

AGENDA

Tuition Development Work Group

Council on Postsecondary Education

Wednesday, February 12, 2014

7:00 PM

Marriott Griffin Gate, Lexington, Kentucky

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1. Welcome and Opening Remarks
 2. KCTCS Agency Bond Project Overview
 3. Dinner
 4. Summary of Policy Relevant Data 2
 5. Two-Year Tuition Cycle Update and Discussion
 6. Resident Undergraduate Tuition and Fee Ceilings
 7. Other Business

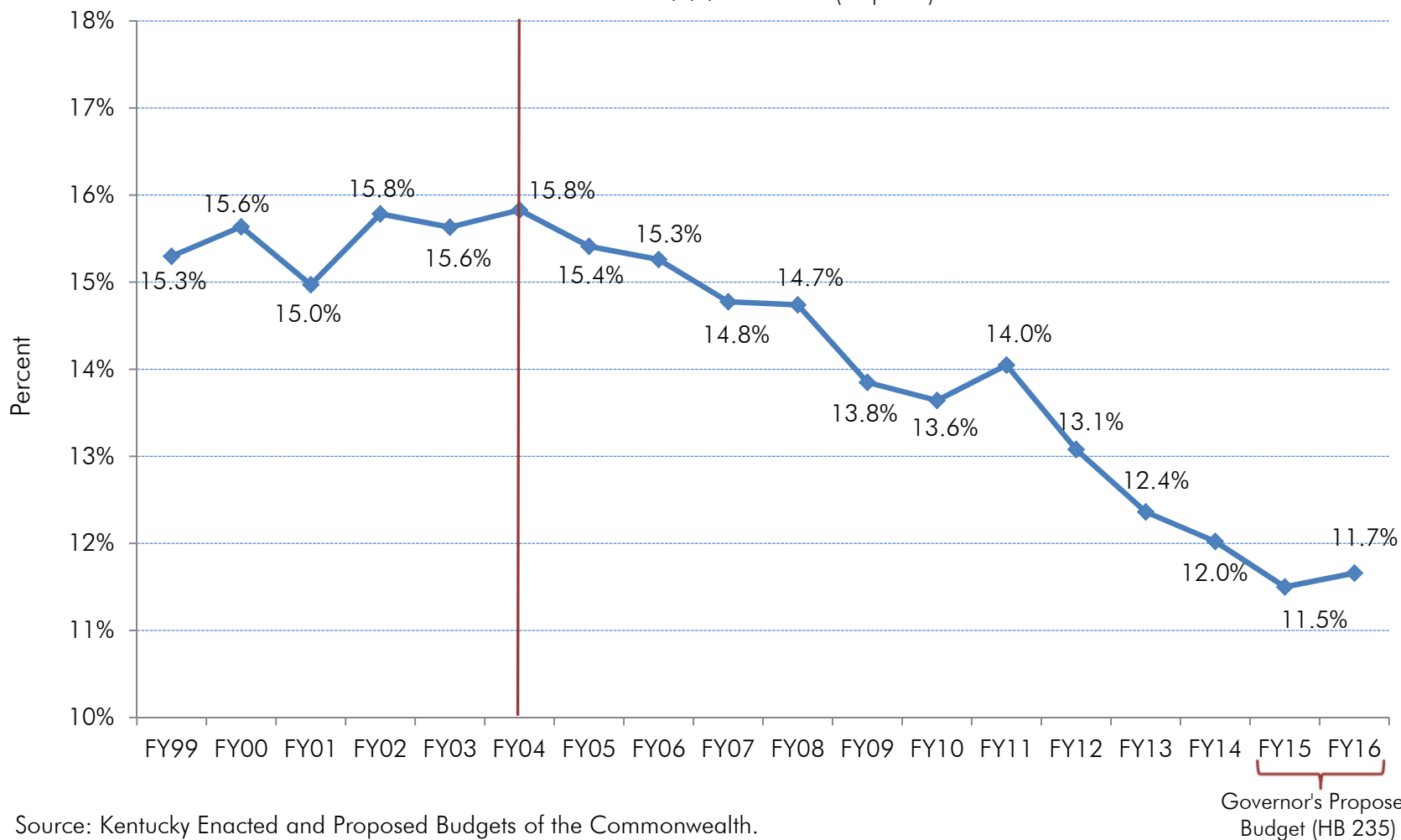
Making Kentucky **STRONGER BY DEGREES**



Presentation to the Council's Tuition Development Work Group
By Robert L. King, Kentucky Council on Postsecondary Education
February 12, 2014

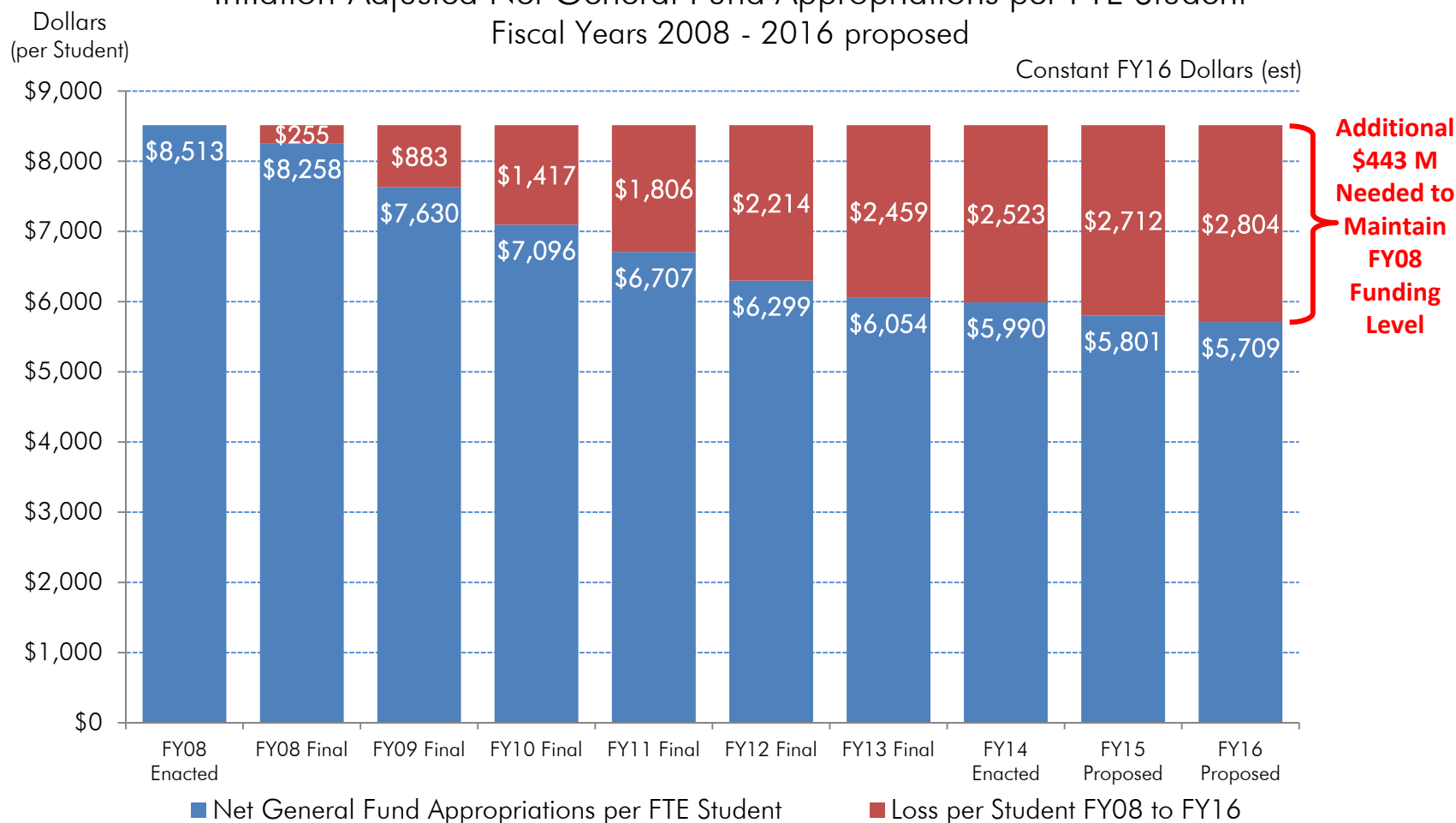
Declining Share of State Budgets

Kentucky Budget of the Commonwealth
Postsecondary Education's Share of Total State General Fund Budget
Fiscal Years 1999 – 2016 (Proposed)



