



***Unpacking Key Questions,
Policies and Practices Impacting
Affordability in the South***

**Defining Affordability: A Collaboratory on
Postsecondary Affordability in Kentucky**

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Many state policies impact college affordability

- Tuition and fees
- Appropriations
- Financial Aid
- Time and credits to degree
- Statewide guaranteed transfer
- Accelerated Options (Early College, dual enrollment, AP)
- Affordable baccalaureate degrees
- Pathways from certificates to degrees
- Prior learning credit and competency-based learning
- Program credit hour caps
- Readiness for college-level work

The SREB logo is displayed in white serif font on a dark blue vertical background strip. The letters are bold and spaced out.

Shared Responsibility for College Affordability

Southern
Regional
Education
Board

SREB.org

June 2016

The Report of the SREB Affordability Commission

What is affordability?

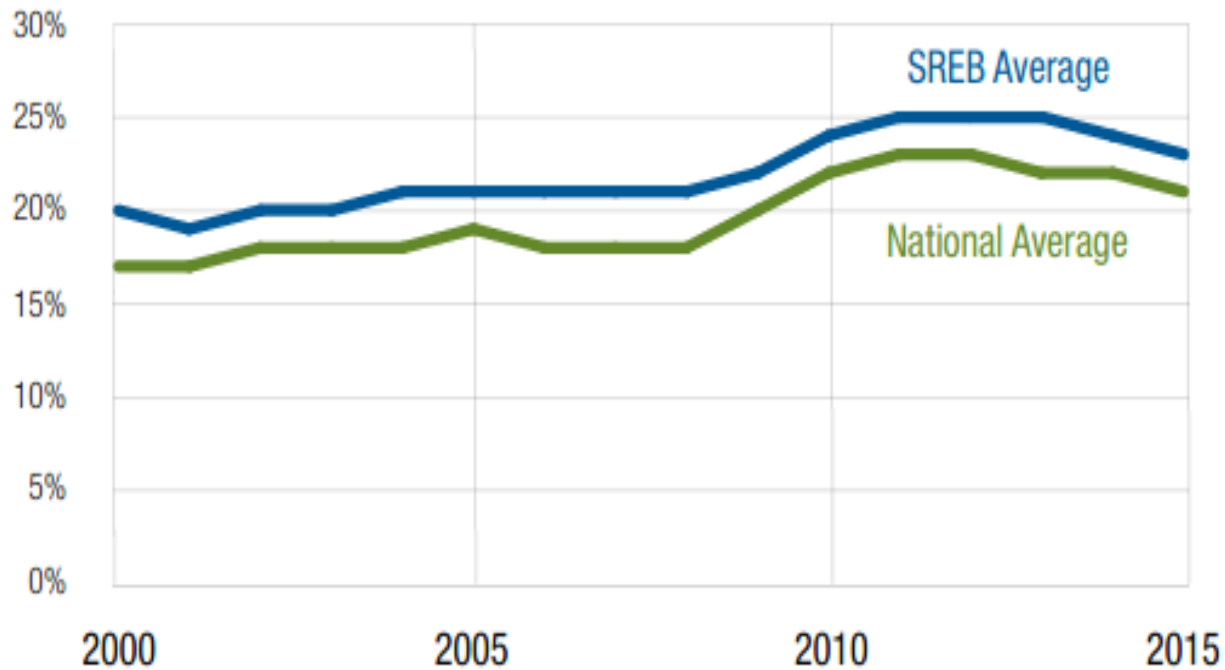
- Affordability is grounded in the economic realities of students and families.
- Cost of Attendance (COA) includes:
 - published tuition and required fees
 - books and supplies
 - room and board
 - other expenses
- Net price = COA minus grant aid (federal, state or institutional).



