

AGENDA

Tuition Development Work Group

Council on Postsecondary Education

Thursday, January 19, 2017

10:00 AM

Conference Room A

1. Opening Remarks 2
2. Tuition Setting Timeline
3. Tuition and Mandatory Fee Policy
4. Policy Relevant Data
 - a. Work Group Requests
 - 1) Sticker Prices
 - 2) Nonresident Student Enrollment
 - 3) Institutional Aid
 - 4) State/Student Share
 - b. Campus Submissions
 - 1) Budgeted Fixed Costs Increases
 - 2) Tuition Revenue Estimates
5. Key Issues
 - a. State-Performance Funding
 - b. Comprehensive Sector Price Gap
6. Next Steps

AGENDA
Tuition Development Work Group Meeting
January 19, 2017

Time: 10:00 AM – 12:00 Noon EST
Location: Council on Postsecondary Education
1024 Capital Center Drive
Frankfort, Kentucky 40601

- I. Opening Remarks
- II. Tuition Setting Timeline
- III. Tuition and Mandatory Fee Policy
- IV. Policy Relevant Data
 - A. Work Group Requests
 - 1. Sticker Prices
 - 2. Nonresident Student Enrollment
 - 3. Institutional Aid
 - 4. State/Student Share
 - B. Campus Submissions
 - 1. Budgeted Fixed Cost Increases
 - 2. Tuition Revenue Estimates
- V. Key Issues
 - A. State/Performance Funding
 - B. Comprehensive Sector Price Gap
- VI. Next Steps

Council on Postsecondary Education Preliminary 2017-18 Tuition Setting Timeline

- Sep 23, 2016 CPE Meeting – Council Chair appoints members of the Tuition Development Work Group.
- Nov 10, 2016 Tuition Development Work Group Meeting – A Chair of the Work Group is designated. Council staff presents a preliminary Tuition Setting Timeline, a draft Tuition and Mandatory Fee Policy, and policy relevant data for review and discussion.
- Nov 17, 2016 CPE Work Session – Staff provides Council members with an update regarding the 2017-18 tuition setting process. The preliminary Tuition Setting Timeline and draft Tuition and Mandatory Fee Policy are shared with Council members.
- Nov – Dec Initiate discussion with institutions regarding the Tuition Setting Timeline and Tuition and Mandatory Fee Policy 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, tuition and fee revenue estimates, potential impacts of tuition increases, anticipated uses of additional tuition revenue, and budgeted student financial aid levels.
- Dec 7, 2016 Presidents' Meeting – Council staff shares preliminary Tuition Setting Timeline and draft Tuition and Mandatory Fee Policy for review and discussion. Key issues pertaining to the upcoming tuition cycle are identified.
- Dec – Jan Council and institutional staffs exchange information from respective data collection efforts and work together to finalize for distribution to Council members.
- Jan 5, 2017 Presidents' Meeting – Council staff presents revised Tuition Setting Timeline and Tuition and Mandatory Fee Policy documents, and initiates discussion regarding tuition and mandatory fee ceilings and any key issues identified to date.
- Jan 19, 2017 Tuition Development Work Group Meeting – Revised Tuition Setting Timeline and Tuition and Mandatory Fee Policy documents are presented

- Jan 19 (cont'd) and discussed, along with fixed cost increase and tuition and fee revenue estimates. Key issues pertaining to the upcoming tuition cycle are reviewed and discussed.
- Feb 3, 2017 CPE Meeting – Staff presents final Tuition Setting Timeline for Council information and recommended Tuition and Mandatory Fee Policy for Council action, and provides an update on the Work Group's progress.
- Feb – Mar 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.
- Mar 1, 2017 Presidents' Meeting – Council staff shares draft tuition and fee ceilings with campus presidents for review and discussion.
- Mar 8, 2017 Tuition Development Work Group Meeting – Staff presents recommended tuition and fee ceilings for review and Work Group endorsement.
- Mar 31, 2017 CPE Meeting – Staff presents recommended tuition and fee ceilings for Council action.
- Apr – May Institutional staffs submit proposed tuition and mandatory fee rates to Council staff. The Council president updates Council members regarding the proposed rates.
- June 16, 2017 CPE Meeting – The Council takes action on each institution's proposed tuition and mandatory fee rates.

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 state and federal governments, students and families, and postsecondary education institutions.

- Affordability and Access

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

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

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

- Effective Use of Resources

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

- Attracting and Importing Talent to Kentucky

It is unlikely that Kentucky can reach its ~~2020~~ **2025** postsecondary education attainment goal by focusing on Kentucky residents alone. The Council and the institutions are committed to making Kentucky institutions financially attractive to nonresident students, while recognizing that nonresident undergraduate students should pay a significantly larger proportion of the ~~full~~ cost of their education ~~than 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. ~~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.~~

~~A copy of the Council's Any proposed policy on nonresident student tuition and mandatory fees fee policy is contained in the paragraphs below. Going forward, Council staff will periodically review and evaluate the policy to determine its 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.~~

Nonresident Student Tuition and Fees

The Council and the institutions believe that nonresident students should pay a larger share of their educational costs than do resident students. As such, published tuition and fee levels adopted for nonresident students shall be higher than the prices for resident students enrolled in comparable programs of study.

In addition, every institution shall manage their tuition and fee rate structures, price discounting, and scholarship aid for out-of-state students, such that the average net tuition and fee revenue generated per nonresident student equals or exceeds 100% of direct instructional and student services costs per student. As part of the tuition and fee setting process, staff shall monitor and report annually to the Council regarding compliance with this requirement.

Given the substantial costs associated with health-sciences-related professional programs, and to ensure comparability of policy data and analysis across institutions, direct costs and revenues for Dentistry, Medicine, and Pharmacy students shall be excluded from calculations of policy assessment parameters for the research institutions.

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 an institution to support its E&G operation;
- The Council may elect to award an exemption to its tuition and fee rate ceiling equivalent to all or a portion of the percentage increase resulting from imposition of the student endorsed fee, provided said fee meets certain eligibility requirements.

Definitions

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

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

Eligibility Criteria

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

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

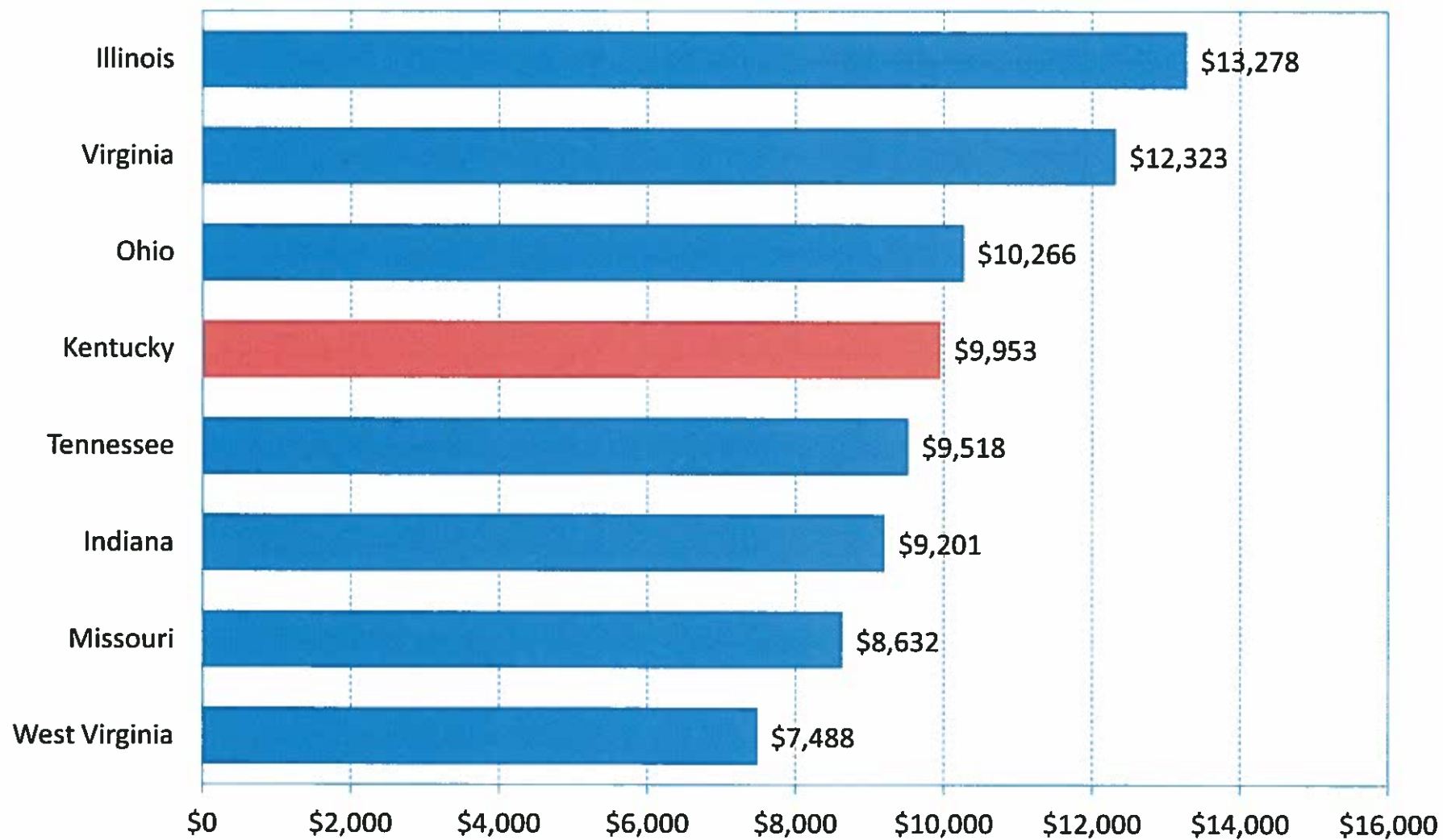
- The requesting institution will notify Council staff of any pending discussions, open forums, referendums, or student government actions pertaining to a proposed special use fee and discuss fee details with Council staff as needed.
- After a fee has been endorsed by student referendum or through student 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.

