

KANSAS BOARD OF REGENTS



**HOUSE APPROPRIATIONS COMMITTEE**

*February 7, 2011*

*Higher Education Update*

Dr. Andy Tompkins, President & CEO

★ LEADING HIGHER EDUCATION ★

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★ **FORESIGHT 2020** ★

***A 10-Year Strategic Agenda for Public Higher Education***

- ★ Achieve alignment between the state's preK-12 and higher education systems and continue to enhance alignment between higher education institutions.
- ★ Achieve participation in the state's higher education system that better reflects the state's demography and more fully engages adult learners.
- ★ Achieve measurable improvement in persistence and completion rates for higher education institutions.
- ★ Ensure that students earning credentials and degrees possess the foundational skills essential for success in work and in life.
- ★ Enhance alignment between the work of the state's higher education system and the needs of the Kansas economy.
- ★ Enhance the regional and national reputation of Kansas universities through aspirational initiatives.

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Attachment 1

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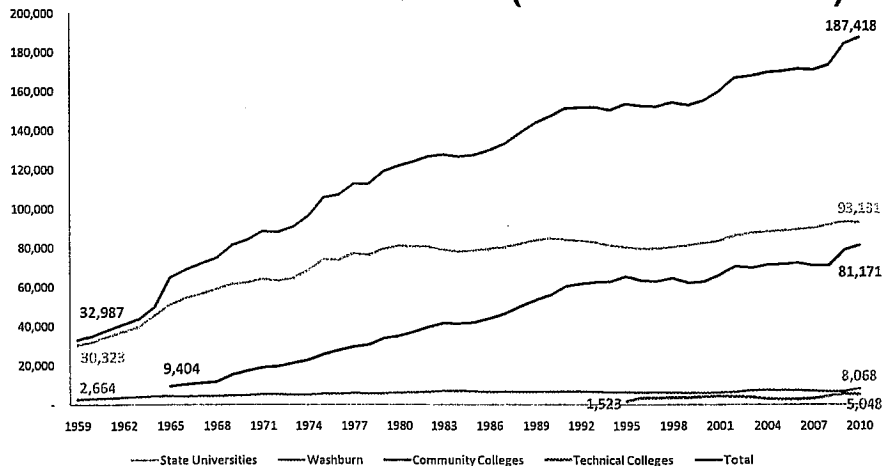
### Board Legislative Priorities

- ★ Support Governor's FY 2012 Budget
- ★ Seek Continued Support for the Higher Education System including Kan-ed.
- ★ Increase Aid to Students in Need.
- ★ Address Deferred Maintenance.
- ★ Implement a Tiered Technical Education Funding Model.
- ★ Target Specific Program Initiatives to Support High Need Areas of the Economy.

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### Student Enrollment (Fall Headcount)



Source: KHEER

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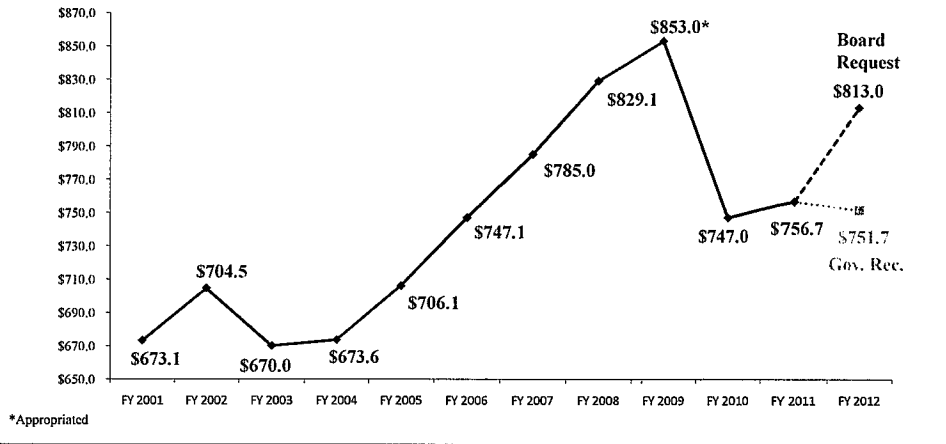
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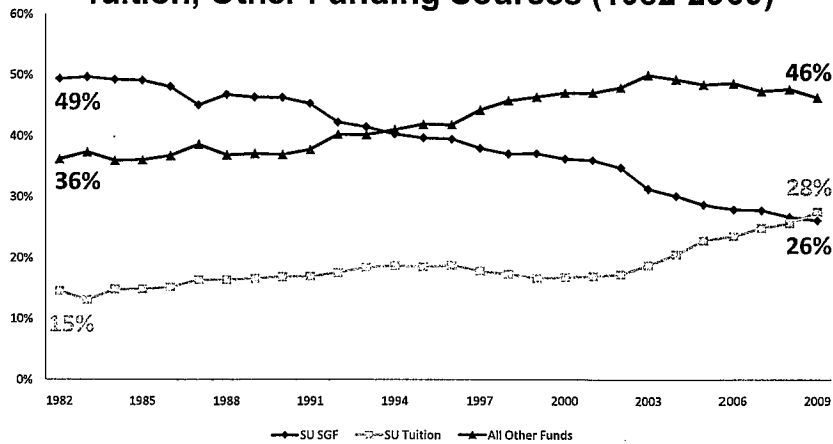
State Higher Education SGF Funding  
(FY01 – FY12)



