

# COUNCIL ON POSTSECONDARY EDUCATION FINANCE COMMITTEE MEETING



May 11, 2021 – 2:00 PM, EST

ZOOM teleconferencing for Finance Committee members

Livestream: <https://www.youtube.com/c/KentuckyCouncilOnPostsecondaryEducationFrankfort>

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|--------------|---|----|
| <b>I.</b>    | <b>Call to Order and Roll Call</b>                                  |    |
| <b>II.</b>   | <b>Comments from the President</b>                                  |    |
| <b>III.</b>  | <b>Approval of Committee Meeting Minutes</b> .....                  | 2  |
|              | - <i>March 23, 2021</i>   |    |
| <b>IV.</b>   | <b>Update on Federal Coronavirus Relief Funds</b> .....             | 4  |
|              | A. Funding Sources and Amounts                                      |    |
|              | B. Related Costs and Forgone Revenue                                |    |
| <b>V.</b>    | <b>Tuition and Mandatory Fee Recommendation (Action Item)</b> ..... | 17 |
| <b>VI.</b>   | <b>Interstate Tuition Reciprocity Agreements</b> .....              | 40 |
| <b>VII.</b>  | <b>Fiscal 2021-22 Performance Fund Distribution</b> .....           | 81 |
| <b>VIII.</b> | <b>Other Business</b>   |    |
| <b>IX.</b>   | <b>Adjournment</b>  |    |
|              | <i>Next meeting: June 8, 2021 @ 3pm ET</i>                          |    |

**DRAFT MINUTES**  
Council on Postsecondary Education

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Type: Finance Committee Meeting  
Date: March 23, 2021  
Time: 3:00 p.m. ET  
Location: Virtual Meeting by ZOOM Webinar, Public viewing hosted on CPE YouTube Page

**CALL TO ORDER**

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The Finance Committee met Tuesday, March 23, 2021, at 3:00 p.m., ET. Pursuant to Executive Order 2020-243 and a memorandum issued by the Finance and Administration Cabinet dated March 16, 2020, and in an effort to prevent the spread of Novel Coronavirus (COVID-19), the Committee met utilizing a video teleconference. Members of the public were invited to view the meeting virtually on the CPE YouTube page. Chair Ben Brandstetter presided.

**ATTENDANCE**

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Members in attendance: Benjamin Brandstetter, Colby Birkes, Eric Farris, Kimberly Halbauer, Richard Nelson, Robert Staat, and Carol Wright

Heather Faesy, CPE's senior associate for Board Relations, served as recorder of the meeting minutes.

**APPROVAL OF THE MINUTES**

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The minutes of the October 20, 2020 and December 15, 2020 meetings were approved as distributed.

**STATE BUDGET (21 RS, HB 192)**

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Dr. Bill Payne, CPE's Vice President of Finance and Administration, provided an update regarding the development of the state budget as it relates to postsecondary education for fiscal year 2021-22. First, Dr. Payne reminded the Committee of the budget priorities list they endorsed at the December 2020 meeting that focused on additional appropriations for performance funding and asset preservation, an additional \$1,180,100 of appropriations to meet a federal matching requirement for

KSU's land-grant program, and to maintain pension relief for Kentucky's comprehensive universities and KCTCS institutions. He also reviewed the budget as passed by the Senate and House Free Conference Committee on March 16, 2021 and pointed out how that funding differed from what the Council requested.

## **PERFORMANCE FUNDING UPDATE**

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Dr. Payne and Mr. Shaun McKiernan, CPE's Director of Finance and Budget, presented an review and update on performance funding. Areas that were covered included:

- Impetus for the funding model development.
- Impact of the model, as well as unintended consequences, in its first three years of implementation.
- Adjustments recommended by the Postsecondary Education Working Group in December 2020.
- Review of Senate Bill 135, which was signed into law on March 18, 2021, that took all recommended adjustments into consideration.

## **TUITION AND FEE DISCUSSION**

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Dr. Payne and Mr. McKiernan provide an overview regarding the tuition and fee development for the academic year 2021. They discussed the key issues to consider including state funding levels, fixed and unavoidable costs, pension costs for the comprehensive universities, costs related to the COVID-19 pandemic, and current enrollment trends. They also presented a number of policy relevant data including the trend in tuition and fees for the last 20 years, interstate price comparisons, financial aid trends, student loan debt levels, and the net price of college attendance.

## **ADJOURNMENT**

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The Finance Committee adjourned at 4:45 p.m., ET.

**MINUTES REVIEWED AND APPROVED BY THE FINANCE COMMITTEE:** \_\_\_\_\_

**TITLE:** Update on Federal Coronavirus Relief Funds

**DESCRIPTION:** Staff will provide an update pertaining to federal Coronavirus relief funding for higher education and COVID-19 costs and foregone revenue at Kentucky public postsecondary institutions.

**PRESENTERS:** Ryan Kaffenberger, Senior Associate for Budget and Finance, CPE  
Shaun McKiernan, Director of Finance and Budget, CPE

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### **BACKGROUND INFORMATION**

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law and became the first of three major pieces of federal legislation that provided relief funds to address the social, health, and economic impacts of the COVID-19 pandemic. Two additional acts, the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan (ARP) Act were signed in to law on December 27, 2020 and March 11, 2021, respectively. Each of these acts has provided, and is continuing to provide, federal relief funding to postsecondary education, elementary and secondary education, and other areas of state and local government.

The CARES Act and CRRSAA authorized two primary programs that provide relief funds for postsecondary education: (a) the Higher Education Emergency Relief Fund (HEERF); and (b) the Governor’s Emergency Education Relief Fund (GEER Fund).

#### *Higher Education Emergency Relief Fund – HEERF*

- HEERF grants are allocated directly to postsecondary institutions, although program guidelines require receiving institutions to distribute a significant portion of the funds to students in the form of emergency financial aid grants (e.g., a minimum of 50 percent of total awards under the CARES Act must be distributed to students). For example, the CARES Act and CRRSAA required the public postsecondary institutions in Kentucky to distribute a combined minimum of \$291.4 million in financial aid grants to students.
- The remaining funds, referred to as the “maximum institutional portion”, can be used to recover eligible COVID-19 related costs and forgone revenue at the institutions. To access allocated institutional funds, campuses must first incur costs and realize

lost revenue associated with the pandemic, and then submit reimbursement requests that meet program eligibility criteria. Each fund has distinct requirements governing the costs and lost revenue that are eligible for reimbursement.

#### Governor's Emergency Education Relief Fund -- GEER Fund

- The CARES Act and CRRSAA both made funds available to Governors to help address challenges to elementary and secondary education and higher education during the pandemic. GEER I relief funds, made available to Kentucky through the CARES Act, totaled \$43.8 million. GEER II, made available through CRRSAA, totaled \$19.3 million. Governor Beshear allocated \$13.8 million and \$4.0 million to postsecondary education through GEER I and GEER II, respectively. The ARP Act does not include GEER funds.
- CPE staff administers the GEER funds assigned to postsecondary education. Of \$13.8 million in GEER I funding, private institutions received \$1.0 million, \$8.8 million was distributed to public universities, and \$2.5 million was distributed to KCTCS institutions to support remote learning, provide personal protection equipment and COVID-19 testing, support campus modifications and facilities, provide mental health support, and provide scholarships. In addition, \$1.5 million was directed by CPE staff to support mental health services on campuses. GEER II funding (\$4.0 million) is currently being used to support Summer Bridge Programs and for College and Career Academies.

#### Coronavirus Relief Fund

- Another source of funding that had the potential to be used to support COVID-19 related costs at postsecondary institutions across the nation was Coronavirus Relief Funds (CRF) that were made available to Governors in each state through the CARES Act. In Kentucky, Governor Beshear made the decision to allocate \$40.0 million of the state's \$1.5 billion total Coronavirus Relief Fund allocation to support higher education. The Office of State Budget Director (OSBD) is responsible for administering the allocation and distribution of CRF dollars set aside for postsecondary education.
- The 2020-2022 state budget (HB 192), enacted on March 30, 2021, incorporated the Governor's plan to use \$40.0 million of Kentucky's Coronavirus Relief Fund (CRF) allocation to support the public postsecondary institutions in fiscal year 2020-21, while at the same time reducing state General Fund appropriations at the institutions by a system total \$20.0 million that same year.

## CURRENT STATUS

Identifying amounts of federal relief funds allocated to Kentucky's public postsecondary institutions is a straight-forward exercise. With passage of each subsequent stimulus bill, the Department of Education, Office of Postsecondary Education, has published HEERF allocation amounts by institution. Kentucky GEER funds assigned by the Governor to postsecondary education are being allocated and distributed by CPE. To date, allocations for higher education institutions have been announced for relief funds provided under CARES and CRRSAA, but not for funds contained in the ARP Act.

Quantifying and documenting eligible COVID-19 related costs and forgone revenue is less simple. Over the past two months, CPE staff has worked with campus chief budget officers to design a reporting template to facilitate the collection of costs and foregone revenue associated with the pandemic. The result of that effort, in summary form, can be found in Attachment A, which shows federal awards provided under the CARES Act, CRRSAA, and CRF by institution and sector, as well as, COVID-19 related costs and forgone revenue incurred to date by institution and sector.

As can be seen in Attachment A, as of May 5, 2021, Kentucky's public postsecondary institutions had received a total of \$278.6 million in allocated federal relief funds under the CARES Act, CRRSAA, and CRF. As mentioned above, since the Department of Education has not yet announced official HEERF III allocations for higher education institutions, that total does not include ARP Act funding. However, based on American Council on Education projections, Kentucky public colleges and universities should receive in the neighborhood of \$182.4 million for their combined "maximum institutional portion", when those allocations are announced (i.e., or roughly \$460.0 million under the CARES Act, CRRSAA, CRF, and ARP Act combined).

Also included in Attachment A are campus reported costs and forgone revenue related to the pandemic, which total \$440.8 million for fiscal years 2019-20 and 2020-21. The institutions also identified a "federal awards deficit" of \$162.2 million in the aggregate, that represents the extent to which eligible expenses and lost revenue exceed current federal relief fund allocations. Finally, campus CBOs identified a combined \$39.3 million in additional costs and foregone revenue that they believe are COVID-19 related, but are not eligible for reimbursement under current program guidelines.

CPE staff will receive quarterly updates from the institutions regarding the amount of federal relief funds received, funds still available for access, and the amount of COVID-19 related costs and forgone revenue reimbursed or pending reimbursement. CPE staff and campus officials expect these figures to change as official allocations of ARP funds are announced, more costs and forgone revenue are incurred, and additional guidance on eligibility criteria becomes available.

Kentucky Public Postsecondary Institutions  
 Comparison of Federal Coronavirus Relief Funds and COVID-19 Related Costs and Foregone Revenue  
 Fiscal Years 2019-20 and 2020-21

Attachment A  
 → as of May 5, 2021

| Institution   | A<br>Federal Coronavirus Relief Funds <sup>1</sup> |                     |                          |               | B<br>COVID-19 Related Costs and Foregone Revenue |                               |  | C<br>(A + B)                                   | D  |
|---------------|--|---------------------|--------------------------|---------------|--|-------------------------------|--|--|--|
|               | CARES Act <sup>2</sup>                             | CRRSAA <sup>2</sup> | Coronavirus Relief Funds | Total Awards  | Related Costs <sup>3</sup>                       | Foregone Revenue <sup>3</sup> | Eligible Costs and Foregone Revenue <sup>4</sup> | Federal Awards Residual (Deficit) <sup>5</sup> | Ineligible Costs and Foregone Revenue <sup>6</sup> |
| UK            | \$10,988,129                                       | \$17,823,891        | \$12,260,000             | \$41,072,020  | (\$51,870,387)                                   | (\$70,070,007)                | (\$121,940,394)                                  | (\$80,868,374)                                 | (\$17,703,000)                                     |
| UofL          | 7,935,295  | 14,194,890          | 5,873,000                | 28,003,185    | (18,355,827)                                     | (58,395,700)                  | (76,751,527)                                     | (48,748,342)                                   | (5,084,500)  |
| EKU           | 6,873,756  | 13,910,248          | 3,023,800                | 23,807,804    | (6,453,857)                                      | (12,130,849)                  | (18,584,706)                                     | 5,223,098                                      | (2,128,981)  |
| KSU           | 4,338,689  | 9,032,229           | 1,173,400                | 14,544,318    | (7,776,975)                                      | (4,071,835)                   | (11,848,810)                                     | 2,695,508                                      | (586,700)  |
| MoSU          | 4,136,031  | 8,579,249           | 1,771,800                | 14,487,080    | (8,518,892)                                      | (16,488,669)                  | (25,007,561)                                     | (10,520,481)                                   | (1,807,900)  |
| MuSU          | 4,019,784  | 7,100,880           | 2,022,400                | 13,143,064    | (8,900,214)                                      | (7,313,788)                   | (16,214,002)                                     | (3,070,938)                                    | (2,033,694)  |
| NKU           | 4,900,381  | 9,714,429           | 2,415,000                | 17,029,810    | (10,145,923)                                     | (18,838,563)                  | (28,984,486)                                     | (11,954,676)                                   | (3,071,500)  |
| WKU           | 6,905,902  | 14,224,751          | 3,390,800                | 24,521,453    | (11,248,059)                                     | (10,253,381)                  | (21,501,440)                                     | 3,020,013                                      | (1,695,400)  |
| KCTCS         | 22,390,051   | 71,516,697          | 8,069,800                | 101,976,548   | (61,845,143)                                     | (58,090,748)                  | (119,935,891)                                    | (17,959,343)                                   | (5,148,600)  |
| System Total  | \$72,488,018                                       | \$166,097,264       | \$40,000,000             | \$278,585,282 | (\$185,115,277)                                  | (\$255,653,540)               | (\$440,768,817)                                  | (\$162,183,535)                                | (\$39,260,275)                                     |
| Research      | \$18,923,424                                       | \$32,018,781        | \$18,133,000             | \$69,075,205  | (\$70,226,214)                                   | (\$128,465,707)               | (\$198,691,921)                                  | (\$129,616,716)                                | (\$22,787,500)                                     |
| Comprehensive | 31,174,543   | 62,561,786          | 13,797,200               | 107,533,529   | (53,043,920)                                     | (69,097,085)                  | (122,141,005)                                    | (14,607,476)                                   | (11,324,175)                                       |
| Two-Year      | \$22,390,051                                       | \$71,516,697        | \$8,069,800              | \$101,976,548 | (\$61,845,143)                                   | (\$58,090,748)                | (\$119,935,891)                                  | (\$17,959,343)                                 | (\$5,148,600)                                      |

<sup>1</sup> Available awards are accessed as institutions incur eligible COVID-19 related costs and foregone revenue and submit them for reimbursement. Official allocations from the American Rescue Plan (ARP) have not yet been released and, therefore, are not included.

<sup>2</sup> The Coronavirus Aid, Relief, and Economic Security (CARES) Act and the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) include direct awards to institutions through the Higher Education Emergency Relief Fund (HEERF I and HEERF II) and Governor's Emergency Education Relief Fund (GEER I). The HEERF I and HEERF II funds include institutional portions, allocations for Historically Black Colleges and Universities, and allocations for institutions that participate in the Strengthening Institutions Program. These figures do not include portions allocated for emergency financial aid grants to students.

<sup>3</sup> Includes both actual and estimated COVID-19 related costs and foregone revenue that either have been, or are expected to be, reimbursed and eligible costs and foregone revenue in excess of federal awards. COVID-19 related costs and foregone revenue are continuing to accumulate, so these data are subject to change.

<sup>4</sup> These costs and foregone revenue have already been reimbursed, are expected to be reimbursed, or are eligible for reimbursement but exceed available awards.

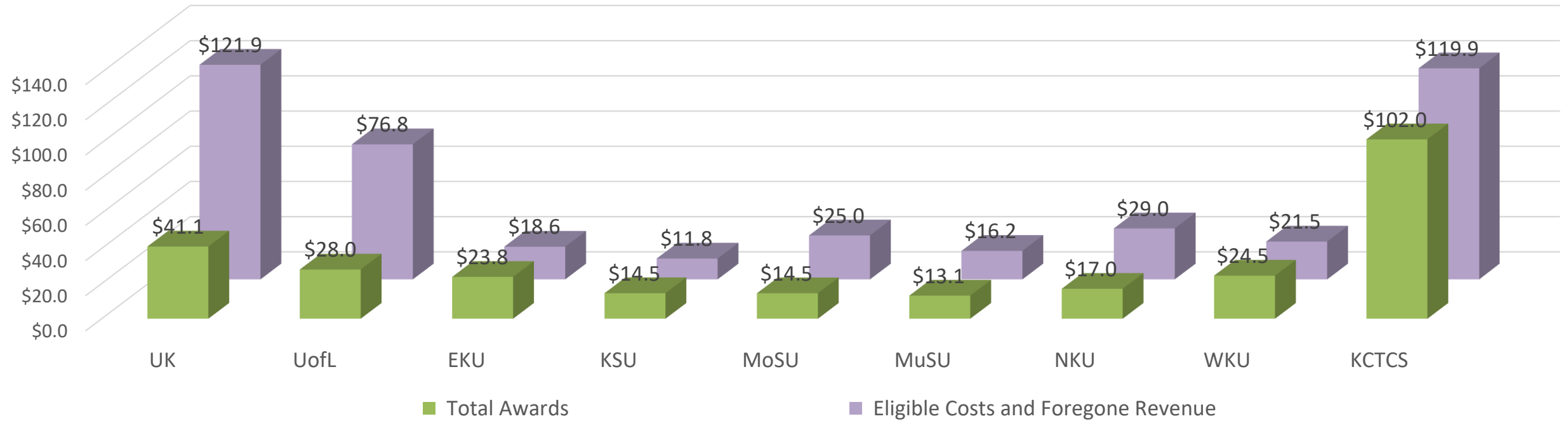
<sup>5</sup> Institutions reporting a federal awards residual anticipate accessing remaining funds in fiscal year 2021-22. These amounts can only be accessed by institutions through the reimbursement of eligible COVID-19 related costs and foregone revenue. COVID-19 related costs and foregone revenue are continuing to be incurred beyond the fiscal years contained in this table.

<sup>6</sup> Costs and foregone revenue that's been identified as COVID-19 related by campus officials, but are ineligible for reimbursement according to federal relief fund guidance.