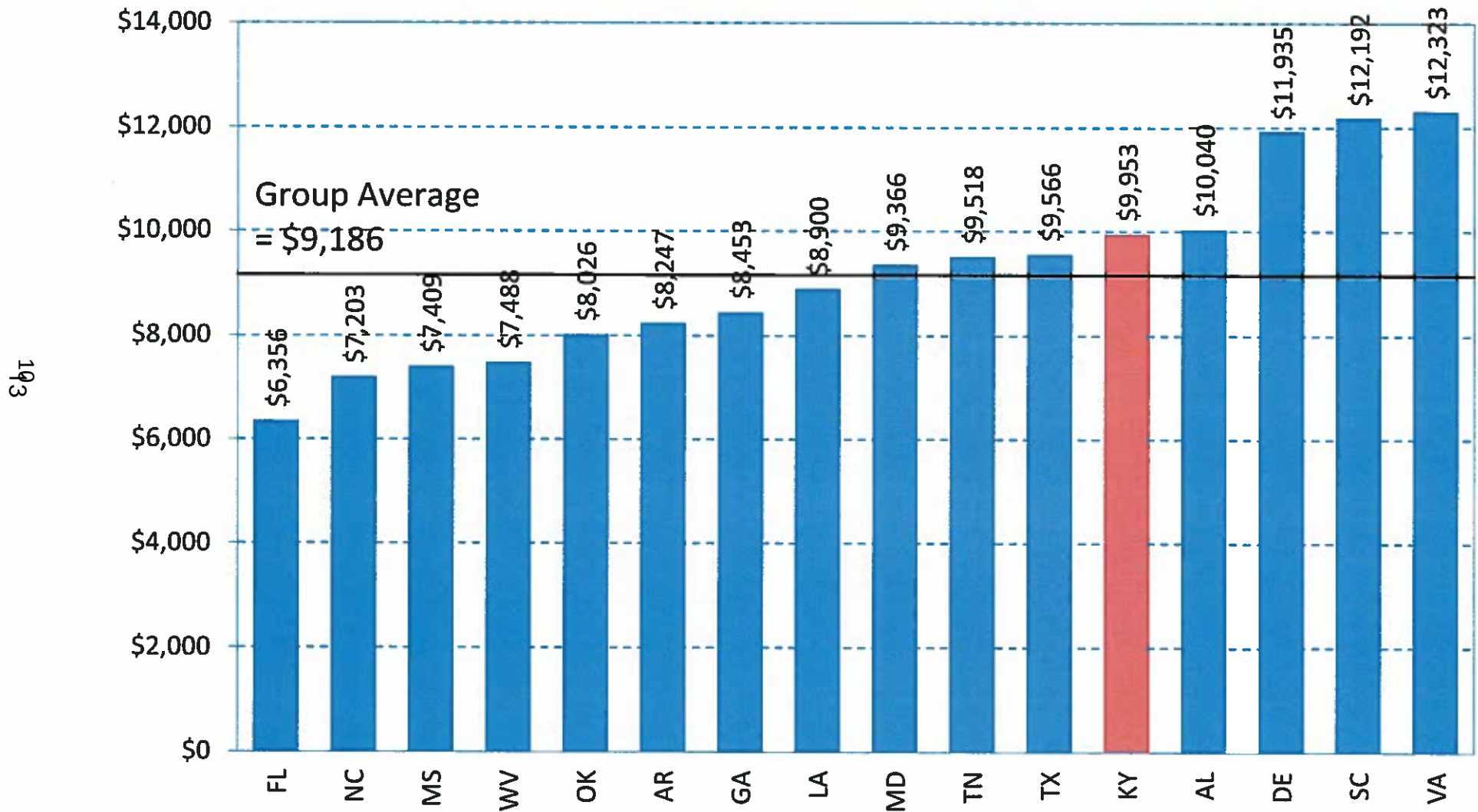
- Documents identifying the project's scope, time frame for completion, debt payment schedule, and plan for the eventual reduction or elimination of the fee upon debt retirement.

Public Four-Year Universities in Kentucky and Surrounding States
Resident Undergraduate Tuition and Fees
Academic Year 2016-17



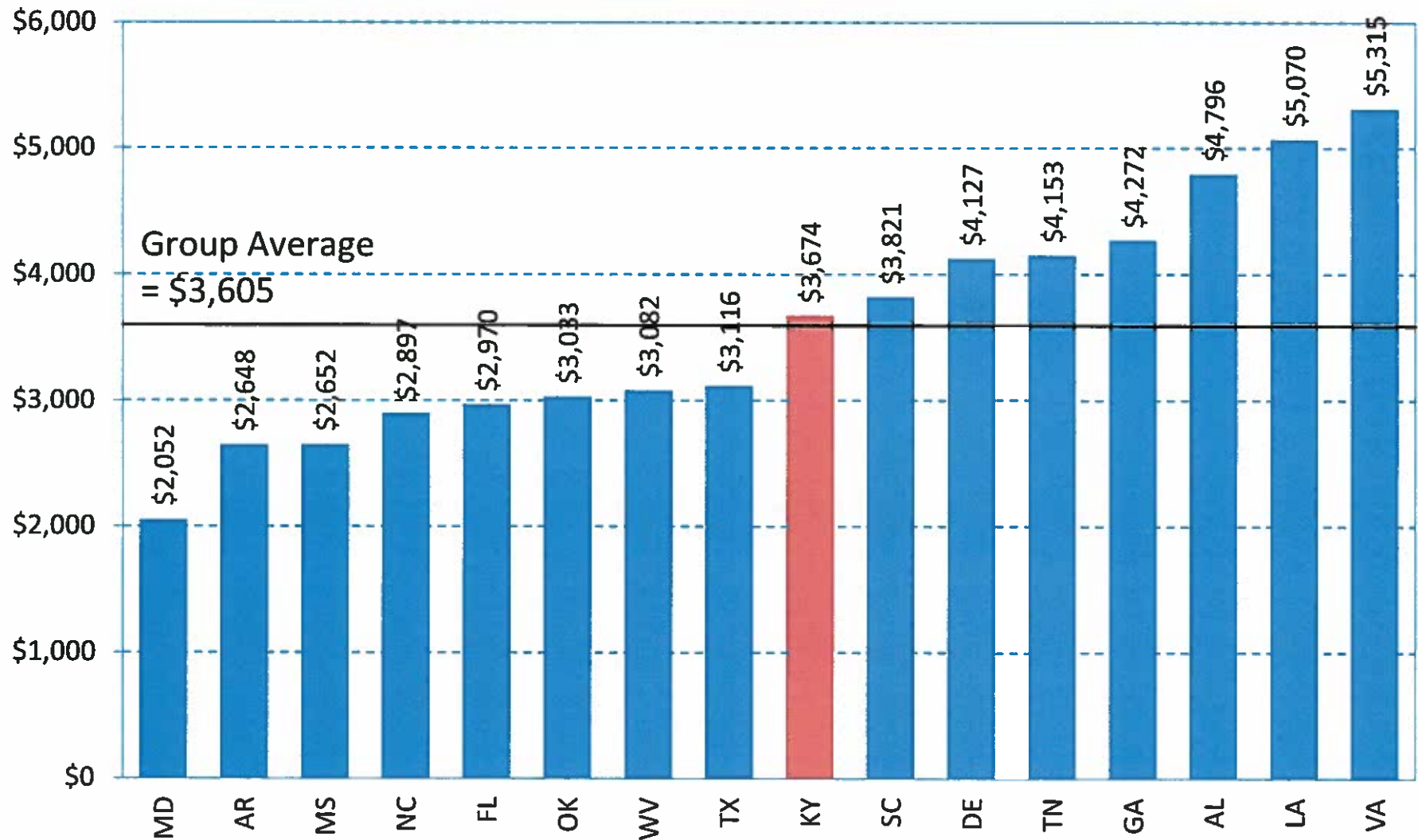
Source: College Board, Trends in College Pricing 2016.

Public Four-Year Universities in SREB Member States
Resident Undergraduate Tuition and Fees
Academic Year 2016-17



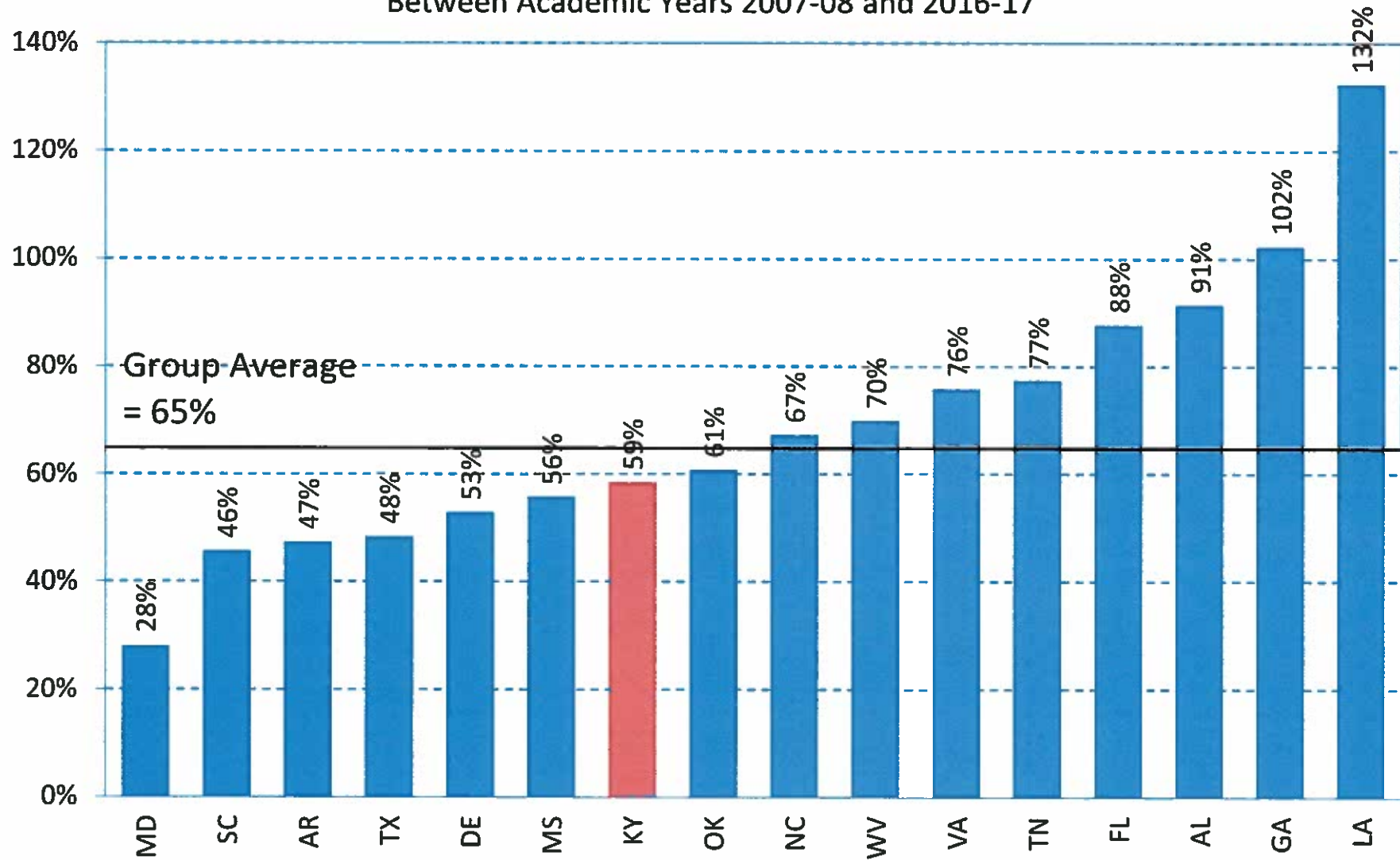
Source: College Board, Trends in College Pricing 2016.

