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Workday Update

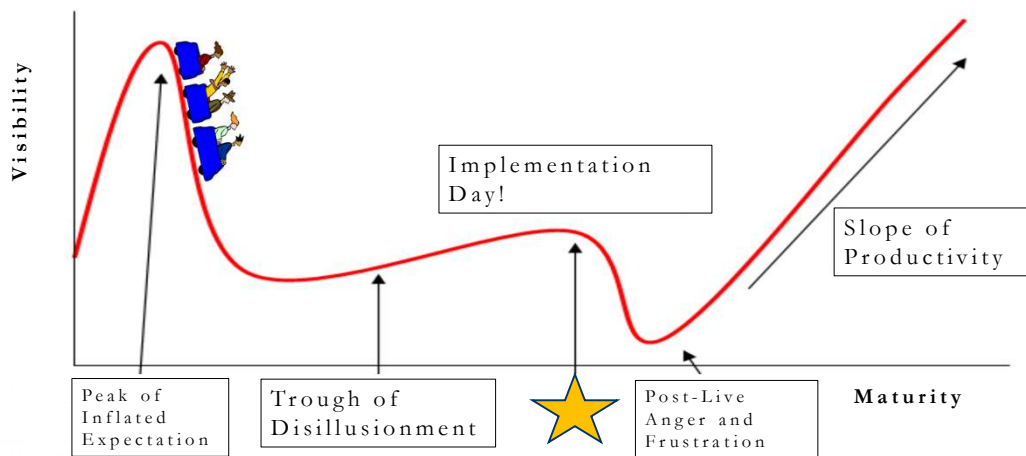
REAL AMBITION. REAL SUCCESS.

3

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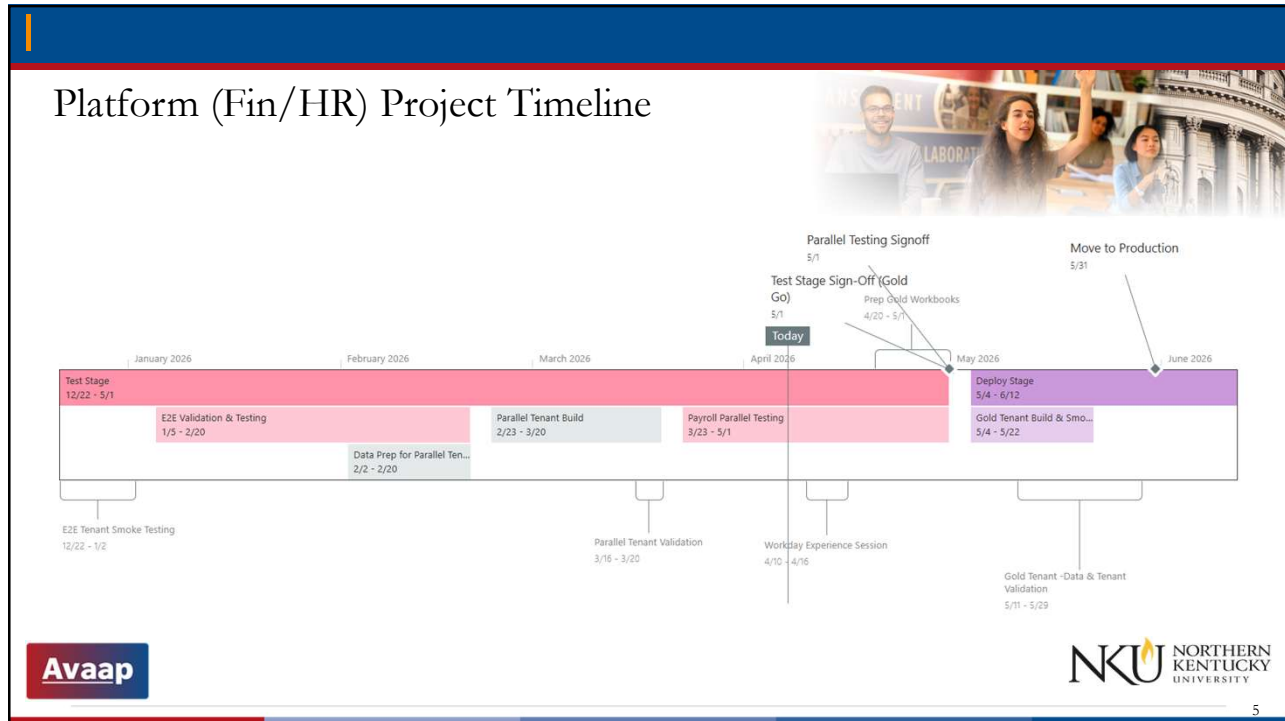
Implementation Lifecycle

