KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION
FINANCE COMMITTEE MEETING

November 9, 2026 – 1:00 p.m. ET (12:00 p.m. CT)
Virtual meeting via ZOOM webinar: https://bit.ly/4BmLAjf

I. Call to Order and Roll Call

II. CPE President Report

III. Action Items

A. Approval of the Minutes 2
B. Interim Capital Projects
1. Morehead State University - Campus Utility and Infrastructure Capital Project, Phase I 5
2. KCTCS, Bluegrass Community and Technical College - Renovate Winchester 1919 Rolling Hills Phase 1 15
3. KCTCS, Jefferson Community and Technical College – Renovate Broadway Building Façade 21

IV. Staff Updates

A. Tuition Setting Process and Timeline, Academic Year 2027-28 27

V. Other Business

VI. Adjournment

Next Meeting: February 1, 2027 @ 1:00 p.m. ET

MEETING MINUTES

Draft for Approval by the Committee, November 9, 2026

Who:	Kentucky Council on Postsecondary Education
Meeting Type:	Finance Committee
Date:	September 9, 2026
Time:	1:00 p.m. ET
Location:	Virtual Meeting via Zoom Webinar

CALL TO ORDER

The Finance Committee met Wednesday, September 9, 2026, at 1:00 p.m., ET. The meeting occurred virtually via Zoom webinar. Council Vice Chair Elaine Walker presided.

ROLL CALL

There was a quorum of 6 voting Council members in attendance.

- Jacob Brown – did not attend
- Lindsey Case – attended (joined 1:03 p.m.)
- Jennifer Collins – attended
- Dr. Kellie Ellis – attended
- Dennis Repenning - attended
- Madison Silvert – attended (left 1:30 p.m.)
- Elaine Walker - attended
- Michael Wheeler - did not attend

CPE President Aaron Thompson served as secretary of the board, per the CPE Bylaws. Heather Faesy, CPE program manager, served as recorder of the meeting minutes.

CPE PRESIDENT REPORT

Dr. Aaron Thompson, CPE President, provided a brief update to the Committee focusing on preliminary enrollment data, the Council's recent work on the definition and potential development of three-year degree programs, and highlights of the upcoming Postsecondary Education Trusteeship Conference.

APPROVAL OF THE MINUTES

The minutes of the June 8, 2026, Finance Committee meeting were approved as presented.

INTERIM CAPITAL PROJECTS – KENTUCKY STATE UNIVERSITY

Mr. Adam Blevins, CPE's Director of Finance Policy and Programs, presented two interim capital projects from Kentucky State University (KSU).

DRAFT

1. Betty White Building Renovation Scope Adjustment
   KSU requested approval for a $385,830.45 scope adjustment for the continued renovation of the Betty White Building using USDA Facility Funds to create and enhance teaching lab space within the facility. This action would increase the total project scope from $2,467,500 to $2,853,330.45, a 15.6% increase. The KSU Board of Regents approved the equipment purchase at their January 31, 2025, meeting.

2. Purchase of CNC Machine
   KSU requested the approval of a $270,465.19 capital equipment purchase for KSU to acquire a new Computer Numerical Control (CNC) machine using federal Title III funds. The KSU Board of Regents approved the equipment purchase at their August 7, 2026, meeting.

MOTION: Dr. Ellis moved that the Finance Committee endorse for Council approval the two proposed interim capital projects from Kentucky State University. Mr. Silvert seconded the motion.

VOTE: The motion passed.

EQUINE TRUST FUND PROGRAM UPDATE

Mr. Brent Floyd, Senior Associate of Finance Policy and Programs, provided an update on the action taken by the Equine Trust Fund Advisory Committee since the adoption of the latest guidelines. He reviewed the contracts approved for fiscal years 2026-2028 for participating institutions (Bluegrass Community and Technical College, Morehead State University, Murray State University, University of Kentucky, and Western Kentucky University) and the additional funding proposal by the University of Louisville.

Dr. Shae Porr, Associate Dean of the Hutson College of Agriculture at Murray State University, presented to the committee on how the institution has utilized the funds received through this program over the last several years. This includes having tack and grooming kits for each horse, purchasing a new trailer and trailer wraps, and purchasing equipment to produce hay in-house for their horses.

TUITION AND FEE APPROVAL – UPDATE ON DELEGATED AUTHORITY APPROVAL

At its last meeting, the Council delegated authority to the CPE President to review and approve Academic Year 2026-27 tuition and fee proposals from the University of Louisville, Northern Kentucky University, and the Kentucky Community and Technical College System, provided the proposed rates comply with the Council's previously approved parameters. As of June 9, 2026, none of the three institutions' governing boards had met to consider proposed rates; thus, the proposals were not submitted for Finance Committee approval..

DRAFT

Since that time, Council staff and President Thompson reviewed those proposed rates, and Mr. Floyd provided the following update on each institution's proposal – all of which complied with Council parameters.

University of Louisville (UL)

- Increased the resident undergraduate base rate by $224.00 or 1.7 percent.
- Increased the nonresident undergraduate base rate by $224.00 or 0.8 percent.
- Increased the resident graduate base rate by $230.00 or 1.5 percent.
- Increased the nonresident graduate base rate by $466.00 or 1.5 percent.

