

KANSAS BOARD OF REGENTS SYSTEM OVERVIEW

October 2013





EDUCATION PAYS

Why is it important for Kansas to have well-funded public colleges and universities? They retain our state's most valuable resource: promising young talent. In 2013, 258,934 students were enrolled in Kansas' 32 public higher education institutions. Kansas colleges and universities retain more graduates than many institutions in neighboring states. More than 58 percent of university and 72 percent of technical and community college graduates stay in Kansas.

When these graduates stay in Kansas, they do more than teach our children, design our infrastructure and open businesses. They also contribute nearly \$300 million annually to the Kansas economy.

Graduates earn increasingly higher wages with each progressive credential. During the last recession, almost four out of five jobs lost were held by workers with no education beyond high school. Educated, talented Kansans safeguard our economy against downturns. When times are tough, our graduates – especially those with a bachelor's degree and above – are most likely to stay employed.

Workers with higher education credentials have lower unemployment rates, higher earnings and more disposable income. A college graduate can earn 60 percent more in his or her lifetime than a person with no college degree. In the future, the Kansas economy will have a greater demand for educated workers.

The Kansas Board of Regents has established a goal for the state's colleges and universities to increase to 60 percent the number of Kansas adults who obtain a certificate, associate degree or bachelor's degree by 2020. By reaching this goal, more Kansans will be available to meet workforce demands and earn a living that increases their access to the middle class.

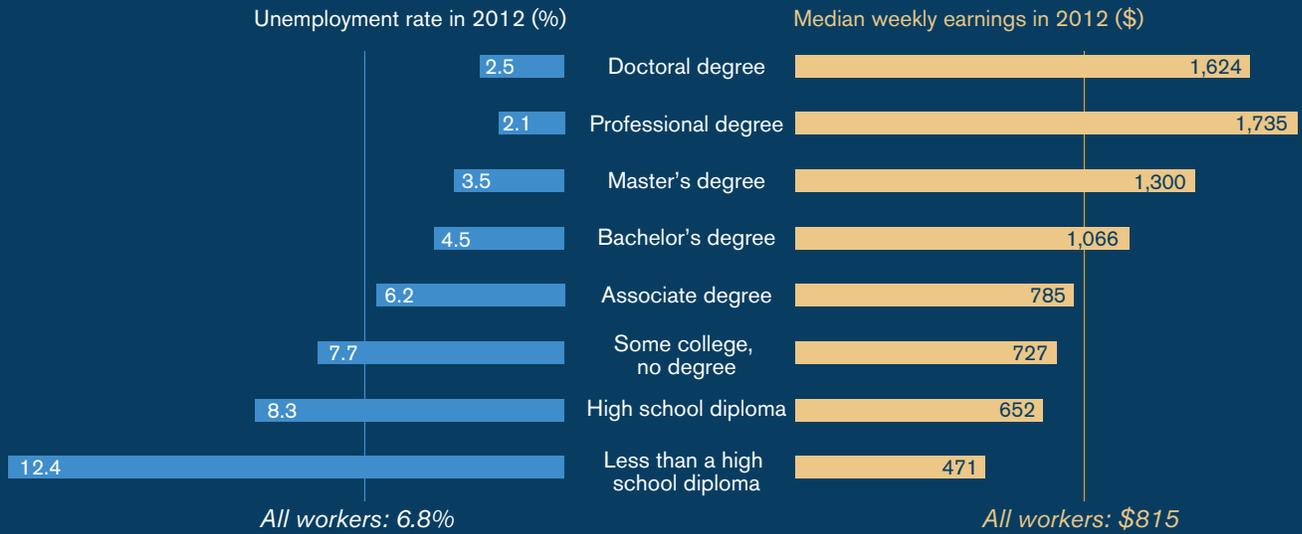
“Providing expanded access to high-quality education will not only expand economic opportunity for residents, but also likely do more to strengthen the overall state economy than anything else a state government can do.”