Public Higher Education Affordability in the South: Regional Profile 2017

SREB | Southern Regional
Education Board

Change in percentage of children living in poverty, 2000-2015



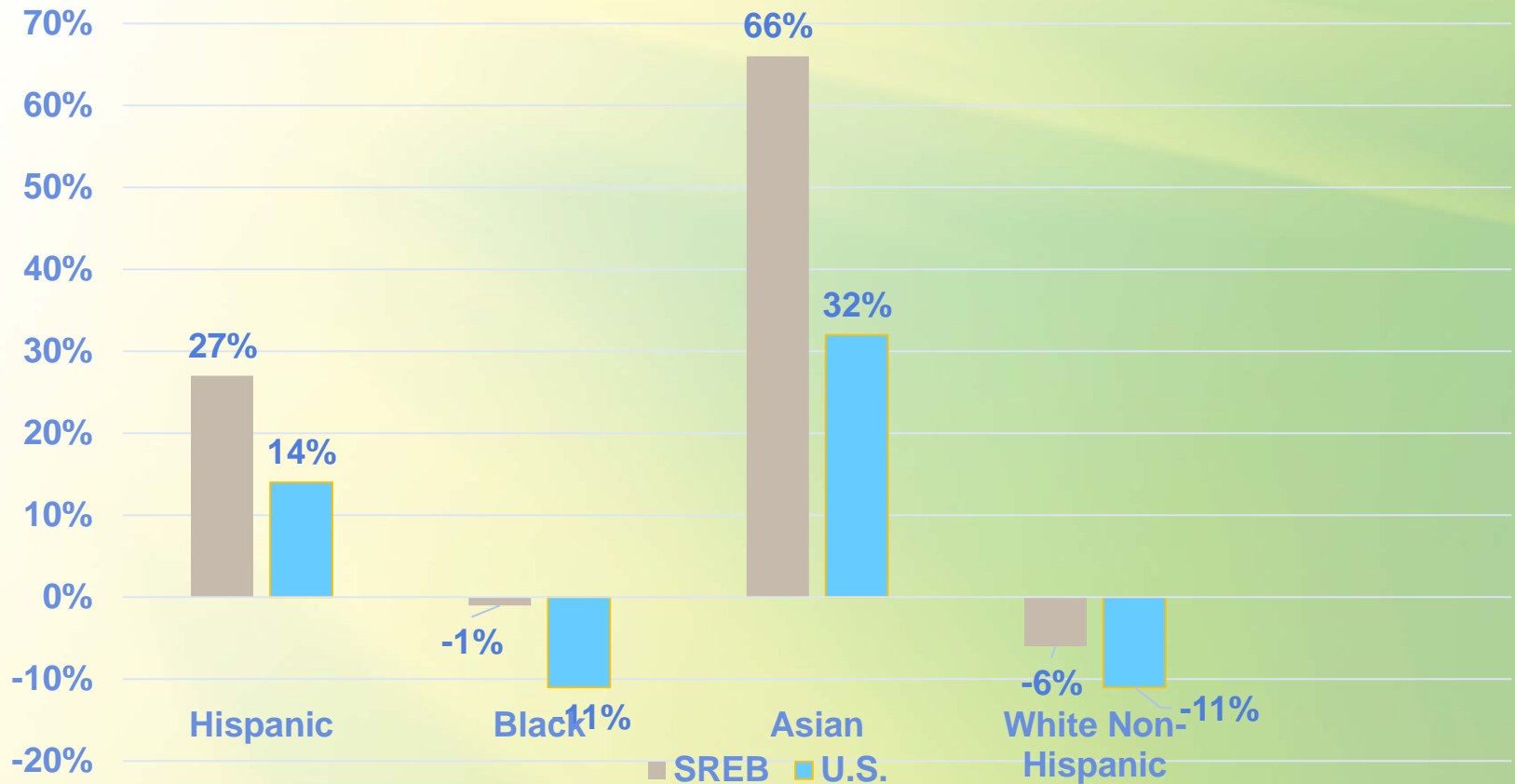
Source: Annie E. Casey Foundation, 2017. *Kids Count Data Book*.

