

## **AGENDA**

Tuition Development Work Group

Council on Postsecondary Education

Monday, March 19, 2018

3:00 PM

CPE Offices, Conf Rm A

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1. Opening Remarks
  2. House Adopted Budget (HB 200/GA)
    - a. Operating Funds 2
    - b. Capital Projects 5
    - c. CPE Agency Budget 7
  3. Data Requests
    - a. Cost Savings and Efficiencies 8
    - b. Dining Fees and Contracts 17
    - c. Special Use Fees 21
    - d. Fixed Cost Template 24
  4. Policy Relevant Data 25
  5. Legislative Update
  6. Other Business
  7. Adjournment
- Next Meeting: April 19, 2018, 2:00 p.m. - CPE, Conference Room A

Kentucky Public Postsecondary Institutions  
 House Adopted General Fund Appropriations for Institutional Operations (HB 200/GA)  
 2018-20 Biennium

Draft - For Discussion Purposes  
 March 7, 2018

	A	B	(A + B) C	D	(C + D) E	(E x (-6.25%)) F	(C + D + F) G	H	I	J	K	L	(L - C) M	(L/C) -1 N
Institution	2017-18 Regular Appropriation <sup>1</sup>	Performance Distribution <sup>2</sup>	2017-18 Total General Fund	Program Specific Cuts/Eliminations <sup>3</sup>	Applicable Reduction Base	Across the Board Reduction (-6.25%)	Governor's Proposed 2018-19 General Fund	Program Specific Cuts Restored	New Funding Operations	New Funding Debt Service	Restoration of 6.25% Reduction	House Adopted 2018-19 General Fund	Dollar Change	Percent Change
University of Kentucky	\$253,677,400	\$13,411,800	\$267,089,200	(\$10,176,300)	\$256,912,900	(\$16,057,100)	\$240,855,800	9,770,000	3,753,100	\$2,344,500	\$16,057,100	\$272,780,500	\$5,691,300	2.13%
University of Louisville	126,177,500	6,580,500	132,758,000	0	132,758,000	(8,297,400)	124,460,600	0	2,500,000	1,079,000	8,297,400	136,337,000	3,579,000	2.70%
Eastern Kentucky University	61,723,700	3,321,500	65,045,200	(350,000)	64,695,200	(4,043,500)	60,651,700	150,000	0	459,000	4,043,500	65,304,200	259,000	0.40%
Kentucky State University	26,729,600	0	26,729,600	0	26,729,600	(1,670,600)	25,059,000	0	400,000	121,000	1,670,600	27,250,600	521,000	1.95%
Morehead State University	39,899,700	1,742,900	41,642,600	(200,000)	41,442,600	(2,590,200)	38,852,400	200,000	0	337,000	2,590,200	41,979,600	337,000	0.81%
Murray State University	43,570,800	2,231,300	45,802,100	(1,200,000)	44,602,100	(2,787,600)	41,814,500	0	2,523,600	364,000	2,787,600	47,489,700	1,687,600	3.68%
Northern Kentucky University	48,875,200	2,745,900	51,621,100	(1,323,900)	50,297,200	(3,143,600)	47,153,600	0	0	308,000	3,143,600	50,605,200	(1,015,900)	-1.97%
Western Kentucky University	70,823,600	3,830,200	74,653,800	(750,000)	73,903,800	(4,619,000)	69,284,800	0	0	562,500	4,619,000	74,466,300	(187,500)	-0.25%
KCTCS	172,524,700	9,080,300	181,605,000	(3,760,700)	177,844,300	(11,115,300)	166,729,000	0	0	793,500	11,115,300	178,637,800	(2,967,200)	-1.63%
Total	\$844,002,200	\$42,944,400	\$886,946,600	(\$17,760,900)	\$869,185,700	(\$54,324,300)	\$814,861,400	\$10,120,000	\$9,176,700	\$6,368,500	\$54,324,300	\$894,850,900	\$7,904,300	0.89%

	(= Col. L) O	P	Q	(O + P + Q) R
Institution	House A&R 2018-19 Proposed General Fund	Performance Allocation <sup>6</sup>	New Funding Debt Service <sup>7</sup>	House Adopted 2019-20 General Fund
University of Kentucky	\$272,780,500	(\$1,811,900)	\$4,689,000	\$275,657,600
University of Louisville	136,337,000	(1,320,200)	2,158,000	137,174,800
Eastern Kentucky University	65,304,200	(626,500)	918,000	65,595,700
Kentucky State University	27,250,600	(199,900)	242,000	27,292,700
Morehead State University	41,979,600	(385,600)	674,000	42,268,000
Murray State University	47,489,700	(433,100)	728,000	47,784,600
Northern Kentucky University	50,605,200	(503,000)	616,000	50,718,200
Western Kentucky University	74,466,300	(690,600)	1,125,000	74,900,700
KCTCS	178,637,800	(1,695,000)	1,587,000	178,529,800
Total	\$894,850,900	(\$7,665,800)	\$12,737,000	\$899,922,100

Governor's Proposed 2018-19 General Fund for UK:		\$240,855,800
Program Specific Cuts and Eliminations		As Restored
Hospital Direct Support/Neonatal Intensive Care		\$1,000,000
Agriculture Public Service	*UK	1,807,900
Livestock Disease Laboratory	*UK	2,060,000
Center for Entrepreneurship		612,900
Center for Applied Energy Research		2,670,000
Mining Engineering Scholarship		300,000
Robinson Scholars Program		1,000,000
Program Specific Total >		\$9,770,000
New Funding Operations		
Research and Development		\$300,000
Pediatric Cancer Research		1,500,000
Cancer Research	*plug number	1,953,100
New Funding Operations Total >		\$3,753,100
New Funding Debt Service >		2,344,500
Restoration of 6.25% Reduction >		16,057,100
House Adopted 2018-19 General Fund for UK:		\$272,780,500

<sup>1</sup> Enacted General Fund appropriations for institutional operations for fiscal year 2017-18. Figures shown were obtained from the 2016-2018 Budget of the Commonwealth (HB 303).  
<sup>2</sup> Recommended distribution of \$42.9 million from the Postsecondary Education Performance Fund (PEPF) to institutions in fiscal year 2017-18 based on funding model calculations.  
<sup>3</sup> Governor's proposed cuts and eliminations of mandated program appropriations, using 2016-17 mandated program appropriations as a beginning base, and select scholarship programs at the University of Kentucky.  
<sup>4</sup> Funding for cancer research.  
<sup>5</sup> Funding to replace MuSU operating funds that were being expended on the Breathitt Veterinary.  
<sup>6</sup> Amount deducted from each institution's operating base and placed in the Postsecondary Education Performance Fund. Represents 1.0% of each institution's adjusted net General Fund.  
<sup>7</sup> Calculated by subtracting each institution's 2018-19 appropriation for debt service from its 2019-20 appropriation for debt service

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Kentucky Public Postsecondary Institutions  
 Budgetary Impact of Governor's Proposed General Fund for Institutional Operations  
 2018-20 Executive Budget (HB 200)

Draft - For Discussion Purposes  
 January 23, 2018

	A	B	C	(B + C) D	(D ÷ A) E
		Key Policy Decisions <sup>2</sup>			
Institution	2017-18 Total General Fund <sup>1</sup>	6.25% Cut in General Fund <sup>3</sup>	Unfunded KERS Cost Increases <sup>4</sup>	Combined Dollar Impact	Combined Percent Impact
University of Kentucky	\$267,089,200	(\$16,057,100)	\$0	(\$16,057,100)	-6.0%
University of Louisville	132,758,000	(8,297,400)	0	(8,297,400)	-6.3%
Eastern Kentucky University	65,045,200	(4,043,500)	(9,714,400)	(13,757,900)	-21.2%
Kentucky State University	26,729,600	(1,670,600)	(1,358,600)	(3,029,200)	-11.3%
Morehead State University	41,642,600	(2,590,200)	(3,283,800)	(5,874,000)	-14.1%
ω Murray State University	45,802,100	(2,787,600)	(4,777,300)	(7,564,900)	-16.5%
Northern Kentucky University	51,621,100	(3,143,600)	(12,810,700)	(15,954,300)	-30.9%
Western Kentucky University	74,653,800	(4,619,000)	(7,263,300)	(11,882,300)	-15.9%
KCTCS	181,605,000	(11,115,300)	(8,039,400)	(19,154,700)	-10.5%
<b>Total</b>	<b>\$886,946,600</b>	<b>(\$54,324,300)</b>	<b>(\$47,247,500)</b>	<b>(\$101,571,800)</b>	<b>-11.5%</b>

<sup>1</sup> Sum of regular General Fund appropriations for postsecondary institution operations as enacted (HB 303) for fiscal year 2017-18, plus CPE's recommended distribution to the institutions of \$42.9 million from the Postsecondary Education Performance Fund (PEPF) based on funding model calculations.

<sup>2</sup> In the 2018-20 Executive Budget, the recommended level of General Fund appropriations for postsecondary institution operations reflects two key policy decisions that have implications for the 2018-19 tuition setting cycle: (1) it includes an across-the-board reduction in General Fund appropriations of 6.25% for each institution; and (2) it provides no new funding to offset mandated KERS cost increases at Kentucky comprehensive universities and KCTCS institutions. Program specific cuts and eliminations identified in the Executive Budget are not included in this analysis because they do not impact credit hour generating programs.

<sup>3</sup> Figures pertaining to the proposed 6.25% across-the-board cut were derived from the 2018-20 Executive Budget.

<sup>4</sup> Projected increases in KERS employer-paid retirement contributions obtained from the Kentucky Retirement System.

Kentucky Public Postsecondary Institutions  
 Budgetary Impact of House Adopted General Fund for Institutional Operations  
 2018-20 House Adopted Budget (HB 200/GA)

Draft - For Discussion Purposes  
 March 19, 2018

Institution	A	Key Policy Decisions <sup>2</sup>		(B + C) D	(D ÷ A) E
	2017-18 Total General Fund <sup>1</sup>	6.25% Cut in General Fund <sup>3</sup>	Unfunded KERS Cost Increases <sup>4</sup>	Combined Dollar Impact	Combined Percent Impact
University of Kentucky	\$267,089,200	\$0	\$0	\$0	0.0%
University of Louisville	132,758,000	0	0	0	0.0%
Eastern Kentucky University	65,045,200	0	(9,714,400)	(9,714,400)	-14.9%
Kentucky State University	26,729,600	0	(1,358,600)	(1,358,600)	-5.1%
Morehead State University	41,642,600	0	(3,283,800)	(3,283,800)	-7.9%
Murray State University	45,802,100	0	(4,777,300)	(4,777,300)	-10.4%
Northern Kentucky University	51,621,100	0	(12,810,700)	(12,810,700)	-24.8%
Western Kentucky University	74,653,800	0	(7,263,300)	(7,263,300)	-9.7%
KCTCS	181,605,000	0	(8,039,400)	(8,039,400)	-4.4%
<b>Total</b>	<b>\$886,946,600</b>	<b>\$0</b>	<b>(\$47,247,500)</b>	<b>(\$47,247,500)</b>	<b>-5.3%</b>

<sup>1</sup> Sum of regular General Fund appropriations for postsecondary institution operations as enacted (HB 303) for fiscal year 2017-18, plus CPE's recommended distribution to the institutions of \$42.9 million from the Postsecondary Education Performance Fund (PEPF) based on funding model calculations.

<sup>2</sup> In the House adopted version of the 2018-20 budget, the recommended level of General Fund appropriations for postsecondary institutions reflects two policy decisions that have implications for the 2018-19 tuition setting cycle: (1) it eliminates the 6.25% across-the-board cut in General Fund appropriations that was included in the Governor's budget, restoring \$54.3 million in cuts to the institutions as they were taken; and (2) it provides no new funding to offset mandated KERS cost increases at Kentucky comprehensive universities and KCTCS institutions. Restoration of program specific cuts and eliminations identified in the House Budget are not included in this analysis because they do not impact credit hour generating programs.

<sup>3</sup> The House Budget restores the 6.25% across-the-board funding cuts as they were proposed to be taken in the 2018-20 Executive Budget.

<sup>4</sup> Projected increases in KERS employer-paid retirement contributions obtained from the Kentucky Retirement System.

Kentucky Public Postsecondary Institutions  
 House Adopted Appropriations and Matching Requirements for Asset Preservation  
 2018-20 Biennium

Draft - For Discussion Purposes  
 March 7, 2018

Allocation of Asset Preservation Funds Among Institutions

Institution	2013 VFA Study Identified Need <sup>1</sup>	Percent of Total	2018-19 Funding for Asset Preservation			2019-20 Funding for Asset Preservation			Biennial Funding for Asset Preservation		
			State Bond Funds	Institution Matching Funds	Annual Funding Totals	State Bond Funds	Institution Matching Funds	Annual Funding Totals	State Bond Funds	Institution Matching Funds	Biennial Funding Totals
UK	\$2,242,371,690	36.8%	\$55,262,000	\$55,262,000	\$110,524,000	\$55,262,000	\$55,262,000	\$110,524,000	\$110,524,000	\$110,524,000	\$221,048,000
UofL	1,032,082,314	17.0%	25,435,000	25,435,000	50,870,000	25,435,000	25,435,000	50,870,000	50,870,000	50,870,000	101,740,000
EKU	438,941,880	7.2%	10,817,000	10,817,000	21,634,000	10,817,000	10,817,000	21,634,000	21,634,000	21,634,000	43,268,000
KSU	113,775,480	1.9%	2,804,000	2,804,000	5,608,000	2,804,000	2,804,000	5,608,000	5,608,000	5,608,000	11,216,000
MoSU	321,567,480	5.3%	7,925,000	7,925,000	15,850,000	7,925,000	7,925,000	15,850,000	15,850,000	15,850,000	31,700,000
MuSU	347,559,030	5.7%	8,565,000	8,565,000	17,130,000	8,565,000	8,565,000	17,130,000	17,130,000	17,130,000	34,260,000
NKU	294,015,940	4.8%	7,246,000	7,246,000	14,492,000	7,246,000	7,246,000	14,492,000	14,492,000	14,492,000	28,984,000
WKU	537,724,980	8.8%	13,252,000	13,252,000	26,504,000	13,252,000	13,252,000	26,504,000	26,504,000	26,504,000	53,008,000
KCTCS	758,556,630	12.5%	18,694,000	18,694,000	37,388,000	18,694,000	18,694,000	37,388,000	37,388,000	37,388,000	74,776,000
System	\$6,086,595,424	100.0%	\$150,000,000	\$150,000,000	\$300,000,000	\$150,000,000	\$150,000,000	\$300,000,000	\$300,000,000	\$300,000,000	\$600,000,000
Allocation Percentages:			50.0%	50.0%	100.0%	50.0%	50.0%	100.0%	50.0%	50.0%	100.0%

Appropriations and Matching Requirements

Funding Totals:	\$150,000,000	\$150,000,000	\$300,000,000	\$150,000,000	\$150,000,000	\$300,000,000
Required Matching Percentages:	50.0%	50.0%	100.0%	50.0%	50.0%	100.0%

<sup>1</sup> Figures obtained from Council on Postsecondary Education's 2018-20 Postsecondary Education Budget Recommendation, Capital Investment Request, Table 2, November 3, 2017.