Public Four-Year Universities in SREB Member States
Dollar Change in Resident Undergraduate Tuition and Fees
Between Academic Years 2007-08 and 2016-17



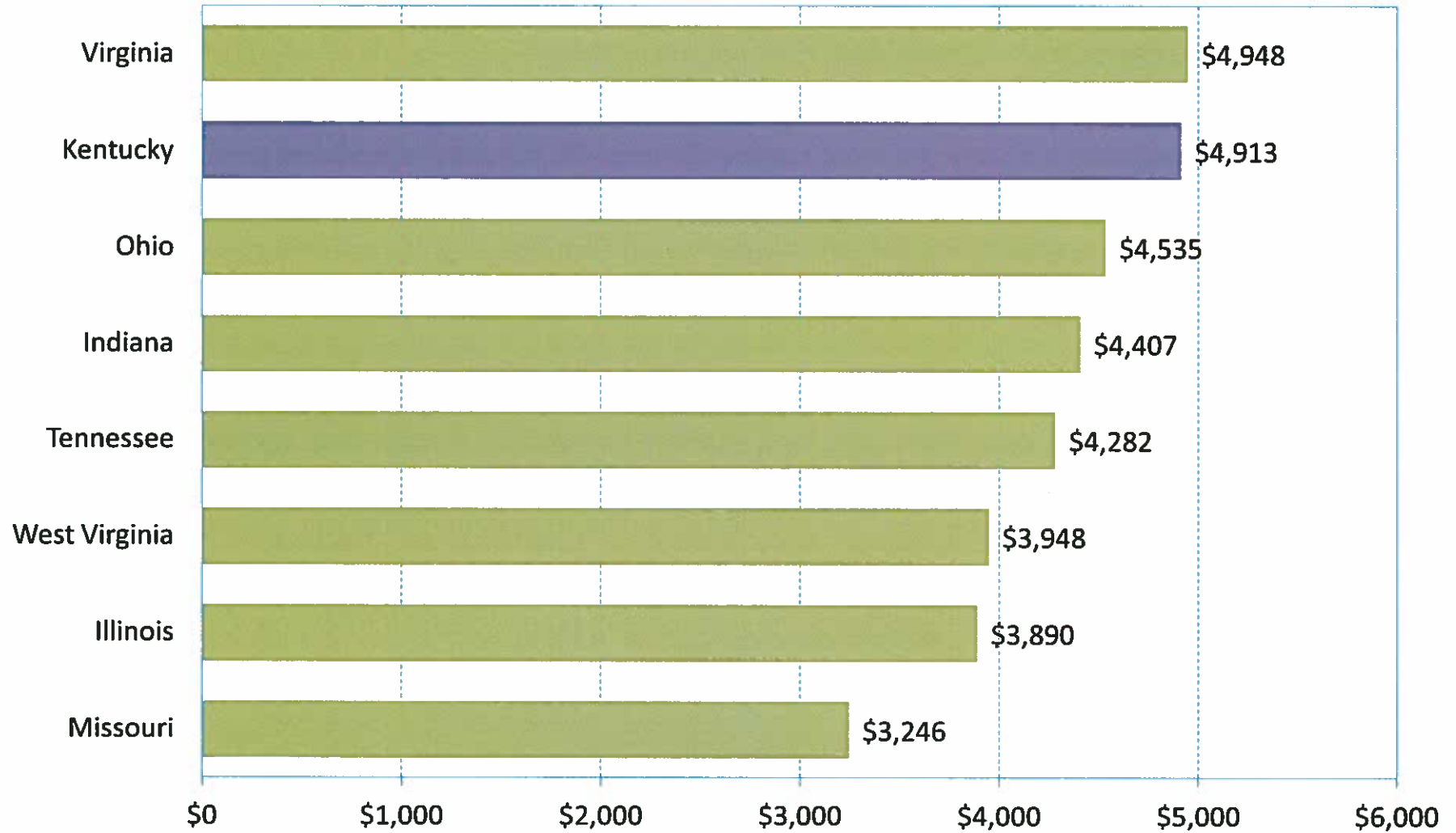
Source: College Board, Trends in College Pricing 2016.

Public Four-Year Universities in SREB Member States
Percent Change in Resident Undergraduate Tuition and Fees
Between Academic Years 2007-08 and 2016-17



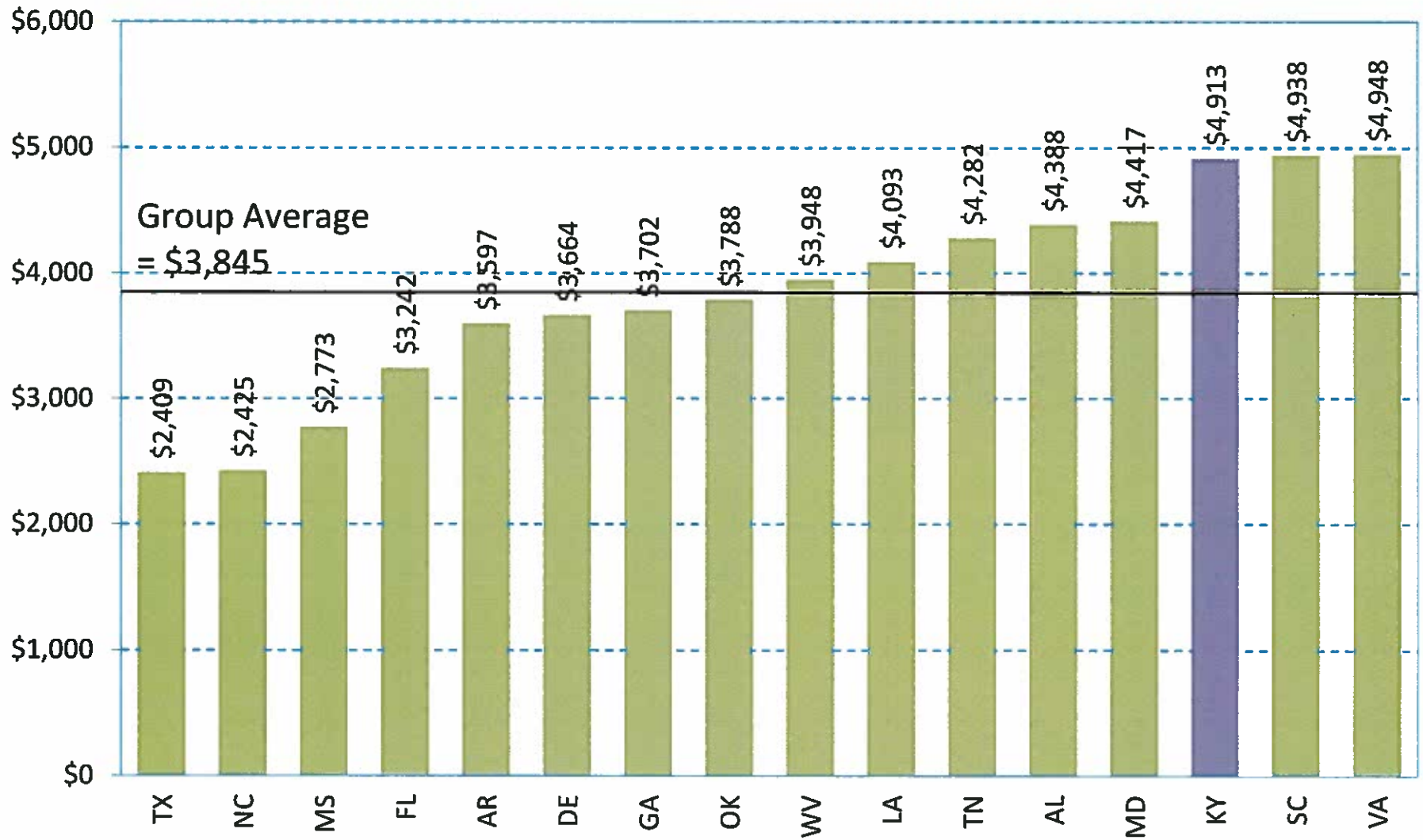
Source: College Board, Trends in College Pricing 2016.

Public Two-Year Colleges in Kentucky and Surrounding States
Resident In-District Tuition and Fees
Academic Year 2016-17



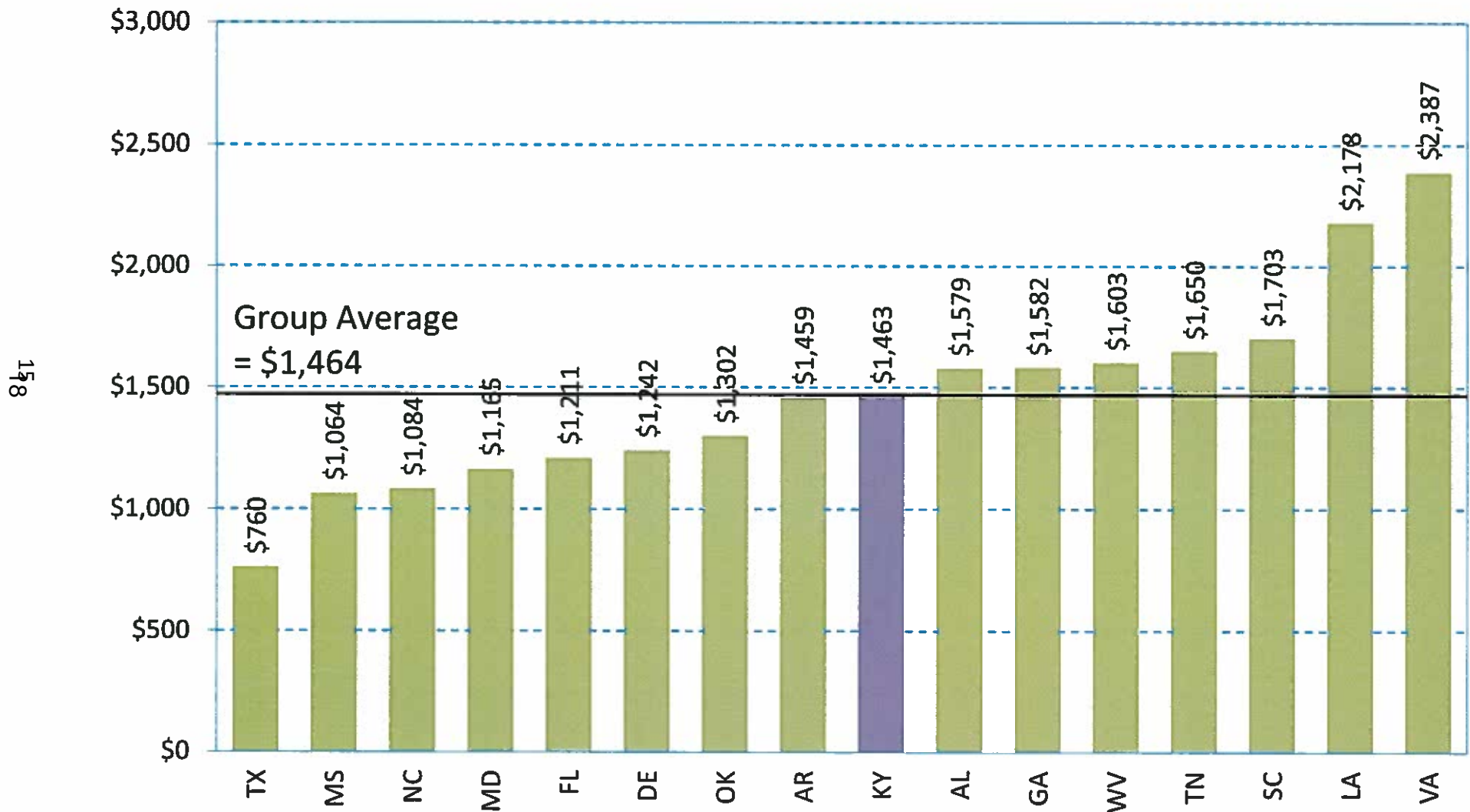
Source: College Board, Trends in College Pricing 2016.