Kentucky Public Postsecondary Institutions  
Comparison of Federal Coronavirus Relief Funds and COVID-19 Related Costs and Foregone Revenue  
Fiscal Years 2019-20 and 2020-21

Attachment A  
→ as of May 5, 2021

Dollars in Millions



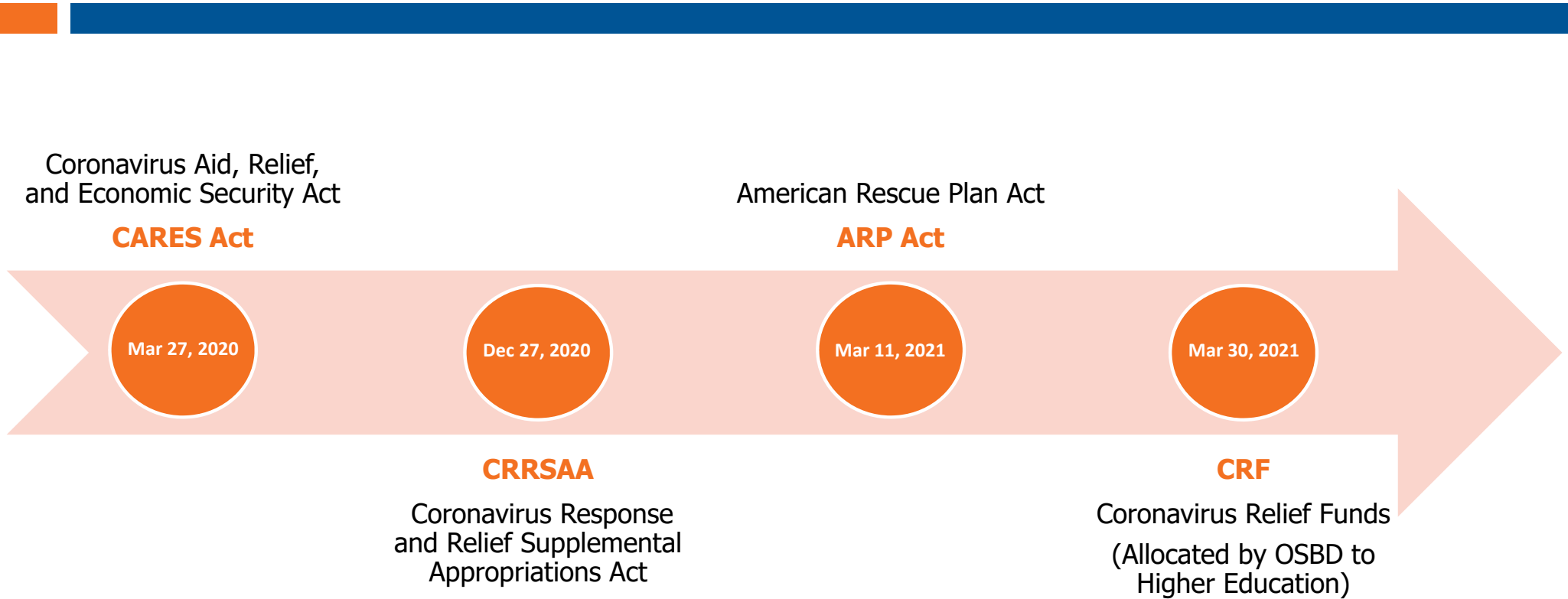




# Federal Coronavirus Relief Funds

# Federal Coronavirus Relief Funds

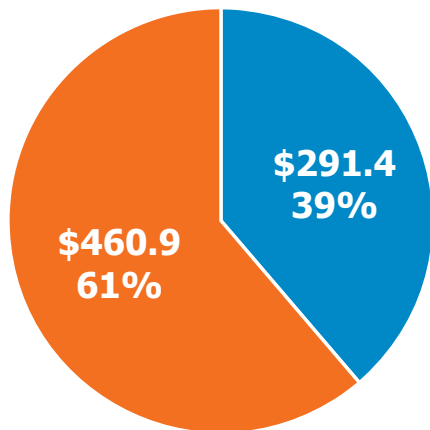
## *Timeline of Major Legislation*



# Federal Coronavirus Relief Funds

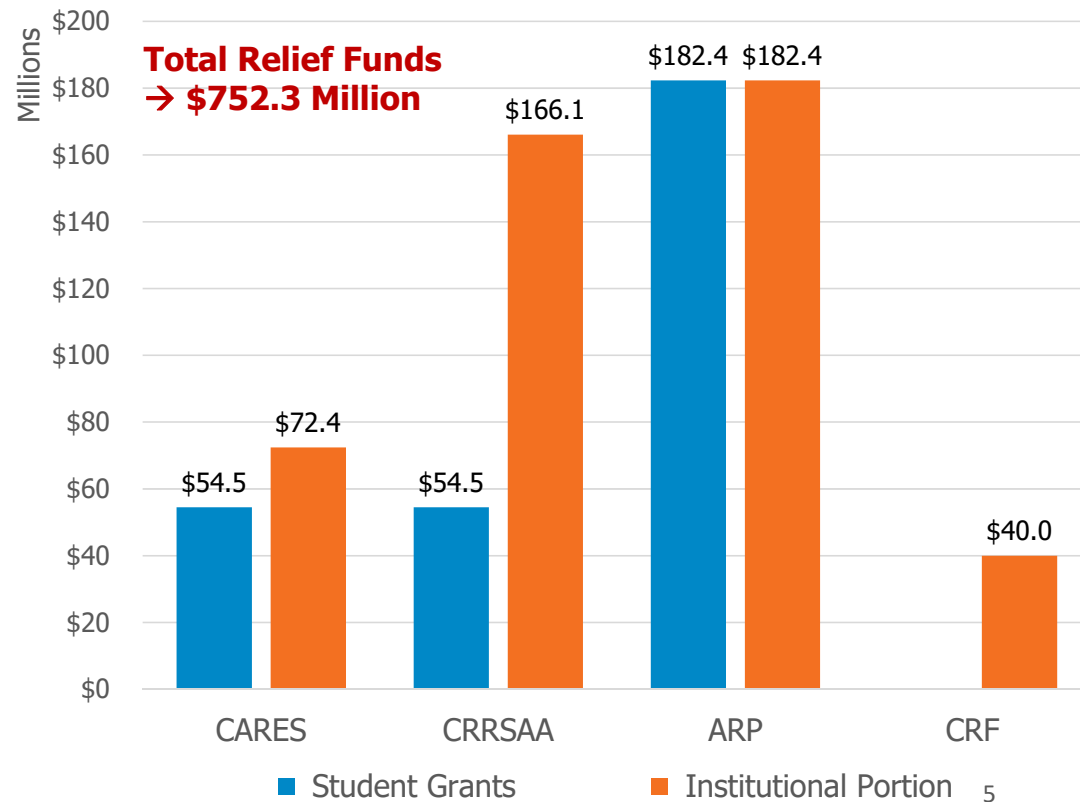
## *Awards to Students and Institutions (All Sources)*

- The three major federal relief acts include:
  - Financial Aid Grants to Students
  - Institutional Portion
- The student grant allocation provides emergency financial aid grants to students facing financial challenges as a result of COVID-19
- Each institution is responsible for determining how student grant funds are distributed



■ Student Grants   ■ Institutional Portion

Pandemic-related Federal Funds for Public Postsecondary Institutions



# Federal Coronavirus Relief Funds

## *CARES Act and CRRSAA Funds (by Sector)*

The CARES & CRRSAA authorized two primary funds for allocating relief to higher education. Each fund has distinct requirements governing eligible uses.

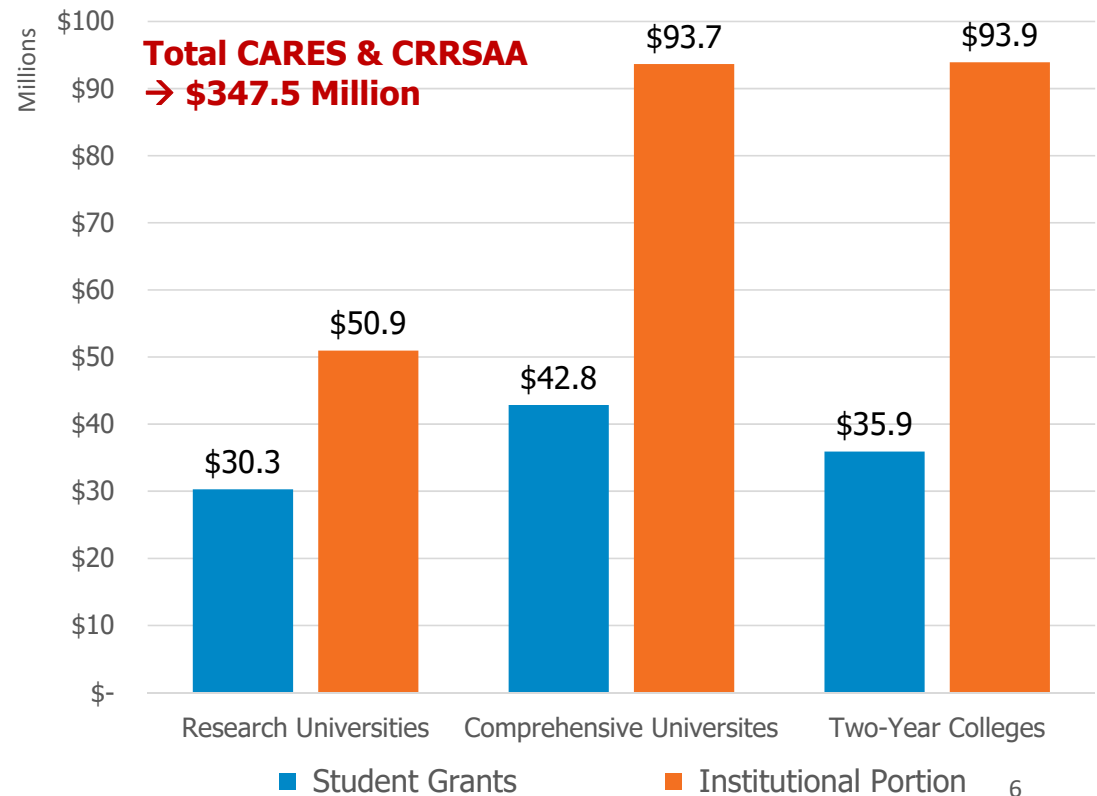
- Higher Education Emergency Relief Fund (HEERF I & II)
- Governor's Emergency Education Relief Fund (GEER I & II)

HEERF I & II Institutional Portion can be used to:

- Provide additional aid to students
- Provide refunds for tuition, housing, room and board, and other fees
- Provide tuition discounts and fee waivers
- Reimburse costs associated with transitioning to distance learning
- Reimburse costs associated with accommodating socially distant facilities
- Address campus safety and operations
- Replace lost revenue due to reduced enrollment
- Replace lost revenue from non-tuition sources
- And more...

**CARES & CRRSAA By Sector**

(Including HEERF I, HEERF II, and GEER I)



# Federal Coronavirus Relief Funds

## *Governor's Emergency Education Relief Fund*

GEER I (CARES Act): Kentucky received \$43.8 M, of which \$13.8 M was designated by Governor Beshear for postsecondary institutions

- Public Universities           \$8.8 M
- KCTCS Institutions           \$2.5 M
- Mental Health               \$1.5 M
- Private Institutions         \$1.0 M

GEER I can be used to support:

- Remote learning
- PPE and COVID-19 testing
- Campus modifications, facilities support
- Mental health support
- Scholarships and tuition

GEER II (CRSSAA): \$4.0 M (out of \$19.3 M total)

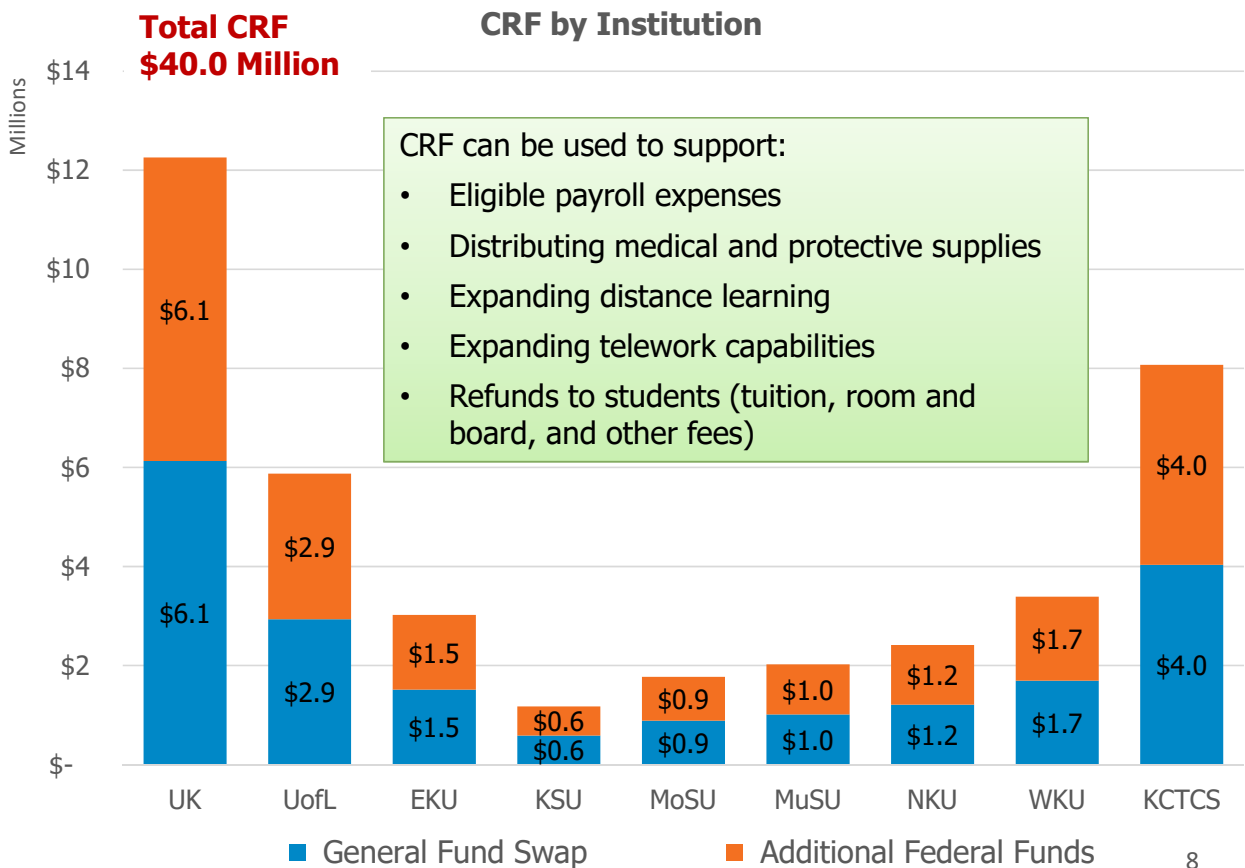
- \$3.0 M currently being used to fund grants to support Summer Bridge Programs at postsecondary institutions
- \$1.0 M for other initiatives (College and Career Academies)

# Federal Coronavirus Relief Funds

## *Coronavirus Relief Funds (CRF)*

In the 2021 Regular Session, the General Assembly accepted the Governor's plan to allocate \$40 million of Coronavirus Relief Funds (CRF) to public postsecondary institutions.

- Replaced 2.31% of each institution's General Fund appropriations with CRF (\$20 M total)
- In addition, the institutions received \$20 M more (same distribution method)
- GF appropriations are restored in Fiscal Year 2021-22 budget.



# Federal Coronavirus Relief Funds

## American Rescue Plan Funds (by Sector)

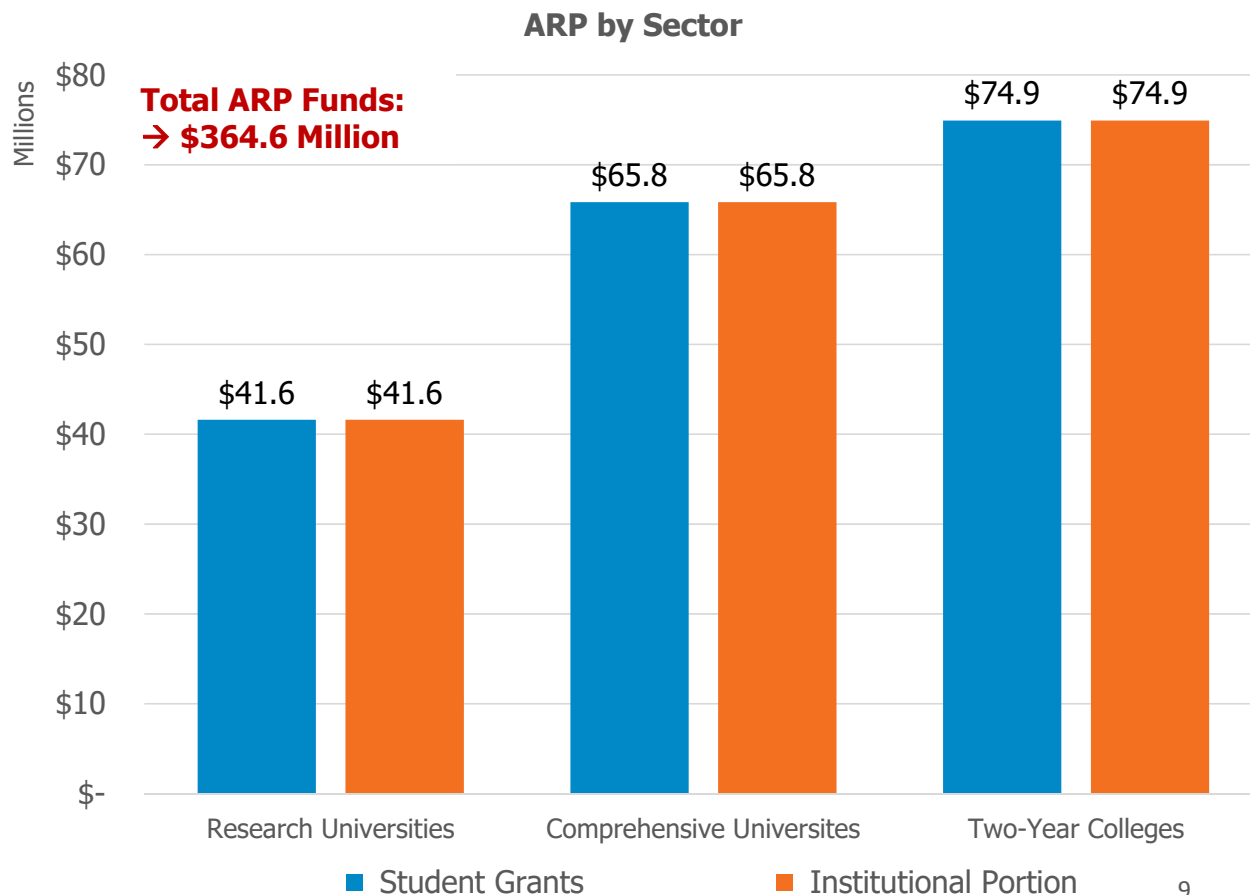
The American Rescue Plan (ARP) mostly uses the structure created by the CARES Act and CRRSAA to allocate relief to higher education.

- Provides funding through the Higher Education Emergency Relief Fund (HEERF III)
- Does not fund the Governor's Education Emergency Relief Fund (GEER)

Direct aid to institutions from HEERF III can be used to address expenses associated with:

- Lost revenue
- Campus safety and operations
- Expanding distance learning
- Faculty and staff trainings
- Payroll
- Making additional financial aid grants to students

**Note:** The Department of Education has not announced official allocations by institution. Figure contains estimates created by the American Council on Education.



