KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION
FINANCE COMMITTEE MEETING

June 8, 2026 – 1:00 PM ET
Virtual meeting via ZOOM webinar: https://bit.ly/4scM6LS

MEETING MINUTES

Draft for Approval by the Finance Committee, June 8, 2026

Who:	Kentucky Council on Postsecondary Education
Meeting Type:	Finance Committee
Date:	March 30, 2026
Time:	1:00 p.m. ET
Location:	Virtual Meeting via ZOOM Webinar

CALL TO ORDER

The Finance Committee met Monday, March 30, 2026, at 1:00 p.m., ET. The meeting occurred virtually via ZOOM webinar. Committee Chair Jacob Brown presided.

ROLL CALL

There was a quorum of 7 voting Council members in attendance.

- Jacob Brown – attended
- Lindsey Case – attended
- Jennifer Collins – attended
- Dr. Kellie Ellis – attended
- Mr. Dennis Repenning - attended
- Madison Silvert – joined at 1:30
- Elaine Walker - attended
- Mr. Michael Wheeler - attended

CPE President Aaron Thompson served as secretary of the board, per the CPE Bylaws. Heather Faesy, CPE program manager, served as recorder of the meeting minutes.

CPE PRESIDENT REPORT

Dr. Aaron Thompson, CPE President, provided a brief update to the Committee that focused on 2026 Legislative Session happenings and recent budget development discussions with legislators.

APPROVAL OF THE MINUTES

The minutes of the January 26, 2026, Finance Committee meeting were approved as presented.

TUITION AND MANDATORY FEES – MURRAY STATE UNIVERSITY

Dr. Bill Payne, CPE's Vice President of Finance Policy and Programs, presented the proposed Tuition and Mandatory Fees for Academic Years 2026-27 for Murray State University. The University proposed the following increases:

- Increase their resident undergraduate base rate by $210.00 or 2.0 percent.
- Increase to the base-rate charge for nonresident undergraduates by $420.00 or 2.0 percent.
- Increase per-credit-hour rates for both resident and nonresident graduate students by $12.50 or 2.0 percent.

Council staff reviewed the proposal and determined that: (a) the proposed base rate increase for resident undergraduate students complies with the comprehensive university rate ceiling adopted by the Council at its April 17, 2025 meeting; (b) the planned base rate increase for nonresident undergraduate students adheres to provisions of a previously approved MOU between the Council and institution; and (c) proposed rates for graduate and on-line students comply with Council parameters.

MOTION: Ms. Walker moved the Finance Committee endorse for Council approval the proposed tuition and fees for Murray State University for academic year 2026-27. Dr. Ellis seconded the motion.

VOTE: The motion passed.

INTERIM CAPITAL PROJECT – KENTUCKY STATE UNIVERSITY, SHAUNTEE HALL RENOVATION PH. II

Mr. Adam Blevins, CPE's Director of Finance Policy and Programs, presented an interim capital project from Kentucky State University (KSU). The proposed project would expand the current Shauntee Hall renovation project to include necessary upgrades to the building's mechanical, electrical, and plumbing (MEP) systems, architectural improvements to the interior of the building. These Phase II renovations would be implemented concurrently with Phase I and continue through the design phase. The KSU Board of Regents approved the expansion of the original project scope by $3,000,000 to be funded with HBCU Title III, Part B funding for a total project scope of $10,680,000.

MOTION: Mr. Wheeler moved the Finance Committee endorse for Council approval the proposed interim capital project from Kentucky State University. Ms. Collins seconded the motion.

VOTE: The motion passed.

INTERIM CAPITAL PROJECT – JEFFERSON COMMUNITY AND TECHNICAL COLLEGE, UTILITY INFRASTRUCTURE PROJECT

Mr. Blevins presented an interim capital project from Kentucky Community and Technical College System for the Jefferson Community and Technical College. The proposed project would improve and relocate utility infrastructure and involve relocating, reconfiguring, and upgrading the campus utilities on the Downtown Campus due to the demolition of Hartford

Hall, which formerly housed all utilities and served as a utility hub for multiple buildings. The total project scope was stated to be $2,200,000.

MOTION: Mr. Repenning moved the Finance Committee endorse for Council approval the proposed interim capital project from the Kentucky Community and Technical College System. Mr. Wheeler seconded the motion.

VOTE: The motion passed.

INTERIM CAPITAL PROJECT – UNIVERSITY OF KENTUCKY, PATTERSON OFFICE TOWER RENOVATION

Mr. Adam Blevins, CPE's Director of Finance Policy and Programs, presented an interim capital project from the University of Kentucky. The proposed project is to undergo a partial renovation of Patterson Office Tower and include improvements, renovations, and upgrades of Education and General spaces, necessary building systems, and infrastructure that have exceeded their useful life or are unable to accommodate required capacity. The total project scope was stated to be $4,000,000.

MOTION: Dr. Ellis moved the Finance Committee endorse for Council approval the proposed interim capital project from the University of Kentucky. Ms. Walker seconded the motion.

VOTE: The motion passed.

UPDATE TO THE 2022-24 ENDOWMENT MATCH PROGRAM GUIDELINES

Mr. Brent Floyd, Senior Associate of Finance Policy and Programs, presented the revised *2022-24 Endowment Match Program Guidelines* for approval. The revisions add language that will allow institutions to submit requests for less than $50,000 once their respective residual allocations fall below the threshold.

MOTION: Ms. Walker moved the Finance Committee endorse for Council approval the revised Endowment Match Program Guidelines. Mr. Wheeler seconded the motion.

VOTE: The motion passed.

2026-2028 BIENNIAL BUDGET UPDATE

Mr. Greg Rush, Assistant Vice President of Finance Policy and Programs, and Ms. Leslie Brown, Assistant Vice President of Administrative Services, presented an update on the continued development of the 2026-2028 biennial budget during the 2026 Legislative Session. This updated included a comparative analysis of the budgets proposed by Governor Beshear, the House and the Senate as compared to the request submitted by the

Council. The budget is going before the Free Conference Committee and a final approved version is expected by April 1, 2026.

ADJOURNMENT

The Finance Committee adjourned at 1:50 p.m., ET.

TOPIC/TITLE:	Interim Capital Project Request – KCTCS, Somerset Community College
STAFF CONTACTS:	Adam Blevins, Director, Finance Policy and Programs Greg Rush, Assistant Vice President, Finance Policy and Programs
TYPE/REQUEST:	☒ Action ☐ Information

SUMMARY OF ACTION REQUESTED

Council staff recommend the Finance Committee endorse for Council approval a $1.5 million interim capital project to create a health sciences simulation lab in the Blakely Building at Somerset Community College, pending its approval by the KCTCS Board of Regents at their June 11, 2026, meeting. The proposed project will utilize agency restricted funds.

SUPPORTING INFORMATION

Kentucky Community and Technical College System, on behalf of Somerset Community College, requested authorization for an interim capital project to create a health sciences simulation lab in the Somerset North Campus's Blakely Building on June 2, 2026. The KCTCS Board of Regents will take action on the project at their June 11, 2026, and the Finance Committee's recommendation would be contingent upon the KCTCS Board approval.

The project is scoped at $1,500,000 and will use agency restricted funds. This project will renovate approximately 4,711 square feet in the Blakely Building. Work being completed will include space reconfiguration, electrical and mechanical system modifications and enhancements, and new finishes and systems integration to support instructional activities.

APPROVAL PROCESS

House Bill 592 (RS 18) created a new provision in KRS 164A.575, which allows public postsecondary institutions to authorize capital projects not specifically listed in the state budget as long as: (1) the projects are funded with non-general fund appropriations; (2) do not jeopardize funding for existing programs; and (3) are reported by the institution to the Capital Projects and Bond Oversight Committee.

During the interim, the agencies involved and the approval process for a capital project that exceeds $1,000,000 is as follows:

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

REVIEW PROCESS

Because the project was not previously approved by the Council and was not authorized by the General Assembly in the enacted 2024-2026 budget (RS 24, HB 6), Council approval is required. The project will not use any general funds or any funds appropriated for another purpose. Debt will not be used to finance any portion of this project. Therefore, provisions of KRS 45.763 do not apply.

NEXT STEPS

Following final action by the Council, CPE staff will notify the president of KCTCS, the Secretary of the Finance and Administration Cabinet, and the Capital Projects and Bond Oversight Committee regarding this interim capital project.

KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

June 2, 2026

Dr. Aaron Thompson, President
Council on Postsecondary Education
100 Airport Road
Frankfort, KY 40601

Re: Action Item – Somerset Community College
Blakely Simulation Lab

Dear President Thompson:

The Kentucky Community and Technical College System respectfully request interim authorization for one project that is being funded with agency restricted funds.

The project is Somerset Community College Blakely Simulation. The intent of this project will be to renovate approximately 4,711 square feet in the Somerset North Campus Blakely Building to create a modernized Health Sciences Simulation Lab. Renovation will include space reconfiguration, electrical and mechanical system modifications and enhancements, new finishes and systems integration to support simulation equipment and instructional activities. The total budget is $1,500,000.

The design and construction of this project will be implemented through the KCTCS Facilities Support Services Capital Construction Division. This project is on the KCTCS' Board of Regents agenda to be approved on June 11, 2026.

Should you have any questions, please feel free to contact Andy Casebier at 859-256-3287.

Sincerely,

Dr. Phil Neal
Executive Vice-President and Provost

cc: Dr. Ryan F. Quarles, KCTCS President
Todd Kilburn
Carla Wright
Adam Blevins
Andy Casebier
Sandy Adkins

Kentucky Community and Technical College System
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KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION
FINANCE COMMITTEE **JUNE 8, 2026**

TOPIC/TITLE:	Proposed Tuition and Fees, Academic Year 2026-27 UK, EKU, MoSU, and WKU
STAFF CONTACTS:	Bill Payne, Vice President, Finance Policy and Programs Adam Blevins, Director, Finance Policy and Programs
TYPE/REQUEST:	☒ Action ☐ Information

SUMMARY OF ACTION REQUESTED

CPE staff recommend that the Finance Committee endorse for Council approval the proposed tuition and fees for academic year 2026-27 for the University of Kentucky, Eastern Kentucky University, Morehead State University, and Western Kentucky University.

SUPPORTING INFORMATION

On April 17, 2025, the Council on Postsecondary Education (CPE) approved tuition and mandatory fee ceilings for academic years 2025-26 and 2026-27 for Kentucky's public postsecondary institutions. Among the parameters adopted at that meeting was a requirement that annual resident undergraduate base rates at the research universities increase by no more than \$675.^{00} over two years and no more than \$450.^{00} in any one year and that resident undergraduate rates at the comprehensive universities increase by no more than \$630.^{00} over two years and no more than \$420.^{00} in any one year.

Over the past six weeks, officials from the University of Kentucky, Eastern Kentucky University, Morehead State University, and Western Kentucky University submitted tuition proposals for academic year 2026-27 to the Council. Staff reviewed each institution's planned tuition and fees charges for every degree level, residency designation, and attendance status and determined that proposed rates comply with Council parameters. The respective governing board of each institution has approved their institution's proposed rates.

COUNCIL APPROVED TUITION AND FEE CEILINGS

On April 17, 2025, the Council approved resident undergraduate tuition and mandatory fee ceilings for academic years 2025-26 and 2026-27 that equated 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 public 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; and
- 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.

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; and
- Market competitive tuition and fee rates for graduate and online courses.

Resident undergraduate tuition ceilings approved by the Council apply to each institution's base rate charge. Base rates are defined as total tuition and fees, 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 rate increase parameters, which keeps the fees at a fixed amount until they expire.

UNIVERSITY OF KENTUCKY

On May 1, 2026, University of Kentucky officials submitted a tuition and fee proposal for academic year 2026-27 to the Council. In that proposal, the university requested an increase in its resident undergraduate base rate of \$270.00, which equals the maximum residual increase allowed under the Council's two-year ceilings. UK's proposed increase for nonresident undergraduate students complies with the Council's nonresident student tuition policy. Finally, the university is proposing to charge market competitive rates for graduate and online students. UK's proposed tuition and fee charges for the upcoming academic year were approved by the university's governing board on April 23, 2026.

Key elements of UK's tuition and fee proposal are shown in Table 1 below, including current 2025-26 base rates, proposed 2026-27 base rates, and dollar and percent changes in those rates by degree level and residency designation. As can be seen in the table, between 2025-26 and 2026-27, the university is proposing to increase the annual base rate charge for resident undergraduate students from \$13,907 to \$14,177, respectively, resulting in an increase of \$270.00 or 1.9 percent. The proposed base rate increase for nonresident undergraduate students is from \$35,164 to \$35,846, an increase of \$682.00 or 1.9 percent. Campus officials are proposing to increase the annual full-time rate for resident graduate students from \$15,083 to \$15,376, an increase of \$293.00 or 1.9 percent, and are planning to increase the rate for nonresident graduate students from \$37,325 to \$38,049, an increase of \$724.00 or 1.9 percent.

University of Kentucky Proposed Tuition and Fee Base Rates Academic Year 2026-27				Table 1
Rate Category	Current 2025-26 Base Rates	Proposed 2026-27 Base Rates	Dollar Change	Percent Change
Undergraduate				
Resident	$13,907	$14,177	$270	1.9%
Nonresident	35,164	35,846	682	1.9%
Graduate				
Resident	$15,083	$15,376	$293	1.9%
Nonresident	37,325	38,049	724	1.9%

The University of Kentucky does not assess any Special Use Fees or Asset Preservation Fees.

An important consideration when evaluating proposed rate increases in the second year of a Council adopted two-year tuition ceiling is the maximum residual increase allowed. For example, in April 2025, the Council established a dollar increase ceiling for resident undergraduate base rates at research universities of “no more than $675.00 over two years”. Given that parameter, the largest residual increase that a research university can charge in the second year of the cycle is calculated by subtracting the amount of dollar increase in year one from the $675.00 two-year, dollar increase ceiling.

Last year, UK requested, and the Council approved, an increase in the university’s resident undergraduate base rate from $13,502 in 2024-25 to $13,907 in 2025-26, an increase of $405.00 or 3.0 percent. That increase was $45.00 less than the maximum allowable base rate increase of “no more than $450.00 in any one year” for a research university per Council parameters. Given the two-year ceiling adopted by the Council, the maximum allowable increase in resident undergraduate tuition and fees that UK can charge in 2026-27 is $270.00. This residual was calculated by subtracting the university’s increase in resident undergraduate rate between 2024-25 and 2025-26 (i.e., $405.00) from the maximum allowable increase over two years for a research university (i.e., $675.00).

CPE staff reviewed UK’s proposed 2026-27 tuition and fee charges for every degree level, residency designation, and attendance status and determined that they comply with Council approved parameters. Specifically, the university’s proposed increase in resident undergraduate rate (i.e., +$270.00) does not exceed the residual maximum allowable increase (i.e., +$270.00), the proposed nonresident undergraduate rate complies with provisions of the Council’s *Tuition and Mandatory Fee Policy*, and the university is charging market competitive rates for graduate and on-line students. For these reasons, CPE staff recommends approval of UK’s planned tuition and fees charges for academic year 2026-27 as proposed by the university.

Attachment A contains additional categories of tuition and fee charges, including proposed per-credit-hour rates for part-time resident and nonresident undergraduate and graduate students, rates for Active Military and Global ESL Pathway Program students, rates for Master’s or

Graduate Certificate professional students, rates for first-professional and doctoral program students, and rates for online students. Staff recommends approval of these additional rates as proposed by the university.

Every tuition-setting cycle, campus officials are asked to submit tuition and fee revenue estimates for both current and upcoming fiscal years. For 2026-27, UK included tuition and fee revenue estimates for 2025-26 and 2026-27 in their submission. As can be seen in Attachment B, campus officials estimate that their proposed 2026-27 tuition and fee charges for all categories of students (i.e., every academic level, residency designation, and full-time or part-time status) will generate an increase in tuition and fee revenue from \$726.7 million to \$769.4 million, respectively, representing an increase of about \$42.8 million or 5.9%.

EASTERN KENTUCKY UNIVERSITY

On May 18, 2026, Eastern Kentucky University officials submitted a tuition and fee proposal for academic year 2026-27 to the Council. In that proposal, the university requested an increase in its resident undergraduate base rate of \$210.00, which equals the maximum residual increase allowed under the Council's two-year ceilings. EKU's proposed increase for nonresident undergraduate students is well aligned with an existing Memorandum of Understanding (MOU) between the university and the Council. Finally, the university is proposing to charge market competitive rates for graduate and online students. EKU's proposed tuition and fees for the upcoming academic year were approved by the university's governing board on May 13, 2026.

Main components of EKU's tuition and fee proposal are shown in Table 2 below, including current 2025-26 base rates, proposed 2026-27 base rates, and dollar and percent changes in those rates by degree level and residency designation. As can be seen in the table, between 2025-26 and 2026-27, the university is proposing to increase the annual base rate charge for resident undergraduate students from \$10,440 to \$10,650, respectively, resulting in an increase of \$210.00 or 2.0 percent. The proposed base rate increase for nonresident undergraduate students is from \$12,000 to \$12,240, an increase of \$240.00 or 2.0 percent. Finally, campus officials are proposing to increase per-credit-hour rates for resident graduate students from \$607.00 to \$620.00, an increase of \$13.00 or 2.1 percent, and increase per-credit-hour rates for nonresident graduate students from \$829.00 to \$846.00, an increase of \$17.00 or 2.1 percent.