Source: “A Well Educated Workforce is Key to State Prosperity,” Economic Analysis and Research Network Report, Aug. 22, 2013

60%

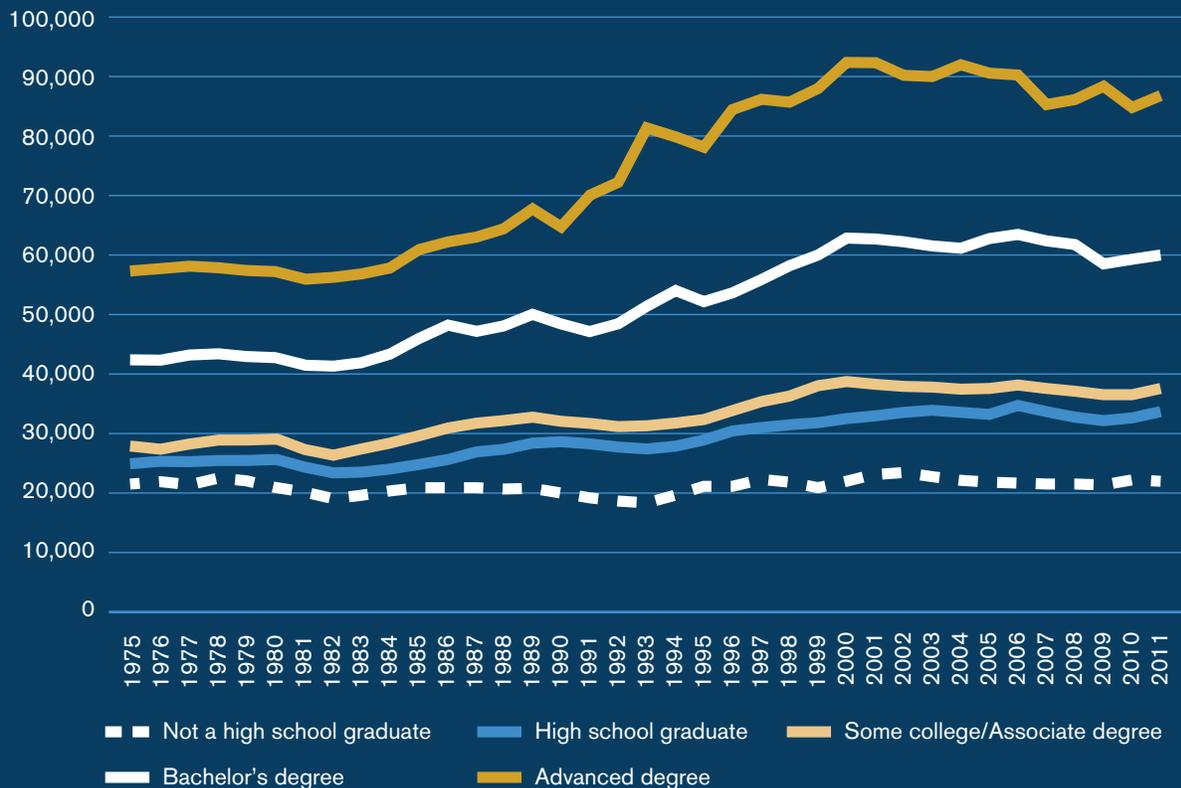
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EARNINGS AND UNEMPLOYMENT RATES BY EDUCATIONAL ATTAINMENT



Source: Bureau of Labor Statistics, Current Population Survey

MEAN EARNINGS OF WORKERS 18 YEARS AND OLDER BY EDUCATIONAL ATTAINMENT



Source: U.S. Census Bureau, Current Population Survey

Calculated by Art Hall, Director of the Center for Applied Economics at the University of Kansas School of Business

\$25,000

Twenty years after graduation, people with at least a four-year degree earn \$25,000 more a year than those without a degree. Source: Business Insider, August 2013



QUALITY EDUCATION IN OUR BACKYARD

As students look for a place to obtain education and training beyond high school, they have many options to consider. The public higher education system is aware of these choices and has made a commitment to keep costs as low as possible so they are competitive and reasonable. State support is critical to keeping tuition affordable. During the last six years, state appropriations have declined substantially. Today, state funding for higher education in Kansas accounts for only 12.6 percent of the state general fund budget.

