murray State University

Room and board rates have closely followed tuition and fees, and have increased the past 3 years consistent with inflation; books and supplies are decreasing; other expenses is elevated compared to other universities

Components of Total Price

In-state students living on campus



Percent Change from 2009-10:

- *Tuition and fees*
 - 62.4%
 - CAGR: 3.5%
- *Room and board*
 - 69.7%
 - CAGR: 3.8%
- *Other expenses*
 - 90.6%
 - CAGR: 4.7%
- *Books and supplies*
 - -9.1%
 - CAGR: -0.7%

CAGR = Compound Annual Growth Rate

Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 31, 2024.

Kentucky Council on Postsecondary Education

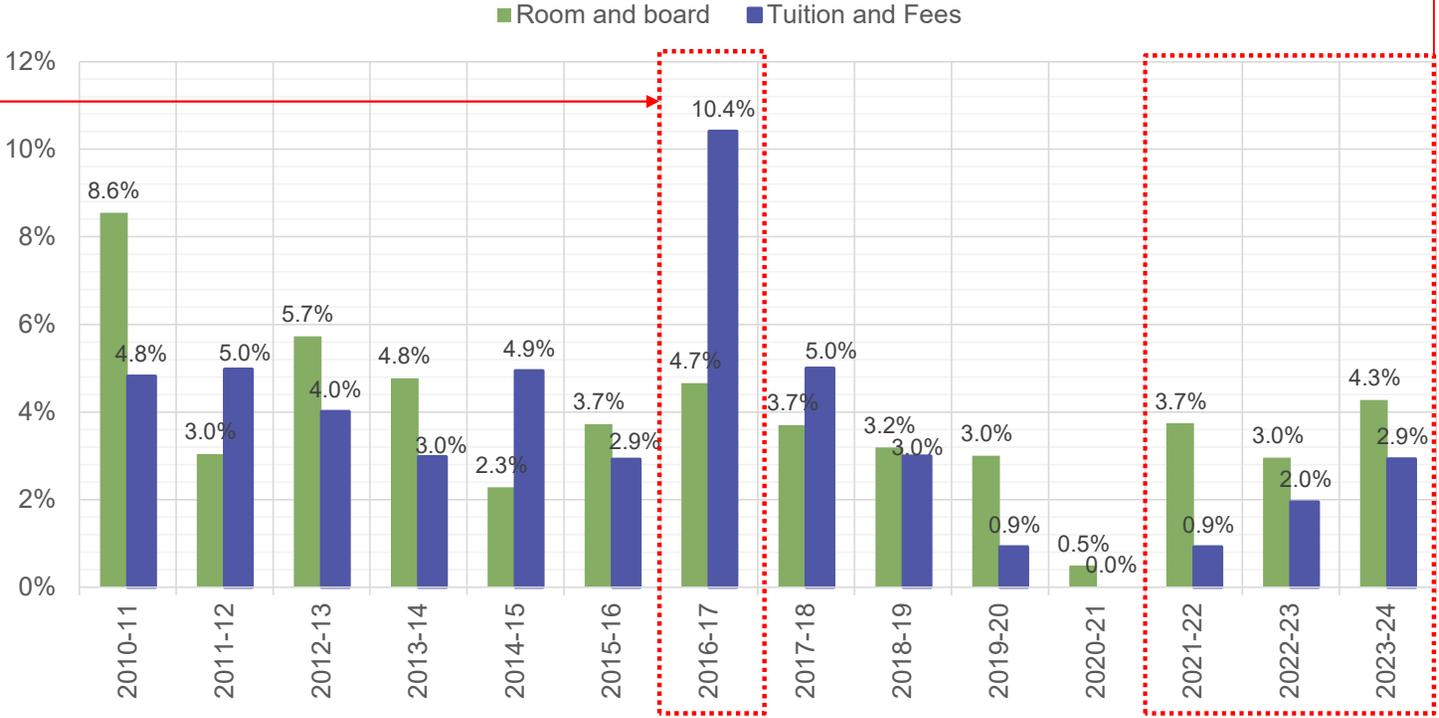
Public Universities

Murray State University

Room and board rates have closely followed tuition and fees, but have accelerated the past 3 years consistent with inflation

Year-Over-Year % Change in Room and Board and Tuition and Fees
In-state students living on campus

MUSU implemented a new tuition and scholarship model in this year



Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 31, 2024.

Northern Kentucky University

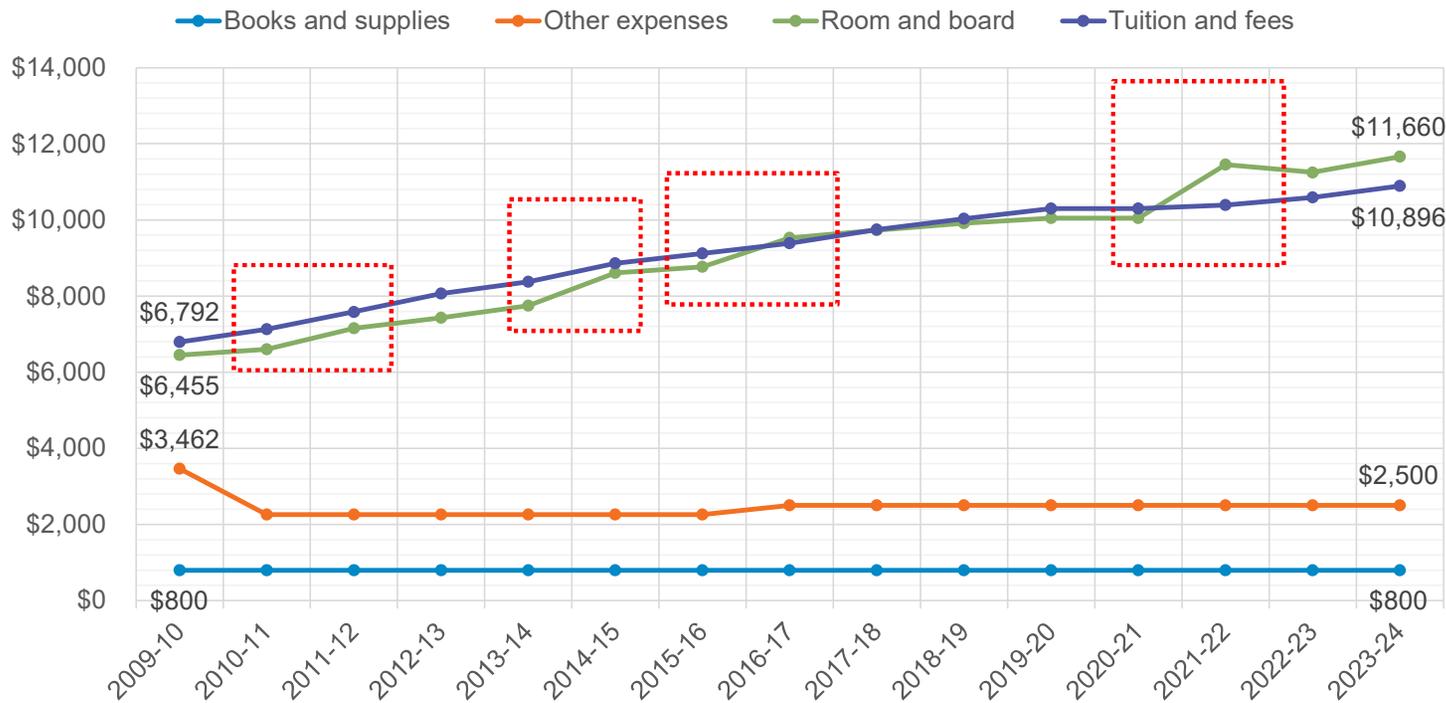
Public Universities

Northern Kentucky University

Periodic large increases in room and board rates, particularly in 2021-22

Components of Total Price

In-state students living on campus



Percent Change from 2009-10:

- *Tuition and fees*
 - 60.4%
 - CAGR: 3.4%
- *Room and board*
 - 80.6%
 - CAGR: 4.3%
- *Other expenses*
 - -27.8%
 - CAGR: -2.3%
- *Books and supplies*
 - 0.0%
 - CAGR: 0.0%

CAGR = Compound Annual Growth Rate

Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 31, 2024.

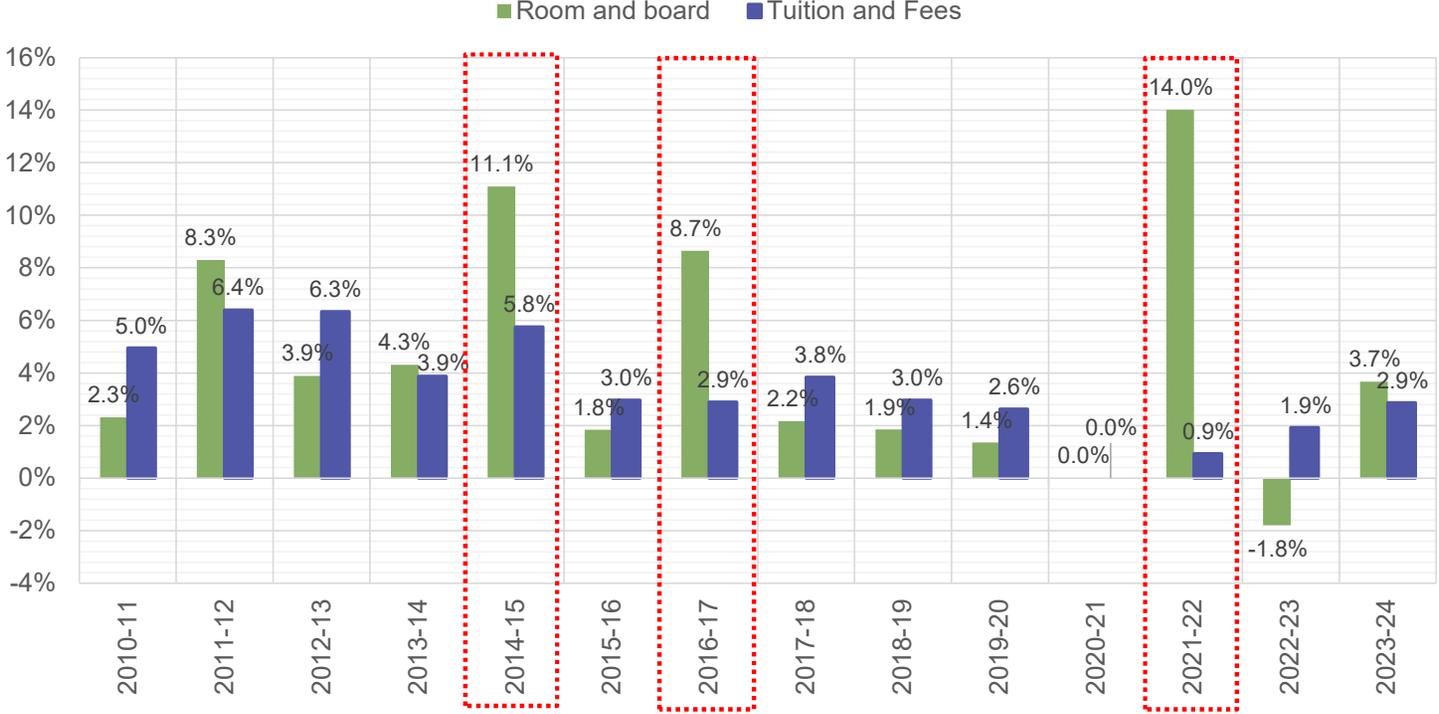
Kentucky Council on Postsecondary Education

Public Universities

Northern Kentucky University

Periodic large increases in room and board rates, particularly in 2021-22

Year-Over-Year % Change in Room and Board and Tuition and Fees
In-state students living on campus



Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 31, 2024.

Western Kentucky University

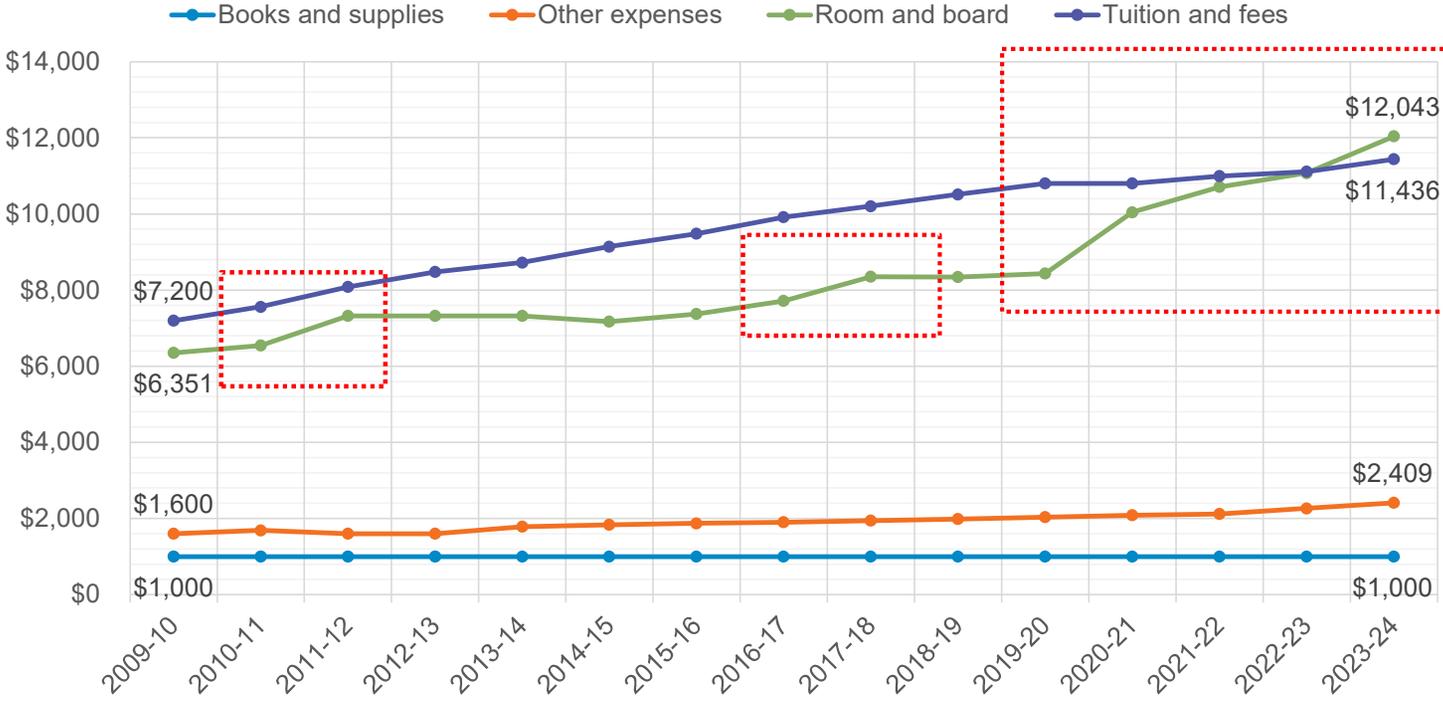
Public Universities

Western Kentucky University

Large increases in room and board rates explained by WKU as a change in methodology; periodic larger increases in room and board

Components of Total Price

In-state students living on campus



Percent Change from 2009-10:

- *Tuition and fees*
 - 58.8%
 - CAGR: 3.4%
- *Room and board*
 - 89.6%
 - CAGR: 4.7%
- *Other expenses*
 - 50.6%
 - CAGR: 3.0%
- *Books and supplies*
 - 0.0%
 - CAGR: 0.0%

CAGR = Compound Annual Growth Rate

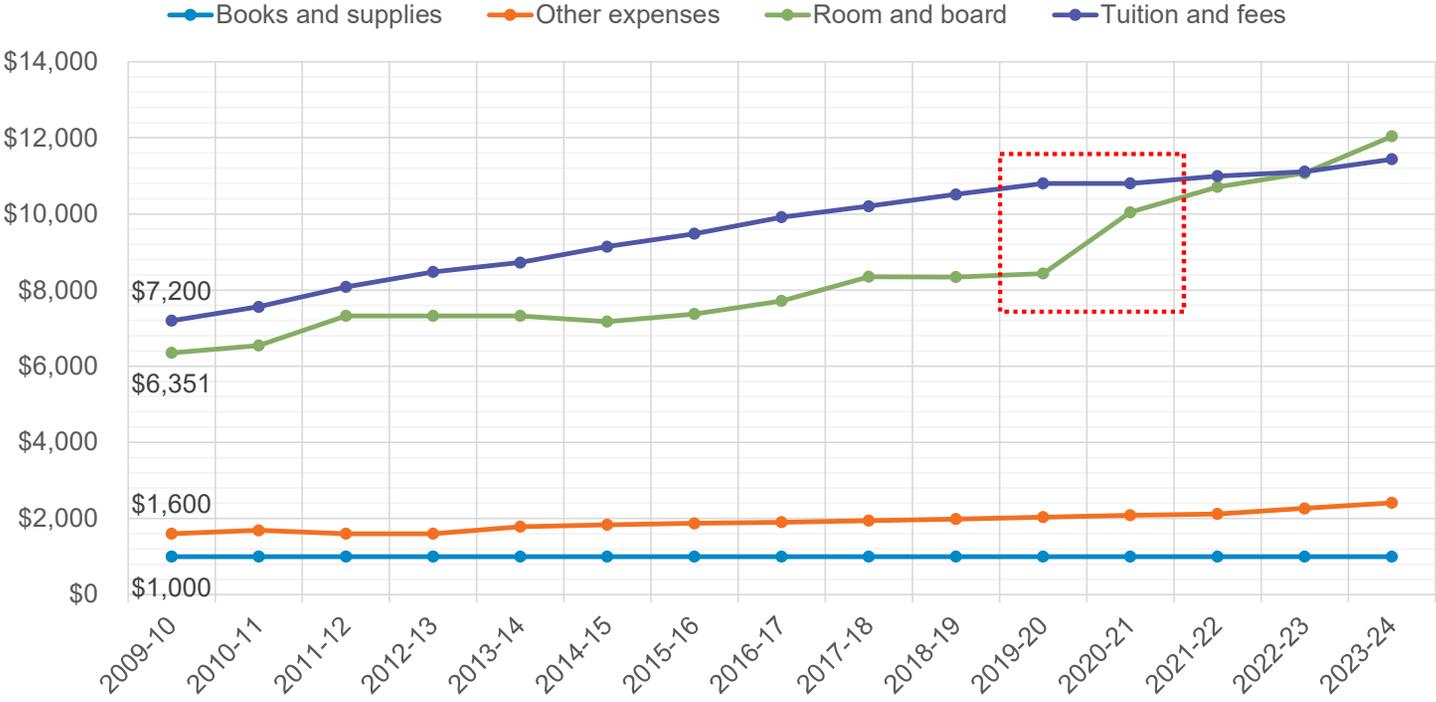
Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 31, 2024.
 Kentucky Council on Postsecondary Education

Public Universities

Western Kentucky University

Components of Total Price

In-state students living on campus



Explaining recent increases in room and board rates at WKU:

Campus Staff Explanation:

- The % change from 2019-20 to 2020-21 is **due to a change in methodology for calculating room and board rates**
- From 2009-10 to 2019-20, the institution **used a relatively lower priced meal plan and room rate**
- Since 2020-21, **the average meal plan and room rate is used.**
- Using a consistent methodology, the increase in room and board from **2019-20 to 2020-21 was ~5% for residence halls and 3.5% for meal plans**, as opposed to 19.1%

Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 31, 2024.

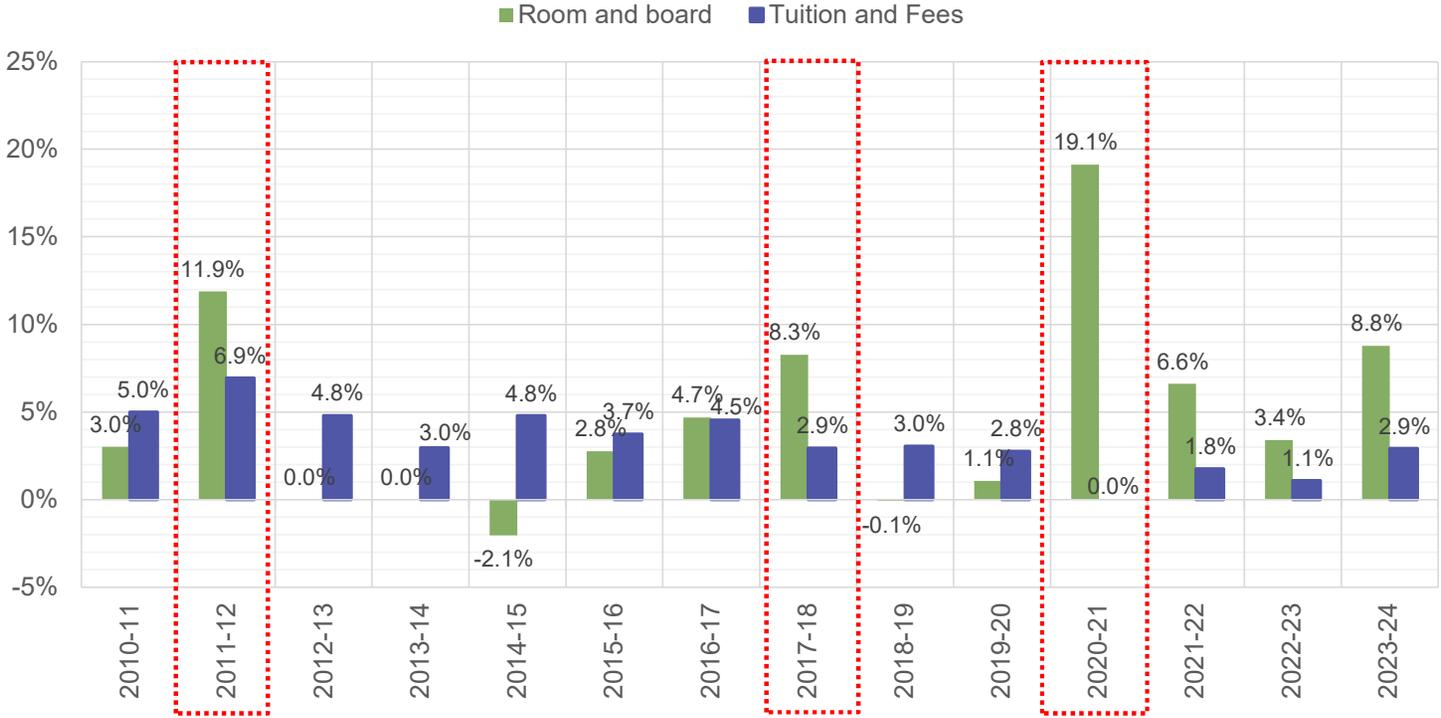
Kentucky Council on Postsecondary Education

Public Universities

Western Kentucky University

Large 2020-21 increase in room and board rate explained by WKU as a change in calculation methodology; periodic large increases in room and board

Year-Over-Year % Change in Room and Board and Tuition and Fees
In-state students living on campus

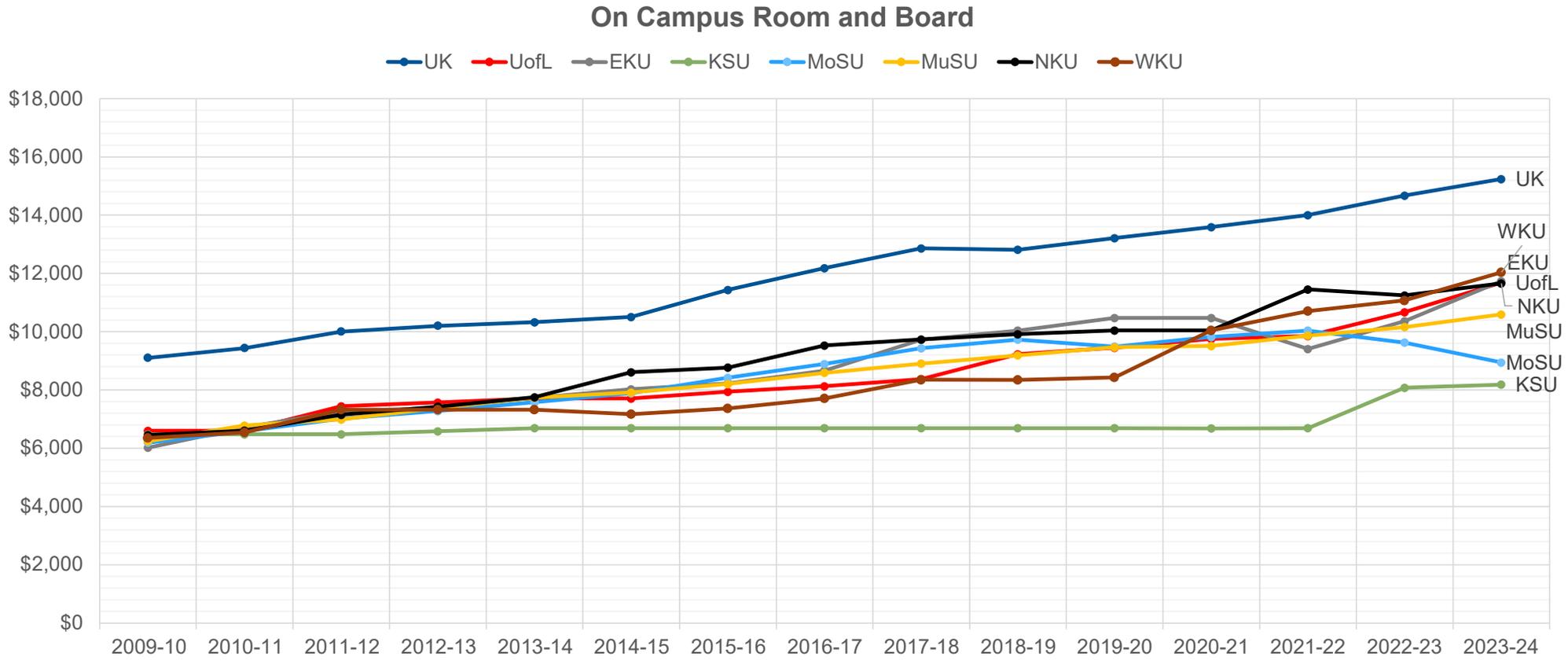


Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 31, 2024.

