



**Northern Kentucky University**  
**Board of Regents Materials**

**November 16, 2021**

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**AGENDA**  
**Northern Kentucky University**

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**Regents Dinner**  
**Monday, November 15, 2021 – 6:00 p.m.**

6:00 p.m.

- Regents Dinner in The James C. and Rachel M. Votruba Student Union, Ballroom B/C
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**Joint Finance and Policy Meeting**  
**NKU, Student Union Ballroom A – Tuesday, November 16, 2021 – 9:00 a.m.**  
*For social distancing purposes, the meeting will be live streamed for all guests.*

9:00 a.m.

**A. Joint Finance and Policy Committee:**

1. Annual Enrollment Report (Cecil, Brown, Stewart)
2. Annual Financial Report (Hales, Kerdolff)
3. Student Affairs Update (Howard)

**Board of Regents Lunch**  
**NKU, Student Union Ballroom B/C – Tuesday, November 16, 2021 – 11:30 a.m.**

11:30 a.m.

**Board of Regents Meeting**  
**NKU, Student Union Ballroom A – Tuesday, November 16, 2021 – 1:00 p.m.**  
*For social distancing purposes, the meeting will be live streamed for all guests.*

1:00 p.m.

- Call to Order
- Roll Call
- Approval of September 8, 2021 Board Minutes
- Approval of October 7, 2021 Special Called Board Minutes
- Presidential Comments
- Joint Finance and Policy Committee Summary, Secretary of the Board of Regents
- Audit Committee Report, Secretary of the Board of Regents

1:20 p.m.

**B. Presidential Reports:**

1. Facilities Management Report (Hales)
2. Research/Grants/Contracts Report (July 1 – August 31, 2021) (Cecil)
3. Fundraising Report (July 1 -September 30, 2021) (Gentry)
4. Annual Financial Report (Hales)
5. Policies Report (Hales)

1:40 p.m.

**C. Presidential Recommendations:**

1. \*Academic Affairs Personnel Actions
2. \*Non-Academic Personnel Actions
3. \*Major Gifts Acceptance
4. \*Naming Recommendations
5. \*Organizational Chart Update
6. \*Easements for PH II\_US 27 Project
7. \*Easement for Duke Energy\_Nunn Drive
8. \*Faculty Policies and Procedures Handbook Amendment (Section 6.7)
9. \*Faculty Policies and Procedures Handbook Amendment (Sections 11.2.2 and 11.3.2)
10. Capital Budget Request
11. Master's Degree in Cardiovascular Perfusion

2:00 p.m.

**D. Executive Session**

\*Consent Agenda Items - (Items placed on the consent agenda are passed in one motion without discussion. Any Regent may request that an item be removed from the consent agenda for a separate motion by calling Bonita Brown in the Office of the President, 572-5172, by 2 p.m., Friday, November 12, 2021).

**Board of Regents Meeting  
Northern Kentucky University  
September 8, 2021**

Regent André Ward, Chair, called the meeting of the Board of Regents to order at 1:00 pm, Wednesday, September 8, 2021.

The Oath of Office was administered to new Regent Kara Williams by Chair André Ward.

**Roll Call:** Michael Baranowski, Richard Boehne, Aliya Cannon, Normand Desmarais, Cori Henderson, Ashley Himes, Ken Perry, Gregory Shumate, Elizabeth Thompson, André Ward, Kara Williams.

Other Attendees: Ashish Vaidya, Tammy Knochelmann, Tina Peebles, Bonita Brown, Joan Gates, Eric Gentry, Mike Hales, Valerie Hardcastle, Matt Cecil, Kim Scranage, Lori Southwood, Eddie Howard, Tracy Insko, Bill Farro, Bill Allison, Emma Talent, Luke Keller, Bob Alston, Scott Bessler. (all other attendees joined the meeting by video teleconference)

Regent Normand Desmarais seconded Regent Gregory Shumate's motion to approve the minutes of the May 12, 2021 and July 21-22, 2021 Board of Regents meetings. **(Motion carried)**

**Presidential Comments:**

Thank you, Chair Ward and members of the Board.

And thank you to everyone who is joining this Board meeting here in person and via live stream. We appreciate your participation. I would like to acknowledge the service of Ms. Wendy Peek who served in support of the Board for nine years and welcome Ms. Tina Peebles in her new role as assistant to the Vice President and Chief Strategy Officer and Executive Secretary to the Board.

**Welcome new Regents**

I would like to begin by welcoming new regents Elizabeth Thompson, Kara Williams, Cori Henderson and Aliya Cannon.

Regent Thompson is with us for a second time after serving previously from 2010 to 2016, including as vice chair in 2013. We are thrilled to have you back and I am looking forward to working with you this year.

It is truly an honor to welcome Regent Williams back to the board as well. She is an NKU alum who has a degree in organizational communication and previously served on the Board as Student Regent while she was SGA President.

Student Regent Canon has been in her role as the Student Government Association President for a few months now, but I look forward to her service on the Board as well. Along with Regent Henderson, Regent Canon is among the first two African American women elected to serve as Regents.

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Finally, Regent Henderson joins us as Staff Regent. She is the assistant director of Institutional Research.

Again, welcome to all of you. Thank you for your service. I look forward to a successful year together.

### **Opening — Return to Campus, a reimagined U**

Last month, we were able to welcome our students, faculty and staff back to a reimagined hybrid university.

We began the new academic year with the annual Fall Convocation on August 16 — the first campus-wide in-person gathering since February 2020 and classes began the following Monday.

It is now week three of the fall semester and I know our community has been enjoying getting back together on campus even with lingering restrictions in place to maintain the campus's health and safety.

At the start of the semester, the Division of Student Affairs held the annual welcome-back series of events called Victorfest. It brought some much-needed vibrancy back to campus with 10 days of activities for all NKU students. Highlights included Freshfusion, a student engagement fair, a hypnotist, paint wars, and an outdoor movie on the soccer field.

A new event this year was Victor's Voyage, which involved turning the Student Union into a cruise ship with different activity ports including a casino, BINGO, paint night, photo coffee mugs and many other activities.

At the Campus Recreation Center, RecFEST was an overwhelming success with nearly 1,000 students in attendance. The Rec Center was full of engaging activities, including inflatables, a smoothie bar, a sports club fair, an eSports lounge, and a tie-dye station. I understand students had a wonderful time.

August 19 was move-in day here when staff, students and community volunteers welcomed 700 new student residents to campus. Overall, we have approximately 1,300 students living on campus this fall.

Of course, this year was a special move-in for NKU as we opened the new residence hall. The residents who moved into the new building were very impressed and excited. Staff and volunteers were happy to have students on campus again and provided a wonderful move-in experience.

Most important, however, was the start of the academic semester with the vast majority of classes taking place in person. I cannot fully express how wonderful it was to walk around campus and see the comings and goings of the students, faculty and staff who make this such a wonderful place.

### **Ongoing Pandemic Efforts**

This morning you heard a comprehensive COVID report from Provost Cecil. Last week the campus moved to the red zone as cases continued to rise.

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As a result, we added a recommendation to mask outdoors in addition to a facial covering mandate indoors on campus for both vaccinated and unvaccinated people.

In an effort to provide transparency and benchmarks, the COVID-19 Decision Indicators will inform our mitigation decisions using evidence-based criteria from health officials. The indicators cover most situations and are color coded to align with the Commonwealth's system. We will monitor the campus and regional trends and make decisions to keep our campus safe and healthy with the counsel of the COVID-19 Preparedness Team, which continues to meet regularly. I want to acknowledge the tremendous work and guidance of the team.

Our message has been consistent about the effectiveness of vaccines and to promote free and readily available vaccination. NKU's Office of Health, Counseling and Student Wellness has the Pfizer vaccines and, thanks to the Northern Kentucky Health Department, is able to give \$25 gift cards for Amazon and Kroger to anyone who completes their vaccinations with the clinic.

The IT department has developed a self-reporting COVID-19 vaccination app for all NKU users to add their vaccine information so we can measure the percentage of faculty, staff and students who are fully vaccinated. We will continue to strongly encourage everyone to share their vaccination status with the University confidentially so that it may inform our COVID-19 Decision Indicators and provide an accurate campus dashboard.

Those who enter their information are also entered into NKU's vaccination incentives contest that will award 1,000 prize drawings for \$100 each, followed by a week of grand-prize drawings. So far, we have had two of our seven weekly drawings of 125 winners with a third scheduled for today.

### **Reimagined/Hybrid U**

Later this month we will form a task force to recommend a blueprint for the design and an implementation plan for building a hybrid university. You will recall that it was one of the three essential goals that I shared with the campus during Fall Convocation. Based on lessons learned from the last 16 months, a blend of offering classes both face-to-face and online, can be expanded to student services and workforce and become a more permanent feature of the University.

By rethinking of the academic portfolio, reshaping of campus work, workforce, and workplace, and redefining the students' experience for a lifetime of learning and success, we can deliver a reimagined student/learner experience for a tech-enabled world. More information about the task force will be forthcoming.

### **Update on ARPA funds – student aid and institutional aid**

We formed a committee with representation from faculty, staff and administrators to guide us in our use of funds from the American Rescue Plan Act (ARPA). That includes institutional use of \$11.4 million and a student-grant portion of \$11.9 million.

- We developed guiding principles to ensure recommendations that are based on our mission, vision, values and strategic framework.
- Recommendations for the \$11.4 million in institutional funds include:

- \$2.8 million of indirect costs from grants to use for non-recurring strategic investments;
- \$5 million to offset potential revenue losses from Covid impact on enrollment, housing, parking, and more to help balance the FY22 budget;
- \$2.1 million for \$250 book vouchers for undergraduate students to use to offset expenses related to books, technology and supplies;
- \$660,000 for debt relief for students with outstanding NKU balances from spring '20 through spring '21;
- \$255,000 to provide funding for mental health initiatives;
- \$120,000 for vaccine incentives including the vaccine incentive contest;
- \$20,000 to provide funding for digital textbooks as part of the Textbook Affordability Program to help save students money on their textbook costs;
- And the remaining \$400,000 will include a combination of recommendations including loaner laptops for students, diversity/equity/inclusion initiatives, other strategic high-impact practice initiatives, and other Covid-related costs such as quarantine meals and PPE.
- Recommendations for the \$11.9 million student-grant portion include three phases:
  - During Phase 1, \$8.4 million would be used as block grants to Pell-eligible students and for those with unmet needs. Pell-eligible students would be provided \$1,000 for the fall semester and \$1,000 for the spring semester. Students with unmet needs would be provided \$500 for fall and \$500 for spring.
  - For Phase 2, \$2 million would be used for all other students to apply for grants of \$500 that would apply to their student account or be directly paid to them per Department of Education guidelines. That would include non-FAFSA filers, international & DACA students.
  - Phase 3 would include \$1.5 million to use for emergency grants for unpaid balances, unforeseen hardships, and more. As with Phase 2, these would be applied for with the option to post to student accounts or paid directly.

### **Opportunity House**

We have partnered with the Brighton Center and Highland Heights on this innovative project that will create 16 affordable apartments for foster care alumni ages 18-to-24 and other vulnerable youth who are pursuing a college degree or professional certificate.

Earlier this summer, Governor Beshear announced a \$1 million award to Highland Heights to help fund this endeavor. It is remarkable that we can take a building that was already vacant for several years and turn it into a beacon of hope for learners with a specific need. Construction is expected to begin very soon.

### **Moonshot for Equity**

Next Wednesday, I will join colleagues from around the region at the National Underground Railroad Freedom Center to launch this region's participation in Moonshot for Equity, a national effort to close equity gaps in higher education.

The Moonshot aligns well with the work we have been doing on campus through Success by Design and takes that vision into the region at large. With the added support of resources and

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national experts such as Georgia State, the northern Kentucky/southern Ohio ecosystem will become the second major region to join EAB's national initiative along with the Milwaukee region.

I look forward to working with Gateway Community & Technical College, Cincinnati State and Miami of Ohio to advance this important work.

### **Institute for Health Innovation**

- The IHI recently received a \$1 million, three-year grant from the NIH to reduce the morbidity and mortality associated with substance use disorder in Carroll County. IHI will use this grant to support nine NKU faculty and staff and one graduate research assistant, as well as our partnerships with St. Elizabeth, NorthKey Community Care, Carroll County Schools, Three Rivers District Health Department, NKYADD, and the Life Learning Center. The work ahead will strengthen, expand, and integrate prevention, treatment, and recovery services across the care spectrum and assist the county in developing a deeper culture of health.

This grant money is quite timely now as overdoses increased 53 percent in Kentucky last year – the second-highest rate of increase in the nation.

Overall, HRSA awarded \$78,000,000 to 78 grantees this fiscal year. While Kentucky received more of these awards than any other state with \$6 million total, we are the only university in Kentucky to receive the award.

In fact, in the past three years, IHI has brought in more than \$10 million in federal and state grant dollars to fund a variety of important projects and partnerships. Congratulations to Vice President Valerie Hardcastle and her team as they pursue this important work.

### **Enrollment and Degree Management**

- NKU has once again been recognized nationally by the *Military Times* as a Best for Vets College! The *Military Times* Best for Vets is the largest and most comprehensive ranking of schools for military service members and veterans in the nation.

The rankings were developed to help service members and veterans make important decisions about their educational pathway after their service to our country. This is an important national recognition, and I would like to recognize Travis Roy, the former coordinator of our Veterans Resource Station, our new VRS coordinator Rusty Mardis, and the entire team of veteran-certifying officials who help support our student veterans and their dependents each and every day.

- Earlier this year, NKU was awarded a grant from CPE to fully fund the Summer Academy, a summer transition program developed to support at-risk students and provide them with an opportunity to earn scholarships through their first year at NKU based on academic performance, student engagement, and participation in vetted good practices.

The Summer Academy was another wonderful addition to the variety of programs that NKU



offers during the summer to help support first-year students transition into the first year.  
Thank you to all who made this happen.

### **Academic Affairs Updates**

- The recently finalized agreement with Hubei Polytechnic University will allow Chinese students to take their first two-to-three years in China at HBPU and then complete their Electrical and Electronic Engineering Technology Degree at NKU.

The first cohort of students will begin this September and is expected to start classes at NKU in the fall of 2023 or 2024. Our partner has let us know that 100 students have already expressed strong interest in this program and that they expect as many as 50 students will transfer to NKU in fall 2024. Congratulations to all involved in making this a reality for our students and the region.

- Northern Kentucky University has signed a partnership with Nahda University in Beni-Suef (NUB) in Egypt. The memorandum of understanding, signed on August 2, allows NKU to offer an online MBA degree to eligible students enrolled in NUB and will also provide NUB undergraduates a pathway to earn a Bachelor of Science in Business Administration (BSBA) degree through NKU.

Under the agreement, students will enroll at NUB for two to three years in a pre-approved, accelerated series of courses that mirror the lower level BSBA courses offered by NKU. Once completed, students will be able to apply, transfer and enroll at NKU for the completion of the BSBA degree.

Congratulations to Dean HassabElnaby and everyone involved in bringing this opportunity to life this summer.

Each of these partnerships are consistent with our internationalization effort and they expose our students and faculty to a different culture and mindsets.

- Speaking of the Haile College of Business, you will notice that it has been rebranded with a shorter name while still honoring the investment from of \$15 million in 2008 from the Carol Ann and Ralph V. Haile Jr. Foundation.
- In the College of Arts and Sciences, three tenure-track faculty members were awarded federal grants from the NIH and NSF totaling more than \$700,000 in support of research experiences for our students. Congratulations to Assistant Professor Molly Hopper in the Department of Chemistry and Biochemistry for her NSF grant of \$335,114 toward equipment that will be used for undergraduates in traditional research labs and in our newly developed course-based undergraduate research experiences (CURE) in organic chemistry labs.

Congratulations also to Department of Psychological Sciences Assistant Professors Ty Brumback and Kinsey Bryant-Lees on NIH grants for more than \$357,000 and \$100,000, respectively.

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- This summer, neuroscience major Katie Clough received the James Bradford Memorial Award for outstanding poster presentation at the virtual annual meeting of the Society for Birth Defects Research and Prevention. She conducts her research with Dr. Chris Curran in the Department of Biological Sciences. Well done, Katie!
- The NSF-grant funded STEM Ready math bridge program had 14 participants this summer. Each participant improved their math placement ALEKS score, indicating an improvement in mathematics preparation. Nine of the 14 improved their score so much so that it changed their math placement, meaning they essentially skipped a course, and for some, that meant starting their sciences courses sooner.
- The College of Education has received full accreditation for their advanced-level programs from the Council for Accreditation of Educator Preparation (CAEP). Advanced CAEP accreditation is provided at post-baccalaureate or graduate levels leading to licensure, certification, or endorsement. Our accreditation visit and feedback report identified no areas for improvement or stipulations. Congratulations to Dean Ginni Fair and the faculty and staff who did an outstanding job in this effort.
- In the College of Health and Human Services, our Bachelor of Science in Nursing programs received full accreditation for 10 years from the Commission on Collegiate Nursing Education (CNNE). Additionally, our Master of Science in Nursing program received accreditation for three years from CNNE.

The Accreditation Council for Occupational Therapy Education (ACOTE) has given us the go-ahead to admit our first cohort in the new entry-level Doctor of Occupational Therapy program that will begin this January. That is wonderful news.

Congratulations to Dean Stephenson and everyone from the School of Nursing and the School of Kinesiology, Counseling, and Rehabilitative Sciences for their hard work on these accreditations.

- Assistant Professor of Computer Science Dr. Nicholas Caporusso and his undergraduate student, Joseph Clark, received the Best Paper Award at the 2021 Applied Human Factors and Ergonomics Conference. Their work originated from NKU's Human-Computer Interaction class and from work funded by an NKU Health Innovation Coronavirus Opportunity Grant. Dr. Caporusso managed to do this while stranded in Italy for the 2020-21 academic year. What a phenomenal effort! Congratulations, Dr. Caporusso and Joseph.
- Northern Kentucky University received national attention during the month of July when The *Academic Minute* program featured several NKU professors on a broadcast designed to spotlight research at colleges and universities.

The *Academic Minute* provides professors with a platform to talk to a broad audience about their published and ongoing research. It is carried by 75 radio stations in the United States and Canada and streams from Inside Higher Ed. It is available from NPR as a podcast.

Six faculty members have been featured so far:

- Dr. Linda Dynan of the Department of Economics and Finance discussed her research on how to reduce hospital errors that put patient safety and health at risk.
- Dr. Christine Curran of the Department of Biological Sciences discussed her research on how traffic-related air pollution might damage the human brain. Her research is funded by the National Institute of Environmental Health Services.
- Dr. Kristy Hopfensperger of the Department of Biological Sciences discussed her research on how restoring pollinator habitat could provide new pathways for migrating monarch butterflies. Her research collaborator is Dr. Denice Robertson, also of Biological Sciences.
- Dr. Zach Hart of the Department of Communication discussed his research on “sensemaking” for parents of children with disabilities who must navigate complex medical, educational, and social information related to their child.
- Dr. Rachael Clark from the Department of Psychological Science discussed her research in Newport’s Westside neighborhood, where economic disadvantage has not erased hope or meaning in life.
- And Dr. Megan Downing from the Department of Political Science, Criminal Justice and Organization Leadership discussed her research with Dr. Julie Olberding on the use of experiential philanthropy in online classes.

Dr. Joe Cobbs of the Department of Marketing, Sports Business & Event Management, and Construction Management will appear on the show in early October as the Major League Baseball playoffs begin. That will be the perfect time to share his research on sports rivalries such as the one between the Boston Red Sox and New York Yankees. Dr. Cobbs collaborates on this work with NKU faculty Dr. Marius Truta and Dr. Seth Adjei, and with students Jonah Krebs, Zach Beal, and Lilly Ronin.

I want to thank Mark Neikirk and the team at the Scripps Howard Center for Civic Engagement for coordinating NKU faculty appearances on *The Academic Minute*, as well as Chris Strobel, who teaches in our Electronic Media and Broadcasting Program, for his support in recording these sessions.

- NKU has been selected to participate in the Association of American Colleges and Universities Institute on Open Educational Resources. We are the only university in the Commonwealth joining this year-long program designed to support educators in launching, expanding, or hastening campus adoption of free and affordable instructional materials.
- Open educational resources (OER) are educational materials, from single lessons to entire textbooks, that are free for faculty and students to use, customize and share. They have been proven to be a viable affordability strategy for higher education, saving students—and often institutions—money. Providing all students with free materials on the first day of class also tends to level the academic playing field. Research on OER has demonstrated that

performance gaps have been narrowed and failure and withdrawal rates have been reduced in some contexts.

- Steely Library and the Office of the Vice Provost for Undergraduate Academic Affairs collaborated on this initiative.
- The R. C. Durr Foundation awarded a grant of \$500,000 to NKU for the Student Success through First-Year Career Advising Program which aims to increase retention and graduation rates via a career counselor and peer leaders who assist with choosing a major and also who connect students with necessary school services. This grant is to be paid \$100,000 per year for the years 2021-2026.
- Adult Learner Programs and Services is currently wrapping up a two-year deep dive to find past NKU students who had some college and no degree with the national Degrees When Due initiative. After being awarded a CPE Grant, NKU ALPS was able to connect with students who had stopped-out of NKU for various reasons and present them with incentives to return.

Within one year of intensive communication and recruitment, ALPS increased the returning student population — who had at least 80 hours upon return — by 31 percent. In addition, year-to-year graduation of these student increased by 26 percent. Thank you and congratulations to ALPS Director Amy Danzo and her great team.

- ALPS also partnered with NKU Admissions and Campbell County Skills U to create a GED-based scholars program that allows students to begin working on their bachelor's degree while completing their GED at the same time. The program maintains momentum for learners and provides a smooth transition to their post-secondary degrees. Enrollment for fall 2021 has already picked up with our new GED-Based Scholars students.

### **Student Affairs Updates**

- This summer, 16 juniors and seniors from five area high schools lived in University Suites for four weeks to learn about college life. They attended classes during the day and participated in activities in the evenings that had been planned by RAs. Each Thursday, they visited historical sites such as Shaker Village, as well as several college campuses to help them make an informed college choice.

At the end of their time here, each student had participated in a symposium, presenting on a topic of their choice. Even those intimidated by the thought of public speaking were able to accomplish this goal. The program ended with a banquet and students received awards to honor their accomplishments. Thank you to Upward Bound Director Eric Brose and his team for making this fulfilling time for many of our future NKU students a reality.

- This summer, 40 new scholars from a wide range of backgrounds joined NKU ROCKS, our signature program out of the office of African American Student Initiatives that is designed to ease the academic, personal and social transition from high school to college through a summer institute and yearlong program. Participants were able to connect with key stake

holders and supporters across campus and within the local community.

- The Office of Parents Attending College received a Kentucky Transitional Assistance Program grant totaling more than \$145,000 in support of low-income student-parents in alignment with the KY Cabinet for Health and Family Services mission. Congratulations to Coordinator Amanda Johnson and the team in PAC for this important award.
- Finally, the Office of Student Conduct, Rights & Advocacy has partnered with UCAP to create “Care. Consult. Connect (CCC).” This is a series of conversations to initiate discussions about how student care is coordinated among service-aligned offices across the institution, help answer questions and connect with other faculty and staff to reduce barriers for student support and services. I know these conversations will go a long way in benefitting our learners.

### **Administration and Finance Update**

- IT worked with the Registrar’s office to transform the business process for students applying for graduation, streamlining the process through automation to improve response time to students. This is a significant improvement to overall student experience.
- Earlier, I mentioned that we opened the newest NKU residence hall a few weeks ago. The building houses up to 297 students, providing the latest in amenities for modern residence hall living. It is the first building on campus equipped with 100 percent geothermal heating and cooling equipment and is tracking for LEED-Certified certification. Thank you to the designers at Moody/Nolan Architects and to our builders at Messer Construction.

### **Athletics**

- The Norse men’s and women’s soccer teams began the defense of their 2020 Horizon League regular-season championships by hosting Cincinnati, Kentucky and eastern Kentucky. With students and fans back in the stands, we have enjoyed a fun environment.
- Last year, NKU had nine Academic All-Americans between the prestigious annual CoSIDA (College Sports Information Directors of America) awards as well as the coaches’ organizations. Women’s basketball player Kailey Coffey became our fourth CoSIDA Academic All-America First Team honoree ever.
- Women’s soccer standout Kailey Ivins was named Horizon League Player of the Year last year, giving the Norse the league’s player of the year for the fifth time in the last six seasons. Ivins was also named a Third-Team All-American, making her only the second player in NKU’s Division I era across all sports to earn All-American status.
- Name, Image and Likeness legislation went into effect in July, allowing our student-athletes to be compensated for their name, image and likeness. So far, five Norse student-athletes have entered into such agreements. The Department of Athletics is working through an RFP to secure a partner to assist with education, compliance and branding for our student-athletes

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so they are fully prepared to take advantage of this opportunity.

- Finally, Norse Athletics received a naming rights gift for the field at the soccer stadium. In October, branding will go into place above the entrance and on the turf for Richard Scudamore Field at NKU Soccer Stadium.

## **Closing**

I am pleased to announce that I have signed the CEO Action for Diversity & Inclusion pledge. This important coalition includes nearly 2,000 CEOs across 85 industries and is the largest CEO-driven business commitment to advance diversity and inclusion within the workplace. NKU and Miami University are the only universities in the greater Cincinnati/northern Kentucky region participating at this point.

On September 2, I was the keynote speaker at the Cincinnati USA Regional Chamber's Monthly Member Briefing. It was an opportunity to share some of the great work that NKU is engaged in to serve this region.

Next Friday, I will participate on a panel at the Advancing Healthcare Innovation Summit in Cincinnati where I will present our work in regional partnerships for health innovation in this region. The theme for this year's summit is "Using Innovation to Reduce Disparities in Healthcare." I will be joined on the panel by Michael Fisher, CEO of Children's Hospital and Mike Venerable, CEO of CincyTech.

And on September 21, I will make a presentation at the Metropolitan Club as part of their Courage to Fail Speaker Series featuring stories of success through failure, mistakes and difficult moments.

Finally, I am honored to note that late last month I was appointed chair of the Horizon League Board of Directors after two years as vice chair. It is my honor to serve our student-athletes and coaches as well as everyone involved in our league this season during a time of major change within the NCAA.

Chair Ward and members of the Board, that concludes my remarks for today's meeting.

**Joint Finance and Policy Committee Summary, Secretary of the Board of Regents:**  
(Secretary of the Board of Regents, Gregory Shumate)

### **1. Honors College:**

Jim Buss, dean of the Honors College, delivered an update on the work of the Honors College, specifically related to *Success by Design*. Dean Buss was joined by Honors students Alix Harris and Ari Tulay to share their Honors College experiences. The Honors College has had a positive effect on the persistence and retention of all of its students, but that effect has been especially pronounced among its low-income and URM students. The hope is to continue this success through the launch of EAB Moonshot for Equity.

## **2. Flexible Work Procedures:**

Lori Southwood, Chief Human Resources Officer and Joan Gates Vice President of Legal Affairs and General Council presented an overview of the Flexible Work Arrangements Pilot Program that is being launched for the fall semester. This program was designed with manager and employee input to allow flexibility for our employees while ensuring student success, creating a vibrant campus, and a sense of community where our students and employees thrive. The program is one component in NKU's focus on retaining and recruiting talent and enhancing the employee experience.

## **3. COVID:**

Provost Matt Cecil presented the latest information on COVID-19 for NKU and the region. Kentucky is experiencing a surge of COVID-19 cases and the NKU campus response level has been changed to "red" status due to elevated cases and rates of transmission in Northern Kentucky. NKU will continue to monitor the situation and will make adjustments as necessary.

## **B. Presidential Reports:**

### **1. Facilities Management Report (Interim Vice President of Administration & Finance/CFO Mike Hales).**

- a. New Residence Hall
- b. Fine Arts Elevator Replacement
- c. Nunn Hall Elevator Replacement
- d. Softball Field Turf Replacement
- e. Roof Fall Prevention, Phase I
- f. Gender Neutral Restroom Renovations
- g. Callahan Hall Renovations
- h. Verst Supply Chain Hub
- i. Math Education Psychology Center Skylight Replacement
- j. Nunn Hall Air Handlers
- k. Utility Metering
- l. Opportunity House
- m. Replace Lake Pavers
- n. Herrmann Science Center Plaza Replacement
- o. Albright Health Center Condensate Tank Replacement
- p. Landrum Generator Replacement
- q. Norse Hall Renovations Phase II
- r. University Police Renovation
- s. Administrative Center Electrical Switchgear Replacement
- t. Student Union Food Service/Qdoba Renovation
- u. Woodcrest Demolition
- v. US 27 Development

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**2. Research, Grants, and Contracts Report (April 1, 2021 through June 30, 2021)** (Provost and Executive Vice President Matt Cecil).

During the April 1, 2021 through June 30, 2021 time period, 26 grants were awarded. The total amount of money awarded was \$15,298,005. For the fiscal year 2020-21, the cumulative total number of grants awarded is 72 totaling \$32,132,649.

**3. Fundraising Report (July 1, 2020 through July 31, 2021)** (Vice President of University Advancement Eric Gentry).

The fundraising report summarized fundraising resources committed from July 1, 2020 through July 31, 2021 that totaled \$9,606,433 in support of the University.

**4. Organization Changes Report / Division of Student Affairs** (Vice President for Student Affairs Dr. Eddie Howard)

- a. Dr. Eddie Howard has assumed the role of Dean of Students. This shift resulted in a change in reporting for Student Conduct, Rights, and Advocacy, which is led by the Assistant Dean of Students, Dr. Bob Alston. This office now reports directly to Dr. Howard.
- b. The other major change in Student Affairs was the restructuring of the Center for Student Inclusiveness. This office will be led by a Unit Director who will also act as the Director for one of the three offices within the Center. This position is currently in the search process.
- c. Early Childhood Operations Organization Unit was delimited because operations were outsourced as of August 2018.
- d. “Disability Programs and Services” was renamed “Accessibility Services” to align with best practices in naming. The unit’s purpose, scope, and activities will not change.

**C. Presidential Recommendations:**

**Consent Agenda Items:** A motion was made by Regent Michael Baranowski and seconded by Regent Aliya Cannon to approve the Presidential Recommendations as listed; C-1 through C-6. **(Motion carried)**

**1. Academic Affairs Personnel Actions:**

**a. Administrative Appointments:**

**Brianna Marshall**, associate professor and senior associate dean in the W. Frank Steely Library, effective June 1, 2021. **Eileen Shanahan**, professor and chair,



Department of Teacher Preparation and Educational Studies, College of Education, effective August 1, 2021.

**b. Faculty Appointments:**

**Nancy Bellucci**, assistant professor in the School of Nursing, College of Health and Human Services, effective August 16, 2021. **Amanda Brockman**, assistant professor in Sociology, in the Department of Sociology, Anthropology and Philosophy, College of Arts and Sciences effective August 16, 2021. **Dayna DeFilippis**, lecturer in Dance, in the School of the Arts, College of Arts and Sciences, effective August 16, 2021. **Hailley Fargo**, assistant professor in the W. Frank Steely Library, effective August 9, 2021. **Carrie Hipple**, lecturer in the School of Allied Health, College of Health and Human Services, effective August 16, 2021. **Danielle J. Lewis**, visiting professor in the Chase College of Law, effective August 9, 2021. **Mahya Rahimian Mashhadi**, lecturer in Psychology, in the Department of Psychological Science, College of Arts and Sciences effective August 16, 2021. **Sharif Mazumder**, assistant professor in the Department of Economics & Finance, College of Business, effective August 16, 2021. **Nile DeGray Patterson**, assistant professor in Sociology, in the Department of Sociology, Anthropology and Philosophy, College of Arts and Sciences effective August 16, 2021. **Subhomita Ghosh Roy**, lecturer in Anatomy and Physiology, in the Department of Biological Sciences, College of Arts and Sciences, effective July 1, 2021. **Anne Marie Sahingoz**, assistant professor in the School of Nursing, College of Health and Human Services, effective August 16, 2021. **Christian Sheehy**, assistant professor in the W. Frank Steely Library, effective August 2, 2021. **Leslie Silbernagel**, STEM Outreach Director and lecturer in CINSAM, College of Arts and Sciences, effective August 2, 2021. **Rachel Thornton**, lecturer in Physics, in the Department of Physics, Geology and Engineering Technology, College of Arts and Sciences, effective August 16, 2021.

**c. Transitions:**

**James Allen**, from associate professor to associate professor and chair in the Department of Educational Leadership and Advanced Studies, College of Education, effective July 1, 2021. **Amy Bacevich**, from lecturer to lecturer II in the Department of Teacher Preparation and Educational Studies, effective August 16, 2021. **Ginger Blackwell**, from clinical associate professor to interim associate dean in the College of Education, effective July 16, 2021. **Christopher Brewer**, director of innovation and technology and lecturer in Informatics+, College of Informatics, effective July 1, 2021. **Sharmanthie Fernando**, from professor and chair to professor in the Department of Physics, Geology and Engineering Technology, College of Arts and Sciences, effective July 1, 2021. **Yaw Frimpong-Mansoh**, from professor and acting chair to professor and interim chair in the Department of Sociology, Anthropology, and Philosophy, College of Arts and Sciences, effective July 1, 2021. **Douglas Hume** from professor and chair to professor in the Department of Sociology, Anthropology and Philosophy, College of Arts and Sciences, effective July 1, 2021. **Brian Kasson**, from lecturer to clinical associate professor in

the School of Nursing, College of Health and Human Services, effective July 01, 2021. **Allison Ash Nieman**, assistant professor in the Department of Communication, College of Informatics, effective August 16, 2021. **Yangyang Tao**, assistant professor in the Department of Computer Science College of Informatics, effective August 16, 2021. **James Taylor**, from lecturer to lecturer II in the School of Social Work, College of Health and Human Services, effective August 09, 2021. **David Wilkerson**, from lecturer II to senior lecturer in the School of Social Work, College of Health and Human Services, effective August 09, 2021. **Matthew Zacate**, from professor to professor and chair in the Department of Physics, Geology and Engineering Technology, College of Arts and Sciences, effective July 1, 2021.

d. **Departures:**

**Ella Bowling**, STEM Outreach Director, in CINSAM, College of Arts and Sciences, effective May 7, 2021. **Amanda Brown**, assistant professor and social work graduate program director in the School of Social Work, College of Health and Human Services, effective July 31, 2021. **Erin Gardlik**, lecturer in the School of Nursing, College of Health and Human Services, effective May 31, 2021. **Joy Melvin**, lecturer in the School of Nursing, College of Health and Human Services, effective June 28, 2021. **Kathy Noyes**, assistant professor in the School of Nursing, College of Health and Human Services, effective April 05, 2021.

e. **Part-Time Tenured:**

**Aimee Krug**, associate professor of mathematics in the Department of Mathematics and Statistics, College of Arts and Sciences, beginning fall 2021 and ending at the conclusion of ppring 2022.

f. **Phased Retirement:**

**Dr. Karen Mutsch**, associate professor in the Department of Nursing in the College of Health Professions, beginning spring semester 2019 and terminating at the end of fall semester 2019.

g. **Retirements:**

**Perry Bratcher**, professor in the W. Frank Steely Library, effective Jun 30, 2021. **Steven Crites**, associate professor and associate dean in the College of Education, effective July 16, 2021. **Scot Cunningham**, senior lecturer in the Department of Computer Science, College of Informatics, effective June 1, 2021. **Allen Ellis**, professor in the W. Frank Steely Library, effective June 30, 2021. **Carrie McCoy**, professor in the School of Nursing, College of Health and Human Services, effective June 30, 2021. **Karen Leek**, senior lecturer in the School of Allied Health, College of Health and Human Services, effective June 30, 2021.

**h. Emeritus Status:**

**Steven Finke**, associate professor in Visual Arts, in the School of the Arts, College of Arts and Sciences effective April 2021. **Lisa Jameson**, associate professor in Visual Arts, in the School of the Arts, College of Arts and Sciences effective April 2021. **Carrie McCoy**, professor in the School of Nursing, College of Health and Human Services, effective June 30, 2021.

**i. Temporary Faculty Appointments:**

**Steven Castellano**, Department of Biological Sciences, effective 2021-2022 Academic Year; **Taylor Roberge**, Department of Biological Sciences, effective 2021-2022 Academic Year; **Reuben Bullard**, CINSAM, effective 2021-2022 Academic Year; **Kristi Brock**, Department of English, effective 2021-2022 Academic Year; **Lindsey Caldwell-Thomas**, Department of English, effective 2021-2022 Academic Year; **Megan Henson**, Department of English, effective 2021-2022 Academic Year; **Natalie Williams**, Department of English, effective 2021-2022 Academic Year; **Joseph Lombardi**, Department of History and Geography, effective 2021-2022 Academic Year; **Kathleen Quinn**, Department of History and Geography, effective 2021-2022 Academic Year; **Steven Watkins**, Integrative Studies, effective 2021-2022 Academic Year; **Chrystal Brinkman**, Department of Mathematics and Statistics, effective 2021-2022 Academic Year; **David Evans**, Department of Mathematics and Statistics, effective 2021-2022 Academic Year; **Barbara Phillips**, Department of Mathematics and Statistics, effective 2021-2022 Academic Year; **Laura Urbanski**, Department of Mathematics and Statistics, effective 2021-2022 Academic Year; **Joy Burdette**, Department of Music, effective 2021-2022 Academic Year; **Louis Setzer**, Department of Music, effective 2021-2022 Academic Year; **Ashley Shepherd**, Department of Music, effective 2021-2022 Academic Year; **Richard Van Dyke**, Department of Music, effective 2021-2022 Academic Year; **Cara Leanne Wood**, Department of Music, effective 2021-2022 Academic Year; **John Zappa**, Department of Music, effective 2021-2022 Academic Year; **Rachel Bosch**, Department of Physics, Geology, and Engineering Technology, effective 2021-2022 Academic Year; **Mohamed Hamada**, Department of Physics, Geology, and Engineering Technology, effective 2021-2022 Academic Year; **Roy Hobbie**, Department of Physics, Geology, and Engineering Technology, effective 2021-2022 Academic Year; **Marian Ihlenfeldt**, Department of Physics, Geology, and Engineering Technology, effective 2021-2022 Academic Year; **Bogdan Mircea Leu**, Department of Physics, Geology, and Engineering Technology, effective 2021-2022 Academic Year; **Roger Miller**, Department of Physics, Geology, and Engineering Technology, effective 2021-2022 Academic Year; **Yong Xue**, Department of Physics, Geology, and Engineering Technology, effective 2021-2022 Academic Year; **Jason Farkas**, Department of Political Sciences, Criminal Justice, and Organizational Leadership, effective 2021-2022 Academic Year; **Gary Blahnik**, Department of Sociology, Anthropology, and Philosophy, effective 2021-2022 Academic Year; **Robert Greenleaf Brice**, Department of Sociology, Anthropology, and Philosophy, effective 2021-2022 Academic Year; **Nicole Grant**, Department of Sociology,

Anthropology, and Philosophy, effective 2021-2022 Academic Year; **Denise Knisely**, Department of Sociology, Anthropology, and Philosophy, effective 2021-2022 Academic Year; **Michael Simonton**, Department of Sociology, Anthropology, and Philosophy, effective 2021-2022 Academic Year; **Kristina Vise**, Department of Sociology, Anthropology, and Philosophy, effective 2021-2022 Academic Year; **Tao Wang**, Department of Theatre and Dance, effective 2021-2022 Academic Year; **Matt Overwine**, Department of Visual Arts, effective 2021-2022 Academic Year; **Earl Plowman**, Department of Visual Arts, effective 2021-2022 Academic Year; **Julia Sebastian**, Department of Visual Arts, effective 2021-2022 Academic Year; **Sandra Bazzani-Aronne**, Department of World Languages and Literature, effective 2021-2022 Academic Year; **Iliana Rosales Figueroa**, Department of World Languages and Literature, effective 2021-2022 Academic Year; **Erin Elfers**, Department of Educational Leadership and Advanced Studies, effective 2021-2022 Academic Year; **Melissa Hess**, Department of Educational Leadership and Advanced Studies, effective 2021-2022 Academic Year; **April Bertoli**, School of Allied Health, effective 2021-2022 Academic Year; **Keith Collins**, School of Kinesiology, Counseling, and Rehabilitative Services, effective 2021-2022 Academic Year; **Rhyanne McDade**, School of Kinesiology, Counseling, and Rehabilitative Services, effective 2021-2022 Academic Year; **Ashley Nicole Brooks–De La Torre**, School of Kinesiology, Counseling, and Rehabilitative Services, effective 2021-2022 Academic Year; **Jennifer Hunter**, School of Nursing, effective 2021-2022 Academic Year; **Amber Thomas**, School of Nursing, effective 2021-2022 Academic Year; **Anita Phillips**, School of Nursing, effective 2021-2022 Academic Year; **Lynn Brown**, School of Nursing, effective 2021-2022 Academic Year; **Nicholas Bliven**, School of Social Work, effective 2021-2022 Fiscal Year; **Jasmine Riddlespriger**, CHHS Advising Center, effective 2021-2022, Fiscal Year; **Anthony Burk**, Department of Business Informatics, effective 2021-2022 Academic Year; **Bradley Metzger**, Department of Business Informatics, effective 2021-2022 Academic Year; **David R. Brandt**, Department of Communication, effective 2021-2022 Academic Year; **Michelle Crowley**, Department of Communication, effective 2021-2022 Academic Year; **Aaron Zlatkin**, Department of Communication, effective 2021-2022 Academic Year; **John Musgrave**, Department of Computer Science, effective 2021-2022 Academic Year; **Md Shohel Rana**, Department of Computer Science, effective 2021-2022 Academic Year; **Brian Sauer**, Department of Computer Science, effective 2021-2022 Academic Year; **Danna Abu-Rashed**, Department of Accounting and Business Law, effective 2021-2022 Academic Year; **Alfred Greenfield**, Department of Accounting and Business Law, effective 2021-2022 Academic Year; **James Human**, Department of Accounting and Business Law, effective 2021-2022 Academic Year; **Kimberly Roush**, Department of Marketing, Sports Business, and Construction Management, effective 2021-2022 Academic Year; **Joan Adkins**, Department of Management, effective 2021-2022 Academic Year; **David Harrison**, Department of Management, effective 2021-2022 Academic Year; **Louis Manchise**, Department of Management, effective 2021-2022 Academic Year; **Zachary Strobl**, Department of Management, effective 2021-2022 Academic Year; **Jeffrey Varrone**, Department of Management, effective 2021-2022 Academic Year.

