



Kentucky Higher Education Assistance Authority

Reports

August 18, 2005

KEES Use at Out-of-State Postsecondary Institutions Fiscal Years 2001 - 2004

Background

The 1998 Kentucky General Assembly created the merit-based Kentucky Educational Excellence Scholarship (KEES) to:

- Promote college access and attainment.
- Encourage and reward Kentucky high school students who work hard academically by providing an opportunity to earn money to help pay their higher education expenses.
- Encourage students to attend college in Kentucky and remain in Kentucky upon graduation.

KEES is administered by the Kentucky Higher Education Assistance Authority (KHEAA), the same state agency that administers a variety of other scholarship, grant, loan, work-study, and savings programs to help families pay higher education expenses.

Kentucky Higher Education Assistance Authority
 P.O. Box 798, Frankfort, KY 40602-0798
 Toll Free 800.928.8926
 www.kheaa.com

Kentucky Higher Education Student Loan Corporation
 P.O. Box 24266, Louisville, KY 40224-0266
 Toll Free 888.678.4625
 www.studentloanpeople.com

KHEAA and The Student Loan People do not discriminate on the basis of race, color, national origin, sex, religion, age, or disability in employment or services and provide, upon request, reasonable accommodations to afford individuals with disabilities an equal opportunity to participate in all programs and activities.

Funding

Funding for KEES, along with need-based College Access Program (CAP) Grants and Kentucky Tuition Grants (KTG), is provided by the Kentucky Lottery. Senate Bill 21, passed in 1998, provided the following allocation of lottery revenue for KEES awards after reserving \$3 million for literacy efforts.

FY	KEES	CAP/KTG
1999	---	\$14 million
2000	\$7 million	\$15 million
2001	15 percent	32 percent
2002	25 percent	32 percent
2003	32 percent	32 percent
2004	40 percent	40 percent
2005	45 percent	45 percent
2006 and thereafter	45 percent	55 percent

Earning KEES Awards

Students attending certified Kentucky high schools can earn a KEES scholarship based on their grade point average (GPA) for each year of high school and a bonus award based on their highest ACT (or SAT-equivalent) score attained before graduating from high school. An annual GPA of 2.5 or higher is required to earn a base scholarship, and an ACT (or SAT-equivalent) score of 15 or above is required to earn a bonus award. High school students must qualify for at least one base award to be eligible to receive a bonus award. GED recipients and graduates of non-certified Kentucky high schools who otherwise meet eligibility criteria may qualify for a bonus award but not a base award.



