

Murray State University
Budget Town Hall
April 30, 2025

PENDING BOARD OF REGENTS' APPROVALS
DRAFT Working Document

Guiding Principles - Objectives

- **Invest in our people**
- **Academic quality**
- **Student access and affordability**
- **Student recruiting and retention**

Guiding Principles - Objectives

- Performance funding model must be a guiding component
- Compensation review implementation and preservation of benefits
- Student recruiting/retention and health/wellbeing
- Closely monitor federal grant funding
- New building construction and asset preservation/deferred maintenance investments including residential housing enhancements and multiple new facilities-**All from ONE-TIME funding**
- Continued athletics transition including use of private funds and sponsorships/NIL – ~400 student-athletes and privately funded facilities improvements
- Revenues & reallocations to address needs and priorities - \$10.3M (net)
- Increasing private funds through our **\$100M+** Centennial Campaign – ***Be Bold: Forever Blue and Gold***

Transparency of Budget Process

- President's executive planning meetings
- Numerous administrative meetings since Fall 2024
- Continuing discussions with President's Executive Council
- Provost's Office had numerous meetings with Deans and academic chairs
- Budget Advisory Committee (faculty, staff and student representation)
- Regular meetings with constituency leadership (faculty, staff and student representation)
- Campus-wide University Town Hall Meeting
- Board leadership budget update
- Full Board of Regents meeting (June)

Appropriations

- No general fund appropriation changes
 - No changes in BASE
 - Pension supplement remains unchanged
 - Property insurance supplement remains unchanged
 - Inflationary adjustment remains unchanged
- Performance funding
 - 7% increase = \$309,500

Kentucky Public Postsecondary Institutions
Change in Adjusted Net General Fund Appropriations ¹
Between Fiscal Years 2024-25 and 2025-26

Draft - For Discussion Purposes
March 5, 2025

Institution	Fiscal 2024-25 General Fund	Fiscal 2025-26 General Fund	Dollar Change	Percent Change
University of Kentucky	\$195,715,200	\$195,715,200	\$0	0.0%
University of Louisville	131,309,900	131,309,900	0	0.0%
Eastern Kentucky University	63,708,500	63,708,500	0	0.0%
Kentucky State University	19,343,900	19,343,900	0	0.0%
Morehead State University	36,665,400	36,665,400	0	0.0%
Murray State University	42,428,500	42,428,500	0	0.0%
Northern Kentucky University	53,013,500	53,013,500	0	0.0%
Western Kentucky University	70,693,900	70,693,900	0	0.0%
KCTCS	172,696,700	172,696,700	0	0.0%
Total	\$785,575,500	\$785,575,500	\$0	0.0%

¹ The adjusted net General Fund appropriation (a.k.a., the Formula Base) is calculated by deducting debt service and mandated program funds from each institution's regular appropriation.

Change in Postsecondary Education Performance Fund
Between Fiscal Years 2024-25 and 2025-26

	Fiscal 2024-25 General Fund	Fiscal 2025-26 General Fund	Dollar Change	Percent Change
Performance Fund	\$105,000,000	\$115,000,000	\$10,000,000	9.5%

MSU Performance Funding History

Fiscal Year	Contribution to Performance Pool	Receipt of Performance Pool Funding	Change per Year
FY20	\$ 433,100	\$ -	\$ (433,100)
FY21	\$ 827,600	\$ -	\$ (827,600)
FY22	\$ -	\$ -	
FY23	\$ -	\$ 3,296,800	\$ 3,296,800
FY24	\$ -	\$ 3,095,000	\$ (201,800)
FY25	\$ -	\$ 4,759,800	\$ 1,664,800
FY26	\$ -	\$ 5,069,300	\$ 309,500
Net Impact FY26	\$ 1,260,700	\$ 16,220,900	

Performance Funding Comparison

	FY 23-24	FY24-25			FY25-26			FY25-26
		CHANGE			CHANGE			
	Final	\$	%	Final	\$	%	Final	% Share of PF
UK	\$ 33,338,500	\$ 1,398,500	4%	\$ 34,737,000	\$ 6,437,700	19%	\$ 41,174,700	46%
UofL	\$ 17,594,600	\$ 1,157,600	7%	\$ 18,752,200	\$ 2,769,800	15%	\$ 21,522,000	24%
EKU	\$ 3,222,900	\$ 1,546,500	48%	\$ 4,769,400	\$ 110,900	2%	\$ 4,880,300	5%
KSU	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -	0%
MoSU	\$ -	\$ 214,400		\$ 214,400	\$ (214,400)	-100%	\$ -	0%
Murray	\$ 3,095,000	\$ 1,664,800	54%	\$ 4,759,800	\$ 309,500	7%	\$ 5,069,300	6%
NKU	\$ 12,683,900	\$ 540,400	4%	\$ 13,224,300	\$ (1,412,600)	-11%	\$ 11,811,700	13%
WKU	\$ 5,858,400	\$ (398,100)	-7%	\$ 5,460,300	\$ (199,300)	-4%	\$ 5,261,000	6%
	\$ 75,793,300	\$ 6,124,100		\$ 81,917,400	\$ 7,801,600		\$ 89,719,000	100%

