

Minutes of the Special Board of Regents Meeting

Roll Call

Secretary Hunt

Authorization of 2018-19 Tuition and Mandatory Fee Rates*

**President Davies/
VPFAS Dudley**

Approval of 2018-19 Housing Rates*

**President Davies/
VPFAS Dudley**

Approval of 2018-19 Dining Rates*

**President Davies/
VPFAS Dudley**

Approval of 2018-19 Course and Program Fees*

**Provost Arant/
VPFAS Dudley**

Approval of Prior Learning Assessments and Proficiency Reviews Fees*

**Provost Arant/
VPFAS Dudley**

Approval of 2018-19 Online Course Fees*

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**Provost Arant/
VPFAS Dudley**

Approval of 2018-19 Parking Rates*

**President Davies/
VPFAS Dudley**

Adjournment

(*Requires Board of Regents Action)

Dr. Davies reported that a Special Meeting of the Board of Regents Finance Committee was held on May 1, 2018, where many of the issues with regard to tuition, fees and rates were discussed fully. Today highlights of those elements will be considered and should result in recommendations which will then be made to the Council on Postsecondary Education (CPE). Two weeks ago the CPE set tuition caps for the universities for the biennia no more than a 6 percent increase and no more than 4 percent in one year for tuition and mandatory fees. A mandatory fee is one imposed on all students across the University and this differs from program and course fees, etc. The University will provide a tuition and mandatory fees recommendation to the CPE in June for approval. The University is undertaking this work now because the budgeting process is also being finalized. The budget will be presented to the Board for approval on June 8.

2018-19 Tuition and Mandatory Fee Rates, approved

Dr. Davies reported that a 3 percent tuition and mandatory fee rate increase is being recommended. Full-time resident tuition for students admitted prior to 2016 will increase from \$4,170 to \$4,296 (\$126 increase, \$10.50 per credit hour). Full-time resident tuition for students admitted after 2016 will increase from \$4,410 to \$4,542 (\$132 increase, \$11 per credit hour). The academic merit scholarship grid is based on a percentage of tuition for those students admitted after 2016. Since the Board last met many of the other state universities have also announced their proposed tuition increases. Western Kentucky has announced between a 3 and 4 percent increase. If they approve a 3 percent increase tuition will be \$5,151. It is expected Northern Kentucky University will recommend a 4 percent increase which will take their tuition rate \$4,867. Eastern Kentucky University initially proposed a zero percent tuition increase but

Confirmation was provided that the tuition rate increase being proposed by Murray State parallels the Higher Education Price Index (HEPI). The HEPI is the Consumer Price Index for higher education institutions. This is not a measure of tuition prices but rather costs that higher education institutions are dealing with such as health care, personnel, retirement, other benefits, technology, etc.

Ms. Wood stated she would like to make a few comments about what is being proposed today. At the last meeting she expressed concerns about course fees and she has continued to have conversations with administration in this regard in order to better understand the proposals being presented today. When she became President of the Student Government Association, she made a promise to students that she would truly stand up for and work on their behalf and would never say just what the Board or the administration wanted her to say and her comments today will reflect that promise. The University has continued to raise tuition every year since she had been at Murray State and she understands this is due to significant budget cuts and something has to give but this year in particular recommendations are being advanced that include establishing fees in 700 courses and increasing parking rates by \$100. The increase in parking fees alone amounts to \$600,000 and of this amount \$440,000 will actually be going back to the General Fund. She understands parking is expensive due to rezoning that is taking place and maintenance needs and this may warrant a rate increase but \$440,000 is not going toward maintaining parking on campus and instead is going to the General Fund. This represents an additional cost on the backs of the students. The proposed fees in 700 courses equates to \$590,000 and for an agriculture student this represents an additional \$75 per semester or \$150 a year in cost to students just for course fees and the amount is not reflected in tuition. If the increase in parking fees and when she equates the implementation of course fees to tuition it would be an increase of 9.5 percent.

