DR. FRIGA’S RESPONSES

(Q1) **PPPs**
What are PPPs under the “Grow Resources” heading of Dr. Friga's slides?
(A1) *Dr. Friga:* PPPs are Private-Public-Partnerships, such as a utility company offering millions of dollars up front for a 10-20 year contract at contracted annual amounts.

(Q2) **Athletics**
Would you talk about how or if schools should address the growing Athletics budget and burden on schools?
(A2) *Dr. Friga:* Athletics are a tricky topic. NKU achieved Division I status in 2016, I believe. The pros of athletics are that it builds a community on campus and off (with alumni and local residents), can attract talented student athletes to attend, and leads to attractive campus infrastructure that all students can enjoy. The negatives are the cost, competitive pressure (sometimes at the expense of academics), and distraction. Generally, the best strategies are to focus on a small number of sports for true differentiation and make sure the context/prioritization of athletics matches the culture of the campus.

(Q3) **Adjuncts/Part-time faculty**
How do we transition more toward adjunct/part-time faculty without contributing to one of our society's big problems of having a greater and greater proportion of the population in low-paid and precarious income situations?
(A3) *Dr. Friga:* I am not sure if this question pre-supposes that the adjunct/part-time faculty are the ones in the low-paid positions or if this relates to graduating students. I will assume the former. Most adjuncts are happy with part-time and lower-paid positions as a supplemental position. For others, the better approach may be clinical positions that are full-time (fixed-term and can be 1-5 years in length) for more stable incomes and predictability.

(Q4) **Adjuncts/Part-time faculty**
I understand that part-time faculty might be a great resource in some courses in some programs, but I have not seen the evidence that part-time faculty are better than full-time faculty and can carry a bigger load. Can you provide some evidence to support your statement about part-time faculty?
(A4) *Dr. Friga:* It varies by institution, but it should be examined at your campus. The “better” was referring to teaching, which again varies by faculty and institution. There are tenure and tenure-track faculty who are fantastic at teaching. Data on loads and quality of teaching should be examined on a local basis.
(Q5) **Adjuncts/Part-time faculty**
Do you have metrics on optimal percentages of faculty who are part-time or non-tenure track? I ask not only because of what we need in the classroom, but what we need outside the classroom, such as grant work, committee work, recruitment, etc. where part-time faculty are not normally involved.

(A5) *Dr. Friga:* This varies by institution and school within the institution. It also varies based upon research objectives.

(Q6) **Teaching load**
How do you keep faculty morale high if you increase teaching load? How do you “sell” an increased teaching load?

(A6) *Dr. Friga:* That is a “tough” one for sure. Many institutions are pursuing this rather than cutting as many positions or taking major pay cuts. This assumes growth. If no growth and larger loads, retirements/furloughs/layoffs may need to take place, but it will help the overall institution deal with the toughest situation to face higher education.

(Q7) **Workload/salaries/morale**
At NKU, over the last 10+ years, employees have been lucky if they got 5 raises of 1-3%. Many positions have been cut and the work reallocated to remaining employees, increasing their workload. How do you get good morale in this environment?

(A7) *Dr. Friga:* There is no easy way out of this. Hard decisions on programs must be made as well as positions. If the ratios and right-sizing take place, and growth ensues, then raises and higher compensation are possible.

(Q8) **Adjuncts/Part-time faculty**
NKU is already so adjunct heavy. At just under to just over $2K per class, adjuncts are already SO underpaid. Some programs are already so very reliant on adjuncts and are right at the edge of SACS approval for full-time faculty. I know this is not much of a question, other than I have to assume that Dr. Friga is not familiar with the situation at NKU. If he does know our situation (his comment that professors earn far more than administration is also not true in many departments), then these comments are even more distressing.

(A8)-*Dr. Friga:* Fair points. I am not extremely familiar with your situation, mix, and academic spend portfolio. My comments were generalizations, and I apologize if I appeared to know your situation and exact context.

**UNIVERSITY RESPONSES**

(Q9) **Personnel Expenditures for Staff, Faculty, and Administration**
What are the details regarding NKU’s Personnel Expenditures: Staff, Administrative, Faculty (part-time and tenure/tenure track)?

(A9) We don’t break out administrative from staff in the financial system, but the 5-year change in expenditures for staff versus faculty is as follows: Staff salary expenditures over the last 5 years (FY16-
FY20) have decreased 4.2% while total faculty salary expenditures have increased 11.9%. On a headcount basis we can provide a further breakout. The 5-year change (Fall 2015 to Fall 2019) in headcount for Staff/Administrators/Faculty (full-time/part-time) is as follows: Staff is down 14.1%, administrators are up 6.6%, overall faculty is up 7.6% with full-time up 3.9% and part-time up 13.5%.

