

TITLE: Campus Tuition and Fee Proposals for Academic Year 2023-24

RECOMMENDATION: Staff recommends that the Finance Committee approve the tuition and mandatory fee proposals for academic year 2023-24 from EKU, KSU, MuSU and WKU, and recommend final approval by the Council at its June 9, 2023, meeting.

PRESENTERS: Shaun McKiernan, Executive Director of Finance and Budget, CPE
Ryan Kaffenberger, Senior Associate of Finance and Budget, CPE

EXECUTIVE SUMMARY

On March 31, 2023, the Council on Postsecondary Education approved tuition and mandatory fee ceilings for academic years 2023-24 and 2024-25. Included among the parameters adopted at that meeting is a requirement that base rate increases for resident undergraduate students not exceed 3.0% in any one year at the public universities, nor exceed \$4.00 per credit hour in any one year at KCTCS institutions.

Eastern Kentucky University, Kentucky State University, Murray State University, and Western Kentucky University have submitted undergraduate and graduate tuition and fee proposals for academic year 2023-24 to the Council.

Staff has reviewed each institution's proposed 2023-24 tuition and fee charges for every degree level, residency, and attendance status and determined that they comply with Council approved ceilings.

Staff recommends that the Finance Committee approve, and endorse to the full Council, tuition and mandatory fee charges for resident undergraduate and graduate students, nonresident undergraduate and graduate students, and on-line learners for academic year 2023-24 as proposed by the institutions and approved by their governing boards.

COUNCIL APPROVED TUITION AND FEE CEILINGS

On March 31, 2023, the Council adopted resident undergraduate tuition and mandatory fee ceilings that equate to:

- A maximum base rate increase of no more than 5.0 percent over two years, and a maximum increase of no more than 3.0 percent in any one year, for public research and comprehensive universities; and
- A maximum base rate increase of no more than \$7.00 per credit hour over two years, and a maximum increase of no more than \$4.00 per credit hour in any one year, for students attending KCTCS institutions.

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

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

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

As a reminder, the resident undergraduate tuition and fee ceilings approved by the Council apply to each institution's base rate charge. Base rates are defined as total tuition and fee charges, minus any Special Use Fees and Asset Preservation Fees previously approved by the Council, and minus an agency bond fee at KCTCS (i.e., BuildSmart Investment for Kentucky Competitiveness Fee). Council staff deduct these fees from total tuition and fees before applying a percent increase parameter, which keeps the fees at a fixed amount each year until they expire. The paragraphs below contain proposed base rates for academic year 2023-24, current-year base rates, and calculated dollar and percent changes between those rates for each institution.

CAMPUS TUITION AND FEE PROPOSALS

Officials from ECU, KSU, MuSU, and WKU have submitted to the Council undergraduate and graduate tuition and fee proposals for academic year 2023-24, along with tuition and fee revenue estimates for fiscal years 2022-23 and 2023-24.

Staff has reviewed each institution’s proposed 2023-24 tuition and fee charges for every degree level, residency, and attendance status and determined that they comply with Council approved ceilings.

Eastern Kentucky University

On June 2, 2023, Eastern Kentucky University submitted a proposal to the Council, containing board-approved tuition and mandatory fee charges for academic year 2023-24. As can be seen in Table 1, between academic years 2022-23 and 2023-24, the university is proposing to increase its annual base-rate charge for resident undergraduate students by \$286.⁰⁰, or 3.0 percent. This increase complies with the Council’s approved ceiling for resident undergraduate tuition and mandatory fees, which stipulates that base rates cannot increase by more than 3.0 percent in any one year at public research and comprehensive universities. The university’s proposed tuition and fee charges for nonresident, graduate, and on-line students also adhere to Council parameters.

The tuition and fee charges included in EKU’s proposal were approved by the university’s Board of Regents at their May 24, 2023 meeting. Staff recommends that the Finance Committee approve, and endorse to the full Council, tuition and fee rates as proposed by Eastern Kentucky University.

