



NKU Board of Regents FY25 Fiscal Update and FY26 Budget

June 11, 2025



FY25 Fiscal Update

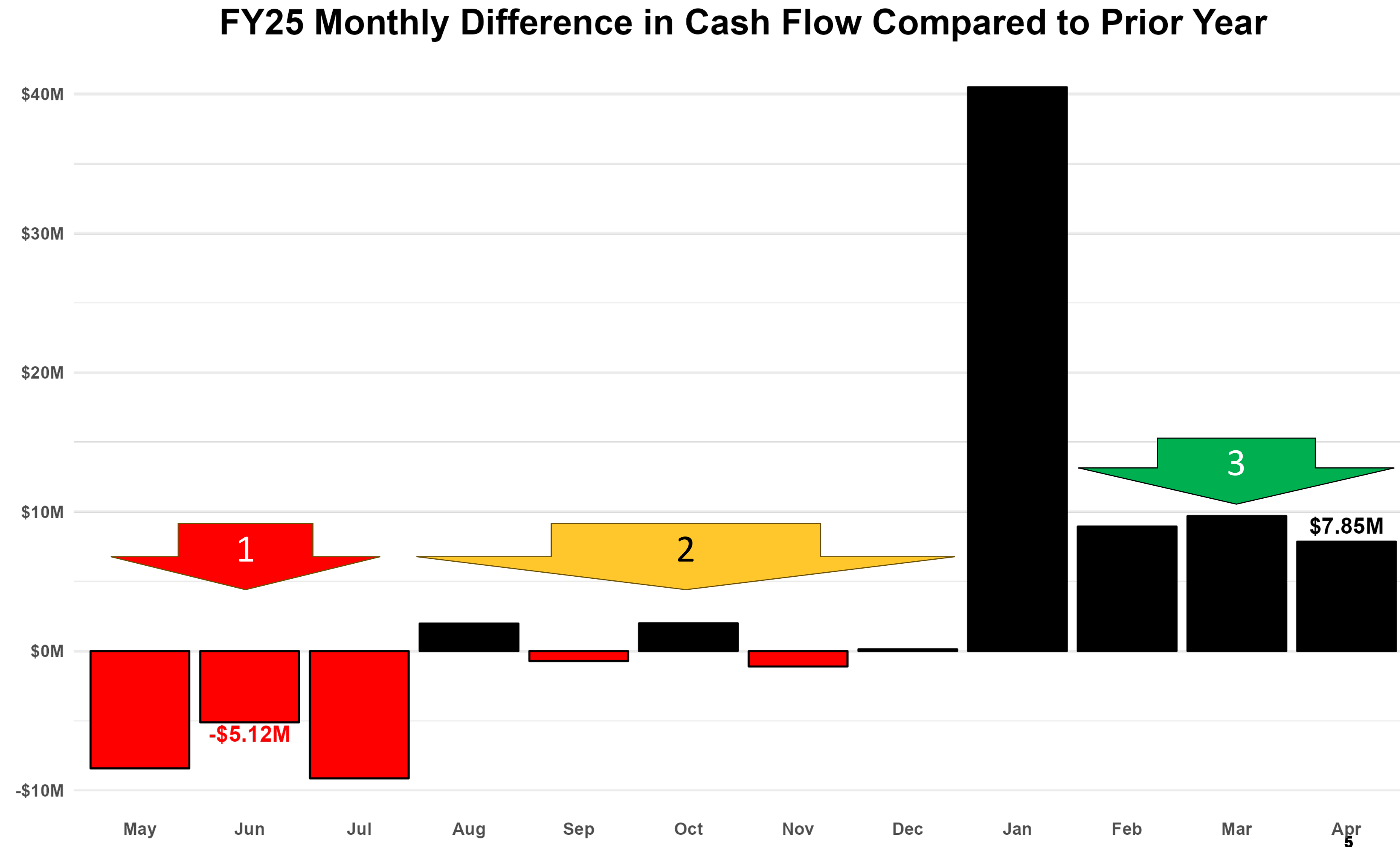
Actual Results through April 30, 2025

FISCAL KPIs

- 1. Cash & Investments (Year-Over-Year)**
- 2. Unrestricted and Auxiliary Net Surplus (Last Twelve Months)**
- 3. Net Tuition Revenue (Year-Over-Year)**

NKU **Cash & Investments, Monthly (YOY)**

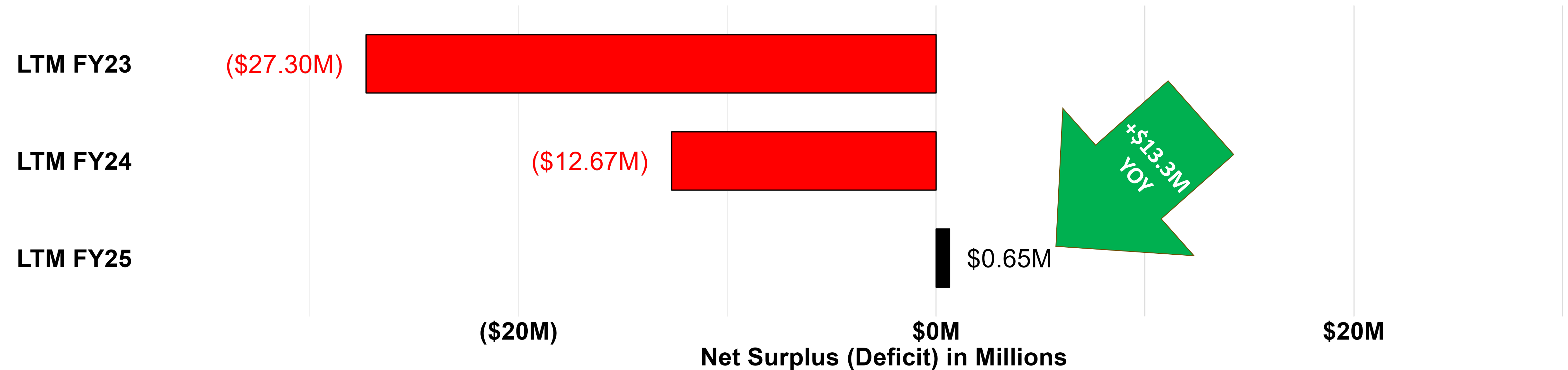
1. May 2024 – July 2024 Negative Cash YOY and significantly negative compared to 2 years ago.
2. August 2024 – December 2024 Materially Flat Cash Flow YOY but still significantly negative compared to 2 years ago.
3. January 2025 – April 2025 Positive Cash Flow YOY and only slightly negative compared to 2 years ago.





