



# UNIVERSITY BUDGET ADDRESS

April 20, 2017



# Overview

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- Budget Context
- Budget Summary
- Strategic Budget Recommendations
- Next Steps
- Concluding Remarks

# Budget Context

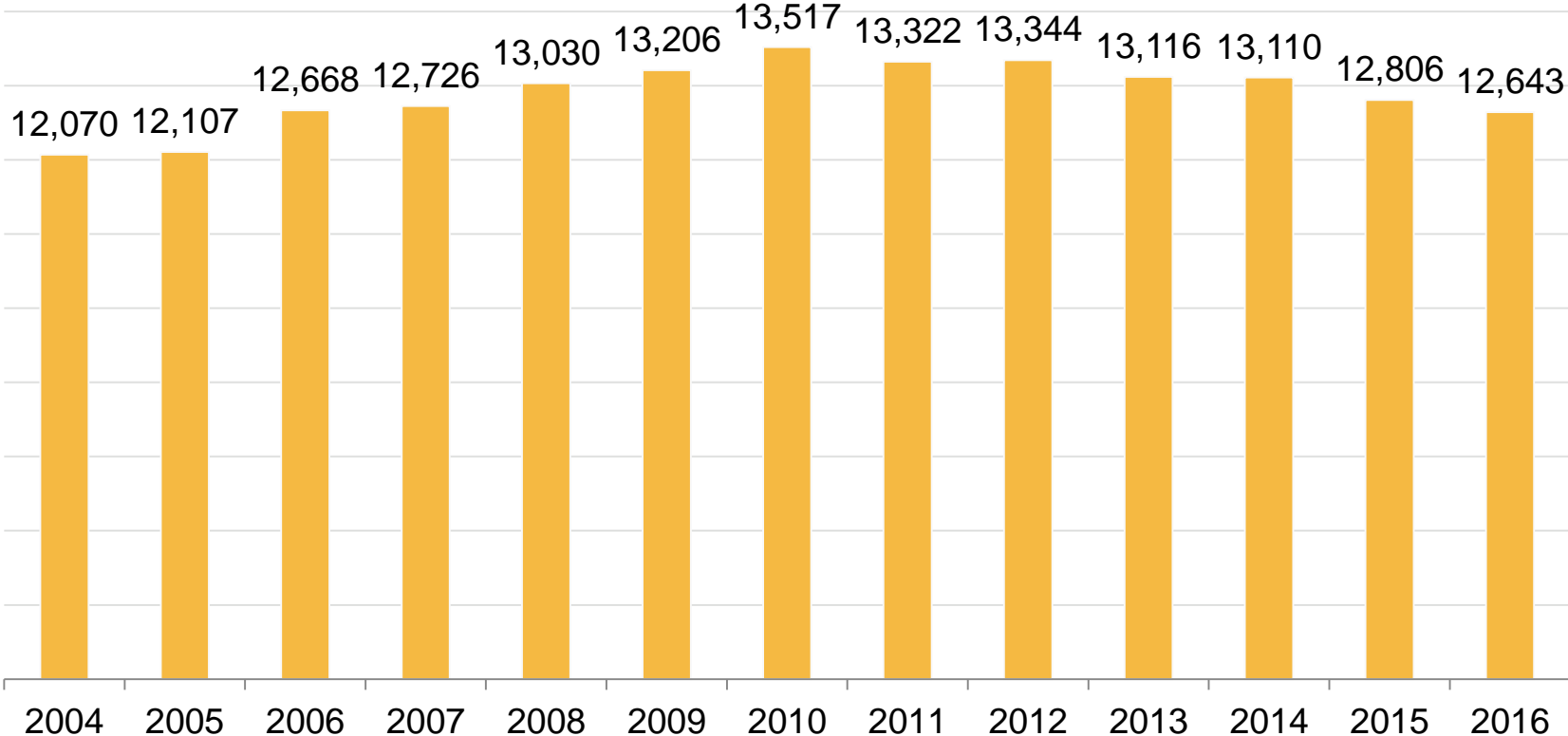
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- Enrollment
- Scholarship & Financial Aid
- Tuition & Affordability
- State Appropriation
- Fixed Costs