Percentage of the Population by Income Group, Kentucky, 2009 and 2014



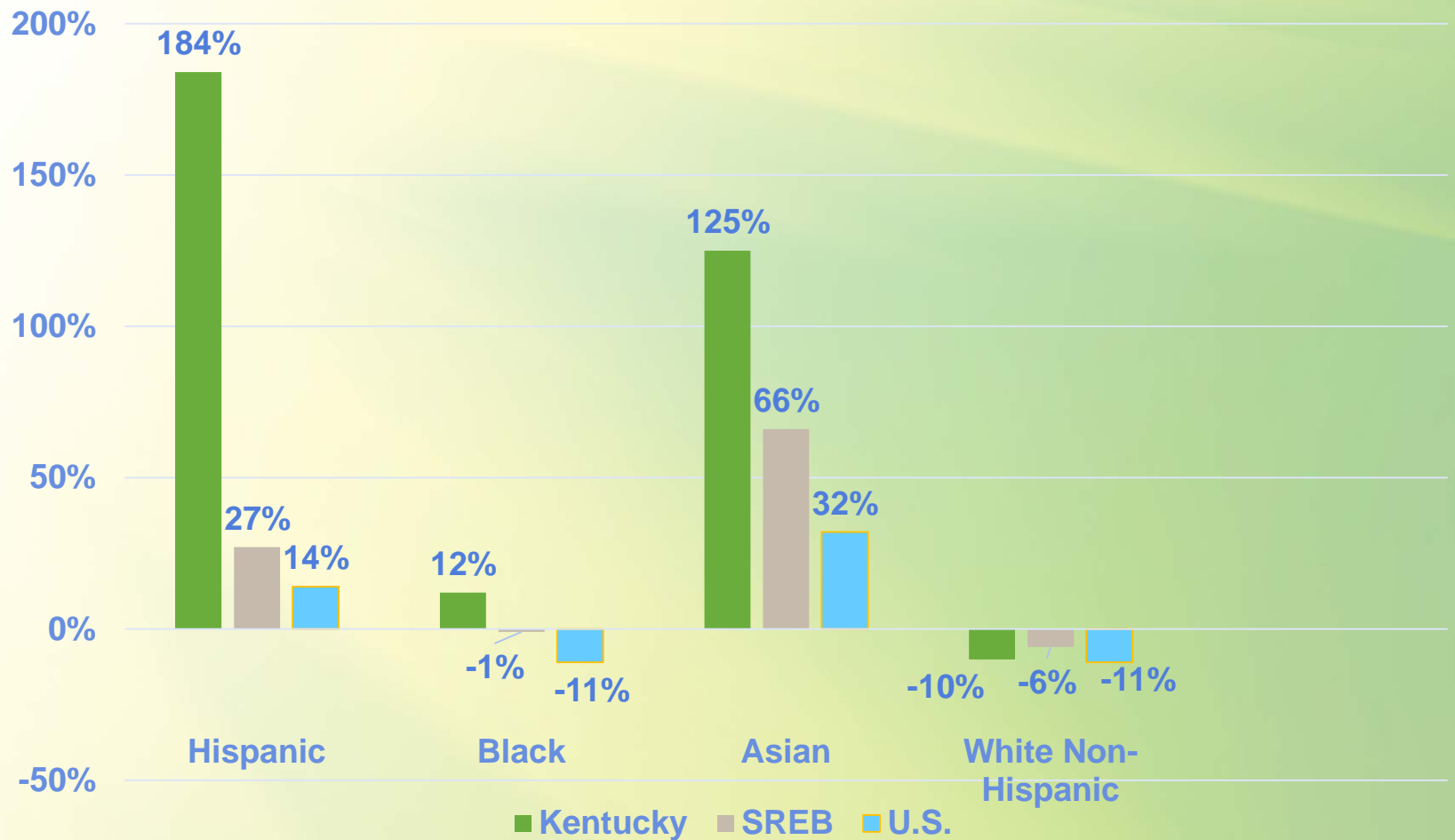
Source: American Community Survey Public Use Microdata Samples.