Last year, EKU requested, and the Council approved, an increase in the university's resident undergraduate base rate from \$10,020 in 2024-25 to \$10,440 in 2025-26, an increase of \$420.00 or 4.2 percent. That increase equaled the maximum allowable base rate increase of "no more than \$420.00 in any one year" for a comprehensive university per Council parameters. Given the two-year ceiling adopted by the Council, the maximum allowable increase in resident undergraduate tuition and fees that EKU can charge in 2026-27 is \$210.00. This residual was calculated by subtracting the university's increase in resident undergraduate rate between 2024-25 and 2025-26 (i.e., \$420.00) from the maximum allowable increase over two years for a comprehensive university (i.e., \$630.00).

Eastern Kentucky University Proposed Tuition and Fee Base Rates Academic Year 2026-27				Table 2
Rate Category	Current 2025-26 Base Rates	Proposed 2026-27 Base Rates	Dollar Change	Percent Change
Undergraduate				
Resident	$10,440	$10,650	$210	2.0%
Nonresident	12,000	12,240	240	2.0%
Graduate				
Resident	$607.00 pch	$620.00 pch	$13.00	2.1%
Nonresident	829.00 pch	846.00 pch	17.00	2.1%

Base rates for EKU do not include a Special Use Fee of $150.00 per semester, or $300.00 per year, for full-time students. Nor do they include an Asset Preservation Fee of $10.00 per credit hour, capped at 15 credit hours or $150.00 per semester, or $300.00 per year, for full-time students.

pch = per credit hour

CPE staff reviewed EKU's proposed 2026-27 tuition and fee charges for every degree level, residency designation, and attendance status and determined that they comply with Council approved parameters. Specifically, the university's proposed increase in resident undergraduate rate (i.e., +$210.00) does not exceed the residual maximum allowable increase (i.e., +$210.00), the proposed nonresident undergraduate rate is well aligned with a previously approved MOU between EKU and the Council, and the university is charging market competitive rates for graduate and on-line students. For these reasons, CPE staff recommends approval of EKU's planned tuition and fees charges for academic year 2026-27 as proposed by the university.

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, rates for Active-Duty Military and Military Veterans, per-credit-hour rates for FTF Master's and Doctoral program students, and rates for online students. Staff recommends approval of these additional rates as proposed by the university.

The estimated impact on revenue of requested rate increases for all categories of students (i.e., every academic level, residency designation, and full-time or part-time status) is shown in Attachment D. Specifically, between 2025-26 and 2026-27, gross tuition and fee revenue at EKU is expected to grow from $163.1 million to $168.3 million, respectively, representing an increase of about $5.2 million or 3.2%.

MOREHEAD STATE UNIVERSITY

On April 27, 2026, Morehead State University officials submitted a tuition and fee proposal for academic year 2026-27 to the Council. In that proposal, the university requested an increase in its resident undergraduate base rate of $210.00, which equals the maximum residual increase allowed under the Council's two-year ceilings. MoSU's proposed increase for nonresident undergraduate students is well aligned with an existing Memorandum of Understanding (MOU) between the university and the Council. Finally, the university is proposing to charge market competitive rates for graduate and online students. MoSU's proposed tuition and fees for the upcoming academic year were approved by the university's governing board on March 27, 2026.

Key components of MoSU's tuition and fee proposal are shown in Table 3 below, including current 2025-26 base rates, proposed 2026-27 base rates, and dollar and percent changes in those rates by degree level and residency designation. As can be seen in the table, between 2025-26 and 2026-27, the university is proposing to increase its annual base rate charge for full-time, resident undergraduate students from $10,192 to $10,402, respectively, an increase of $210.00 or 2.1 percent. The proposed base rate increase for nonresident undergraduates is from $15,362 to $15,680, an increase of $318.00 or 2.1 percent. Finally, campus officials are proposing to keep their per-credit-hour charges the same in 2026-27 as they were in 2025-26 for both resident and nonresident graduate students (i.e., $573.00 per-credit-hour for each category of graduate students, or no increase).

Morehead State University — Table 3
Proposed Tuition and Fee Base Rates
Academic Year 2026-27

Rate Category	Current 2025-26 Base Rates	Proposed 2026-27 Base Rates	Dollar Change	Percent Change
Undergraduate				
Resident	$10,192	$10,402	$210	2.1%
Nonresident	15,362	15,680	318	2.1%
Graduate				
Resident	$573.00 pch	$573.00 pch	$0.00	0.0%
Nonresident	$573.00 pch	$573.00 pch	$0.00	0.0%

Base rates for Morehead State University do not include a Special Use Fee of $66.00 per semester, or $132.00 per year, nor do they include an Asset Preservation Fee of $60.00 per semester, or $120.00 per year, for full-time students.

pch = per credit hour

In terms of the maximum allowable residual increase, Morehead State University's proposed resident undergraduate rate for academic year 2026-27 complies with the Council's two-year ceiling. Last year, MoSU requested, and the Council approved, an increase in the university's resident undergraduate rate from $9,772 in 2024-25 to $10,192 in 2025-26, an increase of $420.00 or 4.3 percent. That increase equaled the maximum allowable base rate increase of "no more than $420.00 in any one year" for a comprehensive university per Council parameters.

Given the two-year ceiling adopted by the Council, the maximum allowable residual increase in resident undergraduate tuition and fees that MoSU can charge in 2026-27 is $210.00. This residual was calculated by subtracting the university's increase in resident undergraduate rate between 2024-25 and 2025-26 (i.e., $420.00) from the maximum allowable increase over two years for a comprehensive university (i.e., $630.00).

CPE staff reviewed MoSU's proposed 2026-27 tuition and fee charges for every degree level, residency designation, and attendance status and determined that they comply with Council approved parameters. Specifically, the university's proposed increase in resident undergraduate rate (i.e., +$210.00) does not exceed the residual maximum allowable increase (i.e., +$210.00), the proposed nonresident undergraduate rate is well aligned with a previously approved MOU between MoSU and the Council, and the university is charging market competitive rates for graduate and on-line students. For these reasons, CPE staff recommends approval of MoSU's planned tuition and fees charges for academic year 2026-27 as proposed by the university.

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 resident and nonresident graduate students regardless of attendance status (i.e., full-time and part-time graduate students pay the same hourly rate), and rates for undergraduate and graduate international students. Staff recommends approval of these additional rates as proposed by the university.

The estimated impact on revenue of requested rate increases for all categories of students (i.e., every academic level, residency designation, and full-time or part-time status) is shown in Attachment F. Specifically, between 2025-26 and 2026-27, gross tuition and fee revenue at MoSU is expected to decrease from $56.8 million to $55.7 million, respectively, a decrease of about $1.1 million or -2.0%.

WESTERN KENTUCKY UNIVERSITY

On May 28, 2026, Western Kentucky University officials submitted a tuition and fee proposal for academic year 2026-27 to the Council. In that proposal, the university requested an increase in its resident undergraduate base rate of $204.00, which is less than the maximum residual increase allowed under the Council's two-year ceilings. WKU's proposed increase for nonresident undergraduate students is well aligned with an existing Memorandum of Understanding (MOU) between the university and the Council. Finally, the university is proposing to charge market competitive rates for graduate and online students. WKU's proposed tuition and fees for the upcoming academic year were approved by the university's governing board on June 5, 2026.

Main components of WKU's tuition and fee proposal are shown in Table 4 below, including current 2025-26 base rates, proposed 2026-27 base rates, and dollar and percent changes in those rates by degree level and residency designation. As can be seen in the table, between 2025-26 and 2026-27, the university is proposing to increase its annual base rate charge for full-time, resident undergraduate students from $11,872 to $12,076, respectively, an increase of $204.00 or 1.7 percent. WKU is proposing to keep its nonresident undergraduate base rate the same in 2026-27 as it was in 2025-26 (i.e., at $26,800). Finally, campus officials are proposing to keep their per-credit-hour charges for both resident and nonresident graduate students the same, at $597.00 and $907.00 per credit hour, respectively (i.e., no increase for either category).

Last year, WKU requested, and the Council approved, an increase in the university's resident undergraduate base rate from $11,452 in 2024-25 to $11,872 in 2025-26, an increase of $420.00 or 3.7 percent. That increase equaled the maximum allowable base rate increase of "no more than $420.00 in any one year" for a comprehensive university per Council parameters. Given the two-year ceiling adopted by the Council, the maximum allowable increase in resident undergraduate tuition and fees that WKU can charge in 2026-27 is $210.00. This residual was calculated by subtracting the university's increase in resident undergraduate rate between 2024-25 and 2025-26 (i.e., $420.00) from the maximum allowable increase over two years for a comprehensive university (i.e., $630.00).

Western Kentucky University — Table 4
Proposed Tuition and Fee Base Rates
Academic Year 2026-27

Rate Category	Current 2025-26 Base Rates	Proposed 2026-27 Base Rates	Dollar Change	Percent Change
Undergraduate				
Resident	$11,872	$12,076	$204	1.7%
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 $100.00 per semester, or $200.00 per year, for full-time students. The Special Use Fee is also assessed at $10.00 per credit hour for part-time and graduate students.

pch = per credit hour

CPE staff reviewed WKU's proposed 2026-27 tuition and fee charges for every degree level, residency designation, and attendance status and determined that they comply with Council approved parameters. Specifically, the university's proposed increase in resident undergraduate rate (i.e., +$204.00) does not exceed the residual maximum allowable increase (i.e., +$210.00), the proposed nonresident undergraduate rate is well aligned with a previously approved MOU between WKU and the Council, and the university is charging market competitive rates for graduate and on-line students. For these reasons, CPE staff recommends approval of WKU's planned tuition and fees charges for academic year 2026-27 as proposed by the university.

Attachment G contains additional categories of tuition and fee charges for Western Kentucky University, including proposed per-credit-hour rates for part-time resident and nonresident undergraduate students, rates for full-time and part-time Tuition Incentive Program (TIP) nonresident students, full-time and part-time rates for International students, undergraduate and graduate rates for Military personnel, and resident and nonresident per-credit-hour rates for doctoral students, and Distance Learning rates. Staff recommends approval of these additional rates as proposed by the university.

WKU officials estimate that proposed 2026-27 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 $173.7 million in gross tuition and fee revenue, which is $630,200 higher than anticipated revenue for the current year (see Attachment H).

STAFF RECOMMENDATION

Over the past six weeks, officials from the University of Kentucky, Eastern Kentucky University, Morehead State University, and Western Kentucky University submitted tuition proposals for academic year 2026-27 to the Council. Staff reviewed each institution's planned tuition and fees for every degree level, residency designation, and attendance status and determined that proposed rates comply with Council parameters.

Specifically, proposed increases in resident undergraduate rates do not exceed residual maximum allowable increases, planned nonresident undergraduate rates either comply with provisions of the Council's *Tuition and Mandatory Fee Policy*, or satisfy terms of a previously approved MOU between the Council and an institution, and the universities are proposing to charge market competitive graduate and on-line rates.

For these reasons, staff recommends that the Council approve tuition and fees charges for academic year 2026-27 as proposed by the University of Kentucky, Eastern Kentucky University, Morehead State University, and Western Kentucky University.

ATTACHMENT A

Proposed 2026-27 Tuition and Mandatory Fee Charges
University of Kentucky

Category	Fall 2026	Spring 2027	Annual 2026-27	Summer and Winter Terms 2027	Full Programs
Undergraduate					
Resident					
Full-time (12 credit hours and above)	$ 7,088.50	$ 7,088.50	$ 14,177.00		
Per Credit Hour	$ 581.50	$ 581.50		$ 581.50	
Nonresident					
Full-time (12 credit hours and above)	$ 17,923.00	$ 17,923.00	$ 35,846.00		
Per Credit Hour	$ 1,484.00	$ 1,484.00		$ 1,484.00	
UK Online Campus (Per Credit Hour)*	$ 667.00	$ 667.00		$ 667.00	
Active Military (Per Credit Hour)	$ 301.00	$ 301.00		$ 301.00	
Global ESL Pathway Program					
Resident	$ 7,088.50	$ 7,088.50	$ 14,177.00	$ 581.50	
Nonresident	$ 17,923.00	$ 17,923.00	$ 35,846.00	$ 1,484.00	
UK Next Generation Dual Credit (Per Credit Hour)					
Per Credit Hour - to be determined by KCTCS/CPE	$ 99.00	$ 99.00		$ 99.00	
*Graduate***					
Resident					
Full-time	$ 7,688.00	$ 7,688.00	$ 15,376.00		
Per Credit Hour	$ 841.50	$ 841.50		$ 841.50	
Enrolled in Distance Education Courses Only (Full-time)	$ 7,239.00	$ 7,239.00	$ 14,478.00		
Enrolled in Distance Education Courses Only (Part-time, Per Credit Hour)	$ 806.00	$ 806.00		$ 806.00	
Nonresident					
Full-time	$ 19,024.50	$ 19,024.50	$ 38,049.00		
Per Credit Hour	$ 2,100.50	$ 2,100.50		$ 2,100.50	
Enrolled in Distance Education Courses Only (Full-time)	$ 7,239.00	$ 7,239.00	$ 14,478.00		
Enrolled in Distance Education Courses Only (Part-time, Per Credit Hour)	$ 806.00	$ 806.00		$ 806.00	
Master or Graduate Certificate, Health Professional					
Resident					
Full-time	$ 8,287.50	$ 8,287.50	$ 16,575.00		
Per Credit Hour	$ 907.50	$ 907.50		$ 907.50	
Nonresident					
Full-time	$ 19,726.50	$ 19,726.50	$ 39,453.00		
Per Credit Hour	$ 2,179.00	$ 2,179.00		$ 2,179.00	
Master or Graduate Certificate, Professional					
Resident					
Full-time	$ 8,064.50	$ 8,064.50	$ 16,129.00		
Per Credit Hour	$ 882.50	$ 882.50		$ 882.50	
Nonresident					
Full-time	$ 19,467.00	$ 19,467.00	$ 38,934.00		
Per Credit Hour	$ 2,150.00	$ 2,150.00		$ 2,150.00	
Professional Practice Audiology Doctoral					
Resident					
Full-time	$ 7,531.50	$ 7,531.50	$ 15,063.00		
Per Credit Hour	$ 823.00	$ 823.00		$ 823.00	
Nonresident					
Full-time	$ 16,231.50	$ 16,231.50	$ 32,463.00		
Per Credit Hour	$ 1,789.50	$ 1,789.50		$ 1,789.50	
Professional Practice Doctoral					
Resident					
Full-time	$ 10,047.50	$ 10,047.50	$ 20,095.00		
Per Credit Hour	$ 1,103.00	$ 1,103.00		$ 1,103.00	
Nonresident					
Full-time	$ 26,319.50	$ 26,319.50	$ 52,639.00		
Per Credit Hour	$ 2,912.50	$ 2,912.50		$ 2,912.50	

ATTACHMENT A

Proposed 2026-27 Tuition and Mandatory Fee Charges
University of Kentucky

Category	Fall 2026	Spring 2027	Annual 2026-27	Summer and Winter Terms 2027	Full Programs
College Specific Graduate Degrees & Certificates					
College of Arts and Sciences					
Graduate Certificate in Latin Studies					
Resident and Non-Resident, Per Credit Hour Only	$ 653.00	$ 653.00		$ 653.00	
College of Education					
Master of Education in Educational Leadership					
Education Specialist in Teacher Leadership					
Education Specialist in Principal Preparation					
Superintendent Certification Program					
Graduate Certificate in Leadership for Deeper Learning					
Graduate Certificate in Instructional Coaching					
Graduate Certificate in School Technology Leadership					
Graduate Certificate in Executive Education Leadership					
Resident and Non-Resident, Per Credit Hour Only	$ 653.00	$ 653.00		$ 653.00	
College of Medicine					
Master of Forensic Toxicology and Analytical Genetics					
Resident and Non-Resident, Per Credit Hour Only	$ 1,122.00	$ 1,122.00		$ 1,122.00	
College of Public Health					
Master of Public Health, Online					
Resident and Non-Resident, Per Credit Hour Only	$ 821.00	$ 821.00		$ 821.00	
Doctor of Public Health, Online					
Resident and Non-Resident, Per Credit Hour Only	$ 1,532.00	$ 1,532.00		$ 1,532.00	
Gatton College of Business and Economics					
Master of Science in Finance					
Resident, Per Credit Hour Only	$ 999.50	$ 999.50		$ 999.50	
Nonresident, Per Credit Hour Only	$ 1,425.00	$ 1,425.00		$ 1,425.00	
Master of Science in Marketing					
Master of Science in Strategic Human Resource Management and Analytics					
Master of Science in Supply Chain Management					
Master of Accountancy and Analytics					
Graduate Certificate in Accounting Analytics					
Graduate Certificate in Analytics					
Graduate Certificate in Economics					
Graduate Certificate in Human Resource Management					
Resident, Per Credit Hour Only	$ 999.50	$ 999.50		$ 999.50	
Nonresident, Per Credit Hour Only	$ 1,347.00	$ 1,347.00		$ 1,347.00	
Dentistry					
Doctor of Medicine in Dentistry, DMD					
Resident			$ 40,454.50		
Nonresident			$ 87,874.00		
Reduced Curriculum load					
Resident			$ 21,049.50		
Nonresident			$ 44,759.00		
Graduate Certificate in Orofacial Pain					
Resident and Nonresident			$ 28,471.00		
Reduced Curriculum load					
Resident and Nonresident			$ 15,057.50		
Post-Master's Certificate in Advanced Specialty Program - Endodontics					
Resident			$ 27,397.00		
Nonresident			$ 49,931.00		

