

# University Budget Address

April 29, 2015



# Overview

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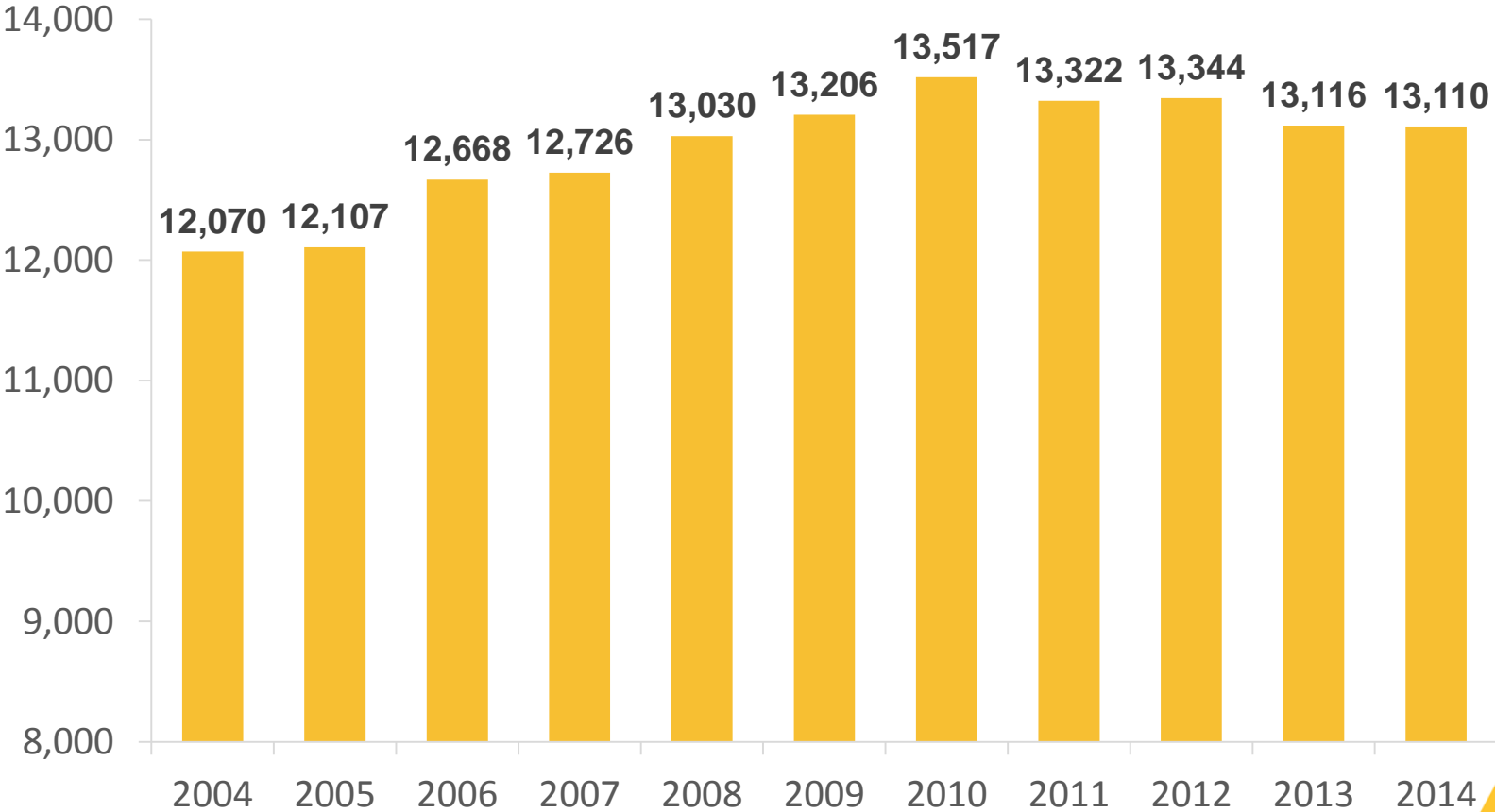
- Budget Context
- 2015-16 Budget Recommendations
- Our Future

# Budget Context

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- Enrollment and Retention
- Scholarship Investments
- Fixed Costs and KERS
- State Appropriations
- Tuition Constraints
- Ancillary Activities

