



**Board of Regents  
2021-2022 Tuition &  
Annual Operating Budget**

May 12, 2021



# Summary

## PART I : TUITION & FEES

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- A 1% undergraduate tuition increase, coupled with a comprehensive student aid program, maintains student affordability while providing much needed investments to support student success goals
- Overall housing fees are proposed to increase at a weighted average of 3%
- Parking rates for students, faculty and staff will be kept at FY21 approved rates
- Meal plan rates proposed to increase approximately 2.8% in line with CPIU Food Away from Home Index

# Summary

## PART II : ANNUAL OPERATING BUDGET

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The FY22 operating budget spending authorization is recommended at \$264.5 million, an increase of \$13.5M (5.4%) over the FY21 authorization of \$251M

# Overview

## PART I : TUITION & RATES

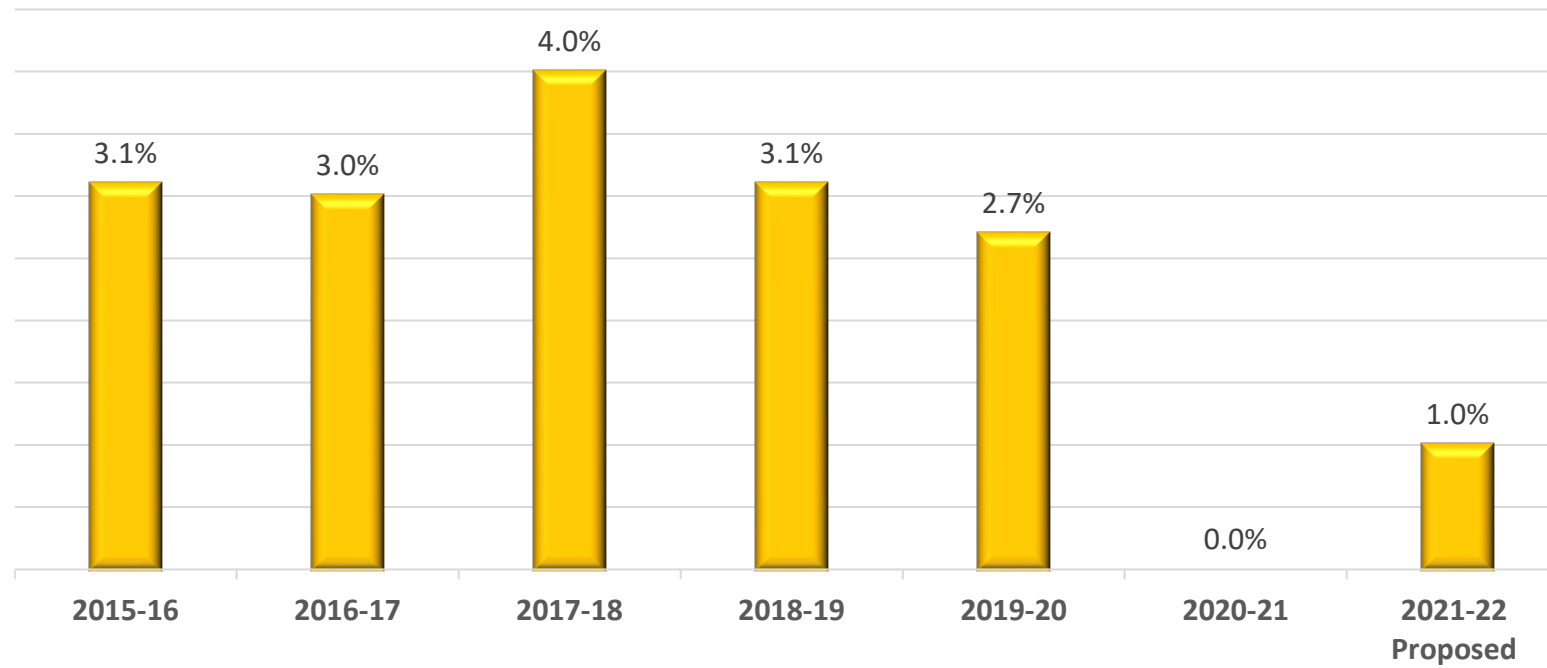
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- Tuition Proposed Rates
- Dining/Parking/Housing Proposed Rates

