



**Board of Regents
2022-2023 Tuition &
Annual Operating Budget**

June 15, 2022



Summary

PART I. ANNUAL OPERATING BUDGET

The FY23 operating budget spending authorization is recommended at \$271.5 million, an increase of \$7.0M (2.6%) over the FY22 authorization of \$264.5 million



Summary

PART II. TUITION & FEES

- Recommended Graduate Tuition Rates Changes
 - College of Health and Human Service
 - Law School
- Overall housing fees are proposed to increase approximately 3.2%
- Meal plan rates proposed to increase approximately 3% in line with CPIU Food Away from Home Index.
- Parking rates for students, faculty and staff are proposed to increase by 2%.



FY23 Budget Development Roadmap

- Budget Principles
- Setting NKU Up for Future Success
- Enrollment Outlook
- FY23 Budget
- Q&A



Introduction: Budget Principles FY23 Budget

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



Mission & Vision Statement

OUR MISSION

Northern Kentucky University delivers innovative, student-centered education and engages in impactful scholarly and creative endeavors, all of which empower our graduates to have fulfilling careers and meaningful lives, while contributing to the economic, civic, and social vitality of the region.

OUR VISION

NKU will be nationally recognized for being a student-ready, regionally-engaged university that empowers diverse learners for economic and social mobility.



