

**AGENDA**  
Council on Postsecondary Education  
Tuesday, January 28, 2014  
2:00 PM  
Conference Room B, Council on Postsecondary Education

---

1. Work Group Meeting Schedule	2
2. Postsecondary Institution Budget Development/Tuition Setting Timelines	5
3. Tuition Setting Process and Timeline	19
4. Data Collection Update	22
a. Fixed Cost and Tuition Revenue Estimates	23
b. Ability to Pay Data	26
c. Student Loan Data	41
d. Nonresident Rate Floor	45
5. Tuition and Mandatory Fee Policy	52
6. Two-Year Tuition Cycle	
7. Sector Differentiation	58

I.  
Work Group Meeting Schedule

Council on Postsecondary Education  
Tuition Development Work Group, Meeting Date Options  
January 28, 2014

Draft - For Discussion Purposes

Month/ Date	Day of Week	Time	Meeting Type	Meeting Activity / Deliverables
December				
4	Wednesday	11:00 AM	Presidents' Meeting	Share tuition policy and timeline with presidents. Discuss 2-year tuition cycle.
16	Monday	2:30 PM	CCBO Meeting	Share tuition data with CBOs. Share tuition policy and timeline with CBOs. Discuss 2-year tuition cycle.
18	Wednesday	2:00 PM	Work Group Meeting	Share tuition data with Work Group. Share tuition policy and timeline with Work Group. Discuss 2-year tuition cycle.
January				
8	Wednesday	1:15 PM	Presidents' Meeting	Share tuition data with presidents. Discuss tuition policy and timeline. Discuss 2-year tuition cycle.
28	Tuesday	2:00 PM	Work Group Meeting	Share additional tuition data with Work Group. Share institutional budget and tuition timelines. Discuss tuition policy and timeline. Discuss 2-year tuition cycle.
February				
5	Wednesday	11:00 AM	Joint Presidents'/CCBO Meeting	Share additional tuition data with presidents/CBOs. Present proposed policy and timeline recommendations. Present proposed 2-year tuition cycle recommendation. Discuss preliminary thoughts about tuition ceilings.
12	Wednesday	7:00 PM	Work Group Meeting	Share additional tuition data with Work Group. Present proposed policy and timeline recommendations. Present proposed 2-year tuition cycle recommendation. Discuss preliminary thoughts about tuition ceilings.

Council on Postsecondary Education  
Tuition Development Work Group, Meeting Date Options  
January 28, 2014

Draft - For Discussion Purposes

Month/ Date	Day of Week	Time	Meeting Type	Meeting Activity / Deliverables
14	Friday	9:00 AM	Joint Council/Presidents' Meeting	Finalize policy and timeline recommendations. Finalize 2-year tuition cycle recommendation. Discuss preliminary thoughts about tuition ceilings.
14	Friday	1:00 PM	Council Meeting	Share tuition data with full Council. Council approves tuition policy and timeline.
March				
3 - 4	Mon - Tue	TBD	CCBO Meeting	Continue to discuss tuition and fee ceilings with CBOs. Share data and discuss sector differentiation. Share data and discuss nonresident rate floor and exceptions.
5	Wednesday	11:00 AM	Presidents' Meeting	Continue to discuss tuition and fee ceilings with presidents. Share data and discuss sector differentiation. Share data and discuss nonresident rate floor and exceptions.
11	Tuesday	2:00 PM	Work Group Meeting	Continue to discuss tuition and fee ceilings with Work Group. Share data and discuss sector differentiation. Share data and discuss nonresident rate floor and exceptions.
April				
1	Tuesday	TBD	CCBO Meeting	Present proposed tuition and fee ceiling recommendation. Present proposed sector differentiation recommendation. Present proposed nonresident rate floor and exceptions.
2	Wednesday	11:00 AM	Presidents' Meeting	Present proposed tuition and fee ceiling recommendation. Present proposed sector differentiation recommendation. Present proposed nonresident rate floor and exceptions.
22	Tuesday	2:00 PM	Joint Work Group/Presidents' Meeting	Finalize tuition and fee ceiling recommendation. Finalize sector differentiation recommendation. Finalize nonresident rate floor and exceptions.
29		9:00 AM	Council Meeting	Council approves tuition and fee ceilings. Council approves sector differentiation recommendation. Council approves nonresident rate floor and exceptions.

II.  
Postsecondary Institution Budget  
Development/Tuition Setting Timelines

# Summary of Institutional Budgetary, Tuition, and Financial Aid Timelines

## University of Kentucky

### **FY 2015 AND FY 2016 BUDGET DEVELOPMENT**

Fall – Spring	Fiscal analysis of actual revenues, expenses, and use of reserves; development of fixed cost estimates; evaluation of strategic investments; execute predictive enrollment and tuition revenue models
Spring	Senior leadership review and discuss budget scenarios
April	Discuss FY 2015 budget assumptions with constituents
June 10	UK Board of Trustees Meeting: Consideration and approval of FY 2014-15 operating budget

### **AY 2014-15 TUITION AND FEE SETTING PROCESS**

Fall – Spring	Analyze tuition and fee rates compared to various benchmark institutions; student affordability
December	Student Fee Committee submits recommendation for mandatory student fees
February	Establish estimated costs of attendance for financial aid award letters
February 14	CPE Meeting: Council acts on recommended tuition and mandatory fee policy and timeline
April 29	CPE Meeting: Council establishes tuition and mandatory fees parameters
May 9	UK Board of Trustees Meeting: Board acts on recommended FY 2014-15 Tuition, mandatory fees, housing and dining rates
June 20	CPE Meeting: Council acts on each institution's proposed FY 2014-15 tuition and mandatory fee rates

**AY 2014-15 FINANCIAL AID AWARDS**

December	Scholarship award letters mailed to prospective students
February	Establish estimated costs of attendance for financial aid award letters
February 15	Priority filing deadline for financial aid for entering freshmen
February	Financial aid award letters mailed to prospective students; letters stipulate that rates are subject to approval by the University of Kentucky Board of Trustees and the Council on Postsecondary Education
March 15	Priority filing deadline for financial aid for continuing and transfer students

## **University of Louisville**

1. **Development of Annual Operating Budget** – UofL presents its annual operating budget to the Board of Trustees annually during a Budget Workshop at its May meeting. The following details the important dates:
  - a. Critical budget decisions – to include decisions on faculty and staff salary increases, strategic initiatives, fixed costs must be completed by mid to late March. UofL’s current budget calendar has that date as March 21, 2014.
  - b. The May Budget Workshop meeting this year is scheduled for May 8, 2014.
  - c. All materials are available to the Board members for review one week prior to the actual meeting date.
  - d. The 2014-15 Operating Budget material must then be completed on May 1, 2014.
  - e. Budget Office needs 2 weeks at a minimum to complete budget detail and prepare and print final documents
2. **Financial Aid Decision and Communication Points** – In general, scholarship awards for financial aid are completed by April for new students and by June for returning students.

For incoming students at UofL, the filing deadline for institutional scholarships is January 15. The Admissions Office sends out scholarship award letters by March 1. Financial aid awards for freshmen and other incoming students (e.g., law students) are managed through the student record system. Official financial aid notification to incoming students occurs in early April. Hard-copy Financial Award Notices letters are sent to students in early April. In 2013 this date was April 3.

Financial aid for continuing students at UofL is processed each May. In 2013 “packaging” was completed by May 28. Financial aid information is available to students electronically through the student record system.

Other financial aid awards and processes do not follow an established timeline. Students may have individualized requirements and receive information as they complete those requirements. Outside scholarships are processed as they are received.

3. **Internal Tuition and Fee Setting Process** – The University-wide committee began meeting in October of 2013. The committee will make a recommendation to the University’s Leadership Team on tuition rates for the 2014-15 academic year. Leadership must act on these recommendations by middle March to make the other critical budget development dates.



## **Eastern Kentucky University**

We do all three of the items simultaneously and don't have a calendar for each one. Here is a draft of our timeline:

January –

- Discuss tuition model and changes
- Review revenue and fixed cost increases for 2015
- Discuss strategic priorities and funding

February –

- Discuss tuition, housing, and meal plan recommendations
- Discuss strategic priorities and funding
- Review financial aid changes

March –

- Finalize housing rates
- Finalize meal plan rates
- Finalize revenue and fixed cost for 2015
- Financial aid packaging

April –

- Board of Regents Meeting approve:
  - Revenue and fixed cost guidelines
  - Housing
  - Meal plans
  - Tuition
- Financial aid packaging

May –

- Review budget book and open self-serve for department reallocations
- Print budget book

June –

- Board of Regents Meeting – Budget approved

## **Kentucky State University**

### **Budget Process**

#### **January 2014**

The budget and operating plan is discussed by the President and VP's. Specific guidelines and assumptions are developed for the upcoming fiscal year.

#### **February 2014**

Base budgets are prepared for the upcoming budget year.

Departmental budgets, including new initiatives, are submitted to the Vice Presidents. The divisional budget plans are submitted, along with new initiatives in priority order, to the Budget Office by mid-February.

#### **February – March 2014**

The President and the Cabinet hold formal budget discussions. Campus forums with various groups are conducted.

#### **April 2014**

Budget decisions are finalized and the President authorizes the final budget plan.

#### **April 25, 2014**

The President presents the final budget plan to the Board of Regents for approval.

#### **June 2014**

The Budget Office loads detailed departmental budgets into Banner for the July 1 fiscal year start.

### **Student Financial Aid Award**

#### **March 1, 2014**

Incoming student (First time Freshman) awarding for financial aid occurs.

#### **May 2014**

Continuing student awarding for financial aid occurs. Summer disbursements and adjustments are made for financial aid.

### **Tuition Setting**

#### **Nov-Dec 2013**

CPE initiates discussion with institutions to generate draft tuition policy and tuition setting guidelines.

#### **January 2014**

Current year enrollment numbers, along with rates and fees are analyzed.

#### **February- March 2014**

A revenue model with various tuition rate scenarios for the upcoming budget is generated

#### **February 13-14, 2014**

CPE takes action on final 2014-15 Tuition and Mandatory Fee Policy and 2014-15 Tuition Setting Timeline Documents. After the retreat Council members provide institutions with preliminary thoughts on 2014-15 tuition and mandatory fee ceilings.

**February – April 2014**

Council and institutional staffs discuss policy relevant information and tuition parameters.

**April**

Board of Regents meeting to approve tuition rates.

**April 29, 2014**

CPE Meeting: Council takes action on recommended tuition and mandatory fee ceilings.

**June 20, 2014**

CPE Council approves Kentucky State University tuition rates.

Timeline is subject to change.

## **Northern Kentucky University**

For our budget process, we start gathering information in November and take our budget to our BOR the first week in May (along with proposed tuition rates).

We make decisions regarding our scholarship program from January through March of the prior calendar year. For example, we will finalize our Fall 2015 scholarship program in March 2014. This is because our first on-campus recruitment event is scheduled in April 2014.

For our financial aid budgets, we make a decision in January of the same calendar year. For example, we will determine our Fall 2015 financial aid budget in January 2015. We estimate tuition rates in mid-February and send out financial aid packages in mid-March. If we are wrong on our tuition rate estimates, we need to re-package all of our financial aid.

For tuition setting, our tuition setting committee begins to meet in January and concludes in mid-February. At this time, we develop our tuition rate estimates. Then we wait until we hear what the tuition rate caps will be and determine our tuition rate proposal to be submitted to the BOR the first week in May.

So for Fall 2015, our schedule looks like:

January 2014 – March 2014: Finalize scholarship program

November 2014 – April 2015: Develop proposed budget

January 2015: Finalize financial aid budget

January 2015 – February 2015: Develop Tuition Committee recommendation

February 2015: Determine tuition rate estimate to be used for financial aid packaging

April 2015: Determine final tuition proposal based on CPE caps

May 2015: BOR approves 2015-16 budget and Tuition proposals

May / June 2015: Repackage financial aid for all students if necessary.

