

Postsecondary Education

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Postsecondary Education

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,379,564,800	1,595,720,000	1,803,772,700	1,301,947,100	1,323,315,400
Special Appropriation	2,000,000				
Continuing Appropriation	996,300	1,000,000	1,000,000	1,000,000	1,000,000
Budget Reduction	-34,509,400				
Salary Compensation Fund	62,800				
Total General Fund	1,348,114,500	1,596,720,000	1,804,772,700	1,302,947,100	1,324,315,400
Tobacco Settlement-Phase I					
Tobacco Settlement - I	5,591,200	6,591,100	6,685,600	6,836,100	7,906,600
Continuing Appropriation	208,600				
Other	1,088,900				
Total Tobacco Settlement-Phase I	6,888,700	6,591,100	6,685,600	6,836,100	7,906,600
Restricted Funds					
Balance Forward	2,255,000	781,700	258,200	1,150,400	322,400
Current Receipts	3,046,836,300	3,193,546,900	3,343,003,400	3,193,570,700	3,342,928,700
Non-Revenue Receipts	19,269,900	14,975,100	14,611,800	15,593,800	14,539,800
Fund Transfers	-250,000				
Total Restricted Funds	3,068,111,200	3,209,303,700	3,357,873,400	3,210,314,900	3,357,790,900
Federal Funds					
Balance Forward	4,500				
Current Receipts	691,017,500	720,992,400	757,686,600	720,993,300	757,686,600
Total Federal Funds	691,022,000	720,992,400	757,686,600	720,993,300	757,686,600
TOTAL SOURCE OF FUNDS	5,114,136,400	5,533,607,200	5,927,018,300	5,241,091,400	5,447,699,500
EXPENDITURES BY CLASS					
Personnel Cost	2,568,964,400	2,731,758,600	2,873,641,300	2,735,434,300	2,884,584,800
Operating Expenses	1,487,367,900	1,585,327,100	1,671,211,900	1,491,814,400	1,531,298,500
Grants, Loans or Benefits	785,377,300	951,484,400	1,015,578,800	767,024,900	778,542,000
Debt Service	105,280,300	95,107,000	194,046,100	91,868,700	98,453,300
Capital Outlay	158,579,100	168,671,900	172,540,200	153,626,700	153,820,600
TOTAL EXPENDITURES	5,105,569,000	5,532,349,000	5,927,018,300	5,239,769,000	5,446,699,200
EXPENDITURES BY FUND SOURCE					
General Fund	1,340,697,500	1,595,720,000	1,804,772,700	1,301,947,100	1,323,315,400
Tobacco Settlement-Phase I	6,888,700	6,591,100	6,685,600	6,836,100	7,906,600
Restricted Funds	3,066,960,800	3,209,045,500	3,357,873,400	3,209,992,500	3,357,790,600
Federal Funds	691,022,000	720,992,400	757,686,600	720,993,300	757,686,600
TOTAL EXPENDITURES	5,105,569,000	5,532,349,000	5,927,018,300	5,239,769,000	5,446,699,200
EXPENDITURES BY UNIT					
Council on Postsecondary Education	120,539,400	125,345,400	240,805,200	87,384,700	94,151,400
Kentucky Higher Education Assistance Authority	213,493,400	328,816,300	345,047,600	214,873,000	216,595,600
Postsecondary Education Institutions	4,771,536,200	5,078,187,300	5,341,165,500	4,937,511,300	5,135,952,200
TOTAL EXPENDITURES	5,105,569,000	5,532,349,000	5,927,018,300	5,239,769,000	5,446,699,200

**Postsecondary Education
Council on Postsecondary Education**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	95,120,700	91,706,300	207,071,600	53,946,000	59,466,800
Continuing Appropriation	250,800				
Budget Reduction	-1,988,200				
Salary Compensation Fund	62,800				
Total General Fund	93,446,100	91,706,300	207,071,600	53,946,000	59,466,800
Tobacco Settlement-Phase I					
Tobacco Settlement - I	4,691,200	5,591,100	5,685,600	5,586,100	6,656,600
Other	788,900				
Total Tobacco Settlement-Phase I	5,480,100	5,591,100	5,685,600	5,586,100	6,656,600
Restricted Funds					
Balance Forward	708,100	221,300	20,000	5,900	
Current Receipts	1,604,900	1,873,400	2,054,700	1,873,400	2,054,700
Non-Revenue Receipts	6,873,700	6,873,900	6,873,900	6,873,900	6,873,900
Fund Transfers	-250,000				
Total Restricted Funds	8,936,700	8,968,600	8,948,600	8,753,200	8,928,600
Federal Funds					
Balance Forward	4,500				
Current Receipts	19,094,900	19,099,400	19,099,400	19,099,400	19,099,400
Total Federal Funds	19,099,400	19,099,400	19,099,400	19,099,400	19,099,400
TOTAL SOURCE OF FUNDS	126,962,300	125,365,400	240,805,200	87,384,700	94,151,400
EXPENDITURES BY CLASS					
Personnel Cost	12,338,800	14,272,100	14,995,500	11,911,000	12,204,200
Operating Expenses	5,574,900	9,646,200	9,392,000	5,184,500	4,951,300
Grants, Loans or Benefits	80,005,100	101,297,100	118,745,700	70,159,200	70,576,900
Debt Service	22,493,000		97,542,000		6,289,000
Capital Outlay	127,600	130,000	130,000	130,000	130,000
TOTAL EXPENDITURES	120,539,400	125,345,400	240,805,200	87,384,700	94,151,400
EXPENDITURES BY FUND SOURCE					
General Fund	87,029,100	91,706,300	207,071,600	53,946,000	59,466,800
Tobacco Settlement-Phase I	5,480,100	5,591,100	5,685,600	5,586,100	6,656,600
Restricted Funds	8,930,800	8,948,600	8,948,600	8,753,200	8,928,600
Federal Funds	19,099,400	19,099,400	19,099,400	19,099,400	19,099,400
TOTAL EXPENDITURES	120,539,400	125,345,400	240,805,200	87,384,700	94,151,400
EXPENDITURES BY UNIT					
Agency Operations	9,535,800	11,169,400	11,760,300	9,296,400	9,523,100
Pass Through Programs	12,862,400	13,321,400	13,483,800	12,115,900	12,272,400
Federal Programs	5,598,000	6,250,000	6,250,000	5,250,000	5,250,000
Strategic Investment & Incentive Funding Program	92,543,200	94,604,600	209,311,100	60,722,400	67,105,900
TOTAL EXPENDITURES	120,539,400	125,345,400	240,805,200	87,384,700	94,151,400

The Council on Postsecondary Education serves as the representative agency in matters of postsecondary education and in this role brings a statewide perspective to postsecondary education issues and planning. The Council has the responsibility both for guiding the system and serving as an advocate for postsecondary education as a part of the total education enterprise. The primary focus of the Council is the coordination of an effective system of postsecondary education meeting the current and future educational needs of the Commonwealth. The Council also has responsibility to operate Kentucky's adult education system, bringing all of Kentucky's public postsecondary and adult education providers under a single authority.

The six goals for the postsecondary education system, codified in KRS 164.003(2), are summarized below:

- A seamless, integrated system of postsecondary education strategically planned and adequately funded to enhance economic development and quality of life.
- A major comprehensive research institution ranked nationally in the top 20 public universities at the University of Kentucky.
- A premier, nationally-recognized metropolitan research university at the University of Louisville.
- 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.
- 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.
- An efficient, responsive, and coordinated system of providers that delivers educational services to all adult citizens in quantities and of a quality that is comparable to the national average or above and significantly elevates the level of education of the adults of the Commonwealth.

The Council is the liaison between postsecondary education and other segments of the education community. This role is particularly important in relation to other state agencies relating to elementary and secondary education and those directly impacting postsecondary education. The creation of the P-16 council, a joint effort of the Council and the Kentucky Board of Education, is a concerted effort to identify common issues between the two systems and to further identify solutions.

The statutory responsibilities set forth in KRS Chapter 164 primarily involve: determining the needs of postsecondary education in the Commonwealth; developing and implementing a strategic agenda and strategic implementation plan (the Action Agenda) designed to achieve the legislatively mandated goals for postsecondary education; setting tuition rates or overseeing the setting of tuition rates by the public postsecondary education institutions; providing the Governor and the General Assembly reports on the performance of the postsecondary education system and the individual institutions in achieving the goals of postsecondary education reform; operating the Kentucky Virtual University and the Kentucky Virtual Library; supporting P-16 reform initiatives; administering a comprehensive program for adult students; establishing technology standards for distance education; deregulating, where possible, the policies and procedures of the Council; establishing minimum standards for admissions; reviewing, modifying, approving and eliminating academic programs; reviewing and recommending funding for the public institutions; administering the strategic investment and incentive funding program; approving and recommending capital projects; maintaining a statewide system of accountability; and licensing private degree-granting and proprietary baccalaureate degree-granting institutions. The Council also is the representative agency of the Commonwealth in postsecondary education matters not specifically delegated by statute to any of the public institutions and for interstate compacts and agreements.

**Postsecondary Education
Council on Postsecondary Education
Agency Operations**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	8,880,300	10,416,700	11,007,600	8,695,000	8,740,400
Budget Reduction	-90,800				
Salary Compensation Fund	62,800				
Total General Fund	8,852,300	10,416,700	11,007,600	8,695,000	8,740,400
Restricted Funds					
Balance Forward	650,600	221,300	20,000		
Current Receipts	282,900	551,400	732,700	551,400	732,700
Non-Revenue Receipts				50,000	50,000
Fund Transfers	-250,000				
Total Restricted Funds	683,500	772,700	752,700	601,400	782,700
TOTAL SOURCE OF FUNDS	9,535,800	11,189,400	11,760,300	9,296,400	9,523,100
EXPENDITURES BY CLASS					
Personnel Cost	8,107,900	9,619,200	10,222,000	7,931,900	8,162,900
Operating Expenses	1,300,300	1,420,200	1,408,300	1,234,500	1,230,200
Capital Outlay	127,600	130,000	130,000	130,000	130,000
TOTAL EXPENDITURES	9,535,800	11,169,400	11,760,300	9,296,400	9,523,100
EXPENDITURES BY FUND SOURCE					
General Fund	8,852,300	10,416,700	11,007,600	8,695,000	8,740,400
Restricted Funds	683,500	752,700	752,700	601,400	782,700
TOTAL EXPENDITURES	9,535,800	11,169,400	11,760,300	9,296,400	9,523,100

The Agency Operations program is the support unit of the Council on Postsecondary Education. The Agency Operations budget includes funding for operating activities in support of development and implementation of the strategic agenda and action plan, academic program review, capital and operating finances, and implementation of the Strategic Investment and Incentive Funding Program.

Authority for the Council is found in KRS 164.013, 164.0203, and 164.020. The Agency Operations program is the support unit of the Council. As such, employees included in the Agency Operations program provided limited direct services to students and faculty at public and private postsecondary education institutions, legislators, members of the governor's staff, and other state agencies. The Council licenses private postsecondary education institutions, a regulatory function.