**2. Non-Academic Personnel Actions:**

The following categories of non-academic personnel actions which occurred between April 10, 2021 and August 6, 2021 received approval by the Board of Regents: Activations/Rehires; Reassignments, Reclassifications, Title/Status Changes, Promotions; Transfers; Contract/Temporary/Student to Regular & Regular to Contract; Departures; Retirements; Administrative/Executive.

**3. Major Gifts Acceptance:**

The Board of Regents officially hereby accepts contributions totaling **\$1,656,717** received by the NKU Foundation Inc. for the benefit of Northern Kentucky University during the period April 1, 2021 through July 31, 2021.

**4. Naming Recommendations:**

The Board of Regents hereby approves the following naming actions:

1. The naming of an annual award for an outstanding student majoring in Anthropology. “Joseph Bowden Neely Memorial Award for Outstanding Student in Anthropology”.
2. The naming of the Men’s Soccer Locker Room for a period of 25 years in recognition of the donor’s support of the NKU Soccer Excellence Fund. “Scott Family Charitable Fund Men’s Soccer Locker Room”.
3. The naming of a fund that will support the Whitney Lynne Crank Memorial Bench and the Whitney Lynne Crank Psychology Award. “Whitney Lynne Crank Memorial Fund in Psychology”.
4. The naming of an endowed scholarship that will support students majoring in Photography. “David Andrew Luckett Memorial Scholarship in Photography”.
5. The naming of an endowed scholarship that supports students enrolled in the Salmon P. Chase College of Law (1) who are enrolled in the full-time division, (2) who are second-year or third-year students, (3) who enhance the diversity of the student body, and (4) who demonstrated significant academic improvement during the first year or second year of law school. “Paulson Endowed Scholarship”.
6. The naming of an endowed scholarship that will support students enrolled in the Salmon P. Chase College of Law (1) who demonstrate high academic promise, (2) who are full-time students, (3) who have financial need, and (4) who are from one of a list of counties in Eastern or Northern Kentucky. “Robert G. Miller, Jr. Memorial Endowed Scholarship”.
7. The naming of an endowed scholarship that will support a scholarship for students majoring in Construction Management. Preference will go to students with a focus in residential construction. “Terry & Maggie Sievers Endowed Scholarship”.

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8. The naming of a scholarship for a student in the Bachelor of Fine Arts program in the musical theater track at Northern Kentucky University. “Ally Davis Memorial Scholarship”.
9. The naming of an endowed scholarship that will support a student majoring in Elementary Education who will be participating in the COST (Consortium for Overseas Student Teaching) program. “Smith-Miller Scholarship”.
10. The naming of a fund to provide mission support for the W. Frank Steely Library. “Greg & Sheila Edwards Fund for Excellence”.
11. The renaming of the Hub for Supply Chain and Logistics in the Haile Foundation College of Business (Room 243 in the Business Academic Center). “Verst Group Logistics Hub for Supply Chain Excellence” (previously “Verst Group Logistics Hub for Supply Chain and Logistics”).
12. The naming of an endowed LIFT scholarship for undergraduate students pursuing studies in Elementary Education. “Rebecca S. and Thomas K. Niehoff Elementary Education LIFT Scholarship”.
13. The naming of the NKU Norse Athletics Soccer Field for a term of 25 years in recognition of the donor’s support of the NKU Foundation and NKU Athletics. “Richard Scudamore Field”.
14. The naming of an endowed scholarship to support students studying Neuroscience at NKU. “Joe Whelan Scholarship”.

#### **5. Faculty Emeritus Status:**

Emeritus status for the following individuals received Board of Regents approval:

**Steven Finke**, associate professor in Visual Arts, in the School of the Arts, College of Arts and Sciences effective April 2021.

**Lisa Jameson**, associate professor in Visual Arts, in the School of the Arts, College of Arts and Sciences effective April 2021.

**Carrie McCoy**, professor in the School of Nursing, College of Health and Human Services, effective June 30, 2021.

#### **6. Administrators Returning to Faculty Status:**

The Board of Regents approved revision updates to the policy establishing guidelines for Administrators returning to faculty status.

### **7. NKU Code of Conduct Rights and Responsibilities:**

The Board of Regents approved revisions to the Northern Kentucky University Code of Student Rights and Responsibilities.

Vice President for Student Affairs, Eddie Howard and Assistant Dean of Students/Deputy Title IX Coordinator/Director of Student Conduct, Rights & Advocacy, Bob Alston presented the item to the Board and answered questions regarding modifications made due to Title IX, plans for updating students regarding changes, and strategies for mutual resolution.

**Agenda Item:** A motion was made by Regent Normand Desmarais and seconded by Regent Gregory Shumate to approve Presidential Recommendation C-7. **(Motion carried)**

### **8. SBD Framework Extension:**

The Board of Regents approved a three-year extension to the 2019-2022 *Success by Design* strategic plan. The new Success by Design Framework timeline will be from 2022-2025.

Vice President and Chief Strategy Officer, Bonita Brown presented the item to the Board to explain rationale for the extension.

**Agenda Item:** A motion was made by Regent Kara Williams and seconded by Regent Cori Henderson to approve Presidential Recommendation C-8. **(Motion carried)**

### **9. Bond Resolution:**

The Board of Regents adopted the Resolution which provides for the sale and issuance of approximately \$5,485,000 in General Receipt Obligations for the purpose of (i) refunding outstanding Northern Kentucky University General Receipts Bonds, 2011 Series A, dated August 4, 2011 and (ii) paying costs of issuance in connection with the Northern Kentucky University General Receipts Refunding Bonds, 2021 Series B.

Vice President-Administration & Finance Division/CFO, Mike Hales presented the item to the Board.

Regent Shumate raised the question for recusal of conflict of interest. It was determined that no conflict of interest pertaining to this item was present.

**Agenda Item:** A motion was made by Regent Michael Baranowski and seconded by Regent Rich Boehne to adopt Presidential Recommendation C-9. **(Motion carried)**

### **D. Executive Session:**

Regent Aliya Cannon seconded Regent André Ward's motion to enter into executive session pursuant to KRS 61.810(1) (c) and (f). **(Motion carried)**

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At 2:40 p.m. Executive Session concluded and the regular meeting was reconvened for further discussion.

**Executive Committee Report:**

(Secretary of the Board of Regents, Gregory Shumate)

In accordance with the NKU Board of Regents By-Laws and by extension of the of the authority vested in the Chair of the Board, the Executive Committee has met to review President Ashish K. Vaidya's performance during the term of his contract from July 1, 2020 – June 30, 2021. The performance goals were established, presented and approved by the board in July 2020. These goals were also included in the President's self-evaluation materials submitted to the board July 2021. After careful review and thoughtful consideration, the committee unanimously makes the following recommendations:

1. The previously board approved target bonus (\$25K actual year / \$25K deferred compensation) that was earned in year-end 2020 be paid to the President this year.
2. (2021). The President opted to defer the compensation earned given the fiscal impact of the Covid pandemic crisis on NKU's budget.
3. The President's performance, leadership and committed dedication to advancing the Mission, Vision and Values of NKU has met and in many cases exceeded the goals and expectations established and approved by the Board during the period in review. The committee recommends the President's full earned target bonus per contract terms (\$25K actual year/ \$25K deferred compensation) be granted and paid accordingly.
4. The President having met and, in many cases, exceeded the performance goals set and approved by the board be given a 1.5% base pay increase commensurate with increases provided to NKU employees in 2021. This also reflects the first and only base pay increase during the term of the President's current tenure and contract period.
5. Given President Vaidya's leadership, stellar performance, tremendously positive impact on regional stewardship, cited among national publications, received professional recognitions and honors over the past three years and navigating the university through very challenging and unprecedented obstacles during his tenure, the committee officially request the board's permission and approval to enter contract renewal negotiations. The negotiated contract terms for approval will extend employment from July 1, 2022 – June 30, 2026.

A motion was made by Regent André Ward to adopt the recommendations made as part of the Executive Committee Report. This adoption did not require a second. **(Motion adopted)**

At 2:53 p.m., Regent Ken Perry made a motion to adjourn. It was not debatable. **(Motion carried)**



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*Signature On File*

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**Tina R. Peebles**  
**Interim Assistant to the Vice President/  
Chief Strategy Officer**

*Signature On File*

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**Bonita J. Brown**  
**Vice President and Chief Strategy Officer  
Secretary to the Board of Regents**

I, Gregory Shumate, Secretary of the Board of Regents of Northern Kentucky University, certify that the foregoing is a true copy of the minutes of the meeting held on September 8, 2021 and that such matters are still in force and effect.

*Signature On File*

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**Gregory Shumate**  
**Secretary of the Board of Regents**

**Board of Regents  
Special Called Meeting  
Northern Kentucky University | Video Teleconference  
October 7, 2021**

Regent André Ward, Chair, called the special called video teleconference meeting of the Board of Regents to order at 12:30 pm, Thursday, October 7, 2021.

**Roll Call:** Michael Baranowski, Richard Boehne, Aliya Cannon, Normand Desmarais, Cori Henderson, Ken Perry, Gregory Shumate, Elizabeth Thompson, André Ward, Kara Williams (all Regents joined the meeting by video teleconference).

Chairman Regent André Ward recognized that there was a quorum present for this meeting.

Other Attendees: Ashish Vaidya, Bonita Brown (all attendees joined the meeting by video teleconference).

**A. Election of Officers:**

Regent Elizabeth Thompson seconded Regent Normand Desmarais's motion to reappoint Regent André Ward as Chairman to the Board of Regents for 2021-22. **(Motion carried)**

Regent Richard Boehne seconded Regent's Greg Shumate's motion to reappoint Regent Normand Desmarais as Vice Chairman to the Board of Regents for 2021-22. **(Motion carried)**

Regent Ken Perry seconded Regent André Ward's motion to reappoint Regent Gregory Shumate as Secretary to the Board of Regents for 2021-22. **(Motion carried)**

Regent André Ward thanked the members of the Board for their leadership.

**Presidential Comments:**

Chair Ward and Members of the Board.

Congratulations to you, Vice Chair Desmarais, and Secretary Shumate on being reappointed as executive officers of the Board.

Let me begin by saying thank you for the privilege of serving the students, faculty, staff and community of Northern Kentucky University.

It doesn't seem like it was nearly four years ago that I was introduced to the campus. To say that these past three and half years have been extraordinary in so many ways would be an understatement. I am incredibly proud of the entire campus community for what we have accomplished, despite the continued challenge of managing through a global pandemic and a racial, social and economic crisis.

Financially, we resolved the pension situation in an equitable manner - probably the single most consequential financial decision that NKU had to make - while holding our promise to our

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dedicated staff and outperformed all the state institutions but UK in performance funding allocation over the past 4 years. Our financial strength is validated by a strong ratings/opinion by Moody's despite the uncertainties and costs of Covid.

The successful ten year reaffirmation of SACSCOC accreditation in January 2021 after being placed on "Warning," speaks to the diligent work done by the faculty and staff.

We are 90% of the way to completing the Further Faster \$75 million campaign for NKU and all signs point to our hitting that goal before the end of this academic year.

Equally important the strategic framework and vision we have collectively designed for NKU is even more relevant today as it was three years ago. Before the pandemic hit this year, we saw a steady improvement across multiple student success outcomes. With a leadership team working collaboratively and anchoring our work around the Moonshot for Equity, NKU stands ready to build on those successes.

NKU continues its rise as an entrepreneurial and innovative university in the region and nationally as we rewrite the narrative about what a student-ready, regionally engaged university can be.

While the past year and a half has certainly tested our mettle and resilience, it has also offered an opportunity for self-reflection. I feel very fortunate in working with incredible people with tremendous capacity for work and focus. I am so proud of the faculty, the staff and the students who are committed to our mission and vision.

Entering my fourth year of service, Nita and I feel fortunate to be part of this community that we have begun laying roots in. It would be an honor and privilege to continue my service to this great university.

Regent André Ward thanked President Vaidya for the value of the service he has provided to the University and the region.

**B. Executive Session:**

Regent Aliya Cannon seconded Regent André Ward's motion to enter into executive session pursuant to KRS 61.810(1) (c) and (f). **(Motion carried)**

No other matters were discussed. No final action was taken.

Board reconvened in open session

**OPEN SESSION**

**C. Presidential Contract Renewal:**

Regent Kara Williams seconded Regents Greg Shumate's motion to renew President Ashish K. Vaidya's contract upon terms as discussed and approved by the Board of Regents in executive

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session. Contingent upon final contract which is consistent with the terms and as approved and negotiated by the Executive Committee. **(Motion adopted)**

At 2:00 p.m., Regent Aliya Cannon seconded Regent Andra Ward's motion to adjourn. **(Motion carried)**

Signature On File  
**Tina R. Peebles**  
**Interim Assistant to the Vice President/  
Chief Strategy Officer**

Signature On File  
**Bonita J. Brown**  
**Vice President and Chief Strategy Officer  
Secretary to the Board of Regents**

I, Gregory Shumate, Secretary of the Board of Regents of Northern Kentucky University, certify that the foregoing is a true copy of the minutes of the meeting held on October 7, 2021, and that such matters are still in force and effect.

Signature On File  
**Gregory Shumate**  
**Secretary of the Board of Regents**

## **FACILITIES MANAGEMENT REPORT**

### **1. Fine Arts Elevator Replacement**

The mechanical equipment for the passenger elevator in the original section of Fine Arts is original to the building and in need of total replacement. Increasingly unreliable, modernization of this elevator is essential to ensure safe, continued operation. Otis was the low bidder.

There was a delay in receipt of materials to replace this elevator. Construction is underway and will be complete in December 2021.

Engineer: Pedco E&A Services

Contractor: Otis

Scope: \$285,000

Fund Source: Deferred Maintenance Project Pool

Anticipated Completion: December 2021

### **2. Nunn Hall Elevator Replacement**

Nunn Hall has three elevators, and all were at the end of their useful life. The elevators were increasingly unreliable and often out of service. Modernization is essential to ensure safe, continued operation.

Construction began in March. Two of the three elevators were completed in early August and the third elevator is scheduled to be complete by November 2021.

Engineer: Pedco E&A Services

Contractor: Otis

Scope: \$800,000

Fund Source: Deferred Maintenance Project Pool

Anticipated Completion: November 2021

### **3. Softball Field Turf Replacement**

The grass turf on the softball field was in poor condition and in need of replacement, and various other repairs to this facility were needed. This project has been awarded to Asbury Sports Turf from Augusta, KY.

Work includes regrading, leveling and compaction of the field, including raising the outfield elevation; moving the warning track and fence back 10 feet to meet Horizon league and NCAA specifications; installation of new NCAA-compliant right and left field foul poles; structural repairs to the dugouts; installation of a new smart irrigation system; and, new grass turf will be installed.

## **Softball Field Turf Replacement** – Continued

Work began in July. Grading, irrigation and dugout repairs are complete. Project completion is expected in November.

Engineer: Kleingers Sportworks Design

Contractor: Asbury Sports Turf

Scope: \$516,000

Fund Source: Net Position – Non-Recurring Investment

Anticipated Completion: November 2021



Structural Repairs Complete, with New Floor



New Trench Drain along Field Edge

## **4. Gender Neutral Restroom Renovations**

Funding has been secured to move forward with creation of a much-needed single person, gender neutral and ADA compliant restroom in the Student Union. A location adjacent to the third floor public restrooms has been identified, making plumbing connections relatively easy to accomplish. Design work is underway and work will be done by a contractor.

If funds permit, minor modifications will be undertaken to an existing small restroom on the fifth floor of Nunn Hall and to two existing small restrooms on the fourth floor of Steely Library, to create similar single person, gender neutral restrooms. Similar restrooms are available in Griffin, the Albright Health Center and HIC, and serve many on campus with need for a private restroom space.

## **Gender Neutral Restroom Renovations** – Continued

Design: In-House

Contractor: TBD

Scope: \$75,000

Fund Source: Deferred Maintenance Project Pool

Anticipated Completion: Spring 2022

### **5. Callahan Hall Renovations**

Callahan Hall, a 150,792 GSF residence hall in the East Residential Village, was built in 1962 and renovated in 2008. Due to budget constraints, the 2008 renovation included minimal HVAC system upgrades.

This project includes replacement of the hot and cold water HVAC distribution piping and portions of the domestic hot and cold water distribution piping. The piping rises vertically through the building in mechanical closets and then extends horizontally above ceilings to each residential unit. This vertical and horizontal piping, original to the building, was in poor condition. Problems included clogs, rust pitting, weeping/leaks, poor insulation, etc.

This project also includes replacement of the hot water heaters; installation of a chemical water treatment system for HVAC piping; new LED lighting in all stairwells; and, minor chiller repairs.

The contract was awarded to Triton in March. Work is anticipated to be complete this fall.

Engineer: CMTA

Contractor: Triton

Scope: \$3,288,000

Fund Source: NKU Bonds – Supported by Housing Bond Revenue

Anticipated Completion: Fall 2021

### **6. Verst Supply Chain Hub**

The College of Business received a donation from Verst Group Logistics to build a meeting and office space focusing on logistics, innovation and the world supply chain. A former classroom, BC 243, is being renovated to create the Verst Group Logistics Hub for Supply Chain and Logistics. The project includes a new storefront entry, three new offices, open meeting and touch-down space with new technology and furniture throughout. Construction began in early June. Completion was delayed due to door and storefront-framing supply chain delivery delays. Construction is complete, and furniture and AV installation will occur in November.

## **Verst Supply Chain Hub** – Continued

Design: In-House

Contractor: HGC

Scope: \$170,000

Fund Source: Donor Funds, COB Funds

Anticipated Completion: Fall 2021



BC 243 Renovation

## 7. **Mathematics-Education-Psychology Center Skylight Replacement**

There is a large skylight in each wing of this 1980 academic building. Despite efforts to repair them, both skylights leak consistently. The project will replace the glass, sealants and caulking. The project has been awarded to Geiger. The shop drawings and finish samples were reviewed and approved. The skylight system has been ordered. Due to the long lead time for materials, the installation has been delayed to the spring.

Contractor: Geiger

Scope: \$200,000

Fund Source: Deferred Maintenance Project Pool

Anticipated Completion: Spring 2022



One of two existing skylights that will be replaced.



## **8. Nunn Hall Air Handlers**

The supply and return fans on floors one, two and five in Nunn Hall are original to the building and have out-lived their life expectancy. The repair cost for the obsolete parts is extremely high, with long delivery times. These fans supply tempered air to the building and help regulate temperature. In addition, the fans create balanced air pressure within the building, ensuring proper functioning of exterior doors. Installation will occur during holiday break 2021-2022. Fans on floors three and four were replaced in 2020.

Contractor: Daikin/Omnia

Scope: \$695,000

Fund Source: Deferred Maintenance Project Pool

Anticipated Completion: January 2022

## **9. Utility Metering**

Utility budget savings are being invested to replace broken or non-existent sub-meters for electric, water and natural gas in campus buildings. With functioning meters in place, energy consumption can be monitored more closely. Additionally, leaks and other issues can be detected more readily, saving the university on otherwise wasted energy costs. Sub-meters are also used to assess cross-charges to auxiliary entities, and properly functioning meters are needed for accurate data for this process.

EnergyCAP software has been purchased to assist in managing utility usage data and track building-level consumption trends. It will be in use beginning this fall. Several replacement meters have been secured and will be installed this fall.

Contractor: TBD

Scope: \$60,000

Fund Source: Utility Budget Funds

Anticipated Completion: Fall 2021 for Software and Ongoing for Meters

## **10. Opportunity House**

Opportunity House is an innovative initiative to develop postsecondary educational opportunities for foster care alumni as well as other vulnerable youth between the ages of 18-24. The university signed a lease with Brighton Properties to allow for conversion of the Brown Building next to Callahan Hall to the 16-occupant “Opportunity House”.

Brighton has secured all needed project funding, including a \$1,000,000 Community Development Block Grant.

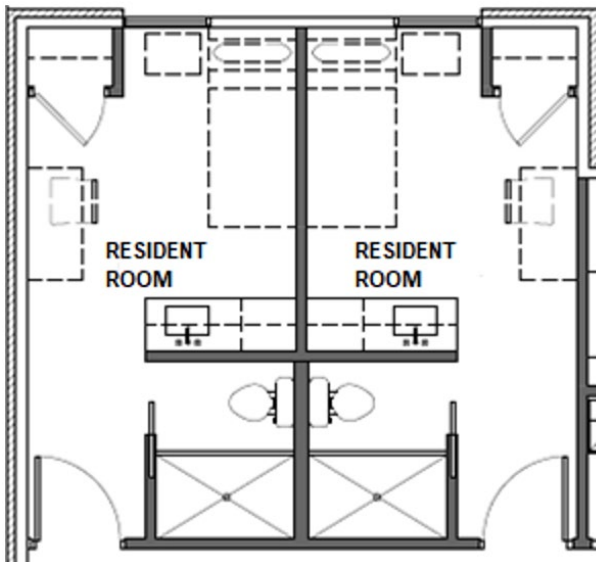
**Opportunity House** – Continued

The Brown Building is a two-level, 8,500 square foot building located west of Callahan Hall. Brighton will renovate the upper floor to create 15 single-occupant semi-suite rooms with private bath rooms and one, one-bedroom unit. The lower level will include a meeting room/classroom, a demonstration kitchen, laundry room, gathering and communal space, offices and storage. Brighton is responsible for all costs associated with renovation, maintenance and operation of this unique facility. Design and renovation will be coordinated by Brighton Center and construction will begin this fall. A Fall 2022 occupancy is anticipated.

Architect: Hub+Weber Architects  
Contractor: Mark Spaulding Construction  
Scope: \$2,128,812  
Fund Source: Brighton Properties  
Anticipated Completion: August 2022



Rendering of Opportunity House, Facing Campus (Looking West)



Opportunity House Semi-Suites

## **11. Replace Lake Pavers**

The purpose of this project is to replace degraded, crumbling pavers on the walkway between the Fine Arts Center and Loch Norse to eliminate trip hazards. This project is in the planning stage.

Landscape Architect: TBD

Contractor: TBD

Scope: \$150,000

Fund Source: Deferred Maintenance Project Pool

Anticipated Completion: TBD

## **12. Albright Health Center Tank Replacement**

The Health Center's condensate tank and pumping system, original to this 1984 building, are overdue for replacement. The condensate tank captures the by-product of cooled steam, in the form of condensate, and sends it back to the boiler for re-use. The tank currently resides in a space below the mechanical room floor, because the heat exchanger sits on the floor. The goal is to replace and remove the condensate tank system from the sub-floor area by also raising the heat exchanger up, off the floor. The project also includes replacement and modernization of the pneumatic valve/actuators for the heat exchanger.

TP Mechanical is the contractor. Work began in August and was complete in October.

Engineer: CMTA

Contractor: TP Mechanical

Scope: \$142,000

Fund Source: Deferred Maintenance Project Pool

Anticipated Completion: Fall 2021

## **13. Landrum Generator Replacement**

Landrum's emergency generator is original to the building and in need of life cycle replacement. The generator provides critical back-up power in the event of a power outage. The generator is scheduled to be delivered in November. Once it has arrived, we will schedule the installation with Mayers Electric.

Engineer: Advantage Group (Structural Design)

Contractor: Mayers Electric

Scope: \$150,000

Fund Source: Deferred Maintenance Project Pool

Anticipated Completion: January 2022

#### **14. Norse Hall Renovations Phase II**

Norse Hall, constructed in 1992, includes a mix of two-bedroom apartments and efficiencies, housing 304 students. Norse Hall includes four connected buildings under one roof. Critical repairs and upgrades were necessary to provide an attractive living environment and extend the life of the building.

Repairs to Norse Hall's exterior balconies, steel stairs and railings were completed in summer 2020, in Phase I.

Phase II of the project includes installation of new fan coil (HVAC) units and two new boilers; replacement of failing shower pan liners; installation of new exterior doors and frames; repairs to the exterior insulation system (the façade); and, application of a waterproof membrane on the balconies.

Exterior: Each apartment now has a new entry door and doorframe. Removal of the exterior insulation system from the breezeway façades was completed during the summer months. Hardie plank siding is being installed, providing a durable surface in these high traffic areas. This work will continue through November. Repairs and painting of the exterior insulation system on other parts of the building is complete.

Interior: Demolition of shower units, new shower tile installation and fan coil unit installation are complete in one Norse Hall building. Replacement of the remaining Norse Hall showers and fan coil units will occur in summer 2022. Various Norse Hall apartments were partially or totally painted this summer, along with other minor improvements. Boiler installation is complete.

Engineer: THP (Structural Design) and Staggs & Fisher (MEP Engineers)

Contractor: Century Construction (Exterior) & Schrudde Zimmerman (Interior)

Scope: \$3,262,000

Fund Source: NKU Bonds – Supported by Housing Bond Revenue

Anticipated Completion: Fall 2022

#### **15. University Police Renovation**

Honors House, vacant since the move of the Honors College to Founders Hall in May 2018, is under renovation as the new location for University Police. University Police will have an accessible, secure and modern space outfitted with resilient systems to support delivery of routine and emergency safety services around-the-clock.

**University Police Renovation** – Continued

Work is being accomplished with a combination of in-house labor and various subcontractors retained for specialty aspects of the work. The upper level will house offices, a conference room, breakout spaces and a modern dispatch office featuring a dedicated IT server room. The lower level includes an armory, property storage and roll call room. The project includes renovation of several restrooms and replacement of interior finishes. Various critical support systems include a new generator, upgraded fiber and data network services, and upgrades related to University Police’s responsibility to monitor campus safety 24/7.

Interior finish work is complete. Due to various supply chain delivery issues related to the emergency generator, dispatch consoles and furniture, project completion will occur in December.

Design: RMF Engineering (Electrical Assessment), Advantage Group (Structural), Woolpert (Driveway and Parking Lot)

Contractors: In-House, SECO (Electrical), Century Construction, Mike Brown Construction LLC, Kiefer Heating and Air Conditioning

Scope: \$880,000

Fund Source: Net Position

Anticipated Completion: October 2021



University Police Front Façade



Chief’s Office

## University Police Renovation – Continued



University Police Breakout Space



Protecting the Mass Notification Tower

### **16. Administrative Center Electrical Switchgear Replacement**

Switchgear equipment distributes a building's incoming electric power to its internal electrical systems. The electrical high voltage switchgear in the Lucas Administrative Center is located inside the building, making replacement a challenge. The unit, original to the building, has reached the end of its useful life, and risk of failure is a significant concern. Failure would cause loss of power resulting in a building shutdown. Given the location of the campus data center in the Administrative Center, this is considered a critical project.

Bidding is underway. Due to confirmed supply chain delivery issues, the switchgear will not be available for installation during the 2021 holiday break as originally planned. It will be installed during holiday break 2022-2023.

Engineers: KLH

Contractor: TBD

Scope: \$382,000

Fund Source: Deferred Maintenance Project Pool

Anticipated Completion: January 2023

### **17. Woodcrest Demolition**

The Board of Regents approved demolition of the three-building Woodcrest apartment complex in May 2021. Bids were received in August, and Innovation Demolition Services, from Lexington, KY, is the contractor.

Demolition began in September after local fire departments conducted training in the buildings. Oak was demolished first, then Sycamore and Willow. The contractor is accessing the demolition site from Norse Boulevard. Work will be complete in early November. The cleared site will be graded and seeded.



**Woodcrest Demolition** – Continued

Contractor: Innovative Demolition Services

Scope: \$300,000

Fund Source: Net Position

Completion: November 2021



Demolition of Oak Hall, October 1, 2021



Demolition of Oak Hall, October 1, 2021

## **18. US 27 Development**

Fairmount Properties continues due diligence and planning for the US 27 Development. The project will be a mixed-use development with a pedestrian-friendly, ground floor street presence. Phase One, occupied in April 2020, was a 65,000 square foot office building and associated parking garage on the north side of the Nunn Drive intersection for St. Elizabeth Healthcare and OrthoCincy.

Phase Two, on the south side of Nunn Drive, will be a mixed-use development of 30-38,000 square feet of full-service and casual restaurant and retail tenants; 75-150 market rate apartments; parking; and, potentially some office space. Retail uses will result in a safe, active pedestrian experience, complete with al fresco dining on patios, sidewalk amenities, public art installations and an urban environment that embraces the notion of a unique street experience.

The project received a State TIF (Tax Increment Financing) award of \$14.2M. State and local TIF funds will help with the cost of Phase II infrastructure development. OKI has approved an \$861,704 STP/SNK Transit infrastructure support grant for the project. Funds allocated through two federal programs, the Surface Transportation Block Grant program and the Transportation Alternatives program, will be spent on road, transit and pathway improvements benefitting the project. Fairmount will match the grant funds with \$369,302 in project funds.

Phase II progress - south side of Nunn Drive:

- The university signed the Ground Lease with Fairmount in March 2021.
- Fairmount is finalizing project financing and continues to have discussions with potential retailers.
- Due to the economic climate, Fairmount is unable to obtain financing for the hotel and it will not be part of this phase.
- Fairmount's design team is working to refine schematic (concept) design for Phase II.
- Master Planning continues to incorporate design for both sides of Nunn Drive, to ensure a look that is consistent with the objective of creating a new campus gateway.



**OFFICE OF RESEARCH, GRANTS, AND CONTRACTS REPORT**

The attached report lists the grants awarded, with the amount awarded for each grant, for NKU faculty and staff for July 1, 2021 through August 31, 2021, for Fiscal Year 2021-22:

- During the July 1, 2021 through August 31, 2021 time period, **25** grants were awarded. The total amount of money awarded was **\$4,418,030**.
- For the fiscal year 2020-21, the cumulative total number of grants awarded is **25** totaling **\$4,418,030**.

**NKU Office of Research, Grants and Contracts**  
**Grants Awarded Funding: July 01, 2021 - August 31, 2021**  
**FY 2021-2022**

<b>Category</b>	<b>Type</b>	<b>College/Administrative Office/ Department</b>	<b>Project Title</b>	<b>Sponsor</b>	<b>Sponsor Total</b>
<i>College of Arts &amp; Sciences</i>					
Applied Research	New	Biological Sciences	USFS Reforest Northern KY work with NKUCFC	Northern Kentucky Urban Forestry & Community Council	<b>\$15,918</b>
Applied Research	New	Physics, Geology and Engineering Technology	Origami Robot Development and its Applications in Space	University of Kentucky Research Foundation - FFT	<b>\$8,000</b>
Applied Research	New	Psychological Science	Moving beyond the 'LG' in 'LGBT': Investigating the validity and measurement of equivalence of the Minority stress model in the SGM Community	University of California San Francisco	<b>\$39,924</b>
Public Service	Continuation	Mathematics & Statistics	KYOTE - Match 21-22	Private Funds	<b>\$20,000</b>
<i>College of Health &amp; Human Services</i>					
Applied Research	New	Social Work	UC The HEALing Communities 21-22	University of Cincinnati - FFT	<b>\$5,779</b>
Basic Research	New	Nursing	Multi-Level Peer-Peer Engagement: Using Simulation to Facilitate Inter-Cultural Development in Undergraduate Nursing Students	Sigma Theta Tau	<b>\$4,995</b>
Student Support	New	Social Work	Public Child Welfare Certification Program (PCWCP)	Eastern Kentucky University - FFT	<b>\$7,612</b>
<i>Enrollment &amp; Degree Management</i>					
Student Support	Continuation	Student Support Services	Student Support Services Yr. 2	U.S. Department of Education	<b>\$405,303</b>

<b>Category</b>	<b>Type</b>	<b>College/Administrative Office/ Department</b>	<b>Project Title</b>	<b>Sponsor</b>	<b>Sponsor Total</b>
<i>Graduate Education, Research and Outreach</i>					
Instruction	Continuation	Scripps Howard Center for Civic Engagement	Mayerson Student Philanthropy Project (Mayerson Foundation) 21-22	Manuel D. and Rhoda Mayerson Foundation	<b>\$21,000</b>
Public Service	Continuation	Kentucky Campus Compact	AmeriCorps ATC Sites 2022	Kentucky Department of Education - FFT	<b>\$32,000</b>
Public Service	Continuation	Kentucky Campus Compact	AmeriCorps Host Sites 2022	Multiple CNCS Partners	<b>\$56,000</b>
Public Service	New	Kentucky Campus Compact	GEAR UP KY	Kentucky Council on Postsecondary Education	<b>\$9,000</b>
Public Service	New	Kentucky Campus Compact	Kentucky College Coaches - KCC/KC3 2021-2022 Supplemental Funds (ARP)	Corporation for National and Community Service	<b>\$997,249</b>
Public Service	New	Kentucky Campus Compact	Kentucky Counselor Academy AmeriCorps 21-22	KY Cabinet for Health & Family Services	<b>\$106,972</b>
Public Service	New	Kentucky Campus Compact	Kentucky Counselor Academy AmeriCorps 21-22 (Match from CPE)	Kentucky Council on Postsecondary Education	<b>\$169,573</b>
Public Service	Continuation	Kentucky Campus Compact	KHEAA Kentucky College Coaches 21-22	Higher Education Assistance Authority	<b>\$458,450</b>
Public Service	Continuation	Kentucky Campus Compact	KyCC VISTA 2021-2022	Corporation for National and Community Service	<b>\$24,000</b>
<i>Haile College of Business</i>					
Public Service	Continuation	Center for Innovation & Entrepreneurship	RISE 2021-2022	Blue North (State Flow Through)	<b>\$70,000</b>

Category	Type	College/Administrative Office/ Department	Project Title	Sponsor	Sponsor Total
<i>Health Innovation Center</i>					
Applied Research	New	Institute for Health Innovation	HRSA RCORP Implementation 2021: Carroll County Reduces Opioid Use Disorders (CC Proud): Implementation (Cycle II)	Health Resources and Services Administration	<b>\$1,000,000</b>
Applied Research	New	Institute for Health Innovation	USDA Rural Business Development Grant 2021-Enterprise Grant	U.S. Department of Agriculture	<b>\$99,999</b>
Basic Research	New	Institute for Health Innovation	JCOIN Rapid Innovation Grants (J-RIG)	George Mason University - FFT	<b>\$109,728</b>
Basic Research	Continuation	Institute for Health Innovation	Section 1115 Substance Use Disorder Demonstration (Year 2)	KY Cabinet for Health & Family Services	<b>\$362,805</b>
<i>Information Technology</i>					
Public Service	Continuation	Infrastructure and Operations	Student Technology Leadership Program Showcase 21-22	Kentucky Department of Education	<b>\$4,000</b>
<i>Outreach Services</i>					
Student Support	Continuation	Upward Bound	Upward Bound 2021-2022 (Year 3)	U.S. Department of Education	<b>\$383,723</b>
<i>Student Inclusiveness</i>					
Student Financial Aid	New	Latino Student Initiatives	IME Becas Fellowship Program 2021-2022	Consulate of Mexico in Indianapolis	<b>\$6,000</b>

**Total Number of Awards 07/01/2021 - 08/31/2021**

**25**

**Total Funds Awarded**

**\$4,418,030**

***Total Number of Awards  
FY 2021-22***

**25**

***Total Funds Awarded  
FY 2021-2022***

**\$4,418,030**

**REPORT: FUNDRAISING RESOURCES**

The following Fundraising Report summarizes fundraising resources committed from July 1, 2021 through September 30, 2021 totaling \$2,942,111 in support of the university.

The report includes:

1. Resources in support of the colleges, Academic Affairs and University Designated programs, Steely Library, Norse Athletics, Institute for Health Innovation/Health Innovation Center, and Student Affairs.
2. Resources for Fiscal Year 2022.

<b>FY22 Fundraising Resources Through 9/30/2021</b>	
<b>Designation</b>	<b>FY 2022 at 9/30/2021</b>
Academic Affairs/Univ. Designated	\$558,475
Athletics	\$655,223
Chase College of Law	\$123,770
College of Arts & Sciences	\$94,214
College of Education	\$90,708
College of Health and Human Services	\$7,322
College of Informatics	\$1,045,089
Haile US Bank College of Business	\$280,192
Honors College	\$450
Institute for Health Innov./Health Innov Ctr.	\$15
Steely Library	\$76,447
Student Affairs	\$10,207
<b>Total</b>	<b>\$2,942,111</b>

**Northern Kentucky University  
A Component Unit of the Commonwealth of Kentucky**

Annual Financial Report

June 30, 2021



## **2020-2021 FINANCIAL REPORT**

### **BOARD OF REGENTS**

Andra' R. Ward  
Chair

Normand Desmarais  
Vice Chair

Gregory Schumate  
Secretary

Dr. Michael Baranowski  
Richard Boehne  
Lauren Goodwin  
Ashley F. Himes  
Jim Parker  
Ken Perry  
Dennis Reppenning  
W. Lee Scheben

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Athletic Director

Bonita Brown  
Vice President and Chief Strategy Officer

Dr. Ande Durojaiye  
Interim Provost and Executive Vice President for  
Academic Affairs

Joan Gates  
Vice President for Legal Affairs and General Counsel

Eric C. Gentry  
Vice President for University Advancement

Mike Hales  
Interim Vice President Administration & Finance/  
Chief Financial Officer

Dr. Valerie Hardcastle  
St. Elizabeth Healthcare Executive Director of the  
Institute for Health Innovation and  
Vice President for Health Innovation

Dr. Eddie Howard  
Vice President for Student Affairs

Darryl Peal  
Chief Diversity, Equity and Inclusion Officer

Kim Scranage  
Vice President Enrollment and Degree Management

Lori Southwood  
Chief Human Resources Officer

Russell Kerdolff  
Comptroller

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October 4, 2021

Northern Kentucky University Board of Regents  
Highland Heights, KY 41099

Dear Members of the Board:

I am pleased to share the University's 2020-21 Annual Financial Report. The firm of BKD, LLP, has audited the attached statements and accompanying footnotes.

The pandemic continued to negatively impact the University's operations this year. Fortunately, the University received over \$15.5 million in federal and state relief grants to offset much of the operating revenues that were lost due to the pandemic and to cover the added expenses associated with transitioning to a primarily online learning environment. In addition, the University disbursed \$6.5 million in federal relief funds to provide emergency aid to the students that were most impacted by the pandemic. The University's accelerated online programs continued to show the significant growth in enrollment that the University was experiencing prior to the pandemic resulting in gross tuition increases of \$7.1 million and \$15.6 million for the years ended June 30, 2020, and 2019, respectively.

Management worked closely with the Board and University constituencies to navigate the complex issues related to the options available to the University to exit the KERS nonhazardous pension plan. Although, the University had to include both the pension bonds liability and the pension and OPEB liabilities in the financial statements for the fiscal year ended June 30, 2021, the University's future financial statements will reflect the positive impact from reduced annual pension contributions and reduced liabilities related to employee pensions. Despite the adverse impact of the pandemic and the continued negative impact from the pension and other post-employment benefits (OPEB) reporting changes, the University continues to show solid operating performance as measured by cash flows. Excluding the impact of the pension and OPEB reporting changes, the University's unrestricted net position would have increased by a combined \$0.4 million for the years ended June 30, 2021 and 2020.

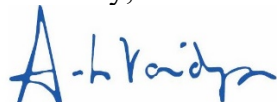
The University is continuing its efforts to diversify revenue sources, contain costs, and redirect resources to core mission priorities. For the five-year period that ended June 30, 2021, the endowment funds managed by the NKU Foundation have grown from \$89.6 million to \$130.0 million, primarily due to excellent investment returns. The continued growth in funds provided through endowments, gifts, and other sources of revenues will be essential as the University strives to meet the needs of our students. We are investing in new campus facilities, such as a new student residence hall that opened this fall, and investing in activities that support the three pillars of student success — increased access, higher levels of completion, and advancing opportunities for career and community engagement for all students.

For more than 18 months now, the campus community persevered and continued onward together in its quest to becoming a more student-ready and regionally engaged institution. NKU recently celebrated the beginning of the Fall 2021 academic semester with the vast majority of classes taking place in person after a year of transition and largely remote learning. It has been wonderful to walk around campus and see the comings and goings of the students, faculty and staff who make this such a wonderful place. Our work continues for those learners and their mentors. Late in the summer, we were pleased to announce \$3 million in Equity Initiatives prioritizing students impacted the most during the pandemic and addressing their debt, learning needs such as books and supplies and, perhaps most importantly, their mental health using federal coronavirus relief funds. In September, we formed a task force to recommend a blueprint for building a hybrid university that will be based on lessons learned since the start of the pandemic. It will include a blend of face-to-face and online courses, as well as expanded student services that will meet learners where they are. We also recently helped to launch the Moonshot for Equity in the northern Kentucky/southern Ohio ecosystem, joining a national effort to close equity gaps in higher education. The Moonshot aligns well with the work we have been doing on campus through Success by Design and takes that vision into the region at large with added support of resources and national experts.

