

SENATE JOINT RESOLUTION 179

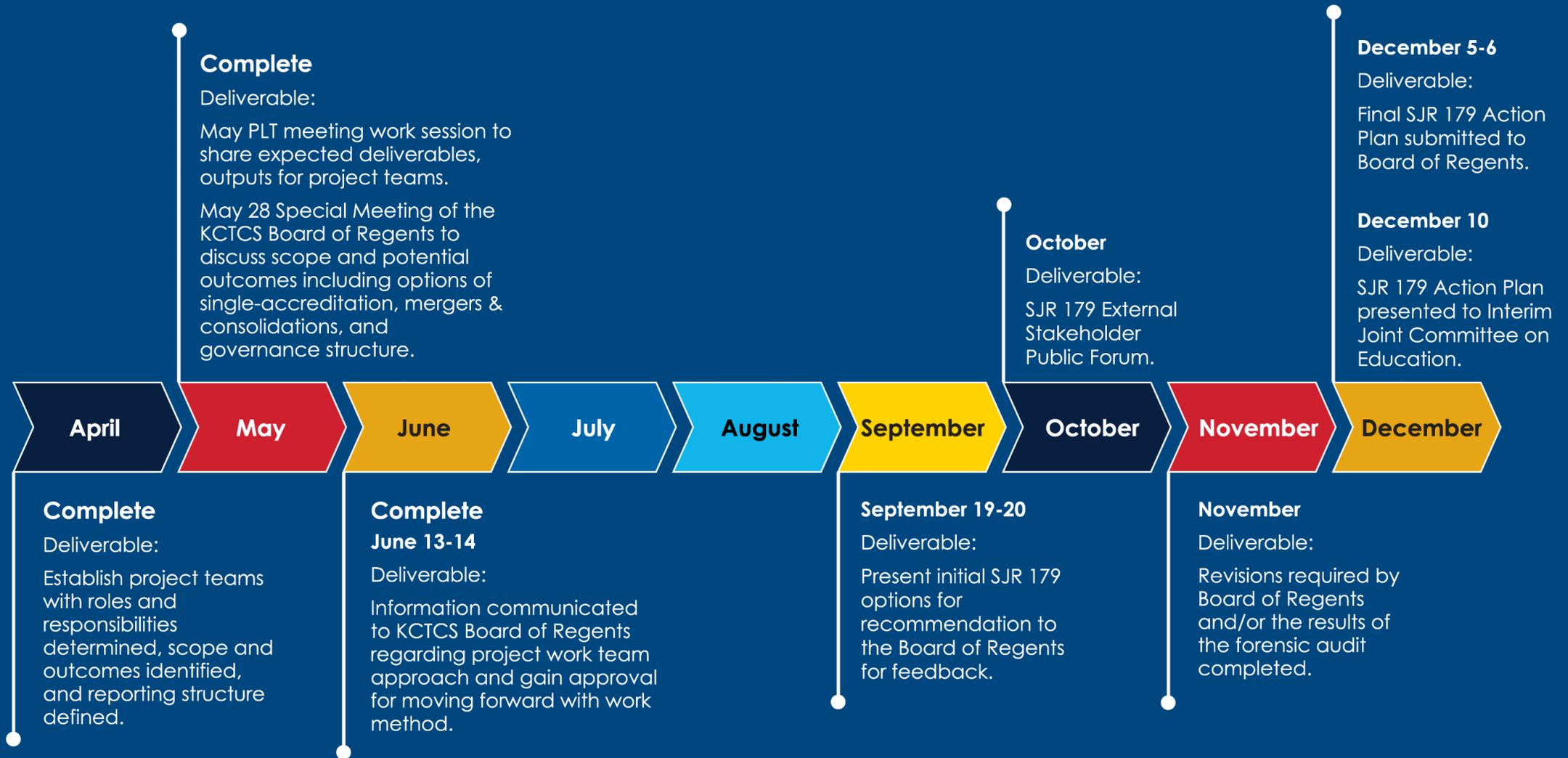
Determinations and Recommendations
presented to the KCTCS Board of Regents

October 31, 2024



COLLEGE FOR **YOUR** WORLD

SJR 179 TIMELINE



GOVERNANCE AND ORGANIZATIONAL STRUCTURE

SCOPE OF WORK

- The KCTCS **geographic footprint**, including but not limited to the need for **mergers and consolidations**; (SJR Item 3)
- **Single system accreditation** versus **individual college accreditation**; (SJR Item 4)
- **Governance reform**, including the KCTCS Board of Regents and the 16 college boards of directors (SJR Item 5)

RESEARCH AND CONSIDERATIONS

- Consultation and review with current accrediting body and other agencies.
- Research/benchmarking/case study review on national higher education landscape.
- Analysis of internal/external data.
- Evaluation of post-secondary governance models.
- Consideration/review of feedback from KCTCS Stakeholders.

RECOMMENDATION

The KCTCS **geographic footprint**, including but not limited to the need for **mergers and consolidations**;

- To optimize educational effectiveness, KCTCS will establish an evaluation criterion and a systematic review process to evaluate the viability of colleges, campuses, and KCTCS-controlled instructional sites in consideration of repurposing and revitalizing locations, and potential mergers and/or consolidations.

RESEARCH JUSTIFICATION

- Analysis of enrollment, financial, and demographic data did not indicate an immediate need for college consolidations.
- Long term demographic and instructional trends indicate there may be a potential need for repurposing KCTCS controlled sites.
- Well thought out criteria and review cycle will create a decision matrix to most effectively and efficiently determine the appropriate alignment of KCTCS's geographic footprint.

RECOMMENDATION

Accreditation

Preserve college-level accreditation and focus on increasing shared services and seamless integration across the Kentucky Community and Technical College System.

Decision Criteria:

- level of disruption;
- anticipated associated costs;
- anticipated savings;
- time it would take for completion and implementation; and
- opportunity costs.

RESEARCH JUSTIFICATION

- Peer States reported initial loss of student enrollment, local college identity, and community support when colleges merged.
- Greater ROI by not merging, saving potentially \$8.5 million to merge and gaining a potential economic impact of \$8.9 million through additional shared services.
- Save 3 years of implementation time to merge and reaccredit lowering opportunity costs.
- Builds upon existing efficiencies and successful shared services models (75%) already within KCTCS.
- Ensures accreditation issues are addressed by individual colleges rather than impacting the collective merged system.

IVY TECH vs KCTCS

Ivy Tech	Enrollment	KCTCS
164,377	Total Enrollment	101,077

Effectiveness		
37%	College Graduation Rate (IPEDS)	44%
8,131	Students Earning Associate Degrees	8,897
31,550	Total Credentials Conferred	39,920

Efficiency		
\$2.02	State Approp \$/Net Tuition \$	\$1.70
\$1,183	State Financial Aid \$/Credential	\$1,958
\$8,878	State Approp \$/Credential	\$4,911
\$11,334	Institutional Salary\$/Credential	\$8,506
\$13,284	Total Revenue (Appr+Net Tuition)/Credential	\$7,792

RECOMMENDATION

Governance reform – Board of Regents Representation

Establish a **full vote** for the faculty, staff and student regents on the KCTCS Board of Regents, meaning that there would be **one faculty representative, one staff representative, and one student representative**. These three representatives will be **elected**.

Adopt a board structure that mandates the **inclusion of industry sectors** in the board composition. The statutory guidance should encourage nominations from industries that are pivotal to the institution's strategic goals and regional impact.

RECOMMENDATION

Governance reform – Board of Regents Representation

Ensure geographic representation by requiring **at least one member** from each of the **seven judicial districts** of the **Kentucky Supreme Court District**.

RECOMMENDATION

Governance reform – Board of Regents Size

Maintain the current total number of votes at 11, with 8 appointed votes and 3 elected votes. This reduces the number of elected *seats* by 3, from 6 to 3, which is a reduction of total seats from 14 to 11. The vote total remains the same at 11 votes.

This aligns with Kentucky's regional universities with 11 members, comprised of 8 Governor appointed and one staff, faculty, and student each elected.

RECOMMENDATION

Governance reform – Board of Regents Term Limits

Revise term limits for appointed members to **four years** with **eligibility to be reappointed for one additional term**. Include language that allows for a term extension for elected chair in the last year of the term.

Retain current term limits of **three years** for faculty and staff representatives and **one year** for the student representative.

KCTCS BOR COMPOSITION AND APPOINTMENT

- The KCTCS Board of Regents comprises 11 members with 8 appointed by the Governor and 1 Faculty, 1 Staff, and 1 Student representative elected from their respective bodies.
- Regent appointments should reflect the industries that are pivotal to the institution's strategic goals and regional impact with at least one regent representing one of KWIB's high demand industry sectors.
- At least one regent must be appointed as a resident from each of the seven judicial districts of the Kentucky Supreme Court District.
- Appointed Regents serve 4-year staggered terms. Regents may be appointed for only one successive term.
- Aligning with current practice, Elected Faculty and Staff Regents will continue to serve a 3-year term, and the Elected Student Regent will continue to serve a 1-year term. Faculty and Staff Regents may be elected for one successive term.

RESEARCH JUSTIFICATION

12 Peer State Board Systems Evaluated

- Aligns with KY regional Universities with 11 members, 8 Governor appointed, and one staff, faculty, and student elected.
- None contain a 1/2 vote count system. Three have student members and only 1 have faculty/staff members.
- Many require industry representation to foster industry relationships.
- Eleven are Governor appointed boards and 3 use either congressional or college district representation to ensure statewide representation.
- Board size range from 9 to 23 members.
- Term Lengths
 - Five States used 6-year terms.
 - Five States used 4-year terms.
 - One State used 5-year terms.
 - One State used 3-year terms.