Northern Kentucky University (NKU)

- Increased the resident undergraduate base rate by $216.00 or 1.9 percent.
- Increased the nonresident undergraduate base rate by $456.00 or 2.0 percent.
- Increased per-credit-hour rates for resident graduate students by $12.00 or 2.0 percent.
- Increased per-credit-hour rates for nonresident graduate students by $18.00 or 2.0 percent.

Kentucky Community and Technical College System (KCTCS)

- Increased the resident per-credit-hour rate by $3.00 or 1.5 percent.
- No change to the nonresident per-credit-hour rate, which will remain at $270.00 per credit hour.

PERFORMANCE FUNDING UPDATE

Dr. Bill Payne, Vice President of Finance Policy and Programs, provided an update on the meetings and activities of the 2026 Postsecondary Education Working Group on Performance Funding, which is charged with conducting comprehensive reviews of Kentucky's university and KCTCS funding models and making recommendations for adjustments to the Governor and legislative committees.

This update included a review of the current make-up of the working group as well as a summary of the three meetings held thus far. Work accomplished by the group so far includes the adoption of principles to guide decisions regarding potential adjustments or new directions for the models going forward, a review of Kentucky student success data, and a national landscape analysis of performance funding models as well as best practice approaches other states are using.

It is anticipated that the next meeting on September 22, 2026, will focus on the state goals for the funding models, review and discuss issues that stakeholders may have with current university and KCTCS funding models, and consider options for potential adjustments to funding models going forward.

ADJOURNMENT

The Finance Committee adjourned at 1:50 p.m., ET.

DRAFT

TOPIC/TITLE:	Interim Capital Project: Morehead State University, Campus Utility and Infrastructure Capital Project, Phase I
STAFF CONTACTS:	Adam Blevins, Executive Director, Finance Policy and Programs Greg Rush, Associate Vice President, Finance Policy and Programs
TYPE/REQUEST:	☒ Action ☐ Information

ACTION REQUESTED

CPE staff recommend that the Finance Committee endorse for Council approval a $1.3 million interim capital project at Morehead State University to rehabilitate and replace critical water lines in need of urgent repair and create a campus utility master plan to guide future water and sewage infrastructure improvements. $1 million of the project will be funded by a Kentucky Environmental Infrastructure grant through the U.S. Army Corps of Engineers, and the remaining $333,333 would be funded through the 2024-26 Asset Preservation Pool.

SUPPORTING INFORMATION

Morehead State University requested authorization for an interim capital project that will utilize recently awarded grant funds to address aging and deteriorating campus water and sewer infrastructure. The project was initially approved with a scope of $1.25 million at Morehead State University's August Board of Regents meeting. The grant award was higher than originally expected, which required a scope adjustment to $1.3 million. The Board of Regents approved the revised scope at its October 23, 2026, meeting.

The project will be funded through the U.S. Army Corps of Engineers Section 531 Southern and Eastern Kentucky Environmental Infrastructure Program and the 2024-2026 Asset Preservation Pool. In total, the grant will supply $1.0 million in funding, with an additional $333,333 in matching funds provided through the Asset Preservation Pool. This Phase I project will address high-priority water and sewer infrastructure needs and support the development of a campus utility master plan to guide future improvements and address long-term infrastructure needs.

Although a portion of the project will utilize Asset Preservation Pool funds, the overall project was not individually authorized in the enacted 2026-2028 Budget of the Commonwealth and therefore requires approval as an interim capital project, in addition to Council approval. Given the broad legislative authorization of the 2024-2026 Asset Preservation Pool, the project's

eligibility for reimbursement from the pool, and the majority of project funding being provided through a newly awarded federal grant, the proposed use of Asset Preservation Pool funds is consistent with the purpose of the original appropriation and would not redirect funds appropriated for another purpose. Therefore, this project may be authorized pursuant KRS 45.760(7) and KRS 164A.575.

MOREHEAD STATE UNIVERSITY

Office of the President
202 Howell-McDowell Admin. Bldg.
Morehead, KY 40351
P: 606-783-2022 | F: 606-783-2216

www.moreheadstate.edu

August 14, 2026

President Aaron Thompson
Kentucky Council on Postsecondary Education

Dear President Thompson,

Morehead State University is requesting Council approval for a capital construction project exceeding one million dollars. This project was approved at the August 7, 2026, Morehead State University Board of Regents meeting. While the Board approval for this project is $1,250,000, the U.S. Army Corps of Engineers has awarded Section 531 Kentucky Environmental Infrastructure Program funding with a total project scope of $1,333,333. This increase in the project will be presented to the Board at the October 23, 2026 meeting.

The project is the Campus Utility and Infrastructure Capital Project – Phase One which will be funding with $1,000,000 U.S. Army Corps of Engineers Section 531 Kentucky Environmental Infrastructure and $333,333 matching funds which will come from the University's 2024-2026 State Asset Preservation Pool funding. The campus sewer, storm water and domestic water infrastructure is aged and beginning to show signs of failure as exhibited by multiple water main breaks and underground water wash-outs/pavement cave-ins. It is also anticipated that there are still multiple locations of cross connection between the storm sewer and the sanitary sewer resulting in excessive inflow and infiltration during intense rains which cause problems at the Morehead Utility Plant Board Sewer Treatment Plant. Most of the old infrastructure consists of old clay and other aged piping that is in critical need of rehabilitation or replacement.