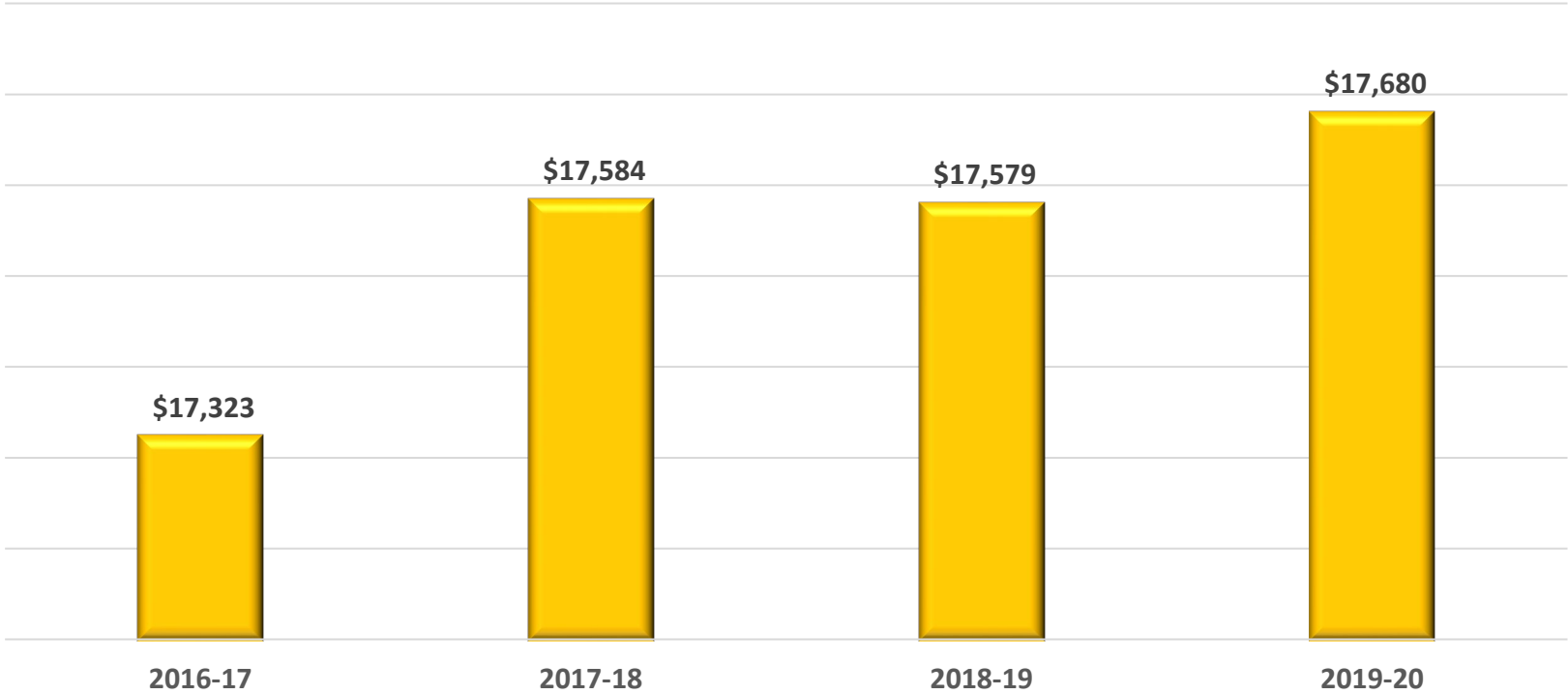
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# **PROPOSED TUITION & FEES**

# NKU Tuition Rate Increases Resident Undergraduate



# NKU Total Cost of Attendance Trends



\*Total cost of attendance is the sum of published tuition and required fees for in-state students, books and supplies, and the weighted average for room and board and other expenses.

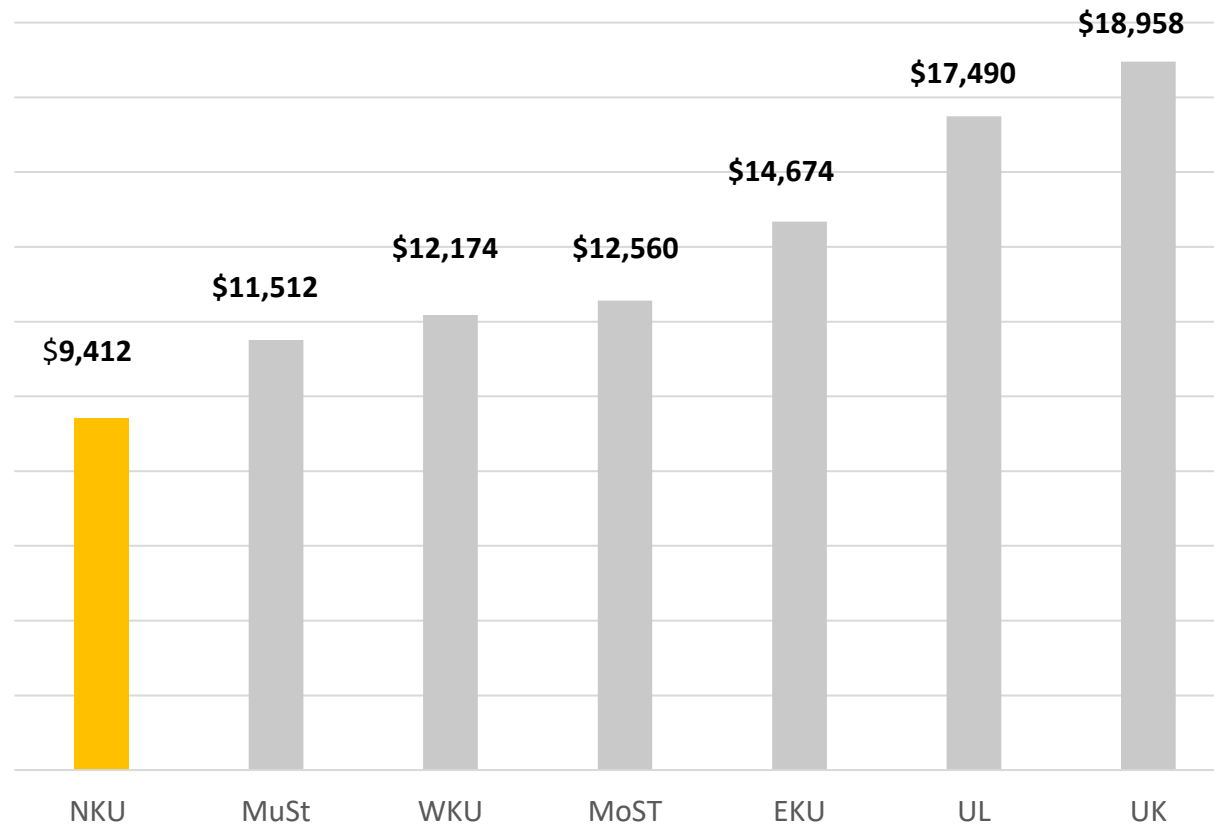
# NKU Net Price Trends



\*Average net price is generated by subtracting the average amount of federal, state/local government, or institutional grant and scholarship aid from the total cost of attendance.



