

MINUTES
Council on Postsecondary Education
Executive Committee
May 16, 2005

The Executive Committee of the Council on Postsecondary Education met May 16, 2005, at 11 a.m. at the Council offices in Frankfort. Chair Greenberg presided.

Mr. Greenberg welcomed several guests – Representative Harry Moberly, Fred Rice (chair of the ECU board of regents), and Orson Oliver (ECU regent and chair of the board's finance committee).

ROLL CALL

The following members attended: Peggy Bertelsman, Richard Freed, Ron Greenberg, Joan Taylor, and John Turner. Other Council members in attendance: Walter Baker, Dan Flanagan, and Tony Stoeppel. Phyllis Maclin and Alois Moore joined by telephone.

Representatives of Murray State University were connected to the meeting by interactive television.

**APPROVAL OF
MINUTES**

The minutes of the April 12 Executive Committee meeting were approved as distributed.

**2005-06
TUITION
AND FEES**

President Tom Layzell said that at the April 12 Executive Committee meeting the Council heard detailed presentations from the institutions about their enacted or planned tuition and fee proposals for 2005-06. At the conclusion of that meeting, the Council staff was asked to prepare for the May Council meeting recommendations on tuition and fees for 2005-06 and also recommendations on a tuition-setting process going forward into the future. He said that the Council staff plans to submit the following recommendations for approval by the Council at its May 22 meeting and seeks advice from the Executive Committee.

1. The staff recommends approval of the 2005-06 tuition and required fees. The rates for Murray State University and the University of Louisville are estimates since final board action has not been taken in either case. (The MuSU board meets May 20 and the UofL board meets June 2.)
2. The staff recommends approval of the process for establishing tuition and required fees. The process will be used to establish tuition and required fees for the 2006-07 academic year.

A summary of the institutional responses regarding the proposed expenditure of 2006 increases in tuition and fee revenue and state general fund appropriations was included in the agenda materials. Almost 40 percent of the increases will be used for faculty and staff salary increases and new faculty and staff positions; 20 percent for fixed costs; 16 percent for merit- and need-based financial aid; and 25 percent for a wide range of programmatic areas. The Council staff will provide additional information on how the institutions plan to expend the

additional revenue at the May 22 Council meeting.

A comparison of Kentucky tuition and fees related to national and regional tuition and fees was included in the agenda materials. As of 2004-05, Kentucky's average tuition and fees for the four-year institutions in Kentucky lagged behind the national average by about \$800. This gap may be somewhat smaller but will continue in 2005-06. The two-year institutions are much closer to the U.S. average but, given the relatively modest increase enacted by KCTCS (6 percent), the 2005-06 numbers may fall below the national average. According to *Measuring Up*, the national report card for postsecondary education, while Kentucky's overall affordability slipped from 2000 and 2002, affordability at Kentucky institutions ranks high nationally.

Dr. Layzell reviewed the proposed process for establishing tuition and required fees for the 2006-07 academic year:

1. By October the Council will establish policies and criteria for determining tuition and required fees that will ensure that adequate justification exists for proposed rates of tuition and required fees based on affordability, fiscal responsibility, institutional missions, and other appropriate measures.
2. Beginning in the 2006-07 academic year, the Council will require the institutions to submit proposed rates in advance on a schedule that will be set by the Council. The schedule will provide adequate time for student notification and planning.
3. Both the Council and the institutions will provide an opportunity for public comment on the proposed rates.
4. The Council will establish procedures to review and approve rates of tuition and required fees for modifications based on changes in financial, operation, or programmatic circumstances.

MOTION: Mr. Freed moved that the recommendations be approved and considered by the Council at its May 22 meeting. Ms. Bertelsman seconded the motion.

Ms. Bertelsman asked that a reporting mechanism be put in place that shows what the institutions have accomplished with the additional revenue (number of faculty positions filled, etc.). This information will be helpful for the Council and the General Assembly in the years to come.

President Joanne Glasser discussed the plans for the additional revenue generated by the tuition increase at Eastern Kentucky University.

Mr. Greenberg said that a committee has been formed that will develop recommendations for a funding process for postsecondary education that is understandable, that is transparent, that is rational, and that includes accountability for all the institutions. The Council is most concerned that postsecondary education in Kentucky remains affordable.

VOTE: The motion passed.

BENCHMARK
SELECTIONS

Dr. Layzell said that the benchmark selections will be considered by the Council at its May 22 meeting. The models used and the recommended lists for the comprehensive institutions and KCTCS were included in the agenda materials. The proposed benchmarks for UK and UofL were under review and are expected to be presented at the May 22 meeting.

NEXT MEETING

Mr. Greenberg said that the Council will meet Sunday, May 22, at 12:30 p.m. The meeting will be held at the Marriott Griffin Gate Resort in Lexington in conjunction with the Institute for Effective Governance Spring Board Development Seminar and the Annual Faculty Development Conference.

Mr. Stoeppel thanked the University of Louisville for inviting the Council members to attend its commencement exercises.

ADJOURNMENT

The meeting adjourned at 11:50 a.m.

Thomas D. Layzell
President

Phyllis L. Bailey
Associate, Executive Relations