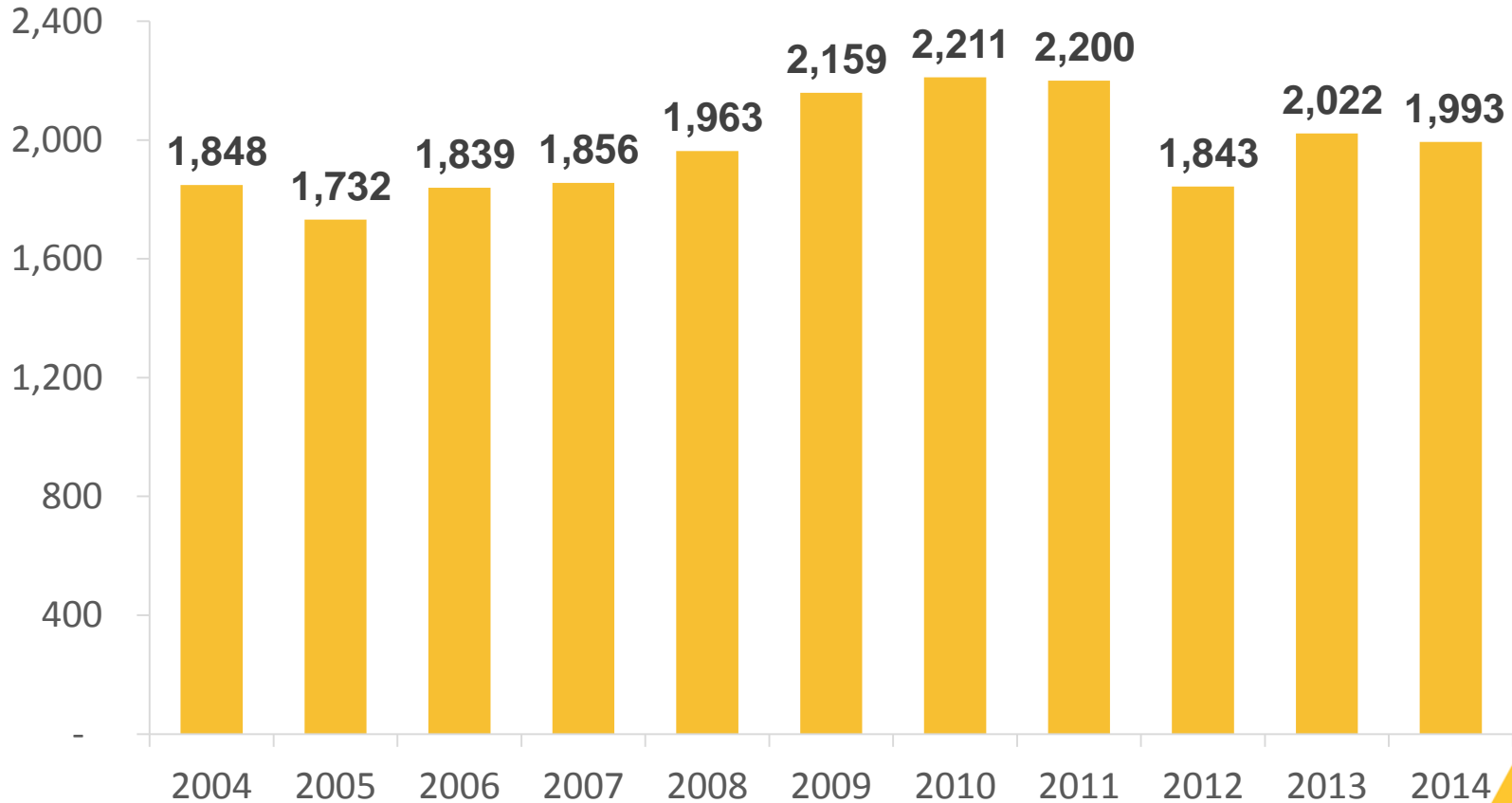
# Fall Undergraduate Enrollment



Source: Institutional Research

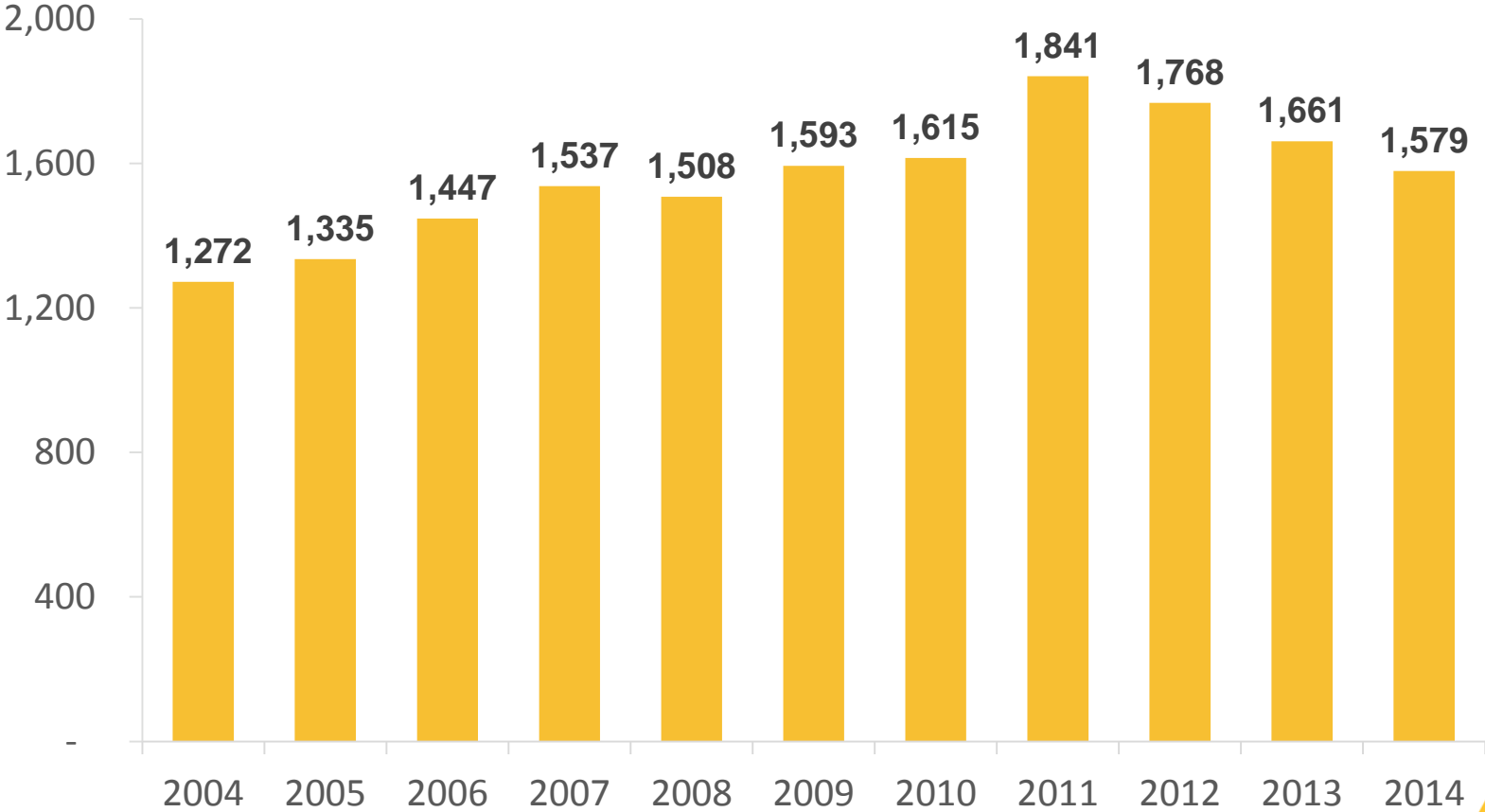


# Fall New Freshman Enrollment



*Note: New freshmen includes first-time, full-time Bachelor's degree seeking or undeclared*  
*Source: Institutional Research*

