

**Minutes of Budget & Finance Committee Meeting
Northern Kentucky University
October 31, 2024**

The Budget & Finance Committee of the Northern Kentucky University Board of Regents met on Thursday, October 31, 2024 in the James C. and Rachel M. Votruba Student Union, Room 105. The meeting was conducted as a video teleconference pursuant to KRS 61.826.

Meeting Opened

Committee Chair Brad Zapp called the Budget & Finance Committee to order at 9:30 am, and asked Tammy Knochelmann, Secretary to the Board of Regents to call roll.

Roll Call

The following members of the Budget & Finance Committee were present: Shea Conley, Cori Henderson, Ken Perry, Sandra Spataro, Brad Zapp.

Ms. Knochelmann announced that a quorum of the Committee was present.

NKU Senior Staff in Attendance: Cady Short-Thompson, President; Chris Calvert, Vice President for Administration & Finance/CFO, Karen Mefford, Associate Vice President, Financial Services; Christina Roybal, Vice President and Athletic Director; Jamie Younger, Director of Budget & Financial Planning, Grant Garber, Vice President for Legal Affairs & General Counsel; Tammy Knochelmann, Executive Assistant to the President & Secretary to the Board of Regents

Introduction of New Committee Member

Chair Zapp introduced new Regent Shea Conley and welcomed him to the committee.

Approval of Minutes

Regent Spataro seconded Regent Perry's motion to approve the minutes of the August 29, 2024 Budget & Finance Committee Meeting. (**Motion carried**)

Business Items

CFO Report

Fiscal Year End 2024 Audit: VP Calvert summarized the Fiscal Year End 2024 Audit conducted by Dean Dorton's external audit team. Noting that the review of the financial statements produced no material weakness or significant deficiencies, and no material noncompliance with financial statements was noted. However, for the second year, significant control deficiencies were identified in Federal Awards within the Financial Aid cluster. The report included three audit findings classified as Significant Deficiencies. One finding from FY23 that had been corrected was also included in the report.

FY25 Financial Report & Forecast: In the FY25 financial report presented by VP Calvert, it was highlighted that the University experienced a successful spring season, marked by strong performance indicators. Looking ahead to the Fall, the projections—made based on results up to September 30, 2024—suggest that both Personnel and Operating Expenses are on track to stay within the planned budget. This gives us a positive outlook moving into the upcoming months.

Vice President Calvert noted that housing expenses remained over budget but emphasized that the main factor contributing to this issue was debt service.

Regent Perry voiced his concerns again regarding the ongoing housing situation and the absence of a corrective action plan.

FY26 Budget and Long-Term Planning: Calvert provided an overview of the FY26 Budget timeline and introduced the FY26-30 Pro Forma, which outlines critical financial planning variables for the specified period. Key variables include projections for net tuition revenue, student fees, state appropriations, auxiliary revenue streams, miscellaneous revenues, personnel expenses, and overall operating costs.

President Short-Thompson shared that the objective for the fiscal year 2026 (FY26) of implementing a wage increase of 3%. VP Calvert noted that achieving this goal will necessitate securing additional funding of \$4.1 million to support the increase.

Information Items

ERP Modernization: Regent Perry voiced his concerns regarding the planned allocation of funds obtained from the state for the ERP project. Given these worries,

he has requested a private meeting with the President to discuss his thoughts and seek clarification on the project's financial strategy.

VP Calvert presented a draft timeline and example budget for the ERP implementation. The University's goal is to make a selection in January and start in March. Failing to begin in March would delay implementation by one full year.

Fees: VP Calvert discussed initial plans for a bundled fee that may qualify for financial aid and simplify the current fee structure. Undergraduate fees the administration is considering combining to support this initiative include:

- First-Year Transition
- Sophomore/Junior Career Development
- Senior Career Readiness

Athletics Update: VP/AD Roybal reviewed a comparison of institutional support and student fees as a percentage of university expenses among Horizon League members and similar institutions. The committee concluded that these numbers indicated NKU is on track with its institutional support and noted it is one of the only two schools not charging student fees. Regents Zapp and Perry expressed strong support for new undergraduate fees.

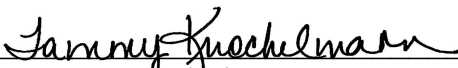
New Business

VP Calvert reminded the group of the Science Center Groundbreaking Ceremony taking place at 11:00 a.m. and encouraged everyone to attend.

Adjourn

Being there was no further business to discuss, at 10:44 a.m. Regent Henderson seconded Chair Zapp's motion to adjourn. (Motion carried)

Respectfully Submitted,



Tammy Knochelmann
Secretary to the Board of Regents