Unrestricted and Auxiliary Net Surplus (LTM)

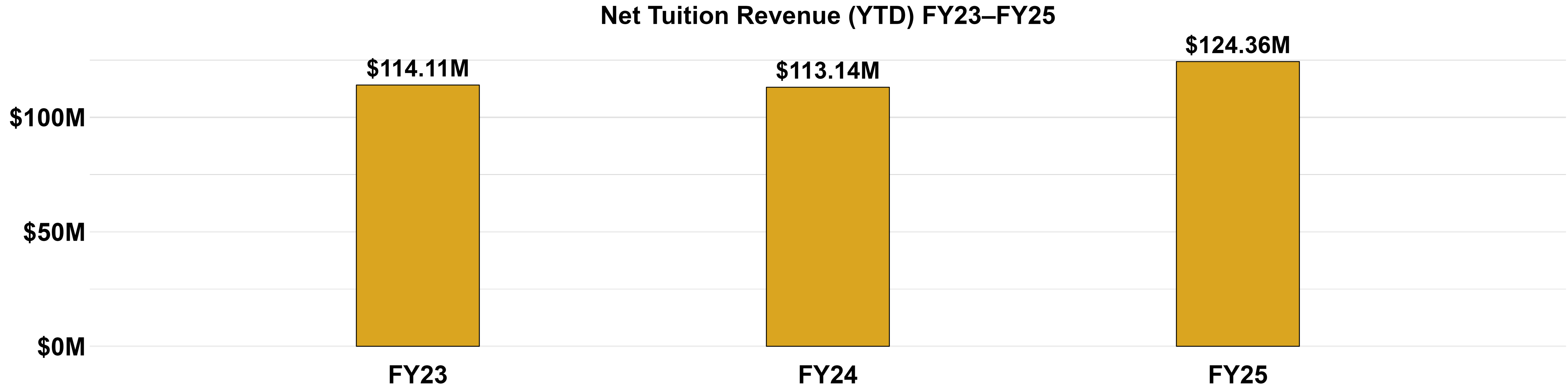
FY25 LTM Compared to 2 prior years



- Notes:
 - Last Twelve Months Net Surplus (Deficits) May – April ending April 2025 v. April 2024 and April 2023
 - Net Tuition Revenue Increase is driving most of the surplus
 - Containment of Expenditures is an essential component of surplus

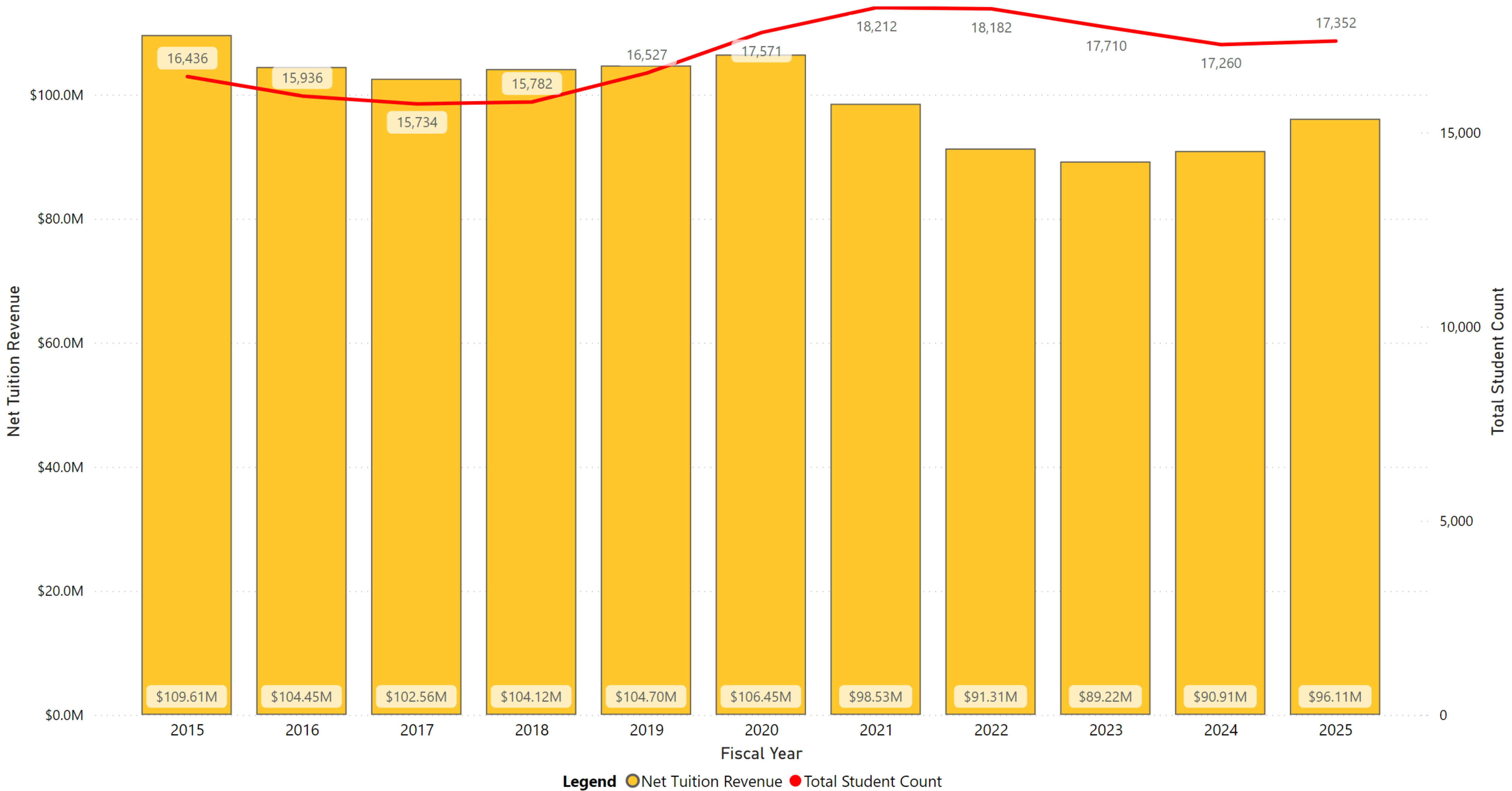


Net Tuition Revenue (YTD)



