

**Minutes of the Tuition Task Force Meeting  
Murray State University  
Wednesday, March 25, 2009  
Jesse Stuart Room, 2<sup>nd</sup> Floor, Pogue Library  
6:15 p.m.**

**Call to Order/Roll Call**

Judge Jeff Taylor, Chair of the Tuition Task Force, called the meeting to order at 6:20 p.m. and the roll was called with the following present: Keith Cartwright, Mike Freels, Peg Hays, Kara Mantooth, Doug Watkins, Brett Welter, Steve White, Ashley Wild, Tom Denton (Ex-officio) and Lori Mitchum (Ex-officio). Absent: Dave Hornback and Becki Wells. Others present included MSU Regents Bill Adams, Jay Morgan and Gina Winchester; Jill Hunt Lovett, Coordinator for Board Relations, Executive Assistant to the President and Secretary to the Board of Regents; Dr. Gary Brockway, Provost and Vice President for Academic Affairs; Dr. Don Robertson, Vice President for Student Affairs, and members of the news media.

**Minutes of the Special Tuition Task Force Meeting February 26, 2009, approved**

Ms. Hays moved that the minutes of the special Tuition Task Force meeting on February 26, 2009, be approved as submitted. Dr. White seconded and the motion carried.

**Task Force Discussion**

Judge Taylor stated he distributed a preliminary rough draft of the Tuition Task Force Report which contained discussion from the last meeting regarding the consensus of the group on potential tuition recommendations. Judge Taylor reported the Council on Postsecondary Education (CPE) set a tuition cap for each of the regional state universities and tuition recommendations from the institutions must be submitted to the CPE at the beginning of May. A special Board of Regents (BOR) meeting will be held in April (most likely April 13) to consider the report and tuition recommendations from the Task Force. The report will be formally presented to the Board and Task Force members are invited to attend the special meeting to answer questions. The Board of Regents will then take action on the Tuition Task Force recommendations which will allow work to begin on preparation of the 2009-10 University budget.

Judge Taylor reported the draft MSU Tuition Task Force Report does not represent any action taken by the Board. The introduction provides background information (including a history of the Task Force), tuition and state appropriation information and reference to the voluminous materials and presentations the Task Force received from various speakers and University administrators. Judge Taylor utilized earlier data that was provided to address the issue of past tuition increases at Murray State. Although some tuition increase numbers in the preliminary report appear to be high, Murray State remains on the low end of tuition increases compared to the other regional universities and this was confirmed during State Auditor Crit Luallen's presentation as well.

Dr. White stated reference had been made to presenting the Tuition Task Force Report to the General Assembly and suggested adding language which stresses that adequate state appropriation support for the institutions is a major challenge as it pertains to tuition and is an issue the Legislature must address. Judge Taylor agreed and indicated he considered including information from the CPE website from the 2008-10 budget biennium document presented to the General Assembly. The CPE indicates since 1998 the percentage relationship between state appropriations and tuition was two-thirds and one-third. He believes this could be distorted because approximately 23 percent of the University's budget goes toward other auxiliaries such as ancillary rent, food and other services which generate fees but are not included in tuition. This part of the equation is mainly from student-driven expenses and the CPE should have noted such. CPE information indicates 66 percent of funding for university budgets ten years ago was provided from state appropriations but calculations for the current budget indicate the number has decreased to 39 percent. Although the CPE reports the balance between tuition and state support has shifted to a ratio of 50/50, Judge Taylor believes this is an inaccurate statement but did not want to challenge the CPE numbers and, therefore, did not include the information in the

Task Force Report. In actuality, 39 percent of Murray State's current budget comes from state appropriations and 38.5 percent comes from tuition. Mr. Denton added the CPE only considers public funds (tuition and state appropriations) which does not present an accurate picture of Murray State's budget.

Mr. Cartwright commended Judge Taylor for an excellent job summarizing the work of the Task Force and suggested the report should include the *Fact Book* information and remarks presented by Mrs. Mitchum with regard to student financial aid. Judge Taylor agreed to include this information and asked what percent of Murray State students receive some form of financial aid. Mrs. Mitchum agreed to provide the requested information for inclusion in the final report. Dr. White suggested adding reference to the *Kiplinger Report* which illustrates MSU is already a bargain and has recently been ranked as number two and three in the nation in terms of affordability and is a "best value." Judge Taylor agreed to add wording to this effect.