# ENROLLMENT

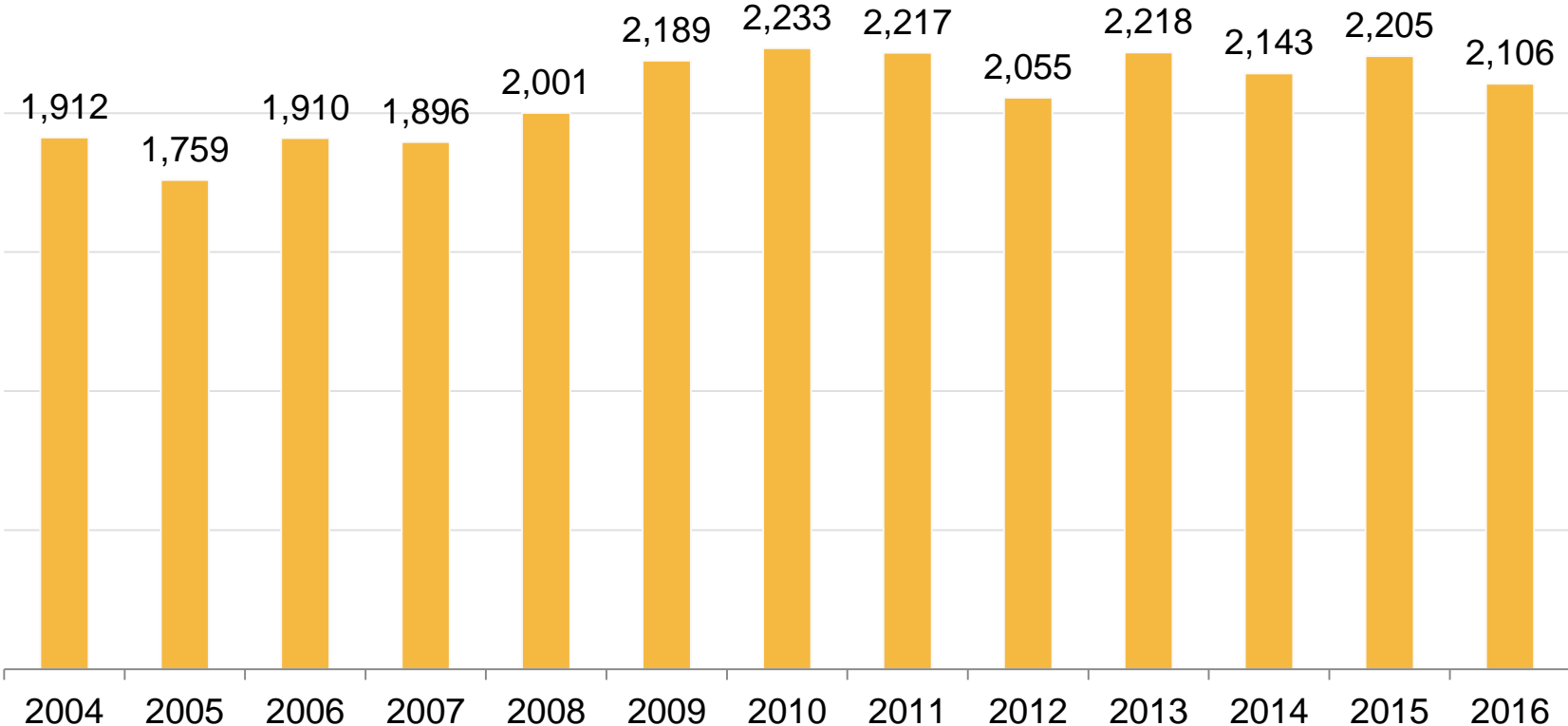
# Fall Enrollment

## UNDERGRADUATE

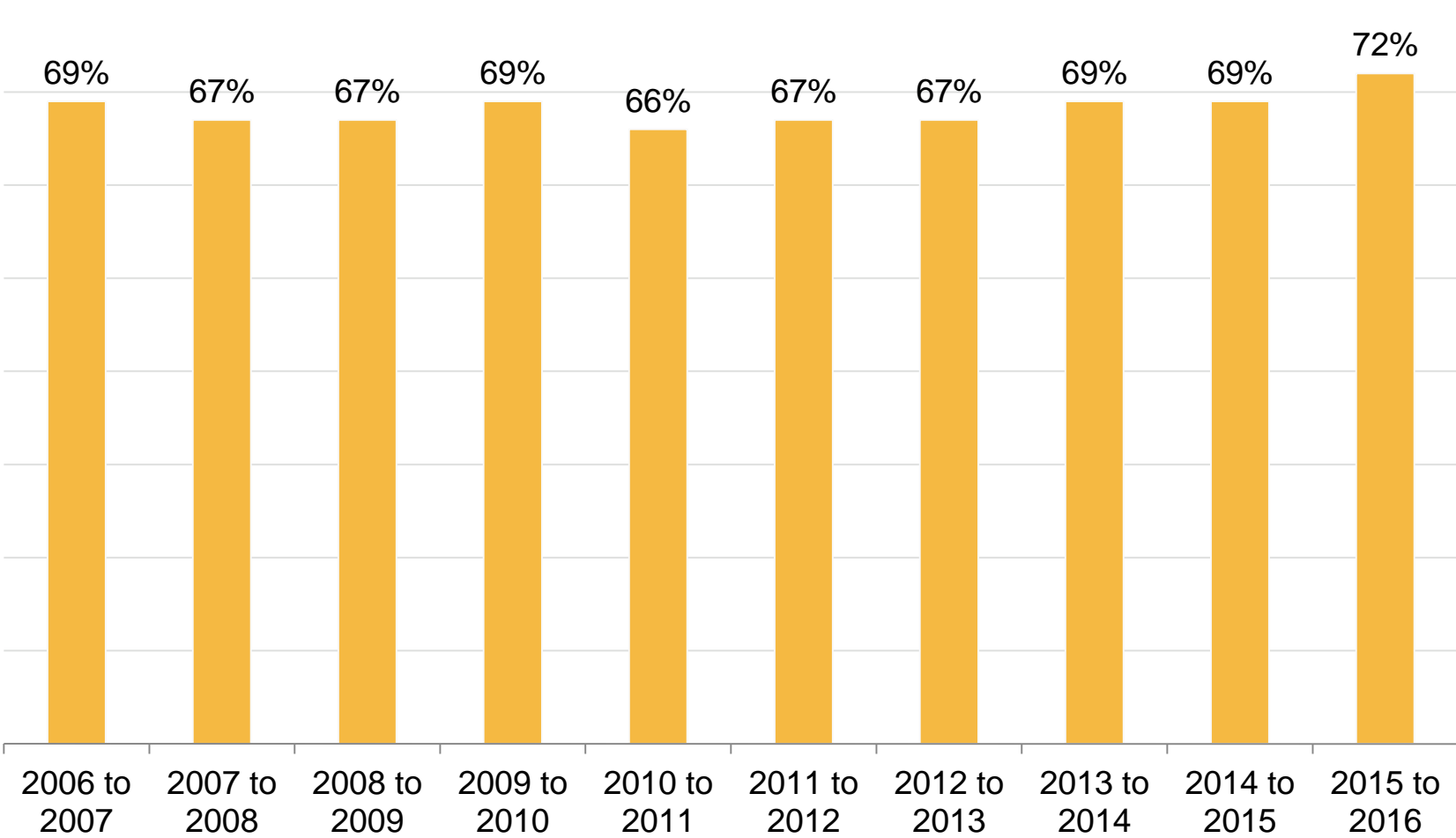


# Fall Enrollment

## NEW FRESHMEN

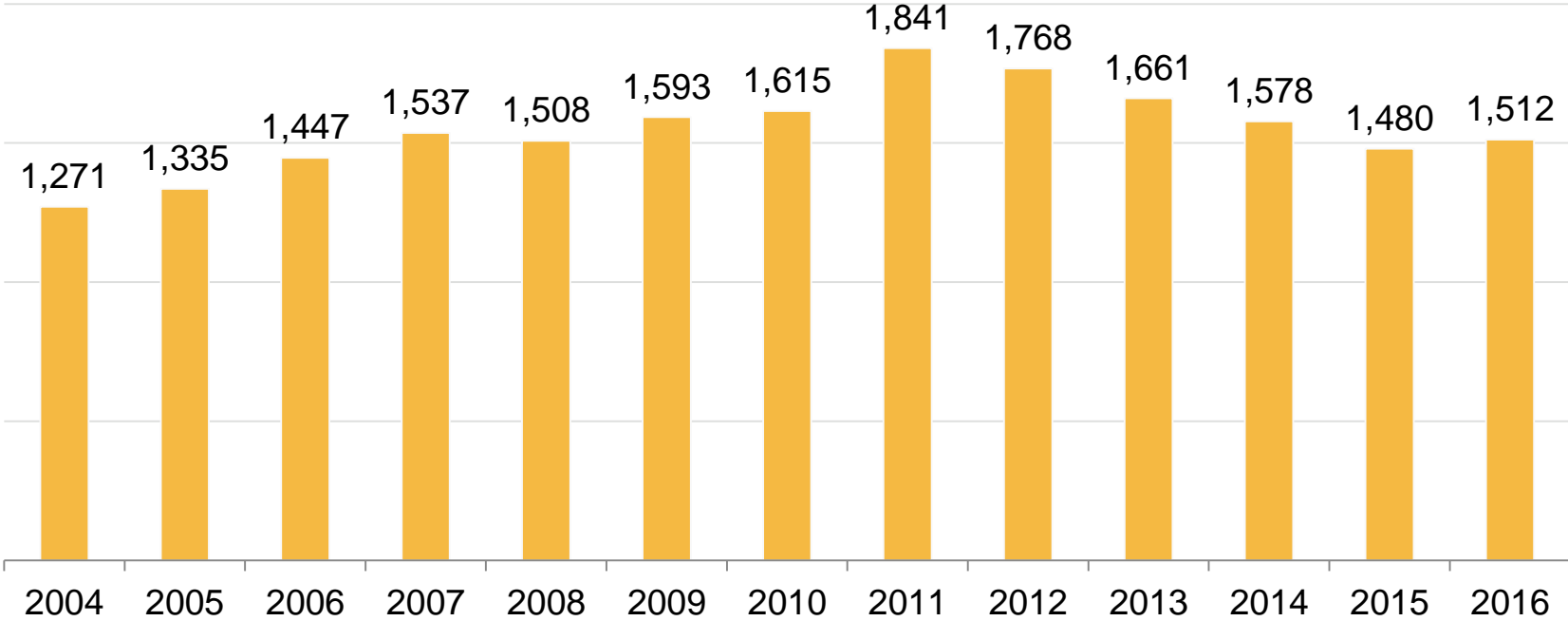


# Fall-to-Fall Retention



# Fall Enrollment

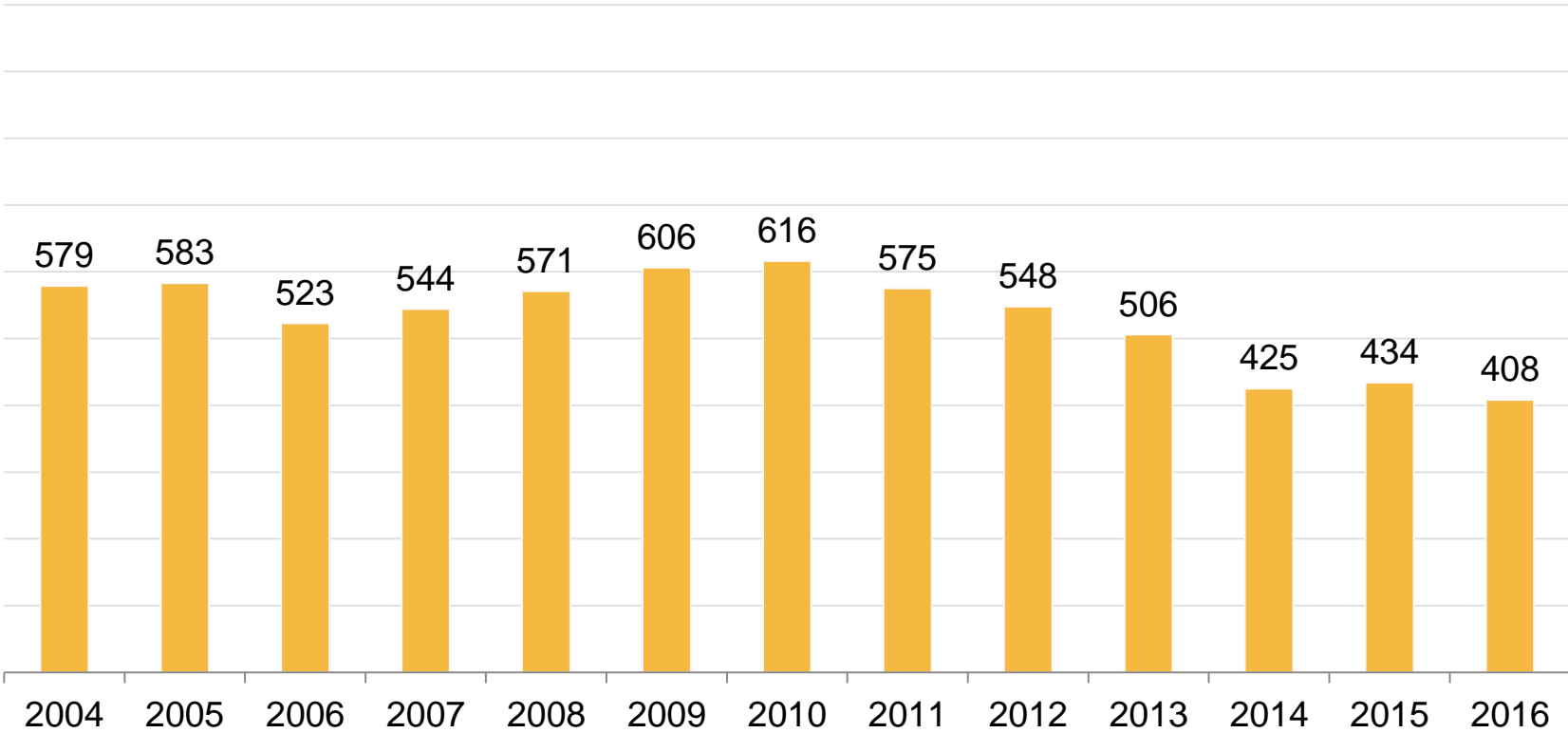
## GRADUATE





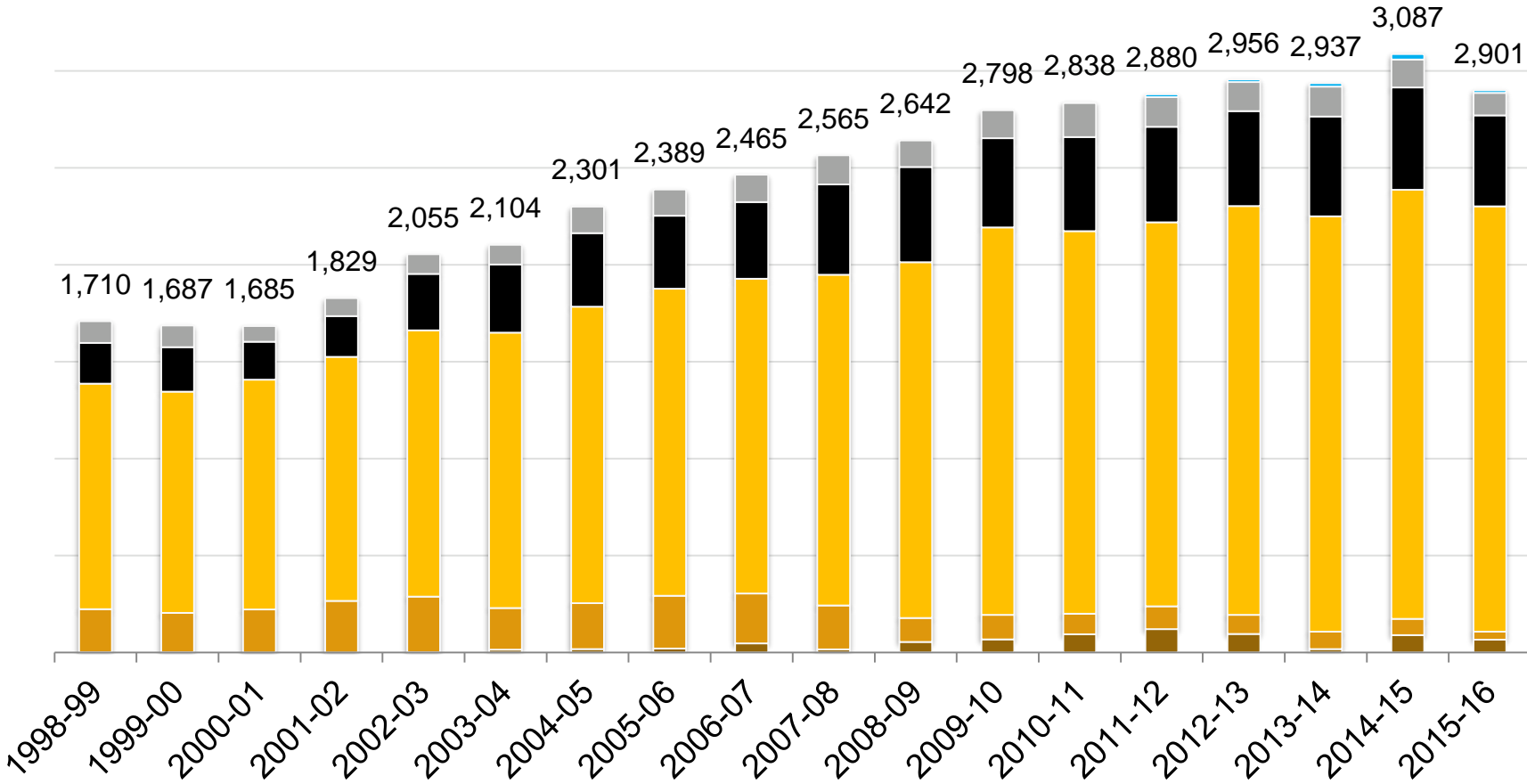
# Fall Enrollment

## CHASE LAW



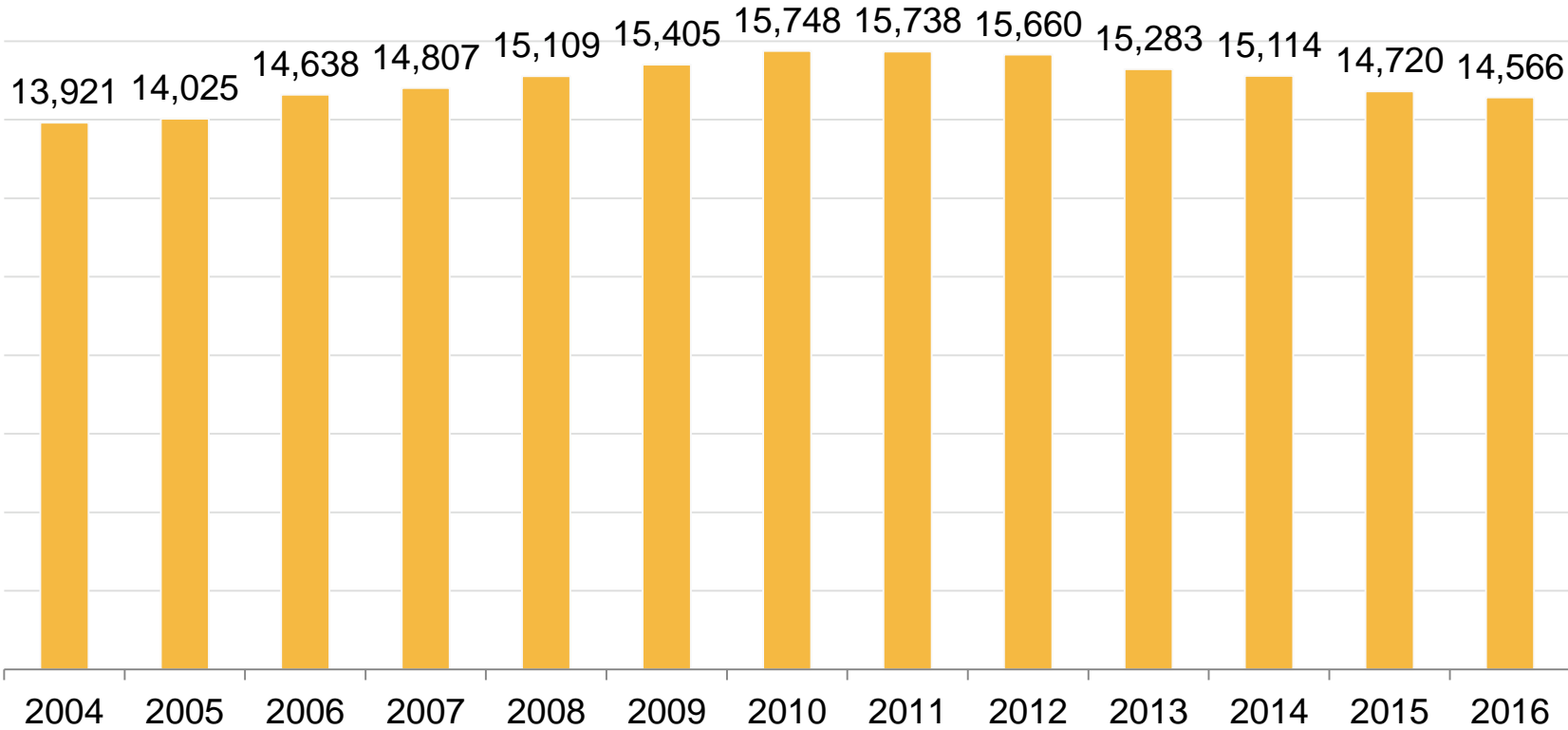