# FY19 Net Price Comparison



**Source:** FY19 IPEDS average net price of attendance for full-time, first-time, degree/certificate-seeking undergraduate students who paid in-state and awarded aid

# RECOMMENDED UNDERGRAD TUITION RATES

	2020-21 Tuition Rate	FY 2021-22 Recommended		
		Tuition Rate	\$ Increase	% Increase
<b>UNDERGRADUATE</b>				
<b>Full-Time 12-16 Hours (Semester)</b>				
Resident, Ohio Reciprocity, Indiana Rate	\$4,956	\$5,006	\$50	1.0%
Metro (returning)	\$7,500	\$7,575	\$75	1.0%
Nonresident	\$9,936	\$10,035	\$99	1.0%
<b>Credit Hour (1-11, 17+ hours)</b>				
Resident, Ohio Reciprocity, Indiana Rate	\$413	\$417	\$4	1.0%
Metro (returning)	\$625	\$631	\$6	1.0%
Nonresident	\$828	\$836	\$8	1.0%
Online (accelerated and all other)	\$448	\$452	\$4	0.9%
RN-BSN Online Partner	\$330	\$330	\$0	0.0%
School Based Scholars	\$72	\$72	\$0	0.0%

# RECOMMENDED GRADUATE TUITION RATE CHANGES

	2020-21 Tuition Rate	FY 2021-22 Recommended		
		Tuition Rate	\$ Increase	% Increase
<b>General: Graduate and Doctorate</b>				
<b>Credit Hour</b>				
Resident	\$613	\$550	\$-63	-10.3%
Ohio/ Indiana	\$738	\$670	\$-68	-9.2%
Nonresident	\$943	\$845	\$-98	-10.4%
COI-M.S Cybersecurity	New	\$460	N/A	N/A

# RECOMMENDED GRADUATE TUITION RATE CHANGES

	2020-21 Tuition Rate	FY 2021-22 Recommended		
		Tuition Rate	\$ Increase	% Increase
<b>Business Graduate</b>				
<b>Credit Hour</b>				
Accelerated Online Master of Accountancy	New	\$490	N/A	N/A
Face to Face Master of Accountancy- Resident	\$565	\$510	-\$55	-9.7%
Face to Face Master of Accountancy- Ohio/Indiana	\$664	\$599	-\$65	-9.8%
Face to Face Master of Accountancy- Nonresident	\$921	\$832	-\$89	-9.7%
<b>College of Health &amp; Human Services</b>				
<b>Credit Hour</b>				
MS-Health Administration-accelerated online	New	\$520	N/A	N/A
Master of Social Work (Graduate Metro)	\$738	\$630	-\$108	-14.6%
Master of Social Work (accelerated online)	New	\$653	N/A	N/A
Graduate Certificate in Healthcare Commercialization	New	\$550	N/A	N/A

# RECOMMENDED GRADUATE TUITION RATE CHANGES

	2020-21 Tuition Rate	FY 2021-22 Recommended		
		Tuition Rate	\$ Increase	% Increase
<b>Law</b>				
<b>Credit Hour (1-12, 17+hours)</b>				
MLS accelerated online	\$854	\$653	\$-201	-23.5%

# Dining: Residential Meal Plans

<b>Plans</b>	<b>Approved Rates 20-21</b>	<b>\$ Increase</b>	<b>Proposed Rates 21-22</b>
Unlimited Plus \$100 Flex	\$2,150	\$60	\$2,210
225 Block/\$200 Flex	\$1,925	\$55	\$1,980
8 Meals/\$500 Flex	\$2,175	\$65	\$2,240
5 Meals/\$700 Flex	\$2,100	\$60	\$2,160
15 Meals No Frills	\$1,650	\$0	\$1,650
Commuter Meal Plan	\$50	\$0	\$50

**All rate are per semester**

Overall rate increases for FY22 are approximately 2.8% per the "CPI Food Away From Home" index

# PARKING RATES

	Approved Rates 2020-21	Proposed Rates 2021-22
Faculty & Staff (full-time, per year)	\$395	\$395
Staff (part-time, per year)	\$195	\$195
Faculty (part-time, per semester)	\$37	\$37
Reserved parking (per year)	\$835	\$835
Students (full- and part-time, per year)	\$256	\$256
Student (per semester)	\$150	\$150
Summer Students	\$60	\$60

# Proposal for Housing Rates

	2020-2021	Capacity	Proposed 2021-2022
Value Room*	\$2,375	298	\$2,750
Standard Room	\$2,700	748	\$2,750
Premium Room**	\$3,325	664	\$3,350
New Residence Hall Room	---	297	\$3,850
Private Room	\$4,000	8	\$4,000

**All rates are per semester**

\* Value Rate was eliminated and all Value Rooms are now charged at the Standard Rate

\*\* 20 beds in the Premium Rate (Northern Terrace) were moved to the Standard Rate

**Note:** Excluding the new residence hall, overall average rates would increase approximately 3%

**Note:** A proposed rate lock program (in pilot form) may be implemented for returning students for Fall 2021. This would hold a student's rate at the previous FY21 level for those who agree to return the second year.





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# **ANNUAL OPERATING BUDGET**


# Overview

## PART II : ANNUAL OPERATING BUDGET

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- FY21 Budget Update
- Update on Current Stimulus Funds
- FY22 Proposed Budget

# FY21 Projection

<i>(\$'s in millions)</i>			
	FY21 BUD	FY21 PROJ	\$ Incr (Decr) to FY21 Bud
<b>Revenue</b>			
Tuition/Fees (Gross) - Resident	\$70.1	\$69.1	-\$1.0
Tuition/Fees (Gross) - non Resident	65.4	62.1	-3.3
Accelerated Online (Gross)	29.0	37.4	8.4
Sales/Services	4.5	2.4	-2.1
Auxiliary Revenue	14.1	7.3	-6.8
Other Revenue (e.g., Invest Income, rentals)	11.5	6.2	-5.3
State Appropriation	52.3	51.1	-1.2
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<b>Total Revenue</b>	<b>246.9</b>	<b>235.6</b>	<b>-11.3</b>
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<b>Expenditures</b>			
Personnel	101.4	99.8	-1.6
Benefits	48.1	45.3	-2.8
Estimated AOL AP Share	12.4	17.0	4.6
Operating	38.8	32.3	-6.5
Student Financial Aid	34.9	38.0	3.1
Transfers (e.g., Debt Service)	10.8	11.1	0.3
Reserves	0.5	0.0	-0.5
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<b>Total Expenditures</b>	<b>246.9</b> 	<b>243.5</b>	<b>-3.4</b>
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<b>Surplus (Deficit)</b>			<b>-7.9</b>
<b>Estimated Stimulus Funds Used</b>			<b>7.9</b>
<b>Final Surplus (Deficit)</b>			<b>0.0</b>