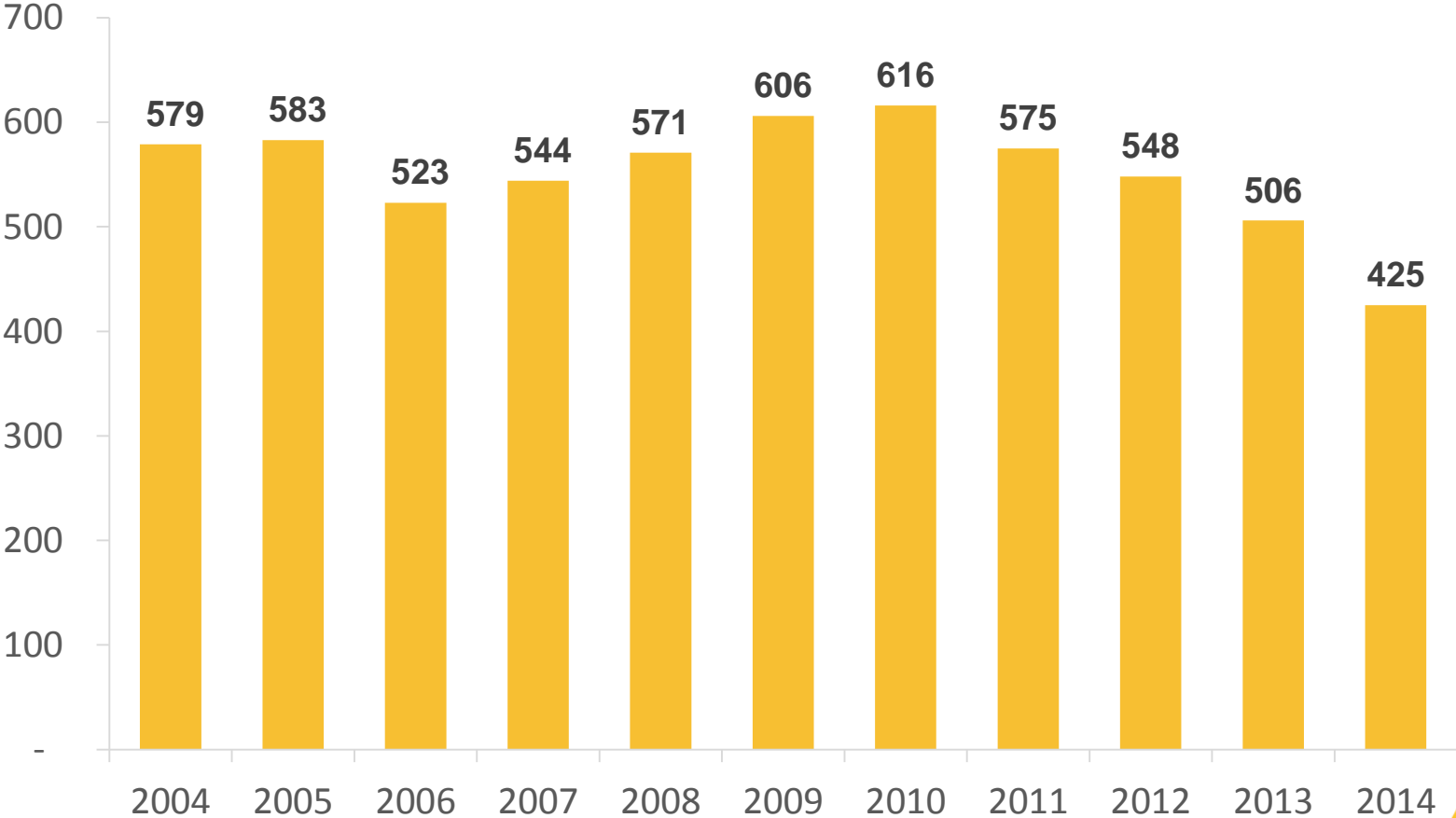
# Fall Graduate Enrollment



Source: Institutional Research



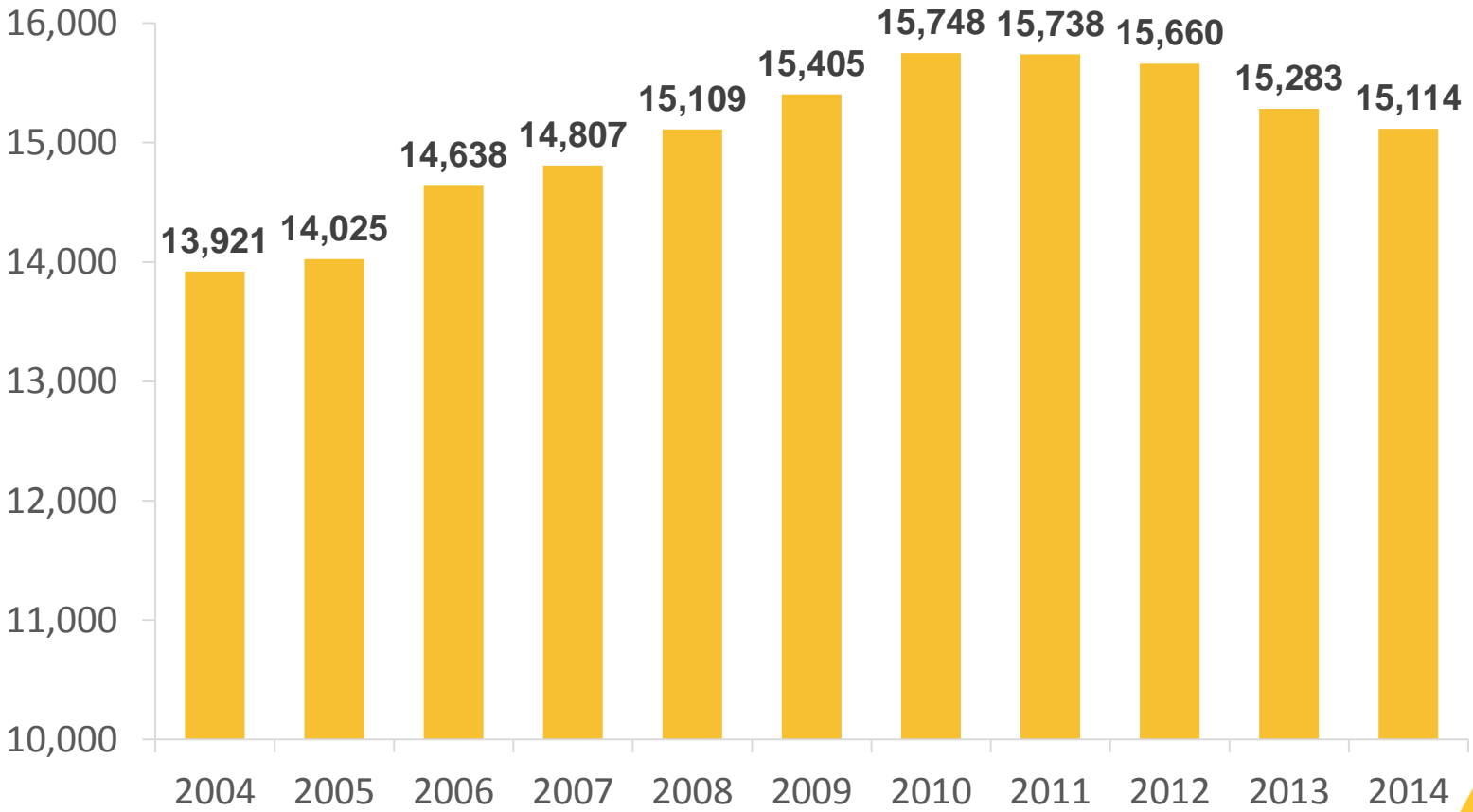
# Fall Law Enrollment



Source: Institutional Research



# Fall Total Enrollment

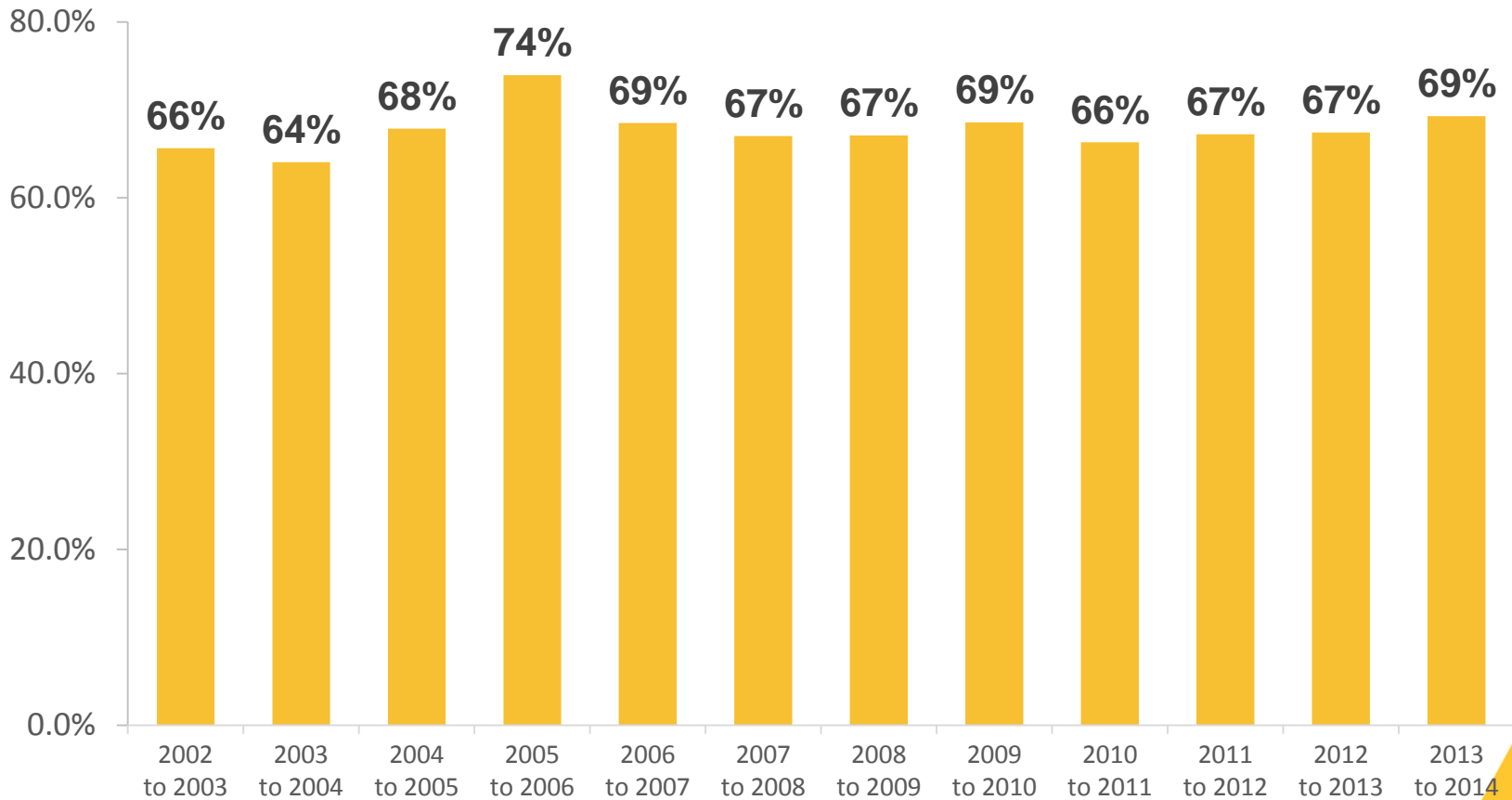


Source: Institutional Research





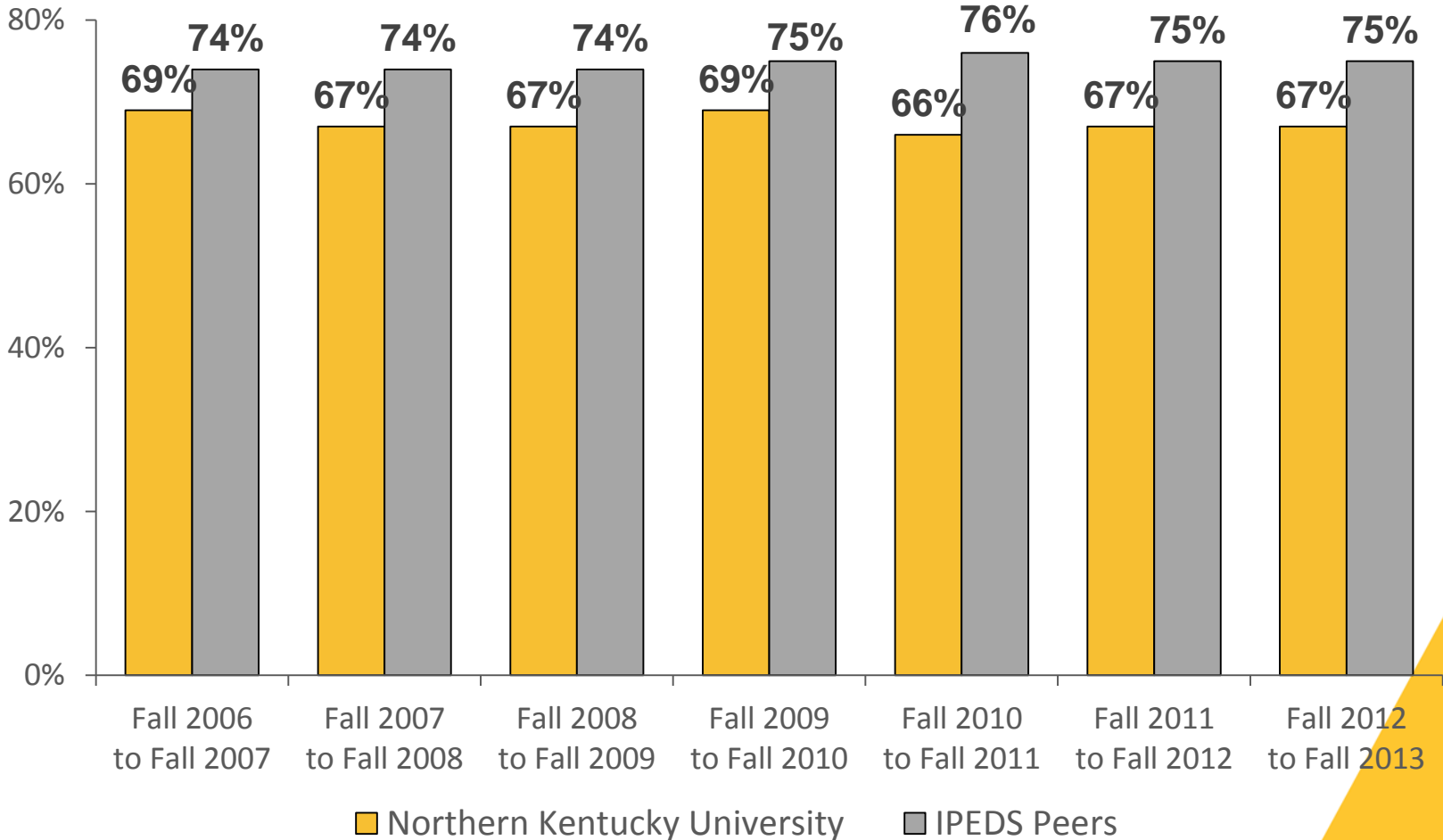
# Fall-to-Fall Retention



*Note: Retention rate is based on first-time, full-time, bachelor-degree seeking undergraduate students that enter in fall semester and return the following fall. Transfer and part-time students are excluded.*

