

# KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION FINANCE COMMITTEE MEETING



June 9, 2025 - 1:00 p.m., ET

Virtual Meeting via ZOOM - <https://us02web.zoom.us/j/89129396618>

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## AGENDA AMENDED 6/7/25

- I. Call to Order and Roll Call**
- II. CPE President Report**
- III. Action Items**
  - A. Approval of Minutes
  - B. Revision to Tuition and Mandatory Fee Policy
  - C. Tuition and Mandatory Fees Proposals, Academic Year 2025-26
    - 1. Eastern Kentucky University
    - 2. Murray State University
    - 3. Western Kentucky University
  - D. Delegation of Authority Request
  - E. Tuition Reciprocity Agreements
    - 1. Indiana & Kentucky, 2025-2029
    - 2. Ohio & Kentucky, 2025-2027
    - 3. West Virginia & Kentucky, 2025-2027
- IV. Information Items and Staff Updates**
  - A. Budget Development Update
  - B. 2025-26 Distribution of Performance Funds
- V. Other Business**
- VI. Adjournment**

*Next Finance Committee Meeting: September 8, 2025 @ 1:00 p.m. ET*

## MEETING MINUTES

*Draft for Approval by the Finance Committee, June 9, 2025*

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Who: Kentucky Council on Postsecondary Education  
Meeting Type: Finance Committee  
Date: April 14, 2025  
Time: 1:00 p.m. ET  
Location: Virtual Meeting via ZOOM Webinar

### CALL TO ORDER

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The Finance Committee met Monday, April 14, 2025, at 1:00 p.m., ET. The meeting occurred virtually via ZOOM webinar. Committee Chair Jacob Brown presided.

### ROLL CALL

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All committee members attended the meeting: Jacob Brown, Lindsey Case, Jennifer Collins, Kellie Ellis, Madison Silvert, Macy Waddle and Elaine Walker.

Heather Faesy, CPE program manager, served as recorder of the meeting minutes.

### APPROVAL OF THE MINUTES

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The minutes of the January 27, 2025, Finance Committee meeting were approved as presented.

### CPE PRESIDENT REPORT

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Dr. Aaron Thompson, CPE President, provided a brief update to the Committee that include comments regarding the outcomes of 2025 legislative session and upcoming speaking and workforce-related engagements.

### TUITION AND MANDATORY FEE RECOMMENDATION, ACADEMIC YEARS 2025-26 AND 2026-27

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Dr. Bill Payne, CPE's Vice President of Finance Policy and Programs, presented the proposed tuition and mandatory fee recommendations for academic years 2025-26 and 2026-27. Council staff used a collaborative process to develop its tuition and mandatory fee recommendation for academic years 2025-26 and 2026-27, which included sharing information and engaging in discussions with campus presidents, chief budget officers, and Council members. Several key issues were reviewed during the development process including (a) the level of state support for campus operations; (b) a pending reduction in the

state's pension subsidy; (c) relatively low tuition increases in recent years; (d) the onset of unprecedented and persistent inflationary cost increases; (e) recent trends in college spending; (f) declining college going rates; (g) recent increases in student enrollment at nearly every institution; and (h) recent decreases in student loan debt. Data and supporting information were shared with the committee on each of these issues.

Based on the research and after consulting with all state holders, staff recommended that the Finance Committee approve, and endorse to the full Council, resident undergraduate tuition and mandatory fee ceilings for academic years 2025-26 and 2026-27 that equate to:

- A maximum base rate increase of no more than \$675.00 over two years, and a maximum increase of no more than \$450.00 in any one year, for public research universities.
- A maximum base rate increase of no more than \$630.00 over two years, and a maximum increase of no more than \$420.00 in any one year, for comprehensive universities.
- A maximum base rate increase of no more than \$9.00 per credit hour over two years, and a maximum increase of no more than \$6.00 per credit hour in any one year, for students attending KCTCS institutions.

In addition to proposing resident undergraduate rate ceilings for the next two years, staff recommends that the public institutions be allowed to submit for Council review and approval:

- Nonresident undergraduate tuition and fee rates that comply with the Council's Tuition and Mandatory Fees Policy, or otherwise adhere to provisions of an existing Memorandum of Understanding between the Council and an institution.
- Market competitive tuition and fee rates for graduate and online courses, as approved by their respective governing boards.

Staff further identified and provided the maximum allowable base rates for academic years 2025-26 and 2026-27 given staff's recommended parameters. (Base rates are defined as total tuition and fee charges, minus any Special Use Fees or Asset Preservation Fees previously approved by the Council, and minus an existing agency bond fee at KCTCS.)

Staff answered questions from the Committee regarding the impetus for using a common dollar increase versus a percentage increase, why the research institutions were given a higher dollar amount in comparison to the comprehensive institutions, and reasons why some institutions receive a pension subsidiary.

MOTION: Ms. Walker moved the Finance Committee endorse for Council approval the staff recommendation for resident undergraduate tuition and mandatory fee ceilings for academic years 2025-26 and 2026-27. Chair Silvert seconded the motion.

VOTE: The motion passed.

### **INTERIM CAPITAL PROJECT REQUEST – MURRAY STATE UNIVERSITY**

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Mr. Adam Blevins, Associate Director of Finance Policy and Programs, presented Murray State University's request to approve a \$1,510,000 agency restricted funds interim capital project that will replace the roof of the Curriss Center. The project will replace 32,862 square feet of built-up roofing, which was last replaced in 1990 and had a 25-year useful-life expectancy. If approved, work would begin in the summer.

MOTION: Chair Silvert moved that the Finance Committee endorse for Council approval the proposed interim capital project at Murray State University. Ms. Walker seconded the motion.

VOTE: The motion passed.

### **INTERIM CAPITAL PROJECT REQUEST – MURRAY STATE UNIVERSITY**

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Mr. Blevins presented Northern Kentucky University's request to approve a \$3,000,000 private donor funds interim project that would demolish and reconstruct the existing outdoor tennis complex. The project will allow the six-court complex to be demolished and reconstructed at the current site on the west side of the main campus. Once repaired, both the university's tennis team and entire student body will have access.

MOTION: Ms. Collins moved that the Finance Committee endorse for Council approval the proposed interim capital project at Northern Kentucky University. Ms. Waddle seconded the motion.

VOTE: The motion passed.

### **REVISIONS TO THE 2022-24 ENDOWMENT MATCH PROGRAM GUIDELINES**

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Mr. Blevins presented proposed revisions to the 2022-24 Endowment Match Program Guidelines. The revisions were proposed to comply with the legislative requirements of HB 4 and remove DEI-related planning and reporting requirements from the program.

MOTION: Ms. Walker moved that the Finance Committee endorse for Council approval the proposed revisions to the 2022-24 Endowment Match Program Guidelines. Chair Silvert seconded the motion.

VOTE: The motion passed.

## ADJOURNMENT

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The Finance Committee adjourned at 2:25 p.m., ET.

DRAFT

**TITLE:** Revisions to the CPE Tuition and Mandatory Fee Policy

**DESCRIPTION:** Staff recommends that the Finance Committee endorse the Council approve the proposed revisions to the *Tuition and Mandatory Fee Policy for Academic Year 2025-26*.

**STAFF CONTACTS:** Adam Blevins, Associate Director for Finance Policy and Programs  
Bill Payne, Vice President for Finance Policy and Programs

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### **SUPPORTING INFORMATION**

The Kentucky Council on Postsecondary Education is vested with authority under KRS 164.020 to determine tuition at public postsecondary institutions in Kentucky. In accordance with this authority, the Council adopted the Tuition and Mandatory Fee Policy to guide its efforts in balancing college affordability for students and families with the resource needs of Kentucky's public colleges and universities.

The CPE Tuition and Mandatory Fee Policy is taken to the Council for periodic review, typically coinciding with the approval of tuition and fee ceilings for public postsecondary institutions. During the tuition and fee setting process for academic years 2025-26 and 2026-27, CPE staff identified two primary areas for revision and improvement within the current Tuition and Mandatory Fee Policy: (1) alignment of policy and practice by way of eliminating the Council's two fee exception policies (described below); and (2) the inclusion of a clear, consistent definition for *mandatory fees* that will be applied by the Council and CPE staff when reviewing or evaluating mandatory fees at the institutions.

If approved, the proposed revisions to the current Tuition and Mandatory Fee Policy will provide greater transparency and improved clarity around mandatory fees and their associated approval policies. Additionally, the alignment between policy and practice, with regard to the existing fee exception policies, will clarify the process for institutions seeking to implement new mandatory fees.

Proposed revisions can be seen in Attachment A, with eliminations denoted by red strikethrough and additions shown in green text.

### **Special Use Fee Exception Policy**

On April 28, 2011, the Council adopted a Special Use Fee Exception Policy that allowed Kentucky public postsecondary institutions, under certain conditions, to charge student-endorsed fees that would be excluded from consideration when assessing institutional compliance with Council-approved rate ceilings. The underlying rationale for the exception policy was that the Council and campus officials wanted to accommodate the desires of students to assess a fee on themselves to construct new facilities or renovate existing facilities that support student activities and services, without sacrificing revenue necessary to sustain ongoing campus operations.

Fees that qualified for a Special Use Fee exemption were for a fixed, recurring amount that could not increase over time. For this reason, during the process of establishing tuition and fee ceilings, Council staff deducts these fees from total tuition and fees before applying a percent increase parameter. This keeps the fees at the same amount each year until they expire. Between June 10, 2011, and June 12, 2015, the Council approved Special Use Fee exception requests for five institutions. Although several institutions have asked about Special Use Fee exceptions in recent years, the Council changed its stance on allowing exemptions from rate ceilings. Declining enrollment at most institutions, precipitated by decreasing numbers of high school graduates and falling college participation rates, brought about a renewed focus on affordability and increased transparency in college pricing.

For several years, it has been common practice for the Council to count all increases in mandatory fees toward tuition and fee rate ceilings and to not allow exceptions from the price caps, including exceptions for special use and asset preservation fees. For this reason, in the attached *Tuition and Mandatory Fee Policy for Academic Year 2025-26*, CPE staff proposes that the Special Use Fee Exception Policy be terminated beginning in academic year 2025-26.

### **Asset Preservation Fee Exception Policy**

On February 2, 2018, the Council adopted an Asset Preservation Fee Exception Policy that allowed institutions the option to charge student fees for asset preservation that would not be considered by staff when assessing compliance with Council-approved tuition ceilings. Under the new policy, an institution could request a new mandatory fee supporting the renovation or renewal of an existing instructional facility and, if approved, neither the percent nor the dollar increase associated with that fee would count toward a rate ceiling established by the Council. The rationale for this exception stemmed from a desire on the part of postsecondary education stakeholders to address an overwhelming asset preservation and renovation need (estimated to be \$7.3 billion in 2013) through sizable and sustained investment in existing postsecondary facilities. There was a realization among policymakers that addressing a need of this magnitude could best be accomplished through a cost-sharing arrangement involving the state, postsecondary institutions, and students and families.

Fees that qualified for an Asset Preservation Fee exemption were for a fixed, recurring amount that could not increase over time. For this reason, during the process of setting tuition ceilings, staff deducts these fees from total tuition and fees before applying a percent increase parameter. This keeps the fees at the same amount each year until they expire.

Between June 22, 2018, and April 26, 2019, the Council approved Asset Preservation Fee exception requests for four institutions. Although several institutions have recently inquired about the possibility of adopting a new Asset Preservation Fee and receiving an exemption, as previously mentioned, the Council changed its stance on allowing fees to be assessed outside the caps. Since 2019, there has been a renewed focus on affordability and transparency in college pricing.

For several years, it has been common practice for the Council to count all increases in mandatory fees toward tuition and fee rate ceilings and to not allow exceptions from the price caps, including exceptions for special use and asset preservation fees. For this reason, in the attached *Tuition and Mandatory Fee Policy for Academic Year 2025-26*, staff is proposing that the Asset Preservation Use Fee Exception Policy be terminated beginning in academic year 2025-26.

### **Mandatory Fee Policy**

During the tuition and fee setting process for academic years 2025-26 and 2026-27, CPE staff identified a gap in the existing *Tuition and Mandatory Fee Policy* in that it had not previously provided a clear definition for what the Council considers to be a *mandatory fee*. The Council has historically maintained a definition of mandatory fees that is aligned with the Integrated Postsecondary Education Data System (IPEDS) definition and the definition included in the CPE Comprehensive Database. The most recent update to that definition occurred in 2011.

In order to be fully transparent with regard to what the Council considers to be a mandatory fee, and therefore to clarify which fees will be subject to Council-approved tuition and fee ceilings in accordance with the *Tuition and Mandatory Fee Policy*, CPE staff developed an updated definition that combines elements from the original CPE Comprehensive Database definition with the IPEDS definition of *required fees* to create a version that provides greater clarity and transparency for institutions and the public.

The updated verbiage is included in the revised *Tuition and Fee Policy* presented in Attachment A.

# Council Postsecondary Education Tuition and Mandatory Fee Policy

~~Academic Years 2023-24 and 2024-25~~ 2025-26

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The Council on Postsecondary Education is vested with authority under KRS 164.020 to determine tuition at public postsecondary ~~education~~-institutions in the Commonwealth of Kentucky. Kentucky's goals of increasing educational attainment, promoting research, assuring academic quality, and engaging in regional stewardship must be balanced with current needs, effective use of resources, and prevailing economic conditions. For the purposes of this policy, ~~rate ceilings established by the Council include both tuition and mandatory fees~~ ~~are included in the definition of tuition~~. During periods of relative austerity, the proper alignment of the state's limited financial resources requires increased attention to the goals of the *Kentucky Postsecondary Education Improvement Act of 1997* (HB 1) and the ~~Council's 2022-30~~ Strategic Agenda for Kentucky Postsecondary ~~and Adult~~ Education.

## Fundamental Objectives

- Funding Adequacy

HB 1 ~~states~~ ~~requires~~ that Kentucky ~~shall~~ have a seamless, integrated system of postsecondary education, strategically planned and adequately funded to enhance economic development and quality of life. In discharging its responsibility to determine tuition, the Council, in collaboration with the institutions, seeks to balance the affordability of postsecondary education for Kentucky's citizens with the institutional funding necessary to accomplish the goals of HB 1 and the Strategic Agenda.

- Shared Benefits and Responsibility

Postsecondary education attainment benefits the public at large in the form of a strong economy and an informed citizenry, and it benefits individuals through elevated quality of life, broadened career opportunities, and increased lifetime earnings. The Council and the institutions believe that funding postsecondary education is a shared responsibility of state and federal governments, students and families, and ~~the~~ postsecondary ~~education~~-institutions.

- Affordability and Access

~~Since broad~~ ~~Broad~~ educational attainment is essential to a vibrant state economy and to intellectual, cultural, and political vitality. ~~For this reason~~, the Commonwealth of Kentucky seeks to ensure that postsecondary education is broadly accessible to its citizens. The Council and the institutions are committed to ensuring that college is affordable and accessible to all academically qualified Kentuckians with particular emphasis on ~~dual credit students, underrepresented students, including first-generation college students and students from economically disadvantaged backgrounds~~, adult

learners, and part-time students, ~~minority students, and students from low- and moderate-income backgrounds.~~

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

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

- Effective Use of Resources

Kentucky's postsecondary education system is committed to using the financial resources invested in it as effectively and productively as possible to advance the goals of HB 1 and the Strategic Agenda, including undergraduate and graduate education, engagement and outreach, research, and ~~economic development-workforce~~ initiatives. The colleges and universities seek to ensure that every dollar available to them is ~~invested in areas that- utilized to~~ maximize ~~results and- return on investment and~~ achieve outcomes most beneficial to the Commonwealth and its regions. ~~It is anticipated that enactment of~~ Senate Bill 153, the *Postsecondary Education Performance Funding Bill*, enacted during the 2017 ~~legislative-regular~~ session ~~will provide~~ provides ongoing incentives for increased efficiency and productivity within Kentucky's public postsecondary system. The Council's Strategic Agenda and funding model metrics will be used to monitor progress toward attainment of both statewide and institutional HB 1 and Strategic Agenda goals and objectives.

- Attracting and Importing Talent to Kentucky

~~It is unlikely that~~ Kentucky ~~can- cannot~~ reach its 2030 postsecondary education attainment goal by focusing on Kentucky residents alone. The Council and the institutions are committed to making Kentucky institutions financially attractive to nonresident students, while recognizing that nonresident undergraduate students should pay a ~~significantly larger proportion- larger~~ share of the cost of their education than do resident students. Tuition reciprocity agreements, which provide low-cost access to out-of-state institutions for Kentucky students that live near the borders of other states, also serve to attract students from surrounding states to Kentucky's colleges and universities.

A copy of the Council's nonresident student tuition and ~~mandatory~~ fee policy is ~~contained in the paragraphs provided~~ below. ~~Going forward,~~ Council staff will periodically review and evaluate the policy to determine its impact on attracting and retaining ~~nonresident~~ students that enhance diversity and the state's competitiveness.

### **Nonresident Student Tuition and Fees**

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

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

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

### **Definition of Mandatory Fees**

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

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

### **Special Use Fee Exception Policy**

~~During the 2010-11 tuition setting process, campus officials requested that the Council consider excluding student-endorsed fees from its mandatory fee definition, thus omitting consideration of such fees when assessing institutional compliance with~~

~~Council approved tuition and fee rate ceilings. Based on feedback received from institutional Chief Budget Officers (CBOs) at their December 2010 meeting, it was determined that there was general interest in treating student-endorsed fees differently from other mandatory fees.~~

~~In January and February 2011, Council staff collaborated with institutional presidents, CBOs, and their staffs in developing the following Special Use Fee Exception Policy:~~

- ~~• To the extent that students attending a Kentucky public college or university have deliberated, voted on, and requested that their institution's governing board implement a special use fee for the purposes of constructing and operating and maintaining a new facility, or renovating an existing facility, that supports student activities and services.~~
- ~~• And recognizing that absent any exemption, such student-endorsed fees, when implemented in the same year that the Council adopts tuition and fee rate ceilings, would reduce the amount of additional unrestricted tuition and fee revenue available for an institution to support its E&G operation.~~
- ~~• The Council may elect to award an exemption to its tuition and fee rate ceiling equivalent to all or a portion of the percentage increase resulting from imposition of the student-endorsed fee, provided said fee meets certain eligibility requirements.~~

### Definitions

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

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

### Eligibility Criteria

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

- ~~• All enrolled students have been afforded ample opportunity to be informed, voice their opinions, and participate in the decision to endorse a proposed fee.~~

~~Specifically, it must be shown that fee details have been widely disseminated, broadly discussed, voted on while school is in session, and requested by students.~~

- ~~• For purposes of this policy, voted on means attaining:
  - ~~a) a simple majority vote via campus-wide referendum, with a minimum of one-quarter of currently enrolled students casting ballots;~~
  - ~~b) a three-quarters vote of elected student government representatives; or~~
  - ~~c) a simple majority vote via campus-wide referendum, conducted in conjunction and coinciding with the general election of a student government president or student representative to a campus board of regents or board of trustees.~~~~
- ~~• The proposed fee and intended exemption request have been presented to, and adopted by, the requesting institution's governing board. It is anticipated that elected student government representatives will actively participate in board presentations.~~
- ~~• Revenue from such fees will be used to pay debt service and M&O expenses on new facilities, or capital renewal and replacement costs on existing facilities and equipment that support student activities and services, such as student unions, fitness centers, recreation complexes, health clinics, and/or tutoring centers. The Council expects these uses to be fully explained to students prior to any votes endorsing a fee.~~
- ~~• In any given year, the impact of a student-endorsed fee on the overall increase in tuition and mandatory fees for students and their families will be reasonable. It may be appropriate to phase in the exemption over multiple years to maintain affordability and access.~~
- ~~• Requests for student-endorsed exemptions are infrequent events. The Council does not expect requests for exemptions under this policy to occur with undue frequency from any single institution and reserves the right to deny requests that by their sheer number are deemed excessive.~~
- ~~• A plan is in place for the eventual reduction or elimination of the fee upon debt retirement, and details of that plan have been shared with students. The Council does not expect a fee that qualifies for an exemption under this policy to be assessed at full rate in perpetuity. Such fees should either terminate upon completion of the debt or, in the case of new facilities, may continue at a reduced rate to defray ongoing M&O costs. In either case, to qualify for an exemption, students should be fully aware of the extent of their obligation prior to any votes endorsing a fee.~~

### Exemption Process

~~Requests for an exemption under this policy will be evaluated on a case-by-case basis. To initiate the process:~~

## ATTACHMENT A

- ~~The requesting institution will notify Council staff of any pending discussions, open forums, referendums, or student government actions pertaining to a proposed special use fee and discuss fee details with Council staff as needed.~~
- ~~After a fee has been endorsed by student referendum or through student government action and approved by the institution's governing board, campus officials and students will submit a written exemption request to the Council for its consideration.~~
- ~~Council staff will review the request, assess whether or not the proposed fee qualifies for an exemption, and make a recommendation to the Council.~~

~~To facilitate the exemption request process, requesting institutions and students are required to provide the Council with the following information:~~

- ~~Documents certifying that the specific project and proposed fee details have been widely disseminated, broadly discussed, voted on, and requested by students, as well as adopted by the institution's governing board.~~
- ~~Documents specifying the fee amount, revenue estimates, uses of revenue, impact on tuition and fees during the year imposed (i.e., percentage points above the ceiling), and number of years the fee will be in place.~~
- ~~Documents identifying the project's scope, time frame for completion, debt payment schedule, and plan for the eventual reduction or elimination of the fee upon debt retirement.~~

On April 28, 2011 the Council adopted a Special Use Fee Exception Policy that allowed Kentucky public postsecondary institutions, under certain conditions, to implement student endorsed fees that would be excluded from consideration when assessing institutional compliance with Council approved rate ceilings. In other words, in any given year, an institution could request, and the Council could approve, a new mandatory fee for the purposes of constructing a new facility or renovating an existing facility that would support student activities or services on campus but would not count toward a rate or dollar increase ceiling established by the Council.

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

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

The underlying rationale for the exception policy was that the Council and campus officials wanted to accommodate the desires of students to assess a fee on themselves

to improve facilities that sustain student activities and services, without sacrificing revenue necessary to support institutional operations. Under the Council's previous approach, such fees, when implemented in the same year that the Council adopted a tuition and fee rate ceiling, would reduce the amount of unrestricted tuition and fee revenue available for the institution to support its Education and General (E&G) operation.

