

TITLE: Campus Tuition and Fee Proposal for Academic Year 2024-25;
Kentucky State University

RECOMMENDATION: The Finance Committee recommends the Council approve Kentucky State University's tuition and mandatory fee proposal for academic year 2024-25.

STAFF CONTACTS: Shaun McKiernan, Executive Director of Finance and Budget, CPE
Ryan Kaffenberger, Assistant Director of Finance and Administration, CPE

COMMITTEE REVIEW & APPROVAL

The Finance Committee reviewed and approved Kentucky State University's tuition and mandatory fee proposal for academic year 2024-25 at its March 25, 2024, meeting.

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.

Kentucky State University (KSU) has elected to have the CPE Finance Committee and Council review and approve tuition and fee rates for 2024-25 at the March 25 and 28 meetings. All other institutions will bring their board-approved rates to the Council for approval in June. Staff has reviewed KSU's proposed 2024-25 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 for full Council approval, tuition and mandatory fee charges for resident undergraduate and graduate students, nonresident undergraduate and graduate students, and online learners for academic year 2024-25 as proposed by KSU and approved by its Board of Regents.

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 2024-25, current-year base rates, and calculated dollar and percent changes between those rates for KSU.

CAMPUS TUITION AND FEE PROPOSALS

Officials from KSU have submitted to the Council undergraduate and graduate tuition and fee proposals for academic year 2024-25, along with tuition and fee revenue estimates for fiscal years 2023-24 and 2024-25.

Staff has reviewed the proposed 2024-25 tuition and fee charges for every degree level, residency, and attendance status and has determined that they comply with Council approved ceilings.

On March 12, 2024, KSU submitted a proposal to the Council, containing planned tuition and mandatory fee charges for academic year 2024-25. As can be seen in Table 1, between academic years 2023-24 and 2024-25, the university is proposing to increase its annual base-rate charge for resident undergraduate students by \$173.⁰⁰, or 1.9 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. In addition, this complies with the approved ceiling which stipulates that tuition and mandatory fees cannot increase more than 5.00% over two years. For KSU, the maximum increase over two years was \$433.⁰⁰, or 5%, and the proposed two-year increase is \$433.⁰⁰. 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 March 7, 2024, meeting. Staff recommends that the Finance Committee approve, and endorse to the full Council, tuition and fee rates as proposed by KSU.

Kentucky State University Proposed Tuition and Fee Base Rates Academic Year 2024-25				Table 1
<u>Rate Category</u>	<u>Current 2023-24 Base Rates</u>	<u>Proposed 2024-25 Base Rates</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Undergraduate				
Resident	\$8,914	\$9,087	\$173	1.9%
Nonresident	\$12,960	\$13,358	\$398	3.1%
Graduate				
Resident	\$583 pch	\$605 pch	\$22	3.8%
Nonresident	\$583 pch	\$605 pch	\$22	3.8%
Base rates for KSU do not include Special Use Fees of \$150.00 per semester, or \$300.00 per year for full-time students.				
pch = per credit hour				

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. Please note that KSU displays mandatory fees separately in Attachment C; however, Council staff includes these fees (e.g., Activities Fee; Technology Fee; Safety and Security Fee, Homecoming Fee) in the base rate, which is displayed in Table 1. KSU officials estimate that proposed 2024-25 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 significantly more tuition and fee revenue for the university, since they will be launching a new online program. The preliminary estimate for gross tuition and fee revenue in 2024-25 is \$24.7 million, which is \$7.7 million more than anticipated gross revenue for the current year (see Attachment B).

STAFF RECOMMENDATION

Council staff has reviewed the tuition and mandatory fee proposal for academic year 2024-25 received from KSU and has determined that the proposal complies 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 *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 online students adhere to Council parameters.

Staff recommends that the Finance Committee approve and send on to the full Council for approval the tuition and mandatory fee charges for resident undergraduate and graduate students, nonresident undergraduate and graduate students, and online learners for academic year 2024-25, as proposed by KSU.