

AGENDA

(revised 5/8/09)

**Special Meeting
Council on Postsecondary Education
Friday, May 9, 2008**

8:30 a.m. (ET)
CPE Meeting Room A, Frankfort, Kentucky

1. Roll Call
2. Action: 2008-09 Tuition and Mandatory Fees Recommendation
3. Action: WKU Club Seating for Diddle Arena
4. Action: Appointment of an Interim President Search Committee
5. Next Meeting – May 23, 2008
6. Adjournment

Council on Postsecondary Education
May 9, 2008

2008-09 Tuition and Mandatory Fees
Budget and Finance Policy Group Recommendation

Statutory Responsibility

The Council on Postsecondary Education is vested with authority under KRS 164.020 to determine tuition at public postsecondary institutions in the Commonwealth of Kentucky.

This year, the Council designed a new process for the discharge of its responsibility to determine tuition that was rational, transparent, and fair. In this context:

- A rational approach is one that is well aligned with state goals for public higher education in Kentucky.
- A transparent approach is one that clearly articulates the rationale for its selection, is explicit about any underlying assumptions related to its function, and provides ample opportunity for stakeholder comment during its development.
- A fair approach is one that is impartial and recognizes that tuition rates and rate increases need not be the same for all institutions.

The approach to tuition setting was also intended to be responsive to relevant data and to public discourse on tuition policy issues.

Fundamental Objectives of 2008-09 Tuition Policy

The Council's 2008-09 tuition and mandatory fee policy outlines a number of fundamental objectives in setting tuition rates, including:

- **Advance HB 1 Goals** - In discharging its responsibility to determine tuition, the Council seeks to balance the affordability of postsecondary education for Kentucky's citizens with the sufficiency of institutional funding to accomplish the goals of the *Kentucky Postsecondary Education Improvement Act of 1997* (HB 1), the Public Agenda, and *Double the Numbers*.
- **Funding Adequacy** - The Council has determined that tuition rates will be examined for their role in ensuring the adequacy of "total public funds" to support the goals of postsecondary education.
- **Affordability and Access** – The Council is committed to ensuring that college is affordable and accessible to all qualified Kentuckians.
- **Productivity** - The Council seeks to encourage the productive use of all revenue, including tuition and General Fund appropriations.

- **Balancing Goals** - Kentucky's goals of increasing educational attainment, promoting research, assuring access and quality, and promoting productivity must be carefully weighed against current needs, resources, and economic conditions. The Council recognizes the challenge inherent in balancing these goals. The Council has concluded that during periods of relative austerity, the proper alignment of the state's limited financial resources requires increased attention to the goals of HB 1 and the Public Agenda, especially as they relate to access and affordability.
- **Alignment with Financial Aid** - The Council seeks to ensure alignment of the state's tuition and student financial aid policies to fulfill the state's affordability commitments.
- **Shared Benefits and Responsibility** - Postsecondary education and increased educational attainment confer benefits upon the public at large and upon individual students. Thus, the responsibility for funding postsecondary education services should be properly shared among state, students, and families.
- **Reciprocity** - The Council affirms its commitment to providing low-cost access to Kentucky students that live near the border by negotiating reciprocity agreements with these bordering states.

2008-09 Tuition Setting Process

Due to increased uncertainty regarding the level of state General Fund appropriations for 2008-10, and in recognition of the state's austere budgetary environment, the staff did not include parameters in the 2008-09 tuition policy. Instead, it was determined that the public postsecondary tuition and fee charges for 2008-09 would be established through a tuition proposal, hearing, and approval process involving the institutions and the Council on Postsecondary Education. Tuition action was originally scheduled for April 14, 2008, but the date was postponed at the request of the institutional presidents in order to confirm General Fund appropriations for each institution in the enacted 2008-10 biennial budget.

- **Tuition Proposals** (Submitted on April 25, 2008) - All of the public institutions submitted tuition proposals that included information on the proposed rates, total tuition revenue generated, use of funds, student financial aid, student indebtedness, campus involvement, adequacy, productivity, affordability, access, and consequences for not approving rates in their entirety.
- **Institution Tuition Hearings** (April 30 and May 1, 2008) – The presidents of the public postsecondary education institutions developed and presented their tuition proposals to members of the Council's Budget and Finance Policy Group on April 30 and May 1, 2008. Each institution was given approximately 30 minutes to present, followed by a question and answer period. Student representatives from several institutions also made remarks.

- **Action on Tuition Rates** (May 9, 2008) – Council staff members and members of the Council’s Budget and Finance Policy Group evaluated each institution’s proposal and information shared at the tuition hearing, and other data and information related to the fundamental objectives of the Council’s tuition policy. The Council staff presented its recommendation to the Council’s Budget and Finance Policy Group, who in turn will recommend tuition and mandatory fee rates to the full Council for action on May 9, 2008.

Nonresident Rates

The Council’s tuition policy states that nonresident undergraduate tuition and fee charges shall be not less than 1.75 times higher than Council approved resident rates for the 2008-09 academic year. Any institution desiring to assess a nonresident rate that is less than 1.75 times the resident rate should request an exception to this policy as part of its rate proposal.

Excluding the exceptions all of the proposed and recommended nonresident rates for 2008-09 satisfy the 1.75 times the resident rate requirement.

Statewide Context

Three major reports published by the Council in the past six months help provide a statewide context for the 2008-09 tuition setting process.

- The Council’s ***Double the Numbers: Kentucky’s Plan to Increase College Graduates*** explains that doubling the number of Kentuckians with at least a bachelor’s degree from 400,000 in 2000 to nearly 800,000 in 2020 is the quickest, most direct way for Kentucky to increase its economic prosperity. The Double the Numbers plan outlines five statewide strategies for Kentucky to achieve this ambitious, but achievable goal.
 1. Raising high school graduation rates.
 2. Increasing the number of GED graduates and transitioning more to college.
 3. Enrolling more first-time students in KCTCS and transferring them to four-year programs.
 4. Increasing the number of Kentuckians going to and completing college.
 5. Attracting college-educated workers to the state and creating new jobs for them.
- The Council’s ***Funding Our Future: Kentucky Postsecondary Education 2008-10 Biennial Budget Request*** presented a new funding approach that recommended base General Fund support but also encouraged increased attention to degree production and other statewide priorities, such as developmental education, STEM programs, regional stewardship, research, academic excellence, adult learners, access, and affordability. The budget recommendation included tuition revenue estimates that would moderate undergraduate resident tuition rates in 2008-10 from the significant increases the system has experienced over the past 10 years.

- The Council's *2006-07 Accountability Report* showed considerable progress in many areas. However, it also highlighted a major challenge ahead in the area of affordability. The report noted that the percentage of family income needed to pay for college, particularly for low-income families paying tuition at KCTCS, has steadily increased since 2002, despite a 9.0 percent increase in the state's investment in need-based financial aid. The report also noted an increase in the average student loan debt.

Historical and Comparative Tuition Rates

Ten years ago, undergraduate resident tuition at Kentucky's public postsecondary education institutions was low both in absolute and comparative terms. With an average increase in tuition over the last ten years ranging from 9.4 percent to 11.6 percent per year, this is no longer the case.

The following table highlights the average increase in undergraduate resident tuition rates over the past five to ten years for Kentucky's public postsecondary institutions.

Institution	FY04	FY05	FY06	FY07	FY08	3 Yr Avg.	5 Yr Avg.	10 Yr Avg.
EKU	14.7%	12.9%	22.9%	11.4%	9.4%	14.6%	14.2%	10.7%
KSU	7.5%	21.1%	9.5%	10.8%	7.5%	9.2%	11.2%	10.0%
MoSU	15.0%	14.1%	12.5%	12.7%	8.4%	11.2%	12.5%	9.4%
MuSU	13.3%	15.9%	11.1%	12.9%	8.4%	10.8%	12.3%	9.8%
NKU	16.4%	16.7%	13.7%	9.7%	9.3%	10.9%	13.1%	10.7%
WKU	16.2%	19.4%	15.7%	12.0%	7.8%	11.8%	14.1%	11.6%
UK (L)	14.4%	13.6%	12.5%	12.0%	9.0%	11.2%	12.3%	10.0%
UK (U)	14.4%	16.9%	12.5%	12.0%	9.0%	11.2%	13.0%	10.4%
UofL	9.0%	13.3%	9.8%	13.0%	9.9%	10.9%	11.0%	10.1%
KCTCS	23.4%	16.5%	6.5%	11.2%	5.5%	7.8%	12.4%	9.6%

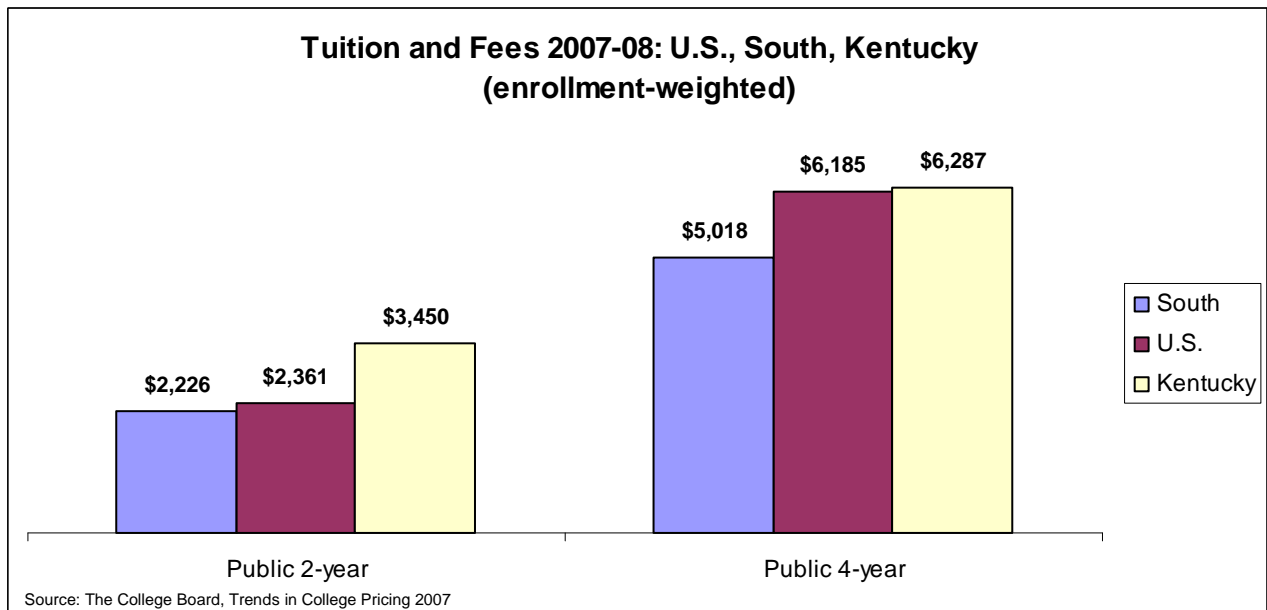
For comparative purposes, the average five-year Higher Education Cost Adjustment (HECA) equals 3.3 percent, and the average five-year increase in Kentucky median family income has been approximately 2.9 percent.

Over the last three to five years, the annual increases in tuition rates at Kentucky's public postsecondary institutions have also outpaced those of similar institutions across the country, based upon data from the Washington Higher Education Coordinating Board's 2007-08 Annual Tuition Survey. In all sectors, Kentucky is also near the top in terms of overall change during the last five years.

National Average Increase in Resident Undergraduate Tuition Rates	3 Yr Avg.	5 Yr Avg.
Flagship Universities	7.2%	8.5%
Comprehensive and State Universities	6.6%	8.0%
Community Colleges	5.7%	7.1%

According to *Trends in College Pricing 2007* by the College Board, when weighted for enrollment, Kentucky's 2007-08 average tuition and fees at the public four-year institutions (\$6,287) are slightly higher than the U.S. average (\$6,185) and approximately 25 percent higher than the average of other southern states (\$5,018).

Kentucky's 2007-08 public two-year tuition and fees (\$3,450) are 46 percent higher than the U.S. average (\$2,361) and 56 percent higher than other southern states (\$2,226).



Affordability

Kentucky tracks college affordability at the state level in a number of ways. One is through data collected to help answer Question 2 of the Public Agenda: Is Kentucky postsecondary education affordable for its citizens? The Council's *2006-07 Accountability Report* highlighted the fact that Kentucky postsecondary education is losing ground on three of the four affordability indicators. Most if not all of these indicators will lose additional ground when *Measuring Up 2008* is released later this year, given Kentucky's large increases in undergraduate tuition and slow income growth.

Question 2: Is Kentucky postsecondary education affordable for its citizens?		
Statewide Key Indicator	Status	Trend
Affordability of college for all families	Losing ground: In 2006, Kentucky families needed 26 percent of their incomes to cover one year at KCTCS, 30 percent at a four-year public university, and 61 percent at an independent institution, up from 21 percent, 22 percent, and 52 percent in 2004.	Up 9 percentage points at KCTCS, 9 percentage points at four-year publics, and 17 percentage points at independents from 2000.
Affordability of college for low-income families	Losing ground: In 2006, Kentucky's poorest families needed 24 percent of their incomes to pay for one year of tuition at KCTCS, up from 20 percent in 2004.	Up 10 percentage points from 2000.
State investment in need-based financial aid	Making progress: In 2006, state investment in need-based financial aid was 42 percent of federal Pell grant funding, up from 40 percent in 2004.	Up 9 percentage points from 2000.
Average student loan debt	Losing ground: In 2006, the average student borrowed \$3,210 for college, compared to \$3,018 in 2004.	Down from \$3,327 in 2000.

The Council also has been collecting student-level affordability data on a yearly basis from Kentucky postsecondary education institutions. These data allow the Council to look at factors affecting the total cost of attendance—room and board, books, transportation, and other college costs—as well as gain a better understanding of how students pay for college (such as institutional, state, and federal grant aid, savings, family contributions, student work, and loans). For full-time, resident undergraduates in 2007-08, tuition was only 20-40 percent of the total cost of attendance, ranging from \$13,942 at KCTCS to \$14,624 at the comprehensive universities, to \$18,423 at the research universities.

- **2004 Affordability Data** - The first year of data collected in 2004 suggested that for full-time, resident undergraduate students, the cost of going to college was within a reasonable range of affordability. The biggest exception was independent students who generally do not receive as much state aid as dependent students. In addition, some dependent students in the lowest income quartile attending four-year public institutions were at the margins of affordability. At the request of the Council, all public institutions responded with additional need-based financial aid over the last several years to target these at-risk students.
- **2005-06 Affordability Data** - This past year, an additional year of affordability data was collected. Although the data have not been fully analyzed, it appears that the median net price and the out-of-pocket costs (cost of attendance minus all grants and loans) for selected income groups at various institutions may need closer attention over time, which points to continued demand for greater need-based aid to fill in affordability gaps. This appears to be particularly true for full-time and part-time independent students and students from families whose earnings put them slightly out of range for federal and state need-based aid.

Not surprisingly, KCTCS students had the lowest household incomes, with 75 percent earning under the state median family income. For full-time, resident undergraduate students, the median net price of \$5,952 (the cost of attendance reported by the institution for the student’s financial aid package minus all grants) equaled 25 percent of the median family income (\$23,900) of enrolled students at KCTCS. This percent was significantly higher than most of the four-year public universities.

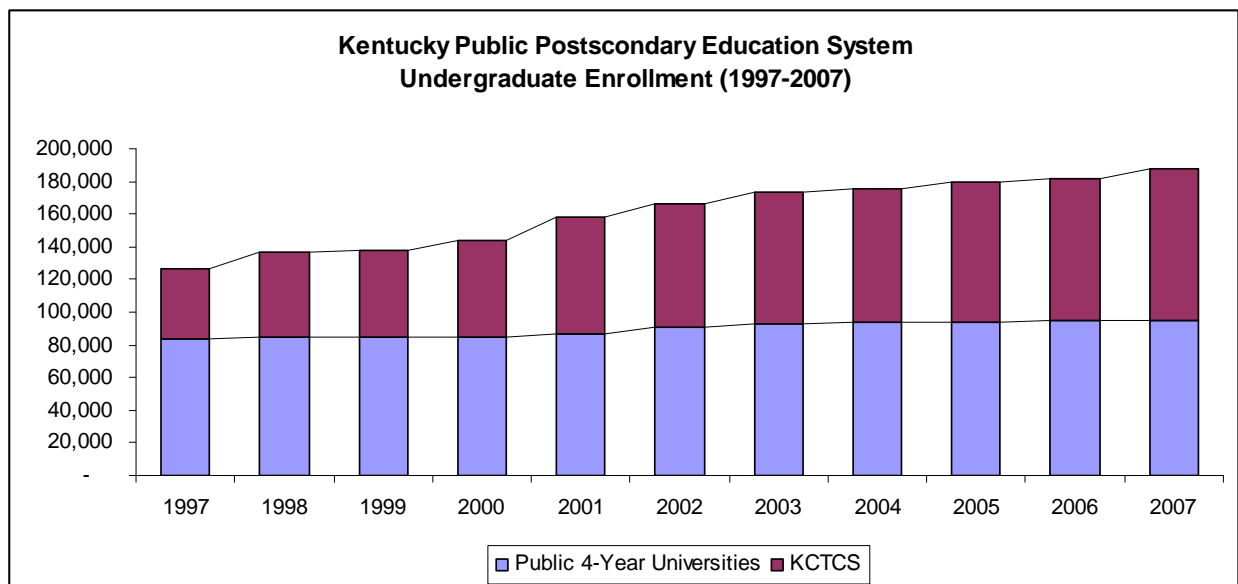
Systemwide, the data also suggest that even though 55 percent of full-time, resident students in 2005-06 did not borrow at all, the median yearly loan for the other 45 percent was approximately \$5,500. The top 5 percent of borrowers, representing close to 4,200 students, borrowed more than \$10,000 in just one year. The average annual loan amounts and the total amount borrowed by students need to be monitored closely.

During the first 10 years of reform, significant growth in state financial aid (e.g., KEES, CAP, etc.) helped with affordability by offsetting increases in tuition rates. However, slower growth in state and federal aid will increase the stress on college affordability moving forward.

Over the past several months, Council staff have worked with Dr. Sandy Baum, an economist and national expert on tuition policy and financial aid, to review issues related to access, affordability, and tuition policy in Kentucky.

Access

Undergraduate enrollment in Kentucky’s public postsecondary education system increased on average by 4 percent per year from FY97 to FY07. In order to stay on track to double the number of bachelor’s degree holders in the Commonwealth by 2020, average enrollment needs to increase by approximately 3.3 percent over the next 12 years. The ten-year average increase at the public four-year institutions is 1.3 percent and 8.5 percent at KCTCS.



