

Northern Kentucky University – Impact of 6.7% State Appropriation Reduction

Proposed Additional Cuts Will Make NKU “A Very Different Institution”

- **\$3.5 million** = NKU’s portion of the proposed 6.7% cut in state funds on Kentucky’s lowest state university funding base per student
- **\$2.6 million** = amount of funds that NKU has to use to **offset the anticipated funding not received** for the **cost of the maintenance and operation (M&O)** of **two state buildings** opened last year. The state budget traditionally funds M&O for state facilities
- **\$450,000** = the amount of planned commitment to Strive, a Covington and Newport, need based, financial aid investment to increase urban core college going rates that NKU will likely not be able to fund because of cuts
- **\$1.3 million** = amount of **need-base financial aid in jeopardy** with further cuts
- **90** = filled/vacant **faculty and staff positions**, added to the 24 positions eliminated last year, that will be considered for cuts
- Additional Cutting Options Under Consideration:
 - **Restrict enrollments** despite high student demand
 - **Cut** needed additional **investments in high-demand programs (Nursing/IT/Business)**
 - **Cuts to online course development** that could otherwise support enrollment growth without needed new space.
 - **Significantly limit the number of students admitted with academic deficiencies.** (Average 742 per year)
 - Not invest in additional **counseling services** (wait list is routinely 20-30 students) **and health services** (1.5 nurse practitioners serving 15,000 students).
 - Close the **Metropolitan Educational Training Services** facility in **Boone County**; limited course offerings at the **Grant County extended campus.**
 - **Borrowing from reserves** which will **jeopardize credit rating** and worsen the financial situation next year.
 - **Cuts to library** books, documents and periodicals and library hours.
 - **Cuts to academic advising services** for the coming year freshmen and continuing students.
 - Increase our long-term costs by **cutting funding for deferred maintenance, capital renewal, and equipment replacement.**

2008 Impact

- **\$8.3 million**= **NKU budget cuts** to cover the \$3.3 million state appropriation rescission in 2008, increases in fixed costs, and reallocations required to meet growing enrollments in high demand areas that are critical to the region’s economic recovery.
- **\$3.3 million** = **NKU’s state funding cut last year. Cuts included:**
 - Eliminated 24 positions;
 - Closed 5 departments and the Covington Campus
 - Reduced base operating expenditures by \$1.25M through 12/08; \$2.5M projected for the year
 - Mid-year hiring restrictions/freeze implemented for non-instructional staff
 - Unable to fund over the biennium 45 faculty and 71 staff positions in the NKU Business Plan required to address increased enrollments/degree production in target areas to drive the region’s economic recovery

Impacts of Low State Funding

- **25%** = the amount of **degree programs NKU is unable to provide compared to the average** of the comprehensive universities with current funding
- **Lean staffing levels** compared to similar comprehensive metropolitan universities across the country.
- **Disproportionately higher percentage of part-time and adjunct faculty** at lower salaries than full-time permanent faculty to teach courses (will impact quality if not corrected).
- **NKU has not been able to invest in football or D1 athletics. The university is severely under-built to serve existing students.**

(more on back...)

The Growth

- **15,000+** = number of students attending NKU
- **28%** = percent growth in students over the **last decade, adding 2,526 FTE's**; 2nd highest growth rate among universities
- **302** = number of **new students** added at NKU this academic year, **without new state funds** to support their education.
- **28%** = the % **increase in student applicants** we are seeing for fall, **2009**; with **no additional state funds** to serve these students

Comparative Analysis

- **\$1,186** = the amount of **state funding** per student that NKU receives to serve Kentucky **residents attending NKU below the average** funding the other Kentucky comprehensive universities receive to serve Kentucky residents
- **\$15,000,000** = the amount of **additional full-time student funding that NKU would receive annually for Kentucky residents** from Kentucky's General Fund if NKU received the average full time student funding of the comprehensive universities
- **63%** = the amount of NKU public funding coming from **tuition and fees**; Kentucky universities average 52%. This is **not because NKU's tuition is so high; it's because the state share is so low**
- **61%** = the amount of NKU's **total education and general funds** coming from **tuition and fees**. Being a young institution, our endowment cannot significantly help fund operations, and the Kentucky designation as a non-research university does not make the university competitive for large amounts of federal grant funding

These repeated cuts will turn NKU into a different institution—from access for all qualified students to capped enrollments; from robust support of the region's businesses, governments, community organizations, and P-12 schools to minimal regional stewardship; from a strong urban mission to a very limited urban mission. NKU will no longer be able to maintain its current momentum, but we will continue to challenge ourselves to do the best we can considering the Commonwealth's dependence on the region to be a catalyst for the state's economic recovery. In other words, given NKU's low state funding already, one component of a viable economic stimulus strategy for the Commonwealth would be to protect the University from further cuts to help assure that Northern Kentucky can continue to produce nearly 20% of the state's total economic output and generate much needed tax revenue to local and state coffers.