2006 Spring Convocation

Strategic Budget Planning Presentation
April 19, 2006
STRATEGIC PLANNING CONTEXT
Core Values

• Learner Centered
• Excellence
• Access with the Opportunity to Succeed
• Public Engagement
• Intellectual and Creative Freedom
• Multiculturalism
• Innovation and Creativity
• Collegiality and Collaboration
Strategic Priorities

- Broaden Access
- Enhance Academic Quality
- Strengthen Public Engagement
- Enrich Student Experience
- Advance Full Mission of Metropolitan University
- Improve Campus Facilities & Environment
- Ensure Institutional Effectiveness
Environmental Forces

- Stepped-up Admissions Standards
- Gateway Impact on Enrollment
- CPE Tuition Policy
- Vision 2015
- Statewide Public Agenda (Five Questions) and 2020 Projections
Vision 2015 Goals

- Competitive Economy
- Educational Excellence
- Livable Communities
- Urban Renaissance
- Effective Governance
- Regional Stewardship
Five Questions of Reform

Are more Kentuckians ready for postsecondary education?

Is Kentucky postsecondary education affordable for its citizens?

Do more Kentuckians have certificates and degrees?

Are college graduates prepared for life and work in Kentucky?

Are Kentucky’s people, communities, and economy benefiting?
ENROLLMENT TARGETS
Enrollment Target for Fall 2006

NORTHERN KENTUCKY UNIVERSITY
Total Headcount

Source: Office of Institutional Research
TUITION AND AFFORDABILITY
Tuition Principles

- Sustain Affordability
- Remain Price Competitive
- Allow for Needed Investments
- Comply with New CPE Policy
Undergraduate Resident Tuition

CPE sets maximum:

CPE Cap - 10.75%
NKU Rate Increase - 9.66%
Undergraduate Non-Resident Tuition

CPE sets **minimum**: 

CPE Policy - greater than 175% of resident rate

NKU’s Factor - 187%
Scholarship and Financial Aid Program Changes

- Increasing need-based financial aid by $250K, for a total of $1M
- Increasing merit-based scholarships for first-time freshmen by $150K (primarily for KY Residents)
- Redistributing scholarship dollars to create additional partial scholarships
- Offering over 200 more scholarships in Fall 2006 than Fall 2005
- Creating a new housing scholarship program to attract mostly KY students outside a 50-mile radius
- Adding new KCTCS Scholarship of $60K
  - Students will be awarded $1K each semester (fall and spring)
  - Renewable for up to three academic years
REVENUE OUTLOOK
# 2006 Legislative Budget Highlights

## FY 2006-07 Increases

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Funding</td>
<td>$1,260,700</td>
</tr>
<tr>
<td>Regional Stewardship</td>
<td>$200,000</td>
</tr>
<tr>
<td>Center For Mathematics (Statewide)</td>
<td>$1,000,000</td>
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## FY 2007-08 Increases

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<tr>
<th>Category</th>
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<tr>
<td>Base Funding</td>
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<tr>
<td>Regional Stewardship</td>
<td>$400,000</td>
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<tr>
<td>Center For Mathematics (Statewide)</td>
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</tbody>
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## Capital

- Center for Informatics (State Bonds) $35,500,000
- New Student Union (Agency Bonds)* $17,400,000
- Expand Norse Commons (Agency Bonds) $1,400,000
- Student Housing (Agency Bonds) $23,000,000
- Parking Garage (Agency Bonds) $15,400,000

**TOTAL** $92,700,000

*Note = $14M was approved in FY 2005-06 for a total of $31.4M
FY 2006-07
SCHEDULE OF FUNDING SOURCES

NEW FUNDS

Benchmark Funding $ 1,260,700
Tuition* $ 8,201,900
Other Central Revenues $ 1,074,700
Net Assets Increase $ 1,900,000
Total New Funding $ 12,437,300

*Note – Represents an increase of $240 per semester in the resident undergraduate tuition rate. Includes projected enrollment increase of 175 Headcount.
FY 2006-07
Operating Budget Recommendation
FY 2006-07 Non-Discretionary

Estimated Fixed Costs Increase $2,200,000
- Utility $884K (24.9%)
- Scholarships $300K (4.3%)
- KERS Rate Inc. $457K (35.8%)
- Health Insurance Rate Inc. $600K (12%)

FY 2006-07 Salary Increase (Merit 3% and .75% Equity) $2,877,300

Campus Admin. Systems – PRISM $600,000

Other Base Adjustments/Commitments* $1,401,800

TOTAL $7,079,100

*Note – Other Base Adjustments/Commitments include Chase Law revenue sharing, student union, etc.
FY 2006-07 Budgeted Reserves

