

# 2019-20

## Operating and Capital Budget

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### Tuition and Mandatory Fees





# UNIVERSITY OF KENTUCKY BUDGET DEVELOPMENT PRINCIPLES



- Student access and affordability

- Competitive pay for faculty and staff

- Strategically plan to prevent across-the-board cuts and maintain and enhance academic quality

- Building a community of belonging



# University of Kentucky Consolidated Operating Budget



\*Pending

## Background:

- The recommended consolidated operating budget is balanced
- Sets expenditure authority by area, college, and department
- Includes all components of the University (e.g., academic enterprise, hospital system, clinical patient care, research, philanthropy, athletics)
- Includes Current Funds only



# University of Kentucky

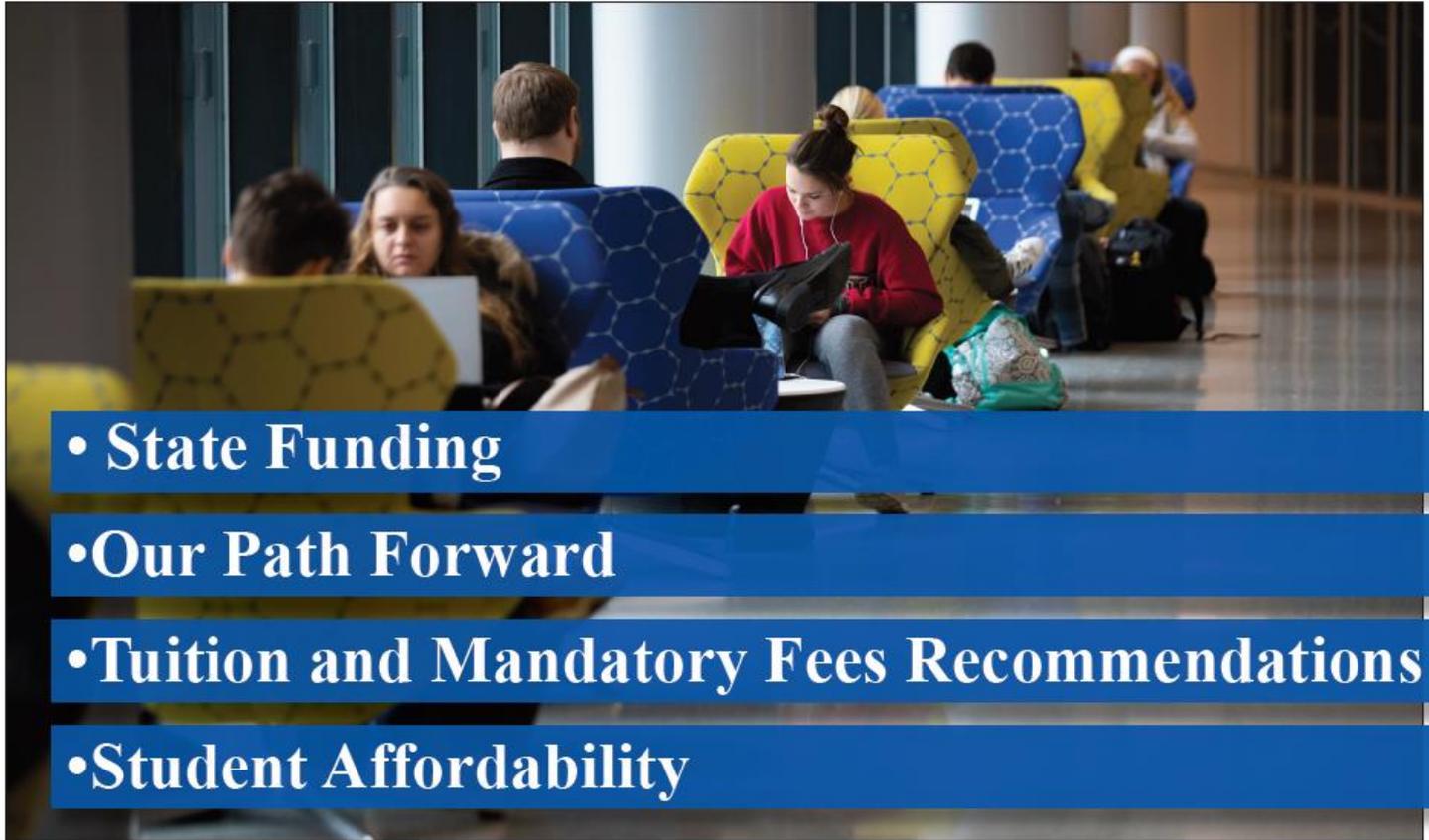
## Fiscal Year (FY) 2019-20 Budget Overview