# Current Stimulus Funds

## Student Grant Awards

Stimulus	Award Date	Amount received	Student Grant	Spent	Remaining	End Date
CARES	4/21/2020	\$8M	\$4M	\$4M	\$0	5/02/2022
CRRSAA	1/27/2021	\$13.7M	\$4M	\$1.5M	\$2.4M	5/02/2022

## Institutional Grant Awards

Stimulus	Award Date	Amount received	Institutional Grant	Spent	Remaining	End Date
CARES	4/21/2020	\$8M	\$4M	\$4M	\$0	5/02/2022
CRRSAA	1/27/2021	\$13.7M	\$9.7M	\$3.5M	\$6.2M	5/02/2022

# COVID Awards Versus Impact

Institution/Sector	Federal Awards	COVID-Related Costs and Foregone Revenue			Federal Award
	Total Awards	Costs	Foregone Revenue	Total Impact	Surplus (Deficit)
UK	\$ 41,072,020	\$ 51,870,387	\$ 87,773,007	\$ 139,643,394	(98,571,374)
UofL	28,003,185	20,503,827	61,332,200	81,836,027	(53,832,842)
EKU	23,807,804	6,453,857	14,259,830	20,713,687	3,094,117
KSU	14,544,318	7,776,975	4,658,535	12,435,510	2,108,808
MoSU	14,487,080	8,518,892	18,296,569	26,815,461	(12,328,381)
MuSU	13,143,064	8,900,214	9,347,482	18,247,696	(5,104,632)
<b>NKU</b>	<b>17,029,810</b>	<b>10,145,923</b>	<b>21,910,063</b>	<b>32,055,986</b>	<b>(15,026,176)</b>
WKU	24,521,453	11,248,059	11,948,781	23,196,840	1,324,613
KCTCS	101,976,548	62,956,843	62,127,648	125,084,491	(23,107,943)
Postsecondary Total	278,585,282	188,374,977	291,654,115	480,029,092	(201,443,810)
Research	69,075,205	72,374,214	149,105,207	221,479,421	(152,404,216)
Comprehensive	107,533,529	53,043,920	80,421,260	133,465,180	(25,931,651)
Two-Year	101,976,548	62,956,843	62,127,648	125,084,491	(23,107,943)

Note: Federal awards include CARES, CRRSAA, GEER, and CRF

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# **2021-2022 PROPOSED BUDGET**

# Overview

## 2021-2022 Proposed Budget

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- Budget Principles
- Revenue & Cost Drivers
- Enrollment Outlook
- Pension & State Appropriations
- Federal Stimulus
- Expense Outlook
- FY22 Proposed Budget

# Budget Principles

- Preserve the university's academic priorities centered on student success
- Invest in our people
- Position NKU for both short- and long-term success
- Be bold and innovative when prioritizing functions and activities for investment and disinvestment
- Create efficiencies and effectiveness across campus
- Take an incentive-based approach to allocating university resources aligned with our mission



# Revenue & Cost Drivers

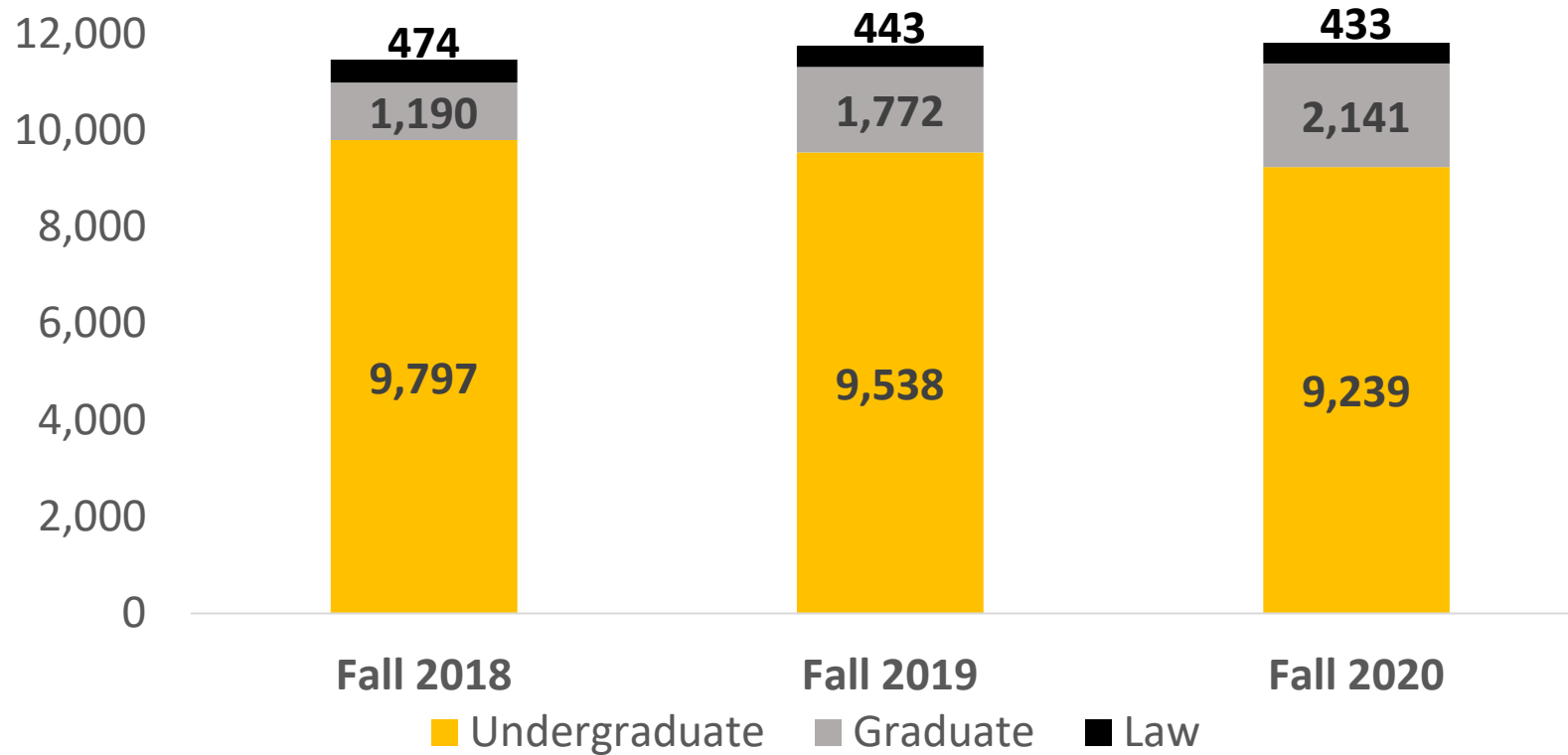
## What drives revenue?

