

## FACULTY SENATE BUDGET COMMITTEE MEETING - MINUTES

November 20, 2024

Zoom, 3:15 p.m.

**Attendance: Members Present:** Ryan Alverson, Janel Bloch, Nick Brummer, Corrie Danieleley, Dick Durtsche, Irene Encarnacion, John Farrar, Chad Greenfield, Jack Harrison, Lynissa Hillman, Carrie Hipple, Kevin Jiang, Jennifer Kaiser, Edward Kwon, Scott Nutter, Jeff Smith, Karen Tapp. **Members Absent:** David Agard, Majed Dabdoub, Merle Heckman, Laura Menard. **Guests:** Chris Calvert, Vickie Cooper, Diana McGill, Ryan Padgett, Jamie Younger

The meeting began at 3:17 p.m.

The minutes of the September 18, 2024, meeting were approved.

### Chair's Report

Chair Janel Bloch discussed ongoing work for the committee, including reviewing budget and compensation-related policies (e.g., Faculty Extra Compensation, Tuition Waiver) and the Committee bylaws. The committee is still seeking a volunteer to be secretary. Members and guests not present at the last meeting were introduced.

### Enrollment Update

Ryan Padgett (Asst. Vice President & Chief Enrollment Strategist) reported that the final enrollment numbers will be provided within the next couple of weeks. Currently, the enrollment is up 380 headcount from last year, and no major changes are expected in enrollment or FTE.

Because of the new direct admit program, applications are up about 600 from last year at this time, although that is like a "green apple" comparison to a "red apple" comparison because the process for admission is different than in the past. A question was raised about whether the reports show admissions of under-represented students such as Latino students, which the University of Cincinnati is heavily recruiting. Ryan indicated that he can include those numbers in future report.

Ryan explained that under the direct admit program, students with a 2.75 current high school GPA are invited to accept admittance without the traditional application, essay, or fee. Students with high school GPAs 2.0–2.74 can submit a one-page application (also with no fee) and receive a quick response. More students outside the immediate region are being admitted via these new processes. The whole idea around direct admit is to begin communicating with interested students earlier. There has also been good attendance at open houses for prospective students, so there is good momentum. In addition to direct admit, messaging has been going out to prospective students and families about the *Wall Street Journal* rating and campus safety ratings. There is optimism about the effects of direct admit, and Ryan will continue to report to this committee how those admissions play out in terms of actual confirmations and enrollments.

### Budget Update

CFO Chris Calvert mentioned that there will be a pre-budget process forum in November. This forum will be a preliminary look at assumptions and how the budget is built. Jamie's team is beginning to populate assumptions for starting points for the budget, and then they will begin working with the colleges and departments to build the budget.

Chris also indicated that the Board of Regents expects a balanced budget for the coming year. Chris addressed additional questions about the revenue numbers reported in the last Board of Regents meeting, stating that Fall 2024 net tuition revenue is \$3.36 million ahead of last fall. The net revenues reported at the last Board of Regents meeting pertained to Fall 2024 only (one of the three semesters in the academic year). In terms of net tuition revenue, that is ahead of where it is expected to be in order to meet the net tuition revenue budget for the current fiscal year (FY25). Chris and Provost Diana McGill clarified that Fall semester revenues need not be 50% of the budgeted total revenues in order to achieve the budgeted goal for the academic year because spring and summer sessions remain. Fall semester has not been over half of total revenues in past years. However, enrollment assumptions for the spring semester must be

made cautiously because enrollment last spring and summer were comparatively strong, but the tuition increase may help counter a decrease. Chris clarified that the current results don't guarantee that we are going to meet the target because there is still uncertainty surrounding spring and summer. There is definitely the need to work on retention, persistence, and enrollment of new students each semester. Repeating the strong enrollment of last spring would be excellent, but it's certainly not guaranteed. Net revenues are also only one component of the budget – expenses are part of it too but are usually easier to accurately predict. Chris provided the following percentages for the last few years. Summer % of NTR includes portion of Summer 2023 semester and portion of Summer 2024 semester (roughly 50% of each of those summer semester but not exactly 50%)

***FY24 % of Net Tuition Revenue (NTR) by Semester (\$\$ in Millions)***

Fall 2023: 44.9% (\$46.6/\$103.6)

Spring 2024: 42.9% (\$44.4/\$103.6)

Summer 2024: 12.1% (\$12.6/\$103.6)

***FY23 % of NTR by Semester***

Fall 2022: 44.7%

Spring 2023: 41.3%

Summer 2023: 13.9%

***FY22 % of NTR by Semester***

Fall 2021: 45.2%

Spring 2022: 43.9%

Summer 2022: 13.4%

A question was asked about whether there will be sufficient budget to offer a full slate of summer courses. Provost Diana McGill explained that to her knowledge, it has not ever been decided not to teach summer classes because there was not money for the faculty salaries; sometimes if the number of available seats exceeds the demand for summer courses, it is decided not to teach certain summer courses because there are other courses for the students to take. This past summer the colleges were asked very specifically to try to spend less on summer because there was not a balanced budget. Each college varies as to whether they have a line item for the summer budget, but it's all part of salaries; so as long as the salary item is within budget, it would not matter if the summer budget line were over. If a faculty member leaves the college, that budgeted amount goes to an instructional reserve in Academic Affairs. It also must be remembered that the budget for summer and other sessions is more complicated than just faculty salaries. There is also currently no directive that summer courses must be online.