This project will initially focus on a Campus Utility Master Plan that includes updating the campus utility mapping and assessing the critical sewer and water infrastructure needs then developing a phased approach to rehabilitating or replacing the systems that are in fair to poor condition. It is anticipated that Phase One of the Campus Utility and Infrastructure Capital Project will include the Campus Utility Master Plan but also the removal of the sanitary and storm cross connections and rehabilitation and/or replacement of the domestic water lines that are leaking and in the poorest condition. Future phases with other future funding sources will be carried out in accordance with the Campus Utility Master Plan as developed in this initial phase.

If you have any questions, please do not hesitate to call. I can be reached at 606-783-2022.

Sincerely,

Joseph A. (Jay) Morgan
President
Morehead State University

MSU is an affirmative action, equal opportunity, educational institution.

Recommendation:

That the Board of Regents approve, upon recommendation of the President and notification of award of Section 513 funds, the Campus Utility and Infrastructure Capital Project - phase one.

Background:

In the 2024-2026 Biennial Budget, the University received $37,670,000, from bonds to be issued by the Commonwealth of Kentucky, for Asset Preservation Pool Projects.

The University has applied for and anticipates receiving a $900,000 U.S. Army Corps of Engineers Section 531 Southern and Eastern KY Programs Funds Grant for wastewater treatment and water supply related facilities projects. If received the grant requires a $350,000 match from the University.

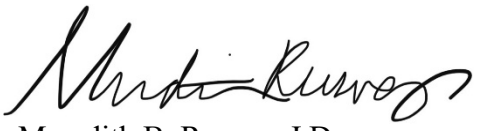
It is recommended that the Board of Regents approve a new Asset Preservation Capital Project with the total project scope of $1,250,000 with funding of $350,000 from the Commonwealth of Kentucky Asset Preservation Pool Projects funding received in the 2024-2026 Biennial Budget and $900,000 coming from the anticipated Section 513 grant award.

Prepared by: Mary Fister-Tucker

As Secretary to the Board of Regents, I hereby certify the above-referenced motion passed at the Board of Regents Meeting on August 7, 2026:

Motion to approve: Regent Craig Preece
Motion Seconded: Student Regent Molly Boyd

Motion passed unanimously.



Meredith B. Reeves, J.D.
Board of Regents Secretary

APPROVE CAMPUS UTILITY AND INFRASTRUCTURE CAPITAL PROJECT -PHASE ONE **BOR IV-C-2**
October 23, 2026

Recommendation:

That the Board of Regents approve, upon recommendation of the President and notification of award of Section 513 funds, the Campus Utility and Infrastructure Capital Project - phase one.

Background:

In the 2024-2026 Biennial Budget, the University received $37,670,000, from bonds to be issued by the Commonwealth of Kentucky, for Asset Preservation Pool Projects.

The University has applied for and anticipated receiving a $900,000 U.S. Army Corps of Engineers Section 531 Southern and Eastern KY Programs Funds Grant for wastewater treatment and water supply related facilities projects. If received the grant requires a $350,000 match from the University.

On August 7, 2026, the Board of Regents approved the Campus Utility and Infrastructure Capital Project with a scope of $1,250,000. Since that time the University has been notified that the U.S. Army Corps of Engineers has awarded the University a $1,000,000 Section 531 Southern and Eastern KY Programs Funds Grant that has a required University match of $333,333. Therefore, it is recommended that the Board of Regents approve an increase in the Campus Utility and Infrastructure Capital Project of $83,333 to provide a revised total project scope of $1,333,333 with funding of $333,333 from the Commonwealth of Kentucky Asset Preservation Pool Projects funding received in the 2024-2026 Biennial Budget and $1,000,000 coming from the Section 513 grant award.

Prepared by Mary Fister-Tucker

Interim Capital Project – MoSU Campus Utility and Infrastructure Capital Project – Phase I

Adam Blevins, Executive Director, Finance Policy and Programs
Greg Rush, Associate Vice President, Finance Policy and Programs

Interim Capital Projects

- Capital projects that meet or exceed statutory thresholds specified in KRS 45.750 require Council approval
  - $1.0 million for capital construction
  - $200,000 for equipment
- Interim approval is required for capital projects that are not included in the biennial budget request
- KRS 45.760 provides the conditions required for new project authorization and requires that projects are reported to the Capital Projects and Bond Oversight Committee
- Institutions cannot issue debt or displace existing projects or appropriations

MoSU – Campus Utility and Infrastructure Capital Project – Phase I

- Morehead State University is requesting Council approval to rehabilitate and replace critical water lines in need of urgent repair and create a campus utility master plan to guide future water and sewage infrastructure improvements.
- Total cost of the project is $1.3 million;
  - $1.0 million funded by a Kentucky Environmental Infrastructure grant (U.S. Army Corps of Engineers)
  - $333,333 funded using the 2024-26 Asset Preservation Pool.
- Morehead's Board of Regents approved the project at its October 23, 2026, meeting.