Normal and Expected Emotional Rollercoaster

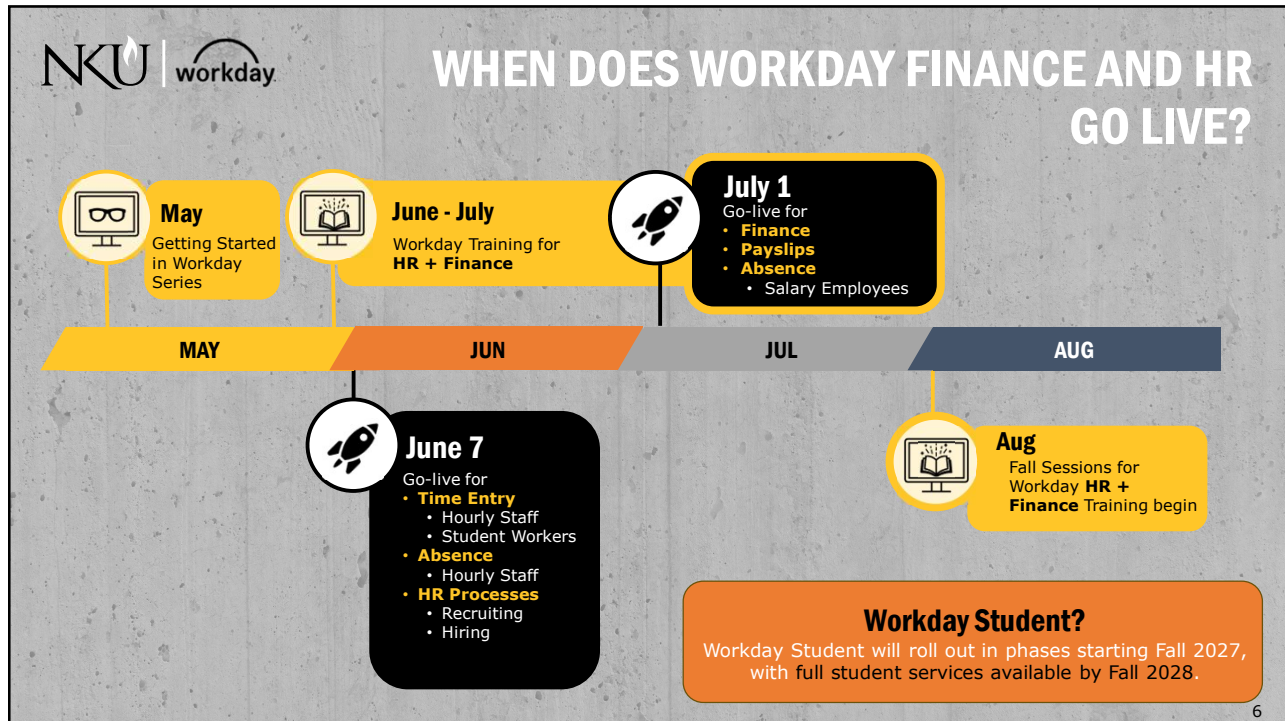


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“Cutover” Workday Transition Dates

FY26 Vendors

- DOES NOT IMPACT FY27 NEW VENDOR
- April 15 Deadline to Add New Vendors for FY26 Purchases
- DOES NOT IMPACT EXISTING VENDORS

FY26 Goods Receipts

- DOES NOT IMPACT PURCHASE WITHOUT GR
- June 5 Deadline to certify goods receipts for FY26 Budget
- Goods received after June 5 will impact FY27 Budget

FY26 Purchase Requisitions

- DOES NOT IMPACT FY27 PURCHASE REQUISITIONS
- April 30 Deadline to submit Purchase Requisitions for FY26

