

## **AGENDA**

Tuition Development Work Group

Council on Postsecondary Education

Monday, March 20, 2017

3:30 PM

Conference Room A

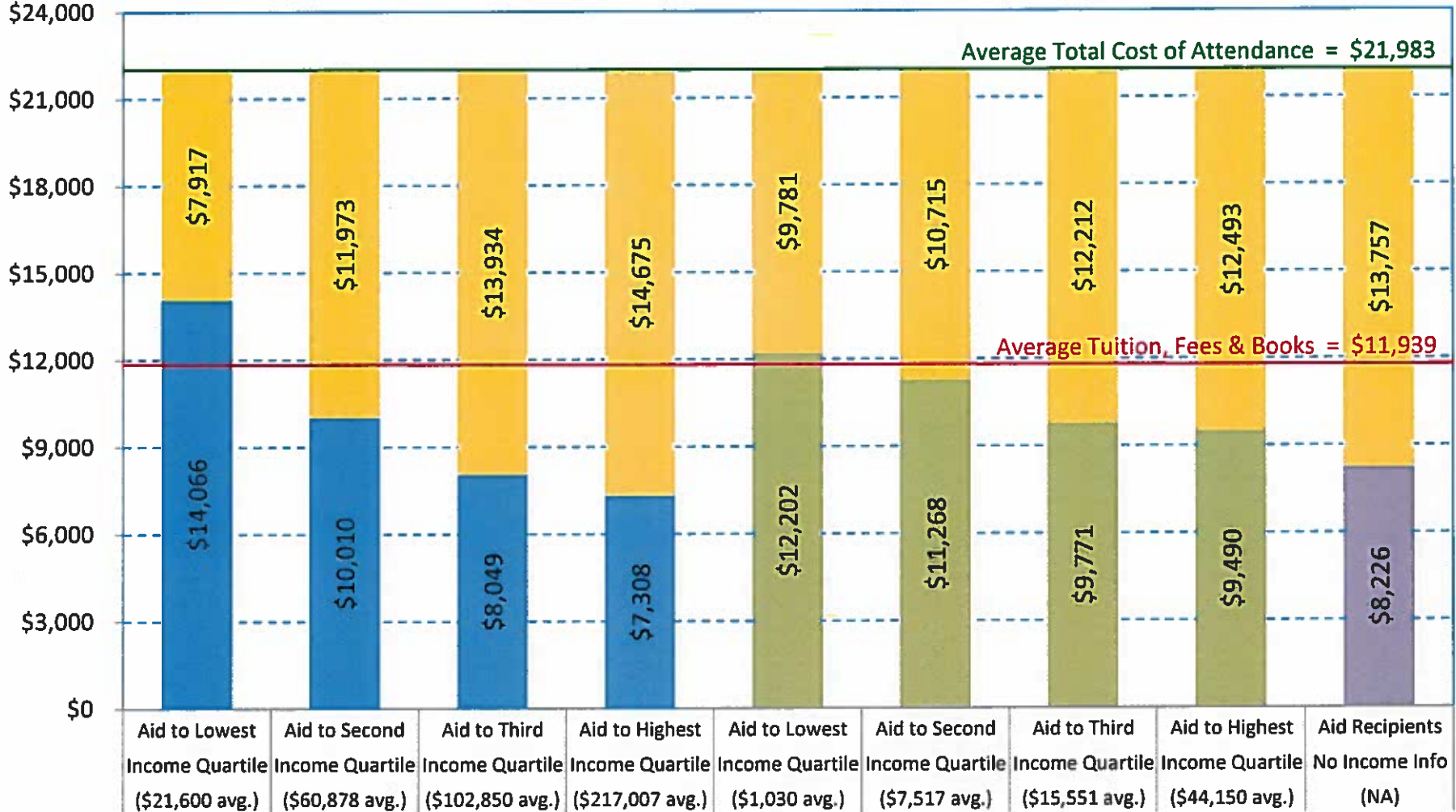
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## Out-of-Pocket Costs

**Kentucky Public Research University**  
**Average Need and Merit Based Grant Aid per Full-Time Resident Undergraduate Student**  
**Academic Year 2015-16**