FY23 Proposed & Continuing Initiatives



Advisor's
Initiative &
First Year
Success Hub



Hybrid U



Success by
Design



ENTERprise
NKU



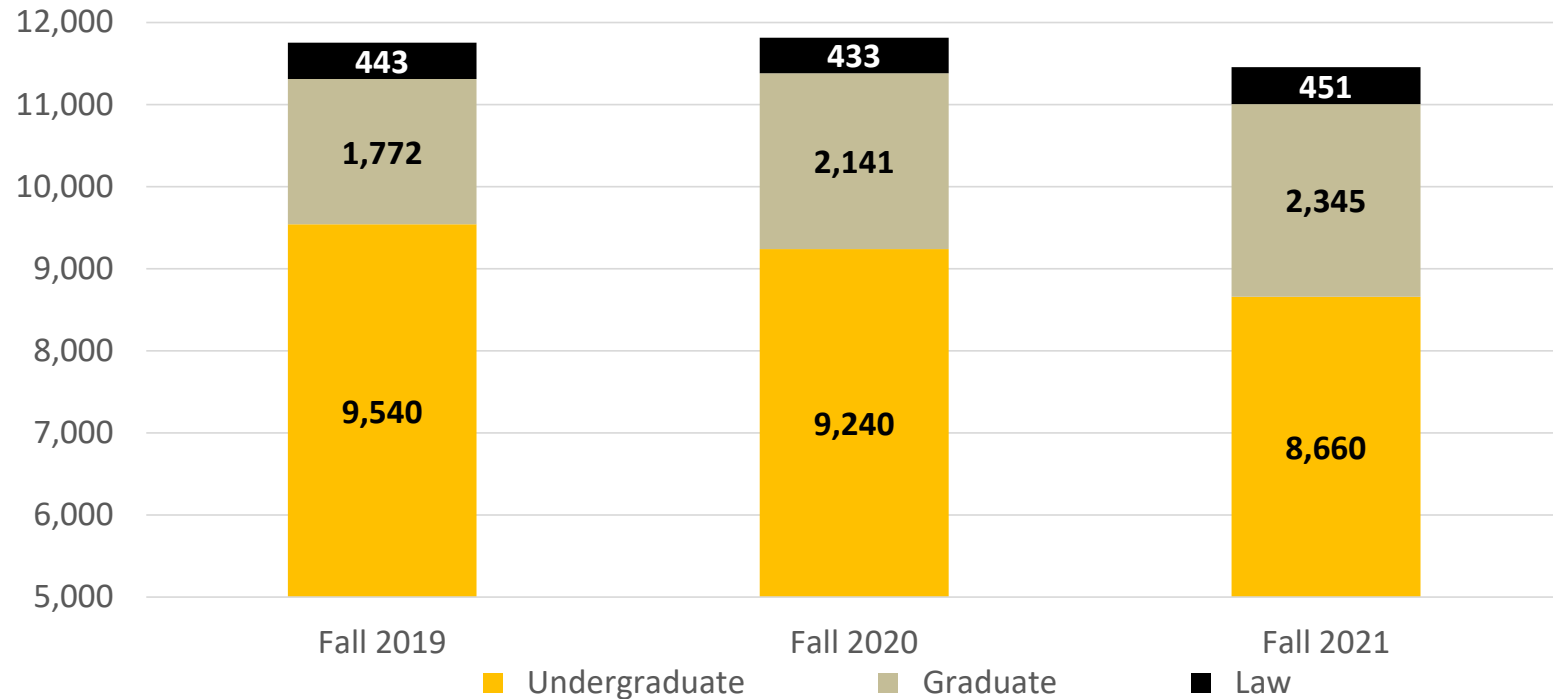
Moonshot
for Equity



Success by Design Progress

- Focus on Proven Best Practices with High ROI
 - Moonshot for Equity Projects
 - Coordinated Care
 - Tripwires
 - High Impact Practices
 - Academic, Co-Curricular and Career Maps