Compared to the first five years of reform, enrollment growth has slowed considerably over the last five years. Systemwide, undergraduate enrollment increased at an average rate of 2.2 percent per year during the last five years versus 5.7 percent in the first five years. At the public four-year universities, undergraduate enrollment grew by 1.5 percent during the first five years and by 1.0 percent over the past five years. At KCTCS, undergraduate enrollment grew at a dramatic pace of 12.9 percent in the first five years and slowed considerably to an average of 4.1 percent over the past five years.

Crit Luallen, Auditor of Public Accounts, noted this slowing of enrollment growth in a briefing report released in late 2007, which concluded that large tuition increases over the last several years in Kentucky were “having a detrimental impact on the achievement of the 2020 postsecondary education goals.” The report noted that since FY03, total full-time undergraduate resident enrollment in Kentucky’s two-year and four-year institutions combined has actually decreased by nearly 900 students.

Trend data suggest that first-time, first-year enrollment at KCTCS appears to be particularly impacted by high tuition increases. First-time first-year enrollment decreased at KCTCS from 14,486 in fall 2000 to 10,319 in fall 2006, versus an increase at the public four-year universities from 14,717 in fall 2000 to 17,245 in 2006. The number of Pell recipients at the public postsecondary education institutions as a percent of enrollment declined from 35 percent in FY97 to 28 percent in FY06.

Adequacy and Productivity

In the process of developing the new funding approach for the 2008-10 budget recommendation in 2007, the Council reviewed adequacy and productivity data generated by the National Center for Higher Education Management Systems (NCHEMS), a nationally recognized higher education consulting firm. These data highlighted the fact that as a public postsecondary education system, as well as by sector, Kentucky’s bachelor’s and associate degree production per FTE was relatively low compared with its total public funding levels. Similar patterns emerge at the institutional level when Kentucky institutions are compared to peer institutions from other states. Degree productivity concerns were also raised in the report published by the Kentucky Chamber of Commerce in 2007, also produced by consultants from NCHEMS.

The following data provide some context for understanding current productivity levels in the system and what will be required to double the number of bachelor’s degree holders in the state by 2020.

- Kentucky public four-year institutions need to increase the production of college graduates by approximately 4.3 percent per year over the next 12 years.
- Over the past three years, Kentucky’s public four-year institutions have averaged increases in bachelor’s degrees conferred of approximately 4.0 percent per year, just slightly below the rate needed to achieve the 2020 goals.
- In FY07, Kentucky’s public institutions granted 14,742 bachelor’s degrees and will need to grant approximately 15,400 in FY08 to stay on track for 2020.

- The number of minority bachelor's degrees across the system increased from 1,061 in FY98 to 1,676 in FY07.
- The average six-year graduation rate at the public four-year institutions increased from 36.6 percent in FY98 to 46.7 percent in FY06.
- The one-year retention rate for full-time degree seeking first-year students increased from 75.2 percent in FY99 to 78.5 percent in FY06.
- Transfers from KCTCS to the public four-year institutions actually decreased slightly from 3,644 in FY98 to 3,548 in FY07.
- Three-year persistence rates at KCTCS increased from 47.3 percent in FY98 to 49.4 percent in FY07.
- The number of associate degrees granted at KCTCS increased from 3,760 in FY01 to 6,481 in FY07.
- The number of certificates and diplomas granted at KCTCS increased from 3,448 in FY01 to 14,489 in FY07.
- Combined extramural research and development expenditures at UK and UofL increased from \$117.3 million in FY98 to \$309.7 million, a growth of 164 percent.

These data, along with other data on adequacy and productivity, highlight the delicate balance required to move forward with a system that is affordable, accessible, adequately funded, and highly productive. Achieving the aggressive reform goals outlined in House Bill 1 by 2020 will require Kentucky's public postsecondary education system to maximize the use of current resources with the recognition that significant additional resources from the General Fund, tuition, endowment, research, and other sources will be needed.

Summary of Proposed and Staff Recommended 2008-09 Tuition and Mandatory Fee Rates

Attachment A provides a complete listing of the recommended tuition and mandatory fee charges for all students including undergraduate resident and nonresident students, graduate students, nonresident exceptions, and rates for online courses where applicable.

A summary of the recommended annual tuition and mandatory fees for **undergraduate resident** students follows:

Institution	2007-08	Institution Proposed	\$ Increase	% Increase	Staff Recommended	\$ Increase	% Increase
EKU	\$5,682	\$6,138	\$456	8.0%	\$6,080	\$398	7.0%
KSU	\$5,320	\$5,746	\$426	8.0%	\$5,692	\$372	7.0%
MoSU	\$5,280	\$5,670	\$390	7.4%	\$5,670	\$390	7.4%
MuSU	\$5,418	\$5,748	\$330	6.1%	\$5,748	\$330	6.1%
NKU	\$5,952	\$6,528	\$576	9.7%	\$6,458	\$506	8.5%
WKU	\$6,416	\$6,984	\$568	9.0%	\$6,930	\$514	8.0%
UK (L)	\$7,096	\$7,736	\$640	9.0%	\$7,736	\$640	9.0%
UK (U)	\$7,302	\$7,960	\$658	9.0%	\$7,960	\$658	9.0%
UofL	\$6,940	\$7,564	\$624	9.0%	\$7,564	\$624	9.0%
KCTCS	\$3,450	\$3,900	\$450	13.0%	\$3,630	\$180	5.2%

A summary of the annual tuition and mandatory fees for **undergraduate nonresident** students follows:

Institution	2007-08	Institution Proposed	\$ Increase	% Increase	Staff Recommended	\$ Increase	% Increase
EKU	\$15,382	\$16,612	\$1,230	8.0%	\$16,612	\$1,230	8.0%
KSU	\$12,490	\$13,490	\$1,000	8.0%	\$13,490	\$1,000	8.0%
MoSU	\$13,340	\$14,742	\$1,402	10.5%	\$14,742	\$1,402	10.5%
MuSU	\$14,718	\$15,612	\$894	6.1%	\$15,612	\$894	6.1%
NKU	\$10,776	\$11,952	\$1,176	10.9%	\$11,952	\$1,176	10.9%
WKU	\$15,470	\$16,728	\$1,258	8.1%	\$16,728	\$1,258	8.1%
UK (L)	\$14,896	\$15,884	\$988	6.6%	\$15,884	\$988	6.6%
UK (U)	\$15,094	\$16,096	\$1,002	6.6%	\$16,096	\$1,002	6.6%
UofL	\$17,734	\$18,354	\$620	3.5%	\$18,354	\$620	3.5%
KCTCS	\$10,350	\$11,700	\$1,350	13.0%	\$11,700	\$1,350	13.0%

In order to provide additional financial flexibility to Kentucky's public postsecondary education institutions in this difficult budget and economic climate, the Council staff recommends approval of the rates for nonresident undergraduate students, graduate students, first-professional students, online courses, and various nonresident undergraduate exception rates that were proposed by the institutional governing boards. A complete listing of all Budget and Finance Policy Group recommended rates is included in **Attachment A**.

A summary of institution tuition proposals is included in each institution's action item.

Summary of Proposed Use of 2008-09 Tuition and Mandatory Fee Funding Increases

Institution	Planned Use of Additional Tuition and Mandatory Fee Funding
EKU	<ul style="list-style-type: none"> ▪ Financial aid, work study, and graduate assistantship increases. ▪ Salary improvement pool and increase in benefit costs. ▪ Fixed cost increases. ▪ Summer school increases. ▪ Strategic initiatives.
KSU	<ul style="list-style-type: none"> ▪ Support instructional programs.
MoSU	<ul style="list-style-type: none"> ▪ Utilities increases. ▪ Debt service for the Student Recreation Center. ▪ Scholarship and tuition waiver increases. ▪ Contracts, leases, and insurance increases. ▪ Employee salary increases.
MuSU	<ul style="list-style-type: none"> ▪ Staff (hourly) compensation and minimum wage increase. ▪ Salaries/flat \$400 per employee; equity adjustments, promotions and awards, fringe benefits, FICA, retirement, and health insurance. ▪ Utilities. ▪ Women's athletics Title IX. ▪ Other institutional priorities and fixed costs.
NKU	<ul style="list-style-type: none"> ▪ Scholarships and financial aid. ▪ New universitywide information system. ▪ Fixed cost increases. ▪ Student success and advising. ▪ M&O and debt service for new student union, debt service for new parking garage, and M&O for special events center. ▪ Additional faculty in high-demand areas.
WKU	<ul style="list-style-type: none"> ▪ Unavoidable cost increases (e.g., KERS rates, utilities, contracts, insurance premiums). ▪ Strategic initiatives (e.g., financial aid, library materials, faculty and staff compensation). ▪ Other campus policies.
UK	<ul style="list-style-type: none"> ▪ Faculty compensation market catch-up adjustments (effective 1/1/08). ▪ "Fighting Fund" to retain faculty and research assistants. ▪ Faculty promotions and health insurance benefits. ▪ Scholarships. ▪ Tuition revenue dedicated to colleges for enrollment expansion programs. ▪ Operating expenses.
UofL	<ul style="list-style-type: none"> ▪ Inflationary/fixed cost increases. ▪ Hire 20 new research faculty through Strategic Research Initiative program. ▪ Additional student financial aid and graduate fellowships. ▪ Operating costs for the Center for Predictive Medicine/Bio-Safety Lab III. ▪ Faculty and staff compensation and increase in employee health insurance premiums.
KCTCS	<ul style="list-style-type: none"> ▪ Need-based financial aid. ▪ Employee fringe benefits and faculty promotions. ▪ Utilities and facility insurance. ▪ Plan for a Competitive Commonwealth (initial implementation) <ul style="list-style-type: none"> ○ Need for high-growth, high-wage jobs. ○ Improving transfer. ○ Providing remedial and developmental education. ○ Protecting access to quality programs.

Summary of Student Financial Aid Features of 2008-09 Tuition Proposals and Hearings

Institution	Student Financial Aid
EKU	<ul style="list-style-type: none"> ▪ All awards will increase relative to the increase in tuition for 2008-09. Approximately \$1 million will be added to need-based financial aid in 2008-09, including \$500,000 in merit funds not expended in 2007-08 transferred to need-based programs. ▪ In addition, the need-based grants included in EKU's Beacon Program will be revamped to include a sliding scale and a higher cap, thus becoming more effective in filling the financial gap on a last-dollar basis.
KSU	<ul style="list-style-type: none"> ▪ Merit-based and need-based awards will be increased proportionate to the increase in tuition.
MoSU	<ul style="list-style-type: none"> ▪ Additional tuition revenue will be used to fully cover the increase in tuition and housing rates for 2008-09 for all existing and new full scholarship students and to fund increases in the Eagle Access Scholarships. ▪ Eagle Access is a gap scholarship implemented in 2007-08 to cover total cost of attendance for students below 120 percent of poverty level.
MuSU	<ul style="list-style-type: none"> ▪ Approximately 33 percent of new revenue generated from the 6 percent tuition increase will support MuSU merit-based and need-based financial aid programs. ▪ Although the majority of the aid will go to merit and other programs, additional funding will be set aside in MuSU's need-based Racer Advantage program.
NKU	<ul style="list-style-type: none"> ▪ NKU is increasing funding for scholarships and financial aid in 2008-09 by \$1.3 million, a 12 percent increase from 2007-08 funding. ▪ Highlights include: <ul style="list-style-type: none"> ○ A 15 percent increase in planned expenditures on need-based aid in 2008-09. ○ A continued commitment to the Northern Difference Grant Program to protect access for Pell Grant eligible students. ○ Continued funding for the Holmes/Newport Grant program targeted at Pell eligible students in two urban high schools in NKU's region. ○ A 29 percent increase in funding for the Educational Diversity Scholarships.
WKU	<ul style="list-style-type: none"> ▪ Institutionally funded scholarships and fellowships, which include full tuition and fees, will be increased to offset any increase in tuition and fees effective fall 2008. ▪ It is anticipated that the scholarships and grants-in-aid budgets will increase by over \$3.2 million. ▪ WKU identifies scholarships as merit-based even if recipients meet the Pell-eligible criteria. ▪ The only specific need-based scholarship at WKU is the Top It Off scholarship, which pays the shortfall between tuition, housing, and meals after all other sources of aid have been considered.
UK	<ul style="list-style-type: none"> ▪ Additional \$2.2M for undergraduate scholarships. ▪ Additional \$1M from the General Assembly for the Robinson Scholars Program, as well as the new Catalyst Scholarships and UK One-Year Grants, which are both need-based.
UofL	<ul style="list-style-type: none"> ▪ Each year UofL budgets a financial aid escalator for institutional merit-based and need-based financial aid programs. This amount normally equals the same percentage as the tuition rate increase. For the FY 2008-09 operating budget that amount is \$3,324,600. ▪ UofL has budgeted \$850,000 of new institutional funds to cover the second year of implementation of the Cardinal Covenant Program. ▪ In a recent NCHEMS study, it was reported that UofL spends proportionately more on student financial aid from its General Fund than does its CPE-approved benchmark institutions.
KCTCS	<ul style="list-style-type: none"> ▪ \$2.5 million for institutional need-based aid programs that fill the gap between federal and state aid programs.

Staff preparation by John Hayek, Bill Payne, Ron Carson, Jonathan Thompson
And Other Members of the Council's Senior Leadership Team

**2008-09 TUITION & MANDATORY FEE RATES
(Fall 2008, Spring & Summer 2009)**

	<u>Fall 2008 Rates</u>	<u>Spring 2009 Rates</u>	<u>Annual 2008-09 Rates</u>	<u>Summer 2009 Rates</u>
<u>Eastern Kentucky University</u>				
<i>Undergraduate</i>				
Resident				
Full-time	3,040	3,040	6,080	3,040
Per Credit Hour	253.33	253.33		253.33
Nonresident				
Full-time	8,306	8,306	16,612	8,171
Per Credit Hour	680.92	680.92		680.92
Nonresident - Targeted Areas				
Full-time	4,798	4,798	9,596	4,798
Per Credit Hour	399.83	399.83		399.83
Online Programs**				
Justice and Safety Online Courses (per credit hour)	350	350		350
Other Online Courses (per credit hour)	295	295		295
	**Subject to slight modification			
<i>Graduate</i>				
Resident				
Full-time	3,316	3,316	6,632	3,316
Per Credit Hour	368.44	368.44		368.44
Nonresident				
Full-time	9,093	9,093	18,186	
Per Credit Hour	1,010.33	1,010.33		1,010.33
Full-time - Incentive Grant Counties	5,185	5,185	10,370	5,185
Per Credit Hour - Incentive Grant Counties	576.11	576.11		576.11
Online Programs **				
Justice and Safety Online Courses (per credit hour)	500	500		500
Other Online Courses (per credit hour)	410	410		410
	**Subject to slight modification			
<u>Kentucky Community and Technical College System (KCTCS)</u>				
Resident				
Full-time	1,815	1,815	3,630	
Per Credit hour	121	121		121
Nonresident - Contiguous Counties				
Full-time	2,340	2,340	4,680	
Per Credit hour	156	156		156
Nonresident - Other				
Full-time	5,850	5,850	11,700	
Per Credit hour	390	390		390
Note:	The weighted average (weighted by enrollment) of the Nonresident Contiguous Counties rate and the Nonresident Other rate is \$343 per credit hour, 2.84 times the resident rate of \$121 per credit hour. Thus it exceeds the CPE policy requirement of 1.75 times that of the resident rate.			
<u>Kentucky State University</u>				
<i>Undergraduate</i>				
Resident				
Full-time	2,846	2,846	5,692	
Per Credit Hour	190	190		190
Nonresident				
Full-time	6,745	6,745	13,490	
Per Credit Hour	455	455		455
Nonresident-Targeted Counties				
Full-time	5,027	5,027	10,054	
Per Credit Hour	335	335		335
Nonresident-Legacy				
Full-time	5,027	5,027	10,054	
Per Credit Hour	335	335		335
Online Programs				
Per Credit Hour	260	260		260
<i>Graduate</i>				
Resident				
Full-time	2,925	2,925	5,850	
Per Credit Hour	325	325		325
Nonresident				
Full-time	6,840	6,840	13,680	
Per Credit Hour	760	760		760
Online Programs				
Per Credit Hour	325	325		325

**2008-09 TUITION & MANDATORY FEE RATES
(Fall 2008, Spring & Summer 2009)**

	Fall 2008 Rates	Spring 2009 Rates	Annual 2008-09 Rates	Summer 2009 Rates
<u>Morehead State University</u>				
<i>Undergraduate</i>				
Resident				
Full-time (enrolled with 15 credit hours) ¹	2,835	2,835	5,670	
Per Credit Hour (1 - 12 hours)	225	225		225
Per Credit Hour (hours 13 and above)	45	45		
Nonresident				
Full-time (enrolled with 15 credit hours) ¹	7,371	7,371	14,742	
Per Credit Hour (1 - 12 hours)	585	585		585
Per Credit Hour (hours 13 and above)				
Nonresident -Targeted Counties				
Full-time (enrolled with 15 credit hours) ¹	3,543	3,543	7,086	
Per Credit Hour (1 - 12 hours)	281	281		281
Per Credit Hour (hours 13 and above)	56	56		
Online Programs				
Per Credit Hour (1 - 12 hours)	281	281		281
Per Credit Hour (hours 13 and above)	56	56		
<i>Graduate</i>				
Resident				
Per Credit Hour	338	338		338
Nonresident				
Per Credit Hour	878	878		878
Online Programs				
Per Credit Hour	422	422		422
<p>¹ Full-time status is achieved for undergraduate students when enrolled for 12 credit hours. Full-time comparison rates are shown above for an undergraduate enrolled in 15 credit hours which is the average hours needed each fall/spring to complete a baccalaureate degree program in four years. Full-time students are assessed on a per credit hour basis with the first 12 hours assessed at the full per credit hour rate and all hours above 12 discounted by 80 percent.</p>				

Murray State University

<i>Undergraduate</i>				
Resident				
Full-time	2,874	2,874	5,748	
Per Credit Hour	239.50	239.50		239.50
Nonresident				
Full-time	7,806	7,806	15,612	
Per Credit Hour	650.50	650.50		650.50
(WEB Courses 130% Resident) Per credit hour	301	301		301
<i>Graduate</i>				
Resident				
Full-time	3,262.50	3,262.50	6,525	
Per Credit Hour	362.50	362.50		362.50
Nonresident				
Full-time	9,175.50	9,175.50	18,351	
Per Credit Hour	1,019.50	1,019.50		1,019.50
(WEB Courses 130% Resident) Per credit hour	462.25	462.25		462.25

**2008-09 TUITION & MANDATORY FEE RATES
(Fall 2008, Spring & Summer 2009)**

	Fall 2008 Rates	Spring 2009 Rates	Annual 2008-09 Rates	Summer 2009 Rates
<u>Northern Kentucky University</u>				
<i>Undergraduate</i>				
Resident 1				
Full-time (12-16 credit hours)	3,264	3,264	6,528	
Per Credit Hour	272	272		272
Nonresident 1				
Full-time (12-16 credit hours)	5,976	5,976	11,952	
Per Credit Hour	498	498		498
Metro				
Full-time (12-16 credit hours)	5,496	5,496	10,992	
Per Credit Hour	458	458		458
Nonresident & Resident - PACE Program				
Full-time	N/A	N/A	N/A	
Per Credit Hour	292	292		292
Nonresident - Indiana Rate				
Full-time (12-16 credit hours)	3,600	3,600	7,200	
Per Credit Hour	300	300		300
Resident and Nonresident Online 2				
Per Credit Hour	302	302		302
<i>Graduate</i>				
Resident				
Per Credit Hour	369	369	N/A	369
Nonresident				
Per Credit Hour	649	649	N/A	649
Metro - Nonresident				
Per Credit Hour	489	489	N/A	489
Nonresident & Resident - Online				
Per Credit Hour	399	399		399
<i>Business</i>				
Resident				
Per Credit Hour	436	436	N/A	436
Nonresident				
Per Credit Hour	767	767	N/A	767
Metro - Nonresident				
Per Credit Hour	537	537	N/A	537
Executive Leadership & Organizational Change (ELOC) 3	N/A	N/A	24,950	
<i>Law</i>				
Resident				
Full-time	6,672	6,672	13,344	
Per Credit Hour	556	556		556
Nonresident				
Full-time	14,556	14,556	29,112	
Per Credit Hour	1,213	1,213		1,213
Metro - Nonresident				
Full-time	10,992	10,992	21,984	
Per Credit Hour	916	916		916
<i>Education Doctorate</i>				
Resident	N/A	N/A	9,600	N/A
Nonresident	N/A	N/A	18,000	N/A
Metro	N/A	N/A	12,000	N/A

Notes:

- Undergraduate students enrolling in more than 16 credit hours will receive a 50% discount on the per credit hour rate for each credit hour 17 and above.
- Full-time students who are taking an online course as part of their full-time course load will be charged the online per credit hour rate differential for those hours. NKU currently charges an additional \$20 per credit hour (in addition to the tuition rate) for online classes. The change from a fee to a tuition rate allows for the charge to be covered by employer reimbursement programs (when provided).
- The rate is for the entire two-year program. In FY 2008-09 ELOC will provide an international study abroad opportunity.

