Board of Regents
2021-2022 Tuition &
Annual Operating Budget

May 12, 2021
Summary

PART I : TUITION & FEES

• 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

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

• Tuition Proposed Rates

• Dining/Parking/Housing Proposed Rates
PROPOSED TUITION & FEES
NKU Tuition Rate Increases
Resident Undergraduate

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-16</td>
<td>3.1%</td>
</tr>
<tr>
<td>2016-17</td>
<td>3.0%</td>
</tr>
<tr>
<td>2017-18</td>
<td>4.0%</td>
</tr>
<tr>
<td>2018-19</td>
<td>3.1%</td>
</tr>
<tr>
<td>2019-20</td>
<td>2.7%</td>
</tr>
<tr>
<td>2020-21</td>
<td>0.0%</td>
</tr>
<tr>
<td>2021-22</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

Proposed
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
<table>
<thead>
<tr>
<th>UNDERGRADUATE</th>
<th>2020-21 Tuition Rate</th>
<th>FY 2021-22 Recommended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tuition Rate</td>
<td>$ Increase</td>
</tr>
<tr>
<td><strong>Full-Time 12-16 Hours (Semester)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident, Ohio Reciprocity, Indiana Rate</td>
<td>$4,956</td>
<td>$5,006</td>
</tr>
<tr>
<td>Metro (returning)</td>
<td>$7,500</td>
<td>$7,575</td>
</tr>
<tr>
<td>Nonresident</td>
<td>$9,936</td>
<td>$10,035</td>
</tr>
<tr>
<td><strong>Credit Hour (1-11, 17+ hours)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resident, Ohio Reciprocity, Indiana Rate</td>
<td>$413</td>
<td>$417</td>
</tr>
<tr>
<td>Metro (returning)</td>
<td>$625</td>
<td>$631</td>
</tr>
<tr>
<td>Nonresident</td>
<td>$828</td>
<td>$836</td>
</tr>
<tr>
<td>Online (accelerated and all other)</td>
<td>$448</td>
<td>$452</td>
</tr>
<tr>
<td>RN-BSN Online Partner</td>
<td>$330</td>
<td>$330</td>
</tr>
<tr>
<td>School Based Scholars</td>
<td>$72</td>
<td>$72</td>
</tr>
</tbody>
</table>
# RECOMMENDED GRADUATE TUITION RATE CHANGES

<table>
<thead>
<tr>
<th>Credit Hour</th>
<th>2020-21 Tuition Rate</th>
<th>FY 2021-22 Recommended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tuition Rate</td>
<td>$</td>
</tr>
<tr>
<td>Resident</td>
<td>$613</td>
<td>$550</td>
</tr>
<tr>
<td>Ohio/ Indiana</td>
<td>$738</td>
<td>$670</td>
</tr>
<tr>
<td>Nonresident</td>
<td>$943</td>
<td>$845</td>
</tr>
<tr>
<td>COI-M.S Cybersecurity</td>
<td>New</td>
<td>$460</td>
</tr>
</tbody>
</table>
## RECOMMENDED GRADUATE TUITION RATE CHANGES

<table>
<thead>
<tr>
<th>Business Graduate</th>
<th>2020-21 Tuition Rate</th>
<th>FY 2021-22 Recommended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tuition Rate</td>
<td>$ Increase</td>
</tr>
<tr>
<td><strong>Credit Hour</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accelerated Online Master of Accountancy</td>
<td>New $490</td>
<td>N/A</td>
</tr>
<tr>
<td>Face to Face Master of Accountancy- Resident</td>
<td>$565</td>
<td>$510</td>
</tr>
<tr>
<td>Face to Face Master of Accountancy- Ohio/Indiana</td>
<td>$664</td>
<td>$599</td>
</tr>
<tr>
<td>Face to Face Master of Accountancy- Nonresident</td>
<td>$921</td>
<td>$832</td>
</tr>
<tr>
<td><strong>College of Health &amp; Human Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Credit Hour</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MS-Health Administration-accelerated online</td>
<td>New $520</td>
<td>N/A</td>
</tr>
<tr>
<td>Master of Social Work (Graduate Metro)</td>
<td>$738</td>
<td>$630</td>
</tr>
<tr>
<td>Master of Social Work (accelerated online)</td>
<td>New $653</td>
<td>N/A</td>
</tr>
<tr>
<td>Graduate Certificate in Healthcare Commercialization</td>
<td>New $550</td>
<td>N/A</td>
</tr>
</tbody>
</table>
# Recommended Graduate Tuition Rate Changes