- Enrollment
- State Appropriations
- Other

## What are our expense drivers?

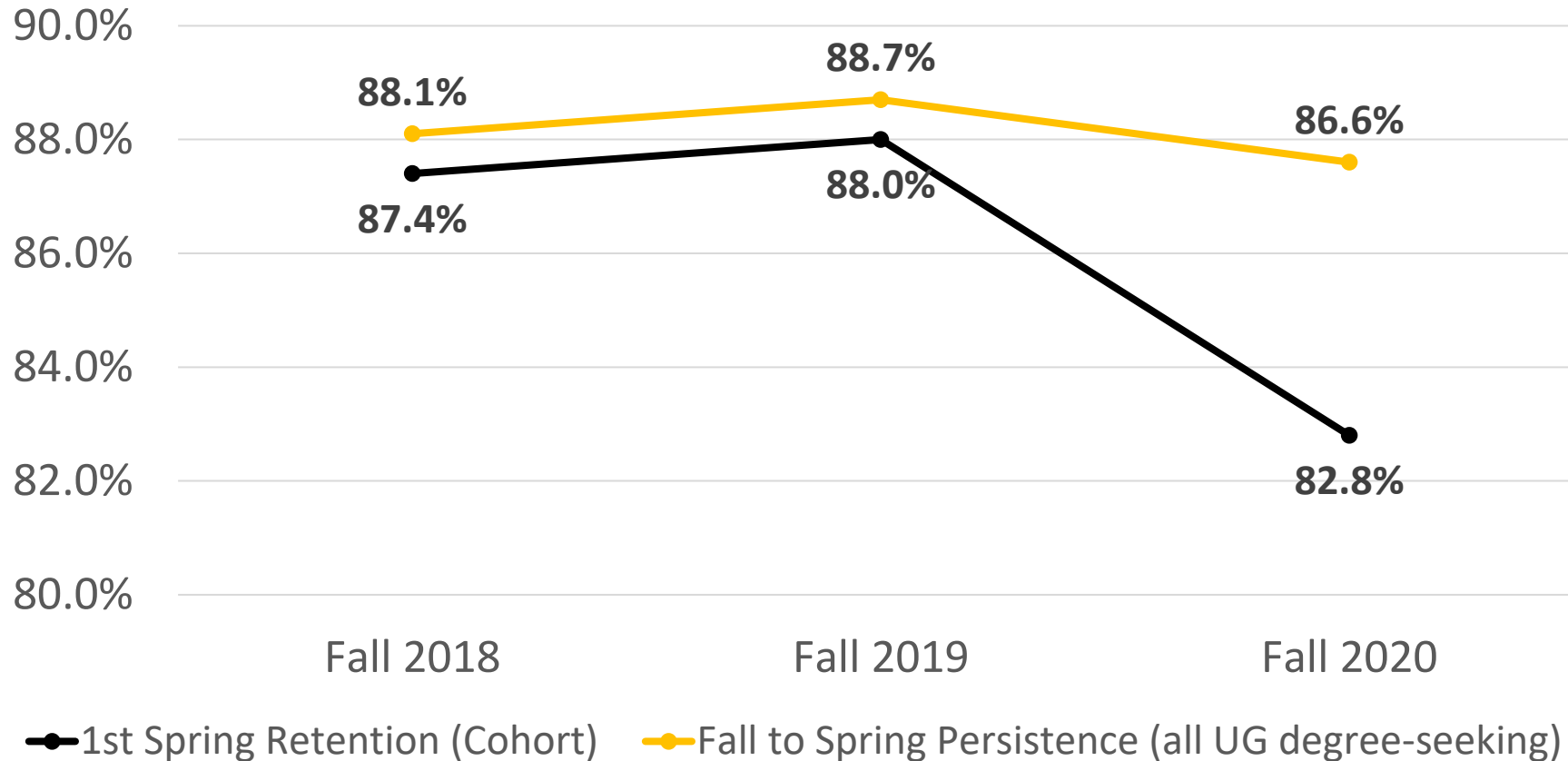
- Personnel
- Operating
- AP 50% revenue share
- Debt service
- Other

# Total FTE Enrollment Trend



	Fall 2018	Fall 2019	Fall 2020	1-year trend	2-year trend
Undergraduate	9,797	9,538	9,239	-3.1%	-5.7%
Graduate	1,190	1,772	2,141	20.8%	79.9%
Law	474	443	433	-2.3%	-8.6%
<b>Total FTE</b>	<b>11,461</b>	<b>11,753</b>	<b>11,813</b>	<b>0.5%</b>	<b>3.1%</b>

