

Table 1

Kentucky Budget of the Commonwealth
Enacted General Fund Appropriations by Major Budget Category
Fiscal Years 1999 and 2014

(Nominal Dollars in Millions)

<u>Budget Category</u>	<u>1998-99 Enacted General Fund</u>	<u>2013-14 Enacted General Fund</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Education	\$2,734	\$4,254	\$1,520	56%
Human Services	525	675	150	29%
Postsecondary Education ⁽¹⁾	945	1,176	230	24%
Institutions & CPE	915	986	71	8%
Student Financial Aid	31	190	160	522%
Medicaid	636	1,511	875	138%
Criminal Justice	586	1,042	456	78%
All Other	<u>754</u>	<u>1,123</u>	<u>368</u>	49%
Total Appropriations	\$6,180	\$9,780	\$3,599	58%

The shaded area provides Postsecondary Education detail and is not double-counted in Total Appropriations.

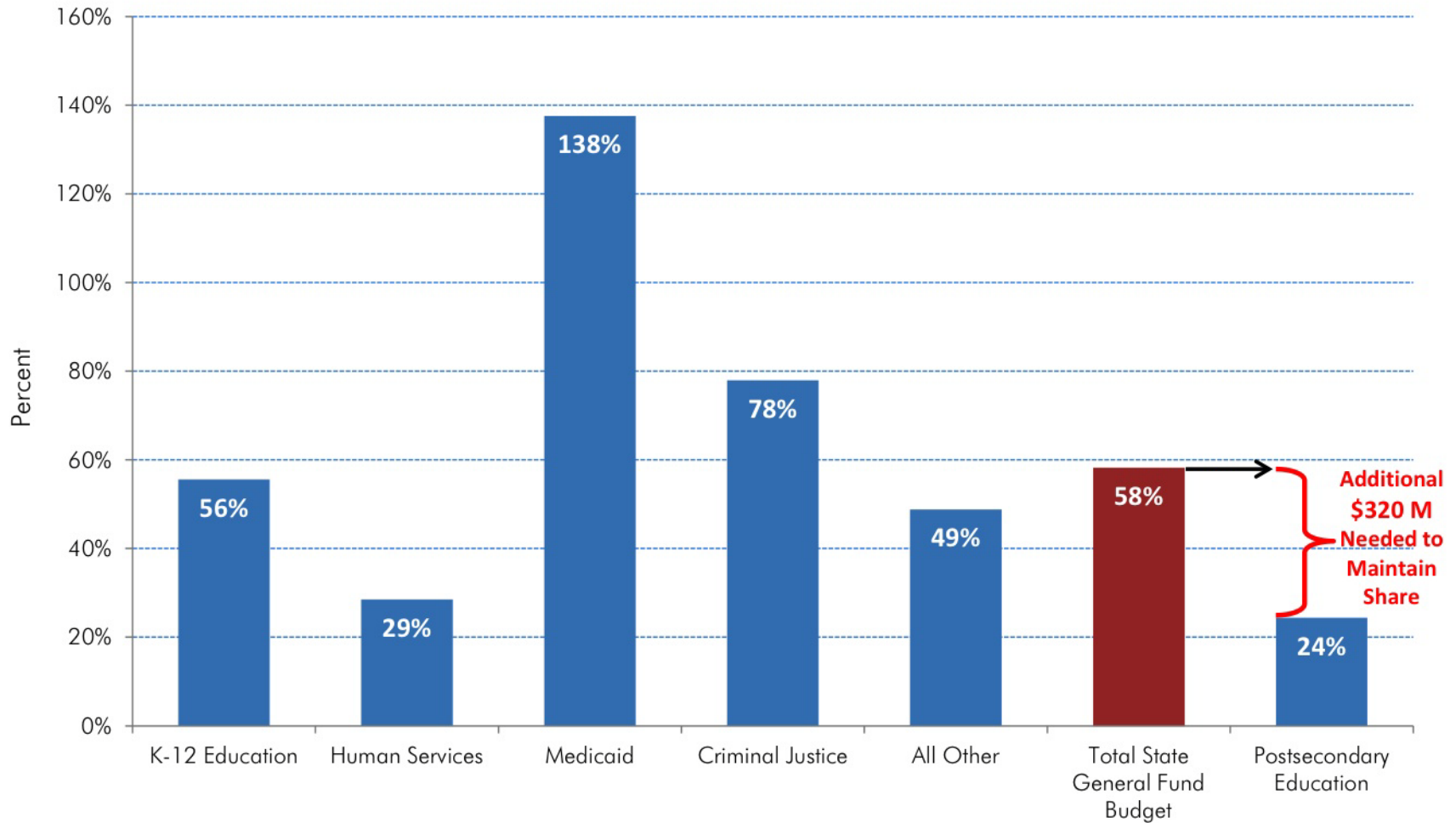
⁽¹⁾ Includes Kentucky's public postsecondary institutions, state-funded student financial aid (KHEAA), and the Council on Postsecondary Education.

Source: Kentucky Enacted Budgets of the Commonwealth.



Kentucky Budget of the Commonwealth
Change in General Fund Appropriations by Budget Category
Fiscal Years 1999 - 2014

