

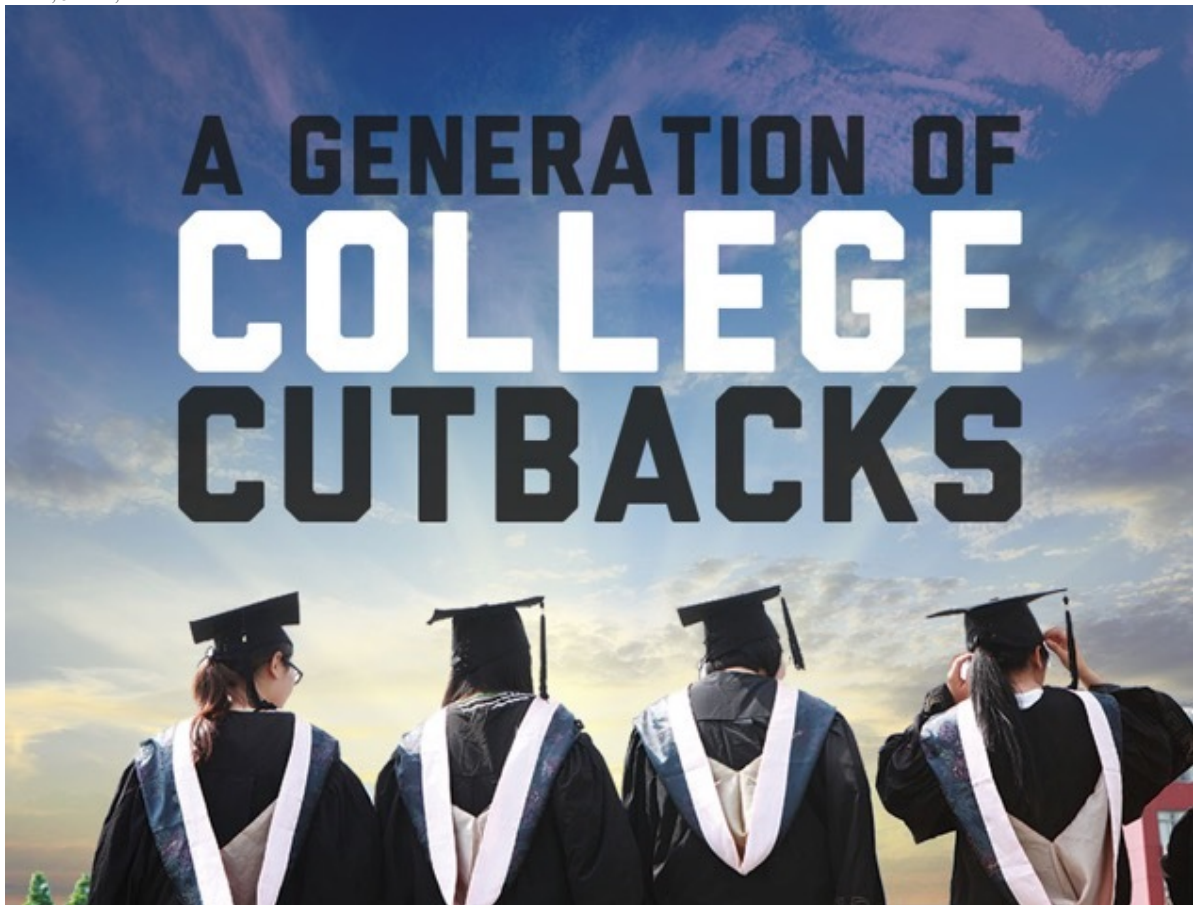
Generational trend of college spending cuts won't end soon in Kentucky, gap may be closing in Ohio



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CINCINNATI – The generation-long decline in state support for college students won't be reversed any time soon in Kentucky, while Ohio may start to bridge the gap, but only modestly, according to lawmakers in Ohio and Kentucky.

[A WCPO special report](#) found that college students today are shouldering far more of the burden to attend a state university or community college than those who attended in past decades.

- Adjusted into 2014 dollars, Ohio spent \$7,306 per student in 1989 while students paid \$4,471. That's almost exactly the opposite now: In 2014, Ohio spent \$4,434 per student, while the student share was paid \$7,548.
- Adjusted into 2014 dollars, Kentucky contributed \$7,527 per student in 1989 and students paid \$2,813. In 2014, Kentucky spent \$6,324 per student while students paid \$5,864.

"There's no doubt that there is less money going to the post-secondary institutions," Kentucky Senate President Damon Thayer told WCPO. "We're doing the best we can under difficult circumstances."

We asked statehouse leaders in both states for their reactions. Ohio Gov. John Kasich and House Speaker Cliff Rosenberger and Kentucky Gov. Steve Beshear were not immediately available for comment.

Ohio Senate President Keith Faber: "We would begrudgingly have to agree that state support has not kept up with inflation," he told WCPO.



Ohio Senate President Keith Faber

Senators are hashing out their proposed two-year budget, and Faber said they're trying to boost state investment by 4 percent each year, which would be double what Gov. John Kasich has called for in his budget.

Faber, a Republican from Celina, said boosting state spending has to be part of a larger effort, including demanding spending cuts from universities and focusing on aligning college majors with the jobs that the market is demanding.

