

Strengthening Our Capacity to Serve

FY 2005-06

Operating Budget Recommendation

March 23, 2005



Vision



Northern Kentucky University will become a preeminent, learner-centered, metropolitan university recognized for its contributions to the intellectual, social, economic, cultural, and civic vitality of its region and the Commonwealth.

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

FY 05/06 Goals



- Sustain our Momentum
- Support Our Strategic Priorities
- Enhance Academic Quality & Capacity in Response to Students and Community (VVV)
- Protect Against Future Uncertainty
 - Impact of
 - State Budget Deficit
 - Gateway Community College (Competition)
 - Admissions Standards

CPE's

Five Questions of Reform



- Are more Kentuckians ready for Post Secondary Education?
- Is Kentucky Post Secondary 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?

Legislative Update

The Good News



- State Revenues are Exceeding Projections for this Year
- New Level of Bi-Partisan Cooperation
- Northern Kentucky Caucus Stood as One and Got it Done
- Strong Support from Governor and Legislative Leadership
- First Step in Tax Modernization will help Stabilize Revenue Streams
- Recognition of Northern Kentucky's Importance to State's Economic Future
- Recognition of NKU's Role in Regional Economic and Social Progress

Legislative Update

The Bad News



- State Confronts a \$500M Structural Deficit at the Start of Next Fiscal Year (FY 2007)
- Medicaid and Other Health Costs Continue to Rise
- Non-Recurring Funds were used to Support Recurring Obligations
- This years' budget increase (\$6.5M) must be netted against the nearly \$4M reduction of the past two Years

Legislative Budget Highlights



- **Operating**

- Projected Change in State Support for FY2006 (\$6.5 million recurring)(*Note 1)
 - Past Enrollment Growth = \$993K
 - Restoration of Recurring Cuts = \$1.96M
 - Proportional Base Increase = \$758K
 - Benchmark Equity = \$1.88M
 - M&O of New Facilities = \$997K

- **Capital**

- Bank of Kentucky Center (\$54M State Bonds \$6M Restricted)
- New Student Union (\$35.8M)
- Parking Deck (\$10.6M Restricted)
- I-275 AA Highway Connector (\$1.9M for design)(*Note 2)
- John's Hill Road Right of Way and Utilities (\$2.85M)

****Note 1 - Represents a 16.2% operating increase, the highest percentage increase of any state university.***

****Note 2 - State and Federal Funds.***

INVESTMENTS

FY 05/06 Operating (Non-Discretionary)

Budget Reserve (Approx. 9% of \$46M State Appropriation)	\$ 4,009,400
New Student Union	\$ 800,000
Estimated Fixed Costs Increase	\$ 2,400,000
-Utility 20%	Health Insurance Rate 18%
-Scholarships 10%	Banking Services 48%
FY 04/05 Merit/Equity (3.5% Faculty/Staff)	\$ 2,392,000
Campus Admin. Systems – PRISM - (2 nd yr. of 7 yr. lease)	\$ 983,200
Campus Phone System (3 rd yr. of 5 yr. lease)	\$ 275,900
Other Base Adjustments/Commitments	<u>\$ 3,548,900</u>
Subtotal – Operating (Non-Discretionary)	\$14,409,400

**Note – Other Base Adjustments/Commitments include revenue sharing agreements with Athletics, Chase Law, Summer, in addition to current fiscal year return of Pell Grants for students receiving F's who did not withdrawal and did not earn the F, etc.*

FY 05/06 Investment Highlights

Strategic Priorities



Enhance Academic Quality – (\$2.2M)

16 Full Time - Faculty Positions - \$1,203,000

Chemistry - Lecturer

Public Administration - Assistant Professor

Art - New Media - Assistant Professor

Director of Interdisciplinary Programs

Business Ethics - Assistant Professor

MBA - Assistant Professor

Entrepreneurship - Associate Professor

Education - Endowed Chair

Education (Counselor) - Assistant Professor

Educational Technology - Assistant Professor

Associate Dean of Education - Undergraduate

Honors Program - Lecturer

Construction Management - Assistant Professor

Social Work/Human Srvs./Counseling - Masters - Assistant Professor

Computer Information Tech - Assistant Professor

Computer Science - Chairperson

FY 05/06 Investment Highlights

Strategic Priorities

(Continued)



Academic Quality & Capacity (continued)

• Staff Positions	
– Computer Science – Secretary	\$ 33,300
– Data Analyst (SACS/Program Assessment)	\$ 51,700
– First Year Programs – Secretary (increase hrs.)	\$ 3,300
• Part-Time Clinical Faculty	\$ 100,000
• Library Resources	\$ 120,000
• College of Comp, Information & Communication	\$ 300,000
• Academic Infrastructure	\$ 109,300
– Faculty Development Awards	\$ 20,000
– Instructional Equipment	\$ 50,000
– Compustat Database	\$ 16,000
– International Business Center	\$ 15,000
– Honors Program Operating	\$ 8,300
• Faculty/Staff Based upon Growth Need	<u>\$ 170,100</u>
TOTAL ACADEMIC QUALITY & CAPACITY	\$2,200,000