We have much more work to take pride in around the region and the world. The Institute for Health Innovations recently received a \$1 million, three-year grant from the NIH to reduce the morbidity and mortality associated with substance use disorder in Carroll County. With that award, IHI has brought in more than \$10 million in federal and state grant dollars in the past three years to fund a variety of important projects and partnerships. We are partnering with the Brighton Center and city of Highland Heights on an innovative project called the Opportunity House that will create 16 affordable apartments for foster care alumni ages 18-to-24 and other vulnerable youth who are pursuing a college degree or professional certificate. Finally, we opened the newest NKU Residence Hall a few weeks ago to house up to 297 students, providing the latest in amenities for modern residence hall living. It is the first building on campus equipped with 100 percent geothermal heating and cooling equipment and is tracking for LEED-Certified certification.

Of course, much more work remains as we continue to address the needs of our learners and the region. I am inspired by the optimistic and innovative spirit of this community and I look forward to moving onward together towards another successful year.

Sincerely,



Ashish K. Vaidya, Ph.D.  
President

## Independent Auditor's Report

Board of Regents  
Northern Kentucky University  
Highland Heights, Kentucky

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the business-type activities, the discretely presented component unit and the fiduciary activities of Northern Kentucky University (University), collectively a component unit of the Commonwealth of Kentucky, as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit and the fiduciary activities of the University, as of June 30, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1u. to the financial statements, in 2021, the University adopted GASB Statement No. 84, *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension and other postemployment information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The letter from the president and the listing of the members of the Board of Regents and the University's administration are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**BKD, LLP**

Cincinnati, Ohio  
October 7, 2021

**Northern Kentucky University**  
**A Component Unit of the Commonwealth of Kentucky**  
**Management's Discussion and Analysis**  
**Years Ended June 30, 2021 and 2020**

Northern Kentucky University's (the University) Management's Discussion and Analysis of its financial condition provides an overview of the financial performance of the University and its affiliated corporations for the years ended June 30, 2021 and 2020, with selected comparative information for the year ended June 30, 2019. This discussion has been prepared by management and should be read in conjunction with the accompanying financial statements and notes.

As a public comprehensive university located in a major metropolitan area, the University delivers innovative, student-centered education and engages in impactful scholarly and creative endeavors, all of which empower our graduates to have fulfilling careers and meaningful lives, while contributing to the economic, civic, and social vitality of the region.

### **Financial Highlights**

The University's assets decreased by \$10.4 million, or 1.9 percent, for the year ended June 30, 2021 and now total \$541.2 million. Liabilities increased by \$220.0 million, or 39.3 percent, for the year ended June 30, 2021 primarily as a result of the University's issuance of taxable General Receipts bonds totaling \$205.5 million in April 2021 to finance the University's exit from the Kentucky Employers Retirement System (KERS) nonhazardous pension plan effective June 30, 2021. Bonds, notes and capital leases payable, net of discounts and premiums, totaled \$340.2 million and \$139.9 million at June 30, 2021 and 2020, respectively. Although the effective date for the University's exit from the KERS nonhazardous pension plan was June 30, 2021, the net pension and OPEB liabilities presented in the June 30, 2021 financial statements were measured as of June 30, 2020. As such, the liabilities as of June 30, 2021 include both the pension bonds and the pension and OPEB liabilities. The University's net position totaled \$(5.8) million and \$15.4 million at June 30, 2021 and 2020, respectively. For the years ended June 30, 2021 and 2020, the University recognized noncash expenses of \$2.3 million and \$0.4 million, respectively, in accordance with the OPEB reporting changes under GASB 75 and noncash expenses of \$13.9 million and \$18.9 million, respectively, in accordance with the pension reporting changes under GASB 68 and GASB 71 resulting in noncash expenses totaling \$35.5 million for the two-year period. Excluding the impact of the pension and OPEB reporting changes, the University's unrestricted net position would have increased by a combined \$0.4 million for the years ended June 30, 2021 and 2020.

The University's operating and nonoperating revenues totaled \$254.9 million for the year ended June 30, 2021, an increase of \$15.3 million compared to 2020. Operating revenues decreased by \$3.4 million for the year ended June 30, 2021, driven primarily by a decline in revenue generated by operations impacted by the pandemic. Gross tuition and fee revenues were down \$2.6 million for the year, however, combined with a \$3.2 million decrease in scholarship allowances, net tuition and fees actually increased by \$0.6 million. The University's housing, food service and parking operations all operated at reduced levels for the year resulting in a \$4.5 million decline in auxiliary enterprises revenues compared to the prior year, which was also impacted by the pandemic to a lesser extent. Fortunately, the University was able to offset some of the operating revenues that were lost due to the pandemic through federal grants funded by the *Federal Coronavirus Aid, Relief, and Economic Security Act* (the "CARES Act") and the *Coronavirus Response and Relief Supplemental Appropriations Act* (the "CRRSAA"). For the year ended June 30, 2021, the University recovered lost tuition and fees of \$3.5 million and lost auxiliary enterprises revenue totaling \$6.3 million through the CARES Act and CRRSAA grants. In total, \$12.2 million of revenue from the CARES Act and CRRSAA institutional grants was recognized for the year. In addition, the University received \$8.0 million in funding from the CARES Act and CRRSAA grants to fund emergency student aid grants. The University disbursed \$6.5 million and \$1.5 million in student emergency grants in fiscal years 2021 and 2020, respectively. The University also received \$2.4 million in Coronavirus Relief Funds (CRF) from the state during the year, however, the University's state appropriation was reduced by \$1.2 million in conjunction with the CRF grant.

Congress passed the American Rescue Plan Act of 2021 (the "ARP") in early March, 2021. The University received an ARP grant for emergency student aid of \$11,885,988 and an ARP grant for \$11,400,319 to fund institutional expenses and lost revenues directly related to the pandemic. During fiscal year 2021-22, the University will disburse the institutional and student aid ARP funds guided by the University's mission, values and strategic framework.

The University's state-funded endowments totaled \$15.9 million as of June 30, 2021. These funds, along with the private endowed gifts donated to benefit the University, are managed by Northern Kentucky University Foundation, Inc. (Foundation) and totaled \$130.0 million at June 30, 2021. For the five-year period that ended June 30, 2021, the endowment funds managed by the Foundation have grown from \$89.6 million to \$130.0 million, primarily due to excellent investment returns. The growth in the endowment funds have resulted in significant increases in the annual endowment spending allocations available to support the University's mission. For fiscal years 2021 and 2020, the endowment spending allocations, including support for endowed faculty positions and student scholarships, totaled \$4.4 million and \$4.5 million, respectively.

## Using the Financial Statements

The University's financial report includes five financial statements: the statement of net position; the statement of revenues, expenses and changes in net position, the statement of cash flows, the statement of fiduciary net position and statement of changes in fiduciary net position. These financial statements and accompanying footnotes are prepared in accordance with GASB principles, which establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a comprehensive, entity-wide basis to focus on the University as a whole. The University adopted GASB Statement No. 84, *Fiduciary Activities*, for the year ended June 30, 2021, which requires the University to report fiduciary activities in the fiduciary fund financial statements of the basic financial statements. The fiduciary activity is excluded from the condensed financial statements discussed below.

The University is a component unit of the Commonwealth of Kentucky. The financial statements of the University include the University and its blended component unit, the Northern Kentucky University Research Foundation, Inc. (Research Foundation). Financial statements for the University's discretely presented component unit, Northern Kentucky University Foundation, Inc. (Foundation), have also been included in accordance with GASB pronouncements. Financial statements presented for the Foundation consist of the consolidated statement of financial position and the consolidated statement of activities prepared in accordance with Financial Accounting Standards Board (FASB) pronouncements.

### Statement of Net Position

The statement of net position reflects the financial position of the University as of June 30, 2021, with comparative information as of June 30, 2020, and includes all assets, deferred outflows and inflows of resources, liabilities and net position. It is prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. Net position, consisting of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources, is one indicator of the current financial condition of the University. Assets, liabilities, deferred inflows and outflows of resources are generally measured using current values. A major exception is capital assets, which are stated at historical cost, less accumulated depreciation.

A summarized comparison of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position at June 30, 2021, 2020 and 2019 follows:

#### *Condensed Statements of Net Position (in thousands)*

	<u>2021</u>	<u>Restated 2020</u>	<u>Restated 2019</u>
<b>ASSETS</b>			
Current assets	\$ 133,760	\$ 134,955	\$ 125,009
Capital assets, net	370,714	366,619	381,014
Noncurrent assets	<u>36,683</u>	<u>49,993</u>	<u>22,547</u>
Total assets	<u>541,157</u>	<u>551,567</u>	<u>528,570</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>242,632</u>	<u>40,010</u>	<u>43,545</u>
<b>LIABILITIES</b>			
Current liabilities	48,488	43,578	38,182
Noncurrent liabilities	<u>731,881</u>	<u>516,761</u>	<u>472,233</u>
Total liabilities	<u>780,369</u>	<u>560,339</u>	<u>510,415</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>9,223</u>	<u>15,834</u>	<u>13,622</u>
<b>NET POSITION</b>			
Net investment in capital assets	252,560	261,818	278,002
Restricted			
Nonexpendable	7,616	7,616	7,616
Expendable	9,558	4,255	2,981
Unrestricted	<u>(275,537)</u>	<u>(258,285)</u>	<u>(240,521)</u>
Total net position	<u>\$ (5,803)</u>	<u>\$ 15,404</u>	<u>\$ 48,078</u>

## **Assets**

The University's assets decreased by \$10.4 million, or 1.9 percent, for the year ended June 30, 2021 and now total \$541.2 million. Current assets decreased by \$1.2 million for the year ended June 30, 2021. Noncurrent assets decreased by \$9.2 million for the year ended June 30, 2021 due primarily to a \$16.4 million decrease in noncurrent cash and cash equivalents, including \$15.1 million decrease in unspent bond proceeds. Unspent construction bond proceeds totaled \$17.2 million as of June 30, 2021 compared to \$32.3 million at June 30, 2020. The decrease in noncurrent cash and cash equivalents was partially offset by a \$4.1 million increase in net capital assets and a \$3.2 million increase in investments driven by excellent investment returns for the year.

Net capital assets increased by \$4.1 million for the year ended June 30, 2021 and decreased by \$14.4 million the prior year, resulting in a combined decrease of \$10.3 million, or 2.7 percent, since June 30, 2019. This two-year decrease is the net result of an \$30.5 million increase in capitalized construction project costs, land improvements, equipment and other capital assets, less \$40.8 million in depreciation. Net capital assets totaled \$370.7 million, or 68.5 percent of total assets as of June 30, 2021.

## **Deferred Outflows of Resources**

Deferred outflows of resources totaled \$242.6 million and \$40.0 million as of June 30, 2021 and 2020, respectively. Deferred outflows of resources related to the University's defined benefit pension and OPEB plans increased from \$37.5 million as of June 30, 2020 to \$240.4 million as of June 30, 2021 as a result of the \$204.0 million lump sum contribution the University paid to the Kentucky Employers Retirement System (KERS) in accordance with the requirements related to the University's withdrawal from the KERS non-hazardous plan. The deferred outflows of resources that represent the unamortized difference between the reacquisition price and the net carrying amount of refunded debt totaled \$2.2 million and \$2.6 million at June 30, 2021 and 2020, respectively.

## **Liabilities**

The University's liabilities increased by \$220.0 million, or 39.3 percent, for the year ended June 30, 2021 primarily as a result of the University's issuance of taxable General Receipts bonds totaling \$205.5 million in April 2021 to finance the University's exit from the KERS nonhazardous pension plan effective June 30, 2021. A \$7.0 million increase in the current portion of long-term debt and a \$2.2 million decrease in unearned grant revenue contributed to a \$4.9 million net increase in current liabilities. Noncurrent liabilities grew by \$215.1 million for the year as a result of a \$21.9 million growth in the University's net pension and OPEB liabilities and a \$193.3 million increase in long-term debt, which resulted from the issuance of the pension bonds. Bonds, notes and capital leases payable, net of discounts and premiums, totaled \$340.2 million and \$139.9 million at June 30, 2021 and 2020, respectively.

At June 30, 2021, the University's proportionate share of the KERS nonhazardous and hazardous net pension and OPEB liabilities totaled \$344.1 and \$61.5 million, respectively, which represents a \$35.7 million increase since June 30, 2019. This two-year increase resulted from a \$28.7 million increase in the University's net pension liability and a \$7.0 increase in the University's OPEB liability for post-employment health insurance coverage. Although the effective date for the University's exit from the KERS nonhazardous plan was June 30, 2021, the net pension and OPEB liabilities presented in the June 30, 2021 financial statements were measured as of June 30, 2020. As such, the liabilities as of June 30, 2021 include both the pension bonds and the pension and OPEB liabilities.

## **Deferred Inflows of Resources**

The University's deferred inflows of resources totaled \$9.2 million and \$15.8 million as of June 30, 2021 and 2020, respectively. Deferred inflows of resources related to the University's defined benefit pension and OPEB plan totaled \$8.3 million and \$15.0 million as of June 30, 2021 and 2020, respectively.

## **Net Position**

Net position represents the difference between the University's total of assets and deferred outflows of resources and the total of liabilities and deferred inflows of resources. The University's net position totaled \$(5.8) million and \$15.4 million at June 30, 2021 and 2020, respectively. For the years ended June 30, 2021 and 2020, the University recognized noncash expenses of \$2.3 million and \$0.4 million, respectively, in accordance with the OPEB reporting changes under GASB 75 and noncash expenses of \$13.9 million and \$18.9 million, respectively, in accordance with the pension reporting changes under GASB 68 and GASB 71 resulting in noncash expenses totaling \$35.5 million for the two year period. Excluding the impact of the pension and OPEB reporting changes, the University's unrestricted net position would have decreased by \$1.2 million and increased \$1.6 million for the years ended June 30, 2021 and 2020, respectively. Although the effective date for the University's exit from the KERS nonhazardous plan was June 30, 2021, the net pension and OPEB liabilities presented in the June 30, 2021 financial statements were measured as of June 30, 2020. Therefore, the liabilities as of June 30, 2021 include both the pension bonds liability and the pension and OPEB liabilities, resulting in a negative impact on the University's June 30, 2021 net position. The positive impact on the University's net position resulting from the University's exit from the KERS nonhazardous plan will not be reflected in the University's financial statements until fiscal year 2022.

Net invested in capital assets totaled \$252.6 million and \$261.8 million at June 30, 2021 and 2020, respectively. The \$25.4 million decrease in net invested in capital assets since June 30, 2019 resulted primarily from depreciation expenses totaling \$40.8 million during the two year period. At June 30, 2021, the University's restricted nonexpendable net position remained unchanged at \$7.6 million. The nonexpendable funds consist of endowments funded through the Commonwealth's Regional University Excellence Trust Fund. Restricted expendable net position increased by \$5.3 million primarily due to a \$3.4 million increase in accumulated endowment earnings, which was driven by excellent investment returns for the year ended June 30, 2021.

## Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. GASB requires state appropriations and nonexchange grants and contracts to be classified as nonoperating revenues. Accordingly, the University will generate an operating loss prior to the addition of nonoperating revenues.

This statement is prepared on the accrual basis of accounting whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

The utilization of long-lived assets, referred to as capital assets, is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life. A summarized comparison of the University's revenues, expenses and changes in net position for years ended June 30, 2021, 2020 and 2019 follows:

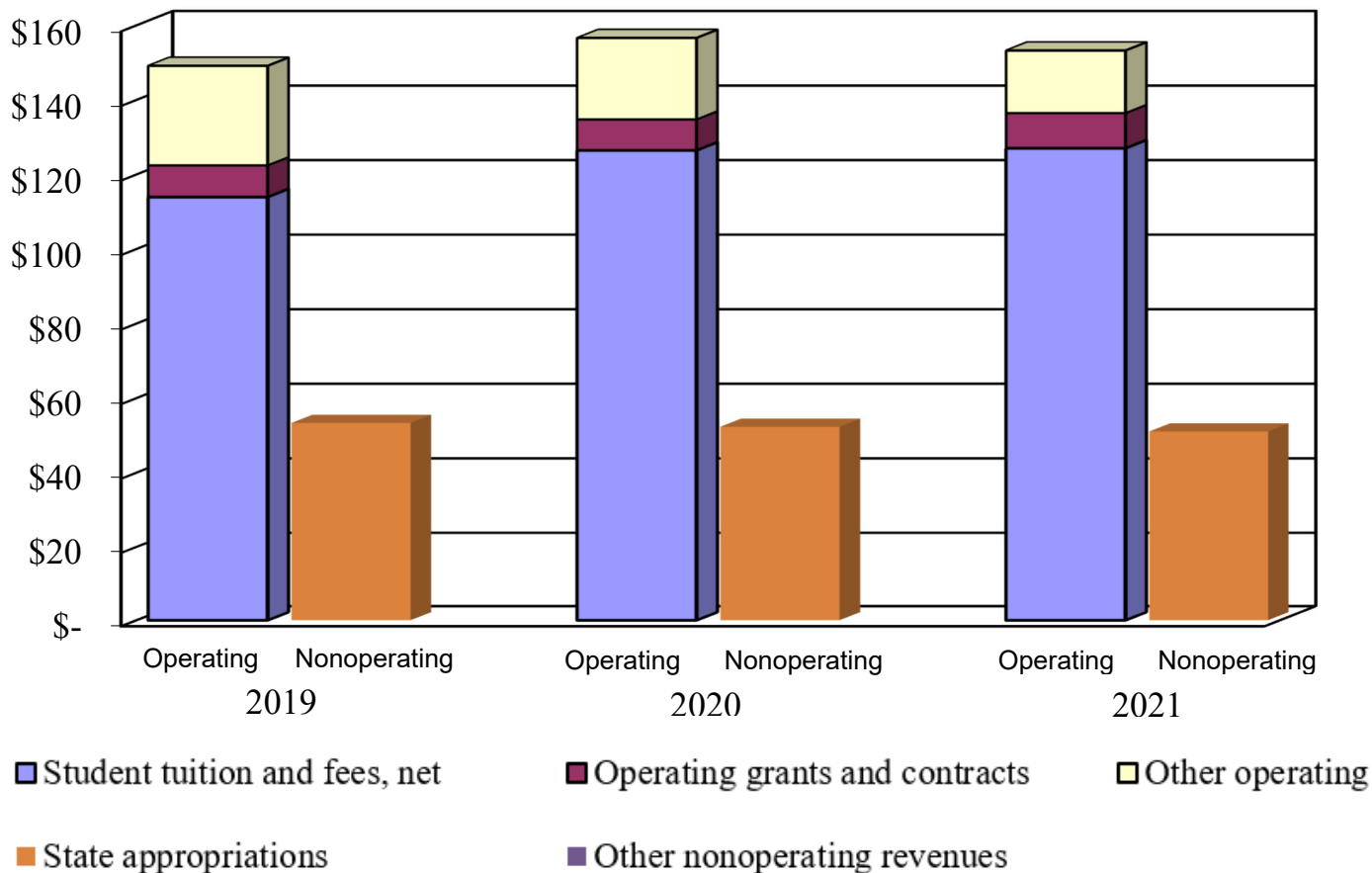
### *Condensed Statements of Revenues, Expenses and Changes in Net Position (in thousands)*

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>OPERATING REVENUES</b>			
Student tuition and fees, net	\$ 127,035	\$ 126,477	\$ 113,949
Grants and contracts	9,428	8,286	8,484
Sales and services of educational departments	3,036	3,543	4,286
Auxiliary enterprises	6,909	11,410	14,746
Other operating revenues	6,841	6,907	7,674
Total operating revenues	<u>153,249</u>	<u>156,623</u>	<u>149,139</u>
<b>OPERATING EXPENSES</b>			
Educational and general	242,517	240,161	221,189
Depreciation	16,513	16,995	18,231
Auxiliary enterprises (including depreciation)	10,147	10,992	11,660
Other expenses	30	122	70
Total operating expenses	<u>269,207</u>	<u>268,270</u>	<u>251,150</u>
Net loss from operations	<u>(115,958)</u>	<u>(111,647)</u>	<u>(102,011)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
State appropriations	51,040	52,300	53,315
Gifts, grants and contracts	46,696	29,109	26,436
Investment income (loss)	3,941	1,513	3,210
Interest on capital asset-related debt	(5,531)	(4,353)	(3,787)
Other nonoperating revenues (expenses)	(1,837)	43	(1,529)
Net nonoperating revenues	<u>94,309</u>	<u>78,612</u>	<u>77,645</u>
Income (loss) before other revenues, expenses, gains or losses	<u>(21,649)</u>	<u>(33,035)</u>	<u>(24,366)</u>
Capital grants and gifts	<u>442</u>	<u>361</u>	<u>7,534</u>
Total other revenues	<u>442</u>	<u>361</u>	<u>7,534</u>
Increase (decrease) in net position	<u>(21,207)</u>	<u>(32,674)</u>	<u>(16,832)</u>
Net position-beginning of year	<u>15,404</u>	<u>48,078</u>	<u>64,910</u>
Net position-end of year	<u>\$ (5,803)</u>	<u>\$ 15,404</u>	<u>\$ 48,078</u>



## Operating and Nonoperating Revenues

The following chart illustrates the University's revenues by source (both operating and nonoperating), which were used to fund its operating activities for fiscal years 2019, 2020 and 2021. Significant recurring sources of revenues, including state appropriations and nonexchange grants and contracts, are considered nonoperating revenues as defined by GASB. These revenues support operating expenses; therefore, they are included in the graph of revenues by source (presented in millions).



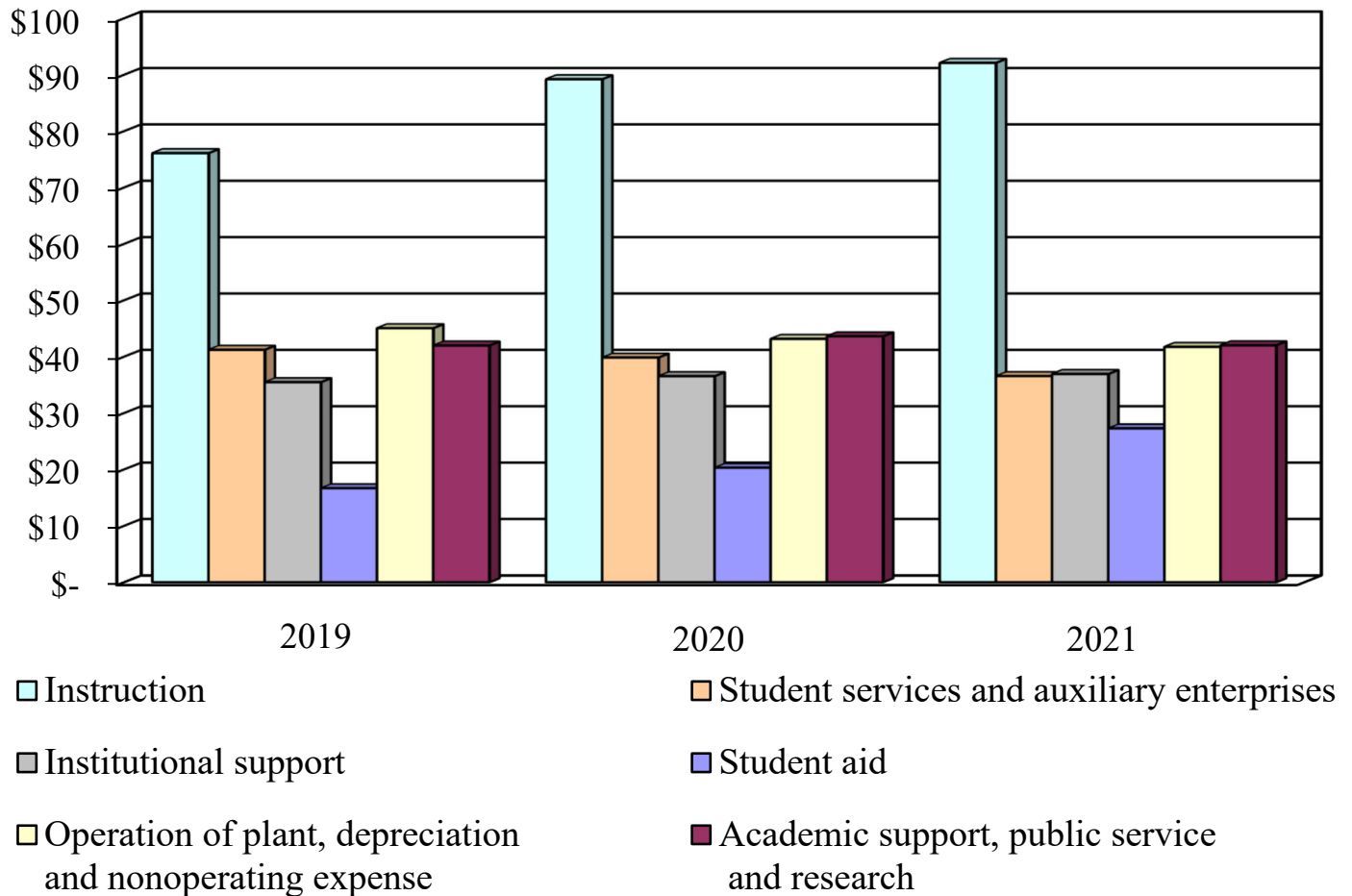
The University's operating and nonoperating revenues totaled \$254.9 million for the year ended June 30, 2021, an increase of \$15.3 million compared to 2020. Operating revenues totaled \$153.2 million, or 60.1 percent of revenues, while nonoperating revenues totaled \$101.7 million, or 39.9 percent of revenues, for the year. The most significant sources of revenue for the University are net student tuition and fees (49.8 percent) and state appropriations (20.0 percent).

Operating revenues decreased by \$3.4 million for the year ended June 30, 2021, driven primarily by a decline in revenue generated by operations impacted by the pandemic. Gross tuition revenues were down \$2.6 million for the year, however, combined with a \$3.2 million decrease in scholarship allowances, net tuition actually increased by \$0.6 million. The University's housing, food service and parking operations all operated at reduced levels for the year resulting in a \$4.5 million decline in auxiliary enterprises revenues compared to the prior year, which was also impacted by the pandemic to a lesser extent. Fortunately, the University was able to offset some of the operating revenues that were lost due to the pandemic through federal grants funded by the Federal Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and the Coronavirus Response and Relief Supplemental Appropriations Act (the "CRRSAA"). For the year ended June 30, 2021, the University recovered lost tuition and fees of \$3.5 million and auxiliary enterprises lost revenue totaling \$6.3 million through the CARES Act and CRRSAA grants. Operating grants and contracts increased by \$1.1 million, primarily due to a \$0.8 million increase in federal grants and an increase in operating grants from the Foundation.

Through the federal CARES and CRRSAA grants received in fiscal years 2020 and 2021, the University received \$8.0 million to fund emergency aid grants to students and an additional \$13.7 million to fund institutional expenses and lost revenues directly related to the pandemic. The University recognized \$3.0 million in CARES nonoperating grant revenue in fiscal year 2020 and \$18.7 million in CARES and CRRSAA nonoperating grant revenue in fiscal year 2021. The University also received \$2.4 million in Coronavirus Relief Funds (CRF) funds from the state during the year, however, the University's state appropriation was reduced by \$1.2 million in conjunction with the CRF grant. These grants contributed to increases of \$14.4 million and \$3.1 million in nonoperating federal and state and local grant revenues, respectively, for the year ended June 30, 2021. A \$2.4 million increase in investment income driven by excellent investment returns for the year also contributed to the \$18.7 million increase in nonoperating revenue for the year.

## Operating and Nonoperating Expenses

The following chart illustrates the University's expenses by function (both operating and nonoperating) for fiscal years 2019, 2020 and 2021 (presented in millions).



Operating and nonoperating expenses increased by \$4.0 million, or 1.4 percent, to a total of \$276.6 million for the year ended June 30, 2021. Instruction expenses increased by \$2.9 million due to a \$4.9 million increase in contract expenses related to the University's accelerated online courses, which was partially offset by decreases of \$1.2 million decrease in defined contribution and defined benefit retirement expenses. Public service expenses decreased for the year by \$1.2 million for the year resulting, in part, from a \$0.6 million decrease in salaries and benefit expenses and a \$0.6 million combined decrease in arena operating expenses and travel expenses due to the pandemic. Academic support expenses declined by \$0.7 million primarily due to a \$0.4 million decrease in defined contribution and defined benefit retirement expenses and a \$0.2 million decline in staff salaries and wages. A \$2.3 million decrease in student services expenses resulted primarily from a \$1.0 million decrease in intercollegiate athletics operating expenses and a \$0.6 million decrease in salaries and benefit expenses. Operation and maintenance of plant decreased by \$4.0 million due to a \$2.0 million decrease in salary and benefits, a \$1.4 million decrease in project expenses, and a \$0.4 million decrease in general institutional utility expenses.

Tuition and fee scholarship allowances and housing scholarship allowances decreased by \$3.4 million and student aid expenses increased by \$7.0 million resulting in an overall increase in student aid of \$3.6 million. The increase in student aid expenses was driven by a \$5.0 million increase in emergency student aid grants funded by the federal CARES Act and CRRSAA. Student grants funded by the CARES Act and CRRSAA totaled \$6.5 million and \$1.5 million for fiscal years 2021 and 2020, respectively. Institutionally funded scholarships declined by \$0.4 million for the year, including a \$2.6 million decrease in scholarships related to the University's online programs which was accompanied by a commensurate decrease in gross tuition for the online programs. State funded financial aid program expenses decreased by \$0.1 million while federal financial aid program expenses decreased by \$1.1 million for the year, including a \$1.1 million decline in Pell grant expenses.

For the years ended June 30, 2021, 2020 and 2019, cash and noncash pension and OPEB expenses totaled \$33.1 million, \$36.9 million and \$41.0 million, respectively. This \$7.9 million decrease in pension and OPEB expenses combined with a \$26.0 million net increase in non-pension and non-OPEB related expenses, resulted in a \$18.1 million increase in operating and nonoperating expenses from fiscal year 2019 to fiscal year 2021. Nonrecurring student aid expenses totaling \$6.5 million in fiscal year ended June 30, 2021, funded by the CARES Act and CRRSAA, contributed to this increase.

## Statement of Cash Flows

Another important factor to consider when evaluating financial viability is the University's ability to meet financial obligations as they become due. The statement of cash flows presents information related to cash inflows and outflows, summarized by operating, noncapital financing, capital and related financing, and investing activities. A comparative summary of the University's statements of cash flows for the years ended June 30, 2021, 2020 and 2019 follows:

### Condensed Statements of Cash Flows (in thousands)

	<u>2021</u>	<u>Restated 2020</u>	<u>Restated 2019</u>
Net cash provided (used) by:			
Operating activities	\$ (81,633)	\$ (69,681)	\$ (54,687)
Noncapital financing activities	95,701	83,269	79,862
Capital and related financing activities	(33,415)	22,689	(15,044)
Investing activities	750	2,856	2,744
Net increase (decrease) in cash and cash equivalents	(18,597)	39,133	12,875
Cash and cash equivalents, beginning of year	155,777	116,644	103,769
Cash and cash equivalents, end of year	<u>\$ 137,180</u>	<u>\$ 155,777</u>	<u>\$ 116,644</u>

The University's cash and cash equivalents decreased by \$18.6 million in 2021. Major sources of funds generated by operating activities in 2021 included student tuition and fees (\$125.4 million), grants and contracts (\$8.8 million) and auxiliary enterprises (\$6.9 million). The largest cash payments for operating activities were for salaries and benefits (\$150.8 million), vendor payments (\$54.1 million) and student financial aid (\$27.3 million). Net cash used by operating activities increased by \$12.0 million for the year primarily due to increases in payments for student financial aid (\$6.5 million) and payments to suppliers (\$4.3 million), which were partially offset by a \$4.5 million decrease in payments for salaries and benefits. A \$7.5 million increase in payments for contracted services related to the University's accelerated online programs contributed to the increase in payments to suppliers. Decreases in receipts from auxiliary enterprises (\$4.6 million) and sales and services of educational departments (\$0.9 million) also contributed to the increase in net cash used by operating activities for the year.

Net cash provided by noncapital financing activities increased by \$12.4 million for the year ended June 30, 2021 resulting primarily from an increase of \$13.5 million in receipts from federal and state grants related to pandemic relief, which was partially offset by a \$1.3 million decline in state appropriations. The \$33.4 million of net cash used by capital financing activities was driven by the \$24.1 million in purchases of capital assets funded primarily with bond proceeds issued in 2020 to finance student housing renovations and the construction of a new student residence hall. The University's principal and interest payments totaled \$13.1 million and \$12.1 million for fiscal years 2021 and 2020, respectively.

## Capital Asset and Debt Administration

### Capital Assets

As of June 30, 2021, capital assets, net of accumulated depreciation, totaled \$370.7 million, or 68.5 percent of total assets. Capital assets as of June 30, 2021, 2020 and 2019, and significant changes in capital assets during the years ended June 30, 2020 and 2021 are as follows (in thousands):

	<u>Balance June 30, 2019</u>	<u>Net Additions (Deletions)</u>	<u>Balance June 30, 2020</u>	<u>Net Additions (Deletions)</u>	<u>Balance June 30, 2021</u>
Land	\$ 9,629	\$ (232)	\$ 9,397	\$ (22)	\$ 9,375
Land Improvements	42,690	11	42,701	27	42,728
Buildings	538,531	(2,513)	536,018	2,393	538,411
Equipment	78,285	1,463	79,748	1,095	80,843
Library Books	13,552	(3,959)	9,593	(148)	9,445
Construction in Process	5,311	(1,546)	3,765	18,004	21,769
Accumulated Depreciation	(306,984)	(7,619)	(314,603)	(17,254)	(331,857)
	<u>\$ 381,014</u>	<u>\$ (14,395)</u>	<u>\$ 366,619</u>	<u>\$ 4,095</u>	<u>\$ 370,714</u>

Net capital assets increased by \$4.1 million for the year ended June 30, 2021 and decreased by \$14.4 million the prior year, resulting in a combined decrease of \$10.3 million, or 2.7 percent, since June 30, 2019. This two-year decrease is the net result of a \$30.5 million increase in capitalized construction project costs, land improvements, equipment and other capital assets, less \$40.8 million in depreciation. At June 30, 2021, the University had several major projects underway, including a new student residence hall that opened in August 2021 and several other student residence hall renovation projects.

## **Debt**

The following is a summary of the University's outstanding capital debt summarized by trust indenture and type as of June 30, 2021, 2020 and 2019 (in thousands):

	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Receipts Bonds, tax exempt, net of discounts and premiums	\$ 131,349	\$ 135,916	\$ 103,899
General Receipts Bonds, taxable	205,450	-	-
Housing and Dining System Revenue Bonds	-	205	405
Notes payable and municipal lease obligations	3,387	3,744	4,090
	<u>\$ 340,186</u>	<u>\$ 139,865</u>	<u>\$ 108,394</u>

Debt increased by \$200.3 million for the year ended June 30, 2021, primarily due to the April 20, 2021 issuance of \$205.5 million in General Receipts Bonds, 2021 Taxable Series A, to finance the University's initial payment required for the University's cessation from the KERS nonhazardous pension plan. On November 4, 2020, \$5.8 million in General Receipts Refunding Bonds 2020 Series A were issued to refund \$6.1 million in outstanding 2010 Series B bonds, resulting in a present value savings of \$0.6 million. On November 4, 2020, the University also issued \$3.4 million in General Receipts Bonds, 2020 Series B, to finance student housing renovations.

Although the University's outstanding bonds increased significantly as a result of the issuance of the taxable pension bonds, the University's exit from the severely underfunded KERS nonhazardous pension plan will ultimately result in a stronger financial position, with the elimination of the University's net pension liability, and associated deferred inflows and deferred outflows. The University's net pension and OPEB liabilities reported in the June 30, 2021 financial statements, which were measured as of June 30, 2020, totaled \$403.2 million for the KERS nonhazardous pension plan. The University's combined debt service and defined contribution cash payments will be significantly less than the University's current cash contributions to the KERS nonhazardous pension plan. The current bond rating assigned by Moody's Investors Service (A1 stable) to the University's General Receipts bonds reflects the University's solid financial position.

## **ECONOMIC FACTORS IMPACTING FUTURE PERIODS**

The University continues to move forward in implementing our Success By Design strategic framework focused on advancing student success aligned with the needs of the region. Progress in year two includes the development of the Success by Design Metrics. These metrics will allow us to assess whether our work is impacting student success and enable us to set target goals for key metrics. The University will also implement four campus-wide initiatives all aimed at better supporting students and improving the student experience. These four projects, combined with our recent acceptance into the EAB Moonshot for Equity project, will help achieve the goals of increasing access, achieving higher levels of completion and advance opportunities for career and community engagement across all student populations. The University's vision continues to be a student-ready and regionally engaged university that empowers diverse learners for economic and social mobility.

The University's housing, food service and parking operations all operated at reduced levels for fiscal year 2021 resulting in a \$4.5 million decline in auxiliary enterprises revenues compared to the prior year, which was also impacted by the pandemic for part of the year. Fortunately, the University was able to offset some of the operating revenues that were lost due to the pandemic through federal grants funded by the Federal *Coronavirus Aid, Relief, and Economic Security Act* (the "CARES Act") and the *Coronavirus Response and Relief Supplemental Appropriations Act* (the "CRRSAA"). For the year ended June 30, 2021, the University recovered lost tuition and fees of \$3.5 million and lost auxiliary enterprises revenue totaling \$6.3 million through the CARES Act and CRRSAA grants. In total, \$12.2 million of federal grant revenue from the CARES Act and CRRSAA institutional grants was recognized for the year. In addition, the University received \$8.0 million in funding from the CARES Act and CRRSAA grants to fund emergency student aid grants. The University disbursed \$6.5 million and \$1.5 million in student emergency grants in fiscal years 2021 and 2020, respectively. The University also received \$2.4 million in Coronavirus Relief Funds (CRF) funds from the state during the year, however, the University's state appropriation was reduced by \$1.2 million in conjunction with the CRF grant.

The fiscal year 2021-22 budget includes a 1% undergraduate tuition rate increase and reflects an expected overall tuition revenue increase of \$9.6 million over the prior year budget. The increase in tuition revenue is from the expected continued strong growth in the accelerated online programs. The budget also includes an increase in the state appropriations of \$2.9 million over the prior year budget. The increase in the state appropriation was due to the enacted budget for 2021-22 including \$17 million for the Postsecondary Education Performance Fund of which the University received \$2.9 million. As a result of the exit from the KERS non-hazardous pension plan as of June 30, 2021, the reduction in pension contributions offset by the pension bond payments will result in budgeted expenses lower by over \$4.5 million for fiscal 2021-22. However, overall budgeted expenses will be up as a result of higher compensation as a result of reinstating the salary reductions from fiscal year 2020-21 and a small compensation increase. In addition, expenses are budgeted to be higher for the revenue share with the accelerated online partner as a result of the higher projected accelerated online revenues. The fiscal year 2021-22 budget anticipates using some of the \$11.4 million in American Rescue Plan (ARP) relief funds allocated to the University to offset some of the anticipated lost revenues related to the pandemic. The University announced in July 2021 a plan to use \$3 million of ARP funding for equity initiatives that prioritize students impacted the most during the pandemic. The equity initiatives include eliminating \$600,000 in student debt, providing \$250 bookstore vouchers to all undergraduates and enhanced mental health services. Aligning the equity initiatives with the three pillars of student success continues the important work outlined in our strategic framework. The University also developed a plan to distribute in fiscal year 2021 an additional \$11.9 million in ARP relief funds for emergency student aid to the students that have been most impacted by the pandemic. University management will continue to closely monitor the potential disruption and financial uncertainties of the COVID-19 pandemic.

The COVID-19 pandemic continues to have a significant impact on enrollments. While many institutions are experiencing declines, the University is seeing relatively flat enrollment with overall enrollment of 15,687 students, which is down only 5 students compared to 1st day last year. The enrollment continues to be driven by graduate growth, primarily in the accelerated online programs. Moving forward the focus for the University will be on program portfolio, pipeline growth, external partnerships, promotion, and belonging. The Board of Regents recently approved the continuation of the Success by Design strategic plan to support initiatives aligned with enrollment.

On a national level, there are many factors that could have an impact on future periods. Those include federal policy and the shifts in the labor market including workers desire to continue to work remote. Federal policy related to higher education is currently focused on campus infrastructure, free community college, and changes to federal financial aid. Management will continue to monitor what is taking place in Washington and advocate for policies that support the University's ability to provide affordable, equitable, and quality education for our students. In regards to the labor market and remote work policies, the University will continue to focus on compensation strategies and flexible work policies that ensure we maintain a stable and quality workforce.

At its meeting on December 2, 2020, the University's Board of Regents approved the University's cessation of its participation in the Kentucky Employees Retirement System (KERS) non-hazardous plan by authorizing a "Soft Freeze" lump sum payment to KERS. Under the Soft Freeze cessation option, all Tier 1 and Tier 2 employees will remain in KERS. Tier 3 employees and all new employees will participate in the University's defined contribution plan. The University's cessation liability for the Tier 1 and 2 employees includes the unfunded liability as of the cessation date plus the present value liability of the estimated normal cost for future service as determined by KERS.

The decision to exit the KERS non-hazardous plan was made to avoid the escalating cost of the participation contributions which were expected to increase nearly \$14 million from FY21 to FY22 based on the information available at the time of the decision. Based on the recommended actuarial required contribution, the University's contribution could have increased in the next State Budget to a contribution rate of 85.03 percent, substantially increasing participation costs to the University. This exit from the pension plan was permitted under the *Pension Cessation Act*. The University's cessation of its obligations under the KERS non-hazardous plan was effective June 30, 2021, other than its obligation with respect to the amount which may be owed to KERS when the final lump sum, unfunded liability calculations have been completed.