Fees that qualified for a Special Use Fee exemption were for a fixed, recurring amount that could not increase over time. For this reason, during the process of establishing tuition and fee ceilings, Council staff deducts these fees from total tuition and fees before applying a percent increase parameter. This keeps the fees at the same amount each year until they expire. In other words, percent increase parameters adopted by the Council are applied to current-year base rates. Base rates are defined as total tuition and fee charges, minus any Special Use Fees or Asset Preservation Fees previously approved by the Council, and minus an existing agency bond fee at KCTCS (i.e., BuildSmart Investment for Kentucky Competitiveness Fee).

Council policy stipulates that Special Use Fees will not be assessed at full rate in perpetuity, but will either terminate upon completion of the debt, or in the case of new facilities, continue at a reduced rate to defray ongoing maintenance and operations (M&O) costs. In addition, institutions are required to have a plan for the eventual reduction or elimination of the fee upon debt retirement.

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

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

Although institutions will no longer be able to request exemptions from tuition and fee rate ceilings, periodic reporting requirements for Special Use Fees will remain in effect. Specifically, upon request by the Council, institutions will provide documentation certifying the date a Special Use Fee was implemented, annual amounts of fee revenue generated to date, uses of fee revenue, the amount of fee revenue or agency bond funds used to finance facilities that support student activities and services, and the number of years the fee will remain in place.

### **Asset Preservation Fee Exception Policy**

~~During the 2017-18 tuition setting process, campus officials asked if the Council would consider allowing institutions to assess a new student fee, dedicated to supporting expenditures for asset preservation and renovation projects, that would be treated as being outside the tuition and fee caps set annually by the Council. Staff responded that it was too late in the process to allow for a full vetting of a proposed change to the Council's Tuition and Mandatory Fee Policy prior to the Council adopting tuition ceilings at the March 31, 2017 meeting. In addition, staff wanted to explore the possibility of adopting a system-wide asset preservation fee that would benefit and address asset preservation needs at every public postsecondary institution.~~

~~In August 2017, staff determined that there was general interest among campus officials to pursue a change in tuition policy that would allow each institution the option to implement a student fee for asset preservation, if its administrators and governing board chose to do so, that would be exempted from Council-approved tuition and fee ceilings. In September and October, Council staff worked with campus presidents, chief budget officers, and Budget Development Work Group members to develop the Asset Preservation Fee Exception Policy described below.~~

- ~~• Given that in 2007, Council and postsecondary institution staffs contracted with Vanderweil Facilities Advisors, Inc. (VFA) and Paulien and Associates to conduct a comprehensive assessment of Kentucky's public postsecondary education facilities to determine both system and individual campus needs for new and expanded space, asset preservation and renovation, and fit-for-use capital projects.~~
- ~~• Given that in 2013, VFA adjusted the data from its 2007 study to account for continuing aging of postsecondary facilities and rising construction costs and projected that the cumulative need for asset preservation and fit-for-use expenditure would grow to \$7.3 billion within the 2017 to 2021 timeframe.~~
- ~~• Given that over the past five biennia, 2008-10 through 2016-18, the Commonwealth of Kentucky has appropriated a total of \$262.0 million for its public colleges and universities to address asset preservation and renovation and fit-for-use projects, representing about 3.6% of the total cumulative need identified by VFA.~~
- ~~• Given that in late summer 2017, the Council and postsecondary institutions concluded that one reasonable course of action to begin to address the overwhelming asset preservation and renovation and fit-for-use needs was through sizable and sustained investment in existing postsecondary facilities, which could be accomplished through a cost-sharing arrangement involving the state, postsecondary institutions, and students and families.~~
- ~~• Given that the best way to ensure the ongoing commitment and participation of students and families in a cost-sharing partnership to address asset preservation and renovation needs is through the implementation of an optional dedicated student fee.~~

- ~~Given that such an asset preservation fee, when implemented in the same year that the Council adopts a tuition and fee rate ceiling, would reduce the amount of additional unrestricted tuition and fee revenue available for an institution to support its E&G operation.~~
- ~~The Council may elect to award an exemption to its tuition and fee rate ceiling of up to \$10.<sup>00</sup> per credit hour at the public universities, capped at 15 credit hours per semester for undergraduate students, for a dedicated student fee that supports asset preservation and renovation projects related to the instructional mission of the institution.~~
- ~~The Council may elect to award an exemption to its tuition and fee rate ceiling of up to \$5.00 per credit hour at KCTCS institutions, capped at 15 credit hours per semester, for a dedicated student fee that supports asset preservation and renovation projects related to the instructional mission of the institution.~~

### Definition

~~An asset preservation fee is a mandatory, flat-rate fee that has been approved by an institution's governing board, the revenue from which shall either be expended upon collection on asset preservation and renovation and fit-for-use capital projects or used to pay debt service on agency bonds issued to finance such projects, that support the instructional mission of the institution. Thus, by definition, fee revenue and bond proceeds derived from such fees shall be restricted funds for the purposes of financing asset preservation and renovation projects. As a mandatory fee, an asset preservation fee may be assessed to students regardless of degree level or program or full-time or part-time status.~~

### Eligibility Criteria

~~An asset preservation fee may qualify for an exemption from Council approved tuition and fee rate ceilings, provided the following criteria are met:~~

- ~~The proposed asset preservation project(s) and related fee shall be approved by the requesting institution's governing board.~~
- ~~Revenue from the fee may either be expended upon collection on asset preservation and renovation or fit-for-use projects, accumulated to meet a specific project's scope, or used to pay debt service on agency bonds or other instruments used to finance such projects.~~
- ~~Both the direct expenditure of fee revenue and the expenditure of agency bond funds generated by the fee may be used to meet matching requirements on state bond funds issued for asset preservation projects. In previous biennia, state leaders have required a dollar-for-dollar institutional match on state-funded asset preservation pools.~~
- ~~In any given academic year, the impact of implementing an asset preservation~~

~~fee, when combined with a tuition and fee increase supporting campus operations, will be reasonable for Kentucky students and families. For the purposes of this policy exemption, the Council shall determine whether a proposed asset preservation fee, in combination with a tuition and fee increase allowed under a Council-approved tuition ceiling, is reasonable. This assessment will be made within the context of state economic and budgetary conditions, institutional resource needs, and affordability concerns at the time.~~

- ~~• Depending on the outcome of the aforementioned assessment, it may be appropriate to phase in a requested fee over multiple years to maintain affordability and access.~~
- ~~• The Council does not expect a fee that qualifies for an exemption under this policy to remain in effect in perpetuity. To be eligible for an exemption, the requesting institution must have a plan in place for the eventual elimination of a proposed asset preservation fee within 25 years of its initial implementation date.~~

### **Exemption Process**

~~The Council will evaluate requests for a fee exemption under this policy on a case-by-case basis. To initiate the process:~~

- ~~• An institution's governing board must approve the proposed asset preservation project(s) and related student fee.~~
- ~~• Campus officials must submit to the Council a copy of that board approval, along with a written request to exempt the asset preservation fee from Council tuition and fee ceilings.~~
- ~~• Council staff will review the request, assess whether or not the proposed project(s) and related fee qualify for an exemption, and make a recommendation to the Council.~~

~~To facilitate the exemption-request review process, a requesting institution shall provide the Council with the following information:~~

- ~~• Documents certifying that the specific asset preservation project(s) financed and proposed fee details have been approved by the institution's governing board.~~
- ~~• Documents specifying the fee amount, anticipated implementation date, revenue projections, uses of revenue, number of years the fee will be in place, and impact on tuition in year imposed (i.e., percentage points above ceiling).~~
- ~~• Documents identifying the project's scope, its timeframe for completion, debt payment schedule, and plan for the eventual elimination of the fee upon debt retirement.~~

### ~~Periodic Reporting~~

- ~~• Upon request by the Council, the postsecondary institutions will provide documentation certifying the date an asset preservation fee was implemented, annual amounts of fee revenue generated to date, uses of fee revenue, the amount of fee revenue or agency bond funds used to meet state matching requirements on asset preservation project appropriations, and the number of years the fee will remain in place.~~

During the 2017-18 tuition setting process, campus officials asked if the Council would consider allowing institutions to assess a new student fee, dedicated to supporting expenditures for asset preservation and renovation projects, that would be exempted from tuition and fee caps set annually by the Council. Toward the end of calendar year 2017, staff worked with campus presidents, chief budget officers, and Budget Development Work Group members to draft a proposed exception policy that could be presented to the Council for review and approval.

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

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

An asset preservation fee is a mandatory, flat-rate fee that has been approved by an institution's governing board, the revenue from which shall either be expended upon collection on asset preservation and renovation and fit-for-use capital projects or used to pay debt service on agency bonds issued to finance such projects, that support the instructional mission of the institution. Thus, by definition, fee revenue and bond proceeds derived from such fees shall be restricted funds for the purposes of financing asset preservation and renovation projects.

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

Fees that qualified for an Asset Preservation Fee exemption were for a fixed, recurring amount that could not increase over time. For this reason, during the process of

establishing tuition and fee ceilings, Council staff deducts these fees from total tuition and fees before applying a percent increase parameter. This keeps the fees at the same amount each year until they expire. In other words, percent increase parameters adopted by the Council are applied to current-year base rates. Base rates are defined as total tuition and fee charges, minus any Special Use Fees or Asset Preservation Fees previously approved by the Council, and minus an existing agency bond fee at KCTCS (i.e., BuildSmart Investment for Kentucky Competitiveness Fee).

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

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

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

Although institutions will no longer be able to request exemptions from tuition and fee rate ceilings, periodic reporting requirements for Asset Preservation Fees will remain in effect. Upon request by the Council, institutions will provide documentation certifying the date an Asset Preservation Fee was implemented, annual amounts of fee revenue generated to date, uses of fee revenue, the amount of fee revenue or agency bond funds used to finance facilities that support the instructional mission, and the number of years the fee will remain in place.

### **Ongoing Usage**

Once an Asset Preservation Fee is approved by the Council, revenue generated from the fee may be used for ongoing asset preservation, renovation and fit-for-use projects with institutional board approval.

Asset preservation, renovation and fit-for-use project(s) financed with asset preservation fee revenue shall comply with all statutory requirements pertaining to the approval of capital projects (KRS 45.750, KRS 45.763, KRS 164.020 (11) (a), KRS 164A.575).



# Tuition and Mandatory Fee Policy

# Tuition and Mandatory Fee Policy

- In the early 2000s, the Council adopted a *Tuition and Mandatory Fee Policy* that has been in place in some form for over 20 years
- The policy serves several purposes:
  - identifies fundamental objectives of the tuition-setting process
  - helps guide the development of tuition ceiling recommendations for the upcoming academic year
  - facilitates submission and evaluation of campus tuition proposals
- Every year CPE staff and campus officials review the tuition policy to determine if any changes are needed
- Periodically, the policy is reviewed and approved by the Council

# Tuition and Mandatory Fee Policy (Cont'd)

- Today, staff is bringing three proposed changes to the policy for Council consideration and approval
- Those changes include:
  - adding a definition of “mandatory fee” to the policy
  - eliminating the Special Use Fee Exception
  - eliminating the Asset Preservation Fee Exception
- These changes have been vetted with campus officials
- An early draft of the revised policy was shared with the Finance Committee at the January 27, 2025, meeting (that draft did not include the mandatory fee definition)

# Tuition and Mandatory Fee Policy

## *Mandatory Fee Definition*

- For over 20 years, a definition of *mandatory fees* has been included in the Council's Comprehensive Database Manual
- During the first decade of higher education reform, CPE staff used the Comprehensive Database definition to evaluate campus fees
- Beginning in 2011, staff began using a new definition that was an amalgam of the Comprehensive Database definition and the IPEDS definition of mandatory fee
- Although staff used this definition in practice, it was never explicitly added to the Council's *Tuition and Mandatory Fee Policy*
- Today, staff wants to rectify this omission and add a mandatory fee definition to the tuition policy

# Tuition and Mandatory Fee Policy

## *Mandatory Fee Definition (Cont'd)*

- Listed below is a **mandatory fee definition** that staff recommends be added to the Council's *Tuition and Mandatory Fee Policy*

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

Mandatory fees include, but are not limited to, fees for health services, building use, student services and activity fees, recreation fees, technology fees, and athletic fees, where the charge is not optional for students.

Mandatory fees do not include fees assessed to students in specific programs (e.g., music, nursing, lab fees) or fees unique to a given situation (e.g., late registration, automobile registration), or fees for housing and dining.

# Tuition and Mandatory Fee Policy

## *Rationale for Adding Mandatory Fee Definition*

- The Council's *Tuition and Mandatory Fee Policy* provides guidance during the development of tuition and fee ceilings and facilitates staff assessment of campus tuition proposals
- Since the Council's current practice is to count all mandatory fees as being subject to a Council approved rate ceiling, it is important for the policy to provide a clear understanding of what constitutes a mandatory fee
- Campus officials need to know what kinds of fees will be deemed a "mandatory fee" to comply with Council tuition and fee ceilings
- CPE staff need the definition to properly evaluate campus proposals

# Tuition and Mandatory Fee Policy

## *Special Use Fee Exception Policy*

- In 2011, the Council adopted a *Special Use Fee Exception Policy* that allowed institutions to implement student endorsed fees that would be excluded from consideration when assessing campus compliance with Council approved rate ceilings
- Main requirements for approval:
  - endorsed by student referendum or student government action
  - fee revenue could only be used to construct or renovate a facility that supports a student activity or service
  - approved by requesting institution's governing board
- Between June 2011 and June 2015, the Council approved Special Use Fees at five institutions (UofL, ECU, MoSU, NKU, and WKU)

# Tuition and Mandatory Fee Policy

## *Asset Preservation Fee Exception Policy*

- In 2018, the Council adopted an *Asset Preservation Fee Exception* that allowed institutions to implement student fees that would be excluded from consideration when assessing campus compliance with Council approved rate ceilings
- Main requirements for approval:
  - fee revenue could only be used for asset preservation and renovation
  - approved by requesting institution's governing board
- The rationale for the exception was to address an overwhelming need for asset preservation (projected to reach **\$7.3 B** by 2021)
- Between June 2018 and April 2019, the Council approved Asset Preservation Fees at four institutions (EKU, KSU, MoSU, MuSU)

# Tuition and Mandatory Fee Policy

## *Rationale for Eliminating Fee Exceptions*

- The last time the Council approved a fee exception, allowing a fee to be implemented outside a rate cap, was April 2019
- Beginning in 2020, the Council's stance changed regarding approval of fees that would not be counted toward a tuition and fee ceiling
- Declining enrollment and falling participation rates brought about a renewed focus on affordability and transparency in college pricing
- For several years, it has been common practice for the Council to count all increases in mandatory fees toward tuition and fee ceilings
- Today, there is a pressing need to align Council policy with recent practice to provide added clarity during the tuition-setting process

# Tuition and Mandatory Fee Policy

## *Staff Recommendation*

- Staff recommends that the Finance Committee endorse for full Council approval the attached *Tuition and Mandatory Fee Policy for Academic Year 2025-26* (see Attachment A)
- The revised policy:
  - includes a new mandatory fee definition
  - eliminates Special Use Fee and Asset Preservation Fee exceptions
  - makes minor revisions to improve readability and clarity
- If approved, the revised *Tuition and Mandatory Fee Policy* will take effect for academic year 2025-26

**TITLE:** Tuition and Fee Proposals for Academic Year 2025-26

**DESCRIPTION:** Staff recommends that the Committee endorse the Council approve the tuition and mandatory fee proposals for academic year 2025-26 received from Eastern Kentucky University, Murray State University and Western Kentucky University.

**STAFF CONTACTS:** Bill Payne, Vice President for Finance Policy and Programs  
Adam Blevins, Associate Director of Finance Policy and Programs

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### **EXECUTIVE SUMMARY**

On April 17, 2025, the Council on Postsecondary Education approved tuition and mandatory fee ceilings for academic years 2025-26 and 2026-27. Included among parameters adopted at that meeting were requirements that increases in resident undergraduate base rates not exceed \$450.00 in any one year at the research universities, not exceed \$420.00 in any one year at the comprehensive universities, and not exceed \$6.00 per credit hour in any one year at KCTCS institutions.

As of June 9, three universities have submitted tuition and fee rate proposals for academic year 2025-26 to the Council that have been reviewed and approved by their respective governing boards, including Eastern Kentucky University, Murray State University, and Western Kentucky University. CPE staff reviewed undergraduate, graduate, and online tuition and fee charges for every degree level, residency, and attendance status contained in those proposals and determined that they comply with Council-approved rate ceilings.

Staff recommends that the Finance Committee approve, and endorse to the full Council, tuition and mandatory fee charges for resident undergraduate and graduate students, nonresident undergraduate and graduate students, and online learners for academic year 2025-26 as proposed by the institutions and approved by their governing boards.

### **COUNCIL APPROVED TUITION AND FEE CEILINGS**

On April 17, 2025, the Council adopted resident undergraduate tuition and mandatory fee ceilings for academic years 2025-26 and 2026-27 that equate to:

- A maximum base rate increase of no more than \$675.<sup>00</sup> over two years, and a maximum increase of no more than \$450.<sup>00</sup> in any one year, for public research universities.

- A maximum base rate increase of no more than \$630.<sup>00</sup> over two years, and a maximum increase of no more than \$420.<sup>00</sup> in any one year, for comprehensive universities.
- A maximum base rate increase of no more than \$9.<sup>00</sup> per credit hour over two years, and a maximum increase of no more than \$6.<sup>00</sup> per credit hour in any one year, for students attending KCTCS institutions.

At that same meeting, it was determined that the public institutions shall be allowed to submit for Council review and approval:

- Nonresident undergraduate tuition and fee rates that comply with the Council's *Tuition and Mandatory Fee Policy*, or otherwise adhere to provisions of an existing Memorandum of Understanding between the Council and an institution.
- Market competitive tuition and fee rates for graduate and online courses.

During the tuition-setting process, Council staff and campus officials identified and discussed several key issues that were relevant during the development of staff's tuition and fee recommendation, including: (a) the level of state support for campus operations; (b) a pending reduction in the state's pension subsidy; (c) relatively low tuition increases in recent years; (d) the onset and persistence of unprecedented inflationary cost increases; (e) recent trends in college spending; (f) declining college going rates; and (g) recent increases in student enrollment at nearly every institution; and (h) recent decreases in student loan debt. Staff believes the adopted ceilings will achieve an appropriate balance between resource needs of the institutions and affordability for Kentucky students and families.

As a reminder, the resident undergraduate tuition and fee ceilings approved by the Council apply to each institution's base rate charge. 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 for Kentucky Competitiveness Fee). Council staff deduct these fees from total tuition and fees before applying a percent increase parameter, which keeps the fees at a fixed amount each year until they expire. The paragraphs below contain proposed base rates for academic year 2025-26, current-year base rates, and calculated dollar and percent changes between those rates for each institution.

## **CAMPUS TUITION AND FEE PROPOSALS**

Officials from ECU, MuSU, and WKU have submitted undergraduate and graduate tuition and fee proposals for academic year 2025-26 to the Council, along with tuition and fee revenue estimates for fiscal years 2024-25 and 2025-26. Staff has reviewed each institution's proposed 2025-26 tuition and fee charges for every degree level, residency, and attendance status and determined that they comply with Council approved ceilings.

**Eastern Kentucky University**

On May 30, 2025, Eastern Kentucky University (EKU) submitted a proposal to the Council, containing board-approved tuition and mandatory fee charges for academic year 2025-26. As can be seen in Table 1, between academic years 2024-25 and 2025-26, the university is proposing to increase its annual base-rate charge for resident undergraduate students by \$420.<sup>00</sup>, or 4.2 percent. This increase complies with the Council’s approved ceiling for resident undergraduate tuition and mandatory fees, which stipulates that base rate charges cannot increase by more than \$420.<sup>00</sup> in any one year at comprehensive universities. The university’s proposed tuition and fee charges for nonresident, graduate, and online students also adhere to Council parameters.

The tuition and fee charges included in EKU’s proposal were approved by the university’s Board of Regents at their May 15, 2025, meeting. Staff recommends that the Finance Committee approve, and endorse to the full Council, tuition and fee rates as proposed by Eastern Kentucky University.

| Eastern Kentucky University<br>Proposed Tuition and Fee Base Rates<br>Academic Year 2025-26   |   |  |                          | Table 1                   |  |
|---|---|--|--------------------------|---------------------------|--|
| <u>Rate Category</u>  | <u>Current<br/>2024-25<br/>Base Rates</u> | <u>Proposed<br/>2025-26<br/>Base Rates</u> | <u>Dollar<br/>Change</u> | <u>Percent<br/>Change</u> |  |
| Undergraduate   |   |  |                          |                           |  |
| Resident  | \$10,020                                  | \$10,440                                   | \$420                    | 4.2%                      |  |
| Nonresident   | 20,930                                    | 12,000                                     | (8,930)                  | -42.7%                    |  |
| Graduate  |   |  |                          |                           |  |
| Resident  | \$583.00 pch                              | \$607.00 pch                               | \$24.00                  | 4.1%                      |  |
| Nonresident   | 796.00 pch                                | 829.00 pch                                 | 33.00                    | 4.1%                      |  |
| Base rates for EKU do not include a Special Use Fee of \$150. <sup>00</sup> per semester, or \$300. <sup>00</sup> per year, for full-time students. Nor do they include an Asset Preservation Fee of \$10. <sup>00</sup> per credit hour, capped at 15 credit hours or \$150. <sup>00</sup> per semester, or \$300.00 per year, for full-time |   |  |                          |                           |  |
| pch = per credit hour   |   |  |                          |                           |  |

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

**Estimated Tuition Revenue**

EKU officials estimate that proposed 2025-26 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 \$167.9 million in gross tuition and fee revenue, which is \$7.2 million more than anticipated revenue for the current year (see Attachment B). The university’s E&G fixed

costs are projected to increase by \$10.3 million between fiscal years 2024-25 and 2025-26, which represents an increase of 3.8 percent over current-year costs.

**Murray State University**

On June 6, 2025, Murray State University (MuSU) submitted a proposal to the Council, containing planned tuition and mandatory fee charges for academic year 2025-26. As can be seen in Table 2, between academic years 2024-25 and 2025-26, the university is proposing to increase its annual base-rate charge for resident undergraduate students by \$420.<sup>00</sup>, or 4.2 percent. The undergraduate base rates in Table 2 apply to students who enrolled at MuSU during summer term 2020 or after. See Attachment C for a listing of proposed base rate charges assessed to students who enrolled between summer term 2016 and spring 2020.

MuSU’s proposed base rate increase for resident undergraduate students complies with the Council’s approved ceiling for resident undergraduate tuition and mandatory fees, which stipulates that base rate charges cannot increase by more than \$420.<sup>00</sup> in any one year at comprehensive universities. The university’s proposed tuition and fee charges for nonresident, graduate, and on-line students also adhere to Council parameters.