Public Two-Year Colleges in SREB Member States
Resident In-District Tuition and Fees
Academic Year 2016-17



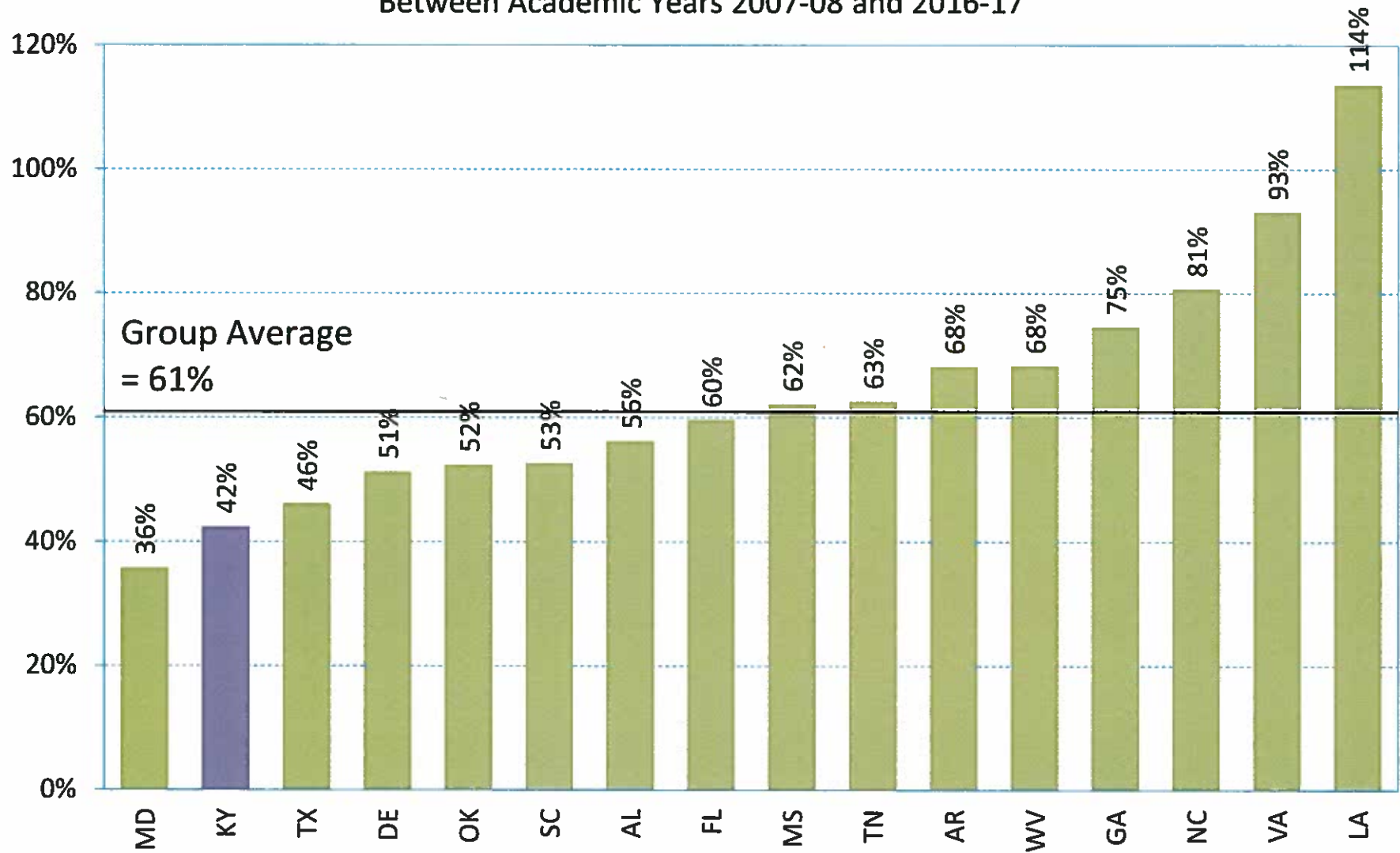
Source: College Board, Trends in College Pricing 2016.

Public Two-Year Colleges in SREB Member States
Dollar Change in Resident In-District Tuition and Fees
Between Academic Years 2007-08 and 2016-17



Source: College Board, Trends in College Pricing 2016.

Public Two-Year Colleges in SREB Member States
Percent Change in Resident In-District Tuition and Fees
Between Academic Years 2007-08 and 2016-17



Source: College Board, Trends in College Pricing 2016.

Kentucky Public Postsecondary Institution
Change in Full-Time Equivalent (FTE) Student Enrollment by Residency Status
Fall Semesters 2006 through 2015

In-State FTE Students (Includes Reciprocity)

<u>Institution</u>	<u>Fall 2006 FTE Students</u>	<u>Fall 2015 FTE Students</u>	<u>9-Year # Change</u>	<u>9-Year % Change</u>	<u>9-Year AAGR</u>
University of Kentucky	18,747	19,709	962	5.13%	0.56%
University of Louisville	14,505	14,661	155	1.07%	0.12%
Eastern Kentucky University	10,967	11,744	777	7.09%	0.76%
Kentucky State University	1,212	837	(375)	-30.95%	-4.03%
Morehead State University	6,017	6,757	740	12.30%	1.30%
Murray State University	6,220	5,856	(363)	-5.84%	-0.67%
Northern Kentucky University	8,751	8,179	(572)	-6.54%	-0.75%
Western Kentucky University	12,219	12,724	505	4.13%	0.45%
KCTCS	44,170	45,183	1,013	2.29%	0.25%
System Totals	122,808	125,649	2,841	2.31%	0.25%

Out-of-State FTE Students

<u>Institution</u>	<u>Fall 2006 FTE Students</u>	<u>Fall 2015 FTE Students</u>	<u>9-Year # Change</u>	<u>9-Year % Change</u>	<u>9-Year AAGR</u>
University of Kentucky	5,810	9,610	3,800	65.41%	5.75%
University of Louisville	2,820	3,955	1,135	40.26%	3.83%
Eastern Kentucky University	1,936	1,783	(153)	-7.89%	-0.91%
Kentucky State University	814	491	(323)	-39.71%	-5.47%
Morehead State University	986	835	(151)	-15.31%	-1.83%
Murray State University	2,261	3,014	753	33.29%	3.24%
Northern Kentucky University	2,551	3,528	977	38.28%	3.67%
Western Kentucky University	3,116	3,128	12	0.38%	0.04%
KCTCS	650	587	(63)	-9.69%	-1.13%
System Totals	20,943	26,929	5,987	28.59%	2.83%

Total FTE Students

<u>Institution</u>	<u>Fall 2006 FTE Students</u>	<u>Fall 2015 FTE Students</u>	<u>9-Year # Change</u>	<u>9-Year % Change</u>	<u>9-Year AAGR</u>
University of Kentucky	24,557	29,318	4,762	19.39%	1.99%
University of Louisville	17,325	18,616	1,290	7.45%	0.80%
Eastern Kentucky University	12,903	13,527	625	4.84%	0.53%
Kentucky State University	2,026	1,328	(698)	-34.47%	-4.59%
Morehead State University	7,002	7,591	589	8.41%	0.90%
Murray State University	8,481	8,870	389	4.59%	0.50%
Northern Kentucky University	11,303	11,707	405	3.58%	0.39%
Western Kentucky University	15,335	15,852	517	3.37%	0.37%
KCTCS	44,820	45,770	950	2.12%	0.23%
System Totals	143,751	152,578	8,828	6.14%	0.66%

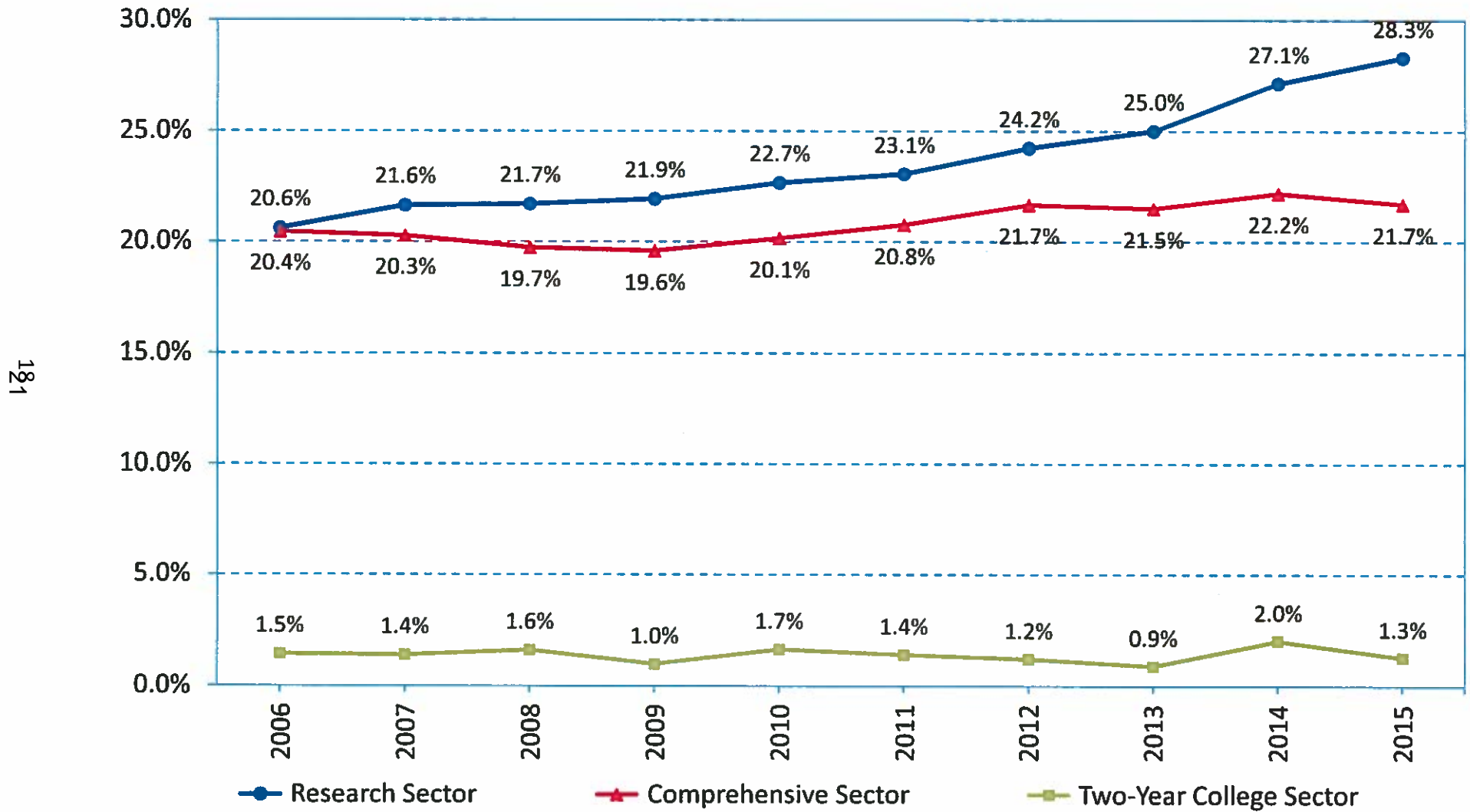
Source: CPE, Comprehensive Database.