STATE APPROPRIATIONS PER FULL-TIME STUDENT EQUIVALENT (IN ACTUAL DOLLARS)



Source: Governor's Budget Reports

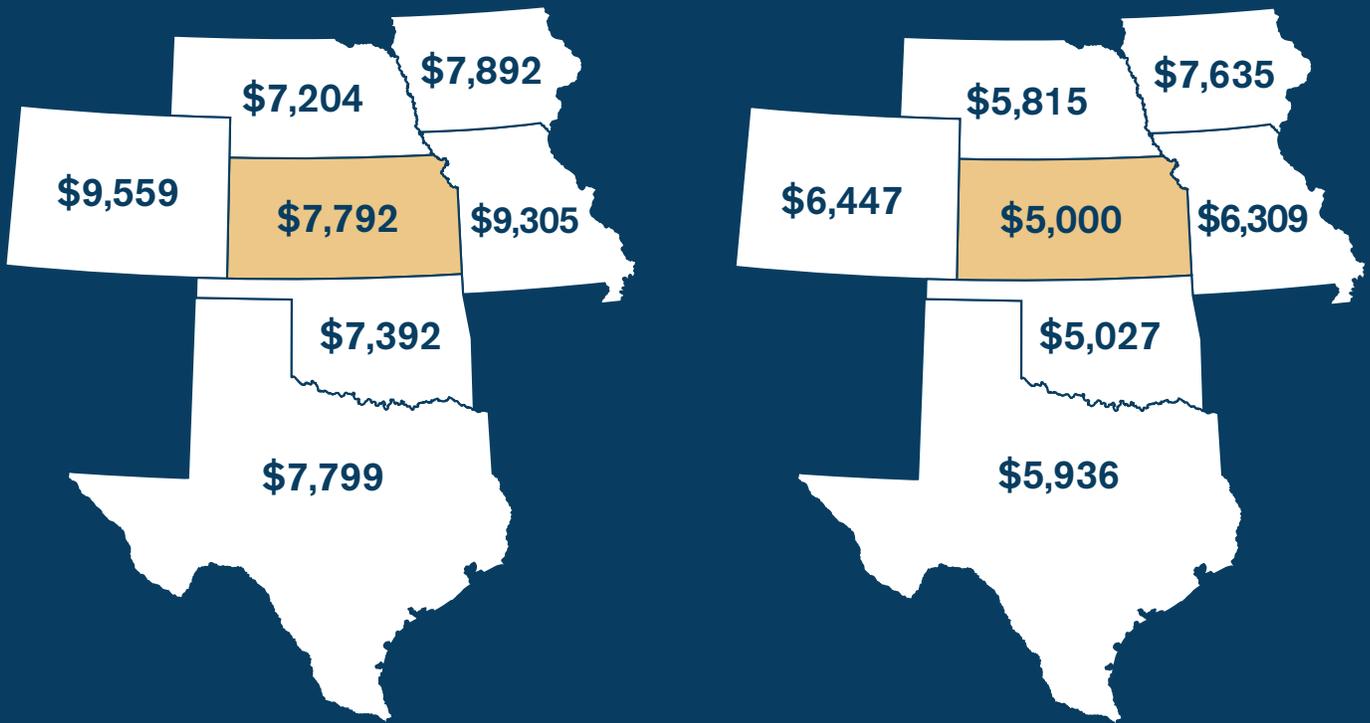
The business of education

The state of Kansas recognizes the importance of financial reserves and requires a 7.5 percent ending balance for the state budget. Because of restricted funds and funding cuts, state universities only have 5.2 percent or \$114.2 million in reserves available for general use.

