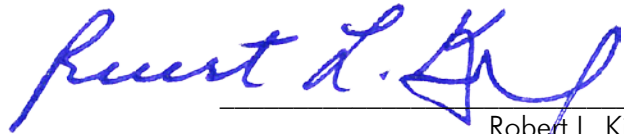


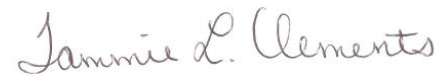
MINUTES
Council on Postsecondary Education Retreat
February 7, 2013

The Council on Postsecondary Education met in a retreat Thursday, February 7, at The Glen-Willis House in Frankfort, Kentucky. The retreat began at 9:00 a.m. and concluded at 5:00 p.m. Chair Pam Miller presided.

- ROLL CALL** The following members attended: Dan Flanagan, Joe Graviss, Kennedy Helm, Dennis Jackson, Nancy McKenney, Pam Miller, Donna Moore, Marcia Ridings, Carolyn Ridley, CJ Ryan, Arnold Taylor, and Sherrill Zimmerman. Glenn Denton, Terry Holliday, Lisa Osborne, and Joe Wise did not attend.
- DISCUSSION TOPICS** An agenda was distributed for the retreat but no action was taken. The agenda topics included a discussion with Dr. Paul Lingenfelter, President, State Higher Education Executive Officers (SHEEO), on the role of coordinating boards and current national challenges; an update and discussion of the CPE's 2012-13 plan of work; a discussion with Dr. Richard DeMillo, Distinguished Professor of Computing, Georgia Institute of Technology, on his book "Abelard to Apple: The Fate of American Colleges and Universities"; and a discussion of the 2011-15 Strategic Agenda revised metrics and strategies.
- ADJOURNMENT** The retreat adjourned at 5:00 p.m.



Robert L. King
CPE President



Tammie L. Clements
Associate, Executive Relations

AGENDA
Council on Postsecondary Education Retreat
February 7, 2013

The Glen-Willis House
900 Wilkinson Blvd
Frankfort, Kentucky

- | | |
|---------------|--|
| 9:00 - 9:15 | Welcome and Retreat Overview (Continental breakfast available beginning at 8:30) |
| 9:15 – 10:30 | Role of Coordinating Boards and Current National Challenges
<i>Dr. Paul Lingenfelter, President, State Higher Education Executive Officers (SHEEO)</i> |
| 10:30 – 10:45 | Break |
| 10:45 - 12:00 | Update and Discussion: CPE's 2012-13 Plan of Work |
| 12:00 - 1:00 | Lunch |
| 1:00 - 2:30 | Presentation and Discussion: "Abelard to Apple: The Fate of American Colleges and Universities"
<i>Dr. Richard DeMillo, Distinguished Professor of Computing, Georgia Institute of Technology</i> |
| 2:30 - 2:45 | Break |
| 2:45 - 4:30 | 2011-15 Strategic Agenda Revised Metrics and Strategies and Focus Area Breakout Discussions |
| 4:30 - 5:00 | Wrap-up |
| 5:00 | Adjourn and Reception |

STATEWIDE POLICY LEADERSHIP

FOR HIGHER EDUCATION:

WHAT DO THE PEOPLE WANT?

WHAT DO STATE BOARDS AND LEADERS NEED TO DO?

Kentucky Council on Postsecondary Education

February 7, 2013



Who are your constituents?

2

- Students & parents
- Faculty & staff
- Presidents, all sectors
- Board members & business leaders
- Legislators
- The Governor
- The Public interest





What do students and parents want?

3

- Low prices, and generous aid
- Admission to high status schools
- Convenient class schedules
- Good food, housing, recreation
- Safety (parents) freedom (students)
- Small classes, contact with faculty
- Degrees and certificates
- A good job





What do faculty and staff want?

4

- Above average pay and benefits
- Job control – working conditions, hours, time, office space, etc.
- Respect and deference
- A strong role in choosing leaders
- Academic freedom and more
- Secure, generous retirement





What do presidents want?

5

- More money
- Less operational regulation
- Freedom to set tuition & fees
- Zero academic regulation
- Minimal reporting
- Deference





What do business leaders want?

6

- Happy students, parents, faculty, & staff
- An ample supply of able graduates
- Efficient operations
- Low prices, low taxes
- Sometimes extra (“fair”) benefits for their business or community





What do legislators want?

7

- Respect and deference
- Ability to deliver for constituents
- Happy students, parents, faculty, & staff
- An ample supply of able graduates
- Efficient operations
- Low prices, low taxes
- Sometimes extra (“fair”) benefits for their business or institution





What do Governors want?

8

- A political future
- A legacy of significant contributions
- Visible leadership in government
- Efficient operations
- Low prices and low taxes
- Ability to reward supporters
- Respect and deference





What do citizens and the state need?

9

The ability to compete in
and cope with an increasingly
competitive and turbulent
global environment



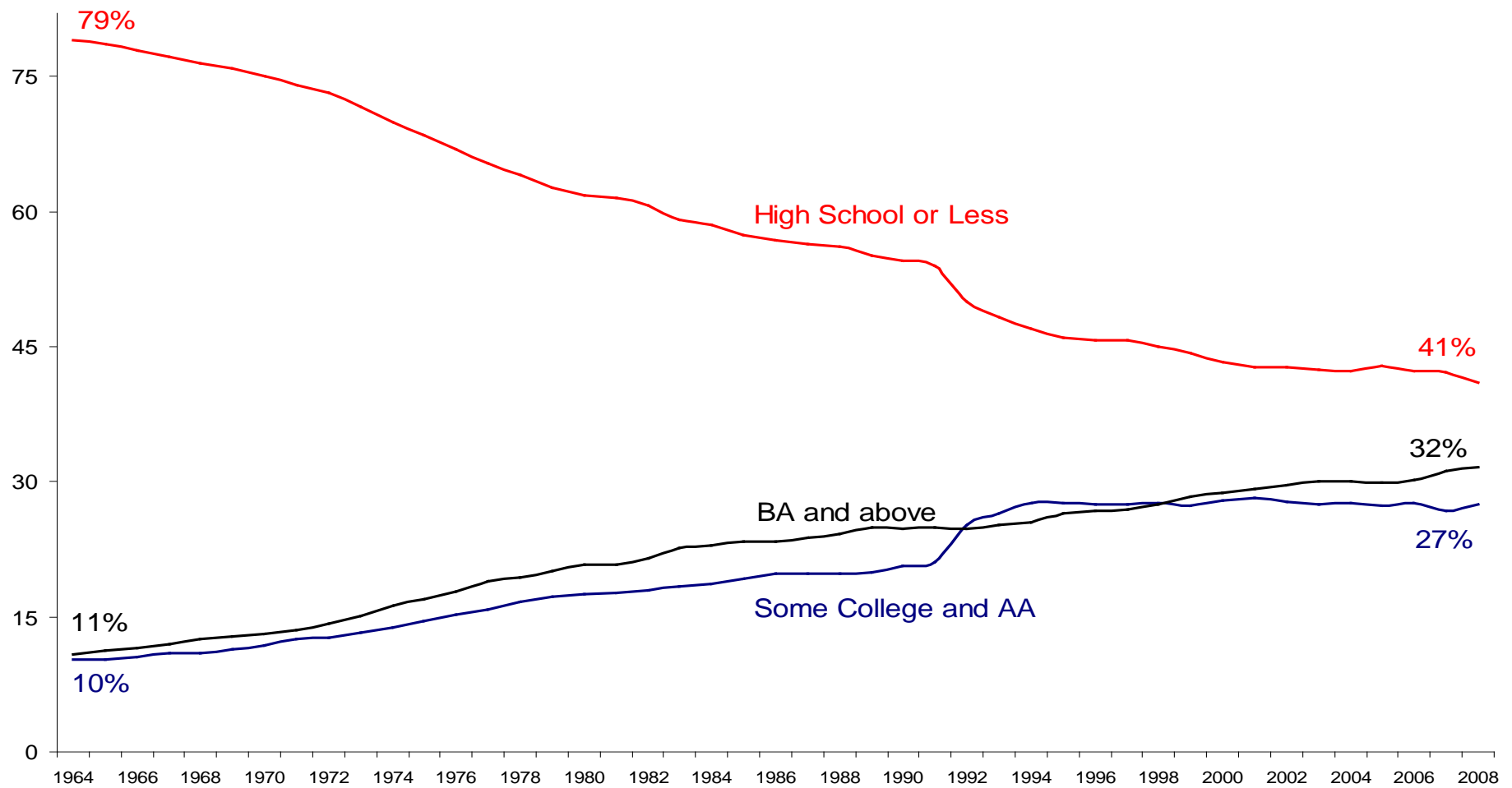
The situation, tools, and challenges

10

- Higher Education, essential, not optional
- The standards and assessment movement
- Rethinking educational algebra
- “Disruptive innovation”
- Reinventing instruction
- Addressing financial and social barriers to attainment

Employment trends by educational level

11



Higher attainment levels needed for future U.S. jobs

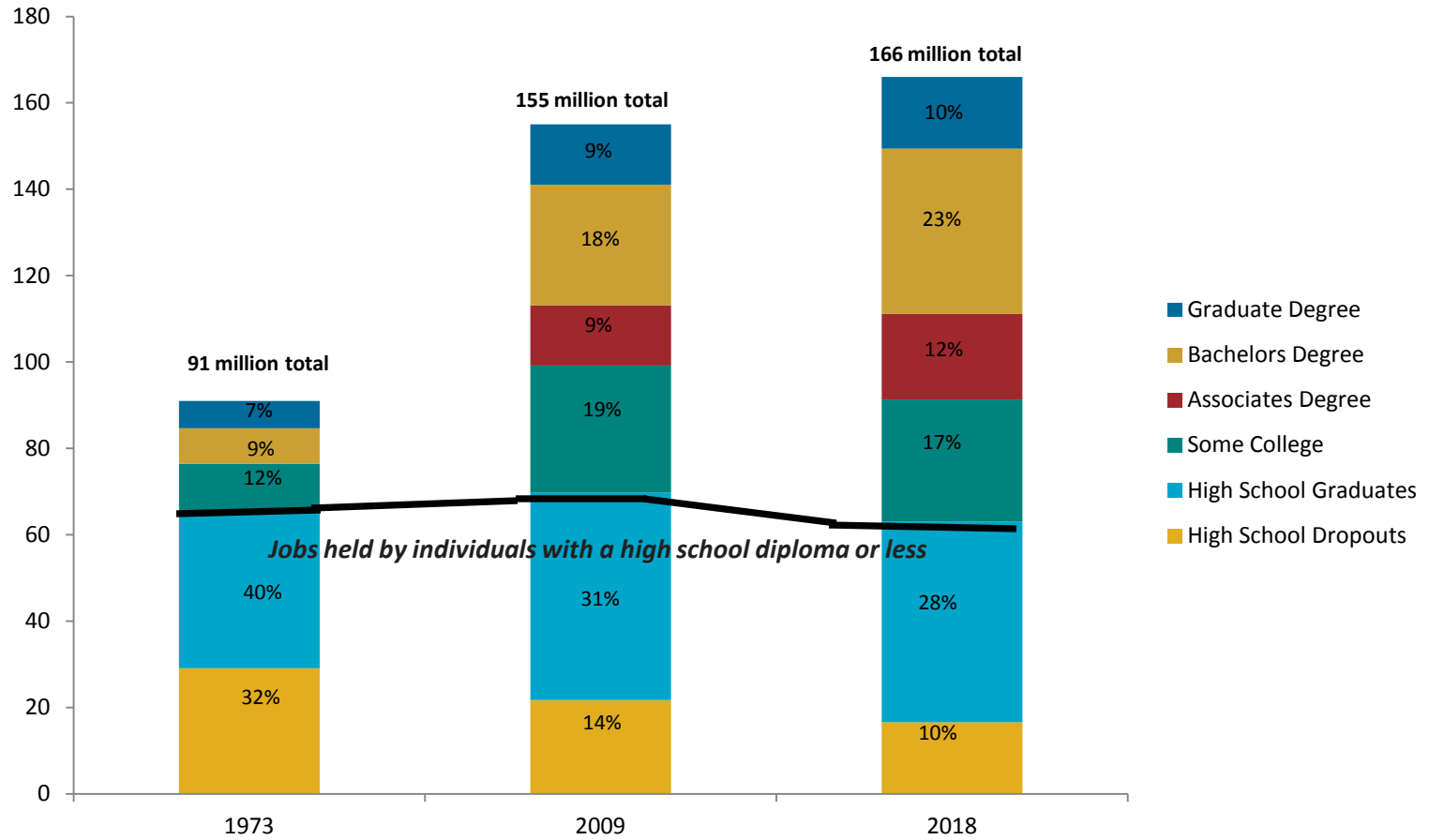
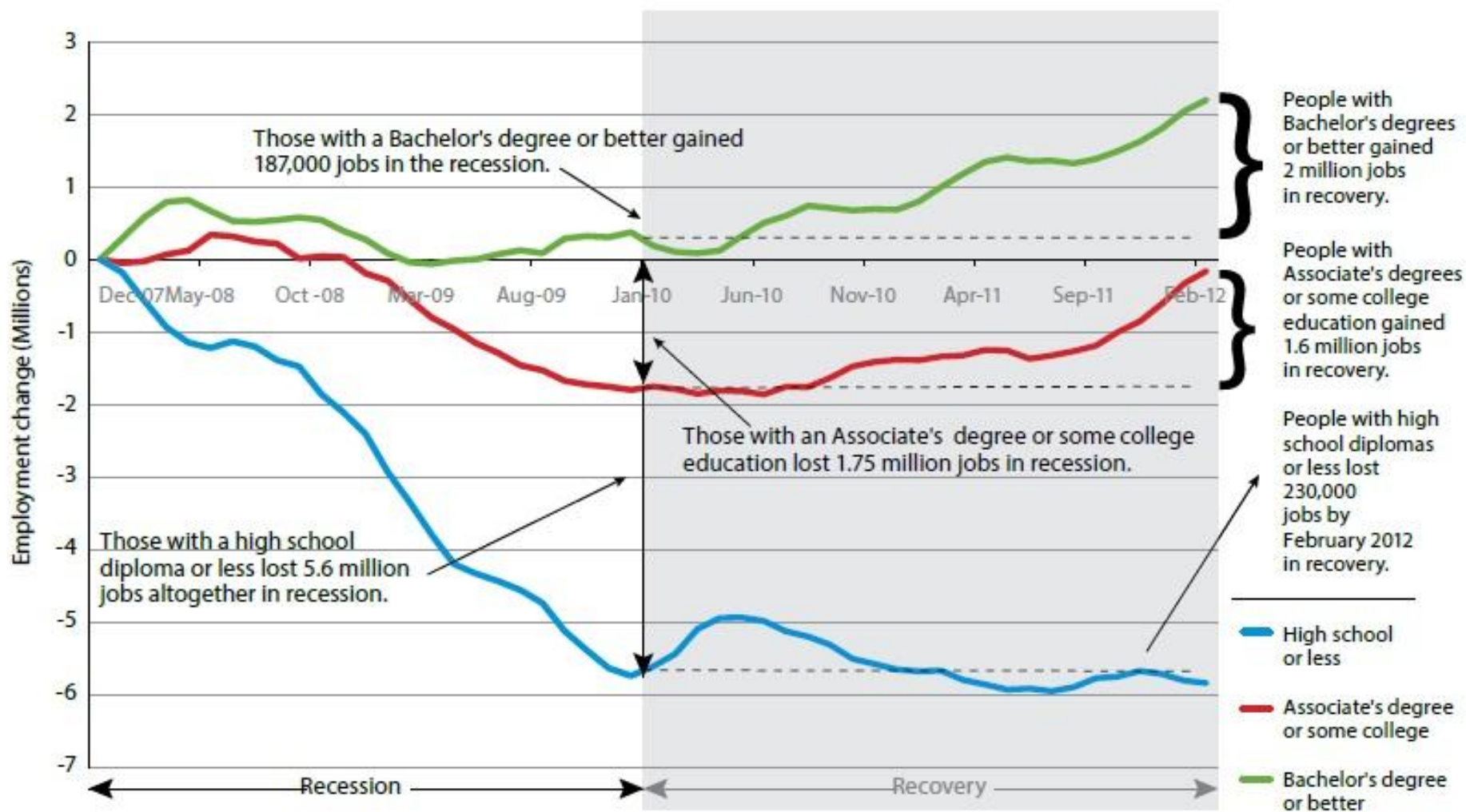


FIGURE 1: Workers with a high school diploma or less bore the brunt of the recession's job losses. Job gains in the recovery are confined to those with education beyond high school.



Source: Authors' estimate of the Current Population Survey data (2007–2012.) Employment includes all workers aged 18 and older.

Note: The monthly employment numbers are seasonally adjusted using the U.S. Census Bureau X-12 procedure and smoothed using four-month moving averages. The graph represents the total employment losses by education since the beginning of the recession in December 2007 to January 2010 and employment gains in recovery from January 2010 to February 2012.

Higher Education, essential, not optional: Participation gap problem

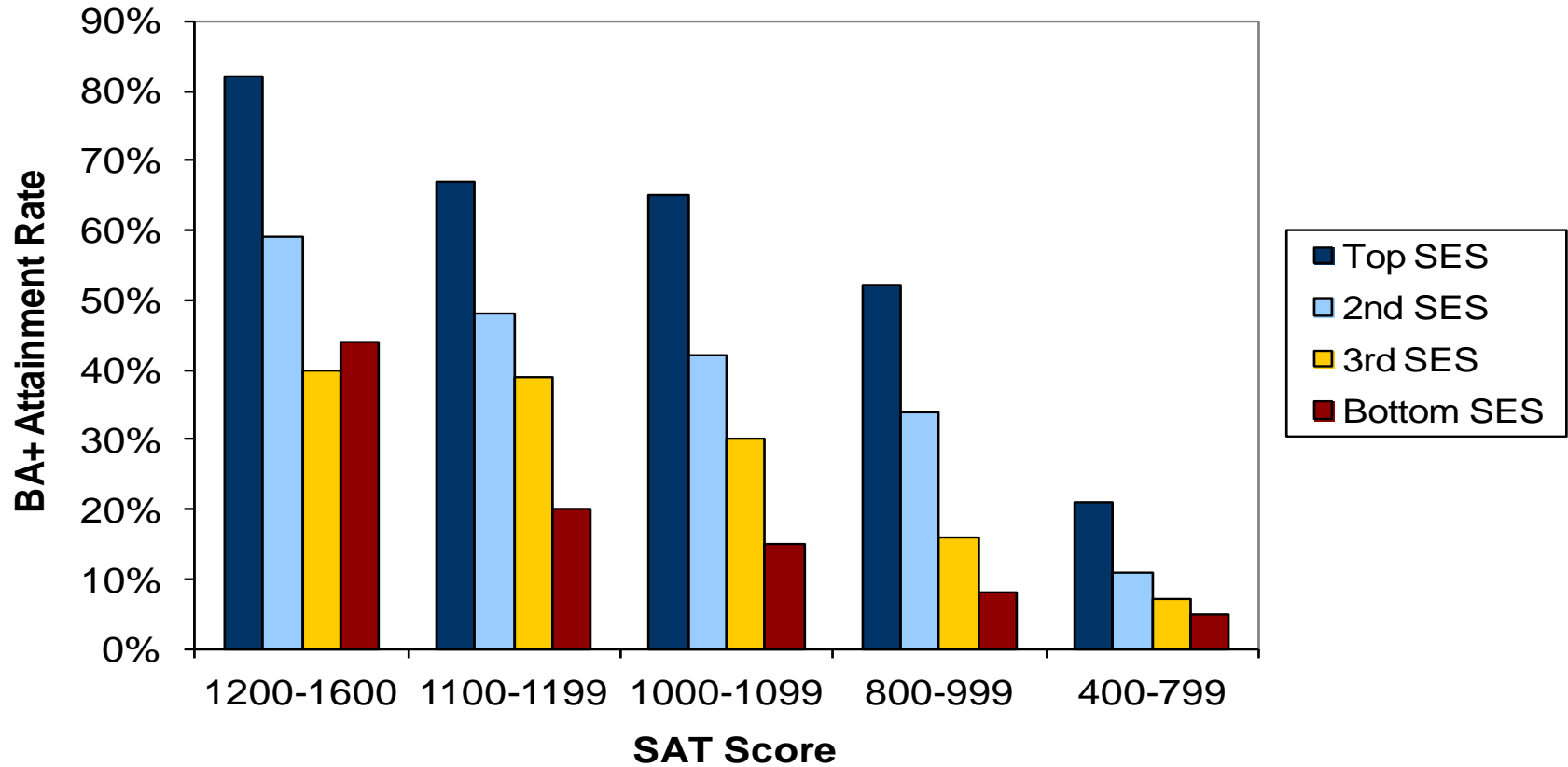
14

College Participation By Achievement Test and Socioeconomic Status Quartile		SES Quartile	
		Lowest	Highest
Achievement Quartile	Highest	78%	97%
	Lowest	36%	77%



Higher Education, essential, not optional: Completion gap problem

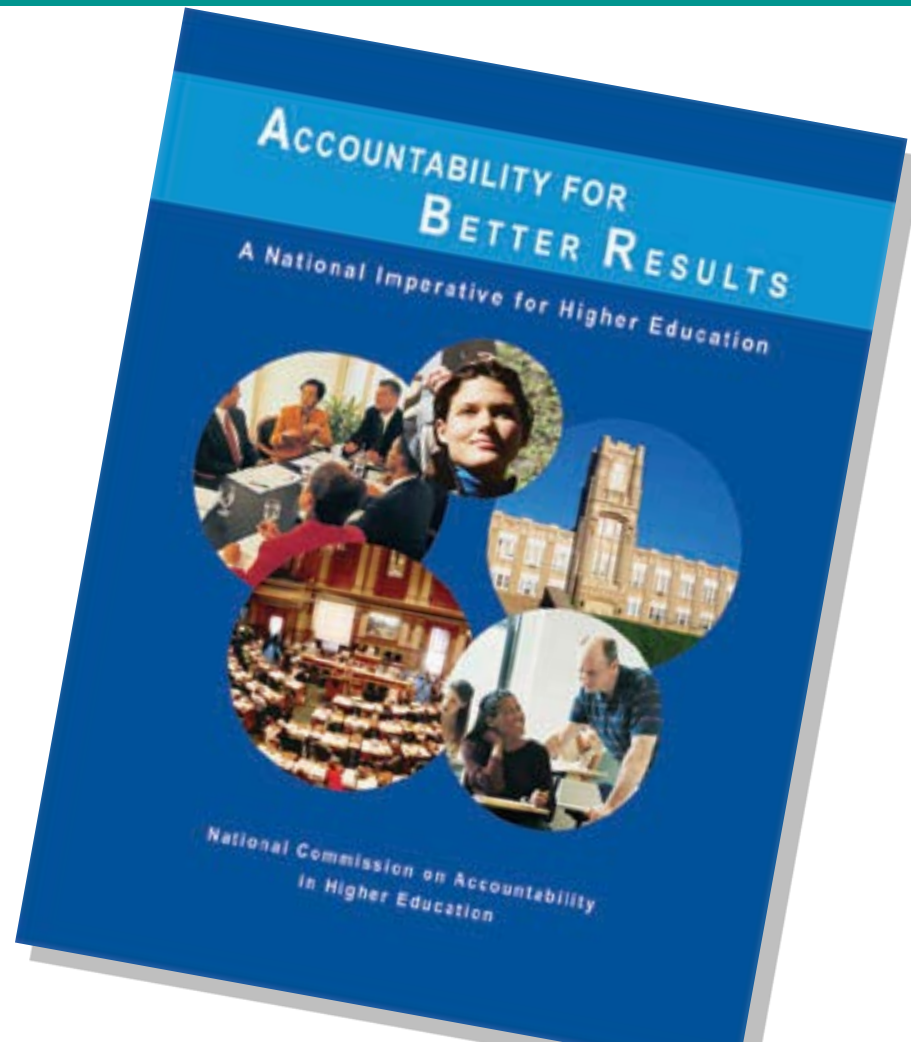
15



A different slant on accountability

16

*Report released
March 10, 2005*



SHEEO

Source: National Commission on Accountability in Higher Education, [URL](#)

What is “better accountability”

17

- Not the status quo – Unfocused, unread, unused reporting exercises;
- Not measuring performance, rewarding performance or punishing the lack of performance;
- Not centralized bureaucracies, but

A Means of Improving Performance

Fundamental principles of accountability

18

- Responsibility for performance *and* accountability is shared among teachers and learners, policy makers and educators
- Effective accountability will be based on pride not fear, aspirations not minimum standards
- Effective accountability will be a tool for self-discipline, not finger pointing

Pride, not fear

19



Components of effective accountability

20

- Affirm and pursue fundamental goals
 - Public purposes more than market position
- Establish and honor a division of labor
 - Command and control is a dead end
- Focus on a few priorities
 - No focus, no progress
- Measure results, respond to evidence
 - Elementary Baldrige



Standards and assessment movements

21

- The New Standards Project to No Child Left Behind
 - The limits of one-dimensional reform strategies
- Current generation efforts:
 - Common Core State Standards
 - VSA, VFA, NSSE, CCSSE, CLA, NILOA, AHELO
- Next generation challenges:
 - Achieving authenticity, external validity, and comparability



Principles of emerging consensus

22

- Clear instructional objectives and intentions help both teachers and students.
- It is difficult to improve something one does not measure.
- Students, faculty, and others must find assessments authentic and credible.
- Our most cherished learning objectives – creativity, critical thinking, the ability to solve unscripted problems – are not easily measured, especially by standardized tests.



Re-thinking educational algebra

23

- From: “Time is the constant, learning the variable”
- To: “Learning is the constant, time the variable.”
 - Competency vs. the SCH
 - Degree Qualifications Profile (DQP)
 - Credit for Prior Learning

Disruptive innovation

24

“an innovation that helps create a new market and value network, and eventually goes on to disrupt an existing market and value network (over a few years or decades), displacing an earlier technology.”

Source: Wikipedia



Disruptive innovation:

Clayton Christensen in a nutshell

25

- Successful, mature high end industries continue to raise product quality and costs to serve elite customers
- Low cost, lower quality alternatives appear which attract customers not in the high end market
- High end (all) corporate culture is incapable of change
- Growth of lower cost business results in large market share, revenues to invest in quality enhancements, and disruption/destruction of high end industries
- For example: WANG/Digital > Commodore 64 > PC



Disruptive innovation:

Applied to higher education

26

- Demand on a universal scale
- Costs escalating at an unsustainable rate
- Exponential growth of electronic capabilities for storing, retrieving, transmitting, and interacting with information
- Alternative, low-cost providers springing up like weeds

Disruptive innovation:

How it may *not* apply to Higher Ed

27

- Education is a collaboration between consumers and providers; students vary in their needs and ability to contribute to joint products with their teachers
- Knowledge and skill unbounded in important ways
- Difficult to automate human relationships and interactions which add essential value to education
- For better or worse, selectivity and prestige are part of the value added
- Despite organizational inertia, higher education is decentralized and diverse – disruptive thinking is part of the DNA



Reinventing instruction

28

- Employing technology to deliver content and engage students in different physical locations
- Collaborating on curriculum to achieve higher quality, more coherence and focus, and greater clarity of learning objectives – both courses and programs
- Data bases of learning objectives and analyzing student interactions with technology to improve instructional effectiveness
- Employing “high impact” instructional practices that engage and inspire student effort and creativity
- Common theme: collaboration and teamwork



Addressing barriers to attainment

29

- Why don't students complete postsecondary education?
 - Poor preparation
 - Inadequate focus on learning – low intensity enrollment
- How to improve preparation?
 - Improve K-12 instruction
 - Motivate students, and convince them college is affordable
- How to increase focus on learning?
 - Change expectations (solve under-matching problem)
 - Provide adequate financial support for full time study
- How can we serve today's underprepared student more effectively?
 - Improve remediation and social supports
 - Provide adequate financial aid - link to academic progress



In conclusion

30

- “History is a nightmare from which I am trying to awake.” James Joyce, *Ulysses* 1912
- “History becomes more and more a race between education and catastrophe.” H.G. Wells, *An Outline of History*, 1920
- “The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew and act anew.”
Abraham Lincoln

Contact information

31

Paul Lingenfelter

President

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Association**

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(303) 541-1605

Making Kentucky **STRONGER BY DEGREES**



**Presentation to Members, Council on Postsecondary Education
by Robert L. King, CPE President
February 7, 2013**

Table 1

Kentucky Budget of the Commonwealth
 Enacted General Fund Appropriations by Major Budget Category
 Fiscal Years 1999 and 2014

(Nominal Dollars in Millions)

<u>Budget Category</u>	<u>1998-99 Enacted General Fund</u>	<u>2013-14 Enacted General Fund</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Education	\$2,734	\$4,254	\$1,520	56%
Human Services	525	675	150	29%
Postsecondary Education ⁽¹⁾	945	1,176	230	24%
Institutions & CPE	915	986	71	8%
Student Financial Aid	31	190	160	522%
Medicaid	636	1,511	875	138%
Criminal Justice	586	1,042	456	78%
All Other	754	1,123	368	49%
Total Appropriations	\$6,180	\$9,780	\$3,599	58%

The shaded area provides Postsecondary Education detail and is not double-counted in Total Appropriations.

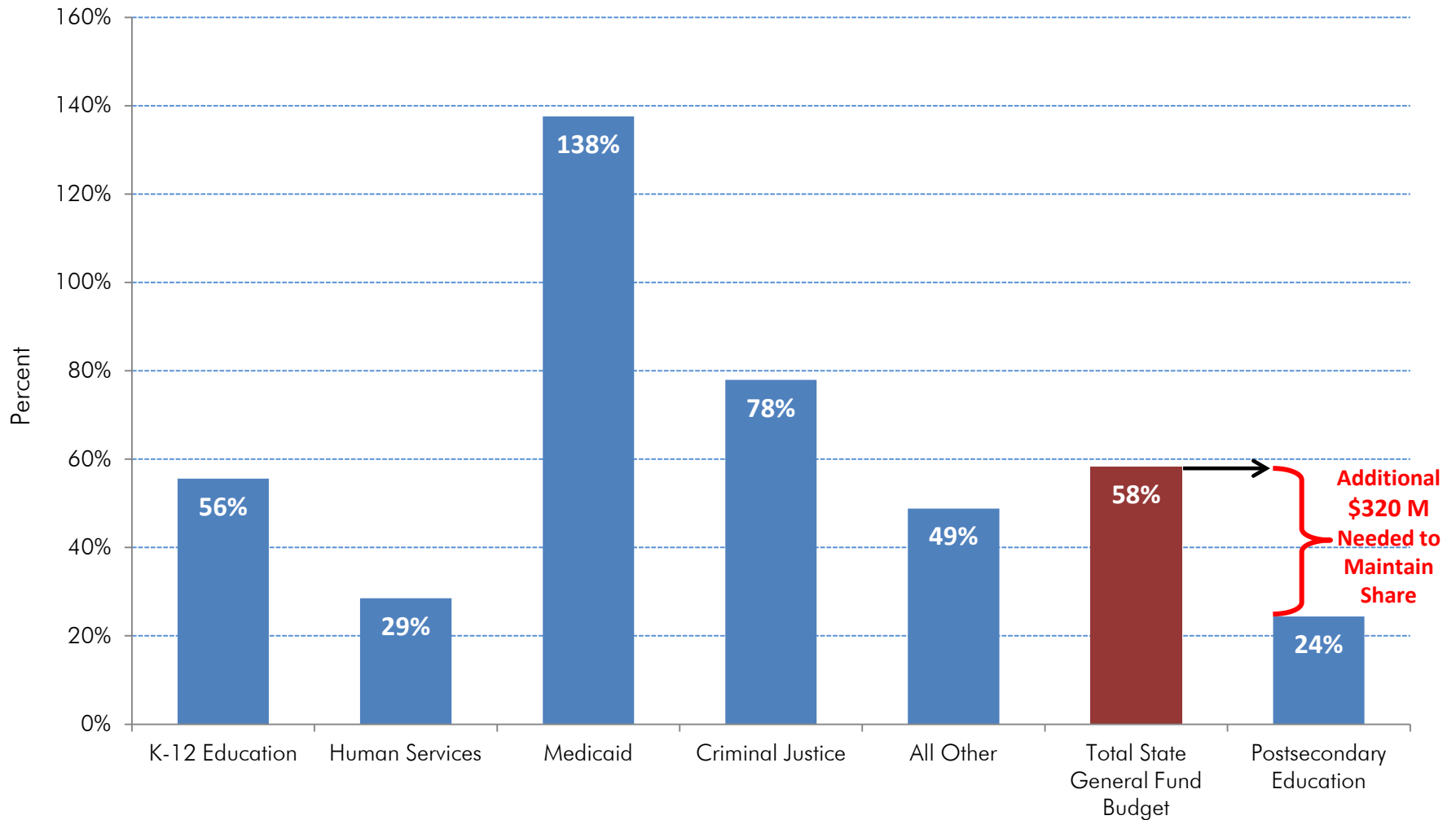
⁽¹⁾ Includes Kentucky's public postsecondary institutions, state-funded student financial aid (KHEAA), and the Council on Postsecondary Education.

Source: Kentucky Enacted Budgets of the Commonwealth.

Kentucky Budget of the Commonwealth

Change in General Fund Appropriations by Budget Category

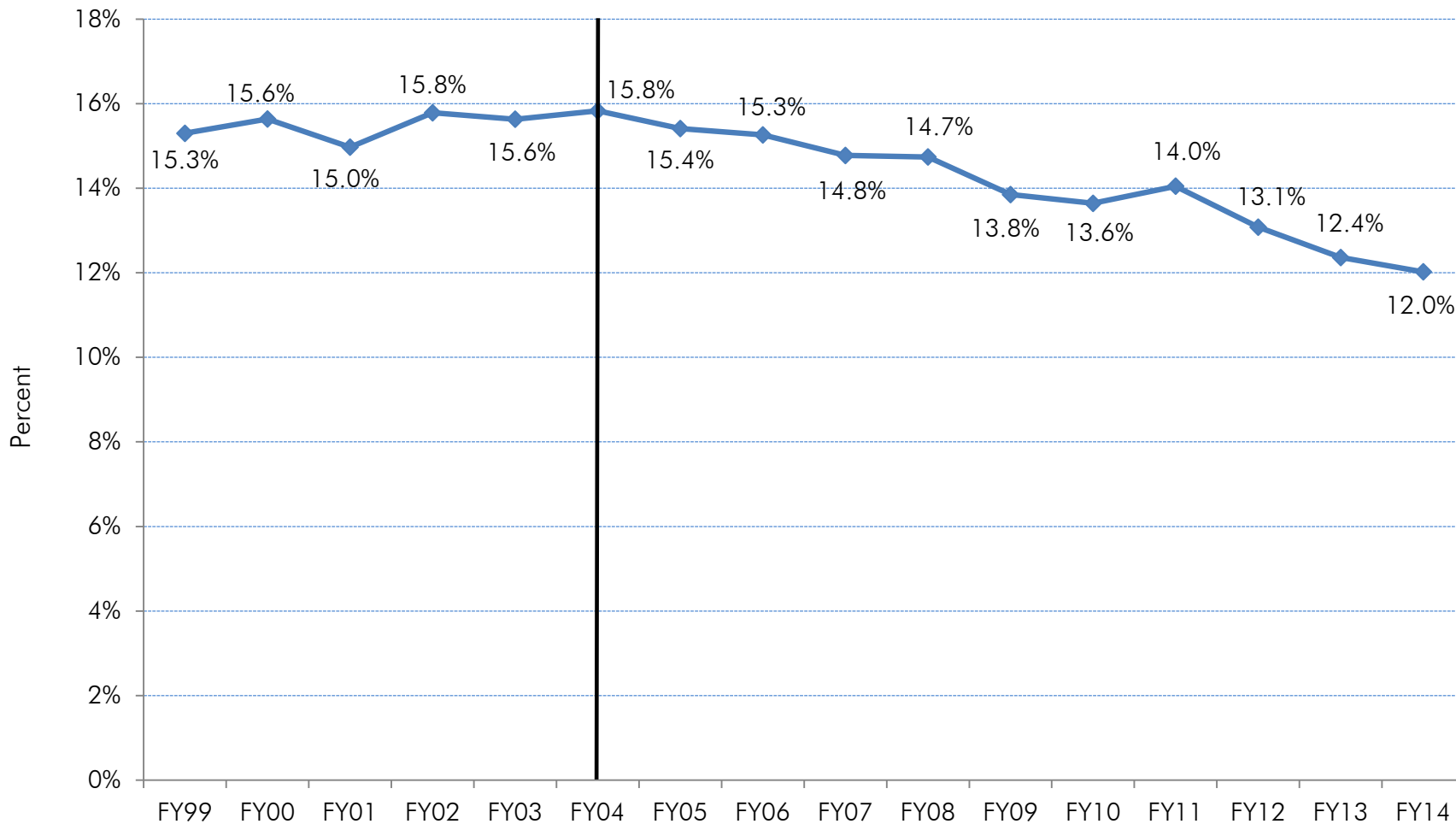
Fiscal Years 1999 - 2014



Source: Kentucky Enacted Budgets of the Commonwealth.

Note: Postsecondary education includes appropriations for the public colleges & universities, state-funded student aid, & CPE.

Kentucky Budget of the Commonwealth Postsecondary Education's Share of Total State General Fund Budget



Source: Kentucky Enacted Budgets of the Commonwealth.

Kentucky Public Postsecondary Institution
Enacted Net General Fund Appropriations
Fiscal Years 2008 and 2013

(Nominal Dollars in Millions)

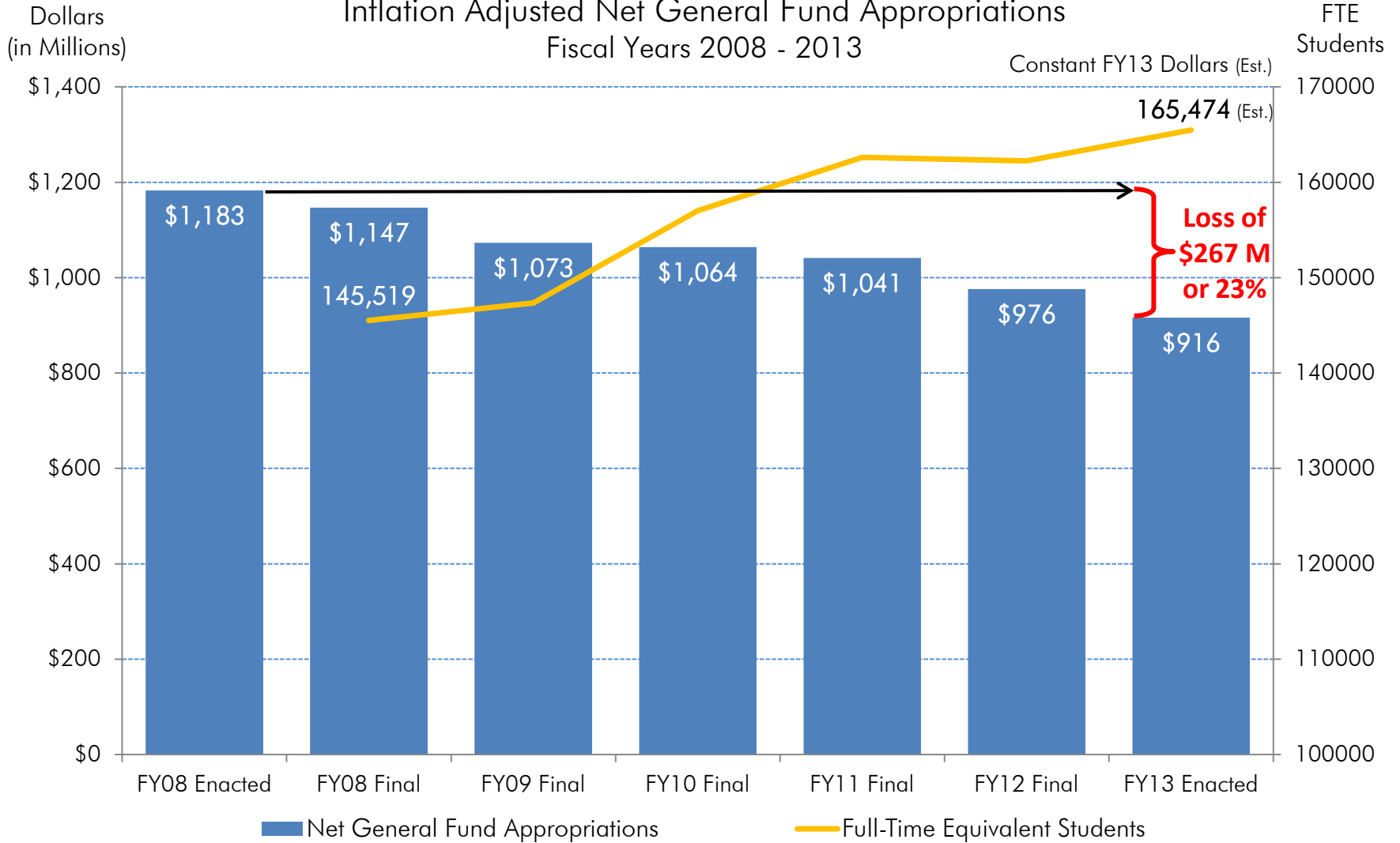
<u>Institution</u>	2007-08 Enacted Net General Fund	2012-13 Enacted Net General Fund	Dollar Change	Percent Change
University of Kentucky	\$335 ⁽¹⁾	\$284	(\$51)	-15%
University of Louisville	169	141	(27)	-16%
Eastern Kentucky University	80	68	(12)	-15%
Kentucky State University	27	24	(4)	-14%
Morehead State University	48	41	(7)	-15%
Murray State University	56	48	(8)	-14%
Northern Kentucky University	55	47	(8)	-15%
Western Kentucky University	85	72	(13)	-15%
KCTCS	<u>229</u> ⁽²⁾	<u>192</u>	<u>(37)</u>	-16%
System Total	\$1,084	\$916	(\$168)	-15%

⁽¹⁾ Includes \$2,000,000 special session appropriation for UK's Center for Applied Energy Research.

