


MEETING AGENDA

Thursday, February 2, 2017
Kentucky Chamber of Commerce



Members, Council on Postsecondary Education


Ronald C. Beal, Bowling Green
Ben Brandstetter, Hebron
Glenn D. Denton, Paducah (*chair*)
Maryanne Honeycutt Elliott, Louisville
Joe E. Ellis, Benton
Dan E. Flanagan, Campbellsville
Lucas V. Mentzer, Lexington
Pam Miller, Lexington
Donna Moore, Lexington (*vice chair*)

Joseph Papalia, Louisville
Vidya Ravichandran, Louisville
Robert H. Staat, UofL (*faculty member*)
Carol Wright, Tyner
Sherrill B. Zimmerman, Prospect
Sebastian Torres, EKU (*student member*)
Stephen Pruitt, Commissioner of Education (*ex officio, nonvoting*)

Robert L. King, CPE President

The Council on Postsecondary Education is Kentucky's statewide postsecondary and adult education coordinating agency charged with leading the reform efforts envisioned by state policy leaders in the *Kentucky Postsecondary Education Improvement Act of 1997*. The Council does not discriminate on the basis of race, color, national origin, sex, religion, age, or disability in employment or the provision of services, and provides, upon request, reasonable accommodation, including auxiliary aids and services necessary to afford individuals with disabilities an equal opportunity to participate in all programs and activities.

Kentucky Council on Postsecondary Education, 1024 Capital Center Drive, Suite 320, Frankfort KY 40601, Ph: (502) 573-1555, Fax: (502) 573-1535,
<http://cpe.ky.gov>

Twitter: <https://twitter.com/cpenews>

Facebook: <https://www.facebook.com/KYCPE>

AGENDA
Council on Postsecondary Education
Thursday, February 2, 2017
9:00 AM
Kentucky Chamber of Commerce

1. Coffee and Conversation
2. Welcome and Overview
3. Breakfast with Commissioner Pruitt
4. Words of Advice: Making the Most of Your Board Membership
5. 2017 Legislative Outlook
6. Working Lunch
7. Building a World-Class Workforce
8. Stronger By Degrees: Measuring our Progress, Achieving our Goals 3
9. Understanding Higher Education Finance 28
10. Closing Discussion
11. Adjournment



STRONGER

by degrees

Stronger By Degrees: Measuring our Progress, Achieving our Goals

Lee Nimocks

Vice President, Policy, Planning and
External Relations

November 18, 2016

KRS 164.020 directs the CPE to develop a **Strategic Agenda**, which shall:

- Provide statewide priorities and a vision for long-term economic growth;
- State important issues and aspirations of the Commonwealth's students, employers, and workforce reflecting high expectations for their performance;
- Sustain a long-term commitment to constant improvement, while valuing market-driven responsiveness, accountability to the public, technology-based strategies, and incentive-based motivation.



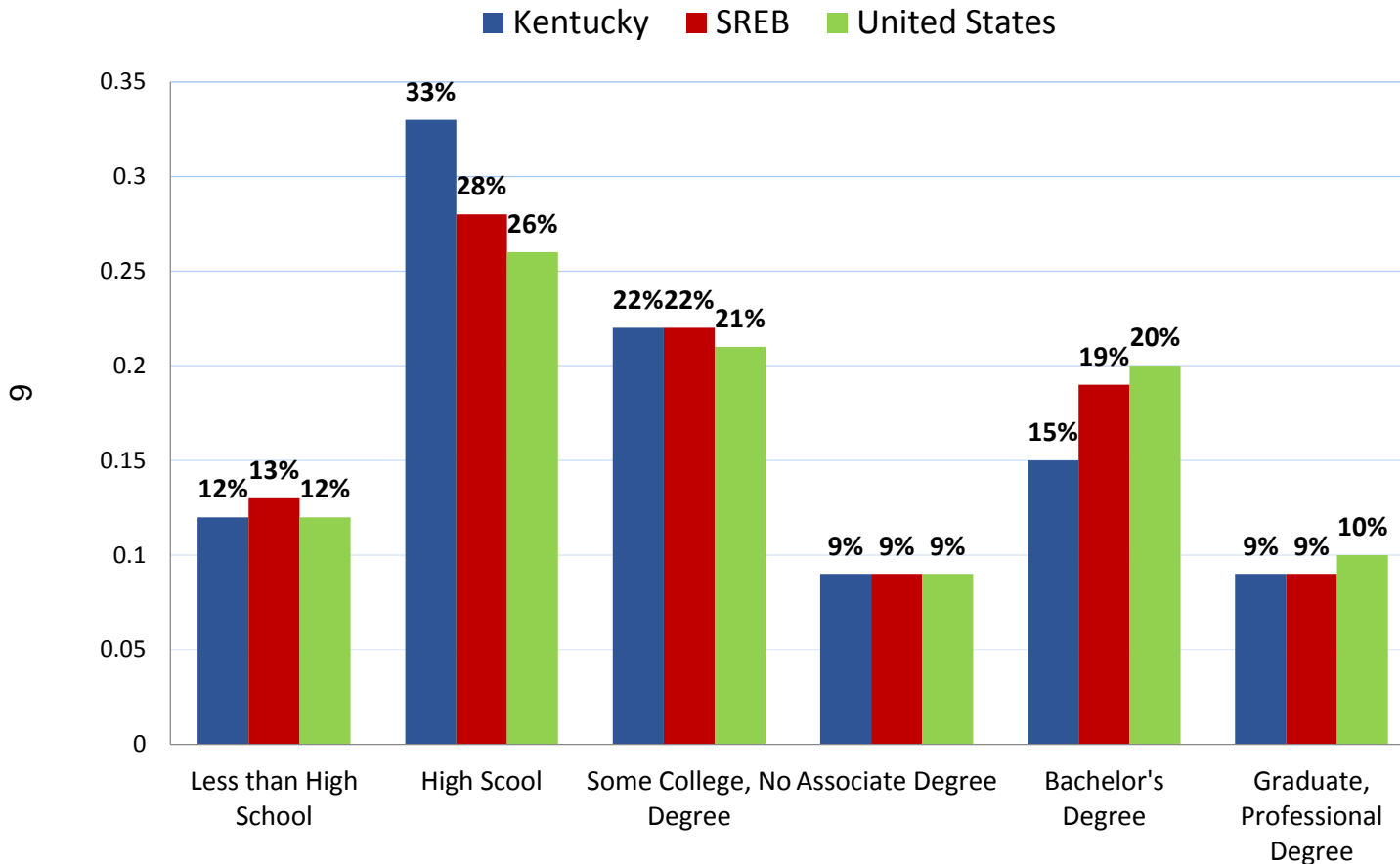
Kentucky continues to lag many other states in the percentage of adults with postsecondary credentials, which affects our economic competitiveness and quality of life.



EDUCATIONAL ATTAINMENT

Educational Attainment

25-64 year olds in KY, SREB, & the U.S.



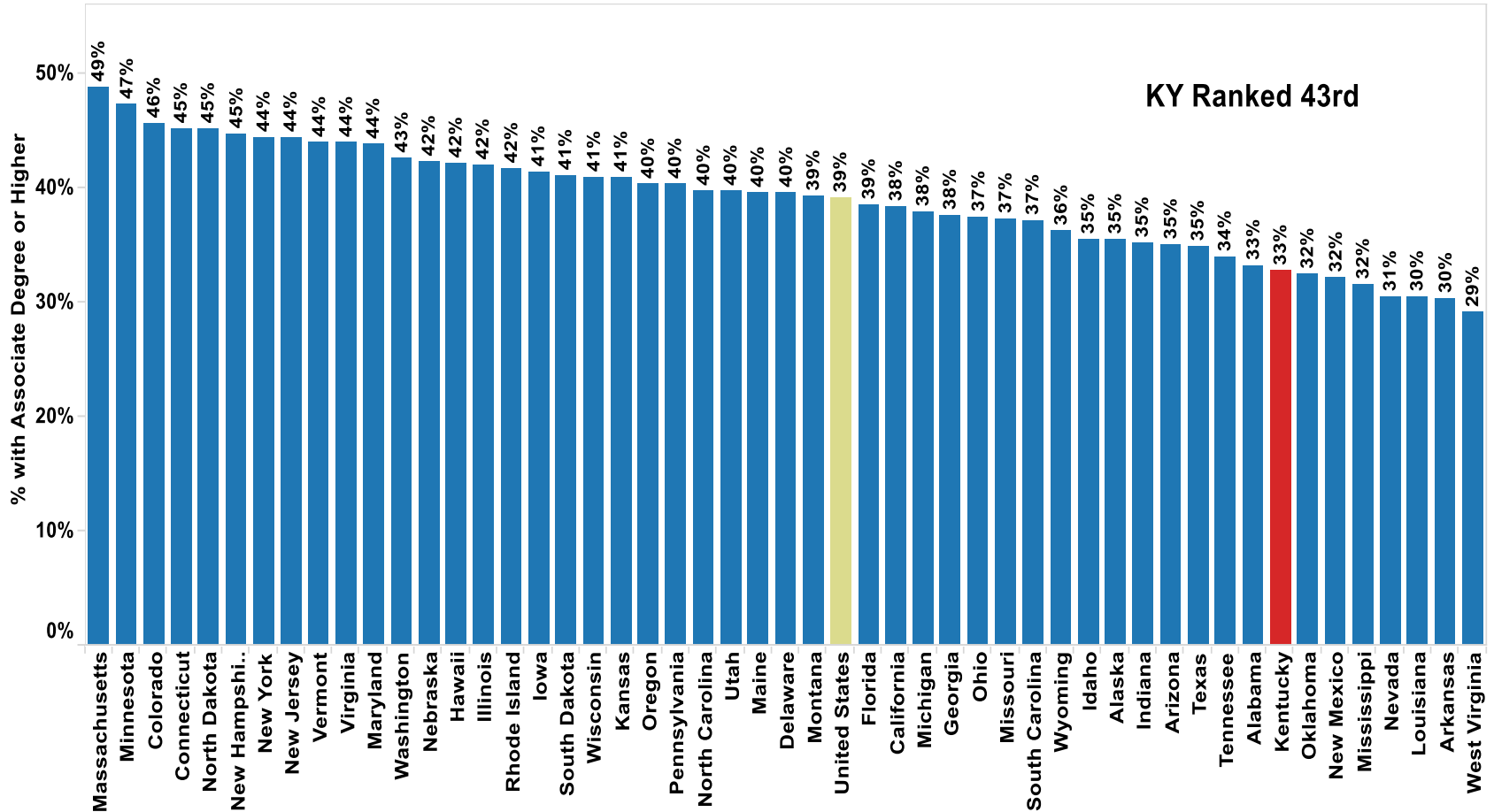
Kentucky's Younger Adults (25-44) have higher levels of attainment than total working age population but still trail SREB and the nation:

- 24% Some College, No Degree
- 17% Bachelors Degree
- 10% Graduate and Professional

Source: U.S. Census Bureau, 2015 American Community Survey, One-Year Public Use Microdata Sample.



Adults (25-64) with an Associate Degree or Higher, by State

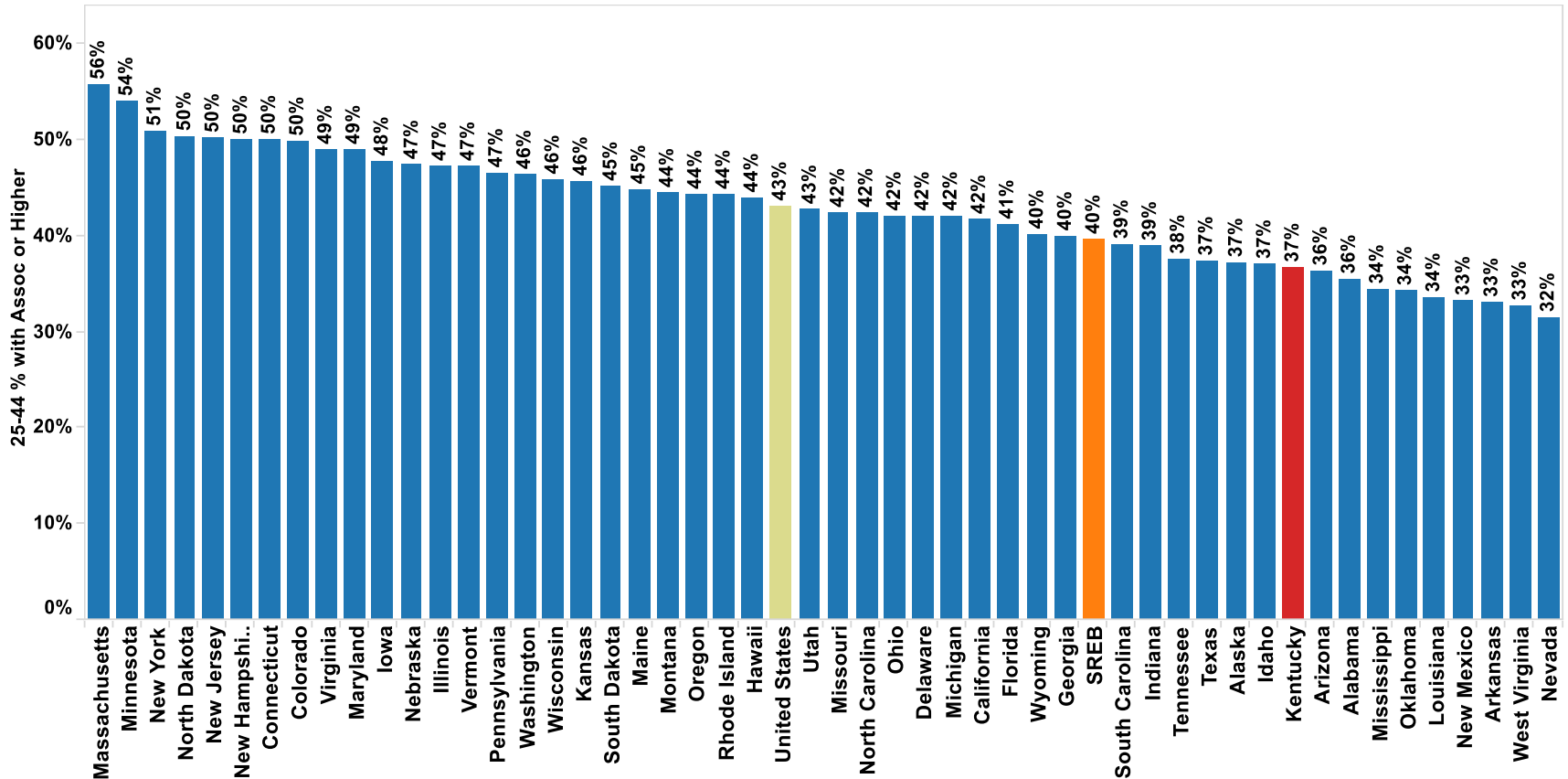


Source: U.S. Census Bureau, 2015 American Community Survey, 1-Year Public Use Microdata Sample