General Fund Reductions

Kentucky Public Postsecondary System
Inflation-Adjusted Net General Fund Appropriations per FTE Student
Fiscal Years 2008 - 2016 proposed



Assumes flat enrollment growth for FY15 and FY16 and 1.6% inflation for FY14, FY15, and FY16

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

Tuition Increases Have Slowed

Kentucky Public Postsecondary Sectors and System
Average Yearly Increases in Resident Undergraduate Tuition and Fees
Academic Years 2002 - 2008 and 2008 - 2014

	6-Year AAGR 2002 - 2008	6-Year AAGR 2008 - 2014
Research Sector	10.6%	6.1%
Comprehensive Sector	12.9%	5.2%
Two-Year College Sector	15.5%	3.8%
Postsecondary System	12.4%	5.4%

**56% Decrease in Average
Yearly Increases FY08 - FY14**

AAGR - Average Annual Growth Rate.

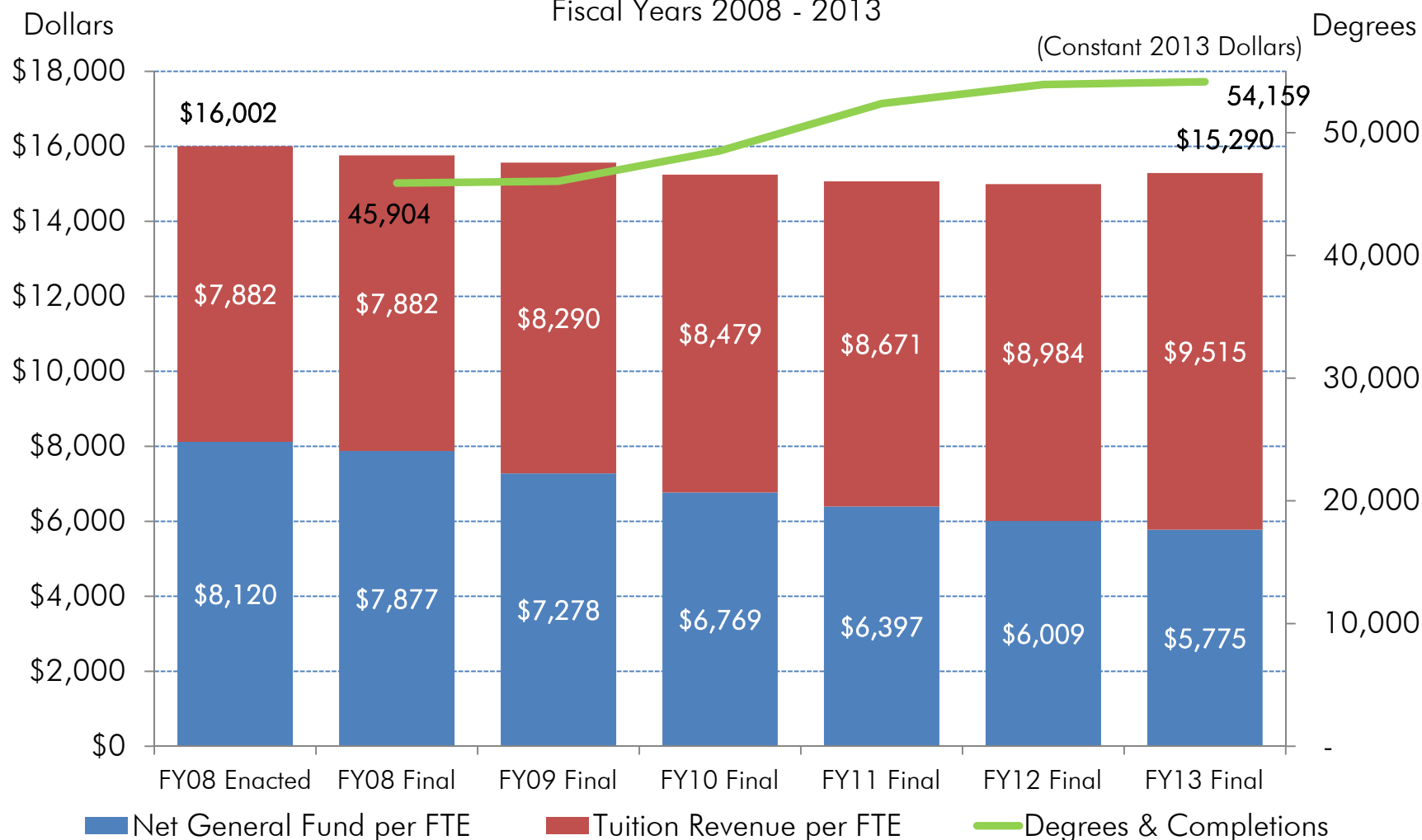
Source: Council on Postsecondary Education, Comprehensive Database.