**2008-09 TUITION & MANDATORY FEE RATES
(Fall 2008, Spring & Summer 2009)**

	Fall 2008 Rates	Spring 2009 Rates	Annual 2008-09 Rates	Summer 2009 Rates
<u>University of Kentucky</u>				
<i>Undergraduate (Lower Division)</i>				
Resident				
Full-time	3,868	3,868	7,736	
Per Credit Hour	307	307		307
Nonresident				
Full-time	7,942	7,942	15,884	
Per Credit Hour	647	647		647
<i>Undergraduate (Upper Division)</i>				
Resident				
Full-time	3,980	3,980	7,960	
Per Credit Hour	316	316		316
Nonresident				
Full-time	8,048	8,048	16,096	
Per Credit Hour	656	656		656
<i>Graduate</i>				
Resident				
Full-time	4,180	4,180	8,360	
Per Credit Hour	437	437		437
Nonresident				
Full-time	8,614	8,614	17,228	
Per Credit Hour	931	931		931
<i>Master in Business Administration (MBA)</i>				
<i>Evening and part-time students</i>				
Resident				
Full-time	4,833	4,833	9,666	
Per Credit Hour	510	510		510
Nonresident				
Full-time	10,280	10,280	20,560	
Per Credit Hour	1,115	1,115		1,115
<i>Master of Arts in Diplomacy and International Commerce</i>				
Resident				
Full-time	4,384	4,384	8,768	
Per Credit Hour	460	460		
Nonresident				
Full-time	8,266	8,266	16,532	
Per Credit Hour	952	952		
<i>Master of Science in Physician Assistant Studies</i>				
Resident				
Full-time	4,504	4,504	9,008	
Per Credit Hour	469	469		
Nonresident				
Full-time	8,933	8,933	17,866	
Per Credit Hour	961	961		
<i>Master of Science in Radiological Medical Physics and Master of Science in Health Physics (College of Health Sciences, Division of Radiation Sciences)</i>				
Resident				
Full-time	4,866	4,866	9,732	
Per Credit Hour	514	514		
Nonresident				
Full-time	9,270	9,270	18,540	
Per Credit Hour	1,003	1,003		
<i>Law</i>				
Resident				
Full-time	7,629	7,629	15,258	
Per Credit Hour	740	740		
Nonresident				
Full-time	13,218	13,218	26,436	
Per Credit Hour	1,300	1,300		

**2008-09 TUITION & MANDATORY FEE RATES
(Fall 2008, Spring & Summer 2009)**

	Fall 2008 Rates	Spring 2009 Rates	Annual 2008-09 Rates	Summer 2009 Rates
<u>University of Kentucky (Continued)</u>				
<i>Medicine *</i>				
<i>Students - entering classes of fall 2004 and earlier</i>				
Resident	10,987	10,987	21,974	
Nonresident	21,371	21,371	42,742	
<i>Students - entering classes of fall 2005</i>				
Resident	11,729	11,729	23,458	
Nonresident	22,330	22,330	44,660	
<i>Students - entering classes of fall 2006</i>				
Resident	11,802	11,802	23,604	
Nonresident	22,454	22,454	44,908	
<i>Students - entering classes of fall 2007</i>				
Resident	11,876	11,876	23,752	
Nonresident	22,578	22,578	45,156	
<i>Students - entering classes of fall 2008</i>				
Resident	13,172	13,172	26,344	
Nonresident	24,610	24,610	49,220	
* As a pilot program, beginning with fall 2007, the College of Medicine tuition and mandatory fee rates are 'locked in' for each entering class cohort. The rates will not change while students are enrolled in the program.				
<i>Dentistry</i>				
Resident	11,390	11,390	22,780	
Nonresident	23,237	23,237	46,474	
<i>Pharmacy</i>				
Resident				
Full-time	9,688	9,688	19,376	
Per Credit Hour	792	792		
Nonresident				
Full-time	17,635	17,635	35,270	
Per Credit Hour	1,455	1,455		
<i>Professional Doctoral</i>				
Resident				
Full-time	5,450	5,450	10,900	
Per Credit Hour	578	578		
Nonresident				
Full-time	11,896	11,896	23,792	
Per Credit Hour	1,295	1,295		
<i>Master in Business Administration (MBA)</i>				
<i>Full-time students in the "Day" Program</i>				
Resident	4,474	4,474	8,948	
Nonresident	8,904	8,904	17,808	
<i>Doctorate of Physical Therapy</i>				
Resident	6,795	6,795	13,590	
Nonresident	14,852	14,852	29,704	
<u>University of Louisville</u>				
<i>Undergraduate</i>				
Resident				
Full-time	3,782	3,782	7,564	3,782
Per Credit Hour	316	316		316
Nonresident				
Full-time	9,177	9,177	18,354	9,177
Per Credit Hour	765	765		765
Distance Education				
Per Credit Hour	410.80	410.80		410.80
<i>Intensive English as a Second Language (IESL) I</i>				
Full-time Day Program	3,902	3,902	7,804	3,902
<i>Graduate</i>				
Resident				
Full-time	4,103	4,103	8,206	4,103
Per Credit Hour	456	456		456
Nonresident				
Full-time	9,045	9,045	18,090	9,045
Per Credit Hour	1,005	1,005		1,005
Distance Education				
Per Credit Hour	592.80	592.80		592.80

**2008-09 TUITION & MANDATORY FEE RATES
(Fall 2008, Spring & Summer 2009)**

	Fall 2008 Rates	Spring 2009 Rates	Annual 2008-09 Rates	Summer 2009 Rates
<u>University of Louisville (Continued)</u>				
<i>Traditional MBA (Being phased out)</i>				
Resident				
Full-time	5,483	5,483	10,966	5,483
Per Credit Hour	610	610		610
Nonresident				
Full-time	12,716	12,716	25,432	12,716
Per Credit Hour	1,413	1,413		1,413
<i>MBA Cohort Program 2</i>				
Resident - 6 consecutive semesters including summer terms				
Full-time	5,000	5,000	15,000	5,000
Nonresident - 6 consecutive semesters including summer terms				
Full-time	5,000	5,000	15,000	5,000
<i>Traditional Integrative MBA (Being phased out)</i>				
Resident				
Full-time	5,483	5,483	10,966	5,483
Per Credit Hour	610	610		610
Nonresident				
Full-time	12,716	12,716	25,432	12,716
Per Credit Hour	1,413	1,413		1,413
<i>IMBA Cohort Program 2</i>				
Resident - 6 consecutive semesters including summer terms				
Full-time	4,500	4,500	13,500	4,500
Nonresident - 6 consecutive semesters including summer terms				
Full-time	4,500	4,500	13,500	4,500
<i>MD MPH 3</i>				
Resident				
Full-time	-	-	-	-
Per Credit Hour	-	-		-
Nonresident				
Full-time	-	-	-	-
Per Credit Hour	-	-		-
<i>MD MBA 3</i>				
Resident				
Full-time	-	-	-	-
Per Credit Hour	-	-		-
Nonresident				
Full-time	-	-	-	-
Per Credit Hour	-	-		-
<i>Traditional Master of Accountancy</i>				
Resident				
Full-time	4,103	4,103	8,206	4,103
Per Credit Hour	456	456		456
Nonresident				
Full-time	9,045	9,045	18,090	9,045
Per Credit Hour	1,005	1,005		1,005
<i>Master of Accountancy (Implementation of planned new Cohort Program has been delayed)</i>				
Resident				
Full-time 4	-	-	-	-
Nonresident				
Full-time 4	-	-	-	-
<i>Ed.D. Practitioner 5</i>				
Resident - 4 semesters				
Full-time	3,750	3,750	7,500	-
Non-resident - 4 semesters				
Full-time	3,750	3,750	7,500	-
Resident - 2 semesters				
Full-time	5,000	5,000	10,000	-
Nonresident - 2 semesters				
Full-time	5,000	5,000	10,000	-
Resident - ABD				
Full-time	2,500	2,500	5,000	-
Nonresident - ABD				
Full-time	2,500	2,500	5,000	-

**2008-09 TUITION & MANDATORY FEE RATES
(Fall 2008, Spring & Summer 2009)**

	Fall 2008 Rates	Spring 2009 Rates	Annual 2008-09 Rates	Summer 2009 Rates
<u>University of Louisville (Continued)</u>				
<i>Law</i>				
Resident				
Full-time	6,872	6,872	13,744	6,872
Per Credit Hour	688	688		688
Nonresident				
Full-time	TBA	TBA	TBA	TBA
Per Credit Hour	TBA	TBA		TBA
<i>Medicine</i>				
Resident	12,249	12,249	24,498	NA
Nonresident	21,410	21,410	42,820	NA
<i>Dentistry</i>				
Resident	10,274	10,274	20,548	NA
Nonresident	24,036	24,036	48,072	NA

1 2008-09 rate projected as no change.

2 Program is a fixed rate for six consecutive semesters for each entering cohort; annual rate includes summer semester.

3 Special rate for Dual MD Degrees - MD/MBA and MD/ MPH - which will be less than the sum of individual program at a slightly discounted rate.

4 Rates currently the same as regular graduate program rates.

5 Program is a fixed rate for four consecutive semesters for new students, two semesters for advanced placement students, and ABD.

Western Kentucky University

Undergraduate

Resident				
Full-time - Main Campus	3,465	3,465	6,930	
Part-time - Main Campus (per credit hour)	288.75	288.75		288.75
Part-time - Distance Learning (Online Courses)	349	349		349
Nonresident				
Full-time - Main Campus	9,335	9,335	18,670	
Full-time - Incentive	4,308	4,308	8,616	
Part-time - Main Campus (per credit hour)	778	778		778
Part-time - Incentive (per credit hour)	359	359		359
Part-time - Distance Learning (Online Courses)	349	349		349

Graduate

Resident				
Full-time	3,820	3,820	7,640	
Part-time (per credit hour)	382	382		382
Part-time - Distance Learning (Online Courses)	458	458		458
Nonresident				
Full-time - Domestic	4,180	4,180	8,360	
Full-time - International	9,180	9,180	18,360	
Part-time (per credit hour) - Domestic	418	418		418
Part-time (per credit hour) - International	470	470		470
Part-time - Distance Learning (Online Courses)	458	458		458
Professional MBA	4,106	4,106	8,212	4,106
<i>GoArmyEd (rate per credit hour)</i>	250	250		250

Note: Incentive rate was approved by CPE for 2007-08; WKU is requesting that the rate be approved as an exception to the 1.75 times the resident rate.

**Council on Postsecondary Education
May 9, 2008**

**2008-09 Tuition and Mandatory Fee Recommendation
Eastern Kentucky University**

On April 25, Kentucky's public postsecondary institutions submitted tuition and mandatory fee proposals to the Council. The Budget and Finance Policy Group held tuition hearings on April 30 and May 1 to provide the institutions an opportunity to present their proposals. The policy group evaluated each institution's proposal on the basis of affordability, access, productivity, and funding adequacy. Upon approval by the full Council, the recommended rates will establish maximum tuition and mandatory fee charges that may be assessed to students enrolling at EKU during fall semester 2008, spring semester 2009, and summer term 2009.

ACTION: The Budget and Finance Policy Group recommends that the Council approve the following 2008-09 tuition and mandatory fee rates for Eastern Kentucky University.

Recommended Tuition and Mandatory Fees

<u>Rate Category</u>	<u>Current 2007-08 Tuition & Fees</u>	<u>Recommended 2008-09 Tuition & Fees</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$5,682	\$6,080	\$398	7.0%
Nonresident	15,382	16,612	1,230	8.0%
Nonresident Multiple	2.7	2.7		
Graduate				
Resident	6,140	6,632	492	8.0%
Nonresident	16,838	18,186	1,348	8.0%

Attachment A contains additional categories and rates for undergraduate nonresident Targeted Area program students, graduate nonresident Incentive Grant Counties program students, and online programs. The Budget and Finance Policy Group recommends approval of rates for these additional categories as proposed by the university.

Supporting Data

Affordability

- In 2007-08, annual resident undergraduate tuition and mandatory fees at ECU totaled \$5,682, representing the third highest amount charged among Kentucky's comprehensive universities. Between 2002-03 and 2007-08, the average annual rate of change in the university's resident undergraduate tuition and fees was 14.2 percent, the highest average annual increase among the comprehensive universities (CPE data).
- In 2007-08, ECU's total price of attendance for resident undergraduates living on campus was \$14,280, the third lowest total price among the comprehensive universities. The five-year average annual rate of change in total price at ECU was 9.1 percent, the third lowest rate of increase among the comprehensives (IPEDS data).
- In 2005-06, the median net price of attendance at ECU among full-time, resident undergraduates who completed and filed a Free Application for Federal Student Aid (FAFSA) was \$4,871, representing the third lowest net price among the comprehensive universities (CPE Comprehensive Database). That same year, the median family income of students who completed a FAFSA was \$37,800, the third lowest median income of FAFSA filers among the comprehensives (excluding KSU for which data were unavailable).
- Compared to similar master's degree-granting, public four-year universities in Southern Regional Education Board (SREB) states, ECU's tuition and required fees ranked just above the 75th percentile in 2007-08, and its total price of attendance ranked in the lower-middle quartile. That same year, the university's tuition and fees as a percent of state median family income ranked in the upper quartile of the comparison group (IPEDS data).

Access

- During fall semester 2007, total full-time equivalent enrollment at ECU was 13,036 or second highest among the comprehensive universities. The university's FTE enrollment increased by 520 students or 4 percent between fall semesters 1997 and 2007, representing the third lowest nominal increase and the lowest percentage increase among the comprehensive universities (CPE data).

Productivity

- In 2006, ECU's full-time retention rate was 65 percent and ranked second lowest among Kentucky's comprehensive universities. The university's retention rate remained unchanged between 2003 and 2006, representing the second lowest percentage point change among the comprehensives for the period (IPEDS data).
- During academic year 2005-06, ECU's six-year graduation rate was 35.4 percent, the second lowest graduation rate among the comprehensives that year. Between 1997 and 2006, the university's graduation rate increased by 8.8 percentage points, from 26.6 percent to 35.4 percent. This increase was the third lowest percentage point growth among the comprehensive universities, with the top performing institution recording an increase twice that of ECU's (CPE Accountability Report).

- ECU awarded 1,979 bachelor's degrees during academic year 2006-07, the second highest number of undergraduate degrees produced among the comprehensive universities that year. Between 1998 and 2007, the number of bachelor's degrees awarded at ECU increased by 262 awards or 15 percent. Both the nominal and percentage increases rank third lowest among the comprehensive universities for the period, with the top performing institutions recording proportionate increases three times that of ECU's (CPE Accountability Report).
- In 2006-07, ECU's full-time retention rate, six-year bachelor's degree graduation rate, and its bachelor's degree production per 100 undergraduate FTE ranked either just above or at the 25th percentile among a comparison group of similar master's degree-granting, public four-year universities in SREB states (IPEDS data).

Funding Adequacy

- In 2007-08, ECU's level of total public funds per full-time equivalent student was \$13,201, representing the third lowest per student funding amount among Kentucky's public comprehensive universities (CPE data).
- That same year, the university's net General Fund appropriation per FTE was \$5,935 and ranked third lowest among the comprehensive universities (CPE data).
- In 2007-08, ECU's gross tuition revenue as a percent of total public funds was 55.0 percent, third lowest among the comprehensive universities (CPE data).
- Compared to similar master's degree-granting, public four-year universities in SREB states, ECU's total public funds per FTE and its state appropriations per FTE ranked in the upper-middle quartile. That same year, the university's student share of total public funds ranked at the median relative to the comparison group (IPEDS data).