RECOMMENDATION

Governance reform – Local Boards

- Rename to **College Board of Advisors**, clarify roles/responsibilities with strong onboarding training.
- **Establish an additional responsibility:** Each College Board of Advisors shall convene regularly with the Boards of other KCTCS colleges to monitor and advise on the **collaborative workforce development and service sharing plans of the KCTCS colleges in a defined geographic region of the state.**
- **Eliminate the Nominating Committee process** and replace with a model that **enables the Board of Regents to appoint some or all members** of the College Boards of Advisors based on nominations from the Colleges.
- Maintain the current structure of **7 appointed and 3 elected** members and **modify the term limits** to align with the Board of Regents.

COLLEGE BOARD OF ADVISORS COMPOSITION AND APPOINTMENT

- College Board of Advisors will consist of 10 members: 7 appointed by the KCTCS BOR and 1 faculty, 1 staff, and 1 student representative elected from their respective bodies.
- Board appointments should reflect the industries that are pivotal to the institution's strategic goals and regional impact.
- All members of the College Board of Advisors should reside in the College's service area.
- Appointed members serve 4-year staggered terms and can be appointed for only one successive term.
- Elected faculty and staff members serve 3-year terms and can be elected for only one successive term.
- Elected student members serve a 1-year term.

RESEARCH JUSTIFICATION

- Eight of 12 peer States have local College Board of Advisors.
- No change to current statutory local board functions, but name change clarifies role.
- Addition of statutorily required regional meetings meets CPE suggestion of local regional board approach and fosters regional economic workforce and economic development, and institutional collaboration.
- Georgia State Board appoints local board members.

QUESTIONS & DISCUSSION

ACADEMIC PROGRAMMING OPTIMIZATION

SCOPE OF WORK

- Academic programming and training offerings, including the quality of credentials and program relevancy (SJR Item 1)

RESEARCH AND CONSIDERATIONS

- The Huron Study resulted in three Academic Programming Optimization Teams (Program Portfolio Process Improvement, Modality Trends Assessment, Course/Program Sharing).
- Huron had already provided a robust framework for market trends and data analysis.
- Additional input was sought from KCTCS Stakeholders.
- Most of the goals can be achieved internally, but we must also continue engaging CPE.

RECOMMENDATIONS

ACADEMIC QUALITY

- Support third-party validation of academic program quality
 - External accreditation
 - Licensure Pass Rates
 - Nationally-normed examinations (NOCTI)
- Improve structure and uses of Program Advisory Committees
- Leverage Meta Majors to strengthen AA and AS pathways
 - Education
 - Engineering
 - Business

RECOMMENDATIONS

ACADEMIC QUALITY (CONTINUED)

- Increase Program Sharing among colleges
 - All 16 Colleges already share at least one program with another College.
 - Most Colleges have expressed interest in sharing additional programs.
- Strengthen Program Reviews in alignment with CPE Program Reviews
 - During the 2023-24 Academic Year, 248 credentials were closed or suspended.
 - As of September, an additional 169 credentials have been closed or suspended.

PROGRAM RELEVANCY

- Work with CPE to streamline the Program Approval process
- Fully implement the KCTCS Technical Program Alignment process
 - Strong Employer Engagement to Validate Curriculum

QUESTIONS & DISCUSSION

STUDENT PATHWAYS

SCOPE OF WORK

- **A comprehensive statewide KCTCS workforce plan which may include financial and academic supports, comprehensive career counseling, and experiential learning elements (SJR Item 2)**
- **Effectiveness and affordability of dual credit course offerings; (SJR Item 9)**
- **Transferability of associate's degrees to four-year institutions; (SJR Item 10)**

RESEARCH AND CONSIDERATIONS

- Research/benchmarking/case study review on national higher education landscape (dual credit, transfer, and career navigation).
- Analysis of internal/external data.
- Evaluation of postsecondary workforce plans.
- Consideration/review of feedback from KCTCS Stakeholders.

KCTCS WORKFORCE COMMITMENTS

Anchors | Assets | Gaps & Recommendations | ROI

- Lead Robust Collaboration
- Support & Sustain Economic Development
- Advance Labor Market Responsive Programs & Initiatives
- Elevate Visibility and Support for Career Pathways



Commitment: Lead Robust Collaboration

Anchors

Ecosystem Partnerships
High Impact Public Private Partnerships
General Assembly Relationships & Communication

Assets	Gaps & Recommendations	ROI
<ul style="list-style-type: none">• SWATT• External Engagement Teams• Asset Mapping	<p>Improve business engagement data sharing between organizations.</p> <p>Develop a needs-based outreach strategy for relationships and consistent communication.</p> <p>Development of Employer ROI toolkits and partnership awareness campaigns.</p>	<p>Improve employer experience in navigating workforce ecosystem.</p>

Commitment: Support & Sustain Economic Development

Anchors

Business Services
Customized Training
Rapid-Response Program Development

Assets	Gaps & Recommendations	ROI
<ul style="list-style-type: none">• TRAINS• Workforce Solutions – Business Services• New Industry-Driven Programs• KCTCS Facilities	<p>Increase TRAINS funding.</p> <p>Support and expand business-facing staff with strategic professional development.</p> <p>Invest in instructional designers for future skills.</p>	<p>Expand upskilling and better serve emerging economic needs.</p>

Commitment: Advance Labor Market Responsive Programs & Initiatives

Anchors

Data-Informed Program Development & Maintenance
Industry-Supported Faculty Attraction, Retention & Development
External Program Validation

Assets	Gaps & Recommendations	ROI
<ul style="list-style-type: none">• Program Alignment Tool (PAT) & Actionable LMI• Program Advisory Committees• Program Sharing Among Colleges• KCTCS Technical Program Alignment Process	<p>Consistently collect and aggregate employer satisfaction data.</p> <p>Strengthen support for untapped talent pipelines.</p> <p>Instructor recruitment, retention, and professional development.</p> <p>Invest in statewide sector strategy advisory model.</p>	<p>Strengthen talent supply chain feedback channels.</p>

Commitment: Elevate Visibility and Support for Career Pathways

Anchors

Seamless & Affordable Pathways
Career Navigation
Earn and Learn Opportunities

Assets	Gaps & Recommendations	ROI
<ul style="list-style-type: none">• Transfer• Dual Credit• WorkReady• Career Exploration and Connectivity Resources• Earn and Learn<ul style="list-style-type: none">• Education First Employers• FAME	<p>Develop a strategy that positions KCTCS as a premier destination for earn and learn.</p> <p>Design a comprehensive career development strategy.</p> <p>Refine dual credit portfolio.</p> <p>Support seamless transfer processes.</p>	<p>Increase of students in in-demand pathways and improve KY's skillsets and credential attainment.</p>

RECOMMENDATION

Dual Credit

To ensure increased student achievement and greater alignment with Kentucky's workforce needs, **KCTCS should be the sole provider of Dual Credit.**

RESEARCH JUSTIFICATION

Dual Credit

- In addition to the 16 KCTCS Colleges, Kentucky has:
 - 8 Public Universities
 - 18 Institutions affiliated with the Association of Independent Kentucky Colleges and Universities
 - 11 Institutions classified by CPE as Other licensed non-profit institutions
 - 3 Licensed for-profit institutions
- SACSCOC requires institutions to demonstrate quality control over faculty, delivery, and student success for all courses.
- KCTCS Dual Credit offerings align with KCTCS degree plans.
- Other providers have their own rules for what they offer.
- 171 School Districts each have their own strategy for how Dual Credit achieves their individual goals, which may be incongruent.

DETERMINATION

Transfer

- KCTCS complies with HB 160 (passed in 2011) [KRS 164.2951 (2)].
- University partners continue to make their own individual determinations regarding how they receive credit.

RESEARCH JUSTIFICATION

Transfer

In 2011, the Kentucky legislature passed HB 160, which standardized the transfer process at Kentucky's public institutions. [KRS 164.2951(2)]

- **Transferability of general education** - Guarantees all six categories of general education courses will be accepted for transfer and degree credit, whether earned as individual courses or within multi-course blocks of gen ed.
- Common course numbering - Establishes a new statewide course numbering system for general education at KCTCS and a common catalog.
- Junior-level standing - Guarantees that graduates of an approved associate degree program will be admitted to junior-level standing at all public four-year institutions.
- Reduction of degree requirements - Encourages institutions to lower degree requirements to 60 credit hours for an associate and 120 for a baccalaureate.

