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RESTORING FISCAL STABILITY

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FY26 Fall Budget Forum

December 3, 2024





Agenda

RESTORING FISCAL STABILITY

Fiscal Year 2026 Budget Priorities (President Short-Thompson)

How we got here? (V.P. Calvert)

FY26 Budget Process (Director Younger)

FY26 Key Budget Assumptions (V.P. Calvert)

Questions/Discussion

RESTORING FISCAL STABILITY

FY26 Budget Priorities

President Short-Thompson

Fiscal Priorities

Balanced Budget/Positive Cash Flow

3% Across the Board Wage/Salary Increase

Supporting Student Services

Building the University Surplus

Other Employee Centered Ideas

Ideas Advocated by Faculty Senate and Staff Congress:

- Waive Campus Recreation Fee for Employees
- Discounted or Waived Employee Parking
- Increased Employee and Family Tuition Waiver Benefit

Some or all of the above may be implemented in FY25 or FY26 or Future Years depending on Budget and Enrollment.

May be implemented on Semester by Semester Basis.

THANK YOU



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How we got here?

V.P. Administration & Finance Christopher Calvert



Key Fiscal Terms

Fiscal Year End: June 30

Operating Funds: “Unrestricted” and Auxiliary Funds.

Net Tuition Revenue: Gross Tuition & Fees, less Institutional Scholarships and Discounts, less AOL revenue share.

AOL: Accelerated Online. Online learning was launched in FY18 in partnership with Academic Partners (now Risepoint). Risepoint markets online programs in exchange for a revenue share of tuition and fees (~50% revenue share).

State Appropriations: State funding and State Performance funding. Appropriated biennially

State Capital Appropriations: State capital appropriations to capital construction or renovation projects (example: Science Building Expansion \$79M). Appropriated biennially.

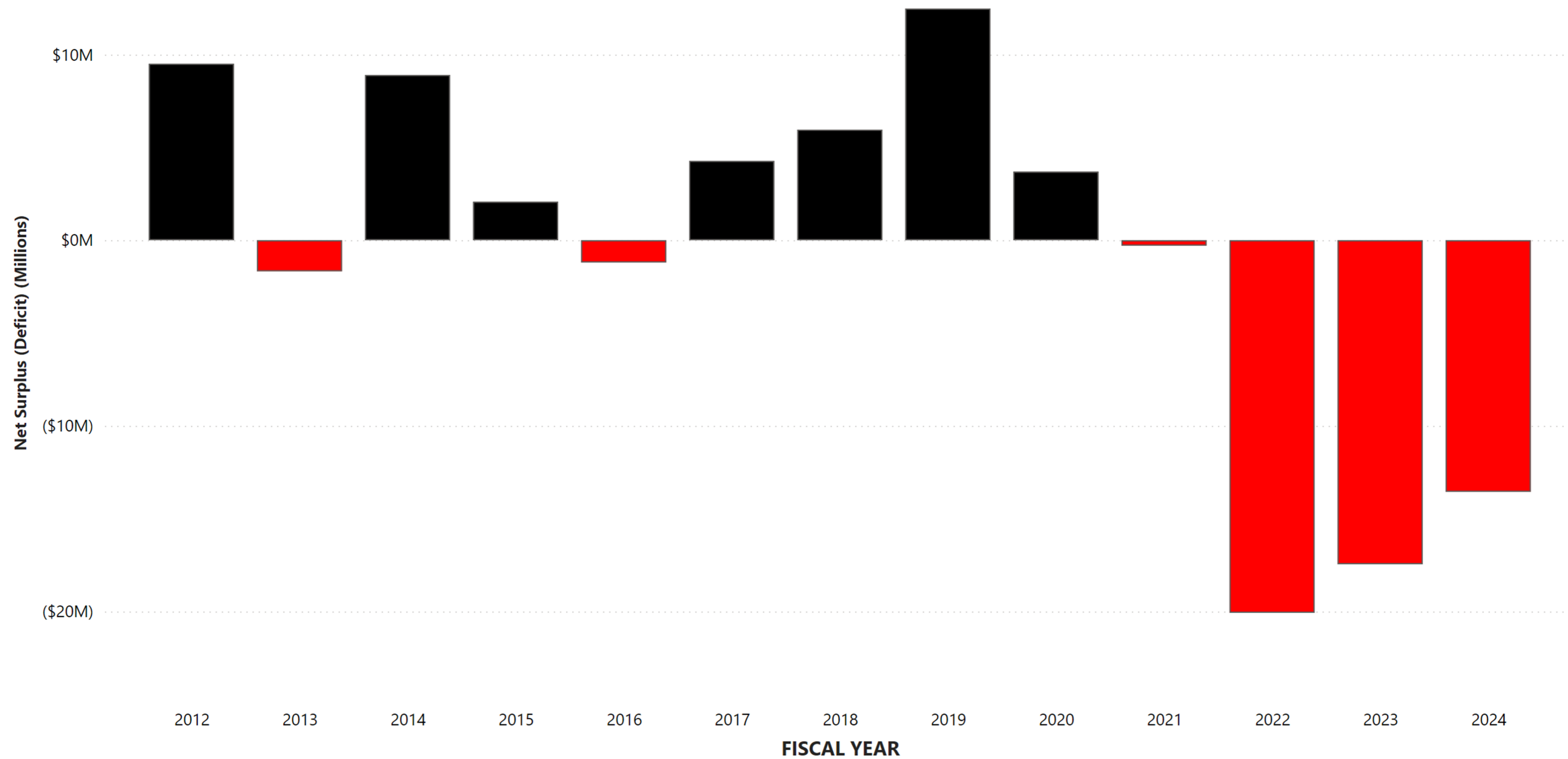
State Asset Preservation Funding (AP): State capital appropriations to infrastructure and maintenance projects (HVAC, Plumbing, Roads/Walkways, Roofs, Basic Renovations).



University Net Surplus (Deficit) FY12 – FY24

Net Surplus (Deficits) FY12 - FY24

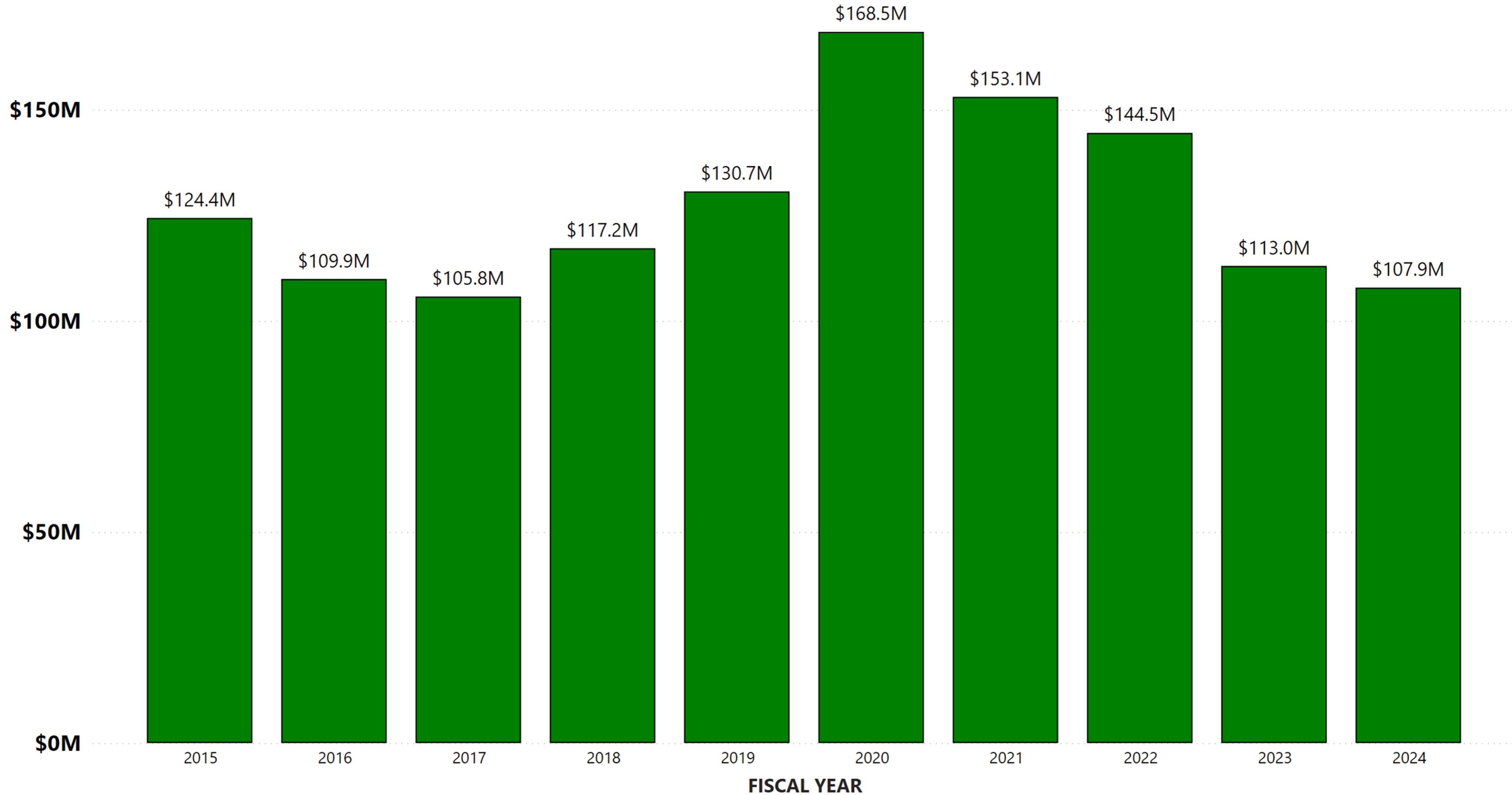
Budgeted Unrestricted and Auxiliary Funds Only, Excluding GASB & KERS