**Morehead State University**

## Budget Development Schedule

Action Item	Dates
Budget Office downloads current year revenue detail to be provided to VPs and Unit Heads for Revenue Projections	November
<p>Budget Office distributes Information Request &amp; Guidelines to VPs and Unit Heads. Requested information includes:</p> <ul style="list-style-type: none"> <li>• Fixed Cost Projections</li> <li>• Revenue Projections</li> <li>• Fee Schedule Changes</li> <li>• Internal Budget Reallocations</li> <li>• Microcomputer Acquisition Program (MAP) Request with Internal Budget Reallocation</li> </ul> <p>Due date for VPs and Unit Heads to submit information to Budget Office</p> <ul style="list-style-type: none"> <li>• Major Preliminary Fixed Cost Projections</li> <li>• All other requested information</li> </ul>	<p>December 6 – 10</p> <p>December 16 February 1</p>
Joint meeting of President's Cabinet and Academic Deans to discuss preliminary operating budget and strategic planning	January 3
<p>Budget Office develops summary of projected changes in revenue and expenditure</p> <ul style="list-style-type: none"> <li>• Initial preliminary budget scan</li> <li>• Continued development of projected budget changes</li> </ul>	<p>December 19 January – April</p>
<p>President's Cabinet meets weekly to review and evaluate fixed costs, revenue projections, strategic initiatives, and budget prioritization and reallocation</p> <p>Decisions include:</p> <ul style="list-style-type: none"> <li>• Proposed Tuition Rates</li> <li>• Residence Hall Rates</li> <li>• Prioritization of Strategic Initiatives</li> <li>• Reallocation of Resources</li> </ul>	February – April
Board of Regents – work session (preliminary operating budget discussion)	February 21
Open Forums for Faculty and Staff – Operating Budget Overview	March – April

Board of Regents meeting (preliminary operating budget discussion)	March 13
CPE board meeting – Tuition and Mandatory Fee parameters set	April 29
Student Tuition Forum	April
Board of Regents - work session (recommended operating budget and fee schedule discussion)	May 8
Board of Regents meeting - Operating Budget, Fee Schedule, and Personnel Roster presented for approval	June 5
CPE board meeting – Tuition and Mandatory Fee Rates presented for approval	June 20
Effective Date of Operating Budget	July 1

#### Student Financial Aid Awards

- January 1 – Earliest acceptance date for FAFSAs
- TBD (pending tuition setting notification for Fall 2014) – Awards will be packaged immediately and students notified

#### Tuition Setting

- February 15 – Target date to set tuition (pending Board of Regents and CPE final approval)

## **Murray State University**

### **BUDGET DEVELOPMENT**

November	Develop Preliminary Revenue Estimates
December	Departments forward budget priorities to VPs
January	VPs forward area budget priorities to VP for Finance and Administrative Services
February	Base Budgets are set for new budget year.
February	President/VPs Budget Meeting
February/March	Board of Regents' (BOR) Quarterly Meeting to approve Salary Guidelines and Institutional Priorities
March	Complete Revenue Estimates including different tuition rate scenarios.
March	President/VPs Budget Meeting
April	2 Student Tuition Campus Forums
April	President/VPs Budget Meeting
April 29 <sup>th</sup>	CPE Meeting-Set Tuition Parameters
May	President/VPs Budget Meeting
May	Special Called Board Meeting to approve Tuition Rates
May	Finalize Draft Budget Document for BOR consideration
May/June	BOR Meeting approve Annual Budget
June 20 <sup>th</sup>	CPE approves Murray State Tuition Rates
June	Upload approved budget into Banner ERP System

## FINANCIAL AID AWARDS

March 15 <sup>th</sup>	First Time Freshmen Financial Awards. In order to make appropriate awards it is important to have accurate tuition, room and board costs. This information is particularly important for new students and their families. With the present system of not knowing what tuition will be until May, the awards are made and then have to be adjusted after the fact which is extremely labor intensive and inefficient. It also puts the university at a competitive disadvantage for recruiting students who might be considering other schools where they can already know what their actual costs will be.
June 1 <sup>st</sup>	Financial Aid awards are made to returning students.

## TUITION SETTING

January	Analyze current year Fall Tuition Revenue
February 14TH	CPE Meeting Approve Tuition Guidelines
March	Run different tuition rate scenarios as part of the budget development process.
April	2 Student Campus Tuition Forums ( <b><i>Because the tuition rate parameters will not be set until the end of the month, these forums will discuss revenue needs without informing students of the final rates that will be approved. By the time the BOR approves the tuition rates in May, most students will have left campus.</i></b> )
April 29 <sup>th</sup>	CPE Meeting-Set Tuition Parameters
May	Special Called Board Meeting to approve Tuition Rates
June 20 <sup>th</sup>	CPE approves Murray State Tuition Rates



## **Western Kentucky University**

January	identify projected fixed cost increases
February	project revenue increases
March	make budget allocation decisions
April-May	technical aspects of budget development
June 2	budget goes to printer
June 27	Board of Regents approves budget

**Student Financial Aid Awards:** We send out scholarship letters (pre-awards) without specific amounts as early as October. We send official scholarship award letters in early March. So for the scholarship side, by early March would be great. As for federal financial aid award letters, we start loading in 14/15 FAFSA's as soon after 1/1 as we can. The sooner we can build budgets and send official award letters the better. By early March would work well for this group as well, but having the final figures even earlier would be the best scenario. (Source: Student Financial Aid Director, Cindy Burnette)

**Tuition-setting process:** There really isn't much process unless we plan to request for an exception to the CPE's maximum parameter. Once we know the maximum rate increase, we will share with SGA, University Senate, Staff Council, and the Budget Council. The focus will be on how the projected revenue relates to projected expenditures including the fixed costs projections.

## **KCTCS**

<b>Date</b>	<b>Description</b>
June 1, 2013	<b>Begin biennial budget request process</b> - KCTCS Office of Budget and Financial Planning
February 27–28	Budget Business Affairs Team Meeting
March 1, 2014	Summer and Fall Enrollment Opens
March 1, 2014	<b>Budget Module Opens for Revenue Estimates</b>
March 13, 2014	Board of Regents Committee meeting - preliminary budget presentation
March 15 to April 15	Institutional Scholarships Awarded for Fall Term (most award committees meet late March/early May)
April 1, 2014	<b>Budget Module Opens for Expense Budget Planning</b>
April 15, 2014	Strategic Needs Analysis Operating Requests due
May 9, 2014	Last day to submit requests for changes in approved charges
May 12, 2014	<b>Annual Budgets must be finalized</b> by 8:00 a.m. (EST) to Office of Budget and Financial Planning, which will begin printing the KCTCS annual budget book. Budget Module will be closed.
May 16, 2014	Deliver annual budget book to printer
June 4, 2014	<b>Annual Budget approval by College Board Due</b> - Documentation must be sent to the Office of Budget and Financial Planning
June 12, 2014	Board of Regents Committee meeting - Budget Approval

The tuition setting process affects the calendar in two particular areas.

1. March 1, 2014-Budget Module Opens for Revenue Estimates

We start the budget process on the revenue side. We create several scenarios based on what we believe is the range of possibilities. If the tuition rate was settled we could be more confident in building the expense side of the budget.

2. March 15 to April 15 – Scholarship Committees Meet to Award Scholarships

The Scholarship committee has a fixed dollars amount to award, however they must award the scholarships before they know the actual tuition rate for the next academic year. In order to not over-award they normally err on the conservative side and cut off awards to students based on the most conservative estimate. We could more accurately award scholarships if the tuition rate was set before scholarship committees meet.

### **III.**

## **Tuition Setting Process and Timeline**

## **Council on Postsecondary Education Preliminary 2014-15 Tuition Setting Timeline**

- Nov 7, 2013     CPE Meeting – The staff provides Council members an update regarding the 2014-15 tuition setting process. Staff will share the existing Tuition and Mandatory Fee Policy and a preliminary Tuition Setting Timeline with Council members.
- Nov-Dec 2013     Initiate discussions with institutions and generate draft tuition policy and tuition setting timeline documents.
- Council staff collects data and generates information related to funding adequacy, affordability, access, financial aid, and productivity.
- Institutional staffs collect data and generate information related to fixed cost increases, potential impacts of tuition increases, anticipated uses of additional tuition revenue, financial aid, and student debt.
- Jan 2014             Council and institutional staffs exchange information from respective data collection efforts and work together to finalize for distribution to Council members.
- Feb 5, 2014         Joint Presidents'/CCBO Meeting – Council staff presents proposed policy, timeline, and 2-year tuition cycle recommendations and initiates preliminary discussion regarding tuition and mandatory fee ceilings.
- Feb 14, 2014        Joint Council/Presidents' Meeting – Council members, CPE staff, and presidents finalize tuition policy, timeline, and 2-year tuition cycle recommendation, and discuss preliminary thoughts about tuition ceilings.
- Feb 14, 2014        CPE Meeting – The Council takes action on final Tuition and Mandatory Fee Policy and Tuition Setting Timeline documents.
- In addition, staff provides Council members with policy-relevant information related to funding adequacy, affordability, access, financial aid, and productivity. Institutions share information regarding potential

impacts of tuition increases and anticipated uses of additional tuition revenue.

- |              |  |
|--------------|--|
| Feb-Apr 2014 | Council and institutional staffs continue discussions of policy relevant information and preliminary tuition parameters. The Council president updates Council members regarding these discussions.                |
| Apr 2, 2014  | Presidents' Meeting – Council staff presents proposed tuition and fee ceiling, sector differentiation, and nonresident rate floor recommendations, and obtains feedback from presidents regarding these proposals. |
| Apr 22, 2014 | Joint Tuition Work Group/Presidents' Meeting – Council members, CPE staff, and presidents finalize tuition and fee ceiling, sector differentiation, and nonresident rate floor recommendations.                    |
| Apr 29, 2014 | <u>CPE Meeting</u> – The Council takes action on recommended tuition and fee ceilings, sector differentiation, and nonresident rate floor and exceptions.  |
| May 2014     | Institutional staffs share proposed tuition and mandatory fee rates with the Council president. The Council president updates Council members regarding the proposed rates.  |
| Jun 20, 2014 | <u>CPE Meeting</u> – The Council takes action on each institution's proposed tuition and mandatory fee rates.  |

## IV.

### Data Collection Update

**IV-A.**  
**Fixed Costs and Tuition Revenue Estimates**

Kentucky Public Postsecondary Institution  
Estimated Fixed Cost Increases  
Fiscal Year 2014-15

Draft - For Discussion Purposes  
January 28, 2014

Institution	Fixed Cost Increase Components					Total Cost Increases
	Institutional <sup>(a)</sup> Financial Aid	KERS Employer <sup>(b)(c)</sup> Contributions	Health <sup>(c)</sup> Insurance	Maintenance <sup>(d)</sup> & Operations	Other Fixed Costs	
University of Kentucky	\$12,957,400	\$0	\$4,178,500	\$3,288,600	\$10,666,300	\$31,090,800
University of Louisville	1,075,100	0	4,516,900	3,014,000	1,684,700	10,290,700
Eastern Kentucky University	441,300	2,127,100	878,000	638,400	4,523,400	8,608,200
Kentucky State University	0	499,900	193,700	0	120,300	813,900
Morehead State University	1,078,500	1,186,300	419,800	(110,200)	822,300	3,396,700
Murray State University	1,000,000	1,813,500	552,000	567,900	721,000	4,654,400
Northern Kentucky University	1,928,600	4,700,100	1,172,000	50,500	578,600	8,429,800
Western Kentucky University	775,000	2,150,000	1,004,000	162,000	2,437,000	6,528,000
KCTCS	12,891,400	4,032,200	2,249,900	1,647,200	552,000	21,372,700
System Totals	\$32,147,300	\$16,509,100	\$15,164,800	\$9,258,400	\$22,105,600	\$95,185,200

<sup>(a)</sup> Estimated increase in institutionally-funded student financial aid, assuming a 3 percent increase in tuition and fees.

<sup>(b)</sup> Increase in employer paid retirement contributions associated with state mandated KERS rate increase. UK and UofL do not have any participating KERS employees.

<sup>(c)</sup> Does not include costs associated with anticipated employee salary increases.

<sup>(d)</sup> Does not include personnel related maintenance and operations expenses.



