

## STRONGER by DEGREES



# MEETING AGENDA

Tuesday, April 26, 2016  
Western Kentucky University

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### Members, Council on Postsecondary Education

Glenn D. Denton, Paducah (*chair*)  
Maryanne Honeycutt Elliott, Louisville  
Joe E. Ellis, Benton  
Dan E. Flanagan, Campbellsville  
Dennis M. Jackson, Paducah  
Pam Miller, Lexington  
Donna Moore, Lexington

Elizabeth Ruwe, NKU (*student*)  
Marcia Milby Ridings, London  
Robert H. Staat, UofL (*faculty member*)  
Sherrill B. Zimmerman, Prospect  
Stephen Pruitt, Commissioner of Education (*ex officio, nonvoting*)

Robert L. King, CPE President

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**AGENDA**  
Council on Postsecondary Education  
Tuesday, April 26, 2016  
9:00 AM  
Western Kentucky University

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1. CPE Work Session (9:00-10:45 a.m.) 3  
Location: Augenstein Alumni Center, Lee Robertson Ballroom, first floor
2. Break (10:45-11:00 a.m.)
3. WKU Briefing Session and Campus Tour (11:00-12:00 p.m.)  
Location: Honors College International Center
4. Lunch (12:00 -12:45 p.m.)  
Location: Augenstein Alumni Center, Jimmy Feix Ballroom, first floor

*\*Central Time\**

## 2016-17 Tuition and Mandatory Fee Recommendation

*The Council staff used a collaborative process to develop its 2016-17 tuition and mandatory fee ceiling recommendation, which included sharing information and engaging in discussions with campus presidents and chief budget officers, Council members, student groups, and the Governor's office.*

*Based on feedback from multiple stakeholders there is a general sentiment that increases in resident undergraduate tuition and mandatory fees should be moderate in academic year 2016-17 to support a necessary balance between students' and families' ability to pay for college and institutional resources required to partially offset state budget cuts and mandated cost increases, and to support continuing progress toward attainment of HB1 goals and Strategic Agenda strategies and objectives.*

**ACTION:** It is recommended that the Council approve 2016-17 resident undergraduate tuition and mandatory fee ceilings that equate to maximum base rate increases of no more than 5.0 percent for the research universities.

For the comprehensive universities, in an effort to reduce growing disparity in published tuition and fee rates within that sector, it is recommended that the Council approve a "common dollar increase" ceiling of \$432.<sup>00</sup> for each institution. Said amount is based on a ceiling of 4.65 percent measured against current tuition at Western Kentucky University.

It is also recommended that the Council approve a tuition ceiling of \$7.<sup>00</sup> per credit hour for KCTCS institutions.

It is further recommended that the Council adopt a new Nonresident Student Tuition and Fee Policy that requires institutions to generate a sufficient amount of net tuition and fee revenue per nonresident student to equal or exceed 100 percent of direct instructional and student services costs per student. This policy will replace the former practice of requiring institutions to charge nonresident students two times the in-state rate for comparable programs of study.

Finally, it is recommended that the public universities be allowed to submit for Council approval market competitive resident and nonresident tuition and mandatory fee rates for graduate and online courses.

These recommendations are consistent with Tuition and Mandatory Fee Policy objectives, including funding adequacy, shared benefits and responsibility, affordability and student access, attracting and importing talent, and effective use of resources.

## 2016-17 Resident Undergraduate Tuition and Mandatory Fees

The table below contains staff recommended dollar ceilings by institution for 2016-17 resident undergraduate tuition and mandatory fees.

Resident Undergraduate Tuition and Mandatory Fees Recommended 2016-17 Maximum Dollar Ceilings by Institution				
<u>Campus</u>	<u>2015-16 Tuition and Fee Base Rates<sup>(a)</sup></u>	<u>2016-17 Maximum Dollar Ceilings</u>	<u>Dollar Change</u>	<u>Percent Change</u>
UK	\$10,936	\$11,483	\$547	5.00%
UofL	10,542	11,069	527	5.00%
WKU	9,282	9,714	432	4.65%
NKU	8,736	9,168	432	4.95%
EKU	8,150	8,582	432	5.30%
MoSU	7,966	8,398	432	5.42%
MuSU <sup>(b)</sup>	7,608	8,040	432	5.68%
KSU	\$7,364	\$7,796	\$432	5.87%
KCTCS	\$147.00 pch	\$154.00 pch	\$7.00 pch	4.76%

pch - per credit hour

<sup>(a)</sup> Does not include Special Use Fees at UofL, EKU, MoSU, NKU, and WKU; or Agency Bond Fees at KCTCS.

<sup>(b)</sup> MuSU is proposing to implement a new Tuition and Scholarship Model for 2016-17 that entails increasing annual tuition and fee charges for first-time freshmen and new transfer students by about 10.4% and increasing tuition and fees for returning students by no more than 5.0 percent. Based on projections of new and returning students, the weighted average increase in tuition and fees for all full-time, resident undergraduate students will not exceed 5.7% which complies with staff's proposed tuition ceiling.

## Comprehensive Sector Common Dollar Ceiling

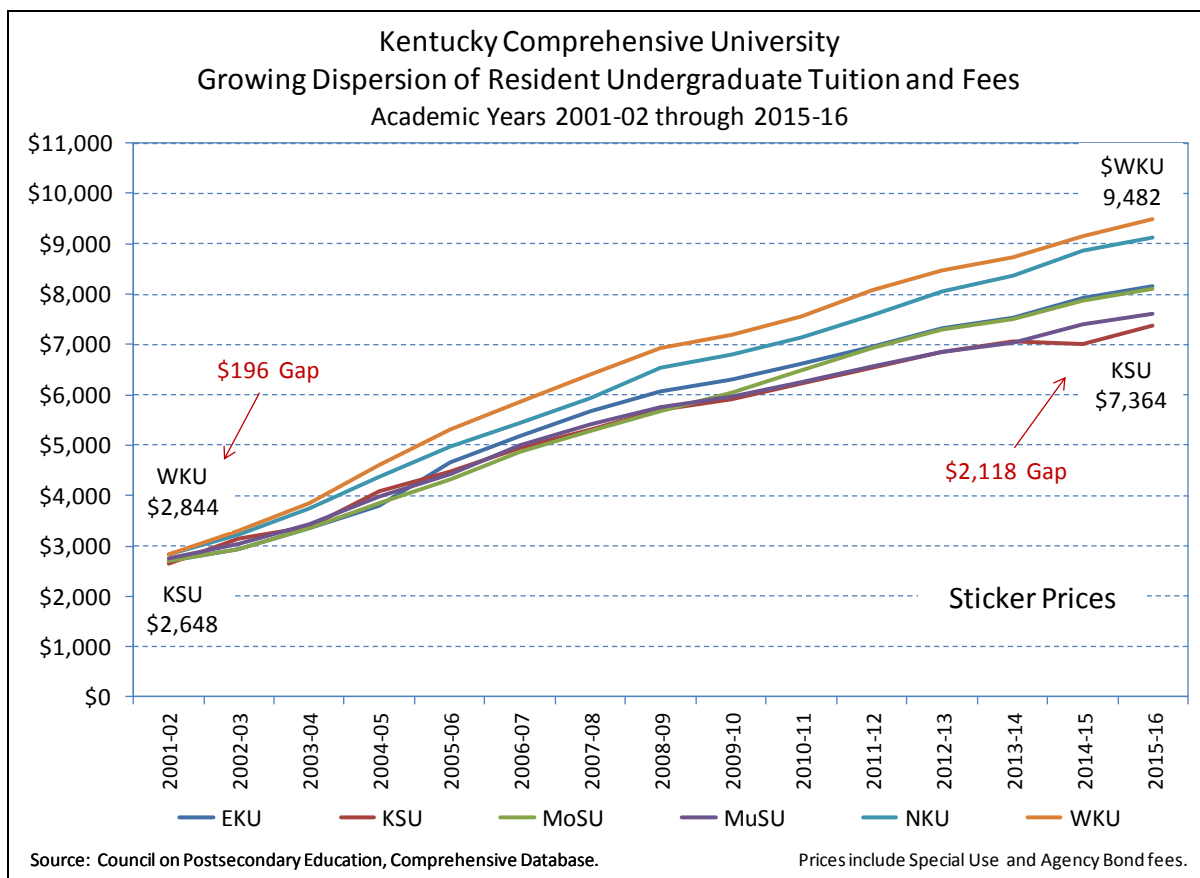
In January 2016, staff initiated discussions with campus officials regarding the 2016-17 tuition and fee setting process. Early in those discussions, two comprehensive university chief budget officers requested that Council staff consider differentiating percent increase ceilings within their sector to address the issue of growing dispersion in resident undergraduate tuition and fee prices among institutions within the comprehensive sector.