Budget Reserve $4M

University Contingency $750K
FY 2006-07 Investment Highlights
Strategic Priorities

• Academic Quality & Capacity ($1,492,000)
  - Instructional Operating Increase ($300K from revenue sharing agreement)
  - Sabbaticals ($100K)
  - Faculty Promotions ($46K)
  - Diversity Faculty Hiring Pool ($75K)
  - College of Business Executive Leadership & Organizational Change Program ($96K)
  - Steely Library Collection ($65K)
  - Course Redesign Through Technology ($110K) ($50K recurring and $60K nonrecurring)
  - New Faculty Positions ($720K) ($200K General Fund & $520K from revenue sharing agreement)
    Additional $350K in FY 2007-08 (Early commitment of FY 2007-08 funds)
FY 2006-07 Investment Highlights
Strategic Priorities
(Continued)

Allocation of General Fund Dollars from Revenue Sharing Agreements to Academic Affairs Base

Summer and Fall Revenue Sharing Budget $1,150,300

Retain:

- Summer Incentive Program ($ 200,000)
- On-Line/Off Campus Incentive Program ($ 130,000)

Balance to Distribute to Academic Affairs $ 820,300

- Academic Affairs Operating Base $ 300,000
- New Faculty Positions $ 520,300

Added to Academic Affairs Base $ 820,300
FY 2006-07 Investment Highlights
Strategic Priorities
(Continued)

- **Enrich the Student Experience ($943,000)**
  - Peer Mentoring and Tutoring Program ($100K) ($25K recurring and $75K nonrecurring)
  - Center for Study Abroad Scholarships ($25K)
  - Graduate Assistants in Non-academic Units ($60K)
  - Legislative Internship Program ($33K)
  - Institutional Workstudy Pool – University Wide ($200K)
  - NKU Academy – Expansion of Program ($15K)
  - Athletics ($150K)
  - Assistant Director for Student Counseling Services ($60K)
  - International Student Affairs ($132K)
  - Campus Recreation Staffing ($65K)
  - Student Union Director ($84K)
  - Student Union Administrative Assistant ($19K)
FY 2006-07 Investment Highlights
Strategic Priorities (Continued)

• **Broaden Access** ($80K)
  - Enrollment Management Positions & Operating ($80K)

• **Strengthen Public Engagement** ($779,000)
  - Economic Initiatives ($200K)
  - Campus Compact Dues ($7K)
  - Institute for Public Leadership ($150K)
  - College of Law Clinical ProBono ($121K from revenue sharing agreement)
  - Bank of Kentucky Center Start Up Funds ($300K)
FY 2006-07 Investment Highlights

Strategic Priorities
(Continued)

Ensure Institutional Effectiveness ($562,000)
- College of Informatics Development Officer ($93K) ($88K recurring and $5K nonrecurring)
- University Advancement Organizational Audit ($25K nonrecurring)
- Advancement Positions ($150K)
- Web Communications Position ($48K)
- SACS Self Study ($105K nonrecurring)
- Government & Community Relations ($62K)
- IT Centralized Backup ($15K)
- President’s Operating ($7K)
- Planning, Policy, & Budget ($56K)
FY 2006-07 Investment Highlights

Strategic Priorities
(Continued)

• **Improve Campus Facilities and Environment ($2,611,000)**
  - HB 622 Facility Management ($250K)
  - University Wellness Program ($76K) ($71K recurring and $5K nonrecurring)
  - Convert Maintenance Positions to 40 Hours ($156K)
  - Additional Positions and Operating ($450K) ($250K recurring and $200K nonrecurring)
  - Deferred Maintenance ($373K) ($225K recurring and $148K nonrecurring)
  - Debt Service on New Parking Garage ($104K nonrecurring)
  - Softball Field Grant Match ($100K nonrecurring)
  - CPE Facilities Audit and Update of Campus Master Plan ($357K nonrecurring)
  - Maintenance and Renovations ($745K nonrecurring)
    - Renovation of Nunn Hall 1st Floor ($100K) (revenue sharing agreement)
    - Minor Maintenance Projects ($645K)
Bridge Funds
(Contingent on Reaching Enrollment Targets)

- Economic Initiatives $100,000
- Enrollment Management $80,000
- Steely Library Collections $35,000
- Course Redesign Through Technology $100,000
- HB 622 Facility Management $100,000
- Administrative Affairs $100,000
- Deferred Maintenance $50,500
- Advertising for Diversity Recruitment $20,000
- Web Communications $64,500
- Advancement Positions $200,000
- Marketing Plan $200,000
- Athletics $150,000

TOTAL $1,200,000
Northern Kentucky University

Improving Lives

Strengthening Communities