P Card Blackout

- NEW P CARDS WILL BE ISSUED FOR TRANSACTIONS AFTER JULY 1
- P Cards may be used through June 25
- P Cards will be blacked out June 26-June 30

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“Cutover” Workday Transition Dates

Employee Self-Service Blackout

- CONTACT HR IN CASE OF EMERGENCY CHANGES
- Employee Self Service in SAP will be unavailable beginning May 23
- Service will be restored for all employees using Workday on June 7

Monthly Time Entry

- MONTHLY TIME
- Monthly employee time entry/certification will continue in SAP through June 30
- Monthly employee time entry and absence begins in Workday July 1

Bi-Weekly Time Entry

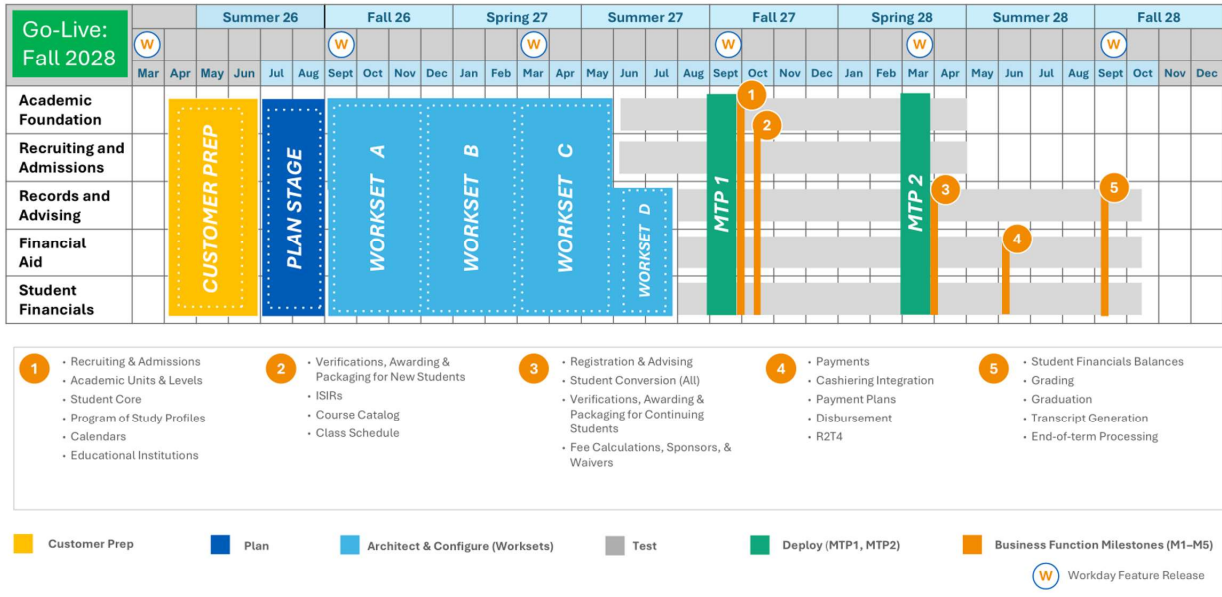
- STARTING JUNE 7, TIME ENTRY WILL BE IN WORKDAY
- Absence included in June 7 go live for Bi-Weekly Employees

July 1: HR and Finance Processes

- JULY 1 IS GO LIVE FOR PROCESSES
- Recruiting, Hiring, Payslips
- Finance Processes

