

KY COUNCIL ON POSTSECONDARY EDUCATION FINANCE COMMITTEE



June 9, 2020 - 3:00 PM

ZOOM teleconferencing for Committee members

Livestream video for public: <https://youtu.be/thzcz457zZU>

I. Call to Order and Roll Call

II. Approval of the Minutes

– *April 20, 2020*

III. Campus Tuition and Mandatory Fee Proposals (Action Items)

- A. Kentucky State University
- B. Morehead State University
- C. Murray State University
- D. Northern Kentucky University
- E. Western Kentucky University
- F. Kentucky Community and Technical College System

IV. Delegate Tuition Approval Authority to Finance Committee

- A. University of Kentucky
- B. University of Louisville
- C. Eastern Kentucky University

V. Update on CARES Act Funding

- A. Status of Emergency Financial Aid Grants to Students
- B. Status of Institutional Portion of Higher Education Emergency Relief Fund
- C. Distribution of Governors Emergency Education Relief Fund

VI. Fiscal 2020-21 Performance Fund Distribution

VII. Update on Proposed 2020-21 Agency Operating Budget

VIII. Other Business and Adjournment

DRAFT MINUTES
Council on Postsecondary Education

Type: Finance Committee Meeting
Date: April 20, 2020
Time: 1:00 p.m. ET
Location: Virtual Meeting – Committee member by ZOOM teleconference. Public viewing at: <https://youtu.be/iKRItLNR46Q>

CALL TO ORDER

The Finance Committee met Monday April 20, 2020, at 1:00 p.m., ET. Pursuant to Executive Order 2020-243 and a memorandum issued by the Finance and Administration Cabinet dated March 16, 2020, and in an effort to prevent the spread of Novel Coronavirus (COVID-19), the Committee met utilizing a video teleconference. Members of the public were invited to view the meeting virtually on the CPE YouTube page: <https://youtu.be/iKRItLNR46Q>. Chair Ben Brandstetter presided.

ATTENDENCE

Members in attendance: Ben Brandstetter, Kim Halbauer, Grant Minix, Richard Nelson, Carol Wright, and Sherrill Zimmerman. All attended by teleconference.

Heather Faesy, CPE’s senior associate for Board Relations, served as recorder of the meeting minutes.

APPROVAL OF THE MINUTES

The minutes of the March 18, 2020 Finance Committee meeting were approved as presented.

2021 TUITION AND MANDATORY FEE RECOMMENDATION

CPE President Aaron Thompson provided an overview of the collaborative process used to develop the 2020-21 tuition and mandatory fee recommendation, which included sharing information and engaging in discussions with campus presidents and chief budget officers, Council members, and the Governor’s office. Based on feedback from multiple stakeholders and in recognition that many Kentucky students and families may be struggling financially due to disruptions caused by the COVID-19 pandemic,

there is a general sentiment that increases in resident undergraduate tuition and fees should be low in academic year 2020-21 to support a necessary balance between the ability of students and families to pay for college and resources required for postsecondary institutions to address inflationary cost increases, avoid or minimize potential layoffs of faculty and staff, and support continuing progress toward attainment of HB1 and Strategic Agenda goals and objectives.

Dr. Bill Payne, CPE's Vice President of Finance and Administration reviewed the Council staff's recommendation, which had the following provisions:

- Resident undergraduate tuition and mandatory fee ceilings for academic year 2020-21 that equate to maximum base rate increases of no more than 2.0 percent at the public research and comprehensive universities.
- Tuition and fee ceiling for resident students attending KCTCS institutions that equates to a maximum increase of no more than \$5.00 per credit hour in total tuition and fee charges (i.e., a 2.7% increase).
- Public institutions be allowed to submit, for Council review and approval, market competitive tuition and fee rates for graduate and online courses.

Dr. Payne also reviewed how the recommended maximum tuition rate increase would equate in dollar change per credit hour, the public institution's change in net general funds from 2019-20 to 2020-21, the estimated allocations for Kentucky's public postsecondary institutions under the CARES Act, and the institutions' estimated fixed and unavoidable cost increases for academic year 2020-21.

Council members discussed several topics including the financial difficulties on Kentucky's campuses, potential and actual furloughs of campus employees, the potential delay of students returning to campus in the fall versus taking all classes online and how that may impact tuition setting, and the financial hardships currently facing students and their families due to COVID-19. They also discussed the ability to set a tuition rate ceiling for the 2020 fall semester only with the option of reviewing the spring semester ceilings at a later date.

Kim Halbauer motioned for the Council to approve a zero percent increase in tuition and mandatory fees for all Kentucky public institutions, and later amended it to the following:

MOTION: Ms. Halbauer moved the Finance Committee recommend the full Council approve a zero percent (0%) increase in resident undergraduate tuition and mandatory fee ceilings for academic year 2020-21 at the public research and comprehensive universities and KCTCS institutions. If extenuating circumstances arise, the Council reserves the right to revisit the parameters as warranted. Additionally, public

institutions will be allowed to submit, for Council review and approval, market competitive tuition and fee rates for graduate and online courses. Mr. Minix seconded the motion.

VOTE: In a roll call vote, the motion passed 5-2. Both Ms. Zimmerman and Dr. Staat voted no.

UPDATE ON CARES ACT FUNDING

Information was provided in the agenda materials, but it was not discussed at the meeting. Chair Brandstetter asked that staff discuss this information further at the Council meeting on April 24, 2020.

ADJOURNMENT

The Finance Committee adjourned at 2:42 p.m., ET.

MINUTES REVIEWED AND APPROVED BY THE FINANCE COMMITTEE: _____

TITLE: 2020-21 Campus Tuition and Mandatory Fee Proposal: Kentucky State University

RECOMMENDATION: Staff recommends that the Finance Committee approve the following 2020-21 tuition and mandatory fee rates for the Kentucky State University, and recommend approval by the full Council at its June 19, 2020 meeting.

PRESENTERS: Bill Payne, CPE's Vice President for Finance and Administration
Shaun McKiernan, CPE's Director of Finance and Budget
Ryan Kaffenberger, CPE's Senior Associate for Budget and Finance

SUPPORTING INFORMATION

In early June, Kentucky State University (KSU) officials submitted a tuition and fee proposal for academic year 2020-21 to the Council, along with tuition and fee revenue estimates for the current fiscal year (2019-20) and the upcoming fiscal year (2020-21). Council staff reviewed KSU's proposed rates and recommend that the Council approve these rates. Upon approval by the Council, the proposed rates will establish maximum tuition and mandatory fee charges that may be assessed to students enrolling at KSU during fall semester 2020, spring semester 2021, and summer semester 2021.

Tuition and Mandatory Fees

On April 24, 2020, in light of the disruption and financial uncertainties caused by the coronavirus pandemic, the Council voted to allow the postsecondary institutions the discretion to determine their own tuition and fee increases for resident undergraduate students for the upcoming academic year. This will allow each institution to submit proposals that balance the needs of students and families and the resource needs of the institution. As has been the case in past years, the Council voted to allow institutions to submit for approval market competitive rates for graduate and online courses.

Tuition and fee parameters apply to base rates. Base rates are defined as total tuition and fee charges minus any Special Use Fees and Asset Preservation Fees previously

approved by the Council, and minus an agency bond fee at KCTCS (i.e., BuildSmart Investment Fee). Council staff deduct these fees from total tuition and fees before applying percent increase parameters, which keeps the fees at a fixed amount each year until they expire.

As can be seen in the table below, KSU is proposing no increase to its resident undergraduate base rate for 2020-21. Total tuition and fee charges include an Asset Preservation Fee of \$150.⁰⁰ per semester for full-time students, or \$300.⁰⁰ annually, and of \$10.⁰⁰ per credit hour for part-time students. That fee remains unchanged between academic years 2019-20 and 2020-21.

KSU's Board of Regents approved the university's 2020-21 tuition and fee charges at its June 4, 2020 meeting. In 2018, KSU's Board approved a four-year tuition guarantee, which establishes a fixed tuition and mandatory fee charge for entering full-time students, which will not go up during their first four years of attendance. Additionally, returning students will receive a pro-rata tuition guarantee based on the number of years they have completed (e.g., a student classified as a sophomore will receive a three-year guarantee; a student classified as a junior will receive a two-year guarantee).

Attachment A contains additional categories of tuition and fee charges, including proposed per-credit-hour rates for part-time resident and nonresident undergraduate students, graduate students, and online students. Please note that KSU displays mandatory fees separately (see Attachment A), however, the Council staff has included these mandatory fees (i.e. Course Materials Fee, Technology Fee, and Safety & Security Fee) in the base rate table above. Staff recommends approval of these additional categories of rates as proposed by the university.

Estimated Tuition Revenue

KSU officials estimate that their proposed 2020-21 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 \$10.3 million in gross tuition and fee revenue, which is \$2.9 million less than is projected for the current year (see Attachment B). KSU officials estimate that the university's Education and General (E&G) fixed costs will increase by about \$75 thousand between fiscal years 2019-20 and 2020-21, which represents an increase of about 0.2% over current year costs.

KSU Annual Base Rate Comparison

<u>Rate Category</u>	<u>Current 2019-20 Base Rate Charges</u>	<u>Proposed 2020-21 Base Rate Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$8,500	\$8,500	\$0	0.0%
Nonresident*	\$19,800	\$12,350	-\$7,450	-37.6%
Graduate				
Resident	\$10,880	\$10,880	\$0	0.0%
Nonresident	\$15,920	\$15,920	\$0	0.0%

*As of Fall 2020, all nonresident, undergraduate students will be assessed the same rate.

KSU Annual Tuition and Fee Charge Comparison

<u>Rate Category</u>	<u>Current 2019-20 Tuition & Fee Charges</u>	<u>Proposed 2020-21 Tuition & Fee Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$8,800	\$8,800	\$0	0.0%
Nonresident*	\$20,100	\$12,650	-\$7,450	-37.1%
Graduate				
Resident	\$11,180	\$11,180	\$0	0.0%
Nonresident	\$16,220	\$16,220	\$0	0.0%

*As of Fall 2020, all nonresident, undergraduate students will be assessed the same rate.

KSU's tuition and fee charges include an Asset Preservation Fee of \$150.⁰⁰ per semester, or \$300.⁰⁰ annually, for full-time students and \$10.⁰⁰ per credit hour for part-time students.

Proposed 2020-21 Tuition and Mandatory Fee Charges Kentucky State University

<i>Category</i>	Fall 2020	Spring 2021	Annual 2020-21	Summer 2021
<i>Undergraduate</i>				
Resident				
Full-time (15 credit hours)*	3,850	3,850	7,700	
Per Credit Hour**	325	325		125
Nonresident				
Full-time (15 credit hours)*	5,775	5,775	11,550	
Per Credit Hour**	488	488		125
Nonresident-Destiny (Targeted States)				
Full-time (15 credit hours)*	5,775	5,775	11,500	
Per Credit Hour**	488	488		125
Nonresident-Legacy				
Full-time*	5,775	5,775	11,550	
Per Credit Hour**	488	488		125
Online Programs				
Per Credit Hour**				
<i>Graduate</i>				
Resident				
Full-time*	5,040	5,040	10,080	
Per Credit Hour**	420	420		420
Nonresident				
Full-time*	7,560	7,560	15,120	
Per Credit Hour**	630	630		630
Online Programs				
Per Credit Hour**	500	500		500

- * Full-time undergraduate and graduate tuition rates do not include the following:
 \$195 per semester mandatory Course & Materials Fee.
 \$155 per semester mandatory Technology Fee.
 \$50 per semester mandatory Safety & Security Fee.
 \$150 per semester mandatory Asset Preservation Fee.

KSU has adopted a four year tuition guarantee beginning with the Fall 2018 semester.

- ** Per Credit Hour undergraduate and graduate tuition rates do not include the following:
 \$45 per class mandatory Course & Materials Fee.
 \$10 per credit hour mandatory Technology Fee.
 \$5 per credit hour mandatory Safety & Security Fee.
 \$10 per credit hour mandatory Asset Preservation Fee.

ATTACHMENT B

**Estimated 2020-21 Gross Tuition and Mandatory Fee Revenue
Kentucky State University**

<i>Category</i>	Estimated 2019-20	Estimated 2020-21
<i>Undergraduate</i>		
Resident	\$ 4,764,921	\$ 3,585,000
Nonresident	6,465,232	4,915,000
Online	518,323	500,000
<i>Graduate</i>		
Resident	336,000	305,000
Nonresident	215,460	205,250
Online	411,390	402,750
<i>Summer</i>	403,062	350,000
<i>Total</i>	\$ 13,114,388	\$ 10,263,000

TITLE: 2020-21 Campus Tuition and Mandatory Fee Proposal: Morehead State University

RECOMMENDATION: Staff recommends that the Finance Committee approve the following 2020-21 tuition and mandatory fee rates for Morehead State University, and recommend approval by the full Council at its June 19, 2020 meeting.

PRESENTERS: Bill Payne, CPE's Vice President for Finance and Administration
Shaun McKiernan, CPE's Director of Finance and Budget
Ryan Kaffenberger, CPE's Senior Associate for Budget and Finance

SUPPORTING INFORMATION

In late May, Morehead State University (MoSU) officials submitted a tuition and fee proposal for academic year 2020-21 to the Council, along with tuition and fee revenue estimates for the current fiscal year (2019-20) and the upcoming fiscal year (2020-21). Council staff reviewed MoSU's proposed rates and recommend that the Council approve these rates. Upon approval by the Council, the proposed rates will establish maximum tuition and mandatory fee charges that may be assessed to students enrolling at MoSU during fall semester 2020, and during winter, spring, and summer terms, 2021.

Tuition and Mandatory Fees

On April 24, 2020, in light of the disruption and financial uncertainties caused by the coronavirus pandemic, the Council voted to allow the postsecondary institutions the discretion to determine their own tuition and fee increases for resident undergraduate students for the upcoming academic year. This will allow each institution to submit proposals that balance the needs of students and families and the resource needs of the institution. As has been the case in past years, the Council voted to allow institutions to submit for approval market competitive rates for graduate and online courses.

Tuition and fee parameters apply to base rates. Base rates are defined as total tuition and fee charges minus any Special Use Fees and Asset Preservation Fees previously

approved by the Council, and minus an agency bond fee at KCTCS (i.e., BuildSmart Investment Fee). Council staff deduct these fees from total tuition and fees before applying percent increase parameters, which keeps the fees at a fixed amount each year until they expire.

As can be seen in the table below, MoSU is proposing no increase to its resident undergraduate base rate for 2020-21. Total tuition and fee charges include a Special Use Fee of \$132.⁰⁰ per year for full-time students and an Asset Preservation Fee of \$120.⁰⁰

MoSU's proposed tuition and fee charges are scheduled to go before their Board at its June 18, 2020 meeting.

MoSU Annual Base Rate Comparison					
<u>Rate Category</u>	<u>Current 2019-20 Base Rate Charges</u>	<u>Proposed 2020-21 Base Rate Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>	
Undergraduate					
Resident	\$9,038	\$9,038	\$0	0.0%	
Nonresident	\$13,624	\$13,624	\$0	0.0%	
Graduate					
Resident	\$574 pch	\$574 pch	\$0	0.0%	
Nonresident	\$574 pch	\$574 pch	\$0	0.0%	
MoSU Annual Tuition and Fee Charge Comparison					
<u>Rate Category</u>	<u>Current 2019-20 Tuition & Fee Charges</u>	<u>Proposed 2020-21 Tuition & Fee Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>	
Undergraduate					
Resident	\$9,290	\$9,290	\$0	0.0%	
Nonresident	\$13,876	\$13,876	\$0	0.0%	
Graduate					
Resident	\$584 pch	\$584 pch	\$0	0.0%	
Nonresident	\$584 pch	\$584 pch	\$0	0.0%	
MoSU's tuition and fee charges include a Special Use Fee of \$66. ⁰⁰ per semester, or \$132. ⁰⁰ per year, and an Asset Preservation Fee of \$60. ⁰⁰ per semester, or \$120. ⁰⁰ annually, for full-time undergraduate students. For part-time and graduate students, fees are \$5. ⁰⁰ per credit hour for each fee, of \$10. ⁰⁰ per credit hour total.					

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

Estimated Tuition Revenue

MoSU officials estimate that their proposed 2020-21 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 \$58.1 million in gross tuition and fee revenue, which is \$6.4 million less than is projected for the current year (see Attachment B). MoSU officials estimate that the university's Education and General (E&G) fixed costs will increase by about \$3.9 million between fiscal years 2019-20 and 2020-21, which represents an increase of about 4% over current year costs.

ATTACHMENT A

**Proposed 2020-21 Tuition and Mandatory Fee Charges
Morehead State University**

<i>Category</i>	Fall 2020	Spring 2021	Annual 2020-21	Winter & Summer 2021
<i>Undergraduate</i>				
Resident				
Full-time	4,519	4,519	9,038	-
Per Credit Hour	378	378	-	378
Nonresident				
Full-time	6,812	6,812	13,624	-
Per Credit Hour	569	569	-	569
International				
Full-time	11,399	11,399	22,798	-
Per Credit Hour	952	952	-	952
<i>Graduate</i>				
Resident				
Full-time	-	-	-	-
Per Credit Hour	574	574	-	574
Volgenau College of Education (600-level) Per Credit Hour	378	378	-	378
Nonresident				
Full-time	-	-	-	-
Per Credit Hour	574	574	-	574
International				
Full-time	-	-	-	-
Per Credit Hour	574	574	-	574
<hr/>				
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	5	5	-	5

ATTACHMENT B**Estimated 2020-21 Gross Tuition and Mandatory Fee Revenue
Morehead State University**

<i>Category</i>	Estimated 2019-20	Estimated 2020-21
<i>Undergraduate</i>		
Resident	45,426,143	41,785,568
Nonresident	8,828,701	8,961,513
International	2,409,807	1,096,828
<i>Graduate</i>		
Resident	5,123,804	3,982,816
Nonresident	871,799	699,585
International	230,562	115,254
Asset Preservation Fee	754,835	650,000
Special Use Fee	843,014	814,836
Total	\$ 64,488,665	\$ 58,106,400

TITLE: 2020-21 Campus Tuition and Mandatory Fee Proposal: Murray State University

RECOMMENDATION: Staff recommends that the Finance Committee approve the following 2020-21 tuition and mandatory fee rates for Murray State University, and recommend approval by the full Council at its June 19, 2020 meeting.

