

KY COUNCIL ON POSTSECONDARY EDUCATION FINANCE COMMITTEE



MEETING AGENDA

Friday, June 14, 2019 - 2:00 PM
CPE Offices, Conf Rm A

**Denotes action to be taken by the Committee*

1. **Call to Order & Roll Call**
2. **Finance Committee Areas of Oversight** 2
3. **ACTION: Agency 2019-20 Annual Operating Budget *** 3
4. **ACTION: Interim Capital Project Request - KCTCS *** 11
5. **Tuition and Fee Setting**
 - a. ACTION: Campus 2019-20 Tuition and Fee Proposals * 14
 - b. ACTION: Kentucky-Ohio Reciprocity Agreements * 37
 - c. Nonresident Student Tuition Policy (Update) 65
 - d. Discussion on Tuition and Fee Setting Schedule for 2020-21 Academic Year
6. **CPE Funded Income Share Model Discussion & Staff Request**
7. **2020-22 Biennial Budget Recommendation** 67
 - a. Timeline/Meeting Schedule 68
 - b. Summary of 2018-20 Request 70
 - c. Preliminary Priorities for 2020-22 72
 - d. Beginning Base/Mandated Programs 75
 - e. Funding Component Discussions (Update)
8. **Performance Funding** 78
 - a. Fiscal 2019-20 Distribution 79
 - b. Stop Loss Discussions (update) 82
 - c. Campus Proposals (update)
9. **Other Business**
10. **Adjournment**

Upcoming Finance Committee meetings for 2019

- TBD August (12-16)
- TBD September (9-13)
- TBD October (14-18)

TITLE: Finance Committee Areas of Oversight

DRAFT FOR DISCUSSION PURPOSES: No action required by committee

Biennial Budget Recommendation

- Institutional Operating Funds
- Capital
- Trust Funds
- Agency Budget

Tuition and Fee Setting

- Tuition policy
- Tuition and fee ceilings
- Campus tuition and fee proposals
- Reciprocity agreements

Performance Funding

- Performance fund distributions
- Progress reports
- Statutory changes

Agency Budget Implementation

- Annual operating budgets
- Quarterly and year-end reports

Ongoing Research and Comparative Analyses

- Higher education financing strategies
- Interstate price and net price comparisons
- College affordability and student debt
- Outcomes based funding

TITLE: 2019-20 Agency Operating Budget

RECOMMENDATION: Staff recommends that the Finance Committee accept proposed 2019-20 CPE Agency Operating Budget and recommend approval to the full Council at its June 28, 2019 meeting.

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

SUPPORTING INFORMATION

Each year, staff asks the Council to review and approve the agency's revenue and expenditure budget for the upcoming fiscal year. Below is a description of CPE's budget as proposed for 2019-20. The enacted state budget for 2018-20 (HB 200), along with CPE's 2018-20 biennial budget request, submitted to the state budget office and Legislative Research Commission in November 2017, provide a framework for each fiscal year's Agency Operating Budget. Budgeted figures for the current year (fiscal year 2018-19) are included for comparison.

CPE General Fund Budget

In FY 2017-18, CPE's General Fund appropriation was reduced 5.1% through a mid-year Budget Reduction Order. This cut was applied strategically by the state budget office in consultation with CPE staff to minimize the impact on students, institutions, and key programs. Contract Spaces and the SREB Doctoral Scholars programs were spared from cuts, since participating students were already enrolled and had been awarded funds. Funding for the State Autism Training Center also was not reduced. Some Pass-Through programs in the CPE budget received a 50% reduction, in anticipation of phasing out these programs entirely. All of the General Fund cuts to programs were considered non-recurring.

For 2018-19 (the current year), like many areas of state government, CPE's agency General Fund budget was reduced 6.25%. This cut was applied to the original 2017-18 enacted budget. In addition, funding for several programs was eliminated in 2018-19, include the Professional Education Preparation Program (PEPP), Governor's Minority

Student College Preparation Program, and Washington Intern Program. As can be seen in the table below, this cut represents the seventh reduction that the agency has sustained over the past decade. Cumulatively, the impact of the cuts since 2010 is - 28.2%.

Agency Operating Budget
 Change from Prior Year in Agency General Fund Appropriation
 Fiscal Years 2011-2019

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
-5.00%	-3.00%	-8.40%	0.00%	-5.00%	-4.50%	0.00%	-5.10% *	-6.25%

**non-recurring*

In 2018-19, two areas of CPE’s budget were transferred to other entities: (1) the Science and Technology Program (primarily the Kentucky Science and Technology Corporation) and its funding were transferred to the Cabinet for Economic Development; and (2) funding for the State Autism Training Center was transferred to the University of Louisville, where that program is housed.

Additional funds were added to CPE’s budget to maintain the current number of Contract Spaces seats (for Kentucky residents pursuing degrees in veterinary medicine and optometry) and to provide funding to cover retirement system and technology cost increases.

Finally, state General Fund was added to fund ovarian cancer screenings, which previously had been funded with Tobacco Funds. Through an Executive Order, Kentucky Adult Education was transferred on December 16, 2018 to the Education and Workforce Development Cabinet. The table on the next page shows CPE’s original and revised current year (2018-19) General Fund budget and the 2019-20 budget by major category (allotment).

Council on Postsecondary Education
Agency General Fund Budget

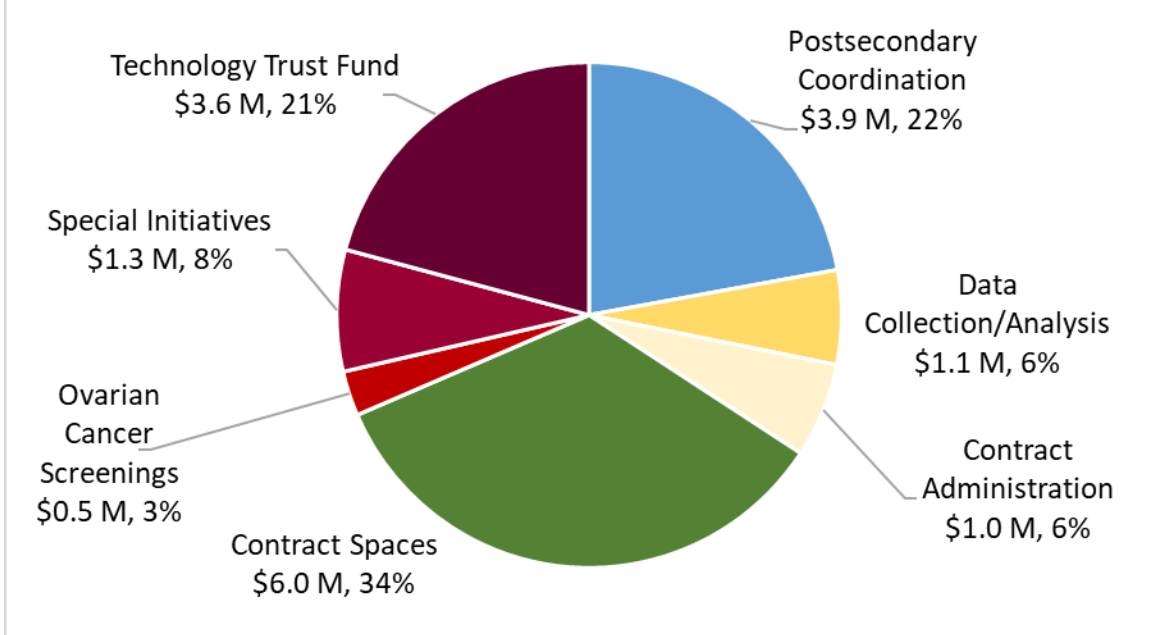
	A	B	C	(C/A)-1
	Original 2018-19	Revised 2018-19	Proposed 2019-20	Percent Change
Operations				
Enacted/Beginning Base	6,686,500	6,686,500	6,686,500	0%
KERS Cost Increases	689,900	689,900	750,400	9%
COT Cost Increases	250,000	250,000	250,000	0%
Reduction (Adult Education)		(840,500)	(1,728,000)	
Subtotal Operations	7,626,400	6,785,900	5,958,900	-22%
Contract Spaces	5,981,400	5,981,400	5,982,000	0%
Strategic Investments				
Adult Education	16,550,100	16,550,100	-	
Transfer to EWDC	-	(12,280,317)	-	
Subtotal Adult Education	16,550,100	4,269,783	-	-100%
Ovarian Cancer Screenings	500,000	500,000	500,000	0%
Special Initiatives (SB1)	1,351,300	1,351,300	1,355,300	0%
Technology Trust Fund	3,628,300	3,628,300	3,628,300	0%
Subtotal Strategic Investments	22,029,700	9,749,383	5,483,600	-75%
Total General Fund	35,637,500	22,516,683	17,424,500	-51%

Similar information is shown in the next chart which provides a breakdown of the Agency Operations budget, showing data collection, contract administration, and adult education statewide coordination as discrete units separate from the more traditional Postsecondary System coordination function.

Personnel expenses make up 82 percent of the total Operations budget. General Fund appropriations support 55 employees, down from 97 staff in 2007-08. Fourteen staff, down from 27 in fiscal 2007-08, work for Adult Education and are funded through the Agency Operations budget.

The category Technology Trust Fund includes funding for the Kentucky Virtual Library (KYVL) and Kentucky Postsecondary Education Network (KPEN).

**Kentucky Council on Postsecondary Education
2019-20 General Fund by Budget Category
Total = \$17.4 Million (M)**



CPE Tobacco Fund, Federal Funds, and Restricted Funds Budgets

In addition to state General Fund appropriations, the Council’s budget contains other sources of revenue, including tobacco settlement funds, cigarette tax revenue, federal grant funds, and agency receipts.

The next table provides a summary of the Council’s 2018-19 expenditure budgets for these funds and the 2019-20 proposed expenditure budgets. The enacted budget (HB 200) specifies the expenditure limits for each fund. Expenditure levels are also impacted by the availability of funds (carryforward plus current year receipts received).

Tobacco Fund Budget	A	B	C	(C/A)-1
	Original 2018-19	Revised 2018-19	Proposed 2019-20	Percent Change
Cancer Research (UK/UofL)				
Enacted/Beginning Base	7,000,000	7,000,000	6,686,500	-4%
Revenue Estimate Reduction		(143,975)		
	7,000,000	6,856,025	6,686,500	-4%
Federal Funds Budget	A	B	C	(C/A)-1
	Original 2018-19	Revised 2018-19	Proposed 2019-20	
Adult Education	12,322,000	12,322,000		
Transfer to EWDC		(8,978,125)		
Subtotal Adult Education	12,322,000	3,343,875	-	-100%
GEAR UP	-	2,000,000	4,000,000	
Improving Educator Quality	450,000	450,000	-	
	450,000	2,450,000	4,000,000	789%
Total Federal Funds	12,772,000	5,793,875	4,000,000	-69%
Restricted Funds Budget				
Cancer Research Match	4,110,000	4,110,000	4,110,000	0%
Adult Education (GED receipts)	300,000	300,000		
Transfer to EWDC	-	(253,811)		
Subtotal Adult Education	300,000	46,189	-	-100%
Licensure	362,000	362,000	313,300	-13%
Agency Operations	596,000	596,000	550,000	-8%
Total Restricted Funds	5,368,000	5,114,189	4,973,300	-7%

For the current biennium (the current year and next fiscal year), the enacted budget specifies that Tobacco Fund appropriations in CPE's budget are to fund cancer research at UK and UofL (divided equally), rather than funding the Lung Cancer Research Program. This change allows these institutions greater flexibility. Ovarian Cancer Screenings are funded with \$500,000 in state General Fund which was added to CPE's appropriation. Previously, screenings were funded with a carve-out of CPE Tobacco Funds.

The only program supported with Federal Funds in CPE's 2019-20 budget is GEAR UP. The Kentucky Adult Education grant was moved to the Education and Workforce Development Cabinet, and the Improving Educator Quality (IEQ) grant has closed and will not be renewed.

Restricted Funds support several areas of CPE's budget including the Cancer Research Match program, the Licensure program, and Agency Operations.

- Cigarette tax proceeds (one cent from each pack of cigarettes sold in Kentucky) fund the Cancer Research Match program, which goes to UK and UofL equally, provided that the institutions are able to match the disbursements with institutional funds spent on cancer research.
- The Council licenses all Kentucky non-profit and for-profit baccalaureate degree granting and above-institutions, and out-of-state public institutions operating or soliciting in the Commonwealth. The Licensure unit also has duties related to the State Authorization Reciprocity Agreement (SARA), which allows Kentucky public and licensed institutions to do business in other SARA states. Licensure revenue of about \$350,000 per year supports two full-time staff who ensure the Council's licensure duties are performed.
- Finally, the Council receives funds related to the administration of federal grants and is authorized to spend those funds. With CPE's award of the new GEAR UP grant, these receipts can be expected for the next several biennia.

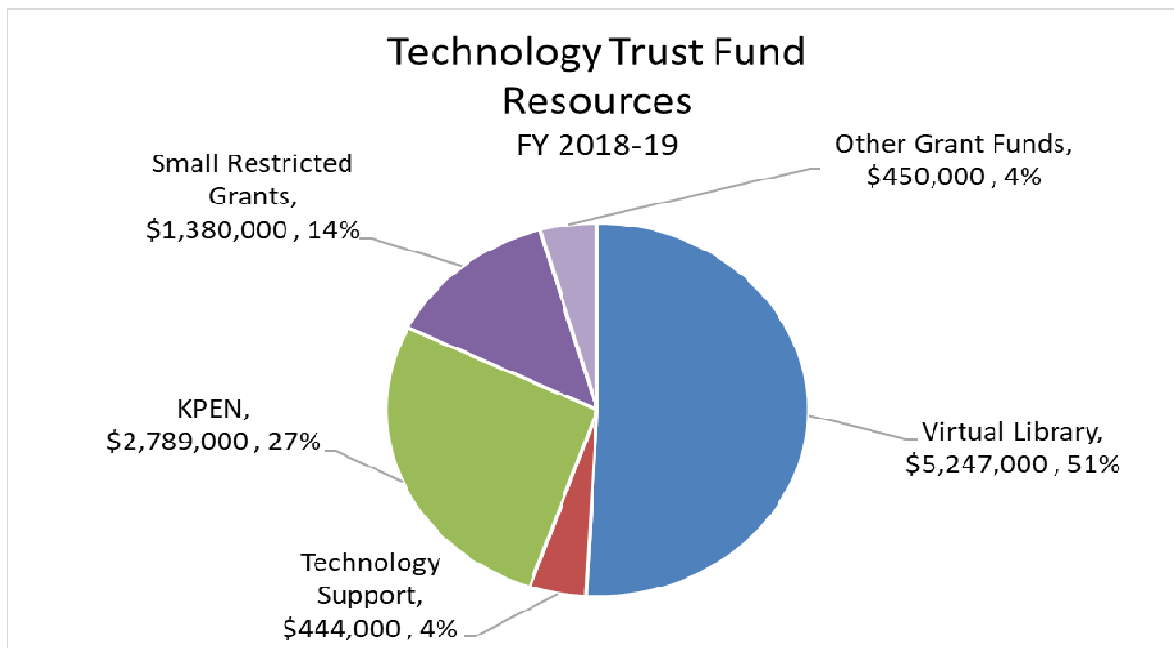
CPE Other Funds

The Council manages several other state funds, including the Equine University Program Trust Fund, the Revolving Loan Fund, and funds housed in the Technology Trust Fund (namely, KYVL receipts and smaller grants). The Equine Program receives funds collected by the state related to pari-mutuel betting. The funding, about \$600,000 per year, is distributed to five institutions that have Equine programs (UK, UofL, MoSU, MuSU, and WKU) to help fund capital investments in their programs.