The tuition and fees included in MuSU’s proposal were approved by the university’s Board of Regents at their June 6, 2025, meeting. Staff recommends that the Finance Committee approve, and endorse to the full Council, tuition and fee rates as proposed by Murray State University and approved by the university’s governing board.

| Murray State University<br>Proposed Tuition and Fee Base Rates<br>Academic Year 2025-26  |   |  | Table 2                  |                           |
|--|---|--|--------------------------|---------------------------|
| <u>Rate Category</u>   | <u>Current<br/>2024-25<br/>Base Rates</u> | <u>Proposed<br/>2025-26<br/>Base Rates</u> | <u>Dollar<br/>Change</u> | <u>Percent<br/>Change</u> |
| <b>Undergraduate</b>   |   |  |                          |                           |
| Resident   | \$9,900                                   | \$10,320                                   | \$420                    | 4.2%                      |
| Nonresident  | 19,836                                    | 20,676                                     | 840                      | 4.2%                      |
| <b>Graduate</b>  |   |  |                          |                           |
| Resident   | \$593.50 pch                              | \$618.50 pch                               | \$25.00                  | 4.2%                      |
| Nonresident  | 593.50 pch                                | 618.50 pch                                 | 25.00                    | 4.2%                      |
| Base rates for MuSU do not include a Special Use Fee of \$10.00 per credit hour, capped at 15 hours or \$150. <sup>00</sup> per semester, or \$300. <sup>00</sup> per year, for full-time students (fall and spring only). |   |  |                          |                           |
| pch = per credit hour  |   |  |                          |                           |

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

**Estimated Tuition Revenue**

MUSU officials estimate that proposed 2025-26 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 \$118.7 million in gross tuition and fee revenue, which is \$4.2 million more than anticipated revenue for the current year (see Attachment D). The university’s E&G fixed costs are projected to increase by \$9.1 million between fiscal years 2024-25 and 2025-26, or about 4.6 percent over current-year costs.

**Western Kentucky University**

On June 6, 2025, Western Kentucky University submitted a proposal to the Council, containing planned tuition and mandatory fee charges for academic year 2025-26. As can be seen in Table 3, between academic years 2024-25 and 2025-26, the university is proposing to increase its annual base-rate charge for resident undergraduate students by \$420.<sup>00</sup>, or 3.6 percent. This increase complies with the Council’s approved ceiling for resident undergraduate tuition and mandatory fees, which stipulates that base rate charges cannot increase by more than \$420.<sup>00</sup> in any one year at comprehensive universities. The university’s proposed tuition and fee charges for nonresident, graduate, and online students also adhere to Council parameters.

| Western Kentucky University<br>Proposed Tuition and Fee Base Rates<br>Academic Year 2025-26  |   |  |                          | Table 3                   |  |
|--|---|--|--------------------------|---------------------------|--|
| <u>Rate Category</u>   | <u>Current<br/>2024-25<br/>Base Rates</u> | <u>Proposed<br/>2025-26<br/>Base Rates</u> | <u>Dollar<br/>Change</u> | <u>Percent<br/>Change</u> |  |
| <b>Undergraduate</b>   |   |  |                          |                           |  |
| Resident   | \$11,452                                  | \$11,872                                   | \$420                    | 3.7%                      |  |
| Nonresident  | 26,800                                    | 26,800                                     | 0                        | 0.0%                      |  |
| <b>Graduate</b>  |   |  |                          |                           |  |
| Resident   | \$597.00 pch                              | \$597.00 pch                               | \$0.00                   | 0.0%                      |  |
| Nonresident  | 907.00 pch                                | 907.00 pch                                 | 0.00                     | 0.0%                      |  |
| Base rates for WKU do not include a Special Use Fee of \$100. <sup>00</sup> per semester, or \$200. <sup>00</sup> per year, for full-time students. The Special Use Fee is also assessed at \$10. <sup>00</sup> per credit hour for part-time and graduate students. |   |  |                          |                           |  |
| pch = per credit hour  |   |  |                          |                           |  |

The tuition and fees included in WKU’s proposal were approved by the university’s Board of Regents at their June 6, 2025, meeting. Staff recommends that the Finance Committee approve, and endorse to the full Council, tuition and fee rates as proposed by Western Kentucky University and approved by the university’s governing board.

Attachment E contains additional categories of tuition and fee charges, including proposed per-credit-hour rates for part-time resident and nonresident undergraduate students, rates for part-

time graduate students, and online rates. Staff recommends approval of these additional rates as proposed by the university.

### Estimated Tuition Revenue

WKU officials estimate that proposed 2025-26 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 \$181.6 million in gross tuition and fee revenue, which is \$326,200 less than anticipated revenue for the current year (see Attachment F). The university's E&G fixed costs are projected to decrease by \$3.2 million between fiscal years 2024-25 and 2025-26, or about 1.3 percent under current-year costs.

### **STAFF RECOMMENDATION**

Council staff reviewed the tuition and fee proposals for academic year 2025-26 received from ECU, MuSU, and WKU and determined that they comply with the resident undergraduate tuition and fee ceilings for comprehensive universities adopted by the Council at the April 17, 2025, meeting. Staff has determined that proposed prices for nonresident undergraduate students adhere to provisions of the Council's *Tuition and Mandatory Fee Policy*, or a previously approved Memorandum of Understanding between the Council and an institution. Finally, proposed tuition and fee charges for graduate and online students adhere to Council parameters.

Staff recommends that the Finance Committee approve, and endorse to the full Council, all applicable tuition and mandatory fee charges for resident undergraduate and graduate students, nonresident undergraduate and graduate students, and online learners for academic year 2025-26 as proposed by ECU, MuSU, and WKU.

**Proposed 2025-26 Tuition and Mandatory Fee Charges  
Eastern Kentucky University**

| <i>Category</i>                                | Fall<br>2025 | Spring<br>2026 | Annual<br>2025-2026 | Summer<br>2026 | Winter<br>2025 |
|--|--------------|----------------|---------------------|----------------|----------------|
| <i>Undergraduate</i>                           |              |                |                     |                |                |
| Resident                                       |              |                |                     |                |                |
| Under 12 credit hours (per hour)               | \$ 435       | \$ 435         |                     | \$ 435         | \$ 435         |
| 12 - 15 credit hours (flat rate)               | \$ 5,220     | \$ 5,220       | \$ 10,440           |                |                |
| Above 15 credit hours (per hour)               | \$ 348       | \$ 348         |                     |                |                |
| Nonresident                                    |              |                |                     |                |                |
| Under 12 credit hours (per hour)               | \$ 500       | \$ 500         |                     | \$ 500         | \$ 500         |
| 12 - 15 credit hours (flat rate)               | \$ 6,000     | \$ 6,000       | \$ 12,000           |                |                |
| Above 15 credit hours (per hour)               | \$ 400       | \$ 400         |                     |                |                |
| Online Programs                                |              |                |                     |                |                |
| RN to BSN                                      | \$ 510       | \$ 510         |                     | \$ 510         | \$ 510         |
| All other online programs                      | \$ 462       | \$ 462         |                     | \$ 462         | \$ 462         |
| <i>Graduate - Master's (per hour)</i>          |              |                |                     |                |                |
| Resident                                       |              |                |                     |                |                |
|  | \$ 607       | \$ 607         |                     | \$ 607         | \$ 607         |
| Nonresident                                    |              |                |                     |                |                |
|  | \$ 829       | \$ 829         |                     | \$ 829         | \$ 829         |
| FTF Programs                                   |              |                |                     |                |                |
| Master of Business Administration              | \$ 676       | \$ 676         |                     | \$ 676         | \$ 676         |
| M.A. in Clinical Mental Health Counseling      | \$ 564       | \$ 564         |                     | \$ 564         | \$ 564         |
| M.A. in Communication Disorders                | \$ 564       | \$ 564         |                     | \$ 564         | \$ 564         |
| M.F.A. in Creative Writing                     | \$ 607       | \$ 607         |                     | \$ 607         | \$ 607         |
| Online Programs                                |              |                |                     |                |                |
| Master of Business Administration              | \$ 733       | \$ 733         |                     | \$ 733         | \$ 733         |
| Education - all master's online programs       | \$ 564       | \$ 564         |                     | \$ 564         | \$ 564         |
| Master of Nursing                              | \$ 733       | \$ 733         |                     | \$ 733         | \$ 733         |
| M.S. in General Psychology - ABA Concentration | \$ 733       | \$ 733         |                     | \$ 733         | \$ 733         |
| All other master's online programs             | \$ 676       | \$ 676         |                     | \$ 676         | \$ 676         |
| <i>Graduate - Doctoral (per hour)</i>          |              |                |                     |                |                |
| Doctorate in Psychology                        |              |                |                     |                |                |
|  | \$ 746       | \$ 746         |                     | \$ 746         | \$ 746         |
| Online Programs                                |              |                |                     |                |                |
| Doctorate in Education                         | \$ 636       | \$ 636         |                     | \$ 636         | \$ 636         |
| Doctorate Nursing Practice                     | \$ 746       | \$ 746         |                     | \$ 746         | \$ 746         |
| Doctorate in Occupational Therapy              | \$ 746       | \$ 746         |                     | \$ 746         | \$ 746         |
| <i>EKU Now! (High School)</i>                  |              |                |                     |                |                |
| Per hour - to be determined by KCTCS/CPE       |              |                |                     |                |                |

**ATTACHMENT B**

**Estimated 2025-26 Gross Tuition and Mandatory Fee Revenue  
Eastern Kentucky University**

| <i>Category</i>               | Estimated<br>2024-25  | Estimated<br>2025-26  |
|-------------------------------|-----------------------|-----------------------|
| <i>Undergraduate</i>          |                       |                       |
| Resident                      |                       |                       |
| Fall                          | \$ 40,933,000         | \$ 44,593,000         |
| Spring                        | \$ 35,997,000         | \$ 39,251,000         |
| Summer                        | \$ 1,350,000          | \$ 1,408,000          |
| Nonresident                   |                       |                       |
| Fall                          | \$ 8,524,000          | \$ 4,960,000          |
| Spring                        | \$ 7,571,000          | \$ 4,570,000          |
| Summer                        | \$ 240,000            | \$ 243,000            |
| Online Courses                |                       |                       |
| Winter                        | \$ 1,466,000          | \$ 1,529,000          |
| Online Programs               |                       |                       |
| Fall                          | \$ 14,231,000         | \$ 17,116,000         |
| Spring                        | \$ 14,048,000         | \$ 17,058,000         |
| Summer                        | \$ 5,150,000          | \$ 5,352,000          |
| <i>Graduate - Master's</i>    |                       |                       |
| Resident                      |                       |                       |
| Fall                          | \$ 883,000            | \$ 750,000            |
| Spring                        | \$ 675,000            | \$ 550,000            |
| Summer                        | \$ 400,000            | \$ 391,000            |
| Nonresident                   |                       |                       |
| Fall                          | \$ 411,000            | \$ 425,000            |
| Spring                        | \$ 272,000            | \$ 250,000            |
| Summer                        | \$ 65,000             | \$ 94,000             |
| Online Courses                |                       |                       |
| Winter                        | \$ 35,000             | \$ 36,000             |
| Online Programs               |                       |                       |
| Fall                          | \$ 6,303,000          | \$ 6,550,000          |
| Spring                        | \$ 6,825,000          | \$ 7,064,000          |
| Summer                        | \$ 4,000,000          | \$ 4,090,000          |
| <i>Graduate - Doctorate</i>   |                       |                       |
| Resident                      |                       |                       |
| Fall                          | \$ 226,000            | \$ 200,000            |
| Spring                        | \$ 206,000            | \$ 175,000            |
| Summer                        | \$ -                  | \$ -                  |
| Non residency                 |                       |                       |
| Fall                          | \$ 192,000            | \$ 200,000            |
| Spring                        | \$ 170,000            | \$ 180,000            |
| Summer                        | \$ -                  | \$ -                  |
| Online Programs               |                       |                       |
| Fall                          | \$ 1,137,000          | \$ 1,201,000          |
| Spring                        | \$ 1,218,000          | \$ 1,231,000          |
| Summer                        | \$ 600,000            | \$ 729,000            |
| <i>Special Use Fee</i>        | \$ 4,100,000          | \$ 4,182,000          |
| <i>Asset Preservation Fee</i> | \$ 3,500,000          | \$ 3,570,000          |
|                               | <b>\$ 160,728,000</b> | <b>\$ 167,948,000</b> |

**Proposed 2025-26 Tuition and Mandatory Fee Charges  
Murray State University**

| Category                                      | Students admitted Summer 2016 to Spring 2020 |                |                   |                | Students admitted Summer 2020 and after |                |                   |                |
|---|--|----------------|-------------------|----------------|---|----------------|-------------------|----------------|
|   | Fall<br>2025                                 | Spring<br>2026 | Annual<br>2025-26 | Summer<br>2026 | Fall<br>2025                            | Spring<br>2026 | Annual<br>2025-26 | Summer<br>2026 |
| <i>Undergraduate</i>                          |  |                |                   |                |   |                |                   |                |
| Resident                                      |  |                |                   |                |   |                |                   |                |
| Full-time (up to 15 hours)                    | 5,160.00                                     | 5,160.00       | 10,320.00         |                | 5,160.00                                | 5,160.00       | 10,320.00         |                |
| Per Credit Hour                               | 430.00                                       | 430.00         |                   | 430.00         | 430.00                                  | 430.00         |                   | 430.00         |
| (Online Courses Resident) Per Credit Hour     | 430.00                                       | 430.00         |                   | 430.00         | 430.00                                  | 430.00         |                   | 430.00         |
| Nonresident*                                  |  |                |                   |                |   |                |                   |                |
| Full-time (up to 15 hours)                    | 13,968.00                                    | 13,968.00      | 27,936.00         |                |   |                |                   |                |
| Per Credit Hour                               | 1,164.00                                     | 1,164.00       |                   | 1,164.00       |   |                |                   |                |
| (Online Courses Resident) Per Credit Hour     | 430.00                                       | 430.00         |                   | 430.00         |   |                |                   |                |
| Regional/Nonresident*                         |  |                |                   |                |   |                |                   |                |
| Full-time (up to 15 hours)                    | 10,338.00                                    | 10,338.00      | 20,676.00         |                | 10,338.00                               | 10,338.00      | 20,676.00         |                |
| Per Credit Hour                               | 861.50                                       | 861.50         |                   | 861.50         | 861.50                                  | 861.50         |                   | 861.50         |
| (Online Courses Resident) Per Credit Hour     | 430.00                                       | 430.00         |                   | 430.00         | 430.00                                  | 430.00         |                   | 430.00         |
| Programs that are 100% Online Per Credit Hour | 430.00                                       | 430.00         |                   | 430.00         | 430.00                                  | 430.00         |                   | 430.00         |

\*All nonresident students admitted Summer 2020 and after are charged the regional/nonresident rate.

**Proposed 2025-26 Tuition and Mandatory Fee Charges**  
**Murray State University**

|  | All Graduate Students |                |                   |                |
|--|-----------------------|----------------|-------------------|----------------|
|  | Fall<br>2025          | Spring<br>2026 | Annual<br>2025-26 | Summer<br>2026 |
| <i>Graduate-All programs not defined below</i>                                 |                       |                |                   |                |
| PCH - Resident, Non-Resident, Regional, Online:                                | 618.50                | 618.50         |                   | 618.50         |
| <i>Graduate-Education</i>  |                       |                |                   |                |
| Resident Per Credit Hour   | 426.00                | 426.00         |                   | 426.00         |
| Nonresident, Regional Per Credit Hour  | 618.50                | 618.50         |                   | 618.50         |
| Online Per Credit Hour, regardless of residency                                | 618.50                | 618.50         |                   | 618.50         |
| <i>Graduate-below programs</i>   |                       |                |                   |                |
| Occupational Therapy   |                       |                |                   |                |
| Speech-Language Pathology  |                       |                |                   |                |
| Resident   |                       |                |                   |                |
| Per Credit Hour  | 682.50                | 682.50         |                   | 682.50         |
| Nonresident, Regional  |                       |                |                   |                |
| Per Credit Hour  | 682.50                | 682.50         |                   | 682.50         |
| Online Per Credit Hour, regardless of residency                                | 618.50                | 618.50         |                   | 618.50         |
| <i>Graduate-below programs</i>   |                       |                |                   |                |
| Master of Business Administration  |                       |                |                   |                |
| Master of Science Cybersecurity Management                                     |                       |                |                   |                |
| Master of Science Mass communications with a Concentration in Public Relations |                       |                |                   |                |
| Master of Science in Information Systems                                       |                       |                |                   |                |
| On campus and Online Per Credit Hour, regardless of residency                  | 606.00                | 606.00         |                   | 606.00         |
| <i>Graduate-below programs</i>   |                       |                |                   |                |
| Master of Public Administration  |                       |                |                   |                |
| On campus and Online Per Credit Hour, regardless of residency                  | 471.50                | 471.50         |                   | 471.50         |
| <i>Doctor of Education</i>   |                       |                |                   |                |
| Per Credit Hour, regardless of residency                                       | 671.00                | 671.00         |                   | 671.00         |
| Online Per Credit Hour, regardless of residency                                | 618.50                | 618.50         |                   | 618.50         |
| <i>Doctor of English</i>   |                       |                |                   |                |
| Per Credit Hour, regardless of residency                                       | 671.00                | 671.00         |                   | 671.00         |
| Online Per Credit Hour, regardless of residency                                | 618.50                | 618.50         |                   | 618.50         |
| <i>Doctor of Nursing Practice - Nursing</i>                                    |                       |                |                   |                |
| Per Credit Hour, regardless of residency                                       | 671.00                | 671.00         |                   | 671.00         |
| Online Per Credit Hour, regardless of residency                                | 618.50                | 618.50         |                   | 618.50         |
| <i>Doctor of Nursing Practice - Family Nurse Practitioner</i>                  |                       |                |                   |                |
| Per Credit Hour, regardless of residency                                       | 671.00                | 671.00         |                   | 671.00         |
| Online Per Credit Hour, regardless of residency                                | 618.50                | 618.50         |                   | 618.50         |
| <i>Doctor of Nursing Practice - Nurse Anesthetist</i>                          |                       |                |                   |                |
| Per Credit Hour, regardless of residency                                       | 796.50                | 796.50         |                   | 796.50         |
| Online Per Credit Hour, regardless of residency                                | 618.50                | 618.50         |                   | 618.50         |

## Notes:

- (a) Students enrolled in full online programs will not have their courses capped and will be billed for each credit hour enrolled.
- (b) All undergraduate rates are capped at fixed-flat full-time for 12-15 credit hours. Hours above 15 assessed at the appropriate resident, regional or non-resident rate.

**ATTACHMENT D**

**Estimated 2025-26 Gross Tuition and Mandatory Fee Revenue  
Murray State University**

| <u>Category</u>      | <u>Estimated<br/>2024-25</u> | <u>Estimated<br/>2025-26</u> |
|----------------------|------------------------------|------------------------------|
| <i>Undergraduate</i> |                              |                              |
| Resident             | \$ 44,770,129                | \$ 46,417,670                |
| Nonresident          | 51,773,529                   | \$ 53,679,345                |
| Online               | (a) 1,556,626                | \$ 1,614,221                 |
| <i>Graduate</i>      |                              |                              |
| Resident             | 3,169,451                    | \$ 3,286,721                 |
| Nonresident          | 2,010,527                    | \$ 2,084,916                 |
| Online               | 7,903,814                    | \$ 8,196,255                 |
| <i>Doctoral</i>      |                              |                              |
| Resident             | 484,016                      | \$ 501,925                   |
| Nonresident          | 414,691                      | \$ 430,035                   |
| Online               | 2,353,490                    | \$ 2,440,569                 |
| <b>Total</b>         | <b><u>\$ 114,436,273</u></b> | <b><u>\$ 118,651,656</u></b> |

(a) Revenues from online courses, unless the programs are fully online, are not tracked by MuSU since online courses are available as part of the full-time 15 hour cap. Online courses that are not specific to fully online programs are included in the Resident and Nonresident amounts.

