

# Kentucky's Rocky Road

Recent reform legislation produces results, but faces tough challenges

By Kay Mills

MOREHEAD, KENTUCKY

**W**HEN KENTUCKY PASSED its ambitious higher education reform legislation in 1997, the authors doubtless had never heard of Janie Spurlock or Teresa Younce of Prestonsburg, in the mountains of eastern Kentucky. But these two women have demonstrated what the landmark effort was all about—helping more Kentuckians receive education beyond high school.

Spurlock, 47 and mother of six children, and Younce, 44 and mother of two, might never have realized their dreams of a college degree if they had been forced to commute from Prestonsburg to the nearest public four-year university, Morehead State, an hour and a half away. The reform legislation not only encouraged universities to collaborate more fully with community colleges to smooth transitions into four-year institutions but also sought greater access for students to bachelor's degree programs; Spurlock and Younce benefited from both provisions.

Both women first attended Big Sandy Community and Technical College in Prestonsburg, then transferred to the Morehead State off-campus center there in 2003. While the center has existed for 30 years, it was only four years ago that the university, building on the momentum

of the reforms, began an extensive outreach program and started offering the bachelor of social work program at Prestonsburg. When she graduated in May, Younce was honored as the outstanding undergraduate student in Morehead State's department of sociology, social work and criminology. Spurlock, just

two electives shy of her degree, was named the outstanding social work student.

Thousands of students have benefited from the reforms, as these indicators show:

- Undergraduate enrollment increased to 205,832 students in fall 2005, up from 160,926 in 1998, according to the Kentucky Council on Postsecondary Education.
- By 2004, 81.8 percent of adults 25 or older had a high school diploma or a general equivalency diploma, up from 77.9 in 1998. Adult education enrollment increased from 51,177 in 2000 to 120,051 last year.
- The six-year graduation rate from the state's public universities rose from 36.7 percent in 1998 to 44.3 percent in 2004.

- The patchwork of two-year community colleges and technical schools was transformed into the Kentucky Community and Technical College System (KCTCS); enrollment grew from 52,201 in 2000 to 81,990 in 2004.

- The Research Challenge Trust Fund, inelegantly known as "Bucks for Brains," poured \$350 million into higher education over the first six years after the reforms passed, enabling the University of Kentucky and the University of Louisville to hire dozens of new research-minded professors. The goal is to lift UK into the top 20 American research universities by the year 2020 and to make the University of Louisville a nationally recognized metropolitan research institution.

When former Democratic Governor Paul Patton took office in 1997, he was determined to move Kentucky away from its traditional economy based on bourbon, horse racing and tobacco, toward one that relied more on science and technology. To achieve this, Patton knew the state needed a better-educated citizenry and an improved public higher education system.

The legislature agreed, passing House Bill 1, which established "Bucks for Brains" and five other trust funds to finance the reforms. The legislation gave the Council on Postsecondary Education the authority to determine how the new money should be spent, but the council works with the universities on developing the criteria. The legislation also provided the council with a stronger role in coordinating the public system of two research universities, six four-year colleges and 16 community and technical colleges.

The council's first president under the new setup was Gordon K. Davies, an outspoken man who insisted that legislators stop funding their home universities when they didn't perform well, and encouraged university presidents



*President Lee Todd of the University of Kentucky says part of his job is to "build a fabric of approval for higher education among Kentuckians."*

Elaine Shay for CrossTalk

**In 2001 the economy soured, and higher education budgets were cut for three years in a row.**

to work together rather than competing for programs and money. “It was worth being blunt—and it was worth being fired,” said Davies, whose contract was not renewed in 2002. “Putting aside the petty stuff that occupies many people in Kentucky higher education now, we started a revolution. And even revolutions that fail add something to our experience.”

Thomas Layzell, former commissioner of higher education in Mississippi, succeeded Davies. To him fell the task of brokering distribution of cuts that were made in the universities’ budgets during an economic slowdown. “That was an important event to make that happen,” said Ron Carson, senior fellow for policy development at the postsecondary council. “It was an early test.”