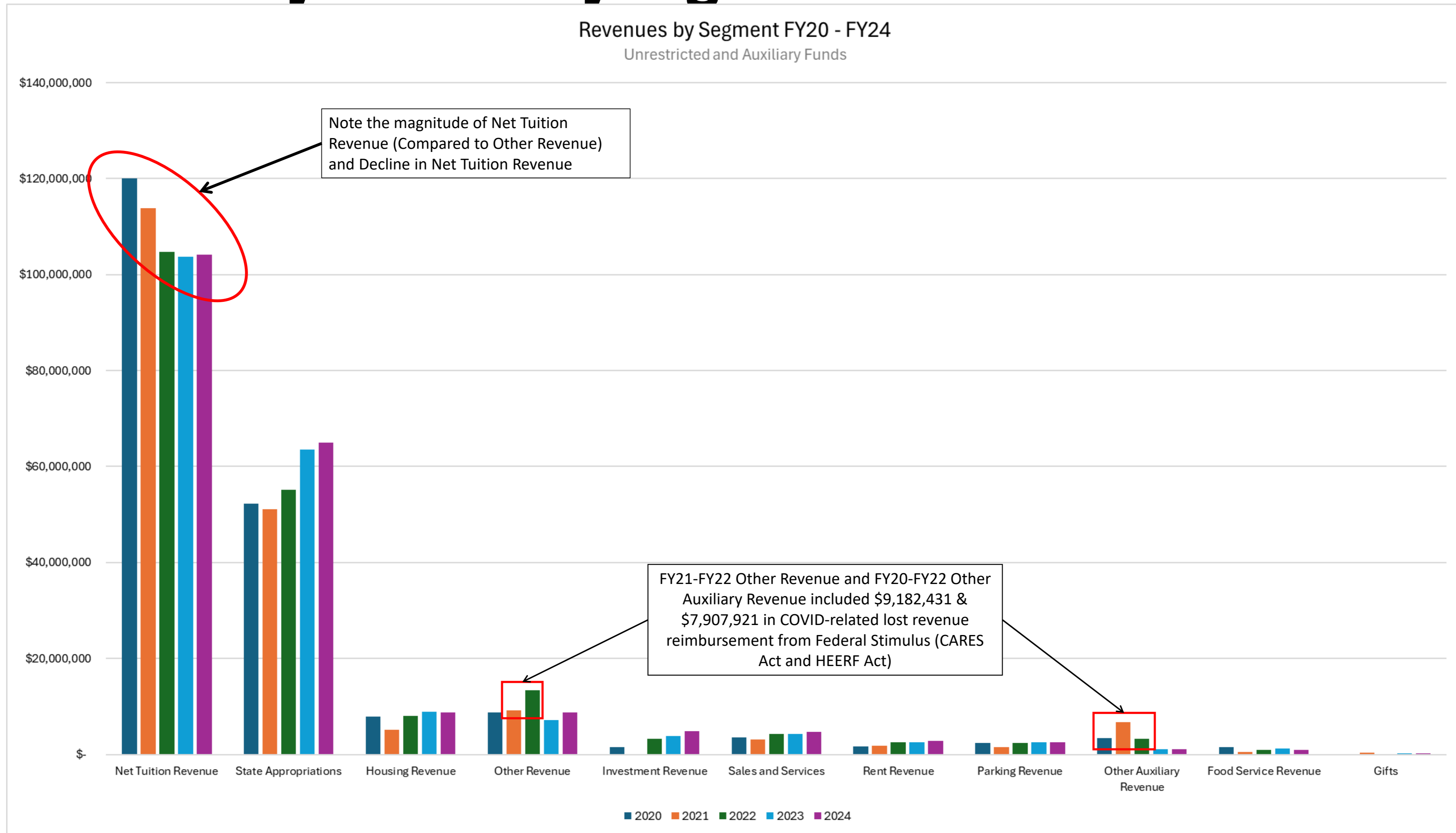
University Cash, Cash Equivalents and Investments