## ATTACHMENT E

### Proposed 2025-26 Tuition and Mandatory Fee Charges Western Kentucky University

| <i>Category</i>  | Fall<br>2025 | Spring<br>2026 | Annual<br>2025-26 | Winter &<br>Summer<br>2026 |
|--|--------------|----------------|-------------------|----------------------------|
| <i>Undergraduate</i>                                       |              |                |                   |                            |
| Resident   |              |                |                   |                            |
| Full-time (12-18 credit hours)                             | 6,036        | 6,036          | 12,072            | 503.00                     |
| Military at Resident Rate                                  | 6,036        | 6,036          | 12,072            | 503.00                     |
| Part-time (Per Credit Hour)                                | 503.00       | 503.00         |                   | 503.00                     |
| Dual Credit (Per Credit Hour)                              | 95.00        | 95.00          |                   |                            |
| Nonresident  |              |                |                   |                            |
| Full-time (12-18 credit hours)                             | 13,500       | 13,500         | 27,000            | 1,125                      |
| Full-time - Tuition Incentive Program (12-18 credit hours) | 7,068        | 7,068          | 14,136            | 589                        |
| Part-time (Per Credit Hour)                                | 1,125        | 1,125          |                   | 1,125                      |
| Part-time - Tuition Incentive Program (Per Credit Hour)    | 589          | 589            |                   | 589                        |
| Part-time - Distance Learning (Online Courses)             | 551          | 551            |                   | 551                        |
| International  |              |                |                   |                            |
| Full-time (12-18 credit hours)                             | 13,824       | 13,824         | 27,648            | 1,152                      |
| Part-time (Per Credit Hour)                                | 1,152        | 1,152          |                   | 1,152                      |
| <i>Graduate</i>  |              |                |                   |                            |
| Resident   |              |                |                   |                            |
| Per Credit Hour  | 607          | 607            | 607               | 607                        |
| Military at Resident Rate                                  | 607          | 607            | 607               | 607                        |
| Kentucky P-12 Educator                                     | 350          | 350            | 350               | 350                        |
| Nonresident  |              |                |                   |                            |
| Domestic Per Credit Hour                                   | 917          | 917            | 917               | 917                        |
| International Per Credit Hour                              | 953          | 953            | 953               | 953                        |
| Distance Learning (Online Courses)                         | 707          | 707            | 707               | 707                        |
| Doctorate, Psychology                                      |              |                |                   |                            |
| Resident (Per Credit Hour)                                 | 690          | 690            | 690               | 690                        |
| Military Veteran/Dependent(Per Credit Hour)                | 690          | 690            | 690               | 690                        |
| Nonresident, International (Per Credit Hour)               | 953          | 953            | 953               | 953                        |
| Nonresident,Domestic (Per Credit Hour)                     | 917          | 917            | 917               | 917                        |
| Doctorate, Nurse Practitioner                              |              |                |                   |                            |
| Resident (Per Credit Hour)                                 | 663          | 663            | 663               | 663                        |
| Nonresident (Per Credit Hour)                              | 858          | 858            | 858               | 858                        |
| Doctorate, Physical Therapy                                |              |                |                   |                            |
| Resident (Per Credit Hour)                                 | 643          | 643            | 643               | 643                        |
| Nonresident (Per Credit Hour)                              | 909          | 909            | 909               | 909                        |
| Active Military (Per Credit Hour)                          | 250          | 250            | 250               | 250                        |
| <i>Special Program</i>                                     |              |                |                   |                            |
| Kentucky/Multi-state P-12 Educator                         | 350          | 350            | 350               | 350                        |
| Local Government Employee Discount Program                 | 500          | 500            | 500               | 500                        |
| KASA   | 450          | 450            | 450               | 450                        |
| KEA  | 425          | 425            | 425               | 425                        |
| SESC   | 425          | 425            | 425               | 425                        |
| RN to BSN Program  | 394          | 394            | 394               | 394                        |
| <b>Included in the above:</b>                              |              |                |                   |                            |
| Special Use Fee (FT)                                       | 100          | 100            | 200               | -                          |
| Special Use Fee (PT) pro-rated by credit hour              | 10           | 10             | 10                | 10                         |

## ATTACHMENT F

### Estimated 2025-26 Gross Tuition and Mandatory Fee Revenue Western Kentucky University

| <u>Category</u>                                | <u>Estimated<br/>2024-25</u> | <u>Estimated<br/>2025-26</u> |
|--|------------------------------|------------------------------|
| <i>Undergraduate</i>                           |                              |                              |
| Resident                                       | \$ 93,707,500                | \$ 93,346,300                |
| Nonresident                                    | 47,622,400                   | 48,936,800                   |
| Online   | 11,665,500                   | 10,560,700                   |
| <i>Graduate (incl practice based doctoral)</i> |                              |                              |
| Resident                                       | \$ 13,412,600                | \$ 12,794,400                |
| Nonresident                                    | 4,802,200                    | 5,616,800                    |
| Online   | 2,342,000                    | 2,036,000                    |
| <i>Student Athletics Fee</i>                   | \$ 4,800,000                 | \$ 4,750,000                 |
| <i>Centers Fee (Auxiliary Enterprises)</i>     | \$ 1,375,000                 | \$ 1,370,000                 |
| <i>Special Use Fees</i>                        | \$ 2,150,000                 | \$ 2,140,000                 |
| <b>Total</b>                                   | <b><u>\$ 181,877,200</u></b> | <b><u>\$ 181,551,000</u></b> |

### Western Kentucky University Fall FTE and Fall Tuition and Fee Revenue

| <u>Category</u>                        | <u>Fall 2024<br/>FTE Enrollment</u> | <u>Estimated Fall 2025<br/>FTE Enrollment</u> |
|--|-------------------------------------|---|
| <i>Undergraduate</i>                   |                                     |   |
| Resident                               | 8,149                               | 8,034   |
| Nonresident                            | 3,257                               | 3,374   |
| Online                                 | 622                                 | 697   |
| <i>Graduate</i>                        |                                     |   |
| Resident                               | 1,171                               | 1,133   |
| Nonresident                            | 202                                 | 207   |
| Online                                 | -                                   | -   |
|  | Fall 2024                           | Estimated Fall 2025                           |
| <i>Gross Tuition &amp; Fee Revenue</i> | \$ 181,877,200                      | \$ 181,551,000                                |
| <i>Net Tuition &amp; Fee Revenue</i>   | \$ 122,200,900                      | \$ 127,209,100                                |





# Campus Tuition and Fee Proposals

# Campus Tuition and Fee Proposals (2025-26)

## *What parameters did the Council approve?*

On April 17, 2025, the Council adopted resident undergraduate tuition and fee ceilings for 2025-26 and 2026-27 that equate to:

- Maximum base rate increases of no more than \$675.00 over two years, and **no more than \$450.00 in any one year**, for the research universities
- Maximum base rate increases of no more than \$630.00 over two years, and **no more than \$420.00 in any one year**, for comprehensive universities
- Maximum base rate increases of no more than \$9.00 per credit hour over two years, and **no more than \$6.00 per credit hour in any one year**, for students attending KCTCS institutions

# Campus Tuition and Fee Proposals (2025-26)

## *What parameters did the Council approve? (Cont'd)*

At that same meeting, it was determined that the public institutions should be allowed to submit for Council review and approval:

- Nonresident undergraduate tuition and fee rates that comply with the Council's *Tuition and Mandatory Fee Policy*, or otherwise adhere to provisions of an existing Memorandum of Understanding between the Council and an institution
- Market competitive tuition and fee rates for graduate and online courses

# Campus Tuition and Fee Proposals (2025-26)

## *What maximum base rates were approved?*

### Kentucky Public Postsecondary Institution Maximum Base Rate Increase for Resident Undergraduates Academic Year 2025-26

| Institution                 | Adopted<br>2024-25<br>Base Rates <sup>1</sup> | Maximum<br>2025-26<br>Base Rates | One-Year<br>Dollar<br>Change | One-Year<br>Percent<br>Change |
|-----------------------------|---|----------------------------------|------------------------------|-------------------------------|
| UK                          | \$13,502                                      | \$13,952                         | \$450                        | 3.3%                          |
| UofL                        | 12,940  | 13,390                           | 450                          | 3.5%                          |
| WKU                         | \$11,452                                      | \$11,872                         | \$420                        | 3.7%                          |
| NKU                         | 10,704  | 11,124                           | 420                          | 3.9%                          |
| EKU                         | 10,020  | 10,440                           | 420                          | 4.2%                          |
| MuSU                        | 9,900   | 10,320                           | 420                          | 4.2%                          |
| MoSU                        | 9,772   | 10,192                           | 420                          | 4.3%                          |
| KSU                         | 9,087   | 9,507                            | 420                          | 4.6%                          |
| KCTCS <sub>(pch)</sub>      | \$189.00                                      | \$195.00                         | \$6.00                       | 3.2%                          |
| KCTCS <sub>(pch x 30)</sub> | 5,670   | 5,850                            | 180                          | 3.2%                          |

<sup>1</sup> Base rates do not include Special Use Fees or Asset Preservation Fees previously approved by the Council, or a BuildSmart fee at KCTCS.

### Kentucky Public Postsecondary Institution Maximum Base Rate Increase for Resident Undergraduates Academic Year 2026-27

| Institution                 | Adopted<br>2024-25<br>Base Rates <sup>1</sup> | Maximum<br>2026-27<br>Base Rates | Two-Year<br>Dollar<br>Change | Two-Year<br>Percent<br>Change |
|-----------------------------|---|----------------------------------|------------------------------|-------------------------------|
| UK                          | \$13,502                                      | \$14,177                         | \$675                        | 5.0%                          |
| UofL                        | 12,940  | 13,615                           | 675                          | 5.2%                          |
| WKU                         | \$11,452                                      | \$12,082                         | \$630                        | 5.5%                          |
| NKU                         | 10,704  | 11,334                           | 630                          | 5.9%                          |
| EKU                         | 10,020  | 10,650                           | 630                          | 6.3%                          |
| MuSU                        | 9,900   | 10,530                           | 630                          | 6.4%                          |
| MoSU                        | 9,772   | 10,402                           | 630                          | 6.4%                          |
| KSU                         | 9,087   | 9,717                            | 630                          | 6.9%                          |
| KCTCS <sub>(pch)</sub>      | \$189.00                                      | \$198.00                         | \$9.00                       | 4.8%                          |
| KCTCS <sub>(pch x 30)</sub> | 5,670   | 5,940                            | 270                          | 4.8%                          |

<sup>1</sup> Base rates do not include Special Use Fees or Asset Preservation Fees previously approved by the Council, or a BuildSmart fee at KCTCS.

# Campus Tuition and Fee Proposals (2025-26)

## *What rates are being proposed by EKV?*

Eastern Kentucky University  
Proposed Tuition and Fee Base Rates  
Academic Year 2025-26

Table 1

| <u>Rate Category</u> | <u>Current<br/>2024-25<br/>Base Rates</u> | <u>Proposed<br/>2025-26<br/>Base Rates</u> | <u>Dollar<br/>Change</u> | <u>Percent<br/>Change</u> |
|----------------------|---|--|--------------------------|---------------------------|
| Undergraduate        |   |  |                          |                           |
| Resident             | \$10,020                                  | \$10,440                                   | \$420                    | 4.2%                      |
| Nonresident          | 20,930                                    | 12,000                                     | (8,930)                  | -42.7%                    |
| Graduate             |   |  |                          |                           |
| Resident             | \$583.00 pch                              | \$607.00 pch                               | \$24.00                  | 4.1%                      |
| Nonresident          | 796.00 pch                                | 829.00 pch                                 | 33.00                    | 4.1%                      |

Base rates for EKV do not include a Special Use Fee of \$150.<sup>00</sup> per semester, or \$300.<sup>00</sup> per year, for full-time students. Nor do they include an Asset Preservation Fee of \$10.<sup>00</sup> per credit hour, capped at 15 credit hours or \$150.<sup>00</sup> per semester, or \$300.00 per year, for full-time

pch = per credit hour

- EKV's proposed \$420.<sup>00</sup> increase in resident undergraduate tuition complies with the Council ceiling
- The university is proposing a 42.7% reduction in nonresident undergraduate rates for 2025-26
- EKV is planning to increase rates by 4.1% for both resident and nonresident graduate students

# Campus Tuition and Fee Proposals (2025-26)

## *What rates are being proposed by MuSU?*

Murray State University  
Proposed Tuition and Fee Base Rates  
Academic Year 2025-26

Table 2

| <u>Rate Category</u> | <u>Current<br/>2024-25<br/>Base Rates</u> | <u>Proposed<br/>2025-26<br/>Base Rates</u> | <u>Dollar<br/>Change</u> | <u>Percent<br/>Change</u> |
|----------------------|---|--|--------------------------|---------------------------|
| <b>Undergraduate</b> |   |  |                          |                           |
| Resident             | \$9,900                                   | \$10,320                                   | \$420                    | 4.2%                      |
| Nonresident          | 19,836                                    | 20,676                                     | 840                      | 4.2%                      |
| <b>Graduate</b>      |   |  |                          |                           |
| Resident             | \$593.50 pch                              | \$618.50 pch                               | \$25.00                  | 4.2%                      |
| Nonresident          | 593.50 pch                                | 618.50 pch                                 | 25.00                    | 4.2%                      |

Base rates for MuSU do not include an Asset Preservation Fee of \$10.00 per credit hour, capped at 15 hours or \$150.<sup>00</sup> per semester, or \$300.<sup>00</sup> per year, for full-time students (fall and spring

pch = per credit hour

- MuSU's proposed \$420.<sup>00</sup> increase in resident undergraduate tuition complies with the Council ceiling
- The university is proposing a 4.2% increase in nonresident undergraduate rates for 2025-26
- MuSU is planning to increase rates by 4.2% for resident and nonresident graduate students

# Campus Tuition and Fee Proposals (2025-26)

## *What rates are being proposed by WKU?*

Western Kentucky University  
Proposed Tuition and Fee Base Rates  
Academic Year 2025-26

Table 3

| <u>Rate Category</u> | <u>Current<br/>2024-25<br/>Base Rates</u> | <u>Proposed<br/>2025-26<br/>Base Rates</u> | <u>Dollar<br/>Change</u> | <u>Percent<br/>Change</u> |
|----------------------|---|--|--------------------------|---------------------------|
| Undergraduate        |   |  |                          |                           |
| Resident             | \$11,452                                  | \$11,872                                   | \$420                    | 3.7%                      |
| Nonresident          | 26,800                                    | 26,800                                     | 0                        | 0.0%                      |
| Graduate             |   |  |                          |                           |
| Resident             | \$597.00 pch                              | \$597.00 pch                               | \$0.00                   | 0.0%                      |
| Nonresident          | 907.00 pch                                | 907.00 pch                                 | 0.00                     | 0.0%                      |

Base rates for WKU do not include a Special Use Fee of \$100.<sup>00</sup> per semester, or \$200.<sup>00</sup> per year, for full-time students. The Special Use Fee is also assessed at \$10.<sup>00</sup> per credit hour for part-time and graduate students.

pch = per credit hour

- WKU's proposed \$420.<sup>00</sup> increase in resident undergraduate tuition complies with the Council ceiling
- The university is not proposing an increase in nonresident undergraduate rates for 2025-26
- WKU is not planning to increase rates for graduate resident and nonresident students

# Campus Tuition and Fee Proposals (2025-26)

## *What is staff's recommendation?*

- Tuition and fee proposals submitted by ECU, MuSU, and WKU comply with resident undergraduate tuition ceilings approved by the Council
- The institutions submitted market competitive rates for graduate and online tuition
- Campus governing boards have approved proposed rates for their respective institutions
- *Staff recommends that the Finance Committee approve, and endorse to the full Council, proposed tuition and fee rates for academic year 2025-26 from ECU, MuSU and WKU*

|                        |   |
|------------------------|---|
| <b>TITLE:</b>          | Delegation of Authority Request   |
| <b>DESCRIPTION:</b>    | Staff recommends that the Committee endorse the Council approve a request to delegate authority to the CPE President to approve tuition and fee proposals submitted by UK, UofL, KSU, MoSU, NKU, and KCTCS, provided they comply with Council parameters. |
| <b>STAFF CONTACTS:</b> | Adam Blevins, Associate Director of Finance Policy and Programs<br>Brent Floyd, Senior Associate of Finance Policy and Programs   |

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### **SUPPORTING INFORMATION**

About seven years ago, the Council adopted an approach that requires institutions to secure approval of proposed tuition and fee rates from their respective governing boards, before bringing those proposals to the Council for approval. More recently, the Council has employed a practice of requiring institutions to have their rate proposals reviewed and endorsed by the Finance Committee, before bringing them to the full Council.

For the upcoming academic year, campus officials at six institutions have informed CPE staff that their respective governing boards will not meet to approve tuition and fee rates until after the Finance Committee's June 9, 2025, meeting. Specifically, the meeting dates for each of the governing boards are:

- University of Kentucky (UK) - June 13
- University of Louisville (UofL) - June 26
- Kentucky State University (KSU) - June 26
- Morehead State University (MoSU) - June 20
- Northern Kentucky University (NKU) - June 11
- Kentucky Community and Technical College System (KCTCS) - June 13.

Given the timing of these meetings, it is not possible for the Finance Committee to review and endorse tuition and fee proposals from these institutions at the June 9 meeting that have been previously approved by the respective governing boards. For this reason, staff recommends that the Finance Committee approve and endorse to the full Council a request to delegate authority to the CPE President to review and approve campus tuition and fee proposals, submitted by UK, UofL, KSU, MoSU, NKU, and KCTCS, provided they comply with parameters approved by the Council at their April 17, 2025, meeting. If authorized, this will allow the identified universities and KCTCS to have their tuition and fee rates approved much earlier than the Council's September 12, 2025, meeting.

**TITLE:** Tuition Reciprocity Agreements -- Indiana, Ohio, and West Virginia

**DESCRIPTION:** Staff recommends that the Committee endorse for Council approval the tuition reciprocity agreements with Indiana for the time period July 1, 2025, through June 30, 2029, and with Ohio and West Virginia for the time period July 1, 2025, through June 30, 2027.

**STAFF CONTACTS:** Brent Floyd, Senior Associate, Finance Policy & Programs  
Adam Blevins, Associate Director, Finance Policy & Programs

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### **SUPPORTING INFORMATION**

Tuition reciprocity agreements are arrangements between two or more states where the residents 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.

In general, advantages of reciprocity agreements include:

- Broader educational access and opportunity for residents of 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 tuition reciprocity agreements with Indiana (IN), Ohio (OH), and West Virginia (WV), all of which expire on June 30, 2025. Staff have worked with officials from these states and participating Kentucky institutions to renegotiate the agreements in compliance with policies adopted by the Council. Agreements with Indiana and Ohio have minor changes, while the agreement with West Virginia has no substantive changes.

#### **Kentucky/Indiana Agreement**

The only verbiage change to the current agreement was a request by Indiana stakeholders to add Hardin and Nelson counties in Kentucky to the list of eligible reciprocating counties at Indiana University Southeast. The agreement contains provisions for making changes while the agreement is in place, provided that all parties are amenable.

Council staff recommends renewal of the Kentucky/Indiana Reciprocity Agreement for four years, from July 1, 2025, through June 30, 2029. Officials at participating Kentucky institutions support this approach. See Attachment A for a copy of the Kentucky/Indiana Reciprocity Agreement. Participating institutions and reciprocity counties are:

KY Institutions and Eligible IN Counties

**Gateway Community and Technical College**

|                  |                    |
|------------------|--------------------|
| Dearborn County  | Franklin County    |
| Jefferson County | Ohio County        |
| Ripley County    | Switzerland County |

**Henderson Community College**

|                    |                |
|--------------------|----------------|
| Dubois County      | Gibson County  |
| Perry County       | Pike County    |
| Posey County       | Spencer County |
| Vanderburgh County | Warrick County |

**Jefferson Community & Technical College**

|                    |                   |
|--------------------|-------------------|
| Clark County       | Crawford County   |
| Dearborn County    | Floyd County      |
| Franklin County    | Harrison County   |
| Jefferson County   | Ohio County       |
| Ripley County      | Scott County      |
| Switzerland County | Washington County |

**Northern Kentucky University**

|                  |                    |
|------------------|--------------------|
| Dearborn County  | Franklin County    |
| Jefferson County | Ohio County        |
| Ripley County    | Switzerland County |

**Owensboro Community & Technical College**

|                    |                |
|--------------------|----------------|
| Dubois County      | Gibson County  |
| Perry County       | Pike County    |
| Posey County       | Spencer County |
| Vanderburgh County | Warrick County |

**University of Louisville**

|                   |                 |
|-------------------|-----------------|
| Clark County      | Crawford County |
| Floyd County      | Harrison County |
| Perry County      | Scott County    |
| Washington County |                 |

**Western Kentucky University - Owensboro Campus  
(Junior level and above)**

|               |                |
|---------------|----------------|
| Dubois County | Gibson County  |
| Perry County  | Pike County    |
| Posey County  | Spencer County |

IN Institutions and Eligible KY Counties

**Indiana University-Southeast including Purdue  
Polytechnic Statewide**

|                  |                |
|------------------|----------------|
| Bullitt County   | Hardin County  |
| Jefferson County | Meade County   |
| Nelson County    | Oldham County  |
| Shelby County    | Spencer County |
| Trimble County   |                |

**Ivy Tech C. C. Region 11 (Batesville,  
Lawrenceburg and Madison)\***

|                  |                |
|------------------|----------------|
| Boone County     | Bracken County |
| Campbell County  | Carroll County |
| Gallatin County  | Grant County   |
| Henry County     | Kenton County  |
| Oldham County    | Owen County    |
| Pendleton County | Trimble County |

**Ivy Tech C.C. Region 12 (Evansville)**

|                  |                |
|------------------|----------------|
| Daviess County   | Hancock County |
| Henderson County | Union County   |

**Ivy Tech C. C. Region 13 (Sellersburg)**

|                  |               |
|------------------|---------------|
| Bullitt County   | Meade County  |
| Jefferson County | Oldham County |

**U. of Southern Indiana (Evansville)**

|                    |                |
|--------------------|----------------|
| Daviess County     | Hancock County |
| Henderson County   | Union County   |
| Vanderburgh County | Warrick County |

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\*Includes the two-plus-two completion business program with Indiana U. East on the Ivy Tech C. C. Region 11 campus.

The following table provides a comparison of Kentucky and Indiana reciprocity student headcount, FTE students, and attempted student credit hours rounded to the nearest whole numbers:

| <b>Indiana and Kentucky<br/>2023-24 Reciprocity Students</b> | <b>KY Residents at IN<br/>Institutions</b> | <b>IN Residents at<br/>KY Institutions</b> |
|--|--|--|
| Student Headcount  | 2,135                                      | 2,217                                      |
| Full-time Equivalent Students                                | 1,164                                      | 1,180                                      |
| Credit Hours   | 34,303                                     | 35,391                                     |

The ratio of Indiana reciprocity full-time equivalent (FTE) students in Kentucky to Kentucky reciprocity FTE students in Indiana in 2023-24 was nearly 1 to 1 (i.e., for every one FTE Indiana resident at Kentucky institutions there are 0.98 FTE Kentucky residents at Indiana institutions).

### **Kentucky/Ohio Agreement**

Pursuant to Ohio law, the Ohio agreements have two-year terms. There are three separate agreements; all current agreements with Ohio are scheduled to expire on June 30, 2025. The agreements contain provisions for making changes while the agreements are in place, provided that all parties are amenable.

Ohio Stakeholders requested the following changes to the verbiage in Agreement 2:

- Ohio University requested that several of their campuses be added to the agreement since Kentucky students' reciprocity was limited to only 2 campuses. Expanding the agreement allows these students to diversify their studies to courses that may only be offered at another campus within the Ohio University System.
- Southern State Community College requested that Highland County in Ohio be added to the agreement since some of their students from that county want to attend Morehead State University.
- Southern State Community College also requested the removal of their Medical Assisting Program at Shawnee as the program has been archived.

Ohio stakeholders also shared a request that Shawnee State University be included in Agreement 3 (they are already included in Agreement 2). No changes were requested from either side for Agreement 1.