University Comparisons

University Comparisons

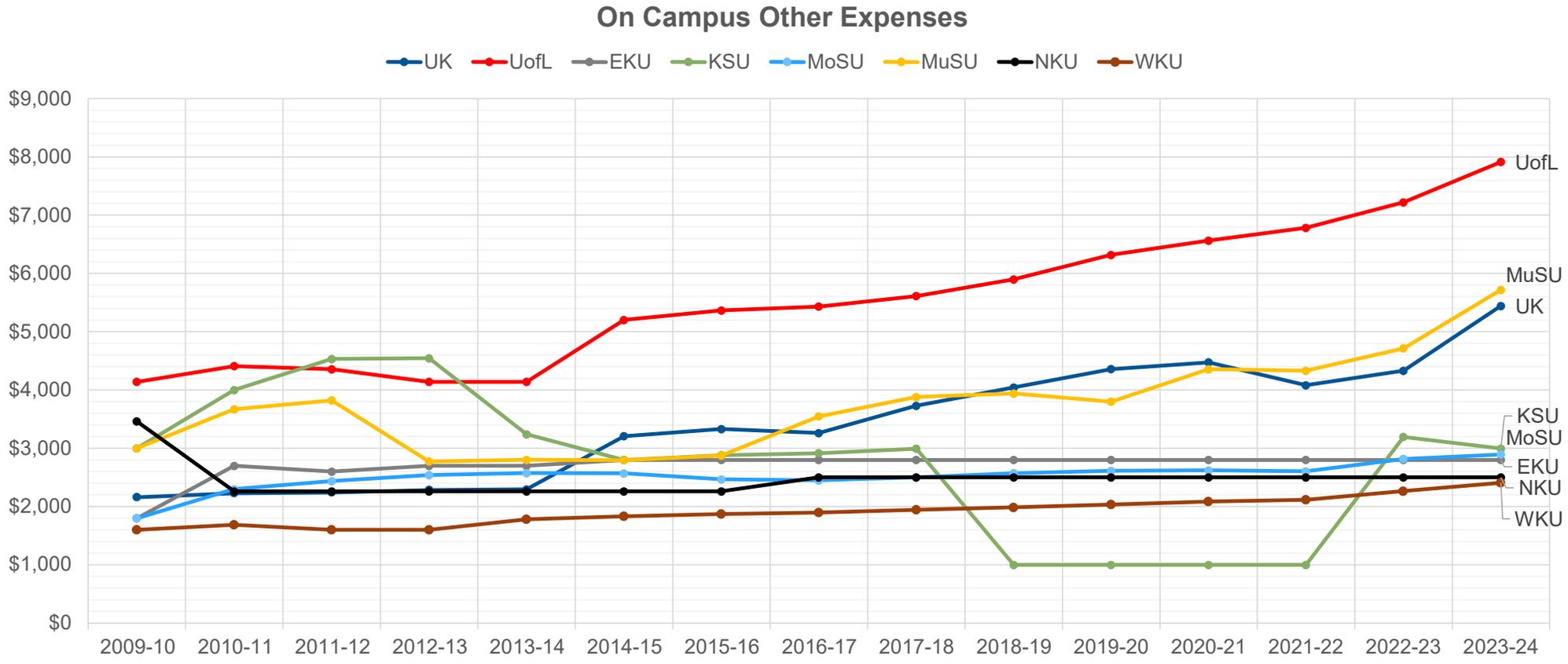
Room and Board



Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 31, 2024.
 Kentucky Council on Postsecondary Education

University Comparisons

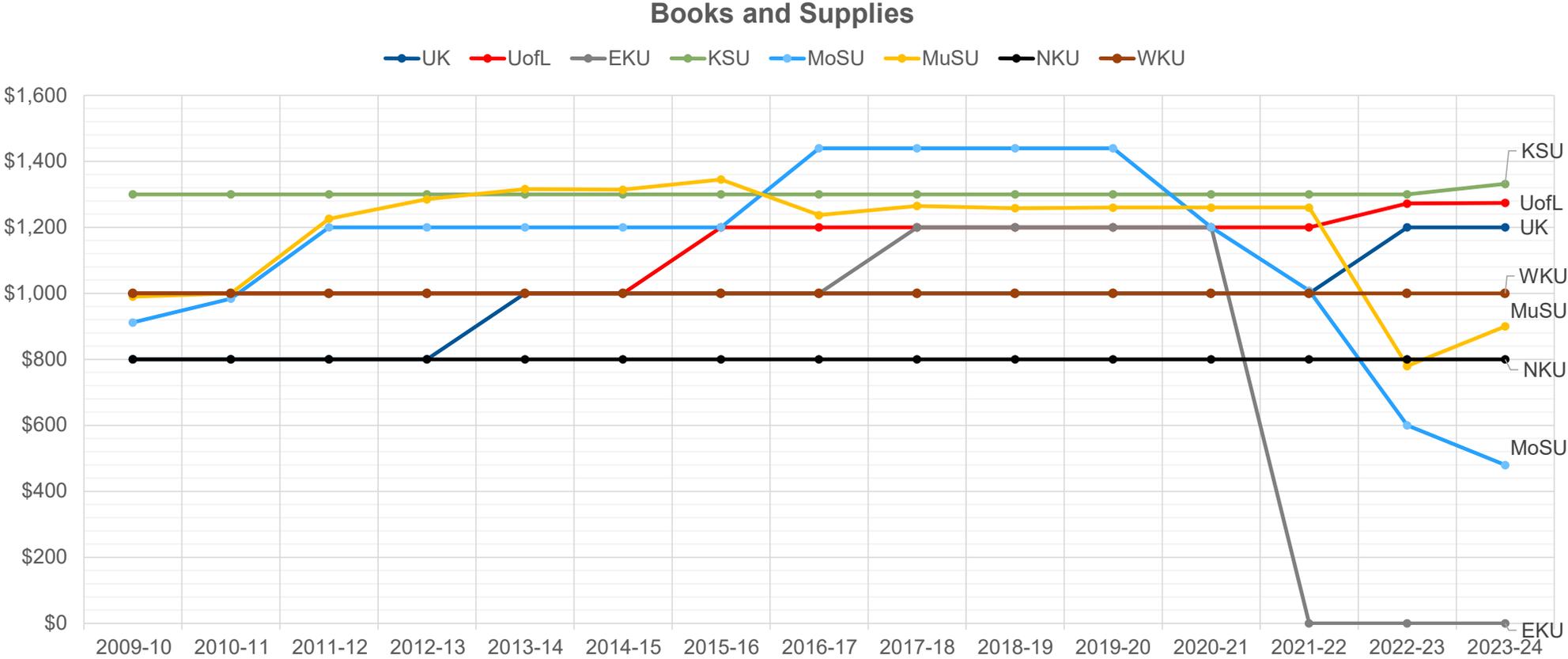
Other Expenses



Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 31, 2024.
 Kentucky Council on Postsecondary Education

University Comparisons

Books and Supplies



Source: National Center for Education Statistics (NCES), Integrated Postsecondary Education Data System (IPEDS), retrieved October 31, 2024.

Key Takeaways

- **In general, room and board prices have not drastically outpaced growth in tuition and fees** since CPE began setting tuition and fee ceilings, **however, room and board rates at some institutions have been accelerating in recent years**
- **Room and board increases occur more sporadically than tuition and fees**, often aligned with the opening of new/improved residence halls and other auxiliary services
- **Universities serving rural areas, in particular, have made efforts to maintain affordability** as evidenced by (1) room and board increases closely tied to the Council's historically low tuition and fee increases, (2) decelerating room and board increases, and (3) reductions in the cost of books and supplies
- **Data reported to IPEDS by the institutions would benefit from using a standardized methodology** for calculating each cost component, which would result in greater comparability across institutions over time, particularly for room and board, other expenses, and books and supplies
- **Methodologies and the rationales for their use differ across universities when calculating the components of total price**, which can have a differential impact on current and prospective students

TITLE: Tuition Setting Process for Academic Year 2025-26

DESCRIPTION: The Finance Committee received an update on the upcoming 2025-26 tuition setting cycle, including the preliminary timeline and the Council's current *Tuition and Mandatory Fee Policy for Academic Years 2023-24 and 2024-25*.

STAFF CONTACTS: Bill Payne, Vice President of Finance Policy and Programs
Ryan Kaffenberger, Director of Finance Policy and Programs

COMMITTEE'S REVIEW

The Finance Committee received this information update at their November 15, 2024, meeting. It will not be covered or presented in detail at the board meeting; however, staff will be available for questions.

SUPPORTING INFORMATION

Every year, staff works with campus presidents, chief budget officers, and Council members to facilitate a review of the Council's *Tuition and Mandatory Fee Policy* and to recommend changes to the policy as needed. Staff also works with the aforementioned stakeholders to develop and finalize a timeline for the upcoming academic year that identifies target dates and planned activities related to the tuition setting process. Both of these documents provide a framework for establishing tuition and mandatory fees at the public postsecondary institutions in any given academic year.

TUITION SETTING TIMELINE

A copy of a Preliminary 2025-26 Tuition Setting Timeline can be found in Attachment A to this agenda item. As can be seen in the timeline, it is anticipated that the Council will approve any revisions to the *Tuition and Mandatory Fee Policy* at its January 31, 2025 meeting, will adopt staff recommended tuition and fee ceilings on April 18, 2025, and will take action on campus tuition and fee proposals on June 13, 2025. Staff will work with campus chief budget officers and presidents over the next five months to finalize the 2025-26 Tuition Setting Timeline, the Council's *Tuition and Mandatory Fee Policy*, and recommended tuition and fee ceilings for academic year 2025-26.

TUITION AND MANDATORY FEE POLICY

Included in Attachment B to this agenda item is a copy of the Council's current *Tuition and Mandatory Fee Policy for Academic Years 2023-24 and 2024-25*. The Council typically reviews and approves proposed revisions to the policy at the beginning of each new tuition cycle. Once approved, the policy will help guide the development of a tuition and fee ceiling recommendation for the upcoming academic year, or in some cases two academic years, and facilitate submission and evaluation of campus tuition and fee rate proposals. At this time, CPE staff and campus officials are in the process of reviewing the current tuition policy and will bring any proposed changes to the Council at the January 31, 2025, meeting. For the upcoming year, it is anticipated that revisions to the policy will be minimal.

Council on Postsecondary Education Preliminary 2025-26 Tuition Setting Timeline

- Nov 13, 2024 CBO Meeting – Council staff will share the current *Tuition and Mandatory Fee Policy* and a Preliminary 2025-26 Tuition Setting Timeline with campus chief budget officers. Possible changes to the policy and timeline will be discussed.
-  Nov 15, 2024 Finance Committee Meeting – Council staff will share the current *Tuition and Mandatory Fee Policy* and a Preliminary 2025-26 Tuition Setting Timeline with committee members and provide an overview of the tuition setting process.
- Nov 22, 2024 **CPE Meeting** – The Chair of the Finance Committee will share the current *Tuition and Mandatory Fee Policy* and a Preliminary 2025-26 Tuition Setting Timeline with the full Council and describe the tuition-setting process.
- Nov – Jan Council staff will update policy relevant data in the areas of funding adequacy, shared benefits and responsibility, affordability and access, effective use of resources, and attracting and importing talent. Staff will work with campus CBOs to identify proposed changes to the *Tuition and Mandatory Fee Policy* and finalize the 2025-26 Tuition Setting Timeline.
- Dec 4, 2024 Presidents' Meeting – Staff will share the current *Tuition and Mandatory Fee Policy* and Preliminary 2025-26 Tuition Setting Timeline with campus presidents. Potential changes to the policy and timeline will be discussed.
- Dec 18, 2024 CBO Meeting – Council staff and CBOs will finalize proposed changes to the current *Tuition and Mandatory Fee Policy* and 2025-26 Tuition Setting Timeline.
- Jan 1, 2025 Presidents' Meeting – Staff will share proposed changes to the current *Tuition and Mandatory Fee Policy* and 2025-26 Tuition Setting Timeline with campus presidents. Proposed changes to the policy and timeline will be finalized.
-  Jan 27, 2025 Finance Committee Meeting – Council staff will present a proposed *2025-26 Tuition and Mandatory Fee Policy* for committee review and action and will share a final 2025-26 Tuition Setting Timeline for information.
- Jan 31, 2025 **CPE Meeting** – The Finance Committee Chair will present a recommended *2025-26 Tuition and Mandatory Fee Policy* for Council action and will share a final 2025-26 Tuition Setting Timeline for information.

- Jan – Feb Council staff will finalize updates of policy relevant data in the areas of funding adequacy, shared benefits and responsibility, affordability and access, effective use of resources, and attracting and importing talent and will work with campus officials to identify key issues that could impact the 2025-26 tuition-setting cycle.
- Jan – Feb Campus officials will collect and submit data to CPE on fixed cost increases, tuition revenue estimates, potential impact of tuition increases, anticipated uses of tuition revenue, and budgeted student financial aid expenditures.
- Feb 19, 2025 CBO Meeting — Council staff and campus CBOs will review and discuss key issues and other policy relevant data that could impact the upcoming tuition-setting cycle and will begin discussing proposed tuition and mandatory fee ceilings for academic year 2025-26.
- Feb 28, 2025 **Deadline** for campus submission of fixed cost and tuition revenue data.
- Mar 5, 2025 Presidents' Meeting – Council staff and campus presidents will review key issues and other policy relevant data and engage in preliminary discussions regarding tuition and fee ceilings for academic year 2025-26.
- Mar 19, 2025 CBO Meeting — Council staff and campus CBOs will continue discussing key issues and potential tuition and fee ceilings for academic year 2025-26.
- Apr 2, 2025 Presidents' Meeting – Council staff and campus presidents will finalize a proposed tuition and fee ceiling recommendation for academic year 2025-26.
-  Apr 14, 2025 Finance Committee Meeting – Council staff will present recommended 2025-26 tuition and mandatory fee ceilings for committee review and action.
- Apr 18, 2025 **CPE Meeting** – The Chair of the Finance Committee will present recommended 2025-26 tuition and mandatory fee ceilings for Council action.
- Apr – May Campus officials will submit to the Council proposed 2025-26 tuition and mandatory fee charges for all categories students, including rates by degree level (undergraduate and graduate), residency (in-state and out-of-state), and attendance status (full-time and part-time). The Council president will keep Council members updated regarding the status of campus rate proposals.
- May 7, 2025 Presidents' Meeting – Council staff will remind the presidents of an approaching deadline for submitting campus tuition and fee rate proposals.

May 23, 2025 **Deadline** for submitting campus tuition and fee rate proposals to the Council.

 June 9, 2025 Finance Committee Meeting – Council staff will present campus 2025-26 tuition and mandatory fee rate proposals for committee review and action.

Jun 13, 2025 **CPE Meeting** – The Chair of the Finance Committee will present campus tuition and fee rate proposals for Council action.

Council Postsecondary Education Tuition and Mandatory Fee Policy

Academic Years 2023-24 and 2024-25

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

Fundamental Objectives

- Funding Adequacy

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

- Shared Benefits and Responsibility

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

- Affordability and Access

Since broad educational attainment is essential to a vibrant state economy and to intellectual, cultural, and political vitality, the Commonwealth of Kentucky seeks to ensure that postsecondary education is broadly accessible to its citizens. The Council and the institutions are committed to ensuring that college is affordable and accessible to all academically qualified Kentuckians with particular emphasis on adult learners, part-time students, minority students, and students from low- and moderate-income backgrounds.

The Council believes that no citizen of the Commonwealth who has the drive and ability to succeed should be denied access to postsecondary education in Kentucky because of inability to pay. Access should be provided through a reasonable combination of savings, family contributions, work, and financial aid, including grants and loans.

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

- **Effective Use of Resources**

Kentucky's postsecondary education system is committed to using the financial resources invested in it as effectively and productively as possible to advance the goals of HB 1 and the Strategic Agenda, including undergraduate and graduate education, engagement and outreach, research, and economic development initiatives. The colleges and universities seek to ensure that every dollar available to them is invested in areas that maximize results and outcomes most beneficial to the Commonwealth and its regions. It is anticipated that enactment of Senate Bill 153, the *Postsecondary Education Performance Funding Bill*, during the 2017 legislative session will provide ongoing incentives for increased efficiency and productivity within Kentucky's public postsecondary system. The Council's Strategic Agenda and funding model metrics will be used to monitor progress toward attainment of both statewide and institutional HB 1 and Strategic Agenda goals.

- **Attracting and Importing Talent to Kentucky**

It is unlikely that Kentucky can reach its 2030 postsecondary education attainment goal by focusing on Kentucky residents alone. The Council and the institutions are committed to making Kentucky institutions financially attractive to nonresident students, while recognizing that nonresident undergraduate students should pay a significantly larger proportion of the cost of their education than do resident students. Tuition reciprocity agreements, which provide low-cost access to out-of-state institutions for Kentucky students that live near the borders of other states, also serve to attract students from surrounding states to Kentucky's colleges and universities.

A copy of the Council's nonresident student tuition and mandatory fee policy is contained in the paragraphs below. Going forward, Council staff will periodically review and evaluate the policy to determine its impact on attracting and retaining students that enhance diversity and the state's competitiveness.

Nonresident Student Tuition and Fees

The Council and the institutions believe that nonresident students should pay a larger share of their educational costs than do resident students. As such, published tuition and fee levels adopted for nonresident students shall be higher than the prices for resident students enrolled in comparable programs of study.

In addition, every institution shall manage its tuition and fee rate structures, price discounting, and scholarship aid for out-of-state students, such that in any given year, the average net tuition and fee revenue generated per nonresident undergraduate student equals or exceeds 130% of the annual full-time tuition and fee charge assessed to resident undergraduate students (i.e., the published in-state sticker price). As part of the tuition and fee setting process, staff shall monitor and report annually to the Council regarding compliance with this requirement.

The Council acknowledges that in some instances increasing nonresident student enrollment benefits both the Commonwealth and the institution. For this reason, exceptions to the 130% threshold may be requested through a Memorandum of Understanding (MOU) process and will be evaluated on a case-by-case basis by the Council. The main objective of the MOU process is to clearly delineate goals and strategies embedded in enrollment management plans that advance the unique missions of requesting institutions.

Special Use Fee Exception Policy

During the 2010-11 tuition setting process, campus officials requested that the Council consider excluding student-endorsed fees from its mandatory fee definition, thus omitting consideration of such fees when assessing institutional compliance with Council approved tuition and fee rate ceilings. Based on feedback received from institutional Chief Budget Officers (CBOs) at their December 2010 meeting, it was determined that there was general interest in treating student-endorsed fees differently from other mandatory fees.

In January and February 2011, Council staff collaborated with institutional presidents, CBOs, and their staffs in developing the following Special Use Fee Exception Policy:

- To the extent that students attending a Kentucky public college or university have deliberated, voted on, and requested that their institution's governing board implement a special use fee for the purposes of constructing and operating and maintaining a new facility, or renovating an existing facility, that supports student activities and services;
- And recognizing that absent any exemption, such student-endorsed fees, when implemented in the same year that the Council adopts tuition and fee rate ceilings, would reduce the amount of additional unrestricted tuition and fee revenue available for an institution to support its E&G operation;

- The Council may elect to award an exemption to its tuition and fee rate ceiling equivalent to all or a portion of the percentage increase resulting from imposition of the student-endorsed fee, provided said fee meets certain eligibility requirements.

Definitions

A student-endorsed fee is a mandatory flat-rate fee that has been broadly discussed, voted on, and requested by students and adopted by an institution's governing board, the revenue from which may be used to pay debt service and operations and maintenance expenses on new facilities, or capital renewal and replacement costs on existing facilities and equipment that support student activities and services, such as student unions, fitness centers, recreation complexes, health clinics, and/or tutoring centers.

Maintenance and Operations (M&O) expenses are costs incurred for the administration, supervision, operation, maintenance, preservation, and protection of a facility. Examples of M&O expenses include janitorial services, utilities, care of grounds, security, environmental safety, routine repair, maintenance, replacement of furniture and equipment, and property and facility planning and management.

Eligibility Criteria

A student-endorsed fee will continue to be a mandatory fee within the context of the Council's current mandatory fee definition and may qualify for an exemption from Council approved tuition and fee rate ceilings. Campus officials and students requesting an exemption under this policy must be able to demonstrate that:

- All enrolled students have been afforded ample opportunity to be informed, voice their opinions, and participate in the decision to endorse a proposed fee. Specifically, it must be shown that fee details have been widely disseminated, broadly discussed, voted on while school is in session, and requested by students.
- For purposes of this policy, voted on means attaining:
 - a) a simple majority vote via campus-wide referendum, with a minimum of one-quarter of currently enrolled students casting ballots;
 - b) a three-quarters vote of elected student government representatives; or
 - c) a simple majority vote via campus-wide referendum, conducted in conjunction and coinciding with the general election of a student government president or student representative to a campus board of regents or board of trustees.
- The proposed fee and intended exemption request have been presented to, and adopted by, the requesting institution's governing board. It is anticipated that elected student government representatives will actively participate in board presentations.

- Revenue from such fees will be used to pay debt service and M&O expenses on new facilities, or capital renewal and replacement costs on existing facilities and equipment that support student activities and services, such as student unions, fitness centers, recreation complexes, health clinics, and/or tutoring centers. The Council expects these uses to be fully explained to students prior to any votes endorsing a fee.
- In any given year, the impact of a student-endorsed fee on the overall increase in tuition and mandatory fees for students and their families will be reasonable. It may be appropriate to phase in the exemption over multiple years to maintain affordability and access.
- Requests for student-endorsed exemptions are infrequent events. The Council does not expect requests for exemptions under this policy to occur with undue frequency from any single institution and reserves the right to deny requests that by their sheer number are deemed excessive.
- A plan is in place for the eventual reduction or elimination of the fee upon debt retirement, and details of that plan have been shared with students. The Council does not expect a fee that qualifies for an exemption under this policy to be assessed at full rate in perpetuity. Such fees should either terminate upon completion of the debt or, in the case of new facilities, may continue at a reduced rate to defray ongoing M&O costs. In either case, to qualify for an exemption, students should be fully aware of the extent of their obligation prior to any votes endorsing a fee.

Exemption Process

Requests for an exemption under this policy will be evaluated on a case-by-case basis. To initiate the process:

- The requesting institution will notify Council staff of any pending discussions, open forums, referendums, or student government actions pertaining to a proposed special use fee and discuss fee details with Council staff as needed.
- After a fee has been endorsed by student referendum or through student government action and approved by the institution's governing board, campus officials and students will submit a written exemption request to the Council for its consideration.
- Council staff will review the request, assess whether or not the proposed fee qualifies for an exemption, and make a recommendation to the Council.

To facilitate the exemption request process, requesting institutions and students are required to provide the Council with the following information:

- Documents certifying that the specific project and proposed fee details have been widely disseminated, broadly discussed, voted on, and requested by students, as well as adopted by the institution's governing board.
- Documents specifying the fee amount, revenue estimates, uses of revenue, impact on tuition and fees during the year imposed (i.e., percentage points above the ceiling), and number of years the fee will be in place.
- Documents identifying the project's scope, time frame for completion, debt payment schedule, and plan for the eventual reduction or elimination of the fee upon debt retirement.

Asset Preservation Fee Exception Policy

During the 2017-18 tuition setting process, campus officials asked if the Council would consider allowing institutions to assess a new student fee, dedicated to supporting expenditures for asset preservation and renovation projects, that would be treated as being outside the tuition and fee caps set annually by the Council. Staff responded that it was too late in the process to allow for a full vetting of a proposed change to the Council's Tuition and Mandatory Fee Policy prior to the Council adopting tuition ceilings at the March 31, 2017 meeting. In addition, staff wanted to explore the possibility of adopting a system-wide asset preservation fee that would benefit and address asset preservation needs at every public postsecondary institution.

In August 2017, staff determined that there was general interest among campus officials to pursue a change in tuition policy that would allow each institution the option to implement a student fee for asset preservation, if its administrators and governing board chose to do so, that would be exempted from Council approved tuition and fee ceilings. In September and October, Council staff worked with campus presidents, chief budget officers, and Budget Development Work Group members to develop the Asset Preservation Fee Exception Policy described below.

- Given that in 2007, Council and postsecondary institution staffs contracted with Vanderweil Facilities Advisors, Inc. (VFA) and Paulien and Associates to conduct a comprehensive assessment of Kentucky's public postsecondary education facilities to determine both system and individual campus needs for new and expanded space, asset preservation and renovation, and fit-for-use capital projects;
- Given that in 2013, VFA adjusted the data from its 2007 study to account for continuing aging of postsecondary facilities and rising construction costs, and projected that the cumulative need for asset preservation and fit-for-use expenditure would grow to \$7.3 billion within the 2017 to 2021 timeframe;
- Given that over the past five biennia, 2008-10 through 2016-18, the Commonwealth of Kentucky has appropriated a total of \$262.0 million for its public

colleges and universities to address asset preservation and renovation and fit-for-use projects, representing about 3.6% of the total cumulative need identified by VFA;

- Given that in late summer 2017, the Council and postsecondary institutions concluded that one reasonable course of action to begin to address the overwhelming asset preservation and renovation and fit-for-use needs was through sizable and sustained investment in existing postsecondary facilities, which could be accomplished through a cost sharing arrangement involving the state, postsecondary institutions, and students and families;
- Given that the best way to ensure the ongoing commitment and participation of students and families in a cost-sharing partnership to address asset preservation and renovation needs is through the implementation of an optional dedicated student fee;
- Given that such an asset preservation fee, when implemented in the same year that the Council adopts a tuition and fee rate ceiling, would reduce the amount of additional unrestricted tuition and fee revenue available for an institution to support its E&G operation;
- The Council may elect to award an exemption to its tuition and fee rate ceiling of up to \$10.⁰⁰ per credit hour at the public universities, capped at 15 credit hours per semester for undergraduate students, for a dedicated student fee that supports asset preservation and renovation projects related to the instructional mission of the institution;
- The Council may elect to award an exemption to its tuition and fee rate ceiling of up to \$5.00 per credit hour at KCTCS institutions, capped at 15 credit hours per semester, for a dedicated student fee that supports asset preservation and renovation projects related to the instructional mission of the institution.

Definition

An asset preservation fee is a mandatory, flat-rate fee that has been approved by an institution's governing board, the revenue from which shall either be expended upon collection on asset preservation and renovation and fit-for-use capital projects or used to pay debt service on agency bonds issued to finance such projects, that support the instructional mission of the institution. Thus, by definition, fee revenue and bond proceeds derived from such fees shall be restricted funds for the purposes of financing asset preservation and renovation projects. As a mandatory fee, an asset preservation fee may be assessed to students regardless of degree level or program or full-time or part-time status.

Eligibility Criteria

An asset preservation fee may qualify for an exemption from Council approved tuition and fee rate ceilings, provided the following criteria are met:

- The proposed asset preservation project(s) and related fee shall be approved by the requesting institution's governing board.
- Revenue from the fee may either be expended upon collection on asset preservation and renovation or fit-for-use projects, accumulated to meet a specific project's scope, or used to pay debt service on agency bonds or other instruments used to finance such projects.
- Both the direct expenditure of fee revenue and the expenditure of agency bond funds generated by the fee may be used to meet matching requirements on state bond funds issued for asset preservation projects. In previous biennia, state leaders have required a dollar-for-dollar institutional match on state-funded asset preservation pools.
- In any given academic year, the impact of implementing an asset preservation fee, when combined with a tuition and fee increase supporting campus operations, will be reasonable for Kentucky students and families. For the purposes of this policy exemption, the Council shall determine whether a proposed asset preservation fee, in combination with a tuition and fee increase allowed under a Council-approved tuition ceiling, is reasonable. This assessment will be made within the context of state economic and budgetary conditions, institutional resource needs, and affordability concerns at the time.
- Depending on the outcome of the aforementioned assessment, it may be appropriate to phase in a requested fee over multiple years to maintain affordability and access.
- The Council does not expect a fee that qualifies for an exemption under this policy to remain in effect in perpetuity. To be eligible for an exemption, the requesting institution must have a plan in place for the eventual elimination of a proposed asset preservation fee within 25 years of its initial implementation date.

Exemption Process

The Council will evaluate requests for a fee exemption under this policy on a case-by-case basis. To initiate the process:

- An institution's governing board must approve the proposed asset preservation project(s) and related student fee.
- Campus officials must submit to the Council a copy of that board approval, along with a written request to exempt the asset preservation fee from Council

tuition and fee ceilings.

- Council staff will review the request, assess whether or not the proposed project(s) and related fee qualify for an exemption, and make a recommendation to the Council.