MoSU – Campus Utility and Infrastructure Capital Project – Phase I

- Staff recommends that the Finance Committee endorse for Council approval a $1.3 million capital project for Morehead State University to rehabilitate and replace critical water lines in need of urgent repair and create a campus utility master plan to guide future water and sewage infrastructure improvements.

TOPIC/TITLE:	Interim Capital Project: KCTCS, Bluegrass Community and Technical College - Renovate Winchester 1919 Rolling Hills Phase 1
STAFF CONTACTS:	Adam Blevins, Executive Director, Finance Policy and Programs Greg Rush, Associate Vice President, Finance Policy and Programs
TYPE/REQUEST:	☒ Action ☐ Information

ACTION REQUESTED

Pending approval by the KCTCS Board of Regents, CPE staff recommend that the Finance Committee endorse for Council approval a $14.0 million project to renovate approximately 20,000 square feet within the 1919 Rolling Hills Building. The proposed project will utilize $11.0 million from restricted agency funds and $3.0 million from restricted private donations.

SUPPORTING INFORMATION

Kentucky Community and Technical College System, on behalf of Bluegrass Community and Technical College, requested authorization for an interim capital project to renovate the 1919 Rolling Hills Building on the Winchester campus to provide specialized training laboratories and training spaces needed to support regional workforce training needs. The project will be taken to the KCTCS Board of Regents on December 3, 2026, for review and action. Because the KCTCS Board of Regents will not take action on the project until after the Council meeting on November 13, any action taken by the Council is contingent upon KCTCS Board approval.

The project is scoped at $14.0 million and will utilize $11.0 million in agency restricted funds and $3.0 million in restricted donor funds. The project will renovate 20,000 square feet of the 75,000 square foot building. Work will include the construction of specialized manufacturing training labs and installing infrastructure to support the training spaces and future development.

KRS 164A.575 allows public postsecondary institutions to authorize capital projects not specifically listed in the state budget as long as: (1) the projects are funded with non-general fund appropriations; (2) do not jeopardize funding for existing programs; and (3) are reported by the institution to the Capital Projects and Bond Oversight Committee.

During the interim, the agencies involved and the approval process for a capital project that exceeds $1,000,000 is as follows:

- The project must be approved by an institution’s board of trustees or regents;
- The project must be submitted to the Council on Postsecondary Education for review and action;
- If approved by the Council, projects at KSU are submitted to the Secretary of the Finance and Administration Cabinet for review and action, and subsequently submitted by the Secretary to the Capital Projects and Bond Oversight Committee for review;
- If approved by the Council, projects at EKU, MoSU, MuSU, NKU, UK, UofL, WKU and KCTCS are submitted by the requesting institution to the Capital Projects and Bond Oversight Committee for review, and a copy is provided to the Finance and Administration Cabinet as information; and
- Following review and action by the appropriate agencies, the project may be initiated by the requesting institution.

Because the project was not previously approved by the Council and was not authorized by the General Assembly in the 2026-2028 enacted budget, Council approval is required. The project will not use any general funds or any funds appropriated for another purpose. Debt will not be used to finance any portion of this project. Therefore, provisions of KRS 45.763 do not apply.

Following action by the Council, CPE staff will notify the president of KCTCS, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee regarding this interim capital project. Certification of KCTCS Board approval will be provided once it is available.

KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

October 29, 2026

Dr. Aaron Thompson, President
Council on Postsecondary Education
100 Airport Road
Frankfort, KY 40601

Re: Action Item – Bluegrass Community and Technical College
Renovate Winchester 1919 Rolling HIlls Phase I

Dear President Thompson:

The Kentucky Community and Technical College System respectfully request interim authorization for a project that is being funded with agency restricted funds, contingent upon KCTCS' Board approval.

The project will be the first phase of multiple phases for the renovation of the Bluegrass Community and Technical College Winchester 1919 Rolling Hills Building. This will be the Regional Workforce Training Center that will respond to educational and workforce development needs of the Winchester and surrounding regional communities. The first phase will renovate approximately 20,000 square feet of the 75,000 square feet building. This phase will include constructing specialized manufacturing training laboratories and installing the infrastructure to support the training spaces along with future development.

The budget authorization for this project is requested for $14,000,000. The source of funding will be $11,000,000 restricted college funds and $3,000,000 restricted donations.

The design and construction of this project will be implemented through the KCTCS Facilities Support Services Capital Construction Division. This project is on the KCTCS' Board of Regents agenda to be approved on December 3, 2026.

