

**COUNCIL ON POSTSECONDARY EDUCATION
FINANCE COMMITTEE MEETING**



March 21, 2023 - 1:00 p.m. EDT

Virtual Meeting - <https://cpe-ky-gov.zoom.us/j/89129396618>

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DRAFT MINUTES
Council on Postsecondary Education

Type: Finance Committee Meeting
Date: January 24, 2023
Time: 1:00 p.m. ET
Location: Virtual Meeting via ZOOM Webinar

CALL TO ORDER

The Finance Committee met Tuesday, January 24, 2023, at 1:00 p.m., ET. The meeting occurred virtually via ZOOM webinar. Chair Madison Silvert presided.

ATTENDANCE

Committee members in attendance: Jacob Brown, Kellie Ellis, Eric Farris, Madison Silvert and Elaine Walker.

Committee member not in attendance: Garrison Reed

Council member, CB Akins, also attended the meeting as a non-participating member.

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

APPROVAL OF THE MINUTES

The minutes of the September 13, 2022, Finance Committee meeting were approved as distributed.

2023-24 TUITION SETTING PROCESS

Mr. Shaun McKiernan, Executive Director of Finance and Budget, discussed the 2023-24 tuition-setting process, including a preliminary timeline and potential changes to the current Tuition and Mandatory Fee Policy. Staff answered questions from the Committee regarding:

- How the tuition setting process is impacted by any legislative measures

- The amount of data and reasoning provided by the institutions when they submit their rate requests
- Requirements and details on the various fees outlined in the current Tuition and Fee Policy.

The Committee members were requested to submit feedback or any requested changes of the policy to CPE staff by mid-February.

PERFORMANCE FUNDING MODEL REVIEW UPDATE

Dr. Bill Payne, CPE's Vice President for Finance and Administration, provided the Committee with a preview of the data and information that would be discussed at the first meeting of the Postsecondary Education Working Group on Performance Funding on January 25, 2023. Dr. Aaron Thompson, CPE President, discussed his role on the working group, how he is representing the state on this group, and his key priorities for review during the groups work.

ADJOURNMENT

The Finance Committee adjourned at 2:10 p.m., ET.

MINUTES REVIEWED AND APPROVED BY THE COMMITTEE: _____

TITLE: Tuition Policy and Timeline

RECOMMENDATION: Staff recommends that the Finance Committee endorse for full Council approval the attached *2023-24 Tuition and Mandatory Fee Policy*.

PRESENTERS: Bill Payne, Vice President for Finance and Administration, CPE
Shaun McKiernan, Executive Director for Finance and Budget, CPE

SUPPORTING INFORMATION

Every year, staff works with campus presidents, chief budget officers, and Council members to facilitate a review of the Council's Tuition and Mandatory Fee Policy and to make changes in the policy as needed. Staff also works with the aforementioned stakeholders to develop and finalize a timeline for the upcoming academic year that identifies target dates and planned activities related to the tuition setting process. Both of these documents provide a framework for establishing tuition and mandatory fees at the public postsecondary institutions in any given academic year.

Over the past several years, there have been some notable changes to the Tuition and Mandatory Fee Policy. For example, at the February 2, 2018 meeting, the Council approved an Asset Preservation Fee Exception Policy, which allows institutions to seek Council approval of fees that will not count toward Council approved tuition ceilings, provided revenue from such fees are used to support asset preservation projects.

In response to a request to allow institutions greater flexibility in terms of nonresident student pricing, on October 31, 2019, the Council approved an amended nonresident student tuition policy, which allows an institution to enter into a Memorandum of Understanding with the Council and charge nonresident students at a level where the average revenue generated from nonresident students falls below 130 percent of the published in-state student sticker price.

After consulting with campus presidents and chief budget officers, and after allowing sufficient time for input from Council members, CPE staff is not recommending any changes to the current tuition policy at this time. Therefore, staff recommends that the Finance Committee endorse for full Council approval the attached *2023-24 Tuition and Mandatory Fee Policy (Attachment A)*. Once approved by the full Council, this document

will facilitate the submission and assessment of campus tuition and fee proposals for academic year 2023-24.

A copy of a revised *2023-24 Tuition Setting Timeline* is provided for Council information in Attachment B.

Council Postsecondary Education Tuition and Mandatory Fee Policy

Academic Year 2023-24

The Council on Postsecondary Education is vested with authority under KRS 164.020 to determine tuition at public postsecondary education institutions in the Commonwealth of Kentucky. Kentucky's goals of increasing educational attainment, promoting research, assuring academic quality, and engaging in regional stewardship must be balanced with current needs, effective use of resources, and prevailing economic conditions. For the purposes of this policy, mandatory fees are included in the definition of tuition. During periods of relative austerity, the proper alignment of the state's limited financial resources requires increased attention to the goals of the *Kentucky Postsecondary Education Improvement Act of 1997* (HB 1) and the Strategic Agenda for Kentucky Postsecondary and Adult Education.

Fundamental Objectives

- Funding Adequacy

HB 1 states that Kentucky shall have a seamless, integrated system of postsecondary education, strategically planned and adequately funded to enhance economic development and quality of life. In discharging its responsibility to determine tuition, the Council, in collaboration with the institutions, seeks to balance the affordability of postsecondary education for Kentucky's citizens with the institutional funding necessary to accomplish the goals of HB 1 and the Strategic Agenda.

- Shared Benefits and Responsibility

Postsecondary education attainment benefits the public at large in the form of a strong economy and an informed citizenry, and it benefits individuals through elevated quality of life, broadened career opportunities, and increased lifetime earnings. The Council and the institutions believe that funding postsecondary education is a shared responsibility of state and federal governments, students and families, and postsecondary education institutions.

- Affordability and Access

Since broad educational attainment is essential to a vibrant state economy and to intellectual, cultural, and political vitality, the Commonwealth of Kentucky seeks to ensure that postsecondary education is broadly accessible to its citizens. The Council and the institutions are committed to ensuring that college is affordable and accessible to all academically qualified Kentuckians with particular emphasis on adult learners, part-time students, minority students, and students from low- and moderate-income backgrounds.

The Council believes that no citizen of the Commonwealth who has the drive and ability to succeed should be denied access to postsecondary education in Kentucky because of inability to pay. Access should be provided through a reasonable combination of savings, family contributions, work, and financial aid, including grants and loans.

In developing a tuition and mandatory fees recommendation, the Council and the institutions shall work collaboratively and pay careful attention to balancing the cost of attendance—including tuition and mandatory fees, room and board, books, and other direct and indirect costs—with students' ability to pay by taking into account (1) students' family and individual income; (2) federal, state, and institutional scholarships and grants; (3) students' and parents' reliance on loans; (4) access to all postsecondary education alternatives; and (5) the need to enroll and graduate more students.

- **Effective Use of Resources**

Kentucky's postsecondary education system is committed to using the financial resources invested in it as effectively and productively as possible to advance the goals of HB 1 and the Strategic Agenda, including undergraduate and graduate education, engagement and outreach, research, and economic development initiatives. The colleges and universities seek to ensure that every dollar available to them is invested in areas that maximize results and outcomes most beneficial to the Commonwealth and its regions. It is anticipated that enactment of Senate Bill 153, the *Postsecondary Education Performance Funding Bill*, during the 2017 legislative session will provide ongoing incentives for increased efficiency and productivity within Kentucky's public postsecondary system. The Council's Strategic Agenda and funding model metrics will be used to monitor progress toward attainment of both statewide and institutional HB 1 and Strategic Agenda goals.

- **Attracting and Importing Talent to Kentucky**

It is unlikely that Kentucky can reach its 2030 postsecondary education attainment goal by focusing on Kentucky residents alone. The Council and the institutions are committed to making Kentucky institutions financially attractive to nonresident students, while recognizing that nonresident undergraduate students should pay a significantly larger proportion of the cost of their education than do resident students. Tuition reciprocity agreements, which provide low-cost access to out-of-state institutions for Kentucky students that live near the borders of other states, also serve to attract students from surrounding states to Kentucky's colleges and universities.

A copy of the Council's nonresident student tuition and mandatory fee policy is contained in the paragraphs below. Going forward, Council staff will periodically review and evaluate the policy to determine its impact on attracting and retaining students that enhance diversity and the state's competitiveness.

Nonresident Student Tuition and Fees

The Council and the institutions believe that nonresident students should pay a larger share of their educational costs than do resident students. As such, published tuition

and fee levels adopted for nonresident students shall be higher than the prices for resident students enrolled in comparable programs of study.

In addition, every institution shall manage its tuition and fee rate structures, price discounting, and scholarship aid for out-of-state students, such that in any given year, the average net tuition and fee revenue generated per nonresident undergraduate student equals or exceeds 130% of the annual full-time tuition and fee charge assessed to resident undergraduate students (i.e., the published in-state sticker price). As part of the tuition and fee setting process, staff shall monitor and report annually to the Council regarding compliance with this requirement.

The Council acknowledges that in some instances increasing nonresident student enrollment benefits both the Commonwealth and the institution. For this reason, exceptions to the 130% threshold may be requested through a Memorandum of Understanding (MOU) process and will be evaluated on a case-by-case basis by the Council. The main objective of the MOU process is to clearly delineate goals and strategies embedded in enrollment management plans that advance the unique missions of requesting institutions.

Special Use Fee Exception Policy

During the 2010-11 tuition setting process, campus officials requested that the Council consider excluding student-endorsed fees from its mandatory fee definition, thus omitting consideration of such fees when assessing institutional compliance with Council approved tuition and fee rate ceilings. Based on feedback received from institutional Chief Budget Officers (CBOs) at their December 2010 meeting, it was determined that there was general interest in treating student-endorsed fees differently from other mandatory fees.

In January and February 2011, Council staff collaborated with institutional presidents, CBOs, and their staffs in developing the following Special Use Fee Exception Policy:

- To the extent that students attending a Kentucky public college or university have deliberated, voted on, and requested that their institution's governing board implement a special use fee for the purposes of constructing and operating and maintaining a new facility, or renovating an existing facility, that supports student activities and services;
- And recognizing that absent any exemption, such student-endorsed fees, when implemented in the same year that the Council adopts tuition and fee rate ceilings, would reduce the amount of additional unrestricted tuition and fee revenue available for an institution to support its E&G operation;
- The Council may elect to award an exemption to its tuition and fee rate ceiling equivalent to all or a portion of the percentage increase resulting from imposition of the student-endorsed fee, provided said fee meets certain eligibility requirements.

Definitions

A student-endorsed fee is a mandatory flat-rate fee that has been broadly discussed, voted on, and requested by students and adopted by an institution's governing board, the revenue from which may be used to pay debt service and operations and maintenance expenses on new facilities, or capital renewal and replacement costs on existing facilities and equipment that support student activities and services, such as student unions, fitness centers, recreation complexes, health clinics, and/or tutoring centers.

Maintenance and Operations (M&O) expenses are costs incurred for the administration, supervision, operation, maintenance, preservation, and protection of a facility. Examples of M&O expenses include janitorial services, utilities, care of grounds, security, environmental safety, routine repair, maintenance, replacement of furniture and equipment, and property and facility planning and management.

Eligibility Criteria

A student-endorsed fee will continue to be a mandatory fee within the context of the Council's current mandatory fee definition and may qualify for an exemption from Council approved tuition and fee rate ceilings. Campus officials and students requesting an exemption under this policy must be able to demonstrate that:

- All enrolled students have been afforded ample opportunity to be informed, voice their opinions, and participate in the decision to endorse a proposed fee. Specifically, it must be shown that fee details have been widely disseminated, broadly discussed, voted on while school is in session, and requested by students.
- For purposes of this policy, voted on means attaining:
 - a) a simple majority vote via campus-wide referendum, with a minimum of one-quarter of currently enrolled students casting ballots;
 - b) a three-quarters vote of elected student government representatives; or
 - c) a simple majority vote via campus-wide referendum, conducted in conjunction and coinciding with the general election of a student government president or student representative to a campus board of regents or board of trustees.
- The proposed fee and intended exemption request have been presented to, and adopted by, the requesting institution's governing board. It is anticipated that elected student government representatives will actively participate in board presentations.
- Revenue from such fees will be used to pay debt service and M&O expenses on new facilities, or capital renewal and replacement costs on existing facilities and equipment that support student activities and services, such as student unions, fitness centers, recreation complexes, health clinics, and/or tutoring centers. The Council expects these uses to be fully explained to students prior to any votes endorsing a fee.

- In any given year, the impact of a student-endorsed fee on the overall increase in tuition and mandatory fees for students and their families will be reasonable. It may be appropriate to phase in the exemption over multiple years to maintain affordability and access.
- Requests for student-endorsed exemptions are infrequent events. The Council does not expect requests for exemptions under this policy to occur with undue frequency from any single institution and reserves the right to deny requests that by their sheer number are deemed excessive.
- A plan is in place for the eventual reduction or elimination of the fee upon debt retirement, and details of that plan have been shared with students. The Council does not expect a fee that qualifies for an exemption under this policy to be assessed at full rate in perpetuity. Such fees should either terminate upon completion of the debt or, in the case of new facilities, may continue at a reduced rate to defray ongoing M&O costs. In either case, to qualify for an exemption, students should be fully aware of the extent of their obligation prior to any votes endorsing a fee.