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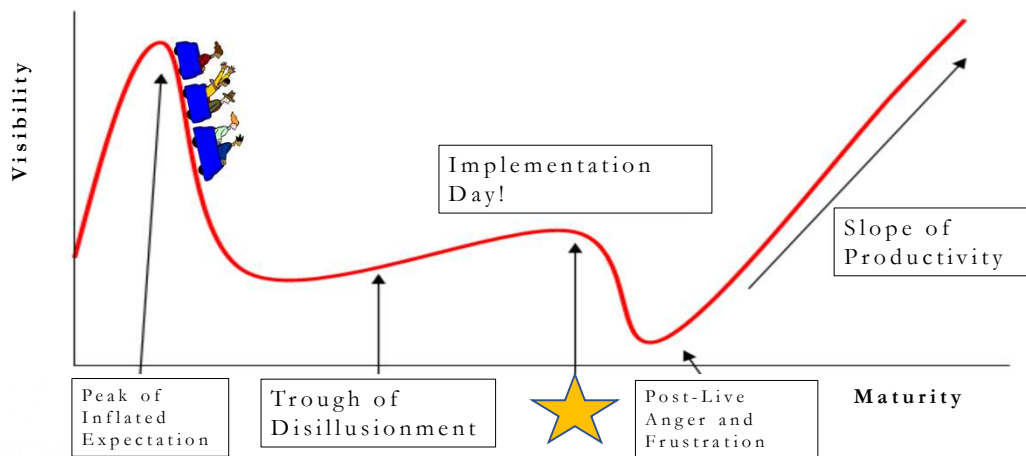
27 Month - Draft Student Timeline



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Implementation Lifecycle

Normal and Expected Emotional Rollercoaster



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NORTHERN KENTUCKY UNIVERSITY

FY27 Spring Budget Forum

Honest Numbers. Clear Plan. Steady Path.

Chris Calvert

V.P. Administration & Finance, Chief Financial Officer

April 13, 2026

AGENDA



What we'll cover today

- 1 Where we are landing**
FY26 forecast
- 2 What just happened in Frankfort**
State budget as sent to the Governor
- 3 The FY27 draft budget**
Revenue, expenses, and the gap
- 4 The longer view**
FY28–FY30 Pro Forma
- 5 What we're doing about it**
Faculty Voluntary Separation, Expense Planning, Lapse Discipline
- 6 Where we're headed**
Strategic Plan KPIs, What we don't know, next steps
- 7 What can I do to help?**
Open questions and next steps



01

WHERE WE LANDED

FY26 is ending in the black.

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WHERE WE LANDED



FY26 Actual: landing in the black

\$3.0M

Forecast net surplus
vs. \$71K budgeted

\$220.5M

Total revenue forecast
vs. \$221.5M budgeted

\$217.5M

Total expense forecast
vs. \$221.4M budgeted

What this means

- Net tuition revenue is holding close to plan at \$117.4M, despite enrollment headwinds.
- Personnel expenses running slightly favorable year-to-date; operating expenses managed tightly.
- Positive cash flow maintained through the year.

We did what we said we'd do in FY26. FY27 is a different conversation.

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WHERE WE LANDED



FY26 Actual, What Changed Since Fall

01

Planned for a Low Range of Enrollment

Enrollment Declines projected after Traditional and 1st 7- and 5-Week courses led to projections of financial impact. Expense adjustments, after consultation with BOR, were made based on the lowest range of enrollment

02

Foundation Support of Scholarships

The Foundation's support and contribution to institutional scholarships was increased materially, improving our Net Tuition Revenue. Thanks to the Foundation and OFA teams!

03

Cost Containment

The fall 2025 mid-year budget adjustments and focus on ongoing cost containment have further mitigated the loss of revenue due to Enrollment declines.



WHAT JUST HAPPENED IN FRANKFORT

02

**The state budget has passed.
Here's what it means.**

NKU

FRANKFORT OUTCOME

Three scenarios for state appropriations

Scenario	FY27 vs FY26	FY28 vs FY26	Status
HB500 as introduced Worst case we planned for	-\$5.2M	-\$8.3M	<i>Did not pass</i>
FY27 draft budget assumption Our planning baseline	-\$1.9M	-\$3.0M	<i>Superseded</i>
HB500 FCCR as passed (pending additional legislation, veto, expected veto overrides)	-\$2.5M	-\$3.8M	Sent to Governor

The takeaway
What passed is better than HB500 as introduced, but worse than what we built our FY27 draft budget assumptions. The worst-case scenario is off the table. A 3% to 5% expense reduction work is still necessary to meet the priorities of the Board of Regents.