Adults (25-44) with an Associate Degree or Higher, by State

8

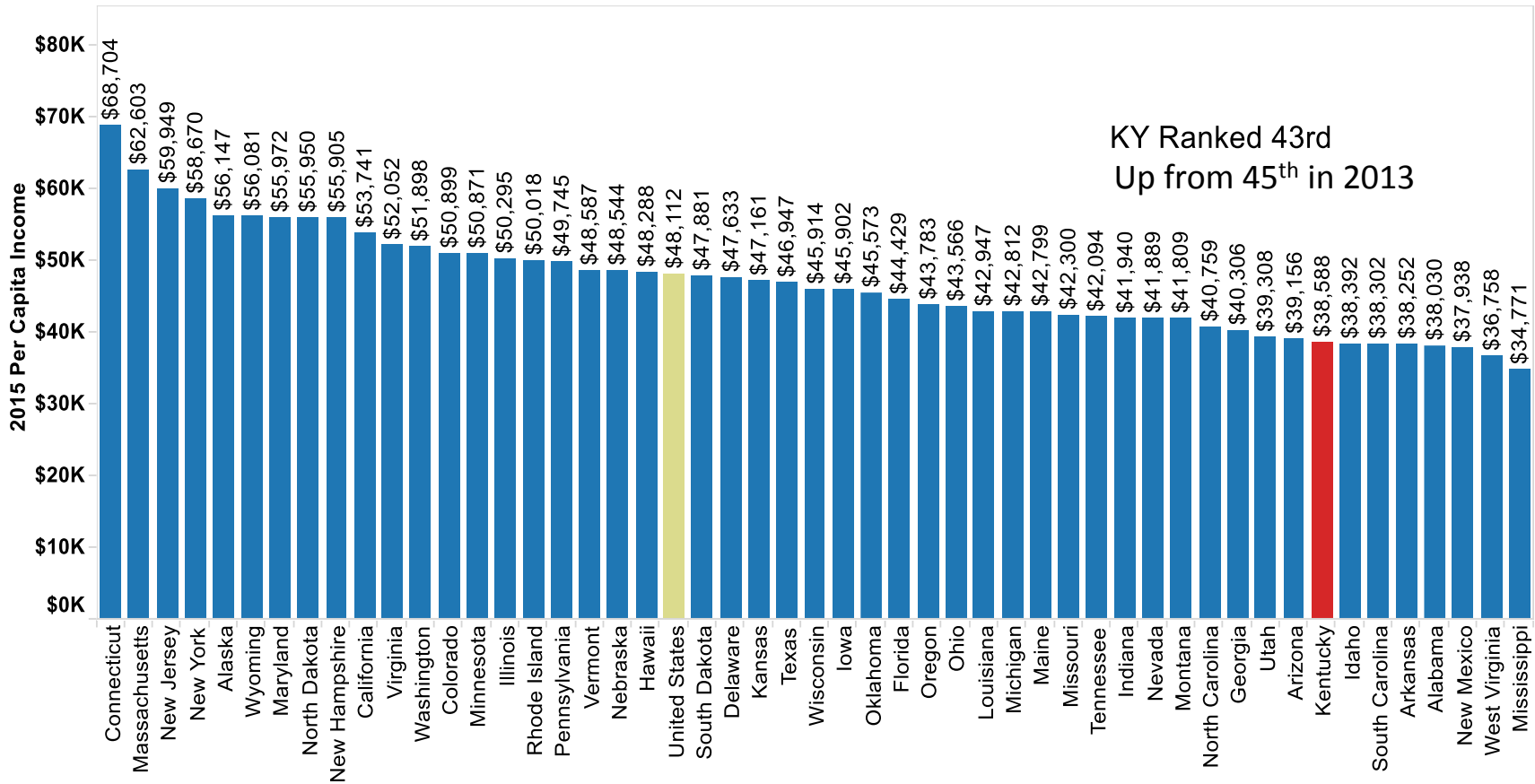


Source: U.S. Census Bureau, 2015 American Community Survey, 1-Year Public Use Microdata Sample



Per Capita Income, by State

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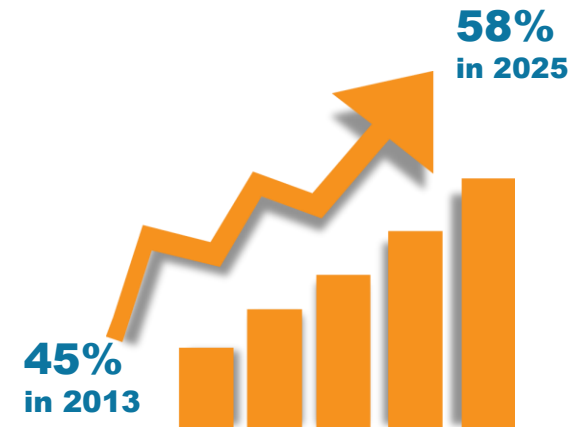


Source: Bureau of Economic Analysis, 2015



The Big Goal

- To increase educational attainment (**certificate and above**) to 58% - the projected national average - by 2025.
- KY's current attainment level for working-age adults is 45%.
- Developed in consultation with the National Center on Higher Education Management Systems (NCHEMS).
- Based on HB 1 (1997) goal to achieve “a standard of living and quality of life that meets or exceeds the national average,” to be “accomplished through increased educational attainment at all levels.”

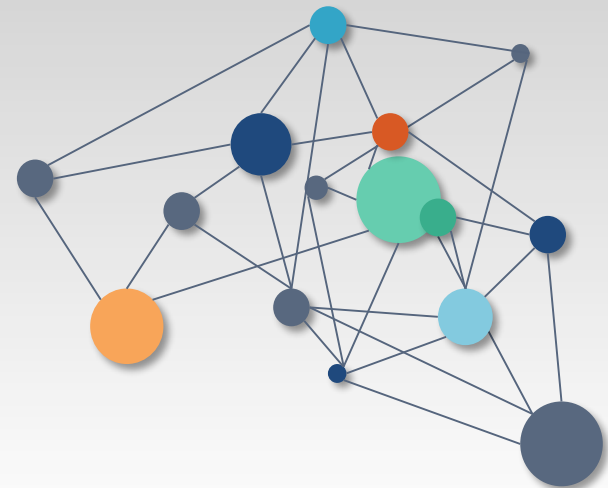


The College Attainment Goal for Kentucky

Reaching 58 Percent by 2025



nchems.org • higheredinfo.org



History

- HB 1 – Creation of goal to meet the national average in college attainment – first in the country
- Dramatic increase in college enrollment and completion
- U.S. attainment goals, followed by many states
- The recession, and the declines in enrollment following it
- The need to stay the course that KY has established, and largely maintained since HB 1

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What Will Take to Get There

Current % of Adults with Undergraduate College Credentials (1)	44.6%
Average Annual % Change Since 2000 (2)	0.65%
Average Annual Change Carried Out to 2025	52.4%
Projected Number of 25 to 64 Year Olds in 2025	2,297,213
Additional Credential Holders Needed to Meet Goal (3)	121,461
Additional Credentials Needed Annually	1,557
Recent Production of Undergraduate Credentials	56,870
Estimate Annual Percent Increase Needed	2.4%

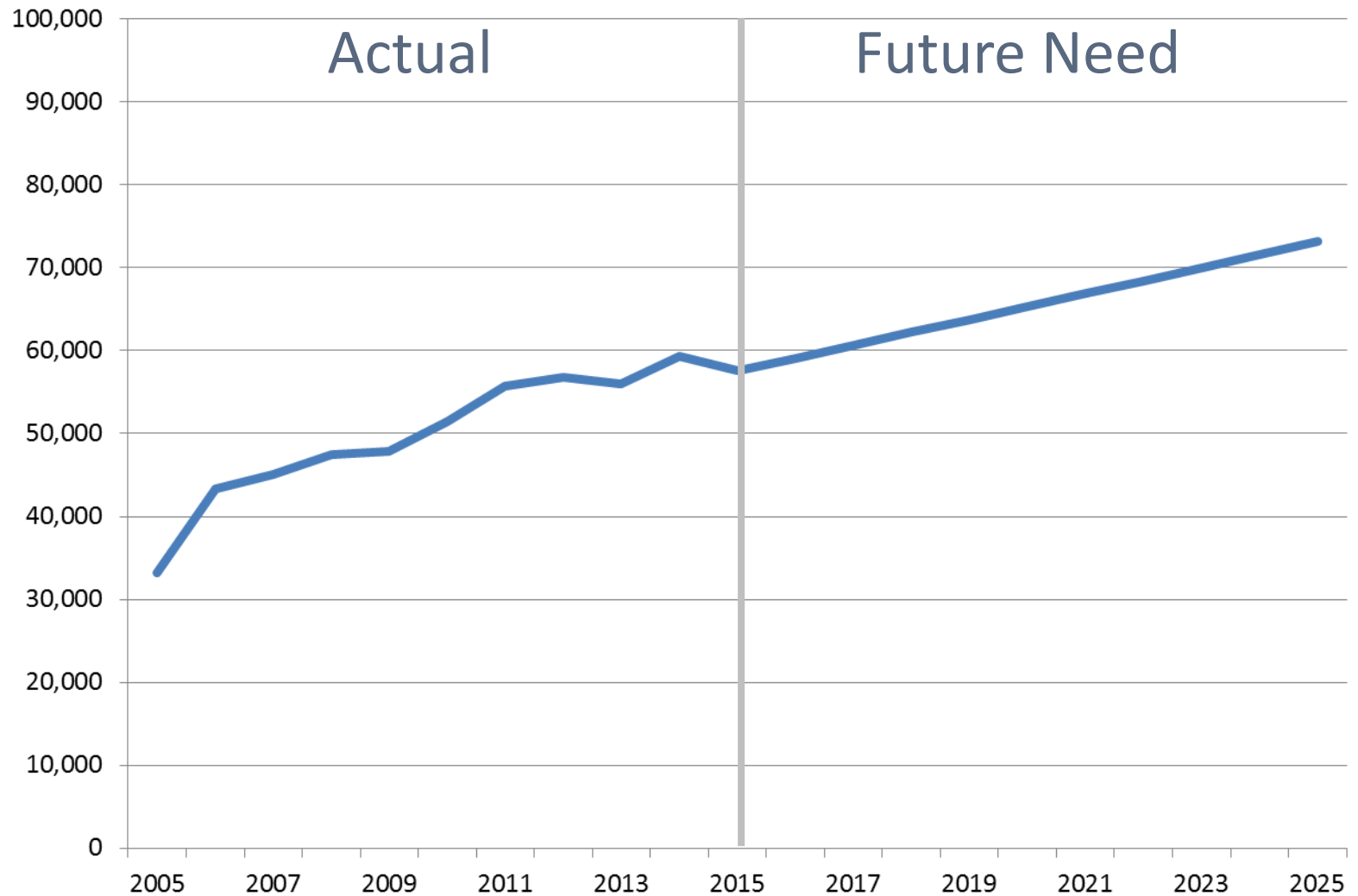
(1) Includes the estimated percentage of 25-64 year olds with certificates

(2) Includes in- and out-migration of college educated residents and residents aging out of the 25-64 age cohort

(3) The difference between 52.4 and 58 percent times the projected population



Undergraduate Credentials Produced



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How to Achieve the Goal

- Increased High School Graduation
- Increased College-Going Rates Directly Out of High School
- Increased College Enrollment of Non-Traditional Aged Adults – Without College and with College Credit and No Credential
- Increased Graduation Rates



The NCHEMS Model

Increase College Attainment

Return on Investment

Definitions and Instructions

Reset

Print


Save


National Center for Higher Education Management Systems, 2016


Avg. of Top 3 States


Input Rates


High School Graduation Rate  86.0%


College-Going Rate Directly Out of High School  65.2%

First-Time Participation Rate of 20 to 24 Year Olds  1.8%

First-Time Participation Rate of 25 to 49 Year Olds  0.7%


Out-of-State Freshmen to Public Comprehensive  2,450

Out-of-State Freshmen to Public Research  1,465

Out-of-State Freshmen to Private/Independent  1,306

Throughput Rates

First-Year Retention Rate  60.4%

Transfer Rate to Public Four-Year  2.8%

Six-Year Completion Rate  25.3%

First-Year Retention Rate  82.8%

Six-Year Completion Rate  53.2%

Completion Rate of Transfers  29.0%

First-Year Retention Rate  80.8%

Six-Year Completion Rate  60.9%

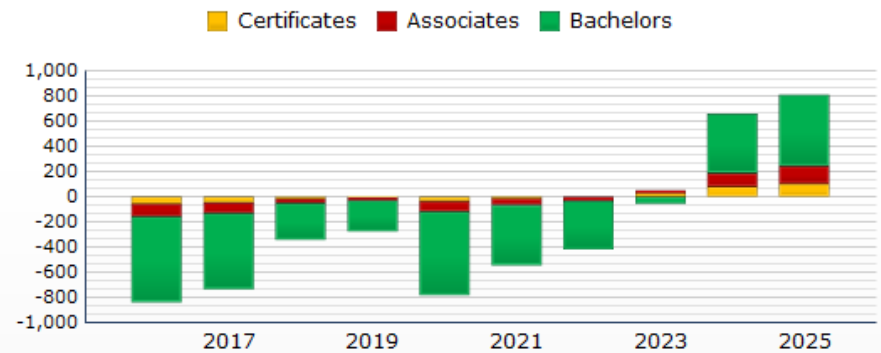
Completion Rate of Transfers  39.7%

First-Year Retention Rate  81.0%

Six-Year Completion Rate  60.9%

Completion Rate of Transfers  28.5%

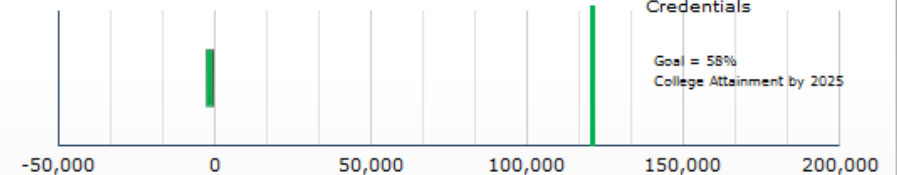
Additional Credentials Produced Annually



Total Additional Credentials by 2025

Certificates Associates Bachelors

Closing the Gap

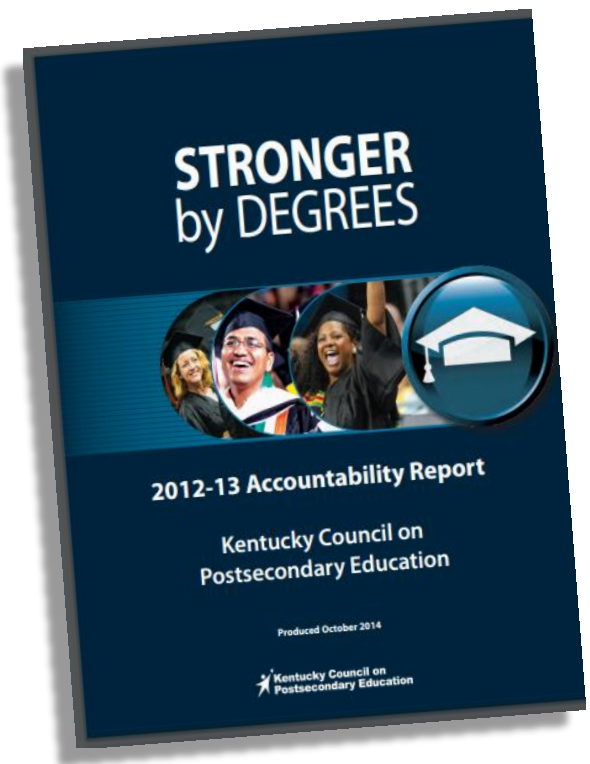


Future Enrollment Distribution of Additional Students

Sector	Directly Out of High School	20 to 24 Year Olds	25 to 49 Year Olds
Two-Year	28%	72%	93%
Bachelors and Masters	22%	7%	2%
Research	31%	16%	5%
Private	19%	5%	0%
	100%	100%	100%

Higher Education Accountability

- Metrics tied to strategic agenda goals and objectives
- Performance dashboard
- Annual performance presentations
- Institutional scorecards
- Annual accountability report
- Performance funding
- Other:
 - Ad Hoc Reports (i.e. loan debt)
 - Postsecondary Feedback Report
 - Kentucky Future Skills Report



Metrics Development Process

- Input from:
 - Metrics Advisory Group and Strategic Agenda Steering Committee
 - Kentucky Center for Education and Workforce Statistics and Partner Agencies
 - CEO and Diversity Planning Groups
 - Performance Funding Development (CAO, CBOs, Presidents, budget office)
- Emphasized the strategic agenda's focus on increasing educational attainment
- Addressing achievement gaps was high priority

Metrics Selection Priorities



- Consistency with the Strategic Agenda objectives.
- Limited number, with the ability to disaggregate for deeper information.
- They must be measurable and when possible, use standard definitions.
- When possible metrics should enable comparison of Kentucky with other states.
- Diversity planning and performance funding metrics for should be aligned with strategic agenda metrics.