Projected change in high school graduates by race and ethnicity, 2015-16 and 2031-32



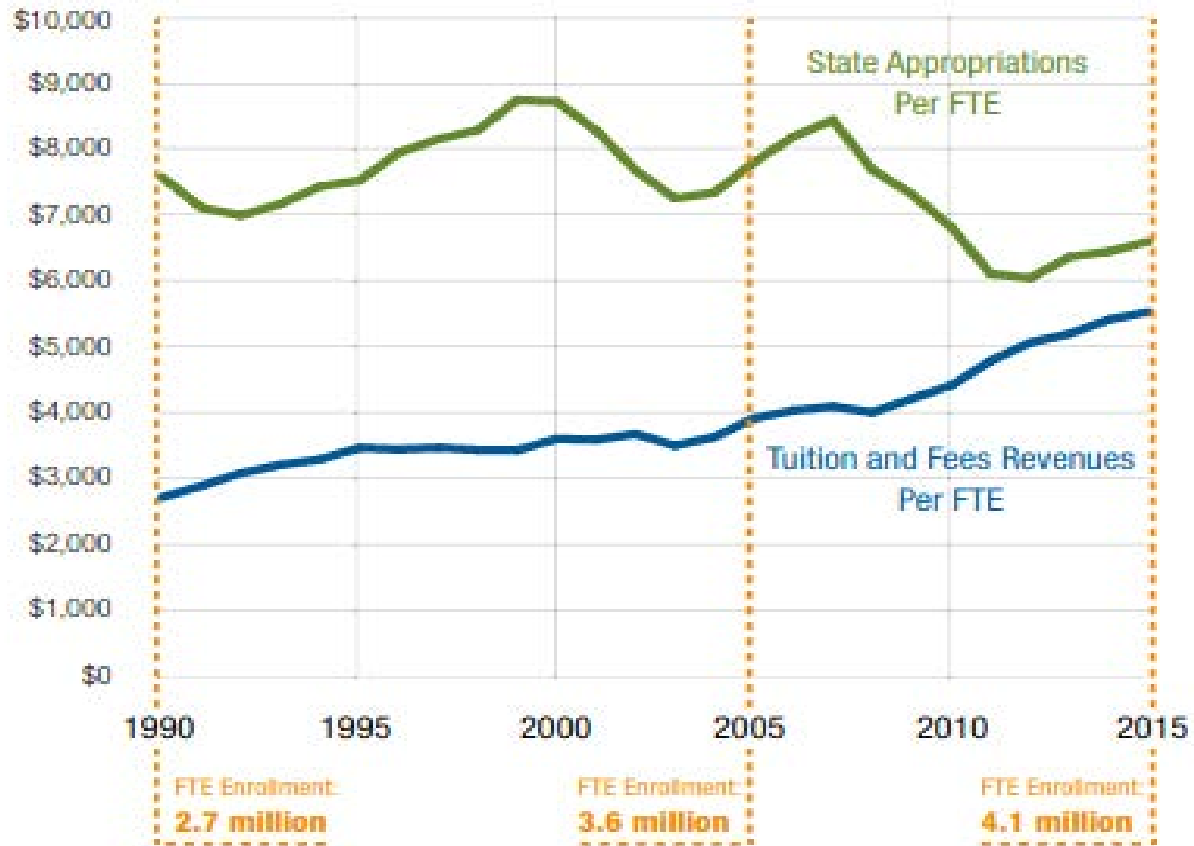
Source: WICHE, *Projections of High School Graduates, 2016*.

Projected change in high school graduates by race and ethnicity, 2015-16 and 2031-32



Source: WICHE, *Projections of High School Graduates, 2016*.