PRESENTERS: Bill Payne, CPE's Vice President for Finance and Administration
Shaun McKiernan, CPE's Director of Finance and Budget
Ryan Kaffenberger, CPE's Senior Associate for Budget and Finance

SUPPORTING INFORMATION

In late May, Murray State University (MuSU) officials submitted a tuition and fee proposal for academic year 2020-21 to the Council, along with tuition and fee revenue estimates for the current fiscal year (2019-20) and the upcoming fiscal year (2020-21). Council staff reviewed MuSU's proposed rates and recommend that the Council approve these rates. Upon approval by the Council, the proposed rates will establish maximum tuition and mandatory fee charges that may be assessed to students enrolling at MuSU during fall semester 2020, spring semester 2021, and summer term 2021.

Tuition and Mandatory Fees

On April 24, 2020, in light of the disruption and financial uncertainties caused by the coronavirus pandemic, the Council voted to allow the postsecondary institutions the discretion to determine their own tuition and fee increases for resident undergraduate students for the upcoming academic year. This will allow each institution to submit proposals that balance the needs of students and families and the resource needs of the institution. As has been the case in past years, the Council voted to allow institutions to submit for approval market competitive rates for graduate and online courses.

Tuition and fee parameters apply to base rates. Base rates are defined as total tuition and fee charges minus any Special Use Fees and Asset Preservation Fees previously

approved by the Council, and minus an agency bond fee at KCTCS (i.e., BuildSmart Investment Fee). Council staff deduct these fees from total tuition and fees before applying percent increase parameters, which keeps the fees at a fixed amount each year until they expire.

As can be seen in the table below, MuSU is proposing no increase to its resident undergraduate base rate for 2020-21. Total tuition and fee charges currently do not include a Special Use Fee, but a new Asset Preservation Fee was approved starting in 2019-20 at \$7.⁰⁰ per credit hour, capped at 12 credit hours per semester, or \$168.⁰⁰ per year for full-time students (fall and spring semesters only, does not include summer). The approved fee increases to \$10.⁰⁰ per credit hour, capped at 15 credit hours per semester, in 2020-21, which totals \$300.⁰⁰ per year for the Council's full-time comparison purposes (fall and spring semesters only). The approved Asset Preservation Fee is included in the chart as information.

MuSU's Board approved the university's 2020-21 tuition and fee charges at its April 24, 2020 meeting.

MuSU Annual Base Rate Comparison						
<u>Rate Category</u>	<u>Current 2019-20 Base Rate Charges</u>		<u>Proposed 2020-21 Base Rate Charges</u>		<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate						
Pre Summer 2016 Admit						
Resident	\$8,676		\$8,676		\$0	0.0%
Nonresident	\$23,604		\$23,604		\$0	0.0%
Summer 2016 to Spring 2020 Admit						
Resident	\$9,168		\$9,168		\$0	0.0%
Nonresident	\$24,792		\$24,792		\$0	0.0%
Regional	\$18,348		\$18,348		\$0	0.0%
Summer 2020 Admit and After						
Resident	n/a		\$9,168		n/a	n/a
Nonresident	n/a		\$18,348		n/a	n/a
*All nonresidents admitted Summer 2020 and after will be assessed the current year regional rate.						
Graduate						
Resident	\$544	pch	\$544	pch	\$0	0.0%
Nonresident	\$800	pch	\$800	pch	\$0	0.0%

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

MuSU Annual Tuition and Fee Charge Comparison						
Rate Category	Current 2019-20 Tuition & Fee Charges		Proposed 2020-21 Tuition & Fee Charges		Dollar Change	Percent Change
Undergraduate						
Pre Summer 2016 Admit						
Resident	\$8,844		\$8,976		\$132	1.5%
Nonresident	\$23,772		\$23,904		\$132	0.6%
Summer 2016 to Spring 2020 Admit						
Resident	\$9,336		\$9,468		\$132	1.4%
Nonresident	\$24,960		\$25,092		\$132	0.5%
Regional	\$18,516		\$18,648		\$132	0.7%
Summer 2020 Admit and After						
Resident	n/a		\$9,468		n/a	n/a
Nonresident	n/a		\$18,648		n/a	n/a
*All nonresidents admitted Summer 2020 and after will be assessed the current year regional rate.						
Graduate						
Resident	\$551	pch	\$554	pch	\$3	0.5%
Nonresident	\$807	pch	\$810	pch	\$3	0.4%
<p>MuSU's tuition and fee charges for 2019-20 include an Asset Preservation Fee of \$84 per semester, or \$168.⁰⁰ per year for full-time students (fall and spring semesters only, does not include summer) and \$7.⁰⁰ per credit hour for part-time students. The approved fee increases by \$3.⁰⁰ per credit hour to \$10.⁰⁰ per credit hour, capped at 15 hours per semester, in 2020-21, and increases to \$300.⁰⁰ per year for full-time comparison students (fall and spring semesters only), which is an increase of \$132.⁰⁰ per year.</p>						

Estimated Tuition Revenue

MuSU officials estimate that their proposed 2020-21 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 \$98.6 million in gross tuition and fee

revenue, which is \$2.4 million less than is projected for the current year (see Attachment B). MuSU officials estimate that the university's Education and General (E&G) fixed costs will increase by about \$6.6 million between fiscal years 2019-20 and 2020-21, which represents an increase of about 4% over current year costs.

Proposed 2020-21 Tuition and Mandatory Fee Charges
Murray State University

Category	UNDERGRADUATE STUDENTS											
	Students beginning prior to Summer 2016				Students admitted Summer 2016 to Spring 2020				Students admitted Summer 2020 or after			
	Fall 2020	Spring 2021	Annual 2020-21	Summer 2021	Fall 2020	Spring 2021	Annual 2020-21	Summer 2021	Fall 2020	Spring 2021	Annual 2020-21	Summer 2021
<i>Undergraduate</i>												
Resident												
Full-time (up to 15 hours)	4,338.00	4,338.00	8,676.00		4,584.00	4,584.00	9,168.00		4,584.00	4,584.00	9,168.00	
Per Credit Hour	361.50	361.50		361.50	382.00	382.00		382.00	382.00	382.00		382.00
(Online Courses Resident) Per Credit Hour	(a)	(a)		(a)	(a)	(a)		(a)	(a)	(a)		(a)
Nonresident												
Full-time (up to 15 hours)	11,802.00	11,802.00	23,604.00		12,396.00	12,396.00	24,792.00		9,174.00	9,174.00	18,348.00	
Per Credit Hour	983.50	983.50		983.50	1,033.00	1,033.00		1,033.00	764.50	764.50		764.50
(Online Courses Nonresident) Per Credit Hour	(a)	(a)		(a)	(a)	(a)		(a)	(a)	(a)		(a)
Regional												
Full-time (up to 15 hours)	11,802.00	11,802.00	23,604.00		9,174.00	9,174.00	18,348.00					
Per Credit Hour	983.50	983.50		983.50	764.50	764.50		764.50				
(Online Courses Regional) Per Credit Hour	(a)	(a)		(a)	(a)	(a)		(a)				

All Graduate Students			
Fall 2020	Spring 2021	Annual 2020-21	Summer 2021

Graduate-All programs not defined below

Resident			
Per Credit Hour	544.00	544.00	544.00
Nonresident			
Per Credit Hour	800.00	800.00	800.00
Regional			
Per Credit Hour	544.00	544.00	544.00
Online Per Credit Hour, regardless of residency	544.00	544.00	544.00

Graduate-Education

Resident			
Per Credit Hour	375.00	375.00	375.00
Nonresident			
Per Credit Hour	800.00	800.00	800.00
Regional			
Per Credit Hour	544.00	544.00	544.00
Online Per Credit Hour, regardless of residency	544.00	544.00	544.00

Graduate-below programs

Occupational Therapy			
Speech-Language Pathology			
Applied Engineering and Technology Management			
Resident			
Per Credit Hour	600.00	600.00	600.00
Nonresident			
Per Credit Hour	800.00	800.00	800.00
Regional			
Per Credit Hour	600.00	600.00	600.00
Online Per Credit Hour, regardless of residency	544.00	544.00	544.00

Graduate-below programs

Master of Business Administration			
Master of Science Cybersecurity Management			
Master of Science Mass communications with a Concentration in Public Relations			
Master of Science in Information Systems with a Concentration in Business Analytics			
Online Per Credit Hour, regardless of residency	533.00	533.00	533.00

	All Graduate Students			
	Fall 2020	Spring 2021	Annual 2020-21	Summer 2021
<i>Graduate-below programs</i>				
Master of Public Administration				
Online Per Credit Hour, regardless of residency	415.00	415.00		415.00
<i>Doctor of Education</i>				
Per Credit Hour, regardless of residency	590.00	590.00		590.00
Online Per Credit Hour, regardless of residency	544.00	544.00		544.00
<i>Doctor of English</i>				
Per Credit Hour, regardless of residency	590.00	590.00		590.00
Online Per Credit Hour, regardless of residency	544.00	544.00		544.00
<i>Doctor of Nursing Practice - Nursing</i>				
Per Credit Hour, regardless of residency	590.00	590.00		590.00
Online Per Credit Hour, regardless of residency	544.00	544.00		544.00
<i>Doctor of Nursing Practice - Family Nurse Practitioner</i>				
Per Credit Hour, regardless of residency	590.00	590.00		590.00
Online Per Credit Hour, regardless of residency	544.00	544.00		544.00
<i>Doctor of Nursing Practice - Nurse Anesthetist</i>				
Per Credit Hour, regardless of residency	700.00	700.00		700.00
Online Per Credit Hour, regardless of residency	544.00	544.00		544.00

Footnotes:

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

Note: All rates shown above do not include a \$10.00 per-credit-hour Asset Preservation Fee, capped at 15 credit hours per semester for fall and spring semesters. Students enrolled in full online programs are not assessed the Asset Preservation Fee.

ATTACHMENT B

Estimated 2020-21 Gross Tuition and Mandatory Fee Revenue Murray State University

<u>Category</u>	<u>Estimated 2019-20</u>	<u>Estimated 2020-21</u>
<i>Undergraduate</i>		
Resident	\$ 42,230,731	\$ 42,263,499
Nonresident	44,174,206	42,010,738
Online (a)	1,453,806	1,454,934
<i>Graduate</i>		
Resident	3,032,845	3,035,198
Nonresident	2,967,636	2,647,110
Online	4,990,417	4,994,290
<i>Doctorial</i>		
Resident	776,426	777,029
Nonresident	366,113	366,397
Online	1,086,516	1,087,359
	-	
Total	<u>\$ 101,078,697</u>	<u>\$ 98,636,554</u>

Note:

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

TITLE: 2020-21 Campus Tuition and Mandatory Fee Proposal: Northern Kentucky University

RECOMMENDATION: Staff recommends that the Finance Committee approve the following 2020-21 tuition and mandatory fee rates for Northern Kentucky University, and recommend approval by the full Council at its June 19, 2020 meeting.

PRESENTERS: Bill Payne, CPE's Vice President for Finance and Administration
Shaun McKiernan, CPE's Director of Finance and Budget
Ryan Kaffenberger, CPE's Senior Associate for Budget and Finance

SUPPORTING INFORMATION

In late May, Northern Kentucky University (NKU) officials submitted a tuition and fee proposal for academic year 2020-21 to the Council, along with tuition and fee revenue estimates for the current fiscal year (2019-20) and the upcoming fiscal year (2020-21). Council staff reviewed NKU's proposed rates and recommend that the Council approve these rates. Upon approval by the Council, the proposed rates will establish maximum tuition and mandatory fee charges that may be assessed to students enrolling at NKU during fall semester 2020, winter term 2020, spring semester 2021, and summer term 2021.

Tuition and Mandatory Fees

On April 24, 2020, in light of the disruption and financial uncertainties caused by the coronavirus pandemic, the Council voted to allow the postsecondary institutions the discretion to determine their own tuition and fee increases for resident undergraduate students for the upcoming academic year. This will allow each institution to submit proposals that balance the needs of students and families and the resource needs of the institution. As has been the case in past years, the Council voted to allow institutions to submit for approval market competitive rates for graduate and online courses.

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

As can be seen in the table below, NKU is proposing no increase to its resident undergraduate base rate for 2020-21. Total tuition and fee charges include a Special Use Fee (Campus Recreation Fee) of \$192.⁰⁰ per semester for full-time students (or \$384.⁰⁰ annually), or \$16.⁰⁰ per credit hour for part-time students. That fee remains unchanged between academic years 2019-20 and 2020-21.

NKU Annual Base Rate Comparison					
<u>Rate Category</u>	<u>Current 2019-20 Base Rate Charges</u>	<u>Proposed 2020-21 Base Rate Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>	
Undergraduate					
Resident	\$9,912	\$9,912	\$0	0.0%	
Nonresident	\$19,872	\$19,872	\$0	0.0%	
Graduate					
Resident	\$613 pch	\$613 pch	\$0	0.0%	
Nonresident	\$943 pch	\$943 pch	\$0	0.0%	
NKU Annual Tuition and Fee Charge Comparison					
<u>Rate Category</u>	<u>Current 2019-20 Tuition & Fee Charges</u>	<u>Proposed 2020-21 Tuition & Fee Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>	
Undergraduate					
Resident	\$10,296	\$10,296	\$0	0.0%	
Nonresident	\$20,256	\$20,256	\$0	0.0%	
Graduate					
Resident	\$629 pch	\$629 pch	\$0	0.0%	
Nonresident	\$959 pch	\$959 pch	\$0	0.0%	
NKU's tuition and fee charges include a Special Use Fee of \$192. ⁰⁰ per semester for full-time students and \$16. ⁰⁰ per credit hour for part-time students.					

NKU's Board of Regents approved the university's 2020-21 tuition and fee charges at its May 13, 2020 meeting.

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

Estimated Tuition Revenue

NKU officials estimate that their proposed 2020-21 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 \$166.6 million in gross tuition and fee revenue, which is \$2.9 million less than is projected for the current year (see Attachment B). NKU officials estimate that the university's Education and General (E&G) fixed costs will increase by about \$14.1 million between fiscal years 2019-20 and 2020-21, which represents an increase of about 7% over current year costs.

**Proposed 2020-21 Tuition and Mandatory Fee Charges
Northern Kentucky University**

<i>Category-Tuition</i>	Fall 2020	Spring 2021	Annual 2020-21	Summer 2021	Winter 2020
Undergraduate					
Resident/Indiana					
Full-time (12-16 credit hours)	\$4,956	\$4,956	\$9,912	N/A	N/A
Per Credit Hour	413	413	N/A	413	413
Metro					
Full-time (12-16 credit hours)	7,500	7,500	15,000	N/A	N/A
Per Credit Hour	625	625	N/A	625	625
Nonresident					
Full-time (12-16 credit hours)	9,936	9,936	19,872	N/A	N/A
Per Credit Hour	828	828	N/A	828	828
Resident and Nonresident Online					
Per Credit Hour	448	448	N/A	448	448
Resident and Nonresident - RN-BSN Online Partner					
Per Credit Hour	330	330	N/A	330	330
Resident and Nonresident - School Based Scholars					
Per Credit Hour	69	69	N/A	69	69
Graduate/Doctorate - Per Credit Hour					
Resident	613	613	N/A	613	613
Ohio/Indiana	738	738	N/A	738	738
Nonresident	943	943	N/A	943	943
Nonresident & Resident - Online	653	653	N/A	653	653
College of Informatics - MHI Accelerated Online	520	520	N/A	520	520
Master of Education - Per Credit Hour					
Master of Arts in Education - non accelerated online	400	400	N/A	400	400
Master of Arts in Education - accelerated online	400	400	N/A	400	400
Master of Arts in Teaching - accelerated online	400	400	N/A	400	400
Alternative Certification in Special Ed - AOL	400	400	N/A	400	400
MAED: Teacher as Leader - Great 8 Cohort	351	351	N/A	351	351
Education Post Masters - Per Credit Hour					
Education Specialist T&L - accelerated online	400	400	N/A	400	400
Education Specialist-other than accelerated online	400	400	N/A	400	400
Graduate Certifications/Rank 1	400	400	N/A	400	400
Education Doctorate - Per Credit Hour					
Resident	684	684	N/A	684	684
Ohio/Indiana	803	803	N/A	803	803
Nonresident	998	998	N/A	998	998
Business Graduate - Per Credit Hour					
Resident	565	565	N/A	565	565
Ohio/Indiana	664	664	N/A	664	664
Nonresident	921	921	N/A	921	921
Accelerated Online Master of Business	460	460	N/A	460	460
Master of Business in Leadership & Innovation (MBLI)	N/A	N/A	\$28,950	N/A	N/A
MBA International Partnership	N/A	N/A	\$10,000	N/A	N/A
College of Health and Human Services (Nursing Grad Cohort Programs) - Per Credit Hour					
Doctor of Nursing Practice (DNP) - accelerated	570	570	N/A	570	570
DNP - Post Masters - non accelerated online	673	673	N/A	673	673
DNP - Nursing Anesthesia (resident)	746	746	N/A	746	746
DNP - Nursing Anesthesia (non resident)	954	954	N/A	954	954
DNP - Nurse Anesthesia Post Masters-non accelerated	673	673	N/A	673	673
Master of Science in Nursing (MSN) - accelerated	550	550	N/A	550	550
MSN - non accelerated	645	645	N/A	645	645
MS - Health Science - accelerated	520	520	N/A	520	520
Master of Science in Exercise Science - non accelerated	450	450	N/A	450	450
Master of Science in Athletic Training (resident)	450	450	N/A	450	450
Master of Science in Athletic Training (non-resident)	550	550	N/A	550	550
Occupational Therapy Doctorate	\$845	\$845	N/A	\$845	\$845
MA School Counseling and/or MS Clinical Mental Health Counseling (resident)	\$613	\$613	N/A	\$613	\$613
MA School Counseling and/or MS Clinical Mental Health Counseling (non-resident)	\$943	\$943	N/A	\$943	\$943
MA School Counseling and/or MS Clinical Mental Health Counseling (Graduate Metro)	\$630	\$630	N/A	\$630	\$630