Build on existing measures when possible



FOCUS AREA 1: OPPORTUNITY

Ensure postsecondary education is broadly accessible to all Kentucky residents, students have college-going resources/support, and students are academically prepared

OBJECTIVES:

- Increase diversity & inclusiveness on campuses
- Partner with P-12 to increase college readiness
- Increase college-going, particularly among underrepresented populations
- Transition more GED graduates to college
- Increase financial access to postsecondary education

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Key Metrics

- College Readiness of College Entrants
- College-Going Rate of High School Graduates
- Kentucky Residents (25-64) Enrolled in Postsecondary Education
- Working-Age Population (18-64) Without a High School Diploma
- Number of Kentuckians Earning a GED®
- Percent of Adult Education Students Transitioning to Postsecondary Education
- Net General Fund Appropriations
- Qualified Students Not Receiving Need-Based State Aid
- Average Net Price
- Outcome of Annual Degree Eligibility Review, Linked to Campus Diversity Plans
- Progress of Underprepared Students in English & Math

FOCUS AREA 2: SUCCESS

Enable more people to complete college with the skills and abilities to be productive, engaged citizens

OBJECTIVES:

- ❑ Increase persistence & completion for all students and accelerate successful outcomes for low-income, underprepared, and underrepresented minority students
- ❑ Increase the number who transfer from 2-year to 4-year institutions and complete degrees
- ❑ Promote educational excellence through improvements in teaching & learning



Key Metrics

- Six-Year College Completion Rate
- Two to four year transfer
- 3-Year and 6-Year Graduation Rates, with breakouts from URM and Low Income
- First-Year to Second-Year Retention
- Student Progression
- Average Credit Hours Earned for Graduates
- Academic Quality and Excellence Metrics (varied based on institutional mission and priorities)

FOCUS AREA 3: IMPACT

Strengthen postsecondary education's ability to advance new knowledge and research, improve communities, increase educational attainment, and produce a well-educated, highly-skilled citizenry

OBJECTIVES:

- Increase educational attainment and degrees & credentials awarded
- Increase alignment between degrees/credentials & state workforce needs
- Increase basic, applied and translational research to create new knowledge and economic growth
- Expand regional partnerships, outreach, and public service.



Key Metrics

- Educational Attainment (Percent of Kentuckians 25-64 with a postsecondary credential)
- Percent of Graduates Working or Pursuing Additional Education
- Degrees/Credentials Conferred with breakouts from URM, STEM and Low Income
- Percent of Graduates who Complete Internships and/or Co-ops
- Non-Credit Workforce Training (KCTCS only)
- Annual Updates on Regional Development, Outreach and Public Service

Reporting on Progress

- Institutional progress updates
 - Annual campus presentations begin at March or June meeting
 - Presentation of baseline data (2015-16) (Trend data on some metrics)
 - Discussion of campus priorities, strategies, accomplishments in each of the 3 priority areas
 - 3-4 campus presentations each meeting
- Information on state-level progress
 - Policy Area #1, Opportunity – June Meeting
 - Policy Area #2, Success – September Meeting
 - Policy Area #3, Impact – November Meeting
- New dashboard and dynamic data reporting tool available later this spring.

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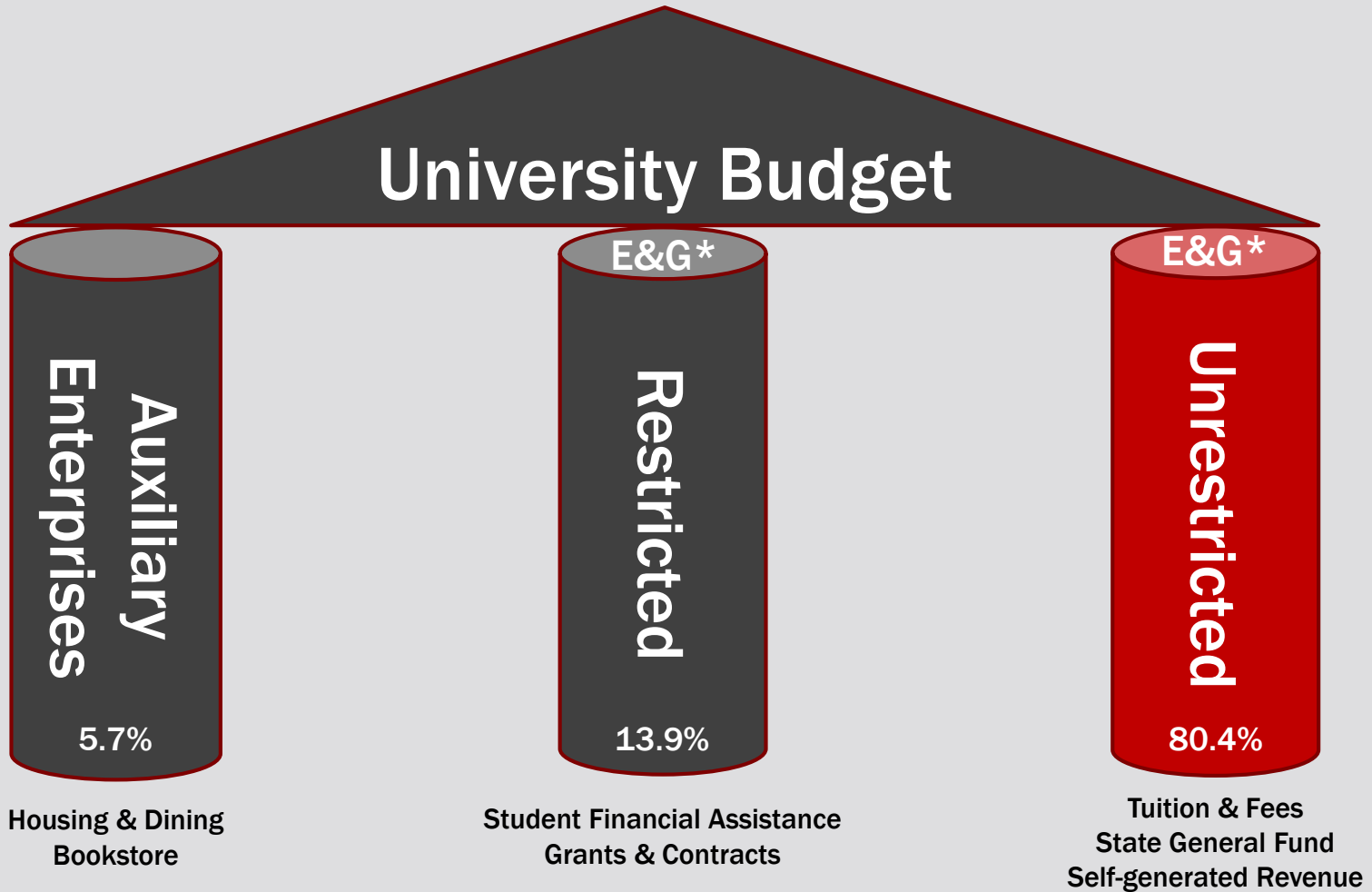
QUESTIONS?

A white outline map of the state of Kentucky is centered on a dark grey background. The text 'COMPREHENSIVE UNIVERSITIES BUDGETS OVERVIEW' is overlaid on the map in a bold, red, sans-serif font.

COMPREHENSIVE UNIVERSITIES BUDGETS OVERVIEW

Presentation to CPE
President Gary Ransdell, WKU
January 31, 2017

COMPREHENSIVE UNIVERSITY BUDGET STRUCTURE

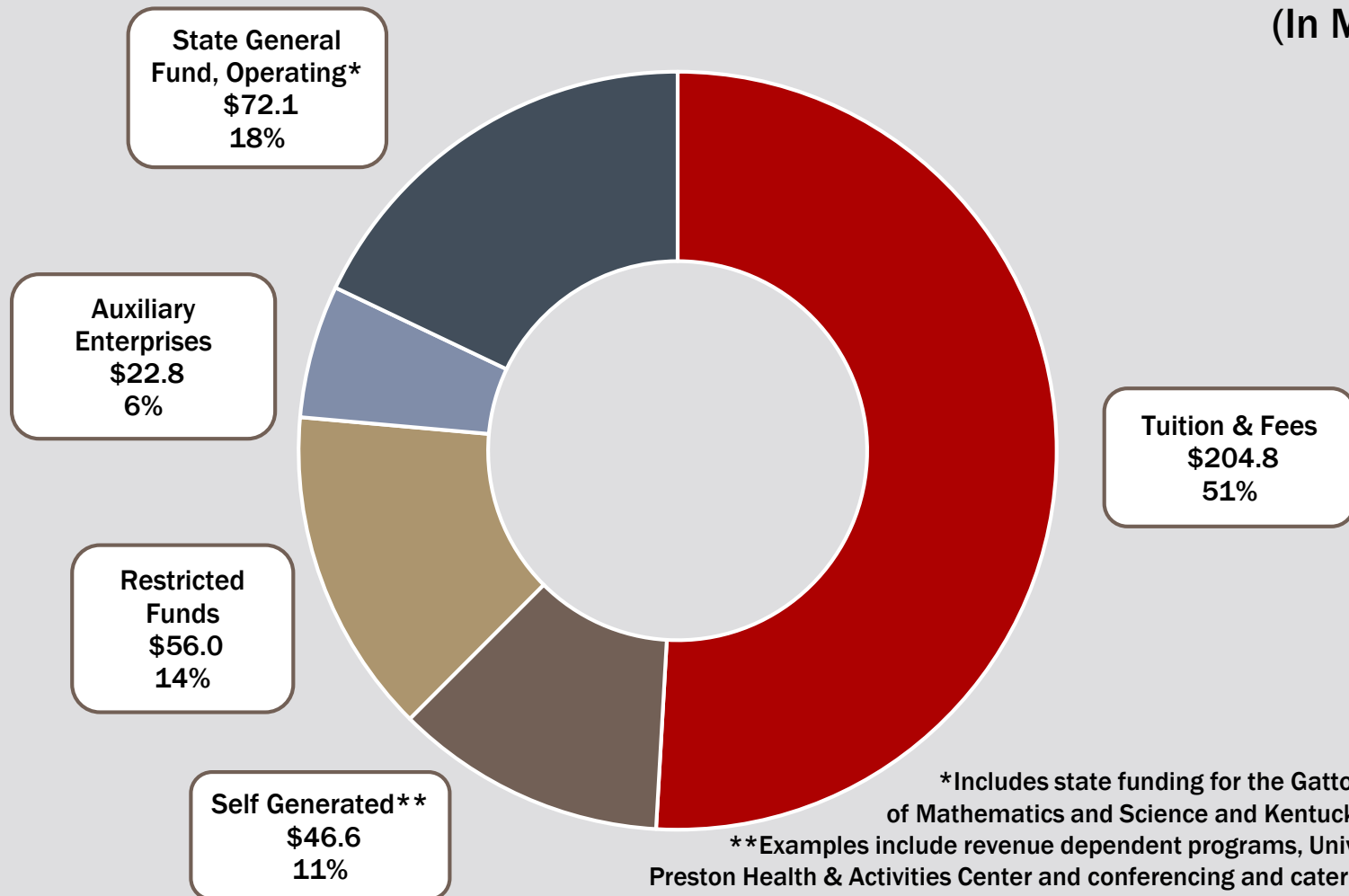


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*Educational and general.

WKU PROJECTED REVENUE BY SOURCE

(In Millions)



*Includes state funding for the Gatton Academy of Mathematics and Science and Kentucky Mesonet.

**Examples include revenue dependent programs, University farm Preston Health & Activities Center and conferencing and catering centers.