Chart 1

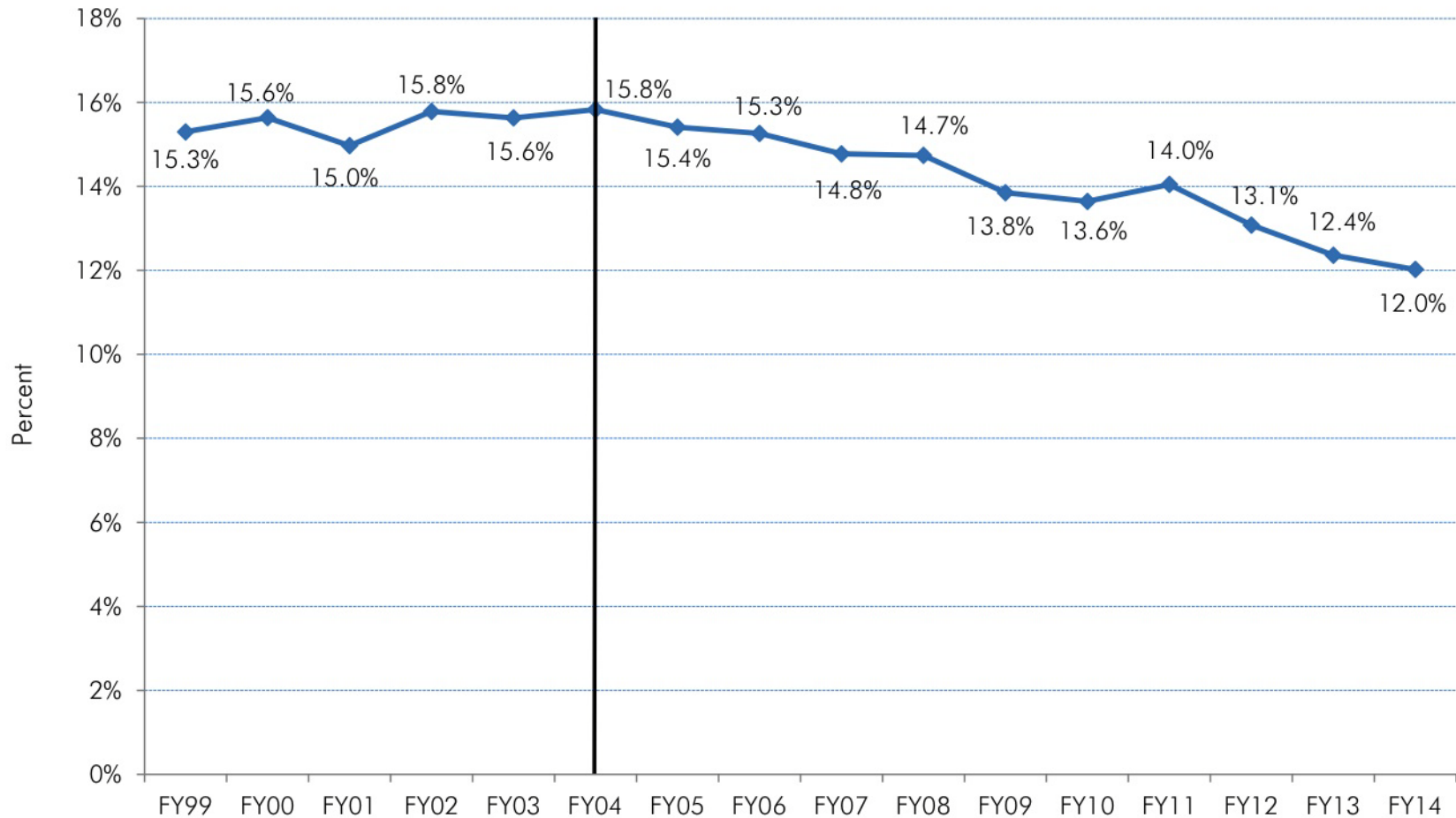


Source: Kentucky Enacted Budgets of the Commonwealth.

Note: Postsecondary education includes appropriations for the public colleges & universities, state-funded student aid, & CPE.



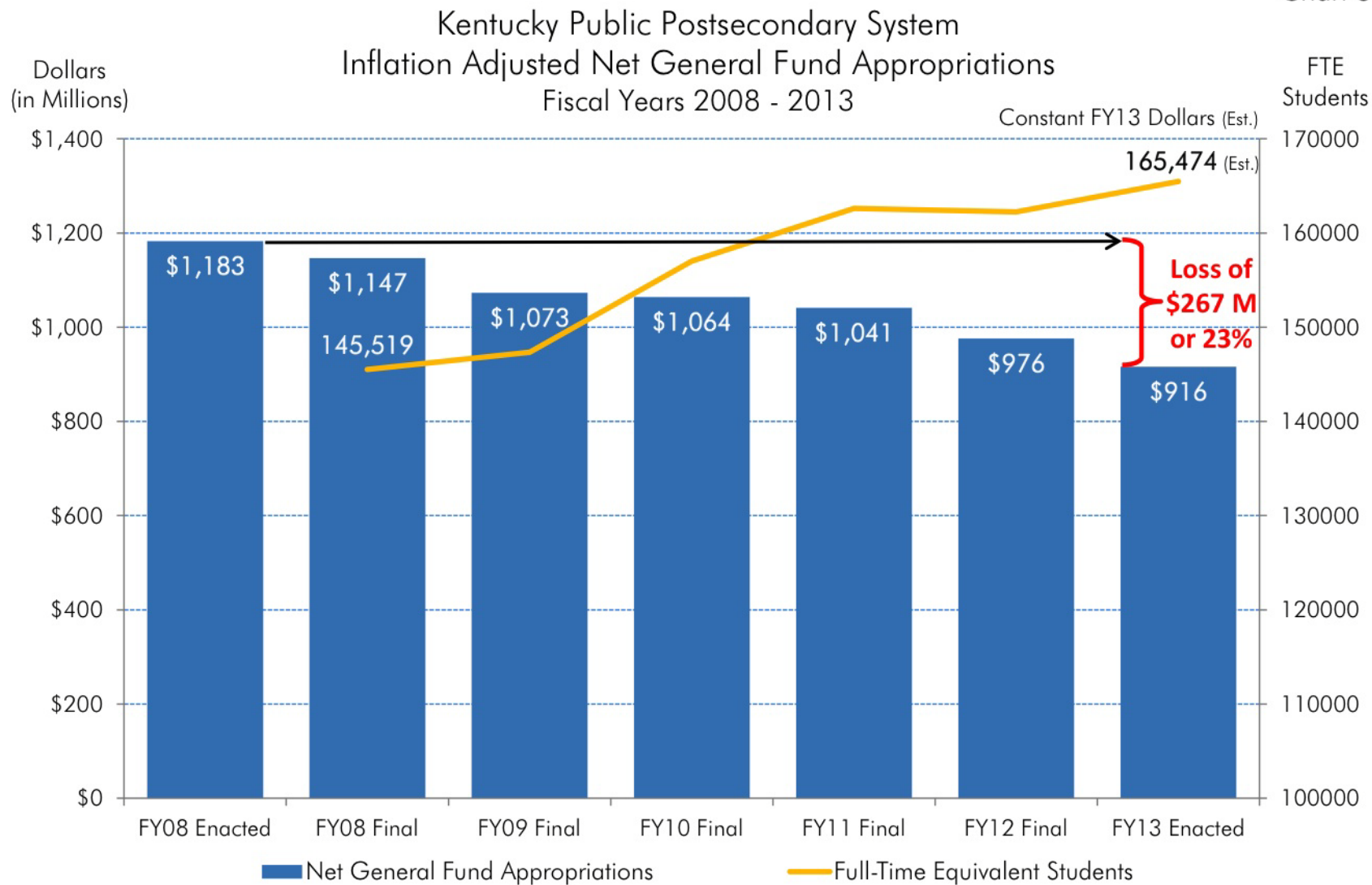
Kentucky Budget of the Commonwealth Postsecondary Education's Share of Total State General Fund Budget



Source: Kentucky Enacted Budgets of the Commonwealth.