AAGR = Average Annual Growth Rate

Kentucky Public Postsecondary Sectors

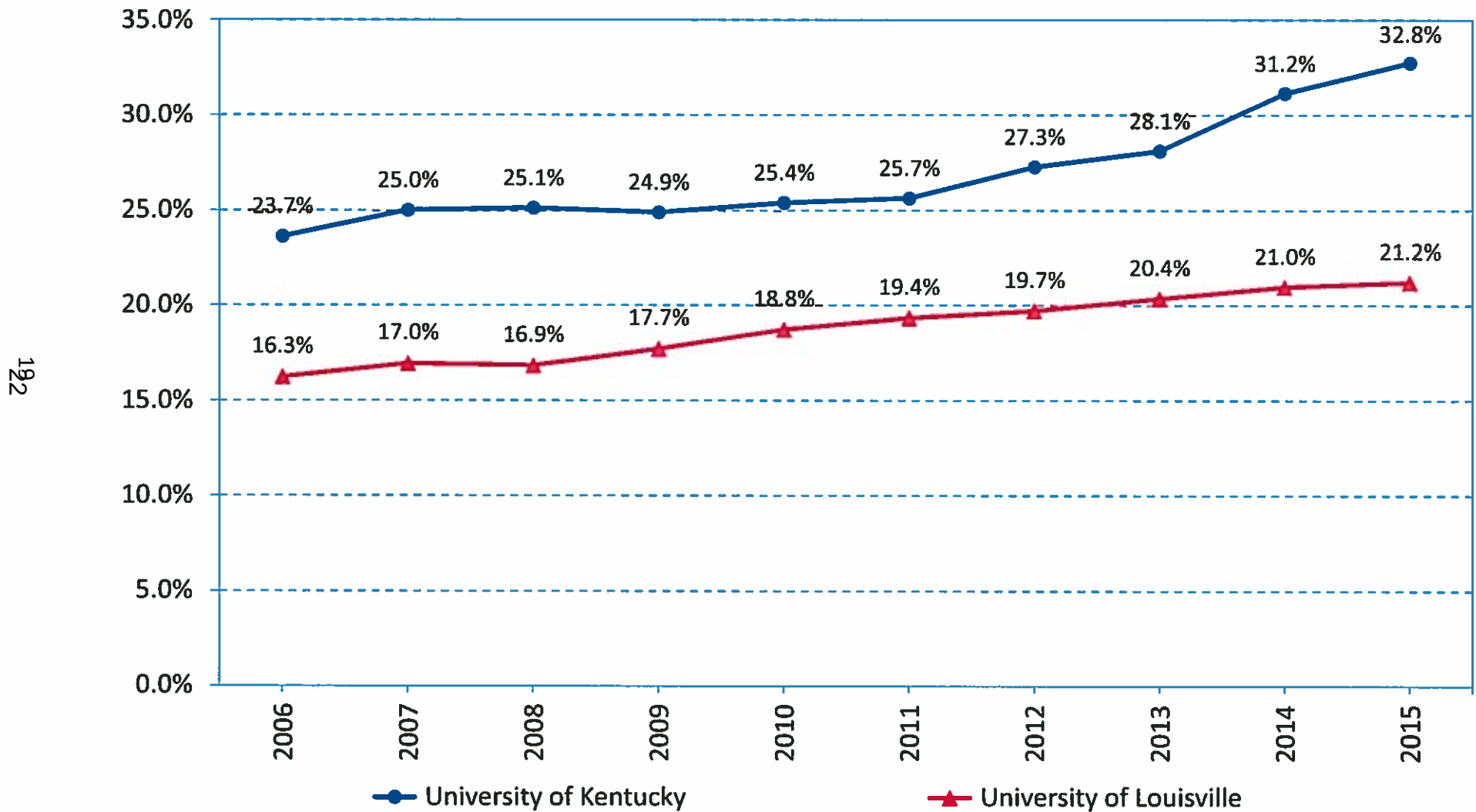
Out-of-State Student Share of Total FTE Student Enrollment

Fall Semesters 2006 through 2015



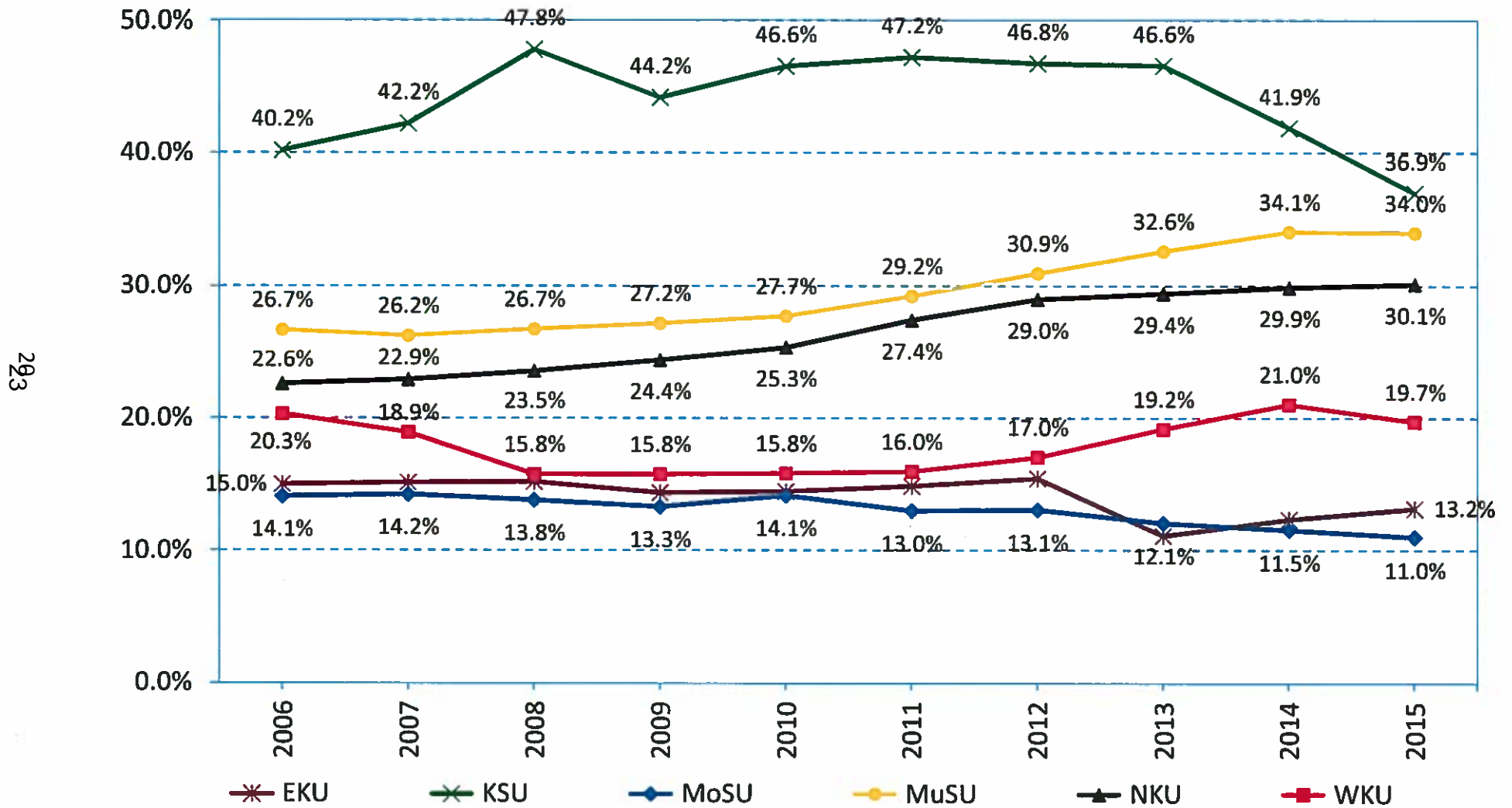
Source: Council on Postsecondary Education, Comprehensive Database.

Kentucky Public Research Universities
Out-of-State Student Share of Total FTE Student Enrollment
Fall Semesters 2006 through 2015



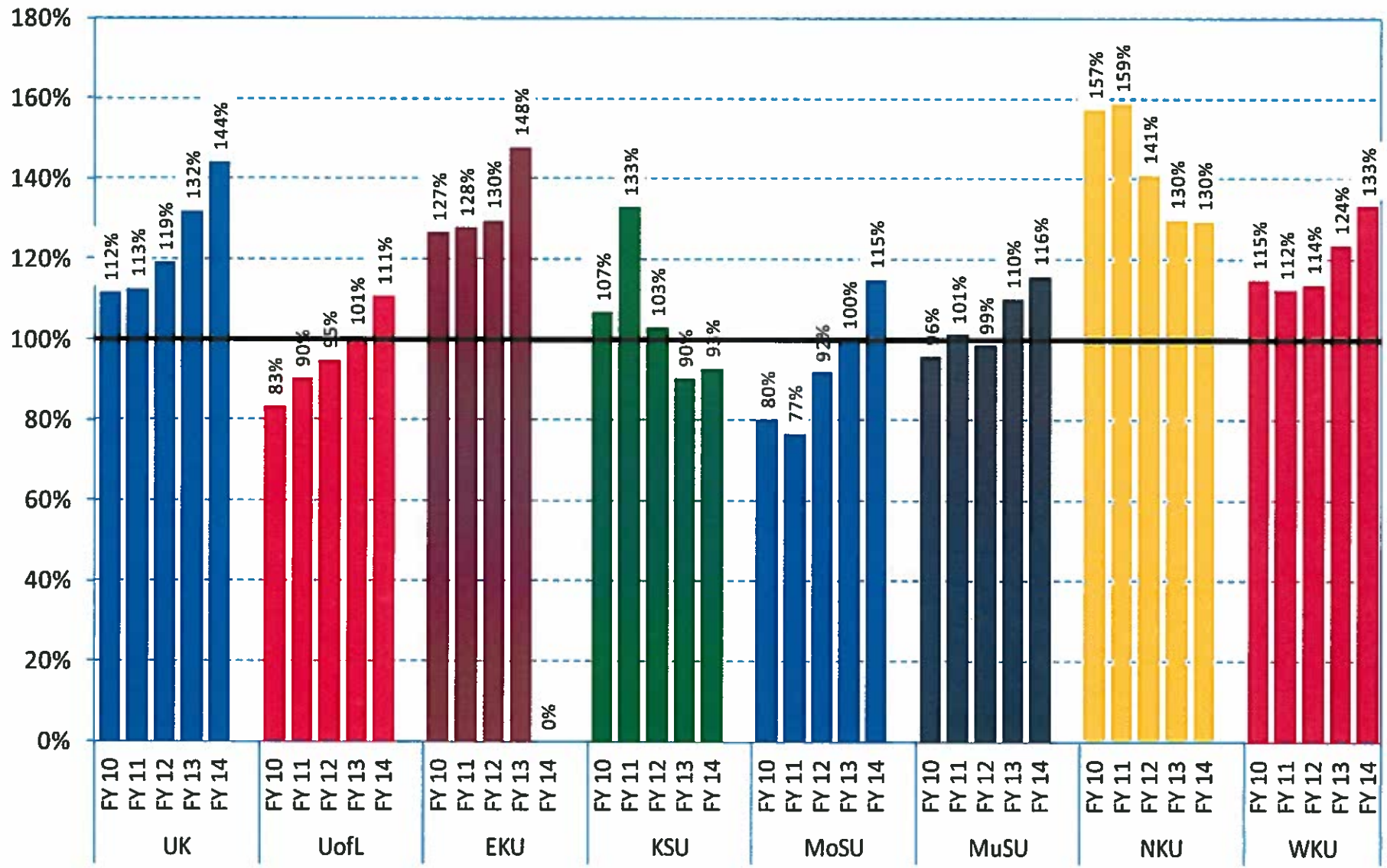
Source: Council on Postsecondary Education, Comprehensive Database.