The data showed that variance in comprehensive university resident undergraduate sticker prices had indeed increased over time. As can be seen in the chart below, between academic years 2001-02 and 2015-16, the gap between published tuition and fees at the lowest priced comprehensive university (i.e., KSU in both 2001-02 and 2015-16) and the highest priced comprehensive university (i.e., WKU in both 2001-02 and 2015-16) widened considerably, growing from \$196 to \$2,118, respectively. Furthermore, it was clear that the

use of a “common percent increase” ceiling within the comprehensive sector every year since 2009 had exacerbated growth in the gap.

Several proposals surfaced regarding ways to address this issue, but ultimately it was determined that use of a “common dollar increase” ceiling made the most sense, given uncertainties in the postsecondary education budgetary environment this tuition cycle. An inherent benefit of using this approach is that it provides opportunities for lower-priced institutions in the comprehensive sector to halt growth in the price gap going forward.

The common dollar increase approach for setting comprehensive sector tuition ceilings, entails establishing the price of the highest priced institution in the sector, in this case Western Kentucky University at \$9,282 (does not include Special Use Fees), as the beginning base and then applying a percent increase (+4.65%) to that base to calculate a dollar increase amount (+\$432.<sup>00</sup>). That dollar increase amount then becomes the dollar increase ceiling for every institution in the sector.



Staff recommends that the Council approve a 2016-17 resident undergraduate tuition and mandatory fee ceiling that equates to a maximum base rate increase of no more than 4.65 percent for Western Kentucky University. This percentage increase equates to a maximum dollar increase ceiling of \$432.<sup>00</sup> for WKU. Staff further recommends that the Council approve a maximum “dollar increase ceiling” of \$432.<sup>00</sup> for each of the other comprehensive universities, including Eastern Kentucky University, Kentucky State University, Morehead State University, Murray State University, and Northern Kentucky University.

## **MuSU Tuition and Scholarship Model**

During the months of March and April 2016, Murray State University and Council staffs had several discussions regarding potential changes in pricing structure and scholarship packages at the university for the upcoming academic year. On April 19, campus officials submitted a proposal to staff, providing details of a new Tuition and Scholarship Model that the university is planning to implement, beginning summer 2016. A copy of MuSU's proposal is attached (see Attachment A) and important features of the plan are summarized below.

The new tuition model is a one-time realignment of published tuition and fees, whereby the university will increase resident undergraduate tuition and fees by 10.4 percent for first-time freshmen and new transfer students and by no more than 5.0 percent for returning students, but the weighted average increase in tuition and fees for all resident undergraduate students will not exceed 5.7 percent, which complies with staff's recommended tuition and fee ceiling for Murray State University.

Currently enrolled students will continue to be charged using the existing rate structure, with allowances for Council approved rate increases. The new approach also calls for elimination of web and online course premiums, which have historically been priced at 130 percent of Kentucky resident tuition for all web and online courses. Finally, MuSU will begin to charge for all credit hours above 15 at the standard per-credit-hour rate (i.e., the full-time flat rate per semester divided by 12 credit hours).

The new Academic Achievement scholarship package is a merit-based model that is comprised of five levels of financial aid, based on a student's high school GPA and ACT score. Awards are available only to full-time freshmen enrolling for the first time in the summer of 2016 or after, and are renewable for students who continue to meet high academic standards. The awards are based on a percentage of tuition, not a fixed dollar amount. Students not qualifying for awards at time of entry who obtain a 3.7 GPA during their first year of full-time study will qualify for a scholarship in their second year. Scholarships can continue to be renewed in subsequent years provided the student maintains a 3.7 GPA.

Staff recommends that the Council approve the previously described \$432.<sup>00</sup> dollar increase ceiling for Murray State University, which equates to a 5.7 percent increase. Based on projections of new and returning students, the weighted average increase in tuition and fees for all full-time, resident undergraduate students enrolling at MuSU next year will not exceed 5.7 percent, which complies with the recommended tuition ceiling. Staff further recommends that the Council endorse MuSU's new Tuition and Scholarship Model.

## **KCTCS Safety and Security Fee**

On April 20, KCTCS submitted a proposal to the Council, requesting that they be allowed to implement a \$2.<sup>00</sup> per-credit-hour Safety and Security Fee in 2016-17 that would be outside the cap established for their tuition increase (see Attachment B). Although the proposed fee does not meet the criteria for an exemption under the Council's Special Use Fee Exception Policy, because it is neither student requested, nor student endorsed, the Council may, in its

discretion, approve the request. Important features of the proposed Safety and Security Fee are summarized below.

There is an expectation among students and their families, state and federal policymakers, and the general public that colleges and universities should provide safe and secure living, learning, and working environments. This expectation is no less pervasive among those enrolled or working in community colleges, than it is among their counterparts at four-year, residential institutions, but community and technical colleges typically lack access to the same level of resources. In Kentucky, seven years of declining state support and tuition and fee ceilings adopted by the Council have limited KCTCS's ability to invest in necessary safety and security initiatives.

At the federal level, increased attention to campus safety and security has been mandated through legislation, including provisions of Title IX and the Clery Act. New guidance from the Office of Civil Rights has mandated that KCTCS dedicate resources toward bolstering the Title IX program to effectively adjudicate sexual misconduct reports. The Clery Act requires postsecondary institutions to maintain an emergency response and evacuation plan that is tested and evaluated on an annual basis. These and other similar mandates are unfunded, which provides the basis for KCTCS's Safety and Security Fee request.