Exemption Process

Requests for an exemption under this policy will be evaluated on a case-by-case basis. To initiate the process:

- The requesting institution will notify Council staff of any pending discussions, open forums, referendums, or student government actions pertaining to a proposed special use fee and discuss fee details with Council staff as needed.
- After a fee has been endorsed by student referendum or through student government action and approved by the institution's governing board, campus officials and students will submit a written exemption request to the Council for its consideration.
- Council staff will review the request, assess whether or not the proposed fee qualifies for an exemption, and make a recommendation to the Council.

To facilitate the exemption request process, requesting institutions and students are required to provide the Council with the following information:

- Documents certifying that the specific project and proposed fee details have been widely disseminated, broadly discussed, voted on, and requested by students, as well as adopted by the institution's governing board.
- Documents specifying the fee amount, revenue estimates, uses of revenue, impact on tuition and fees during the year imposed (i.e., percentage points above the ceiling), and number of years the fee will be in place.

- Documents identifying the project's scope, time frame for completion, debt payment schedule, and plan for the eventual reduction or elimination of the fee upon debt retirement.

Asset Preservation Fee Exception Policy

During the 2017-18 tuition setting process, campus officials asked if the Council would consider allowing institutions to assess a new student fee, dedicated to supporting expenditures for asset preservation and renovation projects, that would be treated as being outside the tuition and fee caps set annually by the Council. Staff responded that it was too late in the process to allow for a full vetting of a proposed change to the Council's Tuition and Mandatory Fee Policy prior to the Council adopting tuition ceilings at the March 31, 2017 meeting. In addition, staff wanted to explore the possibility of adopting a system-wide asset preservation fee that would benefit and address asset preservation needs at every public postsecondary institution.

In August 2017, staff determined that there was general interest among campus officials to pursue a change in tuition policy that would allow each institution the option to implement a student fee for asset preservation, if its administrators and governing board chose to do so, that would be exempted from Council approved tuition and fee ceilings. In September and October, Council staff worked with campus presidents, chief budget officers, and Budget Development Work Group members to develop the Asset Preservation Fee Exception Policy described below.

- Given that in 2007, Council and postsecondary institution staffs contracted with Vanderweil Facilities Advisors, Inc. (VFA) and Paulien and Associates to conduct a comprehensive assessment of Kentucky's public postsecondary education facilities to determine both system and individual campus needs for new and expanded space, asset preservation and renovation, and fit-for-use capital projects;
- Given that in 2013, VFA adjusted the data from its 2007 study to account for continuing aging of postsecondary facilities and rising construction costs, and projected that the cumulative need for asset preservation and fit-for-use expenditure would grow to \$7.3 billion within the 2017 to 2021 timeframe;
- Given that over the past five biennia, 2008-10 through 2016-18, the Commonwealth of Kentucky has appropriated a total of \$262.0 million for its public colleges and universities to address asset preservation and renovation and fit-for-use projects, representing about 3.6% of the total cumulative need identified by VFA;
- Given that in late summer 2017, the Council and postsecondary institutions concluded that one reasonable course of action to begin to address the overwhelming asset preservation and renovation and fit-for-use needs was through sizable and sustained investment in existing postsecondary facilities, which could be accomplished through a cost sharing arrangement involving the state, postsecondary institutions, and students and families;

- Given that the best way to ensure the ongoing commitment and participation of students and families in a cost-sharing partnership to address asset preservation and renovation needs is through the implementation of an optional dedicated student fee;
- Given that such an asset preservation fee, when implemented in the same year that the Council adopts a tuition and fee rate ceiling, would reduce the amount of additional unrestricted tuition and fee revenue available for an institution to support its E&G operation;
- The Council may elect to award an exemption to its tuition and fee rate ceiling of up to \$10.⁰⁰ per credit hour at the public universities, capped at 15 credit hours per semester for undergraduate students, for a dedicated student fee that supports asset preservation and renovation projects related to the instructional mission of the institution;
- The Council may elect to award an exemption to its tuition and fee rate ceiling of up to \$5.00 per credit hour at KCTCS institutions, capped at 15 credit hours per semester, for a dedicated student fee that supports asset preservation and renovation projects related to the instructional mission of the institution.

Definition

An asset preservation fee is a mandatory, flat-rate fee that has been approved by an institution's governing board, the revenue from which shall either be expended upon collection on asset preservation and renovation and fit-for-use capital projects or used to pay debt service on agency bonds issued to finance such projects, that support the instructional mission of the institution. Thus, by definition, fee revenue and bond proceeds derived from such fees shall be restricted funds for the purposes of financing asset preservation and renovation projects. As a mandatory fee, an asset preservation fee may be assessed to students regardless of degree level or program or full-time or part-time status.

Eligibility Criteria

An asset preservation fee may qualify for an exemption from Council approved tuition and fee rate ceilings, provided the following criteria are met:

- The proposed asset preservation project(s) and related fee shall be approved by the requesting institution's governing board.
- Revenue from the fee may either be expended upon collection on asset preservation and renovation or fit-for-use projects, accumulated to meet a specific project's scope, or used to pay debt service on agency bonds or other instruments used to finance such projects.
- Both the direct expenditure of fee revenue and the expenditure of agency bond funds generated by the fee may be used to meet matching requirements on state

bond funds issued for asset preservation projects. In previous biennia, state leaders have required a dollar-for-dollar institutional match on state-funded asset preservation pools.

- In any given academic year, the impact of implementing an asset preservation fee, when combined with a tuition and fee increase supporting campus operations, will be reasonable for Kentucky students and families. For the purposes of this policy exemption, the Council shall determine whether a proposed asset preservation fee, in combination with a tuition and fee increase allowed under a Council-approved tuition ceiling, is reasonable. This assessment will be made within the context of state economic and budgetary conditions, institutional resource needs, and affordability concerns at the time.
- Depending on the outcome of the aforementioned assessment, it may be appropriate to phase in a requested fee over multiple years to maintain affordability and access.
- The Council does not expect a fee that qualifies for an exemption under this policy to remain in effect in perpetuity. To be eligible for an exemption, the requesting institution must have a plan in place for the eventual elimination of a proposed asset preservation fee within 25 years of its initial implementation date.

Exemption Process

The Council will evaluate requests for a fee exemption under this policy on a case-by-case basis. To initiate the process:

- An institution's governing board must approve the proposed asset preservation project(s) and related student fee.
- Campus officials must submit to the Council a copy of that board approval, along with a written request to exempt the asset preservation fee from Council tuition and fee ceilings.
- Council staff will review the request, assess whether or not the proposed project(s) and related fee qualify for an exemption, and make a recommendation to the Council.

To facilitate the exemption-request review process, a requesting institution shall provide the Council with the following information:

- Documents certifying that the specific asset preservation project(s) financed and proposed fee details have been approved by the institution's governing board.
- Documents specifying the fee amount, anticipated implementation date, revenue projections, uses of revenue, number of years the fee will be in place, and impact on tuition in year imposed (i.e., percentage points above ceiling).

- Documents identifying the project's scope, its timeframe for completion, debt payment schedule, and plan for the eventual elimination of the fee upon debt retirement.

Periodic Reporting

- Upon request by the Council, the postsecondary institutions will provide documentation certifying the date an asset preservation fee was implemented, annual amounts of fee revenue generated to date, uses of fee revenue, the amount of fee revenue or agency bond funds used to meet state matching requirements on asset preservation project appropriations, and the number of years the fee will remain in place.

Ongoing Usage

- Once an Asset Preservation Fee is approved by the Council, revenue generated from the fee may be used for ongoing asset preservation, renovation and fit-for-use projects with institutional board approval.
- Asset preservation, renovation and fit-for-use project(s) financed with asset preservation fee revenue shall comply with all statutory requirements pertaining to the approval of capital projects (KRS 45.750, KRS 45.763, KRS 164.020 (11) (a), KRS 164A.575).

Council on Postsecondary Education 2023-24 Tuition Setting Timeline

- Dec – Jan Council staff will work with campus chief budget officers (CBOs) to identify any proposed changes to the Council’s current 2022-23 Tuition and Mandatory Fee Policy and to develop a Preliminary 2023-24 Tuition Setting Timeline.
- Jan 11, 2023 Presidents’ Meeting – Council staff will share the current 2022-23 Tuition and Mandatory Fee Policy and Preliminary 2023-24 Tuition Setting Timeline with campus presidents and potential changes will be discussed.
- Jan 17, 2023 CBO Meeting – Council staff and CBOs will review and discuss proposed changes to the tuition and fee policy and preliminary timeline.
-  Jan 24, 2023 Finance Committee Meeting – Council staff will share the current 2022-23 Tuition and Mandatory Fee Policy and Preliminary 2023-24 Tuition Setting Timeline with committee members and potential changes will be discussed.
- Jan 27, 2023 **CPE Meeting** – The Chair of the Finance Committee will update the Council regarding any potential changes to the current 2022-23 Tuition and Mandatory Fee Policy and will share the Preliminary 2023-24 Tuition Setting Timeline.
- Feb – Mar Council staff will identify key issues that could impact the 2023-24 tuition-setting cycle and update policy relevant data in the areas of funding adequacy, shared benefits and responsibility, affordability and access, effective use of resources, and attracting and importing talent. Campus officials will collect and submit data on fixed cost increases, tuition and fee revenue estimates, potential impacts of a tuition increase, anticipated uses of tuition and fee revenue, and budgeted student financial aid expenditures.
- Feb 1, 2023 Presidents’ Meeting – Council staff will share any proposed changes to the current 2022-23 Tuition and Mandatory Fee Policy and will finalize the 2023-24 Tuition Setting Timeline with campus presidents.
- Feb 15, 2023 CBO Meeting — Council staff and campus CBOs will review and discuss key issues and other policy relevant data that could impact the 2023-24 tuition-setting cycle and will begin discussing proposed tuition and mandatory fee ceilings for academic year 2023-24.
- Feb 22, 2023 **Deadline** for campus submission of fixed cost and tuition revenue data.
- Feb 22, 2023 CBO Meeting – Council staff and campus CBOs will review key issues and other policy relevant data, discuss proposed tuition and fee ceilings for academic year 2023-24, and finalize proposed changes to the Council’s Tuition and Mandatory Fee Policy.

- Mar 1, 2023 Presidents' Meeting – Council staff and campus presidents will review key issues and other policy relevant data, finalize tuition and fee ceiling recommendation for academic year 2023-24, and finalize proposed changes to the Council's Tuition and Mandatory Fee Policy (this meeting was cancelled by the presidents).
-  Mar 21, 2023 Finance Committee Meeting – Council staff will present the 2023-24 Tuition and Mandatory Fee Policy and recommended 2023-24 tuition and mandatory fee ceilings for committee review and action.
- Mar 31, 2023 **CPE Meeting** – The Finance Committee Chair will present the 2023-24 Tuition and Mandatory Fee Policy and recommended 2023-24 tuition and mandatory fee ceilings for Council action.
- Apr 5, 2023 Presidents' Meeting – If needed, Council staff and campus presidents will debrief regarding the Council's approved 2023-24 tuition and fee parameters.
- Apr – May Campus officials will submit to the Council proposed tuition and mandatory fee rates for all categories students, including rates by degree level (undergraduate and graduate), residency (in-state and out-of-state), and attendance status (full-time and part-time). The Council president will keep Council members updated regarding campus rate proposals.
- May 3, 2023 Presidents' Meeting – Council staff will remind the presidents of an approaching deadline for submitting campus tuition and fee rate proposals.
- May 19, 2023 **Deadline** for submitting campus tuition and fee rate proposals to the Council.
-  June 6, 2023 Finance Committee Meeting – Council staff will present campus tuition and mandatory fee rate proposals for committee review and action.
- Jun 9, 2023 **CPE Meeting** – The Finance Committee Chair will present campus 2023-24 tuition and fee rate proposals for Council action.



Tuition Policy and Timeline

Tuition Policy and Timeline

Supporting Information

➤ Tuition Policy

- Every year, staff works with campus officials to review and make changes to the *Tuition and Mandatory Fee Policy*, as needed
- In recent years, there have been some notable changes:
 - the addition of an *Asset Preservation Fee Exception Policy*
 - a change in the nonresident student tuition policy that allows institutions to charge below 130% of the resident rate (with MOU)
- Staff is not recommending changes to the tuition policy at this time
- Once approved, the policy will provide a framework for establishing tuition and fee charges and evaluating campus tuition proposals

Tuition Policy and Timeline

Supporting Information (Cont'd)

➤ Tuition Setting Timeline

- Staff also works with campus officials to develop a timeline that identifies target dates and planned activities for the upcoming year
- A copy of the *2023-24 Tuition Setting Timeline* is provided in the agenda materials for this meeting (Attachment B)
- Remaining red letter dates include:
 - 03-31-23 Council approves tuition policy and rate ceilings
 - 05-19-23 Deadline for institutions to submit tuition proposals
 - 06-06-23 Finance Committee endorses campus rate proposals
 - 06-09-23 Council approves campus rate proposals

Tuition Policy and Timeline

Staff Recommendation

- Staff recommends that the Finance Committee endorse for full Council approval the *2023-24 Tuition and Mandatory Fee Policy*, which is unchanged from the current-year version
- A copy of the policy is provided in the agenda materials for this meeting (Attachment A)
- Action is not required for the *2023-24 Tuition Setting Timeline*

TITLE: Tuition and Mandatory Fee Recommendation for Academic Years 2023-24 and 2024-25

RECOMMENDATION: Staff recommends that the Finance Committee approve, and endorse to the full Council at their March 31, 2023, meeting, resident undergraduate tuition and mandatory fee ceilings for academic years 2023-24 and 2024-25 that equate to:

- A maximum base rate increase of no more than 5.0 percent over two years, and a maximum increase of no more than 3.0 percent in any one year, for public research and comprehensive universities.
- A maximum base rate increase of no more than \$7.00 per credit hour over two years, and a maximum increase of no more than \$4.00 per credit hour in any one year, for students attending KCTCS institutions.