Agency Operations include staff and operating expenses necessary to manage the agency and programs of the Council with the exception of those employees involved in the direct delivery of services for adult education and the Kentucky Virtual University/Virtual Library. The staff is organized into seven primary units with Agency Operations providing support services to all units:

- The Executive unit consists of the CPE president, executive vice president, general counsel, and support staff. The executive unit provides leadership and direction to the other units, coordinates the postsecondary education equal opportunity efforts, directs strategic planning, accountability, and assessment efforts, and provides legal services to the agency.
- The Public Affairs, Communications, and Human Resources unit includes support staff providing governmental and legislative services, media relations, and communications planning.

- Academic Affairs includes activities related to approval, modification, disapproval, or discontinuance of academic programs, extended campus activities, academic course inventory, admissions standards, accountability, statewide strategic planning, early childhood literacy, baccalaureate degree transfer, academic common market, and licensure of independent colleges and universities. Testing and Local P-16 Council initiatives are funded through the council's pass-through programs. "New economy" responsibilities of this unit include oversight of the Science and Technology funding program and coordination of the state's economic development initiatives in conjunction with the Economic Development Cabinet.
- Adult Education was transferred to the Council in 2003. This unit provides governmental relations, communications, information, technology, and business office support to the adult education program unit.
- The Finance unit is responsible for developing funding approaches for the institutions, the analysis of postsecondary education financial information, the review and recommendation of capital construction projects, tuition setting, reciprocity agreements, and the administration of the strategic investment and incentive trust funds. In addition to these institutionally focused activities, the Finance unit also is responsible for the administrative and business operations of the agency: budgeting, accounting, purchasing, printing/copying, telecommunications services, and inventory control.
- Information Technology includes those activities related to the collection and analysis of student data collected through the agency's comprehensive data base, support and maintenance of the agency's computing needs including the local area network and coordination of statewide technology efforts. The information technology unit provides services to all of the program units of the Council.

**Postsecondary Education
Council on Postsecondary Education
Pass Through Programs**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	6,153,100	6,427,500	6,589,900	5,266,100	5,428,500
Budget Reduction	-184,600				
Total General Fund	5,968,500	6,427,500	6,589,900	5,266,100	5,428,500
Restricted Funds					
Balance Forward	6,100			5,900	
Current Receipts	20,000	20,000	20,000	20,000	20,000
Non-Revenue Receipts	6,873,700	6,873,900	6,873,900	6,823,900	6,823,900
Total Restricted Funds	6,899,800	6,893,900	6,893,900	6,849,800	6,843,900
TOTAL SOURCE OF FUNDS	12,868,300	13,321,400	13,483,800	12,115,900	12,272,400
EXPENDITURES BY CLASS					
Operating Expenses	3,000	3,000	3,000	3,000	3,000
Grants, Loans or Benefits	12,859,400	13,318,400	13,480,800	12,112,900	12,269,400
TOTAL EXPENDITURES	12,862,400	13,321,400	13,483,800	12,115,900	12,272,400
EXPENDITURES BY FUND SOURCE					
General Fund	5,968,500	6,427,500	6,589,900	5,266,100	5,428,500
Restricted Funds	6,893,900	6,893,900	6,893,900	6,849,800	6,843,900
TOTAL EXPENDITURES	12,862,400	13,321,400	13,483,800	12,115,900	12,272,400
EXPENDITURES BY UNIT					
Contract Spaces	4,024,900	4,280,100	4,442,500	4,280,100	4,442,500
Metroversity	58,800	58,800	58,800		
Professional Education Preparation Program	404,200	416,700	416,700	355,700	355,700
Telecommunications Consortia	177,200	182,700	182,700		
Minority Student College Prep Program	397,700	397,700	397,700	353,900	353,900
State Autism Training Center	211,300	277,800	277,800	185,900	185,900
Kentucky Rural Development Center	677,300	698,200	698,200		
SREB Doctoral Scholars Program	301,400	301,400	301,400	284,400	284,400
Pass Through - Other	109,600	208,000	208,000	155,900	150,000
Cancer Research Insts Mtchg Fd	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
TOTAL EXPENDITURES	12,862,400	13,321,400	13,483,800	12,115,900	12,272,400

The Council on Postsecondary Education has been designated as the receiving agency for several programs. Funds are appropriated to the Council and subsequently "passed-through" to other agencies or entities. The Council monitors the implementation of the programs but is not responsible for actual day-to-day operations. For purposes of display, these programs have been grouped together under the heading of Pass Through Programs. A brief description of each program is provided below.

The **Contract Spaces Program** provides Kentucky students with access to veterinary medicine and optometry programs through contracts administered by the Southern Regional Education Board and Indiana University. In veterinary medicine, Kentucky contracts for spaces at Auburn University and Tuskegee Institute. In optometry, Kentucky contracts for spaces at the Southern College of Optometry, the University of Alabama, and Indiana University. Contract fees guarantee a fixed

number of spaces in these academic programs for qualified Kentucky residents. Enrolled students are required to pay only the equivalent of the in-state tuition at the host institution. Students are supported for four years. To reserve these spaces and to help defray cost, the Commonwealth pays a contract fee per space to each participating institution. These contracts are the primary sources of enrollment opportunities for Kentucky students and for trained individuals to meet workforce needs in these professional areas.

The **Cancer Research Institutions Matching Fund** is administered by the Council on Postsecondary Education. The University of Louisville Research Foundation and the University of Kentucky Research Foundations will each be eligible for state funds under this program. The program is funded by a one-cent cigarette surtax. To receive the funding from this program, the two research institutions must provide a dollar for dollar match from external sources. The purpose of these funds is to support cancer-related research that will ultimately reduce the morbidity and mortality from these diseases. The program supports collaborative business and academic ventures in support of the cancer research programs at their respective university cancer centers (Brown and Markey).

Since the late 1970s, the Council has supported cooperative activities among and services to postsecondary education institutions in the Greater Louisville area through the interstate **Metroversity Consortium**. On behalf of the participating institutions, Metroversity operates the Educational Opportunity Center, a cross-registration program, student and faculty competitions and activities, and interlibrary courier service. The Consortia also maintains a cable TV channel for institutional use.

The **Professional Education Preparation Program (PEPP)** was established in 1980 pursuant to KRS 164.028 through 164.0282. The program assists students and prospective students from rural and inner-city areas experiencing medical and dental workforce shortages to gain admission to and graduate from medical and dental school. All funds appropriated to the Council for the PEPP program are allocated to the University of Kentucky, the University of Louisville, and the Pikeville College, School of Osteopathic Medicine to conduct pre-freshman workshops, undergraduate workshops, student assessment conferences, and MCAT/DAT test assistance with tutors, tutoring, and summer job placement.

The **Telecommunications Consortium** was established in 1978 with funding provided through the budget of the Council. Programming and any needed staff services are provided by Kentucky Educational Television (KET) through a Memorandum of Agreement with the Council. The Consortium provides college credit course via KET's open broadcast television capability. In fiscal year 2005-2006, 33 undergraduate courses are scheduled for delivery. Students may enroll by mail and view courses at home.

The **Governor's Minority Student College Preparation Program** was established in 1986 to provide academic enrichment activities for middle and junior high school students, encourage them to stay in school and to enter college, to make young African-American students aware of the benefits and value of college and make them more likely to consider college as an achievable option, and to prepare these students to be successful in college-level work. The program places emphasis on early intervention in an attempt to overcome problems at the high school level that tend to reduce the pool of minorities interested in attending and prepared to do well in college. Approximately 1,100 middle and high-school students will be enrolled in this program each year.

The **Kentucky State Autism Training Center** contracts with the University of Louisville to provide coordinated services for training individuals involved in delivering services to those diagnosed with autism or autistic related disorders.

The **Kentucky Rural Development Center** operates in Somerset, Kentucky. The Center provides technical assistance to business and governmental entities in networking and video conferencing.

The **Southern Regional Education Board Doctoral Scholars Program** is a cooperative interstate venture that seeks to support and encourage minority students to pursue doctoral degrees. The program seeks to increase the number of minority faculty members employed as college faculty and executives by increasing the available pool of minority candidates. Students are provided scholarships and other financial support to attend institutions throughout the southern region and in some Midwest states.

Washington, D.C. Internship and Academic Seminar. The budget provides \$100,000 each year from the General Fund for a Washington, D.C. Internship and Academic Seminar program.

Policy

The General Assembly provided additional funding in the Contract Spaces program for ten more veterinary medicine slots for Kentucky students, bringing to 154 the total number of slots.

**Postsecondary Education
Council on Postsecondary Education
Federal Programs**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation		1,000,000	1,000,000		
Total General Fund		1,000,000	1,000,000		
Federal Funds					
Current Receipts	5,598,000	5,250,000	5,250,000	5,250,000	5,250,000
Total Federal Funds	5,598,000	5,250,000	5,250,000	5,250,000	5,250,000
TOTAL SOURCE OF FUNDS	5,598,000	6,250,000	6,250,000	5,250,000	5,250,000
EXPENDITURES BY CLASS					
Personnel Cost	709,400	779,800	851,200	786,000	846,400
Operating Expenses	352,500	362,500	140,600	362,500	140,600
Grants, Loans or Benefits	4,536,100	5,107,700	5,258,200	4,101,500	4,263,000
TOTAL EXPENDITURES	5,598,000	6,250,000	6,250,000	5,250,000	5,250,000
EXPENDITURES BY FUND SOURCE					
General Fund		1,000,000	1,000,000		
Federal Funds	5,598,000	5,250,000	5,250,000	5,250,000	5,250,000
TOTAL EXPENDITURES	5,598,000	6,250,000	6,250,000	5,250,000	5,250,000

The Council on Postsecondary Education administers three federal programs (exclusive of the Adult Education related grants): Improving Educator Quality State Grant program, Gaining Early Awareness and Readiness for Undergraduate programs (GEAR UP) Kentucky, and the Fund for the Improvement of Postsecondary Education (FIPSE).

The Improving Educator Quality State Grant program focuses on preparing, training, and recruiting high-quality teachers. The Council on Postsecondary Education provides competitive grants to partnerships comprised of schools of education and arts and sciences, along with one or more high-need local school districts.

The Gaining Early Awareness and Readiness program is a federal initiative that encourages young people to stay in school, study hard and take the right courses to go to college. The program provides a range of services to low-income students by supporting new or expanded activities that strengthen schools. GEAR UP grants are awarded to states as well as partnerships comprising schools, postsecondary institutions and non-school partners. GEAR UP state grants stress early intervention and provide scholarships. Each grant dollar must be matched through a combination of state, local, and private funds.