Judge Taylor reported the second section of the report lists the members of the Tuition Task Force, including their title and where they are from, and the third section provides the dates for the meetings of the Tuition Task Force that have taken place. The minutes for each meeting will be attached as appendices to the final report presented to the Board. The fourth section of the preliminary report outlines speakers and presentations made to the Task Force. In response to an earlier comment, Judge Taylor agreed to add statistical data on student financial aid. Reference to all speakers and a highlight of each presentation will be added to the report, with any relevant documentation being included in the appendices. Task Force members were encouraged to identify specific handouts to be included as appendices to the final report.

### **Review Recommendation Alternatives**

Judge Taylor stated consensus of the Task Force was the CPE has limited tuition increases for the state universities to 4 percent and any recommendation from the Task Force will not exceed that tuition cap for the next fiscal year. Mr. Denton provided a bar chart illustrating 2008-09 tuition and mandatory fee information and Murray State's position with regard to other state universities prior to a 4 percent tuition increase. If Murray State increases tuition by 4 percent, and the other Kentucky institutions do not increase tuition at all, the University still remains in the bottom two in terms of tuition (just above Kentucky State University). The Task Force agreed this chart would be added to the report appendices.

### **Preliminary Tuition Task Force Recommendations, approved**

The Tuition Task Force reviewed potential recommendations and discussed changes to be incorporated into those recommendations.

Mr. Watkins moved that the Tuition Task Force recommend to the Murray State University Board of Regents, effective for the academic/fiscal year 2009-10, tuition be increased four percent for resident full-time students, in accordance with recent guidelines approved by the Council on Postsecondary Education (CPE).

Mr. Denton clarified the CPE tuition cap is based on resident, undergraduate tuition for full-time students and while this rate could vary slightly among different categories of students, detailed information will be provided to the Board during the May 29, 2009, quarterly meeting addressing any such differences.

Mr. Cartwright seconded and the motion carried without objection.

Mr. Cartwright moved that the Tuition Task Force recommend to the Murray State University Board of Regents the University adopt a per credit hour tuition model, effective Fall 2009, that is more financially equitable and fair for all students attending MSU. The Task Force proposed:

- 1) Full-time students (residents) be permitted to take up to 15 hours per semester (120 hours over 8 semesters) at the standard per semester tuition rate for resident full-time students, presently \$2,874 (subject to the four percent increase recommended above).
- 2) For each hour taken by undergraduate students in excess of 15 hours per semester and each hour taken by graduate students in excess of 12 hours per semester, students be

charged 100 percent of the respective normal hourly rate. Based upon current enrollment and course hours presently being taken at MSU, this will provide a future projected annual net tuition increase for the University of approximately \$1,700,859.

- 3) This per credit hour tuition model be reviewed periodically and adjusted accordingly – especially in the event future state appropriations increase as a percentage of the total MSU budget, which may eliminate the necessity for this tuition model.

Ms. Wild seconded and discussion followed.

Mr. Denton indicated he spoke with the Vice President for Finance at Morehead State University (MoSU) and when MoSU implemented this structure the CPE did not require that it be considered part of the overall tuition increase. He also spoke with the Vice President for Finance at the CPE who provided additional confirmation.

Mr. Denton reported a 12 credit hours course load is considered to be full-time and MoSU charges for any hours taken above 12 (at a substantial discount of 20 percent of regular tuition). MoSU will request permission from the CPE which would allow for the discount percentage to be increased this year. Northern Kentucky University charges for any hours above 15 and Mr. Denton agreed to confirm whether they charge at 100 percent of the regular tuition rate or whether it is discounted. Judge Taylor agreed Murray State is more akin to the Northern Kentucky University model than it is to the model at Morehead.