Council on Postsecondary Education
 Institutional Tuition Proposal Summary

Eastern Kentucky University

1. Change in Annual Full-Time Tuition & Mandatory Fee Charges

<u>Category</u>	<u>Current 2007-08 Tuition & Mandatory Fee Charges</u>	<u>Proposed 2008-09 Tuition & Mandatory Fee Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$ 5,682	\$ 6,080	\$ 398	7.0%
Nonresident	15,382	16,612	1,230	8.0%
Nonresident Multiple	2.7	2.7		
Graduate				
Resident	6,140	6,632	492	8.0%
Nonresident	16,838	18,186	1,348	8.0%

2. Change in Gross Tuition & Mandatory Fee Revenue

<u>Estimated 2007-08^a Gross Tuition & Mand. Fee Revenue</u>	<u>Estimated 2008-09^a Gross Tuition & Mand. Fee Revenue</u>	<u>Dollar Change</u>	<u>Percent Change</u>
\$ 89,824,383	\$ 97,157,300	\$ 7,332,917	8.2%

3. Change in Full-Time Equivalent Enrollment

<u>Estimated 2007-08^a FTE Enrollment</u>	<u>Estimated 2008-09^a FTE Enrollment</u>	<u>Number Change</u>	<u>Percent Change</u>
12,445	12,507	62	0.5%

4. Support for Scholarships and Institution-Based Student Financial Aid Programs

-- All awards will increase relative to the increase in tuition for 2008-09. Approximately, \$1 million will be added to need-based financial aid in 2008-09, including \$500,000 in merit funds not expended in 2007-08 transferred to need-based programs. In addition, the need-based grants included in EKU's Beacon Program will be revamped to include a sliding scale and a higher cap, thus becoming more effective in filling the financial gap on a last dollar basis.

a. Estimate provided by institution as part of the 2008-09 tuition and mandatory fee proposal.

5. Anticipated Uses of Proposed Tuition & Mandatory Fee Revenue (and Internal Reallocation)

\$1,741,700	Financial aid increases.
200,000	Work study increases.
200,000	Graduate assistantship increases.
2,500,000	Salary Improvement Pool.
800,000	Benefits cost increases.
500,000	Fixed cost increases.
500,000	Summer school increases.
<u>1,500,000</u>	Strategic initiatives.
\$7,941,700	Total

6. Rationale for Tuition Increase

- The rationale for the need for increased revenue is simple - more funding is needed, not only to address fixed cost increases such as utilities and other costs to "keep the doors open," but also to enable the university to continue to address strategic initiatives and other critical needs, thus better meeting institutional mission objectives, as well as making planned headway toward HB1 goals and 2020 enrollment goals.

**Council on Postsecondary Education
May 9, 2008**

**2008-09 Tuition and Mandatory Fee Recommendation
Kentucky Community and Technical College System**

On April 25, Kentucky's public postsecondary institutions submitted tuition and mandatory fee proposals to the Council. The Budget and Finance Policy Group held tuition hearings on April 30 and May 1 to provide the institutions an opportunity to present their proposals. The policy group evaluated each institution's proposal on the basis of affordability, access, productivity, and funding adequacy. Upon approval by the full Council, the recommended rates will establish maximum tuition and mandatory fee charges that may be assessed to students enrolling at KCTCS during fall semester 2008, spring semester 2009, and summer term 2009.

ACTION: The Budget and Finance Policy Group recommends that the Council approve the following 2008-09 tuition and mandatory fee rates for the Kentucky Community and Technical College System.

Recommended Tuition and Mandatory Fees

<u>Rate Category</u>	<u>Current 2007-08 Tuition & Fees</u>	<u>Recommended 2008-09 Tuition & Fees</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$ 3,450	\$ 3,630	\$ 180	5.2%
Nonresident	10,350	11,700	1,350	13.0%
Nonresident Multiple	3.0	3.2		

Note: Tuition and fee figures reflect KCTCS per credit hour rates multiplied by 30 semester hours.

Attachment A contains additional rates for the category undergraduate nonresident contiguous counties. The Budget and Finance Policy Group recommends approval of this category of rates as proposed by the university.

Supporting Data

Affordability

- In academic year 2007-08, annual resident undergraduate tuition and mandatory fees at KCTCS totaled \$3,450 (calculated by multiplying the system's per credit hour charge by 30 semester hours). Between 2002-03 and 2007-08, the average annual rate of change in the system's resident undergraduate tuition and fees was 12.4 percent (CPE data).
- In 2006-07, KCTCS's annual tuition and required fees for resident undergraduates totaled \$3,270 and ranked highest among 16 SREB states (2006-07 SREB Fact Book). That level of student charges was \$1,222 higher than, or 160 percent of, the SREB average (\$2,048). Between 2005-06 and 2006-07, Kentucky's public two-year colleges increased tuition and fees by 11.2 percent, compared to an average increase among SREB states of 6.6 percent.
- In academic year 2006-07, average published tuition and fee charges at public two-year colleges in Kentucky ranked 11th highest nationally and were 144 percent of the U.S. average. That same year, two-year college average tuition and fees as a percent of median family income ranked fourth highest nationally (College Board data).
- In 2007-08, KCTCS's total price of attendance for resident undergraduates living off campus was \$13,252. The five-year average annual rate of change in total price at KCTCS was 5.7 percent (IPEDS data).
- Between 2000 and 2006, the percent of income needed to pay college expenses at community colleges in Kentucky increased from 17 percent to 26 percent of income. This increase resulted in a fall in state rankings from second most affordable to 33rd in terms of the percent of income needed to pay community college expenses (*Measuring Up* Report).
- According to the *Measuring Up* Report, Kentucky does not offer low-priced college opportunities for its residents. Between 2000 and 2006, the share of income that Kentucky's poorest families needed to pay to attend the state's lowest-priced colleges increased from 14 percent to 24 percent, and Kentucky fell in state rankings from 25th most affordable to 38th in terms of the share of income the poorest families must pay.
- In 2005-06, the median net price of attendance at KCTCS among full-time, resident undergraduates who completed and filed a Free Application for Federal Student Aid (FAFSA) was \$5,952 (CPE Comprehensive Database). The net price paid among this group of KCTCS students was higher than the net price paid among similar groups of students at many of Kentucky's comprehensive universities, including ECU (\$4,871), KSU (\$4,310), Morehead (\$3,399), and Murray (\$5,937).
- That same year, the median family income of KCTCS students who completed and filed a FAFSA was \$23,900, by far the lowest median income profile among similar groups of students attending other Kentucky public postsecondary institutions (CPE Comprehensive Database). This means that, on average, students from this group paid about 25 percent of their reported family income to attend KCTCS in 2005-06.

Access

- During fall semester 2007, full-time equivalent enrollment at KCTCS was 53,198. Between fall 2004 and 2007, the system's FTE enrollment increased by 2,753 students or 6 percent. The average annual increase in FTE enrollment for the period was 1.8 percent (CPE data).
- Average increase in enrollment in the first half of reform, 1997 to 2002, was approximately 12.9 percent and has slowed to 4.1 percent on average over the last five years. The growth in enrollment in 2007 was approximately 7.3 percent (CPE data).

- Trend data suggest that first-time, first-year enrollment at KCTCS appears to be particularly impacted by high tuition increases. First-time, first-year enrollment decreased at KCTCS from 14,486 in fall 2000 to 10,319 in fall 2006 (CPE data).
- From 2004 to 2006, undergraduate student FTE based upon student credit hours has been flat or declining (CPE Data).

Productivity

- In 2006, KCTCS's median full-time retention rate was 57 percent. The system's median retention rate remained unchanged between 2003 and 2006 (IPEDS data).
- During academic year 2005-06, KCTCS's three-year persistence rate was 49.4 percent. Between 1998 and 2006, the system's persistence rate increased by 2.1 percentage points, from 47.3 percent to 49.4 percent (CPE Accountability Report).
- KCTCS awarded 6,481 associate degrees and 12,188 certificates during academic year 2006-07. Between 2001 and 2007, the number of associate degrees awarded increased by 2,721 awards or 72 percent and the number of certificates awarded increased by 10,349 or 563 percent (CPE Accountability Report).

Funding Adequacy

- In 2006-07, KCTCS's appropriations and tuition and fee revenue per full-time equivalent student totaled \$7,762 and ranked third highest among 16 SREB states (2006-07 SREB Fact Book). This level of appropriations and tuition revenue per student was 114 percent of the SREB average (\$6,820).
- That same year, the system's appropriations per FTE totaled \$4,303 and ranked eighth among SREB states (2006-07 SREB Fact Book). KCTCS's appropriations per student were 95 percent of the SREB average in 2006-07 (\$4,540).
- KCTCS was the only institution to receive an additional General Fund appropriation for 2008-10, specifically to operate and maintain a new building coming online during the biennium. These annual state appropriations were in addition to the 75 percent in restoration funds compared to the Executive Branch recommendation.
- KCTCS's enacted net General Fund appropriation for 2008-09 of \$219.3 million is \$2.5 million less than its revised 2007-08 net General Fund appropriation (\$221.8 million), and its 2009-10 General Fund appropriation of \$224.4 million is \$2.6 million greater than its revised 2007-08 base and approximately \$4.3 million short of its original 2007-08 enacted net General Fund appropriation of \$228.7 million (CPE data).
- A \$6 per credit hour increase in tuition and fees at KCTCS plus a 7 percent increase in enrollment will generate approximately the same level of tuition revenue (\$17.8 million) as estimated in their proposal (using a 13 percent increase in tuition and fees). Typically, college enrollments increase during economic downturns.

Staff preparation by John Hayek, Ron Carson, Bill Payne, and Jonathan Thompson

Council on Postsecondary Education
 Institutional Tuition Proposal Summary

Kentucky Community and Technical College System

1. Change in Annual Full-Time Tuition & Mandatory Fee Charges

<u>Category</u>	<u>Current 2007-08 Tuition & Mandatory Fee Charges</u>	<u>Proposed 2008-09 Tuition & Mandatory Fee Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$ 3,450	\$ 3,900	\$ 450	13.0%
Nonresident	10,350	11,700	1,350	13.0%
Nonresident Multiple	3.0	3.0		

2. Change in Gross Tuition & Mandatory Fee Revenue

<u>Estimated 2007-08^a Gross Tuition & Mand. Fee Revenue</u>	<u>Estimated 2008-09^a Gross Tuition & Mand. Fee Revenue</u>	<u>Dollar Change</u>	<u>Percent Change</u>
\$ 158,458,700	\$ 177,208,700	\$ 18,750,000	11.8%

3. Change in Full-Time Equivalent Enrollment

<u>Estimated 2007-08^a FTE Enrollment</u>	<u>Estimated 2008-09^a FTE Enrollment</u>	<u>Number Change</u>	<u>Percent Change</u>
44,913	44,620	(293)	-0.7%

4. Support for Scholarships and Institution-Based Student Financial Aid Programs

-- \$2.5 million for institutional need-based aid programs that fill the gap between federal and state aid programs

5. Anticipated Uses of Proposed Tuition Revenue

\$2.5 million	Need-based financial aid.
\$2.8 million	Employee fringe benefits.
\$1.0 million	Faculty promotions.
\$1.3 million	Utilities and facility insurance.
\$11.1 million	Plan for a Competitive Commonwealth (initial implementation)
unspecified	Needs of high-growth, high-wage jobs.
unspecified	Improving transfer.
unspecified	Providing remedial and developmental education.
<u>unspecified</u>	<u>Protecting access to quality programs.</u>
\$18,700,000	Total

a. Estimate provided by institution as part of the 2008-09 tuition and mandatory fee proposal.

6. Rationale for Tuition Increase

- Provide adequate total public funds in a reduced (-6% or -\$13.5 million) state appropriations environment, funding fixed-cost increases, and initial implementation of the KCTCS ***Plan for a Competitive Commonwealth*** to address critical state needs in job skills, transfer, developmental education services, and accessible quality programs. The KCTCS Board of Regents has decided to provide no salary increase for faculty and staff in 2008-09.

**Council on Postsecondary Education
May 9, 2008**

**2008-09 Tuition and Mandatory Fee Recommendation
Kentucky State University**

On April 25, Kentucky's public postsecondary institutions submitted tuition and mandatory fee proposals to the Council. The Budget and Finance Policy Group held tuition hearings on April 30 and May 1 to provide the institutions an opportunity to present their proposals. The policy group evaluated each institution's proposal on the basis of affordability, access, productivity, and funding adequacy. Upon approval by the full Council, the recommended rates will establish maximum tuition and mandatory fee charges that may be assessed to students enrolling at KSU during fall semester 2008, spring semester 2009, and summer term 2009.

ACTION: The Budget and Finance Policy Group recommends that the Council approve the following 2008-09 tuition and mandatory fee rates for Kentucky State University.

Recommended Tuition and Mandatory Fees

<u>Rate Category</u>	<u>Current 2007-08 Tuition & Fees</u>	<u>Recommended 2008-09 Tuition & Fees</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$5,320	\$5,692	\$372	7.0%
Nonresident	12,490	13,490	1,000	8.0%
Nonresident Multiple	2.4	2.4		
Graduate				
Resident	5,400	5,850	450	8.3%
Nonresident	12,600	13,680	1,080	8.6%

Attachment A contains additional categories and rates for undergraduate nonresident Targeted Counties and Legacy Program students, and for online programs. The Budget and Finance Policy Group recommends approval of rates for these additional categories as proposed by the university.

Supporting Data

Affordability

- In 2007-08, annual resident undergraduate tuition and mandatory fees at KSU totaled \$5,320, representing the second lowest rate among Kentucky's comprehensive universities. Between 2002-03 and 2007-08, the average annual rate of change in the university's resident undergraduate tuition and fees was 11.2 percent, the lowest annual increase among the comprehensive universities (CPE data).
- In 2007-08, KSU's total price of attendance for resident undergraduates living on campus was \$15,870 and ranked highest among the comprehensive universities. The five-year average annual rate of change in total price at KSU was 11.5 percent, the highest rate of increase among the comprehensives (IPEDS data).
- In 2005-06, the median net price of attendance at KSU among full-time, resident undergraduates who completed and filed a Free Application for Federal Student Aid (FAFSA) was \$4,310, representing the second lowest net price among the comprehensive universities (CPE Comprehensive Database).
- Compared to similar historically black, public four-year universities (with land grant missions) around the nation, KSU's tuition and required fees ranked in the upper-middle quartile in 2007-08, and its total price of attendance was at the 75th percentile. That same year, the university's tuition and fees as a percent of state median family income ranked in the upper quartile of the comparison group (IPEDS data).

Access

- During fall semester 2007, full-time equivalent enrollment at KSU was 2,208 and ranked lowest among the comprehensive universities. The university's FTE enrollment increased by 375 students or 21 percent between fall semesters 1997 and 2007, representing the second lowest nominal increase and the third highest percentage increase among the comprehensive universities (CPE data).

Productivity

- In 2006, KSU's full-time retention rate was 54 percent and ranked lowest among Kentucky's comprehensive universities. The university's retention rate decreased by 9 percentage points between 2003 and 2006 (IPEDS data).
- During academic year 2005-06, KSU's six-year graduation rate was 31.8 percent and ranked lowest among the comprehensive universities. Between 1997 and 2006, the university's graduation rate decreased by 2.1 percentage points, from 33.9 percent to 31.8 percent. KSU was the only comprehensive university to record a decrease in the six-year graduation rate for the period (CPE Accountability Report).
- KSU awarded 193 bachelor's degrees during academic year 2006-07, the lowest number of undergraduate degrees produced among the comprehensive universities that year. Between 1998 and 2007, the number of bachelor's degrees awarded at KSU decreased by 33 awards or 15 percent. KSU was the only comprehensive university to record nominal and proportionate decreases in bachelor's degrees awarded for the period (CPE Accountability Report).

- In 2006-07, KSU's full-time retention rate, six-year bachelor's degree graduation rate, and its bachelor's degree production per 100 undergraduate FTE ranked either at or below the 25th percentile among a comparison group of similar historically black, public four-year universities (with land grant missions) around the nation (IPEDS data).

Funding Adequacy

- In 2007-08, the amount of KSU's total public funds per full-time equivalent student was \$20,516, the highest level of per student funding among Kentucky's comprehensive universities (CPE data).
- That same year, the university's net General Fund appropriation per FTE of \$12,428 also ranked highest among the comprehensive universities (CPE data).
- In 2007-08, KSU's gross tuition revenue as a percent of total public funds was 39.4 percent, the lowest tuition share of public funds among the comprehensive universities (CPE data).
- Compared to similar historically black, public four-year universities (with land grant missions) around the nation, KSU's total public funds per FTE and its state appropriations per FTE ranked in the upper quartile. That same year, the university's student share of total public funds ranked in the bottom quartile relative to the comparison group (IPEDS data).

Council on Postsecondary Education
 Institutional Tuition Proposal Summary

Kentucky State University

1. Change in Annual Full-Time Tuition & Mandatory Fee Charges

<u>Category</u>	<u>Current 2007-08 Tuition & Mandatory Fee Charges</u>	<u>Proposed 2008-09 Tuition & Mandatory Fee Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$ 5,320	\$ 5,746	\$ 426	8.0%
Nonresident	12,490	13,490	1,000	8.0%
Nonresident Multiple	2.4	2.4		
Graduate				
Resident	5,400	5,850	450	8.3%
Nonresident	12,600	13,680	1,080	8.6%

2. Change in Gross Tuition & Mandatory Fee Revenue

<u>Estimated 2007-08^a Gross Tuition & Mand. Fee Revenue</u>	<u>Estimated 2008-09^a Gross Tuition & Mand. Fee Revenue</u>	<u>Dollar Change</u>	<u>Percent Change</u>
\$ 15,231,630	\$ 16,911,100	\$ 1,679,470	11.0%

3. Change in Full-Time Equivalent Enrollment

<u>Estimated 2007-08^a FTE Enrollment</u>	<u>Estimated 2008-09^a FTE Enrollment</u>	<u>Number Change</u>	<u>Percent Change</u>
2,324	2,431	107	4.6%

4. Support for Scholarships and Institution-Based Student Financial Aid Programs

-- Merit-based and need-based awards will be increased proportionate to the increase in tuition.

a. Estimate provided by institution as part of the 2008-09 tuition and mandatory fee proposal.

5. Anticipated Uses of Proposed Tuition Revenue

-- Additional tuition and fee revenue generated by this proposal will be used to support instructional programs.

6. Rationale for Tuition Increase

-- The underlying rationale / objective for the proposed tuition rate increase was to apply equity to students' choices in the number of hours enrolled and to have students pay for hours enrolled.

**Council on Postsecondary Education
May 9, 2008**

**2008-09 Tuition and Mandatory Fee Recommendation
Morehead State University**

On April 25, Kentucky's public postsecondary institutions submitted tuition and mandatory fee proposals to the Council. The Budget and Finance Policy Group held tuition hearings on April 30 and May 1 to provide the institutions an opportunity to present their proposals. The policy group evaluated each institution's proposal on the basis of affordability, access, productivity, and funding adequacy. Upon approval by the full Council, the recommended rates will establish maximum tuition and mandatory fee charges that may be assessed to students enrolling at MoSU during fall semester 2008, spring semester 2009, and summer term 2009.

ACTION: The Budget and Finance Policy Group recommends that the Council approve the following 2008-09 tuition and mandatory fee rates for Morehead State University.