Using KEES Awards and the Academic Common Market

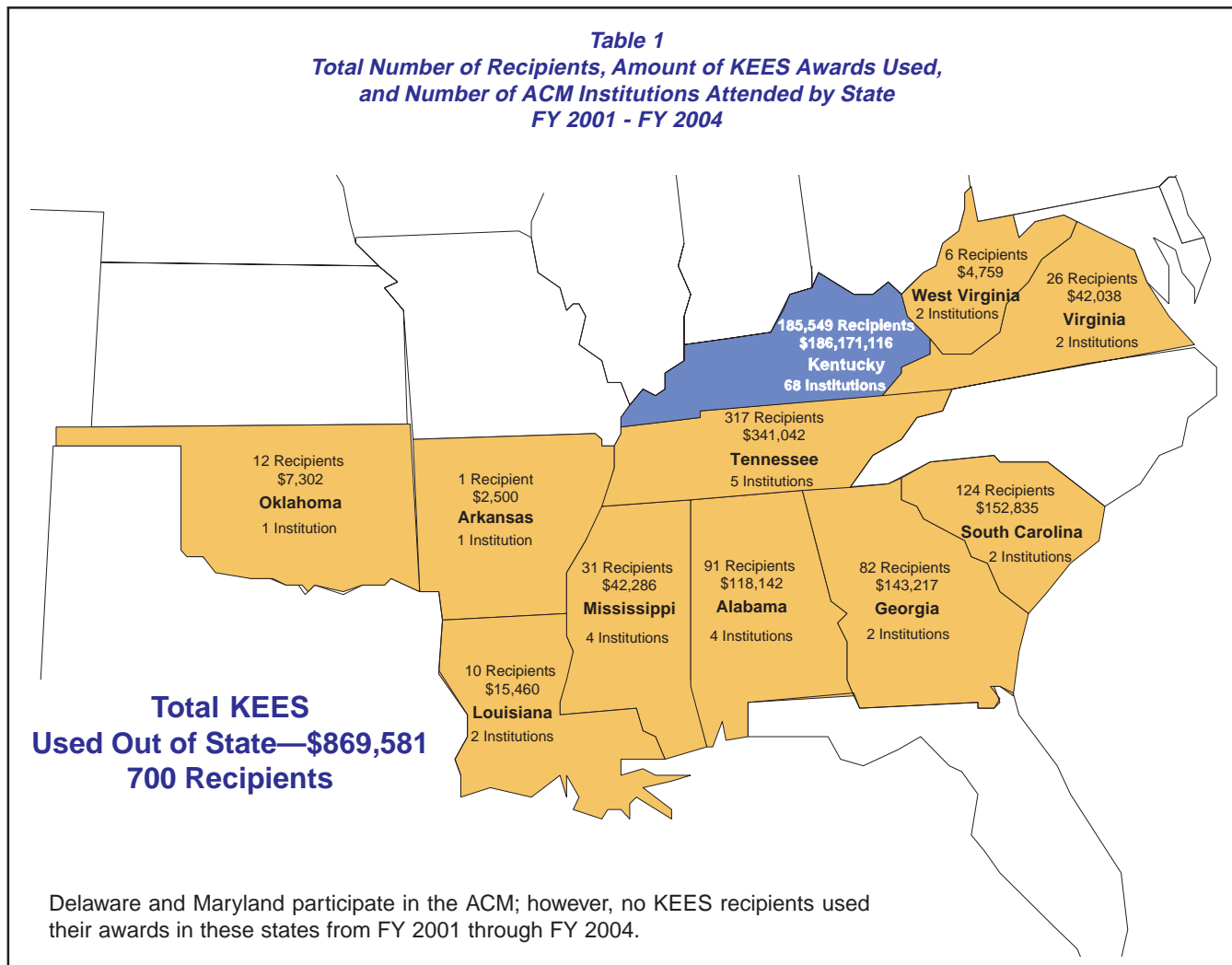
To use the KEES award earned while in high school, students must be enrolled in a participating institution in the Commonwealth of Kentucky. However, under current program regulations, students pursuing a degree in a program of study not available in Kentucky may be able to use a KEES award to attend an out-of-state institution. State law (KRS 164.7883) gives KHEAA authority to designate eligible out-of-state participating institutions, and KHEAA regulation (11 KAR 15:090) defines, or identifies, an eligible program at an out-of-state participating institution. This regulation limits the use of KEES for academic majors not available in Kentucky to programs offered through the Academic Common Market (ACM).

The ACM is a consortium of 16 Southern Regional Education Board (SREB) states that offer reciprocal in-state tuition rates for academic programs at public

institutions not available in one's "home" state. About 150 schools participate in the ACM at the undergraduate and graduate levels. The consortium participants at the undergraduate level are Alabama, Arkansas, Delaware, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Oklahoma, South Carolina, Tennessee, Virginia, and West Virginia. Although Florida, North Carolina, and Texas participate at the graduate level, KEES can only be applied to undergraduate programs. The Kentucky Council on Postsecondary Education (CPE) website (www.cpe.ky.gov/policies/academicinit/SREB/ACM.htm) lists 74 undergraduate, out-of-state programs available to Kentucky residents through the ACM.

Of 256 KEES-using undergraduates at ACM institutions in FY 2004, 144 (56%) selected one of the following top four courses of study—recording industry, 61; aerospace engineering, 38; marine science, 35; and nuclear engineering, 10.