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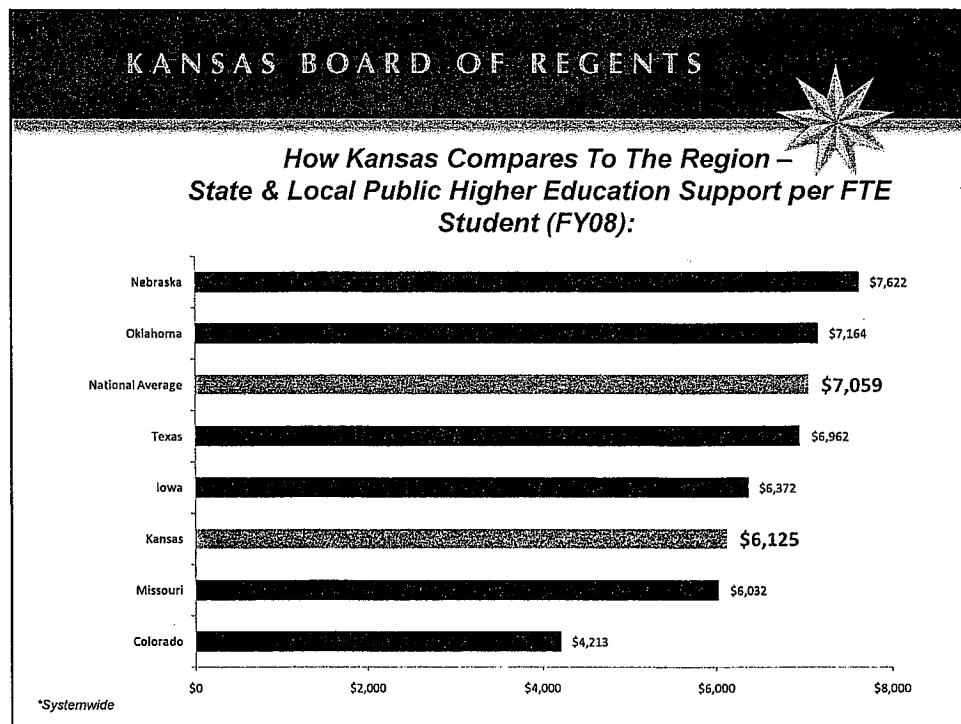
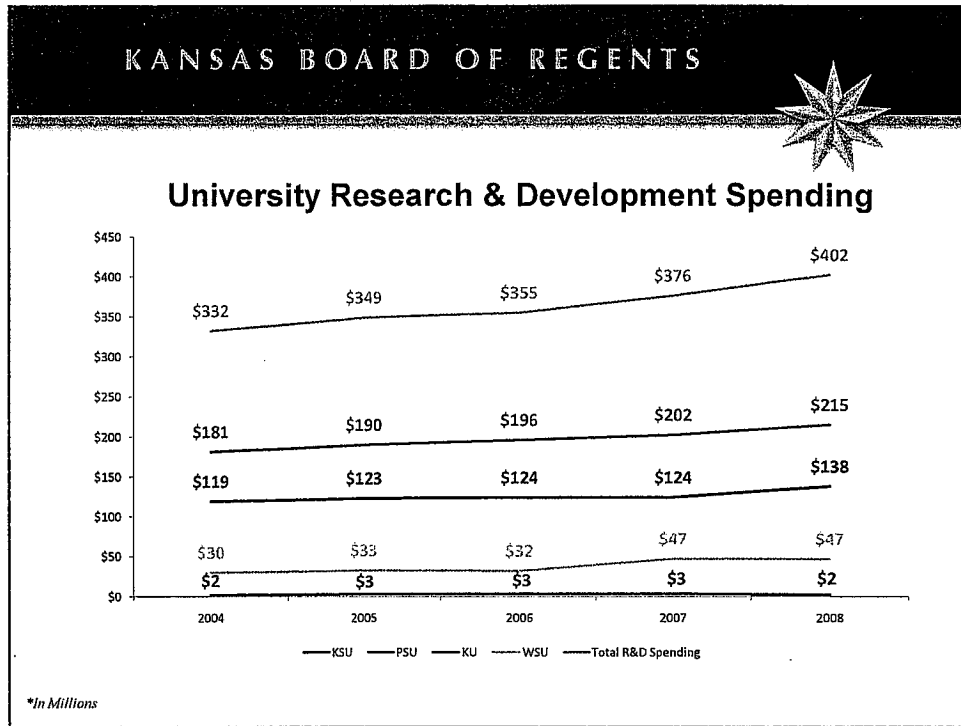
Funding for State Universities: State Funding,  
Tuition, Other Funding Sources (1982-2009)