- FY25 YTD Change in Net Tuition Revenue
 - Tuition Rate Increases
 - “Non-Recurring” Scholarships & Discounts
 - AOL Scholarships and Discounts

Fall and Spring Net Tuition Revenue and Student Count





As of April 30

Fiscal Year

2025

Year to Date

Budget to

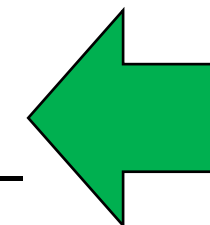
Actual

Northern Kentucky University				
Budget to Actual, Unrestricted Budget and Auxiliary Funds				
	Budget and Actual			Variance
	FY25 Budget	FY25 Budget YTD	FY25 Actual	Variance
Revenue				
Net Tuition Revenue	\$107,076,290	\$118,500,167	\$122,656,577	\$4,156,410
State Appropriations	\$69,463,700	\$69,463,700	\$69,463,700	\$0
Sales and Services	\$5,207,544	\$4,147,683	\$4,800,462	\$652,779
Other Revenue	\$15,068,825	\$12,967,218	\$12,453,568	(\$513,650)
Auxiliary Revenue	\$15,999,526	\$14,621,934	\$12,996,047	(\$1,625,887)
Revenues	\$212,815,885	\$219,700,702	\$222,370,355	\$2,669,652
Personnel Expenses				
Salary and Wages	\$104,012,589	\$86,726,964	\$88,205,987	(\$1,479,023)
Benefits	\$35,247,657	\$29,298,224	\$15,324,449	\$13,973,774
Retirement & Taxes	(\$1,520,925)	(\$1,341,417)	\$14,051,879	(\$15,393,296)
Personnel Expenses	\$137,739,321	\$114,683,771	\$117,582,315	(\$2,898,544)
Operating Expenses				
Contracted Services	\$8,361,341	\$6,685,207	\$5,818,644	\$866,563
Advertising	\$803,181	\$602,885	\$505,302	\$97,583
Communications	\$288,422	\$270,586	\$299,222	(\$28,635)
Furniture, Fixtures and Equipment	\$516,081	\$361,933	\$380,172	(\$18,239)
Insurance	\$4,856,158	\$4,941,913	\$4,604,136	\$337,777
Maintenance Expenses	\$4,478,414	\$3,337,831	\$3,252,189	\$85,642
Other Operating Expenses	\$18,346,547	\$14,849,504	\$10,015,897	\$4,833,607
Supplies	\$5,157,622	\$3,750,323	\$3,438,664	\$311,659
Travel	\$1,732,195	\$1,461,799	\$2,463,184	(\$1,001,385)
Utilities	\$7,412,281	\$5,365,525	\$4,549,086	\$816,438
Capital Expenditures	\$3,427,886	\$2,140,218	\$1,984,645	\$155,573
Debt Service	\$1,400	\$1,400	\$22,038	(\$20,638)
Other Expenses	\$55,381,528	\$43,769,125	\$37,333,179	\$6,435,946
Transfers				
Transfers	\$24,495,036	\$24,113,221	\$26,217,634	(\$2,104,412)
Net Surplus (Deficit)				
UnR. and Aux. Net Surplus	(\$4,800,000)	\$37,134,586	\$41,237,227	\$4,102,642

¹ Interim financial statements are unaudited and subject to change

² Negative Variances as (\$XX): i.e. LTM revenue < Prior LTM Revenue or LTM expense > Prior LTM Expense

³ Excludes KERS Contra Asset Debt Service



NKU **DOR Write-off & Student Accounts**

- The university recognizes revenue when a student is invoiced
 - ~185M/Year in student account revenue from Tuition and Fees, Housing, Parking is the beginning of Accounts Receivable
- Financial Aid, Scholarships & Discounts, and Direct Payments to Student Accounts reduce receivable.
 - Uncollected Average of Net Tuition Revenue 1.39% (FY11-FY23)
- GAAP requires the University to estimate % of Accounts that will be uncollectable and reduce revenue by this amount
 - Historic KY Resident collections: 54%
 - Historic Non-KY Resident collections: 12%
- Reducing the estimate of KY Resident collections will increase the annual reduction of revenue required by GAAP
- **\$6.8 million negative impact FY25**
- **\$1 million negative cash flow annually, and negative impact to FY26 Budget**

RESTORING FISCAL STABILITY

FY26 Budget Discussion



OUR MISSION & VISION

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.

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

FY26 Budget Fiscal Priorities

Balanced Budget/Positive Cash Flow

3% Salary Increase (July 1)

Supporting Student Services

Building the University Surplus



FY26 Budget Stakeholder Input

- Public Budget Presentations
 - Fall Budget Forum December 2, 2024
 - Spring Budget Forum April 30, 2025
 - Finance Committee May 30, 2025
 - President Town Halls
- Other Stakeholders and Board of Regents' Input
 - Faculty Senate Budget Committee Monthly
 - Cabinet Discussions
 - Board Executive Committee June 10, 2025