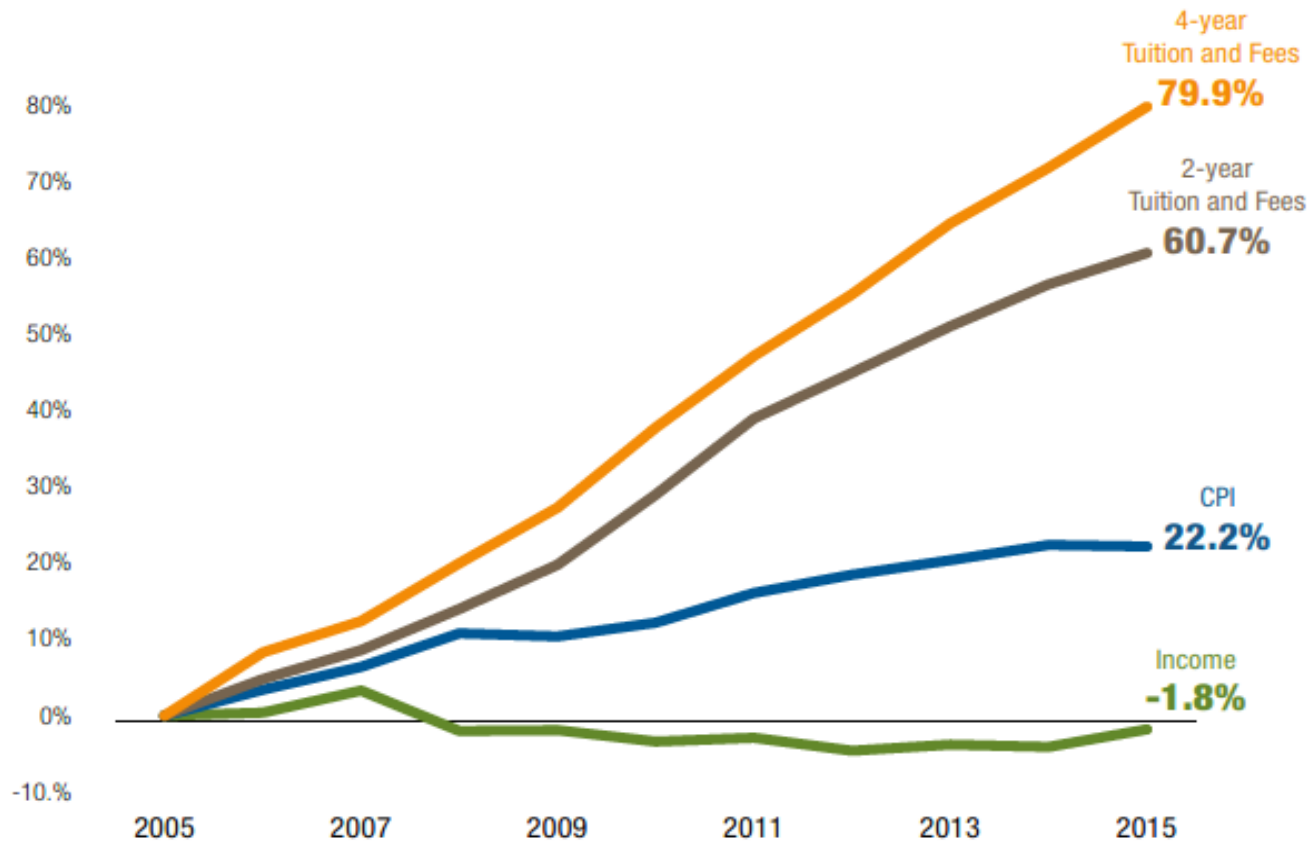
Dollars per FTE student from tuition, fees and state appropriations, 1990-2015



Source: State Higher Education Executive Officers Association (2017). *State Higher Education Finance FY 2016*.