If the requested fee is approved, KCTCS officials estimate it will generate about \$2.7 million in annual revenue, which will be used solely for the purpose of supporting and enhancing safety and security at over 70 KCTCS locations. Specifically, fee revenue will be used to cover the costs of providing federally mandated training programs, developing crisis management plans and programs, adding additional security personnel, acquiring emergency preparedness supplies, and adding or upgrading surveillance cameras, access control systems, automated building lockdown systems, internal and external public announcement systems, and emergency call boxes.

### **Nonresident Student Tuition and Fee Policy**

For over a decade, the Council has adhered to a practice of requiring published tuition and fee charges for nonresident undergraduate students to be at least two times the resident undergraduate rate for comparable programs of study. This practice has been only partially effective for two reasons.

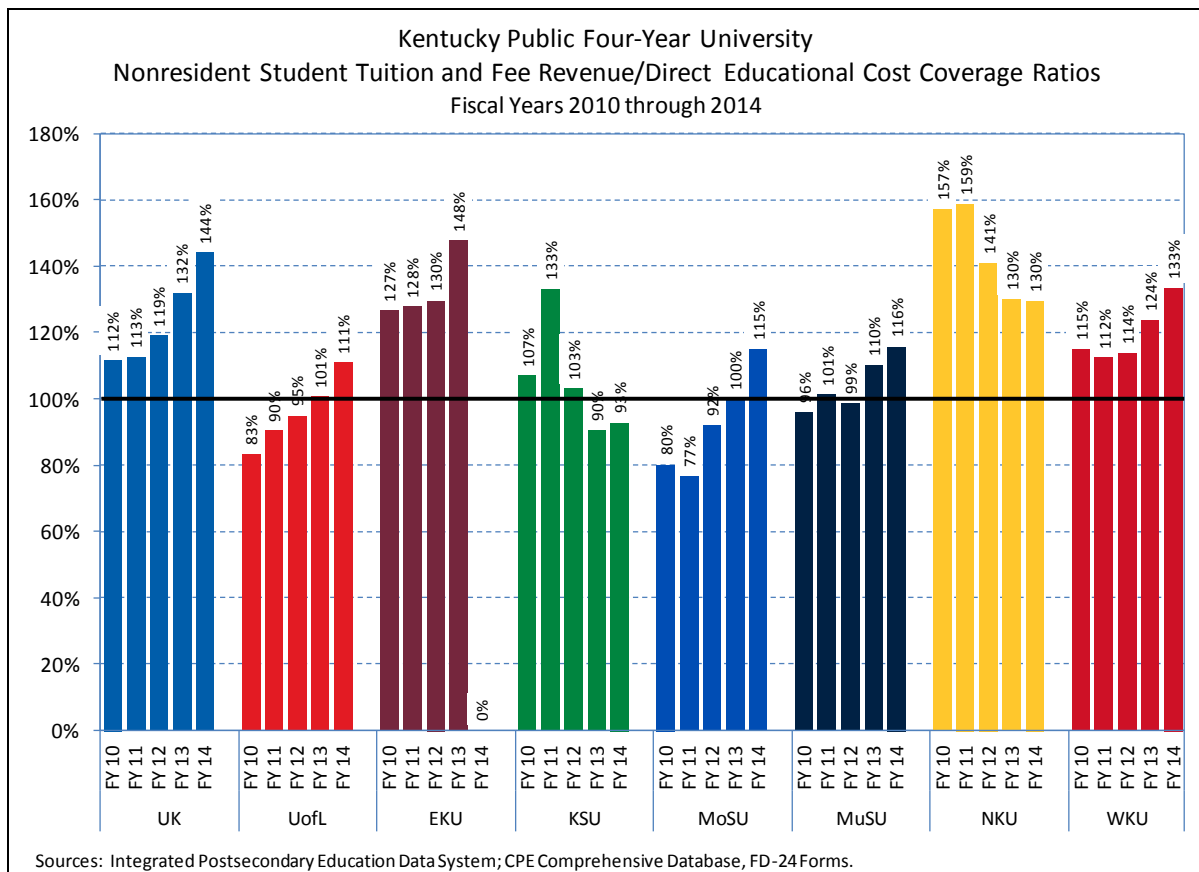
First, every year several institutions submit exception requests to the Council, asking that they be allowed to charge nonresident students less than two times the resident rate for certain categories of students. Staff routinely recommends and the Council routinely approves the requested exceptions to the nonresident rate floor. Second, although many institutions meet the nonresident rate floor requirement in terms of their published prices, they provide liberal amounts of scholarship aid to out-of-state students, which results in lower net tuition and fee revenue generated from such students.

To address these issues, staff is recommending a new approach for the upcoming academic year, which requires every institution to manage their tuition and fee rate structures, price discounting, and scholarship aid for out-of-state students, such that the average net tuition

and fee revenue generated per nonresident student equals or exceeds 100% of direct instructional and student services costs per student. Staff recommends that this approach be described in explicit language that will be added to the Council’s Tuition and Mandatory Fee Policy (see Attachment C for proposed language).

The chart below shows recent trends in direct cost coverage ratios at Kentucky universities, defined as nonresident net tuition and fee revenue per nonresident student divided by direct instructional and student services costs per student. As can be seen in the chart, the share of educational costs borne by nonresident students has increased at nearly every institution over the past five years, with KSU and NKU exhibiting exceptions to this trend. As of fiscal year 2013-14, every university with the exception of KSU generated enough net tuition and fee revenue from out-of-state students to cover average direct costs of educating those students.

The black line drawn at 100% on the chart represents the average direct cost of educating students in any given year at any given institution. Nonresident net tuition and fee revenue per nonresident student is expressed as a percentage of average direct educational costs and depicted by colored bars for each institution. Thus, the black line and colored bars become a simple way to determine if net tuition and fee revenue generated by out-of-state students is covering average direct educational costs. If the proposed policy is approved by the Council, similar data can be used to assess campus compliance going forward.



Staff recommends that the Council approve a new nonresident student tuition and fee policy that ensures that out-of-state students are paying an appropriate share of educational costs at



Kentucky postsecondary institutions (see Attachment C for proposed policy language). As part of the tuition and fee setting process, staff will monitor and report annually to the Council regarding compliance with this requirement. Adoption of the proposed policy is supported by all campus presidents and chief budget officers.

### **Graduate and Online Tuition and Mandatory Fees**

The staff recommends that the public universities be allowed to submit for Council approval market competitive resident and nonresident tuition and mandatory fee rates, as approved by their respective boards, for graduate and online courses.