Fiscal Year-End University Cash, Cash Equivalents and Investments FY15-FY24

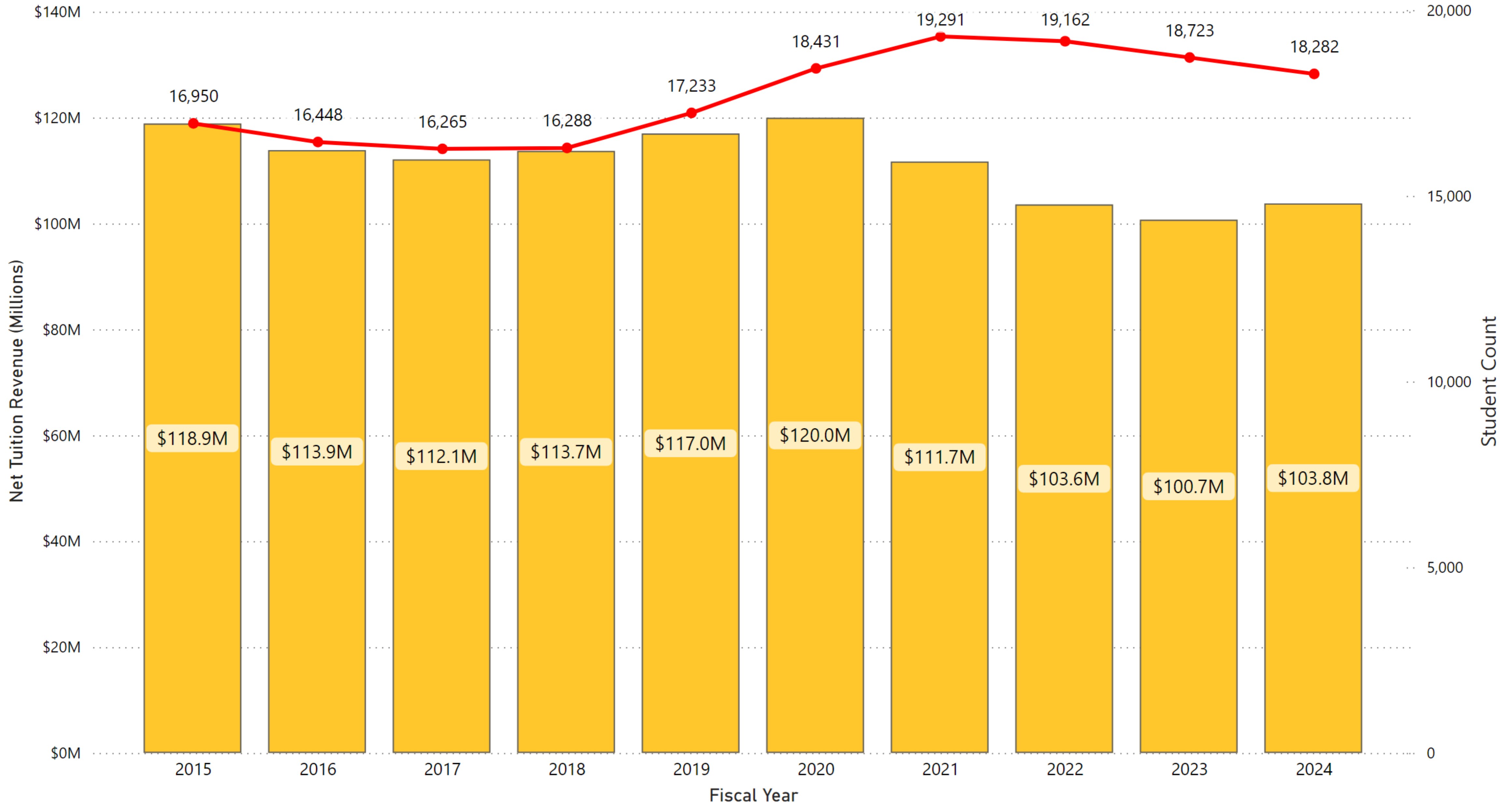




University Revenue by Segment



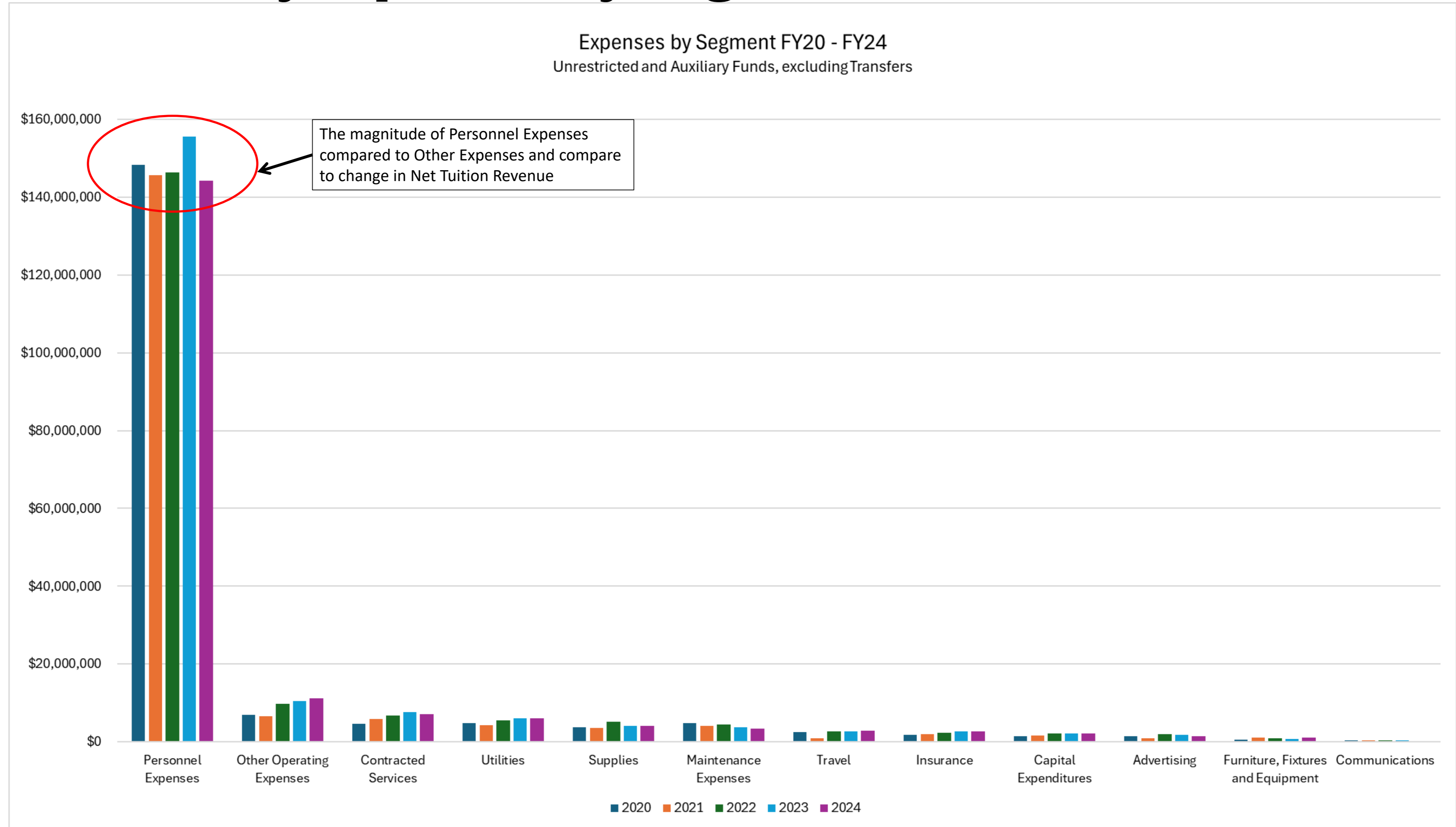
Fiscal Year Net Tuition Revenue and Student Count by FY



