University Budget Address

April 18, 2016

Overview
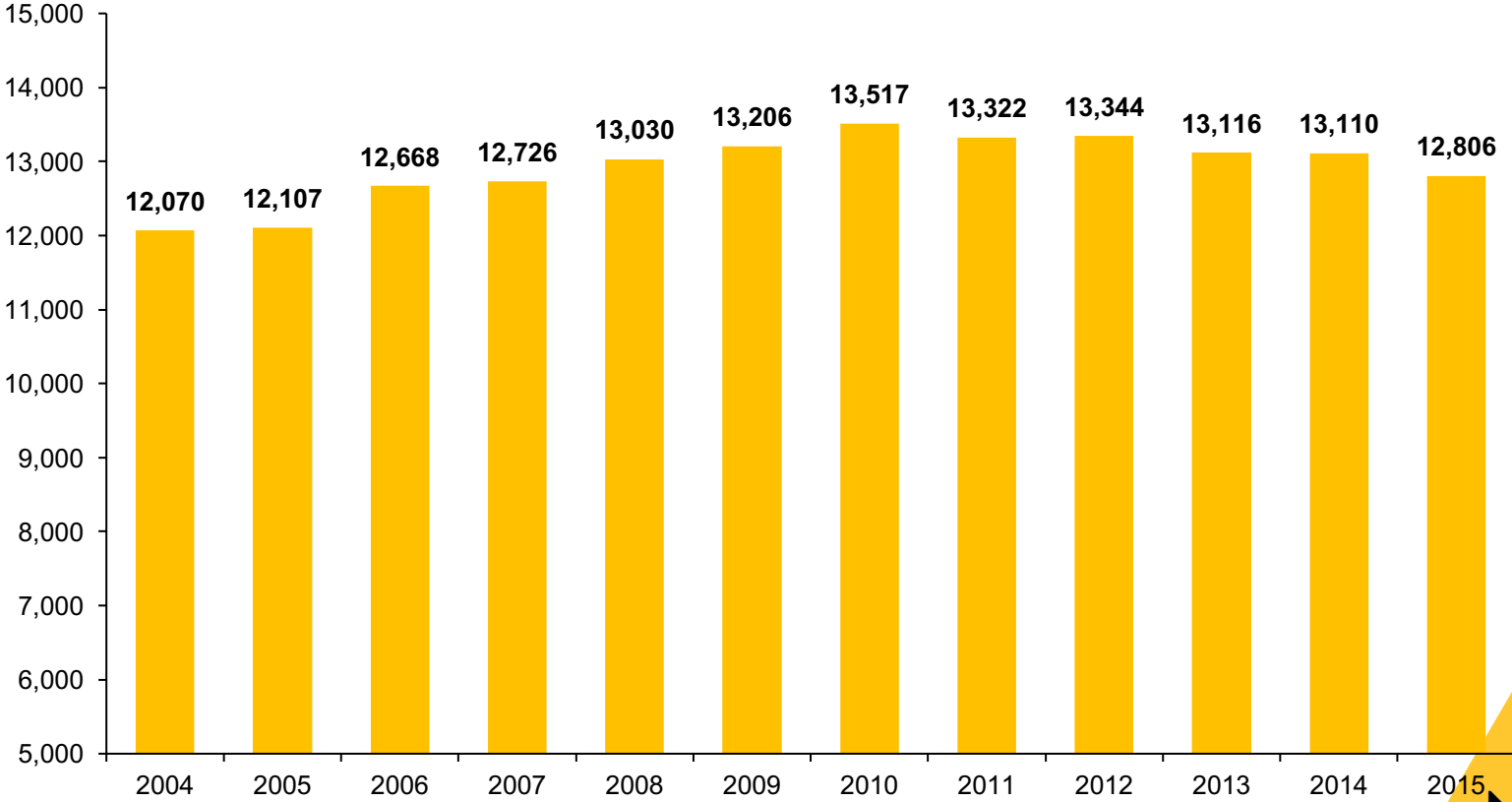
- Budget Context
    - Enrollment and Retention
    - Fixed Costs and KERS
    - Scholarships and Aid
    - State Appropriations
    - Tuition Rates
- Two-Year Budget Strategy
- Next Steps
- Enrollment Strategies
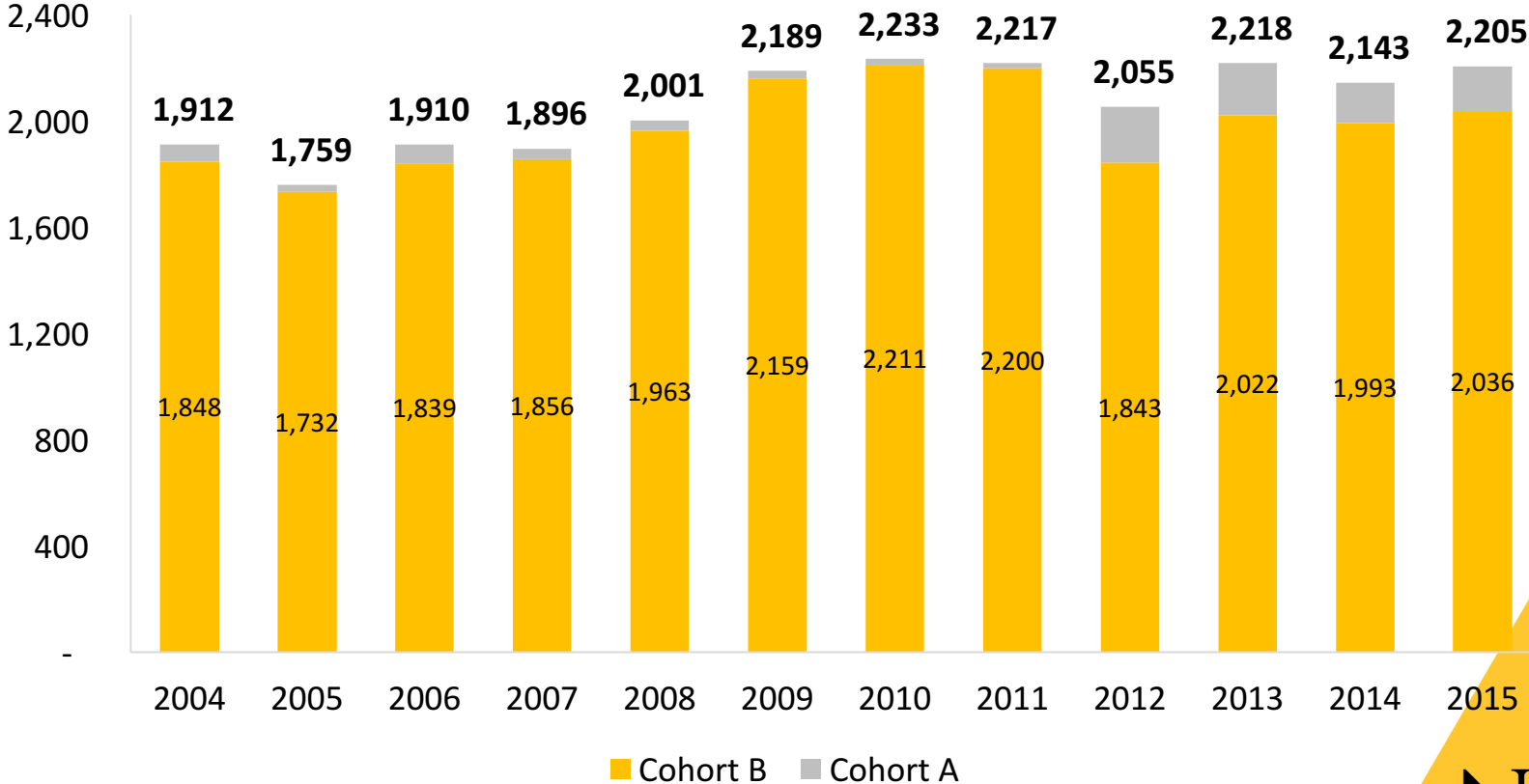
Enrollment and Retention