**Finance Committee Voted to
Recommend Board Approval of FY26
Budget and FY26 Fee Resolutions**

NKU Budget Overview

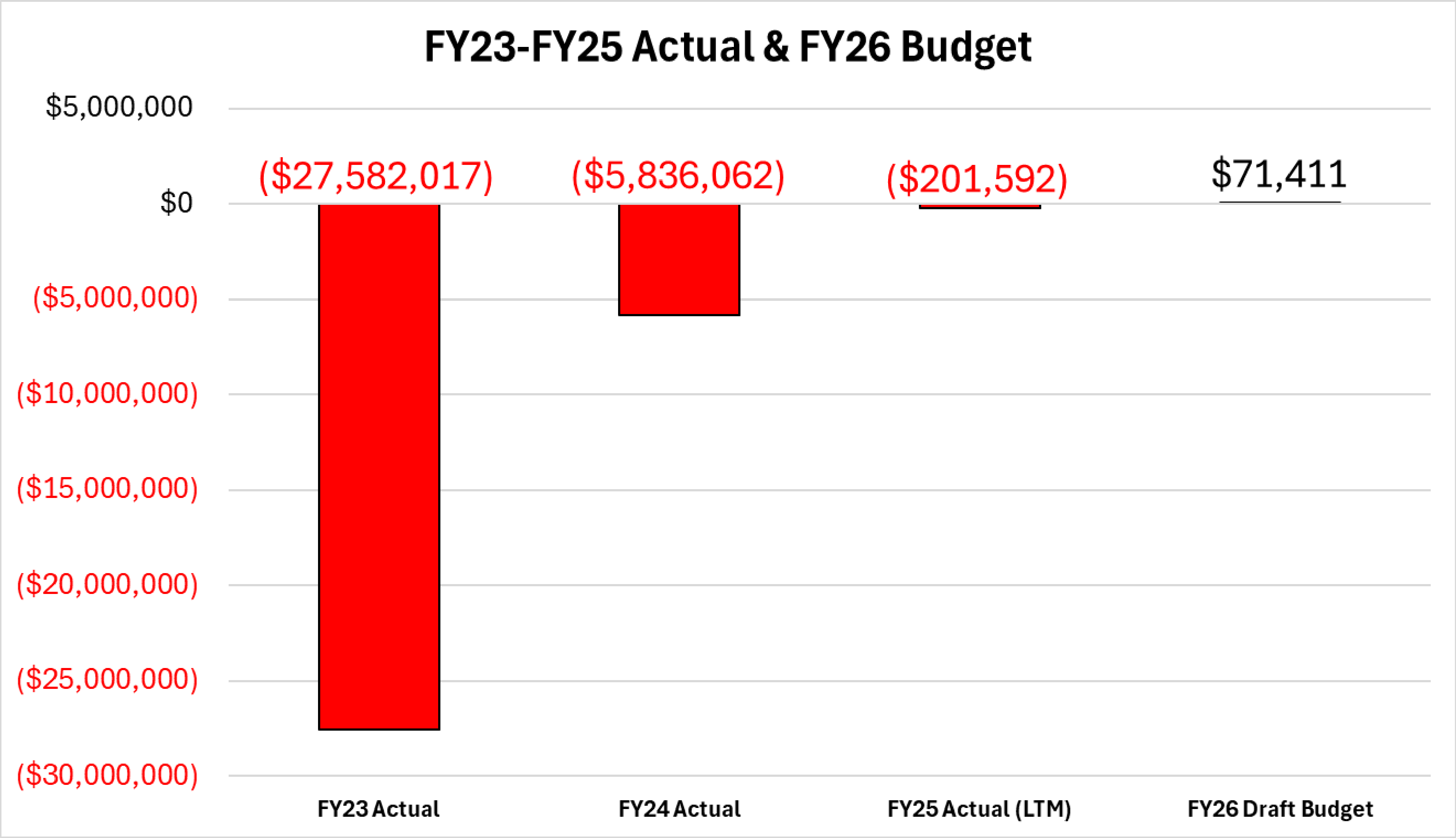
- Operating Budget
 - Unrestricted and Auxiliary Funds
 - If a Fund and Fund Center are allocated Budget, they are included in the Presentations of Actuals
- Capital Budgets
 - Not included in today's discussions
- Other Restricted Funds
 - Not included in today's discussions
- Foundation
 - Not included in today's discussions
- **HOWEVER, Transfers from Unrestricted or Auxiliary Funds to Restricted/Capital Funds are included in the budget.**

NKU **FY26 Budget Considerations and Updates**

- Contingency for Ongoing Federal Volatility
- Performance Funding Decrease
- KY Department of Revenue Collections
- Tuition Rates
- New Undergraduate Fee
- FY26 – FY30 5-Year Planning