**Proposed 2020-21 Tuition and Mandatory Fee Charges
Northern Kentucky University**

<i>Category-Tuition</i>	Fall 2020	Spring 2021	Annual 2020-21	Summer 2021	Winter 2020
Law					
Resident					
Full-time (13 - 16 credit hours)	11,100	11,100	22,200	N/A	N/A
Per Credit Hour	854	854	N/A	854	854
Nonresident					
Full-time (13 - 16 credit hours)	17,955	17,955	35,910	N/A	N/A
Per Credit Hour	1,381	1,381	N/A	1,381	1,381
MLS Accelerated Online	854	854	N/A	854	854
LLM (Master in Law for International Students)	N/A	N/A	30,108	N/A	N/A

**Estimated 2020-21 Gross Tuition and Mandatory Fee Revenue
Northern Kentucky University**

<i>Category - Tuition</i>	Estimated 2019-20	Estimated 2020-21
<i>Undergraduate</i>		
Resident	60,619,205	56,945,926
Metro	8,577,492	4,901,866
Nonresident	36,057,816	39,417,659
Indiana Reciprocity	2,855,438	2,883,868
On-Line	5,182,731	4,610,289
School Based Scholars	871,197	1,054,121
AOL Resident	3,329,313	3,662,245
AOL Nonresident	1,426,848	1,569,533
<i>Graduate</i>		
Resident	3,351,624	2,888,811
Ohio/Indiana Rate	2,890,977	2,672,112
Nonresident	561,143	381,888
On-Line	2,597,688	1,935,986
AOL Resident	12,381,482	13,619,630
AOL Nonresident	9,340,416	10,274,458
<i>Business Graduate</i>		
Resident	514,600	444,924
Ohio/Indiana Rate	353,643	319,578
Nonresident	91,980	110,366
ELOC Program	405,422	202,711
<i>First-Professional</i>		
Resident	5,338,947	5,347,176
Nonresident	4,360,796	4,247,742
<i>Doctorate</i>		
Resident	1,442,776	1,881,145
Ohio/Indiana	813,714	876,423
AOL Resident	998,322	1,102,179
AOL Nonresident	693,749	763,124
<i>Executive Doctorate</i>		
Resident	-	-
Non-Resident	-	-
<i>Total Gross Tuition</i>	165,057,319	162,113,759
<i>Category - Mandatory Fee</i>		
Special Use Fee (Campus Rec Fee)	4,452,681	4,452,681
TOTAL TUITION AND MANDATORY FEES	\$ 169,510,000	\$ 166,566,440

TITLE: 2020-21 Campus Tuition and Mandatory Fee Proposal: Western Kentucky University

RECOMMENDATION: Staff recommends that the Finance Committee approve the following 2020-21 tuition and mandatory fee rates for Western Kentucky University, and recommend approval by the full Council at its June 19, 2020 meeting.

PRESENTERS: Bill Payne, CPE's Vice President for Finance and Administration
Shaun McKiernan, CPE's Director of Finance and Budget
Ryan Kaffenberger, CPE's Senior Associate for Budget and Finance

SUPPORTING INFORMATION

In late May, Western Kentucky University (WKU) officials submitted a tuition and fee proposal for academic year 2020-21 to the Council, along with tuition and fee revenue estimates for the current fiscal year (2019-20) and the upcoming fiscal year (2020-21). Council staff reviewed WKU's proposed rates and recommend that the Council approve these rates. Upon approval by the Council, the proposed rates will establish maximum tuition and mandatory fee charges that may be assessed to students enrolling at WKU during fall semester 2020, spring semester 2021, and summer term 2021.

Tuition and Mandatory Fees

On April 24, 2020, in light of the disruption and financial uncertainties caused by the coronavirus pandemic, the Council voted to allow the postsecondary institutions the discretion to determine their own tuition and fee increases for resident undergraduate students for the upcoming academic year. This will allow each institution to submit proposals that balance the needs of students and families and the resource needs of the institution. As has been the case in past years, the Council voted to allow institutions to submit for approval market competitive rates for graduate and online courses.

Tuition and fee parameters apply to base rates. Base rates are defined as total tuition and fee charges minus any Special Use Fees and Asset Preservation Fees previously

approved by the Council, and minus an agency bond fee at KCTCS (i.e., BuildSmart Investment Fee). Council staff deduct these fees from total tuition and fees before applying percent increase parameters, which keeps the fees at a fixed amount each year until they expire.

As can be seen in the table below, WKU is proposing no increase to its resident undergraduate base rate for 2020-21. Total tuition and fee charges include a Special Use Fee of \$200.⁰⁰ per year for full-time students, or \$10.⁰⁰ per credit hour for graduate and part-time students.

WKU's Board approved the university's 2020-21 tuition and fee charges at its May 27, 2020 meeting.

WKU Annual Base Rate Comparison				
<u>Rate Category</u>	<u>Current 2019-20 Rate Charges</u>	<u>Proposed 2020-21 Base Rate Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$10,602	\$10,602	\$0	0.0%
Nonresident	\$26,296	\$26,296	\$0	0.0%
Graduate				
Resident	\$597 pch	\$597 pch	\$0	0.0%
Nonresident	\$907 pch	\$907 pch	\$0	0.0%
WKU Annual Tuition and Fee Charge Comparison				
<u>Rate Category</u>	<u>Current 2019-20 Tuition & Fee Charges</u>	<u>Proposed 2020-21 Tuition & Fee Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$10,802	\$10,802	\$0	0.0%
Nonresident	\$26,496	\$26,496	\$0	0.0%
Graduate				
Resident	\$607 pch	\$607 pch	\$0	0.0%
Nonresident	\$917 pch	\$917 pch	\$0	0.0%
<p>WKU's tuition and fee charges include a Special Use Fee of \$100.⁰⁰ per semester, or \$200.⁰⁰ per year, for full-time students and \$10.⁰⁰ per credit hour for graduate and part-time students.</p>				

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

Estimated Tuition Revenue

WKU officials estimate that their proposed 2020-21 tuition and mandatory fee charges for all categories of students (i.e., every academic level, residency, and full-time or part-time status) will generate about \$167 million in gross tuition and fee revenue, which is \$16.3 million less than is projected for the current year (see Attachment B). WKU officials estimate that the university's Education and General (E&G) fixed costs will increase by about \$3.9 million between fiscal years 2019-20 and 2020-21, which represents an increase of about 1% over current year costs.

ATTACHMENT A

Proposed 2020-21 Tuition and Mandatory Fee Charges Western Kentucky University

<i>Category</i>	Fall 2020	Spring 2021	Annual 2020-21	Winter & Summer 2021
<i>Undergraduate</i>				
Resident				
Full-time (12-18 credit hours)	5,401	5,401	10,802	
Military at Resident Rate	5,401	5,401	10,802	
Part-time (Per Credit Hour)	450	450		450
Dual Credit (Per Credit Hour)	58	58		58
Nonresident				
Full-time (12-18 credit hours)	13,248	13,248	26,496	
Full-time - Tuition Incentive Program (12-18 ch)	6,948	6,948	13,896	
Part-time (Per Credit Hour)	1,104	1,104		1,104
Part-time - Tuition Incentive Program (pch)	579	579		579
Part-time - Distance Learning (Online Courses)	540	540		540
International				
Full-time (12-18 credit hours)	13,572	13,572	27,144	
Part-time (Per Credit Hour)	1,131	1,131		1,131
<i>Graduate</i>				
Resident				
Per Credit Hour	607	607		607
Military at Resident Rate	607	607		607
Kentucky P-12 Educator	415	350		350
Nonresident				
Domestic Per Credit Hour	917	917		917
International Per Credit Hour	953	953		953
Distance Learning (Online Courses)	707	707		707
Doctorate, Nurse Practitioner				
Resident (Per Credit Hour)	663	663		663
Nonresident (Per Credit Hour)	858	858		858
Doctorate, Physical Therapy				
Resident (Per Credit Hour)	643	643		643
Nonresident (Per Credit Hour)	909	909		909
Professional MBA (Per 6 Hours)	5,942	5,942		
Active Military (Per Credit Hour)	250	250		250
Included in the above:				
Special Use Fee (FT)	100	100	200	
Proposed Special Use Fee (FT)	-	-		
Special Use Fee (PT) pro-rated by credit hour				
Graduate	10	10	20	10

ATTACHMENT B

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

<u>Category</u>	<u>Estimated 2019-20</u>	<u>Estimated 2020-21</u>
<i>Undergraduate</i>		
Resident	\$ 101,207,000	\$ 93,382,475
Nonresident	47,627,000	42,734,353
<i>Graduate (incl practice based doctoral)</i>		
Resident	14,639,000	12,662,030
Nonresident	10,602,000	9,496,523
<i>Student Athletics Fee</i>	5,295,000	5,030,250
<i>Centers Fee(Auxiliary Enterprises)</i>	1,502,000	1,426,900
<i>Special Use Fees</i>	2,423,000	2,301,850
<i>Total</i>	<u>\$ 183,295,000</u>	<u>\$ 167,034,381</u>

TITLE: 2020-21 Campus Tuition and Mandatory Fee Proposal: Kentucky Community & Technical College System

RECOMMENDATION: Staff recommends that the Finance Committee approve the following 2020-21 tuition and mandatory fee rates for the Kentucky Community & Technical College System, and recommend approval by the full Council at its June 19, 2020 meeting.

PRESENTERS: Bill Payne, CPE's Vice President for Finance and Administration
Shaun McKiernan, CPE's Director of Finance and Budget
Ryan Kaffenberger, CPE's Senior Associate for Budget and Finance

SUPPORTING INFORMATION

In early June, Kentucky Community & Technical College System (KCTCS) officials submitted a tuition and fee proposal for academic year 2020-21 to the Council, along with tuition and fee revenue estimates for the current fiscal year (2019-20) and the upcoming fiscal year (2020-21). Council staff reviewed KCTCS's proposed rates and recommend that the Council approve these rates. Upon approval by the Council, the proposed rates will establish maximum tuition and mandatory fee charges that may be assessed to students enrolling at KCTCS during fall semester 2020, spring semester 2021, and summer semester 2021.

Tuition and Mandatory Fees

On April 24, 2020, in light of the disruption and financial uncertainties caused by the coronavirus pandemic, the Council voted to allow the postsecondary institutions the discretion to determine their own tuition and fee increases for resident undergraduate students for the upcoming academic year. This will allow each institution to submit proposals that balance the needs of students and families and the resource needs of the institution. As has been the case in past years, the Council voted to allow institutions to submit for approval market competitive rates for graduate and online courses.

Tuition and fee parameters apply to base rates. Base rates are defined as total tuition and fee charges minus any Special Use Fees and Asset Preservation Fees previously

approved by the Council, and minus an agency bond fee at KCTCS (i.e., BuildSmart Investment Fee). Council staff deduct these fees from total tuition and fees before applying percent increase parameters, which keeps the fees at a fixed amount each year until they expire.

As can be seen in the table below, KCTCS is proposing a \$5.⁰⁰, or 2.9% increase, per credit hour to its resident undergraduate base rate for 2020-21. Total tuition and fee charges at KCTCS institutions include an \$8.⁰⁰ per credit hour Agency Bond Fee, which is not included in the base rate.

The proposed tuition and fee charges for 2020-21 will go before the KCTCS Board of Regents for approval at its June 12, 2020 meeting.

KCTCS Annual Base Rate Comparison						
<u>Rate Category</u>	<u>Current 2019-20 Base Rate Charges</u>		<u>Proposed 2020-21 Base Rate Charges</u>		<u>Dollar Change</u>	<u>Percent Change</u>
Resident						
Per Credit Hour	\$174 pch		\$179 pch		\$5	2.9%
30 Credit Hours	\$5,220		\$5,370		\$150	2.9%
Nonresident – Contiguous County						
Per Credit Hour	\$348 pch		\$358 pch		\$10	2.9%
30 Credit Hours	\$10,440		\$10,740		\$300	2.9%
KCTCS Annual Tuition and Fee Charge Comparison						
<u>Rate Category</u>	<u>Current 2019-20 Tuition & Fee Charges</u>		<u>Proposed 2020-21 Tuition & Fee Charges</u>		<u>Dollar Change</u>	<u>Percent Change</u>
Resident						
Per Credit Hour	\$182 pch		\$187 pch		\$5	2.7%
30 Credit Hours	\$5,460		\$5,610		\$150	2.7%
Nonresident – Contiguous County						
Per Credit Hour	\$356 pch		\$366 pch		\$10	2.8%
30 Credit Hours	\$10,680		\$10,980		\$300	2.8%
KCTCS's tuition and fee charges include an \$8. ⁰⁰ per credit hour Agency Bond Fee.						

Attachment A contains all categories of tuition and fee charges, including per-credit-hour rates for resident, non-resident – contiguous counties, other nonresident students, and the Agency Bond Fee. The attachment shows total, billable charges for students enrolled at various level of credit hours taken (e.g., 3 hours, 6 hours, 9 hours, etc.). Staff recommends approval of these rates as proposed by KCTCS.

Estimated Tuition Revenue

KCTCS officials estimate that their proposed 2020-21 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 \$244.5 million in gross tuition and fee revenue, which is \$2.5 million more than is projected for the current year (see Attachment B). KCTCS officials estimate that the university's Education and General (E&G) fixed costs will increase by about \$29.7 million between fiscal years 2019-20 and 2020-21, which represents an increase of about 5% over current year costs.

**Proposed 2020-21 Tuition and Mandatory Fee Charges
Kentucky Community and Technical College System**

<u>Category</u>	<u>Fall 2020</u>	<u>Spring 2021</u>	<u>Annual 2020-21</u>	<u>Summer 2021</u>
<i>Resident</i>				
Per Credit Hour	\$179	\$179		\$179
Charge for Students Enrolled with 3 Credit Hours	537	537		537
Charge for Students Enrolled with 6 Credit Hours	1,074	1,074		1,074
Charge for Students Enrolled with 9 Credit Hours	1,611	1,611		1,611
Charge for Students Enrolled with 12 Credit Hours	2,148	2,148		2,148
Charge for Students Enrolled with 15 Credit Hours	2,685	2,685		2,685
<i>Nonresident - Contiguous Counties</i>				
Per Credit Hour	\$358	\$358		\$358
Charge for Students Enrolled with 3 Credit Hours	1,074	1,074		1,074
Charge for Students Enrolled with 6 Credit Hours	2,148	2,148		2,148
Charge for Students Enrolled with 9 Credit Hours	3,222	3,222		3,222
Charge for Students Enrolled with 12 Credit Hours	4,296	4,296		4,296
Charge for Students Enrolled with 15 Credit Hours	5,370	5,370		5,370
<i>Nonresident - Other</i>				
Per Credit Hour	\$627	\$627		\$627
Charge for Students Enrolled with 3 Credit Hours	1,881	1,881		1,881
Charge for Students Enrolled with 6 Credit Hours	3,762	3,762		3,762
Charge for Students Enrolled with 9 Credit Hours	5,643	5,643		5,643
Charge for Students Enrolled with 12 Credit Hours	7,524	7,524		7,524
Charge for Students Enrolled with 15 Credit Hours	9,405	9,405		9,405
Agency Bond Fee				
Per Credit Hour	\$8	\$8		\$8

ATTACHMENT B

**Estimated 2020-21 Gross Tuition and Mandatory Fee Revenue
Kentucky Community and Technical College System**

<i>Category</i>	Estimated 2019-20	Estimated 2020-21
<i>Undergraduate</i>		
Resident	\$ 127,439,100	\$ 129,566,100
Nonresident	3,846,700	3,910,900
Online	100,332,900	102,007,500
 Agency Bond Fee	 10,364,700	 9,000,000
 Total	 \$ 241,983,400	 \$ 244,484,500

TITLE: Delegation of Tuition and Fee Authority to Finance Committee

DESCRIPTION: Staff recommends that the Finance Committee request authority from the full Council to review and approve tuition and fee proposals from institutions whose governing boards will not meet to approve rate proposals prior to the June 19, 2020 Council Meeting.

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

SUPPORTING INFORMATION

About three years ago, the Council adopted an approach, which required campuses to secure approval of proposed tuition and fee rates from their governing boards before bringing those proposals to the Council for approval. More recently, the Council has also employed a practice of requiring institutions to first seek approval from the Finance Committee before bringing rate proposals to the full Council for approval.

This year, three institutions, the University of Kentucky, the University of Louisville, and Eastern Kentucky University, will not have board meetings prior to the Council's June 19, 2020 meeting and have asked that the Council approve their tuition rates in July. To accommodate this request, staff recommends that the Council delegate authority to the Finance Committee to review and approve tuition and fee proposals for these institutions and that a meeting of the Finance Committee be scheduled in early July to facilitate those actions. If approved, this will allow tuition and fee rates at UK, UofL, and EKU to be approved much earlier than the regularly scheduled meeting of the full Council in September.

Attached are materials from the University of Kentucky and the University of Louisville that provide details regarding the current development status of their tuition and mandatory fees for the 2020-21 academic year.

TITLE: 2020-21 Campus Tuition and Mandatory Fee Proposal: University of Kentucky

RECOMMENDATION: This proposal is preliminary and for information only. It will not come before a vote at the June 9, 2020 Finance Committee meeting.

PRESENTERS: Bill Payne, CPE's Vice President for Finance and Administration
Shaun McKiernan, CPE's Director of Finance and Budget
Ryan Kaffenberger, CPE's Senior Associate for Budget and Finance

*This proposal is preliminary and for information only.
It will not be voted at the June 9, 2020 Finance Committee meeting*

SUPPORTING INFORMATION

In early June, University of Kentucky (UK) officials submitted a tuition and fee proposal for academic year 2020-21 to the Council, along with tuition and fee revenue estimates for the current fiscal year (2019-20) and the upcoming fiscal year (2020-21). Council staff reviewed UK's proposed rates and recommend that the Council approve these rates. Upon approval by the Council, the proposed rates will establish maximum tuition and mandatory fee charges that may be assessed to students enrolling at UK during fall semester 2020, spring semester 2021, summer term 2021, and winter term 2021.