Although the effective date for the University's exit from the KERS nonhazardous plan was June 30, 2021, the net pension and OPEB liabilities presented in the June 30, 2021 financial statements were measured as of June 30, 2020. Therefore, the liabilities as of June 30, 2021 include both the pension bonds liability and the pension and OPEB liabilities, resulting in a negative impact on the University's June 30, 2021 net position. The positive impact on the University's net position resulting from the University's exit from the KERS nonhazardous plan will not be reflected in the University's financial statements until fiscal year 2022.

The revenue outlook for the Commonwealth of Kentucky has improved significantly according to the 2021 annual edition of Commonwealth of Kentucky Quarterly Economic & Revenue Report (Revenue Report). Kentucky's general fund receipt for fiscal year 2021 were much better than expected. Vaccination progress, federal government aid to individuals and businesses, and increasing consumer confidence all contributed to an improved Kentucky economy which resulted in higher tax receipts. The state deposited the resulting \$1.1 billion revenue surplus for the year into the state's Budget Reserve Trust Fund, known as the "rainy day fund", raising the total balance in the fund to \$1.9 billion as of June 30, 2021. The Revenue Report indicates the recent growth in general fund receipts is expected to continue throughout the forecast horizon (through the first three quarters of fiscal year 2022). The state benefited significantly from the infusion of federal relief funds related to the pandemic.

Management is continuing its efforts to diversify revenue sources, contain costs and redirect resources to core mission priorities. The University is working with a partner to develop property at the University's main entrance. Phase One, which was completed in April 2020, is a 65,000 square foot office building and associated parking garage on the north side of the Nunn Drive intersection for St. Elizabeth Healthcare and OrthoCincy. The University has a ground lease with St. Elizabeth for an initial term of 25 years in which St. Elizabeth pays the University an annual base rent. Phase Two, on the south side of Nunn Drive, will be a mixed-use development of full-service and casual restaurant and retail tenants; market rate apartments; parking; and, potentially some office space. Retail uses will result in a safe, active pedestrian experience, complete with al fresco dining on patios, sidewalk amenities, public art installations and an urban environment that embraces the notion of a unique street experience. This development will energize the entrance to the university and transform it into a regional gathering place for both the campus and the community. The University signed a ground lease with Fairmount Properties in March 2021 for a term of 75 years in which Fairmount Properties will pay the University an annual base rent. The University has no obligation for the construction, financing, or operation of the development. The groundbreaking for the development is expected to occur later this year or early 2022 with completion anticipated in mid to late 2023.

In summary, management faced many challenges during the fiscal year, including guiding the campus community through the constantly changing environment being driven by the ongoing pandemic. In addition, management worked closely with the Board and University constituencies to navigate the complex issues related to the options available to the University to exit the KERS nonhazardous pension plan. Although, the University had to include both the pension bonds liability and the pension and OPEB liabilities in the financial statements for the fiscal year ended June 30, 2021, the University's future financial statements will reflect the positive impact from reduced annual pension contributions and reduced liabilities related to employee pensions. With the reduction in pension related payments, the University will continue to show solid operating performance as measured by cash flows. The strategies that drive success by design across the three pillars of access, completion and career and community engagement are as relevant as ever. These strategies are designed to increase enrollment, support students from diverse backgrounds, increase student retention rates, maintain academic quality, deepen regional engagement and increase net tuition revenue. For the five-year period that ended June 30, 2021, the endowment funds managed by the Foundation have grown from \$89.6 million to \$130.0 million, primarily due to excellent investment returns. The continued growth in funds provided through endowments, gifts, and other sources of revenues will be essential as the University strives to meet the needs of our students. The University's current multi-year fundraising campaign is closing in on its public goal of \$75 million. Even though economic challenges will continue to have an impact on the future, management believes the University is well-positioned to maintain its sound financial position and will continue to provide excellent services to students, the community, and the Commonwealth.

**Northern Kentucky University**  
**A Component Unit of the Commonwealth of Kentucky**  
**Statements of Net Position**  
**As of June 30, 2021 and 2020**  
*(in thousands)*

	<b>2021</b>	<b>Restated 2020</b>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 117,922	\$ 120,166
Notes, loans and accounts receivable, net	12,726	11,518
Other current assets	3,112	3,271
Total current assets	133,760	134,955
Noncurrent Assets		
Cash and cash equivalents	19,258	35,611
Investments	15,889	12,697
Notes, loans and accounts receivable, net	1,220	1,399
Capital assets, net	370,714	366,619
Other noncurrent assets	316	286
Total noncurrent assets	407,397	416,612
Total assets	541,157	551,567
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Bond refunding loss	2,188	2,550
Pension and OPEB	240,444	37,460
Total deferred outflows of resources	242,632	40,010
 <b>LIABILITIES</b>		
Current Liabilities		
Accounts payable and accrued liabilities	21,662	21,302
Unearned revenue	10,664	12,873
Long-term debt-current portion	15,777	8,795
Other long-term liabilities-current portion	385	608
Total current liabilities	48,488	43,578
Noncurrent Liabilities		
Deposits	38	39
Long-term debt	324,409	131,070
Other long-term liabilities	1,892	2,004
Net pension and OPEB liability	405,542	383,648
Total noncurrent liabilities	731,881	516,761
Total liabilities	780,369	560,339
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Service agreements	970	803
Pension and OPEB	8,253	15,031
Total deferred inflows of resources	9,223	15,834
 <b>NET POSITION</b>		
Net investment in capital assets	252,560	261,818
Restricted		
Nonexpendable	7,616	7,616
Expendable	9,558	4,255
Unrestricted	(275,537)	(258,285)
Total net position	\$ (5,803)	\$ 15,404

See accompanying notes to the financial statements

**Northern Kentucky University Foundation, Inc.**  
**Consolidated Statements of Financial Position**  
**As of June 30, 2021 and 2020**  
*(in thousands)*

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 11,996	\$ 9,007
Loans and accounts receivable, net	165	452
Contributions receivable, net	4,926	6,545
Prepaid expenses and deferred charges	207	130
Investments	134,768	106,234
Land and land improvements, net	323	355
Total assets	<u>\$152,385</u>	<u>\$122,723</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 243	\$ 395
Deferred income	675	674
Notes payable	-	2,000
Funds held in trust for Northern Kentucky University	15,889	12,487
Total liabilities	16,807	15,556
 <b>NET ASSETS</b>		
Without Donor Restrictions		
For current operations	2,959	1,751
Amounts functioning as endowment funds	3,367	2,571
Invested in land and land improvements	323	355
Total without donor restrictions	6,649	4,677
With Donor Restrictions		
Unexpended funds received for restricted purposes	12,854	10,098
Contributions receivable	4,926	6,545
Loan funds	435	408
Endowment funds	110,714	85,439
Total with donor restrictions	128,929	102,490
Total net assets	135,578	107,167
Total liabilities and net assets	<u>\$152,385</u>	<u>\$122,723</u>

*See accompanying notes to the financial statements*



**Northern Kentucky University**  
**A Component Unit of the Commonwealth of Kentucky**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**For the Years Ended June 30, 2021 and 2020**  
*(in thousands)*

	<b>2021</b>	<b>2020</b>
<b>OPERATING REVENUES</b>		
Student tuition and fees (net of scholarship allowances of \$41,476 in 2021 and \$44,690 in 2020)	\$ 127,035	\$ 126,477
Federal grants and contracts	3,247	2,411
State and local grants and contracts	2,865	2,961
Nongovernmental grants and contracts	3,316	2,914
Sales and services of educational departments	3,036	3,543
Auxiliary enterprises		
Housing and food service (net of scholarship allowances of \$679 in 2021 and \$1,008 in 2020)	4,912	8,462
Other auxiliaries	1,997	2,948
Other operating revenues	6,841	6,907
Total operating revenues	153,249	156,623
<b>OPERATING EXPENSES</b>		
Educational and general		
Instruction	92,098	89,201
Research	2,867	2,339
Public service	9,855	11,061
Libraries	5,371	5,560
Academic support	23,915	24,646
Student services	26,374	28,722
Institutional support	36,920	36,536
Operation and maintenance of plant	17,845	21,800
Depreciation	16,513	16,995
Student aid	27,272	20,296
Auxiliary enterprises		
Housing and food service	5,364	6,018
Other auxiliaries	1,159	1,271
Auxiliary depreciation	3,624	3,703
Other expenses	30	122
Total operating expenses	269,207	268,270
Net income (loss) from operations	(115,958)	(111,647)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	51,040	52,300
Federal grants and contracts	31,970	17,526
State and local grants and contracts	14,653	11,524
Private gifts and grants	73	59
Investment income (loss)	3,941	1,513
Interest on capital asset-related debt	(5,531)	(4,353)
Other nonoperating revenues (expenses)	(1,837)	43
Net nonoperating revenues	94,309	78,612
Income (loss) before other revenues, expenses, gains or losses	(21,649)	(33,035)
Capital grants and gifts	442	361
Total other revenues	442	361
Increase (decrease) in net position	(21,207)	(32,674)
<b>NET POSITION-BEGINNING OF YEAR</b>	15,404	48,078
<b>NET POSITION-END OF YEAR</b>	\$ (5,803)	\$ 15,404

See accompanying notes to the financial statements

**Northern Kentucky University Foundation, Inc.**  
**Consolidated Statements of Activities**  
**For the Year Ended June 30, 2021**  
*(in thousands)*

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Gifts and bequests	\$ 1	\$ 4,879	\$ 4,880
State grants	-	12	12
Rental income	142	1	143
Investment return	842	28,166	29,008
Gain on sale of land	1,040	-	1,040
Other revenue	124	227	351
Total revenues and gains	<u>2,149</u>	<u>33,285</u>	<u>35,434</u>
Net assets released from restrictions	6,452	(6,452)	-
Total revenues, gains and other support	<u>8,601</u>	<u>26,833</u>	<u>35,434</u>
<b>EXPENSES AND LOSSES</b>			
Program expenses			
Instruction	710	-	710
Research	104	-	104
Public service	221	-	221
Libraries	5	-	5
Academic support	809	-	809
Student services	354	-	354
Institutional support	734	-	734
University facilities and equipment acquisition	3	-	3
Student financial aid	3,182	-	3,182
Other program expenses and losses	-	394	394
Total program expenses	<u>6,122</u>	<u>394</u>	<u>6,516</u>
Support expenses			
Management and general	444	-	444
Fund raising support	63	-	63
Rental property	-	-	-
Total support expenses	<u>507</u>	<u>-</u>	<u>507</u>
Total expenses and losses	<u>6,629</u>	<u>394</u>	<u>7,023</u>
Increase (decrease) in net assets	1,972	26,439	28,411
Net assets-beginning of year	4,677	102,490	107,167
Net assets-end of year	<u>\$ 6,649</u>	<u>\$ 128,929</u>	<u>\$ 135,578</u>

*See accompanying notes to the financial statements*

**Northern Kentucky University Foundation, Inc.**  
**Consolidated Statements of Activities**  
**For the Year Ended June 30, 2020**  
*(in thousands)*

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Gifts and bequests	\$ 1	\$ 8,887	\$ 8,888
State grants	-	539	539
Rental income	131	-	131
Investment return	18	(2,957)	(2,939)
Other revenue	122	563	685
Total revenues and gains	272	7,032	7,304
Net assets released from restrictions	7,338	(7,338)	-
Total revenues, gains and other support	7,610	(306)	7,304
<b>EXPENSES AND LOSSES</b>			
Program expenses			
Instruction	765	-	765
Research	66	-	66
Public service	735	-	735
Libraries	10	-	10
Academic support	1,038	-	1,038
Student services	592	-	592
Institutional support	932	-	932
University facilities and equipment acquisition	150	-	150
Student financial aid	2,557	-	2,557
Other program expenses and losses	-	10	10
Total program expenses	6,845	10	6,855
Support expenses			
Management and general	503	-	503
Fund raising support	204	-	204
Rental property	4	-	4
Total support expenses	711	-	711
Total expenses and losses	7,556	10	7,566
Increase (decrease) in net assets	54	(316)	(262)
Net assets-beginning of year	4,623	102,806	107,429
Net assets-end of year	\$ 4,677	\$ 102,490	\$ 107,167

*See accompanying notes to the financial statements*

**Northern Kentucky University**  
**A Component Unit of the Commonwealth of Kentucky**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2021 and 2020**  
*(in thousands)*

	<b>2021</b>	<b>Restated 2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 125,383	\$ 125,433
Grants and contracts	8,849	8,510
Payments to suppliers	(54,050)	(49,776)
Payments for salaries and benefits	(150,768)	(155,317)
Payments for student financial aid	(27,295)	(20,770)
Loans issued to students	(190)	(55)
Collection of loans to students	136	169
Auxiliary enterprise receipts:		
Housing operations	4,911	8,484
Other auxiliaries	1,974	3,028
Sales and service of educational departments	2,672	3,615
Other receipts (payments)	6,745	6,998
Net cash used by operating activities	<u>(81,633)</u>	<u>(69,681)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State appropriations	51,040	52,300
Gifts and grants for other than capital purposes	44,618	31,111
Agency and loan program receipts	98,213	103,982
Agency and loan program disbursements	(98,187)	(104,124)
Proceeds from noncapital debt and leases	205,450	-
KERS cessation payment	(204,000)	-
Noncapital bond issuance costs	(1,433)	-
Net cash provided by noncapital financing activities	<u>95,701</u>	<u>83,269</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from capital debt and leases	9,912	39,936
Capital grants, gifts, and advances received	54	476
Proceeds from sale of capital assets	6	2,963
Purchases of capital assets	(24,074)	(7,959)
Principal paid on capital debt and leases	(8,047)	(7,751)
Bond refund escrow payment	(6,140)	-
Interest paid on capital debt and leases	(5,007)	(4,358)
Bond issuance costs	(119)	(618)
Net cash provided (used) by capital and related financing activities	<u>(33,415)</u>	<u>22,689</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investments	453	826
Purchase of investments	(143)	(267)
Interest on investments	440	2,297
Net cash provided by investing activities	<u>750</u>	<u>2,856</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(18,597)</b>	<b>39,133</b>
Cash and cash equivalents-beginning of year	<u>155,777</u>	<u>116,644</u>
Cash and cash equivalents-end of year	<u><u>\$ 137,180</u></u>	<u><u>\$ 155,777</u></u>

*See accompanying notes to the financial statements*

**Northern Kentucky University**  
**A Component Unit of the Commonwealth of Kentucky**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2021 and 2020**  
*(in thousands)*

	<b>2021</b>	<b>Restated 2020</b>
<b>RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:</b>		
Net loss from operations	\$ (115,958)	\$ (111,647)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	20,137	20,698
Deferred inflows of resources	(6,611)	2,212
Deferred outflows of resources	1,015	3,175
Changes in assets and liabilities:		
Receivables, net	(1,015)	501
Other assets	206	(62)
Accounts payable, accrued liabilities and deposits	(879)	1,142
Unearned revenue	(153)	1,456
Pension and OPEB	21,894	13,782
Long-term liabilities	(269)	(938)
Net cash used by operating activities	\$ (81,633)	\$ (69,681)
<b>SUPPLEMENTAL CASH FLOWS INFORMATION</b>		
Gifts of capital assets	\$ 330	\$ 41
Capital asset acquisitions in accounts payable	3,209	3,048
Unrealized gains and losses on investments	3,256	1,018

*See accompanying notes to the financial statements*

**Northern Kentucky University**  
**A Component Unit of the Commonwealth of Kentucky**  
**Statements of Fiduciary Net Position**  
**Custodial Funds**  
**As of June 30, 2021 and 2020**  
*(in thousands)*

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 12,307	\$ 11,446
Accounts receivable, net	-	167
Total assets	<u>12,307</u>	<u>11,613</u>
<b>LIABILITIES</b>		
Accounts payable and other liabilities	108	93
Total liabilities	<u>108</u>	<u>93</u>
<b>NET POSITION</b>		
Restricted for:		
Individuals, organizations and other governments	12,199	11,520
Total net position	<u>\$ 12,199</u>	<u>\$ 11,520</u>

*See accompanying notes to the financial statements*

**Northern Kentucky University**  
**A Component Unit of the Commonwealth of Kentucky**  
**Statements of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Years Ended June 30, 2021 and 2020**  
*(in thousands)*

	<u>2021</u>	<u>2020</u>
<b>ADDITIONS</b>		
In-lieu fees	\$ 2,651	\$ 1,440
Investment income	6	140
Total additions	<u>2,657</u>	<u>1,580</u>
<b>DEDUCTIONS</b>		
Contract expense	1,240	943
Land & Right of Way	579	280
Administrative fees	159	87
Total deductions	<u>1,978</u>	<u>1,310</u>
Net increase (decrease) in fiduciary net position	679	270
Net position - beginning of year	11,520	11,250
Net position - end of year	<u>\$ 12,199</u>	<u>\$ 11,520</u>

*See accompanying notes to the financial statements*

**Northern Kentucky University**  
**A Component Unit of the Commonwealth of Kentucky**  
**Notes to the Financial Statements**  
**For the Years Ended June 30, 2021 and 2020**

**Note 1 – Organization and Summary of Significant Accounting Policies**

**a. Reporting Entity**

Northern Kentucky University (the University) is a component unit of the Commonwealth of Kentucky (Commonwealth) and is included in the general-purpose financial statements of the Commonwealth. The financial statements of the University include the operations of the Northern Kentucky University Research Foundation (Research Foundation), which is a legally separate, tax-exempt organization supporting the University. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 61, the Research Foundation is reported as a blended component unit of the University and condensed financial information is provided in Note 13.

The Northern Kentucky University Foundation, Inc. (the Foundation) is a legally separate, tax-exempt organization supporting the University. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the University in support of its programs. The Foundation's Board of Directors is self-perpetuating and consists of graduates and friends of the University. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources the Foundation holds and invests are restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements.

The accompanying financial statements do not include the financial position or operating results of the Chase College Foundation, Inc. This foundation is a separately incorporated not-for-profit entity organized for the purpose of promoting the educational mission of the University's Salmon P. Chase College of Law. Although this entity benefits the University's Salmon P. Chase College of Law, it is governed by an independent Board of Directors and is not controlled by the University.

**b. Basis of Presentation**

The accompanying financial statements of the University have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the GASB. In accordance with GASB Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities* (GASB 35) and subsequent standards issued by GASB, the University has elected to report as an entity engaged in business-type activities (BTA). BTAs are those activities that are financed in whole or part by fees charged to external parties for goods and services. GASB 35 establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following net position categories:

- **Net investment in capital assets:** Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets, and deferred outflows related to debt refunding.
- **Restricted:**
  - Nonexpendable* – Net position subject to externally imposed stipulations that they be maintained permanently by the University.
  - Expendable* – Net position whose use by the University is subject to externally imposed stipulations that can be fulfilled by actions of the University pursuant to those stipulations or that expire by the passage of time. Expendable net position consists primarily of accumulated endowment earnings.
- **Unrestricted:** Net position whose use by the University is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Regents or may otherwise be limited by contractual agreements with outside parties.

The financial statement presentation required by GASB is intended to provide a comprehensive, entity-wide perspective of the University's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, changes in net position and cash flows.

**c. Accrual Basis**

The financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when an obligation has been incurred.

**d. Cash and Cash Equivalents**

Cash and cash equivalents include all readily available sources of cash such as petty cash, demand deposits, certificates of deposit and temporary investments in marketable debt securities with original maturities less than three months. Funds held by the Commonwealth of Kentucky are also considered cash equivalents.

**e. Notes, Loans and Accounts Receivable**

This classification consists of tuition and fee charges to students, charges for auxiliary enterprise services provided to students, faculty and staff, loans to students and amounts due from sponsors for reimbursement of expenses made pursuant to contracts and grants. Accounts receivable are recorded net of estimated uncollectible amounts based upon a review of outstanding receivables, historical collection information and existing economic conditions.

**f. Capital Assets**

Capital assets are stated at cost at date of acquisition or, in the case of gifts, at fair market value at date of gift. Equipment with a unit cost of \$5,000 or more and having an estimated useful life of greater than one year is capitalized. Renovations to buildings, infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred.

Depreciation of capital assets is computed on a straight-line basis over the estimated useful lives of the respective assets, generally 40 years for land improvements, 10 – 40 years for buildings and fixed equipment, 10 years for library books and 3 – 10 years for equipment. The University capitalizes, but does not depreciate, works of art and historical treasures that are held for exhibition, education, research and public service.

The University evaluates capital and lease assets for impairment whenever events or circumstances indicate significant, unexpected decline in the service utility of a capital and lease asset has occurred. If a capital or lease asset is tested for impairment and the magnitude of the decline in service utility is significant and unexpected, an impairment loss would be recorded. No impairment losses were recognized during the years ended June 30, 2021 or 2020.

**g. Compensated Absences**

University policies permit employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation benefits are earned whether the employee is expected to realize the benefit as time off or in cash. Sick leave benefits are recognized as expense when the time off occurs and no liability is accrued for such benefits employees have earned but not yet realized except for employees currently eligible to retire from the Kentucky Employers Retirement System (KERS). A liability is accrued equal to the estimated amount to be paid to KRS for sick leave converted to time worked at retirement. Compensated absence liabilities are computed using the regular pay rates in effect at the statement of net position date plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

**h. Investments**

Investments are carried at fair value. Fair value is determined using quoted market prices. Investment income consists of interest and dividend income, realized gains and losses and the net change for the year in the fair value of investments carried at fair value.

**i. Unearned Revenue**

Unearned revenue includes amounts received for tuition and other student fees prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenue also includes amounts received from grants and contracts sponsors that have not yet been earned. Unearned revenue is recognized as services are rendered.

**j. Cost-Sharing Defined Benefit Pension Plan**

The University participates in a cost-sharing multiple-employer defined benefit pension plan Kentucky Retirement Systems, (KRS). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**k. Cost-Sharing Defined Benefit Other Postemployment Benefit Plan**

The University participates in a cost-sharing multiple-employer defined benefit other postemployment benefit plan, KRS, (the OPEB Plan). For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deduction from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



#### **l. Deferred Outflows and Inflows of Resources**

A deferred outflow of resources is a loss in net position by the University that is applicable to a future reporting period. Deferred outflows of resources are reported in the statement of net position, but are not recognized in the financial statements as expense until the related period. Deferred outflows of resources include \$2,188,000 and \$2,550,000 of losses on bond refunding for the years ended June 30, 2021 and 2020, respectively. The remaining balance of deferred outflows for years ended June 30, 2021 and 2020 consist of the KERS pension and OPEB related unamortized balances.

A deferred inflow of resources is a gain in net position by the University that is applicable to a future reporting period. Deferred inflows of resources are reported in the statement of net position but are not recognized in the financial statements as revenue until in the related period. The agreement between the University and the University's food service providers resulted in a deferred inflow of resources of \$970,000 and \$803,000 at June 30, 2021 and 2020, respectively. The deferred inflows of resources related to this agreement are recognized evenly over the life of the contract. The remaining deferred inflows of resources for the years ended June 30, 2021 and 2020 consist of the KERS pension and OPEB related unamortized balances.

See Notes 7 and 8 for details of pension and OPEB related deferred outflows of resources and deferred inflows of resources.

#### **m. Scholarship Allowances**

Student tuition and fee revenues and other student related revenues are reported net of scholarship allowances in the statement of revenues, expenses and changes in net position. Scholarship allowances are the differences between the stated charge for services provided by the University, and the amounts that are paid by the students or third parties making payments on a student's behalf. To the extent that revenues from such programs are used to satisfy tuition and fees, and other student charges, the University has recorded a scholarship allowance.

#### **n. Income Taxes**

The University is an agency and instrumentality of the Commonwealth, pursuant to Kentucky Revised Statutes sections 164.290 through 164.475. Accordingly, the University is generally exempt from federal income taxes as an organization described in Section 115 of the Internal Revenue Code of 1986, as amended. The Research Foundation has received a determination from the Internal Revenue Service granting exemption from federal income taxation pursuant to the provisions of Internal Revenue Code section 501(c)(3).

#### **o. Restricted Asset Spending Policy**

The University's policy states that restrictions on assets cannot be fulfilled by the expenditure of unrestricted funds for similar purposes. The determination on whether restricted or unrestricted funds are expended for a particular purpose is made on a case-by-case basis. Restricted funds remain restricted until spent for the intended purpose.

#### **p. Operating Activities**

The University defines operating activities, as reported on the statement of revenues, expenses and changes in net position, as those that generally result from exchange transactions, such as payments received for providing goods and services and payments made for services and goods received. Nearly all of the University's expenses are from exchange transactions. Certain significant revenues relied upon for operations, such as state appropriations, gifts, and investment income, are recorded as nonoperating revenues, in accordance with GASB 35. In accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* and related GASB implementation guidance, Pell Grants, College Access Program (CAP) Grants and Kentucky Educational Excellence Scholarship (KEES) are considered nonexchange transactions and are recorded as nonoperating revenues in the accompanying financial statements.

#### **q. COVID-19 Relief Funding**

The *Coronavirus Aid, Relief, and Economic Security* (CARES) Act was signed into law by President Trump on March 27, 2020. The CARES Act included direct payments to institutions of higher education through the Higher Education Emergency Relief Fund (HEERF). The University's grant award totaled \$8.0 million, of which 50 percent of the funds must be used to provide direct emergency aid to students and 50 percent provides funds to recover foregone revenue and cover costs associated with changes in delivering instruction due to the coronavirus. For the year ended June 30, 2020, the University distributed and recognized \$1.5 million of the HEERF grant to students; and, therefore, recognized \$1.5 million in the institutional HEERF grant funds. An additional \$2.2 million in institutional expenses was incurred and recorded as deferred revenue for the year ended June 30, 2020.

With the passage of the *Coronavirus Response and Relief Supplemental Appropriations Act* (CRRSAA) in December 2020, the University received an additional \$13.7 million in federal funding, including \$4.0 million earmarked for emergency student grants. As of June 30, 2021, the University had expended all of the institutional funds and emergency student aid received through the CARES and CRRSAA grants. Accordingly, the University recognized \$18.7 million of CARES and CRRSAA grant revenues for the year ended June 30, 2021.

Congress passed the *American Rescue Plan Act of 2021* (ARP) in early March 2021. The University was awarded an ARP grant for emergency student aid of \$11.9 million and an ARP grant for \$11.4 million to fund institutional expenses and lost revenues directly related to the pandemic. The ARP grants will be recognized when expended in future periods.

Additionally, the University received a \$2.4 million Coronavirus Relief Fund (CRF) grant from the state during the year; however, the University's state appropriation was reduced by \$1.2 million in conjunction with the CRF grant.

The grants discussed above are recognized in the nonoperating federal grants and contracts caption on the statement of revenues, expenses, and changes in net position

#### **r. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

#### **s. Component Unit Disclosure**

The accompanying financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Financial Accounting Standards Board. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features.

Complete financial statements for the Foundation can be obtained from the Northern Kentucky University Foundation, Inc. at Lucas Administrative Center Room 820, Nunn Drive, Highland Heights, KY 41099.

#### **t. Related Party Transactions**

During the years ended June 30, 2021 and 2020, the Foundation made payments on behalf of the University of \$328,000 and \$331,000, respectively, for salaries, benefits, and other administrative costs for University staff that directly support the Foundation's operations. These payments are made by agreement between the Foundation and University. Approximately \$2,000 and \$0 as of June 30, 2021 and 2020, respectively, was owed to the University for such costs.

In support of University programs, the Foundation incurred program expenses of \$6,516,000 and \$6,855,000 for 2021 and 2020, respectively, which consisted of payments on behalf of the University of \$4,508,000 and \$4,858,000, for 2021 and 2020, respectively; and amounts transferred to the University for restricted purposes of \$2,008,000 and \$1,997,000 for 2021 and 2020, respectively.

During the year ended June 30, 2020, Northern Kentucky University sold 20.24 acres of land to the Foundation for approximately \$2,968,000 and recognized a gain on the transaction of approximately \$2,736,000.

#### **u. Change in Accounting Principle**

During fiscal year 2021, the University adopted GASB Statement No. 84 *Fiduciary Activities*. The Statement requires fiduciary activities to be reported separately in the Fiduciary section of the financial statements. The Stream and Wetland Restoration fund held by the Research Foundation was determined to be a fiduciary activity and is reported separately in the Statements of Fiduciary Net Position and the Statements of Changes in Fiduciary Net Position. As the Statement was retrospectively adopted, the University's statement of net position and statement of cash flows as of and for the year ended June 30, 2020 were restated. The impact resulted in a reduction of approximately \$11.6 million to total assets and total liabilities as of June 30, 2020. As the assets are held by the Research Foundation, note 13 has also been restated. The restatement had no impact on net position or change in net position.

#### **v. Recent Accounting Pronouncements**

In June 2017, the GASB approved Statement No. 87, *Leases*. The objective of this Statement is to improve the accounting and financial reporting for leases by governments. This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, that postponed the effective date of this pronouncement. The provisions of this statement are now effective for reporting periods beginning after June 15, 2021. The University will implement this Statement July 1, 2021.

In May 2020, the GASB approved Statement No. 96, *Subscription-based Information Technology Arrangements*. The statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). A SBITA results in an intangible asset and corresponding subscription liability. The statement also provides the capitalization criteria for outlays other than subscription payments including implementation costs of a SBITA. The provisions of this statement are effective for reporting periods beginning after June 15, 2022. The University is currently evaluating the effects of this statement on its financial statements.

**w. Subsequent Events**

On September 30, 2021, Northern Kentucky University General Receipts Refunding Bonds, 2021 Series B were sold with a par value of \$5,025,000 and interest rates ranging from 2 percent to 3.5 percent. The net interest cost was 1.23 percent. The proceeds refunded \$5,330,000 of the General Receipts Bonds, 2011 Series A, resulting in a \$686,000 reduction in future debt service payments, which represents an economic gain of \$654,000. The bond closing is scheduled for October 21, 2021.

**Note 2 – Cash, Cash Equivalents and Investments**

At June 30, 2021, petty cash funds totaled \$37,000 and the carrying amount of the deposits was \$137,143,000 with a corresponding total bank balance of \$139,884,000. Of the bank balance, \$51,668,000 was covered by federal depository insurance, or collateralized with securities held by the pledging bank, or bank's agents, in the University's name and \$88,216,000 was held and invested by the Commonwealth. These deposits were covered by federal depository insurance or by collateral held by the Commonwealth in the Commonwealth's name.

**Investments**

The investments which the University may purchase are limited by the Commonwealth's law and the University's bond resolutions to the following (1) securities or obligations which are fully guaranteed by the U.S. Government or agencies of the U.S. Government as to principal and interest; (2) certificates of deposit or time deposits of banks, trust companies or national banking associations which are insured by the Federal Deposit Insurance Corporation; and (3) mutual funds investing solely in U.S. securities.

*Custodial credit risk:* Custodial credit risk for deposits is the risk that in the event of a bank failure, a government's deposits or collateral securities may not be returned to it. The University currently uses commercial banks and the Commonwealth as its depositories. Deposits with commercial banks are substantially covered by federal depository insurance or collateral held by the bank in the University's name. At the Commonwealth, the University's accounts are pooled with other agencies of the Commonwealth. These Commonwealth-pooled deposits are substantially covered by federal depository insurance or by collateral held by the Commonwealth in the Commonwealth's name. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The following schedule reports the fair values of the University's investments at June 30, 2021 and 2020 (in thousands):

	<u>2021</u>	<u>2020</u>
Treasury bills	\$ -	\$ 210
Restricted assets held by the Foundation	15,889	12,487
Total Investments	<u>\$ 15,889</u>	<u>\$ 12,697</u>

University investments held by the Foundation represent the University's Regional University Excellence Trust Fund endowments which are invested in an investment pool managed by the Foundation. See Note 14 (c) for the required GASB fair value disclosures for the University's investments that are included in the Foundation's investment pool. University assets in the Foundation's investment pool at June 30, 2021 and 2020 are invested as follows:

	<u>2021</u>	<u>2020</u>
<b>Type of Investment:</b>		
Fixed income funds	15%	21%
Domestic equity funds	37%	34%
International equity funds	13%	13%
Emerging markets	9%	8%
Private equity	10%	6%
Natural resources	9%	10%
Other	7%	8%
<b>Total Investments</b>	<u>100%</u>	<u>100%</u>

*Interest Rate Risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As stated in the University's investment policy, the bond resolution governs the investment of bond reserves. The bond resolution limits the investment maturities by the lesser of the remaining life of the bond issue or ten years. Certificates of deposit can have a maturity of not more than two years from the date of issue.

*Credit Risk:* Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The University's investment policy requires investments to be in compliance with state statute. University investments that are managed by the Foundation are governed by the Foundation's investment policy. This policy contains several provisions which are intended to limit credit risk, including a requirement that fixed income portfolios maintain a weighted-average credit rating of at least AA (Standard and Poor's) and have no more than 10 percent of the portfolio in below investment grade bonds.

*Concentration of Credit Risk:* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single user. The University debt service reserves are invested by the bond trustees in accordance with the governing bond resolutions. There are no specific limits on the maximum amount of investment securities held in bond debt service reserve funds that may be invested in one issuer. However, such investments are limited to interest-bearing direct obligations of the U.S. government or obligations fully guaranteed by the U.S. government.

*Foreign Currency Risk:* This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The University had no investments denominated in foreign currency at June 30, 2021 or June 30, 2020.

### Note 3 – Notes, Loans and Accounts Receivable

Notes, loans and accounts receivable as of June 30, 2021 and 2020 are as follows (in thousands):

	<b>2021</b>		
	<b>Gross Receivable</b>	<b>Allowance</b>	<b>Net Receivable</b>
Student loans	\$ 1,077	\$ (373)	\$ 704
Student accounts receivable	13,761	(4,830)	8,931
Reimbursement receivable grants and contracts	2,095	-	2,095
NKU Foundation receivable	192	-	192
Other	2,827	(803)	2,024
Total	<u>\$ 19,952</u>	<u>\$ (6,006)</u>	<u>\$ 13,946</u>
Current portion			\$ 12,726
Noncurrent portion			1,220
Total			<u>\$ 13,946</u>
	<b>2020 Restated</b>		
	<b>Gross Receivable</b>	<b>Allowance</b>	<b>Net Receivable</b>
Student loans	\$ 1,051	\$ (378)	\$ 673
Student accounts receivable	13,350	(4,959)	8,391
Reimbursement receivable grants and contracts	1,588	-	1,588
NKU Foundation receivable	234	-	234
Other	2,758	(727)	2,031
Total	<u>\$ 18,981</u>	<u>\$ (6,064)</u>	<u>\$ 12,917</u>
Current portion			\$ 11,518
Noncurrent portion			1,399
Total			<u>\$ 12,917</u>

## Note 4 – Capital Assets, net

Capital assets for the years ended June 30, 2021 and 2020 are summarized as follows (in thousands):

	<b>7/1/2020 Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>6/30/2021 Ending Balance</b>
Cost:				
Land	\$ 9,397	\$ -	\$ 22	\$ 9,375
Land improvements	42,701	65	38	42,728
Buildings	536,018	4,378	1,985	538,411
Equipment	79,748	1,839	744	80,843
Library books	9,593	315	463	9,445
Construction in process	3,765	18,004	-	21,769
	<u>681,222</u>	<u>24,601</u>	<u>3,252</u>	<u>702,571</u>
Accumulated Depreciation:				
Land improvements	12,073	1,124	22	13,175
Buildings	226,851	15,796	1,716	240,931
Equipment	67,923	2,809	683	70,049
Library books	7,756	408	462	7,702
	<u>314,603</u>	<u>20,137</u>	<u>2,883</u>	<u>331,857</u>
Capital assets, net	<u>\$ 366,619</u>	<u>\$ 4,464</u>	<u>\$ 369</u>	<u>\$ 370,714</u>
	<b>7/1/2019 Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>6/30/2020 Ending Balance</b>
Cost:				
Land	\$ 9,629	\$ -	\$ 232	\$ 9,397
Land improvements	42,690	85	74	42,701
Buildings	538,531	7,644	10,157	536,018
Equipment	78,285	2,221	758	79,748
Library books	13,552	331	4,290	9,593
Construction in process	5,311	-	1,546	3,765
	<u>687,998</u>	<u>10,281</u>	<u>17,057</u>	<u>681,222</u>
Accumulated Depreciation:				
Land improvements	10,946	1,171	44	12,073
Buildings	218,778	16,108	8,035	226,851
Equipment	65,653	2,980	710	67,923
Library books	11,607	439	4,290	7,756
	<u>306,984</u>	<u>20,698</u>	<u>13,079</u>	<u>314,603</u>
Capital assets, net	<u>\$ 381,014</u>	<u>\$ (10,417)</u>	<u>\$ 3,978</u>	<u>\$ 366,619</u>

The estimated cost to complete construction under contract at June 30, 2021, was approximately \$11,595,000.

As of June 30, 2021 and 2020, the net book value of capital assets acquired through capital leases included in the above schedules totaled \$2,912,000 and \$3,084,000, respectively.

## Note 5 – Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities as of June 30, 2021 and 2020 are as follows (in thousands):

	<u>2021</u>	<u>Restated 2020</u>
Payable to vendors and contractors	\$ 8,657	\$ 10,047
Accrued expenses, primarily payroll and vacation leave	7,966	6,643
Employee withholdings and deposits payable to third parties	3,430	3,468
Self-insured health liability	1,609	1,144
Total	<u>\$ 21,662</u>	<u>\$ 21,302</u>

## Note 6 – Long-Term Liabilities

The changes in long-term liabilities for the years ended June 30, 2021 and 2020 are summarized as follows (in thousands):

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Current Portion</u>	<u>Noncurrent Portion</u>
Housing and Dining Revenue Bonds	\$ 205	\$ -	\$ 205	\$ -	\$ -	\$ -
General Receipts Bonds Taxable	-	205,450	-	205,450	5,660	199,790
General Receipts Bonds Tax Exempt (net of premiums)	135,916	9,912	14,479	131,349	9,749	121,600
Total bonds	136,121	215,362	14,684	336,799	15,409	321,390
Notes and leases payable	3,744	-	357	3,387	368	3,019
Total debt	139,865	215,362	15,041	340,186	15,777	324,409
Deferred compensation	77	-	39	38	38	-
Federal portion of loan programs	755	138	184	709	-	709
Unearned revenue	13,144	10,177	12,642	10,679	10,664	15
KERS-sick leave	1,044	345	91	1,298	130	1,168
Other	175	-	175	-	-	-
Total other long-term liabilities	15,195	10,660	13,131	12,724	10,832	1,892
Deposits	329	429	503	255	217	38
Net pension and OPEB liability	383,648	21,894	-	405,542	-	405,542
Total long-term liabilities	<u>\$ 539,037</u>	<u>\$ 248,345</u>	<u>\$ 28,675</u>	<u>\$ 758,707</u>	<u>\$ 26,826</u>	<u>\$ 731,881</u>

	<u>Restated</u>					
	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Current Portion</u>	<u>Noncurrent Portion</u>
Housing and Dining Revenue Bonds	\$ 405	\$ -	\$ 200	\$ 205	\$ 205	\$ -
General Receipts Bonds Tax Exempt (net of premiums)	103,899	39,936	7,919	135,916	8,233	127,683
Total bonds	104,304	39,936	8,119	136,121	8,438	127,683
Notes and leases payable	4,090	-	346	3,744	357	3,387
Total debt	108,394	39,936	8,465	139,865	8,795	131,070
Deferred compensation	112	-	35	77	39	38
Federal portion of loan programs	1,083	3	331	755	-	755
Unearned revenue	9,558	12,894	9,308	13,144	12,873	271
KERS-sick leave	720	446	122	1,044	104	940
Other	350	-	175	175	175	-
Total other long-term liabilities	11,823	13,343	9,971	15,195	13,191	2,004
Deposits	1,109	301	1,081	329	290	39
Net pension and OPEB liability	369,866	16,456	2,674	383,648	-	383,648
Total long-term liabilities	<u>\$ 491,192</u>	<u>\$ 70,036</u>	<u>\$ 22,191</u>	<u>\$ 539,037</u>	<u>\$ 22,276</u>	<u>\$ 516,761</u>

**a. Bonds**

The outstanding obligation as of June 30, 2021 and 2020 for the Northern Kentucky University General Receipts Bonds are reported net of premiums totaling \$8,049,000 and \$8,206,000, respectively. General Receipts Bonds are collateralized by the operating and nonoperating income of the University excluding income which as a condition of the receipt is not available for payment of debt service charges.

On November 4, 2020, Northern Kentucky University General Receipts Refunding Bonds were issued in the amount of \$5,775,000 and a net interest cost of 1.00 percent. The proceeds refunded the General Receipts Bonds, 2010 Series B maturing on or after September 1, 2021. The refunding reduced the University's total debt service payments over the term by \$596,000, representing an economic gain of \$580,000. Economic gain is determined by calculating the difference between the present value of the debt services payments on the old and new debt.

On November 4, 2020, Northern Kentucky University General Receipts Bonds were issued in the amount of \$3,440,000 and a net interest cost of 1.13 percent. The proceeds are being used to renovate existing housing facilities.

On April 20, 2021, Northern Kentucky University General Receipts Taxable Bonds were issued in the amount of \$205,450,000 and a net interest cost of 3.18 percent. The proceeds are being used for the University's cessation from the KERS nonhazardous pension plan.