Kentucky Public Comprehensive Universities Out-of-State Student Share of Total FTE Student Enrollment Fall Semesters 2006 through 2015



Source: Council on Postsecondary Education, Comprehensive Database.

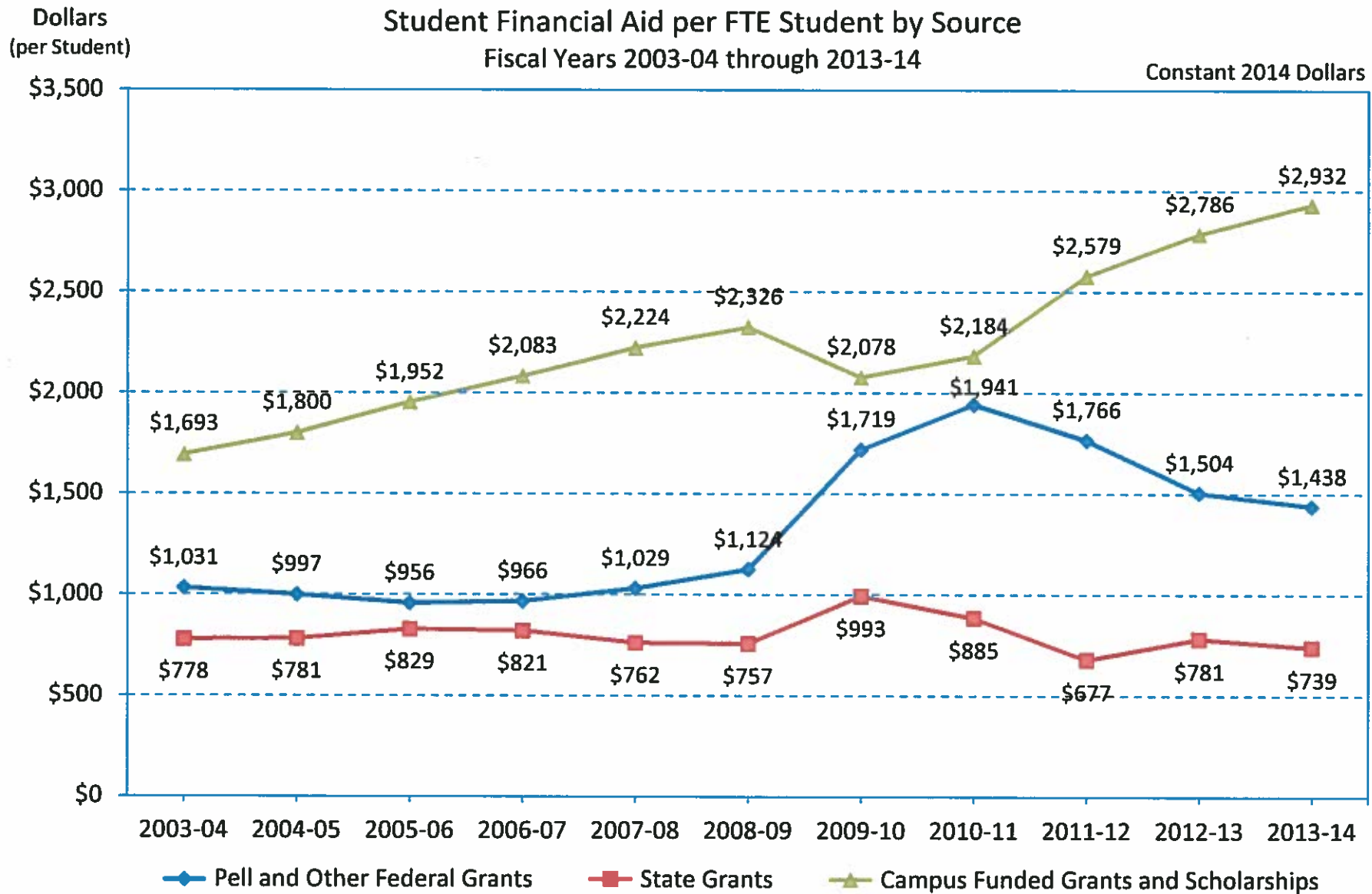
Kentucky Public Four-Year University Nonresident Student Tuition and Fee Revenue/Direct Educational Cost Coverage Ratios Fiscal Years 2010 through 2014



Sources: Integrated Postsecondary Education Data System; CPE Comprehensive Database, FD-24 Forms.

Kentucky Public Postsecondary System Student Financial Aid per FTE Student by Source Fiscal Years 2003-04 through 2013-14

Constant 2014 Dollars



Source: Integrated Postsecondary Education Data System (IPEDS); Commonfund Institute, Higher Education Price Index (HEPI).

Kentucky Public Postsecondary Institution
Change in Institutional Grants by Funding Source
Fiscal Years 2003-04 through 2013-14

Institutional Grants From Restricted Sources

Institution	Fiscal Year 2003-04	Fiscal Year 2013-14	10-Year \$ Change	10-Year % Change	10-Year AAGR
University of Kentucky	\$8,303,245	\$12,097,984	\$3,794,739	45.70%	3.84%
University of Louisville	0	0	0	NA	NA
Eastern Kentucky University	6,328,984	505,409	(5,823,575)	-92.01%	-22.33%
Kentucky State University	0	285,334	285,334	NA	NA
Morehead State University	0	0	0	NA	NA
Murray State University	601,429	778,517	177,088	29.44%	2.61%
Northern Kentucky University	0	142,000	142,000	NA	NA
Western Kentucky University	0	0	0	NA	NA
KCTCS	2,046,000	4,351,238	2,305,238	112.67%	7.84%
System Totals	\$17,279,658	\$18,160,482	\$880,824	5.10%	0.50%

Institutional Grants From Unrestricted Sources

Institution	Fiscal Year 2003-04	Fiscal Year 2013-14	10-Year \$ Change	10-Year % Change	10-Year AAGR
University of Kentucky	\$33,906,880	\$82,266,780	\$48,359,900	142.63%	9.27%
University of Louisville	28,383,000	65,426,000	37,043,000	130.51%	8.71%
Eastern Kentucky University	9,440,821	26,227,113	16,786,292	177.81%	10.76%
Kentucky State University	2,660,155	6,163,014	3,502,859	131.68%	8.76%
Morehead State University	6,477,100	21,059,991	14,582,891	225.15%	12.51%
Murray State University	12,817,229	37,602,208	24,784,979	193.37%	11.36%
Northern Kentucky University	10,603,998	18,338,000	7,734,002	72.93%	5.63%
Western Kentucky University	8,876,190	32,588,298	23,712,108	267.14%	13.89%
KCTCS	52,297,000	153,547,410	101,250,410	193.61%	11.37%
System Totals	\$165,462,373	\$443,218,814	\$277,756,441	167.87%	10.35%

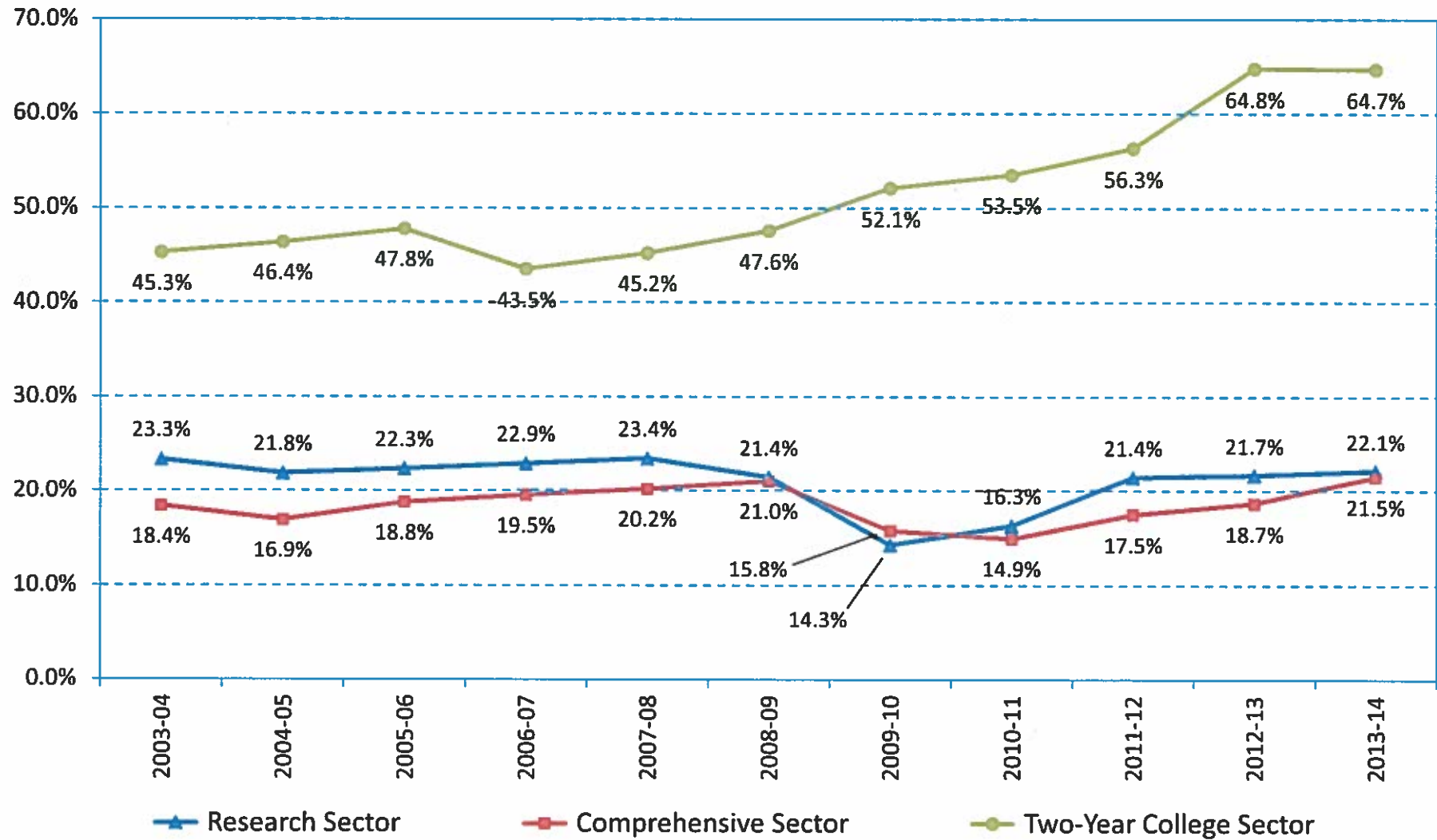
Total Institutional Grants

Institution	Fiscal Year 2003-04	Fiscal Year 2013-14	10-Year \$ Change	10-Year % Change	10-Year AAGR
University of Kentucky	\$42,210,125	\$94,364,764	\$52,154,639	123.56%	8.38%
University of Louisville	28,383,000	65,426,000	37,043,000	130.51%	8.71%
Eastern Kentucky University	15,769,805	26,732,522	10,962,717	69.52%	5.42%
Kentucky State University	2,660,155	6,448,348	3,788,193	142.40%	9.26%
Morehead State University	6,477,100	21,059,991	14,582,891	225.15%	12.51%
Murray State University	13,418,658	38,380,725	24,962,067	186.03%	11.08%
Northern Kentucky University	10,603,998	18,480,000	7,876,002	74.27%	5.71%
Western Kentucky University	8,876,190	32,588,298	23,712,108	267.14%	13.89%
KCTCS	54,343,000	157,898,648	103,555,648	190.56%	11.26%
System Totals	\$182,742,031	\$461,379,296	\$278,637,265	152.48%	9.70%

Source: Integrated Postsecondary Data System (IPEDS).