ASSET PRESERVATION AND NEW CONSTRUCTION

Contingency Planning

- Create portable generator docking stations for quick connect options.
 - RH White Hall
 - Regents Hall
 - CFSB
 - Curris Center
 - Wellness Center
- One-time funding for building work
- Funding generator leases in FY26 budget

Facilities Highlights

**All appropriated projects are ONE-TIME Funds
from special state funding**

- **Appropriated \$47.3M starting in FY23 for asset preservation/deferred maintenance**
 - **Match of 15% required**
 - Use \$12M bonds as a match
- **Appropriated \$45.5M for Nursing and Health Professions Building**
- **Authorization for added residence hall rooms**
 - Purchase of Station 74

Facilities Highlights

**All appropriated projects are ONE-TIME Funds
from special state funding**

- Appropriated \$46.8M starting in FY25 for asset preservation/deferred maintenance
 - No match required
- Appropriated \$38M for Learning Commons with residential housing component
- Appropriated \$60M for Veterinary Sciences Building
- Appropriated \$10M for Cyber Security facility and program enhancements

New Nursing & Health Professions Building



New Veterinary Sciences Building



Learning Commons w/ Housing



MSU LEARNING COMMONS AND HOUSING // CONCEPTUAL EXTERIOR RENDERING

 MURRAY STATE
UNIVERSITY

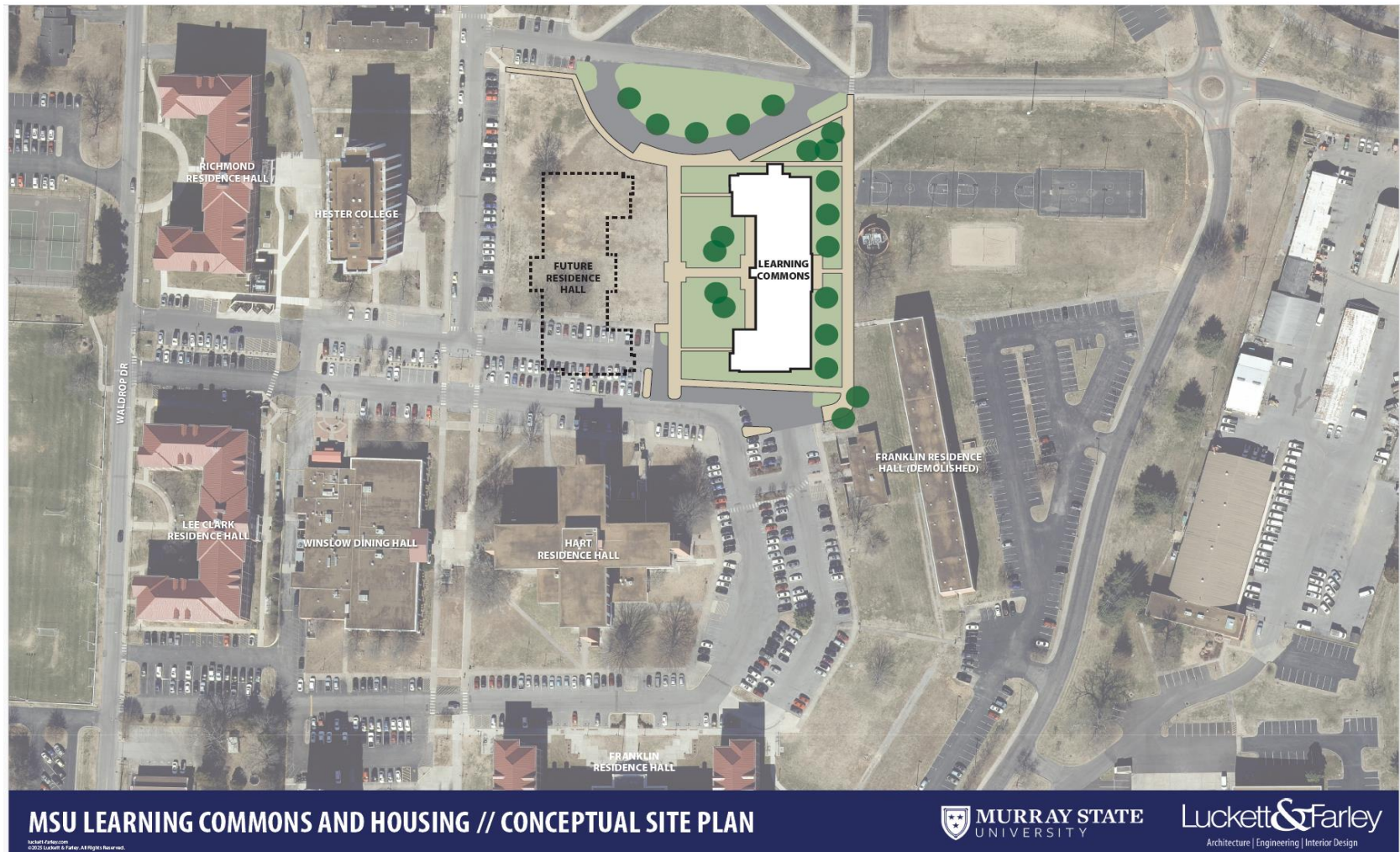
Luckett & Farley
Architecture | Engineering | Interior Design