Source: Commonwealth of Kentucky, 2018-20 House Adopted Budget.

Kentucky Public Postsecondary Institution  
 Calculated Maximum Dollar and Percent Impact of Optional Asset Preservation Fees  
 Compared to 2017-18 Base Rates

Institution	A	B	C	(B X C) D	(D ÷ A) E
	Approved 2017-18 Base Rates <sup>1</sup>	Maximum Per Credit Hour Fee <sup>2</sup>	Annual Credit Hours Assessed <sup>3</sup>	Maximum Annual Fee Charge	Percent of 2017-18 Max Base Rates
UK <sub>(Lower)</sub>	\$11,773	\$10.00	30	\$300.00	2.5%
UK <sub>(Upper)</sub>	12,112	\$10.00	30	\$300.00	2.5%
UofL	11,068	\$10.00	30	\$300.00	2.7%
EKU	8,996	\$10.00	30	\$300.00	3.3%
KSU	8,186	\$10.00	30	\$300.00	3.7%
MoSU	8,818	\$10.00	30	\$300.00	3.4%
MuSU <sub>(New)</sub>	8,820	\$10.00	30	\$300.00	3.4%
MuSU <sub>(Returning)</sub>	8,341	\$10.00	30	\$300.00	3.6%
NKU	9,360	\$10.00	30	\$300.00	3.2%
WKU	10,003	\$10.00	30	\$300.00	3.0%
KCTCS	\$4,800	\$5.00	30	\$150.00	3.1%

<sup>1</sup> Council approved maximum annual base rates for resident undergraduate students for academic year 2017-18. Base rates are defined as total tuition and fees minus Special Use Fees at UofL, EKU, MoSU, NKU, and WKU, and Agency Bond and Safety and Security fees at KCTCS. Base rates shown are annual full time comparison rates, assuming 15 credit hours per semester for two semesters, or a total of 30 credit hours during the academic year.

<sup>2</sup> At its February 2, 2018 meeting, the Council approved an Asset Preservation Exception Fee Policy, which allows universities the option to assess mandatory fees outside of Council-adopted tuition and fee ceilings of up to \$10.00 per credit hour, and allows KCTCS institutions the option to assess a mandatory fee outside of Council-adopted tuition and fee ceilings of up to \$5.00 per credit hour, to support E&G asset preservation and renovation capital projects.

<sup>3</sup> Assumes the assessment of asset preservation fees is capped at 15 credit hours per semester for full-time students for a total of 30 credit hours assessed for the academic year.

Council on Postsecondary Education Agency Budget  
 Comparison between Governor's Proposed and House Adopted General Fund Appropriations  
 2018-20 Biennium

Draft - For Discussion Purposes  
 March 19, 2018

Budget Category	Governor's Proposed		Concerns/Notes	House Adopted		Concerns/Notes
	2018-19	2019-20		2018-19	2019-20	
General Fund Base (2017-18)	\$41,566,000	\$41,566,000		\$41,566,000	\$41,566,000	
KSTC Transfer to Economic Development	(5,112,300)	(5,112,300)	CPE's cut is \$319,500 larger than intended because of KSTC transfer.	0	0	
Adjusted Base	\$36,453,700	\$36,453,700		\$41,566,000	\$41,566,000	
Program Specific Eliminations	(635,900)	(635,900)	Doctoral Scholars and other programs.	(635,900)	(635,900)	
Adjusted Base with Eliminations <b>(A)</b>	\$35,817,800	\$35,817,800		\$40,930,100	\$40,930,100	
Stated 6.25% Cut <b>(B)</b>	(2,558,100)	(2,558,100)	-7.14% <sup>(1)</sup> Not a 6.25% cut as intended; cut should have been \$2,238,600.	(2,558,100)	(2,558,100)	-6.25% <sup>(1)</sup> Is 6.25% cut, as intended
Defined Calculations	996,600	1,062,200		996,600	1,062,200	
	\$34,256,300	\$34,321,900		\$39,368,600	\$39,434,200	
Fund Substitution (Tobacco)	0	0		(4,819,400)	(4,819,400)	
Debt Service (Physical Facilities Trust Fund)	6,363,000	19,089,000		0	0	Debt service included in campus budgets.
<b>Total GF Included in HB 200</b>	<b>\$40,619,300</b>	<b>\$53,410,900</b>		<b>\$34,549,200</b>	<b>\$34,614,800</b>	
<b>Additions Requested:</b>						
Required to fix error with KSTC transfer	319,500	319,500	Funding transferred to Economic Development.	0	0	In House budget, KSTC stays at CPE; 6.25% cut is as Governor intended.
Funding required for Contract Spaces	690,300	690,300	Funds 164 veterinary and 44 optometry slots.	426,700	426,700	Dues not funded; optometry cut by 30%.
Restore Doctoral Scholars Program	70,000	70,000		70,000	70,000	
	<b>\$1,079,800</b>	<b>\$1,079,800</b>		<b>\$496,700</b>	<b>\$496,700</b>	
<b>Total GF with Additions:</b>	<b>\$41,699,100</b>	<b>\$54,490,700</b>		<b>\$35,045,900</b>	<b>\$35,111,500</b>	

<sup>(1)</sup> Cells shaded in green were calculated by dividing "Stated 6.25% Cut" numbers, or the figures located in Row **(B)**, by the applicable "Adjusted Base with Eliminations" numbers, or the figures located in Row **(A)**.

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## University of Kentucky - Efficiency and Effectiveness Initiatives

- E-Payables-Payable Procurement Innovation (New Revenue)

The University implemented a new payment method in FY 14-15 that pays regular purchase order invoices as virtual procurement card purchases through its procurement card provider rather than paying via check. These payments are eligible for the procurement card rebate, therefore increasing the size of the rebate revenue to the University.

FY 14-15	\$799,892
FY 15-16	\$1,320,134
FY 16-17	\$965,699
FY 17-18 (YTD)	\$737,750

- Campus Multi-Media Rights Innovation (New Revenue)

The University sought a new revenue opportunity through issuing an RFP to develop and market various campus multi-media rights sponsorships packages.

FY 15-16	\$144,110
FY 16-17	\$1,112,225
FY 17-18 (YTD)	\$730,921

- Energy Conservation Management Initiative (Cost Avoidance)

In FY 16-17, the University engaged a consultant engineering company through issuing an RFP to help with optimizing energy usage in campus facilities.

FY 16-17	\$1,054,000
FY 17-18	\$2,527,000 Projected

- UK HealthCare (Expense Reduction)

Supply chain initiative including pricing and utilization of supplies. For example, savings from rebates and contract renewals and results of four clinical optimization teams.

FY 13-14	\$4,100,000
FY 14-15	\$7,558,790
FY 15-16	\$4,800,000
FY 16-17	\$3,460,000
FY 17-18 (YTD)	\$11,000,000



- UK HealthCare: (Expense Reduction)

Productivity initiative of setting staffing targets by functional area resulting in flexing staff to match volume.

FY 14-15	\$10,191,815
FY 16-17	\$1,358,579

**University of Louisville - Cost Savings and Efficiencies**

- Reduced number of administrators in executive administration (Fy 2017 and FY 2018/ongoing)
- Imposed University-wide hiring “frost” - realized lower spending on salaries and wages (FY 2017 and FY 2018/ongoing)
- Developed University wide cell phone stipend policy to include eliminating reimbursements/stipends any position of Associate Vice President and Deans and higher – will generate cost savings and efficiencies (will implement July 1, 2018)
- Software Reductions and renegotiated less expensive software maintenance – resulting in cost savings (FY 2017 and FY 2018)
- Hardware lease reductions – resulting in cost savings (FY 2018)
- HR Benefits Savings – resulting in cost savings and efficiencies (FY 2017 and FY 2018)
- Refinanced outstanding debt – resulting in lower interest payments (FY 2017)
- Negotiated new contracts for dining services and bookstore - resulting (FY 2017)
- Negotiated new contract for all Banking Services under one contract - resulting in efficiencies, revenue generation and cost savings (FY 2018)
- Negotiated new contract for managed print service – resulting in additional revenue and cost savings (FY 2018)
- Adjusted building automation controls, including standardizing temperature set points and schedules in buildings across campus – resulting in cost savings (FY 2018)
- Voluntary retirement program for both Faculty and Staff – resulting in cost savings (FY 2014/15)
- Energy savings contract - resulting in cost savings (FY 2014)
- Eliminated outside vendor for W2 preparation and utilized internal system functionality – resulting in cost savings (FY 2018)

**Eastern Kentucky University**

FY16-18

- O&M Sequestration (later a cut) \$3 M
- Academic Program Review \$614.7 K
- ERTS Savings (Enhanced Retirement actions) \$1.7 M
- Operational Savings Actions \$2.6 M
- Academic Vacancies \$1.459 M
- Personnel Reductions \$307 K
- Vacation Accrual Savings \$1.15 M

FY14-16

- Strategic Budget Reallocation Task Force
- RIF/Buy-out/Reinvestment Actions \$11.8 M
- Debt restructuring \$350 K

Subtotal FY16-18, expenditure reduction actions \$10.83 M

Subtotal FY14-16 (reinvested back to institution) \$11.8 M

Subtotal FY14-16 savings \$370 K

**Kentucky State University**

Cost savings or efficiencies that have been implemented or achieved in response to recent reductions in state appropriations for institutional operating fund at Kentucky State University within the past 5 years are listed below. Please note that these actions were taken in 2015 and 2016 and that not all of these measures are currently in place:

- Eliminated all vacant positions;
- Eliminated Destiny and Legacy tuition programs (tuition discounts) for new students;
- Increased reserves for the write-off of delinquent student receivables;
- Increased tuition by 5% for FY 2016;
- Eliminated 32 positions across the university, with a plan to eliminate another 21 if fall 2015 enrollment does not meet projections;
- Eliminated all funding for consultants;
- Eliminated several coordinator positions and transferred duties to department chairs;

- Eliminated the position of Dean in all colleges and created a Dean of the University position;
- Significantly reduced reliance on adjunct positions to more effectively utilize full-time faculty;
- Reassigned faculty positions to meet changing course needs;
- Reduced scholarships by 10%;
- Reduced the athletics budget by \$500,000.

### **Morehead State University**

Over the past several years, Morehead State University has implemented numerous cost savings and efficiency measures to offset the continued reduction in state support, rising fixed and unavoidable costs, and declining enrollment. The list below represents some of the cost savings measures we have taken in recent years.

- Eliminated faculty and staff positions (filled and vacant)
- Reduced operating budgets (supplies, travel, equipment, etc.)
- Reduced service maintenance contracts with assumed risk of repair expense
- Outsourced painting services
- 5 day furlough for all full-time staff (2015-16) and 5 day pay reduction for all full-time faculty (2016-17)
- Eliminated 2 athletic programs (men’s tennis and women’s tennis)
- No pay increase to employees since 2015-16
- Refinanced bond debt and reduced annual debt service
- Reorganized and consolidated administrative functions
- Discontinued lease agreements for office space and parking
- Razed several buildings deemed as surplus to reduce costs of utilities, maintenance, and operating expenses

### **Murray State University**

Cost Savings and Efficiency Measures - Summary for Last Five Years

- Developed new and aggressive tuition/scholarship model
- Eliminated faculty and staff positions, including 52 FTE from Academics in just two years.

- Moved many staff from 12 month positions to 9, 10 or 11 month positions. These are primarily in student services positions such as counseling center and student activities.
- Negotiated of many service and software contracts
- Bid all financial services contracts, such as banking services, credit card processor, courier services, and purchasing card services
- Plan to raze one E&G building without replacement
- Reduced student health services
- Refinanced debt obligations
- Established print management system
- Closed University Cashier's Office
- Merged two colleges
- Merged academic units
- Reduced student worker positions
- Reduced unit travel, including student and professional development travel
- Reduced departmental services and materials
- Increased expenditures on student recruitment
- Reduced deferred maintenance funding due to Plant funding cuts
- Utilized KY Department of Revenue for bad debt collections
- Started using LED lighting for replacement lights in many interior and exterior fixtures

### **Northern Kentucky University**

- Reductions in full-time staff positions (since FY14 over 100 FT staff positions have been eliminated)
- Reductions in full-time faculty positions (since FY14 over 50 FT faculty positions have been eliminated)
- Reorganized the areas of Vice President of Administration and Finance and the Vice President for Institutional Effectiveness into one area reducing the need for a Vice President Position and support staff
- Outsourced certain non-core functions such as athletic trainers and printing services
- Transitioned to self-insurance for Health Insurance
- Workers Compensation plan: moved from state insured to self-insured

- Reduced procurement cost by directing employees to the most cost effective options available, reducing the administrative costs of procurement, and restricting purchase options available to employees
- Invested in energy savings to reducing long-term operating costs while implementing programs that encourage faculty, staff and students to reduce energy consumption while on campus. Continue to work with ESCOs on energy savings performance contracts where savings can be realized.
- Expanded student employment on campus offers the opportunity to reduce labor costs while enhancing affordability and improving student retention and success. While implementing effective student employment requires additional infrastructure for training students and managers, these costs can be offset through reduced labor costs and increased flexibility in managing labor costs.
- Enhanced business intelligence capabilities to make more effective, informed decisions while implementing predictive models in academic and administrative processes that allow for proactive responses to predicted results
- Sold University-owned radio stations which were being subsidized nearly \$1 million each year
- Terminated a lease for the METS center which was used as a training facility but was requiring an annual subsidy of several hundred thousand dollars a year
- Closed the Early Childhood Center, a unit that was to be self-funding, but continued to need University support of \$200K annually
- Refinanced a couple of bond issuances in the last couple of years. Bond refinancing savings is recurring over the life of the bonds. The average annual savings are as follows:
  - Series 2016A (Student Union and Welcome Center (BB&T) Garage) – approx. savings \$240K/yr.
  - Series 2016B (Callahan Hall and E&G Land) - approx. savings \$140K/yr.