# Degrees & Credentials Conferred

■ Certificates ■ Associate's ■ Bachelor's ■ Master's ■ Law ■ Doctorate



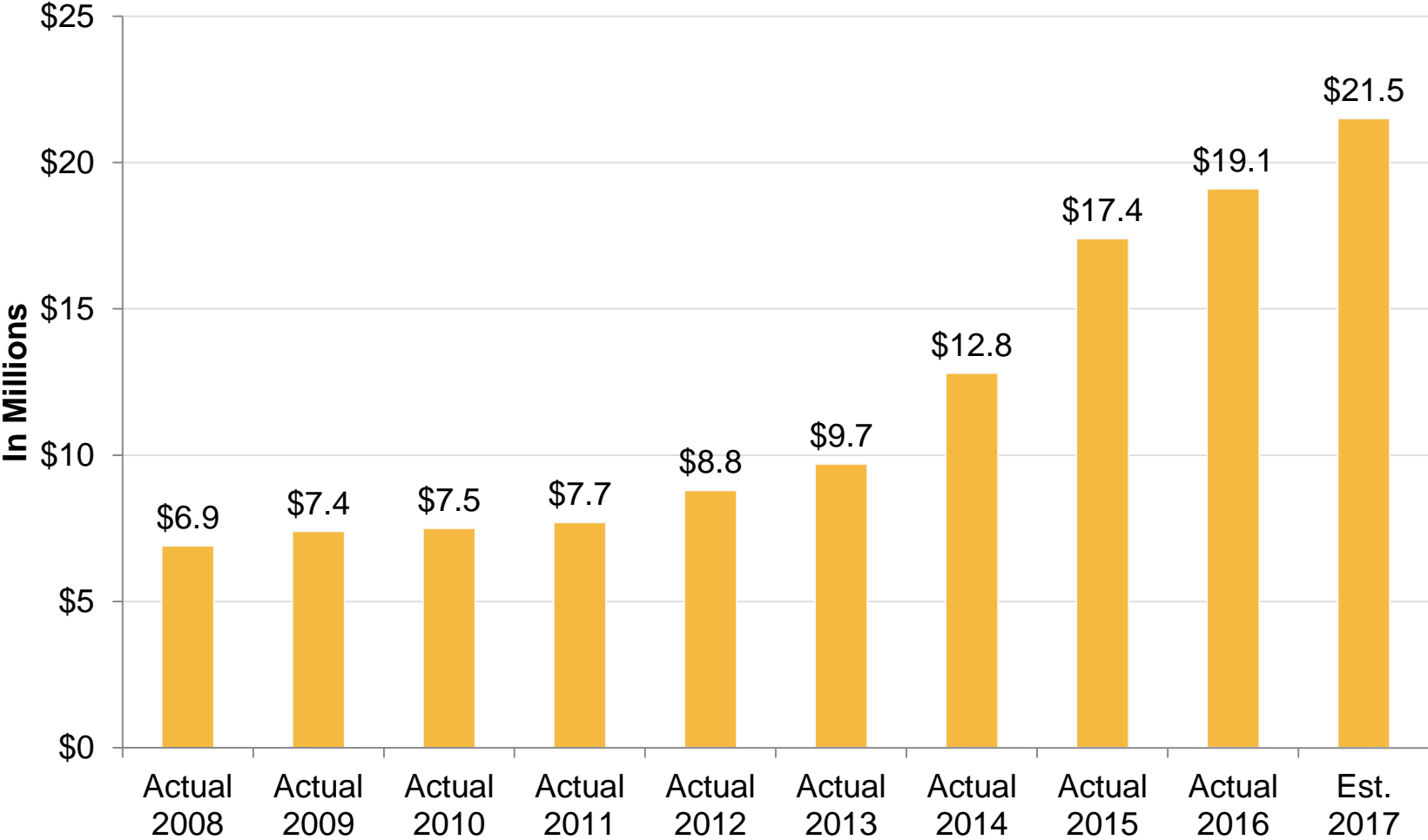
# Fall Enrollment

## TOTAL



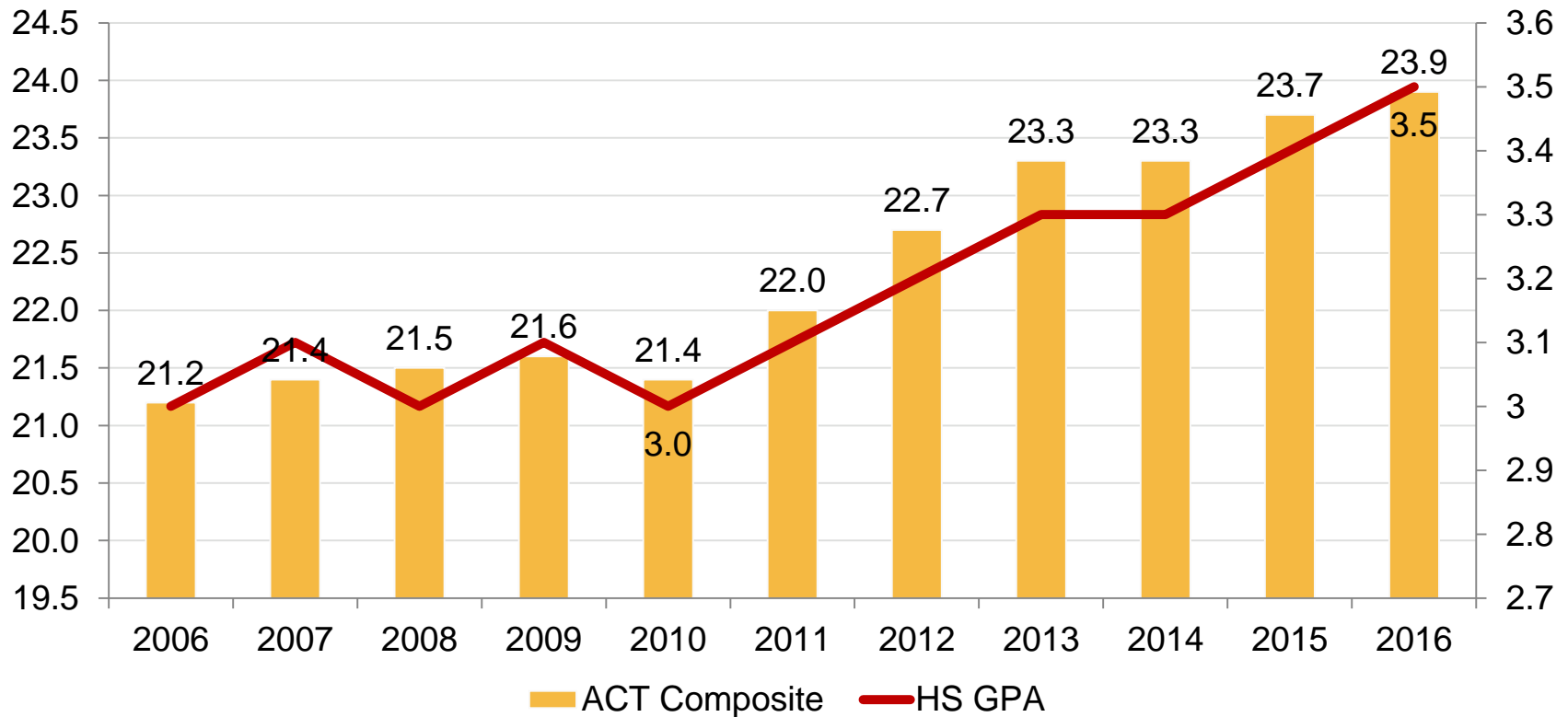
# **SCHOLARSHIPS & FINANCIAL AID**

# Scholarship Investments



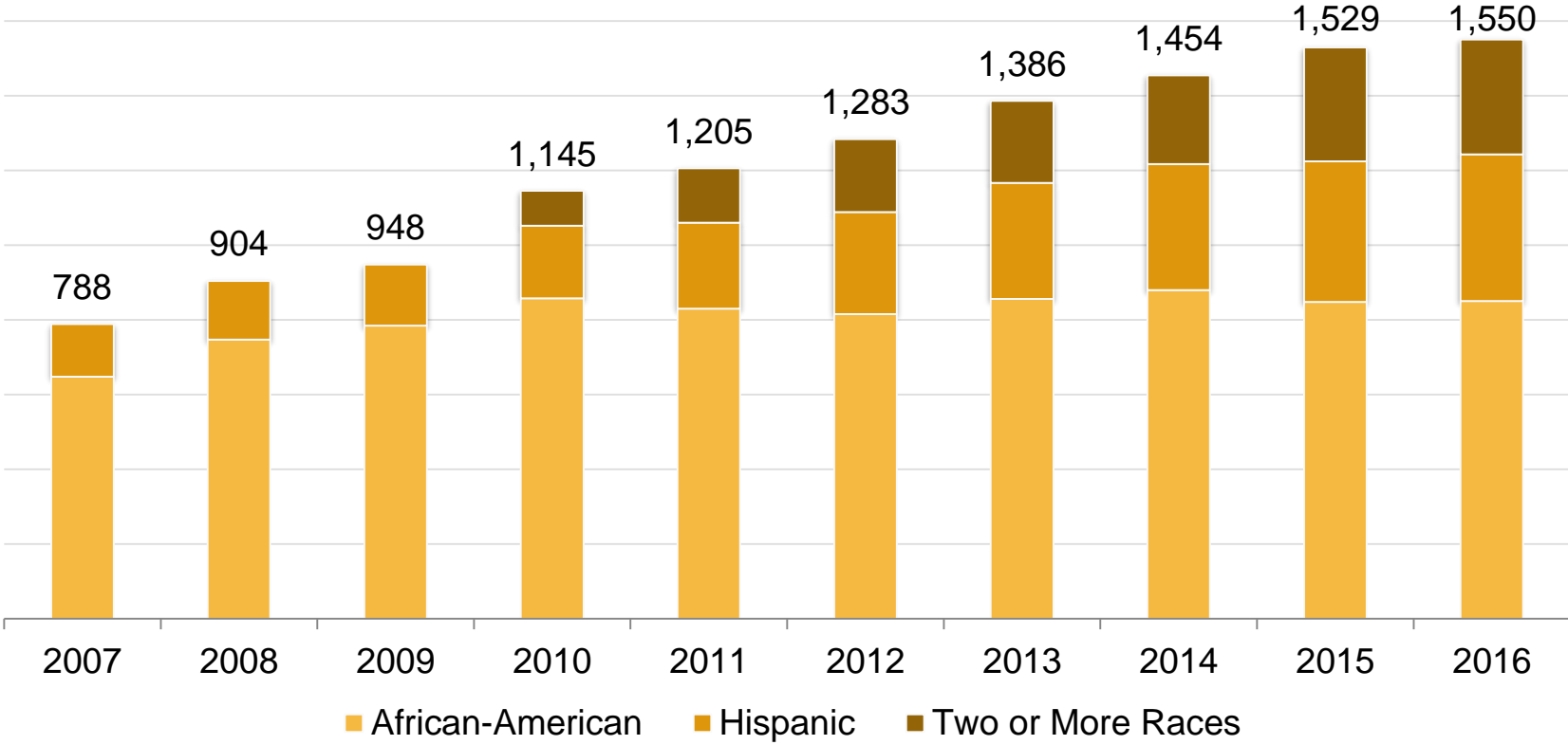
# ACT & High School GPA

## ENTERING FULL-TIME FRESHMEN



# Undergraduate Enrollment

## UNDERREPRESENTED MINORITY STUDENTS

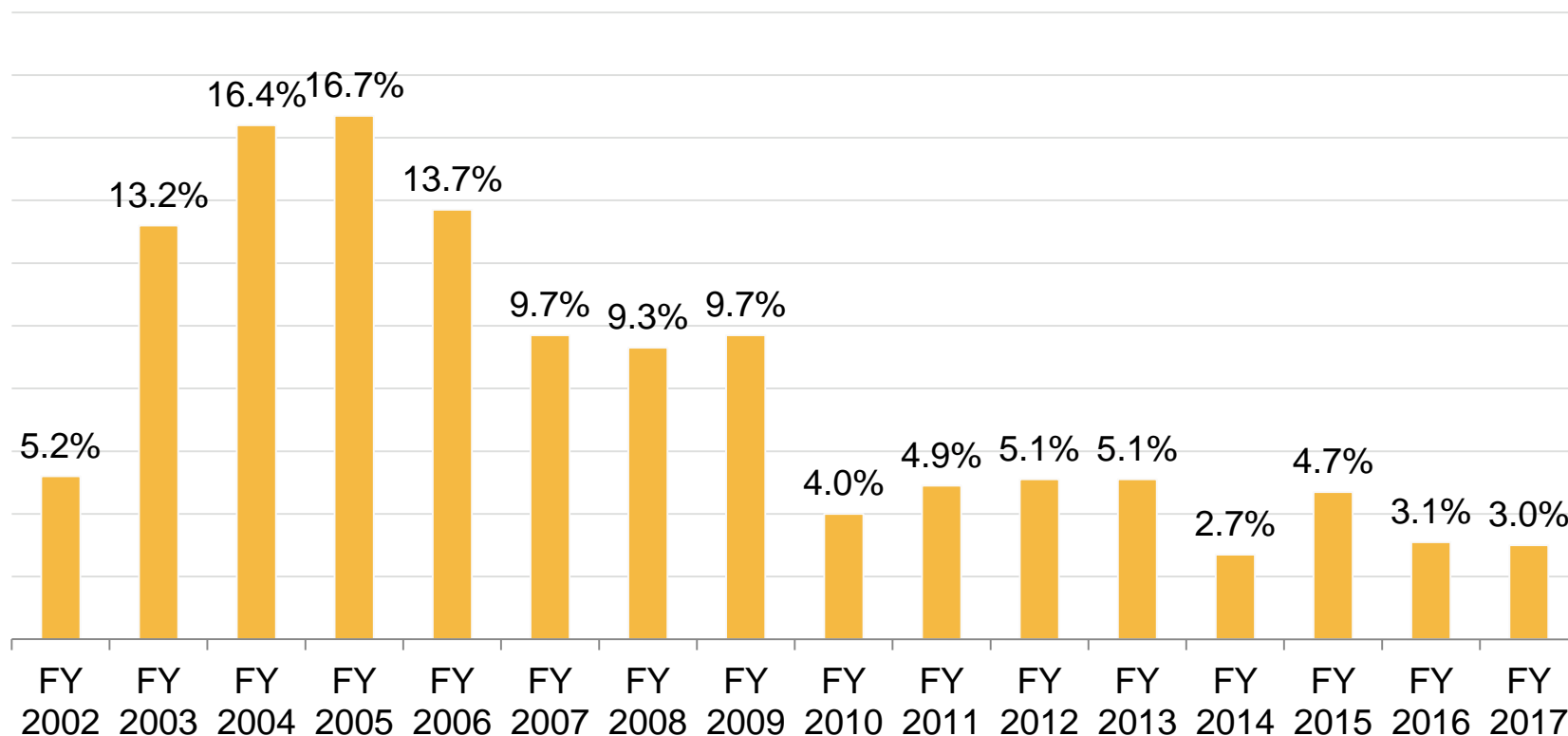