MURRAY STATE
UNIVERSITY

WORKING
DOCUMENT

Learning Commons w/ Housing



Investing in our People

- COLA 2% is proposed (1% = \$715,000)
 - Extra compensation paid to employees (total) - \$3.4M
- Compensation review for faculty and staff
 - Total cost \$3.7M (0-15% increase)
 - FY25 implemented 1/3 = ~\$1.1M
 - FY26 proposed implementation of 1/3 = ~\$1.1M
 - Chairs stipends (0-15% increase)
 - FY26 proposed implemented 1/3 = ~\$60,000
- No decrease in benefit levels
- Recommending \$1,000 increase in faculty promotion amount
 - \$3,000 - \$4,000 (33% increase)
 - \$6,000 - \$7,000 (17% increase)
 - Prospectively, for promotions granted after July 1, 2025

FY26 COLA Adjustment

Recommending 2% across-the-board

~\$1.4M (from all funding sources)

(Applies to all regular employees hired before April 1)

Average raise for this model = **~\$1,218**

Average Salary = **~\$60,901**

Total average salary increase past three years = 11.87%

FY25 Compensation Review Overview – Year of Initial Implementation

Total cost to implement recommendations = \$3.7M

Faculty:

- Percentage of EEs with an increase = 51.9%
- Percentage of EEs at or above market = 48.1%
- Average total faculty increase = \$5,754
 - COLA and other pay adjustments excluded from average

Staff:

- Percentage of EEs with an increase = 61.7%
- Percentage of EEs at or above market = 38.3%
- Average total staff increase = \$3,800
 - COLA and other pay adjustments excluded from average

Health and Wellness Plan Summary

	2023 Plan		2024 Plan			2025 Plan		
	2023 Plan Projections	Percent Share	Increase Estimate	2024 Plan Projections-current	Percent Share	Increase Estimate	2025 Plan Projections-current	Percent Share
Employee Premiums	\$1,595,791	12.2%	(a)	\$2,126,500	14.7%	(a)	\$2,613,586	17.2%
Employer Costs	\$11,447,132	87.8%	\$940,468	\$12,387,600	85.3%	\$224,765	\$12,612,365	82.8%
-Claims								
-Stop/Loss Insurance								
-Administrative Fees								
-Specialized advisor (MMA)								
-HFA/Flex Plans								
Total Overall Plan Costs	\$13,042,923	100%	\$940,468	\$14,514,100	100%	\$224,765	\$15,225,951	100%
Note								
(a) Year two of the three-year transition to the 80/20 contribution cost share distribution								

ACADEMIC QUALITY

- Programs
- New Initiatives
- Summer School
- Program Fees
- Vet School
- Medical Partnership
- Dental Hygiene

Academics

- Final review of low enrollment/no enrollment, low graduation/no graduation programs and courses...Many discussions/meetings with Deans
- Academic Program Review
 - Presented to the CPE in January 2025
 - 11 programs with low enrollments and degrees
 - 32 minors analyzed and half sunset in Fall 2024
 - 250 courses with fewer than 9 students (9% of inventory) under review
 - Recent year data due mid-April
 - UG
 - 4 tracks in BIS to be sunset
 - Working to grow 3 STEM discipline education certification programs
 - 11 majors provided innovations for experiential learning, recruitment strategies and advisory boards with specific goals for growth or combining tracks
 - GR
 - Multi-tracks in one area with common core evaluated as an entity with clear explanations of additional course needs
 - Three programs have goal-specific, faculty-driven and student connected plans for growth
 - Two other programs – one relatively new and needs another two years to stretch to their goals and another in STEM education is working on their 4+1 program to boost enrollments