The Revolving Loan Fund was created to provide start-up funds for expensive information technology programs at Kentucky public colleges and universities. Three years ago, \$600,000 was spent from this fund for KPEN upgrades. Staff recommends Council approval to use the Revolving Loan Fund, if requests are made, to fund technology projects at postsecondary institutions or at the Council. CPE made the third

of four annual payments to reimburse the fund in 2018-19, and will make the fourth and final payment of \$150,000 in 2019-20.

Finally, smaller grants from private foundations and state government agencies, along with KYVL receipts and are housed in the Technology Trust Fund. These funds will be spent in 2019-20 as allowed by terms of the funding.



The resources shown above for the Kentucky Virtual Library, Technology Support, and the Kentucky Postsecondary Education Network (KPEN) include program carryforward funds and recurring General Fund appropriations available for FY 2019 use. Small grant balances, indicated by the purple slices in the chart above, are as of the end of the third quarter (March 31, 2019). This area of the Technology Trust Fund receives no recurring General Fund appropriations; these funds are therefore considered "one-time" resources.

The Technology Trust Fund (TTF), established in KRS 164.7911 and further defined in 164.7921, is "intended to support investments in electronic technology for postsecondary education throughout the Commonwealth to improve student learning" and "provide financial assistance to the postsecondary education system in acquiring the infrastructure necessary to acquire and develop electronic technology capacity; to encourage shared program delivery... and other programs consistent with the purposes of postsecondary education, the adopted strategic agenda, and the biennial budget process." General Fund appropriations transferred to the TTF support the Kentucky Virtual Library and Postsecondary Education Network. With special permission from the State Budget Office, other CPE program funds may be transferred to the TTF to allow for multi-year programming. Grant funds deposited into the TTF must be used as stipulated by the grantor. Some postsecondary institution collective purchasing (in addition to resources for libraries and KPEN) is facilitated using the TTF. All deposits and expenditures are processed through the state system, and staff must follow procedures and policies set forth by the Finance and Administration Cabinet when administering the activities of this fund.

TITLE: Interim Capital Project Request - Kentucky Community and Technical College System

RECOMMENDATION: Staff recommends that the Finance Committee accept Kentucky Community and Technical College System's request for interim authorization of a capital project to renovate the Main Campus at Southcentral Kentucky Community and Technical College, using \$3,000,000 of agency restricted funds, and recommend approval of the project to the full Council at its June 28, 2019 meeting.

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

SUPPORTING INFORMATION

Kentucky Community and Technical College System (KCTCS) officials request authorization for an interim capital project to renovate Southcentral Kentucky Community and Technical College's Building A, which will provide for HVAC upgrades, additional faculty offices, expansion of the bookstore. The project will require \$3,000,000 in institutional resources (agency restricted funds). Finance and Administration Cabinet personnel will oversee the design and implementation of the project. The project was approved by KCTCS's Board of Regents on June 15, 2018. Space in Building A was vacated when the new Instructional Complex was opened in fall 2018, which allows for this facility to be renovated and repurposed at this time.

House Bill 592 (2018) created a new provision in KRS 164A.575, which allows public postsecondary institutions to authorize capital projects not specifically listed in the state budget as long as the projects are not funded with general fund appropriations, do not jeopardize funding for existing programs, and are reported by the institution to the Capital Projects and Bond Oversight Committee. The pertinent section of KRS 164A.575 is provided below:

(15) Notwithstanding KRS 45.760, the governing board may authorize a capital construction project or a major item of equipment even though it

is not specifically listed in any branch budget bill, subject to the following conditions and procedures:

- (a) The full cost shall be funded solely by non-general fund appropriations;
- (b) Moneys specifically budgeted and appropriated by the General Assembly for another purpose shall not be allotted or re-allotted for expenditure on the project or major item of equipment. Moneys utilized shall not jeopardize any existing program and shall not require the use of any current general funds specifically dedicated to existing programs; and
- (c) The institution's president, or designee, shall submit the project or major item of equipment to the Capital Projects and Bond Oversight Committee for review as provided by KRS 45.800.

The approval process for a capital project that exceeds \$1,000,000 is as follows:

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

Because this project was not previously approved by the Council in its biennial budget recommendation and it was not authorized in the enacted 2018-20 state budget (HB 200), Council approval is now required to authorize this project. KCTCS will not be debt financing any portion of this project; therefore, provisions of KRS 45.763 do not apply.

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



June 6, 2019

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

Re: Interim Authorization Request – Southcentral KY Community and Technical
College Main Campus Renovation

Dear President Thompson:

In accordance with House Bill 592, Kentucky Community and Technical College System (KCTCS) respectfully requests interim authorization for the Southcentral KY Community and Technical College for a renovation on the Main Campus. The total budget is \$3,000,000. This project will be funded with agency restricted funds.

With the new Instructional Complex that was opened in the fall of 2018, certain programs were moved into the new building allowing for vacant space in other buildings to be repurposed. Primarily, at this time, the funds will be used to renovate Building A for HVAC upgrades, a bookstore expansion and building additional faculty offices. The design and construction of the project will be implemented through the Finance and Administration Cabinet as a capital project.

KCTCS' Board of Regents approved this project on June 15, 2018.

Should you have any questions, please feel free to contact Ken Marks at 859-256-3594.

Sincerely,

A handwritten signature in blue ink that reads "W Followell". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Wendell Followell
Vice President

cc: Shaun McKiernan
President Jay Box
Carla Wright
Ken Marks
Sandy Adkins



Kentucky Community and Technical College System
300 North Main Street
Versailles, KY 40383
(859) 256-3100
kctcs.edu

TITLE: 2019-20 Tuition and Mandatory Fee Recommendation, Eastern Kentucky University

RECOMMENDATION: Staff recommends that the Finance Committee accept proposed 2019-20 tuition and mandatory fee rates for Eastern Kentucky University and recommend approval to the full Council at its June 28, 2019 meeting.

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

SUPPORTING INFORMATION

In May, Eastern Kentucky University (EKU) officials submitted a tuition and fee proposal for academic year 2019-20 to the Council, along with tuition and fee revenue estimates for fiscal years 2018-19 and 2019-20. Council staff reviewed EKU's proposed rates and determined that they comply with the resident undergraduate rate ceiling adopted by the Council at its April 27, 2018 meeting. Upon approval by the Council, the proposed rates will establish maximum tuition and mandatory fee charges that may be assessed to students enrolling at EKU during fall semester 2019, spring semester 2020, and summer term 2020.

Tuition and Mandatory Fees

On April 27, 2018, the Council approved tuition and fee ceilings for Eastern Kentucky University for academic years 2018-19 and 2019-20 that limit the university's base rate increase for resident undergraduate students to no more than 6.0 percent over two years, with a maximum allowable increase in any one year of no more than 4.0 percent. At that same meeting, the Council voted to allow institutions to charge market competitive rates for graduate and online courses.

Base rates are defined as total tuition and fee charges minus any Special Use Fees and Asset Preservation Fees previously approved by the Council, and minus an agency bond fee at KCTCS (i.e., BuildSmart Investment Fee). Council staff deduct these fees from total tuition and fees before applying percent increase parameters, which keeps the fees at a fixed amount each year until they expire.

At the June 22, 2018 meeting, the Council approved a base rate increase of 0.0 percent in ECU's resident undergraduate tuition charges for academic year 2018-19, which would allow the university to raise its rate by as much as 4.0 percent in 2019-20, given the previously adopted ceiling. As can be seen in the table below, ECU is proposing a \$270.⁰⁰, or 3.0% increase in its resident undergraduate base rate for 2019-20. ECU's total tuition and fee charges include a Special Use Fee of \$300.⁰⁰ per year for full-time students (\$12.⁵⁰ per credit hour capped at 12 credit hours, or \$150.⁰⁰, per term) and an Asset Preservation Fee of \$300.⁰⁰ per year for full-time students (\$10 per credit hour capped at 15 credit hours per term, or \$150.⁰⁰, per term.)

ECU's Board approved the university's 2019-20 tuition and fee charges at its April 23, 2019 meeting.

EKU Annual Base Rate Comparison					
<u>Rate Category</u>	<u>Current 2018-19 Base Rate Charges</u>	<u>Proposed 2019-20 Base Rate Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>	
Undergraduate					
Resident	\$8,996	\$9,266	\$270	3.0%	
Nonresident	\$18,774	\$19,338	\$564	3.0%	
Graduate					
Resident	\$550 pch	\$550 pch	\$0	0.0%	
Nonresident	\$800 pch	\$775 pch	-\$25	-3.1%	
EKU Annual Tuition and Fee Charge Comparison					
<u>Rate Category</u>	<u>Current 2018-19 Tuition & Fee Charges</u>	<u>Proposed 2019-20 Tuition & Fee Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>	
Undergraduate					
Resident	\$9,596	\$9,866	\$270	2.8%	
Nonresident	\$19,374	\$19,938	\$564	2.9%	
Graduate					
Resident	\$570 pch	\$570 pch	\$0	0.0%	
Nonresident	\$820 pch	\$795 pch	-\$25	-3.1%	
<p>EKU's tuition and fee charges include a Special Use Fee of \$150.⁰⁰ per semester, or \$300.⁰⁰ per year for full-time students and an Asset Preservation Fee of \$10.⁰⁰ per credit hour for all students.</p>					

Attachment A contains additional categories of tuition and fee charges, including proposed per-credit-hour rates for part-time resident and nonresident undergraduate students, graduate students, and online students. Staff recommends approval of these additional categories of rates as proposed by the university.

Estimated Tuition Revenue

EKU officials estimate that their proposed 2019-20 tuition and mandatory fee charges for all categories of students (i.e., every academic level, residency, and full-time or part-time status) will generate about \$145.9 million in gross tuition and fee revenue, which is \$1.2 million less than is projected for the current year (see Attachment B).

EKU officials estimate that the university's Education and General (E&G) fixed costs will increase by about \$9.6 million between fiscal years 2018-19 and 2019-20, which represents an increase of about 3.6% over current year costs. This cost projection assumes that a 70% increase in Kentucky Employee Retirement System contribution rates, as called for in the 2018 enacted budget, does occur.

**Proposed 2019-20 Tuition and Mandatory Fee Charges
Eastern Kentucky University**

<u>Category</u>	<u>Fall 2019</u>	<u>Spring 2020</u>	<u>Annual 2019-20</u>	<u>Summer 2020</u>	<u>Winter 2019</u>
<i>Undergraduate</i>					
Resident					
Full-time (12 credit hours and above)	\$ 4,633	\$ 4,633	\$ 9,266		
Per Credit Hour	386	386		386	421
Nonresident					
Full-time (12 credit hours and above)	9,669	9,669	\$ 19,338		
Per Credit Hour	806	806		806	421
Nonresident - Targeted Areas					
Full-time	\$ 4,633	\$ 4,633	\$ 9,266		
Per Credit Hour	386	386		386	421
Online (non-program) Per Credit Hour	421	421		421	421
<i>Online Programs</i>					
General Education	409	409		409	409
Child and Family Studies	409	409		409	409
Corrections and Juvenile Justice	409	409		409	409
Emergency Medical Care	409	409		409	409
Fire Arson Explosion Investigation	409	409		409	409
Fire Protection Administration Online	409	409		409	409
Fire Protection and Safety Engineering Technology	409	409		409	409
Homeland Security	409	409		409	409
Occupational Safety	409	409		409	409
Paralegal	409	409		409	409
Police Studies	409	409		409	409
Political Science	409	409		409	409
Psychology	409	409		409	409
RN to BSN	460	460		460	460
Other Online Program	409	409		409	409
<i>Graduate - Master's</i>					
Resident					
Full-time					
Per Credit Hour	550	550		550	550
Nonresident					
Full-time					
Per Credit Hour	775	775		775	775
Online (non-program) Per Credit Hour	550	550		550	550
<i>Online Programs (per credit hour)</i>					
Adult, Juvenile and Community Corrections Leadership	409	409		409	409
Construction Management	409	409		409	409
Deaf and Hard of Hearing (DHH)	409	409		409	409
Director of Pupil Personnel Endorsement Program	409	409		409	409
Family Nurse Practitioner	409	409		409	409
Gifted Education	409	409		409	409
Instructional Leadership	409	409		409	409
Instructional Supervisor Endorsement Program	409	409		409	409
Interdisciplinary Early Childhood Education (IECE)	409	409		409	409
Learning and Behavior Disorders	409	409		409	409
Library Science	409	409		409	409
Literacy (Reading Writing)	409	409		409	409
Middle Grades Education	409	409		409	409
Music	409	409		409	409
Nursing Administration	409	409		409	409
Principal Certification Program	409	409		409	409
Psychiatric Mental Health Nurse Practitioner	409	409		409	409
Public Administration	409	409		409	409

<u>Category</u>	<u>Fall 2019</u>	<u>Spring 2020</u>	<u>Annual 2019-20</u>	<u>Summer 2020</u>	<u>Winter 2019</u>
Safety, Security and Emergency Management	409	409		409	409
Superintendent Endorsement Program	409	409		409	409
Other Online Program	409	409		409	409
<i>Graduate - Doctorate (per credit hour)</i>					
Doctorate in Education	575	575		575	575
Doctorate Nursing Practice	675	675		675	675
Doctorate in Occupational Therapy	675	675		675	675
Doctorate in Psychology	675	675		675	675
<i>EKU Now (High School)</i>					
Per Credit Hour	53	53		53	53
Asset Preservation - Per Credit Hour capped at 15/semester	10	10		10	10
Special Use Fee - Per Credit Hour capped at 15/semester	10	10		10	10

TITLE: 2019-20 Tuition and Mandatory Fee Recommendation, Morehead State University

RECOMMENDATION: Staff recommends that the Finance Committee accept proposed 2019-20 tuition and mandatory fee rates for Morehead State University and recommend approval to the full Council at its June 28, 2019 meeting.