Legend ● Net Tuition Revenue ● Total Student Count

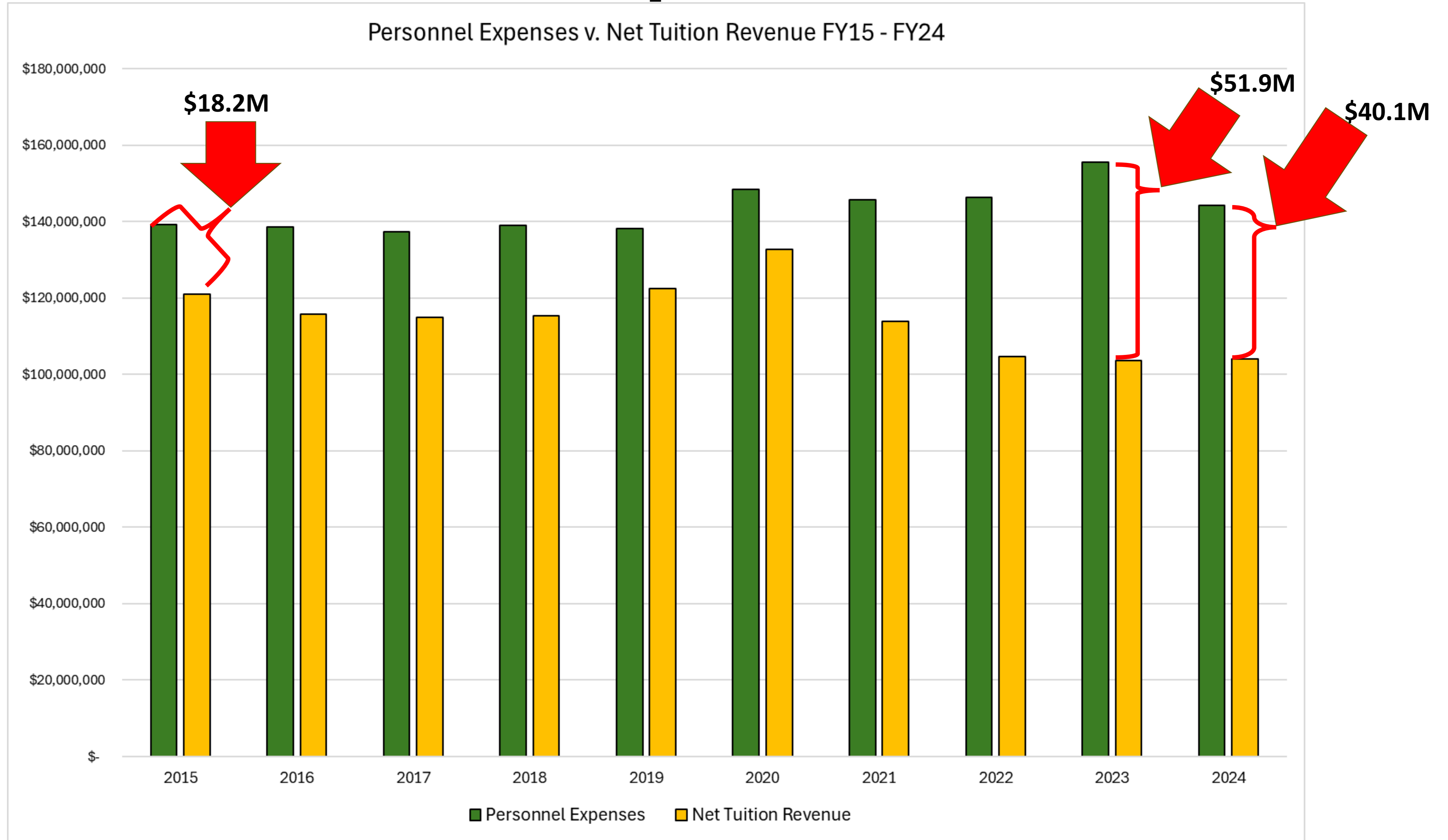


University Expenses by Segment





Difference in Personnel Expenses v. Net Tuition Revenue



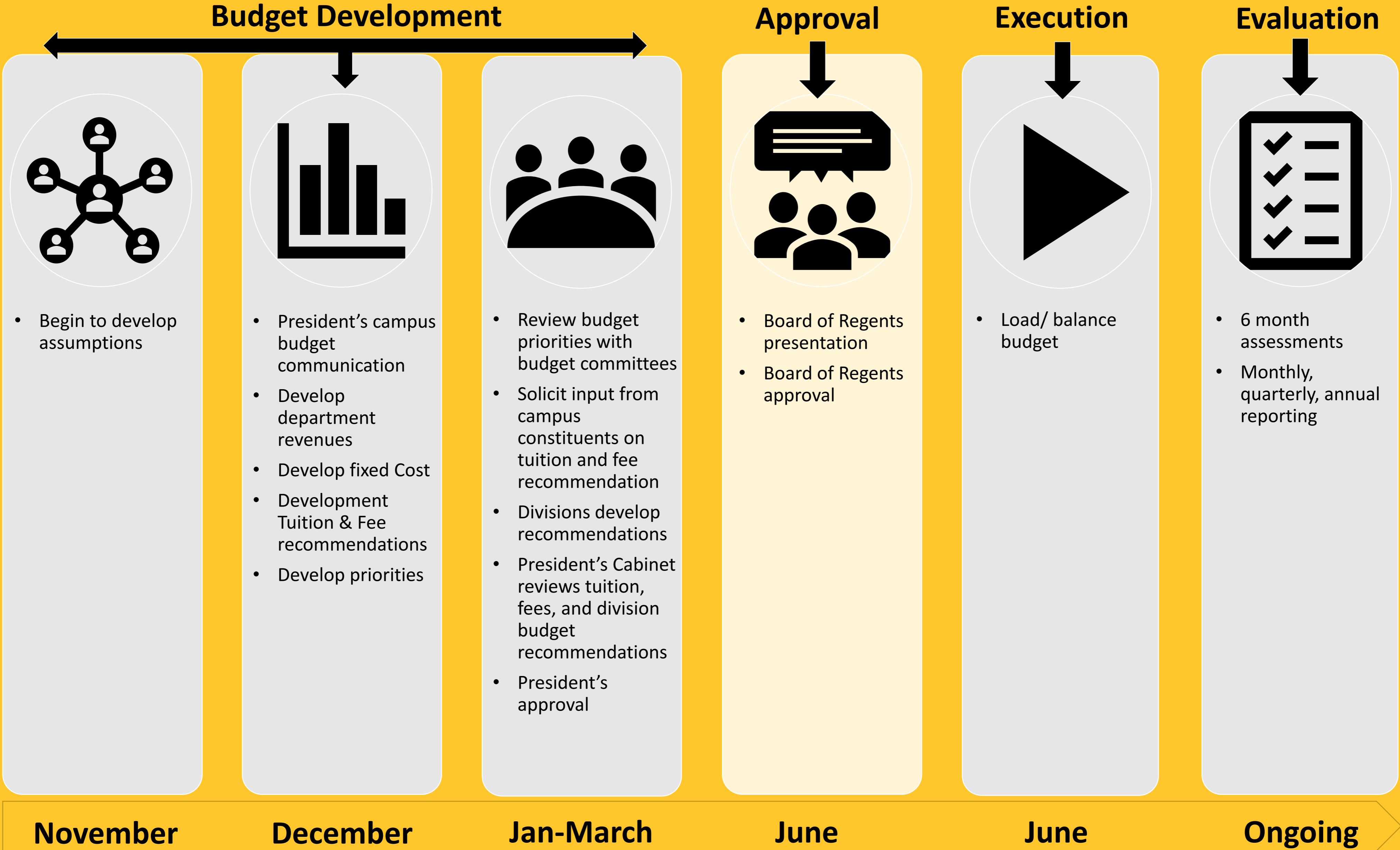
THANK YOU

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FY26 Budget Process

Director of Budget, Financial Planning, and Analysis James Younger

WHAT IS THE TIMING OF THE BUDGET?





FY26 Operating Budget Process Overview

- FY 2025-26 Operating budgets loaded based on the FY2024-25 budget – Review and Verify
- Budget Request Process
- Stakeholder Feedback
 - BOR Finance Committee
 - Faculty Senate
 - Staff Congress
- Final Approvals



FY26

**Operating
Budget**

Log into PBCS

- The below Instructions/Work Aids for PBCS can be found on the Budget office website under forms/instructions
- <https://inside.nku.edu/budgetoffice.html>

SMART VIEW FOR OFFICE (ORACLE PBCS/EPM CLOUD)

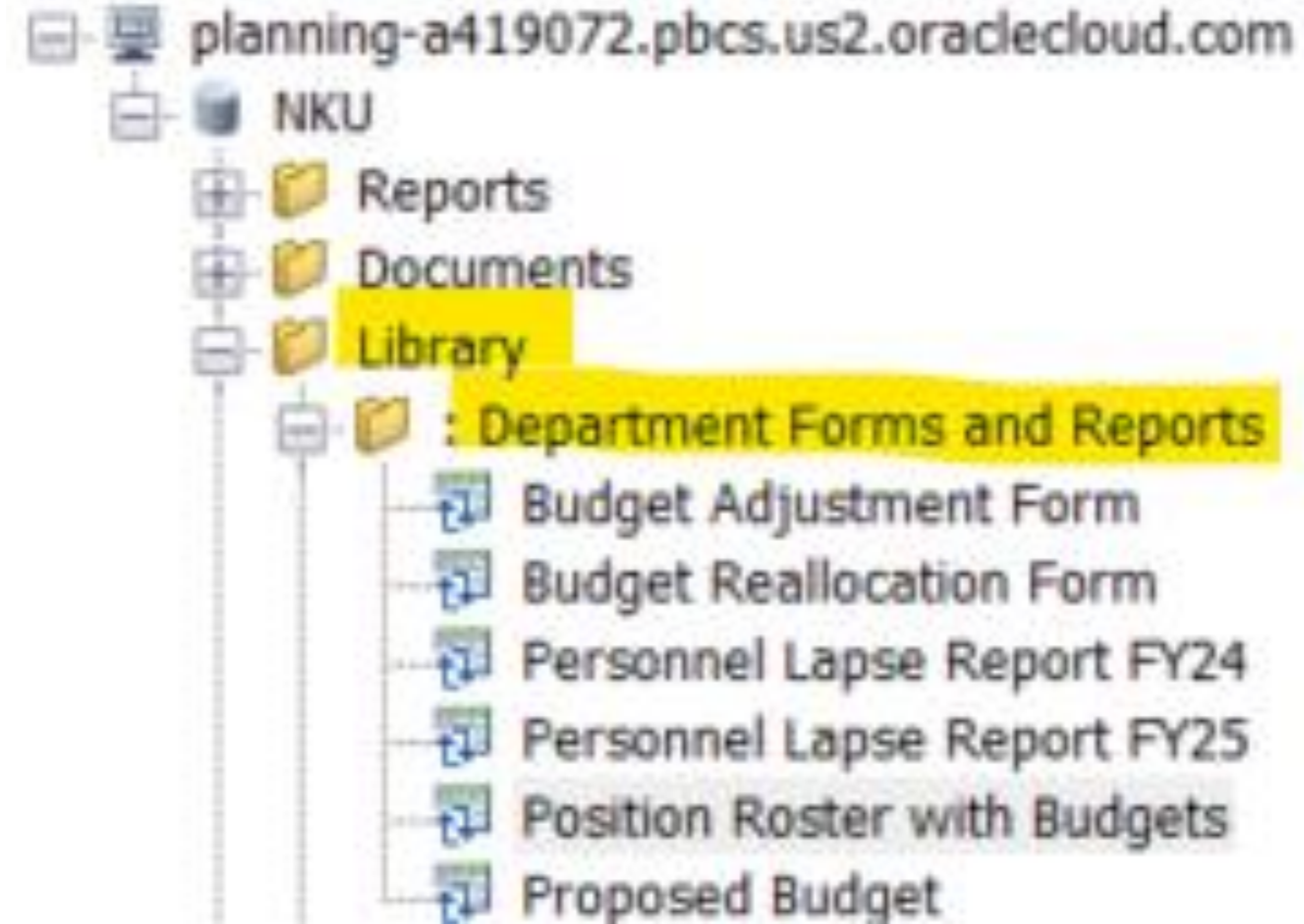
Instructions/Work Aids

- [NKU Smart View Procedures](#)
- [NKU Smart View Software Installation Work Aid](#)
- [Oracle Smart View User Guide](#)
- [Smart View SSO Connection Issue Fix Work Aid](#)

Software Files

- [Oracle Smart View for Office 24.100 \(MAR 2024\).zip](#)
- [SmartView.exe](#)
- [[Oracle Smart View Download Page](#)]