WKU STATE GENERAL FUND FOR OPERATING PURPOSES

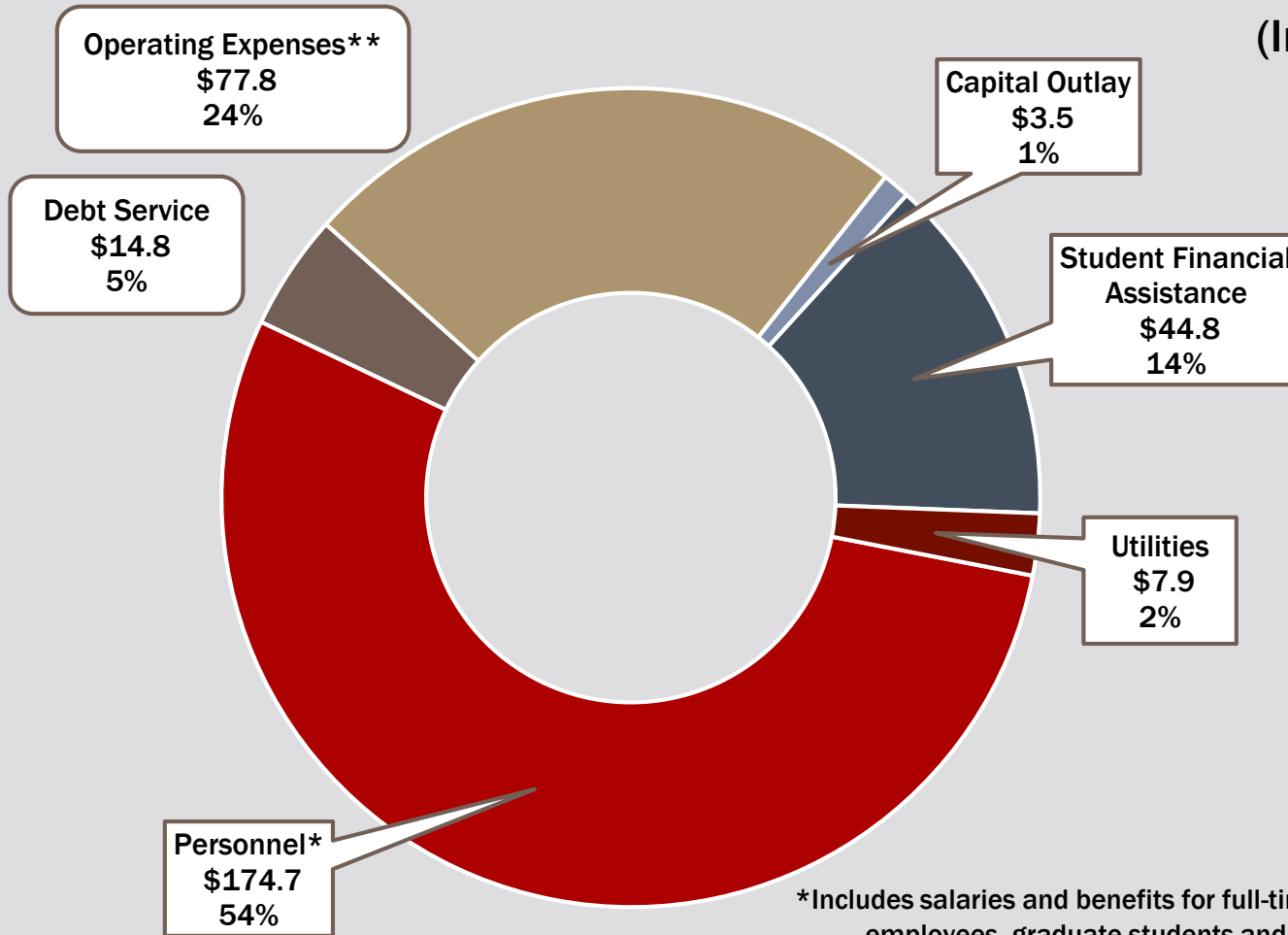


31

- In millions.
- Excludes designated state funding for Gatton Academy and KY Mesonet.
- * No adjustment for inflation.

WKU FY 2017 UNRESTRICTED E&G EXPENDITURES BY MAJOR CLASSIFICATION

(In Millions)

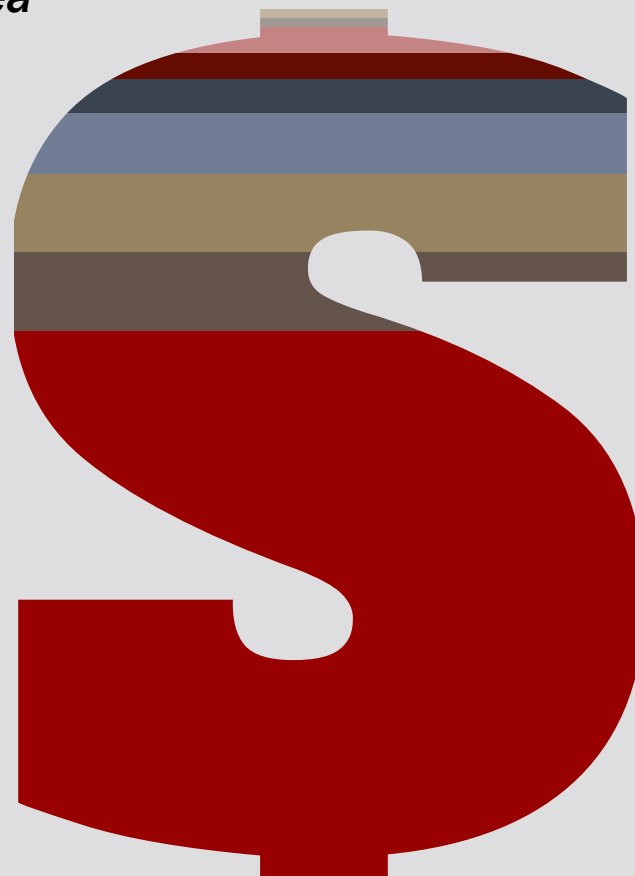


*Includes salaries and benefits for full-time and part-time employees, graduate students and student workers.
**Examples include Includes supplies, equipment and travel.

WKU UNRESTRICTED E&G BUDGETED EXPENDITURES

By Organizational Area
(In Millions)

33



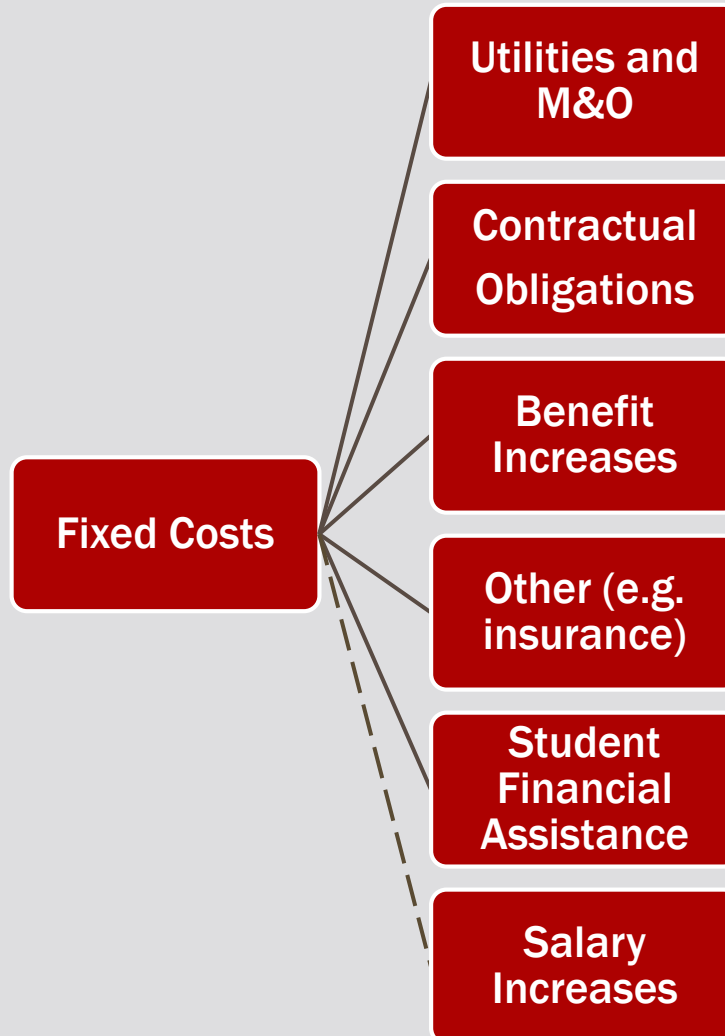
- Development & Alumni Relations - \$4.2
- Public Affairs - \$4.4
- Student Affairs - \$8.3
- Finance & Administration - \$10.0
- Information Technology - \$12.5
- Athletics - \$23.3
- Facilities - \$28.6
- Other* - \$30.2
- Academic Affairs - \$202.6

*Other includes Office of the President, General Counsel and University-Wide.

WKU RECURRING STATE BUDGET REDUCTIONS AND INSTITUTIONAL REALLOCATIONS

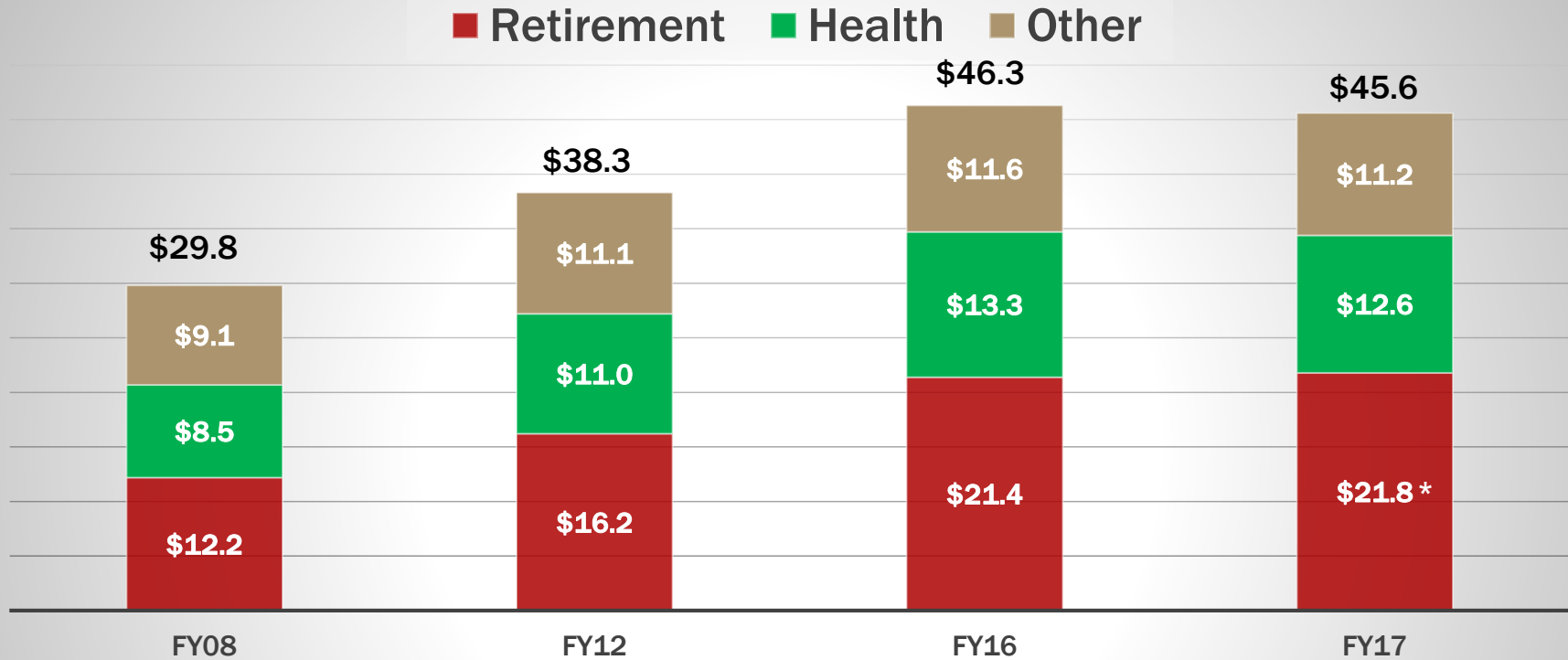
	State Reduction	Reallocations of Base to Balance Budget
FY 2009	\$5,047,100	\$352,500
FY 2010	2,399,700	1,612,500
FY 2011	1,123,100	—
FY 2012	781,600	407,000
FY 2013	4,952,100	—
FY 2014	—	1,848,000
FY 2015	1,106,300	2,940,800
FY 2016	—	7,937,400
FY 2017	3,359,200	2,680,000
Total	\$18,769,100	\$17,778,200

WKU'S FINANCIAL OBLIGATIONS TO BE ADDRESSED DURING BUDGET DEVELOPMENT



WKU FRINGE BENEFITS UNRESTRICTED E&G

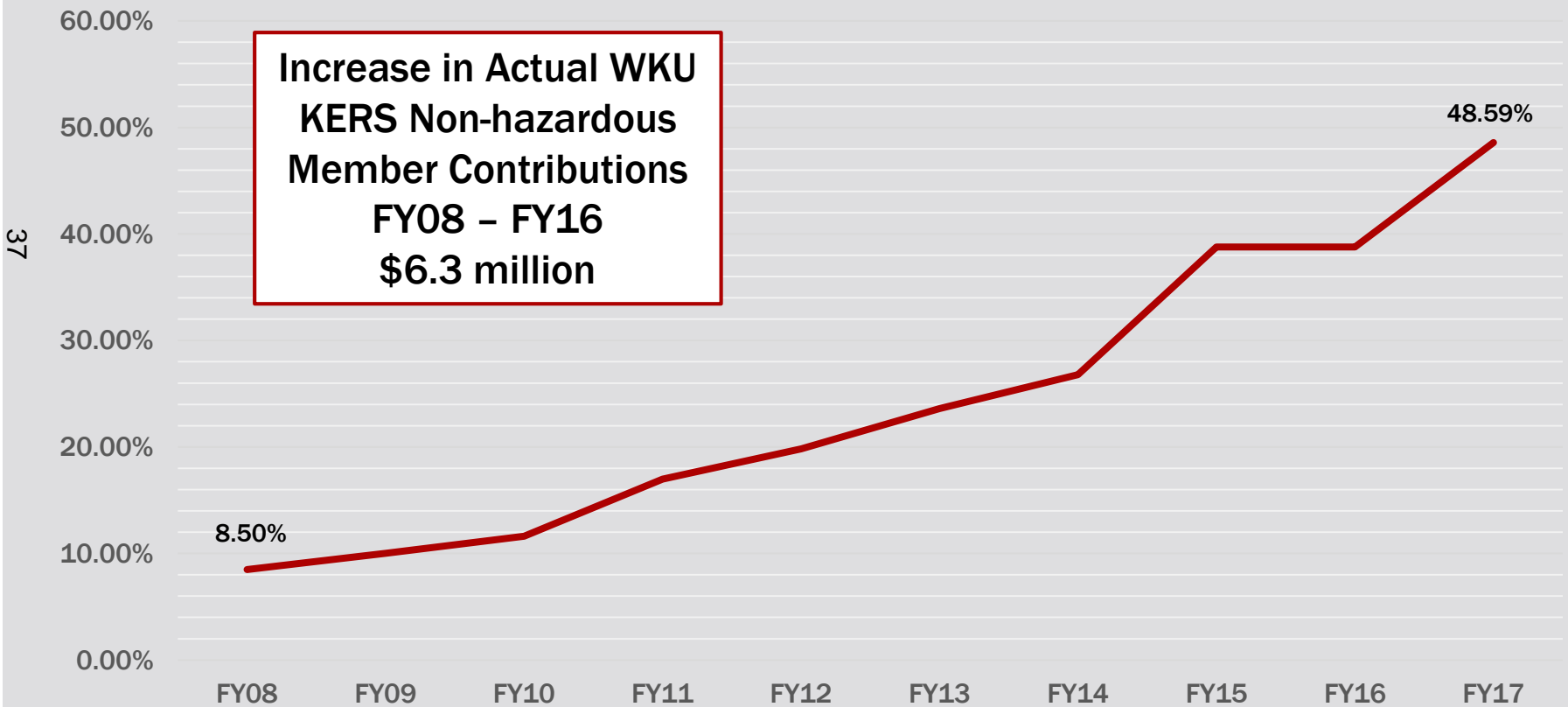
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- In millions.
- Excludes fringe contingency.
- Other includes FICA, MQFE, Life, Disability, Worker's Comp, Faculty/Staff and Dependent Child Scholarships, Unemployment Compensation, Employee Training and Uniforms.
- * Transition of the Department of Facilities Management building services and grounds employees to SODEXO and position elimination reduced increase.