Staff preparation by Bill Payne, Scott Boelscher, and Shaun McKiernan

## **Murray State University**

### **Proposed New Tuition and Scholarship Model**

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In 2014, MSU began an in-depth review of tuition rates and merit scholarships. As discussions ensued, we felt the need to obtain an external and objective level of review of both tuition rates and scholarship offerings. As a result, MSU contracted with the research-based firm Maguire Associates to assist with the development of enrollment management and student marketing enhancements. The major focus of this analysis was to determine the elasticity of gross and net tuition for Kentucky and the regional states of Illinois, Missouri, Indiana, Alabama and Tennessee and to develop a scholarship model that would attract the best and brightest students in the primary region we serve. After further analysis and with the results of Maguire's engagement, the University has developed an aggressive pricing and scholarship model for newly enrolled students, effective for summer 2016 courses.

It is important to note that this proposed model does not apply to students who are currently enrolled at MSU. Currently enrolled students will continue with their current rate structure and approved rate increases and current fixed amount scholarship packages. Current students will remain on their current structure for six years and will only convert to the new model if they have been out of school long enough to require readmission.

#### **Tuition and Mandatory Fees**

MSU understands the need to increase tuition rates to allow for an aggressive scholarship model and to position the University for future financial sustainability. The tuition and mandatory fee factors are listed below:

- Applies to only undergraduate students enrolling or applying for readmission to the university for summer 2016 and after. This applies to first-time freshmen and new transfer students.
- Establishes a one-time realignment of gross tuition rates to a per-semester KY resident rate of \$4,200, which is 10.4% over the FY2016 rates. This rate is a flat rate for all full-time students taking at least 12 – 15 credit hours.
- Establishes a new regional rate that will be 2.0 times the KY resident rate, which will comply with proposed CPE non-resident rate guidelines.
- Continues the non-resident rate (for students outside of the regional states of TN, IN, IL, MO and AL) of 2.7 times the KY resident rate.
- Eliminates the web course premium rates of 130% of KY resident tuition for all web/online courses.
- Begins to charge for all credit hours > 15 at the standard hourly rate, based on the student's state of residency. This standard hourly rate is the appropriate full-time flat rate divided by 12 credit hours.
- Full-time undergraduate rates will closely align with the elasticity rates estimated by Maguire Associates.

#### **Scholarships**

- The new Academic Achievement scholarship package is a merit-based model that is comprised of five levels of aid based on a student's high school GPA and ACT score. Awards are renewable for students who continue to meet high academic standards for each scholarship. These awards

are only available to full-time freshmen enrolling for the first time in the summer of 2016 or after.

- Awards are for a percentage of tuition and not based on fixed dollar amounts. This helps to protect students and their family against the impacts of inflation and increasing rates.
- For entering students not qualifying for the Academic Achievement award, a scholarship has been created (The Academic Success Scholarship) that rewards academic performance once enrolled at MSU. Students who obtain a 3.7 GPA during their first year of full-time study at MSU will qualify for a scholarship for their second year of study. This award will be renewed the following year if the student continues to obtain a 3.7 GPA for the second year. If the student does not reach these academic standards the second year, then they will lose the award for the third year.
- Includes increased scholarship funding for transfer students meeting GPA requirements of 3.25.

In addition to the above listed criteria, the University will begin to require each student to complete the FAFSA annually to be eligible for any University scholarship funds.

The proposed new Academic Achievement scholarship grid is shown below:

		Trustees 100% Tuition	Regents 80% Tuition	Provost 60% Tuition	Carr 45% Tuition	University 20% Tuition		
<b>Academic Achievement Tuition Scholarships for Incoming Freshmen</b>								
SAT	ACT	4 GPA	3.9 GPA	3.8 GPA	3.7 GPA	3.6 GPA	3.5 GPA	3.4 - 3.0 GPA
1600	36	100% Tuition	100% Tuition	100% Tuition	100% Tuition	80% Tuition	60% Tuition	20% Tuition
1540-1590	35	100% Tuition	100% Tuition	100% Tuition	100% Tuition	80% Tuition	60% Tuition	20% Tuition
1490-1530	34	100% Tuition	100% Tuition	100% Tuition	100% Tuition	80% Tuition	60% Tuition	20% Tuition
1440-1480	33	100% Tuition	100% Tuition	100% Tuition	100% Tuition	80% Tuition	60% Tuition	20% Tuition
1400-1430	32	80% Tuition	80% Tuition	80% Tuition	80% Tuition	80% Tuition	60% Tuition	20% Tuition
1360-1390	31	80% Tuition	80% Tuition	80% Tuition	80% Tuition	80% Tuition	60% Tuition	20% Tuition
1330-1350	30	80% Tuition	80% Tuition	80% Tuition	80% Tuition	80% Tuition	60% Tuition	20% Tuition
1290-1320	29	60% Tuition	60% Tuition	60% Tuition	60% Tuition	60% Tuition	60% Tuition	20% Tuition
1250-1280	28	60% Tuition	60% Tuition	60% Tuition	60% Tuition	60% Tuition	60% Tuition	20% Tuition
1210-1240	27	45% Tuition	45% Tuition	45% Tuition	45% Tuition	45% Tuition	45% Tuition	20% Tuition
1170-1200	26	45% Tuition	45% Tuition	45% Tuition	45% Tuition	45% Tuition	45% Tuition	20% Tuition
1130-1160	25	20% Tuition	20% Tuition	20% Tuition	20% Tuition	20% Tuition	20% Tuition	20% Tuition
1090-1120	24	20% Tuition	20% Tuition	20% Tuition	20% Tuition	20% Tuition	20% Tuition	20% Tuition
		Additional Stipend of \$1500 annually for Trustees and Regents Scholars						
		Additional Stipend of \$1000 annually for Provost Scholars						

**Summary**

The overall financial impact of the new model is explained below and compared to revenue projections of currently enrolled students. As shown in this graph, the overall increase in FY2017 total gross tuition revenue is estimated to be 5.7%.

	Gross Tuition				
	All Dollar Amounts Shown in Millions				
	Tuition Revenue Estimates for FY2016	Tuition Amount Increase	Rate Increase	Tuition Revenue Estimates for FY2017	% of Total Revenues
Currently enrolled students	\$93.3	\$4.7	5.0%	\$98.0	87%
New undergrad students <i>(enrolled summer 2016 or after)</i>	\$13.8	\$1.4	10.1%	\$15.2	13%
<b>Total</b>	<b>\$107.1</b>	<b>\$6.1</b>	<b>5.7%</b>	<b>\$113.2</b>	<b>100%</b>

The proportion of total students expected to be admitted under the new model is shown in the graph below:

	Currently Enrolled Student Headcount Fall 2015	Students Estimated to be Admitted Under New Model	% of Total Students Estimated in New Model
<b>Undergraduate</b>			
Full-time	7,162	1,318	18%
Part-time	2,106		
<b>Graduate</b>			
Full-time	751		
Part-time	979		
<b>Total</b>	<b>11,097</b>	<b>1,318</b>	<b>12%</b>
Total Full-time Equivalent	8,850	1,318	15%

## **Kentucky Community and Technical College System Safety and Security Fee Points of Consideration**

### **Same expectation as 4-yr institutions to provide a secure campus**

- KCTCS holds the same expectation to provide a safe and secure learning and work environment as any 4-year, residential university/college without the same access to funds and resources.
  - Sharp decline in state appropriations and enrollment figures has further restricted the funds available to invest in safety and security initiatives.

