



2011-15 Strategic Agenda Focus on Student Success

Goal: Kentucky will be stronger by ensuring more of its people complete college with the skills and abilities to be productive, engaged citizens.

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

Strategy 5.1: Increase funding for the state's need-based student financial aid programs and ensure they address the needs of part-time, transfer, and adult students, as well as traditional students.

- Support for adequate need-based student aid continues to be a high priority for the Council. The number of students who met income eligibility criteria for CAP and/or KTG state grants in FY12 but were denied grant(s) because of insufficient program appropriations increased to over 96,000 students, a 42 percent increase from FY10. Kentucky's increase in CAP eligibility has been driven in part by the number of students qualifying under relaxed federal Pell grant eligibility regulations; nonetheless, state grant programs continue to be substantially underfunded relative to the demonstrated need of Kentuckians.
- Kentucky's colleges and universities continue to increase institutional funding for student aid to help offset increases in the cost of college. For the average low income Kentucky student, state, federal, and institutional grants and scholarships fully covered the cost of tuition, mandatory fees, and books, and contributed another \$1,000 toward other educational expenses (room and board and other fees).

Strategy 5.2: Advocate for sufficient state operating support, financial aid, and campus efficiencies to reduce pressure on tuition.

- The Council's Budget Development Work Group, Council staff, and the institutions' chief budget officers have been meeting to discuss how the upcoming budget can help campuses continue to make progress toward the goals of the Strategic Agenda and House Bill 1. The slow recovery of the national and state economies following an extended recession presents a challenging environment within which the Council work group and institutional presidents and chief budget officers must develop a reasonable but aggressive budget for the 2014-16 biennium. Some background:
 - Since 2008, inflation-adjusted General Fund support per FTE student has been reduced \$2,592. Tuition increases during that time amounted to \$1,389 per student. To bring the institutions back to the

2008 level of total public funds (General Fund + tuition) would require an additional \$200 million in General Fund support.

- In 1999, General Fund accounted for 67 percent of total public funds (General Fund + tuition). In 2008, General Fund dropped to 50 percent of public funds. Currently, General Fund makes up 40 percent of public funds, and if the trend continues, in 2020 the General Fund portion of total public funds will be 25 percent, while tuition will make up 75 percent of total public funds.
- The Council on Postsecondary Education approved a 3 percent ceiling for tuition increases for the coming academic year for instate undergraduate students at Kentucky's public colleges and universities. This represents the smallest average tuition increase for Kentucky public institutions in 15 years. This presents a challenge for institutions which are facing cost increases such as utilities and state retirement system contributions which are out of their control. Next year's fixed cost increases are estimated at \$61.4 million, while the 3 percent increase in tuition is expected to yield \$31.5 million for the system.
- During the past seven years (FY07 to FY13), there has been a 51 percent increase in the number of Kentucky resident undergraduate students filing the Free Application for Federal Student Aid (FAFSA), the primary instrument used to apply for state financial aid.

Strategy 5.3: 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.

- GEAR UP Kentucky 3.0 (2011-17) is a six-year federal grant administered by the Council which helps students plan for, apply to, and pay for college. Now in its second year, the program serves 30 middle schools and their corresponding high schools in 22 Kentucky counties. In addition to providing direct services to students and families, the program works with school leaders to create a plan to develop and maintain a college-going culture in their schools.
- President Bob King participated on the federal American Dream 2.0 Coalition, a Gates Foundation-sponsored project, which was formed to address how financial aid can play a role in advancing college access and success. The two main concerns of the coalition were declining affordability and the increasing number of students who enter college but don't graduate. The coalition released a report, The American Dream 2.0, which outlines three key aspects of reshaping financial aid: (1) make aid simpler and more transparent, (2) spur innovations in higher education that can lower costs and meet the needs of today's students, and (3) ask institutions, states, and students to share responsibility for producing more graduates without compromising access and affordability.

Strategy 5.4: Increase students' and families' understanding of the net costs of going to college and the availability of financial resources to assist them.

- The GEAR UP Kentucky 3.0 program provides a college and career readiness curriculum for middle and high school students, which includes comprehensive information about financial aid options and strategies to pay for college, as well as financial literacy.

- Beginning in October 2011, all colleges were required by the U.S. Department of Education to provide a Net Price Calculator that enables students to compare the net or out-of-pocket costs between colleges. KHEAA added a section to its website on college costs that links to every Kentucky college and university Net Price Calculator. Campus representatives continue to work on better ways to communicate the true costs of attending college and the significant grant and scholarship aid that is available at the institutional, state, and federal level.
- Kentucky received another round of federal funding through the College Access Challenge Grant program to increase the number of low-income students prepared to enter and succeed in postsecondary education. It is a matching program administered by KHEAA.
- FY12 was the second year for the Kentucky College Coaches Program (KCCP), which assigned recent college graduates from AmeriCorps as near-peer mentors to low-income high schools across the Commonwealth. KCCP, a recommendation of the 2009 Governor's Higher Education Work Group, is administered by the Kentucky Campus Compact and supported through partnerships with educational providers and organizations across the state. Preliminary second year program evaluation indicates that 2012 KCCP core seniors exhibited a college going rate 15 percent above nonmentored seniors.
- The Council staff continues to facilitate state-level discussions regarding college textbooks to determine state and institutional strategies to lower costs for students. In November 2011, representatives from the public colleges and universities, the Kentucky Learning Depot, and nine publishers participated in a workshop focused on strategies to lower the cost of instructional content while raising quality and ease of use for content selected by faculty members.
- Council staff is coordinating the participation of several Kentucky institutions in a project called Mindspring. Mindspring is an initiative of postsecondary institutions in Kentucky, Arizona, California, Massachusetts, and North Carolina to implement the use of Open Education Resources across the curriculum thereby reducing textbook costs to essentially zero. Mindspring is preparing a funding request for major national foundations.