⁽²⁾ Includes \$2,373,800 reorganization transfer to KCTCS for Kentucky Board of Emergency Medical Services.

Source: Kentucky Budget of the Commonwealth.

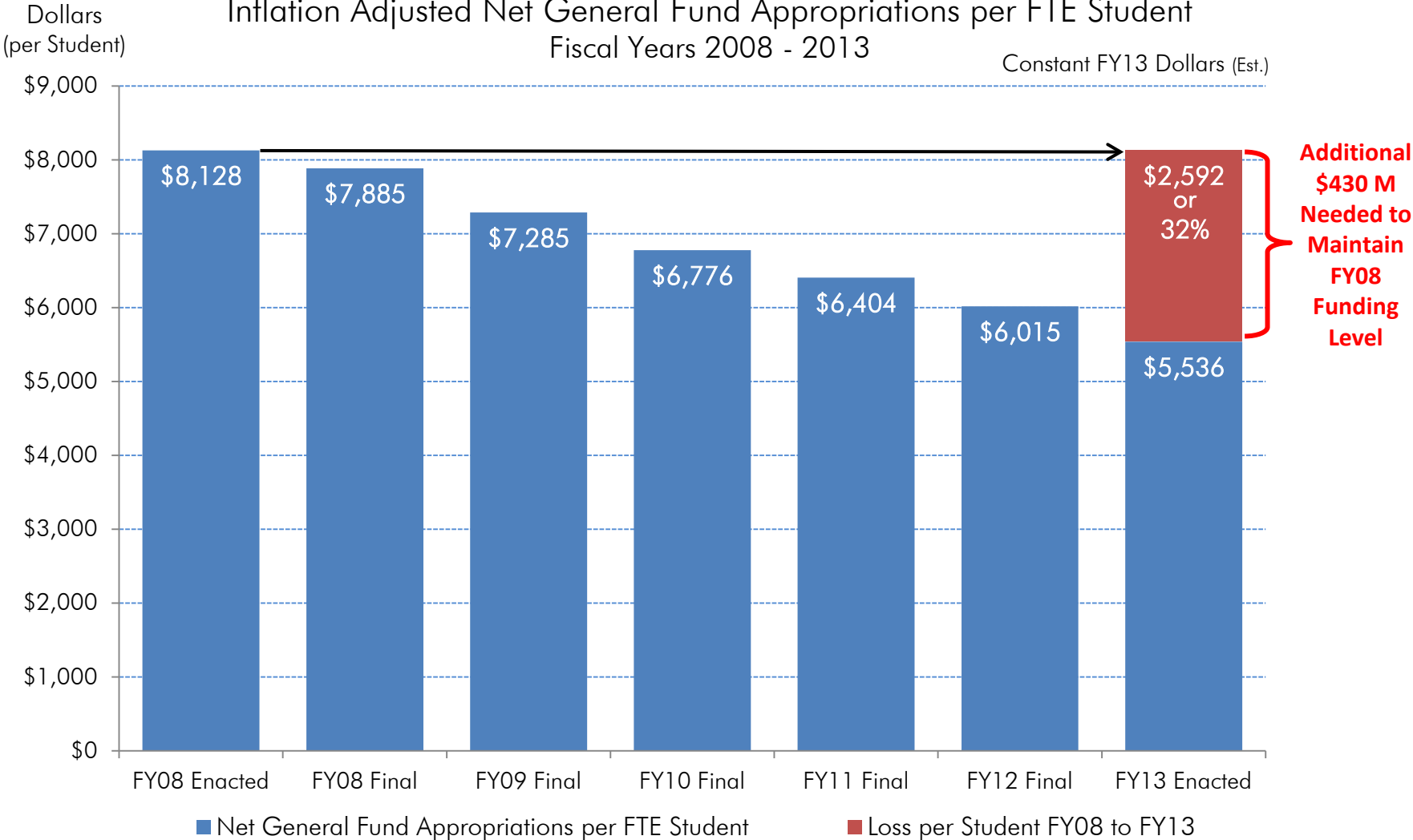
Kentucky Public Postsecondary System Inflation Adjusted Net General Fund Appropriations Fiscal Years 2008 - 2013



Sources: Kentucky Budget of the Commonwealth; CPE Comprehensive Database; Commonfund Institute, Higher Education Price Index (HEPI).

Assumptions: 2.0% enrollment growth; and 1.7% increase in inflation in FY13.

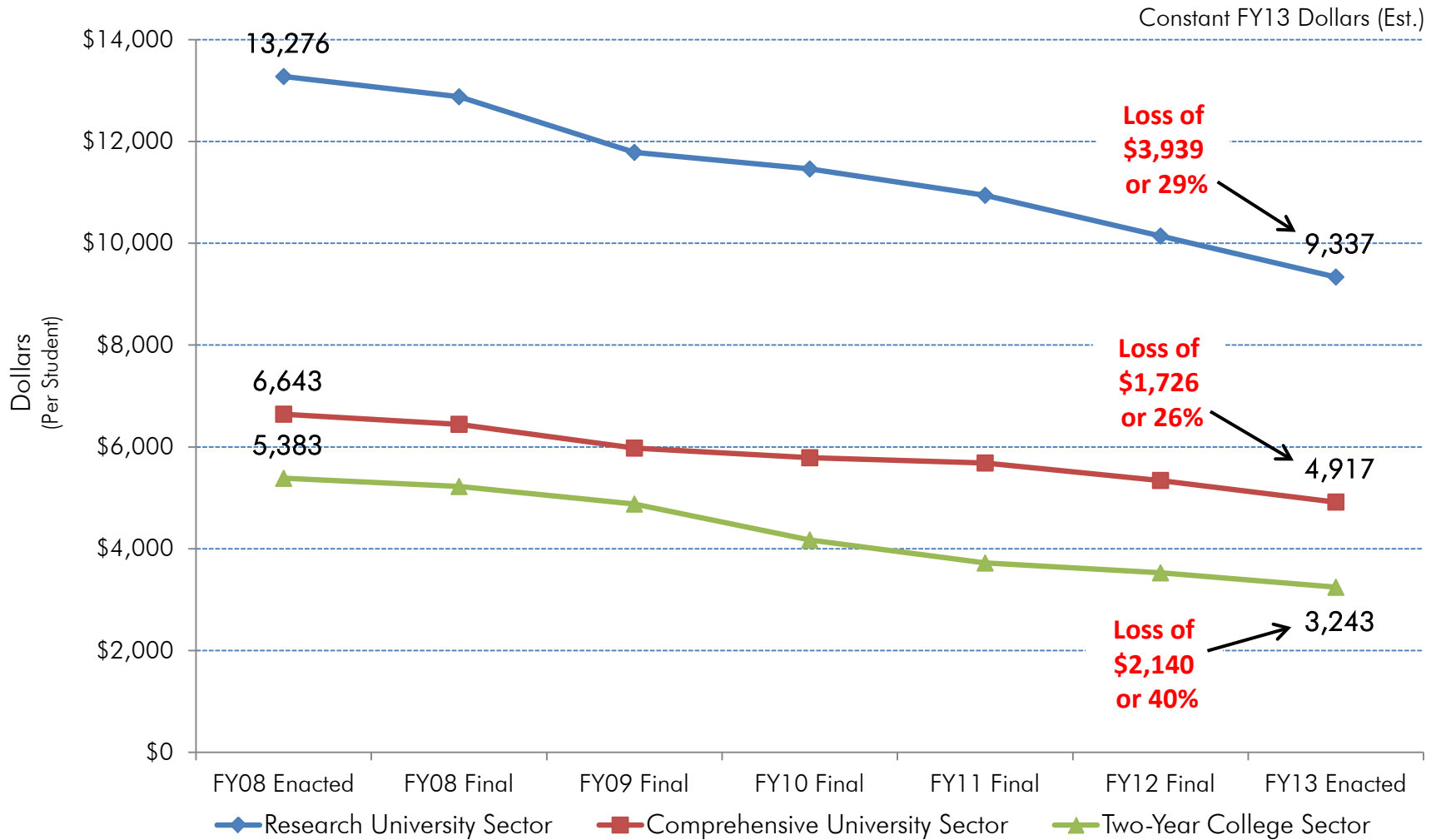
Kentucky Public Postsecondary System Inflation Adjusted Net General Fund Appropriations per FTE Student Fiscal Years 2008 - 2013



Sources: Kentucky Budget of the Commonwealth; CPE Comprehensive Database; Commonfund Institute, Higher Education Price Index (HEPI).

Assumptions: 2.0% enrollment growth; and 1.7% increase in inflation in FY13.

Kentucky Public Postsecondary Sector Inflation Adjusted Net General Fund Appropriations per FTE Student Fiscal Years 2008 - 2013



Sources: Kentucky Budget of the Commonwealth; CPE Comprehensive

Table 3

Kentucky Public Postsecondary Sector
Average Yearly Increases in Resident Undergraduate Tuition and Fees
Academic Years 2003 - 2008 and 2008 - 2013

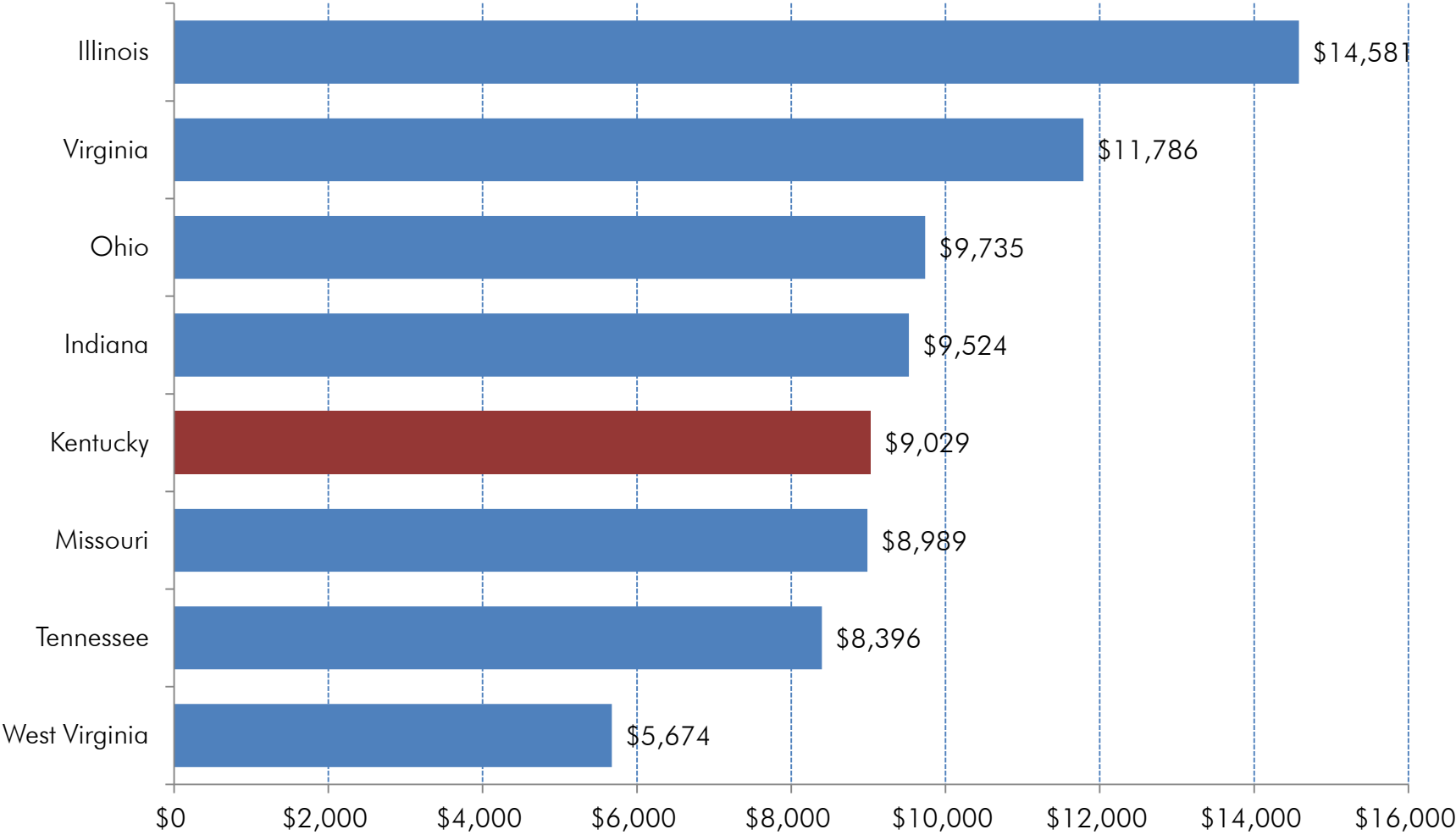
	<u>5-Year AAGR 2003 - 2008</u>	<u>5-Year AAGR 2008 - 2013</u>
Research Sector	11.8%	6.7%
Comprehensive Sector	12.9%	5.6%
Two-Year College Sector	17.6%	4.0%
Postsecondary System	12.9%	5.8%

**55% Decrease in Average
Yearly Increases FY08 - FY13**

AAGR - Average Annual Growth Rate.

Source: Kentucky Comprehensive Database

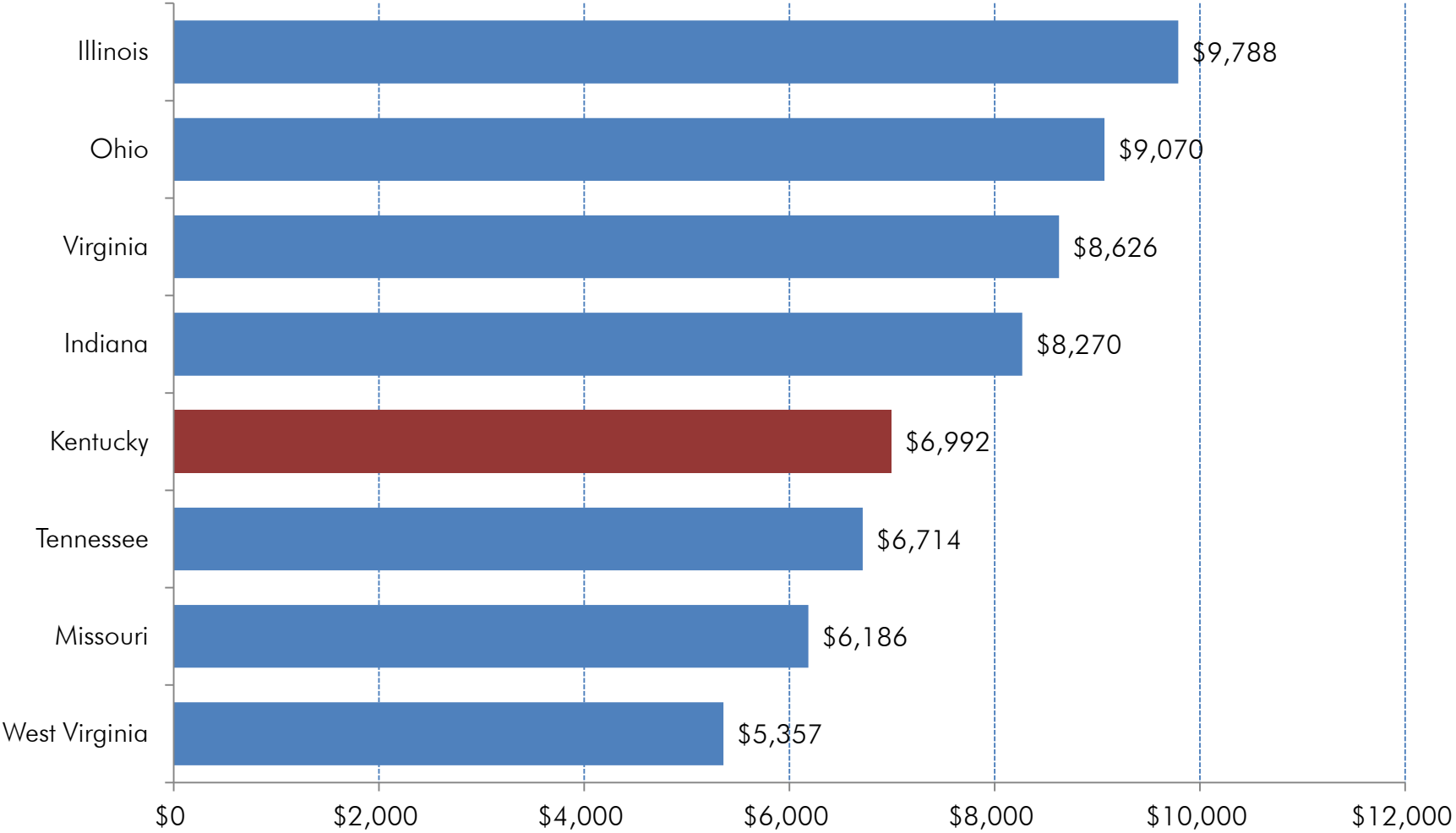
Research Universities in Kentucky and Surrounding States Average Resident Undergraduate Tuition and Required Fees Academic Year 2011-12



Source: Integrated Postsecondary Education Data System (IPEDS).

Note: The figure shown for Kentucky is an arithmetic mean of tuition and required fees at UK and UofL.

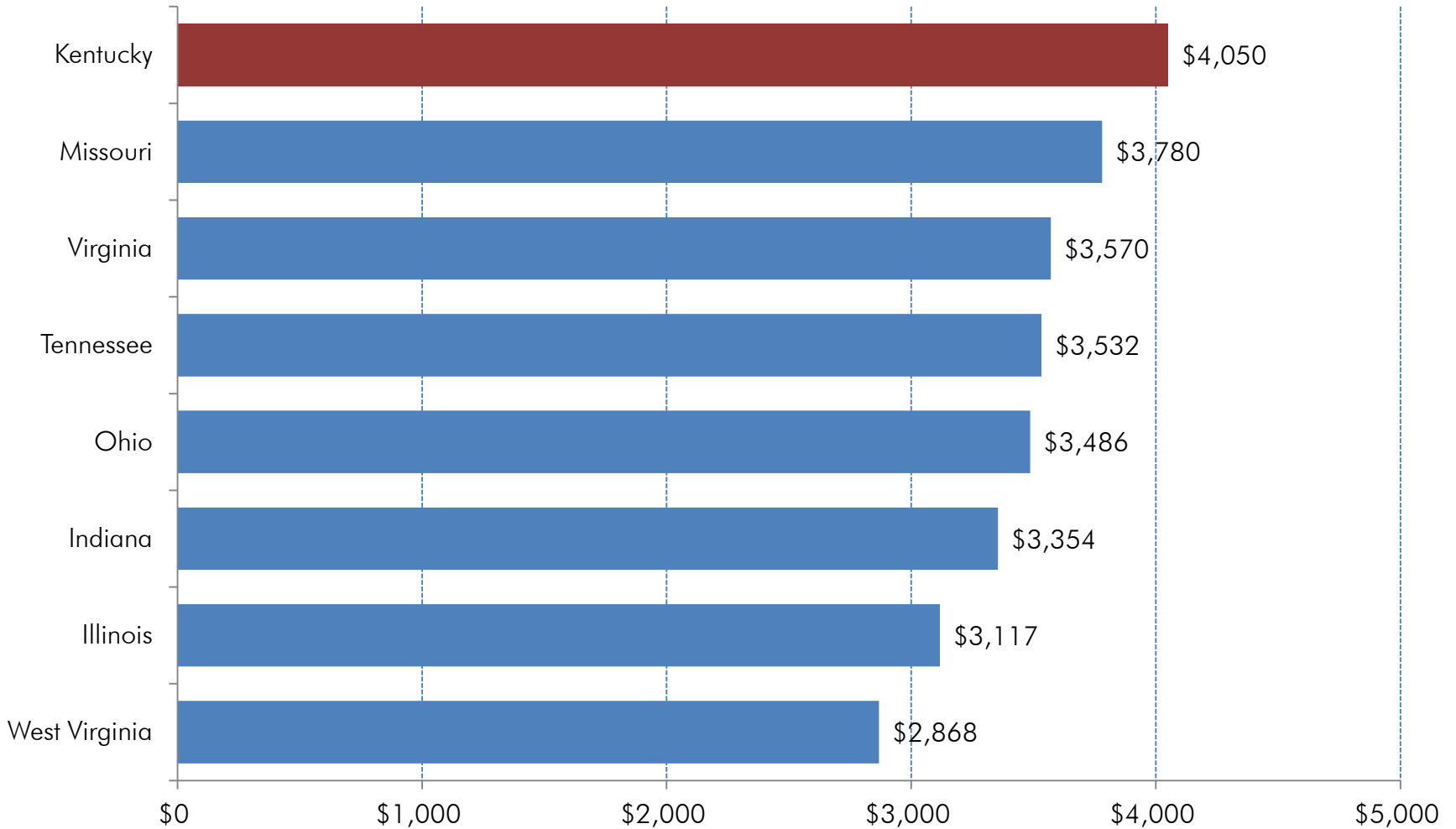
Comprehensive Universities in Kentucky and Surrounding States Average Resident Undergraduate Tuition and Required Fees Academic Year 2011-12



Source: Integrated Postsecondary Education Data System (IPEDS).

Note: The figure shown for Kentucky is an arithmetic mean of tuition & required fees at ECU, KSU, MoSU, MuSU, NKU, & WKU.

Community Colleges in Kentucky and Surrounding States Average Resident Tuition and Required Fees Academic Year 2011-12



Source: Washington Student Achievement Council (WSAC).

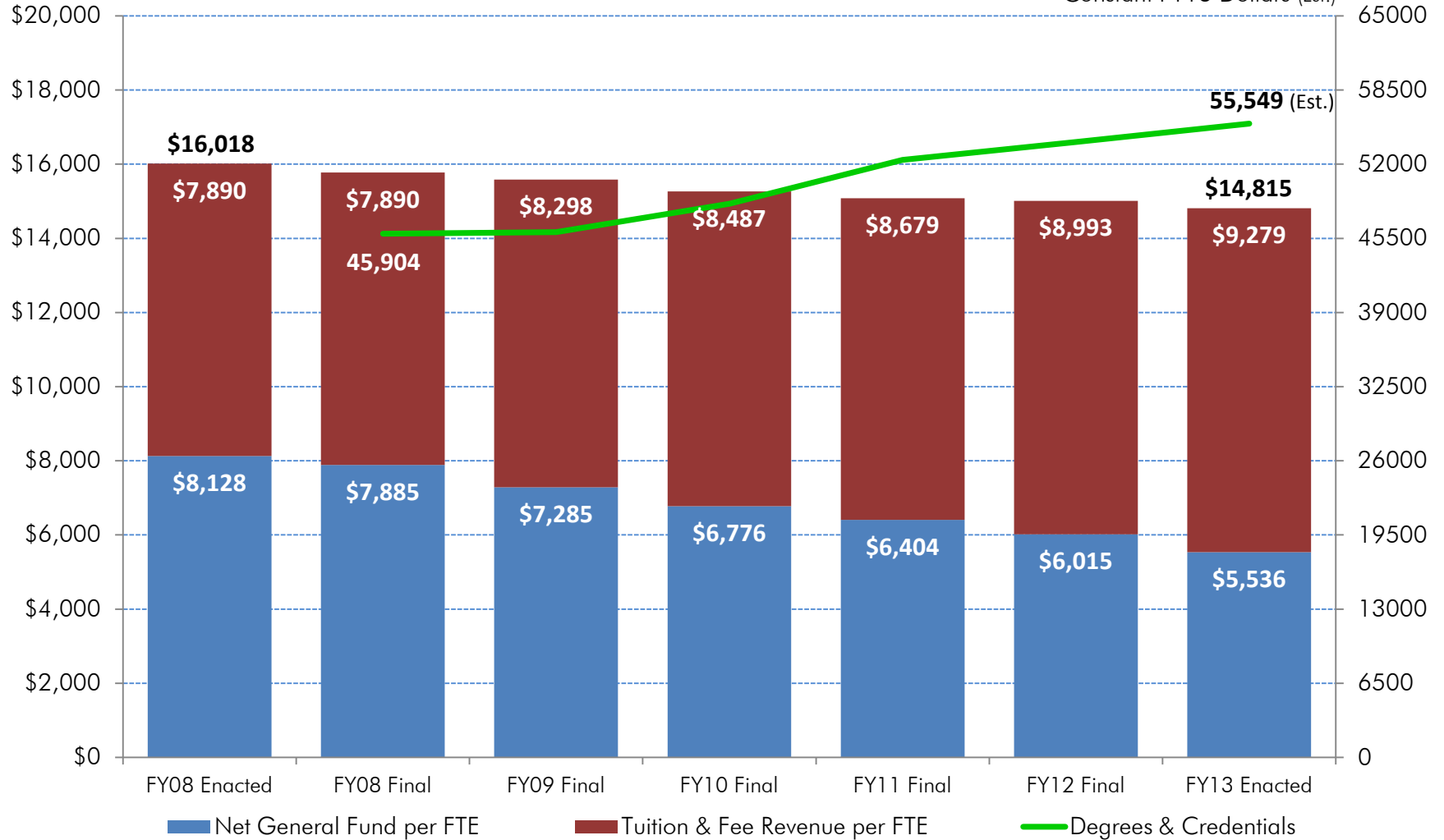
Note: Figures reported above are preliminary release data, which are subject to verification and change.

Kentucky Public Postsecondary System Inflation Adjusted Total Public Funds per FTE Student

Chart 9

Dollars
(per Student)

Degrees &
Credentials

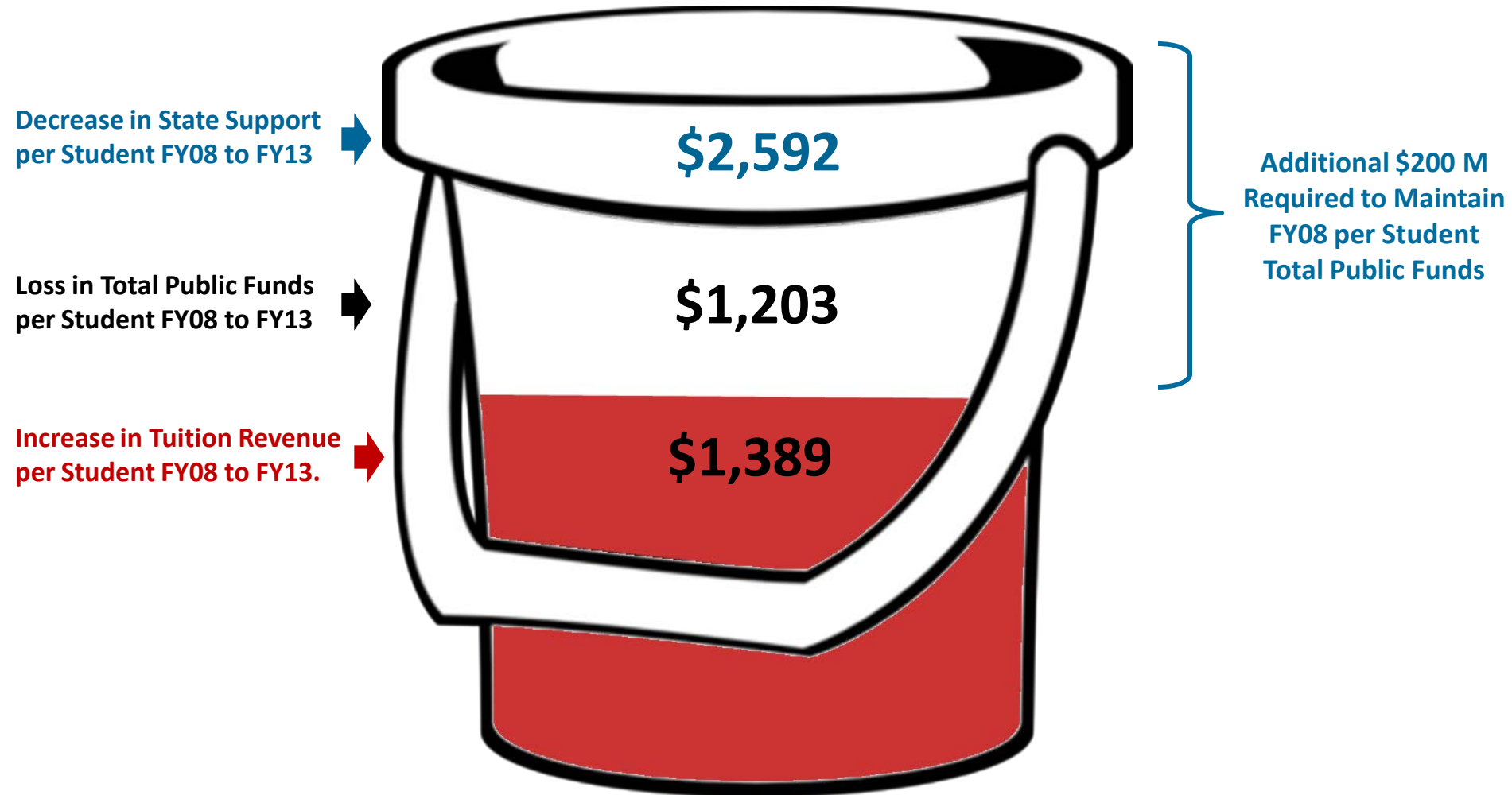


Sources: Kentucky Budget of the Commonwealth; CPE Comprehensive Database; Commonfund Institute, Higher Education Price Index (HEPI).

Assumptions: 2.0% enrollment growth; 1.7% increase in inflation; 7.0% tuition and fee revenue growth; and 3.0% increase in degrees in FY13.

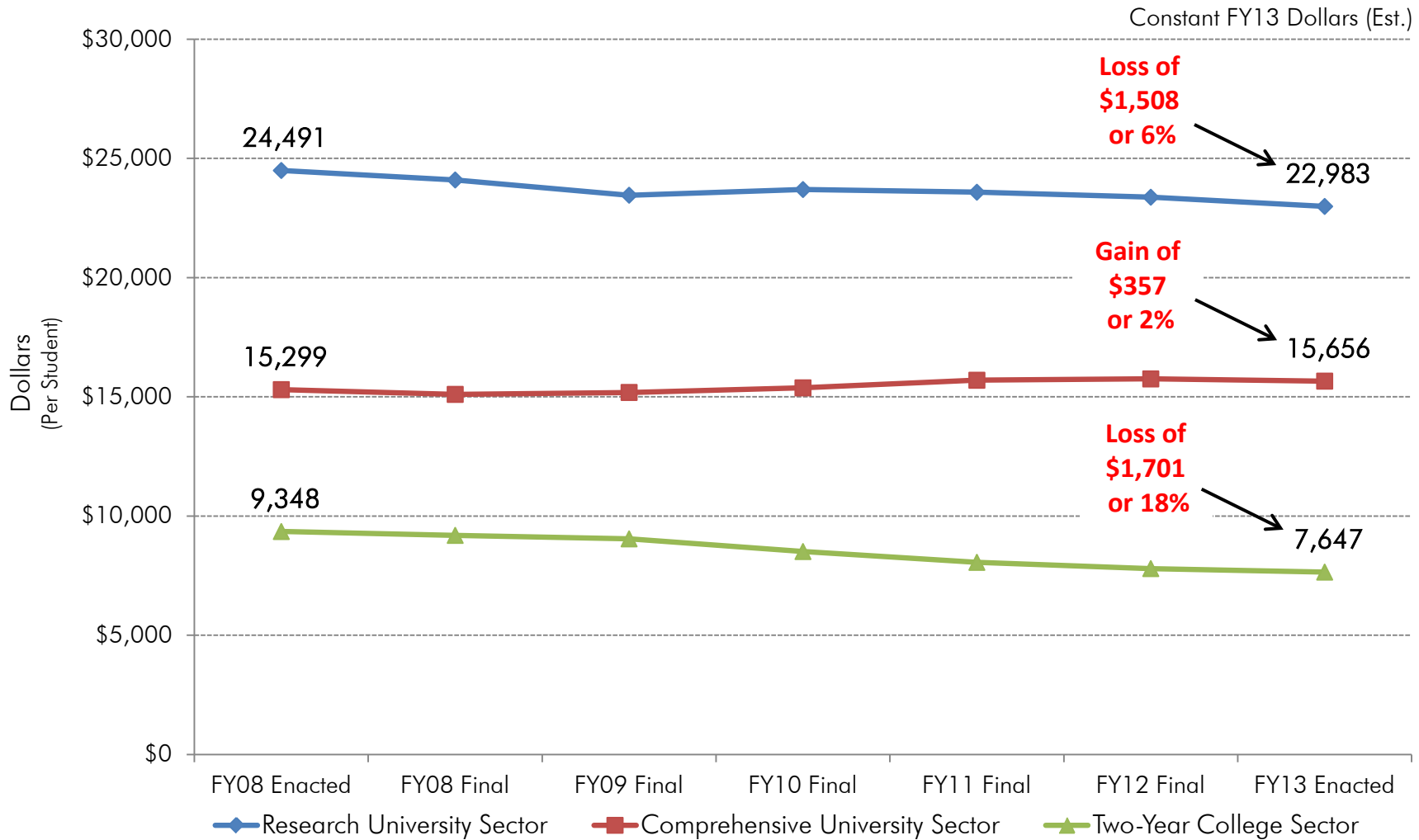
Kentucky Public Postsecondary System
Analysis of Public Funds Revenue Components
Fiscal Years 2008 – 2013

(Dollars per Student)



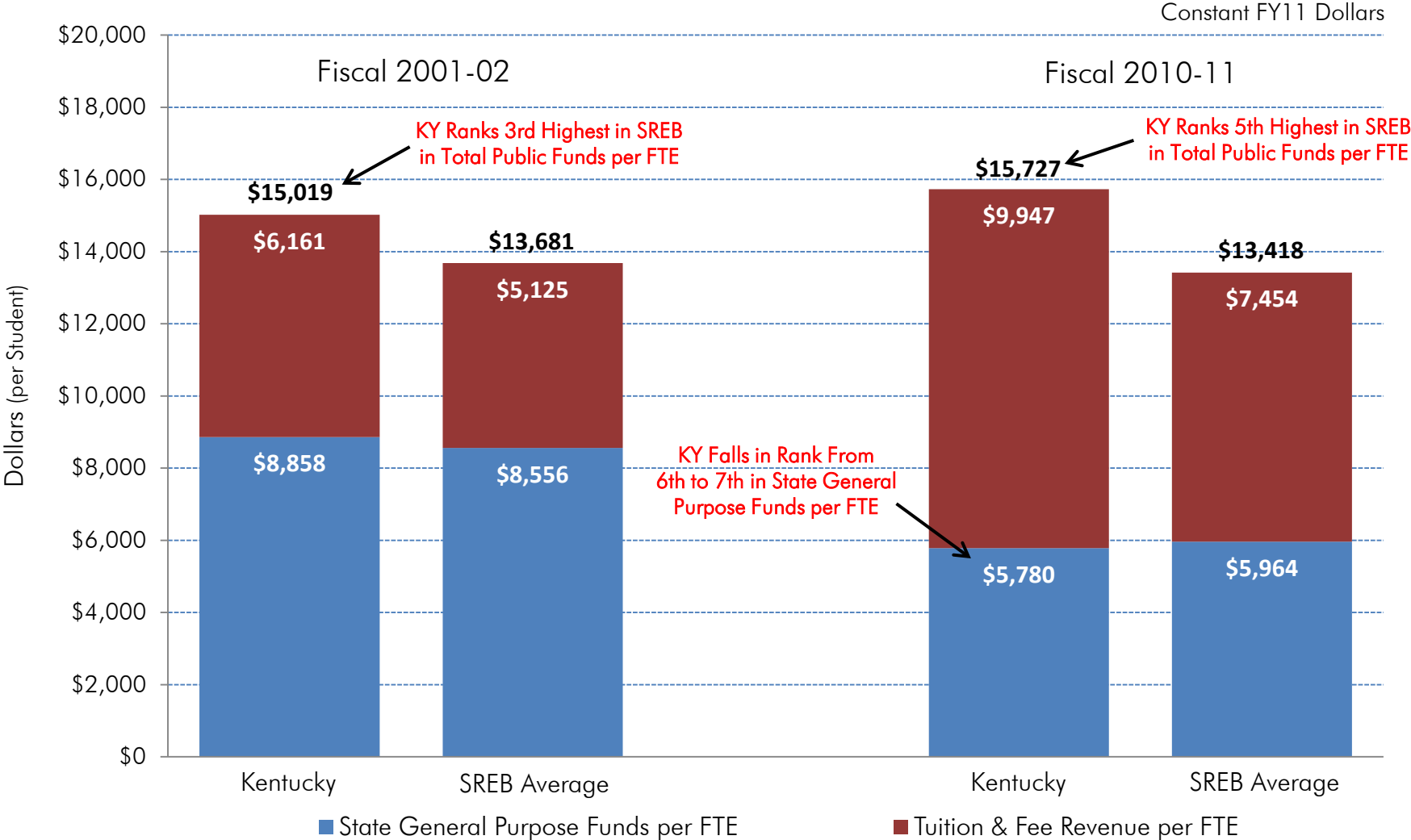
Sources: Kentucky Budget of the Commonwealth; CPE Comprehensive Database; Commonfund Institute, Higher Education Price Index (HEPI).

Kentucky Public Postsecondary Sector Inflation Adjusted Total Public Funds per FTE Student Fiscal Years 2008 - 2013



Sources: Kentucky Budget of the Commonwealth; CPE Comprehensive Database; Commonfund Institute, Higher Education Price Index (HEPI).

Kentucky Public Four-Year University & SREB Average Inflation Adjusted Total Public Funds Per FTE Student

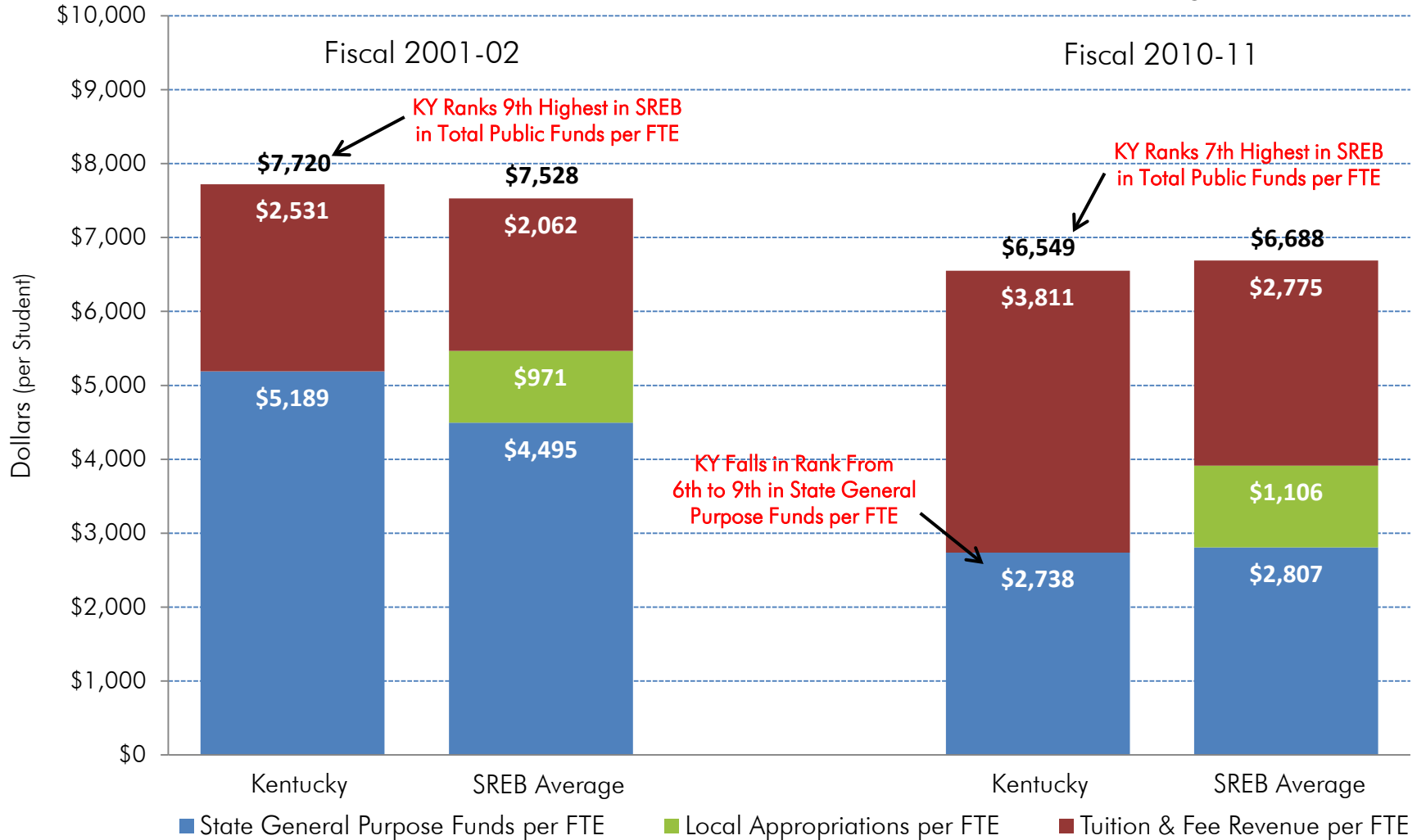


Source: Southern Regional Education Board (SREB), State Data Exchange.