# Federal Coronavirus Relief Funds

## *Related Costs and Foregone Revenue*

Kentucky Public Postsecondary Institution  
 Comparison of Federal Coronavirus Relief Funds and COVID-19 Related Costs and Foregone Revenue  
 Fiscal Years 2019-20 and 2020-21

→ as of May 5, 2021

| Institution   | A<br>Federal Coronavirus Relief Funds |               |                          |               | B<br>COVID-19 Related Costs and Foregone Revenue |                  |                                     | C<br>(A + B)                      | D                                     |
|---------------|---------------------------------------|---------------|--------------------------|---------------|--|------------------|-------------------------------------|-----------------------------------|---------------------------------------|
|               | CARES Act                             | CRRSAA        | Coronavirus Relief Funds | Total Awards  | Related Costs                                    | Foregone Revenue | Eligible Costs and Foregone Revenue | Federal Awards Residual (Deficit) | Ineligible Costs and Foregone Revenue |
| UK            | \$10,988,129                          | \$17,823,891  | \$12,260,000             | \$41,072,020  | (\$51,870,387)                                   | (\$70,070,007)   | (\$121,940,394)                     | (\$80,868,374)                    | (\$17,703,000)                        |
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| MoSU          | 4,136,031                             | 8,579,249     | 1,771,800                | 14,487,080    | (8,518,892)                                      | (16,488,669)     | (25,007,561)                        | (10,520,481)                      | (1,807,900)                           |
| MuSU          | 4,019,784                             | 7,100,880     | 2,022,400                | 13,143,064    | (8,900,214)                                      | (7,313,788)      | (16,214,002)                        | (3,070,938)                       | (2,033,694)                           |
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| WKU           | 6,905,902                             | 14,224,751    | 3,390,800                | 24,521,453    | (11,248,059)                                     | (10,253,381)     | (21,501,440)                        | 3,020,013                         | (1,695,400)                           |
| KCTCS         | 22,390,051                            | 71,516,697    | 8,069,800                | 101,976,548   | (61,845,143)                                     | (58,090,748)     | (119,935,891)                       | (17,959,343)                      | (5,148,600)                           |
| System Total  | \$72,488,018                          | \$166,097,264 | \$40,000,000             | \$278,585,282 | (\$185,115,277)                                  | (\$255,653,540)  | (\$440,768,817)                     | (\$162,183,535)                   | (\$39,260,275)                        |
| Research      | \$18,923,424                          | \$32,018,781  | \$18,133,000             | \$69,075,205  | (\$70,226,214)                                   | (\$128,465,707)  | (\$198,691,921)                     | (\$129,616,716)                   | (\$22,787,500)                        |
| Comprehensive | 31,174,543                            | 62,561,786    | 13,797,200               | 107,533,529   | (53,043,920)                                     | (69,097,085)     | (122,141,005)                       | (14,607,476)                      | (11,324,175)                          |
| Two-Year      | \$22,390,051                          | \$71,516,697  | \$8,069,800              | \$101,976,548 | (\$61,845,143)                                   | (\$58,090,748)   | (\$119,935,891)                     | (\$17,959,343)                    | (\$5,148,600)                         |



**TITLE:** Tuition and Mandatory Fee Recommendation

**RECOMMENDATION:** Staff recommends that the Finance Committee approve, and endorse to the full Council, the proposed resident undergraduate tuition and mandatory fee ceilings for academic years 2021-22 and 2022-23.

**PRESENTERS:** Bill Payne, Vice President of Finance and Administration, CPE  
Shaun McKiernan, Director of Finance and Budget, CPE

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### **FORMAL RECOMMENDATION FOR APPROVAL**

Staff recommends that the Finance Committee approve, and endorse to the full Council, resident undergraduate tuition and mandatory fee ceilings for academic years 2021-22 and 2022-23 that equate to:

- A maximum base rate increase of no more than 3.0 percent over two years, and a maximum increase of no more than 2.0 percent in any one year, for public research and comprehensive universities.
- A maximum base rate increase of no more than \$5.<sup>00</sup> per credit hour over two years, and a maximum increase of no more than \$3.<sup>00</sup> per credit hour in any one year, for students attending KCTCS institutions.

It is further recommended that the public institutions be allowed to submit for Council review and approval:

- Nonresident undergraduate tuition and fee rates that comply with the Council's *Tuition and Mandatory Fees Policy*, or otherwise adhere to provisions of an existing Memorandum of Understanding between the Council and an institution.
- Market competitive tuition and fee rates for graduate and online courses.

### **BACKGROUND INFORMATION**

Council staff used a collaborative process to develop its tuition and mandatory fee recommendation for academic years 2021-22 and 2022-23, which included sharing information and engaging in discussions with campus presidents and chief budget officers, Council members, and the Governor's office. Based on feedback from multiple stakeholders and recognizing that many Kentucky students and families are continuing to struggle financially due to disruptions caused by the COVID-19 pandemic, there is a

general sentiment that increases in resident undergraduate tuition and fees should be low in academic years 2021-22 and 2022-23 to support a necessary balance between the ability of students and families to pay for college and resources required for the postsecondary institutions to maintain quality academic programs, address fixed and unavoidable cost increases, and support ongoing progress toward the state's 60x30 college attainment goal and objectives of the Council's *Strategic Agenda*.

For the current tuition-setting cycle, there is interest among CPE staff, campus officials, and Council members in establishing tuition and fee ceilings for the next two academic years (i.e., 2021-22 and 2022-23). There is historical precedent for this approach. The Council adopted two-year ceilings for academic years 2014-15 and 2015-16, and again for academic years 2018-19 and 2019-20. Using a two-year approach will facilitate strategic planning and budgeting processes at the postsecondary institutions and make college costs more predictable for students and families.

The recommendations below are consistent with the primary objectives of the Council's *2021-22 Tuition and Mandatory Fees Policy*, including funding adequacy, shared benefits and responsibility, affordability and access, attracting and importing talent, and effective use of resources.

## **STAFF RECOMMENDATION**

For the current tuition-setting cycle, staff recommends that the Council adopt two-year ceilings that will limit increases in resident undergraduate tuition and mandatory fees at Kentucky colleges and universities to predetermined amounts over the next two years. Specifically, staff recommends that the Finance Committee approve, and endorse to the full Council, resident undergraduate tuition and fee ceilings for academic years 2021-22 and 2022-23, that equate to a maximum base rate increase of no more than 3.0 percent over two years, and a maximum increase of no more than 2.0 percent in any one year, at each public research and comprehensive university.

It is further recommended that, over the same two-year period, the Finance Committee approve and endorse tuition and fee ceilings for resident students attending KCTCS institutions, that equate to a maximum base rate increase of no more than \$5.00 per credit hour over two years, and a maximum increase of no more than \$3.00 per credit hour in any one year.

As a reminder, base rates are defined as total tuition and fee charges, minus any Special Use Fees or Asset Preservation Fees previously approved by the Council, and minus an existing agency bond fee at KCTCS (i.e., BuildSmart Investment for Kentucky Competitiveness Fee). Council staff deduct these fees from total tuition and fees before

applying a percent increase parameter, which keeps the fees at a fixed amount each year until they expire.

Table 1 shows the current year base rate, maximum allowable base rate for academic year 2021-22, and one-year dollar and percent changes compared to the current year base rate for each public university, using the recommended “no more than 2.0 percent in any one year” maximum increase parameter.

See Attachment A for detail regarding the maximum allowable tuition and fee charge in academic year 2021-22 for resident undergraduate students at each public university.

| Kentucky Public Research and Comprehensive Universities        |   |   |                                       |  |
|--|---|---|---------------------------------------|--|
|  |   |   |                                       | Table 1                                |
| Maximum Base Rate Increase for Resident Undergraduate Students |   |   |                                       |  |
| Academic Year 2021-22  |   |   |                                       |  |
| <u>Institution</u>   | <u>Current<br/>2020-21<br/>Base Rates</u> | <u>Maximum<br/>2021-22<br/>Base Rates</u> | <u>One-Year<br/>Dollar<br/>Change</u> | <u>One-Year<br/>Percent<br/>Change</u> |
| UK   | \$12,484                                  | \$12,734                                  | \$250                                 | 2.00%                                  |
| UofL   | 11,966                                    | 12,205                                    | 239                                   | 2.00%                                  |
| EKU  | 9,266                                     | 9,451                                     | 185                                   | 2.00%                                  |
| KSU  | 8,500                                     | 8,670                                     | 170                                   | 2.00%                                  |
| MoSU   | 9,038                                     | 9,219                                     | 181                                   | 2.00%                                  |
| MuSU (Pre Summer 2016)   | 8,676                                     | 8,850                                     | 174                                   | 2.01%                                  |
| MuSU (Summer 2016 or After)                                    | 9,168                                     | 9,351                                     | 183                                   | 2.00%                                  |
| NKU  | 9,912                                     | 10,110                                    | 198                                   | 2.00%                                  |
| WKU  | 10,602                                    | 10,814                                    | 212                                   | 2.00%                                  |

Note: Base rates do not include Special Use Fees or Asset Preservation Fees previously approved by the Council, or a BuildSmart agency bond fee at KCTCS.

Table 2 shows the current year base rate, maximum allowable base rate for academic year 2022-23, and two-year dollar and percent changes compared to the current year base rate for each public university, using the recommended “no more than 3.0 percent over two years” maximum increase parameter.

Kentucky Public Research and Comprehensive Universities Table 2  
**Maximum Base Rate Increase for Resident Undergraduate Students**  
**Academic Year 2022-23**

| <u>Institution</u>          | <u>Current<br/>2020-21<br/>Base Rates</u> | <u>Maximum<br/>2022-23<br/>Base Rates</u> | <u>Two-Year<br/>Dollar<br/>Change</u> | <u>Two-Year<br/>Percent<br/>Change</u> |
|-----------------------------|---|---|---------------------------------------|--|
| UK                          | \$12,484                                  | \$12,859                                  | \$375                                 | 3.00%                                  |
| UofL                        | 11,966                                    | 12,325                                    | 359                                   | 3.00%                                  |
| EKU                         | 9,266                                     | 9,544                                     | 278                                   | 3.00%                                  |
| KSU                         | 8,500                                     | 8,755                                     | 255                                   | 3.00%                                  |
| MoSU                        | 9,038                                     | 9,309                                     | 271                                   | 3.00%                                  |
| MuSU (Pre Summer 2016)      | 8,676                                     | 8,936                                     | 260                                   | 3.00%                                  |
| MuSU (Summer 2016 or After) | 9,168                                     | 9,443                                     | 275                                   | 3.00%                                  |
| NKU                         | 9,912                                     | 10,209                                    | 297                                   | 3.00%                                  |
| WKU                         | 10,602                                    | 10,920                                    | 318                                   | 3.00%                                  |

Note: Base rates do not include Special Use Fees or Asset Preservation Fees previously approved by the Council, or a BuildSmart agency bond fee at KCTCS.

See Attachment A for detail regarding the maximum allowable tuition and fee charge in academic year 2022-23 for resident undergraduate students at each public university. Table 3 shows the current year base rate, maximum allowable base rate for academic year 2021-22, and one-year dollar and percent changes compared to the current year base rate for KCTCS institutions, using the recommended “no more than \$3.00 per credit hour in any one year” maximum increase parameter.

Kentucky Community and Technical College System Table 3  
**Maximum Base Rate Increase for Resident Students**  
**Academic Year 2021-22**

| <u>Institution</u>                          | <u>Current<br/>2020-21<br/>Base Rates</u> | <u>Maximum<br/>2021-22<br/>Base Rates</u> | <u>One-Year<br/>Dollar<br/>Change</u> | <u>One-Year<br/>Percent<br/>Change</u> |
|---|---|---|---------------------------------------|--|
| KCTCS <small>(per credit hour)</small>      | \$179.00                                  | \$182.00                                  | \$3.00                                | 1.68%                                  |
| KCTCS <small>(per credit hour x 30)</small> | \$5,370                                   | \$5,460                                   | \$90                                  | 1.68%                                  |

Note: Base rates do not include Special Use Fees or Asset Preservation Fees previously approved by the Council, or a BuildSmart agency bond fee at KCTCS.

Table 4 shows the current year base rate, maximum allowable base rate for academic year 2022-23, and two-year dollar and percent changes compared to the current year base rate for KCTCS institutions, using the recommended “no more than \$5.00 per credit hour over two years” maximum increase parameter.

| Kentucky Community and Technical College System<br>Maximum Base Rate Increase for Resident Students<br>Academic Year 2022-23 |   |   |                                       | Table 4                                |
|--|---|---|---------------------------------------|--|
| <u>Institution</u>   | <u>Current<br/>2020-21<br/>Base Rates</u> | <u>Maximum<br/>2022-23<br/>Base Rates</u> | <u>Two-Year<br/>Dollar<br/>Change</u> | <u>Two-Year<br/>Percent<br/>Change</u> |
| KCTCS (per credit hour)  | \$179.00                                  | \$184.00                                  | \$5.00                                | 2.79%                                  |
| KCTCS (per credit hour x 30)   | \$5,370                                   | \$5,520                                   | \$150                                 | 2.79%                                  |

Note: Base rates do not include Special Use Fees or Asset Preservation Fees previously approved by the Council, or a BuildSmart agency bond fee at KCTCS.

See Attachment A for detail regarding the maximum allowable tuition and fee charges in academic years 2021-22 and 2022-23 for resident students attending KCTCS.

In addition to proposing resident undergraduate rate ceilings for the next two years, staff recommends that the public institutions be allowed to submit for Council review and approval, nonresident undergraduate tuition and fee rates that comply with the Council’s *2021-22 Tuition and Mandatory Fees Policy*, or otherwise adhere to provisions of an existing Memorandum of Understanding between the Council and an institution. Finally, it is recommended that the public postsecondary institutions be allowed to submit for Council review and approval, market competitive tuition and fee rates for graduate and online courses, as approved by their respective governing boards.

## KEY ISSUES

Over the past six months, Council staff and campus officials identified a number of key issues that were relevant during discussions and development of staff’s tuition and mandatory fee recommendation, including: (a) the level of institutional operating funds provided in the enacted state budget (HB 192); (b) anticipated increases in fixed and unavoidable costs for the upcoming year; (c) rising pension costs, and the extent to which state appropriations will be provided to offset those costs; (d) COVID-19 related costs and forgone revenue, and the extent to which federal relief funds are available to help offset those costs; (e) declining enrollment at nearly every institution, and the

impact of that trend on the ability of the postsecondary system to achieve the state's 60 percent college attainment goal by the year 2030; and (f) the magnitude of prior-year tuition and fee increases. Each of these considerations is described in detail below.

### State Funding

On March 30, 2021, the Kentucky General Assembly passed a budget (21 RS, HB 192) for fiscal year 2021-22 that provides the first significant increase in state support for the postsecondary institutions in more than a decade. After adjusting for changes in debt service and discounting additional appropriations for mandated public service and research programs and pension costs, the postsecondary institutions, in the aggregate, will have 2% more funding next year, than they had this year, or about \$17.3 million.

The 2020-2022 Budget of the Commonwealth (21 RS, HB 192) revised the originally enacted (20 RS, HB 352) General Fund for the public postsecondary institutions from \$865.7 million to \$846.7 million in fiscal year 2020-21, reflecting a \$20.0 million reduction related to a federal fund swap and a \$1,061,600 current-year appropriation for KSU's land-grant program. In that same bill (HB 192), the General Assembly provided a system total \$907.2 million for the public universities, KCTCS, and the Performance Fund in 2021-22. While on the surface, this appears to be a \$60.5 million increase for Kentucky higher education, there are several caveats to keep in mind when considering this increase for tuition-setting purposes (see Attachment B).

First, \$20.0 million of the \$60.5 million increase between this year and next, is the result of a restoration in General Fund, back to the level of funding before the federal fund swap. These are replacement funds for those reduced in 2020-21 and back-filled with one-time federal Coronavirus Relief Funds and, therefore, should not be considered new funding in tuition discussions. Second, \$15.0 million, that was appropriated to the Performance Fund in 2020-21 and distributed based on funding model calculations that same year, was added in 2021-22 to the base budgets of institutions that earned those funds, resulting in a net budgetary impact of zero at the system level. Again, these were not new funds for Kentucky higher education. Third, the enacted budget provides additional appropriations totaling \$22.1 million to five comprehensive universities (excludes NKU) and KCTCS in 2021-22 to facilitate transition of these institutions to a level-dollar method for determining employer-paid pension contributions. These are new funds, but will be offset by an expected equivalent increase in pension costs.

What remains is an appropriation of \$17.3 million to the Performance Fund in 2021-22, which does represent new funding for higher education and is relevant to tuition-setting decisions. In fact, these funds, roughly a 2.0 percent increase on the originally enacted (HB 352) current-year base, plus performance distributions, are the first significant investment in postsecondary institution operating funds that the state has made since

2008. One important disclaimer to keep in mind with respect to these funds is that not every institution will receive a distribution from the Performance Fund in 2021-22.

### Fixed and Unavoidable Costs

Every tuition cycle, CPE staff works with campus chief budget officers (CBOs) to identify anticipated increases in fixed and unavoidable costs for the upcoming fiscal year. These costs typically include growth in expenditures, such as maintenance and operation (M&O) of campus facilities, retirement and health insurance contributions, contractual obligations, worker's compensation, and student financial aid.

For the upcoming fiscal year, the CBOs estimate that fixed and unavoidable costs will increase by a system total \$116.7 million, or about 3.2 percent. This estimate is higher than the average annual growth rate in the Higher Education Price Index (HEPI) over the past five years (i.e., 2.4 percent), but both the current year and next year should be viewed as anomalies, given disruptions caused by the Coronavirus pandemic.

In addition to providing inflationary cost increase estimates, the CBOs also project the amount of net tuition and fee revenue that would be generated in the upcoming year, should CPE staff's recommended tuition and fee parameters be approved. Since staff is proposing no more than a 2.0 percent increase in any one year for the public universities and no more than \$3.<sup>00</sup> per credit hour in any one year at KCTCS, the projections for 2021-22 are based on these maximum increase parameters.

In the aggregate, the projected increase in net tuition and fee revenue generated by a 2.0 percent base rate increase for the public universities and a \$3.<sup>00</sup> per credit hour increase at KCTCS is \$26.8 million. In other words, the net tuition and fee revenue raised using the proposed parameters is estimated to cover about 23 percent of the budgetary need resulting from inflationary cost increases that do not include COVID-19 related costs and forgone revenue. Of course, a portion of the identified fixed and unavoidable cost increases will be offset by the \$17.3 million appropriation to the Performance Fund in 2021-22, among institutions that receive a distribution based on funding model calculations.

### Pension Costs (State Funds)

Beginning with the 2012-13 tuition-setting cycle, and in every cycle since, CPE staff has explicitly considered the impact of required increases in retirement system contributions on postsecondary institution operating budgets. This approach was necessitated by large and frequently unfunded increases in Kentucky Employees Retirement System (KERS) employer-paid retirement contributions that were required by the state.

For example, in the aggregate, KERS pension contributions at Kentucky comprehensive universities and KCTCS institutions increased by 26.6 percent in fiscal year 2012-13, by

12.1 percent in 2013-14, by 40.2 percent in 2014-15, and by 13.2 percent in 2016-17. These pension costs were in addition to other fixed and unavoidable cost increases that the institutions faced each year and placed extreme pressure on campus budgets.