*Source: Institutional Research*

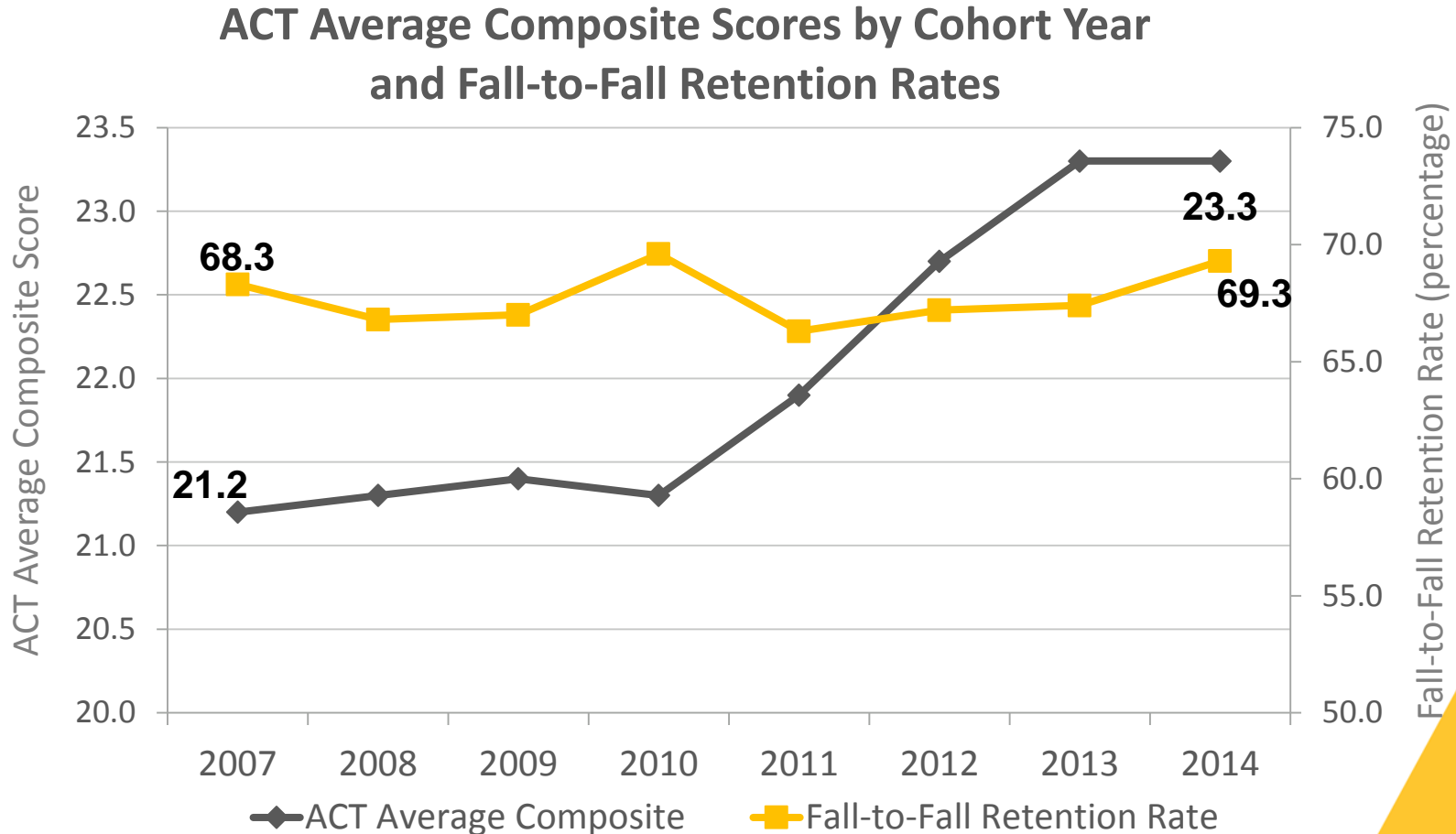
# Fall-to-Fall Retention IPEDS Peers



Source: IPEDS

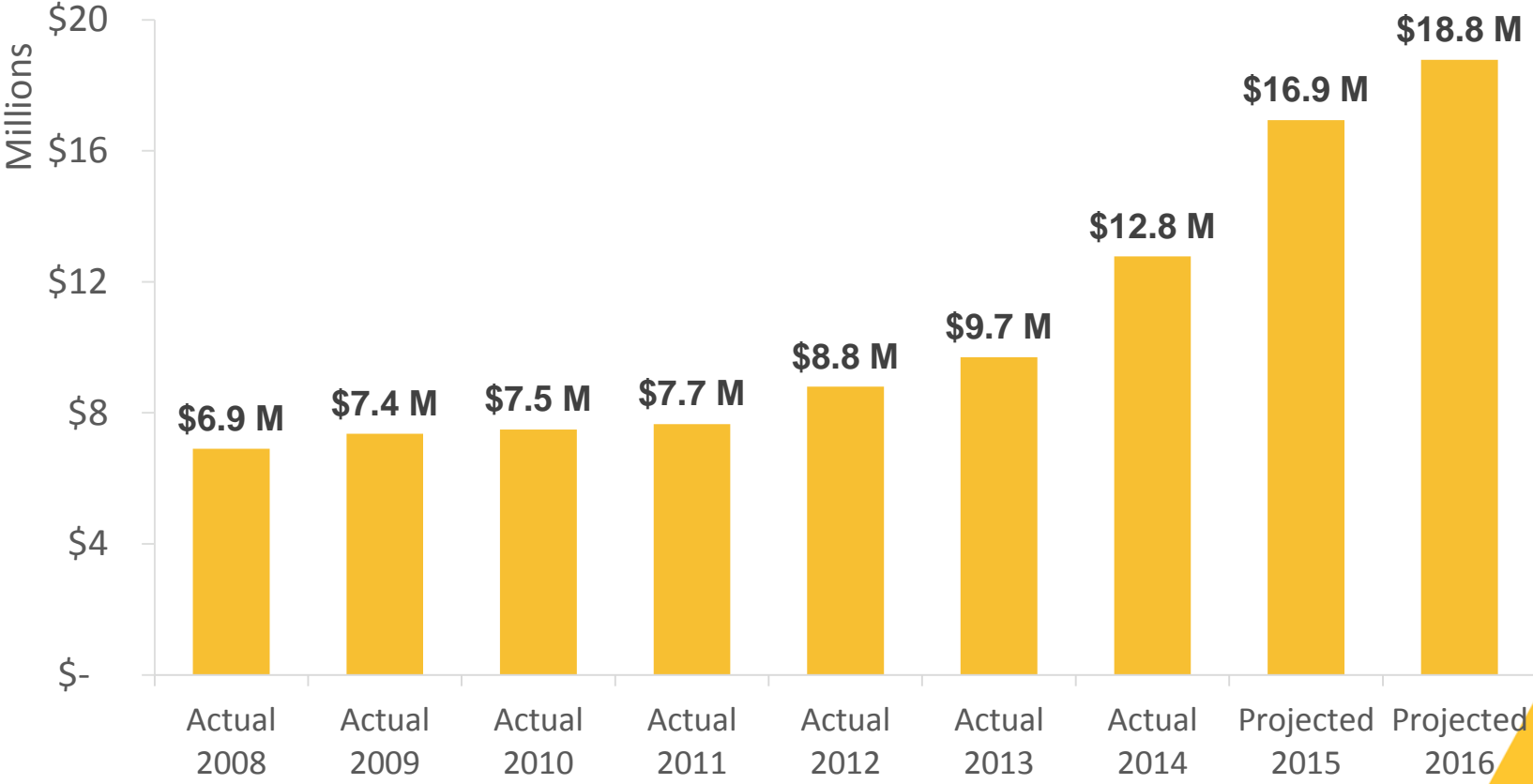


# NKU's ACT Scores Improving, Yet Retention Rates are Unchanged



Source: Institutional Research

# Scholarship Investments



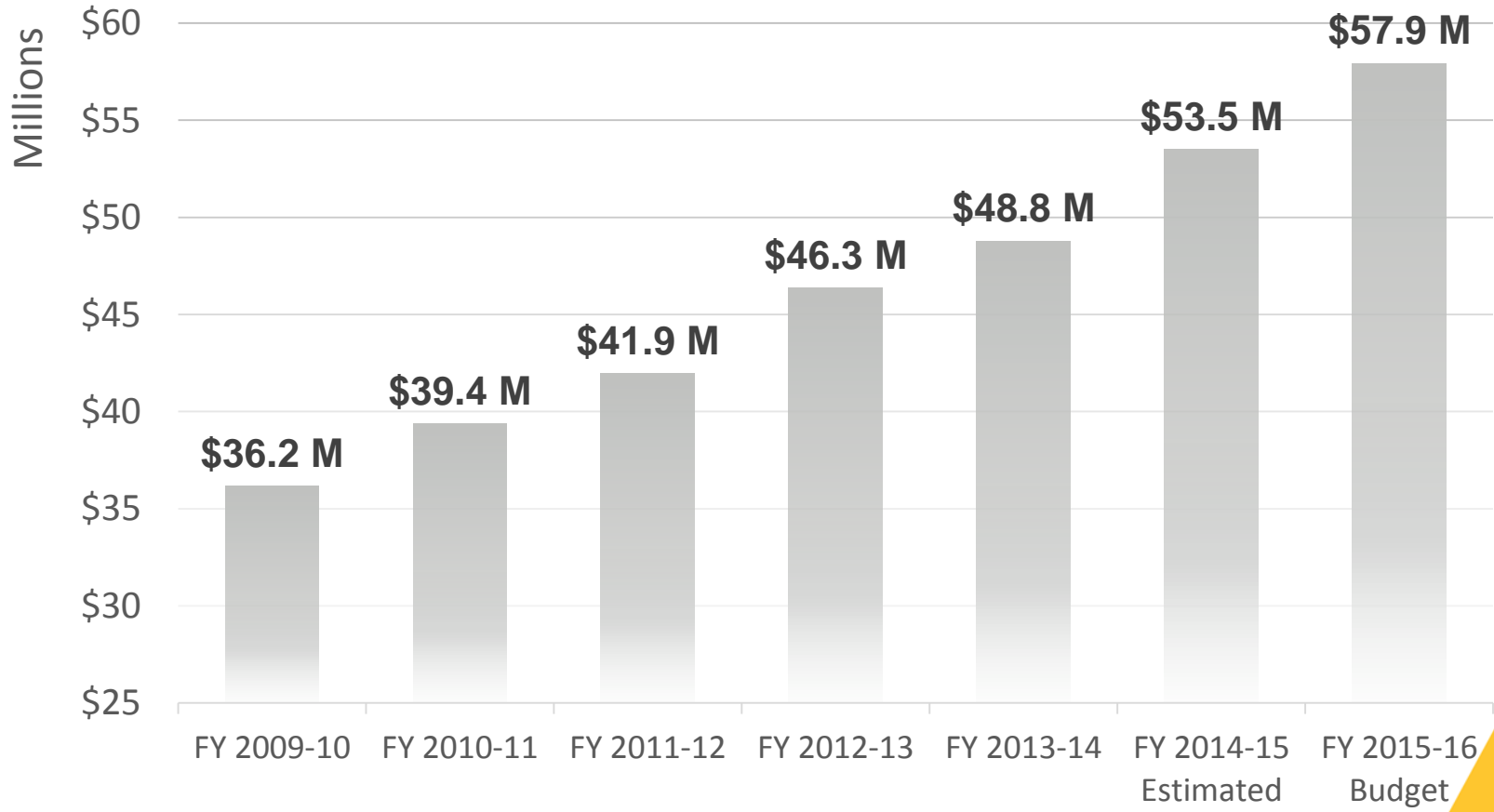
*Note: Scholarships include institutional, international, and mandated scholarships only.*  
*Source: Budget Office*



