



Northern Kentucky University
Board of Regents Materials

May 17, 2018

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PRESIDENTIAL RECOMMENDATIONS

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AGENDA
Northern Kentucky University

Board of Regents Meeting
NKU, Student Union 104 – Thursday, May 17, 2018– 5:00 p.m.

5:00 p.m.

- **Call to Order**
- **Roll Call**

A. Presentation:

Budget and Tuition Presentation (Hales)

B. Presidential Recommendations:

1. FY 2018-2019 Tuition Rate
2. FY 2018-2019 Annual Operating Budget Resolution

C. Executive Session:

D. Presidential Recommendations (continued):

3. US-27 Ground Lease

RECOMMENDATION:

That the Board of Regents approves the tuition for the 2018-19 academic year at the rates proposed in the Authorized Schedule of Tuition (attached). The President will submit tuition rates for the 2018-19 academic year to the Council on Postsecondary Education (CPE) for approval at the June 22, 2018 CPE meeting.

SUMMARY

Undergraduate

The rate increase for resident students is \$12 (3.1%) per credit hour and \$144 per semester for full-time students. The increase for nonresident students is \$24 (3.1%) per credit hour and \$288 per semester for full-time students.

Graduate

The per credit hour rate increase is \$29 (5.0%) for resident students, \$35 (5.0%) for Ohio/Indiana students, and \$45 (5.0%) for nonresident students.

To remain competitive with area colleges, the College of Education's Doctorate and Master of Education will remain at the FY2017-18 approved rates.

The College of Business Master of Business (MBA) program is increasing \$25 per credit hour (5.0%). The other College of Business graduate programs will remain at the FY 2017-18 approved rates.

The Doctor of Nursing Practice (DNP) is increasing \$25 per credit hour (3.9%). The Certified Registered Nurse Anesthetist (CRNA) is increasing \$29 per credit hour (4.0%). The Master of Science in Nursing (MSN) is increasing \$24 per credit hour (3.9%).

Chase Law

The rate increase for resident students is \$37 (5.0%) per credit hour and \$481 per semester for full-time students. The increase for nonresident students is \$60 (5.0%) per credit hour and \$780 per semester for full-time students.

BACKGROUND:

CPE has the statutory authority to set tuition rates and mandatory fees for Northern Kentucky University in accordance with KRS 164.020. CPE approved a 2-year rate cap of 6% with no more than 4% in either year on resident undergraduates at the April 27, 2018 council meeting.

CPE's policy for nonresident student tuition and fees requires institutions to charge a tuition and fee rate to nonresident students that generates revenue sufficient to cover 100 percent of their direct instructional and student services costs.

CPE policy allows institutions to set graduate, law, and doctorate tuition at market competitive rates.

NORTHERN KENTUCKY UNIVERSITY
Schedule of Tuition & Mandatory Fees

	Tuition 2017-18 Rate	Tuition 2018-19 Rate	\$ Increase 2018-19	% Increase 2018-19
<u>UNDERGRADUATE</u>				
CREDIT HOUR				
Resident	\$390	\$402	\$12	3.1%
Metro (returning)	\$590	\$608	\$18	3.1%
Nonresident	\$780	\$804	\$24	3.1%
Online	\$426	\$437	\$11	2.6%
RN-BSN Online Partner Rate (Note 1)	\$330	\$330	\$0	0.0%
Pace	\$415	\$427	\$12	2.9%
School Based Scholars per course (Note 2)	\$156	\$156	\$0	0.0%
FULL-TIME 12-16 Hours (Semester)				
Resident	\$4,680	\$4,824	\$144	3.1%
Metro (returning)	\$7,080	\$7,296	\$216	3.1%
Nonresident	\$9,360	\$9,648	\$288	3.1%
RN-BSN Online Partner Program Rate (Note 1)	\$9,900	\$9,900	\$0	0.0%
<u>GRADUATE AND DOCTORATE</u>				
GRADUATE				
Resident	\$584	\$613	\$29	5.0%
Ohio/Indiana	\$703	\$738	\$35	5.0%
Nonresident	\$898	\$943	\$45	5.0%
SNU Computer Science Program (Note 3)	\$700	\$735	\$35	5.0%
Online	\$624	\$653	\$29	4.6%
EDUCATION DOCTORATE				
Resident	\$684	\$684	\$0	0.0%
Ohio/Indiana	\$803	\$803	\$0	0.0%
Nonresident	\$998	\$998	\$0	0.0%
BUSINESS GRADUATE				
Resident	\$627	\$627	\$0	0.0%
Ohio/Indiana	\$737	\$737	\$0	0.0%
Nonresident	\$1,022	\$1,022	\$0	0.0%
Master of Business	\$499	\$524	\$25	5.0%
ELOC (Note 4)	\$34,950	\$34,950	\$0	0.0%
OTHER GRADUATE				
Master of Education (online)	\$518	\$518	\$0	0.0%
Doctor of Nursing Practice (DNP)	\$648	\$673	\$25	3.9%
Certificate in Nursing Anesthesia	\$717	\$746	\$29	4.0%
Master of Science in Nursing (MSN)	\$621	\$645	\$24	3.9%
College of Health Prof Norton	\$465	\$465	\$0	0.0%
St. Elizabeth RN-BSN	\$400	\$400	\$0	0.0%
Children's Hospital Grad	\$718	\$718	\$0	0.0%
St. Elizabeth MSN	\$545	\$545	\$0	0.0%
Mercy Health Online - GR	\$635	\$635	\$0	0.0%
<u>LAW</u>				
CREDIT HOUR				
Resident	\$745	\$782	\$37	5.0%
Nonresident	\$1,205	\$1,265	\$60	5.0%
SEMESTER (13-16 credit hours)				
Resident	\$9,685	\$10,166	\$481	5.0%
Nonresident	\$15,665	\$16,445	\$780	5.0%
LLM (Note 5)	\$28,950	\$28,950	\$0	0.0%