### **Diverse, fluid campus populations**

- Community college campuses are generally more open and serve a more diverse and fluid student population than traditional 4yrs
  - Serves as a “hub” to the community which at times can create problems
  - CC students often have vastly different life experiences (compared to traditional, 4yr) that sometimes effect mental health, but lack the counseling resources to assist these students. This leads to security/liability concerns.
  - KCTCS (Hazard Community and Technical College) is the only Kentucky postsecondary education institution (that we are aware of) to experience a homicide due to domestic violence situation on campus.
- Increased focus on mental health issues of community college students and their effects on enrollment, retention, and safety risks
  - Access to mental health resources for community college students has recently began to garner national attention, but most don’t have resources to dedicate to it.
  - Administrative personnel lack the dedicated time, resources and training needed to stand up and maintain threat assessment teams.

### **Multiple, geographically dispersed campuses**

- KCTCS colleges must account for the security of multiple campuses that are spread out over multiple counties, creating unique security challenges in communications and warning, coordinating a response, locking down the buildings, etc.

### **System-wide campus safety and security assessments**

- System-wide safety and security assessments conducted in 2013-2014 reveal a number of deficiencies in terms of physical security, policy and programming, and systems and technology. KCTCS colleges lack the resources to address the recommendations that may have a greater impact on safety/security.
- International Association of Campus Law Enforcement Agencies (IACLEA) recommends that community colleges have an up-to-date emergency operations plan that focuses on both prevention and response.

- KCTCS implemented crisis management plans following the Virginia Tech incident, but the plans have not evolved with national standards because of lack of trained personnel.

**Limited security charge currently implemented at Bluegrass, Gateway and Jefferson Community and Technical Colleges**

- Safety charge for on campus students per semester
- By no coincidence, they received some of the highest ratings in the Safety and Security Assessment and Crisis Management Assessment
- All three maintain contracted security personnel at all campus locations, have been able to invest in access control, surveillance systems, and advanced warning systems (panic buttons, call boxes, public announcement speakers, etc.)
- Not every college and campus location may need contracted security, but funds can be invested toward upgrading security systems or developing better campus safety and preparedness programs.

**Increase in unfunded federal mandates from Title IX and Clery Act**

- Reauthorization of the Violence Against Women Act (VAWA) created a new requirement for all colleges and universities to provide primary and ongoing sexual assault awareness and prevention training programs
  - KCTCS contracted with LawRoom to provide online training to students and employees
- New guidance from Office of Civil Rights (OCR) on Title IX, and increased oversight, has mandated KCTCS to dedicate resources toward bolstering the Title IX program in order to effectively adjudicate sexual misconduct reports.
  - Awareness campaigns, new policies and procedures, tools and resources, and training programs for Title IX Coordinators
- Clery Act requires that institutions maintain an emergency response and evacuation plan that is tested and evaluated on an annual basis
  - Requires considerable amount of time and resources to develop a plan, train staff members, design and conduct an exercise, evaluate, and develop strategies for improvement. Applies to all KCTCS's 70+ campuses.
- Due to increased oversight of Title IX and the Clery Act, KCTCS continues to dedicate time and resources toward developing effective compliance programs.

**Potential Fee Uses:**

- **Costs of mandated federal training programs**
  - Title IX Coordinator Training
  - Campus Security Authority Training – Clery Act
  - Primary and ongoing sexual assault awareness and prevention training for students and employees – VAWA amendments to the Clery Act
- **Crisis Management Program Development**
  - Develop new emergency operations for each campus in line with federal standards.
  - Develop multi-year training and exercise program to transform plans into actionable skills and knowledge while consistently evaluating and improving response processes.
  - Funding for a centralized, incident management system such as WebEOC

- Developing a centralized dispatch and operation center at System Office to provide auxiliary support to campuses during emergencies.
- **Additional security personnel with expert professionalism and consistency of process, procedure, and application**
  - Contract security
  - Establish Memorandum of Agreement (MOA) with local law enforcement to serve as “resource officers”
  - Proprietary security personnel
- **Security systems upgrades**
  - Additional surveillance cameras and upgraded operating systems
  - Access control systems
  - Automated building lockdown systems
  - Internal/external public announcement systems
  - Emergency call boxes (“blue boxes”)
- **Acquisition of emergency preparedness supplies**
  - First aid kits
  - Communication equipment (P-25 compliant, handheld, multi-frequency radios)

In summary, KCTCS serves a more diverse, fluid student population with a wider range and depth of social issues than any postsecondary education institution in Kentucky. KCTCS is the only institution of postsecondary education to have a situation of domestic violence spill over into murder on one of its campuses. Additional resources are required to meet unfunded federal mandates of providing a safe and secure learning environment. The average KCTCS student receiving federal and state financial aid generates a residual balance payment back to the student of over \$2,200 per semester. A \$2 per student credit hour safety and security fee would generate approximately \$2.7 million KCTCS wide in new annual revenue to support and significantly enhance KCTCS’s 70+ campuses safety and security. Consideration is requested for the approval by the Council of Postsecondary Education to make this investment in KCTCS’ students’ future.

Council on Postsecondary Education  
Proposed Language for Nonresident Student Tuition and Fee Policy  
April 25, 2016

Nonresident Student Tuition and Fees

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

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

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



# Making Kentucky **STRONGER BY DEGREES**

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**Kentucky Council on Postsecondary Education**  
**Robert L. King, President**  
**April 26, 2016**

# Kentucky Public Postsecondary Institution Combined Budget Reduction and Fixed Cost Increases Fiscal Year 2016-17

Institution	Budget Cut and Cost Increases			Combined Challenges	Percent of 2015-16 Base
	Enacted <sup>(a)</sup> Reduction	Mandated <sup>(b)</sup> KERS Increases	Other Fixed <sup>(c)</sup> Cost Increases		
University of Kentucky	(\$12,582,500)	\$0	(\$12,138,444)	(\$24,720,944)	-8.8%
University of Louisville	(\$6,258,500)	\$0	(\$10,754,252)	(17,012,752)	-12.2%
Eastern Kentucky University	(\$3,061,500)	(\$2,721,490)	(\$2,781,841)	(8,564,831)	-12.6%
Kentucky State University	\$0	(\$456,000)	(\$213,000)	(669,000)	-2.9%
Morehead State University	(\$1,950,300)	(\$919,078)	(\$1,890,766)	(4,760,144)	-11.0%
Murray State University	(\$2,161,100)	(\$1,082,947)	(\$1,161,451)	(4,405,498)	-9.2%
Northern Kentucky University	(\$2,184,200)	(\$3,800,000)	(\$904,303)	(6,888,503)	-14.2%
Western Kentucky University	(\$3,359,200)	(\$1,828,025)	(\$1,714,975)	(6,902,200)	-9.2%
KCTCS	(\$8,557,300)	(\$2,600,000)	(\$8,194,966)	(19,352,266)	-10.2%
<b>System Total</b>	<b>(\$40,114,600)</b>	<b>(\$13,407,540)</b>	<b>(\$39,753,998)</b>	<b>(\$93,276,138)</b>	<b>-10.2%</b>

<sup>(a)</sup> The 2016-18 Budget of the Commonwealth (HB 303) includes an enacted 4.5% reduction each year from the current year base.