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

SUPPORTING INFORMATION

In early June 2019, Morehead State University (MoSU) officials submitted a tuition and fee proposal for academic year 2019-20 to the Council, along with tuition and fee revenue estimates for fiscal years 2018-19 and 2019-20. Council staff reviewed MoSU's proposed rates and determined that they comply with the resident undergraduate rate ceiling adopted by the Council at its April 27, 2018 meeting. Upon approval by the Council, the proposed rates will establish maximum tuition and mandatory fee charges that may be assessed to students enrolling at MoSU during fall semester 2019, and during winter, spring, and summer terms, 2020.

Tuition and Mandatory Fees

On April 27, 2018, the Council approved tuition and fee ceilings for Morehead State University for academic years 2018-19 and 2019-20 that limit the university's base rate increase for resident undergraduate students to no more than 6.0 percent over two years, with a maximum allowable increase in any one year of no more than 4.0 percent. At that same meeting, the Council voted to allow institutions to charge market competitive rates for graduate and online courses.

Base rates are defined as total tuition and fee charges minus any Special Use Fees and Asset Preservation Fees previously approved by the Council, and minus an agency bond fee at KCTCS (i.e., BuildSmart Investment Fee). Council staff deduct these fees from total tuition and fees before applying percent increase parameters, which keeps the fees at a fixed amount each year until they expire.

At the June 22, 2018 meeting, the Council approved a base rate increase of 0.0 percent in MoSU's resident undergraduate tuition charges for academic year 2018-19, which would allow the university to raise its rate by as much as 4.0 percent in 2019-20, given the previously adopted ceiling. As can be seen in the table below, MoSU is proposing a \$220.⁰⁰, or 2.5% increase in its resident undergraduate base rate for 2019-20. MoSU's total tuition and fee charges include a Special Use Fee of \$132.⁰⁰ per year for full-time students and an Asset Preservation Fee of \$120.⁰⁰

MoSU's Board approved the university's 2019-20 tuition and fee charges at its June 6, 2019 meeting.

MoSU Annual Base Rate Comparison						
<u>Rate Category</u>	<u>Current 2018-19 Base Rate Charges</u>	<u>Proposed 2019-20 Base Rate Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>		
Undergraduate						
Resident	\$8,818	\$9,038	\$220	2.5%		
Nonresident	\$13,294	\$13,624	\$330	2.5%		
Graduate						
Resident	\$574 pch	\$574 pch	\$0	0.0%		
Nonresident	\$574 pch	\$574 pch	\$0	0.0%		
MoSU Annual Tuition and Fee Charge Comparison						
<u>Rate Category</u>	<u>Current 2018-19 Tuition & Fee Charges</u>	<u>Proposed 2019-20 Tuition & Fee Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>		
Undergraduate						
Resident	\$9,070	\$9,290	\$220	2.4%		
Nonresident	\$13,546	\$13,876	\$330	2.4%		
Graduate						
Resident	\$584 pch	\$584 pch	\$0	0.0%		
Nonresident	\$584 pch	\$584 pch	\$0	0.0%		
MoSU's tuition and fee charges include a Special Use Fee of \$66. ⁰⁰ per semester, or \$132. ⁰⁰ per year, and an Asset Preservation Fee of \$60.00 per semester, or \$120 annually, for full-time undergraduate students. For part-time and graduate students, fees are \$5. ⁰⁰ per credit hour for each fee.						

Attachment A contains additional categories of tuition and fee charges, including proposed per-credit-hour rates for part-time resident and nonresident undergraduate students, graduate students, and online students. Staff recommends approval of these additional categories of rates as proposed by the university.

Estimated Tuition Revenue

MoSU officials estimate that their proposed 2019-20 tuition and mandatory fee charges for all categories of students (i.e., every academic level, residency, and full-time or part-time status) will generate about \$63.5 million in gross tuition and fee revenue, which is \$3.7 million less than is projected for the current year (see Attachment B). MoSU officials estimate that the university's Education and General (E&G) fixed costs will increase by about \$4.3 million between fiscal years 2018-19 and 2019-20, which represents an increase of about 4% over current year costs. This cost projection assumes that a 70% increase in Kentucky Employee Retirement System contribution rates, as called for in the 2018 enacted budget, does occur.

ATTACHMENT A

**Proposed 2019-20 Tuition and Mandatory Fee Charges
Morehead State University**

<u>Category</u>	<u>Fall 2019</u>	<u>Spring 2020</u>	<u>Annual 2019-20</u>	<u>Winter & Summer 2020</u>
<i>Undergraduate</i>				
Resident				
Full-time	4,519	4,519	9,038	-
Per Credit Hour	378	378	-	378
Nonresident				
Full-time	6,812	6,812	13,624	6,878
Per Credit Hour	569	569	-	569
International				
Full-time	11,399	11,399	22,798	-
Per Credit Hour	952	952	-	952
<i>Graduate</i>				
Resident				
Full-time	-	-	-	-
Per Credit Hour	574	574	-	574
Nonresident				
Full-time	-	-	-	-
Per Credit Hour	574	574	-	574
International				
Full-time	-	-	-	-
Per Credit Hour	574	574	-	574
Asset Preservation Fee				
Full-time	60	60	-	-
Per Credit Hour	5	5	-	5
Special Use Fee				
Full-time	66	66	-	-
Per Credit Hour	5	5	-	5

ATTACHMENT B

Estimated 2019-20 Gross Tuition and Mandatory Fee Revenue Morehead State University

<u>Category</u>	<u>Estimated 2018-19</u>	<u>Estimated 2019-20</u>
<i>Undergraduate</i>		
Resident	46,267,803	45,545,405
Nonresident	9,226,210	8,859,641
International	2,910,578	1,665,923
<i>Graduate</i>		
Resident	6,132,749	5,029,599
Nonresident	902,087	710,226
International	155,530	120,671
Asset Preservation Fee	775,000	700,000
Special Use Fee	867,636	867,636
Total	<u><u>\$ 67,237,593</u></u>	<u><u>\$ 63,499,100</u></u>

TITLE: 2019-20 Tuition and Mandatory Fee Recommendation, University of Louisville

RECOMMENDATION: Staff recommends that the Finance Committee accept proposed 2019-20 tuition and mandatory fee rates for University of Louisville and recommend approval to the full Council at its June 28, 2019 meeting.

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

SUPPORTING INFORMATION

In early June, University of Louisville (UofL) officials submitted a tuition and fee proposal for academic year 2019-20 to the Council, along with tuition and fee revenue estimates for fiscal years 2018-19 and 2019-20. Council staff reviewed UofL's proposed rates and determined that they comply with the resident undergraduate rate ceiling adopted by the Council at its April 27, 2018 meeting. Upon approval by the Council, the proposed rates will establish maximum tuition and mandatory fee charges that may be assessed to students enrolling at UofL during fall semester 2019, and during spring and summer terms 2020.

Tuition and Mandatory Fees

On April 27, 2018, the Council approved tuition and fee ceilings for the University of Louisville for academic years 2018-19 and 2019-20 that limit the university's base rate increase for resident undergraduate students to no more than 6.0 percent over two years, with a maximum allowable increase in any one year of no more than 4.0 percent. At that same meeting, the Council voted to allow institutions to charge market competitive rates for graduate and online courses.

Base rates are defined as total tuition and fee charges minus any Special Use Fees and Asset Preservation Fees previously approved by the Council, and minus an agency bond fee at KCTCS (i.e., BuildSmart Investment Fee). Council staff deduct these fees from total tuition and fees before applying percent increase parameters, which keeps the fees at a fixed amount each year until they expire.

At the June 22, 2018 meeting, the Council approved a base rate increase of 3.5 percent in UofL's resident undergraduate tuition charges for academic year 2018-19, which would allow the university to raise its rate by as much as 2.4 percent in 2019-20, given the previously adopted ceiling. As can be seen in the table below, UofL is proposing a \$272.⁰⁰, or 2.4% increase in its resident undergraduate base rate for 2019-20. UofL's total tuition and fee charges include a Special Use Fee of \$98.⁰⁰ per semester or \$196.⁰⁰ per year for full-time students.

UofL's Board approved the university's 2019-20 tuition and fee charges at its March 1, 2019 meeting.

UofL Annual Base Rate Comparison				
<u>Rate Category</u>	<u>Current 2018-19 Base Rate Charges</u>	<u>Proposed 2019-20 Base Rate Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$11,460	\$11,732	\$272	2.4%
Nonresident	\$27,082	\$27,758	\$676	2.5%
Graduate				
Resident	\$12,684	\$13,000	\$316	2.5%
Nonresident	\$26,454	\$27,114	\$660	2.5%
UofL Annual Tuition and Fee Charge Comparison				
<u>Rate Category</u>	<u>Current 2018-19 Tuition & Fee Charges</u>	<u>Proposed 2019-20 Tuition & Fee Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$11,656	\$11,928	\$272	2.3%
Nonresident	\$27,278	\$27,954	\$676	2.5%
Graduate				
Resident	\$12,880	\$13,196	\$316	2.5%
Nonresident	\$26,650	\$27,310	\$660	2.5%
UofL's tuition and fee charges include a Special Use Fee of \$98. ⁰⁰ per semester, or \$196. ⁰⁰ per year.				

Attachment A contains additional categories of tuition and fee charges, including proposed per-credit-hour rates for part-time resident and nonresident undergraduate students, graduate students, and online students. Staff recommends approval of these additional categories of rates as proposed by the university.

Estimated Tuition Revenue

UofL officials estimate that their proposed 2019-20 tuition and mandatory fee charges for all categories of students (i.e., every academic level, residency, and full-time or part-time status) will generate about \$318.9 million in gross tuition and fee revenue, which is \$12.0 million more than is projected for the current year (see Attachment B).

UofL officials estimate that the university's Education and General (E&G) fixed costs will increase by about \$10.9 million between fiscal years 2018-19 and 2019-20, which represents an increase of about 2% over current year costs.

**Proposed 2019-20 Tuition and Mandatory Fee Charges
University of Louisville**

<i>Category</i>	Fall 2019	Spring 2020	Annual 2019-20	Summer 2020
<i>Undergraduate</i>				
Resident				
Full-time (12 credit hours and above)	\$ 5,866	\$ 5,866	\$ 11,732	\$ 5,866
Per Credit Hour	489	489		489
Nonresident				
Full-time (12 credit hours and above)	13,879	13,879	27,758	13,879
Per Credit Hour	1,157	1,157		1,157
Special Fort Knox Rate				
Per Credit Hour (includes online courses)	250	250		250
<i>Graduate</i>				
Resident				
Full-time	6,500	6,500	13,000	6,500
Per Credit Hour	723	723		723
Nonresident				
Full-time	13,557	13,557	27,114	13,557
Per Credit Hour	1,507	1,507		1,507
Activity Duty Military				
Per Credit Hour	250	250		250
Master's of Engineering in Engineering Management	690	690		690
Franchise Management Certificate	600	600		600
<i>Distance Education (per credit hour)</i>				
Undergraduate	539	539		539
Undergraduate - RN to Bachelor of Science in Nursing	375	375		375
Graduate	764	764		764
Graduate - Urban Planning & Public Admin	905	905		905
Graduate - Advanced Educator Preparation	573	573		573
Graduate - Franchise Management Certificate	800	800		800
Law, full-time	1,098	1,098		1,098
Law, part-time	914	914		914
<i>Professional MBA Cohort Program</i>				
Resident - 6 consecutive semesters including summer terms				
Full-time	5,333	5,333	16,000	5,333
Nonresident - 6 consecutive semesters including summer terms				
Full-time	5,333	5,333	16,000	5,333
<i>Full-time MBA Cohort Program</i>				
Resident - 13 month program				
Full-time	10,667	10,667	32,000	10,667
Nonresident - 13 month program				
Full-time	10,667	10,667	32,000	10,667
<i>IMBA Cohort Program</i>				
Resident - 6 consecutive semesters including summer terms				
Full-time	5,333	5,333	16,000	5,333
Nonresident - 6 consecutive semesters including summer terms				
Full-time	5,333	5,333	16,000	5,333
<i>Master's in Accountancy Cohort Program</i>				
Resident - 3 consecutive semesters including summer terms				
Full-time	8,333	8,333	25,000	8,333
Nonresident - 3 consecutive semesters including summer terms				
Full-time	8,333	8,333	25,000	8,333
<i>Master's in Business Analytics Program</i>				
Resident - 13 month program				
Full-time	10,000	10,000	30,000	10,000

**Proposed 2019-20 Tuition and Mandatory Fee Charges
University of Louisville**

<i>Category</i>	Fall 2019	Spring 2020	Annual 2019-20	Summer 2020
Nonresident - 13 month program Full-time	10,000	10,000	30,000	10,000
<i>Certificate Program in Accounting</i>				
Resident (7 undergraduate courses over 2-3 semesters) Full-time	6,450	6,450	12,900	NA
Nonresident (7 undergraduate courses over 2-3 semesters) Full-time	6,450	6,450	12,900	NA
<i>Ed. D. Practitioner</i>				
Resident - 9 consecutive semesters including summer terms Full-time	1,800	1,800	5,400	1,800
Nonresident - 9 consecutive semesters including summer terms Full-time	1,800	1,800	5,400	1,800
<i>M.S. in Human Resources and Organization Development</i>				
Resident - 6 consecutive semesters including summer terms Full-time	2,750	2,750	8,250	2,750
Nonresident - 6 consecutive semesters including summer terms Full-time	2,750	2,750	8,250	2,750
<i>Urban Planning and Public Administration Programs</i>				
Resident Full-time	7,400	7,400	14,800	7,400
Nonresident Full-time	14,457	14,457	28,914	14,457
<i>Advanced Educator Preparation Master's and Graduate Programs</i>				
Resident Full-time	4,875	4,875	9,750	4,875
Per Credit Hour	542	542		542
<i>Law</i>				
Resident Full-time	11,217	11,217	22,434	11,217
Per Credit Hour	1,122	1,122		1,122
Nonresident Full-time	20,922	20,922	41,844	20,922
Per Credit Hour	2,093	2,093		2,093
<i>Medicine</i>				
Resident	20,380	20,380	40,760	NA
Nonresident	30,991	30,991	61,982	NA
<i>Dentistry</i>				
Resident	17,249	17,249	34,498	NA
Nonresident	35,985	35,985	71,970	NA
Special Use Fee	98	98	196	98
Doctoral / Masters Candidacy	1,446	1,446	2,892	1,446

ATTACHMENT B

**Estimated 2019-20 Gross Tuition and Mandatory Fee Revenue
University of Louisville**

<u>Category</u>	<u>Estimated 2018-19</u>	<u>Estimated 2019-20</u>
<i>Undergraduate</i>		
Resident	\$ 117,796,333	\$ 117,510,000
Nonresident	35,103,052	36,610,000
Online	27,251,938	30,398,492
<i>Graduate</i>		
Resident	23,455,800	23,483,500
Nonresident	4,790,016	4,750,000
Online	10,825,008	12,902,524
<i>First-Professional</i>		
Resident	31,082,076	31,150,000
Nonresident	32,264,424	33,370,000
Other Tuition	12,400,000	16,123,126
Mandatory Fees	8,350,000	9,084,628
Student Recreation Center Special Use Fee	3,500,000	3,500,000
<i>Total</i>	<u>\$ 306,818,647</u>	<u>\$ 318,882,270</u>

Note: Insert additional rows and categories as needed, so that total estimated tuition and mandatory fee revenue for all categories of students (i.e., every academic level, residency, and full-time or part-time status) is reflected in the bottom row.