Public Funds Revenue Decline

Kentucky Public Postsecondary System

Inflation-Adjusted Net General Fund and Gross Tuition Revenue per FTE Student

Fiscal Years 2008 - 2013



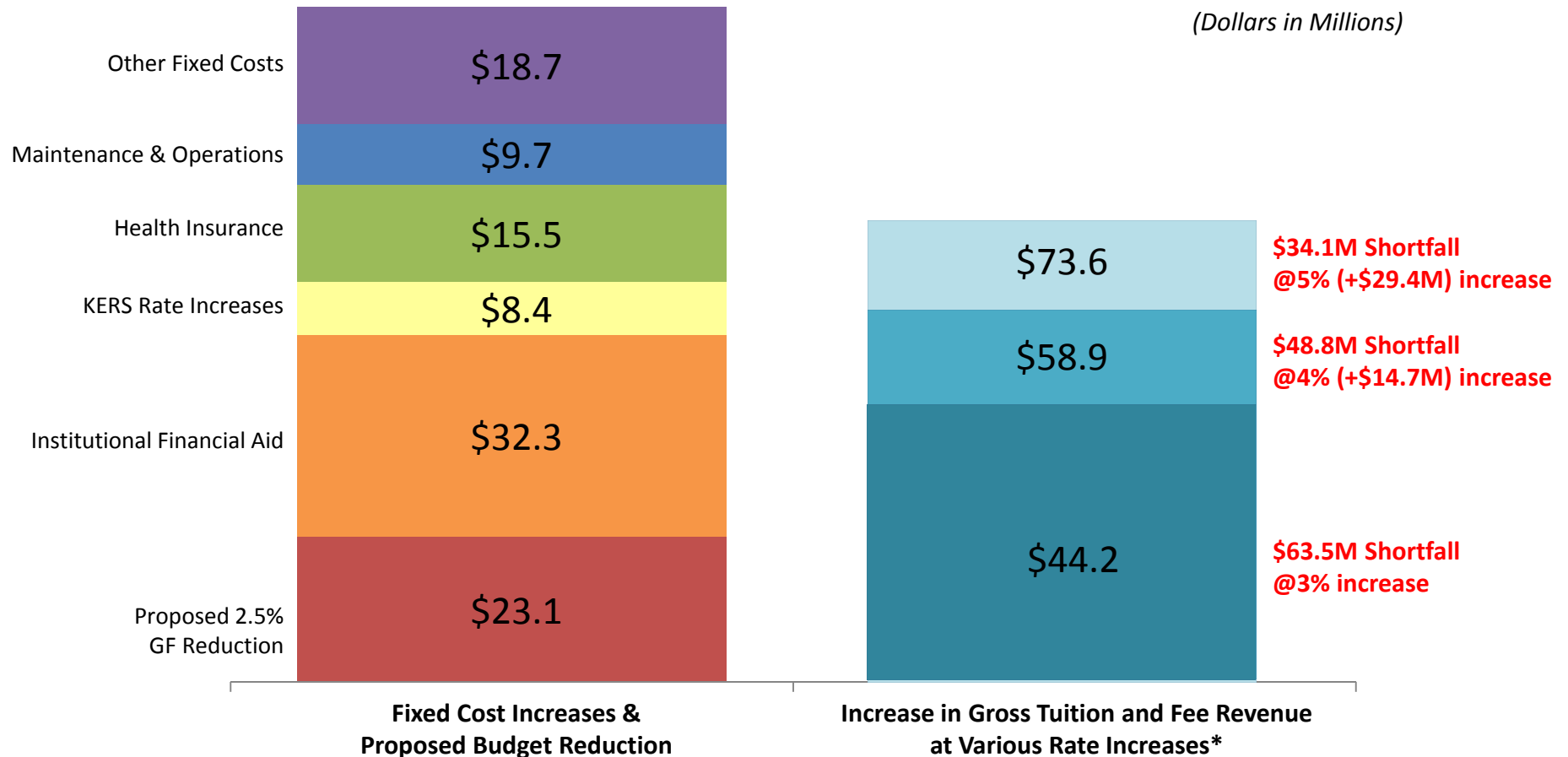
Kentucky Public Postsecondary Institution

Budgetary Impact of Proposed General Fund Reduction and Fixed Cost Increases

Fiscal Year 2014-15

Total = \$107.7

(Dollars in Millions)

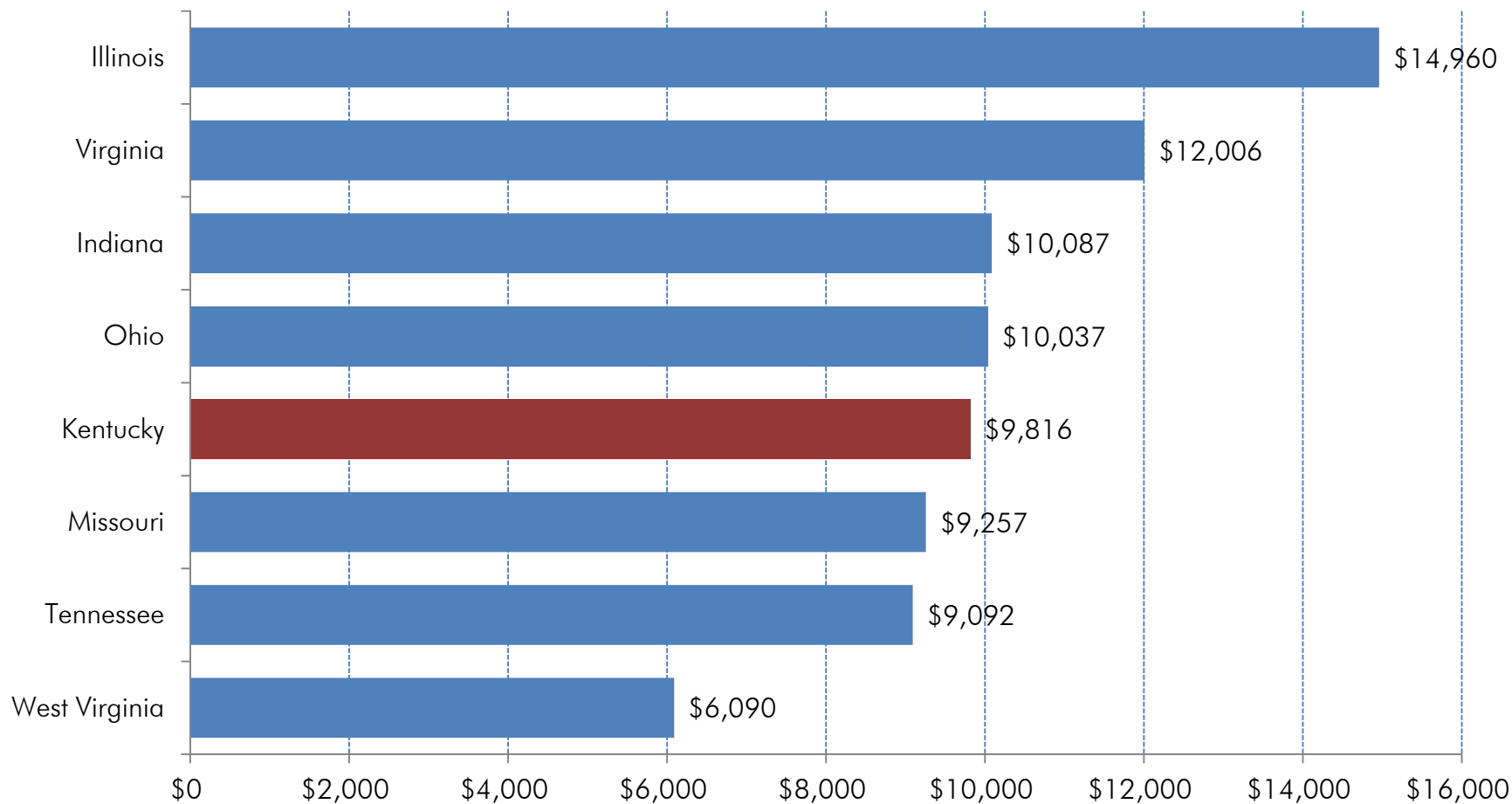


*Estimated increase in gross billable tuition and fee revenue at assumed 3%, 4% and 5% rate increases across all categories of students (i.e., every academic level, residency and full-time/part-time status).

Source: Public postsecondary institution, chief budget officer estimates.