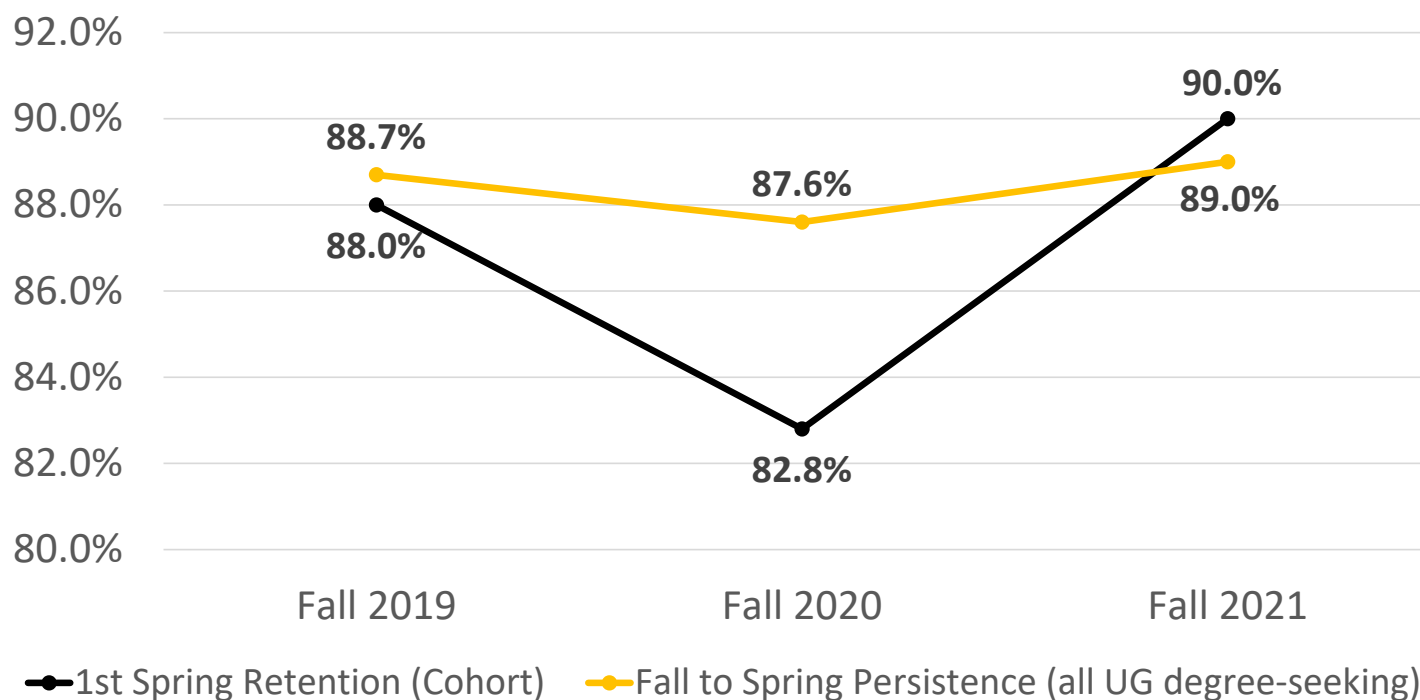
Total FTE Enrollment Trend



FTE Calculation =
 (undergraduate
 student credit
 hours/15) + (graduate
 student credit
 hours/12) + (law
 credit hours/12) +
 (headcount of
 doctoral dissertation
 students)

	Fall 2019	Fall 2020	Fall 2021	3-Year Trend
Overall	11,755	11,814	11,456	-2.5%
Undergraduate	9,540	9,240	8,660	-9.2%
Graduate	1,772	2,141	2,345	32.3%
Law	443	433	451	1.8%

Fall to Spring Retention and Persistence



	AY 19-20	AY 20-21	AY 21-22
Degrees and Credentials Awarded	3,068	3,620	3,766*

* AY 21-22 numbers are preliminary

Enrollment Outlook

- Plateauing of AOL enrollments due to competition and capacity plus soft demand for health care programs
- New student enrollment competition from other universities continues to grow while the number of traditional high school graduates declines
- Transfer student enrollment from two-year institutions is declining
- A strong rebound by the economy may be driving part-time students back into the workforce

What We're Doing to Impact Enrollment?

There are multiple initiatives underway. Below are some examples:

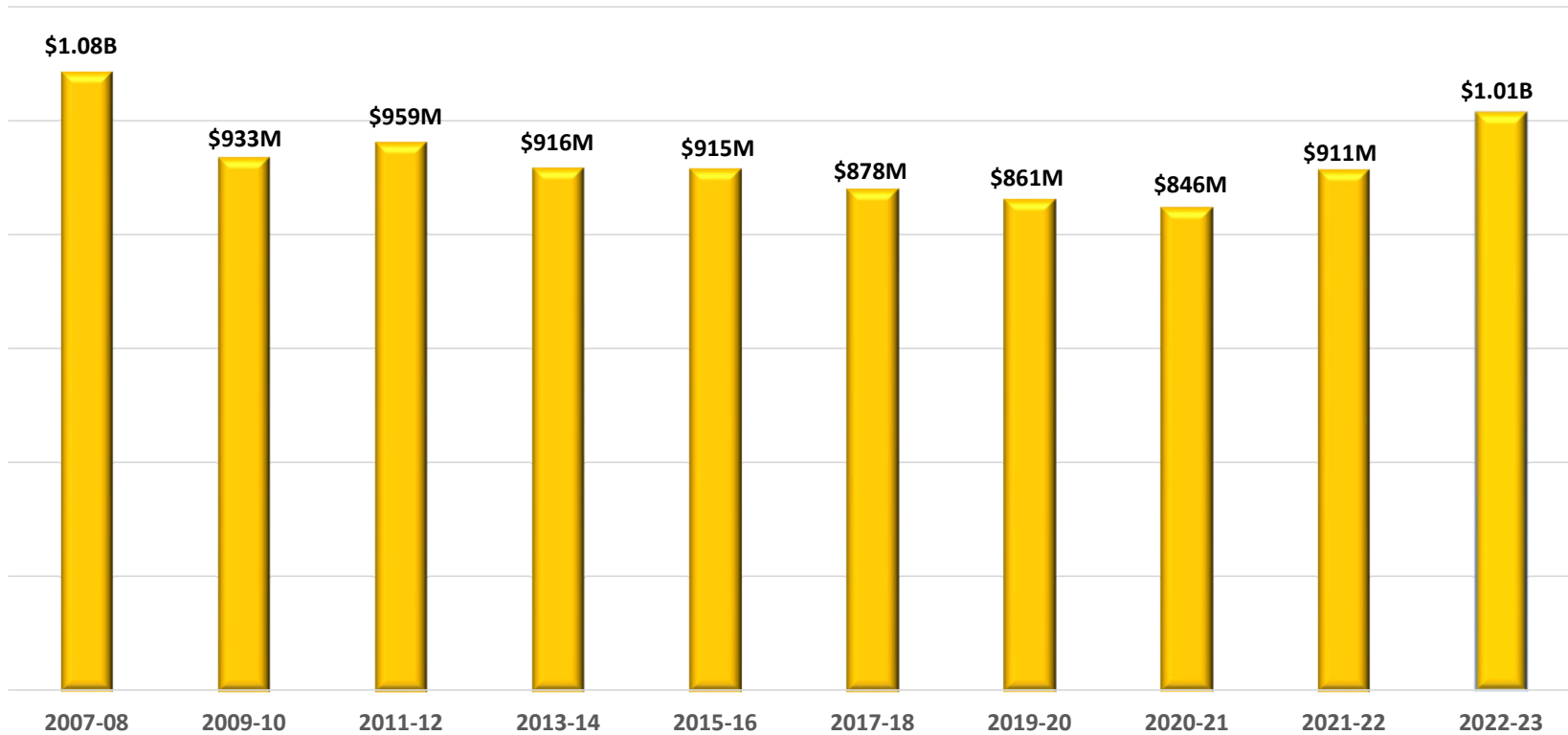
- Introduction of the new First-Year Student Success Hub
- Re-imagining first-year advising
- Alignment of *Success by Design* and the *Moon Shot for Equity*
- Initiatives include retention grants, holds reform, transfer pathways, to name a few
- Pipeline committee meets weekly to review student transitions into and through NKU, including communication, marketing, policies, and processes for new students