Kentucky Public Postsecondary Institution  
Estimated Increases in Net Tuition and Fee Revenue at Various Levels of Rate Increase  
Fiscal Year 2014-15

Draft - For Discussion Purposes  
January 28, 2014

Institution	Est. 2013-14 Net Tuition & Fee Revenue	Incremental Increases in Net Tuition and Fee Revenue <sup>(a)(b)</sup>				
		Additional Tuition Revenue @ 1% Increase	Additional Tuition Revenue @ 2% Increase	Additional Tuition Revenue @ 3% Increase	Additional Tuition Revenue @ 4% Increase	Additional Tuition Revenue @ 5% Increase
University of Kentucky	\$272,099,800	\$2,721,000	\$5,442,000	\$8,163,000	\$10,884,000	\$13,605,000
University of Louisville	160,373,100	1,603,700	3,207,400	4,811,100	6,414,800	8,018,500
Eastern Kentucky University	102,960,400	1,029,600	2,059,200	3,088,800	4,118,400	5,148,000
Kentucky State University	20,650,000	206,500	413,000	619,500	826,000	1,032,500
Morehead State University	47,002,700	470,000	940,000	1,410,000	1,880,000	2,350,000
Murray State University	71,160,600	711,600	1,423,200	2,134,800	2,846,400	3,558,000
Northern Kentucky University	117,882,100	1,178,800	2,357,600	3,536,400	4,715,200	5,894,000
Western Kentucky University	123,794,000	1,238,000	2,476,000	3,714,000	4,952,000	6,190,000
KCTCS	239,615,900	2,396,200	4,792,400	7,188,600	9,584,800	11,981,000
System Totals	\$1,155,538,600	\$11,555,400	\$23,110,800	\$34,666,200	\$46,221,600	\$57,777,000

<sup>(a)</sup> Assumes flat student enrollment and uniform levels of rate increase across all categories of students (i.e. every academic level, residency, and full/part-time status) under each rate level scenario.

<sup>(b)</sup> At most institutions, a portion of tuition and mandatory fee revenue is designated as restricted funds and cannot be used to cover fixed cost increases.

## IV-B

### Ability to Pay Data

Median Family Income in the Past 12 Months  
For the United States and Individual States  
Calendar Year 2012

Rank	State	2012 Median Family Income	Percent of U.S. Median
1	Maryland	85,985	138%
2	Connecticut	85,254	136%
3	New Jersey	84,442	135%
4	Massachusetts	82,977	133%
5	Alaska	80,219	128%
6	New Hampshire	78,524	126%
7	Hawaii	77,447	124%
8	Virginia	74,485	119%
9	Minnesota	73,511	118%
10	Rhode Island	71,293	114%
11	Colorado	71,083	114%
12	Delaware	70,655	113%
13	North Dakota	70,573	113%
14	Washington	69,937	112%
15	Wyoming	68,827	110%
16	Illinois	68,705	110%
17	New York	68,395	109%
18	California	66,215	106%
19	Vermont	66,047	106%
20	Wisconsin	65,154	104%
21	Pennsylvania	65,109	104%
22	Utah	64,801	104%
23	Iowa	64,122	103%
24	Nebraska	63,442	102%
25	Kansas	62,955	101%
26	South Dakota	61,505	98%
27	Ohio	60,088	96%
28	Texas	59,765	96%
29	Montana	59,706	96%
30	Oregon	59,476	95%
31	Michigan	59,295	95%
32	Maine	58,689	94%
33	Indiana	58,596	94%
34	Missouri	57,274	92%
35	Nevada	56,954	91%
36	Arizona	56,792	91%
37	Georgia	56,684	91%
38	North Carolina	54,995	88%
39	Oklahoma	54,988	88%
40	Florida	54,777	88%
41	Idaho	54,483	87%
42	Louisiana	54,059	87%
43	Tennessee	53,342	85%
44	Kentucky	53,012	85%
45	South Carolina	52,763	84%
46	Alabama	52,700	84%
47	New Mexico	51,449	82%
48	West Virginia	51,320	82%
49	Arkansas	50,300	80%
50	Mississippi	45,857	73%
	United States	62,527	100%

Source: U.S. Census Bureau, American Fact Finder, 2012 American Community Survey.

Resident Undergraduate Tuition and Required Fees  
Flagship Universities  
Academic Year 2012-13

Rank	State	2012-13 Resident UG Tuition & Fees	2012 Median Family Income	Tuition & Fees As A Percent of MFI
1	Pennsylvania	16,444	65,109	25%
2	Vermont	15,284	66,047	23%
3	Michigan	12,994	59,295	22%
4	Illinois	14,960	68,705	22%
5	New Hampshire	16,422	78,524	21%
6	South Carolina	10,488	52,763	20%
7	California	12,874	66,215	19%
8	Kentucky	9,816	53,012	19%
9	Minnesota	13,459	73,511	18%
10	Maine	10,594	58,689	18%
11	Arizona	10,035	56,792	18%
12	Rhode Island	12,450	71,293	17%
13	Alabama	9,200	52,700	17%
14	Washington	12,155	69,937	17%
15	Georgia	9,842	56,684	17%
16	Indiana	10,087	58,596	17%
17	Tennessee	9,092	53,342	17%
18	Ohio	10,037	60,088	17%
19	Delaware	11,682	70,655	17%
20	Texas	9,794	59,765	16%
21	Missouri	9,257	57,274	16%
22	Virginia	12,006	74,485	16%
23	Massachusetts	13,232	82,977	16%
24	Wisconsin	10,379	65,154	16%
25	Oregon	9,310	59,476	16%
26	New Jersey	13,073	84,442	15%
27	Arkansas	7,553	50,300	15%
28	Kansas	8,888	62,955	14%
29	Mississippi	6,282	45,857	14%
30	North Carolina	7,500	54,995	14%
31	Oklahoma	7,340	54,988	13%
32	Colorado	9,482	71,083	13%
33	Connecticut	11,362	85,254	13%
34	Louisiana	6,989	54,059	13%
35	Iowa	8,057	64,122	13%
36	South Dakota	7,704	61,505	13%
37	Nebraska	7,897	63,442	12%
38	Hawaii	9,404	77,447	12%
39	West Virginia	6,090	51,320	12%
40	New Mexico	6,050	51,449	12%
41	New York	7,989	68,395	12%
42	Nevada	6,603	56,954	12%
43	Idaho	6,212	54,483	11%
44	Florida	6,143	54,777	11%
45	Utah	7,176	64,801	11%
46	Maryland	8,908	85,985	10%
47	North Dakota	7,254	70,573	10%
48	Montana	5,973	59,706	10%
49	Alaska	6,233	80,219	8%
50	Wyoming	4,277	68,827	6%
National Average		9,647		

Sources: Washington Student Achievement Council, 2013 National Tuition and Fee Report; U.S. Census Bureau, American Community Survey.

UG - Undergraduate  
MFI - Median Family Income

Resident Undergraduate Tuition and Required Fees (Estimated State Averages)  
 Comprehensive Colleges and Universities  
 Academic Year 2012-13

Rank	State	2012-13 Resident UG Tuition & Fees	2012 Median Family Income	Tuition & Fees As A Percent of MFI
1	South Carolina	9,066	52,763	17%
2	Illinois	11,762	68,705	17%
3	Arizona	9,496	56,792	17%
4	Michigan	9,909	59,295	17%
5	New Hampshire	12,668	78,524	16%
6	Ohio	9,452	60,088	16%
7	Alabama	8,126	52,700	15%
8	New Jersey	12,635	84,442	15%
9	Kentucky	7,786	53,012	15%
10	Indiana	8,541	58,596	15%
11	Tennessee	7,322	53,342	14%
12	Vermont	8,928	66,047	14%
13	Pennsylvania	8,739	65,109	13%
14	Arkansas	6,650	50,300	13%
15	Oregon	7,680	59,476	13%
16	Texas	7,662	59,765	13%
17	Maine	7,452	58,689	13%
18	Mississippi	5,796	45,857	13%
19	Virginia	9,272	74,485	12%
20	South Dakota	7,635	61,505	12%
21	Washington	8,582	69,937	12%
22	Iowa	7,635	64,122	12%
23	Wisconsin	7,692	65,154	12%
24	Georgia	6,598	56,684	12%
25	Missouri	6,630	57,274	12%
26	Nevada	6,585	56,954	12%
27	Florida	6,272	54,777	11%
28	West Virginia	5,639	51,320	11%
29	Idaho	5,977	54,483	11%
30	Massachusetts	9,096	82,977	11%
31	California	7,191	66,215	11%
32	Rhode Island	7,598	71,293	11%
33	Louisiana	5,557	54,059	10%
34	North Carolina	5,503	54,995	10%
35	Minnesota	7,350	73,511	10%
36	Connecticut	8,437	85,254	10%
37	New York	6,751	68,395	10%
38	Maryland	8,285	85,985	10%
39	Nebraska	6,013	63,442	9%
40	Oklahoma	4,954	54,988	9%
41	Colorado	6,307	71,083	9%
42	North Dakota	6,042	70,573	9%
43	Kansas	5,352	62,955	9%
44	New Mexico	4,314	51,449	8%
45	Montana	4,910	59,706	8%
46	Utah	5,165	64,801	8%
National Average		7,544		

Sources: Washington Student Achievement Council, 2013 National Tuition and Fee Report; U.S. Census Bureau, American Community Survey.

UG - Undergraduate  
 MFI - Median Family Income

Resident Tuition and Required Fees (Estimated State Averages)  
Community Colleges  
Academic Year 2012-13

Rank	State	2012-13 Resident UG Tuition & Fees	2012 Median Family Income	Tuition & Fees As A Percent of MFI
1	New Hampshire	7,033	78524	9%
2	Vermont	5,352	66047	8%
3	Kentucky	4,200	53012	8%
4	Montana	4,686	59706	8%
5	Wisconsin	5,086	65154	8%
6	Alabama	4,110	52700	8%
7	Oregon	4,369	59476	7%
8	Minnesota	5,335	73511	7%
9	Alaska	5,585	80219	7%
10	Missouri	3,967	57274	7%
11	Iowa	4,437	64122	7%
12	Tennessee	3,686	53342	7%
13	South Carolina	3,629	52763	7%
14	New York	4,470	68395	7%
15	Georgia	3,688	56684	7%
16	Massachusetts	5,177	82977	6%
17	Ohio	3,682	60088	6%
18	Pennsylvania	3,976	65109	6%
19	Indiana	3,455	58596	6%
20	Arkansas	2,944	50300	6%
21	West Virginia	2,997	51320	6%
22	Oklahoma	3,178	54988	6%
23	Washington	4,000	69937	6%
24	Florida	3,091	54777	6%
25	Maine	3,287	58689	6%
26	North Dakota	3,937	70573	6%
27	Rhode Island	3,950	71293	6%
28	Louisiana	2,904	54059	5%
29	Idaho	2,917	54483	5%
30	Colorado	3,616	71083	5%
31	Virginia	3,735	74485	5%
32	New Jersey	4,149	84442	5%
33	Mississippi	2,252	45857	5%
34	Utah	3,109	64801	5%
35	Nevada	2,700	56954	5%
36	Illinois	3,237	68705	5%
37	Delaware	3,136	70655	4%
38	North Carolina	2,440	54995	4%
39	Maryland	3,722	85985	4%
40	Connecticut	3,598	85254	4%
41	Nebraska	2,674	63442	4%
42	Hawaii	3,100	77447	4%
43	Arizona	2,216	56792	4%
44	Texas	2,273	59765	4%
45	Kansas	2,332	62955	4%
46	Wyoming	2,391	68827	3%
47	New Mexico	1,187	51449	2%
48	California	1,380	66215	2%
National Average		3,591		