Regional Sticker Prices

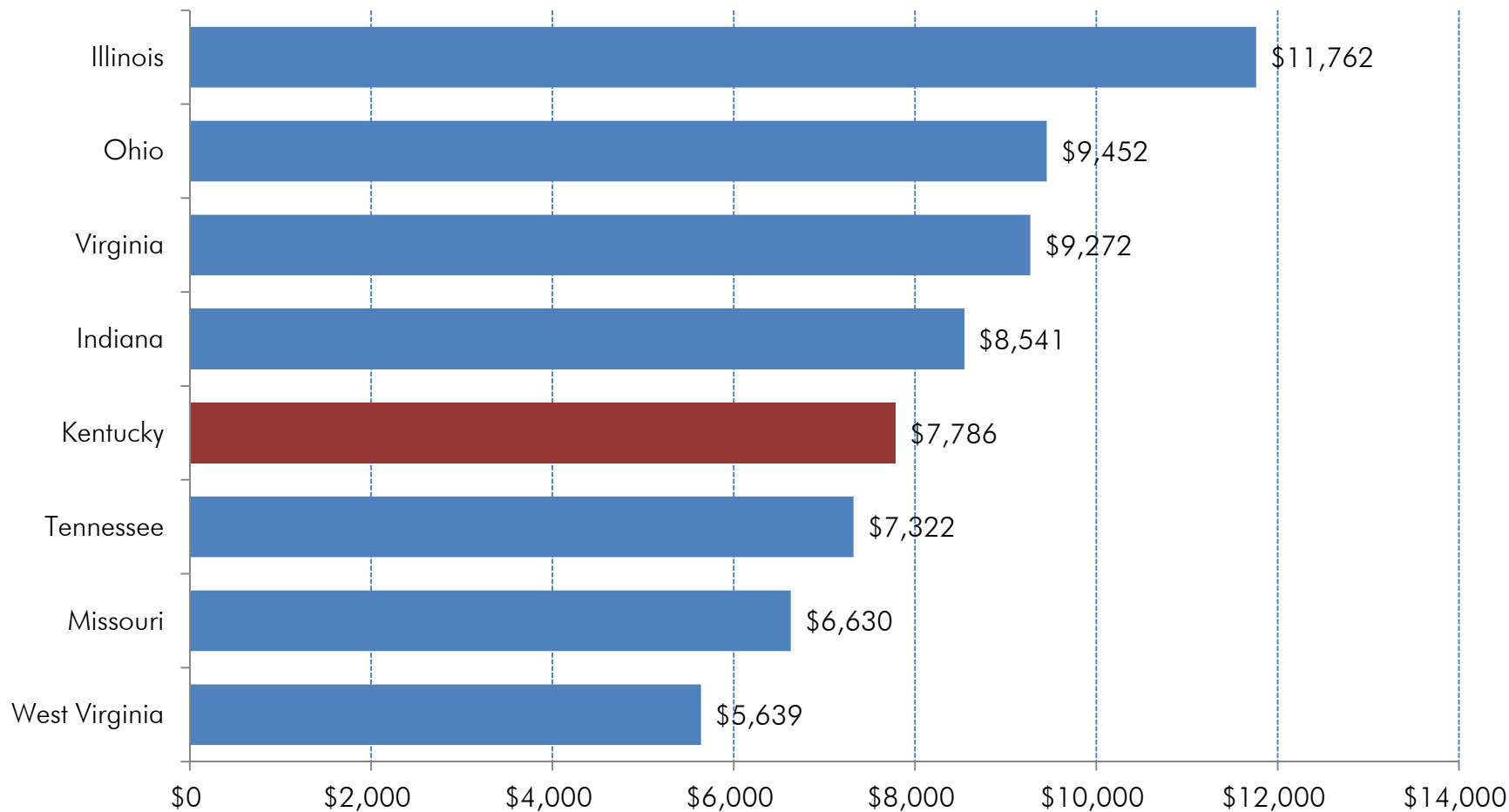
Flagship Universities in Kentucky and Surrounding States
Resident Undergraduate Tuition and Required Fees
Academic Year 2012-13



Source: Washington Student Achievement Council (WSAC).

Regional Sticker Prices

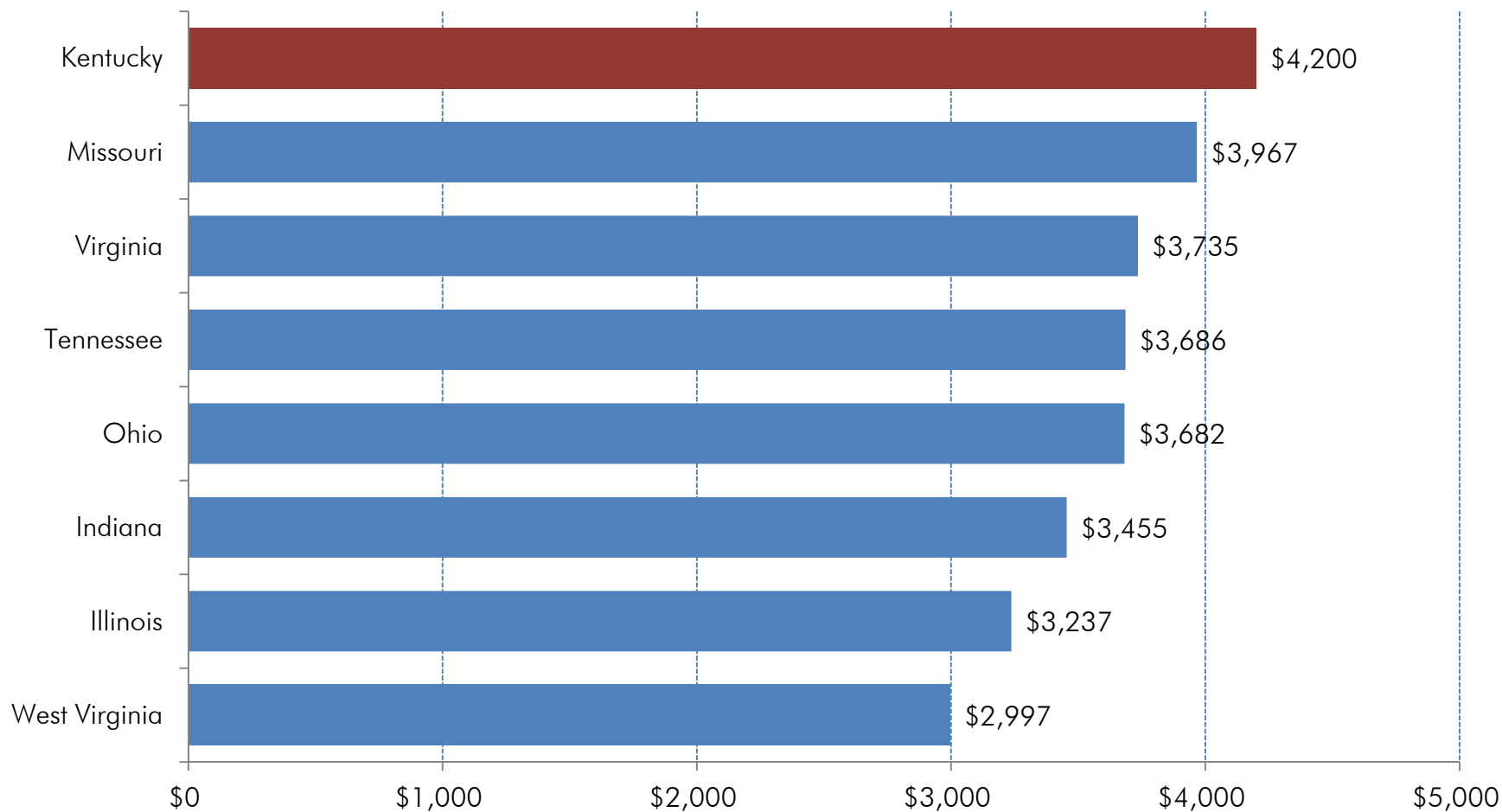
Comprehensive Universities in Kentucky and Surrounding States
Average Resident Undergraduate Tuition and Required Fees
Academic Year 2012-13



Source: Washington Student Achievement Council (WSAC).