ATTACHMENT A

Proposed 2026-27 Tuition and Mandatory Fee Charges
University of Kentucky

Category	Fall 2026	Spring 2027	Annual 2026-27	Summer and Winter Terms 2027	Full Programs
Reduced Curriculum load					
Resident			$ 14,520.50		
Nonresident			$ 25,787.50		
Doctor of Pharmacy					
Entering Class Fall 2023					
Resident			$ 29,985.00		
Nonresident			$ 56,199.00		
Entering Class Fall 2024					
Resident			$ 30,268.00		
Nonresident			$ 56,745.00		
Entering Class Fall 2025					
Resident			$ 30,554.00		
Nonresident			$ 57,296.00		
Entering Class Fall 2026					
Resident			$ 30,554.00		
Nonresident			$ 57,296.00		
Reduced curriculum load					
Resident			$ 16,099.00		
Non-Resident			$ 29,470.00		
Doctorate of Physical Therapy					
Resident			$ 24,979.00		
Nonresident			$ 50,666.00		
Reduced curriculum load					
Resident			$ 13,311.50		
Non-Resident			$ 26,155.00		
Law					
Resident			$ 27,827.00		
Nonresident			$ 51,480.00		
Reduced curriculum load					
Resident			$ 14,735.50		
Non-Resident			$ 26,562.00		
Medicine					
Entering class of fall 2022					
Resident			$ 41,265.50		
Nonresident			$ 75,328.50		
Entering class of fall 2023					
Resident			$ 41,662.50		
Nonresident			$ 76,066.50		
Entering class of fall 2024					
Resident			$ 42,094.00		
Nonresident			$ 76,842.00		
Entering class of fall 2025					
Resident			$ 42,541.00		
Nonresident			$ 77,637.00		
Entering class of fall 2026					
Resident			$ 42,773.50		
Nonresident			$ 78,045.00		
Reduced Curriculum load					
Resident			$ 22,209.00		
Nonresident			$ 39,844.50		
Master of Science in Accounting					
One-Year, Full-Time					
Resident					$ 26,268.00
Nonresident					$ 34,441.00

Proposed 2026-27 Tuition and Mandatory Fee Charges
University of Kentucky

Category	Fall 2026	Spring 2027	Annual 2026-27	Summer and Winter Terms 2027	Full Programs
Reduced Curriculum load					
Resident					$ 13,956.00
Nonresident					$ 18,042.50
Master of Business Administration (MBA)					
One-Year, Full-Time					
Resident					$ 39,935.00
Nonresident					$ 48,478.00
Reduced Curriculum load					
Resident					$ 20,789.50
Nonresident					$ 25,061.00
Professional Evening Two-Years (full-time)					
Entering classes of Fall 2025					
Resident					$ 40,438.00
Nonresident					$ 48,822.00
Entering classes of Fall 2026					
Resident					$ 41,194.50
Nonresident					$ 49,740.50
Professional Evening Three-Years (part-time)					
Entering classes of Fall 2024					
Resident					$ 39,555.00
Nonresident					$ 46,969.00
Entering classes of Fall 2025					
Resident					$ 39,975.00
Nonresident					$ 48,355.00
Entering classes of Fall 2026					
Resident					$ 40,722.00
Nonresident					$ 49,264.00

*Fully online undergraduate certificates and degree programs (i.e., Internet, web-based) are offered only through UK Online. Undergraduate students enrolled only in a UK Online certificate or degree program are assessed the UK Online rate for all credit hours. There is no full-time tuition cap for UK Online undergraduate certificate and degree programs. The UK Online rate is the same for resident and non-resident undergraduate students.

**Graduate students enrolled exclusively in courses offered through distance learning are assessed tuition using the applicable resident rate, regardless of residency status. Distance learning courses include delivery modes of fully online (i.e., Internet, web-based), hybrid, off-campus, TV, and compressed video.

ATTACHMENT B

Estimated 2026-27 Gross Tuition and Mandatory Fee Revenue
University of Kentucky

Category	Estimated 2025-26	Estimated 2026-27
Undergraduate		
Resident	$ 195,470,087	$ 202,014,500
Nonresident	289,451,600	318,749,200
Graduate		
Resident	$ 34,365,600	$ 36,978,000
Nonresident	70,473,100	72,702,000
Doctoral Professional Practice		
Resident	$ 54,276,100	$ 52,457,000
Nonresident	28,050,700	29,637,700
*Online/Military**	$ 12,302,800	$ 14,602,000
*Mandatory Fees***	$ 42,262,000	$ 42,262,000
Total	**$ 726,651,987**	**$ 769,402,400**

*Tuition revenue from online graduate course offerings is not separately recorded. Graduate students enrolled in only distance education courses are assessed the Kentucky resident rate regardless of residency status.

**Mandatory fees between Undergraduate, Graduate and First-Professional classifications are not separately recorded.

University of Kentucky
Fall FTE and Fall Tuition and Fee Revenue

Category	Fall 2025 FTE Enrollment	Estimated Fall 2026 FTE Enrollment
Undergraduate		
Resident	16,520	16,695
Nonresident	9,444	9,576
Online	-	-
Graduate		
Resident	3,394	3,044
Nonresident	3,771	3,713
Online*	-	-
Doctoral Professional Practice		
Resident	1,839	1,692
Nonresident	493	494
	Fall 2025	Estimated Fall 2026
Gross Tuition Revenue (excluding Fees)	$ 341,089,700	$ 362,364,200
*Net Tuition & Fee Revenue****	$ -	$ -

*Tuition revenue from online graduate course offerings is not separately recorded. Graduate students enrolled in only online courses are assessed the Kentucky resident rate regardless of residency status.

**Mandatory fees between Undergraduate, Graduate and First-Professional classifications are not separately recorded.

***Fees and Scholarships are not separately recorded by term.

ATTACHMENT C

Proposed 2026-27 Tuition and Mandatory Fee Charges
Eastern Kentucky University

Category	Fall 2026	Spring 2027	Annual 2026-27	Summer 2027	Winter 2026
Undergraduate					
Resident					
Under 12 credit hours (per hour)	$ 444	$ 444		$ 444	$ 444
12 - 15 credit hours (flat rate)	$ 5,325	$ 5,325	$ 10,650		
Above 15 credit hours (per hour)	$ 355	$ 355			
Nonresident					
Under 12 credit hours (per hour)	$ 510	$ 510		$ 510	$ 510
12 - 15 credit hours (flat rate)	$ 6,120	$ 6,120	$ 12,240		
Above 15 credit hours (per hour)	$ 408	$ 408			
Online Programs (per hour)					
RN to BSN	$ 520	$ 520		$ 520	$ 520
All other online programs	$ 472	$ 472		$ 472	$ 472
Active Duty Military (per hour) [1]	$ 250	$ 250		$ 250	$ 250
Military Veterans [2]					
Under 12 credit hours (per hour)	$ 444	$ 444		$ 444	$ 444
12 - 15 credit hours (flat rate)	$ 5,325	$ 5,325	$ 10,650		
Above 15 credit hours (per hour)	$ 355	$ 355			
EKU Now! (High School)					
Per hour - to be determined by KCTCS/CPE					
Graduate - Master's (per hour)					
Resident (other than FTF programs listed below)	$ 620	$ 620		$ 620	$ 620
Nonresident (other than FTF programs listed below)	$ 846	$ 846		$ 846	$ 846
FTF Programs					
Master of Business Administration	$ 607	$ 607		$ 607	$ 607
M.A. in Clinical Mental Health Counseling	$ 576	$ 576		$ 576	$ 576
M.A. in Communication Disorders	$ 576	$ 576		$ 576	$ 576
College of Education & Applied Human Sciences - KY active teachers [3]	$ 437	$ 437		$ 437	$ 437
M.F.A. in Creative Writing	$ 620	$ 620		$ 620	$ 620
Online Programs					
Master of Business Administration	$ 607	$ 607		$ 607	$ 607
M.A. in Education - all concentrations	$ 530	$ 530		$ 530	$ 530
M.A. in Teaching Non-Option 6	$ 510	$ 510		$ 510	$ 510
All other online CEAHS graduate programs	$ 576	$ 576		$ 576	$ 576
College of Education & Applied Human Sciences - KY active teachers [4]	$ 437	$ 437		$ 437	$ 437
M.S. in Nursing	$ 748	$ 748		$ 748	$ 748
Master of Public Health	$ 540	$ 540		$ 540	$ 540
M.S. in Criminology and Criminal Justice	$ 600	$ 600		$ 600	$ 600
M.S. in General Psychology - Applied Behavior Analysis Concentration	$ 748	$ 748		$ 748	$ 748
All other graduate level online programs not listed above	$ 690	$ 690		$ 690	$ 690
Active Duty Military (per hour) [1]	$ 250	$ 250		$ 250	$ 250
Military Veterans [2]	$ 620	$ 620		$ 620	$ 620
Graduate - Doctoral (per hour)					
FTF Programs					
Doctor of Psychology	$ 761	$ 761		$ 761	$ 761
Online Programs					
Educational Doctorate Program (EdD)	$ 649	$ 649		$ 649	$ 649
Doctor of Nursing Practice	$ 761	$ 761		$ 761	$ 761
Doctorate in Occupational Therapy	$ 761	$ 761		$ 761	$ 761
Active Duty Military (per hour) [1]	$ 250	$ 250		$ 250	$ 250
Military Veterans [2]	$ 620	$ 620		$ 620	$ 620

[1] *Discount applicable to on-campus and online courses. Regular tuition rates apply to the Bachelor/Master of Science in Nursing, Doctorate in Nursing Practice, and Bachelor of Science/Doctorate in Occupational Therapy.*

[2] *Non-Kentucky on-campus students will pay the same standard undergraduate and graduate tuition rate as in-state students; online students and those enrolled in special programs will be billed according to the specific rates listed above.*

[3] *Excluding M.A. in Clinical Mental Health Counseling and M.A. in Communication Disorders*

[4] *Excluding M.A. in Teaching Non-Option 6*

ATTACHMENT D

Estimated 2026-27 Gross Tuition and Mandatory Fee Revenue
Eastern Kentucky University

Category		Actual 2025-26		Estimated 2026-27
Undergraduate				
Resident				
Fall	$	43,286,800	$	43,955,000
Spring	$	37,682,100	$	38,310,000
Summer	$	2,932,800	$	3,070,000
Nonresident				
Fall	$	4,837,900	$	4,870,000
Spring	$	4,544,700	$	4,580,000
Summer	$	316,400	$	330,000
Online Courses				
Winter	$	1,675,600	$	1,720,000
Online Programs				
Fall	$	16,291,600	$	17,075,000
Spring	$	15,294,100	$	16,090,000
Summer	$	3,923,400	$	4,225,000
Graduate - Master's				
Resident				
Fall	$	1,627,000	$	1,765,000
Spring	$	1,559,000	$	1,700,000
Summer	$	909,700	$	995,000
Nonresident				
Fall	$	476,500	$	480,000
Spring	$	414,700	$	415,000
Summer	$	148,100	$	150,000
Online Courses				
Winter	$	28,300	$	55,000
Online Programs				
Fall	$	6,109,300	$	6,530,000
Spring	$	6,323,500	$	6,770,000
Summer	$	3,929,400	$	4,200,000
Graduate - Doctorate				
Resident				
Fall	$	844,200	$	880,000
Spring	$	917,100	$	955,000
Summer	$	330,600	$	355,000
Non residency				
Fall	$	253,400	$	255,000
Spring	$	233,800	$	235,000
Summer	$	40,000	$	40,000
Online Programs				
Fall	$	337,200	$	390,000
Spring	$	313,700	$	370,000
Summer	$	90,000	$	100,000
Special Use Fee	$	4,000,000	$	4,000,000
Asset Preservation Fee	$	3,400,000	$	3,400,000
	$	**163,070,900**	**$**	**168,265,000**

Eastern Kentucky University
Fall FTE and Fall Tuition and Fee Revenue

	Fall 2025	Estimated Fall 2026

Category	FTE Enrollment	FTE Enrollment
Undergraduate		
Resident	7,820	7,820
Nonresident	845	835
Online Programs	2,447	2,485
Graduate		
Resident	377	395
Nonresident	89	90
Online Programs	832	790
	Fall 2025	Estimated Fall 2026
Gross Tuition & Fee Revenue	$ 163,070,900	$ 168,265,000
Net Tuition & Fee Revenue	$ 130,770,900	$ 128,268,200

ATTACHMENT E

Proposed 2026-27 Tuition and Mandatory Fee Charges
Morehead State University

Category	Fall 2026	Spring 2027	Annual 2026-27	Winter & Summer 2027
Undergraduate				
Resident				
Full-time	5,201	5,201	10,402	-
Per Credit Hour	434	434	-	434
Nonresident				
Full-time	7,840	7,840	15,680	-
Per Credit Hour	655	655	-	655
International				
Full-time	13,120	13,120	26,240	-
Per Credit Hour	1,095	1,095	-	1,095
Graduate				
Resident				
Full-time	-	-	-	-
Per Credit Hour	573	573	-	573
Master of Arts in Teaching (MAT) Program	275	275	-	275
Volgenau College of Education (600-level non-MAT)	434	434	-	434
Nonresident				
Full-time	-	-	-	-
Per Credit Hour	573	573	-	573
International				
Full-time	-	-	-	-
Per Credit Hour	573	573	-	573
Asset Preservation Fee				
Full-time	60	60	120	-
Per Credit Hour	5	5	-	5
Special Use Fee				
Full-time	66	66	132	-
Per Credit Hour	6	6	-	6

ATTACHMENT F

Estimated 2026-27 Gross Tuition and Mandatory Fee Revenue
Morehead State University

Category	Estimated 2025-26	Estimated 2026-27
Undergraduate		
Resident	$ 41,833,300	$ 42,746,300
Nonresident	8,291,400	7,644,100
International	1,825,500	421,600
Graduate		
Resident	3,003,000	3,105,400
Nonresident	595,900	608,700
International	20,600	22,000
Asset Preservation Fee	582,100	500,000
Special Use Fee	655,700	643,500
Total	**$ 56,807,500**	**$ 55,691,600**

Morehead State University
Fall FTE and Fall Tuition and Mandatory Fee Revenue

Category	Fall 2025 FTE Enrollment	Estimated Fall 2026 FTE Enrollment
Undergraduate		
Resident	4,681	4,732
Nonresident	658	617
International	94	20
Graduate		
Resident	202	202
Nonresident	37	37
International	2	2

	Fall 2025	Estimated Fall 2026
Gross Tuition & Mandatory Fee Revenue	$ 28,855,700	$ 28,299,900
Net Tuition & Mandatory Fee Revenue	$ 16,433,900	$ 16,117,300

Proposed 2026-27 Tuition and Mandatory Fee Charges
Western Kentucky University

Category	Fall 2026	Spring 2027	Annual 2026-27	Winter & Summer 2027
Undergraduate				
Resident				
Full-time (12-18 credit hours)	6,138	6,138	12,276	511.50
Military at Resident Rate	6,138	6,138	12,276	511.50
Part-time (Per Credit Hour)	511.50	511.50		511.50
Dual Credit (Per Credit Hour)	95.00	95.00	97	97.00
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
Graduate				
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
Special Program				
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
Included in the above:				
Special Use Fee (FT)	100	100	200	-
Special Use Fee (PT) pro-rated by credit hour	10	10	10	10

Estimated 2026-27 Gross Tuition and Mandatory Fee Revenue
Western Kentucky University

Category	Estimated 2025-26	Estimated 2026-27
Undergraduate		
Resident	$ 95,902,000	$ 96,500,000
Nonresident	38,381,200	38,400,000
Online	10,560,700	10,500,000
Graduate (incl practice based doctoral)		
Resident	$ 13,697,900	$ 13,900,000
Nonresident	4,400,000	4,400,000
Online	2,064,000	2,036,000
Student Athletics Fee	$ 4,600,000	$ 4,500,000
Centers Fee (Auxiliary Enterprises)	$ 1,370,000	$ 1,370,000
Special Use Fees	$ 2,140,000	$ 2,140,000
Total	**$ 173,115,800**	**$ 173,746,000**

Western Kentucky University
Fall FTE and Fall Tuition and Fee Revenue

Category	Fall 2025 FTE Enrollment	Estimated Fall 2026 FTE Enrollment
Undergraduate		
Resident	8,534	8,600
Nonresident	3,345	3,400
Online	697	700
Graduate		
Resident	1,133	1,133
Nonresident	207	207
Online		

	Fall 2025	Estimated Fall 2026
Gross Tuition & Fee Revenue	$ 173,115,800	$ 173,746,000
Net Tuition & Fee Revenue	$ 130,000,000	$ 132,000,000

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION
FINANCE COMMITTEE **JUNE 08, 2026**

TOPIC/TITLE:	Delegation of Authority Request – 2026-2027 Tuition and Fee Proposals
STAFF CONTACTS:	Brent Floyd, Senior Associate, Finance Policy and Programs Adam Blevins, Director, Finance Policy and Programs
TYPE/REQUEST:	☒ Action ☐ Information

SUMMARY OF ACTION REQUESTED

CPE staff recommend that the Finance Committee endorse for Council approval delegated authority to the CPE President to review and approve Academic Year 2026-27 tuition and fee proposals from the University of Louisville, Northern Kentucky University, and the Kentucky Community and Technical College System, provided the proposed rates comply with the Council's previously-approved parameters.