Tuition and Mandatory Fees

On April 24, 2020, in light of the disruption and financial uncertainties caused by the coronavirus pandemic, the Council voted to allow the postsecondary institutions the discretion to determine their own tuition and fee increases for resident undergraduate students for the upcoming academic year. This will allow each institution to submit proposals that balance the needs of students and families and the resource needs of the institution. As has been the case in past years, the Council voted to allow institutions to submit for approval market competitive rates for graduate and online courses.

Tuition and fee parameters apply to base rates. Base rates are defined as total tuition and fee charges minus any Special Use Fees and Asset Preservation Fees previously

approved by the Council, and minus an agency bond fee at KCTCS (i.e., BuildSmart Investment Fee). Council staff deduct these fees from total tuition and fees before applying percent increase parameters, which keeps the fees at a fixed amount each year until they expire.

As can be seen in the table below, UK is proposing a \$124.⁰⁰, or 1% increase, to its resident, undergraduate, tuition charges for 2020-21. UK does not currently charge a Special Use or Asset Preservation Fee.

UK's proposed tuition and fees for 2020-21 will go before their Board for approval at its June 19, 2020 meeting.

UK Annual Tuition and Fee Charge Comparison				
<u>Rate Category</u>	<u>Current 2019-20 Base Rate Charges</u>	<u>Proposed 2020-21 Base Rate Charges</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$12,360	\$12,484	\$124	1.0%
Nonresident	\$30,680	\$31,294	\$614	2.0%
Graduate				
Resident	\$13,404	\$13,538	\$134	1.0%
Nonresident	\$32,564	\$33,216	\$652	2.0%
UK has no Special Use Fee or Asset Preservation Fee at this time.				

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

Estimated Tuition Revenue

UK officials estimate that their proposed 2020-21 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 \$526.6 million in gross tuition and fee revenue, which is \$25.8 million less than is projected for the current year (see Attachment B). UK officials estimate that the university's Education and General (E&G) fixed costs will increase by about \$16.9 million between fiscal years 2019-20 and 2020-21, which represents an increase of about 1% over current year costs.

**Proposed 2020-21 Tuition and Mandatory Fee Charges
University of Kentucky**

<i>Category</i>	Fall 2020	Spring 2021	Annual 2020-21	Summer and Winter Terms 2021	Full Programs
<i>Undergraduate</i>					
Resident					
Full-time (12 credit hours and above)	\$ 6,242.00	\$ 6,242.00	\$ 12,484.00		
Per Credit Hour	\$ 506.00	\$ 506.00		\$ 506.00	
Nonresident					
Full-time (12 credit hours and above)	\$ 15,647.00	\$ 15,647.00	\$ 31,294.00		
Per Credit Hour	\$ 1,290.00	\$ 1,290.00		\$ 1,290.00	
Online (Per Credit Hour)*	\$ 607.00	\$ 607.00		\$ 607.00	
Active Military (Per Credit Hour)	\$ 292.00	\$ 292.00		\$ 292.00	
<i>Graduate**</i>					
Resident					
Full-time	\$ 6,769.00	\$ 6,769.00	\$ 13,538.00		
Per Credit Hour	\$ 734.00	\$ 734.00		\$ 734.00	
Nonresident					
Full-time	\$ 16,608.00	\$ 16,608.00	\$ 33,216.00		
Per Credit Hour	\$ 1,827.00	\$ 1,827.00		\$ 1,827.00	
<i>Master of Forensic Toxicology and Analytical Genetics (Per Credit Hour)</i>					
Resident and Nonresident	\$ 981.00	\$ 981.00		\$ 981.00	
<i>Master of Science in Finance (Per Credit Hour)</i>					
Resident	\$ 924.00	\$ 924.00		\$ 924.00	
Nonresident	\$ 1,295.00	\$ 1,295.00		\$ 1,295.00	
<i>Master or Graduate Certificate, Health Professional</i>					
Resident					
Full-time	\$ 7,295.00	\$ 7,295.00	\$ 14,590.00		
Per Credit Hour	\$ 792.00	\$ 792.00		\$ 792.00	
Nonresident					
Full-time	\$ 17,219.00	\$ 17,219.00	\$ 34,438.00		
Per Credit Hour	\$ 1,895.00	\$ 1,895.00		\$ 1,895.00	
<i>Master or Graduate Certificate, Professional</i>					
Resident					
Full-time	\$ 7,099.00	\$ 7,099.00	\$ 14,198.00		
Per Credit Hour	\$ 770.00	\$ 770.00		\$ 770.00	
Nonresident					
Full-time	\$ 16,993.00	\$ 16,993.00	\$ 33,986.00		
Per Credit Hour	\$ 1,870.00	\$ 1,870.00		\$ 1,870.00	
<i>Professional Practice Doctoral</i>					
Resident					
Full-time	\$ 8,841.00	\$ 8,841.00	\$ 17,682.00		
Per Credit Hour	\$ 964.00	\$ 964.00		\$ 964.00	
Nonresident					
Full-time	\$ 22,970.00	\$ 22,970.00	\$ 45,940.00		
Per Credit Hour	\$ 2,534.00	\$ 2,534.00		\$ 2,534.00	
<i>Dentistry</i>					
Resident			\$ 35,582.00		
Nonresident			\$ 76,684.00		
<i>Reduced Curriculum load</i>					
Resident			\$ 18,553.00		
Nonresident			\$ 39,104.00		

**Proposed 2020-21 Tuition and Mandatory Fee Charges
University of Kentucky**

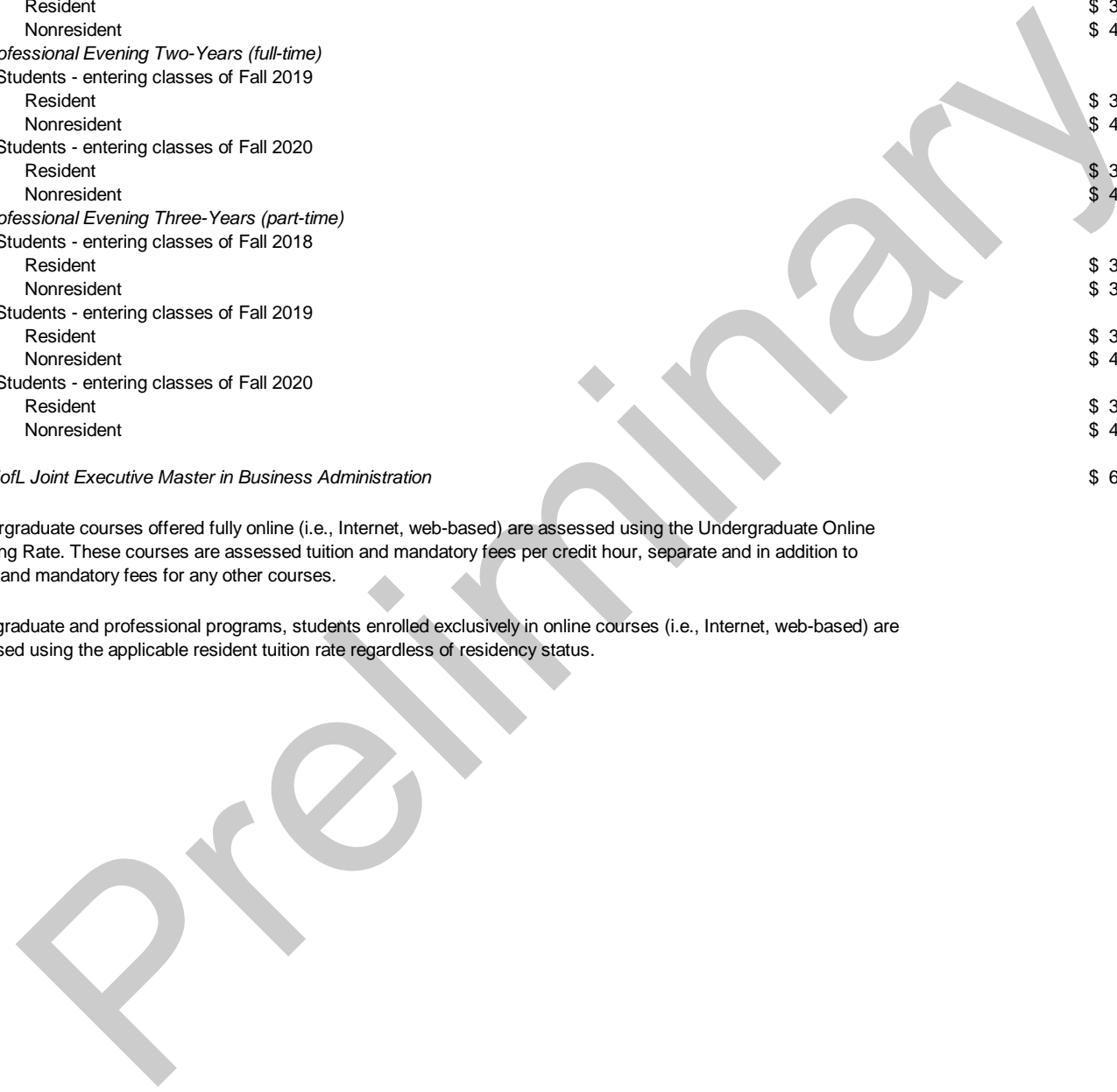
<i>Category</i>	Fall 2020	Spring 2021	Annual 2020-21	Summer and Winter Terms 2021	Full Programs
<i>Doctor of Pharmacy</i>					
Resident			\$ 28,662.00		
Nonresident			\$ 53,686.00		
<i>Reduced curriculum load</i>					
Resident			\$ 15,073.00		
Non-Resident			\$ 27,605.00		
<i>Doctorate of Physical Therapy</i>					
Resident			\$ 21,984.00		
Nonresident			\$ 45,060.00		
<i>Reduced curriculum load</i>					
Resident			\$9,708.00		
Non-Resident			\$18,939.00		
<i>Law</i>					
Resident			\$ 24,969.00		
Nonresident			\$ 51,360.00		
<i>Reduced curriculum load</i>					
Resident			\$ 13,246.50		
Non-Resident			\$ 26,442.00		
<i>Medicine</i>					
<i>Students - entering class of fall 2016</i>					
Resident			\$ 37,716.00		
Nonresident			\$ 65,861.00		
<i>Students - entering class of fall 2017</i>					
Resident			\$ 38,472.00		
Nonresident			\$ 68,000.00		
<i>Students - entering class of fall 2018</i>					
Resident			\$ 38,920.00		
Nonresident			\$ 69,648.00		
<i>Students - entering class of fall 2019</i>					
Resident			\$ 40,042.00		
Nonresident			\$ 72,373.00		
<i>Students - entering class of fall 2020</i>					
Resident			\$ 40,462.00		
Nonresident			\$ 73,854.00		
<i>Reduced Curriculum load</i>					
Resident			\$ 20,993.00		
Nonresident			\$ 37,689.00		
<i>Master of Science in Accounting</i>					
Resident			\$ 22,757.00		
Nonresident			\$ 31,130.00		
<i>Reduced Curriculum load</i>					
Resident			\$8,602.00		
Nonresident			\$11,393.00		

**Proposed 2020-21 Tuition and Mandatory Fee Charges
University of Kentucky**

Category	Fall 2020	Spring 2021	Annual 2020-21	Summer and Winter Terms 2021	Full Programs
<i>Master of Business Administration (MBA)</i>					
<i>One-Year, Full-Time</i>					
Resident					\$ 35,788.00
Nonresident					\$ 42,322.00
<i>Professional Evening Two-Years (full-time)</i>					
Students - entering classes of Fall 2019					
Resident					\$ 36,537.00
Nonresident					\$ 42,605.00
Students - entering classes of Fall 2020					
Resident					\$ 36,913.00
Nonresident					\$ 43,439.00
<i>Professional Evening Three-Years (part-time)</i>					
Students - entering classes of Fall 2018					
Resident					\$ 34,416.00
Nonresident					\$ 39,935.00
Students - entering classes of Fall 2019					
Resident					\$ 35,889.00
Nonresident					\$ 41,957.00
Students - entering classes of Fall 2020					
Resident					\$ 36,265.00
Nonresident					\$ 42,792.00
<i>UK-UofL Joint Executive Master in Business Administration</i>					
					\$ 67,500.00

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

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



ATTACHMENT B

Estimated 2020-21 Gross Tuition and Mandatory Fee Revenue University of Kentucky

<u>Category</u>	<u>Estimated 2019-20</u>	<u>Estimated 2020-21</u>
<i>Undergraduate</i>		
Resident	\$ 157,862,700	\$ 148,196,000
Nonresident	177,475,800	169,023,800
Online	37,791,300	25,250,000
Mandatory Fees	27,555,400	25,625,500
<i>Graduate</i>		
Resident	30,166,200	30,467,800
Nonresident	47,656,200	48,609,300
Online*		
Mandatory Fees	3,864,300	3,864,300
<i>First-Professional</i>		
Resident	42,409,800	45,629,300
Nonresident	24,881,800	27,004,300
Mandatory Fees	2,720,300	2,899,200
Total	<u>\$ 552,383,800</u>	<u>\$ 526,569,500</u>

*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.

**Academic Year 2020-21 Preliminary Tuition Rates
As Presented to UofL Board of Trustees on May 28, 2020**

Preliminary tuition rate structure for the 2020-21 academic year

- The following three slides about tuition rates and price structure were presented to the UofL Board of Trustees on May 28, 2020. The Board did not take formal action, but did endorse, in principle, the changes.
- University leadership is now building out the FY 2021 operating budget using those tuition rate parameters.
- The UofL Board of Trustees will formally consider the FY 2021 operating budget, including tuition rates and price structure, at its June board meeting.
- Given the lack of formal board approval until late June, the rates and structure as presented here are subject to change.

1. Proposed Tuition Rates

- **Rate changes vetted by faculty, staff, and student committee**
 - Subject to CPE approval
- **Undergrad and grad tuition rate changes**

	Residency	Current (per semester)	Proposed (per semester)	\$ Change
Undergrad	In-state	\$5,866	\$5,983	\$117
	Out-of-state	\$13,879	\$13,996	\$117
Graduate	In-state	\$6,500	\$6,630	\$130
	Out-of-state	\$13,557	\$13,687	\$130

- **Professional school rates** (proposed by respective dean)
 - Law: 3.0% increase to resident and non-resident same dollar increase
 - Dentistry: 3.0% increase to resident and non-resident
 - Medicine: 2.5% increase to resident and non-resident

Tuition Price Restructuring (online)

- **Why restructure?**
 - Students have advocated for change
 - COVID-19 affected instructional delivery and approach to pricing
- **What will change?**
 - Equalizing online and in-person per credit hour charges by residency
 - No full per credit hour charges above load
 - Assess small fee for consuming high number of credit hours
- **Impacts**
 - Encourage undergrad students to take at least 15 credit hours
 - Speed time to degree completion; save students money
 - Loss of tuition revenue for the university

Preliminary

Online Tuition Pricing Financial Impact: Net Loss of \$6.5 Million

- **Loss of \$6.5 million from not charging tuition for online credit hours above load**
 - Undergraduate > 12
 - Graduate > 9
- **Net loss of \$1 million from equalizing online and in-person rates**
 - Residents will pay less per credit hour (\$499* versus \$539)
 - Non-residents will pay more per credit hour (\$1,166* versus \$539)
- **Revenue gain of \$1 million from nominal per credit hour fee**
 - Undergraduate: \$75 for each credit hour at 16 and above (*12 hours is full-time*)
 - Graduate: \$100 for each credit hour above 12 (*9 hours is full-time*)

* Assumes 2% rate increase

TITLE: Update on CARES Act Funding

DESCRIPTION: Staff will provide an update on the funding coming from the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

PRESENTER: Lee Nimocks, CPE's Vice President and Chief of Staff

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed by Congress in late March, provides several streams of funding that will impact Kentucky's colleges and universities and the students they serve.

Higher Education Emergency Relief Fund

The CARES Act includes more than \$30 billion for education, with at least \$13.5 billion for the nation's K-12 schools and more than \$14 billion for higher education. Funding for colleges and universities will run through the Higher Education Emergency Relief Fund.

Kentucky colleges and universities that are Title IV eligible will receive a share of \$156 million based on formula established by the U.S. Department of Education (USDOE).

Seventy-five percent (75%) of the funding is based on a relative share of full-time equivalent enrollment of Pell students and twenty-five percent (25%) is based on relative share of full-time equivalent enrollment of non-Pell students. The formula excludes online enrollment. Please see *Attachment A* for a breakdown of funding going to each Kentucky campus.

Ninety percent (90%) of the Higher Education Emergency Relief Fund flow to campuses in two equal distributions: Emergency Cash Grants for Students and grants to help campuses respond to costs incurred due to the pandemic. Ten percent (10%) of the Higher Education Emergency Relief Fund will be directed to minority serving campuses and campuses with significant unmet need after receiving funds from other pools.

- **Emergency Cash Grants to Students:** These funds, which comprise fifty percent (50%) of the ninety percent (90%) going to all campuses, have begun to flow to

students to help them respond to emergency needs resulting from the pandemic: food and housing insecurity, healthcare, childcare, course materials and technology.

Per USDOE, campuses cannot use these funds to reimburse themselves for refunds or financial aid previously provided to students due to the pandemic. Institutions have the option of awarding some aid to all of their students, award aid only to those who have demonstrated need, or a combination. Institutions should prioritize students with the greatest need and factor in student socioeconomic status.

- **Grants Supporting Campuses:** The other fifty percent (50%) of the ninety percent (90%) of funding in the Higher Education Emergency Relief Fund that goes to all campuses is to be used to help colleges and universities respond to costs associated with the pandemic like transitioning students to online programs, needed technology infrastructure, and other COVID-19 costs.
- **Grants for Minority Serving Campuses and Campuses with Unmet Need:** Ten percent (10%) of the Higher Education Emergency Relief Fund, or approximately \$1.4 billion, is reserved for minority serving colleges, tribal colleges, historically black colleges and universities, and campuses with significant unmet need after receiving funds from other pools.