The Council received its first FIPSE grant in 2002 to develop a statewide advising outreach network for high school students and adult learners who want to go on to college and for students who wish to transfer from two-year to four-year institutions. The grant funds the system referred to as U-CAN, the university coordinated advising network. Key partners include the Kentucky Community and Technical College System, the Kentucky Department of Education, the Kentucky Higher Education Assistance Authority, a number of postsecondary institutions, school districts, and adult education learning centers. Through matching funds, improvements are being made to and activities expanded in the Kentucky Virtual University call center.

**Postsecondary Education
Council on Postsecondary Education
Strategic Invest & Incentive Funding Program**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	80,087,300	73,862,100	188,474,100	39,984,900	45,297,900
Continuing Appropriation	250,800				
Budget Reduction	-1,712,800				
Total General Fund	78,625,300	73,862,100	188,474,100	39,984,900	45,297,900
Tobacco Settlement-Phase I					
Tobacco Settlement - I	4,691,200	5,591,100	5,685,600	5,586,100	6,656,600
Other	788,900				
Total Tobacco Settlement-Phase I	5,480,100	5,591,100	5,685,600	5,586,100	6,656,600
Restricted Funds					
Balance Forward	51,400				
Current Receipts	1,302,000	1,302,000	1,302,000	1,302,000	1,302,000
Total Restricted Funds	1,353,400	1,302,000	1,302,000	1,302,000	1,302,000
Federal Funds					
Balance Forward	4,500				
Current Receipts	13,496,900	13,849,400	13,849,400	13,849,400	13,849,400
Total Federal Funds	13,501,400	13,849,400	13,849,400	13,849,400	13,849,400
TOTAL SOURCE OF FUNDS	98,960,200	94,604,600	209,311,100	60,722,400	67,105,900
EXPENDITURES BY CLASS					
Personnel Cost	3,521,500	3,873,100	3,922,300	3,193,100	3,194,900
Operating Expenses	3,919,100	7,860,500	7,840,100	3,584,500	3,577,500
Grants, Loans or Benefits	62,609,600	82,871,000	100,006,700	53,944,800	54,044,500
Debt Service	22,493,000		97,542,000		6,289,000
TOTAL EXPENDITURES	92,543,200	94,604,600	209,311,100	60,722,400	67,105,900
EXPENDITURES BY FUND SOURCE					
General Fund	72,208,300	73,862,100	188,474,100	39,984,900	45,297,900
Tobacco Settlement-Phase I	5,480,100	5,591,100	5,685,600	5,586,100	6,656,600
Restricted Funds	1,353,400	1,302,000	1,302,000	1,302,000	1,302,000
Federal Funds	13,501,400	13,849,400	13,849,400	13,849,400	13,849,400
TOTAL EXPENDITURES	92,543,200	94,604,600	209,311,100	60,722,400	67,105,900
EXPENDITURES BY UNIT					
Research Challenge Trust Fund	5,480,100	5,591,100	21,643,600	5,586,100	5,680,600
Regional University Excellence Trust Fund			4,256,000		
Technology Initiative Trust Fund	7,012,800	11,180,200	20,415,200	7,848,100	7,848,100
Physical Facilities Trust Fund	22,493,000		67,099,000		6,289,000
Workforce Development Trust Fund	1,200,000		1,064,000		
Adult Education and Literacy Funding Program	37,978,600	41,127,400	43,127,400	37,627,400	37,627,400
Science and Technology Funding Program	10,185,700	19,555,900	19,555,900	8,160,800	8,160,800
Research Support Funding Program	3,000,000				
Special Initiatives Funding Program	902,000	9,050,000	9,050,000		
Regional Stewardship Funding Program	3,484,800	2,100,000	2,100,000	1,500,000	1,500,000
Performance Funding	806,200	6,000,000	21,000,000		
TOTAL EXPENDITURES	92,543,200	94,604,600	209,311,100	60,722,400	67,105,900

The **Strategic Investment and Incentive Funding Program** was created in the Kentucky Postsecondary Education Improvement Act of 1997, codified as KRS 164.7911. This program consists of appropriations for six Strategic Investment and Incentive Trust Funds: the Research Challenge Trust Fund, the Regional University Excellence Trust Fund, the Technology Initiative Trust Fund, the Physical Facilities Trust Fund, the Postsecondary Workforce Development Trust Fund, and the Student Financial Aid and Advancement Trust Fund. The Council has also established through the budget process three Strategic Investment and Incentive Funding Programs: the Adult Education and Literacy Funding Program, the Science and Technology Funding Program, and the Regional Stewardship Funding Program. These appropriations are made to the Council, which is responsible for establishing criteria and distributing these funds to postsecondary institutions in a manner that will allow the Commonwealth to reach the six goals established in KRS 164.003(2).

	<u>FY 2009</u>	<u>FY 2010</u>
Research Challenge Trust Fund		
Bucks for Brains - Bonds	57,500,000	
Lung Cancer Research Phase I Tobacco Settlement Funding	5,586,100	5,680,600
Regional University Excellence Trust Fund		
Bucks for Brains - Bonds	10,000,000	
Physical Facilities Trust Fund		
Debt Service for \$113,127,000 in Bond Funded Projects		6,289,000
Technology Initiatives Trust Fund	7,848,100	7,848,100
Adult Education and Literacy Funding Program	37,627,460	37,627,400
Science and Technology Funding Program	8,160,800	8,160,800
Regional Stewardship Funding Program	1,500,000	1,500,000
TOTAL FUNDING PROGRAM APPROPRIATIONS	128,222,400	67,105,900

Research Challenge Trust Fund

The Research Challenge Trust Fund includes funding from the Phase I Tobacco Settlement devoted to the Lung Cancer Research Trust Fund established by KRS 164.476.

The enacted budget includes \$57,500,000 in bond funds for the Bucks for Brains program within the Research Challenge Trust Fund. Two-thirds of \$50,000,000 of these funds are for the University of Kentucky and one-third is for the University of Louisville pursuant to KRS 164.7917. The funds are available for an endowment matching program and for a research capital match program to fund research-related capital projects that could include: laboratory renovation, fit-out of new and existing research space, and renovation of other research-related space. The two universities use donated funds to match the \$50,000,000. Only the investment income from the endowment matching program may be expended. The General Assembly through House Bill 514 also provided an additional \$7,500,000 in Bond Funds for translational research at the University of Louisville.

Regional University Excellence Trust Fund

The enacted budget includes \$10,000,000 in bond funds for the Regional University Excellence Trust Fund. The purpose of the Fund is to provide financial assistance to encourage regional universities to develop a nationally recognized program.

Physical Facilities Trust Fund - \$5,313,000 from the General Fund and \$976,000 from Tobacco Settlement - Phase I funds are provided in fiscal year 2010 for debt service for \$113,127,000 in bond funded projects for the Council and the public postsecondary education institutions, including the Bucks for Brains bond funds.

Technology Initiatives Trust Fund

Funding is provided for the following subsidiary programs of the Technology Initiatives Trust Fund:

1. Kentucky Postsecondary Education Network (KPEN) is an Internet protocol-optimized network specifically designed for postsecondary education requirements and applications. It accommodates high-demand, high-access Internet users and provides an easy mechanism for expansion of network services. Expanded KPEN services extend to all postsecondary education institutions through the Master Agreement developed between the University of Kentucky and the vendor, Alltel, Inc. The Council on Postsecondary Education, working through the University of Kentucky, financially supports a baseline network for the state-supported postsecondary education institutions. Institutions may purchase additional services and bandwidth directly from the Master Agreement with the vendor.
2. Faculty Development is provided in collaboration with one or more institutions to sponsor statewide initiatives. These initiatives serve an agenda-setting function, drawing attention to important dimensions of faculty development linked to system goals.
3. The Kentucky Virtual University/Virtual Library operates a comprehensive set of university programs that include over 16,000 learners. The virtual library is a consortium of public and private postsecondary education libraries, the Kentucky Department for Libraries and Archives, the Kentucky Department of Education, the county and city public libraries, and special libraries. The Agency Operations unit provides governmental relations, communications, information, technology, and business office support to the program activities of the Kentucky Virtual University/Virtual Library program unit. The technology contracts to operate these systems are included in the program.
4. College Access Initiative - The purpose of the College Access Initiative is to support the Council's Double the Numbers efforts to increase educational attainment to the national average by providing motivational, streamlined and relevant college-going information that will encourage people to inquire and enroll in college. Previous research makes clear that many Kentuckians do not see the benefit of postsecondary education, significantly overestimate the cost of college, and often lack the necessary information to know how to prepare and financially plan for college.
5. College Level Learning Assessment - The Council is working with college and university representatives on the best way to measure improvements in academic outcomes. The Council is currently preparing a statewide assessment plan to measure general education outcomes that builds on the ACT Evaluation and Planning and Assessment System (EPAS) implementation in K-12 to report gains in student educational progress by institution. The Council will be responsible for dissemination of the results, identification of areas for improvement and for continued performance monitoring at all public postsecondary institutions.

Adult Education and Literacy Funding Program

The Adult Education Reform Act provided the foundation for improving the educational status of adult Kentuckians who do not have a high school diploma, who function at low levels of literacy or who want to learn the English language.

The Act also created a partnership between the Council on Postsecondary Education and the Department for Adult Education and Literacy. The partnership was strengthened in July 2003 by the organizational transition of the newly renamed "Kentucky Adult Education" from the Cabinet for Workforce Development to the Council on Postsecondary Education. This reorganization positions Kentucky Adult Education at the forefront of education in the Commonwealth and facilitates the program's momentum toward the next level of achievement by creating new avenues for reaching adult learners and helping them transition to postsecondary education and employment.

Base funding is distributed to local organizations through grants for adult basic education and literacy services, the cornerstone of Kentucky Adult Education. The Kentucky Adult Education Reform Act requires services to be targeted to communities with the greatest need, so funds are allocated using a formula based on the number of adults in each county functioning at low literacy levels.

Through this funding, every Kentucky county is served by a comprehensive adult education provider that offers all levels of adult education instruction, family literacy, and employability and life skills instruction. Many providers also offer English as a Second Language classes and workplace education. Every provider operates one or more sites throughout the county to meet the unique learning needs of its target population. Kentucky Adult Education contracts with local boards of education, community and technical colleges, community-based organizations, education consortia, public and private non-profit organizations and correctional institutions to provide adult education and literacy services in a variety of settings and locations.

Science and Technology Funding Program

The Science and Technology Funding program supports the programs established by the Kentucky Innovation Act, enacted by the 2000 General Assembly, and amended in subsequent sessions, and codified as KRS 164.6011 through 164.6043.