To facilitate the exemption-request review process, a requesting institution shall provide the Council with the following information:

- Documents certifying that the specific asset preservation project(s) financed and proposed fee details have been approved by the institution's governing board.
- Documents specifying the fee amount, anticipated implementation date, revenue projections, uses of revenue, number of years the fee will be in place, and impact on tuition in year imposed (i.e., percentage points above ceiling).
- Documents identifying the project's scope, its timeframe for completion, debt payment schedule, and plan for the eventual elimination of the fee upon debt retirement.

Periodic Reporting

- Upon request by the Council, the postsecondary institutions will provide documentation certifying the date an asset preservation fee was implemented, annual amounts of fee revenue generated to date, uses of fee revenue, the amount of fee revenue or agency bond funds used to meet state matching requirements on asset preservation project appropriations, and the number of years the fee will remain in place.

Ongoing Usage

- Once an Asset Preservation Fee is approved by the Council, revenue generated from the fee may be used for ongoing asset preservation, renovation and fit-for-use projects with institutional board approval.
- Asset preservation, renovation and fit-for-use project(s) financed with asset preservation fee revenue shall comply with all statutory requirements pertaining to the approval of capital projects (KRS 45.750, KRS 45.763, KRS 164.020 (11) (a), KRS 164A.575).

TITLE: Report from the Committee on Equal Opportunities

DESCRIPTION: The following is a summary of the Committee’s meeting held on October 28, 2024.

STAFF CONTACT: Dawn Offutt, Executive Director for Access, Engagement, & Belonging

The Committee on Equal Opportunities met on October 28, 2024. At the meeting, members discussed the current Diversity, Equity and Inclusion Policy and potential changes that might be included in future revisions. Dr. Dawn Offutt will provide an update on those discussions at the November 22, 2024, meeting.

The Committee’s next meeting is scheduled for January 27, 2025.

TITLE: Executive Committee Meeting Dates for Calendar Year 2025

DESCRIPTION: The Executive Committee will make a recommendation regarding the proposed 2025 meeting dates for the Committee.

STAFF CONTACTS: Lee Nimocks, Sr. Vice President and Chief of Staff
Heather Faesy, Board Liaison

COMMITTEE REVIEW AND RECOMMENDATION

The Executive Committee will consider the proposed recommendation during its November 22, 2024, morning meeting. If approved by the Committee, they will request the Council take final approval action.

SUPPORTING INFORMATION

The Council approved the 2025 meeting dates at its June 21, 2024, meeting. At that meeting, it was also approved that the Executive Committee meetings will be scheduled as requested by the Chair.

PROPOSED MEETING DATES

Typically, the Executive Committee meetings align with the meetings of the full Council, often the morning before the business meeting. Council staff have advised that a formally-approved meeting schedule would be beneficial, therefore the following dates are proposed:

- January 31, 2025 (morning)
- April 17, 2025 (morning)
- June 11, 2025 (evening)
- September 12, 2025 (morning)
- November 14, 2025 (morning)

If needed, the Chair may call additional or special meetings of the Committee. Additionally, the times of the meetings will be adjusted to fit the overall schedule of the other Council meetings.



CPE Programs and Expenditures: FY 2023 and 2024

A report submitted to the Interim Joint Committee on Appropriations and Revenue by the Council on Postsecondary Education in fulfillment of the requirements of Senate Bill 91 (2024)

About the Council on Postsecondary Education

The Council on Postsecondary Education is Kentucky's higher education coordinating agency committed to strengthening our workforce, economy and quality of life. We do this by guiding the continuous improvement and efficient operation of a high-quality, diverse and accessible system of postsecondary education.

Key responsibilities include:

- developing and implementing a strategic agenda for postsecondary education that includes measures of progress.
- producing and submitting a biennial budget request for adequate public funding of postsecondary education.
- determining tuition rates and admission criteria at public postsecondary institutions.
- collecting and distributing data about postsecondary education performance.
- ensuring the coordination and connectivity of technology among public institutions.
- licensing non-public postsecondary institutions to operate in the Commonwealth.

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INTRODUCTION

Section 76 of Senate Bill 91 (2024 Regular Session) charges the Kentucky Council on Postsecondary Education with submitting a report to the Interim Joint Committee on Appropriations and Revenue detailing all programs administered by CPE in Fiscal Years 2023 and 2024, the statutes authorizing these programs, and the associated expenditures and fund sources.

The resulting report demonstrates the breadth of activities and initiatives carried out by CPE as the state's coordinating body for public, postsecondary education. In every instance, the programs administered by CPE either directly respond to a legislative charge or fall under the general umbrella of advancing the statewide strategic agenda for postsecondary education [per [KRS 164.020](#)]. As part of the accountability framework outlined in this statute, the objectives, strategies, and strategic implementation plans of the agenda have produced dramatic improvements in student outcomes, university research, and community and employer outreach that are transforming Kentucky's workforce, economy, and quality of life. This progress is a testament to the power of a statewide higher education coordinating board to drive change and improvement through policy, analysis and deep collaboration with campuses, state education and workforce agencies, and other key stakeholders.

This report is organized by functional unit except for the sections detailing the Technology Trust Fund, fiduciary (pass-through) funds, and special legislative directives of a non-recurring nature. Since these expenditures do not fit neatly within any one unit, they are treated as stand-alone programs for the purposes of this report. Each section provides a high-level overview the unit's purpose, a description of its programs and activities (along with any statutory references), and its expenditures during the specified time frame. Units of the Council include:

- **Academic Excellence**, which oversees matters relating to the quality of degree programs and instruction;
- **Student Access and Success**, which promotes smoother transitions to and through postsecondary education through policy, programs, and enhanced student support services;
- **Finance**, which oversees college affordability and deals with postsecondary budgetary matters;
- **Policy, Planning, Communications, Data and Research**, which develops and implements the strategic agenda and associated accountability system; collects, analyzes, and warehouses student data; and coordinates communications and events;
- **Workforce and Economic Development**, which aligns degree offerings with workforce needs and addresses critical shortages in the high-need occupational areas; and
- **Agency Operations**, which houses the office of the president, human resources, administrative services, and other functions supporting agency staff.

ACADEMIC EXCELLENCE

OVERVIEW

The academic excellence unit works directly with chief academic officers and other representatives at public institutions on statewide policies and procedures that promote academic quality and student success. These efforts include the approval of academic programs and review of existing programs, as well as the establishment of minimum admissions requirements and academic readiness standards for public universities, all of which are required by statute. As part of CPE's efforts to enhance the quality of academic offerings, the unit developed the Kentucky Graduate Profile, which identifies ten essential skills that prepare undergraduates for career success. CPE is leading efforts with campus teams to ensure these essential skills are embedded in academic programs and that students are assessed on their mastery.

PROGRAMS AND FUNCTIONS

Approval of New Academic Programs

A major responsibility of the unit is approving all new technical, associate, baccalaureate, and graduate programs offered by public postsecondary institutions [[KRS 164.020\(15\)](#)]. The unit looks at an array of criteria when determining the need for new academic programs, including total credit hours, student and workforce demand, and similar programs offered in the state (to avoid unnecessary duplication).

Once a program is approved, it is entered into the statewide program inventory. Staff continually monitors the statewide inventory of academic programs to ensure it is up-to-date and accurate.

Review of Existing Academic Programs

[KRS 164.020\(16\)](#) establishes guidelines for the review of existing academic programs. Upon completion of a comprehensive baseline review of all baccalaureate programming in 2019-20, CPE updated its program review policy, which now consists of a three-pronged approach: 1) the evaluation of university program review efforts, 2) a statewide data analysis, and 3) implementation of the academic excellence and student success elements of the statewide strategic agenda. CPE works with the KCTCS system office to evaluate the review of approximately 25 percent of the system's academic portfolio each year. If the unit determines a further review of KCTCS programs is necessary, CPE works with KCTCS until all

issues are resolved. The unit also conducts extensive data analysis each year to pinpoint any unnecessary duplication among existing programs.

A major part of program review is ensuring academic programs are preparing students for career success. CPE works with KCTCS and universities on statewide efforts to enhance academic quality. In FY23 and FY24, the unit focused on the development and implementation of the Kentucky Graduate Profile, a set of career-focused learning outcomes each undergraduate student must demonstrate as part of their college curriculum. Teams of faculty, staff, and employers are working to identify the knowledge and behaviors associated with each skill and determine appropriate assessments. CPE contracted with the Competency-Based Education Network (C-BEN) to facilitate this process. The result of this partnership is a toolkit offering guidance and resources for embedding essential skills into the curriculum, rubrics outlining levels of mastery for each of the ten essential skills, and a signature assessment for each.

The Kentucky Graduate Profile Academy, which consists of a four-member team from each of Kentucky's eight public universities and 16 KCTCS campuses, is responsible for implementing the Kentucky Graduate Profile. These teams, with the support and guidance of the Academic Excellence unit, are working to embed these essential employability skills into undergraduate degree and certificate programs offered at their institutions.

Minimum Admissions Requirements

Per [KRS 164.020\(8\)](#), CPE is charged with establishing minimum college admissions criteria for Kentucky public institutions. A traditional high school graduate or adult learner must have at least a 2.5 GPA (on a four-point scale) to be admitted to a state university in Kentucky (transfer students must have at least a 2.0 GPA). Students admitted with a GPA between 2.0 and 2.49 are required to enter into a learning contract outlining to maximize the student's chance of success. The Academic Excellence unit monitors this statewide policy.

A related piece of this work is determining which assessments should be accepted as indicators of college readiness and the minimum cut scores needed in English, reading and math. The Academic Excellence unit works with institutional representatives to periodically review and revise this policy. Additionally, the unit ensures students who fall below admissions standards are offered co-requisite developmental education courses instead of remedial courses that carry no academic credit. Students in co-requisite courses receive enhanced academic supports, such as additional labs or tutoring, so they can get up to speed and earn credit in introductory gateway courses.

General Education Assessment

As a result of [KRS 164.2951](#), CPE, in collaboration with the public universities and KCTCS, established procedures to monitor the transfer and crediting of lower-division coursework, including a system of ongoing assessment that ensures comparability for transfer purposes. Campuses submit annual reports responding to these requirements, as well as detailing general education student learning

outcomes that were assessed in the previous academic year. The unit creates an executive summary to document improvements and changes to general education programs that have resulted from assessment activities. This process provides a means for institutions to share information on best practices and learn from the frameworks and experiences of other institutions.

Programs of Distinction

The unit evaluates annual reports from the comprehensive universities to note activities that have led to national prominence and other accomplishments over the past year, In accordance with [KRS 164.003\(2\)](#). Staff shares these accomplishments with other universities and looks for trends and potential partnership opportunities among the various programs.

Faculty Leadership Academy

The Faculty Leadership Academy is a year-long series of professional development offerings for full-time, mid-career faculty who are seeking to further develop their leadership skills and foster connections with peers, mentors, and established faculty leaders. To qualify, members must be nominated by their institution's leadership. The goal of the initiative is to instill in participants a deeper understanding of not only what leadership entails, but also of their institution's place within the state and national postsecondary landscape. Such professional development opportunities are critical for faculty and staff to effectively lead statewide strategic agenda strategy implementation at their institutions.

EXPENDITURES

CPE spent a total of \$977,806 on the Academic Excellence unit in FY23 and \$1,098,107 in FY24. A majority of expenses supported personnel, including consulting services to assist with the Kentucky Graduate Profile and upgrades to the KnowHow2Transfer website. A total of \$261,000 was awarded as grants to support the work of Graduate Profile Academy teams. The amount spent on conferences, convenings and meetings includes expenses related to the Student Success Summit, CPE's premier, annual professional development event for postsecondary faculty and administrators, as well as the Graduate Profile Academy.

Academic Excellence Financial Overview

EXPENDITURES	FY23 General Fund (22RS HB1)	FY24 General Fund (22RS HB1)
Personnel	3.5 FTE	2.5 FTE
Salary & Benefits	\$673,389	\$551,531
Other Personnel Services	13,876	44,556
Consulting Services (C-BEN)	139,385	251,468
Personnel TOTAL	\$826,650	\$847,555
Operations		
Supplies	2,808	
Travel	11,571	13,784
Conference, Convenings and Meetings	46,052	58,742
Professional Memberships	3,225	4,526
Operating TOTAL	\$63,656	\$77,052
Grants		
Graduate Profile Grants to Institutions	87,500	173,500
Grants TOTAL	\$87,500	\$173,500
TOTAL EXPENDITURES	\$977,806	\$1,098,107

STUDENT ACCESS AND SUCCESS

OVERVIEW

The Student Access and Success unit coordinates policies and initiatives that facilitate a smooth transition to postsecondary education. These include early college experiences that prepare high school students for college (e.g., dual credit and summer bridge programming), as well as policies and programs to enhance outcomes for non-traditional adult learners. The unit also provides student-centered support to increase college retention and completion rates. In carrying out this work, the unit convenes the Commonwealth Education Continuum, Kentucky’s statewide P-20 council, and administers several grant programs, the largest of which are GEAR UP Kentucky (an early awareness and readiness program supported by a federal grant) and the Kentucky Student Success Collaborative (funded by a James Graham Brown Foundation grant).

PROGRAMS AND FUNCTIONS

Commonwealth Education Continuum (CEC)

As defined in [KRS 164.001](#), Kentucky’s statewide P-16 council was re-established in 2021 as the Commonwealth Education Continuum, co-chaired by Lt. Governor Jacqueline Coleman, CPE President Aaron Thompson, and KDE Commissioner Robbie Fletcher. The reconstituted CEC was expanded to encompass P-20 and currently has 28 members representing the entire continuum of education providers—from early childhood to the workforce. The CEC identifies initiatives and policy recommendations to strengthen the state’s education pipeline and increase the educational attainment of Kentucky citizens. It is informed by the work of an ad hoc data team made up of representatives from the Kentucky Center for Statistics (KYSTATS), the Kentucky Department of Education (KDE), the Kentucky Community and Technical College System (KCTCS), and CPE.

Early Postsecondary Opportunities

[KRS 164.098](#) requires CPE to standardize scores for awarding college credit for Advanced Placement (AP) and International Baccalaureate (IB) courses and exams. CPE also provides guidance around dual credit programming and credential requirements for high school dual credit teachers. The unit coordinates the Dual Credit Advisory Council, which promotes best practices and monitors the quality of dual credit offerings. Additionally, the unit reviews and revises the statewide dual credit policy; the most recent addition establishes a goal for 50 percent of graduating seniors to have successfully

completed a dual credit course beginning in 2030. Finally, the unit works with other education providers to deliver professional development opportunities to improve the effectiveness of high school dual credit teachers, ensure course alignment with college curricula, and promote academic rigor.

Transfer

In 2011, the Kentucky legislature passed HB 160, which standardized the transfer process at Kentucky's public institutions. This legislation guarantees that general education courses will be accepted for credit toward degree requirements and not just electives. A year later, [KRS 164.2951](#) provided additional guidance on the facilitation of course transfer, as well as degree pathways from two-year to four-year public institutions meant to maximize the transferability of credit within the major and prevent students from taking unnecessary courses. CPE's work to expand degree pathways, particularly in high-need occupational areas, is ongoing. Smoothing the transfer process is critical to improved student retention and completion.

Educator Workforce

[KRS 161.167](#) requires CPE to work with its statewide education partners to develop a plan to encourage persons to enter the teaching profession and seek employment in Kentucky. This statute includes language to increase the number of minority teachers and administrators in the Commonwealth. The unit carries out this mandate through the CEC. CPE also approves teacher education programs at public universities for compliance to standards established by the Education Professional Standards Board pursuant to [KRS 161.020](#).

Access, Engagement and Belonging (AEB)

To support the requirements of [KRS 164.540](#) and [13 KAR 2:060](#), the AEB unit works to ensure all students have an opportunity to receive a rich and fulfilling educational experience enhanced by exposure to different perspectives and cultures. The AEB unit is responsible for coordinating and reviewing the statewide diversity planning process (currently under revision) and CPE's Committee on Equal Opportunity.

Other key initiatives include a voluntary cultural competency certification process for campuses and the Academic Leadership Development Institute (ALDI), a learning community of early career, underrepresented faculty and staff who are on track for professional advancement. The program provides opportunities to learn about emerging higher education trends and topics from state and national experts and peers.

Grant Programs and Initiatives

KRS 164.020 requires CPE to develop and implement a strategic agenda and develop a system of public accountability related to the plan. CPE has actively sought private and federal funding to achieve these objectives. Grant funding administered by the Student Access and Success unit addresses comprehensive student support, institutional collaboration, academic quality, college affordability and

accessibility, and business and community partnerships. Below is an overview of the grants administered by the unit to achieve these goals.

- **GEAR UP Kentucky:** Authorized by Congress in 1998, GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs) is a competitive federal grant program designed to increase high school graduation rates, college enrollment rates, and the academic performance of students in low-income communities. In October 2018, CPE was awarded a seven-year, \$24.5 million grant by the U.S. Department of Education to serve at least 10,000 middle and high school students in at least 10 school districts, following them through their first year of college. This is the fourth GEAR UP state grant that has been administered by CPE.
- **Kentucky Student Success Collaborative (KYSSC):** Funded by the James Graham Brown Foundation and housed at CPE, the Kentucky Student Success Collaborative (KYSSC) works with both two- and four-year institutions to improve degree completion, provide additional supports to address students' basic needs, close equity gaps, and improve graduates' transition to careers. The Impact exChange is an online platform for faculty and administrators to ask questions, share resources, and support one another in the common goal of student success. KYSSC also launched a year-long change leadership program to provide participants with the skills to lead strategic change, foster innovation, and drive continuous improvement at their institutions. KYSSC has been instrumental in ensuring campuses are implementing strategic agenda and legislative priorities more effectively, especially as they relate to serving more post-traditional, adult students.
- **The Kentucky Advising Academy (KAA):** KAA is supported by Governor's Emergency Education Relief (GEER) and Elementary and Secondary School Emergency Relief (ESSER) funds awarded to CPE by KDE. It provides a free comprehensive series of professional learning opportunities and resources for school counselors, Family Resource/Youth Service Center (FRYSC) coordinators, and all professional educators, as well as flexible opportunities to connect with higher education and postsecondary advising leaders. Its overarching goal is equitable access to postsecondary advising so all students can prepare for a successful transition to college. The KAA supports educators serving in advising roles by providing comprehensive professional learning sessions, online resources, and networking opportunities centered around postsecondary advising. The [College and Career Advising Toolkit](#) is a comprehensive collection of tools and resources that serves as a hub for advisors across the Commonwealth.
- Also supported by GEER and ESSER funds, **summer bridge programs** provide incoming students with the resources and skills needed for success in a college environment. They generally occur in the summer before matriculation and vary in length, from several days to weeks, and provide orientation to college life, academic advising, training in time management and study skills, and

accelerated academic coursework. CPE awarded grants to institutions to supplement these programs through a competitive RFP process.

- The **Knowledge Works Foundation** awarded CPE a \$25,000, one-year grant to support the College High School Alliance in its mission to advance equity and quality-focused policy impacting college in high school programs.
- The **Lumina Foundation** awarded CPE a \$75,000, one-year grant to increase the financial stability of adult learners, students of color, and students with low incomes by streamlining access to public benefits through enhanced partnerships and embedded processes.
- Small stipends were awarded to CPE by **NASH** and the **Military Compact** to help offset the cost of travel and personnel associated with maximizing the transfer of military credit to academic institutions for veterans.
- The **New Venture Fund** awarded a small grant to CPE to build a strong career pathway system through comprehensive college and career advising strategies.
- CPE partnered with **Save The Children** to maintain contracts with higher education institutions in Kentucky to administer tuition support to full-time students enrolled in a child development or related degree program who have been recruited and approved by the Save the Children Federation, Inc.
- The **ECMC Foundation** awarded CPE a two-year grant to help address student basic needs like food and housing insecurity, childcare and transportation.

EXPENDITURES

Student Access and Success

Excluding grant expenditures, CPE spent a total of \$987,575 of General Fund dollars on the Access and Success unit in FY23 and \$982,842 in FY24. A majority of these funds supported personnel; meeting expenses and travel accounted for the bulk of expenditures in operations.

Student Access & Success Financial Overview

EXPENDITURES	FY23 General Fund (22RS HB1)	FY24 General Fund (22RS HB1)
Personnel	6.5 FTE	5.5 FTE
Salary & Benefits	\$ 922,659	\$ 851,467
Other Personnel Services including Transfer Equivalency Service Contract	27,835	88,167
Personnel TOTAL	\$950,494	\$939,634
Operations		
Supplies	4,872	
Convening Expenses and Travel	17,356	39,458
Professional Memberships	14,853	3,750
Operations TOTAL	\$37,081	\$43,208
TOTAL EXPENDITURES	\$ 987,575	\$ 982,842

GEAR UP Kentucky

GEAR UP funds supported 35 full-time employees in FY23 and 25 employees in FY24, for a total of \$2,718,718 and \$3,024,173 respectively. Operations costs totaled \$705,416 in FY23 and \$398,975 in FY24; the reduction in FY24 was due to fewer costs associated with supplies, meetings, and school events.

GEAR UP Kentucky Financial Overview

EXPENDITURES	FY23 (Federal Funds)	FY24 (Federal Funds)
Personnel	35 FTE	25 FTE
Salary & Benefits	\$2,226,329	\$2,462,312
Other Personnel Services, Consulting, Summer Temporary Employment	492,389	561,861
Operations		
Office and Classroom Supplies	395,728	100,475
Meeting and School Events	30,622	12,549
Travel and Carpool Rental	100,416	109,705
Technology Expenses	44,601	55,214
Professional Memberships and Subscriptions	29,349	26,764
School District Reimbursement	104,700	94,268
TOTAL EXPENDITURES	\$3,424,134	\$3,423,148

KYSSC

KYSSC spent a total of \$691,525 in FY23 and \$774,190 in FY24. The largest expenditure categories were personnel, including a contract with SOVA consulting, and technical assistance to campuses. All funding was provided by the James Graham Brown Foundation.

KYSSC Financial Overview		
EXPENDITURES	FY23 (JGBF Grant)	FY24 (JGBF Grant)
Personnel	2 FTE	3 FTE
Salary & Benefits	\$309,598	\$350,646
Consultant Contract - SOVA	198,116	261,960
Operations		
Office Space	22,808	22,706
Meeting and Events	5,669	33,385
Travel	14,374	14,221
Technology Expenses	6,660	6,429
Professional Memberships and Subscriptions		54,843
Technical Assistance to Campuses	134,300	30,000
TOTAL EXPENDITURES	\$691,525	\$774,190

Programs Supported by GEER & ESSER Funds

GEER and ESSER federal funds were provided to states to offset financial losses associated with the COVID-19 pandemic. CPE spent a total of \$4,404,586 from these two fund sources in FY 23 and \$3,068,125 in FY24 to support strategic agenda and statutory requirements within the Student Access and Success unit.

Financial Overview for GEER & ESSER Supported Programs				
EXPENDITURES	FY23		FY24	
	ESSER	GEER	ESSER	GEER
			6.5 FTE	
Kentucky Advising Academy				
Personnel	\$61,244	\$483,379	\$523,081	\$160,825
Contract – District Coaching and Advising Toolkit	840,011		740,867	
Postsecondary Advising Grants to High Schools			51,155	
Travel, Meeting & Convening Expenses	2,519	64,993	23,977	29,331
Early Postsecondary Opportunities Guidance				
Training and Support	267		267	
Contract – National Alliance of Concurrent Enrollment Partnership			30,000	

Dual Credit Oversight				
Dual Credit Mini Grants to Postsecondary Institutions			49,280	
Contract – Dual Credit Policy Toolkit	25,000			
Commonwealth Education Continuum				
Contract – Strategic Guidance & Urban Schools Academy	75,000		25,000	
Meeting Expenses	1,553		600	
Summer Bridge				
Grants to Postsecondary Institutions	1,007,012	1,827,219	1,017,416	\$408,226
Contract – Evaluation	16,389		8,100	
TOTAL EXPENDITURES	\$2,028,995	\$2,375,591	\$2,469,743	\$598,382

Programs Supported by Private Grants

CPE spent a total of \$172,782 in FY23 and \$138,532 in FY24 from private funding sources to extend efforts to support statutory and strategic agenda responsibilities.

Financial Overview for Programs Supported with Private Funds			
EXPENDITURES		FY23	FY24
Knowledge Works			
Meetings and Events – Dual Credit Workshops		\$22,802	
Knowledge Works - TOTAL EXPENDITURES		\$22,802	
Lumina Foundation – Student Success			
Meeting Expenses and Travel		\$6,518	
Grants to Postsecondary Institutions		48,680	\$6,914
Lumina Foundation - TOTAL EXPENDITURES		\$55,198	\$6,914
NASH, Military Compact, and NVF			
Salary & Benefits		\$7,090	
Grants to Postsecondary Institutions		3,543	
Travel		9,016	\$9,143
NASH, Military Compact, and NVF - TOTAL EXPENDITURES		\$19,649	\$9,143
Save the Children			
Tuition Support		\$75,133	\$105,937
Save the Children - TOTAL EXPENDITURES		\$75,133	\$105,937
ECMC – Student Basic Needs			
Salary & Benefits			\$16,538
ECMC - TOTAL EXPENDITURES			\$16,538

FINANCE

OVERVIEW

CPE's finance unit manages distributions to public postsecondary institutions through the performance-based funding model and various trust funds. The unit takes the lead in crafting the postsecondary institution and agency budget request to the General Assembly; facilitates approval of interim capital construction and asset preservation pool projects on campuses; monitors college affordability and the financial health of institutions; reviews and develops finance-related policy; manages the state's performance-based funding model; recommends tuition and mandatory fee ceilings for public universities and KCTCS; manages tuition reciprocity agreements with bordering states; and administers other trust funds related to institutions' House Bill 1 goals.

PROGRAMS AND FUNCTIONS

Capital Improvements

[KRS 7A.120](#) directs CPE to prepare and submit a two-year capital improvement plan (updated every two years to coincide with the biennial budget cycle), which includes requests from the four-year public universities, KCTCS, and the agency. Finance staff reviews implemented or completed capital projects and makes recommendations pertaining to the maintenance of physical properties and equipment.

In accordance with [KRS 164.020\(11\)](#), the Finance unit also coordinates CPE Board review and approval of all capital construction projects for the agency and postsecondary institutions covered by [KRS 45.750\(1\)\(f\)](#).

Biennial Budget Request

Per [KRS 164.7915](#), the Finance unit works with campus representatives and the agency's executive leadership team to submit a biennial budget request to the General Assembly and the Governor with regard to:

- specific funding amounts to be appropriated to each individual trust fund in the Strategic Investment and Incentive Funding Program;

- specific funding amounts for all capital projects to be appropriated and funded from each individual trust fund in the Strategic Investment and Incentive Funding Program; and
- funding appropriated to the base budgets of the institutions, systems, agencies, and programs.

Tuition and Mandatory Fee Ceilings

State law gives CPE the authority to determine tuition. Since 2009, the Council has exercised that authority by setting a ceiling on tuition and mandatory fee increases each year, or in some cases, a two-year period. Institution governing boards approve rates that comply with the Council’s ceiling, after which they are reviewed and approved by the CPE Board.

In determining rates for resident and non-resident students, the council considers tuition and fees charged to Kentucky students in adjoining states and the SREB region, the actual cost of instruction, student debt levels, operational cost increases at institutions, and many other factors [[KRS 164.020\(8\)](#)].