Regional Sticker Prices

Community Colleges in Kentucky and Surrounding States
Average Resident Tuition and Required Fees
Academic Year 2012-13



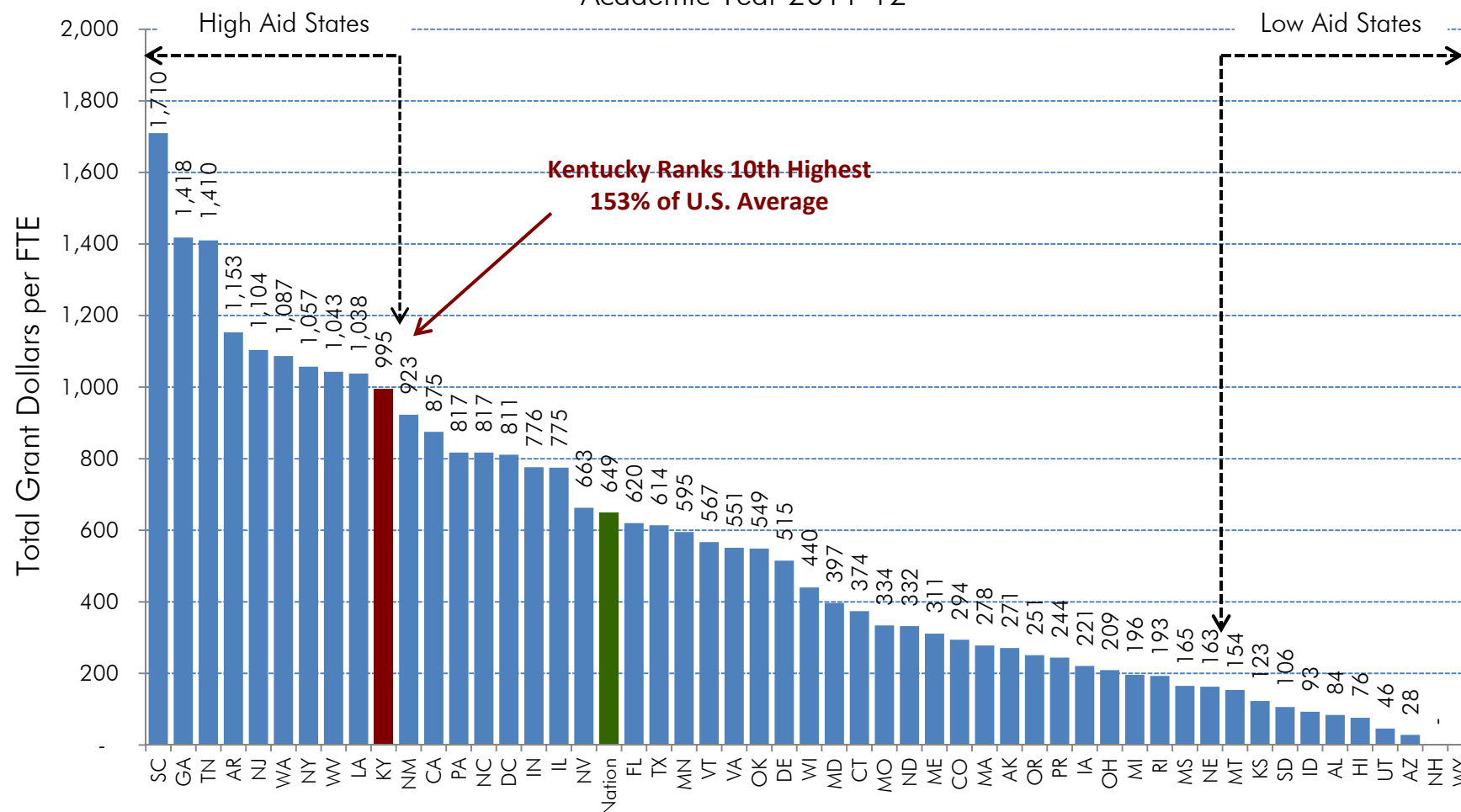
Source: Washington Student Achievement Council (WSAC).

Kentucky is a “High Aid” State

United States, District of Columbia, and Puerto Rico

Estimated Total Undergraduate Grant Dollars per Undergraduate Student Enrollment

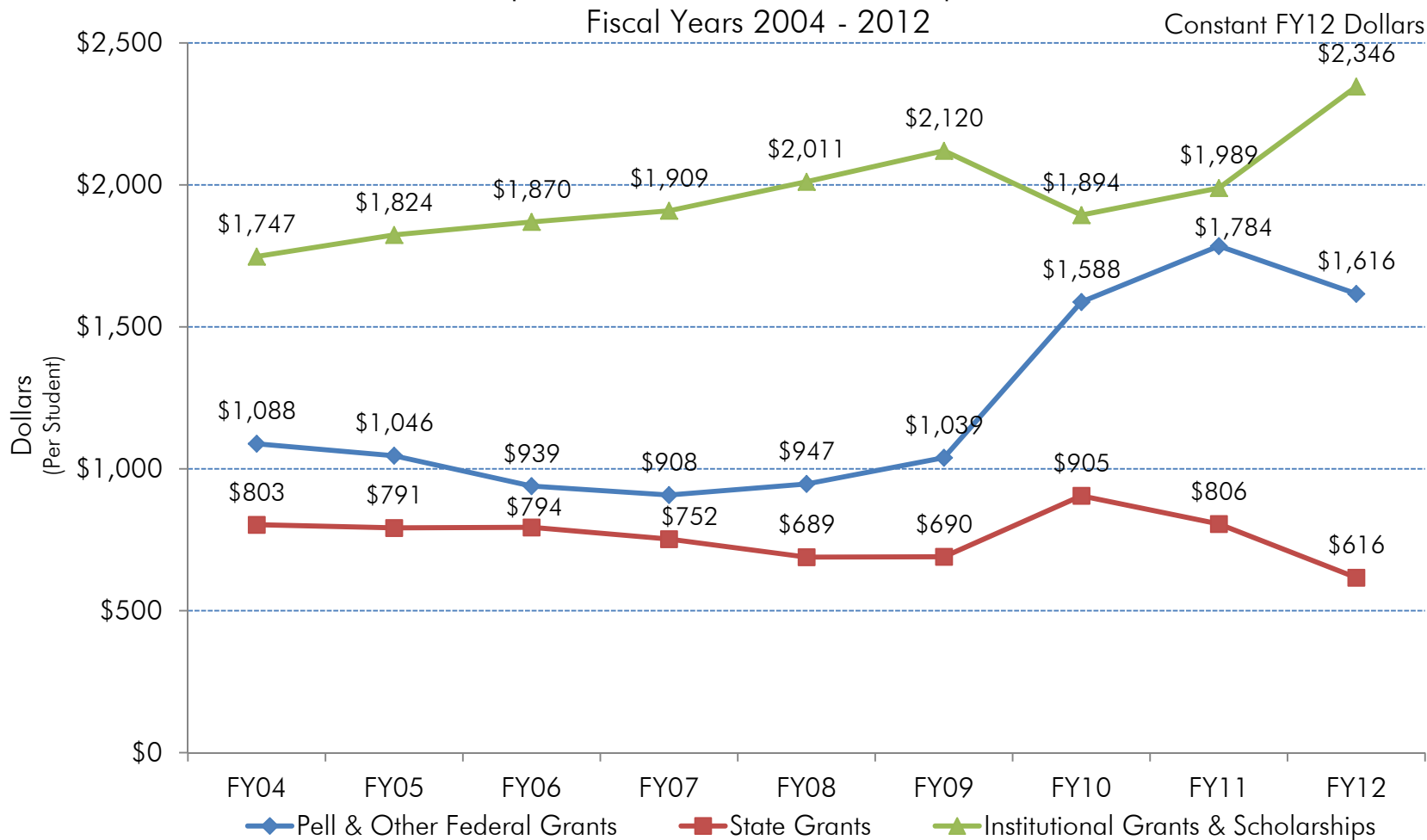
Academic Year 2011-12



Source: National Association of State Student Grant and Aid Programs (NASSGAP), 43rd Annual Survey Report on State-Sponsored Student Financial Aid.

Sources of Student Financial Aid

Kentucky Public Postsecondary System
Inflation Adjusted Student Financial Aid per FTE Student
Fiscal Years 2004 - 2012



Source: Integrated Postsecondary Education Data System (IPEDS); Commonfund Institute, Higher Education Price Index (HEPI).