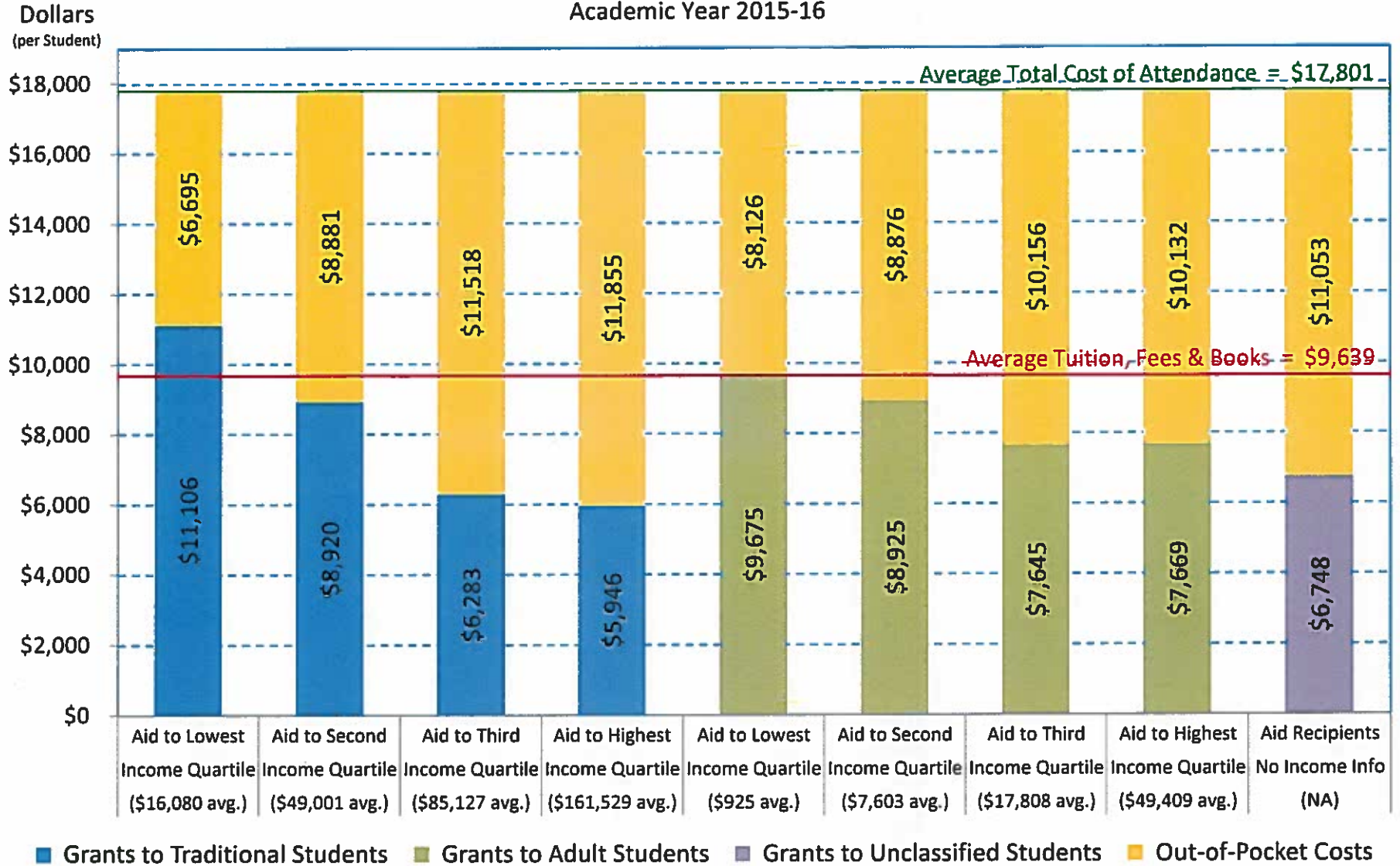
Dollars  
(per Student)



■ Grants to Traditional Students   ■ Grants to Adult Students   ■ Grants to Unclassified Students   ■ Out-of-Pocket Costs