### **Western Kentucky University**

Implemented cost savings and efficiency measures.

- Purchased quality used buses vs. new buses.
- Negotiated pricing with DELL to save on computers.
- Moved all marketing initiatives in-house, saving on agency fees.
- Outsourced our custodial services.

- Partnered with ECTC, EC3, and Fort Knox, and now receiving free rent maintenance, security and supplies for office and classroom space.
- Introduction of automatic deliver for larger sections (delivery of student materials through Blackboard automatically with an optional physical book).
- Decreased direct mail solicitations and increased online solicitations.
- Renegotiated and combined all Oracle Licensing contracts into a "Campus license."
- Summer work-hour change: arrived at work 30 minutes earlier in the morning and left 30 minutes earlier in the afternoon. This allowed WKU to reduce power usage during the more costly time of day. First, WKU reduced power costs by better managing electrical loads by increasing late afternoon building temperatures. Second, WKU shifted power usage to business hours rates where power costs were significantly lower. Third we consolidated summer space and classroom use.
- Refinanced debt service.
- Partnered with Agriculture and Dining to convert cooking oil to biodiesel fuel for buses.

## **Kentucky Community and Technical College System**

### High Level View of Efficiency Measures

KCTCS has implemented numerous initiatives in recent years to be more efficient and effective, including those outlined below. Please know this is not an all-inclusive list. These actions of cost avoidance and efficiency measures resulted in a leaner KCTCS. We continue to look for ways to reduce and avoid costs and innovatively use resources while maintaining the same level and quality of services to students and employees. Examples include (within the last five years):

- Eliminated 800+ positions (faculty and staff);
- Consolidated, realigned and deactivated over 750 credential/programs all across the system as a means to be more efficient and effective. In conjunction with the two initiatives mentioned above, KCTCS has also implemented the following:
  - Reduction in hours and/or length of assignment
  - Redistribution of duties
  - Reductions of overtime
  - Nonrenewal of contract
  - Termination for poor or nonperforming employees
  - Reduction in approved sabbaticals
  - Voluntary separation agreements

- As of January 1, 2014, new employees are no longer offered the defined benefit retirement plan (KERS/KTRS). Instead, they are only offered a defined contribution retirement, a (403(B)).
- Increased the use of adjunct faculty and reduced staff positions from full-time to halftime or less to avoid having to pay health insurance benefits as required under the Affordable Care Act.
- Eliminated, reduced, and limited: Travel, Professional development, Memberships and subscriptions to professional associations, journals, and publications
- Centralized processes to gain economies of scale and greater efficiency. Example: KCTCS created a Centralized Processing Center, located in the System Office, which consolidates student financial aid services, such as the awarding and disbursement of aid, for its 16 colleges.
- KCTCS has for many years, and even more so in recent years, outsourced to third parties many functions to gain efficiencies and control costs. Examples include, but are not limited to: KCTCS's enterprise resources software hosting, payroll tax filings, student learning management system deployment of a system-wide student services call center, collection of delinquent student accounts with Kentucky Department of Revenue, disposal of surplus property per Govdeals.com
- Developed and revised numerous business procedures to provide flexibility on travel, meals, vehicle rental and other operating matters.
- Implemented energy manage performance contracts across all KCTCS colleges to save on energy costs.
- Partnered with private enterprises and other public entities where possible for mutual benefit via collaborate partnerships and sponsorships.
- Renegotiated, rebid, or expanded contracts for goods and services to lower costs and obtain improved services, service level agreements, and/or accountability measures. Examples include an annual savings of \$262,000 per switching from Aetna Integrated Services to Centurion Solutions for campus safety support; \$300,000 rebated from the contracted rate from Pearson Education for student course materials; and lowered overall cost of student books and instructional materials while increasing commission rates per renegotiated contract with Barnes & Noble College Booksellers.
- KCTCS has made significant use of technology where and when possible to avoid, reduce and eliminate cost or cost increases. Examples of employment of technology to be more efficient include, but are not limited to, the following: Switching internet carriers at college campuses, Implementation of Session Initiation Protocol (SIP) trunking which moves all long distance calls over the Internet instead of through local phone companies;

saving approximately \$131,000 per year in phone bills, Rebidding of virtual data centers and reducing services/staff augmentation, Renegotiated emergency notification system managed services, Moved the Fire Commission's fire rescue training system to managed hosting, Buying only Cisco refurbished equipment instead of new equipment, resulting in cost avoidance of over \$100,000 across the system, Cancelled degree pathway software project, Changed hosting vendor for mobile app and moved to Amazon Web Services, Use of online self-service, where applicable, for employee benefits and payroll changes, Use of web base processing of document requests with use of attachments, Use of online approval (workflow) and reconciliation for journal entries, payment request documents, employee absences and time, etc. to reduce errors and keying time

- Automation of many previously manual functions. Examples include: Automation of time and labor to capture and approve all employee leave requests electronically versus completion and filing of paper forms ☐ Development of financial statement templates
- Use of automated reports, reconciliations, etc. via exception reporting that notifies requestors there is an exception that must be address before the next step of the process can be accomplished ☐ Use of prepaid and accrual templates to standardize and streamline information providing more accurate financial statements
- Implemented direct deposit (ACH payment) for all employee paychecks and reimbursement, and vendor payments, including e-mail notification to the payee (100% employee participation and same for vendors who have are expected to receive more than a single payment; single payment vendors are paid through an electronic upload process).
- Use of data uploads within PeopleSoft for: banking information for vendor reconciliation escheatment of checks uploading batch journal entries
- Re-engineered administrative software (ERP –PeopleSoft) functionality to capture capital leases versus manual spreadsheet accounting.
- Use of single payment vouchers for non-credit student refunds, registrations, student participant checks where payee is paid only once with no future payment anticipated Implemented scanning and emailing purchase order invoices, check requests, and employee reimbursements versus hardcopy, Developed and created electronic voucher loads versus manual keying of invoices, Use of IRS web site to verify Vendor TIN Name match





# College Heights Herald

## Contract with Aramark will increase student dining fees

### Dining fees will increase up to \$350 per semester

- Emily DeLetter
- Feb 20, 2018 Updated 7 hrs ago



Nic Huey, Brook Joyner/HERALD

WKU students in Bowling Green will see their food fee increase to \$150 per semester next fall, and future increases will bring the fee to \$350 a semester within the next decade.

Students choosing to opt out of WKU's meal plan will see their \$75 semester fee increase incrementally until the fall 2026 semester.

These per semester fees will rise to \$150 fall of 2018. Beginning fall 2019, the cost will be \$300 per semester until the fall of 2022, where it will rise to \$325, staying at that cost until the fall of 2026, where the final raise in fees will cost students \$350 a semester.

The meal plan decline balance fees, referred to as mandatory meal plan dollars or more commonly known as flex dollars, began after former-President Gary Ransdell signed a 20-year contract with food company Aramark. The fees were put in place to help fund major renovations to Garrett Conference Center.

WKU's contract with Aramark, which was approved in June 2017, includes several renovations to already existing campus eateries, such as the now completed expansion of Chick-fil-A, which totals approximately \$51 million for renovations. For clarification, this is not the total amount of the contract itself.

WKU signaled its intent to enter into this contract with Aramark in March 2017. Under the contract, all full-time students not already on a meal plan are required to pay \$75 per semester, which may be deducted from the cost if they choose to purchase a meal plan later.

The fee applies only to “face-to-face” students who take 12 hours or more at Bowling Green’s main campus. It applies to anyone on the Bowling Green campus who chooses to not buy a meal plan.

Under the university’s contract with Aramark, all first-year students under the age of 21, and living on campus, are required to purchase a meal plan. The lowest priced plan is \$1,724 and includes \$150 worth of meal plan dollars.

Board of Regents Chair Phillip Bale said approving the contract was “not something the Board of Regents had any participation in.”

“It was a presidential decision,” Bale said.

Staff regent Tamela Smith reiterated this point, adding that although plenty of contracts don’t come before the Board of Regents, the Board may want to reconsider that policy.

“I do think the Board wants to have the opportunity to see certain contracts especially those that involve student student fees,” Smith said.

Bale also said this policy in the bylaws “may be something we visit.”

When asked if he had concerns about the impact rising fees could have on students, Bale spoke for himself and other members of the Board.

“I think everyone does, yes,” Bale said. “Absolutely.”

Vice President for Student Affairs Brian Kuster said while renovations to Garrett are badly needed, there is no current plan for what exactly will happen to the building in the near future. Part of that has to do with the “moving parts” in both the university and state budget, Kuster said.

“We have been working on a new design for a new building, but we haven’t decided if we’ll renovate Garrett or build a new building,” Kuster said. “We’re still gathering that information.”

He said he projected a decision would not be made for the next six months.

Another option was to move Garrett to where the Industrial Complex Building currently sits, building a new building and adding space for academic areas.

“We’ve had discussions with Ogden College about that, but no discussion has been made,” Kuster said. “It seems to be a constantly moving thing.”

If Garrett made the move to the current Industrial Complex Building, Kuster said a parking deck would also be involved.

The University Senate passed a resolution last year “strongly against the contract,” University Senate chair Eric Kondratieff said at last week’s senate meeting, noting that the information that the Senate and the Board of Regents was given at the time was not complete.

Claus Ernst, faculty regent, at last week's meeting, said there could be a problem renegotiating the contract if the board chooses because it is already signed. The Senate Executive Committee recommended that the budget finance committee look at the contract "sometime in the future."

SGA Vice President Savannah Molyneaux said the fees associated with contract with Aramark has been noted by SGA President Andi Dahmer. She said the SGA executive board plans to bring it up during their next meeting with President Timothy Caboni.

"We do not want to see these fee increases for students," Molyneaux said at the senate meeting. "We are not in favor of it, but we're not sure whether it would be worth it for [Caboni] to try to go back on the signature, and the implications that could have for any future contracts the president signs."

The Herald reached out to Dahmer for comment, but she did not respond before print publication.

Although meal plan decline balance fees are new to WKU, other public universities in Kentucky has similar fees for students not on their meal plans.

Morehead State University requires freshmen and sophomores to have meal plans, and juniors and seniors not on their plan pay a \$100 per-semester fee.

Eastern Kentucky University requires freshmen, sophomores and juniors on campus to have a meal plan and students opting out pay for a \$30 flex plan, similar to WKU.

Northern Kentucky University and the University of Kentucky require all resident students to have some sort of meal plan.

WKU receives 8 percent commission from sales Aramark makes on campus. Kuster said WKU made around \$780,000 last year from food sales.

Kuster said benefits give students using their meal plan or \$75 flex dollars on campus an 11 percent discount, or one dollar off of a meal of Fresh Foods.

"I understand it's a struggle paying for some students," Kuster said. "But this is thinking in terms of the university's future."

Students felt differently towards the expected fee increase.

"Stop using my money to build things that we didn't ask for, or at least tell us when you're doing with it," Nashville junior Ashley Brown said.

Louisville freshman Emma Greenwood felt similarly. "I worry about students trying to pay the difference, considering fees are already high enough.

*News reporter Emily DeLetter can be reached at 270-745-6011 and [emily.deletter304@topper.wku.edu](mailto:emily.deletter304@topper.wku.edu). Follow her on Twitter at @EmilyDeLetter.*

***Editor's note, Feb. 20: A clarification was added to this story to make clear that the \$51 million stipulated in the Aramark contract was for the cost of renovations and not representative of the total cost of the contract.***

## TDWG Data Request Dining and Meal Plan Survey

Does your institution use a third-party vendor to provide or manage dining services?

If so, who is that vendor?

As part of your institution's contract with a dining services vendor, did the vendor agree to construct or renovate any facilities on your campus?

If so, which facilities were constructed or renovated?

What was the scope of the new construction or renovation project(s)?

If your institution's dining-services vendor constructed or renovated any facilities on campus, to what extent do those facilities house dining operations?

As part of your institution's contract with a dining services vendor, did the vendor agree to provide any cash donations to the institution?

If so, how much was the donation? How were the funds used?

At your institution, are any students required to purchase a meal plan?

If so, which kinds of students must purchase a meal plan (e.g., all freshmen and sophomore students who attend the main campus must purchase a meal plan)?

For the 2017-18 academic year, how much do various meal plan options cost at your institution? Please provide a brief description and pricing options under each plan.

Does your institution charge students a fee for opting out of a meal plan?

If so, for the 2017-18 academic year, how much is the charge to a student who opts out of a meal plan?

Which kinds of students are allowed to opt out of a meal plan?

Does the institution provide a benefit associated with paying an opt-out fee?

If so, what is that benefit (e.g., a \$100 fee provides a student \$100 in flex points; or a \$100 fee can be applied toward a meal plan, if the student decides to purchase a meal plan later)?

Did your Board of Regents or Board of Trustees approve the terms of your institution's contract with your dining services vendor?

Did your Board of Regents or Board of Trustees approve the meal plan options and related pricing structure and opt out fees for your dining services operation?

To what extent has your institution allowed student participation in decisions pertaining to mandatory meal plan options, pricing, and opt out fees?

**Council on Postsecondary Education**  
**February 10, 2012**

## **Special Use Fee Implementation Update**

The Council adopted a Special Use Fee Exception Policy at its April 28, 2011, meeting. The policy exempts certain kinds of student endorsed fees from consideration when assessing an institution's compliance with Council approved tuition and fee rate ceilings. For a fee to be student endorsed, it must be shown that fee details have been broadly discussed, voted on, and requested by students.

Revenue from special use fees may be used to pay debt service and O&M expenses on new facilities or capital renewal and replacement costs on existing facilities and equipment that support student activities and services, such as student unions, fitness centers, recreation complexes, health clinics, or tutoring centers.

At its June 10, 2011, meeting, the Council approved special use fee exemption requests from Morehead State University, Northern Kentucky University, the University of Louisville, and Western Kentucky University. At the November 10 meeting, Council members requested a status report regarding the implementation of special use fees on these campuses.