(Q10) **Reserves**
In Expenses, we note the reserves shrinking from $2.5 M to $.5 M, apparently to simply balance the budget. Can you talk about the impact of this reduction in reserves allocation?  
(A10) We have maintained a $2 million contingency reserve that is intended to cover unexpected shortfalls in state appropriations and enrollments. For the FY21 budget, after identifying $6 million in reallocations, we still had a deficit of expenditures over revenues of $1.5 million. Instead of making additional reallocations that could have impaired our ability to meet our student success goals, it was decided to temporarily reduce the contingency reserves down to $500K. This means that we have few dollars available to cover unexpected shortfalls in state appropriations and enrollments; however, through delaying capital projects and non-recurring investments as well as other efficiency measures, we believe we will have sufficient funds to cover the COVID-19 financial impacts.

(Q11) **Furloughs**
And the furloughs? How much did that help and should we expect that next year as well?  
(A11) The furloughs were anticipated to save approximately $650K in FY21. We are not planning for furloughs next year. Employee pay impacts are always our last option. As we plan for FY22, we will collaboratively work with campus constituencies to review all options for the budget.

(Q12) **Salary reductions/furloughs**
In the presentation, salary reductions/furloughs were labeled non-recurring, but the TIAA contribution reduction was not. However, they were both announced as non-recurring, right?  
(A12) Correct. The TIAA contribution reduction to 7.5% was also announced as being non-recurring for FY21 only.

(Q13) **Reduction in state appropriation**
The 8% state appropriation reduction is for FY21, which we are covering with our non-recurring contingency budget plan. What are our thoughts about the FY22 budget? Is there any word on whether that 8% cut would be carried into our new FY22 budget?  
(A13) At this point, the 8% has not been decided. The State Budget Director requested state agencies including universities to provide a preliminary budget reduction plan using an 8% cut for planning purposes. Given the state budget situation, we are anticipating some cut for FY21 but do not know the exact amount yet. We also will not know until the legislature begins meeting in January 2021 as to whether any cut would be recurring into FY22.
(Q14) **Follow-through on revenue generation suggestions**
Is there a plan to follow-up and make sure there is accountability for the actual implementation of revenue-generating suggestions (including PPP)? Many of such suggestions, easily implementable, made by faculty and staff and supported by the higher administration have never been initiated due to reluctance at some middle level to “do something that has never been done at NKU” (this doesn’t mean it hasn’t been done somewhere else).
(A14) It is the hope that Success by Design inspires everyone to generate new ideas. While not every idea can be implemented, whether due to resource constraints or other competing interests, it is the responsibility of everyone in a leadership role to ensure implementation of the best ideas.

(Q15) **Pensions**
The slide stating that 40% of staff will have a 20% reduction or more in pension benefits is misleading and understating the truth. I will face much more than 20% reduction of 35-40% (at least) after I purchased a year to get me closer to full benefits. I know many staff members that will face a nearly 70% reduction or more.
(A15) The slide was showing a high-level summary of the impact, as most Tier 1 and Tier 2 employees would have between 10% to 30% reduction in the analysis that Segal (NKU’s external consultant) provided. It is correct, though, that some employees would have reductions beyond that. We are continuing to work with Segal to model different options to address those impacts for all employees.

(Q16) **Revenue generation – broader sale of surplus items**
Could NKU possibly utilize tools like Facebook Marketplace to open up its sale of surplus items to the local community?
(A16) For sale of surplus items, the State statute references using either sealed bid or public auction. We currently use a public auction service called Govdeals. Govdeals is the industry standard and many schools use this service. There are times things do not sell on Govdeals, and we could look at alternatives such as Facebook Marketplace, eBay, or some other social media platform.

(Q17) **Lobbying**
As you know, the amount of state funding has decreased as the years have gone on. What are the thoughts on investing more into lobbying for more federal and state dollars for higher education, possibly even public service announcements about the importance of higher education state-wide?
(A17) Advocacy at the federal, state, and local levels is important work for NKU and the NKU Foundation. This past year, the NKU Foundation (NKUF) adopted a new 10-year strategic plan. This plan places advocacy on behalf of NKU and the NKUF as one of its top pillars. Recently, the NKU Foundation has retained CivicPoint, a full-service public affairs firm, to support its advocacy efforts. Trey Grayson, former Kentucky Secretary of State, is the lead partner and main contact for NKU and the NKUF. NKU also continues to work closely with the Council for Postsecondary Education (CPE) and the other public universities in Kentucky to increase awareness both in Frankfort and across the state about the importance of investing in higher education.
(Q18) **Pensions**
Could you please clarify the impact of a hard exit KERS on Tier 1 and Tier 2 employees? It seems that the slides only indicate the lower range of benefit losses. Some employees will lose 70-75% of their expected benefits. Stating the impact of 20% is misleading.