Providing a bit of a reprieve, between fiscal years 2018-19 and 2020-21, the General Assembly set and maintained the employer contribution rate at 49.47 percent for KERS employees in nonhazardous duty positions. That rate applied to participating employees in quasi-state agencies, including those employed by state colleges and universities. In fiscal year 2021-22, the General Assembly appropriated \$22.1 million in new funding to support the transition of comprehensive universities (except for NKU) and KCTCS to a level-dollar allocation method for determining KERS pension contributions. These funds are expected to cover 100 percent of the marginal cost increase in employer-paid pension contributions between this year and next year, using projections off of an actual 2019-20 employer contribution base.

Given that state policymakers believe they have provided sufficient funding to offset the expected costs of transitioning to a new approach for determining pension contributions, CPE staff infers that the budgetary impact of rising pension costs at the comprehensive universities (except for NKU) and KCTCS for the coming fiscal year will be minimal.

#### COVID-19 Related Costs (Federal Relief Funds)

The negative impacts of the Coronavirus pandemic on the postsecondary education community were sudden and severe. As widely publicized in print media and online news reports, public, private, and proprietary institutions across the nation transitioned to 100 percent online education midway through the spring 2020 semester, cancelled spring sports and other events, offered refunds or credits for auxiliary services, such as housing and dining, and experienced all manner of disruption to campus operations.

The federal government stepped in and provided, and is continuing to provide, billions of dollars in Coronavirus relief funds to college students and postsecondary institutions to help those in the higher education community cope with the pandemic. The funding is coming from four major sources: (a) the Coronavirus Aid, Relief, and Economic Security (CARES) Act; (b) the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA); (c) Coronavirus Relief Funds provided to state governors; and (d) the American Rescue Plan (ARP) Act. In total, once ARP funds are officially allocated by the Department of Education, it is projected that Kentucky's public postsecondary institutions will have access to about \$460.7 million in federal relief funds to help them recover eligible COVID-19 related costs and forgone revenue. An important caveat to keep in mind with respect to these funds, is that the institutions must first incur costs and forgo revenue that are eligible under federal guidelines, before they can submit applications for and receive reimbursement.



While the amount of federal allocations for postsecondary institutions is sizable and certainly welcomed given the environment, the scale of COVID-19 related costs and forgone revenue those funds are intended to offset is unprecedented. To help identify, classify, quantify, and document COVID-19 costs and forgone revenue at Kentucky's public postsecondary institutions, CPE staff worked with campus officials over several months to develop a reporting template that mirrors the federal application forms that institutions submit to seek reimbursement.

As a result of this effort, CPE staff and campus chief budget officers have identified a total of \$440.8 million in costs and forgone revenue that have already been reimbursed, are in the process of being reimbursed, or are eligible to be reimbursed, but exceed available funds. Furthermore, the institutions have identified an additional \$39.3 million in costs and forgone revenue that are COVID-19 related, but are currently ineligible under federal guidelines. Several important disclaimers to keep in mind with respect to these data are: (a) the cost and lost revenue reported to date represent a snapshot in time (i.e., as of May 5, 2021) and are subject to change; (b) COVID-19 costs and forgone revenue are continuing to accumulate (most campus CBOs expect additional, sizable costs and lost revenue to be reported in fiscal year 2021-22); and (c) federal coronavirus relief funds are nonrecurring (i.e., they are one-time funds) and can only be used for proscribed purposes.

While the impact of the Coronavirus pandemic on colleges and universities has been substantial, the effect on students has been no less severe. Many students and families are coping with their own financial issues, whether related to the purchase of Internet access, course materials, or technology to facilitate distance learning, related to the purchase of food, housing, healthcare, or child care, or related to the loss of employment income. In addition to relief funds provided to colleges and universities, the aforementioned federal programs also allocated \$291.4 million to Kentucky institutions for distribution to students in the form of emergency financial aid grants.

Given that the federal government has provided hundreds of millions of dollars in relief funds to Kentucky institutions, and given that students that attend those institutions are facing their own financial challenges, from both a philosophical and policy perspective, CPE senior staff do not believe that students and families should be required to shoulder the burden of COVID-19 related costs and forgone revenue incurred by the institutions, by passing those costs along in the form of moderate to high tuition and fee increases. For this reason, the proposed tuition and fee increase parameters over the next two years err on the side of maintaining affordability for students and families.

#### *Enrollment Trends (Council Resolution)*

Since 2013, Kentucky's comprehensive universities and KCTCS institutions, in the aggregate (i.e., based on sector totals), have experienced steady enrollment declines.

Between fall semesters 2013 and 2020, full-time equivalent (FTE) student enrollment decreased by 6,413 FTE students, or 11 percent, at the comprehensive universities and fell by 11,287 FTE students, or 22 percent, in the two-year college sector. For the most part, FTE enrollment at the research universities remained relatively flat, although the sector did record a 2.2 percent overall increase during this period.

On March 3, 2021, the Council's Executive Committee, operating under delegation of authority from the full Council, adopted a resolution, expressing concern about the potential effects of further enrollment decline on the ability of the postsecondary system to meet the state's goal of achieving 60 percent college attainment among Kentucky's working age adults by the year 2030. The resolution charged CPE and campus leaders to implement bold actions and strategies to mitigate the near-term enrollment effects of COVID-19 and stem the ebbing tide of enrollment. One strategy for encouraging enrollment in the near term is maintaining affordability for students and families.

#### Prior-Year Tuition Increase

One final issue that CPE staff and campus leaders discussed during development of the 2021-22 and 2022-23 tuition and fee recommendation was the level of tuition increase adopted for the current year (i.e., 2020-21). Research has shown that an institution's prior-year tuition and fee increase is frequently listed among factors considered by campus administrators and governing boards, when establishing rates for an upcoming academic year. As many Council members already know, the system average increase in resident undergraduate tuition and fees for the current academic year was the lowest percent increase in over 20 years.

In total, between academic years 2019-20 and 2020-21, five universities did not raise their tuition and fees (i.e., they adopted a zero percent increase parameter), one university increased its rate by 1.0 percent, two universities increased their tuition and fees by more than 1.0 percent, but less than 2.0 percent, and KCTCS increased tuition and fees by 2.75 percent. This resulted in a system average increase of 0.7 percent in academic year 2020-21. By comparison, over the previous 10 years, Council adopted tuition and fee ceilings resulted in an average annual increase of about 4.0 percent per year, which means the increase in 2020-21 was 3.3 percentage points below the recent historical average.

If CPE staff's recommended parameters for academic years 2021-22 and 2022-23 are endorsed by the Finance Committee and approved by the full Council, the maximum average annual increase in resident undergraduate base rates over the next two years will be 1.50 percent per year at Kentucky public research and comprehensive universities and 1.40 percent per year at KCTCS institutions. Because Special Use Fees, Asset Preservation Fees, and a KCTCS BuildSmart Fee are backed out of base rates before applying the percent increase parameters, the average effective rates of

increase in total tuition and fees will be lower (i.e., a maximum of 1.46 percent per year at public universities; and a maximum of 1.34 percent per year at KCTCS institutions).

## **INSTITUTION RATE PROPOSALS**

It is anticipated that the postsecondary institutions will submit their proposed 2021-22 tuition and fee rates for review and approval at the June 8 meeting of the Council's Finance Committee. CPE staff will recommend approval of resident undergraduate tuition and fees that comply with Council approved ceilings, nonresident undergraduate rates that comply with the Council's *2021-22 Tuition and Mandatory Fees Policy* or otherwise adhere to a previously approved Memorandum of Understanding, and market competitive rates for graduate and online courses.

Kentucky Public Postsecondary Institution  
 Recommended Maximum Allowable Resident Undergraduate Tuition and Fees  
 Academic Year 2021-22

| Institution                  | Current<br>2020-21<br>Tuition & Fees | Maximum<br>2021-22<br>Tuition & Fees | One-Year<br>Dollar<br>Change | One-Year<br>Percent<br>Change |
|------------------------------|--------------------------------------|--------------------------------------|------------------------------|-------------------------------|
| UK                           | \$12,484                             | \$12,734                             | \$250                        | 2.00%                         |
| UofL                         | 12,162                               | 12,401                               | 239                          | 1.97%                         |
| EKU                          | 9,866                                | 10,051                               | 185                          | 1.88%                         |
| KSU                          | 8,800                                | 8,970                                | 170                          | 1.93%                         |
| MoSU                         | 9,290                                | 9,471                                | 181                          | 1.95%                         |
| MuSU (Pre Summer 2016)       | 8,976                                | 9,150                                | 174                          | 1.94%                         |
| MuSU (Summer 2016 or After)  | 9,468                                | 9,651                                | 183                          | 1.93%                         |
| NKU                          | 10,296                               | 10,494                               | 198                          | 1.92%                         |
| WKU                          | 10,802                               | 11,014                               | 212                          | 1.96%                         |
| KCTCS (per credit hour x 30) | \$5,610                              | \$5,700                              | \$90                         | 1.60%                         |
| KCTCS (per credit hour)      | \$187.00                             | \$190.00                             | \$3.00                       | 1.60%                         |

Academic Year 2022-23

| Institution                  | Current<br>2020-21<br>Tuition & Fees | Maximum<br>2022-23<br>Tuition & Fees | Two-Year<br>Dollar<br>Change | Two-Year<br>Percent<br>Change |
|------------------------------|--------------------------------------|--------------------------------------|------------------------------|-------------------------------|
| UK                           | \$12,484                             | \$12,859                             | \$375                        | 3.00%                         |
| UofL                         | 12,162                               | 12,521                               | 359                          | 2.95%                         |
| EKU                          | 9,866                                | 10,144                               | 278                          | 2.82%                         |
| KSU                          | 8,800                                | 9,055                                | 255                          | 2.90%                         |
| MoSU                         | 9,290                                | 9,561                                | 271                          | 2.92%                         |
| MuSU (Pre Summer 2016)       | 8,976                                | 9,236                                | 260                          | 2.90%                         |
| MuSU (Summer 2016 or After)  | 9,468                                | 9,743                                | 275                          | 2.90%                         |
| NKU                          | 10,296                               | 10,593                               | 297                          | 2.88%                         |
| WKU                          | 10,802                               | 11,120                               | 318                          | 2.94%                         |
| KCTCS (per credit hour x 30) | \$5,610                              | \$5,760                              | \$150                        | 2.67%                         |
| KCTCS (per credit hour)      | \$187.00                             | \$192.00                             | \$5.00                       | 2.67%                         |

Note: Charges shown are annual full-time comparison rates (except for per credit hour rates), assuming a student takes 15 credit hours per semester (i.e., fall and spring) for a total of 30 credit hours taken in an academic year.

Definitions:

- Tuition and fees include Special Use Fees at UofL, EKU, MoSU, NKU, and WKU, Asset Preservation Fees at EKU, KSU, MoSU, and MuSU, and BuildSmart agency bond fees at KCTCS.

Commonwealth of Kentucky  
 2020-2022 Budget of the Commonwealth (21 RS, HB 192)  
 General Fund Appropriations for Postsecondary Institution Operations

Fiscal Year 2020-21

(A - B + C)

| Institution                  | A  | B                                | C                                       | D                             | 2020-21 Fund Distributions            |                                       |
|------------------------------|--|----------------------------------|---|-------------------------------|---------------------------------------|---------------------------------------|
|                              | 2020-21 General Fund (HB 352) <sup>1</sup> | Fund Swap Reduction <sup>2</sup> | KSU Land-Grant Match Funds <sup>3</sup> | 2020-21 General Fund (HB 192) | Performance Distribution <sup>4</sup> | Coronavirus Relief Funds <sup>5</sup> |
| University of Kentucky       | \$258,609,200                              | (\$6,130,000)                    | \$0                                     | \$252,479,200                 | \$6,621,600                           | \$6,130,000                           |
| University of Louisville     | 124,117,900                                | (2,936,500)                      | 0                                       | 121,181,400                   | 2,938,900                             | 2,936,500                             |
| Eastern Kentucky University  | 65,337,000                                 | (1,511,900)                      | 0                                       | 63,825,100                    | 394,200                               | 1,511,900                             |
| Kentucky State University    | 25,384,300                                 | (586,700)                        | 1,061,600                               | 25,859,200                    | 0                                     | 586,700                               |
| Morehead State University    | 38,332,900                                 | (885,900)                        | 0                                       | 37,447,000                    | 0                                     | 885,900                               |
| Murray State University      | 43,753,800                                 | (1,011,200)                      | 0                                       | 42,742,600                    | 0                                     | 1,011,200                             |
| Northern Kentucky University | 51,280,500                                 | (1,207,500)                      | 0                                       | 50,073,000                    | 967,000                               | 1,207,500                             |
| Western Kentucky University  | 72,596,200                                 | (1,695,400)                      | 0                                       | 70,900,800                    | 757,900                               | 1,695,400                             |
| KCTCS                        | 171,265,800                                | (4,034,900)                      | 0                                       | 167,230,900                   | 3,315,200                             | 4,034,900                             |
| Performance Fund             | 14,994,800                                 | 0                                | 0                                       | 14,994,800                    | (14,994,800)                          | 0                                     |
| <b>Total</b>                 | <b>\$865,672,400</b>                       | <b>(\$20,000,000)</b>            | <b>\$1,061,600</b>                      | <b>\$846,734,000</b>          | <b>\$0</b>                            | <b>\$20,000,000</b>                   |

Fiscal Year 2021-22

= (Col. D)

Σ(E thru J)

| Institution                  | E                             | F                                  | G                                     | H                            | I  | J                                   | K                             |
|------------------------------|-------------------------------|------------------------------------|---------------------------------------|------------------------------|--|-------------------------------------|-------------------------------|
|                              | 2020-21 General Fund (HB 192) | Fund Swap Restoration <sup>2</sup> | Performance Distribution <sup>4</sup> | Pension Funding <sup>6</sup> | Performance Fund Allocation <sup>7</sup> | Other Base Adjustments <sup>8</sup> | 2021-22 General Fund (HB 192) |
| University of Kentucky       | \$252,479,200                 | \$6,130,000                        | \$6,621,600                           | \$0                          | \$0                                      | \$1,013,000                         | \$266,243,800                 |
| University of Louisville     | 121,181,400                   | 2,936,500                          | 2,938,900                             | 0                            | 0  | 100,000                             | 127,156,800                   |
| Eastern Kentucky University  | 63,825,100                    | 1,511,900                          | 394,200                               | 8,909,700                    | 0  | (317,000)                           | 74,323,900                    |
| Kentucky State University    | 25,859,200                    | 586,700                            | 0                                     | 558,200                      | 0  | 182,000                             | 27,186,100                    |
| Morehead State University    | 37,447,000                    | 885,900                            | 0                                     | 4,913,000                    | 0  | 79,000                              | 43,324,900                    |
| Murray State University      | 42,742,600                    | 1,011,200                          | 0                                     | 3,270,900                    | 0  | 0                                   | 47,024,700                    |
| Northern Kentucky University | 50,073,000                    | 1,207,500                          | 967,000                               | 0                            | 0  | 0                                   | 52,247,500                    |
| Western Kentucky University  | 70,900,800                    | 1,695,400                          | 757,900                               | 3,592,500                    | 0  | 0                                   | 76,946,600                    |
| KCTCS                        | 167,230,900                   | 4,034,900                          | 3,315,200                             | 854,900                      | 0  | 0                                   | 175,435,900                   |
| Performance Fund             | 14,994,800                    | 0                                  | (14,994,800)                          | 0                            | 17,307,100                               | 0                                   | 17,307,100                    |
| <b>Total</b>                 | <b>\$846,734,000</b>          | <b>\$20,000,000</b>                | <b>\$0</b>                            | <b>\$22,099,200</b>          | <b>\$17,307,100</b>                      | <b>\$1,057,000</b>                  | <b>\$907,197,300</b>          |

<sup>1</sup> Figures obtained from the enacted 2020-21 Budget of the Commonwealth (20 RS, HB 352).

<sup>2</sup> System total \$20 million reduction in General Fund in 2020-21 and system total \$20 million General Fund restoration in 2021-22, resulting from a \$20 million federal fund swap. Figures obtained from a CPE letter sent to campus presidents, dated November 12, 2020.

<sup>3</sup> Recurring \$1,061,600 increase in state General Fund appropriations in both years of the biennium to meet a federal matching requirement for KSU's land-grant program. With these increases, the total amount of state matching funds supporting KSU's land-grant program each year will be \$8,210,400.

Commonwealth of Kentucky  
2020-2022 Budget of the Commonwealth (21 RS, HB 192)  
General Fund Appropriations for Postsecondary Institution Operations

- <sup>4</sup> Distribution of \$14,994,800 appropriated to the Performance Fund in 2020-21 (20 RS, HB 352), as communicated in a letter from CPE to the State Budget Director, dated May 28, 2020. The distributed funds are not reflected in each individual institution's 2020-21 revised General Fund appropriation in the enacted 2020-2022 budget (21 RS, HB 192), but are added to campus base budgets in 2021-22.
- <sup>5</sup> Federal Coronavirus Relief Funds distributed by the Office of the State Budget Director to postsecondary institutions as part of a \$20 million federal fund swap in 2020-21.
- <sup>6</sup> Funding to offset pension costs as comprehensive universities (except for NKU) and KCTCS transition to a fixed allocation non-hazardous retirement plan's employer contribution. The appropriated amounts are intended to cover 100 percent of estimated cost increases at each institution in fiscal year 2021-22.
- <sup>7</sup> Appropriation of \$17.3 million to the Performance Fund in 2021-22, which will be distributed among institutions using university and KCTCS funding models defined in statute (KRS 164.092).
- <sup>8</sup> In fiscal 2021-22, the enacted budget (21 RS, HB 192) provides additional appropriations for four institutions, including: (a) \$1,013,000 in debt service for a capital project at UK; (b) \$100,000 to support a new mandated program at UofL's School of Dentistry; (c) \$182,000 in debt service for a capital project at KSU; and (d) \$329,000 to support an increase in funding for MoSU's Craft Academy. That same year, the enacted budget (21 RS, HB 192) reduces funding at two institutions, including: (a) a \$317,000 decrease related to the transfer of debt service from ECU to the Finance Cabinet; and (b) a \$250,000 reduction at MoSU related to the sunset of funding for a Jet Propulsion Lab antenna.



# Tuition and Fee Recommendation

# Key Issues

## State Funding

Frequent reductions in state support over the past decade have been a major cause of rising college prices in the U.S.

