

MINUTES OF THE FACULTY SENATE BUDGET COMMITTEE

JANUARY 24, 2024

Present: David Agard, Janel Bloch, Kinsey Bryant-Lees, Alina Campan, , Nathan De Lee, Irene Encarnacion, Amy Gillingham Culligan, Jack Harrison, Lynnessa Hillman, Carrie Hipple, Jennifer Kaiser, Edward Kwon, Kevin Muenta, Shawn Nordheim, Reiko Ozaki, Patrick Schultheis

Absent: Ryan Alverson, Nicholas Brummer, Dick Durtsche, Ken Jones, Lou Manchise, Hardik Patel, Catie Shelton

Guests: Barry Kienzle (Interim VP-Admin. & Finance), Diana McGill (Provost), Karen Mefford (Interim CFO), Chad Ogle (Provost's Office), Ryan Padgett (Chief Enrollment Strategist), Matthew Zacate, Grace Hiles

Chair Janel Bloch called the meeting to order at 3:17 via Zoom. It was moved and seconded to approve the minutes from 12/13/2023. Motion carried.

Chair's Report: The CFO search continues and there will be CFO search open forums for candidates next Monday and Tuesday. Janel encouraged everyone to attend the open forums or the livestream. The Kentucky General Assembly session has begun, and this is a biennial budget year. There are also several bills in play that affect higher education that will be tracked, e.g., post-tenure review and anti-DEI bills. The NKU budget annual process is also beginning. As the NKU budget process progresses this semester, this Committee can decide to do a faculty survey to gather and provide input if needed.

Enrollment Report

Guest Ryan Padgett, Chief Enrollment Officer gave an update on NKU's enrollment trends. He pointed out the significant drop in traditional students over time, especially undergraduates and the increase in accelerated online (AOL) students. From Fall 2017 to Fall 2023, accelerated online (AOL) enrollment has risen from 0 to 4,943. Campus accessing enrollment has dropped from 11,728 to 8,072. Additionally, more upper-class traditional students are opting to take their courses online. 50% of the AOL students are from Kentucky, 22% are from Ohio, and 16% are from Indiana.

Spring 2024 enrollment is 161 down, a 1.1% decrease, which is in line with the projection. Transfer students are so far up 95. Declining enrollments of first-year students is significant because it impacts future enrollments, and the drop in new students continue to stack as they progress through their years at NKU. On the upside, applications and admits are up; it is now a matter of turning those into enrollments.

Nationally, the flagships are experiencing enrollment growth. Regionals have stagnation, slight growths, or slight declines. There has been slow growth in community colleges. NKU is overperforming in terms of admittances and confirmations but with a delayed FAFSA, there is still a lot of uncertainty. UC is also rolling out a giant online model, similar to AOL. The biggest growth areas across the nation are online and credentials. Google "[Clearinghouse](#)" to read the report of national higher ed enrollment trends. Of the Kentucky students that take online programs, UC is one of the top institutions. This could be an opportunity for NKU. Online students are looking for fastest path to degree and lowest cost.

In the discussion, Nation De Lee asked where Young Scholars Academy counted in the head count. It does, as FTE is based on credit hours, not on how much students pay or do not pay for those hours. Going forward, it will be important to look further at the different categories of students because they

don't have the same impact on the budget. Many students now graduate in 3.5 years because they are coming in with college credits. Others wondered about the extent to which the online programs undercut or cannibalize the in-person offerings, e.g., is it possible that students are having to default to online because of what is being offered. For example, Alina Campan reported that in the School of Computing most of the section change requests from traditional students are to move from the in-person to the online sections.

The question was raised as to whether CPE can keep flagships from cannibalizing the regionals. CPE tends not to deny duplicative programs. Diana indicated that she will soon start learning about what NKU can do to be more competitive statewide. She wants to learn more about CPE's goals, e.g., to get as many students as possible – or to keep them.

VP-Admin. & Finance/CFO Report

Karen Mefford reiterated that one of the largest challenges is that the Board of Regents expects balanced budget. NKU has hired a budget officer, Jamie Younger, who has a lot of experience, including several years at Gateway and KCTS. Barry and Karen are interims in their roles, and Diana is new as provost. They are going to work with the units to develop budget scenarios to account for the various possibilities. The budget that was submitted for 2024 had a \$9.6 million deficit but said another \$5 million needed to be cut. In September 2023, a plan was presented to cut it by 2025. There is still a deficit of \$2.8 million if everything were the same. But everything is not the same. The legislature has some things that may help NKU. The metrics may be changed, and it is uncertain how that will affect NKU. Things can change up to April 15.

Provost Report

Building budgets is really difficult and they have to be built with multiple assumptions. This is not new. It is always tricky in biennial years. This is done every two years. What we feel good about is that the state likely won't come in and cut higher ed significantly.

The divisions will be asked to build budgets and be fluid as the assumptions change. The divisions will be asked to prepare 3 or 4 scenarios. A question was raised about whether the outcome of the DEI bills will be part of the scenario planning. There are no budget scenarios that include cuts related to the DEI bills passing. Regarding DEI, how we do it, what we call it, may need to be changed. HB 9 is like "Florida on steroids". HB 6 is much less onerous. We want to retain and support all of our students.

Janel asked about whether NKU is in a cash crisis because the statement that there is "90 days cash" has been made at the Board of Regents meetings and elsewhere with some urgency. Barry and Karen stated that NKU has sufficient cash and is not in a cash crisis but does need to get the budget in line. The first step is to get a balanced budget and to start increasing rather than decreasing reserves.

The meeting adjourned at 4:54 p.m.