TITLE: 2019-20 Tuition and Mandatory Fee Recommendation, University of Kentucky

RECOMMENDATION: Staff recommends that the Finance Committee accept proposed 2019-20 tuition and mandatory fee rates for University of Kentucky and recommend approval to the full Council at its June 28, 2019 meeting.

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

SUPPORTING INFORMATION

In early June, University of Kentucky (UK) officials submitted a tuition and fee proposal for academic year 2019-20 to the Council, along with tuition and fee revenue estimates for fiscal years 2018-19 and 2019-20. Council staff reviewed UK's proposed rates and determined that they comply with the resident undergraduate rate ceiling adopted by the Council at its April 27, 2018 meeting. Upon approval by the Council, the proposed rates will establish maximum tuition and mandatory fee charges that may be assessed to students enrolling at UK during fall semester 2019, and winter, spring and summer 2020 terms.

Tuition and Mandatory Fees

On April 27, 2018, the Council approved tuition and fee ceilings for the University of Kentucky for academic years 2018-19 and 2019-20 that limit the university's base rate increase for resident undergraduate students to no more than 6.0 percent over two years, with a maximum allowable increase in any one year of no more than 4.0 percent. At that same meeting, the Council voted to allow institutions to charge market competitive rates for graduate and online courses.

Base rates are defined as total tuition and fee charges minus any Special Use Fees and Asset Preservation Fees previously approved by the Council, and minus an agency bond fee at KCTCS (i.e., BuildSmart Investment Fee). Council staff deduct these fees from total tuition and fees before applying percent increase parameters, which keeps the fees at a fixed amount each year until they expire.

At the June 22, 2018 meeting, the Council approved a base rate increase of 2.5 percent in UK's resident undergraduate tuition charges for academic year 2018-19, which would allow the university to raise its rate by as much as 3.5 percent in 2019-20, given the previously adopted ceiling. As can be seen in the table below, for 2019-20, UK is proposing a \$290.⁰⁰, or 2.4% increase in annual resident lower division undergraduate rate and a \$60.⁰⁰ decrease in the annual resident upper division undergraduate rate. UK is effectively eliminating the difference between upper and lower division tuition and fee rate charges beginning 2019-20. UK does not currently charge a Special Use or Asset Preservation Fee.

UK's Board is expected to approve the university's 2019-20 tuition and fee charges at its June 21, 2019 meeting.

UK Annual Tuition and Fee Charge Comparison				
<u>Rate Category</u>	<u>Current 2018-19 Rate Charges</u>	<u>Proposed 2019-20 Rate Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Lower Division				
Resident	\$12,070	\$12,360	\$290	2.4%
Nonresident	\$28,902	\$30,680	\$1,778	6.2%
Upper Division				
Resident	\$12,420	\$12,360	-\$60	-0.5%
Nonresident	\$29,296	\$30,680	\$1,384	4.7%
Graduate				
Resident	\$13,052	\$13,404	\$352	2.7%
Nonresident	\$31,364	\$32,564	\$1,200	3.8%
UK has no Special Use Fee or Asset Preservation Fee at this time.				

Attachment A contains additional categories of tuition and fee charges, including proposed per-credit-hour rates for part-time resident and nonresident undergraduate students, graduate students, and online students. Staff recommends approval of these additional categories of rates as proposed by the university.

Estimated Tuition Revenue

UK officials estimate that their proposed 2019-20 tuition and mandatory fee charges for all categories of students (i.e., every academic level, residency, and full-time or part-time status) will generate about \$546.5 million in gross tuition and fee revenue, which is \$20.2 million more than is projected for the current year (see Attachment B). UK officials estimate that the university's Education and General (E&G) fixed costs will increase by about \$19.5 million between fiscal years 2018-19 and 2019-20, which represents an increase of about 1.5% over current year costs.

**Proposed 2019-20 Tuition and Mandatory Fee Charges
University of Kentucky**

<i>Category</i>	Fall 2019	Spring 2020	Annual 2019-20	Summer and Winter Terms 2020	Full Programs (Began in 2016-17)
<i>Undergraduate</i>					
Resident					
Full-time (12 credit hours and above)	\$ 6,180.00	\$ 6,180.00	\$ 12,360.00		
Per Credit Hour	\$ 501.00	\$ 501.00		\$ 501.00	
Nonresident					
Full-time (12 credit hours and above)	\$ 15,340.00	\$ 15,340.00	\$ 30,680.00		
Per Credit Hour	\$ 1,265.00	\$ 1,265.00		\$ 1,265.00	
Online (Per Credit Hour)*	\$ 601.00	\$ 601.00		\$ 601.00	
<i>Graduate**</i>					
Resident					
Full-time	\$ 6,702.00	\$ 6,702.00	\$ 13,404.00		
Per Credit Hour	\$ 726.00	\$ 726.00		\$ 726.00	
Nonresident					
Full-time	\$ 16,282.00	\$ 16,282.00	\$ 32,564.00		
Per Credit Hour	\$ 1,788.00	\$ 1,788.00		\$ 1,788.00	
<i>Master of Business Administration (MBA)</i>					
<i>Evening and part-time students (entered prior to Summer 2016)</i>					
Resident					
Full-time	\$ 7,752.00	\$ 7,752.00	\$ 15,504.00		
Per Credit Hour	\$ 842.00	\$ 842.00		\$ 842.00	
Nonresident					
Full-time	\$ 19,456.00	\$ 19,456.00	\$ 38,912.00		
Per Credit Hour	\$ 2,140.00	\$ 2,140.00		\$ 2,140.00	
<i>Master of Forensic Toxicology and Analytical Genetics</i>					
Resident and Nonresident					
Per Credit Hour	\$ 971.00	\$ 971.00		\$ 971.00	
<i>Master of Science in Finance</i>					
Resident					
Per Credit Hour	\$ 914.00	\$ 914.00		\$ 914.00	
Nonresident					
Per Credit Hour	\$ 1,269.00	\$ 1,269.00		\$ 1,269.00	
<i>Master or Graduate Certificate, Health Professional</i>					
Resident					
Full-time	\$ 7,223.00	\$ 7,223.00	\$ 14,446.00		
Per Credit Hour	\$ 784.00	\$ 784.00		\$ 784.00	
Nonresident					
Full-time	\$ 16,881.00	\$ 16,881.00	\$ 33,762.00		
Per Credit Hour	\$ 1,853.00	\$ 1,853.00		\$ 1,853.00	
<i>Master or Graduate Certificate, Professional</i>					
Resident					
Full-time	\$ 7,029.00	\$ 7,029.00	\$ 14,058.00		
Per Credit Hour	\$ 762.00	\$ 762.00		\$ 762.00	
Nonresident					
Full-time	\$ 16,659.00	\$ 16,659.00	\$ 33,318.00		
Per Credit Hour	\$ 1,833.00	\$ 1,833.00		\$ 1,833.00	

**Proposed 2019-20 Tuition and Mandatory Fee Charges
University of Kentucky**

<i>Category</i>	Fall 2019	Spring 2020	Annual 2019-20	Summer and Winter Terms 2020	Full Programs (Began in 2016-17)
<i>Professional Practice Doctoral</i>					
Resident					
Full-time	\$ 8,753.00	\$ 8,753.00	\$ 17,506.00		
Per Credit Hour	\$ 955.00	\$ 955.00		\$ 955.00	
Nonresident					
Full-time	\$ 22,519.00	\$ 22,519.00	\$ 45,038.00		
Per Credit Hour	\$ 2,483.00	\$ 2,483.00		\$ 2,483.00	
<i>Dentistry</i>					
Resident			\$ 35,228.00		
Nonresident			\$ 75,177.00		
<i>Reduced Curriculum load</i>					
Resident			\$ 18,376.00		
Nonresident			\$ 38,351.00		
<i>Doctor of Pharmacy</i>					
Resident			\$ 28,338.00		
Nonresident			\$ 52,631.00		
<i>Reduced curriculum load</i>					
Resident			\$ 14,931.00		
Non-Resident			\$ 27,078.00		
<i>Doctorate of Physical Therapy</i>					
Resident			\$ 21,766.00		
Nonresident			\$ 45,060.00		
<i>Law</i>					
Resident			\$ 24,723.00		
Nonresident			\$ 50,352.00		
<i>Medicine</i>					
<i>Students - entering class of fall 2014</i>					
Resident			\$ 34,888.00		
Nonresident			\$ 63,948.00		
<i>Students - entering class of fall 2015</i>					
Resident			\$ 35,929.00		
Nonresident			\$ 65,861.00		
<i>Students - entering class of fall 2016</i>					
Resident			\$ 37,716.00		
Nonresident			\$ 65,861.00		
<i>Students - entering class of fall 2017</i>					
Resident			\$ 38,472.00		
Nonresident			\$ 68,000.00		
<i>Students - entering class of fall 2018</i>					
Resident			\$ 38,920.00		
Nonresident			\$ 69,648.00		
<i>Students - entering class of fall 2019</i>					
Resident			\$ 40,042.00		
Nonresident			\$ 72,373.00		
<i>Reduced Curriculum load</i>					
Resident			\$ 20,783.00		
Nonresident			\$ 36,949.00		
<i>Master of Science in Accounting</i>					
Resident					\$ 22,524.00
Nonresident					\$ 30,524.00

**Proposed 2019-20 Tuition and Mandatory Fee Charges
University of Kentucky**

<i>Category</i>	Fall 2019	Spring 2020	Annual 2019-20	Summer and Winter Terms 2020	Full Programs (Began in 2016-17)
<i>Master of Business Administration (MBA)</i>					
<i>One-Year, Full-Time</i>					
Resident					\$ 35,417.00
Nonresident					\$ 41,487.00
<i>Professional Evening Two-Years (full-time)</i>					
Students - entering classes of Fall 2016 & 2017					
Resident					\$ 34,622.00
Nonresident					\$ 39,622.00
Students - entering classes of Fall 2018					
Resident					\$ 35,551.00
Nonresident					\$ 41,070.00
Students - entering classes of Fall 2019					
Resident					\$ 36,537.00
Nonresident					\$ 42,605.00
<i>Professional Evening Three-Years (part-time)</i>					
Students - entering classes of Fall 2016 & 2017					
Resident					\$ 33,458.00
Nonresident					\$ 38,458.00
Students - entering classes of Fall 2018					
Resident					\$ 34,416.00
Nonresident					\$ 39,935.00
Students - entering classes of Fall 2019					
Resident					\$ 35,889.00
Nonresident					\$ 41,957.00
<i>UK-UofL Joint Executive Master in Business Administration</i>					
					\$ 67,500.00

*Beginning fall 2019, undergraduate courses offered fully online (i.e., Internet, web-based) will be assessed using the Undergraduate Online Learning Rate. These courses will be assessed tuition and mandatory fees per credit hour, separate and in addition to tuition and mandatory fees for any other courses.

**For graduate and professional program students enrolled exclusively in online courses (i.e., Internet, web-based) will be assessed using the applicable resident tuition rate regardless of residency status.

ATTACHMENT B

Estimated 2019-20 Gross Tuition and Mandatory Fee Revenue University of Kentucky

<u>Category</u>	<u>Estimated 2018-19</u>	<u>Estimated 2019-20</u>
<i>Undergraduate</i>		
Resident	\$ 164,925,500	\$ 162,595,200
Nonresident	184,297,100	187,605,300
Online	n/a	13,471,400
<i>Graduate</i>		
Resident	31,754,100	32,349,600
Nonresident	45,992,900	46,230,700
Online*	n/a	n/a
<i>First-Professional</i>		
Resident	37,384,900	42,571,300
Nonresident	27,506,400	27,622,000
Mandatory Fees	34,365,000	34,011,000
Total	<u><u>\$ 526,225,900</u></u>	<u><u>\$ 546,456,500</u></u>

Note: Insert additional rows and categories as needed, so that total estimated tuition and mandatory fee revenue for all categories of students (i.e., every academic level, residency, and full-time or part-time status) is reflected in the bottom row.

*Tuition revenue from online graduate course offerings is not separately recorded. Graduate students enrolled in only online courses are assessed the Kentucky resident rate regardless of residency status. A Distance Learning Fee of \$10 per credit hour is assessed for all courses offered in a non-traditional format.

TITLE: Kentucky-Ohio Reciprocity Agreements

RECOMMENDATION: Staff recommends that the Finance Committee accept three proposed tuition reciprocity agreements with Ohio (valid July 1, 2019 through June 30, 2021) and recommend approval of all three to the full Council at its June 28, 2019 meeting.

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

SUPPORTING INFORMATION

Tuition reciprocity agreements are arrangements between two or more states where the citizens of a defined region in one state can enroll at identified institutions (or in selected programs) in another state (and vice versa) for a reduced tuition charge. Under such agreements, eligible citizens may also receive special treatment for admission purposes.

In general, advantages of reciprocity agreements include:

- Broader educational access and opportunity for citizens in a region;
- Reduction in unnecessary duplication of academic programs; and
- Cost savings to a home state by utilizing academic programs in other states.

Currently, Kentucky has separate tuition reciprocity agreements with Ohio, Tennessee, West Virginia, and Indiana. The agreements with Ohio will expire on June 30, 2019. Staff has worked with Ohio officials and participating Kentucky institutions to renegotiate these agreements in compliance with policies adopted by the Council. The proposed renewals have only minimal changes from the agreements currently in place.

Pursuant to Ohio law, the Ohio agreements have two-year terms. The current agreements with Ohio are scheduled to expire at the end of the academic year. The proposed renewals have only minor changes from the agreements in place for the last two years. Ohio officials have asked that Miami University's regional campuses in Butler County, Ohio (Hamilton and Middleton), be added to the agreements since the two extension campuses meet the geographic criteria of the agreement (i.e. there are located within two contiguous counties of the state line). Northern Kentucky University

officials have requested that the exclusions of Criminal Justice and Environmental Science be removed from the agreement. The Kentucky Community and Technical College System asked that Maysville Community and Technical College be added to the Morehead and Ashland agreement, given the proximity of that college to the state border. All parties have agreed to these changes, since they simplify the agreements and provide more options for students.

Kentucky and Ohio have three separate agreements (Attachments B1, B2, B3). The lists below show participating institutions and eligible counties. Recommended changes are shown in italics and in bold.