Program Fees

- Program Fees in selective higher cost programs
 - Assist in the additional costs incurred
 - Assessed to any student enrolled in these programs, regardless of enrollment level
 - Incurred in the fall and spring semesters only
 - Modeled after other peer, public institutions
 - Programs: Nursing, Nutrition, Occupational Therapy, Engineering, Cybersecurity, Graphic Design, Music, Pre-Vet and Vet Tech, Occupational Safety and Health, BIS

Program Fees

- **UG Nursing - \$350 per semester**
 - Focused on necessary clinical preceptors and adjuncts and equipment maintenance
- **UG and GR Nutrition - \$100 per semester**
 - Focused on assisting with clinical placements tied to accreditation and mandatory supplies
- **UG Music - \$50 per semester**
 - Focused on music equipment, sound equipment, travel costs for adjudicators, design lab costs, and maintenance requirements
- **UG Graphic Design - \$50 per semester**
 - Focused on digital requirements in labs with printers, scanners, software, and adjunct/instructor costs
- **UG Engineering, UG Cybersecurity, and UG and GR Occupational Safety and Health - \$150 per semester**
 - Focused on technical equipment and training costs
- **UG Animal Veterinary Technology and Pre-Vet - \$150 per semester**
 - Focused on laboratory needs, field equipment needs, and adjunct costs
- **Bachelor of Independent Studies - \$100 per semester**
 - Focused on supporting students in interdisciplinary experiences to finish degrees with assistance with capstone courses, especially those involving travel, along with adjunct needs
- **GR Occupational Therapy - \$200 per semester**
 - Focused on clinical adjunct experts and increased equipment / maintenance costs



Academics

- Retirement/vacant positions review
- Reallocation of positions
 - Growing programs and accreditation requirements: new positions
 - Reallocated funds for new positions for programs showing substantial growth
 - Graphic Design/Art
 - Occupational Therapy
 - CyberSecurity
 - Faculty Development Center
 - Engineering
 - Dental Hygiene

Academics

- Summer school
 - \$1.2M is budgeted for summer school salaries
- Total Online/Web Fees
 - Reserves (carryovers) at 6/30/24 = \$4.6M
- Total Course Fees
 - Reserves (carryovers) at 6/30/24 = \$2.2M

Federal Grant Funding

Monitoring grants closely

- US Dept of Education - TRIO programs
- WKMS: Public radio
- US Dept of Agriculture - Dental Hygiene
- US Dept of Justice (Byrne) - Police Equipment
- US Dept of Agriculture – BVC
- Others

Restructuring

- Organizational Updates
 - Faculty Development Center
 - Fall review of opportunities for Organizational Communication and Leadership with Journalism and Mass Communications

Opportunities

- School of Veterinary Medicine
 - SB77 gives a pathway for Doctor of Veterinary Medicine with achievement of given student success and financial measures
 - \$60M appropriated from legislature for Veterinary Science building
 - Task Force after SB77 passed for prospectus to CPE for approval to be sent this fall, SACSCOC and AVMA needs
- MSU and UofL – Letter of Intent for medical school program signed Fall 2024
 - Task Force with medical professionals in West Kentucky, our STEM and SONHP colleagues and leadership at both institutions meeting regularly for over a year
 - Discussions on specific needs for faculty, curriculum and funding is happening now and through fall

Opportunities

- Dental Hygiene
 - Federal Grant to begin program with hiring of a Director
 - Accreditation work is continuing
 - Joint work with regional dentists
 - Received approval by CPE on April 17, 2025
 - SACSCOC application has been submitted
 - Will be housed in Mason Hall after renovation work is completed

Other Restructuring

- Post Office
 - Combined Postal Services with Receiving Services
 - Eliminated one FTE due to retirement
 - All located at General Services
 - No changes in work performed
 - Reports through Procurement Services
- Printing Services
 - Consolidated duties
 - Eliminated one FTE due to retirement
 - All located at General Services
 - No changes in work performed
 - Reports through BMC under Public Affairs