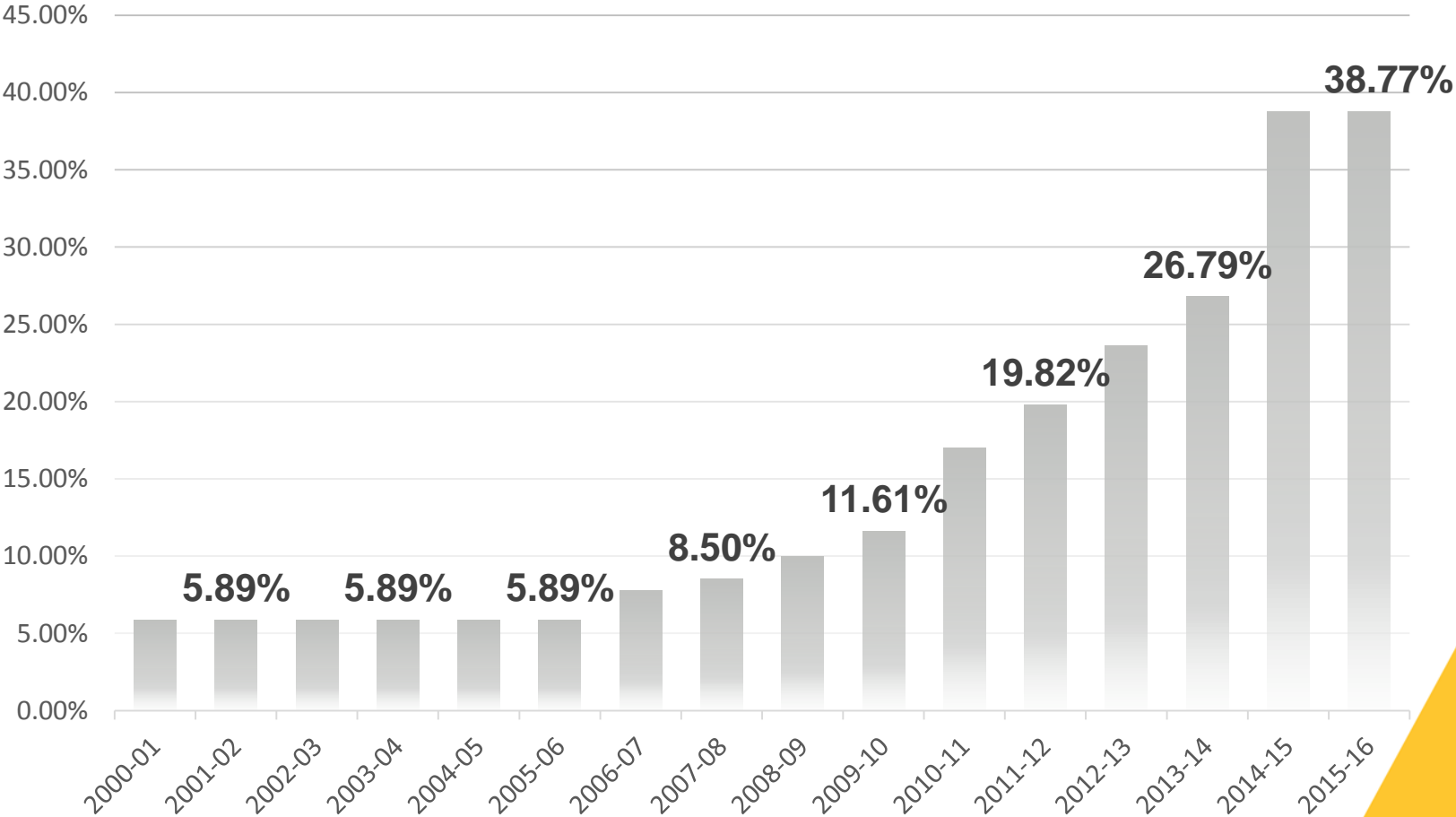
# Fixed Costs

	FY 2009-10	FY 2015-16 Budget	Difference	Percent Change
Utilities	\$4,052,000	\$4,469,800	\$417,800	10%
IT Contracts	\$920,211	\$2,495,400	\$1,575,189	171%
<i>Subtotal</i>			\$1,992,989	40%
Fringe Benefits				
KERS Staff Retirement	\$3,913,700	\$14,940,800	\$11,027,100	282%
Health/Vision/Dental	\$7,941,700	\$13,746,100	\$5,804,400	73%
TIAA Retirement	\$4,142,500	\$5,185,500	\$1,043,000	25%
FICA	\$6,109,600	\$6,840,000	\$730,400	12%
Worker's Comp/Unemployment	\$564,600	\$655,000	\$90,400	16%
Life and Disability Insurance	\$320,000	\$173,100	-\$146,900	-46%
<i>Subtotal</i>			\$18,548,400	81%
Other	\$8,210,300	\$9,424,900	\$1,214,600	15%
<b>Total</b>	<b>\$36,174,611</b>	<b>\$57,930,600</b>	<b>\$21,755,989</b>	<b>60%</b>