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

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

PRESENTERS: Bill Payne, Vice President for Finance and Administration, CPE
Shaun McKiernan, Executive Director for Finance and Budget, CPE

BACKGROUND INFORMATION

Council staff used a collaborative process to develop its tuition and mandatory fee recommendation for academic years 2023-24 and 2024-25, which included sharing information and engaging in discussions with campus presidents, chief budget officers, and Council members. Based on feedback from multiple stakeholders and recognizing that many Kentucky students and families and the state's postsecondary institutions are coping with the effects of inflation, there is general sentiment that increases in resident undergraduate tuition and fees should be moderate in academic years 2023-24 and 2024-25 to support a necessary balance between the ability of students and families to pay for college and resources required for the institutions to maintain quality academic

programs, address cost increases, and support ongoing progress toward the state's 60x30 college attainment goal.

For this tuition-setting cycle, CPE staff and campus officials agreed that staff's recommendation should include tuition and fee ceilings for the next two academic years (i.e., 2023-24 and 2024-25). There is historical precedent for this approach. Three times over the past nine years the Council has adopted two-year ceilings, including academic years 2014-15 and 2015-16, 2018-19 and 2019-20, and 2021-22 and 2022-23. Using a two-year approach facilitates strategic planning and budgeting at the postsecondary institutions and makes college costs more predictable for students and families.

KEY ISSUES

Over the past four months, Council staff and campus officials identified and discussed several key issues that were relevant during the development of staff's tuition and fee recommendation, including: (a) the level of state support for campus operations; (b) a pending reduction in the state's pension subsidy; (c) relatively low tuition increases in recent years; (d) the impact of inflationary cost increases; (e) recent trends in college spending; (f) declining college going rates of Kentucky high school graduates; and (g) persistent decreases in student enrollment at nearly every public postsecondary institution. Each of these subjects is described in detail below.

State Funding

On April 13, 2022, the Kentucky General Assembly passed a state budget for fiscal years 2022-23 and 2023-24 that provided the first significant increase in state support for postsecondary institution operations in more than a decade. Although the enacted budget provided \$80 million new dollars to institutions in the first year of the biennium, there was no increase provided in the second year. Specifically, after deducting debt service and mandated program appropriations, the public postsecondary institutions, individually and in the aggregate, will receive the same level of adjusted net General Fund (or Formula Base) in 2023-24 that they received in 2022-23 (see Table 1).

Kentucky Public Postsecondary System Change in State Funds for Educating Students Between Fiscal Years 2022-23 and 2023-24				Table 1
<u>Funding Category</u>	<u>Fiscal 2022-23 General Fund</u>	<u>Fiscal 2023-24 General Fund</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Adjusted Net General Fund ¹	\$749,740,900	\$749,740,900	\$0	0.0%
Performance Fund	97,307,100	97,307,100	0	0.0%
Funds for Educating Students	\$847,048,000	\$847,048,000	\$0	0.0%

¹ The adjusted net General Fund appropriation (a.k.a., the Formula Base) is calculated by deducting debt service and mandated program funds from each institution's regular appropriation.

In addition, the amount appropriated to the Postsecondary Education Performance Fund, which ultimately is distributed among institutions in accordance with statutorily determined funding models (KRS 164.092), will remain unchanged at \$97,307,100 each year of the biennium. Finally, between 2022-23 and 2023-24, the amount of state funds available for educating students (i.e., the formula base plus performance funding) will remain unchanged at \$847,048,000 each year.

Pension Subsidy

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

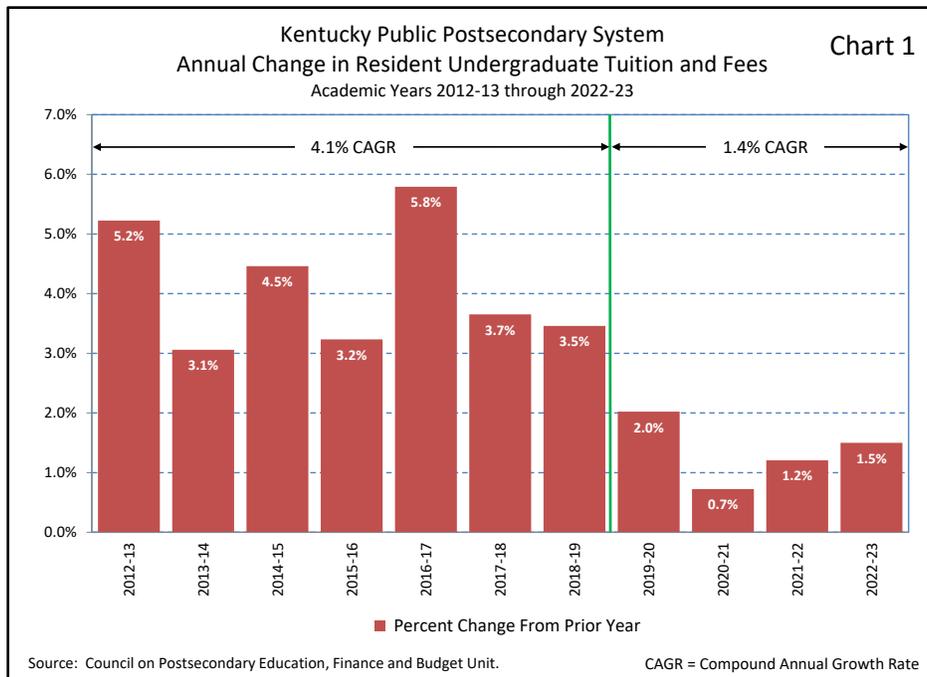
In fiscal year 2021-22, the General Assembly appropriated \$22.1 million in new funding to support the transition of comprehensive universities (except for NKU) and KCTCS to a level-dollar allocation method for determining KERS pension contributions. These funds were intended to cover 100 percent of the marginal cost increase in employer paid pension contributions in 2021-22, using projections based on an actual 2019-20 employer contribution base.

Kentucky Public Postsecondary Institutions Change in Kentucky Employee Retirement System Subsidy ¹ Between Fiscal Years 2022-23 and 2023-24				Table 2	
<u>Institution</u>	<u>Fiscal 2022-23 General Fund</u>	<u>Fiscal 2023-24 General Fund</u>	<u>Dollar Change</u>	<u>Percent Change</u>	
UK	NA	NA	--	--	
UofL	NA	NA	--	--	
EKU	\$8,909,700	\$8,023,100	(\$886,600)	-10.0%	
KSU	558,200	503,400	(54,800)	-9.8%	
MoSU	4,913,000	4,411,800	(501,200)	-10.2%	
MuSU	3,270,900	2,929,600	(341,300)	-10.4%	
NKU	NA	NA	--	--	
WKU	3,592,500	3,237,200	(355,300)	-9.9%	
KCTCS	854,900	765,200	(89,700)	-10.5%	
Total	\$22,099,200	\$19,870,300	(\$2,228,900)	-10.1%	

House Bill 8 (2021, Regular Session), which established this pension subsidy, also included a schedule for reducing the subsidy by 50% over a five-year period (i.e., participating institutions would receive 10% less funding each year until the total subsidy reached \$11.0 M). While the reduction in subsidy funding was delayed by the legislature for one year, the \$22.1 million subsidy provided in 2022-23 will be reduced by 10%, or \$2.2 million, in 2023-24. The budgetary impact of this reduction is not inconsequential for participating institutions. As can be seen in Table 2, the reductions in pension subsidy range from a low of -\$89,700 at KCTCS to a high of -\$886,600 at EKU.

Recent Tuition Increases

Another issue that CPE staff considered this tuition-setting cycle was the relatively low level of tuition and fee increases that Kentucky colleges and universities adopted over the past four years. As can be seen in Chart 1, in the seven years between 2012-13 and 2018-19, resident undergraduate tuition and fees at the state's public postsecondary institutions increased at an average annual rate of 4.1 percent per year; but in the four years since, tuition and fees for resident undergraduates grew at an average annual rate of 1.4 percent per year, or about one-third of the prior period's CAGR.



The difference in average growth rates between these two periods was heavily influenced by Council tuition and fee ceilings and reflected the priority of maintaining affordability for Kentucky students and families in the face of declining college going rates and persistent decreases in student enrollment.

Impact of Inflation

Another important factor this tuition-setting cycle was the impact of rising costs on campus operating budgets. In 2022, inflation measured using the Commonfund Institute’s Higher Education Price Index (HEPI) registered 5.2%, its highest level in more than 20 years. Index cost factors exhibiting the largest increases that year were service employees (up 8.6%), supplies and materials (up 21.5%), and utilities (up 43.1%). To put this statistic in perspective, in no single year between 2008 and 2021 did growth in the HEPI exceed 3.0%. The compound annual growth rate in inflation over that time period was 2.3%.

Inflation is a key issue every tuition cycle because the cost of educating students goes up every year and, for the most part, those cost increases are recurring. Fixed and unavoidable cost increases are receiving heightened scrutiny this cycle due to the magnitude of the increase in 2022 and expectations that cost increases will be high in 2023, as well. Inflation is also a key consideration in tuition setting because the main sources of funding for educating students are state appropriations and tuition and fee revenue. Table 3 below, which calculates the projected tuition increase needed to cover cost increases for the upcoming academic year, illustrates this point. Assuming that

inflation increases by 3.1% (i.e., the five-year average HEPI), a 5.1% increase in tuition and fees would be required to cover the cost increases.

Kentucky Public Postsecondary System		Table 3
Projected Tuition Increase Needed to Cover Inflationary Costs Academic Year 2023-24		
Estimated Inflationary Cost Increase:		
Education and Related Spending (Fiscal 2021-22)		\$2,060,427,600
Assumed Inflation Rate (5-Year Average HEPI)		X 3.1%
Estimated Cost Increase		\$63,873,300
Projected Tuition Revenue (@ 1.0% Increase):		
Net Tuition and Fee Revenue (Fiscal 2021-22)		\$1,297,302,200
Apply 1.0% Rate Factor		X 1.0%
Projected Revenue Generated (@ 1.0%)		\$12,973,000
Tuition Increase Needed to Cover Costs:		
Estimated Cost Increase		\$63,873,300
Change in State Support (Decrease +)	+	2,228,900
Residual Cost Increase		\$66,102,200
		÷
Projected Revenue Generated (@ 1.0%)		12,973,000
Tuition Increase Multiple		5.1

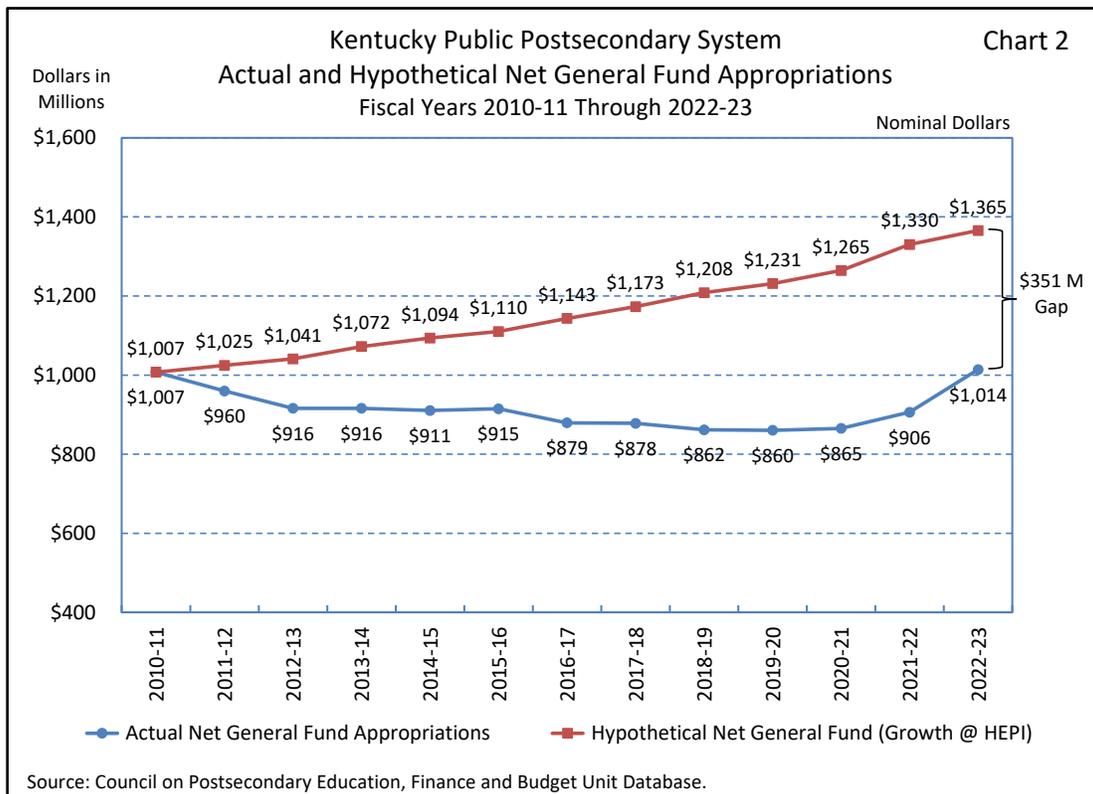
The importance of state General Fund support for maintaining affordability for students and families cannot be overstated, as was illustrated in the previous table. But that support should not be a one-time occurrence. An examination of the HEPI over the past 20 years reveals that higher education cost factors, and thus the composite regression index, increase every year and those costs are recurring. It requires sustained state support over an extended time horizon to achieve the multiple and sometimes competing goals of college affordability, access, and academic quality.