Table 1
Total Number of Recipients, Amount of KEES Awards Used,
and Number of ACM Institutions Attended by State
FY 2001 - FY 2004



Total KEES Awards Used Out of State

From FY 2001 through 2004, 700 KEES recipients used awards totaling \$869,581 at out-of-state ACM institutions (Table 1), accounting for 0.46% of the \$187 million of KEES awards used during that time.

A breakdown is presented below of the number of KEES recipients and amount of the KEES awards used out of state by academic year, state, and institution for each of the last four years (Table 2).

Table 2
Number of Recipients and Amount of KEES Awards Used Out of State
by Academic Year, State, and Institution

State and ACM Postsecondary Institution	Academic Year								Total by State and Institution	
	2000-2001		2001-2002		2002-2003		2003-2004		No.	Amt.
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.		
Alabama	9	\$7,543	18	\$21,870	28	\$34,738	36	\$53,991	91	\$118,142
Auburn University			6	\$6,804	13	\$15,982	19	\$32,232	38	\$55,018
University of Alabama, Huntsville	1	\$714	3	\$4,143	3	\$2,583	3	\$4,156	10	\$11,596
University of Alabama, Tuscaloosa	8	\$6,829	9	\$10,923	11	\$14,615	14	\$17,603	42	\$49,970
University of South Alabama					1	\$1,558			1	\$1,558
Arkansas	0	\$0	0	\$0	0	\$0	1	\$2,500	1	\$2,500
University of Arkansas							1	\$2,500	1	\$2,500
Georgia	5	\$4,235	17	\$24,474	27	\$50,422	33	\$64,086	82	\$143,217
Georgia Institute of Technology			8	\$15,524	17	\$37,537	23	\$47,389	48	\$100,450
University of Georgia	5	\$4,235	9	\$8,950	10	\$12,885	10	\$16,697	34	\$42,767
Louisiana	0	\$0	2	\$2,796	2	\$2,796	6	\$9,868	10	\$15,460
Louisiana State University			1	\$1,950	1	\$1,950	2	\$3,486	4	\$7,386
University of New Orleans			1	\$846	1	\$846	4	\$6,382	6	\$8,074
Mississippi	4	\$3,368	6	\$6,460	10	\$14,160	11	\$18,298	31	\$42,286
Mississippi State University	3	\$2,640	2	\$683	4	\$4,963	5	\$9,804	14	\$18,090
Mississippi University for Women					1	\$775	1	\$775	2	\$1,550
The University of Southern Mississippi							2	\$2,745	2	\$2,745
University of Mississippi	1	\$728	4	\$5,777	5	\$8,422	3	\$4,974	13	\$19,901
Oklahoma	2	\$609	5	\$4,012	3	\$2,376	2	\$305	12	\$7,302
University of Oklahoma	2	\$609	5	\$4,012	3	\$2,376	2	\$305	12	\$7,302
South Carolina	15	\$8,226	28	\$32,428	35	\$46,592	46	\$65,589	124	\$152,835
Coastal Carolina University	9	\$4,278	19	\$21,471	24	\$32,987	38	\$53,220	90	\$111,956
University of South Carolina	6	\$3,948	9	\$10,957	11	\$13,605	8	\$12,369	34	\$40,879
Tennessee	49	\$30,960	73	\$71,240	87	\$103,715	108	\$135,127	317	\$341,042
East Tennessee State University	3	\$776	1	\$321	3	\$3,730	6	\$11,198	13	\$16,025
Middle Tennessee State University	31	\$19,842	52	\$48,225	64	\$71,471	77	\$85,255	224	\$224,793
Tennessee State University			2	\$1,219	2	\$1,378	1	\$231	5	\$2,828
University of Memphis					2	\$2,345	4	\$4,218	6	\$6,563
University of Tennessee, Knoxville	15	\$10,342	18	\$21,475	16	\$24,791	20	\$34,225	69	\$90,833
Virginia	2	\$1,525	5	\$6,125	7	\$12,111	12	\$22,277	26	\$42,038
Radford University	1	\$825	2	\$1,625	5	\$8,111	6	\$9,450	14	\$20,011
Virginia Polytechnical Institute and State University	1	\$700	3	\$4,500	2	\$4,000	6	\$12,827	12	\$22,027
West Virginia	1	\$486	2	\$1,305	2	\$653	1	\$2,315	6	\$4,759
Marshall University							1	\$2,315	1	\$2,315
West Virginia University	1	\$486	2	\$1,305	2	\$653			5	\$2,444
Total by Academic Year for All Institutions	87	\$56,952	156	\$170,710	201	\$267,563	256	\$374,356	700	\$869,581