“Gordon brought a degree of intensity that was really necessary to take the details in the legislation and make them happen,” said Aims McGuinness Jr., of the National Center for Higher Education Management Systems, a consultant on the reforms. “One of the skills that Tom brings to the job is that he is very much a peacemaker, bringing people together. They simply have different leadership styles for different times.”

The question remains, however, whether the council is strong enough to keep the universities from slipping back into their old competitive, territorial ways. For example, the reforms call for the regional universities to be four-year baccalaureate institutions with only UK and Louisville offering Ph.D.s. Yet by 2002 the *Lexington Herald-Leader* was reporting that the presidents of both Eastern Kentucky University and Western Kentucky University wanted to offer doctorates in education. Davies had resisted such ambitions, calling them “mission creep,” and so far the council has received no formal proposals for these programs.

Layzell said that having the reforms both written in law and as part of a public agenda “gives you a very strong basis to argue against institutional self-interest. You can say, ‘Hey, this isn’t about you. This is about Kentucky. This is about the needs of Kentucky.’ As long as that framework remains in place, this is going to continue.”

State spending on higher education increased by 40 percent in the early years of the Patton administration. But in 2001 the economy soured, and higher education budgets were cut for three years in a row. A new governor, Republican Ernie Fletcher, took office in 2003, and there was deep concern that the reforms might be derailed by either budget constraints or politics or both.

“Governors don’t adopt their predecessor’s babies,” Patton said in an interview. “I didn’t, and I didn’t expect my successor to adopt mine. Education is a little more universal than a pet program, though, and I’m sure Fletcher understands that. The reforms should be able to survive. And I hope the universities will concentrate on trying to make the pie

bigger instead of fighting over the pieces.”

Fletcher said he had no problem with adopting Patton’s reform agenda as long as it was good policy— “and this is,” he said in an interview. Fletcher wants to take the reforms



Stewart Bowman for CrossTalk

**Teresa Younce, helped by Kentucky’s higher education reforms, graduated from Morehead State University with a degree in sociology.**

to the next level, which he described as having universities and colleges look not only at academics but also increasingly at their roles in community and economic development. “We’ve had some challenges” economically since the reforms were passed, Fletcher added, but he pointed out that the state increased higher education budgets by 12 percent, or \$81.6 million, this year over last.

The budget increases generated renewed hope among educators. “If you had asked me this time last year (about how the reforms were doing), I’d have said awful,” Morehead State Provost Michael Moore commented. “Now I’m optimistic. The legislature and governor’s office gave a clear positive signal in support of higher education.”

However, other leaders say the three years of budget cuts have left Kentucky higher education several years behind. “The rate of improvement has slowed down,” said Michael Nietzel, former provost of the University of Kentucky. “We got off to a fast start in 1998 and it wasn’t reasonable to expect that it would continue, but it decreased more quickly than we expected.” But Nietzel added, “I don’t think that the economy was the only reason. It’s hard to stay with the reform agenda.” It’s also hard to divorce politics and regionalism from a state in which higher education was set up to be regional.

The low levels of educational attainment that prompted the reforms stemmed not only from Kentucky’s poverty but also from what some say is the state’s historical failure to value education. University of Kentucky President Lee Todd

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Jr. says that part of his mission is to help “build a fabric of approval for higher education among Kentuckians.” Using a metaphor from one of the state’s favorite sports, Todd said that “coaches will say that a player has a great basketball IQ. We want Kentuckians to have a great research IQ and a great cultural IQ.”

Some in Kentucky are skeptical that UK can become one of the nation’s top 20 research institutions. (UK ranked 63rd out of 100 top institutions in federal funds for academic research in 2004, the National Science Foundation reported.) But in fiscal year 2005, UK researchers brought in a record \$273.9 million in outside grants and contracts—the fourth year in a row that the university exceeded \$200 million in sponsored project awards.