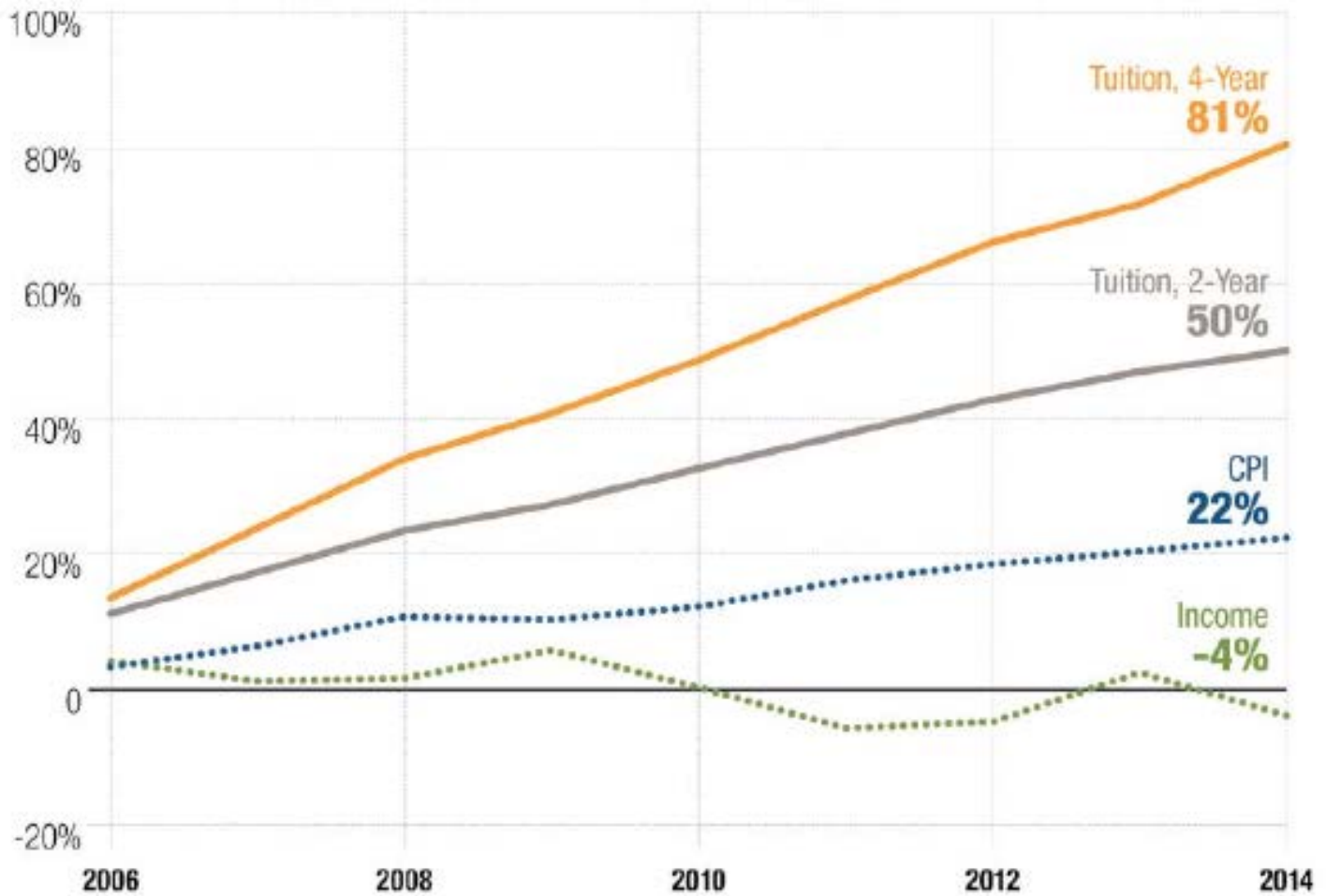
Tuition and Fee Increases Compared to Income, CPI

SREB States



Source: Tuition and fees: U.S. Department of Education (2017). Median family income: U.S. Census Bureau, Current Population Survey, *Annual Social and Economic Supplement*. Consumer Price Index: U. S. Bureau of Labor Statistics, *Consumer Price Index for All Urban Consumers*.

Kentucky: Changes in Tuition and Fees



Percentage of Family Income Required to Attend College Full Time, SREB

	SREB Average, 2014-15	Low State	High State
Public Four-Year Category 1	29.0%	20.7%	42.3
Public Four-year Category 2	28.1%	20.3%	37.6
Public Two-Year	17.1%	12.8	20.8%

For Families Earning Below \$48,000, the Percentage of Income Needed to Attend Full Time at Category 2 Institutions, SREB States, 2014-15

		Low State	High State
\$0 to \$30,000		25.8% (TX)	90.8% (DE)
\$30,000 to \$48,000		19.7% (WV)	41.5% (DE)

Kentucky

College Affordability Profile 2017

What Percentage of Family Income Is Required to Attend College Full Time?

Families in Kentucky needed to pay, on average, 14.8 percent of their income in 2014 to cover educational expenses for a full-time student at public two-year institutions in the state. This was lower than the SREB and national averages.