All three of the Ohio agreements are for two years and will expire June 30, 2021. Each agreement contains provisions to make changes before the agreement's expiration with the consent of all parties.

Agreement 1

<u>KY Institutions</u>	<u>Eligible OH Counties</u>	
Northern Kentucky University	Adams County	Brown County
Gateway Community & Technical College	Butler County	Clermont County
	Clinton County	Fayette County
	Hamilton County	Highland County
	Warren County	
<u>OH Institutions</u>	<u>Eligible KY Counties</u>	
Cincinnati State Technical & Community College	Bracken County	Boone County
Clark State Community College	Campbell County	Carroll County
<i>Miami University Hamilton</i>	Gallatin County	Grant County
<i>Miami University Middleton</i>	Kenton County	Pendleton County
Southern State Community College		
University of Cincinnati		

Agreement 2

KY Institutions	Eligible OH Counties	
Ashland Community & Technical College	Adams County	Athens County
<i>Maysville Community & Technical College</i>	Brown County	Gallia County
Morehead State University – Morehead	Jackson County	Lawrence County
Morehead State University – Ashland	Meigs County	Pike County
	Scioto County	Vinton County

OH Institution	Eligible KY Counties	
Ohio University – Athens	Boyd County	Carter County
Ohio University – Southern	Elliot County	Fleming County
Rio Grande Community College	Greenup County	Lawrence County
Shawnee State University	Lewis County	Mason County
Southern State Community College	Rowan County	

Agreement 3

KY Institutions	Eligible OH Counties	
Maysville Community & Tech. College	Adams County	Brown County
	Clermont County	

OH Institutions	Eligible KY Counties	
University of Cincinnati – Clermont College	Bracken County	Lewis County
<i>Miami University Hamilton</i>	Mason County	Robertson County
<i>Miami University Middleton</i>		

The chart on the next page provides a comparison of Kentucky and Ohio student headcount, FTE students, and attempted student credit hours.

	<u>Headcount</u>	<u>FTE</u>	<u>Credit Hours</u>
Ohio in Kentucky 2017	1,317	794	23,825
Kentucky in Ohio 2017	1,598	1,037	31,112
KY Residents as % of Total:		57%	
Ohio in Kentucky 2018	1,207	721	21,613
Kentucky in Ohio 2018	1,625	1,069	32,091
KY Residents as % of Total:		60%	

In 2018, 60% of the residents who took advantage of the Kentucky-Ohio reciprocity agreements were from Kentucky.

TUITION RECIPROCITY AGREEMENT

Ashland Community and Technical College
[Maysville Community and Technical College](#)
Morehead State University-Morehead
Morehead State University-Ashland
And
Ohio University-Athens
Ohio University-Southern
Rio Grande Community College
Shawnee State University
Southern State Community College

In an effort to increase the college going rate and postsecondary opportunities in an underserved Appalachian region, this tuition reciprocity agreement is entered into between the Kentucky Council on Postsecondary Education, the Kentucky Community and Technical College System, the Ohio Department of Higher Education, the Boards of Trustees of Ashland Community and Technical College, Morehead State University-Morehead, Morehead State University-Ashland, Ohio University-Athens, Ohio University-Southern, Rio Grande Community College, Shawnee State University, and Southern State Community College pursuant to the provisions of Section 3333.17 of the Ohio Revised Code and in compliance with rules and procedures of the aforementioned parties.

I. Purpose

The general purpose of this tuition reciprocity agreement is to expand postsecondary educational opportunities in the region while limiting the cost of such expansion to the taxpayers of Ohio and Kentucky through collaboration among public institutions of higher education. The intended outcomes of this collaboration are to increase the availability of programs to residents of the region without needless duplication of educational effort and to promote efficient use of existing educational facilities and resources.

II. Terms

1. Duration and Termination

The agreement shall be effective beginning July 1, 201~~9~~⁷ through June 30, 20~~19~~²¹ and may be renewed prior to June 30, 20~~19~~²¹ by mutual consent of all of the parties for a period of two years. As the agreement must coincide with the biennial budgets of the State of Ohio, the next renewal shall be for the term of July 1, 20~~19~~²¹ to June 30, 20~~21~~³¹.

The agreement may be amended through mutual consent of all parties, providing the amendment is in writing and signed by all parties to the agreement prior to the effective date of the amendment.

- a. The parties may amend the agreement in the following manner. Amendments must be presented to each of the parties of this agreement for their consideration. Each Party of this agreement will then have sixty (60) days to respond in writing with a decision as to whether they approve/disapprove the proposed amendment to the Agreement. The responses will be sent to all parties in the agreement. After sixty (60) days, if all parties approve of the proposed amendment, the agreement will be amended. If all parties do not approve, the agreement will not be amended.

A review of this agreement may occur from time to time at the request of any Party hereto, provided all parties to this agreement are served with written notice of such request at least ninety (90) days prior to said review.

This agreement may be terminated by any of the participating institutions, Ohio Department of Higher Education, the Kentucky Community and Technical College System, or the Kentucky Council on Postsecondary Education on June 30 of any year, with at least ninety (90) days prior written notice to each of the parties to this agreement.

2. Kentucky Residents Eligibility/Ohio Programs

Ohio University-Athens, Ohio University-Southern, Rio Grande Community College, Shawnee State University, and Southern State Community College agree to accept at Ohio resident tuition rates any resident of Boyd, Carter, Elliott, Fleming, Greenup, Lawrence, Lewis, Mason, and Rowan counties of Kentucky who enrolls and who satisfies all regular admissions requirements (including those requirements of the specific program in which admission is being sought) in the programs specifically included in this Agreement. In this context, the word "program" may mean a workshop, a certificate program, an associate degree program, a baccalaureate degree program, and/or a graduate degree program.

All programs offered at Ohio University-Athens, Ohio University-Southern, Rio Grande Community College, and Shawnee State University are included in this Agreement.

The following program from Southern State Community College is included in the agreement: Medical Assisting Program offered at Shawnee State University.

3. Ohio Residents Eligibility/Kentucky Programs

Ashland Community and Technical College, Morehead State University-Morehead, and Morehead State University-Ashland agree to accept at Kentucky resident tuition rates any resident of Adams, Athens, Brown, Gallia, Jackson, Lawrence, Meigs, Pike, Scioto, and Vinton counties of Ohio who enrolls and who satisfies all regular admissions requirements (including those requirements of the specific program in which admission is being sought) in the programs not specifically excluded in this Agreement. In this context, the word “program” may mean a workshop, a certificate program, an associate degree program, a baccalaureate degree program, and/or a graduate degree program.

No programs have been excluded at Ashland Community and Technical College in this Agreement.

The following program from Morehead State University is excluded from the agreement: Master of Business Administration.

4. Resident Status

- a. During the period of this agreement, the Ohio Department of Higher Education will consider residents of Boyd, Carter, Elliott, Fleming, Greenup, Lawrence, Lewis, Mason and Rowan counties who attend Ohio University-Athens, Ohio University-Southern, Rio Grande Community College, Shawnee State University, and Southern State Community College under this agreement as qualifying for resident Ohio tuition and as Ohio residents for the purpose of allocating funds to Ohio University-Athens, Ohio University-Southern, Rio Grande Community College, Shawnee State University, and Southern State Community College.
- b. During the period of this agreement, the Kentucky Community and Technical College System and the Kentucky Council on Postsecondary Education will consider residents of Adams, Athens, Brown, Gallia, Jackson, Lawrence, Meigs, Pike, Scioto, and Vinton counties who attend Ashland Community and Technical College, Morehead State University-Morehead, and Morehead State University-Ashland under this agreement as qualifying for resident Kentucky tuition and as Kentucky residents for the purpose of allocating funds to Ashland Community and Technical College, Morehead State University-Morehead, and Morehead State University-Ashland.

5. Continued Eligibility

Once enrolled as a reciprocity student, each student demonstrating satisfactory academic performance under already existing academic standards and criteria of their institution will continue to receive reciprocity benefits under this agreement through graduation for the degree in which enrolled, as long as a reciprocity agreement exists. Student participation is subject to the terms and conditions of the reciprocity agreement in effect at the time of initial enrollment, and, in the event of termination, each student will be informed by the enrolling institution of his/her future status. If the agreement is terminated, participating institutions may agree at

that time to continue tuition reciprocity for students appropriately enrolled in eligible programs at the time of termination until the completion of their programs of study, subject to the biennial limitations as described in paragraph II.1.

6. Notice, Application, and Waiver

The availability of resident tuition rates under this agreement shall be advertised to applicants and/or to students of Ashland Community and Technical College, Morehead State University-Morehead, Morehead State University-Ashland, Ohio University-Athens, Ohio University-Southern, Rio Grande Community College, Shawnee State University, and Southern State Community College by any means deemed appropriate by those institutions.

All eligible students who want to receive resident tuition rates under this agreement must apply for such rates at the institution where they plan to enroll. Failure to apply in the manner required by each institution and in advance of enrollment will constitute a waiver of all rights under the terms of this agreement for that quarter or semester of enrollment and any preceding quarter or semester of enrollment for which no application was made. Each institution will develop a process for applicants to use in order to apply for resident tuition rates under this agreement.

7. Annual Report

By June 30 of each year, Ashland Community and Technical College, Morehead State University-Morehead, Morehead State University-Ashland, Ohio University-Athens, Ohio University-Southern, Rio Grande Community College, Shawnee State University, and Southern State Community College agree to provide annual reports on the enrollment and fiscal implications of the agreement to the other respective institutions, the Kentucky Council on Postsecondary Education, and the Ohio Department of Higher Education. Specific forms for the annual report may be prescribed by the state agencies.

III. Approval

This agreement is not effective unless and until approved by the Ohio Department of Higher Education pursuant to Section 3333.17 of the Ohio Revised Code and the Kentucky Council on Postsecondary Education.

IV. Counterparts

This agreement may be executed in counterparts, each counterpart agreement shall be deemed an original and all of which together shall constitute one in the same instrument.

TUITION RECIPROcity AGREEMENT
SIGNATURE PAGES

STATE AGENCIES

~~Robert L. King~~[Dr. Aaron Thompson](#), President

Kentucky Council on Postsecondary Education

Signed: _____

Date: _____

~~John Carey~~[Randy Gardner](#), Chancellor

Ohio Department of Higher Education

Signed: _____

Date: _____

[Dr. Jay Box](#), President

Kentucky Community & Technical College System

Signed: _____

Date: _____

INSTITUTIONS

[Kay Adkins](#)[Dr. Larry Ferguson](#), President

Ashland Community and Technical College [District](#)

Signed: _____

Date: _____

[Wayne Andrews](#)[Dr. Joseph A. Morgan](#), President

Morehead State University

Signed: _____

Date: _____

[Dr. Duane Nellis](#), President

Ohio University

Signed: _____

Date: _____

Kent Haley, Treasurer/Chief Financial Officer

Rio Grande Community College

Signed: _____

Date: _____

~~Rick Kurtz~~ [Dr. Jeff Bauer](#), [Interim](#) President

Shawnee State University

Signed: _____

Date: _____

[Dr.](#) Kevin Boys, President

Southern State Community College

Signed: _____

Date: _____

Draft

UNDERGRADUATE TUITION RECIPROCITY AGREEMENT

Northern Kentucky University
Gateway Community and Technical College
And
Cincinnati State Technical and Community College
Clark State Community College
[Miami University Hamilton](#)
[Miami University Middletown](#)
Southern State Community College
University of Cincinnati

This tuition reciprocity agreement is entered into between the Kentucky Council on Postsecondary Education and the Ohio Department of Higher Education, Cincinnati State Technical and Community College, Clark State Community College, Gateway Community and Technical College, the Kentucky Community and Technical College System, [Miami University Hamilton](#), [Miami University Middletown](#), Northern Kentucky University, Southern State Community College, and the University of Cincinnati, pursuant to the provisions of Section 3333.17 of the Ohio Revised Code and in compliance with rules and procedures of the aforementioned parties.

I. Purpose

The general purpose of this tuition reciprocity agreement is to expand postsecondary educational opportunities in the greater Cincinnati area while limiting the cost of such expansion to the taxpayers of Ohio and Kentucky through collaboration among public institutions of higher education. The intended outcomes of this collaboration are to increase the availability of programs to residents of the greater Cincinnati area without needless duplication of educational effort and to promote efficient use of existing educational facilities and resources.

II. Terms

1. Duration and Termination

The agreement shall be effective beginning July 1, 2019~~7~~, through June 30, 2021~~9~~, and may be renewed prior to June 30, 2021~~9~~, by mutual consent of all of the parties for a period of two years. As the agreement must coincide with the biennial budgets of the State of Ohio, the next renewal shall be for July 1, 2021~~9~~, to June 30, 2023~~4~~.

The agreement may be amended through mutual consent of all parties, providing the amendment is in writing and signed by all parties to the agreement prior to the effective date of the amendment.

- a. The parties may amend the agreement in the following manner. Amendments must be presented to each of the parties of this agreement for their consideration. Each party of this agreement will then have sixty (60) days to respond in writing with a decision as to whether they approve/disapprove of the proposed amendment to the agreement. The responses will be sent to all parties in the agreement. After sixty (60) days, if all parties approve of the proposed amendment, the agreement will be amended. If all parties do not approve, the agreement will not be amended.

A review of this agreement may occur from time to time at the request of any party hereto, provided all parties to this agreement are served with written notice of such request at least ninety (90) days prior to said review.

This agreement may be terminated by any of the participating institutions, the Ohio Department of Higher Education, or the Kentucky Council on Postsecondary Education on June 30 of any year, with at least ninety (90) days prior written notice to each of the parties to this agreement

2. Kentucky Residents' Eligibility for Ohio Programs

The participating Ohio institutions agree to accept at Ohio resident tuition rates any resident of Bracken, Boone, Campbell, Carroll, Gallatin, Grant, Kenton, and Pendleton Counties of Kentucky who enrolls and who satisfies all regular admission requirements (including those requirements of the specific program in which admission is sought) at the University of Cincinnati's two-year colleges (Clermont College, and Blue Ash College) or at Cincinnati State Technical and Community College or at Clark State Community College, [or at Miami University's Hamilton Campus, or at Miami University's Middletown Campus,](#) or at Southern State Community College in the associate degree programs not specifically excluded from this agreement.

In this section, the word "program" only means an associate degree program and the word "resident" means resident for the purpose of tuition determination as defined by the respective institution.

Majors and/or programs at the University of Cincinnati two-year colleges, Cincinnati State Technical and Community College, and Southern State Community College which are excluded from this agreement are the following two-year programs otherwise offered at Northern Kentucky University:

- (1) Clermont College: No exclusions
- (2) Blue Ash College: No exclusions
- (3) Cincinnati State Technical and Community College: no exclusions
- (4) Southern State Community College: no exclusions

Any program listed above as excluded may, by the joint written consent of the presidents of all four institutions, be included in this agreement.