### **Status Report**

In December 2011, CPE staff contacted the chief budget officer at each institution that received approval for a special use fee exemption and asked that they respond to the following list of questions pertaining to special use fee implementation at their campus.

- What are some major milestones and anticipated completion dates for the project financed with Special Use Fee revenue?
- Where is your campus in the process (i.e., where do you fall along the timeline)?
  - Has your institution implemented the Special Use Fee?
  - To date, how much revenue has been raised by the fee?
  - What is the status of the building project?
  - Have bonds been issued to finance the project?
  - If so, what was the date of issuance and amount?

- Are you in the planning or construction phase of the building project (i.e., Phase A - planning, Phase B - design, or bid/construction phase)?
- What is the next major milestone for the project and when will it occur?
- What, if any, feedback has been received from students regarding implementation of the Special Use Fee?
- What, if any, feedback has been received from faculty, staff, and administrators?
- In one page or less, please describe your campus's experience in implementing a Special Use Fee.
  - What have been some of the positive aspects of your experience?
  - Have there been any negatives?
  - What lessons have you learned that might help other institutions who are contemplating a Special Use Fee?

Attachments A, B, C, and D contain campus responses to these questions. The table below summarizes responses to some of the key questions posed by CPE staff.

<u>Campus</u>	<u>Approved Fee Amount</u>	<u>Fee Implemented</u>	<u>Revenue Raised</u>	<u>Bonds Issued</u>	<u>Building Phase</u>
MoSU	\$5 / credit hour	Yes / Fall 2011	\$491,180	Yes / \$24 M	Completed
NKU	\$4 / credit hour	Yes / Fall 2011	\$600,000	No	A - Planning
UofL	\$98 / semester	Yes / Fall 2011	\$1,015,044	Yes / \$34 M	See Att. A
WKU	\$70 / semester	Yes / Fall 2011	\$1,099,322	No	B - Design

An important aspect of the Special Use Fee Policy is that requests to implement such fees must be student initiated, supported, and approved by majority vote. As can be seen in the attached institutional responses, students at every campus continue to fully support their respective special use fees.

Staff preparation by John Hayek and Bill Payne

## TDWG Data Request Special Use Fee Survey

At its April 28, 2011 meeting, the Council adopted a Special Use Fee Exception Policy that allows certain kinds of student endorsed fees to be considered outside of Council approved tuition and fee rate ceilings. Revenue from such fees may be used to pay debt service and M&O expenses on new facilities or capital renewal and replacement costs on existing facilities and equipment that support student activities and services, such as student unions, fitness centers, recreation complexes, health clinics, or tutoring centers.

Members of the 2018-19 Tuition Development Work Group (TDWG) have requested an update on the status of these fees. We are asking institutions that have requested and received a Special Use Fee exemption to respond to the following list of questions pertaining to Special Use Fee implementation at their campus:

- Has your institution implemented a mandatory Special Use Fee? If so, on what date did your institution begin charging students a Special Use Fee?
- What is the amount of the fee? How is the fee assessed (e.g., per credit hour, per semester, other)? How long will the fee be in place?
- Is the amount paid for the fee capped for full-time students? If so, what is the cap (e.g., 15 credit hours per semester, other)?
- To date, how much revenue has been raised by the fee? How much fee revenue has been expended and for what purpose? Please provide a breakdown of the revenue raised, revenue expended, and uses of funds in each fiscal year since the fee was implemented.
- What is the status of the building project that is supported by Special Use Fee revenue?
- Have bonds been issued to finance the project? If so, what was the date of issuance and bond amount?
- What were the terms of the financing (e.g., interest rate, over how many years)? What are the annual debt service payments?
- Is your institution in the planning or construction phase of the building project? Has the building project been completed?
- What is the next major milestone for the project and when will it occur?
- What, if any, feedback has been received from students regarding implementation of the Special Use Fee?
- What, if any, feedback has been received from faculty, staff, and administrators?

E&G Fixed Cost and Net Tuition Revenue Estimate Template

Institution Name

Expense Category	Budget Totals FY18	Increase from FY18 to FY19	Budget Totals FY19
M & O - Non Personnel Costs (1)	-	-	-
E&G Salaries and Wages (2)	-	-	-
Employee Benefits - Salary Dependent Costs (3)			
FICA	-	-	-
Retirement:			
KERS employer contribution	-	-	-
KTRS employer contribution	-	-	-
403(b) employer contribution	-	-	-
Other	-	-	-
<i>Subtotal Employee Benefits - Salary Dependent Costs</i>	-	-	-
Employee Benefits - Non Salary Dependent Costs (4)			
Health Insurance	-	-	-
Worker's Compensation	-	-	-
Other	-	-	-
<i>Subtotal Employee Benefits - Non Salary Dependent Costs</i>	-	-	-
Mandated Tuition Waivers	-	-	-
Financial Aid/Scholarships (5)	-	-	-
Other - please specify below (6)	-	-	-
<b>Total</b>	-	-	-
	FY18 Net Tuition & Fee Revenue Estimate	Estimated Increase @ 1%	FY19 Net Tuition Revenue Estimate
Estimated Increase in Tuition & Fee Revenue (7)	-	-	-

(1) Includes energy costs, maintenance of E&G facilities, utilities, sewer, water, coal, property insurance, etc. Excludes personnel/benefits costs.

(2) All salary and wages costs associated with E&G personnel

(3) Should include FICA and retirement benefits for E&G faculty and staff and other salary dependent costs.

(4) All benefits that are not salary dependent, including LTD, worker's comp, health insurance, unemployment, etc.

(5) Need and merit based - assuming tuition cap of 3% growth each year

(6) Please specify other E&G fixed costs here:

(7) Assume a 1% tuition increase for all students (e.g. resident and non-resident, undergraduate and graduate) and flat student enrollment.



Kentucky Public Postsecondary Institution  
 Enacted and Proposed Net General Fund Appropriations  
 Fiscal Years 2007-08 and 2018-19

Table 1

(Dollars in Millions)

Institution	2007-08 Enacted Net General Fund	2018-19 Proposed Net General Fund <sup>(c)</sup>	Dollar Change	Percent Change
University of Kentucky	\$335.1 <sup>(a)</sup>	\$240.9	(\$94.2)	-28.1%
University of Louisville	168.6	124.5	(44.1)	-26.2%
Eastern Kentucky University	79.8	60.7	(19.1)	-24.0%
Kentucky State University	27.4	25.1	(2.4)	-8.7%
Morehead State University	48.2	38.9	(9.3)	-19.4%
Murray State University	56.1	41.8	(14.3)	-25.4%
Northern Kentucky University	55.1	47.2	(7.9)	-14.4%
Western Kentucky University	85.1	69.3	(15.8)	-18.6%
KCTCS	228.7 <sup>(b)</sup>	166.7	(62.0)	-27.1%
<b>System Totals</b>	<b>\$1,084.0</b>	<b>\$814.9</b>	<b>(\$269.2)</b>	<b>-24.8%</b>

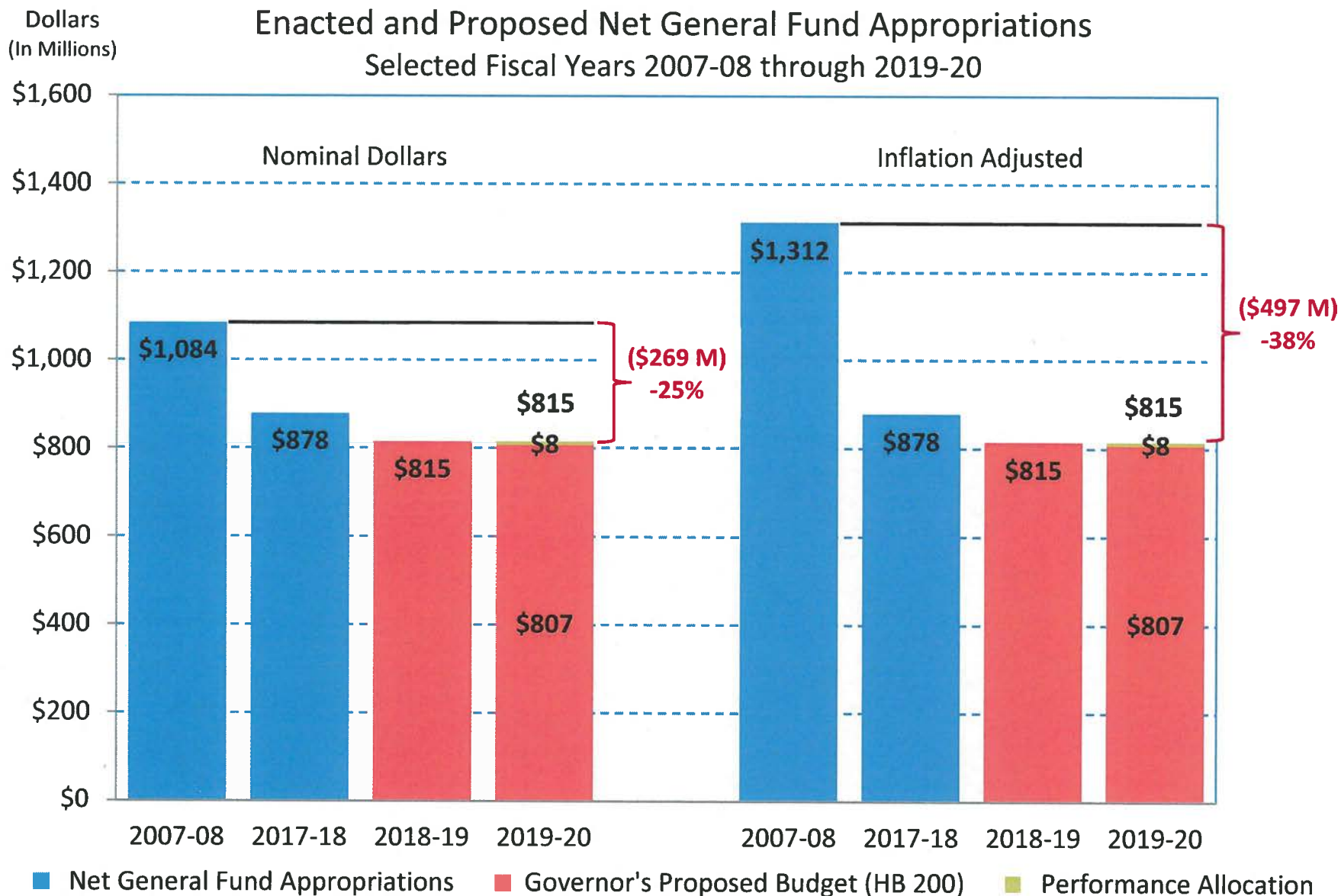
<sup>(a)</sup> Includes \$2,000,000 special session appropriation for UK's Center for Applied Energy Research.

<sup>(b)</sup> Includes \$2,373,800 reorganization transfer to KCTCS for Kentucky Board of Emergency Medical Services.

<sup>(c)</sup> Level of General Fund appropriation proposed in Executive Budget (HB 200).

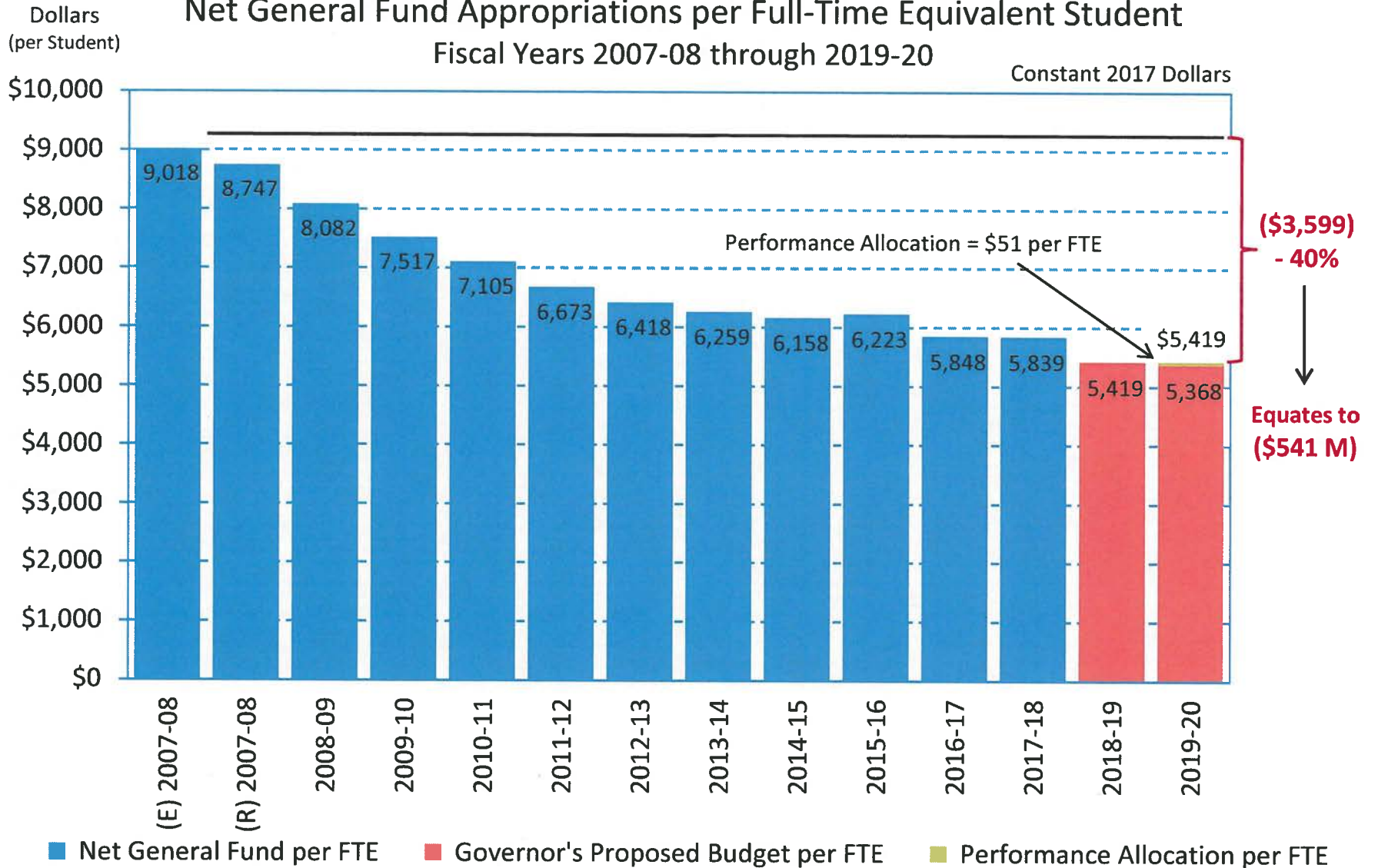
Source: Kentucky Budget of the Commonwealth, multiple biennia.