Chart 3

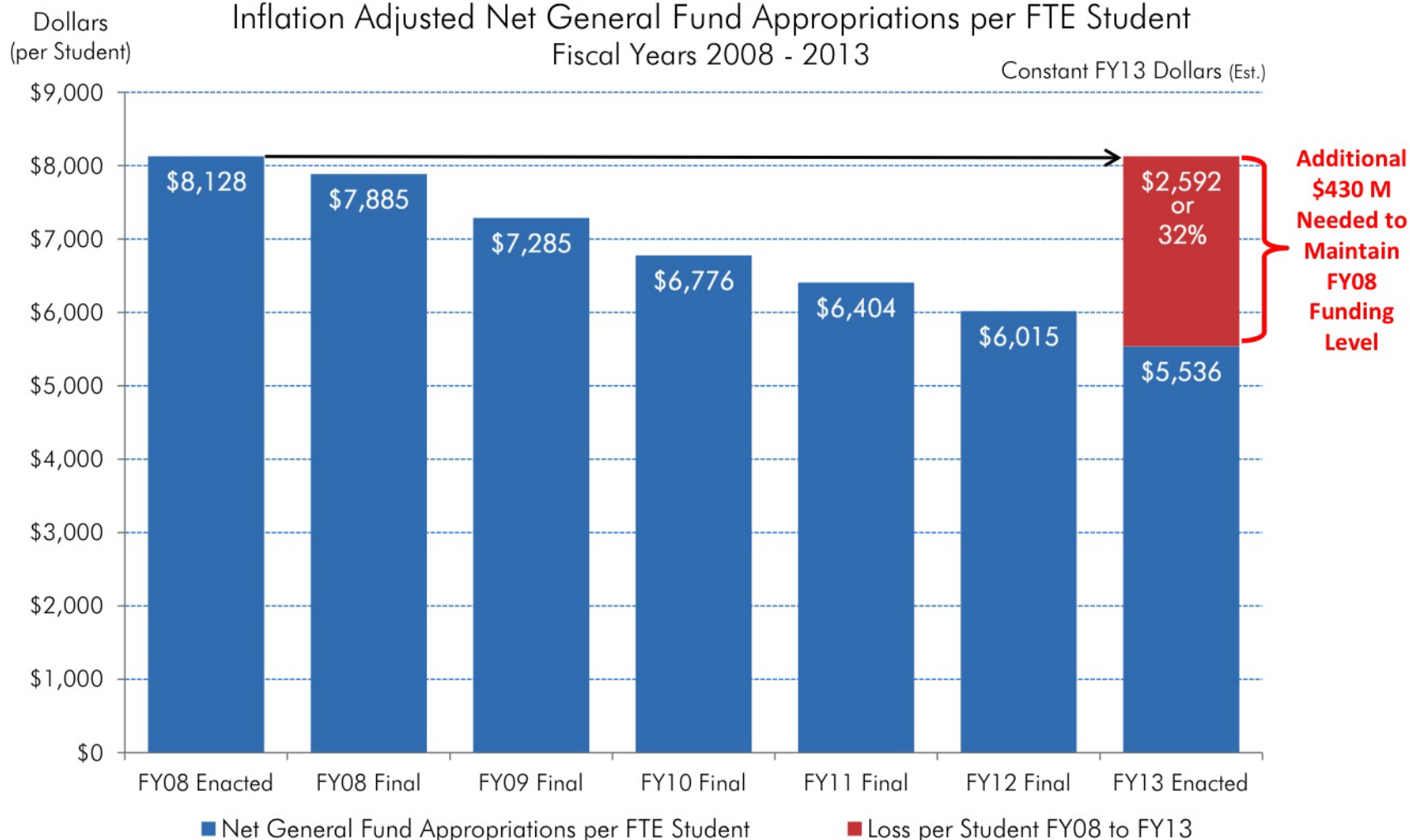


Sources: Kentucky Budget of the Commonwealth; CPE Comprehensive Database; Commonfund Institute, Higher Education Price Index (HEPI).

Assumptions: 2.0% enrollment growth; and 1.7% increase in inflation in FY13.



Kentucky Public Postsecondary System Inflation Adjusted Net General Fund Appropriations per FTE Student Fiscal Years 2008 - 2013



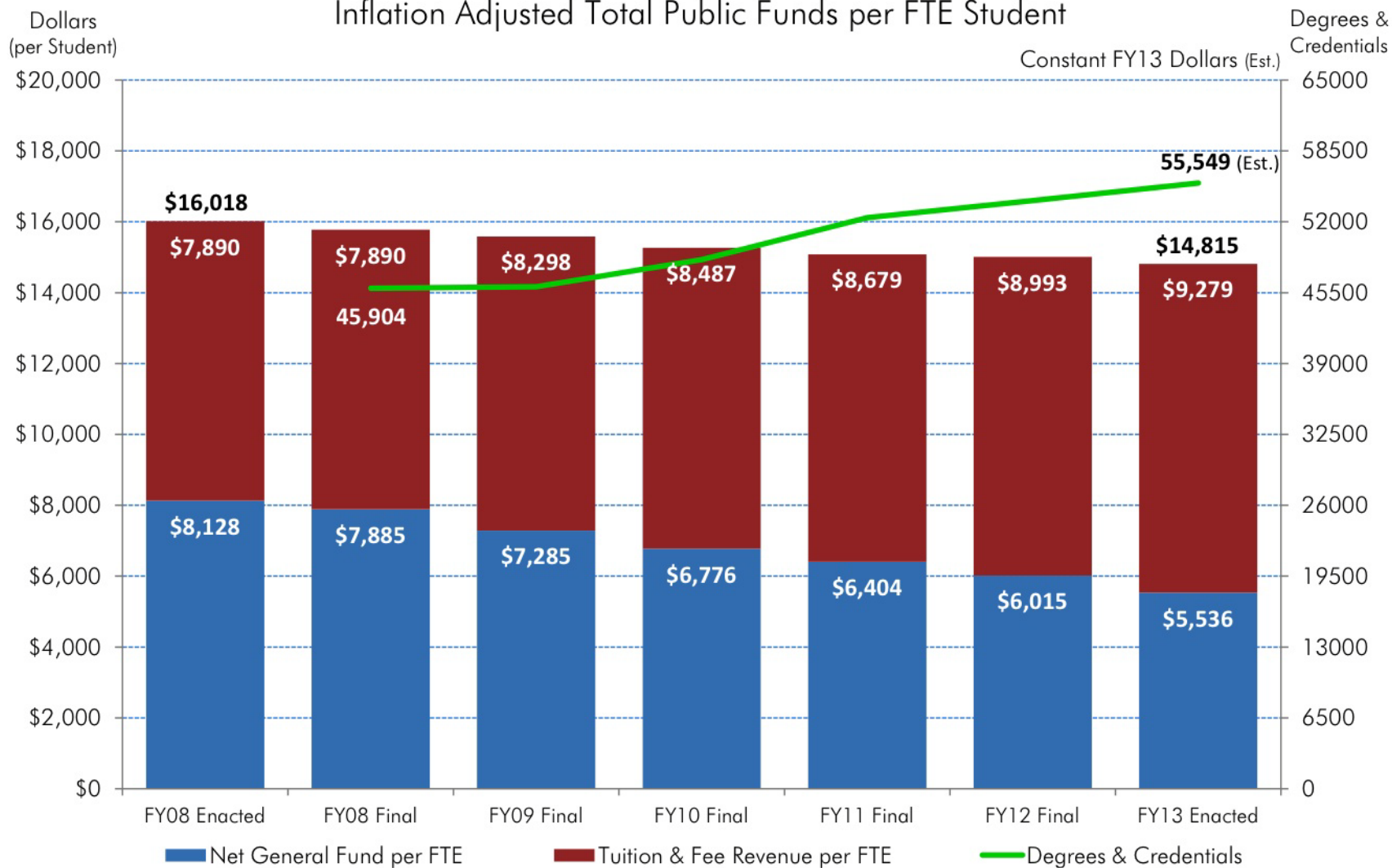
Sources: Kentucky Budget of the Commonwealth; CPE Comprehensive Database; Commonfund Institute, Higher Education Price Index (HEPI).