Since 1997, UK has increased the number of endowed chairs (each supported by at least \$1 million) from 22 to 88, with 56 of them filled, and endowed professorships (\$100,000 minimum endowment) from 45 to 226, with 134 filled. Among those joining the UK faculty through “Bucks for Brains” financing have been Gail Robinson, who headed the young talent development program at the Metropolitan Opera and who now teaches voice; David Wildasin, an economist who came from Vanderbilt; and Greg Gearhardt, a professor of anatomy from the University of Colorado who is studying Parkinson’s disease.

However, UK faculty salaries, which averaged \$71,026 in 2004, lag behind those of its benchmark institutions, such as UCLA, the University of Michigan and Ohio State, where the median salaries were \$81,681 last year. As a result, the university has lost some outstanding faculty members to other institutions. Officials cite the examples of Mike Desch, who left the Patterson School of Diplomacy directorship to go to Texas A&M, and Winston Ho, a chemical engineer who left for Ohio State University soon after being named to the National Academy of Engineering.

Todd pointed out that UK lost \$73 million in cumulative cuts from 2001 to 2004, then received \$18 million in additional appropriations this year. “We had had a pretty rapid ramp upward after the legislation was passed, but then it plateaued,” he said.

John Thelin, a professor in UK’s educational policy studies department, thinks the university administration is being a bit unfair in talking about how much money it has lost since 2001, because that year was such a high water mark. Thelin believes that Kentucky “has been relatively generous to higher education and allows it flexibility. It doesn’t micromanage.” And he considers the action of Governor Fletcher and the legislature this year a “mild win-win situation.”

University of Louisville President James Ramsey, who was Patton’s budget director when House Bill 1 passed, said that the reforms brought a broader public agenda to the state than just teaching English and math efficiently. The reforms created an energy on his campus that has lasted despite budget cuts, he said.

Louisville is concentrating its efforts on research and teaching in the life sciences and medicine, early childhood education, entrepreneurship, and logistics and distribution (that is, focusing on getting goods to market), according

to Ramsey. Much of the money it has received from the state and in federal grants has gone into the health sciences area. For example, Bucks for Brains money helped bring Donald Miller from the University of Alabama, Birmingham, to run the James Graham Brown Cancer Center. Eric Lentsch, an otolaryngologist, came from the M.D. Anderson Cancer Center in Houston to study how neck and head cancers invade and spread.

Bucks for Brains faces an uncertain future. The final round to date—in the 2002-04 biennium—was financed by state-supported bonds. For 2004-06 the Council on Postsecondary Education requested \$61 million for the program, but it was not funded. There is some talk that the bigger need now is for additional space for all the researchers who have been hired, yielding the possibility of a “Bucks for Bricks” program, but that hasn’t happened yet.

Although much of the new money to implement the reforms has gone to UK and the University of Louisville, the six regional campuses—Eastern Kentucky, Western Kentucky, Northern Kentucky, Kentucky State, Morehead State and Murray—also have benefited. For example, at Northern Kentucky, the Center for Integrative Natural

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—Paul Patton,  
former governor of Kentucky



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Science and Mathematics has as one of its goals improving teaching and learning of math and fostering increased science activity.

“Public engagement is a big piece of what we do,” said Northern Kentucky University President James Votruba. Through its strategic planning process, the university learned that among community concerns was the fact that too few high

school graduates go on to college. NKU is starting a program this fall through which working adults can get a four-year degree in four years by taking two courses at a time in the evenings on eight-week cycles.

Local people also have taken the initiative. Residents of Hazard, in the southeastern Kentucky coal belt, had long wanted a four-year institution, because of the region’s low educational attainment. In 1990, only 7.4 percent of the population had bachelor’s degrees.