FY23 Budget Summary

- A balanced budget for FY23
- A modest operating increase of 2.6% in revenue and expenditures
- A realignment of revenue sources from one-time federal sources and plateauing of AOL program to increases in state appropriation and modest tuition fee increases
- Realignment of student financial aid from Institutional funds to State CAP Grant, Federal Pell Grant, and Foundation funds
- Major Investments in ongoing staff and faculty compensation

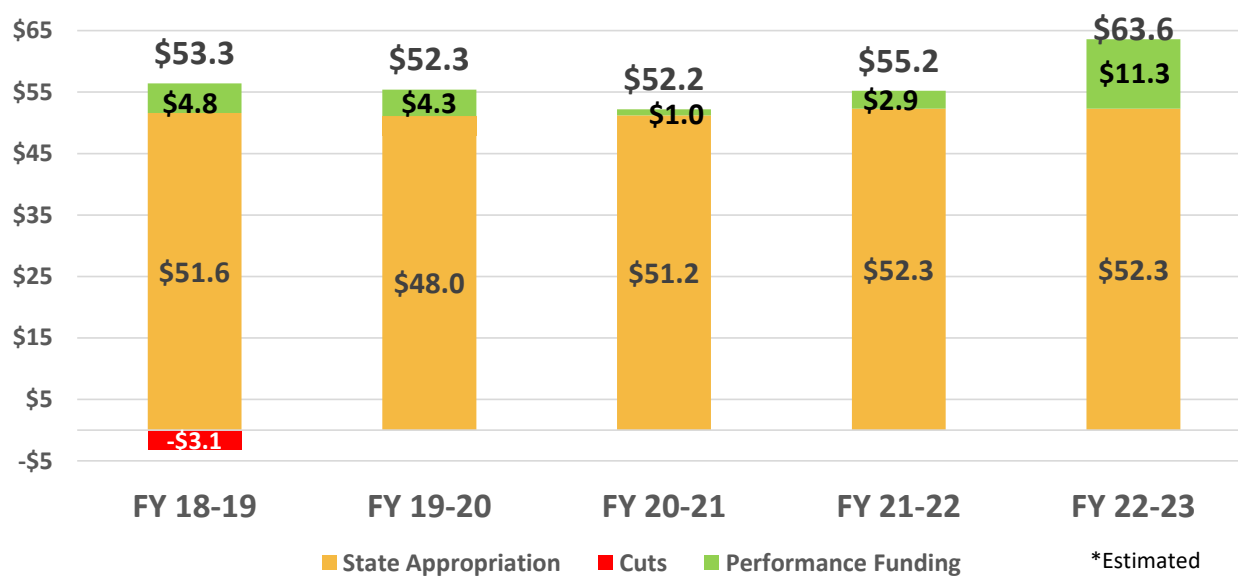
Net General Fund Appropriations for Kentucky Publics