Assumptions: 2.0% enrollment growth; and 1.7% increase in inflation in FY13.



Kentucky Public Postsecondary System Inflation Adjusted Total Public Funds per FTE Student

Chart 9

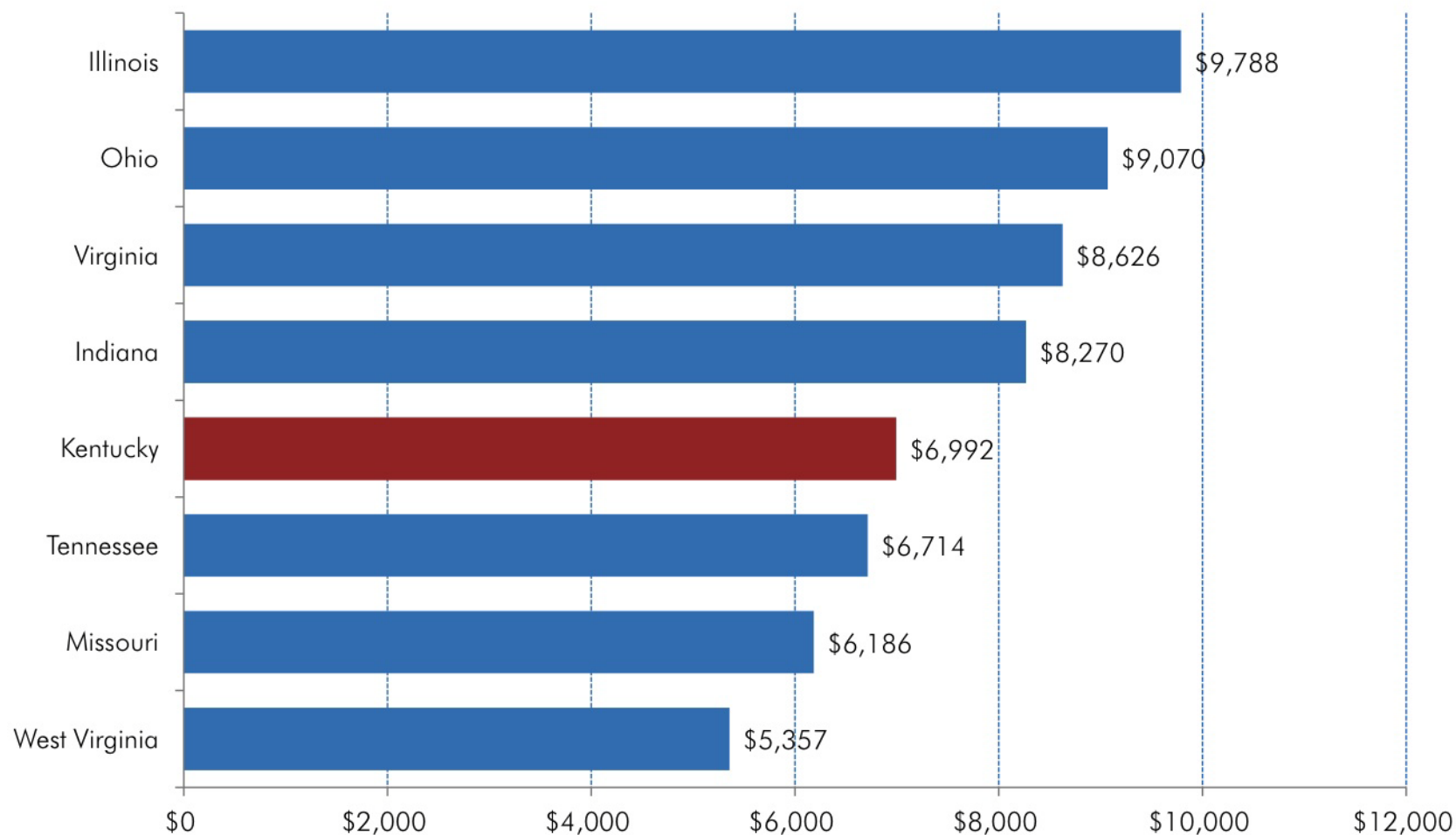


Sources: Kentucky Budget of the Commonwealth; CPE Comprehensive Database; Commonfund Institute, Higher Education Price Index (HEPI).

Assumptions: 2.0% enrollment growth; 1.7% increase in inflation; 7.0% tuition and fee revenue growth; and 3.0 % increase in degrees in FY13.



Comprehensive Universities in Kentucky and Surrounding States
Average Resident Undergraduate Tuition and Required Fees
Academic Year 2011-12



Source: Integrated Postsecondary Education Data System (IPEDS).

Note: The figure shown for Kentucky is an arithmetic mean of tuition & required fees at ECU, KSU, MoSU, MuSU, NKU, & WKU.