Eventually it became clear that the area was not going to get a university, so a consortium made up of Hazard Community and Technical College, Morehead State, Eastern Kentucky and the private Lindsey Wilson College established the University Center of the Mountains. Hazard’s instructors provide the first two years of courses, and Eastern, Morehead or Lindsey Wilson faculty members (either on site or on

television) provide the final two years, leading to bachelor’s degrees in criminal justice, nursing, social work, human services and counseling, early elementary education and business administration.

Jay Box, Hazard’s president, said that his institution is also attempting to become the Appalachian arts college, with programs in bluegrass music, storytelling and the visual arts, and by training artisans at the Kentucky School for Craft in Hindman, about 20 miles from Hazard. The school, which opened last year, offers courses taught by craftsmen in jewelry and wood, and will add ceramics, architectural ironwork, and various fabric-related crafts such as weaving. There are 25 students now; eventually there will be 75.

One of the biggest controversies during the reform debate involved removing the community colleges from the University of Kentucky’s authority and placing them and the two-year technical schools under a single administration, the Kentucky Community and Technical College System. Now, some observers consider KCTCS to be the most successful of the reforms.

“The community college part of the reforms worked better than I expected, faster than I expected,” former Governor Patton said. “We disavowed the word merger, but that is in fact what happened,” said Patton, crediting the new system’s first president, Mike McCall, with the patience and toughness to make it work.

In addition to consolidating the colleges and improving the rate of transfers to four-year institutions, McCall said, his system is “constantly looking at our communities—

**UPDATE**  
**Kentucky’s Reforms Produce Mixed Results**  
**May 2008**

**T**EN YEARS AFTER the state of Kentucky approved a set of major postsecondary education reforms, some goals have been met, but others remain elusive.

In a report for the Kentucky Chamber of Commerce published in December 2007, the National Center for Higher Education Management Systems (NCHEMS) concluded that the state’s public colleges and universities have made significant gains in the last decade but that the most important reform goal—to boost the state’s economy and to improve the quality of life for all Kentuckians—has not been achieved.

The study by NCHEMS, a higher education policy analysis group, found a lack of coordination between higher education and economic development. Despite major gains by many Kentucky public campuses, the state’s per capita income remains what it was a decade ago—82 percent of the national average.

Although the reforms have not yet had a major impact on the Kentucky economy, they have brought important improvements to individual campuses. Enrollment has increased at all eight public universities, and there has been spectacular growth in the two-year Kentucky Community and Technical College System.

However, there has been little progress in preparing high school

students for college work. According to the NCHEMS report, of 100 Kentucky ninth graders, only 65 complete high school in four years; only 37 directly enter college; only 24 enroll for a second year; and only 12 complete an associate’s degree in three years or a bachelor’s degree in six.

The “education pipeline leaks at every seam,” the report said.

To deal with part of this problem, the Kentucky Council on Postsecondary Education, the coordinating body created by the 1997 reform legislation, launched a “double the numbers” campaign in 2007, hoping to increase the number of bachelor’s degrees from 400,000 to 800,000 by 2020.

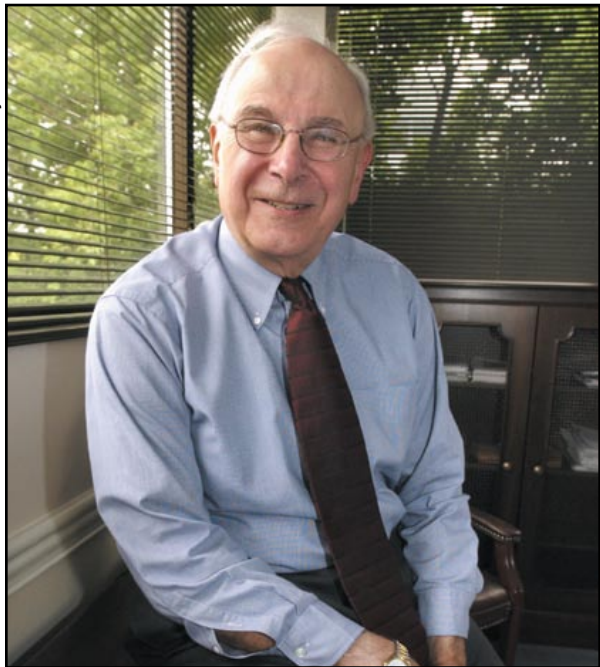
State spending for higher education was strong in the first few years after the reform legislation was passed but has been erratic since then, ranging from a 0.4 percent cut in 2003-04 to an increase of 8.2 percent in 2005-06.