The number and amount of KEES awards used at out-of-state postsecondary institutions participating in the ACM has increased slightly each year since FY 2001 (Table 3 and Table 4).

When the amount used out of state is compared to the amount used in the Commonwealth, the amount

is small. For example, for every \$1 spent out of state in 2003, \$213 was used in Kentucky. In 2004, \$190 was spent in Kentucky for every \$1 spent out of state (Table 5).

Table 3
Number of KEES Recipients Using Awards at Out-of-State ACM Institutions by Academic Year

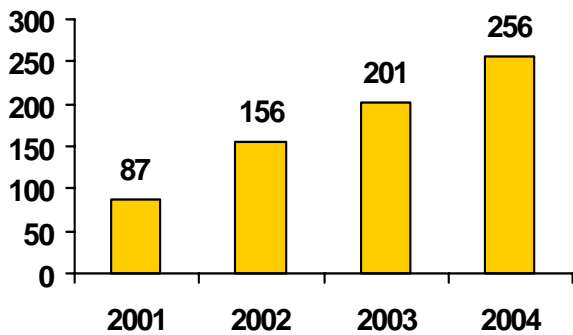


Table 4
Amount of KEES Awards Used at Out-of-State ACM Institutions by Academic Year

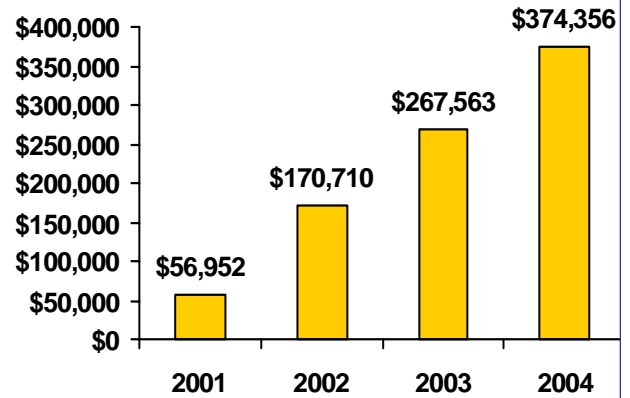
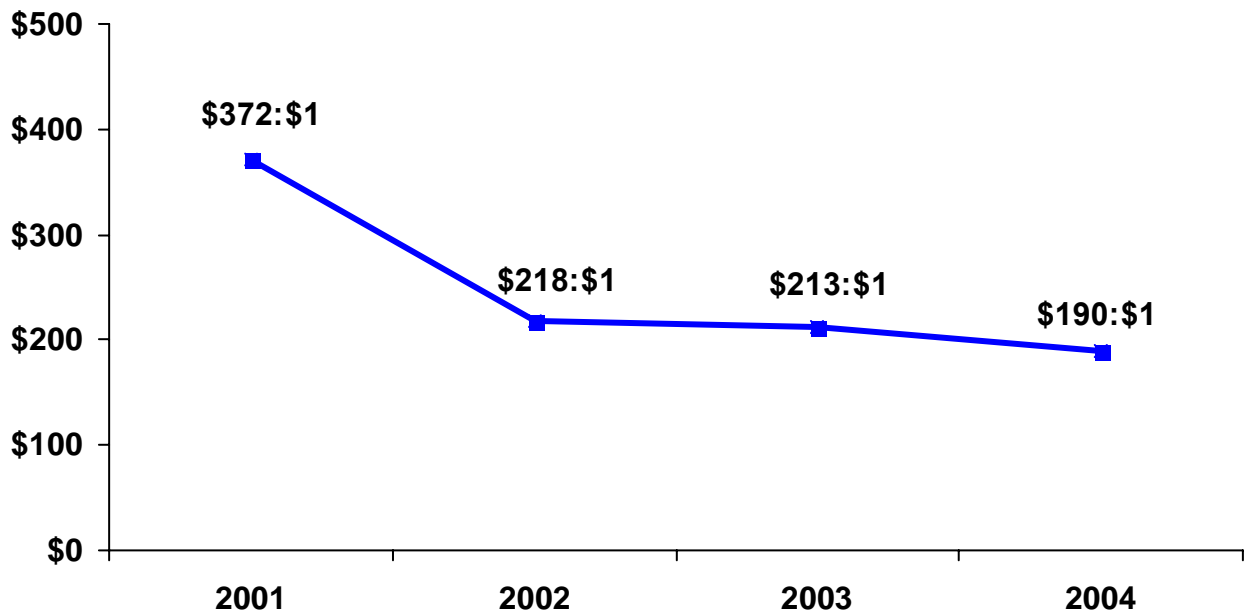