Table 2

Kentucky Public Postsecondary Institution
Enacted Net General Fund Appropriations
Fiscal Years 2008 and 2013

(Nominal Dollars in Millions)

Institution	2007-08 Enacted Net General Fund	2012-13 Enacted Net General Fund	Dollar Change	Percent Change
University of Kentucky	\$335 ⁽¹⁾	\$284	(\$51)	-15%
University of Louisville	169	141	(27)	-16%
Eastern Kentucky University	80	68	(12)	-15%
Kentucky State University	27	24	(4)	-14%
Morehead State University	48	41	(7)	-15%
Murray State University	56	48	(8)	-14%
Northern Kentucky University	55	47	(8)	-15%
Western Kentucky University	85	72	(13)	-15%
KCTCS	229 ⁽²⁾	192	(37)	-16%
System Total	\$1,084	\$916	(\$168)	-15%

⁽¹⁾ Includes \$2,000,000 special session appropriation for UK's Center for Applied Energy Research.

⁽²⁾ Includes \$2,373,800 reorganization transfer to KCTCS for Kentucky Board of Emergency Medical Services.

Source: Kentucky Budget of the Commonwealth.



Kentucky Public Postsecondary Institution
 Enacted Net General Fund Appropriations (Nominal Dollars)
 Fiscal Years 2008 and 2013

Institution	2007-08 ^(a) Enacted Net General Fund	2012-13 ^(d) Enacted Net General Fund	Dollar Change	Percent Change	AAGR
University of Kentucky	\$335,071,000 ^(b)	\$283,869,300	(\$51,201,700)	-15.3%	-3.3%
University of Louisville	168,572,300	141,194,800	(27,377,500)	-16.2%	-3.5%
Eastern Kentucky University	79,761,400	67,673,700	(12,087,700)	-15.2%	-3.2%
Kentucky State University	27,441,700	23,537,400	(3,904,300)	-14.2%	-3.0%
Morehead State University	48,202,100	41,016,400	(7,185,700)	-14.9%	-3.2%
Murray State University	56,068,700	48,005,800	(8,062,900)	-14.4%	-3.1%
Northern Kentucky University	55,099,500	46,835,100	(8,264,400)	-15.0%	-3.2%
Western Kentucky University	85,115,600	72,425,200	(12,690,400)	-14.9%	-3.2%
KCTCS	228,704,900 ^(c)	191,455,700	(37,249,200)	-16.3%	-3.5%
System Totals	<u>\$1,084,037,200</u>	<u>\$916,013,400</u>	<u>(\$168,023,800)</u>	-15.5%	-3.3%

^(a) Total General Fund appropriations, net of debt service and UofL hospital contract, as enacted in HB 380, the 2006-08 Budget of the Commonwealth.

^(b) Includes \$2,000,000 special session appropriation for UK's Center for Applied Energy Research.

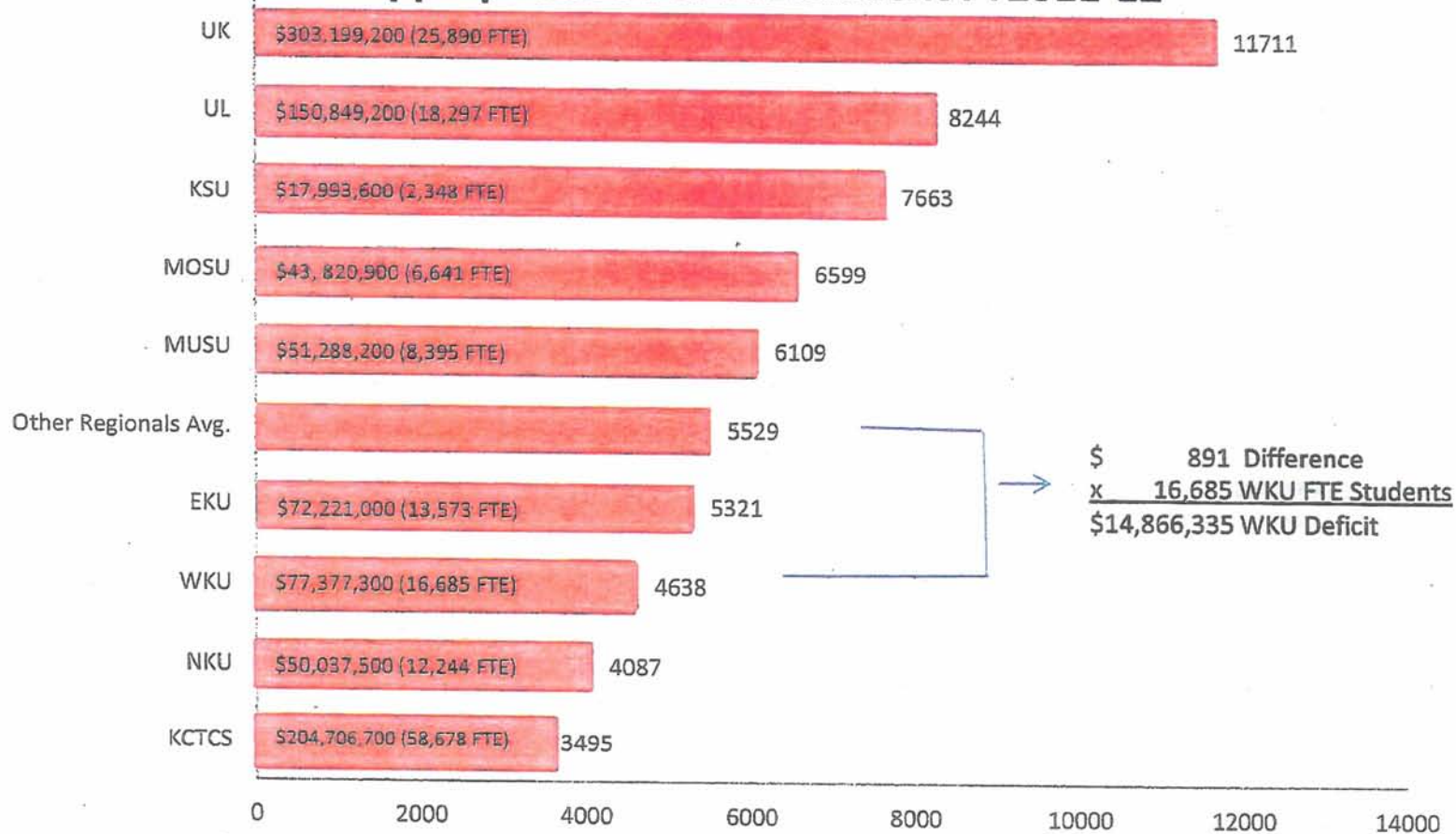
^(c) Includes \$2,373,800 reorganization transfer to KCTCS for Kentucky Board of Emergency Medical Services.

^(d) Total General Fund appropriations, net of debt service and UofL hospital contract, as enacted in HB 265, the 2012-14 Budget of the Commonwealth.