The total bonds payable as of June 30 are as follows (in thousands):

	<u>2021</u>	<u>2020</u>
<b>Housing and Dining System Revenue bonds payable</b>		
Series B, dated November 1, 1980, with an interest rate of 3.00%. Final principal payment date November 1, 2020.	\$ -	\$ 205
<b>Total Housing and Dining System Revenue bonds payable</b>	<u>-</u>	<u>205</u>
<b>General Receipts Taxable bonds payable</b>		
Series A 2021 (taxable), dated April 20, 2021, with interest rates from 0.36% to 3.43%. Final principal payment date September 1, 2050.	205,450	-
<b>Total General Receipts Taxable bonds payable</b>	<u>205,450</u>	<u>-</u>
<b>General Receipts Tax Exempt bonds payable</b>		
Series A 2010, dated June 29, 2010, with interest rates from 2.00% to 3.50%. Final principal payment date September 1, 2020.	-	250
Series B 2010, dated October 21, 2010, with interest rates from 2.00% to 3.75%. Final principal payment date September 1, 2027.	-	6,900
Series A 2011, dated August 4, 2011, with interest rates from 2.00% to 4.00%. Final principal payment date September 1, 2030.	5,815	6,290
Series A 2013, dated February 26, 2013, with an interest rate of 2.00%. Final principal payment date September 1, 2022.	1,080	1,605
Series A 2014, dated January 7, 2014, with interest rates from 2.00% to 5.00%. Final principal payment date September 1, 2033.	35,645	37,560
Series A 2016, dated May 17, 2016, with interest rates from 2.00% to 5.00%. Final principal payment date September 1, 2027.	20,720	23,230
Series B 2016, dated August 25, 2016, with interest rates from 2.00% to 4.00%. Final principal payment date September 1, 2028.	12,955	14,005
Series A 2019, dated November 12, 2019, with interest rates from 3.00% to 5.00%. Final principal payment date September 1, 2044.	37,870	37,870
Series A 2020, dated November 4, 2020, with an interest rate of 3.00%. Final principal payment date September 1, 2027.	5,775	-
Series B 2020, dated November 4, 2020, with interest rates from 2.00% to 3.00%. Final principal payment date September 1, 2027.	3,440	-
<b>Total General Receipts Tax Exempt bonds payable</b>	<u>123,300</u>	<u>127,710</u>
Plus: Net premiums	8,049	8,206
<b>Total bonds payable</b>	<u>\$ 336,799</u>	<u>\$ 136,121</u>



Principal maturities and interest on bonds, including required sinking fund payments, for the next five years and in subsequent five-year periods are as follows (in thousands):

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 14,565	\$ 9,433	\$ 23,998
2023	14,240	9,807	24,047
2024	14,110	9,385	23,495
2025	15,020	8,929	23,949
2026	15,505	8,440	23,945
2027 - 2031	65,850	35,469	101,319
2032 - 2036	48,225	26,556	74,781
2037 - 2041	43,875	19,882	63,757
2042 - 2046	49,145	12,350	61,495
2047 - 2051	48,215	4,244	52,459
Subtotal	<u>328,750</u>	<u>144,495</u>	<u>473,245</u>
Plus: Net premiums	8,049	-	8,049
Total	<u>\$ 336,799</u>	<u>\$ 144,495</u>	<u>\$ 481,294</u>

**b. Leases**

In January 2019, the University entered into a capital lease obligation, in the amount of \$4,088,000, with an interest rate of 2.81 percent, for an energy management project. The lease will be paid with guaranteed energy savings.

In May 2018, the University entered into a capital lease obligation through a third-party financial institution, in the amount of \$275,000, with an interest rate of 4.43 percent. This obligation was used to fund computer equipment.

Lease obligations as of June 30 are as follows (in thousands):

	<u>2021</u>	<u>2020</u>
<b>Capital lease payables</b>		
Capital equipment lease, dated May 1, 2018, with an interest rate of 4.43%. Final principal payment date May 1, 2022.	\$ 57	\$ 112
Energy management lease, dated January 24, 2019, with an interest rate of 2.81%. Final principal payment date November 24, 2030.	3,330	3,632
<b>Total capital lease payable</b>	<u>\$ 3,387</u>	<u>\$ 3,744</u>

Future minimum lease payments for the next five years and in subsequent five-year periods are as follows (in thousands):

<u>Fiscal Year</u>	<u>Present Value of Future Minimum Lease Payments</u>	<u>Interest Portion</u>	<u>Total</u>
2022	\$ 368	\$ 94	\$ 462
2023	319	83	402
2024	328	74	402
2025	337	65	402
2026	347	55	402
2027 - 2031	1,688	121	1,809
Total	<u>\$ 3,387</u>	<u>\$ 492</u>	<u>\$ 3,879</u>

## Note 7 – Pension Plans and Accrued Compensated Absences

Employees of the University were covered by one of the following plans for the years ended June 30, 2021 and 2020.

### a. Defined Contribution Plan

A Teachers Insurance and Annuity Association - College Retirement Equities Fund (TIAA CREF) sponsored plan, adopted by the Board of Regents in July 1970, is available upon completion of ninety days of service, to all regular full-time members of the faculty, administrative officers and others who have educational related duties. The TIAA CREF retirement plan is a defined contribution, money purchase retirement plan. The employees contribute 5 percent of their base salary to the plan. The University contributed 10 percent of base salary of participating employees for the year ended June 30, 2020, however, 7.5 percent was contributed for the year ended June 30, 2021 as a result of pandemic budget restraints. All payments are vested immediately and the contracts with the providers are owned by the individual employees. The employee is entitled to various payment options upon retirement. Benefit payments at retirement depend on the total contributions with interest deposited into the employee's account. Retirement benefits can begin upon retirement or termination of employment with the University. Covered payroll totaled \$52,322,000 and \$52,067,000 for the years ended June 30, 2021 and 2020, respectively. The University's contribution totaled \$3,924,000 and \$5,207,000 for the years ended June 30, 2021 and 2020, respectively.

### b. Defined Benefit Plan

*Plan Description* - All regular employees not participating in the above plan were required to participate in either the Nonhazardous or Hazardous cost-sharing multiple employer defined benefit pension plan, both of which are under the Kentucky Employees Retirement System (KERS), that is administered by the Board of Trustees of the Kentucky Retirement Systems (KRS). The defined benefit plans provide for retirement, disability and death benefits. Participants have a fully vested interest after the completion of 60 months of service, 12 of which are current service. KERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Kentucky Pension Plan Authority, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky, 40601-6124 or by calling (502) 696-8800.

*Cessation* – On April 20, 2021, the Northern Kentucky University 2021 Taxable Series A bonds were issued for the University's cessation from the KERS nonhazardous pension plan, under the provisions established by House Bill 1 passed during the 2019 Special Session. Effective June 30, 2021, the University ceased participation in the nonhazardous plan, resulting in the conversion of all Tier 3 nonhazardous employees to the University's defined contribution plan on July 1, 2021. All new hires hired after the effective date will also participate in the defined contribution plan. Under this provision, Tier 1 and Tier 2 employees will continue to participate in the nonhazardous system with the University funding the actuarial liability calculated for these employees. Proceeds of \$204,000,000 from the issuance of the 2021 Taxable Series A bonds representing the University's estimated lump sum cessation payment were remitted to KERS on April 20, 2021. This amount is reported as a deferred outflow of resources on the statement of net position and is allocated between the pension and other post-employment benefit plan in accordance with the current contribution ratio. The portion of the deferred outflow of resources attributed to the pension plan is \$169.3 million as of June 30, 2021. The preliminary lump sum cessation payment will be adjusted based upon the results of the final actuarial study to be completed after January 1, 2022. The University will pay KERS if the final cessation lump sum is higher than the estimate. KERS will refund the overpayment if the final cessation lump sum is lower.

**Kentucky Employees' Retirement System  
Governance KRS 61.510 through KRS 61.705  
Cost Sharing Multiple Employer Defined Benefit**

	<b>Tier 1</b> Participation Prior to 9/1/2008	<b>Tier 2</b> Participation 9/1/2008 through 12/31/2013	<b>Tier 3</b> Participation on or after 1/1/2014
<b>Nonhazardous</b>			
<b>Benefit Formula:</b>	Final Compensation X Benefit Factor X Years of Service		Cash Balance Plan
<b>Final Compensation:</b>	Average of the highest 5 fiscal years (must contain at least 48 months). Includes lump-sum compensation payments (before and at retirement).	5 complete fiscal years immediately preceding retirement; each year must contain 12 months. Lump-sum compensation payments (before and at retirement) are not to be included in creditable compensation.	No Final Compensation
<b>Benefit Factor:</b>	1.97%, or 2.0% for those retiring with service for all months between 1/1998 and 1/1999.	10 years or less = 1.10%. Greater than 10 years, but no more than 20 years = 1.30%. Greater than 20 years, but no more than 26 years = 1.50%. Greater than 26 years, but no more than 30 years = 1.75%. Additional years above 30 = 2.00% (2.00% benefit factor only applies to service earned in excess of 30 years).	No benefit factor. A life annuity can be calculated in accordance with actuarial assumptions and methods adopted by the board based on member's accumulated account balance.
<b>Cost of Living Adjustment (COLA):</b>	No COLA unless authorized by the Legislature with specific criteria. This impacts all retirees regardless of Tier.		
<b>Unreduced Retirement Benefit:</b>	Any age with 27 years of service. Age 65 with 48 months of service. Money purchase for age 65 with less than 48 months based on contributions and interest.	Rule of 87: Member must be at least age 57 and age plus earned service must equal 87 years at retirement to retire under this provision. Age 65 with 5 years of earned service. No money purchase calculations.	
<b>Reduced Retirement Benefit:</b>	Any age with 25 years of service. Age 55 with 5 years of service.	Age 60 with 10 years of service. Excludes purchased service (exception: refunds, omitted, free military).	No reduced retirement benefit.

	<b>Tier 1</b> Participation Prior to 9/1/2008	<b>Tier 2</b> Participation 9/1/2008 through 12/31/2013	<b>Tier 3</b> Participation on or after 1/1/2014
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**Hazardous**

<b>Benefit Formula:</b>	Final Compensation X Benefit Factor X Years of Service		Cash Balance Plan
<b>Final Compensation:</b>	Highest 3 fiscal years (must contain at least 24 months). Includes lump-sum compensation payments (before and at retirement).	3 highest salaries; each year must contain 12 months. Lump-sum compensation payments (before and at retirement) are not to be included in creditable compensation.	No Final Compensation
<b>Benefit Factor:</b>	2.49%	10 years or less = 1.30%. Greater than 10 years, but no more than 20 years = 1.50%. Greater than 20 years, but no more than 25 years = 2.25%. Greater than 25 years = 2.50%.	No benefit factor. A life annuity can be calculated in accordance with actuarial assumptions and methods adopted by the board based on member's accumulated account balance.
<b>Cost of Living Adjustment (COLA):</b>	No COLA unless authorized by the Legislature with specific criteria. This impacts all retirees regardless of Tier.		
<b>Unreduced Retirement Benefit:</b>	Any age with 20 years of service. Age 55 with 60 months of service.	Any age with 25 years of service. Age 60 with 5 years of service.	Any age with 25 years of service. Age 60 with 5 years of service.
<b>Reduced Retirement Benefit:</b>	Age 50 with 15 years of service.	Age 50 with 15 years of service.	No reduced retirement benefit

*Contributions* - Benefit and contribution rates are established by state statute. Per Kentucky Revised Statute 61.565, contribution requirements of the active employees and the participating organizations are established and may be amended by the KRS Board. For the fiscal years ended June 30, 2021 and 2020, University employees were required to contribute 5 percent of their annual covered salary for retirement benefits. The University's required contribution percentage rates per covered payroll for the years ended June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Nonhazardous pension plan	41.06%	41.06%
Hazardous pension plan	36.00%	34.39%

The required contribution is actuarially determined as an amount that, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The University's total required contribution to the KERS nonhazardous pension plan for the years ended June 30, 2021 and 2020 were \$13,855,000 and \$14,310,000, respectively. The required contribution to the KERS hazardous pension plan for the years ended June 30, 2021 and 2020 were \$233,000 and \$287,000, respectively.

*Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions* - At June 30, 2021 and 2020, respectively, the University reported a liability of \$341,932,000 and \$329,798,000, for its proportionate share of the nonhazardous net pension liability. The University's hazardous pension liability was \$2,157,000 and \$2,041,000 for the years ended June 30, 2021 and 2020, respectively. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation date of June 30, 2019. The total pension liability used to calculate the net was rolled forward from the valuation date to the plan's fiscal year ending June 30, 2020 using generally accepted actuarial principles. The University's proportion of the net pension liability was based on a projection of the University's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021 and 2020, the University's proportion was 2.414 percent and 2.335 percent for nonhazardous and .385 percent and .374 percent for hazardous, respectively.

For the years ended June 30, 2021 and 2020, the University recognized nonhazardous pension expense of \$27,591,000 and \$33,067,000; and hazardous pension expense of \$377,000 and \$477,000, respectively.

At June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>Nonhazardous</b>		
Differences between expected and actual experience	\$ 1,942	\$ -
Change of assumptions	3,852	-
Net difference between projected and actual earnings on investments	351	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,103	998
Contributions subsequent to the measurement date	13,855	-
Contributions subsequent to the measurement date-cessation payment	169,320	-
<b>Hazardous</b>		
Differences between expected and actual experience	3	2
Change of assumptions	62	-
Net difference between projected and actual earnings on investments	74	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	35	19
Contributions subsequent to the measurement date	233	-
Total	<u>\$ 190,830</u>	<u>\$ 1,019</u>

At June 30, 2020, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>Nonhazardous</b>		
Differences between expected and actual experience	\$ 1,950	\$ -
Change of assumptions	10,042	-
Net difference between projected and actual earnings on investments	-	672
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	3,922
Contributions subsequent to the measurement date	14,310	-
<b>Hazardous</b>		
Differences between expected and actual experience	39	-
Change of assumptions	143	-
Net difference between projected and actual earnings on investments	-	35
Changes in proportion and differences between employer contributions and proportionate share of contributions	24	45
Contributions subsequent to the measurement date	287	-
Total	<u>\$ 26,795</u>	<u>\$ 4,674</u>

At June 30, 2021 and 2020, the University reported \$183,408,000 and \$14,597,000, respectively, as deferred outflows of resources related to pensions resulting from University contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the years ending June 30, 2022 and 2021, respectively. Included in the contributions at June 30, 2021 is a cessation payment of \$169,320,000. Other amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2021, related to pensions will be recognized in pension expense as follows (in thousands):

Year Ending June 30	
2022	\$ 5,068
2023	667
2024	326
2025	342
	<u>\$ 6,403</u>

*Pension Actuarial assumptions* – The total pension liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement for nonhazardous and hazardous pensions.

	<u>Nonhazardous</u>	<u>Hazardous</u>
Inflation	2.30%	2.30%
Salary Increases	3.30% to 15.30%, varies by service	3.55% to 20.05%, varies by service
Investment Rate of Return	5.25%, net of pension plan investment expense, including inflation	6.25%, net of pension plan investment expense, including inflation

The mortality table used for active members was a Pub-2010 General Mortality table for the Non-Hazardous System and the Pub-2010 Public Safety Mortality table for the Hazardous System, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality assumptions for healthy retirees is based on a system-specific mortality table based on mortality experience from 2013 – 2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2020. The mortality table used for the disabled retirees was PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

The most recent actuarial experience study was for the period July 1, 2013 through June 30, 2018. The long-term expected rate of return was determined by using a building-block method in which best estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the following table:

Asset Class	Nonhazardous		Hazardous	
	Long-Term Expected Real Rate of Return	Target Allocation	Long-Term Expected Real Rate of Return	Target Allocation
US equity	4.50%	15.75%	4.50%	18.75%
Non US equity	5.25%	15.75%	5.25%	18.75%
Private equity	5.15%	7.00%	6.65%	10.00%
Specialty Credit/High Yield	3.90%	15.00%	3.90%	15.00%
Core Bonds	-0.25%	20.50%	-0.25%	13.50%
Cash	-0.75%	3.00%	-0.75%	1.00%
Real Estate	5.30%	5.00%	5.30%	5.00%
Opportunistic	2.25%	3.00%	2.25%	3.00%
Real Return	3.95%	15.00%	3.95%	15.00%
Total		100.00%		100.00%

*Pension Discount rate* – The discount rate used to measure the total pension liability was 5.25 percent for the nonhazardous plan, and 6.25 percent for the hazardous plan. The projection of cash flows used to determine the discount rate assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 23-year (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination does not use a municipal bond rate.

*Sensitivity of the University's proportionate share of the net pension liability to changes in the discount rate* - The University's proportionate share of the net pension liability has been calculated using a discount rate of 5.25 percent for the nonhazardous and 6.25 percent for hazardous. The following presents the University's proportionate share of the net pension liability calculated using a discount rate 1 percent higher and 1 percent lower than the current rate (in thousands):

	1% Decrease (4.25%)	Current Discount Rate (5.25%)	1% Increase (6.25%)
<b>Nonhazardous</b>			
Proportionate share of the Collective Net Pension Liability	\$ 391,638	\$ 341,932	\$ 301,083
	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
<b>Hazardous</b>			
Proportionate share of the Collective Net Pension Liability	\$ 2,759	\$ 2,157	\$ 1,666

*Payable to the pension plan* - The University reported payables of \$1,355,000 and \$1,266,000 for the outstanding amount of employer contributions to the pension plan required for the years ended June 30, 2021 and 2020, respectively.

Effective July 1, 2010, KRS 61.546 states “the value of any accumulated sick leave that is added to the member’s service credit in the KERS on or after July 1, 2010, shall be paid to the retirement system by the last participating KERS employer based upon a formula adapted by the Board.” The KERS sick leave liability as of June 30, 2021 and 2020 was \$1,298,000 and \$1,044,000, respectively.

**c. Compensated Absences**

University employees begin to accumulate annual vacation allowance from the initial date of employment; however, no vacation is granted until three months of continuous employment have been completed. The maximum accumulation of vacation leave is limited to the number of days that can be accumulated in twelve months, based upon length of service and employment classification. Eligible employees are paid their accumulated vacation upon termination, subject to certain limitations. At June 30, 2021 and 2020, the University had recognized an accrued vacation liability of \$3,587,000 and \$3,580,000, respectively.

**Note 8 – Other Post-Employment Benefits**

**a. Defined Benefit Plan**

*Plan Description* - The University contributes to the KRS Insurance Fund, a cost sharing multiple employer defined benefit other post-employment plan (the OPEB plan), which was established to provide hospital and medical insurance for eligible members receiving benefits from KERS. The OPEB plan pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance. The OPEB plan is administered by the Board of Trustees of the KRS. Benefit provisions are contained in the plan document and were established and can be amended by action of the Commonwealth of Kentucky Legislature. KERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Kentucky Pension Plan Authority, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky, 40601-6124 or by calling (502) 696-8800.

*Cessation* – On April 20, 2021, the Northern Kentucky University 2021 Taxable Series A bonds were issued for the University’s cessation from the KERS nonhazardous pension plan, under the provisions established by House Bill 1 passed during the 2019 Special Session. Effective June 30, 2021, the University ceased participation in the nonhazardous plan, resulting in the conversion of all nonhazardous Tier 3 employees to the University’s defined contribution plan on July 1, 2021. All new hires hired after the effective date will also participate in the defined contribution plan. Under this provision, Tier 1 and Tier 2 employees will continue to participate in the nonhazardous system with the University funding the actuarial liability calculated for these employees. There was no change for hazardous employees. Proceeds of \$204,000,000 from the issuance of the 2021 Taxable Series A bonds representing the University’s estimated lump sum cessation payment were remitted to KERS on April 20, 2021. This amount is reported as a deferred outflow of resources on the statement of net position and is allocated between the pension and other post-employment benefit plan in accordance with the current contribution ratio. The portion of the deferred outflow of resources attributed to the other post-employment benefit plan is \$34.7 million as of June 30, 2021. The preliminary lump sum cessation payment will be adjusted based upon the results of the final actuarial study to be completed after January 1, 2022. The University will pay KERS if the final cessation lump sum is higher than the estimate. KERS will refund the overpayment if the final cessation lump sum is lower.



Benefits Provided –

	<b>Tier 1</b> Participation Prior to 7/1/2003	<b>Tier 2</b> Participation 7/1/2003 through 8/31/2008	<b>Tier 3</b> Participation on or after 9/1/2008
<b>Nonhazardous</b>			
<b>OPEB eligibility:</b>	Recipient of a retirement allowance	Recipient of a retirement allowance, with at least 120 months of service at retirement	Recipient of a retirement allowance, with at least 180 months of service at retirement
<b>OPEB benefit:</b>	Allowance for medical insurance coverage based on years and type of service. Less than 4 years = 0%. At least 4 years, but less than 10 = 25%. At least 10 years, but less than 15 = 50%. At least 15 years, but less than 20 = 75%. 20 or more years = 100%.	Monthly contribution of \$10 for each year of earned service. Adjusted 1.5% annually.	

	<b>Tier 1</b> Participation Prior to 7/1/2003	<b>Tier 2</b> Participation 7/1/2003 through 8/31/2008	<b>Tier 3</b> Participation on or after 9/1/2008
<b>Hazardous</b>			
<b>OPEB eligibility:</b>	Recipient of a retirement allowance	Recipient of a retirement allowance, with at least 120 months of service at retirement	Recipient of a retirement allowance, with at least 180 months of service at retirement
<b>OPEB benefit:</b>	Allowance for medical insurance coverage based on years and type of service. Less than 4 years = 0%. At least 4 years, but less than 10 = 25%. At least 10 years, but less than 15 = 50%. At least 15 years, but less than 20 = 75%. 20 or more years = 100%.	Monthly contribution of \$15 for each year of earned service. Adjusted 1.5% annually.	

*Contributions-* Benefit and contribution rates are established by state statute. Per Kentucky Revised Statute 61.565, contribution requirements of the participating organizations are established and may be amended by the KRS Board. Employees with a participation date after 9/1/2008 were required to contribute 1 percent of their covered salary for retiree healthcare benefits. The University's required contribution percentage rates per covered payroll for the years ended June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Nonhazardous OPEB plan	8.41%	8.41%
Hazardous OPEB plan	0.00%	2.46%

The required contributions to the KERS nonhazardous OPEB plan for the years ended June 30, 2021 and 2020 were \$2,838,000 and \$2,931,000, respectively. The required contributions to the KERS hazardous OPEB plan for the years ended June 30, 2021 and 2020 were \$0 and \$21,000, respectively.

*OPEB assets and liabilities, OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB* – At June 30, 2021 and 2020, respectively, the University reported a liability of \$61,289,000 and \$51,909,000 for its proportionate share of the nonhazardous net OPEB liability. The University’s hazardous OPEB liability was \$164,000 for the year ended June 30, 2021, with an asset of \$100,000 for the year ended June 30, 2020. The total OPEB liability and net OPEB liability were based on an actuarial valuation date of June 30, 2019. The total OPEB liability used to calculate the net was rolled forward from the valuation date to the plan’s fiscal year ending June 30, 2020 using generally accepted actuarial principles. The University's proportion of the net OPEB liability was based on the University's actual contributions to the OPEB plan relative to the contributions of all participating employers for the measurement period. At June 30, 2021 and 2020, respectively, the University's proportion was 2.414 and 2.335 percent for nonhazardous and 0.385 and 0.373 percent for hazardous.

For the years ended June 30, 2021 and 2020, respectively, the University recognized nonhazardous OPEB expense of \$5,014,000 and \$3,319,000 and hazardous OPEB expense of \$75,000 and \$31,000.

At June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
<b>Nonhazardous</b>		
Differences between expected and actual experience	\$ 5,073	\$ 6,086
Change of assumptions	4,486	107
Net difference between projected and actual earnings on investments	856	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	356	878
Contributions subsequent to the measurement date	3,760	-
Contributions subsequent to the measurement date-cessation payment	34,680	-
<b>Hazardous</b>		
Differences between expected and actual experience	83	146
Change of assumptions	242	1
Net difference between projected and actual earnings on investments	67	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	1	16
Contributions subsequent to the measurement date	10	-
Total	<u>\$ 49,614</u>	<u>\$ 7,234</u>

At June 30, 2020, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>Nonhazardous</b>		
Differences between expected and actual experience	\$ -	\$ 8,280
Change of assumptions	6,807	156
Net difference between projected and actual earnings on investments	-	340
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	1,332
Contributions subsequent to the measurement date	3,557	-
<b>Hazardous</b>		
Differences between expected and actual experience	-	179
Change of assumptions	274	1
Net difference between projected and actual earnings on investments	-	58
Changes in proportion and differences between employer contributions and proportionate share of contributions	1	11
Contributions subsequent to the measurement date	26	-
Total	<u>\$ 10,665</u>	<u>\$ 10,357</u>

The OPEB contribution amounts include the implicit subsidy of \$922,000 and \$626,000 for nonhazardous for the years ended June 30, 2021 and 2020, respectively. The implicit subsidy was \$10,000 and \$5,000 for hazardous for the years ended June 30, 2021 and 2020, respectively.

At June 30, 2021, the University reported \$38,450,000 as deferred outflows of resources related to OPEB resulting from University contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the following year. This amount includes the implicit subsidy amount of \$932,000. Other amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2021, related to OPEB will be recognized in OPEB expense as follows (in thousands):

Year Ending June 30	
2022	\$ 2,029
2023	468
2024	1,146
2025	287
Thereafter	-
	<u>\$ 3,930</u>

*Actuarial assumptions* - The total OPEB asset and liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement for nonhazardous and hazardous OPEB.

	<u>Nonhazardous</u>	<u>Hazardous</u>
Inflation	2.30%	2.30%
Salary increases	3.30% to 15.30%, varies by service	3.55% to 20.05%, varies by service
Payroll growth rate	0.00%	0.00%
Health care cost trend rates		
Pre-65	Initial trend starting at 6.40% at January 1, 2022 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years.	
Post-65	Initial trend starting at 2.90% at January 1, 2022 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years.	
Investment Rate of Return	6.25%	6.25%
Mortality		
Pre-retirement	PUB-2010 General Mortality table, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010	PUB-2010 Public Safety Mortality table, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010
Post-retirement (non-disabled)	System-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019	
Post-retirement (disabled)	PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010	

The mortality table used for active members was a Pub-2010 General Mortality table for the Non-Hazardous System and the Pub-2010 Public Safety Mortality table for the Hazardous System, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality assumptions for healthy retirees is based on a system-specific mortality table based on mortality experience from 2013 – 2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2020. The mortality table used for the disabled retirees was PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<b>OPEB Asset Allocations</b>		
<b>Asset Class</b>	<b>Long Term Expected Real Rate of Return</b>	<b>Target Allocation</b>
US Equity	4.50%	18.75%
Non-US Equity	5.25%	18.75%
Private Equity	6.65%	10.00%
Specialty Credit/High Yield	3.90%	15.00%
Core Bonds	-0.25%	13.50%
Cash	-0.75%	1.00%
Real Estate	5.30%	5.00%
Opportunistic	2.25%	3.00%
Real return	3.95%	15.00%
Total		<u>100.00%</u>

The table above is applicable to both the nonhazardous and hazardous plans.

*Discount rate* - The discount rate used to measure the total OPEB asset and liability was 5.43% for the nonhazardous plan, and 5.28% for the hazardous plan. The discount rate determination used an expected rate of return of 6.25%, a municipal rate of 2.45%, as reported in Fidelity Index's "20 -Year Municipal GO AA Index" as of June 30, 2020. However, the cost associated with the implicit employer subsidy was not included in the calculation of the System's actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the System's trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

*Sensitivity of the University's proportionate share of the net OPEB asset and liability to changes in the discount rate* - The University's proportionate share of the net OPEB asset and liability has been calculated using a discount rate of 5.43% for the nonhazardous and 5.28% for hazardous. The following presents the University's share of the net OPEB liability calculated using a discount rate 1% higher and 1% lower than the current rate (in thousands):

	<b>1% Decrease (4.43%)</b>	<b>Current Discount Rate (5.43%)</b>	<b>1% Increase (6.43%)</b>
<b>Non-hazardous</b>			
Proportionate share of the Collective Net OPEB Liability	\$ 73,050	\$ 61,289	\$ 51,636
	<b>1% Decrease (4.28%)</b>	<b>Current Discount Rate (5.28%)</b>	<b>1% Increase (6.28%)</b>
<b>Hazardous</b>			
Proportionate share of the Collective Net OPEB Liability (Asset)	\$ 485	\$ 164	\$ (94)

*Sensitivity of the University's proportionate share of the net OPEB asset and liability to changes in the health care cost trend rates* - The University's proportionate share of the net OPEB asset and liability has been calculated using an initial pre-65 health care trend rate of 6.40%, gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years. The post-65 health care trend rate starts at 2.90% at January 1, 2022, and increasing to 6.30% in 2023, then gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years.

	<u>1% Decrease</u>	<u>Current Health Care Cost Trend Rates</u>	<u>1% Increase</u>
<b>Non-hazardous</b>			
Proportionate share of the Collective Net OPEB Liability	\$ 51,585	\$ 61,289	\$ 73,043
<b>Hazardous</b>			
Proportionate share of the Collective Net OPEB Liability (Asset)	\$ (77)	\$ 164	\$ 459

*OPEB plan fiduciary net position* – Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued plan annual report.

*Payable to the OPEB plan* - The University reported payables of \$272,000 and \$255,000 for the outstanding amount of employer contributions to the OPEB plan required for the years ended June 30, 2021 and 2020, respectively.

### Note 9 – Operating Expenses By Natural Classification

The University’s operating expenses by natural classification are as follows for the years ended June 30, 2021 and 2020 (in thousands):

	<u>2021</u>	<u>2020</u>
Salaries and wages	\$ 106,820	\$ 108,177
Employee benefits-pension and OPEB	33,770	37,411
Employee benefits-other	28,806	31,498
Utilities	4,250	4,843
Supplies and other services	47,808	44,904
Depreciation	20,137	20,698
Student scholarships and financial aid	27,616	20,739
Total	<u>\$ 269,207</u>	<u>\$ 268,270</u>

### Note 10 – Risk Management

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by (1) the State Fire and Tornado Insurance Fund (the Fund), (2) Sovereign Immunity and the Kentucky Claims Commission, or (3) in the case of risks not covered by the Fund and Sovereign Immunity, commercial insurance, participation in insurance risk retention groups or self-insurance.

The Fund covers losses to property from fire, wind, earthquake, flood and most other causes of loss between \$5,000 and \$1 million per occurrence. Losses in excess of \$1 million are insured by commercial carriers up to \$1.5 billion per occurrence with buildings insured at replacement cost and contents on an actual cash value basis. As a state agency, the University is vested with Sovereign Immunity and is subject to the provisions of the *Board of Claims Act*, under which the University's liability for certain negligence claims is limited to \$250,000 for any one person or \$400,000 for all persons damaged by a single act of negligence. Claims against educators' errors and omissions and wrongful acts are insured through a reciprocal risk retention group. There have been no significant reductions in insurance coverage from 2020 to 2021. Settlements have not exceeded insurance coverage during the past three years.

The University began self-insuring employee health insurance as of January 1, 2014. Accrued expenses are based on the estimated costs of health care claims based on claims filed subsequent to year end and an additional amount for incurred but not yet reported claims based on prior experience. The University purchases both specific and aggregate stop loss coverage on medical and prescription drug claims. The stop loss insurance limits its exposure for claims to \$250,000 per individual and 125 percent of projected aggregate claims.

The health self-insurance liability as of June 30, 2021 and 2020 is detailed below (in thousands):

	<u>2021</u>	<u>2020</u>
Liability, beginning of year	\$ 1,144	\$ 1,353
Claims and changes in estimates	16,671	15,927
Claims paid	<u>(16,206)</u>	<u>(16,136)</u>
Liability, end of year	<u>\$ 1,609</u>	<u>\$ 1,144</u>

The University also self-insures certain other employee benefits, including worker's compensation claims to the extent not covered by insurance. The University has recorded an estimate for asserted claims at June 30, 2021.

#### **Note 11 – Contingencies**

The University is a party to various litigation and other claims in the ordinary course of business. University officials are of the opinion, based upon the advice of legal counsel, that the ultimate resolution of these matters will not have a material effect on the financial position of the University.

As a result of the spread of SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position, results of operations and cash flows of the University. Potential effects include but are not limited to declines in the fair value of investments, realizability of receivables, and declines in revenues. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

#### **Note 12 –Restricted Net Position**

At June 30, 2021 and 2020, restricted expendable net position was available for the following purposes:

	<u>2021</u>	<u>2020</u>
Appreciation on permanent endowments	\$ 8,273	\$ 4,871
Advance funded capital projects	-	(102)
Capital projects and debt service	756	1,247
Funds restricted for noncapital purposes	529	437
Advance funded CARES relief	<u>-</u>	<u>(2,198)</u>
Restricted Net Position, end of year	<u>\$ 9,558</u>	<u>\$ 4,255</u>

**Note 13 –Blended Entity Condensed Financial Information**

Condensed financial information for Northern Kentucky University Research Foundation (NKURF) is provided below for the years ended June 30, 2021 and 2020 (in thousands):

**NKURF Condensed Statements of Net Position**

	<u>2021</u>	<u>Restated 2020</u>
<b>ASSETS</b>		
Current assets	\$ 1,426	\$ 1,366
Total assets	<u>1,426</u>	<u>1,366</u>
<b>LIABILITIES</b>		
Current liabilities	<u>325</u>	<u>420</u>
Total liabilities	<u>325</u>	<u>420</u>
<b>NET POSITION</b>		
Restricted expendable	35	11
Unrestricted	<u>1,066</u>	<u>935</u>
Total net position	<u>\$ 1,101</u>	<u>\$ 946</u>

**NKURF Condensed Statements of Revenues, Expenses, and Changes in Net Position**

	<u>2021</u>	<u>2020</u>
<b>OPERATING REVENUES</b>		
Grants and contracts	\$ 2,076	\$ 2,089
Recoveries of facilities and administrative costs	<u>232</u>	<u>221</u>
Total operating revenues	<u>2,308</u>	<u>2,310</u>
<b>OPERATING EXPENSES</b>		
Operating expenses	<u>2,084</u>	<u>2,122</u>
Operating income	<u>224</u>	<u>188</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Nonexchange grants and gifts	11	-
Noncapital transfers (to)/from the University	(120)	(135)
Gifts and grants	<u>40</u>	<u>28</u>
Net nonoperating revenues (expenses)	<u>(69)</u>	<u>(107)</u>
Increase in net position	<u>155</u>	<u>81</u>
<b>NET POSITION</b>		
Net position-beginning of year	<u>946</u>	<u>865</u>
Net position-end of year	<u>\$ 1,101</u>	<u>\$ 946</u>



## NKURF Condensed Statements of Cash Flow

	<b>2021</b>	<b>Restated 2020</b>
Net cash provided by operating activities	\$ 239	\$ 310
Net cash used by noncapital financing activities	(118)	(241)
Net increase in cash and cash equivalents	121	69
Cash and cash equivalents-beginning of year	925	856
Cash and cash equivalents-end of year	<u>\$ 1,046</u>	<u>\$ 925</u>

### Note 14 – Northern Kentucky University Foundation, Inc. Notes to Financial Statements

Selected disclosures from the Foundation are included as follows:

#### a. Summary of Significant Accounting Policies

##### 1. Scope of Statements

The consolidated financial statements of the Northern Kentucky Foundation, Inc. include the operations of the Foundation and several single member limited liability companies. All material intercompany transactions and balances have been eliminated for the year ended June 30, 2021.

##### 2. Basis of Presentation

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), which require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following is a summary of the significant accounting policies consistently followed by the Foundation in preparation of its consolidated financial statements.

These statements are presented on the accrual basis of accounting, and have been prepared to focus on the Foundation as a whole and to present transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of balances and transactions into two classes of net assets – with donor restrictions and without donor restrictions.

Net assets and changes therein are classified as follows:

- **With donor restrictions** - Net assets with donor restrictions are subject to donor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.
- **Without donor restrictions** - Net assets not subject to donor-imposed stipulations. And are available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Restricted contributions and net investment returns earned are reported as with donor restrictions and reclassified as without donor restricted when any donor-imposed restrictions are satisfied. Expirations of with donor restrictions on net assets are met when a donor stipulated time restriction ends or purpose restriction is accomplished and reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restriction.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions receivable are discounted at an appropriate rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment of such factors as prior collection history, type of contribution and nature of the fund-raising activity.

The value recorded for each contribution is recognized as follows:

<b>Nature of the Gift</b>	<b>Value Recognized</b>
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on the Foundation overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> the donor-imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

Income and realized net gains on long-term investments are reported as follows:

- As increases in net assets with donor restrictions – if the terms of the gift require that they be added to the principal of a permanent endowment fund or if the terms of the gift impose restrictions on the use of the income.
- As increases in net assets without donor restrictions – in all other cases.

### **3. Cash and Cash Equivalents**

Cash and cash equivalents include all readily available sources of cash such as petty cash, demand deposits and temporary investments in marketable securities with maturities of less than three months. Cash and cash equivalents representing investments purchased with endowment net assets are reported as investments.

At various times throughout the year, the Foundation has cash in certain financial institutions in excess of insured limits. Additionally, at June 30, 2021 and 2020, \$835,000 and \$2,353,000, respectively, was insured by federal depository insurance or collateralized with securities held by the financial institution's trust department or agent, but not in the Foundation's name. At June 30, 2021 and 2020, balances of \$11,111,000 and \$6,654,000, respectively, were neither insured nor collateralized.

### **4. Loans and Accounts Receivable**

Loans receivable consists primarily of loans made to students under privately funded loan programs. The advances are evidenced by signed promissory notes, bearing interest at varying stated interest rates, with varying due dates. Loans, accounts and other receivables are stated at the amount management expects to collect from outstanding balances. Management provides for a probable uncollectible allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. The allowance for doubtful accounts as of June 30, 2021 and 2020 was approximately \$41,000 and \$39,000, respectively.

### **5. Investments**

Investments in equity securities with readily determinable fair values and all debt securities are reported at their fair value. The estimated fair value of investments is based on quoted market prices, except for investments for which quoted market prices are not available. The alternative investments, which are not readily marketable, are carried at estimated fair values as provided by the investment managers. The estimated fair value of certain alternative investments, such as private equity interests, is based on valuations provided by the external investment managers adjusted for cash receipts, cash disbursements and distributions. The Foundation believes the carrying amount of these financial instruments is a reasonable estimate of fair value. Because alternative investments are not readily marketable, their estimated value is subject to uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed. Such difference could be material.

The Foundation invests its endowment investment portfolio and allocates the related earnings for expenditure in accordance with the total return concept. A distribution of endowment return that is independent of the cash yield and appreciation (depreciation) of investments earned during the year is provided for program support.

The Foundation has significant exposure to a number of risks including interest rate, market and credit risks for both marketable and non-marketable securities. Due to the level of risk exposure, it is possible that near-term valuation changes for investment securities may occur to an extent that could materially affect the amounts reported in the Foundation's consolidated financial statements.

All true endowment investments and long-term net assets functioning as endowments are managed in a pool, unless special considerations or donor stipulations require that they be held separately.

## 6. Land and Land Improvements

At June 30, 2021 and 2020, land and land improvements (in thousands) consisted of:

<b>Type of Asset:</b>	<u><b>2021</b></u>	<u><b>2020</b></u>
Land	\$ 178	\$ 178
Land held for sale	-	32
Land held for future use by the University	145	145
Land improvements	<u>208</u>	<u>208</u>
<b>Gross land and land improvements</b>	<b>531</b>	<b>563</b>
Less: accumulated depreciation	<u>(208)</u>	<u>(208)</u>
<b>Total land and land improvements</b>	<b><u>\$ 323</u></b>	<b><u>\$ 355</u></b>

Assets acquired for Foundation use with a useful life greater than one year and a value of \$5,000 or more are capitalized. Annual depreciation for land improvements is calculated on a straight-line basis, beginning in the month of acquisition based on a useful life of 30 years. Assets purchased or constructed through the Foundation for immediate use by the University are recorded by the Foundation as a program expense.

## 7. Long-Lived Asset Impairment

The Foundation evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended June 30, 2021 or 2020.

## 8. Transfers Between Fair Value Hierarchy Levels

Transfers in and out of Level 1 (quoted market prices), Level 2 (other significant observable inputs) and Level 3 (significant unobservable inputs) are recognized on the actual transfer date.

### b. Unconditional and Conditional Promises to Give

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts are computed using a risk free interest rate and amortization of the discount is included in gifts and bequests revenue.

At June 30, 2021 and 2020, the Foundation recognized contributions based on the following unconditional promises to give (in thousands):

<b>Purpose:</b>	<u><b>2021</b></u>	<u><b>2020</b></u>
Endowment giving	\$ 1,383	\$ 2,648
Capital purposes	230	300
Operating programs	<u>3,672</u>	<u>3,818</u>
<b>Gross unconditional promises</b>	<b>5,285</b>	<b>6,766</b>
Less: Discount and allowance for uncollectible accounts	<u>(359)</u>	<u>(221)</u>
<b>Net unconditional promises to give</b>	<b><u>\$ 4,926</u></b>	<b><u>\$ 6,545</u></b>
 <b>Amounts due in:</b>		
Less than one year	\$ 1,857	\$ 2,391
One to five years	3,278	4,050
More than five years	<u>150</u>	<u>325</u>
<b>Total</b>	<b><u>\$ 5,285</u></b>	<b><u>\$ 6,766</u></b>

The discount rates used to calculate the present value of contributions receivable at June 30, 2021 and 2020 vary from 0.6% to 3.4%, depending on when the promise was made.

Conditional promises to give are not included as support until such time as the conditions are substantially met. The Foundation had received conditional promises to give of approximately \$2.5 million at June 30, 2021 and \$2.7 million at June 30, 2020, consisting of the face value of life insurance policies, net of accumulated cash surrender value, as well as conditional promises of \$1.7 million at June 30, 2021 and \$1.8 million at June 30, 2020 being from a single donor.

Approximately 15% of total pledges receivable were due from one donor at June 30, 2021. Approximately 15% of total pledges receivable were due from one donor at June 30, 2020.

### **c. Fair Value Measurements**

The three levels of the fair value hierarchy under generally accepted accounting principles are described as follows:

**Level 1** – Quoted prices in active markets for identical assets or liabilities

**Level 2** – Observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Other inputs that are observable for the asset or liability;
- Other inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

**Level 3** – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value:

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 investments include short-term money market funds, cash surrender value, fixed income funds and equity funds.