"I do think higher education has to be more affordable. Somebody who spends \$100,000 on a degree that isn't going to be able to generate revenue is probably not going to be in a good place," he said.

The Senate is working toward requiring state colleges and universities to submit plans that will cut costs by 5 percent. Reductions can be obtained through literal spending cuts to tuition or room and board, or through innovations like restructuring programs to reduce the number of classes students take, making it easier for them to graduate in four years instead of five or six.

As part of the cost reductions, the Senate is considering a plan to freeze tuition and fee rates for the entire two-year budget. Kasich called for a 2 percent boost in the first year and a freeze in the second year.

Jim Lynch, a spokesperson for Gov. John Kasich: "Strengthening Ohio's system of public colleges and universities will remain a priority for the governor, just as it has been over the past five years. Our university presidents can stand tall in light of all the progress we have made together," he said.

"Our latest budget proposal calls again for an increase in higher education funding (2 percent spending boosts each year), but most importantly, works to tackle the number one issue impacting higher education in America: college affordability," Lynch said.

He cited the collaboration among 37 college and university presidents to create a new funding process; shifting to a performance-based funding model from a headcount model; revising

construction rules to give school more flexibility with construction costs; and other reforms as ways to spend money more efficiently.

Kentucky Senate President Damon Thayer: "I don't see a lot of near-term improvement (in higher education spending) as Kentucky continues to struggle with the two big budget items that are proving challenges for us : pensions and Medicaid, especially under the Obamacare expansion," he said.



Kentucky Senate President Damon Thayer

Thayer, a Georgetown resident whose son is attending Northern Kentucky University this fall, said he can't predict how soon the state can begin restoring funding.

"I think it's too soon to tell. A lot of it depends on the political makeup in Frankfort," he said. "It's just a matter of priorities in what has been a very difficult period for budgets everywhere, not just in Kentucky," he said.

While 41 states boosted higher education funding this year as the economic recovery has taken hold, Kentucky was one of nine that made additional cuts. Its 2.3 percent reduction to higher education tied it for dead last with West Virginia.

The state has been without a funding formula for colleges and universities for several years, relying instead on uniform percentage raises or cuts in funding for all institutions regardless of performance or enrollment. Thayer is confident that will change soon.

"I think the days of handing over hundreds of millions of dollars to public universities and saying good luck are over," he said. Funding will be predicated on a rational formula of some sort in the near term, he said.

But overall, per-student funding levels will remain far lower than in previous decades.

"It's just going to be incumbent on the universities, just like a lot of businesses and government agencies, to do more with less, tighten belts and focus on what's happening in the classrooms, graduating career ready students," Thayer said.

Brittany Warner, House majority press secretary, said the House's version of the proposed two-year state budget endeavored to "make sure that students had more opportunities to obtain a degree faster and cheaper."

The budget includes eliminating the fee that colleges and universities can charge students for taking more than a certain number of credit hours except under certain circumstances.

All colleges that participate in the College Credit Plus Program, which affiliates them with high schools offering college credit, would be required to offer an associate degree pathway to a four-year degree, reducing the cost of a bachelor's degree for participating students.

"The House budget funds the Ohio College Opportunity Grant, a need-based student financial aid program, at \$96.2 million in fiscal year 2016 and \$97.2 million in 2017, increases of 6.5 percent and 1," she said.

The House proposed capping undergraduate tuition increases at 2 percent or \$200 for main campuses and 2 percent or \$100 at regional campuses in 2016 and freezing tuition in 2017.

Kentucky Rep. Rick Rand, co-chair of the appropriations and revenue committee: "The recession really hurt us in terms of how many dollars we could put in higher education," he said.



Kentucky Rep. Rick Rand, co-chair of the House appropriations and revenue committee.

Most universities opted for the state to focus on funding construction projects rather than general fund subsidies, he said, which was part of why tuition subsidies were cut again.

"We approved a \$265 million health sciences building at University of Kentucky, for example. At their request, they preferred to have the capital investment," Rand said.

Kentucky's economy has rebounded strongly this year, and Rand is hopeful that increased revenues will allow a boost in spending for future budgets.

"It will be a high priority of the general assembly should our economy continue to improve," he said.

Asked about the long slide in per-pupil spending, Rand said, "I would like to see it gradually restored. We saw great promise in the late 1990s when we pumped up spending. Our outcomes were much better."

Following passage of the Kentucky Postsecondary Education Improvement Act of 1997, known as House Bill 1, lawmakers pumped up spending, and got results until they began cutting again. Last decade, Kentucky ranked first in the nation in improving its six-year college graduation rate. Spending was cut after 2000 and cut steeply after the 2009 recession, and Kentucky's rate of graduation improvement plummeted to 41st.

Rand said those steep cuts were mitigated in part by lottery-based scholarships and financial aid programs – KHEAA, College Access Program and the Kentucky Tuition Grant Program.

Spending on the three programs combined rose from \$67 million in 2001 to \$197 million in 2014.

"Tuition costs have gone up tremendously, far above inflation, and it's very hard to keep up with that kind of increases. That's not to say we don't want to," he said.

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