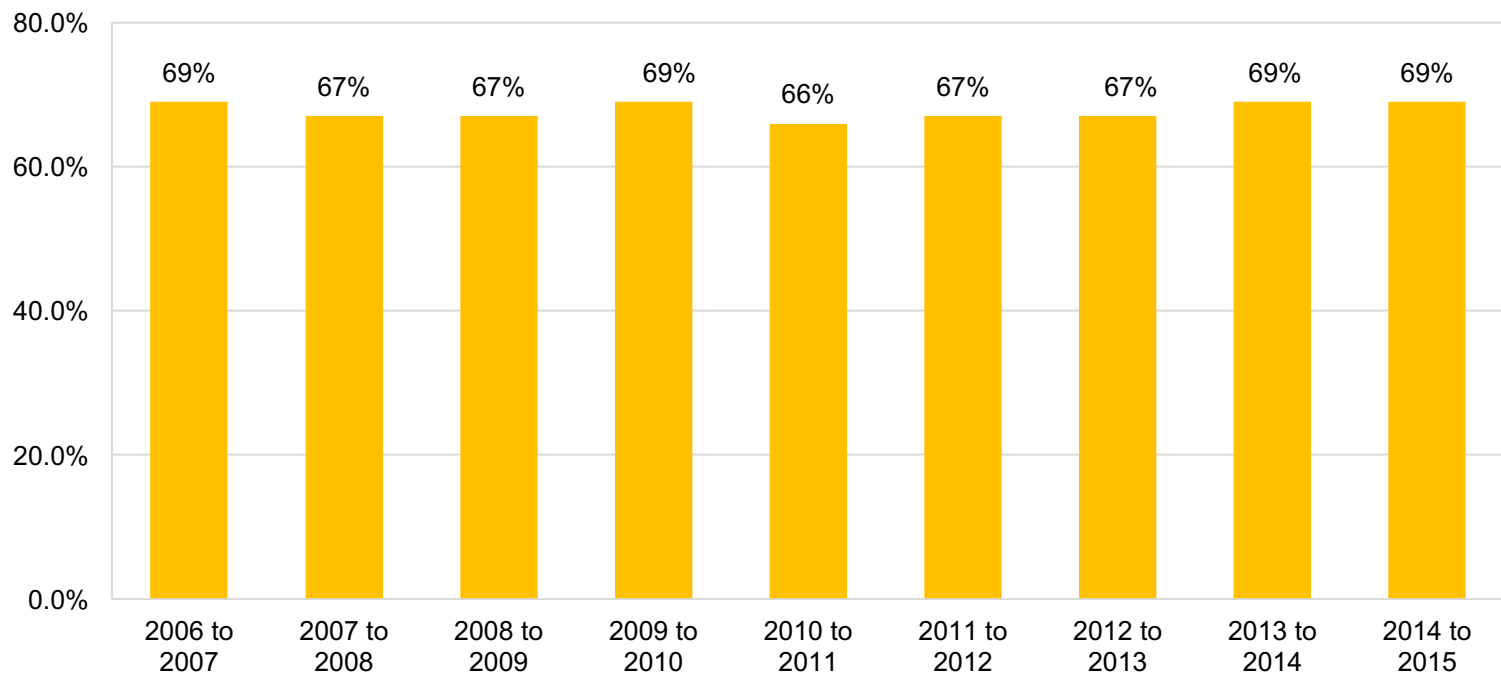# Fall Undergraduate Enrollment

Fall New Freshmen Enrollment

Note: New freshmen include first-time, full-time Bachelor's (Cohort B) and Associate's (Cohort A) degree seeking or undeclared.
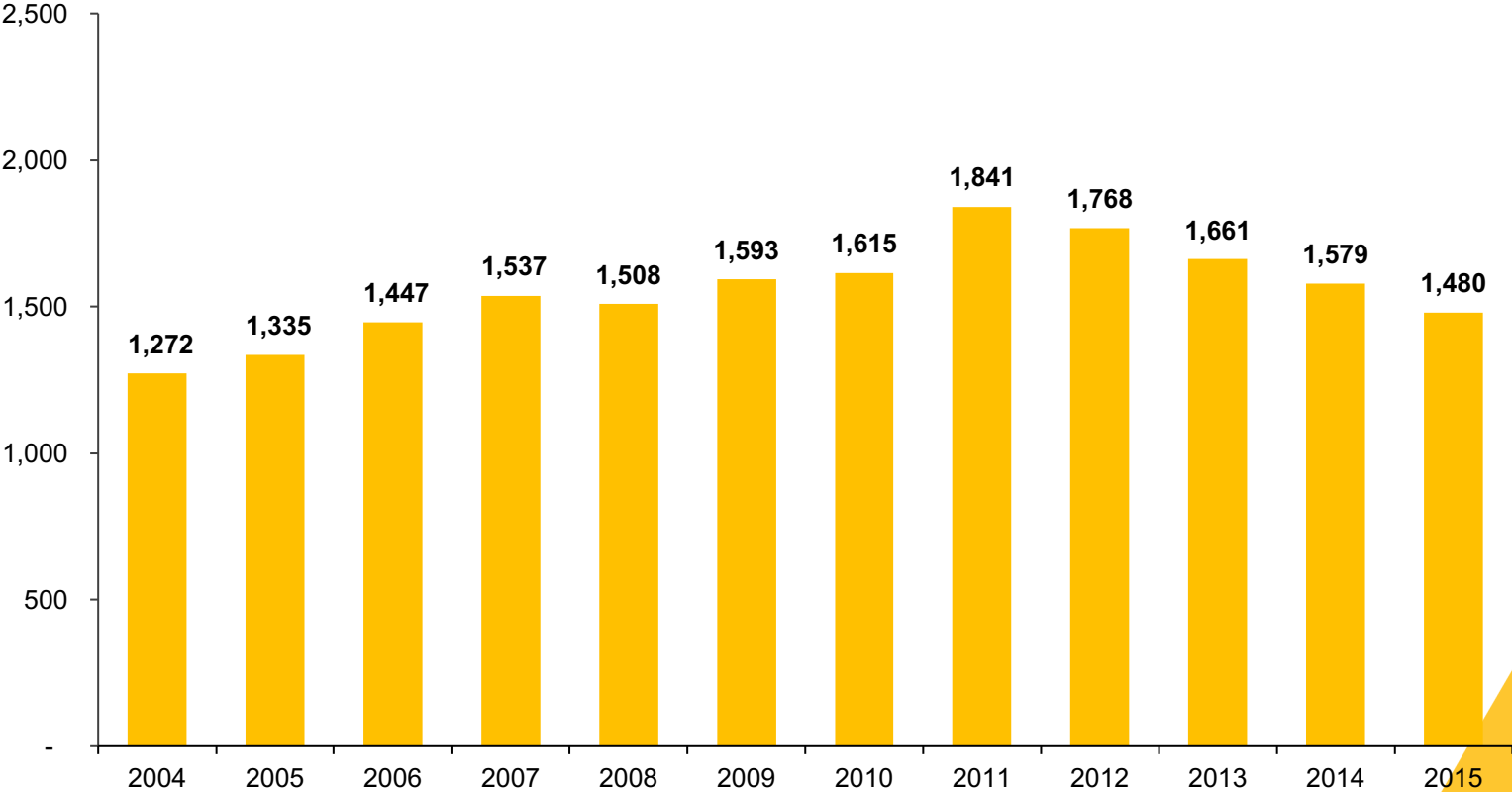Source: Institutional Research

Fall-to-Fall Retention

Note: Retention rate is based on first-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 Graduate Enrollment