STUDENT ACCESS AND AFFORDABILITY

Student Access and Affordability

- 4.2% tuition rate increase
 - FY26 Resident UG increase = \$420/annual fall & spring
 - FY27 Resident UG increase = \$210/annual fall & spring
 - CPE approved a two-year increase max of 6.4% (\$630/annual fall & spring)
 - 1% increase net = \$550,000
 - 5-year **average** increase 1.94%
- Scholarship/aid funding enhancements - \$4.2M
 - Ensure stable enrollment and enhance retention (72% of budget)
 - \$136M+ of total ACTUAL scholarships/aid from all sources for FY24
 - Centennial Campaign – privately-funded scholarships to \$4M+ this year

Student Access and Affordability

- Bucks for Brains-funded
 - ~\$1.4M from state budget and ~\$1.4M private match
 - ~\$80,000 of added scholarships annually
- Mandated waivers cost – FY25 budget is \$2.1M
 - FAFSA encouraged (no legislation was approved)
- Past Due accounts – we are an outlier in KY
 - Late Fees of 1.5% monthly on past due balances and \$50/flat monthly
 - No late fees if payments are made by due dates
- Fixed Costs – technology (security, wireless, fiber, software contracts), utilities, property insurance, audits

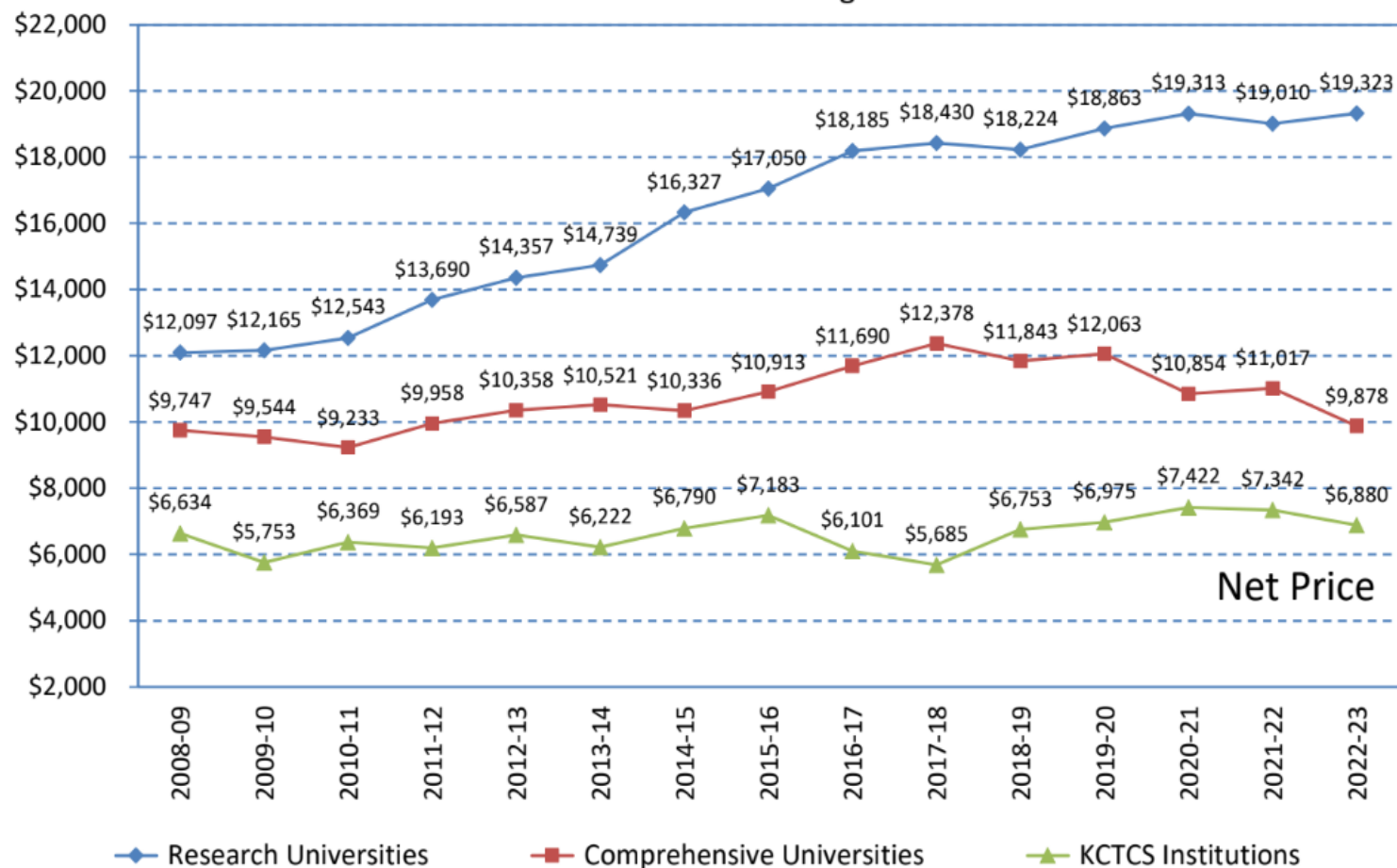
Student Access and Affordability

- Increase student worker minimum rate from \$8.00/hour to \$8.50/hour
 - Includes RAs in Residence Life
- PELL amounts – ~34% of students
- 99% receive some form of financial aid
- Kentucky CAP grants
 - Maximum \$5,300 per year
- PELL grant
 - Maximum \$7,395 per year