# TUITION & AFFORDABILITY



# Tuition Rate Increases

## RESIDENT UNDERGRADUATE



# Tuition Rate Increases

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2016-2017  
Undergraduate Resident  
Tuition Rate Base Per  
Semester: \$4,500

<b>2% Increase</b>	\$90
<b>4% Increase</b>	\$180
<b>6% Increase</b>	\$270

# STUDENT AFFORDABILITY

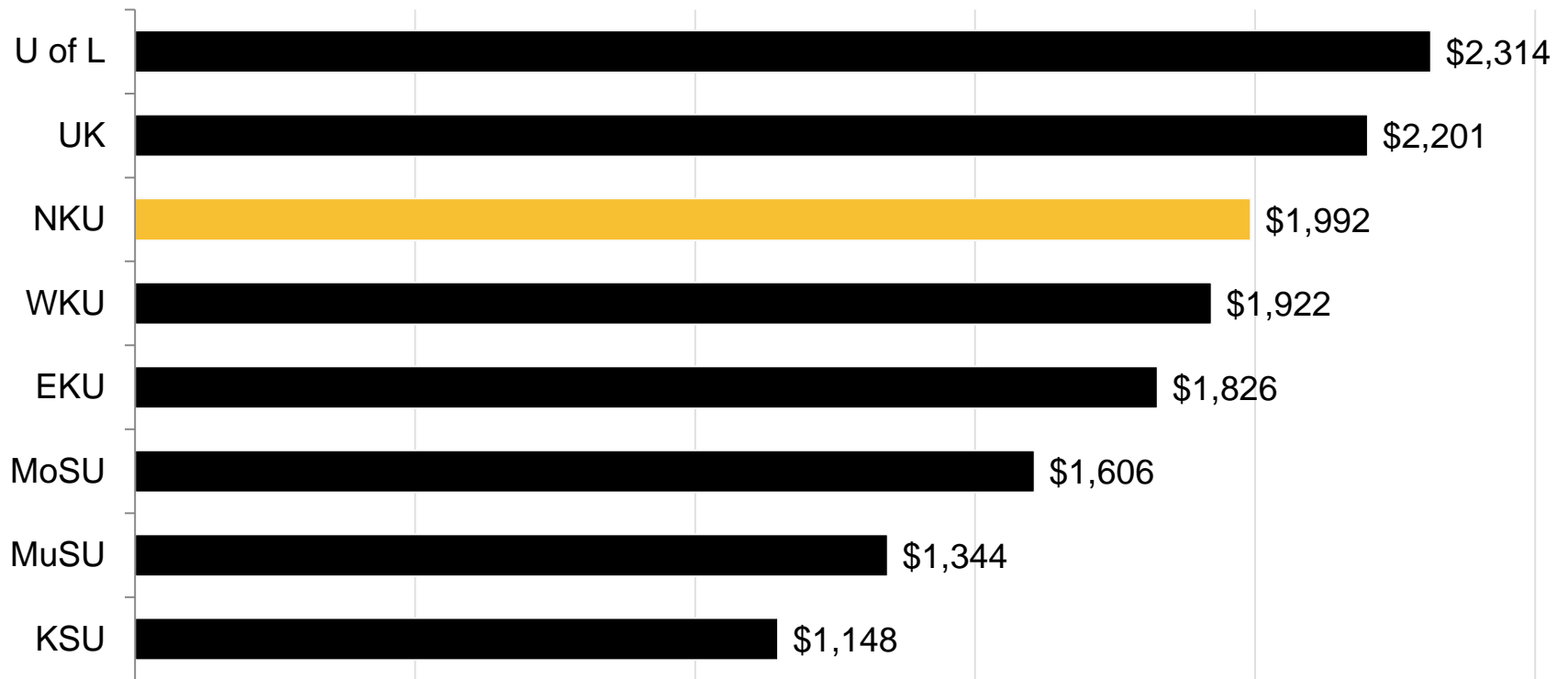
***Student affordability is a function of net-price not sticker price.***