Funding is provided each year of the biennium for the suite of Science and Technology programs which include: **the Research and Development Voucher** program that provides vouchers to small and medium-size Kentucky-based companies that undertake research and development work in partnership with universities in the Commonwealth, the **Commercialization Fund** that provides development funds for promising technologies developed through the research and development work undertaken at the universities in the Commonwealth, and the **Rural Innovation** program that provides funding to Kentucky-based companies with fewer than 150 employees. Recipient companies contract with an accredited postsecondary institution, the **Experimental Program to Stimulate Competitive Research (EPSCoR)** program, a highly collaborative and successful federal research and development program initiated by the National Science Foundation in 1978 that leverages state matching funds to bring additional federal research dollars to Kentucky. The Science and Technology Funding Program also provides funding for the **Science and Engineering Foundation**. The Science and Engineering Foundation, expanding on the existing EPSCoR program and funding, is modeled in part after the National Science Foundation and makes investments in peer-reviewed science and engineering research, to accelerate the rate of research and development funds and work to increase the amount of federal and private sector funds for this work in Kentucky. The Science and Technology Funding program provides funding each year for the **Knowledge-Based Economy Academic Programs** in engineering and information technology. The Council on Postsecondary Education directed the public universities and colleges to work together to design a statewide strategy to educate more engineers, to integrate engineering education more closely into the technology-driven New Economy, and to recruit more women and minorities into engineering. Students at Western Kentucky University, Murray State University, the University of Louisville, and the University of Kentucky are enrolled in joint engineering classes.

Regional Stewardship Funding Program - This program provides financing in the amount of \$1,500,000 each year to the comprehensive postsecondary education institutions to promote regional and statewide economic development, livable communities, and civic participation through public engagement activities initiated by university faculty and staff. The universities design and implement programs that align institutional priorities, resources, and infrastructure to support their missions as stewards of place, and to create partnerships that address regional and state needs.

**Postsecondary Education
Kentucky Higher Education Assistance Authority**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	174,304,900	296,077,800	311,198,200	180,992,100	183,809,000
Continuing Appropriation	745,500	1,000,000	1,000,000	1,000,000	1,000,000
Total General Fund	175,050,400	297,077,800	312,198,200	181,992,100	184,809,000
Tobacco Settlement-Phase I					
Tobacco Settlement - I	900,000	1,000,000	1,000,000	1,000,000	1,000,000
Continuing Appropriation	208,600				
Other	300,000				
Total Tobacco Settlement-Phase I	1,408,600	1,000,000	1,000,000	1,000,000	1,000,000
Restricted Funds					
Balance Forward	1,546,900	560,400	238,200	1,144,500	322,400
Current Receipts	23,667,800	21,747,100	22,305,300	21,770,900	22,230,600
Non-Revenue Receipts	12,396,200	8,101,200	7,737,900	8,719,900	7,665,900
Total Restricted Funds	37,610,900	30,408,700	30,281,400	31,635,300	30,218,900
Federal Funds					
Current Receipts	1,568,000	1,568,000	1,568,000	1,568,000	1,568,000
Total Federal Funds	1,568,000	1,568,000	1,568,000	1,568,000	1,568,000
TOTAL SOURCE OF FUNDS	215,637,900	330,054,500	345,047,600	216,195,400	217,595,900
EXPENDITURES BY CLASS					
Personnel Cost	14,124,600	17,168,600	17,728,400	14,351,900	14,813,200
Operating Expenses	2,683,000	2,674,600	2,674,600	2,674,600	2,674,600
Grants, Loans or Benefits	195,941,200	308,228,800	323,901,900	197,102,200	198,365,100
Debt Service	744,600	744,300	742,700	744,300	742,700
TOTAL EXPENDITURES	213,493,400	328,816,300	345,047,600	214,873,000	216,595,600
EXPENDITURES BY FUND SOURCE					
General Fund	174,050,400	296,077,800	312,198,200	180,992,100	183,809,000
Tobacco Settlement-Phase I	1,408,600	1,000,000	1,000,000	1,000,000	1,000,000
Restricted Funds	36,466,400	30,170,500	30,281,400	31,312,900	30,218,600
Federal Funds	1,568,000	1,568,000	1,568,000	1,568,000	1,568,000
TOTAL EXPENDITURES	213,493,400	328,816,300	345,047,600	214,873,000	216,595,600
EXPENDITURES BY UNIT					
General Administration and Support	17,004,500	20,018,100	20,567,800	17,223,100	17,682,800
College Access Program	62,211,000	137,734,900	143,347,100	61,615,500	61,615,500
Work Study Program	850,000	850,000	850,000	850,000	850,000
Kentucky Tuition Grant	32,540,300	37,327,400	37,198,400	32,764,600	32,764,600
Teacher Scholarships	2,251,500	2,251,500	2,251,500	2,065,500	2,065,500
Ky National Guard Tuition	4,720,000	22,400	22,400	4,744,500	4,744,500
Osteopathic Medicine Scholarship	1,024,300	854,400	803,200	854,400	854,400
Ky Educational Excellence Scholarships	89,489,300	91,785,500	93,048,400	91,785,500	93,048,400
Early Childhood Development Scholarships	1,701,100	1,299,800	1,299,800	1,292,500	1,292,500
Kentucky's Affordable Prepaid Tuition (KAPT)	547,700	569,400	577,900	547,700	547,700
Robert C Byrd Honors Scholarship	568,000	568,000	568,000	568,000	568,000
Mary Jo Young Scholarship	385,700	385,700	385,700	385,700	385,700
Go Higher Grant Program	200,000	200,000	200,000	176,000	176,000
Pharmacy Scholarship Program			1,000,000		
Student Loan Forgiveness Programs		34,949,200	42,927,400		
TOTAL EXPENDITURES	213,493,400	328,816,300	345,047,600	214,873,000	216,595,600

The Kentucky Higher Education Assistance Authority's (KHEAA) mission is to improve the higher education opportunities of persons who are attending or planning to attend eligible institutions. The Kentucky Higher Education Assistance Authority provides student financial aid, allowing each student to choose institutions appropriate to each person's education and career objectives as provided under KRS 164.740 - 164.785.

KHEAA administers state grants, work study, scholarships, and college savings programs for postsecondary students. The agency is the designated guarantor of insured student loans and disseminates postsecondary school and financial aid information.

The Kentucky Higher Education Assistance Authority administers the following student aid programs:

The College Access Program awards grants to Kentucky's financially needy undergraduate students enrolled in a public or private non-profit college, public technical college, or proprietary school.

The Kentucky Tuition Grant program provides need-based grants to qualified Kentucky students who choose to attend one of the Commonwealth's 24 participating independent colleges and is designed to assist full-time students with tuition charges at these schools.

The Kentucky Educational Excellence Scholarships (KEES) program provides merit-based scholarships to eligible high school students based on their yearly grade point average and supplemental awards based on their highest ACT (or equivalent SAT) score attained by their high school graduation date. The scholarships can be used to pay the expenses of each year of college or technical training.

The Teacher Scholarship program is designed to assist financially needy Kentucky students with the costs incurred while seeking initial teacher certification. Recipients must agree to render qualified teaching service in the Commonwealth.

The Kentucky National Guard Tuition Award program provides tuition assistance to active members of the Kentucky National Guard to attend Kentucky's state-supported postsecondary educational institutions. The Department of Military Affairs selects the recipients and KHEAA forwards funds to the schools to be disbursed to the students.

The Osteopathic Medicine Scholarship program provides tuition equalization awards to eligible students who choose to attend a Kentucky school of osteopathic medicine rather than a state medical school. Recipients must agree to provide medical services in Kentucky one year for each year they receive a scholarship.

The Pharmacy Scholarship Program provides tuition equalization awards to eligible students who choose to attend a private Kentucky school of pharmacy located in an Appalachian Regional Commission county. Recipients must agree to provide pharmacy services in Kentucky one year for each year they receive a scholarship.

The Early Childhood Development Scholarship program provides tuition assistance to Kentucky residents pursuing a credential, certificate, or degree in early childhood education. It was established to upgrade the professional development of child-care workers and trainers who do not have access to state or federal professional development funds.

The Robert C. Byrd Honors Scholarship program is a federally-funded merit-based program that awards scholarships to qualified high school seniors and GED recipients who demonstrate outstanding academic achievement.

The Go Higher Grant Program provides needs-based scholarships from coal severance dollars to students from coal producing counties to pursue a certificate, diploma, or degree in one of Kentucky's participating public and private colleges, universities, technical colleges and vocational training institutions.

Policy

Included in the General Fund for the College Access Program (CAP) is \$60,262,000 in fiscal year 2009 and in fiscal year 2010, \$60,262,000. Included in the federal funds for CAP is \$1,000,000 in each fiscal year of the 2008-2010 biennium.

Included in the General Fund for the Kentucky Tuition Grant program is \$32,476,200 in each fiscal year of the 2008-2010 biennium.

The KEES program funding is \$91,785,500 in fiscal year 2009 and \$93,048,400 in fiscal year 2010 which fully funds the program.

Included in the General Fund for the Teacher Scholarship Program is \$1,777,100 in each fiscal year of the 2008-2010 biennium, notwithstanding the provisions of KRS 154A.130(4). Included in the restricted funds for the Teacher Scholarship Program is \$288,400 in each of the 2008-2010 biennium.

The enacted budget includes funding for the National Guard Tuition Assistance Program, \$4,744,500 in fiscal year 2009 and \$4,744,500 in fiscal year 2010.

Included in the General Fund for the Osteopathic Medicine Scholarships is \$854,400 in each fiscal year from Coal Severance Tax revenues.

The Early Childhood Development Scholarship program is funded with \$1,000,000 in each fiscal year from Tobacco Settlement funds.

The Work Study program is funded with \$850,000 each year from the General Fund.