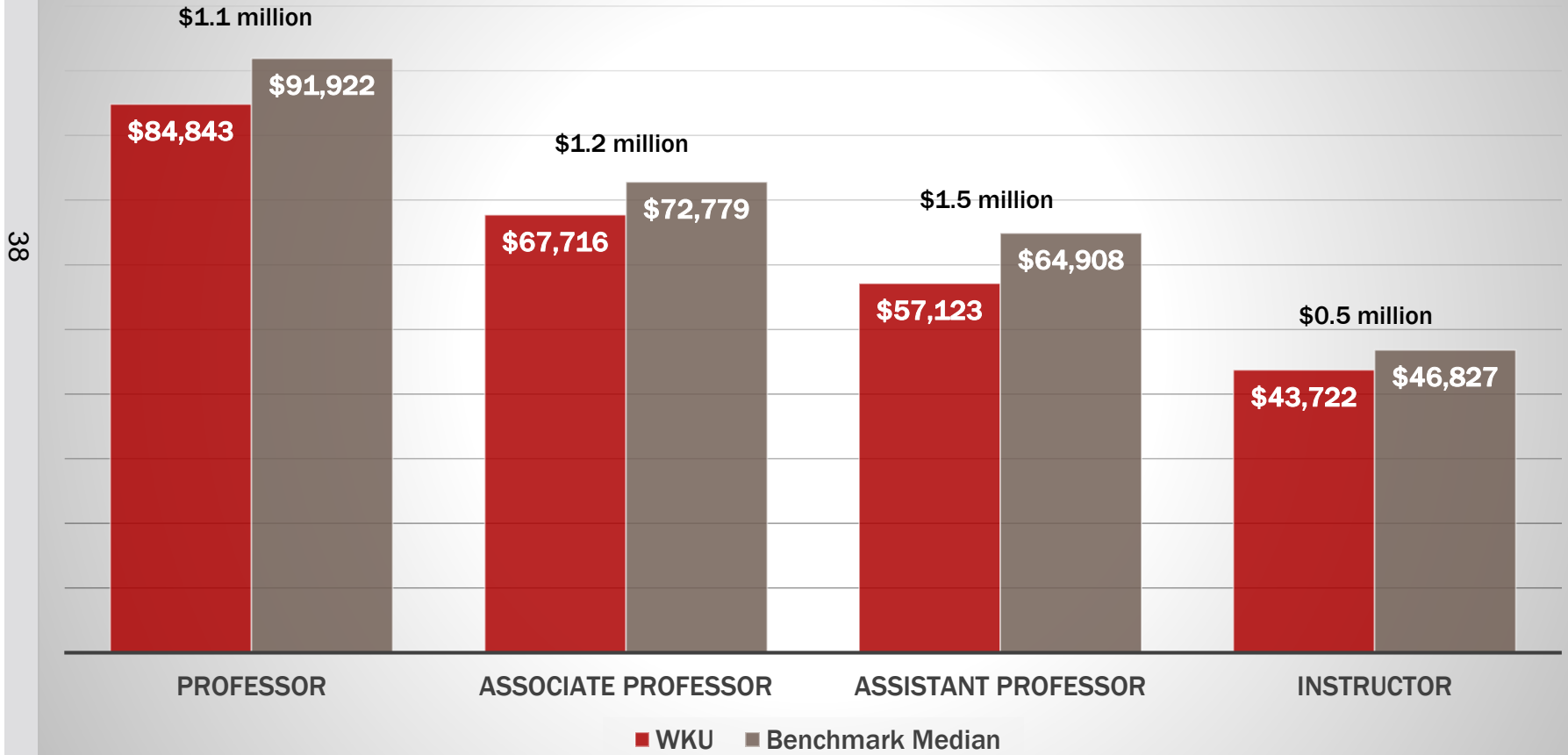
KERS CONTRIBUTION RATES

KERS Non-hazardous Rates



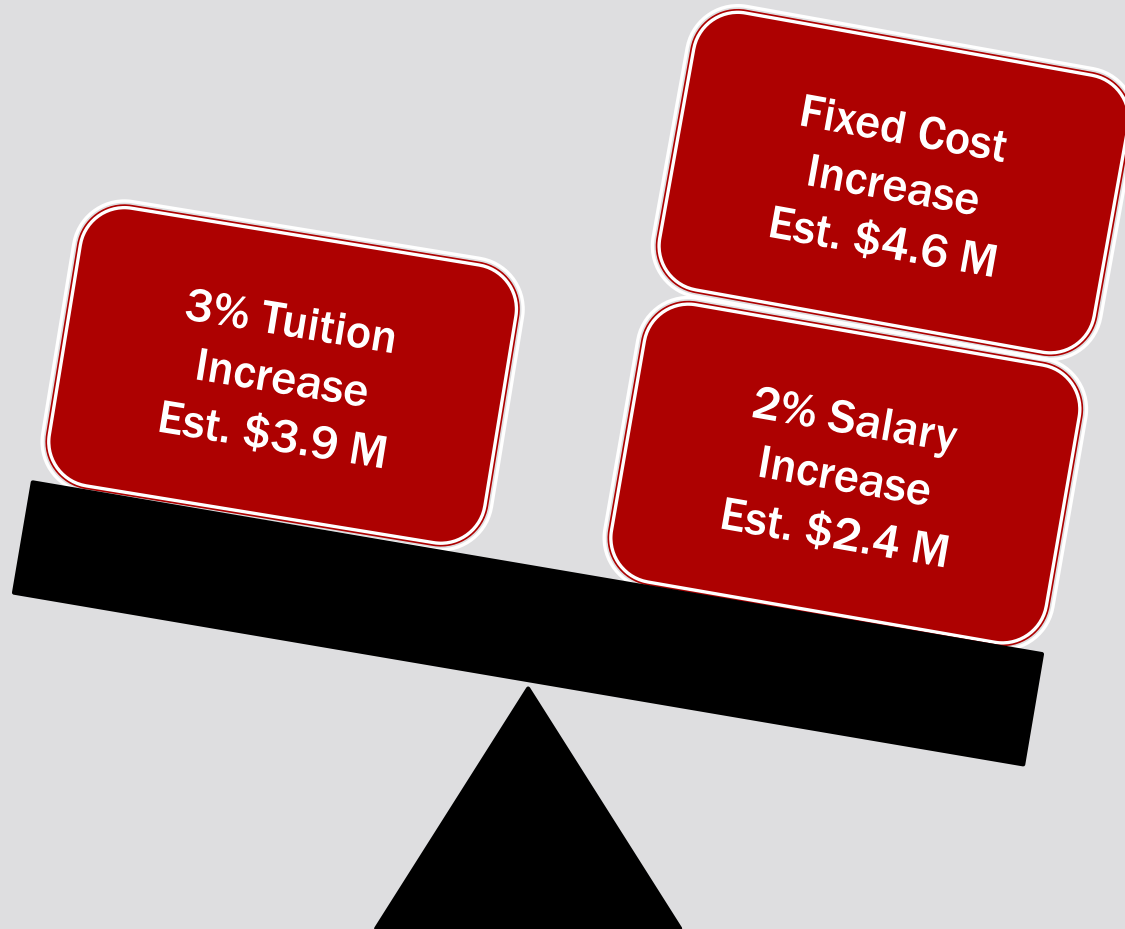
FACULTY SALARIES WKU VS BENCHMARK MEDIAN

Amount needed for WKU to reach benchmark median...\$4.3 million



Data is from FY14-15

WKU FY 2017-18 BUDGET CHALLENGES



KCTCS 
 **FORWARD**
FOR OUR STUDENTS, OUR COMMUNITIES AND KENTUCKY'S WORKFORCE

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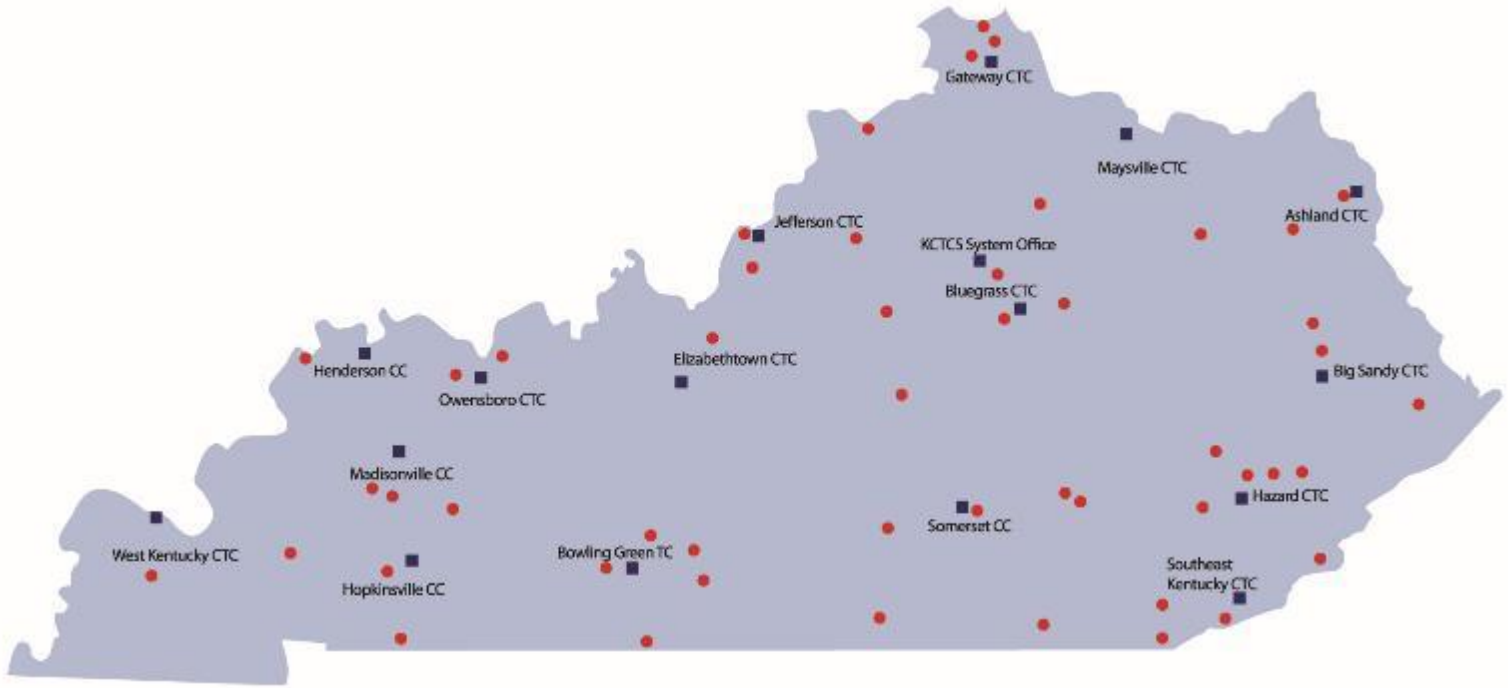
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Kentucky Council on Postsecondary Education (CPE)



16 Comprehensive Community and Technical Colleges
73 Campuses Within 30 Minute Drive of Most Kentuckians



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KCTCS AT A GLANCE

- Annual Budget of \$840 Million
- 8,100 employees representing every county of the Commonwealth
- Largest Attended Institution of Postsecondary Education in the Commonwealth – Annual Enrollment of over 107,000 Students
 - Full-time Students: 41%
 - Part-time Students: 59%
 - Female: 57%
 - Male: 43%
 - Technical Majors: 35%
 - Transfer Majors: 36%
 - Undecided: 28%

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SERVICE TO BUSINESS AND INDUSTRY

- More than 700 career-related programs
- KCTCS programs target high growth industry sectors such as: Healthcare, Manufacturing, IT/Business/Finance, Transportation/Distribution/Logistics, and Construction
- Largest provider of workforce training: serving more than 5,500 businesses, and training approximately 50,000 employees annually
- KCTCS forges partnerships with businesses and industry to provide the workforce skills needed to help make Kentucky's workforce globally competitive