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FRANKFORT OUTCOME

What the HB500 FCCR outcome means for NKU: General Fund

- **Inflation adjustment eliminated**
\$2.1M ongoing reduction
- = **Fire & Tornado support reduced by change in Premium**
\$0 Impact on University Budget
- **Performance Funding and NKU allocation***
Performance Fund same as 2024-26
~\$1.9M decrease estimated (NKU share of pool) based on trends
- = **YSA mandated funding added**
\$1.8M FY27, \$3.6M FY28 (flows through, covers direct costs)
- = **Debt Service Eliminated**
Net General Fund Reduced by Change in Debt Service
\$0 Impact on University Budget
- + **Dept of Revenue Collections (HB379)**
~\$0.75M of Cash Flow would be restored from the 2025 DOR decision (requires veto override)

NET EFFECT
vs. draft budget

~\$600K
worse in FY27

~\$800K
worse in FY28

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FRANKFORT OUTCOME

What the HB500 FCCR outcome means for NKU: Capital

- **\$0 in Capital Projects Funded by State**
*Business Academic Center Renovation was 1st Request
 2024-26 Landrum Hall and Civic Center were Funded
 2022-24 Science Center Expansion was Funded*
- **Asset Preservation Funding Reduced**
*\$17M in Asset Preservation Funded via HB500 FCCR Compared to:
 2024-26 \$45M in Asset Preservation funding
 2022-24 \$44M in Asset Preservation funding (with University match)*

NET EFFECT
 vs. 2024-26

The distribution of Capital inconsistent among state institutions

Capital outlook
Reduced Asset Preservation budget constrains deferred maintenance and renovation flexibility. Projects will be more selective and may be deferred to preserve funding for critical infrastructure.

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NKU

FRANKFORT OUTCOME

HB500 FCCR Next Steps: CPE Request

- 1 Restoration of General Fund Changes**
NKU Impact +\$1.06M
- 2 One Capital Project for all Institutions**
Would fund some or all of NKU request for Business Academic Center renovation
- 3 Increase AP Distribution Pool**
Amount TBD

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03

THE FY27 DRAFT BUDGET

A ~\$4.4M gap we need to close.

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THE FY27 DRAFT BUDGET

FY27 Budget Priorities

Balanced Budget & Positive Cash Flow

3% Salary and Wage Increase

\$2M Net Surplus

Budget Prioritization Process

- Budget Priorities are discussed at Cabinet and presented to the Board of Regents through committees early in the Fall each year
- The Budget Priorities are reviewed at each Cabinet, Committee, and Board meeting from Fall through the final approved budget

We set clear, concise budget priorities early in the fiscal year to guide our decisions and be transparent about how our decisions are guided.

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THE FY27 DRAFT BUDGET

FY27 Budget Priorities



01 **Balanced Budget and Positive Cash Flow**

NKU had cumulative deficits (losses) of >\$53M from FY21-FY24
NKU had cumulative negative Cash Flow of >\$60M from FY20-FY24

02 **3% Salary and Wage Increase**

Employees went from July 2022 to July 2025 without merit or cost-of-living increases
President Short-Thompson, the Board, and Cabinet have made this a priority

03 **\$2M Net Surplus**

A more substantive net surplus reduced the chances of a mid-year adjustment, but the decreases in state funding are leading to a recommendation of a lower net surplus compared to initial priorities


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THE FY27 DRAFT BUDGET

FY27 draft: revenues and expenses



	FY26 Budget	FY27 Draft	Variance
Net Tuition Revenue	\$118.3M	\$121.7M	+\$3.4M
State Appropriations	\$68.1M	\$65.7M	-\$2.3M
Other, Auxiliary, Sales & Services	\$35.2M	\$35.2M	+\$0.1M
Total Revenues	\$221.5M	\$222.7M	+\$1.2M
Personnel (Salary, Benefits, Retirement)	\$144.5M	\$147.7M	+\$3.2M
Other Expenses	\$50.5M	\$51.0M	+\$0.5M
Transfers (mostly debt service)	\$26.4M	\$26.4M	—
Total Expenses	\$221.4M	\$225.1M	+\$3.7M
Net Surplus / (Deficit)	\$0.1M	(\$2.4M)	(\$2.5M)

THE GAP

(\$4.4M)

FY27 draft deficit compared to the Net Surplus Budget Target

Unrestricted and Auxiliary Funds. Figures from Feb 27 Finance Committee; state appropriations line updated to reflect FCCR as passed.

