



Activity Report 2

April 2004

The Council Activity Report is a communication from the chair of the Council on Postsecondary Education to the members of the governing boards of regents and trustees. The topics are organized by the five questions of postsecondary reform.

from the Council chair . . .

Dear Governing Board Members:

I am pleased to present to you the Council's second Activity Report. Throughout these pages, you will find news on a wide range of topics, including legislation passed by the General Assembly and updates from the Council's March 15 meeting. I hope that you find this information useful in meeting the challenges that face your institution.

Your feedback on these issues and your suggestions for future topics are welcome. Working together, we will better serve our citizens as we strive to meet the goals of postsecondary education reform.

Steve Barger

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

Affordability, seamlessness, and economic development are top policy areas

The Council on Postsecondary Education identified three important policy areas—affordability, seamlessness, and workforce/economic development—as the focus of its work for 2003-04. All three groups met March 15 prior to the Council meeting. The first of these groups, the Affordability Policy Group, is highlighted below, while the discussions of the other two policy groups are discussed later in this report.

The Affordability Policy Group discussed the following at its March meeting: the history of the Council's tuition policies, policies of other states and pending legislation regarding tuition; the tuition-setting process at private colleges; affordability issues relevant to adult learners; reciprocity agreements in which Kentucky is a party; and tuition waivers. Joe McCormick, executive director of the Kentucky Higher Education Assistance Authority, presented information about pending legislation dealing with financial aid and scholarship programs. As a result of these discussions, the Council at its meeting later that morning took the following actions:

- Directed Council staff to work with the institutions to implement a tuition-setting process that includes on-campus hearings, staff review of each institution's 2004-05 tuition rate proposal, and provisions for using a portion of tuition revenues for need-based financial aid.
- Directed Council staff to review all tuition reciprocity agreements in which Kentucky is a party to ensure that there is equitable benefit for participating states and to bring recommendations back to the Council through its Affordability Policy Group by the end of the 2004 calendar year.

KYAE funds transitions to postsecondary pilots

Kentucky Adult Education (KYAE) is funding six pilot projects that focus on transitioning greater numbers of adult learners into postsecondary education. Three pilots have been in operation since late summer and were funded in partnership with the Kentucky Community and Technical College System (KCTCS). These pilots are located in Fayette, Jefferson, and Kenton counties. To date, exceptional partnerships with KCTCS institutions have been forged; a video, Web site, and trainings have been produced; and processes for better "on to postsecondary" counseling and awareness have been developed. Additional pilots are being added at Murray State University, Morehead State University, and Eastern Kentucky University to focus on regional needs. KYAE will share and disseminate best practices and effective processes resulting from these efforts.

American Diploma Project to raise high school graduation requirements

New high school graduation benchmarks that define readiness for both college and the skilled workplace in the areas of English and mathematics were formally released in February. Kentucky was one of five states that participated in the American Diploma Project, a two-year, \$2.4 million research project funded by a grant from the William and Flora Hewlett Foundation.

The ADP's six-point agenda calls for:

- a more rigorous curriculum in English and math
- high school exit exams
- high school assessments for admissions and placement
- federal financial aid incentives
- mobilization of the business community to insist that states align high school standards, assessments, and graduation requirements with college and employer demands
- the use of high school transcripts and exit test results in hiring decisions

The ADP recommendations suggest logical next steps for the Council and Kentucky's postsecondary institutions. The Council:

- Directed Kentucky's postsecondary institutions to review the ADP and develop a consistent statewide placement policy that guarantees any incoming student who demonstrates competency in the ADP benchmarks a placement in credit-bearing coursework in English and mathematics.
- Directed Kentucky Adult Education to begin refining the adult education curriculum based on the ADP benchmarks.
- Directed the staff to work with business and labor organizations to encourage them to give job or apprenticeship applicants who can demonstrate competency in the ADP benchmarks a preferential "edge" in hiring or admissions decisions.

Ultimately, the ADP research argues that implementation of the benchmarks for high school accountability and college entrance will reduce college remediation rates and increase graduation rates for all Kentucky students but especially for minority and economically disadvantaged students.

