

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

A vertical stone pillar with a textured surface. The letters 'NKU' are mounted on the pillar in a dark, metallic-looking font. A yellow flame-like graphic is positioned above the 'U'.

Are more Kentuckians ready ¹ for postsecondary education?

Is Kentucky postsecondary ² education affordable for its citizens?

Do more Kentuckians have ³ certificates and degrees?

Are college graduates prepared ⁴ for life and work in Kentucky?

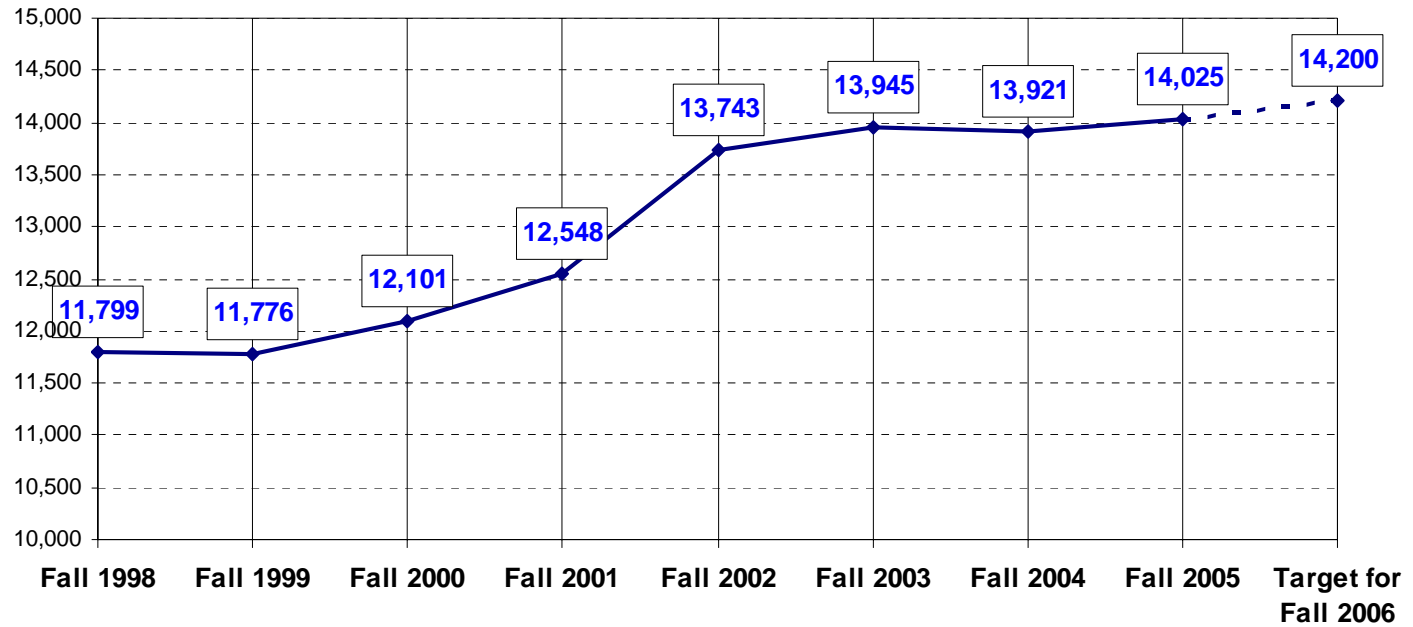
Are Kentucky's people, ⁵ communities, and economy benefiting?



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 <u>Increases</u>	FY 2007-08 <u>Increases</u>
Base Funding	\$ 1,260,700	\$5,737,000
Regional Stewardship	\$ 200,000	\$ 400,000
Center For Mathematics (Statewide)	\$ 1,000,000	\$ 500,000
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)	<u>\$15,400,000</u>	
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	\$	<u>1,900,000</u>
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.***

A tall, rectangular stone pillar with a textured surface. The letters 'NKU' are mounted on the pillar, with a yellow flame-like graphic above the 'U'. The background is a clear blue sky.

**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*	<u>\$ 1,401,800</u>
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	<u>(\$ 130,000)</u>
Balance to Distribute to Academic Affairs	<u>\$ 820,300</u>
• Academic Affairs Operating Base	\$ 300,000
• New Faculty Positions	<u>\$ 520,300</u>
Added to Academic Affairs Base	<u>\$ 820,300</u>



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)



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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)

A vertical stone pillar with the NKU logo (the letters 'NKU' in a stylized font with a yellow flame above the 'U') mounted on it. The pillar is set against a clear blue sky.

• 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	<u>\$ 150,000</u>
TOTAL	\$1,200,000



Northern Kentucky University

Improving Lives

Strengthening Communities