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**Student Debt**

- ★ In 2008, 62% (3 out of every 5) of graduates from public universities had student loans, and the average student debt was \$20,200 – 20% higher than in 2004, when the average was \$16,850 ([www.projectonstudentdebt.org](http://www.projectonstudentdebt.org)).
- ★ In Kansas, 55% of graduates from public universities have student debt ([www.projectonstudentdebt.org](http://www.projectonstudentdebt.org)).
- ★ In the United States, total student loan debt (\$850 billion) now exceeds total credit card debt (\$828 billion) (*USA Today 9-10-10*).

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**Average Debt of Graduates**

KU	\$23,227
K-State	\$20,704
Emporia State	\$20,226
Pittsburg State	\$19,558
Wichita State	\$18,950
Fort Hays State	\$18,310
<b>Combined Average</b>	<b>\$20,163</b>

Source: KBOR (AY 2009-2010)

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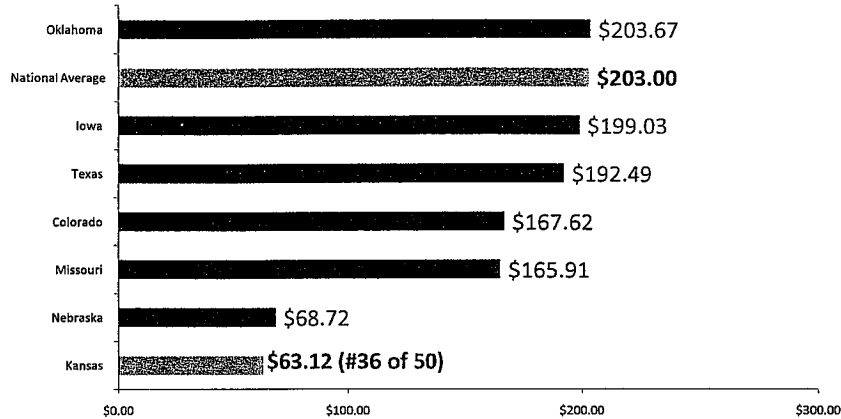
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**Per Capita State Need-Based Financial Aid Contributions per Student (2008-2009):**



\*Chart includes Big 12 States and national average.  
 \*\*Per capita based on population aged 18-24, represents aid to all institutions within a state, both public and private.

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**Deferred Maintenance**

- ★ State universities are stewards for:
  - 818 state-owned buildings which encompass 30 million square feet and represent two-thirds of the state's buildings
  - At least 75% of the buildings are 30 years or older
  - 26,214 acres of land
  - Replacement value of \$7.3 billion
- ★ Deferred maintenance is estimated to be over \$800 million.
- ★ Funds needed for annual maintenance is estimated to be approximately \$90 million.

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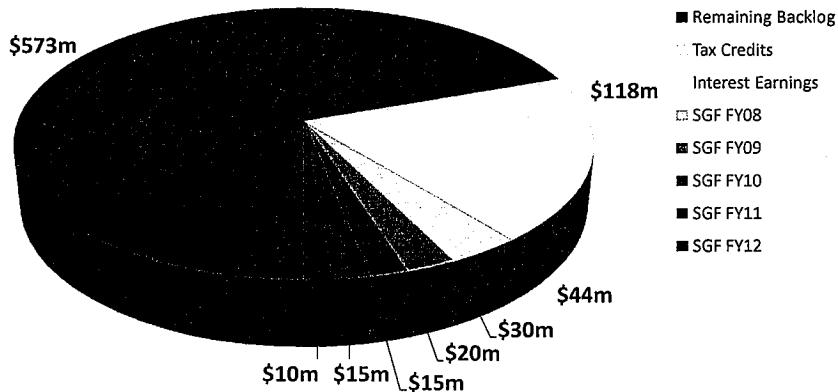
### Deferred Maintenance

- ★ In 2007, the Legislature approved a 5-year comprehensive deferred building maintenance plan to help address the State University maintenance backlog estimated at that time to be \$825 million and the maintenance backlog at WU and the Community and Technical Colleges estimated at that time to be \$172 million.