Judge Taylor believes tuition is a fairness issue for students and they must be guaranteed that by paying a fixed tuition amount they will be able to obtain a college degree and most programs at Murray State require 120 hours. Mr. Denton reported approximately one-half of Murray State programs require 120 hours but some majors require more hours due to accreditation issues and other circumstances. Reducing the number of hours required for these majors is currently being reviewed and most are being decreased by reducing the number of university component hours required. Dr. Brockway reported slightly over 50 percent of Murray State programs require 120 hours and a large portion of programs have requirements in the 121 to 123 hour range but once the new university studies requirements go into effect this fall, the number of hours required to complete those programs will be reduced by two credit hours. Some programs require even more hours, including nursing (125 hours) and music (136 hours), and some certification programs require 126 to 127 hours and students in those programs will pay a premium to receive their degree. Murray State has been the leader among comprehensive universities in the state in moving toward the 120 hour degree requirement. Judge Taylor indicated this should be promoted from a cost standpoint to both parents and students.

Dr. Brockway is supportive of this approach and likes the idea of uncapping tuition hours above 15, especially since the University is moving to the 120 hour program requirement, but asked if students take between 13 to 15 hours whether their tuition will be reduced and Mr. Denton responded for hours 13 through 15 there would be zero additional cost to the student. Dr. Brockway clarified the part-time tuition rates do not become effective until the number of credit hours a student is taking falls below 12. Judge Taylor stated the Task Force proposal does not eliminate the discrepancy between part-time and full-time students which is appropriate because the University's mission promotes full-time student status. He will suggest that President Dunn ask the Board to review this policy as it applies to the extended campuses in order to determine how tuition rates can be equalized. Dr. Brockway reported freshmen students were previously required to take three hours of English and the requirement has now changed to four hours; four hours of mathematics has always been required as has one hour of Freshman Orientation for a total of 9 hours. The student could then take two three-hour courses which would amount to 15 total hours and they would not be affected by the uncapping of tuition at that level and would remain on schedule to graduate. Judge Taylor indicated he would also approach this issue with Mr. Alan Stout, Chair of the MSU Board of Regents.

Ms. Hays expressed concern for students who are enrolled in a major that requires 127 hours in order to graduate. She believes the University should be able to promise students if they come to Murray and choose a major they are going to be able to graduate at a tuition rate the University can adhere to. If students graduate with 127 hours they should be able to do so within a certain price range and it does not seem equitable that some programs require 120 hours while others require 127 hours. It is not fair for those students to pay a higher price simply to earn the degree

of their choice. Judge Taylor reported this is why an attempt is being made to reduce the credit hour requirement for all programs to 120 hours. Dr. Brockway cautioned a few programs will remain above 120 hours due to accreditation requirements. Ms. Hays believes all undergraduate degrees should cost the same. Ms. Mantooth asked for examples of programs that require greater than 120 hours and Dr. Brockway reported a nursing degree requires 125 hours and currently 71 students are enrolled in the program. A music degree requires 136 hours but includes teacher certification. Ms. Wild stated students understand it will take longer to achieve some degrees than it will for others and Mr. Welter agreed stating while students may pay more for a degree now in the long-run their salaries will be higher. Dr. Brockway stated the key to this process will be to let students know as they enter into a particular program they may pay more tuition than they would for another program and teacher certification significantly increases the number of hours over 120 that are necessary to complete a program. This will also put pressure on every program to closely review the number of hours required to complete a degree.

Ms. Mantooth understands obtaining teacher certification increases the number of credit hours students are required to take but these students will also graduate with an ability she will not have – they will be certified to teach. Mr. Freels stated informing students of this difference up front should help alleviate any confusion. Dr. Brockway reported students are currently required to complete a major and a minor and along with their university studies courses that equals 120 program hours. Because teacher certification significantly increases the number of hours required to graduate, Dr. Brockway is proposing the College of Education allow student teaching to count as a minor. Other states have established precedence for this practice and there is no reason students should be required to complete 130 hours in order to achieve teacher certification. Ms. Wild is a History major and social science minor and has taken education courses to obtain teacher certification. She will graduate in four years and will student teach during her last semester in the spring of 2010. She took college courses while in high school, as well as summer classes, and during some semesters it was necessary for her to take an increased course load. She knew from the start what she was getting into and while it may not be the optimal way to pursue a degree and teaching certification, it is certainly possible.