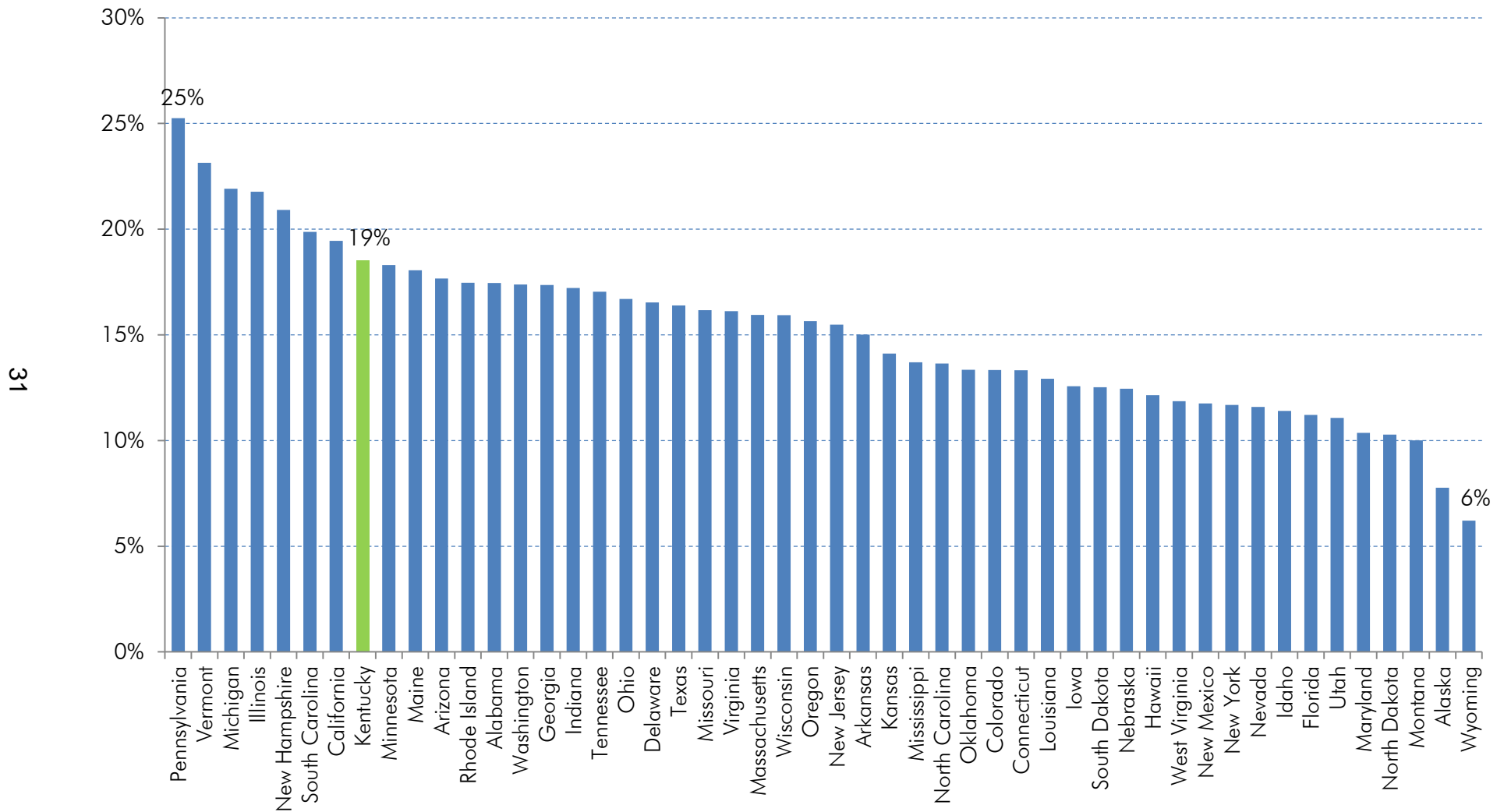
Sources: Washington Student Achievement Council, 2013 National Tuition and Fee Report; U.S. Census Bureau, American Community Survey.

UG - Undergraduate  
MFI - Median Family Income

# Flagship Universities in the United States

## Resident Undergraduate Tuition and Fees as a Percent of State Median Family Income

Academic Year 2012-13 (Tuition Data) / Calendar Year 2012 (Income Data)

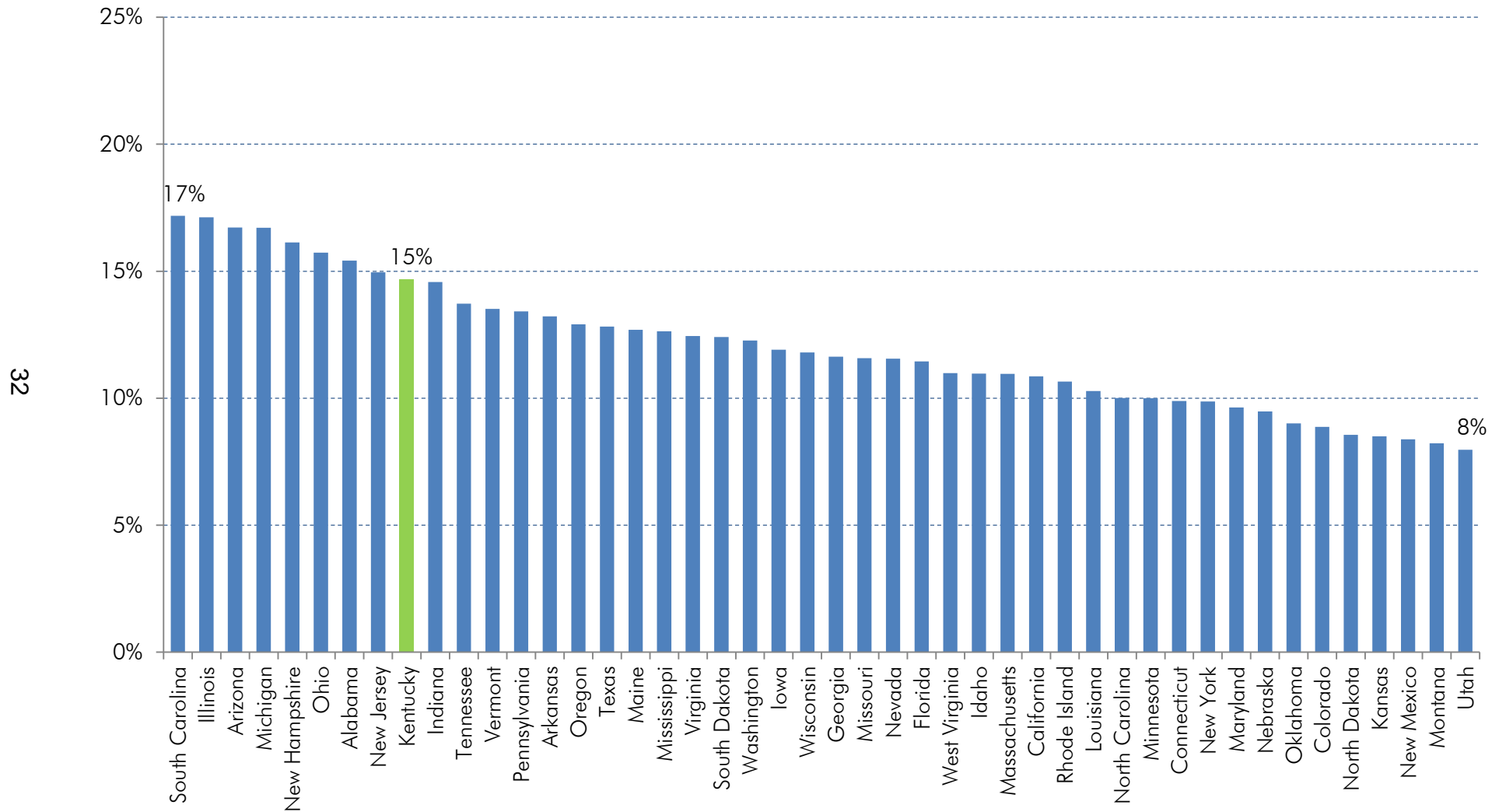


Sources: Washington Student Achievement Council, 2013 National Tuition and Fee Report; U.S. Census Bureau; American Community Survey.

# Comprehensive Colleges and Universities in the United States

## Resident Undergraduate Tuition and Fees as a Percent of State Median Family Income

Academic Year 2012-13 (Tuition Data) / Calendar Year 2012 (Income Data)



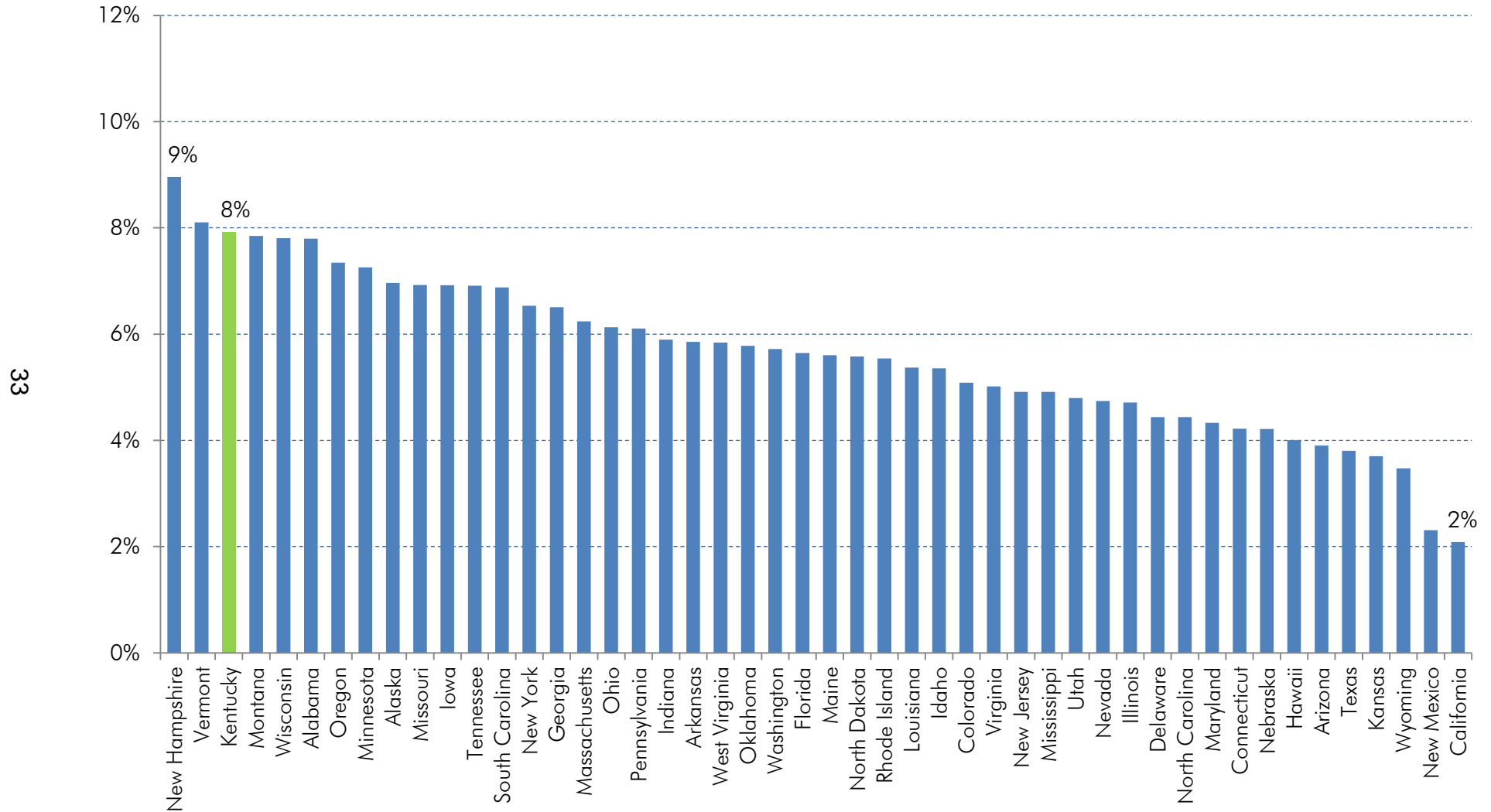
Sources: Washington Student Achievement Council, 2013 National Tuition and Fee Report; U.S. Census Bureau; American Community Survey.



# Community Colleges in the United States

## Resident Tuition and Fees as a Percent of State Median Family Income

Academic Year 2012-13 (Tuition Data) / Calendar Year 2012 (Income Data)



Sources: Washington Student Achievement Council, 2013 National Tuition and Fee Report; U.S. Census Bureau; American Community Survey.

Median Family Income in the Past 12 Months  
For the United States and Kentucky  
Calendar Years 2005 - 2012

Year	U.S. Median Family Income	KY Median Family Income	KY as Percent of U.S. Median	KY Rank <sup>(a)</sup>
2005	55,832	46,214	82.8%	44
2006	58,526	48,726	83.3%	45
2007	61,173	50,291	82.2%	47
2008	63,366	51,729	81.6%	48
2009	61,082	49,801	81.5%	48
2010	60,609	50,392	83.1%	48
2011	61,455	51,917	84.5%	47
2012	62,527	53,012	84.8%	45
% Change:	12.0%	14.7%		
AAGR:	1.6%	2.0%		

<sup>(a)</sup> Rankings include 50 states and the District of Columbia.

AAGR - Average Annual Growth Rate.

Source: U.S. Census Bureau, American Fact Finder, American Community Survey.