CPE and KBE hold joint meeting

The Council on Postsecondary Education and the Kentucky Board of Education met jointly for the third time February 11, 2004. The purpose of the joint meetings is to provide collaborative opportunities for the two boards to work together to prepare Kentuckians for postsecondary education.

Governor Fletcher and Education Cabinet Secretary Fox were in attendance and emphasized the following: the high priority of education in the administration's agenda; the need for long-term data to establish sound education policy that defines appropriate spending and cost-saving measures at P-12 and postsecondary levels; early reading as fundamental to Kentucky's education progress; and the causal link between raising Kentuckians' level of educational attainment and meeting the Commonwealth's economic goals.

Go Higher Web portal to launch this spring

A new Web portal that will give Kentuckians the tools they need to plan, apply, and pay for college will launch this spring. The Council is working with several educational partners, including the Kentucky Higher Education Assistance Authority, the Kentucky Department of Education, and the Association of Independent Kentucky Colleges and Universities, to implement www.GoHigherKY.org. Prospective college students, adults, and parents will be able to explore the state's public, independent, and proprietary institutions; find out about distance education options; research careers; and submit college applications and federal financial aid forms online.

KHEAA will pay for the development and maintenance of the customized, undergraduate application for each public university, as well as the tools needed to upload and download information from GoHigherKY.org to its student information system. The vendor also is working with KDE to enable high school students to electronically submit their official high school transcript to the colleges of their choice through the site.

Additional information about the site can be obtained by contacting Melissa McGinley of the Council staff (melissaj.mcginley@ky.gov).

QUESTION 2:

Are more students enrolling?

QUESTION 3: *Are more students advancing through the system?*

Seamlessness Policy Group focuses on transition, graduation

The Council's Seamlessness Policy Group is reviewing policy issues in two areas and will issue recommendations to the Council later this year. First, the group is reviewing policies that will better support students' successful transition from high school and adult education programs to college. Second, the group is studying changes that are needed to increase the number of college students who successfully graduate.

This spring the policy group is focused on transfer from two- to four-year colleges. Members met in March with campus representatives who work with transfer to better understand what is and is not working well from the perspective of those in the field. A part of the discussion focused on Kentucky's Course Applicability System (CAS) located online at www.kytransfer.org. This online transfer system allows any student to determine how courses they have taken or plan to take will transfer to other institutions in the state. The Council has provided funding to make this system available to all public postsecondary institutions. Not all Kentucky institutions are participating in CAS at this point. At its March meeting the policy group discussed strategies to ensure all institutions

do participate in CAS and to promote CAS and transfer generally with faculty and students.

Several policy papers developed by the group are available on the Council Web site (www.cpe.state.ky.us).

Enrollment up 5th straight year

Enrollment in Kentucky's colleges and universities climbed for the fifth straight year last fall to a historic high of 229,061 students, up almost 8,000 students from the previous year. Since postsecondary education reform began in 1998, enrollment has grown by 44,215 students, representing nearly a 25 percent gain. The enrollment growth has been consistent among both public and independent sectors and across all levels, including two-year, four-year, and graduate-level programs.

- Of the total enrollment, 200,604 were undergraduate students, 23,546 were graduate students, 3,491 were enrolled in professional studies, and 1,420 were pursuing post-graduate work.
- Four regional universities - Western Kentucky University, Northern Kentucky University, Murray State University, and Eastern Kentucky University - reported the largest first-time freshman classes ever.
- Public two-year colleges enrolled 80,695 students, public four-year institutions enrolled 117,926 students, and independent institutions enrolled 30,440 students.
- Over 14,000 Kentucky high school students were dually enrolled at postsecondary institutions.

An institutional breakdown of the enrollment report can be viewed at http://www.cpe.state.ky.us/council/council_20040211.asp.