RESEARCH JUSTIFICATION

Transfer (Continued)

- Priority admission - Guarantees graduates of an approved associate degree program priority admission to a state public university over out-of-state students if they meet the same admission criteria.
- Credit outside the classroom - Identifies courses and standard scores for awarding credit for AP, CLEP, IB, Cambridge International, and DSST exams based on the new Kentucky Standard Acceptable Scores for National Exams Table.
- Degree pathways - Outlines the appropriate courses at the community college level that will transfer toward credits needed to fulfill requirements for a bachelor's degree at a state university.
- Checks and balances - Requires institutions to notify CPE of any changes in programs or learning outcomes that will affect transferability.
- **Appeals process** - Establishes an appeals process regarding the **transfer and acceptance of credits earned at another institution.**

RECOMMENDATION

Transfer

- Building on HB 160 (2011), **establish common course numbering for all public Kentucky institutions for 100- and 200-level courses.**

QUESTIONS & DISCUSSION

AFFORDABILITY

SCOPE OF WORK

- The KCTCS **funding model and its adequacy**, including **state appropriations, existing performance funding, the funding of the system office, and modern outcome-based funding structures**; (SJR Item 6)
- **Tuition rates**, with a commitment to **ensuring affordability and return on investment**; (SJR Item 7)

DEFINITIONS AND DETERMINATIONS

- Funding adequacy: is defined as KCTCS' state appropriations is equal to, or above the average state appropriations, on a dollar/full-time equivalent (\$/FTE) basis, amongst the 20 states whose community college revenue sources are limited to state appropriation and tuition only (this includes Kentucky).
- Tuition affordability: is defined as the KCTCS per credit hour tuition rate is equal to, or less than the average state tuition rate in states whose community college revenue sources are limited to state appropriation and tuition only.
- Return-on-Investment: is defined as whether post-graduation outcomes, in terms of career earnings, justify the expense of a KCTCS education.

Supporting states to inform higher education public policy

Together with our members, SHEEO advances public policies and academic practices that enable students to attain education beyond high school and achieve success in the 21st century economy. Founded in 1954, SHEEO is celebrating its 70th anniversary this year.

CURRENT SHEEO PROJECTS



NATIONAL DATA SOURCE FOR HIGHER EDUCATION FINANCE

- State Higher Education Executive Officers Association (SHEEO)
- Official data for 2-year and 4-year colleges/universities
 - Annually updated . . . KCTCS used the 2023 dataset
 - Used in CPE's 2023-SJR 98 Study by Ernst and Young/Parthenon
 - Tracks:
 - State Appropriations
 - Local Appropriations (in applicable states)
 - Tuition and Fees
 - Enrollment (FTEs)
 - State Sponsored Financial Aid

KCTCS STATE APPROPRIATIONS, FUNDING ADEQUACY & FUNDING MODEL

SJR DETERMINATION AND RECOMMENDATION #1

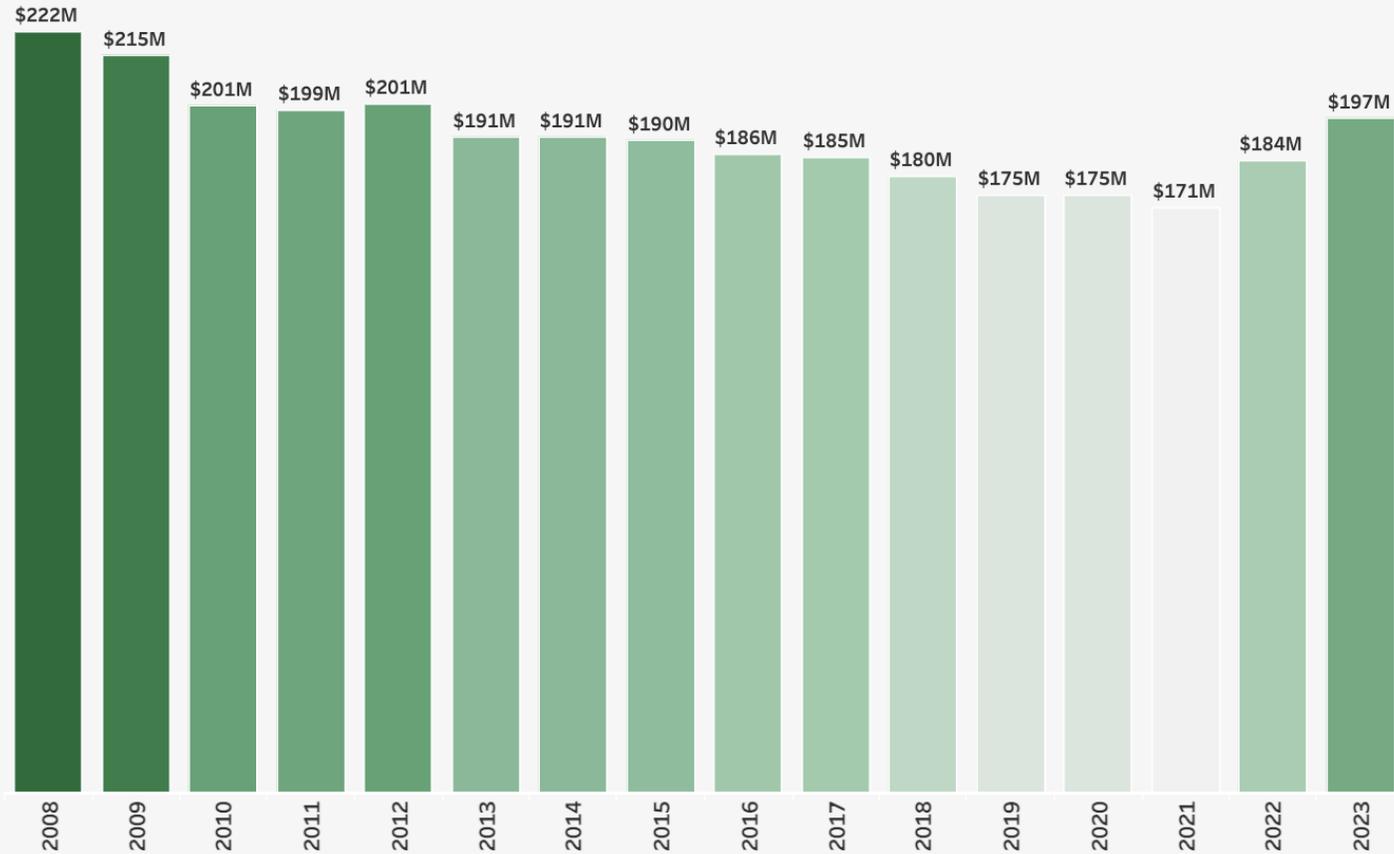
Funding Adequacy Determination:

KCTCS's state appropriation is not adequate when compared to benchmark comparator states (on a \$/FTE basis).

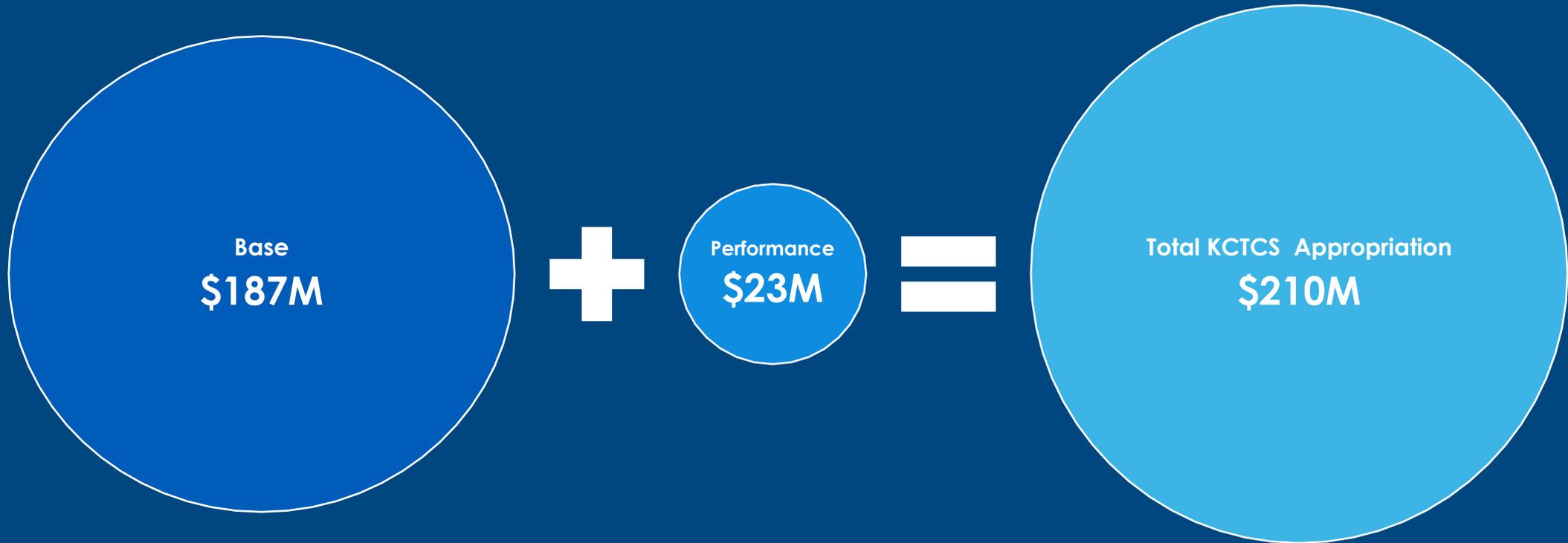
Affordability Recommendation #1:

KCTCS's state appropriation should be at, or above, the average \$/FTE state appropriation rate of its Benchmark Comparator States

Despite Recent Investments, **KCTCS State Funding** Has Not Returned To 2008 Funding Levels



CURRENT KCTCS ANNUAL STATE APPROPRIATION



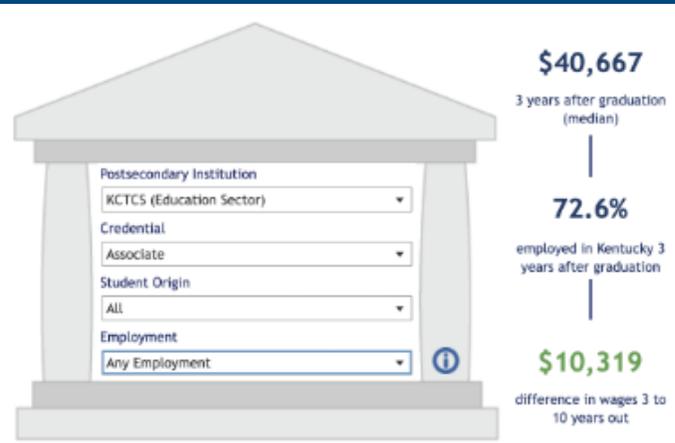
KCTCS Funding Adequacy Goal:
\$/FTE Appropriation Equal to
Benchmark States' Average