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THE FY27 DRAFT BUDGET

What's driving the gap

01 State appropriations **-\$2.3M**

Updating to -\$2.5M with the FCCR as passed. Performance funding pool dynamics continue to work against NKU relative to others.

02 Personnel cost growth **-\$3.2M**

3% salary & wage increase effective 10/1/26, plus projected benefits increase based on 2026 actuals. RPT and NTTR adjustments included.

03 Enrollment headwinds **+\$3.4M**

Modest tuition growth from tuition and fee rate increases (+2%) offsets continued headcount declines, particularly in the traditional undergraduate and graduate segments.

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NKU

THE FY27 DRAFT BUDGET

Enrollment: Actual vs. Markov Model

Fall 2026 Draft Budget Assumptions vs. Fall 2025 (% Change)

■ FA25 Actual ■ FA26 Budget

Segment	FA25 Actual (%)	FA26 Budget (%)
Grad AOL	-10.4%	-9.6%
Grad Trad	-2.2%	-11.2%
Law Trad	7.6%	0.0%
UG AOL	13.0%	1.2%
UG Dual	0.0%	-1.0%
UG Trad	-3.1%	-3.9%

KEY TAKEAWAYS

- Net Tuition Revenue Pressure concentrated in graduate traditional and undergraduate traditional segments
- Law and UG AOL provide partial offsets

FY27 RATES: UG +2% | Grad & Law +2% blended | Course fees +2% | Norse Network Hub Fee (new) \$250 × 2 | AOL Discount Rate -\$40/Credit Hour

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THE FY27 DRAFT BUDGET

Enrollment Assumptions

Enrollment Models
*Undergraduate, Law, and Graduate Traditional are Headcount
 AOL and Dual Enrollment are FTE Models
 Markov and Regression Models will be updated with the final
 Spring and Summer for the final Budget*


2% Tuition Rate Increase (Undergrad Max Allowed by CPE)
Graduate and course/program fees vary

3 States/1 Rate and Merit Scholarships same as FY26
Net Tuition Revenue impact flat

Norse Network Hub Fee (New)
\$250, 1x per year each Junior and Senior Year

Non-Recurring Scholarships
"Non-Recurring" Scholarships roll-off after FY27

Undergraduate AOL Discounts
Reduced by \$40 per Credit hour



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THE FY27 DRAFT BUDGET

Expense Assumptions


3% Salary and Wage Increase
*Effective 10/1/26, retroactive to 7/1/26
 Considering a combination of Cost-of-Living and Merit*

Health Benefits Expense +12% through 12/31/26
*Actual Benefits rates through 12/31 are significantly higher than FY25
 Assumptions include 10% increase effective 1/1/27*

Faculty Voluntary Retirements
Payments in December and May for voluntary retirements

Insurance Premiums
*Premium increases are moderate for general liability
 Fire & Tornado decreases are offset by decreased state funding*

Marketing Budget
Allocation to Marketing to support student recruitment



Other Funded Assumptions

- Faculty RPT
- NCAA reduced distributions
- Highland Heights/CC Fire
- East Village Housing Closure
- Outsourced Custodian Services
- Snow Overtime
- Part-Time Instruction

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04

THE LONGER VIEW

The trajectory, if we do nothing.

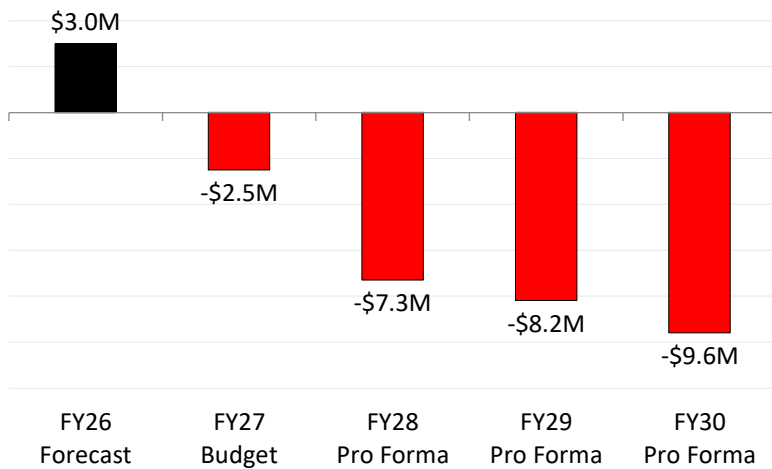
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THE LONGER VIEW



5-year pro forma: why this is the year to act



If we do nothing, the gap compounds.