Ms. Mantooth asked what happens if a student begins the semester with 18 hours and then drops to 15 hours and Mr. Denton reported they would be entitled to a refund for hours 16 through 18 in accordance with current University refund policy guidelines. If the number of hours a student is taking falls into the 12 to 15 hour range they would not be entitled to any refund but if hours are reduced below 12 hours then the refund policy would come back into play. It was agreed Murray State's refund policy is in compliance with federal guidelines and the Task Force is not proposing any change to this policy. Ms. Mantooth asked how many students are taking between 15 and 18 hours and Mr. Denton reported 774 students are taking 16 hours, 535 students - 17 hours, 342 students - 18 hours, 161 students - 19 hours, 39 students - 20 hours, 16 students - 21 hours, 7 students - 22 hours, 1 student - 23 hours, 1 student - 24 hours and 1 student – 25 hours. A total of 1,877 students are taking over 15 hours and would be affected by this change in the University's tuition policy.

Judge Taylor reminded the Task Force a motion from Mr. Cartwright is on the table, and has been seconded by Ms. Wild. The motion then carried without objection.

### **Future Considerations, discussed**

Dr. White stated tuition and fees for out-of-state students should be studied because he believes there is room for growth in this area. Currently Murray State is a better bargain for out-of-state students than it is for in-state students and the Board should be reminded there might be some “wobble” room in this regard. It is entirely possible out-of-state tuition could be increased while still allowing MSU to remain competitive in the market and this could also be used to offset the tuition impact on in-state students. Mr. Watkins added Southern Illinois University has announced it will consider students from all surrounding states as in-state students and Dr. White stated Murray State is still less expensive and is a much better bargain. Ms. Wild agrees there may be room to make changes to out-of-state tuition but cautioned the University should be careful how much it increases tuition for this group because price is the major driving factor for a majority of out-of-state students and the University must ensure it remains very competitive.

Mr. Denton reported for each of the four regional states, which represent 90 percent of current MSU out-of-state students (excluding international students), tuition increases at several

benchmark institutions in those states are studied and MSU utilizes an average of those increases. As an example, tuition may increase for in-state students by 4 percent but for out-of-state students, after waivers, their increase may be 7 percent based on tuition at their home state institutions. With the exception of Tennessee, the tuition rate in the other three regional states is above tuition at MSU. Ms. Wild stated as tuition increases in her home state she understands tuition will also increase at Murray State but asked whether MSU then adds the additional increase as well. Mr. Denton explained the University reviews tuition rates at universities in the regional states and builds MSU's mandatory fees into that rate. Gross tuition is the same for the regional states as it is for all other states and where the adjustment is made is in the amount of waiver or discount that is provided. If tuition increases 7 percent in Illinois and MSU increases tuition by 4 percent, then for the next year MSU will provide less in discounts for Illinois students. The gross tuition amount which appears on a student's bill will be the same as that for all other states but the amount discounted will differ. Dr. White stated the main issue is the recommendations which have been approved by the Task Force do not limit the out-of-state tuition increase to 4 percent. Mr. Denton stated the overall gross tuition increase would be limited to 4 percent but the discount will be adjusted based on tuition at the benchmark institution in the student's home state. The University receives a premium from any out-of-state student and while they pay 50 to 60 percent more for tuition than in-state students, it would be 300 percent more if not for tuition discounts. Ms. Mantooth clarified if out-of-state tuition increases 4 percent the discount would change based on the student's home state tuition rate. Mr. Denton indicated this is the case so that net tuition paid by an out-of-state student amounts to an average compared to the tuition increase in a student's home state. Dr. White asked if tuition could be increased even more for students not from one of the regional discount states and Mr. Denton indicated that could be done. Dr. White stated it is with this group of students where tuition could be increased more than 4 percent and the University would still remain very competitive outside of the regional discount states. Judge Taylor agreed to circulate potential language to Task Force members in regard to this issue.

Mr. Freels presented the following caveats considering the Task Force's recommendations:

- 1) While an influx of funding is necessary for shortfalls immediately, I strongly encourage the Board of Regents to designate an amount, whether a percentage or dollar amount, to be used for "new initiatives" to increase enrollment. Further, these initiatives should not supplant existing programs. Continuing to do things the same old way will not generate enrollment.
- 2) With the belief that any dramatic gains in enrollment will come at the extended campus sites, initiatives should be "new programs driven." The departments at the University should be encouraged or required to bring their programs to the extended campuses.