# Fixed Costs



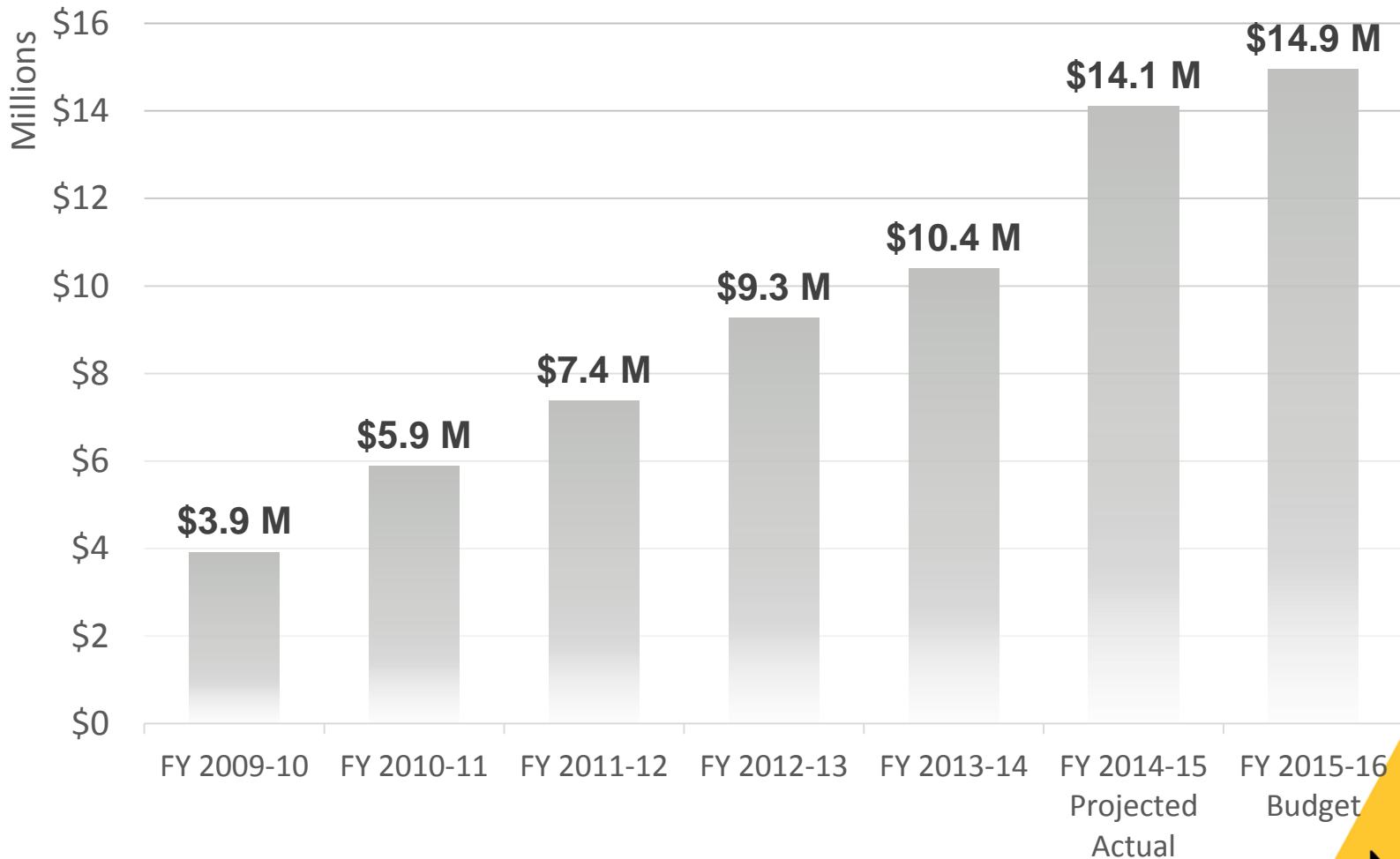
# NKU's KERS Contribution Rates



Source: Kentucky Retirement Systems



# NKU's KERS Contribution

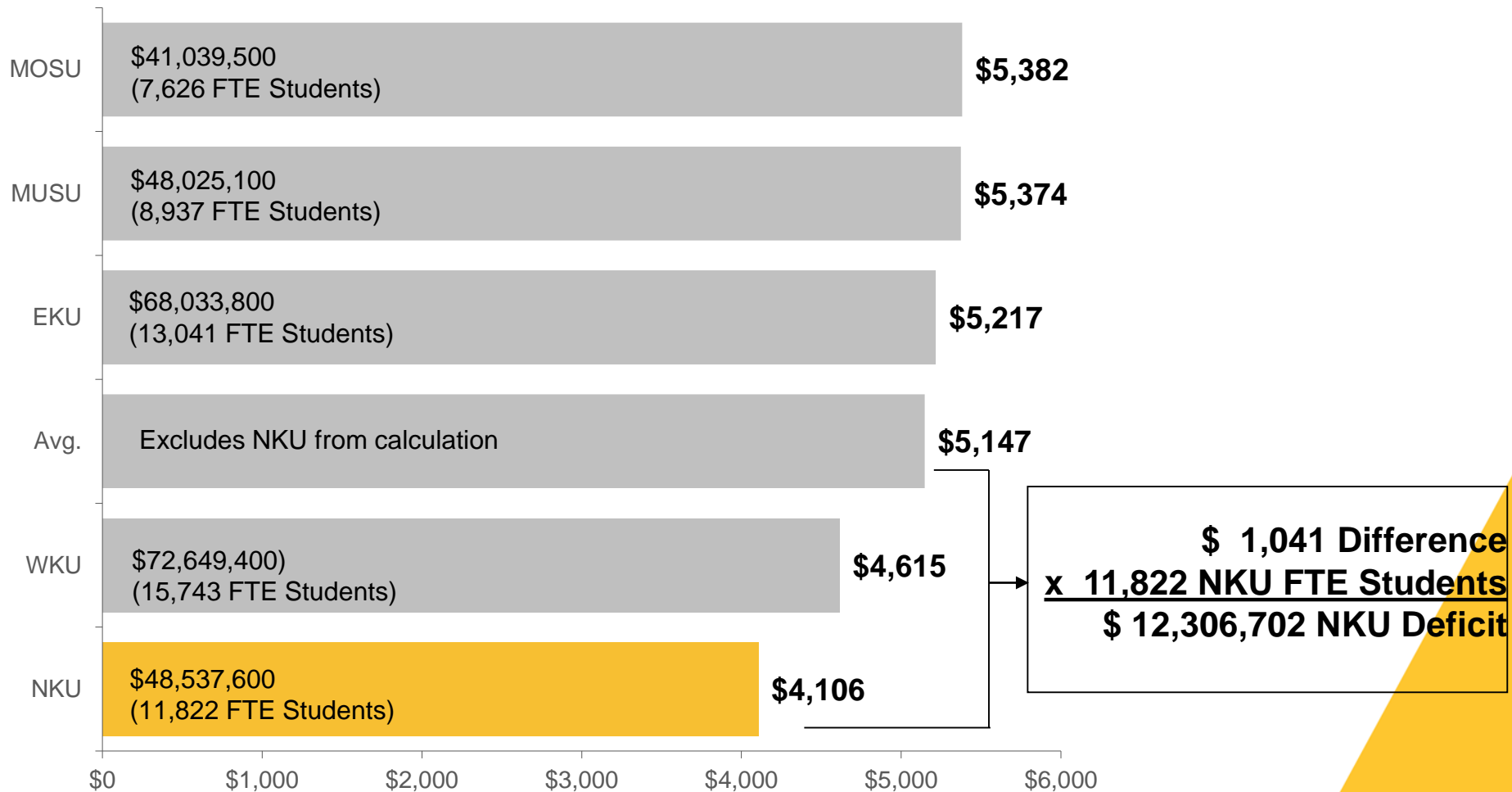


Source: Budget Office





# Net State Appropriation\* FY 2014-15 Per Fall 2014 FTE Student\*\* Comprehensive Four Year Institutions

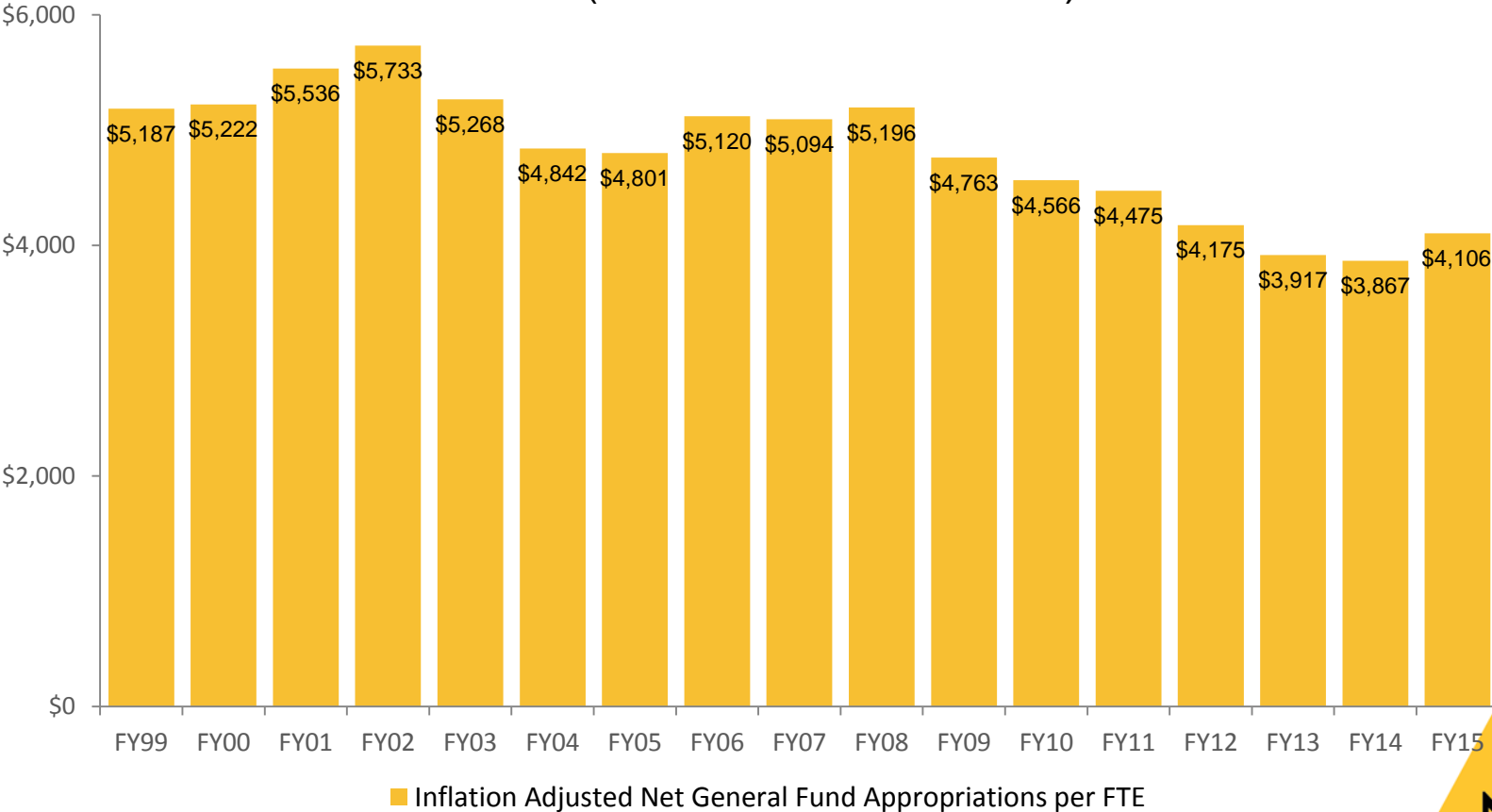


\*Net State Appropriation = Actual Year End State Appropriation Less State Appropriated Debt Service

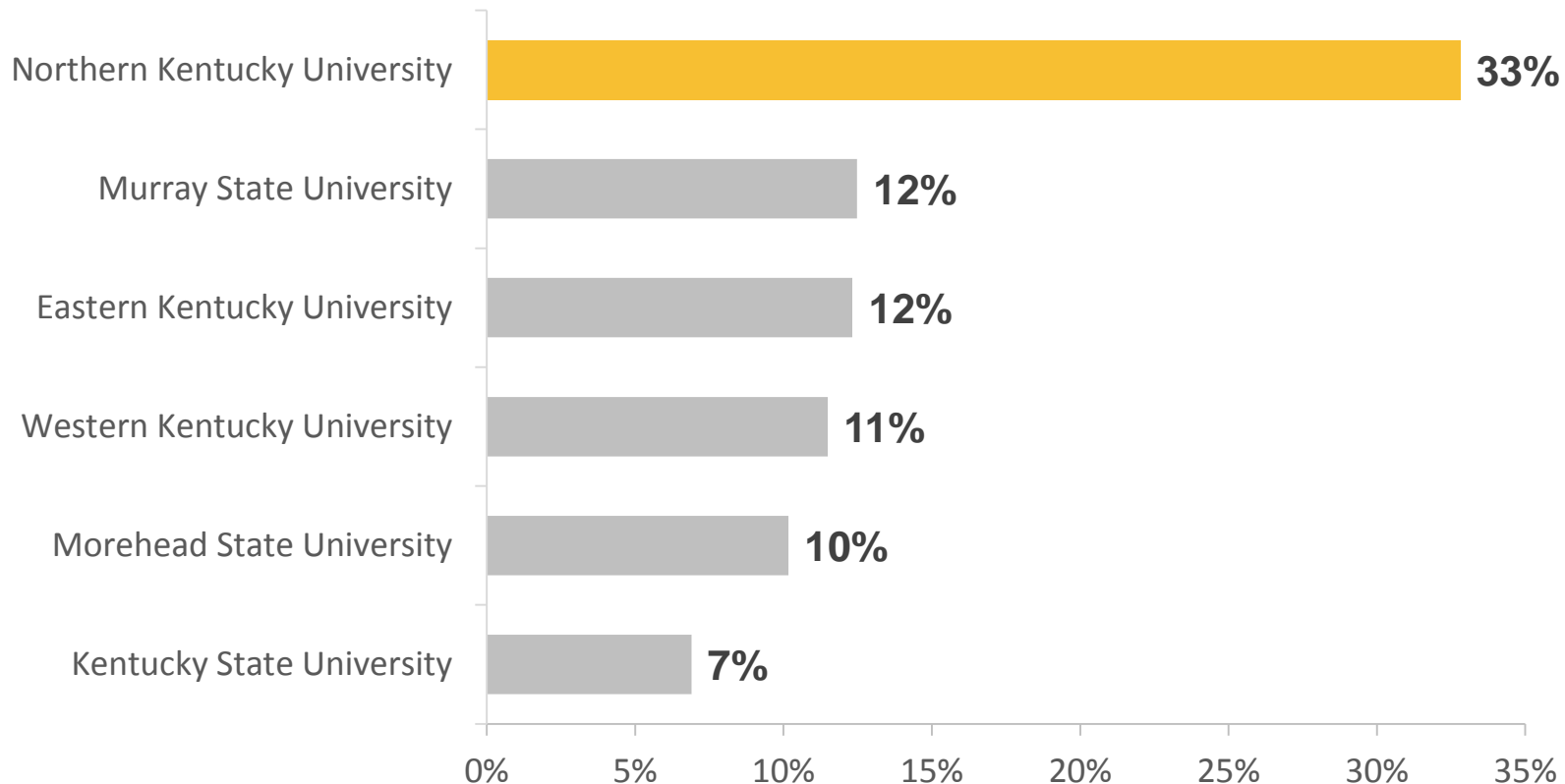
\*\*FTE = Fall 2014 Semester Hours for Undergraduate divided by 15 and Graduate and Law Total Credit Hours Divided by 12