Unfortunately, as can be seen in Chart 2 below, for more than a decade, state support for campus operations in Kentucky has not kept pace with inflation. Chart 2 compares actual net General Fund appropriations for Kentucky public postsecondary institutions (represented by the blue line) to hypothetical net General Fund appropriations allowed to grow at the rate of HEPI inflation (represented by the red line) for fiscal years 2010-11 through 2022-23. This time frame is significant because by 2010-11 most states in the U.S. had begun reinvesting in higher education following the Great Recession.

As can be seen in Chart 2, between fiscal years 2010-11 and 2019-20, nominal net General Fund appropriations for Kentucky’s public postsecondary system decreased seven out of nine years, falling from \$1.007 billion to \$860 million, respectively. Then,

between 2020-21 and 2022-23, Kentucky began reinvesting in higher education, a turn of events that is very much appreciated by the Council and postsecondary institutions.

Just this year, the postsecondary institutions received, in total, a level of net General Fund appropriations (i.e., total appropriation less debt service for capital projects) that exceeded the 2010-11 funding level (i.e., \$1.014 billion versus \$1.007 billion). However, had the level of state support increased at the rate of inflation, the campuses would have received \$1.365 billion in 2022-23, or \$351 million more in state appropriations.



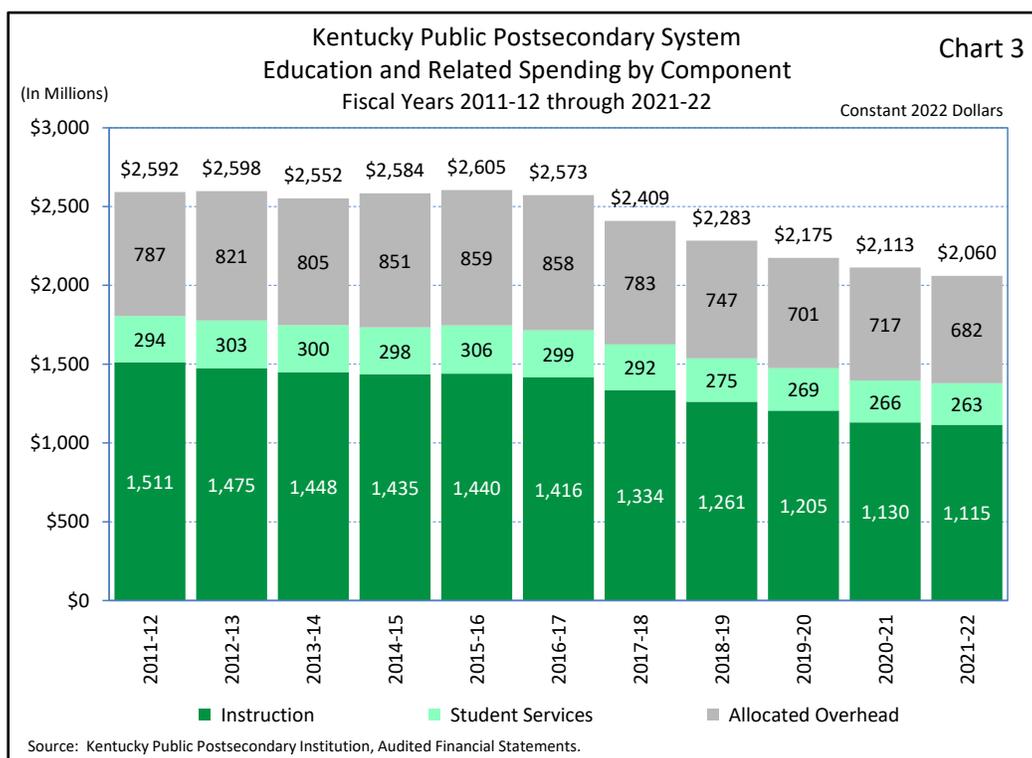
It is important to remind returning Council members and inform new ones that, despite stresses on campus budgets over the past decade, the Council has not allowed institutions to fully recover losses from state budget cuts or fully cover increased spending demands caused by inflation through higher tuition and fees. Rather, the funding gap has been addressed through campus cost savings and efficiencies.

College Spending

In recent years, the combination of relatively modest increases in tuition and fees and declining state support have taken a toll on campus operating budgets. An examination of trends in college spending at Kentucky’s public postsecondary institutions helps illustrate this point.

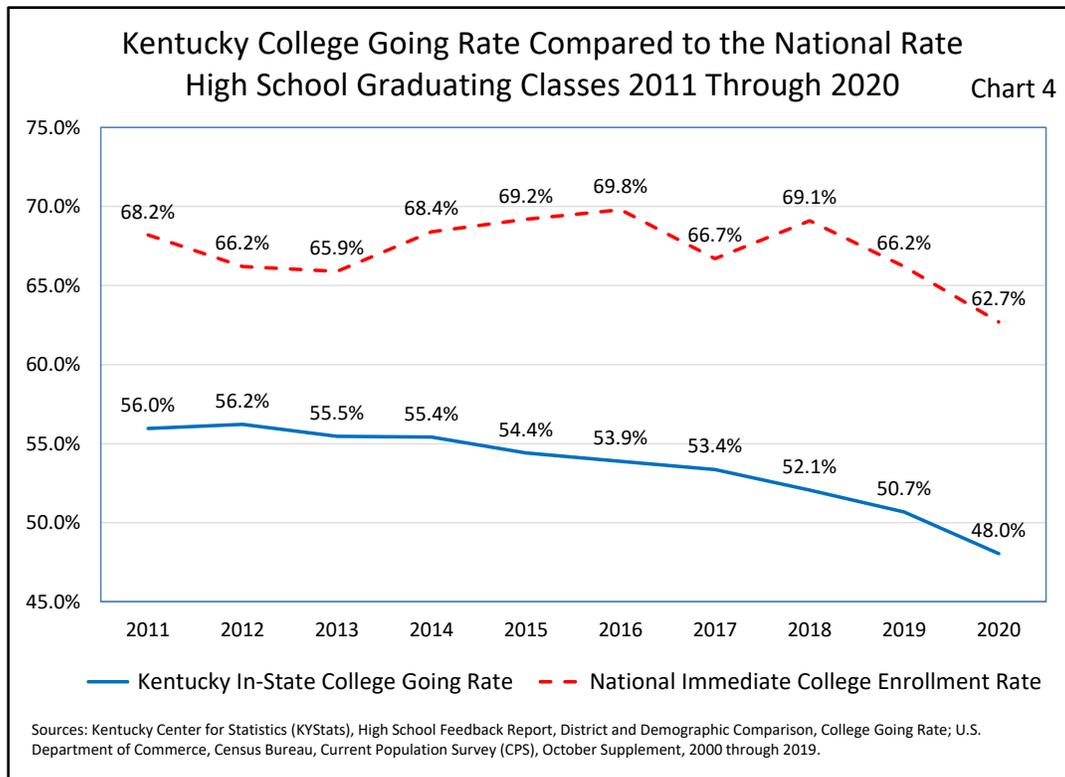
As can be seen in Chart 3, over the past decade, real spending to educate students at Kentucky public colleges and universities remained relatively flat for five years, but then declined. Specifically, between 2011-12 and 2015-16 real spending to educate students kept pace with inflation, but after 2015-16, it decreased six years in a row, falling from a high of \$2.605 billion that year to \$2.060 billion in 2021-22.

These data support the premise that declining state support coupled with Council tuition and fee ceilings have required Kentucky institutions to become more efficient. As previously mentioned, state appropriations and tuition and fees are the main sources of revenue available for educating students. Given the lack of state investment in higher education for much of the decade and given low tuition increases in recent years, the downward trend in college spending is not surprising. In fact, it is to be expected.



College Going Rates

The trend in college going rates among Kentucky high school graduates was added to the list of key issues for the 2023-24 tuition cycle. Maintaining or increasing the college participation rate is an important determinant in maintaining enrollment and helping the state meet its 60 percent college attainment goal by the year 2030. Unfortunately, in recent years, college-going rates in Kentucky have been trending in the wrong direction.



As can be seen in Chart 4, Kentucky’s in-state college going rate (represented by the blue line) has declined steadily over the past decade. After peaking at 56.2% for the high-school graduating class of 2012, the state’s college participation rate decreased eight years in a row to a low of 48.0% in 2020, resulting in a loss of more than 8 percentage points during this period. While the COVID-19 pandemic likely contributed to the 2.7 percentage point decrease between 2019 and 2020, that one-year change represents the continuation of a longer-term trend of declining rates.

To a degree, the decline in Kentucky college going rates mirrors a broader trend that occurred at the national level during this period. As can be seen in Chart 4, the national immediate college enrollment rate (represented by the red line) decreased from 68.2 percent in 2011 to 62.7 percent in 2020, a 5.5 percentage point decline. However, as clearly shown in the chart, in any given year, Kentucky’s college-going rate was well below the national average rate. In fact, it lagged the national average rate by somewhere between 10 to 17 percentage points every year during this decade.

Maintaining affordability for Kentucky students and families is an obvious strategy for trying to bolster college going rates and it is one that the Council and postsecondary institutions have pursued through the adoption of relatively modest tuition and fee ceilings (i.e., 1.4% CAGR over the past four years) and relatively generous provision of student financial aid, respectively.

Enrollment Trends

The direction and magnitude of changes in postsecondary institution enrollment have been key considerations in the tuition-setting process every year for at least the past four years. This is because the trend in student enrollment at most Kentucky colleges and universities over the past decade has been downward, but it is also because the Council adopted a resolution directing staff and campus officials to adopt strategies to halt and hopefully reverse the decline.

Specifically, on March 3, 2021, the Council’s Executive Committee, operating under delegation of authority from the full Council, adopted a resolution, expressing concern about the potential effects of enrollment decline on the ability of the postsecondary system to meet the state’s 60X30 attainment goal. The resolution charged CPE staff and campus leaders to implement bold actions and strategies to mitigate the near-term enrollment effects of COVID-19 and stem the tide of declining enrollment. One strategy for encouraging increased enrollment is maintaining affordability for students and families.

Unfortunately, as can be seen in Table 4, Kentucky comprehensive universities and KCTCS institutions have continued to experience steady enrollment declines. Between fall semesters 2013 and 2022, full-time equivalent (FTE) student enrollment decreased by 9,290 FTE students, or 15.6 percent, in the comprehensive university sector and fell by 11,314 FTE students, or 21.8 percent, in the two-year college sector. FTE student enrollment at the research universities increased by 4.1 percent during this period. As can be seen in Table 4, full-time equivalent student enrollment decreased by 18,708 students or about 12 percent for the system.

Kentucky Public Postsecondary Sectors				Table 4	
Change in Full-Time Equivalent Student Enrollment					
Between Fall Semesters 2013 and 2022					
Sector	Fall 2013 FTE Students	Fall 2022 FTE Students	Number Change	Percent Change	
Research	46,349	48,245	1,896	4.1%	
Comprehensives	59,597	50,307	(9,290)	-15.6%	
KCTCS	51,866	40,552	(11,314)	-21.8%	
System Total	157,812	139,104	(18,708)	-11.9%	

While maintaining affordability is still a high priority for Council staff and campus officials, the lack of sustained state support for campus operations over the past decade combined with several years of modest tuition and fee increases has resulted in real

declines in college spending, which if left unchecked, could lead to increased reliance on adjunct faculty, fewer sections of courses being taught, larger class sizes, and a diminished level of academic quality. For this reason, staff is recommending tuition ceilings in the moderate range for academic years 2023-24 and 2024-25 to achieve an appropriate balance between the resource needs of the institutions and affordability for students and families.

STAFF RECOMMENDATION

For the current tuition-setting cycle, staff recommends that the Council adopt two-year ceilings that will limit increases in resident undergraduate tuition and mandatory fees at Kentucky colleges and universities to predetermined amounts over the next two years.

Specifically, staff recommends that the Finance Committee approve, and endorse to the full Council, resident undergraduate tuition and mandatory fee ceilings for academic years 2023-24 and 2024-25 that equate to:

- A maximum base rate increase of no more than 5.0 percent over two years, and a maximum increase of no more than 3.0 percent in any one year, for public research and comprehensive universities.
- A maximum base rate increase of no more than \$7.00 per credit hour over two years, and a maximum increase of no more than \$4.00 per credit hour in any one year, for students attending KCTCS institutions.

In addition to proposing resident undergraduate rate ceilings for the next two years, staff recommends that the public institutions be allowed to submit for Council review and approval:

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

Finally, it is recommended that the public postsecondary institutions be allowed to submit for Council review and approval:

- Market competitive tuition and fee rates for graduate and online courses, as approved by their respective governing boards.