Council on Postsecondary Education  
Change in Selected Higher Education Finance Metrics  
Academic/Fiscal Year Ends 2006 - 2012

Draft - For Discussion Purposes  
January 21, 2014

Academic/ Fiscal Year	System Avg. Resident UG Tuition & Fees	System Gross Scholarships & Fellowships Per FTE Student	System Out- of-Pocket Costs Per FTE Student	KY Median Family Income	System Net General Fund Per FTE Student
2005-06	\$4,725	\$3,110	\$2,853	\$46,214	\$6,813
2006-07	5,272	3,168	3,194	48,726	7,011
2007-08	5,732	3,398	3,442	50,291	7,226
2008-09	6,188	3,667	3,748	51,729	6,826
2009-10	6,464	4,215	3,436	49,801	6,405
2010-11	6,816	4,504	3,498	50,392	6,195
2011-12	\$7,235	\$4,580	\$3,846	\$51,917	\$5,916

Since 2005-06:

% Change	53.1%	47.3%	34.8%	12.3%	-13.2%
AAGR	7.4%	6.7%	5.1%	2.0%	-2.3%

Since 2007-08:

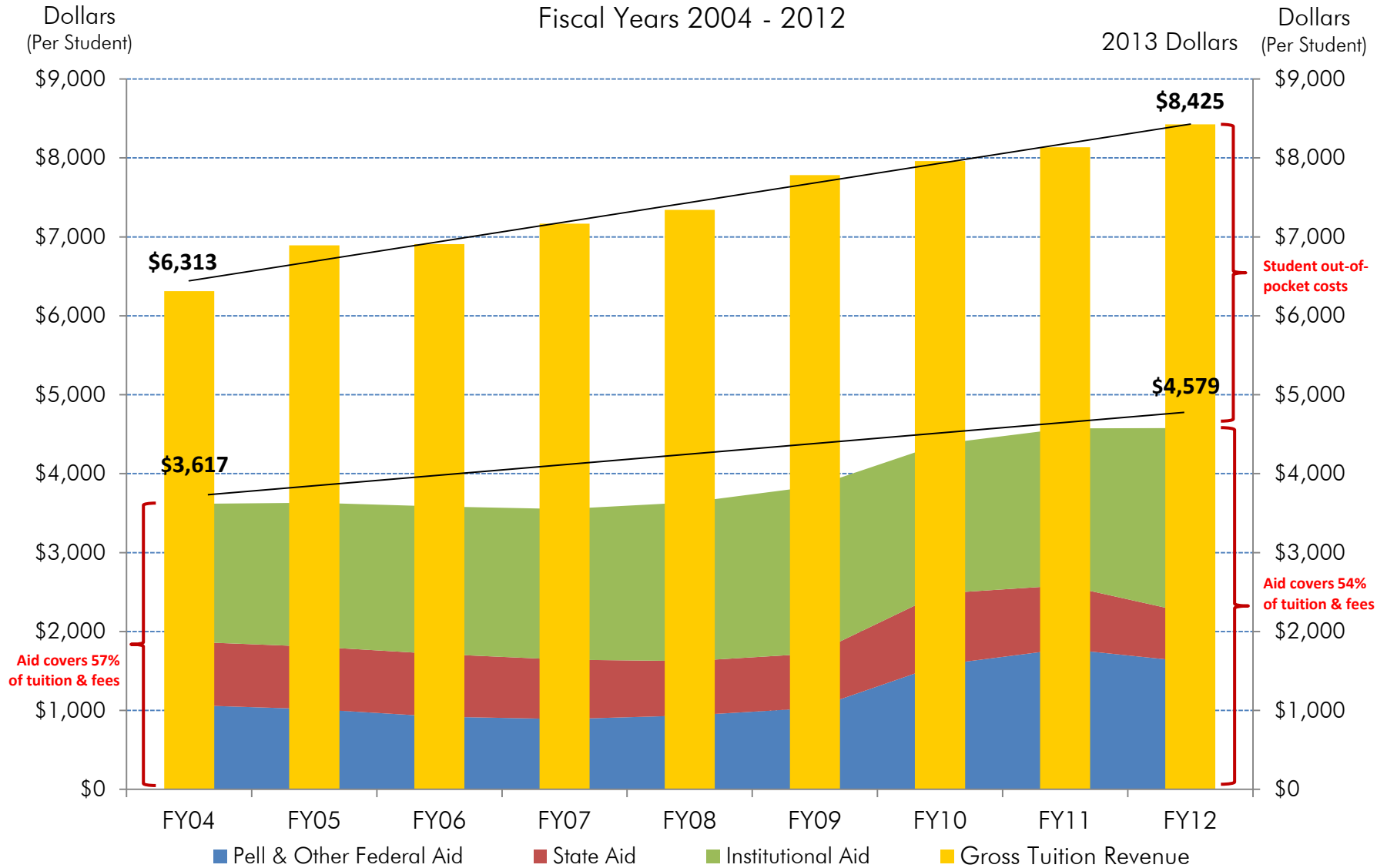
% Change	26.2%	34.8%	11.7%	3.2%	-18.1%
AAGR	6.0%	7.7%	2.8%	0.8%	-4.9%

Sources: Council on Postsecondary Education, Comprehensive Database; Integrated Postsecondary Education Data System; U.S. Census Bureau, American Fact Finder, American Community Survey.

# Kentucky Public Postsecondary System

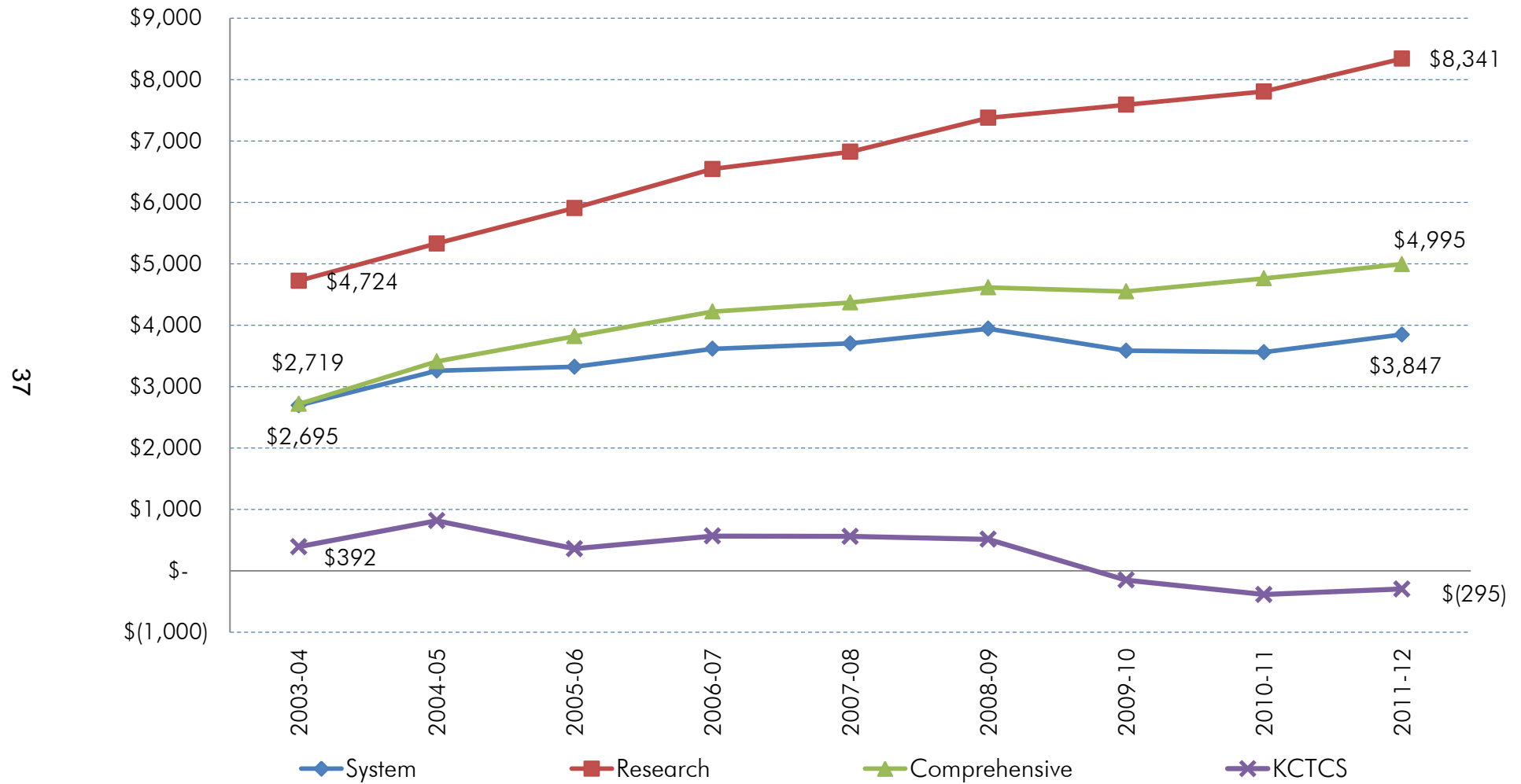
Draft - For Discussion Purposes

## Inflation Adjusted Student Financial Aid and Gross Tuition Revenue per FTE Student Fiscal Years 2004 - 2012



Sources: CPE Comprehensive Database; Integrated Postsecondary Education Data System (IPEDS).

# Kentucky Public Postsecondary Sectors and System Average Out-of-Pocket Costs per Full-Time Equivalent Student Fiscal Years 2004 - 2012



Source: Integrated Postsecondary Data System (IPEDS).

Note: Average out-of-pocket cost is defined as gross billable tuition and fee revenue per FTE student minus all forms of grant aid per FTE student.

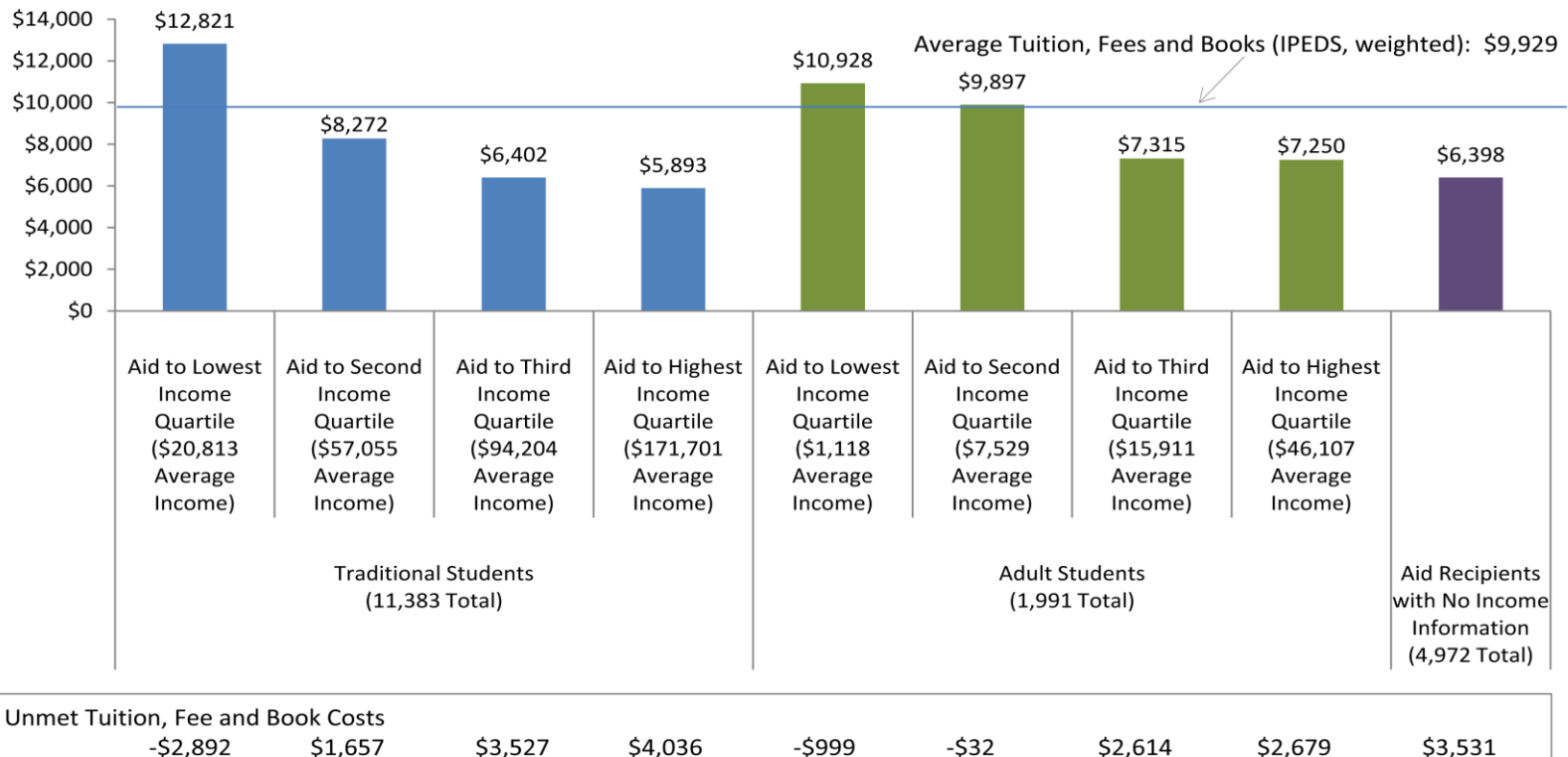
# Affordability

## UK and UofL: Need and Merit-Based Aid by Student Type and Family Income

Full-Time, In-State, Undergraduates at Kentucky's Public Research Universities who Received Grants or Scholarships in 2011-12

### Highlights

- \* Grants and scholarships covered the full cost of tuition, fees and books for most students in the lowest income categories.
- \* Even students in the highest income categories received significant support through KEES and institutional aid.
- \* Seventy-four percent of full-time, in-state undergraduate students at research universities received grants in 2011-12 (fall 2011 enrollment).
- \* Grants in excess of tuition were used to pay for room and board, which averaged an additional \$8,973 (IPEDS, weighted).