Level 2 investments are based on quoted prices of securities or other property with similar characteristics and include a remainder interest in real property subject to a life estate.

Level 3 investments include those in which there is no active market. The Foundation holds no Level 3 investments at June 30, 2021 or 2020.

The following assets were measured at fair value on a recurring basis as of June 30, 2021 (in thousands):

	Fair Value Measurements Using				
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV*
<b>June 30, 2021</b>					
<b>Type of Investment:</b>					
Short-term money market funds	\$ 29	\$ 29	\$ -	\$ -	\$ -
Cash surrender value	493	493	-	-	-
Fixed income funds:					
Core	5,675	5,675	-	-	-
Core plus	6,650	6,650	-	-	-
Treasury inflation protected securities	1,915	1,915	-	-	-
Intermediate	5,114	5,114	-	-	-
Equity funds:					
Large/Mid-cap - Broad	35,015	35,015	-	-	-
Large/Mid-cap - Value	8,857	8,857	-	-	-
Small Cap - Growth	2,485	2,485	-	-	-
Small Cap - Value	2,892	2,892	-	-	-
International - Core	9,386	9,386	-	-	-
International - Value	4,295	4,295	-	-	-
International Small Cap - Value	3,343	3,343	-	-	-
Emerging Markets - Value	5,932	5,932	-	-	-
Emerging Markets - Small Cap	6,104	6,104	-	-	-
Real estate Investment Trust	44	44	-	-	-
Exchange Traded Funds	320	320	-	-	-
Remainder interest in real property and other	1,190	-	1,190	-	-
Public natural resources-master limited partnerships	2,960	-	-	-	2,960
Private equity	14,973	-	-	-	14,973
Private debt	4,845	-	-	-	4,845
Natural resources	8,861	-	-	-	8,861
Private real estate	3,248	-	-	-	3,248
<b>Total</b>	<b>\$ 134,626</b>	<b>\$ 98,549</b>	<b>\$ 1,190</b>	<b>\$ -</b>	<b>\$ 34,887</b>

\*Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of net position

The following assets were measured at fair value on a recurring basis as of June 30, 2020 (in thousands):

	Fair Value Measurements Using				
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV*
<b>June 30, 2020</b>					
<b>Type of Investment:</b>					
Short-term money market funds	\$ 10	\$ 10	\$ -	\$ -	\$ -
Cash surrender value	463	463	-	-	-
Fixed income funds:					
Core	4,772	4,772	-	-	-
Core plus	6,148	6,148	-	-	-
Global	478	478	-	-	-
Treasury inflation protected Securities	1,798	1,798	-	-	-
Intermediate	5,123	5,123	-	-	-
Equity funds:					
Large/mid-cap - broad	24,191	24,191	-	-	-
Large/mid-cap - value	6,741	6,741	-	-	-
Small cap - growth	1,746	1,746	-	-	-
Small cap - value	1,549	1,549	-	-	-
International - core	6,907	6,907	-	-	-
International - value	3,327	3,327	-	-	-
International small cap - value	2,323	2,323	-	-	-
Emerging markets - value	4,042	4,042	-	-	-
Emerging markets - small cap	3,924	3,924	-	-	-
Real estate investment trust	40	40	-	-	-
Exchange traded funds	116	116	-	-	-
Remainder interest in real property and other	3,653	-	3,653	-	-
Public natural resources-master limited partnerships	1,913	-	-	-	1,913
Private equity	8,233	-	-	-	8,233
Private debt	2,667	-	-	-	2,667
Natural resources	7,629	-	-	-	7,629
Private real estate	2,675	-	-	-	2,674
Low-volatility	5,632	-	-	-	5,632
<b>Total</b>	<b>\$ 106,100</b>	<b>\$ 73,698</b>	<b>\$ 3,653</b>	<b>\$ -</b>	<b>\$ 28,748</b>

\*Certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statement of net position

#### d. Investments

The market values (in thousands) of the Foundation's investments as of June 30, 2021 and 2020 are categorized by type below:

	<u>2021</u>	<u>2020</u>
Type of Investment:		
Short-term money market funds	\$ 29	\$ 10
Cash and cash surrender value	635	597
Fixed income funds:		
Core	5,675	4,772
Core plus	6,650	6,148
Global	-	478
Treasury inflation protected securities	1,915	1,798
Intermediate	5,114	5,123
Equity funds:		
Large/mid cap - broad	35,015	24,191
Large/mid cap - value	8,857	6,741
Small cap - growth	2,485	1,746
Small cap - value	2,892	1,549
International - core	9,386	6,907
International - value	4,295	3,327
International small cap - value	3,343	2,323
Emerging markets - value	5,932	4,042
Emerging markets - small cap	6,104	3,924
Real estate investment trust	44	40
Exchange traded funds	320	116
Public natural resources -master		
Limited partnerships	2,960	1,913
Remainder interest in real property and other	1,190	3,653
Private equity:		
Buyout	3,438	1,868
Diversified	560	912
Growth	3,178	1,470
Venture capital	4,768	1,869
Secondary	3,029	2,114
Private debt:		
Distressed	4,837	2,659
Mezzanine	8	8
Natural resources:		
Diversified	2,482	2,115
Energy	3,700	3,013
Commodities	2,679	2,501
Private real estate:		
Opportunistic	2,755	2,236
Value added	493	439
Low-volatility:		
Diversifying strategies	-	5,632
Total investments	<u>\$ 134,768</u>	<u>\$ 106,234</u>

Investment return (in thousands) for the years ended June 30, 2021 and 2020 consists of:

	<u>2021</u>	<u>2020</u>
Interest and dividend income (net of investment fees: 2021 - \$602, 2020 - \$573)	\$ 3,029	\$ 2,395
Net realized gains	1,897	1,628
Net unrealized gains (losses)	<u>24,082</u>	<u>(6,962)</u>
Total investment return	<u>\$ 29,008</u>	<u>\$ (2,939)</u>

The Foundation records the cost of managing its endowment portfolio as a decrease in investment income within the appropriate net asset class in the consolidated statement of activities. Some of the Foundation's investment managers report investment transactions net of fees.

The investments of the Foundation are commingled with certain investments which the Foundation holds in trust for the University. The market value of funds held in trust for the University at June 30, 2021 and 2020 was approximately \$15,889,000 and \$12,487,000, respectively. (See Note 14g)

At June 30, 2021 and 2020, the Foundation had committed approximately \$65,800,000 and \$57,700,000, respectively, of its endowment investment resources to alternative investments, of which approximately \$21,400,000 and \$17,800,000, respectively, had not yet been called by the investment managers. Alternative investments for which commitments have been made consist of private equity/debt, natural resources, private real estate and low-volatility.

Alternative investments of the Foundation have limited marketability and the related investment agreements generally contain restrictive redemption provisions to the extent that the underlying investments should be considered illiquid for the duration of the investment through normal maturity. Early redemption of such investments would likely result in recovery of significantly less than the original investment amount. Foundation management believes the investment portfolio contains sufficient liquidity among other asset classes to make early redemption of alternative investments unlikely for reasons of meeting current spending needs.

#### e. Endowments

The Foundation's endowment consists of 367 individual funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments (quasi-endowments). Net assets associated with endowment funds, including quasi-endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The board, at their discretion, can at any time permit spending from the principal of any quasi-endowed fund, provided the expenditure complies with any donor-imposed restrictions related to the fund.

Kentucky enacted the *Kentucky Uniform Prudent Management of Institutional Funds Act* (KUPMIFA), the provisions of which apply to endowment funds existing on or established after enactment, with an effective date of July 15, 2010.

An interpretation of KUPMIFA provisions by the Foundation Board of Directors requires that the historical dollar amount of a donor-restricted endowment fund be preserved. As a result of this requirement, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable. The net appreciation of donor-restricted endowment funds is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation.

Under KUPMIFA, the Foundation endowment spending policy allows for prudent spending of future endowment earnings for accounts without accumulated earnings based upon consideration of the following factors, if applicable:

- Duration and preservation of the endowment fund
- Purpose of the institution and the endowment fund
- General economic conditions
- Possible effect of inflation or deflation
- Expected total return on investments
- Other resources of the institution
- Investment policy

The approved annual endowment spending rate is reduced by a proportion of 5% for each 1% the affected endowment is below the value of original and subsequent gifts to the permanent endowment (i.e. principal).



*Return Objectives and Risk Parameters.* The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The Foundation's spending and investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is to return a rate equal to the Consumer Price Index +5%, net of investment fees. Actual returns in any given year may vary from this amount.

*Strategies Employed for Achieving Objectives.* To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that includes fixed income investments as well as publicly traded equity-based investments and various alternative investment strategies to achieve its long-term return objectives within prudent risk parameters.

*Spending Policy and How the Objectives Relate to Spending Policy.* The spending policy calculates the amount of money annually distributed from the Foundation's various endowed funds, for grant making and administration. The current spending policy is to distribute an amount at least equal to 3-5% of a moving sixteen quarter average of the fair value of the endowment funds. Accordingly, over the long term, the Foundation expects its current spending policy to allow the Foundation to meet its objective to maintain the historical dollar amount of endowment assets as well as to provide additional real growth through investment return.

Endowment net asset composition by type of endowment (in thousands) as of June 30, 2021 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Endowment Assets</u>
Donor restricted endowment funds	\$ -	\$ 106,009	\$ 106,009
Quasi-endowment funds	3,367	4,705	8,072
Total endowment funds	<u>\$ 3,367</u>	<u>\$ 110,714</u>	<u>\$ 114,081</u>

Changes in endowment net assets (in thousands) for the year ended June 30, 2021 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, beginning of year	\$ 2,571	\$ 85,439	\$ 88,010
Contributions collected and other additions	-	2,167	2,167
Investment income	88	2,917	3,005
Net investment gain (loss)	733	24,183	24,916
Amounts appropriated for expenditure	(25)	(3,992)	(4,017)
Endowment net assets, end of year	<u>\$ 3,367</u>	<u>\$ 110,714</u>	<u>\$ 114,081</u>

Endowment net asset composition by type of endowment (in thousands) as of June 30, 2020 is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Endowment Assets</u>
Donor restricted endowment funds	\$ -	\$ 79,291	\$ 79,291
Quasi-endowment funds	2,571	6,148	8,719
Total endowment funds	<u>\$ 2,571</u>	<u>\$ 85,439</u>	<u>\$ 88,010</u>

Changes in endowment net assets (in thousands) for the year ended June 30, 2020 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, beginning of year	\$ 2,687	\$ 90,112	\$ 92,799
Contributions collected and other additions	-	2,243	2,243
Investment income	67	2,220	2,287
Net investment gain (loss)	(160)	(5,309)	(5,469)
Amounts appropriated for expenditure	(23)	(3,831)	(3,854)
Reclassify to held in perpetuity	-	4	4
	<u>\$ 2,571</u>	<u>\$ 85,439</u>	<u>\$ 88,010</u>
Endowment net assets, end of year	<u>\$ 2,571</u>	<u>\$ 85,439</u>	<u>\$ 88,010</u>

*Funds with Deficiencies.* From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or KUPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no such deficiencies of this nature at June 30, 2021 and deficiencies of this nature were approximately \$84,000 at June 30, 2020. These deficiencies resulted from unfavorable market conditions that occurred after the investment of permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Directors.

#### **f. Contingent Liabilities**

Legal counsel for the Foundation have advised that they know of no pending or threatened litigation, claims or assessments involving the Foundation that could have a material adverse financial effect on the Foundation.

#### **g. Regional University Excellence Trust Fund**

The Foundation holds certain funds, consisting of endowment matching funds received by the University from the Commonwealth of Kentucky's Regional University Excellence Trust Fund, which were subsequently transferred to the Foundation for management and investment. The Foundation reports these funds and accumulated earnings as assets held in trust for the University. Investment earnings, gains and losses and expenditures from these funds are reported as changes in the balance held in trust, rather than as revenue and expenses of the Foundation.

#### **h. Subsequent Events**

Events occurring after June 30, 2021 have been evaluated for possible adjustment to the consolidated financial statements or disclosure through September 15, 2021, the date on which the consolidated financial statements were available to be issued.

#### **i. Related Party Transactions**

During the years ended June 30, 2021 and 2020, the Foundation made payments on behalf of the University of \$328,000 and \$331,000, respectively, for salaries, benefits, and other administrative costs for University staff that directly support the Foundation's operations. These payments are made by agreement between the Foundation and University. Approximately \$2,000 and \$0 as of June 30, 2021, and 2020, respectively, was owed to the University for such costs.

In support of University Programs, the Foundation incurred program expenses of \$6,516,000 and \$6,855,000 for 2021 and 2020, respectively, which consisted of payments on behalf of the University of \$4,508,000 and \$4,858,000, for 2021 and 2020, respectively; and amounts transferred to the University for restricted purposes of \$2,008,000 and \$1,997,000 for 2021 and 2020, respectively.

During the year ended June 30, 2020, the Foundation purchased 20.24 acres of land from the University to be held as an investment for the amount of approximately \$2,968,000, which was sold during the year ended June 30, 2021.

## j. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2021 and 2020, comprise the following (in thousands):

	<u>2021</u>	<u>2020</u>
Cash and equivalents	\$ 6,189	\$ 3,243
Accounts receivable	7	-
Contributions receivable	1,159	1,232
Less allowance for uncollectible pledges	(10)	(11)
	<u>\$ 7,345</u>	<u>\$ 4,464</u>

The Foundation receives significant contributions restricted by donors and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. For the years ended June 30, 2021 and 2020, restricted contributions of \$1,149,000 and \$1,221,000, respectively, were included in financial assets available to meet cash needs for general expenditures within one year.

The Foundation's endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The board-designated endowment for the years ended June 30, 2021 and 2020, of \$7,705,000 and \$7,439,000 is subject to an annual spending rate as described in Note 14e. Although the Foundation does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

The Foundation manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Foundation's Finance and Audit Committee reviews the liquidity policy annually and the summarized financial reports at its regular meetings.

## k. Schedule of Functional Expenses

The Foundation accounts for expenses in both natural classification categories and functional area categories. The summaries of these for the years ended June 30, 2021 and 2020 are as follows (in thousands):

### Schedule of Functional Expenses For the Year Ended 6/30/21 (in thousands)

	Subgranted to NKU-Payroll	Subgranted to NKU-Other	Contracted Services	Operating	Scholarships & Awards	Total
Instruction	\$ 513	\$ 60	\$ 40	\$ 97	\$ -	\$ 710
Research	97	-	-	7	-	104
Public service	25	-	58	138	-	221
Libraries	-	-	-	5	-	5
Academic support	627	-	25	157	-	809
Student services	184	-	16	154	-	354
Institutional support	528	-	41	165	-	734
University facilities and equipment acquisition	-	(25)	-	28	-	3
Student financial aid	-	-	-	-	3,182	3,182
Other program expenses and losses	-	-	-	394	-	394
Total program expenses	\$ 1,974	\$ 35	\$ 180	\$ 1,145	\$ 3,182	\$ 6,516
Management and general	328	-	53	63	-	444
Fund raising support	-	-	-	63	-	63
Total support expenses	\$ 328	\$ -	\$ 53	\$ 126	\$ -	\$ 507
Total expenses and losses	\$ 2,302	\$ 35	\$ 233	\$ 1,271	\$ 3,182	\$ 7,023

### Schedule of Functional Expenses For the Year Ended 6/30/20 (in thousands)

	Subgranted to NKU-Payroll	Subgranted to NKU-Other	Contracted Services	Operating	Scholarships & Awards	Total
Instruction	\$ 467	\$ 104	\$ 34	\$ 160	\$ -	\$ 765
Research	61	-	-	5	-	66
Public service	36	20	3	676	-	735
Libraries	-	-	-	10	-	10
Academic support	578	-	37	423	-	1,038
Student services	139	44	25	384	-	592
Institutional support	428	-	98	406	-	932
University facilities and equipment acquisition	-	120	-	30	-	150
Student financial aid	-	-	-	-	2,557	2,557
Other program expenses and losses	-	-	-	10	-	10
Total program expenses	\$ 1,709	\$ 288	\$ 197	\$ 2,104	\$ 2,557	\$ 6,855
Management and general	331	-	102	70	-	503
Fund raising support	-	-	-	204	-	204
Rental property	-	-	-	4	-	4
Total support expenses	\$ 331	\$ -	\$ 102	\$ 278	\$ -	\$ 711
Total expenses and losses	\$ 2,040	\$ 288	\$ 299	\$ 2,382	\$ 2,557	\$ 7,566

## l. Long-Term Debt

During the year ended June 30, 2020, the Foundation borrowed \$2 million on a promissory note collateralized by maintaining an amount equal to the loan in a savings account within the lending institution. The loan was obtained to purchase 20.24 acres of land from the University to be held as an investment. Accrued interest is payable monthly commencing on July 31, 2020 and continuing each month with one final payment of all remaining interest and principal due on June 30, 2022. The interest rate is variable being determined by the LIBOR rate plus 1.0% adjusted on a monthly basis with a fixed minimum rate of 1.75%. The promissory note was paid in full during the year ended June 30, 2021.

### **m. Future Changes in Accounting Principles**

#### *Accounting for Leases*

FASB amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the balance sheet as both a right-of-use asset and a liability. The standard has two types of leases for income statement recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line bases over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for the Foundation for the year ending June 30, 2023.

### **Note 15 – Fiduciary Funds**

The fiduciary funds held by the University on behalf of The Stream and Wetland Restoration Fund are managed in accordance with a memorandum of agreement with the U.S. Army Corps of Engineers (Corps). At June 30, 2021 and 2020, the fiduciary funds managed by the University are included in bank accounts in accordance with the memorandum of agreement with the Corps. These deposits were covered by federal depository insurance or by collateral held by the pledging bank's agents in the University's name.

## **Required Supplementary Information**

**Northern Kentucky University**  
**A Component Unit of the Commonwealth of Kentucky**  
**Schedule of Proportionate Share of the Collective Net Pension Liability**  
**Kentucky Employees' Retirement System**  
(in thousands)

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
<b>Nonhazardous</b>							
University's proportionate share of the net pension liability	2.413982%	2.335187%	2.304209%	2.345490%	2.403742%	2.447755%	2.489115%
University's proportionate share of the collective net pension liability	\$ 341,932	\$ 329,798	\$ 313,460	\$ 314,022	\$ 274,014	\$ 245,556	\$ 223,319
University's covered-employee payroll	\$ 35,634	\$ 34,697	\$ 34,793	\$ 37,584	\$ 39,206	\$ 37,799	\$ 39,266
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	959.56%	950.50%	900.94%	835.52%	698.91%	649.64%	568.73%
Pension plan fiduciary net position as a % of the total pension liability	14.01%	13.66%	12.84%	13.30%	14.80%	18.83%	22.30%
<b>Hazardous</b>							
University's proportionate share of the net pension liability	0.384598%	0.373520%	0.386465%	0.370876%	0.040113%	0.444514%	0.414511%
University's proportionate share of the collective net pension liability	\$ 2,157	\$ 2,041	\$ 1,952	\$ 1,844	\$ 1,571	\$ 1,524	\$ 1,059
University's covered-employee payroll	\$ 661	\$ 600	\$ 591	\$ 662	\$ 637	\$ 563	\$ 535
University's proportionate share of the net pension liability as a percentage of its covered-employee payroll	326.28%	340.16%	330.29%	278.50%	246.58%	270.64%	197.80%
Pension plan fiduciary net position as a % of the total pension liability	55.18%	55.49%	56.10%	54.80%	57.41%	61.70%	68.70%

\*The amounts presented for the fiscal year were determined as of June 30 of the previous fiscal year (measurement date).

\*\* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Northern Kentucky University**  
**A Component Unit of the Commonwealth of Kentucky**  
**Schedule of University Pension Contributions**  
**Kentucky Employees' Retirement System**  
(in thousands)

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
<b>Nonhazardous</b>							
Contractually required contribution	\$ 13,855	\$ 14,310	\$ 14,162	\$ 14,596	\$ 14,738	\$ 12,069	\$ 12,320
University's contributions in relation to the contractually required contribution	13,855	14,310	14,162	14,596	14,738	12,069	12,320
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 33,743	\$ 34,848	\$ 34,491	\$ 35,498	\$ 36,626	\$ 39,131	\$ 39,948
Contributions as a percentage of covered-employee payroll	41.06%	41.06%	41.06%	41.06%	40.24%	30.84%	30.84%
<b>Hazardous</b>							
Contractually required contribution	\$ 233	\$ 287	\$ 256	\$ 180	\$ 170	\$ 127	\$ 136
University's contributions in relation to the contractually required contribution	233	287	256	180	170	127	136
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 646	\$ 835	\$ 744	\$ 838	\$ 806	\$ 776	\$ 831
Contributions as a percentage of covered-employee payroll	36.00%	34.39%	34.39%	21.44%	21.08%	16.37%	16.37%

Notes to the Schedule:

*Changes in assumptions* - In fiscal year 2018, the KERS nonhazardous investment rate and discount rate both decreased from 6.75% to 5.25%. The KERS hazardous investment rate and discount rate both decreased from 7.50% to 6.25%. For the nonhazardous plan, the estimated salary increases decreased from 4.00% to 3.05% in fiscal year 2019. As of fiscal year 2020, salary increase assumptions vary from 3.30% to 15.30% based on service. For the hazardous plan, the estimated salary increases decreased from 4.00% to 3.05% in fiscal year 2019. As of fiscal year 2020, the salary increase assumptions vary from 3.55% to 20.05% based on service. In fiscal year 2018, the KERS plan inflation rate decreased from 3.25% to 2.30% for both the nonhazardous and hazardous plans.

This schedule does not include the cessation payment of \$169,320,000.

\* The amounts presented for the fiscal year were determined as of June 30, of the previous fiscal year (measurement date).

\*\* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.



**Northern Kentucky University**  
**A Component Unit of the Commonwealth of Kentucky**  
**Schedule of Proportionate Share of the Net OPEB Liability**  
**Kentucky Employees' Retirement System**  
(in thousands)

	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>
<b>Nonhazardous</b>				
University's proportionate share of the net OPEB liability (asset)	2.413982%	2.335187%	2.302178%	2.345490%
University's proportionate share of the net net OPEB liability (asset)	\$ 61,289	\$ 51,909	\$ 54,583	\$ 59,481
University's covered-employee payroll	\$ 35,786	\$ 35,400	\$ 36,234	\$ 37,366
University's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	171.27%	146.64%	150.64%	159.18%
Plan fiduciary net position as a % of the total OPEB liability	29.47%	30.92%	27.32%	24.40%
<b>Hazardous</b>				
University's proportionate share of the net OPEB liability (asset)	0.384513%	0.372729%	0.386561%	0.370876%
University's proportionate share of the net net OPEB liability (asset)	\$ 164	\$ (100)	\$ (128)	\$ 22
University's covered-employee payroll	\$ 701	\$ 564	\$ 736	\$ 635
University's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	23.47%	-17.73%	-17.43%	3.46%
Plan fiduciary net position as a % of the total OPEB liability	92.42%	105.29%	106.83%	98.80%

\*The amounts presented for the fiscal year were determined as of June 30, of the previous fiscal year (measurement date).

\*\* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

**Northern Kentucky University**  
**A Component Unit of the Commonwealth of Kentucky**  
**Schedule of University OPEB Contributions**  
**Kentucky Employees' Retirement System**  
(in thousands)

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
<b>Non-hazardous</b>				
Contractually required contribution	\$ 2,838	\$ 2,931	\$ 2,901	\$ 2,989
University's contributions in relation to the contractually required contribution	2,838	2,931	2,901	2,989
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 33,743	\$ 34,848	\$ 34,491	\$ 35,548
Contributions as a percentage of covered-employee payroll	8.41%	8.41%	8.41%	8.41%
<b>Hazardous</b>				
Contractually required contribution	\$ -	\$ 21	\$ 18	\$ 19
University's contributions in relation to the contractually required contribution	-	21	18	19
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 656	\$ 835	\$ 744	\$ 838
Contributions as a percentage of covered-employee payroll	0.00%	2.46%	2.46%	2.26%

Notes to the Schedule:

*Changes in assumptions* - In fiscal year 2018, the KERS nonhazardous and hazardous investment rate decreased from 7.50% to 6.25%. The nonhazardous discount rate decreased from 6.90% to 5.83%, and the hazardous discount rate decreased from 7.20% to 5.87%. The estimated salary increases decreased from 4.00% to 3.05% for both the nonhazardous and hazardous plans. The KERS plan inflation rate decreased from 3.25% to 2.30% for both the nonhazardous and hazardous plans. In fiscal year 2019, the KERS nonhazardous discount rate increased from 5.83% to 5.86%; the KERS hazardous discount rate increased from 5.87% to 5.88%. As of fiscal year 2020, salary increase assumptions vary from 3.30% to 15.30%, based on service, for the nonhazardous plan. Salary increase assumptions vary from 3.55% to 20.05%, based on service, for the hazardous plan. Also, in fiscal year 2020, the nonhazardous discount rate decreased from 5.86% to 5.73%, while the hazardous discount rate decreased from 5.88% to 5.66%.

In fiscal year 2020, the pre-65 healthcare trend rate assumptions were revised from an initial trend starting at 7.00% at January 1, 2020, and gradually decreasing to an ultimate trend of 4.05% over 12 years to an initial trend starting at 6.40% at January 1, 2022, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years. The post-65 assumptions changed from an initial trend starting at 5.00% at January 1, 2020, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 10 years to an initial trend starting at 2.90% at January 1, 2022, and gradually increasing to 6.30% in 2023, then gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years. The discount rate changed from 5.73% for KERS nonhazardous and 5.66% for KERS hazardous to 5.43% for KERS nonhazardous and 5.28% for KERS hazardous.

\* The amounts presented for the fiscal year were determined as of June 30, of the previous fiscal year (measurement date).

\*\* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

## POLICIES REPORT

The following policies were approved at the executive level after proceeding through the campus vetting process. The President and other university administrators determined that approval of these policies by the Board of Regents was not needed per the [criteria established in Presidential Recommendation C-7 of the January 2015 regular meeting](#):

The Board of Regents shall approve the following criteria to determine if a university policy requires Board approval:

- The policy identifies a major university strategic initiative;
- The policy involves the Board's fiduciary responsibilities;
- The policy is associated with an issue of significant risk; and/or
- The policy must be approved by the Board for legal and compliance purposes

The criteria will be interpreted by the President, who may seek consultation from General Counsel or other university administrators. All new or revised university policies that meet the above criteria will be submitted to the Board for approval.

For efficiency purposes, the administration shall have the authority to make technical or editorial revisions for Board approved policies. A technical or editorial change is a non-substantive change such as the correction of statutory or regulation references, contact names, position titles, department names, office locations, email or web addresses, spelling or grammatical errors, and the like.

A copy of this policy is available upon request.

### TEXT MESSAGING

This policy provides the acceptable guidelines for how the university will use Short Message Service (SMS) and Multimedia Messaging Service (MMS) text messaging appropriately to communicate important information to faculty, staff, and students. This minor revision is an update for edits and clarifications, including eliminating alumni from the policy and increasing the definition of a mass text from 20 to 100 recipients.

**RECOMMENDATION:**

That the following academic affairs personnel actions receive Board of Regents approval:

**FACULTY APPOINTMENTS:**

**Kristine Barnett**, lecturer in the School of Nursing, College of Health and Human Services, effective August 16, 2021.

**Laura Boeskin**, lecturer in the School of Nursing, College of Health and Human Services, effective August 16, 2021.

**Nycole Brundidge**, lecturer in the School of Social Work, College of Health and Human Services, effective August 16, 2021.

**Patricia Deane**, clinical assistant professor in the School of Nursing, College of Health and Human Services, effective August 16, 2021.

**Lori Dowell**, lecturer in the School of Nursing, College of Health and Human Services, effective August 16, 2021.

**David Evans**, from non-tenure-track, temporary to non-tenure-track, renewable lecturer in Mathematics, in the Department of Mathematics and Statistics, College of Arts and Sciences effective August 16, 2021.

**Meryl Hemmerle**, lecturer in the School of Nursing, College of Health and Human Services, effective August 16, 2021.

**Jennifer Hunter**, lecturer and Director of Nurse Advocacy Center for the Underserved in the School of Nursing, College of Health and Human Services, effective August 16, 2021.

**Meranda Keeton**, lecturer in the School of Nursing, College of Health and Human Services, effective August 16, 2021.

**Neisha Wiley**, assistant professor in the School of Social Work, College of Health and Human Services, effective August 16, 2021.

Mini Vitas Follow

**TRANSITIONS:**

**Carolyn Kallmeyer**, from clinical assistant professor and MSN FNP concentration coordinator to clinical assistant professor and APRN clinical coordinator in the School of Nursing, College of Health and Human Services, effective August 16, 2021.

**Matthew Zacate**, from professor to professor and interim chair in the Department of Physics, Geology and Engineering Technology, College of Arts and Sciences, effective July 1, 2021.

Mini Vitas Follow

**DEPARTURES:**

**Richard Pessagno**, lecturer in the School of Nursing, College of Health and Human Services, effective December 31, 2021.

**PHASED RETIREMENT:**

**Caron Martin**, associate professor in the School of Nursing, College of Health and Human Services, beginning August 2022 and terminating at the end of spring semester 2024.

Mini Vita Follows

**TEMPORARY FACULTY APPOINTMENTS:**

**College of Arts and Sciences**

CINSAM	Ms. Amber Carter Ms. Kristina Bielewicz	Academic Year Academic Year
Music	Mr. Michael Culligan Ms. Krista Weiss	Academic Year Academic Year
Psychological Science	Ms. Kahlil King (VAP)	Academic Year
Visual Arts	Mr. Joshua Maier	Academic Year

**College of Education**

Educational Leadership and Advanced Studies	Erin Elfers Melissa Hess	Academic Year Academic Year
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**College of Health and Human Services**

School of Nursing	Emily Greis	Academic Year
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**College of Informatics**

Business Informatics	Anthony Burk Bradley Metzger	Academic Year Academic Year
Communication	David R. Brandt Michelle Crowley Aaron Zlatkin	Academic Year Academic Year Academic Year
Computer Science	John Musgrave Md Shohel Rana Brian Sauer	Academic Year Academic Year Academic Year

## Haile College of Business

Accounting & Business Law	Danna Abu-Rashed Alfred Greenfield James Human	Academic Year Academic Year Academic Year
Marketing, Sports Business & Construction Management	Kimberly Roush	Academic Year
Management	Joan Adkins David Harrison Louis Manchise Zachary Strobl Jeffrey Varrone	Academic Year Academic Year Academic Year Academic Year Academic Year
Mini Vitas Follow		

## MINI VITA

**Name:** Kristine Barnett

**Title:** Lecturer (non-tenure-track, renewable)

**Education:** M.S. in Nursing, 2021, Mount St. Joseph University

B.S. in Nursing, 2013, Northern Kentucky University

**Experience:** 2021-present, Lecturer, Northern Kentucky University

2020-2021, Clinical Patient Navigator, St. Elizabeth Physicians

2014-2020, Registered Nurse, Cincinnati Children's Hospital Medical Center

2011-2014, Nurse Extern, St. Elizabeth Healthcare

## MINI VITA

**Name:** Kristina Bielewicz

**Title:** Lecturer (non-tenure-track, temporary)

**Education:** M.S., Immunobiology, 2014, University of Cincinnati

B.S., Natural Sciences, 2000, University of Cincinnati

A.A.S., Biochemistry, 1997, University of Cincinnati

**Experience:** 2013-present, Freelance Medical Science Writer and Editor, *The American Academy of Allergy, Asthma and Immunology: the Journal of Allergy and Clinical Immunology*

2008-2015, Principal Research Assistant-Compliance Officer, Departments of Neurology and Neurosurgery, University of Cincinnati

2007-2008, Senior Research Assistant, UC Cancer Programs, University of Cincinnati

2004-2007, Research Assistant, Department of Neurosurgery, University of Cincinnati

2003-2004, Principal Research Assistant, Department of Cancer and Cell Biology, University of Cincinnati

2002-2003, Staff Research Associate, Elan Pharmaceuticals

2000-2002, Research Associate, Gladstone Institute of Neurological Disease



## MINI VITA

**Name:** Laura Boesken

**Title:** Lecturer (non-tenure-track, renewable)

**Education:** D.N.P., 2018, Xavier University

M.S. in Nursing, 2014, Xavier University

B.S. in Nursing, 2009, Northern Kentucky University

**Experience:** 2021-present, Lecturer, Northern Kentucky University

2020-2021, Adjunct Faculty, Beckfield College

2019-2021, Adjunct Faculty, Grand Canyon University

2020-2021, Intake Coordinator, SUN Behavioral Hospital

2019-2020, Intake Clinical Manager, SUN Behavioral Hospital

2017-2019, Teaching Professor, Xavier University

2018-2019, Registered Nurse, SUN Behavioral Health

2016-2018, Occupational Health, St. Elizabeth Medical Center

2015-2016, Registered Nurse, SUN Behavioral Health

2012-2016, Adjunct Faculty, Xavier University

2010-2016, Registered Nurse, Cincinnati Children's Hospital Medical Center

## MINI VITA

**Name:** Joetta Browning

**Title:** Lecturer II and Director of Experiential Education and Clinical Placements

**Education:** M.Ed. in Secondary Education, 1992, Northern Kentucky University

B.S. in Mathematics, 1986, Northern Kentucky University

**Experience:** 2016-present, Coordinator of Developmental Mathematics, Northern Kentucky University

2000-2016, Developmental Mathematics Instructor, Northern Kentucky University

2001-2016, District Technology Coordinator, Beechwood Independent Schools

1995-2001, School Technology Coordinator, Campbell County High School

## MINI VITA

**Name:** Nycole Brundidge

**Title:** Lecturer (non-tenure-track, renewable)

**Education:** Master of Social Work, 2016, Northern Kentucky University

Bachelor of Social Work, 2005, Northern Kentucky University

**Experience:** 2021- present, Clinical Assistant Professor, Northern Kentucky University

2018-2021, Instructor, Northern Kentucky University

2020-2021, Targeted Assessment Specialist, University of Kentucky

2006-2019, Social Work Clinician/Family Services Office supervisor,  
Commonwealth of Kentucky

2004-2008, Mental Health Specialist, Cincinnati Children's Hospital Medical  
Center

## MINI VITA

**Name:** Amber Carter

**Title:** Lecturer/Outreach Specialist (non-tenure-track, temporary)

**Education:** M.A. in Special Education, 2016, University of the Cumberlands

B.A. in Elementary Education, 2007, Northern Kentucky University

**Experience:** 2016-present, Outreach Specialist for CINSAM

2012-2016, Summer Camp Instructor and Next Generation STEM Classroom  
Consultant, Center for Integrative Natural Science and Mathematics (CINSAM)

2007-2016, Elementary School Teacher, Stephens Elementary School

## MINI VITA

**Name:** Michael Culligan

**Title:** Lecturer (non-tenure-track, temporary)

**Education:** M.M. in Percussion Performance, 2010, Temple University

B.S. in Music Education, 2008, Duquesne University

**Experience:** 2015-2020, Part-Time Faculty, Northern Kentucky University

## MINI VITA

**Name:** Scot Cunningham

**Title:** Senior Lecturer

**Education:** M.S. in Computer Science, 2007, Northern Kentucky University

B.S. in Computer Science, 1983, Ball State University

**Experience:** 2009-present, Lecturer, Northern Kentucky University

2008-2009, Adjunct Instructor, Northern Kentucky University

2008-2009, Technical Manager, Citigroup

1995-2008, Senior Manager/Architect, Convergys Corporation

2003, Adjunct Instructor, College of Mount St. Joseph

1998, Independent Consultant, Computer Sciences Corporation

1993-1995, Technical Consultant, Computer Sciences Corporation

1984-1993, Systems Analyst, Cincinnati Bell Information Systems

1983-1984, Chair, Indiana Vocational Technical College

## MINI VITA

**Name:** Patricia Deane

**Title:** Clinical Assistant Professor (non-tenure-track, renewable)

**Education:** D.N.P., 2020, Northern Kentucky University  
M.S. in Nursing Administration, 2017, University of South Carolina  
B.S. in Nursing, 2002, Lewis University

**Experience:** 2021-present, Clinical Assistant Professor, Northern Kentucky University  
2020-2021, Adjunct Professor, Northern Kentucky University  
2019-2020, Doctoral Mentor of Professional Doctorates, Faith International University  
2017-2020, Chief Executive Director, Pathway Leadership Development  
2018-2019, Adjunct Faculty, Greenville Technical College  
2018-2019, Hospice Registered Nurse, Regency Southern Care  
2017-2018, Director of Leader Development, Fellowship Greenville  
2017-2018, Registered Nurse Consultant, Helping Hands  
2011-2017, Program Administrator, Greenville Hurricanes  
2000-2003, Registered Nurse Case Manager, Advocate Home Health Care

## MINI VITA

**Name:** Lori Dowell

**Title:** Lecturer, (non-tenure-track, renewable)

**Education:** D.N.P., 2019, Indiana State University

M.S. in Nursing, 2011, Walden University

B.S. in Nursing, 1991, University of Windsor

**Experience:** 2021-present, Lecturer, Northern Kentucky University

2020-2021, Interim Director of Nursing, Siena Heights University

2015-2021, Program Coordinator, Siena Heights University

2011-2021, Associate Professor, Siena Heights University

2011-2011, Adjunct Lecturer, Siena Heights University

2006-2011, Clinical Educator, Oakwood Hospital and Medical Center Dearborn

2004-2007, School Nurse, Clinton Community Schools

1992-2006, Staff Nurse, Oakwood Hospital and Medical Center Dearborn

1991-1992, Staff Nurse, Oakwood Hospital and Medical Center Dearborn



## MINI VITA

**Name:** David Evans

**Title:** Lecturer (non-tenure track, temporary)

**Education:** M.S. in Biostatistics, 2019, University of Cincinnati

B.A. in Mathematical Sciences, 2007, University of Cincinnati

**Experience:** 2019-Present, Lecturer, Statistics, Northern Kentucky University

2019, Financial Aid Advisor, Cincinnati State University

2017-2018, Academic Coach, Cincinnati State Technical and Community College

2012-2013, Credit Recover Advisement/Math Instructor, Cincinnati State  
Technical and Community College

2008-2011, Supplemental Math Tutor Program, Cincinnati State Technical &  
Community College

2008- Present, Adjunct Instructor, Cincinnati State Technical and Community  
College

## MINI VITA

**Name:** Emily Greis

**Title:** Lecturer (non-tenure-track, temporary)

**Education:** M.S. in Nursing, 2021, Xavier University

B.S. in Nursing, 2017, Northern Kentucky University

**Experience:** 2021-present, Lecturer, Northern Kentucky University

2018-present, Registered Nurse, Cincinnati Children's Hospital Medical Center

2020-2021, Part-Time Clinical Faculty, Northern Kentucky University

2020-2021, Pediatric Advanced Life Support Instructor, American Heart Association

## MINI VITA

**Name:** Meryl Hemmerle

**Title:** Lecturer (non-tenure-track, renewable)

**Education:** M.S. in Nursing, 2021, Northern Kentucky University

B.S. in Nursing, 2011, Northern Kentucky University

**Experience:** 2021–present, Lecturer, Northern Kentucky University

2014-2021, Part-Time Clinical Instructor, Northern Kentucky University

2011-2021, Registered Nurse and RN Team Leader, St. Elizabeth Healthcare

2010-2011, ED Technician, St. Elizabeth Healthcare

2008-2010, Clerical Coordinator, St. Elizabeth Healthcare

## MINI VITA

- Name:** Jennifer Hunter
- Title:** Lecturer and Director of Nurse Advocacy Center for the Underserved (non-tenure-track, renewable)
- Education:** M.S. in Nursing, 2010, University of Kentucky  
Public Health Nursing Certificate, 2007, University of Kentucky  
B.S. in Nursing, 1996, Northern Kentucky University  
A.A.S. in Nursing, 1988, Northern Kentucky University
- Experience:** 2019-present, Lecturer and Director of Nursing Advocacy Center for the Underserved (NACU), Northern Kentucky University  
2018-2019, Adjunct Faculty, Northern Kentucky University  
2007-2018, Director of Clinical Services, Director of Nursing, Northern Kentucky Health Department  
2003-2006, Interim Director of Clinical Services, Director of Nursing, Northern Kentucky Health Department  
2000-2003, Quality Assurance Manager, Northern Kentucky Health Department  
1997-2000, Clinic Manager, Kenton County Health Center/Dressman Health Center, Northern Kentucky Health Department  
1993-1997, Clinic Manager, Kenton County Health Center, Northern Kentucky Health Department  
1992-1993, Team Leader, Campbell County Health Center, Northern Kentucky Health Department  
1989-1992, Community Health Nurse, Campbell County Health Center, Northern Kentucky Health Department  
1988-1989, Labor and Delivery staff RN, St. Luke East

## MINI VITA

**Name:** Carolyn Kallmeyer

**Title:** Clinical Assistant Professor (non-tenure-track, renewable)

**Education:** M.S. in Nursing, 2003, Northern Kentucky University  
B.S. in Nursing 1987, University of Kentucky

**Experience:** 2021-present, Clinical Assistant Professor, Northern Kentucky University  
2019-2021, Family Nurse Practitioner Concentration Coordinator, Northern Kentucky University  
2017-2019, Part-Time Faculty, Northern Kentucky University  
2016-2017, Nurse Practitioner, Figure Weight Loss  
2015-2016, Nurse Practitioner, The Little Clinic  
2007-2017, Utilization Review Nurse, St Elizabeth Healthcare  
2003-2017, Associate Professor of Nursing, Thomas More College  
2003-2004, Nursing Clinical Instructor, University of Cincinnati  
2003-2004, Nursing Clinical Instructor, Northern Kentucky University  
2002-2003, Staff Nurse, St. Luke Hospital West  
1992-2002, Birthing Center Staff Nurse, Jewish Hospital  
1995-1996, Staff Nurse Women's Health Center, Jewish Hospital  
1987-1990, Staff Nurse, Cincinnati Children's Hospital Medical Center