FY26 Operating Budget Personnel Review





FY26 Operating Budget Personnel Review

		Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
		Budget	Budget	Budget	Budget	Budget	Budget
		FY26	FY26	FY26	FY26	FY26	FY26
		501100 AdminStaff Pool	501105 AdminContract	501110 AdminSalary	501115 AdminHourly	503000 Faculty Pool	503005 FacultySalary
POSITION	PERSON						
30001642 Exec Asst to President & Secy to NKU BOR	00006886 Tammy Knochelmann	0	0	[REDACTED]	0	0	0
30001741 President	00003813 Cady Short-Thompson	0	0	[REDACTED]	0	0	0
30025525 Administrative Assistant	00032256 Kara Christine Thornbury	0	0	0	[REDACTED]	0	0
No Position Base Budgeted	No_Person	[REDACTED]	0	0	0	0	0



FY26 Operating Budget

Revenue and Expenditure Review


	Final	Final	Final	Final	Final	Final	Baseline	Base	Revenue	Budget	Budget	Recurring	Non-	Proposed
	Actual	Actual	Actual	Actual	Revised	Adjustments	Budget	Adjustments	Adjustments	Requests	Reallocations	Funds	Recurring	Budget
	FY22	FY23	FY24	FY25	FY25	FY26	FY26	FY26	FY26	FY26	FY26	FY26	FY26	FY26
	YearTotal	YearTotal	YearTotal	YearTotal	July	July	July	July	July	July	July	July	July	July
550005 SuppliesOffice	1195	484	1378	93	3000	0	3000	0	0	0	3000	6000	0	6000
550057 Tech Equip/Sftwr<500	0	0	250	83	0	0	0	0	0	0	0	0	0	0
550058 Furniture/Equip <500	1080	0	0	0	0	0	0	0	0	0	0	0	0	0
550205 Printing	2935	2967	3556	796	4000	0	4000	0	0	0	4000	8000	0	8000
550230 PrintingOutside Ven	0	0	1181	0	0	0	0	0	0	0	0	0	0	0



Budget Request Form

The budget request form can be found on the Budget Office website under forms/instructions.

<https://inside.nku.edu/budgetoffice.html>

 **Budget Request Form**
for Additional Recurring, Investment, and One-Time Funds

Division:
Department:
Request Title:

I. PRIMARY REASON FOR REQUEST *(please select one)* :

- Required to promote student success
- Necessary to protect the university from significant financial or legal liability
- Essential for maintaining the safety and security of our students, faculty, and staff
- Required to comply with new federal or state regulations that cannot be met with existing systems and/or resources (be sure to enter the CFR or KRS reference in the justification section)
- Other Request, e.g., ROI

If the request is for Essential please explain how the request meets the criteria indicated above. For new federal and state regulations, cite the relevant regulation from the Code of Federal Regulations (CFR), Kentucky Revised Statutes (KRS), or other governing source. Please use non-technical language and avoid abbreviations without definitions.

II. EXPENDITURE BUDGET PROPOSAL

Please describe the Budget Proposal with enough detail to support the funding request for those reviewing and prioritizing budget requests. In general, new budget requests < \$100,000 should be funded within the Division. Please use non-technical language and avoid abbreviations without definitions.



Budget Request Form

Requests will only be considered if additional funding is available

Process for submittal of the budget request form

1. Complete the form in its entirety
2. Submit the form to your supervisor
3. If your supervisor approves, they will submit to their supervisor (until it reaches your VP)
4. Each VP will rank their division's request and bring them to the President's Cabinet for review and approval
5. VP of Administration and Finance/CFO, Chris Calvert, will send the approved list to the budget office
6. Budget office will build into PBCS

Forms are due to VPs no later than Feb. 28, 2025.



Revenue and Expenditure Increases/ Decreases

New fees or service charges have to be approved by the BOR. Updated forms need to be submitted by Jan. 20, 2025 to be considered for approval at the Feb. 26, 2025

The fee and service charge request form can be found on the Budget office website under forms/instructions

<https://inside.nku.edu/budgetoffice.html>



**Where do
we go from
here**

Progress and Developments will be shared with the Faculty Senate and Staff Congress in the March/April meetings.

Spring Budget Forum will be in April/May. The exact date is TBD.

BOR Finance Committee will review draft budget projections at the Feb. 20, 2025, committee meeting, and the final budget presentation will be on May 29, 2025.

BOR presentation with final approval June 11, 2025

THANK YOU



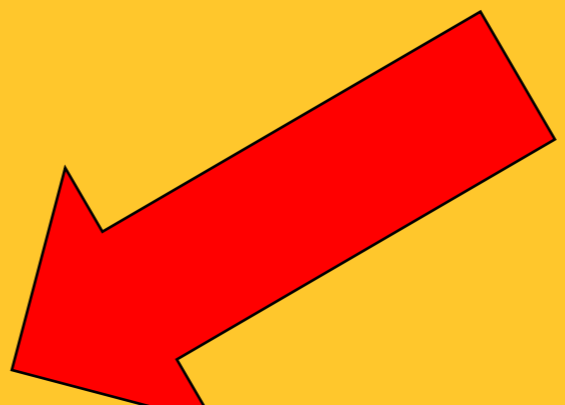
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FY26 Key Budget Assumptions

V.P. Administration & Finance Christopher Calvert



FY26-FY30 Fiscal Planning

- **Net Tuition Revenue Assumptions**
 - Traditional versus AOL Growth
 - Scholarships and Discounts Trend
 - Tuition Increase
- **New Fee Revenue**
 - UG Fee Discussed at November Board of Regents Meeting
- **State Appropriations**
- **Personnel Assumptions**
 - 3% Across the Board Salary/Wage Increase 
 - Benefits Change Assumptions
- **Operating/Contracted Service Expenses**
 - Inflation Adjustments
- **ERP Modernization**
 - Savings from eliminating integrations and EAB Termination Offset Increased License Fees



Northern Kentucky University

FY26 - FY30 Pro Forma Compared to FY24 Actual & Last Twelve Months

Revenue/Expense	FY24 ACTUAL	FY25 LTM	FY26 PRO FORMA	FY27 PRO FORMA	FY28 PRO FORMA	FY29 PRO FORMA	FY30 PRO FORMA	
Net Tuition Revenue	\$104,132,571	\$108,857,952	\$110,256,693	\$111,690,403	\$113,124,112	\$114,557,822	\$115,991,531	← Assumes 2.5% Tuition Rate Increase
State Appropriations	\$64,931,400	\$67,424,200	\$69,931,700	\$69,931,700	\$69,931,700	\$69,931,700	\$69,931,700	
Sales and Services	\$4,769,815	\$5,456,914	\$5,680,820	\$5,822,841	\$5,968,412	\$6,117,622	\$6,270,562	
Other Revenue	\$16,367,584	\$16,137,911	\$14,671,439	\$14,671,439	\$14,671,439	\$14,671,439	\$14,671,439	
Auxiliary Revenue	\$13,320,401	\$13,400,868	\$13,400,868	\$13,534,877	\$13,670,225	\$13,806,928	\$13,944,997	
Gifts	\$201,665	\$372,016	\$0	\$0	\$0	\$0	\$0	
Total Revenues	\$203,723,436	\$211,649,861	\$213,941,520	\$215,651,259	\$217,365,888	\$219,085,510	\$220,810,229	
Salary and Wages	(\$107,201,237)	(\$107,071,255)	(\$110,191,633)	(\$112,316,292)	(\$113,409,048)	(\$114,512,732)	(\$114,512,732)	← Assumes 3% Wage Salary Increase (FY26) and additional Increases FY27-29
Fringe Benefits	(\$37,029,072)	(\$36,613,029)	(\$38,277,770)	(\$39,858,906)	(\$41,349,957)	(\$42,934,412)	(\$42,934,412)	
Contracted Services	(\$7,059,912)	(\$6,883,460)	(\$6,971,686)	(\$6,971,686)	(\$6,971,686)	(\$6,971,686)	(\$6,971,686)	
Operating Expenses	(\$26,776,733)	(\$29,311,739)	(\$28,044,236)	(\$28,044,236)	(\$28,044,236)	(\$28,044,236)	(\$28,044,236)	
Utilities	(\$6,099,321)	(\$5,755,819)	(\$5,927,570)	(\$5,927,570)	(\$5,927,570)	(\$5,927,570)	(\$5,927,570)	
Capital Expenditures	(\$2,107,823)	(\$2,014,139)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	(\$2,000,000)	
Debt Service	\$4,925,996	\$4,965,271	\$4,969,218	\$4,969,218	\$4,969,218	\$4,969,218	\$4,969,218	
Transfers	(\$32,310,368)	(\$29,721,078)	(\$29,948,029)	(\$29,948,029)	(\$29,948,029)	(\$29,948,029)	(\$29,948,029)	
Total Expenses	(\$213,658,470)	(\$212,405,248)	(\$216,391,706)	(\$220,097,501)	(\$222,681,308)	(\$225,369,447)	(\$225,369,447)	
Net Surplus (Deficit)	(\$9,935,034)	(\$755,387)	(\$2,450,186)	(\$4,446,242)	(\$5,315,420)	(\$6,283,937)	(\$4,559,218)	← FY26 – FY30 Deficits without additional fee revenue
<i>New Undergraduate Fee</i>			\$6,500,000	\$6,500,000	\$6,500,000	\$6,500,000	\$6,500,000	
<i>Net Surplus (Deficit) After Fee</i>			\$4,049,814	\$2,053,758	\$1,184,580	\$216,063	\$1,940,782	← FY26 – FY30 Surplus with additional fee revenue



FY26 Undergraduate Fees

The BOR approved Fall 2025 Undergraduate Tuition Rates (3 States/1 Rate) at the July 2024 BOR Retreat (subject to allowable state tuition rate increases).