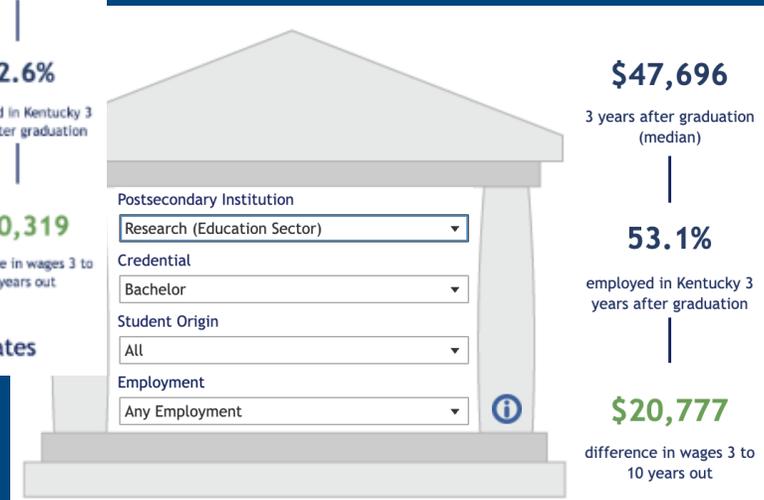
NATIONAL RANKING: CREDENTIALS PER CAPITA



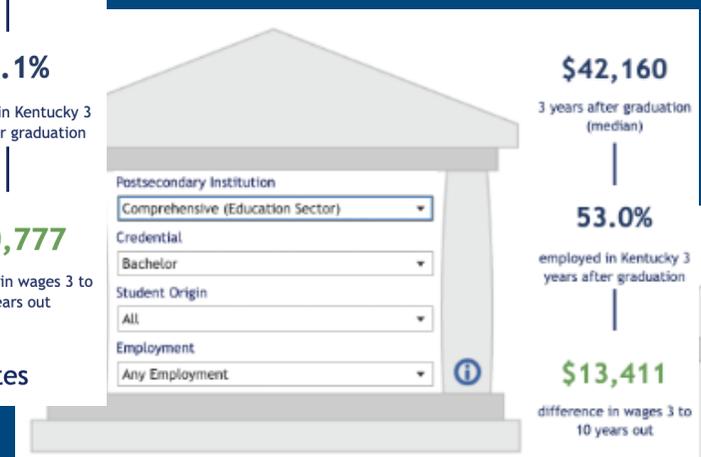
STATE RANKING: JOB PLACEMENT RATES OF KENTUCKY'S UNDERGRADUATES



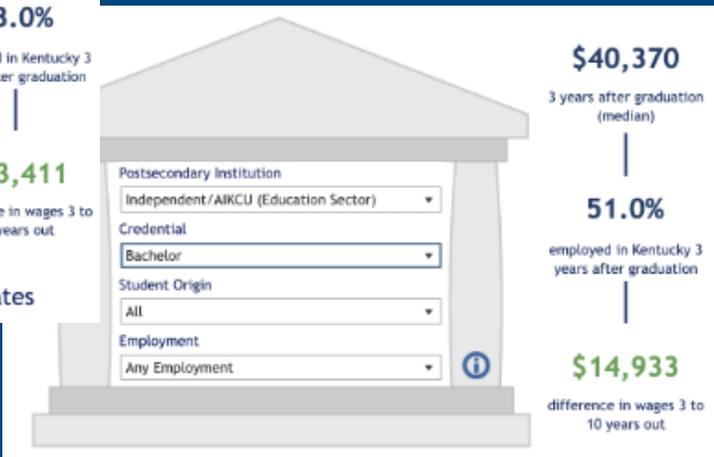
Longitudinal Employment Outcomes for Graduates



Longitudinal Employment Outcomes for Graduates



Longitudinal Employment Outcomes for Graduates



Longitudinal Employment Outcomes for Graduates

Source: KY STATS 2024; <https://kystats.ky.gov/Latest/PSFR>



COMMUNITY COLLEGE FUNDING IN AMERICA

- 30 States' Funding Sources

- Tuition
- State Appropriation
- **Local Property Tax**

- 20 States' Funding Sources

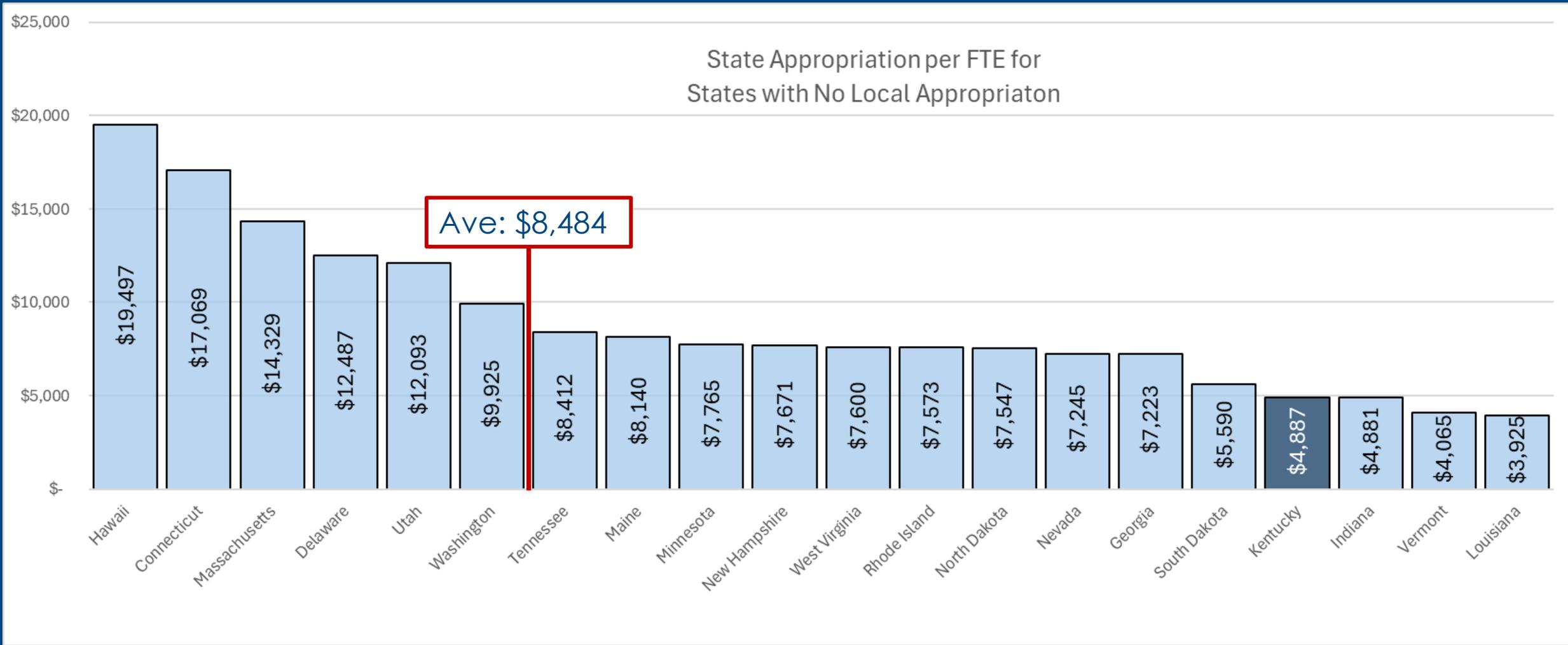
- Tuition
- State Appropriation

20 STATES WITH NO LOCAL PROPERTY TAX SUPPORT FOR COMMUNITY COLLEGES

Yellow: SREB States

Kentucky	Washington
Indiana	Hawaii
Tennessee	South Dakota
Georgia	North Dakota
Delaware	Nevada
Louisiana	Utah
West Virginia	Minnesota
Vermont	Connecticut
Rhode Island	Maine
Massachusetts	New Hampshire

BENCHMARK STATE COMPARISON



BENCHMARK STATES: COST OF LIVING ANALYSIS

KCTCS's PORTION OF STATE FINANCIAL AID

Postsecondary Education Kentucky Higher Education Assistance Authority

SOURCE OF FUNDS	Actual FY 2022	Actual FY 2023	Revised FY 2024	Enacted FY 2025	Enacted FY 2026
General Fund					
Regular Appropriation	291,702,400	339,217,100	345,982,100	369,805,400	393,373,800
Current Year Appropriation					
Continuing Approp-General Fund	57,595,878	61,714,059	37,409,600	431,000	261,400
Other	3,000,000	3,000,000	3,000,000		
Total General Fund	352,298,278	403,931,159	386,391,700	370,236,400	393,635,200