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***If Fully-Funded, the Legislature's 5-Year Plan Would Have Addressed 31% of the State University Maintenance Backlog***




Source: KBOR

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## Deferred Maintenance

- ★ To help balance the State's budget, the Legislature removed \$1.3 million SGF from Year 3 (FY10) and \$15 million SGF from Year 4 (FY11) of the State University deferred maintenance appropriation.
- ★ In addition, the Legislature removed all funding for Year 3 (FY10) and Year 4 (FY11) of the Postsecondary Educational Institution Long-Term Infrastructure Maintenance Program (PEI) no-interest loan program that is utilized by WU and the Community and Technical Colleges.
- ★ However, \$90 million was received for use on deferred maintenance and tuition mitigation from federal ARRA funds.

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## Deferred Maintenance

- ★ State University Summary:

Anticipated in 2007 (in millions)	Actual (To Date)
Tax Credits	\$ 1.3
Interest Earnings	\$32.7
SGF Through FY11	\$63.7
Federal Stimulus	<u>\$ 0</u>
Total	<u>\$143.5</u>

- ★ Coordinated Institutions:

Tax Credits	\$40.5	\$ 3.2
PEI	\$100	\$40.0
Federal Stimulus	<u>\$ 0</u>	<u>\$17.7</u>
Total	\$140.5	\$60.9

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### State University Progress

- ★ 96 maintenance projects have been approved by the Joint Committee on State Building Construction, 79 have been initiated, and 42 have been completed.
- ★ Projects include utility tunnel improvements, boiler replacement, waterline improvements, electrical switchgear replacements, ADA improvements, life-safety improvements, and the re-roofing of facilities, among others.

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### PEI Loan Progress

- ★ 17 of the 25 eligible coordinated institutions have utilized the no-interest loan program:
- |                                  |  |
|----------------------------------|--|
| ★ Barton Community College       | ★ Johnson County Community College     |
| ★ Butler Community College       | ★ Kansas City Kansas Community College |
| ★ Cloud County Community College | ★ Labette County Community College     |
| ★ Coffeyville Community College  | ★ Manhattan Area Technical College     |
| ★ Dodge City Community College   | ★ Northwest Kansas Technical College   |
| ★ Garden City Community College  | ★ Pratt Community College              |
| ★ Highland Community College     | ★ Seward County Community College      |
| ★ Hutchinson Community College   | ★ Washburn University                  |
| ★ Independence Community College |  |

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### Technical Education Funding Legislative Charge (K.S.A.72-4482)

- ★ "(11) (A) develop and recommend to the state board of regents a credit hour funding distribution formula for postsecondary technical training programs that
  - (i) is tiered to recognize and support cost differentials in providing high-demand, high-tech training,
  - (ii) takes into consideration target industries critical to the Kansas economy,
  - (iii) is responsive to program growth and
  - (iv) includes other factors and considerations as deemed necessary or advisable; and
- ★ (B) establish and recommend to the state board of regents the rates to be used in such funding distribution formula."

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### New Model

- ★ Fund technical education courses "the same" regardless of which institution delivers the course.
- ★ Base the model on data.
- ★ Encourage high-wage, demand-driven education.
- ★ Encourage program growth.
- ★ Establish a "calculated cost" based on data for technical programs.
- ★ Programs are divided into 6 tier rates and tier rates are based on program costs.

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### Benefits to New Approach

- ★ Long-term system incentives for increased production of a high-wage workforce.
- ★ Uniform state funding for technical education regardless of sector.
- ★ Data-driven method of funding distribution.
- ★ Allows for strategic investments at the course level.
- ★ Improves linkage between secondary and postsecondary levels.

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### Questions?

The mission of the Kansas Board of Regents is to pursue measurable continuous improvement in the quality and effectiveness of the public postsecondary educational system in Kansas, while expanding participation for all qualified Kansans. To achieve this mission, the Board will demand accountability, focus resources, and advocate powerfully.

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