The University of Cincinnati agrees to accept at Ohio resident tuition rates any resident of Boone, Bracken, Campbell, Carroll, Gallatin, Grant, Kenton, and Pendleton Counties of Kentucky who enrolls and who satisfies all regular baccalaureate admissions requirements (including those requirements of the specific program in which admission is being sought) at the University of Cincinnati in the programs specifically included in this Agreement.

The following baccalaureate degree programs at the University of Cincinnati which are included in this Agreement are the following: Architecture, Engineering, Honors PLUS (see provision below), Horticulture, Radiation Science, Interior Design, Industrial Design, Fashion Design, and Urban Planning.

In conformance with the limitations set forth in the bulleted item below, admission to the Honors PLUS baccalaureate degree program in the College of Business, University of Cincinnati, is subject to the following provision:

Reciprocity for the Honors PLUS program at the University of Cincinnati is limited to residents of the eligible Kentucky counties with a cap of fifty (50) students enrolled in courses at any one time.

In this section, the word "program" only means a baccalaureate degree program and the word "resident" means resident for the purpose of tuition determination as defined by the respective institution.

3. Ohio Residents' Eligibility for Kentucky Baccalaureate Degree Programs

Northern Kentucky University agrees to accept at Kentucky resident tuition rates any resident of Adams, Brown, Butler, Clermont, Clinton, Fayette, Hamilton, Highland, and Warren Counties of Ohio with an associate degree from the University of Cincinnati, Cincinnati State Technical and Community College, Clark State Community College, or Southern State Community College, or any student participating in an approved Degree Pathway Program at Cincinnati State Technical and Community College, who enrolls and who satisfies all regular transfer admissions requirements (including those requirements of the specific program in which admission is sought) in Northern Kentucky University baccalaureate degree programs not specifically excluded from this agreement.

In this section, the word "program" only means a baccalaureate degree program and the word "resident" means resident for the purpose of tuition determination as defined by the respective institution.

The majors and/or programs at Northern Kentucky University excluded from this agreement are:

- a. Early Childhood Education
- ~~b. Criminal Justice~~
- ~~c. Environmental Science~~
- ~~d. Nursing~~

Any major/program listed above as excluded may, by the joint written consent of the presidents of all four institutions, be included in this agreement.

4. Ohio Residents' Eligibility for Kentucky Associate Degree Programs

Gateway Community and Technical College agrees to accept at Kentucky resident tuition rates any resident of Adams, Brown, Butler, Clermont, Clinton, Hamilton, Highland, and Warren Counties of Ohio who enrolls and who satisfies all regular admission requirements (including those requirements of the specific program in which admission is sought) at Gateway Community and Technical College in the programs specifically included in this Agreement.

All programs, excluding nursing, at Gateway Community and Technical College are included in the agreement.

5. Ohio Residents' Eligibility/Enrollment Limitations for Kentucky Programs

In conformance with the limitations set forth in the bulleted item below, admission to the Business Management baccalaureate degree program in the College of Business, Northern Kentucky University, is subject to the following provision:

- a. Reciprocity for the College of Business, Business Management program at Northern Kentucky University is limited to residents of the eligible Ohio counties with a cap of fifty (50) students enrolled in courses at any one time.

In this section, the word "program" only means a specific baccalaureate degree program and the word "resident" means resident for the purpose of tuition determination as defined by the respective institution.

6. New Program Eligibility

Any new program may be included in this agreement upon successful completion of the agreement's amendment process, as listed above.

In this section, the word "program" may mean a workshop, a certificate program, an associate degree program, or a baccalaureate degree program.

7. Resident Status

- a. During the period of this agreement, the Ohio Department of Higher Education will consider residents of Bracken, Boone, Campbell, Carroll, Gallatin, Grant, Kenton, and Pendleton Counties who attend the University of Cincinnati, Cincinnati State Technical and Community College, Clark State Community College, or Southern State Community College under this agreement as qualifying for Ohio resident tuition rates, and as Ohio residents for the purpose of allocating funds to the University of Cincinnati, Cincinnati State Technical and Community College, Clark State Community College, and Southern State Community College.
- b. During the period of this agreement, the Kentucky Council on Postsecondary Education will consider residents of Adams, Brown, Butler, Clermont, Clinton, Fayette, Hamilton, Highland, and Warren Counties who attend Northern Kentucky University or Gateway Community and Technical College under this agreement as qualifying for Kentucky resident tuition rates, and as reciprocity students for the purpose of allocating funds to Northern Kentucky University and Gateway Community and Technical College. The Kentucky Council on Postsecondary Education will also consider students attending Northern Kentucky University who are participating in an approved Degree Pathway Program with an associate degree from the University of Cincinnati, Cincinnati State Technical and Community College, Clark State Community College, or Southern State Community College as reciprocity students for the purpose of allocating funds to Northern Kentucky University.

8. Continued Eligibility

Once enrolled as a reciprocity student, each student demonstrating satisfactory academic performance under already existing standards and criteria of his/her institution will continue to receive reciprocity benefits under this agreement through graduation for the degree in which enrolled, as long as a reciprocity agreement exists. Student participation is subject to the terms and conditions of the reciprocity agreement in effect at the time of initial enrollment, and, in the event of termination, each student will be informed by the enrolling institution of his/her future status. If the agreement is terminated, participating institutions may agree at that time to continue tuition reciprocity for students appropriately enrolled in eligible programs at the time of termination until the completion of their programs of study, subject to the biennial limitations as described in paragraph 11.1.

9. Notice, Application, and Waiver

The availability of reciprocity tuition rates under this agreement shall be advertised to applicants and/or to student of Cincinnati state Technical and Community College, Clark State Community College, Gateway Community and Technical College, Southern State Community College, Northern Kentucky University and the University of Cincinnati by any means deemed appropriate by the respective institutions.

All students who want to receive reciprocity tuition rates under this agreement must apply for such rates at the institution where they plan to enroll.

Failure to so apply in the manner required by each institution and in advance of enrollment will constitute a waiver of all rights under the terms of this agreement for the quarter or semester of enrollment and any preceding quarter or semester of enrollment for which no application was made. Each institution will develop a process for applicants to use in order to apply for reciprocity tuition rates under this agreement.

These processes will be written and shared with each institution as well as with the Ohio Department of Higher Education and the Kentucky Council on Postsecondary Education. The process will also be made available to all potential applicants upon request.

In this section, the word "resident" means resident for the purpose of tuition determination as defined by the respective institution.

10. Annual Report

By June 30 of each year, Cincinnati State Technical and Community College, Clark State Community College, Gateway Community and Technical College, Northern Kentucky University, Southern State Community College, and the University of Cincinnati agree to provide annual reports on the enrollment and fiscal implications of the agreement to the other respective institutions, the Kentucky Council on Postsecondary Education, and the Ohio Department of Higher Education. Specific forms for the annual report may be prescribed by the state agencies.

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III. Approval

This agreement is not effective unless and until approved by Ohio Department of Higher Education pursuant to Section 3333.17 of the Ohio Revised Code and the Kentucky Council on Postsecondary Education.

IV. Counterparts

This agreement may be executed in counterparts, each counterpart agreement shall be deemed an original, and all of which together shall constitute one in the same instrument.

Draft

**TUITION RECIPROCITY AGREEMENT
SIGNATURE PAGE**

STATE AGENCIES

Dr. Aaron Thompson, President

Kentucky Council on Postsecondary Education

Signed: _____

Date: _____

Randy Gardner, Chancellor

Ohio Department of Higher Education

Signed: _____

Date: _____

Dr. Jay Box, President

Kentucky Community & Technical College System

Signed: _____

Date: _____

Robert L. King, President

Kentucky Council on Postsecondary Education

Signed: _____

Date: _____

John Carey, Chancellor

Ohio Department of Higher Education

Signed: _____

Date: _____

Jay Box, President

Kentucky Community & Technical College System

Signed: _____

Date: _____

Draft

INSTITUTIONS

~~Geoffrey S. Mearns~~[Dr. Ashish Vaidya](#), President
Northern Kentucky University

Signed: _____

Date: _____

~~Ed Hughes~~[Dr. Fernando Figueroa](#), President
Gateway Community and Technical College

Signed: _____

Date: _____

[Dr. Neville G. Pinto](#), President
University of Cincinnati

Signed: _____

Date: _____

[Dr. Monica Posey](#), President
Cincinnati State Technical and Community College

Signed: _____

Date: _____

[Dr. Jo Alice Blondin](#), President
Clark State Community College

Signed: _____

Date: _____

[Dr. Gregory P. Crawford](#), President
[Miami University](#)

[Dr. Kevin Boys](#), President
Southern State Community College

Signed: _____

|

Date: _____

Draft

TUITION RECIPROCITY AGREEMENT
Maysville Community and Technical College
And
University of Cincinnati — Clermont College
[Miami University Hamilton](#)
[Miami University Middletown](#)

This tuition reciprocity agreement is entered into between the Kentucky Council on Postsecondary Education and the Ohio Department of Higher Education, the Kentucky Community and Technical College System, Maysville Community and Technical College, [Miami University Hamilton Campus](#), [Miami University Middletown Campus](#), and ~~and~~ the University of Cincinnati-Clermont College pursuant to the provisions of Section 3333.17 of the Ohio Revised Code and in compliance with rules and procedures of the aforementioned parties.

I. Purpose

The general purpose of this tuition reciprocity agreement is to expand postsecondary educational opportunities in the northern Kentucky and southern Ohio area while limiting the cost of such expansion to the taxpayers of Ohio and Kentucky through collaboration among public institutions of higher education. The intended outcomes of this collaboration are to increase the availability of programs to residents of Clermont, Adams, and Brown Counties in Ohio and Mason, Bracken, Lewis, and Robertson Counties in Kentucky without needless duplication of educational effort and to promote efficient use of existing educational facilities and resources.

II. Terms

1. Duration and Termination

The agreement shall be effective beginning July 1, 201~~97~~, through June 30, 202~~149~~, and may be renewed prior to June 30, 202~~149~~, by mutual consent of all of the parties for a period of two years. As the agreement must coincide with the biennial budgets of the State of Ohio, the next renewal shall be for the term of July 1, 202~~149~~, to June 30, 202~~31~~.

The agreement may be amended through mutual consent of all parties, providing the amendment is in writing and signed by all parties to the agreement prior to the effective date of the amendment.

- a. The parties may amend the agreement in the following manner. Amendments must be presented to each of the parties of this agreement for their consideration. Each party of this agreement will then have sixty (60) days to respond in writing with a decision as to whether they approve/disapprove of the proposed amendment to the agreement. The responses will be sent to all parties in the agreement. After sixty (60) days, if all parties approve of the proposed

amendment, the agreement will be amended. If all parties do not approve, the agreement will not be amended.

A review of this agreement may occur from time to time at the request of any party hereto, provided all parties to this agreement are served with written notice of such request at least ninety (90) days prior to said review.

This agreement may be terminated by any of the participating institutions, the Ohio Department of Higher Education, the Kentucky Community and Technical College System, or the Kentucky Council on Postsecondary Education on June 30 of any year, with at least ninety (90) days prior written notice to each of the parties to this agreement.

2. Kentucky Residents' Eligibility for Ohio Programs

[Miami University Hamilton Campus, Miami University Middletown Campus, and The University of Cincinnati-Clermont College](#) agrees to accept at Ohio resident tuition rates any resident of Bracken, Lewis, Mason, or Robertson Counties of Kentucky who enrolls and who satisfies all regular admission requirements (including those requirements of the specific program in which admission is sought) at the [Miami University Hamilton Campus, Miami University Middletown Campus, and The University of Cincinnati-Clermont College](#) in the programs not specifically excluded from this agreement. In this context, the word "program" may mean a workshop, a certificate program, and/or associate degree program.

3. Ohio Residents' Eligibility for Kentucky Programs

Maysville Community and Technical College agrees to accept at Kentucky resident tuition rates any resident of Adams, Brown, and Clermont Counties of Ohio who enrolls and who satisfies all regular admission requirements (including those requirements of the specific program in which admission is sought) at Maysville Community and Technical College in the programs not specifically excluded from this agreement. In this context, the word "program" may mean a workshop, a certificate program, and/or associate degree program.

4. New Program Eligibility

Any new program may be included in this agreement upon successful completion of the agreement's amendment process, as listed above. In this context, the word "program" may mean a workshop, a certificate program, and/or associate degree program.

5. Resident Status

- a. During the period of the agreement, the Ohio Department of Higher Education will consider residents of Bracken, Lewis, Mason, and Robertson Counties who attend the University of Cincinnati-Clermont College under this agreement as

qualifying for Ohio resident tuition rates and as Ohio residents for the purpose of allocating funds to the University of Cincinnati-Clermont College.

- b. During the period of this agreement, the Kentucky Community and Technical College System and the Kentucky Council on Postsecondary Education will consider residents of Adams, Brown, and Clermont Counties who attend Maysville Community and Technical College under this agreement as qualifying for Kentucky resident tuition rates and as Kentucky residents for the purpose of allocating funds to Maysville Community and Technical College.

6. Continued Eligibility

Once enrolled as a reciprocity student, each student demonstrating satisfactory academic performance under already existing standards and criteria of his/her institution will continue to receive reciprocity benefits under this agreement through graduation for the degree in which enrolled, as long as a reciprocity agreement exists. Student participation is subject to the terms and conditions of the reciprocity agreement in effect at the time of initial enrollment, and, in the event of termination, each student will be informed by the enrolling institution of his/her future status. If the agreement is terminated, participating institutions may agree at that time to continue tuition reciprocity for students appropriately enrolled in eligible programs at the time of termination until completion of their programs of study, subject to the biennial limitations as described in paragraph 11.1.

7. Notice, Application, and Waiver

The availability of resident tuition rates under this agreement shall be advertised to applicants and/or to students of Maysville Community and Technical College and the University of Cincinnati-Clermont College by any means deemed appropriate by those institutions.

All eligible students who want to receive resident tuition rates under this agreement must apply for such rates at the institution where they plan to enroll. Failure to apply in the manner required by each institution and in advance of enrollment will constitute a waiver of all rights under the terms of this agreement for that quarter or semester of enrollment and any preceding quarter or semester of enrollment for which no application was made. Each institution will develop a process for applicants to use in order to apply for resident tuition rates under this agreement.

8. Annual Report

By June 30 of each year, the Kentucky Community and Technical College System, Maysville Community and Technical College, and University of Cincinnati-Clermont College agree to provide annual reports on the enrollment and fiscal implications of the agreement to the other respective institutions, the Kentucky Council on Postsecondary Education, and the Ohio Department of Higher Education. Specific forms for the annual report may be prescribed by the state agencies.

III. Approval

This agreement is not effective unless and until approved by the Ohio Department of Higher Education pursuant to Section 3333.17 of the Ohio Revised Code and the Kentucky Council on Postsecondary Education.