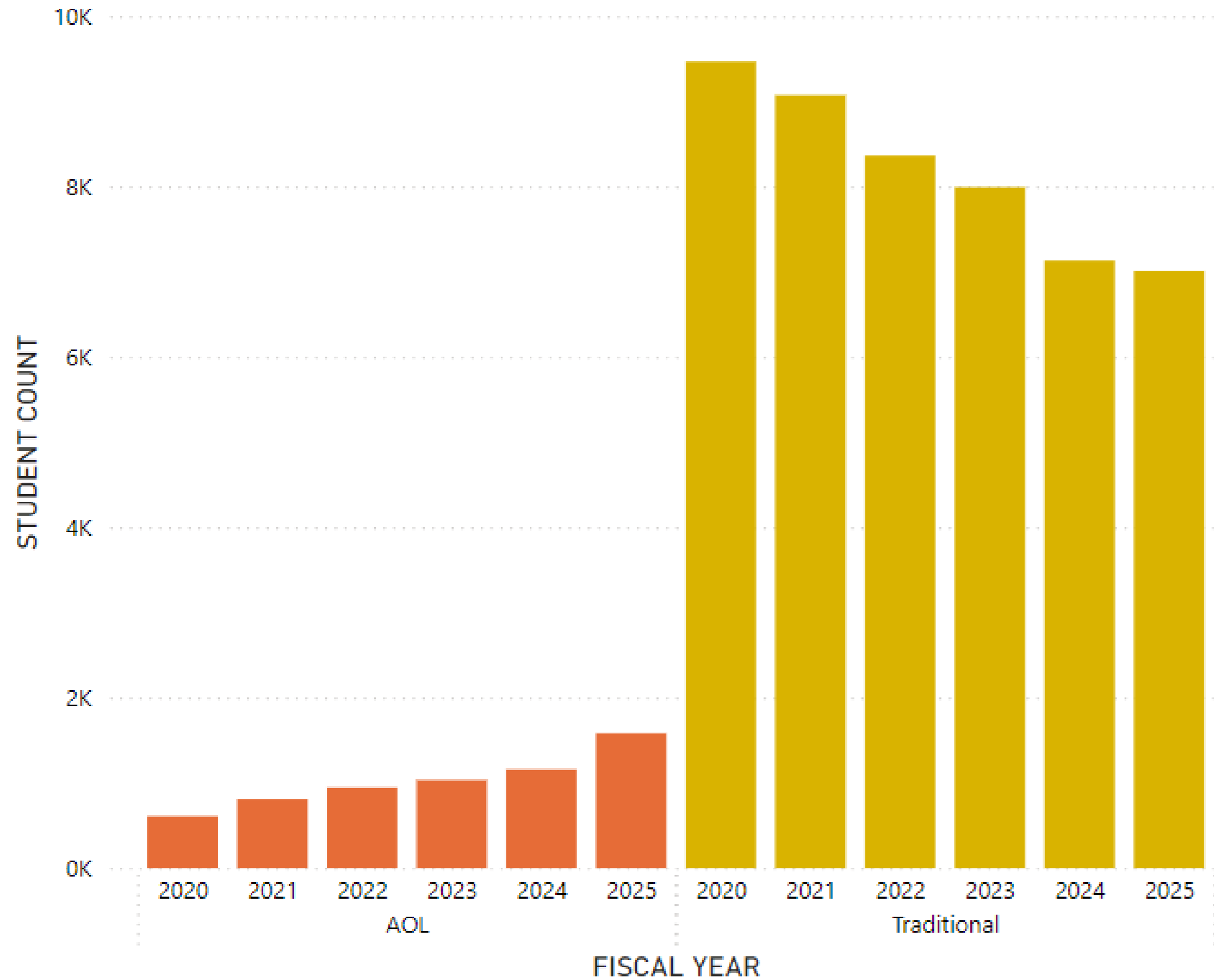
The State (CPE) is expected to authorize 2025-2026 and 2026-2027 Undergraduate Tuition Rate increases comparable to rate increases for the prior two-year cycle.

The University is considering additional revenue sources to support student services and fiscal stability.

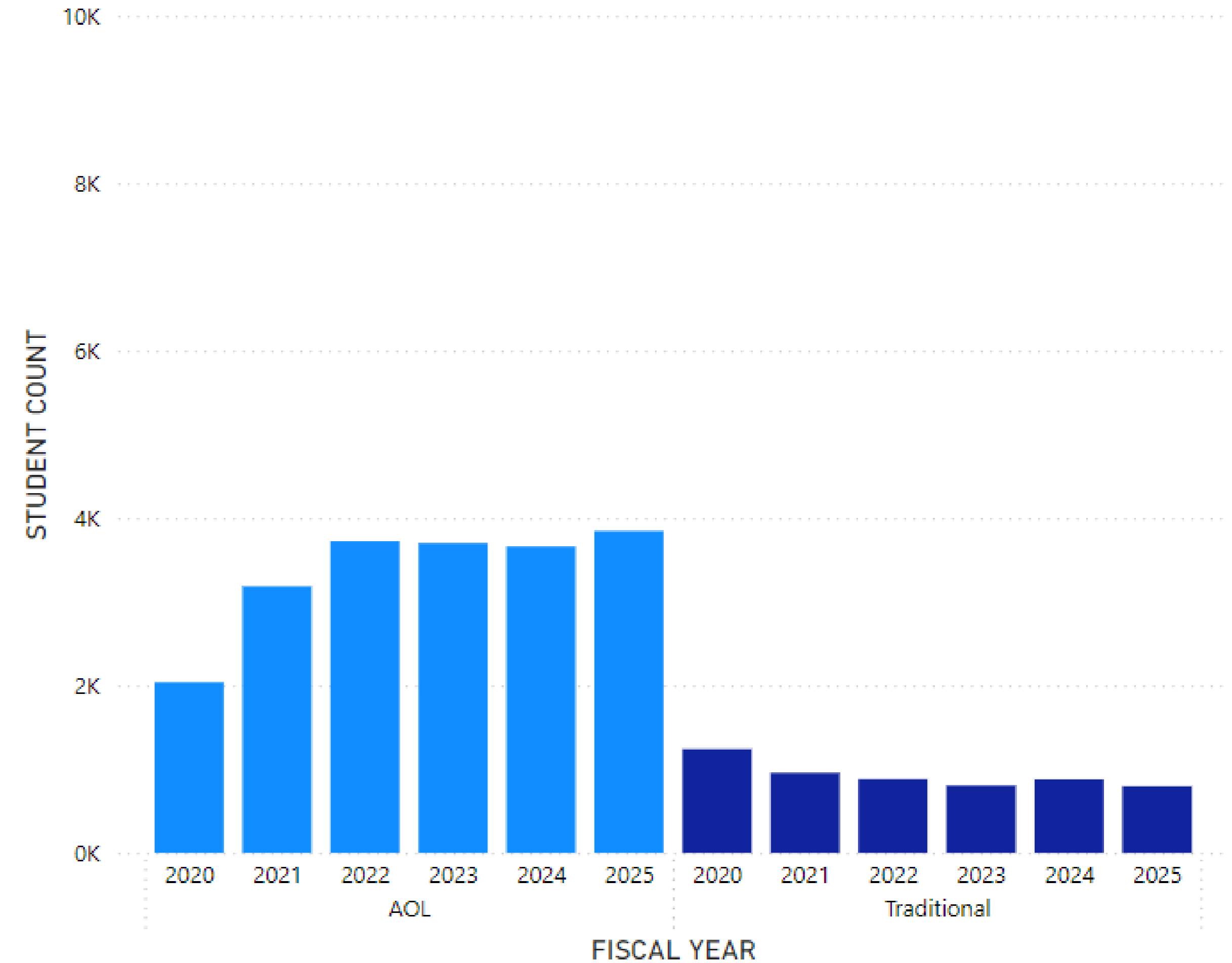
A formal request is expected in the February Board of Regents Meeting to approve changes to undergraduate fees.