## MINI VITA

**Name:** Meranda Keeton

**Title:** Lecturer (non-tenure-track, renewable)

**Education:** Doctor of Nursing Practice, 2019, Samford University

M.S. in Nursing, 2011, Western Governors University

B.S. in Nursing, 2010, Western Governors University

**Experience:** 2021-present, Lecturer, Northern Kentucky University

2021, Adjunct Instructor, Northern Kentucky University

2021, BSN Program Director, Felbry College

2019, Adjunct Faculty, United States University

2015, Adjunct Faculty, Aspen University

2011-2021, Nurse Faculty Program Mentor II, Western Governors University

2010-2013, Allied Health Instructor, Tennessee College of Applied Technology

2009-2012, Registered Nurse, St. Mary's of Scott County Hospital

## MINI VITA

- Name:** Kahlil King
- Title:** Visiting Assistant Professor (non-tenure-track, temporary)
- Education:** Ph.D. in Applied Organizational Psychology, 2020, Hofstra University
- M.S. in Business Economics, 2012, City University of New York Brooklyn College
- B.S. in Business Management, 2008, Hampton University
- Experience:** 2016-present, Full Time Instructor, Nassau Community College
- 2017-present, Adjunct Professor, Hofstra University
- 2014-2015, Teaching Assistant, Drexel University
- 2013-2014, Substitute Teacher, New York City Department of Education

## MINI VITA

**Name:** Joshua Maier

**Title:** Lecturer I (non-tenure-track, temporary)

**Education:** M.F.A. in Ceramics, 2016, University of Missouri

B.F.A. in Creative Writing/3-D Art, 2005, Bowling Green State University

**Experience:** 2019-Present, Lecturer, Northern Kentucky University

2013-2017, Adjunct Instructor, University of Missouri



## MINI VITA

**Name:** Caron Martin

**Title:** Associate Professor

**Education:** M.S. in Nursing, 1982, University of Kentucky

B.S. in Nursing, 1978, University of Kentucky

**Experience:** 2005-present, Associate Professor, Northern Kentucky University

1997-2005, Assistant Professor, Northern Kentucky University

1982-1986, Instructor, College of Mount St. Joseph

1985-2021, Staff Nurse, St. Elizabeth Healthcare

1978-1981, Staff Nurse, University of Kentucky Medical Center

## MINI VITA

**Name:** Souren Paul

**Title:** Professor and Chair

**Education:** Ph.D. in Management Science (Major: Management Information Systems), 1997, University of Wisconsin Milwaukee

PGCGM in General Management, 1986, Indian Institute of Management Calcutta

M.E. (Major: Computer Science and Engineering), 1981, Jadavpur University, India

B.E. (Major: Electronics and Telecommunication Engineering), 1977, Jadavpur University, India

**Experience:** 2019-Date, Professor and Chair, Northern Kentucky University

2011-2019, Associate Professor, Nova Southeastern University

2007-2011, Associate Professor, College of Staten Island – City University of New York

2006-2007, Associate Professor, North Carolina A&T State University

1998-2006, Assistant Professor, Southern Illinois University Carbondale

1997-1998, Assistant Professor, Concordia University, Montreal, Canada

## MINI VITA

**Name:** Cynthia Stoops

**Title:** Advisor/Lecturer (non-tenure-track, renewable)

**Education:** Master of Public Administration, 2005, Northern Kentucky University

B.A. in Political Science, 2002, Northern Kentucky University

**Experience:** 2015-2018, Director of Financial Aid, Thomas More College

2010-2015, Assistant Director of Compliance, Office of Financial Aid, Northern Kentucky University

2008-2010, Financial Aid Coordinator, Northern Kentucky University

2007-2008, Domestic Admissions Officer, University of Cincinnati

2005-2007, One Stop Student Service Associate, University of Cincinnati

## MINI VITA

**Name:** Jeffrey A. Ward

**Title:** Associate Professor

**Education:** Ph.D. in Computer and Information Science, 2004, The Ohio State University  
M.S. in Computer and Information Science, 1988, The Ohio State University  
M.S. in Mathematics, 1987, The Ohio State University  
B.S. in Mathematics, 1984, Northern Kentucky University  
B.A. in Philosophy, 1984, Northern Kentucky University

**Experience:** 2010-2021, Associate Professor, Northern Kentucky University  
2011-2013, Associate Professor and Chair, Northern Kentucky University  
2004-2010, Assistant Professor, Northern Kentucky University  
1994-1996, Assistant Professor, Mt. St. Joseph College

## MINI VITA

**Name:** Krista Weiss

**Title:** Lecturer I (non-tenure-track, temporary)

**Education:** M.M. in Clarinet Performance, 2010, Indiana University  
B.M. in Clarinet Performance, 2008, Indiana University

**Experience:** Present, Lecturer, Northern Kentucky University  
2010-2011, Adjunct, Indiana State University

## MINI VITA

**Name:** Steven Weiss

**Title:** Professor

**Education:** Ph.D. in Liberal Arts and Sciences, 1980, Temple University

M.A. in Communication, 1977, Temple University

B.A. in Communication, 1976, Temple University

**Experience:** 1994-present, Professor, Northern Kentucky University

1994-1998, Chair and Professor, Northern Kentucky University

1989-1994, Chair, University of North Carolina at Wilmington

1988-1994, Associate Professor, University of North Carolina at Wilmington

1983-1988, Assistant Professor, University of North Carolina at Wilmington

1979-1983, Assistant Professor, California State University at Bakersfield

## MINI VITA

**Name:** Neisha Wiley

**Title:** Assistant Professor (tenure-track)

**Education:** Ed.D., Educational Leadership, 2020, Northern Kentucky University

M.S. in Social Work, 2009, University of Cincinnati

B.S. Social Work, 2003, University of Cincinnati

**Experience:** 2021-present, Assistant Professor, Northern Kentucky University

2019-2021, Adjunct Faculty, Northern Kentucky University

2020-2021, Lecturer, Wright State University

2018-2021, Adjunct Faculty, Fordham University

2018-2021, Adjunct Faculty, Indiana Wesleyan University

2020-2021, Adjunct Faculty, Gateway Community College

## MINI VITA

**Name:** Matthew O. Zacate

**Title:** Professor

**Education:** Ph.D. in Physics, 1997, Oregon State University

M.S. in Physics, 1993, Oregon State University

B.S. in Physics, 1991, Northeast Missouri State University (Truman State University)

**Experience:** 2018-present, Professor, Northern Kentucky University

2010-2018, Associate Professor, Northern Kentucky University

2004-2010, Assistant Professor, Northern Kentucky University

2003-2004, Research Assistant Professor, Washington State University

1999-2003, Postdoctoral Research Associate, Washington State University

1997-1999, Postdoctoral Research Associate, Imperial College of Science, Technology and Medicine



**RECOMMENDATION:**

That the attached non-academic personnel actions receive Board of Regents approval.

**BACKGROUND:**

The following categories of non-academic personnel actions which occurred between August 07, 2021 and October 08, 2021 require approval by the Board of Regents:

1. Activations/Rehires
2. Reassignments, Reclassifications, Title/Status Changes, Promotions
3. Transfers
4. Contract/Temporary/Student to Regular & Regular to Contract (none)
5. Departures
6. Retirements (none)
7. Administrative/Executive

**ACTIVATIONS/REHIRES**  
**08/07/21-10/08/21**

<b>NAME</b>	<b>DEPARTMENT</b>	<b>TITLE</b>	<b>EFF. DATE</b>
Benton, Chelsea	Admissions	Asst. Director of Comms. & Technology	09/20/2021
Byrd, Sarah	University Development	Director of Development	09/20/2021
Charlton, Sophie	Enrollment Management	Administrative Assistant II	08/31/2021
Claybern, Logan	Building Services 2 <sup>nd</sup> Shift	Custodian	09/13/2021
Clemons, Bilal	African American Programs & Services	Coordinator	08/11/2021
Fugate, Ricky	Mail/Distribution Services	Specialist	09/13/2021
Glick, Molly	Women's Basketball	Director of Operations, WBB	08/23/2021
Hannon, Joshua	IT – Infrastructure & Operations Group	System Analyst I	09/01/2021
Hyde, Rachel	Women's Golf	Head Coach, Women's Golf	08/16/2021
Klocke, Daniel	IT – HR Business Support Group	Business Analyst, SAP HR Systems	09/20/2021
Lagesse, Alexandria	Softball	Assistant Coach, Women's Softball	08/16/2021
Lucal, Devon	Athletics Communication	Assistant Director, Communications	09/20/2021
Marcoux, Julie	Athletic Academic Services	Specialist	10/01/2021
Massie, Elizabeth	Graduate Education	Admissions Counselor	10/04/2021
Mills, Madalyn	University Development	Assistant Director of Donor Engagement	08/23/2021
Morgan, Lynn	Student Financial Assistance	Coordinator	10/04/2021
Petruskevich, Derek	Athletic Development	Assistant Athletic Director – Development	09/06/2021
Police, Taylor	University Development	Director of Development, COI	10/05/2021
Prickett, Erron	Kentucky Center for Mathematics	Program Manager, KY Center for Math.	09/20/2021
Robbins, Lori	Student Affairs	Division Business Officer	09/27/2021
Schulte, Susann	HR – Benefits Management	Coordinator, Benefits	08/09/2021
Simpson, Dallas	Institute for Health Innovations	Coordinator, Events & Social Media	10/04/2021
Wolfe, Gary	Roads & Grounds	Heavy Equipment/Grounds Operator	09/27/2021
Worthy, Allison	Biology Sciences	Lab Technician, Biology	08/16/2021
Yerace, Pete	Chase – Student Affairs	Assistant Director of Recruitment, CCOL	08/09/2021

**REASSIGNMENTS, RECLASSIFICATIONS, TITLE/STATUS CHANGES, PROMOTIONS  
08/07/21-10/08/21**

<b>NAME</b>	<b>DEPARTMENT</b>	<b>TITLE</b>	<b>STATUS</b>	<b>EFF. DATE</b>
Andrews, Amanda	Institute for Health Innovations	Program Coordinator	Reclassification	08/08/2021
Barrett-Wolcott, Tammy	Institute for Health Innovations	Dir., Drug Prevention Coalition CC (IHI)	Reclassification	09/01/2021
Brown, Jennifer	College of Education	Mgr. of Admin., Events, & Special Projects	Reclassification	09/01/2021
Conwell, Sara	Adult Learner Programs & Services	Assistant Director, ALPS	Reclassification	08/01/2021*
Crosby, Sarah	Sports Performance	Interim Director of Sports Performance	Status Change	09/01/2021
Draper, Marissa	Institute for Health Innovations	Associate Director	Reclassification	09/01/2021
Ford, Michelle	Athletics Marketing & Promos.	Director of Athletic Ticketing	Reclassification	10/01/2021
Gebka, Sydney	Career Services	First Year Career Advisor	Promotion	09/06/2021
Gray, Michael	Compliance & Student Services	Asst. Athletic Director, Compliance	Reclassification	10/01/2021
Hansen, Rebecca	Int'l Student & Scholar Services	Asso. Director of Int'l Admissions	Reclassification	08/01/2021*
Haskins, Kelsey	Admissions	Associate Director, Admissions	Promotion	09/07/2021
Horan, Stacey	HR – Payroll & Tax	Sr. Coordinator, Payroll	Reclassification	09/05/2021
Lea, Elizabeth	Advancement Services	Data Analyst, Advancement Services	Promotion	08/11/2021
McElfresh, Lisa	Career Services	Assistant Director of Career Services	Reclassification	09/01/2021
Melish, Michelle	Education Abroad	Asso. Director of Education Abroad	Reclassification	08/01/2021*
Mong, Colin	Health, Counseling, & Stud. Well.	Counselor	PT to FT	10/01/2021
Nuby, Monique	College of Information	Academic Coordinator	Promotion	08/08/2021
Ritter, Jeannie	Student Support Services	Assistant	PT to FT	10/01/2021
Schneller, Toni	Ctr. For Global Egmt/ Intl Affairs	Coordinator, Intercultural Programs	Reclassification	07/25/2021*
Segrest, Autumn	Annual Giving	Asst. Director/ Annual Giving Officer	Promotion	09/13/2021

**TRANSFERS  
08/07/21-10/08/21**

<b>NAME</b>	<b>PREVIOUS DEPARTMENT</b>	<b>NEW DEPARTMENT</b>	<b>TITLE</b>	<b>EFF. DATE</b>
Barton, Scott	Horticulture	Carpentry/Construction	Painter	09/20/2021
Geiger, Samantha	IT – Central	Steely Library	Coordinator, Makerspace	09/20/2021
Slucher, David	Theatre	Greaves Hall	Coordinator, Greaves Hall	09/07/2021
Smith, Elizabeth	Roads & Grounds	Horticulture	Horticulture Technician	09/27/2021
West, Kristine	Comptroller – General Accounting	Office of Stud. Account Services	Associate Director	09/20/2021

**DEPARTURES**  
**08/07/21-10/08/21**

<b>NAME</b>	<b>DEPARTMENT</b>	<b>TITLE</b>	<b>EFF. DATE</b>
Caldwell, Brian	Housing Facilities Management	Mechanical Systems Supervisor III	09/25/2021
Costello, Nancy	Institute for Health Innovations	Assistant Director	10/01/2021
Crabtree, Thomas	Building Services 3 <sup>rd</sup> Shift	Floor Care Operator	09/03/2021
Eaton, Jonathan	Greaves Hall	Coordinator, Fine Arts Facilities	08/07/2021
Ford, Amber	University Police – Field Operations	Public Safety Officer	09/26/2021
Fox-Ash, Corbin	University Development	Coordinator	08/28/2021
Gray, Mary Monica	Health, Counseling, & Student Wellness	Counselor	08/28/2021
Hyde, Patrick	Baseball	Assistant Coach/Coordinator	09/18/2021
Jennings, Lauren	Institute for Health Innovations	Events Coordinator	09/04/2021
Jones, Ashly	Building Services 2 <sup>nd</sup> Shift	Custodian	08/01/2021*
Jones, Jamillah	Testing Services	Coordinator, Testing Services	08/14/2021
Justus, Lisa	Building Services 1 <sup>st</sup> Shift	Custodian	09/01/2021
Kibler, Elizabeth	University Marketing & Communications	Digital Marketing Specialist	08/21/2021
Kralik, Shelbey	Student Financial Assistance	Coordinator	08/17/2021
Muran, Jason	Horticulture	Horticulture Assistant	09/04/2021
Peek, Wendy	Strategic Planning & Implementation	Assistant to VP/Chief Strategic Officer	08/14/2021
Ryman, Susan	Norse Advising	Academic Specialist	09/22/2021
Smedley, James	University Marketing & Communications	Specialist, Communications	09/14/2021
Stephens, Kimberly	Building Services 3 <sup>rd</sup> Shift	Floor Care Operator	09/01/2021
Stevenson, Blair	Men’s Soccer	Assistant Coach, Men’s Soccer	09/14/2021
Telford, Kaci	Admissions	Asst. Dir., Adms. Processing & Compliance	08/06/2021*
Trent, Katherine	College of Business	Sr. Coordinator of Admn. Operations	09/16/2021
Trujillo, Eduardo	IT – Infrastructure & Operations Group	IT Client Support Specialist II	09/04/2021
Walker, Latavia	Admissions	Coordinator, Adms. Diversity & Outreach	09/02/2021
Wallace, Diana	Health, Counseling, & Student Wellness	Counselor	09/30/2021
Warren, Lisa	Building Services 1 <sup>st</sup> Shift	Custodian	08/19/2021
Weaver, Jeffrey	Carpentry/Construction	Painter	09/01/2021
Witt, Christa	College of Informatics	Academic Coordinator	08/21/2021
Zamskie, Christopher	Campus Recreation	Coordinator, Campus Recreation Facilities	08/07/2021

**ADMINISTRATIVE/EXECUTIVE  
08/07/21-10/08/21**

<b>NAME</b>	<b>DEPARTMENT</b>	<b>TITLE</b>	<b>REASON</b>	<b>EFF. DATE</b>
Allen, Jason	IT - Information Technology Central	Chief Information Security Officer	Departure	10/02/2021
Prabell, Jon	Operation & Maintenance	Director	Departure	10/07/2021

**\*Not on previous report**

**RECOMMENDATION:**

The Board of Regents officially hereby accepts contributions totaling **\$1,848,500** received by the NKU Foundation Inc. for the benefit of Northern Kentucky University during the period August 1, 2021 through September 30, 2021 per the below list.

**BACKGROUND:**

At the March 12, 2014 Board Meeting, a major gift policy was approved by the Regents raising the level of major gifts submitted for review and acceptance by the Board to \$25,000. Contributions of \$25,000 or more for the period 8/1/21 through 9/30/21 are itemized below.

<b>Contributions of \$25,000 or more from August 1, 2021 – September 30, 2021</b>				
<b>Name</b>	<b>Gift Date</b>	<b>Fund Description</b>	<b>Amount</b>	<b>Gift Type</b>
Anonymous	8/13/21	Digitorium Technology Fund	\$ 500,000.00	Planned Gift
Anonymous	8/13/21	Informatics Ethics Fund	\$ 500,000.00	Planned Gift
Brenda Hoskins Estate	8/18/21	Richard Scudamore Field	\$ 500,000.00	Planned Gift
The Bullseye Fund	8/10/21	Women's Golf	\$ 25,000.00	Cash
Charles Koch Foundation	8/30/21	COB - Center for Economic Education	\$ 34,000.00	Cash
Deloitte Foundation	8/23/21	Deloitte Foundation Endowed Accounting Scholarship	\$ 60,000.00	Pledge
Gregory A. Edwards	8/18/21	Steely Library and the College of Arts & Sciences	\$ 74,500.00	Pledge
Larry A. Giesmann	8/26/21	Larry Giesmann Biology Scholarship & Larry Giesmann & Laura Trice Endowed Scholarship	\$ 25,000.00	Cash
Robert A. Goering	8/11/21	Chase Development Fund	\$ 25,000.00	Planned Gift
Great Plain Sleep Specialist	8/30/21	Business Informatics Research	\$ 30,000.00	Pledge
Rebecca S. Niehoff	8/10/21	Rebecca S. and Thomas K. Niehoff Elementary Education LIFT Scholarship	\$ 50,000.00	Pledge
Michael J. and Christine Whelan	8/18/21	Joe Whelan Memorial Scholarship	\$ 25,000.00	Pledge
<b>TOTAL</b>			<b>\$ 1,848,500.00</b>	

**RECOMMENDATION:**

The Board of Regents hereby approves the following naming actions:

- (1) The naming of a scholarship that will support students majoring or minoring in Entrepreneurship. “Papa John’s Foundation Scholarship for Entrepreneurship”
- (2) The naming of a scholarship that will support continuing students with a cumulative GPA of 3.0 or higher and are enrolled in the accounting program. “Deloitte Foundation Endowed Accounting Scholarship”

**BACKGROUND:**

Naming actions in connection with private gifts are governed by NKU Administrative Regulation-II-4.0-2, section 2.2. NKU’s Naming Policy provides for naming opportunities in consideration of a major contribution to the university. The policy allows flexibility in determining the level of contribution appropriate for each naming action, enabling each gift to be judged on its own merit.

After careful consideration by university officials and unanimous support by the University Naming Committee, it was recommended to offer the following naming recognitions.

- (1) The university has received a gift that will support a scholarship for Entrepreneurship students. The scholarship is for declared majors or minors of Entrepreneurship who have a 2.5 GPA and provide a 250 word essay. The scholarship can be given to one or multiple students.

Donor: The Papa John’s Foundation

Naming Gift: \$5,000

Naming Recognition: Papa John’s Foundation Scholarship for Entrepreneurship

The Papa John’s Foundation recently launched the Building Community Fund, a program for franchisees and restaurant operators to apply for grants to support local community organizations. The Foundation’s philanthropic approach focuses on three areas: Youth Leadership & Entrepreneurship, Food Security, and Food Waste Reduction. The NKY Chamber's Regional Youth Leadership Program worked with Brandience to apply for this gift. In total, they will contribute \$10,000 to the NKU Foundation. \$5,000 for the scholarship and \$5,000 to provide mission support for the Center for Innovation and Entrepreneurship’s JumpStart program.

- (2) The university has received a gift that will support a scholarship for a continuing student with a cumulative GPA of 3.0 or higher and is enrolled in the accounting program. In the spirit of supporting a racially and ethnically diverse student population and to strengthen the pipeline of diverse talent entering the CPA profession, the accounting program endeavors to consider applicants from underrepresented demographic groups and/or first-generation college students.

Donor: Personnel of Deloitte LLP and its affiliate (supplemented with the Donor’s matching gifts)

Naming Gift: \$60,000

Naming Recognition: Deloitte Foundation Endowed Accounting Scholarship

The gift will be comprised of contributions from personnel of Deloitte LLP and its affiliates, supplemented with the Donor's matching gifts. Deloitte employees Mike Farris and Todd Best (chair of the NKU accounting board) both graduated from NKU. They feel passionately about diversity in accounting and higher recruiting from NKU.



**RECOMMENDATION:**

That the attached organizational chart receives the Board of Regents approval.

**BACKGROUND:**

The attached organizational chart reflects all NKU administrative updates through November 16, 2021. The reporting lines listed are for director level and above, but include; individuals who directly report to the president; department chairs under academic affairs; coaching areas under intercollegiate athletics; and the manager of the bookstore/Barnes & Noble and food services/Chartwells, which are separate entities from the University.

# NORTHERN KENTUCKY UNIVERSITY ORGANIZATIONAL STRUCTURE<sup>1</sup>

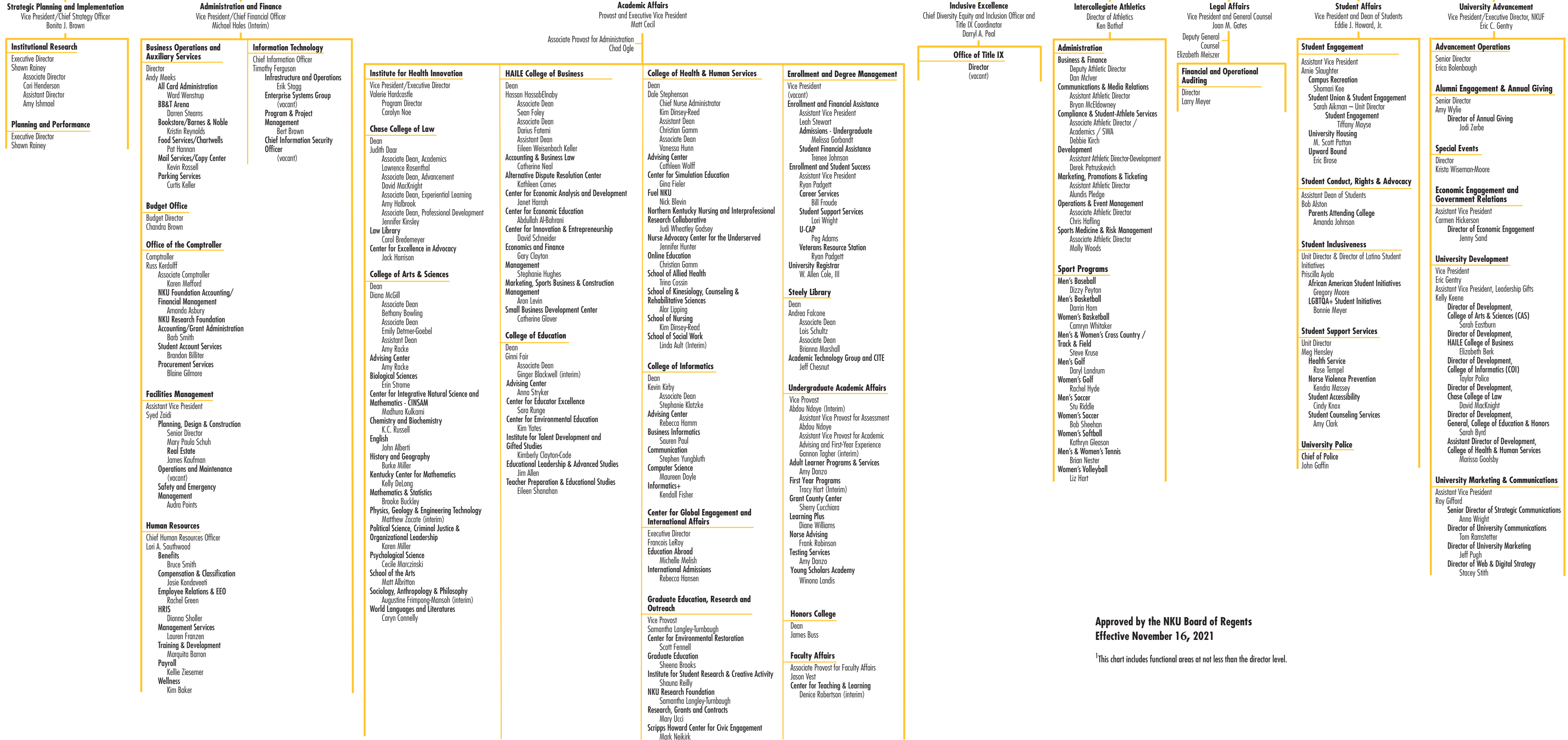
## BOARD OF REGENTS

Andr  R. Ward (Chair), Normand G. Desmarais (Vice Chair), Gregory S. Shumate (Secretary), Michael Baranowski, Richard A. Boehne, Aliya Cannon, Cori Henderson, Ashley F. Himes, Ken Perry, Elizabeth Thompson, Kara Williams

## PRESIDENT

Ashish K. Vaidya

Assistant to the President: Tammy Knochelmann



Approved by the NKU Board of Regents  
Effective November 16, 2021

<sup>1</sup>This chart includes functional areas at not less than the director level.

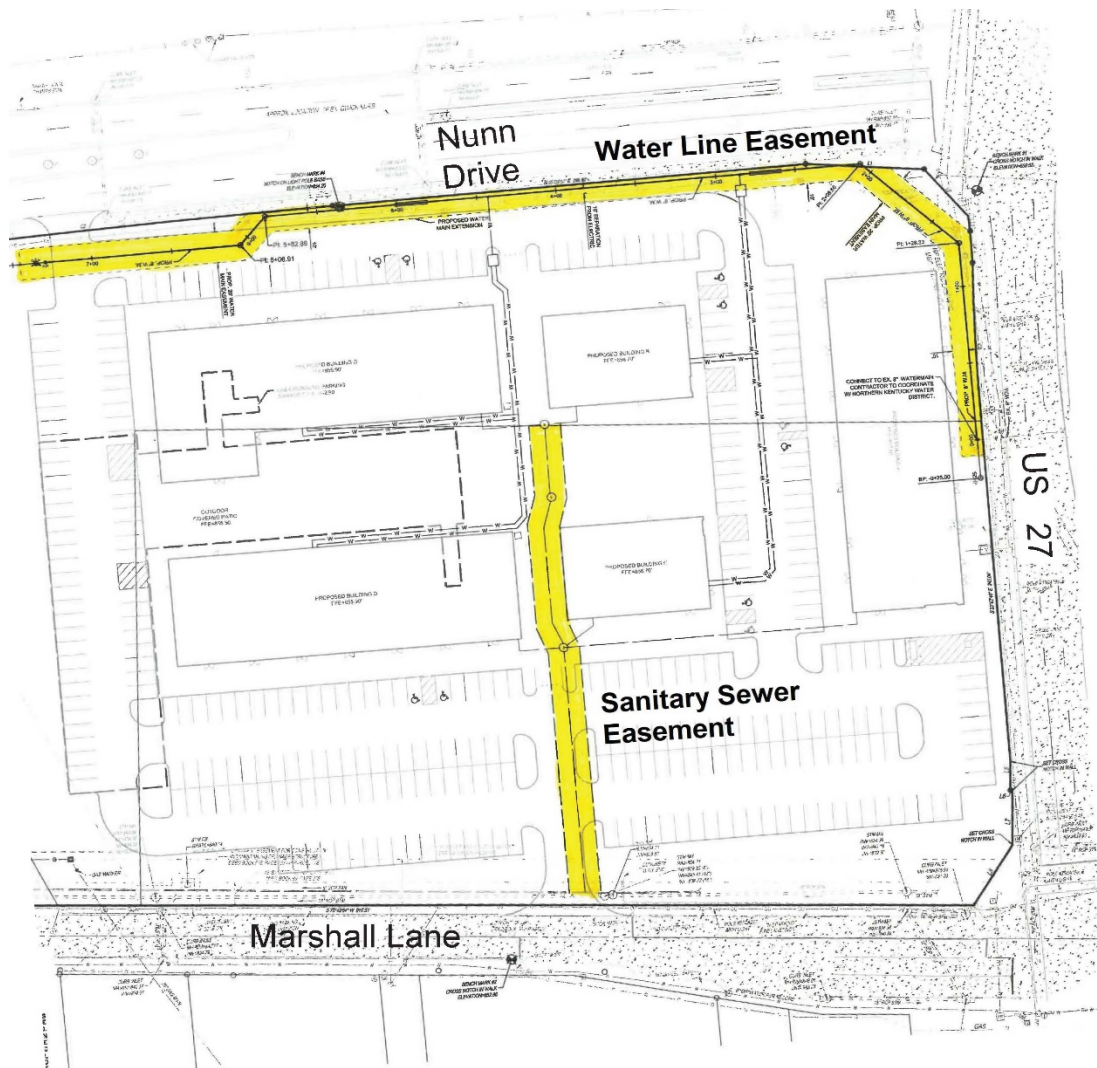
**RECOMMENDATION:**

That the Board of Regents authorize the granting of two permanent easements, one to the Northern Kentucky Water District and the other to Sanitation District #1, related to construction of Phase II of the U.S. 27 project.

**BACKGROUND:**

Fairmount Properties is requesting, on behalf of Northern Kentucky Water District (NKWD) and Sanitation District #1, that the university grant two permanent easements on the U.S. 27 Phase II site. The water main easement to NKWD is 20 feet in width and extends along Nunn Drive and then turns southward along U.S. 27, to the midpoint of the U.S. 27 project site on the U.S. 27 side.

The sanitary sewer easement is also 20 feet in width and extends from Marshall Lane directly north toward Nunn Drive, as shown on the plan below.



**RECOMMENDATION:**

That the Board of Regents authorize the granting of two permanent easements and five temporary easements to Duke Energy to allow for relocation of the high pressure gas main which crosses university property and Nunn Drive below the Phase II U.S. 27 project site.

**BACKGROUND:**

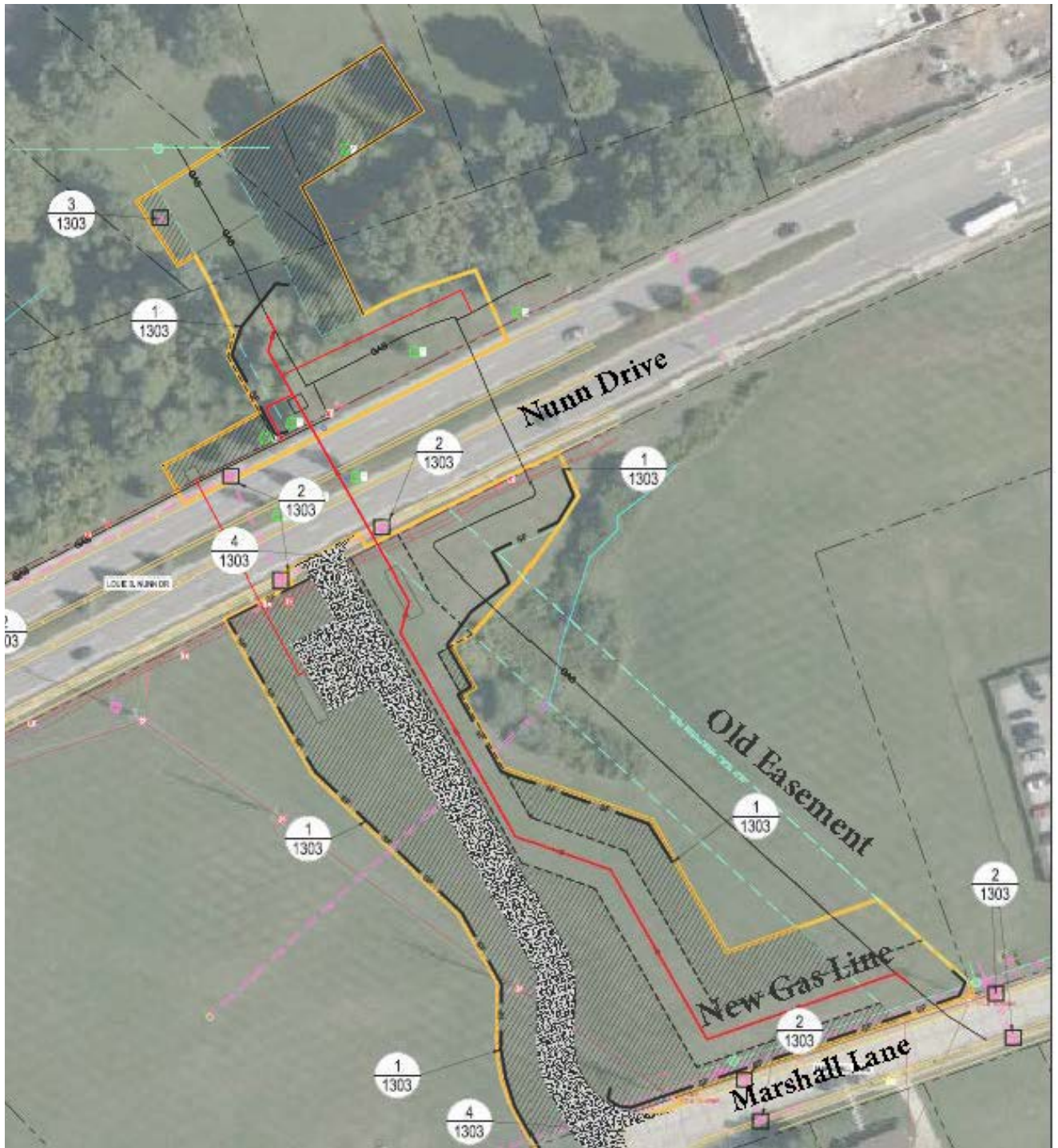
Duke Energy is performing life cycle maintenance on the 20” high pressure gas line which crosses through Campbell County. As part of the overall project, they have agreed to replace the line which currently crosses the U.S. 27 Phase III site at an angle, instead placing it parallel to the future Clara Drive extension. (Clara Drive extension is shown on the 2020 Campus Master Plan and would ultimately connect Johns Hill Road to Nunn Drive). Duke will bore under Nunn Drive to extend the new pipe to the north side of Nunn.

Construction work will begin in early 2022. Because gas service to the university will be interrupted during this work, Duke will install a temporary liquefied natural gas station on the south side of Nunn Drive.

Easements are located on both the north and south sides of Nunn Drive, but primarily on the south side. This recommendation includes two permanent easements of 20-30’ in width parallel to the new gas line (the red line on the drawing below) totaling 0.343 acres; and, 10 temporary construction or access easements totaling 1.748 acres. The temporary easements are north and south of Nunn Drive, but small temporary easements are also located on university parcels located at 78 Faren Drive, 246 Sunset and 247 Sunset.

The easement for the existing route of the gas line will be quit-claimed once the new line is installed.





**RECOMMENDATION:**

That the following amendment to the Faculty Policies and Procedures Handbook, regarding timing of the grant of tenure, receive Board of Regents approval.

**BACKGROUND:**

The senate voted to approve these recommended changes to the handbook at the April 26, 2021 meeting.

**PROPOSAL:**

Section 6.7. of the Faculty Handbook as it would appear with the revisions is shown below. These changes remove penalties for faculty who meet requirements for tenure before their mandatory year. The changes also ensure that expectations are not higher for those who choose to pause the clock on their tenure.

**Current Faculty Handbook Language:**

**6.7. TIME**

Normally a faculty member will be considered for grant of tenure during the faculty member's sixth year of probationary appointment, including University-recognized credit for prior service, upon the faculty member's application. A faculty member may request grant of tenure in an earlier year, but only faculty of extraordinary merit may be approved for early grant of tenure. Denial of early tenure is not a basis for non-reappointment.

A faculty member may be allowed to pause the RPT process for up to two years and extend the probationary period under very limited circumstances with or without taking a full or partial leave of absence by making a formal request to the department chair/school director.

Acceptable reasons for extending the probationary period include the primary care for a newborn or adopted child, serious and prolonged illness, or instances for the candidate or extended family that negatively impact performance. Other exceptional circumstances not mentioned above may be reviewed and the candidate awarded an extension if deemed appropriate by the Provost.

The RPT process may be paused and the probationary period may be extended in one-year increments. The candidate may apply for a one-year extension for the same event following the application process described below. An individual may request to extend the RPT process for a second time (for a separate or the same reason than the first request), but the total extension during the probationary period may not exceed 2 years.

A formal request in writing must be given to the department chair/school director clearly stating reasons for pausing the RPT process. The application will then proceed to the Dean and to the Provost. If possible, the request should occur substantially prior to the scheduled submission of the tenure application so that due consideration to the request may be given. Once the application

has been submitted, the Chair/Director, Dean, and Provost are asked to review the request as expediently as possible with special regard for the RPT calendar.

Candidates granted an extension are expected to meet only the criteria stated in University-approved tenure policies and letters of appointment. The candidate will participate in annual review for merit but not for tenure evaluation. The RPT evaluation following the exemption should consider all work submitted by the candidate.

Should a candidate be denied an extension of the probationary period by either the Chair/Director, Dean, or Provost, the appeals process shall follow the guidelines put forward in this Handbook, Section 14, Grievances, as defined in Section 14.3, Complaint Process.

In colleges where there is no department or school, the dean will function as department chair in these processes.

### **Proposed Amendment:**

#### **6.7. TIME**

Normally a faculty member will be considered for grant of tenure during the faculty member's sixth year of probationary appointment, including University-recognized credit for prior service, upon the faculty member's application. A faculty member may request grant of tenure **in a non-mandatory year, and they will be evaluated according to the criteria in Sections 6.5 and 3.1. Denial of tenure in a non-mandatory year is not a basis for non-reappointment.**

A faculty member may be allowed to pause the RPT process for up to two years and extend the probationary period under some circumstances with or without taking a full or partial leave of absence by making a formal request to the department chair/school director.

Acceptable reasons for extending the probationary period include, **but are not limited to, care for a newborn or adopted child, care for an elder or dependent, and serious and prolonged illness. Other circumstances not mentioned above may be reviewed and the candidate awarded an extension if deemed appropriate by the Provost.**

The RPT process may be paused and the probationary period may be extended in one-year increments. **An individual may request to extend the RPT process for a second time (for a separate or the same reason as the first request), but the total extension during the probationary period may not exceed two years. If an initial extension is granted, a reduction in productivity during the period of time addressed in the request should not prejudice a subsequent decision regarding the request for a second extension.**

**Applications for reappointment are reviewed biennially as described in Section 3.2.1. A year in which the RPT process is paused does not count toward a two-year term for reappointment. Thus, the candidate is not required to submit an application for reappointment during a year in which the RPT process is paused.**

A formal request in writing must be given to the department chair/school director clearly stating reasons for pausing the RPT process. The application will then proceed to the Dean and to the Provost. If possible, the request should occur substantially prior to the scheduled submission of the tenure application so that due consideration to the request may be given. Once the application has been submitted, the Chair/Director, Dean, and Provost are asked to review the request as expediently as possible with special regard for the RPT calendar.

Despite the pause of the RPT process and extension of the probationary period, candidates granted an extension are expected to meet only the criteria stated in Sections 6.5 and 3.1. The candidate will continue to participate in the annual review process for merit but not for tenure evaluation. The RPT evaluation following the extension should consider all work submitted by the candidate using the established criteria. The candidate's accomplishments over the extended probationary period should be evaluated as if they had been accomplished in the shorter standard probationary period. The additional time due to the extension should not be a factor in the evaluation.

Should a candidate be denied an extension of the probationary period by either the Chair/Director, Dean, or Provost, the appeals process shall follow the guidelines put forward in this Handbook, Section 14, Grievances, as defined in Section 14.3, Complaint Process.

In colleges where there is no department or school, the dean will function as department chair in these processes.



**RECOMMENDATION:**

That the following amendment to the Faculty Policies and Procedures Handbook, regarding faculty development programs, receive Board of Regents approval.

**BACKGROUND:**

The senate voted to approve these recommended changes to the handbook at the May 7, 2021 meeting.

**PROPOSAL:**

Sections 11.2.2. and 11.3.2. of the Faculty Handbook as they would appear with the revisions are shown below. These changes allow for part-time tenure-track or tenured faculty to receive summer fellowships and project grants. Part-time tenure-track and tenured faculty would continue to be ineligible for sabbaticals.

**Current Faculty Handbook Language:**

**11.2.2. ELIGIBILITY FOR FACULTY SUMMER FELLOWSHIPS**

Full-time tenure-track or tenured faculty may apply for a faculty summer fellowship. A faculty member who receives a faculty summer fellowship will not be eligible to receive another faculty summer fellowship until the third summer following the prior fellowship. A faculty member who will receive a terminal contract is not eligible to receive a faculty summer fellowship.

**11.3.2. ELIGIBILITY FOR FACULTY PROJECT GRANTS**

Full-time tenure-track or tenured faculty may apply for a faculty project grant. A faculty member who will receive a terminal contract is not eligible to receive a faculty project grant.