Kentucky Public Postsecondary Sectors

Median Net Price of First-Time Full-Time Resident Undergraduate Students

Academic Years 2008-09 through 2022-23



Source: Integrated Postsecondary Education Data System (IPEDS).

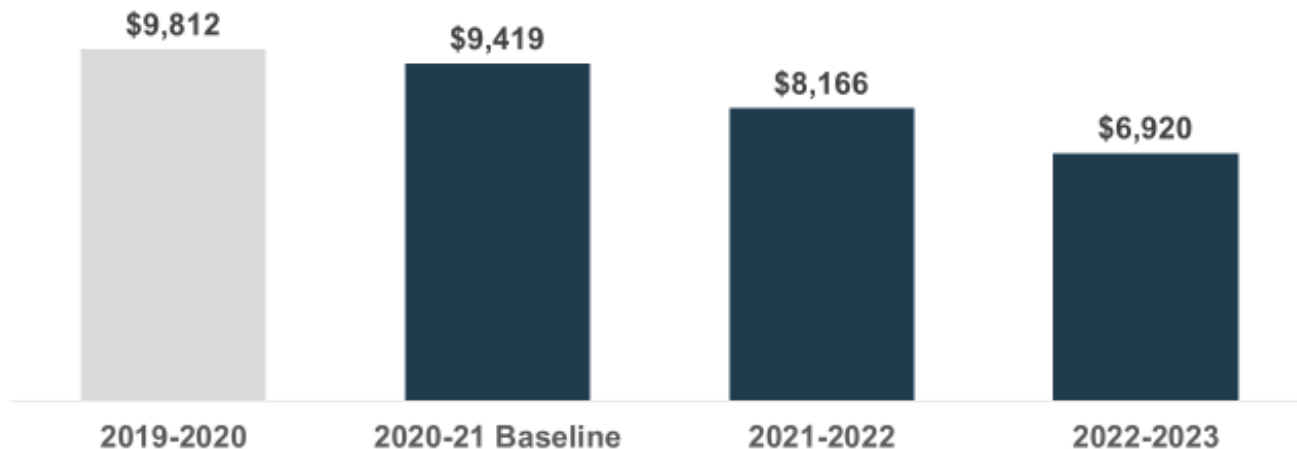
MSU Net Price

From CPE annual Presentation in January 2025

KEY PERFORMANCE INDICATOR -- AFFORDABILITY

Unmet Need: Average amount students must pay out-of-pocket after all financial aid and expected family contributions.

Unmet need **decreased 15%** from FY22 to FY23 and **30%** from 2019 to lowest it has been in 7 years.



FY26 Murray State University & FY26 Kentucky Universities Gross Tuition and Mandatory Fee Rates