<sup>(b)</sup> HB 303 mandates an employer contribution rate of 48.59% for KERS in fiscal year 2016-17, a 9.82 percentage point increase.

<sup>(c)</sup> Includes M&O, utilities, health insurance, mandated tuition waiver, and contractual obligation cost increases.

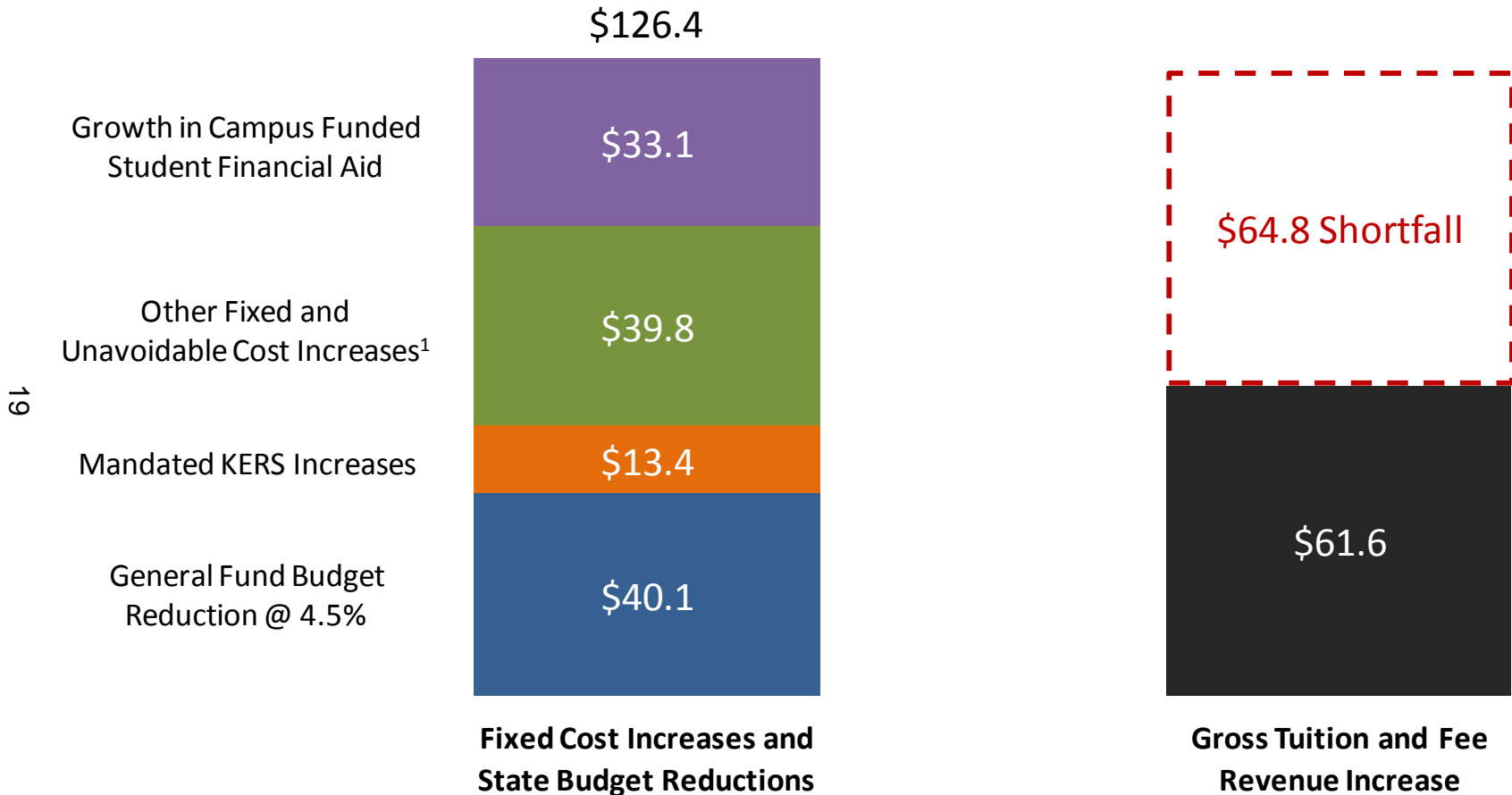
Source: Kentucky Budget of the Commonwealth; University and KCTCS Chief Budget Officer estimates.