<table>
<thead>
<tr>
<th>Credit Hour (1-12, 17+hours)</th>
<th>2020-21 Tuition Rate</th>
<th>FY 2021-22 Recommended</th>
</tr>
</thead>
<tbody>
<tr>
<td>MLS accelerated online</td>
<td>$854</td>
<td>$653</td>
</tr>
<tr>
<td></td>
<td>$201</td>
<td>-23.5%</td>
</tr>
</tbody>
</table>
Dining: Residential Meal Plans

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

All rate are per semester

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Approved Rates 2020-21</th>
<th>Proposed Rates 2021-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty &amp; Staff (full-time, per year)</td>
<td>$395</td>
<td>$395</td>
</tr>
<tr>
<td>Staff (part-time, per year)</td>
<td>$195</td>
<td>$195</td>
</tr>
<tr>
<td>Faculty (part-time, per semester)</td>
<td>$37</td>
<td>$37</td>
</tr>
<tr>
<td>Reserved parking (per year)</td>
<td>$835</td>
<td>$835</td>
</tr>
<tr>
<td>Students (full- and part-time, per year)</td>
<td>$256</td>
<td>$256</td>
</tr>
<tr>
<td>Student (per semester)</td>
<td>$150</td>
<td>$150</td>
</tr>
<tr>
<td>Summer Students</td>
<td>$60</td>
<td>$60</td>
</tr>
</tbody>
</table>
## Proposal for Housing Rates

<table>
<thead>
<tr>
<th>Room Type</th>
<th>2020-2021</th>
<th>Capacity</th>
<th>Proposed 2021-2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value Room*</td>
<td>$2,375</td>
<td>298</td>
<td>$2,750</td>
</tr>
<tr>
<td>Standard Room</td>
<td>$2,700</td>
<td>748</td>
<td>$2,750</td>
</tr>
<tr>
<td>Premium Room**</td>
<td>$3,325</td>
<td>664</td>
<td>$3,350</td>
</tr>
<tr>
<td>New Residence Hall Room</td>
<td>---</td>
<td>297</td>
<td>$3,850</td>
</tr>
<tr>
<td>Private Room</td>
<td>$4,000</td>
<td>8</td>
<td>$4,000</td>
</tr>
</tbody>
</table>

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

**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**: 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.
ANNUAL OPERATING BUDGET
Overview

PART II: ANNUAL OPERATING BUDGET

• FY21 Budget Update
• Update on Current Stimulus Funds
• FY22 Proposed Budget
# FY21 Projection

($'s in millions)

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

## Student Grant Awards

<table>
<thead>
<tr>
<th>Stimulus</th>
<th>Award Date</th>
<th>Amount received</th>
<th>Student Grant</th>
<th>Spent</th>
<th>Remaining</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>CARES</td>
<td>4/21/2020</td>
<td>$8M</td>
<td>$4M</td>
<td>$4M</td>
<td>$0</td>
<td>5/02/2022</td>
</tr>
<tr>
<td>CRRSAA</td>
<td>1/27/2021</td>
<td>$13.7M</td>
<td>$4M</td>
<td>$1.5M</td>
<td>$2.4M</td>
<td>5/02/2022</td>
</tr>
</tbody>
</table>

## Institutional Grant Awards

<table>
<thead>
<tr>
<th>Stimulus</th>
<th>Award Date</th>
<th>Amount received</th>
<th>Institutional Grant</th>
<th>Spent</th>
<th>Remaining</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>CARES</td>
<td>4/21/2020</td>
<td>$8M</td>
<td>$4M</td>
<td>$4M</td>
<td>$0</td>
<td>5/02/2022</td>
</tr>
<tr>
<td>CRRSAA</td>
<td>1/27/2021</td>
<td>$13.7M</td>
<td>$9.7M</td>
<td>$3.5M</td>
<td>$6.2M</td>
<td>5/02/2022</td>
</tr>
</tbody>
</table>
# COVID Awards Versus Impact