Recommended Tuition and Mandatory Fees

<u>Rate Category</u>	<u>Current 2007-08 Tuition & Fees</u>	<u>Recommended 2008-09 Tuition & Fees</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$5,280	\$5,670	\$390	7.4%
Nonresident	13,340	14,742	1,402	10.5%
Nonresident Multiple	2.5	2.6		
Graduate				
Resident	7,680	8,112	432	5.6%
Nonresident	19,440	21,072	1,632	8.4%

Attachment A contains additional categories and rates for undergraduate nonresident Targeted Counties program students and for online programs. The Budget and Finance Policy Group recommends approval of rates for these additional categories as proposed by the university.

Supporting Data

Affordability

- In 2007-08, annual resident undergraduate tuition and mandatory fees at MoSU totaled \$5,280, representing the lowest amount charged among Kentucky's comprehensive universities. Between 2002-03 and 2007-08, the average annual rate of change in the university's resident undergraduate tuition and fees was 12.5 percent, the third lowest annual increase among the comprehensive universities (CPE data).
- In 2007-08, MoSU's total price of attendance for resident undergraduates living on campus was \$13,600, the second lowest among the comprehensive universities. The five-year average annual rate of change in total price at MoSU was 9.3 percent, the third highest rate of increase among the comprehensives (IPEDS data).
- In 2005-06, the median net price of attendance at MoSU among full-time, resident undergraduates who completed and filed a Free Application for Federal Student Aid (FAFSA) was \$3,399, representing the lowest net price among the comprehensive universities (CPE Comprehensive Database). That same year, the median family income of students who completed a FAFSA was \$31,300, the lowest median income of FAFSA filers among the comprehensives (excluding KSU for which data were unavailable).
- Compared to similar master's degree-granting, public four-year universities in Southern Regional Education Board (SREB) states, MoSU's tuition and required fees ranked in the upper-middle quartile in 2007-08, and its total price of attendance ranked just slightly above the 25th percentile. That same year, the university's tuition and fees as a percent of state median family income ranked in the upper quartile of the comparison group (IPEDS data).

Access

- During fall semester 2007, full-time equivalent enrollment at MoSU was 7,101 or second lowest among the comprehensive universities. The university's FTE enrollment increased by 350 students or 5 percent between fall semesters 1997 and 2007, representing the lowest nominal increase and the second lowest percentage increase among the comprehensive universities (CPE data).

Productivity

- In 2006, MoSU's full-time retention rate was 69 percent and ranked third lowest among Kentucky's comprehensive universities (IPEDS data).
- During academic year 2005-06, MoSU's six-year graduation rate was 42.7 percent and ranked third highest among the comprehensive universities. Between 1997 and 2006, the university's graduation rate increased by 2.0 percentage points, from 40.7 percent to 42.7 percent. This increase was second lowest among the comprehensive universities (CPE Accountability Report).

- MoSU awarded 1,072 bachelor's degrees during academic year 2006-07, the second lowest number of undergraduate degrees produced among the comprehensive universities that year. Between 1998 and 2007, the number of bachelor's degrees awarded at MoSU increased by 118 awards or 12 percent. Both the nominal and percent increases were the second lowest level of growth in awards among the comprehensive universities for the period (CPE Accountability Report).
- In 2006-07, MoSU's full-time retention rate ranked in the lower-middle quartile among a comparison group of similar master's degree-granting, public four-year universities in SREB states. That same year, the university's six-year bachelor's degree graduation rate ranked just above the median, and its bachelor's degree production per 100 undergraduate FTE ranked at the 25th percentile (IPEDS data).

Funding Adequacy

- In 2007-08, MoSU's level of total public funds per full-time equivalent student was \$13,324, representing the third highest level of per student public funding among Kentucky's comprehensive universities (CPE data).
- That same year, the university's net General Fund appropriation per FTE was \$6,584 and ranked second highest among the comprehensive universities (CPE data).
- In 2007-08, MoSU's gross tuition revenue as a percent of total public funds was 50.6 percent, second lowest among the comprehensive universities (CPE data).
- Compared to similar master's degree-granting, public four-year universities in SREB states, MoSU's total public funds per FTE ranked in the upper-middle quartile, and its state appropriations per FTE were at the 75th percentile. That same year, the university's student share of total public funds ranked in the lower-middle quartile relative to the comparison group (IPEDS data).

Council on Postsecondary Education
 Institutional Tuition Proposal Summary

Morehead State University

1. Change in Annual Full-Time Tuition & Mandatory Fee Charges

<u>Category</u>	<u>Current 2007-08 Tuition & Mandatory Fee Charges</u>	<u>Proposed 2008-09 Tuition & Mandatory Fee Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$ 5,280	\$ 5,670	\$ 390	7.4%
Nonresident	13,340	14,742	1,402	10.5%
Nonresident Multiple	2.5	2.6		
Graduate				
Resident	7,680	8,112	432	5.6%
Nonresident	19,440	21,072	1,632	8.4%

2. Change in Gross Tuition & Mandatory Fee Revenue

<u>Estimated 2007-08^a Gross Tuition & Mand. Fee Revenue</u>	<u>Estimated 2008-09^a Gross Tuition & Mand. Fee Revenue</u>	<u>Dollar Change</u>	<u>Percent Change</u>
\$ 43,740,500	\$ 46,896,969	\$ 3,156,469	7.2%

3. Change in Full-Time Equivalent Enrollment

<u>Estimated 2007-08^a FTE Enrollment</u>	<u>Estimated 2008-09^a FTE Enrollment</u>	<u>Number Change</u>	<u>Percent Change</u>
6,713	6,780	67	1.0%

4. Support for Scholarships and Institution-Based Student Financial Aid Programs

-- Additional tuition revenue will be used to fully cover the increase in tuition and housing rates for 2008-09 for all existing and new full scholarship students and to fund increases in the Eagle Access Scholarships. Eagle Access is a gap scholarship implemented in 2007-08 to cover total cost of attendance for students below 120 percent poverty level.

a. Estimate provided by institution as part of the 2008-09 tuition and mandatory fee proposal.

5. Anticipated Uses of Proposed Tuition Revenue

\$445,000	Utilities increases.
500,000	Debt service for the Student Recreation Center.
612,000	Scholarship and tuition waiver increases.
350,000	Contracts, leases, and insurance increases.
<u>\$1,250,000</u>	Employee salary increases.
\$3,157,000	Total

6. Rationale for Tuition Increase

- A major revision to the current "full-time" tuition model was implemented to minimize tuition rate increases and facilitate changes in student enrollment behaviors that will improve overall operating efficiency.

**Council on Postsecondary Education
May 9, 2008**

**2008-09 Tuition and Mandatory Fee Recommendation
Murray State University**

On April 25, Kentucky’s public postsecondary institutions submitted tuition and mandatory fee proposals to the Council. The Budget and Finance Policy Group held tuition hearings on April 30 and May 1 to provide the institutions an opportunity to present their proposals. The policy group evaluated each institution’s proposal on the basis of affordability, access, productivity, and funding adequacy. Upon approval by the full Council, the recommended rates will establish maximum tuition and mandatory fee charges that may be assessed to students enrolling at MuSU during fall semester 2008, spring semester 2009, and summer term 2009.

ACTION: The Budget and Finance Policy Group recommends that the Council approve the following 2008-09 tuition and mandatory fee rates for Murray State University.

Recommended Tuition and Mandatory Fees

<u>Rate Category</u>	<u>Current 2007-08 Tuition & Fees</u>	<u>Recommended 2008-09 Tuition & Fees</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$5,418	\$5,748	\$330	6.1%
Nonresident	14,718	15,612	894	6.1%
Nonresident Multiple	2.7	2.7		
Graduate				
Resident	6,156	6,525	369	6.0%
Nonresident	17,316	18,351	1,035	6.0%

Attachment A contains additional categories and rates for undergraduate and graduate WEB courses. The Budget and Finance Policy Group recommends approval of rates for these additional categories as proposed by the university.

Supporting Data

Affordability

- In 2007-08, annual resident undergraduate tuition and mandatory fees at MuSU totaled \$5,418, representing the third lowest amount charged among Kentucky's comprehensive universities. Between 2002-03 and 2007-08, the average annual rate of change in the university's resident undergraduate tuition and fees was 12.3 percent, the second lowest annual increase among the comprehensive universities (CPE data).
- In 2007-08, MuSU's total price of attendance for resident undergraduates living on campus was \$13,076, the lowest total price among the comprehensive universities. The five-year average annual rate of change in total price at MuSU was 7.1 percent, the lowest rate of increase among the comprehensives (IPEDS data).
- In 2005-06, the median net price of attendance at MuSU among full-time, resident undergraduates who completed and filed a Free Application for Federal Student Aid (FAFSA) was \$5,937, representing the third highest net price among the comprehensive universities (CPE Comprehensive Database). That same year, the median family income of students who completed a FAFSA was \$45,100, the third highest median income of FAFSA filers among the comprehensives (excluding KSU for which data were unavailable).
- Compared to similar master's degree-granting, public four-year universities in Southern Regional Education Board (SREB) states, MuSU's tuition and required fees ranked in the upper-middle quartile in 2007-08, and its total price of attendance ranked in the bottom quartile. That same year, the university's tuition and fees as a percent of state median family income ranked in the upper quartile of the comparison group (IPEDS data).

Access

- During fall semester 2007, total full-time equivalent enrollment at MuSU was 8,435 or third lowest among the comprehensive universities. The university's FTE enrollment increased by 1,034 students or 14 percent between fall semesters 1997 and 2007, representing the third highest nominal increase and the third lowest percentage increase among the comprehensive universities (CPE data).

Productivity

- In 2006, MuSU's full-time retention rate was 73 percent and ranked second highest among Kentucky's comprehensive universities. The university's retention rate increased by 3 percentage points between 2003 and 2006, representing the second largest percentage point gain among the comprehensives for the period (IPEDS data).
- During academic year 2005-06, MuSU's six-year graduation rate was 56.2 percent, the highest graduation rate among the comprehensive universities that year. Between 1997 and 2006, the university's graduation rate increased by 17.6 percentage points, from 38.6 percent to 56.2 percent. This increase was the largest percentage point growth among the comprehensive universities for the period (CPE Accountability Report).

- MuSU awarded 1,550 bachelor's degrees during academic year 2006-07, the third lowest number of undergraduate degrees produced among the comprehensive universities that year. Between 1998 and 2007, the number of bachelor's degrees awarded at MuSU increased by 486 awards or 46 percent. The nominal increase in awards ranked third highest among the comprehensive universities for the period, and the percent increase was the largest proportionate gain (CPE Accountability Report).
- In 2006-07, MuSU's full-time retention rate ranked in the upper-middle quartile among a comparison group of similar master's degree-granting, public four-year universities in SREB states. That same year, the university's six-year bachelor's degree graduation rate ranked in the upper quartile, and its bachelor's degree production per 100 undergraduate FTE ranked in the upper-middle quartile (IPEDS data).

Funding Adequacy

- In 2007-08, MuSU's level of total public funds per full-time equivalent student was \$15,376, representing the second highest per student public funding level among Kentucky's comprehensive universities (CPE data).
- That same year, the university's net General Fund appropriation per FTE was \$6,448 and ranked third highest among the comprehensive universities (CPE data).
- In 2007-08, MuSU's gross tuition revenue as a percent of total public funds was 58.1 percent, third highest among the comprehensive universities (CPE data).
- Compared to similar master's degree-granting, public four-year universities in SREB states, MuSU's total public funds per FTE and its state appropriations per FTE ranked in the upper quartile. That same year, the university's student share of total public funds ranked in the upper-middle quartile relative to the comparison group (IPEDS data).

Council on Postsecondary Education
 Institutional Tuition Proposal Summary

Murray State University

1. Change in Annual Full-Time Tuition & Mandatory Fee Charges

<u>Category</u>	<u>Current 2007-08 Tuition & Mandatory Fee Charges</u>	<u>Proposed 2008-09 Tuition & Mandatory Fee Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$ 5,418	\$ 5,748	\$ 330	6.1%
Nonresident	14,718	15,612	894	6.1%
Nonresident Multiple	2.7	2.7		
Graduate				
Resident	6,156	6,525	369	6.0%
Nonresident	17,316	18,351	1,035	6.0%

2. Change in Gross Tuition & Mandatory Fee Revenue

	<u>Estimated 2007-08^a Gross Tuition & Mand. Fee Revenue</u>	<u>Estimated 2008-09^a Gross Tuition & Mand. Fee Revenue</u>	<u>Dollar Change</u>	<u>Percent Change</u>
	\$ 73,759,654	\$ 78,185,233	\$ 4,425,579	6.0%

3. Change in Full-Time Equivalent Enrollment

	<u>Estimated 2007-08^a FTE Enrollment</u>	<u>Estimated 2008-09^a FTE Enrollment</u>	<u>Number Change</u>	<u>Percent Change</u>
	8,847	8,845	(2)	0.0%

4. Support for Scholarships and Institution-Based Student Financial Aid Programs

-- Approximately 33 percent of new revenue generated from the 6 percent tuition increase will support MuSU merit-based and need-based financial aid programs. Although the majority of the aid will go to merit and other programs, additional funding will be set aside in MuSU's need-based Racer Advantage program.

a. Estimate provided by institution as part of the 2008-09 tuition and mandatory fee proposal.

5. Anticipated Uses of Proposed Tuition Revenue

\$50,000	Staff (hourly) compensation.
150,000	Minimum wage increase.
508,000	Salaries / flat \$400 per employee.
247,000	Equity adjustments, promotions, and awards.
274,000	Fringe benefits, FICA, and retirement.
621,000	Health insurance.
250,000	Utilities.
100,000	Women's athletics Title XI.
<u>\$398,000</u>	Other institutional priorities and fixed costs.
\$2,598,000	Total

6. Rationale for Tuition Increase

- The major impetus for the tuition rate increase was to offset a \$3,125,500 reduction in state appropriations. The decision to go with a 6 percent tuition increase resulted from a careful balancing of institutional needs and affordability and access concerns.

**Council on Postsecondary Education
May 9, 2008**

**2008-09 Tuition and Mandatory Fee Recommendation
Northern Kentucky University**

On April 25, Kentucky's public postsecondary institutions submitted tuition and mandatory fee proposals to the Council. The Budget and Finance Policy Group held tuition hearings on April 30 and May 1 to provide the institutions an opportunity to present their proposals. The policy group evaluated each institution's proposal on the basis of affordability, access, productivity, and funding adequacy. Upon approval by the full Council, the recommended rates will establish maximum tuition and mandatory fee charges that may be assessed to students enrolling at NKU during fall semester 2008, spring semester 2009, and summer term 2009.

ACTION: The Budget and Finance Policy Group recommends that the Council approve the following 2008-09 tuition and mandatory fee rates for Northern Kentucky University.

Recommended Tuition and Mandatory Fees

Undergraduate				
Resident	\$5,952	\$6,458	\$506	8.5%
Nonresident	10,776	11,952	1,176	10.9%
Nonresident Multiple	1.8	1.9		
Graduate				
Resident	8,088	8,856	768	9.5%
Nonresident	14,808	15,576	768	5.2%

Attachment A contains additional categories and rates for undergraduate resident and nonresident PACE Program students, graduate Metro nonresident students, online programs, and business, law, and education doctorate professional programs. The Budget and Finance Policy Group recommends approval of rates in these additional categories as proposed by the university.

Supporting Data

Affordability

- In 2007-08, annual resident undergraduate tuition and mandatory fees at NKU were \$5,952, representing the second highest rate among Kentucky's comprehensive universities. Between 2002-03 and 2007-08, the average annual rate of change in the university's resident undergraduate tuition and fees was 13.1 percent, the third highest annual increase among the comprehensive universities (CPE data).
- In 2007-08, NKU's total price of attendance for resident undergraduates living on campus was \$15,331, or second highest among the comprehensive universities. The five-year average annual rate of change in total price at NKU was 8.0 percent, the second lowest rate of increase among the comprehensives (IPEDS data).
- In 2005-06, the median net price of attendance at NKU among full-time, resident undergraduates who completed and filed a Free Application for Federal Student Aid (FAFSA) was \$9,655, representing the highest net price among the comprehensive universities (CPE Comprehensive Database). That same year, the median family income of students who completed a FAFSA was \$53,500, the highest median income of FAFSA filers among the comprehensives.
- Compared to similar master's degree-granting, public four-year universities in Southern Regional Education Board (SREB) states, NKU's tuition and required fees ranked at the 75th percentile in 2007-08, and its total price of attendance ranked just slightly above the median. That same year, the university's tuition and fees as a percent of state median family income ranked in the upper quartile of the comparison group (IPEDS data).

Access

- During fall semester 2007, total full-time equivalent enrollment at NKU was 11,502 or third highest among the comprehensive universities. The university's FTE enrollment increased by 2,426 students or 27 percent between fall semesters 1997 and 2007, representing the second largest nominal and percentage increases among the comprehensive universities (CPE data).

Productivity

- NKU's full-time retention rate (74 percent) was the highest among Kentucky's comprehensive universities in 2006. The university's retention rate increased by 11 percentage points between 2003 and 2006, representing the largest percentage point gain among the comprehensives for the period (IPEDS data).
- During academic year 2005-06, NKU's six-year graduation rate (40.1 percent) ranked third lowest among the comprehensive universities. Between 1997 and 2006, the university's graduation rate increased by 16.1 percentage points, from 24.0 percent to 40.1 percent. This increase was second highest among Kentucky's comprehensive universities (CPE Accountability Report).

- NKU awarded 1,624 bachelor's degrees during academic year 2006-07, the third highest number of undergraduate degrees produced among the comprehensive universities that year. Between 1998 and 2007, the number of bachelor's degrees awarded at NKU increased by 502 awards or 45 percent. Both the nominal and percent increases rank second among the comprehensive universities for the period (CPE Accountability Report).
- In 2006-07, NKU's full-time retention rate ranked near the 75th percentile among a comparison group of similar master's degree-granting, public four-year universities in SREB states. That same year the university's six-year bachelor's degree graduation rate ranked just below the median, and its bachelor's degree production per 100 undergraduate FTE ranked in the bottom quartile (IPEDS data).

Funding Adequacy

- In 2007-08, the amount of NKU's total public funds per full-time equivalent student was \$12,473, representing the lowest level of per student public funding among Kentucky's comprehensive universities (CPE data).
- That same year, the university's net General Fund appropriation per FTE of \$4,647 also ranked lowest among the comprehensive universities (CPE data).
- Due to the relatively low level of state support per FTE, NKU has relied more heavily on tuition and fee revenue to fund its operation. In 2007-08, the university's gross tuition and fee revenue as a percent of total public funds was 62.7 percent, highest among the comprehensive universities (CPE data).
- Compared to similar master's degree-granting, public four-year universities in SREB states, NKU's total public funds per FTE ranked in the upper-middle quartile, and its state appropriations per FTE were at the 25th percentile. That same year, the university's student share of total public funds ranked in the upper quartile relative to the comparison group (IPEDS data).