### Undesignated General Funds

- **Budgeted revenue increases** such as:
  - + \$2.5 million, or 1.0%, increase in state appropriations
  - + \$20.5 million, or 4.2%, increase in tuition revenues
  - + \$7.8 million, or 48.0%, increase in investment income
- **Budgeted expense increases** such as:
  - + \$13.5 million, or 10.3%, increase in centrally-funded student financial aid
  - + \$7.4 million for 2.0% faculty and staff salary increase pool to be allocated based on merit
  - + \$9.3 million for strategic investments including tuition sharing with colleges, capital and utilities infrastructure renewal, and debt service for modernization
- **Balanced budget:**
  - Our Path Forward Phase I Initiatives
  - Changes to tuition and mandatory fees pricing structure
  - Tuition rate increases



# UNIVERSITY OF KENTUCKY SELECT HIGHLIGHTS



- **State Funding**

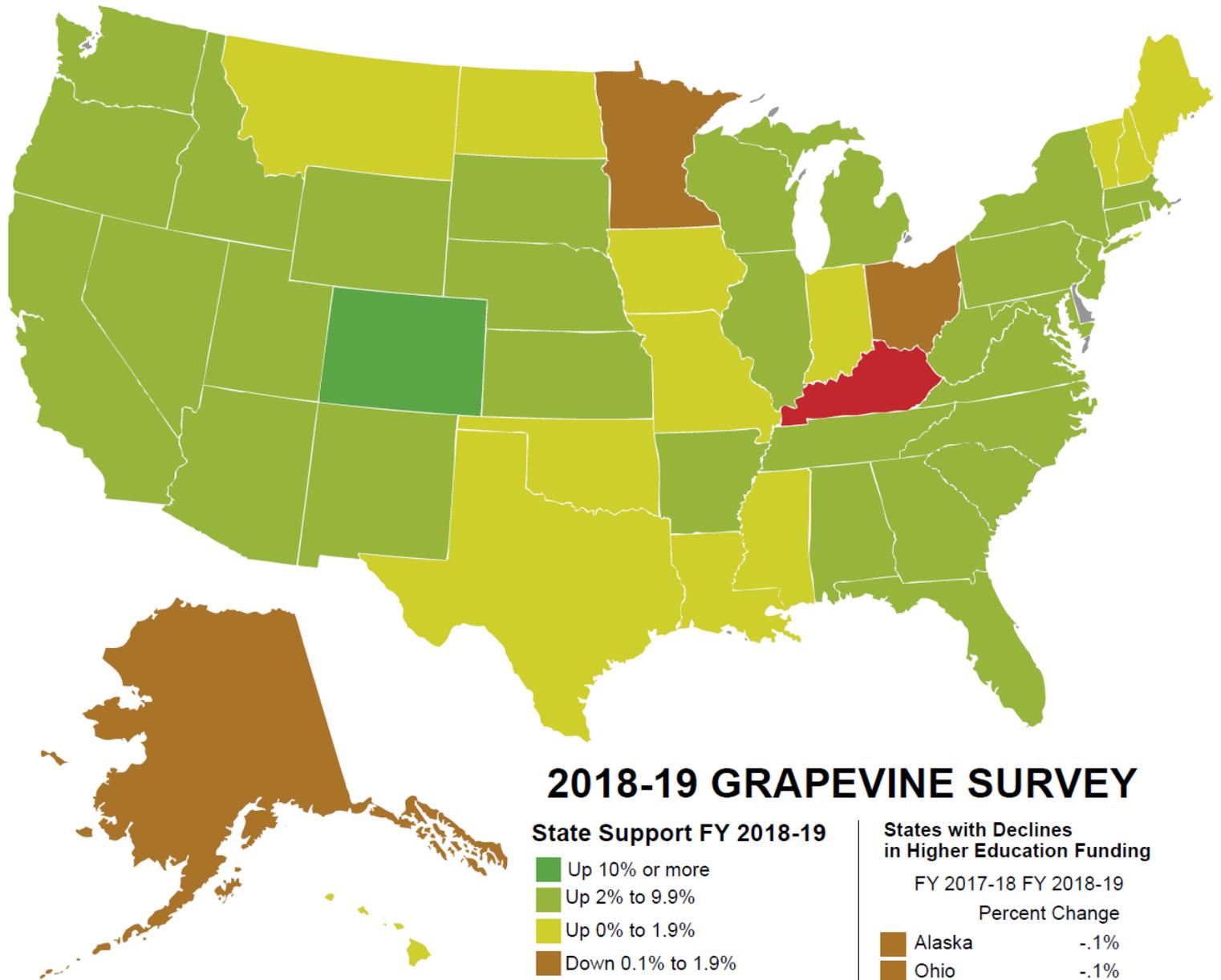
- **Our Path Forward**

- **Tuition and Mandatory Fees Recommendations**

- **Student Affordability**



State support for higher education leaves Kentucky in last place



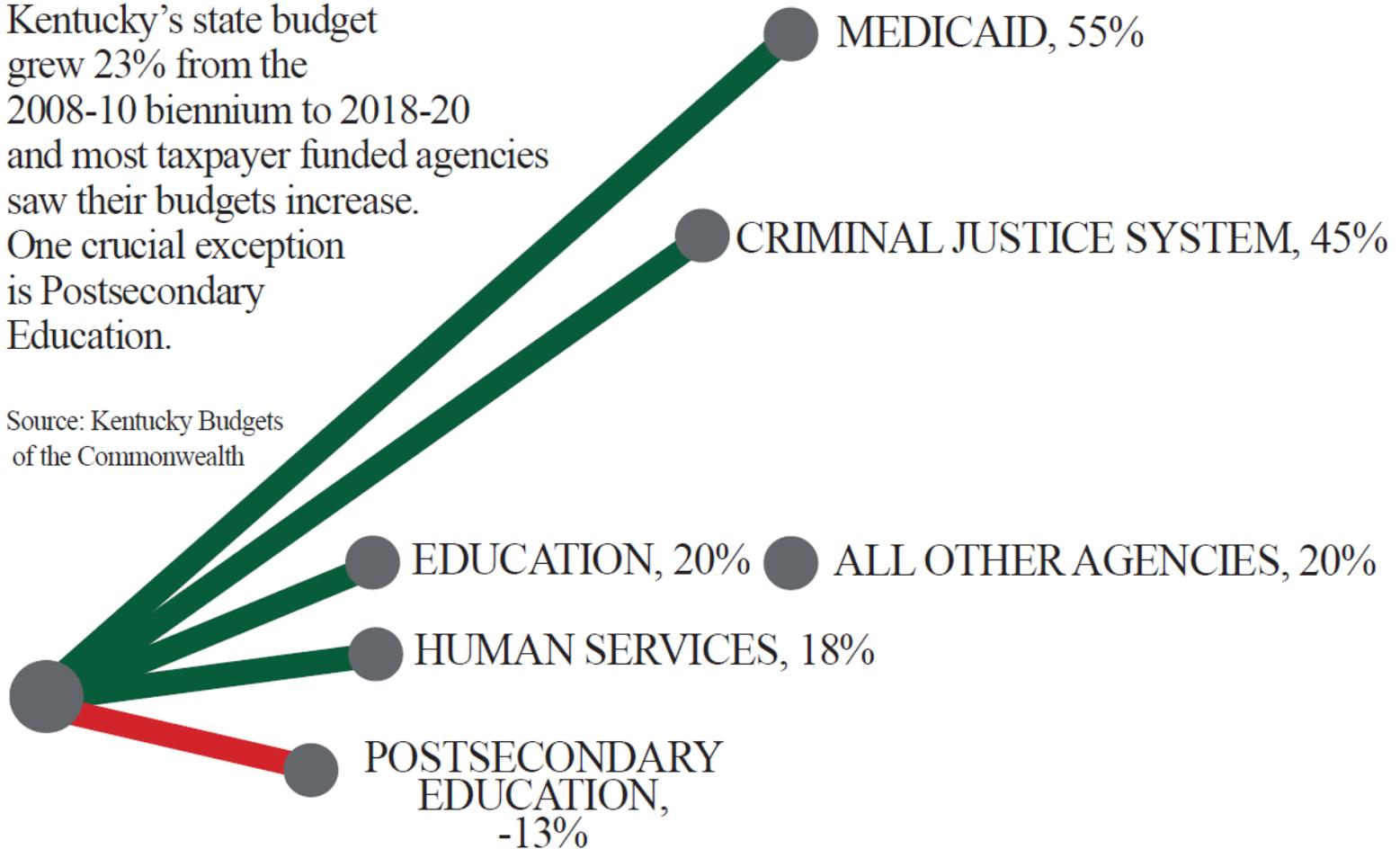
Source: 2018-19 Grapevine Survey, a joint project of the Center for the Study of Educational Policy at Illinois State University and the State Higher Education Executive Officers.