Performance-Based Funding Model

[KRS 164.092](#) creates the Postsecondary Education Work Group, consisting of the CPE president, postsecondary institution leaders, and representatives from the Governor’s office and the legislature. This group is charged with the development and revision of a funding model that aligns state resources to performance and student success metrics.

The Finance unit manages two distinct but similar funding models: one for the public universities and one for the community and technical colleges. Every three years (or more frequently if needed), CPE convenes the group to review the model's performance, identify any unintended consequences, and recommend adjustments.

Aligning state funding to student success outcomes provides incentives for institutions to enroll and graduate more students. The model also rewards the efficient production of degrees and credentials and provides premiums when institutions graduate low-income, underrepresented, and STEM+H (science, technology, engineering, mathematics, and health) students. An overall rise in the number of graduates maximizes taxpayers’ return on investment in higher education and translates to a more highly skilled workforce.

Financial Reporting Compliance

[KRS 164A.565](#) directs the governing board of each institution to submit an annual financial report to CPE that accounts for the use of public funds. Additionally, institutions must post financial statements and audits on their website. The Finance unit works with campus chief budget officers to ensure compliance with CPE’s system of uniform financial reporting for public higher education institutions.

Mandatory Tuition and Fee Waiver Reporting

The Kentucky legislature offers free or reduced tuition at KCTCS and public universities for war veterans and their families, national guard members, foster or adopted children, and several other categories of students. To qualify, the student must be a Kentucky resident or a family member of a (once) Kentucky resident. The amounts granted by these waivers vary and may be dependent upon state and federal funds available for use. The Finance unit ensures compliance with state reporting requirements and monitors these programs ([KRS 164.2847](#)).

Trust Funds for Research and Workforce Development

With the passage of postsecondary reform legislation in 1997, the General Assembly established several trust funds to assist institutions in becoming nationally recognized and meeting their HB 1 goals. More specifically, these funds incentivize the commercialization of basic and applied research at public comprehensive and research universities, as well as workforce and economic development initiatives at KCTCS.

- Commonly known as “Bucks for Brains,” the Research Challenge Trust Fund (RCTF) provides funding to the University of Kentucky and the University of Louisville to recruit world-class research faculty through an endowment match program. It also supports scientific research leading to new discoveries and innovations for the good of the state ([KRS 164.7917](#)).
- Appropriations to the Comprehensive University Excellence Trust Fund (CUETF) ([KRS 164.7919](#)) are awarded to Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, Northern Kentucky University, and Western Kentucky University to support their designated Programs of Distinction (PODs) designed to enhance their national reputations.
- The Workforce Development Trust Fund (WDTF) ([KRS 164.7925](#)) directs CPE to establish criteria for funding technology and equipment purchases at KCTCS to improve the quality of workforce instruction.

Equine Trust Fund

Pursuant to [KRS 138.510\(5\)](#), the Equine Trust Fund directs one percent of all money wagered on live and historical races at the track to be deposited into a trust for the construction, expansion, or renovation of facilities or the purchase of equipment for equine programs at state universities. CPE serves as the administrative agent of these funds and develops procedures for administering the program and making disbursements in accordance with established guidelines.

EXPENDITURES

Finance

CPE spent a total of \$516,746 in General Fund dollars on the Finance unit in FY23 and \$539,258 in FY 24. The majority of expenditures supported staff salaries and benefits, as well as tuition reimbursement and professional development (reflected in “other personnel services”). Operations expenses consisted mainly of office supplies, travel, and professional membership dues; these expenses totaled \$12,866 in FY23 and \$16,891 in FY24.

Finance Unit Financial Overview		
EXPENDITURES	FY23 General Fund (22RS HB1)	FY24 General Fund (22RS HB1)
Personnel	3.5 FTE	3.5 FTE
Salary & Benefits	\$485,175	\$499,188
Other Personnel Services	18,696	23,179
Personnel TOTAL	\$503,870	\$522,367
Operations		
Supplies	2,885	3,243
Travel	5,245	6,819
Professional Memberships	4,735	6,829
Operations TOTAL	\$12,866	\$16,891
TOTAL EXPENDITURES	\$516,736	\$539,258

RCTF/CUETF/WDTF

Payments to universities from the Research Challenge Trust Fund, Comprehensive University Excellence Trust Fund, and Workforce Development Trust Fund are made upon the request of the university or KCTCS system office. Institutions must submit match request forms and other supporting documentation to access the funds. Expenditures totaled \$2,864 in FY23 and \$17,351,514 in FY24.

Trust Fund Disbursements

EXPENDITURES	FY23 (Trust Funds)	FY24 (Trust Funds)
University of Kentucky – Research Challenge		\$13,414,334
University of Louisville – Research Challenge		3,212,180
Morehead State University – Comprehensive Excellence	\$639,500	
Northern Kentucky University – Comprehensive Excellence		725,000
KCTCS – Workforce Development	2,225,000	
TOTAL EXPENDITURES	\$2,864,500	\$17,351,514

Equine Trust Fund

There were five institutions with equine programs in FY23 and FY24: Morehead State University, Murray State University, the University of Kentucky, and Western Kentucky University. The University of Louisville has an equine program but waives funding through this fund. Beginning in FY25, Bluegrass Community and Technical College also will receive funding from this program. Expenditures totaled \$480,000 in FY23 and \$480,000 in FY24.

Equine Trust Fund Disbursements

REVENUE	FY23 (Trust Fund)	FY24 (Trust Fund)
Revenue from money wagered on historical and live races	\$474,071	\$478,763
EXPENDITURES		
Morehead State University	\$120,000	\$120,000
Murray State University	120,000	120,000
University of Kentucky	120,000	120,000
Western Kentucky University	120,000	120,000
TOTAL EXPENDITURES	\$480,000	\$480,000

POLICY, PLANNING, COMMUNICATIONS, DATA & RESEARCH

OVERVIEW

This unit is responsible for strategic planning, data and advanced analytics, board member relations, communications, and event planning. Much of the unit’s work centers on creating a statewide strategic agenda for public, postsecondary institutions; holding institutions accountable for progress made toward plan objectives and goals; ensuring institutions are submitting accurate data in a timely fashion and complying with federal and state reporting requirements; conducting research to inform policy decisions and statewide strategies; and regularly communicating with stakeholders and the public at large to increase transparency around higher education in the Commonwealth.

PROGRAMS AND FUNCTIONS

Policy and Planning

[KRS 164.0203](#) lays out the requirements for the statewide strategic agenda for Kentucky postsecondary education, which is updated on a regular basis and includes statewide objectives, strategies, and metrics that guide the work of public institutions. CPE published the current strategic agenda in 2022, and it extends to 2030 (with mid-term revisions in 2024 and 2027). As part of the annual accountability system, CPE publishes an annual Progress Report (per [KRS 164.095](#)), with information on key performance indicators and statewide initiatives occurring in each priority area of the agenda. This is submitted to the Kentucky General Assembly and the Legislative Research Commission, as well as posted on CPE’s website. Additionally, campus presidents make a formal presentation to the CPE board detailing their progress over the last academic year, as well as any barriers to goal completion.

Research and Advanced Analytics

The data arm of CPE takes the lead in collecting, validating, and warehousing unit-level data from campuses and submitting these to KYSTATS, which manages Kentucky’s longitudinal data system ([KRS 151B.132](#)). These data elements include information about student outcomes (e.g., enrollment, degree attainment, retention, graduation rates, grades, academic readiness, employment outcomes, annual salaries of graduates), as well as demographic data that allow CPE to disaggregate outcomes by income, race, gender, geographic region, age, and other factors. The unit works with chief information

officers to negotiate targets for key performance indicators of the statewide strategic agenda and produce an annual Progress Report that is central to CPE’s accountability efforts. The data team manages the Kentucky Postsecondary Education Network (KPEN) and handles data requests from legislators, the media, and other constituents, ensuring they are fulfilled in a timely manner.

The unit uses these data collections to create research briefs and reports, which are warehoused on [CPE’s website](#). The value of this research is immense; for example, CPE’s findings on topics such as unmet financial need for students, high school dual credit, and college remediation have significantly influenced statewide policy and initiatives.

Finally, with KYSTATS, the unit maintains a website called the “Kentucky Students’ Right to Know” ([KRS 164.0284](#)). This is a site for prospective college students and parents designed to provide transparency around average college costs, loan debt, graduation rates at in-state institutions, in-demand careers, and employment, and average salaries for Kentucky graduates. A more comprehensive, user-friendly website called Futuriti will be launched in early 2025 that will include all the data elements required by KRS 164.0284, plus tools to explore careers, search for programs at Kentucky institutions, and conduct job searches. Expenditures to support Futuriti come from the Technology Trust Fund.

CPE Board Relations

[KRS 164.011](#) creates the CPE board and defines its membership, composition, and term length. CPE staff regularly communicates with board members and prepares board materials for regular and special meetings. Staff also arranges a joint meeting of the CPE board and the board of student body presidents, which consists of representatives from public two- and four-year institutions and one independent college or university ([KRS 164.0211](#)). These meetings occur annually.

With the passage of [KRS 164.020\(25\)](#), CPE became responsible for providing orientation and training for new board appointees, as well as professional development opportunities for existing members. The legislation requires CPE to review and approve the board orientation programs of each public university and KCTCS institution to ensure compliance. CPE created a six-hour online training program for new members that is updated on an ongoing basis; every two years, CPE holds a postsecondary education trusteeship conference that keeps CPE board members, university trustees, and KCTCS regents abreast of recent trends and developments in higher education. Additionally, board members can take advantage of professional development webinars produced by CPE staff on timely postsecondary topics.

Communications and Event Planning

Carrying out all the statutory responsibilities assigned to CPE involves planning, coordinating, and executing dozens of conferences, meetings, and events each year. A staff member in communications takes the lead on event planning for the agency. The communications team handles media requests, runs CPE’s social media accounts, maintains the CPE website, issues press releases and meeting advisories, and assists staff with speeches, presentations, talking points, publications, and other

materials. For major conferences and convenings, CPE charges a registration fee or applies a cost split among participating institutions to help recoup costs.

EXPENDITURES

CPE spent a total of \$1,559,140 in General Fund dollars on the Policy, Planning, Communications, Data and Research unit in FY23 and \$1,560,141 in FY24. The majority of these expenditures supported staff salaries and benefits, as well as tuition reimbursement and professional development (reflected in “other personnel services”). Operations expenses consisted mainly of office supplies and direct technology purchases, travel, and professional membership dues. These expenditures totaled \$53,524 in FY23 and \$62,371 in FY24.

Policy, Planning, Communications, Data & Research Financial Overview		
EXPENDITURES	FY23 General Fund (22RS HB1)	FY24 General Fund (22RS HB1)
Personnel	11.5 FTE	11.5 FTE
Salary & Benefits	\$1,486,969	\$1,468,833
Other Personnel Services	18,647	28,937
Personnel TOTAL	\$1,505,616	\$1,497,770
Operations		
Supplies & Technology	27,611	32,693
Travel	11,417	12,928
Professional Memberships	14,496	16,750
Operations TOTAL	\$53,524	\$62,371
TOTAL EXPENDITURES	\$1,559,140	\$1,560,141

WORKFORCE & ECONOMIC DEVELOPMENT

OVERVIEW

A primary purpose of postsecondary education is to produce adaptive, highly skilled workers to fuel Kentucky's economy and meet the needs of employers and citizens. The Workforce and Economic Development unit is charged with aligning postsecondary programs and degree production to workforce needs.

In recent years, critical workforce shortages in healthcare prompted the General Assembly to invest in incentive funding for postsecondary institutions to produce more graduates in high-need specialty areas like nursing, respiratory care, social work and others. Future areas of focus include aviation, education, and advanced manufacturing.

The unit also works with campus career development offices to share best practices and promote employer partnerships to increase work-based learning experiences in undergraduate programs. These efforts are critical to improving employment outcomes for postsecondary graduates.

PROGRAMS AND FUNCTIONS

Healthcare Workforce Collaborative (HWC)

In 2022, CPE received \$10 million from the Kentucky General Assembly to help grow the state's education and training pipeline of healthcare professionals ([22 RS HB 1](#)). As a result, CPE created the Healthcare Workforce Collaborative (HWC), which has distributed \$8 million to two- and four-year institutions through grants to support healthcare degree and credential programs. The unit regularly convenes a HWC Advisory Committee of industry professionals to oversee major decisions and initiatives. HWC funding also supports the Healthcare Workforce Collaboratory, an annual event that assembles policy experts, state leaders, and representatives from college campuses and the healthcare industry to discuss strategies to alleviate healthcare practitioner shortages in Kentucky.

Healthcare Workforce Investment Fund (HWIF)

In 2023, the General Assembly passed [HB 200](#), establishing an innovative fund whereby employers pledge a dollar amount to a postsecondary healthcare program, to be matched state dollars. Over half of the funds are dedicated to scholarships for students pursuing high-demand healthcare credentials; the remaining dollars recognize program excellence and support administration of the fund at CPE. A

steering committee meets regularly to guide decisions related to the HWIF. CPE issued a Request for Proposals for HWIF partnerships, and with the guidance of the HWIF steering committee, recommended program awards. Approximately \$14 million has been allocated to institutions through the HWIF; funding will be awarded beginning in 2025.

AERO (Aviation Education Reinvestment Opportunity) Act

Senate Bill 127 created a new section of KRS chapter 164 ([KRS 164.7011](#)) to incentivize collaboration among aerospace and aviation programs, industry partners, and the Commonwealth. The purpose of this Act is to strengthen the education and training pipeline of aerospace and aviation professionals in Kentucky. There is currently no funding allocated to this program, but the unit has begun promulgating administrative regulations and securing industry partnerships in anticipation of funding.

CLIMB Health

CPE partnered with the Cabinet for Health and Family Services (CHFS) to establish the Career Ladders in Mental and Behavioral Health initiative (CLIMB Health). This program creates postsecondary pathways at KCTCS for individuals in recovery from substance-use disorders who are seeking entry-level employment as peer support specialists and additional credentials in social work. CPE received a \$1.5 million grant from CHFS to implement CLIMB Health.

Career Development Initiatives

Lack of career planning by students can lead to changes in major, adding additional semesters and associated costs. Campus career development services offer students the opportunity to receive assistance with various aspects of their academic and career journeys, such as choosing a major, crafting a career path, devising effective job-search methods, and more. To elevate campus career development efforts and align outcomes to state workforce goals, CPE regularly convenes campus career development officers to improve collaboration and share innovative ideas, policies, and practices for improved employment outcomes for students.

EXPENDITURES

The Workforce and Economic Development unit spent a total of \$2,576,062 in FY23 and \$3,521,965 in FY24. A majority of expenditures were grant awards to postsecondary institutions made possible by state fiscal recovery funds and a grant from CHFS. Travel expenses included site visits to campuses and employers, expenses associated with steering committee meetings, and in FY24, two statewide convenings (one for healthcare professionals and educators and one for CLIMB Health).

Workforce & Economic Development Financial Overview

EXPENDITURES	FY23 General Fund (22RS HB1)	FY 23 State Fiscal Recovery Funds	FY24 General Fund (22RS HB1)	FY 24 State Fiscal Recovery Funds	CHFS Grant Funding for CLIMB Health
Personnel	FTE 2.5		FTE 4.0		
Salary & Benefits	\$132,968	\$135,305	\$144,751	\$254,911	\$62,963
Other Personnel Services					
Personnel TOTAL	\$132,968	\$135,305	\$144,751	\$254,911	\$62,963
Operations					
Supplies & Postage		50		1,085	
Travel, Meetings, Convenings		5,802		73,132	33,216
Grants Awarded to Institutions		2,301,937		2,746,235	205,197
Dues & Subscriptions (SREB)				475	
Operations TOTAL		\$2,307,789		\$2,820,927	\$238,413
TOTAL EXPENDITURES	\$132,968	\$2,443,094	\$144,751	\$3,075,838	\$301,376

AGENCY OPERATIONS

OVERVIEW

As the operational arm of CPE, this unit provides essential services and resources that support the board, president, and agency staff in carrying out CPE's statutory duties and strategic agenda priorities. This unit includes the office of the president; the CPE Board; the office of the general counsel; human resources; administrative services; the Academic Common Market; and licensure.

PROGRAMS AND FUNCTIONS

Office of the President

The CPE president is the state's primary advocate for public postsecondary education and advises the Governor and General Assembly on higher education matters in the Commonwealth. The president has broad responsibility for coordinating Kentucky's public system of postsecondary education, which includes two research universities, six comprehensive (regional) universities, and KCTCS and its 16 individual community and technical colleges.

[KRS 164.013](#) identifies the primary responsibilities of the president, which include, but are not limited to:

- to serve as chief higher education advisor to the Governor and General Assembly.
- to design and develop new statewide initiatives to advance the strategic agenda.
- to determine the staffing and organizational structure necessary to carry out CPE's statutory responsibilities and strategic agenda objectives.
- to oversee the day-to-day operations of the agency and provide annual progress reports on strategic agenda implementation.
- to carry out policy and program directives of the CPE board.
- to prepare and submit for CPE board approval the proposed agency budget.
- to approve the licensure of all private, non-profit and for-profit postsecondary institutions operating in Kentucky.
- to perform all other duties and responsibilities assigned by state law.

The president (or his proxy) also serves on boards and committees as directed by statute, including the Kentucky Board of Education (as an ex-officio member), the Bluegrass State Skills Corporation, the Governors' Scholars Board of Directors, the Kentucky Higher Education Assistance Authority (KHEAA), and several others.

CPE Board

The CPE Board and its standing and advisory committees meet regularly throughout the year to review staff recommendations and approve major decisions of the Council, such as tuition and mandatory fee ceilings, performance funding distributions, new academic programs, the postsecondary education budget request to the General Assembly, campus construction and renovation projects, and the statewide strategic agenda, among others. The Board's responsibilities are set out in [KRS 164.013](#) and include hiring, evaluating, and terminating the CPE president and approving and amending his employment contract. The CPE board consists of 13 citizen members, a faculty member, and a student member, all appointed by the Governor. The Commissioner of Education serves as a nonvoting ex-officio member. The membership requirements of the CPE Board are outlined in [KRS 164.011](#). Board members are compensated for attending meetings at a rate of \$100 per day, plus all travel and meal expenses associated with each meeting, in accordance with [KRS 164.050](#).

Office of the General Counsel

CPE's General Counsel attends to all legal matters of the agency, including but not limited to agency compliance with applicable federal and state law, contract review and approval, personnel matters, student complaints, and open records requests. Additionally, the Office of General Counsel performs specific duties outlined in statute:

Additionally, the General Counsel performs specific duties outlined in statute:

- create, maintain and implement policies and procedures to safeguard personal information against security breaches ([KRS 61.932](#)).
- carry out processes related to the removal of Governor-appointed individuals from postsecondary boards for cause ([KRS 63.080](#)).
- establish procedures used by educational institutions under the Council's jurisdiction for parents or eligible students to challenge the content of a student record ([KRS 160.730](#)).
- collect annual reports of crimes and threats to the safety or security of students and employees on Kentucky public and private college campuses ([KRS 164.9481](#)).

Human Resources

Pursuant to [KRS 164.013](#), the human resources unit supports the agency's employees by performing or assisting with day-to-day operations related to hiring, recruitment, onboarding, training, payroll, employee evaluation, and other personnel matters.

Administrative Services

The administrative services unit performs or assists with day-to-day operations as set forth in [KRS 164.013](#). The unit is responsible for all internal administrative functions related to general accounting, contracting, and procurement, as well as the annual audit, accounts payable and receivable, and fiscal grant management.

Academic Common Market

CPE, as part of the Southern Regional Education Board (SREB), participates in the Academic Common Market (ACM). This program provides discounted tuition at participating out-of-state institutions for degree programs not offered in the state. To qualify for the ACM, students must prove they are Kentucky residents pursuing academic degrees not offered by Kentucky institutions ([KRS 164.530](#)).

Licensure

As set forth in [KRS 164.945-47](#), CPE is required to license all non-public, postsecondary institutions that operate in Kentucky offering bachelor's degrees or higher, including out-of-state institutions offering programs through distance education. The licensure unit also manages Kentucky's participation in the State Authorization Reciprocity Agreement (SARA), which sets standards for interstate offerings of postsecondary distance education ([KRS 164.540](#)). The CPE president is charged with final decision-making authority on all licensure applications.

EXPENDITURES

Agency Operations

CPE spent a total of \$4,125,443 on agency operations in FY23, with \$3,719,525 from the state General Fund and \$405,918 from indirect funds from federal grants (primarily the GEAR UP Kentucky grant). In FY24, CPE spent a total of \$3,694,094, with \$3,141,174 from the state General Fund and \$552,920 from indirect grant funds. In both years, indirect grant funds were used to offset basic operating expenditures, such as facility rentals, technology charges, personnel, and other ancillary costs.

The majority of expenditures in agency operations supported the salaries and benefits of 12 full-time employees, as well as routine costs associated with workers' compensation, training, security, and the agency's audit. Expenditures in FY23 totaled \$2,664,161 from the General Fund and \$36,872 from restricted funds, and \$2,426,805 from the General Fund in FY24.

Operational costs include CPE’s office lease and equipment; state motor pool rentals; maintenance and repairs; office supplies; postage; technology and software support; travel reimbursement, including travel costs paid to CPE board members; and agency and campus membership dues and subscriptions (the bulk of which is SREB membership dues). The FY23 total was \$1,424,410 (\$1,055,365 from the General Fund and \$369,046 from restricted funds), and the FY24 total was \$1,267,289 (\$714,369 from the General Fund and \$552,920 from restricted funds).

Agency Operations Financial Overview				
EXPENDITURES	FY 2023		FY 2024	
	General Fund (22RS HB1)	Restricted Fund (Indirect Costs)	General Fund (22RS HB1)	Restricted Fund (Indirect Costs)
Personnel	12 FTE		12 FTE	
Salary & Benefits	\$2,188,015	\$36,872	\$2,189,518	
Other Personnel Services	476,146		237,287	
Personnel TOTAL	\$2,664,161	\$36,872	\$2,426,805	
Operations				
Utilities Rentals & Other Services	171,998	155,268	235,150	140,967
Technology	544,682	129,035	180,199	298,275
Commodities and Supplies	5,308	1,376	8,714	1,052
Travel	13,699	30,832	16,584	10,814
Agency and Campus Dues & Subscriptions	319,677	52,535	273,722	101,812
Operations TOTAL	\$1,055,365	\$369,046	\$714,369	\$552,920
TOTAL EXPENDITURES	\$3,719,525	\$405,918	\$3,141,174	\$552,920

Licensure

No General Funds support the licensure functions of the agency; the unit is supported by licensure fees charged to colleges and universities (restricted fund). CPE spent a total of \$376,930 on licensure in FY23, and \$434,980 in FY24. Almost all these expenditures supported staff salaries and benefits; \$4,321 in FY23 supported technology, supplies, travel, and dues and subscriptions. In FY24, the Licensure unit received a grant from NC SARA in the amount of \$6,918 to fund travel to the spring conference and to pay for membership fees to the National Association of State Administrators and Supervisors of Private

Schools (NASASPS). The remainder of these FY24 expenditures (\$2,245) were for travel, supplies, dues, and subscriptions.

Licensure Financial Overview

	FY2023		FY2024	
		Restricted Fund	Restricted Fund	Grant – NC SARA
REVENUES				
Initial Licensure Fees		\$83,200	\$121,400	
Renewal Fees		153,300	162,900	
SARA Initial Fees		4,500	9,000	
SARA Renewal Fees		283,500	304,500	
TOTAL REVENUES		\$524,500	\$597,800	
EXPENDITURES				
Personnel		2.5 FTE	3.5 FTE	
Salary & Benefits		\$372,609	\$425,817	
Operations				
Technology, Supplies, Travel & Dues/Subscriptions		4,321	2,245	\$6,918
TOTAL EXPENDITURES		\$376,930	\$428,062	\$6,918

TECHNOLOGY TRUST FUND

OVERVIEW

[KRS 164.7911](#) creates the Technology Initiative Trust Fund, and [KRS 164.7921](#) clarifies that the fund supports ongoing technology investments and upgrades for CPE and postsecondary institutions. [KRS 164.800](#) encourages shared program delivery among libraries, institutions, systems, agencies, and programs. These joint technology purchases and digital subscriptions result in considerable cost savings for the Commonwealth.

EXPENDITURES

KPEN and Digital Subscriptions

CPE spent a total of \$2,704,415 in FY23 and \$2,368,812 in FY24 from the Technology Trust Fund on the Kentucky Postsecondary Network (KPEN), which provides internet access to public postsecondary campuses and other digital initiatives. Funding for these programs comes from General Fund appropriations as well as fees from Kentucky public postsecondary institutions. Additionally, the fund supports various technology-based subscriptions used by public postsecondary institutions, including:

- ESRI subscription for postsecondary institutions to access data mapping services that provide a framework for analyzing trends, predicting change, setting priorities, and evaluating results.
- Statewide postsecondary services through Parchment to provide transcript access for high school students applying to Kentucky institutions.
- A statewide postsecondary contract to house and access digital college catalogs, institutional profiles, and other resources.
- Therapy Assistance Online (TAO) services for KCTCS students.
- A new Futuriti website to help Kentuckians explore potential careers and associated majors at Kentucky public postsecondary institutions.

KPEN & Digital Subscriptions Overview

EXPENDITURES	FY23 KPEN & Other	FY24 KPEN & Other
Revenue		
General Fund Appropriations (22RS HB1)	\$2,105,800	\$2,105,800
Fees from Postsecondary Institutions	715,089	1,037,051
TOTAL REVENUE	\$2,820,889	\$3,142,851
Expenditures		
Contract & Network Services	\$2,308,280	\$1,898,725
Maintenance & Licensing	28,407	3,815
Futuriti Website Service		138,504
Technology Memberships & Subscription Fees for Institutions	367,728	327,768
TOTAL EXPENDITURES	\$2,704,415	\$2,368,812

Networking Equipment

HB1 of the 2022 regular session appropriated \$1,000,000 in capital funds for networking equipment to support the integration of Internet2 applications into the Kentucky Wired Fiber Optic Network’s teaching and learning environment. The project funded the purchase of routing hardware and firewalls to support the Kentucky Regional Optical Network and Kentucky Postsecondary Network that is migrating to Kentucky Wired. The networking equipment serves all public postsecondary education institutions. CPE spent \$205,669 in FY23 and \$188,314 in FY24 from these capital funds.

Capital Funds for Networking Equipment Overview

EXPENDITURES	FY23 Capital Fund 22RS HB1	FY24 Capital Fund 22RS HB1
Revenue		
Equipment & Services	\$205,669	\$188,314
TOTAL REVENUE	\$205,669	\$188,314

Kentucky Virtual Library (KYVL)

CPE spent a total of \$4,711,092 in FY23 and \$4,188,394 in FY24 to support the Kentucky Virtual Library (KYVL). KYVL is a consortium of over 300 Kentucky libraries and institutions, including colleges and universities, public libraries, K12 schools, hospitals, the Kentucky Department for Libraries and Archives (KDLA), and more. Primary services provided include:

- **Databases** - KYVL offers access to more than 60 core research and educational databases that serve P-20 learners across the Commonwealth. KYVL also provides technical support in their use.
- **Courier service** - KYVL supports a courier service that facilitates resource sharing and interlibrary loans among Kentucky's public and academic libraries.
- **Kentucky Digital Library** - KYVL supports this platform for shared digital archives in the Commonwealth of Kentucky.
- **Affordable Learning KY** - ALKY is a statewide partnership that promotes student success and fosters educational equity by supporting the adoption, adaptation, and creation of affordable and open educational resources in the Commonwealth. ALKY shares the best open educational practices with Kentucky educators.