Source: CPE Finance Unit

State Appropriation

2018 – 2023



Performance Model & Comparison Slide

Council on Postsecondary Education
Performance Funding Model for the Public Universities
Table 8 - Metrics Where Rates of Growth Exceeded Sector Average
Between Fiscal Years 2021-22 and 2022-23

Performance Metric	UK	UofL	EKU	KSU	MoSU	MuSU	NKU	WKU
Student Success Outcomes								
Bachelor's Degrees	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
STEM+H Bachelor's Degrees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
URM Bachelor's Degrees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Low Income Bachelor's Degrees	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Student Progression @ 30 Hours	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Student Progression @ 60 Hours	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Student Progression @ 90 Hours	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Earned Credit Hours	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Operational Support Activity								
Instructional Square Feet	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Direct Cost of Instruction	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FTE Students	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Metrics Above Sector Average	11	7	0	4	3	4	8	2

Performance Funding by Institution

<u>Institution</u>	<u>2022-23 Adjusted Net General Fund</u>	<u>Performance Distribution</u>	<u>2022-23 Revised Net General Fund</u>
UK	\$184,662,000	\$30,904,300	\$215,566,300
UofL	126,211,600	17,523,600	143,735,200
EKU	60,842,300	4,927,900	65,770,200
KSU	18,235,500	0	18,235,500
MoSU	34,931,500	0	34,931,500
MuSU	40,553,800	3,296,800	43,850,600
NKU	50,923,600	11,363,500	62,287,100
WKU	67,619,000	7,777,200	75,396,200
Sector	\$583,979,300	\$75,793,300	\$659,772,600

* The \$11.3M distribution includes \$2.9M provided in FY22 and \$8.4M in FY23

FY23 Revenue Realignment

- New State appropriation resulting from performance funding
- New revenue from 1.97% in undergraduate fee revenues and reinstatement of online fee
- Auxiliary revenues and other revenues expected to stabilize
- Reductions are expected from AOL and non resident tuition revenue
- Net revenue increase is modest at 2.6% from prior year.

