

CPE Affordability Study

The Council on Postsecondary Education awarded JBL Associates, Inc., a contract to conduct a detailed affordability study as part of Kentucky's participation in the Western Interstate Commission on Higher Education's multi-year project titled *Changing Direction: Integrating Higher Education Financial Aid and Financing Policy*. The project was funded by the Lumina Foundation for Education. The purpose of this project was to examine how to structure financial aid and financing policies and practices to maximize participation, access, and success for all students. The Center for Policy Analysis at the American Council on Education, National Conference of State Legislatures, and State Higher Education Executive Officers were partners in this initiative. Kentucky applied and was chosen for participation in *Changing Direction* for two years. A final report of the study was presented to the Strategic Committee on Postsecondary Education at its September meeting.

The study addressed key questions for developing policies at both state and institutional levels to make postsecondary education more affordable and accessible to Kentuckians:

- To what extent is college affordable for Kentucky students? Are there gaps in relative affordability for certain students identifiable by institutional choice and by socio-economic, demographic, or regional variables? To what extent do these gaps alone affect access, continuing success, and completion?
- Are there changes to current student financial aid programs that could accomplish the system's goals of access, continuing success, and completion?
- How does the current array of Kentucky's funding strategies (for example, benchmark funding, tuition rate setting, external funds, and student financial aid) affect postsecondary education access and other success measures such as retention and completion?
- What changes to the state's postsecondary finance policies other than those specifically related to financial aid programs would enhance access for lower income or otherwise underserved populations of Kentucky students?
- Are there other student financial aid programs that could be made available to Kentucky students that could enhance effectiveness and efficiency, thus improving access for Kentucky's students, especially those with the least ability to pay, and encourage students to continue and ultimately to complete college?
- What innovative approaches or ideas are available from international, national, or regional studies, academic research articles, or books that may provide insight to affordability issues in Kentucky? Are there innovative solutions to these issues already being adopted or considered by other entities that may be considered in Kentucky?

Attached is an executive summary of the CPE affordability study. Sandy Woodley, CPE's vice president for finance, will present the findings of the study at the December 14 meeting.