Additionally, Lyris awarded KYVL a \$23,808 grant in FY23 to create a program to measure database usage statistics.

KYVL Financial Overview			
REVENUES	FY2023		FY2024
	Trust Fund	Grants (Lyris)	Trust Fund
General Fund	\$1,522,500		\$1,547,400
Member Fees	2,393,143		2,917,144
KDLA Membership Contribution	508,696		254,689
TOTAL REVENUES	\$4,424,339		\$4,719,203
EXPENDITURES			
Personnel	2.5 FTE		3.0 FTE
Salary & Benefits	\$257,979		\$141,339
Software Services		\$23,808	
Operations			
Databases and Direct Program Costs	4,052,618		3,716,688
Courier Fees	367,574		326,879
Employee Travel	9,113		3,488
TOTAL EXPENDITURES	\$4,687,284	\$23,808	\$4,188,394

FIDUCIARY FUNDS

OVERVIEW

Fiduciary (or pass-through) funds are appropriated by the General Assembly to CPE and held for the benefit of individuals or units outside of the agency. CPE is the trustee or fiduciary responsible for these assets, which can be used only for the trust beneficiaries. CPE assures assets reported in these funds are used for their intended purposes.

EXPENDITURES

CPE distributed a total of \$12,082,039 to external recipients in FY23 and \$15,654,620 in FY24. The use of these funds is specified below.

- **Ovarian Cancer Screening: [HB 1 of the 2022 Regular Session](#)** (page 123) appropriates funding to the ovarian cancer screening outreach program at the University of Kentucky.
- **SREB Doctoral Scholars: [HB 1 of the 2022 Regular Session](#)** (page 123) appropriates funding for annual dues to the Southern Regional Education Board (SREB).
- **Spinal Cord and Head Injury Research: [HB 1 of the 2022 Regular Session](#)** (page 124) appropriates funding to support spinal cord and head injury research. In accordance with [KRS 211.500](#), [KRS 211.502](#), [KRS 211.504](#), the appropriation in each fiscal year shall be shared between the University of Kentucky and the University of Louisville.
- **Cancer Research: [HB 1 of the 2022 Regular Session](#)** (pages 122-23) appropriates Tobacco Settlement Funds to be used for cancer research and screening to be shared equally between the University of Kentucky and the University of Louisville.
- **Cancer Research Matching Funds: [KRS 164.043](#)** creates the cancer research institutions' matching fund. For tax periods beginning on or after June 1, 2025, the one cent (\$.01) surtax collected under [KRS 138.140\(1\)\(c\)](#) on cigarettes, tobacco, and vapor products shall be deposited into the fund. One-half of the monies is distributed to the University of Kentucky and one-half to the University of Louisville. The two universities must provide a dollar-for-dollar match to receive funds.

- **Simmons College: [HB 1 of the 2022 Regular Session](#)** (page 124) appropriates funds for the Teacher Education Initiative at Simmons College, an historically black college. The funds shall also be used to expand academic offerings in psychology to produce more licensed mental health practitioners, quality control technology workers, and logistics and supply chain managers. Additionally, **[HB 1 of the 2024 Regular Session](#)** (page 14) appropriates dollars from the State Fiscal Recovery Funds to support infrastructure planning and facility acquisition for student residential housing, an onsite tutoring/study facility, and the development and design of capital improvements to support academic program expansion.

Fiduciary Funds Overview		
EXPENDITURES	FY23	FY24
Ovarian Cancer Screening	\$1,000,000	\$1,000,000
SREB Doctoral Scholars	50,000	50,000
Spinal Cord and Head Injury Research	2,000,000	2,000,000
Cancer Research	6,250,000	6,250,000
Cancer Research Matching Funds	2,782,039	2,313,985
Simmons College		4,040,635
TOTAL EXPENDITURES	\$12,082,039	\$15,654,620

SPECIAL LEGISLATIVE DIRECTIVES

OVERVIEW

The General Assembly periodically directs CPE to execute programs or projects on a time-limited, non-recurring basis. This section includes all such programs, even if no funds were expended during FY23 or FY24.

EXPENDITURES

CPE spent a total of \$5,593,093 on special legislative directives in FY23 and \$11,531,446 in FY24. The use of these funds is specified below.

- **Kentucky State University Oversight: [HB 250 of the 2022 Regular Session](#)** provides non-recurring strategic operating funds to CPE to enable Kentucky State University to avert a fiscal crisis. The act requires CPE to provide ongoing oversight of KSU's progress toward the goals outlined in its management improvement plan until all objectives are complete.
- **Innovative Scholarship Pilot Project: [HB 1 of the 2022 Regular Session](#)** (page 128) directed the Kentucky Higher Education Assistance Authority (KHEAA) to work in conjunction with CPE to develop and implement the Innovative Scholarship pilot project to facilitate increased postsecondary access and student success for displaced students and students and faculty participating in foreign exchange programs. In addition to funds provided by KHEAA, CPE was awarded a grant from the National Association of System Heads (NASH) in the amount of \$11,600 to support scholarships for displaced students.
- **SJR 98 Report: [SJR 98](#)** (Acts Chapter 49) directed CPE to submit a report to the Legislative Research Commission by December 1, 2023, to: recommend changes to the state's postsecondary governance structure to ensure the best delivery of postsecondary educational services to students; study the impact and feasibility of establishing a regional, residential, four-year public university in southeastern Kentucky; and study the feasibility, programmatic, and fiscal impacts of having KCTCS administer technical education programs and regional universities administer general education courses designed to transfer to a four-year program. No additional dollars were allocated to CPE to conduct the studies outlined in SJR 98. CPE hired

Ernst and Young to assist with the study and leveraged General Fund vacancy credits to fund the contract. CPE expended \$727,328 from General Fund dollars in FY24 to conduct the study.

- SJR 132 Report:** In the 2024 Regular Session of the General Assembly, [SJR 132](#) directed CPE to conduct a feasibility study on transforming Hazard Community and Technical College into a four-year, residential university that offers limited baccalaureate programs aligned with regional workforce needs. CPE contracted with Ernst and Young to assist with the study. No funds were expended in FY24.
- SJR 170 Report:** In the 2024 Regular Session of the General Assembly, [SJR 170](#) directed CPE to contract with a consultant to study the feasibility and advisability of expanding post-baccalaureate programs. This study will inform actions taken by the General Assembly during the 2025 Regular Session. Funds were allocated to CPE to conduct the study, but no expenses were incurred in FY24.

Overview of Special Legislative Directives		
EXPENDITURES	FY23	FY24
Kentucky State University		
	FTE 3.0	FTE 3.0
Salary and Benefits	\$334,001	\$463,458
Subcontracts	68,491	216,766
Travel, Building Space, Computer Services	3,925	14,965
Paid to KSU for Improvement Plan Benchmark Completion	5,000,000	10,000,000
Kentucky State University TOTAL EXPENDITURES	\$5,406,417	\$10,695,189
Innovative Scholarship Pilot Project		
Consultant for Resource Hub/Community of Practice	\$185,500	\$97,900
Travel	1,176	932
Innovative Scholarship Pilot Project TOTAL EXPENDITURES	\$186,676	\$98,832
NASH – Displaced Student Grant		
Contract Services – Community of Practice Convening		\$10,097
NASH TOTAL EXPENDITURES		\$10,097

SJR 98 Report		
Consulting Services (Funded through general fund vacancy credits)		\$727,328
SJR 98 Report TOTAL EXPENDITURES		\$727,328
GRAND TOTAL Special Legislative Directives	\$5,593,093	\$11,531,446

APPENDIX A: SUPPORTING DOCUMENTS

Council on Postsecondary Education Audited Financial Statements for the Year Ended June 30, 2023: <https://cpe.ky.gov/aboutus/records/audits/fy23-audit.pdf>

“Higher Education Matters: A Statewide Strategic Agenda for Kentucky Postsecondary Education, 2022-2030”: <https://cpe.ky.gov/ourwork/documents/2022-30strategicagenda.pdf>



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2022-30 STATEWIDE STRATEGIC AGENDA UPDATE

Association of
Independent Kentucky
Colleges and Universities

November 22, 2024



Affordability



Transitions



Success



Equity



Talent



Value

Overview



18 private, nonprofit colleges and universities

All accredited by SACSCOC and licensed by CPE, and participate in strategic agenda and CPE data collections

Located in almost every part of the Commonwealth, many in rural areas and small towns where they are anchor institutions

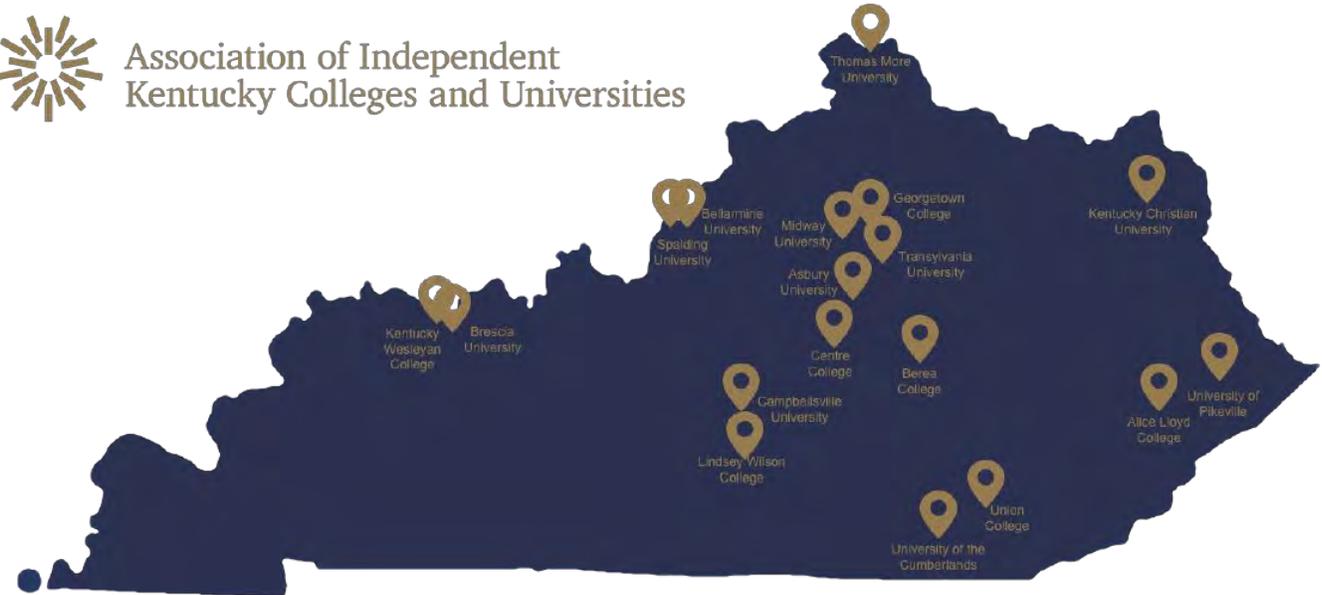
Diverse, mission-driven institutions: traditional, residential liberal arts colleges to comprehensive universities with workforce programs through PhDs and robust online and hybrid delivery models.

AIKCU Overview

**18 private,
nonprofit
colleges and
universities**



Association of Independent
Kentucky Colleges and Universities



Alice Lloyd College • Asbury University • Bellarmine University • Berea College • Brescia University
Campbellsville University • Centre College • Georgetown College • Kentucky Christian University
Kentucky Wesleyan College • Lindsey Wilson College • Midway University • Spalding University
Thomas More University • Transylvania University • Union Commonwealth University
University of Pikeville • University of the Cumberland

AIKCU by the numbers

By the numbers



18

SACSOC-accredited independent, nonprofit colleges & universities



59,000

students (33k UG)



15,600

degrees and credentials awarded 2023-24



8,400

employees (5500 FT)



AIKCU by the numbers

By the numbers



\$94M

"Big 3" KY Lottery-funded state aid to AIKCU students in FY24



\$37M

median endowment



\$400M+

annual institutional student aid



40%

Undergraduates receive Pell grants



AIKCU Collaborations

AIKCU has developed a number of collaborative programs designed to help members control costs and be more efficient, including:

- AIKCU Benefits Alliance – Collaborative employee health insurance and pharmacy benefits program to help campuses control costs
- AIKCU Multiple Employer Plan (MEP) Retirement Plan
- Consortial agreements and vendor contracts that allow small institutions to leverage the purchasing power of the association/larger national groups
- AIKCU Advancing Leaders Program – new collaborative leadership development program for mid-level campus leaders

AIKCU'S KEY STRATEGIES ON AFFORDABILITY



- Investments in student aid
 - \$400+ million in institutional aid annually
 - Virtually every student receives some financial aid
 - Average FTFT tuition discount rate is >50%
- Work with KHEAA, K12 partners to encourage FAFSA completion
- Recruiting and supporting low-income and first-generation students: 40% of undergrads are Pell recipients
- 2/3 of AIKCU institutions offer tuition guarantees for lowest income students
- Embrace transfer and dual credit partners

AIKCU'S KEY STRATEGIES ON AFFORDABILITY



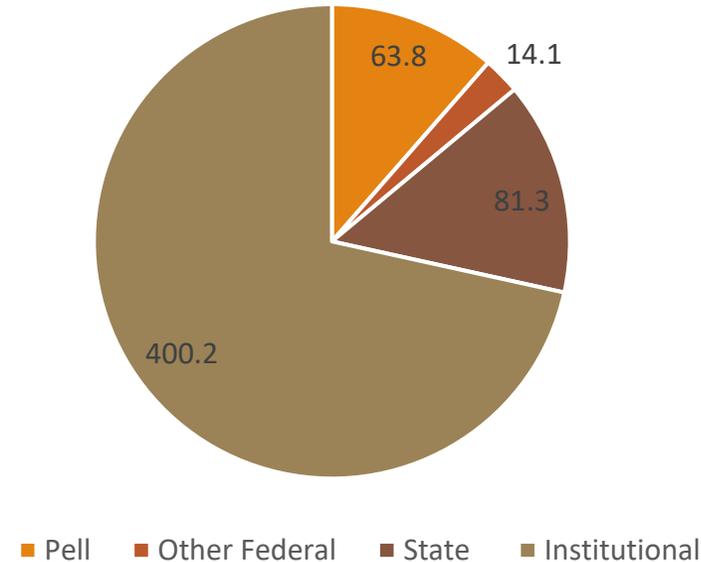
- Moderating tuition increases: average published tuition increase was 2.5% this year
- Holding down increases in housing/food, despite inflationary pressures: median remains <\$10,000
- Several institutions provide books at no additional cost
- Emphasize completion in 4 years (or less): $\frac{3}{4}$ of students who graduate from the institution where they begin finish in 4 years

AIKCU'S KEY STRATEGIES ON AFFORDABILITY



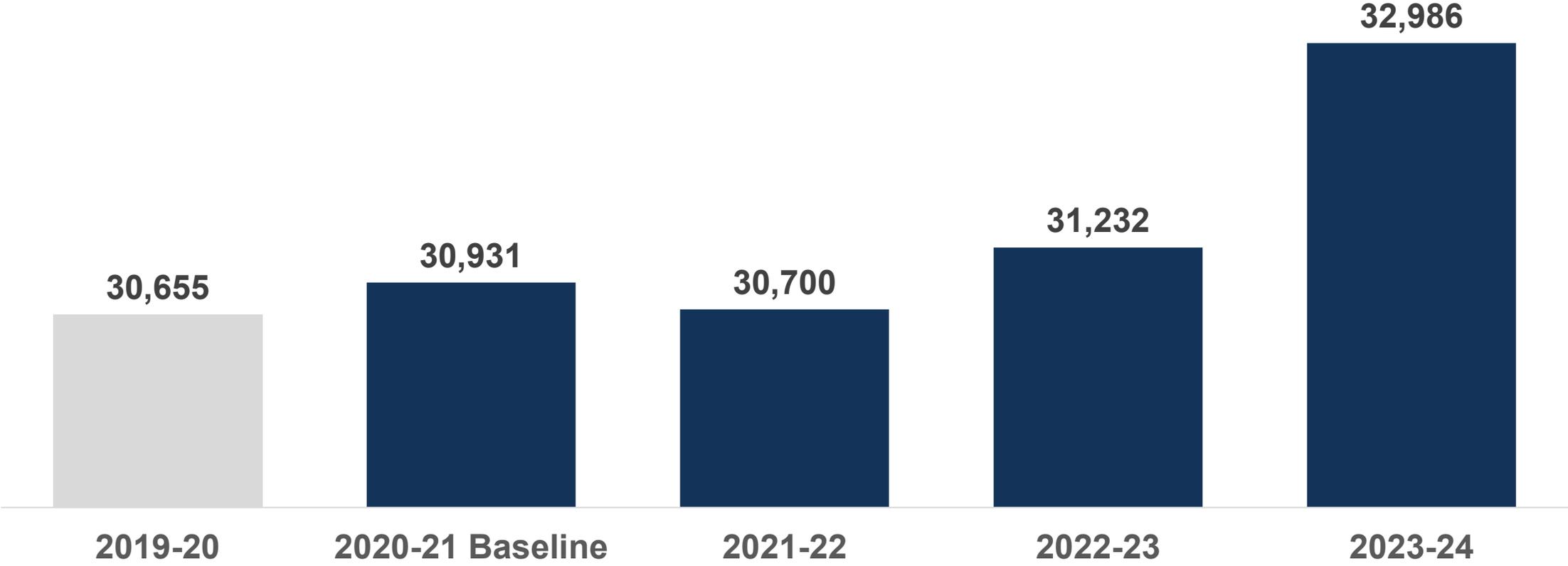
Federal and Kentucky Lottery-funded state aid plays a major role in enhancing affordability for AIKCU students, but institutional aid is the largest source of student aid.

Financial Aid Source FY23 (millions)



KEY PERFORMANCE INDICATORS -- TRANSITIONS

Undergraduate Enrollment: Total unduplicated number of students who enroll in an undergraduate program offered by one of Kentucky's AIKCU colleges or universities in an academic year, either full-time or part-time.



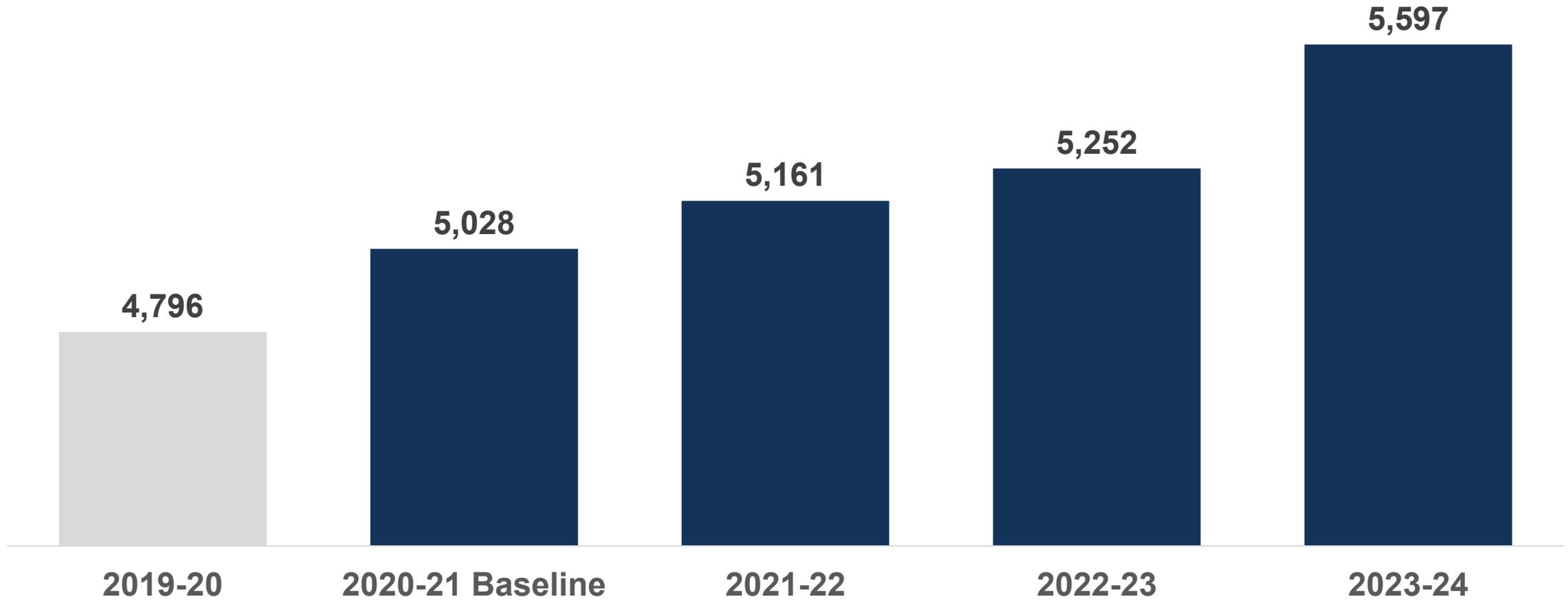
AIKCU'S KEY STRATEGIES ON TRANSITIONS



- Work closely with K-12 partners to encourage postsecondary transitions and FAFSA completion
- Transfer partnerships with KCTCS:12 AIKCU institutions currently have system-level transfer agreements, with more college-level partnerships
- Partnering with community and faith-based organizations and employers to encourage successful transitions
- Summer bridge programs
- 2/3 of AIKCU institutions offer dual credit programs

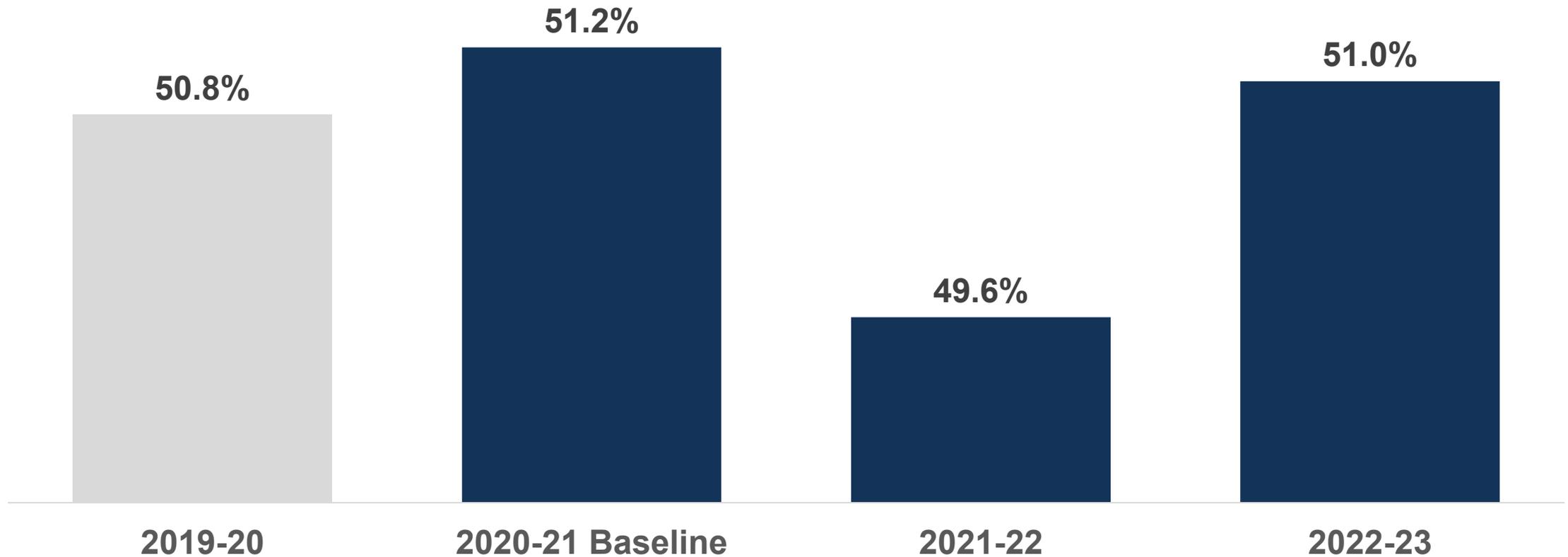
KEY PERFORMANCE INDICATORS -- SUCCESS

Undergraduate Degrees: Number of baccalaureate degrees awarded in an academic year.



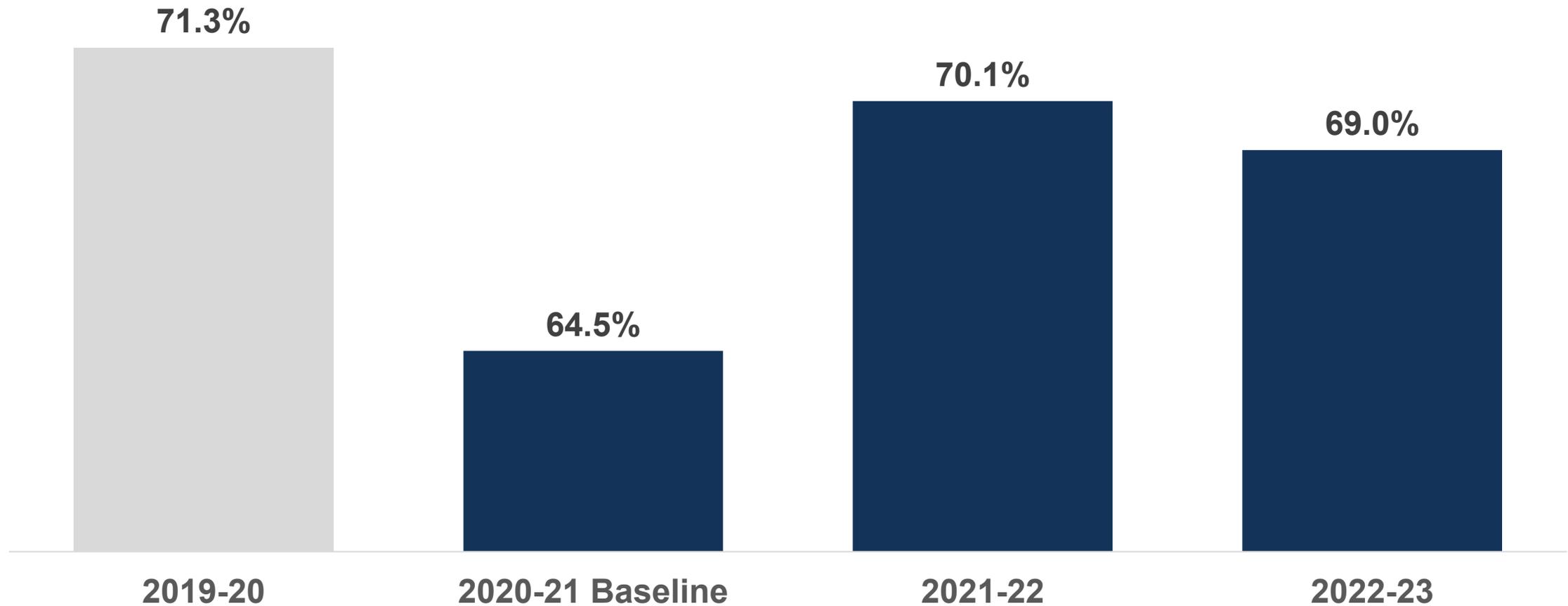
KEY PERFORMANCE INDICATORS -- SUCCESS

Graduation Rate: Percentage of first-time, full-time degree-seeking students who receive an undergraduate degree within 6 years



KEY PERFORMANCE INDICATORS -- SUCCESS

Retention Rate: Percentage of first-time, degree- or credential-seeking students enrolled in the summer or fall of their first year who are still enrolled at the same institution the following fall.