These aren't forecasts of what will happen. They're projections of what happens if we hold the line.

Everything on the next slides is about bending this curve.

Unrestricted and Auxiliary Funds, excluding KERS debt service adjustment.

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THE LONGER VIEW



Challenges Driving 5-Year Pro Forma

01

Enrollment Declines Net Tuition Increases

Demographics work against enrollment, but have been mitigated with tuition and fee increases. The President, Academic Affairs, and Strategic Enrollment Management are intending to reverse declines through regional presence and strategic recruiting.

02

Wage Increases and Inflation

Including Merit and Cost-of-Living wage increases is assumed, but it creates a funding challenge. Inflation on key items such as benefits, software, and maintenance must be accounted for.

03

Higher Education Volatility


Policy proposals regarding state long-term budgets and funding, and federal programs (Pell, SEOG, NIH Grants) have created higher levels of volatility than in the recent past (excluding COVID).



WHAT WE'RE DOING

05

**Real actions, already
in motion.**



WHAT WE'RE DOING

Faculty Voluntary Separation Program

13
faculty agreements
mix of Dec and May departures

\$1.2M
one-time payout
FY27

\$1.3M
annual savings
ongoing from FY28


DISTRIBUTION BY COLLEGE

CAS	COB	COI
8	3	2

These are colleagues choosing to transition. NKU is grateful for their service, and the program is structured to honor that service while creating the ongoing capacity we need.

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WHAT WE'RE DOING

Cabinet expense reduction planning

The President directed Cabinet to model three scenarios. Here's what each represents:

3%

~\$6M
BASE CASE

Closes the FY27 gap, restores the \$2M surplus target, and funds FVSP cost.

5%

~\$10M
CUSHION

Additional cushion for remaining unknowns, budget requests, and faculty separation payouts.

10%

~\$20M
HB500 CONTINGENCY

Built for the HB500-as-introduced downside. That downside did not materialize.

Our focus: *executing the 3% to 5% work thoughtfully, with real trade-off conversations at the division level.*

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WHAT WE'RE DOING



Lapse and position discipline

Where this came from — and where we're going

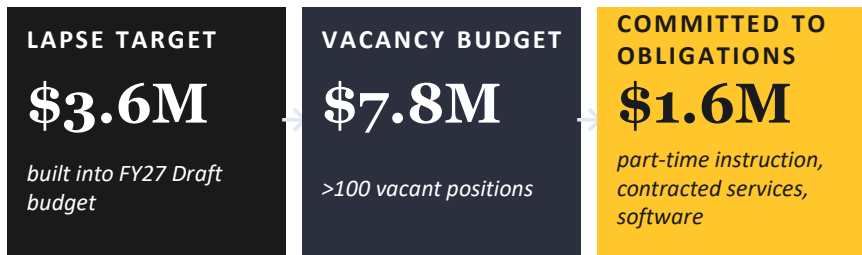
- Separations occur each year, and planning for an amount of personnel expense savings due to the time between employees who separate and their replacement is prudent.
- Lapse targets were implemented in 2022 to manage a balanced budget for BOR approval.
 - **These were a budget “plug.”**
- Instead of aligning expenses with revenue, the University required each division to maintain a large negative expense instead of cutting expenses.
- In response, divisions have held vacant positions and used those dollars to cover real, ongoing obligations.
- The result is a budget that looks more flexible than it actually is.
- The result is also that known recurring actual expenses have not been budgeted:
 - Part-time and Temporary instruction
 - Contracted custodian services
 - Overtime for Snow Removal
- **Moving forward: position-based budgeting that makes true capacity visible to divisions and to the Board.**

WHAT WE'RE DOING



Lapse and position discipline

FY27 LAPSE TARGET vs. REALITY



Where we're going

- Allowing Divisions/Departments to utilize vacancies to meet expense reduction planning
- Eliminating Carrying Positions that will never be filled to meet Lapse targets
- Funding instruction and contracted services expenses



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WHERE WE'RE HEADED

The targets that define sustainability.