AAGR - Average Annual Growth Rate.

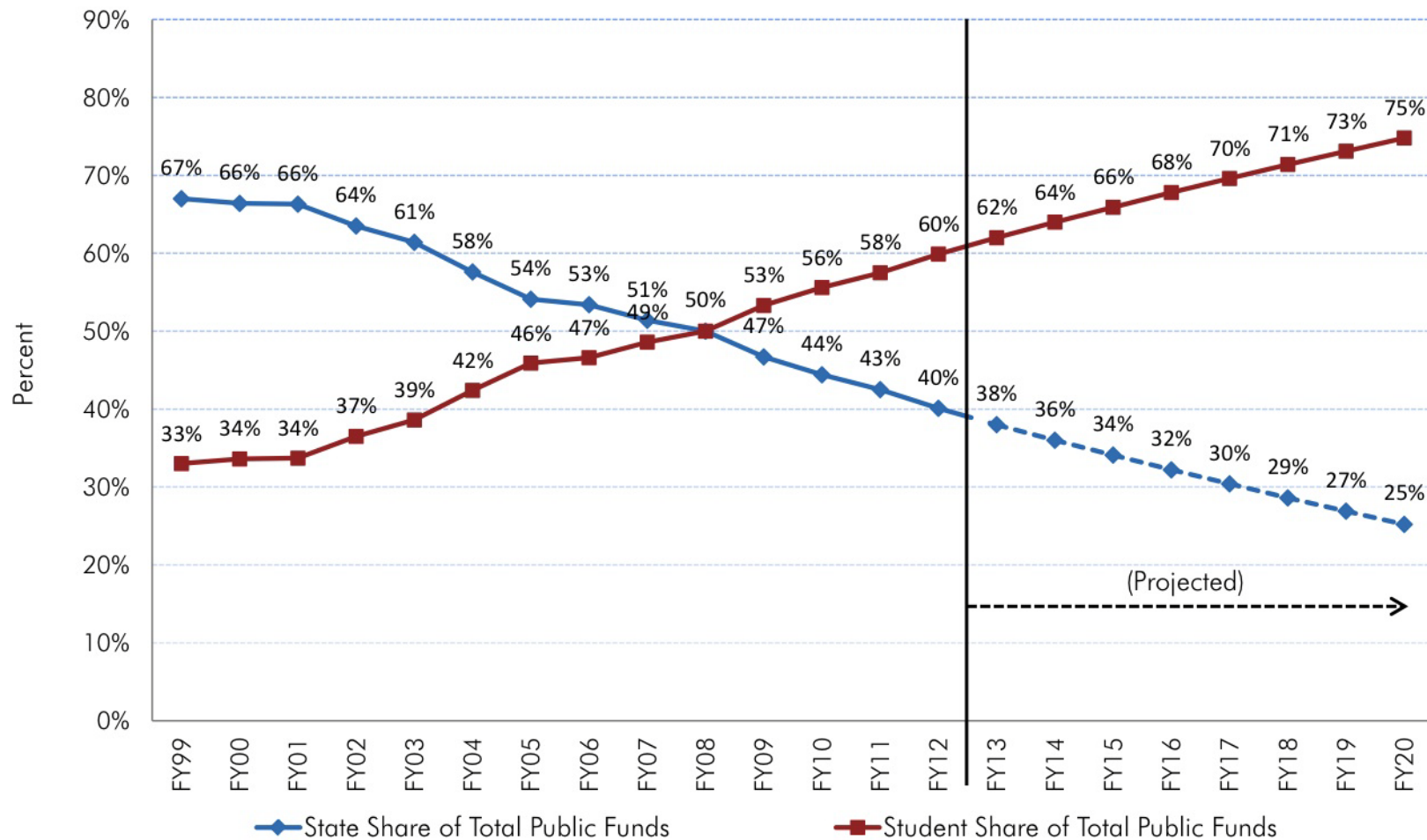
Source: Kentucky Budget of the Commonwealth.

Net State Appropriation Per FTE Student FY2011-12



Kentucky Public Postsecondary System Change in State & Student Shares of Total Public Funds Fiscal Years 1999 - 2020

Chart 14



Sources: Kentucky Budget of the Commonwealth; CPE Comprehensive Database.

State Share = Net General Fund Appropriations ÷ Total Public Funds
Student Share = Gross Tuition & Fee Revenue ÷ Total Public Funds



Table 3

Kentucky Public Postsecondary Sector
Average Yearly Increases in Resident Undergraduate Tuition and Fees
Academic Years 2003 - 2008 and 2008 - 2013

	<u>5-Year AAGR 2003 - 2008</u>	<u>5-Year AAGR 2008 - 2013</u>
Research Sector	11.8%	6.7%
Comprehensive Sector	12.9%	5.6%
Two-Year College Sector	17.6%	4.0%
Postsecondary System	12.9%	5.8%



**55% Decrease in Average
Yearly Increases FY08 - FY13**

AAGR - Average Annual Growth Rate.

Source: Kentucky Comprehensive Database



Kentucky Public Postsecondary Institution
 Annual Tuition and Mandatory Fees for Full-Time Resident Undergraduate Students ⁽¹⁾
 Academic Years 2008 - 2013

Institution	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	Total Change	5-Year AAGR
University of Kentucky ⁽²⁾	7,199	7,848	8,241	8,735	9,260	9,816	36.4%	6.4%
University of Louisville ⁽³⁾	6,870	7,564	7,944	8,424	9,126	9,662	40.6%	7.1%
Eastern Kentucky University	5,682	6,080	6,312	6,624	6,960	7,320	28.8%	5.2%
Kentucky State University	5,320	5,692	5,920	6,216	6,534	6,858	28.9%	5.2%
Morehead State University ⁽³⁾	5,280	5,670	6,038	6,492	6,942	7,284	38.0%	6.6%
Murray State University	5,418	5,748	5,976	6,264	6,576	6,840	26.2%	4.8%
Northern Kentucky University ⁽³⁾	5,952	6,528	6,792	7,128	7,584	8,064	35.5%	6.3%
Western Kentucky University ⁽³⁾	6,416	6,930	7,200	7,560	8,084	8,472	32.0%	5.7%
KCTCS	3,450	3,630	3,750	3,900	4,050	4,200	21.7%	4.0%
Research Sector Average	7,035	7,706	8,093	8,580	9,193	9,739	38.4%	6.7%
Comprehensive Sector Average	5,678	6,108	6,373	6,714	7,113	7,473	31.6%	5.6%
Two-Year College Sector Average	3,450	3,630	3,750	3,900	4,050	4,200	21.7%	4.0%
Postsecondary System Average	5,732	6,188	6,464	6,816	7,235	7,613	32.8%	5.8%

⁽¹⁾ Full-time comparison rates for resident undergraduate students taking 15 credit hours per semester for two semesters, or 30 credit hours per year.

