

had six action items and reports. FCR 1 was a consent item; however he wanted to recognize the Kentucky Christian Foundation of Lexington, Kentucky for their \$100,000 gift which is eligible to be matched by the state through the Endowment Match Program. On behalf of the University, he thanked the Kentucky Christian Foundation and others for their generous support and contribution to the University.

L. Proposed 2010-11 Tuition and Mandatory Fees Schedule (FCR 2)

Mr. Branscum said that FCR 2 is for the proposed 2010-11 tuition and mandatory fees schedule. Vice President of Financial Operations and Treasurer Angie Martin made an excellent PowerPoint presentation and provided a lot of good information about the University financials, budget support, and documents as well.

FCR 2 requests that the Board approve the proposed 2010-11 tuition and mandatory fee schedule. The tuition and mandatory fee rates reflect a 6 percent increase for most resident and non-resident students.

At its April 23, 2010 meeting, the Council on Postsecondary Education established maximum increases for undergraduate, in-state tuition and mandatory fees: four percent for KCTCS; five percent for comprehensive institutions; and six percent for research institutions (UK and University of Louisville). The different increases by sector reflect the distinct missions and mandates of the institutions.

At UK, undergraduate resident tuition and mandatory fees will increase from \$4,061.50 to \$4,305.00 per semester for incoming freshmen. The University expects the resident undergraduate rates to remain below the median rate of the Top 20 institutions. Applications to the University remain strong.

UK's recommended rates were based upon five considerations:

- CPE parameters.
- State appropriations, which are expected to decrease 1.4 percent or \$4.3 million.
- Estimated fixed cost increases.
- Investments in General Education reform to maintain momentum.
- Affordability concerns.

Even with this increase in rates, the University will be required to reduce costs and reallocate funds. The University administration continues to work on the 2010-11 budget and will present a recommendation to the Board at the June 8 meeting.

Mr. Branscum reported that there was a lot of good input from the Committee and other Board members present. The Board is very sensitive to the affordability of education at the University as well as the understanding of the finance and business decisions made. On behalf of the Finance Committee, he recommended approval of FCR 2. Mr. Stuckert seconded the