QUESTION 4: *Are we preparing Kentuckians for life and work?*

QUESTION 5: *Are Kentucky's communities and economy benefiting?*

Policy Group to address workforce, economic development needs

The Council's Workforce/Economic Development Policy Group is focusing on policy that directs the efforts of postsecondary institutions to meet workforce and economic development needs. To identify policy issues, the group is developing a matrix that shows degree production in disciplines most closely associated with the knowledge economy. The matrix will include all levels of credentials - from certificates to graduate degrees. The next step will be to analyze how CPE policy can address workforce shortages and surpluses.

Trust funds make positive impact on reform goals

At its March meeting, the Council received a report on trust fund accomplishments for FY 2003. These programs, though a small percentage of postsecondary funding, have had a dramatic impact on the institutional work and Kentucky's progress in addressing the Council's reform goals. The programs are described below.

Endowment Match Program - The Endowment Match program encourages private investment in public higher education to grow university endowments, increase the number of endowed chairs and professorships, and generate externally sponsored research. Between 1997 and 2003, Kentucky's public universities added \$417 million to their endowments through the program. The number of endowed chairs increased from 55 to 170, and the number of endowed professorships increased from 53 to 237. Extramural research expenditures at UK and UofL increased from \$105.2 million to \$219.0 million, or by 108 percent.

Research Challenge Trust Fund - The Research Challenge Trust Fund supports the creation of nationally recognized research programs at the University of Kentucky and the University of Louisville. RCTF programs received \$6 million in FY 02-03 (matched by institutions) and earned an additional \$112,837,700 in total sponsored research funding. Programs in the University of Kentucky College of Medicine and the University of Louisville's Institute for Entrepreneurial Research report receiving recognition as "top 20" programs in the nation. The RCTF provided financial assistance to 288 graduate students, helped 1,299 graduate students participate in professional conferences, and enabled 580 graduate students to publish research.

Programs of Distinction - The Regional University Excellence Trust Fund supports Programs of Distinction at each comprehensive university. House Bill 1 calls for at least one nationally recognized academic or applied research program at each comprehensive university. For the \$6 million investment, the programs have generated \$49.9 million in external funding. Several programs, notably WKU's journalism program, has received national recognition during this period. In addition, more than 4,537 students participated in 403 research projects in POD programs. These institutions provided \$1,076,580 in scholarships from the trust funds for POD students.

Action Agenda Program - The Action Agenda program provides more than \$10 million to comprehensive universities to improve P-12 teacher quality and increase enrollment, retention, and graduation rates, especially for women and minorities. Funds also support regional economic development. The Action Agenda program enabled more than 400 postsecondary faculty to participate in partnerships with more than 200 P-12 schools. To date, 17 local and regional P-16 councils have been formed to create a seamless education system in over 70 Kentucky counties. Recruitment and retention programs served nearly 50,000 students. Since the implementation of AA programs in 2002, total enrollment at the compre-

hensive universities has increased from 68,372 in 2002 to 70,202 in 2003 while retention rates have remained stable.

Faculty Development - Faculty Development funds support campus teaching and learning centers and a statewide annual faculty development conference. The campus centers improve student retention through better teaching and advising. They offer programs that help faculty use technology effectively and employ diverse teaching strategies that address the needs of nontraditional, minority, and underprepared students. More than 5,300 faculty participated in faculty development activities. The statewide conference involves hundreds of faculty in programs presenting innovative and effective strategies that improve student learning, community engagement, and research productivity.

Workforce Development Trust Fund - The Workforce Development Trust Fund supports KCTCS's Kentucky Workforce Investment Network System (KY WINS). KY WINS provides businesses and industries with education, training, and support services to develop better jobs and a skilled workforce. In FY 02-03, KY WINS served 8,447 individuals in 46 companies located in 21 counties.

This year, the Council approved recommendations to sustain and increase the effective use of the trust funds. These include: 1) developing a policy to make sure that trust funds are not cut disproportionately as a part of institutional budget reductions; 2) enhancing programs to increase participation by underrepresented students and faculty; and 3) focusing institutional trust fund reports on program outcomes given the programs have now been in place for some time. The Council wants to know not only what was done and how many people participated or were hired but also how programs actually increased enrollment and retention rates for the students who participated, contributed to economic development, or increased student learning through the use of technology.