SUPPORTING INFORMATION

The Council requires institutions to secure approval of proposed tuition and fee rates from their respective governing boards before submitting them for approval by the Council.

Three institutional governing boards will not meet to consider the proposed rates until after the Finance Committee's June 8 meeting. Those institutions and meeting dates are:

- Northern Kentucky University (NKU) - June 10, 2026
- Kentucky Community and Technical College System (KCTCS) - June 11-12, 2026
- University of Louisville (UofL) - June 25, 2026

Because institutions were not able to submit their proposals in time for Council review, staff recommend the Finance Committee endorse for Council approval the request to delegate authority to the CPE President to complete this review and approval, provided the proposals comply with the parameters approved by the Council at their April 17, 2025, meeting.

Note: If this request is not approved, the Chair will need to call a special meeting after June 25 to consider the proposals.

TOPIC/TITLE:	2026-2028 Asset Preservation Pool Guidelines
STAFF CONTACTS:	Adam Blevins, Director, Finance Policy and Programs Greg Rush, Assistant Vice President, Finance Policy and Programs
TYPE/REQUEST:	☒ Action ☐ Information

SUMMARY OF ACTION REQUESTED

Council staff recommend the Finance Committee endorse for Council approval the *2026-2028 Asset Preservation Guidelines.* These guidelines support the certification of projects in alignment with House Bill 500 (26 RS, HB 500).

SUPPORTING INFORMATION

For the last several biennia, the Council on Postsecondary Education has prioritized capital investment in asset preservation as part of the biennial budget recommendation to address an estimated $7.3 billion system total need for renovation and renewal of Kentucky postsecondary education facilities. As part of the 2026-2028 budget recommendation, the Council sustained this effort by requesting $700 million in state bond funds to address the statewide need for asset preservation. The General Assembly continued its investment in asset preservation by providing over $227.6 million in General Fund supported bond funds for individual asset preservation, renovation, and maintenance projects at Kentucky public postsecondary campuses.

ASSET PRESERVATION IN THE BUDGET BILL

The original budget bill (26 RS, HB 500) allocated these funds by providing each institution with $10.0 million in the first year and allocating a pool of $100.0 million across the institutions based on their share of system total square footage. This allocation was revised slightly in Senate Bill 197 (26 RS), which increased Kentucky State University's allocation to $25.0 million in each year of the biennium, providing the final allocation shown in the table on page 3 of the attached guidelines (Attachment A). In a departure from previous asset preservation pools, the enacted *2026-2028 Budget of the Commonwealth* does not include any campus match requirements for the 2026-2028 Asset Preservation Pool.

Aside from removing the campus matching requirements for the research institutions, the language of the new budget bill (26 RS HB 500) is consistent with language included in the

2024-2026 budget bill (24 RS, HB 6). House Bill 500 (26 RS) stipulates that funds are to be used for “individual asset preservation, renovation, and maintenance projects at Kentucky’s public postsecondary institutions in Education, General, and state-owned and operated residential housing facilities for fixed asset pedestrian and student parking areas, and for the razing of university-owned buildings.” (26 RS HB 500, p. 147). Additionally, House Bill 500 provides authorization for capital projects as defined in KRS 45.750(1)(f). This means that capital projects funded from the pool that meet or exceed $1.0 million, or equipment purchases funded through the pool meeting or exceeding $200,000, already have approval from the General Assembly.

CHANGES FROM THE 2024-2026 ASSET PRESERVATION GUIDELINES

The proposed 2026-2028 Asset Preservation Guidelines are similar to the Council-approved 2024-2026 Guidelines, with the only substantive revision being the removal of language concerning matching requirements. The new set of guidelines necessarily includes minor changes throughout the document, including changes to reflect differing dates, updated funding amounts and campus allocations, the addition of updated policy context, and other minor changes to improve readability. Language related to campus matching funds has also been removed from sections throughout the document. Substantive changes are show in the marked-up attachment provided.

CPE
Higher Education Matters

2026-2028 Asset Preservation Pool Guidelines

Approved by Council: ____________________

Effective Date: July 1, 2026, Pending Council Approval

Introduction

In 2005, the Council on Postsecondary Education (CPE) and Kentucky colleges and universities contracted with Vanderweil Facilities Advisors, Inc. (VFA), Paulien & Associates, and NCHEMS to conduct a comprehensive review and assessment of the state's public postsecondary facilities. Evaluators took more than a year and examined over 700 Education and General (E&G) facilities located on college and university campuses across the system and concluded in early 2007 that Kentucky's facilities inventory was in relatively poor condition compared to industry standards.

Most buildings at the time were over 30 years old and their condition and utility was consistent with their age. Heating, ventilation, and air conditioning (HVAC) systems, plumbing, and electrical wiring in many buildings had far exceeded their useful life expectancies and many buildings no longer adequately supported the academic programming for which they were originally intended. Overall, evaluators identified a cumulative amount of $6.1 billion in asset preservation needs for the postsecondary system, projected to come due by 2018 (*Facility Condition Assessment & Space Study*, VFA, 2007).

During the six years following the VFA study, a combination of factors, including a growing inventory of aging facilities, infrastructure, and systems in need of renovation and renewal, increasing construction costs, and minimal state investment in asset preservation, resulted in more than a $1.0 billion increase in asset preservation need. In a 2013 update to the original VFA Study, researchers found that the cumulative cost of bringing the state's postsecondary education facilities up to industry standards was projected to reach $7.3 billion by 2021.

Program Funding

Every biennium since 2008, the Council has included a relatively large request for asset preservation funds in its biennial budget recommendation. For more than a decade, ongoing budget constraints limited the state's investment in existing postsecondary facilities. For example, between 2008 and 2022, the state appropriated a total of $282.0 million for campus renovation and renewal projects. Beginning in 2022, the cycle of persistent underinvestment was broken.

In 2022-2024, the Council requested $700.0 million in state funds to address the estimated $7.3 billion need for facilities renovation and renewal on state college and university campuses. The Governor and General Assembly supported this request and provided $700.0 million in bonds funds to finance individual asset preservation projects at Kentucky public postsecondary institutions during the 2022-2024 biennium. That amount included $683.5 million for an asset preservation pool and $16.5 million for a line-itemed renewal project at KCTCS (22 RS, HB 1).

In 2024-2026, the General Assembly made another major investment in renovation and renewal of existing postsecondary education facilities. The enacted *2024-2026 Budget of the Commonwealth* (24 RS, HB 6) authorized $563.0 million in General Fund supported bond funds for a Postsecondary Education Asset Preservation Pool to provide funding "for individual asset preservation, renovation, and maintenance projects at Kentucky's public postsecondary institutions in Education, General, and state-owned and operated residential housing facilities" (HB 6, p. 199), and "for fixed asset pedestrian and student parking areas, and for the razing of university-owned buildings" (SB 91, p. 17).

In 2026-2028, the General Assembly continued investing in asset preservation across Kentucky's postsecondary education campuses. The enacted *2026-2028 Budget of the Commonwealth* (26 RS, HB 500) authorized $190.0 million in General Fund supported bond funds for a new Postsecondary Education Asset Preservation Pool using the same specification applied to the 2024-2026 Asset Preservation Pool. Senate Bill 197 (26 RS) provided an additional $37.6 million appropriation to Kentucky State University through the asset preservation pool, bringing the total state investment to $227.6 million for the 2026-2028 biennium.

Allocation of Funds

In 2022-2024, the General Assembly allocated asset preservation pool funds among institutions based on each institution's share of system total Category I and Category II square feet. For the 2024-2026 biennium, the methodology used to allocate the asset preservation pool differed from the previous approach, in that it provided a fixed base level of funds for each institution before the remainder was allocated based on square feet. Then, legislators made individual adjustments to the amounts that had been allocated to KSU and KCTCS.

Funds appropriated to the 2026-2028 Asset Preservation Pool were allocated using a method similar to the one applied to the 2024-2026 pool. The budget bill (26 RS, HB 500) allocated $10.0 million across each institution in the first fiscal year, and allocated funds based on each institution's share of Category I and Category II square footage in the second fiscal year. The General Assembly subsequently adjusted KSU's allocation in Senate Bill 197, providing $25.0 million in the 2026-2028 Asset Preservation Pool for each fiscal year (RS 26, SB 197). In total, the 2026-2028 Asset Preservation Pool provides $105,000,000 in the first year of the biennium, and $122,641,000 in the second. The total allocation of $227,641,000 is provided in the table below.

Asset Preservation Pool Allocation			
Institution	Fiscal Year 2026-27	Fiscal Year 2027-28	Biennial Total
University of Kentucky	10,000,000	24,330,000	34,330,000
University of Louisville	10,000,000	12,077,000	22,077,000
Eastern Kentucky University	10,000,000	8,189,000	18,189,000
Kentucky State University	25,000,000	25,000,000	50,000,000
Morehead State University	10,000,000	5,065,000	15,065,000
Murray State University	10,000,000	7,073,000	17,073,000
Northern Kentucky University	10,000,000	6,951,000	16,951,000
Western Kentucky University	10,000,000	9,158,000	19,158,000
KCTCS	10,000,000	24,798,000	34,798,000
Total Appropriation	105,000,000	122,641,000	227,641,000

Matching Requirements

~~Included in the 2024-2026 budget bill (24 RS, HB 6) is language, specifying institutional matching requirements for accessing allocated Asset Preservation Pool funds:~~

- ~~each project for research institutions shall be matched at 25 percent from funds provided by each research institution (p. 199), and~~
- ~~no match is required for comprehensive institutions or Kentucky Community and Technical College System institutions.~~

~~The enacted 2024-2026 state budget (24 RS, HB 6) authorizes the research universities to issue agency bonds to finance asset preservation projects and meet matching requirements, but they can also use cash, private funds, grants, or other institutional funds to achieve the match. The General Assembly provided agency bond authorization of $15,431,000 at the University of Kentucky and $8,638,000 at the University of Louisville each year of the upcoming biennium.~~

~~The General Assembly operationalized the Asset Preservation Pool matching requirement by requiring research universities to spend twenty-five cents ($0.25) for every state dollar ($1.00) used to complete an individual asset preservation project.~~

~~This ratio, when applied using an expenditure and reimbursement approach for accessing pool funds results in a campus matching fund rate of 20.0% (i.e., $0.25/$1.25 = .20) at the research universities. Thus, the state reimbursement rate would be 80.0% (i.e., 1 - .20 = .80), which is the reciprocal of the campus matching rate.~~

Unlike the two prior asset preservation pools, the 2026-2028 budget bill (26 RS, HB 500) does not specify any institutional matching requirements. Therefore, funds may be used without an institutional match.

Uses of Funds

Language included in the budget bill stipulates that Asset Preservation Pool funds are to be used for “individual asset preservation, renovation, and maintenance projects at Kentucky’s public postsecondary institutions in Education, General, and state-owned and operated residential housing facilities for fixed asset pedestrian and student parking areas, and for the razing of university-owned buildings.” (26 RS HB 500, p. 147).

Eligibility Criteria

In order for an asset preservation project and related expenditures to be eligible for reimbursement, the following criteria must be met:

- Projects that preserve, renovate, or renew Education and General facilities and campus infrastructure that supports such facilities are eligible to receive funds from the Asset Preservation Pool.

- Projects that preserve, renovate, or renew state-owned and operated residential housing facilities and campus infrastructure that supports such facilities are eligible to receive funds from the Asset Preservation Pool. Housing facilities owned and operated by a university, or its affiliated corporations are state-owned.

- Projects that preserve, renovate, or renew pedestrian and student parking areas, or raze university-owned buildings, are eligible to receive funds from the Asset Preservation Pool.

- For the purposes of these guidelines, “facilities” includes but is not limited to buildings and key building systems, such as the plumbing system, electrical system and permanently affixed power generators, mechanical and HVAC system, elevator system, escalator system, fire protection and alarm system, gas distribution system, and the security system.

- For the purposes of these guidelines, “campus infrastructure” includes but is not limited to infrastructure, such as roads, walkways, high voltage distribution systems, steam tunnels, and water chiller plants, that support current and ongoing use of eligible facilities.

- Projects that preserve, renovate, or renew non-Education and General athletics facilities, hospitals, or auxiliary enterprise facilities are not eligible to receive funds from the pool.

- Only project expenditures made after July 1, 2026 are eligible to be reimbursed from the 2026-2028 asset preservation pool, provided they meet all other guideline requirements.

- ~~Sources of campus matching funds for a project must be cash, agency bonds, private funds, grants, or other institutional funds. General Fund appropriations cannot be used as a match.~~

- If an individual project contains both asset preservation and expansion of space components, asset preservation funds may only be used for the renovation and renewal portion of the project.

- Generally, new construction and expansion projects are not eligible to receive funds from the Asset Preservation Pool. However, under certain limited circumstances, as described below, use of asset preservation funds to finance new construction or expansion may be permissible.

- If it would be more cost effective to raze and replace rather than renovate an existing facility, then asset preservation funds may be used for demolition and reconstruction. For such a project to be considered cost effective, the cost to raze and replace may not exceed 115% of the cost required to renovate a facility. The cost of each option must be certified in writing by an independent third-party industry professional, with the assessment dated not more than six months prior to the initial date the raze and replace request was submitted to CPE staff.

- It is anticipated that requests to raze and replace rather than renovate an existing facility will be infrequent occurrences. For this reason, CPE staff will bring such requests along with certified cost estimates from independent third-party industry professionals to the Finance Committee and full Council for review and approval.

- If an asset preservation project includes a minor expansion component that supports or enhances the accessibility, functionality, or safety and security of a facility, then asset preservation funds may be used to finance the project.

- If an individual project adds a permanently affixed power generator to an eligible building or upgrades or expands the existing high voltage distribution system or steam or chilled water system to create redundancy and ensure the proper functioning of eligible facilities in the event of an outage or natural disaster, then asset preservation funds may be used to finance the project.

- Routine maintenance and repair projects and ongoing building maintenance and operations (M&O) costs, typically funded through an institution's operating budget, are not eligible to receive funds from the Asset Preservation Pool.

Project Approval

Generally, a number of boards, agencies, and committees are involved in the postsecondary institution capital project approval process in Kentucky, including campus governing boards, the Council on Postsecondary Education, Capital Projects and Bond Oversight Committee, the Office of State Budget Director (OSBD), and the Kentucky General Assembly. Identified below are actions that each of these entities either have taken or will undertake in the review, approval, and oversight of projects funded from the Asset Preservation Pool.

- Asset preservation, renovation, and maintenance projects that are listed in the *2026-2028 Budget of the Commonwealth* (26 RS, HB 500) are authorized by the General Assembly.

- If an asset preservation project is <u>not</u> specifically listed in the enacted budget, language included in the bill authorizes capital projects, as defined in KRS 45.750(1)(f), funded from the Asset Preservation Pool (26 RS, HB 500, p. 147).

- Capital projects funded from the pool that meet or exceed the $1.0 million threshold for construction or the $200,000 threshold for an item of equipment (defined in KRS 45.750) must be reported to the Capital Projects and Bond Oversight Committee.

- All eligible asset preservation, renovation, and maintenance projects that were identified by an institution and included in the Council's 2026-2028 biennial budget submission already have CPE approval.

- Previously unidentified projects above the threshold (i.e., those that were not listed in the Council's budget submission) require Council approval. The Council may delegate authority to CPE staff to approve projects using the 2026-2028 Asset Preservation Pool, pending review and action.

- Asset preservation projects that fall below the threshold do <u>not</u> require Council approval, however, CPE staff will review <u>all</u> planned projects and certify that they meet eligibility criteria to receive Asset Preservation Pool funds.

- CPE staff and OSBD will also review campus reimbursement requests and certify that they comply with budget bill language (RS 26 HB 500) and Council approved guidelines.

- Once projects are certified by CPE, OSBD will transfer funds to institutions using the existing reimbursement process for capital projects.

- Regardless of funding source, campus governing board approval is required for all projects funded from the Asset Preservation Pool that meet or exceed an anticipated scope of $1.0 million for construction and $200,000 for an item of equipment.

Reimbursement Process

Asset Preservation Pool funds will be distributed to postsecondary institutions primarily using an expenditure and reimbursement approach. Specifically, an institution will be required to expend its own agency bond funds, cash, private funds, grants, or other institutional funds on eligible asset preservation projects before seeking reimbursement from the state. ~~Under this approach, the state will reimburse 80.0% (i.e., 1.0 - 0.20) of eligible asset preservation project expenditures at the research universities (i.e., or $0.80 for every $1.00 spent), up to the total amount of Asset Preservation Pool funds allocated to each institution.~~

Project Identification

Before seeking reimbursement for asset preservation project expenditures, each institution will submit to the Council the projects for which it intends to request funding from the Asset Preservation Pool. CPE staff will work with campus officials to develop a Project Identification Template for submitting project lists, which will include a unique identifier, title, and description for each individual project, building numbers and building names associated with each project, the anticipated scope, state funds, institutional funds, and anticipated start and completion dates for each project. Listed below is additional information regarding the project identification process.

- Each institution will submit a single list to CPE, identifying planned asset preservation projects, with the total combined scope of the projects not to exceed its respective Asset Preservation Pool allocation.

- Project lists can be adjusted as needed. An additional project or projects can be added at a later time, or a project or projects can be removed from the list.

- The timing for submitting a project list to the Council is at the institution's discretion, however it may be helpful for an institution to know whether projects are eligible early in the process. At a minimum, project identification must precede reimbursement requests.

- Projects do not need to reach a given cost threshold to be eligible for Asset Preservation Pool funding, but all planned projects and related buildings must be identified and submitted to the Council.