**Summer Compensation Policy**

The current Faculty Summer/Winter Compensation policy is due for review/revision. Some possible ideas for revision were discussed, including summer having its own budget line, which as was discussed earlier, would be unworkable as it would restrict movement among categories of the salary budget. Diana McGill pointed out that the spirit of the idea, though, is for each college have an adequate summer budget, which colleges go about doing in different ways, depending on their situations.

Another suggested revision was offering the opportunity to teach summer courses to full-time faculty members before they are offered to part-time faculty. An argument in favor of this change is that given the lack of salary increases, faculty sometimes try to make that up with summer teaching. Because the current faculty summer compensation policy is a percentage of salary, full-time faculty typically have a higher salary than part-time faculty would have for teaching the same course. Janel discussed other things that have been considered in the past such different summer salary strategies, e.g., a lump sum salary (rather than %), making more widely available the option of giving course releases instead of salaries for summer teaching, and pro-rating salaries based on a percentage of a target enrollment. For example, prior to the current Faculty Summer/Winter Compensation policy, NKU used a proration strategy. Under that "draft" policy (which was used for many years), most classes based salaries on a target enrollment of 15, such that classes with fewer than the target would receive a fraction of the "full" salary (e.g., 13/15 salary for having 13 rather than 15 students in a class, with enrollment and hence salary being determined the

last day students could drop without penalty although faculty had to commit to teaching the class much earlier). This “draft” policy existed for several years prior to the current policy being enacted as a formal policy, which was put forward by this committee. There was some discussion about the merits and disadvantages of returning to a similar policy involving salary proration.

Another option that was discussed was substituting course releases for payment for summer teaching. The idea of letting faculty have course releases for summer teaching would require changes to the Faculty Handbook, although some colleges and departments do currently allow this already under certain circumstances. Additionally, Diana pointed out that the Faculty Handbook does need updating in that regard, and that some faculty (e.g., nursing) are now hired as 12-month (fiscal year) faculty who teach year-round. Diana also indicated that whatever changes are made to the summer-winter compensation policy should carefully anticipate unintended consequences, such as not being able to offer a course because the budget doesn't allow for a full-time faculty member to teach it at a higher salary.

There was some discussion about how the budget should reflect that NKU places priorities on academics, a priority that some wonder about because at the same time the budget can't allow for full-time faculty to teach summer classes, it does always seem to find money to allow for additional spending on athletics. Diana and Chris stated that those decisions were made by others. And it was pointed out that is important to consider that perhaps now different decisions can be made regarding the balance of academics and athletics. It was mentioned that it would be helpful to know what NKU is locked into in terms of athletics spending. It is still puzzling to some faculty why NKU invested significant dollars in adding sports and places such a priority on athletics while other universities are cutting them, and at least one institution that closed invested significantly in sports before doing so. From faculty's perspective, athletics do not seem to have the same budget constraints as academics. Diana pointed out that President Cady has pointed out many times that she has given athletics 3 years to demonstrate whether they can bring in revenues from the additional sports, e.g., are they bringing tuition-paying Division I athletes to NKU. Cady was handed the situation and is going to make the best of it. Athletics are being held accountable to do that.

Regarding the summer compensation policy, Diana suggested that perhaps a subcommittee look at NKU's benchmarks' faculty summer compensation policies and also carefully consider the ramifications of any proposed changes. Another possibly that was suggested was considering small stipends for independent studies or capstones conducted during the summer, as faculty do report doing that type of work uncompensated during the summer. Anecdotally, it was mentioned that faculty have pulled away from doing research and independent studies because of the lack of incentives regarding raises or stipends. The rewards are not there, so they do less of it, which is just basic behaviorism.

The Faculty Summer/Winter Compensation policy was discussed a bit more, including different types of salary strategies that might work. It was decided that a good way to proceed with the Faculty Summer/Winter Compensation policy revision would for members to get feedback from their department. Janel will also look into doing a brief survey of the faculty, as was done when this committee originally proposed the policy. Janel will review the previous survey and results and bring it to the committee for review.

The meeting concluded at 5:00 p.m.