OTHER ACTIVITIES

General Assembly impacts postsecondary education

The 2004 session of the Kentucky General Assembly has adjourned. The House and Senate were not able to agree on a state budget for 2004-06 prior to adjournment. If the Governor does not call a special session on the budget, the Commonwealth will operate on the basis of an executive spending plan beginning July 1.

Several pieces of legislation affecting postsecondary education in Kentucky have passed, including the following:

- Senate Bill 63 requires public and independent postsecondary institutions to disclose to students living on campus whether their residence hall is equipped with an automatic fire suppression system.
- Senate Bill 200 directs the Council on Postsecondary Education to classify postsecondary students as Kentucky resi-

dents for the purposes of tuition if students met residency requirements during their senior year in high school.

- House Bill 149 requires public and independent postsecondary institutions to provide to their students information on Hepatitis B and the availability of vaccinations.
- House Bill 342 requires public and independent postsecondary institutions to provide to full-time students living on campus information about meningitis and the availability of vaccinations and provide to students the opportunity to inform the institution of whether they have had the vaccination.
- House concurrent resolutions 66 and 67 confirm the appointments of John S. Turner and Ken W. Winters to the Council on Postsecondary Education.
- House Joint Resolution 214 approves the transfer of the management of Lexington Community College to the Kentucky Community and Technical College System.

LCC transferred to KCTCS

House Joint Resolution 214, approved by the Kentucky General Assembly on March 23, transfers the management of Lexington Community College to the Kentucky Community and Technical College System.

In 2003, the Southern Association of Colleges and Schools determined that Lexington Community College, which was part of the University of Kentucky, was not sufficiently autonomous for the purpose of securing accreditation. SACS placed LCC on probation pending a resolution of the issues raised in the accreditation report. UK President Lee Todd established a task force to review all issues related to accreditation and governance and to make a recommendation to him on the future of LCC. The task force recommended the transfer of LCC to KCTCS. The KCTCS board of regents, in anticipation of action by the UK board of trustees, adopted a resolution at its December 2003 meeting setting out the parameters of a transfer of LCC. The UK board of trustees accepted the task force report February 10, 2004, and approved a resolution transferring LCC to the KCTCS. At its February 20, 2004, meeting, the KCTCS board of regents affirmed its support of the decision of the UK board.

The Council on Postsecondary Education approved the transfer at its March 15 meeting. The Kentucky General Assembly approved the transfer (House Joint Resolution 214) on March 23.

Key indicators show progress toward postsecondary reform

Results from 2003 presented at the February Council meeting for five indicators under questions 2 and 3 indicated strong systemwide performance in enrollment and college going; more progress is needed in retention and transfer.

Question 2: Are more students enrolling?

- Undergraduate enrollment increased between 2002 and 2003 at every Kentucky public postsecondary institution and at the independent institutions. Statewide undergraduate enrollment increased 3.6 percent over the previous year, rising to 200,604. The systemwide enrollment goal for 2003 was 192,167. Nine institutions (EKU, KCTCS, Lexington CC, MoSU, MuSU, NKU, UK, UofL, and WKU) exceeded their enrollment goals for 2003.
- Systemwide, graduate, and first-professional enrollment increased from 23,127 in 2002 to 23,552 in 2003 (a 1.8 percent increase), exceeding the Council's goal for 2003. Six universities reported increased graduate and first-professional enrollment and exceeded their 2003 goals (EKU, KSU, NKU, UK, UofL, and WKU).
- The marked increase in the proportion of GED completers who enroll in postsecondary education within two years continued in 2003. The college-going rate rose from 17.8 percent in 2002 to 21.7 percent in 2003. The goal established for 2002 was 15 percent.

Question 3: Are more students advancing through the system?