### Kentucky Public Postsecondary Institution Enacted and Proposed Net General Fund Appropriations Selected Fiscal Years 2007-08 through 2019-20



Sources: Kentucky Budget of the Commonwealth, multiple biennia; Commonfund Institute, Higher Education Price Index (HEPI).

## Kentucky Public Postsecondary Institution Net General Fund Appropriations per Full-Time Equivalent Student Fiscal Years 2007-08 through 2019-20



(E) = Enacted; (R) = Revised. Note: Figures displayed after 2016-17 are not inflation adjusted and assume no enrollment growth.

Sources: Kentucky Budget of the Commonwealth, multiple biennia; Commonfund Institute, Higher Education Price Index (HEPI); CPE, KPEDS.

Kentucky Public Postsecondary Institution  
 Enacted and Proposed Net General Fund Appropriations  
 Fiscal Years 2017-18 and 2018-19

Table 2

(Dollars in Millions)

Institution	2017-18 Enacted Net General Fund <sup>(a)</sup>	2018-19 Proposed Net General Fund <sup>(b)</sup>	Dollar Change	Percent Change
University of Kentucky	\$267.1	\$240.9	(\$26.2)	-9.8%
University of Louisville	132.8	124.5	(8.3)	-6.3%
Eastern Kentucky University	65.0	60.7	(4.4)	-6.8%
Kentucky State University	26.7	25.1	(1.7)	-6.3%
Morehead State University	41.6	38.9	(2.8)	-6.7%
Murray State University	45.8	41.8	(4.0)	-8.7%
Northern Kentucky University	51.6	47.2	(4.5)	-8.7%
Western Kentucky University	74.7	69.3	(5.4)	-7.2%
KCTCS	181.6	166.7	(14.9)	-8.2%
System Totals	\$886.9	\$814.9	(\$72.1)	-8.1%

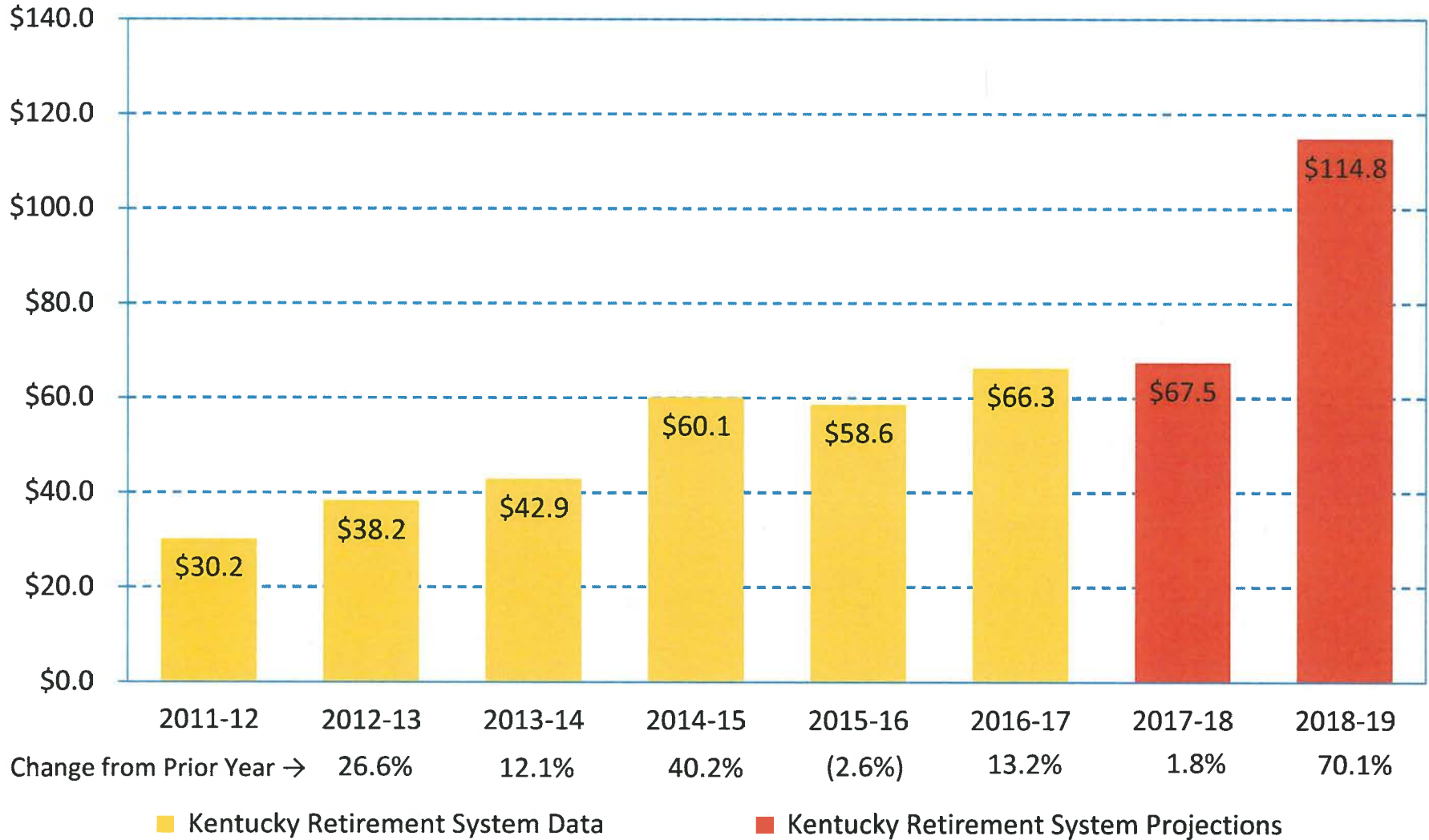
<sup>(a)</sup> Enacted 2017-18 General Fund appropriations for institutional operations as specified in the 2016-2018 Budget of the Commonwealth (HB 303), plus distribution among institutions of \$42.9 million from the Postsecondary Education Performance Fund (PEPF) based on funding model calculations.

<sup>(b)</sup> Level of General Fund appropriation proposed in the Executive Budget (HB 200) for fiscal 2018-19. Reflects both program specific cuts and an across-the-board 6.25% reduction for each institution.

Sources: Kentucky Budget of the Commonwealth, multiple biennia.

### Public Comprehensive University and KCTCS Institution Kentucky Employees Retirement System (KERS) Employer Contributions Fiscal Years 2011-12 through 2018-19

Dollars  
(In Millions)



29

Source: Kentucky Retirement System (KRS).

Kentucky Public Postsecondary Institution  
 Annual Resident Undergraduate Tuition and Mandatory Fees  
 Selected Academic Years 2012-13 through 2017-18

Table 4

Institution	2012-13	2016-17	2017-18	One-Year Change	Five-Year AAGR
University of Kentucky <sup>1</sup>	\$9,816	\$11,483	\$11,941	4.0%	4.0%
University of Louisville <sup>2</sup>	\$9,662	\$11,264	\$11,264	0.0%	3.1%
Eastern Kentucky University <sup>3</sup>	\$7,320	\$8,868	\$9,296	4.8%	4.9%
Kentucky State University	\$6,858	\$7,796	\$8,186	5.0%	3.6%
Morehead State University <sup>2</sup>	\$7,284	\$8,530	\$8,950	4.9%	4.2%
Murray State University <sup>4</sup>	\$6,840	\$8,400	\$8,820	5.0%	5.2%
Northern Kentucky University <sup>2</sup>	\$8,064	\$9,384	\$9,744	3.8%	3.9%
Western Kentucky University <sup>2</sup>	\$8,472	\$9,912	\$10,203	2.9%	3.8%
KCTCS	\$4,200	\$4,920	\$5,100	3.7%	4.0%
System Average	\$7,613	\$8,951	\$9,278	3.7%	4.0%

AAGR = Average Annual Growth Rate

<sup>1</sup> Undergraduate tuition and fees for UK are an average of upper and lower division rates.

<sup>2</sup> Beginning in 2011-12, rates for UofL, MoSU, NKU, and WKU include Special Use Fees.

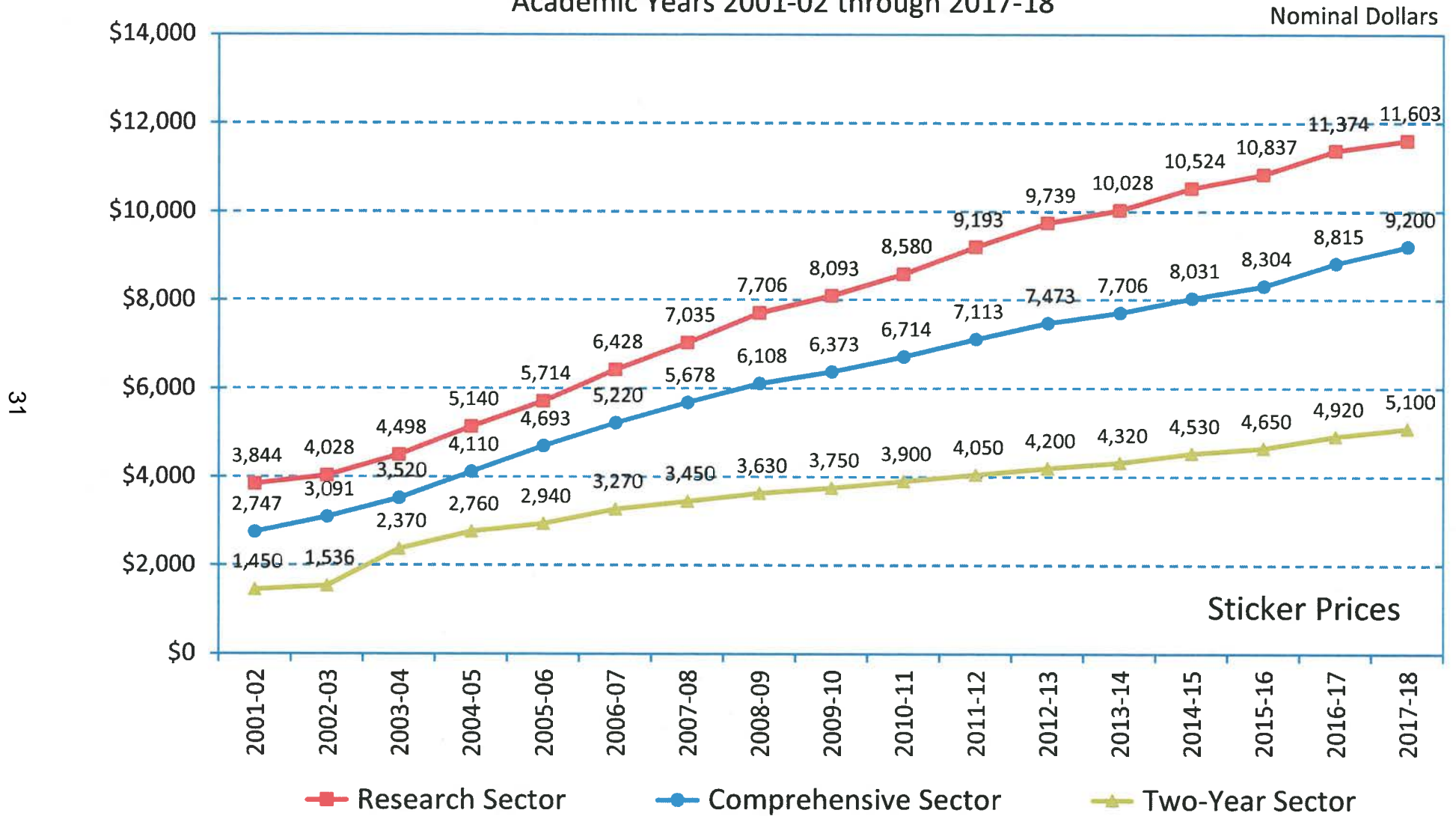
<sup>3</sup> Beginning in 2015-16, rates for ECU include a Special Use Fee.

<sup>4</sup> Beginning in 2016-17, MuSU began charging a different rate for new versus returning students. Prices shown from that date forward are annual full-time comparison rates for new students only.

Source: Council on Postsecondary Education, Comprehensive Database.

# Kentucky Public Postsecondary Sector Annual Resident Undergraduate Tuition and Fees Academic Years 2001-02 through 2017-18

Chart 4



Source: Council on Postsecondary Education, Comprehensive Database.