NKU **Fall Enrollment Trends by Segment**

Fall Undergraduate Student Count by Fiscal Year



Fall Graduate Student Count by Fiscal Year



State Appropriations

FY26 Base Appropriations Same as FY25

FY26 Performance Funding:

Performance Funding Pool Increased

Performance Funding Model Changed

Estimated Change in Funding +\$468k

Personnel Assumptions

**Personnel Assumptions: FY26-FY30 Pro Forma
based on current employees +3% Salary/Wage
Increase**

**Assumes Inflation Adjustment (increase) to
Benefits**

**Increasing Support for Student Services
Depends upon proposed Undergraduate Fee**

Other Assumptions

**Auxiliary Services Budget Assumed Same as
Last Twelve Months Actual**

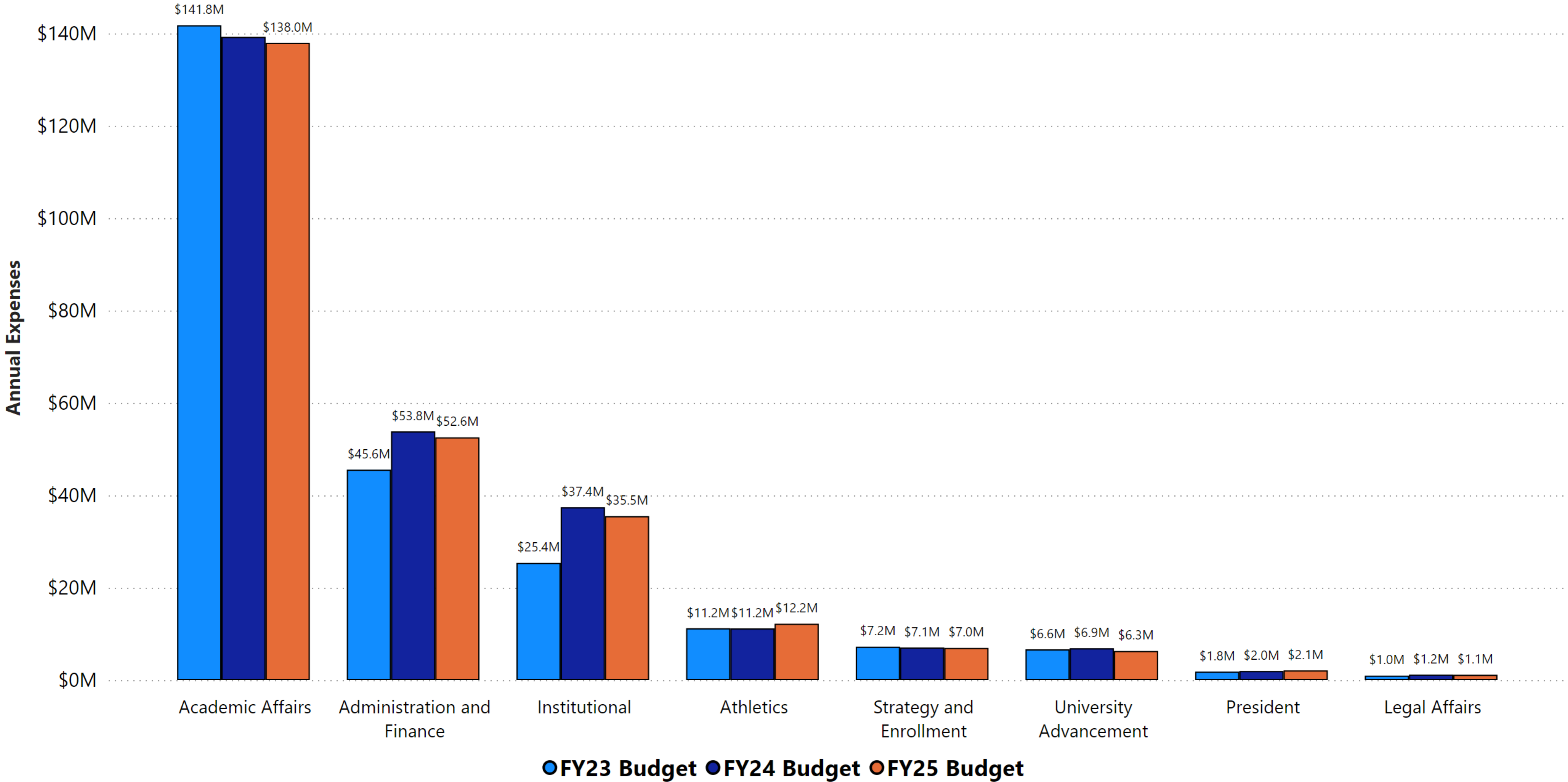
**Athletics Budget Assumed Same as FY25
Budget**