⁽²⁾ Undergraduate rates for UK are an average of upper and lower division rates.

⁽³⁾ Beginning in 2011-12, figures for UofL, MoSU, NKU, and WKU include student requested and Council approved Special Use Fees.

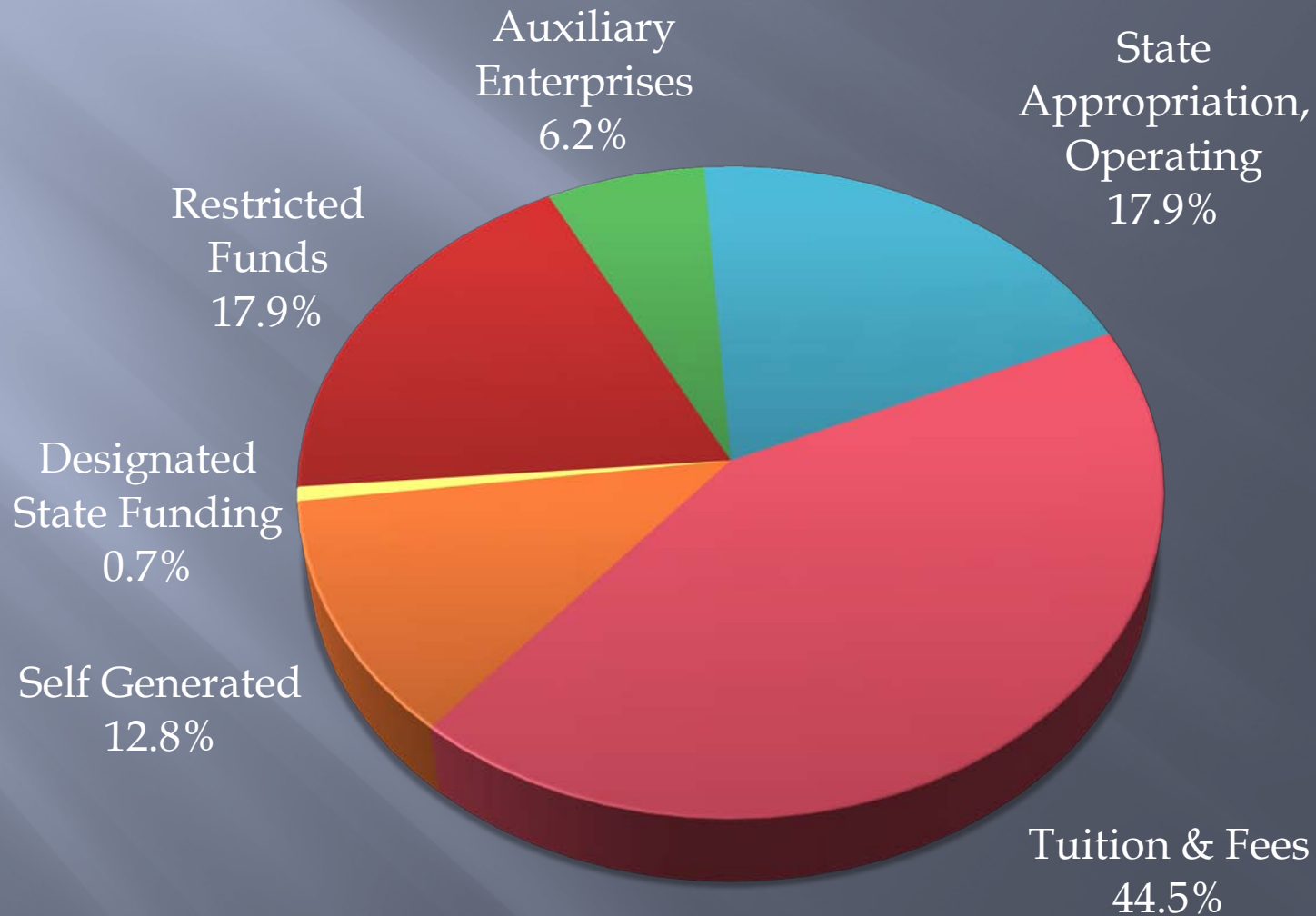
AAGR -- Average Annual Growth Rate.

Source: CPE Comprehensive Database.

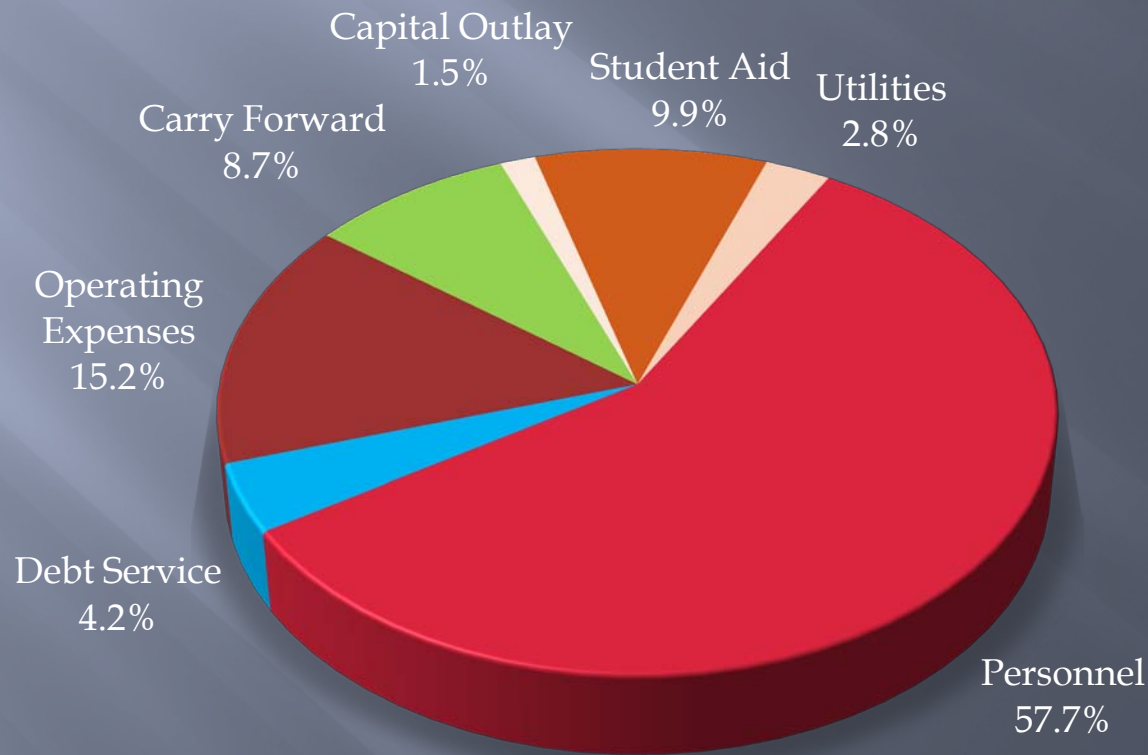
Previous Six-Year Period	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	Total Change	5-Year AAGR
Postsecondary System Average	3,127	3,610	4,189	4,725	5,272	5,732	83.3%	12.9%