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

Sincerely,

Todd Kilburn
Chief Financial Officer

cc: Dr. Ryan F. Quarles, KCTCS President
Carla Wright
Adam Blevins
Andy Casebier
Sandy Adkins

Interim Capital Project – KCTCS Renovate BCTC Winchester 1919 Rolling Hills Phase I

Adam Blevins, Executive Director, Finance Policy and Programs
Greg Rush, Associate Vice President, Finance Policy and Programs

HIGHER EDUCATION Matters

KCTCS – BCTC (Winchester campus) Renovate 1919 Rolling Hills Phase I

- KCTCS is requesting Council approval to renovate 20,000 sq. ft. within the 1919 Rolling Hills Building at the BCTC Winchester campus to provide specialized manufacturing training labs and spaces needed to support regional workforce training needs.
- Total cost of the project is $14.0 million; $11.0 million will be funded through agency restricted funds and $3.0 million will be funded from donor restricted funds.
- KCTCS Board of Regents will take action at its December 3, 2026 meeting, any Council action is contingent on KCTCS BoR approval.

KCTCS – BCTC (Winchester campus) Renovate 1919 Rolling Hills Phase I

- Staff recommends that the Finance Committee endorse for Council approval a $14.0 million capital project for KCTCS to renovate 20,000 sq. ft. within the 1919 Rolling Hills Building at the BCTC Winchester campus to provide specialized manufacturing training labs and spaces needed to support regional workforce training needs.

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION
FINANCE COMMITTEE **November 9, 2026**

TOPIC/TITLE:	Interim Capital Project: KCTCS, Jefferson Community and Technical College – Renovate Broadway Building Facade
STAFF CONTACTS:	Adam Blevins, Executive Director, Finance Policy and Programs Greg Rush, Associate Vice President, Finance Policy and Programs
TYPE/REQUEST:	☒ Action ☐ Information

ACTION REQUESTED

Pending approval by the KCTCS Board of Regents, CPE staff recommend that the Finance Committee endorse for Council approval a $4.0 million project to renovate the façade of the Broadway Building at Jefferson Community and Technical College (JCTC). The project will be funded by agency restricted funds.

SUPPORTING INFORMATION

Kentucky Community and Technical College System, on behalf of Jefferson Community and Technical College, requested authorization for an interim capital project to renovate the façade of the Broadway Building on the JCTC campus. The project was originally authorized in the 2026-2028 Budget of the Commonwealth at a scope of $1.2 million to repair the façade. The scope has increased to $4.0 million, funded with agency restricted funds, which includes additional work to modernize the façade for consistency with other recent renovations across campus.

The project will be taken to the KCTCS Board of Regents on December 3, 2026, for review and action. Because the KCTCS Board of Regents will not take action on the project until after the Council meeting on November 13, any action taken by the Council is contingent upon KCTCS Board approval.

KRS 164A.575 allows public postsecondary institutions to authorize capital projects not specifically listed in the state budget as long as: (1) the projects are funded with non-general fund appropriations; (2) do not jeopardize funding for existing programs; and (3) are reported by the institution to the Capital Projects and Bond Oversight Committee.

During the interim, the agencies involved and the approval process for a capital project that exceeds $1,000,000 is as follows:

- The project must be approved by an institution’s board of trustees or regents;
- The project must be submitted to the Council on Postsecondary Education for review and action;
- If approved by the Council, projects at KSU are submitted to the Secretary of the Finance and Administration Cabinet for review and action, and subsequently submitted by the Secretary to the Capital Projects and Bond Oversight Committee for review;
- If approved by the Council, projects at EKU, MoSU, MuSU, NKU, UK, UofL, WKU and KCTCS are submitted by the requesting institution to the Capital Projects and Bond Oversight Committee for review, and a copy is provided to the Finance and Administration Cabinet as information; and
- Following review and action by the appropriate agencies, the project may be initiated by the requesting institution.

Because of the significant scope increase and the revised approach to the façade renovation project, Council approval is required. The project will not use any general funds or any funds appropriated for another purpose. Debt will not be used to finance any portion of this project. Therefore, provisions of KRS 45.763 do not apply.

Following action by the Council, CPE staff will notify the president of KCTCS, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee regarding this interim capital project. Certification of KCTCS Board approval will be provided once it is available.

KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

October 29, 2026

Dr. Aaron Thompson, President
Council on Postsecondary Education
100 Airport Road
Frankfort, KY 40601

Re: Action Item – Jefferson Community and Technical College
Renovate Broadway Building Facade

Dear President Thompson:

The Kentucky Community and Technical College System (KCTCS) respectfully request interim authorization for a scope increase that is being funded with agency restricted funds, contingent upon KCTCS' Board approval.

This project will renovate the façade of the Broadway Building at Jefferson Community and Technical College (JCTC). KCTCS and JCTC have worked with a design team to develop a design for the exterior of the JCTC Downtown Campus Broadway Building. This design expands on the initial intent to provide repairs and consistency to the façade towards a comprehensive exterior modernization. The modernization includes removing the aging, mismatched materials of the original facade and replacing them with contemporary architectural elements designed to match the campus' newer, high-end aesthetic standard established by recently completed projects. The change in the approach to this project increased the project budget.

The current 2026-2028 capital budget authorization for this project is $1,200,000. The revised budget for this project will be $4,000,000. The source of funding will be restricted funds.

The design and construction of this project will be implemented through the KCTCS Facilities Support Services Capital Construction Division. This project is on the KCTCS' Board of Regents agenda to be approved on December 3, 2026.