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WHERE WE'RE HEADED

Strategic plan KPI targets

KPI	FY28 TARGET	LONG TERM	Notes
KPI 1 Cash & Investments	\$115M	\$130M	FY25 year-end \$115.2M is >180 days of operating cash. Workday implementation will delay achievement of the long-term target.
KPI 2 Unrestricted/Auxiliary Net Surplus	\$2M	3% of expenses	Long-term target equals approximately \$5M based on FY26 budget. Builds the cushion we needed during FY26.
KPI 3 Net Tuition Revenue	\$128M	\$140M	The FY28 target is what balances the 5-year pro forma. This isn't aspiration — it's the definition of sustainability.

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OPEN QUESTIONS

What we still don't know

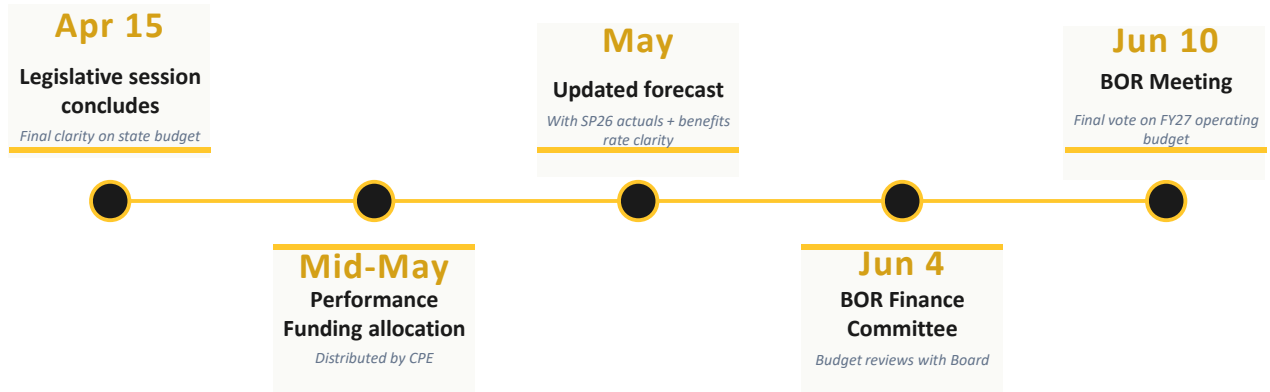
- ? Final State Budget**
Pending vetoes, overrides, additional legislation
- ? SP26 late-session enrollment**
3rd 5-week courses final enrollment
- ? SP26 AOL Cost of Sales**
2nd and 3rd 7-, 5-week courses' revenue share
- ? FY27 Performance Fund Allocation**
CPE's calculation of Performance Fund Allocation across state institutions is expected in late April
- ? SU26 enrollment/AOL cost of sales**
Summer registration has only just begun
- ? 1/1/27 benefits rates**
Need additional claims data through mid-year

We'll update the forecast and budget as each of these comes into focus over the next 45 days.



THE PATH TO JUNE

Next steps and timeline



*Thank you for being a part of this conversation.
Your questions, feedback, and perspective help us build a better FY27 budget.*




07

WHAT CAN I DO TO HELP

Action steps and open forum

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WHAT CAN I DO TO HELP?

Help us Grow Enrollment!

Protect and Grow Revenue
Retain existing students
Respond with service quality and improve campus life
Recruit through word-of-mouth and positive reputation

Be Thoughtful about Spending
Ask whether an expense is necessary, identify software, and contracts that are being underused

Support Position and Vacancy Awareness
When turnover happens, work with your Dean, VP, or Department manager to challenge the replacement; be honest about workload

Participate in Process Improvements
If you see a process that wastes time or money, offer to help redesign it and lean into using the technology we have

Fill arts and sporting events – invite guests to NKU
Enjoy the offerings, create vibrancy and exposure for guests

The Most Important thing you can do isn't cut spending – it's help us keep and grow the students we have.

Everything else follows from that.

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NKU

Open Forum & Questions

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REAL AMBITION
REAL SUCCESS

NKU

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