Four-Year Trend Including FY26 Budget



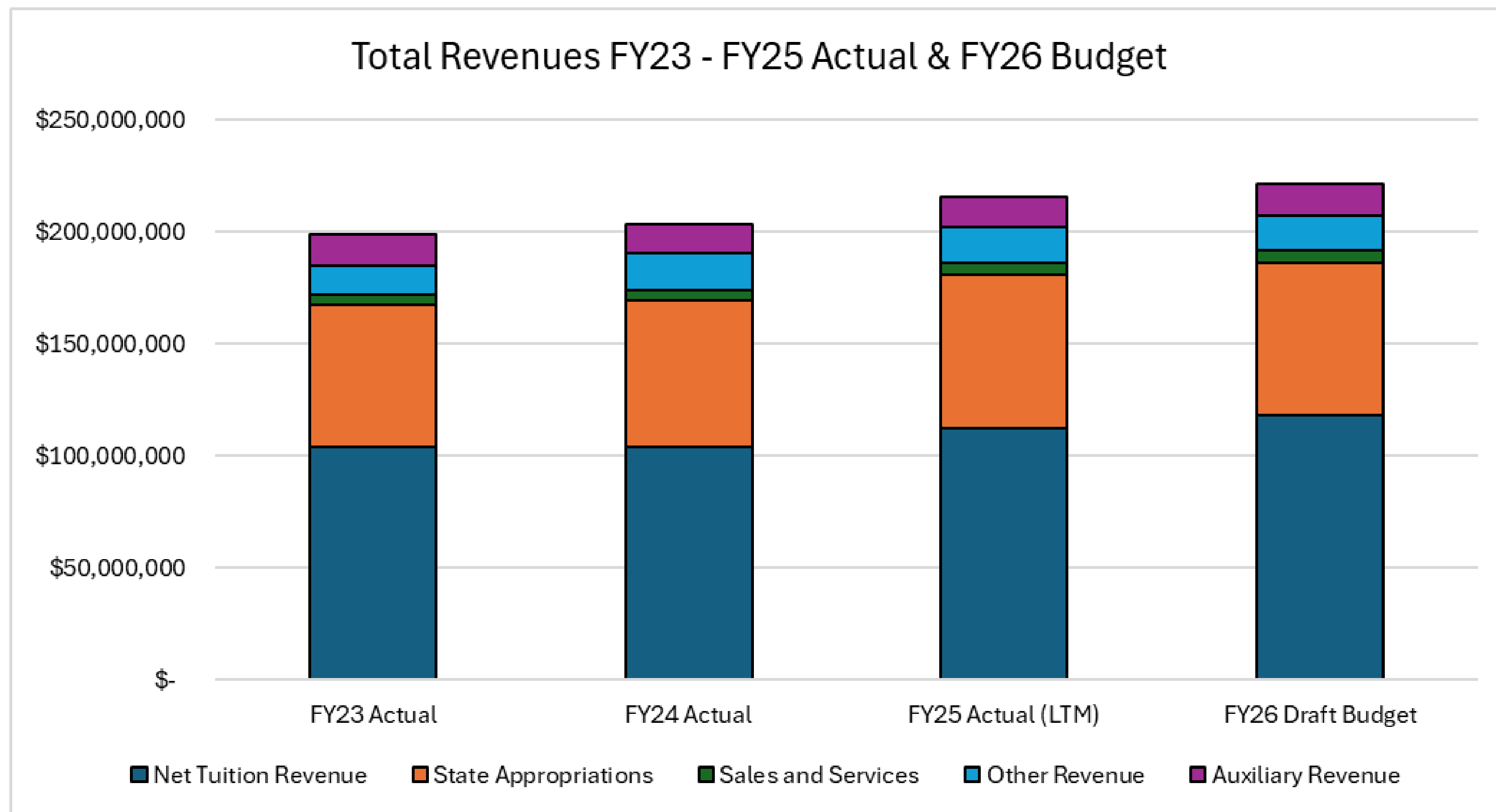
RESTORING FISCAL STABILITY

FY26 Budget: Revenues



Total Revenues

FY26 Budget Total Revenues compared to FY23 – FY25 Actual

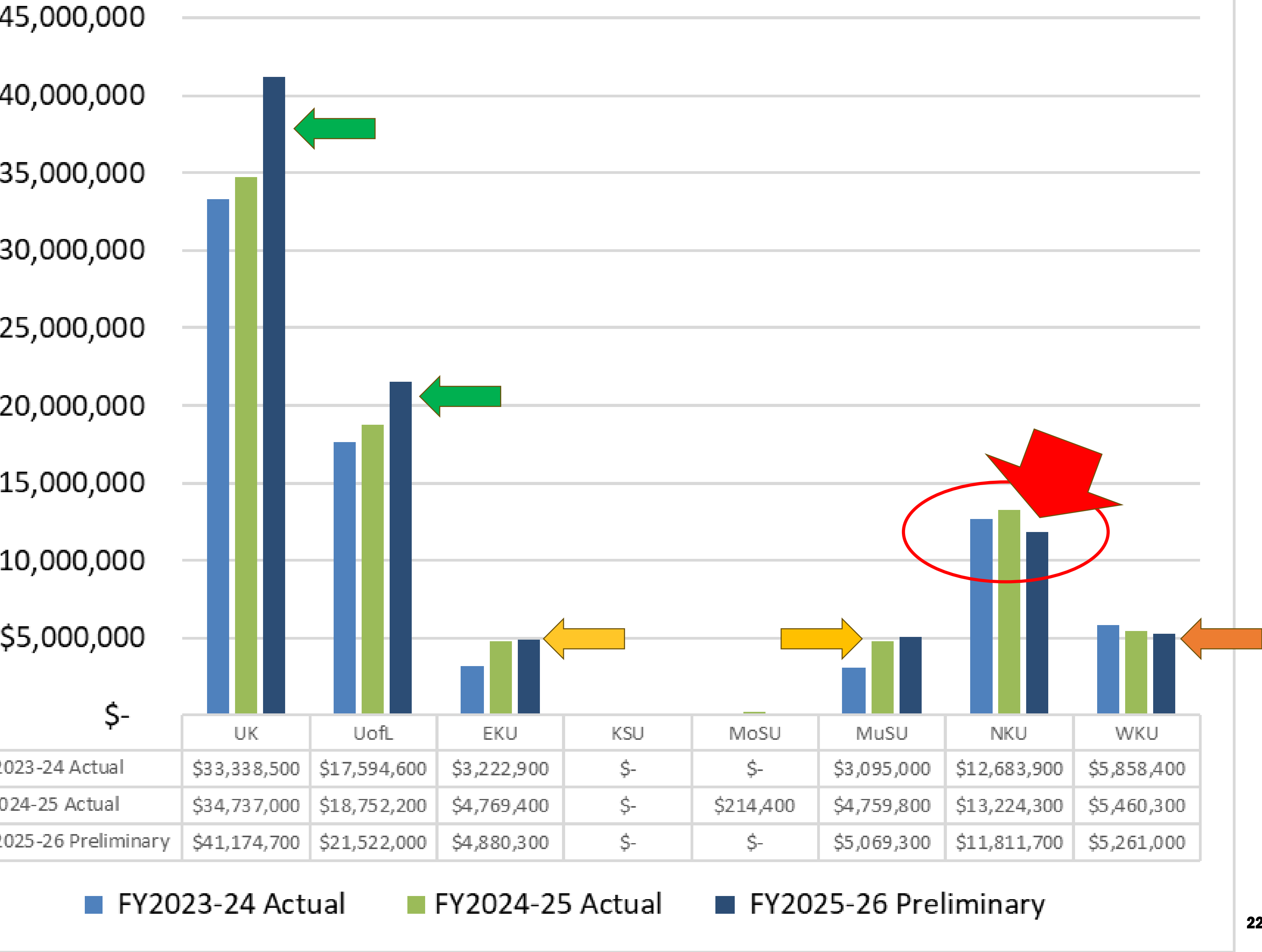


FY26 Budget: Revenues

State Appropriations and Performance Funding

Appropriations

	FY25	FY26
General	54,915,500.00	54,915,500.00
KCM	1,323,900.00	1,323,900.00
Performance	13,224,300.00	11,811,700.00
Spendable Appropriations	69,463,700.00	68,051,100.00



FY26 Budget: Revenues

et Tuition Revenue

Enrollment FY26

Segment

Traditional

AOL

Equal Enrollment

onal and AOL

s to Scholarships & Discounts

Fees

Undergraduate Fee

Proposed Fees and
Discounts
Subject to Change
and
Require Board
Approval

Additional Students

nts +3.9% (maximum allowable increase by KY CPE)

tes / 1 Rate)	+3.9%	\$11,121
ate & International Students	+0.0%	\$14,999

DL Students +3.9%

point

ual Enrollment +3.2%

in Tuition Rates will increase 2.5% - 3.9%
m after review with Provost, Deans, and President
ogram Tuition Rate Increases shared with Risepoint
on
on Increase +2.5%/Non-Resident 0.0%