Notes: Aid includes all need and merit-based grants and scholarships from federal, state, institutional and other sources. Income quartiles rank all students in the sector within their dependency category by family income, and divide them into four equal-sized groups based on their income rank. Traditional students were under 25 years old and were claimed as dependents on their parents' taxes, while adult students filed taxes independently. Students without income information did not file the federal financial aid application, but are still eligible for KEES, institutional, and other grants.

# Affordability

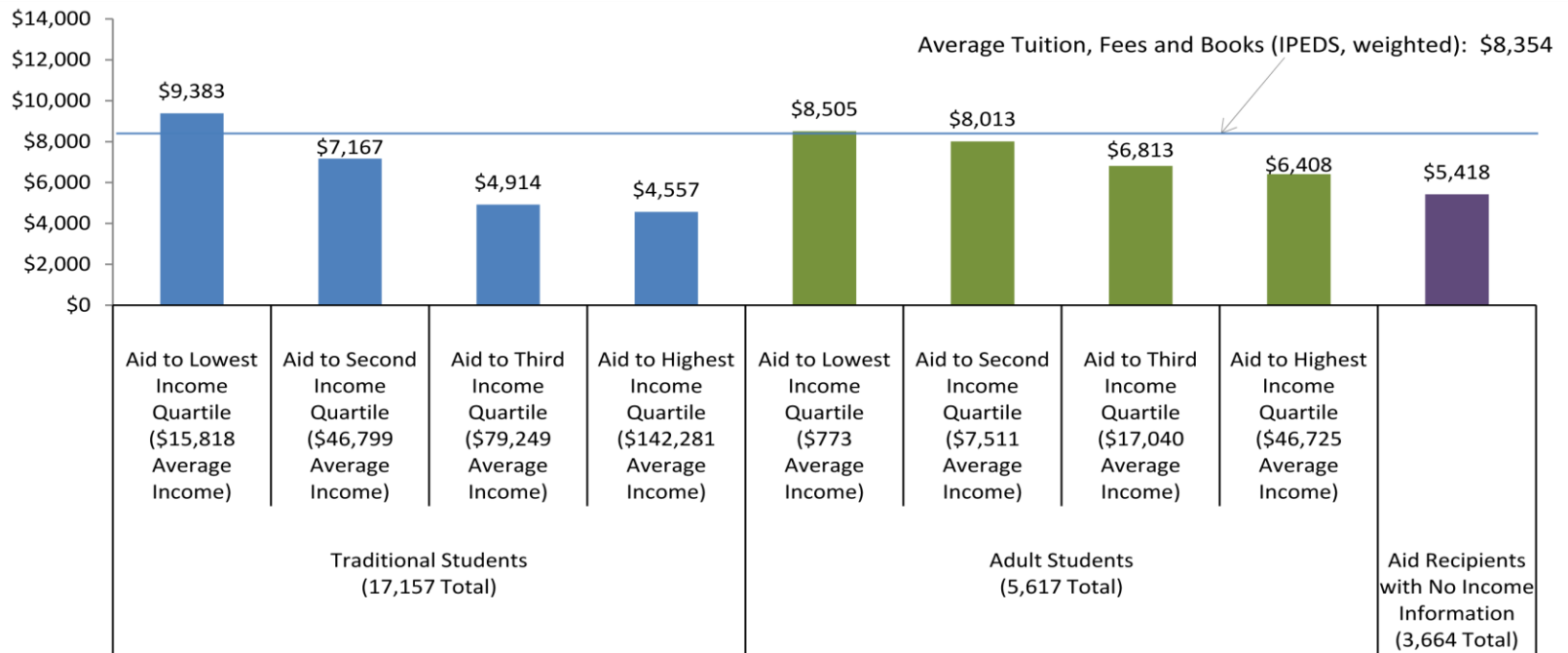
Attachment

## Comprehensive Universities: Need and Merit-Based Aid by Student Type and Family Income

Full-Time, In-State, Undergraduates at Kentucky's Public Comprehensive Universities who Received Grants or Scholarships in 2011-12

### Highlights

- \* Grants and scholarships covered the full cost of tuition, fees and books for most students in the lowest income categories.
- \* Even students in the high .
- \* Seventy percent of full-time, in-state undergraduate students at comprehensive universities received grants in 2011-12 (fall 2011 enrollment).
- \* Grants in excess of tuition were used to pay for room and board, which averaged an additional \$7,188 (IPEDS, weighted).



### Unmet Tuition, Fee and Book Costs

-\$1,029    \$1,187    \$3,440    \$3,797    -\$151    \$341    \$1,541    \$1,946    \$2,936

Notes: Aid includes all need and merit-based grants and scholarships from federal, state, institutional and other sources. Income quartiles rank all students in the sector within their dependency category by family income, and divides them into four equal-sized groups based on their income rank. Traditional students were under 25 years old and were claimed as dependents on their parents' taxes, while adult students filed taxes independently. Students without income information did not file the federal financial aid application, but are still eligible for KEES, institutional, and other grants.

# Affordability

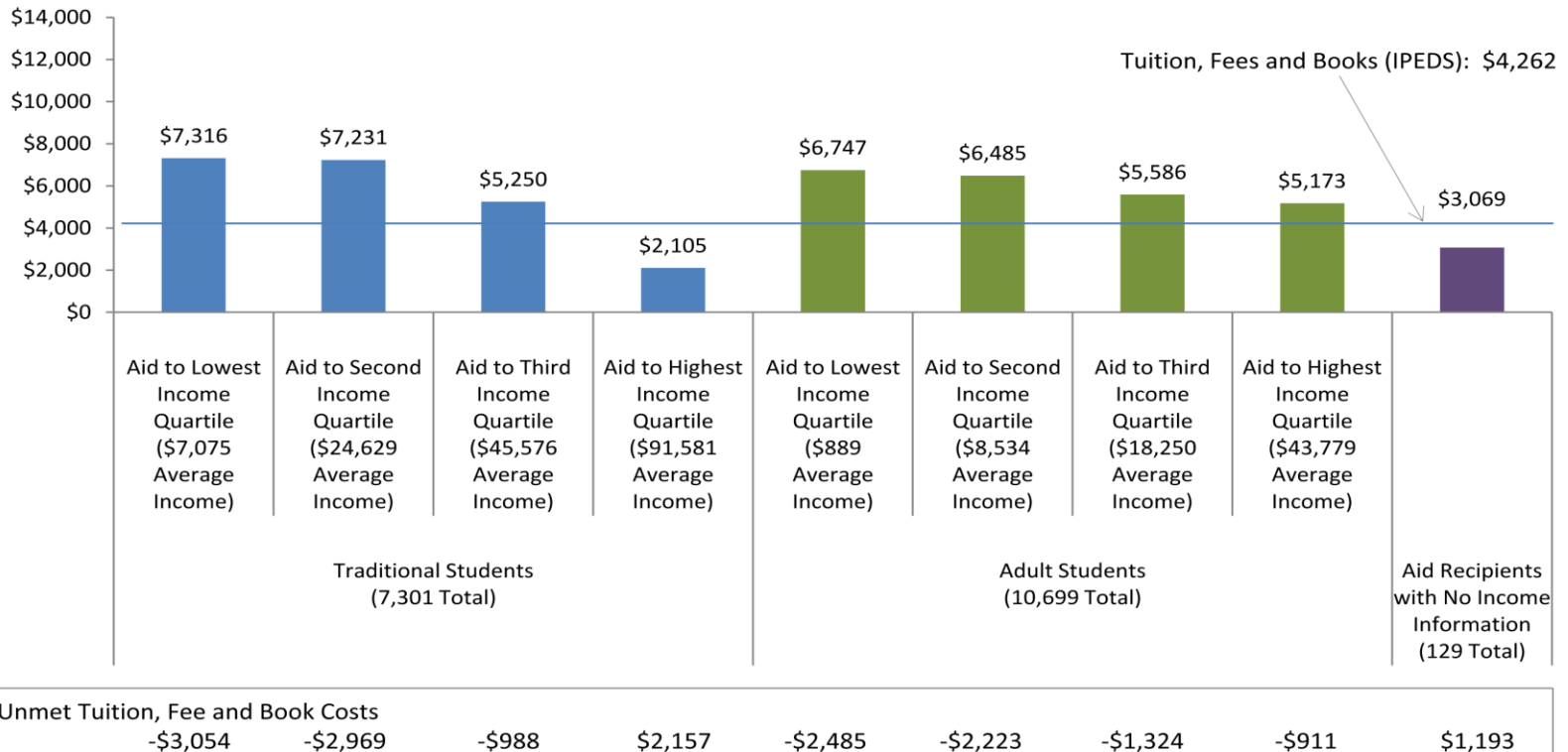
Attachment

## KCTCS: Need and Merit-Based Aid by Student Type and Family Income

Full-Time, In-State, Students in the Kentucky Community and Technical College System who Received Grants or Scholarships in 2011-12

### Highlights

- \* Grants and scholarships covered the full cost of tuition, fees and books for most students in the lowest income categories.
- \* Even students in the highest income categories received significant support through KEES and institutional aid.
- \* Forty-five percent of full-time undergraduate students at KCTCS received grants in 2011-12 (fall 2011 enrollment).
- \* Grants in excess of tuition were used to pay for off-campus rent, utilities and food, which KCTCS estimated at an additional \$6,975 (IPEDS).



