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Chamber proposes plan to close the GAP in student financial aid

FRANKFORT, Ky. (Aug. 11, 2008) – Closing the gap on student financial aid is the objective of GAP – the Guaranteed Affordability Program proposed Monday by the Kentucky Chamber of Commerce.

Using the GAP approach, the cost of postsecondary education in Kentucky would be shared among students, families, postsecondary institutions and the government, Chamber President and CEO Dave Adkisson told the Postsecondary Education Subcommittee of the legislature's Interim Committee on Education.

This shared responsibility program would simplify the state's financial assistance process while making sure that postsecondary education is affordable for Kentucky students, he said.

Tuition increases in recent years "have put the dream of higher education beyond the reach of more and more Kentuckians," Adkisson said, noting that even the state's increased financial aid is no match for the spiraling tuition costs. Meanwhile, the state hopes to reach the national average of education attainment by 2020, but "our actions in raising tuition are clearly incompatible with that goal," he said. "We must act now to end this contradiction."

The Guaranteed Affordability Program would work this way:

- A student would contribute an amount equal to what he or she could earn from a 40-hour work week during the summer and 10 to 15 hours per week during the school year at a minimum wage job.
- The family contribution, as determined by the Free Application for Federal Student Aid, or FAFSA, would be added to the student contribution.
- Scholarships or other funding provided to the student by the postsecondary institution would be the third layer.
- The Commonwealth would then assure all students that the state would make up the difference between the sum of these contributions and the cost of attending a public university or a community/technical college.

The state Council on Postsecondary Education would determine the cost of attending a public institution, and students attending independent colleges and universities would be eligible to receive that public "cost of attendance" to apply toward their education costs.

Adkisson called on the legislators to enact the structure for GAP during the 2009 session to provide time to prepare for funding and full implementation in 2010. He encouraged the subcommittee to take a look at what other states are doing – similar programs are in place in Minnesota and Oregon – as details are worked out.

And he emphasized the importance of the final product being a bipartisan initiative. "If our approach proves feasible, we think everyone can – and should – win, in both the political and public policy arenas," he said.

The GAP proposal originated with the Chamber's Task Force on Postsecondary Education that issued a report last year detailing the progress Kentucky has made since enactment of reforms in 1997 and the challenges the state faces in reaching its education attainment goals.