Western Kentucky University currently offers 25 degree programs at the Owensboro campus (16 undergraduate and 9 graduate programs) and this does not include the Independent Studies Program. Murray State would be able to increase full-time enrollment if more programs were offered at the extended campus sites. If there is going to be revenue from an increase in tuition, some portion of that revenue should be redirected toward new initiatives and expanding programs at the off-campus sites.

Judge Taylor reported he will incorporate these future considerations into general statements to be included as part of the final Task Force Report. Task Force members will have the opportunity to review the draft once it has been prepared. Mr. Watkins added Murray State is too good of a university for so many people to not know about it and there must be a way to better inform individuals about the quality of a Murray State education. Ms. Hays agreed and stated in Hopkinsville there is an outcry for programmatic offerings which is not being addressed and these potential students are instead driving to Austin Peay State University (APSU). She also finds it disturbing that an Austin Peay ribbon cutting was recently held at Ft. Campbell for a new educational facility on post. The APSU Board of Regents committed \$4.5 million to this endeavor and they now have a presence at Ft. Campbell while Murray State is not doing anything to capitalize on this opportunity. Ft. Campbell has announced it is considering increasing the number of troops in the area by 20,000 within the next five years which would present a major opportunity for MSU.

Dr. White added the graduated tuition rate will encourage students to balance their classes more efficiently but all must not forget the necessity of adequate state support for higher education. If

the state reaches the point where adequate support for higher education can be provided to the regional universities, Dr. White would request that the uncapping of hours would cease and the University would revert back to charging one tuition rate for all full-time students. The tuition rate method the Task Force is recommending makes the process more complex and the majority of universities are not utilizing a similar method at this time. Judge Taylor agreed the University should pursue whatever means necessary to encourage the state to restore previous appropriation support levels which would enable the University to revert back to a traditional tuition structure.

Mr. Cartwright believes the University's problem with regard to revenue is not so much with the lack of adequate state support but with recruitment of students and even though some progress has recently been made in this area there are marketing and recruitment issues which must be addressed in order to increase enrollment. Secondly, Murray State should follow the model being utilized at the University of Louisville with regard to scholarships and financial aid. Those offices have become very aggressive in the recruitment area and have been given the authority to provide students with the money they need upfront to attend college. Lastly, in order to enhance revenue sources the University must further explore naming rights for buildings on campus and he cited the Regional Special Events Center as an example.

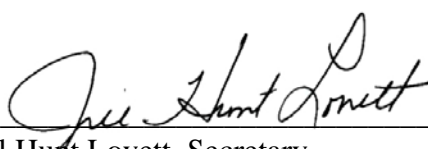
Judge Taylor reported he would outline the future issues mentioned for Board consideration and will send to Task Force members for review. He anticipates a revised, draft report will be ready for review and informal vote by next week and then a final report could be prepared the week of April 6 to be presented to the Board during a potential special call meeting on April 13, 2009. Instead of holding another Tuition Task Force meeting, Judge Taylor plans to secure approval from the members online regarding changes suggested for the draft report. The basic content of the report has already received Task Force approval and the last items added will be more policy type suggestions as opposed to a tuition recommendation. Judge Taylor will work with Mrs. Lovett on preparation of the final report.

Judge Taylor expressed thanks and appreciation on behalf of President Dunn for the work of the Task Force. Dr. Dunn was unable to be present this evening because he is teaching a class in Paducah but he will be in touch with the Task Force members soon. Judge Taylor also expressed appreciation to the members of the Task Force for their dedication to the process and Mr. Freels thanked Judge Taylor for his leadership.

### **Adjournment**

The Tuition Task Force meeting adjourned at 8:05 p.m.

Minutes approved at the April 13, 2009, Tuition Task Force meeting.

  
\_\_\_\_\_  
Jill Hunt Lovett, Secretary  
MSU Board of Regents

  
\_\_\_\_\_  
Jeff S. Taylor, Chair  
Tuition Task Force

(Remainder of page intentionally left blank.)