Postsecondary Education
Postsecondary Education Institutions

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	1,110,139,200	1,207,935,900	1,285,502,900	1,067,009,000	1,080,039,600
Special Appropriation	2,000,000				
Budget Reduction	-32,521,200				
Total General Fund	1,079,618,000	1,207,935,900	1,285,502,900	1,067,009,000	1,080,039,600
Tobacco Settlement-Phase I					
Tobacco Settlement - I				250,000	250,000
Total Tobacco Settlement-Phase I				250,000	250,000
Restricted Funds					
Current Receipts	3,021,563,600	3,169,926,400	3,318,643,400	3,169,926,400	3,318,643,400
Total Restricted Funds	3,021,563,600	3,169,926,400	3,318,643,400	3,169,926,400	3,318,643,400
Federal Funds					
Current Receipts	670,354,600	700,325,000	737,019,200	700,325,900	737,019,200
Total Federal Funds	670,354,600	700,325,000	737,019,200	700,325,900	737,019,200
TOTAL SOURCE OF FUNDS	4,771,536,200	5,078,187,300	5,341,165,500	4,937,511,300	5,135,952,200
EXPENDITURES BY CLASS					
Personnel Cost	2,542,501,000	2,700,317,900	2,840,917,400	2,709,171,400	2,857,567,400
Operating Expenses	1,479,110,000	1,573,006,300	1,659,145,300	1,483,955,300	1,523,672,600
Grants, Loans or Benefits	509,431,000	541,958,500	572,931,200	499,763,500	509,600,000
Debt Service	82,042,700	94,362,700	95,761,400	91,124,400	91,421,600
Capital Outlay	158,451,500	168,541,900	172,410,200	153,496,700	153,690,600
TOTAL EXPENDITURES	4,771,536,200	5,078,187,300	5,341,165,500	4,937,511,300	5,135,952,200
EXPENDITURES BY FUND SOURCE					
General Fund	1,079,618,000	1,207,935,900	1,285,502,900	1,067,009,000	1,080,039,600
Tobacco Settlement-Phase I				250,000	250,000
Restricted Funds	3,021,563,600	3,169,926,400	3,318,643,400	3,169,926,400	3,318,643,400
Federal Funds	670,354,600	700,325,000	737,019,200	700,325,900	737,019,200
TOTAL EXPENDITURES	4,771,536,200	5,078,187,300	5,341,165,500	4,937,511,300	5,135,952,200
EXPENDITURES BY UNIT					
Eastern Kentucky University	286,668,900	306,038,500	324,327,700	296,061,600	310,249,700
Kentucky State University	63,265,700	66,209,500	67,609,200	62,667,100	62,920,100
Morehead State University	178,994,000	187,031,400	194,128,500	180,945,300	185,684,700
Murray State University	148,823,100	161,154,100	169,235,200	154,075,400	159,323,800
Northern Kentucky University	198,347,000	225,202,100	245,200,000	216,272,800	231,243,800
University of Kentucky	2,062,135,700	2,172,407,000	2,271,547,600	2,134,364,800	2,220,751,300
University of Louisville	862,408,200	908,326,500	946,769,200	886,222,300	913,224,500
Western Kentucky University	312,088,500	338,548,000	357,654,000	327,484,200	342,652,700
Kentucky Community and Technical College System	658,805,100	713,270,200	764,694,100	679,417,800	709,901,600
TOTAL EXPENDITURES	4,771,536,200	5,078,187,300	5,341,165,500	4,937,511,300	5,135,952,200

**Postsecondary Education
Postsecondary Education Institutions
Eastern Kentucky University**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	80,230,200	87,222,000	92,077,500	77,245,100	77,999,500
Budget Reduction	-2,392,800				
Total General Fund	77,837,400	87,222,000	92,077,500	77,245,100	77,999,500
Restricted Funds					
Current Receipts	129,181,500	134,387,500	142,755,500	134,387,500	142,755,500
Total Restricted Funds	129,181,500	134,387,500	142,755,500	134,387,500	142,755,500
Federal Funds					
Current Receipts	79,650,000	84,429,000	89,494,700	84,429,000	89,494,700
Total Federal Funds	79,650,000	84,429,000	89,494,700	84,429,000	89,494,700
TOTAL SOURCE OF FUNDS	286,668,900	306,038,500	324,327,700	296,061,600	310,249,700
EXPENDITURES BY CLASS					
Personnel Cost	156,514,000	167,018,100	175,659,500	164,671,900	172,269,100
Operating Expenses	71,934,300	76,545,700	82,647,400	71,898,500	75,593,300
Grants, Loans or Benefits	52,728,300	55,325,400	57,799,900	53,171,400	55,645,900
Debt Service	468,800	2,009,400	2,229,200	2,009,400	2,229,200
Capital Outlay	5,023,500	5,139,900	5,991,700	4,310,400	4,512,200
TOTAL EXPENDITURES	286,668,900	306,038,500	324,327,700	296,061,600	310,249,700
EXPENDITURES BY FUND SOURCE					
General Fund	77,837,400	87,222,000	92,077,500	77,245,100	77,999,500
Restricted Funds	129,181,500	134,387,500	142,755,500	134,387,500	142,755,500
Federal Funds	79,650,000	84,429,000	89,494,700	84,429,000	89,494,700
TOTAL EXPENDITURES	286,668,900	306,038,500	324,327,700	296,061,600	310,249,700

Eastern Kentucky University (EKU), located in Richmond, Kentucky, was established by the General Assembly in 1906 when it created two schools for the training of teachers. Originally designated the Eastern Kentucky State Normal School, the 1922 General Assembly changed the name to the Eastern Kentucky State Normal School and Teachers College and passed an enabling act permitting the university to confer academic degrees. In 1930, the name was changed to Eastern Kentucky State Teachers College, then to Eastern Kentucky State College in 1948, and finally to Eastern Kentucky University in 1966. The governing body of the University is the Board of Regents, consisting of eight members appointed by the Governor of Kentucky, one faculty member elected by the faculty, one student member elected by the students, and one staff member elected by the staff. The Board has general supervision of lands, buildings, and other properties of the University, subject to the statutes of the Commonwealth of Kentucky.

Eastern Kentucky University's goal, mandated by House Bill 1, is to have at least one nationally recognized program of distinction or one nationally recognized applied research program, as well as to work cooperatively with other postsecondary institutions to assure statewide access to baccalaureate and master's degrees of a quality at or above the national average.

To advance this agenda, EKU's programs have a strong liberal arts and sciences undergraduate core that prepares students to live and work in a global society. It offers a comprehensive array of baccalaureate, master's, and specialist programs and may offer programs beyond the master's degree to meet the needs of teachers, educational leaders, and other certified school personnel. Collaborative doctoral programs also may be offered through the University of Kentucky and the University of Louisville to meet state needs, along with sub-associate or associate degree programs that meet community needs in consultation with KCTCS.

Eastern Kentucky University boasts a number of nationally recognized graduate programs in targeted areas of opportunity, including its Program of Distinction in justice and safety. Distinctive educational experiences geared to the specific needs and interests of students include service learning, international education, and opportunities for discovery-based learning.

Eastern Kentucky University maintains moderately selective to selective admissions with a commitment to recruiting a diverse student body that includes dually enrolled high school students. It serves the needs of traditional, nontraditional, and transfer students seeking baccalaureate and advanced degrees and recruits students nationally and internationally to increase intellectual capital and diversity.

Eastern Kentucky University's priorities for action are applied research and scholarly activities that support the primary function of instruction and supplement efforts to improve economic and community development, with an emphasis on survey research, program evaluation, technology, teacher and health care professional preparation, homeland security, entrepreneurship, and natural areas, using resources such as the Lilley Cornett Woods program. As such, the university collaborates with entrepreneurs, business leaders, local and state officials and citizens to identify and respond to regional needs for research, commercialization, the workforce, justice and safety, and homeland security. It also provides and coordinates education services to improve teacher quality and student performance in the region.

**Postsecondary Education
Postsecondary Education Institutions
Kentucky State University**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	28,349,000	30,469,500	31,869,200	26,927,100	27,180,100
Budget Reduction	-823,300				
Total General Fund	27,525,700	30,469,500	31,869,200	26,927,100	27,180,100
Restricted Funds					
Current Receipts	20,520,900	20,520,900	20,520,900	20,520,900	20,520,900
Total Restricted Funds	20,520,900	20,520,900	20,520,900	20,520,900	20,520,900
Federal Funds					
Current Receipts	15,219,100	15,219,100	15,219,100	15,219,100	15,219,100
Total Federal Funds	15,219,100	15,219,100	15,219,100	15,219,100	15,219,100
TOTAL SOURCE OF FUNDS	63,265,700	66,209,500	67,609,200	62,667,100	62,920,100
EXPENDITURES BY CLASS					
Personnel Cost	37,600,600	39,881,900	41,049,100	38,217,500	38,471,500
Operating Expenses	15,490,600	15,890,600	16,125,100	14,686,900	14,687,900
Grants, Loans or Benefits	5,469,200	5,553,800	5,552,800	5,205,700	5,204,700
Debt Service	1,405,100	1,422,800	1,421,800	1,422,800	1,421,800
Capital Outlay	3,300,200	3,460,400	3,460,400	3,134,200	3,134,200
TOTAL EXPENDITURES	63,265,700	66,209,500	67,609,200	62,667,100	62,920,100
EXPENDITURES BY FUND SOURCE					
General Fund	27,525,700	30,469,500	31,869,200	26,927,100	27,180,100
Restricted Funds	20,520,900	20,520,900	20,520,900	20,520,900	20,520,900
Federal Funds	15,219,100	15,219,100	15,219,100	15,219,100	15,219,100
TOTAL EXPENDITURES	63,265,700	66,209,500	67,609,200	62,667,100	62,920,100

Kentucky State College was established in 1886 by an act of the Kentucky General Assembly. In its early years, the institution's purpose was to train Negro teachers for the Negro public schools in the Commonwealth. With the passage of the 1890 Morrill Act by the U.S. Congress, the college became a land grant institution. A tripartite mission was instituted: teaching, research, and public service. The 1972 General Assembly elevated the college to university status, effective July 1, 1973. The governing body of the University, the Board of Regents, is a body corporate and an educational institution and agency of the Commonwealth consisting of eight citizen members appointed by the Governor of Kentucky. A student, faculty and staff representative also serve on the Board and are elected by their respective peers. The government of the University is vested in the Board, and the Board has general supervision of lands, buildings, and other properties of the University, subject to the statutes of the Commonwealth of Kentucky.

Kentucky State University's (KSU) goal, mandated by House Bill 1, is to have at least one nationally recognized program of distinction or one nationally recognized applied research program, as well as to work cooperatively with other postsecondary institutions to assure statewide access to baccalaureate and master's degrees of a quality at or above the national average.

To advance this agenda, KSU's programs have a strong liberal arts and sciences undergraduate core preparing students to live and work in a global society. It offers a targeted array of baccalaureate, master's, and specialist programs with special attention to its mission as a land grant institution and Kentucky's historically black university. It may offer programs beyond the master's degree to meet the needs of teachers, educational leaders, and other certified school personnel. Collaborative doctoral programs also may be offered through the University of Kentucky and the University of Louisville to meet state needs, along with sub-associate or associate degree programs that meet community needs in consultation with KCTCS.

Kentucky State University boasts a number of nationally recognized graduate programs in targeted areas of opportunity, including its Program of Distinction in aquaculture and aquatic sciences. Distinctive educational experiences geared to the specific needs and interests of students include service learning, international education, and opportunities for discovery-based learning.

Kentucky State University maintains moderately selective to selective admissions with a commitment to recruiting a diverse student body. It serves the needs of traditional, nontraditional, and transfer students seeking baccalaureate and advanced degrees and recruits students nationally and internationally to increase intellectual capital and diversity.

Kentucky State University's priorities for action are applied research and scholarly activities that support the primary function of instruction, supplement the university's commitment to land grant and agriculture-related programs, and improve economic and community development, with an emphasis on the development of alternative species and the nutrition, reproductive physiology, genetics, and economics of aquaculture. As such, KSU collaborates with entrepreneurs, business leaders, local and state officials, and citizens to identify and respond to regional needs for research, commercialization, and the workforce. It also provides and coordinates education services to improve teacher quality and student performance in the region.