- Kentucky's systemwide retention rate stayed flat at 68.3 percent. Retention rates rose at three institutions (EKU, KSU, and UofL) and fell at seven. UofL's increase was sufficient to exceed their 2003 goal. The retention rate at KCTCS decreased, but remained above their 2003 goal.
- Measuring the number of community and technical college transfers incorporates two sets of goals. For the universities, this indicator measures the number of incoming transfer students from KCTCS and LCC. For KCTCS and LCC, this indicator measures the number of students who transfer to any Kentucky public university or independent institution. Systemwide, the number of students transferring to the public universities decreased from 2,409 in 2002 to 2,369 in 2003. The number of transfers increased at four universities (EKU, KSU, NKU, and UofL). Three universities exceeded their goals for 2003 (KSU, UofL, and WKU). Transfers from both KCTCS and LCC increased, totaling 2,951 in 2003 compared to 2,877 in 2002. LCC exceeded its 2003 transfer goal.
- Kentucky's eight public universities participated in the 2003 National Survey of Student Engagement (NSSE) as part of a consortium organized by the Council. The Council uses NSSE results to gauge progress on two key indicators under Question 4 - undergraduate student experience and civic engagement.

Results from the 2003 survey show Kentucky's public universities have made progress since 2001 in undergraduate

student experience; survey results suggest more Kentucky students are participating in activities that foster student learning. More progress is needed in undergraduate civic engagement. Compared to 2001, fewer survey respondents in 2003 indicated they participated in volunteer and civic activities. A detailed report by institution is available on the Council Web site http://www.cpe.state.ky.us/facts/facts_researchbriefs.asp.

In addition, the Council approved performance goals for 2004-06 for five indicators, all measures of institutional productivity: one-year retention rates, number of community and technical college transfers, six-year graduation rates, degrees conferred, and degrees conferred in priority areas. Additional information is available at <http://www.cpe.state.ky.us/index/index.asp>.

Council releases accountability report

In December 2003, the Council released its annual accountability report to inform policymakers and the public of institutional and systemwide progress toward achieving the goals of the *Postsecondary Education Improvement Act of 1997* (House Bill 1). The accountability report is organized around the six goals of HB 1, with separate chapters detailing progress made by UK, UofL, the comprehensive universities, and KCTCS. A comprehensive update on the Council's key indicators of progress, as well as system and institutional profiles, is provided in the report appendix.

The report was submitted to the Governor's Office, the Legislative Research Commission, the Strategic Committee on Postsecondary Education, and the General Assembly in December 2003. Hard copies were mailed to Council members and board chairs in January. The full report is available on the Council's Web site at www.cpe.state.ky.us/facts/facts_status_reports.asp.

IEG spring seminar cancelled; fall trusteeship conference set

As communicated to board members earlier in the year, the Institute for Effective Governance spring seminar for board development (May 23-24, 2004) was cancelled due to budget constraints.

Planning will begin soon for the IEG Governor's Conference on Postsecondary Education Trusteeship September 19-20, 2004, in Bowling Green, Kentucky. This annual event is a forum for postsecondary board members across Kentucky to discuss issues of statewide importance and also fulfills the Council's statutory responsibility to provide an orientation program for new members of institutional governing boards. Save the dates for this important event.

Council welcomes new members

John S. Turner and Kenneth W. Winters were appointed to the Council in January for six-year terms.

Turner is the executive vice president and chief operating officer of Angell Manufacturing in Lebanon, Kentucky. Prior to that, he served as vice president of business development of Montebello Packaging in Lebanon and as general manager of Portland Forge in Lebanon and Teledyne Packaging in Carrollton. Turner serves on several professional organizations including the Kentucky Chamber of Commerce. He is a board member of St. Catherine College in Springfield and is a past chair. He is a member of the Kentucky Advocates for Higher Education and currently serves as chair. Turner holds a B.S. degree from Seton Hall University. Mr. Turner serves on the Council's Workforce/Economic Development Policy Group.