- For the purposes of these guidelines, an individual project can either be one type of renovation or renewal activity undertaken in a single building or across several buildings, or multiple types of renovation and renewal activities within a single building. Roof replacement, HVAC and mechanical systems, plumbing, and electrical wiring are examples of renovation and renewal activity types.

- As indicated in the Project Approval section of these guidelines, projects that meet or exceed the $1.0 million threshold for construction and the $200,000 threshold for an item of equipment must be approved by an institution's governing board.

- Before seeking reimbursement, each institution must submit documentation of board approval to the Council for each project that meets or exceeds the threshold.

- During the project identification phase, CPE staff will review project lists and certify to submitting institutions and to OSBD staff that the planned projects meet guideline requirements and are eligible for reimbursement from the Asset Preservation Pool.

Expenditure Certification

As institutions incur expenses on eligible asset preservation, renovation, and maintenance projects, they can submit requests for reimbursement to the Council on Postsecondary Education (CPE) and Office of State Budget Director (OSBD), which will include a certification letter with expenditures listed by project.

Once campus spending has been certified, OSBD staff will transfer funds to a requesting institution's 2026-2028 Capital Projects Pool account and then institutions can request Statewide Accounting to wire them the funds. If an institution is using agency bond funds to finance a project (or projects), it will also need to request those funds in the reimbursement letter. This process is consistent with the existing reimbursement process for capital projects that use agency bond funds. Listed below is additional information regarding the expenditure certification process.

- Requests for reimbursement of asset preservation expenditures will be submitted to both CPE and OSBD staffs.

- Request submissions will include a certification letter with expenditures listed by project.

- In the certification letter, campus officials will indicate that project expenditures are eligible to be reimbursed in accordance with language included in the *2026-2028 Budget of the Commonwealth* (26 RS, HB 500) and the Council's Asset Preservation Pool Guidelines.

- The letter will identify the total amount of project expenditures made during the request period and the state funds requested.

- Requests can be submitted on an ongoing basis, as asset preservation expenditures are made. The timing of submissions is flexible, although the Council encourages institutions to accumulate expenditures and submit no more than one request per month.

- ~~As indicated in the Reimbursement Process section of these guidelines, the state will reimburse 80% of eligible asset preservation project expenditures at the research universities (i.e., the required match is $0.25 cents for every $1.00 of state funding, or $0.25 ÷ $1.25 = 20%) and 100% of eligible expenditures at comprehensive universities and KCTCS (i.e., there is no required match for these institutions).~~

- In terms of timing, distributions from the Asset Preservation Pool cannot begin until July 1, 2026.

The process described above will be different for Kentucky State University. Capital projects at the institution are administered by the Finance Cabinet. Instead of submitting reimbursement requests to CPE and OSBD, KSU will deposit campus matching funds into project specific eMars accounts and the Finance Cabinet will expend state and campus matching funds for requested projects.

Reporting

The *2026-2028 Budget of the Commonwealth* (26 RS, HB 500, p. 147) requires postsecondary institutions to report capital projects funded from the Asset Preservation Pool that meet or exceed the $1.0 million threshold for construction and the $200,000 threshold for an item of equipment (as defined in KRS 45.750) to the Capital Projects and Bond Oversight Committee (CPBOC). Campus officials should report such projects to CPBOC as they become active (i.e., after project bids are received or after projects are approved by campus governing boards) and begin including the projects in their quarterly reports to CPBOC.

Since capital projects at Kentucky State University are administered by the Finance Cabinet, the existing process will remain in place, whereby cabinet staff will report capital projects funded from the Asset Preservation Pool for these institutions to CPBOC upon request of the institution.

CPE staff will provide the Council on Postsecondary Education with periodic updates regarding the status of Asset Preservation Pool distributions and campus matching funds by project and institution. Much of the information for these updates will come from Project Identification Templates and certification letters previously submitted by institutions.

TOPIC/TITLE:	Delegation Request -- 2026-2028 Asset Preservation Pool
STAFF CONTACTS:	Adam Blevins, Director, Finance Policy and Programs Greg Rush, Assistant Vice President, Finance Policy and Programs
TYPE/REQUEST:	☒ Action ☐ Information

SUMMARY OF ACTION REQUESTED

Council staff recommend the Finance Committee endorse for Council approval the delegated authority for CPE staff to approve capital projects as defined in KRS 45.750(1)(f), in alignment with the *2026-28 Asset Preservation Pool Guidelines* and relevant statutes.

SUPPORTING INFORMATION

The enacted state budget (26 RS, HB 500) specifies that capital projects, as defined in KRS 45.750(1)(f), are authorized by the General Assembly. For this reason, and to expedite the reimbursement request process, CPE staff recommend that the Council delegate authority for interim capital project approval to CPE staff for projects funded from the 2026-2028 Asset Preservation Pool.

The budget bill (24 RS, HB 6) requires institutions to report capital projects funded from the pool (i.e., those that meet or exceed the $1.0 million threshold for construction and the $200,000 threshold for an item of equipment) to the Capital Projects and Bond Oversight Committee. Campus officials should report such projects as they become active and include the projects in quarterly reports to committee.

Staff will provide the Council with periodic updates regarding the status of Asset Preservation Pool distributions. Much of the information for these updates will come from project identification templates and certification letters submitted by institutions as part of the reimbursement request process.

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION
FINANCE COMMITTEE **JUNE 8, 2026**

TOPIC/TITLE:	2026-2028 Biennial Budget Update
STAFF CONTACTS:	Greg Rush, Assistant Vice President, Finance Policy and Programs Bill Payne, Vice President, Finance Policy and Programs
TYPE/REQUEST:	☐ Action ☒ Information

SUMMARY OF TOPIC

Staff will provide an overview of the 2026-2028 postsecondary education biennial budget development process, including a discussion of House Bill 500, House Bill 900, and Senate Bill 197. No action is needed by the Council.

SUPPORTING INFORMATION

The postsecondary education budget development process is an iterative undertaking that takes about eleven months to complete, involves multiple stakeholders and policy leaders, and allows multiple opportunities for deliberation, negotiation, and compromise along the way. It typically begins in the summer of every odd-numbered year with Council staff engaging in conversations with campus presidents and chief budget officers to identify the most pressing resource needs of the postsecondary education community.

It continues with the Council exercising its statutory authority to approve a biennial budget recommendation for postsecondary education, which typically occurs in November every other year (although that approval took place in September for the 2026-2028 biennium). That recommendation was submitted to the Governor and General Assembly this past October and was followed in sequence by the Executive Budget in January, the House Budget in March, and the Senate Budget also in March. The House and Senate then met in a Free Conference Committee to determine the final budget for the biennium.

The next step in the process involves members of the Free Conference Committee agreeing on budget components and funding amounts to reconcile differences between the House and Senate versions of the budget. That is followed by a time period during which the Governor has an opportunity to make line-item vetoes, which can then be overridden (or not) by the General Assembly. Typically, the state has an enacted budget by April 15 in every even-numbered year.

The General Assembly passed the Free Conference Committee Report on April 1, 2026. It was subsequently modified by two bills, HB 900 and SB 197, and by the Governor's veto of a provision in SB 197.

The **Free Conference Committee Report (FCCR)** was passed by both chambers on April 1, 2026.

- It reduced the budgets of UK, NKU, UK, UofL, WKU, and KCTCS by approximately 1.9% in 2026-27 ($16.2 million) and 3.7% ($31.1 million) in 2027-28.
- Morehead, Murray, and KSU were exempted from the 1.9% and 3.7% reductions.
- The FCCR maintained the same level of funding for mandated programs as the Senate, with the addition of $2 million at KSU for enhanced online offerings.
- It included adjustments to institutions base budgets based on changes in the Fire and Tornado assessments.
- Pension subsidies were reduced for institutions receiving those subsidies.
- The FCCR included $190 million in bond funds for asset preservation, following the same allocation method as the House and Senate Budgets.
- It included the $410 million in bond funds for new construction projects at UK, UofL, EKU, Morehead, and KCTCS.
- It also included $129.4 million in bond funds for new construction projects at Morehead and KSU.
- Maintained the performance funding pool at $115 million for 2026-27 and 2027-28, same as 2025-26.
- Base reductions have an impact on performance funding distributions.

House Bill 900 included several additional appropriations for postsecondary education:

- $42 million for an escrow and $8 million in start-up funds for the Osteopathic Medicine Program at EKU
- $7.7 million at WKU for technology upgrades
- $2.5 million at UofL to support the pursuit of National Cancer Institute designation
- $2.2 million for KCTCS for a training center, and
- $1.3 million at UofL for a literacy and numeracy clinic in West Louisville.

Senate Bill 197 made significant changes to the final budget:

- It restored the budget reductions that were in the FCCR. The only budget reduction that remains in the final budget is a $500,000 reduction in the base budget of UK in fiscal years 2026-27 and 2027-28.
- It maintained the same level of funding for mandated programs as the FCCR.
- It included adjustments to institutions base budgets based on changes in the Fire and Tornado assessments.

- Pension subsidies were reduced for institutions receiving those subsidies.
- It maintained $190 million in bond funds for asset preservation, following the same allocation method as the FCCR (except for KSU as noted below).
- It removed most of the authorizations for capital projects that were included in the FCCR. The only new capital projects in the final budget were for KSU, Morehead, and KCTCS (after a line-item veto of relevant language). Asset preservation allocations for KSU increased to $25 million per year.
- It designated the Air Traffic Control Training program at EKU as a mandated program.
- Maintained the performance funding pool at $115 million for 2026-27 and 2027-28, same as 2025-26.
- It appropriated $3 million in fiscal year 2026-27 for expansion of online offerings at KSU.

Budget Comparison

Attachment A provides a comparison of the final enacted budget for the 2026-28 biennium to fiscal year 2025-26 funding levels.

Council on Postsecondary Education
Change in Net General Fund Appropriations by Budget Component
Between 2025-26 Enacted Budget (24 RS, HB 6) and 2026-27 and 2027-28 Senate Bill 197 Budget *(26 RS, SB 197)*

Attachment A
April 15, 2026

Fiscal 2026-27 Reductions and Adjustments

	A	B	C	D	E	F (A+B+C+D+ E)	G (F - A)	H (F ÷ A) - 1
Institution	2025-26 Net General Fund [1]	Budget Reduction [2]	Pension Adjustment	Fire/Tornado Adjustment	Other Adjustments [3]	2026-27 Net General Fund	Net to Net $ Change	Net to Net % Change
UK	$297,828,600	($500,000)	$0	$806,300	$0	$298,134,900	$306,300	0.10%
UofL	137,231,700	0	0	974,500	0	138,206,200	974,500	0.71%
EKU	76,751,700	0	(890,900)	(702,300)	6,500,000	81,658,500	4,906,800	6.39%
KSU	30,546,900	0	0	(348,400)	2,000,000	32,198,500	1,651,600	5.41%
MoSU	46,830,900	0	(491,300)	(500,600)	517,100	46,356,100	(474,800)	-1.01%
MuSU	50,332,300	0	(164,500)	(618,200)	0	49,549,600	(782,700)	-1.56%
NKU	56,239,400	0	0	(524,100)	1,800,000	57,515,300	1,275,900	2.27%
WKU	81,589,600	0	(110,200)	(313,900)	517,100	81,682,600	93,000	0.11%
KCTCS	184,353,900	0	0	(1,472,700)	(19,700)	182,861,500	(1,492,400)	-0.81%
Performance	115,000,000	0	NA	NA	NA	115,000,000	0	0.00%
Total	$1,076,705,000	($500,000)	($1,656,900)	($2,699,400)	$11,314,500	$1,083,163,200	$6,458,200	0.60%

Fiscal 2027-28 Reductions and Adjustments

Institution	2025-26 Net General Fund [1]	Budget Reduction [2]	Pension Adjustment	Fire/Tornado Adjustment	Other Adjustments [3]	2027-28 Net General Fund	Net to Net $ Change	Net to Net % Change
UK	$297,828,600	($500,000)	$0	$806,300	$0	$298,134,900	$306,300	0.10%
UofL	137,231,700	0	0	974,500	0	138,206,200	974,500	0.71%
EKU	76,751,700	0	(890,900)	(702,300)	1,500,000	76,658,500	(93,200)	-0.12%
KSU	30,546,900	0	0	(348,400)	0	30,198,500	(348,400)	-1.14%
MoSU	46,830,900	0	(491,300)	(500,600)	1,034,100	46,873,100	42,200	0.09%
MuSU	50,332,300	0	(164,500)	(618,200)	0	49,549,600	(782,700)	-1.56%
NKU	56,239,400	0	0	(524,100)	3,600,000	59,315,300	3,075,900	5.47%
WKU	81,589,600	0	(110,200)	(313,900)	1,034,100	82,199,600	610,000	0.75%
KCTCS	184,353,900	0	0	(1,472,700)	(19,700)	182,861,500	(1,492,400)	-0.81%
Performance	115,000,000	0	NA	NA	NA	115,000,000	0	0.00%
Total	$1,076,705,000	($500,000)	($1,656,900)	($2,699,400)	$7,148,500	$1,078,997,200	$2,292,200	0.21%

[1] Each institution's 2025-26 total regular General Fund appropriation, minus debt service and one-time allocations that same year. The 2025-26 net General Fund number served as the beginning base for the Council's 2026-2028 biennial budget recommendation.
[2] Reduction amounts for fiscal years 2026-27 and 2027-28 contained in the FCCR budget have been restored (except for a $500,000 discrepancy with UK highlighted in orange).
[3] Other adjustments primarily reflect changes in mandated program funding between the 2025-26 current-year base and each year of the upcoming biennium.

Sources: *2024-2026 Budget of the Commonwealth* (24 RS, HB 6); and Senate Bill 197 Budget *(26 RS, SB 197/PHS 2)* .

KENTUCKY COUNCIL ON POSTSECONDARY EDUCATION
FINANCE COMMITTEE **JUNE 08, 2026**

TOPIC/TITLE:	Performance Funding Update
STAFF CONTACTS:	Bill Payne, Vice President, Finance Policy and Programs Adam Blevins, Director, Finance Policy and Programs
TYPE/REQUEST:	☐ Action ☒ Information

SUMMARY OF TOPIC

CPE staff will provide an update on the distribution of performance funds among institutions for fiscal year 2026-27 and share follow-up analyses.

SUPPORTING INFORMATION

Every year, CPE staff are required by statute to run the performance funding model and certify to the Office of the State Budget Director (OSBD) the amount to be distributed from the Performance Fund to each university and KCTCS (KRS 164.092). This year, staff ran the public university model in early April, determined a preliminary distribution of funds among institutions, and shared that distribution with campus chief budget officers for validation. Once the data and calculations were verified, staff sent a letter to the State Budget Director certifying the final distribution of funds among institutions for fiscal year 2026-27. At the June 8 meeting of the Finance Committee, staff will share the results of the 2026-27 iteration of the funding model, including the distribution of funds among institutions and some follow-up analyses.

PERFORMANCE DISTRIBUTION

In the enacted *2026-2028 Budget of the Commonwealth* (26 RS, HB 500), the General Assembly appropriated $115.0 million to the Postsecondary Education Performance Fund in fiscal year 2026-27, which was the same amount of funding it appropriated to the fund 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 2026, CPE staff ran the university funding model and determined a preliminary distribution among institutions of the $115.0 million appropriated to the performance fund in 2026-27. 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 sets, and mandated program, debt service, and General Fund appropriations data used in the model.

The CBOs were also asked to verify 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, 2026, staff sent a letter to the State Budget Director certifying the final 2026-27 performance fund distribution for the universities and KCTCS (see Attachment A for a copy of the transmittal letter).

Table 1 below shows the distribution of funds among public universities and KCTCS for the 2026-27 iteration of the funding model. In total, the universities received $89.7 million or 78 percent of the $115.0 million available in the Performance Fund and KCTCS received $25.3 million or 22 percent. This allocation between sectors is defined in administrative regulations governing operation of the funding models and is based on each sector's share of system total adjusted net General Fund.

As can be seen in Table 1, six out of eight public universities and KCTCS will receive a share of the Performance Fund distribution in 2026-27. Despite sizable increases in their respective Small School Adjustments in 2024-25, neither Kentucky State University, nor Morehead State University, will receive a distribution from the Performance Fund in 2026-27 (this was also the case in fiscal year 2025-26).

2026-27 Performance Fund Distribution — Table 1
Public Universities and KCTCS

Institution	Distribution
University of Kentucky	$44,264,500
University of Louisville	20,749,300
Eastern Kentucky University	5,326,400
Kentucky State University	0
Morehead State University	0
Murray State University	4,808,400
Northern Kentucky University	10,161,400
Western Kentucky University	4,392,900
KCTCS	25,297,100
Total Performance Fund	$115,000,000

For a detailed breakdown of how KCTCS's $25.3 million distribution was allocated among 16 community and technical colleges, see the attached copy of the transmittal letter that was sent to OSBD staff on May 1, 2026 (Attachment A).

FOLLOW-UP ANALYSES

After running the university funding model, validating model inputs and calculations with campus CBOs, and certifying the distribution of funds among universities and KCTCS to OSBD staff, CPE staff conducted a follow-up review to determine if the funding model was continuing to operate as expected, to identify any unintended consequences of the model, and to assess the financial impact of recent distributions on campus budgets. Those analyses entailed examining the one-year change in Performance Fund distributions by institution, identifying the number of metrics and which metrics at each institution where growth exceeded the sector average, compiling a *Performance Metric Scorecard* to identify institutions that achieved above average growth in outcomes, calculating the one-year change in state funds for educating students by institution, and examining the nine-year change in state funds per full-time equivalent student.

