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The Honorable Members  
Kentucky General Assembly

Dear Members of the General Assembly:

Over the past several years, Kentucky's public colleges and universities have made meaningful progress in expanding educational opportunities, strengthening the workforce pipeline, and supporting economic growth across the Commonwealth. These gains reflect the shared commitment of our institutions, the Council on Postsecondary Education, and the Kentucky General Assembly to ensure that more Kentuckians have access to high-quality postsecondary education and training.

Together, we have focused on increasing educational attainment, improving student success, and aligning academic programs with the needs of Kentucky's employers. Those efforts are producing measurable results. Kentucky is less than five percentage points away from its educational attainment goal – for 60 percent of Kentuckians to have a postsecondary degree or credential by 2030. Kentucky also led the nation in rebounding from pandemic-era declines in enrollment, demonstrating the impact of coordinated statewide efforts to connect students with postsecondary opportunities.

Our institutions are also producing more graduates to meet workforce needs across the state. Over the past five years, total degrees and credentials awarded have increased by 15 percent, including a 20 percent increase in short-term certificates and diplomas. Degrees and credentials earned by low-income students have increased by 8.6 percent, reflecting an ongoing commitment to affordable, accessible postsecondary education. Kentucky has made important strides in improving college affordability. A growing share of Kentucky undergraduates – six out of 10 – now graduate without student loan debt, and average debt levels for graduates of public institutions have declined in recent years. These improvements help ensure that higher education remains accessible and that students can enter the workforce with greater financial stability. These outcomes reflect the value of Kentucky's performance funding model, which aligns state investment with student success and workforce outcomes. Continued investment in the performance funding pool will help sustain this progress and ensure institutions remain focused on producing the graduates and credentials Kentucky's economy needs.

Previous investments in higher education are already producing measurable workforce results. For example, the General Assembly's investment in strengthening Kentucky's healthcare workforce is helping build a stronger pipeline of future healthcare professionals. Since 2022, enrollment in health-related majors across Kentucky's public and private colleges and universities has increased by 23 percent—nearly 7,000 additional students preparing for careers in healthcare.

The collective efforts of Kentucky's public higher education leaders and policymakers are producing clear economic returns for the Commonwealth. According to a 2024 analysis by the University of Kentucky's Center for Business and Economic Research, for every \$1 Kentucky invests in higher education, the state receives approximately \$22 in total economic returns through increased tax revenue and expanded economic activity over the working lifetime of graduates.

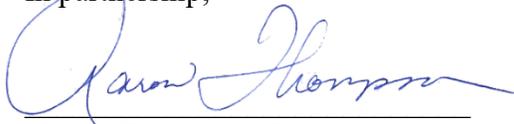
Despite the demonstrated return on investment in higher education, the House-passed version of the biennial budget (HB 500) includes across-the-board reductions of 4 percent and 7 percent to postsecondary education operating funds. At the same time, we remain supportive of continued investments that strengthen Kentucky's

higher education system and workforce pipeline. This includes maintaining modest inflationary increases in institutional operating funds, continued investment in the performance funding model that rewards student success, and modernization of our campuses through the asset preservation program and new capital investments. While we recognize the difficult decisions involved in developing a responsible state budget, reductions of this magnitude risk slowing the progress Kentucky has worked hard to achieve. Institutions would be required to make decisions that negatively impact student services, workforce programs, and other core operations, at a time when employers across the state increasingly rely on a strong pipeline of educated talent. Applying the same reductions to the Council's General Fund budget would also diminish the state's capacity to coordinate systemwide initiatives, align policy, and support collaboration among institutions—efforts that have helped drive Kentucky's recent progress in postsecondary education.

Kentucky's progress in postsecondary education has resulted from sustained collaboration among institutions, policymakers, and state leadership. Continued investment is essential to maintaining that momentum and ensuring that more Kentuckians can earn the degrees and credentials needed to support their families and contribute to the state's economy.

As the budget process continues, we respectfully encourage continued investment in Kentucky's public colleges and universities so the Commonwealth can build on the progress already underway. Maintaining support for institutional operating funds, performance funding, and the modernization of campus facilities will help ensure Kentucky continues expanding postsecondary opportunity for students while strengthening the workforce and economic competitiveness that will shape the Commonwealth's future.

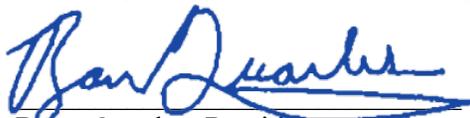
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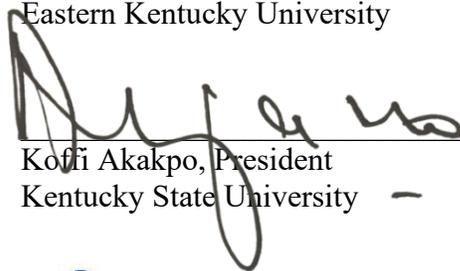
Aaron, Thompson, President  
Kentucky Council on Postsecondary Education



David McFaddin, President  
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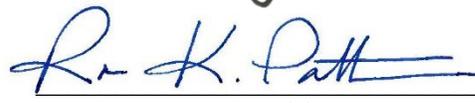
Ryan Quarles, President  
Kentucky Community  
and Technical College System



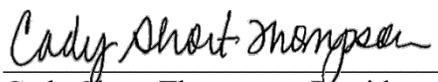
Koffi Akakpo, President  
Kentucky State University



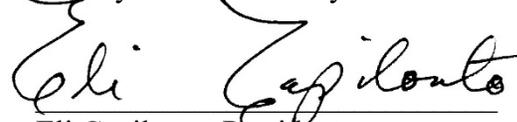
Jay A. Morgan, President  
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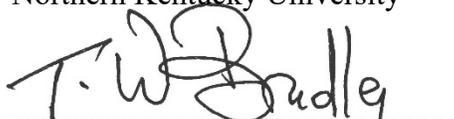
Ron Patterson, President  
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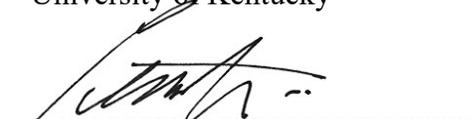
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Western Kentucky University