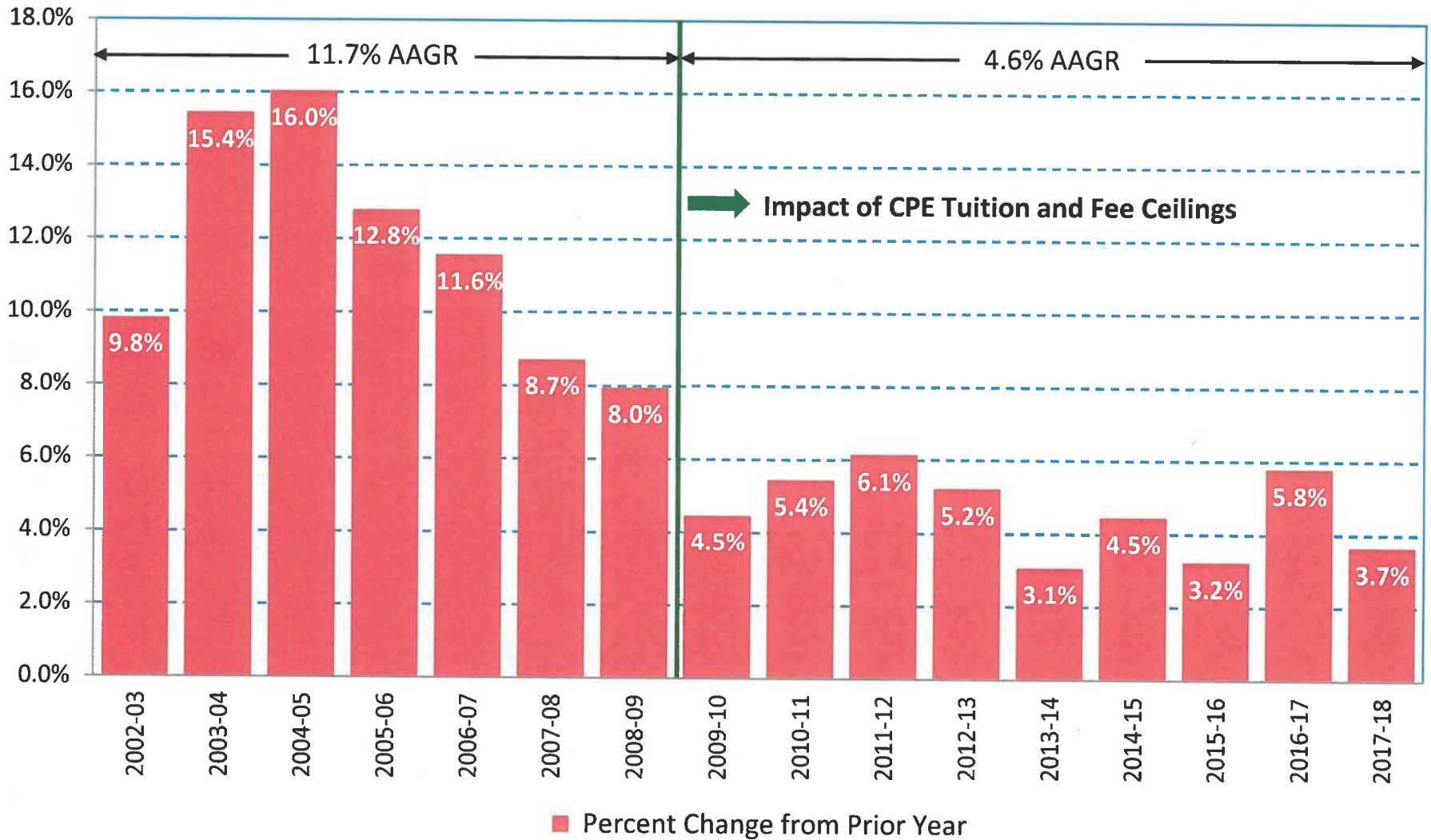


# Kentucky Public Postsecondary System

## Annual Change in Resident Undergraduate Tuition and Fees

Academic Years 2002-03 through 2017-18

Chart 5



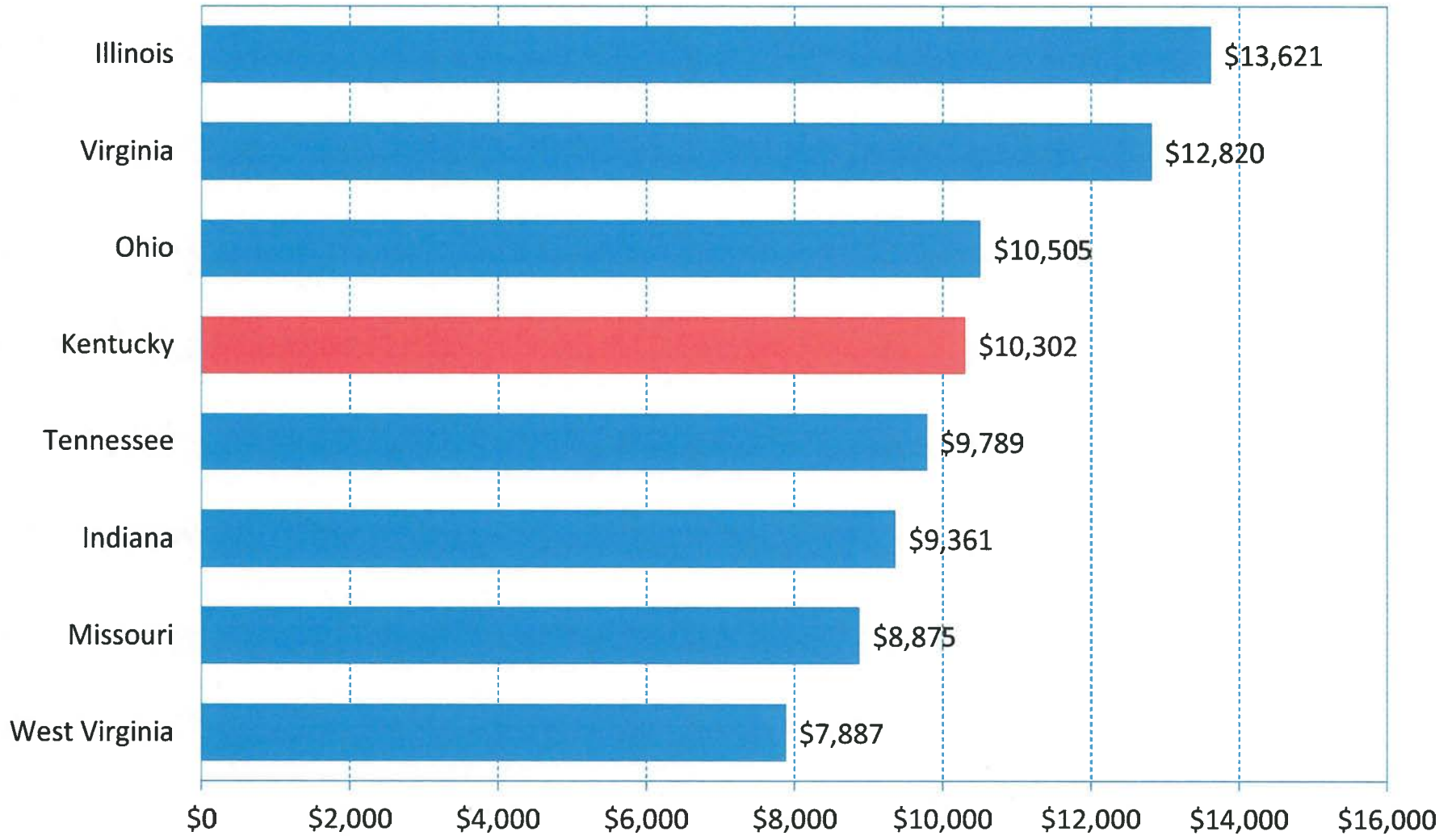
Source: Council on Postsecondary Education, Comprehensive Database.

AAGR = Average Annual Growth Rate



Public Four-Year Universities in Kentucky and Surrounding States  
Resident Undergraduate Tuition and Fees  
Academic Year 2017-18

Chart 6

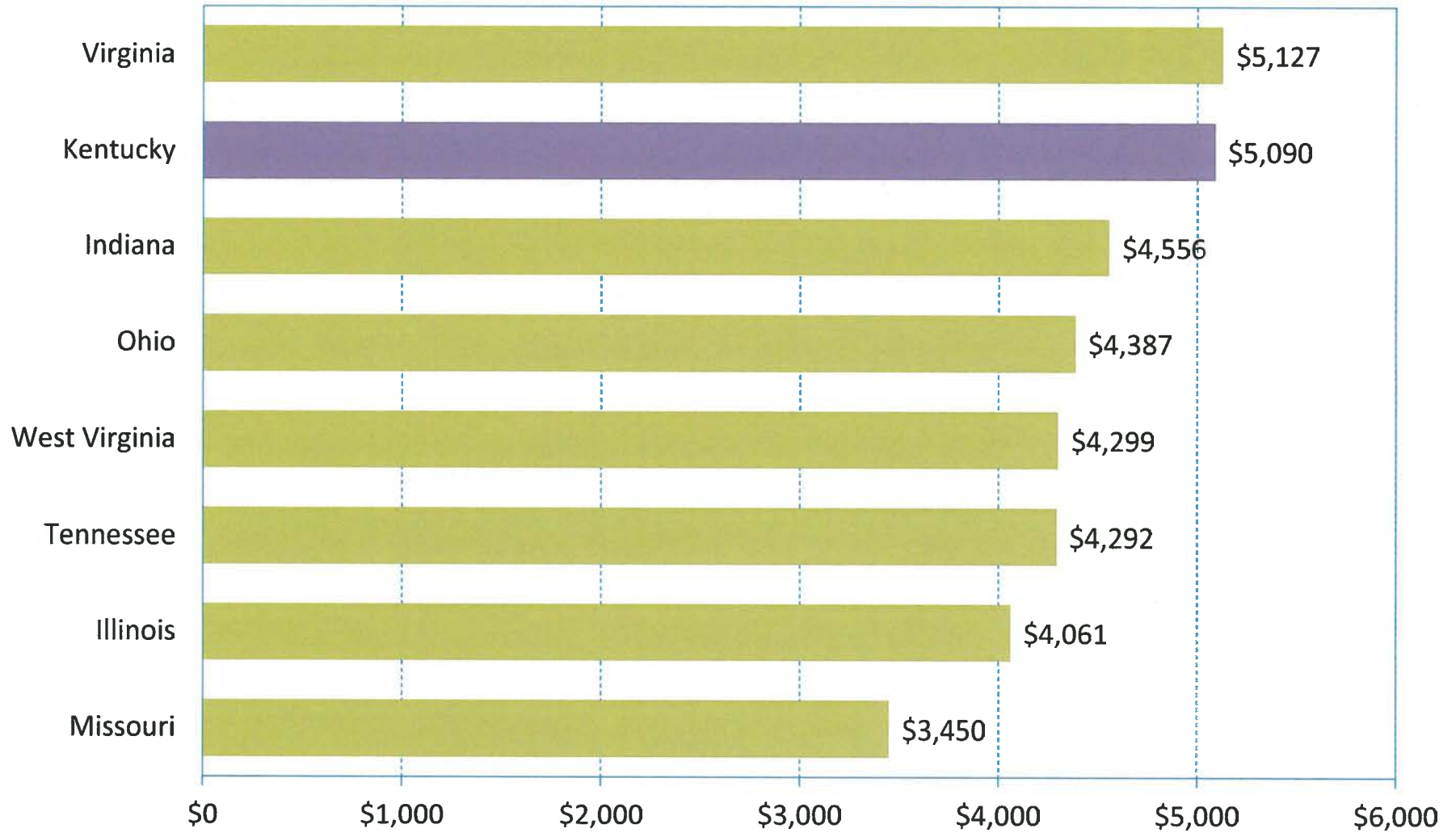


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Source: College Board, Trends in College Pricing 2017.

Public Two-Year Colleges in Kentucky and Surrounding States  
Resident In-District Tuition and Fees  
Academic Year 2017-18

Chart 7

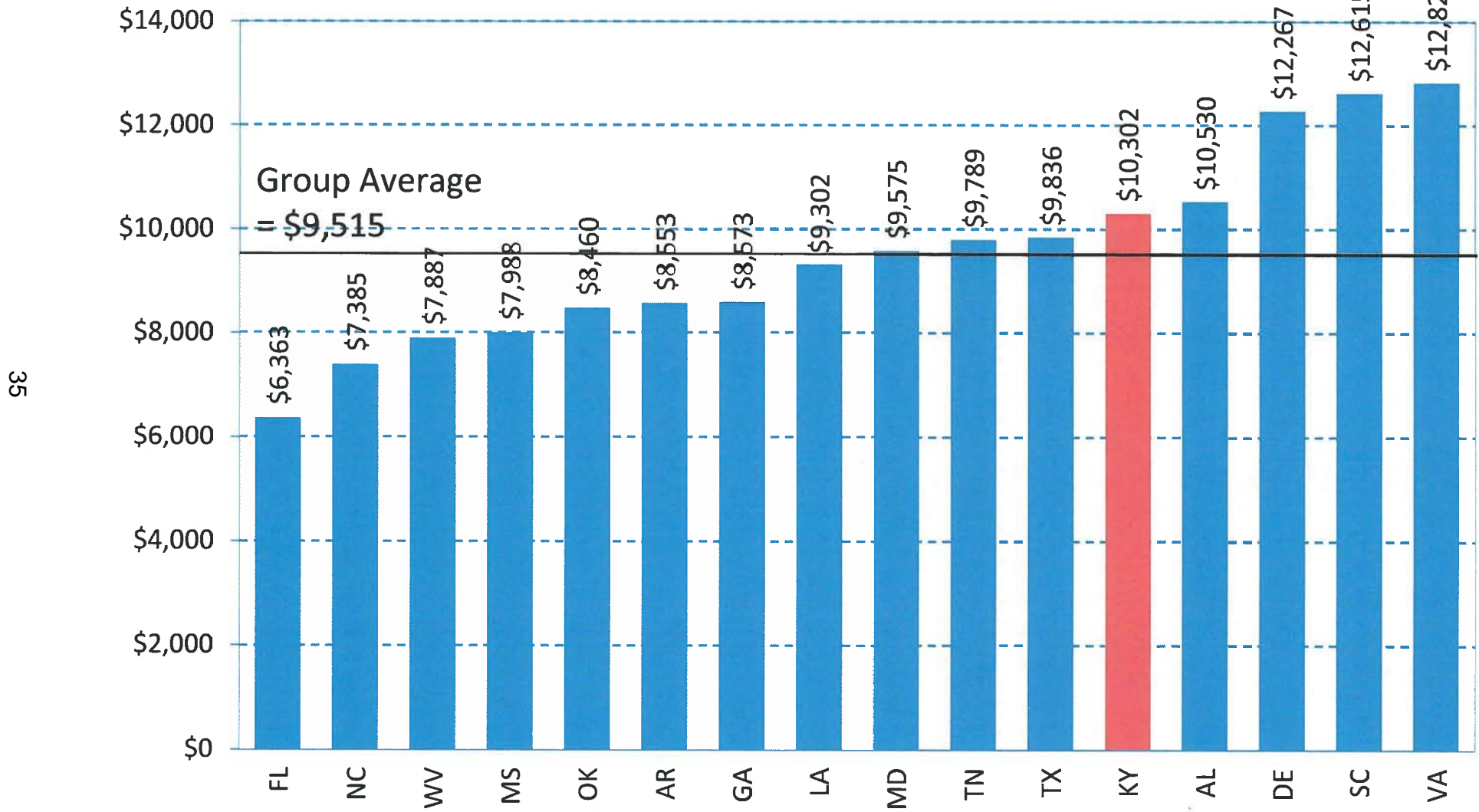


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Source: College Board, Trends in College Pricing 2017.