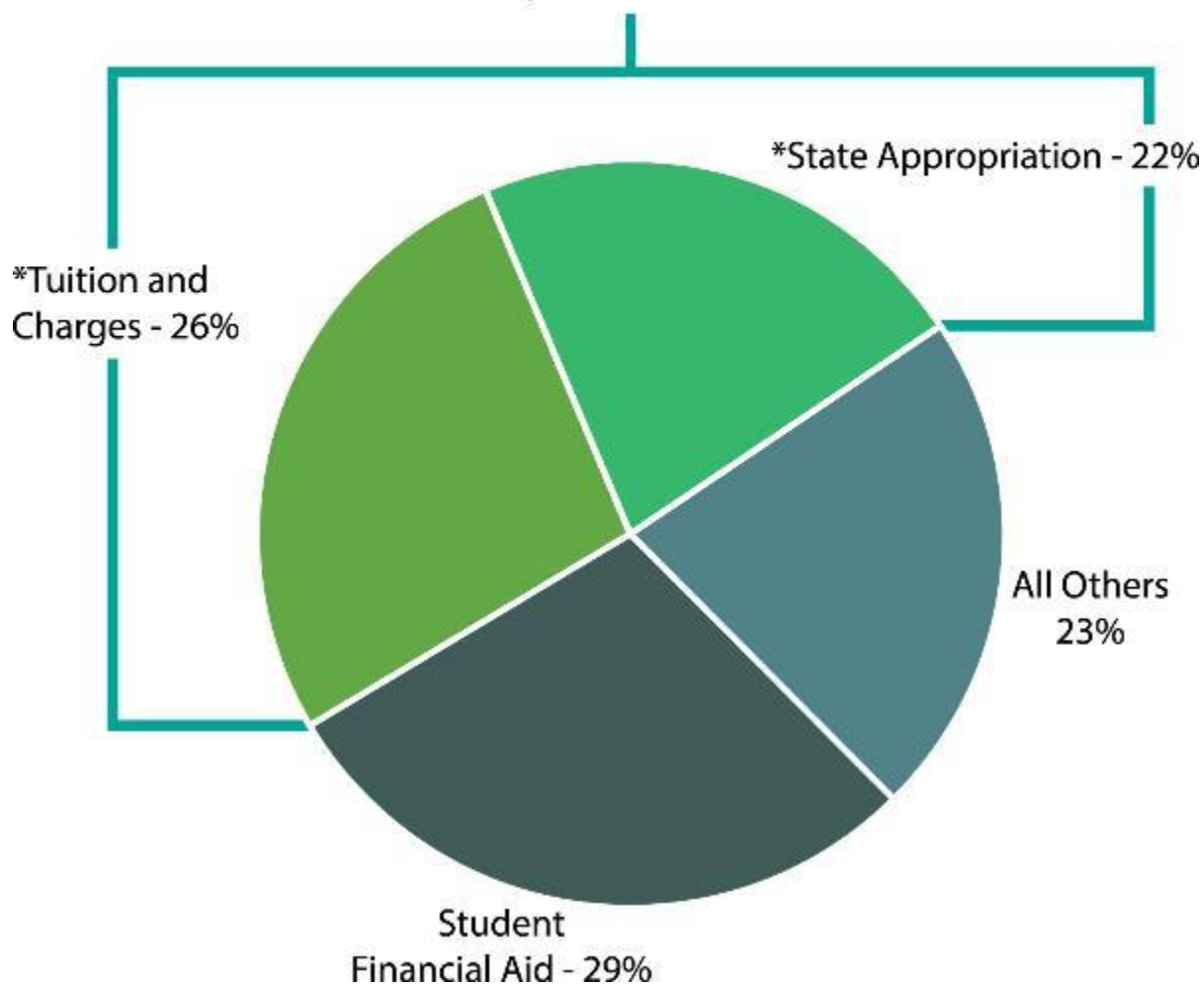


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2016-17 REVENUES

48%, Public Funds*



44

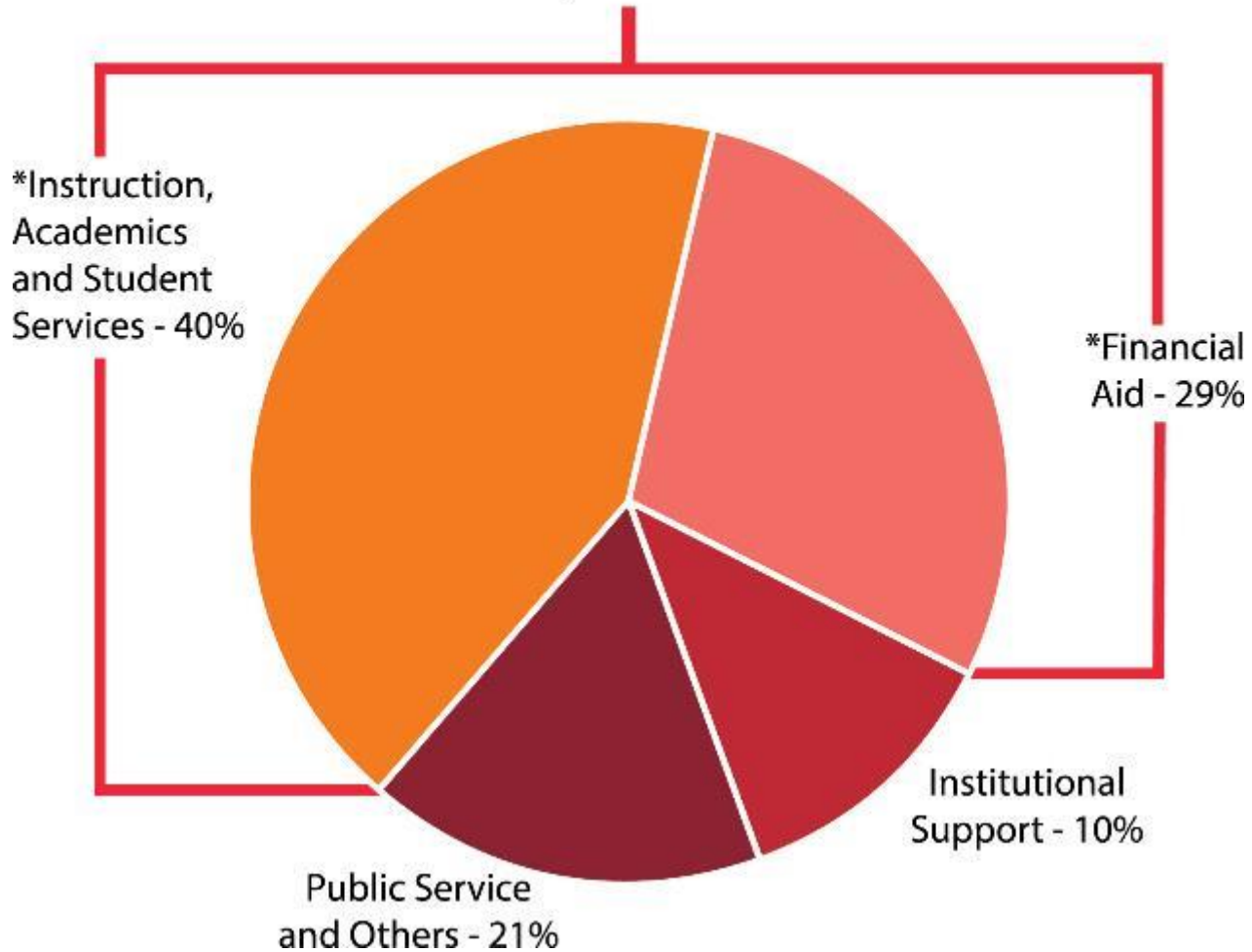


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2016-17 EXPENSES

69%, Students*



45

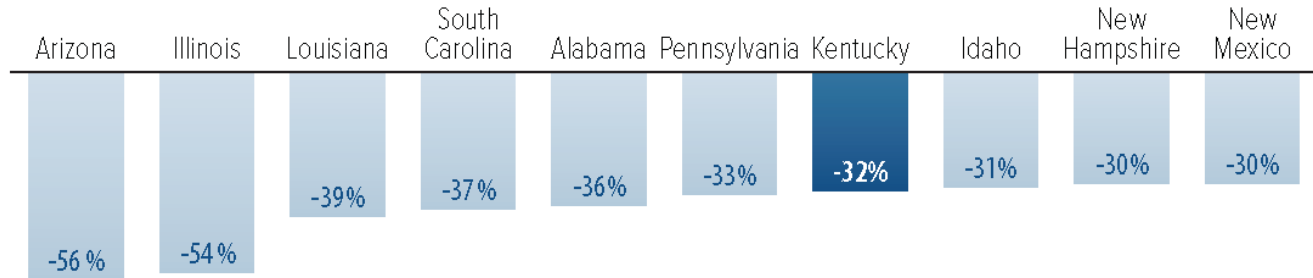


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KENTUCKY CUTS TO HIGHER EDUCATION

Only 6 states have cut higher education more than Kentucky



Notes: All figures are adjusted for inflation and represent constant 2015 dollars. Because data is available only through the 2014-2015 school year, enrollment for 2015-16 is estimated based on past years.

Source: State Higher Education Executive Officers Association, SHEF 2015; Kentucky Center for Economic Policy; College Board, Trends in College Pricing 2016

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

- Forty-six states spent less per student in the 2015-16 school year than they did before the recession.
- States cut funding deeply after the recession hit. The average state is spending \$1,598, or 18 percent, less per student than before the recession.

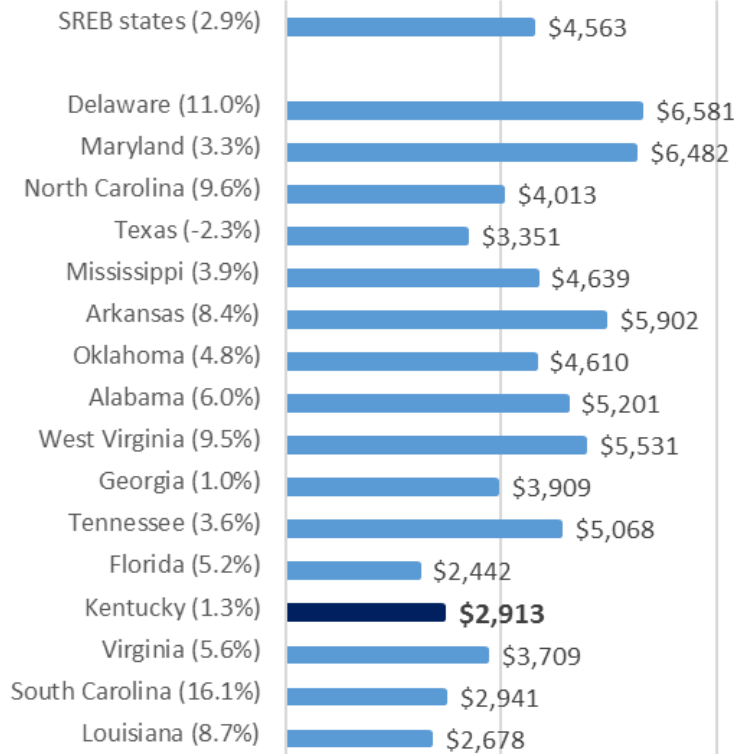
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Appropriations* per FTE Student, 2014-15 (change from 2013-14 shown in parentheses)



* Includes state and local general purpose and educational special purpose appropriations to campuses

SREB State Data Exchange 2014-2015 Indicators Report



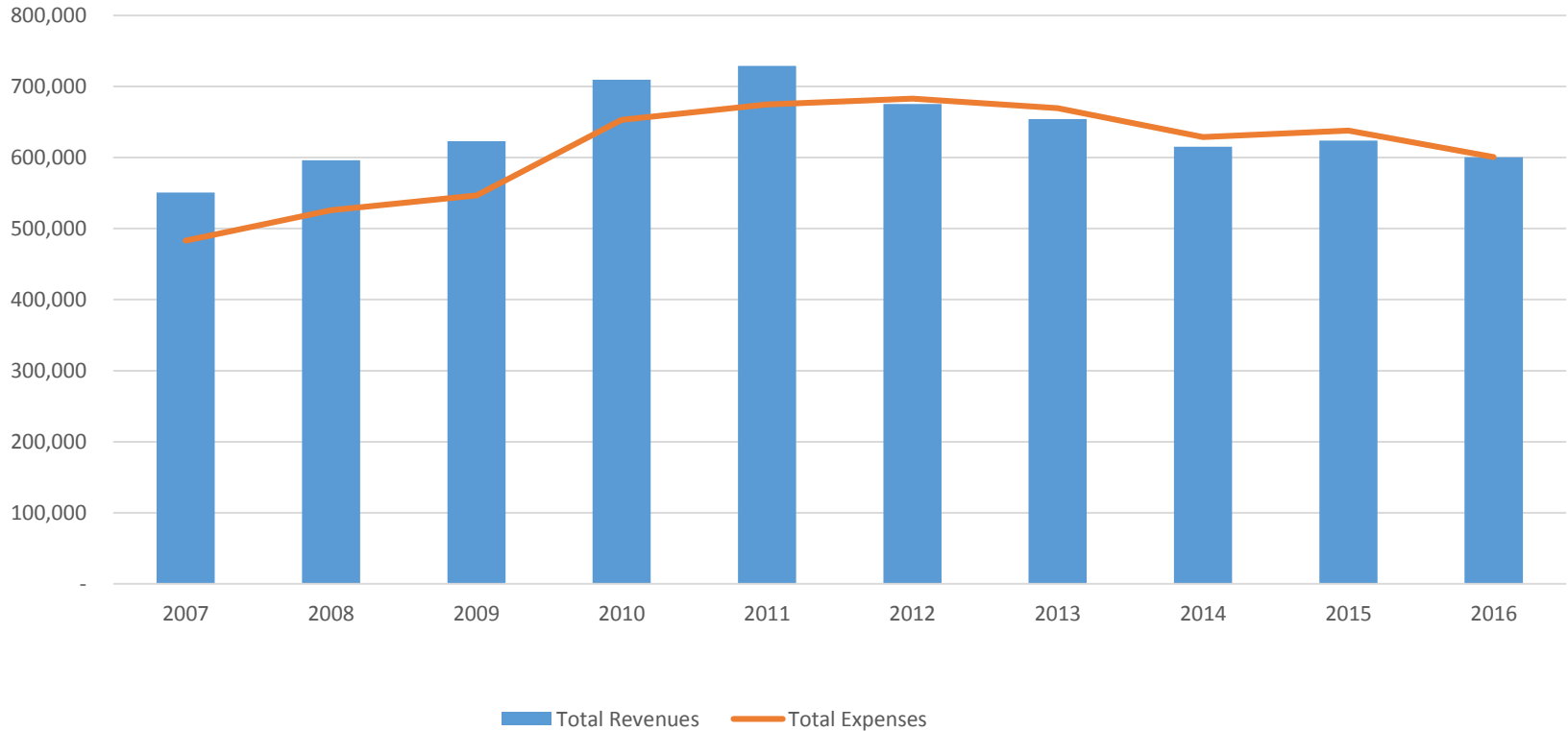
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REVENUE AND EXPENSE COMPARISON

2007-2016

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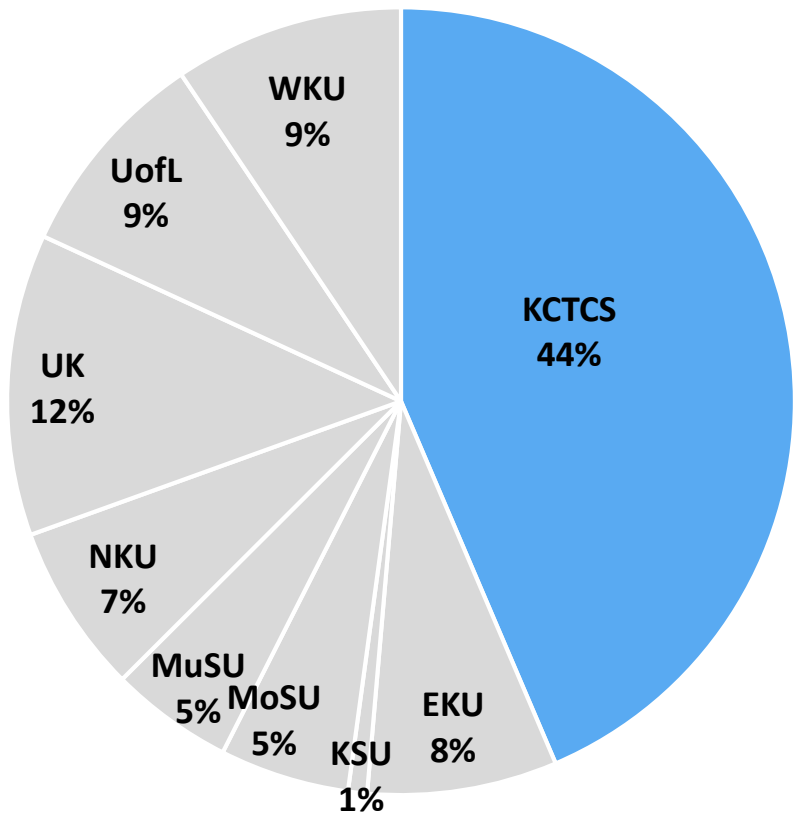