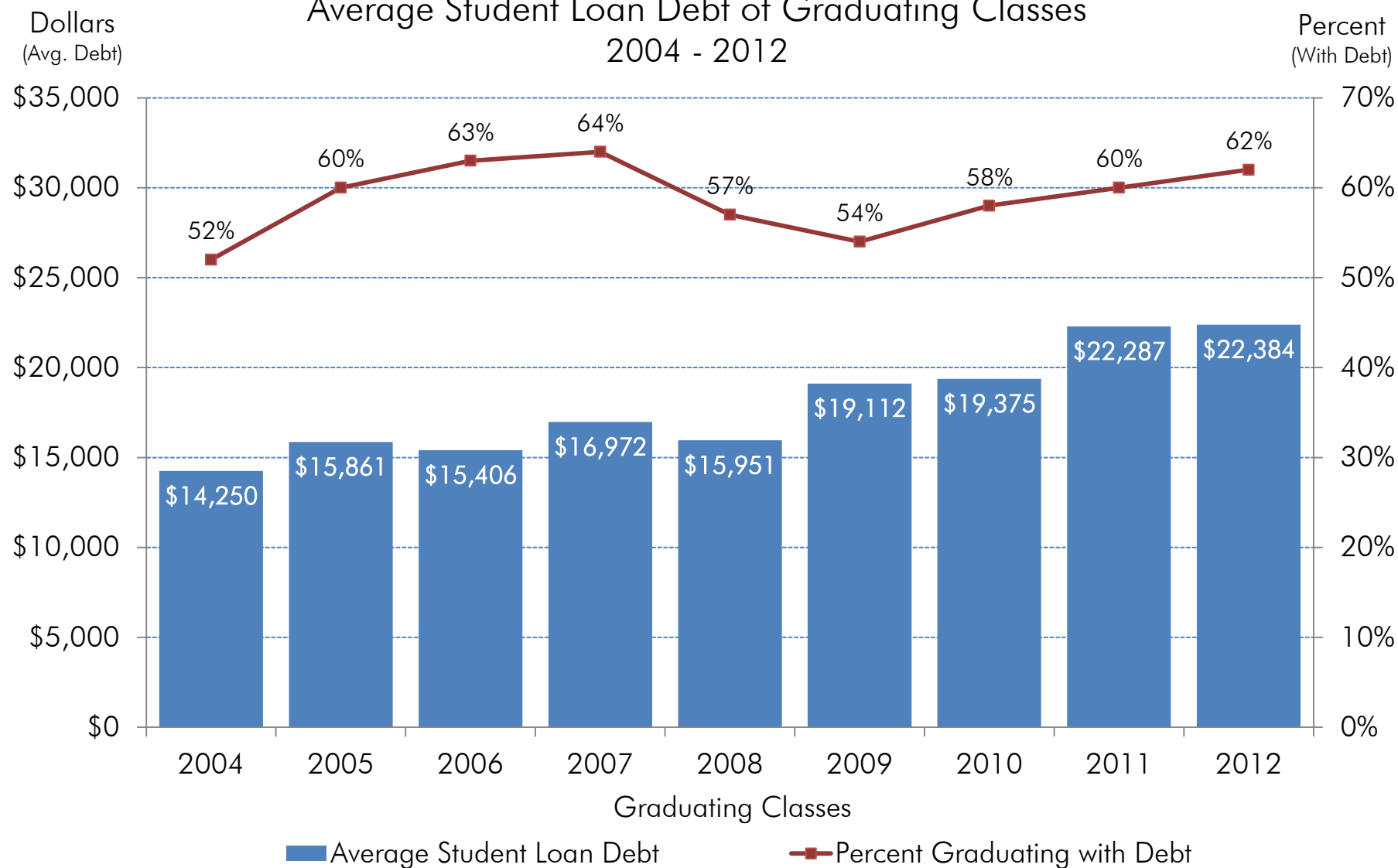
Notes: Aid includes all need and merit-based grants and scholarships from federal, state, institutional and other sources. Income quartiles rank all students in the sector within their dependency category by family income, and divides them into four equal-sized groups based on their income rank. Traditional students were under 25 years old and were claimed as dependents on their parents' taxes, while adult students filed taxes independently. Students without income information did not file the federal financial aid application, but are still eligible for KEES, institutional, and other grants.



## IV-C

### Student Loan Data

# Kentucky Public 4-Year and Private 4-Year Postsecondary Institution Average Student Loan Debt of Graduating Classes 2004 - 2012



Source: The Project on Student Debt, Annual Survey.

Kentucky Public 4-Year and Private 4-Year Postsecondary Institution  
Average Student Loan Debt of Graduating Classes  
2004 - 2012

Graduating Class	Average Student Loan Debt	Rank	Percent Graduating With Debt	Rank
2004	\$14,250	--	52%	--
2005	15,861	45	60%	--
2006	15,406	44	63%	17
2007	16,972	44	64%	18
2008	15,951	47	57%	30
2009	19,112	42	54%	33
2010	19,375	43	58%	25
2011	22,287	37	60%	25
2012	\$22,384	41	62%	19

Dollar Change:	\$8,134	} 8-Year Change
Percent Change:	57.1%	
AAGR:	5.8%	

Source: The Project on Student Debt, Annual Survey.

## STUDENT DEBT BY STATE

The statewide average debt levels for the Class of 2012 vary widely among the states, but most of the same states appear at the high and low ends of the spectrum as in previous years.<sup>9</sup> We base state averages on the best available college-level data, which were reported voluntarily by 1,075 public and private nonprofit four-year colleges for the Class of 2012.

The following tables show the states with the highest and lowest average debt levels for the Class of 2012.

As in past years, high-debt states are mainly in the Northeast and Midwest, with low-debt states mainly in the West and South.

TABLE 1

HIGH-DEBT STATES	
Delaware	\$33,649
New Hampshire	\$32,698
Pennsylvania	\$31,675
Minnesota	\$31,497
Rhode Island	\$31,156
Iowa	\$29,456
Maine	\$29,352
New Jersey	\$29,287
Ohio	\$29,037
Michigan	\$28,840

TABLE 2

LOW-DEBT STATES	
New Mexico	\$17,994
California	\$20,269
Arizona	\$20,299
Nevada	\$20,568
Wyoming	\$21,241
Utah	\$21,520
Tennessee	\$21,775
District of Columbia	\$22,106
Kentucky	\$22,384
Louisiana	\$22,789

In general, private nonprofit colleges have higher costs than public ones, and higher average costs at the state or college level are associated with higher average debt. However, there are many colleges with high costs and low debt, and vice versa. Multiple factors influence average college debt levels, such as endowment resources available for financial aid, student demographics, state policies, institutional financial aid packaging policies, and the cost of living in the local area. For more about debt at the college level, please see *Student Debt at Colleges* on page 7.

<sup>9</sup> The state averages and rankings in this report are not directly comparable to those in previous years' reports due to changes in which colleges in each state report data each year, corrections to the underlying data submitted by colleges, and changes in methodology. To compare state averages over time based on the current data and methodology, please visit College InSight, <http://College-InSight.org>.

## IV-D

### Nonresident Rate Floor

Postsecondary Sectors in Kentucky and Surrounding States  
 Analysis of Nonresident to Resident Undergraduate Rate Multiples  
 Academic Year 2012-13

Flagship Universities

State	Resident UG Tuition & Fees	Nonresident UG Tuition & Fees	Nonresident <sup>(b)</sup> Rate Multiple	Nonresident Rate Rank
Virginia	\$12,006	\$38,018	3.17	1
Indiana	\$10,087	\$31,537	3.13	2
West Virginia	\$6,090	\$18,868	3.10	8
Tennessee	\$9,092	\$27,582	3.03	3
Ohio	\$10,037	\$25,445	2.54	5
Missouri	\$9,257	\$23,366	2.52	6
Kentucky	\$9,816	\$19,997	2.04	7
Illinois	\$14,960	\$26,524	1.77	4

Comprehensive Colleges and Universities (State Averages)

State	Resident UG Tuition & Fees	Nonresident UG Tuition & Fees	Nonresident <sup>(b)</sup> Rate Multiple	Nonresident Rate Rank
Tennessee	\$7,322	\$22,067	3.01	2
Virginia	\$9,272	\$23,454	2.53	1
Indiana	\$8,541	\$20,557	2.41	4
Kentucky	\$7,786	\$18,521	2.38	5
West Virginia	\$5,639	\$12,923	2.29	7
Missouri	\$6,630	\$12,422	1.87	8
Ohio	\$9,452	\$17,566	1.86	6
Illinois	\$11,762	\$20,801	1.77	3

Community Colleges (Estimated State Averages)

State	Resident Tuition & Fees	Nonresident Tuition & Fees	Nonresident <sup>(b)</sup> Rate Multiple	Nonresident Rate Rank
Tennessee	\$3,686	\$14,318	3.88	1
Illinois	\$3,237	\$9,541	2.95	2
Ohio	\$3,682	\$9,541	2.59	2
Virginia	\$3,735	\$9,498	2.54	4
West Virginia	\$2,997	\$7,576	2.53	6
Indiana	\$3,455	\$7,302	2.11	7
Kentucky	\$4,200	\$8,400 <sup>(a)</sup>	2.00	5
Missouri	\$3,967	\$5,353	1.35	8

<sup>(a)</sup> Substituted KCTCS's nonresident contiguous counties rate.

<sup>(b)</sup> Data sorted in descending order by nonresident rate multiple.

Source: Washington Student Achievement Council, 2013 National Tuition and Fee Report.

Kentucky Public Postsecondary Institution  
 Analysis of Nonresident to Resident Undergraduate Rate Multiples  
 Academic Year 2013-14

<u>Institution/Special Rate</u>	<u>Resident Tuition &amp; Fees</u>	<u>Nonresident Tuition &amp; Fees</u>	<u>Nonresident Rate Multiple</u>
University of Kentucky	\$10,110	\$21,193	2.10
Lower Division	\$9,966	\$21,052	2.11
Upper Division	\$10,254	\$21,334	2.08
University of Louisville	\$9,750	\$23,638	2.42
Eastern Kentucky University	\$7,536	\$16,608	2.20
Targeted Areas		\$12,984	1.72
Kentucky State University	\$7,060	\$16,956	2.40
Destiny (Targeted States)		\$14,120	2.00
Legacy		\$14,120	2.00
Morehead State University	\$7,366	\$18,614	2.53
Murray State University	\$7,044	\$19,164	2.72
Northern Kentucky University	\$8,088	\$16,176	2.00
Metro		\$12,552	1.55
Western Kentucky University	\$8,582	\$22,108	2.58
Tuition Incentive Program		\$11,428	1.33
KCTCS	\$4,320	\$8,640	2.00
Nonresident - Other		\$15,120	3.50

## Eastern Kentucky University

### UNDERGRADUATE NON-RESIDENT RATE Exception Request (Continuation)

*Eastern Kentucky University has traditionally offered two types of undergraduate non-resident rates: non-resident and targeted. For the 2013-14 academic year, the rates are proposed as follows:*

	<i>Semester</i>	<i>Multiplier</i>
<i>Non Resident Targeted</i>	<i>\$6,492</i>	<i>1.72</i>
<i>Non Resident</i>	<i>\$8,304</i>	<i>2.20</i>

*The non-resident rate is well in line with the current acceptable multiplier of 2.0. EKU requests an exception to the undergraduate nonresident rate multiplier of 2.0 for the **non-resident targeted area**. For a student to qualify for this non-resident targeted tuition, students must meet the criteria for full admission with a minimum of 2.0 GPA on a 4.0 scale (this includes transfer students) and meet at least one of the following three criteria:*

- 1. Be the child of an EKU graduate who received an associates, bachelors, or masters degree.*
- 2. Be any high ability student who has a cumulative GPA of 3.0 or higher on a 4.0 scale, and a composite ACT score of 25 or higher, with no sub-score below 18 in English, Math, or Reading.*
- 3. Be a continuing student and live in a designated/targeted county in a state bordering Kentucky.*

*In fall 2012, there were 880 students that received the non-resident targeted rate.*

	<i># of Students</i>
<i>New Freshman</i>	<i>0</i>
<i>New Transfer</i>	<i>0</i>
<i>Continuing</i>	<i>877</i>
<i>Returning/Readmit</i>	<i>3</i>
<i>TOTAL TARGETED</i>	<i>880</i>



## Northern Kentucky University Rationale for Exception Requests

---

### **UNDERGRADUATE METROPOLITAN RATE**

*Exception Request (Continuation): assess a non-resident rate that is 1.6 times the resident rate for students from the Ohio area market (counties: Adams, Brown, Butler, Champaign, Clark, Clermont, Clinton, Darke, Delaware, Fairfield, Fayette, Franklin, Greene, Highland, Hamilton, Licking, Madison, Miami, Montgomery, Pickaway, Pike, Preble, Ross, Scioto, Union, and Warren).*

*Average number of students: Fall/Spring 2,249 for 2013-14*

NKU requests continuation of the Metro tuition rate to allow NKU to remain competitive in our Ohio market, maintain our financial base, and continue our current proportion of resident to non-resident students. Given our low levels of state funding relative to other comprehensive institutions and our dependence on non-resident tuition dollars for nearly 42% of our overall tuition revenue, NKU cannot afford to jeopardize this source of funding and risk fiscal instability should these students decide to transfer to other institutions in our very competitive regional market. Such a loss would result in a substantial compromise of quality, especially given the high costs of operating in an urban environment. By continuing the Metro rate, our full-time annual Metro tuition rate will be more than \$1,800 more than the University of Cincinnati resident rate. At the recommended rate, Ohio residents from the targeted counties will still pay roughly \$19,000 more for their four-year degree than Kentucky residents. This exception applies to 19% of our overall undergraduate population.

In addition, continuation of the Metro tuition rate will allow NKU to continue to attract and retain students which enhance diversity while progressing towards meeting Northern Kentucky labor needs. NKU recognizes that it will not attain enrollment goals set forth in the CPE's Double the Numbers plan or Northern Kentucky Vision 2015 plan solely on Kentucky residents.