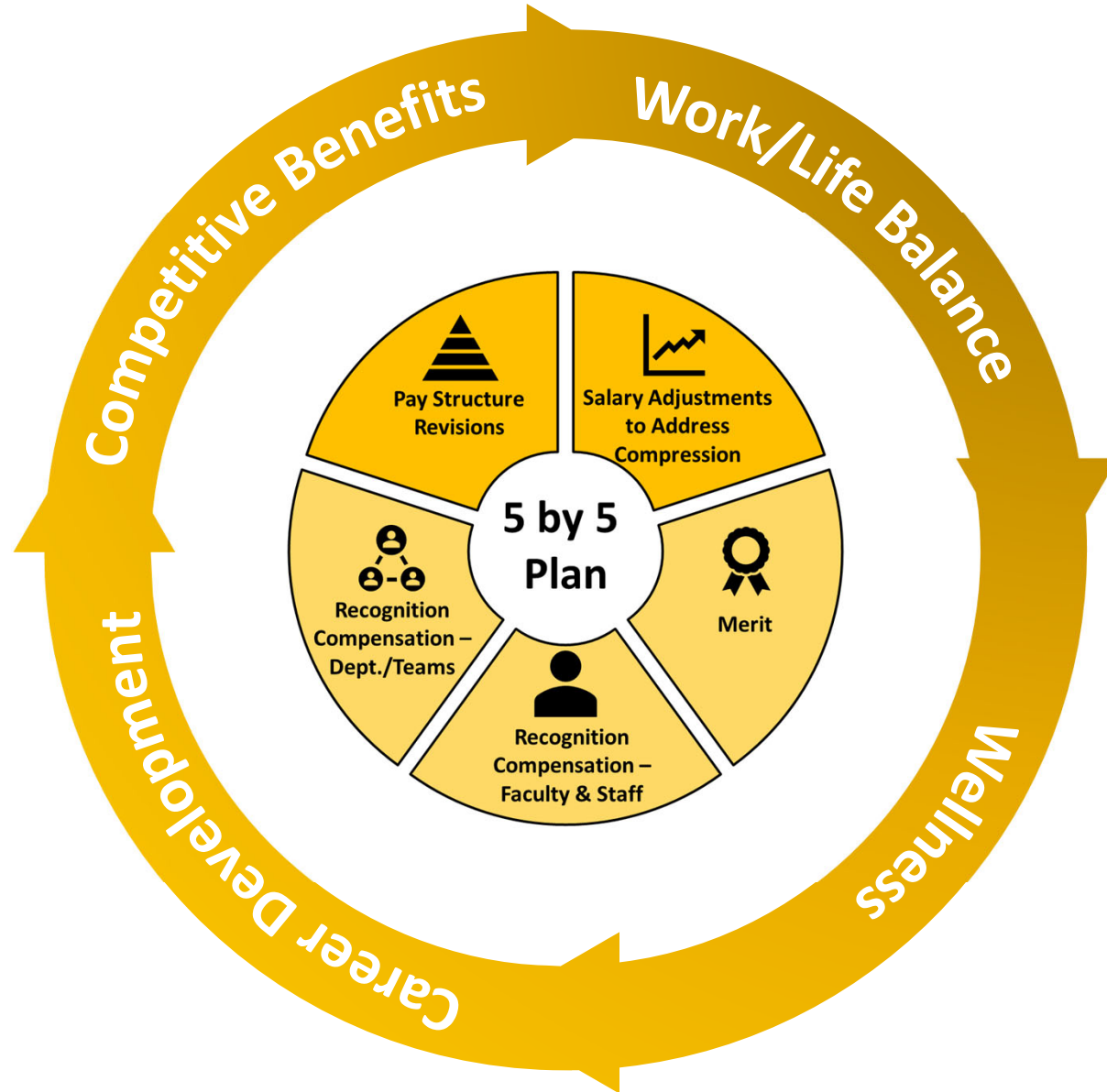


FY 23 Expenditures Realignment

- Investments to address faculty and staff salary compression
- Investments to provide salary increases
- Realignment of student financial aid to be less dependent on institutional resources and make use of Federal Pell and State Cap Grants and Foundation Funds
- Support increases in fixed expenditures, such as healthcare costs
- Net expenditure increase is modest at 2.6% from prior year

FY23 Investments

- Compensation investments
- Recurring programming
- One-Time investment from KERS Reimbursement
- One-time investment from net position



5X5 Compensation Plan – Year 1

Compensation Actions		Year 1 (FY23)		Impact
1	Pay Structure Revision	\$500,000	15% range movement (completed 9/21)	Approx. 200 staff moved to new minimum of the range
2	Salary Adjustments to Address staff and faculty Compression	\$3,500,000	Based on current NKU experience	Approx. 475 staff will receive pay adjustment. \$500,000 for faculty compression.
3	Annual Increase *	\$3,000,000	3%	All eligible faculty and staff
4	Individual Faculty & Staff Recognition & Retention	TBA	One-time, non-recurring	Critical, high turnover areas and retention incentives
5	Team Faculty & Staff Recognition	TBA	One-time, non-recurring	Critical, high turnover areas Will be designed to meet the needs of the area

* Year 1 only - increase will be ATB for employees in good standing to help level set the compensation placement. Future year's will revert to our pay-for-performance merit system with possible modest cost of living adjustments.