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

Sincerely,

Todd Kilburn
Chief Financial Officer

cc: Dr. Ryan F. Quarles, KCTCS President
Carla Wright
Adam Blevins
Andy Casebier
Sandy Adkins

Interim Capital Project – KCTCS Renovate JCTC Broadway Building Facade

Adam Blevins, Executive Director, Finance Policy and Programs
Greg Rush, Associate Vice President, Finance Policy and Programs

HIGHER EDUCATION Matters

KCTCS – Renovate JCTC Broadway Building Facade

- KCTCS is requesting Council approval to renovate the façade of the Broadway Building on the JCTC campus.
- Total cost of the project is $4.0 million, funded through agency restricted funds.
- The project was originally authorized in the 2026-2028 Budget of the Commonwealth at a scope of $1.2 million for repairs, but the scope has increased to allow additional work to modernize the façade for consistency with other recent renovations across campus.
- KCTCS Board of Regents will take action at its December 3, 2026 meeting, any Council action is contingent on KCTCS BoR approval.

KCTCS – Renovate JCTC Broadway Building Facade

- Staff recommends that the Finance Committee endorse for Council approval a $4.0 million capital project for KCTCS to renovate the façade of the Broadway Building on the JCTC campus.

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION
FINANCE COMMITTEE **November 9, 2026**

TOPIC/TITLE:	Tuition Setting Process and Timeline, Academic Year 2027-28
STAFF CONTACTS:	Greg Rush, Associate Vice President, Finance Policy and Programs Brent Floyd, Senior Associate, Finance Policy and Programs
TYPE/REQUEST:	☐ Action ☒ Information

BACKGROUND

Annually, staff work with campus presidents, chief budget officers, and Council members to facilitate a review of the Council's *Tuition and Mandatory Fee Policy* and to recommend changes to the policy as needed. Staff also work 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.

TUITION SETTING TIMELINE

A copy of a Preliminary 2027-28 Tuition Setting Timeline can be found in Attachment A. It is anticipated that the Council will approve revisions, if needed, to the *Tuition and Mandatory Fee Policy* at its February 5, 2027, meeting, will adopt staff recommended tuition and fee ceilings on April 9, 2027, and will take action on campus tuition and fee proposals on June 25, 2027.

TUITION AND MANDATORY FEE POLICY

Attachment B references the Council's *Tuition and Mandatory Fee Policy for Academic Years 2025-26 and 2026-27*. The Council typically reviews and approves proposed revisions, if any, to the policy at the beginning of each new tuition cycle. Once approved, the policy will help guide the development of a tuition and fee ceiling recommendation for the upcoming academic year, or in some cases two academic years, and facilitate submission and evaluation of campus tuition and fee rate proposals.

CPE staff and campus officials are in the process of reviewing the current tuition policy and will bring any proposed changes to the Council at the February 5, 2027, meeting. For the upcoming year, it is anticipated that revisions to the policy will be minimal.

Council on Postsecondary Education
Preliminary 2027-28 Tuition Setting Timeline

Nov 9, 2026	Finance Committee Meeting – Council staff will share the current *Tuition and Mandatory Fee Policy* and a Preliminary 2027-28 Tuition Setting Timeline with committee members and provide an overview of the tuition setting process.
Nov 2026 - Jan. 2027	Council staff will 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. Staff will work with campus CBOs to identify proposed changes to the *Tuition and Mandatory Fee Policy* and finalize the 2027-28 Tuition Setting Timeline.
Dec 2026	Presidents' Meeting – Staff will share the current *Tuition and Mandatory Fee Policy* and Preliminary 2027-28 Tuition Setting Timeline with campus presidents. Potential changes to the policy and timeline will be discussed. CBO Meeting – Council staff and CBOs will finalize proposed changes to the current *Tuition and Mandatory Fee Policy* and 2027-28 Tuition Setting Timeline.
Jan 2027	Presidents' Meeting – Staff will share proposed changes to the current *Tuition and Mandatory Fee Policy* and 2027-28 Tuition Setting Timeline with campus presidents. Proposed changes to the policy and timeline will be finalized.
Feb 1, 2027	Finance Committee Meeting – Council staff will present a proposed *2027-28 Tuition and Mandatory Fee Policy* for committee review and action and will share a final 2027-28 Tuition Setting Timeline for information.
Feb 5, 2027	CPE Meeting – The Finance Committee Chair will present a recommended *2027-28 Tuition and Mandatory Fee Policy* for Council action and will share a final 2027-28 Tuition Setting Timeline for information.
Feb - Mar 2027	Council staff will finalize updates of 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 and will work with campus officials to identify key issues that could impact the 2027-28 tuition-setting cycle. Campus officials will collect and submit data to CPE on fixed cost increases, tuition revenue estimates, potential impact of tuition increases, anticipated uses of tuition revenue, and budgeted student financial aid expenditures.
Mar 2027	CBO Meeting — Council staff and campus CBOs will review and discuss key issues and other policy relevant data that could impact the upcoming tuition-setting cycle and will begin discussing proposed tuition and mandatory fee ceilings for academic year 2027-28.