Financial conditions worsened in 2008. Newly elected Governor Steve Beshear, a Democrat, faced with a substantial budget deficit, trimmed spending for all state agencies, including postsecondary education, by three percent for 2007-08. Beshear then proposed a budget for the 2008-10 biennium that included a further cut of 12 percent in higher education spending.

**The most important reform goal—to boost the state’s economy and to improve the quality of life for all Kentuckians—has not been achieved.**

doing environmental scans—to see what kinds of jobs are being created. For example, there’s a resurgence of coal in Kentucky...But we’ve lost a generation of miners, and the equipment is 20 years old.” So KCTCS is working with

Elaine Shray for CrossTalk



**Thomas Layzell, president of the Kentucky Council on Postsecondary Education, has brokered state budget cuts of recent years.**

industry to prepare simulators to help train new high-tech miners.

“Creating this centralized community and technical college management is one of two changes that may have the most long-term effects,” said consultant Aims McGuinness. The other is the effort to improve adult education and literacy under legislation passed in 2000. “If adult education gets forgotten, that’s going to cause severe problems.”

The legislature gave the Council on Postsecondary Education responsibility for policy, planning and budgets for adult education, and the state increased annual funding for its programs from about \$10 million to \$22 million between 2000 and 2005. The council has set goals and accountability for those who provide the programs, including local boards of education, community and technical colleges, and community-based organizations.

Across the state 4,397 people were enrolled in family literacy programs in 2004, compared to 1,357 in 2001. “People come to learn to read, often because they want to help their children with their homework,” said Cheryl King, the council’s vice president for adult education. “Or they’re embarrassed (because) they want to read the newspaper and they can’t. They desperately need a job that requires some level of literacy.” Workforce education programs also enrolled

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A 12 percent cut “would have a devastating impact on the university,” Lee Todd, president of the flagship University of Kentucky, told the campus community.

The legislature agreed and reduced the cuts to three percent. Still, this meant the public campuses had received two cuts of three percent in succession. This amounted to a \$20 million loss for the University of Kentucky, which responded by laying off some faculty and staff, by not filling empty positions, and by postponing some projects.

The campus presidents said the proposed cuts would make it difficult to pursue the higher education reform program and asked permission to raise tuition and fees substantially. The Kentucky Council on Postsecondary Education, which must approve tuition hikes, agreed to some of the increases but reduced others.

Mike McCall, president of the rapidly growing Kentucky Community and Technical College System, asked for a 13 percent tuition and fee increase, but the postsecondary council allowed only a 5.2 percent increase. The council’s action “will have a long-lasting impact on the future of higher education in Kentucky,” McCall warned.

The state’s “Bucks for Brains” trust fund survived the budget trimming, enabling

**Kentucky’s “Bucks for Brains” trust fund survived the budget trimming, but it faces an uncertain future because of the state’s financial problems.**

the University of Kentucky and the University of Louisville to increase their research capabilities by hiring top scholars, establishing more endowed professorships and expanding lab space. However, “Bucks for Brains” faces an uncertain future because of the state’s financial problems.

The budget cuts have chilled the University of Kentucky’s hopes to become one of the nation’s top 20 research universities by the year 2020. But skeptics already had questioned whether this was a realistic goal, noting that the National Science Foundation ranked the university 65th in federal research and development expenditures in 2006.