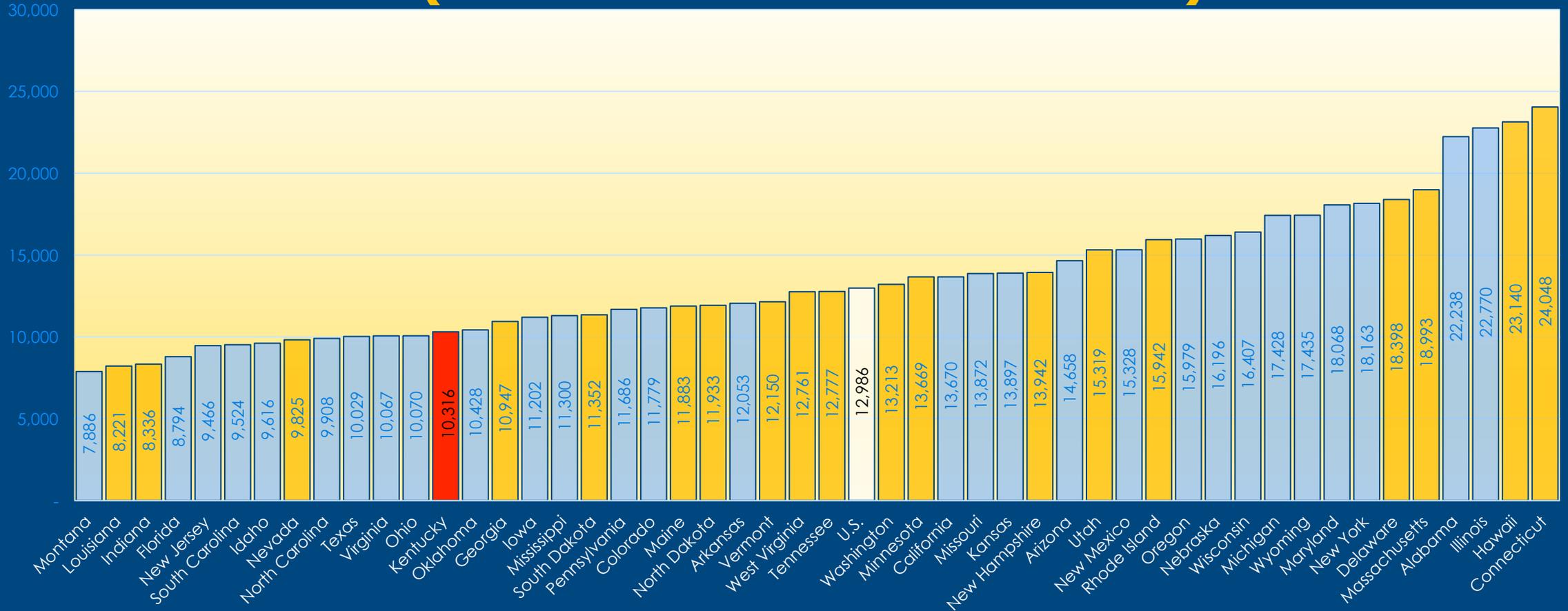
Percent of General Fund Appropriated Financial Aid Awarded to KCTCS Students:

2022: 18%
2023: 19%
2024: 21%

State Student Aid for KCTCS

	2022	2023	2024
CAP	\$ 30,337,492	\$ 35,126,523	\$ 35,952,752
KEES	15,831,653	15,950,676	17,089,698
KHAS		40,494	60,615
KHEAA National Guard	Text 448,804	438,677	304,448
KY Dual Credit Scholarship THP	3,371,574	6,630,497	7,353,342
WorkReady KY Scholarship THP	3,976,889	6,775,763	8,004,273
WRKS	8,850,041	11,824,327	11,310,693
Total	\$ 62,816,452	\$ 76,786,957	\$ 80,075,821

TOTAL EDUCATION REVENUE (MINUS STIMULUS AND DEBT)



Gold Bars: States with no Local Property Tax Support
 Red Bar: Kentucky Average (\$10,316)
 White Bar: US Average (\$12,986)

SJR RECOMMENDATION #2

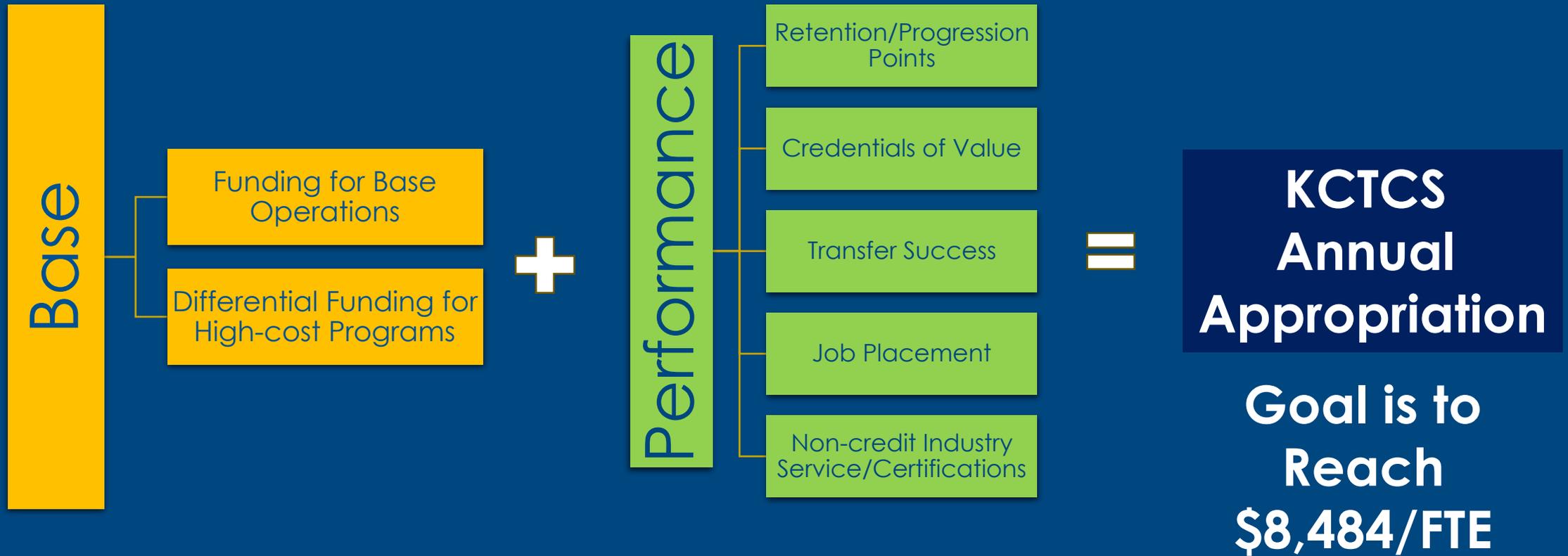
Affordability Recommendation #2:

IF, the Kentucky Legislature determines it will adopt Affordability Recommendation #1, it is then recommended that a modern 100% outcomes-based funding model should be created for KCTCS based on design and implementation elements within the SJR report.

BENEFITS OF A NEW FUNDING MODEL

- 100% Outcome-Based
 - Designed from modern outcome-based structures found in other states
 - Highest degree of accountability
- Funding increases or decreases based on KCTCS performance from one year to the next
- Requires funding KCTCS without regard to universities
- Logical and easy to understand
- KCTCS and the legislature can engage in better future planning
- Must be a true partnership between Legislature and KCTCS
 - KCTCS takes the risk to receive less funding if performance drops
 - Legislature takes the risk of funding increased performance

NEW MODERN MODEL: 100% OUTCOMES-BASED



- Each metric will require an agreed upon dollar amount for each data point
- The model calculates the appropriation instead of a predetermined amount of funds pushed through the model



Base: Operational Costs

- \$/Full-time Enrollment
- Funds for faculty/staff/facilities/tech/utills needed to operate the college



Base: Differential Program Costs

- \$/Enrollment
- Differential funding for enrollment in high-cost programs vs low-cost programs
- Non-credit industry training



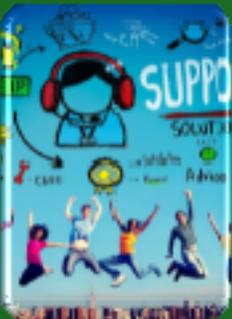
Performance Outcomes

- Retention Metrics (15, 30, 45 credit hours)
- Graduation Metrics
 - Associate Degree
 - Associate Degree HW/HD



Industry Credentials

- Entry Industry Certificate (x 1.0)
- Intermediate Industry Certificates (x 1.5)
- Advanced Industry Certificates (x 2.0)
- Licensure
- CDL
- Companies Served



Weighted Outcomes: At Risk Populations

- Academically Challenged
- Low-income
- First Generation



Weighted Outcomes: Targeted Populations

- Dual Credit
- Transfer
- 25+ Adults
- Formerly Incarcerated
- GED

TUITION AFFORDABILITY & RETURN ON INVESTMENT

SJR DETERMINATION

Tuition Affordability Determination

- KCTCS tuition rates are affordable
- There is a continued need to reduce the amount of unmet need KCTCS students experience, particularly for working adults and students who are parents
- Students' tuition investment has a strong career/salary return, justifying the expense.

SJR RECOMMENDATION #3

Affordability Recommendation #3:

Expand the credential eligibility and funding for the Work Ready Kentucky Scholarship program to include:

- All KCTCS Associate of Applied Science degrees (Technical Degrees)
- Associate of Arts and Associate of Science degrees (Transfer Degrees) in high demand transfer pathways/Meta Majors (such as education, engineering, social work, accounting, etc.)
- Allow KCTCS students access to the Scholarship during summer terms.