	Target for campus submission of fixed cost and tuition revenue data.
	Presidents' Meeting – Council staff and campus presidents will review key issues and other policy relevant data and engage in preliminary discussions regarding tuition and fee ceilings for academic year 2027-28.
	CBO Meeting — Council staff and campus CBOs will continue discussing key issues and potential tuition and fee ceilings for academic year 2027-28.
Apr 2027	Presidents' Meeting – Council staff and campus presidents will finalize a proposed tuition and fee ceiling recommendation for academic year 2027-28.
Apr 5, 2027	Finance Committee Meeting – Council staff will present recommended 2027-28 tuition and mandatory fee ceilings for committee review and action.
Apr 9, 2027	CPE Meeting – The Chair of the Finance Committee will present recommended 2027-28 tuition and mandatory fee ceilings for Council action.
Apr – May 2027	Campus officials will submit to the Council proposed 2027-28 tuition and mandatory fee charges for all categories of 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 the status of campus rate proposals.
May 2027	Target for submitting campus tuition and fee rate proposals to the Council.
June 21, 2027	Finance Committee Meeting – Council staff will present campus 2027-28 tuition and mandatory fee rate proposals for committee review and action.
June 25, 2027	CPE Meeting – The Chair of the Finance Committee will present campus tuition and fee rate proposals for Council action.

Council on Postsecondary Education Tuition and Mandatory Fee Policy

Academic Years 2025-26 and 2026-27

Proposed Approval by Council: January 30, 2026

Effective Date: January 30, 2026

Background

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. 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, rate ceilings established by the Council include both tuition and mandatory fees. 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 Council's 2022-30 Strategic Agenda for Kentucky Postsecondary Education.

Fundamental Objectives

Funding Adequacy

HB 1 requires that Kentucky 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 the postsecondary institutions.

Affordability and Access

Broad educational attainment is essential to a vibrant state economy and to intellectual, cultural, and political vitality. For this reason, 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 dual credit students, underrepresented students, including first-generation college students and students from economically disadvantaged backgrounds, adult learners, and part-time students.

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, student and family contributions, employment, and financial aid, including grants and loans.

In developing a tuition and fee recommendation, the Council and the institutions shall work collaboratively and pay attention to balancing the cost of attendance— including tuition and mandatory fees, room and board, books, and other direct and indirect costs—with the ability of students and families to pay. This will be accomplished 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 workforce initiatives. The colleges and universities seek to ensure that every dollar available to them is utilized to maximize return on investment and achieve outcomes most beneficial to the Commonwealth and its regions. Senate Bill 153, the *Postsecondary Education Performance Funding Bill,* enacted during the 2017 regular session provides 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 and objectives.

Attracting and Importing Talent to Kentucky

Kentucky cannot 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 larger share 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 fee policy is provided below. Council staff will periodically review and evaluate the policy to determine its impact on attracting and retaining nonresident 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 rates adopted for nonresident students shall be higher than the prices charged 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.

Definition of Mandatory Fees

A mandatory fee is a distinct charge applied to students as a condition of enrollment, regardless of degree level or program, and is required of such a large proportion of all students that a student who does not pay the fee is an exception. Typically, mandatory fees support a specific purpose, activity, or service that is available to all students attending the institution.

Mandatory fees include, but are not limited to, fees for health services, building use, student services and activity fees, recreation fees, technology fees, and athletic fees, where the charge is not optional for students. Mandatory fees do not include fees assessed to students in specific programs (e.g., music, nursing, lab fees) or fees unique to a given situation (e.g., late registration, automobile registration), or fees for housing and dining.

Special Use Fee Exception Policy

On April 28, 2011 the Council adopted a Special Use Fee Exception Policy that allowed Kentucky public postsecondary institutions, under certain conditions, to implement student endorsed fees that would be excluded from consideration when assessing institutional compliance with Council approved rate ceilings. In other words, in any given

year, an institution could request, and the Council could approve, a new mandatory fee for the purposes of constructing a new facility or renovating an existing facility that would support student activities or services on campus but would not count toward a rate or dollar increase ceiling established by the Council.

Specifically, a Special Use Fee was defined in the policy as follows:

> 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.

The underlying rationale for the exception policy was that the Council and campus officials wanted to accommodate the desires of students to assess a fee on themselves to improve facilities that sustain student activities and services, without sacrificing revenue necessary to support institutional operations. Under the Council's previous approach, such fees, when implemented in the same year that the Council adopted a tuition and fee rate ceiling, would reduce the amount of unrestricted tuition and fee revenue available for the institution to support its Education and General (E&G) operation.

Fees that qualified for a Special Use Fee exemption were for a fixed, recurring amount that could not increase over time. For this reason, during the process of establishing tuition and fee ceilings, Council staff deducts these fees from total tuition and fees before applying a percent increase parameter. This keeps the fees at the same amount each year until they expire. In other words, percent increase parameters adopted by the Council are applied to current-year base rates. 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 policy stipulates that Special Use Fees will not be assessed at full rate in perpetuity, but will either terminate upon completion of the debt, or in the case of new facilities, continue at a reduced rate to defray ongoing maintenance and operations (M&O) costs. In addition, institutions are required to have a plan for the eventual reduction or elimination of the fee upon debt retirement.