### **PACE (PROGRAM FOR ADULT-CENTERED EDUCATION) RATE (CONTINUATION)**

*Exception Request (Continuation): assess resident rates to non-resident students in the PACE program*

*Average number of students: Fall/Spring average of 70 for 2013-14*

NKU wishes to continue offering resident rates to non-resident PACE program participants. Given NKU's location in a tri-state economic region, the PACE program is designed to serve adults who both live and work in Kentucky, live in Kentucky and work in Ohio or Indiana, and live in Ohio or Indiana but work in Kentucky. Since the PACE program is self-supporting, the revenue generated by non-resident students subsidizes the program and helps pay for fixed costs (primarily faculty salaries). Without this revenue, it would not be feasible to offer the program on a self-supporting basis to Kentucky adults. A market analysis of other programs within the region suggests that charging the regular non-resident rate would price the program out of the market. No Kentucky resident has been denied access to the PACE program due to space limitations resulting from non-resident enrollments.



**WESTERN KENTUCKY UNIVERSITY  
TUITION PARAMETER EXCEPTION REQUEST FOR NONRESIDENT STUDENTS**

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

**BACKGROUND:**

WKU requests that we be able to continue our Tuition Incentive Program that ensures economic access and geographic access to students that meet or exceed our admissions requirements. For decades, the Tuition Incentive Program has been marketed to students, parents and counselors as an affordable alternative to a residential school. The TIP rate is 1.33 times the in-state tuition and fee rate in comparison to the out-of-state rate which is 2.55 times the in-state rate. The CPE parameter is two times the in-state rate. We are requesting that the CPE continue to approve the TIP rate which continues to attract students to Kentucky. Not approving this rate would certainly cause a significant drop in enrollment and loss of revenue.

Potential number of students impacted: 1,900 full-time students or 13% of total full-time students. The number of part-time students is minimal; it will be approximately 140 students.

Gross Tuition and Fee Revenue and Institutional Financial Aid by Residency Status

Institution Name:

UNDERGRADUATE STUDENTS				GRADUATE STUDENTS				TOTAL STUDENTS			
	FY10	FY11	FY12		FY10	FY11	FY12		FY10	FY11	FY12
Undergraduate Resident Students				Graduate Resident Students				Total Resident Students			
Gross Tuition and Fee Revenue				Gross Tuition and Fee Revenue				Gross Tuition and Fee Revenue	\$ -	\$ -	\$ -
Institutional Financial Aid				Institutional Financial Aid				Institutional Financial Aid	\$ -	\$ -	\$ -
Undergraduate Nonresident Students				Graduate Nonresident Students				Total Nonresident Students			
Gross Tuition and Fee Revenue				Gross Tuition and Fee Revenue				Gross Tuition and Fee Revenue	\$ -	\$ -	\$ -
Institutional Financial Aid				Institutional Financial Aid				Institutional Financial Aid	\$ -	\$ -	\$ -
Undergraduate Reciprocity Students				Graduate Reciprocity Students				Total Reciprocity Students			
Gross Tuition and Fee Revenue				Gross Tuition and Fee Revenue				Gross Tuition and Fee Revenue	\$ -	\$ -	\$ -
Institutional Financial Aid				Institutional Financial Aid				Institutional Financial Aid	\$ -	\$ -	\$ -
Total Undergraduate Students				Total Graduate Students				Total Students			
Gross Tuition Revenue	\$ -	\$ -	\$ -	Gross Tuition and Fee Revenue	\$ -	\$ -	\$ -	Gross Tuition and Fee Revenue	\$ -	\$ -	\$ -
Institutional Financial Aid	\$ -	\$ -	\$ -	Institutional Financial Aid	\$ -	\$ -	\$ -	Institutional Financial Aid	\$ -	\$ -	\$ -

\*KCTCS needs only to report a system total

V.

## Tuition and Mandatory Fee Policy

## **Council on Postsecondary Education Tuition & Mandatory Fee Policy**

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 in the context of current needs, effective use of resources, and 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 the state and federal government, 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.

- Attracting and Importing Talent to Kentucky

It is unlikely that Kentucky can reach its 2020 postsecondary education attainment goals by focusing on Kentucky residents alone. 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. In fact, according to the Council's 2007 Brain Gain report, four out of every ten (37 percent) out-of-state graduates were still in Kentucky five years after receiving their degrees.

The Council and the institutions are committed to making Kentucky's institutions financially attractive to nonresident students while recognizing that nonresident, undergraduate students should pay a significantly larger proportion of the full cost of their education. Any proposed policy on nonresident tuition and mandatory fees should also be evaluated based on its potential impact on attracting and retaining students which directly enhance diversity and Kentucky's ability to compete in a global economy.

- 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. The Council's performance metrics shall be used to monitor both statewide and institutional performance toward HB 1 and Strategic Agenda goals.

The institutions also recognize their responsibility to demonstrate that they are good stewards of limited public resources by providing annual reports to their governing boards and the Council on their efforts to contain costs, improve efficiencies and productivity, and reallocate existing resources to high priority activities.

## Special Use Fees 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 Fees 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 the 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, which 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 which 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.

## VII.

### Sector Differentiation

# Kentucky.com

[Previous Story](#)

[Next Story](#)

## New student fee would help fund building spree at Kentucky's community and technical colleges

By Linda B. Blackford

[lblackford@herald-leader.com](mailto:lblackford@herald-leader.com) January 25, 2014

[Facebook](#)  [Twitter](#) [Google Plus](#) [Reddit](#) [E-mail](#) [Print](#)



Classes were underway at the Bluegrass Community and Technical College's new Newtown Campus at Fourth Street and Newtown Pike on Thursday. Future projects by the Kentucky Community and Technical College System might soon be partially funded by a new student fee.

CHARLES BERTRAM — Herald-Leader [Buy Photo](#)

### • Proposed KCTCS building projects

#### College Project Amount

Ashland CTC Renovate main building at College Drive Campus \$7,500,000

Big Sandy CTC Planning and design for expansion of Pikeville Campus \$1,500,000

Bluegrass CTC Newtown Campus expansion \$18,000,000

Elizabethtown CTC Renovate Owen Classroom Building \$750,000

Gateway CTC Urban Campus in Covington \$11,250,000

Hazard CTC Planning and design for a Community Intergeneration Center \$1,500,000

Henderson CC Renovate various facilities \$3,750,000

Hopkinsville CC Agriculture Health and Career Technology Center, Phase I \$11,250,000

Jefferson CTC Carrollton Campus, Phase I \$12,000,000

Madisonville CTC Postsecondary Education Center \$15,000,000

Maysville CTC\*Morehead Postsecondary Center of Excellence, Phase I \$21,000,000

Owensboro CTC Advanced Technology Center, Phase II \$9,000,000

Somerset CC Planning and design for Arts and Humanities Building \$1,500,000

Southcentral Ky. CTC Instructional Classroom Complex in Bowling Green \$16,500,000

Southeast Ky. CTC Renovate Educational Alliance Center in Middlesboro \$7,500,000

West Ky. CTC 2D Art School, Phase I in Paducah \$7,500,000

\*Joint project with Morehead State University

The Kentucky Community and Technical College System hopes to enact the first mandatory student fee in its 17-year history to pay for a proposed \$145 million bond issue for construction projects at its 16 colleges statewide.

Gov. Steve Beshear pushed the idea as part of his budget proposal Tuesday, calling it a "unique" public-private partnership. Under the plan, KCTCS would for the first time have authorization to issue agency bonds, which must be repaid by KCTCS instead of the state's General Fund.

The bond would pay for about 75 percent of each project. Each college would then have to raise the other 25 percent — a total of \$49 million statewide — from the community.

The new student facilities fee would be \$8 per credit hour, said KCTCS President Michael McCall. For the average student, who takes about 9 credit hours, that would be \$72 per semester.

McCall, who has been working on the plan since last year, said he feels the fee is fair since students will benefit most directly from new facilities.

"It's not a large increase that students would have to absorb; they get a lot for it," he said.

Tuition at KCTCS schools this year is \$144 per credit hour. However, Beshear's budget proposal also includes a 2.5 percent cut for higher education, so KCTCS may also have to raise tuition rates to help fund operating costs next year.

Since 2008, tuition at KCTCS has increased 19 percent as state funding dropped 17 percent.

McCall said KCTCS has not gotten any state-funded construction money since 2006.

The system of community colleges and technical schools was created in 1997 under Gov. Paul Patton's higher education reform act. Previously, the state's community colleges had operated under the University of Kentucky's leadership.

KCTCS enrollment has fluctuated in recent years, going from 52,795 when the system was created in 1999 to a high of 108,302 in 2011. Enrollment dropped to 92,365 this school year.

As enrollment increased over the past decade, many local officials and business leaders have clamored for new buildings at KCTCS' campuses across the state, McCall said.

"The community says, 'We need this project.'" Let's really see how strong that commitment is," McCall said. "Now I've taken them for their word, they need to match that."

The proposed bonds would provide most of the funding for a range of new projects, including \$18 million toward expanding the new Newtown campus of Bluegrass Community and Technical College, \$21 million for a new Maysville Community and Technical College campus in Rowan County, and \$16 million for a new classroom complex at Southcentral Community College in Bowling Green.

BCTC President Augusta Julian said she supports the proposal, as it could fund a new \$24 million health sciences building on the school's new campus at Newtown Pike and Fourth Street, where BCTC will relocate much of its operations over the next few years.

"We're extremely excited the governor has been willing to consider this innovative approach to increasing facilities," she said. "We have this incredible opportunity with the property at Newtown."

Still, even with \$18 million provided by bonds, it will be difficult to raise the other \$6 million.

"It's quite a challenge for us to raise money in Lexington because we're kind of late to the game," she said. "UK and the private colleges have been at it a long time. But we have a good story to tell, and we'll be working hard to tell it."

The proposal has only just been announced to students, leaving many questions still unanswered, said Ebony Nava, student government president at BCTC.

"First, I wonder if we really need it (new buildings), since our enrollment keeps going down," she said. "I also think it could be a hardship for our students."

A lot of students receive financial aid, Nava said, but they need every bit of that money to pay for tuition, books and housing.

"Things aren't really adding up to me," said Nava, who plans on sending out a student response email to see what other students think about the plan.

At Southcentral CTC in Bowling Green, President Phillip Neal said the proposal could provide \$16.5 toward a new classroom complex that would replace aging buildings unsuited for 21st century instruction.

"This is really a landmark proposal for KCTCS as a whole," Neal said. "To be able to build a state-of-the-art classroom complex is something we desperately need to train more students."

Neal, who must raise \$5.5 million, said he will reach out to community leaders surrounding each of Southwest's six campuses.

"I think it's a great opportunity to work with our folks across the region, and show them how to invest in making a stronger system," he said.

P.G. Peeples, president of the Urban League of Lexington, is chairman of the KCTCS Board of Regents. He said he did not believe the proposal would create a troublesome burden for students.

"Our students already get the best value in town," he said. "They've thought that through very carefully. This is a great opportunity for construction growth without any General Fund money. We're very, very excited by the opportunity to do this."

The plan still has to survive a long legislative budget process, and it's not clear how it will fare in the Republican Senate, where leaders have already expressed concern about the budget's high level of borrowed money.

Jodi Whitaker, spokeswoman for Senate President Robert Stivers, said Republican leaders are aware the bond proposal would require a new student fee, but haven't yet received specific details about Beshear's plan.

"We will have to wait until we see his proposal before we can comment further," Whitaker said.

Linda Blackford: (859) 231-1359. Twitter: @lbblackford.

[Facebook](#) [Twitter](#) [Google Plus](#) [Reddit](#) [E-mail](#) [Print](#)

## Join The Conversation

Lexington Herald-Leader is pleased to provide this opportunity to share information, experiences and observations about what's in the news. Some of the comments may be reprinted elsewhere in the site or in the newspaper. We encourage lively, open debate on the issues of the day, and ask that you refrain from profanity, hate speech, personal comments and remarks that are off point. Thank you for taking the time to offer your thoughts.

[Commenting FAQs](#) | [Terms of Service](#)

### Today's Circulars



**TARGET**

THIS WEEK ONLY

[View All Circulars](#)

[Email Newsletters >](#)

[Manage newsletter subscriptions](#)

[Tablets >](#)

[Apps and services for tablet devices](#)

[Mobile >](#)

[Apps and services for your mobile phone](#)

[Social Media >](#)

[Get updates via Facebook and Twitter](#)

[e-Edition >](#)