The paragraphs below contain four tables that show current-year base rates and the maximum allowable base rates for the universities and KCTCS for academic years 2023-24 and 2024-25. As a reminder, base rates are defined as total tuition and fee charges, minus any Special Use Fees or Asset Preservation Fees previously approved

by the Council, and minus an existing agency bond fee at KCTCS (i.e., BuildSmart Investment for Kentucky Competitiveness Fee). Council staff deduct these fees from total tuition and fees before applying a percent increase parameter, which keeps the fees at a fixed amount each year until they expire.

Kentucky Public Universities				Table 5
Maximum Base Rate Increase for Resident Undergraduate Students				
Academic Year 2023-24				
Institution	Current 2022-23 Base Rates	Maximum 2023-24 Base Rates	One-Year Dollar Change	One-Year Percent Change
UK	\$12,859	\$13,245	\$386	3.00%
UofL	12,324	12,694	370	3.00%
EKU	9,544	9,830	286	3.00%
KSU	8,654	8,914	260	3.00%
MoSU	9,308	9,587	279	3.00%
MuSU	9,432	9,715	283	3.00%
NKU	10,208	10,514	306	3.00%
WKU	10,912	11,239	327	3.00%

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

Table 5 shows the current-year base rate, maximum allowable base rate for academic year 2023-24, and one-year dollar and percent changes compared to the current-year base rate for each public university, using the recommended “no more than 3.0 percent in any one year” maximum increase parameter.

See Attachment A for detail regarding the maximum allowable total tuition and fee charges in 2023-24 for resident undergraduate students at each public university.

Table 6 shows the current-year base rate, maximum allowable base rate for academic year 2024-25, and two-year dollar and percent changes compared to the current-year base rate for each public university, using the recommended “no more than 5.0 percent over two years” maximum increase parameter.

Kentucky Public Universities				Table 6
Maximum Base Rate Increase for Resident Undergraduate Students Academic Year 2024-25				
Institution	Current 2022-23 Base Rates	Maximum 2024-25 Base Rates	Two-Year Dollar Change	Two-Year Percent Change
UK	\$12,859	\$13,502	\$643	5.00%
UofL	12,324	12,940	616	5.00%
EKU	9,544	10,021	477	5.00%
KSU	8,654	9,087	433	5.00%
MoSU	9,308	9,773	465	5.00%
MuSU	9,432	9,904	472	5.00%
NKU	10,208	10,718	510	5.00%
WKU	10,912	11,458	546	5.00%

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

See Attachment A for detail regarding the maximum allowable total tuition and fee charges in 2024-25 for resident undergraduate students at each public university.

Kentucky Community and Technical College System				Table 7
Maximum Base Rate Increase for Resident Students Academic Year 2023-24				
Institution	Current 2022-23 Base Rates	Maximum 2023-24 Base Rates	One-Year Dollar Change	One-Year Percent Change
KCTCS (per credit hour)	\$182.00	\$186.00	\$4.00	2.20%
KCTCS (per credit hour x 30)	\$5,460	\$5,580	\$120	2.20%

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

Table 7 shows the current-year base rate, maximum allowable base rate for academic year 2023-24, and one-year dollar and percent changes compared to the current-year base rate for KCTCS institutions, using the recommended “no more than \$4.00 per credit hour in any one year” maximum increase parameter.

See Attachment A for detail regarding the maximum allowable total tuition and fee charges in academic year 2023-24 for resident students attending KCTCS.

Table 8 shows the current-year base rate, maximum allowable base rate for academic year 2024-25, and two-year dollar and percent changes compared to the current-year base rate for each KCTCS institution, using the recommended “no more than \$7.00 per credit hour over two years” maximum increase parameter.

Kentucky Community and Technical College System Maximum Base Rate Increase for Resident Students Academic Year 2024-25				Table 8
Institution	Current 2022-23 Base Rates	Maximum 2024-25 Base Rates	Two-Year Dollar Change	Two-Year Percent Change
KCTCS (per credit hour)	\$182.00	\$189.00	\$7.00	3.85%
KCTCS (per credit hour x 30)	\$5,460	\$5,670	\$210	3.85%
Note: Base rates do not include Special Use or Asset Preservation Fees approved previously by the Council, or a BuildSmart agency bond fee at KCTCS.				

See Attachment A for detail regarding the maximum allowable total tuition and fee charges in academic year 2024-25 for resident students attending KCTCS.

Staff’s recommendations and the maximum base rates shown above that stem from those recommendations are consistent with the objectives of the Council’s *Tuition and Mandatory Fee Policy*, including funding adequacy, shared benefits and responsibility, affordability and access, attracting and importing talent, and effective use of resources.

If CPE staff’s recommended parameters for academic years 2023-24 and 2024-25 are endorsed by the Finance Committee and approved by the full Council, and if governing boards at every university and KCTCS were to adopt the maximum allowable increases, the average annual increase in resident undergraduate base rates over the next two years will be 2.5 percent per year at Kentucky public research and comprehensive universities and 1.9 percent per year at KCTCS institutions.

Because Special Use Fees, Asset Preservation Fees, and a KCTCS BuildSmart Fee are backed out of base rates before applying the percent increase parameters, the average effective rates of increase in total tuition and fee charges will be lower (i.e., a

maximum of 2.4 percent per year at public universities; and a maximum of 1.8 percent per year at KCTCS institutions).

INSTITUTION RATE PROPOSALS

It is anticipated that most postsecondary institutions will submit their proposed 2023-24 tuition and fee rates for review and approval at the June 6 meeting of the Finance Committee. CPE staff will recommend approval of resident undergraduate tuition and fees that comply with Council approved ceilings, nonresident undergraduate rates that comply with the Council's *2023-24 Tuition and Mandatory Fee Policy* or otherwise adhere to a previously approved Memorandum of Understanding, and market competitive rates for graduate and online courses.

Several institutions have informed staff that they will not bring their tuition and fee proposals for Finance Committee endorsement at the June 6 meeting and may have difficulty bringing them for the June 9 Council meeting. They have asked staff if the Council can provide an accommodation, either through scheduling a special called Council meeting to approve their rates, or by having the Council delegate authority to the Finance Committee or CPE staff to approve their rates.

Kentucky Public Postsecondary Institutions
Recommended Maximum Allowable Resident Undergraduate Tuition and Fees
Academic Year 2023-24

<u>Institution</u>	<u>Current 2022-23 Tuition & Fees</u>	<u>Maximum 2023-24 Tuition & Fees</u>	<u>One-Year Dollar Change</u>	<u>One-Year Percent Change</u>
UK	\$12,859	\$13,245	\$386	3.00%
UofL	12,520	12,890	370	2.96%
EKU	10,144	10,430	286	2.82%
KSU	8,954	9,214	260	2.90%
MoSU	9,560	9,839	279	2.92%
MuSU	9,732	10,015	283	2.91%
NKU	10,592	10,898	306	2.89%
WKU	11,112	11,439	327	2.94%
KCTCS (per credit hour)	\$190.00	\$194.00	\$4.00	2.11%
KCTCS (per credit hour x 30)	\$5,700	\$5,820	\$120	2.11%

Academic Year 2024-25

<u>Institution</u>	<u>Current 2022-23 Tuition & Fees</u>	<u>Maximum 2024-25 Tuition & Fees</u>	<u>Two-Year Dollar Change</u>	<u>Two-Year Percent Change</u>
UK	\$12,859	\$13,502	\$643	5.00%
UofL	12,520	13,136	616	4.92%
EKU	10,144	10,621	477	4.70%
KSU	8,954	9,387	433	4.84%
MoSU	9,560	10,025	465	4.86%
MuSU	9,732	10,204	472	4.85%
NKU	10,592	11,102	510	4.81%
WKU	11,112	11,658	546	4.91%
KCTCS _(per credit hour)	\$190.00	\$197.00	\$7.00	3.68%
KCTCS _(per credit hour x 30)	\$5,700	\$5,910	\$210	3.68%

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

Definitions:

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



Tuition and Fee Recommendation

Key Issues

Council staff and campus officials considered a number of key issues this tuition-setting cycle:

- State Funding
- Pension Subsidy
- Recent Tuition Increases
- Impact of Inflation
- Trend in College Spending
- College Going Rates
- Enrollment Trends

Key Issues

State Funding

Reductions in state support can stress campus budgets and contribute to higher tuition

- Changes in state support for campus operations over time are a primary determinant of changes in tuition
- Increased funding helps institutions address budgetary challenges, while funding cuts add to those challenges
- Although the Kentucky General Assembly provided \$80 million in new funding in 2022-23, funding between this year and next is flat
- Sustained increases in state support are needed to offset inflationary cost increases and maintain affordability

Kentucky Public Postsecondary Institutions
Change in Adjusted Net General Fund Appropriations ¹
Between Fiscal Years 2022-23 and 2023-24

Institution	Fiscal 2022-23 General Fund	Fiscal 2023-24 General Fund	Dollar Change	Percent Change
UK	\$184,662,000	\$184,662,000	\$0	0.0%
UofL	126,211,600	126,211,600	0	0.0%
EKU	60,842,300	60,842,300	0	0.0%
KSU	18,235,500	18,235,500	0	0.0%
MoSU	34,931,500	34,931,500	0	0.0%
MuSU	40,553,800	40,553,800	0	0.0%
NKU	50,923,600	50,923,600	0	0.0%
WKU	67,619,000	67,619,000	0	0.0%
KCTCS	165,761,600	165,761,600	0	0.0%
Total	\$749,740,900	\$749,740,900	\$0	0.0%

¹ The adjusted net General Fund appropriation (a.k.a. the Formula Base) is calculated by deducting debt service and mandated program funds from each institution's regular appropriation.

Key Issues

Pension Subsidy

Since 2013, CPE staff has explicitly considered the impact of pension costs on campus budgets

- In 2021-22, the General Assembly transitioned five universities and KCTCS to a level-dollar allocation method for determining KERS pension contributions
- That same year, the state appropriated \$22.1 million for those institutions, intended to offset 100% of the projected cost related to that transition
- Beginning in 2023-24, the pension subsidy provided in 2021-22 will be reduced by 10% per year over five years
- The budgetary impact of this reduction is not inconsequential (-\$11.0 over 5 years)

Kentucky Public Postsecondary Institutions
Change in Kentucky Employee Retirement System Subsidy ¹
Between Fiscal Years 2022-23 and 2023-24

<u>Institution</u>	<u>Fiscal 2022-23 General Fund</u>	<u>Fiscal 2023-24 General Fund</u>	<u>Dollar Change</u>	<u>Percent Change</u>
UK	NA	NA	--	--
UofL	NA	NA	--	--
EKU	\$8,909,700	\$8,023,100	(\$886,600)	-10.0%
KSU	558,200	503,400	(54,800)	-9.8%
MoSU	4,913,000	4,411,800	(501,200)	-10.2%
MuSU	3,270,900	2,929,600	(341,300)	-10.4%
NKU	NA	NA	--	--
WKU	3,592,500	3,237,200	(355,300)	-9.9%
KCTCS	854,900	765,200	(89,700)	-10.5%
Total	\$22,099,200	\$19,870,300	(\$2,228,900)	-10.1%

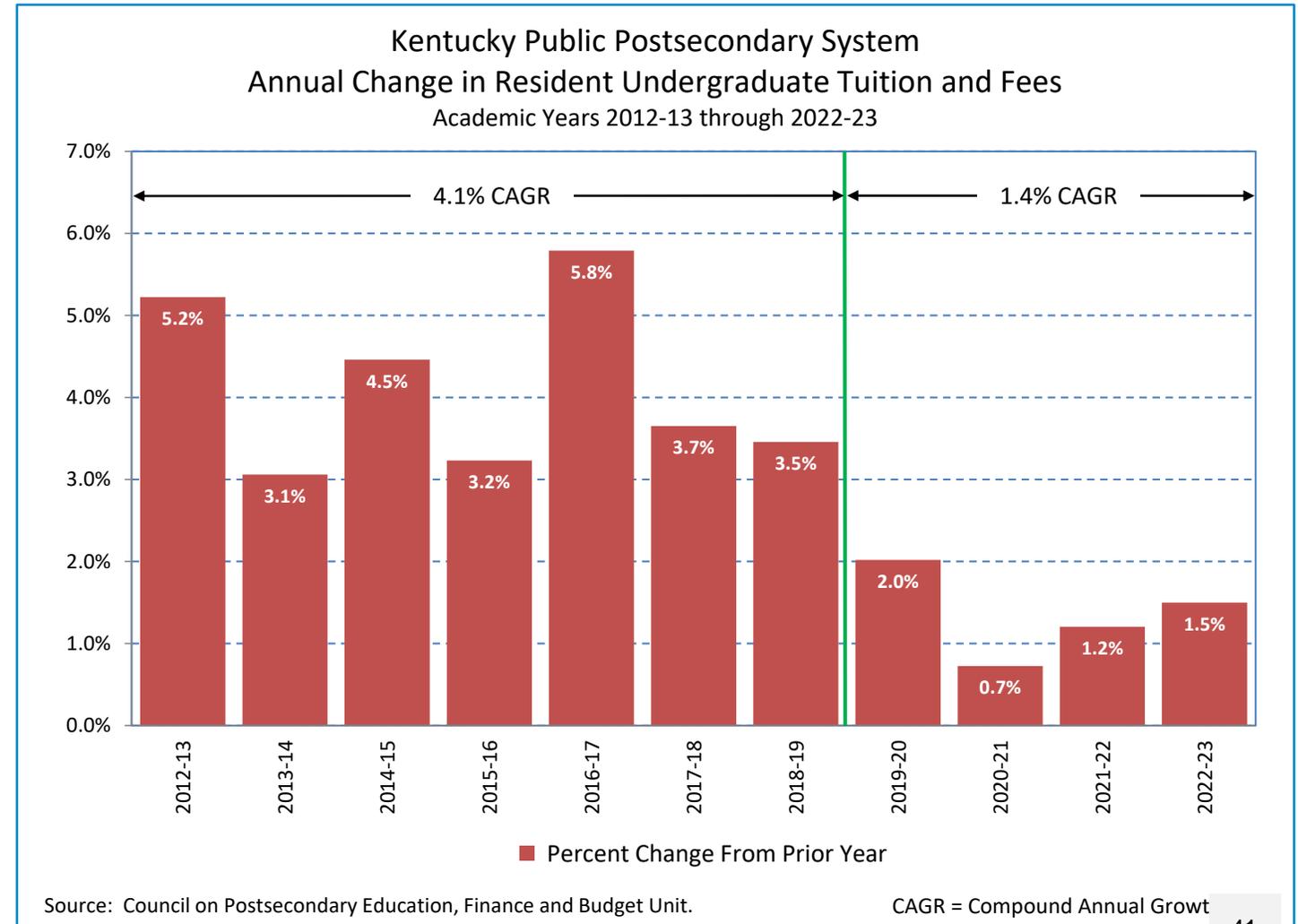
¹ In 2021-22, the General Assembly appropriated \$22.1 million to five comprehensive universities (excluding NKU) and KCTCS to support their transition to a level-dollar allocation method for determining KERS pension contributions. Language included in the bill specified an intent to reduce the subsidy by 10% per year over a five year period, beginning in 2023-24.