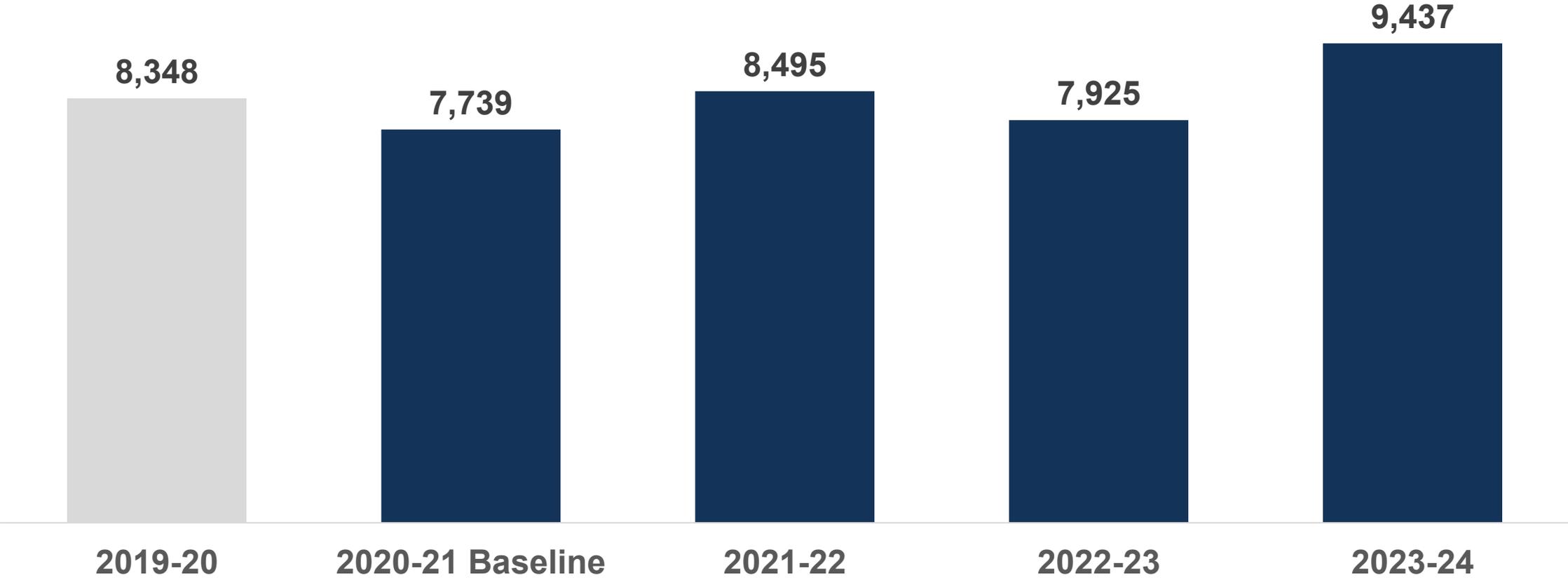
AIKCU'S KEY STRATEGIES ON SUCCESS



- High-impact practices: undergraduate research, internships, faculty mentoring, study abroad
- Efforts to improve retention, particularly upper-class students
- Investments in student mental health supports and other wrap-around services
- Student success supports for all students: low-income, first-generation, rural, military, diverse, and underserved populations
- Flexible programs that work for adult learners: 1 in 4 AIKCU bachelor's degrees in '23-24 was awarded to students ages 25-64

KEY PERFORMANCE INDICATORS -- TALENT

Graduate and Professional Degrees: Total number of graduate/professional degrees awarded in an academic year.



AIKCU'S KEY STRATEGIES ON TALENT



- Academic programs that align with needs of Commonwealth and employers: particularly healthcare, education, business, mental health, information technology
- Partnerships with employers and other organizations focused on developing talent pipelines
- Internships and other experiential learning opportunities

AIKCU'S KEY STRATEGIES ON VALUE



- Graduate students in 4 years, minimizing out-of-pocket and opportunity costs
- Continue to communicate the ROI of an independent college education: financial ROI as well as other metrics of success (successful transitions to graduate and professional schools, community impacts, etc.)
- Help students develop essential skills necessary for immediate employment as well as the adaptability for lifelong learning and career progression



TITLE: SJR 179 Report from Kentucky Community and Technical College System

DESCRIPTION: KCTCS President Ryan Quarles will present the findings conducted in response to Senate Joint Resolution 179 (2024).

STAFF CONTACT: Lee Nimocks, Sr. Vice President and Chief of Staff

BACKGROUND INFORMATION

Senate Joint Resolution 179 was passed during the 2024 Legislative Session. The resolution directed the Kentucky Community and Technical College System (KCTCS), in collaboration with CPE, to analyze the findings of the two reports completed last year (SJR 98 and Huron Group studies) and present specific action steps on several topics including academic programing, a statewide workforce plan and governance reform. A copy of the resolution has been included as reference.

The report is to be submitted to the Legislative Research Commission by December 10, 2024. Dr. Ryan Quarles, KCTCS President, will present the report findings to the Council. The findings will go before the KCTCS board at its December 6, 2024, meeting. No action is required by the Council.

1 A JOINT RESOLUTION directing the Kentucky Community and Technical
2 College System to determine and report findings and actions to improve and advance the
3 existing system.

4 WHEREAS, the Kentucky Community and Technical College system (KCTCS),
5 created by House Bill 1 of the First 1997 Special Session, is the state's largest
6 postsecondary education institution, educating more than 100,000 students annually; and

7 WHEREAS, the KCTCS mission is to enhance the quality of life and economic
8 vitality of the Commonwealth by serving as the primary provider of college and career
9 readiness, transfer education, workforce education, and employment training; and

10 WHEREAS, KCTCS is composed of 16 colleges, a system office, and more than 70
11 campuses; and

12 WHEREAS, the Council on Postsecondary Education (CPE) conducted a
13 comprehensive higher education study in 2023 as directed by Senate Joint Resolution 98
14 of the 2023 Regular Session; and

15 WHEREAS, KCTCS is in the process of concluding a comprehensive system
16 review with the Huron Group with more than 40 findings to be considered for
17 implementation by the KCTCS Board of Regents and system leadership; and

18 WHEREAS, an audit of KCTCS by the Auditor of Public Accounts, concluded in
19 December 2023, made multiple findings concerning financial transparency and accuracy;
20 and

21 WHEREAS, the Auditor recommended that a forensic audit was needed, which is
22 set to occur during 2024; and

23 WHEREAS, as of January 1, 2024, Dr. Ryan F. Quarles became KCTCS President;

24 NOW, THEREFORE,

25 ***Be it resolved by the General Assembly of the Commonwealth of Kentucky:***

26 ➔Section 1. KCTCS, in collaboration with CPE, shall analyze the findings of the
27 study that resulted from SJR 98 and the Huron Group recommendations, and shall present

1 specific action steps on the following topics:

2 (1) Academic programming and training offerings, including the quality of
3 credentials and program relevancy;

4 (2) A comprehensive statewide KCTCS workforce plan which may include
5 financial and academic supports, comprehensive career counseling, and experiential
6 learning elements;

7 (3) The KCTCS geographic footprint, including but not limited to the need for
8 mergers and consolidations;

9 (4) Single system accreditation versus individual college accreditation;

10 (5) Governance reform, including the KCTCS Board of Regents and the 16
11 college boards of directors;

12 (6) The KCTCS funding model and its adequacy, including state appropriations,
13 existing performance funding, the funding of the system office, and modern outcome-
14 based funding structures;

15 (7) Tuition rates, with a commitment to ensuring affordability and return on
16 investment;

17 (8) The personnel system for KCTCS employees;

18 (9) Effectiveness and affordability of dual credit course offerings;

19 (10) Transferability of associate's degrees to four-year institutions; and

20 (11) Outdated or conflicting statutory language.

21 ➔Section 2. The results or the analysis under Section 1 of this Joint Resolution
22 shall be submitted to the Legislative Research Commission by December 10, 2024, for
23 referral to the House and Senate Committees on Education and Appropriations and
24 Revenue, for consideration during the 2025 Regular Session.

SENATE JOINT RESOLUTION 179

Determinations and Recommendations
presented to the Council on Postsecondary Education

November 22, 2024

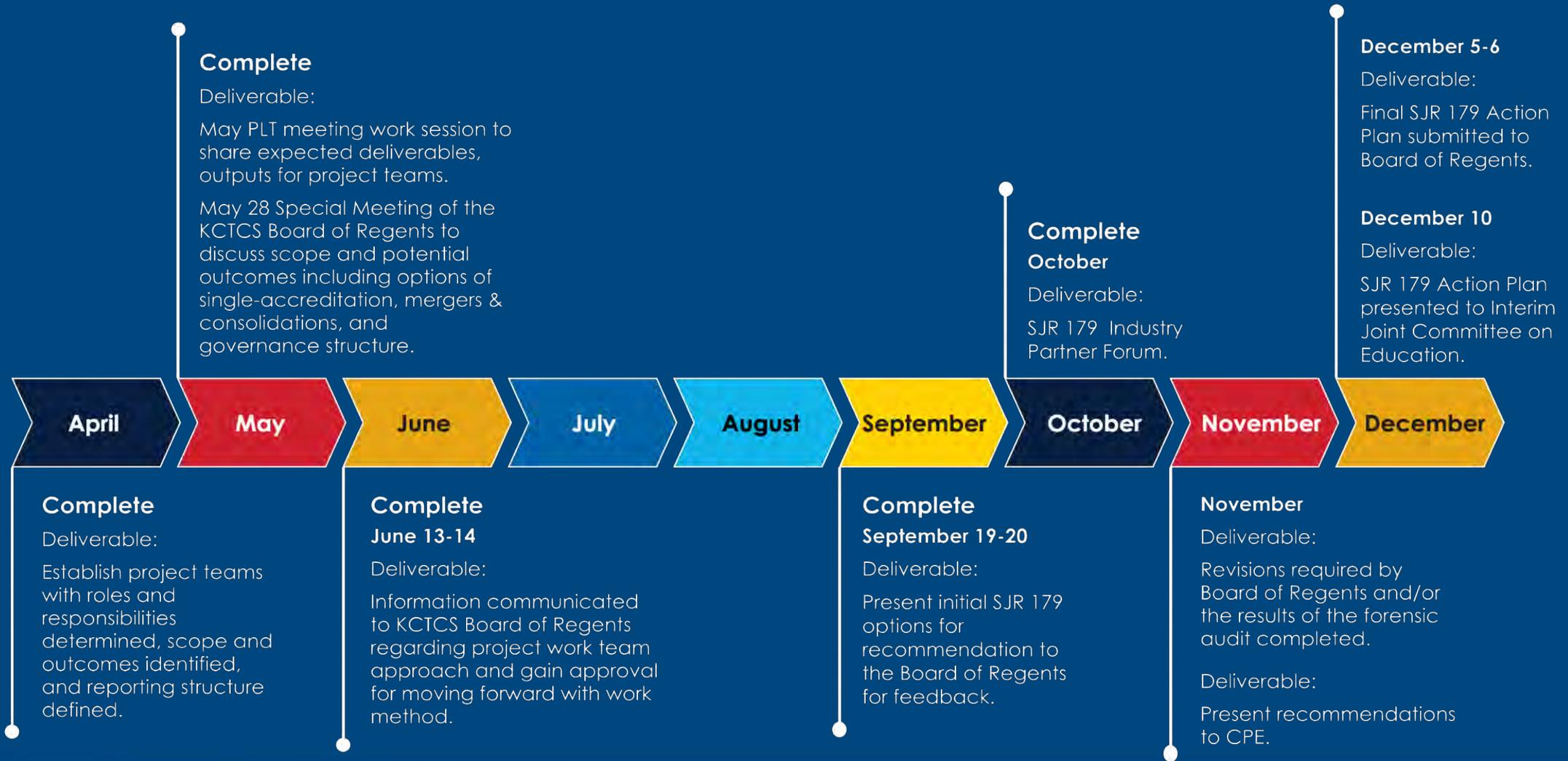
MUCH TO CELEBRATE

- KCTCS is the largest provider of postsecondary education in the state, with an annual enrollment of over 107,000 students and 45% of the state's public higher education undergraduate students.
- Since its creation, KCTCS has bettered the lives of over 1.2 million Kentuckians, awarded over 600,000 credentials, and graduated over 250,000 students.
- KCTCS is #8 in the nation in credentials awarded by public, two-year institutions and #1 in the nation in credentials awarded per capita by public, two-year institutions.
- 60% of graduates from low-income households at Kentucky's public institutions receive their awards from KCTCS.
- KCTCS educates 71% of Kentucky high school students who enroll in Dual Credit.

THE OPPORTUNITY

- SJR 179 asks KCTCS to examine nearly all facets of the system.
- This resolution provides a framework for transforming the college system and to realign with Kentucky's needs.
- State leaders asked KCTCS to be bold and think innovatively on this roadmap for its future.
- How does KCTCS best serve all Kentuckians with accessible and affordable higher education and workforce training moving forward?

SJR 179 TIMELINE



PROCESS AND WORK TEAMS

METHODOLOGY

- Established 5 Work Teams led by college presidents and made up of faculty and staff — subject matter experts — from the colleges and System Office to address the 11 topics.
- Open feedback form for all students, faculty, and staff.
- Independent research and comparator institutions.
- Comprehensive system review conducted by Huron Group.
- SJR 98 (2023)
- Industry partners forum with the Kentucky Workforce Innovation Board.
- Input from KCTCS Board of Regents.
- Collaboration with CPE.

WORK TEAM: GOVERNANCE AND ORGANIZATIONAL STRUCTURE

Scope of Work:

- The KCTCS geographic footprint, including but not limited to the need for mergers and consolidations (SJR Item 3).
- Single system accreditation versus individual college accreditation (SJR Item 4).
- Governance reform, including the KCTCS Board of Regents and the 16 college boards of directors; (SJR Item 5).

WORK TEAM: ACADEMIC PROGRAMMING OPTIMIZATION

Scope of Work:

- Academic programming and training offerings, including the quality of credentials and program relevancy (SJR Item 1).

WORK TEAM: STUDENT PATHWAYS

Scope of Work:

- A comprehensive statewide KCTCS workforce plan which may include financial and academic supports, comprehensive career counseling, and experiential learning elements (SJR Item 2).
- Effectiveness and affordability of dual credit course offerings (SJR Item 9).
- Transferability of associate's degrees to four-year institutions (SJR Item 10).

WORK TEAM: AFFORDABILITY

Scope of Work:

- The KCTCS funding model and its adequacy, including state appropriations, existing performance funding, the funding of the system office, and modern outcome-based funding structures (SJR Item 6).
- Tuition rates, with a commitment to ensuring affordability and return on investment (SJR Item 7).

WORK TEAM: ADMINISTRATIVE

Scope of Work:

- Outdated or conflicting statutory language (SJR Item 11).
- The personnel system for KCTCS employees (SJR Item 8).

DECISION CRITERIA

In order to work efficiently and consistently within this process, the Work Teams and the KCTCS President followed a list of five guiding principles when considering each option that emerged from research:

1. The level of disruption involved with each option.
2. The anticipated associated costs.
3. The anticipated savings.
4. The time it would take for completion and implementation.
5. Opportunity costs.

RECOMMENDATIONS

(1) Academic training and program offerings, including the quality of credentials and program relevancy

- Support third-party validation of academic program quality
- Improve the structure and uses of Program Advisory Committees
- Leverage Meta Majors to strengthen AA and AS pathways
- Increase Program Sharing among Colleges
- Strengthen Program Review in alignment with CPE Program Reviews
- Work with CPE to streamline the Program Approval process
- Fully implement the KCTCS Technical Program Alignment process

(2) A comprehensive statewide KCTCS workforce plan which may include financial and academic supports, comprehensive career counseling, and experiential learning elements

- Lead Robust Collaboration

- Improve business engagement data sharing between organizations.
- Develop proactive outreach strategy to address gaps.
- Develop employer ROI toolkits, employer role clarity, and partnership awareness campaigns.

(2) continued

- Support & Sustain Economic Development
 - Increase TRAINS funding.
 - Support and expand business-facing staff and provide strategic professional development.
 - Invest in instructional designers for program innovation to address emerging skills and advancements in technology.
- Advance Labor Market Responsive Programs & Initiatives
 - Consistently collect and aggregate employer satisfaction data for entry-level talent.
 - Strengthen support for untapped talent pipelines including wrap-around support.
 - Instructor recruitment, retention, and professional development.
 - Invest in statewide sector strategy advisory model.

(2) continued.

- Elevate Visibility & Support for Career Pathways
 - Develop a strategy that positions KCTCS as a premier destination for Earn and Learn.
 - Design a comprehensive career development strategy.
 - Refine Dual Credit portfolio.
 - Support seamless transfer processes.
 - Expand and improve coordination between CTCs, ATCs, K-12, and 4-year partners, including cross-organization marketing and continuous improvement.
 - Advance scope for support for non-completers.

(3) The KCTCS geographic footprint, including but not limited to the need for mergers and consolidations

- To optimize educational effectiveness, KCTCS will establish an evaluation criterion and a systematic review process to evaluate the viability of colleges, campuses, and KCTCS controlled instructional sites in consideration of repurposing and revitalizing locations, and potential mergers and/or consolidations.

(4) Single system accreditation versus individual college accreditation

- Preserve college-level accreditation and focus on increasing shared services and seamless integration across the Kentucky Community and Technical College System.

(5) Governance reform, including the KCTCS Board of Regents and the 16 college boards of directors

- Establish a full vote for the faculty, staff, and student regents on the KCTCS Board of Regents.
- Adopt a board structure that addresses the inclusion of industry sectors in the board composition.
- Ensure geographic representation by requiring at least one member from each of the seven judicial districts of the Kentucky Supreme Court.
- Maintain the current total number of votes at 11, with 8 appointed votes and 3 elected votes.
- Revise term limits for appointed members to four years with eligibility to be reappointed for an additional term.

(5) continued.

- Rename the Boards of Directors to the College Board of Advisors.
- In addition to the five advisory duties now in statute, establish additional responsibility: Each College Board of Advisors shall convene regularly with the Boards of other KCTCS colleges to monitor and advise on the collaborative workforce development and service sharing plans of the KCTCS colleges in a defined geographic region of the state.
- Eliminate the Nominating Committee process and replace with a model that enables the Governor to appoint members to the College Boards of Advisors based on nominations from KCTCS.

(6) The KCTCS funding model and its adequacy, including state appropriations, existing performance funding, the funding of the system office, and modern outcome-based funding structures

- KCTCS's state appropriation is not adequate when compared to benchmark comparator states (on a \$/FTE basis).
- KCTC's state appropriation should be at, or above the average \$/FTE state appropriation rate of its Benchmark Comparator States.
- IF, the Kentucky Legislature determines it will set KCTCS's state appropriation at or above the average \$/FTE state appropriation rate of its Benchmark Comparator States, it is then recommended that a modern 100% outcomes-based funding model should be created for KCTCS based on design and implementation elements within the SJR 179 report.

(6) continued.

- Utilizing the expanded and updated data set, it appears that the KCTCS System Office staffing levels were — and continue to be — lower than the comparator state systems.
- Allow the KCTCS President to determine the proper staffing levels and subsequent funding levels of the System Office, that would maximize success, organizational efficiencies, and effective leadership.

(7) Tuition rates, with a commitment to ensuring affordability and return on investment

- KCTCS graduates take loans in small percentages, pay back their loans consistently and receive positive rates of return for their educational investment.
- Expand the credential eligibility and funding for the Work Ready Kentucky Scholarship program to include:
 - All KCTCS Associate of Applied Science degrees (technical degrees)
 - Associate of Arts and Associate of Science degrees (Transfer Degrees) in high demand transfer pathways/Meta Majors (such as education, engineering, social work, accounting, etc.)
 - Allow KCTCS students access to the Work Ready Kentucky Scholarship during summer terms.
 - Include a \$1,000 annual stipend for Pell-eligible students.

(8) The personnel system for KCTCS employees

- With careful consideration of the impact on Kentucky Community and Technical College System employees, KCTCS recommends maintaining the current structure of the personnel systems while continuing to monitor organizational effectiveness.

(9) Effectiveness and affordability of dual credit course offerings

- To ensure increased student achievement and greater alignment with Kentucky's workforce needs, KCTCS should be the sole provider of Dual Credit.

(10) Transferability of associate's degrees to four-year institutions

- Building on HB 160 (2011), establish common course numbering for all public Kentucky institutions for 100- and 200-level courses.

(11) Outdated or conflicting statutory language

- 17 statutes have been identified for revision, repeal, or a determination that no action should be taken.

IN CONCLUSION

- KCTCS was established more than a quarter-century ago by merging Kentucky's community colleges and technical schools.
- Its mission was to serve all Kentuckians through affordable and accessible postsecondary education or training, therefore contributing to the state's workforce pipeline and promoting economic growth.
- KCTCS has seen much success and worked to enhance the quality of life and economic vitality of the Commonwealth by impacting over 1.2 million Kentuckians.
- KCTCS is the state's primary provider of college and career readiness, transfer education, workforce education, and employment training.
- The time is appropriate to review, reset, and realign with the needs of Kentucky.
- These recommendations provide a framework for the future of KCTCS, allowing it to remain nimble and responsive to the changing workforce needs of Kentucky.
- All recommendations focus on student success and service to all Kentuckians.

QUESTIONS

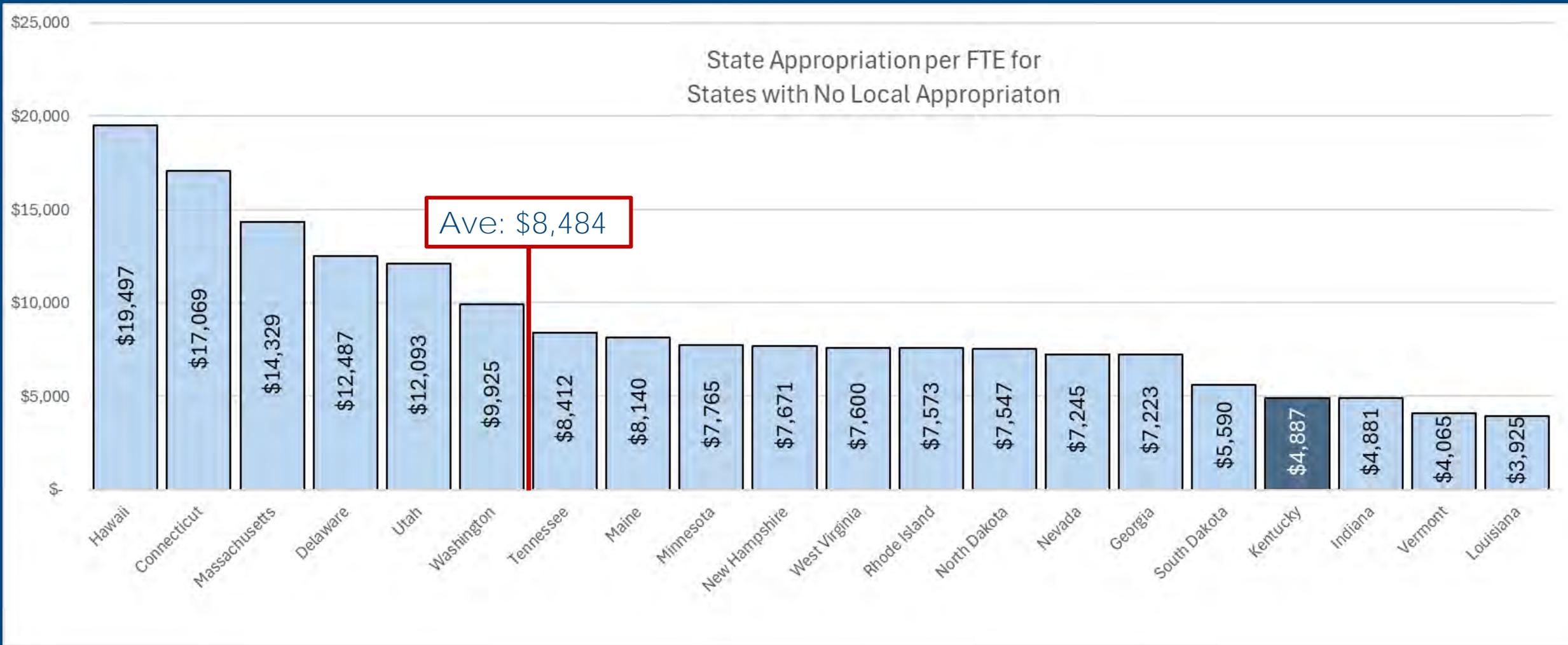
IVY TECH vs KCTCS

Ivy Tech	Enrollment	KCTCS
164,377	Total Enrollment	101,077

Effectiveness		
37%	College Graduation Rate (IPEDS)	44%
8,131	Students Earning Associate Degrees	8,897
31,550	Total Credentials Conferred	39,920

Efficiency		
\$2.02	State Approp \$/Net Tuition \$	\$1.70
\$1,183	State Financial Aid \$/Credential	\$1,958
\$8,878	State Approp \$/Credential	\$4,911
\$11,334	Institutional Salary\$/Credential	\$8,506
\$13,284	Total Revenue (Appr+Net Tuition)/Credential	\$7,792

BENCHMARK STATE COMPARISON



BENCHMARK STATES: COST OF LIVING ANALYSIS

State	\$/FTE Appropriation Funding	Cost of Living Index
Hawaii	\$ 19,497	188.4
Massachusetts	\$ 14,329	139.9
Washington	\$ 9,925	115.8
Vermont	\$ 4,065	113.8
New Hampshire	\$ 7,671	112.3
Maine	\$ 8,140	111
Connecticut	\$ 17,069	110.7
Rhode Island	\$ 7,573	109.4
Utah	\$ 12,093	105.2
Nevada	\$ 7,245	102.6
Delaware	\$ 12,487	100.5
Minnesota	\$ 7,765	95.3
Kentucky	\$ 4,887	93.1
Louisiana	\$ 3,925	91.6
North Dakota	\$ 7,547	91.3
South Dakota	\$ 5,590	91.2
Georgia	\$ 7,223	90.9
Tennessee	\$ 8,412	90.8
Indiana	\$ 4,881	90.3
West Virginia	\$ 7,600	84.3

Quartiles of 20 Benchmark States	Low	High	Ave \$/FTE of the Quartile	% Ky Lags Behind
Top Quartile	112.3	188.4	\$ 11,097	-56%
Third Quartile	102.6	111	\$ 10,444	-53%
Second Quartile	91.3	100.5	\$ 7,322	-33%
Bottom Quartile	84.3	91.2	\$ 6,741	-28%

Middle 2 Quartiles	91.3	111	\$ 8,883	-45%
Bottom 2 Quartiles	84.3	100.5	\$ 7,032	-31%
20 State Median	100.5	102.6	\$ 7,636	-36%

Source:

<https://meric.mo.gov/data/cost-living-data-series>

Based on Council for Community & Economic Research (C2ER) survey

* C2ER Cost of Living Index includes a combination of 6 metrics (Housing, Food, Transportation, Utilities, Health, and Misc.)