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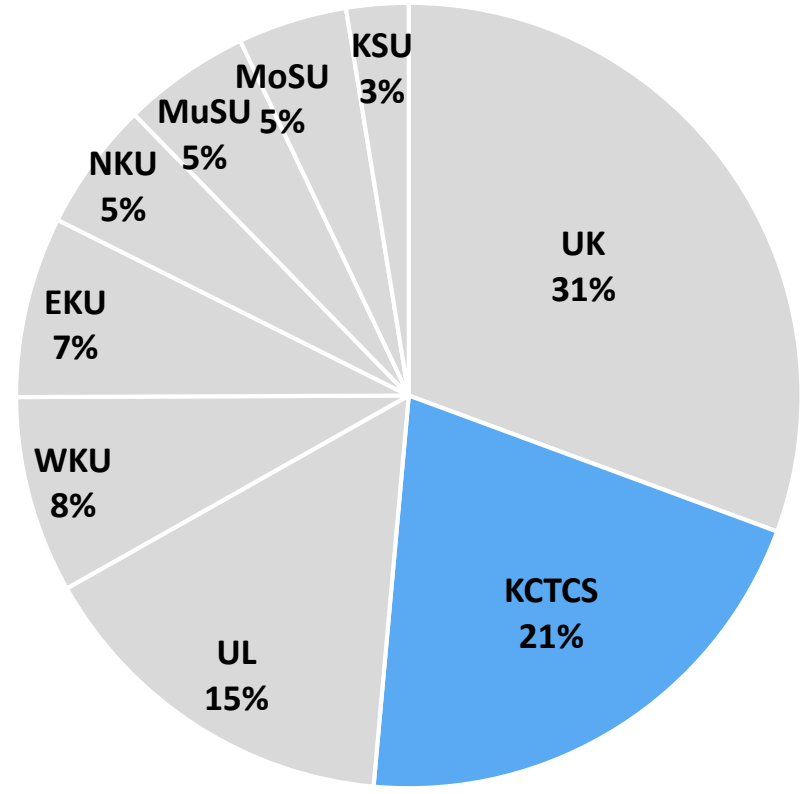


UNDERGRADUATE FALL ENROLLMENT COMPARED TO STATE APPROPRIATIONS ACADEMIC YEAR 2015-16

Enrollment



Appropriations



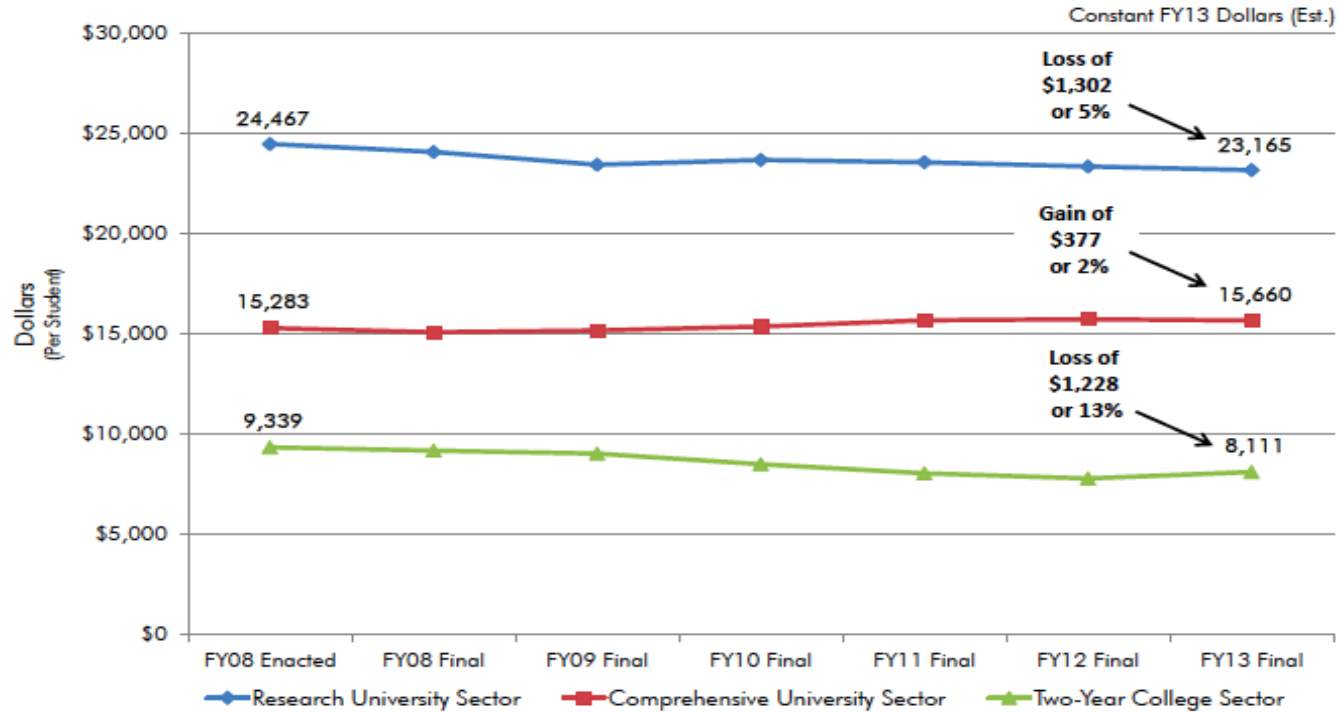
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Kentucky Public Postsecondary Sector Inflation Adjusted Total Public Funds per FTE Student Fiscal Years 2008 - 2013



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

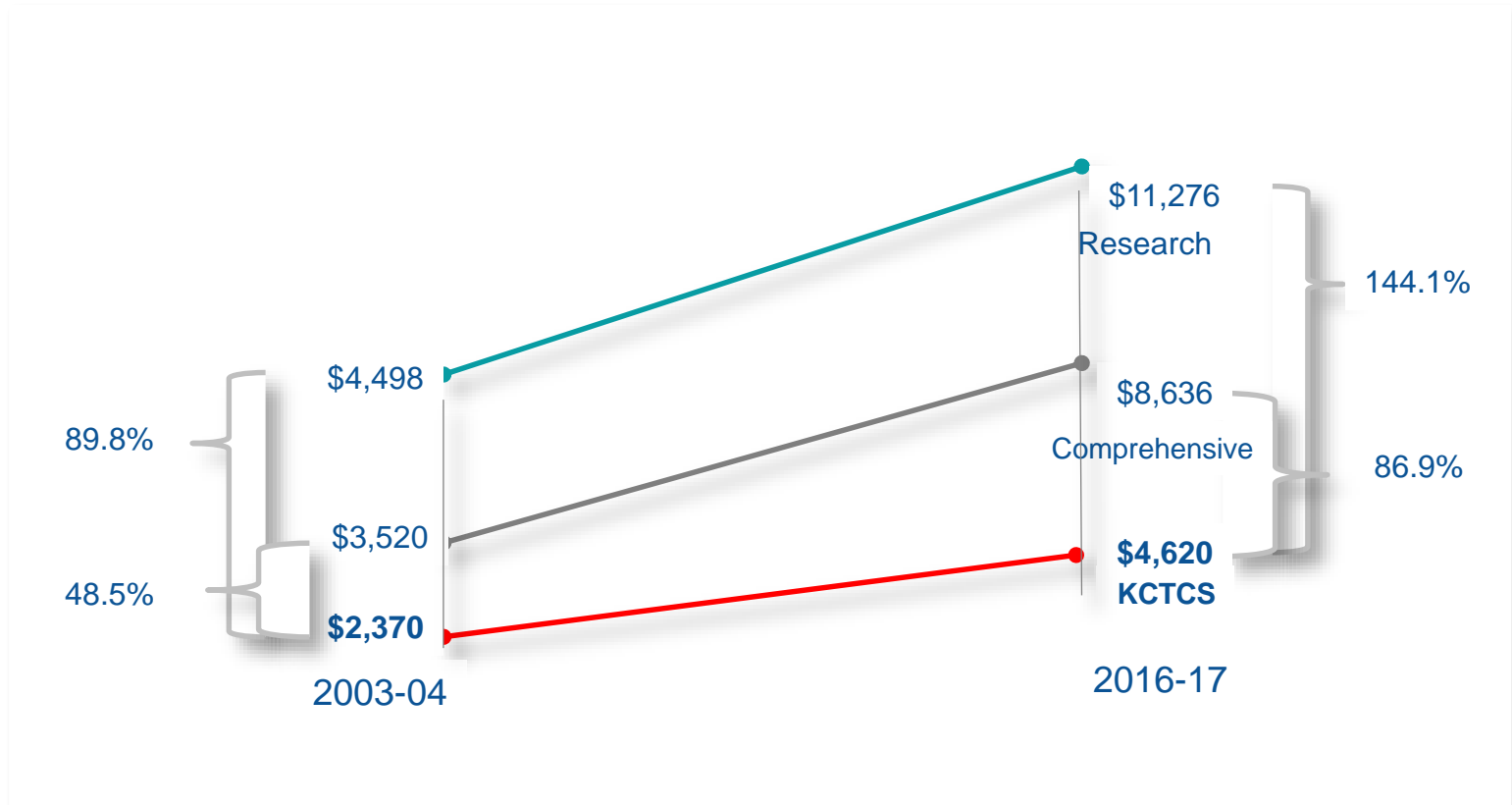
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THE WIDENING GAP OF AFFORDABILITY



Based on full-time comparison of resident undergraduates students taking 15 credit hours per semester for two semesters, or 30 credit hours per year.

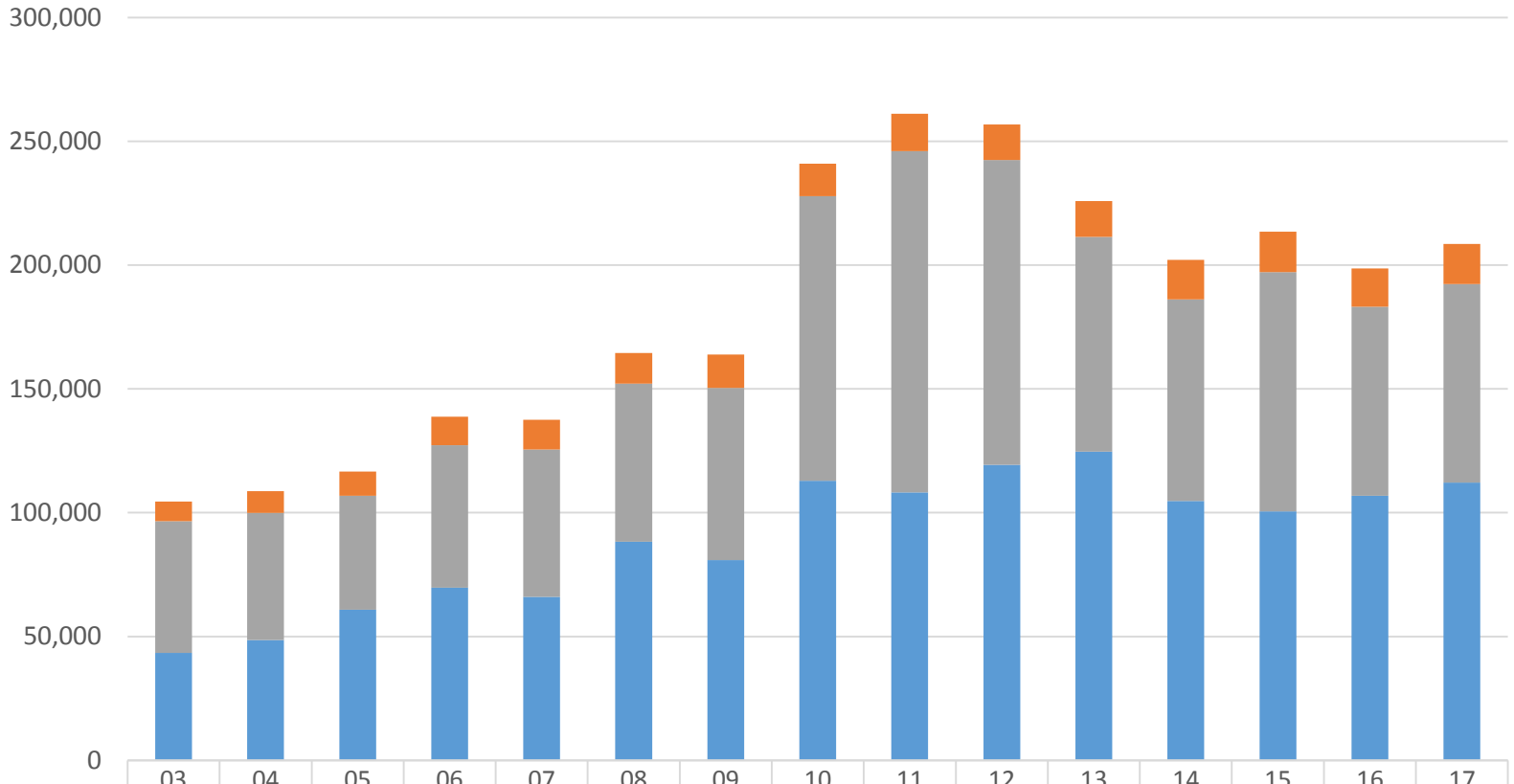
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FIXED COSTS (UTILITIES, EMPLOYEE BENEFITS, SCHOLARSHIP AND FINANCIAL AID) FISCAL YEARS 2003-2017