*(A18)* See response to question #15.

(Q19) **Pensions**
The pension issue is causing stress and may cause a mass exodus and brain drain.

*(A19)* We continue to work with our external consultants Commonwealth Economics and Segal to review options including how to address any impacts to our employees. We are also continuing to have conversations with KERS and legislators. Over the next couple of weeks, we will communicate what we know as we approach the December 2, 2020, Board of Regents meeting where a recommendation will be made.

(Q20) **Pensions**
Do you have an estimate as to when the Cabinet is planning to have the pension solution recommendation for the Board of Regents?

*(A20)* The recommendation will be made to the Board of Regents at the December 2, 2020, meeting.

(Q21) **Additional cost-saving measures**
As we talk about “additional permanent efficiencies”, when will those conversations begin on campus, and who will be part of them?

*(A21)* We have already started working with ABC Insights on the review of our administrative units for efficiency. We are in process of providing NKU’s data to ABC Insights, who will then compare that data against benchmarks and provide an analysis of the opportunities for efficiencies. This process will take several months. Once we receive the results and recommendations, we will share that information with appropriate governance groups, chairs, deans, councils, and the anticipated next steps.

(Q22) **Adult learners with credit but no degree**
How do we as a system (in the US) change the conversation from “cohorts” of freshmen to incorporating those adult learners with credit but no degree and tracking success beyond the “traditional student”? If we can change the conversation to better and intentionally include adult learners into the college norm, we may be able to establish a more sustainable structure.

*(A22)* A key challenge is the existing metrics that are required by federal and/or state reporting (e.g., first-time, full-time degree-seeking students are defined, tracked, and required reporting). However, we are not limited in tracking any metric, and any internal measures developed as a campus could capture students outside of these definitions for tracking and reporting so as to better tell our story. Additionally, some of these factors are already tracked and internally reported, including adult learners.
**Q23** *Expanding NKU’s reach beyond the region*

What plans or conversations does NKU have going on to try to appeal to students out of our immediate region, given the larger online courses going on at this time, i.e., expand the student pool?

(A23) This year, some ways we are intentionally appealing to students beyond our 8 feeder counties are by (1) reallocating resources to build brand awareness thru expanding our prospect base in Detroit, Michigan; Nashville, Tennessee, and areas in Illinois; (2) hosting a virtual “NKU to You” event in November targeted to Columbus, Cleveland, and Indianapolis; (3) expanding our partnerships with DVS to participate in virtual events in Michigan, Northeast Ohio, and Indiana; and (4) expanding our geofencing to include Dayton, Ohio, and the cities of Owensboro, Ashland, Louisville, and Lexington in Kentucky.

**Q24** *Focus*

I am concerned that we keep being asked to do more with less, which is unsustainable. We have to find ways to invest in things we care about.

(A24) In developing the framework for Success by Design, President Vaidya talked about the Three Box Solution and how critical Box 2 (the Past) thinking was of stopping doing things that are not value-added in order to focus on Box 3 (the Future) to design new and innovative ways of serving current and future students.

**Q25** *Personnel expenditures*

Where can I collect information about details regarding Personnel Expenditures?

(A25) See the response to question #9.

**Q26** *Reward and recognition for faculty and staff*

How will faculty and staff be recognized and rewarded for the work that we are being asked to do?

(A26) Rewards and recognition are intended to promote and reward the extraordinary accomplishments and contributions of employees. NKU encourages and recognizes excellence and outstanding contributions of faculty and staff through several programs, both formal and informal. There are University, Division and Unit recognition programs. Recognition also includes honoring service milestones and faculty promotions, in addition to special awards for outstanding contributions. The links below on NKU’s website, featuring the most recent award winners, provide sampling of such recognition programs.

- [https://www.nku.edu/academicaffairs/resources/facstaffhonorsawards.html](https://www.nku.edu/academicaffairs/resources/facstaffhonorsawards.html)
- [https://inside.nku.edu/hr/news/employeeappreciation.html](https://inside.nku.edu/hr/news/employeeappreciation.html)

One of our most popular recognition programs is the annual Employee Appreciation Week, during which we organize and hold weeklong events to express our appreciation to employees. We also provide training and development to both employees and managers to promote a culture of recognition and to facilitate recognition of employees who evidence exemplary performance or go above-and-beyond normal work expectations. This can vary and can include non-monetary recognition. Employees are encouraged and reminded often to acknowledge and express appreciation directly and to nominate coworkers who demonstrate excellence.