Council staff recommends renewal of the Kentucky/Ohio Reciprocity Agreements for the period of July 1, 2025 through June 30, 2027. Officials at participating Kentucky institutions support the proposed agreements. Additional necessary corrections and updates to agreement language are shown in the attached proposed agreements. Kentucky and Ohio have three separate agreements (Attachments B1, B2, and B3). Participating institutions and reciprocity counties are:

**Agreement 1:**

KY Institutions & Eligible OH Counties

**Northern Kentucky University**  
**Gateway Community & Technical College**

Adams County                      Brown County  
Butler County                      Clermont County  
Clinton County                      Fayette County  
Hamilton County                      Highland County  
Warren County

OH Institutions & Eligible KY Counties

**Cincinnati State Technical & Community College**  
**Clark State College**

**Miami University Hamilton Campus**  
**Miami University Middletown Campus**  
**Southern State Community College**  
**University of Cincinnati**  
Bracken County                      Boone County  
Campbell County                      Carroll County  
Gallatin County                      Grant County  
Kenton County                      Pendleton County

**Agreement 2:**

KY Institutions & Eligible OH Counties

**Ashland Community & Technical College**  
**Maysville Community & Technical College**  
**Morehead State University – Morehead**  
**Morehead State University – Ashland**

Adams County                      Athens County  
Brown County                      Gallia County  
Highland County                      Jackson County  
Lawrence County                      Meigs County  
Pike County                      Scioto County  
Vinton County

OH Institutions & Eligible KY Counties

**Ohio University – Athens**  
**Ohio University – Chillicothe**  
**Ohio University – Eastern**  
**Ohio University – Lancaster**  
**Ohio University – Southern**  
**Ohio University – Zanesville**  
**Rio Grande Community College**  
**Shawnee State University**  
**Southern State Community College**

Boyd County                      Carter County  
Elliot County                      Fleming County  
Greenup County                      Lawrence County  
Lewis County                      Mason County  
Rowan County

**Agreement 3:**

KY Institutions & Eligible OH Counties

**Maysville Community & Tech. College**

Adams County                      Brown County  
Clermont County

OH Institutions & Eligible KY Counties

**Miami University Hamilton Campus**  
**Miami University Middletown Campus**  
**Shawnee State University**  
**University of Cincinnati – Clermont College**

Bracken County                      Lewis County  
Mason County                      Robertson County

The following table provides a comparison of Kentucky and Ohio reciprocity student headcount, FTE students, and attempted student credit hours rounded to the nearest whole numbers:

| <b>Ohio and Kentucky<br/>2023-24 Reciprocity Students</b> | <b>KY Residents at<br/>OH Institutions</b> | <b>OH Residents at<br/>KY Institutions</b> |
|---|--|--|
| Student Headcount   | 1,424                                      | 1,090                                      |
| Full-time Equivalent Students                             | 930  | 528  |
| Credit Hours  | 27,899                                     | 15,834                                     |

The ratio of Ohio reciprocity full-time equivalent (FTE) students in Kentucky to Kentucky reciprocity FTE students in Ohio in 2023-24 was 1.0 to 1.76 (i.e., for every one FTE Ohio resident at Kentucky institutions there are 1.76 FTE Kentucky residents at Ohio institutions).

**Kentucky/West Virginia Agreement**

The current agreement with West Virginia has a two-year term and will expire on June 30, 2025. It contains provisions to make changes before the agreement’s expiration with the consent of all parties.

Kentucky and West Virginia stakeholders requested no changes to the current agreement. Council staff recommends renewal of the Kentucky/West Virginia Reciprocity Agreement for the period of July 1, 2025, through June 30, 2027. Officials at participating Kentucky institutions support the proposed agreement.

See Attachment C for the Kentucky/West Virginia Reciprocity Agreement. Participating institutions and reciprocity counties are:

KY Institutions & Eligible WV Counties

**Ashland Community & Technical College**  
**Big Sandy Community & Technical College**  
 Cabell County                      McDowell County  
 Mingo County                      Wayne County

WV Institutions & Eligible KY Counties

**Mountwest Community & Technical College**  
**Southern West Virginia Community & Technical College**  
 Boyd County                      Lawrence County  
 Martin County                      Pike County

The table below provides a comparison of Kentucky and West Virginia student headcount, FTE students, and attempted student credit hours rounded to the nearest whole numbers:

| <b>West Virginia and Kentucky<br/>2021-22 Reciprocity Students</b> | <b>KY Residents at<br/>WV Institutions</b> | <b>WV Residents at<br/>KY Institutions</b> |
|--|--|--|
| Student Headcount  | 142  | 211  |
| Full-time Equivalent Students                                      | 54   | 73   |
| Credit Hours   | 1603                                       | 2,201                                      |

The ratio of West Virginia reciprocity full-time equivalent (FTE) students in Kentucky to Kentucky FTE students in West Virginia in 2023-24 was 1.0 to 0.74 (i.e., for every one FTE West Virginia resident at Kentucky institutions there are 0.74 FTE Kentucky residents at West Virginia institutions).



# Request for Delegation of Authority

# Request for Delegation of Authority

- About seven years ago, the Council began requiring institutions to secure approval of proposed tuition and fee rates from their respective governing boards before bringing those proposals to the full Council for approval
- More recently, the Council began requiring institutions to first have their rate proposals reviewed and endorsed by the Finance Committee, before bringing them to the full Council for approval
- When a situation arises whereby a governing board will not approve an institution's tuition and fees until after the Finance Committee meets, it has become common practice for staff to request a delegation of authority to approve those rates, provided they comply with Council parameters

# Request for Delegation of Authority

## *2025-26 Tuition and Fee Proposals*

- The governing boards of five universities and KCTCS Board of Regents will not meet to approve campus tuition and fee proposals until after the Finance Committee meeting (June 9, 2025)
- In recent years, the Council has adopted a practice of requiring institution governing boards to approve campus proposals before bringing them before the Finance Committee and Council for review and approval

| Institution | Date of Board Approval |
|-------------|------------------------|
| UK          | 6/13/2025              |
| UL          | 6/26/2025              |
| <b>EKU</b>  | <b>5/15/2025</b>       |
| KSU         | 6/26/2025              |
| MoSU        | 6/20/2025              |
| <b>MuSU</b> | <b>6/6/2025</b>        |
| NKU         | 6/11/2025              |
| <b>WKU</b>  | <b>6/6/2025</b>        |
| KCTCS       | 6/12/2025              |

# Request for Delegation of Authority

## *Staff Recommendation*

- Given the timing of each institution's board meeting, *staff recommends that the Council delegate authority to the CPE President to review and approve 2025-26 tuition and fee proposals* – received from:
  - University of Kentucky
  - University of Louisville
  - Kentucky State University
  - Morehead State University
  - Northern Kentucky University
  - KCTCS
- Provided each proposal complies with parameters approved by the Council at the April 17, 2025, business meeting
- If approved, this will allow each institution's tuition and fee rates to be approved much earlier than the next regularly scheduled Council meeting

# MEMORANDUM OF UNDERSTANDING BETWEEN INDIANA AND KENTUCKY REGARDING TUITION RECIPROCITY

**2025-2029**

## **Parties**

*For Indiana:* Indiana Commission for Higher Education, University of Southern Indiana, Ivy Tech Community College Batesville, Evansville, Lawrenceburg, Madison, and Sellersburg, Indiana University Southeast, and Purdue Polytechnic Statewide

*For Kentucky:* Kentucky Council on Postsecondary Education, Henderson Community College, Elizabethtown Community and Technical College, Owensboro Community and Technical College, Jefferson Community and Technical College, Gateway Community and Technical College, University of Louisville, Western Kentucky University – Owensboro campus, and Northern Kentucky University

## **Purpose**

The states of Indiana and Kentucky desire to provide postsecondary opportunities for the residents of designated counties in both states. Under this agreement, eligible students will be assessed tuition and fees at the enrolling institutions' resident rate, unless otherwise stated in this agreement.

This agreement describes how both states will provide such opportunities.

## **Period Covered By Agreement**

**July 1, 2025 – June 30, 2029**

## **Eligible Students**

- A. To be eligible under the terms of this agreement, students must (1) be legal residents of one of the counties designated by both states as an eligible county, (2) be accepted by an eligible institution identified as accepting students from that county as outlined in Appendix A, and (3) enroll at that institution.
- B. Eligible students may enroll in any undergraduate or graduate degree program offered by the eligible institution with these exceptions: Dental, Medical, and Law programs.
- C. Eligible students may enroll on a full-time or part-time basis.
- D. Eligible students shall be subject to the same general or selective program admission standards as resident students.
- E. Eligible students for whom space is available may enroll in fully online classes at eligible Kentucky Community and Technical College System (KCTCS) institutions as outlined in Appendix A at th

resident rate. This agreement does not preclude KCTCS from charging fully online Indiana resident students attending any KCTCS institution the Kentucky resident rate.

- F. Under this agreement, eligible students shall be assessed tuition and fees at the enrolling institutions' resident rate.

## **Terms of Agreement**

- A. The states of Indiana and Kentucky agree:

1. For the duration of this agreement, eligible counties shall consist of those counties listed in Appendix A.
2. That the public postsecondary institutions that will participate in this agreement are those listed in Appendix A. Each state will publicize the other state's eligible institutions.
3. To treat reciprocity students as resident students when determining appropriations for higher education.
4. That, in the event that this agreement is not renewed, enrolled reciprocity students may complete their degree programs with state support at reciprocal rates of tuition so long as they maintain continuous enrollment.
5. To jointly monitor cross-border student flows under this agreement.
6. To confer annually to discuss the agreement and its impact and to recommend changes as might be appropriate and mutually agreed upon under conditions of Section VI. A. below.

- B. Each participating institution will:

1. Treat eligible students as resident students for admission and placement purposes.
2. Treat eligible students as resident students with respect to registration, refunds, student records, and academic advising.
3. Report eligible student headcount, FTE, and credit hours in each academic term to its state agency for higher education.
4. Report eligible students as separately identifiable out-of-state students when reporting enrollment data to its state agency for higher education.
5. Periodically assess the progress of this agreement and to consider changes as might be appropriate.

## **Amendment, Renewal or Termination of Agreement**

- A. 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

- B. The parties may amend the agreement in the following manner:
1. Amendments must be presented to each of the parties of this agreement for their consideration.
  2. 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.
  3. The responses will be sent to all parties in the agreement.
  4. After 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.
- C. Discussions regarding the renewal of this agreement should begin roughly one year prior to its expiration.
- D. This agreement may be terminated by any of the participating institutions, by the Indiana Commission for Higher Education, or by the Kentucky Council on Postsecondary Education, as of June 30th of any year, provided that the party electing to terminate has delivered written notice of such intention to terminate to the other parties by the preceding January 1st. In the case of such a termination by the Indiana Commission on Higher Education or the Kentucky Council on Postsecondary Education, any such election to terminate shall have the effect of terminating the agreement as to it and all other parties hereto. In the case of a participating institution, any such election to terminate shall have the effect of terminating the agreement only as to itself and its participation in the reciprocity program.
- E. In the event of termination, all enrolled reciprocity students will be allowed to complete their degree programs with state support at reciprocal rates of tuition so long as they maintain continuous enrollment.

## **VII. 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.

**Appendix A**  
**ELIGIBLE INSTITUTIONS AND COUNTIES**

Indiana Institutions and Kentucky Counties

Indiana University-Southeast, including  
Purdue Polytechnic Statewide

Bullitt County  
Hardin County  
Henry County  
Jefferson County  
Meade County  
Nelson County  
Oldham County  
Shelby County  
Spencer County  
Trimble County

Ivy Tech Community College  
(Batesville, Lawrenceburg and Madison)\*

Boone County  
Bracken County  
Campbell County  
Carroll County  
Gallatin County  
Grant County  
Henry County  
Kenton County  
Oldham County  
Owen County  
Pendleton County  
Trimble County

Ivy Tech Community College  
(Evansville)

Daviess County  
Hancock County  
Henderson County  
Union County

Ivy Tech Community College  
(Sellersburg)

Bullitt County  
Meade County  
Jefferson County  
Oldham County

University of Southern Indiana  
(Evansville)

Daviess County  
Hancock County  
Henderson County  
Union County

Kentucky Institutions and Indiana Counties

Gateway Community and Technical College

Dearborn County  
Franklin County  
Jefferson County  
Ohio County  
Ripley County  
Switzerland County

Henderson Community College

Dubois County  
Gibson County  
Perry County  
Pike County  
Posey County  
Spencer County  
Vanderburgh County  
Warrick County

Jefferson Community and Technical College

Clark County  
Crawford County  
Dearborn County  
Floyd County  
Franklin County  
Harrison County  
Jefferson County  
Ohio County  
Ripley County  
Scott County  
Switzerland County  
Washington County

Northern Kentucky University

Dearborn County  
Franklin County  
Jefferson County  
Ohio County  
Ripley County  
Switzerland County

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\*Includes the two-plus-two completion program in Business offered by Ivy Tech Community College and

Indiana University East on the Ivy Tech Community College campus.

Owensboro Community and Technical College

Dubois County  
Gibson County  
Perry County  
Pike County  
Posey County  
Spencer County  
Vanderburgh County  
Warrick County

University of Louisville

Clark County  
Crawford County  
Floyd County  
Harrison County  
Perry County  
Scott County  
Washington County

Elizabethtown Community and Technical College (Meade County Locations)

Crawford County  
Harrison County  
Perry County

Western Kentucky University - Owensboro Campus only (Junior level and above)

Dubois County  
Gibson County  
Perry County  
Pike County  
Posey County  
Spencer County  
Vanderburgh County  
Warrick County

## VII. Signatures

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**Chris Lowery** Date  
Commissioner  
Indiana Commission for Higher  
Education

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**Steven J. Bridges** Date  
President  
University of Southern Indiana

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**Dr. Sue Ellspermann** Date  
President  
Ivy Tech State College

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**Dr. Pamela Whitten** Date  
President  
Indiana University

---

**Dr. Mung Chiang** Date  
President  
Purdue University

---

**Dr. Aaron Thompson** Date  
President  
Kentucky Council on Postsecondary  
Education

---

**Gerry Bradley** Date  
President  
University of Louisville

---

**Dr. Ryan Quarles** Date  
President  
Kentucky Community and Technical  
College System

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**Dr. Cady Short-Thompson** Date  
President  
Northern Kentucky University

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**Dr. Timothy C. Caboni** Date  
President  
Western Kentucky University

## UNDERGRADUATE TUITION RECIPROCITY AGREEMENT

Northern Kentucky University  
Gateway Community and Technical College  
And  
Cincinnati State Technical and Community College  
Clark State 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 chancellor of the Ohio Department of Higher Education, Cincinnati State Technical and Community College, Clark State 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, 2025, through June 30, 2027, and may be renewed prior to June 30, 2027, 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, 2025, to June 30, 2027.

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 chancellor of the Ohio Department of Higher Education, or the President of 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, College of Applied Science, and Raymond Walters College) or at Cincinnati State Technical and Community College or at Clark State 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 or applied bachelor's degree programs not specifically excluded from this agreement.

In this section, the word "program" only means an associate degree program or applied bachelor's 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, Clark State College, and Southern State Community College which are excluded from this agreement are the following associate degree and applied bachelor's degree 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
- (5) Clark State College – no exclusions

Any program listed above as excluded may, by the joint written consent of the presidents of all five 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:

- a. 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.

Miami University Hamilton and Miami University Middletown agree 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) for all bachelor programs at Miami University Hamilton and Miami University Middletown.

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 or applied bachelor's degree from the University of Cincinnati, Cincinnati State Technical and Community College, Clark State 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. 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.

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 agreements' 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 chancellor of 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 College, Miami University Hamilton, Miami University Middletown, 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 College, Miami University Hamilton, Miami University Middletown, 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 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 College, Gateway Community and Technical College, Miami University Hamilton, Miami University Middletown, 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 chancellor of 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 College, Gateway Community and Technical College, Northern Kentucky University, Southern State Community College, Miami University 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 chancellor of 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 chancellor of 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 PAGE**  
**STATE AGENCIES**

Dr. Ryan Quarles, President  
Kentucky Community & Technical College System

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Aaron Thompson, President  
Kentucky Council on Postsecondary Education

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Mike Duffey, Chancellor  
Ohio Department of Higher Education

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**TUITION RECIPROCITY AGREEMENT**  
**SIGNATURE PAGE**  
**INSTITUTIONS**

Dr. Cady Short-Thompson, President  
Northern Kentucky University

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Fernando Figueroa, President  
Gateway Community and Technical College

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Neville 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 College

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Gregory P. Crawford, President  
Miami University

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Nicole Rhodes, President  
Southern State Community College

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

# **TUITION RECIPROCITY AGREEMENT 2025-2027**

**Ashland Community and Technical College  
Maysville Community and Technical College  
Morehead State University-Morehead  
Morehead State University-Ashland  
And  
Ohio University-Athens  
Ohio University-Chillicothe  
Ohio University-Eastern  
Ohio University-Lancaster  
Ohio University-Southern  
Ohio University-Zanesville  
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 Chancellor of the Ohio Department of Higher Education, Ashland Community and Technical College, Maysville Community and Technical College, Morehead State University-Morehead, Morehead State University-Ashland, Ohio University-Athens, Ohio University-Chillicothe, Ohio University-Eastern, Ohio University-Lancaster, Ohio University-Zanesville, 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, 2025 through June 30, 2027 and may be renewed prior to June 30, 2027 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, 2025 to June 30, 2027.

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, the Chancellor of 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/Ohio Programs

Ohio University-Athens, Ohio University-Chillicothe, Ohio University-Eastern, Ohio University-Lancaster, Ohio University-Zanesville, 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, an applied bachelor’s degree program, a baccalaureate degree program, or a graduate degree program.

All programs offered at Ohio University-Athens, Ohio University-Chillicothe, Ohio University-Eastern, Ohio University-Lancaster, Ohio University-Zanesville, Ohio University-Southern, Rio Grande Community college, Shawnee State University, Southern State Community College are included in this Agreement.

3. Ohio Residents Eligibility/Kentucky Programs

Ashland Community and Technical College, Maysville 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, Highland, 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, or a graduate degree program.

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

4. Resident Status

- a. During the period of this agreement, the Chancellor of 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-Chillicothe, Ohio University-Eastern, Ohio University-Lancaster, Ohio University-Zanesville, 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-Chillicothe, Ohio University-Eastern, Ohio University-Lancaster, Ohio University-Zanesville, 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, Maysville 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, Maysville 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, Maysville Community and Technical College, Morehead State University-Morehead, Morehead State University-Ashland, Ohio University-Athens, Ohio University-Chillicothe, Ohio University-Eastern, Ohio University-Lancaster, Ohio University-Zanesville, 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, Maysville Community and Technical College, Morehead State University-Morehead, Morehead State University-Ashland, Ohio University-Athens, Ohio University-Chillicothe, Ohio University-Eastern, Ohio University-Lancaster, Ohio University-Zanesville, 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 Chancellor of 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 Chancellor of 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**

Dr. Ryan Quarles, President  
Kentucky Community & Technical College System

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Aaron Thompson, President  
Kentucky Council on Postsecondary Education

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Mike Duffey, Chancellor  
Ohio Department of Higher Education

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**TUITION RECIPROCITY AGREEMENT  
SIGNATURE PAGES**

**INSTITUTIONS**

Dr. Larry Ferguson, President  
Ashland Community and Technical College District

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Joseph A. Morgan, President  
Morehead State University

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Lori Stewart Gonzalez, President  
Ohio University-Athens, Ohio University-Chillicothe, Ohio University-Eastern, Ohio University-  
Lancaster, Ohio University-Zanesville, Ohio University-Southern

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Kent Haley, Treasurer/Chief Financial Officer  
Rio Grande Community College

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Eric Andrew Braun, President  
Shawnee State University

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Nicole Rhodes, President  
Southern State Community College

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

# TUITION RECIPROCITY AGREEMENT 2025-2027

Maysville Community and Technical College  
and  
University of Cincinnati - Clermont College  
Miami University Hamilton  
Miami University Middletown  
Shawnee State University

This tuition reciprocity agreement is entered into between the Kentucky Council on Postsecondary Education and the Chancellor of 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, the University of Cincinnati-Clermont College, and Shawnee State University 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, 2025, through June 30, 2027, and may be renewed prior to June 30, 2027, 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, 2025 to June 30, 2027.

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 Chancellor of 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, the University of Cincinnati-Clermont College, and Shawnee State University 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, the University of Cincinnati-Clermont College, and Shawnee State University in the programs not specifically excluded from this agreement. In this context, the word "program" may mean a workshop, a certificate program, associate degree program, or applied bachelor's 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 Chancellor of the Ohio Department of Higher Education will consider residents of Bracken, Lewis, Mason, and Robertson Counties who attend the Miami University Hamilton Campus, Miami University Middletown Campus, University of Cincinnati-Clermont College, and Shawnee State University under this agreement as qualifying for Ohio resident tuition rates and as Ohio residents for the purpose of allocating funds to Miami University Hamilton Campus, Miami University Middletown Campus, University of Cincinnati-Clermont College, and Shawnee State University.

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 Miami University Hamilton Campus, Miami University Middletown Campus, University of Cincinnati-Clermont College, and Shawnee State University 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 Miami University Hamilton Campus, Miami University Middletown Campus, University of Cincinnati-Clermont College, and Shawnee State University 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 Chancellor of 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 Chancellor of 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**

Dr. Ryan Quarles, President  
Kentucky Community & Technical College System

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Aaron Thompson, President  
Kentucky Council on Postsecondary Education

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Mike Duffey, Chancellor  
Ohio Department of Higher Education

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**TUITION RECIPROCITY AGREEMENT  
SIGNATURE PAGES**

**INSTITUTIONS**

Dr. Laura McCullough, President  
Maysville Community and Technical College

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Neville Pinto, President  
University of Cincinnati

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Gregory P. Crawford, President  
Miami University

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Dr. Eric Andrew Braun, President  
Shawnee State University

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

## **TUITION RECIPROCITY AGREEMENT**

### **ASHLAND COMMUNITY AND TECHNICAL COLLEGE BIG SANDY COMMUNITY AND TECHNICAL COLLEGE AND SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE AND MOUNTWEST COMMUNITY AND TECHNICAL COLLEGE 2025-2027**

#### **I. Parties**

Under the provisions of Section 18-B-4-3 of the West Virginia Code, Section 164.020 (11) of the Kentucky Revised Statutes, and in compliance with rules and procedures of the West Virginia Council for Community and Technical College Education, the Kentucky Council on Postsecondary Education, the Kentucky Community and Technical College System, Ashland Community and Technical College, Big Sandy Community and Technical College, Mountwest Community and Technical College, and Southern West Virginia Community and Technical College, the following agreement is entered into between the Kentucky Council on Postsecondary Education and the West Virginia Council for Community and Technical College Education, and between Ashland Community and Technical College and Big Sandy Community and Technical College of the Kentucky Community and Technical College System and Mountwest Community and Technical College and Southern West Virginia Community and Technical College.

#### **II. Purpose**

The purposes of this tuition reciprocity agreement are to (1) improve the lower division post high school educational advantages to residents of Boyd, Lawrence, Martin, and Pike Counties in Kentucky and Cabell, McDowell, Mingo, and Wayne Counties in West Virginia; (2) minimize the cost of such improvements for the taxpayers and legislative bodies of both states by cooperative planning and joint education efforts; and (3) promote the maximum use of existing educational facilities and address the problems of enrollment fluctuations and fiscal constraints at both institutions.