Additional: Institutional Scholarships and
ing Students)

nts will retain their Institutional Scholarships and
(EDGE, etc), provided they continue to meet
a

Scholarships continue to roll off

n Scholarships FY24 to FY25 \$2.6M due to Non-Recurring

ne “Non-Recurring” Scholarships Accounted for in the FY25 Budget
lgeting for similar changes in FY26 & FY27

Reduces Scholarships and Discounts in Line with
on Rates

Additional: Institutional Scholarships and
Students)

with 3 States/1 Rate

Residents \$3,000/\$2,000/\$1,000

Indiana Residents \$2,000/\$1,000

GPA (High School or College for Transfers)

State/1 Rate Impacts the Budget Model

Tuition Revenue for New Students

Additional Scholarships and Discounts for New Students

increase by \$20 per Credit Hour

and Returning Students

\$160 and \$145 per Credit Hour

Revenue from AOL Discounts is Shared with Risepoint

Increased 2.8% across the board to account for inflation

Fees tied to specific cost

ate Fees

Fees applied by Class

e November 2024 Board Meeting

ess than the amounts presented in November

orse Experience Fee)

nts in the first year (regardless of progression)

(part-time) for 1st Semester


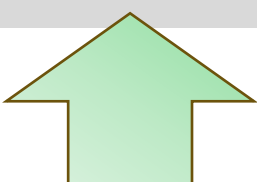
al Aid) Eligible

duate)/\$150 Graduate & Law

nfirmation Fee, Orientation Fees]

ee \$300/Semester (paid by School Districts)

n Revenue				
tion and Fees	\$165,401,393	\$164,347,508	\$170,829,427	\$174,301,469
hips and Discounts	(\$43,626,868)	(\$41,500,357)	(\$37,925,122)	(\$33,109,480)
oss Tuition and Fees	-26.4%	-25.3%	-22.2%	-19.0%
ales, AOL	(\$18,053,004)	(\$18,714,579)	(\$20,738,161)	(\$23,069,409)
oss Tuition and Fees	-10.9%	-11.4%	-12.1%	-13.2%
n Revenue Total	\$103,721,521	\$104,132,571	\$112,166,144	\$118,122,580
ange from Prior Year		0.4%	7.7%	5.3%

tion and Fees increased in FY24 due to tuition rates.

tion and Fees increased in FY25 due to increased enrollment and tuition rates.

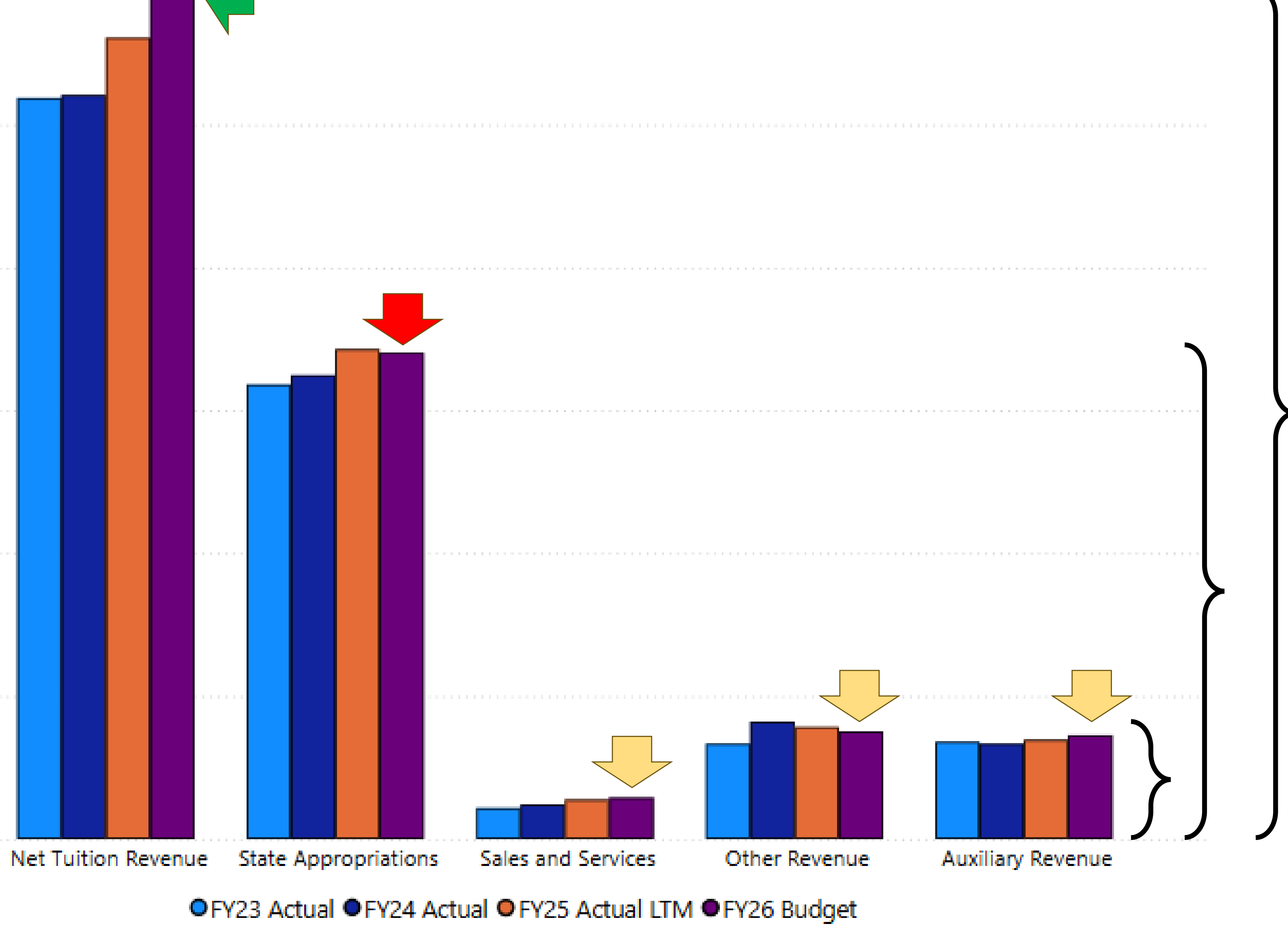
tion and Fees are budgeted to increase in FY26 due to tuition rate increases and new fees.

hips and Discounts decreased in FY24 and FY25 as a percentage of Gross Tuition and Fees due to rring scholarship changes for traditional students, and in FY25 due to reducing AOL discount

hips and discounts are budgeted to decrease in FY26 as a percentage of gross tuition and fees on-recurring scholarship changes for traditional students and reduced AOL discount rates.