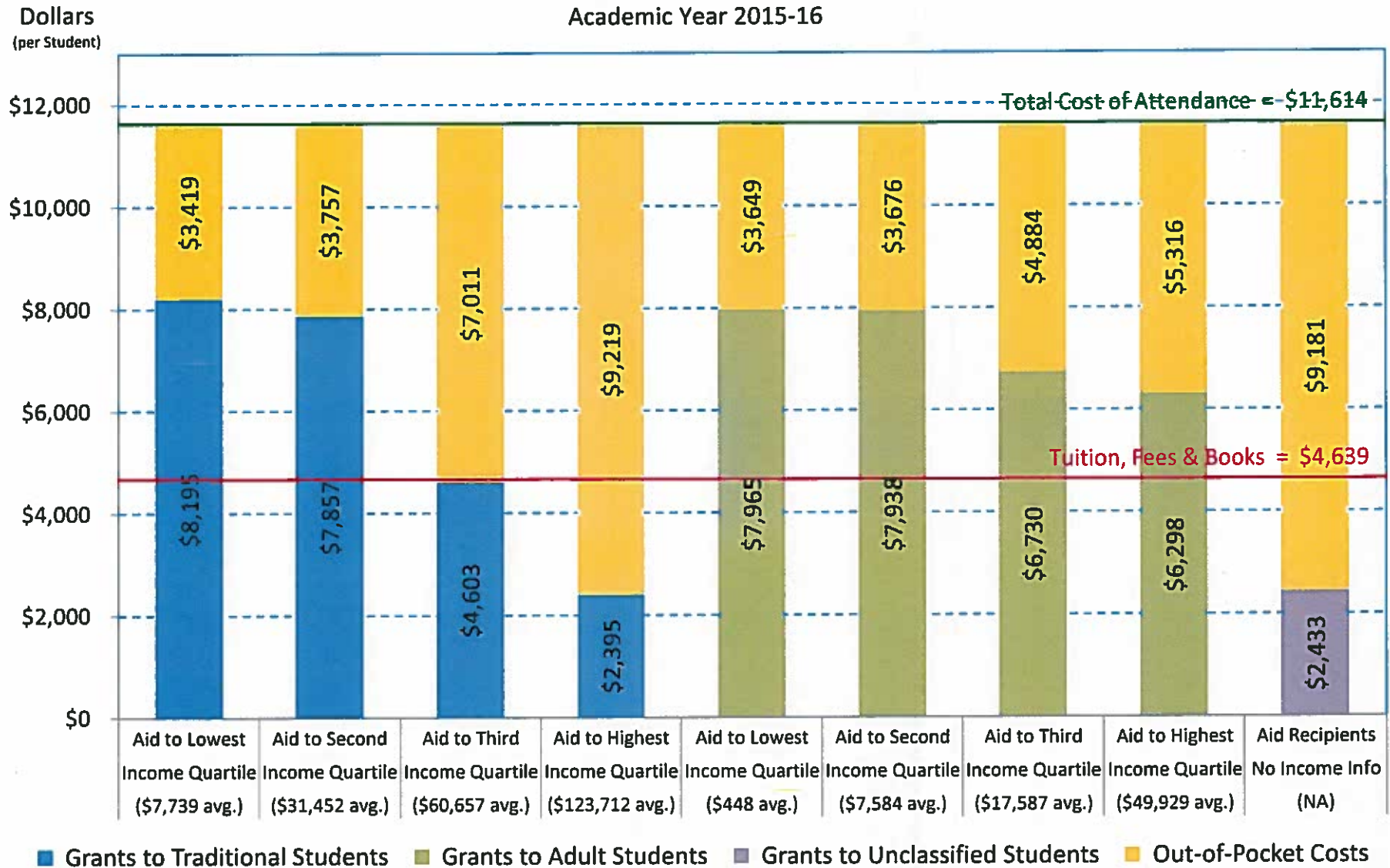
Source: Kentucky Council on Postsecondary Education, Kentucky Postsecondary Education Data System (KPEDS).

**Kentucky Public Comprehensive University**  
**Average Need and Merit Based Grant Aid per Full-Time Resident Undergraduate Student**  
**Academic Year 2015-16**



Source: Kentucky Council on Postsecondary Education, Kentucky Postsecondary Education Data System (KPEDS).

## Kentucky Community and Technical College System Average Need and Merit Based Grant Aid per Full-Time Resident Student Academic Year 2015-16



Source: Kentucky Council on Postsecondary Education, Kentucky Postsecondary Education Data System (KPEDS).

