Northern Kentucky University continuously looks for ways to contain costs and operate more efficiently. Our rapid growth and low state funding per student have required us to “do more with less” to serve an increasing number of students, including consolidating resources, examining business practices, and implementing process efficiencies to more effectively use available funds and contain costs. Since the original enacted FY08 budget, the university’s net state appropriation has been cut by $5.1 million, and an additional cut of $3.2 million is proposed for 2012-13. To cover fixed costs and other non-discretionary investments, to continue to make high priority investments, and to absorb state budget cuts, the university has restructured the budget through substantial reallocations which have been possible due to the significant efficiencies, cost savings, and productivity improvements that have occurred across campus.

**Administrative Effectiveness**

**Facilities, Construction, Operation and Management Initiatives**

1. Energy Saving Performance Contracts — projected annual savings of $650,000.
2. Griffin Hall Construction — first campus LEED engineered building.
3. Re-roofed three buildings and doubled the amount of insulation on the buildings, while installing a highly reflective "cool" roof on another campus building.
4. Negotiated a pre-buy on natural gas, locking in an annual rate which will save $70,000 annually.
5. Ongoing energy conservation efforts:
   a. Enlisting students, faculty, and staff in reducing energy consumption by turning off lights, appliances, computers and equipment.
   b. Reducing lighting in public areas, shut down coolers, food service equipment and other equipment when not needed.
   c. Switching to LED lighting, where feasible, extending the bulb replacement cycle from 6 months to 7-10 years and reducing energy consumption by two-thirds; LED lighting in garages will result in a 54% savings in energy with a payback in 5 years.
   d. Upgrading the environmental controls in some buildings from pneumatic to digital to increase reliability, precision, flexibility, and improved response time on energy settings.
6. Implementing energy-reducing and facility improvements on academic buildings, including green design for new buildings.
   a. This includes improving classroom efficiency by conversion to smart classrooms and/or expanding space to increase enrollment capacity.
   b. Focusing on the reduction of energy use through regulation of voltage, establishing a rate structure, using high efficiency lighting, installing lighting and sensor controls, and implementing water conservation measures contributes to this strategy.
7. Closing the Covington Campus — estimated savings of $15.5m in renovations.
8. Closing campus buildings, parking lots, and garages over holidays to conserve energy on lighting, heating, and operating elevators in addition to reducing the need for snow removal.
Human Resource Management Initiatives

1. Aggressively managing benefit costs while remaining competitive in the labor market for talented faculty and staff.
2. Self-insured Worker’s Compensation Plan — estimated $200,000 up front (additional savings in the long run).
3. Rebidding dental, vision, flexible spending account, life, short term and long term disability and employee assistance programs, selecting new vendors for all.
   a. Change resulted in reduced number of vendor contracts, improved benefit coverage, streamlined administration.
   b. Estimated cost savings of $110,000 to $179,000 annually.
4. Implementing third-party billing for health and counseling services.
5. Annual benefits (healthcare and insurance) enrollment is active and mandatory, encouraging reevaluation of healthcare and insurance needs. Through improved benefit communications, significant reduction in employee enrollment in highest cost medical option resulting in reduced healthcare expense.
6. Launched online employee self-service for the following: viewing pay stubs, address and phone number changes for home or work, banking changes, changes in optional retirement savings.
7. Converted to online benefits enrollment as exclusive means of enrollment, eliminating paper process and data reentry.
8. Converted part-time faculty contract renewal and supplemental pay to online process.
9. Implemented electronic file feeds to medical and dental vendor, eliminating manual data entry with time savings and improved data accuracy.
10. Utilizing online job postings for most positions to save the cost of newspaper advertising.
11. Implemented electronic processing for certain employment actions, eliminating paper and increasing efficiency of operations.