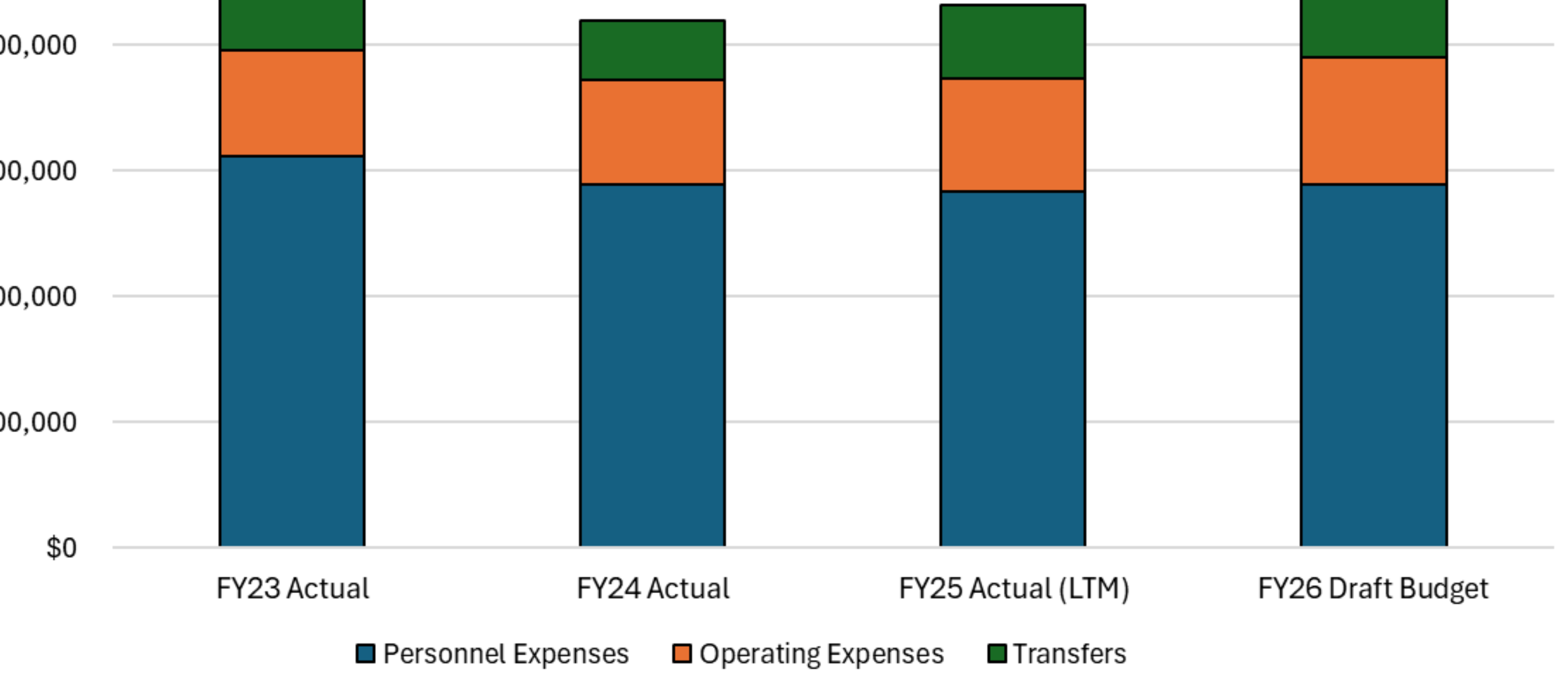
ales increased in FY23 - FY25 due to increased AOL enrollment compared to traditional nt, increased tuition rates, and reduced discounts.

ales budgeted to increase in FY26 due to increased AOL enrollment compared to traditional nt, increased tuition rates, and reduced discounts.