Families in Kentucky needed 24.4 percent of their income to pay for educational expenses for a full-time student at public four-year non-research institutions. This was lower than the SREB and national averages.

	Kentucky, 2008	Kentucky, 2014	SREB Average, 2014	U.S. Average, 2014
Public Four-Year Category 1	21.5%	32.5%	29.0%	30.1%
Public Four-Year Category 2	23.5%	24.4%	28.1%	27.8%
Public Two-Year	13.8%	14.8%	17.1%	18.5%
Public Technical	NA%	15.7%	20.1%	18.5%

Sources: U.S. Department of Education, Integrated Postsecondary Education Data System, Student Financial Aid Files, Instructional Activity Files and Directory Files, 2008-2014; American Community Survey Public Use Microdata Samples, 2008-2014; Institutional sectors based on categories in the *SREB Fact Book on Higher Education*. Analysis by SREB consultant.

How Much Is Spent Per Student on Financial Aid?

In Kentucky, need-based aid per student was \$337 in 2014. This was lower than the SREB average and considerably lower than the national average. Based on criteria other than need, the average award per student was \$657 in 2014. This was substantially higher than the SREB and national averages.

	Kentucky, 2004	Kentucky, 2007	Kentucky, 2014	SREB Average, 2014	U.S. Average, 2014
Need-Based Financial Aid Only	\$275	\$345	\$337	\$363	\$508
Other Financial Aid	\$501	\$572	\$657	\$566	\$218

Sources: National Association of State Student Grant & Aid Programs 2004, 2007 and 2014 annual surveys; U.S. Department of Education, Integrated Postsecondary Education Data System Instructional Activity and Directory Files, 2004, 2007 and 2014. Analysis by SREB consultant.

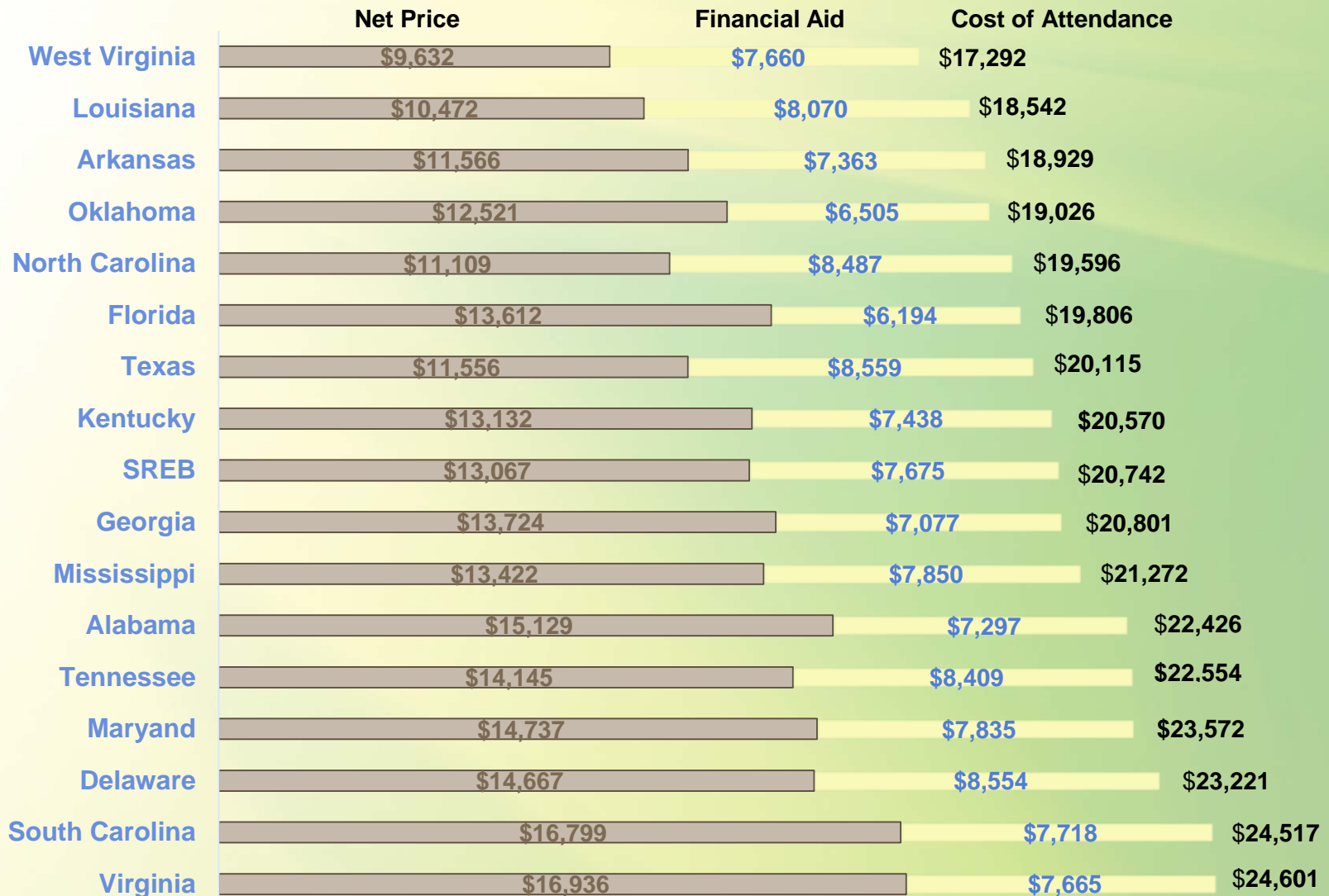
Net Price as a Percentage of Income, Public 4-Year Institutions, Kentucky, 2014