Aid Reduces Out-of-Pocket Costs

Kentucky Public Postsecondary System

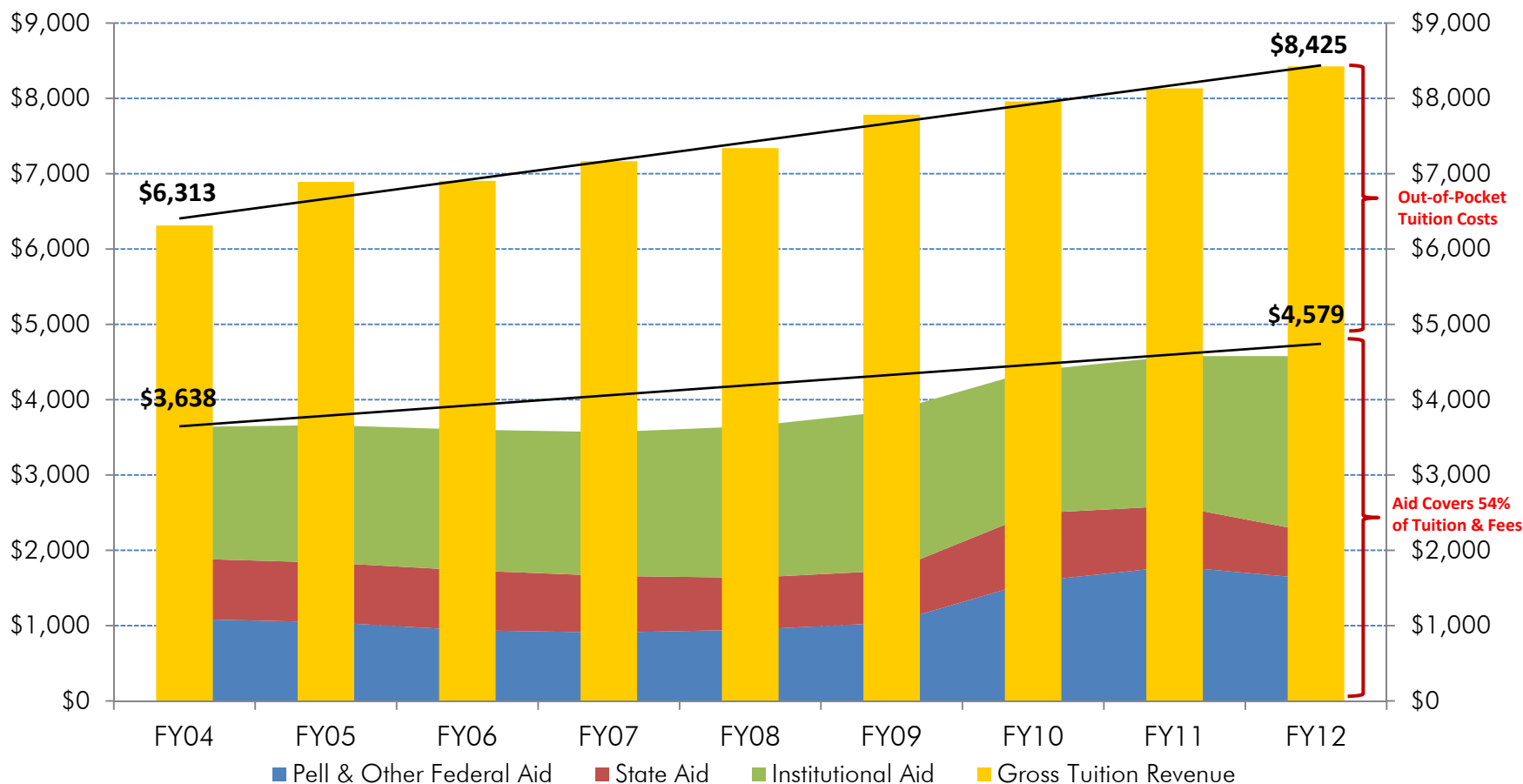
Inflation-Adjusted Student Financial Aid And Gross Tuition Revenue per FTE Student

Dollars (Per Student)

Fiscal Years 2004 - 2012

2013 Dollars

Dollars
(Per Student)



Source: Integrated Postsecondary Education Data System (IPEDS).