Business Practice Initiatives

1. Utilizing external consultants to analyze student administrative services and identify opportunities for process improvement and efficiencies.
2. Examining university policies and processes to ensure they are not adding unnecessary cost and are optimally aligned with the objectives of the institution. Work includes streamlining and/or eliminating redundant processes and revising policies to achieve cost savings.
3. Reducing procurement costs with revised policies that restrict expenditures for meals, refreshments at campus events, and other items, and by directing employees to the most cost effective options available, thereby reducing the administrative costs of procurement and restricting purchase options available to employees.
4. Streamlining the student employment process in the Student Affairs division and creating efficiencies and productivity through the training and development of our students.
5. Outsourcing select non-core functions on campus and/or operate noncore functions as self-supporting enterprises (such as Food Services, Bookstore, and BOK Center).
   a. The outsourced functions reduce the number of university employees.
   b. Savings include the additional benefit costs.
6. Utilizing alternative campus police patrol methods including foot patrol, bike patrol, and two-officer units. This has begun and will continue to lower the amount of funds spent on fuel.
7. Campus police department utilizing computers in each of the patrol cars. This enables officers to write reports, while being able to remain visible in high traffic areas. This technology has also enabled the department to use electronic reporting, cutting the amount of paper used.
8. Increasing efficiency by enforcing electronic data collection and standard data control through on-line forms and automated workflow — estimated savings is $60K - $80K in paper alone.
9. Student email migrated to the cloud — estimated annual savings $250,000.
10. Implemented an online interactive tool in which departments swap supplies (NKU Supply Closet).
11. Implemented joint disaster recovery solutions with Murray State. The efforts garnered NKU/Murray with University Business' Model of Efficiency Award. The benefits are abundant: there are no expensive vendor fees, functionality is better, recovery time is shorter, there is a predictable recovery point for lost data, testing is more reliable, and there is no vendor-supplied hardware involved.
12. Expanding the use of electronic documents and converting manual business processes to re-engineered electronic business processes. For example, implementation of myNKU's paperless process for financial transactions saves an estimated 624 reams of paper per year.
13. Encouraging faculty to post and distribute documents to student electronically on Blackboard to reduce classroom reliance on printing; faculty are encouraged to contact students via email to reduce mailing costs.
14. Encouraging staff to scan documents and share electronically rather than making copies.
15. Switching to electronic format for journals and serials purchased by the Library.
16. Combining print publications for admissions and recruitment to save printing and postage.
17. Utilizing social media and email to send out invitations to events, saving printing and postage.
18. Issuing employee travel reimbursements, student refunds, and vendor payments via an electronic Automated Clearing House (ACH) rather than a physical check, saving on printing and mailing costs.
19. Integrated e-checking into the Enterprise Resource Planning (ERP) system which saves over $200,000 in credit card merchant fees annually.
20. Implemented a “Fleet Copier” program with a zero capital outlay and cost per copy contract.

**Restructuring Decisions**

1. Budget restructuring to reduce administrative infrastructure, contain administrative and procurement-related costs, increase central revenues, and increase student-credit-hour productivity.
   a. Restructuring of revenue sharing with certain colleges — estimated $500,000.
   b. Reducing the direct subsidy to the Metropolitan Education and Training Services (METS) Center — $300,000.
   c. Adjusting fees, such as the web application fee and transcript fee — estimated $230,000.
   d. Refinancing university bonds — estimated $800,000.
   e. Assessing an administrative fee of 5% on departmental revenue (excluding tuition and Foundation funds).
      • Recovering part of the cost of providing institution-wide support services for those departments who use university resources to raise department or unit funds.
Strategies for Efficiencies, Cost Containment, and Productivity

- Ensuring that the associated overhead expenses for these revenues produced by departments do not unfairly erode available funding for other university initiatives and priorities.
- Estimated at $230,000.
  f. Utilizing Kentucky Department of Revenue for bad debt collection — estimated $400,000.

2. Reorganizing programs:
   a. Merged Research & Graduate Programs with Regional Stewardship under leadership of one Associate Provost.
   b. Merged Educational Outreach and non-credit continuing education under leadership of Executive Director of Educational Outreach.
   c. Dissolved Dept. of Economics and Finance — Merged faculty and programs with Department of Marketing and Department of Accountancy.

3. Reorganizing or eliminating positions:
   a. Position vacancy review policy.
   b. Eliminated dean, associate provost, two director positions and various others — estimated annual savings of $800,000.
   c. Shared advisor between Computer Science and Communications.
   d. Downgraded several management level positions in Facilities Management.