Key Issues

Recent Tuition Increases

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

- Recent increases in tuition are among the lowest in 20 years
- Between 2013 and 2019, resident undergraduate tuition and fees increased by 4.1% per year
- Over the past four years, tuition grew by 1.4% per year, or about one-third the rate of prior period
- Maintaining affordability has been predominant priority since 2019
- Due to falling college-going rates, enrollment declines, and onset of the COVID-19 pandemic

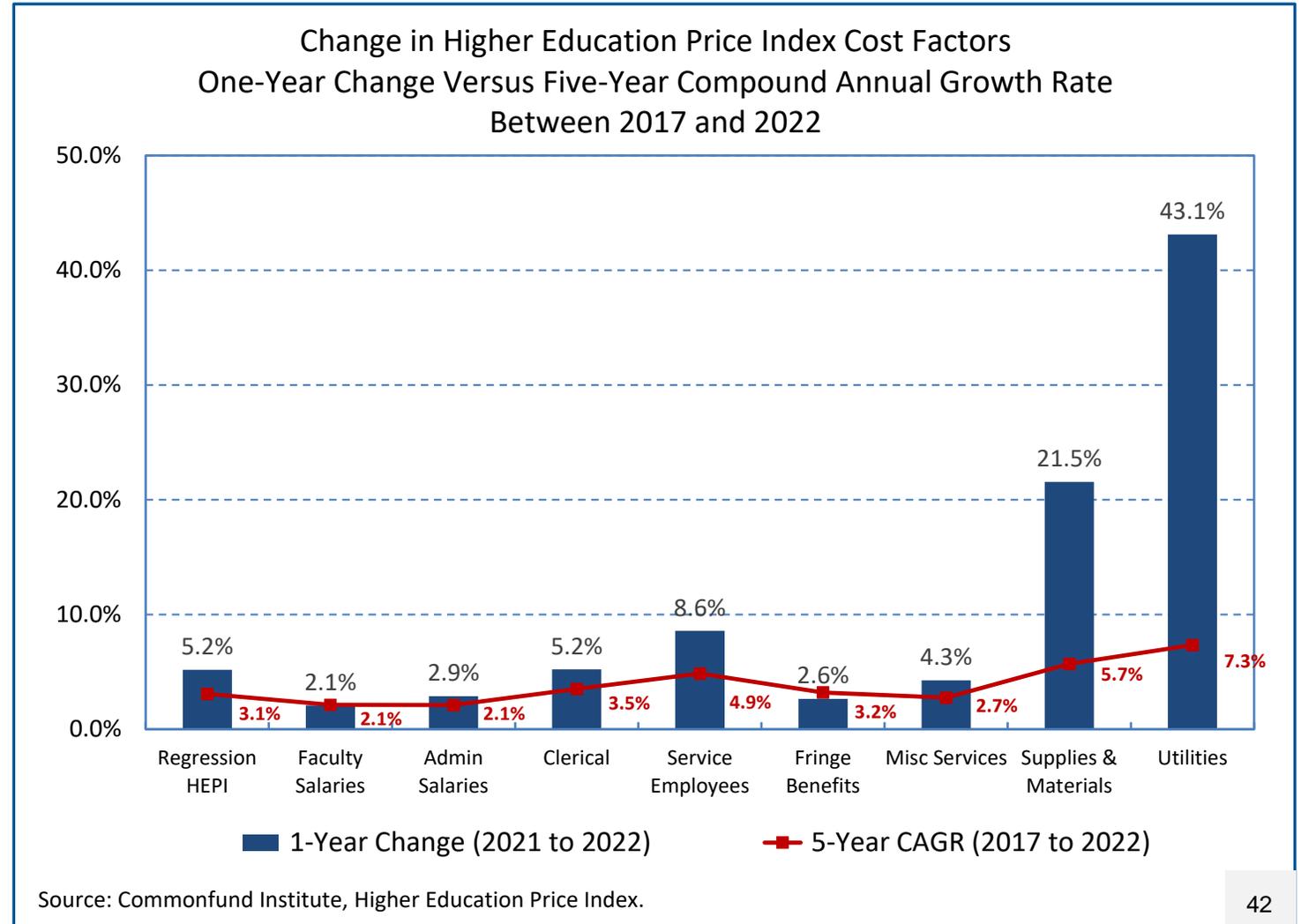


Key Issues

Impact of Inflation

The cost of educating students goes up every year and usually those costs are recurring

- In 2022, the HEPI grew by 5.2%, its largest one-year increase in more than 20 years
- To put this in perspective, the HEPI did not exceed 3.0% any year between 2008 and 2021
- The compound annual growth rate (CAGR) of the index was 2.3% during this period
- Index cost factors exhibiting the largest increases were service employees, supplies and materials, and utilities



Key Issues

Impact of Inflation (Cont'd)

Staff estimates a 5.1% increase in tuition would be required to cover expected cost increases

Kentucky Public Postsecondary System
 Projected Tuition Increase Needed to Cover Inflationary Costs
 Academic Year 2023-24

Estimated Inflationary Cost Increase:

Education and Related Spending (Fiscal 2021-22)	\$2,060,427,600
Assumed Inflation Rate (5-Year Average HEPI)	X 3.1%
Estimated Cost Increase	\$63,873,300

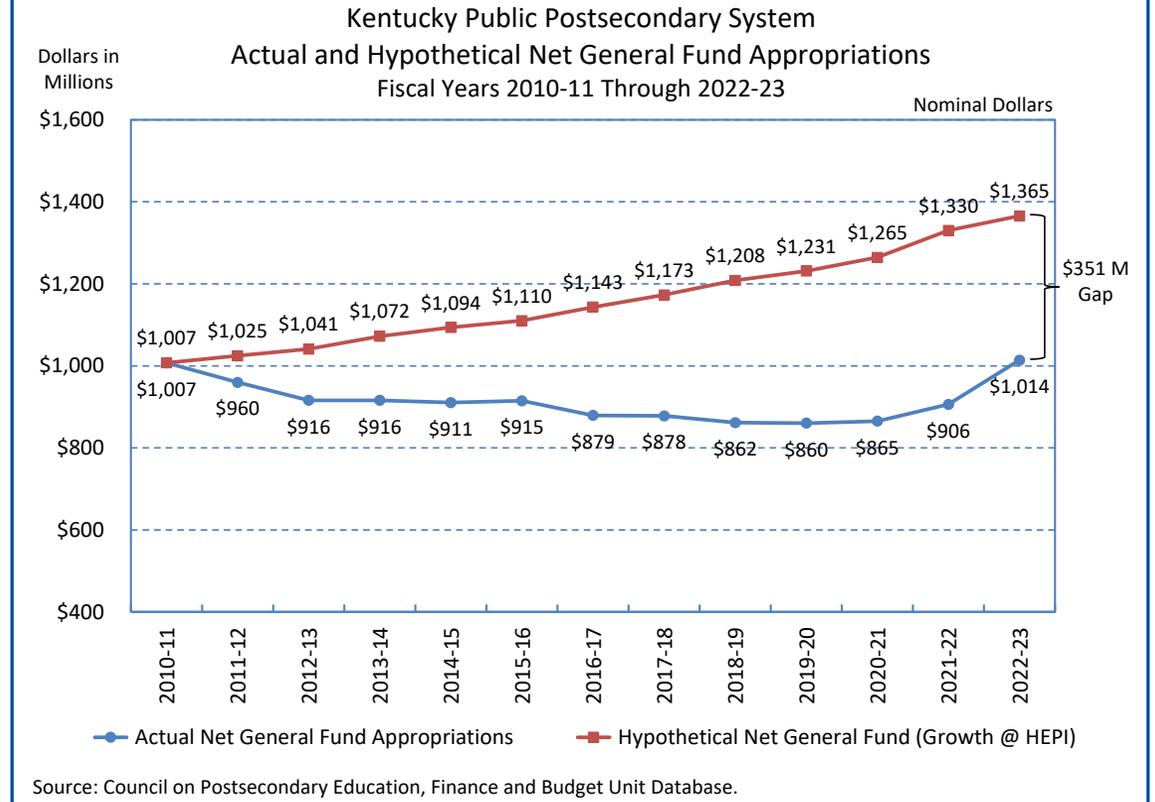
Projected Tuition Revenue (@ 1.0% Increase):

Net Tuition and Fee Revenue (Fiscal 2021-22)	\$1,297,302,200
Apply 1.0% Rate Factor	X 1.0%
Projected Revenue Generated (@ 1.0%)	\$12,973,000

Tuition Increase Needed to Cover Costs:

Estimated Cost Increase	\$63,873,300
Change in State Support (Decrease +)	+ 2,228,900
Residual Cost Increase	\$66,102,200
	÷
Projected Revenue Generated (@ 1.0%)	12,973,000
Tuition Increase Multiple	5.1

Over the past decade, institutions have not been allowed to fully recover state budget cuts or cover inflationary cost increases through higher tuition and fees. Rather, the funding gap has been addressed through cost savings and efficiencies.



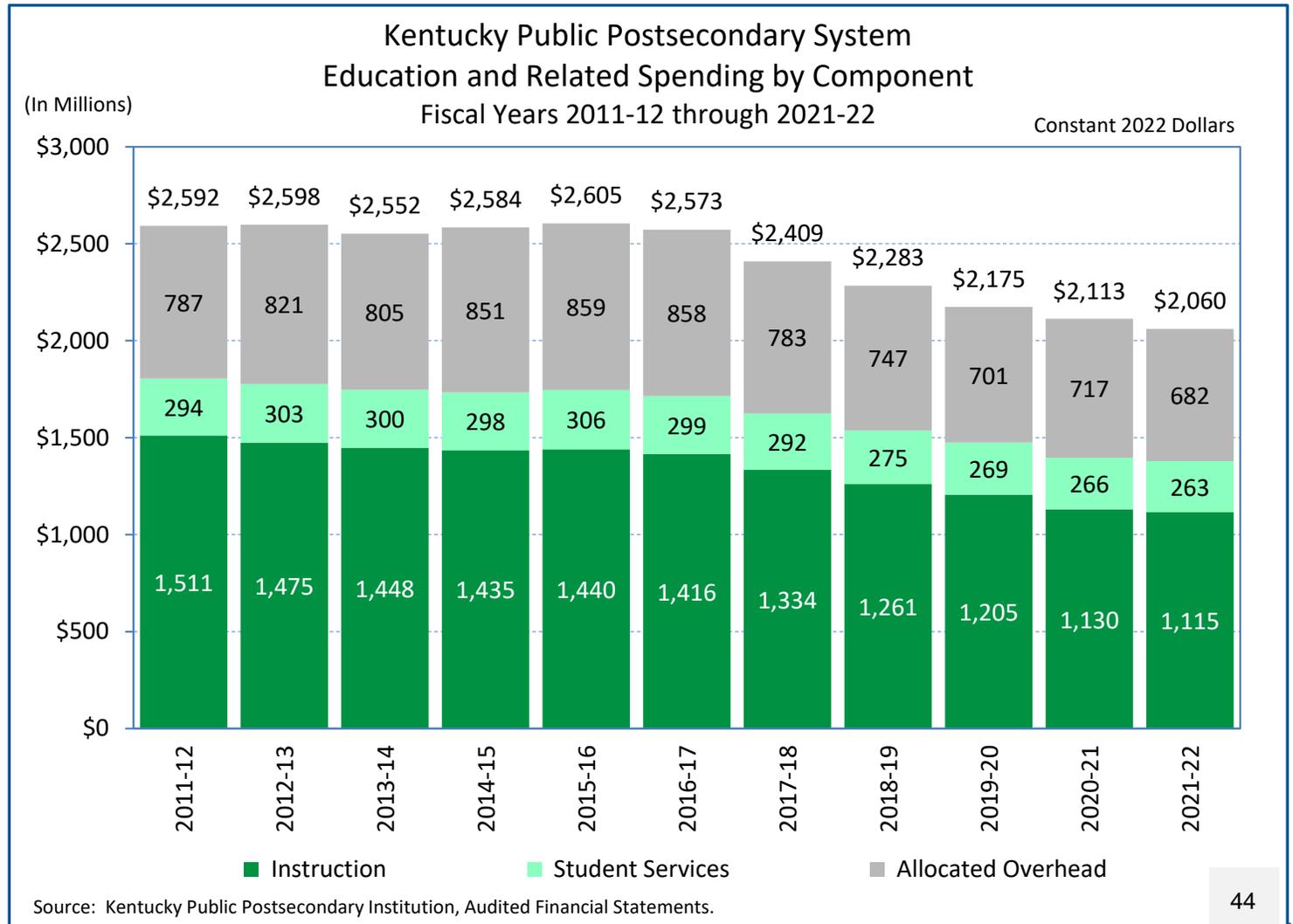
- Following the end of the Great Recession, around 2009-10, most states began reinvesting in higher education
- Rising Medicaid and prison costs and an underfunded pension system acted as constraints on Kentucky's state budget