***Sticker price ignores any federal, state, or institutional aid dollars received by the student.***

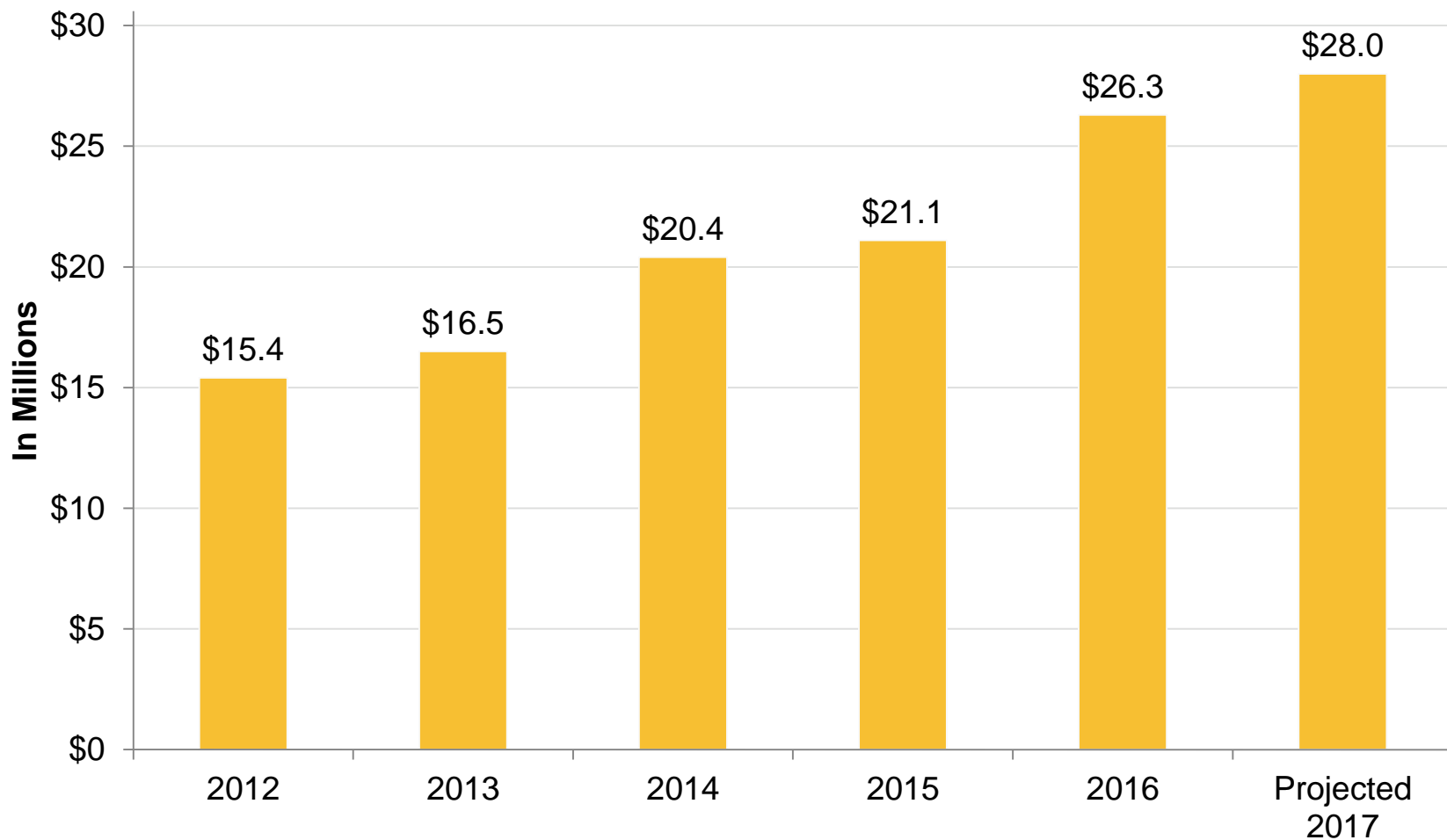
# Change in Sticker Price

2011-2016

## Change in Total Tuition & Fees

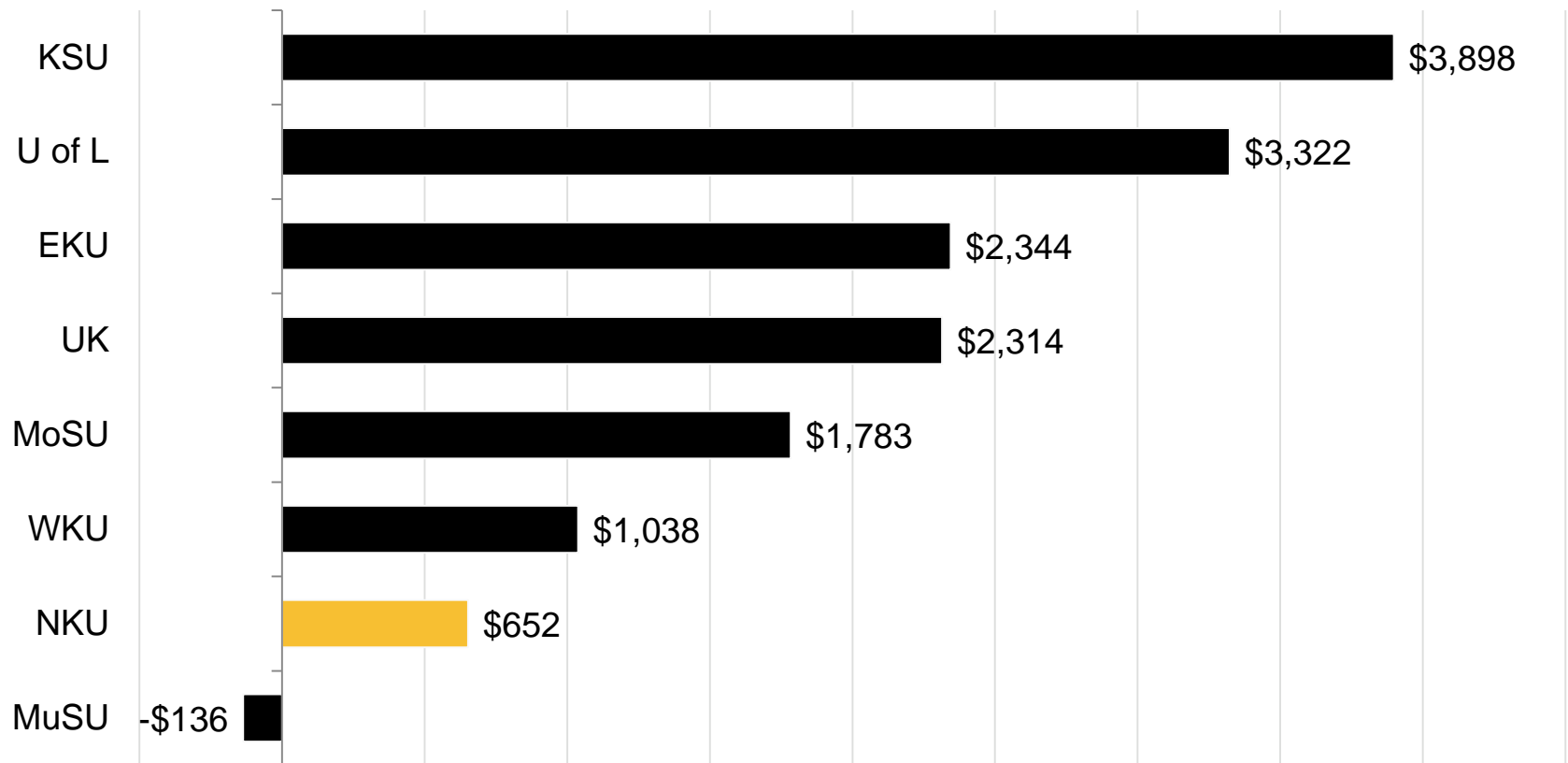


# Total Institutional Aid



# Change in Net Price

2011-2015

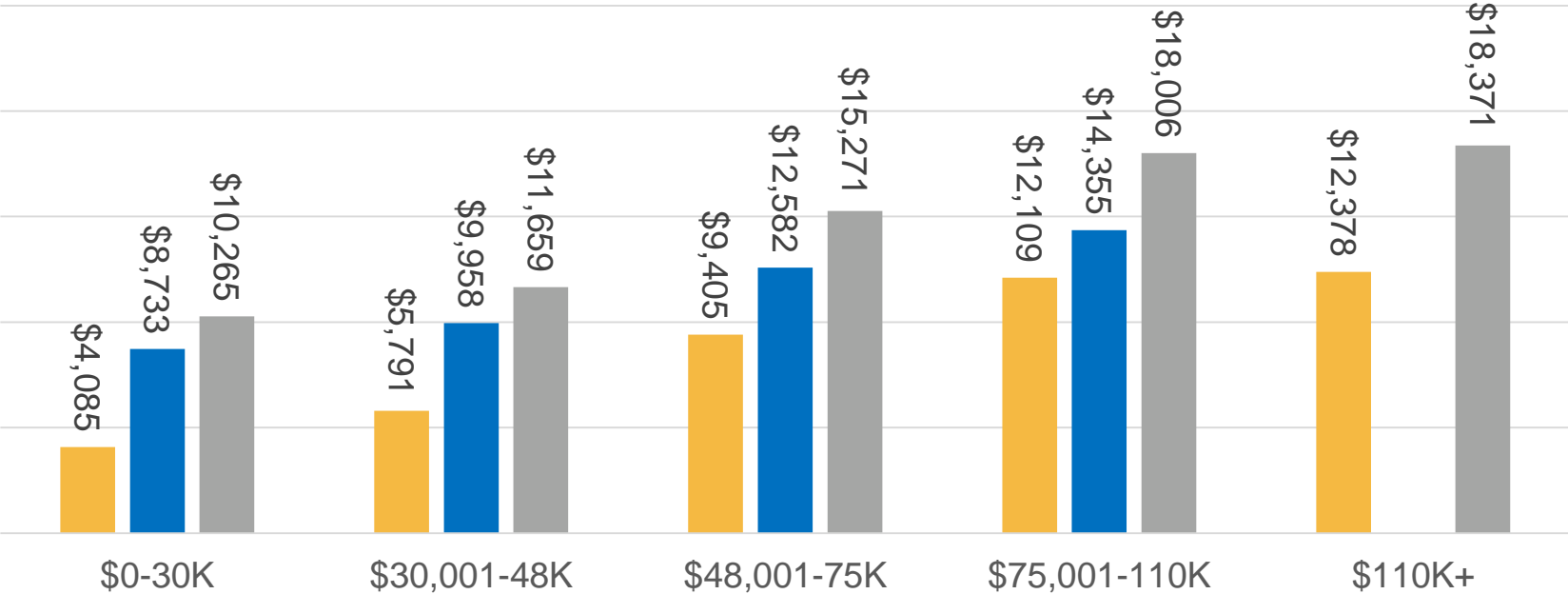


# Net Price by Family Income

At NKU, the net price for students in the lowest income bracket is 1/3 the cost for students in the highest.