## Impact of Mandated KERS Increases

Kentucky Public Comprehensive Universities and KCTCS Institutions  
 Combined Impact of State Funding Cuts and Mandated KERS Increases  
 Fiscal Years 2011-12 through 2016-17

	A	B	C	(B + C) D	(D ÷ A) E
Institution	Fiscal 2011-12 Net General Fund Appropriations	NGF Change <sup>(1)(2)</sup> FY12 to FY17	KERS Change FY12 to FY17	Combined Budget Impact FY12 to FY17	Percent Impact
Eastern Kentucky University	\$70,823,000	(\$5,850,700)	(\$8,782,641)	(\$14,633,341)	-20.7%
Kentucky State University	24,660,000	(1,230,400)	(1,088,646)	(2,319,046)	-9.4%
Morehead State University	42,972,700	(3,883,500)	(2,601,696)	(6,485,196)	-15.1%
Murray State University	50,295,400	(4,431,400)	(3,484,868)	(7,916,268)	-15.7%
Northern Kentucky University	49,068,900	(2,715,500)	(11,021,959)	(13,737,459)	-28.0%
Western Kentucky University	75,879,500	(4,589,300)	(6,415,699)	(11,004,999)	-14.5%
KCTCS	200,744,200	(19,139,200)	(8,372,085)	(27,511,285)	-13.7%
<b>Group Total</b>	<b>\$514,443,700</b>	<b>(\$41,840,000)</b>	<b>(\$41,767,594)</b>	<b>(\$83,607,594)</b>	
<b>Percent Impact</b>		<b>-8.1%</b>	<b>-8.1%</b>	<b>-16.3%</b>	

<sup>(1)</sup> Includes \$8.4 million in additional appropriations that partially funded KERS increases in fiscal 2014-15.

<sup>(2)</sup> Does not include special appropriations in fiscal 2016-17 of \$3,300,000 for KSU's Land Grant Program, \$2,880,000 for MoSU's Craft Academy, and \$750,000 for WKU's Kentucky Mesonet Project.

KERS = Kentucky Employees Retirement System

Sources: Kentucky Retirement System, Fiscal Years 2011-12 through 2015-16; Participating Postsecondary Institutions, Chief Budget Officer Estimates, Fiscal Year 2016-17.

**Kentucky Public Comprehensive Universities and KCTCS Institutions  
 Calculation of KERS Contribution Increase Allowance  
 Fiscal Year 2017-18**

<u>Institution</u>	<u>Fiscal 2011-12 KERS Employer Contributions</u>	<u>Fiscal 2016-17 KERS Employer Contributions</u>	<u>5-Year AAGR</u>	<u>Fiscal 2017-18 KERS Increase Allowance</u>
Eastern Kentucky University	5,597,129	14,379,770	20.8%	2,986,600
Kentucky State University	1,033,097	2,121,743	15.5%	328,500
Morehead State University	2,393,369	4,995,065	15.9%	791,900
Murray State University	3,091,598	6,576,466	16.3%	1,071,700
Northern Kentucky University	8,152,077	19,174,036	18.7%	3,577,100
Western Kentucky University	5,070,164	11,485,863	17.8%	2,040,800
KCTCS	4,870,055	13,242,140	22.1%	2,932,800
<b>Group Total</b>	<b>30,207,489</b>	<b>71,975,083</b>	<b>19.0%</b>	<b>13,729,400</b>

KERS = Kentucky Employees Retirement System

AAGR = Average Annual Growth Rate

Sources: Kentucky Retirement System Data, Fiscal Year 2011-12; Participating Postsecondary Institution, Chief Budget Officer Estimates, Fiscal Year 2016-17.



## 2017-18 Budgetary Challenges

**Kentucky Public Postsecondary Institutions  
Change in Enacted Net General Fund Appropriations  
Between Fiscal Years 2016-17 and 2017-18**

<u>Institution</u>	<u>2016-17 Enacted Net General Fund</u>	<u>2017-18 Enacted Net General Fund <sup>(b)</sup></u>	<u>Dollar Change</u>	<u>Percent Change</u>
University of Kentucky	\$267,028,800	\$267,028,800	\$0	0.0%
University of Louisville	132,818,400	132,818,400	0	0.0%
Eastern Kentucky University	64,972,300	64,972,300	0	0.0%
Kentucky State University	26,729,600 <sup>(a)</sup>	26,729,600 <sup>(a)</sup>	0	0.0%
Morehead State University	41,969,200 <sup>(a)</sup>	41,969,200 <sup>(a)</sup>	0	0.0%
Murray State University	45,864,000	45,864,000	0	0.0%
Northern Kentucky University	46,353,400	51,447,600 <sup>(c)</sup>	5,094,200	11.0%
Western Kentucky University	72,040,200 <sup>(a)</sup>	74,511,700 <sup>(a)(d)</sup>	2,471,500	3.4%
KCTCS	<u>181,605,000</u>	<u>181,605,000</u>	0	0.0%
<b>System Totals</b>	<b><u>\$879,380,900</u></b>	<b><u>\$886,946,600</u></b>	<b>\$7,565,700</b>	<b>0.9%</b>

<sup>(a)</sup> Includes additional appropriations of \$3,300,000 for KSU's Land Grant Program, \$580,000 for MoSU's Craft Academy, and \$750,000 for WKU's Kentucky Mesonet Project each year of the biennium.