FY14 Budget Development

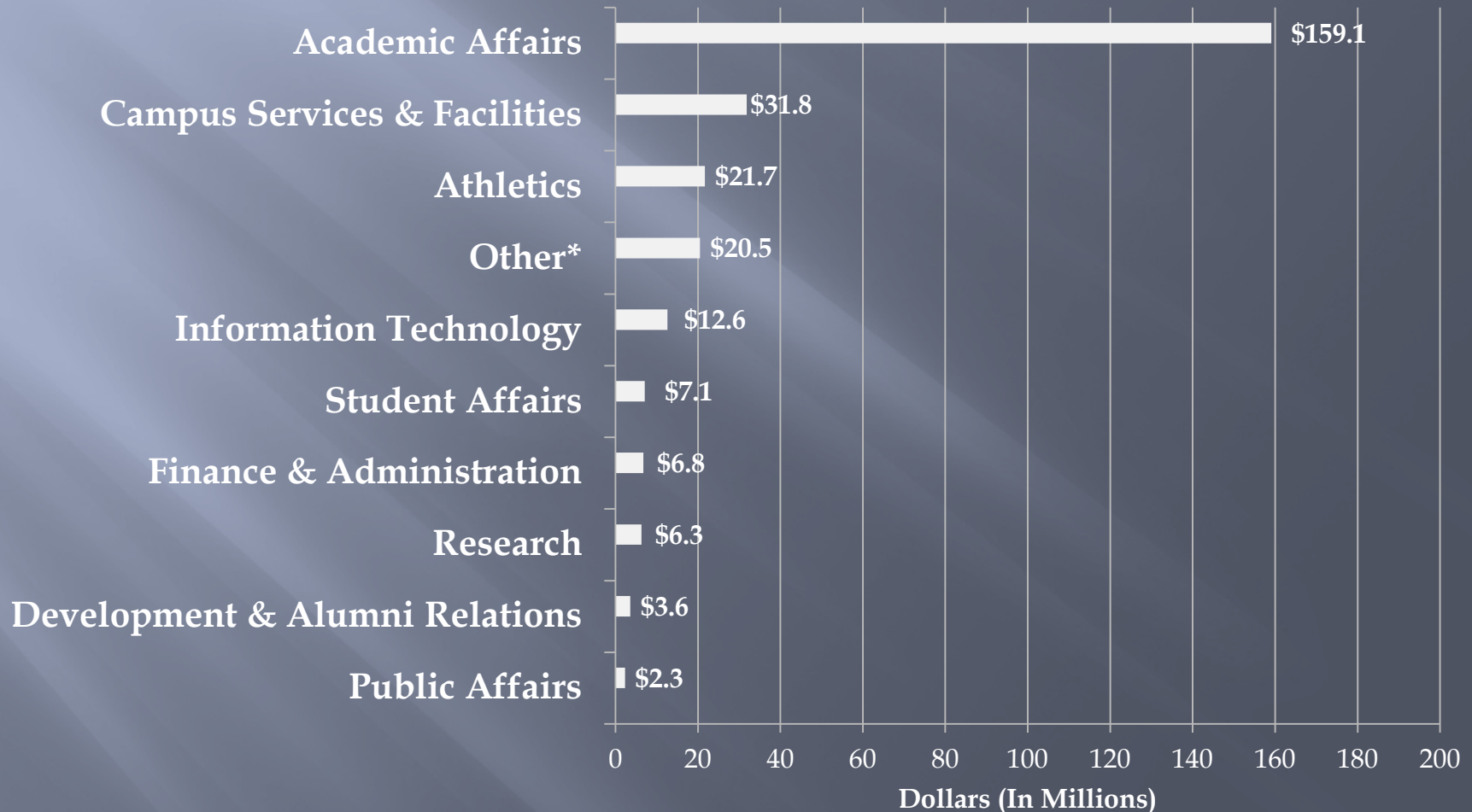
FY13 Revenue by Source



FY 13 Unrestricted E&G Expenditures by Major Classification



FY13 Budgeted Expenditures by Organizational Area



* Includes President, Chief Diversity Officer, Chief of Staff, and Univ. Wide

Division Totals Exclude Carry Forward

Department XYZ

Title	FY 2012-13 Budget	% of Total Budget
Personnel	\$1,327,271	98%
Operating	28,593	2%
Total Budget	\$1,355,864	100%

FY14 Revenue Factors

- ▣ No Additional State Support
- ▣ 5% Tuition Rate Increase
(Pending BOR & CPE Approval)

FY14 Preliminary Fixed Cost

Projected 5% Tuition Rate Increase	\$6,486,000
Unfunded 2% FY13 Salary Increase	2,140,000
Academics (Library, Faculty Promotions, Minority Faculty)	500,000
Retirement System Rate Increase	873,000
Student Financial Assistance	2,556,000
Contractual Obligations	90,000
Maintenance and Operations	118,000
Other Compensation	39,000
Other Operating Expenses	170,000
TOTAL	\$6,486,000

Salary Adjustments

Market Adjustment Pool	\$1,500,000
1% Salary Increase	1,500,000
TOTAL	\$3,000,000

WKU % Salary Increase

2012-13	2% Across the Board
2011-12	1% (\$500 floor/\$1,000 ceiling)
2010-11	1.5% (09/10 increase made permanent) 2% Across the Board
2009-10	1.5% One Time Pay (\$500 floor/\$1,000 ceiling)
2008-09	\$500 Full Time Employees \$284,000 Faculty Salary Compression/Market Adjustment
2007-08	4% Merit \$317,000 Faculty Market Adjustments
2006-07	3% \$75,000 Equity Adjustments (second six months)
2005-06	4% Merit \$75,000 Gender/Ethnicity Equity Study, Salary Adjustments
2004-05	3% Merit \$135,000 Police Market Equity Adjustments
2003-04	3.7% Average Merit \$310,000 Gender/Ethnicity/Market Adjustments