Change in Performance Fund Distributions

Every year, CPE staff calculates and reviews the one-year change in Performance Fund distributions. As can be seen in Table 2, between the 2025-26 and 2026-27 iterations of the model, two universities and KCTCS increased the amount of funding they received from the annual performance distribution. The University of Kentucky's distribution grew from $41.2 million in 2025-26 to $44.3 million in 2026-27, an increase of about $3.1 million or 7.5 percent, and Eastern Kentucky University's distribution increased from $4.9 million to $5.3 million, an increase of $446,100 or 9.1 percent. Since the total amount distributed was the same in both years (i.e., $115.0 million), most of the increase at these universities can be attributed to change in the numbers of student outcomes they produced relative to their peers.

Funding Models for the Universities and KCTCS — Table 2
Change in Performance Fund Distributions
Between Fiscal Years 2025-26 and 2026-27

Institution	2025-26 Distribution	2026-27 Distribution	Difference
University of Kentucky	$41,174,700	$44,264,500	$3,089,800
University of Louisville	21,522,000	20,749,300	(772,700)
Eastern Kentucky University	4,880,300	5,326,400	446,100
Kentucky State University	0	0	0
Morehead State University	0	0	0
Murray State University	5,069,300	4,808,400	(260,900)
Northern Kentucky University	11,811,700	10,161,400	(1,650,300)
Western Kentucky University	5,261,000	4,392,900	(868,100)
Subtotal	$89,719,000	$89,702,900	($16,100)
KCTCS	25,281,000	25,297,100	16,100
Total	$115,000,000	$115,000,000	$0

It is worth noting that CPE staff estimates that $310,000 of the $3.1 million increase in the University of Kentucky's distribution was the result of a $500,000 budget reduction levied against that institution in fiscal year 2026-27, while adjusted net General Fund appropriations at all other universities remained flat. Lastly, the $16,100 increase in KCTCS's distribution was not performance related but was the result of minor changes in the share of adjusted net General funds between the two-year and four-year sectors, which is the basis for allocating Performance Fund appropriations between universities and KCTCS (as defined in administrative regulation).

Metric Growth Rates Above the Sector Average

With each new iteration of the funding model, CPE staff compare the current year's three-year average data set for each metric to the three-year average data set from the prior year to determine which institutions achieved a growth rate above the sector average growth rate for a given metric. Specifically, staff compares the number of outcomes produced in the current year to the number produced in the prior year and computes volume and percent changes for each metric by institution. Changes in each institution's growth rate for a given metric are then compared to the sector average growth rate for that same metric to determine whether an institution's growth rate was above or below the average.

As can be seen in Attachment B, volume and percentage change in outcome measures between the 2025-26 and 2026-27 iterations of the funding model 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 the 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 is calculated and shown for each metric in the two columns to the right.

As a reminder, institutions that achieve growth rates above the sector average for a given metric increase their percent share of funding for that metric. The results of this analysis are summarized in a *Performance Metric Scorecard*, which highlights above average growth by metric and institution.

Performance Metric Scorecard

Every year since the adoption of performance funding, CPE staff have 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 to signify above average growth for a given metric, and using check marks and green highlight, produce a summary table showing which institutions achieved growth rates above the sector average for each metric.

As can be seen in Attachment C, between 2025-26 and 2026-27, four universities achieved higher than average growth rates on six or more metrics (out of 11 total metrics). UK exceeded the sector average on eight out of 11 metrics, EKU on eight metrics, UofL on seven metrics, and KSU on six metrics. As expected, these institutions also experienced the largest increases in their respective shares of distributed funds.

It is worth noting that KSU recorded above average growth rates on six out of 10 total metrics in 2024-25, on seven out of 11 metrics in 2025-26, and on six out of 11 metrics in 2026-27, 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, $635.0 million in allocable resources was run through the university model in 2026-27.

State Funds for Educating Students

The primary metric staff uses to assess the fiscal impacts of performance distributions and changes in direct appropriations for campus operations 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 recurring base operating funds and changes in nonrecurring performance fund distributions at each institution.

As a reminder, the "state funds for educating students" metric is calculated by adding an institution's adjusted net General Fund appropriation and its performance distribution. The adjusted net General Fund is calculated by subtracting an institution's debt service and mandated program funding from its 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.

Table 3 shows the change in state funds for educating students between fiscal years 2025-26 and 2026-27, by institution and in total. The first two columns of numbers display state funds in nominal dollar terms for each fiscal year and the two columns to the right show the one-year dollar and percent change in state funds for each institution.

Change in State Funds for Educating Students
Between Fiscal Years 2025-26 and 2026-27 — Table 3

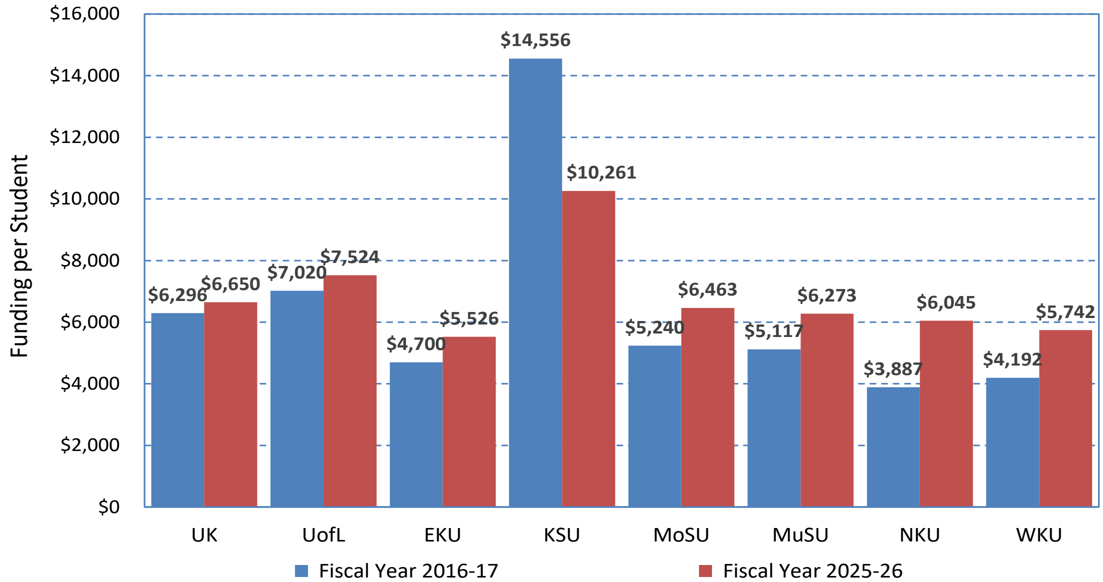
Institution	State Funds FY 2025-26	State Funds FY 2026-27	Dollar Change	Percent Change
UK	$236,889,900	$239,479,700	$2,589,800	1.1%
UofL	152,831,900	152,059,200	-772,700	-0.5%
EKU	68,588,800	69,034,900	446,100	0.7%
KSU	19,343,900	19,343,900	0	0.0%
MoSU	36,665,400	36,665,400	0	0.0%
MuSU	47,497,800	47,236,900	-260,900	-0.5%
NKU	64,825,200	63,174,900	-1,650,300	-2.5%
WKU	75,954,900	75,086,800	-868,100	-1.1%
KCTCS	197,977,700	197,993,800	16,100	0.0%
System Total	$900,575,500	$900,075,500	-$500,000	-0.1%

As can be seen in Table 3, between 2025-26 and 2026-27, state funds for educating students at the system level decreased by $500,000 or -0.1 percent. This is the budget reduction that

occurred at the University of Kentucky which was referenced earlier. At the institutional level, state funds for educating students increased at UK (+$2.6 million, +1.1%), EKU (+$446,100, +0.7%), and KCTCS (+$16,100). State funds remained unchanged at KSU and MoSU (i.e., the adjusted net General Fund at both institutions was flat and neither university received a performance distribution). State funds for educating students decreased at NKU (-$1.7 million, -2.5%), WKU (-$868,100, -1.1%), UofL (-$772,700, -0.5%), and MuSU (-260,900, -0.5%).
The primary way that CPE staff determines whether the university funding model is making progress toward achieving the goal of funding parity is by calculating state funds for educating students *per full-time equivalent student* and monitoring the change in that measure over time. For example, Chart 1 shows how state funds for educating students per FTE student changed between 2016-17 (the blue bars) and 2025-26 (the red bars) at each of Kentucky's public universities.

Chart 1

State Funds for Educating Students[1] per Full-Time Equivalent Student
Fiscal Years 2016-17 and 2025-26



[1] Regular General Fund appropriation, minus debt service and mandated program funding, plus performance fund distribution
Source: Council on Postsecondary Education, Finance Policy and Programs Unit, Performance Funding Database.

As can be seen in the chart, over the past nine years, state funds for educating students per FTE student increased at every university except KSU (-$4,295). The largest increases were at NKU (+$2,158), WKU (+$1,550), MoSU (+$1,223), and MuSU (+$1,156). The smallest increases occurred at UK (+$354) and UofL (+$504). A decade of enrollment decline, between 2012 and 2022, contributed to increases in state funds per student among comprehensives universities.

Kentucky Council on Postsecondary Education

Andy Beshear
Governor

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Frankfort, Kentucky 40601
Phone: 502-573-1555
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Aaron Thompson, Ph.D.
President

May 1, 2026

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

RE: Distribution of 2026-27 Postsecondary Education Performance Fund

Dear Secretary Hicks:

As you know, the *2026-2028 Budget of the Commonwealth* (26 RS, HB 500) appropriated $115.0 million to the Postsecondary Education Performance Fund in fiscal year 2026-27. 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 2026-27 are presented below.

Public Universities and KCTCS:

University of Kentucky	$44,264,500
University of Louisville	20,749,300
Eastern Kentucky University	5,326,400
Kentucky State University	0
Morehead State University	0
Murray State University	4,808,400
Northern Kentucky University	10,161,400
Western Kentucky University	4,392,900
KCTCS	25,297,100
Total	$115,000,000

(Continued on following page)

KCTCS Institutions (Detail):

Ashland	$ 662,600
Big Sandy	0
Bluegrass	4,755,500
Elizabethtown	2,814,900
Gateway	2,228,400
Hazard	0
Henderson	0
Hopkinsville	1,050,400
Jefferson	3,427,600
Madisonville	935,600
Maysville	1,888,900
Owensboro	2,234,200
Somerset	2,900,500
Southcentral	2,398,500
Southeast	0
West Kentucky	0
KCTCS Subtotal	$25,297,100

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

Aaron Thompson, 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 2025-26 and 2026-27 Iterations

Attachment B
June 8, 2026

Student Success Components

Bachelor's Degrees Pool Size = **9.0%** or **$57.1 M** in 2026-27	2025-26 Iteration	2026-27 Iteration	Volume Change	Percent Change	Status	Institution	2025-26 Share	2026-27 Share
UK	8,633	8,512	(122)	-1.4%	Below	UK	37.2%	37.0%
UofL	4,812	4,786	(27)	-0.6%	Above	UofL	20.8%	20.8%
EKU	2,328	2,270	(59)	-2.5%	Below	EKU	10.0%	9.9%
KSU	169	223	54	32.1%	Above	KSU	0.7%	1.0%
MoSU	989	956	(33)	-3.3%	Below	MoSU	4.3%	4.2%
MuSU	1,544	1,574	30	2.0%	Above	MuSU	6.7%	6.9%
NKU	2,023	1,973	(50)	-2.5%	Below	NKU	8.7%	8.6%
WKU	2,685	2,690	4	0.2%	Above	WKU	11.6%	11.7%
Sector	23,184	22,983	(201)	-0.9% =	Average		100.0%	100.0%

STEM+H Bachelor's Degrees Pool Size = **5.0%** or **$31.7 M** in 2026-27	2025-26 Iteration	2026-27 Iteration	Volume Change	Percent Change	Status	Institution	2025-26 Share	2026-27 Share
UK	3,080	3,069	(11)	-0.4%	Below	UK	38.8%	38.6%
UofL	1,677	1,657	(20)	-1.2%	Below	UofL	21.1%	20.8%
EKU	668	655	(13)	-2.0%	Below	EKU	8.4%	8.2%
KSU	37	48	11	30.6%	Above	KSU	0.5%	0.6%
MoSU	293	270	(23)	-7.7%	Below	MoSU	3.7%	3.4%
MuSU	638	678	40	6.3%	Above	MuSU	8.0%	8.5%
NKU	756	760	4	0.5%	Above	NKU	9.5%	9.6%
WKU	790	818	28	3.5%	Above	WKU	9.9%	10.3%
Sector	7,938	7,955	17	0.2% =	Average		100.0%	100.0%

First-Generation Bachelor's Degrees Pool Size = **3.0%** or **$19.0 M** in 2026-27	2025-26 Iteration	2026-27 Iteration	Volume Change	Percent Change	Status	Institution	2025-26 Share	2026-27 Share
UK	1,184	1,297	113	9.5%	Above	UK	24.1%	24.8%
UofL	1,092	1,174	81	7.5%	Above	UofL	22.3%	22.5%
EKU	667	727	59	8.9%	Above	EKU	13.6%	13.9%
KSU	76	94	18	23.6%	Above	KSU	1.6%	1.8%
MoSU	323	316	(6)	-2.0%	Below	MoSU	6.6%	6.1%
MuSU	373	353	(20)	-5.5%	Below	MuSU	7.6%	6.7%
NKU	545	556	11	2.0%	Below	NKU	11.1%	10.6%
WKU	646	711	65	10.1%	Above	WKU	13.2%	13.6%
Sector	4,907	5,227	321	6.5% =	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 2025-26 and 2026-27 Iterations

Attachment B
June 8, 2026

Student Success Components (Cont'd)

Low-Income Bachelor's Degrees Pool Size = **8.0%** or **$50.8 M** in 2026-27	2025-26 Iteration	2026-27 Iteration	Volume Change	Percent Change	Status	Institution	2025-26 Share	2026-27 Share
UK	3,429	3,423	(6)	-0.2%	Below	UK	31.6%	31.4%
UofL	2,833	2,851	18	0.6%	Above	UofL	26.1%	26.2%
EKU	1,171	1,199	28	2.4%	Above	EKU	10.8%	11.0%
KSU	156	177	21	13.5%	Above	KSU	1.4%	1.6%
MoSU	579	551	(29)	-4.9%	Below	MoSU	5.3%	5.1%
MuSU	677	687	10	1.5%	Above	MuSU	6.2%	6.3%
NKU	818	803	(15)	-1.8%	Below	NKU	7.5%	7.4%
WKU	1,171	1,200	29	2.5%	Above	WKU	10.8%	11.0%
Sector	10,835	10,891	56	0.5% =	Average		100.0%	100.0%

Student Progression @ 30 Hours Pool Size = **3.0%** or **$19.0 M** in 2026-27	2025-26 Iteration	2026-27 Iteration	Volume Change	Percent Change	Status	Institution	2025-26 Share	2026-27 Share
UK	5,650	6,408	757	13.4%	Above	UK	37.9%	40.2%
UofL	2,852	3,096	244	8.6%	Above	UofL	19.1%	19.4%
EKU	1,574	1,692	118	7.5%	Above	EKU	10.6%	10.6%
KSU	194	197	3	1.5%	Below	KSU	1.3%	1.2%
MoSU	685	671	(14)	-2.0%	Below	MoSU	4.6%	4.2%
MuSU	1,032	1,026	(6)	-0.5%	Below	MuSU	6.9%	6.4%
NKU	1,068	985	(83)	-7.7%	Below	NKU	7.2%	6.2%
WKU	1,849	1,864	14	0.8%	Below	WKU	12.4%	11.7%
Sector	14,905	15,939	1,034	6.9% =	Average		100.0%	100.0%

Student Progression @ 60 Hours Pool Size = **5.0%** or **$31.7 M** in 2026-27	2025-26 Iteration	2026-27 Iteration	Volume Change	Percent Change	Status	Institution	2025-26 Share	2026-27 Share
UK	5,860	6,462	603	10.3%	Above	UK	37.0%	38.6%
UofL	3,029	3,273	244	8.0%	Above	UofL	19.2%	19.5%
EKU	1,617	1,781	164	10.2%	Above	EKU	10.2%	10.6%
KSU	194	185	(9)	-4.8%	Below	KSU	1.2%	1.1%
MoSU	739	722	(18)	-2.4%	Below	MoSU	4.7%	4.3%
MuSU	1,086	1,073	(13)	-1.2%	Below	MuSU	6.9%	6.4%
NKU	1,285	1,206	(80)	-6.2%	Below	NKU	8.1%	7.2%
WKU	2,005	2,055	50	2.5%	Below	WKU	12.7%	12.3%
Sector	15,817	16,757	940	5.9% =	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 2025-26 and 2026-27 Iterations

Attachment B
June 8, 2026

Student Success Components (Cont'd)