**Postsecondary Education
Postsecondary Education Institutions
Morehead State University**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	48,697,600	52,768,200	55,445,800	46,682,100	47,002,000
Budget Reduction	-1,446,100				
Total General Fund	47,251,500	52,768,200	55,445,800	46,682,100	47,002,000
Restricted Funds					
Current Receipts	70,252,400	74,170,500	78,125,000	74,170,500	78,125,000
Total Restricted Funds	70,252,400	74,170,500	78,125,000	74,170,500	78,125,000
Federal Funds					
Current Receipts	61,490,100	60,092,700	60,557,700	60,092,700	60,557,700
Total Federal Funds	61,490,100	60,092,700	60,557,700	60,092,700	60,557,700
TOTAL SOURCE OF FUNDS	178,994,000	187,031,400	194,128,500	180,945,300	185,684,700
EXPENDITURES BY CLASS					
Personnel Cost	78,892,100	85,748,300	92,036,000	84,092,000	88,538,700
Operating Expenses	28,964,800	29,379,400	29,932,800	27,785,400	27,822,100
Grants, Loans or Benefits	59,716,000	59,423,000	59,795,300	57,123,000	57,495,300
Debt Service	4,641,400	5,286,500	5,161,700	5,286,500	5,161,700
Capital Outlay	6,779,700	7,194,200	7,202,700	6,658,400	6,666,900
TOTAL EXPENDITURES	178,994,000	187,031,400	194,128,500	180,945,300	185,684,700
EXPENDITURES BY FUND SOURCE					
General Fund	47,251,500	52,768,200	55,445,800	46,682,100	47,002,000
Restricted Funds	70,252,400	74,170,500	78,125,000	74,170,500	78,125,000
Federal Funds	61,490,100	60,092,700	60,557,700	60,092,700	60,557,700
TOTAL EXPENDITURES	178,994,000	187,031,400	194,128,500	180,945,300	185,684,700

Morehead State University (MSU), located in Morehead, Kentucky, was established in 1922 by the Kentucky General Assembly. The University's current name was adopted in 1966 pursuant to an act of the General Assembly. The governing body of the University, the Board of Regents, is a body corporate and an educational institution and agency of the Commonwealth, consisting of eight citizen members appointed by the Governor of Kentucky. A student, faculty and staff representative also serve on the Board and are elected by their respective peers. The government of the University is vested in the Board, and the Board has general supervision of lands, buildings, and other properties of the University, subject to the statutes of the Commonwealth of Kentucky. The University was established primarily for the purpose of training teachers, administrators and supervisors for the elementary and secondary schools of the state, but has over the years expanded its facilities and curriculum to serve as a general regional institution of higher learning.

Morehead State University's goal, mandated by House Bill 1, is to have at least one nationally recognized program of distinction or one nationally recognized applied research program, as well as to work cooperatively with other postsecondary institutions to assure statewide access to baccalaureate and master's degrees of a quality at or above the national average.

To advance this agenda, MSU's programs have a strong liberal arts and sciences undergraduate core preparing students to live and work in a global society. The University offers a comprehensive array of baccalaureate, master's, and specialist programs, with special attention to protecting, preserving, and improving the unique heritage of the eastern Kentucky Appalachian region. It may offer programs beyond the master's degree to meet the requirements for teachers, educational leaders, and other certified school personnel. Collaborative doctoral programs also may be offered through the University of

Kentucky and the University of Louisville to meet state needs, along with sub-associate or associate degree programs to meet community needs in consultation with KCTCS.

Morehead State University boasts a number of nationally recognized graduate programs in targeted areas of opportunity, including its Program of Distinction, the Institute for Regional Analysis and Public Policy, and the Space Science Center. Distinctive educational experiences geared to the specific needs and interests of students include service learning, international education, and opportunities for discovery-based learning.

Morehead State University maintains moderately selective to selective admissions with a commitment to recruiting a diverse student body that includes first-generation and low-income students from the eastern Kentucky Appalachian region. It serves the needs of traditional, nontraditional, and transfer students seeking baccalaureate and advanced degrees and recruits students nationally and internationally to increase intellectual capital and diversity.

Morehead State University's priorities for action are applied research and scholarly activities that support the primary function of instruction and supplement efforts to improve economic and community development, with an emphasis on entrepreneurship, teacher education, space-related science and technology, visual and performing arts, and regional public policy. As such, Morehead collaborates with entrepreneurs, business leaders, local and state officials, and citizens to identify and respond to regional needs for research, commercialization, and the workforce. Morehead State University also works directly with schools and educational agencies to improve teacher quality and student performance in the region.

Policy

The enacted budget includes \$507,000 in fiscal year 2010 from the General Fund in the Council on Postsecondary Education's budget for debt service for a capital project.

**Postsecondary Education
Postsecondary Education Institutions
Murray State University**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	56,068,700	60,021,900	63,371,600	52,943,200	53,460,200
Budget Reduction	-1,682,100				
Total General Fund	54,386,600	60,021,900	63,371,600	52,943,200	53,460,200
Restricted Funds					
Current Receipts	82,134,500	88,589,400	92,929,200	88,589,400	92,929,200
Total Restricted Funds	82,134,500	88,589,400	92,929,200	88,589,400	92,929,200
Federal Funds					
Current Receipts	12,302,000	12,542,800	12,934,400	12,542,800	12,934,400
Total Federal Funds	12,302,000	12,542,800	12,934,400	12,542,800	12,934,400
TOTAL SOURCE OF FUNDS	148,823,100	161,154,100	169,235,200	154,075,400	159,323,800
EXPENDITURES BY CLASS					
Personnel Cost	96,153,000	102,855,700	108,329,400	103,453,900	108,702,300
Operating Expenses	40,531,900	42,075,500	43,589,800	38,936,700	38,942,600
Grants, Loans or Benefits	6,904,700	6,983,700	6,983,700	6,596,600	6,596,600
Debt Service	1,678,500	4,678,500	5,780,000	1,678,500	1,678,500
Capital Outlay	3,555,000	4,560,700	4,552,300	3,409,700	3,403,800
TOTAL EXPENDITURES	148,823,100	161,154,100	169,235,200	154,075,400	159,323,800
EXPENDITURES BY FUND SOURCE					
General Fund	54,386,600	60,021,900	63,371,600	52,943,200	53,460,200
Restricted Funds	82,134,500	88,589,400	92,929,200	88,589,400	92,929,200
Federal Funds	12,302,000	12,542,800	12,934,400	12,542,800	12,934,400
TOTAL EXPENDITURES	148,823,100	161,154,100	169,235,200	154,075,400	159,323,800

Murray State University (MSU), located in Murray, Kentucky, was established in 1922 as Murray Normal School by the General Assembly, which changed its name to Murray State University in 1966. The University's main campus is a 232-acre site, and two agricultural farms totaling 351 acres lie within one mile of the campus. The governing body is the Board of Regents, consisting of eight members appointed by the Governor, one faculty member elected by the faculty, one staff member elected by the staff, and one student member elected by students. Pursuant to KRS 164.350, the Board of Regents is a body corporate with the powers usually vested in corporations and, as such, has control and management of the University, subject to the statutes of the Commonwealth.

Murray State University's goal, mandated by House Bill 1, is to have at least one nationally recognized program of distinction or applied research program, as well as to work cooperatively with other postsecondary institutions to assure statewide access to baccalaureate and master's degrees of a quality at or above the national average.

To advance this agenda, MSU's programs have a strong liberal arts and sciences undergraduate core preparing students to live and work in a global society. The University offers a comprehensive array of baccalaureate, master's, and specialist programs, with special attention to agriculture, business, health and human services, teacher education, communications, engineering, and applied technologies. It may offer programs beyond the master's degree to meet the needs of teachers, educational leaders, and other certified school personnel. Collaborative doctoral programs also may be offered through the University of Kentucky and the University of Louisville to meet state needs, along with sub-associate or associate degree programs that meet community needs in consultation with KCTCS.

Murray State University boasts a number of nationally recognized graduate programs in targeted areas of opportunity, including its Program of Distinction in telecommunications systems management, the Ecosystem and Reservoir Research Center of Excellence. Distinctive educational experiences geared to the specific needs and interests of students include service learning, international education, opportunities for discovery-based learning, and residential colleges.

Murray State University maintains moderately selective to selective admissions with a commitment to recruiting a diverse student body that includes dually enrolled high school students. It serves the needs of traditional, nontraditional, and transfer students seeking baccalaureate and advanced degrees and recruits students nationally and internationally to increase intellectual capital and diversity.

Murray State University's priorities for action are applied research and scholarly activities that support the primary function of instruction and supplement efforts to improve economic and community development, with an emphasis on ecosystems, reservoir management, telecommunications, agriculture, entrepreneurship, and teaching pedagogy. The University places a high premium on academic outreach, collaborative relationships with alumni, the public schools, business and industry, governmental agencies, and other colleges and universities at home and abroad.

Murray State University provides or coordinates education services to meet the economic and community needs of its designated area of geographic responsibility. It collaborates with entrepreneurs, business leaders, local and state officials, and citizens to identify and respond to regional needs for research, commercialization, and the workforce. It also works directly with schools and educational agencies to improve teacher quality and student performance in the region.

**Postsecondary Education
Postsecondary Education Institutions
Northern Kentucky University**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	55,330,000	63,851,300	69,398,500	54,922,000	55,442,300
Budget Reduction	-1,653,000				
Total General Fund	53,677,000	63,851,300	69,398,500	54,922,000	55,442,300
Restricted Funds					
Current Receipts	130,338,800	145,519,600	157,370,300	145,519,600	157,370,300
Total Restricted Funds	130,338,800	145,519,600	157,370,300	145,519,600	157,370,300
Federal Funds					
Current Receipts	14,331,200	15,831,200	18,431,200	15,831,200	18,431,200
Total Federal Funds	14,331,200	15,831,200	18,431,200	15,831,200	18,431,200
TOTAL SOURCE OF FUNDS	198,347,000	225,202,100	245,200,000	216,272,800	231,243,800
EXPENDITURES BY CLASS					
Personnel Cost	115,951,200	128,994,500	142,072,500	133,786,100	148,747,600
Operating Expenses	42,095,600	49,930,100	53,362,700	40,854,300	40,854,300
Grants, Loans or Benefits	25,265,400	28,083,600	31,083,600	24,449,800	24,449,800
Debt Service	7,883,700	10,500,000	10,509,500	10,261,700	10,271,200
Capital Outlay	7,151,100	7,693,900	8,171,700	6,920,900	6,920,900
TOTAL EXPENDITURES	198,347,000	225,202,100	245,200,000	216,272,800	231,243,800
EXPENDITURES BY FUND SOURCE					
General Fund	53,677,000	63,851,300	69,398,500	54,922,000	55,442,300
Restricted Funds	130,338,800	145,519,600	157,370,300	145,519,600	157,370,300
Federal Funds	14,331,200	15,831,200	18,431,200	15,831,200	18,431,200
TOTAL EXPENDITURES	198,347,000	225,202,100	245,200,000	216,272,800	231,243,800

Northern Kentucky University (NKU) is a comprehensive institution of higher education located in a large metropolitan area. The university started in 1948 as an extension center of the University of Kentucky and later was part of the University of Kentucky's Community College System. Northern Kentucky University became an autonomous institution in 1968 by an act of the Kentucky General Assembly. A Board of Regents was appointed, and subsequently, the Board of Trustees of the University of Kentucky turned over the Covington facilities and assets of Northern Kentucky Community College to Northern Kentucky State College. These facilities, along with the community college faculty and students, formed the nucleus of NKU. Limited space at the Covington campus and a rapidly growing enrollment necessitated the move to a new campus in Highland Heights in the fall of 1972. The first bachelor's degrees were awarded in the spring of 1973. In 1976, Northern Kentucky State College was renamed Northern Kentucky University under KRS 164.290.