IV. Counterparts

This agreement may be executed in counterparts, each counterpart agreement shall be deemed an original, and all of which together shall constitute one in the same instrument.

Draft

TUITION RECIPROCITY AGREEMENT SIGNATURE PAGES
STATE AGENCIES

Dr. Aaron Thompson, President
Kentucky Council on Postsecondary Education

Signed: _____ Date: _____

Randy Gardner, Chancellor
Ohio Department of Higher Education

Signed: _____ Date: _____

Dr. Jay Box, President
Kentucky Community & Technical College System

Signed: _____ Date: _____

~~Robert L. King, President
Kentucky Council on Postsecondary Education~~

~~Signed:~~

~~Date:~~

~~John Carey, Chancellor
Ohio Department of Higher Education~~

~~Signed: _____ Date:~~

~~Jay Box, President
Kentucky Community and Technical College System~~

~~Signed: _____~~

~~Date: _____~~

TUITION RECIPROCITY AGREEMENT SIGNATURE PAGES
INSTITUTIONS

[Dr. Steve Vacik, President](#)
Maysville Community and Technical College

Signed: _____ Date: _____

[Dr. Neville G. Pinto, President](#)
University of Cincinnati

Signed: _____ Date: _____

[Dr. Gregory P. Crawford, President](#)
[Miami University](#)

Signed: _____ Date: _____

Council on Postsecondary Education Proposed Change in Tuition and Mandatory Fee Policy

Nonresident Student Tuition and Fees

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

In addition, every institution shall manage its tuition and fee rate structures, price discounting, and scholarship aid for out-of-state students, such that **in any given year**, the average net tuition and fee revenue generated per nonresident **undergraduate** student equals or exceeds ~~100% of direct instructional and student services costs per student~~ **130% of the annual full-time tuition and fee charge assessed to resident undergraduate students (i.e., the published in-state sticker price)**. As part of the tuition and fee setting process, staff shall monitor and report annually to the Council regarding compliance with this requirement.

~~Given the substantial costs associated with health sciences 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.~~

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

Kentucky Public Universities

Draft - For Discussion Purposes

Table 1 - Net Tuition Revenue per Student, Price Multiples, and Discount Rates by Residency Status

June 14, 2019

Fiscal Year 2017-18

Component Category	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU
Undergraduate <u>Resident</u> Students								
Gross Tuition and Fee Revenue	178,211,714	138,133,700	103,285,300	6,580,375	48,453,400	42,794,000	69,116,326	116,993,300
- Institutional Financial Aid	52,957,334	47,444,900	20,776,500	2,031,605	16,865,800	11,290,100	13,144,340	32,450,800
Net Tuition and Fee Revenue	125,254,380	90,688,800	82,508,800	4,548,770	31,587,600	31,503,900	55,971,986	84,542,500
÷ Fall 2017 FTE Students	14,449	10,622	10,302	877	5,991	4,628	6,891	11,263
Net Tuition Revenue per Student	8,669	8,538	8,009	5,187	5,273	6,807	8,122	7,506
÷ <u>Resident</u> Undergraduate Tuition and Fee Charges	12,070	11,656	9,596	8,800	9,070	9,084	10,032	10,602
Resident Student Price Multiple ¹	0.72	0.73	0.83	0.59	0.58	0.75	0.81	0.71
Resident Student Discount Rate ²	30%	34%	20%	31%	35%	26%	19%	28%
Undergraduate <u>Nonresident</u> Students								
Gross Tuition and Fee Revenue	177,403,117	41,127,900	24,909,100	8,119,263	12,415,800	48,477,500	46,528,302	47,890,800
- Institutional Financial Aid	55,754,737	20,645,300	6,206,200	2,431,529	3,992,400	25,899,200	12,436,664	9,725,200
Net Tuition and Fee Revenue	121,648,380	20,482,600	18,702,900	5,687,734	8,423,400	22,578,300	34,091,638	38,165,600
÷ Fall 2017 FTE Students	7,023	1,734	1,336	497	729	2,301	2,755	2,344
Net Tuition Revenue per Student	17,321	11,812	13,999	11,444	11,555	9,812	12,374	16,282
÷ <u>Resident</u> Undergraduate Tuition and Fee Charges	12,070	11,656	9,596	8,800	9,070	9,084	10,032	10,602
Nonresident Student Price Multiple ³	1.44	➡ 1.01	1.46	1.30	➡ 1.27	➡ 1.08	➡ 1.23	1.54
Nonresident Student Discount Rate ⁴	31%	50%	25%	30%	32%	53%	27%	20%

Definitions:

¹ Resident Student Price Multiple = Resident Undergraduate Net Tuition Revenue per Student ÷ Resident Undergraduate Tuition and Fee Charges

➡ MOU required.

² Resident Student Discount Rate = Resident Undergraduate Institutional Financial Aid ÷ Resident Undergraduate Gross Tuition and Fee Revenue

³ Nonresident Student Price Multiple = Nonresident Undergraduate Net Tuition Revenue per Student ÷ Resident Undergraduate Tuition and Fee Charges

Source: Council on Postsecondary Education, Comprehensive Database, Form FD-24.

⁴ Nonresident Student Discount Rate = Nonresident Undergraduate Institutional Financial Aid ÷ Nonresident Undergraduate Gross Tuition and Fee Revenue

TITLE: 2020-22 Biennial Budget Recommendation

PROJECT COMPLETION INFORMATION:

- See timeline/meeting schedule.
- Committee work to be complete by mid-October.
- The full Council will take action at its October 31, 2019.

TOPICS FOR DISCUSSION ON JUNE 14, 2019

- Timeline/meeting schedule
- Summary of 2018-20 request
- Preliminary priorities for 2020-22
- Beginning base/mandated programs
- Funding component discussions

Council on Postsecondary Education 2020-22 Biennial Budget Request Development Timeline

Group	Date	Activity
CBO Meeting	March 19, 2019	<ul style="list-style-type: none"> • Share timeline and discuss process. • Review funding components, amounts, and rationale from previous biennia. • Discuss beginning base, mandated programs, and stop loss for 2020-22. • Discuss potential funding components for 2020-22. • Share and discuss preliminary 2019-20 Performance Fund distribution.
→ Presidents' Meeting	April 3, 2019	<ul style="list-style-type: none"> • Review funding components, amounts, and rationale from previous biennia. • Discuss beginning base, mandated programs, and stop loss for 2020-22. • Discuss potential funding components for 2020-22. • Share and discuss final 2019-20 Performance Fund distribution.
CBO Meeting	April 29, 2019	<ul style="list-style-type: none"> • Discuss and finalize recommendations on beginning base, mandated programs, and stop loss for 2020-22. • Continue discussion of potential funding components for 2020-22.
→ Presidents' Meeting	May 1, 2019	<ul style="list-style-type: none"> • Present CBO recommendations on beginning base, mandated programs, and stop loss for 2020-22 to the presidents. • Discuss and make decisions regarding beginning base, mandated programs, and stop loss for 2020-22. • Continue discussion of potential funding components for 2020-22.
CBO Meeting	May 31, 2019	<ul style="list-style-type: none"> • Present final decisions regarding beginning base, mandated programs, and stop loss for 2020-22, given input from presidents. • Continue discussion of potential funding components for 2020-22. • Initiate discussion of funding amounts and rationale for the request.
→ Presidents' Meeting	June 5, 2019	<ul style="list-style-type: none"> • Continue discussion of including stop loss in second year of biennium. • Continue discussion of potential funding components for 2020-22. • Initiate discussion of funding amounts and rationale for the request.
Finance Committee	June 14, 2019	<ul style="list-style-type: none"> • Share timeline and discuss process. • Review funding components, amounts, and rationale from previous biennia. • Share and discuss preliminary funding component priorities for 2020-22. • Present CPE staff and institution recommendations on beginning base, mandated programs, and stop loss for 2020-22 to Finance Committee. • Share and discuss final 2019-20 Performance Fund distribution.
CBO Meeting	TBD (June 24-26)	<ul style="list-style-type: none"> • Continue discussion of potential funding components for 2020-22. • Continue discussion of funding amounts and rationale for the request.
CBO Meeting	TBD (July 22-26)	<ul style="list-style-type: none"> • Formulate draft 2020-22 budget recommendation to share with presidents, including components, funding amounts, and rationale. • Initiate discussion of presentation materials.
→ Presidents' Meeting	August 7, 2019	<ul style="list-style-type: none"> • Present draft 2020-22 budget recommendation to presidents. • Discuss funding components, amounts, and rationale for request. • Initiate discussion of presentation materials.
Finance Committee	TBD (August 12-16)	<ul style="list-style-type: none"> • Present draft 2020-22 budget recommendation to Finance Committee. • Discuss funding components, amounts, and rationale for request. • Initiate discussion of presentation materials.
CBO Meeting	TBD (August 26-30)	<ul style="list-style-type: none"> • Modify request based on input from presidents and Finance Committee. • Formulate preliminary presentation materials.

**Council on Postsecondary Education
2020-22 Biennial Budget Request Development Timeline**

Group	Date	Activity
→ Presidents' Meeting	September 4, 2019	<ul style="list-style-type: none"> • Present revised 2020-22 budget recommendation to presidents. • Present preliminary presentation materials for review and discussion.
Finance Committee	TBD (September 9-13)	<ul style="list-style-type: none"> • Present revised 2020-22 budget recommendation to Finance Committee. • Present preliminary presentation materials for review and discussion.
CBO Meeting	TBD (September 23-27)	<ul style="list-style-type: none"> • Finalize 2020-22 budget recommendation, given input from presidents and Finance Committee. • Finalize presentation materials, given input from presidents and Finance Committee.
→ Presidents' Meeting	October 2, 2019	<ul style="list-style-type: none"> • Present final 2020-22 biennial budget recommendation to presidents. • Present final presentation materials to presidents.
Finance Committee	TBD (October 14-18)	<ul style="list-style-type: none"> • Present final 2020-22 budget recommendation to Finance Committee. • Present final presentation materials to Finance Committee.
Council Meeting	October 31, 2019	<ul style="list-style-type: none"> • Council takes action on proposed 2020-22 budget recommendation.
CPE Staff	November 15, 2019	<ul style="list-style-type: none"> • Biennial budget submission to Governor and General Assembly.

TBD = To Be Determined

Council on Postsecondary Education 2018-20 Biennial Budget Recommendation

Table 2 - Funding Components and Request Amounts

Funding Component	Fiscal 2018-19	Fiscal 2019-20
Operating Funds		
• Performance Funding ¹	\$18,937,500	\$36,512,200
Special Initiatives		
• KERS Increases ²	\$47,247,500	\$47,247,500
• Competitive Workforce Initiative ³	\$3,561,100	\$5,935,100
• KSU Land Grant Match ⁴	\$290,000	\$290,000

Funding Component	State Bond Funds	Annual Debt Service
Trust Funds		
• Bucks for Brains ⁵	\$90,000,000	\$8,217,000
Capital Projects		
• Asset Preservation ⁶	\$600,000,000	\$50,903,000

¹ Additional operating funds that will reward institutions for increasing student success and course completion outcomes at a rate above the sector average. If authorized, these funds will help Council and campus officials maintain affordability for Kentucky citizens, provide resources necessary for institutions to continue making progress toward HB 1 goals, and facilitate transition to performance funding.

² Recurring funding to offset mandated increases in KERS employer-paid retirement contributions at Kentucky comprehensive universities and KCTCS institutions. Absent the requested funding, KERS cost increases are the equivalent of an average 9.7% budget cut, which will strain campus budgets and could result in higher tuition and fees. If authorized, these funds will help comprehensive universities and KCTCS institutions maintain affordability and access for Kentucky citizens.

³ Funding to expand workforce education and training and short-term credential programs in targeted high-wage, high-demand fields at KCTCS institutions in anticipation of increased student demand triggered by the Governor's Work Ready Scholarship initiative. If authorized, these funds will address labor shortages identified by region, make Kentucky's workforce more competitive, and help attract, retain, and grow business and industry in the state.

Council on Postsecondary Education 2018-20 Biennial Budget Recommendation

Funding Components and Request Amounts (Cont'd)

- ⁴ Additional operating funds to fully meet the federal matching requirement for KSU's land-grant program. These funds will help sustain the effectiveness and impact of outreach, service, and applied research of KSU's land-grant program.
- ⁵ Annual debt service to support a fifth round of funding for Bucks for Brains. If authorized, state bond funds will be matched dollar-for-dollar with institutional funds generated from external sources. Both state and campus matching funds will be endowed, with investment proceeds available for expenditure in perpetuity, or expended on eligible capital projects as permitted by Council guidelines. Investment proceeds can be used to support endowed chairs, professorships, research scholars, staff, and infrastructure, and student fellowships and scholarships.
- ⁶ Annual debt service to support a \$600 million bond issue to finance asset preservation and renovation projects at the postsecondary institutions during the upcoming biennium. If requested bond funds are authorized, they will be matched dollar-for-dollar by receiving institutions. It is estimated that the combined \$1.2 billion total, state appropriations plus campus matching funds, will address about one-fifth of the total asset preservation needs of state colleges and universities.