# Budget Challenges for Postsecondary Institutions

## Fiscal Year 2016-17

*(Dollars in Millions)*

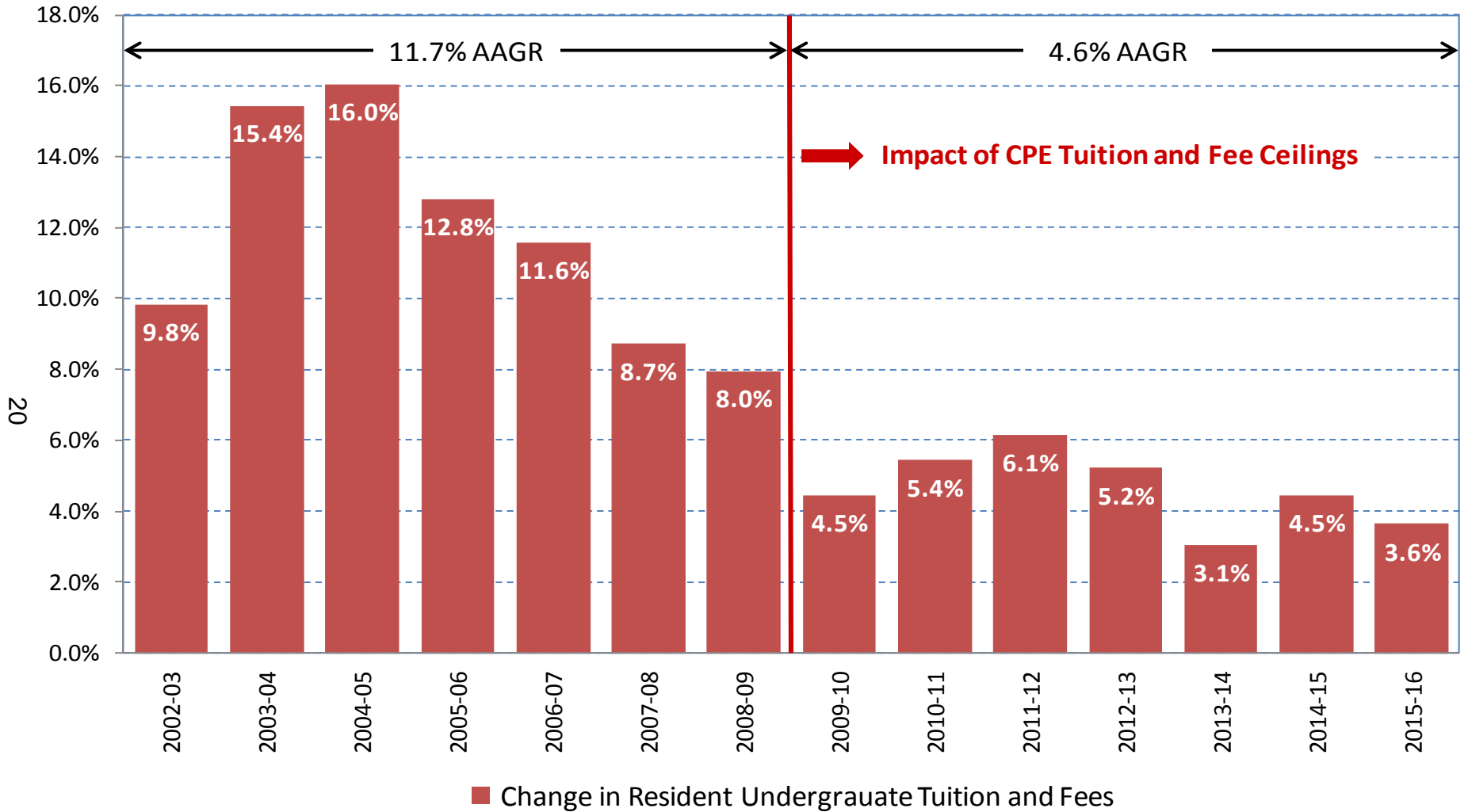


<sup>1</sup> Includes M&O, utilities, health insurance, mandated tuition waiver, and contractual obligation cost increases.

Source: Council on Postsecondary Education, Comprehensive Database.



# Kentucky Public Postsecondary System Annual Change in Resident Undergraduate Tuition and Fees Fiscal Years 2002-03 through 2015-16

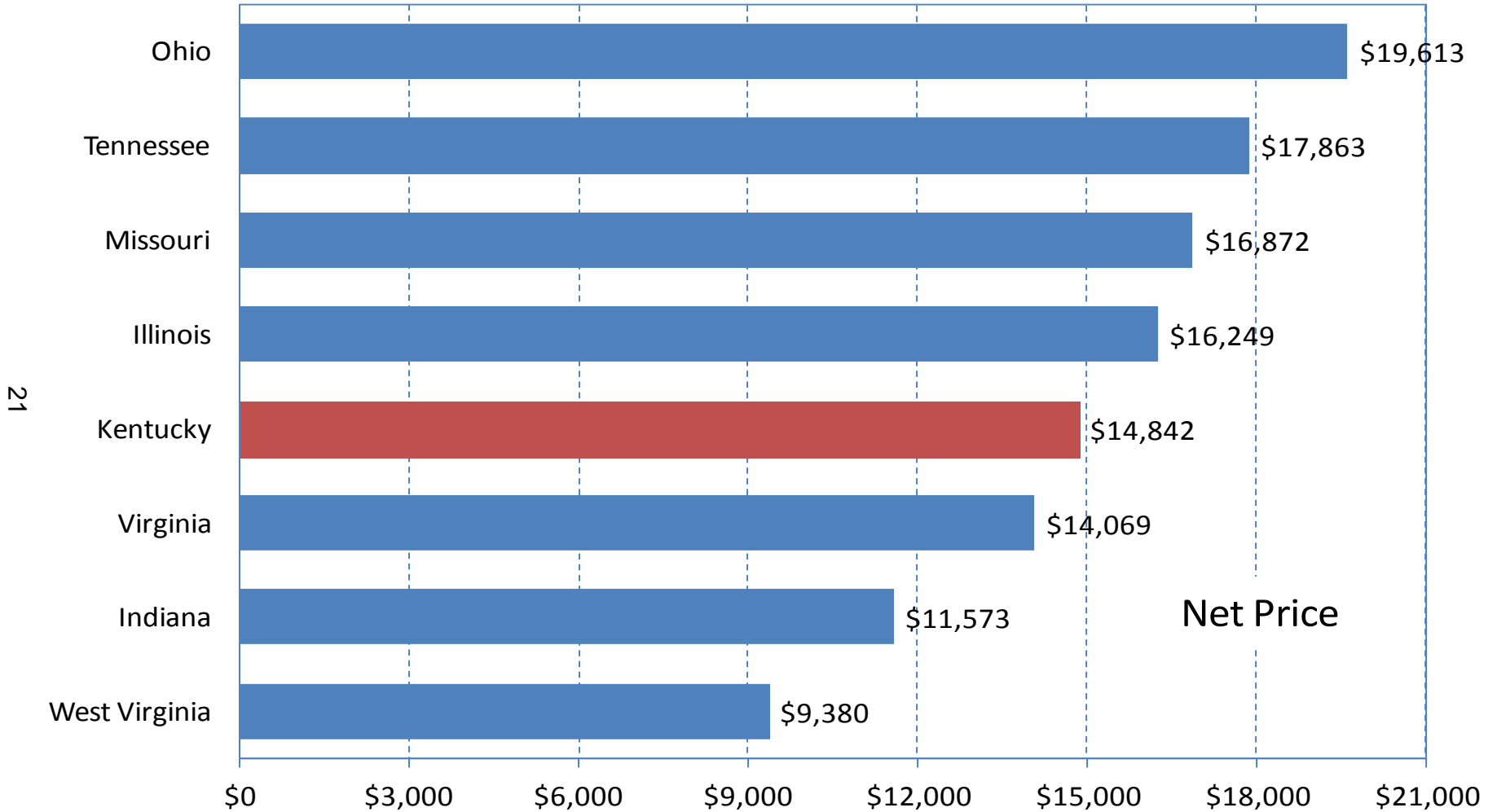


Source: Council on Postsecondary Education, Comprehensive Database.

AAGR - Average Annual Growth Rate



Flagship Universities in Kentucky and Surrounding States  
Average Net Price for Full-Time, Degree-Seeking Undergraduates  
Academic Year 2013-14