The Kentucky Council on Postsecondary Education has achieved a degree of cooperation among public campuses that were known for squabbling among themselves. “We’re working together much better now,” said Gary Ransdell, president of Western Kentucky University. All of us (campus presidents) have come to an understanding that we’re responsible for higher education in the entire state, not just in our own regions.” However, the council’s reputation was damaged in 2007-08 by two poorly conducted searches for a new chief executive.

Budget cuts and the postsecondary council’s floundering have caused some to wonder if the postsecondary reform movement is dead. Kentucky “has lost its way,” said James Votruba, president of Northern Kentucky University, whose request for a 9.6 percent tuition increase was trimmed to 8.5 percent by the postsecondary council. Others believe the setbacks are temporary and that progress will resume if and when the financial situation improves.

—William Trombley

more than 51,000 students learning communication and computer skills.

Despite these gains, the Council on Postsecondary Education is increasingly concerned that higher education is becoming too expensive for average Kentuckians. Tuition went up this year at all the four-year public universities and for the two-year college system as well. Eastern Kentucky University raised its tuition 23 percent, to \$4,660, the highest percentage increase, while UK's tuition went up 12.5 percent, to \$5,812. The KCTCS Regents boosted that system's tuition by 6.5 percent, from \$92 to \$98 per credit hour.

Each public university sets its own tuition, but the council must approve all increases. In May, however, the council—prodded by Fletcher, other politicians and the public—voted to require colleges and universities to provide more justification for tuition hikes. The schools also must submit proposed tuition rates next year in time to allow for public comment and student notification. Fletcher said he was pleased to see the council exercise its role “a little more aggressively than in the past.”

The council has also undertaken two affordability studies to determine if the state is pricing low-income Kentuckians out of higher education. One of these recently concluded that “by most measures, Kentucky higher education is within reasonable range of affordability for most students.” It added, however, that independent students from low-income groups do not get as much state aid as those still living with their parents and must borrow more money.

To succeed, Kentucky educators must maintain the collaboration between universities, independent colleges and community colleges, said Ed Hughes, president of Gateway Community and Technical College in northern

Kentucky. “I have felt, and see, a falling off of that collaboration,” he said, adding that it is a critical issue for the council to push. “We cannot go back to the days when one university never talked to another.” Kentucky higher education also needs “another 15 years” as a top funding priority for both the governor and the legislature, Hughes added.

“Yes, all of us would like more money,” said Northern Kentucky University President Votruba. “But the challenge is to use the funds that we have in creative ways. We have to demonstrate, in the governor’s language, ROI—or return on investment. I think if we do that, that can be Governor Fletcher’s stamp on what was a Governor

Patton initiative.

To continue expanding enrollment, Kentucky must reach more people like Janie Spurlock and Teresa Younce. And it’s not always easy for adults even when they are highly motivated.

“When you start something like this, you’re scared you can’t do it,” Spurlock said. She took some of her first courses over instructional television, and when she got into conventional classes Spurlock did very well, eventually maintaining a 4.0 average. “I realized I wasn’t stupid. I could do this,” she said, adding that her older children and several



Elaine Sharp for CrossTalk

**The Kentucky reform legislation has led to gains in family literacy, said Cheryl King, vice president of the Kentucky Council on Postsecondary Education.**

local high school students helped her to learn the computer skills she lacked.

Faculty members helped as well. Several professors traveled regularly from Morehead to the Prestonsburg center to teach in the social work program. “They did a lot of personal things for us—like picking up books on the main campus so we didn’t have to stand in a line there after driving an hour and a half—as well as educating us,” Younce said in gratitude. “They were like a family.” ♦

Kay Mills is the author of “This Little Light of Mine: The Life of Fannie Lou Hamer,” and four other books.

**In fiscal year 2005, University of Kentucky researchers brought in a record \$273.9 million in outside grants and contracts.**