# Fall to Spring Retention and Persistence



	AY 18-19	AY 19-20	AY 20-21
<b>Degrees and Credentials Awarded</b>	<b>2,899</b>	<b>3,068</b>	<b>3,629*</b>

\* AY 20-21 numbers are preliminary

# Enrollment Outlook

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- Headcount and Full-Time Equivalencies expected to be slightly up over last year
  - AOL graduate programs are driving the increase with continuing undergraduates declining
  - All student segments are back to taking pre-Covid credit hours
  - Record breaking graduations in FY 2021
- Retention of first-to-second fall will experience declines
  - We saw historic lows this spring which impacts projection
  - Greatest impact are with our underrepresented and low-income populations
  - Persistence of our other cohorts are tracking ahead
- Incoming new Freshmen and Transfer will enroll at lower rates
  - Delayed decisions and increased competition from research institutions
  - Four-year transfers continuing to decline with two-year increasing

# What We're Doing to Impact Enrollment

## *Affordability*

- CARES II and affordability resource email sent to parents/family in alignment with CARES II email
- UCAP working with student referrals around cost to attend and resources
- Micro-grants and micro-scholarships

## *Mental Health*

- The Mental Health Advisory Group addressing mental health wellness for students

## *Retention and Persistence of Unenrolled*

- Coordinated outreach strategies to currently unenrolled students
- Unenrolled reports sent to departments for additional outreach
- Campus welcome and orientation for current first-years

## *Engagement for New Students*

- Continued touchpoints and on-campus experiences this summer

# Pension Update

## **SB 214**

- Provides ability to pay KERS early and receive discount for interest paid
- Includes provision to receive refund for any overpayment of the estimated liability
- Includes statutory authorization for NKU to issue bonds not to exceed \$320M required by State Property and Buildings Commission for their approval

## **HB 8**

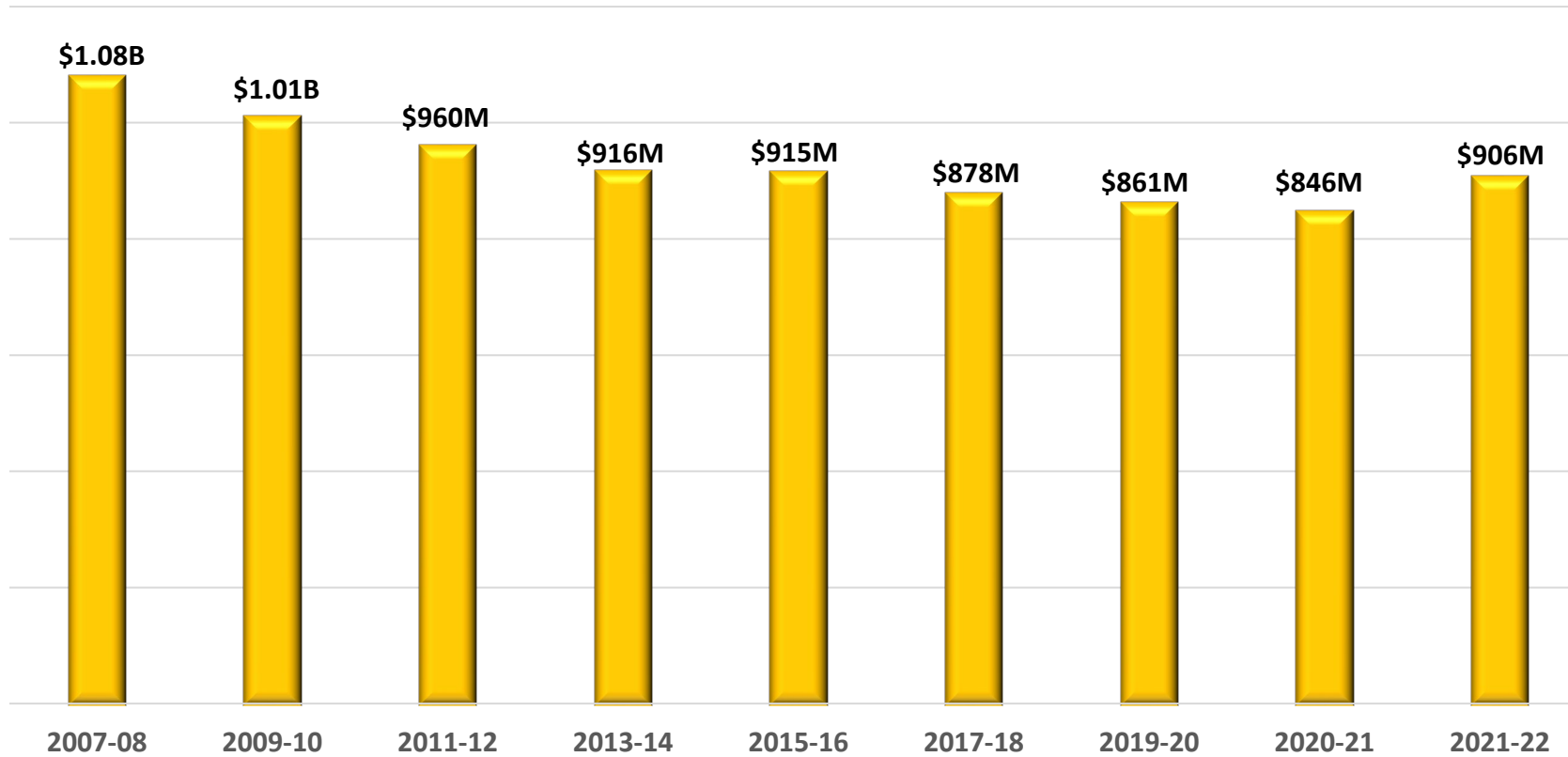
- Changed method for allocating contribution requirement from percentage of payroll to actual liability
- Budget included nearly \$20M to comprehensive universities (except NKU) to offset most of increase in contributions due to change in methodology
- Amendment filed to change the discount rate on cessation calculation from 3.5% to 5.25%
- Reduces our estimated liability by approximately \$73 million, reducing our annual debt payments by nearly \$4 million

