## Council on Postsecondary Education July 23, 2010

## 2010-11 Tuition and Mandatory Fee Recommendation Western Kentucky University

On July 12, 2010, Western Kentucky University submitted its tuition and mandatory fee proposal and tuition revenue estimate to the Council. The Council staff has reviewed the proposed rates and determined that they comply with the resident undergraduate rate ceiling for a comprehensive university approved by the Council at the April 23 meeting, and that the requested exception to the nonresident rate floor is in line with those approved by the Council last year. Upon approval by the Council, the recommended rates will establish maximum tuition and mandatory fee charges that may be assessed to students enrolling at WKU during fall semester 2010, spring semester 2011, and summer term 2011.

ACTION: The staff recommends that the Council approve the following 2010-11 tuition and mandatory fee rates and the requested exception to the nonresident rate floor for Western Kentucky University.

#### **Tuition and Mandatory Fees**

At the April 23 meeting, Council staff recommended that the Council approve a 2010-11 resident, undergraduate tuition and mandatory fee ceiling of 5 percent for the comprehensive universities, and that the public four-year institutions be allowed to submit for Council approval market competitive rates for graduate and first-professional students. As can be seen in the table below, the proposal that Western Kentucky University submitted to the Council on July 12 is in compliance with the 5 percent ceiling.

Rate Category	Current 2009-10 Tuition & Fees	Proposed 2010-11 Tuition & Fees	Dollar Change	Percent Change
Undergraduate				
Resident	\$7,200	\$7,560	\$360	5.0%
Nonresident	\$17,784	\$18,840	\$1,056	5.9%
Nonresident Multiple	2.5	2.5		
Graduate				
Resident	\$7,920	\$8,320	\$400	5.1%
Nonresident	\$8,700	\$9,220	\$520	6.0%

Attachment A contains additional categories and rates for undergraduate resident and nonresident part-time and distance learning students, nonresident Tuition Incentive Program students, graduate resident and nonresident part-time and distance learning students, nonresident international students, and professional MBA program students. The Council staff recommends approval of rates in these additional categories as proposed by the university.

#### **Estimated Tuition Revenue**

WKU officials estimate that their proposed 2010-11 tuition and mandatory fee charges for all categories of students (i.e., every academic level, residency, and full-time or part-time status) will generate about \$153.9 million in gross tuition and fee revenue, an increase of about \$8.7 million or 6.0 percent over the previous year (see Attachment B). Campus officials also estimate that education and general (E&G) fixed costs will grow by about \$3.7 million in 2010-11. This increase does not include allowances for HB 1 proposed reductions in postsecondary institution net base funding or unfunded increases in M&O costs for E&G facilities coming online in 2008-09, 2009-10, and 2010-11.

#### **Nonresident Rate Exceptions**

At its April 23 meeting, the Council voted to maintain the existing floor for nonresident, undergraduate tuition and mandatory fees of at least two times the resident undergraduate rate. The Council also reinforced its practice of allowing institutions to request exceptions to this policy when they submit their 2010-11 tuition and fee rates for final Council action.

On May 4, 2010, Council staff provided Kentucky's public postsecondary institutions with templates for submitting their respective tuition and mandatory fee proposals and tuition and fee revenue estimates to the Council. As part of that correspondence, institutions were asked to identify categories of nonresident students that they desire to charge less than two times the resident rate and provide a brief explanation for the reduced charge.

In line with what WKU proposed and the Council approved last year (i.e., 2009-10), Western Kentucky University is requesting an exception to the nonresident rate floor for their undergraduate Tuition Incentive Program (TIP) rate (see Attachment C). The TIP rate is 1.28 times the in-state rate in comparison to the regular out-of-state rate, which is 2.5 times the instate rate. The Council staff recommends approval of this nonresident rate as proposed by the university.

