Minutes of the Tuition Task Force Meeting
Murray State University
Wednesday, October 29, 2008
Jesse Stuart Room, Pogue Library
6:30 p.m.

Introduction of Committee Members

Judge Jeff Taylor, Chair of the Tuition Task Force, called the meeting to order at 6:40 p.m. and reported that the following Committee members were present:

Keith Cartwright (Attorney/MSU Parent/Alumnus) - Madisonville, Kentucky
Peg Hays (MSU Board of Regents) - Hopkinsville, Kentucky
Kara Mantooth (MSU Board of Regents/SGA President) - Owensboro, Kentucky
Doug Watkins (Retired Banker/MSU Parent) - Owensboro, Kentucky
Becki Wells (Chamber/MSU Parent) - Hopkinsville, Kentucky
Brett Welter (In-State Student) - Murray, Kentucky

Tom Denton (Ex Officio) - MSU Vice President for Finance and Administrative Services
Lori Mitchum (Ex Officio) - MSU Director, Student Financial Aid and Scholarships

Absent:
Mike Freels (Director, Henderson Extended Campus) - Henderson, Kentucky
Dave Hornback (Retired Banker/MSU Parent/Alumnus) - Murray, Kentucky
Ashley Wild (Out-of-State Student) - St. Louis, Missouri

Others present included: Regents Bill Adams, Jay Morgan, Vickie Travis and Gina Winchester; Jill Hunt Lovett, Coordinator for Board Relations, Executive Assistant to the President and Secretary to the Board of Regents; Gary Brockway, Provost and Vice President for Academic Affairs; Dr. Steve White, President, Faculty Senate, and members of the press.

Judge Taylor reported that one year ago Mr. Alan Stout, Chair of the MSU Board of Regents, formed the Board of Regents Tuition Task Force and asked Judge Taylor to serve as Chair. In considering the membership of the Task Force Judge Taylor stated that he looked for individuals who could provide valuable insight and guidance on tuition. The individuals selected to serve on the Task Force have a history and relationship with Murray State University.

Judge Taylor asked each Task Force member to provide background information on their association with Murray State University. Mr. Cartwright graduated from Murray State in 1980, his wife graduated in 1982 and his son is currently a sophomore. He believes tuition is mainly an affordability issue and Murray State must not only be able to compete with other universities in terms of program offerings but must remain competitive with regard to tuition. Mr. Watkins is retired from the banking industry and his son is a junior at MSU. Ms. Wells is currently Workforce/Education Coordinator with the Hopkinsville Chamber of Commerce and her daughter graduated last May from Murray State and is now pursuing her MBA with an anticipated graduation date of May 2009. Ms. Hays is a graduate of the University of Kentucky and has a keen interest in the Hopkinsville campus and she is not an advocate of raising tuition. Mr. Welter is from Lynn Grove and his mother has worked in the Student Financial Aid Office at Murray State for many years. The University has been very important to him and his family and he is currently a junior and a student ambassador. Ms. Mantooth is from Owensboro, is the current Student Government Association President and Student Regent, and both of her parents are graduates of Murray State. Judge Taylor is a 1975 graduate of Murray State and has served on the Board of Regents for the past two years. He has practiced law in Owensboro for the past 21 years and in 2003 was appointed to the Kentucky Court of Appeals and was reappointed in 2006. Ms. Mitchum has two degrees from Murray State and currently three of her daughters attend MSU. Mr. Denton reported that he is Vice President for Finance and Administrative Services and also has a daughter attending Murray State.

Background Information

Judge Taylor indicated that information has been presented to the Task Force to provide background on tuition at Murray State University. He asked Task Force members to review the
information between now and the next meeting. Task Force members were provided with a packet of information which included:

1) 2007-08 Fact Book – The information contained in this document is for the fiscal year just completed.
2) Semester Tuition and Mandatory Fee Rates with a comparison between 2007-08 and 2008-09 to illustrate where the University stands after the Board approved a 6 percent increase in tuition for fiscal year 2008-09. Also included are a comparison of tuition rates among all regional universities in Kentucky and two newspaper articles regarding the 6 percent tuition increase and the MSU Board of Regents.
3) Tuition and Fees Chart – This document illustrates the comparative cost of tuition and fees from 2002-03 to 2007-08 for full-time and part-time undergraduate and graduate students, including a breakdown by resident and non-resident status, providing a framework of how much tuition has increased over this period of time. Charts of tuition and fees for undergraduate resident and non-resident students per semester for the past 20 years (1986 to 2005) are also included.
4) Revenue Schedule for the Fiscal Year 2008-09 budget which shows the total appropriation received by the University from the General Assembly. Mr. Denton discussed in detail the budget cuts recently imposed on the University. Current MSU tuition is $2,800 which is the sticker price that is advertised. Most students do not pay that full amount and the University provides approximately $25 million in waivers and scholarships. Students pay 60 percent of the tuition bill and the figures presented do not reflect the source of funding, such as third-party funding or state or federal aid. Mr. Watkins asked if gross tuition is based on estimated student enrollment and Mr. Denton stated the University is very conservative in this area. Mr. Cartwright asked if state appropriations correlate to enrollment and Mr. Denton indicated several years ago state appropriations were based on credit hours generated and, therefore, in an indirect way were based on enrollment. Currently the University is not funded based on FTE. Mr. Denton reported that the state has used a variety of methods to determine funding but in tight years has been limited to inflationary increases and over the past several years FTE has not played a major role in state appropriations.
5) Summary report from State Auditor Crit Luallen prepared in 2007. This report examines the problems all universities will face if tuition continues to increase by the percentage levels that it has in the past. From 1999 to 2008 there has been an overall increase in tuition of 140 percent with the average increase being 128 percent. Judge Taylor indicated he would like to have State Auditor Luallen speak to the Task Force to provide a greater understanding of her perspective on this issue.
6) New York Times article “Five Truths About Tuition,” which provides an overview of tuition from a variety of perspectives. The article also references a previous MSU President who testified before a congressional committee regarding tuition. The article outlines “five truths” based on research from various interest groups and others testifying before the Committee which include:

1. Tuition is cheaper than you think.
2. There is no single “cost crisis”: privates and publics are different worlds.
3. Colleges are both inescapably expensive to run and inefficient.
4. Damage is creeping up the income ladder, but the poor are being hurt the most.
5. Colleges aren’t sitting on their hands.

Judge Taylor stated that tuition is a very complicated issue. A bill was placed before the legislature that contained language setting a cap on tuition and if an institution increases tuition above a certain percentage then they will receive no additional appropriations from the state and will be put on a watch list. The legislature did not pass the bill and the former MSU President pointed out to the committee that proceeding in this manner would not be equitable among institutions.
7) Press release from Governor Steve Beshear announcing the formation of a Higher Education Task Force to study affordability and access, along with the Executive Order from the Governor.

Mr. Watkins indicated he has heard discussion that KEES money might be cut for the universities and asked what effect that would have on Murray State. Mr. Denton reported that the number of students using KEES money has increased significantly over the past several years and if funding is cut it would severely affect Murray State. Mrs. Mitchum reported that the maximum KEES award is $2,500 with the average Murray State student receiving $1,500 to
$1,600. She indicated a cut in KEES money would affect the average student population at Murray State and without that money those students would most likely be forced to attend a community college so that they do not have to take out as many loans. Sixty to 68 percent of Murray State students are on some type of financial aid.

Ms. Hays asked whether information could be made available which would provide a comparison among Kentucky universities or peer universities showing the difference between students receiving grants and those having to take out loans. Mr. Denton agreed to put this information together for review by the Task Force. Ms. Hays also requested information on how many students who are the first from their family to attend Murray State, what percentage of students graduate with student loan debt and how much and whether that has changed over some period of time. Mrs. Mitchum indicated that page 67 of the Fact Book provided to the Task Force illustrates financial aid award trends and provides a comparison by type of aid. Mr. Denton stated he would compile financial information with regard to debt load but cautioned the information may not be specific to Murray State.

Mrs. Mitchum indicated there are four different types of financial aid awards, including grants, scholarships/waivers, student employment/assistantships and student loans. The amount of financial aid for 2006-07 among these four groups totaled approximately $76 million – $30 million in student loans, over $9 million in grants, $32 million in scholarships/waivers and $4.8 million in student employment/assistantships. Mrs. Mitchum and Mr. Denton agreed to provide the Task Force with a breakdown of updated information on financial aid award trends and the amount of financial aid awards through 2007-08. Additional discussion took place regarding the various components of the financial aid awards and Mrs. Mitchum agreed to try to arrive at a number representative of the unduplicated awards that are made. At Judge Taylor’s request she will also determine the number of students who receive no financial aid and are paying the full sticker price. Mrs. Mitchum added this would be difficult to determine because some scholarships are provided directly to the student from an outside agency and the University is never informed and that funding never gets counted toward the student’s overall scholarship package. Ms. Hays also asked for information regarding what percentage of part-time students have financial aid compared to full-time students.