Eastern Kentucky University Proposed Tuition and Fee Base Rates Academic Year 2023-24				Table 1	
<u>Rate Category</u>	<u>Current 2022-23 Base Rates</u>	<u>Proposed 2023-24 Base Rates</u>	<u>Dollar Change</u>	<u>Percent Change</u>	
Undergraduate					
Resident	\$9,544	\$9,830	\$286	3.0%	
Nonresident	\$19,922	\$20,520	\$598	3.0%	
Graduate					
Resident	\$556.00 pch	\$572.00 pch	\$16.00	2.9%	
Nonresident	\$758.00 pch	\$780.00 pch	\$22.00	2.9%	
<p>Base rates for EKU do not include a Special Use Fee of \$150.00 per semester, or \$300.00 per year, for full time students, nor do they include an Asset Preservation Fee of \$10.00 per credit hour, capped at 15 credit hours or \$150 per semester, or \$300.00 per year, for full-time students.</p> <p>pch = per credit hour</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, rates for part-time graduate students, and online rates. Staff recommends approval of these additional rates as proposed by the university.

Estimated Tuition Revenue

EKU officials estimate that proposed 2023-24 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 \$152.7 million in gross tuition and fee revenue, which is \$8.3 million more than anticipated revenue for the current year (see Attachment B). The university's E&G fixed costs are projected to increase by \$7.2 million between fiscal years 2022-23 and 2023-24, which represents an increase of 2.4 percent over current-year costs.

Kentucky State University

On May 31, 2023, Kentucky State University submitted a proposal to the Council, containing planned tuition and mandatory fee charges for academic year 2023-24. As can be seen in Table 2, between academic years 2022-23 and 2023-24, the university is proposing to increase its annual base-rate charge for resident undergraduate students by \$234.⁰⁰, or 2.7 percent. This complies with the Council's approved ceiling for resident undergraduate tuition and mandatory fees, which stipulates that base rates cannot increase by more than 3.0 percent in any one year at public research and comprehensive universities. The university's proposed tuition and fee charges for nonresident, graduate, and on-line students also adhere to Council parameters.

The tuition and fee charges included in KSU's proposal were approved by the university's Board of Regents at their May 31, 2023 meeting. Staff recommends that the Finance Committee approve, and endorse to the full Council, tuition and fee rates as proposed by Kentucky State University.

Kentucky State University Proposed Tuition and Fee Base Rates Academic Year 2023-24				Table 2
<u>Rate Category</u>	<u>Current 2022-23 Base Rates</u>	<u>Proposed 2023-24 Base Rates</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$8,654	\$8,888	\$234	2.7%
Nonresident	\$12,582	\$12,582	\$0	0.0%
Graduate				
Resident	\$11,072	\$8,540	-\$2,532	-22.9%
Nonresident	\$16,232	\$12,716	-\$3,516	-21.7%
Base rates for KSU do not include Special Use Fees of \$150.00 per semester, or \$300.00 per year for full-time students.				

Attachment C contains additional categories of tuition and fee charges, including proposed per-credit-hour rates for part-time resident and nonresident undergraduate students, rates for part-time graduate students, and online rates. Staff recommends approval of these additional rates as proposed by the university. Please note that KSU displays mandatory fees separately in Attachment C, however, Council staff included these fees (e.g., Activities Fee; Technology Fee; Safety and Security Fee, Homecoming Fee) in the base rate table (i.e., Table 2).

KSU officials estimate that proposed 2023-24 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 \$17.0 million in gross tuition and fee revenue, which is \$0.5 million more than anticipated revenue for the current year (see Attachment D). Kentucky State University officials are working to cut costs in the coming year to mitigate the financial challenges the university is facing and to move it toward a balanced budget.

Murray State University

On May 31, 2023, Murray State University submitted a proposal to the Council, containing planned tuition and mandatory fee charges for academic year 2023-24. As can be seen in Table 3, between academic years 2022-23 and 2023-24, the university is proposing to increase its annual base-rate charge for resident undergraduate students by \$276.⁰⁰, or 2.9 percent. The undergraduate base rates in Table 3 apply to students who enrolled at MuSU during summer term 2020 or after. See Attachment E for proposed base rates assessed to those who enrolled between summer term 2016 and spring 2020.

MuSU’s proposed base rate increase for resident undergraduate students complies with the Council’s approved ceiling for resident undergraduate tuition and mandatory fees, which stipulates that base rates cannot increase by more than 3.0 percent in any one year at public research and comprehensive universities. The university’s proposed tuition and fee charges for nonresident, graduate, and on-line students also adhere to Council parameters.

The tuition and fees included in MuSU’s proposal were approved by the university’s Board of Regents at their June 2, 2023 meeting. Staff recommends that the Finance Committee approve, and endorse to the full Council, tuition and fee rates as proposed by Murray State University and approved by the university’s governing board.