Kentucky Public Two-Year College & SREB Average Inflation Adjusted Total Public Funds Per FTE Student Fiscal Years 2001-02 and 2010-11

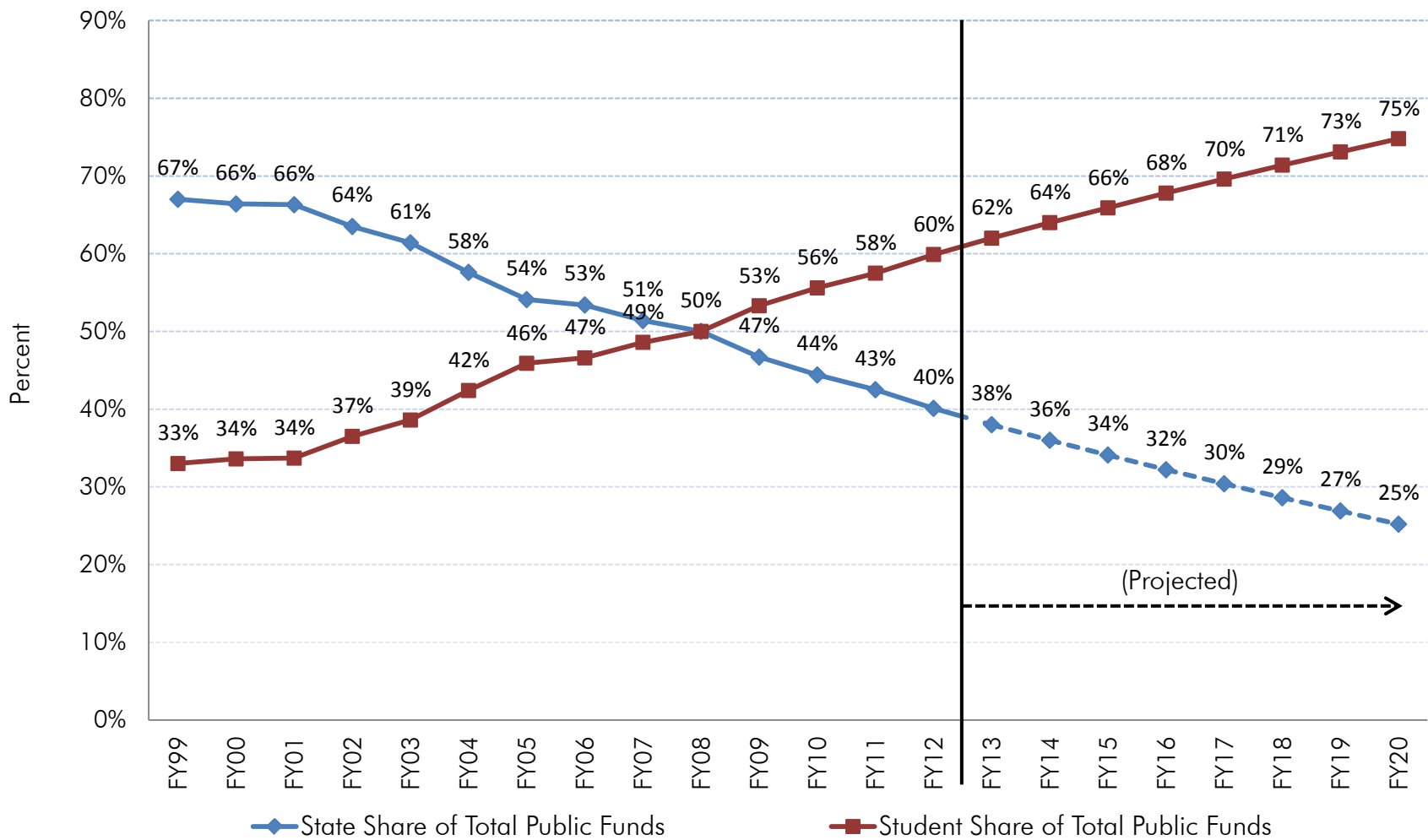
Chart 13

Constant FY11 Dollars



Source: Southern Regional Education Board (SREB), State Data Exchange.

Kentucky Public Postsecondary System Change in State & Student Shares of Total Public Funds Fiscal Years 1999 - 2020

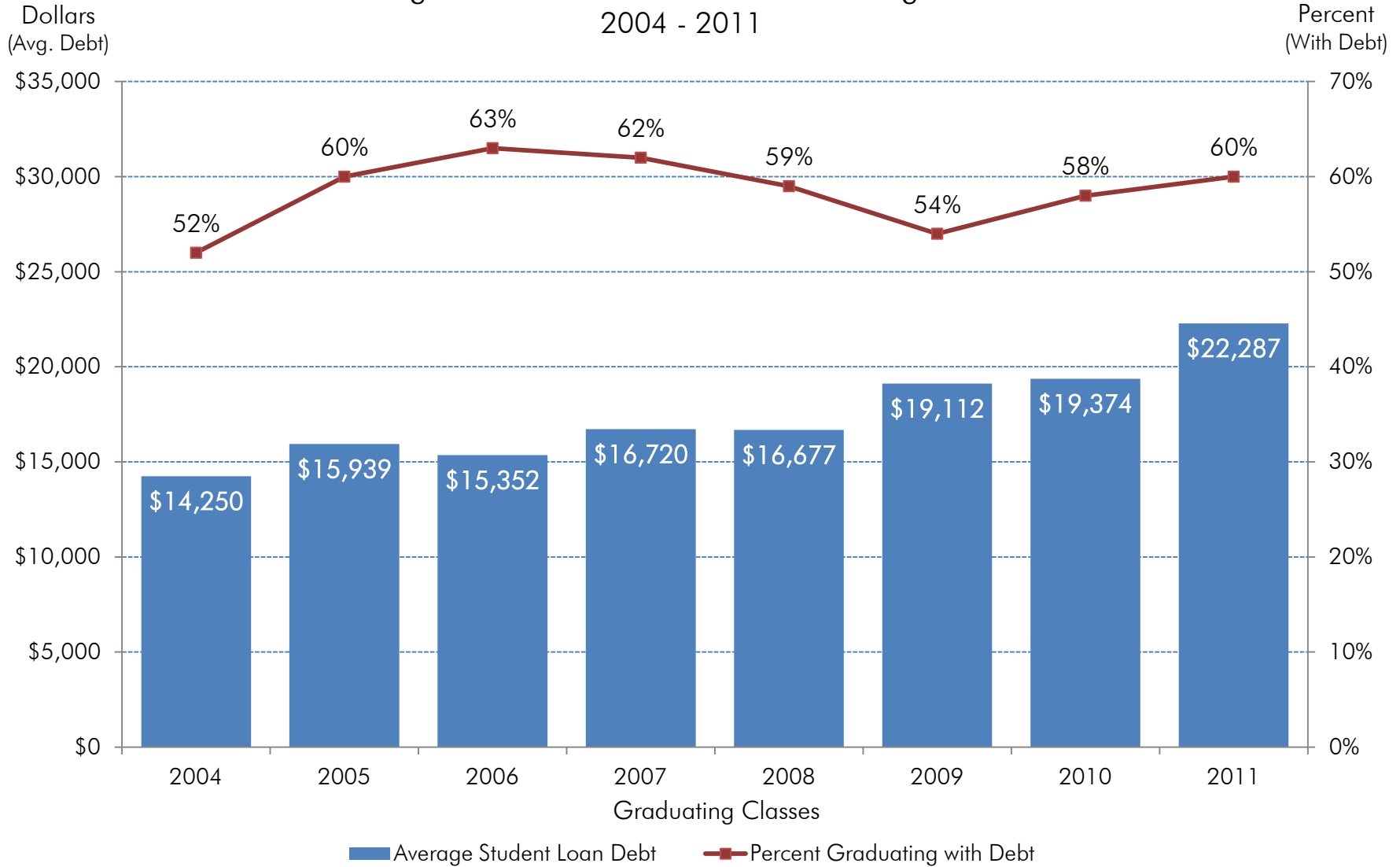


Sources: Kentucky Budget of the Commonwealth; CPE Comprehensive Database.

State Share = Net General Fund Appropriations ÷ Total Public Funds
 Student Share = Gross Tuition & Fee Revenue ÷ Total Public Funds

Kentucky Public & Private Postsecondary Institution Average Student Loan Debt of Graduating Classes 2004 - 2011

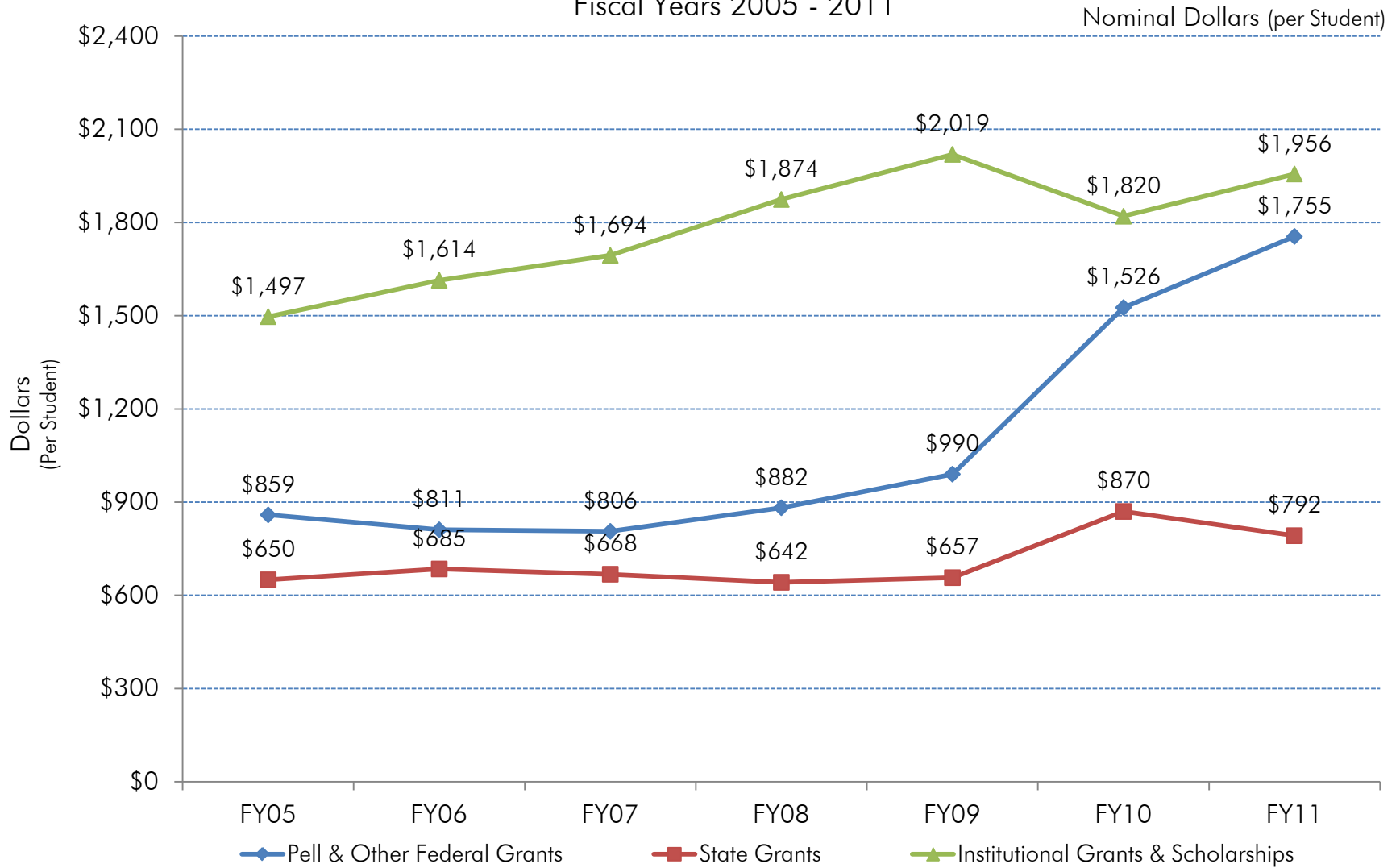
Chart 15



Source: The Project on Student Debt, Annual Survey.

Kentucky Public Postsecondary System Student Financial Aid per Full-Time Equivalent Student Fiscal Years 2005 - 2011

Chart 16



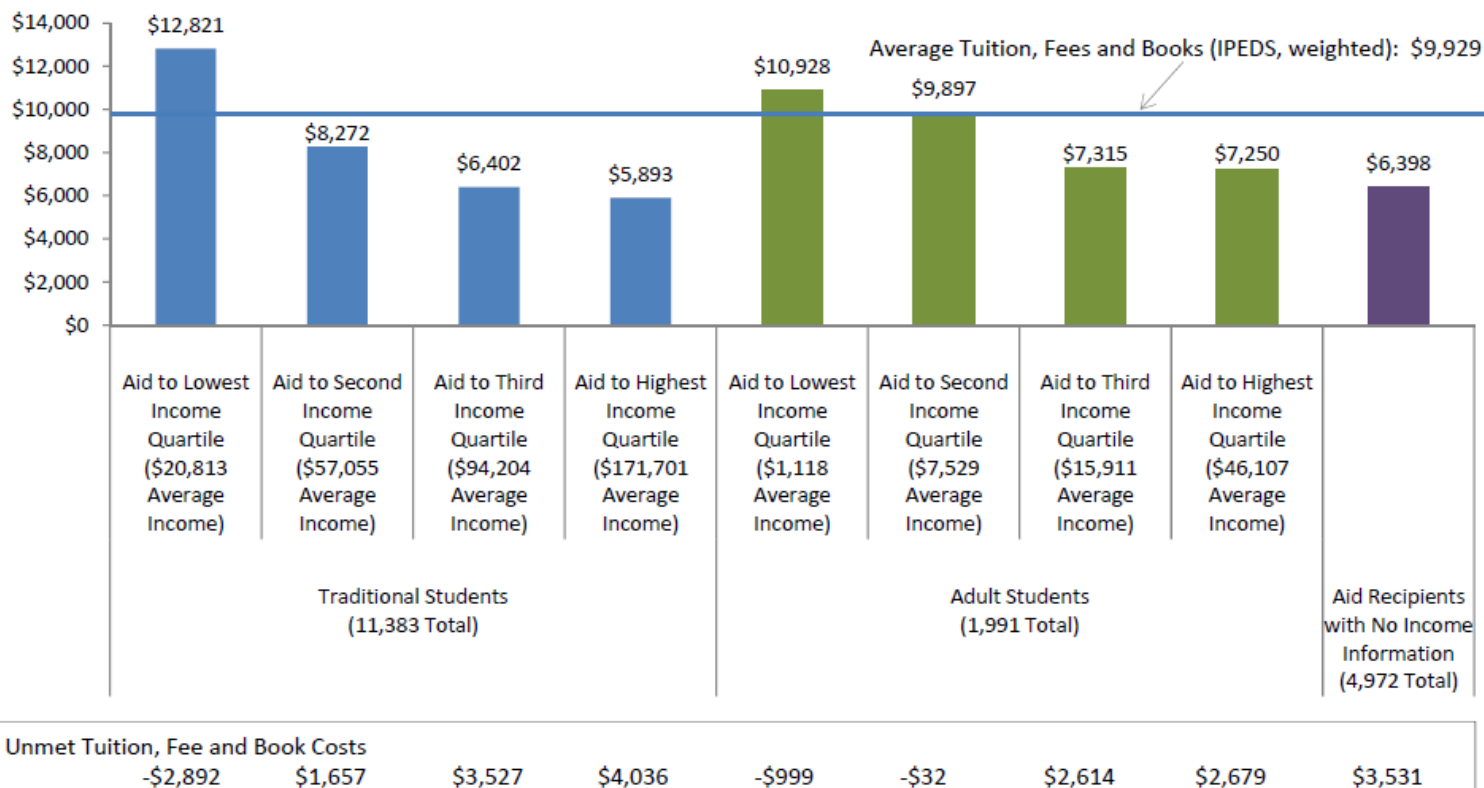
Source: Integrated Postsecondary Education Data System (IPEDS).

UK and UofL: Need and Merit-Based Aid by Student Type and Family Income

Full-Time, In-State, Undergraduates at Kentucky's Public Research Universities who Received Grants or Scholarships in 2011-12

Highlights

- * Grants and scholarships covered the full cost of tuition, fees and books for most students in the lowest income categories.
- * Even students in the highest income categories received significant support through KEES and institutional aid.
- * Seventy-four percent of full-time, in-state undergraduate students at research universities received grants in 2011-12 (fall 2011 enrollment).
- * Grants in excess of tuition were used to pay for room and board, which averaged an additional \$8,973 (IPEDS, weighted).



Notes: Aid includes all need and merit-based grants and scholarships from federal, state, institutional and other sources. Income quartiles rank all students in the sector within their dependency category by family income, and divide them into four equal-sized groups based on their income rank. Traditional students were under 25 years old and were claimed as dependents on their parents' taxes, while adult students filed taxes independently. Students without income information did not file the federal financial aid application, but are still eligible for KEES, institutional, and other grants.

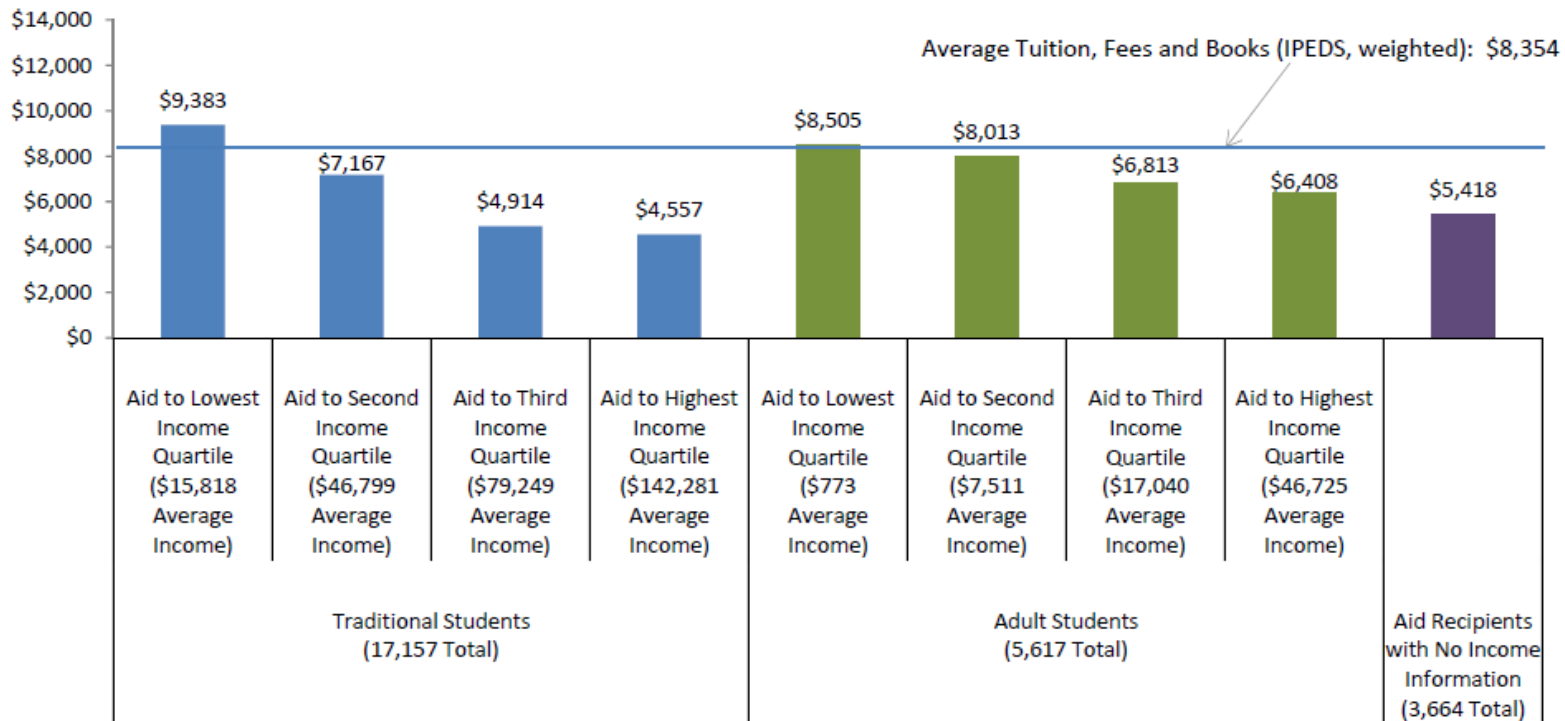
Source: Kentucky Council on Postsecondary Education Comprehensive Database, IPEDS February 5, 2013

Comprehensive Universities: Need and Merit-Based Aid by Student Type and Family Income

Full-Time, In-State, Undergraduates at Kentucky's Public Comprehensive Universities who Received Grants or Scholarships in 2011-12

Highlights

- * Grants and scholarships covered the full cost of tuition, fees and books for most students in the lowest income categories.
- * Even students in the high .
- * Seventy percent of full-time, in-state undergraduate students at comprehensive universities received grants in 2011-12 (fall 2011 enrollment).
- * Grants in excess of tuition were used to pay for room and board, which averaged an additional \$7,188 (IPEDS, weighted).



Unmet Tuition, Fee and Book Costs

-\$1,029 \$1,187 \$3,440 \$3,797 -\$151 \$341 \$1,541 \$1,946 \$2,936

Notes: Aid includes all need and merit-based grants and scholarships from federal, state, institutional and other sources. Income quartiles rank all students in the sector within their dependency category by family income, and divides them into four equal-sized groups based on their income rank. Traditional students were under 25 years old and were claimed as dependents on their parents' taxes, while adult students filed taxes independently. Students without income information did not file the federal financial aid application, but are still eligible for KEES, institutional, and other grants.

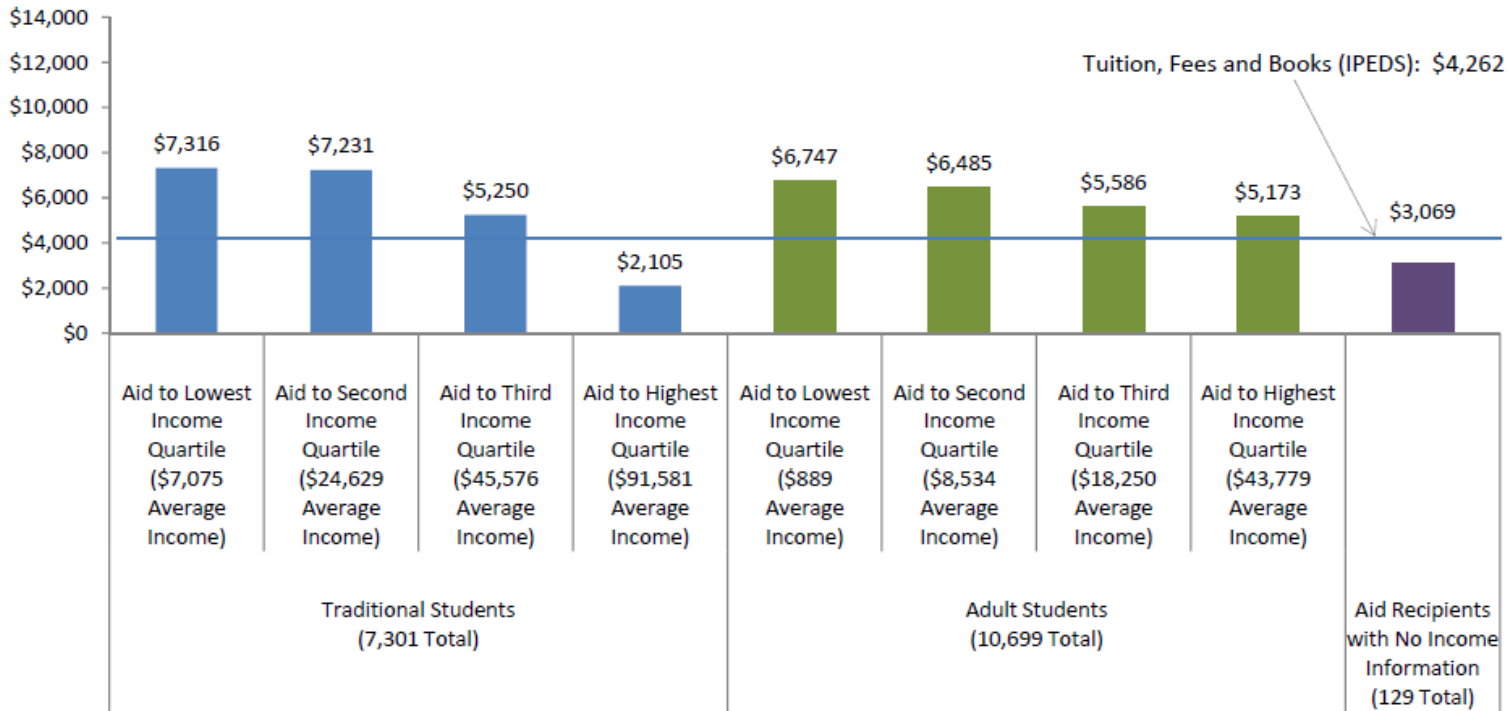
Source: Kentucky Council on Postsecondary Education Comprehensive Database, IPEDS
February 5, 2013

KCTCS: Need and Merit-Based Aid by Student Type and Family Income

Full-Time, In-State, Students in the Kentucky Community and Technical College System who Received Grants or Scholarships in 2011-12

Highlights

- * Grants and scholarships covered the full cost of tuition, fees and books for most students in the lowest income categories.
- * Even students in the highest income categories received significant support through KEES and institutional aid.
- * Forty-five percent of full-time undergraduate students at KCTCS received grants in 2011-12 (fall 2011 enrollment).
- * Grants in excess of tuition were used to pay for off-campus rent, utilities and food, which KCTCS estimated at an additional \$6,975 (IPEDS).



Unmet Tuition, Fee and Book Costs								
-\$3,054	-\$2,969	-\$988	\$2,157	-\$2,485	-\$2,223	-\$1,324	-\$911	\$1,193

Notes: Aid includes all need and merit-based grants and scholarships from federal, state, institutional and other sources. Income quartiles rank all students in the sector within their dependency category by family income, and divides them into four equal-sized groups based on their income rank. Traditional students were under 25 years old and were claimed as dependents on their parents' taxes, while adult students filed taxes independently. Students without income information did not file the federal financial aid application, but are still eligible for KEES, institutional, and other grants.

Source: Kentucky Council on Postsecondary Education Comprehensive Database, IPEDS
February 5, 2013

Making Kentucky **STRONGER BY DEGREES**



**Presentation to Members, Council on Postsecondary Education
by Robert L. King, CPE President
February 7, 2013**

Council on Postsecondary Education
February 8, 2013

2013-14 Tuition Setting Process

ACTION: The staff recommends that the Council approve the attached Tuition and Mandatory Fee Policy and 2013-14 Tuition Setting Timeline that provide a framework for establishing public postsecondary tuition and fees for AY 2013-14.

At the November 16, 2012, Council meeting, staff submitted draft Tuition and Mandatory Fee Policy and 2013-14 Preliminary Tuition Setting Timeline documents to Council members for review and discussion. Since that time, staff has continued to work with campus presidents and institution chief budget officers to finalize the tuition policy and timeline. There were no suggested changes to either the policy or the timeline.

Staff recommends that the Council approve the attached Tuition and Mandatory Fee Policy (Attachment 1) and 2013-14 Tuition Setting Timeline (Attachment 2). Once approved, these documents will be used to guide development of tuition and mandatory fee rate ceilings and facilitate submission and assessment of campus rate proposals for academic year 2013-14.

As can be seen in the attached timeline, it is anticipated that the Council will review and approve the tuition policy and timeline documents at the February 8 meeting, take action on staff's recommended tuition ceilings at the April 18 meeting, and approve each institution's proposed tuition and mandatory fee rates at the June 20 meeting.

In the pages that follow, staff identifies several key issues that will likely impact the 2013-14 tuition setting process, provides trend and comparative tuition and fee price data for Kentucky and surrounding states, and supplies data relevant to the central objectives of the Council's Tuition and Mandatory Fee Policy.

Key Issues

Declining Share of State Budgets

In recent decades, a persistent problem for many state systems of American higher education has been a reduction in relative priority given to postsecondary education as a percentage of overall state budgets. The postsecondary education community in Kentucky has not been immune to this trend, with Medicaid and corrections capturing the lion's share of any new state General Fund support since the late 1990s (Kentucky Budget of the Commonwealth).

In the analyses below, the postsecondary education budget category includes the Council on Postsecondary Education, state student financial aid, and public postsecondary institution

funding components.

- Between fiscal years 1998-99 and 2013-14, Kentucky's total state General Fund budget increased by 58 percent (Attachment 3).
- During that same time period, state appropriations for Medicaid and criminal justice increased by 138 percent and 78 percent, respectively. These were the only two major budget categories that received a larger percentage increase in appropriations than the increase in the overall state budget.
- The increase for K-12 education was 56 percent, slightly below the increase in the total state budget for the period.
- State appropriations for postsecondary education increased by 24 percent during this period, less than half the rate of increase in the total state budget, and resulting in a declining postsecondary education budget share.
- If postsecondary education had retained the same share of Kentucky's total General Fund budget in fiscal 2013-14 that it had in 1998-99, it would have received about \$320 million more in state support.

As can be seen in Attachment 4, the high point in terms of postsecondary education's budget share occurred in fiscal 2003-04, when 15.8 percent of state General Fund appropriations was used to fund the aforementioned higher education budget components.

- Despite nominal dollar increases in the overall state budget over the past 15 years, higher education's share of total General Fund appropriations fell from 15.8 percent to 12.0 percent between fiscal years 2003-04 and 2013-14, respectively.

Long-term, sustained state support for education continues to be placed in jeopardy due to unsustainable increases in Medicaid and corrections, stemming in part from a historically low level of educational attainment in Kentucky.

General Fund Reductions

In terms of total nominal dollar appropriations, state support for Kentucky's postsecondary institutions peaked in 2007-08, when the 2006 General Assembly enacted a budget containing \$1.084 billion in net General Fund appropriations for college and university operating budgets (HB 380, 2006-08 Budget of the Commonwealth). Since then, the institutions have sustained six budget cuts in five years, including three mid-year Budget Reduction Orders and three enacted reductions.

- Specifically, between fiscal years 2007-08 and 2012-13, Kentucky's public colleges and universities lost \$168.0 million, or 15.5 percent, of their combined net General Fund appropriations (Attachment 5).

Looking at these reductions on a nominal dollar basis masks the effects of inflation and enrollment growth on institutional operating budgets during this period.

- After adjusting for inflation, the loss in postsecondary institution net General Fund appropriations is projected to be \$267 million or 23 percent (Attachment 6).
- During this same time period, the number of full-time equivalent students attending state colleges and universities is projected to increase by about 20,000 students or 13.7 percent (see the green line in Attachment 6).
- On a per-student basis, Kentucky's public postsecondary system is projected to lose \$2,592 per student or 32 percent of its real net General Fund appropriations between fiscal years 2007-08 and 2012-13 (Attachment 7).
- The system would have needed to receive an additional \$430 million in net General Fund support in fiscal 2012-13 in order for it to maintain its originally enacted fiscal 2007-08 per student funding level (Attachment 7).

In other words, if the state's public postsecondary institutions had received \$1.346 billion in net General Fund support in fiscal 2012-13 instead of the \$916.0 million appropriated in the enacted budget, the system's per-student funding level would have been \$8,128, the same level of per-student funding it had in fiscal 2007-08.

Unfunded M&O Expense

When the General Assembly authorizes and issues bonds for new capital construction projects on Kentucky public postsecondary campuses, there are costs associated with operating and maintaining the new facilities (i.e., M&O costs). These costs stem from activities necessary for a building and its systems and equipment to perform intended functions, and include utilities and energy costs and salaries and benefits expense for janitorial and maintenance staff.

Prior to fiscal year 2008-09, it was standard practice for the Kentucky legislature to provide General Fund support for the maintenance and operation of previously authorized Education and General facilities expected to come online during a biennium. Over the past five years, however, austere state budget conditions contributed to a suspension of this practice, with KCTCS being the only institution to receive partial M&O funds during the 2008-10 biennium.

- As can be seen in Attachment 8, Council staff estimates that annual M&O expense at Kentucky's public postsecondary institutions increased by \$38.3 million between fiscal years 2008-09 and 2012-13.

The Council requested state support for M&O in 2008-10, 2010-12, and 2012-14. Other than the partial M&O funding received by KCTCS in 2008-10, these requests went unfunded.

In nominal terms, lack of state funding for M&O during this period has been equivalent to a 4.2 percent cut (on a \$916 million net General Fund base). This is because the institutions

are required to reallocate resources from other uses (i.e., instruction, research, public service) to open, operate, and maintain the new facilities.

Fixed Cost Increases

In January each year, the postsecondary institutions submit fixed cost and tuition and fee revenue estimates to the Council. Fixed cost increases can include M&O expense for new facilities coming online next year, mandated increases in KERS and KTRS retirement system contributions and health insurance premiums, and increases in other costs such as utilities, contractual obligations, and workmen's and unemployment compensation.

The tuition and fee revenue estimates provided by the institutions are net of institutional scholarships and waivers, and assume flat student enrollment and uniform levels of rate increase across all categories of students (i.e., every academic level, residency, and full-time/part-time status). They represent projected, incremental increases in net tuition and fee revenue that could be generated by different levels of rate increase implemented during the upcoming academic year.

- Attachment 9 shows the potential budgetary impact of fixed cost and tuition and fee rate increases on postsecondary institution operating budgets for the upcoming 2013-14 academic year.
- Unlike 2012-13, when Kentucky colleges and universities experienced a 6.4 percent decrease in state support, the enacted budget (HB 265) does not call for a reduction in postsecondary institution net General Fund revenue in 2013-14.
- During fiscal 2013-14, KERS and KTRS employer paid retirement contributions and health insurance premiums are expected to increase by \$5.0 million and other fixed costs are projected to grow by \$56.4 million, for a total increase in fixed costs of \$61.4 million.

As described in more detail in the Unfunded M&O Expense section of this agenda item, fixed cost estimates for fiscal 2013-14 do not include \$38.3 million in unfunded M&O expense associated with new E&G facilities that came online between FY09 and FY13.

In addition to fixed costs, Attachment 9 also shows how much tuition and mandatory fee revenue would be generated at various levels of rate increase (net of institutional scholarships and waivers) by institution and for the postsecondary system.

- For example, a four percent tuition and fee increase, assessed uniformly across all postsecondary sectors and all categories of students, would generate a combined increase in net tuition and fee revenue of \$42.0 million.
- This means that a four percent rate increase, implemented across the board, would cover about 68 percent of the projected \$61.4 million increase in fixed costs, resulting in a net operating deficit of \$19.4 million.

The continued lack of funding for M&O, fixed cost increases, and limits on tuition and fee increases has placed pressure on postsecondary institution budgets and required campus leaders to divert resources from other programs or functional areas to cover these necessary expenditures.

Financial Aid

Listed below is financial aid information relevant to the 2013-14 tuition and fee setting process.

Federal Aid

- The maximum Pell grant award is expected to increase from \$5,550 in 2011-12 to \$5,635 in 2012-13, based on President Obama's FY13 Budget Request (News from NASFAA).
- In 2010-11, the average Pell grant award for students attending a KCTCS institution was \$3,555, up \$237 from the previous year, and the average award for students attending a Kentucky public four-year institution was \$4,023, up \$130 from the previous year (U.S. Department of Education, Distribution of Federal Pell Grant Program Funds by Institution, 2010-11 Award Year).

State Aid

- Following a decade of substantial nominal dollar growth, enacted appropriations for state-funded student financial aid began leveling off in fiscal year 2008-09 and have grown very little since.
- Between fiscal years 1998-99 and 2008-09, enacted appropriations for state student aid increased by 19.5 percent per year. Based on the enacted budget bill (HB 265), student aid appropriations are expected to grow by about 1.0 percent per year between fiscal years 2008-09 and 2013-14.
- The maximum state KEES award is expected to be \$2,500 next year. The maximum state CAP award for 2013-14 will not be determined until late February or early March, but the maximum award this year is \$1,900 (Kentucky Higher Education Assistance Authority).
- In 2011-12, the average state KEES award was \$920 for students attending a KCTCS institution and \$1,616 for students attending a Kentucky public four-year institution (KHEAA Financial Aid Distribution by Institution, 2011-12).
- That same year, average state CAP awards were \$1,385 at KCTCS institutions and \$1,659 at Kentucky public four-year institutions (KHEAA Financial Aid Distribution by Institution, 2011-12).

Kentucky remains a high-aid state, defined as states in which state-funded, total undergraduate grant dollars per student rank in the upper quintile of the 50 U.S. states, the District of Columbia, and Puerto Rico.

- In 2010-11, Kentucky ranked 13th highest nationwide in state-funded, need-based undergraduate grant dollars per FTE student and 8th highest in state-funded, total undergraduate grant dollars per FTE student (NASSGAP, 42nd Annual Survey Report, 2010-11).
- This represents a slight decrease in rank compared to 2007-08, when Kentucky ranked 12th highest in need-based undergraduate aid per student, and 5th highest in total undergraduate aid per student (NASSGAP, 39th Annual Survey Report, 2007-08).

Price Trends and Comparative Data

Kentucky Price Trends

Following a five-year stretch of relatively aggressive rate increases during the mid-2000s, average annual growth rates in resident undergraduate tuition and fees at Kentucky's public postsecondary institutions have been reduced by more than half in the five years since academic year 2007-08.

- Between academic years 2002-03 and 2007-08, the average annual increase in resident undergraduate tuition and fees for students attending a Kentucky public postsecondary institution was 12.9 percent (Attachment 10).
- Since that time, increases in resident undergraduate tuition and fees have averaged 5.8 percent per year for the postsecondary system, a reduction of 7.1 percentage points, or 55 percent.
- Over the past five years, resident undergraduate tuition and fees have increased at average annual rates of 4.0 percent at KCTCS institutions, 5.6 percent at the comprehensive universities, and 6.7 percent at the research universities (Attachment 10).

These data include student endorsed and Council approved Special Use Fees that were implemented at the University of Louisville, Morehead State University, Northern Kentucky University, and Western Kentucky University last year, which allowed these institutions to exceed Council rate ceilings.

Regional Price Comparison

For several years, CPE staff has provided Council members with information comparing list prices of Kentucky public colleges and universities averaged by sector to comparable groups of institutions and sectors in surrounding states.

As can be seen in Attachments 11 and 12, the relative rank of Kentucky's public postsecondary institution tuition and required fees varies by sector compared to similar institutions in a contiguous eight-state region, and those rankings have changed over time.

- In academic year 2011-12, average resident undergraduate tuition and required fees at Kentucky's research universities ranked 5th highest among similar institutions in the eight-state region, a rise in rank from 6th in 1999-00 (Attachment 11).
- That same year, average resident undergraduate tuition and fees at Kentucky's comprehensive universities ranked 5th highest out of eight states in the region, an increase in rank from 8th in 1999-00 (Attachment 12).

As of the mailing date for this agenda item, the data required to update the two-year college ranking table (Attachment 13) were unavailable. CPE staff will provide KCTCS tuition and fee ranking data to Council members as soon as it becomes available.

Attachments 14 and 15 are maps of Kentucky and the surrounding seven states that contain average tuition and mandatory fees by postsecondary sector for resident and nonresident undergraduate students, and resident and nonresident graduate students. These data show that compared to similar institutions in surrounding states:

- Average full-time tuition and fees at Kentucky's research universities tend to be about average for resident undergraduate students, lower for nonresident undergraduate students, about average for resident graduate students, and lower for nonresident graduate students (Attachment 14).
- Average full-time tuition and fees at Kentucky's comprehensive universities tend to be about average for resident and nonresident undergraduate students, about average for resident graduate students, and lower for nonresident graduate students (Att. 15).