**Note – Total investment in Academic Quality & Capacity - 4.4M in 2 yrs. (recurring)*

FY 05/06 Investment Highlights

Strategic Priorities

(Continued)



- **Broaden Access (\$247K)**
 - Adult Focused Programming (\$150K)
 - Grant County Program (\$97K)
- **Strengthen Public Engagement (\$355K)**
 - METS Equipment Lease (\$355K)
- **Enrich the Student Experience (\$454K)**
 - GLVC Expansion (\$58K)
 - Athletics Compliance (\$50K)
 - Latino Student Affairs (\$55K)
 - Board Fee Allocation Increase (\$35K)
 - Financial Assistance (\$82K)
- **Advance Full Mission of a Metropolitan University (\$529K)**
 - Diversity Faculty Pool (\$80K)
 - Enhance Associate Provost/Dir of Retention Efforts (\$50K)

FY 05/06 Investment Highlights

Strategic Priorities

(Continued)



- **Ensure Institutional Effectiveness (\$631K)**
 - IT Web Manager and Security Manager (\$100K)
 - Two Percent Operating Increase (\$170K)
 - Campaign and Major Gift Programs (\$320K)
- **Improve the Campus Facilities and Environment (\$2.5M)**
 - Renovations (\$1.9M) (nonrecurring)
 - Old Science Renovations (\$300K)
 - AS&T Renovations (\$680K)
 - Administrative Center Renovations (\$65K)
 - Johns Hill Road Data/Cabling (\$150K)

FY 05/06 Investment Highlights

Strategic Priorities

(Continued)



- Old Science Network (\$30K)
- Classroom Upgrades (\$200K)
- Grooms Sculpture-Relocate(\$20K)
- Wayfinding (\$320K)
- Outdoor Furniture (\$75K)
- Public Area Furniture (\$30K)
- Call Boxes Expansion (\$30K)

Strengthening Our Capacity to Serve FY 2005/06

Investment Summary



Enhance Academic Quality*	\$ 2,206,500
Broaden Access	\$ 247,500
Strengthen Public Engagement	\$ 355,800
Enrich the Student Experience	\$ 454,100
Advance the Full Mission of a Metropolitan University	\$ 529,000
Ensure Institutional Effectiveness	\$ 631,100
Improve the Campus Facilities and Environment	\$ 2,569,400
Operating (Non-Discretionary)	<u>\$14,409,400</u>
Total - Increase in Bgt. Investments	\$21,402,800

**Note - Includes \$2.2 Million for second year of Academic Quality & Capacity Initiative.*

REVENUE OUTLOOK

FY 2005/06

SCHEDULE OF FUNDING SOURCES

NEW FUNDS

State Appropriation	\$ 6,500,000
Tuition (*Note)	\$ 4,181,000
Other Central Revenues	\$ 563,300
Other (METS, Summer Camps, Music Prep, etc)	\$ 356,500
Auxiliaries (Housing, Food, Child Care)	<u>\$ 161,500</u>
Subtotal New Funding	\$ 11,762,300

BASE REDISTRIBUTION

Base Budgeted Reserves	\$ 3,932,400
Contingency Funds	<u>\$ 669,900</u>
Subtotal Base Redistribution	\$ 4,602,300

University Net Assets (nonrecurring)	<u>\$ 5,156,700</u>
--------------------------------------	---------------------

TOTAL – FY 05/06 Funding Sources	\$ 21,521,300
----------------------------------	---------------

**Note – Represents an increase of \$276 per semester in the Resident Undergraduate Tuition Rate. Includes projected enrollment decline of 150 FTE UG.*

TUITION RECOMMENDATION

Tuition Principles



- Sustain Affordability
- Remain Price Competitive
- Reduce Discounting
- Allow for Needed Investments

SEMESTER CREDIT HOUR RATES

	TUITION 2005-2006	TUITION 2004-2005	\$ INCREASE
RESIDENT			
Undergraduate	\$205	\$182	\$23
Graduate	\$265	\$235	\$30
Business Graduate	\$284	\$252	\$32
Law	\$422	\$385	\$37
NONRESIDENT			
Undergraduate	\$402	\$379	\$23
Graduate	\$545	\$515	\$30
Business Graduate	\$613	\$583	\$30
Law	\$921	\$841	\$80
METRO			
Graduate	\$385	\$355	\$30
Business Graduate	\$385	\$355	\$30
Law	\$751	\$685	\$66

SEMESTER FULL-TIME RATES

RESIDENT			
Undergraduate (12-16 cr hrs)	\$2,460	\$2,184	\$276
Law (12 cr hrs and above)	\$5,064	\$4,620	\$444
NONRESIDENT			
Undergraduate (12-16 cr hrs)	\$4,824	\$4,548	\$276
Law (12 cr hrs and above)	\$11,052	\$10,092	\$960
METRO			
Law (12 cr hrs and above)	\$9,012	\$8,220	\$792

*Note 1 - Approximately, \$60 of the total semester tuition rate increase will be used to support the New Student Union construction project

*Note 2 - Approximately \$120 of the total semester tuition rate increase will be used for investment in Academic Quality

These rates are subject to change based upon Board of Regents review.

Strengthening Our Capacity to Serve

QUESTIONS