

**TITLE:** Memorandum of Understanding – Nonresident Tuition and Fees at Northern Kentucky University

**DESCRIPTION:** The Finance Committee recommends the Council approve the proposed Memorandum of Understanding between the Council and Northern Kentucky University regarding nonresident student tuition and fees.

**STAFF CONTACTS:** Travis Powell, Senior Vice President and General Counsel  
Bill Payne, Vice President, Finance Policy and Programs

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### **COMMITTEE REVIEW & APPROVAL**

The Finance Committee reviewed and endorsed for final approval the proposed Memorandum of Understanding between the Council and Northern Kentucky University regarding nonresident student tuition and fees at its September 9, 2024, meeting.

### **SUPPORTING INFORMATION**

At its March 31, 2023, meeting, the Council approved its current policy regarding nonresident student tuition and fees as part of the Tuition and Mandatory Fee Policy for academic years 2023-24 and 2024-25. The nonresident tuition and fee policy requires institutions' average net tuition and fee revenue generated per nonresident undergraduate student to equal or exceed 130% of the annual full-time tuition and fee charge assessed to resident undergraduate students (i.e., the published in-state sticker price). Institutions can request an exception to this rule through a Memorandum of Understanding (MOU) process that will be evaluated on a case-by-case basis by the Council.

The main purpose of the MOU process is to clearly identify goals and strategies embedded in enrollment management plans that advance the unique missions of requesting institutions. The Council's full policy pertaining to nonresident student tuition and fees can be found in the background section below.

Northern Kentucky University (NKU) currently has an MOU with the Council regarding nonresident student tuition and fees. On April 24, 2020, the Council approved the attached MOU between NKU and the Council, which launched a tuition scholarship program at the institution called the Educational Discount to Graduate and Excel (EDGE) program (see Attachment A). At that time, the Council acknowledged that, although NKU would not meet the 130% threshold required in the Council's Policy as a result of the EDGE program, the increased

nonresident student enrollment would benefit both the Commonwealth and NKU. Key features of the EDGE program, as outlined in the existing MOU, include:

- For Fall 2020, the EDGE program offers a tuition discount to recognize the academic excellence of students from all states and countries.
- Students may receive a tuition discount lowering their net tuition and fees to the resident rate plus \$500.
- The scholarship amount does not lower out-of-state tuition below the resident rate and is dependent on available funds.
- Students must have a high school GPA of 2.5 unweighted or greater.
- Students must maintain full-time consecutive enrollment and be in good academic standing to continue receiving the scholarship.
- The EDGE program is not available to students in fully online programs.
- NKU will ensure that academically qualified Kentucky residents will not be displaced as a result of this agreement.

## **PROPOSED MODIFICATIONS**

On July 18, 2024, NKU submitted proposed modifications to its MOU to CPE staff and is seeking Council approval (see Attachment B). The program described in the agreement has been approved by the university's Board of Regents.

The MOU would launch a new undergraduate tuition program, beginning in the Fall 2025 semester, called the NKU Tri-state program. Under the NKU Tri-state program, new first-time freshmen from Kentucky, Ohio, and Indiana would pay the in-state annual tuition rate plus all mandatory fees. All students outside of Kentucky, Ohio, and Indiana (domestic and international) would be charged a single tuition rate, one that is at least 130% of the NKU Tri-state rate (proposed as \$14,999 for Fall 2025). Furthermore, the proposed agreement would eliminate the EDGE scholarship program, as featured in NKU's 2020 MOU, for new students from 2025 on. Key features of the NKU Tri-state program, as outlined in the proposed MOU, include:

- Current students who are residents of Ohio and Indiana will retain their current tuition and institutional scholarships/discount pricing model, subject to any applicable approved tuition rate increases.
- NKU will continue to have two competitive scholarships (Presidents and Governors) offered to a limited number of the highest-achieving high school students from any state.
- NKU will offer academic merit scholarships, dependent on available funds, as follows.
  - Kentucky residents who qualify for higher levels of academic merit scholarships based upon high school GPA will receive amounts of \$3,000, \$2,000, and \$1,000 per year at corresponding GPA levels.
  - Ohio and Indiana residents will qualify for lower levels of academic merit scholarships per year based upon high school GPA at \$2,000 and \$1,000 amounts.

- Residents of states and countries outside of Kentucky, Ohio, and Indiana are ineligible for these academic merit scholarships.
- Students are eligible to apply for NKU foundation-funded scholarships.
- Students must have a high school GPA of 2.0 unweighted or greater.
- The NKU Tri-state program is not available to students in fully online programs.

NKU officials believe that the proposed NKU Tri-state program effectively recognizes students from states – Kentucky, Ohio, and Indiana – that are geographically strategic and aligned with the institution’s mission as a regionally engaged, comprehensive university.

## **BACKGROUND**

Below is the language from the Council’s *Tuition and Mandatory Fee Policy: Academic Years 2023-24 and 2024-25* pertaining to nonresident student tuition and fees.

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

In addition, every institution shall manage its tuition and fee rate structures, price discounting, and scholarship aid for out-of-state students, such that in any given year, the average net tuition and fee revenue generated per nonresident undergraduate student equals or exceeds 130% of the annual full-time tuition and fee charge assessed to resident undergraduate students (i.e., the published in-state sticker price). As part of the tuition and fee setting process, staff shall monitor and report annually to the Council regarding compliance with this requirement.

The Council acknowledges that in some instances increasing nonresident student enrollment benefits both the Commonwealth and the institution. For this reason, exceptions to the 130% threshold may be requested through a Memorandum of Understanding (MOU) process and will be evaluated on a case-by-case basis by the Council. The main objective of the MOU process is to clearly delineate goals and strategies embedded in enrollment management plans that advance the unique missions of requesting institutions. (*Tuition and Mandatory Fee Policy: Academic Years 2023-24 and 2024-25*, pp. 2-3)

## **RECOMMENDATION**

Staff recommends that the Finance Committee accept the proposed Memorandum of Understanding between the Council and Northern Kentucky University regarding nonresident student tuition and fees, and recommend approval to the Council at its September 16, 2024, meeting.