2014-2015 Net Price by Family Income

■ NKU   ■ KY Comp Univ. Average   ■ KY Research Univ. Average



# **FY18 INSTITUTIONAL AID STRATEGY**

*NKU is implementing a new student aid strategy  
to further address affordability.*





# Goals

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- Increase student enrollment
- Maintain academic profile
- Improve accessibility and affordability
  - Low/Middle Income
  - Diversity
  - First Generation
  - Geographical
- Increase net tuition revenue
- Address unmet need to improve student success

# Key Performance Indicators

## OFFERED

	Fall 2016	Fall 2017	
TIP	451	817	↑
URM	203	443	↑
Low/Middle-Income	1,435	2,263	↑
First Generation	558	973	↑
Governor's Scholars	137	170	↑
Quality	3.7/25	3.7/25	=
Change in Net Revenue/Student	-	\$2,093	↑

# Key Performance Indicators

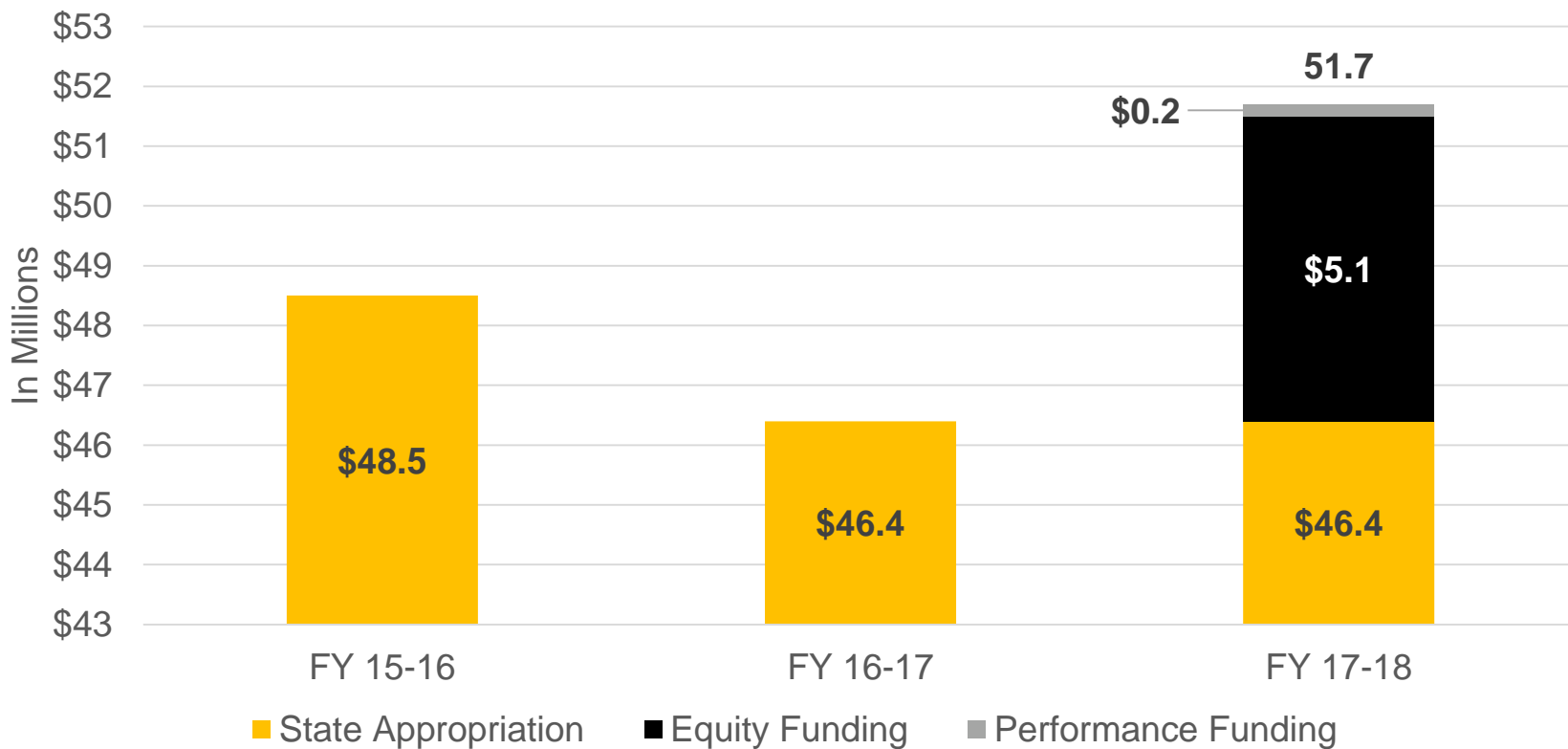
ACCEPTED

	Fall 2016	Fall 2017	
TIP	108	180	↑
URM	64	90	↑
Low/Middle-Income	539	656	↑
First Generation	182	267	↑
Governor's Scholars	16	45	↑
Quality	3.8/26	3.7/25	↓
Change in Net Revenue/Student	-	\$2,863	↑

# **2016-18 STATE APPROPRIATIONS**

# State Appropriations

2016-2018



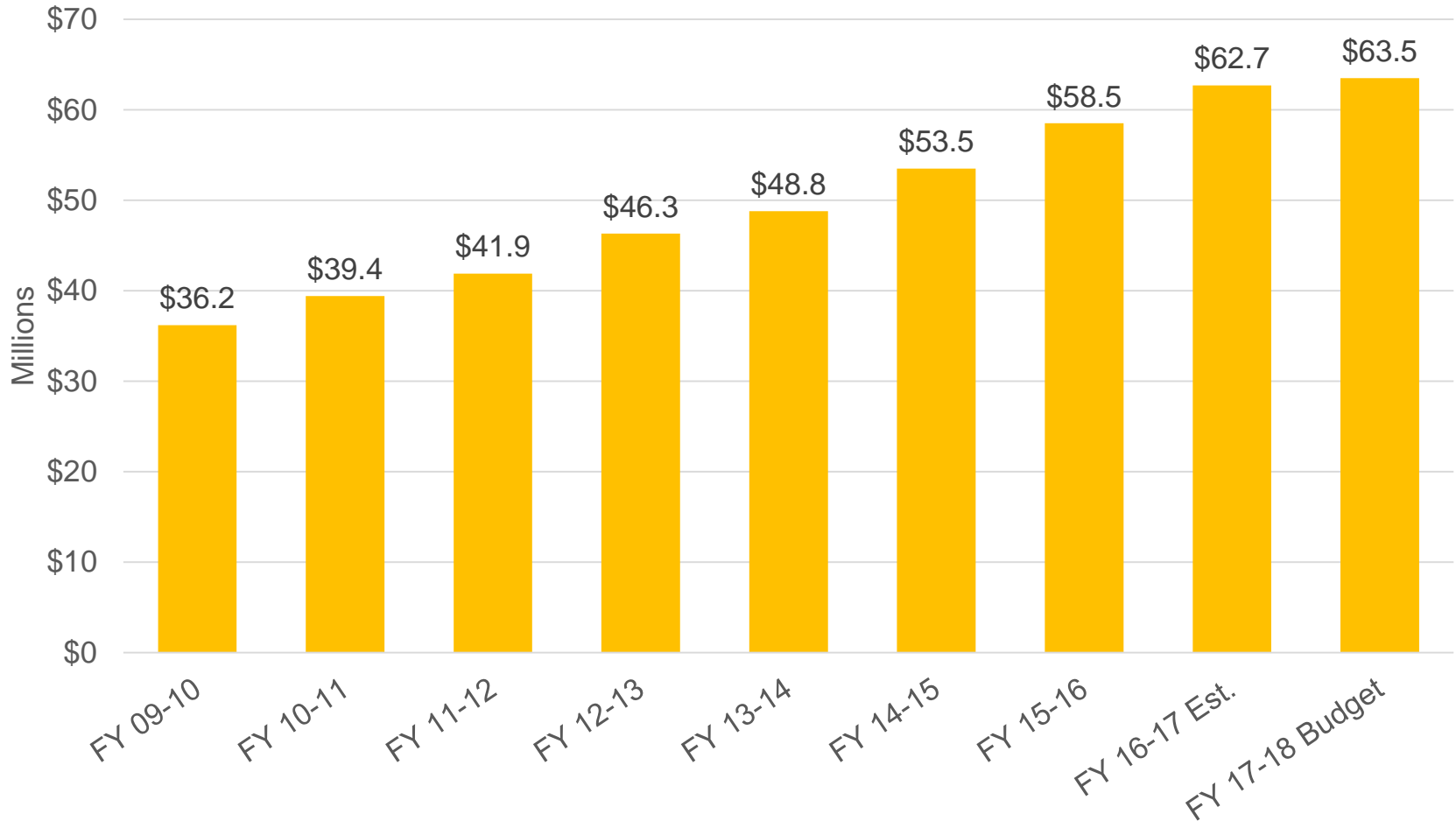
# FIXED COSTS

# Fixed Costs

## PROJECTED 2017-2018

	FY 2016-17 Original Budget	FY2017-18 Preliminary Budget	\$ Change	% Change
Fringe Benefits Rate Changes	\$41,730,184	\$42,080,184	\$350,000	0.8%
Faculty Promotions		217,200	217,200	
Utilities	4,515,500	4,584,918	69,418	1.5%
Hardware/Software Licenses	2,567,671	2,578,060	10,389	0.4%
Banking Srvcs and General Insurance	1,236,679	1,329,262	92,583	7.5%
Contract Services – Legal/Audit	309,890	320,300	10,410	3.4%
Other Fixed Cost	12,347,276	12,347,276	0	0.0%
<b>Total</b>	<b>\$62,707,200</b>	<b>\$63,457,200</b>	<b>\$750,000</b>	<b>1.2%</b>