The data contained in the two-year college map (Attachment 16) were unavailable by time of mailing. Staff will provide the map to Council members when available.

Policy Relevant Information

For the past several years, CPE staff has produced a series of tables, charts, and figures that provides context for the tuition setting process. This information is typically organized around the five fundamental objectives of the Council's tuition and mandatory fee policy, including funding adequacy, shared benefits and responsibility, affordability and access, attracting and importing talent, and effective use of resources.

Funding Adequacy

One method of assessing funding adequacy is to track net General Fund appropriations and total public funds revenue over time to determine whether or not the change in funding keeps

pace with inflation and enrollment growth for the period.

State Support

As described in the Key Issues section of this agenda item, on an inflation-adjusted basis, state General Fund support for Kentucky's public postsecondary institutions has eroded over the past five years. At the same time, FTE student enrollment at state colleges and universities increased, resulting in budgetary pressures across all institutions and sectors.

- Between fiscal years 2007-08 and 2012-13, inflation-adjusted net General Fund appropriations for Kentucky's public postsecondary institutions decreased from \$1.183 billion to \$916 million, a loss of \$267 million or 23 percent (Attachment 6).
- During this same period, FTE student enrollment at Kentucky colleges and universities (designated by the green line in Attachment 6) is projected to increase by nearly 20,000 students or 13.7 percent.

This combination of decreasing net General Fund appropriations and growing enrollment resulted in a marked reduction in per student state support over the past five years.

- Between fiscal years 2007-08 and 2012-13, Kentucky's public postsecondary system is projected to lose \$2,592 per student or 32 percent of its real net General Fund appropriations per FTE (Attachment 7).
- The system would have needed to receive an additional \$430 million in net General Fund support in fiscal 2012-13 in order for it to maintain its fiscal 2007-08 per student funding level.

The decrease in state funding per student occurred in all postsecondary sectors and at every institution, although the extent of the decline varies by sector and institution.

- Attachment 17 shows that the steepest dollar and percent declines are expected to occur in the research sector (-\$3,939 per student, or -29 percent) and the two-year college sector (-\$2,140 per student, or -40 percent) during this period.

These data show that, over the past five years, state General Fund support at Kentucky's public postsecondary institutions did not keep pace with inflation and enrollment growth. As a result, the institutions relied on increased tuition and fee revenue to partially offset the decline in state funding during this period.

The ability of state colleges and universities to generate a sufficient amount of tuition and fee revenue to fully compensate for the loss in state General Fund support has been limited by Council approved tuition and fee ceilings since fiscal 2008-09.

Total Public Funds

At the system level, revenue from tuition and fee increases since fiscal 2007-08 has not been sufficient to fully fund the gap caused by declining state support on an inflation-adjusted per student basis.

- In real terms, total public funds per student at Kentucky's public postsecondary institutions fell from \$16,018 in fiscal 2007-08 to a projected \$14,815 in fiscal 2012-13, a loss of \$1,203 per student or 7.5 percent (Attachment 18).
- As can be seen in Attachment 19, state General Fund support for the postsecondary institutions is expected to fall by \$2,592 per student between fiscal years 2007-08 and 2012-13.
- Gross tuition and fee revenue is projected to increase by \$1,389 per student during this period, but fall \$1,203 per student short of filling the gap created by decreased state support.
- The institutions would have needed an additional \$200 million in gross tuition and fee revenue in fiscal 2012-13 to fully fund the gap caused by declining state support and maintain the \$16,018 per student funding level they had in FY08 (Attachment 19).

This level of increase in tuition and fee revenue was not feasible due to affordability concerns and the implementation of Council-approved rate ceilings, beginning in 2008-09.

- During this same time period, the number of degrees and other credentials awarded each year by the state's public postsecondary institutions is expected to increase by about 10,000 degrees or 21.0 percent (designated by a green line in Attachment 18).

The change in total public funds per student showed considerable variation by sector and institution during this period.

- As can be seen in Attachment 20, real total public funds per student is expected to decrease in the research sector (-\$1,508 per student, or -6 percent) and the two-year college sector (-\$1,701 or -18 percent) between fiscal years 2007-08 and 2012-13.
- Meanwhile, the comprehensive university sector registered a 2 percent increase in its real per student funding during this period (+\$357 per student), indicating that as a group, the change in total public funds per student at these institutions kept pace with inflation and enrollment growth.

It is important to keep in mind that these data make no statement about the adequacy of a given institution's or a given sector's funding level in fiscal year 2007-08, but do provide an indication of how institutions and sectors have fared over time in the face of inflation and enrollment growth relative to that baseline.

Interstate Funding Comparison

Another way to assess funding adequacy is to compare higher education funding levels for Kentucky institutions or postsecondary sectors to funding levels for similar institutions or sectors in other states. For purposes of the analysis below, CPE staff used data from the Southern Regional Education Board (SREB) finance survey.

- These data show that, between fiscal years 2001-02 and 2010-11, total public funds per student at Kentucky's public four-year universities increased by \$708 per student, or 4.7 percent, on an inflation adjusted basis (Attachment 21).
- During fiscal 2001-02, total public funds per student at Kentucky's public four-year universities (\$15,019) were 110 percent of the SREB average (\$13,681), and ranked 3rd highest among 16 SREB states.
- Nine years later, in fiscal 2010-11, total public funds per student at the four-year universities (\$15,727) were 117 percent of the SREB average (\$13,418), and ranked 5th highest among 16 SREB states.
- After adjusting for inflation, total public funds per FTE student at Kentucky's public two-year colleges decreased by \$1,171 per student, or 15.2 percent, between fiscal years 2001-02 and 2010-11 (Attachment 22).
- During fiscal year 2001-02, total public funds per FTE student at Kentucky's public two-year institutions (\$7,720) were 103 percent of the SREB average (\$7,528), and ranked 9th highest among 16 SREB states.
- In fiscal 2010-11, total public funds per student at KCTCS (\$6,549) were 98 percent of the SREB average (\$6,688), and ranked 7th highest among 16 SREB states.

Shared Benefits and Responsibility

The Council's tuition policy espouses the belief that funding postsecondary education should be a shared responsibility of the state and federal government, students and families, and postsecondary education institutions. A basic rationale for this cost sharing approach is that benefits accrue to both the state and the individual from college attainment.

The state benefits from broad postsecondary attainment in the form of a strong economy and an informed citizenry. College graduates benefit through an elevated quality of life, expanded career opportunities, and increased lifetime earnings.

During the late 1990s, the Commonwealth of Kentucky assumed about two-thirds of college costs through provision of net General Fund appropriations, and students and their families assumed the other third through payment of tuition and fees (Kentucky Budgets of the Commonwealth; CPE Comprehensive Database). Since that time, due largely to declining

state support for postsecondary education, Kentucky has increasingly relied on tuition and fee revenue to finance its public colleges and universities.

- As can be seen in Attachment 23, during fiscal 1998-99, the average student share (or gross tuition and fee revenue share) of system total public funds was 33 percent.
- Since that time, the system average student share has increased nearly every year, growing to 50 percent in fiscal 2007-08 and to 60 percent in fiscal 2011-12.
- These trend data show that over the past 13 years, Kentucky students and their families have shouldered an ever increasing share of college costs.

Increases in student share occurred in all postsecondary sectors and at every institution during this period, although the extent of student share growth varies by sector and institution.

- In fiscal 2011-12, student share is below 55 percent at two institutions (UK and KSU) and above 70 percent at one institution (NKU). State support for land grant missions at UK and KSU contribute to lower student shares at these institutions.
- These data show that the average student share for the comprehensive university sector remained about 10 percentage points higher than the average student shares of either the research or the two-year college sectors during this period (Attachment 23).

The trend toward a growing student share of college costs does not bode well for Kentucky students and their families, and when the historical trend is projected into the future, it does not appear sustainable as a postsecondary financing approach.

- As illustrated graphically in Attachment 24, if Kentucky continues to follow its recent trend of partially replacing reductions in state support with tuition and fee revenue, the student share of college costs for the postsecondary system could reach 66 percent by 2015 and 75 percent by 2020.

Clearly, the trend that has emerged over the past 13 years is that students and their families are shouldering an ever increasing share of college costs. Without significant increases in state General Fund support and state student financial aid to buffer price increases, combined with continuing use of aggressive cost containment strategies, the current trend is not sustainable as a model to fund achievement of HB 1 reform goals.

Affordability

Students rarely pay the full price of postsecondary institution tuition and fees. Financial aid from federal, state, and institutional sources reduces the cost of college attendance for most students. For this reason, a frequently used metric for assessing affordability is average net price.

Net Price

For several years, CPE staff has provided Council members with data on unmet direct costs for the public universities and KCTCS. These data have generally shown that Kentucky's colleges and universities remain accessible for most full-time, resident undergraduate aid recipients, particularly those in the lowest income categories, despite moderate increases in tuition and fee sticker prices over the past five years, due in large part to the availability of student financial aid.

As of the mailing date for this agenda item, the data required to update the charts provided last year were unavailable. CPE staff will provide unmet direct cost data (i.e., Attachments 25, 26, and 27) to Council members as soon as it becomes available.

Student Debt

Another indicator of college affordability is average student loan debt. If unmet need increases over time, some students and families may choose to increase reliance on student loans to help pay their increasing share of college costs.

A respected source of information about student loan debt is The Project on Student Debt annual report. Based on their most recent report, Kentucky has moved up in national rankings of average student loan debt in recent years and is no longer considered a low debt state among the 50 U.S. states and the District of Columbia (*Student Debt and the Class of 2011*, October 2012).

- Over the past five years, average student loan debt incurred by Kentucky's graduating seniors increased from \$15,406 for the class of 2006 to \$22,287 for the class of 2011, a 45 percent increase (The Project on Student Debt).
- During that same time period, Kentucky rose in state rankings from 44th to 37th in average student loan debt for the graduating classes of 2006 and 2011, respectively (in The Project on Student Debt report, a rank of 1st indicates the state with the highest average student loan debt).
- This means Kentucky is no longer classified as a "Low-Debt State" (defined by The Project on Student Debt as ranking in the bottom quintile in average student loan debt among the 50 U.S. states and the District of Columbia).

Despite increases in average student loan debt in recent years, Kentucky's graduating seniors continue to have lower average debt loads than postsecondary graduates in most states.

- Nationally, two-thirds (66 percent) of college seniors who graduated in 2011 had student loan debt, with an average of \$26,600 per borrower. Meanwhile, the unemployment rate for young college graduates in 2011 remained high at 8.8 percent.

- Kentucky's average student loan debt for the graduating class of 2011 is 84 percent of the U.S. average and ranks just above the 25th percentile for that cohort.

Loan default rates among Kentucky graduates are above the national average.

- Among Kentucky seniors who graduated in 2009 and incurred student loan debt, 15.0 percent had defaulted on their loans three years later, which ranks 12th highest in the nation for that cohort (U.S. Department of Education).

Student Access

Attachment 28 shows the change in fall semester, undergraduate and graduate student headcount enrollment at Kentucky public postsecondary institutions over the past five years.

Undergraduate/Graduate Enrollment

After growing at a strong pace the previous two years, undergraduate enrollment at Kentucky public colleges and universities slowed somewhat during fall semester 2011. Graduate student enrollment continued its recent trend of relatively slow growth the past five years.

- Between fall semesters 2008 and 2010, undergraduate student enrollment at Kentucky's public postsecondary institutions increased by 10.9 percent, but in fall 2011, growth in undergraduate enrollment slowed to 1.6 percent (Attachment 28).
- Over the past five years, between fall semesters 2006 and 2011, undergraduate student enrollment for the system grew by 28,272 students or 15.6 percent.
- During that same period, graduate student enrollment increased by 1,088 students or 4.7 percent. Nearly 60 percent of the increase in graduate student enrollment (+2.8 percentage points) occurred during fall 2009.

Over the past five years, rates of growth in undergraduate and graduate enrollment varied across institutions and sectors. KCTCS continued to record the largest number and percent increases in undergraduate enrollment among Kentucky's postsecondary sectors.

- Although the rate of increase in undergraduate enrollment at KCTCS slowed somewhat during fall semester 2011 (+1.5 percent), the two-year sector posted the largest one-year increase in students (+1,638) of any postsecondary sector, and registered the largest number and percent increases over the past five years (+21,827 and +25.2 percent), growing at an average annual rate of 4.6 percent for the period (Attachment 28).
- The comprehensive sector recorded the largest percent increase (+2.5 percent) between fall semesters 2010 and 2011, followed by KCTCS (+1.5 percent), and the research institutions (+0.3 percent). Undergraduate enrollment at the comprehensive universities grew by 1,599 students that year.

Graduate student enrollment at the comprehensive universities continued to grow at a faster pace than did graduate enrollment at the research institutions, although the increase during fall semester 2011 was slightly below the average rate of growth for the period.

- Between fall semesters 2006 and 2011, graduate student enrollment at Kentucky's comprehensive universities increased by 1,342 students or 13.3 percent (Attachment 28).
- During that same period, graduate enrollment at the research universities decreased by 254 students or 1.9 percent.
- Overall, graduate student enrollment for the system grew by 1,088 students or 4.7 percent over the past five years.

As is typically the case during recessions, rates of growth in postsecondary enrollment have increased in recent years, placing additional cost demands on institutions during a time when state support for higher education is waning.

Effective Use of Resources

As discussed in the Funding Adequacy section of this agenda item, Kentucky's public colleges and universities have experienced a steady erosion of inflation-adjusted state General Fund support over the past five years. While this loss was partially offset by increased tuition and fee revenue, the net effect of declining state support and growing enrollment has been a \$1,203 decrease in total public funds revenue per student between fiscal 2007-08 and 2012-13.

The postsecondary institutions have implemented a variety of cost savings and efficiency strategies in recent years to help minimize the impact of budget reductions, unfunded M&O expenses, and yearly fixed cost increases on educational quality and postsecondary reform goals. Despite diminished budgetary resources, Kentucky's public postsecondary system increased the number of degrees and credentials it produced during this period.

- As can be seen in Attachment 18, Kentucky's public postsecondary system is expected to produce 9,645 more degrees and other credentials in academic year 2012-13, than it did in 2007-08, a 21 percent increase.
- This increase in degree production occurred despite a \$1,203 reduction in real, total public funds per student during this period.
- This graph also illustrates the change over time in higher education funding sources from a one-third student, two-thirds state share for financing college costs to a model that requires students and their families to pay an increasing share of college costs, reaching 60 percent in FY12.

Staff preparation by Bill Payne, Heidi Hiemstra, and Shaun McKiernan

Council on Postsecondary Education Tuition & Mandatory Fee Policy

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

Fundamental Objectives

- Funding Adequacy

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

- Shared Benefits and Responsibility

Postsecondary education attainment benefits the public at large in the form of a strong economy and an informed citizenry, and it benefits individuals through elevated quality of life, broadened career opportunities, and increased lifetime earnings. The Council and the institutions believe that funding postsecondary education is a shared responsibility of the state and federal government, students and families, and postsecondary education institutions.

- Affordability and Access

Since broad educational attainment is essential to a vibrant state economy and to intellectual, cultural, and political vitality, the Commonwealth of Kentucky seeks to ensure that postsecondary education is broadly accessible to its citizens. The Council and the institutions are committed to ensuring that college is affordable and accessible to all academically qualified Kentuckians with particular emphasis on adult learners, part-time students, minority students, and students from low and moderate income backgrounds. The Council believes that no citizen of the Commonwealth who has the drive and ability to succeed should be denied access to postsecondary education in Kentucky because of inability to pay. Access should be provided through a reasonable combination of savings, family contributions, work, and financial aid, including grants and loans.

In developing a tuition and mandatory fees recommendation, the Council and the institutions shall work collaboratively and pay careful attention to balancing the cost of attendance, including tuition and mandatory fees, room and board, books, and other direct and indirect costs, with students' ability to pay by taking into account (1) students' family and individual income; (2) federal, state, and institutional scholarships and grants; (3) students' and parents' reliance on loans; (4) access to all postsecondary education alternatives; and (5) the need to enroll and graduate more students.

- Attracting and Importing Talent to Kentucky

It is unlikely that Kentucky can reach its 2020 postsecondary education attainment goals by focusing on Kentucky residents alone. Tuition reciprocity agreements, which provide low-cost access to out-of-state institutions for Kentucky students that live near the borders of other states, also serve to attract students from surrounding states to Kentucky's colleges and universities. In fact, according to the Council's 2007 Brain Gain report, four out of every ten (37 percent) out-of-state graduates were still in Kentucky five years after receiving their degrees.

The Council and the institutions are committed to making Kentucky's institutions financially attractive to nonresident students while recognizing that nonresident, undergraduate students should pay a significantly larger proportion of the full cost of their education. Any proposed policy on nonresident tuition and mandatory fees should also be evaluated based on its potential impact on attracting and retaining students which directly enhance diversity and Kentucky's ability to compete in a global economy.

- Effective Use of Resources

Kentucky's postsecondary education system is committed to using the financial resources invested in it as effectively and productively as possible to advance the goals of HB 1 and the Strategic Agenda, including undergraduate and graduate education, engagement and outreach, research, and economic development initiatives. The colleges and universities seek to ensure that every dollar available to them is invested in areas that maximize results and outcomes most beneficial to the Commonwealth and its regions. The Council's performance metrics shall be used to monitor both statewide and institutional performance toward HB 1 and Strategic Agenda goals.

The institutions also recognize their responsibility to demonstrate that they are good stewards of limited public resources by providing annual reports to their governing boards and the Council on their efforts to contain costs, improve efficiencies and productivity, and reallocate existing resources to high priority activities.

Special Use Fees Exception Policy

During the 2010-11 tuition setting process, campus officials requested that the Council consider excluding student endorsed fees from its mandatory fee definition, thus omitting consideration of such fees when assessing institutional compliance with Council approved tuition and fee rate ceilings. Based on feedback received from institutional Chief Budget Officers (CBOs) at their December 2010 meeting, it was determined that there was general interest in treating student endorsed fees differently from other mandatory fees.

In January and February 2011, Council staff collaborated with institutional presidents, CBOs, and their staffs in developing the following Special Use Fees Exception Policy:

- To the extent that students attending a Kentucky public college or university have deliberated, voted on, and requested that their institution's governing board implement a special use fee for the purposes of constructing and operating and maintaining a new facility, or renovating an existing facility, that supports student activities and services;
- And recognizing that absent any exemption, such student endorsed fees, when implemented in the same year that the Council adopts tuition and fee rate ceilings, would reduce the amount of additional unrestricted tuition and fee revenue available for the institution to support its E&G operation;
- The Council may elect to award an exemption to its tuition and fee rate ceiling equivalent to all or a portion of the percentage increase resulting from imposition of the student endorsed fee, provided said fee meets certain eligibility requirements.

Definitions

A student endorsed fee is a mandatory flat-rate fee that has been broadly discussed, voted on, and requested by students and adopted by an institution's governing board, the revenue from which may be used to pay debt service and operations and maintenance expenses on new facilities, or capital renewal and replacement costs on existing facilities and equipment, that support student activities and services, such as student unions, fitness centers, recreation complexes, health clinics, and/or tutoring centers.

Maintenance and Operations (M&O) expenses are costs incurred for the administration, supervision, operation, maintenance, preservation, and protection of a facility. Examples of M&O expenses include janitorial services, utilities, care of grounds, security, environmental safety, routine repair, maintenance, replacement of furniture and equipment, and property and facility planning and management.

Eligibility Criteria

A student endorsed fee will continue to be a mandatory fee within the context of the Council's current mandatory fee definition and may qualify for an exemption from Council approved tuition and fee rate ceilings. Campus officials and students requesting an exemption under this policy must be able to demonstrate that:

- All enrolled students have been afforded ample opportunity to be informed, voice their opinions, and participate in the decision to endorse a proposed fee. Specifically, it must be shown that fee details have been widely disseminated, broadly discussed, voted on while school is in session, and requested by students.
- For purposes of this policy, voted on means attaining:
 - a. A simple majority vote via campus wide referendum, with a minimum of one-quarter of currently enrolled students casting ballots;
 - b. A three-quarters vote of elected student government representatives; or
 - c. A simple majority vote via campus wide referendum, conducted in conjunction and coinciding with the general election of a student government president or student representative to a campus board of regents or board of trustees.
- The proposed fee and intended exemption request have been presented to, and adopted by, the requesting institution's governing board. It is anticipated that elected student government representatives will actively participate in board presentations.
- Revenue from such fees will be used to pay debt service and M&O expenses on new facilities, or capital renewal and replacement costs on existing facilities and equipment, which support student activities and services, such as student unions, fitness centers, recreation complexes, health clinics, and/or tutoring centers. The Council expects these uses to be fully explained to students prior to any votes endorsing a fee.
- In any given year, the impact of a student endorsed fee on the overall increase in tuition and mandatory fees for students and their families will be reasonable. It may be appropriate to phase in the exemption over multiple years to maintain affordability and access.
- Requests for student endorsed exemptions are infrequent events. The Council does not expect requests for exemptions under this policy to occur with undue frequency from any single institution and reserves the right to deny requests that by their sheer number are deemed excessive.
- A plan is in place for the eventual reduction or elimination of the fee upon debt retirement, and details of that plan have been shared with students. The Council does not expect a fee which qualifies for an exemption under this policy to be assessed at full rate in perpetuity. Such fees should either terminate upon completion of the debt or, in the case of new facilities, may continue at a reduced rate to defray ongoing M&O costs. In either case, to qualify for an exemption, students should be fully aware of the extent of their obligation prior to any votes endorsing a fee.

Exemption Process

Requests for an exemption under this policy will be evaluated on a case by case basis. To initiate the process:

- The requesting institution will notify Council staff of any pending discussions, open forums, referendums, or student government actions pertaining to a proposed special use fee and discuss fee details with Council staff as needed.
- After a fee has been endorsed by student referendum or through student government action and approved by the institution's governing board, campus officials and students will submit a written exemption request to the Council for its consideration.
- Council staff will review the request, assess whether or not the proposed fee qualifies for an exemption, and make a recommendation to the Council.

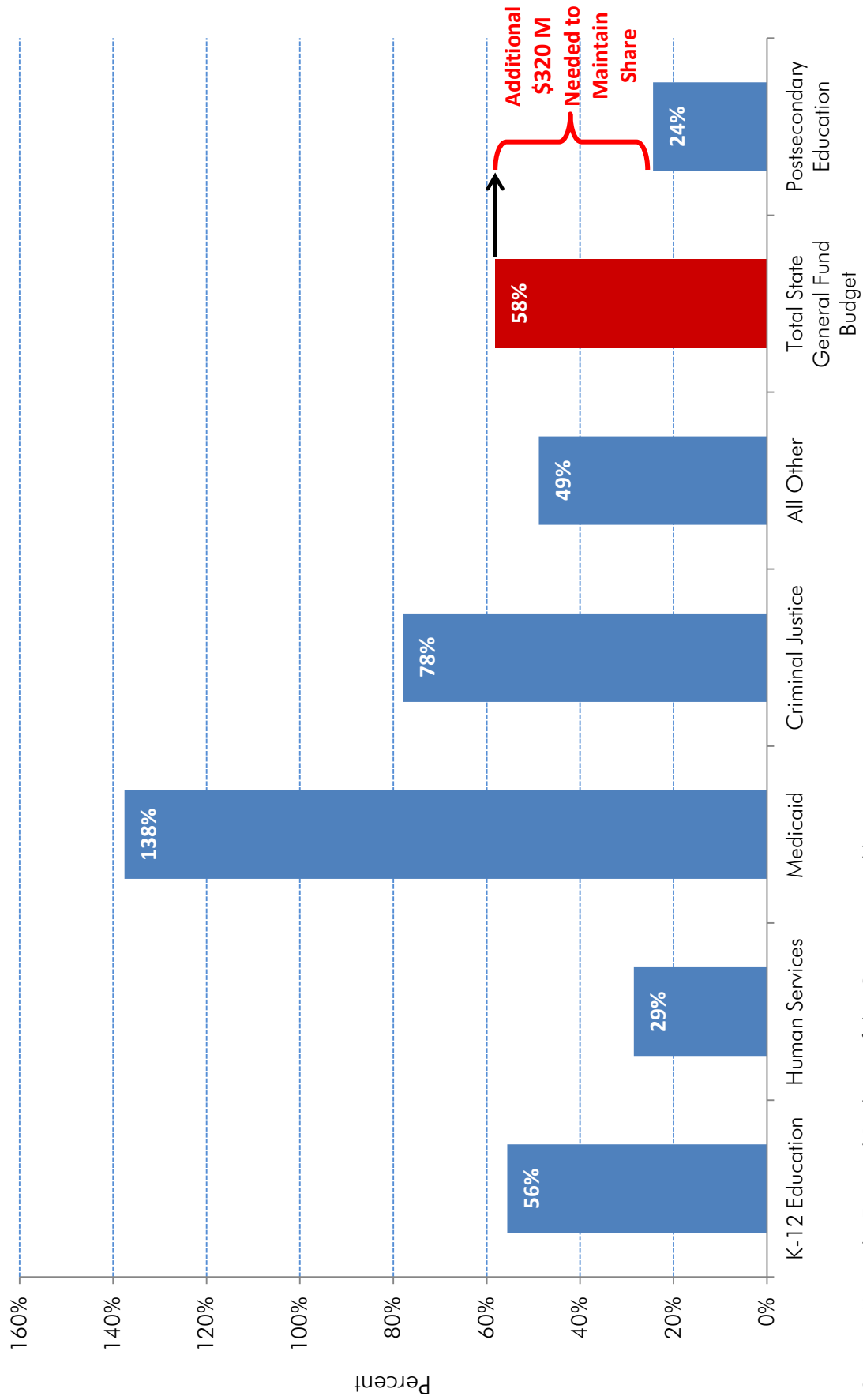
To facilitate the exemption request process, requesting institutions and students are required to provide the Council with the following information:

- Documents certifying that the specific project and proposed fee details have been widely disseminated, broadly discussed, voted on, and requested by students, as well as adopted by the institution's governing board.
- Documents specifying the fee amount, revenue estimates, uses of revenue, impact on tuition and fees during the year imposed (i.e., percentage points above the ceiling), and number of years the fee will be in place.
- Documents identifying the project's scope, time frame for completion, debt payment schedule, and plan for the eventual reduction or elimination of the fee upon debt retirement.

Council on Postsecondary Education 2013-14 Tuition Setting Timeline

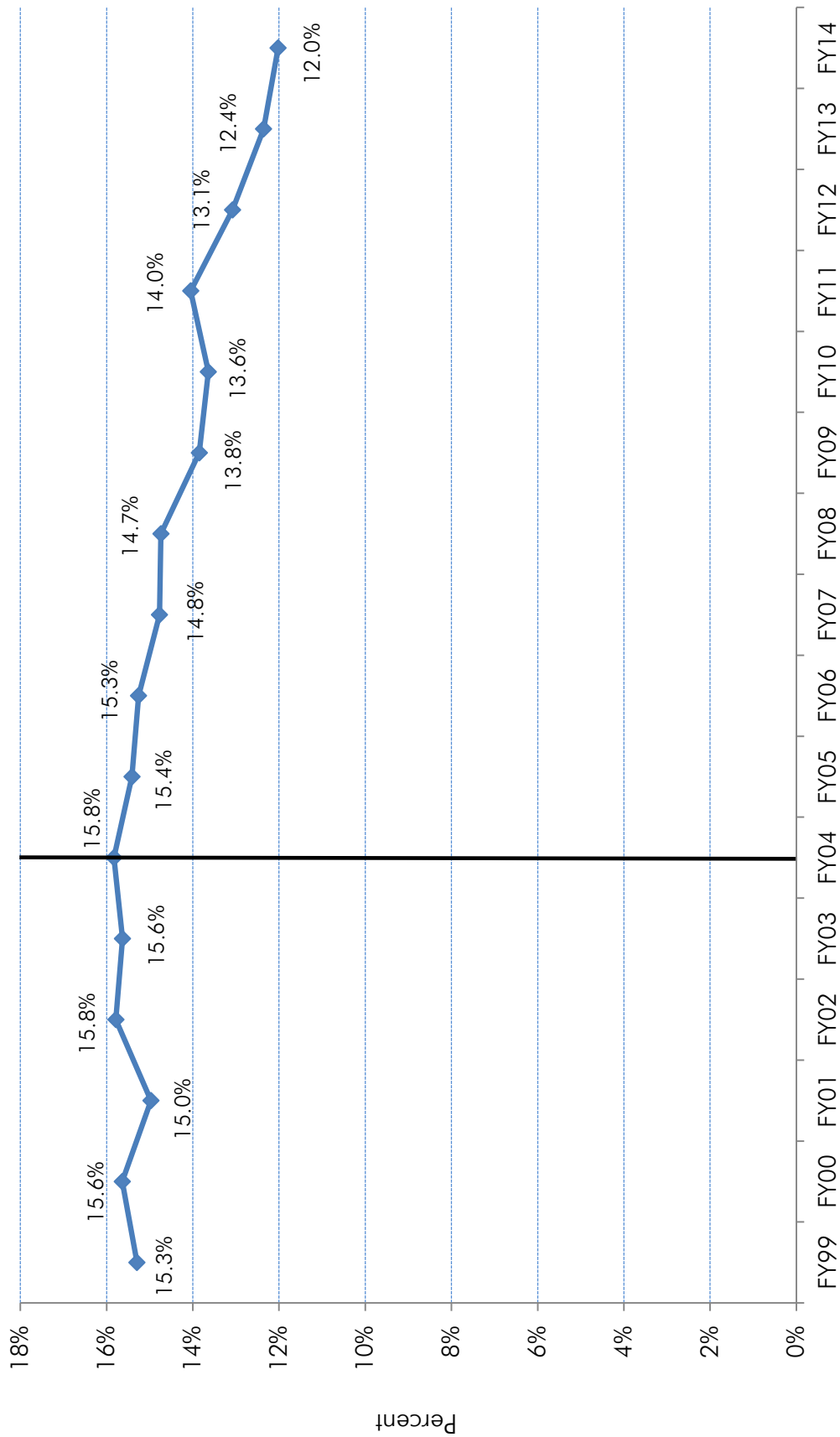
- Nov 16, 2012 CPE Meeting – The staff provides Council members an update regarding the 2013-14 tuition setting process. Staff will share the existing Tuition & Mandatory Fee Policy and a preliminary 2013-14 Tuition Setting Timeline with Council members.
- Nov-Dec 2012 Initiate discussions with institutions and generate draft tuition policy and tuition setting timeline documents for 2013-14.
- Council staff collects data and generates information related to funding adequacy, affordability, access, financial aid, and productivity.
- Institutional staff collect data and generate information related to fixed cost increases, potential impacts of tuition increases, anticipated uses of additional tuition revenue, financial aid, and student debt.
- Jan 2013 Council and institutional staff exchange information from respective data collection efforts and work together to finalize for distribution to Council members.
- Feb 8, 2013 CPE Meeting – The Council takes action on final 2013-14 Tuition and Mandatory Fee Policy and 2013-14 Tuition Setting Timeline documents.
- The staff provides Council members with policy-relevant information related to funding adequacy, affordability, access, financial aid, and productivity. Institutions share information regarding potential impacts of tuition increases and anticipated uses of additional tuition revenue.
- Feb-Apr 2013 Council and institutional staff discuss policy relevant information and preliminary tuition parameters. The Council president updates Council members regarding these discussions.
- Apr 18, 2013 CPE Meeting – The Council takes action on recommended tuition and mandatory fee ceilings.
- May 2013 Institutional staff share proposed 2013-14 tuition and mandatory fee rates with the Council president. The Council president updates Council members regarding the proposed rates.
- Jun 20, 2013 CPE Meeting – The Council takes action on each institution’s proposed 2013-14 tuition and mandatory fee rates.

Kentucky Budget of the Commonwealth
 Change in General Fund Appropriations by Budget Category
 Fiscal Years 1999 - 2014



Source: Kentucky Enacted Budgets of the Commonwealth.

Kentucky Budget of the Commonwealth Postsecondary Education's Share of Total State General Fund Budget Fiscal Years 1999 - 2014



Source: Kentucky Enacted Budgets of the Commonwealth.

Kentucky Public Postsecondary Institution
 Enacted Net General Fund Appropriations (Nominal Dollars)
 Fiscal Years 2008 and 2013

Institution	2007-08 ^(a) Enacted Net General Fund	2012-13 ^(d) Enacted Net General Fund	Dollar Change	Percent Change	AAGR
University of Kentucky	\$335,071,000 ^(b)	\$283,869,300	(\$51,201,700)	-15.3%	-3.3%
University of Louisville	168,572,300	141,194,800	(27,377,500)	-16.2%	-3.5%
Eastern Kentucky University	79,761,400	67,673,700	(12,087,700)	-15.2%	-3.2%
Kentucky State University	27,441,700	23,537,400	(3,904,300)	-14.2%	-3.0%
Morehead State University	48,202,100	41,016,400	(7,185,700)	-14.9%	-3.2%
Murray State University	56,068,700	48,005,800	(8,062,900)	-14.4%	-3.1%
Northern Kentucky University	55,099,500	46,835,100	(8,264,400)	-15.0%	-3.2%
Western Kentucky University	85,115,600	72,425,200	(12,690,400)	-14.9%	-3.2%
KCTCS	228,704,900 ^(c)	191,455,700	(37,249,200)	-16.3%	-3.5%
System Totals	<u>\$1,084,037,200</u>	<u>\$916,013,400</u>	<u>(\$168,023,800)</u>	-15.5%	-3.3%

^(a) Total General Fund appropriations, net of debt service and UofL hospital contract, as enacted in HB 380, the 2006-08 Budget of the Commonwealth.

^(b) Includes \$2,000,000 special session appropriation for UK's Center for Applied Energy Research.

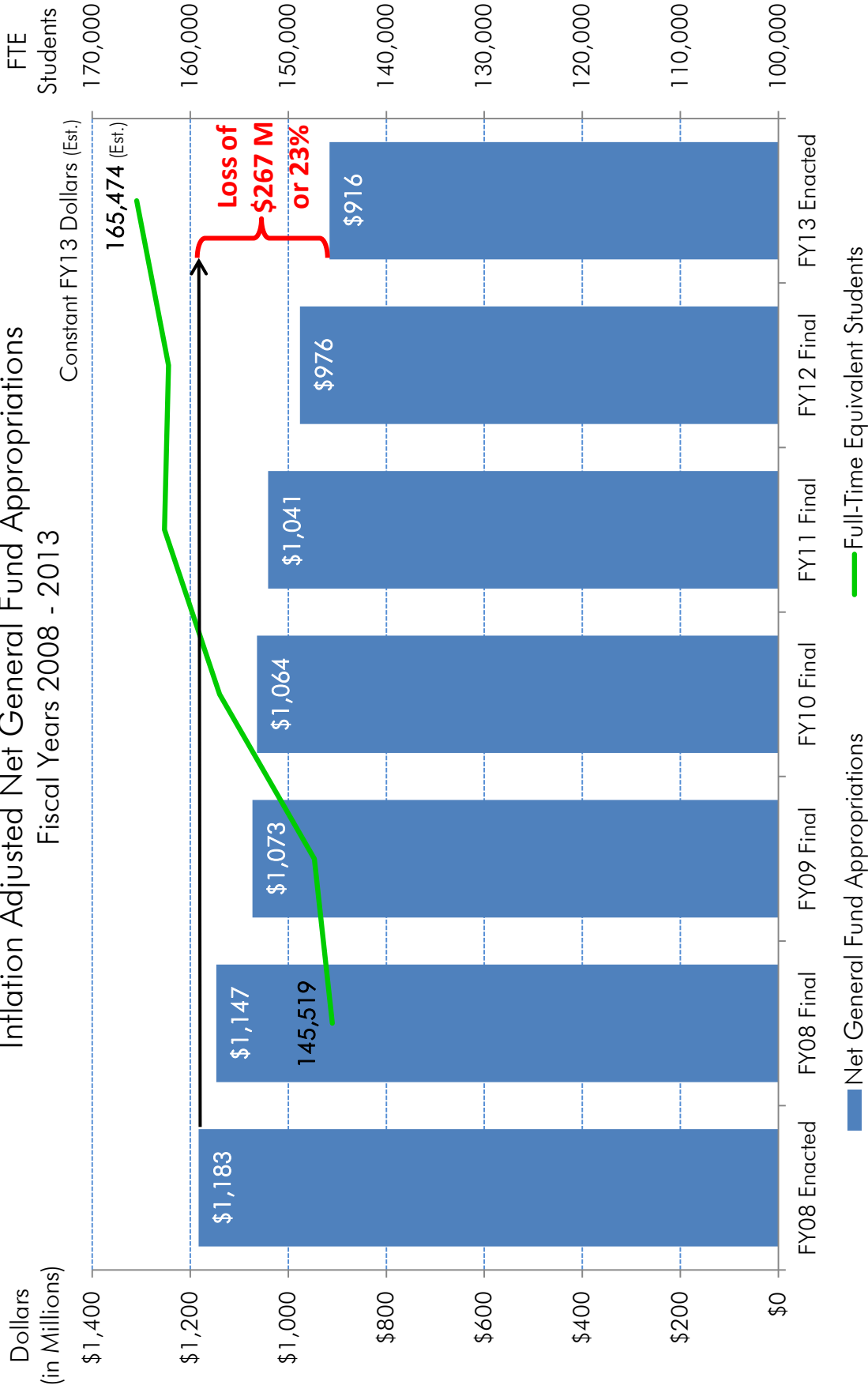
^(c) Includes \$2,373,800 reorganization transfer to KCTCS for Kentucky Board of Emergency Medical Services.

^(d) Total General Fund appropriations, net of debt service and UofL hospital contract, as enacted in HB 265, the 2012-14 Budget of the Commonwealth.

AAGR - Average Annual Growth Rate.

Source: Kentucky Budget of the Commonwealth.

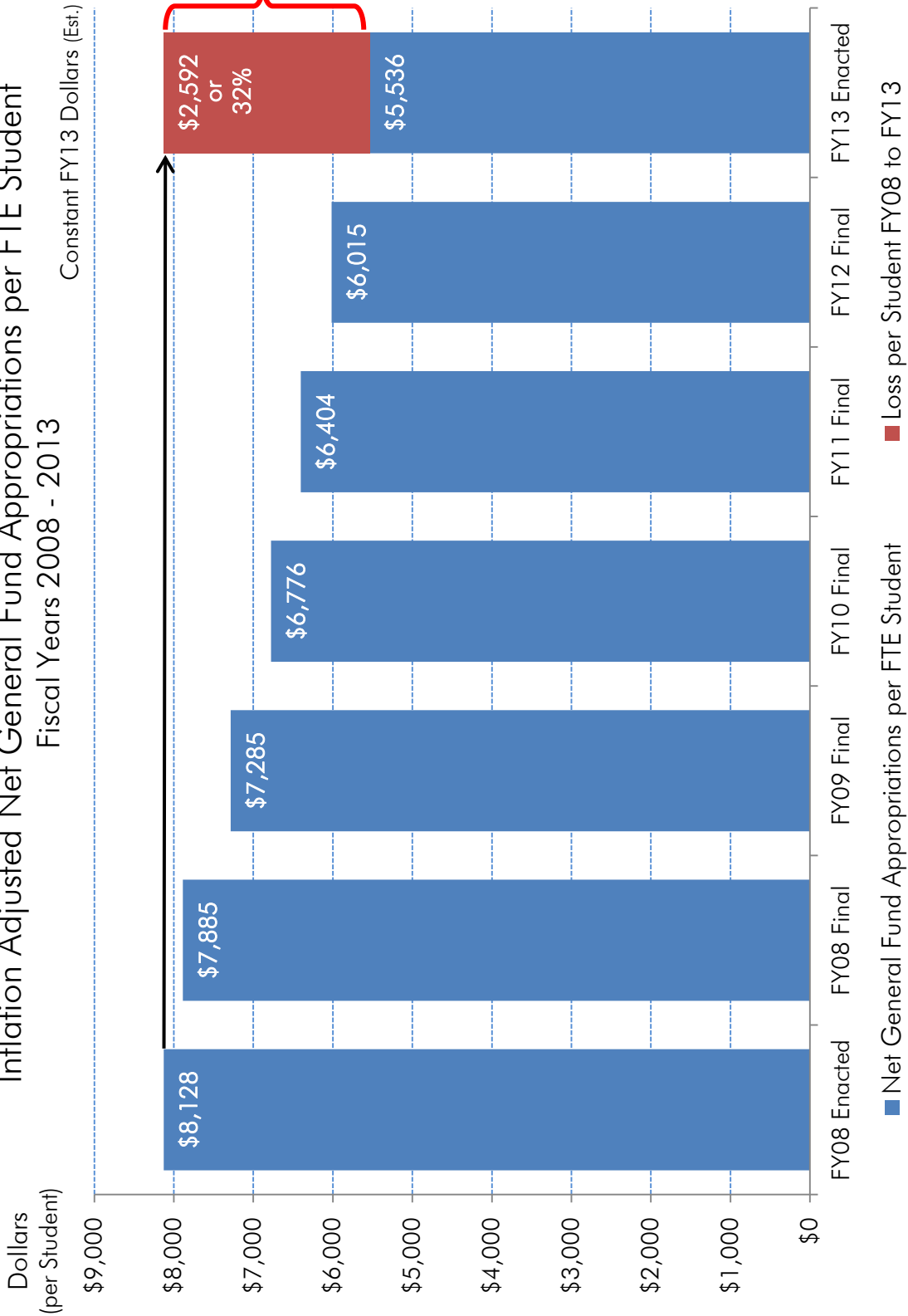
Kentucky Public Postsecondary System Inflation Adjusted Net General Fund Appropriations



Sources: Kentucky Budget of the Commonwealth; CPE Comprehensive Database; Commonfund Institute, Higher Education Price Index (HEPI).