Council on Postsecondary Education
 Institutional Tuition Proposal Summary

Northern Kentucky University

1. Change in Annual Full-Time Tuition & Mandatory Fee Charges

<u>Category</u>	<u>Current 2007-08 Tuition & Mandatory Fee Charges</u>	<u>Proposed 2008-09 Tuition & Mandatory Fee Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$ 5,952	\$ 6,528	\$ 576	9.7%
Nonresident	10,776	11,952	1,176	10.9%
Nonresident Multiple	1.8	1.8		
Graduate				
Resident	8,088	8,856	768	9.5%
Nonresident	14,808	15,576	768	5.2%

2. Change in Gross Tuition & Mandatory Fee Revenue

<u>Estimated 2007-08^a Gross Tuition & Mand. Fee Revenue</u>	<u>Estimated 2008-09^a Gross Tuition & Mand. Fee Revenue</u>	<u>Dollar Change</u>	<u>Percent Change</u>
\$ 92,436,284	\$ 100,739,000	\$ 8,302,716	9.0%

3. Change in Full-Time Equivalent Enrollment

<u>Estimated 2007-08^a FTE Enrollment</u>	<u>Estimated 2008-09^a FTE Enrollment</u>	<u>Number Change</u>	<u>Percent Change</u>
11,967	12,016	49	0.4%

4. Support for Scholarships and Institution-Based Student Financial Aid Programs

-- NKU is increasing funding for scholarships and financial aid in 2008-09 by \$1.3 million. This is a 12 percent increase from 2007-08 funding. Highlights include: (a) a 15 percent increase in planned expenditures on need-based aid in 2008-09; (b) a continued commitment to the Northern Difference Grant Program to protect access for Pell Grant eligible students; (c) continued funding for the Holmes / Newport Grant program targeted at Pell eligible students in two urban high schools in NKU's region; and (d) a 29 percent increase in funding for the Educational Diversity Scholarships.

a. Estimate provided by institution as part of the 2008-09 tuition and mandatory fee proposal.

5. Anticipated Uses of Proposed Tuition Revenue (and internal reallocations)

\$1.30 Million	Scholarships and financial aid.
\$3.32 Million	New universitywide information system.
\$670,000	Fixed cost increases.
\$540,000	Student success and advising.
\$780,000	M&O for new Student Union.
\$2.3 Million	Debt service for new Student Union.
\$1.30 Million	M&O for Special Events Center.
\$1.26 Million	Additional faculty in high-demand areas.
<u>\$690,000</u>	Debt service for new parking garage.
\$5,840,218	Total (Net)

6. Rationale for Tuition Increase

- NKU engaged in a three-step process by looking first internally and raising tuition as a last resort: (1) maximize revenue from other sources; (2) cost containment, internal reallocations, and budget cuts; and (3) tuition setting. Once the university determined that it could not cut any further, decisions were made on tuition increases for next year.
- Given low levels of state funding relative to other comprehensive institutions in addition to the high costs of being in an urban environment, NKU cannot afford to jeopardize this source of funding (i.e., tuition revenue) and risk significant funding issues and a substantial compromise of quality.

**Council on Postsecondary Education
May 9, 2008**

**2008-09 Tuition and Mandatory Fee Recommendation
University of Kentucky**

On April 25, Kentucky's public postsecondary institutions submitted tuition and mandatory fee proposals to the Council. The Budget and Finance Policy Group held tuition hearings on April 30 and May 1 to provide the institutions an opportunity to present their proposals. The policy group evaluated each institution's proposal on the basis of affordability, access, productivity, and funding adequacy. Upon approval by the full Council, the recommended rates will establish maximum tuition and mandatory fee charges that may be assessed to students enrolling at UK during fall semester 2008, spring semester 2009, and summer term 2009.

ACTION: The Budget and Finance Policy Group recommends that the Council approve the following 2008-09 tuition and mandatory fee rates for the University of Kentucky.

Recommended Tuition and Mandatory Fees

<u>Rate Category</u>	<u>Current 2007-08 Tuition & Fees</u>	<u>Recommended 2008-09 Tuition & Fees</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate (Lower Division)				
Resident	\$ 7,096	\$ 7,736	\$ 640	9.0%
Nonresident	14,896	15,884	988	6.6%
Nonresident Multiple	2.1	2.1		
Undergraduate (Upper Division)				
Resident	7,302	7,960	658	9.0%
Nonresident	15,094	16,096	1,002	6.6%
Nonresident Multiple	2.1	2.0		
Graduate				
Resident	7,670	8,360	690	9.0%
Nonresident	16,158	17,228	1,070	6.6%

Attachment A contains additional categories and rates for graduate master's programs in business (MBA), diplomacy, physician assistant studies, radiological medical physics, and health physics; for professional programs in law, medicine, dentistry, and pharmacy; and for professional doctoral and doctorate of physical therapy programs. The Budget and Finance Policy Group recommends approval of rates for these additional categories as proposed by the university.

Supporting Data

Affordability

- In 2007-08, annual resident undergraduate tuition and mandatory fees at UK totaled \$7,199 (an average of the university's upper and lower division rates). Between 2002-03 and 2007-08, the average annual rate of change in the university's resident undergraduate tuition and fees was 12.6 percent (CPE data).
- In 2007-08, UK's total price of attendance for resident undergraduates living on campus was \$18,196. The five-year average annual rate of change in total price at UK was 8.6 percent (IPEDS data).
- In 2005-06, the median net price of attendance at UK among full-time, resident undergraduates who completed and filed a Free Application for Federal Student Aid (FAFSA) was \$10,781 (CPE Comprehensive Database). That same year, the median family income of UK students who completed a FAFSA was \$61,300. This means that, on average, students from this group paid about 18 percent of their reported family income to attend UK in 2005-06, the third highest proportion of family income paid among the state's public institutions (UofL at 28 percent was the highest, and KCTCS at 25 percent was the second highest).
- Compared to similar doctoral granting research universities around the country (i.e., research institutions with land grant missions and medical schools), UK's tuition and required fees and total price of attendance in 2007-08 both ranked slightly below the median, in the lower-middle quartile; and that same year, the university's tuition and fees as a percent of state median family income ranked at the 75th percentile (IPEDS data).

Access

- During fall semester 2007, full-time equivalent enrollment at UK was 23,430 and ranked highest among Kentucky public four-year universities. The university's FTE enrollment increased by 3,201 students or 16 percent between fall semesters 1997 and 2007, representing the second largest nominal increase among the public four-year universities (WKU was highest with 4,052) and the fourth highest percent increase (CPE data).
- UK's total full-time equivalent enrollment during fall semester 2006 ranked at the 25th percentile among a comparison group of similar doctoral granting research universities (research institutions with land grant missions and medical schools) around the nation (IPEDS data).

Productivity

- In 2006, UK's full-time retention rate was 78 percent and ranked highest (along with UofL) among Kentucky's public four-year universities. The university's retention rate increased by 1 percentage point between 2003 and 2006 (IPEDS data).
- During academic year 2005-06, UK's six-year graduation rate was 59.1 percent. Between 1997 and 2006, the university's graduation rate increased by 10.7 percentage points, from 48.4 percent to 59.1 percent (CPE Accountability Report).
- UK awarded 3,613 bachelor's degrees during academic year 2006-07. Between 1998 and 2007, the number of bachelor's degrees awarded at UK increased by 366 awards or 11 percent (CPE Accountability Report).
- In 2006-07, UK's full-time retention rates, six-year bachelor's degree graduation rates, and bachelor's degree production per 100 undergraduate FTE all ranked in the bottom quartile among a comparison group of similar doctoral-granting research universities around the nation (IPEDS data).
- Between fiscal years 1997 and 2005, the amount of federal R&D expenditures generated by UK faculty increased from \$62 million to \$143 million, or by 130 percent (NSF data). As a result of this increase, UK moved up in public university rankings of federal R&D expenditures from 45th to 40th between 1997 and 2004 (Center for Measuring University Performance data).
- UK's extramural R&D expenditures increased from \$83 million to \$215 million, or by 159 percent, between fiscal years 1997 and 2005 (NSF data).

Funding Adequacy

- In 2007-08, the amount of UK's total public funds per full-time equivalent student was \$24,158. Between fiscal years 1998 and 2008, the university's public funds per student increased at an average annual rate of 3.4 percent, the lowest level of growth among Kentucky's public four-year universities (CPE data).
- That same year, the university's net General Fund appropriation per FTE was \$13,787. Over the last ten years, UK's appropriations per student increased at an average annual rate of 0.8 percent per year, the lowest level of growth among the state's public four-year universities (CPE data).
- In 2007-08, the university's gross tuition revenue as a percent of total public funds was 42.9 percent and ranked second lowest among the public four-year universities (only KSU's was lower at 39.4). Between fiscal years 1998 and 2008, the university's student share of public funds increased from 26.4 percent to 42.9 percent (CPE data).
- Compared to similar doctoral-granting research universities around the nation (i.e., research institutions with land grant missions and medical schools), UK's state appropriations per FTE and total public funds per FTE ranked in the upper quartile in 2005-06, while its gross tuition revenue per FTE ranked at the median (IPEDS data).
- That same year, the university's student share of total public funds ranked in the bottom quartile relative to the comparison group (IPEDS data).

Council on Postsecondary Education
 Institutional Tuition Proposal Summary

University of Kentucky

1. Change in Annual Full-Time Tuition & Mandatory Fee Charges

<u>Category</u>	<u>Current 2007-08 Tuition & Mandatory Fee Charges</u>	<u>Proposed 2008-09 Tuition & Mandatory Fee Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$ 7,096	\$ 7,736	\$ 640	9.0%
Nonresident	14,896	15,884	988	6.6%
Nonresident Multiple	2.1	2.1		
Graduate				
Resident	7,670	8,360	690	9.0%
Nonresident	16,158	17,228	1,070	6.6%

2. Change in Gross Tuition & Mandatory Fee Revenue

<u>Estimated 2007-08^a Gross Tuition & Mand. Fee Revenue</u>	<u>Estimated 2008-09^a Gross Tuition & Mand. Fee Revenue</u>	<u>Dollar Change</u>	<u>Percent Change</u>
\$ 228,948,700	\$ 235,196,000	\$ 6,247,300	2.7%

3. Change in Full-Time Equivalent Enrollment

<u>Estimated 2007-08^a FTE Enrollment</u>	<u>Estimated 2008-09^a FTE Enrollment</u>	<u>Number Change</u>	<u>Percent Change</u>
23,485	23,485	-	0.0%

4. Support for Scholarships and Institution-Based Student Financial Aid Programs

-- Additional \$2.2M for undergraduate scholarships, additional \$1M from the General Assembly for the Robinson Scholars Program, and the new Catalyst Scholarships and UK One Year Grants which are both need-based.

a. Estimate provided by institution as part of the 2008-09 tuition and mandatory fee proposal.

5. Anticipated Uses of Proposed Tuition Revenue

- Fund salary increases, benefits cost increases, fixed cost increases, and investment in strategic priorities.
- Offset a \$20 million reduction in state operating funds.

Unrestricted General Fund Expenses

\$1,271,400	Faculty compensation market catch-up adjustments (effective 1/1/08).
1,111,800	"Fighting Fund" to retain faculty and research assistants.
446,200	Faculty promotions.
662,300	Health insurance benefits.
2,200,000	Scholarships.
1,146,700	Tuition revenue dedicated to colleges for enrollment expansion programs.
<u>2,589,700</u>	Operating expenses.
\$9,428,100	Total

6. Rationale for Tuition Increase

- A 3 percent reduction in state appropriations in the current fiscal year.
- A 3 percent budget cut in 2008-09 as part of the budget of the Commonwealth.
- Total \$20 million reduction in operating dollars.
- Fund fixed cost increases.
- A 9 percent increase in tuition and fee charges will generate approximately \$5.6 million.
- Internal reallocations and efficiencies will redirect \$4.8 million.
- President Todd has asked for \$14 million in operating cuts from UK's colleges and other units.

**Council on Postsecondary Education
May 9, 2008**

**2008-09 Tuition and Mandatory Fee Recommendation
University of Louisville**

On April 25, Kentucky's public postsecondary institutions submitted tuition and mandatory fee proposals to the Council. The Budget and Finance Policy Group held tuition hearings on April 30 and May 1 to provide the institutions an opportunity to present their proposals. The policy group evaluated each institution's proposal on the basis of affordability, access, productivity, and funding adequacy. Upon approval by the full Council, the recommended rates will establish maximum tuition and mandatory fee charges that may be assessed to students enrolling at UofL during fall semester 2008, spring semester 2009, and summer term 2009.

ACTION: The Budget and Finance Policy Group recommends that the Council approve the following 2008-09 tuition and mandatory fee rates for the University of Louisville.

Recommended Tuition and Mandatory Fees

<u>Rate Category</u>	<u>Current 2007-08 Tuition & Fees</u>	<u>Recommended 2008-09 Tuition & Fees</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$ 6,940	\$ 7,564	\$ 624	9.0%
Nonresident	17,734	18,354	620	3.5%
Nonresident Multiple	2.6	2.4		
Graduate				
Resident	7,528	8,206	678	9.0%
Nonresident	18,090	18,090	-	0.0%

Attachment A contains additional categories and rates for an English as a Second Language program; for graduate programs in business (Traditional MBA, MBA Cohort, Traditional Integrative MBA, and IMBA Cohort programs), accounting (Traditional Master of Accountancy), and education (Ed.D. Practitioner); and for professional programs in law, medicine, and dentistry. The Budget and Finance Policy Group recommends approval of rates for these additional categories as proposed by the university.

Supporting Data

Affordability

- In 2007-08, annual resident undergraduate tuition and mandatory fees at UofL totaled \$6,940. Between 2002-03 and 2007-08, the average annual rate of change in the university's resident undergraduate tuition and fees was 11.0 percent (CPE data).
- In 2007-08, UofL's total price of attendance for resident undergraduates living on campus was \$18,853. The five-year average annual rate of change in total price at UofL was 3.5 percent (IPEDS data).
- In 2005-06, the median net price of attendance at UofL among full-time, resident undergraduates who completed and filed a Free Application for Federal Student Aid (FAFSA) was \$14,115, the highest among Kentucky's public four-year universities (CPE Comprehensive Database). That same year, the median family income of UofL students who completed a FAFSA was \$50,200. This means that, on average, students from this group paid about 28 percent of their reported family income to attend UofL in 2005-06, the highest proportion of family income paid among Kentucky public postsecondary institutions (KCTCS at 25 percent was second highest).
- Compared to similar doctoral granting research universities (i.e., research institutions with medical schools, but without land grant missions) located in urban or semi-urban settings around the nation, UofL's tuition and required fees, total price of attendance, and tuition and fees as a percent of state median family income all ranked above the median in the upper-middle quartile in 2007-08 (IPEDS data).

Access

- During fall semester 2007, full-time equivalent enrollment at UofL was 17,214 and ranked second highest among Kentucky public four-year universities. The university's FTE enrollment increased by 1,913 students or 13 percent between fall semesters 1997 and 2007, representing the fourth largest nominal increase among the public four-year universities and the third lowest percent increase (CPE data).
- UofL's total full-time equivalent enrollment during fall semester 2006 was the lowest among a comparison group of similar doctoral granting research universities (i.e., research institutions with medical schools, but without land grant missions) located in urban or semi-urban settings around the nation (IPEDS data).

Productivity

- In 2006, UofL's full-time retention rate was 78 percent and ranked highest (along with UK) among Kentucky's public four-year universities (IPEDS data).
- During academic year 2005-06, UofL's six-year graduation rate was 40.6 percent. Between 1997 and 2006, the university's graduation rate increased by 12.3 percentage points, from 28.3 percent to 40.6 percent (CPE Accountability Report).
- UofL awarded 2,328 bachelor's degrees during academic year 2006-07. Between 1998 and 2007, the number of bachelor's degrees awarded at UofL increased by 634 awards or 37 percent (CPE Accountability Report).

- In 2006-07, UofL's full-time retention rate, six-year bachelor's degree graduation rate, and bachelor's degree production per 100 undergraduate FTE all ranked in the bottom quartile among a comparison group of similar doctoral-granting research universities located in urban or semi-urban settings around the nation (IPEDS data).
- Between fiscal years 1997 and 2005, the amount of federal R&D expenditures generated by UofL faculty increased from \$14 million to \$67 million, or by 396 percent (NSF data). As a result of this increase, UofL moved up in public university rankings of federal R&D expenditures from 119th to 87th between 1997 and 2004 (Center for Measuring University Performance data). During the seven-year period following Bucks for Brains program implementation, UofL posted one of the highest proportionate gains in federal R&D expenditures of any public university in the nation.
- UofL's extramural R&D expenditures increased from \$23 million to \$94 million, or by 309 percent, between fiscal years 1997 and 2005 (NSF data).

Funding Adequacy

- In 2007-08, the amount of UofL's total public funds per full-time equivalent student was \$19,392. Between fiscal years 1998 and 2008, the university's public funds per student increased at an average annual rate of 4.6 percent per year, the second lowest level of growth (UK was the lowest at 3.4 percent) among Kentucky's public four-year universities (CPE data).
- The university's net General Fund appropriation per FTE was \$9,499 in 2007-08. Over the last ten years, UofL's appropriations per student increased at an average annual rate of 1.4 percent per year, the second lowest level of growth (UK was the lowest at 0.8 percent) among the state's public four-year universities (CPE data).
- In 2007-08, UofL's gross tuition revenue as a percent of total public funds was 51.0 percent and ranked fifth highest in terms of student share among the public four-year universities. Between fiscal years 1998 and 2008, the university's student share of public funds increased from 33.2 percent to 51.0 percent (CPE data).
- Compared to similar doctoral-granting research universities (i.e., research institutions with medical schools, but without land grant missions) located in urban or semi-urban settings around the nation, UofL's state appropriations per FTE and total public funds per FTE were either at, or slightly above, the median in 2005-06 (IPEDS data).
- That same year, the university's student share of total public funds ranked slightly above the median relative to the comparison group (IPEDS data).