# Significant Shifts in Kentucky's General Fund Appropriations

Kentucky's state budget grew 23% from the 2008-10 biennium to 2018-20 and most taxpayer funded agencies saw their budgets increase. One crucial exception is Postsecondary Education.

Source: Kentucky Budgets of the Commonwealth





# University of Kentucky

## Changes in State Appropriations

### FY 2019 to FY 2020

	<i>in millions</i>
<b><i>State Appropriations, FY 2018-19</i></b>	<b>\$258.6</b>
Robinson Scholars	(1.0)
Performance Funds	
Allocation to Postsecondary Ed Performance Fund	(1.8)
Performance Award	5.3
<b><i>State Appropriations, FY 2019-20</i></b>	<b>\$261.1</b>





# Our Path Forward Phase I

## FY 2019-20 Targets

<b>Initiatives</b>	<b>Recommended FY 2019-20</b>	<b>Change</b>
1. First Year Enrollment	5,350	+250
2. Retention Rate	85.5%	1.0%
3. Online Growth		
Online Programs	61	+26
Online Students	1,432	+551
4. Summer Enrollment	7,150	+300
5. Project Graduate	100	+99
6. Procure to Pay	\$2.5 million, net	\$2.5 million, net
7. Carbon Reduction Program	\$500,000	\$500,000



# University of Kentucky Recommended Tuition and Mandatory Fees

— PER SEMESTER —  
FALL 2018      FALL 2019      % CHANGE

## UNDERGRADUATE (LOWER DIVISION)

Resident	\$6,035	\$6,180	2.4%
Non-resident	\$14,451	\$15,340	6.2%

## UNDERGRADUATE (UPPER DIVISION)

Resident	\$6,210	\$6,180	-0.5%
Non-resident	\$14,648	\$15,340	4.8%

## GRADUATE

Resident	\$6,526	\$6,702	2.7%
Non-resident	\$15,682	\$16,282	3.9%

Undergraduate rates are for 12 or more credit hours  
Graduate rates are for 9 or more credit hours  
Increases in Course and Program Fees held to less than 2%