# Impact of HB 8 Discount Rate

	A	B	C	D	E	(E-D)
(\$'s in millions)	Current Modeled Payment	HB 8 Original	December Soft Freeze 3.50%	*Current Soft Freeze 3.50%	HB 8 Revised 5.25%	HB8 Revised Impact
Yr 1 Payment	\$16.4	\$15.2	\$16.2	\$16.5	\$12.6	(\$3.9)
Total Payments (30 yrs)	N/A	N/A	\$544.4	\$553.2	\$433.9	(\$119.3)
Total Debt Service (30 yrs)	N/A	N/A	\$442.2	\$452.8	\$333.5	(\$119.3)
Avg Net Present Value	N/A	N/A	\$12.3	\$12.5	\$9.8	(\$2.7)
Cessation Cost	N/A	N/A	\$276.7	\$276.7	\$203.7	(\$73.0)

\* Due to higher bond interest rates since December.

# Net General Fund Appropriations for Kentucky Publics



Source: CPE Finance Unit

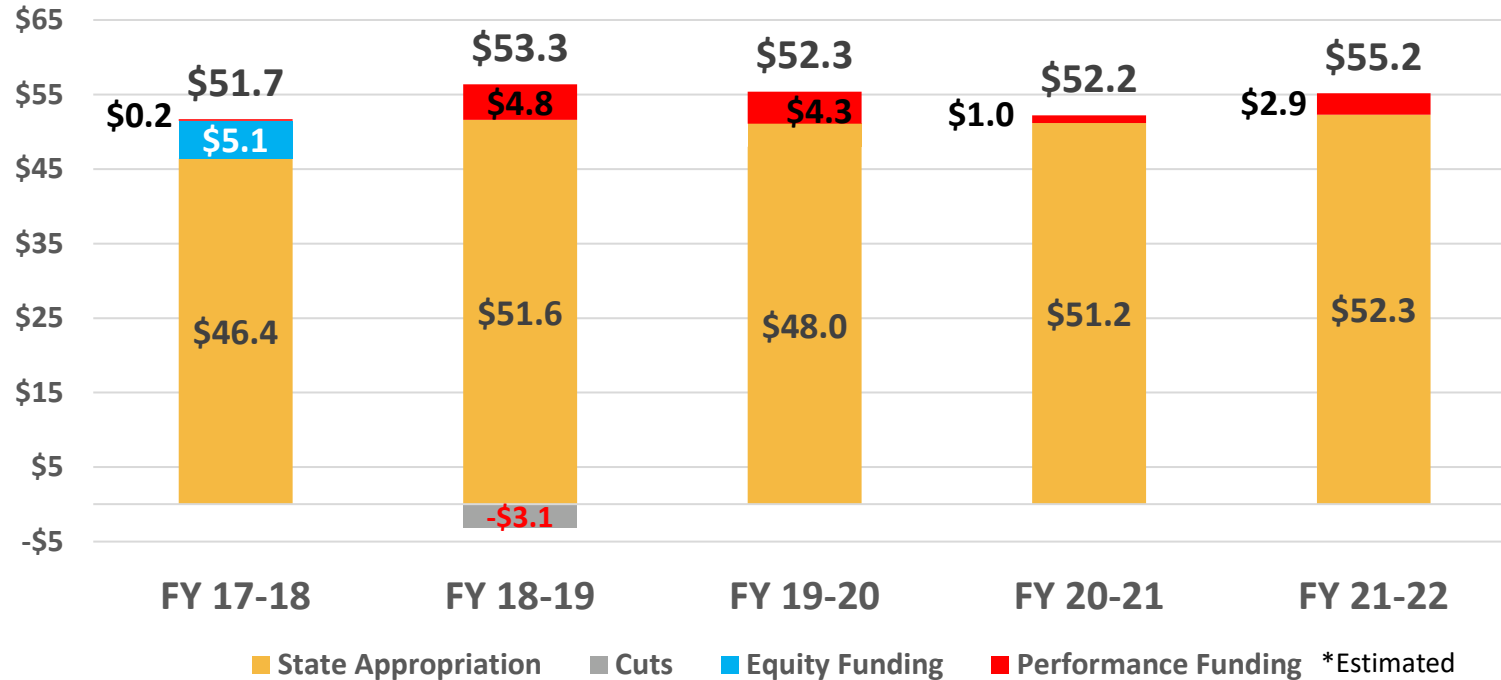


# Performance Funding by Institution

<u>Institution</u>	<u>2021-22 Adjusted Net General Fund</u>	<u>Performance Distribution</u>	<u>2021-22 Revised Net General Fund</u>
UK	\$184,662,000	\$6,086,400	\$190,748,400
UofL	126,211,600	2,972,500	129,184,100
EKU	60,842,300	120,200	60,962,500
KSU	18,235,500	0	18,235,500
MoSU	34,931,500	0	34,931,500
MuSU	40,553,800	0	40,553,800
<b>NKU</b>	<b>50,923,600</b>	<b>2,902,700</b>	<b>53,826,300</b>
WKU	67,619,000	1,398,800	69,017,800
Sector	\$583,979,300	\$13,480,600	\$597,459,900

# State Appropriation

## 2018 – 2022



# New Stimulus Funds

## American Rescue Plan Act (ARPA)

- \$39.5 billion to higher education
- NKU estimated to receive approximately \$24 million
- At least half of funds have to be used for financial aid grants to students
- Funds can be used up until September 2023
- More guidance to come on use of funds

# Expense Outlook

- Personnel
  - Invest in our people to attract and retain talent
- Benefits
  - Continued increases in healthcare costs
- Academic Partnership share
  - 50% share will continue rising with AOL growth
- KERS Contributions & Pension Debt
  - KERS contribution replaced with pension bond payments that provides certainty and lower cost