Fall Law Enrollment

DEGREES AND CREDENTIALS CONFERRED
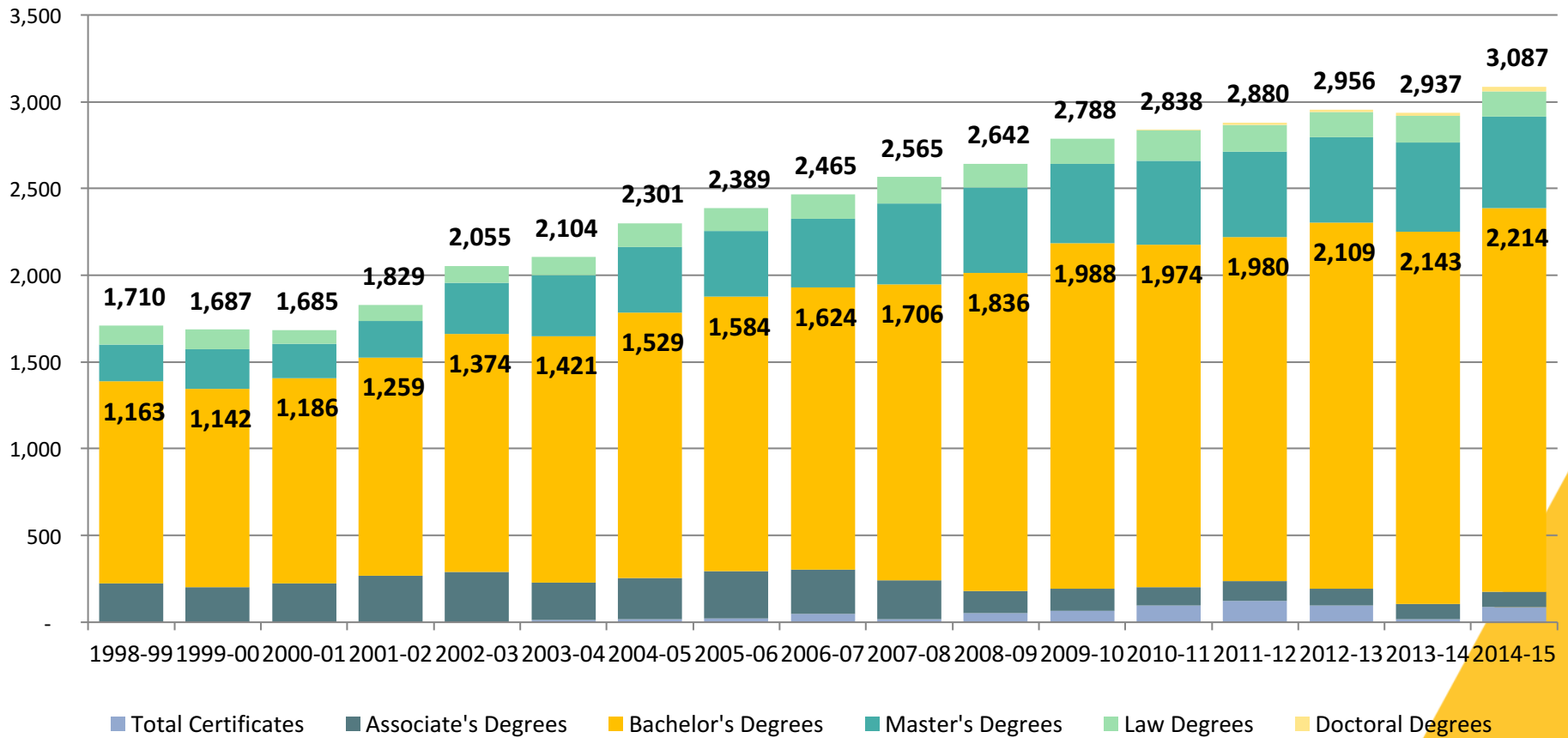
Fall Total Enrollment
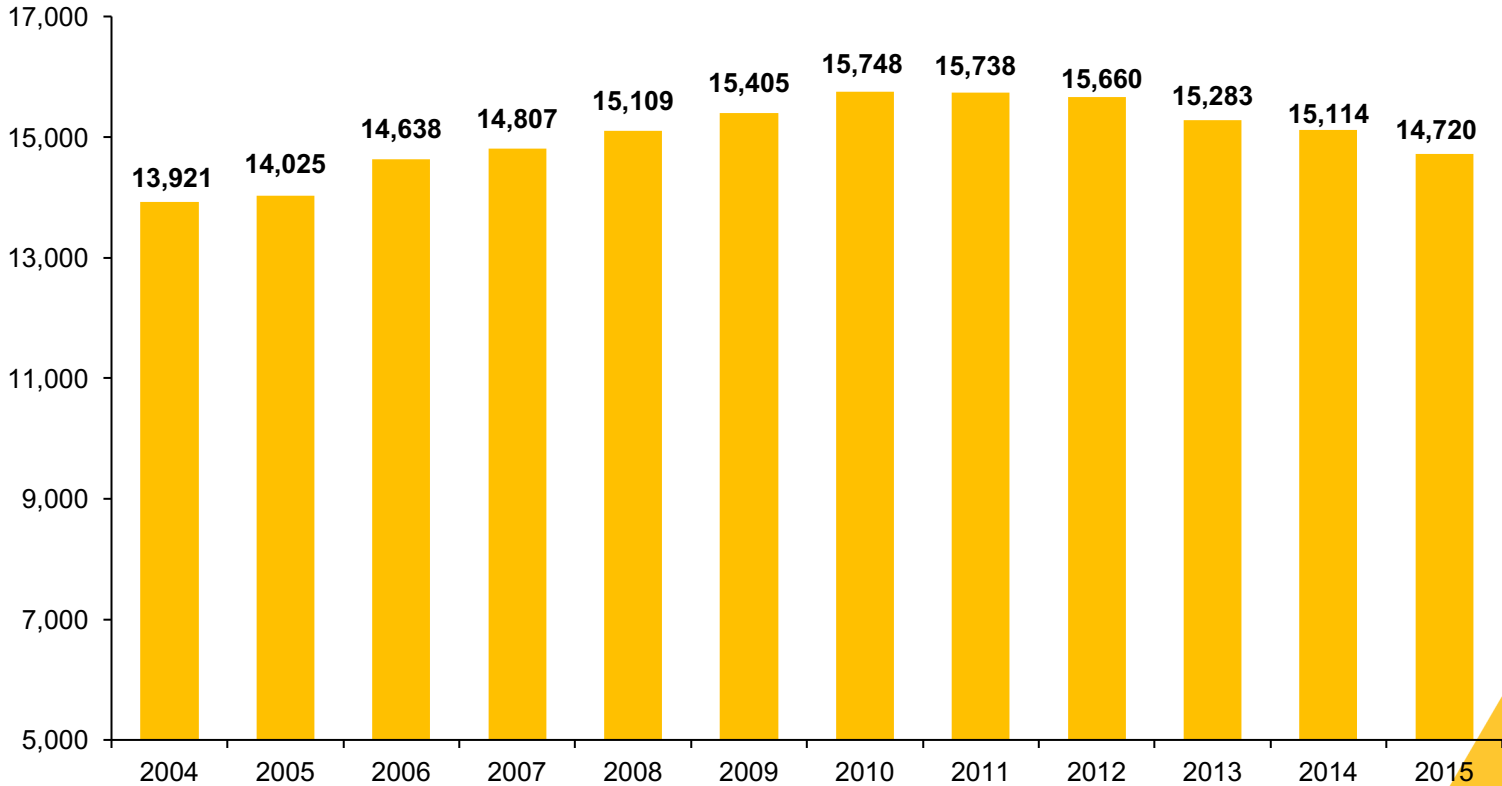
Source: Institutional Research