## UNDERGRADUATE ONLINE LEARNING

— PER CREDIT HOUR —

On-campus students	\$601
Online only students	\$570



**34.8%** Of undergraduates see a 0.5% decrease

**31.0%** Of undergraduates see a 2.4% increase

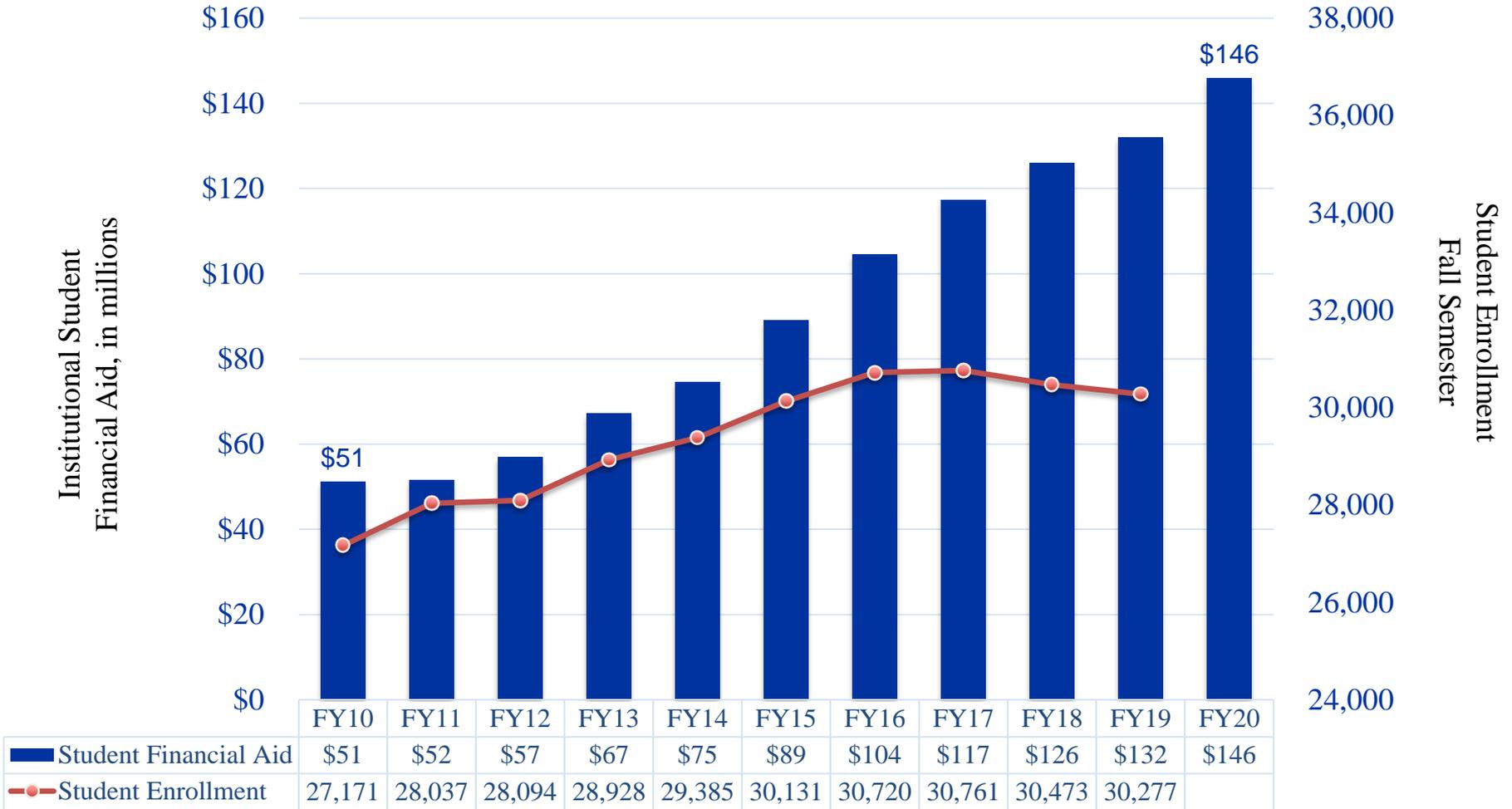
**20.6%** Of undergraduates see a 6.2% increase