Council on Postsecondary Education
 Institutional Tuition Proposal Summary

University of Louisville

1. Change in Annual Full-Time Tuition & Mandatory Fee Charges

<u>Category</u>	<u>Current 2007-08 Tuition & Mandatory Fee Charges</u>	<u>Proposed 2008-09 Tuition & Mandatory Fee Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$ 6,940	\$ 7,564	\$ 624	9.0%
Nonresident	17,734	18,354	620	3.5%
Nonresident Multiple	2.6	2.4		
Graduate				
Resident	7,528	8,206	678	9.0%
Nonresident	18,090	18,090	-	0.0%

2. Change in Gross Tuition & Mandatory Fee Revenue

<u>Estimated 2007-08^a Gross Tuition & Mand. Fee Revenue</u>	<u>Estimated 2008-09^a Gross Tuition & Mand. Fee Revenue</u>	<u>Dollar Change</u>	<u>Percent Change</u>
\$ 171,875,295	\$ 173,630,600	\$ 1,755,305	1.0%

3. Change in Full-Time Equivalent Enrollment

<u>Estimated 2007-08^a FTE Enrollment</u>	<u>Estimated 2008-09^a FTE Enrollment</u>	<u>Number Change</u>	<u>Percent Change</u>
18,677	18,938	261	1.4%

4. Support for Scholarships and Institution-Based Student Financial Aid Programs

- Each year UofL budgets a financial aid escalator for institutional merit-based and need-based financial aid programs. This amount normally equals the same percentage as the tuition rate increase. For the FY 2008-09 operating budget that amount is \$3,324,600.
- UofL has budgeted \$850,000 of new institutional funds to cover the second year of implementation of the Cardinal Covenant Program.
- In a recent NCHEMS study, it was reported that UofL spends proportionately more on student financial aid from its General Fund than does its CPE-approved benchmark institutions.

a. Estimate provided by institution as part of the 2008-09 tuition and mandatory fee proposal.

5. Anticipated Uses of Proposed Tuition Revenue

\$2.4 Million	Inflationary/ fixed cost increases.
\$1.5 Million	Hire 20 new research faculty through Strategic Research Initiative program.
\$4.2 Million	Additional student financial aid.
unspecified	Operating costs for the Center for Predictive Medicine / Bio-Safety Lab III.
\$230,000	Additional graduate fellowships.
unspecified	Faculty and staff compensation.
unspecified	Increase in employee health insurance premiums.
<hr/>	
\$11,000,000	Total

6. Rationale for Tuition Increase

- To continue to move the university forward toward its strategic goals, both the internally set goals by the university board of trustees and other external stakeholders, including CPE.
- A secondary purpose is to replace, to the extent possible, funds cut by the state as part of the recently enacted budget of the Commonwealth.

**Council on Postsecondary Education
May 9, 2008**

**2008-09 Tuition and Mandatory Fee Recommendation
Western Kentucky University**

On April 25, Kentucky’s public postsecondary institutions submitted tuition and mandatory fee proposals to the Council. The Budget and Finance Policy Group held tuition hearings on April 30 and May 1 to provide the institutions an opportunity to present their proposals. The policy group evaluated each institution’s proposal on the basis of affordability, access, productivity, and funding adequacy. Upon approval by the full Council, the recommended rates will establish maximum tuition and mandatory fee charges that may be assessed to students enrolling at WKU during fall semester 2008, spring semester 2009, and summer term 2009.

ACTION: The Budget and Finance Policy Group recommends that the Council approve the following 2008-09 tuition and mandatory fee rates for Western Kentucky University.

Recommended Tuition and Mandatory Fees

Undergraduate				
Resident	\$6,416	\$6,930	\$514	8.0%
Nonresident	15,470	16,728	1,258	8.1%
Nonresident Multiple	2.4	2.4		
Graduate				
Resident	7,014	7,640	626	8.9%
Nonresident (Domestic)	7,678	8,360	682	8.9%

Attachment A contains additional categories and rates for undergraduate nonresident Incentive Program students, for graduate nonresident international students, distance learning programs, and a graduate business (Professional MBA) program. The Budget and Finance Policy Group recommends approval of rates for these additional categories as proposed by the university.

Supporting Data

Affordability

- In 2007-08, annual resident undergraduate tuition and mandatory fees at WKU totaled \$6,416, representing the highest rate among Kentucky's comprehensive universities. Between 2002-03 and 2007-08, the average annual rate of change in the university's resident undergraduate tuition and fees was 14.1 percent, the second highest annual increase among the comprehensive universities (CPE data).
- In 2007-08, WKU's total price of attendance for resident undergraduates living on campus was \$14,510, or third highest among the comprehensive universities. The five-year average annual rate of change in total price at WKU was 9.5 percent, the second highest rate of increase among the comprehensives (IPEDS data).
- In 2005-06, the median net price of attendance at WKU among full-time, resident undergraduates who completed and filed a Free Application for Federal Student Aid (FAFSA) was \$6,928, representing the second highest net price among the comprehensive universities (CPE Comprehensive Database). That same year, the median family income of students who completed a FAFSA was \$46,100, the second highest median income of FAFSA filers among the comprehensives.
- Compared to similar master's degree-granting, public four-year universities in Southern Regional Education Board (SREB) states, WKU's tuition and required fees ranked in the upper quartile in 2007-08, and its total price of attendance ranked just below the median. That same year, the university's tuition and fees as a percent of state median family income ranked in the upper quartile of the comparison group (IPEDS data).

Access

- During fall semester 2007, full-time equivalent enrollment at WKU was 15,762 and ranked highest among the comprehensive universities. The university's FTE enrollment increased by 4,052 students or 35 percent between fall semesters 1997 and 2007, representing the largest nominal and percentage increases among the comprehensive universities (CPE data).

Productivity

- In 2006, WKU's full-time retention rate was 72 percent, or third highest among Kentucky's comprehensive universities. The university's retention rate increased by 1 percentage point between 2003 and 2006 (IPEDS data).
- During academic year 2005-06, WKU's six-year graduation rate was 49.1 percent and ranked second highest among the comprehensive universities. Between 1997 and 2006, the university's graduation rate increased by 10.3 percentage points, from 38.8 percent to 49.1 percent. This increase was third highest among Kentucky's comprehensive universities (CPE Accountability Report).

- WKU awarded 2,383 bachelor's degrees during academic year 2006-07, by far the highest number of undergraduate degrees produced among the comprehensive universities that year. Between 1998 and 2007, the number of bachelor's degrees awarded at WKU increased by 667 awards or 39 percent. The nominal increase in awards ranks highest among the comprehensive universities for the period, while the proportionate increase ranks third highest (CPE Accountability Report).
- In 2006-07, WKU's full-time retention rate ranked just slightly above the median among a comparison group of similar master's degree-granting, public four-year universities in SREB states. That same year, the university's six-year bachelor's degree graduation rate ranked at the 75th percentile, and its bachelor's degree production per 100 undergraduate FTE ranked just slightly above the 25th percentile (IPEDS data).

Funding Adequacy

- In 2007-08, the amount of WKU's total public funds per full-time equivalent student was \$12,856, or second lowest among Kentucky's comprehensive universities (CPE data).
- That same year, the university's net General Fund appropriation per FTE of \$5,238 also ranked second lowest among the comprehensive universities (CPE data).
- Due to the relatively low level of state support per FTE, WKU has relied more heavily on tuition and fee revenue to fund its operation. In 2007-08, the university's gross tuition revenue as a percent of total public funds was 59.3 percent, second highest among the comprehensive universities (CPE data).
- Compared to similar master's degree-granting, public four-year universities in SREB states, WKU's total public funds per FTE ranked in the upper-middle quartile, and its state appropriations per FTE ranked in the lower-middle quartile. That same year, the university's student share of total public funds was at the 75th percentile relative to the comparison group (IPEDS data).

Council on Postsecondary Education
 Institutional Tuition Proposal Summary

Western Kentucky University

1. Change in Annual Full-Time Tuition & Mandatory Fee Charges

<u>Category</u>	<u>Current 2007-08 Tuition & Mandatory Fee Charges</u>	<u>Proposed 2008-09 Tuition & Mandatory Fee Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$ 6,416	\$ 6,984	\$ 568	9.0%
Nonresident	15,470	16,728	1,258	8.1%
Nonresident Multiple	2.4	2.4		
Graduate				
Resident	7,014	7,640	626	8.9%
Nonresident ¹	7,678	8,360	682	8.9%

¹ Domestic students.

2. Change in Gross Tuition & Mandatory Fee Revenue

<u>Estimated 2007-08^a Gross Tuition & Mand. Fee Revenue</u>	<u>Estimated 2008-09^a Gross Tuition & Mand. Fee Revenue</u>	<u>Dollar Change</u>	<u>Percent Change</u>
\$ 120,724,000	\$ 132,653,000	\$ 11,929,000	9.9%

3. Change in Full-Time Equivalent Enrollment

<u>Estimated 2007-08^a FTE Enrollment</u>	<u>Estimated 2008-09^a FTE Enrollment</u>	<u>Number Change</u>	<u>Percent Change</u>
15,452	15,452	-	0.0%

4. Support for Scholarships and Institution-Based Student Financial Aid Programs

- Institutionally funded scholarships and fellowships, which include full tuition and fees, will be increased to offset any increase in tuition and fees effective fall 2008. It is anticipated that the scholarships and grants-in-aid budgets will increase by over \$3.2 million.
- WKU identifies scholarships as merit-based even if recipients meet the Pell-eligible criteria. The only specific need-based scholarship at WKU is the Top It Off scholarship, which pays the shortfall between tuition, housing, and meals after all other sources of aid have been considered.

a. Estimate provided by institution as part of the 2008-09 tuition and mandatory fee proposal.

5. Anticipated Uses of Proposed Tuition Revenue

\$2,235,000	Unavoidable cost increases (e.g., KERS rates, utilities, contracts, insurance premiums).
6,478,000	Strategic initiatives (e.g., financial aid, library materials, faculty and staff compensation).
<u>151,000</u>	Other campus policies.
\$8,864,000	Total

6. Rationale for Tuition Increase

- The financial assumptions contained in WKU's Challenging the Spirit Strategic Plan are based on a 6 percent annual tuition increase and a 7.5 percent increase in state funding. Given the recurring 6 percent reduction in state appropriations, tuition rate increases greater than the plan's financial assumptions are absolutely necessary.
- None of the projected revenue from the 9 percent tuition increase is being used to offset the budget reduction. The entire projected increase in revenue is being allocated for strategic initiatives to move Kentucky forward, to drive academic quality, and to increase access, especially at WKU's extended campuses.

2008-09 Tuition & Mandatory Fee
Recommendations
For Kentucky Public Institutions



KENTUCKY COUNCIL ON
POSTSECONDARY EDUCATION



John C. Hayek, Ph.D.

Interim Vice President,

Finance

May 9, 2008

Tuition Policy

In times of austerity, HB1 goals, especially affordability and access, are even more important.

- Advance HB 1, Public Agenda, and Double the Numbers goals.
- Ensure college is affordable and accessible to all qualified Kentuckians.
- Encourage productive use of all revenue, including tuition and General Fund appropriations.
- Balance current economic conditions with need for adequate resources to achieve institutional and statewide priorities.
- Align tuition and financial aid policies to fulfill affordability commitments to students.

Process

The process did not include parameters; no one size fits all; balanced approach.

- Tuition Policy (February 1 and 26)—the tuition policy and process was discussed at the February 1 Budget and Finance Policy Group Meeting. The Council took action on the tuition policy and process at its February 26 meeting.
- Tuition Proposals (submitted April 25)—included each institution’s proposed rate, use of funds, investment in institutional financial aid, and potential consequences of not approving rates.
- Tuition Hearings (April 30 and May 1)—Presidents presented their tuition proposals to the Council’s Budget and Finance Policy Group.
- Action on Tuition Rates (May 9)—Council staff and policy group members evaluated each institution’s request and prepared recommendations informed by data related to tuition policy objectives.

Statewide Context

Three Council reports provide a statewide context for tuition setting.

- ***Double the Numbers: Kentucky's Plan to Increase College Graduates***

Enrollment must increase by 3.3% each year and degrees by 4.3% each year to 2020.

- ***Funding Our Future: Kentucky Postsecondary Education 2008-10 Budget Request***

Recommended base support and targeted new money to strategic priorities to advance *Double the Numbers*.

- ***2006-07 Accountability Report: Annual Progress Toward Meeting Postsecondary Education's 2020 Goals***

Highlights a major challenge in the area of affordability. Kentucky is losing ground on 3 of 4 indicators.

Historical Rates of Tuition Increases

Kentucky is no longer a low-tuition state, and is now above the national average.

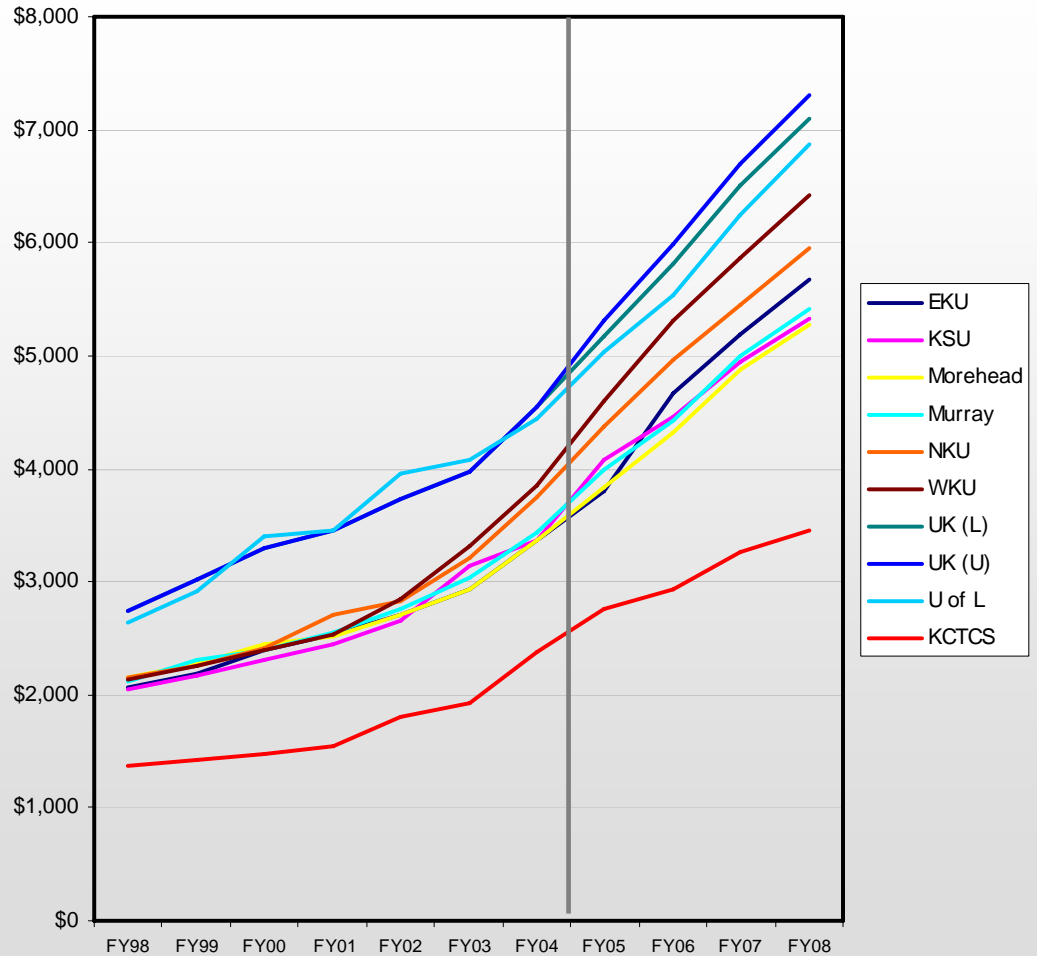
Institution	3-Yr. Avg. Increase	5-Yr. Avg. Increase	3-Yr. Nat'l Avg.	5-Yr Nat'l Avg.
EKU	14.6%	14.2%	6.6%	8.0%
KSU	9.2%	11.2%	6.6%	8.0%
MoSU	11.2%	12.5%	6.6%	8.0%
MuSU	10.8%	12.3%	6.6%	8.0%
NKU	10.9%	13.1%	6.6%	8.0%
WKU	11.8%	14.1%	6.6%	8.0%
UK	11.2%	12.3%	7.2%	8.5%
UofL	10.9%	11.0%	6.6%	8.0%
KCTCS	7.8%	12.4%	5.7%	7.1%

- Over the past 5 years, tuition in Kentucky has increased at about four times the rate of inflation.
- The average five-year increase in Kentucky median family income is only 2.9%, lower than the rate of inflation.

Tuition in Kentucky FY98 to FY08

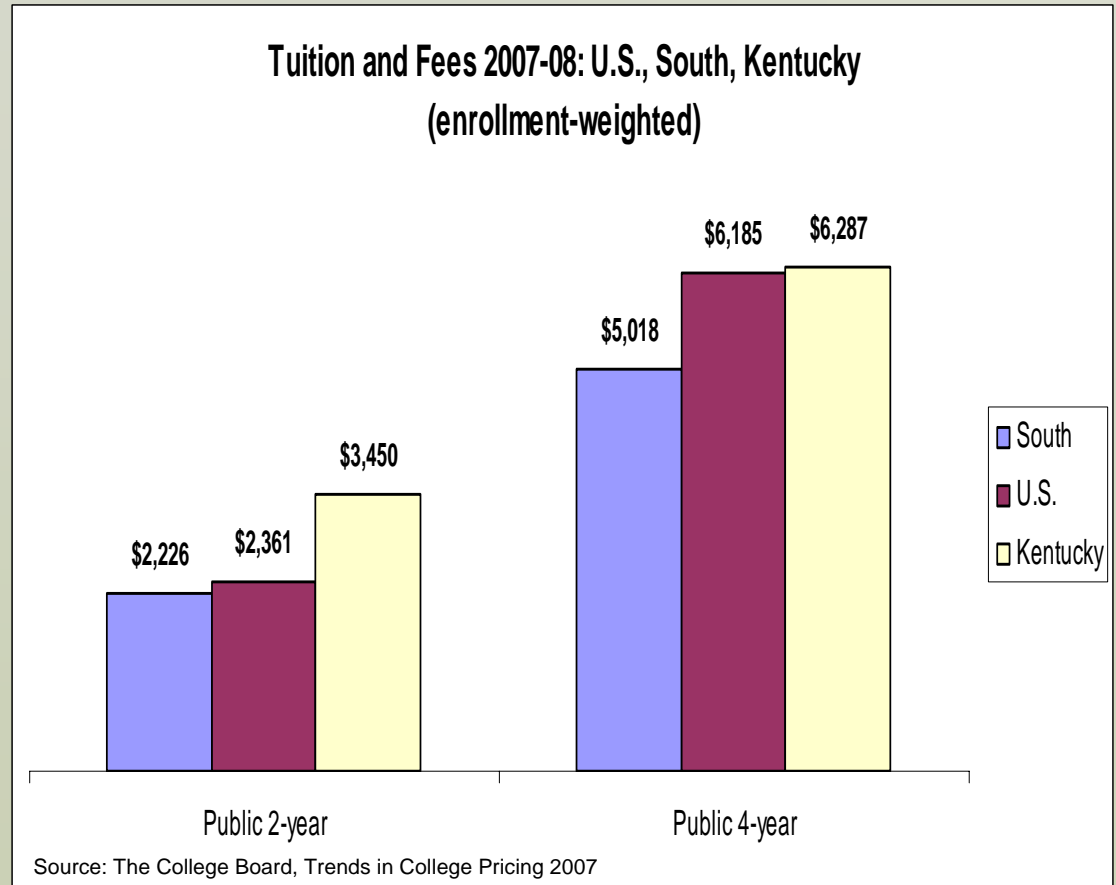
***Kentucky's
tuition rates
increased
between 150-
200% since
FY98.***

Kentucky Public Postsecondary Institutions
Resident Undergraduate Tuition Rates (FY98 to FY08)



Comparative Tuition and Fees, 2007-08

***KCTCS is now
56% higher than
South average,
while public 4-
years are 25%
higher.***



Affordability

The credit crisis in the student loan industry, as well as higher gas and food prices, are hurting families.