RECOMMENDATION:

That the Board of Regents approve the following resolution establishing and approving the Fiscal Year 2018-19 Annual Unrestricted Operating Budget for Northern Kentucky University.

Recommendation relating to Fiscal Year 2018-19 Budget, Northern Kentucky University, Board of Regents, May 17, 2018:

Be it resolved that, upon due consideration of the recommendation of the President, the Annual Unrestricted Operating Budget for Northern Kentucky University is hereby established and approved in an amount totaling \$236,000,000 for the fiscal year beginning July 1, 2018, and ending June 30, 2019.

The President is authorized to approve adjustments between the budget authorizations when such action appears, in his judgment, to represent the best interests of the University. However, any adjustment that alters the Annual Unrestricted Operating Budget authorization of \$236,000,000 shall be submitted to this Board for approval at its next regular meeting.

In the event that unrestricted sources of funds are not sufficient to equal projected unrestricted expenditures, the President shall take appropriate measures to reduce budgeted expenditure authorizations by amounts sufficient to insure that unrestricted expenditures do not exceed authorized unrestricted sources of funds.

In the incurrence of financial obligations and the expenditure and disbursement of University funds available under this authorization, all University units and University personnel or agents shall adhere to and observe applicable laws, regulations, and policies of both the Commonwealth of Kentucky and the University, which govern and control the expenditure of funds. Administrators of the various units shall not authorize nor incur any financial obligation in excess of the budget authorizations.

RECOMMENDATION:

That the Board of Regents authorize the President to execute a ground lease with Saint Elizabeth Medical Center (SEMC) so a developer can build a medical office building at the gateway of NKU's campus as part of a mixed-use development.

BACKGROUND:

In 2009, NKU adopted a Master Plan, entitled "A Guide to a Residential, Student Focused Learning Community" (NKU Master Plan). After consultation with the Board of Regents, the University issued a Request for Proposal (RFP) on March 16, 2016, to develop a portion of its campus into a mixed-use development through a private partnership consistent with the NKU Master Plan.

The University entered into a Master Development Agreement with FPNKU, LLC (Developer) on December 21, 2017 to develop a "Town and Gown" site at the campus gateway located at Nunn Drive and US-27 to include retail, residential and office components as well as potentially a hotel and garage component (the "Gateway Project"), as specified in the RFP and the NKU Master Plan.

The Gateway Project will be located on real property consisting of approximately 14 acres in the aggregate, generally described as the "1A" site, bounded on the north by Nunn Drive, on the east by Alexandria Pike (also known as US-27), on the south by Marshall Lane and on the west by an access drive to the BB&T Arena, and the "1B" site, bounded on the north and west by Faren Drive, on the east by Alexandria Pike (also known as US-27) and on the south by Nunn Drive.

In the first phase of the Gateway Project, SEMC will enter a ground lease of the 1B real property with NKU and a development agreement with Developer to build a medical office building on the 1B site. In the current proposal, the initial term of the ground lease with SEMC for the 1B site is 25 years with an option for renewals. SEMC will pay NKU an annual base rent consistent with market rates, which will escalate on a periodic basis.

Therefore, the President recommends that NKU move forward to finalize and execute the ground lease with SEMC.