# Total Fixed Costs





# BUDGET SUMMARY

# FY18 Budget Proposal

## SOURCE OF FUNDS

<b>Tuition</b>	
Tuition rate increase of 4%	\$4.9
Tuition shortfalls from enrollment declines in FY17 & FY18 <i>(assuming 2.5% enrollment decline in FY18)</i>	<u>(3.2)</u>
<b>TUITION REVENUE</b>	<b>\$1.7</b>
<b>Scholarships</b>	
Scholarship increases in FY17 & FY18	<u>(\$2.5)</u>
<b>NET TUITION REVENUE</b>	<b>(\$0.8)</b>

*Dollar amounts in millions*

# FY18 Budget Proposal

## SOURCE OF FUNDS

<b>State Appropriation</b>	
Equity funding in FY18	\$5.1
Increase from performance funding	<u>0.2</u>
<b>INCREASE IN NET STATE APPROPRIATION</b>	<b>\$5.3</b>
<b>Other Source of Funds</b>	
Elimination of WNKU subsidy	\$0.6
Increase in investment income	<u>0.4</u>
<b>INCREASE IN OTHER SOURCE OF FUNDS</b>	<b>\$1.0</b>

*Dollar amounts in millions*

# FY18 Budget Proposal

## USE OF FUNDS

Use of Funds	
KERS rate increase	\$0.4
Fixed cost increase	<u>0.4</u>
<b>NET USE OF FUNDS</b>	<b>\$0.8</b>

*Dollar amounts in millions*

# FY18 Budget Proposal

## SURPLUS

<b>Source of Funds</b>	
Tuition (less scholarship increases)	(\$0.8)
State appropriation	5.3
Other	<u>1.0</u>
<b>NET SOURCE OF FUNDS</b>	<b>\$5.5</b>
<b>Use of Funds</b>	
<b>NET USE OF FUNDS</b>	<b><u>(\$0.8)</u></b>
<b>Net Surplus</b>	<b>\$4.7</b>

*Dollar amounts in millions*

# **STRATEGIC BUDGET RECOMMENDATIONS**

- **Investments**
- **Sources of reallocations**
- **Anticipated impact**

# INVESTMENTS

# Compensation Increase

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**\$3,300,000**

3% pool



# Recurring Investments

## MANDATES & UNIVERSITY PRIORITIES

Compliance requirements	\$455K
Deferred maintenance	\$1.5M
Technology upgrades/replacement	\$1.1M
Other	<u>\$612K</u>
<b>TOTAL</b>	<b>\$3.7M</b>

# Non-Recurring Investments

## STRATEGIC INITIATIVES & OTHER NON-RECURRING INVESTMENTS

Bridge funding for new college programs	\$400K
Deferred maintenance	\$1.3M
Technology upgrades	\$900K
Other	<u>\$400K</u>
<b>TOTAL</b>	<b>\$3.0M</b>

# College Investments

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College of Education & Human Services faculty line	\$83K
College of Health Professions operating budget	\$75K
College of Business match funding	\$60K
College of Informatics faculty line	\$82K
College of Arts & Sciences advisor position	<u>\$55K</u>
<b>TOTAL</b>	<b>\$355K</b>

# Investments Summary

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Compensation increase	\$3.3M
Mandates & university priorities	\$3.7M
Strategic initiatives & other non-recurring	\$3.0M
College investments	\$0.3M
<b>TOTAL</b>	<b>\$10.3M</b>

# Sources/Uses of Funds

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Net surplus from sources/uses of funds	\$4.7M
Strategic initiative funding from colleges	\$1.0M
Non-recurring funds from net assets	\$1.8M
Investments	<u>(\$10.3M)</u>
<b>REMAINING DEFICIT</b>	<b><u>(\$2.8M)</u></b>

# Parking Rates

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	Approved Rates 16-17	Proposed Rates 17-18	\$ Increase
Faculty & Staff (full-time, per year)	\$355	\$370	\$15
Staff (part-time, per year)	\$180	\$185	\$5
Faculty (part-time, per semester)	\$27	\$29	\$2
Reserved parking (per year)	\$760	\$790	\$30
Students (full- and part-time, per year)	\$227	\$240	\$13
Student (per semester)	\$135	\$140	\$5
Summer Students	\$51	\$55	\$4

# Parking Rates

## Vendor, Visitor, & Event Buy Out

Title/Purpose	Approved Rates 16-17	\$ Increase	Proposed Rates 17-18	% Change
Vendor Permit (daily or weekly access) (per semester)	\$55	\$5	\$60	9.1%
Vendor Construction (per month)	\$60	\$15	\$75	25.0%
Frequent Visitor Parking Permit (Music Prep)	\$30	\$2	\$32	6.7%
Conference Rate (In house)	\$5	\$1	\$6	20.0%
Campus Recreation Center (CRC)	\$30	\$2	\$32	6.7%
Event Buy-Out of Lots:				
0 - 50 Vehicles	\$120	\$30	\$150	25.0%
51 - 100 Vehicles	\$195	\$55	\$250	28.2%
101 - 200 Vehicles	\$275	\$50	\$325	18.2%
201 - 250 Vehicles	\$350	\$75	\$425	21.4%
251 - 300 Vehicles	\$400	\$75	\$475	18.8%
301 - 350 Vehicles	\$450	\$75	\$525	16.7%
Over 350 Vehicles	\$525	\$75	\$600	14.3%
Conference Parking Services (Lots) (All)	\$600	\$100	\$700	16.7%

# Parking Lot Repairs

2016-2017

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Lot/Area	Cost
Lot Q	\$82,000
Lot T	\$131,000
Reserved Parking	\$19,000
Lot I	\$116,000
Maintenance Building Lot	\$99,000
<b>TOTAL</b>	<b>\$447,000</b>



# Parking Lot Repairs

## 2017-2018

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Lot/Area	Cost
Campbell Hall rear lot	\$64,000
Callahan Upper Old	\$42,000
Lot E	\$71,000
Lot J	\$23,000
Civic Center	\$51,000
Lot G	\$55,000
Campbell Drive Lot	\$25,000
Lot H	\$10,000
Lot above Volleyball	\$16,000
Norse Parking Lot	\$9,000
<b>TOTAL</b>	<b>\$366,000</b>

# Parking Lots – Current Condition

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# Parking Lot Repairs

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# Parking Lot Future Plans

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# **SOURCES OF REALLOCATIONS**

# STAFFING PATTERNS

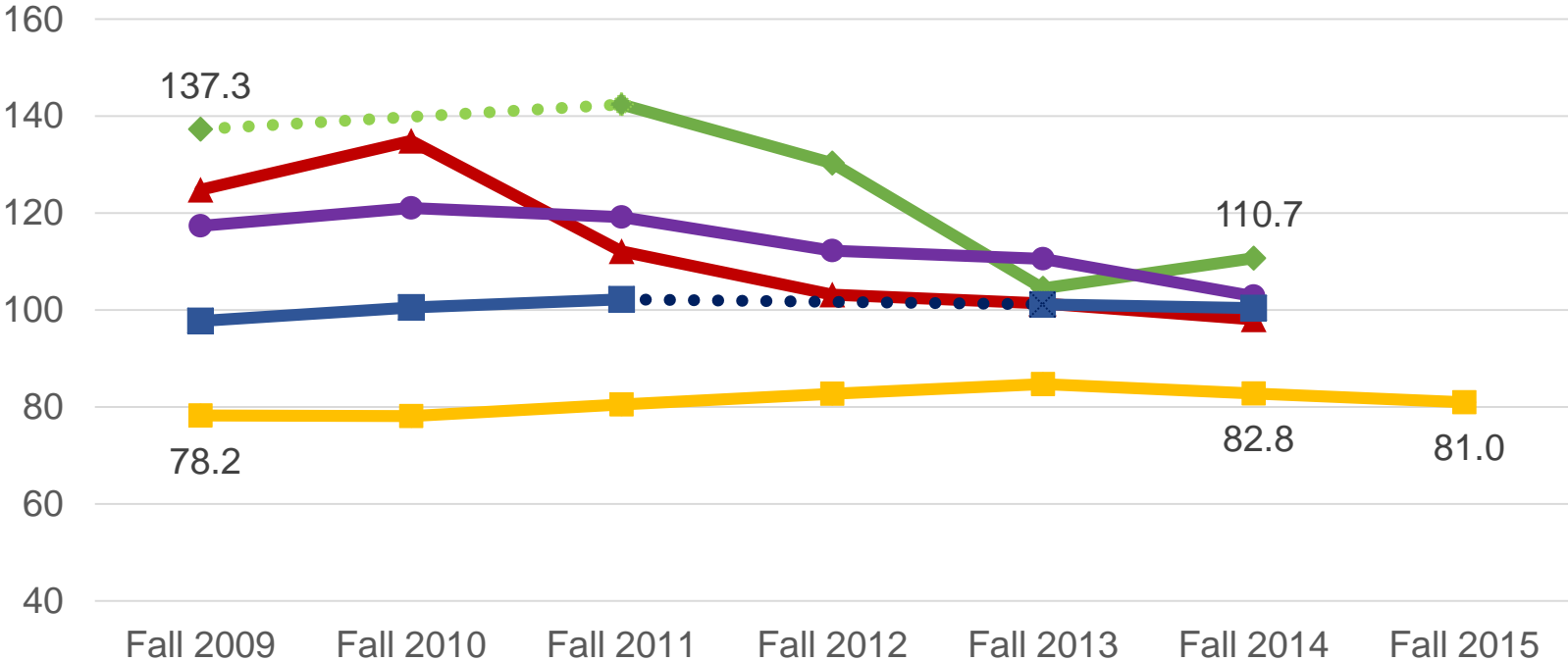
*NKU staffing ratios are the leanest among our Kentucky peers.*