Northern Kentucky University's goal, mandated by House Bill 1, is to have at least one nationally recognized program of distinction or one nationally recognized applied research program, as well as 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.

To advance this agenda, NKU's programs have a strong liberal arts and sciences undergraduate core preparing students to live and work in a global society. It offers a comprehensive array of baccalaureate, master's, and specialist programs, a first-professional program in law, and may offer programs beyond the master's degree to meet the needs of teachers, educational leaders, and other certified school personnel. Collaborative doctoral programs also may be offered through the University of

Kentucky and the University of Louisville to meet state needs, along with sub-associate or associate degree programs that meet local needs in consultation with KCTCS.

Northern Kentucky University boasts a number of nationally recognized graduate programs in targeted areas of opportunity, including its Program of Distinction, the Center for Integrative Natural Science and Mathematics. Distinctive educational experiences geared to the specific needs and interests of students include service learning, international education, opportunities for discovery-based learning, undergraduate research, community-based learning, and civic engagement.

Northern Kentucky University maintains moderately selective to selective admissions with a commitment to recruiting a diverse, well-qualified undergraduate and graduate student body. It serves the needs of traditional, nontraditional, and transfer students seeking baccalaureate and advanced degrees and recruits students nationally and internationally to increase intellectual capital and diversity.

Northern Kentucky University emphasizes public engagement as a defining and nationally recognized quality of the university. As such, its priorities for action are applied research and scholarly activities that support the primary function of instruction and supplement efforts to improve economic and community development, with an emphasis on entrepreneurship and improving math and science instruction. Northern Kentucky University collaborates with entrepreneurs, business leaders, local and state officials, and citizens to identify and respond to regional needs for research, commercialization, and the workforce. It is committed to partnerships that support economic development, P-12 excellence, local government effectiveness, quality healthcare, nonprofit management, and civic literacy. Finally, NKU is committed to becoming a center for the performing and visual arts.

Postsecondary Education
Postsecondary Education Institutions
University of Kentucky

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	335,016,500	359,544,800	375,412,800	321,252,600	324,366,500
Special Appropriation	2,000,000				
Budget Reduction	-10,052,100				
Total General Fund	326,964,400	359,544,800	375,412,800	321,252,600	324,366,500
Tobacco Settlement-Phase I					
Tobacco Settlement - I				250,000	250,000
Total Tobacco Settlement-Phase I				250,000	250,000
Restricted Funds					
Current Receipts	1,544,842,600	1,613,017,100	1,686,297,400	1,613,017,100	1,686,297,400
Total Restricted Funds	1,544,842,600	1,613,017,100	1,686,297,400	1,613,017,100	1,686,297,400
Federal Funds					
Current Receipts	190,328,700	199,845,100	209,837,400	199,845,100	209,837,400
Total Federal Funds	190,328,700	199,845,100	209,837,400	199,845,100	209,837,400
TOTAL SOURCE OF FUNDS	2,062,135,700	2,172,407,000	2,271,547,600	2,134,364,800	2,220,751,300
EXPENDITURES BY CLASS					
Personnel Cost	1,041,988,200	1,097,684,700	1,149,643,300	1,091,746,200	1,138,322,300
Operating Expenses	835,464,200	877,695,800	916,985,200	850,673,900	883,420,000
Grants, Loans or Benefits	87,030,900	94,355,300	101,648,700	92,797,500	99,822,900
Debt Service	36,661,600	39,341,800	39,380,700	39,341,800	39,380,700
Capital Outlay	60,990,800	63,329,400	63,889,700	59,805,400	59,805,400
TOTAL EXPENDITURES	2,062,135,700	2,172,407,000	2,271,547,600	2,134,364,800	2,220,751,300
EXPENDITURES BY FUND SOURCE					
General Fund	326,964,400	359,544,800	375,412,800	321,252,600	324,366,500
Tobacco Settlement-Phase I				250,000	250,000
Restricted Funds	1,544,842,600	1,613,017,100	1,686,297,400	1,613,017,100	1,686,297,400
Federal Funds	190,328,700	199,845,100	209,837,400	199,845,100	209,837,400
TOTAL EXPENDITURES	2,062,135,700	2,172,407,000	2,271,547,600	2,134,364,800	2,220,751,300

The University of Kentucky (UK) is a comprehensive land grant institution located in Lexington, Kentucky. Founded in 1865 under the provisions of the Morrill Land-Grant Act, the University began as part of Kentucky University. In 1878, the Agricultural and Mechanical College was separated from Kentucky University and re-established on land given by Lexington and Fayette County. To provide a separate campus for the new institution, Lexington donated its 50-acre fairground and park, and along with Fayette County, helped construct the buildings. Thirty years later the name was changed to State University, Lexington, Kentucky, before eventually becoming the University of Kentucky in 1916.

As noted in its Campus Action Plan for 2005-2010, the University of Kentucky's goal, mandated by House Bill 1, is to be a major comprehensive research institution ranked nationally in the top 20 public universities.

To advance this agenda, UK's programs have a strong liberal arts and sciences undergraduate core preparing students to live and work in a global society. It offers a comprehensive array of baccalaureate, master's, specialist, and doctoral degree programs consistent with a flagship institution's statewide mission. It also maintains professional programs in dentistry, law, medicine, pharmacy, architecture, engineering, education, and social professions. The graduate and postdoctoral programs emphasize areas supporting statewide economic and community development and are consistent with a nationally-recognized public research university.

The University of Kentucky's programs include innovative post-baccalaureate certificate, master's, and doctoral programs that meet 21st century public needs in traditional and emerging multidisciplinary fields. The University of Kentucky maintains a

state leadership role in delivering doctoral education, including collaborative and joint doctoral programs with other Kentucky postsecondary institutions to address state needs. Distinctive educational experiences include service learning, international education, opportunities for discovery-based learning, living-learning communities, and undergraduate research.

The University of Kentucky has selective to highly selective admissions with a commitment to recruiting a diverse, well-qualified undergraduate and graduate student body. It serves the needs of traditional, nontraditional, and transfer students seeking baccalaureate and advanced degrees, and recruits students nationally and internationally to increase intellectual capital and diversity.

The University of Kentucky's priorities for action include basic, applied, and translational research as one of only seven universities in the United States with schools of agriculture, engineering, law, medicine, and pharmacy on a single campus. The University of Kentucky emphasizes research and creativity in areas of identified strength and opportunity, as well as in emerging fields essential to the development of a knowledge-based economy in Kentucky and beyond. This requires significant extramural support and a broad array of doctoral programs, consistent with the nation's top-20 research universities. The University of Kentucky focuses on programs in health and life sciences, computer science and engineering, cultural and international studies, public policy and human services, business and economics, energy and the environment, and the arts. It also conducts research and outreach supporting the improvement of P-20 and adult education systems with a special emphasis on literacy.

The University of Kentucky drives statewide economic development by preparing a highly educated workforce, conducting grant and contract-funded research, and transferring research and technological innovations to the marketplace. It assures Kentuckians high-quality health care by promoting access to the highest level of appropriate care possible within the facilities of local communities and developing advanced subspecialty programs of national stature at the academic medical center. The University of Kentucky engages the university community and its partners in fostering economic well being and quality of life for Kentuckians in regions facing significant economic and health-related challenges, throughout the Commonwealth, and, as the state's flagship institution, beyond its borders to the nation and world.

Policy

The enacted budget includes \$976,000 in fiscal year 2010 from Tobacco Settlement - Phase I funds in the Council on Postsecondary Education's budget for one-half year's debt service for two capital projects.

The Mining Engineering Scholarship program includes \$300,000 each year from the General Fund through coal severance tax revenues, an increase of \$100,000 from the 2006-08 biennium.

The Robinson Scholars program received \$1,000,000 each year from the General Fund through coal severance tax revenues.

Postsecondary Education
Postsecondary Education Institutions
University of Louisville

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	191,346,100	207,528,100	220,332,400	185,423,000	186,787,700
Budget Reduction	-5,057,200				
Total General Fund	186,288,900	207,528,100	220,332,400	185,423,000	186,787,700
Restricted Funds					
Current Receipts	560,263,400	581,119,400	602,808,300	581,119,400	602,808,300
Total Restricted Funds	560,263,400	581,119,400	602,808,300	581,119,400	602,808,300
Federal Funds					
Current Receipts	115,855,900	119,679,000	123,628,500	119,679,900	123,628,500
Total Federal Funds	115,855,900	119,679,000	123,628,500	119,679,900	123,628,500
TOTAL SOURCE OF FUNDS	862,408,200	908,326,500	946,769,200	886,222,300	913,224,500
EXPENDITURES BY CLASS					
Personnel Cost	515,722,400	538,995,600	559,197,200	543,277,100	570,225,000
Operating Expenses	234,562,300	255,200,100	273,574,500	233,554,200	233,787,000
Grants, Loans or Benefits	74,175,200	74,615,200	74,615,200	70,516,000	70,481,300
Debt Service	15,222,000	16,652,700	16,519,400	16,652,700	16,519,400
Capital Outlay	22,726,300	22,862,900	22,862,900	22,222,300	22,211,800
TOTAL EXPENDITURES	862,408,200	908,326,500	946,769,200	886,222,300	913,224,500
EXPENDITURES BY FUND SOURCE					
General Fund	186,288,900	207,528,100	220,332,400	185,423,000	186,787,700
Restricted Funds	560,263,400	581,119,400	602,808,300	581,119,400	602,808,300
Federal Funds	115,855,900	119,679,000	123,628,500	119,679,900	123,628,500
TOTAL EXPENDITURES	862,408,200	908,326,500	946,769,200	886,222,300	913,224,500

The University of Louisville (UofL) is an urban university with close historical and legal ties with Louisville-Jefferson County. The University was founded in 1798 as the Jefferson Seminary, later known as Louisville College, and in 1846 became the University of Louisville by legislative charter. The University became a member of Kentucky's public higher education system on July 1, 1970, and amended its charter to reflect its status as a state institution, subject to the administration and control of the Board of Trustees, which was constituted a public body corporate, with the usual corporate powers, and possessing all the authorities, immunities, rights, privileges, and franchises normally attached to the governing bodies of Kentucky public higher education institutions.

The University of Louisville's goal, mandated by House Bill 1, is to be a premier, nationally recognized metropolitan research university.