Scholarships and Financial Aid

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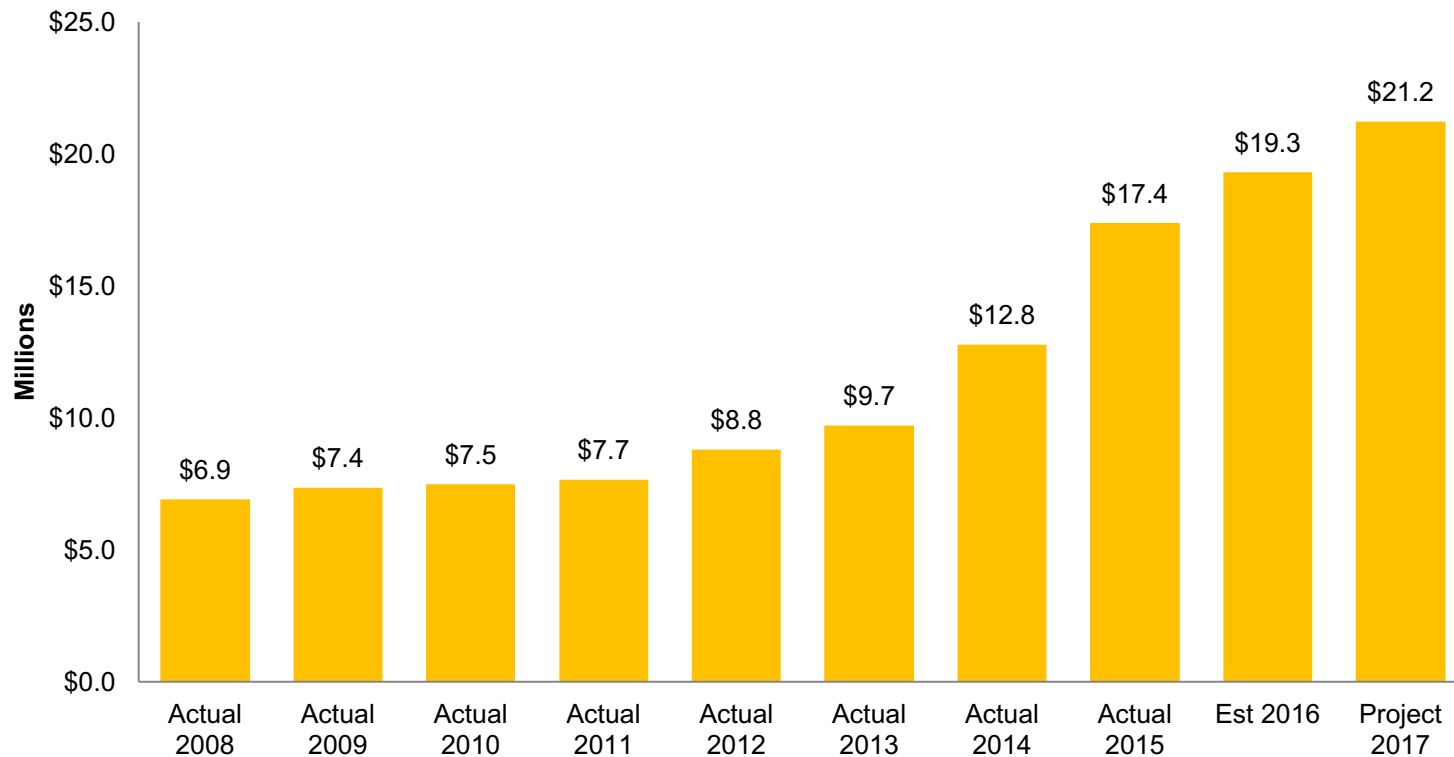
Note: Scholarships include institutional, international, and mandated scholarships only.
Source: Budget Office

ACT and HS GPA of Entering FT Freshmen

ACT Composite and HS GPA of Entering Full-Time Freshmen
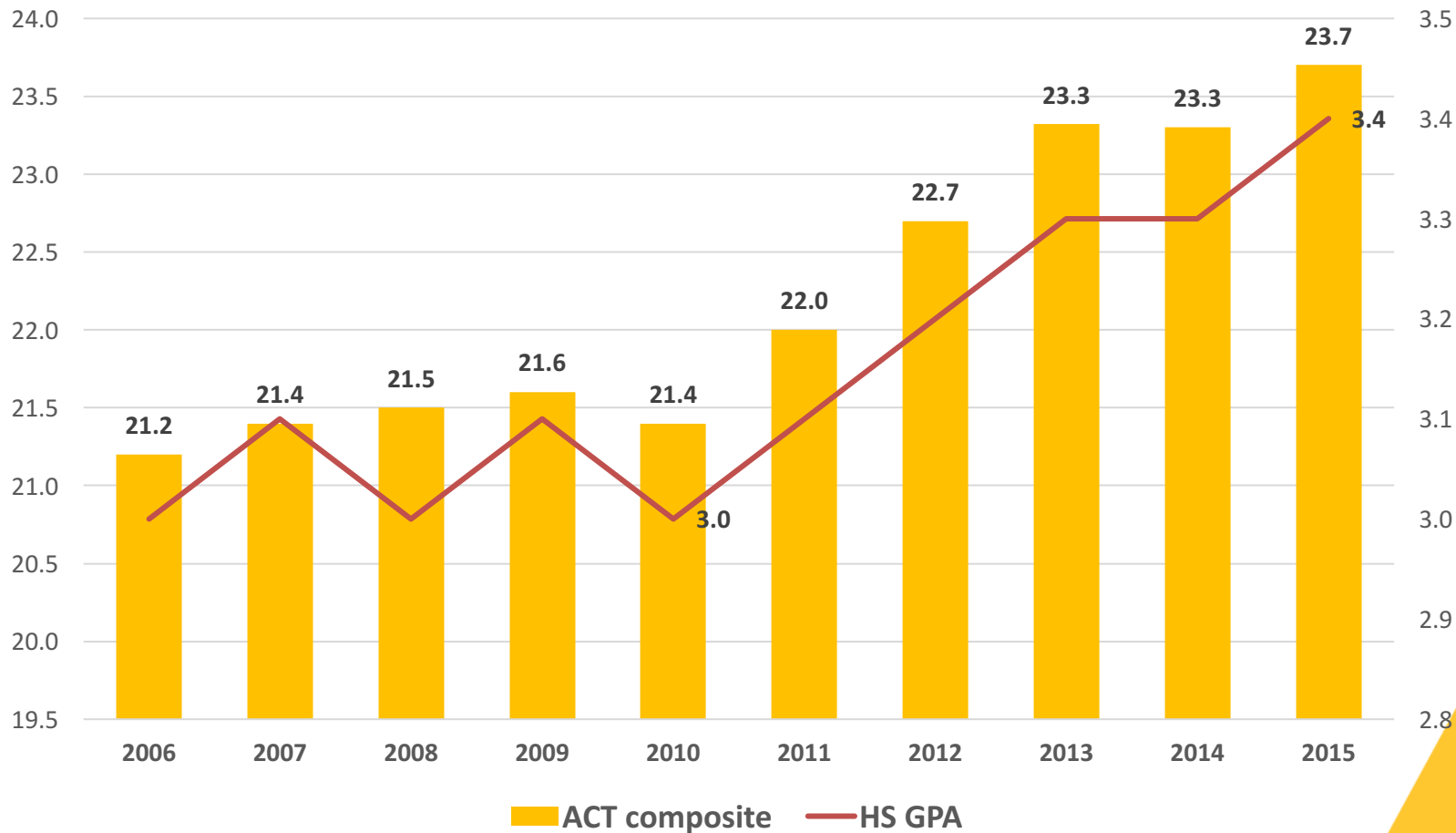
Note: Average ACT composite and average HS GPA for first-time, full-time, bachelor's degree-seeking cohort.