The enacted budget shows an increase of \$60.5 million from this year to next, but most of the increase is **not relevant** for tuition setting:

- Fund Swap Restoration – restores \$20.0 million in General Fund that was part of a federal fund swap reduction in 2020-21 (**not new \$**)
- Performance Distribution – adds \$14.9 million to base budgets in 2021-22 of institutions that earned funds in 2020-21 (**net effect \$0**)
- Pension Funding – provides \$22.1 million in new funding, which is offset by an expected increase in pension costs (**new \$, for pensions**)
- Performance Fund – appropriates \$17.3 million for performance, pending distribution using funding models (these are new \$)



# Key Issues

## Fixed and Unavoidable Costs

Projected Net Tuition Revenue Increase @  
Maximum One-Year Parameters = \$26.8 M

Kentucky Public Postsecondary Institution  
Estimated Increase in Fixed and Unavoidable Costs  
Fiscal Year 2021-22

Draft - For Discussion Purposes  
March 20, 2021

| Campus       | A   | Fixed and Unavoidable Cost Components <sup>2</sup> |                        |                             |                                |                     | B                       | (B ÷ A)              |
|--------------|---|--|------------------------|-----------------------------|--------------------------------|---------------------|-------------------------|----------------------|
|              | Fiscal 2020-21<br>E&G Expenses <sup>1</sup> | Salaries and<br>Personnel                          | FICA and<br>Retirement | Maintenance<br>& Operations | Financial Aid/<br>Scholarships | Other Costs         | Total Cost<br>Increases | % of E&G<br>Expenses |
| UK           | \$1,477,026,128                             | \$5,145,839  | \$51,740,030           | \$1,607,740                 | \$1,840,378                    | \$0                 | \$60,333,987            | 4.1%                 |
| UofL         | 516,599,903                                 | 3,469,752  | 188,284                | 2,193,053                   | 1,644,284                      | 0                   | 7,495,373               | 1.5%                 |
| EKU          | 222,261,300                                 | (5,306,800)  | 1,544,800              | 400,000                     | 7,450,000                      | 0                   | 4,088,000               | 1.8%                 |
| KSU          | 40,623,086                                  | 1,780,895  | 224,103                | 1,899,347                   | 265,000                        | 0                   | 4,169,345               | 10.3%                |
| MoSU         | 101,485,737                                 | 598,991  | 0                      | 244,572                     | 93,278                         | 321,654             | 1,258,495               | 1.2%                 |
| MuSU         | 157,691,002                                 | 1,854,057  | 519,882                | 1,035,984                   | 435,750                        | 150,000             | 3,995,673               | 2.5%                 |
| NKU          | 206,622,305                                 | 3,254,741  | (14,686,251)           | 0                           | 3,000,000                      | 20,768,000          | 12,336,490              | 6.0%                 |
| WKU          | 266,928,996                                 | 300,000  | 0                      | 1,576,870                   | 2,104,453                      | 0                   | 3,981,323               | 1.5%                 |
| KCTCS        | 644,227,400                                 | 5,787,100  | 1,226,100              | 3,613,900                   | 8,422,300                      | 0                   | 19,049,400              | 3.0%                 |
| <b>Total</b> | <b>\$3,633,465,857</b>                      | <b>\$16,884,575</b>                                | <b>\$40,756,948</b>    | <b>\$12,571,466</b>         | <b>\$25,255,443</b>            | <b>\$21,239,654</b> | <b>\$116,708,086</b>    | <b>3.2%</b>          |

<sup>1</sup> Budgeted Education and General (E&G) expenses for fiscal year 2020-21.

<sup>2</sup> Estimated increases in fixed and unavoidable cost components between fiscal years 2020-21 and 2021-22.

Source: Kentucky Public Postsecondary Institution, Chief Budget Officers.

5-Year Average Annual Growth in HEPI = 2.4%

# Key Issues

## *Pension Costs (State Funds)*

- Comprehensive universities (except for NKU) and KCTCS are moving to a fixed allocation method for determining KERS retirement plan contributions
- The enacted budget includes appropriations for five universities and KCTCS totaling \$22.1 million
- The funds are intended to cover 100% of projected pension cost increases in 2021-22
- The monetary impact of rising pension costs on participating institutions should be negligible
- Since appropriated funds are designated mandated programs, they are excluded from funding models

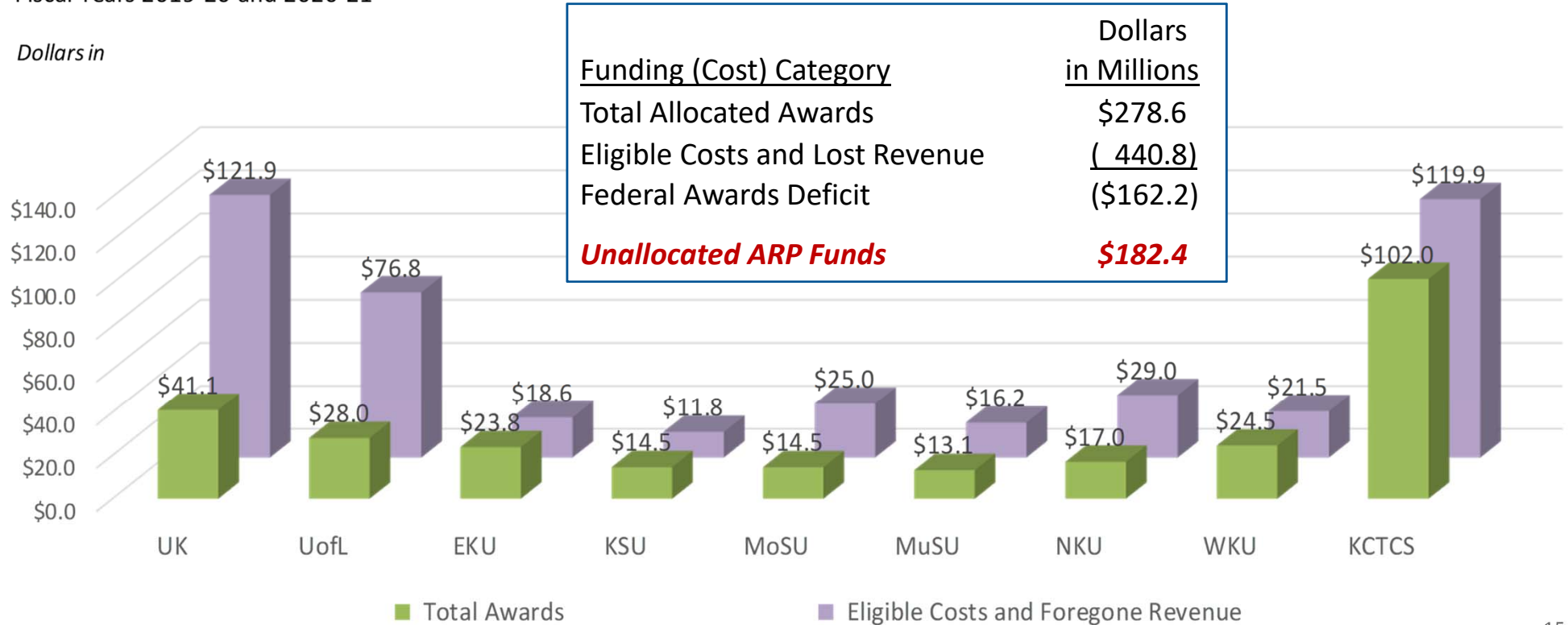
| <u>Campus</u> | <u>Enacted Budget<br/>Pension Funds</u> |
|---------------|---|
| UK            | \$0                                     |
| UofL          | 0                                       |
| EKU           | 8,909,700                               |
| KSU           | 558,200                                 |
| MoSU          | 4,913,000                               |
| MuSU          | 3,270,900                               |
| NKU           | 0                                       |
| WKU           | 3,592,500                               |
| KCTCS         | 854,900                                 |
| Total         | <u>\$22,099,200</u>                     |

# Key Issues

## COVID-19 Related Costs (Federal Relief Funds)

Kentucky Public Postsecondary Institution  
 Comparison of Federal Coronavirus Relief Funds and COVID-19 Related Costs and Foregone Revenue  
 Fiscal Years 2019-20 and 2020-21

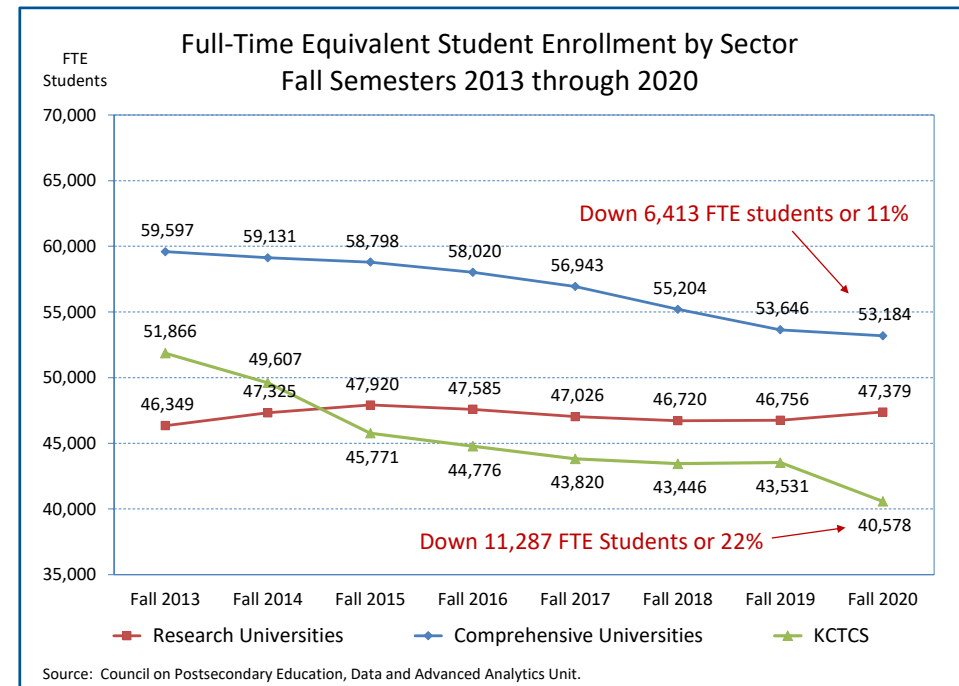
→ as of May 5, 2021



# Key Issues

## Enrollment Trends (Council Resolution)

- Kentucky comprehensive and KCTCS sectors have experienced steady enrollment declines
- Caused by declining numbers of high school graduates and falling college going rates, and exacerbated by the COVID-19 pandemic
- On March 3, the Council adopted a resolution:
  - expressing concern about the effect of further enrollment decline on the ability to meet 2030 Strategic Agenda goals
  - calling on CPE and campus leaders to implement bold actions and strategies to mitigate near term enrollment effects of COVID-19
- Maintaining affordability for Kentucky students and families represents one possible strategy for encouraging enrollment in the near term



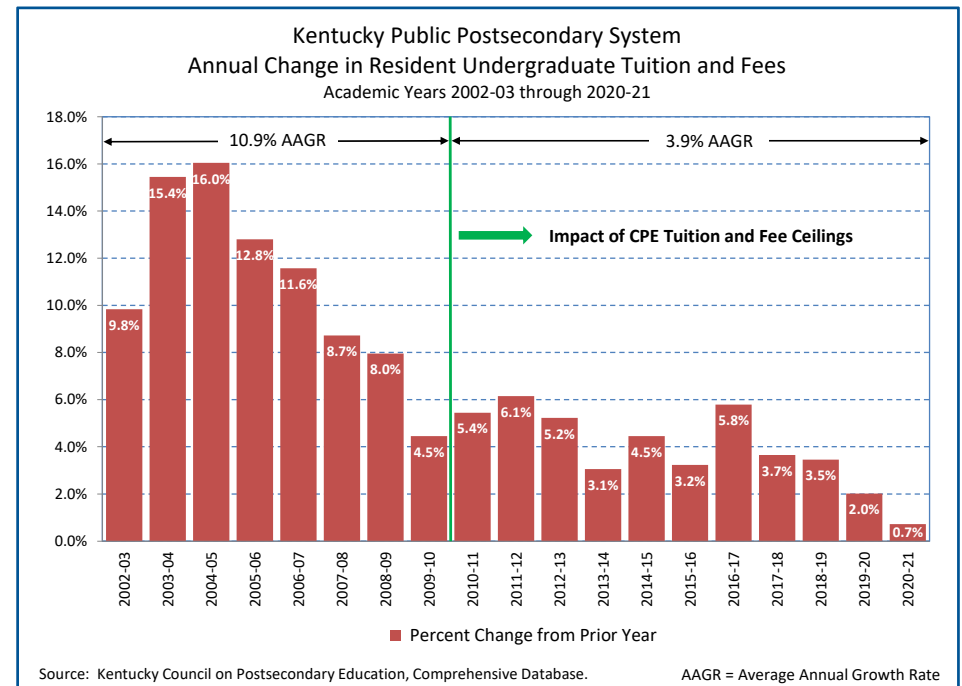
- Since 2013, FTE student enrollment has declined by an average annual rate of -1.6% at comprehensives and -3.4% at KCTCS
- The only institution to record an increase in FTE enrollment during this period was the University of Kentucky +4.0%

# Key Issues

## *Prior-Year Tuition Increase*

Prior-year increases are often considered when setting tuition for the coming year

- This year, Kentucky's system average increase in resident undergraduate tuition and fees was the lowest in over 20 years (i.e., +0.7%)
- Over the previous 10 years, average annual increase has been about 4.0% per year
- If parameters are approved by the Council, average annual increases over the next two years at universities will be 1.5%, or less
- Average annual increases in resident rates at KCTCS will be 1.4%, or less
- The parameters will result in average annual increases that are at least 2.5 percentage points below the recent historical average



- In 2020-21, five universities did not increase tuition and fees and three others had increases between 1.0% and 2.0%
- As a result, the system average increase was 0.7%, which represents the lowest increase in more than two decades

# Tuition and Fee Recommendation

## *Proposed Two-Year Parameters*

Staff recommends that the Finance Committee approve resident undergraduate tuition and fee ceilings for 2021-22 and 2022-23 that equate to:

- Maximum base rate increases of no more than 3.0 percent over two years, and no more than 2.0 percent in any one year, for public universities
- Maximum base rate increases of no more than \$5.<sup>00</sup> per credit hour over two years, and no more than \$3.<sup>00</sup> per credit hour in any one year, for KCTCS

It is further recommended that institutions be allowed to submit:

- Nonresident undergraduate tuition and fees that comply with the Council's *2021-22 Tuition and Mandatory Fees Policy*, or an existing MOU between the Council and an institution
- Market competitive tuition and fee rates for graduate and online courses

# Tuition and Fee Recommendation

## *Additional Relevant Information*

- Proposed parameters strike an appropriate balance between resource needs of the institutions and affordability for Kentucky students and families
- Small increases are necessary to help institutions maintain quality academic programs, address inflationary cost increases, and meet state goals (60x30)
- Two-year ceilings facilitate strategic planning and budgeting at the institutions and make college costs more predictable for students and families
- If authorized, proposed parameters will result in average increases over the next two years well below recent historical average (less than 1.5% per year)
- A top priority for CPE staff and campus leaders was keeping increases to a minimum to help students struggling financially due to COVID-19
- Staff believes proposed parameters are responsive to the Council resolution, calling for bold actions and strategies to mitigate declining enrollment

**TITLE:** Interstate Tuition Reciprocity Agreements

**DESCRIPTION:** Staff will provide an update regarding upcoming renewals and proposed changes to the reciprocity agreements with Indiana, Ohio, and West Virginia.

**PRESENTERS:** Shaun McKiernan, Director of Finance and Budget, CPE  
Ryan Kaffenberger, Senior Associate for Budget and Finance, CPE

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### **SUPPORTING INFORMATION**

Tuition reciprocity agreements are arrangements between two or more states where residents of a defined region in one state can enroll at identified institutions (or in selected programs) in another state (and vice versa) for a reduced tuition charge. Under such agreements, eligible citizens may also receive special treatment for admission purposes.

In general, advantages of reciprocity agreements include:

- Broader educational access and opportunity for residents in a region;
- Reduction in unnecessary duplication of academic programs; and
- Cost savings to a home state by utilizing academic programs in other states.

### **CURRENT RECIPROCITY AGREEMENTS**

Kentucky has tuition reciprocity agreements with Indiana (IN), Ohio (OH), and West Virginia (WV) and each expire on June 30, 2021. CPE staff is working with officials in these states and participating Kentucky institutions to renegotiate these agreements in compliance with policies adopted by the Council. A brief overview of the reciprocity agreements and the requested changes is provided below.

#### **Kentucky/Indiana Agreement**

Kentucky stakeholders requested several changes to the KY/IN Reciprocity Agreement. The requested changes include:

- Adding Elizabethtown Community and Technical College (ECTC) to the agreement along with three Indiana counties: Crawford, Harrison, and Perry Counties. ECTC has a new partnership with the Meade County schools that provides access to CMM, welding, IT, health sciences, Industrial Maintenance, and electricity programs. The



location is near a new bridge. The access to Southern Indiana provides an opportunity to educate Indiana residents who will work in the ECTC region.

- Adding Henry County, Kentucky, to the list of eligible counties for Indiana University-Southeast. This addition was requested by a Kentucky constituent.
- Eliminating language referencing “then-current rates” as it is not applicable to the agreement.
- Eliminating language excluding part-time students exclusively enrolled in online courses from participating in reciprocity.
- Clarifying that students who enroll in exclusively online classes at KCTCS institutions, regardless of state of residency, pay the Kentucky resident rate.

CPE Staff is waiting for notification of requested changes by Indiana stakeholders and will review those changes with the other parties to the agreements when received.

The agreement contains provisions for making changes, while the agreement is in place, provided that all parties are amenable. Upon renewal, the KY/IN Reciprocity Agreement will be in place July 1, 2021 through June 30, 2025.

See Attachment A for a copy of the proposed KY/IN Reciprocity Agreement. A list of participating institutions and eligible counties is provided below.

KY Institutions and Eligible IN Counties

**Gateway Community and Technical College**

Dearborn County      Franklin County  
 Jefferson County      Ohio County  
 Ripley County      Switzerland County

**Henderson Community College**

Dubois County      Gibson County  
 Perry County      Pike County  
 Posey County      Spencer County  
 Vanderburgh County      Warrick County

**Jefferson Community & Technical College**

Clark County      Crawford County  
 Dearborn County      Floyd County  
 Franklin County      Harrison County  
 Jefferson County      Ohio County  
 Ripley County      Scott County  
 Switzerland County      Washington County

**Owensboro Community & Technical College**

Dubois County      Gibson County  
 Perry County      Pike County  
 Posey County      Spencer County  
 Vanderburgh County      Warrick County

**University of Louisville**

Clark County      Crawford County  
 Floyd County      Harrison County  
 Perry County      Scott County  
 Washington County

**Elizabethtown Community & Technical College**

Crawford County      Harrison County  
 Perry County

**Western Kentucky University - Owensboro Campus (Junior level and above)**

Dubois County      Gibson County  
 Perry County      Pike County  
 Posey County      Spencer County

## IN Institutions and Eligible KY Counties

### **Indiana University-Southeast including Purdue Polytechnic Statewide**

|                  |                |
|------------------|----------------|
| Bullitt County   | Henry County   |
| Jefferson County | Meade County   |
| Oldham County    | Shelby County  |
| Spencer County   | Trimble County |

### **Ivy Tech C. C. Region 11 (Batesville, Lawrenceburg and Madison)**

|                  |                |
|------------------|----------------|
| Boone County     | Bracken County |
| Campbell County  | Carroll County |
| Gallatin County  | Grant County   |
| Henry County     | Kenton County  |
| Oldham County    | Owen County    |
| Pendleton County | Trimble County |

### **Ivy Tech C.C. Region 12 (Evansville)**

|                  |                |
|------------------|----------------|
| Daviess County   | Hancock County |
| Henderson County | Union County   |

### **Ivy Tech C. C. Region 13 (Sellersburg)**

|                  |               |
|------------------|---------------|
| Bullitt County   | Meade County  |
| Jefferson County | Oldham County |

### **U. of Southern Indiana (Evansville)**

|                    |                |
|--------------------|----------------|
| Daviess County     | Hancock County |
| Henderson County   | Union County   |
| Vanderburgh County | Warrick County |

The chart below provides a comparison of KY and IN student headcount, FTE students, and attempted student credit hours.

| <b>Indiana and Kentucky 2019-20 Reciprocity Students</b> | <b>KY Residents at IN Institutions</b> | <b>IN Residents at KY Institutions</b> |
|--|--|--|
| Student Headcount  | 2,780                                  | 2,029                                  |
| Full-time Equivalent Students                            | 1,649                                  | 1,305                                  |
| Credit Hours   | 48,556                                 | 39,144                                 |

The ratio of IN full-time equivalent (FTE) reciprocity students in KY to KY FTE reciprocity students in IN in 2019-20 was 1.0 to 1.26 (i.e., for every one FTE IN resident at KY institutions there are about one and a quarter FTE KY residents at IN institutions).