Governor's Emergency Education Relief Fund (GEERF)

GEERF provides \$3 billion in flexible emergency block grants to governors to help them meet the needs of students, schools, postsecondary institutions, and other education-related organizations. The funding is being distributed to states on a formula basis: 60% based on relative share of population ages 5-24 and 40% based on relative share of population counted under Elementary and Secondary Education Act. **Kentucky will receive \$44 million of the \$3 billion total.**

Receipt of GEERF grants requires that states maintain their education funding levels during the next three fiscal years at the average level of the past three fiscal years. However, states can request waivers. Funding will be distributed at governor's discretion to public and private campuses, K-12 institutions and school districts. **Governor Beshear has determined that \$13.8 million in GEER funding will be directed to postsecondary education, under the administration of CPE.**

Announcements about the funding distribution methodology and criteria for use of funds was distributed last week. For more information, see the attached GEER Postsecondary Recovery Grant Program overview.

Council on Postsecondary Education
 CARES Act: Higher Education Emergency Relief Fund
 Allocations for Kentucky Public Postsecondary Institutions Under Section 18004(a)(1)

Postsecondary Institution	Total Allocation	Minimum Allocation to be Awarded for Emergency Financial Aid Grants to Students
University of Kentucky	\$17,811,058	\$8,905,529
University of Louisville	12,478,790	6,239,395
Eastern Kentucky University	10,542,767	5,271,384
Kentucky State University	1,372,077	686,039
Morehead State University	6,016,440	3,008,220
Murray State University	6,270,769	3,135,385
Northern Kentucky University	7,998,963	3,999,482
Western Kentucky University	10,636,493	5,318,247
Public University Total	\$73,127,357	\$36,563,681
Ashland Community and Technical College	\$1,897,125	\$948,563
Big Sandy Community and Technical College	1,809,773	904,887
Bluegrass Community and Technical College	4,961,119	2,480,560
Elizabethtown Community and Technical College	2,426,734	1,213,367
Gateway Community and Technical College	1,797,783	898,892
Hazard Community and Technical College	1,248,333	624,167
Henderson Community College	806,658	403,329
Hopkinsville Community College	1,399,325	699,663
Jefferson Community and Technical College	5,179,693	2,589,847
Madisonville Community College	1,069,051	534,526
Maysville Community and Technical College	1,992,396	996,198
Owensboro Community and Technical College	1,789,723	894,862
Somerset Community College	3,029,445	1,514,723
Southcentral Kentucky Community and Technical College	2,424,487	1,212,244
Southeast Kentucky Community and Technical College	1,616,993	808,497
West Kentucky Community and Technical College	2,444,514	1,222,257
KCTCS Institution Total	\$35,893,152	\$17,946,582
Public Institution Total	\$109,020,509	\$54,510,263

Note: Figures reported above do not include CARES Act allocations to Kentucky private or proprietary institutions.

Source: USDOE, Office of Postsecondary Education, CARES Act: Higher Education Emergency Relief Fund.



Governor's Emergency Education Relief (GEER) Fund Kentucky Postsecondary Education Recovery Grant Program

The Commonwealth of Kentucky will distribute \$13.8 million through the Governor's Emergency Education Relief Fund to postsecondary institutions to help campuses respond to the impact of the pandemic on their students, faculty, and staff. The GEER Postsecondary Education Recovery Grants will be distributed and administered by the Kentucky Council on Postsecondary Education (CPE).

The priority for GEER Postsecondary Education Recovery Grants is to help address costs associated with the expansion of remote learning and support services, including enhancing the quality of programs, providing equitable access to programs, and increasing non-academic remote support systems for current and prospective students. Funding may also be used to support operational recovery, including costs related to planning, manpower, equipment and supplies as campuses prepare to reopen for in-person instruction.

Funding Allocation

Emergency Reserve Pool: \$1.5 million of the postsecondary GEER funds will be held in reserve by CPE to respond to unforeseen emergency situations public colleges and universities may encounter throughout the 2020-21 Academic Year. According to guidelines established by the U.S. Department of Education, states have up to one year to expend GEER funding. Unforeseen costs may include expenses relating to the need for additional personal protective equipment (PPE), isolating and housing infected students, emergency grants to students affected by the pandemic, among other pandemic-related costs. CPE will develop an application process and distribution methodology for the \$1.5 million reserve pool.

Private, Non-Profit Grant Pool: \$1 million is reserved for distribution to Kentucky's private, non-profit, Title IV-eligible independent colleges and universities to be split equally among the institutions for a grant period of one year (July 1, 2020 – June 30, 2021). The grants will support programs and strategies to help institutions respond to the impact of COVID-19 on their campus community and operations. See *Appendix A* for distribution detail.

KCTCS Campuses: \$2.5 million of the postsecondary GEER funding is reserved for Kentucky's community and technical colleges and will be distributed through the KCTCS central office based on a methodology and application process negotiated and agreed to by CPE. The distribution plan will prioritize campuses with the highest need and most significantly impacted by the coronavirus.

Public Universities: \$8.8 million in Postsecondary Education Recovery grants will be distributed to the Commonwealth's public universities with each campus receiving a \$440,000 base amount to help

with the challenges they face. The remainder of the money is being distributed based on the proportion of General Fund that each school receives for instruction. This allocation methodology reflects the institutions' total General Fund minus debt service and any appropriations for mandated public service and research programs. What remains, or the adjusted net in this case, is the General Fund amount used by the institution to educate students. See *Appendix B* for distribution detail.

Grantee	Amount
EKU	\$997,300
KSU	\$608,200
MoSU	\$762,300
MuSU	\$814,100
NKU	\$900,900
UK	\$2,082,600
UofL	\$1,577,300
WKU	\$1,056,900
TOTAL	\$8,800,000

Allowed Use of Funds for Postsecondary Education Recovery Grants

- Redesign of lectures, assignments, and assessments to better suit a remote learning environment and emphasize effective classroom interaction.
- Implementation high impact practices, such as collaborative assignments and projects, virtual internships, and other on-line work-based experiences.
- Strategies, equipment and materials to ensure on-line programs are accessible and effective for students, regardless of their socio-economic background, where they live, or their physical limitations.
- Targeted financial aid for low-income and other high need students or to provide additional financial support for students entering high-demand healthcare and other emergency response fields.
- Implementation of effective student advising services, and social, emotional, and mental health counseling, particularly in a remote learning environment.
- Mentoring and advising programs for first-time students and students returning to a college environment after a break in their programs, including on-line advising, information tools and student success coaches.
- Costs associated with testing, contract tracing, and the purchase of personal protective equipment.
- Strategic planning efforts to help prepare the campus community to respond to multiple possible fall semester scenarios and program delivery requirements.
- New evaluation protocols to ensure students continue to make progress during periods of remote learning as well as a possibility that instruction may be disrupted in the future.

Program Requirements

- GEER Postsecondary Education Recovery Grants are not to be used for payments to administrators and executives of colleges and universities nor are they to be used to reimburse the campus for grants to students or expenses incurred prior to June 1, 2020.
- No portion of Postsecondary Education Recovery grants may be used for administrative overhead costs.
- Campuses are encouraged to leverage grant funds through collaboration with other institutions on programs, services and equipment/supply purchases.
- Any funding that has not been expended by June 30, 2021 must be returned to CPE for reallocation to the Emergency Reserve Pool.
- Additional requirements outlined in the CARES Act for states and GEER Fund subgrantees:
 - Entities receiving grants shall to the greatest extent practicable continue to pay employees and contractors during the period of any disruptions or closures related to coronavirus.
 - States are not required to use GEER Funds for remote education, but the USDOE encourages states “to focus these resources on ensuring that all students continue to learn most likely through some form of remote learning.”
- All campuses are required to enter into a contractual agreement with CPE to adhere to the program requirements and allowed use of funds, provide a mid-term report detailing grant expenditures by January 15, 2021, and a final report by August 15, 2021.

Grant Contract Information

For Public Universities and Private, Non-Profit Institutions: Signed contracts are due to CPE by July 1, 2020 in order for campuses to draw down GEER Postsecondary Education Recovery Grants. If a campus opts to not to receive a GEER Postsecondary Recovery grant, those funds will be reallocated to the Emergency Reserve Pool housed at CPE.

For KCTCS campuses: Information about the funding allocation for each campus and the process for accessing grants will be sent to each KCTCS college president by the KCTCS central office no later than June 20, 2020. If a campus opts to not receive for a GEER Postsecondary Recovery grant, those funds will be reallocated to the Emergency Reserve Pool housed at CPE.

Emergency Reserve Pool Grants: A separate application process will be developed for the \$1.5 million Emergency Reserve Pool and will be launched after the start of the Fall semester. Kentucky’s public universities and KCTCS campuses are eligible to apply for the emergency grants.

Reporting and Accountability

Each postsecondary institution receiving funding through the GEER Postsecondary Education Recovery Grant program is required to submit a mid-term progress report to CPE detailing programs and expenditures by January 15, 2021, and a final report on August 15, 2021. CPE will provide additional information about the required report format in early Fall.

Mid-term and final reports will be publicly available and posted to CPE's website for all campuses (public and private) receiving funding through the GEER Postsecondary Education Recovery Grant Program.

TITLE: Fiscal 2020-21 Performance Fund Distribution

DESCRIPTION: On May 28, staff sent a letter informing the state budget director that performance funding models for the public universities and KCTCS institutions had been executed per KRS 164.092 and sharing the distribution among institutions of \$14.9 million that the General Assembly appropriated to the Postsecondary Education Performance Fund in fiscal year 2020-21.

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

BACKGROUND INFORMATION

On March 21, 2017, Senate Bill 153, also known as Kentucky's Postsecondary Education Performance Funding Bill, was signed into law by the Governor (KRS 164.092). That bill, which passed the House and Senate with no changes, represented the culmination of eight month's work by a Postsecondary Education Working Group, comprised of elected leaders, the state budget director, eight public university presidents, the KCTCS president, and the president of the Council on Postsecondary Education, who reached consensus on comprehensive funding models for the allocation of state General Fund appropriations among the public universities and KCTCS institutions.

Not counting a model development year in which Kentucky State University was excluded from participating in a 5.0% carve out and subsequent distribution of public university and KCTCS base funding (i.e., \$42.9 million in total) in fiscal year 2017-18, KRS 164.092 calls for a three-year phase in of public university and KCTCS funding models in fiscal years 2018-19, 2019-20, and 2020-21. As Council members know, the General Assembly appropriated \$31.0 million in 2018-19 and \$38.7 million in 2019-20 to the Postsecondary Education Performance Fund and CPE staff ran the funding models and communicated to the state budget director how those funds were to be distributed among institutions prior to the start of each of those fiscal years.

For the upcoming fiscal year (i.e., 2020-21), the enacted budget (HB 352) includes an appropriation of \$14,994,800 for the Postsecondary Education Performance Fund (PEPF). Using an allocation method defined in statute, CPE staff determined that the distribution of these funds between sectors should be an \$11,679,600 allocation to the public universities and a \$3,315,200 allocation to KCTCS institutions, based on sector share of system total adjusted net General Fund appropriations as shown below.

<u>Sector</u>	<u>2020-21 Adjusted Net General Fund</u>	<u>Percent of Total</u>	<u>Sector Allocations</u>
Public Universities	\$572,299,700	77.9%	\$11,679,600
KCTCS Institutions	<u>162,446,400</u>	22.1%	<u>3,315,200</u>
System	\$734,746,100	100.0%	\$14,994,800

Furthermore, using the funding models defined in statute for each sector, CPE and KCTCS staffs determined that the distribution of 2020-21 PEPF appropriations among institutions should be as shown below.

Public Universities and KCTCS:		KCTCS Institutions:	
<u>Institution</u>	<u>2020-21 PEPF Distribution</u>	<u>Institution</u>	<u>2020-21 KCTCS Distribution</u>
University of Kentucky	\$6,621,600	Ashland	\$0
University of Louisville	2,938,900	Big Sandy	0
Eastern Kentucky University	394,200	Bluegrass	611,500
Kentucky State University	0	Elizabethtown	314,200
Morehead State University	0	Gateway	285,200
Murray State University	0	Hazard	0
Northern Kentucky University	967,000	Henderson	0
Western Kentucky University	757,900	Hopkinsville	201,800
KCTCS	<u>3,315,200</u>	Jefferson	468,400
Total	\$14,994,800	Madisonville	0
		Maysville	266,800
		Owensboro	284,400
		Somerset	327,400
		Southcentral	291,900
		Southeast	0
		West Kentucky	<u>263,600</u>
		KCTCS Total	\$3,315,200

Detailed tables showing adjusted net General Fund (Table 1) and allocable resource (Table 2) calculations and initial and subsequent performance fund distributions by institution (Tables 3 through 6) are attached, along with a copy of the May 28 letter from President Thompson to State Budget Director Hicks, providing official notification of the fiscal 2020-21 performance fund distributions. Finally, also attached are two tables that show both detailed (Table 7) and summary level (Table 8) analyses of the change in three-year rolling averages of student success outcomes produced and operational support activity for each metric included in the university funding model between fiscal year 2019-20 and 2020-21 iterations of the model.

As can be seen in tables 7 and 8, between 2019-20 and 2020-21, Kentucky's research universities exhibited growth above the sector average in a majority of student success and operational support activity metrics, with UK exceeding the sector average in 10 out of 11 total metrics and UofL exceeding the sector average in 7 out of 11. Among the comprehensive universities, NKU and WKU showed growth above the sector average in 5 out of 11 and 4 out of 11 metrics, respectively. The other comprehensive universities recorded growth above the sector average in three or fewer metrics out of 11.

If Council members have questions or require further explanation of the attached materials, please feel free to contact Bill Payne or Shaun McKiernan.

Council on Postsecondary Education
 Performance Funding Model for the Public Universities
 Table 1 - Calculated Adjusted Net General Fund by Sector and Institution
 Fiscal Year 2020-21

Final Verified Calculation
 May 22, 2020

Institution	A	B	C	(A - B - C) D	Percent of Total	Sector Allocations
	Enacted 2020-21 General Fund	Adjustments to General Fund	2020-21 Mandated Program Funding	2020-21 Adjusted Net General Fund		
University of Kentucky	\$258,609,200	\$0	(\$80,568,800)	\$178,040,400		
University of Louisville	124,117,900	0	(845,200)	123,272,700		
Eastern Kentucky University	65,337,000	(317,000)	(4,571,900)	60,448,100		
Kentucky State University	25,384,300	0	(7,148,800)	18,235,500		
Morehead State University	38,332,900	0	(3,401,400)	34,931,500		
Murray State University	43,753,800	0	(3,200,000)	40,553,800		
Northern Kentucky University	51,280,500	0	(1,323,900)	49,956,600		
Western Kentucky University	72,596,200	0	(5,735,100)	66,861,100		
Subtotal	\$679,411,800	(\$317,000)	(\$106,795,100)	\$572,299,700	77.89%	\$11,679,600
KCTCS	171,265,800		(8,819,400)	162,446,400	22.11%	3,315,200
Total	\$850,677,600		(\$115,614,500)	\$734,746,100	100.00%	\$14,994,800
				Math Check {	100.00%	\$14,994,800

Council on Postsecondary Education
 Performance Funding Model for the Public Universities
 Table 2 - Calculated Allocable Resources by Institution
 Fiscal Year 2020-21

Final Verified Calculation
 May 22, 2020

(A - B)

Institution	A 2020-21 Adjusted Net General Fund	B Small School Adjustment	C Allocable Resources
University of Kentucky	\$178,040,400	(\$16,999,300)	\$161,041,100
University of Louisville	123,272,700	(12,391,500)	110,881,200
Eastern Kentucky University	60,448,100	(4,451,200)	55,996,900
Kentucky State University	18,235,500	(4,451,200)	13,784,300
Morehead State University	34,931,500	(4,451,200)	30,480,300
Murray State University	40,553,800	(4,451,200)	36,102,600
Northern Kentucky University	49,956,600	(4,451,200)	45,505,400
Western Kentucky University	66,861,100	(4,451,200)	62,409,900
Total	\$572,299,700	(\$56,098,000)	\$516,201,700

↑
 These are the same
 amounts as used in fiscal
 year 2019-20

Council on Postsecondary Education
Performance Funding Model for the Public Universities
Table 3 - Initial Distribution of Allocable Resources by Institution
Fiscal Year 2020-21

Final Verified Distribution
May 22, 2020

Institution	(A - B)			Outcomes Based Components (@ 70%)				Operational Support Components (@ 30%)					D	E	F	
	A	B	C	Success Share ²	Student Success	Credit Hour Share ³	Course Completion	Square Feet Share ⁴	Maintenance & Operations	Direct Cost Share ⁵	Institutional Support	FTE Student Share ⁶				Academic Support
UK	\$178,040,400	(\$16,999,300)	\$161,041,100	33.4%	\$60,336,900	31.3%	\$56,487,400	36.2%	\$18,679,300	28.7%	\$14,811,900	32.8%	\$16,928,900	\$167,244,400	\$6,203,300	3.5%
Uofl	123,272,700	(12,391,500)	110,881,200	21.1%	38,105,900	23.1%	41,736,500	18.7%	9,636,400	25.5%	13,139,000	21.2%	10,918,300	113,536,100	2,654,900	2.2%
EKU	60,448,100	(4,451,200)	55,996,900	10.9%	19,688,500	11.4%	20,564,100	10.3%	5,338,400	9.8%	5,077,200	10.8%	5,582,200	56,250,400	253,500	0.4%
KSU	18,235,500	(4,451,200)	13,784,300	1.4%	2,545,500	0.9%	1,541,000	2.8%	1,465,400	1.5%	756,500	1.1%	573,300	6,881,700	(6,902,600)	-37.9%
MoSU	34,931,500	(4,451,200)	30,480,300	5.2%	9,410,600	5.3%	9,548,800	5.7%	2,939,900	5.5%	2,854,800	5.5%	2,830,300	27,584,400	(2,895,900)	-8.3%
MuSU	40,553,800	(4,451,200)	36,102,600	7.0%	12,580,000	6.3%	11,320,000	8.4%	4,353,500	7.1%	3,679,800	6.6%	3,405,100	35,338,400	(764,200)	-1.9%
NKU	49,956,600	(4,451,200)	45,505,400	8.9%	16,103,900	9.2%	16,614,600	7.7%	3,951,200	9.2%	4,771,700	9.5%	4,915,100	46,356,500	851,100	1.7%
WKU	66,861,100	(4,451,200)	62,409,900	12.1%	21,899,400	12.7%	22,858,100	10.2%	5,256,200	12.6%	6,529,500	12.5%	6,467,000	63,010,200	600,300	0.9%
Sector	\$572,299,700	(\$56,098,000)	\$516,201,700	100.0%	\$180,670,700	100.0%	\$180,670,500	100.0%	\$51,620,300	100.0%	\$51,620,400	100.0%	\$51,620,200	\$516,202,100	\$400	0.0%
Allocated Dollars:					\$180,670,600		\$180,670,600		\$51,620,200		\$51,620,200		\$51,620,200	\$516,201,800	} Math Check	
Percent of Total:					35.0%		35.0%		10.0%		10.0%		10.0%	100.0%		