Ms. Wood understands that the University is restricted by the CPE to a 6 percent tuition increase over two years and that it would be more advantageous to have an increase in tuition of 3 percent this year and 3 percent next year. The University is regulated by tuition and mandatory fees but it is not regulated by course fees or parking rates so what is being proposed today is what must be done in order to stay afloat as a university. Every department has had to cut their budgets and every single individual on this campus has been affected throughout the budget process. Students do not want their services or faculty to be cut as part of this process. The funding necessary to balance the budget should not fall on the backs of students when Murray State is a student-centered university. It looks as though a 3 percent tuition increase is being recommended but in reality total costs if equated to tuition are increasing by 9.5 percent. She asked the Board to think about this because it is not a 3 percent increase compared to the other universities it is truly a lot more. Even if other universities implore the tactic of enacting course fees that does not make it right. Students do not know about these course fees until they are already on campus for Orientation. They have already committed to Murray State and then find out they have to pay additional fees. While \$75 per semester may not seem like a lot it is a *Racer Promise* cannot be used to help cover the increase. KEES and Pell monies cover tuition but do not cover additional fees and students will still have to pay for their books and parking. If the recommendations being proposed today are approved, they will now have to cover the cost of course fees above the other expenses mentioned. Clarification was provided scholarships and other grants do cover course fees. While some Regents have felt the same way as Ms. Wood regarding course fees, over the course of time they have not been able to offer another solution. When asked whether students have been able to identify another solution to cover these costs it was indicated they have not. Chair Williams confirmed that the Board is concerned about the total cost of education for students but, unfortunately, alternatives are limited.

and the numbers presented but this helps illustrate that this was a very painful budget year and process. It has represented a difficult job for the President, staff, Deans and faculty to develop a proposal to balance the budget with comprising the academic Mission. The University had a \$10 million budget deficit due to cuts in state appropriations, increased pension costs and costs for maintaining the University. The price index for colleges increased 2.9 percent in 2017 and he believes it is fiscally prudent to raise tuition to keep up with inflation and that is one reason he supports the 3 percent tuition increase being proposed. This amount, along with the other fee and rate increases, are needed in order to ed that the University has also reduced expenditures and cut programs and the budget is not being balanced by only increasing tuition

2018-19 Dining Rates, approved

Dr. Davies reported that a 3 percent increase in dining rates is being proposed related to all access residential meal plans. Information was provided to illustrate where Murray State stands in regard to peer institutions in terms of dining rates. The University is currently undertaking the Request for Proposals (RFP) process to outsource dining operations. The Board will still maintain authority over any rate increases even if dining operations are outsourced. This rate has also been discussed with those organizations contemplating submitting a response to the RFP and this dining rate increase will not impact that process.

Ms. Dudley reported that next week two contractors will be on campus to make presentations. University staff have already visited a school that utilizes one of the contractors being considered and next week will visit another school that uses the second company being considered. The

2018-19 Course and Program Fees, approved

Dr. Davies stated that all opportunities were considered ranging from reductions to recommendations for revenue increases as the budget process was undertaken. Murray State has not typically relied on course fees and he and the Provost would both prefer to pursue more tuition-like revenue streams but the University is in a very unique situation with regard to the current fiscal environment. Course fees are specific to programs, courses and expenses that add incredible value, rigor and relevance to classroom instruction and each area should be handled differently. Some universities have implemented differential tuition models and this has been studied by Murray State and may need to be considered in the future. In light of action which needs to be taken today, course fees represent an option to maintain rigor.

reiterations of the budget which were undertaken and the resulting short notice did not have time to discuss the proposed fees with their respective student groups.