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

Murray State University Proposed Tuition and Fee Base Rates Academic Year 2023-24				Table 3	
<u>Rate Category</u>	<u>Current 2022-23 Base Rates</u>	<u>Proposed 2023-24 Base Rates</u>	<u>Dollar Change</u>	<u>Percent Change</u>	
Undergraduate					
Resident	\$9,432	\$9,708	\$276	2.9%	
Nonresident	\$18,888	\$19,452	\$564	3.0%	
Graduate					
Resident	\$559.50 pch	\$576.00 pch	\$16.50	2.9%	
Nonresident	\$559.50 pch	\$576.00 pch	\$16.50	2.9%	
Base rates for MuSU do not include Special Use Fees of \$10.00 per credit hour, capped at \$15.00 per semester. Or \$300.00 per year, for full-time comparison (fall and spring semesters only).					
pch = per credit hour					

Estimated Tuition Revenue

MuSU officials estimate that proposed 2023-24 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 \$106.9 million in gross tuition and fee revenue, which is \$2.4 million more than anticipated revenue for the current year (see Attachment F). The university’s E&G fixed

costs are projected to increase by \$10.8 million between fiscal years 2022-23 and 2023-24, or about 6.1 percent over current-year costs.

Western Kentucky University

On May 30, 2023, Western Kentucky University submitted a proposal to the Council, containing planned tuition and mandatory fee charges for academic year 2023-24. As can be seen in Table 4, between academic years 2022-23 and 2023-24, the university is proposing to increase its annual base-rate charge for resident undergraduate students by \$324.⁰⁰, or 3.0 percent. This increase complies with the Council’s approved ceiling for resident undergraduate tuition and mandatory fees, which stipulates that base rates cannot increase by more than 3.0 percent in any one year at public research and comprehensive universities. The university’s proposed tuition and fee charges for nonresident, graduate, and on-line students also adhere to Council parameters.

The tuition and fees included in WKU’s proposal were approved by the university’s Board of Regents at their June 2, 2023 meeting. Staff recommends that the Finance Committee approve, and endorse to the full Council, tuition and fee rates as proposed by Western Kentucky University and approved by the university’s governing board.

Western Kentucky University Proposed Tuition and Fee Base Rates Academic Year 2023-24				Table 4	
<u>Rate Category</u>	<u>Current 2022-23 Base Rates</u>	<u>Proposed 2023-24 Base Rates</u>	<u>Dollar Change</u>	<u>Percent Change</u>	
Undergraduate					
Resident	\$10,912	\$11,236	\$324	3.0%	
Nonresident	\$26,800	\$26,800	\$0	0.0%	
Graduate					
Resident	\$597.00 pch	\$597.00 pch	\$0	0.0%	
Nonresident	\$907.00 pch	\$907.00 pch	\$0	0.0%	
Base rates for WKU do not include Special Use Fees of \$100.00 per semester, or \$200.00 per year for full-time students. Special Use fees are also assessed at \$10.00 per credit hour for graduate and part-time students.					
pch = per credit hour					

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

Estimated Tuition Revenue

WKU officials estimate that proposed 2023-24 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 \$177.1 million in gross tuition and fee revenue, which is \$0.6 million more than anticipated revenue for the current year (see Attachment H). The university's E&G fixed costs are projected to increase by \$8.8 million between fiscal years 2022-23 and 2023-24, or about 4.1 percent over current-year costs.

STAFF RECOMMENDATION

Council staff has reviewed the tuition and mandatory fee proposals for academic year 2023-24 received from ECU, KSU, MuSU, and WKU and have determined that they comply with the resident undergraduate tuition and fee ceilings for research and comprehensive universities adopted by the Council at the March 31, 2023 meeting. Staff has determined that proposed prices for nonresident undergraduate students adhere to provisions of the Council's *2023-24 Tuition and Mandatory Fee Policy*, or a previously approved Memorandum of Understanding between the Council and an institution. Finally, proposed tuition and fee charges for graduate and on-line students adhere to Council parameters.

Staff recommends that the Finance Committee approve, and endorse to the full Council, all applicable tuition and mandatory fee charges for resident undergraduate and graduate students, nonresident undergraduate and graduate students, and on-line learners for academic year 2023-24 as proposed by ECU, KSU, MuSU and WKU.