LIFECYCLE OF A KCTCS STUDENT

Pre-College Planning

Save with Dual Credit

Save for College

Apply for state/federal aid

Entry and Throughout College

Tuition and fees

Housing

Textbooks/supplies

Meals/daily expenses

Post Graduation

Transition to Workforce

Student Loan Repayment

Independent Living Responsibilities

Annual Wages Increase Over Time

- Annual Cost of Attendance is \$14,946
- Only 30.3% of KCTCS student assume debt for cost of attendance
- The average loan amount of the 30.3% is \$13,644
- KCTCS default rate is 3.8%
- Median annual wages of KCTCS graduates with an associate degree is \$37,485 at 3 years, \$40,106 at 5 years, and \$46,666 at 10 years after graduation

Good Return on Investment!

PELL GRANT vs KCTCS TUITION

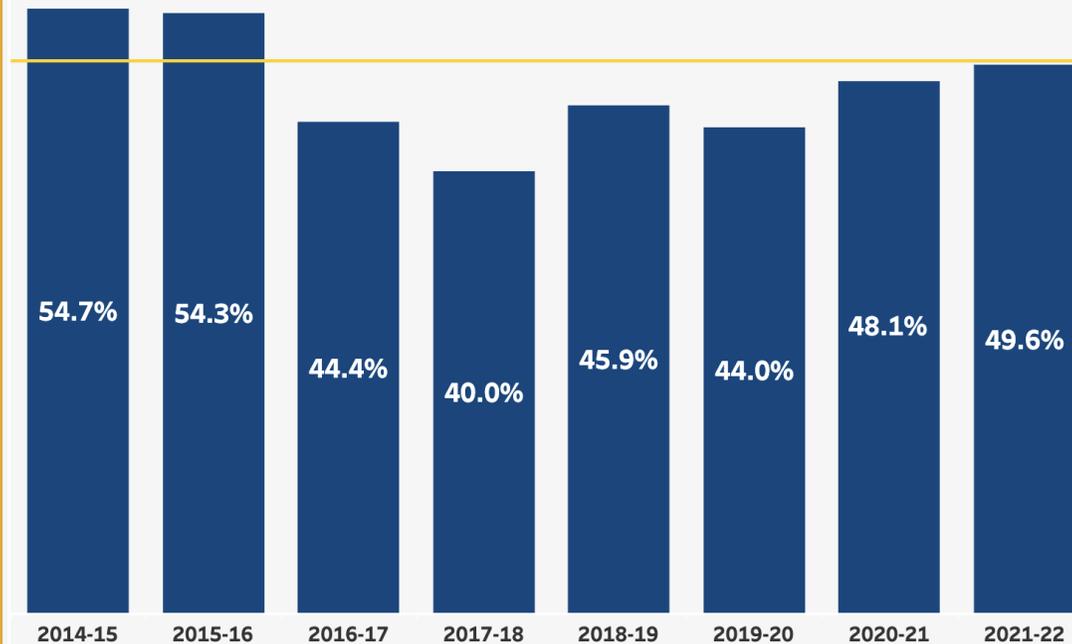
Max Pell Grant	KCTCS Tuition (24 credit hours)
\$7,350	\$4,350

Who Is Eligible

Federal Pell Grants usually are awarded only to undergraduate students who display exceptional financial need and have not earned a bachelor's, graduate, or professional degree. (In some cases, however, a student enrolled in a postbaccalaureate teacher certification program might receive a Federal Pell Grant.) Additionally, you may be eligible to receive a Federal Pell Grant if you are confined or incarcerated and enrolled in an approved Prison Education Program, or are subject to an involuntary civil commitment upon completion of a period of incarceration for a forcible or nonforcible sexual offense. (<https://studentaid.gov/>)

TUITION COMPARISON KCTCS vs UNIVERSITIES

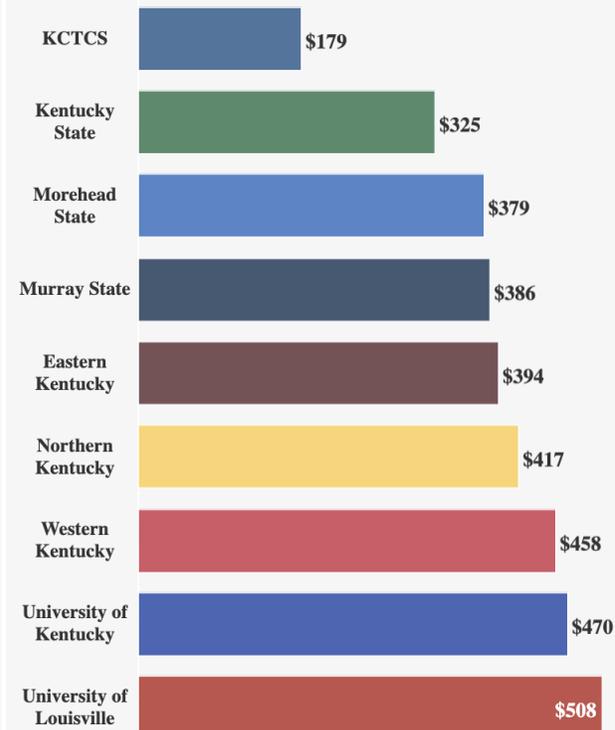
KCTCS Is Less Than Half The Price of KY Public 4-Year Institutions Affordability



Affordability is the average net price of KCTCS as a proportion of the average net price of the Kentucky Public 4-Year Institutions. An **Affordability** value of **50%** for KCTCS indicates that Kentucky Public 4-Year Institutions are twice as expensive as KCTCS.

KCTCS Has Always Been the Most Affordable Higher Education Option in Kentucky

Yearly per Credit Hour Tuition Rates



Academic Year
2021-22

2021-22 Tuition per Credit Hour Overview

KCTCS Tuition per Credit Hour: \$179
 4-Year Public Average Tuition: \$443
 Savings per KCTCS Credit Hour: \$264

Tuition Change Since 2020-21

KCTCS Tuition Increased by \$0 (0.0%)
 4-Year Public Tuition Increased by \$7 (1.5%)

Tuition Change Since 1999-00

KCTCS Tuition Increased by \$133 (289.1%)
 4-Year Public Tuition Increased by \$332 (300.1%)

\$15,817

Tuition savings at KCTCS for a 60 credit hour Associate Degree

UNMET FINANCIAL NEED KCTCS vs UNIVERSITIES

- **KCTCS tuition / net price is affordable** and **unmet financial need is manageable** when compared with institutions that are funded similarly.
- A KCTCS student's unmet financial need affects the likelihood that that student will be retained.
- KCTCS students manage unmet financial need through savings, wages, and student loans.

Unmet Financial Need, Continued

INSTITUTION	2017-18	2018-19	2019-20	2020-21 Baseline	2021-22	2022-23
KCTCS						
Overall	\$6,264	\$6,290	\$5,952	\$5,852	\$6,137	\$6,098
URM	\$7,216	\$7,243	\$6,871	\$6,683	\$6,938	\$6,803
Low-Income	\$7,267	\$7,303	\$7,001	\$6,967	\$7,367	\$7,431
Statewide (Public Universities)						
Overall	\$10,291	\$10,287	\$10,309	\$10,212	\$9,691	\$9,359
URM	\$10,314	\$10,321	\$10,216	\$10,430	\$12,390	\$9,458
Low-Income	\$10,516	\$10,536	\$10,509	\$10,732	\$14,018	\$13,500

Source: Kentucky Postsecondary Education Data System (KPEDS)

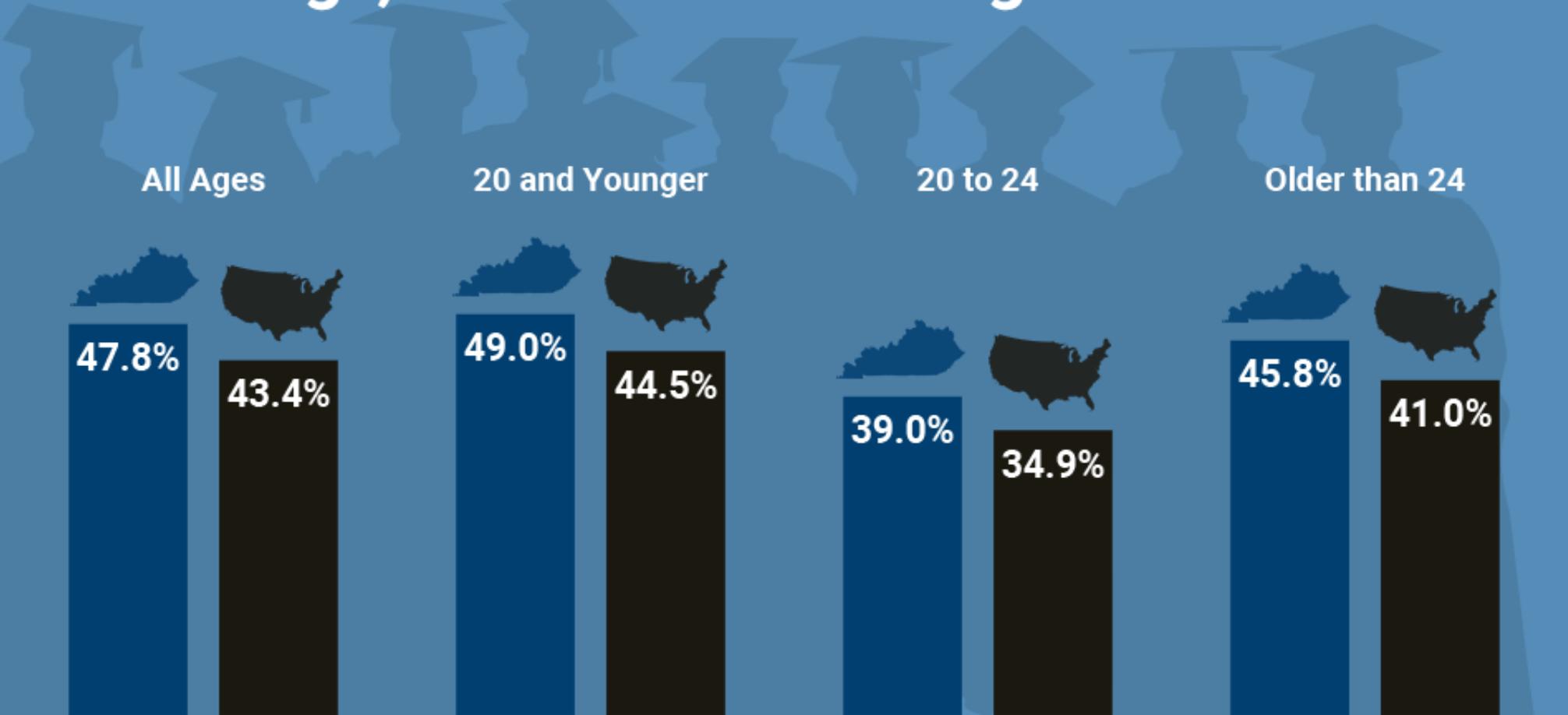
RETURN ON INVESTMENT FOR STUDENT AND COMMONWEALTH