#### **III. Period Covered By Agreement**

July 1, 2025 - June 30, 2027

#### **IV. Terms**

The provisions of this agreement shall be effective beginning July 1, 2025, and expire on June 30, 2027, and will commence with any registration after the effective date. Students who are enrolled under the provisions of the agreement may continue to attend the selected colleges at the reciprocity rates for a period of two years subsequent to termination of the agreement. The agreement shall be subject to review and revision on an annual basis.

#### **V. Eligible Students**

Ashland Community and Technical College and Big Sandy Community and Technical College agree to accept at the resident rate any resident of Cabell, McDowell, Mingo, or Wayne Counties of West Virginia wishing to enroll for whom space is available and who satisfies all regular in-state admission requirements of Ashland Community and Technical College and Big Sandy Community and Technical College.

Mountwest Community and Technical College and Southern West Virginia Community and Technical College agree to accept at the resident rate any resident of Boyd, Lawrence, Martin, or Pike Counties of Kentucky wishing to enroll for whom space is available and who satisfies all regular in-state admissions requirements of Mountwest Community and Technical College and Southern West Virginia Community and Technical College.

Eligible students for whom space is available may enroll in fully online classes at eligible KCTCS institutions at the resident rate. This agreement does not preclude KCTCS from charging fully online West Virginia resident students attending any KCTCS institution the Kentucky resident rate.

#### **VI. Termination or Renewal of Agreement**

This agreement shall be reviewed annually and may be considered for termination or modification for cause at the request of either participating institution, the West Virginia Council for Community and Technical College Education, or the Kentucky Council on Postsecondary Education.

Ashland Community and Technical College, Big Sandy Community and Technical College, Mountwest Community and Technical College, and Southern West Virginia Community and Technical College agree to provide on an annual basis to the Kentucky Council on Postsecondary Education and the West Virginia Council for Community and Technical College Education reports on the enrollment and program implications of the agreement on forms prescribed for the purpose by these state agencies.



|                        |   |
|------------------------|---|
| <b>TITLE:</b>          | Budget Development Update   |
| <b>DESCRIPTION:</b>    | Staff provides an update on the 2026-2028 biennial budget development process.  |
| <b>STAFF CONTACTS:</b> | Bill Payne, Vice President for Finance Policy and Programs<br>Greg Rush, Associate Vice President for Finance Policy and Programs |

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## **BIENNIAL BUDGET DEVELOPMENT**

The Council on Postsecondary Education is directed in statute to make a biennial budget request for postsecondary education (HB 1, 97 RS). Major components of the request typically include: (1) operating funds; (2) capital investment; (3) trust funds; and (4) agency operations. Developing a unified budget request is a collaborative process, involving Council members, campus presidents, chief budget officers, and CPE staff. It normally takes about seven months to complete the process, culminating with Council approval and submission to the Governor and General Assembly.

For the upcoming 2026-2028 biennium, the Council's budget recommendation for postsecondary education must be submitted to the Office of State Budget Director (OSBD) by no later than close of business October 1, 2025. This due date has shortened the timeline for discussing budget priorities and reaching consensus on funding components and request amounts by about two months, compared to prior biennia. Since late February, CPE staff has been engaged in ongoing discussions with campus presidents and chief budget officers (CBOs) to identify high priority resource needs for the upcoming biennium.

Today, staff presents information regarding the status of discussions to date for both the postsecondary institution and agency operations budget requests. It is important to keep in mind that the information in this update is preliminary and may be subject to change.

## **POSTSECONDARY INSTITUTION REQUEST**

The Council's budget recommendation for the postsecondary institutions typically contains three main categories of funding: (1) operating funds; (2) capital investment;

and (3) trust funds. Within the context of stakeholder discussions to date, preliminary funding priorities for each category are described below.

## Operating Funds

At this stage in the process, discussions of high priority operating funds components have coalesced around requesting additional appropriations for: (1) an across-the-board inflation adjustment; and (2) an increase in performance funds. Each of these items, along with preliminary request amounts, is described in greater detail below.

*Inflation Adjustment.* Over the past three years, colleges and universities have faced some of the largest increases in higher education costs in more than two decades.

In 2022, higher education costs measured using the Commonfund Institute's Higher Education Price Index (HEPI) grew by 5.2%, the largest single year increase in more than 20 years. In 2023 and 2024, costs rose by 4.0% and 3.4%, respectively, resulting in a compound annual growth rate of 4.2% for the three-year period. In Kentucky, the growth in costs was exacerbated by slow growth in state General Fund support and Council adopted tuition and fee ceilings.

For the upcoming 2026-2028 biennium, stakeholders are unanimous in their support of across-the-board increases in base operating funds to help offset the growth in higher education costs. Specifically, CPE staff and campus officials would support a Council request for additional operating funds of **\$43.5 million** in 2026-27 and **\$86.9 million** in 2027-28 to help institutions offset escalating costs. These funding amounts represent across-the-board increases of 4.5% in 2026-27 and 9.0% in 2027-28 on each institution's fiscal year 2025-26 net General Fund base.

If recommended by the Council and authorized by the General Assembly, these funds would help Council and campus officials maintain affordability and access for Kentucky citizens and provide resources necessary for institutions to continue making progress toward the state's student success goals.

*Performance Fund.* CPE staff and presidents at seven of nine institutions would like the Council to request an increase in the Performance Fund for the upcoming biennium. A majority of stakeholders support additional appropriations of **\$10.0 million** each year of the biennium that, when added to \$115.0 million already in the fund, would bring the total amount in the Performance Fund to \$125.0 million. At this level of funding, the request would be an increase of 8.7% on the 2025-26 Performance Fund base.

If authorized, these funds would provide resources for institutions to continue making progress toward the state's student success goals and would help Council and campus officials maintain affordability and access for Kentucky citizens.

A summary of preliminary operating funds priorities developed by CPE staff and campus officials is provided in the table below.

| <i>Operating Funds Request</i>        |                   |                   |                   |
|---------------------------------------|-------------------|-------------------|-------------------|
| Funding Category                      | Fiscal<br>2025-26 | Fiscal<br>2026-27 | Fiscal<br>2027-28 |
| 2025-26 Net General Fund <sup>1</sup> | \$1,080,800,000   | \$1,080,800,000   | \$1,080,800,000   |
| Additional Budget Requests:           |                   |                   |                   |
| Inflation Adjustment                  |                   | 43,461,000        | 86,922,000        |
| Performance Fund                      |                   | 10,000,000        | 10,000,000        |
| KSU Land-Grant Program                | TBD               | TBD               | TBD               |
| Total Operating Request               | \$1,080,800,000   | \$1,134,261,000   | \$1,177,722,000   |
| Dollar Change                         |                   | \$53,461,000      | \$96,922,000      |
| Percent Change                        |                   | 4.9%              | 9.0%              |

<sup>1</sup> Each institution's enacted 2025-26 regular General Fund appropriation minus debt service (24 RS, HB 6). Includes \$115.0 million appropriated to the Performance Fund in 2025-26.

As can be seen in the table, at this point in the process, CPE staff and campus officials would support a Council recommendation that includes a total operating funds request of \$1.13 billion in 2026-27 and a request for \$1.18 billion in 2027-28, representing an increase of \$53.5 million or 4.9 percent in 2026-27 and an increase of \$96.9 million or 9.0 percent in 2026-27, on a \$1.08 billion 2025-26 beginning base.

### Capital Investment

Prior to 2020, the Council's capital investment request typically included three budget components: (1) new construction; (2) asset preservation; and at times (3) information technology and equipment. In recent biennia, stakeholders have elected to focus on asset preservation in the Council's budget recommendation, forgoing requests for new construction and technology and equipment funding. For the upcoming biennium, discussions to date have centered around requests for new capital construction and asset preservation funding components.

*New Construction.* Over the past two biennia, the Council has not included a request for new capital construction in its budget recommendation for postsecondary education. The main rationale for this approach was to emphasize that the overwhelming priority

for the system was asset preservation. For the upcoming 2026-2028 biennium, campus presidents have indicated unanimous support for the Council to include a request for new and expanded space projects in its recommendation.

To date, staff has identified the highest priority new construction project at each university and the top six priorities at KCTCS and is in the process of vetting those projects with the institutions. Until that vetting is completed, the list of projects, square footage, and projects scopes are to be determined (TBD).

*Asset Preservation.* Prior to the 2022-2024 biennium, the need to address facilities renovation and renewal at Kentucky public postsecondary institutions had not been addressed in any substantive way for more than a decade. Despite analyses showing that the cumulative cost of bringing the state's public postsecondary facilities up to industry standards would grow to \$7.3 billion by 2021 (VFA Study, 2013 update), state appropriations for asset preservation totaled \$282.0 million between 2008 and 2022.

In 2022-24, the Council included a request for \$700.0 million in bond funds for asset preservation and the General Assembly appropriated a total of \$700.0 million for renovation and renewal of postsecondary institution facilities, including \$683.5 million for an Asset Preservation Pool and \$16.5 million for a stand-alone asset preservation project at KCTCS. In 2024-26, the Council requested a second installment of \$700.0 million to preserve postsecondary education facilities and, in the enacted budget that biennium (24 RS, HB 6), the General Assembly authorized \$563.0 million in bond funds for the Asset Preservation Pool.

For the upcoming 2026-2028 biennium, CPE staff and campus officials are unanimous in their support of including another request for **\$700 million** in the Council's biennial budget recommendation to support ongoing renovation and renewal of postsecondary education facilities. If endorsed by the Council and authorized by the General Assembly, this would represent a third major installment of asset preservation funding, totaling over \$1.9 billion, to address the identified \$7.3 billion system total asset preservation need.

*Information Technology and Equipment.* At this point in the process, most campus officials do not support including a request for information technology and equipment in the Council's 2026-2028 budget recommendation. Other components of the capital request are perceived to be higher priorities than information technology projects.

Over the past several months, CPE staff and campus presidents and chief budget officers have engaged in discussions regarding capital investment priorities for the

upcoming 2026-2028 biennium. A summary of preliminary capital investment priorities that were developed within that time frame is provided in the table below.

| <i>Capital Investment Request</i>  |                   |                   |                   |
|------------------------------------|-------------------|-------------------|-------------------|
| Funding Category                   | Fiscal<br>2026-27 | Fiscal<br>2027-28 | Biennial<br>Total |
| New Construction                   | TBD               | TBD               | TBD               |
| Asset Preservation                 | \$350,000,000     | \$350,000,000     | \$700,000,000     |
| – Debt Service                     | TBD               | TBD               | TBD               |
| Information Technology & Equipment | \$0               | \$0               | \$0               |

As can be seen in the table, aggregate request amounts for new construction are to be determined. Most stakeholders support an equal allocation of \$350.0 million each year for the asset preservation pool. There is little support for including an information technology request in the Council’s recommendation, so those fields contain zeroes.

### **Trust Funds**

In 1997, the General Assembly created six strategic investment and incentive trust funds to help bring about change and improvement in Kentucky’s public postsecondary system by providing financial incentives for institutions to pursue state goals for higher education. Over the past 25 years, the Council has frequently included requests for trust fund program appropriations in its biennial budget recommendations, typically in support of specialized programs or strategic initiatives housed in one of three trust funds.

The Endowment Match Program, which supports targeted research activities at the University of Kentucky and the University of Louisville and bolsters key programs and student scholarships at the comprehensive universities, has been funded in five biennia through the Research Challenge Trust Fund (RCTF) and the Comprehensive University Excellence Trust Fund (CUETF). Various workforce development and training programs at KCTCS have been funded using the Workforce Development Trust Fund (WDTF).

Every two years, CPE staff works with campus presidents and chief budget officers to identify programs or initiatives and recommend funding levels that will enable Kentucky colleges and universities to continue making progress toward state goals. At this time, most postsecondary education stakeholders do not support including a request for trust fund program funding in the Council’s 2026-2028 budget recommendation.

## **CPE AGENCY BUDGET REQUEST**

In addition to identifying budget priorities and recommending funding for postsecondary institutions in its biennial budget request, the Council also enumerates priorities and develops funding requests for the agency. Staff recently met with members of Executive Leadership to identify the most pressing resource needs of the agency and high priority needs of the postsecondary system that could best be addressed through additional resources housed at CPE. The Council's budget request for the agency typically contains two categories of funding: (1) agency operations; and (2) strategic initiatives. Preliminary priorities and request amounts for each category are described below.

### **Agency Operations**

The Council's agency operations recommendation typically includes funding requests for two budget components: (1) base funding (i.e., needed to maintain current funding and staffing levels); and (2) expansion requests (i.e., defined calculations and additional resources needed to cover inflationary cost increases).

The agency budget also includes a number of pass-through programs and funding that benefits institutions directly, such as the Kentucky Postsecondary Education Network (KPEN), Virtual Library, SREB Doctoral Scholars program, equine program, and cancer research programs. In recent years, private and federal funds in the agency budget have allowed CPE to expand its work improving the P-20 pipeline, promoting student success, and responding to the state's healthcare workforce needs.

For the 2026-2028 biennium, discussions with Executive Leadership to date have centered around resources needed to sustain recent progress toward achieving the strategies and objectives outlined in the Council's Strategic Agenda and the state's 60x30 college attainment goal. The paragraphs below describe CPE staff's current thinking regarding preliminary priorities and request amounts for strategic initiatives.

### **Strategic Initiatives**

The primary focus of the Council's Strategic Initiatives request will be on aligning state investment in CPE programs and initiatives with Workforce and Economic Development priorities. Specifically, staff will recommend funding: (a) to expand an existing digital platform that provides Kentucky citizens with actionable information about high-demand careers; (2) for a workforce initiative that will establish new education-industry

partnerships in high-need sectors; (3) to support full implementation of the Kentucky Graduate Profile; and (4) to support student transition from high school to college.

Taken together, these four initiatives represent a comprehensive and coordinated investment in Kentucky's workforce future. If authorized, the total additional request will directly support the Council's statutory responsibility to strengthen postsecondary education's role in driving economic prosperity for all Kentuckians. A more detailed description of each initiative is provided below.

*Futuriti.* Launched in February 2025, *Futuriti.org* is a statewide digital platform that was developed by CPE in collaboration with the Kentucky Department of Education (KDE) and the Kentucky Center for Statistics (KYSTATS). It is a tool that provides more than 700 Kentucky-specific career profiles, cost and outcomes data for all postsecondary institutions, and support for both high school and adult learners, including those emphasized in SB 191.

At this time, staff is considering including a request for **\$250,000** each year of the biennium to support continuing development of tools like a cost-of-living calculator, an employer benefits database, an apprenticeship hub, site maintenance, and targeted outreach to re-engage adults without a postsecondary credential. The return on investment for this request will be thousands of Kentuckians having access to actionable information about high-demand careers and what they need to do to position themselves to pursue such careers.

*Workforce Initiative.* The Council's Healthcare Workforce Investment Fund (HWIF) has been very successful in establishing partnerships between Kentucky postsecondary institutions and healthcare providers, leveraging matching funds to support student scholarships, and providing incentive funds to support exemplary health care programs across the state. For the upcoming biennium, CPE staff anticipates requesting **\$500,000** each year to build on the success of the HWIF and expand efforts to other high-need sectors through new education-industry partnerships.

If authorized, the funds will support additional staff at CPE and competitive grants to postsecondary institutions to enhance workforce-aligned curricula, provide student job placement during training, and facilitate and coordinate advanced technology-employer partnerships, reinforcing CPE's mission to meet regional workforce demands and foster economic mobility for Kentucky citizens.

*Kentucky Graduate Profile.* CPE staff will request **\$500,000** each year of the biennium to support full implementation of the Kentucky Graduate Profile. The Graduate Profile

defines 10 Essential Skills designed to align graduate proficiencies with workforce needs, such as communication skills, adaptability, professionalism, and applied academics. If authorized, the requested funds will be used to pursue two statewide strategies that will support the Graduate Profile program, including establishing a new Faculty Development Center and a Graduate Profile Fellows Program.

All public postsecondary institutions now participate in a Graduate Profile Academy, where campus teams identify learning outcomes, develop performance indicators, and partner with employers to ensure graduates are workforce ready. The new Faculty Development Center will build on this effort by developing and implementing training modules and curriculum tools for the program and providing resources needed to support full implementation of the Kentucky Graduate Profile.

The Graduate Fellows Program will facilitate collaborations among faculty, staff, and employers to embed essential skills and work-based learning into at least 10 academic programs per institution. It is anticipated that this initiative will strengthen the workforce value of postsecondary credentials by ensuring graduates are equipped with the skills that Kentucky employers demand.

*Summer Bridge Programs* – Summer Bridge Programs are a proven strategy for easing the transition from high school to college, especially among students from low-income and underrepresented backgrounds. Assessments of prior CPE-sponsored programs have found that such programs increase student enrollment and college persistence and produce measurable gains in tuition revenue and workforce readiness. For the upcoming biennium, CPE staff intends to request **\$750,000** each year to support Summer Bridge Programs.

If authorized, these funds will support annual competitive grants with institutional match requirements and independent program evaluations and will emphasize establishing partnerships with employers and communities. This initiative directly supports KRS 164.0202 and 164.0203, which call for advancing the state's 60x30 goal by increasing postsecondary enrollment, retention, and readiness for career pathways.



# Budget Development Update

# Budget Development Update

The Council on Postsecondary Education is directed in statute to make a biennial budget request for postsecondary education (HB 1, 97 RS)

Major components of the request typically include:

- 1) Operating Funds
- 2) Capital Investment
- 3) Trust Funds
- 4) Agency Operations

# Operating Funds

For the 2026-2028 biennium, discussions of budget priorities between CPE staff and campus officials have coalesced around the following **Operating Funds** components:

- Inflation Adjustment
- Performance Fund
- KSU Land-Grant Program

# Operating Funds

## *Inflation Adjustment*

- Request for additional operating funds of **\$43.5 million** in fiscal year 2026-27 and **\$86.9 million** in 2027-28 for an **Inflation Adjustment**
- This request represents increases of **4.5%** in 2026-27 and **9.0%** in 2027-28, above the fiscal year 2025-26 net General Fund base
- If authorized, these funds will help institutions offset some of the largest increases in higher education inflation in two decades
- The funds will also help Council and campus officials maintain affordability and access for Kentucky citizens

# Operating Funds

## *Performance Fund*

- Additional appropriations of **\$10.0 million** each year that, when added to \$115.0 million already in the **Performance Fund**, will bring the total amount in the fund to **\$125.0 million**
- This request represents an increase of **8.7%** on the fiscal year 2025-26 Performance Fund base
- If authorized, the funds will provide added incentive for institutions to pursue state goals for postsecondary education and resources needed to achieve those goals
- The funds will also help Council and campus officials maintain affordability and access for Kentucky citizens

# Operating Funds

## *Request Summary*

### *Operating Funds Request*

| Funding Category                      | Fiscal<br>2025-26 | Fiscal<br>2026-27 | Fiscal<br>2027-28 |
|---------------------------------------|-------------------|-------------------|-------------------|
| 2025-26 Net General Fund <sup>1</sup> | \$1,080,800,000   | \$1,080,800,000   | \$1,080,800,000   |
| Additional Budget Requests:           |                   |                   |                   |
| Inflation Adjustment                  |                   | 43,461,000        | 86,922,000        |
| Performance Fund                      |                   | 10,000,000        | 10,000,000        |
| KSU Land-Grant Program                | TBD               | TBD               | TBD               |
| Total Operating Request               | \$1,080,800,000   | \$1,134,261,000   | \$1,177,722,000   |
| Dollar Change                         |                   | \$53,461,000      | \$96,922,000      |
| Percent Change                        |                   | 4.9%              | 9.0%              |

<sup>1</sup> Each institution's enacted 2025-26 regular General Fund appropriation minus debt service (24 RS, HB 6). Includes \$115.0 million appropriated to the Performance Fund in 2025-26.

# Capital Investment

To date, CPE staff and campus officials have discussed three possible **Capital Investment** components:

- New Capital Construction
- Asset Preservation
- Information Technology and Equipment

# Capital Investment

## *New Capital Construction*

- Over the past two biennia, the Council has not included a request for **New Capital Construction** in its budget recommendation for postsecondary education
- The rationale for this approach was to emphasize that the overwhelming priority for the system was asset preservation
- For the upcoming 2026-2028 biennium, campus presidents have indicated unanimous support for including a request for new and expanded space projects in the Council's recommendation
- To date, staff has identified each university's highest priority new construction project and the top six from KCTCS (vetting underway)

# Capital Investment

## *Asset Preservation*

- For the upcoming biennium, stakeholders support a request for **\$700 million** in state bond funds to finance **Asset Preservation** projects at the postsecondary institutions
- Allocated in equal installments of **\$350 million** each year of the biennium
- Stakeholders support the proposed funding without any required institutional match

# Capital Investment

## *Information Technology and Equipment*

- To date, only two institutions have expressed interest in including a request for information technology and equipment projects in the Council's 2026-2028 budget recommendation
- Most stakeholders view other capital investment components to be higher priorities than information technology and equipment
- As of now, staff is not considering including a request for information technology in the Council's budget submission

# Capital Investment

## *Request Summary*

### *Capital Investment*

| Funding Category                   | Fiscal<br>2026-27 | Fiscal<br>2027-28 | Biennial<br>Total |
|------------------------------------|-------------------|-------------------|-------------------|
| New Construction                   | TBD               | TBD               | TBD               |
| Asset Preservation                 | \$350,000,000     | \$350,000,000     | \$700,000,000     |
| – Debt Service                     | TBD               | TBD               | TBD               |
| Information Technology & Equipment | \$0               | \$0               | \$0               |

# Trust Funds

- HB 1 (97 RS) created six trust funds to provide financial incentives for Kentucky colleges and universities to pursue state goals for postsecondary education
- Every two years, CPE staff works collaboratively with campus presidents, chief budget officers, and Council members to identify high priority programs and recommend funding
- At this time, stakeholders are not considering including a trust fund request in the Council's 2026-2028 budget submission

# Agency Operations

- The Council's agency budget request typically includes components for base funding (current operations and staffing), additional resources to cover inflationary cost increases, and funding for strategic initiatives
- The agency budget also includes several pass-through programs and funding that benefits institutions directly
- Private and federal funds have allowed CPE to expand its work, improving the P-20 pipeline, promoting student success, and responding to the state's healthcare workforce needs
- Staff are in the process of identifying the agency's most pressing resource needs and needs of the postsecondary system that can best be addressed with additional resources housed at CPE

# Agency Operations

## *Strategic Initiatives*

CPE staff are currently considering four strategic initiatives:

- *Futuriti* → **\$250,000** each year to develop tools like a cost-of-living calculator, employer benefits database, and an apprenticeship hub, to provide site maintenance, and to support targeted outreach to engage adults that don't have a postsecondary credential
- *Workforce Initiative* → **\$500,000** each year to build on the success of the Healthcare Workforce Investment Fund and expand efforts to other high-need sectors through new education-industry partnerships
- *Summer Bridge Programs* → **\$750,000** each year to fund annual competitive grants and independent evaluations, with institutional match requirements and emphasis on establishing partnerships with employers and communities

# Agency Operations

## *Strategic Initiatives (Cont'd)*

- *Kentucky Graduate Profile* → \$500,000 each year to support full implementation of the Kentucky Graduate Profile. If authorized, the funds will be used to pursue two statewide strategies that will support the Graduate Profile program, including:
  - Establishing a new *Faculty Development Center* to develop and implement training modules and curriculum tools and provide resources to support full implementation of the Graduate Profile
  - Initiating a *Graduate Profile Fellows Program* to foster collaboration among faculty, staff, and employers to embed essential skills and work-based learning into at least 10 academic programs per institution. This will strengthen the work value of credentials by ensuring graduates are equipped with skills employer's demand

**TITLE:** 2025-26 Distribution of Performance Funds

**DESCRIPTION:** Staff provides an update on university and KCTCS funding models, including recommendations of the 2024 performance funding work group and subsequent changes to the funding models, a resulting distribution of 2025-26 performance funds, and follow-up analyses.