<sup>(b)</sup> In fiscal 2017-18, HB 303 transfers \$42.9 million from the institutions to a Postsecondary Education Performance Fund. The above display assumes each institution earns back its contributed funds based on performance.

<sup>(c)</sup> Includes additional appropriation of \$5,334,200 (minus 4.5%) in fiscal 2017-18 for NKU Equity Adjustment.

<sup>(d)</sup> Includes additional appropriation of \$2,588,000 (minus 4.5%) in fiscal 2017-18 for WKU Equity Adjustment.

Source: Commonwealth of Kentucky, 2016-18 Budget of the Commonwealth.

**Kentucky Public Postsecondary Institution  
 Combined KERS Increase Allowance and Fixed Cost Increases  
 Fiscal Year 2017-18**

<u>Institution</u>	<u>2016-17 Enacted Net General Fund</u>	<u>Budgetary Challenges</u>		<u>Combined Challenges</u>	<u>Percent of FY17 Base</u>
		<u>KERS Increase Allowance <sup>(a)</sup></u>	<u>Fixed Cost Increases <sup>(b)</sup></u>		
UK	\$267,028,800	\$0	(\$11,620,500)	(\$11,620,500)	-4.4%
UofL	132,818,400	0	(10,805,800)	(10,805,800)	-8.1%
EKU	64,972,300	(2,986,600)	(3,129,200)	(6,115,800)	-9.4%
KSU	26,729,600	(328,500)	(1,040,000)	(1,368,500)	-5.1%
MoSU	41,969,200	(791,900)	(1,840,300)	(2,632,200)	-6.3%
MuSU	45,864,000	(1,071,700)	(1,121,800)	(2,193,500)	-4.8%
NKU	46,353,400	(3,577,100)	(1,360,600)	(4,937,700)	-10.7%
WKU	72,040,200	(2,040,800)	(2,880,000)	(4,920,800)	-6.8%
KCTCS	<u>181,605,000</u>	<u>(2,932,800)</u>	<u>(8,320,400)</u>	<u>(11,253,200)</u>	-6.2%
System	\$879,380,900	(\$13,729,400)	(\$42,118,600)	(\$55,848,000)	-6.4%