Completion rates for those students starting at a KCTCS college exceed national average, no matter student age

Six-Year Completion Rates for 2017-2023 by Starting Institution Sector and Age

KCTCS
National Average

Completion may be at the same institution as initial enrollment, another two-year institution, or a private or public four-year campus



#KYHigherEdMatters

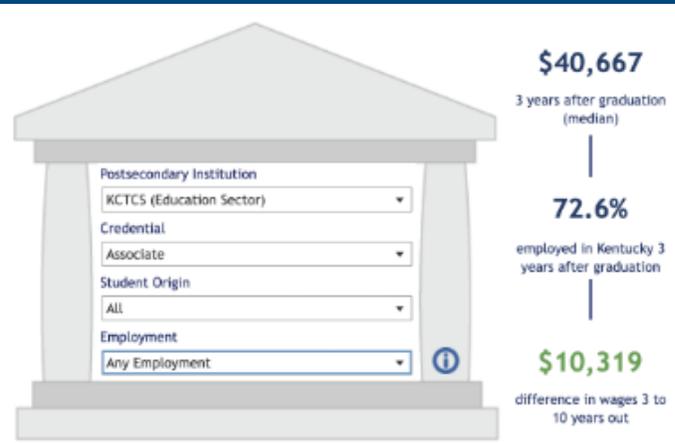
Completing College: National and State Reports. National Student Clearinghouse Research Center.



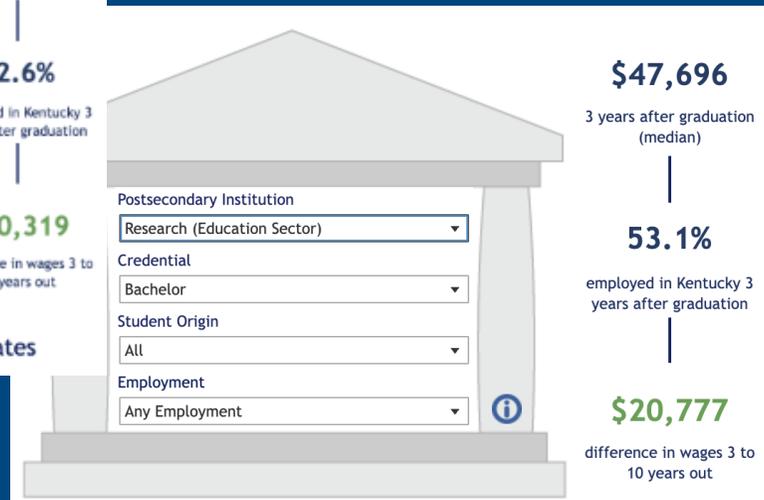
NATIONAL RANKING: CREDENTIALS PER CAPITA



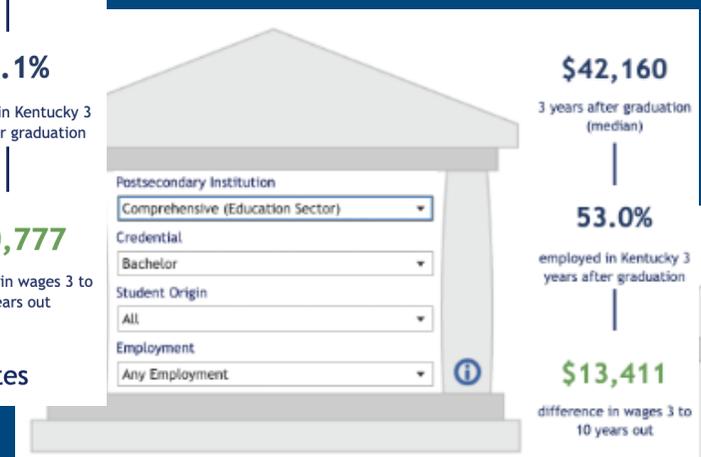
STATE RANKING: JOB PLACEMENT RATES OF KENTUCKY'S UNDERGRADUATES



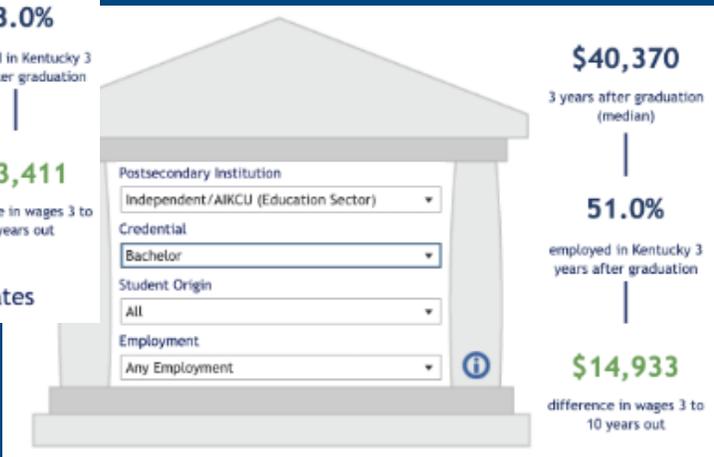
Longitudinal Employment Outcomes for Graduates



Longitudinal Employment Outcomes for Graduates



Longitudinal Employment Outcomes for Graduates



Longitudinal Employment Outcomes for Graduates

Source: KY STATS 2024; <https://kystats.ky.gov/Latest/PSFR>



SJR DETERMINATION

Return on Investment Determination

KCTCS graduates take loans in small percentages,
pay back their loans consistently and
receive positive rates of return for their educational investment.

SYSTEM OFFICE FUNDING

SIZE AND SCOPE OF SYSTEM OFFICE BUDGET

The funding of the KCTCS System Office Considerations:

- Who and how should the budget for KCTCS System Office be determined?
- How many staff are needed to manage the System Office functions?

HOW LARGE SHOULD THE SYSTEM OFFICE BE

Size will be influenced by:

- Organizational Structure
- Shared Services
- Staffing Studies/Research (Huron)

2023 HURON STUDY

Staffing Comparison with Peers

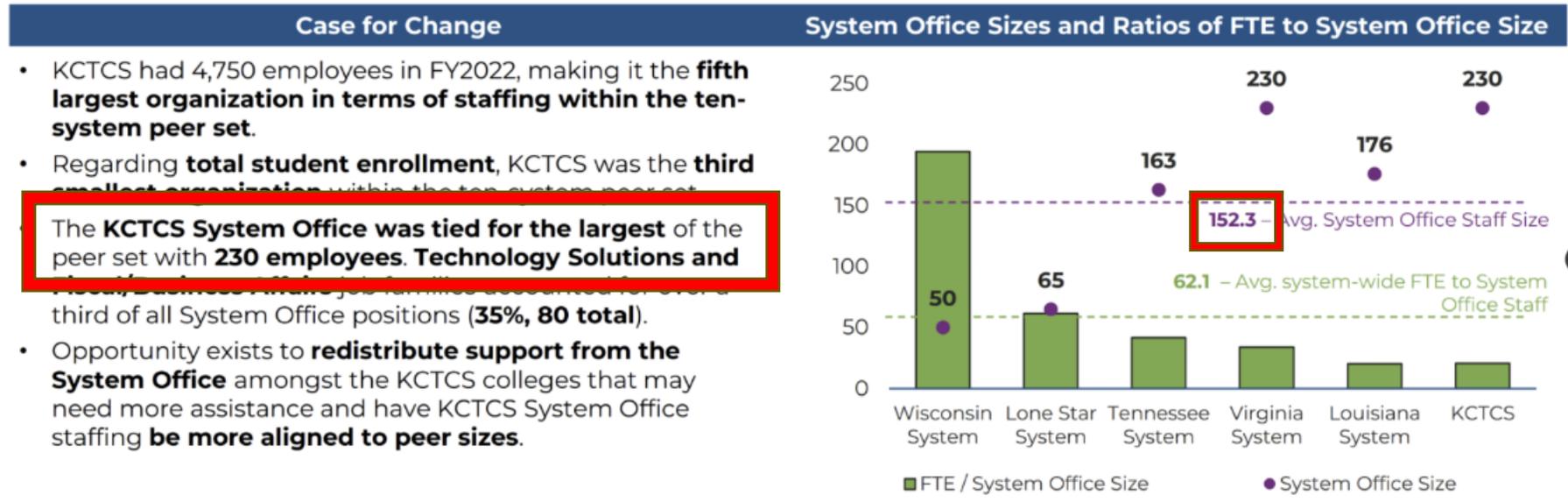
Based on comparisons of KCTCS organization staffing to peer systems¹, opportunity exists to redistribute System Office staffing to be more in line with peer-set norms.