**13.6%** Of undergraduates see a 4.8% increase



# University of Kentucky

## Institutional Student Financial Aid and Student Enrollment





# University of Kentucky

## Net Price by Income Quartile, Fall 2018

**Avg. Tuition and Mandatory Fees Sticker Price, \$6,069**

**25% of our undergraduate full-time Kentucky students are from families with a median income of \$20,753.**

**For these students, grants and scholarships covered 100% of tuition and mandatory fees.**



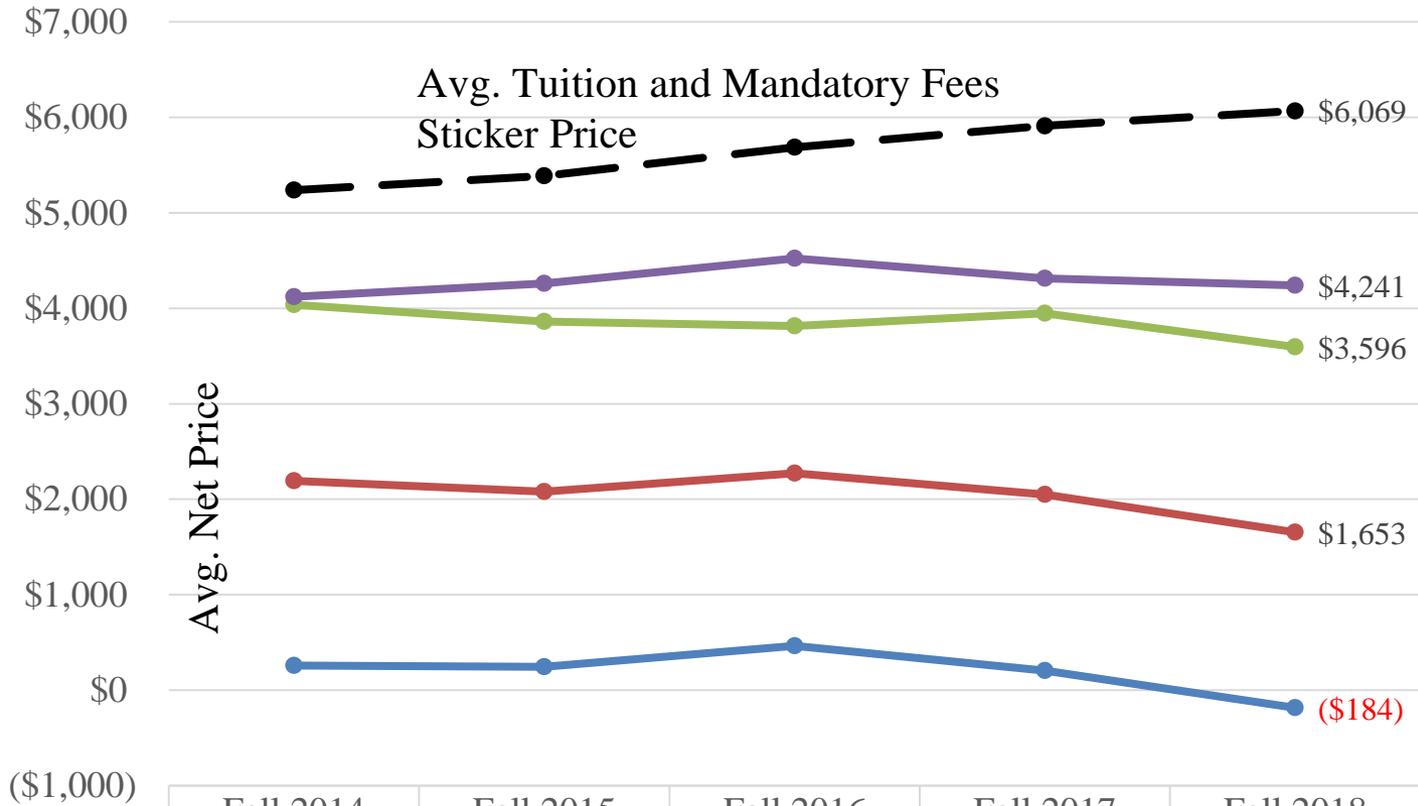
Chart based upon 8,727 full-time undergraduate, resident students who filed the FAFSA as dependents. Median family income based on adjusted gross income as reported.

Low Median Family Income	Low-Mid Median Family Income	Mid-High Median Family Income	High Median Family Income
\$20,753	\$60,000	\$107,936	\$183,113



# University of Kentucky Net Tuition and Fee Price by Income Quartile

Chart based upon full-time undergraduate, resident students who filed the FAFSA as dependents. Median family income based on adjusted gross income as reported.



	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018
Low Median Family Income	\$258	\$244	\$465	\$204	(\$184)
Low-Mid Median Family Income	\$2,192	\$2,078	\$2,273	\$2,051	\$1,653
Mid-High Median Family Income	\$4,038	\$3,862	\$3,816	\$3,947	\$3,596
High Median Family Income	\$4,119	\$4,259	\$4,522	\$4,313	\$4,241
Avg. Tuition and Mandatory Fees	\$5,239	\$5,386	\$5,685	\$5,911	\$6,069



# University of Kentucky

## Board of Trustees

### Recommendations

#### Approval of FCR 10

... that the Board of Trustees approve the Academic Year 2019-20 Tuition and Mandatory Fees Schedule and authorize the President to submit the schedule to the Council on Postsecondary Education.

#### Approval of FCR 11

... that the Board of Trustees approve the Fiscal Year 2019-20 Operating and Capital Budget.