Underrepresented Minority Students

Undergraduate Enrollment - Underrepresented Minority Students

- ■ African-American
- ■ Hispanic
- ■ Two or more races

Source: Institutional Research

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Fixed Costs and KERS

Fixed Costs Increases

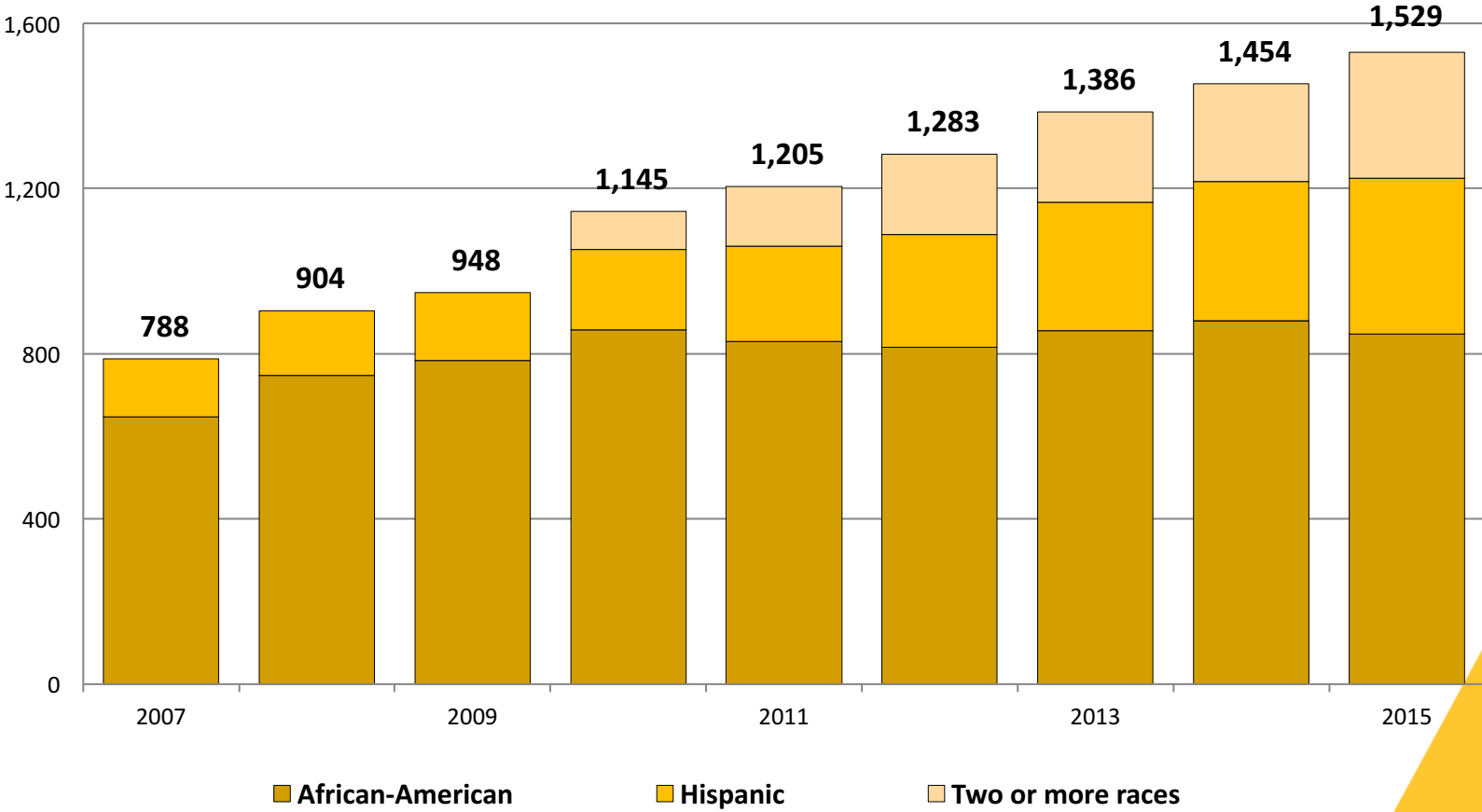|	FY 2015-16	FY 2016-17 Budget	Difference	Percent Change
Utilities	$5,069,800	$4,515,500	-$554,300	-10.9%
IT Hardware/Software Licenses	$2,323,000	$2,460,300	$137,300	5.9%
Subtotal	*$7,392,800*	*$6,975,800*	*-$417,000*	*-5.6%*
Fringe Benefits (rate changes)				
KERS Staff Retirement	$15,292,200	$19,109,200	$3,817,000	25.0%
Health/Vision/Dental	$14,241,000	$14,241,000	$0	0%
TIAA Retirement	$4,606,100	$4,606,100	$0	0%
FICA	$6,701,900	$6,701,900	$0	0%
Worker's Comp/Unemployment	$661,000	$661,000	$0	0%
Life and Disability Insurance	$170,300	$189,800	$19,500	11.5%
Subtotal	*$41,672,500*	*$45,509,000*	*$3,836,800*	*9.2%*
Other	$9,424,900	$9,982,500	$557,600	5.9%
Faculty Promotions		239,900	239,900	
Total	**$58,490,200**	**$62,707,200**	**$4,217,000**	**7.2%**