# Staff to Student Ratio

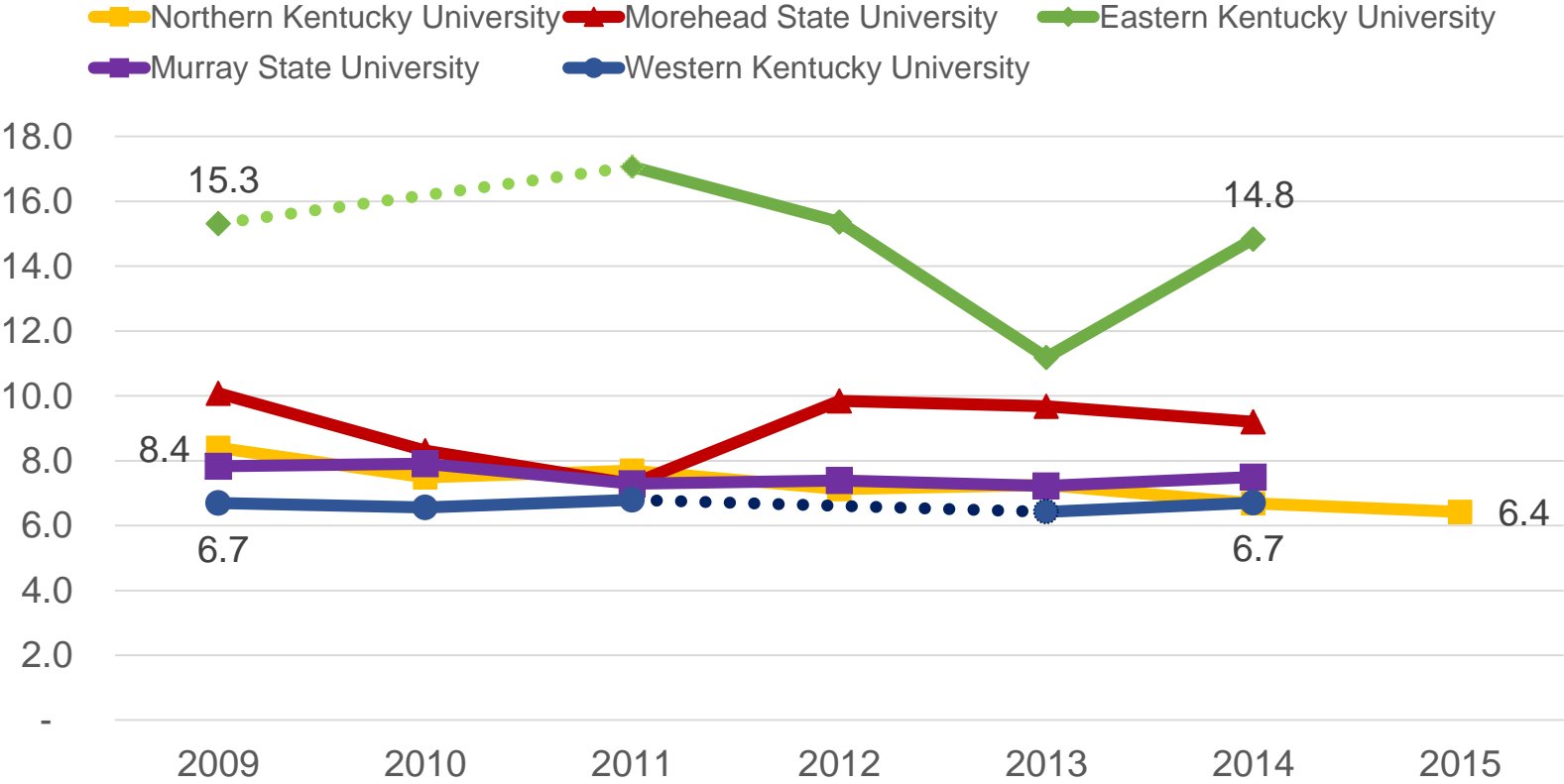
FTE Staff Per 1,000 FTE Students

Morehead State University Eastern Kentucky University Murray State University  
Western Kentucky University Northern Kentucky University



# Management to Student Ratio

FTE Management Per 1,000 FTE Students

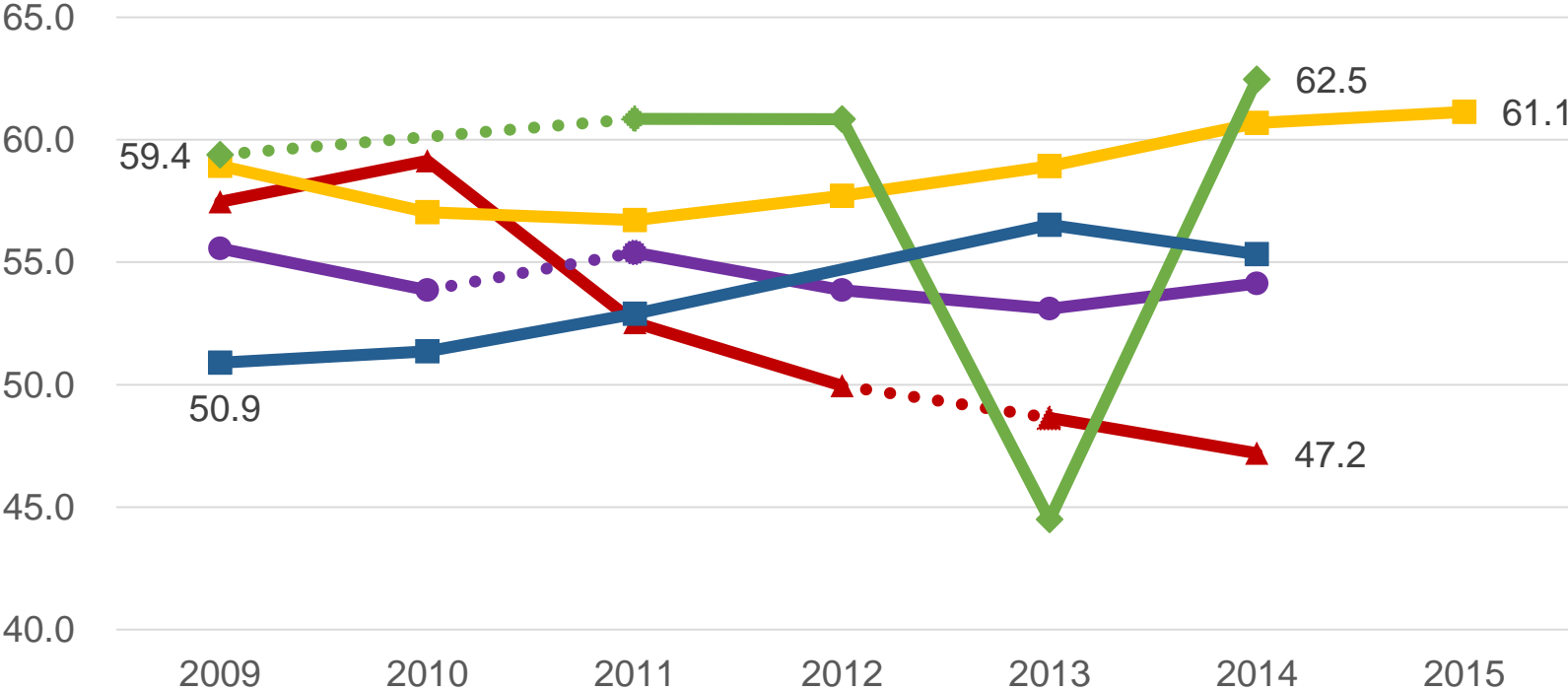




# Faculty to Student Ratio

FTE Faculty Per 1,000 FTE Students

Morehead State University Murray State University Northern Kentucky University  
Eastern Kentucky University Western Kentucky University

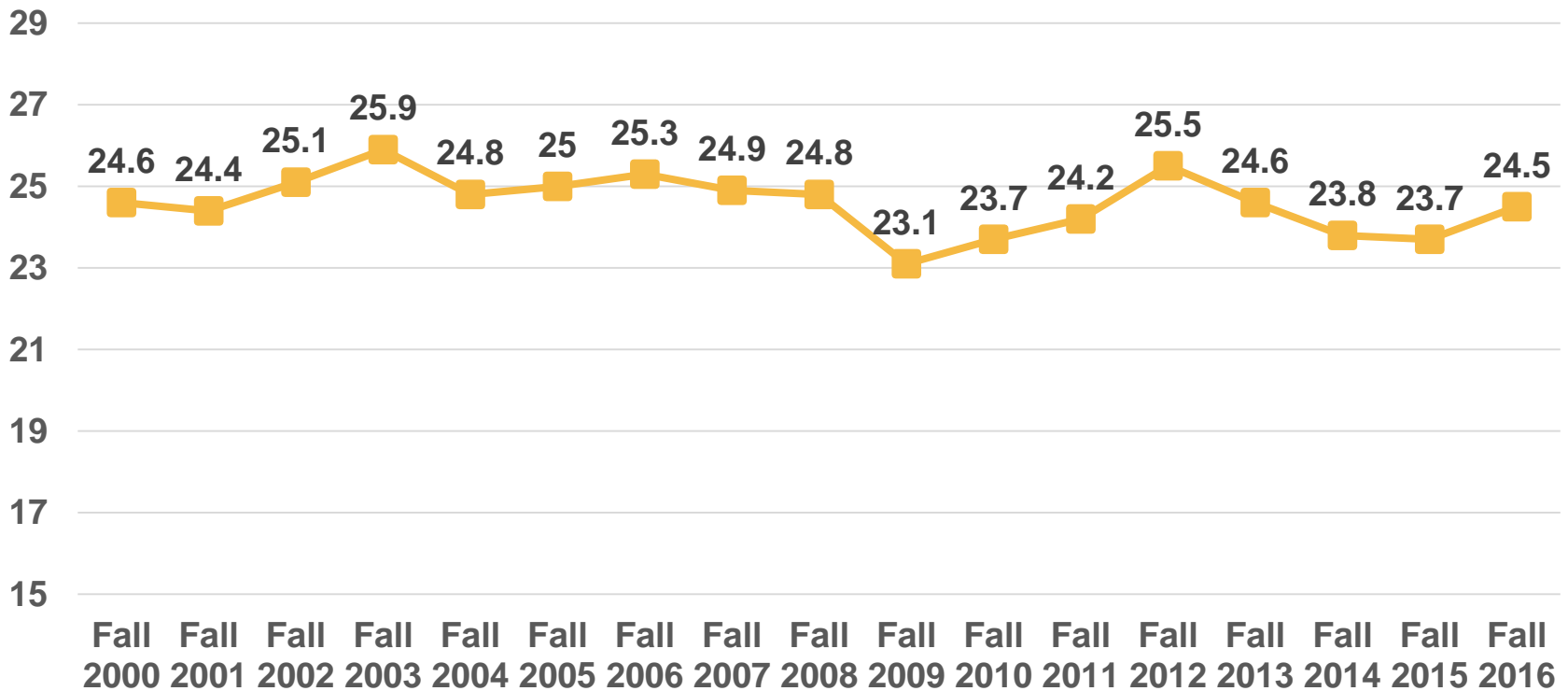


# ACADEMIC SNAPSHOT

Measure	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	11-16 Change
Fall Full-time Faculty Headcount	568	583	587	590	594	583	+15
Fall FTE Faculty	789	787	803	803	801	793	+4
Total SCH Per FTE Faculty	474.1	477.7	460.5	453.4	443.9	440.3	-33.8

# Average Class Size

## Undergraduate Classes



# REALLOCATIONS BY DIVISION

# Reallocations by Division

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Division	Reallocation Amount
Academic Affairs	\$1,373,000
Administration & Finance	1,320,000
Advancement	75,000
Athletics	20,000
Student Affairs	49,000
<b>TOTAL</b>	<b>\$2,837,000</b>

# ANTICIPATED IMPACT

# Impact of Reallocation

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- Total Salary/Benefits reallocation of \$1,628,000
  - Includes:
    - Elimination of 10 faculty positions
      - 2 filled NTTR positions
      - 5 anticipated vacancies
      - 3 current vacancies
    - Elimination of 12 staff positions (2 filled, 10 vacant)
- Total Operating expense reallocations of \$1,209,000
  - Operating expenses of \$659,000
  - Recurring reserves of \$550,000
- Total reallocations of \$2,837,000

# **NEXT STEPS**

**Board of Regents Meeting  
April 26, 2017**



# CONCLUDING REMARKS











# UNIVERSITY BUDGET ADDRESS

April 20, 2017