Assumptions: 2.0% enrollment growth; and 1.7% increase in inflation in FY13.

Kentucky Public Postsecondary System Inflation Adjusted Net General Fund Appropriations per FTE Student Fiscal Years 2008 - 2013



Sources: Kentucky Budget of the Commonwealth; CPE Comprehensive Database; Commonfund Institute, Higher Education Price Index (HEPI).

Assumptions: 2.0% enrollment growth; and 1.7% increase in inflation in FY13.

Kentucky Public Postsecondary Institution
 Projected Increases in Facilities Maintenance and Operations Expense
 Fiscal Years 2009 - 2014

Institution	Historical M&O 2008-12 ^(a)	New M&O 2012-13	New M&O 2013-14
University of Kentucky	\$6,459,400	\$261,900	\$66,900
University of Louisville	6,504,600	471,600	125,900
Eastern Kentucky University	3,898,000	0	0
Kentucky State University	521,000	249,300	229,700
Morehead State University	2,924,300	0	0
Murray State University	762,600	0	0
Northern Kentucky University	4,393,900	0	0
Western Kentucky University	3,299,400	0	0
KCTCS	8,273,300	264,800	1,409,500
Total	\$37,036,500	\$1,247,600	\$1,832,000

^(a) Includes M&O for facilities that came online between 2008-09 and 2011-12, which was requested in the Council's 2010-12 budget recommendation, but not funded.

Source: Kentucky Council on Postsecondary Education, 2010-12 Biennial Budget Recommendation.

Council on Postsecondary Education
 2012-14 Biennial Budget Recommendation
 Requested Appropriations for Facilities Maintenance and Operations

Institution	2012-13 ^(b) M&O Request	2013-14 M&O Request	Biennial Total
University of Kentucky	\$6,721,300	\$66,900	\$6,788,200
University of Louisville	6,976,200	125,900	7,102,100
Eastern Kentucky University	3,898,000	0	3,898,000
Kentucky State University	770,300	229,700	1,000,000
Morehead State University	2,924,300	0	2,924,300
Murray State University	762,600	0	762,600
Northern Kentucky University	4,393,900	0	4,393,900
Western Kentucky University	3,299,400	0	3,299,400
KCTCS	8,538,100	1,409,500	9,947,600
Total	\$38,284,100	\$1,832,000	\$40,116,100

^(b) Includes M&O for facilities that came online between 2008-09 and 2011-12, which was requested in the Council's 2010-12 budget recommendation, as well as M&O for 2012-13.

Source: Kentucky Council on Postsecondary Education, 2012-14 Biennial Budget Recommendation.

Kentucky Public Postsecondary Institution
 Projected Budgetary Impact of Unavoidable Cost Increases
 Fiscal Year 2013-14

Institution	2012-13 ^(a) Enacted Net General Fund	Projected Fixed Cost Increases in 2013-14		
		Increase in ^(b) KERS & KTRS Contributions	Other Fixed ^(c) Cost Increases	Total Potential Reductions
University of Kentucky	283,869,300	-	(16,800,934) ^(d)	(16,800,934)
University of Louisville	141,194,800	-	(14,247,994) ^(d)	(14,247,994)
Eastern Kentucky University	67,673,700	(185,348)	(1,778,684)	(1,964,032)
Kentucky State University	23,537,400	(35,681)	(876,275)	(911,956)
Morehead State University	41,016,400	(472,982)	(3,992,883)	(4,465,865)
Murray State University	48,005,800	(473,237)	(2,082,656)	(2,555,893)
Northern Kentucky University	46,835,100	(1,700,000)	(2,111,600)	(3,811,600)
Western Kentucky University	72,425,200	(850,000)	(3,773,000)	(4,623,000)
KCTCS	191,455,700	(1,363,200)	(10,694,000)	(12,057,200)
System Totals	916,013,400	(5,080,448)	(56,358,027)	(61,438,474)

^(a) Total General Fund appropriations, net of debt service and UofL hospital contract, as enacted in HB 265, the 2012-14 Budget of the Commonwealth.

^(b) Increase in employer retirement contributions and health insurance premiums associated with KERS and KTRS rate increases.

^(c) Estimated increase in selected fixed costs such as utilities, contractual obligations, workers' compensation, and unemployment compensation.

^(d) UK and UofL do not participate in KERS or KTRS. The anticipated increase in employer retirement contributions at UK and UofL are included in the "Other Fixed Cost Increases" column.

Projected Increase in Net Tuition & Fee Revenue at Different Levels of Rate Increase ^{(e)(f)}

Institution	Uniform Increases Across Sectors			
	Tuition Revenue @ 2% Increase	Tuition Revenue @ 3% Increase	Tuition Revenue @ 4% Increase	Tuition Revenue @ 5% Increase
University of Kentucky	4,761,528	7,142,292	9,523,056	11,903,820
University of Louisville	3,363,930	5,045,895	6,727,860	8,409,825
Eastern Kentucky University	1,867,243	2,800,864	3,734,486	4,668,107
Kentucky State University	324,240	486,360	648,480	810,599
Morehead State University	1,014,268	1,521,402	2,028,536	2,535,670
Murray State University	1,408,694	2,113,041	2,817,388	3,521,734
Northern Kentucky University	1,718,200	2,577,300	3,436,400	4,295,500
Western Kentucky University	2,296,640	3,444,960	4,593,280	5,741,600
KCTCS	4,256,000	6,384,000	8,512,000	10,640,000
System Totals	21,010,742	31,516,114	42,021,485	52,526,856

^(e) Incremental increase in gross tuition and fee revenue, net of institutional scholarships and waivers. Assumes flat student enrollment growth and uniform levels of rate increase across all categories of students (i.e., every academic level, residency, and full-time/part-time status) under each rate level scenario.

^(f) At most institutions, a proportion of tuition and mandatory fee revenue is designated as restricted funds and cannot be used to cover fixed cost increases.

**Kentucky Public Postsecondary Institution
Annual Tuition and Mandatory Fees for Full-Time Resident Undergraduate Students ⁽¹⁾
Academic Years 2008 - 2013**

Institution	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Total Change	5-Year AAGR
University of Kentucky ⁽²⁾	7,199	7,848	8,241	8,735	9,260	9,816	36.4%	6.4%
University of Louisville ⁽³⁾	6,870	7,564	7,944	8,424	9,126	9,662	40.6%	7.1%
Eastern Kentucky University	5,682	6,080	6,312	6,624	6,960	7,320	28.8%	5.2%
Kentucky State University	5,320	5,692	5,920	6,216	6,534	6,858	28.9%	5.2%
Morehead State University ⁽³⁾	5,280	5,670	6,038	6,492	6,942	7,284	38.0%	6.6%
Murray State University	5,418	5,748	5,976	6,264	6,576	6,840	26.2%	4.8%
Northern Kentucky University ⁽³⁾	5,952	6,528	6,792	7,128	7,584	8,064	35.5%	6.3%
Western Kentucky University ⁽³⁾	6,416	6,930	7,200	7,560	8,084	8,472	32.0%	5.7%
KCTCS	3,450	3,630	3,750	3,900	4,050	4,200	21.7%	4.0%
Research Sector Average	7,035	7,706	8,093	8,580	9,193	9,739	38.4%	6.7%
Comprehensive Sector Average	5,678	6,108	6,373	6,714	7,113	7,473	31.6%	5.6%
Two-Year College Sector Average	3,450	3,630	3,750	3,900	4,050	4,200	21.7%	4.0%
Postsecondary System Average	5,732	6,188	6,464	6,816	7,235	7,613	32.8%	5.8%
⁽¹⁾ Full-time comparison rates for resident undergraduate students taking 15 credit hours per semester for two semesters, or 30 credit hours per year.								
⁽²⁾ Undergraduate rates for UK are an average of upper and lower division rates.								
⁽³⁾ Beginning in 2011-12, figures for UofL, MoSU, NKU, and WKU include student requested and Council approved Special Use Fees.								
AAGR -- Average Annual Growth Rate.								
Source: CPE Comprehensive Database.								
Previous Six-Year Period	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	Total Change	5-Year AAGR
Postsecondary System Average	3,127	3,610	4,189	4,725	5,272	5,732	83.3%	12.9%

Research Universities in Kentucky and Surrounding States
 Average Resident Undergraduate Tuition and Required Fees
 Academic Years 2000 and 2012

State	1999-00		2011-12		Dollar Change	Percent Change	AAGR	1999-00		2011-12	
	Resident UG Tuition & Fees		Resident UG Tuition & Fees					Rank	Rank		
Illinois	4,770		14,581		9,811	205.7%	9.8%	1	1		
Virginia	4,130		11,786		7,656	185.4%	9.1%	5	2		
Ohio	4,137		9,735		5,598	135.3%	7.4%	4	3		
Indiana	4,212		9,524		5,312	126.1%	7.0%	3	4		
Kentucky	3,271		9,029		5,758	176.0%	8.8%	6	5		
Missouri	4,581		8,989		4,408	96.2%	5.8%	2	6		
Tennessee	3,104		8,396		5,292	170.5%	8.6%	7	7		
West Virginia	2,748		5,674		2,926	106.5%	6.2%	8	8		

Source: Integrated Postsecondary Education Data System.

Comprehensive Universities in Kentucky and Surrounding States
 Average Resident Undergraduate Tuition and Required Fees
 Academic Years 2000 and 2012

State	1999-00		2011-12		Dollar Change	Percent Change	AAGR	1999-00	2011-12
	Resident UG Tuition & Fees	Resident UG Tuition & Fees	Resident UG Tuition & Fees	Resident UG Tuition & Fees				Rank	Rank
Illinois	3,674	9,788	6,114	166.4%	8.5%	2	1		
Ohio	4,330	9,070	4,740	109.5%	6.4%	1	2		
Virginia	3,631	8,626	4,995	137.6%	7.5%	3	3		
Indiana	3,556	8,270	4,714	132.6%	7.3%	4	4		
Kentucky	2,386	6,992	4,606	193.0%	9.4%	8	5		
Tennessee	2,626	6,714	4,088	155.7%	8.1%	6	6		
Missouri	2,866	6,186	3,320	115.8%	6.6%	5	7		
West Virginia	2,505	5,357	2,852	113.9%	6.5%	7	8		

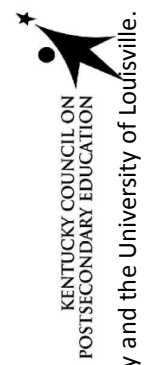
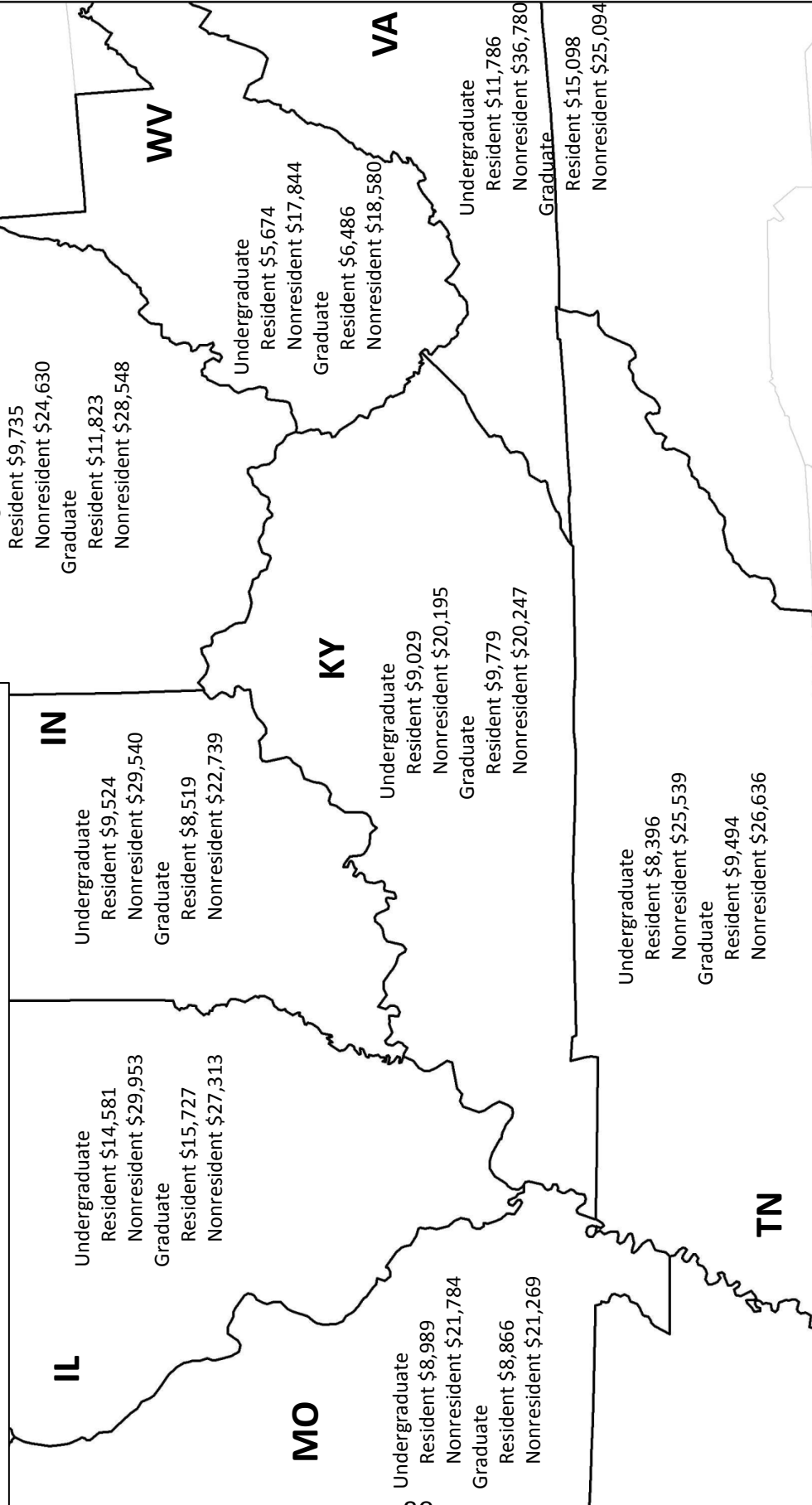
Source: Integrated Postsecondary Education Data System.

Community Colleges in Kentucky and Surrounding States
 Change in Average Resident Tuition and Required Fees
 Between Academic Years 1999-00 and 2011-12

State	1999-00		2011-12		Dollar Change	Percent Change	AAGR	1999-00	2011-12
	Tuition & Fees	Resident Tuition & Fees	Tuition & Fees	Resident Tuition & Fees				Rank	Rank
Kentucky	1,180	4,050	2,870	243.2%	10.8%	7	1		
Missouri	1,404	3,780	2,376	169.2%	8.6%	5	2		
Virginia	1,159	3,570	2,411	208.0%	9.8%	8	3		
Tennessee	1,308	3,532	2,224	170.0%	8.6%	6	4		
Ohio	2,045	3,486	1,441	70.5%	4.5%	2	5		
Indiana	2,540	3,354	814	32.0%	2.3%	1	6		
Illinois	1,426	3,117	1,691	118.6%	6.7%	4	7		
West Virginia	1,610	2,868	1,258	78.1%	4.9%	3	8		

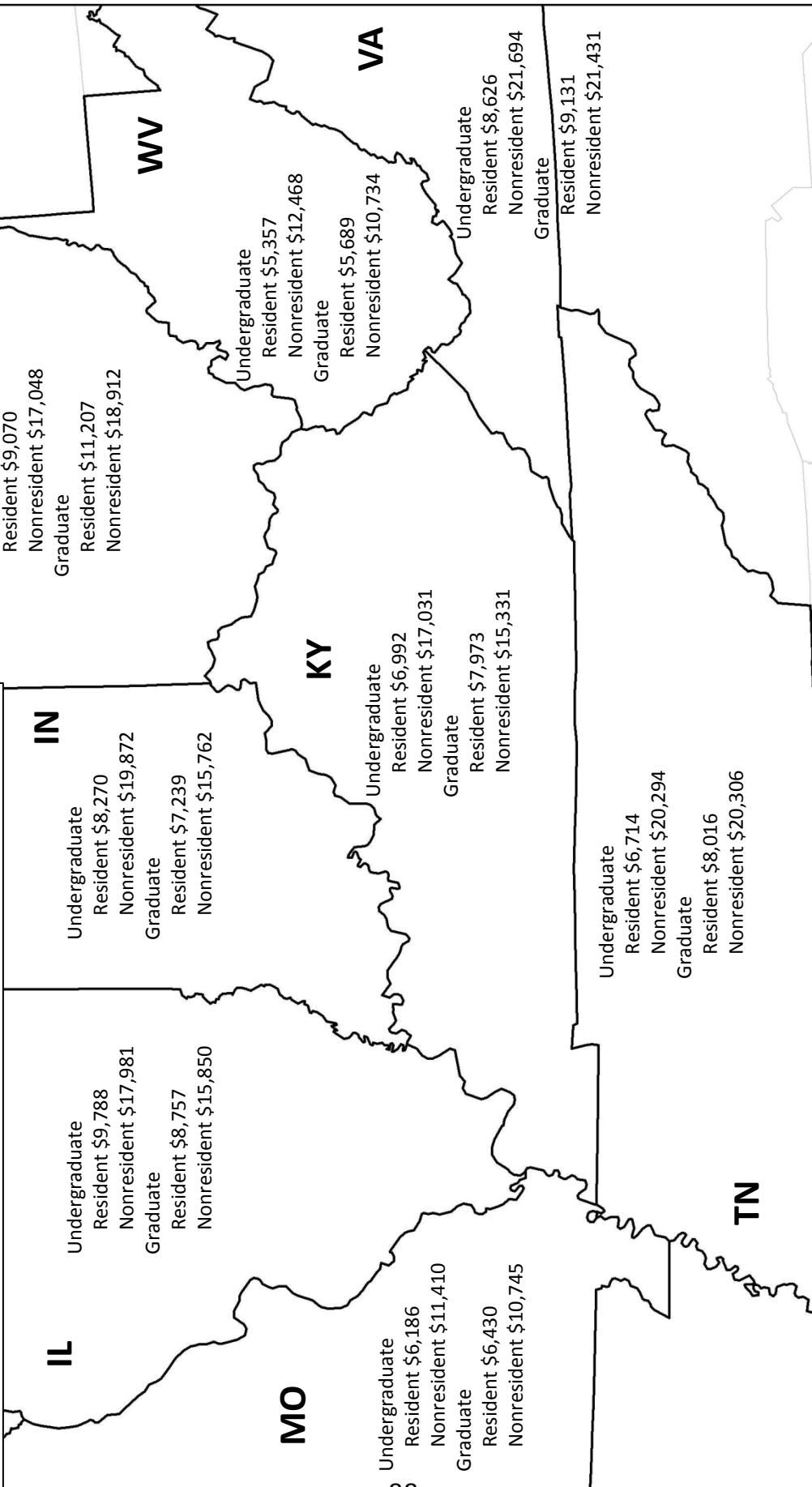
Source: Washington Student Achievement Council, preliminary and subject to change.

Research Universities Average 2011-12 Tuition and Required Fees By State, Level, and Residency



Note: Kentucky Research University data are arithmetic averages of tuition and required fees at the University of Kentucky and the University of Louisville.
Source: Integrated Postsecondary Education Data System.

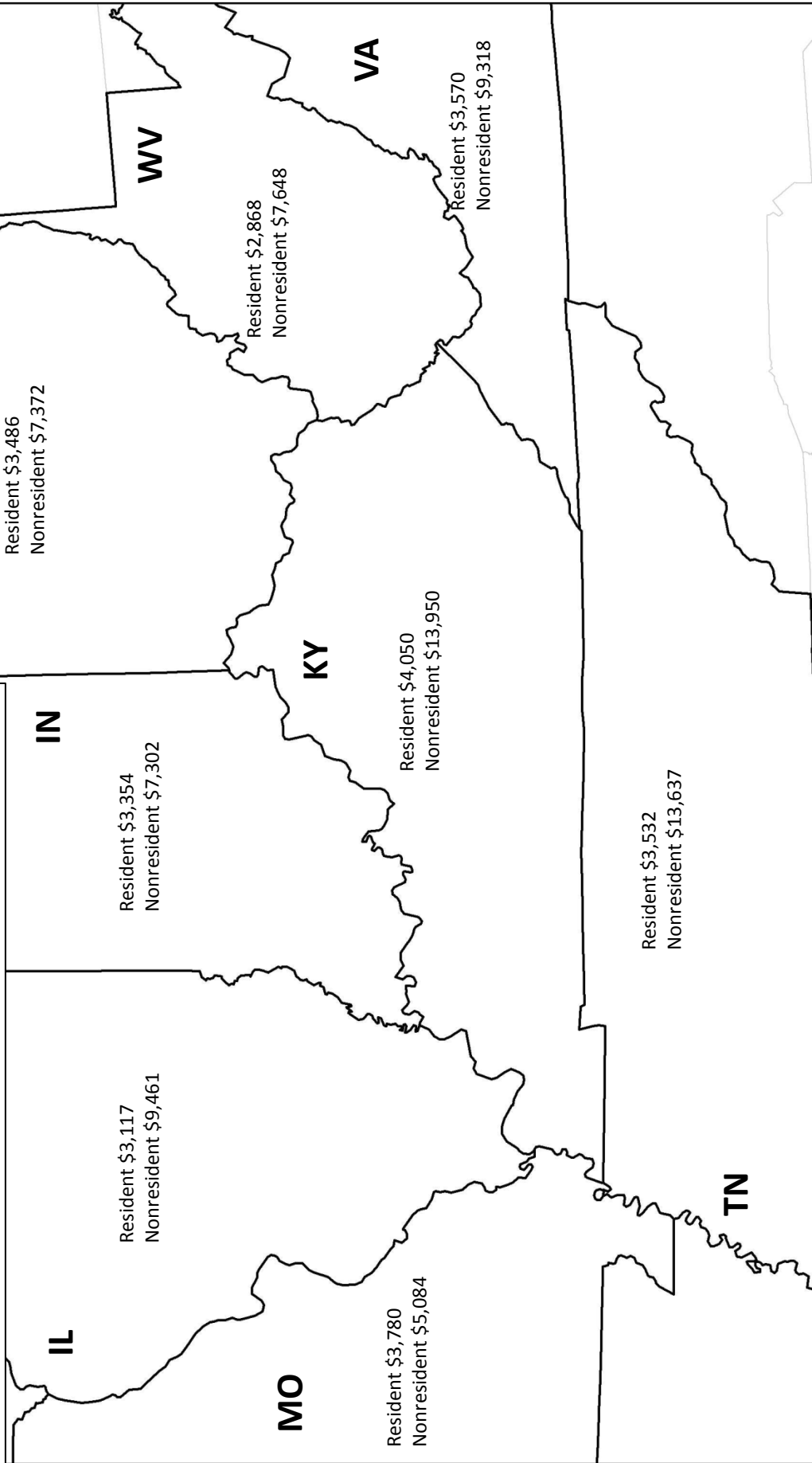
Comprehensive Universities Average 2011-12 Tuition and Required Fees By State, Level, and Residency



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Source: Integrated Postsecondary Education Data System.

Community Colleges Average 2011-12 Tuition and Required Fees By State and Residency

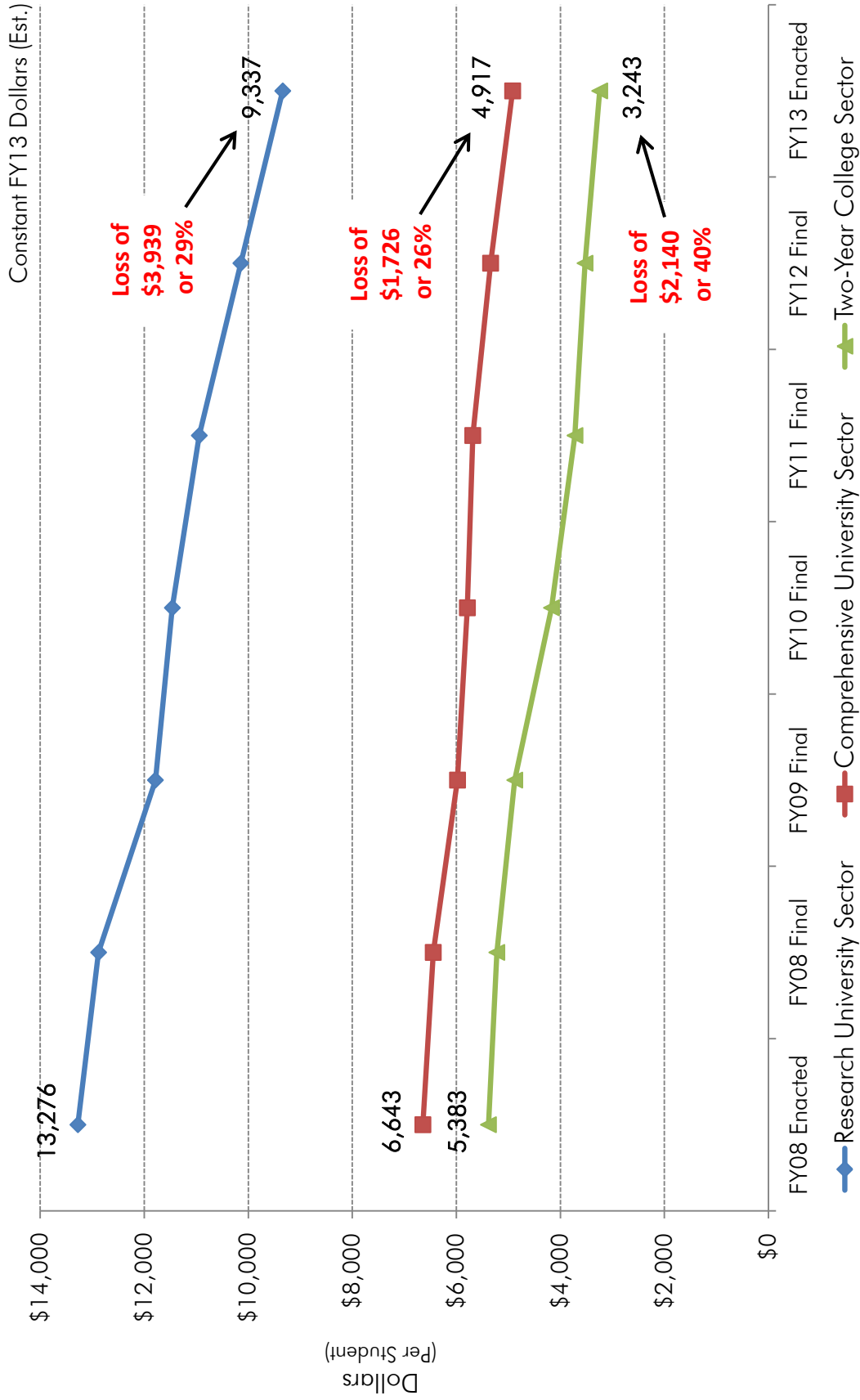


Note: For institutions that charge by credit hour, reported rates are based on 30 credit hours per year.
Source: Washington Student Achievement Council, preliminary and subject to change



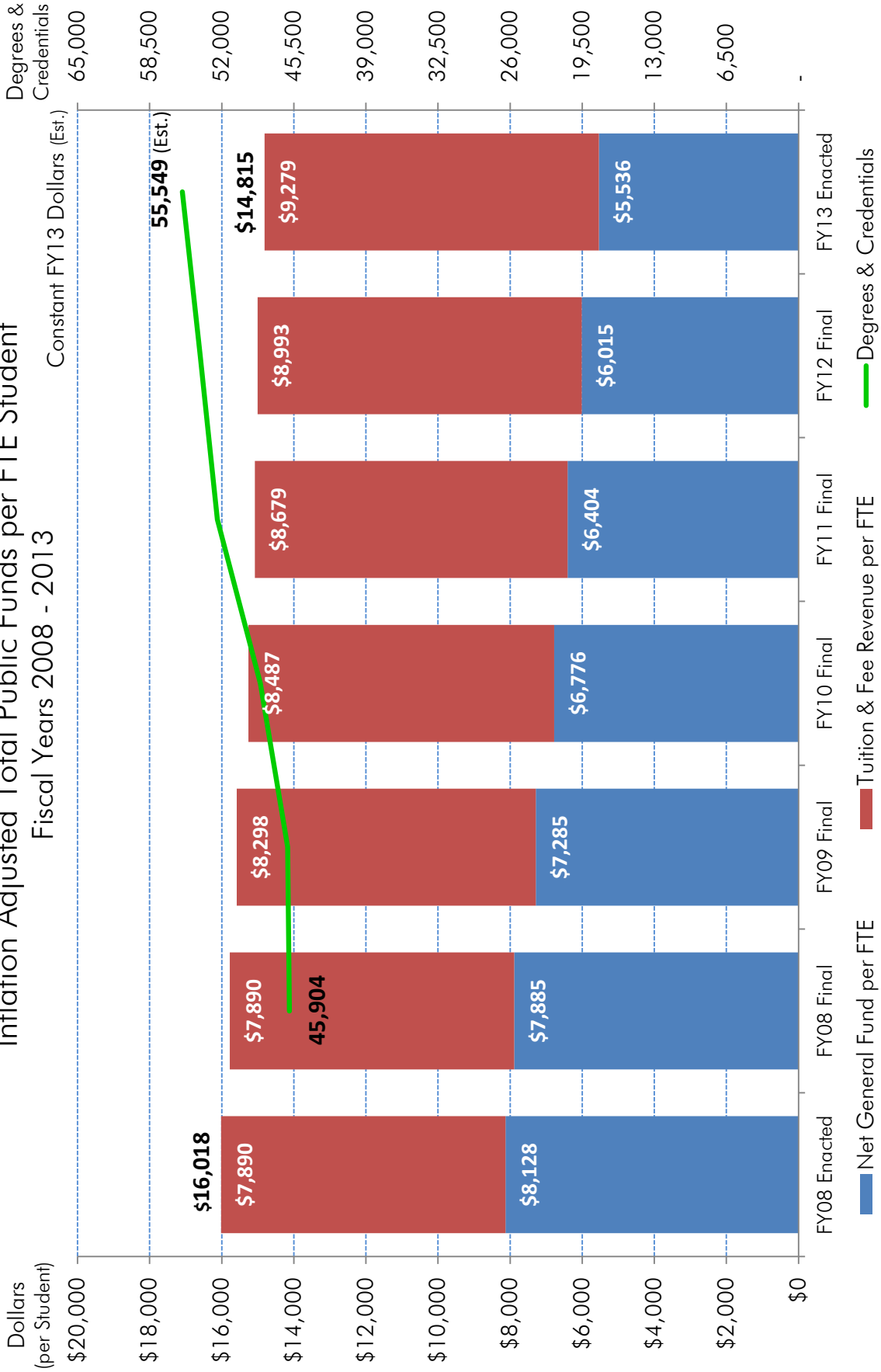
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Kentucky Public Postsecondary Sector Inflation Adjusted Net General Fund Appropriations per FTE Student Fiscal Years 2008 - 2013



Sources: Kentucky Budget of the Commonwealth; CPE Comprehensive Database; Commonfund Institute, Higher Education Price Index (HEPI).

Kentucky Public Postsecondary System
 Inflation Adjusted Total Public Funds per FTE Student
 Fiscal Years 2008 - 2013



Sources: Kentucky Budget of the Commonwealth; CPE Comprehensive Database; Commonfund Institute, Higher Education Price Index (HEPI).

Assumptions: 2.0% enrollment growth; 1.7% increase in inflation; 7.0% tuition and fee revenue growth; and 3.0% increase in degrees in FY13.

Kentucky Public Postsecondary System
Analysis of Public Funds Revenue Components
Fiscal Years 2008 – 2013

(Dollars per Student)

Decrease in State Support
per Student FY08 to FY13

\$2,592

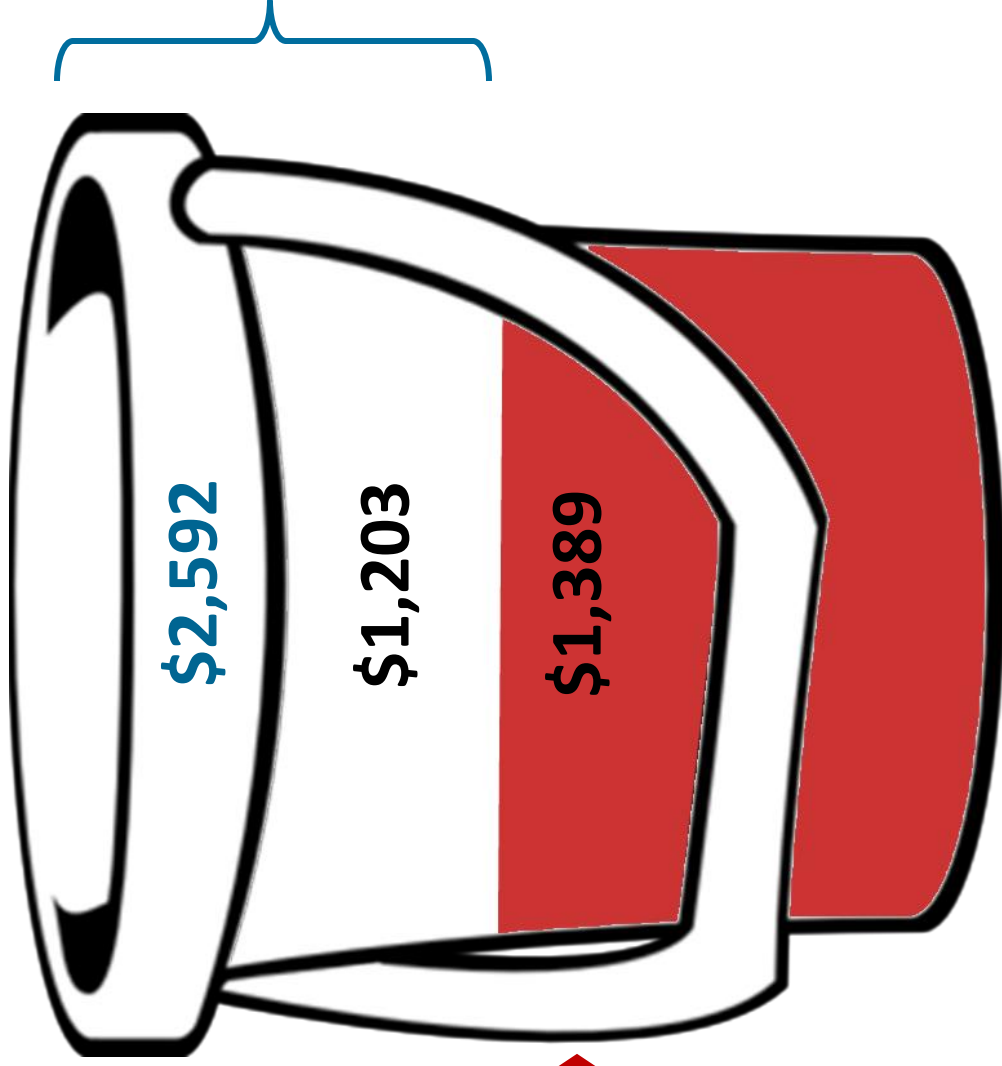
Loss in Total Public Funds
per Student FY08 to FY13

\$1,203

Increase in Tuition Revenue
per Student FY08 to FY13.

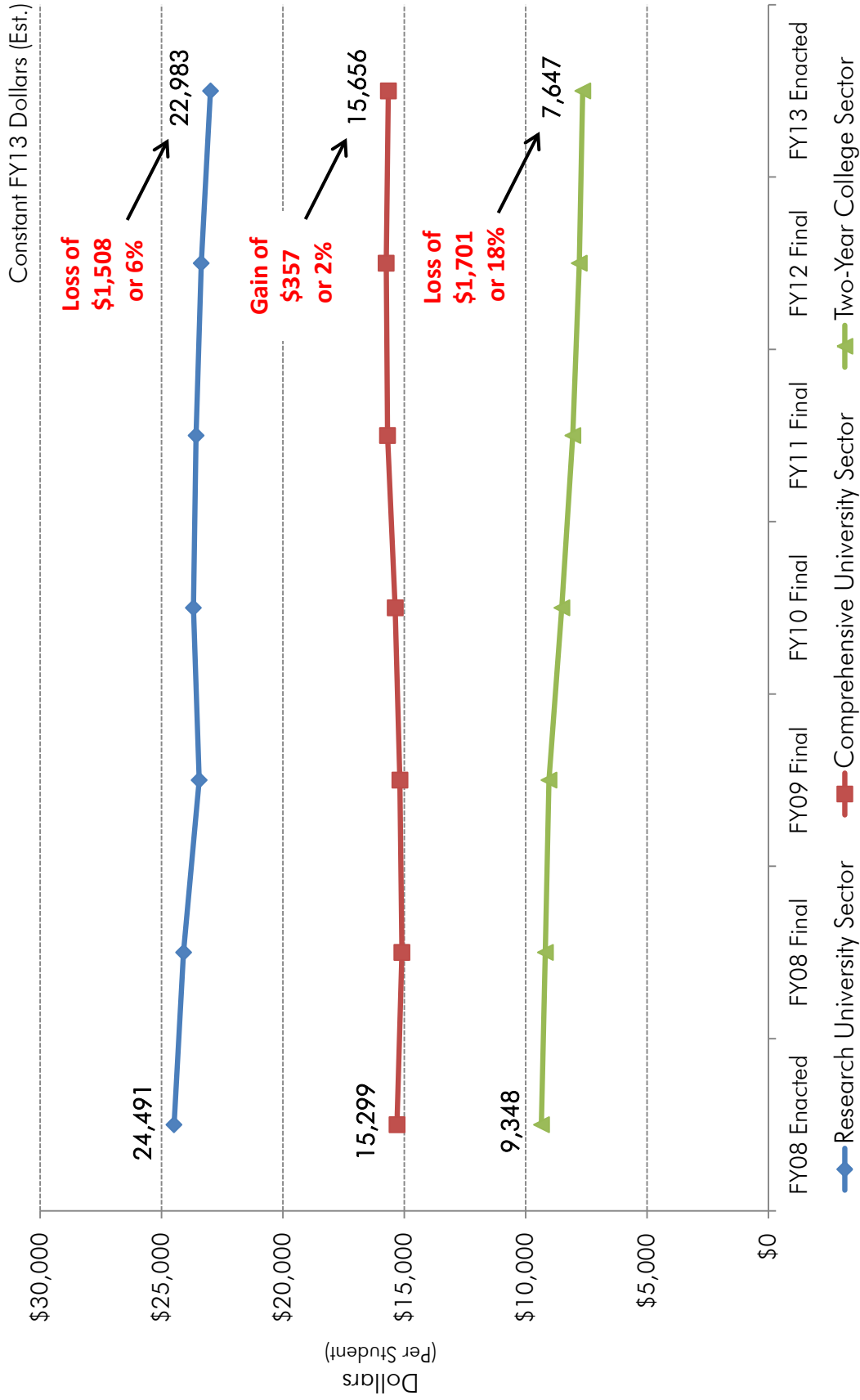
\$1,389

Additional \$200 M
Required to Maintain
FY08 per Student
Total Public Funds



Sources: Kentucky Budget of the Commonwealth; CPE Comprehensive Database; Commonfund Institute, Higher Education Price Index (HEPI).