CPE REPORT

Eastern Kentucky University News for the Council on Postsecondary Education



EKU CONTINUES ADDRESSING TEACHER SHORTAGE WITH OPTION 9 COMPETENCY-BASED EDUCATION COURSES FOR ELEMENTARY EDUCATION CERTIFICATION

With the state's on-going teacher shortage, Eastern Kentucky University (EKU) offers innovative approaches to place educators in classrooms across the state. The Kentucky Department of Education's School Report Card notes a nearly 25% teacher turnover rate for the 2022-23 school year. To help address the shortage, EKU became the first public university in the state to announce an Option 9 alternative route to teacher certification and simultaneously offered a new online elementary education degree last fall. Building on Option 9, EKU will be offering competency-based education (CBE) courses to further eliminate barriers to teacher certification for current certified staff in schools.

Option 9, created by the Kentucky General Assembly, allows for completion of a bachelor's degree and initial teacher certification in a three-year period for those working in a non-teaching position in a qualified school district. EKU Option 9 students complete coursework online and work with students in classrooms to complete field experience and student teaching requirements. Local districts and schools help ensure student success

by providing necessary mentoring and support throughout the program.

EKU's addition of CBE courses in the spring will allow Option 9 students to earn credit based on demonstration of competency in specific skills and knowledge, rather than on time spent in class.

"This unique program will provide paraeducators across Kentucky with the opportunity to apply their knowledge from careers in education toward becoming a certified teacher," said Dr. Elizabeth Smith, Dean of the College of Education and Applied Human Sciences. "We are thrilled to support home-grown teacher pipelines for our school partners by giving paraeducators with years of experience in schools a more efficient and accessible route to becoming teachers."

With the addition of innovative pathways to teacher certification, EKU's education programs continue to experience record enrollment. Nearly 550 students are currently enrolled in the Bachelor of Science in Elementary Education—a 20% increase from last year.



EKU AMONG BEST COLLEGES FOR ANOTHER CONSECUTIVE YEAR

Eastern Kentucky University was named in the 2025 U.S. News and World Report's Best Colleges list for another consecutive year. EKU ranked in the following categories: National Universities, Top Public Schools, Top Performers on Social Mobility and Nursing.

EKU moved up from last year's ranking in the National Universities and Top Public Schools lists. For the second year in a row, EKU came in first among Kentucky's public universities for Top Performers on Social Mobility.

EKU was also recognized among the Best Colleges in the U.S. in the WSJ College Pulse Ranking 2025, presented by The Wall Street Journal, College Pulse and Statista.

In addition to the College Rankings, EKU landed on the WSJ College Pulse rankings of Student Experience, Best Salaries, Social Mobility and Best Value. EKU was in the top 50% of the Best Value ranking, and came in at No. 154 out of 500 on the Social Mobility list, first among Kentucky's public universities.

EKU President David McFaddin said, "EKU's outstanding performance in the Social Mobility category highlights our commitment to providing excellent educational opportunities to our students, many of whom are the first in their families—as I was—to earn a college degree. Ensuring an affordable and accessible education, as well as good career opportunities upon graduation, are paramount in our mission as a School of Opportunity."

EASTERN KENTUCKY UNIVERSITY AND ALLEGIANT AIR ANNOUNCE ACCELERATE PILOT PATHWAY PROGRAM PARTNERSHIP

Eastern Kentucky University has officially joined Allegiant Air's Accelerate Pilot Pathway Program, offering EKU students an exclusive fast-track to the airline industry. EKU's Aviation program, known for its impressive 100% job placement rate and innovative program, now stands alongside other prestigious institutions in the Accelerate Pilot Pathway program, including Purdue University, Kent State University and the University of North Dakota. This partnership provides EKU students with unmatched opportunities to launch their airline career.

Upon entering their senior year, students may be hired on as a cadet and provided a conditional job offer as an Allegiant first officer. Cadets will enjoy Allegiant employee benefits such as pass travel on Allegiant flights, participation in visits to Allegiant's headquarters in Las Vegas, and access to Allegiant's training centers. Once a cadet reaches their required hours of flight training, Allegiant will sponsor their attendance in an Airline Transport Pilot Certification course, and upon completion, will join Allegiant as a first officer.

Following a press conference, Allegiant provided a presentation and meet-and-greet with EKU Aviation students, then toured the Central Kentucky Regional Airport (CKRA). The airport, home to EKU's Aviation program, was awarded \$3.5 million in federal funding in April to construct a general aviation terminal. EKU will be matching \$1 million of the funding awarded, bringing the total funding to \$4.5 million. CKRA is the third busiest general aviation airport in the state.

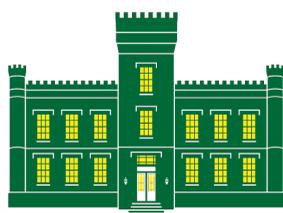
EKU was among the nation's first FAA-approved 1,000-hour Restricted ATP institutions to help meet the demand for pilots amid a national pilot shortage.



GOOD NEWS

NOVEMBER 2024

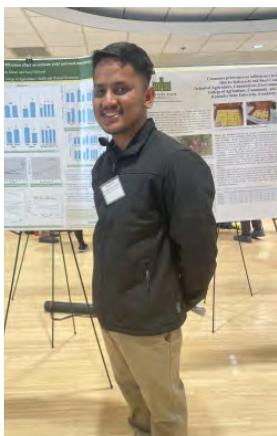
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**KENTUCKY STATE
UNIVERSITY**

Kentucky Academy of Science's Annual Meeting hosted by KSU

Kentucky State University (KSU) recently hosted the Kentucky Academy of Science's (KAS) Annual Meeting on Friday, November 1st and Saturday, November 2nd. This annual meeting brought together hundreds of students, scientists, and educators to highlight the latest advances in the science, technology, engineering, and math (STEM) fields. The schedule of activities included special sessions on aerospace and applied bioinformatics, a tour of KSU's aquaculture center, and hundreds of oral and poster presentations. For KSU students, the event was an excellent opportunity to engage with researchers, network with professionals, and get a firsthand look at the research being conducted in STEM.



KSU Launch Mobile Health Units

KSU will be bringing critical healthcare services directly to underserved areas with the launching of two of its three planned mobile units. The first unit was unveiled on October 24th in Louisville, KY at the Portland area Family Health Centers, Inc. The second unit debuted on October 25th at Hazard Community and Technical College. These units will service communities across Kentucky and they represent a powerful statewide collaboration with the Cabinet for Health and Family Services, the Kentucky Department for Public Health, and various local partners. The goal of these units is to reduce healthcare disparities in Kentucky's most impacted regions. These mobile health units provide diagnostic and treatment services for metabolic syndrome, which includes a cluster of conditions such as hypertension, high blood glucose, abdominal obesity, and abnormal cholesterol or triglyceride levels. These conditions elevate the risk of heart disease, stroke, and type 2 diabetes. The units will alternate between clinical care and Kentucky State University's Nutrition Education Program (KSU-NEP), which uses the "food as medicine" approach to promote preventive health and long-term wellness.



KSU AG Round Up 2024

KSU's College of Agriculture, Health, and Natural Resources hosted the 2nd Annual AG Roundup. The Roundup was held Friday, October 11th and Saturday, October 12th. The event was expanded to two days to educate students, faculty, farmers, and local businesses on KSU's local and global agricultural impact. Day 1 featured an agriculture symposium, outdoor festival, and program exhibits. Day 2 offered networking with professionals, campus tours, a tailgate cookout, and free admission to the KSU football game. Students were able to explore and learn about the diverse career paths available in the agricultural industry.

KSU Celebrates Inauguration of 19th President, Dr. Koffi C. Akakpo

On September 20, 2024, KSU marked a historic moment with the inauguration of Dr. Koffi C. Akakpo as the 19th president. The day was filled with excitement, including a special proclamation from Mayor Layne Wilkerson and Judge Michael Mueller, declaring it "Dr. Koffi C. Akakpo Day" in Frankfort. In his inaugural address, Dr. Akakpo proudly reflected on KSU's remarkable achievements, including a balanced budget, \$34 million in grants, and impressive growth in the School of Nursing. He unveiled a bold new strategic plan aimed at creating lasting impact, emphasizing affordable access, transformative engagement, and sustainable success. The ceremony closed with the KSU Alma Mater, uniting all in a shared vision of the bright future ahead.



KSU and the U.S. Environmental Protection Agency Embark on a New Partnership

KSU welcomed officials from the U.S. Environmental Protection Agency (EPA) to celebrate the start of a promising partnership focused on enhancing educational opportunities. KSU and EPA signed an MOU in August of 2024 with the intent to deepen the relationship between the two entities and collaborate on areas of mutual interest. Some of these areas include enhancing student and faculty participation in EPA programs and opportunities, developing joint research projects, and more. This collaboration, established through an MOU signed in August 2024, will support KSU students and faculty with joint research, internships, summer trainings, and hands-on projects.

KSU awarded Farming Grant by the USDA's National Institute of Food and Agriculture

KSU was recently awarded \$709,042 by the National Institute of Food and Agriculture (NIFA), to provide education, mentoring, and technical assistance to help veterans and underserved beginner farmers and ranchers own and operate successful farms. The project titled, "Farming for Cash: A Training Program Leading to Farm Ownership," which is expected to serve over 300 participants, will provide hands-on skills in farm management, harvesting, production and sales. The program is led by KSU Associate Research Director and Professor, Dr. Siddhartha Dasgupta, in partnership with The National Center for Appropriate Technology and other organizations such as Bluegrass Community and Technical College, Camp Brown Bear, The Growing Warriors, Laurel County African American Heritage Center, and the Ag-first Community Cooperativ



SEPTEMBER 2024



MSU faculty and students benefit from Level UP program

Through its Level UP experiential education program, Morehead State University ensures graduates are prepared for career success. MSU faculty helps mentor students to become career-ready by providing hands-on opportunities in courses that build the critical skills employers are looking for in new hires.

Level UP program students agree that the courses prepare them for career success. Last academic year, 800 students improved their career readiness by taking one of more than 60 Level UP courses taught by 50 faculty and staff members.

Taylor Bishop, a junior from Greensburg double-majoring in history and political science, had the opportunity to study abroad in Hungary and Romania over spring break.

“I undoubtedly think because of this opportunity to take a Level UP class, I got the push I needed to develop more professional critical thinking skills that my career goals of working for the state department are no longer an ‘if’ but a ‘when,’” he said.

Regardless of their major, students are motivated and engaged when they can apply the theories they learn in the classroom hands-on.

Isabella Gilvin, a senior early elementary education major from Maysville, said one standout project from the semester involved collaborating with classmates on a social studies poster and craft activity to engage elementary students and their families at Tilden Hogge Elementary School’s Kentucky History Night.



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KCTCS, MSU presidents renew tuition discount agreement for employees

Kentucky Community and Technical College System (KCTCS) President Ryan Quarles and Morehead State University President Jay Morgan renewed a 50% tuition discount agreement last week to support professional development for their full-time employees.

Beginning with the fall semester, any full-time KCTCS employee attending MSU and any full-time MSU employee attending a KCTCS college will receive a 50% tuition discount in any undergraduate or graduate program. The discount does not apply to 800-level courses in doctoral programs.

“We value our employees, and we’re always looking for partnerships that offer them opportunities for growth,” said Quarles. “This 50% tuition discount is a great benefit for our more than 4,000 teammates. I’m thankful to be partnering with Dr. Jay Morgan and Morehead State University to renew this agreement.”

“Morehead State is proud to continue offering this tuition incentive to KCTCS employees. We have a great partnership with KCTCS and appreciate the service they provide to our region and beyond,” said Morgan.

Morehead State renews KY research partnership

The Kentucky IDeA Network of Biomedical Research Excellence (KY INBRE) recently received a renewal grant award from the National Institutes of Health (NIH) totaling more than \$20 million over the next five years. KY INBRE’s primary goal is to increase the biomedical research capacity at Kentucky universities and enhance the training of the next generation of biomedical researchers.

The renewal grant totals over \$20 million in federal research dollars for state-supported and independent higher education institutions committed to developing vital biomedical research programs. The University of Louisville (UofL) is the lead institution of the statewide grant.

MSU joined KY INBRE in 2003, and since then, the program has provided more than \$11 million in funding for faculty and student research support, laboratory renovations, and modern biomedical research equipment this year. MSU will receive \$331,000 and an estimated \$1.75 million over the next five years.

MBA program makes Fortune Magazine ranking for third consecutive year

Fortune Magazine recognized Morehead State University’s Master of Business Administration (MBA) program for the third consecutive year.

The popular financial media outlet named MSU to its Fortune 2024 Best Online MBA (Master of Business Administration) Programs list. It was one of 92 schools highlighted nationwide (ranked #43) and the only Kentucky university to make the list. MSU also made Fortune’s 25 Most Affordable Online MBA Programs of 2024, ranked #18 and was the only Kentucky public university to earn this recognition.

The rankings come from Fortune Education, a global business media outlet created to help prospective MBA students find the best institutions offering MBA programs.

Murray State University receives #1 “Best Value School” designation as part of *U.S. News and World Report* rankings

Murray State University received the #1 “Best Value School” designation in the South region by *U.S. News and World Report* as part of the publication’s annual rankings by the reputable national college guide.

Ranked #9 regionally last year in the best value category, Murray State’s top spot in the South region was secured as a record \$136 million in scholarships and financial aid was awarded to students based on the University’s most recent data. Murray State currently has its largest enrollment since 2016.

“While Murray State University has been recognized nationally for many years by *U.S. News and World Report*, to be recognized as the #1 best value in our region is a very significant accolade that truly reflects the quality and value of a Murray State education,” Murray State President Dr. Bob Jackson said. “Led by our dedicated faculty and staff, students receive a world-class experience that prepares them for success following graduation. We offer nearly 150 academic programs and 180 campus organizations to support our students throughout their college journey and into the career of their choosing. This is an exciting time to be a Racer!”

As part of the recent *U.S. News and World Report* rankings, Murray State was recognized as one of the top universities in the country in multiple categories, marking the institution’s 34th consecutive year of top-tier rankings by the national college guide.

Recognized as one of America’s best college values, Murray State has been recognized nationally for both quality and value by the following publications:

- U.S. News and World Report
 - “2025 Top-Tier University” for 30+ consecutive years
 - **#1 Best Value School in the South region**
- Washington Monthly
 - “2024-25 Best Bang for the Buck”
- Wall Street Journal
 - “2025 Best Colleges in the United States”
- Niche
 - “2025 Best Colleges in Kentucky”
- Colleges of Distinction
 - a “2024-25 Best College”



Dr. Bob Jackson announces his retirement



After many years of loyal and dedicated service and 43 years of association with his Alma Mater, Dr. Bob Jackson has announced his retirement as president of Murray State University effective June 30, 2025. He will continue his employment as President Emeritus and assist with a future transition and as a special advisor to the Board of Regents through a future date.

Jackson has served as president since August 7, 2018, and has held other administrative roles including president of the Murray State University Foundation, Inc. Both President Jackson and his wife, Karen, are alumni of the University.

Under Jackson’s leadership, Murray State University has experienced significant growth and success in its mission to advance higher education in our region, state and nation. The University developed a renewed focus on recruitment and retention of students, advanced new academic programs, enjoyed athletic successes and changes, enhanced the look and design of campus with a new School

of Nursing and Health Professions building under construction, a Veterinary Sciences building, a Learning Commons and new Residential Hall funded and in design, along with the recent acquisition of Station 74 at Murray State University.

In addition, Jackson has focused on campus improvements, deferred maintenance and preservation of our historic buildings such as major renovations to Lovett Auditorium, Wrather Hall, Curris Center, the bronze statues of Racer One and Dr. John W. Carr on campus and the development of Woods Park, among others.

Jackson has focused much of his professional career in higher education and as a State Senator in ensuring adequate funding and access and affordability in higher education. In addition, a School of Veterinary Medicine continues to be planned at Murray State. The University is also working toward a Medical School campus in partnership with the University of Louisville.

“Serving as President of my Alma Mater has been a lifetime honor and the capstone to my professional career,” said Jackson. “I am deeply grateful for this opportunity. But, everything and everyone has a season, and Karen and I are looking forward to spending more time with family and friends, traveling and enjoying our next chapter of life.”

During his tenure, Jackson guided the University through the pandemic, has overseen many significant changes including new academic buildings, celebrated the Centennial of Murray State University and co-authored our centennial history, *The Finest Place We Know*. He oversaw the launch of a \$100 million centennial campaign with over \$96.5 million raised today.

Murray State University's economic impact is highlighted in recent report

Murray State University's economic impact on the Commonwealth and the west Kentucky region is highlighted in a recent report.

Based on a 2017 comprehensive study led by Professor Emeritus Dr. Gil Mathis and updated for inflation by Professor Simone Silva, Murray State University generates more than \$633 million in economic output activity for the Commonwealth.

Report findings also include the following:

- \$265 million: annual total revenue generated by University employee, student and visitor spending
- \$23 million: annual state and local tax revenue generated by activity associated with Murray State University
- \$1.18 billion: estimated increase in earning capacity generated by nearly 42,000 Racer alumni who reside in Kentucky
- 6,025: total direct and indirect jobs created as a result of Murray State University's business operations

The 2024 state biennium budget includes funding and support for Murray State University, including a record amount of capital projects funding. Approximately \$250 million in capital project and asset preservation funding has been provided to Murray State University over the past two state budgets.

Based on a 2024 Economic Impact Report led by Murray State Professor of Economics Dr. Simone Silva, University construction projects will generate more than \$348 million in economic output activity from 2024-30.

Report findings specific to the University's construction projects also include the following:

- \$192 million: total contribution from Murray State University Construction Projects to the state's GDP (2024-30)
- \$43 million: total estimated tax revenue from Murray State University Construction Projects (2024-30)



- 2,457: total direct and indirect jobs supported by Murray State University Construction Projects (2024-30)

Capital projects and enhancements to Murray State's campus include:

- New School of Nursing and Health Professions Building - \$45.5 million
- New Veterinary Sciences Building - \$60 million
- New Living/Learning Commons Building - \$38 million
- Construction, renovation and operations for the Cyber Education and Research Center - \$10 million
- Asset Preservation/Deferred Maintenance for campus buildings - \$46.6 million



Murray State Athletics receives largest gift in school history from Dill Family

With the public's support of the current investments into much-needed facility enhancements and the overall student-athlete experience at an all-time high, Murray State Athletics received the largest gift in school history from the Dill Family.

The record-shattering investment made by the family, which also stands as the lead gift in the University's *Be Bold: Forever Blue and Gold* Centennial Campaign, marks a record sixth seven-figure gift given to Racer Athletics this calendar year. In addition, Murray State has just completed back-to-back record years in raising private support signifying the unprecedented generosity of alumni and friends in advancing the University.

A significant amount of funding having already been poured into renovations and enhancements around the athletics footprint, this gift will have a major impact on future facility projects as a part of the department's continued prioritization of recruiting and revenue opportunities.

"David and Ashley Dill and the entire Dill Family have deep roots at the University," Murray State University President Dr. Bob Jackson said. "David is the national chair of the \$100 million *Be Bold: Forever Blue and Gold* Centennial Campaign launched publicly in 2022 and is a 2015 Distinguished Alumnus and Trustee of the MSU Foundation. This gift is transformational to the University and will advance the initiatives outlined in our campaign plans and take Racer Athletics to a new level. We are deeply grateful for this historic gift and greatly appreciate their longstanding commitment, friendship and support."

"My family and I have called this community home ever since my father moved to Murray in 1978 and joined the Racer basketball coaching staff, and my mother began her nearly 20-year career teaching kindergarten at Murray Elementary School," David Dill said. "My brother and I attended Murray State as both students and athletes, and we met our spouses on campus. We have grown deep roots here over the past four decades, so it is incredibly meaningful for our family to give back to our community and show our gratitude for the many wonderful opportunities and memories we have had through the years because of Murray State University."

GO FIGURE

17%

first-year student
enrollment
growth

30%

increase in
transfer student
confirmations

COLLEGE CORNER

NKU President Dr. Cady Short-Thompson signed an agreement with Academic City University College of Ghana (ACUC), launching a **STEM-focused Master of Business Administration** partnership program between the two universities through the Haile College of Business.



NKU LAUNCHES SIMPLIFIED TUITION PROGRAM FOR ALL NEW STUDENTS FROM OHIO AND INDIANA

In a move designed to further streamline the college admissions process and make education more accessible, Northern Kentucky University is introducing its new **3 States, 1 Rate** tuition model. This initiative offers tuition reciprocity for students from Ohio and Indiana.

The 3 States, 1 Rate model eliminates the confusion and complexity surrounding tuition. Undergraduate students from Kentucky, Ohio and Indiana who are admitted for the fall of 2025 will all qualify for in-state tuition regardless of county of residence within those states. This new tuition model makes the cost of attending NKU more predictable and transparent.

"NKU is breaking down barriers to higher education, and 3 States, 1 Rate is another significant step in that direction," says NKU President Dr. Cady Short-Thompson. "We want our students to focus on their academic goals and success, not on deciphering complicated tuition structures. This model reinforces our commitment to affordability, access and student success."

The simplicity of the 3 States, 1 Rate model also includes a simplified merit scholarship process. Students within defined high school GPA ranges automatically qualify for merit-based financial aid. This eliminates the need for students and families to navigate complicated award formulas. NKU is tying merit directly to academic performance, making it easier for high-achieving students to plan their finances and receive recognition for their hard work.

LEARN MORE: <https://tinyurl.com/3states1rate>

NKU RANKED AS A TOP UNIVERSITY OF "BEST VALUE" BY THE WALL STREET JOURNAL

For the second year in a row, *The Wall Street Journal* (WSJ) has recognized Northern Kentucky University as one of the top universities in the country for best value and setting graduates up for successful lucrative careers. According to WSJ's 2025 report, **NKU ranks 29th out of 500 universities** around the country when it comes to best value. NKU is the only public university in the region and the Commonwealth that made the WSJ's top 100 ranking! The report focuses on how quickly a degree from NKU pays for its cost through the salary earned by the student after graduation.



According to the study, it takes graduates one year and one month to pay off the net price of a degree from NKU. That's one year faster than the time it would take a graduate to pay off a degree from the University of Kentucky, and two years and five months faster than the University of Cincinnati, according to the report. This ranking clearly highlights NKU's competitive edge in the region and the state. "What NKU offers is exactly what the American public has been asking for—an affordable, high-quality education that leads to prepared graduates in lucrative careers," said NKU President Dr. Cady Short-Thompson. "The talented faculty and committed staff at NKU give students more than they pay for, and their successful outcomes are our proof point. I'm proud of what these rankings signify." **LEARN MORE:** <https://tinyurl.com/bestvalue2024>



THE SCOREBOARD

One of the most skilled players in program history is staying in Highland Heights to mentor her former teammates. **Maddie Lacer has been hired as an assistant coach** for the Northern Kentucky softball team. During her playing career, Lacer was named All-League First Team as a junior and All-League Second Team as a senior, winning Horizon League Defensive Player of the Year honors in both 2023 and 2024 thanks to her stellar work as a catcher.

LEARN MORE: <https://tinyurl.com/maddielacer>

BRIEFS

NKU BREAKS GROUND ON \$86 MILLION EXPANSION TO HERRMANN SCIENCE CENTER

Northern Kentucky University officials **broke ground on an expansion of the Dorothy Westerman Herrmann Science Center** in a ceremony at the Highland Heights campus on Thursday, Oct. 31. The expansion project will add an 85,400 square-foot addition to the existing science center, allowing several academic programs to consolidate their spaces into one state-of-the-art, STEM-focused facility. The expansion will enable NKU to significantly enhance its lab and student research space in departments including biological sciences and engineering technology.

LEARN MORE: <https://tinyurl.com/nkusciencecenter>

SHEA CONLEY NAMED NEW MEMBER OF NKU BOARD OF REGENTS

Kentucky Governor Andy Beshear announces the **appointment of Shea Conley, of Lexington, to Northern Kentucky University's Board of Regents**. Conley's appointment will run through the end of the 2029-2030 academic year. "Shea's expertise and commitment to both the field of law and the broader community are a perfect match with NKU's mission and values," said Nathan Smith, Chair of the Board. "We are excited about the impact he'll have in shaping the university's future."

LEARN MORE: <https://tinyurl.com/sheaconley>

FACULTY FOCUS

Northern Kentucky University is celebrating the success of Professor Kelly Moffett in receiving a second Fulbright award, a prestigious recognition that highlights her exceptional contributions to academia and cultural exchange. Building on the success of her first Fulbright award, Professor Moffett will travel to Poland next spring to design and teach two creative writing classes in the Department of North American Cultures and Literatures at the University of Warsaw, with the long-term goal of establishing a creative writing program at the university.

LEARN MORE: <https://tinyurl.com/kellymoffett>

NKU AWARDED \$2.4 MILLION TO MEET REGIONAL NEED FOR PARAPROFESSIONALS IN HUMAN SERVICES

Northern Kentucky University has been **awarded \$2.4 million** from the National Institute of Health's Health Resources and Services Administration (HRSA) to provide students in NKU human services programs with scholarships, stipends for field placement and apprenticeship support. Human services encompass a range of professions that support individuals in improving their quality of life. The \$2.4 million grant provides up to \$10,000 to students who are majoring or minoring in Human Services and Addictions.

LEARN MORE: <https://tinyurl.com/paraprofessionalsaward>

CHHS ASSOCIATE DEAN VANESSA HUNN NAMED AS FULBRIGHT SPECIALIST

Northern Kentucky University's Associate Dean of the College of Health and Human Services, Dr. Vanessa Hunn, has been selected for the **Fulbright Specialist Program**. Dr. Hunn will have the distinguished opportunity to provide expertise to a Fulbright host university abroad while serving a three-year term on the program's roster. As a Fulbright Specialist, Dr. Hunn may be matched to projects with host institutions in more than 150 countries. Following assignment to a host university, Dr. Hunn plans to share her expertise and learn from other international institutions.

LEARN MORE: <https://tinyurl.com/vanessahunn>

ALUMNI NEWS



NKU GRADUATES AWARDED FOR SUPPORT OF EMERGENCY SHELTER OF NORTHERN KENTUCKY

A team of five recent graduates from Northern Kentucky University's Visual Communication Design program has **won the Student Experiential Design category** at the 2024 Cincinnati Design Awards for their work with the Emergency Shelter of Northern Kentucky (ESNKY).

Ash Coleman, Leah Hulsmann, Tabitha Phelps, Em Sanning and Sarah Weimar's award-winning project was the result of a meaningful collaboration with ESNKY, where the team developed wayfinding, signage and environmental graphics for the shelter's state-of-the-art facility in Covington. The innovative non-profit organization provides life-saving, life-changing, low-barrier shelter and transformative services for adults in the community.