Council on Postsecondary Education
2020-22 Biennial Budget Recommendation
Preliminary Funding Component Priorities by Institution

University of Kentucky

- New performance funds
- Capital renewal or modernization funding
- Another round of Bucks for Brains or endowment match funds

University of Louisville

- Increase state performance funding (with additional dollars)
- Faculty and staff salary increase dollars to aid employee retention and performance
- Student opportunity funds (e.g., scholarships)
- Deferred maintenance funding for facilities
- Capital projects
- Information Technology funding for infrastructure and academic support needs
- Bucks for Brains program funding

Eastern Kentucky University

- Postsecondary General Fund Base Stabilization (an incremental base increase that reflects an attempt to repair reductions and damage to institution General Funds from the 2008 recession aftermath)
- Regional University General Fund Increase for ongoing Pension Expense Support
- Fund the number one ranked capital project at each campus with General Fund Bond Funds
- Capital Infrastructure Improvement Pool

Kentucky State University

- Deferred maintenance funding for facilities
- New funding to support performance-based model
- Consideration for additional funding for the Commonwealth's retirement systems

Potential Funding Components by Institution (Cont'd)

Morehead State University

- New funding to support performance funding, not reallocated dollars from the institutions base appropriations
- An adjustment in the performance funding formula to offset KERS and KTRS pension costs

Murray State University

- Depending on the pension status, we would ask for an adjustment in the performance funding model that would add a correction for the pension impact and the Deferred Maintenance needs based on the new study
- Some interest in an academic program enhancement or expansion pool
- Primary focus: asset preservation. The facilities study should provide some good support for a funding ask
- We are open to requesting a certain percentage of the Deferred Maintenance needs, per this study, or choose 4-5 projects for each school and combine the request into a proposed state General Fund bond issue. We are opposed to any cost sharing options, since pension issues will likely be ongoing.
- The comprehensive, unified ask in 2012 is more representative of what we would prefer with a focus on preservation projects with some University debt, P3 or other alternative financing options authorized for Auxiliary type projects (campus housing)

Northern Kentucky University

- First priority: focus request on additional performance funding (operating funds)
- Second priority: capital funding for both new construction and asset preservation but with a larger percentage to asset preservation (no required matching funds)

Western Kentucky University

- More funding for the performance funding pool
- Funding for the capital pool
- With line item appropriations for Gatton Academy and Kentucky Mesonet - more engaged in discussions on inflationary increases for those

Potential Funding Components by Institution (Cont'd)

KCTCS

- New funding to support performance funding, not reallocated dollars from the institutions base appropriations
- KERS and KTRS funding to offset the rate increase, or relief from the rate increases
- Safety and Security funding to ensure our campuses as safe as we can make them given today's world
- Raising dual credit tuition rate charged to 50% of KCTCS's tuition
- Funding for expansion of workforce training and workforce technical programs, including new faculty pay levels so as to be competitive
- Funds to support compensation and classification of faculty and staff – KCTCS is no longer competitive with its salaries and wages for faculty or staff
- Funding to address deferred maintenance that continues to grow on the colleges' campuses

Council on Postsecondary Education (Staff)

- New performance funds
- Capital funding for asset preservation
- Trust fund request, supporting increased focus on:
 - (1) employability skills/alignment with workforce needs
 - (2) student success/gap closing
 - (3) teacher education

Kentucky Public Postsecondary Institution
Table 3 - Calculated Total General Fund Appropriation
Fiscal Year 2019-20

	A	B	(A + B) C
<u>Institution</u>	<u>2019-20 Regular Appropriation</u> ¹	<u>Performance Distribution</u> ²	<u>2019-20 Total Appropriation</u>
University of Kentucky	\$249,109,400	\$14,492,500	\$263,601,900
University of Louisville	123,290,400	3,343,300	126,633,700
Eastern Kentucky University	60,175,200	3,578,400	63,753,600
Kentucky State University	25,259,100	0	25,259,100
Morehead State University	38,466,800	0	38,466,800
Murray State University	44,581,400	0	44,581,400
Northern Kentucky University	47,974,500	4,325,500	52,300,000
Western Kentucky University	69,344,200	4,379,100	73,723,300
Subtotal	\$658,201,000	\$30,118,800	\$688,319,800
KCTCS	166,034,000	8,547,000	174,581,000
Total	\$824,235,000	\$38,665,800	\$862,900,800

¹ Fiscal year 2019-20 General Fund appropriation for each institution as enacted in the 2018-20 Budget of the Commonwealth (HB 200/VO).

² Final distribution of \$38.7 million appropriated to the Postsecondary Education Performance Fund in fiscal year 2019-20.

Council on Postsecondary Education
Table 4 - Mandated Program Appropriations
Fiscal Year 2019-20

Institution	2019-20 Mandated Program Funding
University of Kentucky	
Hospital Direct Support	0
Agriculture Cooperative Extension	31,275,300
Agriculture Experiment Station	29,479,600
Agriculture Public Service	1,800,000
Livestock Disease Diagnostic Lab	4,034,200
Kentucky Geological Survey	4,076,300
University Press	0
Center on Aging	2,040,500
Center for Entrepreneurship	600,000
Rural Health Care	450,200
Center on Cancer Prevention	450,200
Center for Applied Energy Research	5,176,200
Subtotal	79,382,500
University of Louisville	
Rural Health Care	695,200
Eastern Kentucky University	
Community Operations Board	0
Model Laboratory School	2,071,900
Subtotal	2,071,900
Kentucky State University	
Land Grant Program	6,651,400
Morehead State University	
Craft Academy	2,822,400
Kentucky Folk Art Center	0
Subtotal	2,822,400
Murray State University	
Breathitt Veterinary Center	3,200,000

Council on Postsecondary Education
Table 4 - Mandated Program Appropriations
Fiscal Year 2019-20

Institution	2019-20 Mandated Program Funding
Northern Kentucky University	
Kentucky Center for Mathematics	1,323,900
Western Kentucky University	
Gatton Academy	4,747,700
Kentucky Mesonet	750,000
Subtotal	5,497,700
University Total	101,645,000
KCTCS	
Fire Commission	1,869,900
KBEMS	1,799,700
Kentucky Coal Academy	0
Kentucky Wins/Trains	4,149,800
Adult Agriculture	1,000,000
Subtotal	8,819,400
System Total	110,464,400

TITLE: Performance Funding

DISCUSSION ONLY: No action required by committee

TOPICS FOR DISCUSSION ON JUNE 14, 2019

- The distribution for fiscal year 2019-20
- An update on stop loss discussions
- An update on recent campus proposals

Council on Postsecondary Education
 Performance Funding Model for the Public Universities
 Table 5 - Subsequent Distribution of Allocable Resources by Institution
 Fiscal Year 2019-20

Final Verified Distribution
 April 1, 2019

Institution	(A + B)		C	D	E	(C - D - E)				Operational Support Components (@ 30%)						G	H	
	A	B				F	Outcomes Based Components (@ 70%)				Operational Support Components (@ 30%)							
	2019-20 Adjusted Net General Fund	Performance Distribution	2019-20 Revised Net General Fund	Small School Adjustment ¹	Hold Harmless Allocation	Allocable Resources	Success Share ²	Student Success	Credit Hour Share ³	Course Completion	Square Feet Share ⁴	Maintenance & Operations	Direct Cost Share ⁵	Institutional Support	FTE Student Share ⁶	Academic Support	Formula Totals	Dollar Difference
UK	\$167,181,400	\$14,492,500	\$181,673,900	(\$16,999,300)	\$0	\$164,674,600	32.8%	\$59,463,400	30.6%	\$55,431,500	35.3%	\$18,316,400	28.2%	\$14,590,900	32.6%	\$16,872,500	\$164,674,700	\$100
UofL	122,595,200	3,343,300	125,938,500	(12,391,500)	0	113,547,000	20.9%	37,909,600	23.1%	41,813,300	18.9%	9,803,700	25.4%	13,181,700	20.9%	10,838,700	113,547,000	0
EKU	58,103,300	3,578,400	61,681,700	(4,451,200)	0	57,230,500	10.9%	19,723,400	11.7%	21,136,800	10.5%	5,446,800	10.1%	5,259,300	10.9%	5,664,200	57,230,500	0
KSU	18,607,700	0	18,607,700	(4,451,200)	(6,867,800)	7,288,700	1.6%	2,822,000	0.9%	1,647,600	3.0%	1,540,200	1.4%	704,700	1.1%	574,100	7,288,600	(100)
MoSU	35,644,400	0	35,644,400	(4,451,200)	(2,814,900)	28,378,300	5.3%	9,660,900	5.5%	9,920,500	5.8%	3,000,100	5.6%	2,912,700	5.6%	2,884,000	28,378,200	(100)
MuSU	41,381,400	0	41,381,400	(4,451,200)	(118,500)	36,811,700	7.2%	13,091,800	6.6%	11,884,500	8.6%	4,471,500	7.4%	3,815,300	6.8%	3,548,600	36,811,700	0
NKU	46,650,600	4,325,500	50,976,100	(4,451,200)	0	46,524,900	9.1%	16,573,800	9.0%	16,291,400	7.8%	4,047,000	9.1%	4,707,100	9.5%	4,905,500	46,524,800	(100)
WKU	63,846,500	4,379,100	68,225,600	(4,451,200)	0	63,774,400	12.2%	22,135,500	12.8%	23,254,900	10.0%	5,197,400	12.8%	6,651,300	12.6%	6,535,300	63,774,400	0
Sector	\$554,010,500	\$30,118,800	\$584,129,300	(\$56,098,000)	(\$9,801,200)	\$518,230,100	100.0%	\$181,380,400	100.0%	\$181,380,500	100.0%	\$51,823,100	100.0%	\$51,823,000	100.0%	\$51,822,900	\$518,229,900	(\$200)
						Allocated Dollars:		\$181,380,500		\$181,380,500		\$51,823,000		\$51,823,000		\$51,823,000	\$518,230,000	} Math Check
						Percent of Total:		35.0%		35.0%		10.0%		10.0%		10.0%	100.0%	

¹ Small School Adjustment defined as fixed base amount that remains constant when sector total appropriation increases or stays the same, but may be reduced if there is a budget cut.

² Student Success component distributed based on each institution's share of weighted student success outcomes produced (i.e., bachelor's degrees; STEM+H, URM, and low-income bachelor's degrees; and student progression at 30, 60, and 90 credit hour thresholds).

³ Course Completion distributed based on each institution's share of weighted student credit hours earned. Weights reflect differences in costs by course level and discipline, as well as, differences in cost structures and mission between sectors. Credit hours earned by out-of-state students are counted at 50% of similar credit hours earned by in-state students.

⁴ Funding for maintenance and operation (M&O) of facilities distributed based on each institution's share of Category I and Category II square feet, net of research, non-class laboratory, and open laboratory space.

⁵ Institutional Support component distributed based on each institution's share of total instruction and student services spending (i.e., share of direct instructional costs).

⁶ Academic Support distributed based on each institution's share of total FTE student enrollment, weighted for differences in cost structures and mission between sectors.



Kentucky Council on Postsecondary Education

Matthew G. Bevin
Governor

1024 Capital Center Drive, Suite 320
Frankfort, Kentucky 40601
Phone: 502-573-1555
Fax: 502-573-1535
<http://www.cpe.ky.gov>

Aaron Thompson, Ph.D.
President

April 1, 2019

Mr. John Chilton, State Budget Director
Capitol Annex, Room 284
702 Capital Avenue
Frankfort, KY 40601

RE: Distribution of 2019-20 Postsecondary Education Performance Fund

Dear John:

As you know, the enacted budget for the 2018-20 biennium (HB 200) appropriated \$38,665,800 to the Postsecondary Education Performance Fund in fiscal year 2019-20. These funds are to be distributed according to the provisions of KRS 164.092, which directs the Council on Postsecondary Education to run the Performance Funding Model and submit to your office a distribution of funds for the public universities and KCTCS institutions as indicated below.

Public Universities and KCTCS:

University of Kentucky	\$14,492,500
University of Louisville	3,343,300
Eastern Kentucky University	3,578,400
Kentucky State University	0
Morehead State University	0
Murray State University	0
Northern Kentucky University	4,325,500
Western Kentucky University	4,379,100
KCTCS	<u>8,547,000</u>
Total	\$38,665,800

(Continued on following page)

KCTCS Institutions (Detail):

Ashland	\$0
Big Sandy	0
Bluegrass	1,356,500
Elizabethtown	1,298,000
Gateway	812,900
Hazard	0
Henderson	0
Hopkinsville	323,100
Jefferson	1,160,100
Madisonville	0
Maysville	473,800
Owensboro	708,500
Somerset	144,500
Southcentral	1,462,300
Southeast	0
West Kentucky	<u>807,300</u>
KCTCS Subtotal	\$8,547,000

Spreadsheets showing calculations used to determine the distribution of funds for the public universities and KCTCS institutions are available upon request. If you have questions or require additional information, please contact me at (502) 892-3001 or Bill Payne at (502) 892-3052.

Sincerely,

Aaron Thompson, President
Kentucky Council on Postsecondary Education

C: Governor Matthew G. Bevin
Senator Christian McDaniel
Senator David Givens
Representative Steven Rudy
Representative James Tipton
Janice Tomes, OSBD
Carla Wright, OSBD
Postsecondary Institution Presidents

Section 9 of Kentucky's Performance Funding Statute
KRS 164.092

(9) (a) The funding formula for both sectors shall include:

1. A hold-harmless provision for fiscal year 2018-2019 preventing a reduction in an institution's funding amount based solely on the formula calculation, and allowing a hold-harmless amount determined by the formula in fiscal year 2018-2019 to be deducted from an institution's formula base amount in whole or in part in fiscal years 2019-2020 and 2020-2021, as determined by the council;
2. A stop-loss provision for fiscal year 2019-2020 limiting the reduction in funding to any institution to one percent (1%) of that institution's formula base amount; and
3. A stop-loss provision for fiscal year 2020-2021 limiting the reduction in funding to any institution to two percent (2%) of that institution's formula base amount.

(b) For fiscal year 2021-2022 and thereafter, hold-harmless and stop-loss provisions shall not be included in the funding formulas except by enactment of the General Assembly.

(c) Paragraph (a) of this subsection shall not be construed to limit the level of a budget reduction that may be enacted by the General Assembly or implemented by the Governor.

Kentucky Public Postsecondary Institution

Final Verified Calculations

Table 6 - Calculated Performance Fund Contributions by Sector and Institution

June 14, 2019

Fiscal Year 2020-21

Institution	A	B	C	(A - B - C)	(D x -.02)
	2019-20 Total Appropriation ¹	Adjustments to General Fund	2019-20 Mandated Program Funding ³	D	E
University of Kentucky	\$263,601,900	(\$2,545,500) ²	(\$79,382,500)	\$181,673,900	(\$3,633,500)
University of Louisville	126,633,700	0	(695,200)	125,938,500	(2,518,800)
Eastern Kentucky University	63,753,600	0	(2,071,900)	61,681,700	(1,233,600)
Kentucky State University	25,259,100	0	(6,651,400)	18,607,700	(372,200)
Morehead State University	38,466,800	0	(2,822,400)	35,644,400	(712,900)
Murray State University	44,581,400	0	(3,200,000)	41,381,400	(827,600)
Northern Kentucky University	52,300,000	0	(1,323,900)	50,976,100	(1,019,500)
Western Kentucky University	73,723,300	0	(5,497,700)	68,225,600	(1,364,500)
Subtotal	\$688,319,800	(\$2,545,500)	(\$101,645,000)	\$584,129,300	(\$11,682,600)
KCTCS	174,581,000		(8,819,400)	165,761,600	(3,315,200)
Total	\$862,900,800		(\$110,464,400)	\$749,890,900	(\$14,997,800)

Total 2020-21 Performance Fund Contribution: \$14,997,800

¹ Sum of fiscal year 2019-20 General Fund appropriation for each institution as enacted (i.e., regular appropriation) and each institution's distribution from \$38.7 million appropriated to the Postsecondary Education Performance Fund in fiscal 2019-20.

² Debt service for UK HealthCare Disparities Initiative capital project in fiscal year 2019-20 (will likely be transferred to Finance Cabinet in 2020-21).

³ Mandated program funding amounts used in the 2019-20 iteration of the performance funding model.

Fiscal Year 2021-22

- *There is consensus among Kentucky public postsecondary institution presidents and CBOs that the Council's 2020-22 biennial budget request should include a recommendation that KRS 164.092 be notwithstanding in the 2020-22 Budget of the Commonwealth and that a 2.0% stop loss be applied in the funding model in the second year of the biennium.*