Table 5
Ratio of KEES Awards Used at In-State Institutions To Awards Used at Out-of-State ACM Institutions



Jeff Green Scholars

The Kentucky high school graduating class of 2002 was the first cohort of students who were eligible to earn the designation of Senator Jeff Green Scholar. Students earn this distinction by achieving and maintaining a 4.0 GPA for all four years of high school and achieving an ACT composite score of 28 or higher. The title of Senator Jeff Green Scholar was merited by 768 high school graduates in 2002, 843 high school graduates in 2003, and 867 high school graduates in 2004.

All Jeff Green Scholars earn the maximum KEES award of \$2,500. Typically, 1% of Senator Jeff Green Scholars (approximately eight per graduation cohort) attend out-of-state ACM institutions for their first year of college. This compares to the average 68.5% who attend in-state institutions (*see Table 6*). Although there is some slight attrition as students progress through their postsecondary years, it is more pronounced in students attending in-state institutions.

In the three years since Senator Jeff Green Scholars have been recognized, the number of students meriting the award has continued to increase with each succeeding cohort, and the proportion of those students electing to attend in-state postsecondary institutions has increased as well. The proportion of Senator Jeff Green Scholars choosing to attend ACM institutions has remained relatively constant over all cohorts.

Table 6
Percent of Jeff Green Scholars
Using KEES Awards to Attend
In-State and Out-of-State ACM Institutions
by High School Graduation Year
and Postsecondary Year

HS Grad Year	Postsecondary Year					
	First-Year Percentage		Second-Year Percentage		Third-Year Percentage	
	KY	ACM	KY	ACM	KY	ACM
2002	65.9	1.2	64.2	0.9	65.0	0.9
2003	69.5	0.8	69.1	0.7	-	-
2004	70.1	0.9	-	-	-	-
Total Percentage	68.5	1.0	66.7	0.8	65.0	0.9

In Summary

KEES recipients who use their awards at out-of-state institutions participating in the ACM constitute a small percentage of the total number of recipients—less than one half of 1 percent. The vast majority of KEES earners, including Jeff Green Scholars, use their awards at Kentucky postsecondary institutions.

Allowing Kentucky students to use their KEES awards to pursue programs of study that are not available in Kentucky, but which are available at ACM-participating institutions at in-state tuition rates, does not appear to compromise the purposes for which the program was created. It does, however, appear to be an efficient and cost-effective way of providing enhanced educational opportunities for Kentuckians while using limited resources.