**STAFF CONTACTS:** Bill Payne, Vice President for Finance Policy and Programs  
Adam Blevins, Associate Director of Finance Policy and Programs

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### **WORK GROUP RECOMMENDATIONS**

SB 191, adopted during the 2024 Regular Session, removed underrepresented minority (URM) student degree and credential metrics from university and KCTCS models. The bill struck the word “minority” in two places, resulting in resources being assigned to “underrepresented students”, and defined underrepresented students for the 2024-25 iteration of the funding model as first-generation college students. It directed the Council to replace a 3.0% allocation for URM bachelor’s degrees in the university model with first-generation and low-income student bachelor’s degrees (@ 1.50% allocation each).

In addition to specifying changes in metrics and pool allocations for 2024-25, SB 191 called for the Postsecondary Education Working Group to convene during the 2024 Interim:

for the sole purpose of considering how to define "underrepresented students" in the comprehensive funding model for the public postsecondary education system (Section 3, p. 10)

Finally, the bill directed the Council on Postsecondary Education to report the recommendations of the working group to the Governor and Legislative Research Commission for referral to the Interim Joint Committees on Education and Appropriations and Revenue by December 1, 2024.

The working group met three times in 2024. At the first meeting (September 4), staff shared background information, outlined the working group’s charge, and presented four potential metrics for consideration. At the second meeting (October 2), the group continued to discuss potential metrics and reviewed scenarios that included those metrics or a combination thereof. At the third meeting (October 28), staff shared two scenarios that were requested by group members and a “Proposal for Consideration” developed by staff that was ultimately adopted by a majority of group members.

Work group recommendations for the university funding model:

- Define “underrepresented students” as first-generation college students
- Assign 3.0% of available allocable resources to bachelor’s degrees earned by such students
- Apply a differential sector weighting to the first-generation bachelor’s degree metric, calculated at the midpoint between no weighting and full weighting

Work group recommendations for the KCTCS funding model:

- Adopt first-generation college student credentials as the “underrepresented students” metric
- Align allocation percentages at 4.0% each for (1) first-generation college student, (2) low-income student, (3) underprepared student, and (4) nontraditional age (25+) student credentials

Following recommendations of the 2024 working group, staff worked with campus officials and Council members to effect the necessary adjustments to the funding models through changes in administrative regulations.

## **PERFORMANCE DISTRIBUTION**

In the enacted *2024-2026 Budget of the Commonwealth* (24 RS, HB 6), the General Assembly appropriated \$115.0 million to the Postsecondary Education Performance Fund in fiscal year 2025-26, representing an increase of \$10.0 million, or 9.5 percent, from \$105.0 million appropriated the year before. Kentucky’s Performance Funding Statute (i.e., KRS 164.092) calls on the Council on Postsecondary Education to run the funding model and certify to the Office of the State Budget Director (OSBD) by May 1 each year, the amount to be distributed from the fund to each university and KCTCS.

In early April 2025, CPE staff ran the university funding model and determined a preliminary distribution among institutions of \$115.0 million appropriated to the performance fund in 2025-26. Copies of that distribution were sent to campus chief budget officers (CBOs), along with a request for that group to review and validate student success and operational support data and mandated program, debt service, and General Fund appropriations data used in the model.

The CBOs were also asked to verify that changes to the model had been implemented correctly and that model calculations were operating as intended. Over the course of about two weeks, campus officials validated model inputs and certified that model calculations were correct. On May 1, 2025, staff sent a letter to the State Budget Director certifying the final 2025-26 performance fund distribution for the universities and KCTCS (see Attachment A for a copy of the transmittal letter).

Table 1 shows the distribution of funds among public universities and KCTCS for the 2025-26 iteration of the funding model. In total, the universities received \$89.7 million or 78 percent of

\$115.0 million available in the Performance Fund and KCTCS received \$25.3 million or 22 percent. This allocation between sectors is defined in statute, based on each sector's share of system total adjusted net General Fund (KRS 164.092).

As can be seen in Table 1, six out of eight public universities will receive a share of the Performance Fund distribution in 2025-26. Despite sizable increases in their respective small school adjustments in 2024-25, neither Kentucky State University, nor Morehead State University, will receive performance funds in 2025-26 (i.e., although MoSU did receive a \$214,400 distribution from the fund in 2024-25).

| 2025-26 Performance Fund Distribution<br>Public Universities and KCTCS |  | Table 1       |
|--|--|---------------|
| Institution  |  | Distribution  |
| University of Kentucky   |  | \$41,174,700  |
| University of Louisville   |  | 21,522,000    |
| Eastern Kentucky University  |  | 4,880,300     |
| Kentucky State University  |  | 0             |
| Morehead State University  |  | 0             |
| Murray State University  |  | 5,069,300     |
| Northern Kentucky University   |  | 11,811,700    |
| Western Kentucky University  |  | 5,261,000     |
| KCTCS  |  | 25,281,000    |
| Total Performance Fund   |  | \$115,000,000 |

For a detailed breakdown of KCTCS's \$25.3 million allocation among individual community and technical colleges see the attached copy of the transmittal letter that was sent to OSBD staff on May 1, 2025 (Attachment A).

### **FOLLOW-UP ANALYSES**

After running the university funding model, validating results of the KCTCS model, and certifying the distribution of funds among universities and KCTCS institutions to OSBD staff, CPE staff conducted a follow-up review to determine if the models are continuing to operate as expected, identify any unintended consequences, and assess the financial impact of recent distributions on campus budgets. Specifically, staff compared the new three-year rolling average of metric data to the three-year average of data from the prior year to determine which institutions achieved a growth rate above the sector average for each metric. The results were summarized in a Performance Metric Scorecard, which highlights above average growth by metric and institution. Finally, staff examined the change in state funds for educating students over time by institution and in total.

### *Metric Growth Rates Above the Sector Average*

To determine whether an institution achieved an above average growth rate for a given metric, staff compared the number of outcomes produced in the current year to the number produced in the prior year and computed volume and percent changes for that metric by institution. Sector volume and percent change totals were computed for each metric, with the latter representing the sector average growth rate. Finally, each institution's growth rate for a given metric was compared to the sector average growth rate for that metric to determine if an institution's growth was above or below average.

This method was used to identify institutions that recorded above average growth rates in outcomes produced for each metric between the 2024-25 and 2025-26 iterations of the university funding model. Specifically, as can be seen in Attachment B, volume and percent change in outcomes from one iteration of the model to the next have been calculated for each metric by institution. Sector average growth rates for each metric (i.e., shown in blue highlight) are compared to each institution's growth rate for the same metric to determine if an institution's growth rate was above or below the sector average (i.e., those with above average growth rates are highlighted in yellow).

Finally, the impact of differences in growth rates on each institution's dollar and percent share of a given funding pool was calculated and is shown for each metric in the two columns to the right. For example, as can be seen in Attachment B, UK, KSU, and WKU had growth rates that exceeded the sector average for the "Bachelor's Degrees" metric. Between 2024-25 and 2025-26, UK's share of the \$57.3 million bachelor's degree pool increased from 36.6% to 37.2%, KSU's share increased from 0.4% to 0.7%, and WKU's share increased from 11.5% to 11.6%. As a reminder, and as confirmed in Attachment B, institutions that achieve growth rates above the sector average for a given metric increase their percent share of funding for that metric.

### *Performance Metric Scorecard*

Every year since the adoption of performance funding, CPE staff has used results from the aforementioned analysis to construct a *Performance Metric Scorecard*. Specifically, staff takes information calculated in Attachment B, such as institutions highlighted in yellow for a given metric, and using check marks and green highlight, produces a summary table showing which institutions achieved growth rates above the sector average for each metric.

As can be seen in Attachment C, between the 2024-25 and 2025-26 iterations of the university funding model, four universities achieved higher than average growth rates on six or more metrics (out of 11 total metrics). UK exceeded the sector average on nine out of 11 metrics, UofL on eight metrics, KSU on seven metrics, and MuSU on six metrics. As expected, these institutions also experienced the largest increases in their respective formula shares of allocable resources.

It is worth noting that KSU recorded above average growth rates on six out of 10 total metrics in 2024-25 and on seven out of 11 metrics in 2025-26, exhibiting a positive trend. This represents the best performance achieved by KSU since the adoption of performance funding. As can be seen on the last page of Attachment B, \$636.9 million in allocable resources was run through the university model in 2025-26.

### *State Funds for Educating Students*

The enacted *2024-2026 Budget of the Commonwealth* (24 RS, HB 6) included an across-the-board 4.0 percent increase in base operating funds for the postsecondary institutions to help offset some of the largest increases in higher education costs in two decades. In aggregate for the system, legislators appropriated \$35.8 million each year of the biennium in inflation adjustment funds. The General Assembly also increased appropriations to the Performance Fund from \$97.3 million in 2023-24 to \$105.0 million in 2024-25, a \$7.7 million or 7.9 percent increase, then from \$105.0 million in 2024-25 to \$115.0 million in 2025-26, a \$10.0 million or 9.5 percent increase.

As expected, increases in state funding had a positive impact on campus operating budgets over the course of the biennium. The primary metric staff uses to assess the impact of changes in operating funds support is to examine the change over time in state funds for educating students. This metric is useful because it allows staff to consider the combined effects of changes in base operating funds, changes in appropriations to the Performance Fund, and changes in how performance funds are distributed among institutions.

As a reminder, the “state funds for educating students” metric is calculated by adding each institution’s adjusted net General Fund appropriation to any distribution it received from the Performance Fund. The adjusted net General Fund is calculated by subtracting debt service and mandated program funds from each institution’s regular appropriation. State funds for educating students along with net tuition and fee revenue are the main sources of funding public institutions use for educating students.

The decision by the General Assembly to provide institutions with increases in both base operating and performance funds in the 2024-2026 biennium underscores the utility of the state funds for educating students metric. Table 2 shows the change in state funds for educating students between fiscal years 2023-24 and 2025-26, by institution and in total. The first two columns of numbers show state funding amounts in nominal dollars for each fiscal year and the two columns to the right show the dollar and percent change in state funds for each institution.

| Change in State Funds for Educating Students<br>Between Fiscal Years 2023-24 and 2025-26 |                           |                           |                  | Table 2           |
|--|---------------------------|---------------------------|------------------|-------------------|
| Institution  | State Funds<br>FY 2023-24 | State Funds<br>FY 2025-26 | Dollar<br>Change | Percent<br>Change |
| UK   | \$218,000,500             | \$236,889,900             | \$18,889,400     | 8.7%              |
| UofL   | 143,806,200               | 152,831,900               | 9,025,700        | 6.3%              |
| EKU  | 64,065,200                | 68,588,800                | 4,523,600        | 7.1%              |
| KSU  | 18,235,500                | 19,343,900                | 1,108,400        | 6.1%              |
| MoSU   | 34,931,500                | 36,665,400                | 1,733,900        | 5.0%              |
| MuSU   | 43,648,800                | 47,497,800                | 3,849,000        | 8.8%              |
| NKU  | 63,607,500                | 64,825,200                | 1,217,700        | 1.9%              |
| WKU  | 73,477,400                | 75,954,900                | 2,477,500        | 3.4%              |
| KCTCS  | 187,275,400               | 197,977,700               | 10,702,300       | 5.7%              |
| System Total   | \$847,048,000             | \$900,575,500             | \$53,527,500     | 6.3%              |

As can be seen in Table 2, at the system level, state funds for educating students increased by \$53.5 million or 6.3 percent between 2023-24 and 2025-26. Of that amount, \$17.7 million was an increase in the performance funding pool (i.e., from \$97.3 million to \$115.0 million) and \$35.8 million was an increase in adjusted net General Fund (i.e., from \$749.7 million to \$785.6 million). As previously mentioned, the latter represents an across-the-board inflation adjustment provided to each institution.

Between 2023-24 and 2025-26, the amount of state funds available for educating students increased at every institution, with UK (+\$18.9 million) and KCTCS (+\$10.7 million) registering the largest dollar increases. Every institution also recorded a percent increase in state funds over the biennium, ranging from a low of +1.9 percent at NKU, to a high of +8.8 percent at MuSU. The two institutions that did not receive a share of the 2025-26 performance distribution (i.e., KSU and MoSU), received percent increases in operating funds that were just below the system average increase.

Specifically, state funds for educating students increased by 6.1 percent at KSU and by 5.0 percent at MoSU, compared to a system average increase of 6.3 percent (i.e., the system average increase is highlighted in blue). Two universities, WKU (+3.4%) and NKU (+1.9%), had biennial increases that were lower than KSU and MoSU.



### Kentucky Council on Postsecondary Education

**Andy Beshear**  
Governor

100 Airport Road, 3<sup>rd</sup> Floor  
Frankfort, Kentucky 40601  
Phone: 502-573-1555  
<http://www.cpe.ky.gov>

**Aaron Thompson, Ph.D.**  
President

May 1, 2025

Mr. John Hicks  
Executive Cabinet Secretary and State Budget Director  
200 Mero Street, Fifth Floor  
Frankfort, KY 40622

RE: Distribution of 2025-26 Postsecondary Education Performance Fund

Dear Secretary Hicks:

As you know, the *2024-2026 Budget of the Commonwealth* (24 RS, HB 6) appropriated \$115.0 million to the Postsecondary Education Performance Fund in fiscal year 2025-26. These funds are to be distributed according to the provisions of KRS 164.092, which directs the Council on Postsecondary Education to run the funding models and submit to your office a distribution of funds for the public universities and KCTCS institutions. CPE staff ran the university funding model and KCTCS staff ran the two-year college model and resulting distributions from the Performance Fund for fiscal year 2025-26 are presented below.

Public Universities and KCTCS:

|                              |                      |
|------------------------------|----------------------|
| University of Kentucky       | \$41,174,700         |
| University of Louisville     | 21,522,000           |
| Eastern Kentucky University  | 4,880,300            |
| Kentucky State University    | 0                    |
| Morehead State University    | 0                    |
| Murray State University      | 5,069,300            |
| Northern Kentucky University | 11,811,700           |
| Western Kentucky University  | 5,261,000            |
| KCTCS                        | <u>25,281,000</u>    |
| <b>Total</b>                 | <b>\$115,000,000</b> |

(Continued on following page)

An Equal Opportunity Employer M/F/D

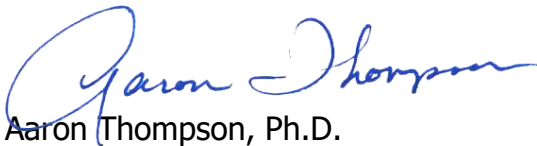


KCTCS Institutions (Detail):

|                |              |
|----------------|--------------|
| Ashland        | \$1,098,800  |
| Big Sandy      | 0            |
| Bluegrass      | 4,646,400    |
| Elizabethtown  | 2,739,300    |
| Gateway        | 2,156,300    |
| Hazard         | 0            |
| Henderson      | 0            |
| Hopkinsville   | 1,040,700    |
| Jefferson      | 3,497,600    |
| Madisonville   | 979,100      |
| Maysville      | 1,870,200    |
| Owensboro      | 2,203,700    |
| Somerset       | 2,778,600    |
| Southcentral   | 2,270,300    |
| Southeast      | 0            |
| West Kentucky  | <u>0</u>     |
| KCTCS Subtotal | \$25,281,000 |

Spreadsheets containing performance metric data and calculations used to determine the distribution of funds among universities and KCTCS institutions are attached. If you have questions or need additional information, please contact me at (502) 892-3001 or Bill Payne at (502) 892-3052.

Sincerely,



Aaron Thompson, Ph.D.  
President, Kentucky Council on Postsecondary Education

- C: Senator David Givens
- Senator Christian McDaniel
- Representative Jason Petrie
- Representative Scott Lewis
- Representative James Tipton
- Senator Stephen West
- Janice Tomes, OSBD
- Carla Wright, OSBD
- Postsecondary Institution Presidents

Performance Funding Model for the Public Universities  
 Change in Funding Model Metric Three-Year Rolling Averages **(Weighted Activity Volume)**  
 Between 2024-25 and 2025-26 Iterations

Student Success Components

| Bachelor's Degrees<br>Pool Size = <b>9.0%</b> or <b>\$57.3 M</b> in 2025-26                  | 2024-25<br>Iteration | 2025-26<br>Iteration | Volume<br>Change | Percent<br>Change | Status    | Institution | 2024-25<br>Share | 2025-26<br>Share |
|--|----------------------|----------------------|------------------|-------------------|-----------|-------------|------------------|------------------|
| UK   | 8,625                | 8,633                | 8                | 0.1%              | Above     | UK          | 36.6%            | 37.2%            |
| UofL   | 4,931                | 4,812                | (119)            | -2.4%             | Below     | UofL        | 20.9%            | 20.8%            |
| EKU  | 2,412                | 2,328                | (83)             | -3.5%             | Below     | EKU         | 10.2%            | 10.0%            |
| KSU  | 94                   | 169                  | 75               | 80.5%             | Above     | KSU         | 0.4%             | 0.7%             |
| MoSU   | 1,025                | 989                  | (36)             | -3.5%             | Below     | MoSU        | 4.3%             | 4.3%             |
| MuSU   | 1,597                | 1,544                | (53)             | -3.3%             | Below     | MuSU        | 6.8%             | 6.7%             |
| NKU  | 2,177                | 2,023                | (154)            | -7.1%             | Below     | NKU         | 9.2%             | 8.7%             |
| WKU  | 2,719                | 2,685                | (34)             | -1.2%             | Above     | WKU         | 11.5%            | 11.6%            |
| Sector   | 23,579               | 23,184               | (395)            | -1.7%             | = Average |             | 100.0%           | 100.0%           |
| STEM+H Bachelor's Degrees<br>Pool Size = <b>5.0%</b> or <b>\$31.8 M</b> in 2025-26           | 2024-25<br>Iteration | 2025-26<br>Iteration | Volume<br>Change | Percent<br>Change | Status    | Institution | 2024-25<br>Share | 2025-26<br>Share |
| UK   | 3,071                | 3,080                | 9                | 0.3%              | Above     | UK          | 38.2%            | 38.8%            |
| UofL   | 1,689                | 1,677                | (12)             | -0.7%             | Above     | UofL        | 21.0%            | 21.1%            |
| EKU  | 711                  | 668                  | (43)             | -6.0%             | Below     | EKU         | 8.8%             | 8.4%             |
| KSU  | 30                   | 37                   | 7                | 24.7%             | Above     | KSU         | 0.4%             | 0.5%             |
| MoSU   | 342                  | 293                  | (50)             | -14.5%            | Below     | MoSU        | 4.3%             | 3.7%             |
| MuSU   | 627                  | 638                  | 11               | 1.7%              | Above     | MuSU        | 7.8%             | 8.0%             |
| NKU  | 778                  | 756                  | (22)             | -2.9%             | Below     | NKU         | 9.7%             | 9.5%             |
| WKU  | 793                  | 790                  | (4)              | -0.5%             | Above     | WKU         | 9.9%             | 9.9%             |
| Sector   | 8,042                | 7,938                | (104)            | -1.3%             | = Average |             | 100.0%           | 100.0%           |
| First-Generation Bachelor's Degrees<br>Pool Size = <b>3.0%</b> or <b>\$19.1 M</b> in 2025-26 | 2024-25<br>Iteration | 2025-26<br>Iteration | Volume<br>Change | Percent<br>Change | Status    | Institution | 2024-25<br>Share | 2025-26<br>Share |
| UK   | 711                  | 1,184                | 473              | 66.4%             | Above     | UK          | 8.8%             | 14.9%            |
| UofL   | 647                  | 1,092                | 446              | 68.9%             | Above     | UofL        | 8.0%             | 13.8%            |
| EKU  | 692                  | 667                  | (24)             | -3.5%             | Below     | EKU         | 8.6%             | 8.4%             |
| KSU  | 52                   | 76                   | 24               | 45.9%             | Above     | KSU         | 0.7%             | 1.0%             |
| MoSU   | 346                  | 323                  | (23)             | -6.7%             | Below     | MoSU        | 4.3%             | 4.1%             |
| MuSU   | 384                  | 373                  | (11)             | -2.8%             | Below     | MuSU        | 4.8%             | 4.7%             |
| NKU  | 583                  | 545                  | (38)             | -6.6%             | Below     | NKU         | 7.2%             | 6.9%             |
| WKU  | 632                  | 646                  | 14               | 2.3%              | Above     | WKU         | 7.9%             | 8.1%             |
| Sector   | 4,046                | 4,907                | 860              | 21.3%             | = Average |             | 50.3%            | 61.8%            |

Performance Funding Model for the Public Universities  
 Change in Funding Model Metric Three-Year Rolling Averages (**Weighted Activity Volume**)  
 Between 2024-25 and 2025-26 Iterations