## Kentucky/Ohio Agreements

Kentucky stakeholders requested several changes to the KY/OH Reciprocity Agreements. The requested changes include:

- Making Ohio students with applied bachelor's degrees eligible for baccalaureate programs at Northern Kentucky University under reciprocity.
- Clarifying that students who enroll in exclusively online classes at KCTCS institutions, regardless of state of residency, pay the Kentucky resident rate.
- Eliminating language excluding Morehead State University's Master of Business Administration from the agreement. (MoSU charges the same rate for all MBA students.)

Ohio officials have communicated one requested change from their stakeholders:

- Adding applied bachelor's degrees to the eligible Ohio programs available to Kentucky residents under reciprocity.

Pursuant to Ohio law, reciprocity agreements must have two-year terms. The agreements contain provisions for making changes while the agreements are in place, provided that all parties are amenable. Upon renewal, the KY/OH Reciprocity Agreement will be in place from July 1, 2021 to June 30, 2023.

Kentucky and Ohio have three separate agreements. See Attachments B1, B2, and B3 for proposed agreements with requested changes. A list of participating institutions and counties is provided below.

Agreement 1:

KY Institutions & Eligible OH Counties

**Northern Kentucky University**  
**Gateway Community & Technical College**

|                 |                 |
|-----------------|-----------------|
| Adams County    | Brown County    |
| Butler County   | Clermont County |
| Clinton County  | Fayette County  |
| Hamilton County | Highland County |
| Warren County   |                 |

OH Institutions & Eligible KY Counties

**Cincinnati State Technical & Community College**  
**Clark State Community College**  
**Southern State Community College**  
**University of Cincinnati**

|                 |                  |
|-----------------|------------------|
| Bracken County  | Boone County     |
| Campbell County | Carroll County   |
| Gallatin County | Grant County     |
| Kenton County   | Pendleton County |

Agreement 2:

KY Institutions & Eligible OH Counties

**Ashland Community & Technical College**  
**Morehead State University – Morehead**  
**Morehead State University – Ashland**

|                |                 |
|----------------|-----------------|
| Adams County   | Athens County   |
| Brown County   | Gallia County   |
| Jackson County | Lawrence County |
| Meigs County   | Pike County     |
| Scioto County  | Vinton County   |

OH Institutions & Eligible KY Counties

**Ohio University – Athens**  
**Ohio University – Southern**  
**Rio Grande Community College**  
**Shawnee State University**  
**Southern State Community College**

|                |                 |
|----------------|-----------------|
| Boyd County    | Carter County   |
| Elliot County  | Fleming County  |
| Greenup County | Lawrence County |
| Lewis County   | Mason County    |
| Rowan County   |                 |

Agreement 3:

KY Institutions & Eligible OH Counties

**Maysville Community & Tech. College**

|                 |              |
|-----------------|--------------|
| Adams County    | Brown County |
| Clermont County |              |

OH Institutions & Eligible KY Counties

**Miami University Hamilton Campus**  
**Miami University Middletown Campus**  
**University of Cincinnati – Clermont College**

|                |                  |
|----------------|------------------|
| Bracken County | Lewis County     |
| Mason County   | Robertson County |

The chart below provides a comparison of Kentucky and Ohio student headcount, FTE students, and attempted student credit hours.

| <b>Ohio and Kentucky<br/>2019-20 Reciprocity Students</b> | <b>KY Residents at<br/>OH Institutions</b> | <b>OH Residents at<br/>KY Institutions</b> |
|---|--|--|
| Student Headcount   | 1,603                                      | 1,049                                      |
| Full-time Equivalent Students                             | 1,057                                      | 645  |
| Credit Hours  | 31,697                                     | 19,339                                     |

The ratio of OH reciprocity students (FTE) in KY to KY reciprocity students (FTE) in OH in 2019-20 was 1.0 to 1.64 (i.e., for every one FTE OH resident at KY institutions there are over one and a half FTE KY residents at OH institutions).

### **Kentucky/West Virginia Agreement**

Kentucky stakeholders requested one change to the KY/WV Reciprocity Agreement:

- Clarifying that students who enroll in exclusively online classes at KCTCS institutions, regardless of state of residency, pay the Kentucky resident rate.

CPE staff is waiting for notification of requested changes by West Virginia stakeholders, as well as, a response regarding Kentucky’s requested change.

The KY/WV agreement has a two-year term. The agreement contains provisions to make changes before the agreement’s expiration with the consent of all parties. Upon renewal, the KY/WV Reciprocity Agreement will be in place July 1, 2021 to June 30, 2023.

See Attachment C for the proposed KY/WV Reciprocity Agreement with requested changes. A list of participating institutions and counties is provided below.

#### KY Institutions & Eligible WV Counties

**Ashland Community & Technical College**  
**Big Sandy Community & Technical College**

Cabell County                      McDowell County  
Mingo County                      Wayne County

#### WV Institutions & Eligible KY Counties

**Marshall Community & Technical College**  
**Southern West Virginia Community & Technical College**

Boyd County                      Lawrence County  
Martin County                      Pike County

CPE Staff is waiting to receive student headcount, FTE student, and attempted student credit hour data from West Virginia partners regarding Kentucky residents enrolled at West Virginia institutions

in order to provide a comparison. However, the ratio of WV reciprocity students (FTE) in KY to KY reciprocity students (FTE) in WV in 2015-16 was 1.0 to 1.11 (i.e. for every one FTE WV resident at KY institutions there were slightly over one FTE KY residents at WV institutions).



# Tuition Reciprocity Agreements

# Tuition Reciprocity Agreements

## *Background Information*

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- Kentucky has reciprocity agreements in place with three other states (IN, OH, WV)
- All must be renewed for next academic year
- Working with officials from other states
- Only minor changes have been requested

# Tuition Reciprocity Agreements

## *Kentucky-Indiana Agreement*

- Adding Elizabethtown Community and Technical College and three Indiana Counties: Crawford, Harrison, and Perry
- Adding Henry County, KY, to the list of eligible counties for IU-Southeast
- New Term: July 1, 2021 – June 30, 2025
- KY FTE students at IN institutions: 1,649
- IN FTE student at KY institutions: 1,305 (Ratio 1:1.26)



# Tuition Reciprocity Agreements

## *Kentucky-Ohio Agreements*

- Adding applied bachelor's degrees to eligible programs for Kentucky residents
- Allow applied bachelor's degree holders eligible for bachelor's degree programs at NKU
- KY FTE students at OH institutions: 1,603
- OH FTE student at KY institutions: 1,049 (Ratio 1:1.64)

# Tuition Reciprocity Agreements

## *Kentucky-West Virginia Agreement*

- No substantive changes requested
- New Term: July 1, 2021 – June 30, 2023
- WV to KY participant FTE Ratio: 1:1.11

**MEMORANDUM OF UNDERSTANDING  
BETWEEN INDIANA AND KENTUCKY  
REGARDING TUITION RECIPROCITY  
~~2017-2021~~ **2021-2025****

**Parties**

*For Indiana:* Indiana Commission for Higher Education, University of Southern Indiana, Ivy Tech Community College Batesville, Evansville, Lawrenceburg, Madison, and Sellersburg, Indiana University Southeast, and Purdue Polytechnic Statewide

*For Kentucky:* Kentucky Council on Postsecondary Education, Henderson Community College, **Elizabethtown Community and Technical College**, Owensboro Community and Technical College, Jefferson Community and Technical College, Gateway Community and Technical College, University of Louisville, Western Kentucky University – Owensboro campus, and Northern Kentucky University

**Purpose**

The states of Indiana and Kentucky desire to provide postsecondary opportunities for the residents of designated counties in both states. Under this agreement, eligible students will be assessed tuition and fees at the enrolling institutions' resident rate, unless otherwise stated in this agreement.

This agreement describes how both states will provide such opportunities.

**Period Covered By Agreement**

~~July 1, 2017 – June 30, 2021~~ **July 1, 2021 - June 30, 2025**

**Eligible Students**

- A. To be eligible under the terms of this agreement, students must (1) be legal residents of one of the counties designated by both states as an eligible county, (2) be accepted by an eligible institution identified as accepting students from that county as outlined in Appendix A, and (3) enroll at that institution.
- B. Eligible students may enroll in any undergraduate or graduate degree program offered by the eligible institution with these exceptions: Dental, Medical, and Law programs.
- C. Eligible students may enroll on a full-time or part-time basis.
- D. Eligible students shall be subject to the same general or selective program admission standards as resident students.

- E. ~~Part-time students enrolled exclusively in online courses are not eligible to participate under reciprocity.~~ **Eligible students for whom space is available may enroll in fully online classes at eligible KCTCS institutions as outlined in Appendix A at the resident rate. This agreement does not preclude KCTCS from charging fully online Indiana resident students attending any KCTCS institution the Kentucky resident rate.**
- F. Under this agreement, eligible students shall be assessed tuition and fees at the enrolling institutions' resident rate.

### **Terms of Agreement**

- A. The states of Indiana and Kentucky agree:
1. For the duration of this agreement, eligible counties shall consist of those counties listed in Appendix A.
  2. That the public postsecondary institutions that will participate in this agreement are those listed in Appendix A. Each state will publicize the other state's eligible institutions.
  3. To treat reciprocity students as resident students when determining appropriations for higher education.
  4. That, in the event that this agreement is not renewed, enrolled reciprocity students may complete their degree programs with state support at reciprocal rates of tuition ~~or at the then-current rate as otherwise specified in this agreement~~ so long as they maintain continuous enrollment.
  5. To jointly monitor cross-border student flows under this agreement.
  6. To confer annually to discuss the agreement and its impact and to recommend changes as might be appropriate and mutually agreed upon under conditions of Section VI. A. below.
- B. Each participating institution will:
1. Treat eligible students as resident students for admission and placement purposes.
  2. Treat eligible students as resident students with respect to registration, refunds, student records, and academic advising.
  3. Report eligible student headcount, FTE, and credit hours in each academic term to its state agency for higher education.
  4. Report eligible students as separately identifiable out-of-state students when reporting enrollment data to its state agency for higher education.

5. Periodically assess the progress of this agreement and to consider changes as might be appropriate.

### **Amendment, Renewal or Termination of Agreement**

- A. The agreement may be amended through mutual consent of all parties, providing the amendment is in writing and signed by all parties to the agreement prior to the effective date of the amendment.
- B. The parties may amend the agreement in the following manner:
  1. Amendments must be presented to each of the parties of this agreement for their consideration.
  2. Each party of this agreement will then have sixty (60) days to respond in writing with a decision as to whether they approve/disapprove the proposed amendment to the agreement.
  3. The responses will be sent to all parties in the agreement.
  4. After 60 days, if all parties approve of the proposed amendment, the agreement will be amended. If all parties do not approve, the agreement will not be amended.
- C. Discussions regarding the renewal of this agreement should begin roughly one year prior to its expiration.
- D. This agreement may be terminated by any of the participating institutions, by the Indiana Commission for Higher Education, or by the Kentucky Council on Postsecondary Education, as of June 30<sup>th</sup> of any year, provided that the party electing to terminate has delivered written notice of such intention to terminate to the other parties by the preceding January 1<sup>st</sup>. In the case of such a termination by the Indiana Commission on Higher Education or the Kentucky Council on Postsecondary Education, any such election to terminate shall have the effect of terminating the agreement as to it and all other parties hereto. In the case of a participating institution, any such election to terminate shall have the effect of terminating the agreement only as to itself and its participation in the reciprocity program.

- E. In the event of termination, all enrolled reciprocity students will be allowed to complete their degree programs with state support at reciprocal rates of tuition ~~or at the then-current rate as otherwise specified in this agreement~~ so long as they maintain continuous enrollment.

## **VII. Counterparts**

This agreement may be executed in counterparts, each counterpart agreement shall be deemed an original and all of which together shall constitute one in the same instrument.

**Appendix A**  
**ELIGIBLE INSTITUTIONS AND COUNTIES**

Indiana Institutions and Kentucky Counties

Indiana University-Southeast including  
Purdue Polytechnic Statewide

Bullitt County  
**Henry County**  
Jefferson County  
Meade County  
Oldham County  
Shelby County  
Spencer County  
Trimble County

Ivy Tech Community College  
(Batesville, Lawrenceburg and Madison)\*

Boone County  
Bracken County  
Campbell County  
Carroll County  
Gallatin County  
Grant County  
Henry County  
Kenton County  
Oldham County  
Owen County  
Pendleton County  
Trimble County

Ivy Tech Community College  
(Evansville)

Daviess County  
Hancock County  
Henderson County  
Union County

Ivy Tech Community College  
(Sellersburg)

Bullitt County  
Meade County  
Jefferson County  
Oldham County

University of Southern Indiana  
(Evansville)

Daviess County  
Hancock County  
Henderson County  
Union County

Kentucky Institutions and Indiana Counties

Gateway Community and Technical College

Dearborn County  
Franklin County  
Jefferson County  
Ohio County  
Ripley County  
Switzerland County

Henderson Community College

Dubois County  
Gibson County  
Perry County  
Pike County  
Posey County  
Spencer County  
Vanderburgh County  
Warrick County

Jefferson Community and Technical College

Clark County  
Crawford County  
Dearborn County  
Floyd County  
Franklin County  
Harrison County  
Jefferson County  
Ohio County  
Ripley County  
Scott County  
Switzerland County  
Washington County

Northern Kentucky University

Dearborn County  
Franklin County  
Jefferson County  
Ohio County  
Ripley County  
Switzerland County

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\*Includes the two-plus-two completion program in Business offered by Ivy Tech Community College and

Indiana University East on the Ivy Tech Community College campus.

Owensboro Community and Technical College

Dubois County  
Gibson County  
Perry County  
Pike County  
Posey County  
Spencer County  
Vanderburgh County  
Warrick County

University of Louisville

Clark County  
Crawford County  
Floyd County  
Harrison County  
Perry County  
Scott County  
Washington County

**Elizabethtown Community and  
Technical College**

**Crawford County**

**Harrison County**

**Perry County**

Western Kentucky University - Owensboro  
Campus only (Junior level and above)

Dubois County  
Gibson County  
Perry County  
Pike County  
Posey County  
Spencer County  
Vanderburgh County  
Warrick County



## VIII. Signatures

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Teresa Lubbers                      Date  
Commissioner  
Indiana Commission for  
Higher Education

---

Linda M. Bennett                      Date  
President  
University of Southern  
Indiana

---

Sue Ellspermann                      Date  
President  
Ivy Tech State College

---

Michael A. McRobbie                      Date  
President  
Indiana University

---

Mitchell E. Daniels Jr.                      Date  
President  
Purdue University

---

~~Robert L. King~~ **Aaron**                      Date  
**Thompson**  
President  
Kentucky Council on  
Postsecondary Education

---

~~Greg Postel~~ **Neeli Bendapudi**                      Date  
President  
University of Louisville

---

~~Jay Box~~ **Paul Czarapata**                      Date  
President  
Kentucky Community and  
Technical College System

---

~~Gerard St. Amand~~ **Ashish**                      Date  
**Vaidya**  
President  
Northern Kentucky  
University

---

~~Gary A. Ransdell~~ **Timothy C.**                      Date  
**Caboni**  
President  
Western Kentucky  
University

## TUITION RECIPROCITY AGREEMENT

Ashland Community and Technical College  
Maysville Community and Technical College  
Morehead State University-Morehead  
Morehead State University-Ashland  
And  
Ohio University-Athens  
Ohio University-Southern  
Rio Grande Community College  
Shawnee State University  
Southern State Community College

In an effort to increase the college going rate and postsecondary opportunities in an underserved Appalachian region, this tuition reciprocity agreement is entered into between the Kentucky Council on Postsecondary Education, the Kentucky Community and Technical College System, the Chancellor of the Ohio Board of Regents, the Boards of Trustees of Ashland Community and Technical College, Morehead State University-Morehead, Morehead State University-Ashland, Ohio University-Athens, Ohio University-Southern, Rio Grande Community College, Shawnee State University, and Southern State Community College pursuant to the provisions of Section 3333.17 of the Ohio Revised Code and in compliance with rules and procedures of the aforementioned parties.

### I. Purpose

The general purpose of this tuition reciprocity agreement is to expand postsecondary educational opportunities in the region while limiting the cost of such expansion to the taxpayers of Ohio and Kentucky through collaboration among public institutions of higher education. The intended outcomes of this collaboration are to increase the availability of programs to residents of the region without needless duplication of educational effort and to promote efficient use of existing educational facilities and resources.

### II. Terms

#### 1. Duration and Termination

The agreement shall be effective beginning July 1, ~~2019~~ **2021** through June 30, ~~2024~~ **2023** and may be renewed prior to June 30, ~~2019~~ **2023** by mutual consent of all of the parties for a period of two years. As the agreement must coincide with the biennial budgets of the State of Ohio, the next renewal shall be for the term of July 1, ~~2021~~ **2023** to June 30, ~~2021~~ **2025**.

The agreement may be amended through mutual consent of all parties, providing the amendment is in writing and signed by all parties to the agreement prior to the effective date of the amendment.

- a. The parties may amend the agreement in the following manner. Amendments must be presented to each of the parties of this agreement for their consideration. Each Party of this agreement will then have sixty (60) days to respond in writing with a decision as to whether they approve/disapprove the proposed amendment to the Agreement. The responses will be sent to all parties in the agreement. After sixty (60) days, if all parties approve of the proposed amendment, the agreement will be amended. If all parties do not approve, the agreement will not be amended.

A review of this agreement may occur from time to time at the request of any Party hereto, provided all parties to this agreement are served with written notice of such request at least ninety (90) days prior to said review.

This agreement may be terminated by any of the participating institutions, the chancellor of the Ohio Board of Regents, the Kentucky Community and Technical College System, or the Kentucky Council on Postsecondary Education on June 30 of any year, with at least ninety (90) days prior written notice to each of the parties to this agreement.