AAGR = Average Annual Growth Rate

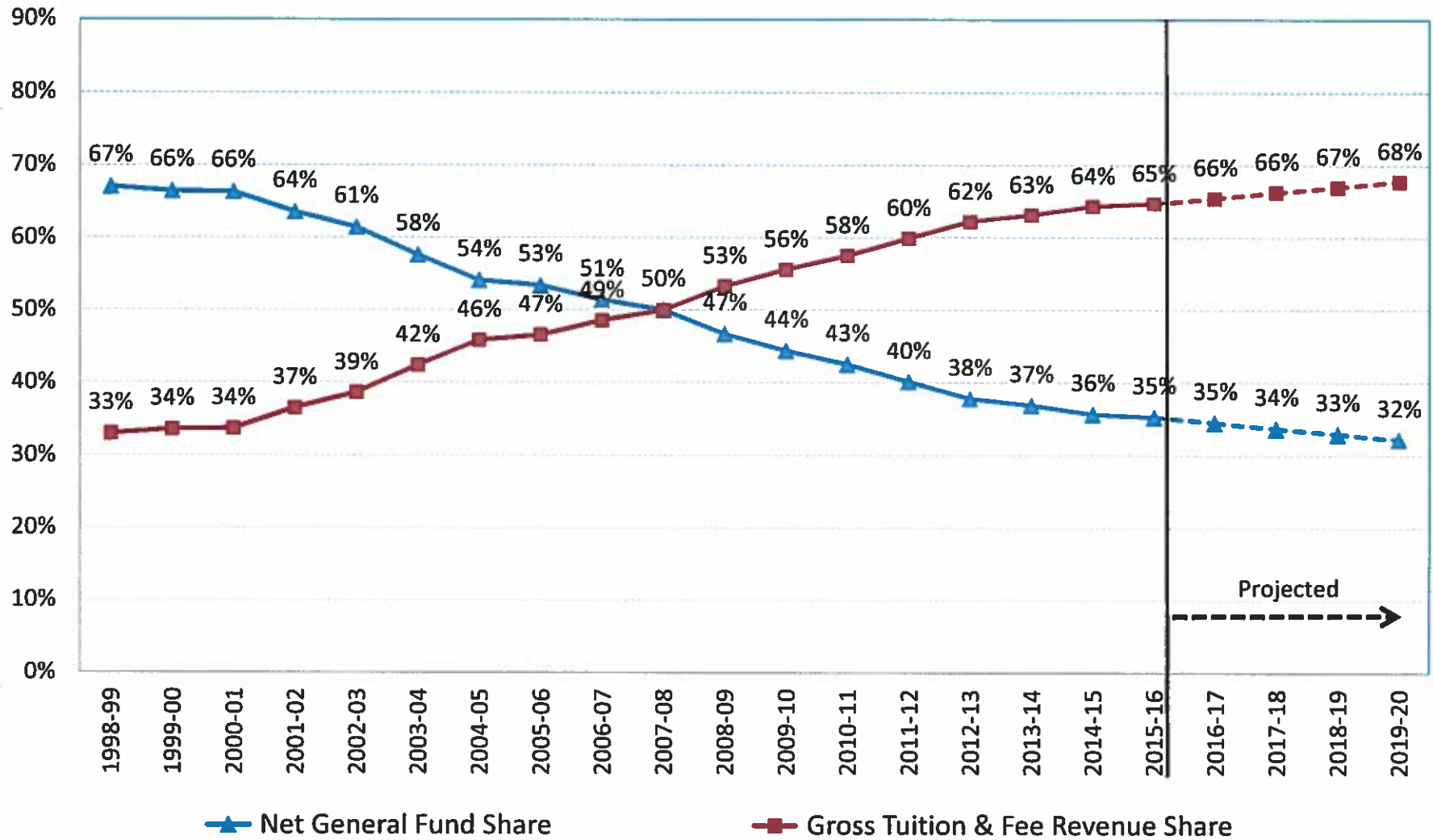
Kentucky Public Postsecondary Sectors Unrestricted Institutional Grant Share of Gross Tuition and Fee Revenue Fiscal Years 2003-04 through 2013-14



Sources: Integrated Postsecondary Data System (IPEDS); Council on Postsecondary Education, Comprehensive Database.

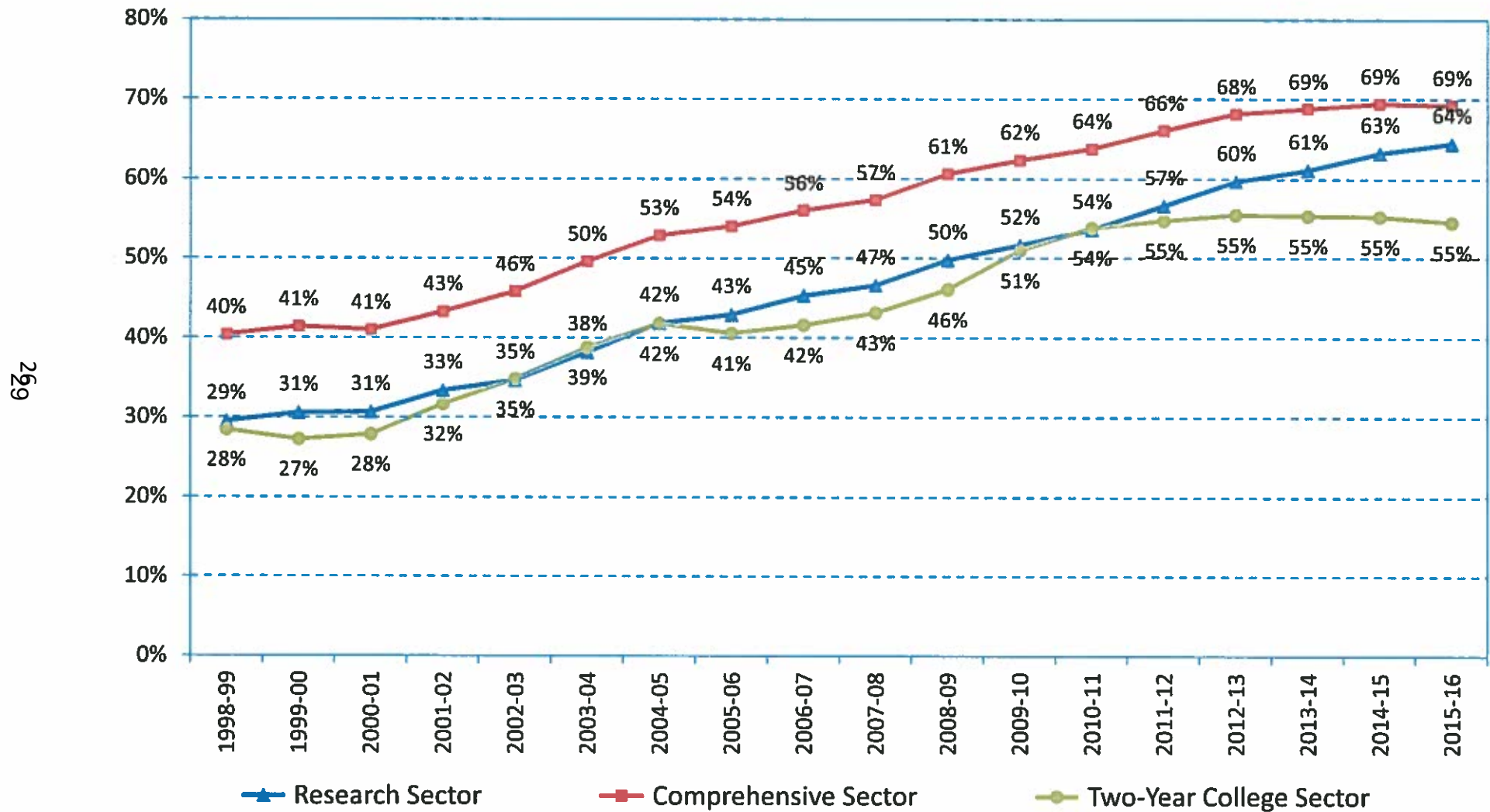
Kentucky Public Postsecondary System Change in State and Student Shares of Total Public Funds Fiscal Years 1998-99 through 2019-20

258



Sources: Kentucky Budget of the Commonwealth; Council on Postsecondary Education, Comprehensive Database.

Kentucky Public Postsecondary Sectors Gross Tuition and Fee Revenue Share of Total Public Funds Fiscal Years 1998-99 through 2015-16



Sources: Kentucky Budget of the Commonwealth; Council on Postsecondary Education, Comprehensive Database.

Kentucky Public Postsecondary Institution
Gross Tuition and Fee Revenue Share of Total Public Funds
Fiscal Years 1998-99 through 2015-16

<u>Institution</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>
UK	27%	28%	28%	30%	31%	35%	39%	40%	42%	42%	46%	48%	49%	53%	56%	58%	60%	62%
UofL	34%	35%	35%	39%	41%	44%	47%	48%	51%	53%	56%	58%	60%	63%	65%	67%	68%	68%
EKU	38%	38%	37%	40%	41%	45%	49%	52%	54%	56%	59%	61%	63%	65%	66%	67%	68%	68%
KSU	26%	30%	28%	31%	35%	36%	33%	35%	37%	38%	41%	45%	47%	49%	50%	48%	42%	38%
MoSU	38%	38%	38%	41%	43%	46%	48%	48%	50%	50%	55%	56%	58%	60%	63%	63%	64%	63%
MuSU	37%	39%	39%	42%	44%	47%	51%	53%	56%	58%	60%	61%	62%	65%	68%	69%	71%	71%
NKU	55%	56%	55%	55%	58%	61%	64%	63%	63%	64%	68%	69%	71%	73%	75%	75%	74%	74%
WKU	40%	41%	40%	43%	46%	52%	56%	57%	60%	60%	64%	66%	67%	69%	71%	72%	73%	73%
KCTCS	28%	27%	28%	32%	35%	39%	42%	41%	42%	43%	46%	51%	54%	55%	55%	55%	55%	55%
Research	29%	31%	31%	33%	35%	38%	42%	43%	45%	47%	50%	52%	54%	57%	60%	61%	63%	64%
Comps	40%	41%	41%	43%	46%	50%	53%	54%	56%	57%	61%	62%	64%	66%	68%	69%	69%	69%
Two-Year	28%	27%	28%	32%	35%	39%	42%	41%	42%	43%	46%	51%	54%	55%	55%	55%	55%	55%
System	33%	34%	34%	37%	39%	42%	46%	47%	49%	50%	53%	56%	58%	60%	62%	63%	64%	65%

Sources: Kentucky Budget of the Commonwealth; Council on Postsecondary Education, Comprehensive Database.