Public 4-Year	Average Income By Level	Percentage of Families in This Income Level	Net Price	Percentage of Income Needed
Category 1				
Income \$0 - \$30,000	\$16,623	28%	\$11,694	70%
Income \$30,000 - \$48,000	\$39,149	18%	\$12,596	32%
Income \$48,000 - \$75,000	\$60,873	22%	\$16,539	27%
Category 2				
Income \$0 - \$30,000	\$16,623	28%	\$8,576	52%
Income \$30,000 - \$48,000	\$39,149	18%	\$10,346	26%
Income \$48,000 - \$75,000	\$60,873	22%	\$12,529	21%

Percentage of Family Income Required to Attend College Full Time, Kentucky, 2008 and 2014

	Kentucky, 2008	Kentucky, 2014	SREB Average, 2014	U.S. Average, 2014
Public Four-Year Category 1	21.5%	32.5%	29.0%	30.1%
Public Four-year Category 2	23.5%	24.4%	28.1%	27.8%
Public Two-Year	13.6%	14.8%	17.1%	18.5%

Cost of Attendance and Net Price After Grant Aid, Public Four-Year Institutions, 2014-15



COA and Net Price, Full-time First-Time Degree/Certificate Seeking Undergraduates Who Paid In--State or In-District Tuition, Public Institutions.

State policy to address affordability

- Control college costs
- Focus on student success
- Align workforce needs and educational attainment

Control college costs

Tuition

- Free community college
- Virginia

Fees

- Georgia
- Florida
- Texas

Financial Aid

- Kentucky
- Tennessee
- Virginia
- Texas
- Florida

Textbook costs

- **Maryland**
- **Texas**
- **Florida**
- **Georgia**

Dual enrollment

- **Kentucky**
- **Georgia**
- **Virginia**
- **Texas**

Student Success

Performance Funding

- **Kentucky**
- **Arkansas**
- **Florida**

Educational attainment and workforce goals

Financial aid

- Arkansas

Apprenticeships

- Virginia
- Maryland

Credentials

- Texas

Return to key questions

How will Kentucky define college affordability?

How do current policies support or undermine efforts to make college more affordable?

Additional Resources

- *Shared Responsibility for College Affordability*
- *Public Higher Education Affordability in the South: Regional Profile 2017*
- *SREB State College Affordability Policy Review: A Framework*
- *College Affordability: Promising State Policies and Practices*
- *SREB Fact Book on Higher Education*