2. Kentucky Residents Eligibility/Ohio Programs

Ohio University-Athens, Ohio University-Southern, Rio Grande Community College, Shawnee State University, and Southern State Community College agree to accept at Ohio resident tuition rates any resident of Boyd, Carter, Elliott, Fleming, Greenup, Lawrence, Lewis, Mason, and Rowan counties of Kentucky who enrolls and who satisfies all regular admissions requirements (including those requirements of the specific program in which admission is being sought) in the programs specifically included in this agreement. In this context, the word “program” may mean a workshop, a certificate program, an associate degree program, **an applied bachelor’s degree program**, a baccalaureate degree program, and/or a graduate degree program.

All programs offered at Ohio University-Athens, Ohio University-Southern, Rio Grande Community college, and Shawnee State University are included in this Agreement.

The following program from Southern State Community College is included in the agreement: Medical Assisting Program offered at Shawnee State University.

3. Ohio Residents Eligibility/Kentucky Programs

Ashland Community and Technical College, Morehead State University-Morehead, and Morehead State University-Ashland agree to accept at Kentucky resident tuition rates any resident of Adams, Athens, Brown, Gallia, Jackson, Lawrence, Meigs, Pike, Scioto, and Vinton counties of Ohio who enrolls and who satisfies all regular admissions requirements (including those requirements of the specific program in which admission is being sought) in the programs not specifically excluded in this Agreement. In this context, the word “program” may mean a workshop, a certificate program, an associate degree program, a baccalaureate degree program, and/or a graduate degree program.

No programs have been excluded at Ashland Community and Technical College in this Agreement.

**Eligible students for whom space is available may enroll in fully online classes at eligible KCTCS institutions at the resident rate. This agreement does not preclude KCTCS from charging fully online Ohio resident students attending any KCTCS institution the Kentucky resident rate.**

**~~The following program from Morehead State University is excluded from the agreement: Master of Business Administration.~~**

4. Resident Status

- a. During the period of this agreement, the chancellor of the Ohio Board of Regents will consider residents of Boyd, Carter, Elliott, Fleming, Greenup, Lawrence, Lewis, Mason and Rowan counties who attend Ohio University-Athens, Ohio University-Southern, Rio Grande Community College, Shawnee State University, and Southern State Community College under this agreement as qualifying for resident Ohio tuition and as Ohio residents for the purpose of allocating funds to Ohio University-Athens, Ohio University-Southern, Rio Grande Community College, Shawnee State University, and Southern State Community College.
- b. During the period of this agreement, the Kentucky Community and Technical College System and the Kentucky Council on Postsecondary Education will consider residents of Adams, Athens, Brown, Gallia, Jackson, Lawrence, Meigs, Pike, Scioto, and Vinton counties who attend Ashland Community and Technical College, Morehead State University-Morehead, and Morehead State University-Ashland under this agreement as qualifying for resident Kentucky tuition and as Kentucky residents for the purpose of allocating funds to Ashland Community and Technical College, Morehead State University-Morehead, and Morehead State University-Ashland.

5. Continued Eligibility

Once enrolled as a reciprocity student, each student demonstrating satisfactory academic performance under already existing academic standards and criteria of their institution will continue to receive reciprocity benefits under this agreement through graduation for the degree in which enrolled, as long as a reciprocity agreement exists. Student participation is subject to the terms and conditions of the reciprocity agreement in effect at the time of initial enrollment, and, in the event of termination, each student will be informed by the enrolling institution of his/her future status. If the agreement is terminated, participating institutions may agree at that time to continue tuition reciprocity for students appropriately enrolled in eligible programs at the time of termination until the completion of their programs of study, subject to the biennial limitations as described in paragraph II.1.

6. Notice, Application, and Waiver

The availability of resident tuition rates under this agreement shall be advertised to

applicants and/or to students of Ashland Community and Technical College, Morehead State University-Morehead, Morehead State University-Ashland, Ohio University-Athens, Ohio University-Southern, Rio Grande Community College, Shawnee State University, and Southern State Community College by any means deemed appropriate by those institutions.

All eligible students who want to receive resident tuition rates under this agreement must apply for such rates at the institution where they plan to enroll. Failure to apply in the manner required by each institution and in advance of enrollment will constitute a waiver of all rights under the terms of this agreement for that quarter or semester of enrollment and any preceding quarter or semester of enrollment for which no application was made. Each institution will develop a process for applicants to use in order to apply for resident tuition rates under this agreement.

7. Annual Report

By June 30 of each year, Ashland Community and Technical College, Morehead State University-Morehead, Morehead State University-Ashland, Ohio University-Athens, Ohio University-Southern, Rio Grande Community College, Shawnee State University, and Southern State Community College agree to provide annual reports on the enrollment and fiscal implications of the agreement to the other respective institutions, the Kentucky Council on Postsecondary Education, and the chancellor of the Ohio Board of Regents. Specific forms for the annual report may be prescribed by the state agencies.

**III. Approval**

This agreement is not effective unless and until approved by the chancellor of the Ohio Board of Regents pursuant to Section 3333.17 of the Ohio Revised Code and the Kentucky Council on Postsecondary Education.

**IV. Counterparts**

This agreement may be executed in counterparts, each counterpart agreement shall be deemed an original and all of which together shall constitute one in the same instrument.

**TUITION RECIPROCITY AGREEMENT  
SIGNATURE PAGES**

**STATE AGENCIES**

Dr. Aaron Thompson, President  
Kentucky Council on Postsecondary Education

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Randy Gardner, Chancellor  
Ohio Board of Regents

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

~~Jay Box~~ **Dr. Paul Czarapata**, President  
Kentucky Community & Technical College System

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

## INSTITUTIONS

Dr. Larry Ferguson, President  
Ashland Community and Technical College District

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Joseph A. Morgan, President  
Morehead State University

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Dwayne Nellis, President  
Ohio University

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Kent Haley, Treasurer/Chief Financial Officer  
Rio Grande Community College

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Jeff Bauer, Interim President  
Shawnee State University

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Kevin Boys, President  
Southern State Community College

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**UNDERGRADUATE TUITION RECIPROCITY AGREEMENT**

Northern Kentucky University  
Gateway Community and Technical College  
And  
Cincinnati State Technical and Community College  
Clark State Community College  
Miami University Hamilton  
Miami University Middletown  
Southern State Community College  
University of Cincinnati

This tuition reciprocity agreement is entered into between the Kentucky Council on Postsecondary Education and the chancellor of the Ohio Board of Regents, Cincinnati State Technical and Community College, Clark State Community College, Gateway Community and Technical College, the Kentucky Community and Technical College System, Miami University Hamilton, Miami University Middletown Northern Kentucky University, Southern State Community College, and the University of Cincinnati, pursuant to the provisions of Section 3333.17 of the Ohio Revised Code and in compliance with rules and procedures of the aforementioned parties.

**I. Purpose**

The general purpose of this tuition reciprocity agreement is to expand postsecondary educational opportunities in the greater Cincinnati area while limiting the cost of such expansion to the taxpayers of Ohio and Kentucky through collaboration among public institutions of higher education. The intended outcomes of this collaboration are to increase the availability of programs to residents of the greater Cincinnati area without needless duplication of educational effort and to promote efficient use of existing educational facilities and resources.

**II. Terms**

1. Duration and Termination

The agreement shall be effective beginning July 1, ~~2019~~ **2021**, through June 30, ~~2021~~ **2023**, and may be renewed prior to June 30, ~~2021~~ **2023**, by mutual consent of all of the parties for a period of two years. As the agreement must coincide with the biennial budgets of the State of Ohio, the next renewal shall be for July 1, ~~2021~~ **2023**, to June 30, ~~2023~~ **2025**.

The agreement may be amended through mutual consent of all parties, providing the amendment is in writing and signed by all parties to the agreement prior to the effective date of the amendment.



- a. The parties may amend the agreement in the following manner. Amendments must be presented to each of the parties of this agreement for their consideration. Each party of this agreement will then have sixty (60) days to respond in writing with a decision as to whether they approve/disapprove of the proposed amendment to the agreement. The responses will be sent to all parties in the agreement. After sixty (60) days, if all parties approve of the proposed amendment, the agreement will be amended. If all parties do not approve, the agreement will not be amended.

A review of this agreement may occur from time to time at the request of any party hereto, provided all parties to this agreement are served with written notice of such request at least ninety (90) days prior to said review.

This agreement may be terminated by any of the participating institutions, the chancellor of the Ohio Board of Regents, or the **President of the** Kentucky Council on Postsecondary Education on June 30 of any year, with at least ninety (90) days prior written notice to each of the parties to this agreement

## 2. Kentucky Residents' Eligibility for Ohio Programs

The participating Ohio institutions agree to accept at Ohio resident tuition rates any resident of Bracken, Boone, Campbell, Carroll, Gallatin, Grant, Kenton, and Pendleton Counties of Kentucky who enrolls and who satisfies all regular admission requirements (including those requirements of the specific program in which admission is sought) at the University of Cincinnati's two-year colleges (Clermont College, College of Applied Science, and Raymond Walters College) or at Cincinnati State Technical and Community College or at Clark State Community College, or at Miami University's Hamilton Campus, or at Miami University's Middletown Campus, or at Southern State Community College in the associate degree **or applied bachelor's degree** programs not specifically excluded from this agreement.

In this section, the word "program" only means an associate degree program **or applied bachelor's degree program** and the word "resident" means resident for the purpose of tuition determination as defined by the respective institution.

Majors and/or programs at the University of Cincinnati two-year colleges, Cincinnati State Technical and Community College, and Southern State Community College which are excluded from this agreement are the following ~~two-year~~ **associate degree and applied bachelor's degree** programs otherwise offered at Northern Kentucky University:

- (1) Clermont College: No exclusions
- (2) Blue Ash College: No exclusions
- (3) Cincinnati State Technical and Community College: no exclusions
- (4) Southern State Community College: no exclusions

Any program listed above as excluded may, by the joint written consent of the presidents of all four institutions, be included in this agreement.

The University of Cincinnati agrees to accept at Ohio resident tuition rates any resident of Boone, Bracken, Campbell, Carroll, Gallatin, Grant, Kenton, and Pendleton Counties of Kentucky who enrolls and who satisfies all regular baccalaureate admissions requirements (including those requirements of the specific program in which admission is being sought) at the University of Cincinnati in the programs specifically included in this Agreement.

The following baccalaureate degree programs at the University of Cincinnati which are included in this Agreement are the following: Architecture, Engineering, Honors PLUS (see provision below), Horticulture, Radiation Science, Interior Design, Industrial Design, Fashion Design, and Urban Planning.

In conformance with the limitations set forth in the bulleted item below, admission to the Honors PLUS baccalaureate degree program in the College of Business, University of Cincinnati, is subject to the following provision:

- a. Reciprocity for the Honors PLUS program at the University of Cincinnati is limited to residents of the eligible Kentucky counties with a cap of fifty (50) students enrolled in courses at any one time.

In this section, the word "program" only means a baccalaureate degree program and the word "resident" means resident for the purpose of tuition determination as defined by the respective institution.

3. Ohio Residents' Eligibility for Kentucky Baccalaureate Degree Programs

Northern Kentucky University agrees to accept at Kentucky resident tuition rates any resident of Adams, Brown, Butler, Clermont, Clinton, Fayette, Hamilton, Highland, and Warren Counties of Ohio with an associate degree **or applied bachelor's degree from** the University of Cincinnati, Cincinnati State Technical and Community College, Clark State Community College, or Southern State Community College, or any student participating in an approved Degree Pathway Program at Cincinnati State Technical and Community College, who enrolls and who satisfies all regular transfer admissions requirements (including those requirements of the specific program in which admission is sought) in Northern Kentucky University baccalaureate degree programs not specifically excluded from this agreement.

In this section, the word "program" only means a baccalaureate degree program and the word "resident" means resident for the purpose of tuition determination as defined by the respective institution.

The majors and/or programs at Northern Kentucky University excluded from this agreement are:

- a. Early Childhood Education

b. Nursing

Any major/program listed above as excluded may, by the joint written consent of the presidents of all four institutions, be included in this agreement.

4. Ohio Residents' Eligibility for Kentucky Associate Degree Programs

Gateway Community and Technical College agrees to accept at Kentucky resident tuition rates any resident of Adams, Brown, Butler, Clermont, Clinton, Hamilton, Highland, and Warren Counties of Ohio who enrolls and who satisfies all regular admission requirements (including those requirements of the specific program in which admission is sought) at Gateway Community and Technical College.

All programs, excluding nursing, at Gateway Community and Technical College are included in the agreement.

**Eligible students for whom space is available may enroll in fully online classes at eligible KCTCS institutions at the resident rate. This agreement does not preclude KCTCS from charging fully online Ohio resident students attending any KCTCS institution the Kentucky resident rate.**

5. Ohio Residents' Eligibility/Enrollment Limitations for Kentucky Programs

In conformance with the limitations set forth in the bulleted item below, admission to the Business Management baccalaureate degree program in the College of Business, Northern Kentucky University, is subject to the following provision:

- a. Reciprocity for the College of Business, Business Management program at Northern Kentucky University is limited to residents of the eligible Ohio counties with a cap of fifty (50) students enrolled in courses at any one time.

In this section, the word "program" only means a specific baccalaureate degree program and the word "resident" means resident for the purpose of tuition determination as defined by the respective institution.

6. New Program Eligibility

Any new program may be included in this agreement upon successful completion of the agreements' amendment process, as listed above.

In this section, the word "program" may mean a workshop, a certificate program, an associate degree program, or a baccalaureate degree program.

7. Resident Status

- a. During the period of this agreement, the chancellor of the Ohio Board of Regents will consider residents of Bracken, Boone, Campbell, Carroll, Gallatin, Grant, Kenton, and Pendleton Counties who attend the University of Cincinnati, Cincinnati State Technical and Community College, Clark State Community College, or Southern State Community College under this agreement as

qualifying for Ohio resident tuition rates, and as Ohio residents for the purpose of allocating funds to the University of Cincinnati, Cincinnati State Technical and Community College, Clark State Community College, and Southern State Community College.

- b. During the period of this agreement, the Kentucky Council on Postsecondary Education will consider residents of Adams, Brown, Butler, Clermont, Clinton, Fayette, Hamilton, Highland, and Warren Counties who attend Northern Kentucky University or Gateway Community and Technical College under this agreement as qualifying for Kentucky resident tuition rates, and as reciprocity students for the purpose of allocating funds to Northern Kentucky University and Gateway Community and Technical College. The Kentucky Council on Postsecondary Education will also consider students attending Northern Kentucky University who are participating in an approved Degree Pathway Program with an associate degree from the University of Cincinnati, Cincinnati State Technical and Community College, Clark State Community College, or Southern State Community College as reciprocity students for the purpose of allocating funds to Northern Kentucky University.

8. Continued Eligibility

Once enrolled as a reciprocity student, each student demonstrating satisfactory academic performance under already existing standards and criteria of his/her institution will continue to receive reciprocity benefits under this agreement through graduation for the degree in which enrolled, as long as a reciprocity agreement exists. Student participation is subject to the terms and conditions of the reciprocity agreement in effect at the time of initial enrollment, and, in the event of termination, each student will be informed by the enrolling institution of his/her future status. If the agreement is terminated, participating institutions may agree at that time to continue tuition reciprocity for students appropriately enrolled in eligible programs at the time of termination until the completion of their programs of study, subject to the biennial limitations as described in paragraph 11.1.

9. Notice, Application, and Waiver

The availability of reciprocity tuition rates under this agreement shall be advertised to applicants and/or to student of Cincinnati state Technical and Community College, Clark State Community College, Gateway Community and Technical College, Southern State Community College, Northern Kentucky University and the University of Cincinnati by any means deemed appropriate by the respective institutions.

All students who want to receive reciprocity tuition rates under this agreement must apply for such rates at the institution where they plan to enroll.

Failure to so apply in the manner required by each institution and in advance of enrollment will constitute a waiver of all rights under the terms of this agreement for the quarter or semester of enrollment and any preceding quarter or semester of enrollment for which no application was made. Each institution will develop a

process for applicants to use in order to apply for reciprocity tuition rates under this agreement.

These processes will be written and shared with each institution as well as with the chancellor of the Ohio Board of Regents and the Kentucky Council on Postsecondary Education. The process will also be made available to all potential applicants upon request.

In this section, the word "resident" means resident for the purpose of tuition determination as defined by the respective institution.

10. Annual Report

By June 30 of each year, Cincinnati State Technical and Community College, Clark State Community College, Gateway Community and Technical College, Northern Kentucky University, Southern State Community College, and the University of Cincinnati agree to provide annual reports on the enrollment and fiscal implications of the agreement to the other respective institutions, the Kentucky Council on Postsecondary Education, and the chancellor of the Ohio Board of Regents. Specific forms for the annual report may be prescribed by the state agencies.

**III. Approval**

This agreement is not effective unless and until approved by the chancellor of the Ohio Board of Regents pursuant to Section 3333.17 of the Ohio Revised Code and the Kentucky Council on Postsecondary Education.

**IV. Counterparts**

This agreement may be executed in counterparts, each counterpart agreement shall be deemed an original, and all of which together shall constitute one in the same instrument.

**TUITION RECIPROCITY AGREEMENT  
SIGNATURE PAGE**

**STATE AGENCIES**

Dr. Aaron Thompson, President  
Kentucky Council on Postsecondary Education

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Randy Gardner, Chancellor  
Ohio Board of Regents

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

~~Dr. Jay Box~~ **Dr. Paul Czarapata**, President  
Kentucky Community & Technical College System

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**INSTITUTIONS**

Dr. Ashish Vaidya, President  
Northern Kentucky University

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Fernando Figueroa, President  
Gateway Community and Technical College

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Neville Pinto, President  
University of Cincinnati

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Monica Posey, President  
Cincinnati State Technical and Community College

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Jo Alice Blondin, President  
Clark State Community College

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Gregory P. Crawford, President  
Miami University

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Kevin Boys, President  
Southern State Community College

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

## TUITION RECIPROCITY AGREEMENT

Maysville Community and Technical College  
and  
University of Cincinnati - Clermont College  
Miami University Hamilton  
Miami University Middletown

This tuition reciprocity agreement is entered into between the Kentucky Council on Postsecondary Education and the chancellor of the Ohio Board of Regents, the Kentucky Community and Technical College System, Maysville Community and Technical College, Miami University Hamilton Campus, Miami University Middletown Campus, and the University of Cincinnati-Clermont College pursuant to the provisions of Section 3333.17 of the Ohio Revised Code and in compliance with rules and procedures of the aforementioned parties.

### I. Purpose

The general purpose of this tuition reciprocity agreement is to expand postsecondary educational opportunities in the northern Kentucky and southern Ohio area while limiting the cost of such expansion to the taxpayers of Ohio and Kentucky through collaboration among public institutions of higher education. The intended outcomes of this collaboration are to increase the availability of programs to residents of Clermont, Adams, and Brown Counties in Ohio and Mason, Bracken, Lewis, and Robertson Counties in Kentucky without needless duplication of educational effort and to promote efficient use of existing educational facilities and resources.