Public Four-Year Universities in SREB Member States  
 Resident Undergraduate Tuition and Fees  
 Academic Year 2017-18

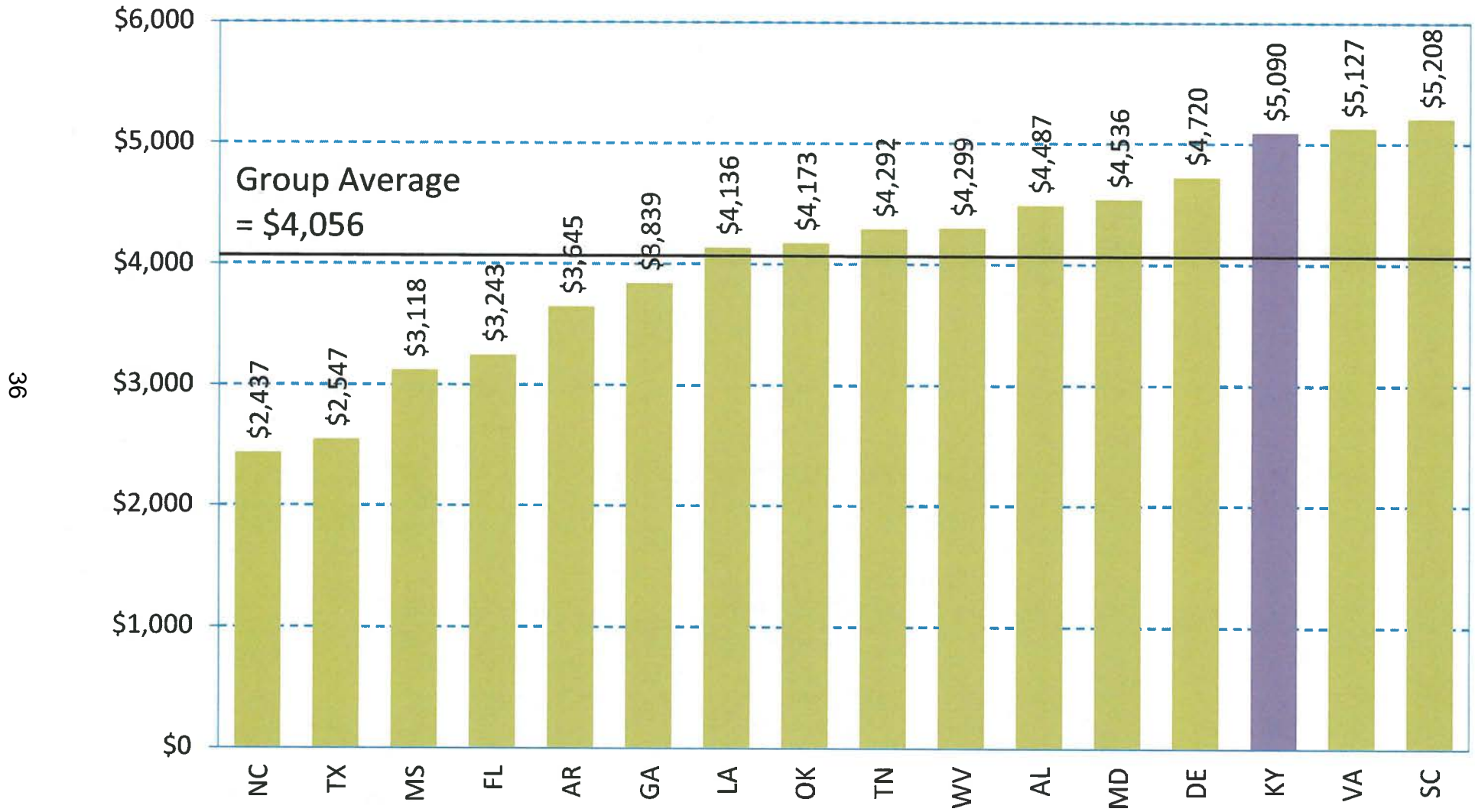
Chart 8



Source: College Board, Trends in College Pricing 2017.

Public Two-Year Colleges in SREB Member States  
Resident In-District Tuition and Fees  
Academic Year 2017-18

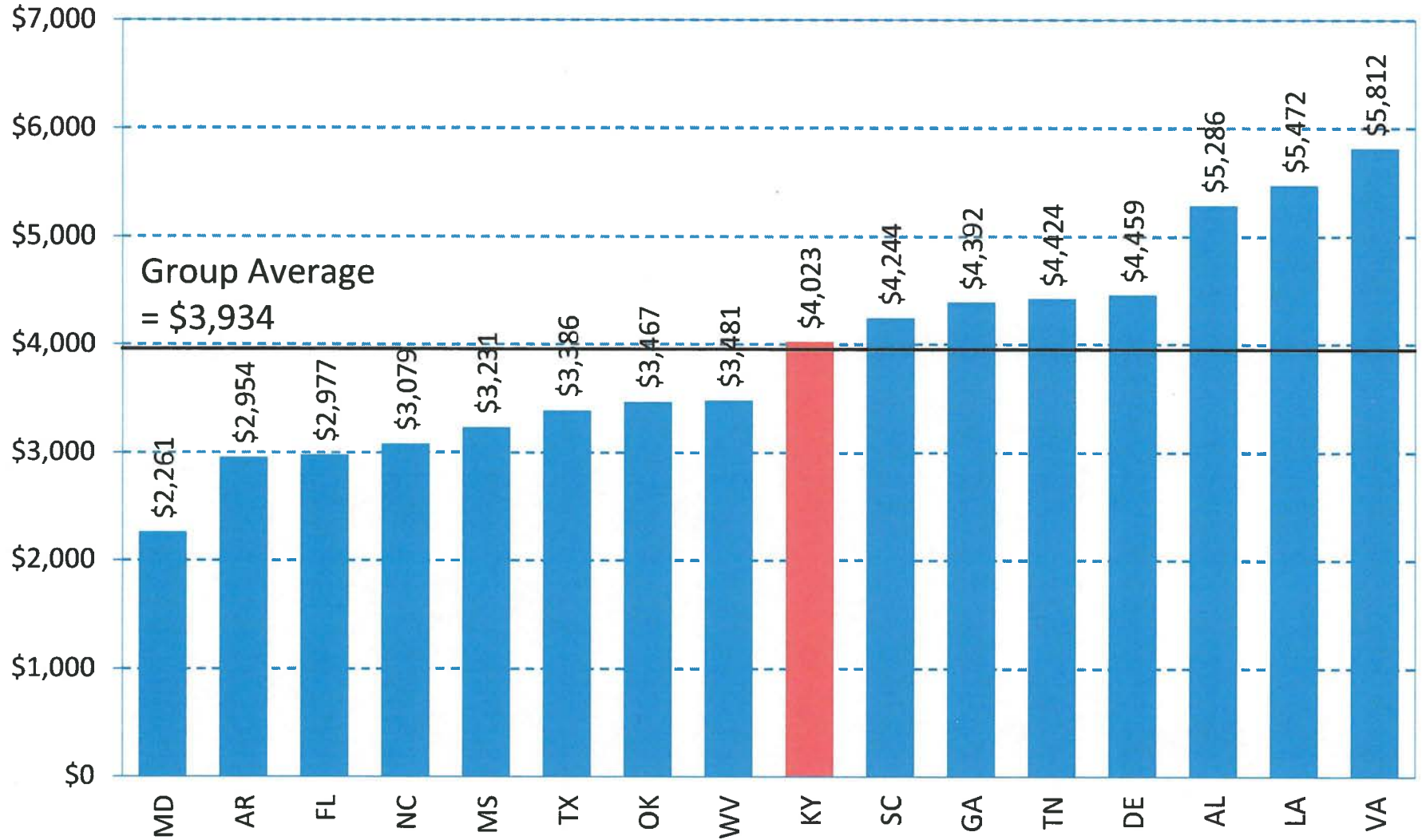
Chart 9



Source: College Board, Trends in College Pricing 2017.

Public Four-Year Universities in SREB Member States  
 Dollar Change in Resident Undergraduate Tuition and Fees  
 Between Academic Years 2007-08 and 2017-18

Chart 10

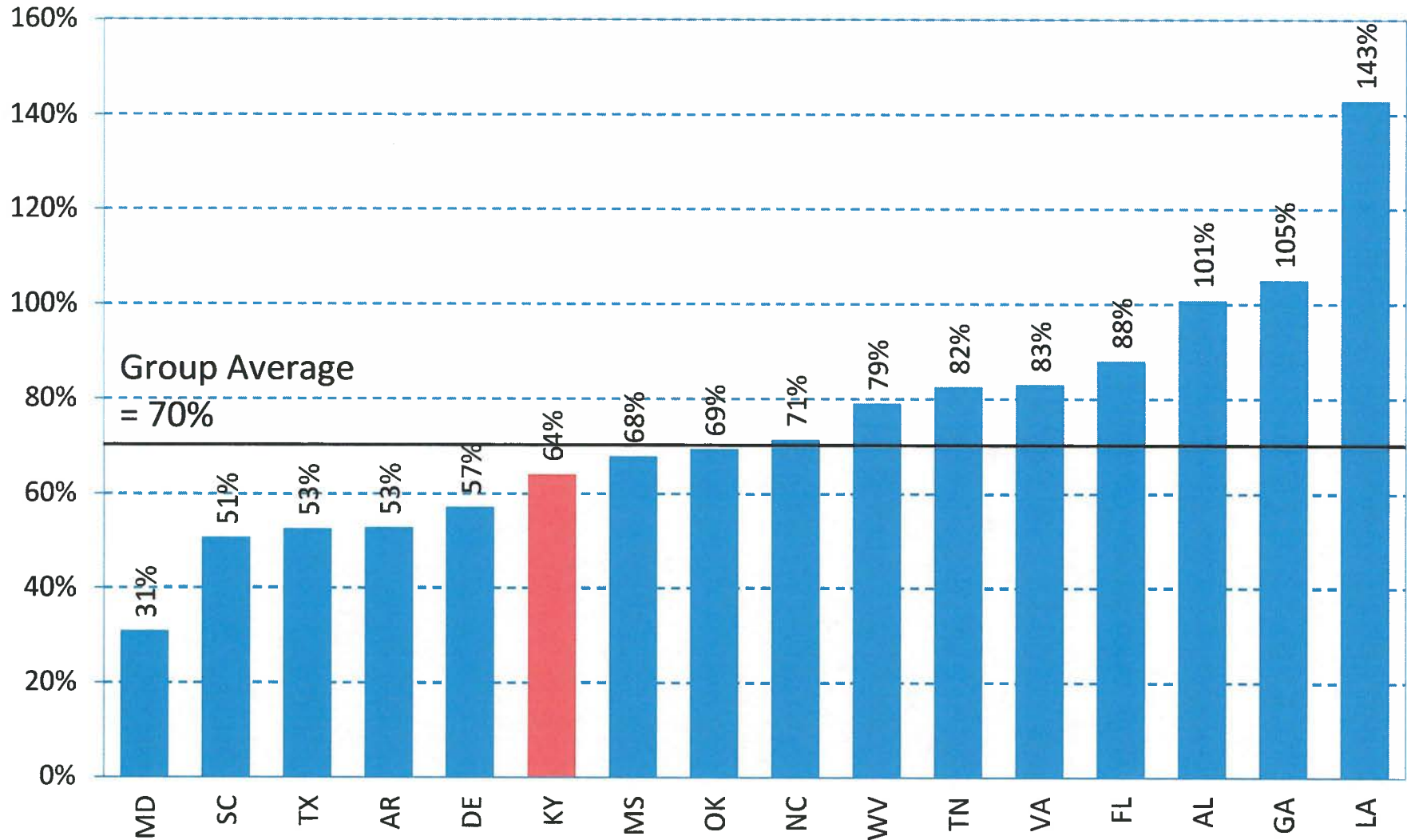


Source: College Board, Trends in College Pricing 2017.



Public Four-Year Universities in SREB Member States  
Percent Change in Resident Undergraduate Tuition and Fees  
Between Academic Years 2007-08 and 2017-18

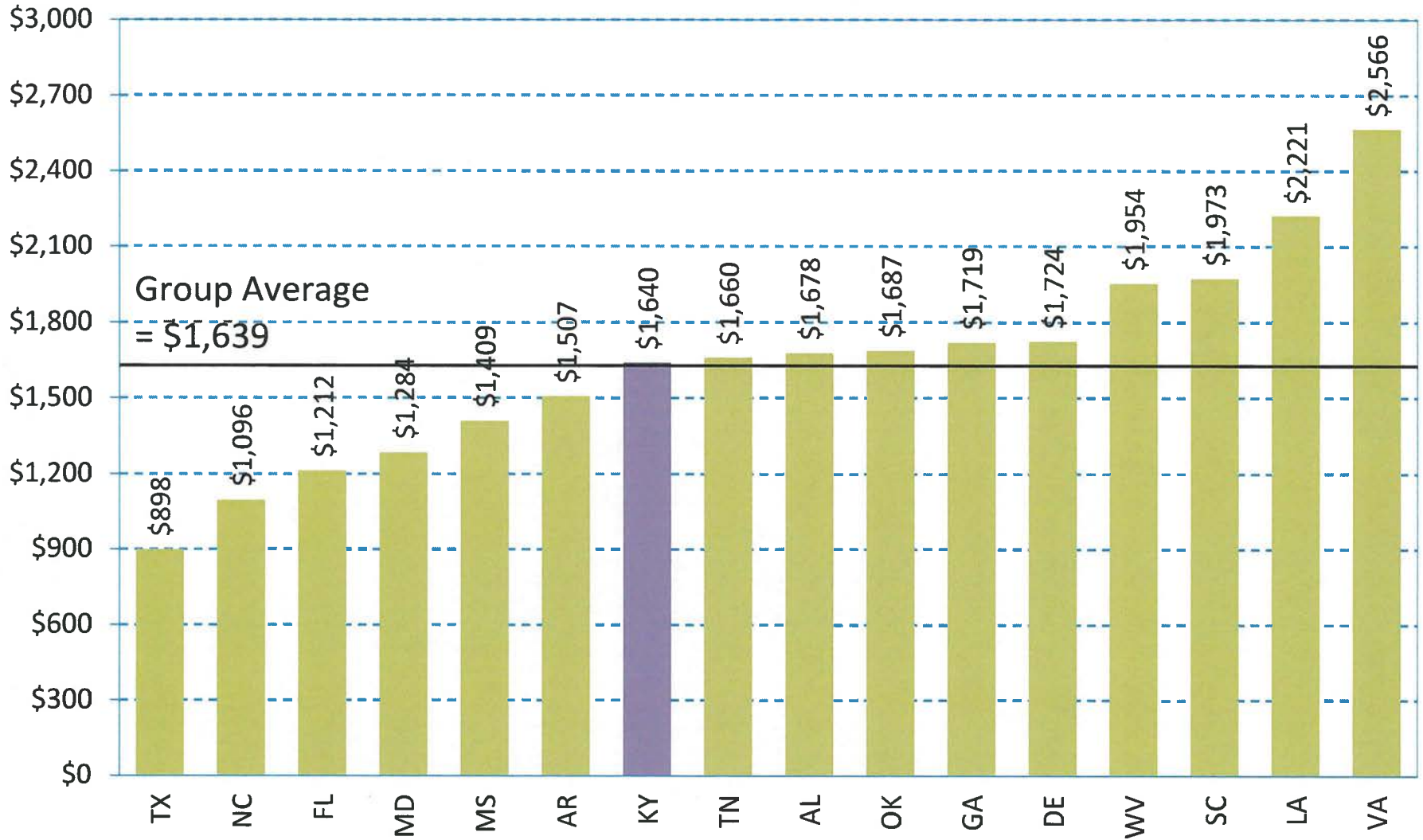
Chart 11



Source: College Board, Trends in College Pricing 2017.