<table>
<thead>
<tr>
<th>Institution/Sector</th>
<th>Federal Awards</th>
<th>COVID-Related Costs and Foregone Revenue</th>
<th>Federal Award Surplus (Deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Awards</td>
<td>Costs</td>
<td>Foregone Revenue</td>
</tr>
<tr>
<td>UK</td>
<td>$41,072,020</td>
<td>$51,870,387</td>
<td>$87,773,007</td>
</tr>
<tr>
<td>UofL</td>
<td>28,003,185</td>
<td>20,503,827</td>
<td>61,332,200</td>
</tr>
<tr>
<td>EKU</td>
<td>23,807,904</td>
<td>6,453,857</td>
<td>14,259,830</td>
</tr>
<tr>
<td>KSU</td>
<td>14,544,318</td>
<td>7,776,975</td>
<td>4,658,535</td>
</tr>
<tr>
<td>MoSU</td>
<td>14,487,080</td>
<td>8,518,892</td>
<td>18,296,569</td>
</tr>
<tr>
<td>MuSU</td>
<td>13,143,064</td>
<td>8,900,214</td>
<td>9,347,482</td>
</tr>
<tr>
<td>NKU</td>
<td>17,029,810</td>
<td>10,145,923</td>
<td>21,910,063</td>
</tr>
<tr>
<td>WKU</td>
<td>24,521,453</td>
<td>11,248,059</td>
<td>11,948,781</td>
</tr>
<tr>
<td>KCTCS</td>
<td>101,976,548</td>
<td>62,956,843</td>
<td>62,127,648</td>
</tr>
<tr>
<td>Postsecondary Total</td>
<td>278,585,282</td>
<td>188,374,977</td>
<td>291,654,115</td>
</tr>
<tr>
<td>Research</td>
<td>69,075,205</td>
<td>72,374,214</td>
<td>149,105,207</td>
</tr>
<tr>
<td>Comprehensive</td>
<td>107,533,529</td>
<td>53,043,920</td>
<td>80,421,260</td>
</tr>
<tr>
<td>Two-Year</td>
<td>101,976,548</td>
<td>62,956,843</td>
<td>62,127,648</td>
</tr>
</tbody>
</table>

Note: Federal awards include CARES, CRRSAA, GEER, and CRF
2021-2022
PROPOSED BUDGET
Overview

2021-2022 Proposed Budget

• 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

<table>
<thead>
<tr>
<th></th>
<th>Fall 2018</th>
<th>Fall 2019</th>
<th>Fall 2020</th>
<th>1-year trend</th>
<th>2-year trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergraduate</td>
<td>9,797</td>
<td>9,538</td>
<td>9,239</td>
<td>-3.1%</td>
<td>-5.7%</td>
</tr>
<tr>
<td>Graduate</td>
<td>1,190</td>
<td>1,772</td>
<td>2,141</td>
<td>20.8%</td>
<td>79.9%</td>
</tr>
<tr>
<td>Law</td>
<td>474</td>
<td>443</td>
<td>433</td>
<td>-2.3%</td>
<td>-8.6%</td>
</tr>
<tr>
<td><strong>Total FTE</strong></td>
<td><strong>11,461</strong></td>
<td><strong>11,753</strong></td>
<td><strong>11,813</strong></td>
<td><strong>0.5%</strong></td>
<td><strong>3.1%</strong></td>
</tr>
</tbody>
</table>
Fall to Spring Retention and Persistence

<table>
<thead>
<tr>
<th>Year</th>
<th>1st Spring Retention (Cohort)</th>
<th>Fall to Spring Persistence (all UG degree-seeking)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2018</td>
<td>87.4%</td>
<td>88.1%</td>
</tr>
<tr>
<td>Fall 2019</td>
<td>88.0%</td>
<td>88.7%</td>
</tr>
<tr>
<td>Fall 2020</td>
<td>86.6%</td>
<td>82.8%</td>
</tr>
</tbody>
</table>

Degrees and Credentials Awarded

<table>
<thead>
<tr>
<th>Year</th>
<th>Degrees and Credentials Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>AY 18-19</td>
<td>2,899</td>
</tr>
<tr>
<td>AY 19-20</td>
<td>3,068</td>
</tr>
<tr>
<td>AY 20-21</td>
<td>3,629*</td>
</tr>
</tbody>
</table>

* AY 20-21 numbers are preliminary
Enrollment Outlook

• 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

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

* Due to higher bond interest rates since December.
Net General Fund Appropriations for Kentucky Publics

<table>
<thead>
<tr>
<th>Year</th>
<th>Appropriations</th>
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</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>$1.08B</td>
</tr>
<tr>
<td>2009-10</td>
<td>$1.01B</td>
</tr>
<tr>
<td>2011-12</td>
<td>$960M</td>
</tr>
<tr>
<td>2013-14</td>
<td>$916M</td>
</tr>
<tr>
<td>2015-16</td>
<td>$915M</td>
</tr>
<tr>
<td>2017-18</td>
<td>$878M</td>
</tr>
<tr>
<td>2019-20</td>
<td>$861M</td>
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<tr>
<td>2020-21</td>
<td>$846M</td>
</tr>
<tr>
<td>2021-22</td>
<td>$906M</td>
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</tbody>
</table>

Source: CPE Finance Unit
## Performance Funding by Institution

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

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

### $’s in millions

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

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

## Actions Since FY18

<table>
<thead>
<tr>
<th>Date</th>
<th>Merit / Salary Change Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019 January</td>
<td>3% increase (2.5% merit and .5% to address equity and compression issues)</td>
</tr>
<tr>
<td>2019 July</td>
<td>2% Merit Pool</td>
</tr>
</tbody>
</table>
| 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%                                                   |
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.
QUESTIONS?