Rating agencies such as Standard & Poor's look at a university's available funds when determining bond ratings. The reduction of this reserve can result in a credit rating being downgraded, which means a university and the state pay more in interest costs.

RESEARCH UNIVERSITIES
 Kansas' average annual tuition is among the lowest in the region.
 Source: IPEDS 2012-2013

REGIONAL UNIVERSITIES
 Kansas' average annual tuition is the lowest in the region.
 Source: IPEDS 2012-2013



TUITION

Even with recent tuition increases, the cost of public higher education in Kansas remains among the lowest in the region. Keeping tuition reasonable makes higher education accessible to all and is necessary to increase the educational attainment level of Kansans. It helps Kansas students graduate with more disposable income and contribute more to the state's economic prosperity during their lifetimes.

\$7,792

The average annual tuition and fees at Kansas research universities.

\$5,000

The average annual tuition and fees at Kansas regional universities.

\$19,950

The average annual tuition and fees at Kansas private universities.

\$2,480

The average annual tuition and fees at Kansas public two-year colleges.

TRANSFER AND ARTICULATION

Transfer of credit hours is recognized as a crucial element within a seamless educational system. The ability for students to take classes at any public college or university and have these credit hours transfer to another public higher education institution saves students money and time and creates a more efficient system. The Kansas Board of Regents, in support of creating this seamless system, has approved 32 courses in the last year to be eligible to transfer within the system and will review another 17 courses in the next 12 months. The Kansas Board of Regents has committed to an ongoing process of reviewing courses to make the system as seamless as possible for students.

During the past decade, an average of 4,400 students each year transfer into one of Kansas' public universities from another Kansas postsecondary institution. The percentage of transfer students who go on to graduate from that institution in four years is more than 50 percent and those who graduate in six years is nearly 60 percent.

LIFELONG LEARNING

Since 2009, an additional 22,000 student credit hours were earned by Kansans seeking to further their understanding and skills in business training and enrichment course work. By definition, this credit does not count toward a formal higher education credential, but these enrichment classes and customized training initiatives represent additional teaching taking place in Kansas colleges to assist businesses with courses tailored to their needs and to provide individuals with specialized training that enhances their employability as well as the overall education level of the state.

A CLOSER LOOK AT GRADUATION RATES

When it comes to graduation, Kansas colleges and universities are actively working with students to determine their needs, goals and timelines for obtaining a degree or certificate. Students who attend part-time receive the same level of support to help them achieve their goal of a college education. This personalized level of support is vital to student success, but makes it difficult for Kansas public higher education institutions to quickly increase graduation rates.

AVERAGE GRADUATION RATES FOR COLLEGES AND UNIVERSITIES IN KANSAS*

State universities	53.8%
Community colleges	27.7%**
Technical colleges	67.9%**
Independent colleges	42.9%

SIX-YEAR GRADUATION RATES FROM SURROUNDING STATE PUBLIC UNIVERSITIES*

National Average	56.1%
Nebraska	57%
Kansas	53.8%
Missouri	53.6%
Colorado	50.9%
Oklahoma	46.8%

* as of 2011

** exceeds national average

10%

The Kansas Board of Regents has established a goal to achieve a 10 percentage point increase in graduation rates for each sector by 2020.

DEGREES AND CERTIFICATES

40,614 degrees/certificates

In 2012, Kansas' 32 public higher education institutions produced 3.2 percent more graduates than in the previous year.

The type of degrees/certificates issued in 2012:

- 10,537 technical certificates
- 8,783 associate degrees
- 14,699 bachelor's degrees
- 5,272 master's degrees
- 1,323 doctoral degrees

Some of the categories of graduates in 2012 included:

- Nurses: 7,170
- Doctors: 166
- Engineers: 1,999
- Teachers: 2,917
- Truck drivers (CDL): 321
- Welders: 236