# Reinvisioned Budget

- **SBD Campus-wide Initiatives** – improving the pipeline; degree & co-curricular mapping; advising & coordinated care; experiential learning & high impact practices **[BOX 1]**
- **Refocusing and repositioning the academic portfolio** – “Mission-centered, Market Smart, & Margin Conscious” **[BOX 2]**
- **Evaluating and streamlining administrative operations and services for effectiveness & efficiencies** **[BOX 2]**
- **New growth opportunities** – lifelong learners from high school to adults; extended education; new programs/services/ventures **[BOX 3]**

# FY22 Proposed Investments - Recurring

## Total Proposed \$7 million

- Invest in our people through a merit increase and adjustment of pay ranges - \$2,000,000
- Establish a Strategic Innovation Investment Fund to provide funding for initiatives tied to Success by Design & new growth opportunities - \$2,000,000
- Invest in our high-growth programs through funding for instructional/curricular support - \$3,000,000

# FY22 Proposed Investments - Nonrecurring

## Total Proposed up to \$5.5 million

- Invest in asset preservation to ensure the proper maintenance of our buildings and equipment – up to \$1,500,000
- Invest in technology including upgrading our classrooms and infrastructure necessary to ensure student success – up to \$400,000
- Invest in our brand, fundraising resources, and advertising to attract prospective students – up to \$850,000
- Chase scholarship aid – up to \$1,750,000
- Performance bonus pool – up to \$1,000,000

# 2021-22 PROPOSED BUDGET

<i>(\$'s in millions)</i>	FY21 Budget	FY22 Proposed	Incr (Decr) to FY21 Bud
<b>Revenue</b>			
Tuition/Fees (Gross) - Resident	\$70.1	\$65.4	-4.7
Tuition/Fees (Gross) - non Resident	65.4	63.8	-1.6
Accelerated Online (Gross)	29.0	44.9	15.9
Sales/Services	4.5	3.6	-0.9
Auxiliary Revenue	14.1	15.0	0.9
Other Revenue (e.g., Invest Income, rentals)	11.5	8.7	-2.8
State Appropriation	52.3	55.2	2.9
<b>Total Revenue</b>	<b>\$246.9</b>	<b>\$256.6</b>	<b>\$9.7</b>
<b>Expenditures</b>			
Personnel	\$101.4	\$104.9	\$3.5
Benefits	48.1	34.1	-14.0
Estimated AOL AP Share	12.4	19.7	7.3
Operating	38.8	38.5	-0.3
Student Financial Aid	34.9	36.0	1.1
Transfers (e.g., Debt Service)	10.8	22.8	12.0
Strategic Innovation Investment Fund	0.0	2.0	2.0
Reserves	0.5	1.0	0.5
<b>Total Expenditures</b>	<b>\$246.9</b>	<b>\$259.0</b>	<b>\$12.1</b>
Nonrecurring investments	2.0	5.5	3.5
<b>Total Operating Budget</b>	<b>\$248.9</b>	<b>\$264.5</b>	<b>\$15.6</b>
<b>Surplus (Deficit) Expenditures over Revenue</b>		<b>(2.4)</b>	
<b>Estimated Stimulus Funds Used</b>		<b>2.4</b>	
<b>Final Surplus (Deficit)</b>		<b>0.0</b>	



# Budget by Division Trends

*\$'s in millions*

Major Divison	FY19	FY20	% change	FY21	% change	FY22	
						Proposed	% change
Academic Affairs	\$131.1	\$146.5	12%	\$152.7	4.2%	\$162.3	6.3%
Administration and Finance	63.2	61.7	-2%	57.8	-6.3%	59.8	3.5%
Student Affairs	19.6	19.5	-1%	15.0	-23.1%	15.1	0.7%
Advancement	6.0	6.4	7%	6.4	0.0%	6.5	1.6%
Athletics	10.3	10.6	3%	10.7	0.9%	10.9	1.9%
Other (Pres/CSO/CDO/Legal)	3.7	4.1	11%	4.4	7.3%	4.4	0.0%
<b>Total</b>	<b>\$233.9</b>	<b>\$248.8</b>		<b>\$247.0</b>		<b>\$259.0</b>	

# Budget by Function Trends

*\$'s in millions*

Major Function	FY19	FY20	% change	FY21	% change
Instruction	\$65.60	\$74.80	14.0%	\$79.60	6.4%
Research	0.20	0.20	0.0%	0.20	0.0%
Public Service	7.00	7.30	4.3%	7.00	-4.1%
Libraries	5.70	5.70	0.0%	6.90	21.1%
Academic Support	23.10	26.10	13.0%	26.70	2.3%
Student Services	22.10	22.70	2.7%	22.30	-1.8%
Institutional Support	33.10	30.40	-8.2%	29.70	-2.3%
Operations and Maintenance	19.70	20.10	2.0%	20.20	0.5%
Student Financial Aid	29.10	36.40	25.1%	34.50	-5.2%
Auxiliary Enterprises	17.20	17.10	-0.6%	14.10	-17.5%
Other	10.10	6.80	-32.7%	5.70	-16.2%
<b>Total</b>	<b>\$232.90</b>	<b>\$247.60</b>		<b>\$246.90</b>	

# Merit and Employee Compensation Actions Since FY18

Date	Merit / Salary Change Implementation
2019 January	3% increase (2.5% merit and .5% to address equity and compression issues)
2019 July	2% Merit Pool
2020 July	Non-Recurring Salary Reductions and Furloughs (2 to 10%) for employees with salary >\$50,000 \$2M impact
2021 July	1.5% merit increase (Plus, adjustments to new grade minimum with staff salary ranges revision)
2022 January	Performance-Based Bonus Pool – approximately 1%

# Summary

## PART II : ANNUAL OPERATING BUDGET

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**QUESTIONS?**