Year 1 5X5 Key Elements

- **Why focus on compression and an “across the board” increase in FY23?**

- Market Position and Pressures
- Pandemic Performance
- Turnover of Good Performers
- Hiring dilemma

- **Strategy for Retention and Recognition of High Performers?**

- Launch actions 4 & 5 – *Retention & Recognition for High Performing Individuals and Teams* in Year 1 for critical, high turnover areas and for retention offers.

FY23 New Recurring Expenses

- Office of Chief Diversity Office - DEI/ADA/Title IX Training Services - \$100,000
- Marketing & Communications, Alumni Engagement, Annual Giving Support - \$434,000.

KERS Reimbursement – One-time Investments

\$10.4 Million

- \$2.3 Million to be dedicated for asset preservation 15% funding requirement.
- \$8.1 Million to be dedicated for one-time institutional investments.
 - Hybrid U and Digital Transformation to expand market share and enhance student experience
 - Branding Strategy Implementation to enhance NKU's market positioning
 - Start-up funds for ENTERprise NKU
 - Retention and Recognition bonuses



Investment from Net Position – Non Recurring

\$5.5 Million

- To address prior year essential carry forward requests and commitments
- To focus on one-time operational investments



2022-23 PROPOSED BUDGET

(\$'s in millions)

	FY22 Budget	FY23 Proposed	Increase/ (Decrease)
Revenue/Sources			
Tuition/Fees (Gross) - Resident	\$65.4	\$71.5	\$6.1
Tuition/Fees (Gross) - Non Resident	63.8	61.1	(2.7)
Accelerated Online (Gross)	44.9	41.0	(3.9)
Sales/Services	3.6	4.2	0.6
Auxiliary Revenue	15.0	13.6	(1.4)
Other Revenue (e.g., Invest Income, rentals)	11.1	11.0	(0.1)
State Appropriation	55.2	63.6	8.4
Non-Recurring Net Position	5.5	5.5	0.0
Total Revenue/Sources	\$264.5	\$271.5	\$7.0
Expenditures/Uses			
Salary and Wages	\$108.4	\$115.4	\$7.0
Fringe Benefits	34.9	37.9	3.0
Estimated AOL AP Share	19.7	19.3	(0.4)
Operating	37.0	40.6	3.6
Student Financial Aid	37.7	31.9	(5.8)
Transfers (e.g., Debt Service)	23.8	25.4	1.6
Strategic Investments	2.0	0.5	(1.5)
Reserves	1.0	0.5	(0.5)
Total Expenditures/Uses	\$264.5	\$271.5	\$7.0
Revenue/Expense Difference	\$0.0	\$0.0	\$0.0

Budget by Division Trends

(\$ in millions)

Major Division	FY20	FY21	% Change	FY22	% Change	Proposed FY23	% Change
Academic Affairs	\$146.5	\$152.7	4.2%	\$162.3	6.3%	\$165.4	1.9%
Administration and Finance	61.7	57.8	(6.3%)	59.8	3.5%	59.7	(0.2%)
Student Affairs	19.5	15.0	(23.1%)	15.1	0.7%	18.1	19.9%
University Advancement	6.4	6.4	0.0%	6.5	1.6%	6.6	2.3%
Athletics	10.6	10.7	0.9%	10.9	1.9%	11.2	2.8%
Others (Pres/CSO/CDO/Legal)	4.1	4.4	7.3%	4.4	0.0%	4.9	12.3%
Recurring Budget	\$248.8	\$247.0	(0.7%)	\$259.0	4.9%	\$266.0	2.7%
Net Position	0.0	0.0	0.0%	5.5	0.0%	5.5	0.0%
Total Budget	\$248.8	\$247.0	(0.7%)	\$264.5	7.1%	\$271.5	2.6%

(\$ in millions)