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KERS Contribution Rates
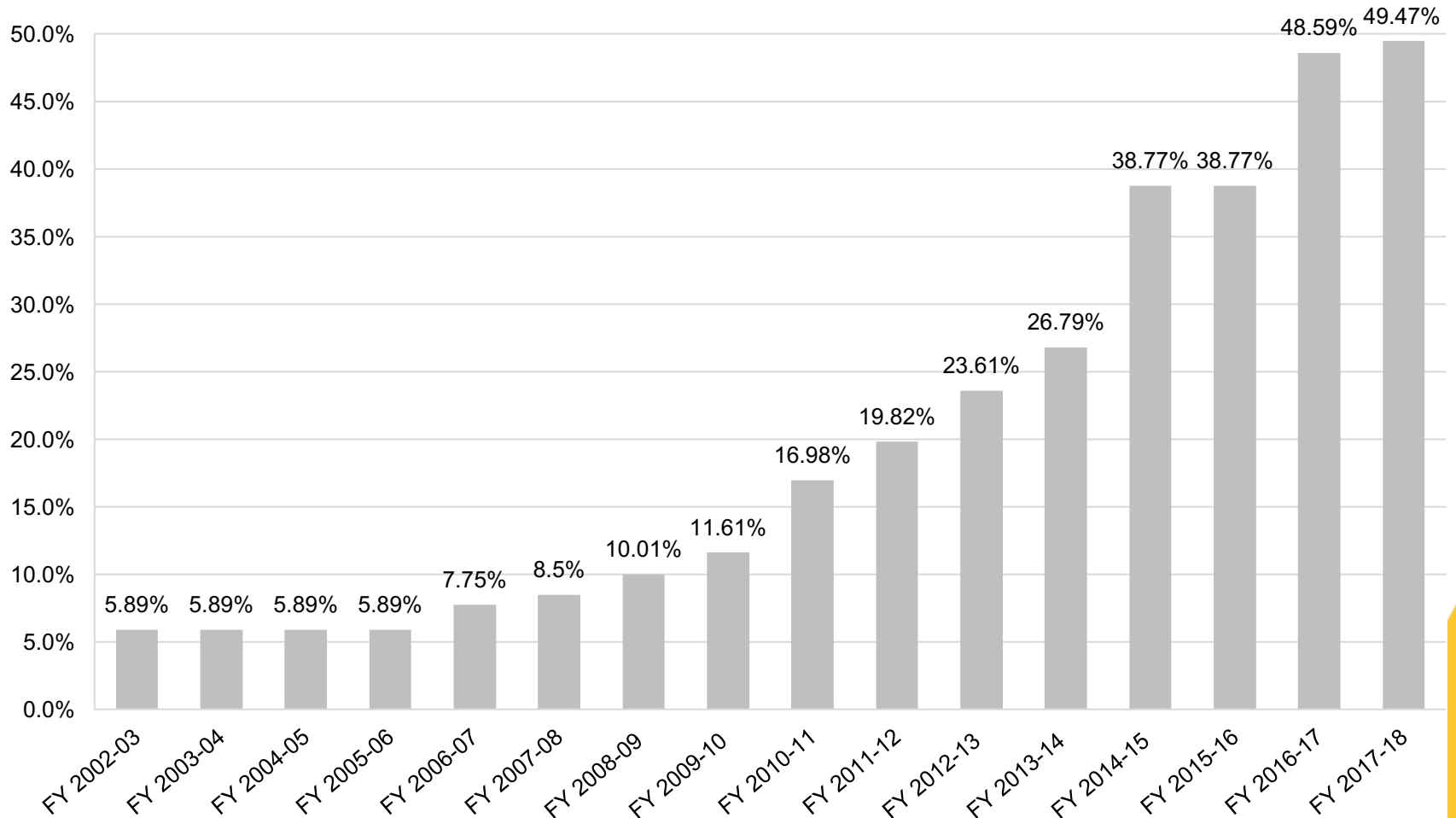
NKU's KERS Contribution
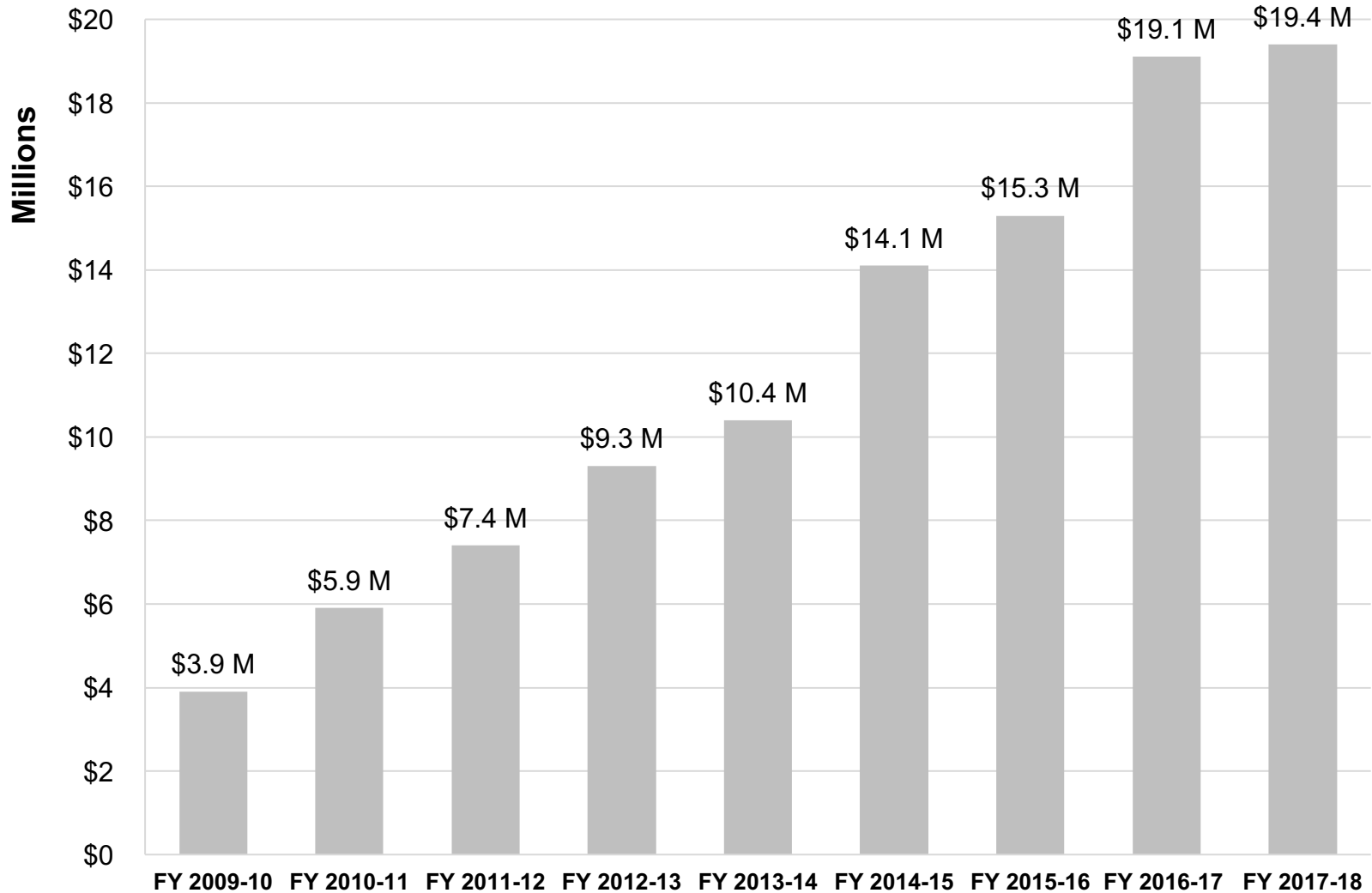
Total Fixed Costs
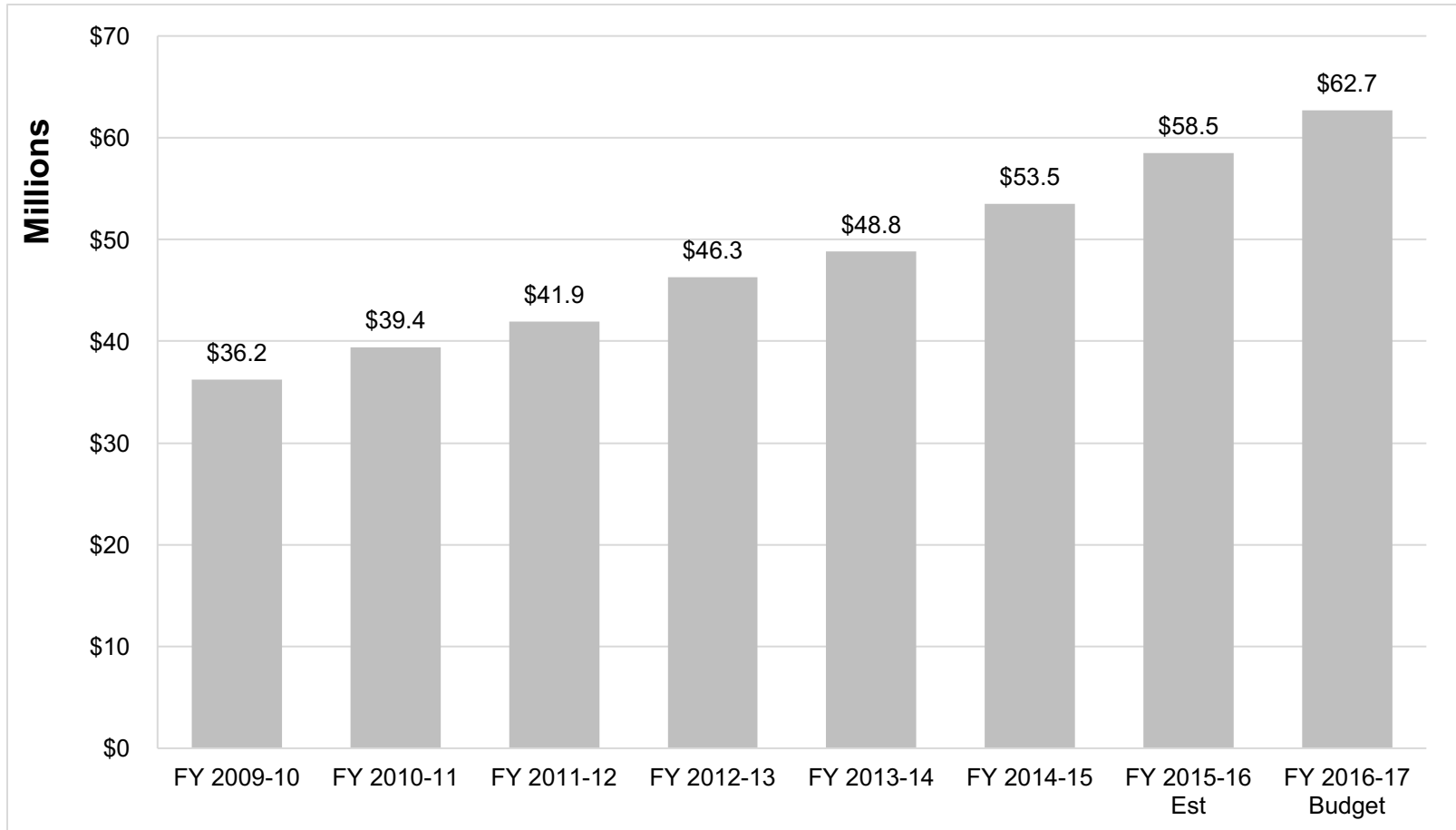
2016-18 State Appropriations