Kentucky Public Postsecondary Institution
 Budgeted Fixed Cost Increases
 Fiscal Year 2017-18

Draft - For Discussion Purposes
 January 19, 2017

Institution	Fixed Cost Increase Components					Total Cost Increases
	FICA & Retirement System Contributions	Health Insurance & Workers Comp.	Maintenance ^(a) & Operations	Mandated Tuition Waivers	Other ^(b) Fixed Costs	
University of Kentucky	\$0	\$4,656,600	\$3,200,300	\$263,600	\$3,500,000	\$11,620,500
University of Louisville	830,900	1,820,800	3,250,000	1,300,000	\$4,000,000	11,201,700
Eastern Kentucky University	800,000	750,000	717,200	200,000	\$3,197,000	5,664,200
Kentucky State University	230,000	170,000	110,000	30,000	\$500,000	1,040,000
Morehead State University	76,300	410,700	201,900	95,600	\$236,400	1,020,900
Murray State University	205,500	381,500	332,300	23,100	\$179,400	1,121,800
Northern Kentucky University	350,000	439,700	400,000	66,000	\$104,900	1,360,600
Western Kentucky University	225,000	720,000	762,000	181,000	\$992,000	2,880,000
KCTCS	2,054,800	1,947,300	4,318,300	11,378,800	\$0	19,699,200
System Totals	\$4,772,500	\$11,296,600	\$13,292,000	\$13,538,100	\$12,709,700	\$55,608,900

^(a) Does not include personnel-related maintenance and operations expenses.

^(b) Includes personnel costs unrelated to across the board raises, public safety/security, insurance, software, service contracts, professional services, leases, books and periodicals, maintenance vehicles, bad debt, and debt service.

Kentucky Public Postsecondary Institution
 Estimated Increases in Net Tuition and Fee Revenue at Various Levels of Rate Increase
 Fiscal Year 2017-18

Draft - For Discussion Purposes
 January 19, 2017

Institution	Est. 2016-17 Net Tuition & Fee Revenue	Incremental Increases in Net Tuition and Fee Revenue ^{(a)(b)}				
		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	\$343,503,600	\$3,435,000	\$6,870,000	\$10,305,000	\$13,740,000	\$17,175,000
University of Louisville	263,530,600	2,500,000	5,000,000	7,500,000	10,000,000	12,500,000
Eastern Kentucky University	123,889,200	1,238,900	2,477,800	3,716,700	4,955,600	6,194,500
Kentucky State University	14,937,500	149,400	298,800	448,200	597,600	747,000
Morehead State University	48,343,500	483,400	966,800	1,450,200	1,933,600	2,417,000
Murray State University	78,484,300	784,800	1,569,600	2,354,400	3,139,200	3,924,000
Northern Kentucky University	135,090,300	1,247,100	2,494,200	3,741,300	4,988,400	6,235,500
Western Kentucky University	132,577,000	1,326,000	2,652,000	3,978,000	5,304,000	6,630,000
KCTCS	211,997,600	2,120,000	4,240,000	6,360,000	8,480,000	10,600,000
System Totals	\$1,352,353,600	\$13,284,600	\$26,569,200	\$39,853,800	\$53,138,400	\$66,423,000

^(a) 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.

^(b) 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.

Kentucky Public Postsecondary Institution
Enacted Net General Fund Appropriations
Fiscal Years 2016-17 and 2017-18

Draft - For Discussion Purposes
January 19, 2017

Institution	2016-17 Enacted Net General Fund	Equity Adjustment	4.5% Cut to Equity Adjustment	Performance Reallocation ^(g)	2017-18 Enacted Net General Fund	Dollar Change	Percent Change
University of Kentucky	\$267,028,800	\$0	\$0	(\$13,351,400)	\$253,677,400	(\$13,351,400)	-5.0%
University of Louisville	132,818,400	0	0	(6,640,900)	126,177,500	(6,640,900)	-5.0%
Eastern Kentucky University	64,972,300	0	0	(3,248,600)	61,723,700	(3,248,600)	-5.0%
Kentucky State University	26,729,600 ^(a)	0	0	0	26,729,600	0	0.0%
Morehead State University	41,969,200 ^(b)	0	0	(2,069,500)	39,899,700	(2,069,500)	-5.0%
Murray State University	45,864,000	0	0	(2,293,200)	43,570,800	(2,293,200)	-5.0%
Northern Kentucky University	46,353,400	5,334,200 ^(d)	(240,000) ^(f)	(2,572,400)	48,875,200	2,521,800	5.4%
Western Kentucky University	72,040,200 ^(c)	2,588,000 ^(e)	(116,500) ^(f)	(3,688,100)	70,823,600	(1,216,600)	-1.7%
KCTCS	181,605,000	0	0	(9,080,300)	172,524,700	(9,080,300)	-5.0%
System Totals	\$879,380,900	\$7,922,200	(\$356,500)	(\$42,944,400)	\$844,002,200	(\$35,378,700)	-4.0%

^(a) Includes \$3,300,000 for KSU Land Grant Program.

^(b) Includes \$580,000 for MoSU Craft Academy.

^(c) Includes \$750,000 for WKU Kentucky Mesonet Project.

^(d) Additional appropriation of \$5,334,200 in fiscal 2017-18 for NKU Equity Adjustment.

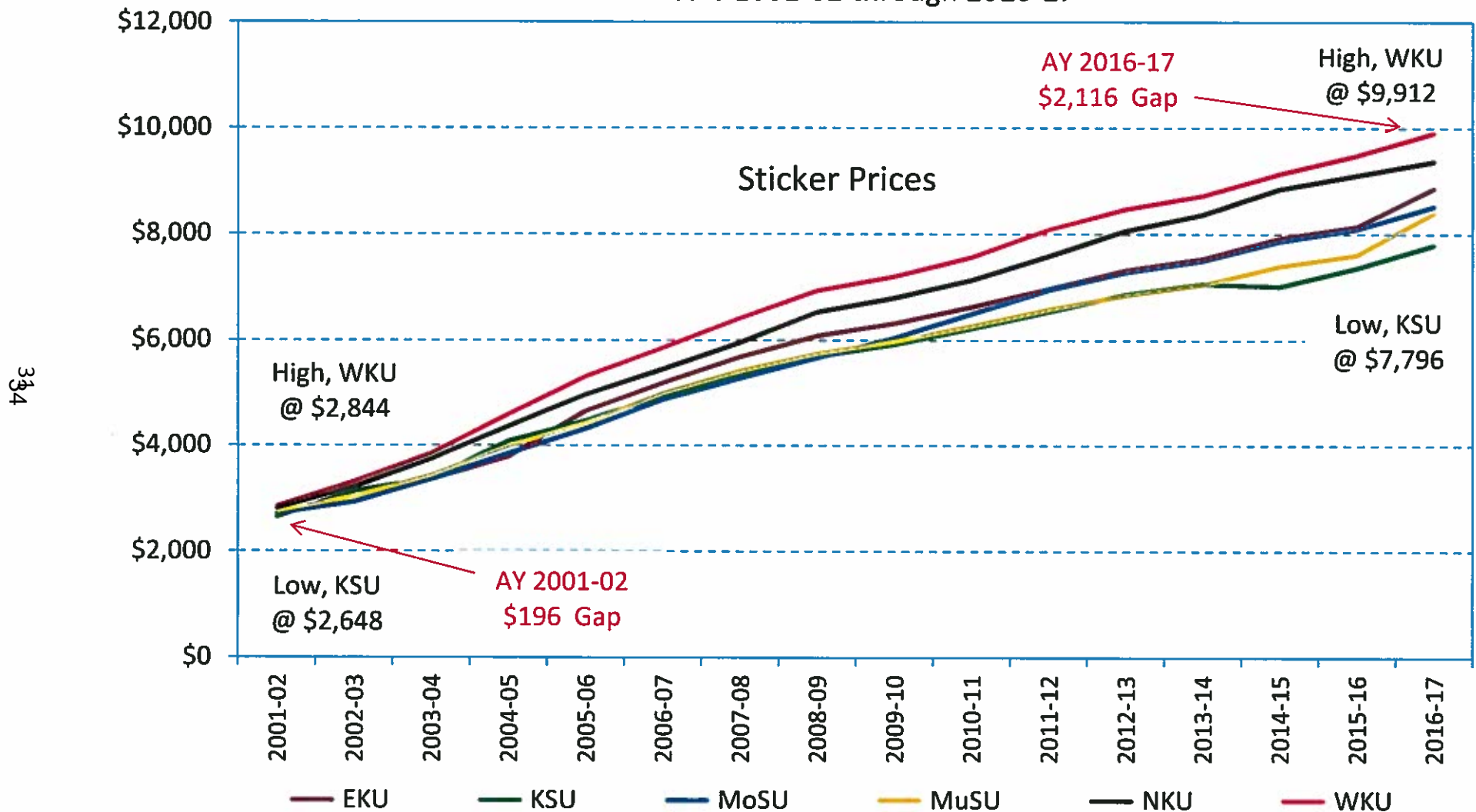
^(e) Additional appropriation of \$2,588,000 in fiscal 2017-18 for WKU Equity Adjustment.

^(f) In calculating appropriations for fiscal 2017-18, Equity Adjustment funds were added to the 2015-16 beginning base before a 4.5 percent budget reduction was applied.

^(g) In fiscal 2017-18, HB 303 transfers \$42.9 million from the postsecondary institutions to a Postsecondary Education Performance Fund (i.e., representing 5.0% of each institution's General Fund appropriation, excluding KSU). The institutions will have the opportunity to earn these funds back based on performance.

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

Kentucky Comprehensive University Growing Dispersion of Resident Undergraduate Tuition and Fees Academic Years 2001-02 through 2016-17



Source: Council on Postsecondary Education, Comprehensive Database.

Prices include Special Use and Agency Bond fees.

Kentucky Public Comprehensive Universities
Approach Used to Determine Tuition and Fee Ceilings
Academic Year 2016-17

	A			B	(A + B)	
	2015-16 Tuition & Fees ^(a)	Percent Increase	WKU 2016-17 Tuition Ceiling	Common Dollar Increase Ceiling	2016-17 Tuition Ceilings	Percent Increase
Campus						
WKU	\$9,282	4.65%	\$9,714	\$432.00	\$9,714	4.65%
NKU	\$8,736			\$432.00	\$9,168	4.95%
EKU	\$8,150			\$432.00	\$8,582	5.30%
MoSU	\$7,966			\$432.00	\$8,398	5.42%
MuSU	\$7,608			\$432.00	\$8,040	5.68%
KSU	\$7,364			\$432.00	\$7,796	5.87%
	Price Gap: \$1,918				Price Gap: \$1,918	

^(a) Annual rates shown for 2015-16 do not include Special Use Fees.