Budget by Function Trends

Major Function	FY20	FY21	% Change	FY22	% Change	Proposed FY23	% Change
Instruction	\$65.6	\$74.8	14.0%	\$93.9	25.5%	\$97.5	3.8%
Research	0.2	\$0.2	0.0%	0.2	0.0%	0.2	0.0%
Public Service	7.0	\$7.3	4.3%	6.2	(15.1%)	7.2	16.1%
Libraries	5.7	\$5.7	0.0%	6.6	15.8%	6.9	4.5%
Academic Support	23.1	\$26.1	13.0%	25.5	(2.3%)	28.4	11.4%
Student Services	22.1	\$22.7	2.7%	20.9	(7.9%)	22.4	7.2%
Institutional Support	33.1	30.4	(8.2%)	22.5	(26.0%)	23.3	3.6%
Operations and Maintenance	19.7	20.1	2.0%	17.2	(14.4%)	18.5	7.6%
Student Financial Aid	29.1	36.4	25.1%	35.6	(2.2%)	31.7	(11.0%)
Auxiliary Enterprise	17.2	17.1	(0.6%)	15.1	(11.7%)	13.6	(9.9%)
Other/Transfers	10.1	6.8	(32.7%)	15.3	125.0%	16.3	6.5%
Recurring Budget	\$232.9	\$247.6	6.3%	\$259.0	4.6%	\$266.0	2.7%
Net Position	0.0	0.0	0.0%	5.5	0.0%	5.5	0.0%
Total Budget	\$232.9	\$247.6	6.3%	\$264.5	6.8%	\$271.5	2.6%

FY23 Tuition & Fees

- Recommended Graduate Tuition Rates Changes
 - College of Health and Human Service
 - Law School
- Overall housing fees are proposed to increase approximately 3.2%
- Meal plan rates proposed to increase approximately 3% in line with CPIU Food Away from Home Index.
- Parking rates for students, faculty and staff are proposed to increase by 2%.

Recommended Graduate Tuition Rates Changes

	2021-22 Tuition Rate	FY 2022-23 Recommended		
		Tuition Rate	\$ Increase	% Increase
College of Health & Human Services				
Credit Hour				
Master of Social Work (accelerated online)	\$653	\$599	-\$54	-8%
Cardiovascular Perfusion	NEW	\$850	\$850	0%
Law				
Resident				
Full-time (13 to 16 credit hours)	\$854	\$888	\$34	4%
Non-Resident	\$1,381	\$1,436	\$55	4%
Resident by Year	\$22,200	\$23,088	\$888	4%
Non-Resident by Year	\$35,910	\$37,336	\$1,426	4%

Housing Fees

FY23

	# of Beds	FY22 Housing Rates	FY23 Proposed Rates
Standard Accommodations	1058	\$2,750.00	\$2,875.00
Premium Accommodations	657	\$3,350.00	\$3,450.00
New Residence Hall	297	\$3,850.00	\$3,850.00
Private Accommodations	8	\$4,000.00	\$4,100.00

Weighted Average %: 3.2%

Dining: Residential Meal Plans

FY23

MEAL PLANS per semester	Current Rates	Proposed Rates	Dollar Increase	% Change
Unlimited Plus \$100 Flex Dollars	\$2,210	\$2,285	\$75	3%
225 Block/\$200 Flex	\$1,980	\$2,055	\$75	4%
8 Meals/\$500 Flex	\$2,240	\$2,315	\$75	3%
5 Meals/\$700 Flex	\$2,160	\$2,235	\$75	3%
15 Meals No Frills	\$1,650	\$1,700	\$50	3%
Mandatory Commuter Meal Plan	\$50	\$50	\$0	0%

Parking Rates

FY23

Parking Rates	Current Rates	Proposed Rates	Dollar Increase	% Change
Full-time Student per year	\$256	\$261	\$5	2%
Full-time Student per semester	\$150	\$153	\$3	2%
Summer Only	\$63	\$64	\$1	2%
Full-time Faculty & Staff per year	\$395	\$404	\$9	2%
Part-time Staff per year	\$195	\$199	\$4	2%
Part-time Faculty per semester	\$37	\$38	\$1	2%
Part-time Students per year	\$154	\$157	\$3	2%
Reserved Parking per year	\$835	\$852	\$17	2%



Summary

ANNUAL OPERATING BUDGET

The FY23 operating budget spending authorization is recommended at \$271.5 million, an increase of \$7.0M (2.6%) over the FY22 authorization of \$264.5 million