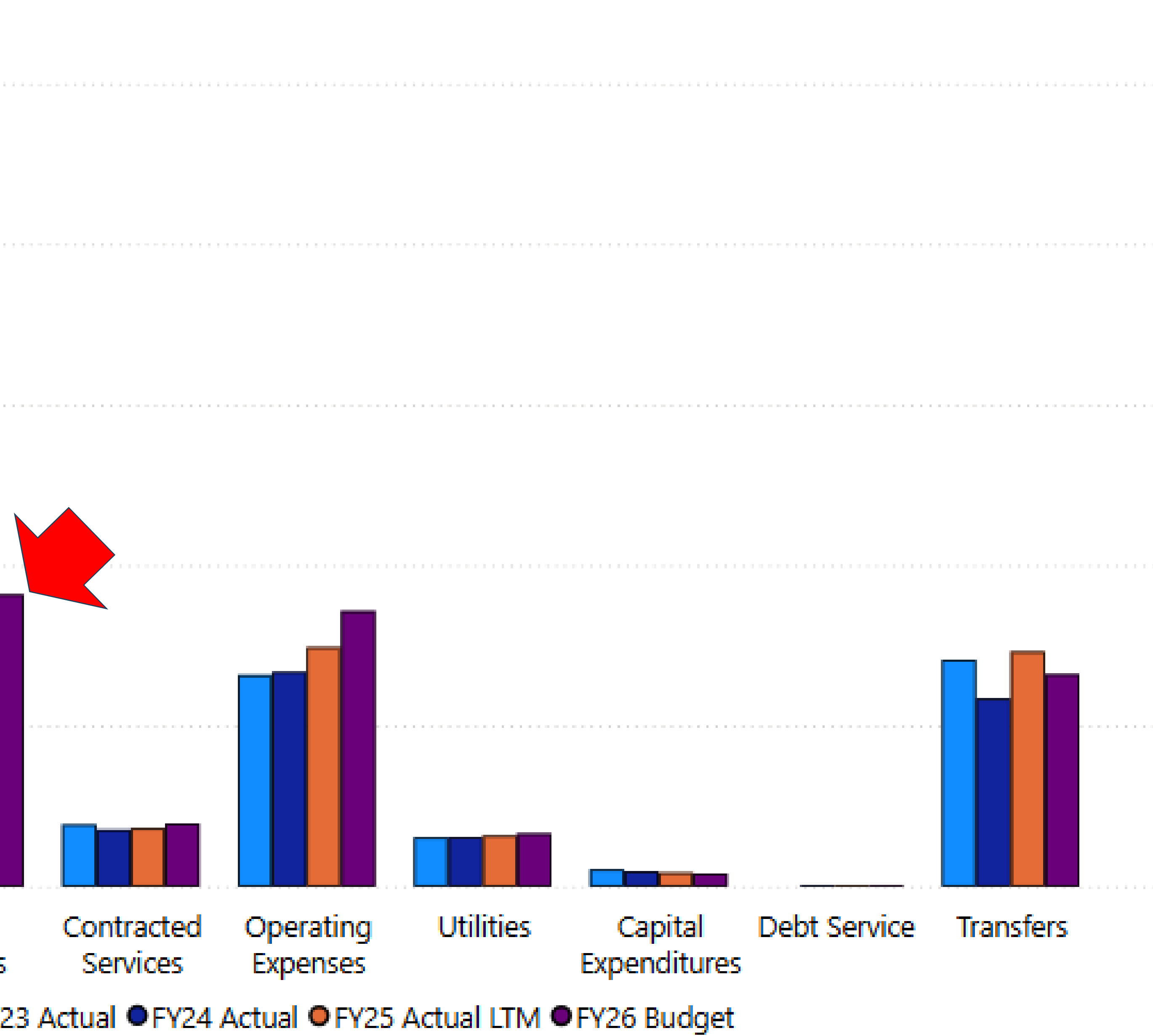


NG FISCAL STABILITY

Budget: Expenses



Personnel Expenses FY25 Actual \$216.0M & FY26 Budget \$221.4M
(Includes AOL Revenue Share and Institutional Scholarships and Discounts)
Salary & Wage Increase (+Retirement)
% Health Benefits Increase
Tornado, Liability Insurance Increases
Deferred Maintenance Contingency (Unspent in FY24 and FY25)
Operating Expense Contingency



	FY23 Actual	FY24 Actual	FY25 Actual (LTM)	FY26 Budget
	\$115,555,747	\$107,201,237	\$105,713,039	\$108,297,501
	\$40,097,791	\$37,029,072	\$35,880,118	\$36,356,464
al	\$155,653,538	\$144,230,309	\$141,593,157	\$144,653,965
		-7.3%	-1.8%	2.2%






e Notes:
 Wage Increase Effective July 1, 2025 for Eligible
 Benefit Increase Effective (Projected) Effective
 26
 Annual Health Benefits Increase in University
 Increases Budgeted

Actual	FY24 Actual	FY25 Actual (LTM)	FY26 Draft Budget
30,818	\$1,439,380	\$844,233	\$757,940
20,565	\$1,879,546	\$1,725,532	\$1,616,280
93,877	\$265,278	\$321,199	\$321,529
12,844	\$7,059,912	\$7,225,806	\$7,847,886
\$0	\$14,004	\$27,539	\$1,400
99,641	\$947,506	\$649,908	\$514,196
23,623	\$2,650,205	\$4,664,937	\$5,431,494
33,163	\$3,356,778	\$3,924,971	\$4,847,180
41,699	\$11,181,085	\$12,097,828	\$16,078,281
38,433	\$4,080,409	\$4,501,691	\$4,620,508
25,070	\$2,798,464	\$2,789,070	\$1,738,924
35,432	\$6,099,321	\$6,332,061	\$6,574,664
5,165	\$41,771,888	\$45,104,775	\$50,350,282

- Contracted Services increased due to investments in enrollment services
- FF&E Actuals higher in FY24 and FY25 due to discretionary expenditures
- The maintenance budget is higher than the actual due to the deferred maintenance budget embargoed in FY24 and FY25
- Insurance expenses are higher in FY25 & FY26 due to an increase in state fire and tornado policy
- Insurance expenses are also higher in the FY26 budget due to policy rate increases for liability

NG FISCAL STABILITY

et: FY26-FY30 Pro Forma

25 Actual (LTM)	FY26 Draft Budget	FY27 Pro Forma	FY28 Pro Forma	FY29 Pro Forma	FY30 Pro Forma
112,166,144	\$118,122,580	\$124,888,345	\$128,823,254	\$132,856,535	\$136,177,948
\$68,557,200	\$68,051,100	\$68,051,100	\$68,051,100	\$68,051,100	\$68,051,100
\$5,493,161	\$5,748,314	\$5,805,797	\$5,950,942	\$6,099,716	\$6,252,209
\$15,664,937	\$15,039,498	\$15,189,893	\$15,569,640	\$15,958,881	\$16,357,853
\$13,869,289	\$14,530,511	\$14,675,816	\$15,042,711	\$15,418,779	\$15,804,248
15,750,731	\$221,492,003	\$228,610,951	\$233,437,647	\$238,385,011	\$242,643,358
11,593,157	\$144,653,965	\$150,091,997	\$155,075,264	\$160,296,896	\$165,771,370
15,104,775	\$50,350,282	\$50,709,080	\$51,071,320	\$51,437,039	\$51,806,272
\$29,254,391	\$26,416,345	\$28,916,345	\$31,416,345	\$24,114,345	\$21,614,345
15,952,323	\$221,420,592	\$229,717,422	\$237,562,929	\$235,848,280	\$239,191,987
					
\$201,592)	\$71,411	(\$1,106,471)	(\$4,125,282)	\$2,536,731	\$3,451,371

2.5% FY27-FY30

est for FY27-FY29

ast for FY27-FY30 with effective dates of January 1 each year

marily to ERP forecasted spending after expending the state appropriation

improve the bottom line in FY29-FY30

Budget Discussion

Performed Relative to Budget

Structural Budget Issues

Salary & Wage Increase

ANCED Budget and Positive

recast

Budget Discussion

**Approval of the Following
Recommended by the BOR Budget
Committee:**

Reivable Adjustment (DOR)

**Rate of Tuition, Mandatory Fees,
and Service Charges**

THANK YOU