2016-18 State Appropriations

Assumption: 4.5% recurring cut in FY 2016-17 and $5.1M equity in FY 2017-18

$51.5M

$5.1M

$50.0

Millions

$48.5M

$46.4M

$46.4M

$40.0

$30.0

$20.0

Fy 2015-16   FY 2016-17   FY 2017-18

■ State Appropriation   ■ Equity
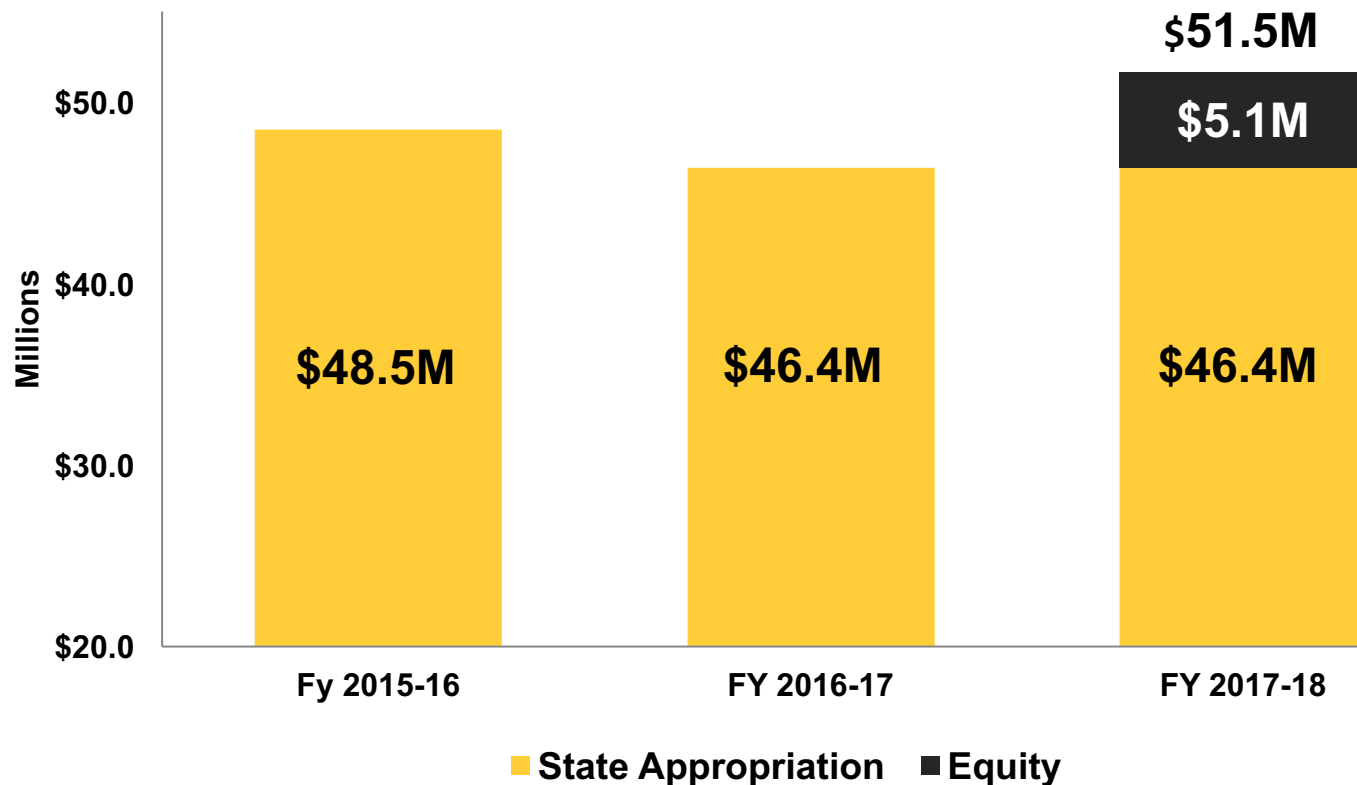
Tuition Rates

Resident Undergraduate Tuition Rate Increases
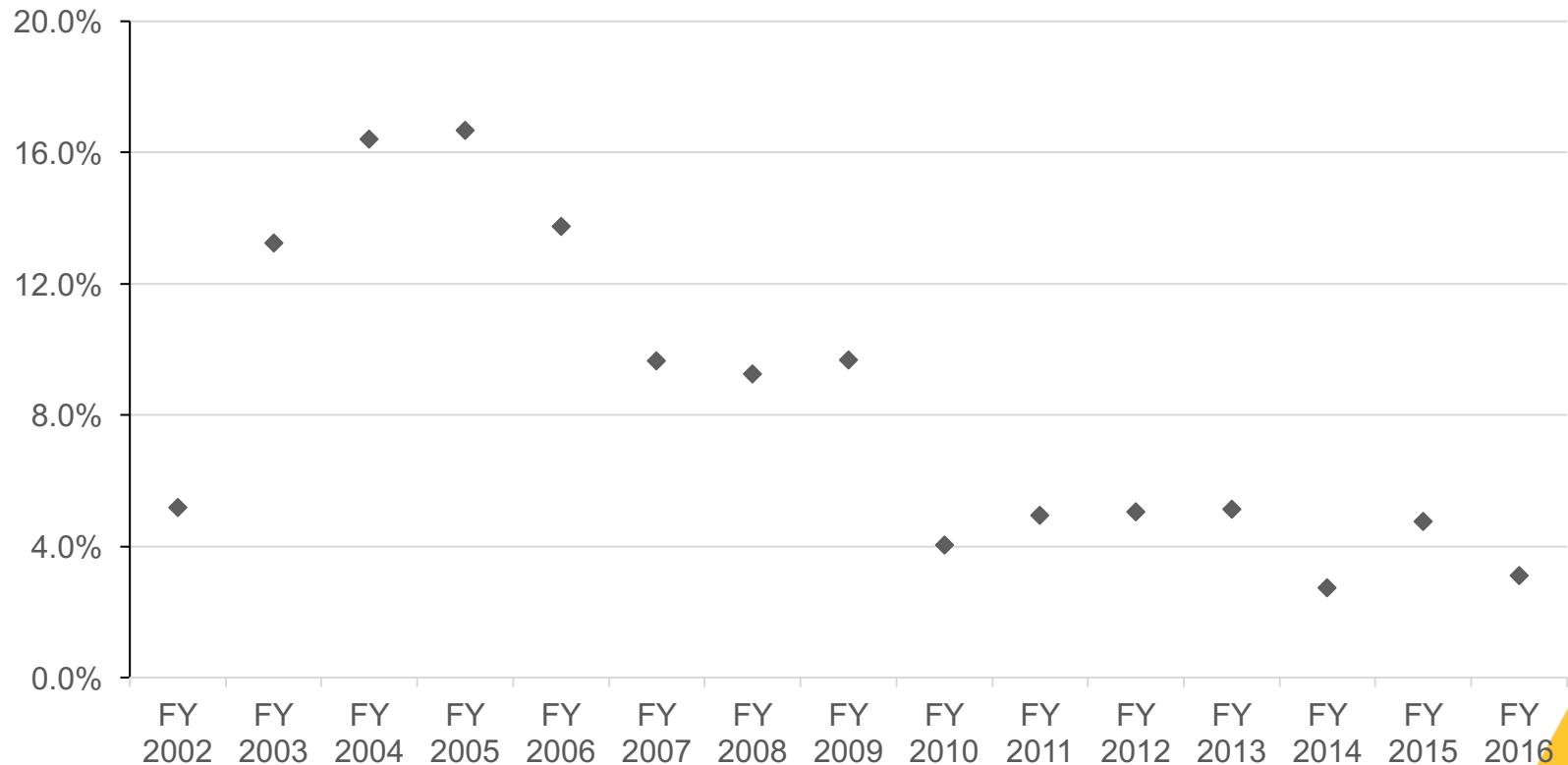
Tuition Rate Increases

2015-16 Semester Tuition for Undergrad KY Resident = $4,368

- 1% rate increase = $44

- 2% rate increase = $87

- 3% rate increase = $131

- 4% rate increase = $175

- 5% rate increase = $219

- 6% rate increase = $262

Two-year Budget Strategy FY 16-17 and FY 17-18

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2016-17 Budget Variables

Across-the-board pay increase of 1% =	$1.2 M
Tuition rate increase of 1% (net) =	$1 M
Enrollment increase of 1% =	$1.15 M
Average compensation/benefits for FT Faculty =	$95 K
Average compensation/benefits for FT Staff =	$67 K

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Cumulative Biennial Impact

Budget reductions required assuming a
4.5% cut and $5.1M equity in FY18

Tuition Rate Increase	2016-17	2017-18	Biennial Cut Target
6%	- $4.4 M	$4.3 M	- $0.1 M
5%	- 5.5 M	3.2 M	- 2.3 M
4%	- 6.6 M	2.1 M	- 4.5 M
3%	- 7.7 M	1.0 M	- 6.7 M
2%	- 8.8 M	- 0.1 M	- 8.9 M
1%	- 9.9 M	- 1.2 M	- 11.1 M
0%	- 11.0 M	- 2.2 M	- 13.2 M