To advance this agenda, UofL's programs have a strong liberal arts and sciences undergraduate core preparing students to live and work in a world that is increasingly intercultural, interdisciplinary, and diverse. It offers a comprehensive array of baccalaureate, master's, and specialist programs, along with professional programs in dentistry, law, medicine, engineering, education, and social professions. Selected doctoral programs support the goals of national recognition as a metropolitan research university and meet the economic and community development needs of the region and state. The University of Louisville offers collaborative and joint doctoral programs with other Kentucky postsecondary institutions to address state needs.

The University of Louisville places special emphasis on its Research Challenge Trust Fund programs in business (entrepreneurship), health and life sciences, engineering, education, humanities, and the arts. It strives to increase the quality of undergraduate programs while increasing the size and national recognition of graduate programs. Distinctive educational experiences include service learning, international education, opportunities for discovery-based learning, and undergraduate research.

The University of Louisville maintains selective to highly selective admissions with a commitment to recruiting a diverse undergraduate and graduate student body, especially students from its metropolitan area and those who do not enter or move through the university in traditional ways. It serves the needs of traditional, nontraditional, and transfer students seeking baccalaureate and advanced degrees. It also recruits students nationally and internationally to increase intellectual capital and diversity.

The University of Louisville serves as the metropolitan area's intellectual center and economic engine. It drives economic development by educating a workforce ready to take on the challenges of a new century. The University supports existing businesses, promotes business startups based on university inventions, and coordinates other community economic development efforts. UofL is building a national reputation as a leader in issues affecting metropolitan regions and provides this expertise to other areas in the state, nation, and beyond through basic, applied, and translational research. The University of Louisville's research mission prioritizes programs in human health and development, life sciences, information technology and communications, environmental and energy technologies, logistics and distribution, early childhood education, entrepreneurship, materials science, and advanced manufacturing. The University of Louisville works with P-12 schools and adult learning centers to improve student achievement and postsecondary preparation. Additionally, research and creative activities in the humanities and the arts foster and support the rich cultural life of the Greater Louisville area.

Policy

The enacted budget includes \$20,246,500 in fiscal year 2008-09 and \$20,204,000 in fiscal year 2009 -10 from the General Fund for the Quality and Charity Care Trust Fund agreement. The fiscal year 2008-09 amount includes \$403,600 to accommodate the underfunding of the amount needed in fiscal year 2007-08.

The funding for the Metropolitan Scholars program was moved to the Economic Development Cabinet from the base budget of the University of Louisville. The amount is \$1,992,300 from the General Fund each year.

The enacted budget includes \$3,245,000 in fiscal year 2008 from the General Fund in the Council on Postsecondary Education's budget for one half-year's debt service for a capital project in Part II of the Executive Appropriations Bill.

**Postsecondary Education
Postsecondary Education Institutions
Western Kentucky University**

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	86,396,200	93,360,100	98,372,900	82,296,300	83,371,600
Budget Reduction	-2,553,500				
Total General Fund	83,842,700	93,360,100	98,372,900	82,296,300	83,371,600
Restricted Funds					
Current Receipts	194,521,800	206,289,900	217,857,100	206,289,900	217,857,100
Total Restricted Funds	194,521,800	206,289,900	217,857,100	206,289,900	217,857,100
Federal Funds					
Current Receipts	33,724,000	38,898,000	41,424,000	38,898,000	41,424,000
Total Federal Funds	33,724,000	38,898,000	41,424,000	38,898,000	41,424,000
TOTAL SOURCE OF FUNDS	312,088,500	338,548,000	357,654,000	327,484,200	342,652,700
EXPENDITURES BY CLASS					
Personnel Cost	161,099,300	173,422,100	181,727,700	180,240,800	195,121,200
Operating Expenses	82,992,900	87,601,300	93,323,300	80,565,800	80,565,800
Grants, Loans or Benefits	47,132,300	54,734,800	58,851,800	45,641,500	45,641,500
Debt Service	14,081,600	14,471,000	14,759,100	14,471,000	14,759,100
Capital Outlay	6,782,400	8,318,800	8,992,100	6,565,100	6,565,100
TOTAL EXPENDITURES	312,088,500	338,548,000	357,654,000	327,484,200	342,652,700
EXPENDITURES BY FUND SOURCE					
General Fund	83,842,700	93,360,100	98,372,900	82,296,300	83,371,600
Restricted Funds	194,521,800	206,289,900	217,857,100	206,289,900	217,857,100
Federal Funds	33,724,000	38,898,000	41,424,000	38,898,000	41,424,000
TOTAL EXPENDITURES	312,088,500	338,548,000	357,654,000	327,484,200	342,652,700

Western Kentucky University (WKU), located in Bowling Green, Kentucky, was established by the General Assembly in 1906 when it created two schools for the training of teachers. On January 1, 1907, the Southern Kentucky Normal School was transferred to the state of Kentucky, and the president of that institution became president of the Western Kentucky State Normal School. The 1922 General Assembly changed the name of the institution to the Western Kentucky State Normal School and Teachers College and passed an enabling act permitting the institution to confer degrees. In 1930 the name was changed to the Western Kentucky State Teachers College, then to the Western Kentucky State College in 1948, and finally to Western Kentucky University in 1966.

As noted in its Campus Action Plan for 2005-2010, Western Kentucky University's goal, mandated by House Bill 1, is to have at least one nationally recognized program of distinction or one nationally recognized applied research program, as well as to work cooperatively with other postsecondary institutions to assure statewide access to baccalaureate and master's degrees of a quality at or above the national average.

To advance this agenda, WKU's programs have a strong liberal arts and sciences undergraduate core preparing students to live and work in a global society. It offers a comprehensive array of baccalaureate, master's, and specialist programs and may offer programs beyond the master's degree to meet the needs of teachers, educational leaders, and other certified personnel. Collaborative doctoral programs also may be offered through the University of Kentucky and the University of Louisville to meet state needs, along with sub-associate or associate degree programs that meet local needs in consultation with KCTCS.

Western Kentucky University boasts a number of nationally recognized graduate programs in targeted areas of opportunity, including its Programs of Distinction in journalism and forensics and applied research and technology. Distinctive educational experiences geared to the specific needs and interests of students include service learning, international education, and opportunities for discovery-based learning.

Western Kentucky University maintains moderately selective to selective admissions with a commitment to recruiting a diverse student body. It serves the needs of traditional, nontraditional, and transfer students seeking baccalaureate and advanced degrees and recruits students nationally and internationally to increase intellectual capital and diversity.

Western Kentucky University's priorities for action are applied research and scholarly activities that support the primary function of instruction and supplement efforts to improve economic and community development, with an emphasis on cave and karst studies, applied physics, folk studies, Kentucky life, literature, and history, the Civil War in the west, materials characterization and combustion, teacher effectiveness, entrepreneurship, rural health development, lifespan development, water quality, and applied engineering. As such, Western Kentucky University collaborates with entrepreneurs, business leaders, local and state officials, and citizens to identify and respond to regional needs for research, commercialization, and the workforce. It also provides or coordinates education services improve teacher quality and student performance in the region.

Postsecondary Education
Postsecondary Education Institutions
Kentucky Community and Technical College System

	Revised FY 2008	Requested FY 2009	Requested FY 2010	Enacted FY 2009	Enacted FY 2010
SOURCE OF FUNDS					
General Fund					
Regular Appropriation	228,704,900	253,170,000	279,222,200	219,317,600	224,429,700
Budget Reduction	-6,861,100				
Total General Fund	221,843,800	253,170,000	279,222,200	219,317,600	224,429,700
Restricted Funds					
Current Receipts	289,507,700	306,312,100	319,979,700	306,312,100	319,979,700
Total Restricted Funds	289,507,700	306,312,100	319,979,700	306,312,100	319,979,700
Federal Funds					
Current Receipts	147,453,600	153,788,100	165,492,200	153,788,100	165,492,200
Total Federal Funds	147,453,600	153,788,100	165,492,200	153,788,100	165,492,200
TOTAL SOURCE OF FUNDS	658,805,100	713,270,200	764,694,100	679,417,800	709,901,600
EXPENDITURES BY CLASS					
Personnel Cost	338,580,200	365,717,000	391,202,700	369,685,900	397,169,700
Operating Expenses	127,073,400	138,687,800	149,604,500	124,999,600	127,999,600
Grants, Loans or Benefits	151,009,000	162,883,700	176,600,200	144,262,000	144,262,000
Capital Outlay	42,142,500	45,981,700	47,286,700	40,470,300	40,470,300
TOTAL EXPENDITURES	658,805,100	713,270,200	764,694,100	679,417,800	709,901,600
EXPENDITURES BY FUND SOURCE					
General Fund	221,843,800	253,170,000	279,222,200	219,317,600	224,429,700
Restricted Funds	289,507,700	306,312,100	319,979,700	306,312,100	319,979,700
Federal Funds	147,453,600	153,788,100	165,492,200	153,788,100	165,492,200
TOTAL EXPENDITURES	658,805,100	713,270,200	764,694,100	679,417,800	709,901,600

The Kentucky Community and Technical College System (KCTCS), created by The Postsecondary Education Improvement Act of 1997, is composed of community and technical college districts plus several branch campuses and distance learning centers strategically located across the Commonwealth. As noted in its Campus Action Plan for 2005-2010, KCTCS's goal, mandated by House Bill 1, is to assure, 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.

To advance this agenda, KCTCS has a general two-year academic curriculum with transferable credits. It maintains associate, technical, and semi-professional programs leading to degrees, diplomas, and certificates. It enhances basic academic and literacy skills through adult and developmental education. KCTCS focuses on continuing education and workforce development customized for business and industry, as well as dual enrollment and credit for secondary students.

The Kentucky Community and Technical College System maintains open admissions with a commitment to recruiting a diverse student body. Its students are pursuing associate degrees, diplomas, and certificates and are seeking transfer credit toward baccalaureate degrees. Its students also include workers seeking technical training, students needing remedial coursework, adults gaining personal development through continuing education, and high school students earning dual credit and preparation for college.

Kentucky Community and Technical College System's priorities for action are applied research in workforce development, classroom instruction, and technology development.

The Kentucky Community and Technical College System serves the needs of students in 120 counties through its statewide physical presence and distance learning programs. It provides customized workforce training for employers to promote economic well being and quality of life for communities throughout Kentucky. The Kentucky Community and Technical College System serves as the primary point of access for many Kentuckians seeking postsecondary education to improve their education level and quality of life.

Policy

The enacted budget includes \$179,000 in fiscal year 2010 from the General Fund in the Council on Postsecondary Education's budget for one half-year's debt service for a capital project

The enacted budget includes \$3,000,000 in fiscal year 2009 and \$6,000,000 in fiscal year 2010 for maintenance and operations of new facilities coming online.

The enacted budget includes \$29,331,400 in fiscal year 2009 and \$30,364,600 in fiscal year 2010 for the Firefighters Foundation Program Fund.