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

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

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

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

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

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

Council on Postsecondary Education
Performance Funding Model for the Public Universities
Table 4 - Distribution of Student Success Component
Fiscal Year 2020-21

Final Verified Distribution
May 22, 2020

Campus	(A x B)			Bachelor's Degrees (Normalized) ¹			STEM+H Bachelor's Degrees			URM Bachelor's Degrees			Low Income Bachelor's Degrees		
	A	B	C	Weighted Bachelor's Degrees	Percent Share	Formula Amount	Weighted STEM+H Degrees	Percent Share	Formula Amount	Weighted URM Degrees	Percent Share	Formula Amount	Weighted Low Income Degrees	Percent Share	Formula Amount
	Allocable Resources	Contribution Percentage	Contribution Totals												
UK	\$161,041,100	35.0%	\$56,364,400	8,191.2	33.7%	\$15,647,400	2,950.1	36.5%	\$9,412,700	813.4	29.6%	\$4,579,100	3,489.2	30.0%	\$4,650,300
UofL	110,881,200	35.0%	38,808,400	5,167.3	21.2%	9,870,900	1,566.2	19.4%	4,997,300	687.9	25.0%	3,872,200	2,811.3	24.2%	3,746,800
EKU	55,996,900	35.0%	19,598,900	2,706.2	11.1%	5,169,500	871.0	10.8%	2,779,100	244.3	8.9%	1,375,400	1,357.0	11.7%	1,808,600
KSU	13,784,300	35.0%	4,824,500	237.5	1.0%	453,600	51.3	0.6%	163,800	158.3	5.8%	891,300	186.3	1.6%	248,300
MoSU	30,480,300	35.0%	10,668,100	1,214.3	5.0%	2,319,600	375.3	4.6%	1,197,600	95.0	3.5%	534,800	738.7	6.4%	984,500
MuSU	36,102,600	35.0%	12,635,900	1,732.5	7.1%	3,309,600	719.7	8.9%	2,296,200	159.0	5.8%	895,100	726.7	6.3%	968,500
NKU	45,505,400	35.0%	15,926,900	2,161.3	8.9%	4,128,600	698.3	8.6%	2,228,100	246.3	9.0%	1,386,700	999.7	8.6%	1,332,300
WKU	62,409,900	35.0%	21,843,500	2,910.0	12.0%	5,558,800	857.3	10.6%	2,735,400	346.7	12.6%	1,951,500	1,310.7	11.3%	1,746,800
Sector	\$516,201,700		\$180,670,600	24,320.3	100.0%	\$46,458,000	8,089.3	100.0%	\$25,810,200	2,751.0	100.0%	\$15,486,100	11,619.4	100.0%	\$15,486,100
			Allocated Dollars:			\$46,458,200			\$25,810,100			\$15,486,100			\$15,486,100
			Percent of Total:			9.0%			5.0%			3.0%			3.0%

¹ Bachelor's degree figures have been normalized using degrees per 100 full-time equivalent students for each institution indexed to the public university average.

Council on Postsecondary Education
Performance Funding Model for the Public Universities
Table 4 - Distribution of Student Success Component
Fiscal Year 2020-21

Final Verified Distribution
May 22, 2020

Campus	Student Progression (@ 30, 60, & 90 Credit Hours)									D	(D - C)	(E ÷ C)	(D ÷ ΣD)
	Weighted Progression @ 30 Hours	Percent Share	Formula Amount	Weighted Progression @ 60 Hours	Percent Share	Formula Amount	Weighted Progression @ 90 Hours	Percent Share	Formula Amount		E	F	G
UK	5,380.9	34.1%	\$5,287,800	5,726.6	33.4%	\$8,628,400	7,316.8	33.6%	\$12,131,200	\$60,336,900	\$3,972,500	7.0%	33.4%
UofL	2,974.3	18.9%	2,922,800	3,461.0	20.2%	5,214,800	4,512.2	20.7%	7,481,100	38,105,900	(702,500)	-1.8%	21.1%
EKU	1,748.7	11.1%	1,718,400	1,925.3	11.2%	2,900,900	2,374.3	10.9%	3,936,600	19,688,500	89,600	0.5%	10.9%
KSU	174.3	1.1%	171,300	180.0	1.1%	271,200	208.7	1.0%	346,000	2,545,500	(2,279,000)	-47.2%	1.4%
MoSU	960.7	6.1%	944,000	959.7	5.6%	1,446,000	1,196.7	5.5%	1,984,100	9,410,600	(1,257,500)	-11.8%	5.2%
MuSU	1,006.7	6.4%	989,200	1,090.7	6.4%	1,643,300	1,494.7	6.9%	2,478,100	12,580,000	(55,900)	-0.4%	7.0%
NKU	1,484.0	9.4%	1,458,300	1,588.3	9.3%	2,393,200	1,916.0	8.8%	3,176,700	16,103,900	177,000	1.1%	8.9%
WKU	2,029.3	12.9%	1,994,200	2,198.3	12.8%	3,312,300	2,774.7	12.7%	4,600,400	21,899,400	55,900	0.3%	12.1%
Sector	15,758.8	100.0%	\$15,486,000	17,129.9	100.0%	\$25,810,100	21,794.0	100.0%	\$36,134,200	ΣD = \$180,670,700	\$100	0.0%	100.0%
			\$15,486,100 3.0%			\$25,810,100 5.0%			\$36,134,100 7.0%	\$180,670,800 35.0%	} Math Check		

Council on Postsecondary Education
 Performance Funding Model for the Public Universities
 Table 5 - Calculated Additional Appropriations and Hold Harmless Allocations
 Fiscal Year 2020-21

Final Verified Calculation
 May 22, 2020

	A	(A ÷ ΣA)	(B x AABA)	D	Σ(C+D), IF > 0, 0	Σ(C+D), IF < 0, 0	G	= (Col. E)	(G + H)
Institution	Fiscal 2020-21 Formula Totals	Percent of Total	AA Before Adjustment	Minus \$ in Difference Column	Funding in Excess of Minus \$	Fiscal 2020-21 Hold Harmless Allocation	Plus \$ in Difference Column	Funding in Excess of Minus \$	Fiscal 2020-21 Performance Distribution
University of Kentucky	\$167,244,400	32.4%	\$418,300	\$0	\$418,300	\$0	\$6,203,300	\$418,300	\$6,621,600
University of Louisville	113,536,100	22.0%	284,000	0	284,000	0	2,654,900	284,000	2,938,900
Eastern Kentucky University	56,250,400	10.9%	140,700	0	140,700	0	253,500	140,700	394,200
Kentucky State University	6,881,700	1.3%	17,200	(6,902,600)	0	(6,885,400)	0	0	0
Morehead State University	27,584,400	5.3%	69,000	(2,895,900)	0	(2,826,900)	0	0	0
Murray State University	35,338,400	6.8%	88,400	(764,200)	0	(675,800)	0	0	0
Northern Kentucky University	46,356,500	9.0%	115,900	0	115,900	0	851,100	115,900	967,000
Western Kentucky University	63,010,200	12.2%	157,600	0	157,600	0	600,300	157,600	757,900
University Sector	ΣA = \$516,202,100	100.0%	\$1,291,100	(\$10,562,700)	\$1,116,500	(\$10,388,100)	\$10,563,100	\$1,116,500	\$11,679,600

Allocation Amount: 11,679,600

Additional Appropriation Before Adjustment (AABA): \$1,291,100

Council on Postsecondary Education
 Performance Funding Model for the Public Universities
 Table 6 - Subsequent Distribution of Allocable Resources by Institution
 Fiscal Year 2020-21

Final Verified Distribution
 May 22, 2020

Institution	(A + B)		C	D	E	(C - D - E)				Operational Support Components (@ 30%)						G	H	
	A	B				F	Outcomes Based Components (@ 70%)				Operational Support Components (@ 30%)							
	2020-21 Adjusted Net General Fund	Performance Distribution	2020-21 Revised Net General Fund	Small School Adjustment ¹	Hold Harmless Allocation	Allocable Resources	Success Share ²	Student Success	Credit Hour Share ³	Course Completion	Square Feet Share ⁴	Maintenance & Operations	Direct Cost Share ⁵	Institutional Support	FTE Student Share ⁶	Academic Support	Formula Totals	Dollar Difference
UK	\$178,040,400	\$6,621,600	\$184,662,000	(\$16,999,300)	\$0	\$167,662,700	33.4%	\$60,487,800	31.3%	\$56,628,700	36.2%	\$18,726,000	28.7%	\$14,848,900	32.8%	\$16,971,300	\$167,662,700	\$0
UofL	123,272,700	2,938,900	126,211,600	(12,391,500)	0	113,820,100	21.1%	38,201,200	23.1%	41,840,900	18.7%	9,660,500	25.5%	13,171,800	21.2%	10,945,600	113,820,000	(100)
EKU	60,448,100	394,200	60,842,300	(4,451,200)	0	56,391,100	10.9%	19,737,700	11.4%	20,615,600	10.3%	5,351,800	9.8%	5,089,800	10.8%	5,596,200	56,391,100	0
KSU	18,235,500	0	18,235,500	(4,451,200)	(6,885,400)	6,898,900	1.4%	2,551,900	0.9%	1,544,900	2.8%	1,469,000	1.5%	758,400	1.1%	574,700	6,898,900	0
MoSU	34,931,500	0	34,931,500	(4,451,200)	(2,826,900)	27,653,400	5.2%	9,434,100	5.3%	9,572,700	5.7%	2,947,300	5.5%	2,861,900	5.5%	2,837,400	27,653,400	0
MuSU	40,553,800	0	40,553,800	(4,451,200)	(675,800)	35,426,800	7.0%	12,611,500	6.3%	11,348,300	8.4%	4,364,300	7.1%	3,689,000	6.6%	3,413,600	35,426,700	(100)
NKU	49,956,600	967,000	50,923,600	(4,451,200)	0	46,472,400	8.9%	16,144,200	9.2%	16,656,200	7.7%	3,961,100	9.2%	4,783,600	9.5%	4,927,400	46,472,500	100
WKU	66,861,100	757,900	67,619,000	(4,451,200)	0	63,167,800	12.1%	21,954,200	12.7%	22,915,300	10.2%	5,269,300	12.6%	6,545,800	12.5%	6,483,100	63,167,700	(100)
Sector	\$572,299,700	\$11,679,600	\$583,979,300	(\$56,098,000)	(\$10,388,100)	\$517,493,200	100.0%	\$181,122,600	100.0%	\$181,122,600	100.0%	\$51,749,300	100.0%	\$51,749,200	100.0%	\$51,749,300	\$517,493,000	(\$200)
						Allocated Dollars:		\$181,122,600		\$181,122,600		\$51,749,300		\$51,749,300		\$51,749,300	\$517,493,100	} Math Check
						Percent of Total:		35.0%		35.0%		10.0%		10.0%		10.0%	100.0%	

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

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

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

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

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

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



Kentucky Council on Postsecondary Education

Andy Beshear
Governor

100 Airport Road, 2nd Floor
Frankfort, Kentucky 40601
Phone: 502-573-1555
<http://www.cpe.ky.gov>

Aaron Thompson, Ph.D.
President

May 28, 2020

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

RE: Distribution of 2020-21 Postsecondary Education Performance Fund

Dear Mr. Hicks:

As you know, the enacted budget for 2020-21 (HB 352) appropriated \$14,994,800 to the Postsecondary Education Performance Fund. These funds are to be distributed according to the provisions of KRS 164.092, which directs the Council on Postsecondary Education to run the Performance Funding Model and submit to your office a distribution of funds for the public universities and KCTCS institutions as indicated below.

Public Universities and KCTCS:

University of Kentucky	\$6,621,600
University of Louisville	2,938,900
Eastern Kentucky University	394,200
Kentucky State University	0
Morehead State University	0
Murray State University	0
Northern Kentucky University	967,000
Western Kentucky University	757,900
KCTCS	<u>3,315,200</u>
Total	\$14,994,800

(Continued on following page)

KCTCS Institutions (Detail):

Ashland	\$0
Big Sandy	0
Bluegrass	611,500
Elizabethtown	314,200
Gateway	285,200
Hazard	0
Henderson	0
Hopkinsville	201,800
Jefferson	468,400
Madisonville	0
Maysville	266,800
Owensboro	284,400
Somerset	327,400
Southcentral	291,900
Southeast	0
West Kentucky	<u>263,600</u>
KCTCS Subtotal	\$3,315,200

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

Sincerely,



Aaron Thompson, President
Kentucky Council on Postsecondary Education

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

Table 7 - Change in Funding Model Metric Three-Year Rolling Averages (**Weighted Activity Volume**)
 Between 2019-20 and 2020-21 Iterations

Student Success Component

Bachelor's Degrees (Normalized) Pool Size = \$46.6 M in 2020-21	2019-20 Iteration	2020-21 Iteration	Volume Change	Percent Change	Status	Institution	2019-20 Share	2020-21 Share
UK	7,754	8,191	437	5.6%	Above	UK	32.7%	33.7%
UofL	4,920	5,167	247	5.0%	Above	UofL	20.7%	21.2%
EKU	2,642	2,706	64	2.4%	Below	EKU	11.1%	11.1%
KSU	284	237	(47)	-16.5%	Below	KSU	1.2%	1.0%
MoSU	1,256	1,214	(42)	-3.4%	Below	MoSU	5.3%	5.0%
MuSU	1,799	1,733	(66)	-3.7%	Below	MuSU	7.6%	7.1%
NKU	2,228	2,161	(66)	-3.0%	Below	NKU	9.4%	8.9%
WKU	2,849	2,910	61	2.1%	Below	WKU	12.0%	12.0%
Sector	23,734	24,320	586	2.5% =	Average		100.0%	100.0%
STEM+H Bachelor's Degrees Pool Size = \$25.9 M in 2020-21	2019-20 Iteration	2020-21 Iteration	Volume Change	Percent Change	Status	Institution	2019-20 Share	2020-21 Share
UK	2,728	2,950	222	8.2%	Above	UK	35.3%	36.5%
UofL	1,453	1,566	114	7.8%	Above	UofL	18.8%	19.4%
EKU	836	871	35	4.1%	Below	EKU	10.8%	10.8%
KSU	60	51	(9)	-14.9%	Below	KSU	0.8%	0.6%
MoSU	361	375	14	3.9%	Below	MoSU	4.7%	4.6%
MuSU	723	720	(4)	-0.5%	Below	MuSU	9.4%	8.9%
NKU	691	698	7	1.1%	Below	NKU	9.0%	8.6%
WKU	864	857	(7)	-0.8%	Below	WKU	11.2%	10.6%
Sector	7,717	8,089	372	4.8% =	Average		100.0%	100.0%
URM Bachelor's Degrees Pool Size = \$15.5 M in 2020-21	2019-20 Iteration	2020-21 Iteration	Volume Change	Percent Change	Status	Institution	2019-20 Share	2020-21 Share
UK	730	813	83	11.4%	Above	UK	28.3%	29.6%
UofL	660	688	28	4.3%	Below	UofL	25.6%	25.0%
EKU	230	244	14	6.1%	Below	EKU	8.9%	8.9%
KSU	159	158	(1)	-0.6%	Below	KSU	6.2%	5.8%
MoSU	84	95	11	12.6%	Above	MoSU	3.3%	3.5%
MuSU	161	159	(2)	-1.4%	Below	MuSU	6.3%	5.8%
NKU	231	246	16	6.8%	Above	NKU	8.9%	9.0%
WKU	324	347	23	7.0%	Above	WKU	12.6%	12.6%
Sector	2,580	2,751	171	6.6% =	Average		100.0%	100.0%

Table 7 - Change in Funding Model Metric Three-Year Rolling Averages (**Weighted Activity Volume**)
Between 2019-20 and 2020-21 Iterations

Student Success Component (Cont'd)

Low Income Bachelor's Degrees Pool Size = \$15.5 M in 2020-21	2019-20 Iteration	2020-21 Iteration	Volume Change	Percent Change	Status	Institution	2019-20 Share	2020-21 Share
UK	3,428	3,489	61	1.8%	Above	UK	29.5%	30.0%
UofL	2,762	2,811	49	1.8%	Above	UofL	23.7%	24.2%
EKU	1,374	1,357	(17)	-1.2%	Below	EKU	11.8%	11.7%
KSU	204	186	(18)	-8.7%	Below	KSU	1.8%	1.6%
MoSU	762	739	(24)	-3.1%	Below	MoSU	6.6%	6.4%
MuSU	749	727	(22)	-3.0%	Below	MuSU	6.4%	6.3%
NKU	1,027	1,000	(28)	-2.7%	Below	NKU	8.8%	8.6%
WKU	1,329	1,311	(18)	-1.4%	Below	WKU	11.4%	11.3%
Sector	11,636	11,619	(16)	-0.1%	Average		100.0%	100.0%
Student Progression @ 30 Hours Pool Size = \$15.5 M in 2020-21	2019-20 Iteration	2020-21 Iteration	Volume Change	Percent Change	Status	Institution	2019-20 Share	2020-21 Share
UK	5,495	5,381	(114)	-2.1%	Above	UK	34.1%	34.1%
UofL	3,027	2,974	(53)	-1.7%	Above	UofL	18.8%	18.9%
EKU	1,862	1,749	(114)	-6.1%	Below	EKU	11.5%	11.1%
KSU	160	174	15	9.2%	Above	KSU	1.0%	1.1%
MoSU	959	961	2	0.2%	Above	MoSU	5.9%	6.1%
MuSU	1,010	1,007	(3)	-0.3%	Above	MuSU	6.3%	6.4%
NKU	1,532	1,484	(48)	-3.1%	Below	NKU	9.5%	9.4%
WKU	2,092	2,029	(62)	-3.0%	Below	WKU	13.0%	12.9%
Sector	16,136	15,759	(377)	-2.3%	Average		100.0%	100.0%
Student Progression @ 60 Hours Pool Size = \$25.9 M in 2020-21	2019-20 Iteration	2020-21 Iteration	Volume Change	Percent Change	Status	Institution	2019-20 Share	2020-21 Share
UK	5,873	5,727	(147)	-2.5%	Below	UK	33.6%	33.4%
UofL	3,532	3,461	(71)	-2.0%	Below	UofL	20.2%	20.2%
EKU	1,924	1,925	2	0.1%	Above	EKU	11.0%	11.2%
KSU	184	180	(4)	-2.0%	Below	KSU	1.1%	1.1%
MoSU	988	960	(29)	-2.9%	Below	MoSU	5.7%	5.6%
MuSU	1,115	1,091	(24)	-2.2%	Below	MuSU	6.4%	6.4%
NKU	1,612	1,588	(24)	-1.5%	Above	NKU	9.2%	9.3%
WKU	2,233	2,198	(34)	-1.5%	Above	WKU	12.8%	12.8%
Sector	17,461	17,130	(331)	-1.9%	Average		100.0%	100.0%