# State Appropriations per FTE Student

**NKU Operates with Fewer State Dollars Per Student Than in FY 1999**  
(Constant FY 14 Dollars)



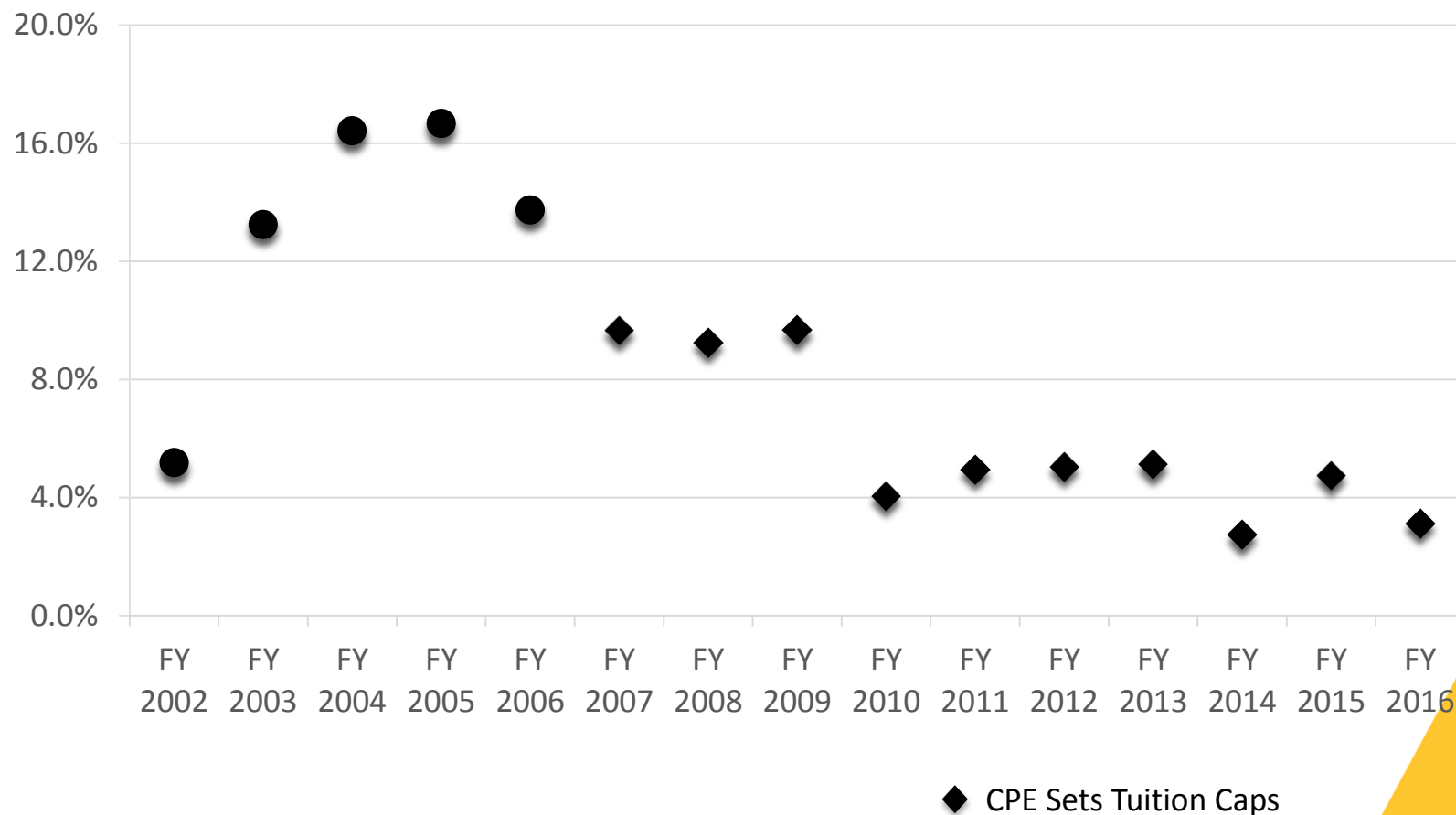
# KERS Percentage of Net State Appropriation, FY 2015



*Note: KERS (Kentucky Employee Retirement System) and Net State Appropriations estimated for FY 2015. This does not include KTRS (Kentucky Teacher Retirement System) at other KY comps; if KTRS is included, NKU's retirement percentage is still the highest among comps.*

*Source: CPE*

# Resident Undergraduate Tuition Rate Increases



# Ancillary Activities

	<b>FY 10 Subsidy</b>	<b>FY 14 Subsidy</b>	<b>Average Annual Subsidy (Last 5 Years)</b>
<b>Bank of Kentucky Center</b>	\$ 288,254	\$1,268,521	\$ 553,426
<b>Early Childhood Center</b>	\$ 179,876	\$ 163,779	\$ 192,561
<b>METS</b>	\$ 836,230	\$ 690,842	\$ 616,250
<b>WNKU</b>	\$ 278,914	\$ 869,349	\$ 506,948
<b>Total</b>	<b>\$1,583,274</b>	<b>\$2,992,49</b>	<b>\$1,869,185</b>

# Budget Recommendations

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# FY 16 Budget Projections

<b>Sources of Central Revenues</b>	
Decline in paid undergraduate enrollment (2014-15)	-\$2,883,500
Decline in paid graduate and law enrollment (2014-15)	-\$772,700
Increase in tuition rates	+\$3,019,300
Change in other central revenues	+\$83,200
Change in central revenue	-\$553,700
<b>Uses of Central Revenues</b>	
Increase in scholarship and waivers	-\$2,587,900
Fixed costs and base adjustments	-\$2,477,400
<b>Balance</b>	<b>-\$5,619,000</b>

# Closing the FY 16 Budget Gap

Eliminate unexpended strategic initiative fund	\$1,600,000
Reduce University's annual budgeted reserve	\$1,000,000
Increase overhead fee assessment to 6% (excludes Colleges)	\$529,300
Reduce online revenue sharing agreement	\$550,000
Suspend searches for select full-time faculty positions	\$850,000
Budget reduction (excludes Colleges)	\$1,089,700
<b>Total budget adjustments</b>	<b>\$5,619,000</b>



# Budget Reduction Allocation

	Departmental Operating Budgets	Reduction
Academic Affairs (excluding Colleges)	\$3,101,045	\$456,025
President and Board of Regents	\$59,999	\$8,823
Administration & Finance	\$1,799,626	\$264,644
Athletics	\$1,106,503	\$162,717
Government & Community Relations	\$41,980	\$6,173
Legal Affairs and General Counsel	\$12,224	\$1,798
Inclusive Excellence	\$16,879	\$2,482
Institutional Effectiveness	\$27,055	\$3,978
Student Affairs	\$400,439	\$58,887
University Advancement	\$844,395	\$124,173
<b>Total</b>	<b>\$7,410,145</b>	<b>\$1,089,700</b>

# Our Future

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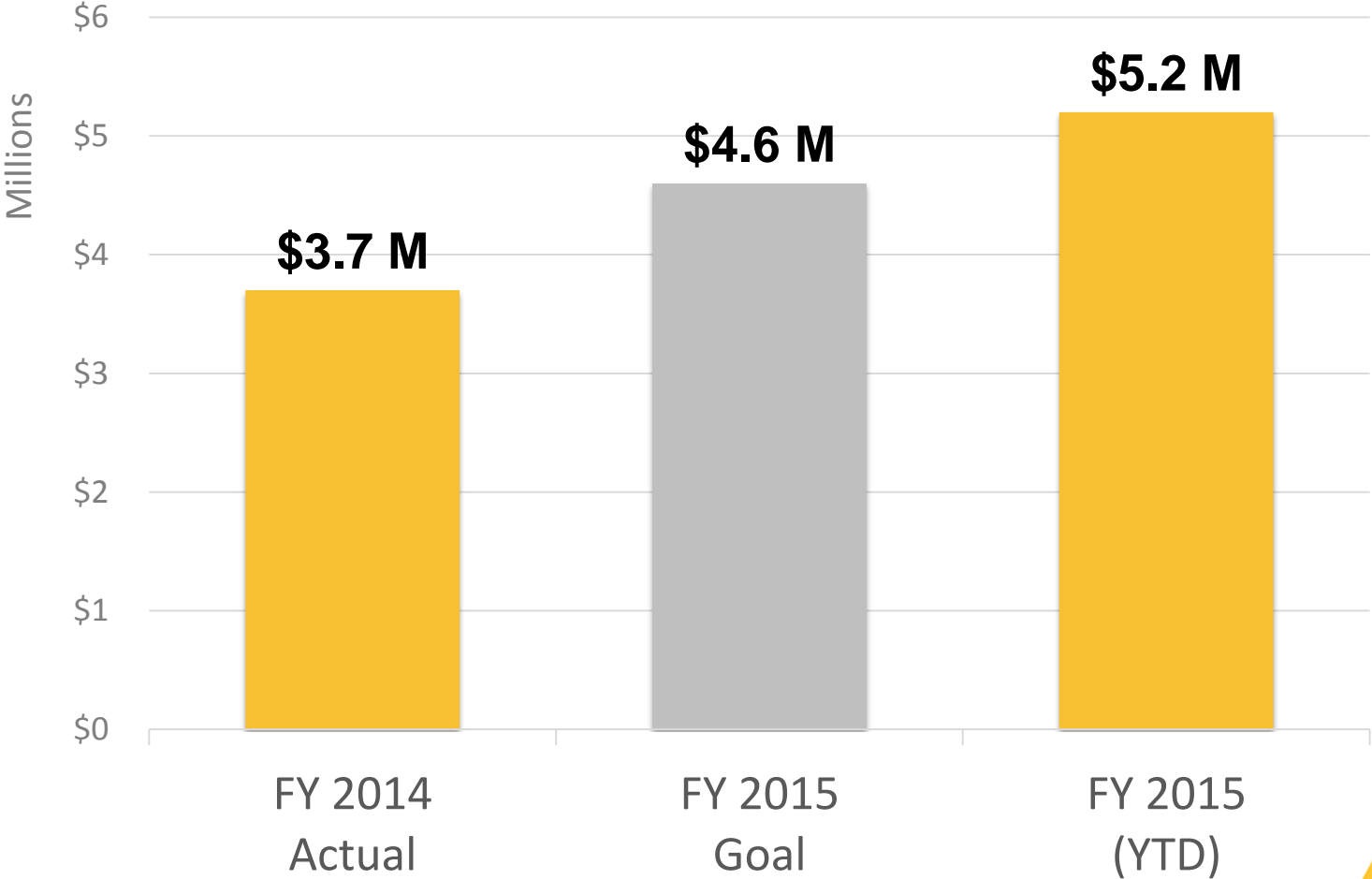
- New Budget Model
- Fundraising Update
- Enrollment
- Governor's Scholars Program
- Campus Recreation Center
- Health Innovation Center

# New Budget Model

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- Derived from listening tour and strategic planning process
- Decentralized and incentive-based