Case for Change	System Office Sizes and Ratios of FTE to System Office Size																															
<ul style="list-style-type: none"> KCTCS had 4,750 employees in FY2022, making it the fifth largest organization in terms of staffing within the ten-system peer set. Regarding total student enrollment, KCTCS was the third smallest organization within the ten-system peer set. The KCTCS System Office was tied for the largest of the peer set with 230 employees. Technology Solutions and Fiscal/Business Affairs job families accounted for over a third of all System Office positions (35%, 80 total). Opportunity exists to redistribute support from the System Office amongst the KCTCS colleges that may need more assistance and have KCTCS System Office staffing be more aligned to peer sizes. 	<table border="1"> <caption>System Office Staffing Data</caption> <thead> <tr> <th>System</th> <th>System Office Staff Size</th> <th>FTE / System Office Size</th> </tr> </thead> <tbody> <tr> <td>Wisconsin System</td> <td>50</td> <td>~195</td> </tr> <tr> <td>Lone Star System</td> <td>65</td> <td>~65</td> </tr> <tr> <td>Tennessee System</td> <td>163</td> <td>~45</td> </tr> <tr> <td>Virginia System</td> <td>230</td> <td>~35</td> </tr> <tr> <td>Louisiana System</td> <td>176</td> <td>~25</td> </tr> <tr> <td>KCTCS</td> <td>230</td> <td>62.1</td> </tr> <tr> <td>Avg. System Office Staff Size</td> <td>152.3</td> <td></td> </tr> <tr> <td>Avg. system-wide FTE to System Office Staff</td> <td></td> <td>62.1</td> </tr> </tbody> </table>					System	System Office Staff Size	FTE / System Office Size	Wisconsin System	50	~195	Lone Star System	65	~65	Tennessee System	163	~45	Virginia System	230	~35	Louisiana System	176	~25	KCTCS	230	62.1	Avg. System Office Staff Size	152.3		Avg. system-wide FTE to System Office Staff		62.1
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Intended Outcome(s) Cost Savings	Perceived Service Impact ●●●	Financial Impact ●●●	Low \$1.6M	High \$10.9M																												
<small> Source: Available Information on Institution Websites and Directories; IPEDS Historical Data; KCTCS Org. Chart. 1. System Office employee data could not be found for these peer systems: Dallas College, Ivy Tech, North Carolina, and West Virginia. Low impact is a 10% reduction in total sum of System Office salaries. High financial impact is the difference between sum of salaries versus if the System Office had an FTE/system staff ratio of 62.1. </small>																																

2023 HURON STUDY

Staffing Comparison with Peers

Based on comparisons of KCTCS organization staffing to peer systems¹, opportunity exists to redistribute System Office staffing to be more in line with peer-set norms.



Intended Outcome(s)	Perceived Service Impact	Financial Impact	Financial Impact	
			Low	High
Cost Savings	● ● ●	● ● ●	\$1.6M	\$10.9M

Source: Available Information on Institution Websites and Directories; IPEDS Historical Data; KCTCS Org. Chart
¹ System Office employee data could not be found for these peer systems: Dallas College, Ivy Tech, North Carolina, and Wisconsin.

Virginia: Low impact is a 10% reduction in total sum of System Office salaries. High financial impact is the difference between sum of salaries versus if the System Office had an FTE/system staff ratio of 62.1.

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HURON RESEARCH TECHNIQUES

Intended Outcome(s)	Perceived Service Imp
Cost Savings	●●●

Source: Available Information on Institution Websites and Directories; IPEDS Historical Data; KCTCS Org. Chart

1. System Office employee data could not be found for these peer systems: Dallas College, Ivy Tech, North Carolina, and West Virginia. The chart shows a significant difference between sum of salaries versus if the System Office had an FTE/system staff ratio of 62.1.

SJR 179 VALIDATION OF HURON STUDY

Community College Systems	SJR 179 Study Data	Huron Study Data
	# of Full-time System Office Staff	# of Full-time System Office Staff
Virginia	248	230
KCTCS	230	230
Tennessee	265	163
Louisiana	186	176
Lone Star	778	65
Wisconsin	55	50
Average System Office Staffing Level	293.7	152.3

SJR 179 EXPANDED SYSTEM OFFICE STAFFING STUDY

College Systems	SJR 179 Study Data	Huron Study Data
	# of Full-time System Office Staff	# of Full-time System Office Staff
Virginia	248	230
KCTCS	230	230
Tennessee	265	163
Louisiana	186	176
Indiana	462	N/A
Alabama	164	N/A
South Carolina	270	N/A
Lone Star	excluded from study	65
Wisconsin	excluded from study	50
Average	260.7	152.3

SJR DETERMINATION

KCTCS System Office Staffing Determination:

Utilizing the expanded and updated data set, it appears that the KCTCS System Office staffing levels were—and continue to be—lower than the comparator state systems.

SJR RECOMMENDATION #4

Affordability Recommendation #4:

Allow the KCTCS President to determine the proper staffing levels and subsequent funding levels of the System Office, that would maximize student success, organizational efficiencies, and effective leadership.

QUESTIONS & DISCUSSION

ADMINISTRATIVE

SCOPE OF WORK

- **Outdated or conflicting statutory language** (SJR Item 11)
- **The personnel system for KCTCS employees** (SJR Item 8)

RESEARCH AND CONSIDERATIONS

- Research/benchmarking/case study review on national higher education landscape
- The 2023 Huron study
- Education Advisory Board (EAB)
- Internal materials and data
- Consideration/review of feedback and input from KCTCS Stakeholders.

DETERMINATION

Outdated or conflicting statutory language

- All statutes have been identified and are under review for changes, revisions, and/or elimination.

Process for review of current policies

- Review of current-state policies to support the future-state based on legislative decisions.
- Compliance Officer hired by KCTCS.
- Review of policies is ongoing alongside the SJR 179 work.

STATUTES UNDER REVIEW

- KRS 164.321 – *Updating language, edits pending*
 - Boards of Regents for Eastern Kentucky, Morehead State, Murray State, Western Kentucky, Kentucky State, and Northern Kentucky Universities, and Kentucky Community and Technical College System
- KRS 164.350 – *Updating language, edits pending*
 - General powers and duties of boards of regents
- KRS 164.580 – *Updating language, edits pending*
 - Kentucky Community and Technical College System – Curricula – Goals – Degree Programs
- KRS 164.5805 – *No revisions, leave as is*
 - Transfer of Assets, Liabilities, and staff positions of Kentucky Tech System – Employee Benefits and Salaries of Transferred Employees
- KRS 164.5807 – *No revisions, leave as is*
 - Governance and Management of Community Colleges – Transfer of Funds – Rules Governing Employees – Personnel System – Courses for Employees – Rights and Privileges of Students – Conflicts

STATUTES UNDER REVIEW

- KRS 164.583 – *Updating to remove outdated language, edits pending*
 - Lower Division Academic Courses – Transfer of Credits
- KRS 164.5833 – **REPEAL**
 - Transferability of Course Work Accepted Prior to Establishment of System
- KRS 164.586 – **REPEAL**
 - Personnel Dispute Resolution System
- KRS 164.587 – **REPEAL**
 - Medical and Accident Insurance Program for Students
- KRS 164.588 – *No revisions, leave as is*
 - Services and Property Furnished by University of Kentucky and Other Providers

STATUTES UNDER REVIEW

- KRS 164.591 – *Updating language, edits pending*
 - Location of Kentucky Community and Technical College System Headquarters and Community Colleges and Extension Centers
- KRS 164.593 – *No revisions, leave as is*
 - Paducah College May Be Included in System Pursuant to Agreement
- KRS 164.594 – *No revisions, leave as is*
 - Service Area of Prestonburg Community College to Include Pike County
- KRS 164.600 – *Updating language, edits pending*
 - Boards of Directors for Community Colleges and Community and Technical Colleges
- KRS 164.602 – *Updating language, edits pending*
 - Nominating Commissions for Appointments to Board of Directors

PERSONNEL SYSTEMS

After further research, and feedback from KCTCS employees and the Board of Regents, the following rationale guided the recommendation:

- Approximately 80 employees are currently in the UK, 18A, 151B personnel systems, which accounts for only 2% of KCTCS employees, all of whom are eligible for retirement.
- Through attrition, KCTCS will eventually have one personnel system.
- Honor commitment made to employees when System was formed.

RECOMMENDATION

KCTCS employee personnel system

Recommendation:

With careful consideration of the impact on Kentucky Community and Technical College System employees, KCTCS recommends maintaining the current structure of the personnel systems while continuing to monitor organizational effectiveness.

NEXT STEPS TOWARDS OUR FUTURE STATE

Based on legislative action, considerations for future state may also include:

- Optimized administrative structure
- Enhanced shared services

These administrative functions will be designed with input from functional area experts once legislative decisions are made.

QUESTIONS & DISCUSSION