Key Issues

College Spending

State appropriations and tuition and fees are the main sources of revenue for educating students

- Over the past decade, real spending to educate students at Kentucky public colleges and universities has declined
- Between 2012 and 2016, real spending to educate students kept pace with inflation
- Beginning in 2017, spending decreased six years in a row
- Declining state support and Council tuition ceilings have required Kentucky institutions to become more efficient

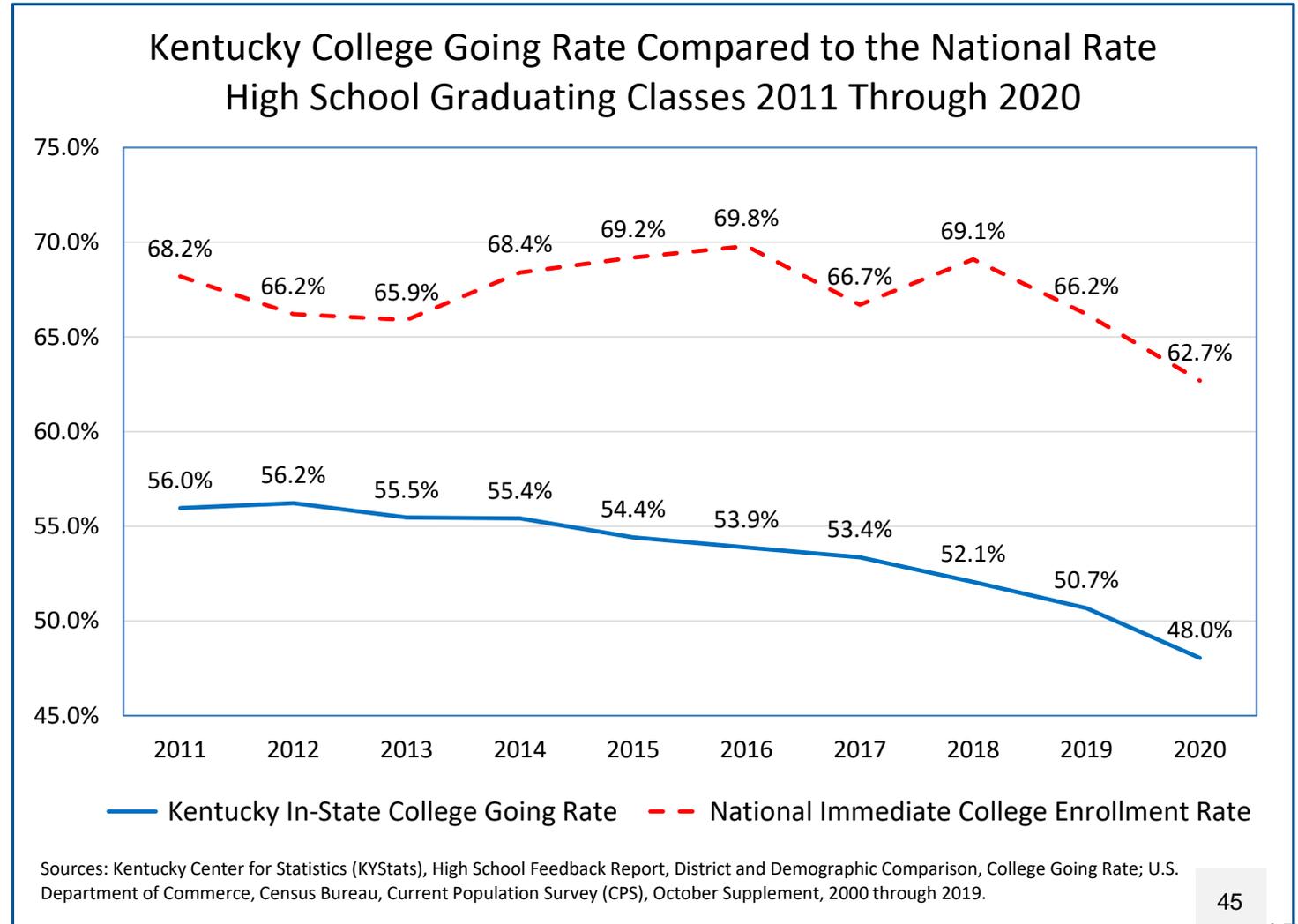


Key Issues

College Going Rates

Falling in-state college going rates have contributed to Kentucky's enrollment decline over the past decade

- Kentucky's in-state college going rate has declined steadily over the past decade
- After peaking at 56.2% in 2012, the state's participation rate fell eight years in a row (> 8 ppts)
- Kentucky's college going rate for the class of 2020 is well below the national average rate
- In any given year over the past 10, Kentucky's college going rate has lagged the national average by 10 to 17 ppts

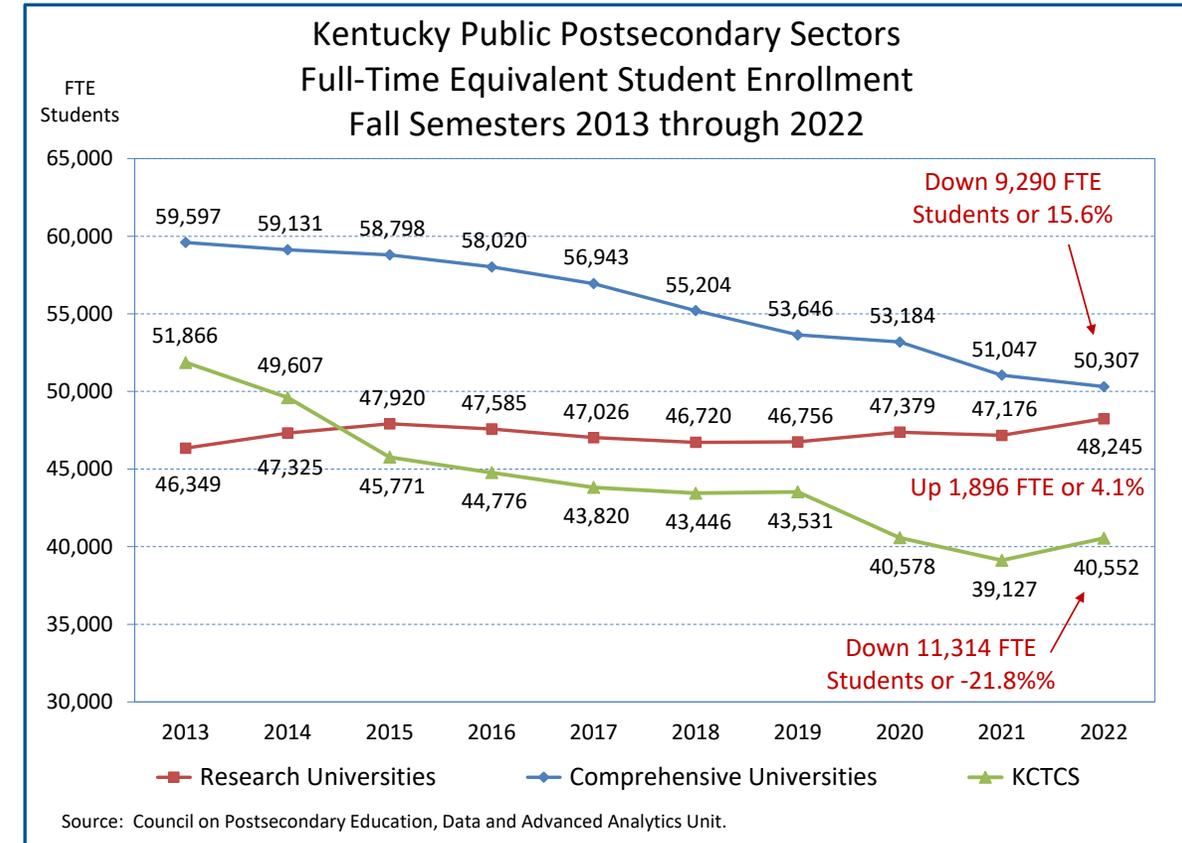


Key Issues

Enrollment Trends

Declining enrollment at some institutions limited the revenue impact of increased tuition and fee charges

- Over the past decade, most Kentucky public colleges and universities have experienced steady enrollment declines
- Due to declining numbers of high school graduates, falling college-going rates, and exacerbated by the COVID-19 pandemic
- On March 3, 2021, the Council adopted a resolution calling on CPE and campus officials to implement bold actions and strategies to mitigate declining enrollment
- Maintaining affordability through modest tuition increases is one strategy that the Council and institutions have pursued



- Since 2013, FTE student enrollment has declined by an average annual rate of -1.9% at comprehensives and -2.7% at KCTCS
- The only institution to record an increase in FTE enrollment during this period was the University of Kentucky



Staff Recommendation

Staff Recommendation

Background Information

- Council staff used a collaborative process to develop its tuition and mandatory fee recommendation for academic years 2023-24 and 2024-25
- This included sharing information and engaging in discussions with campus presidents, chief budget officers, and Council members
- Based on feedback from multiple stakeholders, there is general sentiment that increases in tuition this cycle should be moderate
- To help support a necessary balance between:
 - the ability of students and families to pay for college, and
 - the resources required for institutions to address cost increases, maintain quality academic programs, and keep making progress toward 60x30 goal

Staff Recommendation

Background Information (Cont'd)

- CPE staff and campus officials agreed that tuition ceilings should be set for the next two years (i.e., academic years 2023-24 and 2024-25)
- There is historical precedent for this approach; three times over the past nine years the Council has approved two-year ceilings
- Adopting two-year ceilings will:
 - facilitate strategic planning and budgeting at the postsecondary institutions
 - make college costs more predictable for students and families

Staff Recommendation

Proposed Parameters

Staff recommends that the Finance Committee approve resident undergraduate tuition and fee ceilings for 2023-24 and 2024-25 that equate to:

- Maximum base rate increases of no more than 5.0 percent over two years, and no more than 3.0 percent in any one year, for public universities
- Maximum base rate increases of no more than \$7.⁰⁰ per credit hour over two years, and no more than \$4.⁰⁰ per credit hour in any one year, for KCTCS

It is further recommended that institutions be allowed to submit:

- Nonresident undergraduate tuition and fees that comply with the Council's *2023-24 Tuition and Mandatory Fees Policy*, or an existing MOU between the Council and an institution
- Market competitive tuition and fee rates for graduate and online courses

Staff Recommendation

Proposed Parameters (Cont'd)

Kentucky Public Postsecondary Institution Maximum One-Year Base Rate Increases for Resident Undergraduates Academic Year 2023-24

Institution	Current Year 2022-23 Base Rates	Maximum 2023-24 Base Rates	One-Year Dollar Change	One-Year Percent Change
UK	\$12,859	\$13,245	\$386	3.00%
UofL	12,324	12,694	370	3.00%
EKU	\$9,544	\$9,830	\$286	3.00%
KSU	8,654	8,914	260	3.00%
MoSU	9,308	9,587	279	3.00%
MuSU	9,432	9,715	283	3.00%
NKU	10,208	10,514	306	3.00%
WKU	10,912	11,239	327	3.00%
KCTCS (pch)	\$182.00 (pch)	\$186.00 (pch)	\$4.00 (pch)	2.20%
KCTCS (pch x 30)	\$5,460	\$5,580	\$120	2.20%

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

Kentucky Public Postsecondary Institution Maximum Two-Year Base Rate Increases for Resident Undergraduates Academic Year 2024-25

Institution	Current Year 2022-23 Base Rates	Maximum 2024-25 Base Rates	Two-Year Dollar Change	Two-Year Percent Change
UK	\$12,859	\$13,502	\$643	5.00%
UofL	12,324	12,940	616	5.00%
EKU	\$9,544	\$10,021	\$477	5.00%
KSU	8,654	9,087	433	5.00%
MoSU	9,308	9,773	465	5.00%
MuSU	9,432	9,904	472	5.00%
NKU	10,208	10,718	510	5.00%
WKU	10,912	11,458	546	5.00%
KCTCS (pch)	\$182.00 (pch)	\$189.00 (pch)	\$7.00 (pch)	3.85%
KCTCS (pch x 30)	\$5,460	\$5,670	\$210	3.85%

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

Staff Recommendation

Rationale

- Over the past four years, maintaining affordability has been an overriding priority for the Council and campus officials
- To address declining college-going rates and decreases in enrollment, tuition and fee increases were kept at historic lows (i.e., 1.4% per year)
- Lack of sustained state support for campus operations combined with modest tuition increases resulted in real declines in college spending
- If left unchecked, this could lead to increased reliance on adjunct faculty, fewer sections of courses being taught, larger class sizes, and a diminished level of academic quality
- For this reason, staff is recommending tuition ceilings in the moderate range for academic years 2023-24 and 2024-25

Staff Recommendation

Rationale (Cont'd)

- In 2022, higher education costs, measured using the HEPI, increased by 5.2%, the largest one-year increase in 20 years
- Between this year and next, state funds for educating students will remain flat, but there will be a \$2.2 million reduction in pension subsidy
- Though small, this decrease in funds adds to budgetary challenges caused by rising inflationary costs
- CPE staff estimates that a 5.1% increase in tuition would be required to cover expected cost increases in 2023-24 (using 3.1% assumed inflation)
- If every institution adopted the maximum one-year increase allowed under proposed ceilings (3.0% at the universities and 2.2% at KCTCS) projected revenue would cover about 60% of expected cost increases

TITLE: KCTCS Interim Capital Project – Bluegrass Newtown Administration Building Expansion

RECOMMENDATION: Staff recommends that the Finance Committee endorse for full Council approval an interim capital project for KCTCS; namely, an expansion of the Newtown Campus Administration Building at Bluegrass Community and Technical College (\$5.0 M scope).