### Proposed 2010-11 Tuition and Mandatory Fee Charges Western Kentucky University

Category	Fall 2010	Spring 2011	Annual 2010-11	Summe 2011	r 
Undergraduate					
Resident					
Full-time - Main Campus (12-18 credit hours) <sup>1</sup>	\$ 3,780	\$ 3,780	\$ 7,560		
Part-time - Main Campus (Per Credit Hour)	315	315		•	15
Part-time - Distance Learning (Online Courses)	378	378		3.	78
Nonresident					
Full-time - Main Campus (12-18 credit hours) 1	9,420	9,420	18,840		
Full-time - Tuition Incentive Program	4,836	4,836	9,672		
Part-time - Main Campus (Per Credit Hour)	785	785	•	78	85
Part-time - Tuition Incentive Program (Per Credit Hour)	403	403		40	03
Part-time - Distance Learning (Online Courses)	378	378		3	78
Graduate					
Resident					
Full-time	4,160	4,160	8,320		
Part-time (Per Credit Hour)	416	416	·	4	16
Part-time - Distance Learning (Online Courses)	499	499		49	99
Nonresident					
Full-time - Domestic	4,610	4,610	9,220		
Full-time - International	9,550	9,550	19,100		
Part-time (Per Credit Hour) - Domestic	461	461	•	40	61
Part-time (Per Credit Hour) - International	506	506		50	06
Part-time - Distance Learning (Online Courses)	499	499			99
Professional MBA, Continuing	4,142	4,142	8,284	•	-
Professional MBA, New	4,350	4,350	8,700		
•	•	•	•		

<sup>&</sup>lt;sup>1</sup> There is an additional charge of \$315 per credit hour for every hour above 18. Credit hours over 18 are permitted with approval. Students taking more than 18 hours must carry a 3.3 GPA.

# Estimated 2010-11 Gross Tuition and Mandatory Fee Revenue Western Kentucky University

Category	Estimated2009-10	Estimated 2010-11	
Undergraduate Resident Nonresident	\$ 88,674,000 26,020,000	\$ 93,041,000 27,301,000	
Graduate Resident Nonresident	9,320,000 5,437,000	9,780,000 5,705,000	
Division of Extended Learning and Outreach	9,542,000	11,568,000	
Student Athletic Fee	6,144,000	6,480,000	
Total	\$ 145,137,000	\$ 153,875,000	



## WESTERN KENTUCKY UNIVERSITY TUITION PARAMETER EXCEPTIONS REQUEST FOR NONRESIDENT STUDENTS

REQUEST: Western Kentucky University is requesting Council on Postsecondary Education's approval to continue its Tuition Incentive Program (TIP).

#### **BACKGROUND:**

WKU requests that we be able to continue our Tuition Incentive Program that ensures economic access and geographic access to students that meet or exceed our admissions requirements. For decades, the Tuition Incentive Program has been marketed to students, parents and counselors as an affordable alternative to a residential school. The TIP rate is 1.28 the in-state tuition and fee rate in comparison to the out-of-state rate which is 2.5 times the in-state rate. The CPE parameter is two times the in-state rate. We are requesting that the CPE continue to approve the TIP rate which continues to attract students to Kentucky. Not approving this rate would certainly cause a significant drop in enrollment and loss of revenue.

Potential number of students impacted: 2,000 full-time students or 14% of total full-time students. The number of part-time students is minimal; it will be approximately 100 students.

REQUEST: Western Kentucky University is requesting Council on Postsecondary Education's approval to continue its distance learning rates for part-time students with no differentiation by residency.

BACKGROUND: WKU created the Division of Extended Learning and Outreach (DELO) to operate in a business model that formed partnerships to develop and deliver high-quality outreach education products and services with a value-added customer service philosophy. The specific goals were to expand WKU's outreach mission, operating as a self-supporting organization and producing new revenue for the university. The Division focused especially on tapping into the rapidly growing online education market and to provide an alternative to the traditional classroom delivery to place bound and nontraditional students.

The distance learning rate is assessed to <u>part-time students only</u> with no differentiation by residency. The rate is 20 percent higher than the respective resident part-time rate. There is no additional assessment to <u>full-time</u> students that choose to include an online course in their academic schedule.

Potential number of students impacted: approximately 275 part-time undergraduate students.