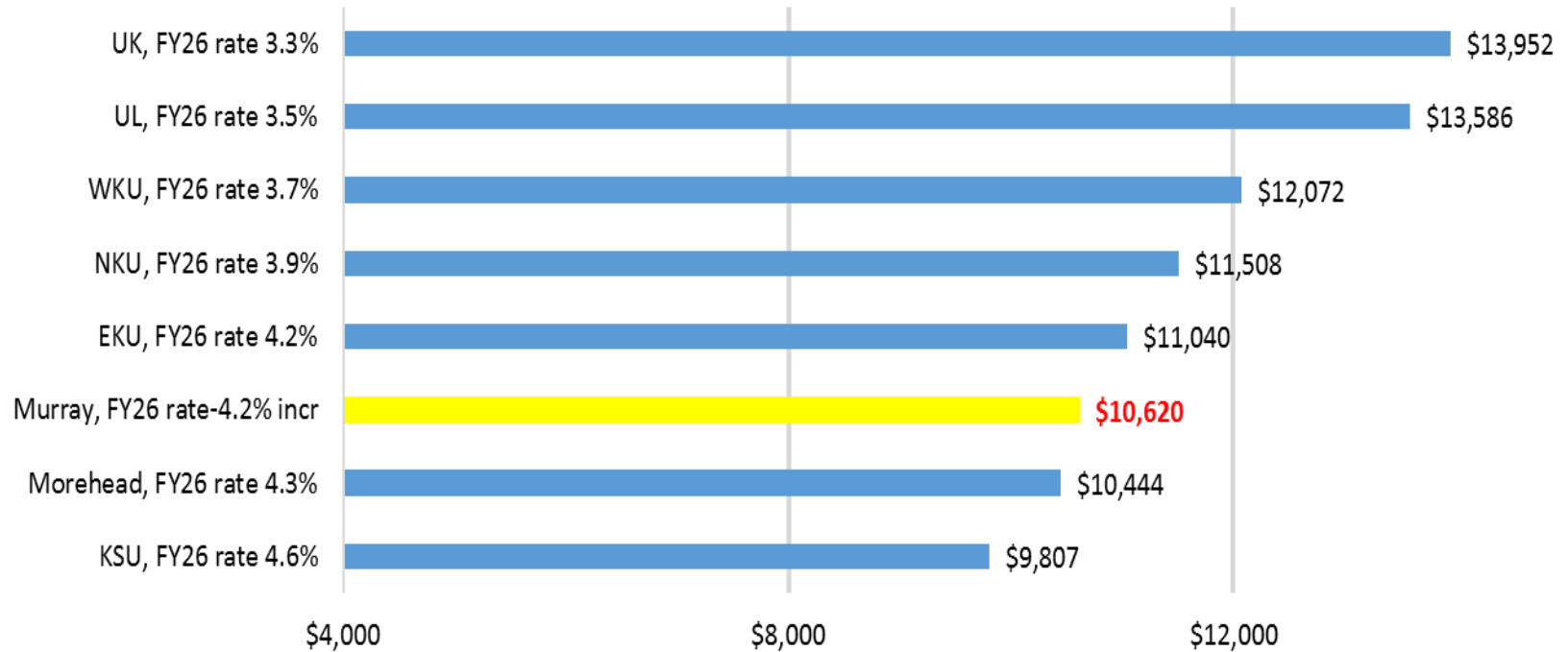
IF ALL SCHOOLS GO TO THE MAX ALLOWED BY CPE

Comparisons

for

Undergraduate, Resident, Full-time, Annual Rates

Includes Special Use and Asset Preservation Fees



Murray State FY26 Proposed Housing Rates – 2.5% (\$3,086/\$3,858) Compared to FY25 Actual Rates for other KY Public Universities

Hart Style Comparison	
FY 24-25 Actual	
Institution	24-25
University of Kentucky	\$ 4,293
University of Louisville	\$ 3,817
Western Kentucky University	\$ 3,424
Eastern Kentucky University	\$ 3,402
Northern Kentucky University	\$ 3,285
Murray State University	\$ 3,011
Morehead State University	\$ 2,730
Kentucky State University	\$ 2,500
HC Franklin, Clark, JH Richmond Style Comparison	
FY 24-25	
Institution	24-25
University of Kentucky	\$ 5,375
University of Louisville	\$ 4,581
Eastern Kentucky University	\$ 4,321
Northern Kentucky University	\$ 4,290
Murray State University	\$ 3,764
Western Kentucky University	\$ 3,638
Kentucky State University	\$ 3,500
Morehead State University	\$ 3,360

Murray State FY26 Proposed Dining Rates – 3.6%
(\$2,659)

Compared to FY25 Actual Rates for other KY Public Universities

	FY 25-26 Published Rate or if University Increases at least 3.6%
Institution	25-26
Morehead State University	\$2,760
Northern Kentucky University	\$2,728
University of Kentucky	\$2,723
Eastern Kentucky University	\$2,693
Murray State University	\$2,659
Western Kentucky University	\$2,628
University of Louisville	\$2,495
Kentucky State University	\$1,891

STUDENT SERVICES AND PROGRAMMING

Student Recruitment and Retention

- 2nd year of pilot mental health counseling program – 24/7 services, services in all states, psychiatric services
 - New counselor to fill vacancy is in process
- New health clinic provider
 - Enhanced services
 - Extended hours
- New residence halls
 - Station 74
 - Learning Commons w/ Housing being constructed

Student Services and Programming

- Athletic enhancements to assist student-athletes, for student fan base, facilities and travel
 - Athletics is approximately 50% funded with private funds and sponsorships
 - **Athletics does not qualify for state asset preservation funding**