LEARN MORE: <https://tinyurl.com/nkuemergencyshelter>

PRESIDENT'S REPORT NOVEMBER 2024

UNIVERSITY OF KENTUCKY



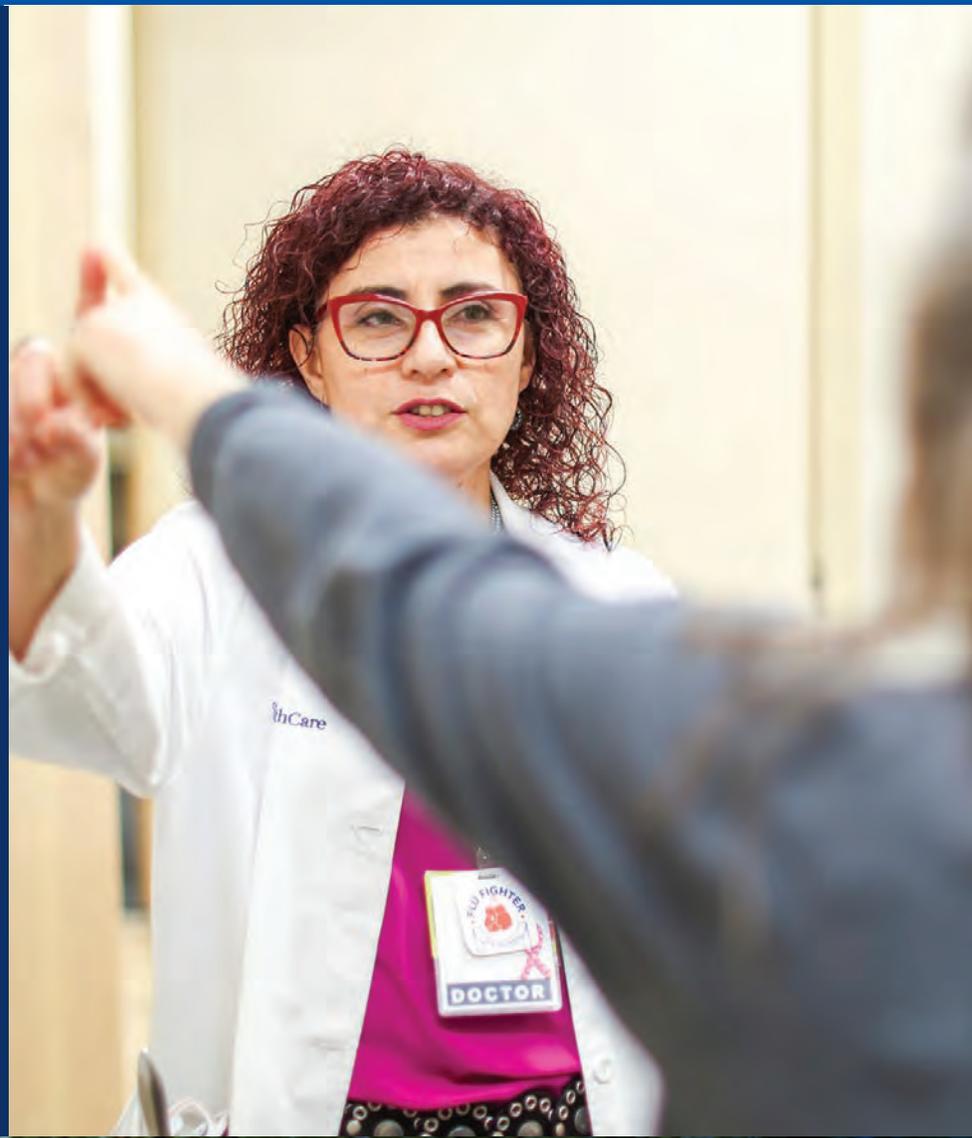
RECORD ENROLLMENT, GRADUATION RATES REFLECT COMMITMENT TO

Advancing Kentucky

The University of Kentucky had record enrollment and graduation rates, reflecting a commitment to fostering growth in Kentucky. According to preliminary figures, UK now has more than 36,000 students, a 7% increase from last year, with record-breaking first-year and transfer student numbers. A record 18.8% of UK's first-year students are from underrepresented backgrounds, as defined by state policymakers. Additionally, UK's six-year graduation rate now exceeds 71%, ranking it among the top 100 U.S. public universities, according to the most recent available data. The UK Invests program, which encourages financial health among students, has contributed to higher retention and GPAs, underscoring UK's mission to advance the state.

UK ANNOUNCES PLAN TO ESTABLISH NEXT EVOLUTION OF PARTNERSHIP MODEL TO IMPROVE HEALTH, EDUCATION, WORKFORCE IN COMMONWEALTH

The University of Kentucky announced the launch of its Advancing Kentucky Together Network, a strategic initiative to enhance health care, education and workforce development across the state. Approved by the UK Board of Trustees, this network will strengthen UK HealthCare's commitment to keeping patients close to home, supporting Kentucky's workforce and extending resources and expertise to improve health outcomes across the Commonwealth. The initiative aims to improve patient outcomes, expand educational opportunities and strengthen community outreach, starting with clinical partnerships and listening to the needs of Kentuckians. Pikeville Medical Center has expressed its intent to support and participate as the first member of the network.



UK'S LOKA ASHWOOD AWARDED MACARTHUR 'GENIUS GRANT' FOR GROUNDBREAKING WORK IN RURAL COMMUNITIES, ENVIRONMENTAL JUSTICE

Loka Ashwood, Ph.D., an associate professor in the Department of Sociology at the University of Kentucky, has been awarded a 2024 MacArthur Fellowship, commonly known as the "Genius Grant." This prestigious award recognizes her innovative research on rural identity and environmental justice, particularly focusing on how corporate and state policies impact rural communities. Ashwood's work emphasizes the importance of community involvement in addressing environmental health issues, as demonstrated by her collaborative research on cancer clusters in Fruithurst, Alabama. The fellowship provides \$800,000 over five years to support her continued contributions to sociology and rural studies.





THE PRESIDENT'S REPORT

ISSUE 129
OCTOBER - NOVEMBER 2024

Dear Colleagues,

The University of Louisville is setting records this fall, particularly in the area of student enrollment. I was so pleased to recently announce that UofL boasts an all-time high of 24,092 students this fall. Further, new marks were set with our largest-ever incoming class and fall-to-fall retention rate. This is exciting news, especially at a time when student recruitment and retention remain challenges for higher education across the country.

Records also were broken during our annual Raise Some L fundraising campaign. Special thanks to the people, businesses and community partners who helped us reach a record \$4.8 million raised during this year's drive.

This fall, UofL reaffirmed its commitment to higher education being accessible to everyone. Our new Comeback Cards program offers debt forgiveness to returning students whose higher ed experience was interrupted. We also celebrated a longstanding partnership with Louisville Central High School, which exposes diverse and underrepresented students to the legal profession.

UofL continues to address the needs of our community each and every day. A statewide nursing shortage threatens the health of our fellow Kentuckians. Fortunately, a \$5 million award from the Kentucky Council on Postsecondary Education's Healthcare Workforce Investment Fund is helping us meet that urgent need.

We have much to celebrate this fall at UofL, but we couldn't do what we do without your help. Thank you for your continued support of this great university. It is truly appreciated.

Kim Schatzel, PhD
President, University of Louisville



REDEFINING STUDENT SUCCESS



UofL Class of 2028 sets record enrollment

As higher education institutions across the country struggle with attracting and retaining students, latest enrollment figures show that the University of Louisville bucks that trend. UofL President Kim Schatzel recently announced several record-breaking enrollment figures, including an all-time total number of students—24,092.

That figure includes the largest fall 2024 incoming class ever with 3,125 students and fall-to-fall retention at an all-time high of 81.5%. Nearly 30% of the Class of 2028 comes from outside of Kentucky, representing 39 states and U.S. territories - another high mark. The Class of 2028 is particularly notable for its increased interest in STEM+H (science, technology, engineering, mathematics and health) fields. Enrollment in these majors rose to 38.72% from 34.39% last year.



UofL launches new debt forgiveness program for returning students

The Comeback Cards program has launched at the University of Louisville, offering up to \$4,000 of debt forgiveness to returning students whose college journey was paused or interrupted. Finances and student debt play a key role in college, and this program provides students with the necessary assistance and motivation to complete their degrees at UofL. This initiative, funded by the Gheens Foundation, aims to reach the "some college, no degree" population allowing former UofL students to apply for a grant and finish their educational career.

Record-breaking Raise Some L

On Wednesday, Oct. 16, the University of Louisville Raise Some L 2024 Day of Giving took place with record-breaking success, raising an outstanding \$5.4 million from more than 2,000 donors. Donations came in from all 50 states showing love and support from the Cardinal community.

Significant donations included a \$1.5 million gift from The Bufford Family Foundation to support the College of Business, \$1.1 million from an anonymous alumnus to J.B. Speed School of Engineering and \$1 million for the Department of Biology. These contributions will generate a lasting and significant impact on hundreds of departments across the UofL campuses and the Louisville community.



UofL School of Nursing awarded nearly \$5 million for nursing education

The University of Louisville School of Nursing was awarded \$4.8 million to support undergraduate nursing education. The funding includes \$2.4 million granted by partners UofL Health and Owensboro Health, followed by a matching grant from the Kentucky Council on Postsecondary Education's Healthcare Workforce Investment Fund. These funds are anticipated to play a significant role in facilitating efforts to address the shortage of registered nurses in Kentucky, by increasing access to baccalaureate nursing education across the state.

Documentary celebrates success of UofL, Central High School law partnership

The Central High School Law and Government Magnet program, in partnership with the University of Louisville Brandeis School of Law, gives diverse and underrepresented students a view of the legal profession.

A new documentary film celebrating the success of the UofL - Central partnership, "A Pathway Forward," premiered to an invitation-only audience Oct. 9 at the Kentucky Center for the Performing Arts. The film opened to the public at Louisville's International Festival of Film, Oct. 10-12.

Since it began in 2001, nearly 700 Central High School graduates have participated in the partnership, with many of them going on to attend law schools in 15 states.

RESEARCH AND INNOVATION POWERHOUSE

UofL economist helps local companies highlight their impact

Organizations need to understand their local economic impact and make informed decisions about launching new projects or expanding. An associate professor at the University of Louisville College of Business, Thomas Lambert, generates economic reports for local businesses to gain knowledge on their contributions to society. The reports created by Lambert aid businesses in securing grants, raising funds or even just improving public opinion.

Laurie Young, director of industry partnerships for the UofL Office of Research and Innovation, connected with Lambert and linked him with Humana, Anthem and other companies. Lambert generated reports for these companies including the value of volunteer hours, tuition reimbursement at local colleges and even money spent at local restaurants. Young and Lambert's collaboration is aiding in growing industry work across campus and highlighting all that UofL has to offer to businesses.





WKU Biology faculty receives NIH grant

Dr. Simran Banga, associate professor in the WKU Ogden College of Science and Engineering, has been awarded a four-year NIH R16 Support for Research Excellence (SuRE) award from the National Institute of Allergy and Infectious Diseases, one of the 27 institutes and centers of the National Institutes of Health (NIH) to continue research that investigates how epigenetic modulations in host cell aids in survival and replication of *Legionella pneumophila*. The award for the current fiscal year is for \$177,467 and over the next four years, the grant is expected to total \$709,868.

Legionella pneumophila, the causative agent of the respiratory infection Legionnaires' disease, is a bacterial pathogen that causes inflammatory pneumonia in the lungs. The research proposed by Dr. Banga aims to understand how bacterial proteins alter gene expression patterns through epigenetic changes during an infection to hijack cellular processes. Thus, bacteria can change the way our body cells function.

This study will contribute to better understanding of bacterial pathogenesis which can help in designing new therapeutic approaches.

This project will expand research and education experience for undergraduate students at Western Kentucky University as the undergraduate students will be highly involved in the NIH-funded project.

This is Dr. Banga's third award in last two years. She was awarded an NSF award in 2023 to acquire a Flow Cytometer and an NIH award this summer for an Electrophoresis Imaging system.



NEWS FOR THE COUNCIL ON POSTSECONDARY EDUCATION

NOVEMBER 2024

WKU listed in 'Guide to Green Colleges' for 15th straight year

For the 15th consecutive year, Western Kentucky University has been recognized as one of the nation's most environmentally responsible colleges, according to The Princeton Review®.



WKU received a Green Rating score of 91 in The Princeton Review Guide to Green Colleges: 2025 Edition. The Green Rating, on a scale of 60–99, provides a comprehensive measure of a school's performance as an environmentally aware and prepared institution.

“We are honored to be recognized again for our sustainability efforts,” said Dr. Leslie North, Director of Sustainability. “Our continued inclusion in The Princeton Review Guide to Green Colleges and other recognition programs wouldn't be possible without the support and commitment of our campus community.”

The Guide, a free online resource published since 2010, profiles 511 colleges that foster a culture of environmental responsibility and demonstrate a commitment to sustainability.

The Princeton Review chose the colleges for the 2025 edition based on a survey it conducted in 2023–2024 of administrators at nearly 600 colleges about their institutions' sustainability-related policies, practices, and programs. The company also surveyed students attending the colleges about their “green” campus experiences. The school selections were based on more than 25 data points from the surveys.

The profiles also provide notes on the schools' uses of renewable energy, their recycling and conservation programs, and the availability of environmental studies in their academic offerings. The profiles also include information on the school's admission requirements, cost, and financial aid.

WKU, which created its Office of Sustainability in 2008, has earned numerous national recognition and certifications, including the International WELL Building Institute for Ogden College Hall, the Green Restaurant Association Certified Dining program, LEED (Leadership in Energy and Environmental Design) certified buildings, AASHE STARS (Association for the Advancement of Sustainability in Higher Education Sustainability Tracking, Assessment, and Rating System), Tree Campus USA, U.S. Department of Education Green Ribbon Schools and more.



Report notes WKU's economic impact on region, state

Western Kentucky University creates a significant economic impact for the community, region and state and generates a positive return on investment for students, taxpayers and society, according to an analysis by Lightcast.

In fiscal year 2022-23, the impact of WKU's operations, research, visitor and student spending, together with volunteerism and the enhanced productivity of its alumni, included the following:

- WKU added \$528.4 million in income for the Bowling Green region, a value approximately equal to 4.3% of the region's total gross regional product (GRP). WKU's impact is equivalent to supporting 9,404 jobs. For perspective, the activities of WKU and its students support one out of every 17 jobs in the region of Allen, Barren, Butler, Edmonson, Logan, Simpson and Warren counties.
- WKU added \$1.6 billion in income to the Kentucky economy, equivalent to supporting 23,996 jobs.
- WKU added \$134.0 million in income to the Regional Campus service areas, equivalent to supporting 2,167 jobs in the areas served by campuses in Glasgow, Owensboro, Elizabethtown/Fort Knox and Somerset.

To assess WKU's value to the regional economy, the report evaluated the university from the perspectives of economic impact analysis and investment analysis.

In FY 2022-23, WKU spent \$139.7 million on payroll and benefits for 2,580 full-time and part-time employees and spent another \$142.8 million on goods and services to carry out its day-to-day and construction operations and research activities.

Results indicate that WKU is an attractive investment to students with rates of return that exceed alternative investment opportunities. In 2022-23, students paid a present value of \$103.8 million to cover the cost of tuition, fees, supplies and interest on student loans. In return, students will receive a cumulative present value of \$951.3 million in increased earnings over their working lives or a return of \$3.90 for each dollar invested. Students' average annual rate of return is 14.7%.

Taxpayers provided WKU with \$119.3 million of funding in FY 2022-23. In return, total taxpayer benefits amount to \$258.0 million from added tax revenue and public sector savings. For every dollar of public money invested in WKU, taxpayers will receive \$2.20 in return over the course of students' working lives or an average annual rate of return of 5.1%.

In FY 2022-23, Kentucky invested \$452.5 million to support WKU. In turn, Kentucky's economy will grow by \$2.5 billion over the course of students' working lives and will benefit from \$210.3 million of public and private sector savings. For every dollar invested in WKU in FY2022-23, people in Kentucky will receive \$5.90 in return, for as long as 2022-23 students remain active in the workforce.



WKU College of Health and Human Services receives nearly \$1.6 million in scholarships

The Western Kentucky University (WKU) College of Health and Human Services (CHHS) has been awarded nearly \$1.6 million in scholarships through the Council of Postsecondary Education (CPE) Healthcare Workforce Investment Fund. This funding will support students pursuing Bachelor of Science in Nursing (BSN), Bachelor of Social Work (BSW), and Master of Social Work (MSW) degrees.

CHHS Dean, Dr. Tania Basta, said "We are thrilled to receive nearly \$800,000 from the legislature and \$800,000 from our regional health care partners to provide up to 100 scholarships for our BSN, BSW and MSW students. Students who receive this funding will receive a scholarship for up to 2 years and will be required to work for one of our healthcare partners for up to 2 years after graduation. This funding is the perfect example of the state working with health care organizations and universities to create innovative solutions to address the healthcare shortage in the Commonwealth."

CPE awarded \$11.8 million in matching funds to 33 healthcare programs from 19 providers, in collaboration with regional employers, as part of its Healthcare Workforce Collaborative, which aims to unite state leaders, policy experts, educational institutions, and the healthcare industry.

According to the CPE, "Kentucky, along with other states, recognized healthcare workforce shortages during the 2023 legislative session in part by establishing the Kentucky Healthcare Workforce Investment Fund, which is a public-private partnership to provide healthcare training scholarships for Kentucky resident students and incentives to reward performance and excellence among healthcare professional programs."



BY THE NUMBERS:
KCTCS Celebrated Transfer
Week in October



13,661

THE NUMBER OF STUDENTS,
INCLUDING DUAL CREDIT
STUDENTS, WHO TRANSFERRED
FROM A COMMUNITY COLLEGE
TO A FOUR-YEAR UNIVERSITY
LAST YEAR.

OF THE
3,777

ASSOCIATE DEGREE EARNERS
WHO TRANSFERRED TO A
UNIVERSITY IN 2019-20 TO EARN
A FOUR-YEAR DEGREE, 57% HAD
COMPLETED A BACHELOR'S
DEGREE WITHIN FOUR YEARS.

74.4%

OF STUDENTS GRADUATE FROM
COMMUNITY COLLEGE WITHOUT
LOANS.

Turning inmates into students: KCTCS awards
4,460 GEDs over 5 years

4,460. That's the number of incarcerated individuals who earned a GED through the Kentucky Community and Technical College System from 2020-2024. And during the same period, enrollments in the GED prep classes, taught by the colleges' adult education instructors, grew to 14,441.

"When we say KCTCS is education for all, that's exactly what we mean. Supporting those who lack a high school diploma is a key priority for our state and workforce," said KCTCS

President Ryan Quarles, who was recently appointed to the Governor's Council of Second Chance Employers. "Everyone benefits if these individuals reenter our communities and the workforce with a credential that will help them build better lives for themselves and their families."

Fourteen KCTCS colleges are service providers for Kentucky Adult Education, the state agency that administers the GED program. Classes are held at county jails and prisons.

KCTCS forensic audit calls for improving internal
policies, procedures, staff training

The Kentucky Community and Technical College System received the results of a forensic audit, marking a significant milestone for KCTCS President Ryan Quarles and his quest to improve and advance the system to serve more Kentuckians and employers.

Conducted externally by KPMG, the audit found no fraud or criminal behavior. However, the report called for the improvement of internal policies, procedures and staff training to ensure proper implementation.

"I was hired to fix KCTCS and that's exactly what I'm doing," said Quarles, who took the helm in January after the call for the forensic audit.

"This deep dive into our finances, policies and procedures resulted in numerous recommendations that will help us achieve greater efficiency

and responsiveness across-the-board. I appreciate the recommendations and look forward to their thorough implementation."

Ahead of the audit, Quarles launched a high priority review of all the system's policies and procedures, including those pertaining to finances as part of SJR 179, a joint resolution directing KCTCS to report findings and actions to improve the system.

The forensic audit was the final step called for in a special examination report issued by the state auditor's office nearly a year ago. All other findings from that examination have been cured. Next steps are to finalize the review of the recommendations for internal policies and procedures, properly implement the procedures, and provide adequate training to all staff.



KCTCS welcomes new, returning members to Board of Regents

The Kentucky Community and Technical College System welcomed four new members and two returning members to its Board of Regents at a meeting today in Versailles.

Tiffany Kelley-Jenkins was appointed to the board by Gov. Andy Beshear in September. She is president of Kelley Manufacturing, Inc. in Louisville. She will serve through Sept. 2, 2030.

In staff elections, Raeanne Powers, human resources development partner at Bluegrass Community and Technical College, was selected as the occupational, technical staff regent. They also elected Ryan Hall, director of adult education at Owensboro Community and Technical College, as the general education regent. Terms are for three years.

Students elected Robert Higdon of Hazard to fill an open seat with a one-year term. He is a student at Hazard Community and Technical College.

Faculty re-elected Brianna Sanders Whitten of Mt. Olivet as the general education faculty regent. She teaches English at Maysville Community and Technical College.

Faculty also returned Marty Sutherland of Elizabethtown to serve as the occupational, technical education faculty regent. Sutherland is a professor of engineering and electronics technology at Elizabethtown Community and Technical College. Faculty regents also serve three-year terms.

KCTCS celebrates Manufacturing Month with more grads, TRAINS funding to directly support industry sector

The Kentucky Community and Technical College System celebrated Manufacturing Month during October in recognition of students, alumni, faculty, and the many business partners contributing to the state's manufacturing growth.

As one of Kentucky's five targeted industry sectors, advanced manufacturing is growing in popularity at KCTCS whose graduates are helping provide the skilled talent vital to the workforce that powers the rapidly growing sector.

Across the system last year, the colleges graduated more than twice as many advanced manufacturing graduates than they did in 2016-2017. Since that time, nearly 16,000 students have earned advanced manufacturing credentials and degrees.

Last year, the top three programs in the sector were welding technology

with 1,942 graduates, followed by industrial maintenance technology with 937 graduates, and engineering and electronics technology with 350 graduates.

In addition to educating the future manufacturing workforce, KCTCS' Workforce Solutions prioritizes state needs by investing in manufacturing companies through the state-funded TRAINS program. Last year, the system invested \$3.7 million in 156 manufacturing companies and provided customized solutions to 247 companies.

TRAINS has been shown to offset the cost of training for companies by up to 75%.

KCTCS, Indiana Wesleyan University partner for seamless transfer to bachelor's degrees

The Kentucky Community and Technical College System and Indiana Wesleyan University have signed a new transfer agreement that will help more KCTCS graduates earn a bachelor's degree. By combining the strengths and resources of both institutions, KCTCS and IWU aim to make a bachelor's degree more accessible and attainable for students desiring to earn their degree at a reputable institution online.

Through this partnership, students will begin their academic journey at a KCTCS college of their choice, where they will complete their associate degree. Credits earned during the associate degree program will transfer seamlessly to IWU online where KCTCS graduates will receive a 15% tuition discount for most four-year degree programs. Graduates requiring RN-BSN courses will receive a \$250 preferred credit hour rate.

IWU intends to create a seamless transfer experience by providing community, support and flexibility so students can comfortably complete their degrees at an accelerated pace.





**In spite of strong headwinds,
AIKCU colleges remain optimistic**



Mason Dyer
AIKCU President

When I was in D.C. in October for the NAICU Fall Leadership Conference, the word of the week seemed to be headwinds. As in, "higher ed in general and independent colleges

in particular are facing strong headwinds."

This is evidenced by declining public confidence in higher education, financial pressures, another delayed FAFSA cycle, political pressures from both the left and right, new regulations, and so on.

While the last year has been especially challenging with the botched FAFSA rollout that made it harder for students to get timely information about how affordable independent colleges can be, I'm proud of the way AIKCU members have remained focused on the future and true to their respective missions.

That mission focus provides a sense of optimism for the future. This fall, AIKCU members have celebrated new presidents, new programs, new facilities, new gifts and grants supporting key institutional priorities, new faculty members, and new affordability initiatives.

What I hear as I visit campuses is that there's a spirit of excitement among students — particularly first-years — who are more engaged and active on campus than they have been since before the pandemic.

I appreciate our members for leaning into the wind to offer educational experiences that help students develop satisfying careers and lead purposeful lives.

4 AIKCU schools awarded Healthcare Workforce Fund dollars

Four of Kentucky's independent universities have been awarded \$1.22 million to further their efforts in educating students for careers in healthcare. They are Bellarmine University in Louisville, Campbellsville University in Campbellsville, Midway University in Midway, and the University of Pikeville in Pikeville.

The funds are part of \$11.8 million in matching dollars presented by the Kentucky Council on Postsecondary Education to 33 eligible postsecondary healthcare programs. The programs are offered by 19 education and training providers in partnership with regional employers.

CPE announced the awards Oct. 30 as part of its Healthcare Workforce Collaboratory event, attended by nearly 200 healthcare representatives from across the commonwealth.

"AIKCU members have always prepared graduates to meet Kentucky's healthcare needs — from front-line nurses to future doctors and many fields in between," AIKCU President Mason Dyer said. "We're proud of these AIKCU members for stepping up their healthcare workforce development efforts with the assistance of the Healthcare Workforce Investment Fund, and we're thankful to their industry partners, CPE, and especially the legislature for making that possible."

continued on back



Bellarmine University: \$1 million
with Anesthesia Services of Kentucky
for nurse anesthesia



Campbellsville University: \$45,000
with Taylor Regional Health
\$30,000 for nursing
\$15,000 for radiography



Midway University: \$80,000
with CHI Saint Joseph Health
for nursing



University of Pikeville: \$98,000
with Pikeville Medical Center
for nursing

Lindsey Wilson's student body president to represent AIKCU students on statewide board

Zachariah Lawson, president of the Lindsey Wilson College Student Government Association, has been appointed to the 2024-25 Kentucky Board of Student Body Presidents. Lawson will represent AIKCU and serve as the convener of Kentucky's independent college student leaders.

"I am deeply honored and thrilled to have been selected as the AIKCU representative for the 2024-2025 academic year," Lawson said. "I am eager to learn and grow in this role, as I draw inspiration from my fellow student body presidents across the state."

Lawson is a junior majoring in English and Christian Ministries. In addition to serving as student body president, he is a peer mentor and a public safety officer on campus. He is also a member of Sigma Tau Delta, the International

English Honor Society, and a Wesley Scholarship recipient, which gives him an active role in campus ministry leadership.

"Zachariah is a generous, kind soul," said Christopher Schmidt, dean of students at Lindsey Wilson.

"From the moment he stepped foot on campus, he has been part of something, immersing himself into the spirit of the campus. He flows in and out of different student groups, making connections with everyone, including faculty, staff, and trustees."



Zachariah Lawson

Healthcare Workforce Funds

continued from front

Funding is provided through state appropriations to the Healthcare Workforce Investment Fund, enacted by the Kentucky General Assembly in 2023.

A majority of the fund supports scholarships for students enrolled in targeted programs in areas of critical workforce need, while the remainder rewards innovation and excellence among professional healthcare education and training programs.

To be eligible, postsecondary programs must partner with one or more healthcare employers, who pledge a dollar amount to be matched by the HWIF.

Students who receive partnership-funded scholarships will be required to practice in Kentucky in their specialty area for each year of financial support they receive, not to exceed two years.

Information from CPE news release, Oct. 30, 2024

AIKCU FAST FACTS: Students Receiving Lottery-Funded State Student Aid

AIKCU institutions receive no direct state funding, but Kentucky Lottery-funded state student aid through KHEAA's "Big 3" programs is crucial for AIKCU students.

The "Big 3" are College Access Program Grants, Kentucky Educational Excellence Scholarships, and Kentucky Tuition Grants.



FY 24 Distributions to AIKCU students.
Source: KHEAA