PRESENTERS: Shaun McKiernan, Executive Director for Finance and Budget, CPE
Bill Payne, Vice President for Finance and Administration, CPE

SUPPORTING INFORMATION

KCTCS officials contacted CPE staff on March 13, 2023 and requested approval of a capital project to expand the Newtown Campus Administration Building at Bluegrass Community and Technical College. The scope of the project is \$5,000,000 and includes a new conference area, elevator, stairs, restrooms, and mechanical space. This building is currently undergoing a \$9.7 million renovation, which is being funded with asset preservation pool funds. The expansion project will be financed using campus restricted funds. The project will be overseen by the Division of Engineering and Contract Administration (DECA) of the Finance and Administration Cabinet, which is customary for all KCTCS projects. The KCTCS governing board will review the expansion project for approval on March 24.

Council approval is required for capital projects at postsecondary institutions that meet or exceed \$1.0 million in scope. Most capital projects are reviewed and approved by the Council as part of the biennial budget submission process. Because this project was not previously listed in the Council's budget submission, Council approval is required.

- *Staff recommends that the Finance Committee endorse for full Council approval a \$5,000,000 interim capital project for KCTCS to expand the Newtown Campus Administration Building at Bluegrass Community and Technical College.*

NEXT STEPS

Following Council action, staff will notify the president of KCTCS, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee of the Council's recommendation concerning this project.



March 13, 2023

Mr. Aaron Thompson, President
Council on Postsecondary Education
1024 Capital Center Drive, Suite 320
Frankfort, KY. 40601

Re: Interim Authorization Request – KCTCS Capital Project

Dear President Thompson:

In accordance with KRS 164A575, Kentucky Community and Technical College System (KCTCS) respectfully requests interim authorization for a project at Bluegrass Community and Technical College (BCTC) Newtown Campus for an expansion of the Administration Building.

BCTC currently has an ongoing project to renovate the Administration Building for \$9,700,000 which is being funded partially through the asset preservation bond pool. The scope of this project is to expand the Administration Building in the amount of \$5,000,000. The expansion is new construction and cannot be funded with the current asset preservation funds. The \$5,000,000 is being funded from agency restricted funds.

The expansion will update all systems and finishes, including a new elevator, stairs, mechanical spaces, conference area and accessible entry and new restroom facilities.

The design and construction of the projects will be implemented through the Finance and Administration Cabinet as capital projects.

KCTCS' Board of Regents will be approving this project on March 24, 2023.

Should you have any questions, please feel free to contact Andy Casebier at 859-256-3287.

Sincerely,

A handwritten signature in black ink that reads "Buddy Combs". The signature is written in a cursive, flowing style.

Buddy Combs
Acting Vice President

cc: Interim President Ferguson
Carla Wright
Andy Casebier
Sandy Adkins



Kentucky Community and Technical College System

300 North Main Street
Versailles, KY 40383
(859) 256-3100
kctcs.edu



KCTCS Interim Capital Project

KCTCS Interim Capital Project

Background Information

- All capital projects with a scope of \$1,000,000 or more require Council approval
- This normally occurs during the Council's biennial budget submission process, because:
 - each institution provides an extensive list of planned capital projects and project scopes in their submission, and
 - CPE staff includes those project lists in meeting materials for Council review and approval
- If an institution desires to complete a project that was not included in their original budget submission, interim approval is required

KCTCS Interim Capital Project

Background Information (Cont'd)

- \$5,000,000 expansion of BCTC Newtown Campus Administration Building funded with institutional funds
- Building is undergoing a \$9.7 M renovation (Asset Preservation funds)
- 12,490 square foot expansion will house student services and a 220-seat assembly space with an additional 80 seat pre-event and adjacent overflow space accessible via retractable walls
- Design includes storage for tables and chairs and catering space
- Expansion will include an elevator, stairs, and mechanical space
- As is customary, the project will be managed by Finance Cabinet's Division of Engineering and Contract Administration

KCTCS Interim Capital Project

Staff Recommendation

- Staff recommends that the Finance Committee endorse for full Council approval a \$5.0 million interim capital project for KCTCS to expand the Newtown Campus Administration Building at Bluegrass Community and Technical College

TITLE: Funding Model Review Update

DESCRIPTION: Staff is providing an update on the 2023 Funding Model Review.

PRESENTERS: Bill Payne, Vice President for Finance and Administration, CPE
Shaun McKiernan, Executive Director for Finance and Budget, CPE

FUNDING MODEL REVIEW

On March 1, 2023, the Postsecondary Education Work Group held its second meeting of the year to continue a comprehensive review of Kentucky's public university and KCTCS performance funding models (KRS 164.092). The meeting was conducted in two parts, so that CPE staff and KCTCS officials could share information and facilitate discussion relevant to the university and two-year sector models, respectively. A copy of the agenda for the meeting can be found in Attachment A.

During the first hour of the meeting, CPE staff provided work group members with tables, charts, and trend data related to the university funding model. Specifically, staff shared number and percent change analyses by institution and trend data for the university sector between academic years 2013-14 and 2020-21 for eight different student outcome metrics, including four bachelor's degree metrics (i.e., total, STEM+H, URM, and low-income), three student progression metrics (i.e., at 30, 60, and 90 credit hour thresholds), and one credit-hours-earned metric. The data packet also included analyses comparing the seven-year change for each institution to the sector average change and showing cumulative net gain in outcomes produced relative to a 2013-14 beginning baseline for each of the eight metrics.

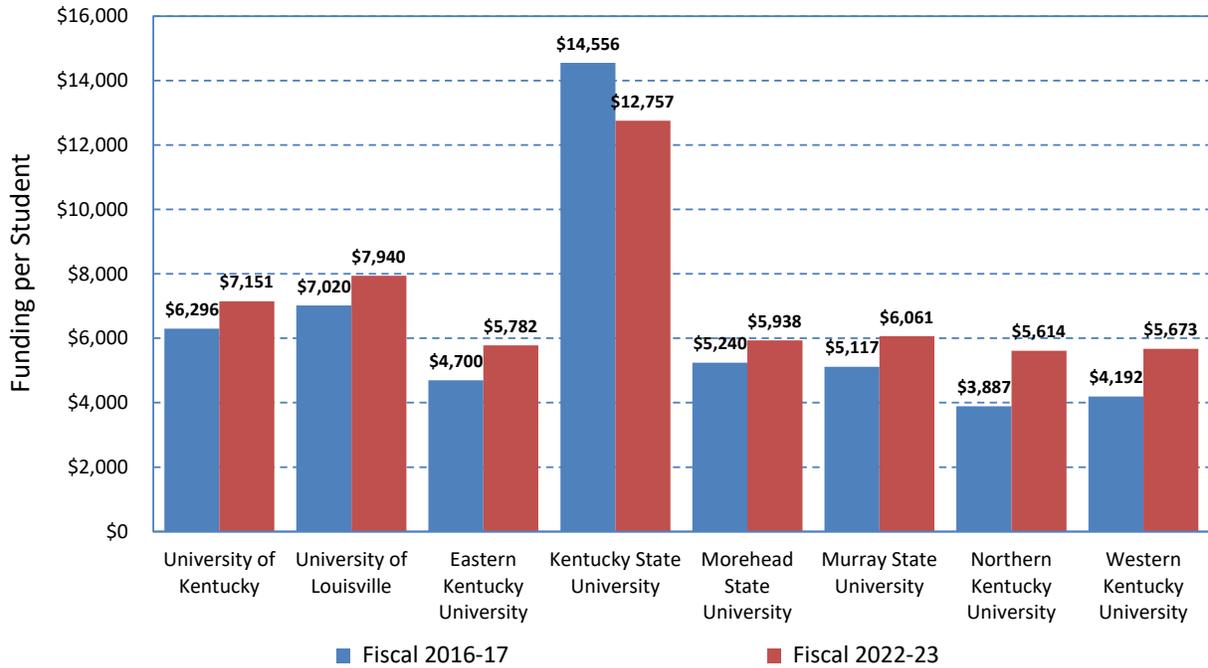
Council staff also shared responses from campus officials to a performance funding survey that was conducted this past September. The survey focused on three main questions, which were closely aligned with questions the working group is charged to address as part of its funding model review (KRS 164.092). Namely, after six years of operation, in what ways has the funding model functioned as expected? Have there been any unintended consequences of adopting the model? What adjustments to the model are recommended? During the course of sharing the survey responses, staff facilitated discussion and responded to questions from work group members.

Finally, CPE staff shared six performance distribution scenarios that had either been specifically requested by an institution or were implied given the substance of an institution's recommended adjustment to the model. Every scenario used the same set of updated appropriations data for fiscal year 2023-24 and the same assumptions regarding no changes in student success or operational support metric data. This allowed the impact of proposed changes to be examined in isolation from any other potential influences. A copy of CPE staff's presentation is provided in Attachment B.

During the second half of the meeting, KCTCS officials shared analyses and trend data by institution and for the system for academic years 2015-16 through 2020-21. Student outcome metrics pertaining to their funding model included several types of credentials, transfers, student progression (at 15, 30, and 45 credit hour thresholds), and earned credit hours. System staff also provided a summary of survey responses that had been submitted by participating community and technical colleges. Their survey included the same questions as the university survey, regarding whether or not the model was functioning as expected, whether there were any unintended consequences, and recommended adjustments. A copy of the KCTCS presentation is provided in Attachment C.

Toward the end of the meeting a work group member asked how funding parity (a.k.a., equilibrium) within the context of the performance funding model is defined. As part of CPE's response to that question, staff shared the chart below, which shows that the gaps in state funding per student among the comprehensive universities (excluding KSU) narrowed during the six years that performance funding was in place. Specifically, as can be seen in the chart on the next page, the difference between the comprehensive university receiving the highest level of funding per student in 2016-17 (i.e., MoSU, \$5,240) and the university receiving the lowest level of funding (i.e., NKU, \$3,887) was \$1,353. Six years later, in 2022-23, the gap between the highest and lowest funded comprehensive universities (excluding KSU) was \$447 (i.e., MuSU, \$6,061; and NKU, \$5,614).

Kentucky Public Universities
State Funds for Educating Students¹ per Full-Time Equivalent Student
Fiscal Years 2016-17 and 2022-23



¹ Regular General Fund appropriation plus performance fund distribution, minus debt service and mandated program funding.
 Source: Council on Postsecondary Education, Finance and Budget Unit, and Data and Advanced Analytics Unit.

The next meeting of the Postsecondary Education Working Group is scheduled to take place on April 19, 2023.



Funding Model Review Update

Funding Model Review Update

Work Group Members

➔ KRS 164.092, Section 11(a)

The Council on Postsecondary Education is hereby directed to establish a **postsecondary education working group** composed of:

- The president of the council
- The president or designee of each public postsecondary institution, including the president of KCTCS
- The Governor or designee
- The Speaker of the House or designee
- The President of the Senate or designee

Funding Model Review Update

Work Group Responsibilities

➔ KRS 164.092, Section 11(b)(c)

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

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

The results of the review and recommendations shall be reported to the Governor, the IJC on A&R, and the IJC on Education

Funding Model Review Update

Work Group Timeline and Meetings

First Performance
Work Group Meeting
January 25, 2023



Report to Governor
and General Assembly
December 1, 2023

▲
Oct 18 - PEWG
Report Finalized

Proposed Meeting Dates:

- Wednesday, March 1
- Wednesday, April 19
- Wednesday, June 7
- Wednesday, July 19
- Wednesday, September 6
- Wednesday, October 18

Half of these dates correspond with
previously scheduled presidents' meetings

Proposed 1:00 PM start time
for all future meetings

Funding Model Review Update

March Meeting

On March 1, 2023, the Postsecondary Education Working Group held its second meeting of the year

At that meeting, CPE staff shared:

- Trend data and analyses related to the university model for eight different student outcome metrics
- University responses to a funding model survey conducted in September
- Six performance distribution scenarios that were requested or implied

KCTCS officials shared:

- Trend data and analyses related to the two-year model
- Community and technical college responses to a funding model survey