Student Progression @ 90 Hours Pool Size = **7.0%** or **$44.4 M** in 2026-27	2025-26 Iteration	2026-27 Iteration	Volume Change	Percent Change	Status	Institution	2025-26 Share	2026-27 Share
UK	7,136	7,547	411	5.8%	Above	UK	35.6%	36.3%
UofL	4,177	4,333	156	3.7%	Above	UofL	20.8%	20.8%
EKU	2,027	2,103	76	3.8%	Above	EKU	10.1%	10.1%
KSU	218	213	(5)	-2.3%	Below	KSU	1.1%	1.0%
MoSU	926	903	(23)	-2.4%	Below	MoSU	4.6%	4.3%
MuSU	1,396	1,439	44	3.1%	Below	MuSU	7.0%	6.9%
NKU	1,661	1,675	14	0.8%	Below	NKU	8.3%	8.1%
WKU	2,509	2,569	59	2.4%	Below	WKU	12.5%	12.4%
Sector	20,051	20,783	733	3.7% =	Average		100.0%	100.0%

Course Completion Component

Student Credit Hours Earned Pool Size = **30.0%** or **$190.5 M** in 2026-27	2025-26 Iteration	2026-27 Iteration	Volume Change	Percent Change	Status	Institution	2025-26 Share	2026-27 Share
UK	1,651,562	1,797,042	145,480	8.8%	Above	UK	33.8%	34.3%
UofL	1,129,481	1,192,014	62,534	5.5%	Below	UofL	23.1%	22.8%
EKU	495,945	540,742	44,797	9.0%	Above	EKU	10.1%	10.3%
KSU	40,763	46,469	5,706	14.0%	Above	KSU	0.8%	0.9%
MoSU	193,962	194,331	369	0.2%	Below	MoSU	4.0%	3.7%
MuSU	302,514	324,318	21,804	7.2%	Above	MuSU	6.2%	6.2%
NKU	538,944	572,915	33,971	6.3%	Below	NKU	11.0%	10.9%
WKU	538,115	567,563	29,448	5.5%	Below	WKU	11.0%	10.8%
Sector	4,891,286	5,235,394	344,109	7.0% =	Average		100.0%	100.0%

Operational Support Components

M&O (Square Feet Data) Pool Size = **10.0%** or **$63.5 M** in 2026-27	2025-26 Iteration	2026-27 Iteration	Volume Change	Percent Change	Status	Institution	2025-26 Share	2026-27 Share
UK	9,369,264	9,411,410	42,146	0.4%	Above	UK	37.5%	37.5%
UofL	4,650,560	4,661,895	11,335	0.2%	Below	UofL	18.6%	18.6%
EKU	2,316,446	2,377,334	60,888	2.6%	Above	EKU	9.3%	9.5%
KSU	667,574	691,461	23,887	3.6%	Above	KSU	2.7%	2.8%
MoSU	1,432,731	1,426,019	(6,711)	-0.5%	Below	MoSU	5.7%	5.7%
MuSU	2,000,771	2,005,118	4,347	0.2%	Below	MuSU	8.0%	8.0%
NKU	1,966,232	1,966,935	703	0.0%	Below	NKU	7.9%	7.8%
WKU	2,590,683	2,555,651	(35,031)	-1.4%	Below	WKU	10.4%	10.2%
Sector	24,994,260	25,095,824	101,564	0.4% =	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 2025-26 and 2026-27 Iterations

Attachment B
June 8, 2026

Operational Support Components (Cont'd)

Institutional Support (Direct Costs) Pool Size = **10.0%** or **$63.5 M** in 2026-27	2025-26 Iteration	2026-27 Iteration	Volume Change	Percent Change	Status	Institution	2025-26 Share	2026-27 Share
UK	3,548	3,783	235	6.6%	Above	UK	30.3%	31.1%
UofL	2,857	3,015	158	5.5%	Above	UofL	24.4%	24.8%
EKU	1,131	1,157	26	2.3%	Below	EKU	9.7%	9.5%
KSU	188	154	(34)	-17.9%	Below	KSU	1.6%	1.3%
MoSU	665	679	14	2.1%	Below	MoSU	5.7%	5.6%
MuSU	825	862	37	4.5%	Above	MuSU	7.0%	7.1%
NKU	1,233	1,241	8	0.7%	Below	NKU	10.5%	10.2%
WKU	1,261	1,289	29	2.3%	Below	WKU	10.8%	10.6%
Sector	11,708	12,181	473	4.0% =	Average		100.0%	100.0%

Academic Support (FTE Students) Pool Size = **10.0%** or **$63.5 M** in 2026-27	2025-26 Iteration	2026-27 Iteration	Volume Change	Percent Change	Status	Institution	2025-26 Share	2026-27 Share
UK	40,256	42,243	1,987	4.9%	Above	UK	35.9%	36.9%
UofL	24,096	24,399	303	1.3%	Below	UofL	21.5%	21.3%
EKU	11,241	11,668	426	3.8%	Above	EKU	10.0%	10.2%
KSU	1,415	1,346	(69)	-4.9%	Below	KSU	1.3%	1.2%
MoSU	4,939	4,757	(183)	-3.7%	Below	MoSU	4.4%	4.2%
MuSU	7,078	7,166	88	1.2%	Below	MuSU	6.3%	6.3%
NKU	10,480	10,240	(240)	-2.3%	Below	NKU	9.3%	8.9%
WKU	12,688	12,699	11	0.1%	Below	WKU	11.3%	11.1%
Sector	112,193	114,517	2,325	2.1% =	Average		100.0%	100.0%

Funding Model Totals

Metrics = 11
Subtotal Allocable Resources = **100.0%** or **$635.0 M** in 2026-27

Performance Funding Model for the Public Universities
Metrics Where Rates of Growth Exceeded Sector Average
Between Fiscal Year 2025-26 and 2026-27 Iterations

Attachment C
June 8, 2026

Performance Metric	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU	Pool Size (In Millions)
Student Success Outcomes									
Bachelor's Degrees	☐	☑	☐	☑	☐	☑	☐	☑	$57.1
STEM+H Bachelor's Degrees	☐	☐	☐	☑	☐	☑	☑	☑	31.7
First-Generation Bachelor's Degrees	☑	☑	☑	☑	☐	☐	☐	☑	19.0
Low-Income Bachelor's Degrees	☐	☑	☑	☑	☐	☑	☐	☑	50.8
Student Progression @ 30 Hours	☑	☑	☑	☐	☐	☐	☐	☐	19.0
Student Progression @ 60 Hours	☑	☑	☑	☐	☐	☐	☐	☐	31.7
Student Progression @ 90 Hours	☑	☑	☑	☐	☐	☐	☐	☐	44.4
Course Completion Component									
Student Credit Hours Earned	☑	☐	☑	☑	☐	☑	☐	☐	190.5
Operational Support Activity									
Instructional Square Feet	☑	☐	☑	☑	☐	☐	☐	☐	63.5
Direct Cost of Instruction	☑	☑	☐	☐	☐	☑	☐	☐	63.5
FTE Students	☑	☐	☑	☐	☐	☐	☐	☐	63.5
Metrics Above Sector Average	8	7	8	6	0	5	1	4	
							Total Allocable Resources:		$635.0

Council on Postsecondary Education
Finance Committee Meeting

CPE Finance Policy and Programs Unit
June 8, 2026

CPE Higher Education Matters
HIGHER EDUCATION Matters

Overview

Action Items

- Interim Capital Project, KCTCS
- Tuition and Fee Proposals
- Delegation of Authority Request, Tuition and Fee Proposals
- 2026-2028 Asset Preservation Pool Guidelines
- Delegation of Authority Request, Asset Preservation Projects

Information Items

- 2026-2028 Biennial Budget Update
- Performance Funding Update

KCTCS Interim Capital Project – Somerset Community College, Blakely Simulation Lab

Adam Blevins
Director, Finance Policy and Programs
Greg Rush
Assistant Vice President, Finance Policy and Programs
Kentucky Council on Postsecondary Education

CPE Higher Education Matters

HIGHER EDUCATION Matters

Interim Capital Projects

- All capital projects with a scope of $1,000,000 or more require Council approval
- Council approves most projects during the biennial budget submission and review process
- Interim approval is required for capital projects that are not included in the biennial budget request
- Approval process also applies to projects funded through the asset preservation pools

Interim Capital Projects

- KRS 45.760 stipulates that interim projects may be authorized if they:
  - are funded with non-general fund appropriations
  - do not jeopardize funding for existing programs; and
  - are reported to the Capital Projects and Bond Oversight Committee
- KRS 45.763 states that institutions cannot issue debt for capital projects

KCTCS Interim Capital Project

- The Somerset Community College, Blakely Simulation Lab project will create a new health sciences simulation lab within the Blakely Building to support instructional activities
- Project will renovate approximately 4,711 square feet, and will include space reconfiguration, electrical and mechanical system modifications, new finishes, and systems integration
- Project scope is $1.5 million, and will be funded with agency restricted funds
- KCTCS Board of Regents will meet to take action on the item at the June 11, 2026, meeting

KCTCS Interim Capital Project

- Staff recommends that the Finance Committee endorse for Council approval, contingent on KCTCS BoR approval, a $1.5 million interim capital project for Somerset Community College to renovate the Blakely Building to create a new health science simulation lab.

Tuition and Fee Proposals

Bill Payne
Senior Vice President, Finance Policy and Programs
Adam Blevins
Director, Finance Policy and Programs
Kentucky Council on Postsecondary Education

Tuition and Fee Proposals

- Council Approved Parameters
- Campus Proposals
  - University of Kentucky
  - Eastern Kentucky University
  - Morehead State University
  - Western Kentucky University
- Staff Recommendation

Tuition and Fee Proposals
Council Approved Parameters

- 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

Tuition and Fee Proposals

Council Approved Parameters (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 (MOU) between the Council and an institution
  - Market competitive tuition and fee rates for graduate and online courses

Tuition and Fee Proposals

Council Approved Parameters (Cont'd)

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

Institution	Adopted 2024-25 Base Rates [1]	Maximum 2025-26 Base Rates	One-Year Dollar Change	One-Year Percent 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 (pch)	$189.00	$195.00	$6.00	3.2%
KCTCS (pch x 30)	5,670	5,850	180	3.2%

[1] 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 2024-25 Base Rates [1]	Maximum 2026-27 Base Rates	Two-Year Dollar Change	Two-Year Percent 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 (pch)	$189.00	$198.00	$9.00	4.8%
KCTCS (pch x 30)	5,670	5,940	270	4.8%

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

Tuition and Fee Proposals
University of Kentucky

- UK's board approved tuition and fees for 2026-27 on April 23, 2026
- The university's maximum allowable base rate for 2026-27 is $14,177
- UK is proposing to charge resident undergraduates $14,177 in 2026-27, an increase of $270 or 1.9%
- UK does not have an executed nonresident tuition MOU with CPE
- UK's proposed rates for 2026-27 comply with Council parameters

University of Kentucky
Proposed Tuition and Fee Base Rates
Academic Year 2026-27

Table 1

Rate Category	Current 2025-26 Base Rates	Proposed 2026-27 Base Rates	Dollar Change	Percent Change
Undergraduate				
Resident	$13,907	$14,177	$270	1.9%
Nonresident	35,164	35,846	682	1.9%
Graduate				
Resident	$15,083	$15,376	$293	1.9%
Nonresident	37,325	38,049	724	1.9%

The University of Kentucky does not assess any Special Use Fees or Asset Preservation Fees.

Tuition and Fee Proposals
Eastern Kentucky University

- EKU's board approved tuition and fees for 2026-27 on May 13, 2026
- The university's maximum allowable base rate for 2026-27 is $10,650
- EKU is proposing to charge resident undergraduates $10,650 in 2026-27, an increase of $210 or 2.0%
- EKU has an executed nonresident student tuition MOU with CPE
- EKU's proposed rates for 2026-27 comply with Council parameters

Eastern Kentucky University — Table 2
Proposed Tuition and Fee Base Rates
Academic Year 2026-27

Rate Category	Current 2025-26 Base Rates		Proposed 2026-27 Base Rates		Dollar Change	Percent Change
Undergraduate						
Resident	$10,440		$10,650		$210	2.0%
Nonresident	12,000		12,240		240	2.0%
Graduate						
Resident	$607.00	pch	$620.00	pch	$13.00	2.1%
Nonresident	829.00	pch	846.00	pch	17.00	2.1%

Base rates for EKU do not include a Special Use Fee of $150.00 per semester, or $300.00 per year, for full-time students. Nor do they include an Asset Preservation Fee of $10.00 per credit hour, capped at 15 credit hours or $150.00 per semester, or $300.00 per year, for full-time students.

pch = per credit hour

Tuition and Fee Proposals
Morehead State University

- MoSU's board approved tuition and fees for 2026-27 on March 27, 2026
- The university's maximum allowable base rate for 2026-27 is $10,402
- MoSU proposes to charge resident undergraduates $10,402 in 2026-27, an increase of $210 or 2.1%
- MoSU has an executed nonresident student tuition MOU with CPE
- MoSU's proposed rates for 2026-27 comply with Council parameters

Morehead State University — Table 3
Proposed Tuition and Fee Base Rates
Academic Year 2026-27

Rate Category	Current 2025-26 Base Rates		Proposed 2026-27 Base Rates		Dollar Change	Percent Change
Undergraduate						
Resident	$10,192		$10,402		$210	2.1%
Nonresident	15,362		15,680		318	2.1%
Graduate						
Resident	$573.00	pch	$573.00	pch	$0.00	0.0%
Nonresident	$573.00	pch	$573.00	pch	$0.00	0.0%

Base rates for Morehead State University do not include a Special Use Fee of $66.00 per semester, or $132.00 per year, nor do they include an Asset Preservation Fee of $60.00 per semester, or $120.00 per year, for full-time students.

pch = per credit hour

Tuition and Fee Proposals
Western Kentucky University

- WKU's board approved tuition and fees for 2026-27 on June 5, 2026
- The university's maximum allowable base rate for 2026-27 is $12,082
- WKU is proposing to charge resident undergraduates $12,076 in 2026-27, an increase of $204 or 1.7%
- WKU has an executed nonresident student tuition MOU with CPE
- WKU's proposed rates for 2026-27 comply with Council parameters

Western Kentucky University — Table 4
Proposed Tuition and Fee Base Rates
Academic Year 2026-27

Rate Category	Current 2025-26 Base Rates		Proposed 2026-27 Base Rates		Dollar Change	Percent Change
Undergraduate						
Resident	$11,872		$12,076		$204	1.7%
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 $100.00 per semester, or $200.00 per year, for full-time students. The Special Use Fee is also assessed at $10.00 per credit hour for part-time and graduate students.

pch = per credit hour

Tuition and Fee Proposals
Staff Recommendation

- Tuition and fee proposals submitted by UK, EKU, MoSU, and WKU comply with Council approved resident undergraduate tuition ceilings
- As permitted by Council policy, the institutions submitted market competitive rates for graduate and online tuition
- The governing boards of these institutions approved proposed rates before the June 8 Finance Committee meeting

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➢ *Staff recommends that the Finance Committee approve and endorse for full Council consideration tuition and fee charges for 2026-27 as proposed by UK, EKU, MoSU, and WKU*

Request for Delegation of Authority, Tuition and Fee Proposals

Brent Floyd
Senior Associate, Finance Policy and Programs
Adam Blevins
Director, Finance Policy and Programs
Kentucky Council on Postsecondary Education

CPE Higher Education Matters

HIGHER EDUCATION Matters

Request for Delegation of Authority

- About eight 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 approved parameters.

Request for Delegation of Authority
2026-27 Tuition and Fee Proposals

- The governing boards of three institutions will not meet to approve campus tuition and fee proposals until after the Finance Committee meeting (June 8, 2026).
  - NKU Board of Regents Meeting: June 10, 2026
  - KCTCS Board of Regents Meeting: June 11-12, 2026
  - UofL Board of Trustees Meeting: June 25, 2026

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 2026-27 tuition and fee proposals received from:
  - Northern Kentucky University
  - Kentucky Community & Technical College System
  - University of Louisville
- 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 Council's September meeting.