Student Services and Programming

- Technology Enhancements
 - Google license improvements to increase student storage quotas, enhanced PDF editing in Google Workspace, enhanced Google Meet features
 - Enhanced email and systems security
 - Select Wi Fi enhancements to student focus area
 - Curris Center, Wellness Center, Mall (outside of Curris Center, Applied Science, Waterfield), South of Blackburn, Between Applied Sci and Old Fine Arts, Woods Park
 - Acoustical/sound system improvements in Fine Arts-Band Practice Room and other locations
 - Begin project for a retention app
 - Contingency planning for technology stability in student focused facilities

Student Services and Programming

- Funding = Technology Fee \$200/semester, from \$100/semester
 - Helps to support items on previous page
 - UG and G students
 - Excludes
 - online credit hours
 - dual credit hours
 - credit hours for special high school students
 - students taking less than five credit hours of on-campus instruction

BUDGET SUMMARY

FY26 Budget Summary

		FY26 Recurring
Revenues and Reallocations:		
Appropriation base change	\$	-
Performance funding - CPE final calculations		309,500
Property insurance supplement		-
KERS supplement decrease		-
Inflationary increase		-
State Debt Service		3,414,000
BVC Appropriation		-
Total Appropriation	\$	3,723,500

FY26 Budget Summary

			FY26 Recurring
		Tuition and Mandatory Fees:	
		Increase in \$420 fixed per year (4.2%) for UG and Grad gross tuition and MF. Increase over two years is \$630 fixed for two years (6.4%), pending CPE approval of two year parameters	4,491,947
		Increase in gross tuition for mix of students	1,432,630
		Total Tuition and Mandatory Fees	5,924,577
		Scholarships an Discounts:	
		Total Scholarship Enhancements	(4,165,101)
		Total Net Tuition, Mandatory Fees and Scholarship Enhancements	1,759,476
		Other Revenues:	
		Technology Fee increase from \$100/flat per semester to \$200/flat per semester (UG and G students), (excludes dual credit, special high school, online students and students taking less than 5 credit hours of on-campus instruction)	1,239,120
		Late payment and past due account fees	2,435,433
		Program/Course Fee Adjustments	528,000
		Other (Indirect costs, one-time uses, misc fees)	604,029
		Total Revenues and Reallocations	10,289,558

FY26 Budget Summary

			FY26 Recurring
LESS: Expenditures			
	COLA ~2% - salary/fringes		1,428,000
	Comp Review Year 2- 33 1/3% implementation		1,184,183
	Fixed faculty promotions and F/S awards, plus \$1,000 incr per promotion		190,000
	Summer school stipend pool increase		250,000
	Health and Wellness Plans		449,492
	Other salary/benefits		278,531
	Total Salaries and Benefits		3,780,206

FY26 Budget Summary

		FY26 Recurring
	Fixed costs-Liability & property ins, audits, lease payments, contractual obligations, core software licenses	540,596
	Increase in debt payment made by the state, funded in Appropriations revenue	3,414,000
	Technology enhancements listed above	1,238,488
	SSC contract increase, first overall increase in 5 years	420,000
	Increase in counseling telehealth pilot program - provides 24/7 & enhanced coverage (yr 2 of 3)	8,268
	Academic supplies/materials from program/course fee adjustments	528,000
	Campus Health Clinic	60,000
	Electrical generator leases (contingency planning)	300,000
	Total Operational	6,509,352
	Total Expenditure Increases	\$ 10,289,558
	Revenue Over/(Under) Expenditures	\$ (0)
	Note: Reviewing retirements, resignations and other open positions.	

Budget Calendar

- Jan 14, 2025 – Budget Advisory Committee
- April 17 – Council on Postsecondary Education (CPE) meeting to approve tuition policy and reaffirm parameters
- March 31 – Budget Advisory Committee
- April 28 – Budget Advisory Committee
- April 30 – University Town Hall
- June 6 – Regular Board meeting to approve FY26 tuition and fees and annual budget
- June 13 – CPE meeting to approve tuition rates

Continued Next Steps

- **Freeze** all new hires and must have appropriate Vice President and Presidential approval if any are filled.
- **Closely monitor** federal grant funding.
- **Minimize overtime**, with few exceptions.
- **Temporary employees** will not be utilized, with few exceptions, approved by the appropriate Vice President or President.
- **Travel is limited**, approved by the appropriate Vice President or President.
- **Extra Compensation/adjunct** review per policy
- **All expenditures over \$2,500** and budget transfers must be approved by the appropriate Vice President or President.
- **All contracts through Procurement Services** continue to be reviewed with departments to determine if they are necessary or if changes can be made to the contracts to reduce costs.
- **Continue to study** areas of the University for efficiencies.

Questions