**ERP Modernization Assumptions pending
Vendor Selection and utilizes State
Appropriation through FY27**

Expense Allocation

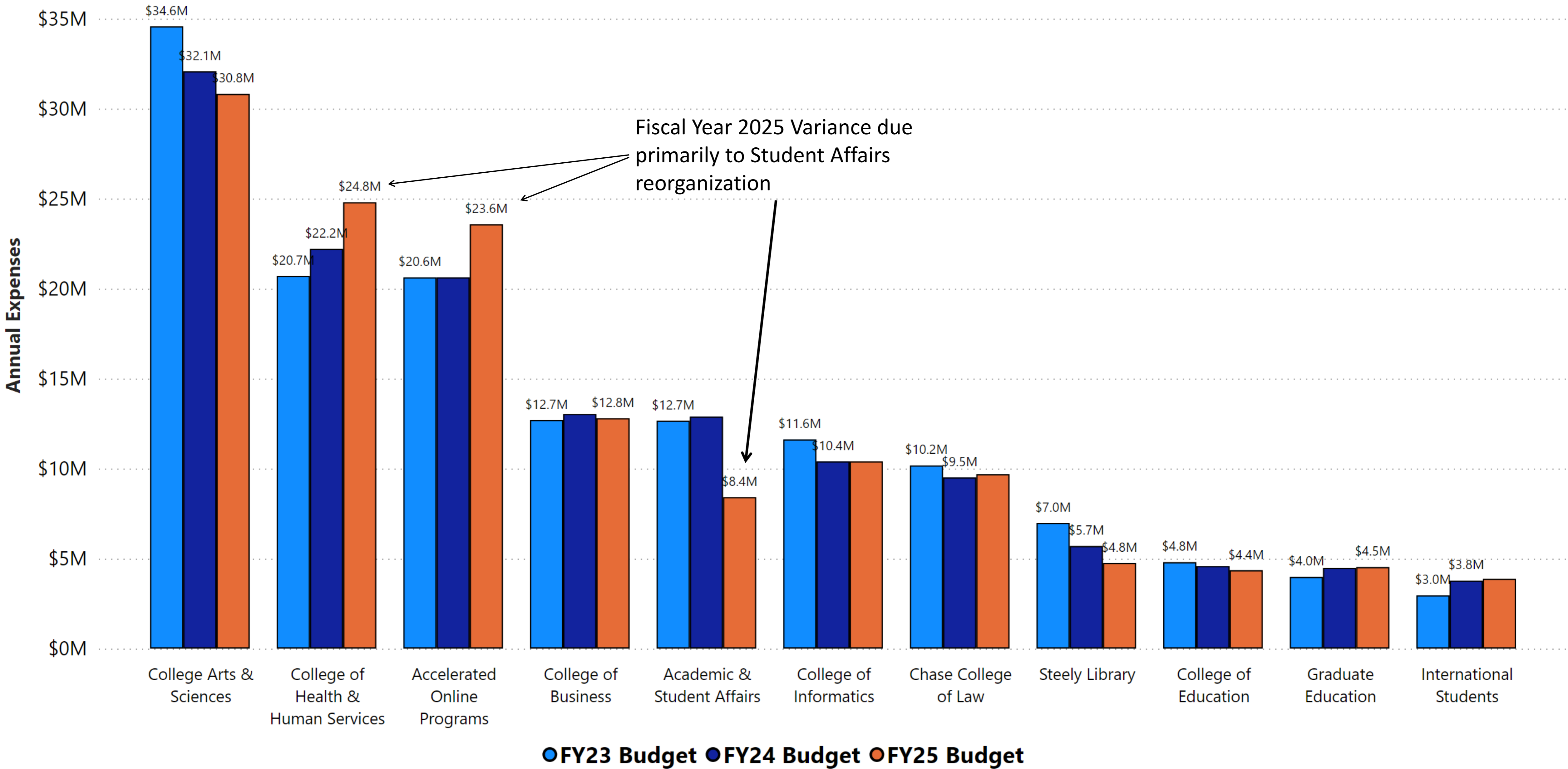
Annual Expenses by Division, FY23-FY25

FY23 - FY25 Budget, Adjusted for Current Organization



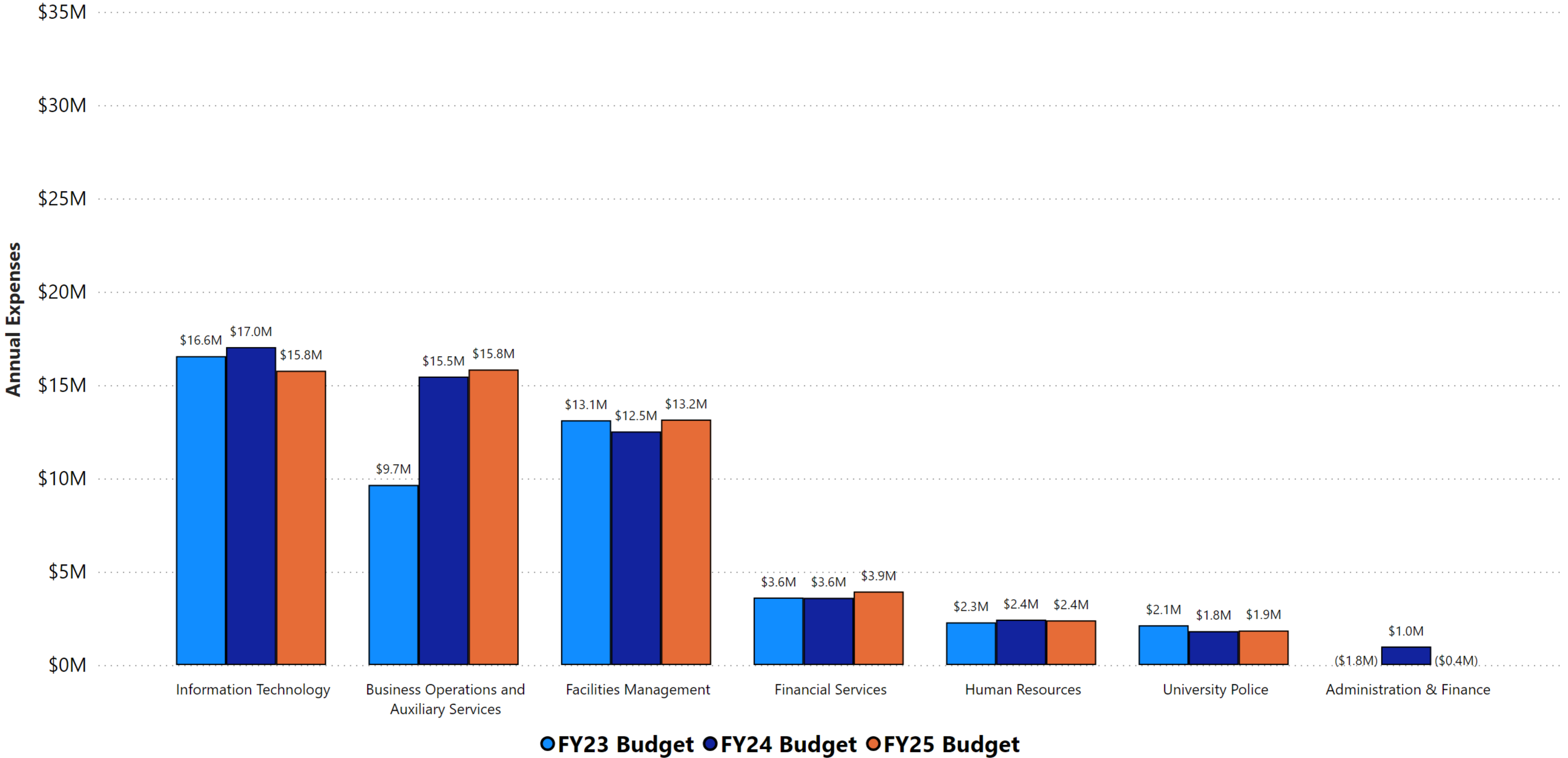
Academic Affairs Expenses by College/Department, FY23-FY25

FY23 - FY25 Budget, Adjusted for Current Organization



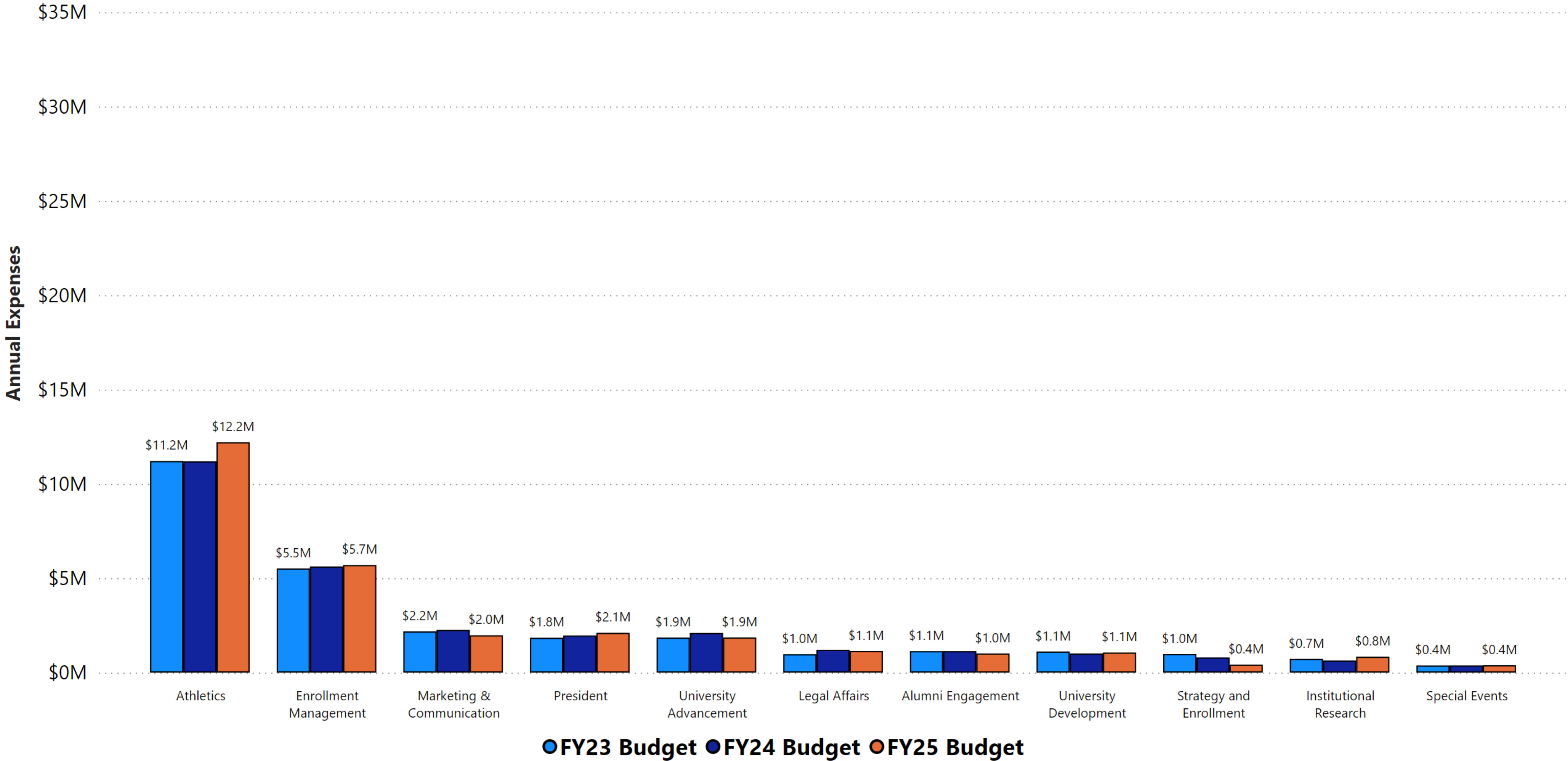
Administration & Finance Expenses by Department, FY23-FY25

FY23 - FY25 Budget, Adjusted for Current Organization



Expenses by Departments (Excluding Academic Affairs, Administration & Finance, Institutional), FY23-FY25

FY23 - FY25 Budget, Adjusted for Current Organization



FY26 – FY30 Pro Forma

Net, we are still showing a Fiscal Year 26 Deficit by funding the Prioritized Salary/Wage Increases

Spring/Summer 2025 Enrollment is an opportunity to mitigate that deficit

The proposed undergraduate fee provides the opportunity to fund the deficit and increase student support

Prioritizing the Wage/Salary Increase leaves little for other budget increases

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Questions/Discussion

Email Jamie Younger
youngerj1@nku.edu

THANK YOU





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