### II. Terms

#### 1. Duration and Termination

The agreement shall be effective beginning July 1, ~~2019~~ **2021**, through June 30, ~~2021~~ **2023**, and may be renewed prior to June 30, ~~2021~~ **2023**, by mutual consent of all of the parties for a period of two years. As the agreement must coincide with the biennial budgets of the State of Ohio, the next renewal shall be for the term of July 1, ~~2021~~ **2023**, to June 30, ~~2023~~ **2025**.

The agreement may be amended through mutual consent of all parties, providing the amendment is in writing and signed by all parties to the agreement prior to the effective date of the amendment.

- a. The parties may amend the agreement in the following manner. Amendments must be presented to each of the parties of this agreement for their consideration. Each party of this agreement will then have sixty (60) days to respond in writing with a decision as to whether they approve/disapprove of the proposed amendment to the agreement. The responses will be sent to all parties in the agreement. After sixty (60) days, if all parties approve of the proposed



amendment, the agreement will be amended. If all parties do not approve, the agreement will not be amended.

A review of this agreement may occur from time to time at the request of any party hereto, provided all parties to this agreement are served with written notice of such request at least ninety (90) days prior to said review.

This agreement may be terminated by any of the participating institutions, the chancellor of the Ohio Board of Regents, the Kentucky Community and Technical College System, or the Kentucky Council on Postsecondary Education on June 30 of any year, with at least ninety (90) days prior written notice to each of the parties to this agreement.

2. Kentucky Residents' Eligibility for Ohio Programs

Miami University Hamilton Campus, Miami University Middletown Campus, and the University of Cincinnati-Clermont College agrees to accept at Ohio resident tuition rates any resident of Bracken, Lewis, Mason, or Robertson Counties of Kentucky who enrolls and who satisfies all regular admission requirements (including those requirements of the specific program in which admission is sought) at the Miami University Hamilton Campus, Miami University Middletown Campus, and the University of Cincinnati-Clermont College in the programs not specifically excluded from this agreement. In this context, the word "program" may mean a workshop, a certificate program, and/or associate degree program, **or applied bachelor's degree program.**

3. Ohio Residents' Eligibility for Kentucky Programs

Maysville Community and Technical College agrees to accept at Kentucky resident tuition rates any resident of Adams, Brown, and Clermont Counties of Ohio who enrolls and who satisfies all regular admission requirements (including those requirements of the specific program in which admission is sought) at Maysville Community and Technical College in the programs not specifically excluded from this agreement. In this context, the word "program" may mean a workshop, a certificate program, and/or associate degree program.

**Eligible students for whom space is available may enroll in fully online classes at eligible KCTCS institutions at the resident rate. This agreement does not preclude KCTCS from charging fully online Ohio resident students attending any KCTCS institution the Kentucky resident rate.**

4. New Program Eligibility

Any new program may be included in this agreement upon successful completion of the agreement's amendment process, as listed above. In this context, the word "program" may mean a workshop, a certificate program, and/or associate degree program.

5. Resident Status

- a. During the period of the agreement, the chancellor of the Ohio Board of Regents will consider residents of Bracken, Lewis, Mason, and Robertson Counties who attend the University of Cincinnati-Clermont College under this agreement as qualifying for Ohio resident tuition rates and as Ohio residents for the purpose of allocating funds to the University of Cincinnati-Clermont College.
- b. During the period of this agreement, the Kentucky Community and Technical College System and the Kentucky Council on Postsecondary Education will consider residents of Adams, Brown, and Clermont Counties who attend Maysville Community and Technical College under this agreement as qualifying for Kentucky resident tuition rates and as Kentucky residents for the purpose of allocating funds to Maysville Community and Technical College.

6. Continued Eligibility

Once enrolled as a reciprocity student, each student demonstrating satisfactory academic performance under already existing standards and criteria of his/her institution will continue to receive reciprocity benefits under this agreement through graduation for the degree in which enrolled, as long as a reciprocity agreement exists. Student participation is subject to the terms and conditions of the reciprocity agreement in effect at the time of initial enrollment, and, in the event of termination, each student will be informed by the enrolling institution of his/her future status. If the agreement is terminated, participating institutions may agree at that time to continue tuition reciprocity for students appropriately enrolled in eligible programs at the time of termination until completion of their programs of study, subject to the biennial limitations as described in paragraph 11.1.

7. Notice, Application, and Waiver

The availability of resident tuition rates under this agreement shall be advertised to applicants and/or to students of Maysville Community and Technical College and the University of Cincinnati-Clermont College by any means deemed appropriate by those institutions.

All eligible students who want to receive resident tuition rates under this agreement must apply for such rates at the institution where they plan to enroll. Failure to apply in the manner required by each institution and in advance of enrollment will constitute a waiver of all rights under the terms of this agreement for that quarter or semester of enrollment and any preceding quarter or semester of enrollment for which no application was made. Each institution will develop a process for applicants to use in order to apply for resident tuition rates under this agreement.

8. Annual Report

By June 30 of each year, the Kentucky Community and Technical College System, Maysville Community and Technical College, and University of Cincinnati-Clermont College agree to provide annual reports on the enrollment and fiscal implications of the agreement to the other respective institutions, the Kentucky Council on

Postsecondary Education, and the chancellor of the Ohio Board of Regents. Specific forms for the annual report may be prescribed by the state agencies.

**III. Approval**

This agreement is not effective unless and until approved by the chancellor of the Ohio Board of Regents pursuant to Section 3333.17 of the Ohio Revised Code and the Kentucky Council on Postsecondary Education.

**IV. Counterparts**

This agreement may be executed in counterparts, each counterpart agreement shall be deemed an original, and all of which together shall constitute one in the same instrument.

**TUITION RECIPROCITY AGREEMENT SIGNATURE PAGES**

**STATE AGENCIES**

Dr. Aaron Thompson, President  
Kentucky Council on Postsecondary Education

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Randy Gardner, Chancellor  
Ohio Board of Regents

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

~~Dr. Jay Box~~ **Dr. Paul Czarapata, Interim** President  
Kentucky Community and Technical College System

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**TUITION RECIPROCITY AGREEMENT SIGNATURE PAGES**  
**INSTITUTIONS**

~~Dr. Steve Vacik~~ **Russ Ward, Interim** President  
Maysville Community and Technical College

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Neville Pinto, President  
University of Cincinnati

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Gregory P. Crawford, President  
Miami University

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**TUITION RECIPROCITY AGREEMENT**

**ASHLAND COMMUNITY AND TECHNICAL COLLEGE  
BIG SANDY COMMUNITY AND TECHNICAL COLLEGE  
AND  
SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE AND  
MARSHALL COMMUNITY AND TECHNICAL COLLEGE  
~~2019-2021~~ **2021-2023****

**I. Parties**

Under the provisions of Section 18-B-4-3 of the West Virginia Code, Section 164.020 (11) of the Kentucky Revised Statutes, and in compliance with rules and procedures of the West Virginia Council for Community and Technical College Education, the Kentucky Council on Postsecondary Education, the Kentucky Community and Technical College System, Ashland Community and Technical College, Big Sandy Community and Technical College, Marshall Community and Technical College, and Southern West Virginia Community and Technical College, the following agreement is entered into between the Kentucky Council on Postsecondary Education and the West Virginia Council for Community and Technical College Education, and between Ashland Community and Technical College and Big Sandy Community and Technical College of the Kentucky Community and Technical College System and Marshall Community and Technical College and Southern West Virginia Community and Technical College.

**II. Purpose**

The purposes of this tuition reciprocity agreement are to (1) improve the lower division post high school educational advantages to residents of Boyd, Lawrence, Martin, and Pike Counties in Kentucky and Cabell, McDowell, Mingo, and Wayne Counties in West Virginia; (2) minimize the cost of such improvements for the taxpayers and legislative bodies of both states by cooperative planning and joint education efforts; and (3) promote the maximum use of existing educational facilities and address the problems of enrollment fluctuations and fiscal constraints at both institutions.

**III. Period Covered By Agreement**

~~July 1, 2019 – June 30, 2021~~ **July 1, 2021 - June 30, 2023**

#### **IV. Terms**

The provisions of this agreement shall be effective beginning July 1, ~~2019~~ **2021**, and expire on June 30, ~~2021~~ **2023**, and will commence with any registration after the effective date. Students who are enrolled under the provisions of the agreement may continue to attend the selected colleges at the reciprocity rates for a period of two years subsequent to termination of the agreement. The agreement shall be subject to review and revision on an annual basis.

#### **V. Eligible Students**

Ashland Community and Technical College and Big Sandy Community and Technical College agree to accept at the resident rate any resident of Cabell, McDowell, Mingo, or Wayne Counties of West Virginia wishing to enroll for whom space is available and who satisfies all regular in-state admission requirements of Ashland Community and Technical College and Big Sandy Community and Technical College.

Marshall Community and Technical College and Southern West Virginia Community and Technical College agree to accept at the resident rate any resident of Boyd, Lawrence, Martin, or Pike Counties of Kentucky wishing to enroll for whom space is available and who satisfies all regular in-state admissions requirements of Marshall Community and Technical College and Southern West Virginia Community and Technical College.

**Eligible students for whom space is available may enroll in fully online classes at eligible KCTCS institutions at the resident rate. This agreement does not preclude KCTCS from charging fully online West Virginia resident students attending any KCTCS institution the Kentucky resident rate.**

#### **VI. Termination or Renewal of Agreement**

This agreement shall be reviewed annually and may be considered for termination or modification for cause at the request of either participating institution, the West Virginia Council for Community and Technical College Education, or the Kentucky Council on Postsecondary Education.

Ashland Community and Technical College, Big Sandy Community and Technical College, Marshall Community and Technical College, and Southern West Virginia Community and Technical College agree to provide on an annual basis to the Kentucky Council on Postsecondary Education and the West Virginia Council for Community and Technical College Education reports on the enrollment and program implications of the agreement on forms prescribed for the purpose by these state agencies.

## VII. Signatures

|   |      |  |      |
|---|------|--|------|
| <hr/> Aaron Thompson<br>President, Kentucky Council on<br>Postsecondary Education                                   | Date | <hr/> Jim L. Skidmore<br>Chancellor, West Virginia Council<br>for Community and Technical<br>College Education | Date |
| <hr/> <del>Jay K. Box</del> <b>Paul Czarapata</b><br>President, Kentucky<br>Community & Technical<br>College System | Date | <hr/> Bob Hayes<br>Interim President, Marshall<br>Community & Technical College                                | Date |
| <hr/> Larry Ferguson<br>President, Ashland Community<br>& Technical College   | Date | <hr/> Joanne J. Tomblin<br>President, Southern West Virginia<br>Community & Technical College                  | Date |
| <hr/> Sherry Zylka<br>President, Big Sandy<br>Community & Technical<br>College                                      | Date |  |      |





# Performance Fund Distribution

# Postsecondary Education Working Group

## *Role and Responsibilities*

➔ KRS 164.092, Section 11(b)(c)

Beginning in fiscal year 2020-21 and every three fiscal years thereafter, the postsecondary education working group shall convene to:

- determine if the comprehensive funding model is functioning as expected
- identify any unintended consequences of the model
- recommend any adjustments to the model

The results of the review and recommendations of the working group shall be reported to the Governor, the Interim Joint Committee on A&R, and the Interim Joint Committee on Education

# Postsecondary Education Working Group

## *Timeline and Meetings*

First Working  
Group Meeting  
July 30, 2020



December 15 - Final  
Recommendations Due

Short Session of  
General Assembly  
January 5, 2021

### Meetings and Activities:

- *July 30* - Reviewed trends in student success data and results of a performance funding survey completed by campus presidents
- *September 2* – HCM Strategists provided an update on national trends in performance funding; KCTCS presented proposed changes to their model
- *October 7* – Reviewed financial impact data, campus assessments of funding models, and proposals to address fiscal cliffs and limit redistribution of base funding among institutions

# Postsecondary Education Working Group

## *Timeline and Meetings (Cont'd)*

### Meetings and Activities (Cont'd):

- *November 4* – Reviewed and discussed major decision points, including:
  - Appropriate Stop-Loss Percentage
  - Small School Adjustment
  - Nonresident Student Weighting
  - Premiums for Underserved Populations
  - Weighting Between Sectors
- *November 20* – Continued discussion of major decision points; reviewed and discussed proposed adjustments to funding models
- *December 2* - Final discussion and agreement on recommendations

# Postsecondary Education Working Group

## *Recommended Adjustments*

- Establish a General Fund floor equal to each institution's 2020-21 regular appropriation, plus any performance distribution, minus debt service and mandated programs
- Policymakers should prioritize maintaining the General Fund floor over providing new funds to the Performance Fund
- Going forward, there should be no redistribution of base funding among postsecondary institutions
- All funding in the Performance Fund will come from appropriations provided by the General Assembly, rather than campus stop loss contributions (i.e., 0% stop loss)

# Postsecondary Education Working Group

## *Recommended Adjustments (Cont'd)*

- CPE and KCTCS will use existing funding models *with no changes* to distribute any new funds appropriated to the Performance Fund
- Performance distributions will be nonrecurring to institutions that earn those funds, so that appropriated funds will be recurring to the Performance Fund in subsequent years
- CPE will reconvene the working group and submit recommended revisions to the models by no later than December 1, 2023

# Performance Fund Distribution

## *Current Status*

- In response to working group recommendations, SB 135 was introduced to effect changes in the performance funding statute
- SB 135 passed the House and Senate with no changes and was signed into law by the Governor on March 18
- The bill amended the Performance Funding Statute (KRS 164.092) based on Work Group recommendations
- CPE staff ran the 2021-22 iteration of the university funding model and shared the resulting preliminary distribution with campus CBOs
- Campus CBOs and IR Directors validated performance data and model calculations and the distribution was finalized on April 9

# Performance Fund Distribution

## *Fiscal Year 2021-22*

- The beginning base for this year's iteration of the public university and KCTCS performance funding models was \$889.9 million
- After subtracting mandated program funding, debt service, and a small school adjustment, allocable resources run through the university model totaled \$527.9 million
- These funds were distributed based on each institution's share of total student success outcomes produced and operational activity
- Detail regarding the distribution of \$3.8 million in performance funds allocated to KCTCS are available upon request

| Institution            | Fiscal 2021-22<br>Performance<br>Distribution |
|------------------------|---|
| UK                     | \$6,086,400                                   |
| UofL                   | 2,972,500                                     |
| EKU                    | 120,200                                       |
| KSU                    | 0   |
| MoSU                   | 0   |
| MuSU                   | 0   |
| NKU                    | 2,902,700                                     |
| WKU                    | 1,398,800                                     |
| University Sector      | \$13,480,600                                  |
| KCTCS                  | 3,826,500                                     |
| Total Performance Fund | \$17,307,100                                  |

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# Performance Fund Distribution

## *Incentives for Above Average Performance*

Performance Funding Model for the Public Universities

April 19, 2021

Table 7 - Change in Funding Model Metric Three-Year Rolling Averages (**Weighted Activity Volume**) Between 2020-21 and 2021-22 Iterations

### Student Success Component

| Bachelor's Degrees (Normalized)<br>Pool Size = <b>\$47.7 M</b> in 2021-22 | 2020-21<br>Iteration | 2021-22<br>Iteration | Volume<br>Change | Percent<br>Change | Status    | Institution | 2020-21<br>Share | 2021-22<br>Share |
|---|----------------------|----------------------|------------------|-------------------|-----------|-------------|------------------|------------------|
| UK  | 8,191                | 8,568                | 377              | 4.6%              | Above     | UK          | 33.7%            | 34.7%            |
| UofL  | 5,167                | 5,208                | 41               | 0.8%              | Below     | UofL        | 21.2%            | 21.1%            |
| EKU   | 2,706                | 2,758                | 52               | 1.9%              | Above     | EKU         | 11.1%            | 11.2%            |
| KSU   | 237                  | 131                  | (107)            | -45.0%            | Below     | KSU         | 1.0%             | 0.5%             |
| MoSU  | 1,214                | 1,119                | (95)             | -7.9%             | Below     | MoSU        | 5.0%             | 4.5%             |
| MuSU  | 1,733                | 1,722                | (11)             | -0.6%             | Below     | MuSU        | 7.1%             | 7.0%             |
| NKU   | 2,161                | 2,153                | (8)              | -0.4%             | Below     | NKU         | 8.9%             | 8.7%             |
| WKU   | 2,910                | 3,048                | 138              | 4.7%              | Above     | WKU         | 12.0%            | 12.3%            |
| Sector  | 24,320               | 24,706               | 386              | 1.6%              | = Average |             | 100.0%           | 100.0%           |

| STEM+H Bachelor's Degrees<br>Pool Size = <b>\$26.5 M</b> in 2021-22 | 2020-21<br>Iteration | 2021-22<br>Iteration | Volume<br>Change | Percent<br>Change | Status    | Institution | 2020-21<br>Share | 2021-22<br>Share |
|---|----------------------|----------------------|------------------|-------------------|-----------|-------------|------------------|------------------|
| UK  | 2,950                | 3,068                | 118              | 4.0%              | Above     | UK          | 36.5%            | 37.1%            |
| UofL  | 1,566                | 1,638                | 72               | 4.6%              | Above     | UofL        | 19.4%            | 19.8%            |
| EKU   | 871                  | 864                  | (7)              | -0.8%             | Below     | EKU         | 10.8%            | 10.4%            |
| KSU   | 51                   | 36                   | (15)             | -29.9%            | Below     | KSU         | 0.6%             | 0.4%             |
| MoSU  | 375                  | 368                  | (7)              | -1.9%             | Below     | MoSU        | 4.6%             | 4.4%             |
| MuSU  | 720                  | 688                  | (31)             | -4.4%             | Below     | MuSU        | 8.9%             | 8.3%             |
| NKU   | 698                  | 723                  | 25               | 3.5%              | Above     | NKU         | 8.6%             | 8.7%             |
| WKU   | 857                  | 892                  | 34               | 4.0%              | Above     | WKU         | 10.6%            | 10.8%            |
| Sector  | 8,089                | 8,277                | 188              | 2.3%              | = Average |             | 100.0%           | 100.0%           |

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# Performance Fund Distribution

## University Metric Scorecard

Performance Funding Model for the Public Universities

April 19, 2021

Table 8 - Metrics Where Rates of Growth Exceeded Sector Average  
Between Fiscal years 2020-21 and 2021-22

| Performance Metric                  | UK                                  | UofL                                | EKU                                 | KSU                                 | MoSU                                | MuSU                                | NKU                                 | WKU                                 |
|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <b>Student Success Outcomes</b>     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |
| Bachelor's Degrees                  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| STEM+H Bachelor's Degrees           | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| URM Bachelor's Degrees              | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| Low Income Bachelor's Degrees       | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| Student Progression @ 30 Hours      | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Student Progression @ 60 Hours      | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            |
| Student Progression @ 90 Hours      | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| Earned Credit Hours                 | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| <b>Operational Support Activity</b> |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |
| Instructional Square Feet           | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> |
| Direct Cost of Instruction          | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| FTE Students                        | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| Metrics Above Sector Average        | 10                                  | 7                                   | 3                                   | 3                                   | 2                                   | 1                                   | 6                                   | 5                                   |