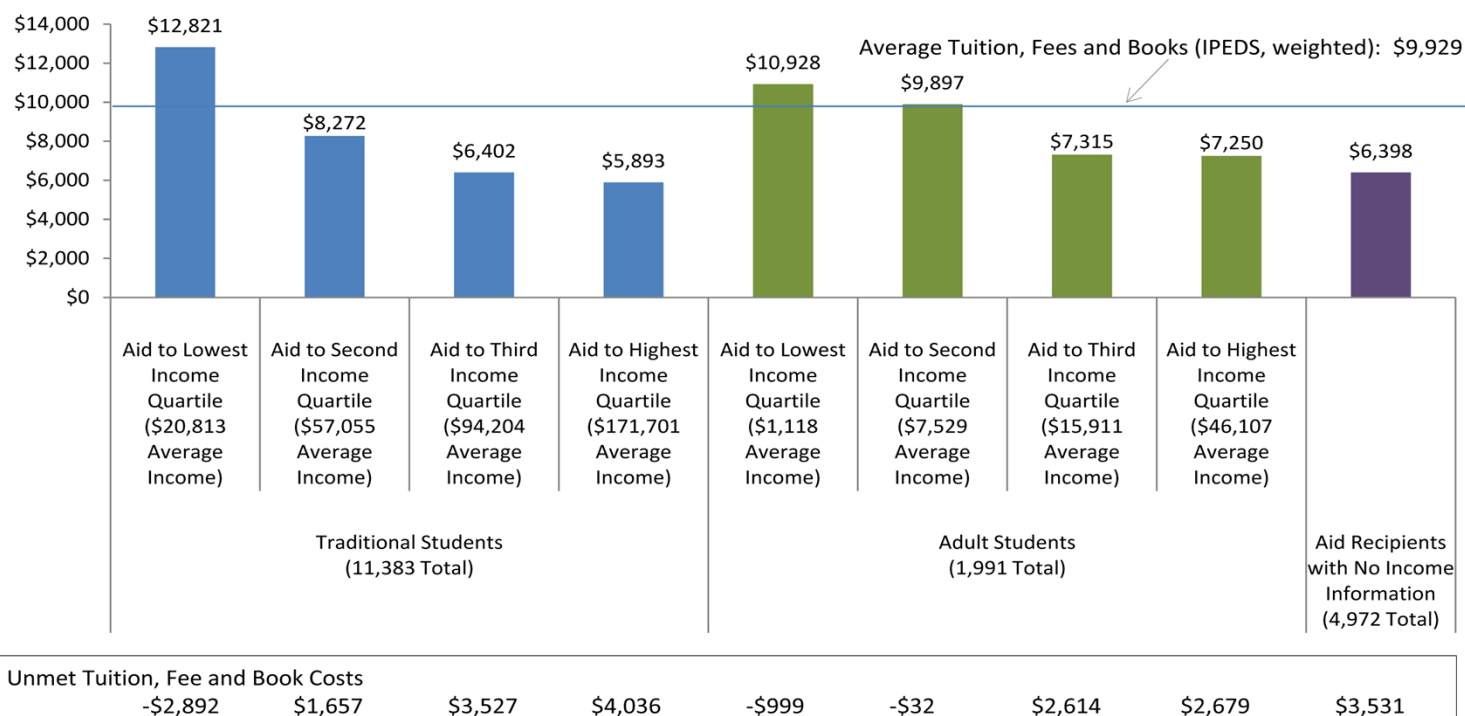
College Remains Affordable

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

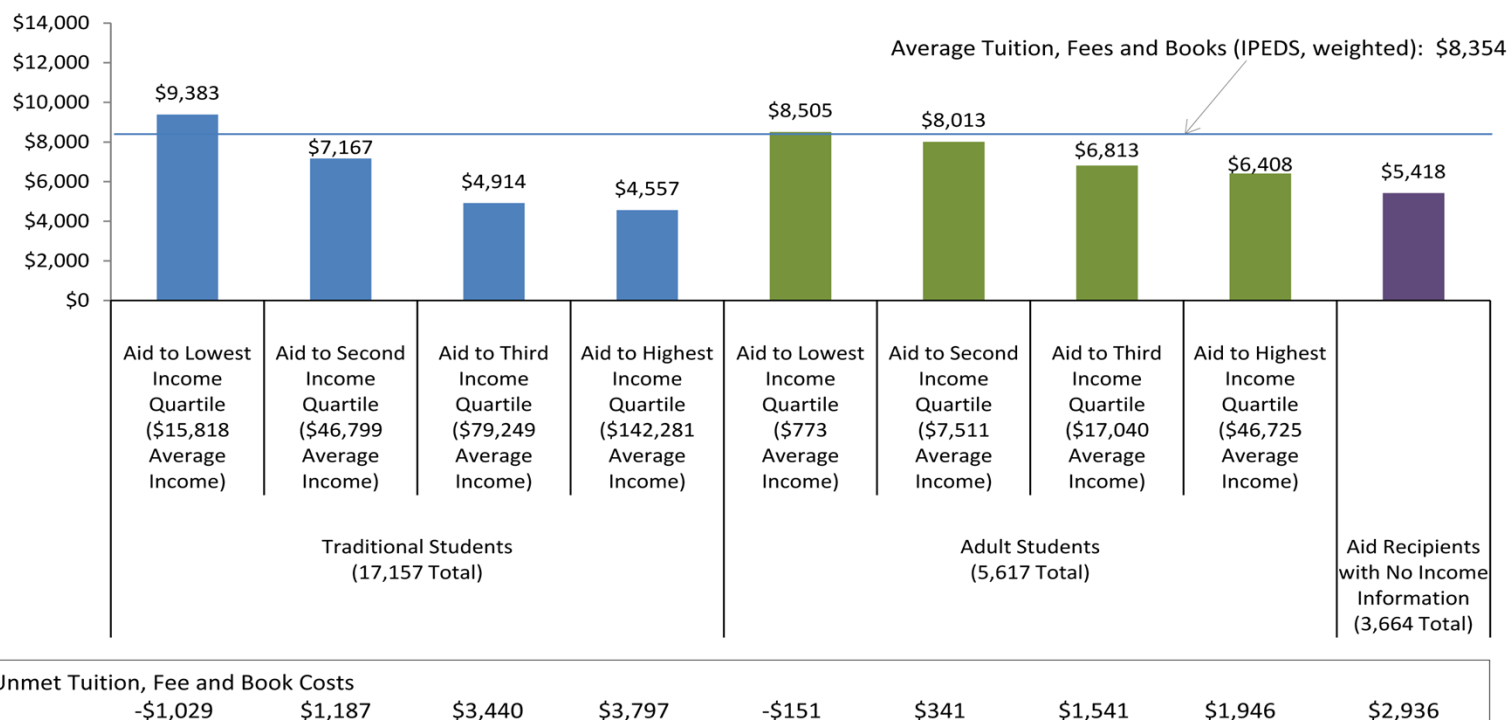
College Remains Affordable

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).



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

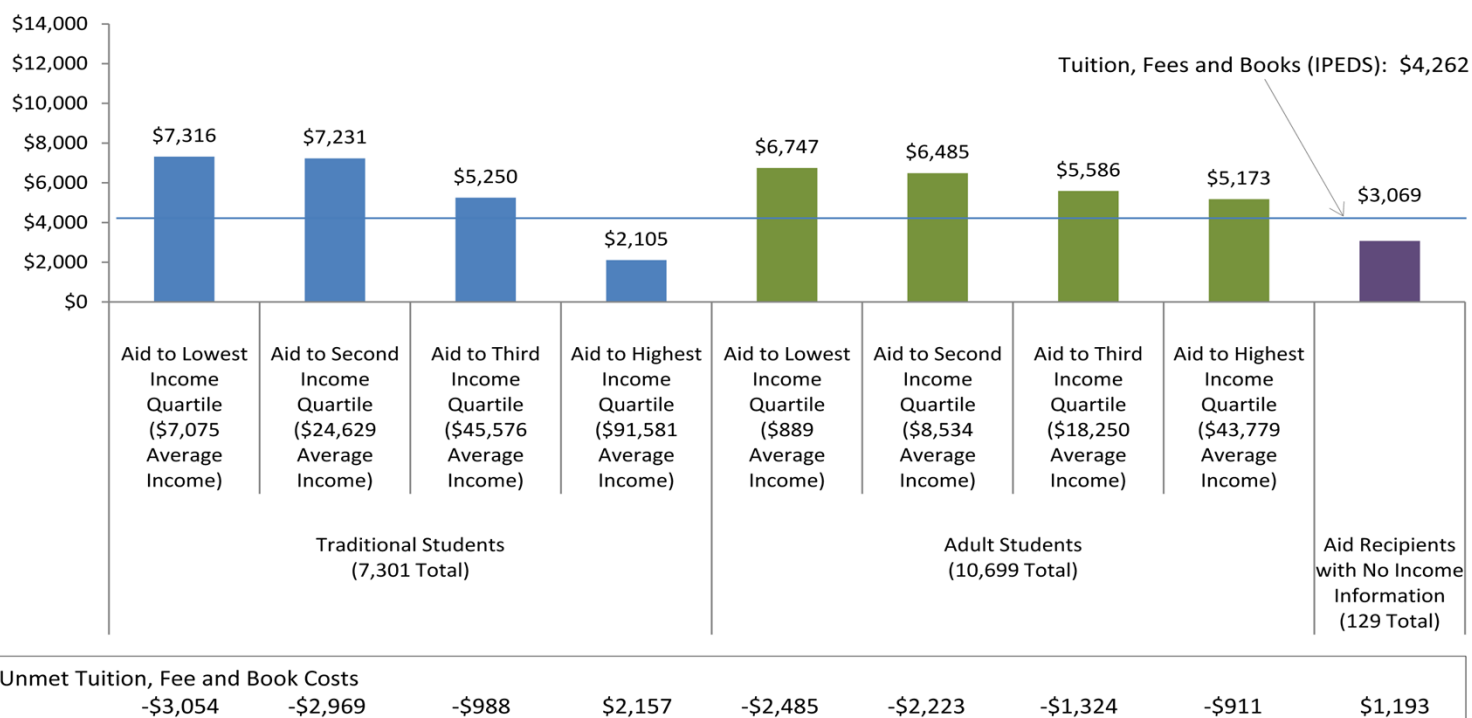
College Remains Affordable

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).