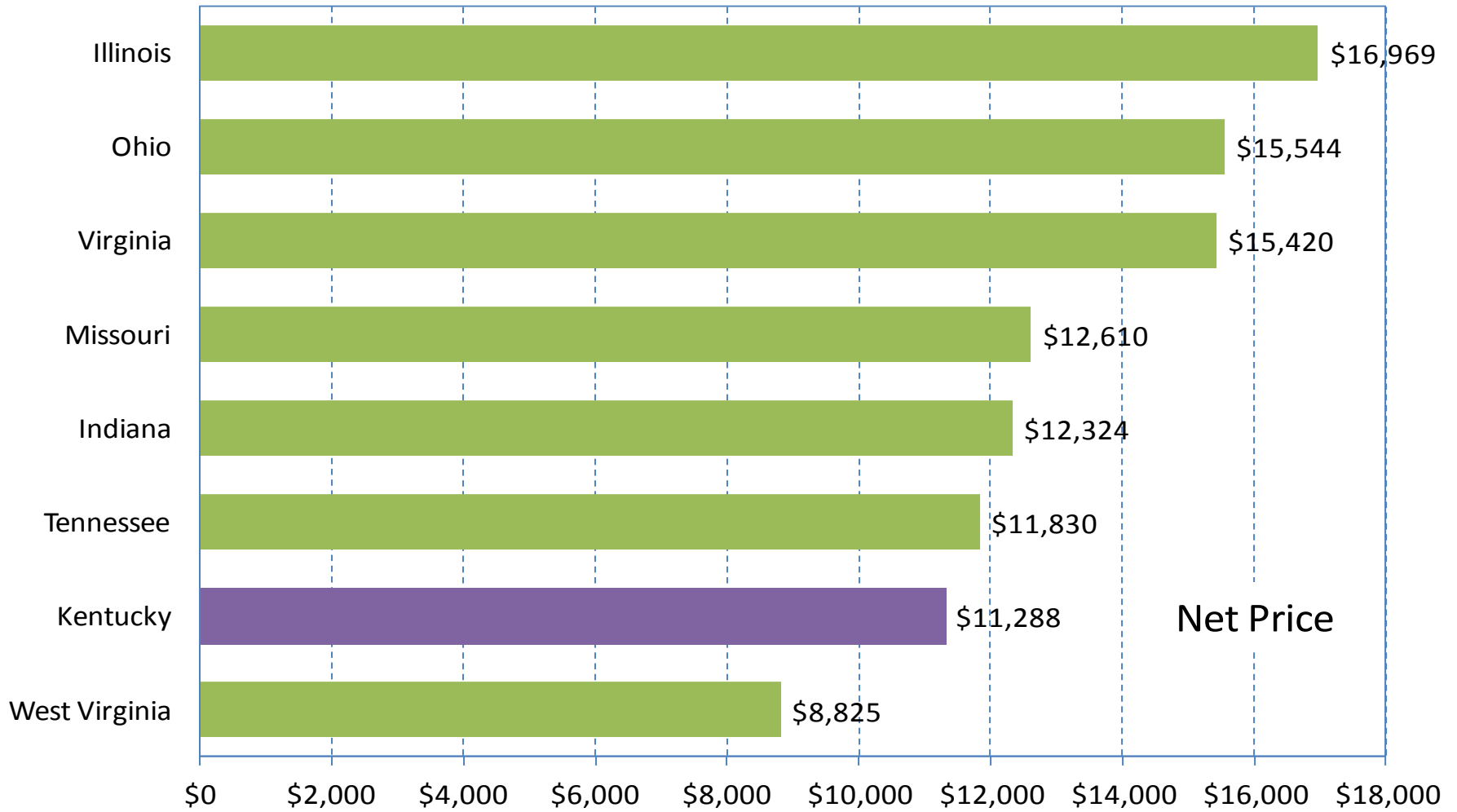


Source: Integrated Postsecondary Data System.



Comprehensive Colleges and Universities in Kentucky and Surrounding States  
Average Net Price for Full-Time, Degree-Seeking Undergraduates  
Academic Year 2013-14

22



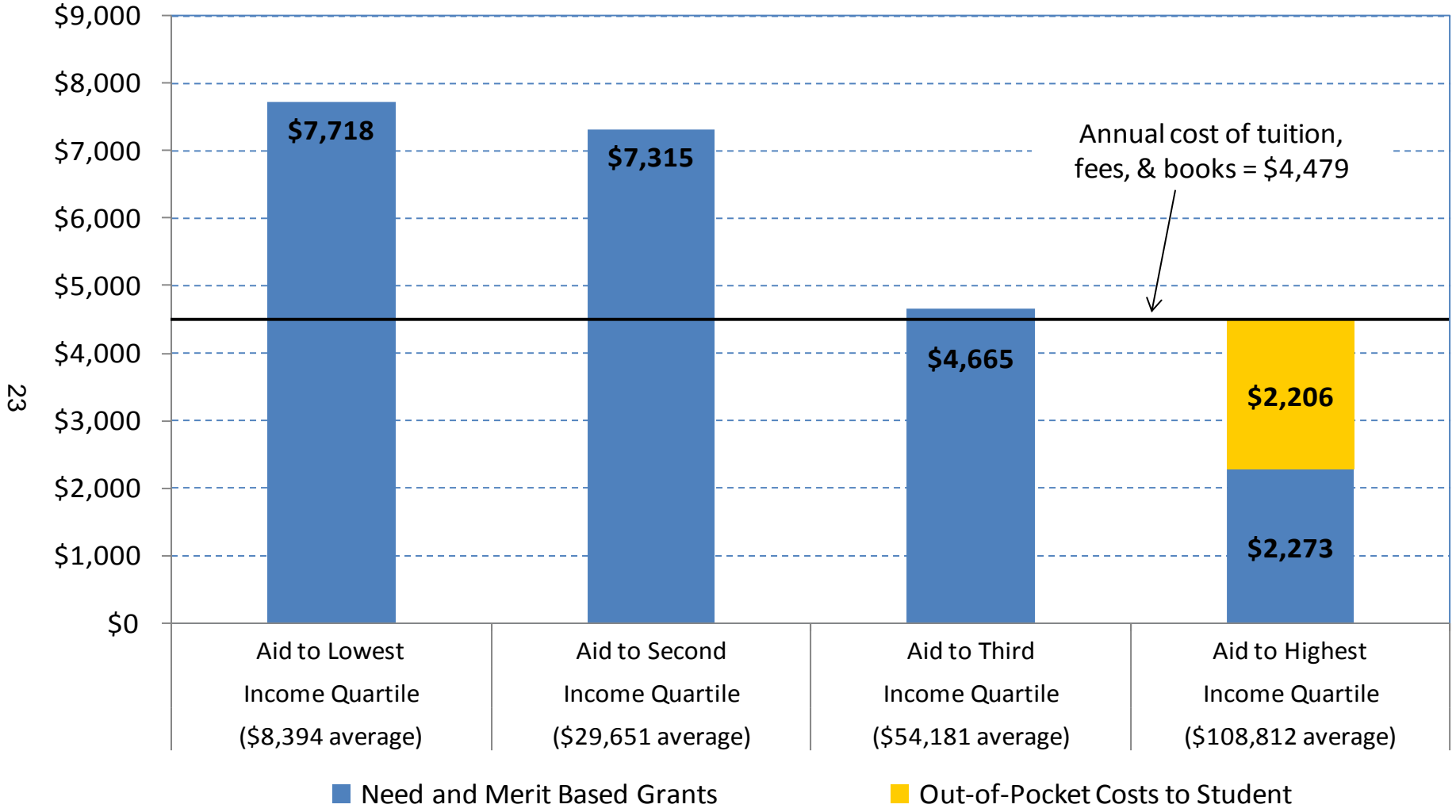
Source: Integrated Postsecondary Education Data System.



# Kentucky Community and Technical College System

## Average Need and Merit Based Grant Aid per Full-Time Resident Undergraduate Student Academic Year 2013-14

Dollars  
(per Student)



Sources: CPE Comprehensive Database; Integrated Postsecondary Data System.



# Making Kentucky **STRONGER BY DEGREES**

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**Kentucky Council on Postsecondary Education**  
**Robert L. King, President**  
**April 26, 2016**