8) Official enrollment numbers for fall 2007 – Enrollment figures for fall 2008 will be submitted to the Council on Postsecondary Education on November 3. A handout of official enrollment numbers will then be prepared and Mrs. Lovett will provide that information for the next Task Force meeting. Currently there are 8,179 full and part-time undergraduate students and 1,846 full and part-time graduate students for a total enrollment of 10,025.

9) 2003-2008 Strategic Plan – This document has been revised and is now the University’s Comprehensive Plan and a copy of both were provided.

Propose of Committee and Function

Judge Taylor stated that the Tuition Task Force is tasked with reviewing tuition at Murray State University, providing guidance and suggestions or recommendations to the Board of Regents to assist with addressing the tuition issue, and studying any other pertinent issues deemed appropriate for the Task Force to consider.

Committee Review Parameters and Goals

Judge Taylor stated that tuition review will be an ongoing process but the Task Force must keep in mind the three “A’s” of tuition: affordability, accessibility and accountability. These aspects depend upon one another and the discussion will need to involve students, parents and the Commonwealth of Kentucky. The University is expected to have a balanced budget but also to provide a quality education while maintaining its responsibility to faculty and staff. During the coming weeks the Task Force will receive input from President Randy Dunn with regard to tuition as well as input from students and parents.

Judge Taylor asked that the student representatives to the Task Force consider how best to survey current MSU students to obtain information regarding the impact tuition had on their decision to attend Murray State University. Judge Taylor reported that compared to when he was a student in the 1970s he would not be financially able to attend MSU today and he wonders if other students are being left behind. As a regional university MSU must strive to be affordable.
Ms. Mantooth reported that students would be voting on changes to the SGA Constitution at the end of November and a question regarding tuition could be worked into this process. Judge Taylor indicated it is up to the students to determine the mechanism by which to obtain the largest number of student responses to an appropriate tuition question that will be developed.

Mr. Watkins asked why enrollment at the University is flat and Mr. Denton replied that the supply of high school graduates in the area is not increasing. However, Western Kentucky University’s tuition is $1,300 higher than MSU and they are experiencing enrollment growth. This could be due to the fact that Murray and Western have different characteristics that are unique to each institution.

Ms. Hays asked whether the College of Business and Public Affairs could conduct a survey among students to ensure the Task Force gets the answers it is looking for with regard to tuition. Judge Taylor stated the main concern right now is how to deliver the survey to the students to get the largest response. The answer to the tuition question and whether that affected a student’s decision to attend college at Murray State will ultimately reflect what recommendations are taken before the Board with regard to increasing tuition. Tuition may be a factor but it could also be that there needs to be a better understanding of the market because MSU’s tuition is the second lowest in the state. Input needs to come directly from the individuals who are actually paying tuition, including students and parents, and for this reason the question must be crafted carefully. Ms. Hays indicated that the Task Force must also take into consideration the opinions of those students who chose not to attend Murray State and determine how many based their decision on factors such as affordability and accessibility or some combination of the two.

Mr. Watkins pointed out that in Daviess County 75 percent of high school students go to a technical college for their first year following high school and 82 percent of Owensboro High School students either begin college or attend a technical school their first year following high school. He feels this may be related to recruitment and admission efforts that are causing Murray State to lose students and that tuition is not the only reason students are choosing to attend college elsewhere. Mr. Welter stated that students coming from a larger area are concerned with what activities are available in Murray, especially on weekends. They want to have a good college experience and are not sure they can find that at Murray State due to the lack of options available to them.

Judge Taylor indicated that he would like to have the Council on Postsecondary Education (CPE) address the Task Force in addition to having a representative of the faculty make a presentation at the next meeting. He also would like for Ron Crouch at the University of Louisville to speak to the Task Force. Mr. Crouch is a statistician and can provide numbers that show the state is preparing to go into a “freefall” in terms of not having enough people to fill available jobs in Kentucky and throughout the country. Mr. Crouch’s visits could perhaps be coordinated with a future Board meeting.

**Future Meetings**

The members of the Tuition Task Force scheduled future meetings as follows:

- November 20  6 p.m.     Jesse Stuart Room, Pogue Library
- December 3  6 p.m.      Jesse Stuart Room, Pogue Library

**Adjournment**

The Tuition Task Force Meeting adjourned at 8:30 p.m.

Minutes approved at the January 14, 2009, Tuition Task Force meeting.

Jeff S. Taylor, Chair
Tuition Task Force

Jill Hunt Lovett, Secretary
MSU Board of Regents