Table 7 - Change in Funding Model Metric Three-Year Rolling Averages (**Weighted Activity Volume**)
Between 2019-20 and 2020-21 Iterations

Student Success Component (Cont'd)

Student Progression @ 90 Hours Pool Size = \$36.2 M in 2020-21	2019-20 Iteration	2020-21 Iteration	Volume Change	Percent Change	Status	Institution	2019-20 Share	2020-21 Share
UK	7,250	7,317	67	0.9%	Above	UK	33.3%	33.6%
UofL	4,526	4,512	(14)	-0.3%	Below	UofL	20.8%	20.7%
EKU	2,311	2,374	63	2.7%	Above	EKU	10.6%	10.9%
KSU	241	209	(32)	-13.4%	Below	KSU	1.1%	1.0%
MoSU	1,237	1,197	(41)	-3.3%	Below	MoSU	5.7%	5.5%
MuSU	1,518	1,495	(23)	-1.5%	Below	MuSU	7.0%	6.9%
NKU	1,948	1,916	(32)	-1.7%	Below	NKU	8.9%	8.8%
WKU	2,748	2,775	27	1.0%	Above	WKU	12.6%	12.7%
Sector	21,780	21,794	14	0.1%	= Average		100.0%	100.0%

Course Completion Component

Student Credit Hours Earned Pool Size = \$181.1 M in 2020-21	2019-20 Iteration	2020-21 Iteration	Volume Change	Percent Change	Status	Institution	2019-20 Share	2020-21 Share
UK	1,348,256	1,391,065	42,809	3.2%	Above	UK	30.6%	31.3%
UofL	1,017,022	1,027,807	10,785	1.1%	Above	UofL	23.1%	23.1%
EKU	514,109	506,415	(7,694)	-1.5%	Below	EKU	11.7%	11.4%
KSU	40,074	37,950	(2,124)	-5.3%	Below	KSU	0.9%	0.9%
MoSU	241,295	235,150	(6,145)	-2.5%	Below	MoSU	5.5%	5.3%
MuSU	289,065	278,768	(10,297)	-3.6%	Below	MuSU	6.6%	6.3%
NKU	396,255	409,154	12,899	3.3%	Above	NKU	9.0%	9.2%
WKU	565,626	562,907	(2,719)	-0.5%	Below	WKU	12.8%	12.7%
Sector	4,411,703	4,449,217	37,513	0.9%	= Average		100.0%	100.0%

Maintenance and Operations

Square Feet Data Pool Size = \$51.7 M in 2020-21	2019-20 Iteration	2020-21 Iteration	Volume Change	Percent Change	Status	Institution	2019-20 Share	2020-21 Share
UK	8,010,620	8,585,557	574,937	7.2%	Above	UK	35.3%	36.2%
UofL	4,287,640	4,429,983	142,343	3.3%	Below	UofL	18.9%	18.7%
EKU	2,382,140	2,454,151	72,011	3.0%	Below	EKU	10.5%	10.3%
KSU	673,601	673,658	57	0.0%	Below	KSU	3.0%	2.8%
MoSU	1,312,087	1,351,527	39,440	3.0%	Below	MoSU	5.8%	5.7%
MuSU	1,955,585	2,001,344	45,760	2.3%	Below	MuSU	8.6%	8.4%
NKU	1,769,929	1,816,413	46,484	2.6%	Below	NKU	7.8%	7.7%
WKU	2,273,068	2,416,347	143,279	6.3%	Above	WKU	10.0%	10.2%
Sector	22,664,670	23,728,980	1,064,310	4.7%	= Average		100.0%	100.0%

Table 7 - Change in Funding Model Metric Three-Year Rolling Averages (**Weighted Activity Volume**)
 Between 2019-20 and 2020-21 Iterations

Institutional Support

Instruction and Student Services Pool Size = \$51.7 M in 2020-21	2019-20 Iteration	2020-21 Iteration	Volume Change	Percent Change	Status	Institution	2019-20 Share	2020-21 Share
UK	3,181	3,231	50	1.6%	Above	UK	28.2%	28.7%
UofL	2,874	2,866	(8)	-0.3%	Above	UofL	25.4%	25.5%
EKU	1,147	1,108	(39)	-3.4%	Below	EKU	10.1%	9.8%
KSU	154	165	11	7.4%	Above	KSU	1.4%	1.5%
MoSU	635	623	(12)	-1.9%	Below	MoSU	5.6%	5.5%
MuSU	832	803	(29)	-3.5%	Below	MuSU	7.4%	7.1%
NKU	1,026	1,041	14	1.4%	Above	NKU	9.1%	9.2%
WKU	1,450	1,424	(26)	-1.8%	Below	WKU	12.8%	12.6%
Sector	11,300	11,260	(40)	-0.4%	= Average		100.0%	100.0%

Academic Support

FTE Students Pool Size = \$51.7 M in 2020-21	2019-20 Iteration	2020-21 Iteration	Volume Change	Percent Change	Status	Institution	2019-20 Share	2020-21 Share
UK	38,739	38,338	(402)	-1.0%	Above	UK	32.6%	32.8%
UofL	24,886	24,726	(160)	-0.6%	Above	UofL	20.9%	21.2%
EKU	13,005	12,642	(363)	-2.8%	Below	EKU	10.9%	10.8%
KSU	1,318	1,298	(20)	-1.5%	Above	KSU	1.1%	1.1%
MoSU	6,622	6,410	(212)	-3.2%	Below	MoSU	5.6%	5.5%
MuSU	8,148	7,711	(436)	-5.4%	Below	MuSU	6.8%	6.6%
NKU	11,263	11,131	(132)	-1.2%	Above	NKU	9.5%	9.5%
WKU	15,005	14,645	(360)	-2.4%	Below	WKU	12.6%	12.5%
Sector	118,986	116,900	(2,085)	-1.8%	= Average		100.0%	100.0%

Funding Model Totals

Metrics = 11

Allocable Resources = **\$517.5 M** in 2020-21

Council on Postsecondary Education
 Performance Funding Model for the Public Universities

May 22, 2020

Table 8 - Metrics Where Rates of Growth Exceeded Sector Average
 Between Fiscal Years 2019-20 and 2020-21

<u>Performance Metric</u>	<u>UK</u>	<u>UofL</u>	<u>EKU</u>	<u>KSU</u>	<u>MoSU</u>	<u>MuSU</u>	<u>NKU</u>	<u>WKU</u>	<u>Pool Size (in Millions)</u>
Student Success Outcomes									
Bachelor's Degrees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$46.6
STEM+H Bachelor's Degrees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	25.9
URM Bachelor's Degrees	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	15.5
Low Income Bachelor's Degrees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15.5
Student Progression @ 30 Hours	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15.5
Student Progression @ 60 Hours	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	25.9
Student Progression @ 90 Hours	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	36.2
Earned Credit Hours	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	181.1
Operational Support Activity									
Instructional Square Feet	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	51.7
Direct Cost of Instruction	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	51.7
FTE Students	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	51.7
Metrics Above Sector Average	10	7	2	3	2	1	5	4	<u>\$517.5</u>

TITLE: Update on Proposed 2020-21 Agency Operating Budget

DESCRIPTION: On June 4, the Executive Committee approved the proposed 2020-21 CPE Agency Operating Budget. It will be presented to the full Council for approval at its June 19, 2020 meeting.

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

BACKGROUND INFORMATION

Each year, staff asks the Council to review and approve the agency's revenue and expenditure budget for the upcoming fiscal year. The proposed agency budget for fiscal 2020-21 is attached. The enacted Budget of the Commonwealth for 2020-21 (HB 352), along with CPE's 2020-22 biennial budget request, which was submitted to the state budget office and Legislative Research Commission in November 2019, provide the framework for revenue and expenditure amounts included in staff's proposed fiscal 2020-21 Agency Operating Budget.

Although the enacted budget does not require CPE to reduce expenditures in fiscal 2020-21, the agency's General Fund appropriation for the Agency Operations budget unit was reduced by \$1.5 million and the General Fund appropriation for the Kentucky Virtual Library and Postsecondary Education Network budget unit was reduced by \$2.0 million. To offset these General Fund reductions, CPE was given authority to spend \$3.5 million in one-time funds, comprised primarily of licensure fee and Technology Trust Fund carry-forward funds.

It is anticipated that state tax revenue will be considerably lower in fiscal 2020-21 than the Consensus Forecast estimate used to develop the enacted state budget. This may result in a mid-year budget reduction in fiscal 2020-21. The possibility of a budget reduction in the upcoming fiscal year was an important consideration in the construction of staff's proposed 2020-21 agency budget.

***This item was approved by the Executive Committee on June 4, 2020, and will go before the full Council for approval at its June 19, 2020 meeting.*

**EXECUTIVE COMMITTEE
KY COUNCIL ON POSTSECONDARY EDUCATION**

ACTION ITEM
June 4, 2020

TITLE: 2020-21 Agency Operating Budget

RECOMMENDATION: Staff recommends that the Executive Committee review and recommend approval of the proposed 2020-21 CPE Agency Operating Budget by the Council at its June 19, 2020 meeting.

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

SUPPORTING INFORMATION

Each year, staff asks the Council to review and approve the agency's revenue and expenditure budget for the upcoming fiscal year. Below is a description of CPE's budget as proposed for 2020-21. The enacted state budget for 2020-21 (HB 352), along with CPE's 2020-22 biennial budget request, submitted to the state budget office and Legislative Research Commission in November 2019, provide the framework for next fiscal year's Agency Operating Budget. Budgeted figures for the current year (2019-20) are included for comparison.

CPE General Fund Budget

Because of uncertainty regarding state revenues due to the COVID-19 pandemic, the enacted budget, HB 352, only included appropriations for fiscal year 2020-21. A one-year budget for the state is unprecedented, and despite the legislature using a more conservative revenue estimate for the upcoming year, all indications point to a mid-year budget reduction in 2020-21. Staff's proposed revenue and expenditure budget has anticipated potential General Fund budget reductions for the coming year.

House Bill 352 provides for flat funding of most CPE allotments (i.e., subdivisions of appropriations), though it does require the use of agency Restricted Funds to maintain spending levels. In lieu of transferring accumulated agency restricted funds to the state General Fund, the Office of State Budget Director (OSBD), in the Governor's Executive Budget, proposed that \$1,500,000 of CPE's Licensure Funds be used in place of state General Fund to support Agency Operations for 2020-21 only. Likewise, OSBD proposed that

\$2,000,000 of Technology Trust Fund program funds be used in place of state General Fund for the Kentucky Virtual Library and Postsecondary Education Network in fiscal year 2020-21 only. In the Executive Budget, state General Fund for these programs increased to their original levels in fiscal year 2021-22. These “fund swaps” were included in every version of the budget, including the enacted budget. Unfortunately, the final enacted budget did not include any funding for 2021-22, so the funding level for 2021-22 is not yet known and the restoration of General Fund dollars for those programs will need to be pursued.

Other notable changes for fiscal year 2020-21 include an additional \$50,000 for the Southern Regional Education Board (SREB) Doctoral Scholars program, which will provide scholarships and other programming to help under-represented minority doctoral candidates at the University of Kentucky and University of Louisville succeed and encourage them to pursue careers in academia after graduation.

Funding to assist students pursuing degrees in veterinary medicine and optometry through the Contract Spaces program was moved to the Kentucky Higher Education Assistance Authority in fiscal year 2020-21. Additional funding was provided in the enacted budget to cover increases in that program’s costs. Funds for Kentucky’s dues to SREB are traditionally paid from this allotment and remain in the CPE budget for 2020-21.

In the coming days, staff anticipates that the Governor will issue an Executive Order to implement a General Fund budget reduction in the current year (2019-20). While the Office of State Budget Director has requested plans from each state agency for a 1% budget reduction, the memorandum noted that all discretionary spending was to be curtailed in light of the current revenue situation, and indicated that the budget reduction order could exceed 1%. CPE’s plan identified savings through vacant positions, lower rent for office space, and unused veterinary spaces in the Contract Spaces program that totaled \$316,900, or about 2.8% of total General Fund (less Contract Spaces funding).

Because the fiscal year 2019-20 budget reduction is not yet known, and is likely to be considered non-recurring, it is not included in the table below. Since 2011, CPE has sustained seven reductions to its budget. Cumulatively, the impact of the cuts since 2010 is -28.2%.

Agency Operating Budget Change from Prior Year in Agency General Fund Appropriation Fiscal Years 2011-2019								
<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
-5.00%	-3.00%	-8.40%	0.00%	-5.00%	-4.50%	0.00%	-5.10% *	-6.25%
								<i>*non-recurring</i>

Council on Postsecondary Education
Agency General Fund Budget
Fiscal Years 2019-20 and 2020-21 (Proposed)

<u>Expenditure Authority Category</u>	<u>FY 2019-20 Enacted</u>	<u>FY 2020-21 Proposed</u>	<u>Dollar Difference</u>
Agency Operations	\$5,830,700	\$4,341,200 (a)	-\$1,489,500
Special Initiatives	1,355,300	1,355,300	0
SREB Doctoral Scholars	0	50,000	50,000
Technology Trust Fund	3,628,300	1,628,300 (b)	-2,000,000
Contract Spaces	5,982,000	211,600 (c)	-5,770,400
Ovarian Cancer Screening	500,000	500,000	0
Total	\$17,296,300	\$8,086,400	-\$9,209,900

- (a) One-year reduction in Agency Operations General Fund appropriation. CPE can use \$1,500,000 in accumulated Licensure and Federal Indirect Funds to maintain fiscal year 2019-20 expenditure levels.
- (b) One-year reduction in Technology Trust Fund General Fund appropriation. The agency can use \$2,000,000 in accumulated Virtual Library and other Technology Trust Fund balances to maintain fiscal year 2019-20 expenditure levels for the Virtual Library and Postsecondary Education Network.
- (c) General Fund appropriations supporting Contract Spaces Program veterinary medicine and optometry slots will be transferred to the Kentucky Higher Education Assistance Authority in fiscal year 2020-21. The \$211,600 residual represents funding to pay for annual SREB dues.

Personnel expenses make up 84 percent of the Agency Operations budget. General Fund appropriations support 42 employees, down from 97 staff in 2007-08.

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

CPE Tobacco Fund, Federal Funds, and Restricted Funds Budgets

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

The next table provides a summary of the Council's 2019-20 authorized expenditure levels for these funds and the 2020-21 proposed expenditure budgets. The enacted budget (HB 352) specifies the expenditure limits for each fund.

Council on Postsecondary Education			
Tobacco, Federal, and Restricted Fund Expenditure Authority			
Fiscal Years 2019-20 and 2020-21 (Proposed)			
	<u>Original 2019-20</u>	<u>Revised 2019-20</u>	<u>Proposed 2020-21</u>
Tobacco Fund Budget			
Cancer Research (UK/UofL)	6,686,500	6,268,173	6,876,100
Spinal Cord Research (UK/UofL)	-	-	650,000
Tobacco Fund Total	<u><u>6,686,500</u></u>	<u><u>6,268,173</u></u>	<u><u>7,526,100</u></u>
Federal Funds Budget			
GEAR UP	<u><u>4,000,000</u></u>	<u><u>4,000,000</u></u>	<u><u>3,997,000</u></u>
Restricted Funds Budget			
Cancer Research Match	4,110,000	4,083,300	4,080,000
Licensure	313,300	340,000	355,200
Licensure for Operations	-	-	1,400,000
Federal Indirect	550,000	550,000	600,000
Restricted Fund Total	<u><u>4,973,300</u></u>	<u><u>4,973,300</u></u>	<u><u>6,435,200</u></u>

For the current biennium (2018-19 and 2019-20) and next fiscal year (2020-21), the state budget specifies that Tobacco Fund appropriations in CPE's budget fund cancer research at UK and UofL (divided equally), rather than funding the Lung Cancer Research Program. This change allows these institutions greater flexibility. For 2020-21, additional Tobacco Funds are provided for spinal cord research at UK and UofL.

The only program supported with Federal Funds in CPE's 2020-21 budget is GEAR UP.

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

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

CPE Other Funds

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

The Revolving Loan Fund was created to provide start-up funds for expensive information technology programs at Kentucky public colleges and universities. Four years ago, \$600,000 was spent from this fund for Kentucky Postsecondary Education Network upgrades. Staff recommends Council approval to use up to \$800,000 of the Revolving Loan Fund to maintain funding levels for the Virtual Library and Postsecondary Education Network (KPEN). This action will still leave \$425,000 in the Revolving Loan Fund.

The Technology Trust Fund receives state General Fund appropriations and Kentucky Virtual Library (KYVL) and KPEN receipts. The fund also receives interest earnings, smaller private grant funds, and funds from state government agencies on occasion. These funds will be spent in 2020-21 as allowed by terms of the funding. For 2020-21, the state budget requires the use of \$2,000,000 within the Technology Trust Fund to make up for a one-time reduction of General Fund appropriations for this allotment. Staff proposes that \$800,000 comes from the Revolving Loan Fund, about \$600,000 should come from KYVL resources, and the remaining \$600,000 will be comprised of smaller technology trust fund line items. Unfortunately, this action will significantly reduce one-time discretionary resources available in that fund.