Source: KHEDS AY 2012

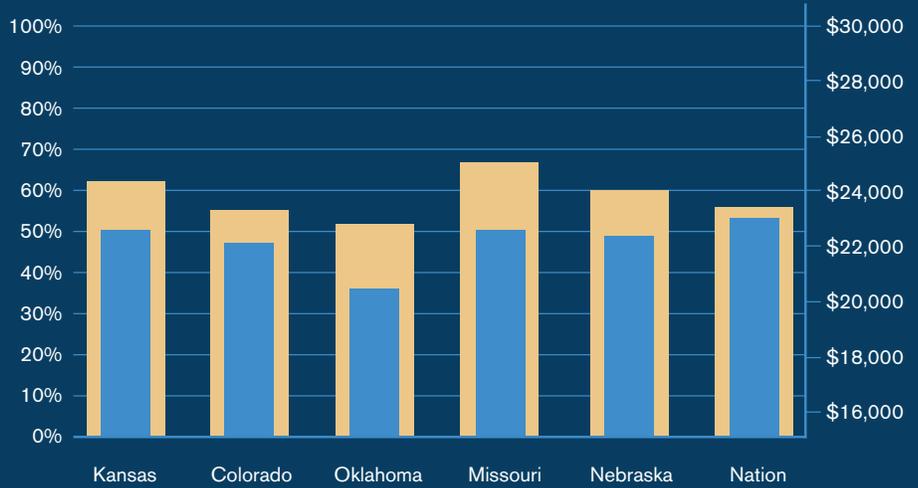


STUDENT DEBT

Because Kansas public colleges and universities are affordable and flexible, Kansas students graduate with debt that is manageable.

The average debt of Kansas students graduating from a public university is approximately \$23,000, which is similar to surrounding states and significantly lower than the debt of students who graduate from a private institution.

2011 EDUCATIONAL DEBT
PUBLIC UNIVERSITY GRADUATES

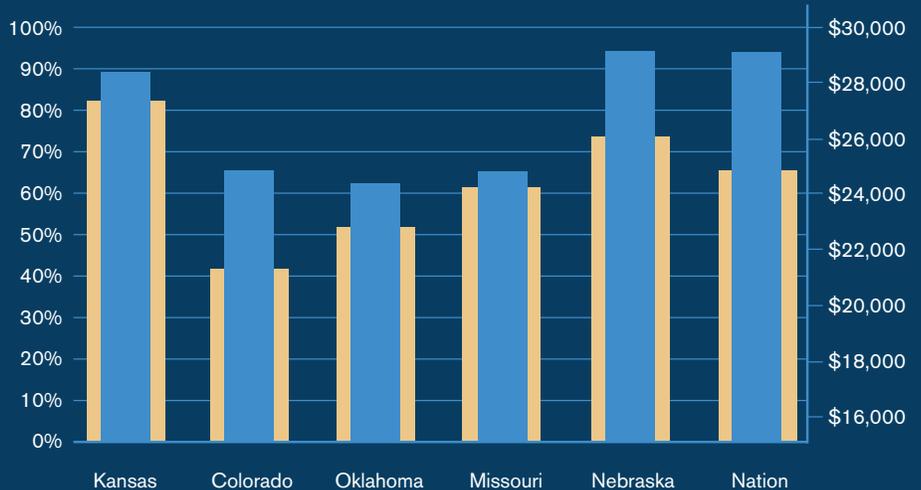


Percentage of graduates with debt

Average debt

Source: College InSight

2011 EDUCATIONAL DEBT
PRIVATE NONPROFIT UNIVERSITY GRADUATES



Percentage of graduates with debt

Average debt

Source: College InSight

40%

Nearly 40 percent of students at Kansas public universities graduate without debt, while 17 percent of students who graduate from private nonprofit universities are debt free.



RESEARCH AND EDUCATION'S ROLE IN BUSINESS AND ECONOMIC GROWTH

Higher education is an engine of economic growth. Kansas public colleges and universities conduct research and educate the workforce, which creates new companies and jobs. All of this helps support our communities and entrepreneurs.