Public Two-Year Colleges in SREB Member States  
 Dollar Change in Resident In-District Tuition and Fees  
 Between Academic Years 2007-08 and 2017-18

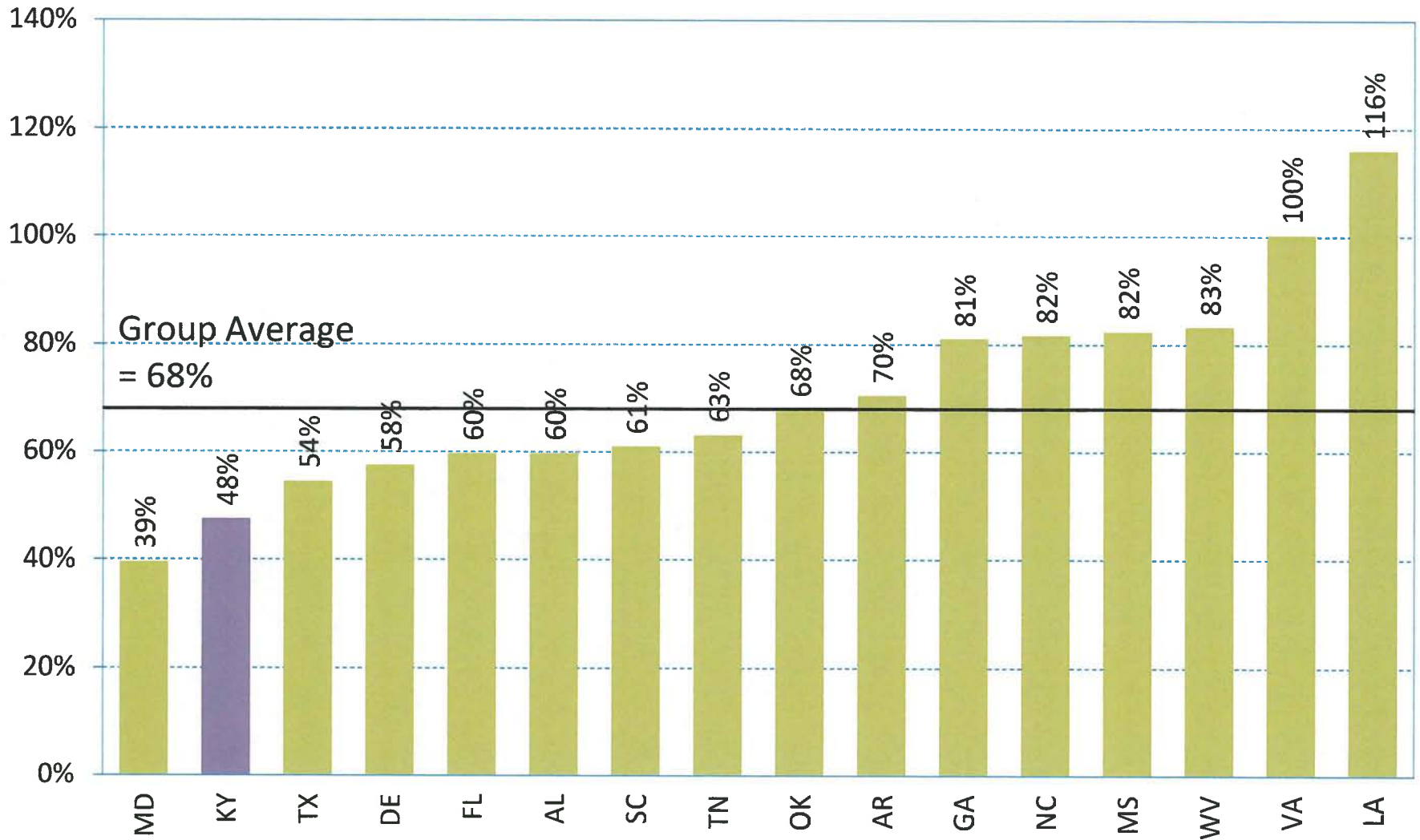
Chart 12



Source: College Board, Trends in College Pricing 2017.

Public Two-Year Colleges in SREB Member States  
Percent Change in Resident In-District Tuition and Fees  
Between Academic Years 2007-08 and 2017-18

Chart 13



Source: College Board, Trends in College Pricing 2017.

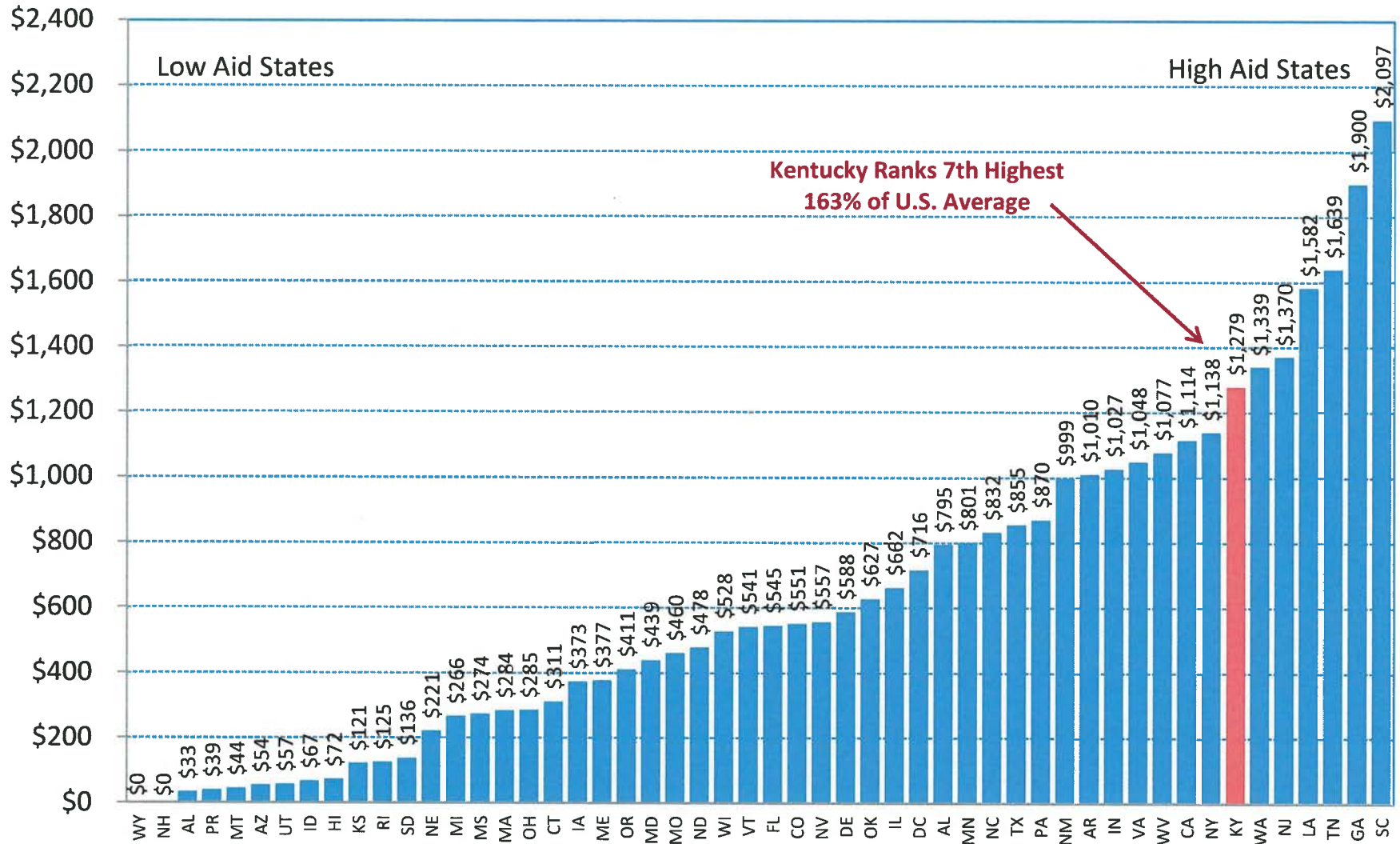


# State Funded Student Financial Aid Programs in the United States

Chart 15

## Total Undergraduate Grant Dollars per Undergraduate Student Enrollment Academic Year 2015-16

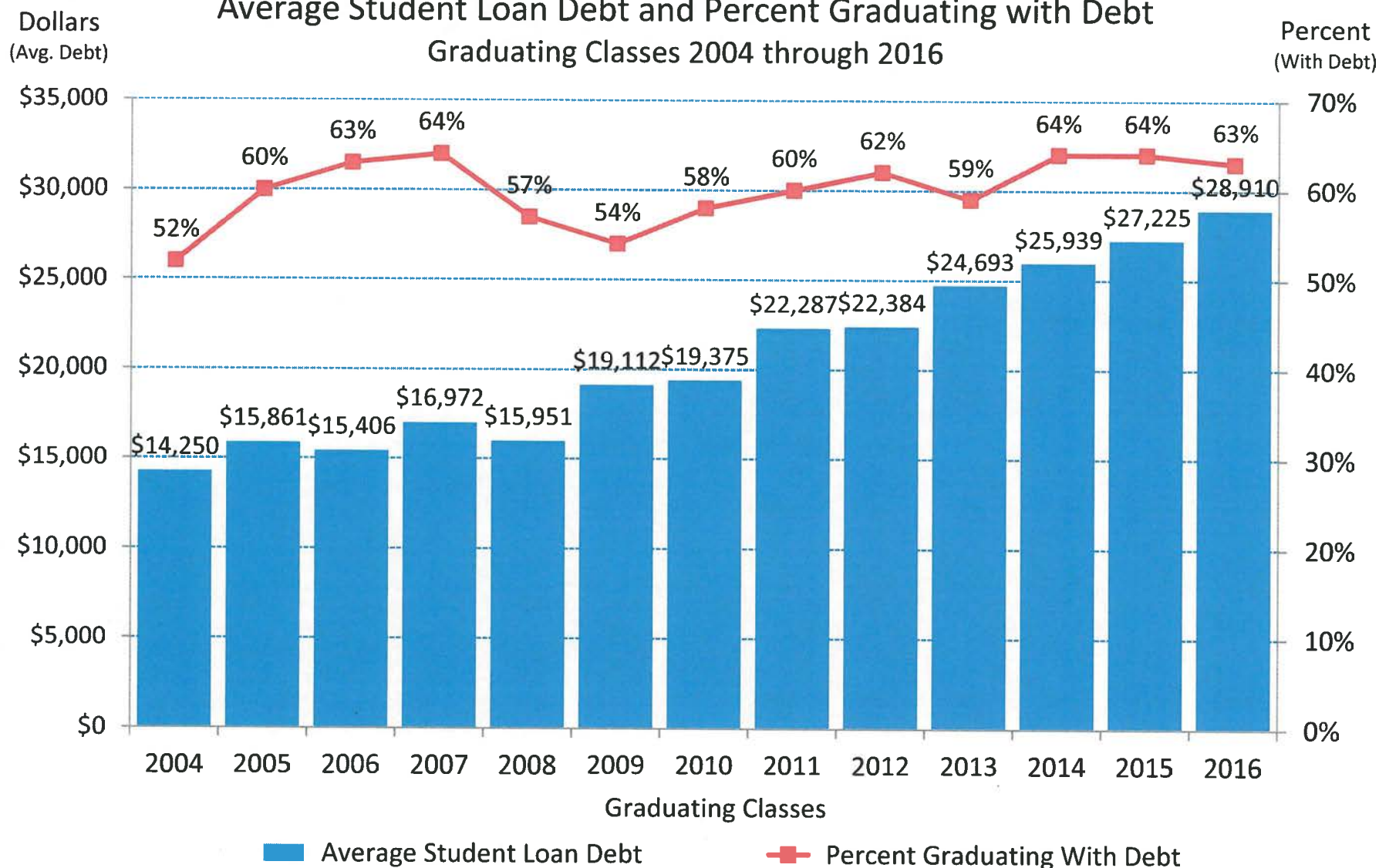
Dollars  
(per Student)



Source: National Association of State Student Grant and Aid Programs (NASSGAP), 47th Annual Survey Report on State-Sponsored Student Financial Aid.

Chart 18

### Kentucky Public and Private Four-Year Universities Average Student Loan Debt and Percent Graduating with Debt Graduating Classes 2004 through 2016



Source: The Project on Student Debt, Student Debt and the Class of 2016, September 2017.

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