A Regent shared that her life is very different than her siblings who did not attend college due to the education she received at Murray State University. Another Regent shared that she was also the first in

The recommendation being advanced today also includes amending Board policy to include program fees. Provost Arant reported there are a number of programs which have unique associated expenses. The program fee being proposed today is for the Doctor of Nurse Practitioner Nurse Anesthetist Program. This particular program like all doctoral programs is required to cover all expenses. The CPE made this distinction when it allowed the University to begin offering doctoral degrees. One expense within the Nursing program just mentioned is a collaborative agreement with Baptist Health in Madisonville. That fee costs Murray State \$288,000 per year for this one specific program. It is reasonable to charge a fee related to that program instead of charging journalism majors to help cover the cost. Dean Marcia Hobbs, School of Nursing and Health Professions, reported that as the Nurse Anesthetist Program is transitioned into a Doctor of

Regents Policy 2.6 Fee Establishment, Section II.A. and include those program fees in the annual escalation review. Dr. Tharpe seconded.

Ms. Green asked for clarification that students will be informed about fees when they make the decision to attend Murray State and Dr. Davies confirmed that all are aggressively working toward this goal and it will be in place for the entering freshman class in Fall 2019.

The roll was called with the following voting: Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes; Ms. Wood, no and Mr. Williams, yes. The motion carried by a vote of 8 to 1.

(See Attachments #2 and #3)

The Board expressed appreciation to the Deans for what they do each and every day for students. The work they undertake is not easy in good years but in more challenging years it is even more difficult. The Deans are the backbone of the University in terms of academic leadership and are to be commended for their efforts toward helping Murray State maintain its reputation for academic excellence.

Prior Learning Assessments and Proficiency Reviews Fees, approved

Dr. Davies reported that a new phenomenon in higher education is the essence of prior learning related to students at the undergraduate and graduate levels who already have great experiences but are entering the University. Prior learning is a mechanism to provide course credits for students who have already gained the outcomes from various classes or experiences. The military is a good example of prior learning because as officers move through the training process they gain leadership and other skills that can be applied to various Murray State programs. As is the case at most universities, the assessment of prior learning and granting of academic credit requires a fee and while the one being proposed today pertains to Education, an effort is being made to move the entire University in this direction. Provost Arant added that a Superintendent enrolling in the Ed.D program will be required to take a course in school finance. They have lived school finance in their role as Superintendent so they should not be forced to take another class related to a subject they already know. There must be a way to determine academic equivalency and this represents a mechanism through which that work is commonly accomplished. A student applying for admission to a program would request to have their transcript or portfolio of work experience reviewed and the University must go through the verification process with due diligence which will cost money. Confirmation was provided that there will be a limit to the number of hours students can opt

fees of \$10 will help cover the increased costs of technology. Undergraduate students will now pay \$75 per credit hour for online courses. Also being proposed is moving the cost for online graduate and doctoral courses from 130 percent of tuition to a \$100 per credit hour fee. This actually lowers the total cost to the student by \$28 and represents a competitive decision.

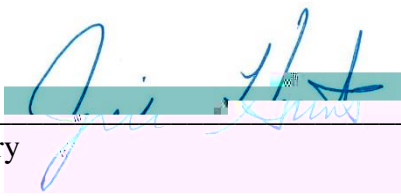
Mrs. Guess moved that the Board of Regents, upon the recommendation of the President of the University, approve the increase of \$10 per credit hour for all undergraduate online courses and the creation of a \$100 (per credit hour fee) for all graduate and doctoral online courses, effective with the 2018 Fall Semester. Mrs. Rudolph seconded and the roll was called with the following voting: Ms. Farmer, yes; Ms. Green, yes; Mrs. Guess, yes; Mr. Kemp, yes; Mrs. Rudolph, yes; Mr. Schooley, yes; Dr. Tharpe, yes; Ms. Wood, no and Mr. Williams, yes. The motion carried by a vote of 8 to 1.

2018-19 Parking Rates, approved

Mrs. Guess reported that in considering this recommendation she learned that employees can pay a monthly fee for parking and this does not represent an upfront cost. Confirmation was provided that \$250,000 is currently budgeted for parking lot maintenance and an increase of \$50,000 is needed which will be covered by these parking fee increases. It was also indicated that this fee increase is needed in order to balance the budget and if not approved \$600,000 would have to be

Adjournment

There being no further business to come before the Board of Regents, the meeting adjourned at 11 a.m.


Secretary



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