Student Success Components (Cont'd)

| Low-Income Bachelor's Degrees<br>Pool Size = <b>8.0%</b> or <b>\$51.0 M</b> in 2025-26  | 2024-25<br>Iteration | 2025-26<br>Iteration | Volume<br>Change | Percent<br>Change | Status    | Institution | 2024-25<br>Share | 2025-26<br>Share |
|---|----------------------|----------------------|------------------|-------------------|-----------|-------------|------------------|------------------|
| UK  | 3,448                | 3,429                | (20)             | -0.6%             | Above     | UK          | 31.2%            | 31.6%            |
| UofL  | 2,871                | 2,833                | (38)             | -1.3%             | Above     | UofL        | 26.0%            | 26.1%            |
| EKU   | 1,213                | 1,171                | (42)             | -3.5%             | Below     | EKU         | 11.0%            | 10.8%            |
| KSU   | 119                  | 156                  | 37               | 31.5%             | Above     | KSU         | 1.1%             | 1.4%             |
| MoSU  | 624                  | 579                  | (45)             | -7.2%             | Below     | MoSU        | 5.6%             | 5.3%             |
| MuSU  | 703                  | 677                  | (26)             | -3.7%             | Below     | MuSU        | 6.4%             | 6.2%             |
| NKU   | 893                  | 818                  | (75)             | -8.4%             | Below     | NKU         | 8.1%             | 7.5%             |
| WKU   | 1,185                | 1,171                | (14)             | -1.2%             | Above     | WKU         | 10.7%            | 10.8%            |
| Sector  | 11,056               | 10,835               | (222)            | -2.0%             | = Average |             | 100.0%           | 100.0%           |
| Student Progression @ 30 Hours<br>Pool Size = <b>3.0%</b> or <b>\$19.1 M</b> in 2025-26 | 2024-25<br>Iteration | 2025-26<br>Iteration | Volume<br>Change | Percent<br>Change | Status    | Institution | 2024-25<br>Share | 2025-26<br>Share |
| UK  | 5,118                | 5,650                | 532              | 10.4%             | Above     | UK          | 36.3%            | 37.9%            |
| UofL  | 2,624                | 2,852                | 228              | 8.7%              | Above     | UofL        | 18.6%            | 19.1%            |
| EKU   | 1,466                | 1,574                | 108              | 7.4%              | Above     | EKU         | 10.4%            | 10.6%            |
| KSU   | 229                  | 194                  | (35)             | -15.3%            | Below     | KSU         | 1.6%             | 1.3%             |
| MoSU  | 709                  | 685                  | (24)             | -3.4%             | Below     | MoSU        | 5.0%             | 4.6%             |
| MuSU  | 959                  | 1,032                | 73               | 7.6%              | Above     | MuSU        | 6.8%             | 6.9%             |
| NKU   | 1,146                | 1,068                | (78)             | -6.8%             | Below     | NKU         | 8.1%             | 7.2%             |
| WKU   | 1,829                | 1,849                | 20               | 1.1%              | Below     | WKU         | 13.0%            | 12.4%            |
| Sector  | 14,080               | 14,905               | 825              | 5.9%              | = Average |             | 100.0%           | 100.0%           |
| Student Progression @ 60 Hours<br>Pool Size = <b>5.0%</b> or <b>\$31.8 M</b> in 2025-26 | 2024-25<br>Iteration | 2025-26<br>Iteration | Volume<br>Change | Percent<br>Change | Status    | Institution | 2024-25<br>Share | 2025-26<br>Share |
| UK  | 5,621                | 5,860                | 238              | 4.2%              | Above     | UK          | 36.2%            | 37.0%            |
| UofL  | 2,969                | 3,029                | 60               | 2.0%              | Above     | UofL        | 19.1%            | 19.2%            |
| EKU   | 1,561                | 1,617                | 56               | 3.6%              | Above     | EKU         | 10.0%            | 10.2%            |
| KSU   | 204                  | 194                  | (10)             | -4.9%             | Below     | KSU         | 1.3%             | 1.2%             |
| MoSU  | 773                  | 739                  | (34)             | -4.4%             | Below     | MoSU        | 5.0%             | 4.7%             |
| MuSU  | 1,092                | 1,086                | (6)              | -0.5%             | Below     | MuSU        | 7.0%             | 6.9%             |
| NKU   | 1,349                | 1,285                | (64)             | -4.7%             | Below     | NKU         | 8.7%             | 8.1%             |
| WKU   | 1,977                | 2,005                | 28               | 1.4%              | Below     | WKU         | 12.7%            | 12.7%            |
| Sector  | 15,548               | 15,817               | 269              | 1.7%              | = Average |             | 100.0%           | 100.0%           |

Performance Funding Model for the Public Universities  
 Change in Funding Model Metric Three-Year Rolling Averages (**Weighted Activity Volume**)  
 Between 2024-25 and 2025-26 Iterations

Student Success Components (Cont'd)

| Student Progression @ 90 Hours<br>Pool Size = <b>7.0%</b> or <b>\$44.6 M</b> in 2025-26 | 2024-25<br>Iteration | 2025-26<br>Iteration | Volume<br>Change | Percent<br>Change | Status  | Institution | 2024-25<br>Share | 2025-26<br>Share |
|---|----------------------|----------------------|------------------|-------------------|---------|-------------|------------------|------------------|
| UK  | 7,470                | 7,136                | (334)            | -4.5%             | Below   | UK          | 36.1%            | 35.6%            |
| UofL  | 4,269                | 4,177                | (93)             | -2.2%             | Above   | UofL        | 20.7%            | 20.8%            |
| EKU   | 2,105                | 2,027                | (78)             | -3.7%             | Below   | EKU         | 10.2%            | 10.1%            |
| KSU   | 204                  | 218                  | 15               | 7.2%              | Above   | KSU         | 1.0%             | 1.1%             |
| MoSU  | 1,013                | 926                  | (87)             | -8.6%             | Below   | MoSU        | 4.9%             | 4.6%             |
| MuSU  | 1,401                | 1,396                | (6)              | -0.4%             | Above   | MuSU        | 6.8%             | 7.0%             |
| NKU   | 1,717                | 1,661                | (56)             | -3.3%             | Below   | NKU         | 8.3%             | 8.3%             |
| WKU   | 2,494                | 2,509                | 15               | 0.6%              | Above   | WKU         | 12.1%            | 12.5%            |
| Sector  | 20,674               | 20,051               | (623)            | -3.0%             | Average |             | 100.0%           | 100.0%           |

Course Completion Component

| Student Credit Hours Earned<br>Pool Size = <b>30.0%</b> or <b>\$191.1 M</b> in 2025-26 | 2024-25<br>Iteration | 2025-26<br>Iteration | Volume<br>Change | Percent<br>Change | Status  | Institution | 2024-25<br>Share | 2025-26<br>Share |
|--|----------------------|----------------------|------------------|-------------------|---------|-------------|------------------|------------------|
| UK   | 1,546,049            | 1,651,562            | 105,513          | 6.8%              | Above   | UK          | 33.2%            | 33.8%            |
| UofL   | 1,083,943            | 1,129,481            | 45,538           | 4.2%              | Below   | UofL        | 23.3%            | 23.1%            |
| EKU  | 467,716              | 495,945              | 28,229           | 6.0%              | Above   | EKU         | 10.0%            | 10.1%            |
| KSU  | 36,507               | 40,763               | 4,256            | 11.7%             | Above   | KSU         | 0.8%             | 0.8%             |
| MoSU   | 199,782              | 193,962              | (5,820)          | -2.9%             | Below   | MoSU        | 4.3%             | 4.0%             |
| MuSU   | 284,236              | 302,514              | 18,279           | 6.4%              | Above   | MuSU        | 6.1%             | 6.2%             |
| NKU  | 516,948              | 538,944              | 21,997           | 4.3%              | Below   | NKU         | 11.1%            | 11.0%            |
| WKU  | 518,922              | 538,115              | 19,192           | 3.7%              | Below   | WKU         | 11.1%            | 11.0%            |
| Sector   | 4,654,104            | 4,891,286            | 237,182          | 5.1%              | Average |             | 100.0%           | 100.0%           |

Operational Support Components

| M&O (Square Feet Data)<br>Pool Size = <b>10.0%</b> or <b>\$63.7 M</b> in 2025-26 | 2024-25<br>Iteration | 2025-26<br>Iteration | Volume<br>Change | Percent<br>Change | Status  | Institution | 2024-25<br>Share | 2025-26<br>Share |
|--|----------------------|----------------------|------------------|-------------------|---------|-------------|------------------|------------------|
| UK   | 9,271,205            | 9,369,264            | 98,058           | 1.1%              | Above   | UK          | 37.1%            | 37.5%            |
| UofL   | 4,645,325            | 4,650,560            | 5,235            | 0.1%              | Above   | UofL        | 18.6%            | 18.6%            |
| EKU  | 2,325,214            | 2,316,446            | (8,768)          | -0.4%             | Below   | EKU         | 9.3%             | 9.3%             |
| KSU  | 673,771              | 667,574              | (6,197)          | -0.9%             | Below   | KSU         | 2.7%             | 2.7%             |
| MoSU   | 1,434,584            | 1,432,731            | (1,853)          | -0.1%             | Below   | MoSU        | 5.7%             | 5.7%             |
| MuSU   | 1,992,898            | 2,000,771            | 7,873            | 0.4%              | Above   | MuSU        | 8.0%             | 8.0%             |
| NKU  | 1,964,396            | 1,966,232            | 1,836            | 0.1%              | Above   | NKU         | 7.9%             | 7.9%             |
| WKU  | 2,686,756            | 2,590,683            | (96,073)         | -3.6%             | Below   | WKU         | 10.7%            | 10.4%            |
| Sector   | 24,994,149           | 24,994,260           | 111              | 0.0%              | Average |             | 100.0%           | 100.0%           |

Performance Funding Model for the Public Universities  
 Change in Funding Model Metric Three-Year Rolling Averages (**Weighted Activity Volume**)  
 Between 2024-25 and 2025-26 Iterations

Operational Support Components (Cont'd)

| Institutional Support (Direct Costs)<br>Pool Size = <b>10.0%</b> or <b>\$63.7 M</b> in 2025-26 | 2024-25<br>Iteration | 2025-26<br>Iteration | Volume<br>Change | Percent<br>Change | Status    | Institution | 2024-25<br>Share | 2025-26<br>Share |
|--|----------------------|----------------------|------------------|-------------------|-----------|-------------|------------------|------------------|
| UK   | 3,372                | 3,548                | 176              | 5.2%              | Below     | UK          | 30.4%            | 30.3%            |
| UofL   | 2,659                | 2,857                | 198              | 7.4%              | Above     | UofL        | 24.0%            | 24.4%            |
| EKU  | 1,061                | 1,131                | 70               | 6.6%              | Above     | EKU         | 9.6%             | 9.7%             |
| KSU  | 177                  | 188                  | 11               | 6.2%              | Above     | KSU         | 1.6%             | 1.6%             |
| MoSU   | 611                  | 665                  | 54               | 8.8%              | Above     | MoSU        | 5.5%             | 5.7%             |
| MuSU   | 778                  | 825                  | 47               | 6.0%              | Above     | MuSU        | 7.0%             | 7.0%             |
| NKU  | 1,223                | 1,233                | 10               | 0.8%              | Below     | NKU         | 11.0%            | 10.5%            |
| WKU  | 1,203                | 1,261                | 58               | 4.8%              | Below     | WKU         | 10.9%            | 10.8%            |
| Sector   | 11,084               | 11,708               | 623              | 5.6%              | = Average |             | 100.0%           | 100.0%           |
| Academic Support (FTE Students)<br>Pool Size = <b>10.0%</b> or <b>\$63.7 M</b> in 2025-26      | 2024-25<br>Iteration | 2025-26<br>Iteration | Volume<br>Change | Percent<br>Change | Status    | Institution | 2024-25<br>Share | 2025-26<br>Share |
| UK   | 39,124               | 40,256               | 1,131            | 2.9%              | Above     | UK          | 34.9%            | 35.9%            |
| UofL   | 24,196               | 24,096               | (101)            | -0.4%             | Below     | UofL        | 21.6%            | 21.5%            |
| EKU  | 11,143               | 11,241               | 98               | 0.9%              | Above     | EKU         | 9.9%             | 10.0%            |
| KSU  | 1,510                | 1,415                | (95)             | -6.3%             | Below     | KSU         | 1.3%             | 1.3%             |
| MoSU   | 5,253                | 4,939                | (314)            | -6.0%             | Below     | MoSU        | 4.7%             | 4.4%             |
| MuSU   | 7,084                | 7,078                | (7)              | -0.1%             | Below     | MuSU        | 6.3%             | 6.3%             |
| NKU  | 10,895               | 10,480               | (415)            | -3.8%             | Below     | NKU         | 9.7%             | 9.3%             |
| WKU  | 12,863               | 12,688               | (175)            | -1.4%             | Below     | WKU         | 11.5%            | 11.3%            |
| Sector   | 112,069              | 112,193              | 124              | 0.1%              | = Average |             | 100.0%           | 100.0%           |

Funding Model Totals

Metrics = 11

Subtotal Allocable Resources = **100.0%** or **\$636.9 M** in 2025-26

Performance Funding Model for the Public Universities  
 Metrics Where Rates of Growth Exceeded Sector Average  
 Between Fiscal Year 2024-25 and 2025-26 Iterations

Attachment C

| Performance Metric                  | UK                                  | UofL                                | EKU                                 | KSU                                 | MoSU                                | MuSU                                | NKU                                 | WKU                                 | Pool Size<br>(In Millions) |
|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|----------------------------|
| <b>Student Success Outcomes</b>     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                            |
| Bachelor's Degrees                  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | \$57.3                     |
| STEM+H Bachelor's Degrees           | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | 31.8                       |
| First-Generation Bachelor's Degrees | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | 19.1                       |
| Low-Income Bachelor's Degrees       | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | 51.0                       |
| Student Progression @ 30 Hours      | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | 19.1                       |
| Student Progression @ 60 Hours      | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | 31.8                       |
| Student Progression @ 90 Hours      | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | 44.6                       |
| <b>Course Completion Component</b>  |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                            |
| Student Credit Hours Earned         | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | 191.1                      |
| <b>Operational Support Activity</b> |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                            |
| Instructional Square Feet           | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | 63.7                       |
| Direct Cost of Instruction          | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | 63.7                       |
| FTE Students                        | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | 63.7                       |
| Metrics Above Sector Average        | 9                                   | 8                                   | 5                                   | 7                                   | 1                                   | 6                                   | 1                                   | 5                                   |                            |
| Total Allocable Resources:          |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     | \$636.9                    |



# Performance Funding Update

# Performance Funding Update

## *Work Group Recommendations*

- SB 191 (24 RS) removed underrepresented minority student degree and credential metrics from university and KCTCS models
- The bill struck the word “minority” in two places, resulting in resources being assigned to “underrepresented students”
- It called for the Postsecondary Education Working Group to convene during 2024 for the sole purpose of considering how to define “underrepresented students” in the funding models
- Finally, it directed the Council to distribute 3.0% of allocable resources in 2024-25 to first-generation and low-income student bachelor’s degrees (@ 1.5% allocation each)

# Performance Funding Update

## *Work Group Recommendations (Cont'd)*

- The Working Group met three times in 2024 and reached consensus on the following adjustments to the university model:
  - Define “underrepresented students” as first-generation college students
  - Assign 3.0% of available allocable resources to bachelor’s degrees earned by such students
  - Apply a differential sector weighting to the first-generation bachelor’s degree metric, calculated at the midpoint between no weighting and full weighting
- Work group recommendations for university and KCTCS models were reported to the Governor and LRC by December 1, 2024

# Performance Funding Update

## 2025-26 Performance Distribution

- The enacted state budget appropriated **\$115.0 M** to the Performance Fund in 2025-26
- By May 1 each year, CPE staff is required to run the model and certify a distribution to OSBD
- This year, the models included recommended changes of the 2024 working group
- Despite increases in small school adjustments, MoSU and KSU did not receive any funds

| Institution                  | Distribution  |
|------------------------------|---------------|
| University of Kentucky       | \$41,174,700  |
| University of Louisville     | 21,522,000    |
| Eastern Kentucky University  | 4,880,300     |
| Kentucky State University    | 0             |
| Morehead State University    | 0             |
| Murray State University      | 5,069,300     |
| Northern Kentucky University | 11,811,700    |
| Western Kentucky University  | 5,261,000     |
| KCTCS                        | 25,281,000    |
| Total Performance Fund       | \$115,000,000 |

# Performance Funding Update

## Follow-Up Analyses (Above Average Growth Rates)

- Institutions that achieve above average growth rates increase their share of funding for given metric
- Between 2025 and 2026, UK, KSU, and WKU had Bachelor's Degree growth above the sector average
- Those same institutions increased their share of pool funds by 0.6, 0.3, and 0.1 of a percentage point, respectively

Attachment B

Performance Funding Model for the Public Universities  
Change in Funding Model Metric Three-Year Rolling Averages (Weighted Activity Volume)  
Between 2024-25 and 2025-26 Iterations

Student Success Components

| Bachelor's Degrees                                    | 2024-25   | 2025-26   | Volume | Percent | Status    | Institution | 2024-25 | 2025-26 |
|---|-----------|-----------|--------|---------|-----------|-------------|---------|---------|
| Pool Size = <b>9.0%</b> or <b>\$57.3 M</b> in 2025-26 | Iteration | Iteration | Change | Change  |           |             | Share   | Share   |
| UK  | 8,625     | 8,633     | 8      | 0.1%    | Above     | UK          | 36.6%   | 37.2%   |
| UofL  | 4,931     | 4,812     | (119)  | -2.4%   | Below     | UofL        | 20.9%   | 20.8%   |
| EKU   | 2,412     | 2,328     | (83)   | -3.5%   | Below     | EKU         | 10.2%   | 10.0%   |
| KSU   | 94        | 169       | 75     | 80.5%   | Above     | KSU         | 0.4%    | 0.7%    |
| MoSU  | 1,025     | 989       | (36)   | -3.5%   | Below     | MoSU        | 4.3%    | 4.3%    |
| MuSU  | 1,597     | 1,544     | (53)   | -3.3%   | Below     | MuSU        | 6.8%    | 6.7%    |
| NKU   | 2,177     | 2,023     | (154)  | -7.1%   | Below     | NKU         | 9.2%    | 8.7%    |
| WKU   | 2,719     | 2,685     | (34)   | -1.2%   | Above     | WKU         | 11.5%   | 11.6%   |
| Sector  | 23,579    | 23,184    | (395)  | -1.7%   | = Average |             | 100.0%  | 100.0%  |

| STEM+H Bachelor's Degrees                             | 2024-25   | 2025-26   | Volume | Percent | Status    | Institution | 2024-25 | 2025-26 |
|---|-----------|-----------|--------|---------|-----------|-------------|---------|---------|
| Pool Size = <b>5.0%</b> or <b>\$31.8 M</b> in 2025-26 | Iteration | Iteration | Change | Change  |           |             | Share   | Share   |
| UK  | 3,071     | 3,080     | 9      | 0.3%    | Above     | UK          | 38.2%   | 38.8%   |
| UofL  | 1,689     | 1,677     | (12)   | -0.7%   | Above     | UofL        | 21.0%   | 21.1%   |
| EKU   | 711       | 668       | (43)   | -6.0%   | Below     | EKU         | 8.8%    | 8.4%    |
| KSU   | 30        | 37        | 7      | 24.7%   | Above     | KSU         | 0.4%    | 0.5%    |
| MoSU  | 342       | 293       | (50)   | -14.5%  | Below     | MoSU        | 4.3%    | 3.7%    |
| MuSU  | 627       | 638       | 11     | 1.7%    | Above     | MuSU        | 7.8%    | 8.0%    |
| NKU   | 778       | 756       | (22)   | -2.9%   | Below     | NKU         | 9.7%    | 9.5%    |
| WKU   | 793       | 790       | (4)    | -0.5%   | Above     | WKU         | 9.9%    | 9.9%    |
| Sector  | 8,042     | 7,938     | (104)  | -1.3%   | = Average |             | 100.0%  | 100.0%  |

# Performance Funding Update

## Follow-Up Analyses (Metric Scorecard)

- Between 2025 and 2026, four universities had above average growth on six or more metrics
- Those same institutions had the largest increases in formula share of resources for the period
- KSU had above average growth rates on 7 out of 11 metrics, their best performance to date

| Performance Funding Model for the Public Universities<br>Metrics Where Rates of Growth Exceeded Sector Average<br>Between Fiscal Year 2024-25 and 2025-26 Iterations |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     | Attachment C               |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|----------------------------|
| Performance Metric   | UK                                  | UofL                                | EKU                                 | KSU                                 | MoSU                                | MuSU                                | NKU                                 | WKU                                 | Pool Size<br>(In Millions) |
| <b>Student Success Outcomes</b>  |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                            |
| Bachelor's Degrees   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | \$57.3                     |
| STEM+H Bachelor's Degrees  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | 31.8                       |
| First-Generation Bachelor's Degrees  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | 19.1                       |
| Low-Income Bachelor's Degrees  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | 51.0                       |
| Student Progression @ 30 Hours   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | 19.1                       |
| Student Progression @ 60 Hours   | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | 31.8                       |
| Student Progression @ 90 Hours   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | 44.6                       |
| <b>Course Completion Component</b>   |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                            |
| Student Credit Hours Earned  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | 191.1                      |
| <b>Operational Support Activity</b>  |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                            |
| Instructional Square Feet  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | 63.7                       |
| Direct Cost of Instruction   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | 63.7                       |
| FTE Students   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | 63.7                       |
| Metrics Above Sector Average   | 9                                   | 8                                   | 5                                   | 7                                   | 1                                   | 6                                   | 1                                   | 5                                   |                            |
| Total Allocable Resources:   |                                     |                                     |                                     |                                     |                                     |                                     |                                     |                                     | \$636.9                    |

# Performance Funding Update

## *Follow-Up Analyses (State Funds for Educating Students)*

- The enacted state budget included **\$35.8 M** each year for an inflation adjustment
- The General Assembly also increased the Performance Fund by **\$17.7 M**
- This underscores the utility of the state funds for educating students metric
- Universities that received no performance funds still had percent increases close to the sector average

| Institution  | State Funds<br>FY 2023-24 | State Funds<br>FY 2025-26 | Dollar<br>Change | Percent<br>Change |
|--------------|---------------------------|---------------------------|------------------|-------------------|
| UK           | \$218,000,500             | \$236,889,900             | \$18,889,400     | 8.7%              |
| UofL         | 143,806,200               | 152,831,900               | 9,025,700        | 6.3%              |
| EKU          | 64,065,200                | 68,588,800                | 4,523,600        | 7.1%              |
| KSU          | 18,235,500                | 19,343,900                | 1,108,400        | 6.1%              |
| MoSU         | 34,931,500                | 36,665,400                | 1,733,900        | 5.0%              |
| MuSU         | 43,648,800                | 47,497,800                | 3,849,000        | 8.8%              |
| NKU          | 63,607,500                | 64,825,200                | 1,217,700        | 1.9%              |
| WKU          | 73,477,400                | 75,954,900                | 2,477,500        | 3.4%              |
| KCTCS        | 187,275,400               | 197,977,700               | 10,702,300       | 5.7%              |
| System Total | \$847,048,000             | \$900,575,500             | \$53,527,500     | <b>6.3%</b>       |