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Cumulative Biennial Impact

Budget reductions required assuming a
a 4.5% cut, no equity in FY18

Tuition Rate Increase	2016-17	2017-18	Biennial Cut Target
6%	- $4.4 M	- $0.8 M	- $5.2 M
5%	- 5.5 M	- 1.9 M	- 7.4 M
4%	- 6.6 M	- 3.0 M	- 9.6 M
3%	- 7.7 M	- 4.1 M	- 11.8 M
2%	- 8.8 M	- 5.2 M	- 14.0 M
1%	- 9.9 M	- 6.3 M	- 16.2 M
0%	- 11.0 M	- 7.4 M	- 18.4 M

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Unrestricted Net Position per Student (FTE)
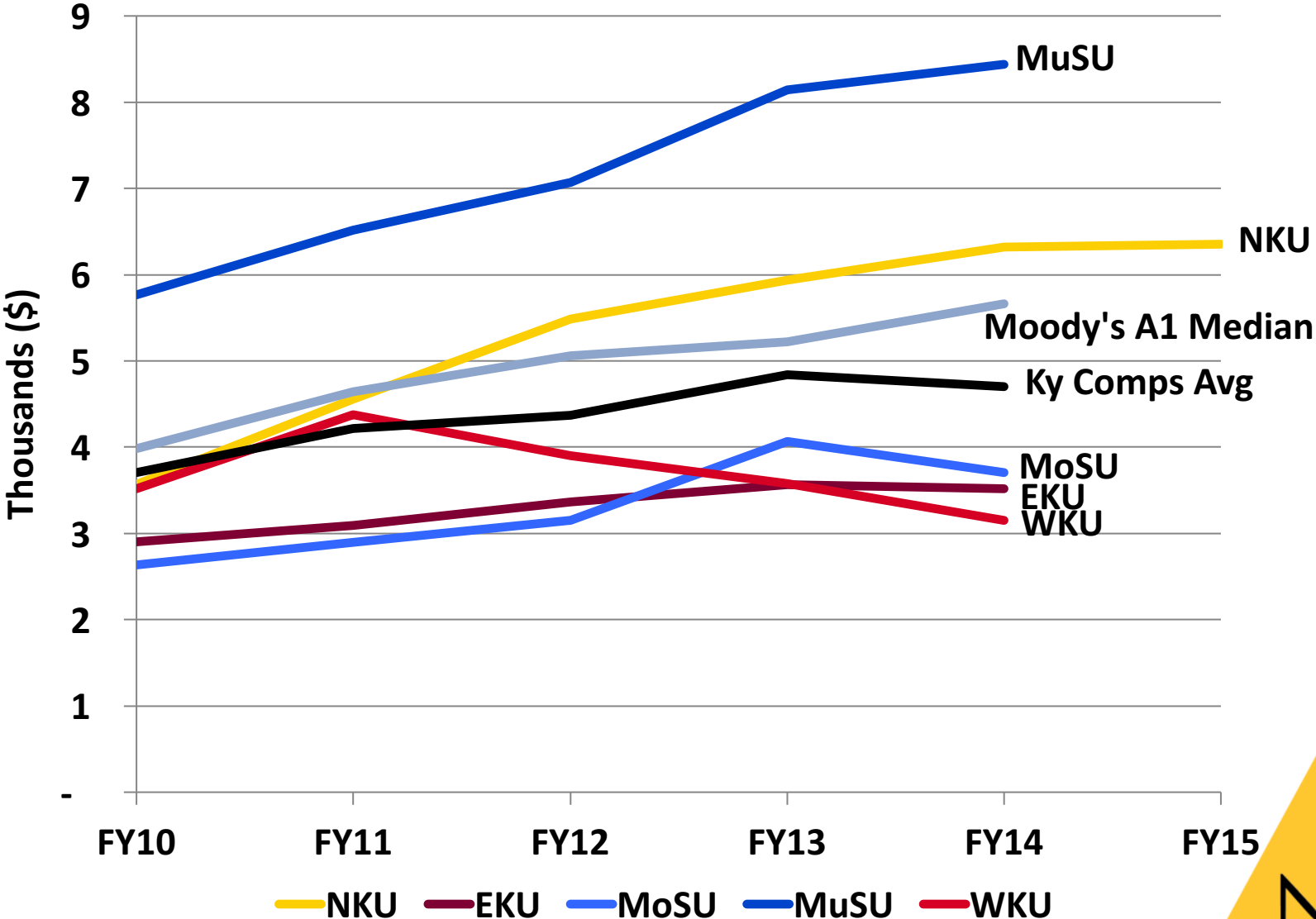
Next Steps

Next Steps

- April 27, 2016: Set tuition rates at Board of Regents Meeting

- Late April/Early May: Finalize FY 16-17 budget plan and recommendations

- Mid-May: Take FY 16-17 budget recommendations to special meeting of the Board of Regents

- Spring 2016-17 and Beyond: Review and implement, as appropriate, the cost savings ideas generated from public forums and other input from campus community

- 2016-17: Phase in implementation of new budget model

- Spring/Summer 2016: Explore possible sale of WNKU

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Examples of Cost Savings Ideas

- Voluntary reduction in work hours

- Voluntary furlough days

- Campus closures/holiday breaks

- Expanded student work opportunities

- Limited options for health insurance to least costly plans

- Travel limitations

- Cloud computing

- Centralized software purchases

- Replacement of direct mail with electronic communications

- Curtailment of food and beverage purchases

- Campus-wide initiative to save on utilities costs

WNKU Radio Station

Fiscal Year	Annual Subsidy
2010	$457,000
2011	$549,000
2012	$479,000
2013	$522,000
2014	$896,000
2015	$944,000
2016 Projected	$1,000,000
Average Annual Subsidy (last 7 years)	$692,000

Enrollment Strategies

Recruitment Strategies

Freshmen

Short Term Strategies

- Execute strategic communication plan in partnership with Marketing and Communication
- Build pipeline with "academic interest" high schools like the Kenton County Innovation Academy and Elkhorn Crossing School

Long Term Strategies

- Take advantage of future expanded housing options by aggressively recruiting in non-local Kentucky and out-of-state markets
- Market and recruit for new majors and programs associated with the HIC
- Increase visibility and opportunities to experience campus through hosting of major events
  - Governor's Scholars Program
  - KHSAA Sweet 16 Girls' High School Basketball Tournament
  - First Lego League Statewide Tournament

Recruitment Strategies

Transfer

Short Term Strategies

- Take advantage of new online programs and online strategy
- Execution of 100+ pathways, articulations, partnerships and key expansions with KCTCS, Cincinnati State and Ivy Tech

Long Term Strategies

- Build additional pathways with current partners and start new pathways with strategic partners outside of local area (execute through online strategy)
- Development of new academic cohorts, especially in health related fields

Graduate

Short Term Strategies

- Increase focus on keeping NKU students at NKU for graduate school
- Focus on stackable certificates

Long Term Strategies

- Develop new online and cohort based graduate programs in high-demand areas
- Develop new programs in health-related areas

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Recruitment Strategies

Chase College of Law

Strategies

- Leverage new and existing scholarship resources to recruit students, particularly those from underrepresented minorities
- Aggressively market the MLS degree as a value added option for working professional
- Expand institutional partnerships for recruitment into the 3+3 degree option
- Market the new LLM degree to international students, focusing on existing institutional partners in South America, Asia and Africa

Recruitment Strategies

International

Short Term Strategies

- Leverage existing scholarship resources to recruit students with whom we have already made contact
- Expedite transcript review

Long Term Strategies

- Expand recruitment market to Latin America and Western Europe
- Develop additional academic partnerships with international universities
- Develop new articulation agreements with international universities

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Retention Strategies

Short Term Strategies

- Implement Summer Spark, a summer bridge program for at-risk students
- Proactive outreach to students regarding registration, graduation, and student support programs and services

Long Term Strategies

- Expansion of University Housing and on-campus living experience
- Implement tactics to support students with unmet financial need
- Implement EAB Student Success Collaborative platform for advising predictive analytics

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Concluding Remarks

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