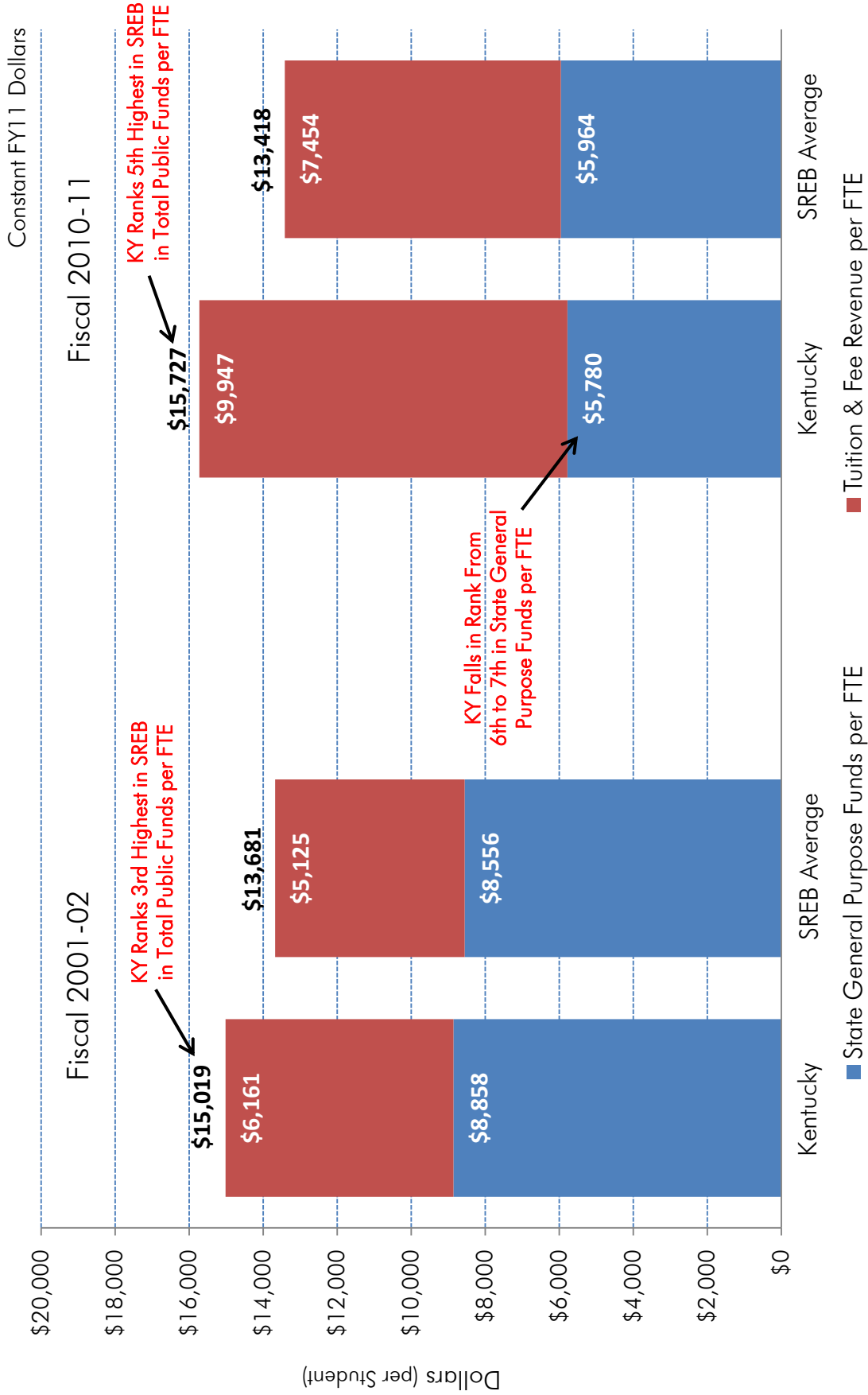
Kentucky Public Postsecondary Sector Inflation Adjusted Total Public Funds per FTE Student Fiscal Years 2008 - 2013



Sources: Kentucky Budget of the Commonwealth; CPE Comprehensive Database; Commonfund Institute, Higher Education Price Index (HEPI).

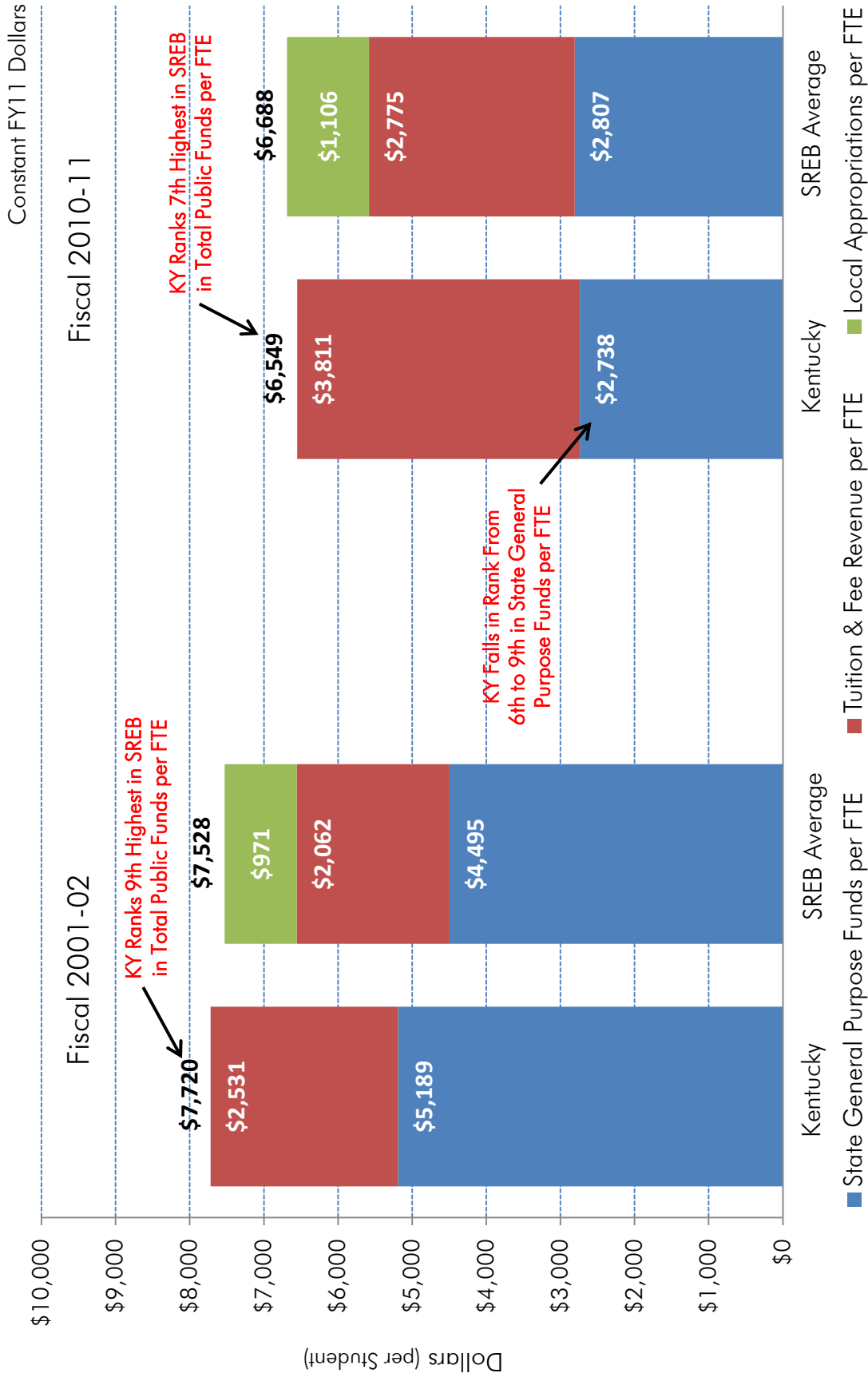
Kentucky Public Four-Year University & SREB Average
 Inflation Adjusted Total Public Funds Per FTE Student
 Fiscal Years 2001-02 and 2010-11

Attachment 21



Source: SREB, State Data Exchange.

Kentucky Public Two-Year College & SREB Average
 Inflation Adjusted Total Public Funds Per FTE Student
 Fiscal Years 2001-02 and 2010-11



Source: SREB, State Data Exchange.

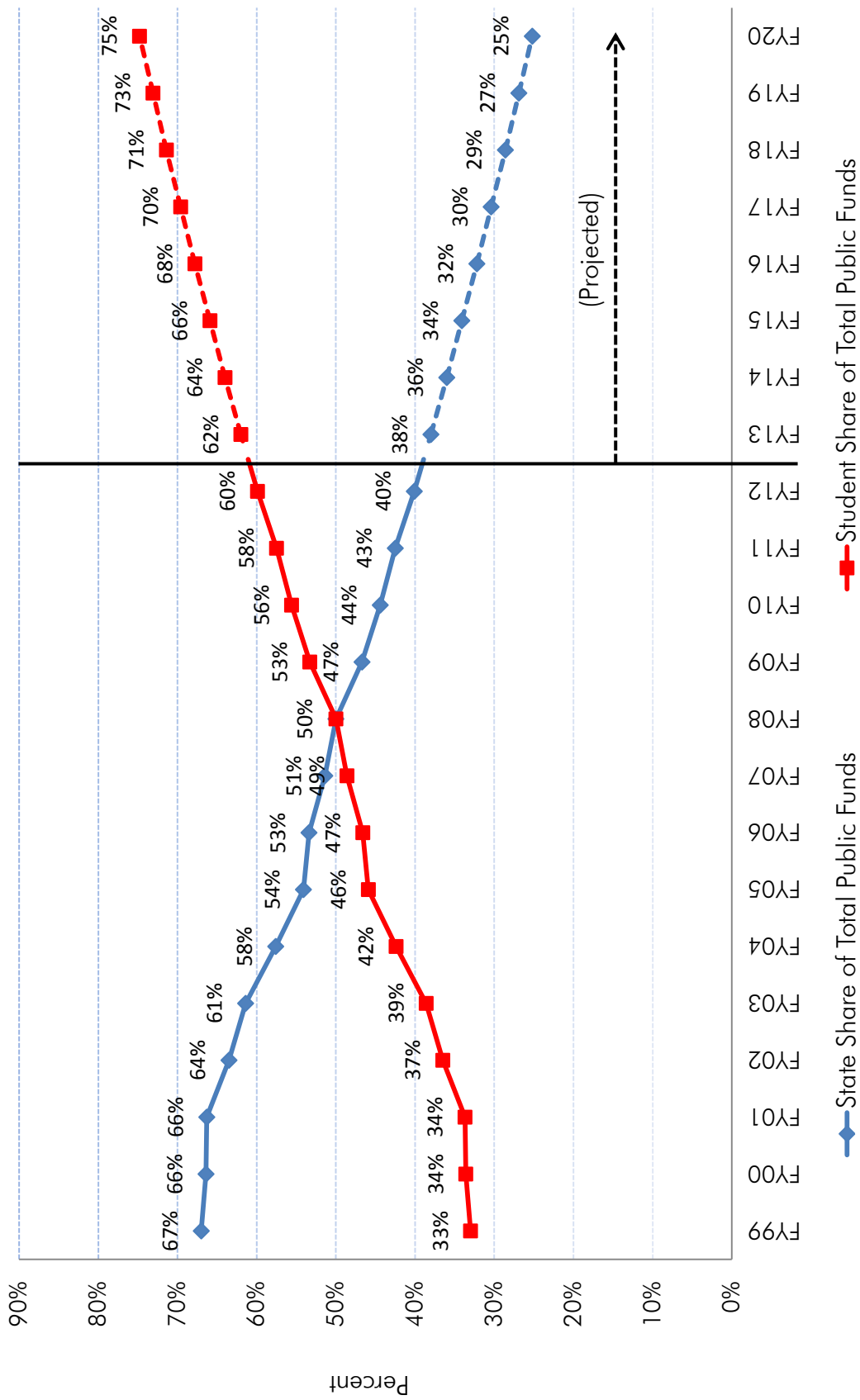
Kentucky Public Postsecondary Institution
Student Share of Total Public Funds ⁽¹⁾
Fiscal Years 1999-2012

Institution/Sector	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12
University of Kentucky	27%	28%	28%	30%	31%	35%	39%	40%	42%	42%	46%	48%	49%	53%
University of Louisville	34%	35%	35%	39%	41%	44%	47%	48%	51%	53%	56%	58%	60%	63%
Eastern Kentucky University	38%	38%	37%	40%	41%	45%	49%	52%	54%	56%	59%	61%	63%	65%
Kentucky State University	26%	30%	28%	31%	35%	36%	33%	35%	37%	38%	41%	45%	47%	49%
Morehead State University	38%	38%	38%	41%	43%	46%	48%	48%	50%	50%	55%	56%	58%	60%
Murray State University	37%	39%	39%	42%	44%	47%	51%	53%	56%	58%	60%	61%	62%	65%
Northern Kentucky University	55%	56%	55%	55%	58%	61%	64%	63%	63%	64%	68%	69%	71%	73%
Western Kentucky University	40%	41%	40%	43%	46%	52%	56%	57%	60%	60%	64%	66%	67%	69%
KCTCS	28%	27%	28%	32%	35%	39%	42%	41%	42%	43%	46%	51%	54%	55%
Research Sector	29%	31%	31%	33%	35%	38%	42%	43%	45%	47%	50%	52%	54%	57%
Comprehensive Sector	40%	41%	41%	43%	46%	50%	53%	54%	56%	57%	61%	62%	64%	66%
Two-Year College Sector	28%	27%	28%	32%	35%	39%	42%	41%	42%	43%	46%	51%	54%	55%
Postsecondary System	33%	34%	34%	37%	39%	42%	46%	47%	49%	50%	53%	56%	58%	60%

⁽¹⁾ Student Share is the gross tuition and fee revenue proportion of total public funds (i.e., $GTR \div TPF$).

Sources: Kentucky Budget of the Commonwealth; CPE Comprehensive Database.

Kentucky Public Postsecondary System Change in State & Student Shares of Total Public Funds Fiscal Years 1999 - 2020



Sources: Kentucky Budget of the Commonwealth; CPE
 Comprehensive Database.

$$\text{State Share} = \frac{\text{Net General Fund Appropriations}}{\text{Total Public Funds}}$$

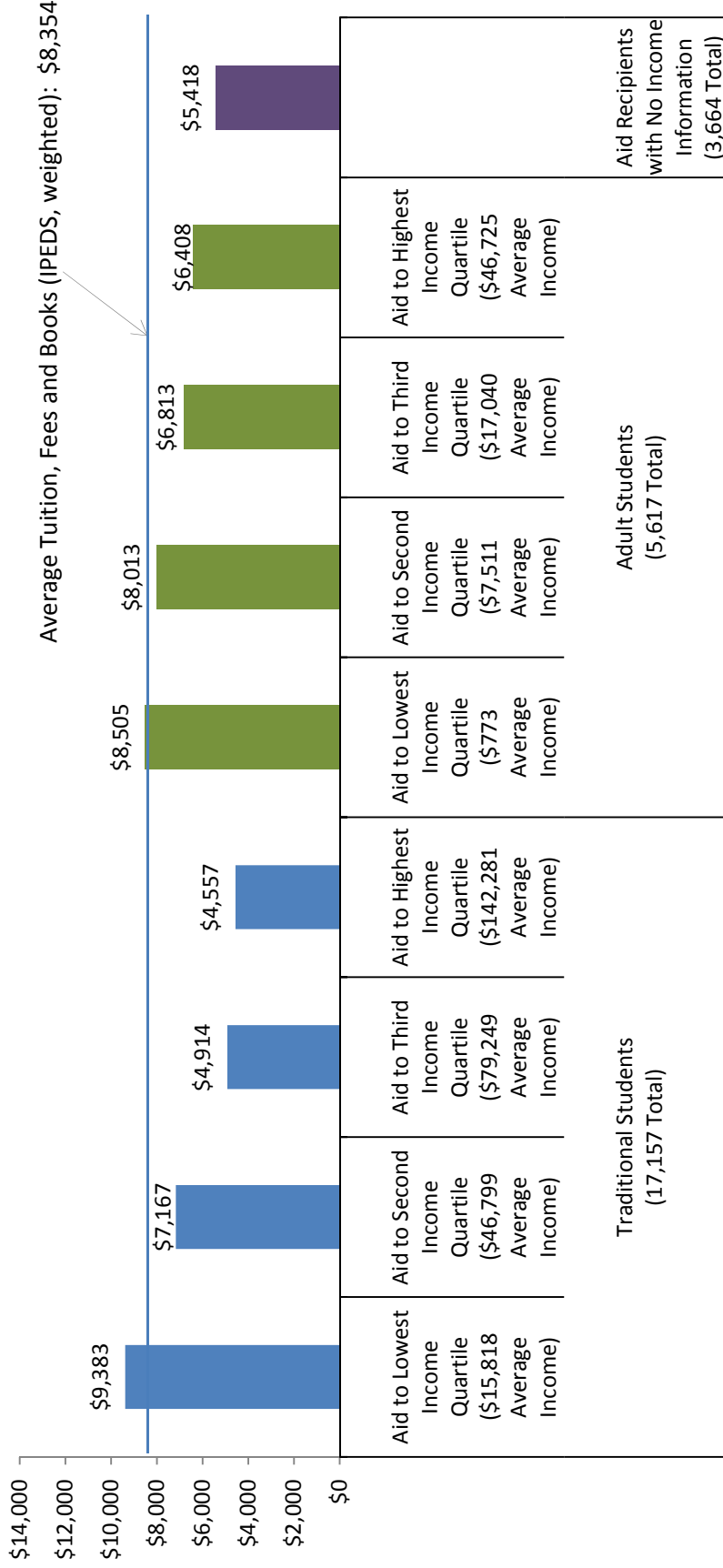
$$\text{Student Share} = \frac{\text{Gross Tuition \& Fee Revenue}}{\text{Total Public Funds}}$$

Comprehensive Universities: Need and Merit-Based Aid by Student Type and Family Income

Full-Time, In-State, Undergraduates at Kentucky's Public Comprehensive Universities who Received Grants or Scholarships in 2011-12

Highlights

- * Grants and scholarships covered the full cost of tuition, fees and books for most students in the lowest income categories.
- * Even students in the high .
- * Seventy percent of full-time, in-state undergraduate students at comprehensive universities received grants in 2011-12 (fall 2011 enrollment).
- * Grants in excess of tuition were used to pay for room and board, which averaged an additional \$7,188 (IPEDS, weighted).



Unmet Tuition, Fee and Book Costs	Traditional Students (17,157 Total)	Adult Students (5,617 Total)	Aid Recipients with No Income Information (3,664 Total)
-\$1,029	\$3,440	\$341	\$2,936
\$1,187	\$3,797	-\$151	\$1,946

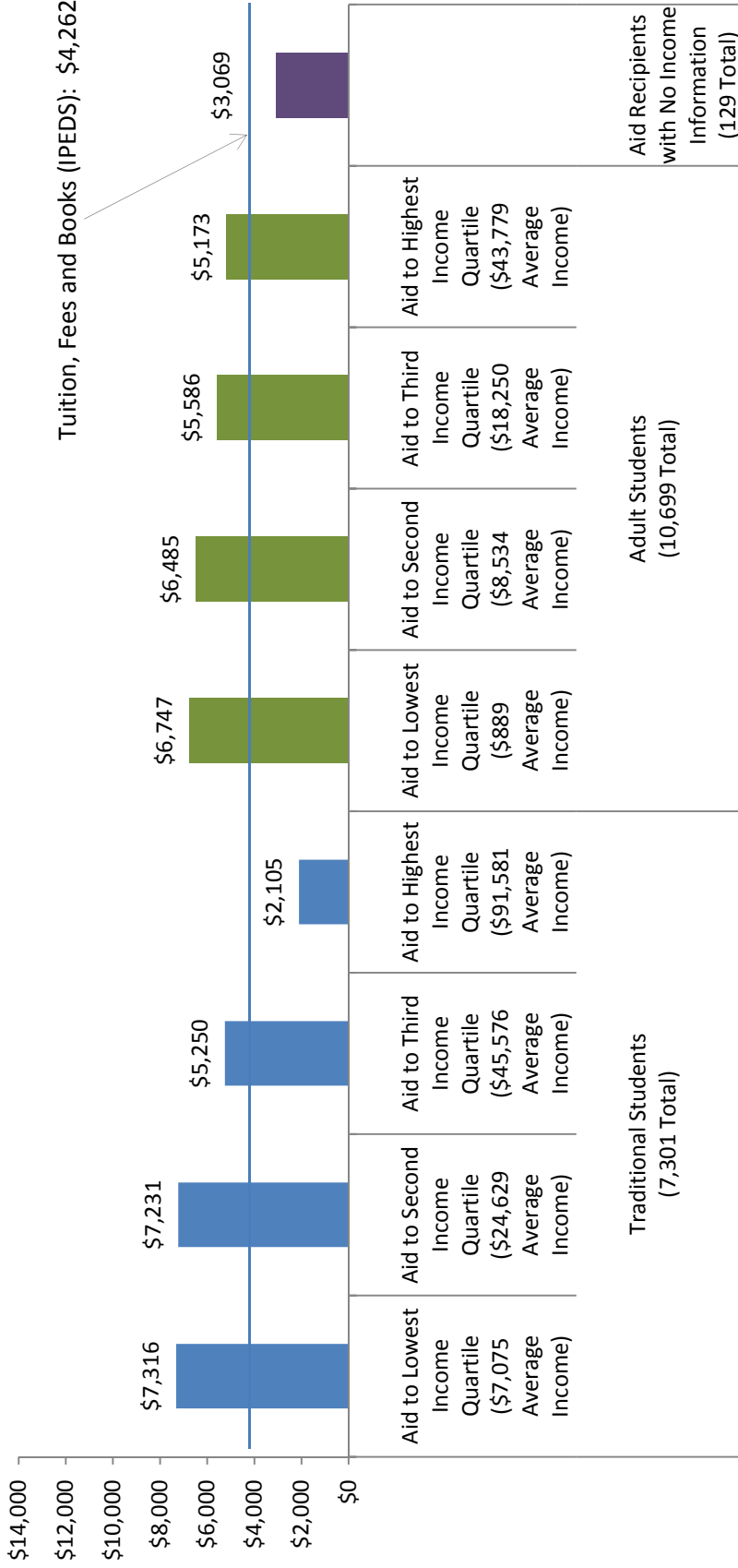
Notes: Aid includes all need and merit-based grants and scholarships from federal, state, institutional and other sources. Income quartiles rank all students in the sector within their dependency category by family income, and divides them into four equal-sized groups based on their income rank. Traditional students were under 25 years old and were claimed as dependents on their parents' taxes, while adult students filed taxes independently. Students without income information did not file the federal financial aid application, but are still eligible for KEEES, institutional, and other grants.

KCTCS: Need and Merit-Based Aid by Student Type and Family Income

Full-Time, In-State, Students in the Kentucky Community and Technical College System who Received Grants or Scholarships in 2011-12

Highlights

- * Grants and scholarships covered the full cost of tuition, fees and books for most students in the lowest income categories.
- * Even students in the highest income categories received significant support through KEES and institutional aid.
- * Forty-five percent of full-time undergraduate students at KCTCS received grants in 2011-12 (fall 2011 enrollment).
- * Grants in excess of tuition were used to pay for off-campus rent, utilities and food, which KCTCS estimated at an additional \$6,975 (IPEDS).



Category	Unmet Tuition, Fee and Book Costs	Traditional Students (7,301 Total)	Adult Students (10,699 Total)	Aid Recipients with No Income Information (129 Total)
	-\$3,054	-\$988	-\$2,485	-\$1,193
		\$2,157	-\$2,223	-\$911
			-\$1,324	

Notes: Aid includes all need and merit-based grants and scholarships from federal, state, institutional and other sources. Income quartiles rank all students in the sector within their dependency category by family income, and divides them into four equal-sized groups based on their income rank. Traditional students were under 25 years old and were claimed as dependents on their parents' taxes, while adult students filed taxes independently. Students without income information did not file the federal financial aid application, but are still eligible for KEES, institutional, and other grants.

Kentucky Public Postsecondary Institution
 Student Headcount Enrollment
 Fall Semesters 2006 - 2011

Attachment 28

Undergraduate

Institution	Fall	Fall	Fall	Fall	Fall	Fall	Fall	1-Year	1-Year	5-Year	5-Year
	2006	2007	2008	2009	2010	2011	Number Change	Percent Change	Number Change	Percent Change	
University of Kentucky	19,328	18,830	18,988	19,217	19,988	20,152	164	0.8%	824	4.3%	
University of Louisville	15,103	15,125	15,495	15,619	15,818	15,772	(46)	-0.3%	669	4.4%	
Sector Total	34,431	33,955	34,483	34,836	35,806	35,924	118	0.3%	1,493	4.3%	
Eastern Kentucky University	13,623	13,659	13,839	13,991	14,396	13,902	(494)	-3.4%	279	2.0%	
Kentucky State University	2,341	2,510	2,497	2,638	2,606	2,490	(116)	-4.5%	149	6.4%	
Morehead State University	7,515	7,625	7,487	7,550	7,399	9,420	2,021	27.3%	1,905	25.3%	
Murray State University	8,607	8,361	8,179	8,249	8,429	8,664	235	2.8%	57	0.7%	
Northern Kentucky University	12,668	12,725	13,030	13,206	13,517	13,322	(195)	-1.4%	654	5.2%	
Western Kentucky University	16,067	16,508	16,966	17,645	17,827	17,975	148	0.8%	1,908	11.9%	
Sector Total	60,821	61,388	61,998	63,279	64,174	65,773	1,599	2.5%	4,952	8.1%	
KCTCS	86,475	92,828	89,942	100,348	106,664	108,302	1,638	1.5%	21,827	25.2%	
System Total	181,727	188,171	186,423	198,463	206,644	209,999	3,355	1.6%	28,272	15.6%	
Change from Prior Year	-	3.5%	-0.9%	6.5%	4.1%	1.6%					

Graduate

Institution	Fall	Fall	Fall	Fall	Fall	Fall	1-Year	1-Year	5-Year	5-Year
	2006	2007	2008	2009	2010	2011	Number Change	Percent Change	Number Change	Percent Change
University of Kentucky	7,090	7,086	7,112	7,112	7,181	7,127	(54)	-0.8%	37	0.5%
University of Louisville	6,005	5,841	5,557	5,704	5,757	5,714	(43)	-0.7%	(291)	-4.8%
Sector Total	13,095	12,927	12,669	12,816	12,938	12,841	(97)	-0.7%	(254)	-1.9%
Eastern Kentucky University	2,140	2,180	2,192	2,277	2,171	2,160	(11)	-0.5%	20	0.9%
Kentucky State University	159	186	162	196	245	256	11	4.5%	97	61.0%
Morehead State University	1,510	1,441	1,494	1,496	1,443	1,551	108	7.5%	41	2.7%
Murray State University	1,697	1,795	1,843	1,829	1,987	1,959	(28)	-1.4%	262	15.4%
Northern Kentucky University	1,970	2,082	2,079	2,199	2,231	2,416	185	8.3%	446	22.6%
Western Kentucky University	2,597	2,757	2,795	3,067	3,076	3,073	(3)	-0.1%	476	18.3%
Sector Total	10,073	10,441	10,565	11,064	11,153	11,415	262	2.3%	1,342	13.3%
System Total	23,168	23,368	23,234	23,880	24,091	24,256	165	0.7%	1,088	4.7%
Change from Prior Year	-	0.9%	-0.6%	2.8%	0.9%	0.7%				

Source: CPE Comprehensive Database.

Note: Data does not include house staff and post-doctoral students at UK and UofL.

STRONGER by DEGREES

A STRATEGIC AGENDA
for Kentucky Postsecondary
and Adult Education



Midterm Review

By Heidi Hiemstra, Ph.D.

Council on Postsecondary Education Retreat

February 7, 2013



Strategic Agenda Midterm Review

- Celebrate success!
- Track progress
- Assess likelihood of meeting goals and targets



Strategic Agenda Midterm Review

KRS 164.0203 -- Strategic Agenda

- Create high-quality, relevant, postsecondary education and adult education opportunities in the Commonwealth. The strategic agenda shall:
 1. Serve as the public agenda for postsecondary education and adult education for the citizens of the Commonwealth, providing statewide priorities and a vision for long-term economic growth;
 2. State those important issues and aspirations of the Commonwealth's students, employers, and workforce reflecting high expectations for their performance and the performance of the educational institutions and providers that serve them; and
 3. Sustain a long-term commitment for constant improvement, while valuing market-driven responsiveness, accountability to the public, technology-based strategies, and incentive-based motivation.
- The council shall develop a strategic implementation plan, which may be periodically revised, to achieve the strategic agenda.



Strategic Agenda Midterm Review

KRS 164.095 -- Accountability

- Systematic ongoing evaluation of quality and effectiveness in Kentucky postsecondary educational institutions
- Evaluation of each institutions' progress toward meeting specific goals, principles, strategies, objectives, and benchmarks
- Adoption of systemwide and individual performance goals



New Systems to Deliver

RESTRUCTURED CPE MEETINGS, NEW FOCUS AREA WORKGROUPS

STRONGER by DEGREES

Focus on College Readiness

A Presentation to the
Council on Postsecondary Education
April 20, 2012

AGENDA
 Council on Postsecondary Education
 Friday, April 20, 2012
 9:00 a.m.
 Patterson Office Tower, 18th Floor, Board Room
 University of Kentucky, Lexington, Kentucky

Welcome
 Roll Call

Approval of Minutes 1, 3

Strategic Agenda Focus Area – College Readiness

1. Overview and Update on College Readiness Objectives and Strategies13
 - College Readiness Initiatives, Ms. Felicia Smith, Associate Commissioner, Office of Next Generation Learners, Kentucky Department of Education
 - Kentucky Adult Education’s Standards in Action, Dr. Jacqueline Korengel, Director, Strategic Initiatives, Kentucky Adult Education
 - Assessment Academies, Dr. Cathy Gunn, Dean, College of Education, Morehead State University
 - Co-teaching, Dr. Sam Evans, Dean of the College of Education and Behavioral Sciences, Western Kentucky University; and Dr. Kim Walters-Parker, Director, Educator Preparation Division, Education Professional Standards Board



New Systems to Deliver

ANNUAL INSTITUTIONAL ACCOUNTABILITY PRESENTATIONS





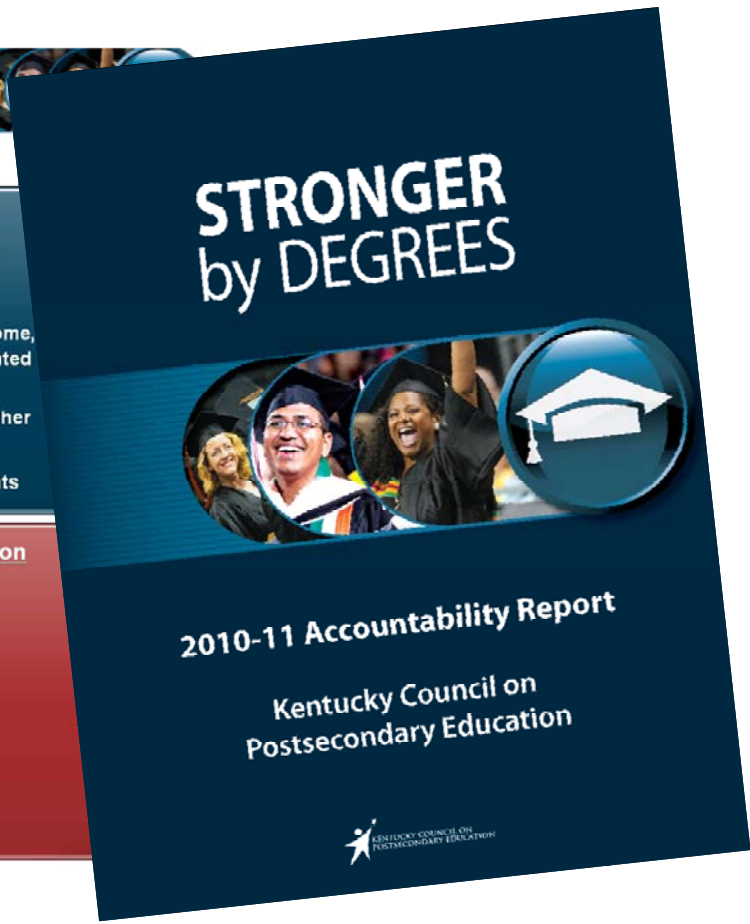
New Systems to Deliver

NEW ACCOUNTABILITY REPORT AND ONLINE DASHBOARD

STRONGER by DEGREES
A STRATEGIC AGENDA for Kentucky Postsecondary and Adult Education

Statewide Performance Metrics Explore by clicking!

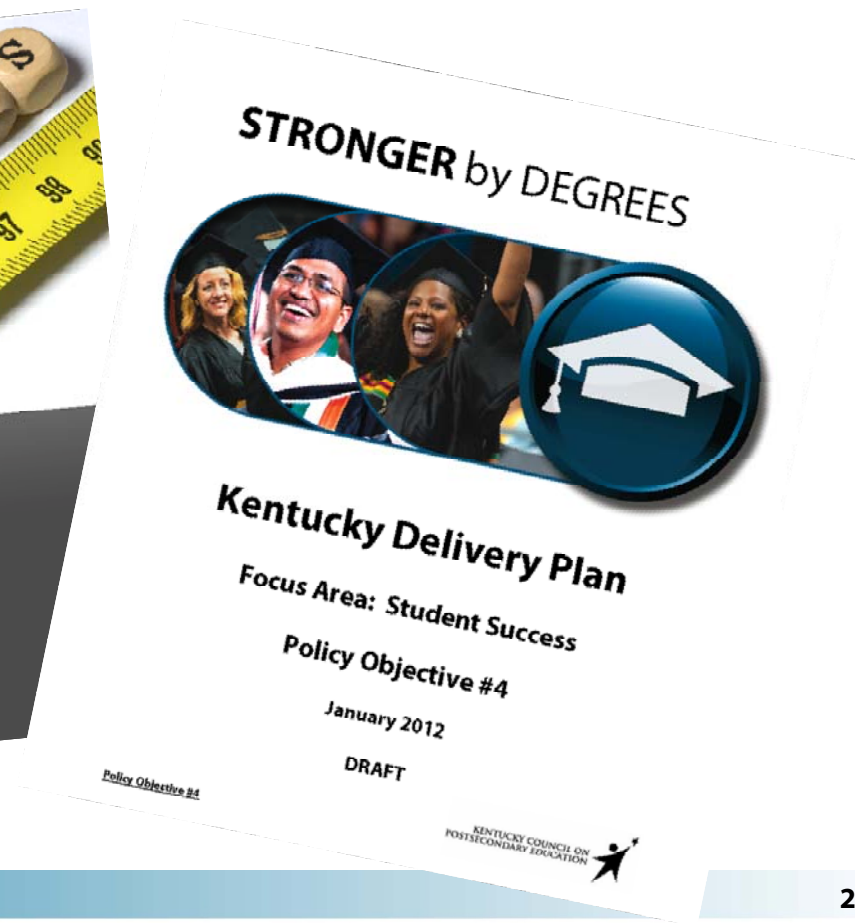
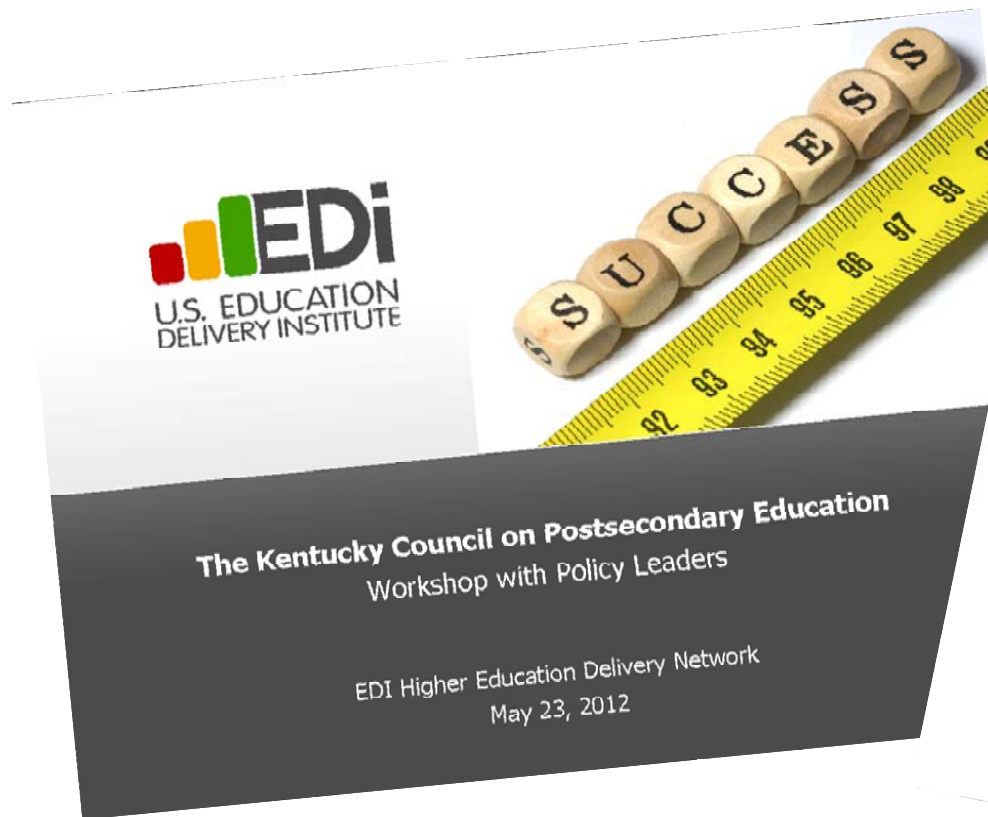
Category	Metric	Trend
College Readiness	Readiness of Kentucky high school graduates who enter college	Upward Green Arrow
	GED® graduates	Upward Green Arrow
	New teacher excellence (top 15% nationally)	Downward Red Arrow
Research, Economic, and Community Development	Research and development funding	Rightward Yellow Arrow
	Degrees and credentials in science, technology, engineering, mathematics, and health-related fields	Upward Green Arrow
	Educational attainment at the associate or higher degree level, ages 25-44	Upward Green Arrow
Student Success	Degrees and credentials conferred	
	Graduation rates (bachelor's and associate)	
	Graduation rate gaps of lower-income, underprepared, and underrepresented minority students	
	State appropriations for public higher education	
Efficiency and Innovation	Low-income students without grants	
	Online learning	
	Degree productivity	



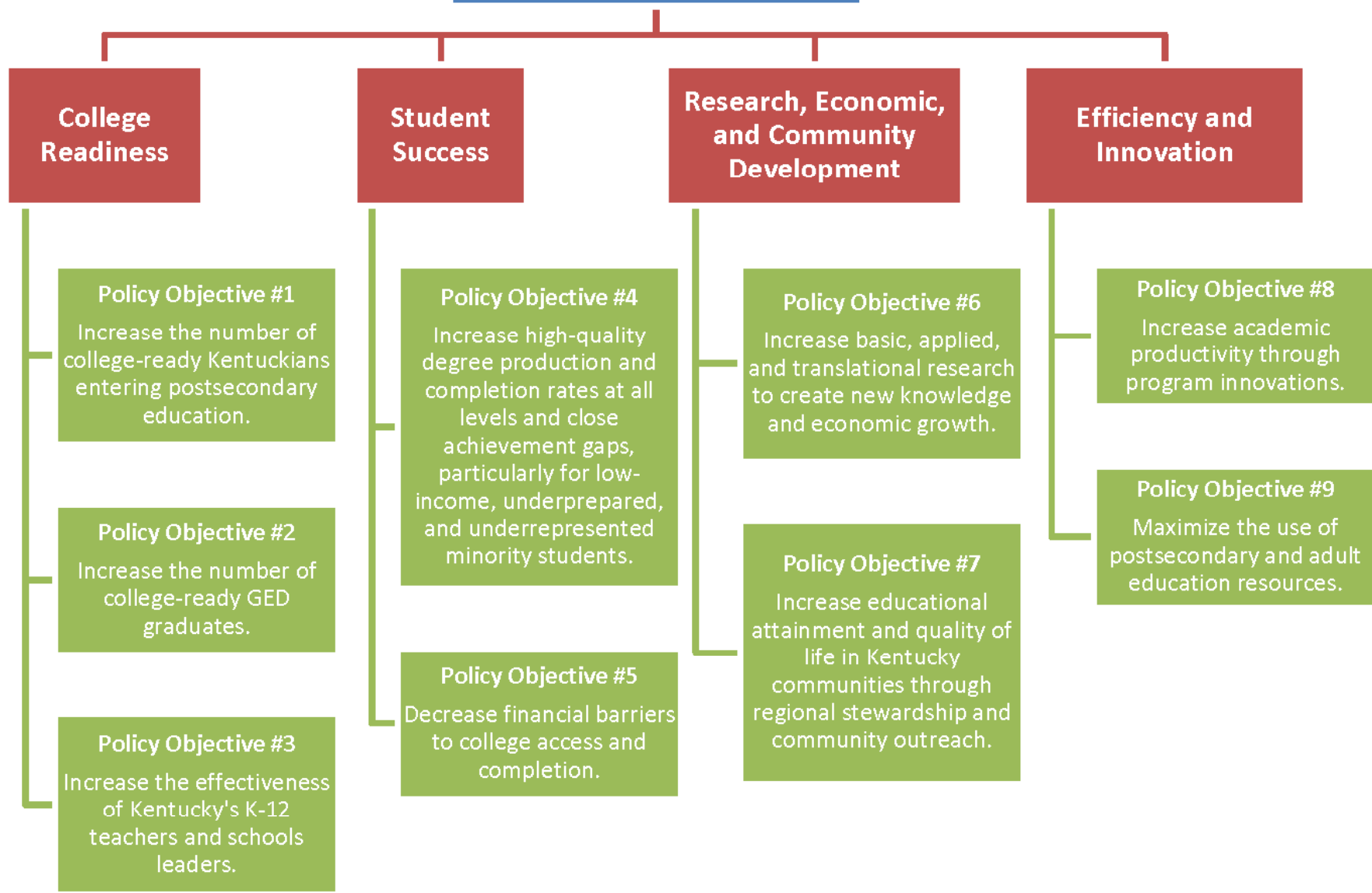


New Systems to Deliver

STAFF AS POLICY OBJECTIVE LEADERS FORMAL IMPLEMENTATION PLANS



2011-15 Strategic Agenda





Policy Objective 1: Increase the number of college-ready Kentuckians entering postsecondary education.