**PowerPoint Slides from the meeting
Finance Committee
JUNE 9, 2020**



CPE Finance Committee

June 9, 2020 ~ 3:00 p.m. ET

*Thank you for joining the livestream –
we will begin momentarily.*

Supporting materials can be found at:
<http://cpe.ky.gov/aboutus/meetings.html>



Today's Agenda

- I. Call to Order and Roll Call**
- II. Approval of the Minutes***
- III. Campus Tuition and Mandatory Fee Proposals (Action Items)**
- IV. Delegate Tuition Approval Authority to Finance Committee**
- V. Update on CARES Act Funding**
- VI. Fiscal 2020-21 Performance Fund Distribution**
- VII. Update on Proposed 2020-21 Agency Operating Budget**
- VIII. Other Business and Adjournment**

Campus Tuition and Mandatory Fee Proposals

Campus Tuition and Fees

What parameters were approved?

Council Actions:

- At its April 24 meeting, the Council voted to establish no parameters for resident undergraduate tuition and fees for the upcoming 2020-21 academic year
- This action was taken in response to the disruption and economic uncertainty caused by the COVID-19 pandemic
- The Council also voted to allow institutions to charge market competitive rates for graduate and online courses
- As a result of these actions, the public universities, KCTCS, and their boards were given discretion to determine their own tuition and fee increases for academic year 2020-21

Campus Tuition and Fees

What is being proposed?

Proposed Resident Undergraduate Base Rate Charges Academic Year 2020-21

<u>Institution</u>	<u>Current 2019-20 Base Rate Charge</u>	<u>Proposed 2020-21 Base Rate Charge</u>	<u>Dollar Change</u>	<u>Percent Change</u>
KSU	\$8,500	\$8,500	\$0	0.0%
MoSU	9,038	9,038	0	0.0%
MuSU ¹	9,168	9,168	0	0.0%
NKU	9,912	9,912	0	0.0%
WKU	10,602	10,602	0	0.0%
KCTCS ²	\$5,220	\$5,370	\$150	2.9%

¹ The proposed base rate for MuSU does not include a previously approved \$3.00 per credit hour increase in an Asset Preservation Fee (i.e., from \$7.00 to \$10.00).

² Charges shown are full-time comparison rates. KCTCS is proposing a \$5.00 per credit hour increase from \$174.00 to \$179.00 per credit hour.

Campus Tuition and Fees

What is staff's recommendation?

- Staff recommends that the Finance Committee approve resident undergraduate tuition and fees for the upcoming 2020-21 academic year as proposed by:
 - Kentucky State University
 - Morehead State University
 - Murray State University
 - Northern Kentucky University
 - Western Kentucky University
 - KCTCS
- Staff recommends approval of nonresident, graduate, and on-line rates as proposed

**Delegate Tuition Approval
Authority
to Finance Committee**

Campus Tuition and Fees

Delegate Tuition Approval Authority

Request for Council Action:

- For about three years, staff has required institutions to obtain approval from their governing boards before bringing tuition and fee proposals for Council approval
- More recently, institutions must seek approval from the Finance Committee before bringing proposals to Council
- This year, UK, UofL, and ECU have indicated that their boards will not take action until June 19 or after
- Staff recommends that the Council delegate authority to the Finance Committee to review and approve tuition and fee proposals from UK, UofL, and ECU (in early July)

Update on CARES Act Funding

1. Higher Education Emergency Relief Funds
 - Grants to Students
 - Support for Campuses
2. Governor's Education Emergency Relief Funds

CARES Act: Higher Education Emergency Relief Fund

- Two main pots of HEERF funding distributed directly to campuses
 - **45% Emergency Cash Grants to Students** (supports emergency needs like food, shelter, childcare, and educational costs)
 - **45% Institutional Grants** (helps campuses respond to costs associated with the pandemic)
- Kentucky share for first two pots: \$156 million
- Includes all Title IV eligible schools – public and private
- Distribution based on share of Pell students (75%) and overall enrollment (25%).
- **Final 10% of HEER fund** is reserved for minority and low-income serving institutions.

Higher Education Emergency Relief Fund *Grants to Students*

\$6.28 billion to public, private, and for-profit institutions Student Emergency Grant Aid (45% of HEERF)

- All funds must be distributed directly to students.
- Cannot be used to reimburse themselves for refunds for housing & meal plans, or post to student accounts to pay for overdue bills.
- Students must be Title IV participants or Title IV eligible to receive aid. Undocumented, DACA, and international students are ineligible.
- CPE provided broad guidelines to KY campuses emphasizing grants to students supporting success - retention, progression and completion.

Status Reports on HEERF Student Grants (as of mid May)

- In mid-May campuses were just beginning to distribute grants to students.
- Average awards ranged from \$513 at Morehead to \$1,747 at UofL. At most campuses, the average grant was around \$1,000.
- Distribution methodology varied; most campuses prioritized high need students as determined through financial aid information and applications certifying financial hardship.
- Program challenges: lack of clear and timely guidance from USDOE, student eligibility requirements, and length of time to certify students and get funding out the door.

Higher Education Emergency Relief Fund *Campus Grants*

Institutional Emergency Grant Aid (45% of HEERF)

- These funds cover any costs associated with significant costs due to the coronavirus.
- USDOE encourages institutions to use the funds to expand remote learning programs, strengthen IT capacity, and train faculty and staff for remote learning.
- Can be used for student emergency grant aid to students.
- Also can be used to reimburse campuses for student refunds, and address costs related to facilities.

Status Report on HEERF Campus Grants (as of mid May)

- Campuses were just beginning to draw down funding in mid-May.
- Among the planned use of funds:
 - Reimbursement for student dining, housing and parking refunds
 - Technology related to the delivery of instruction (laptops, hot spots, course design, infrastructure, etc).
 - Training and professional development to move to on-line environment
 - PPE, campus cleaning, and supplies
 - COVID testing and monitoring

CARES Act: Governor's Education Emergency Relief Fund

- Governors have broad latitude on the use of the funds.
- KY is receiving \$44 million with \$13.8 million going to postsecondary education under the administration of CPE.
 - \$8.8 million to public universities
 - \$2.5 million to KCTCS campuses
 - \$1 million to Kentucky's non-profit, private colleges/universities
 - \$1.5 million, emergency reserve fund housed at CPE

CARES Act: Governor's Education Emergency Relief Fund

- Allowed uses: improve access to and quality of online programs; targeted financial aid for students; mentoring and advising; COVID testing and contact tracing, and other costs associated with pandemic response.
- Timeline – final grant announcements will go out this week. CPE will develop contracts with each campus (public and private) to release the funding. Funding will be released as soon as possible.
- A mid-term and a final report are required from each campus detailing the use of funds and outcomes.

Fiscal 2020-21 Performance Distribution

Performance Funding Models

FY 2020-21 Performance Distributions

Kentucky Public Universities and KCTCS Institutions

Distribution of Postsecondary Education Performance Fund Appropriations

Fiscal Year 2020-21

Public Universities and KCTCS		KCTCS Institutions	
Institution	2020-21 PEPF Distribution	Institution	2020-21 KCTCS Distribution
University of Kentucky	\$6,621,600	Ashland Community and Technical College	\$0
University of Louisville	2,938,900	Big Sandy Community and Technical College	0
Eastern Kentucky University	394,200	Bluegrass Community and Technical College	611,500
Kentucky State University	0	Elizabethtown Community and Technical College	314,200
Morehead State University	0	Gateway Community and Technical College	285,200
Murray State University	0	Hazard Community and Technical College	0
Northern Kentucky University	967,000	Henderson Community College	0
Western Kentucky University	757,900	Hopkinsville Community College	201,800
KCTCS	3,315,200	Jefferson Community and Technical College	468,400
Total	\$14,994,800	Madisonville Community College	0
		Maysville Community and Technical College	266,800
		Owensboro Community and Technical College	284,400
		Somerset Community College	327,400
		Southcentral Kentucky Community and Technical College	291,900
		Southeast Kentucky Community and Technical College	0
		West Kentucky Community and Technical College	263,600
		KCTCS Total	\$3,315,200

Performance Funding Models

Beating the Sector Average

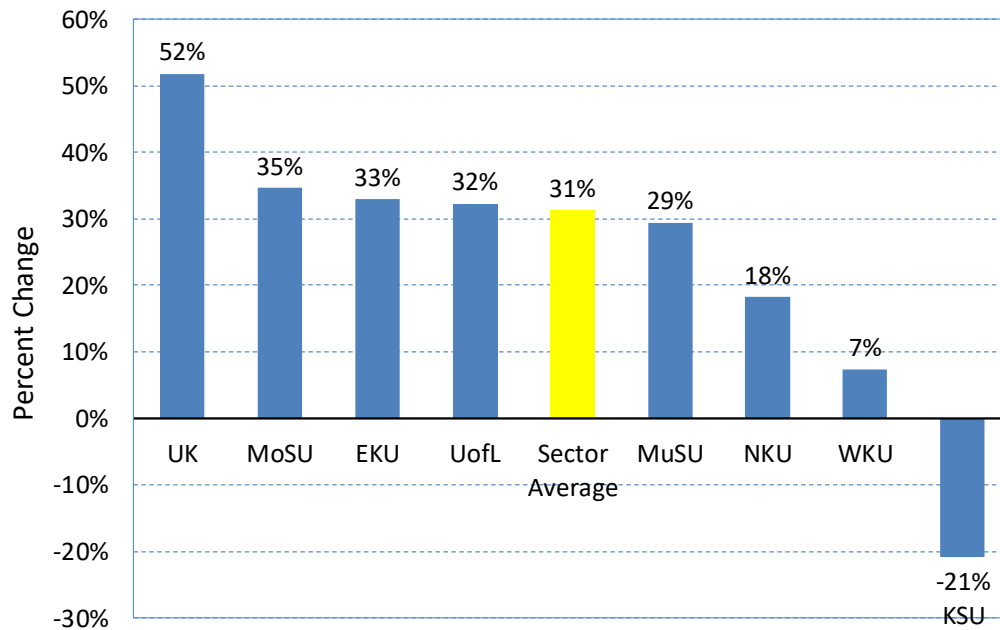
Funding Model for the Public Universities
 Metrics Where Rates of Growth Exceeded Sector Average
 Between Fiscal Years 2019-20 and 2020-21

Performance Metric	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU	Pool Size (in Millions)
Student Success Outcomes									
Bachelor's Degrees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$46.6
STEM+H Bachelor's Degrees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	25.9
URM Bachelor's Degrees	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	15.5
Low Income Bachelor's Degrees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15.5
Student Progression @ 30 Hours	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	15.5
Student Progression @ 60 Hours	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	25.9
Student Progression @ 90 Hours	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	36.2
Earned Credit Hours	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	181.1
Operational Support Activity									
Instructional Square Feet	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	51.7
Direct Cost of Instruction	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	51.7
FTE Students	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	51.7
Metrics Above Sector Average	10	7	2	3	2	1	5	4	\$517.5

Performance Funding Models

Growing STEM+H Degrees

Five-Year Change in STEM+H Bachelor's Degrees Produced
Between Academic Years 2013-14 and 2018-19

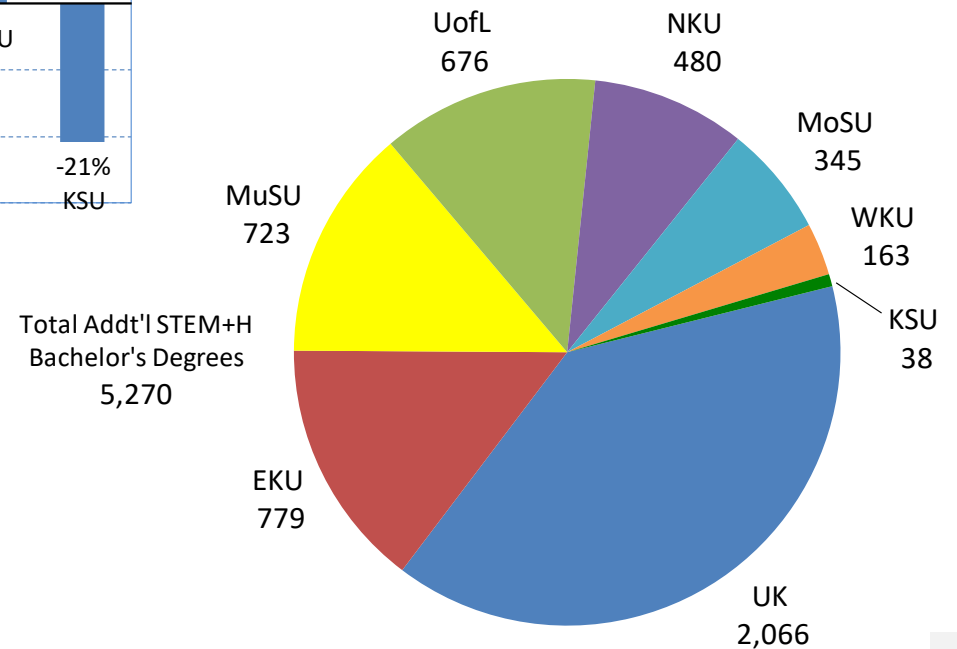


- Growth rates above the sector average increase an institution's share of funding for a given metric

- Four universities - UK, EKU, MuSU, and UofL - produced 80% of the cumulative net gain in STEM+H degrees over the past five years



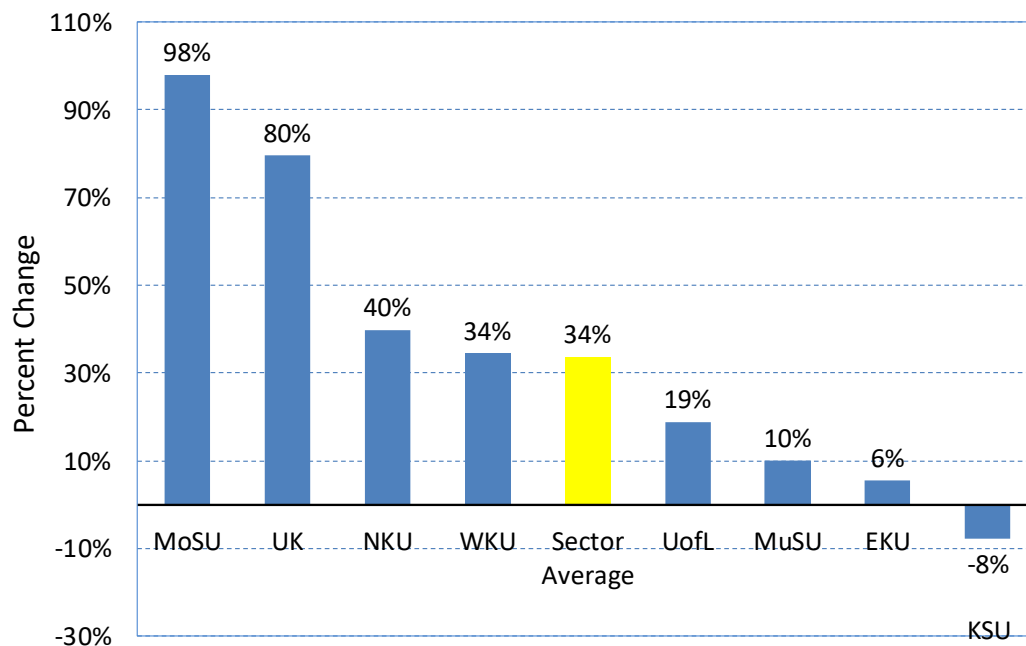
Cumulative Net Gain in STEM+H Bachelor's Degrees
Academic Years 2013-14 through 2018-19



Performance Funding Models

Closing Achievement Gaps

Five-Year Change in Minority Bachelor's Degrees Produced
Between Academic Years 2013-14 and 2018-19

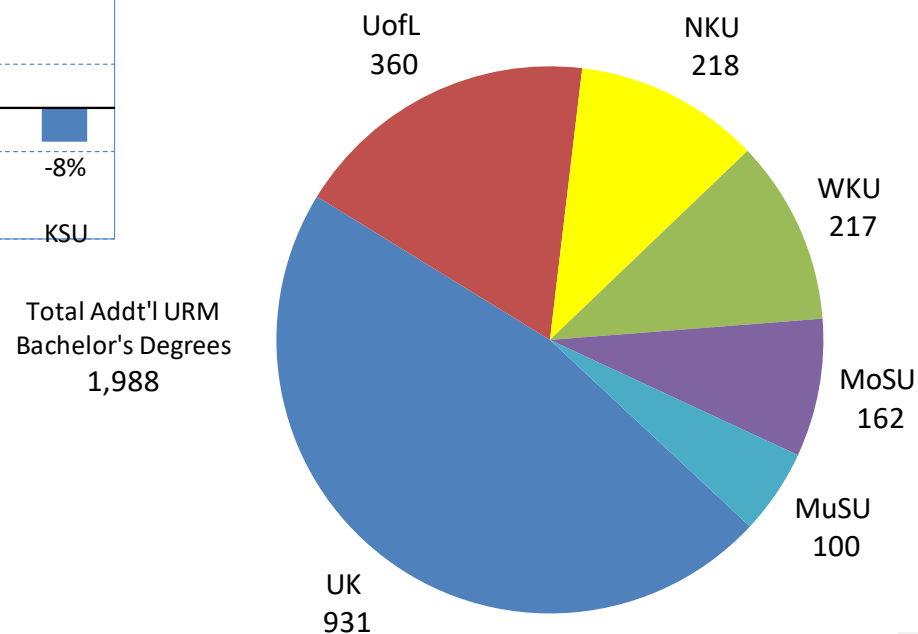


- Growth rates above the sector average increase an institution's share of funding for a given metric

- Three universities - UK, UofL, and NKU - produced 76% of the cumulative net gain in URM degrees over the past five years



Cumulative Net Gain in Minority Bachelor's Degrees
Academic Years 2013-14 through 2018-19



Update on 2020-21 Agency Operating Budget

*--approved by
Executive Committee
on June 4, 2020*

Council Business Meeting June 19, 2020

Next Committee Meeting TBD



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