Winters served 11 years as president of Campbellsville University before retiring in 1999. Prior to that, he worked 23 years at Murray State University, the last 11 years as dean of the College of Industry and Technology. He has served as president of the Campbellsville Chamber of Commerce and on numerous county economic development committees. Winters holds a bachelor's degree from Murray State University, a master's degree from Indiana University, and a doctorate from the University of Northern Colorado. He serves on the Council's Distance Learning Advisory Committee and the Affordability Policy Group.

Greenberg elected Council vice chair

At its March 2004 meeting, the CPE elected Ron Greenberg vice chair. Greenberg, the senior vice president of Louisville-based Jewish Hospital Healthcare Services Inc., was a member of the former Council on Higher Education, and has taught as an adjunct faculty member at several colleges and universities. He has served on the boards of the Jewish Community Federation, Indiana University Southeast, and Actors Theatre of Louisville, and is active in professional organizations that include the American College of Hospital Administrators and the Kentucky Hospital Association. He has been a Bingham Fellow with Leadership Louisville. He earned a bachelor's degree at Queens College in New York and a master's degree at Columbia University. Mr. Greenberg is filling the vice chair position left vacant by Bart Darrell whose term on the Council expired in December 2003.

At its May meeting, the Council will select its chair and vice chair for the coming year (July 2004-June 2005).

Kentucky's Postsecondary Education System encompasses nine public institutions and numerous independent institutions and Kentucky Adult Education. The system represents 229,061 students, 538,866 Kentucky alumni and 275,108 GED recipients. When Kentuckians earn postsecondary degrees, their skills improve and their wages go up; they are more likely to lead healthy lives and be engaged in their communities; and they build better futures for themselves and for their families.

MEMBERS

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Murray

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Thomas D. Layzell (*president*)
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2004 CPE MEETING CALENDAR

May 23-24 - CPE meeting (Lexington Marriott Griffin Gate)

July 18-19 - CPE meeting (location TBD)

September 19-20 - CPE meeting & IEG Governor's
Conference on Postsecondary Education Trusteeship
(Bowling Green)

November 7-8 - CPE meeting (Frankfort)

*For information about CPE meetings, contact Phyllis
Bailey at 502.573.1555 or phyllis.bailey@ky.gov.
Meeting materials are available on the Council's Web site
at [http://www.cpe.state.ky.us/aboutus/aboutus_council_](http://www.cpe.state.ky.us/aboutus/aboutus_council_meetings_materials.asp)
[meetings_materials.asp](http://www.cpe.state.ky.us/aboutus/aboutus_council_meetings_materials.asp).*

Activity reports will be posted on the Council's Web site. Let us know if you would prefer to view future issues online by sending your e-mail address to Phyllis Bailey at phyllis.bailey@ky.gov. You will receive an e-mail notification when the activity reports are online.

QUESTIONS ????

Contact President Tom Layzell
502.573.1555 or tom.layzell@ky.gov

SIX goals of House Bill 1

1. A seamless, integrated system of postsecondary education strategically planned and adequately funded to enhance economic development and quality of life.
2. A major comprehensive research institution ranked nationally in the top 20 public universities at the University of Kentucky.
3. A premier, nationally recognized metropolitan research university at the University of Louisville.
4. Regional universities, with at least one nationally recognized program of distinction or one nationally recognized applied research program, working cooperatively with other postsecondary institutions to assure statewide access to baccalaureate and master's degrees of a quality at or above the national average.
5. A comprehensive community and technical college system with a mission that assures, in conjunction with other postsecondary institutions, access throughout the Commonwealth to a two-year course of general studies designed for transfer to a baccalaureate program, the training necessary to develop a workforce with the skills to meet the needs of new and existing industries, and remedial and continuing education to improve the employability of citizens.
6. An efficient, responsive, and coordinated system of autonomous institutions that delivers educational services to citizens in quantities and of a quality that is comparable to the national average.

FIVE questions to gauge progress

1. Are more Kentuckians ready for postsecondary education?
2. Are more students enrolling?
3. Are more students advancing through the system?
4. Are we preparing Kentuckians for life and work?
5. Are Kentucky's communities and economy benefiting?