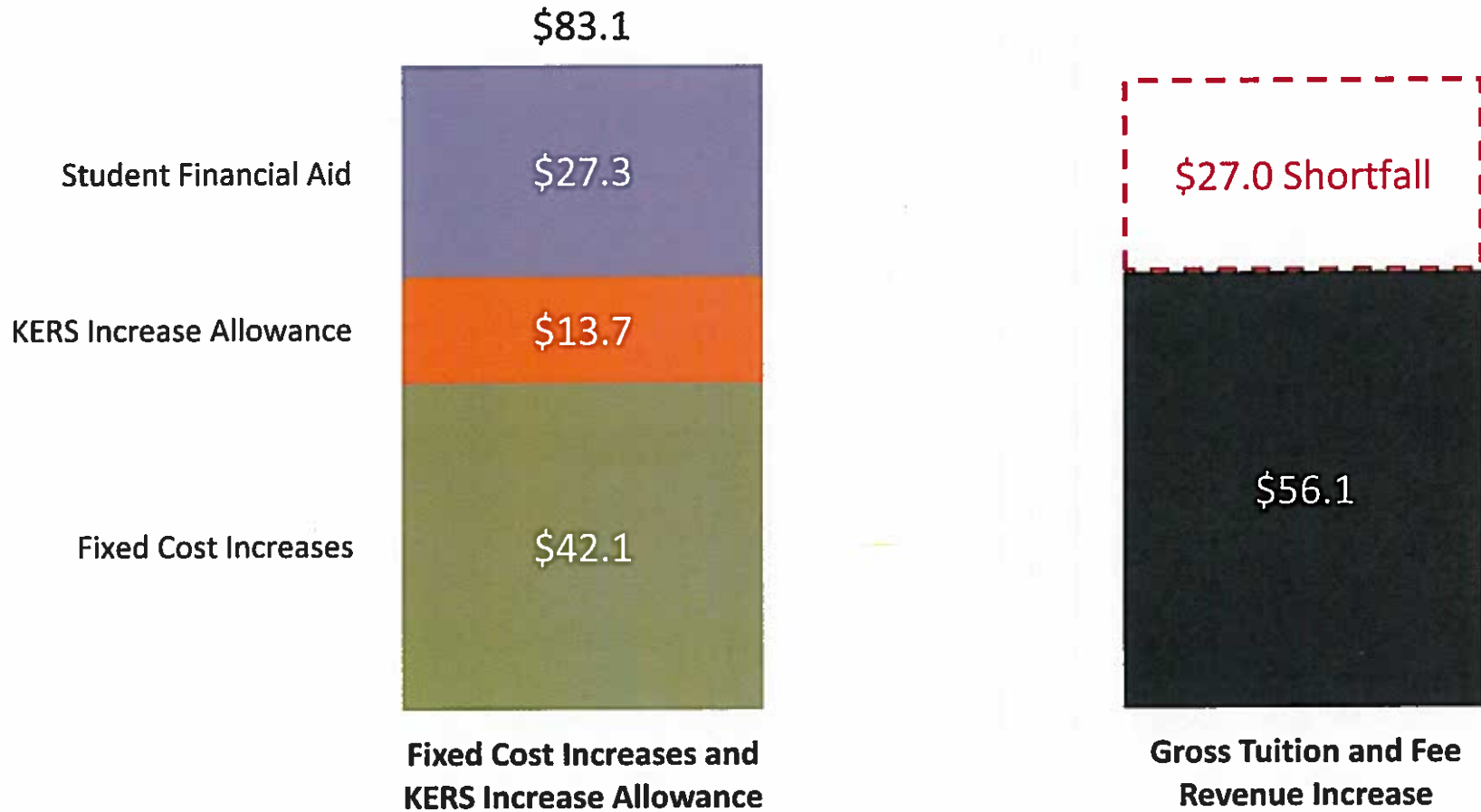
<sup>(a)</sup> Between fiscal years 2011-12 and 2016-17, postsecondary institution KERS contributions have increased by \$41.8 million, or 138 percent. Beginning in fiscal 2017-18, CPE staff recommends adoption and use of a KERS Increase Allowance, which will level out tuition and fees increases from year to year and facilitate the ability of students and families to plan for college costs.

<sup>(b)</sup> Fixed cost increases include M&O of facilities, health insurance, mandated tuition waivers, and contractual obligation cost increases.

Source: Kentucky Budget of the Commonwealth; University and KCTCS Chief Budget Officer Estimates.

# Budget Challenges for Postsecondary Institutions Fiscal Year 2017-18

*(Dollars in Millions)*



Fixed cost increases include M&O of facilities, health insurance, mandated tuition waivers, and contractual obligation increases.

Source: Council on Postsecondary Education, Comprehensive Database.

Draft - For Discussion Purposes, March 20, 2017

Council on Postsecondary Education  
 Proposed Tuition and Fee Parameters for Resident Undergraduate Students  
 Academic Year 2017-18

Institution	A	B	A x (1 + B)	(C - A)
	2016-17 Base Rates <sup>(1)</sup>	Tuition & Fee Parameters <sup>(2)</sup>	2017-18 Base Rates <sup>(1)</sup>	Dollar Change
UK <sub>(Lower)</sub>	\$11,320	4.0%	\$11,773	\$453
UK <sub>(Upper)</sub>	11,646	4.0%	12,112	466
UofL	11,068	0.0%	11,068	0
EKU	8,568	5.0%	8,996	428
KSU	7,796	5.0%	8,186	390
MoSU	8,398	5.0%	8,818	420
MuSU <sub>(New)</sub>	8,400	5.0%	8,820	420
MuSU <sub>(Returning)</sub>	7,944	5.0%	8,341	397
NKU	9,000	4.0%	9,360	360
WKU	9,712	3.0%	10,003	291
KCTCS	\$4,620	3.9%	\$4,800	\$180
KCTCS <sub>pch</sub>	\$154.00	3.9%	\$160.00	\$6.00

pch = per credit hour

<sup>(1)</sup> Base rates do not include Special Use Fees at UofL, EKU, MoSU, NKU, or WKU, or Agency Bond Fees and Safety and Security Fees at KCTCS.

<sup>(2)</sup> Proposed parameters for consideration by the Tuition Development Work Group.