Strategies

1. **Align** K-12, adult education, and postsecondary education standards, curriculum, and assessment processes as directed by Senate Bill 1 (2009).
2. Support effective **intervention** strategies for underprepared students prior to postsecondary admission.
3. Strengthen the college-going and completion **culture** in Kentucky.



Policy Objective 1: Increase the number of college-ready Kentuckians entering postsecondary education.

SUCCESS!!





Policy Objective 1: Increase the number of college-ready Kentuckians entering postsecondary education.

\$27 MILLION FEDERAL GRANT FOR GEAR UP KENTUCKY 3.0

The program serves 29 middle schools in 22 Kentucky counties and their corresponding high schools. Gear Up works with schools to support teachers, counselors, and school leaders to give them the tools they need to successfully prepare students for college and careers.



gear up kentucky **about** **news** **resources** **contact**

GEAR UP Kentucky celebrates 2012 National GEAR UP Week

Published September 19, 2012 - No Comments

GEAR UP Kentucky schools and staff celebrated National GEAR UP Week in a variety of ways. Some schools created a Our GEAR UP Dreams wall while others had a College Spirit day for teachers and students to sport their college gear. Check out the National GEAR UP Week Photo Gallery to see som ...

[Read more](#)

What is GEAR UP Kentucky?

Download the What is GEAR UP? fact sheet. GEAR UP Kentucky 3.0 (GUK 3.0) is a six-year grant program that is funded by the U.S. Department of Education 2011-2017. GEAR UP stands for Gaining Early Awareness and Readiness for Undergraduate Programs. The GUK 3.0 program serves 30 middle schools and their corresponding high schools in 22 counties in [...]

For Students

Want to find out more about how to prepare and apply for college? KnowHow2GOKy.org is a great site to help students and their families understand the steps to getting to college. The site includes many helpful resources, including: College Tour – Go on a virtual tour of a college campus Are You Ready for College? [...]

Latest Articles

- 2013 Transition Workshops Planned for March
Published January 22, 2013 at 3:44 pm
- Operation Preparation coming March 2013
Published December 26, 2012 at 2:27 am
- GEAR UP-2-Success coming to GUK middle schools
Published November 1, 2012 at 8:29 pm
- GUK welcomes Class of 2022 7th graders to the GUK program
Published October 31, 2012 at 7:20 pm
- GUK College and Career Advisors Begin Work
Published September 30, 2012 at



Policy Objective 1: Increase the number of college-ready Kentuckians entering postsecondary education.

3,000 COLLEGE FACULTY TRAINED ON COMMON CORE

CPE developed, hosted and marketed statewide online professional development modules around the Common Core standards in English/language arts, mathematics, science, and social studies.

Kentucky Core Academic Standards for Postsecondary Education

Home

About the Online Modules

Register for Online Modules

Senate Bill 1 (2009)

The Kentucky Core Academic Standards website brings together a range of information and resources related to the implementation of Senate Bill 1 (2009). [Senate Bill 1](#), passed by the Kentucky General Assembly in 2009, calls for more rigorous learning standards to ensure more Kentuckians graduate from high school ready for college or career, and for collaboration among postsecondary institutions.

Log in to your modules

Username:

Password:

- [Forgot your password?](#)
- [Register for the online modules](#)
- [Computer requirements for online modules](#)

KACTE Kentucky Association of Colleges for Teacher Education

KENTUCKY

KENTUCKY VIRTUAL CAMPUS

The Kentucky Core Academic Standards website is administered by the Kentucky Council on Postsecondary Education.
© 2011 Council on Postsecondary Education

CPE Staffer Jill Starman won "Friend of KACTE 2012" award for her work on this project!



Policy Objective 1: Increase the number of college-ready Kentuckians entering postsecondary education.

10 TOOLKITS FOR SCHOOLS TO PROMOTE COLLEGE READINESS AND COLLEGE GOING

For advisors, middle and high school educators, and community members.

[TV Ad](#)

KENTUCKY DEPARTMENT OF EDUCATION
Every Child: Proficient and Prepared for Success

Site Map KDE Directory P-12 Jobs

Administrative | Districts | Jobs | Legislature | Media | Parents | Public | Researchers | Students | Teachers

Home / Educational Programs / College and Career Advising / Operation Preparation / TOOLKIT For Schools and Districts

- Area Health Education Centers (AHEC)
- For Parents
- For Potential Business/Community Partners
- For Potential Community Volunteers
- OP Media Coverage
- TOOLKIT For Schools and Districts**
- Toolkit: Advisor Recruitment & Assignment
- Toolkit: Close the Deal Resources
- Toolkit: Communication & Promotion
- Toolkit: Follow-up
- Toolkit: Meeting Unique Student Needs
- Toolkit: Planning & Support
- Toolkit: Unique Needs -

TOOLKIT For Schools and Districts

Published: 11/8/2012 2:29 PM

Operation Preparation is designed to support the Advising Strategy of the College and Career Readiness Plan and the Commonwealth Commitment, so schools and districts are strongly encouraged to participate.



The Operation Preparation Toolkit will help you implement the event in your school/district. It is divided into four sections:

- [Planning and Support](#)
- [Close the Deal Resources](#)
- [Advisory Recruitment and Assignment](#)
- [Communication and Promotion](#)
- [Follow-up](#)

OPERATION PREPARATION LINKS

- [PLANNING AND SUPPORT](#)
- [CLOSE THE DEAL RESOURCES](#)
- [ADVISOR RECRUITMENT & ASSIGNMENT](#)
- [COMMUNICATION & PROMOTION](#)
- [FOLLOW-UP](#)
- [LOGOS](#)
- [MEETING UNIQUE STUDENT NEEDS](#)
- [Frequently Asked Questions](#)
- [Media Coverage](#)



Policy Objective 1: Increase the number of college-ready Kentuckians entering postsecondary education.

TWO MAJOR POLICY REVISIONS

Minimum College Admission Regulation

13 KAR 2:020, has been revised to include the set of college readiness indicators and learning outcomes used by all public postsecondary institutions.



Kentucky Legislature

NEW Dual Credit Policy

Kentucky is one of few states with comprehensive policy and defined responsibilities for schools, colleges and universities.





Policy Objective 1: Increase the number of college-ready Kentuckians entering postsecondary education.

Status of Delivery Efforts

Degree of Challenge		HIGH
Quality Of Planning, Implementation & Performance Management		
Understanding the challenge		
Governance, Program & Project Management		
Managing Performance		
Capacity to Drive Progress		
Understanding & structure of the Delivery Chain		
Engaging the Delivery Chain		
Leadership and culture		
Stage of Delivery	3 of 4 (Embedding Change)	
Overall Likelihood		

Key

- Red**
No visible progress at this time
- Amber / Red**
Implementing change and establishing new direction
- Amber / Green**
Change is occurring and objective is in sight
- Green**
Objective is complete

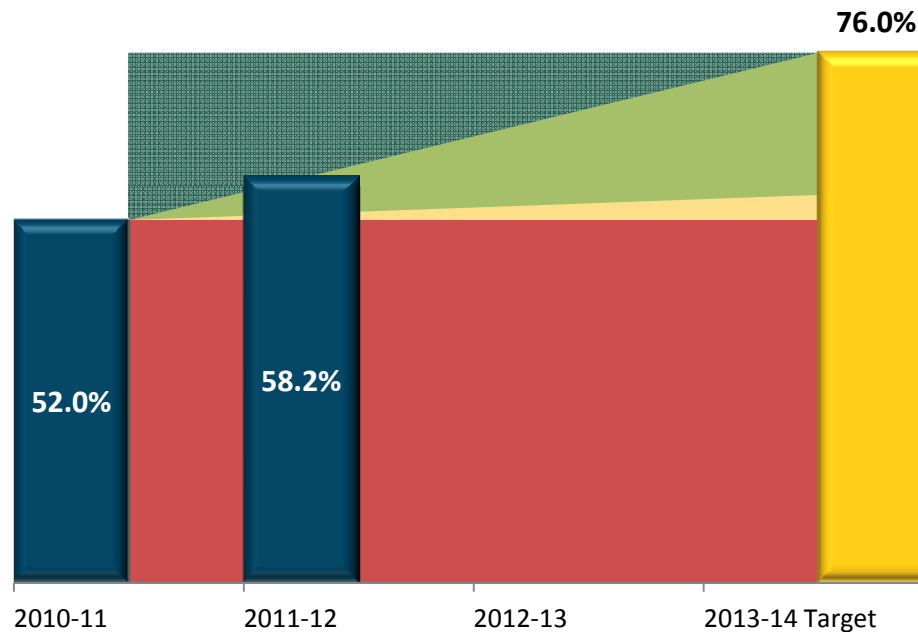


Policy Objective 1: Increase the number of college-ready Kentuckians entering postsecondary education.



College readiness of college entrants

Percent of recent Kentucky high school graduates who entered college in Kentucky and met statewide standards for readiness in English, mathematics, and reading.
Source: CPE Comprehensive Database (KPEDS).





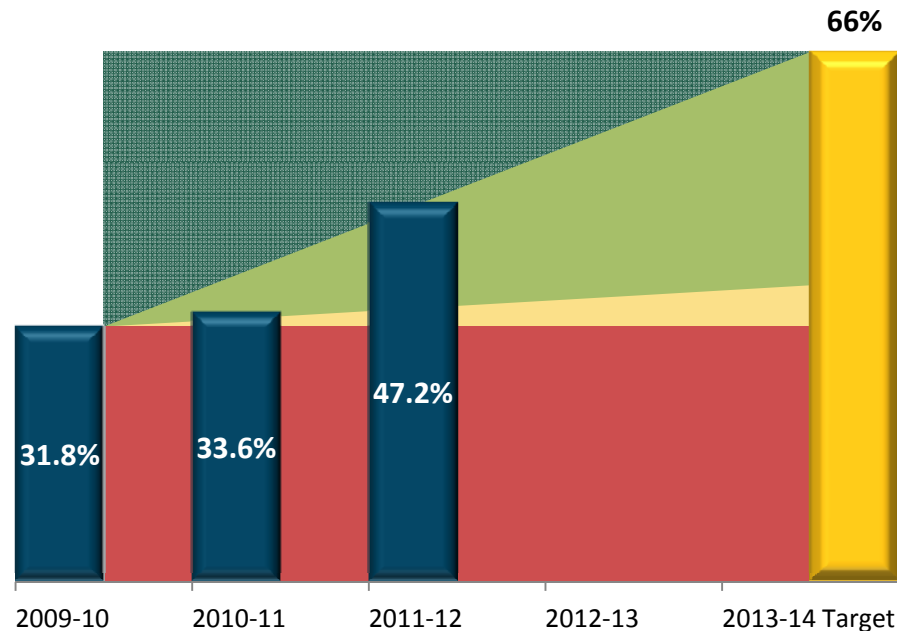
Policy Objective 1: Increase the number of college-ready Kentuckians entering postsecondary education.



Readiness of all high school graduates

Percent of recent Kentucky public high school graduates who met statewide standards for readiness in English, mathematics, and reading.

Source: Kentucky Department of Education (KDE), *High School Graduates College/Career Readiness Percentage*





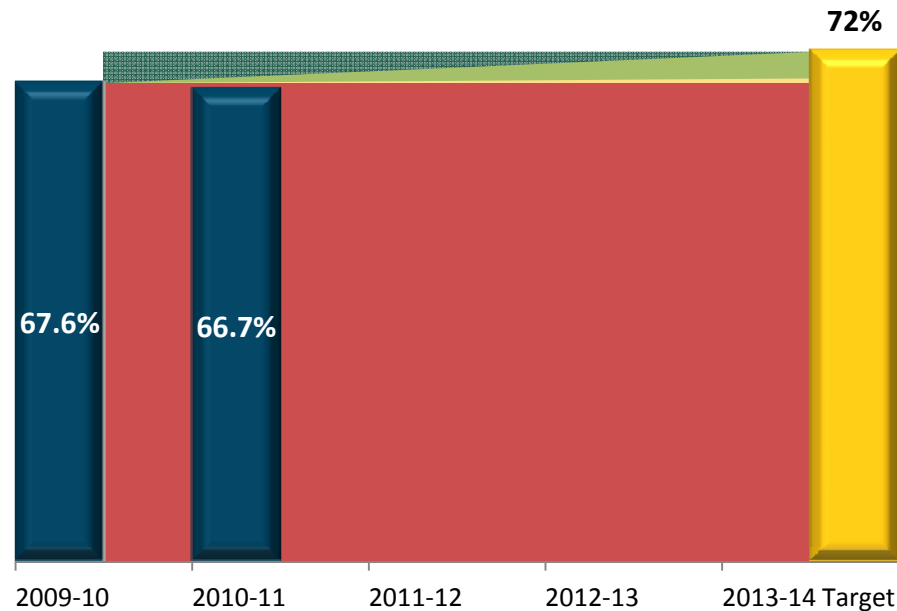
Policy Objective 1: Increase the number of college-ready Kentuckians entering postsecondary education.

Update not yet available

College-going rate of high school graduates

The percent of recent graduates of Kentucky high schools who enter any public, private or proprietary college or university in Kentucky.

Source: KHEAA Kentucky Educational Excellence Scholarship (KEES) database; National Student Clearinghouse Student Tracker; CPE Comprehensive Database (KPEDS)





Policy Objective 1: Increase the number of college-ready Kentuckians entering postsecondary education.

Will we make it?

- Substantial progress on college readiness among Kentucky high school graduates
 - Increased emphasis on college readiness in K-12 school culture
- CPE and the Kentucky Department of Education (KDE) have set aggressive goals in response to legislative targets (SB1, 2009)
- College-going rate...?



Policy Objective 2: Increase the number of college-ready GED graduates.

Strategies

1. Transform the delivery of adult education services to lead to higher **student engagement** levels.
2. Implement initiatives to increase the number of Kentucky Adult Education students **advancing to postsecondary education**.
3. Attract, retain, and prepare highly effective **adult educators**.



Policy Objective 2: Increase the number of college-ready GED graduates.

SUCCESS!!





Policy Objective 2: Increase the number of college-ready GED graduates.

\$1.6 MILLION ACCELERATING OPPORTUNITY GRANT

Awarded to KYAE, KCTCS, and the Kentucky Education and Workforce Development Cabinet by a strategic partnership of five leading philanthropies, this pilot seeks to put adult students on track to earn a postsecondary credential by integrating the delivery of basic academic and technical skills.



VIRTUAL ACADEMY ↓

ABOUT STATES FUNDERS RESOURCES CONTACT



Accelerating Opportunity will ensure that more workers have the skills they need for today's good jobs.

Through innovative adult education that provides a valuable credential, this four-year, multistate initiative seeks to fundamentally:

- **Change the way Adult Basic Education is structured and delivered at the state and institutional levels;**
- **Ensure that state policies encourage dramatically improved results in terms of the number of individuals who complete credentials of value in the labor market; and**
- **Substantially increase the number of adults who can earn a GED and a credential and enter the workplace with competitive skills.**





Policy Objective 2: Increase the number of college-ready GED graduates.

FREE GED® TESTING

KYAE offered free GED testing in the summer of 2011 and 2012 -- waiving the usual \$60 test fee.





Policy Objective 2: Increase the number of college-ready GED graduates.

COMMON CORE STANDARDS IN ADULT EDUCATION

Kentucky was the first state to adopt the Common Core State Standards in all educational levels, including the adult education system. Local program directors and instructors are required to participate fully in an intensive and comprehensive professional development effort focusing on standards-based instruction.

COMMON CORE STATE STANDARDS INITIATIVE
PREPARING AMERICA'S STUDENTS FOR COLLEGE & CAREER

Home The Standards In the States

CCSSO Kentucky GOVERNORS

Implementing the Common Core State Standards

Discover More »

The Common Core State Standards provide a consistent, clear understanding of what students are expected to learn, so teachers and parents know what they need to do to help them. The standards are designed to be robust and relevant to the real world, reflecting the knowledge and skills that our young people need for success in college and careers.

Building on the excellent foundation of standards states have laid, the Common Core State Standards are the first step in providing our young people with a high-quality education. It should be clear to every student, parent, and teacher what the standards of success are in every school.

Mathematics Standards >>>

English Language Arts Standards >>>



Policy Objective 2: Increase the number of college-ready GED graduates.

HIGHER STANDARDS FOR TEACHERS

Through a series of policy changes, KYAE has elevated minimum educational requirements for new program directors and instructors and eliminated the “grandfathered” status of non-degreed instructors.





Policy Objective 2: Increase the number of college-ready GED graduates.

MANAGED PROGRAM MODEL

Beginning in 2012, all KYAE programs are delivering services within a managed program model based on scheduled orientation, classes, and educational alternatives. Research suggests that the managed program model results in increased student retention and results.









Policy Objective 2: Increase the number of college-ready GED graduates.

Status of Delivery Efforts

Degree of Challenge	Medium
Quality Of Planning, Implementation & Performance Management	
Understanding the challenge	
Governance, Program & Project Management	
Managing Performance	
Capacity to Drive Progress	
Understanding & structure of the Delivery Chain	
Engaging the Delivery Chain	
Leadership and culture	
Stage of Delivery	2 of 4 (Implementation)
Overall Likelihood	

Key

-  **Red**
No visible progress at this time
-  **Amber / Red**
Implementing change and establishing new direction
-  **Amber / Green**
Change is occurring and objective is in sight
-  **Green**
Objective is complete



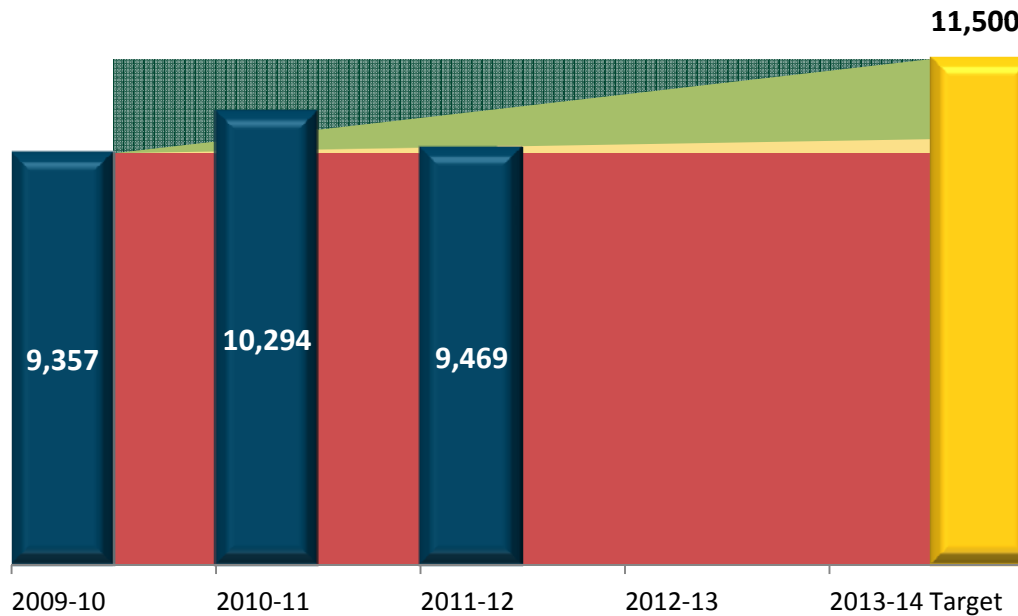
Policy Objective 2: Increase the number of college-ready GED graduates.



GED[®] Graduates

Annual number of GED[®] graduates in Kentucky.

Source: Adult Education Reporting and Information Database (AERIN)





Policy Objective 2: Increase the number of college-ready GED graduates.

Will we make it?

- Strategies will be completed
- Large-scale change in expectations and operations, will need to institutionalize
- GED number – need a better understanding of drivers



Policy Objective 3: Increase the effectiveness of Kentucky's K-12 teachers and schools leaders.

SUCCESS!!





Policy Objective 3: Increase the effectiveness of Kentucky's K-12 teachers and schools leaders.

\$1.3 MILLION INVESTMENT IN ASSESSMENT ACADEMIES

\$600,000 in state funds and \$720,000 from [Rockefeller Philanthropy Advisors](#) are being used to support regional assessment academies for teacher professional development housed at Morehead, NKU and WKU, and for the Washington Commander College, an early college partnership between St. Catharine College and Washington Co. Schools.



ABOUT US

OUR SERVICES

MEDIA

PHILANTHROPY ROADMAP

CLIENT PORTAL >



Core to College

What is Core to College?

Core to College is a multi-state grant initiative designed to promote strong collaboration between higher education and the K-12 sectors in the implementation of the Common Core State Standards and aligned assessments. In ten grantee states – Colorado, Florida, Hawaii, Indiana, Kentucky, Louisiana, Massachusetts, North Carolina, Oregon and Washington – Core to College is helping states drive higher levels of alignment and collaboration to achieve greater college readiness with financial resources, technical assistance and evaluation support.

How will Core to College Make an Impact?

Core to College has a number of intended state-level outcomes. Each grantee state has identified its own specific activities that support the following:



Goal: For a state's higher education institutions and the K-12 sector to join hand in hand in supporting the implementation and use of the Common Core State Standards and assessments to help drive higher levels of college readiness among students, and ultimately college completion.

Issue Areas: Education

- Academy for College Excellence
- Afghan Women Leaders CONNECT
- The Breakthrough Institute
- The Bridge Fund
- The California Education Policy Fund
- Campaign for High School Equity
- Carbon Disclosure Project
- Core to College
- D5 Coalition
- Dominican Community Bridge Fund
- The Earth Charter Fund
- Friends of Vision for a Nation
- Global Partnership for Women and Girls
- Global Impact Investing Network (GIIN)
- Gulf Coast Fund
- Hairy Cell Leukemia Consortium



Policy Objective 3: Increase the effectiveness of Kentucky's K-12 teachers and schools leaders.

\$2 MILLION IN FEDERAL IMPROVING EDUCATOR QUALITY GRANTS

Over the past two years, CPE awarded \$1,975,000 in federal grant funding to 15 education partnerships. The funds will provide professional development for P-12 teachers and administrators. To be eligible, a partnership must include a postsecondary institution's school of arts and sciences and its teacher preparation program, as well as at least one high-need local school district.





Policy Objective 3: Increase the effectiveness of Kentucky's K-12 teachers and schools leaders.

Strategies

1. Ensure **K-12 educator preparation** programs attract, retain, and prepare highly effective teachers and school leaders.
2. Expand the role of higher education institutions in the delivery of **professional development** programs for teachers, school leaders, guidance counselors, adult education instructors, and faculty members.



Policy Objective 3: Increase the effectiveness of Kentucky's K-12 teachers and schools leaders.

Status of Delivery Efforts

Degree of Challenge	HIGH
Quality Of Planning, Implementation & Performance Management	
Understanding the challenge	
Governance, Program & Project Management	
Managing Performance	
Capacity to Drive Progress	
Understanding & structure of the Delivery Chain	
Engaging the Delivery Chain	
Leadership and culture	
Stage of Delivery	2 of 4 (Implementation)
Overall Likelihood	

Key
Red
No visible progress at this time
Amber/Red
Implementing change and establishing new direction
Amber/Green
Change is occurring and objective is in sight
Green
Objective is complete



Policy Objective 3: Increase the effectiveness of Kentucky's K-12 teachers and school leaders.



New teacher excellence (top 15% nationally)

Percent of teaching program graduates scoring in the top 15 percent nationally on Praxis II Practice of Learning and Teaching (PLT) licensure exams (three-year smoothed average).

Data Source: Education Professional Standards Board from ETS Score Reports

	Baseline (2009-10)	Most Recent (2011-12)	Target	Progress: Baseline to Target	Five-Year Change (%)
Statewide	17.0%	16.7%	22%		-2%
EKU	14.6%	14.7%	25%		-13%
KSU	4.4%	8.4%	25%		2%
Morehead	12.1%	10.3%	17%		-16%
Murray	15.7%	15.6%	18%		17%
NKU	18.2%	15.9%	22%		-22%
UK	23.7%	21.9%	30%		-8%
UofL	25.1%	25.3%	27%		28%
WKU	14.5%	15.1%	17%		-4%
AIKCU	17.1%	18.5%	21%		2%



Policy Objective 3: Increase the effectiveness of Kentucky's K-12 teachers and schools leaders.

Will we make it?

- Innovative programs
- Complex array of leadership at institutions, CPE, EPSB, and KDE
- Measurement challenges – changing metric, but no evaluation based on student performance is yet available



Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for low-income, underprepared, and underrepresented minority students.

Strategies

1. Maximize **KCTCS's** role as a high-quality, low-cost provider of postsecondary education and transfer opportunities encouraging college access and success.
2. Provide institution and student **incentives** to increase high-quality degree production and completion rates.
3. Increase the **use of data**, information, research, and technology to improve student learning and outcomes.
4. Support new pathways for **adult learners** to enroll and complete postsecondary education degrees and credentials.



Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for low-income, underprepared, and underrepresented minority students.

Strategies, continued...

5. Secure adequate **institutional funding** to support high-quality faculty and staff, effective student and academic support services, technology enhancements, and other resources to enhance student success.
6. Promote student engagement, undergraduate research, internships, and other educational opportunities that improve the **quality of the student experience**, develop leaders, and lead to success after graduation.
7. Implement a **statewide diversity policy** that recognizes diversity as a vital component of the state's educational and economic development.



Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for low-income, underprepared, and underrepresented minority students.

SUCCESS!!





Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for low-income, underprepared, and underrepresented minority students.

200+ AT FIRST ANNUAL KENTUCKY STUDENT SUCCESS SUMMIT

More than 200 higher education faculty and staff received professional development from national experts at CPE's April 2012 Student Success Summit, garnering praise from participants and campus leaders. Next Summit coming in April 2013.





Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for low-income, underprepared, and underrepresented minority students.

KENTUCKY DELIVERY NETWORK LAUNCHED

In 2012, CPE launched the Kentucky Delivery Network and facilitated three full-day workshops for participating institutions. The Network provides access to national Educational Delivery Institute (EDI) consultants and hands-on exercises to improve institutions' capacity to deliver on their student success goals.



CPE won EDI's annual Inspired Deliverology Expert Award (IDEA) for this work!



Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for low-income, underprepared, and underrepresented minority students.

NEW DIVERSITY POLICY AND INSTITUTIONAL DIVERSITY PLANS

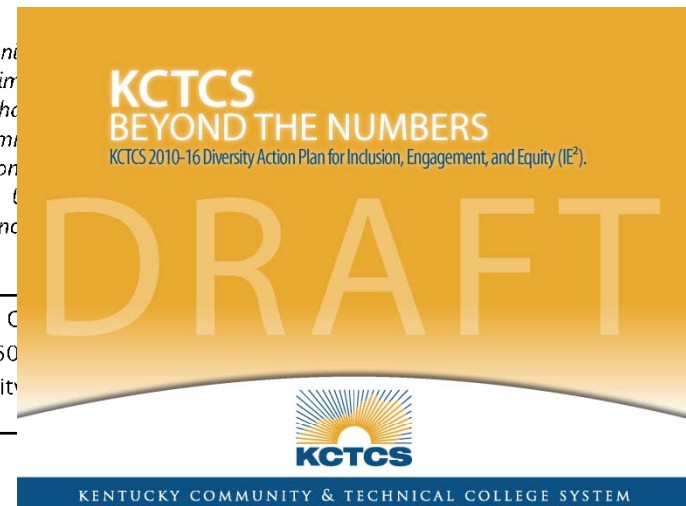
The Committee on Equal Opportunities (CEO) implemented a new diversity policy, revised 13 KAR 2:060, and conducted two round of institutional diversity plan approval.

Council on Postsecondary Education
February 3, 2011

2011–15 Kentucky Public Postsecondary Education Diversity
Policy and Framework for Institution Diversity Plan
Development
Revised Kentucky Administrative Regulation 13 KAR 2:060

The Council directed the Committee on Equal Opportunities to review the existing administrative regulation to institutions and organizations within the public arena has Kentucky Administrative Regulation (KAR) that is recommended by the Equal Opportunities for Council review and action. Upon approval, the KAR will be filed with the Legislative Research Commission. The KAR will be effective until a new policy is adopted or any modifications.

ACTION: The CEO and staff recommend that the Council on Postsecondary Education approve the revised Kentucky Administrative Regulation 13 KAR 2:060 for the Kentucky Public Postsecondary Education Diversity Policy and Framework for Institution Diversity Plan Development.





Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for low-income, underprepared, and underrepresented minority students.

REVISED KENTUCKY GENERAL EDUCATION TRANSFER POLICY

Effective in fall 2012, the policy requires a minimum of 30 unduplicated semester credit hours in the areas of communication, arts and humanities, quantitative reasoning, natural sciences, and social and behavioral science. The policy is based on competencies in these broad academic areas, rather than on a comparison of individual courses taken at individual institutions.





Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for low-income, underprepared, and underrepresented minority students.

KNOWHOW2TRANSFER LAUNCHED

New student portal provides real-time information about how courses transfer to other public colleges and universities in Kentucky, and what counts toward degree requirements in different majors and institutions.

The screenshot shows the KnowHow2Transfer website with the Kentucky logo at the top. The main heading is "KnowHow2Transfer" with the tagline "TAKE IT TO THE NEXT LEVEL". Below this, there are four main sections:

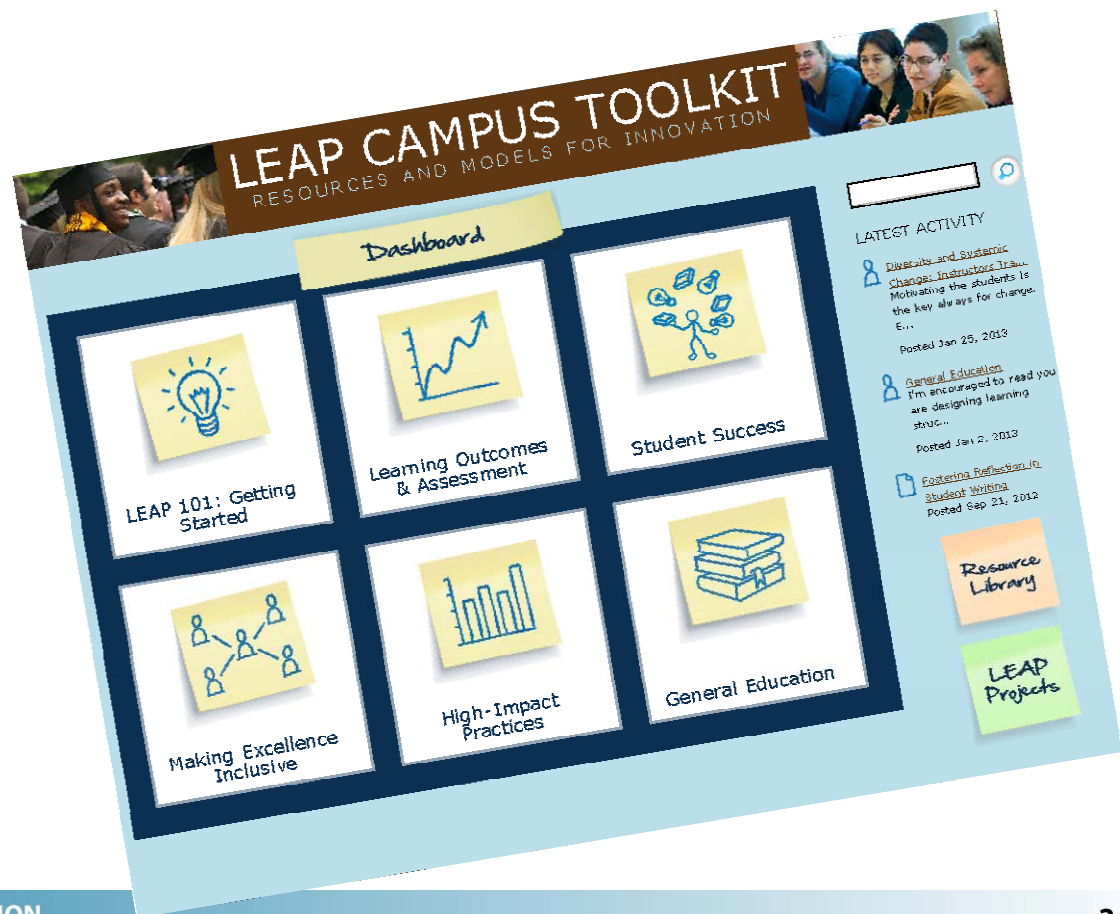
- Learn how your courses transfer:** Search the course catalogs of Kentucky's colleges and universities to view equivalencies. Includes a "Next" button with a right arrow.
- Chart your bachelor's degree:** View how your KCTCS degree applies towards a bachelor's degree at a 4-year university. Includes a "Next" button with a right arrow.
- Questions about the transfer process?:** View the [Transfer Planning Guide](#). Includes a "Next" button with a right arrow.
- Still not sure?:** KCTCS offers transfer advising services to help you make a smooth and successful transition. Includes the **GO2TRANSFER** logo and an image of a student with a laptop.



Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for low-income, underprepared, and underrepresented minority students.

KENTUCKY JOINS LEAP QUALITY OUTCOMES INITIATIVE, RECEIVES \$120,000 GRANT

The Association of American Colleges named Kentucky the seventh official state partner in its **Liberal Education and America's Promise (LEAP): Excellence for Everyone as a Nation Goes to College** initiative, which works to identify common learning outcomes which demonstrate the quality of undergraduate degrees. Grant awarded to implement innovative assessments for student learning outcomes.





Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for low-income, underprepared, and underrepresented minority students.

Status of Delivery Efforts

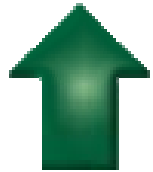
Degree of Challenge	HIGH
Quality Of Planning, Implementation & Performance Management	
Understanding the challenge	
Governance, Program & Project Management	
Managing Performance	
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Stage of Delivery	2 of 4 (Implementation)
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Change is occurring and objective is in sight
- Green**
Objective is complete




Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for low-income, underprepared, and underrepresented minority students.



Associate degrees conferred

Number of Associate degrees awarded at KCTCS during the academic year.
Data Source: CPE Comprehensive Database (KPEDS)

	Baseline (2009-10)	Most Recent (2011-12)	Target	Target Progress: Baseline to Target	Five-Year Change (%)
KCTCS	7,270	8,953	9,500	 75%	38%



Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for low-income, underprepared, and underrepresented minority students.



Bachelor's degrees conferred

Number of Bachelor's degrees awarded at Kentucky's public universities and AIKCU independent institutions during the academic year.

Data Source: CPE Comprehensive Database (KPEDS)

	Baseline (2009-10)	Most Recent (2011-12)	Target	Target Progress: Baseline to Target	Five-Year Change (%)
Statewide	19,693	20,827	22,900	35%	10%
EKU	2,125	2,259	2,500	36%	14%
KSU	213	229	232	84%	19%
Morehead	926	1,115	1,100	100%+	4%
Murray	1,535	1,530	1,596	0%	-1%
NKU	1,988	1,980	2,168	0%	22%
UK	3,521	3,735	4,000	45%	3%
UoL	2,550	2,702	2,769	69%	16%
WKU	2,676	2,657	2,950	0%	12%
AIKCU	4,159	4,620	5,600	32%	19%



Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for low-income, underprepared, and underrepresented minority students.



Master's degrees conferred

Number of Masters degrees awarded at Kentucky's public universities and AIKCU independent institutions during the academic year.

Data Source: CPE Comprehensive Database (KPEDS)

	Baseline (2009-10)	Most Recent (2011-12)	Target	Target Progress: Baseline to Target	Five-Year Change (%)
Statewide	7,324	8,538	8,444	★ 100%+	8%
EKU	705	742	775	↑ 53%	8%
KSU	54	64	63	★ 100%+	36%
Morehead	368	456	450	★ 100%+	12%
Murray	638	732	680	★ 100%+	29%
NKU	461	493	526	↑ 49%	25%
UK	1,211	1,231	1,450	↗ 8%	-10%
UoL	1,310	1,439	1,370	★ 100%+	3%
WKU	858	973	930	★ 100%+	6%
AIKCU	1,724	2,408	2,200	★ 100%+	83%



Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for low-income, underprepared, and underrepresented minority students.



Professional practice doctoral degrees conferred

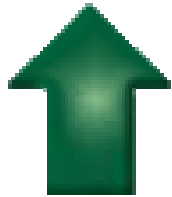
Number of doctoral degrees awarded at Kentucky's public universities and AIKCU independent institutions during the academic year.

Data Source: CPE Comprehensive Database (KPEDS)

	Baseline (2009-10)	Most Recent (2011-12)	Target	Target Progress: Baseline to Target	Five-Year Change (%)
Statewide	961	1,124	1,336	43%	NA
EKU	1	9	30	28%	NA
NKU	144	168	198	44%	NA
UK	469	566	490	100%+	NA
UoL	347	361	385	37%	NA
WKU	0	20	50	40%	NA
AIKCU	105	113	140	23%	22%



Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for low-income, underprepared, and underrepresented minority students.



Research doctoral degrees conferred

Number of doctoral degrees awarded at Kentucky's public universities and AIKCU independent institutions during the academic year.

Data Source: CPE Comprehensive Database (KPEDS)

	Baseline (2009-10)	Most Recent (2011-12)	Target	Target Progress: Baseline to Target	Five-Year Change (%)
Statewide	428	510	551	↑ 67%	NA
UK	265	322	300	★ 100%+	NA
UoL	163	188	191	↑ 89%	NA
AIKCU	32	41	60	↗ 32%	NA



Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for low-income, underprepared, and underrepresented minority students.

Transfer from KCTCS to four-year Institutions

Update not yet available

Number of students transferring credit from KCTCS to four-year public and independent institutions in Kentucky within the academic year.

Data Source: CPE KPEDS

	Baseline (2009-10)	Most Recent (2010-11)	Target	Progress: Baseline to Target	Five-Year Change (%)
Statewide	8,376	9,683	9,580		
EKU	832	718	1,000		
KSU	110	125	115		
Morehead	1,018	985	1,030		
Murray	956	935	1,013		
NKU	379	448	486		
UK	1,829	2,126	1,920		
UofL	861	1,026	989		
WKU	1,115	1,046	1,225		
AIKCU	1,276	2,274	1,800		

Update not yet available



Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for low-income, underprepared, and underrepresented minority students.



Bachelor's degree graduation rate

Six-year graduation rate of first-time, full-time bachelor's degree seekers (IPEDS).

Data Source: CPE Comprehensive Database (KPEDS)

	Baseline (2008-09)	Most Recent (2011-12)	Target	Progress: Baseline to Target	Five-Year Change (%)
Statewide	47.0%	48.2%	53.0%	20%	4%
EKU	37.7%	37.5%	45.0%	0%	-7%
KSU	22.7%	13.1%	26.4%	100%+	-33%
Morehead	40.1%	42.7%	43.0%	90%	5%
Murray	49.6%	53.9%	53.0%	100%+	-4%
NKU	31.7%	36.9%	41.0%	56%	16%
UK	59.5%	57.6%	61.0%	0%	-6%
UofL	48.4%	52.1%	53.9%	67%	21%
WKU	49.5%	49.2%	50.5%	0%	0%
AIKCU	50.8%	50.4%	55.0%	0%	5%



Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for low-income, underprepared, and underrepresented minority students.



Graduation rate gaps of underrepresented minority students

Gap between the graduation rate of African-American, Latino, American Indian and Hawaiian/Pacific Islander students and the graduation rate of White and Asian students (using the IPEDS six-year graduation rate). *Data Source: CPE Comprehensive Database (KPEDS)*

	Baseline (2008-09)	Most Recent (2011-12)	Target	Progress: Baseline to Target	Five-Year Change (%)
Statewide	15.2	11.6	11.0	↑ 86%	NA
EKU	10.3	15.0	7.0	↑ 0%	NA
KSU	-5.8	6.2	-6.0	↓ 0%	NA
Morehead	11.3	10.5	9.1	↗ 36%	NA
Murray	13.1	9.1	12.6	★ 100%+	NA
NKU	19.9	10.1	14.0	★ 100%+	NA
UK	16.0	8.4	11.2	★ 100%+	NA
UofL	11.7	9.7	4.8	↗ 29%	NA
WKU	7.3	15.2	6.0	↓ 0%	NA
AIKCU	15.0	19.3	10.0	↓ 0%	NA



Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for low-income, underprepared, and underrepresented minority students.