# Fundraising



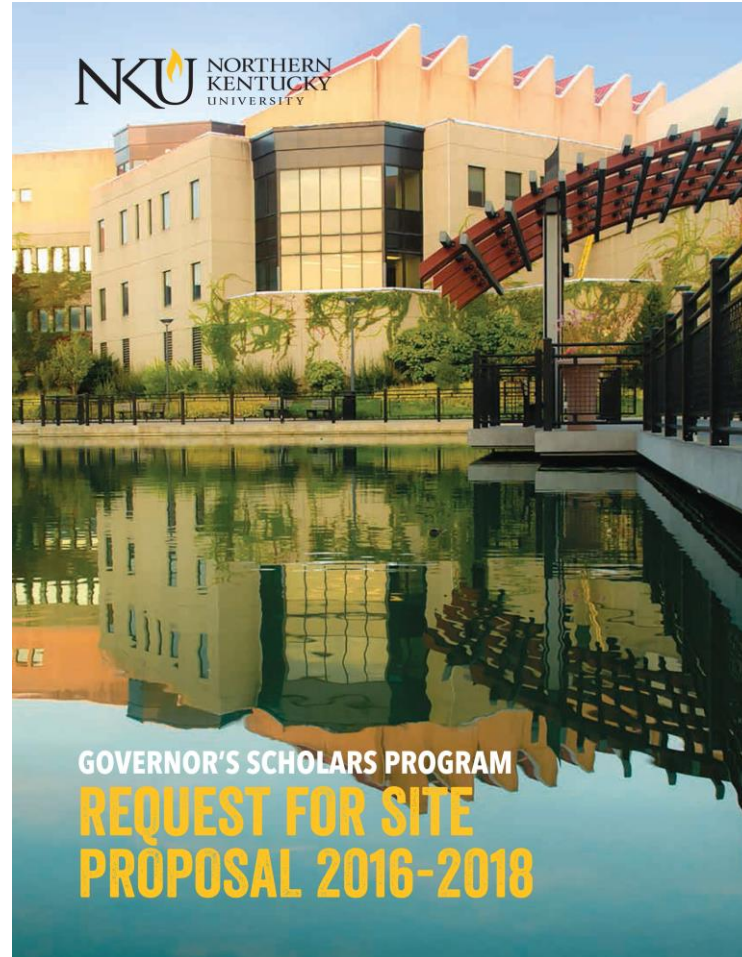
# Enrollment – Leading Indicators

<b>Freshmen</b>	<b>Fall 2012</b>	<b>Fall 2013</b>	<b>Fall 2014</b>	<b>Fall 2015</b>	<b>1-Year Change</b>	<b>3-Year Change</b>
Applications	6,369	8,272	9,312	11,181	▲ 20%	▲ 76%
Admitted	3,902	4,157	4,255	5,466	▲ 28%	▲ 40%
Confirmation Fees	1,542	1,826	1,754	1,837	▲ 5%	▲ 19%

*Note: Fall 2015 admissions figures are as of April 27*

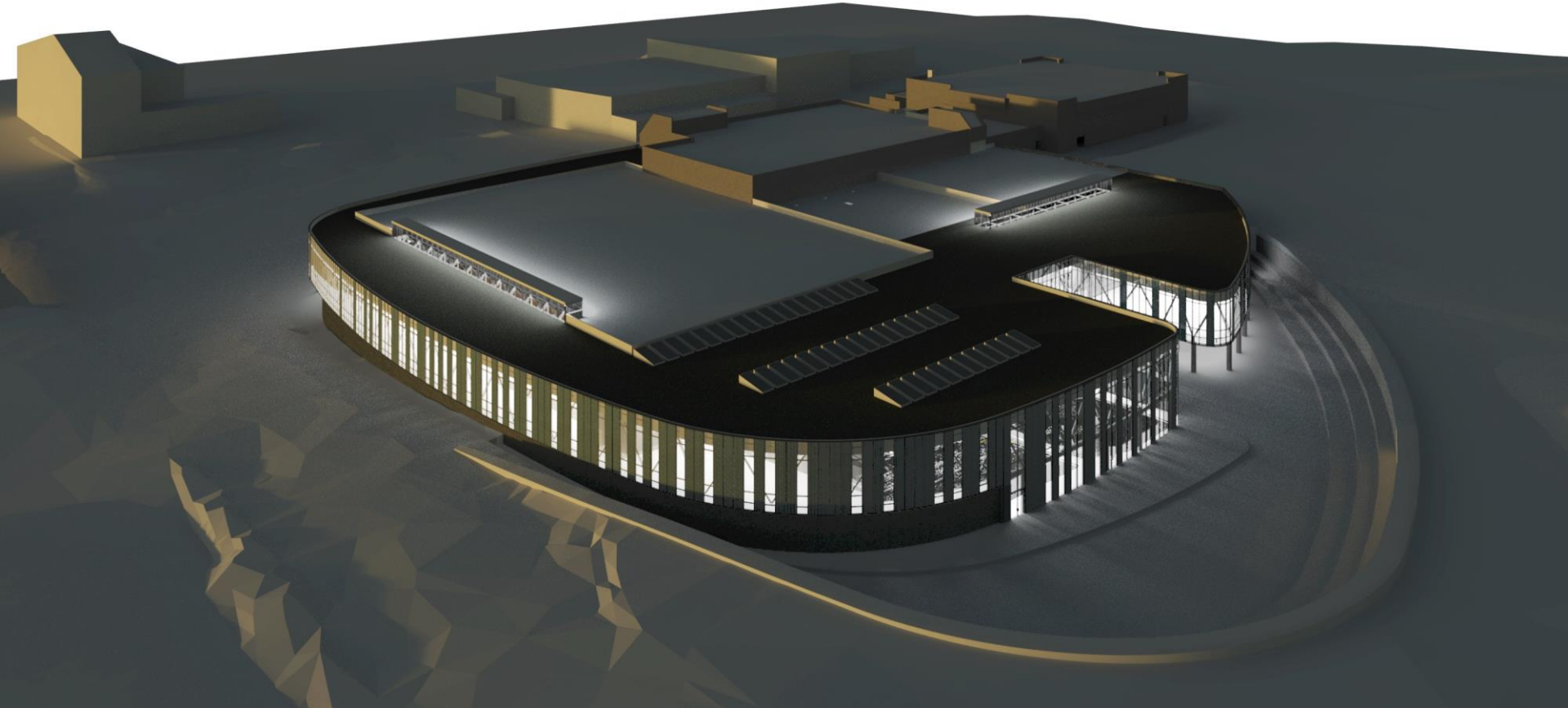
# Governor's Scholars Program

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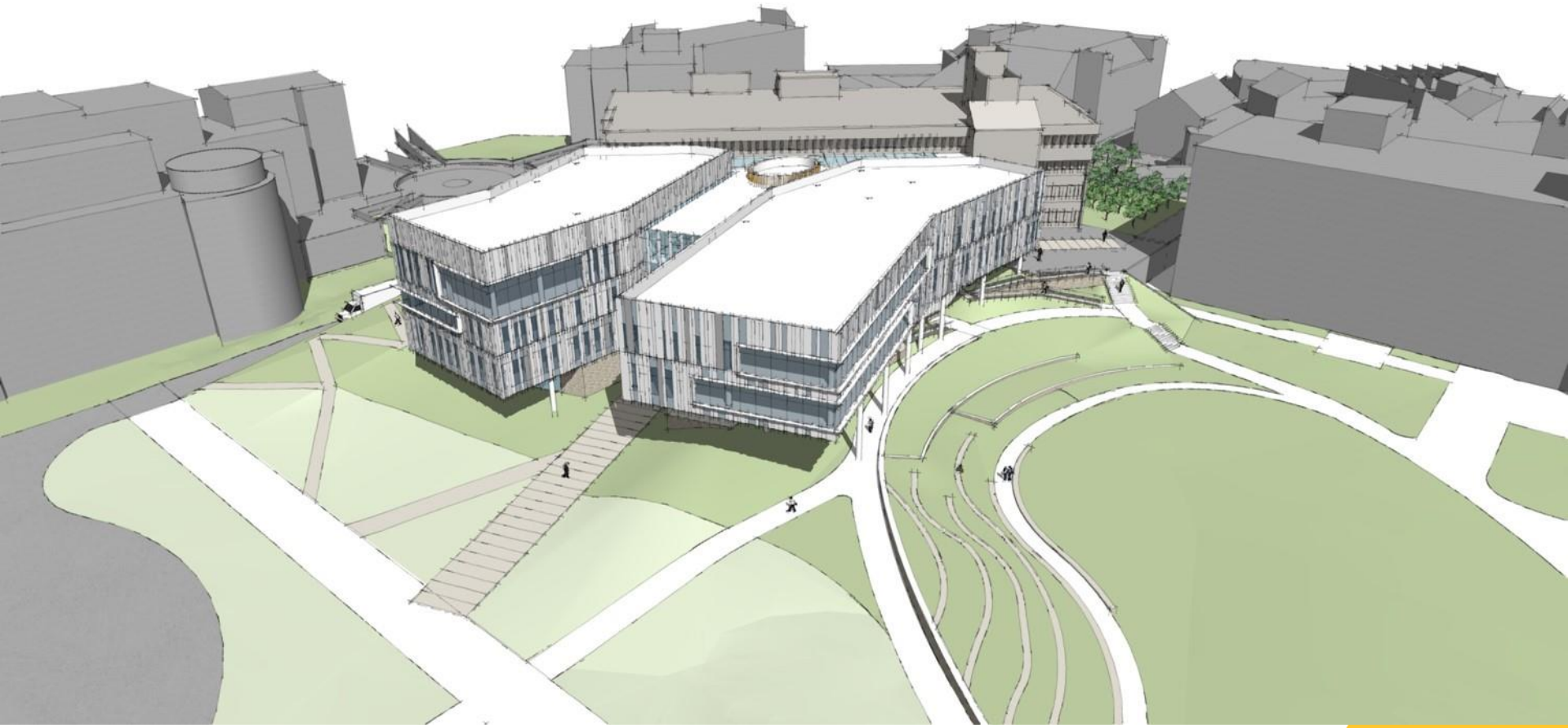
# Campus Recreation Center

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# Health Innovation Center

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