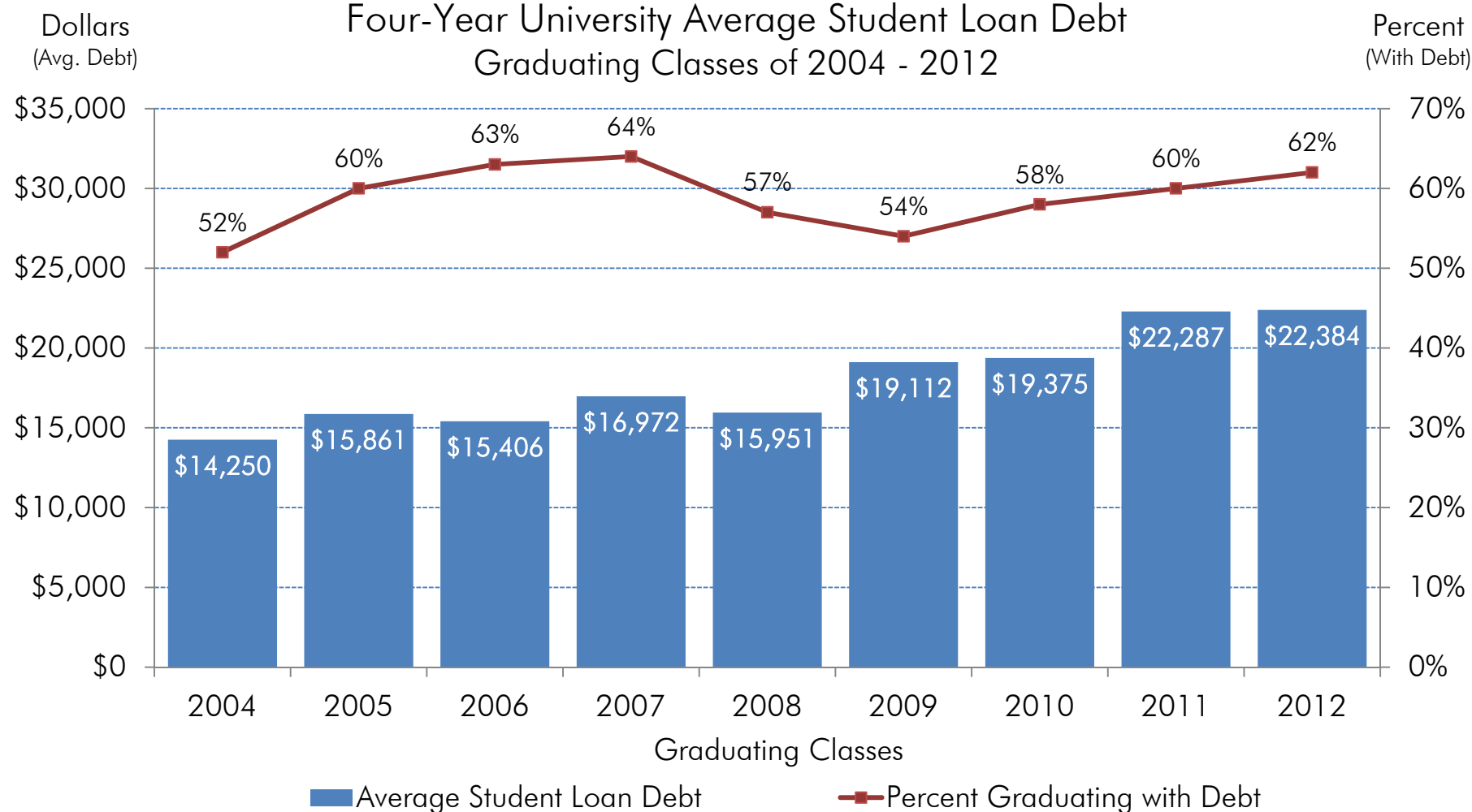
Notes: Aid includes all need and merit-based grants and scholarships from federal, state, institutional and other sources. Income quartiles rank all students in the sector within their dependency category by family income, and divides them into four equal-sized groups based on their income rank. Traditional 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



Student Debt Has Increased

Kentucky Public and Private Postsecondary Institution
Four-Year University Average Student Loan Debt
Graduating Classes of 2004 - 2012



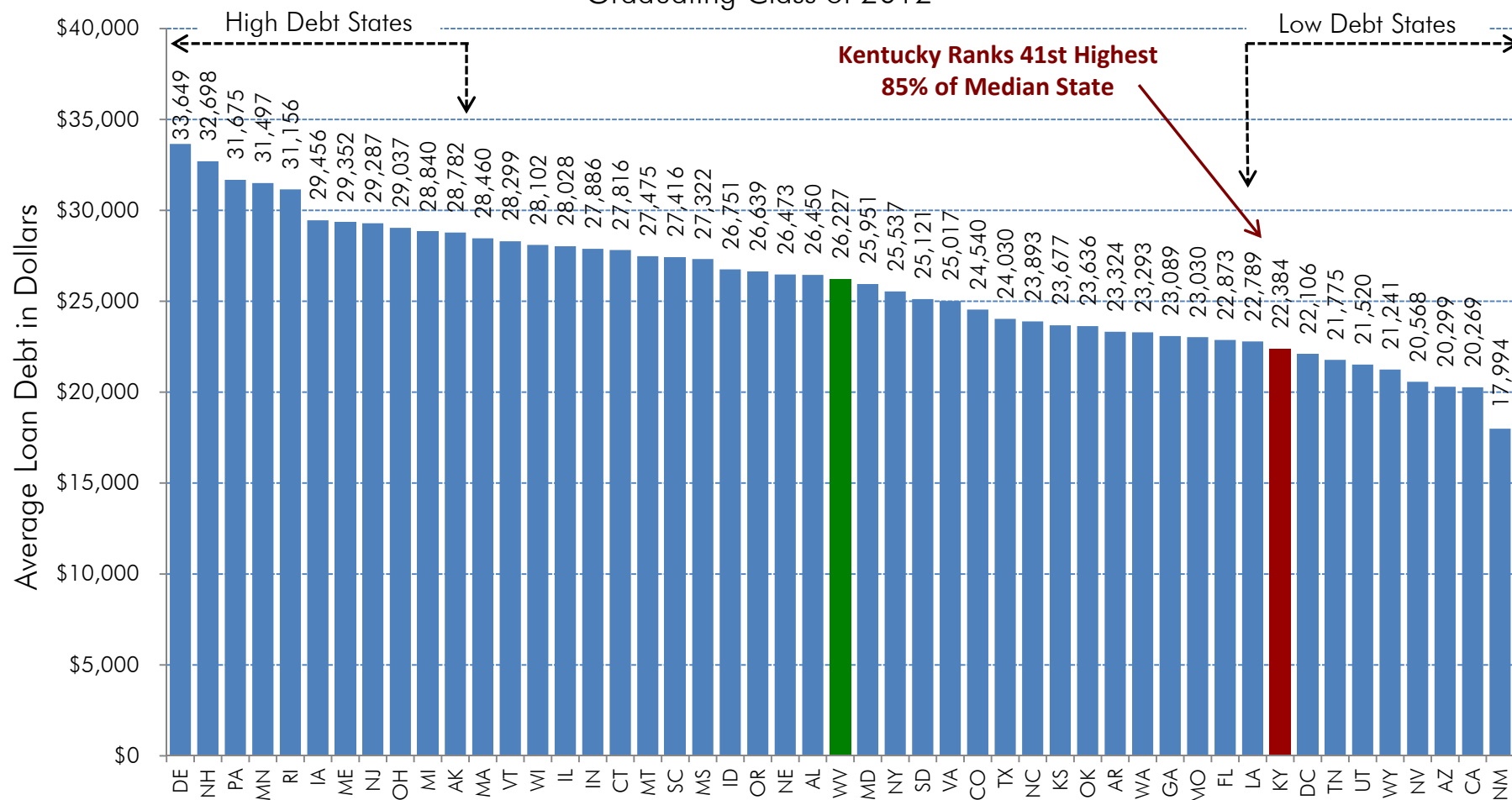
Source: The Project on Student Debt, Student Debt and the Class of 2012, December 2013.

Kentucky is a “Low Debt” State

United States and District of Columbia

Public and Private 4-Year Institution Average Student Loan Debt

Graduating Class of 2012



Source: The Project on Student Debt, Student Debt and the Class of 2012, December 2013.

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