Graduation rate gaps of students who were not college-ready at entry

Gap between the graduation rate of students who did not meet statewide college readiness benchmarks and those who did (using the IPEDS six-year graduation rate).

Data Source: CPE Comprehensive Database (KPEDS)

	Baseline (2008-09)	Most Recent (2011-12)	Target	Progress: Baseline to Target	Five-Year Change (%)
Statewide	25.4	25.9	18.0	0%	NA
EKU	28.3	26.6	20.0	20%	NA
KSU	13.4	9.3	11.0	100%+	NA
Morehead	22.9	26.8	16.8	0%	NA
Murray	22.0	14.6	21.5	100%+	NA
NKU	25.5	23.8	17.9	22%	NA
UK	19.9	21.5	14.0	0%	NA
UofL	18.6	21.6	12.6	0%	NA
WKU	16.8	23.1	10.0	0%	NA



Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for low-income, underprepared, and underrepresented minority students.



Graduation rate gaps of low-income students

Gap between the graduation rate of Pell grant recipients and non-recipients (using the IPEDS six-year graduation rate).

Data Source: CPE Comprehensive Database (KPEDS)

	Baseline (2008-09)	Most Recent (2011-12)	Target**	Progress: Baseline to Target	Five-Year Change (%)
Statewide	10.5	17.0	7.0	0%	NA
EKU	14.9	13.2	8.0	25%	NA
KSU	16	2.3	-1.5	78%	NA
Morehead	6.4	15.1			NA
Murray	13	13.4			NA
NKU	8.9	11.3			NA
UK	7.5	17.7	5.3	0%	NA
UofL	12.4	14.3	12.0	0%	NA
WKU	4.6	16.0			NA

** Missing institutional targets require revision



Policy Objective 4: Increase high-quality degree production and completion rates at all levels and close achievement gaps, particularly for low-income, underprepared, and underrepresented minority students.

Will we make it?

- CPE taking strong leadership role
 - Best practices
 - On-campus consulting (KY Delivery Network)
- Strong staff team
- Graduate rates are lagging indicators – change focus in future



Policy Objective 5: Decrease financial barriers to college access and completion.

Strategies

1. Increase funding for the state's **need-based student financial aid** programs and ensure they address the needs of part-time, transfer, and adult learners, as well as traditional students.
2. Advocate for sufficient **state operating support**, financial aid, and campus efficiencies to reduce pressure on tuition.
3. Support Pell Grants, the simplification of FAFSA, college savings programs, college work study, tax credits, and other **federal aid initiatives** intended to maximize student access and success.
4. Increase students' and families' **understanding of the net costs** of going to college and the availability of financial resources to assist them.



Policy Objective 5: Decrease financial barriers to college access and completion.

SUCCESS!!



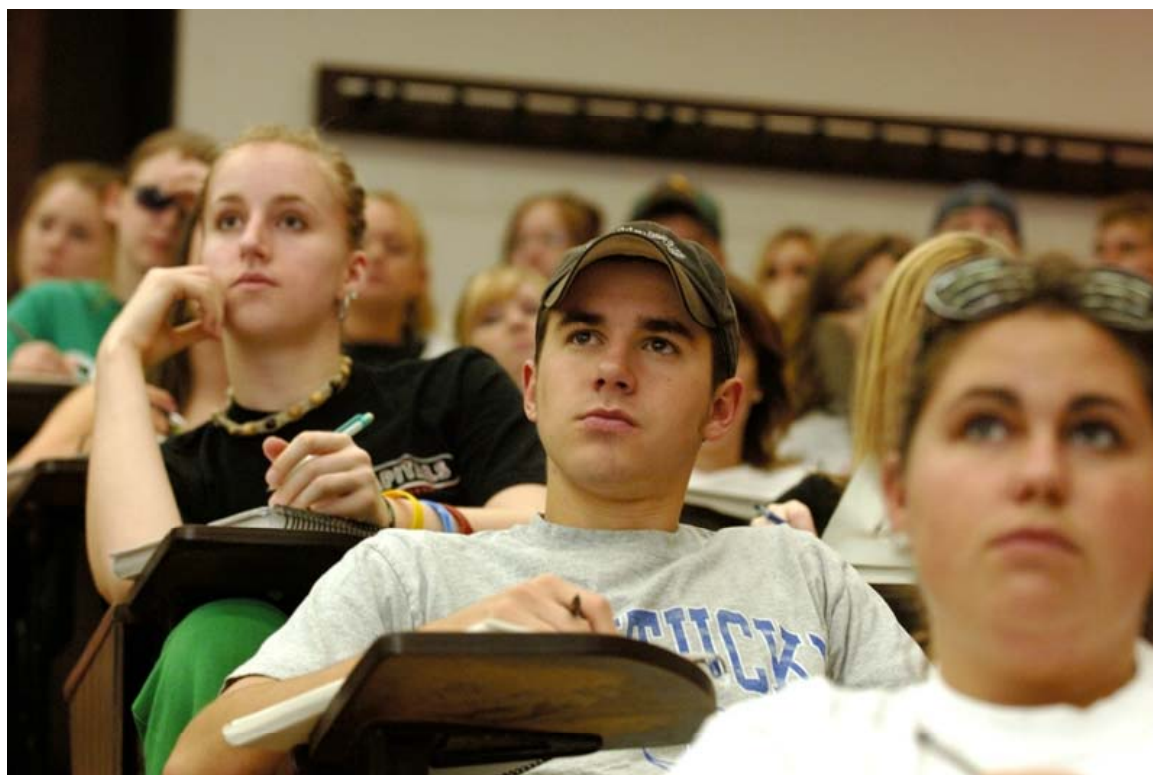


Policy Objective 5: Decrease financial barriers to college access and completion.

REIGNED-IN TUITION INCREASES

Reduced annual tuition increases by 42 percent at public universities and 70 percent at KCTCS, from:

- 10.3 percent average annual growth rate from 2002-03 to 2009-10
- 5.9 percent AAGR from 2010-11 to 2012-13 (Weighted averages)





Policy Objective 5: Decrease financial barriers to college access and completion.

ADVOCATED FOR INCREASED STATE FUNDING

CPE submitted a 2012-14 budget request seeking additional state operating support for institutions. The request included \$57.2 million (a 5.7 percent increase) in strategic investments aligned with CPE's new Strategic Agenda including funds for college readiness, performance funds to promote student success, and an additional round of "Bucks for Brains."

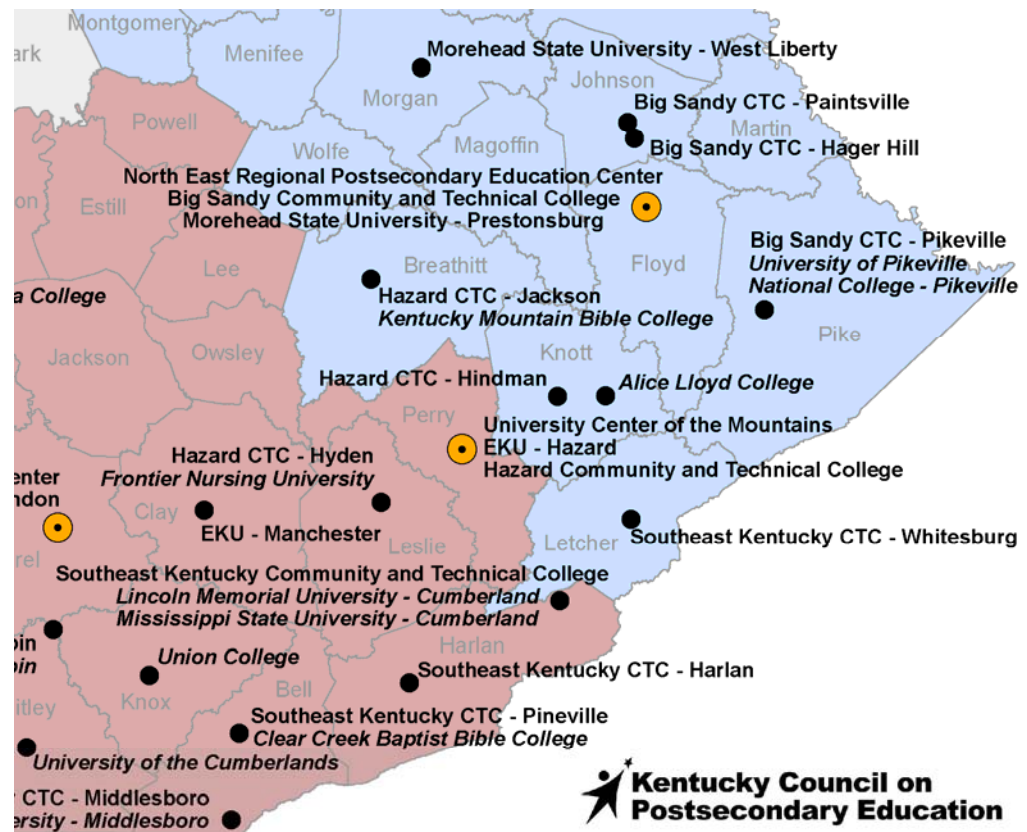




Policy Objective 5: Decrease financial barriers to college access and completion.

NEW COAL COUNTY SCHOLARSHIP

The Council staff assisted state policy leaders in developing a proposal for the Appalachian Coal County Scholarship to provide grants for upper-division bachelor's-seeking students from Kentucky coal counties. In May 2012, Governor Beshear authorized \$4.3 million in coal severance funds over two years to support a pilot project for upper division scholarships for college students from a nine-county area.





Policy Objective 5: Decrease financial barriers to college access and completion.

Status of Delivery Efforts

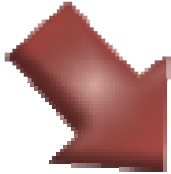
Degree of Challenge	VERY HARD
Quality Of Planning, Implementation & Performance Management	
Understanding the challenge	
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Stage of Delivery	1 of 4 (Planning)
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No visible progress at this time
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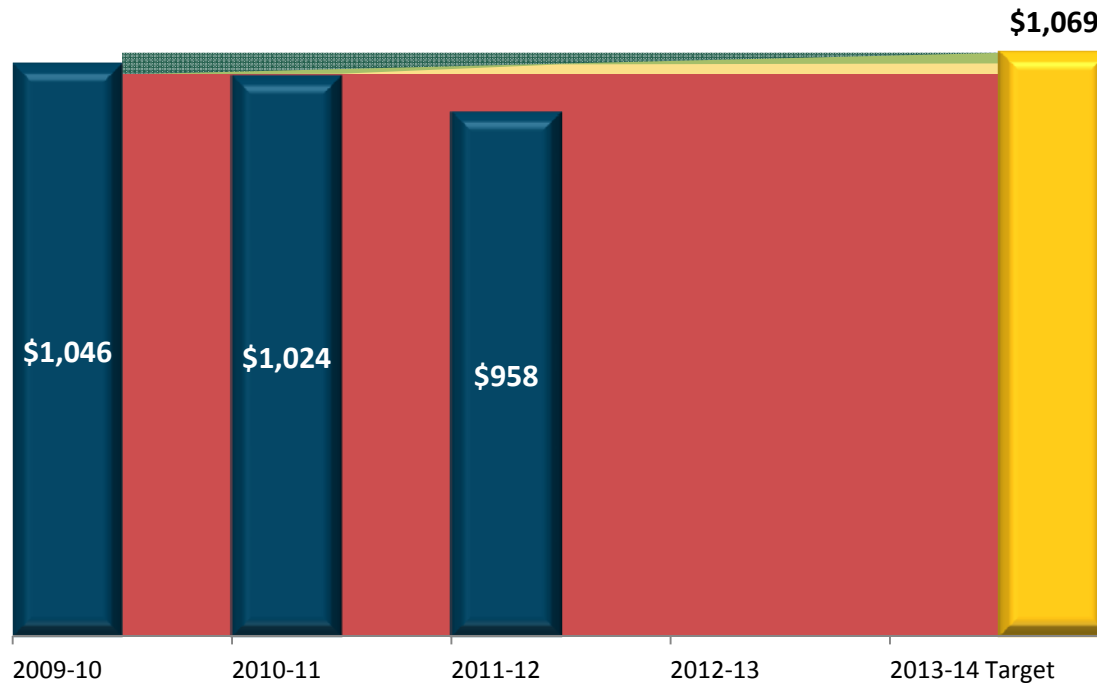
Policy Objective 5: Decrease financial barriers to college access and completion.



State appropriations for public higher education

Total net general fund appropriations for public postsecondary colleges and universities. Does not include funding for state financial aid programs.

Data Source: Enacted Budgets of the Commonwealth and Budget Reduction





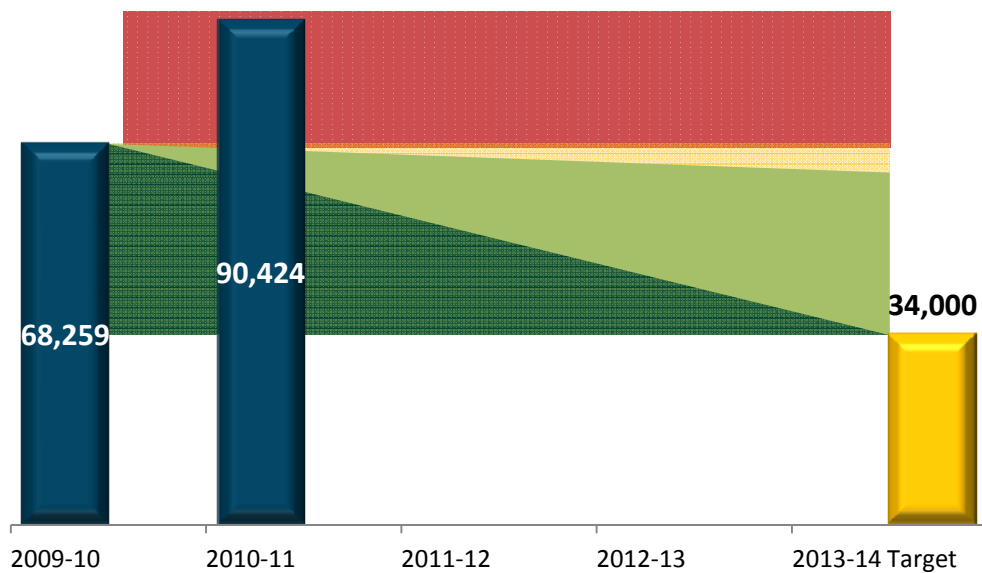
Policy Objective 5: Decrease financial barriers to college access and completion.

Update not yet available

Low-income students without grants

Annual number of qualified students who applied for state grants for low-income students, but who did not receive grants because program funds were exhausted (CAP and KTG programs).

Data Source: Kentucky Higher Education Assistance Authority (KHEAA)





Policy Objective 5: Decrease financial barriers to college access and completion.



Net direct cost for low-income students

The average cost of tuition, fees and books after all grants and scholarships among full-time, Kentucky resident, Pell grant recipients. Negative amounts reflect grant and scholarship money available to pay indirect costs such as room and board.

Data Source: CPE Comprehensive Database (KPEDS); NCES IPEDS

	Baseline (2008-09)	Most Recent (2011-12)	Target	Progress: Baseline to Target	Five-Year Change (%)
Statewide	-\$1,413	-\$1,011	-\$1,470	0%	NA
KCTCS	-\$2,025	-\$1,989	-\$2,025	0%	NA
EKU	-\$886	-\$446	-\$1,125	0%	NA
KSU	-\$31	-\$898	-\$30	100%+	NA
Morehead	-\$1,590	-\$354	-\$1,500	0%	NA
Murray	-\$1,224	-\$585	-\$1,312	0%	NA
NKU	\$24	\$916	-\$100	0%	NA
UK	-\$1,178	-\$334	-\$1,180	0%	NA
UofL	-\$1,815	-\$1,874	-\$2,104	20%	NA
WKU	-\$102	\$988	-\$102	0%	NA



Policy Objective 5: Decrease financial barriers to college access and completion.

Will we make it?

- State budget will remain challenging through 2015
- Without increased financial aid or appropriations, students will continue to bear increasing share of cost
- Positive -- more engagement with KHEAA on policy
- Emphasis on cost containment (policy objective 9)



Policy Objective 6: Increase basic, applied, and translational research to create new knowledge and economic growth.

Strategies

1. Support the critical role that the University of Kentucky and the University of Louisville play in the **creation of new knowledge** and recognize universities and faculty members for the advancement of knowledge and enlightenment.
2. Support **collaborative research efforts** that leverage university expertise, lead to research investments and commercialization in high-growth or emerging areas, and are aligned with business and industry growth.
3. Develop and implement **strategic communications** with and between the institutions and public audiences that highlight campus-based research and development initiatives and the impact of this work on Kentucky's economic and community competitiveness.
4. Secure **additional funding** for research matching programs and explore new funding approaches to maximize research, *Kentucky Innovation Act* investments, and multi-campus collaborations.
5. Advance Kentucky's **STEM+H agenda** through ongoing leadership, advocacy, and collaborative efforts.
6. Foster an innovative, creative, and entrepreneurial **culture** within the postsecondary education community.



Policy Objective 6: Increase basic, applied, and translational research to create new knowledge and economic growth.

SUCCESS!!





Policy Objective 6: Increase basic, applied, and translational research to create new knowledge and economic growth.

\$12 MILLION FOR THE KENTUCKY SCIENCE AND TECHNOLOGY CORPORATION (FY10-12)

Even in a severe global recession, Kentucky's research, technology commercialization, and economic development efforts have remained viable and focused, with return on investment in new Kentucky companies.



Policy Objective 6: Increase basic, applied, and translational research to create new knowledge and economic growth.

\$58.5 MILLION FOR BUCKS FOR BRAINS

Kentucky's endowment matching program won the "expanding research capacity" category of the 2011 State Science and Technology Institute's (SSTI) Excellence in Technology Based Economic Development (TBED) national award program.

BUCKS *for* **BRAINS**
Planting seeds for a better tomorrow.





Policy Objective 6: Increase basic, applied, and translational research to create new knowledge and economic growth.

\$8.3 MILLION INVESTED IN KY LUNG CANCER RESEARCH FUND

Funded through the Tobacco Settlement Agreement, these FY 10-12 funds were distributed to the University of Kentucky's Markey Cancer Center and to the University of Louisville's Brown Cancer Center

James Graham Brown Cancer Center

A proud member of **UL** Health Care



About JGBCC



Patients & Families



Programs & Services



Research

CANCER CENTER AWARDED NATIONAL RE-ACCREDITATION FOR BREAST PROGRAM

The University of Louisville's James Graham Brown Cancer Center has been granted re-accreditation by the National Accreditation Program for Breast Centers

James Graham Brown Cancer Center

NAPBC NATIONAL ACCREDITATION PROGRAM FOR BREAST CENTERS Est. 2008





Policy Objective 6: Increase basic, applied, and translational research to create new knowledge and economic growth.

\$8.8 MILLION INVESTED IN THE CANCER RESEARCH TRUST

A portion of Cigarette Excise Tax funds were invested in FY 10-12 to conduct cancer-related research through matching programs at the University of Kentucky and the University of Louisville





Policy Objective 6: Increase basic, applied, and translational research to create new knowledge and economic growth.

Status of Delivery Efforts

Degree of Challenge	HIGH
Quality Of Planning, Implementation & Performance Management	
Understanding the challenge	
Governance, Program & Project Management	
Managing Performance	
Capacity to Drive Progress	
Understanding & structure of the Delivery Chain	
Engaging the Delivery Chain	
Leadership and culture	
Stage of Delivery	2 of 4 (Implementation)
Overall Likelihood	

Key
Red
No visible progress at this time
Amber/Red
Implementing change and establishing new direction
Amber/Green
Change is occurring and objective is in sight
Green
Objective is complete



Policy Objective 6: Increase basic, applied, and translational research to create new knowledge and economic growth.



Externally-funded research and development

Amount of research and development expenditures in science and engineering from federal, state, local, corporate, and foundation funding, but excluding institutionally-funded research.

Data Source: National Science Foundation (NSF) Survey of R&D Expenditures at Universities and Colleges

	Baseline (2008-09)	Most Recent (2010-11)	Target	Progress: Baseline to Target	Five-Year Change (%)
Statewide	\$375,326	\$384,382	\$455,000	17%	12.9%
EKU	\$905	\$2,829	\$1,500	100%+	100%+
KSU	\$5,189	\$4,553	\$5,189	0%	36.3%
Morehead	\$1,313	\$1,804	\$2,360	47%	72.6%
Murray	\$618	\$3,638	\$1,454	100%+	55.1%
NKU	\$1,346	\$1,704	\$1,743	90%	20.0%
UK	\$241,700	\$247,745	\$290,000	13%	9.6%
UofL	\$106,961	\$119,601	\$142,800	35%	18.1%
WKU	\$7,629	\$6,961	\$10,000	0%	0.0%



Policy Objective 6: Increase basic, applied, and translational research to create new knowledge and economic growth.

Degrees and credentials in STEM+H fields

Update not yet available

Number and level of degrees and credentials conferred in science, technology, engineering, mathematics and health-related fields during the academic year.

Data Source: CPE Comprehensive Database (KPEDS)

	Baseline (2009-10)	Most Recent (2010-11)	Target	Progress: Baseline to Target	Five-Year Change (%)
Statewide	17,306	18,869	19,350		
EKU	791	795	875		
KSU	80	82	115		
Morehead	332	373	400		
Murray	636	700	687		
NKU	707	621	757		
UK	1,979	2,186	2,356		
UofL	1,357	1,485	1,580		
WKU	900	986	1,100		
KCTCS	9,275	10,480	10,004		
AIKCU	1,249	1,139	1,500		

Update not yet available

Preliminary numbers are positive



Policy Objective 6: Increase basic, applied, and translational research to create new knowledge and economic growth.

Will we make it?

- Solid performance on metrics
 - Federal research funding not expected to increase
- Fiscal climate limits state's key funding role
- Area where CPE is understaffed
- Public service



Policy Objective 7: Increase educational attainment and quality of life in Kentucky communities through regional stewardship, public service, and community outreach.

Strategies

1. Strengthen and expand **partnerships** with business, industry, government, non-profit, and other educational entities to meet Kentucky's workforce and community needs.
2. Support collaborations among postsecondary education providers to **serve regional needs** and planning efforts to raise the educational attainment level of the Commonwealth.
3. Maximize the impact of postsecondary education's contribution to improving the **health** of Kentucky's people.



Policy Objective 7: Increase educational attainment and quality of life in Kentucky communities through regional stewardship, public service, and community outreach.

SUCCESS!!





Policy Objective 7: Increase educational attainment and quality of life in Kentucky communities through regional stewardship, public service, and community outreach.

NATIONAL GOVERNORS ASSOCIATION GRANT TO EXPLORE POSTSECONDARY EDUCATION AND WORKFORCE CONNECTIONS

Partnering with several agencies, the Council led the College2Career Group in strengthening the state's capacity to gather, analyze, and communicate postsecondary performance data as it relates to Kentucky's workforce and economy, as well as to efficiency and effectiveness. The project has strengthened and expanded cross-sector collaborations, while providing a framework for aligning degrees and workforce demands.





Policy Objective 7: Increase educational attainment and quality of life in Kentucky communities through regional stewardship, public service, and community outreach.

COMPREHENSIVE STUDY OF COLLEGE ACCESS

In the wake of concerns about access to baccalaureate-level education in southeastern Kentucky, CPE worked with the National Center on Higher Education Management Systems (NCHEMS), to produce a report which highlighted gaps in college access and success in rural areas.

The Areas of Kentucky Underserved by Postsecondary Education



Council on Postsecondary Education
Frankfort, Kentucky
June 21, 2012



NCHEMS

National Center for Higher Education Management Systems
3035 Center Green Drive, Suite 150
Boulder, Colorado 80301

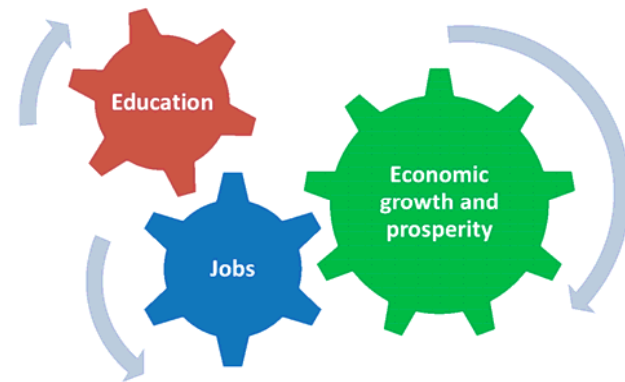


Policy Objective 7: Increase educational attainment and quality of life in Kentucky communities through regional stewardship, public service, and community outreach.

CONVENED RURAL ACCESS WORK GROUP

CPE has convened a work group of state education, economic and workforce development leaders to review postsecondary education access and success in areas of the state challenged by perennially low levels of educational attainment. The work group is on-going, with recommendations expected in 2013.

Educational Attainment & Jobs are Inextricably Linked





Policy Objective 7: Increase educational attainment and quality of life in Kentucky communities through regional stewardship, public service, and community outreach.

RELEASED "COLLEGE STILL PAYS" POLICY BRIEF

The policy brief highlights the value of college degrees and credentials to Kentucky's citizens, and garnered extensive press coverage.

Kentucky Council on Postsecondary Education Policy Brief
COLLEGE STILL PAYS

By Jonathan Gagliardi, Ph.D. and Heidi Hiemstra, Ph.D.

Highlights

- 56 percent of Kentucky's jobs are projected to require some college in 2020.
- While every person should have a high school diploma or GED, if that is all you have, you are twice as likely to be unemployed as someone with a bachelor's degree.
- Incomes for those with just some college but no degree are 15 percent higher in Kentucky than for those with a high school diploma or GED.
- Kentucky job incumbents with a bachelor's degree increased 80 percent in nearly two decades, while those with a high school degree or less decreased 11 percent.

More Work, Higher Pay
 The return on investment in postsecondary education is high; higher levels of education lead to higher wages and improve access to higher-paying jobs.

Employees with a high school diploma or GED are twice as likely to be unemployed than those with a bachelor's degree. The disparity is even greater for those without a high school diploma, who are three times more likely to be unemployed than baccalaureate recipients. While Kentucky has slightly higher unemployment rates than the nation, these same gaps can be seen across the United States.¹

Unemployment by Education Level, 2010

Education Level	Kentucky (%)	United States (%)
Below HS	16%	15%
HS/GED	10%	8%
Some College	8%	5%
Bach. & Above	5%	6%

Higher Education Leads to Higher Earnings
 A college education also leads to higher earnings. The last decade has seen a stable earnings gap between more- and less-educated workers. In 2002, Kentuckians with a high school diploma or GED earned 56 cents for every dollar earned by those with a bachelor's or higher degree, and 86 cents for every dollar earned by those with some college.

Education Level	2002 Annual Earnings	New Hires
Some College	\$14,172	\$10,216
HS/GED	\$7,528	\$36,936
Below HS	\$28,624	\$31,476

The education earnings gap is even wider in long-term earnings. The education earnings gap is even wider in long-term earnings. The education earnings gap is even wider in long-term earnings.

Questions?
 Jonathan Gagliardi, Ph.D.
 Senior Associate
 Kentucky Council on Postsecondary Education
Jonathan.Gagliardi@ky.gov
 502-573-1555, ext. 368
<http://cpe.ky.gov>

Page 1 January 2013

Bob King | The verdict: college still pays
courier-journal.com
A GANNETT COMPANY

Ky. Voices: Higher education still a sound investment
Kentucky.com
NEWS, SPORTS AND ENTERTAINMENT FROM THE LEXINGTON HERALD-LEADER



Policy Objective 7: Increase educational attainment and quality of life in Kentucky communities through regional stewardship, public service, and community outreach.

Status of Delivery Efforts

Degree of Challenge	VERY HIGH
Quality Of Planning, Implementation & Performance Management	
Understanding the challenge	
Governance, Program & Project Management	
Managing Performance	
Capacity to Drive Progress	
Understanding & structure of the Delivery Chain	
Engaging the Delivery Chain	
Leadership and culture	
Stage of Delivery	2 of 4 (Implementation)
Overall Likelihood	

Key

- Red**
No visible progress at this time
- Amber/Red**
Implementing change and establishing new direction
- Amber/Green**
Change is occurring and objective is in sight
- Green**
Objective is complete



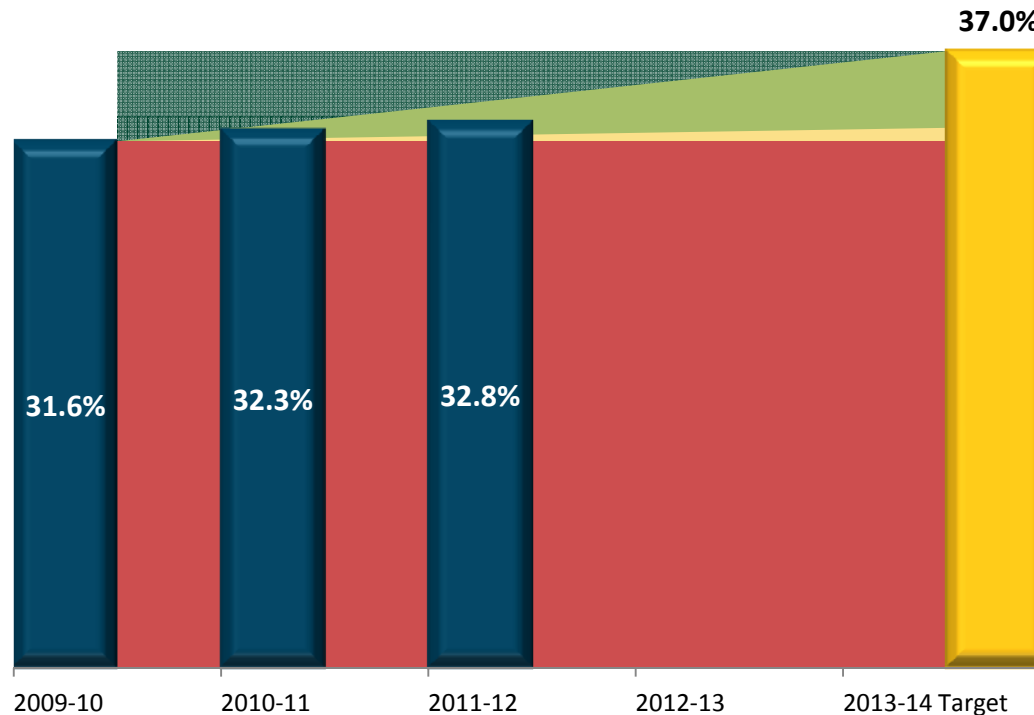
Policy Objective 7: Increase educational attainment and quality of life in Kentucky communities through regional stewardship, public service, and community outreach.



Educational attainment of young adults

Percent of population ages 25-44 with an associate or higher degree.

Data Source: Decennial Census & American Community Survey (ACS), US Census Bureau





Policy Objective 7: Increase educational attainment and quality of life in Kentucky communities through regional stewardship, public service, and community outreach.

Will we make it?

- Steady progress on attainment, but not transformational
- Next two years will be key
 - Rural Access Work Group
 - New workforce reporting and connections



Policy Objective 8: Increase academic productivity through program innovations.

Strategies

1. Increase productivity and maximize success for both traditional and nontraditional students through **course redesign and alternative methods of program delivery**.
2. Build upon the success of Kentucky's Virtual Campus and Virtual Library to maximize the **use of technology** in implementing academic innovations.
3. Redesign approval and review processes for new and existing **academic programs** to ensure alignment with state needs.



Policy Objective 8: Increase academic productivity through program innovations.

SUCCESS!!





Policy Objective 8: Increase academic productivity through program innovations.

\$1 MILLION GRANT FOR VIRTUAL ADVISING SERVICES

The Council, with KCTCS was awarded \$1 million in funding as a part of Complete College America's Innovation Challenge. Funds are used to support virtual advising services for students enrolled in KCTCS's Learn on Demand programs.

COMPLETE COLLEGE AMERICA Completion Innovation Challenge



AFFORDABLE FLEXIBLE JUST FOR YOU

A REVOLUTION IN HIGHER EDUCATION
The skills you need. Learn on Demand prepares you for **high-demand careers**. With our flexible start-anytime system, you can quickly acquire the skills you need to earn a promotion, professional certification, or an online degree. Best of all, Learn on Demand offers learning that transfers to other schools and can be eligible for financial aid.





Policy Objective 8: Increase academic productivity through program innovations.

SEED FUNDING FOR COMMONWEALTH COLLEGE

With seed funding from the state, CPE is developing “Commonwealth College,” a means of providing modular, online Bachelor’s degree programs to students with some college in high-demand fields.





Policy Objective 8: Increase academic productivity through program innovations.

PARTNERSHIP WITH MINDSPRING DELIVERS COURSE CONTENT FASTER AND CHEAPER

Mindspring is a tool for faculty to customize their course content and deliver course materials to every student on the first day of class, which reduces student textbook costs to essentially zero.



Kaleidoscope Mindspring Kentucky Webinar



Policy Objective 8: Increase academic productivity through program innovations.

Status of Delivery Efforts

Degree of Challenge	HIGH
Quality Of Planning, Implementation & Performance Management	
Understanding the challenge	
Governance, Program & Project Management	
Managing Performance	
Capacity to Drive Progress	
Understanding & structure of the Delivery Chain	
Engaging the Delivery Chain	
Leadership and culture	
Stage of Delivery	2 of 4 (Implementation)
Overall Likelihood	

Key

Red
No visible progress at this time

Amber/Red
Implementing change and establishing new direction

Amber/Green
Change is occurring and objective is in sight

Green
Objective is complete



Policy Objective 8: Increase academic productivity through program innovations.

Online learning

Percent of completed credits taken through online and other distance learning.

Data Source: CPE Comprehensive Database (KPEDS)

Update not yet available

	Baseline (2009-10)	Most Recent (2010-11)	Target	Progress: Baseline to Target	Five-Year Change (%)
Statewide	14.1%	16.2%	18.4%		
EKU	15.1%	15.9%	20.0%		
KSU	12.6%	15.4%	15.6%		
Morehead	25.4%	28.5%	27.0%		
Murray	9.6%	12.3%	11.6%		
NKU	9.5%	11.5%	15.0%		
UK	3.7%	4.5%	6.4%		
UofL	5.0%	5.6%	7.0%		
WKU	16.8%	18.6%	19.0%		
KCTCS	22.7%	25.8%	25.0%		
AIKCU	6.6%	8.4%	8.0%		

Update not yet available



Policy Objective 8: Increase academic productivity through program innovations.

Will we make it?

- New program approval policy and online application process complete, program review system being built
- Next two years key for Commonwealth College
- Metric development needed



Policy Objective 9: Maximize the use of postsecondary and adult education resources.

Strategies

1. Effectively integrate Kentucky's **independent colleges** and universities into efforts to achieve greater efficiencies and expand postsecondary opportunities.
2. Explore **options** for consolidating or outsourcing pertinent operations, as well as facilitating joint purchasing and contracts.
3. Develop **policies** that promote the effective and efficient use of capital facilities and infrastructure.



Policy Objective 9: Maximize the use of postsecondary and adult education resources.

SUCCESS!!





Policy Objective 9: Maximize the use of postsecondary and adult education resources.

REVAMPED LICENSURE PROCESS FOR NON-PUBLIC INSTITUTIONS

CPE has raised the bar to entry into Kentucky's Postsecondary marketplace by requiring bachelor's-granting institutions to meet regional accreditation standards. Oversight has been increased through audits and expanded data collection.

Commonwealth of Kentucky Council on Postsecondary Education

APPLICATION FOR LICENSURE
AS AN OUT-OF-STATE INSTITUTION
TO OPERATE IN THE COMMONWEALTH OF KENTUCKY
PURSUANT TO 13 KAR 1:020
Edition November 2009

Applicant institutions shall submit the information below to:
Council on Postsecondary Education
1024 Capital Center Drive, Suite 320
Frankfort Ky 40601-8204

Section I: Institutional Information

1. Name and address of institution. Includes URL (Web page) address.
2. Chief executive officer: Name, title, address, and phone number.
3. Institutional liaison with Council on Postsecondary Education: Name, title, address, phone number, fax number, and e-mail address.
4. Vitae for directors, owners, trustees, and central administrators (i.e., president, chief academic officer, chief financial officer) -- (Forms A(1) and A(2) attached)
5. Accreditation/licensure status



Policy Objective 9: Maximize the use of postsecondary and adult education resources.

BUDGET OFFICERS FORM EFFICIENCY & COST CONTAINMENT WORKGROUP

Purpose of workgroup is to improve the collection, reporting, and communication of productivity, efficiency, and cost savings data to better inform statewide policy makers and the general public.





Policy Objective 9: Maximize the use of postsecondary and adult education resources.

BUDGET OFFICERS FORM FACILITIES WORKGROUP

The purpose of this project is to help develop statewide policies, procedures, or reports that promote the effective and efficient use of capital facilities and infrastructure.





Policy Objective 9: Maximize the use of postsecondary and adult education resources.

Status of Delivery Efforts

Degree of Challenge	HIGH
Quality Of Planning, Implementation & Performance Management	
Understanding the challenge	
Governance, Program & Project Management	
Managing Performance	
Capacity to Drive Progress	
Understanding & structure of the Delivery Chain	
Engaging the Delivery Chain	
Leadership and culture	
Stage of Delivery	3 of 4 (Implementation)
Overall Likelihood	

Key

- Red**
No visible progress at this time
- Amber/Red**
Implementing change and establishing new direction
- Amber/Green**
Change is occurring and objective is in sight
- Green**
Objective is complete



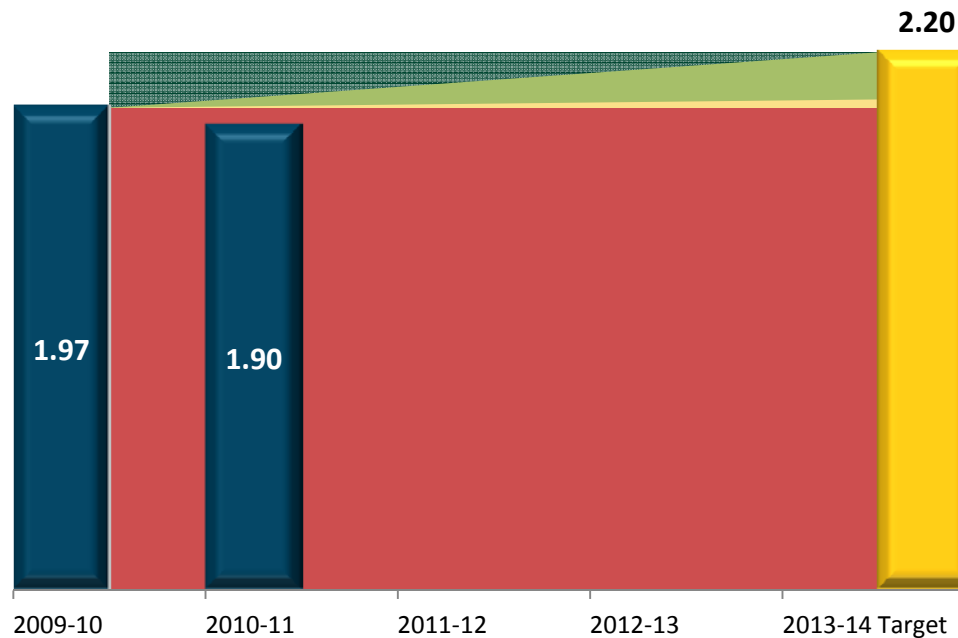
Policy Objective 9: Maximize the use of postsecondary and adult education resources.

Update not yet available

Degree productivity relative to education and related expenditures

Number of degrees and credentials conferred for every \$100,000 in education and related expenditures at public colleges and universities.

Data Source: Complete to Compete initiative, from IPEDS and US Census data





Policy Objective 9: Maximize the use of postsecondary and adult education resources.

Update not yet available

Credits attempted by degree graduates

Average credit hours attempted by bachelor's graduates at four-year institutions and by associate graduates at KCTCS.

	Baseline (2009-10)	Most Recent (2010-11)	Target	Progress: Baseline to Target	Five-Year Change (%)
Statewide	140.0	140.5	135.0		
EKU	144	142.6	136.0		
KSU	148	143.8	130.0		
Morehead	145	145.7	130.0		
Murray	140	141.3	138.0		
NKU	142	142.2	135.0		
UK	139	139.7	132.0		
UofL	140	140.8	136.0		
WKU	139	139.9	137.0		
AIKCU	137	138.2	137.0		

Update not yet available



Policy Objective 9: Maximize the use of postsecondary and adult education resources.

Will we make it?

- CPE role refined through CBO groups
- Outreach to independents begun
- Metric development needed

STRONGER by DEGREES

A STRATEGIC AGENDA
for Kentucky Postsecondary
and Adult Education



Midterm Review

By Heidi Hiemstra, Ph.D.

Council on Postsecondary Education Retreat

February 7, 2013