Kansas is a great place for business. But businesses can't do it alone. Companies need a highly skilled workforce. They need basic research and discovery so they can convert discoveries into new consumer products. And they need strong communities and the entrepreneurial support that universities provide.

Businesses need highly trained Kansas graduates, and companies go where the talented workers are. Kansas graduates work in hospitals, clinics and pharmacies across the state. Universities educate the mental health professionals and the social workers who help Kansans achieve their potential. Universities educate schoolteachers, train law enforcement officials and provide continuing education opportunities to employees in countless industries. Universities train the workers who make Kansas communities attractive places to do business.

By creating jobs, companies and economic prosperity for Kansas, higher education offers a return on investment for Kansas taxpayers.

37

Number of startup companies Kansas universities have launched*

\$480.3 million

Amount of federal funding brought into Kansas*

20

Number of companies that have relocated to Kansas to partner with a higher education institution*

46

Number of inventions/discoveries licensed to companies that have generated \$10 million in revenue*

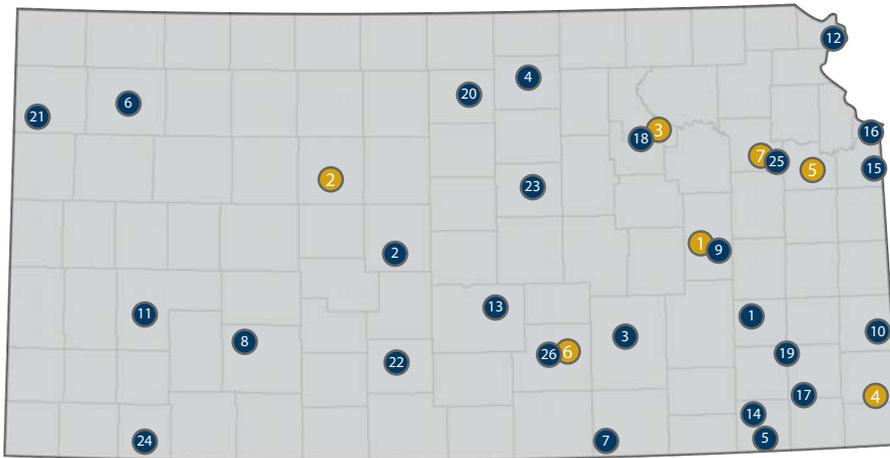
** from 2010 to present*

PUBLIC HIGHER EDUCATION

Kansas has seven public universities, 19 community colleges and six technical colleges. These institutions employ nearly 29,000 of our friends and neighbors. Public colleges and universities benefit from a system that brings accountability, advocacy and resources.

KBOR

The Kansas Board of Regents is a nine-member governing board working for Kansans. The board advocates for continuous improvement in public higher education while making it accessible to all qualified Kansans.



● PUBLIC UNIVERSITIES

- 1 Emporia State University
- 2 Fort Hays State University
- 3 Kansas State University
- 4 Pittsburg State University
- 5 University of Kansas
- 6 Wichita State University
- 7 Washburn University

● PUBLIC COMMUNITY AND TECHNICAL COLLEGES

- | | | |
|----------------------------------|---|--|
| 1 Allen County Community College | 10 Fort Scott Community College | 19 Neosho County Community College |
| 2 Barton Community College | 11 Garden City Community College | 20 North Central Kansas Technical College |
| 3 Butler Community College | 12 Highland Community College | 21 Northwest Kansas Technical College |
| 4 Cloud County Community College | 13 Hutchinson Community College | 22 Pratt Community College |
| 5 Coffeyville Community College | 14 Independence Community College | 23 Salina Area Technical College |
| 6 Colby Community College | 15 Johnson County Community College | 24 Seward County Community College/
Area Technical School |
| 7 Cowley College | 16 Kansas City Kansas Community College | 25 Washburn Institute of Technology |
| 8 Dodge City Community College | 17 Labette Community College | 26 Wichita Area Technical College |
| 9 Flint Hills Technical College | 18 Manhattan Area Technical College | |



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