2026-2028 Asset Preservation Pool Guidelines

Adam Blevins
Director, Finance Policy and Programs
Greg Rush
Assistant Vice President, Finance Policy and Programs
Kentucky Council on Postsecondary Education

2026-2028 Asset Preservation Pool Guidelines

- House Bill 500 (26 RS) appropriated $190.0 million to an asset preservation pool to support asset preservation, renovation, and maintenance projects at public postsecondary institutions
- Senate Bill 197 revised the initial appropriation and increased Kentucky State University's portion to $25.0 million in each fiscal year, increasing the total asset preservation pool to $227.6 million
- For reference, the 2024-2026 budget appropriated $563.0 million to the 2024-2026 Asset Preservation
- For the last two biennia, the Council has approved distinct sets of guidelines that identify eligibility criteria and outline project expenditure and reimbursement from the asset preservation pools

2026-2028 Asset Preservation Pool Guidelines

Asset Preservation Pool Allocation

Institution	Fiscal Year 2026-27	Fiscal Year 2027-28	Biennial Total
University of Kentucky	10,000,000	24,330,000	34,330,000
University of Louisville	10,000,000	12,077,000	22,077,000
Eastern Kentucky University	10,000,000	8,189,000	18,189,000
Kentucky State University	25,000,000	25,000,000	50,000,000
Morehead State University	10,000,000	5,065,000	15,065,000
Murray State University	10,000,000	7,073,000	17,073,000
Northern Kentucky University	10,000,000	6,951,000	16,951,000
Western Kentucky University	10,000,000	9,158,000	19,158,000
KCTCS	10,000,000	24,798,000	34,798,000
Total Appropriation	105,000,000	122,641,000	227,641,000

2026-2028 Asset Preservation Pool Guidelines

- What do the guidelines do?
  - The guidelines identify the total amount of funding in the asset preservation pool and the allocation available for each institution
  - They establish a process for identifying eligible projects, documenting expenditures, and requesting reimbursement
- What is CPE staff's role?
  - Review reimbursement requests, certify they meet eligibility criteria
  - Approve previously unidentified interim projects funded from the asset preservation pool

2026-2028 Asset Preservation Pool Guidelines

- What changed between 2024-2026 and 2026-2028?
  - Total appropriation (\$563.0 M → \$227.6 M)
  - Removed language requiring institutional match for any institution
- Otherwise, the budget language is consistent across pools
- House Bill 500 (26 RS) stipulates that funds are to be used for:

  "individual asset preservation, renovation, and maintenance projects at Kentucky's public postsecondary institutions in Education, General, and state-owned and operated residential housing facilities for fixed asset pedestrian and student parking areas, and for the razing of university-owned buildings"

2026-2028 Asset Preservation Pool Guidelines

- A copy of staff recommended 2026-2028 Asset Preservation Pool Guidelines can be found in the materials for today's meeting
- The proposed 2026-2028 guidelines are very similar to the 2024-2026 guidelines
- The latest addition necessarily includes minor changes to reflect differing dates, funding amounts, and campus allocations
- For the sake of readability, minor alterations are not highlighted in the guidelines provided in the meeting material
- The only substantive change to the updated guidelines is the removal of language concerning institutional matching requirements
  - These changes are provided in the attached guidelines, with new text in green and removals in red strikethrough

2026-2028 Asset Preservation Pool Guidelines

- Staff recommend that the Finance Committee endorse for Council approval the proposed 2026-2028 Asset Preservation Guidelines

Request for Delegation of Authority, 2026-2028 Asset Preservation Pool

Adam Blevins
Director, Finance Policy and Programs
Greg Rush
Assistant Vice President, Finance Policy and Programs
Kentucky Council on Postsecondary Education

Delegated Authority - 2026-2028 Asset Preservation Pool

- The enacted state budget (26 RS, HB 500) contains language stating that capital projects, as defined in statute, which are funded from the Asset Preservation Pool are authorized
- This means that capital projects funded from the pool that meet or exceed $1.0 million for construction, or $200,000 for an item of equipment, already have approval from the General Assembly
- For this reason, and to expedite the reimbursement process, staff requests that the committee and the Council delegate authority for interim capital projects approval to staff for projects funded from the 2026-2028 Asset Preservation Pool
- Staff requested and the Council approved the same delegation of authority for projects funded from the 2024-2026 Asset Preservation pool

Delegated Authority - 2026-2028 Asset Preservation Pool

- Staff recommend that the Finance Committee endorse for Council approval delegated authority to CPE staff to approve interim capital projects funded from the 2026-2028 Asset Preservation pool

2026-2028 Biennial Budget Update

Greg Rush, Assistant Vice President for Finance Policy and Programs
Bill Payne, Vice President for Finance Policy and Programs

Kentucky Council on Postsecondary Education

CPE Higher Education Matters

HIGHER EDUCATION Matters

HB 500 FCCR

- The Free Conference Committee Report (FCCR) was passed by both chambers on April 1, 2026
- It reduced the budgets of UK, NKU, UK, UofL, WKU, and KCTCS by approximately 1.9% in 2026-27 ($16.2 million) and 3.7% ($31.1 million) in 2027-28
- Morehead, Murray, and KSU were exempted from the 1.9% and 3.7% reductions
- The FCCR maintained the same level of funding for mandated programs as the Senate, with the addition of $2 million at KSU for enhanced online offerings
- It includes adjustments to institutions base budgets based on changes in the Fire and Tornado assessments
- Pension subsidies reduced for institutions receiving those subsidies

HB 500 FCCR

- The FCCR included $190 million in bond funds for asset preservation, following the same allocation method as the House and Senate Budgets.
- It included the $410 million in bond funds for new construction projects at UK, UofL, EKU, Morehead, and KCTCS that were included in the Senate Budget.
- It also included $129.4 million in bond funds for new construction projects at Morehead and KSU.
- Maintained the performance funding pool at $115 million for 2026-27 and 2027-28, same as 2025-26
- Base reductions have an impact on performance funding distributions

HB 900 FCCR

- House Bill 900 was the one-time funding bill
- It included the following one-time appropriations to the postsecondary institutions:
  - $42 million for an escrow and $8 million in start up funds for the Osteopathic Medicine Program at EKU
  - $7.7 million at WKU for technology upgrades
  - $2.5 million at UofL to support the pursuit of National Cancer Institute designation
  - $2.2 million for KCTCS for a training center
  - $1.3 million at UofL for a literacy and numeracy clinic in West Louisville.

SB 197

- Restored the budget reductions that were in the FCCR. The only budget reduction that remains in the final budget is a $500,000 reduction in the base budget of UK in fiscal years 2026-27 and 2027-28.
- Maintained the same level of funding for mandated programs as the FCCR.
- Included adjustments to institutions base budgets based on changes in the Fire and Tornado assessments.
- Pension subsidies were reduced for institutions receiving those subsidies.
- Maintained $190 million in bond funds for asset preservation, following the same allocation method as the FCCR (except for KSU as noted below).

SB 197

- SB 197 removed most of the authorizations for capital projects that were included in the FCCR. The only new capital projects in the final budget were for KSU, Morehead, and KCTCS (after a line-item veto of relevant language). Asset preservation allocations for KSU increased to $25 million per year.
- Designated the Air Traffic Control Training program at EKU as a mandated program.
- Maintained the performance funding pool at $115 million for 2026-27 and 2027-28, same as 2025-26.
- Appropriated $3 million in fiscal year 2026-27 for expansion of online offerings at KSU.

Performance Funding Update

Bill Payne
Senior Vice President, Finance Policy and Programs
Adam Blevins
Director, Finance Policy and Programs
Kentucky Council on Postsecondary Education

Performance Funding Update

- Fiscal 2026-27 Distribution
- Follow-Up Analyses
  - Change in Annual Distributions
  - Metric Growth Above Sector Average
  - Performance Metric Scorecard
  - State Funds for Educating Students

Performance Funding Update
Fiscal 2026-27 Distribution

- The enacted state budget appropriated $115.0 M to the Performance Fund in 2026-27
- By May 1 each year, CPE staff is required to run the model and certify a distribution to OSBD
- This year, six universities and KCTCS will receive a share of the fiscal 2026-27 distribution
- Despite increases in their small school adjustments, KSU and MoSU will not receive any funds

Public Universities and KCTCS — Table 1
2026-27 Performance Fund Distribution

Institution	Distribution
University of Kentucky	$44,264,500
University of Louisville	20,749,300
Eastern Kentucky University	5,326,400
Kentucky State University	0
Morehead State University	0
Murray State University	4,808,400
Northern Kentucky University	10,161,400
Western Kentucky University	4,392,900
KCTCS	25,297,100
Total	$115,000,000

Performance Funding Update

Change in Annual Distributions

- Every year, CPE staff calculates the one-year change in annual Performance Fund distributions
- Between 2025-26 and 2026-27, UK (+$3.1 M), EKU (+$446,100), and KCTCS (+$16,100) increased the amount of their distributions
- Since the total distributed stayed the same, these increases were driven by changes in outcomes
- It is estimated that $310,000 of the increase at UK was caused by a $500,000 budget reduction

Change in Performance Fund Distributions
Between Fiscal Years 2025-26 and 2026-27

Table 2

Institution	2025-26 Distribution	2026-27 Distribution	Difference
University of Kentucky	$41,174,700	$44,264,500	$3,089,800
University of Louisville	21,522,000	20,749,300	(772,700)
Eastern Kentucky University	4,880,300	5,326,400	446,100
Kentucky State University	0	0	0
Morehead State University	0	0	0
Murray State University	5,069,300	4,808,400	(260,900)
Northern Kentucky University	11,811,700	10,161,400	(1,650,300)
Western Kentucky University	5,261,000	4,392,900	(868,100)
Subtotal	$89,719,000	$89,702,900	($16,100)
KCTCS	25,281,000	25,297,100	16,100
Total	$115,000,000	$115,000,000	$0

Performance Funding Update
Metric Growth Above Sector Average

- Institutions that achieve growth rates above the sector average for a given metric increase their share of funding for that metric
- Between 2025-26 and 2026-27, KSU, MuSU, NKU, and WKU grew STEM+H bachelor's degrees at rates above the sector average
- Those same institutions recorded increases in their respective shares of the $31.7 M STEM+H funding pool of 0.1, 0.5, 0.1, and 0.4 percentage points

Performance Funding Model for the Public Universities
Change in Funding Model Metric Three-Year Rolling Averages **(Weighted Activity Volume)**
Between 2025-26 and 2026-27 Iterations

Attachment B
June 8, 2026

Student Success Components

STEM+H Bachelor's Degrees Pool Size = **5.0%** or **$31.7 M** in 2026-27	2025-26 Iteration	2026-27 Iteration	Volume Change	Percent Change	Status	Institution	2025-26 Share	2026-27 Share
UK	3,080	3,069	(11)	-0.4%	Below	UK	38.8%	38.6%
UofL	1,677	1,657	(20)	-1.2%	Below	UofL	21.1%	20.8%
EKU	668	655	(13)	-2.0%	Below	EKU	8.4%	8.2%
KSU	37	48	11	30.6%	Above	KSU	0.5%	0.6%
MoSU	293	270	(23)	-7.7%	Below	MoSU	3.7%	3.4%
MuSU	638	678	40	6.3%	Above	MuSU	8.0%	8.5%
NKU	756	760	4	0.5%	Above	NKU	9.5%	9.6%
WKU	790	818	28	3.5%	Above	WKU	9.9%	10.3%
Sector	7,938	7,955	17	0.2% =	Average		100.0%	100.0%

First-Generation Bachelor's Degrees Pool Size = **3.0%** or **$19.0 M** in 2026-27	2025-26 Iteration	2026-27 Iteration	Volume Change	Percent Change	Status	Institution	2025-26 Share	2026-27 Share
UK	1,184	1,297	113	9.5%	Above	UK	24.1%	24.8%
UofL	1,092	1,174	81	7.5%	Above	UofL	22.3%	22.5%
EKU	667	727	59	8.9%	Above	EKU	13.6%	13.9%
KSU	76	94	18	23.6%	Above	KSU	1.6%	1.8%
MoSU	323	316	(6)	-2.0%	Below	MoSU	6.6%	6.1%
MuSU	373	353	(20)	-5.5%	Below	MuSU	7.6%	6.7%
NKU	545	556	11	2.0%	Below	NKU	11.1%	10.6%
WKU	646	711	65	10.1%	Above	WKU	13.2%	13.6%
Sector	4,907	5,227	321	6.5% =	Average		100.0%	100.0%

Performance Funding Update
Performance Metric Scorecard

- Every year, CPE staff produces a *Performance Metric Scorecard*
- As can be seen in Attachment C, between 2025-26 and 2026-27, four universities achieved growth rates that exceeded the sector average on six or more metrics
- UK was above the sector average on 8 out of 11 metrics, EKU on 8 metrics, UofL on 7, and KSU on 6
- There is high correlation between number of metrics with above average growth and funding

Performance Funding Model for the Public Universities
Metrics Where Rates of Growth Exceeded Sector Average
Between Fiscal Year 2025-26 and 2026-27 Iterations

Attachment C
June 8, 2026

Performance Metric	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU	Pool Size (In Millions)
Student Success Outcomes									
Bachelor's Degrees	☐	☑	☐	☑	☐	☑	☐	☑	$57.1
STEM+H Bachelor's Degrees	☐	☐	☐	☑	☐	☑	☑	☑	31.7
First-Generation Bachelor's Degrees	☑	☑	☑	☑	☐	☐	☐	☑	19.0
Low-Income Bachelor's Degrees	☐	☑	☑	☑	☐	☑	☐	☑	50.8
Student Progression @ 30 Hours	☑	☑	☑	☐	☐	☐	☐	☐	19.0
Student Progression @ 60 Hours	☑	☑	☑	☐	☐	☐	☐	☐	31.7
Student Progression @ 90 Hours	☑	☑	☑	☐	☐	☐	☐	☐	44.4
Course Completion Component									
Student Credit Hours Earned	☑	☐	☑	☑	☐	☑	☐	☐	190.5
Operational Support Activity									
Instructional Square Feet	☑	☐	☑	☑	☐	☐	☐	☐	63.5
Direct Cost of Instruction	☑	☑	☐	☐	☐	☑	☐	☐	63.5
FTE Students	☑	☐	☑	☐	☐	☐	☐	☐	63.5
Metrics Above Sector Average	8	7	8	6	0	5	1	4	
								Total Allocable Resources:	$635.0

Performance Funding Update

State Funds for Educating Students

- The unit of measure that CPE staff uses to make funding comparisons across institutions over time is the *State Funds for Educating Students* metric

State Funds for Educating Students	=	General Fund Appropriation	-	Debt Service and Mandated Program Funds	+	Performance Fund Distribution

- When divided by an enrollment measure, such as the number of full-time equivalent students, this metric allows staff to assess progress toward achieving the goal of funding parity

Performance Funding Update

Change in State Funds for Educating Students

- Between 2026 and 2027, system total state funds for educating students decreased by $500,000
- State funds increased at UK (+$2.6 M), EKU (+$446,100) and KCTCS (+$16,100)
- State funds remained unchanged at KSU and MoSU
- State funding decreased at NKU (-$1.7 M), WKU (-$868,100), UofL (-$772,700), and MuSU (-$260,900)

Change in State Funds for Educating Students — Table 3

Between Fiscal Years 2025-26 and 2026-27

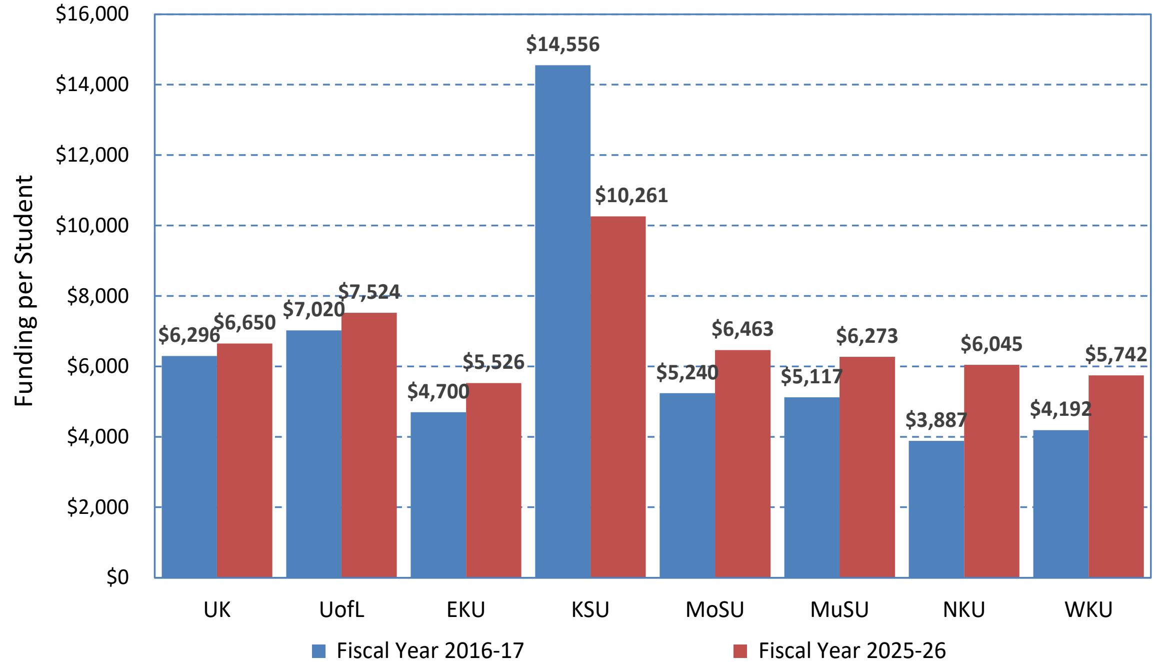
Institution	State Funds FY 2025-26	State Funds FY 2026-27	Dollar Change	Percent Change
UK	$236,889,900	$239,479,700	$2,589,800	1.1%
UofL	152,831,900	152,059,200	(772,700)	-0.5%
EKU	68,588,800	69,034,900	446,100	0.7%
KSU	19,343,900	19,343,900	0	0.0%
MoSU	36,665,400	36,665,400	0	0.0%
MuSU	47,497,800	47,236,900	(260,900)	-0.5%
NKU	64,825,200	63,174,900	(1,650,300)	-2.5%
WKU	75,954,900	75,086,800	(868,100)	-1.1%
KCTCS	197,977,700	197,993,800	16,100	0.0%
Total	$900,575,500	$900,075,500	($500,000)	-0.1%

Performance Funding Update
Change in State Funds per Student

- Since 2017, state funds per student increased at every university except KSU (-$4,295)
- The largest increases were at NKU (+$2,158), WKU (+$1,550), MoSU (+$1,223), and MuSU (+$1,156)
- The smallest increases were at UK (+$354) and UofL (+$504)
- A decade of enrollment decline contributed to increases among comprehensive universities

Chart 1

State Funds for Educating Students[1] per Full-Time Equivalent Student
Fiscal Years 2016-17 and 2025-26



[1] Regular General Fund appropriation, minus debt service and mandated program funding, plus performance fund distribution
Source: Council on Postsecondary Education, Finance Policy and Programs Unit, Performance Funding Database.

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