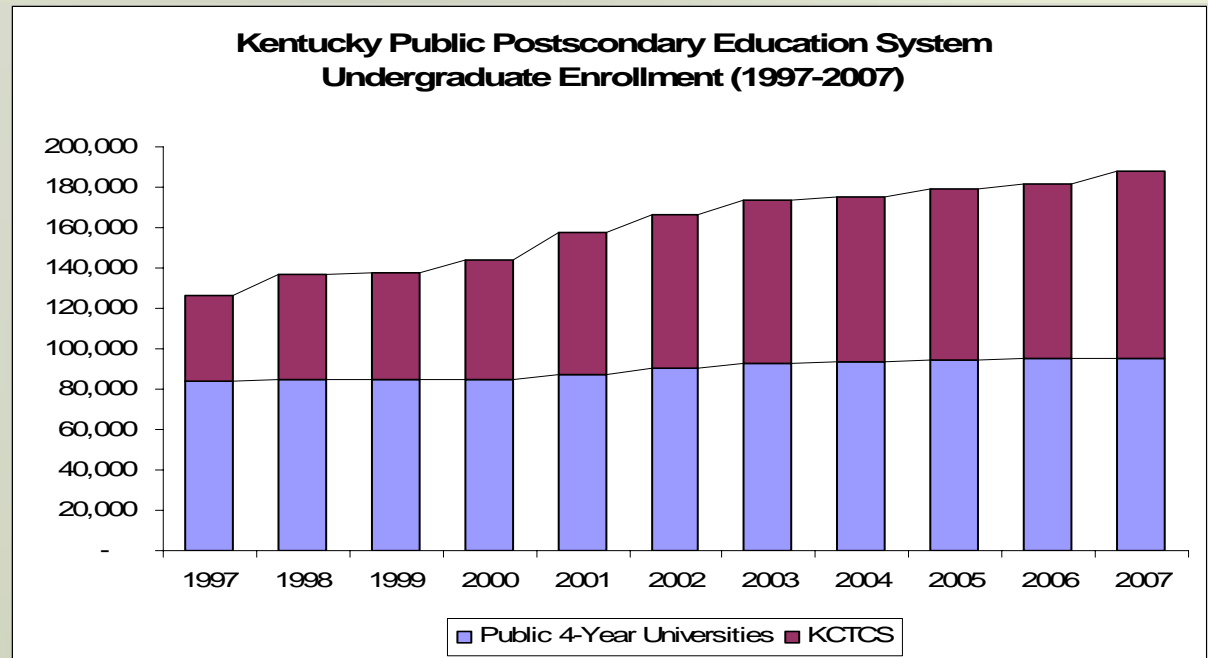
- Kentucky's families are devoting a larger share of their incomes to pay for college—nearly 26% at KCTCS and 30% at a public university, up 9% in both sectors since FY00.
- In 2006, Kentucky's poorest families (MFI of \$10,000) needed 24% of income to pay for one year of tuition at KCTCS.
- Other costs of attending college are also going up: living arrangements, food, books, transportation, health costs, and access to loans.
- Affordability data in 2004 concluded college in KY is mostly affordable for full-time students with pockets of need (low-income students and part-time learners).
- Affordability data in 2005-06 suggests increasing median net price, higher loans, and concerns for independent students and students not eligible for Pell.

Measuring Up – State Report Card

MU Affordability Indicator	Brief Definition	Ranking (out of 50)*				Trend
		2000	2002	2004	2006	
Family Ability to Pay – Community Colleges	Percent of Income (average of all income groups) needed to pay for college expenses (tuition, fees, room, and board) minus all federal, state, and institution financial aid (net cost of attendance).	2	8	14	33	↓
Family Ability to Pay – Public 4 Year Colleges		6	6	3	25	↓
Family Ability to Pay – Private 4 Year Colleges		8	7	18	26	↓
Low priced colleges	At lowest priced colleges (KCTCS), the share of income that the poorest families (lowest income quintile) need to pay for tuition and fees for fulltime residents.	25	26	36	38	↓
Need-based financial aid	State investment in need-based financial aid as compared to the federal investment (Pell Grant aid).	19	20	14	15	↑
Student borrowing	Average loan amount that undergraduate students borrow each year.	10	6	8	8	↔
40% of population with lowest income – Community Colleges	Average net price per average family income of 40% of the population with the lowest income.	7	7	18	33	↓
40% of population with lowest income – Public 4 Year Colleges		7	7	4	24	↓
40% of population with lowest income – Private 4 Year Colleges		8	8	17	25	↓

In general, Kentucky's state rankings on affordability weakened considerably from 2000 to 2006. Given increases in tuition and slow income growth, rankings will likely be worse when 2008 data are released.

Access



Enrollment growth has slowed considerably during the last five years of reform.

- During the first five years of reform, enrollment grew by 5.7% annually.
- During the last five years of reform, enrollment growth has slowed to 2.2% annually.
- From 2000 to 2003, FTE credit hours grew by 5% on average and slowed to .2% from 2004 to 2006.

Benefits of a More Productive System

Bachelor's degree production on average has increased by 4% over the last 3 years, just shy of DTN rate.

- Kentucky is producing more degrees now than prior to reform.
- The average six-year graduation rate at the public universities increased from 36.6% in FY98 to 46.7% in FY06.
- Data prepared by NCHEMS confirm that Kentucky institutions produce fewer degrees per 100 FTE than other similarly funded institutions.
- Approximately 25 states with equal or less funding produce a greater number of bachelor's degree per 100 FTE undergraduates.
- While additional tuition and General Fund revenue are needed to achieve the 2020 goals, the system must maximize current resources and become more productive.

2008-09 Tuition & Mandatory Fee
For Kentucky Public Institutions



KENTUCKY COUNCIL ON
POSTSECONDARY EDUCATION



**Budget and Finance policy
group Recommendations**

University of Kentucky



Undergraduate	Current 2007-08 Tuition/Fees	Recommended 2008-09 Tuition/Fees	Dollar Change	Percent Change
Resident	\$7,096	\$7,736	\$640	9.0%
Nonresident	\$14,896	\$15,884	\$988	6.6%

- UK has one of the most challenging HB 1 goals: to become a top 20 research university by the year 2020.
- Median net price as a percent of median income (\$61,300) is below 20%.
- Compared to similar research universities, UK's tuition and total cost of attendance rank slightly below the median.
- On average, enrollment, BA production (War on Attrition) and research continue to expand.
- Increasing academic quality will allow UK to raise nonresident tuition rates and eventually shift increases away from resident students.

University of Louisville

Undergraduate	Current 2007-08 Tuition/Fees	Recommended 2008-09 Tuition/Fees	Dollar Change	Percent Change
Resident	\$6,940	\$7,564	\$624	9.0%
Nonresident	\$17,734	\$18,354	\$620	3.5%

- UofL also has one of the most challenging HB 1 goals: to become a premier metropolitan research university by the year 2020.
- The median family income at UofL is \$50,200, the third highest among public universities.
- High median net price as a percent of family income supported with additional aid in recent years.
- Between 1998-2008, UofL had the second lowest growth in public funds per FTE, behind UK.
- 3-year average increase in BA production of 7.3%.
- Growth in extramural R&D expenditures from \$27.6 million in FY98 to \$94.3 million in FY05.

Eastern Kentucky University

Undergraduate	Current 2007-08 Tuition/Fees	Recommended 2008-09 Tuition/Fees	Dollar Change	Percent Change
Resident	\$5,682	\$6,080	\$398	7.0%
Nonresident	\$15,382	\$16,612	\$1,230	8.0%

- 5-year average annual tuition increase for EKU undergraduates is 14.2%, the highest among all universities during this period.
- Median income of enrolled students is \$37,800.
- Average annual 10-year increase in enrollment of .2% compared to 1.6% for the comprehensives.
- From 1997-2007, EKU increased undergraduate enrollment by 222 and the number of bachelor's degrees by 262.
- Total tuition revenue increase of 177% and total public funds increase of \$81 million between FY97 and FY07.



Kentucky State University



Undergraduate	Current 2007-08 Tuition/Fees	Recommended 2008-09 Tuition/Fees	Dollar Change	Percent Change
Resident	\$5,320	\$5,692	\$372	7.0%
Nonresident	\$12,490	\$13,490	\$1,000	8.0%

- 5-year annual increase in tuition of 11.2%.
- Though KSU has the second lowest tuition among comprehensive institutions, the total cost of attendance at \$15,870 ranks the highest.
- In 2007, KSU granted 33 fewer bachelor's degrees than it did in FY98. Graduation and retention rates are lower now than in FY98.
- KSU has increased its average enrollment over the last five years by 3.6%.
- Average loan indebtedness is \$33,560 for a bachelor's degree.

Morehead State University



Undergraduate	Current 2007-08 Tuition/Fees	Recommended 2008-09 Tuition/Fees	Dollar Change	Percent Change
Resident	\$5,280	\$5,670	\$390	7.4%
Nonresident	\$13,340	\$14,742	\$1,402	10.5%

- 5-year average increase in tuition of 12.5%.
- In FY08, Morehead's annual resident undergraduate tuition and fees was \$5,280, the lowest among comprehensive universities.
- Morehead's moving from a fixed full-time rate to charging by the per-credit hour.
 - Additional revenue, fewer drops, addresses affordability for part-time students.
- The weighted tuition increase Morehead proposed is about 5%.
- 5-year average increase in BA production of 3.5%.

Murray State University

Undergraduate	Current 2007-08 Tuition/Fees	Recommended 2008-09 Tuition/Fees	Dollar Change	Percent Change
Resident	\$5,418	\$5,748	\$330	6.1%
Nonresident	\$14,718	\$15,612	\$894	6.1%

- 5-year average increase in tuition of 12.3%.
- Focused on maintaining its “best value” status.
- At 56.2%, Murray has the highest graduation rate among the comprehensive universities and the second highest full-time retention rate at 73%.
- 10-year average increase in BA production of 4.6%, basically on track to achieve 2020 targets.
- Enrollment slowed in last 5 years, plan to ramp up by 2012.

Northern Kentucky University

Undergraduate	Current 2007-08 Tuition/Fees	Recommended 2008-09 Tuition/Fees	Dollar Change	Percent Change
Resident	\$5,952	\$6,458	\$506	8.5%
Nonresident	\$10,776	\$11,952	\$1,176	10.9%

- NKU 5-year average increase in tuition of 13.1%.
- Median net price of \$9,655 for full-time students, highest among the comps, partially offset by higher median family income in region (\$53,500).
- During the first 5 years of reform, NKU's enrollment increased on average by 2.8% per year; last 5 years of reform, annual increase of only .9%.
- NKU's 5-year average increase in BA production is 5.3%, on track for meeting 2020 targets.
- NKU has the lowest level of state support per FTE among the comprehensive universities.
- Leader in community engagement and outreach.

Western Kentucky University

Undergraduate	Current 2007-08 Tuition/Fees	Recommended 2008-09 Tuition/Fees	Dollar Change	Percent Change
Resident	\$6,416	\$6,930	\$514	8.0%
Nonresident	\$15,470	\$16,728	\$1,258	8.1%

- WKU 5-year average increase in tuition of 14.1%.
- WKU's tuition and fees last year were the highest among comprehensives, but the median family income is \$46,100, the second highest among comprehensive universities.
- Average growth in enrollment has slowed from 4.3% in first 5 years of reform to 1.6% in the last 5 years.
- WKU awards the most bachelor's degrees, has the second highest graduation rate, and has the largest percentage and nominal enrollment increases among comprehensive universities.



Kentucky Community & Technical College System

Undergraduate	Current 2007-08 Tuition/Fees	Recommended 2008-09 Tuition/Fees	Dollar Change	Percent Change
Resident	\$3,450	\$3,630	\$180	5.2%
Nonresident	\$10,350	\$11,700	\$1,350	13.0%

Note: Tuition and fee figures reflect KCTCS per credit hour rates multiplied by 30 semester hours.

- 5-year average increase in tuition of 12.4%.
- Cost was \$1,530 more in FY08 than in FY03.
- Kentucky has the highest average community college tuition among SREB states and ranks among the highest in the nation.
- Kentucky's median income ranks 11 out of 16 SREB states and 45th in the nation.
- Tuition represents almost a quarter of low-income family earnings.
- KCTCS achieved strong enrollment growth early in reform, but has slowed considerably.



Kentucky Community & Technical College System



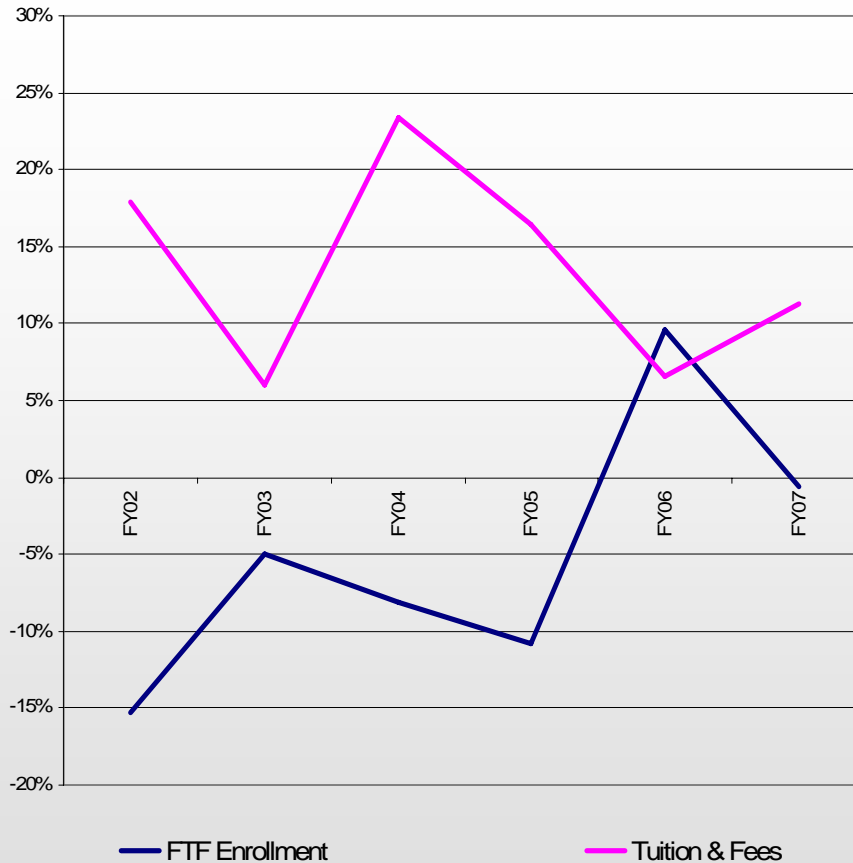
KCTCS Tuition Revenue Matrix	Tuition Increase		
Enrollment Increase	\$0	\$6	\$15
0%	\$0	\$7.6 M	\$18.9 M
3%	\$4.4 M	\$11.9 M	\$23.3 M
7%	\$10.2 M	\$17.8 M	\$29.1 M
13%	\$18.9 M	\$26.5 M	\$37.9 M

- KCTCS's tuition revenue matrix helped inform Council's budget recommendation for tuition freeze.
- Reinforces connection between increase in rate and increase in enrollment.
- KCTCS first-time, first-year enrollment has responded well in the last five years to lower increases in tuition.

Kentucky Community & Technical College System



Change in Tuition and First-Time, First-Year Enrollment
at KCTC (FY01 to FY07)



- An inverse relationship has developed at KCTCS between changes in tuition and first-time, first-year enrollment.

Thank You



John C. Hayek, Ph.D.

Interim Vice President,

Finance

May 9, 2008

**Council on Postsecondary Education
May 9, 2008**

**Western Kentucky University
Club Seating for Diddle Arena**

The following interim project recommendation will authorize Western Kentucky University to spend private money to add club seating in one of the mezzanine areas of Diddle Arena.

ACTION: The staff recommends that the Council approve the request of Western Kentucky University to use private funds to remove existing bench seating and add club seating in a mezzanine area of Diddle Arena. The estimated project cost is \$773,000 and is funded by The Hilltopper Athletic Foundation.

Western Kentucky University proposes to use private funds raised by The Hilltopper Athletic Foundation to remove existing bench seating and install club seating in one mezzanine area of Diddle Arena (\$773,000). The project requires interim authorization to allow the work to be completed in a timely manner. The project will result in an improvement to state-owned property with ownership of the improvements to accrue to the university upon completion of the project.

The Council has the statutory responsibility to review and approve postsecondary education capital projects costing \$600,000 or more, regardless of fund source, that have been approved by an institution's governing board. During the interim, capital projects are evaluated under the requirements established by KRS 45.760(14) and KRS 45.763. Since the estimated cost of this project exceeds the \$600,000 threshold, the Council and the Capital Projects and Bond Oversight Committee must approve the project before it is initiated. During the interim, capital projects are evaluated under the requirements established by KRS 45.760(14) and KRS 45.763.

This project will remove four rows of bench seats on one end of the mezzanine and add two rows of chairs and tables with a railing on a one foot riser. The new club seating section will have areas for standing as well as seating with amenities to include food and beverage stations and widescreen monitors. The project requires interim authorization to allow the university time to identify the best materials, properly design the facility, go through the project bid process, award a contract, and complete the work during late fall and winter. The project is scheduled to be completed by October/November 2008.

The project meets the requirement of KRS 45.760(14) that the source of funds is at least 50 percent federal or private. The university does not anticipate debt financing any portion of this project. The WKU Capital Project Management Division will implement the project and the university will pay the operations and maintenance.

Following Council approval, the staff will forward the Council's recommendation to the secretary of the Finance and Administration Cabinet and to the Capital Projects and Bond Oversight Committee.