Between June 10, 2011 and June 12, 2015, the Council approved Special Use Fee exception requests for five institutions. Although several institutions have asked about Special Use Fee exceptions in recent years, the Council changed its stance on allowing exemptions from rate ceilings. Declining enrollment at most institutions, precipitated by decreasing numbers of high school graduates and falling college participation rates,

brought about a renewed focus on affordability and increased transparency in college pricing.

For several years, it has been a common practice for the Council to count all increases in mandatory fees toward tuition and fee rate ceilings and to not allow exceptions from the price caps. For this reason, the Special Use Fee Exception Policy will be terminated beginning in academic year 2025-26.

Although institutions will no longer be able to request exemptions from tuition and fee rate ceilings, periodic reporting requirements for Special Use Fees will remain in effect. Specifically, upon request by the Council, institutions will provide documentation certifying the date a Special Use 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 finance facilities that support student activities and services, and the number of years the fee will remain in place.

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 exempted from tuition and fee caps set annually by the Council. Toward the end of calendar year 2017, staff worked with campus presidents, chief budget officers, and Budget Development Work Group members to draft a proposed exception policy that could be presented to the Council for review and approval.

On February 2, 2018, the Council adopted an Asset Preservation Fee Exception Policy that allowed each institution the option to implement a student fee for asset preservation that would not be considered by staff when assessing compliance with Council approved rate ceilings. Under the new policy, an institution could request, and the Council could approve, a new mandatory fee supporting the renovation or renewal of existing instructional facilities and neither the percent, nor the dollar increase associated with that fee would count toward a rate ceiling established by the Council.

Specifically, an Asset Preservation Fee was defined in the policy as follows:

> 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.

The rationale for this exception stemmed from a desire on the part of stakeholders to address an overwhelming asset preservation and renovation need ($7.3 billion in 2013) through sizable and sustained investment in existing postsecondary facilities and the realization that this could best be accomplished through a cost-sharing arrangement involving the state, postsecondary institutions, and students and families. The implementation of an optional student fee with revenue dedicated to supporting asset preservation projects was seen as the best way to ensure the ongoing participation of students and families in the cost-sharing approach.

Fees that qualified for an Asset Preservation Fee exemption were for a fixed, recurring amount that could not increase over time. For this reason, during the process of establishing tuition and fee ceilings, Council staff deducts these fees from total tuition and fees before applying a percent increase parameter. This keeps the fees at the same amount each year until they expire. In other words, percent increase parameters adopted by the Council are applied to current-year base rates. 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).

At the time when the exception policy was established, the Council did not expect Asset Preservation Fees that qualified for an exemption under the policy to remain in effect in perpetuity. To be eligible for an exemption, a requesting institution was required to have a plan in place for the eventual elimination of the proposed fee within 25 years of its initial implementation date.

Between June 22, 2018 and April 26, 2019, the Council approved Asset Preservation Fee exception requests for four institutions. Although several institutions have asked about an Asset Preservation Fee exception since 2019, the Council changed its stance on allowing exemptions from rate ceilings. Declining enrollment at most institutions, precipitated by decreasing numbers of high school graduates and falling college participation rates, brought about a renewed focus on affordability and increased transparency in college pricing.

For several years, it has been a common practice for the Council to count all increases in mandatory fees toward tuition and fee rate ceilings and to not allow exceptions from the price caps. For this reason, the Asset Preservation Fee Exception Policy will be terminated beginning in academic year 2025-26.

Although institutions will no longer be able to request exemptions from tuition and fee rate ceilings, periodic reporting requirements for Asset Preservation Fees will remain in effect. Upon request by the Council, 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 finance facilities that support the instructional mission, 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).

Tuition Setting Process for Academic Year 2027-28

Brent Floyd, Senior Associate, Finance Policy and Programs
Greg Rush, Vice President, Finance Policy and Programs
Kentucky Council on Postsecondary Education

HIGHER EDUCATION Matters

Tuition Setting Process - Background Information

- The Council has statutory authority to determine tuition (KRS 164.020)
- Collaborative process involving multiple stakeholders
  - Council president and staff
  - Campus presidents and chief budget officers
  - Council members
- Data driven and transparent
  - Compare KY sticker and net prices to regional and national peers
  - Review trends in federal, state, and institutionally funded student aid
  - Compare net price as a % of family income; review student loan debt
  - Collect fixed cost and tuition revenue estimates from institutions

Tuition Setting Process – Preliminary Timeline

- Each tuition cycle, staff works with campus officials to develop a timeline that identifies target dates and planned activities for the upcoming year
- A copy of the Preliminary 2027-28 Tuition Setting Timeline is provided in the agenda materials for this meeting (Attachment A)
- Below are some significant milestones in the timeline
  - Nov-Jan 2026 — CPE staff will update relevant data collections and work with campus CBOs to identify proposed changes to the Tuition and Mandatory Fee Policy.
  - Feb 2027 — CPE staff expect to present a proposed 2027-28 Tuition and Mandatory Fee Policy for Council Action
  - Apr 2027 — CPE staff expect to present recommended 2027-28 tuition and mandatory fee ceilings for Council Action
  - June 2027 — Council staff will present campus 2027-28 tuition and mandatory fee rate proposals for Council Action