**Proposed Amendment:**

**11.2.2. ELIGIBILITY FOR FACULTY SUMMER FELLOWSHIPS**

Full-time **and part-time** tenure-track or tenured faculty may apply for a faculty summer fellowship. A faculty member who receives a faculty summer fellowship will not be eligible to receive another faculty summer fellowship until the third summer following the prior fellowship. A faculty member who will receive a terminal contract is not eligible to receive a faculty summer fellowship.

**11.3.2. ELIGIBILITY FOR FACULTY PROJECT GRANTS**

Full-time **and part-time** tenure-track or tenured faculty may apply for a faculty project grant. A faculty member who will receive a terminal contract is not eligible to receive a faculty project grant.

**RECOMMENDATION:**

That the Board of Regents adopt the 2022-2024 Capital Budget Request.

**BACKGROUND:**

The Board adopted the University's 2022-2028 Capital Plan at its May 12, 2021 meeting. The priorities outlined in the 2022-2024 biennium of the 2022-2028 Capital Plan are carried forward to create the 2022-2024 biennial Capital Budget Request which will be submitted to CPE, the Governor and the General Assembly on November 10, 2021. The Capital Plan is consistent and in alignment with the 2020 Campus Master Plan approved by the Board at the November 11, 2020 meeting.

The 2022-2024 Capital Budget must include:

- Construction projects with a scope of \$1,000,000 or more
- Information technology projects with a scope of \$1,000,000 or more
- Equipment projects with a scope of \$200,000 or more
- Leases with an anticipated annual cost above \$200,000

Since the May board meeting, several changes have been made to projects in 2022-2024 (refer to attached project list for details). New projects include:

- Renew/Renovate Nunn Hall
- Expand/Renovate Regents Hall
- Replace Recreation Field Turf
- Construct Indoor Tennis Facility
- Asset Preservation Matching Funds Pool

A list of Capital Budget projects and a document outlining brief information for each project are provided.

**Capital Approval Process:**

Consistent with their approach last biennium, CPE is primarily focused on addressing the significant asset preservation, or capital renewal needs, which exist on all campuses.

CPE's plan outlines an investment of \$700M. Of this amount, NKU's share is \$33.8M coming from State Bond Funds. To obtain these funds, NKU will need to match them with \$16.9M, a fifty cents-on-the-dollar match.

CPE will not make a request for state General Fund supported bonds for new or expanded space in 2022-2024; however, CPE has advised that new construction priorities such as NKU's Expand Herrmann Science Center can be included in the Capital Budget.

The Capital Budget, along with the 2022-2024 Operating Budget Request, will be submitted to the Governor's Office for Policy and Management on November 10, 2021. The Governor's Biennial Budget recommendation will be submitted to the General Assembly in January.

**Northern Kentucky University**  
**2022-2024 Capital Budget PROJECT LIST**

Priority	Project	State Bonds	Agency Bonds	Other / Private Funds	NKU Funds	Other/Third Party Financing Funds	Total Scope
<b>Prioritized Projects</b>							
1	Expand Herrmann Science Center	\$79,900,000		\$5,000,000			\$84,900,000
2	Renew/Renovate Fine Arts Center Phase II	\$45,000,000		\$5,000,000	\$5,000,000		\$55,000,000
3	Renovate Steely Library	\$35,000,000		\$5,000,000	\$5,000,000		\$45,000,000
4	Renew E&G Buildings Systems Projects Pool Reauthorization				\$20,000,000		\$20,000,000
5	Replace Underground Utility Infrastructure				\$4,400,000		\$4,400,000
6	Scientific/Technology Equipment Pool				\$10,000,000		\$10,000,000
7	Upgrade Admin/IT Infrastructure Pool Reauthorization				\$15,950,000	\$6,000,000	\$21,950,000
8	Renovate Residence Halls Additional Reauthorization		\$15,000,000				\$15,000,000
9	Renovate/Construct Campbell Hall Reauthorization			\$9,000,000		\$9,000,000	\$18,000,000
10	Renew/Renovate Nunn Hall			\$5,000,000	\$5,000,000		\$10,000,000
11	Renovate/Construct Civic Center Building			\$7,000,000		\$7,000,000	\$14,000,000
12	Acquire Land/Master Plan 2010-2012 - Reauthorization		\$17,500,000		\$4,000,000	\$4,000,000	\$25,500,000
13	Expand/Renovate Regents Hall			\$500,000		\$1,500,000	\$2,000,000
14	Construct Indoor Tennis Facility			\$6,000,000		\$6,000,000	\$12,000,000

**Northern Kentucky University**  
**2022-2024 Capital Budget PROJECT LIST**

Priority	Project	State Bonds	Agency Bonds	Other / Private Funds	NKU Funds	Other/Third Party Financing Funds	Total Scope
15	Replace Recreation Field Turf				\$2,000,000		\$2,000,000
16	Construct Research/Innovation Building					\$30,000,000	\$30,000,000
17	Guaranteed Energy Savings Performance Contracts					n/a	n/a
18	Reconstruct West Side Parking Reauthorization		\$6,529,000			\$7,000,000	\$13,529,000
19	Renovate/Expand Baseball Field			\$6,700,000			\$6,700,000
20	Replace Event Center Technology Reauthorization					\$4,500,000	\$4,500,000
21	Space Lease				n/a		n/a
22	Asset Preservation Matching Funds Pool	\$33,814,000	\$16,907,000				\$50,721,000

Biennial Capital Process	Time Period	Threshold
Capital Projects	2022-2024	A project with a value > \$1,000,000
Capital Equipment	2022-2024	An item with a value > \$200,000, including training, delivery, and financing costs
Capital Information Technology Items	2022-2024	A project or item with a value > \$1,000,000, including installation, training and financing costs

**Northern Kentucky University  
2022-2024 Capital Budget Request**

**Summary**

**2022-2024 Capital Projects**

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**Expand Herrmann Science Center**

**Priority #1**

Funding Source: **State Bonds** Cost Estimate: **\$79,900,000**  
**Private Funds** **5,000,000**

This project envisions construction of additional teaching and research labs in biology, chemistry, biochemistry, physics, geology and engineering technology in an 87,000 square foot addition to the 175,131 square foot Herrmann Science Center. The project may be an addition or it could be a freestanding building adjacent to the existing building.

---

**Renew/Renovate Fine Arts Center Phase II**

**Priority #2**

Funding Source: **State Bonds** Cost Estimate: **\$45,000,000**  
**Private Funds** **5,000,000**  
**NKU Funds** **5,000,000**

This project includes renovations to the Fine Arts Center, a 159,000 square foot academic building, and includes capital renewal of HVAC and electrical systems, elevators, fire alarm, building finishes, etc. The project scope also includes funds to address heaving of a 15,000 square foot area of slab-on-grade on Corbett Theater stage and adjacent classroom areas.

---

**Renovate Steely Library**

**Priority #3**

Funding Source: **State Bonds** Cost Estimate: **\$35,000,000**  
**Private Funds** **5,000,000**  
**NKU Funds** **5,000,000**

This project will renew HVAC systems and infrastructure in the 141,000 square foot Steely Library and provide funding to create a Learning Commons environment in the building. This project also includes funds to address the heaving of the slab-on-grade on the first floor.

---

**Renew E&G Buildings System Pool Reauthorization**

**Priority #4**

Funding Source: **NKU Funds** Cost Estimate: **\$20,000,000**

This project includes various improvements, upgrades and capital renewal investments to building systems and associated infrastructure in the university's educational and general buildings.

---

**Replace Underground Utility Infrastructure**

**Priority #5**

Funding Source: **NKU Funds** Cost Estimate: **\$4,400,000**  
Aging underground sanitary sewer and gas mains will be replaced.

**2022-2024 Capital Projects - CONTINUED**

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**Scientific/Technology Equipment Pool**

**Priority #6**

Funding Source: **NKU Funds**

Cost Estimate: **\$10,000,000**

This equipment pool includes scientific/technology equipment to support instruction and research in the basic sciences.

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**Upgrade Admin/IT Infrastructure Pool Reauthorization**

**Priority #7**

Funding Source: **NKU Funds**

Cost Estimate: **\$15,950,000**

**Other – Third Party Financing**

**6,000,000**

This pool of funds provides authority for various upgrades to administrative information technology infrastructure. Project financing pursuant to KRS 45.763 is requested.

---

**Renovate Residence Halls Additional Reauthorization**

**Priority #8**

Funding Source: **Agency Bonds**

Cost Estimate: **\$15,000,000**

This project envisions various capital renewal projects in university owned residence halls.

---

**Renovate/Construct Campbell Hall Reauthorization**

**Priority #9**

Funding Source: **Private Funds**

Cost Estimate: **\$9,000,000**

**Other – Third Party Financing**

**9,000,000**

This project will provide for renovation and modernization of Campbell Hall, a 46,900 square foot building located at the northern edge of NKU's Highland Heights campus. If renovation is not financially feasible, a new building may be constructed. Project financing pursuant to KRS 45.763 is requested.

---

**Renew/Renovate Nunn Hall**

**Priority #10**

Funding Source: **Private Funds**

Cost Estimate: **\$5,000,000**

**NKU Funds**

**5,000,000**

This project includes renovation to part of the 113,451 square foot Nunn Hall, as well as replacement of poor-condition plumbing infrastructure.

---

**Renovate/Construct Civic Center Building**

**Priority #11**

Funding Source: **Private Funds**

Cost Estimate: **\$7,000,000**

**Other – Third Party Financing**

**7,000,000**

This project will fund a comprehensive renovation to the former Highland Heights Civic Center building to house university offices and other services. If renovation is not financially feasible, a new building may be constructed. Project financing pursuant to KRS 45.763 is requested.

**2022-2024 Capital Projects - CONTINUED**

**Acquire Land/ Master Plan 2010-2012 Reauthorization**

**Priority #12**

Funding Source: **Agency Bonds** Cost Estimate: **\$17,500,000**  
**NKU Funds** **4,000,000**  
**Other – Third Party Financing** **4,000,000**

This project will allow the university to take advantage of real property acquisition opportunities during the 2022-2024 biennium to support educational programs and campus development. Land acquisition is critical to future development of the university; the 2020 Master Plan recommends the purchase of 35 acres. This project includes acquisition of a campus ministry building located in the center of campus. Project financing pursuant to KRS 45.763 is requested.

**Expand/Renovate Regents Hall**

**Priority #13**

Funding Source: **Other – Third Party Financing** Cost Estimate: **\$1,500,000**  
**Private Funds** **500,000**

Regents Hall, a 28,726 multi-purpose facility, would receive a 1,700 square foot addition and some renovation to create an indoor practice area for the golf teams. Project financing pursuant to KRS 45.763 is requested.

**Construct Indoor Tennis Facility**

**Priority #14**

Funding Source: **Private Funds** Cost Estimate: **\$6,000,000**  
**Other – Third Party Financing** **6,000,000**

Construct a six court, indoor 37,500 square foot tennis facility to include locker rooms, office space, athletic training room and storage. Project financing pursuant to KRS 45.763 is requested.

**Replace Recreation Field Turf**

**Priority #15**

Funding Source: **NKU Funds** Cost Estimate: **\$2,000,000**

The recreation field’s multi-purpose synthetic surface will be replaced with new turf.

**Construct Research/Innovation Building**

**Priority #16**

Funding Source: **Other – Third Party Financing** Cost Estimate: **\$30,000,000**

A 66,000 square foot research and innovation center would be constructed to serve regional needs for entrepreneurship, job creation, and economic development. Project financing pursuant to KRS 45.763 is requested.

**Guaranteed Energy Savings Performance Contracts**

**Priority #17**

Funding Source: **N/A** Cost Estimate: **N/A**

The Guaranteed Energy Performance Projects Pool serves as a central project pool for Guaranteed Energy Savings Performance Contracts in any university-owned building. These contracts will function as a lease-purchase procurement, using energy savings as payments for improvements, as provided by KRS 56.770 to 56.784.

**2022-2024 Capital Projects - CONTINUED**

**Reconstruct West Side Parking Reauthorization**

**Priority #18**

Funding Source: **Agency Bonds** Cost Estimate: **\$6,529,000**  
**Other - Third Party Financing** **7,000,000**

This project allows for renovation and construction of parking areas on the west side of Kenton Drive. Surface parking lot expansion may also occur in other areas of campus. Project financing pursuant to KRS 45.763 is requested.

**Renovate/Expand Baseball Field**

**Priority #19**

Funding Source: **Private Funds** Cost Estimate: **\$6,700,000**

Upgrades to the existing baseball facility will better position it to accommodate competitive baseball games. Improvements include expanded spectator seating, ADA upgrades, press box, concession area and lighting.

**Replace Event Center Technology Reauthorization**

**Priority #20**

Funding Source: **Other - Third Party Financing** Cost Estimate: **\$4,500,000**

This project will replace the center hung scoreboard and ribbon boards in BB&T Arena, a 243,000 square foot multi-purpose event center that opened in 2008. Project financing pursuant to KRS 45.763 is requested.

**Space Lease**

**Priority #21**

Funding Source: **NKU Funds** Cost Estimate: **N/A**

This authority would provide the university with the ability to lease space for instructional, office or research purposes.

**Asset Preservation Matching Funds Pool**

**Priority #22**

Funding Source: **State Bonds** Cost Estimate: **\$33,814,000**  
**Agency Bonds** **16,907,000**

These funds will be used for various asset preservation projects in academic and academic support facilities. NKU must match state funds, if authorized, fifty cents on the dollar.



**RECOMMENDATION:**

That a Master's Degree in Cardiovascular Perfusion, as outlined in the accompanying proposal, be approved for immediate implementation.

**BACKGROUND:**

The MS Cardiovascular Perfusion Program will educate prospective students in the knowledge and skills pertaining to all aspects of cardiopulmonary bypass, cardiac life support, blood salvage, mechanical circulatory support, hyperthermic chemotherapy procedures, and pediatric congenital heart surgery procedures. This program will seek to accept 12 students for the inaugural class starting in the fall semester 2022. Upon acceptance, the prospective students will be enrolled in classes that will teach the history and principle foundations of perfusion, the science and medical ethics relating to patient care, and the introductory operating room skills necessary for cardiovascular perfusionists to conduct cardiopulmonary bypass. The first semester of education is through classroom lecture on evidence based and scientific theory of perfusion, laboratory and simulation skill development, and observational or visual learning. The second semester of the program will consist of more advanced perfusion practices, advanced medical diagnostic and problem-solving skills, special considerations and populations in perfusion, cardiac life support and the perfusionists role outside of the operating theatre, and advanced perfusion skills in the operating room. Starting the summer of the second year, or third semester, the students will be sent to their respected clinical sites where they will train hands on in cardiopulmonary bypass cases with the assistance of board certified perfusionists. There will be 3 clinical site rotations that will be consistent with the last 3 semesters of the program. Each rotation will be semester long, roughly 15 weeks. In addition to patient care experience, the students will be enrolled in online courses that will include their capstone project. Upon graduation, students will be eligible to sit for the two-part examinations through the American Board of Cardiovascular Perfusionists (ABCP).

The target audience for the MS Cardiovascular Perfusion Program are young professionals who hold a bachelor's in health science degree, or a bachelor's degree with the prerequisite courses completed before applying. Experienced professionals or recent graduates from allied health career fields such as nursing, respiratory therapy, exercise physiology, or biology are part of the target population.

The MS Cardiovascular Perfusion Program is consistent with the mission and goals of the College of Health and Human Services with an equitable and inclusive student-centered learning environment.

The MS Cardiovascular Perfusion Program supports the 2019-2022 Success by Design strategic plan for NKU and the College of Health and Human Services.

**Talent Development:** This program will produce skilled graduates that are prepared to enter the workforce to meet the increased regional and national demand of cardiovascular care.

**Research and Innovation in Technology:** This new program will be delivered through evidence-based education focusing on collegiality and innovation utilizing the new simulation center for an enhanced educational experience. Community partners established as clinical sites will expand research and innovation opportunities.

**Community Engagement and Economic Development:** This program will collaborate with community partners such as Saint Elizabeth health care network, UCHealth, and Cincinnati Children's Hospital as clinical site affiliations.

**Academic Innovation:** This will be the only perfusion program in the state of Kentucky and the only program in the Northern Kentucky/ Cincinnati region. This program will be the ninth masters in perfusion program in the country.

A copy of the full proposal is attached.

# Dean, Department CHHS - Cardiovascular Perfusion

z-2021-2022 - PROGRAM - New Major (Step 2) - Full Proposal

## ACALOG REQUIRED FIELDS

Type of Program\*  Program  
 Shared Core

Status\*  Active-Visible

## Determine Substantive Change Status

- (Check all that apply)
- More than 50% of the content for this program needs to be developed.
  - This program requires new faculty before it can start.
  - This program requires new equipment/labs before it can start.
  - This program will be offered at an off-campus site
  - This is a completer program.

Did you check any of the boxes for the statements above?\*  Yes  No

## BASIC INFORMATION

College\*

**Department\***

Dean, Department CHHS

**Program Title\*** Cardiovascular Perfusion

**Degree Level\***

Master

**Degree Designation\***

Master of Science

**Description for Catalog:\***

The MS Cardiovascular Perfusion Program is an allied health science program that educates and prepares students in the knowledge and skills necessary to conduct cardiopulmonary bypass and associated cardiovascular procedures under the supervision of the cardiac surgeon and in accordance with the cardiac anesthesiologist. These students are eligible to sit for the two part national certification examination through the American Board of Cardiovascular Perfusion (ABCP) upon successful completion of the program. Successful completion of the ABCP examinations awards the certification and title of Certified Cardiovascular Perfusionist (CCP). This program is consistent with the standards and goals set forth by Northern Kentucky University, the Accreditation Committee for Perfusion Education (AC-PE), and the ABCP.

**Proposed Implementation / Start Date\*** Fall Semester of 2022

**Is this program an Advanced Practice Doctorate?\***  Yes  No

**Name of Program Director\*** Jeremy Engel

**Title** Dr.

**Email Address** engelj1@nku.edu

**Phone Number:** 518-321-7037

**Undergraduate or Graduate Program?\***  Undergraduate  Graduate

Does this proposal require  
TEC approval?  Yes  No

## OVERVIEW

**1. Describe the new program with its estimated date of implementation.**

The MS Cardiovascular Perfusion Program will educate prospective students in the knowledge and skills pertaining to all aspects of cardiopulmonary bypass, cardiac life support, blood salvage, mechanical circulatory support, hyperthermic chemotherapy procedures, and pediatric congenital heart surgery procedures. This program will seek to accept 12 students for the inaugural class starting in the Fall semester 2022. Upon acceptance, the prospective students will be enrolled in classes that will teach the history and principle foundations of perfusion, the science and medical ethics relating to patient care, and the introductory operating room skills necessary for cardiovascular perfusionists to conduct cardiopulmonary bypass. The first semester of education is through classroom lecture on evidence based and scientific theory of perfusion, laboratory and simulation skill development, and observational or visual learning. The second semester of the program will consist of more advanced perfusion practices, advanced medical diagnostic and problem-solving skills, special considerations and populations in perfusion, cardiac life support and the perfusionists role outside of the operating theatre, and advanced perfusion skills in the operating room. Starting the summer of the second year, or third semester, the students will be sent to their respected clinical sites where they will train hands on in cardiopulmonary bypass cases with the assistance of board certified perfusionists. There will be 3 clinical site rotations that will be consistent with the last 3 semesters of the program. Each rotation will be semester long, roughly 15 weeks. In addition to patient care experience, the students will be enrolled in online courses that will include their capstone project. Upon graduation, students will be eligible to sit for the two-part examinations through the American Board of Cardiovascular Perfusionists (ABCP).

**2. Describe how the New Program is consistent with the mission and goals of the institution.\***

The MS Cardiovascular Perfusion Program is consistent with the mission and goals of the College of Health and Human Services with an equitable and inclusive student-centered learning environment.

The MS Cardiovascular Perfusion Program supports the 2019-2022 Success by Design strategic plan for NKU and the College of Health and Human Services.

**Talent Development:** This program will produce skilled graduates that are prepared to enter the workforce to meet the increased regional and national demand of cardiovascular care.

**Research and Innovation in Technology:** This new program will be delivered through evidence-based education focusing on collegiality and innovation utilizing the new simulation center for an enhanced educational experience. Community partners established as clinical sites will expand research and innovation opportunities.

**Community Engagement and Economic Development:** This program will collaborate with community partners such as Saint Elizabeth health care network, UCHealth, and Cincinnati Children's Hospital as clinical site affiliations.

**Academic Innovation:** This will be the only perfusion program in the state of Kentucky and the only program in the Northern Kentucky/ Cincinnati region. This program will be the ninth masters in perfusion program in the country.

**3. Is an approval letter from Education Professional Standards Board (EPSB) required?**

Yes  No

**4. Is there a specialized accrediting agency related to this program?**

Yes  No

**-- If Yes, identify the accreditor.**

Commission on Accreditation of Allied Health Education (CAAHEP) through the recommendation from the Accreditation Committee - Perfusion Education (AC-PE)

**-- If Yes, will accreditation be sought?**

Yes  No

**5. Does this program have a clinical component?**

Yes  No

**-- If Yes, discuss the nature, appropriateness, and availability of clinical sites.**

Cardiovascular Perfusion students have to conduct at least 75 heart surgery cases and perform 10 pediatric open-heart cases during their clinical rotations to be eligible to sit for the Perfusion Basic Science Examination (PBSE) and the Clinical Applications in Perfusion Examination (CAPE) through the American Board of Cardiovascular Perfusion (ABCP). The clinical aspect of this program consists of three clinical rotations at 12 to 15 weeks in length per clinical site. Due to the nature of the profession, students must have hands-on experience with clinical educators, who are board certified perfusionists, at various regional and national clinical sites. This is important in enhancing their skills and knowledge and transitioning those skills from the didactic and simulation education they will receive at the university. Clinical rotations are important to establish if the students will be proficient entry level perfusionists upon graduation while under the supervision of a certified perfusionist.

Within a 100-mile radius there are approximately 15 heart and vascular institutes that conduct heart surgery. Therefore, within this radius alone there is the potential for clinical affiliations for prospective perfusion students. The perfusionist demand is high, causing many institutions to take perfusion students to cultivate a relationship for potential employment upon graduation. This leads to an abundance of prospective clinical affiliation sites. Perfusion students at NKU will have clinical site access within northern Kentucky/Cincinnati region. It is common practice to have clinical sites nationally, and as the program grows, clinical sites will be established throughout the US. Some regional clinical sites who are eager to take students are UHealth, Cincinnati Children's Hospital, Trihealth, and the Saint Elizabeth health care network. In addition, we have established clinical sites in the New England region to include UMass Memorial Medical Center, Boston Children's Hospital, Maine Medical Center, and Massachusetts General Hospital.

**6. Identify where the new program will be offered.**

The in class portion of the program will be offered on the Highland Heights campus. Simulation aspect of the program will be at the Simulation Center on campus. The clinical aspect of the program will be offered at neighboring clinical affiliations throughout the northern Kentucky/ Cincinnati region and will grow to include clinical sites outside of the northern Kentucky region.

**a. Indicate the projected life of the program, if applicable (single-cohort or ongoing)**

The MS Cardiovascular Perfusion program will be ongoing. The projected life of the program is greater than 10 years.

**b. Describe the primary target audience.**

The target audience for the MS Cardiovascular Perfusion Program are young professionals who hold a bachelor's in health science degree, or a bachelor's degree with the prerequisite courses completed before applying. Experienced professionals or recent graduates from allied health career fields such as nursing, respiratory therapy, exercise physiology, or biology are part of the target population.

**c. Instructional Delivery Methods to be used\***

- 100% In Classroom / F2F
- 100% Online / Distance Learning
- F2F/Distance Learning Hybrid

**Will this program utilize alternative learning formats (e.g. distance learning, technology-enhanced instruction, evening/weekend classes, accelerated courses)? \***

- Distance Learning
- Courses that combine various modes of interaction, such as face-to-face, videoconferencing, audio-conferencing, mail, telephone, fax, e-mail, interactive television, or World Wide Web
- Technology-enhanced instruction
- Evening/weekend/early morning classes
- Accelerated courses
- Instruction at nontraditional locations, such as employer worksite
- Courses with multiple entry, exit, and reentry points
- Courses with "rolling" entrance and completion times, based on self-pacing
- Modularized courses

**d. Describe strengths of the institution to undertake this new program.**

Northern Kentucky University's College of Health and Human Services (CHHS) has the capability to provide tremendous support for the MS Cardiovascular Perfusion Program. The established programs such as nursing, CRNA, radiologic science, respiratory care, and other allied health programs within the CHHS can help with faculty, literature, and technological support for the new MS Cardiovascular Perfusion Program. The CHHS has established programmatic accreditation. There is an established perfusion classroom and lab space, technological advancements within the CHHS college, and supportive journal access to pertinent references through the W. Frank Steely Library.

The accredited Center for Simulation Education at NKU is the ideal location for perfusion simulation and education support. The MS Cardiovascular Perfusion Program demands high-fidelity simulation as part of the overall educational platform, and NKU simulation center is capable to provide such support.



**7. Describe the rationale and need for the program to include how the institution determined need.\***

Perfusionists are required in all pediatric and adult cardiac surgery programs. Perfusionists are involved in cardiopulmonary bypass and in many other patient care modalities that are associated with the extracorporeal handling of blood and circulation. A perfusionist's location of services typically occurs inside the hospital setting such as the operating theatre, cardiac catheterization lab, intensive care units, and the emergency room.

There are over 3,800 perfusionist job openings across the United States. Currently there is a 12.3% vacancy rate and a 14.7% turnover rate reported nationally for board certified perfusionists (CCP). The reasons for the demand are due to the expansion of the profession outside of the operating room, retirement of CCPs, growth of cardiac life support, increase in number patients requiring emergent and elective heart surgeries across the country, and the lack of growth of educational opportunities for perfusionists. There are currently 17 perfusion programs in the country training roughly 214 new graduates to join the profession in 2019. According to the most recent survey by the ABCP in 2020, there were 210 new certifications awarded, 94 lost certifications, and a total of 4522 perfusionists in the United States.

Northern Kentucky University determined the need based on the local community demand. The local perfusion community to include Perfusion Consultants and Perfusion Partners LLC through St. Elizabeth health network, UHealth, and Cincinnati Children's Hospital reached out to NKU specifically expressing the demand for perfusionists and the need for more perfusion education in this region. This led to the eagerness for the School of Allied Health to start a perfusion program. Within the Northern Kentucky/Greater Cincinnati area, there are currently 50 CCP's with 3 current vacancies, and an expected 6+ vacancies over the next 3 years and 10+ vacancies over the next 5 years. There are 10 additional openings throughout the state of Kentucky, which represents a 14% Kentucky state vacancy rate.

The proposed entry-level Master of Perfusion Science will be the only entry-level perfusion program in the Kentucky Public Education System. Attached a letter from Perfusion Partners LLC expressing the need for a perfusion education program in the Northern Kentucky/ Cincinnati region.

**Provide documentation that faculty and appropriate other groups were involved in planning for the approval(s)**

The local perfusion community to include Perfusion Consultants and Perfusion Partners LLC through St. Elizabeth health network, UHealth, and Cincinnati Children's Hospital reached out to NKU specifically expressing the demand for perfusionists and the need for more perfusion education in this region. The dean of the College of Health and Human Services and his constituents formulated and submitted the NOI and were involved in the search committee for the inaugural director of the program. Attached is a list of faculty and appropriate groups involved in the planning for the approvals, and a letter from Perfusion Partners LLC expressing the support and planning for a perfusion education program in this region.

**OBJECTIVES and CURRICULUM**

**1a. Provide specific programmatic goals for the program. \***

Students will be proficient in cardiopulmonary and cardiovascular support during related surgical procedures. Students will be able to apply advance cardiovascular perfusion techniques and knowledge to practice. Students will be able to effectively communicate and engage in a professional team approach. Students will be able to formulate patient care plans and best practices for patient care during cardiopulmonary bypass. Students will be eligible to sit for the two-part American Board of Cardiovascular Perfusion examinations.

**1b. Provide specific student learning outcomes for the program.**

<p>1. Apply effective closed-loop communication during routine and emergent procedures</p> <p>2. Describe cardiovascular and cardiopulmonary abnormalities and their corrective procedures</p> <p>3. Execute the safe implementation and management of cardiopulmonary bypass and other cardiac life support devices</p> <p>4. Develop safety procedures and patient care plans based on evidence-based perfusion theory</p> <p> </p> <p> </p>

**2. Describe how the student learning outcomes for the program will be assessed? \***

Direct assessments are based the student's GPA through examinations and quizzes, the capstone research project, class participation scores, and progression scores in simulation. Midterm and final exams will be conducted for each class. Students in clinical rotations will have evaluations submitted by their preceptors through online evaluating platforms such as Taskstream. Final evaluations will be conducted for each clinical site. Students will be held to specific standards of progression through their clinical rotation in order to move onto the next rotation. Student surveys will be conducted as indirect assessments. Furthermore, successful passing of the ABCP national examinations will be used to assess the overall knowledge and skills the students have acquired throughout the program.

**3. Highlight any distinctive qualities of the program.**

This program seeks to implement interprofessional high-fidelity simulation. Simulated cardiac operating procedures with an interdisciplinary approach will be conducted throughout the program. Perfusion students will be immersed with other allied health care students during simulated cardiac operating procedures in the center for simulation education in the College of Health and Human Services.

**4. Describe admissions and graduation requirements for the program.\***

Prospective students must submit official college transcripts with proof of a bachelor's degree in a health science or health related discipline from a regionally accredited university. They must have a minimum overall GPA of 3.0 on a 4.0 scale or a B in letter grade, both equivalent to 83%. Applicants must have 3 letters of recommendation, a personal statement, CV or resume, completed the online application for graduate admissions, and completed all the required, or equivalent to, prerequisite courses. At least one year of health care/patient care experience is required before application. Once all of these requirements are met, students will be eligible to advance to the interview with the director. Students who have not completed or met the minimal admission requirements, will be screened out and not invited for an interview with the director. Student selection will be based on overall GPA, previous clinical experience, course work completed, current knowledge of the profession, personal recommendations, and interview.

Applicants must have completed the following prerequisite courses with a minimum GPA 3.0 in each course.

1. Two semesters of general biology
2. Two semesters and anatomy physiology with labs
3. One semester of microbiology with lab
4. One semester of biochemistry
5. Two semesters of general chemistry with labs
6. One semester of physics with lab
7. One semester of college-level mathematics (algebra, calculus, or statistics)

Students must maintain a minimum GPA of 3.0/ B/ 83% for each class throughout the duration of the didactic portion of the program to progress to the clinical portion. Students who fall below an 83%, equivalent to a GPA of 3.0 or B in any class, will be dismissed from the program. None of the course work is repeatable.

Students must display proficiency and meet the standards of clinical skill and knowledge requirements through evaluation and examination assessments during their clinical rotations. Students who fall below a GPA 3.0/ B/ 83%, will not be allowed to progress to the next clinical site. This will lead to dismissal from the program. No clinical rotation is repeatable. Students must have successfully completed at least 75 adult clinical cases and 10 pediatric clinical cases to be eligible to graduate and sit for the ABCP board examines.

**5. Please provide total number of hours required for degree** 70

**Number of hours in degree program core** 70

**Total number of hours in track.** 0

Number of hours in guided  
electives 0

Number of hours in free  
electives 0

Attached\*  I have attached a completed copy of the CPE course lists by curricular headings template.

Prospective Curriculum\*

### Core Courses

**CVP 602 Fundamentals of Perfusion Management, I**  
**CVP 603 Fundamentals of Perfusion Management, II**  
**CVP 610 Extracorporeal Technology, I**  
**CVP 611 Extracorporeal Technology, II**  
**CVP 621 Pathophysiology in Perfusion**  
**CVP 622 Surgical Technique**  
**CVP 624 Pediatric Perfusion**  
**CVP 630 Perfusion Simulation, I**  
**CVP 631 Perfusion Simulation, II**  
**CVP 676 Clinical Practicum, I**  
**CVP 680 Research Methods**  
**CVP 686 Clinical Practicum, II**  
**CVP 691 Perfusion Capstone, I**  
**CVP 693 Perfusion Capstone, II**  
**CVP 696 Clinical Practicum, III**  
**CVP 600 Anatomy and Physiology in Perfusion, I**  
**CVP 601 Anatomy and Physiology in Perfusion, II**  
**CVP 620 Physiological Monitoring**  
**CVP 623 Perfusion Pharmacological Intervention**  
**CVP 640 Special Considerations in Perfusion**

**7. Describe administrative oversight to ensure the quality of the program.\***

The director of the program will be responsible for program oversight. The director and faculty will conduct self-studies and surveys of the program for potential curriculum changes. The program's learning outcomes, curriculum, and goals and mission will be evaluated annually by the director and faculty to ensure the quality and standards set by the CAAHEP and NKU are met. Furthermore, the director will be responsible for calling board meetings and answering student inquiries.

8. For a program offered in compressed time frames (less than full semester), describe the methodology for determining that levels of knowledge and competencies comparable to those required in traditional formats have been achieved.\*

N/A

Have you created the 4 Year Plan for this program? (If Yes, Please upload a copy using the Files tab on the right hand side of the proposal.)\*

Yes  New Option

## DEMAND

**Justification: This is an open-ended response that will be used in CPE agenda items. Within your response you should also establish the demand for this program and note if it replaces another program on campus. Remember that the audience will be CPE, not higher education administrators, faculty or staff.\***

The demand for Perfusionist's in the United States is growing faster than the supply of graduates from current perfusion schools. The American Board of Cardiovascular Perfusion (ABCP) reported in their 2020 Annual Report that there were a total of 4522 Certified Clinical Perfusionists (CCP) in the United States, 110 CCP's who are on conditional or extended status, and 94 CCP's lost their certification. The ABCP also reported 210 new certifications in 2020. This was down compared to 222 new certifications in 2019. Since 2015, there has been a maximum of a 2% increase per year in the total perfusion certifications in the country. There are currently only 17 perfusion degree programs in the country.

The Perfusion Program Directors Council (PPDC) reports that the current school capacity is 239 as reported in the 2019 admissions report. The PPDC also reports that 214 students graduated in 2019.

The employment outlook is significant, with 38% of the current CCP workforce expected to retire in the next 10-years, according to a 2015-2016 survey conducted by the ABCP and authored by Turnage, et al. (2017). This survey also references greater than 44% of the perfusion workforce being over 50 years old.

Students seeking a career as a cardiovascular perfusionist can choose either an entry-level Bachelors, Graduate certificate, or Master's program. The number of Bachelors programs has reduced as many programs have transitioned to Masters and deemed the Masters the direction for the profession. According to the Accreditation Committee-Perfusion Education (AC-PE), degree standards will shift to a masters level degree for all programs within the next 5 years.

**a. Provide evidence of student demand. Evidence of student demand is typically in the form of surveys of potential students or enrollments in related programs at the institution, but other methods of gauging student demand are acceptable. \***

According to perfusion.com, the average number of students who matriculated into a perfusion program is 11. The largest program is Midwestern University in Arizona, accepting upwards of 35 to 40 students. The closest perfusion program in Cleveland, Ohio which has an average applicant pool of 150 and 6 to 8 students are accepted. The Thomas Jefferson program in Pennsylvania has an average applicant pool of 225 while accepting 12 students per year. The MS Cardiovascular Perfusion Program at NKU will be the only one in the state of Kentucky. Based on student demand for allied health science degrees at NKU and the target population being similar to the student target population for these allied health care degrees, high level of student demand is evident.

**Expected Enrollment - Fall Semester Year 1\*** 10

**Expected Enrollment - Fall Semester Year 2\*** 25

**Expected Enrollment - Fall Semester Year 3\*** 30

**Expected Enrollment - Fall Semester Year 4\*** 35

**Expected Enrollment - Fall Semester Year 5\*** 40

**Sources Used**

1. Colligan MP. Understanding Vacancy and Turnover Rates in Certified Clinical Perfusionists in the United States [D.H.A.]. Ann Arbor: The University of Mississippi Medical Center; 2019.
2. Turnage C, DeLaney E, Kulat B, Guercio A, Palmer D, Ann Rosenberg C, et al. A 2015-2016 Survey of American Board of Cardiovascular Perfusion Certified Clinical Perfusionists: Perfusion Profile and Clinical Trends. J Extra Corpor Technol. 2017;49(3):137-49.
3. American Board of Cardiovascular Perfusion 2020 Annual Report. American Board of Cardiovascular Perfusion. 2020.
4. Ash D., Zimmerman Z. Bridging the Talent Gap, Kentucky. 2017.

**Type / Title of Job #1** Cardiovascular Perfusionist

**Regional Average Wage** 133000

**Regional # of Job Openings** 49

**Regional Growth Projections:**

**State Average Wage** 130000

**State # of Job Openings**

**State Growth Projections:** 12%

**National Average Wage** 1400000

**National # of Job Openings** 3,800

**National Growth Projections:** 4-7%

**Type / Title of Job #2**

**Regional Average Wage**

**Regional # of Job Openings**

**Regional Growth Projections**

**State Average Wage**

**State # of Job Openings**

**State Growth Projection**

**National Average Wage**

**National # of Job Openings**

**National Growth Projection**

**Type / Title Job #3**

**Regional Average Wage**

**Regional # of Job Openings**

**Regional Growth Projections**

**State Average Wage**

**State # of Job Openings**

183

**State Growth Projections**

**National Average Wage**

**National # of Job Openings**

**National Growth Projections**

**If the program proposal is in response to changes in academic disciplinary need, as opposed to employer demand, please outline those changes. Explain why these changes to the discipline necessitate development of a new program. \***

N/A

**Institution** Cleveland Clinic

**Program Name** Cleveland Clinic Perfusion Program

**Comparison of Objectives / Focus / Curriculum to Similar Programs**

Total duration is 18 months. Didactic credit hours at 21. Clinical hours ranging from 40 to 60 hours. Post graduate certificate degree. Goals are to prepare competent entry level perfusionists, provide base knowledge in perfusion theory, prepare for qualification to sit for the board examinations. Consistent with the AC-PE recommendations.

**Comparison of Student Populations**

Similar to NKU program. Respiratory therapists and nursing transitioning to perfusion career, post graduates in health sciences, allied health care fields. Class size is 7 students.

**Access to Existing Programs.**

**Feedback from other Institution**

**Institution** Rush University, Chicago IL

**Program Title** Rush University Pefusion Program

**Comparison of Objectives / Focus / Curriculum to Similar Programs**

Total duration of 14 months. Master of Science in Perfusion Technology degree. Total of 78 credit hours. Curriculum and goals consistent to standards set by AC-PE.

**Comparison to Student**

Similar to NKU program. Perfusionists with a certificate in perfusion technology, post graduate certificate degree in health sciences.



**Population**

Similar to NKU program. Respiratory therapists and nursing transitioning to perfusion career, post graduates in health sciences, allied health care fields. Class size is 15 students

**Access to Existing Programs****Feedback from other Institution****COST**

**I have completed and uploaded the Funding Sources Template\***  Yes  No

**I have completed and uploaded the Budget Expenses/Requirements Breakdown Template\***  Yes  No

**ASSESS****Provide a brief description of institutional assessment processes.\***

Students GPA will be used to assess overall student success in the program. Student satisfaction surveys will be given at the end of each semester and post graduate. Faculty will be assessed through student and instructor evaluations. Course content and the curriculum will be evaluated annually. The data collected will be assessed and appropriate action plans will be developed to continually improve the program. Program effectiveness will be assess based on student retention, performance reviews, job placement, and board certification examination pass rate.

Accreditation review by AC-PE is conducted 3 to 5 years after initial accreditation. Continuing accreditation is awarded and the accrediting body of perfusion will conduct comprehensive assessment review once every 10 years. A self study and review will be conducted annually.

Students will have an online evaluation form they can anonymously complete at his or her discretion for each course and instructor of that course. Evaluations will be reviewed at the end of each semester and kept on file for accreditation purposes in the future.

**Describe how the institution will incorporate the change (program, site, distance education, or other change) into the institution wide**

Data obtained from student satisfaction surveys, course evaluations, program effectiveness, and faculty evaluations will all be used to determine the overall performance of the program relative to the institutional and program mission. This will be conducted annually. Metrics such as retention rate, enrollment, application rate, graduation rate, board examination pass rate, and individual

**into the institution-wide review and assessment processes? \***

GPA will be used as targets for measuring program performance.

**What are the plans to evaluate students' post-graduate success? \***

Alumni surveys will be issued. Job placement, American Board of Cardiovascular Perfusion examinations pass rate, and employment satisfaction survey will be conducted. Surveys will be sent 1 year post graduation.

## **ADVANCED PRACTICE DOCTORATE**

**Describe how the doctorate builds upon the reputation and resources of the existing master's degree program in the field.**

**Provide a description of the master's program or programs and note any distinctive qualities of these programs as well as any national recognition bestowed upon the program.**

**Explain the new practice or licensure requirements in the profession and/or requirements by specialized accrediting agencies that necessitate a new doctoral program.**

**Provide any evidence, such as a professional organization or an accrediting agency requiring a doctorate in order for graduates to practice or advance in the field of study.**

**Explain the impact of the proposed program on undergraduate education at the institution. Within the explanation, note specifically if new undergraduate courses in the field will be needed, or if any courses will be cut**

**If there is no impact on undergraduate education, please provide a synopsis of how a new doctorate can be developed and implemented without financial or staffing implications for undergraduate education.**

**Provide evidence that funding for the program will not impair funding of any existing program at any other public university.**

**Provide contingency plans in the event that required resources do not materialize.**

## **CIP CODES AND APPROVAL DATES**

**CIP Code**

**BOR Approval Date**

**CPE Final Approval Date**

**CPE ID**