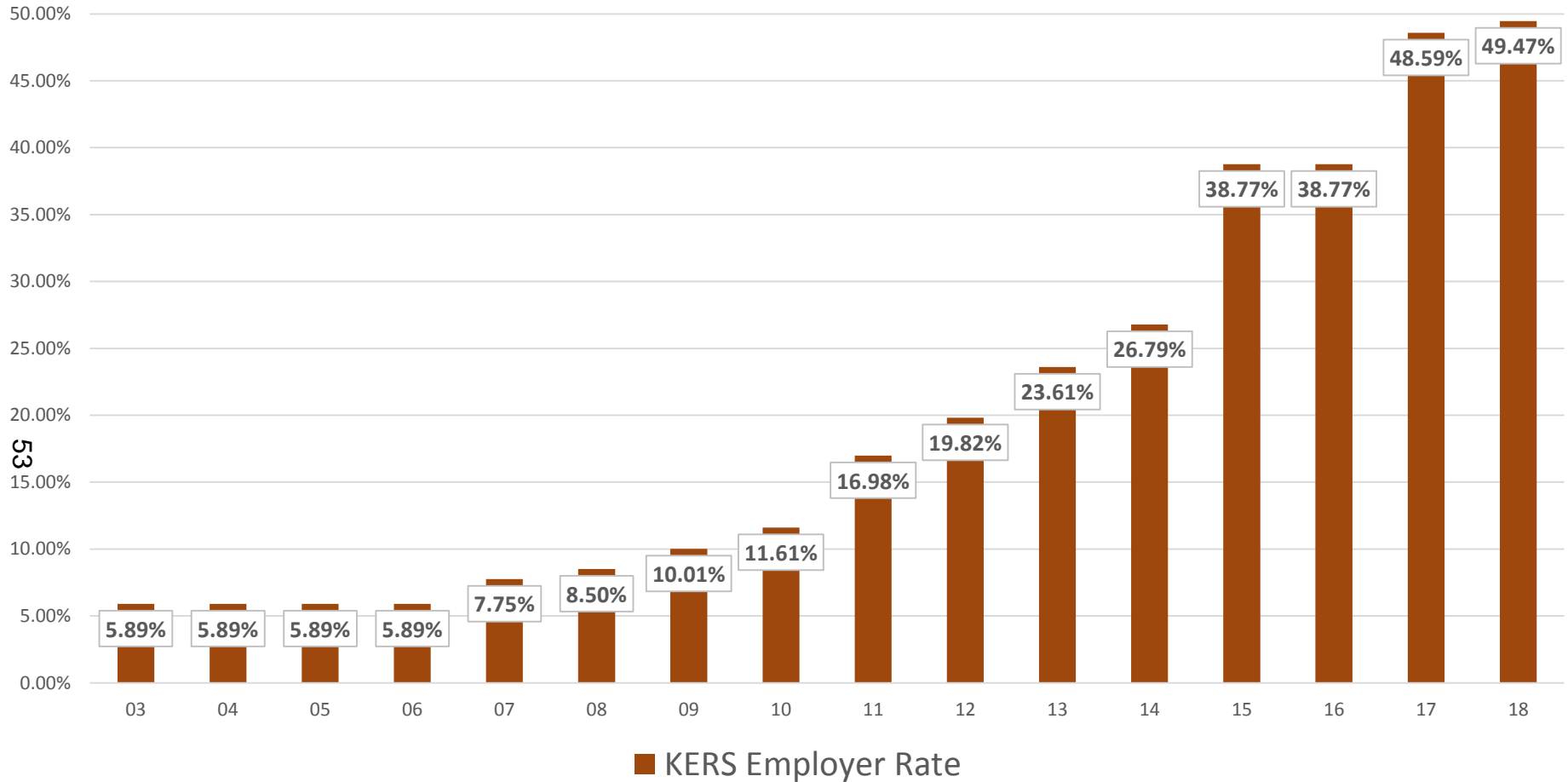
Utilities	7,816	8,682	9,831	11,529	12,027	12,281	13,463	13,156	15,107	14,344	14,469	15,887	16,295	15,411	16,182
Scholarships & Financial Aid	53,217	51,430	45,924	57,489	59,470	63,879	69,597	114,847	137,817	123,095	86,670	81,432	96,586	76,331	80,148
Employee Benefits	43,412	48,544	60,894	69,793	66,087	88,291	80,827	112,943	108,205	119,326	124,681	104,757	100,603	106,842	112,184



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KENTUCKY EMPLOYEE RETIREMENT SYSTEM (KERS) EMPLOYER RATE FISCAL YEARS 2003-2018

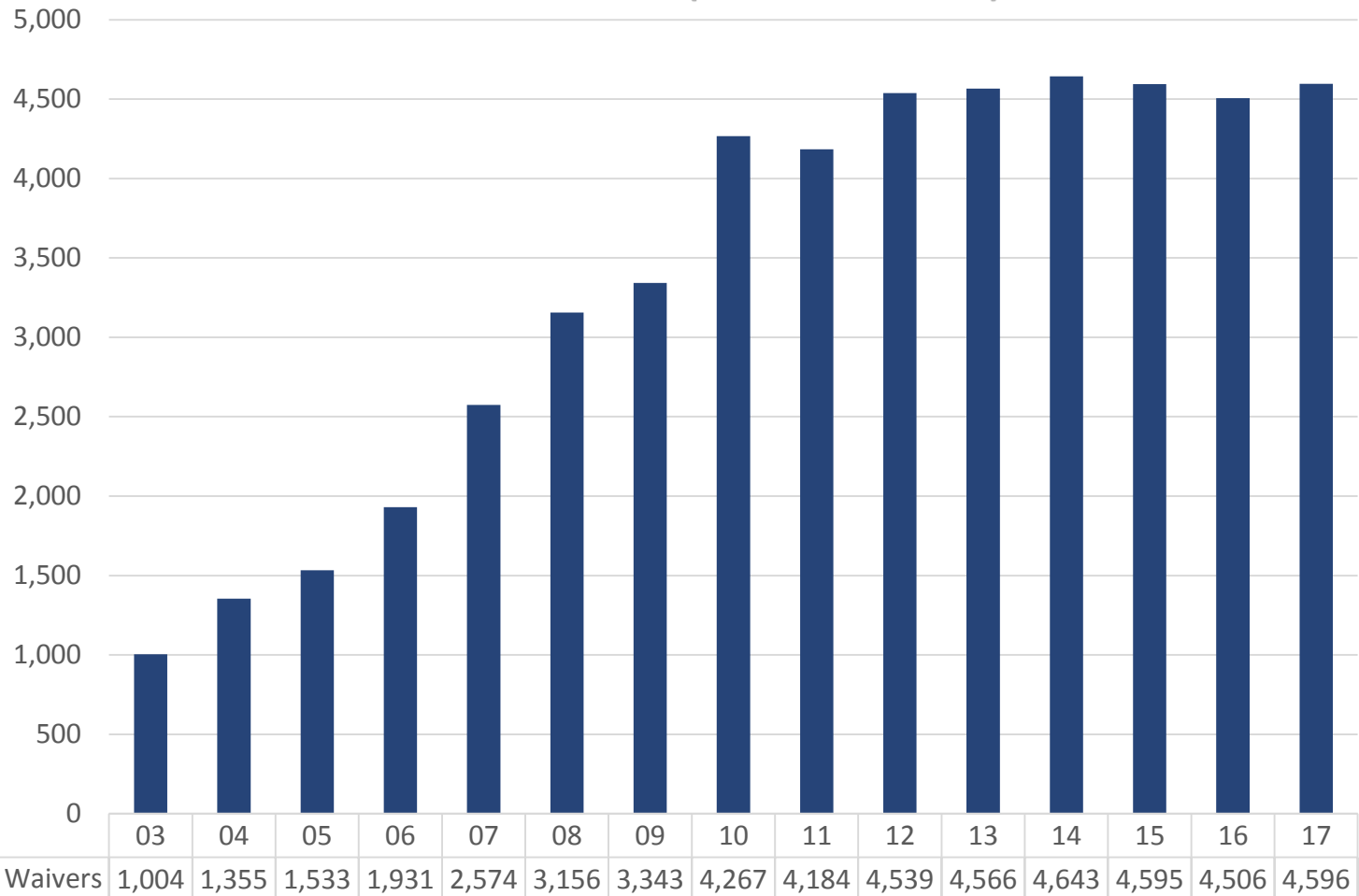


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STATE MANDATED WAIVERS

FISCAL YEARS 2003-2017 (IN THOUSANDS)



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EMPLOYEE COMPENSATION AND TURNOVER

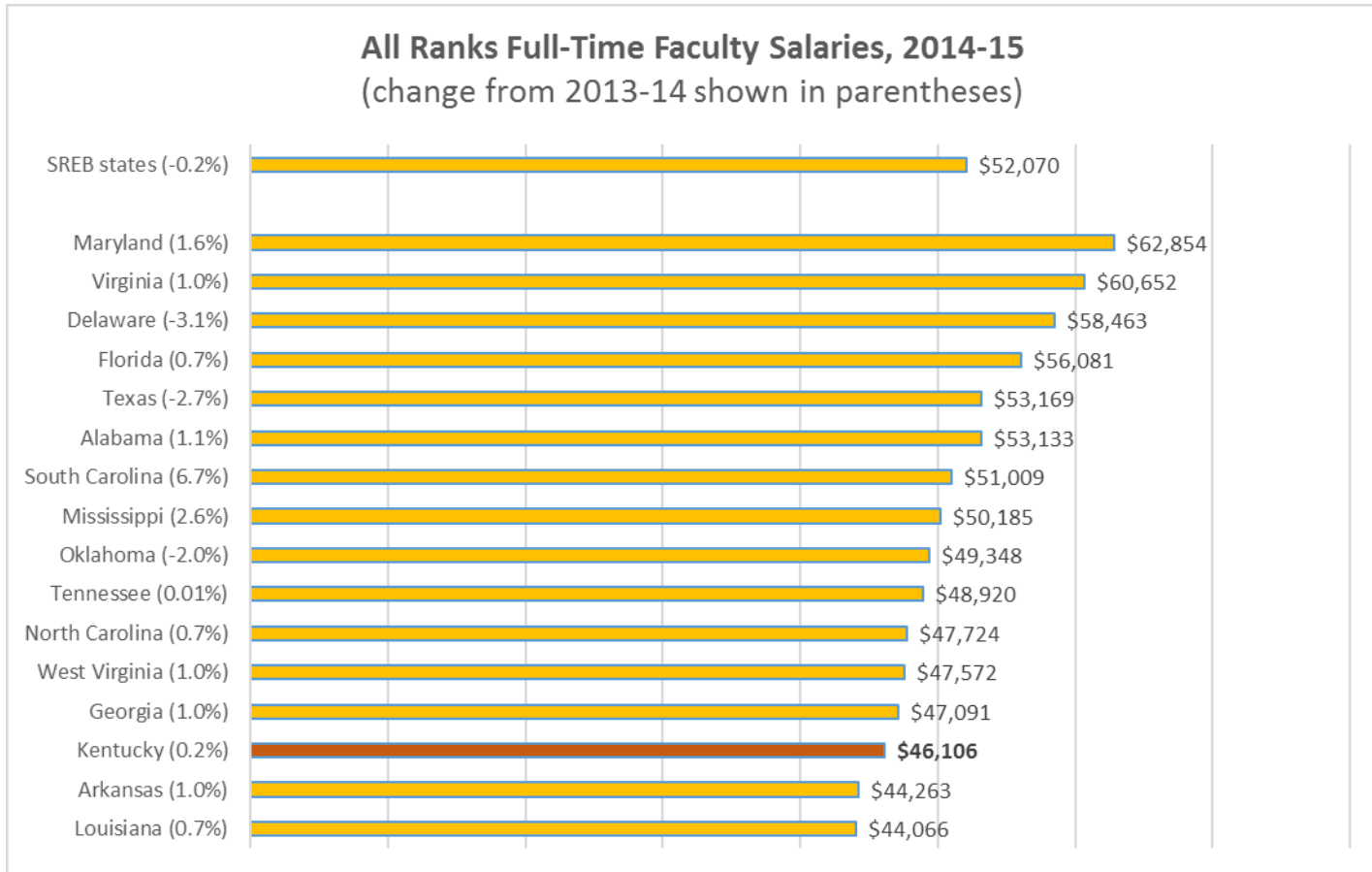
- KCTCS continues to experience the loss of key faculty and staff due to an inability to provide competitive compensation
- 2016 Compensation and Classification Study by and external consultant reviewed KCTCS's faculty and staff salaries are roughly 85% of the market for comparable positions
- Salary compression is a major concern as KCTCS lacks the financial resources to reward employees with longer service and more experience

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SREB State Data Exchange 2014-2015 Indicators Report

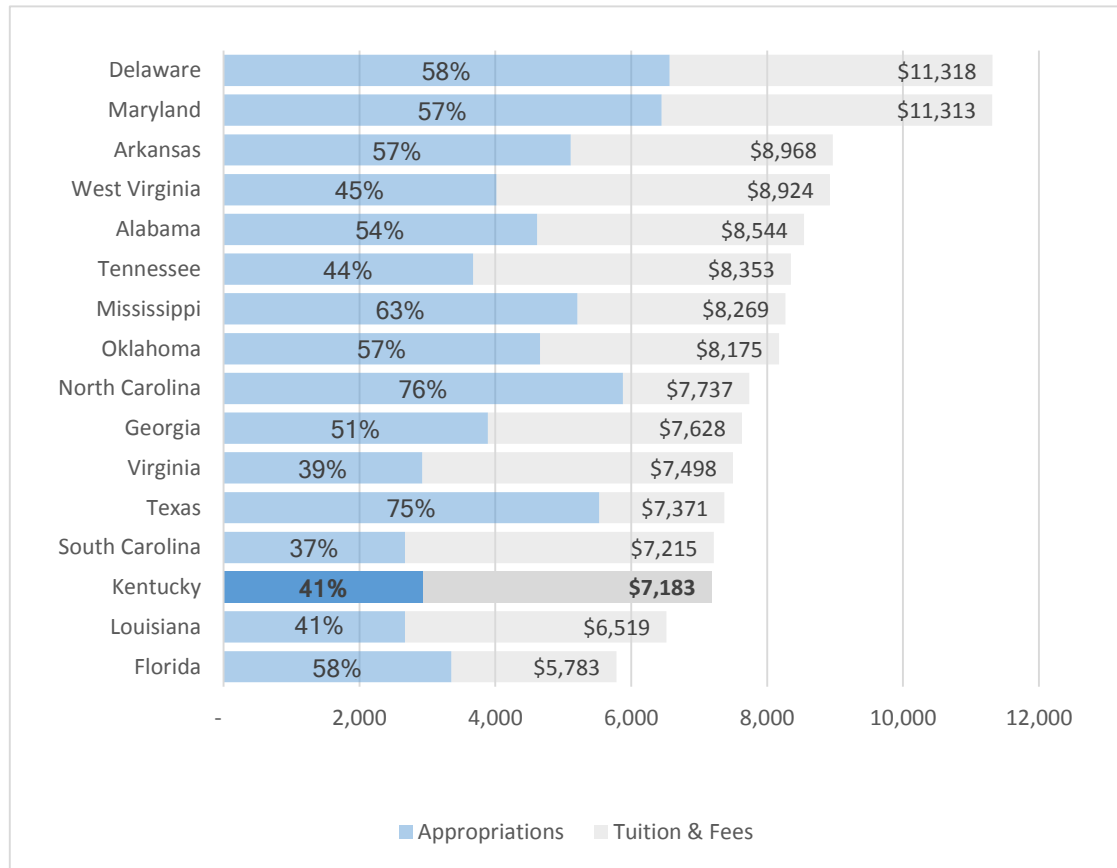


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PUBLIC TWO-YEAR COLLEGES

COLLEGE FUNDING INDICATORS



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*SREB State Data Exchange - March 2016



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EFFICIENCY EFFORTS TO HELP MAKE ENDS MEET

- **Reduced faculty and staff to right-size**
- **Increased class size and space utilization**
- **Eliminated low enrollment programs**
- **Partnered across colleges and with other postsecondary education institutions with delivery of services and sharing of resources**
- **Renegotiated and rebid contracts**
- **Invested in energy management systems, conservation, and sustainability**
- **Increased collections**
- **Sold off surplus property and equipment**
- **Reduced operating and contingency reserves to minimum levels**

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QUESTIONS?

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