Academic Productivity

1. Student Credit Hour Productivity Initiative:
   a. Student credit hour expectations for colleges and departments based on faculty resources and program demand.
   b. 10% increase in student credit hour per FTE faculty over 3-year period beginning Fall 2010; estimated savings of $350,000 in the first year.
   c. Improving efficiencies in course offerings and enrollment management — Class sizes are increasing with some departments having classes of 100+ students to improve SCH/FTE; other areas have combined online and on campus classes to improve efficiencies; low enrollment classes are cancelled or consolidated with other sections; a course rotation plan has been implemented to improve efficiencies in course offerings.
   d. Continuing to reduce instructional costs as much as possible without jeopardizing academic integrity.

2. Facilities and Academic Space Initiatives:
   a. Making more efficient use of existing classroom space by centralizing scheduling when current system does not result in classrooms achieving an appropriate utilization and fill rate.
   b. Improving classroom utilization with the implementation of classroom utilization software.

3. Increasing the number of on-line classes offered — 186.5% over the last five years.
Student Completion and Success

*Time To Degree*

1. Reduced requirements for bachelor’s degree programs from 128 to 120 hours in Fall 2009.
2. Switched from distributive model for general education to program model (*Foundations of Knowledge*).
   a. Reduced number of courses offered from 250+ to 100.
   b. Cut program requirement from 48-51 hours to 37 hours.
   c. Provided greater flexibility in accepting transfer credits.
3. Developed an academic road map for every major to allow for degree completion within four years.
4. Increased number of dual credit courses offered in high schools (School Based Scholars program).
5. Systematically eliminating barriers to transfer.
6. Establishing accelerated learning opportunities for students with college and career readiness needs to minimize additional costs in time and money through dual credit high school programs.
7. Working with high schools to reduce need for remediation.
8. Eliminating NKU Academy and partnering with Gateway to support students with developmental needs.
9. Reducing number of students with two or more deficiencies.
10. Working with high schools to align common core standards with college expectations.

*Foundations of Excellence Initiative*

1. Partnership with the John N. Gardner Institute for Excellence in Undergraduate Education in a two-year project that takes an intensive look at the first year experience of NKU students.
   a. Nine campus committees focusing on philosophy, organization, learning, faculty/campus culture, transitions, students, diversity, roles and purposes, and improvement.
   b. Examining effectiveness of recruitment, admissions process, student orientation, student support, academic advising and teaching of first-year students.
   c. Identifying strengths and weaknesses of policies, procedures and campus programs that directly impact first-year students.

*Student Success Center*

1. Creating a Student Success Center by centralizing and reengineering the delivery of services to more efficiently assist students; in particular, establishing one-stop centers where students can have all issues addressed.
2. A centralized Student Success Center leads to more effective utilization of space and other cost saving efficiencies.
3. Space allocation and design is configured with flexibility to enable reconfigurations, as needed, in coming years.
4. The Center facilitates multiple points of contact and intervention for entering freshmen during their first semester which is critical for long-term retention and student success.
5. The front desk will be staffed by cross-trained professionals to more efficiently handle inquiries.
Strategies for Efficiencies, Cost Containment, and Productivity

Staffing Patterns

Key Huron Finding

“Compared to other universities we’ve worked with, NKU has a lean organization.”
-Huron Consulting Group, 2011

In December 2011, the Council on Postsecondary Education shared with the Legislative Research Commission (LRC) a document (Full-time Faculty and Staff by EEO* Category) showing the number of faculty and staff at Kentucky higher education institutions. CPE compiled the information from the institutions’ IPEDS reports.

1. NKU has more students per full-time faculty member than any public university in the state.
2. NKU serves more students per full-time staff/administrators than any public university in the state.
3. NKU has the lowest staff/administrator to faculty ratio of all Kentucky public universities.
4. NKU has the highest ratio of part-time faculty to FTE faculty of all Kentucky public universities.

<table>
<thead>
<tr>
<th></th>
<th>Students per Full-time Faculty</th>
<th>Students per Full-time Staff</th>
<th>FTE Staff to FTE Faculty</th>
<th>% Part-time of FTE Faculty</th>
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<td>9.9</td>
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<td>n/a*</td>
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</tr>
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</table>

*EKU’s part-time staff for 2010 is not available from IPEDS; EKU’s FTE-staff-to-FTE-faculty ratio for 2009 was 2.5 and percent part-time of FTE faculty was 18%.