

From: [James Votruba](#)
To: [NKU Faculty And Staff](#)
Subject: Spring Convocation
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TO: The NKU Campus Community
FR: President James C. Votruba
RE: Spring Convocation

I want to take a few minutes to update those who were unable to attend this morning's Spring Convocation regarding our budget outlook, the progress we're making in restructuring the budget to continue investment in our progress, and the challenges that lie ahead. As you've probably heard by now, I announced this morning that our extensive budget restructuring will allow us to have a three percent merit pool for salary increases for the coming year. Our faculty and staff have not received salary increases for two years, and the board and I believe that we must continue to recruit and retain the best faculty and staff if we are to maintain our progress. We must never forget that the core of any university is the quality of its faculty and staff.

You may wonder, given that our state appropriation has been cut by \$6 million since Jan. 1, 2008, how we can afford to make these investments. The more important question is, I believe, how can we afford not to? Our budget restructuring – which has reduced administrative infrastructure, contained administrative and procurement-related costs, increased central revenues, and increased student-credit-hour productivity – has resulted in \$5.2 million in projected recurring funds. I want to thank everyone who has been involved in our budget restructuring. This cost-savings process allows us to continue our momentum through investment in our people, programs, and services. And in addition to our budget restructuring, we have also undergone an extensive review of our administrative processes to ensure we are operating as effectively and efficiently as possible. Our consultants have looked at student administrative services, IT strategic resource allocation, procurement, SAP, and organizational effectiveness. They have concluded that, "Compared to other universities we've worked with, NKU is a lean organization. By improving operational efficiency, NKU can reduce workload stress and improve customer service."

The Council on Postsecondary Education is scheduled to approve tuition caps on April 27. Until we have more information on what the proposed tuition caps will be, we are unable to present a budget at this time. Once we learn the recommended tuition caps from CPE staff, we will communicate our proposed 2011-12 budget and investment priorities.

This morning I also discussed our continuing consideration of reclassification to NCAA Division I athletics. I've discussed this issue broadly across campus and in our community. Personally, I have come at this from every direction. I have studied the pros and the cons and, from my perspective, the advantages outweigh the disadvantages. We must remember that this is about more than athletics – it is about associating the university with a group of peer institutions that share our values and aspirations. In most respects, we are already a D-I institution from the perspective of our size, the breadth of our undergraduate and graduate programs, the quality of our faculty and students, and the strength of our public engagement. Our athletic facilities also position us well

for the D-I level. This is a long-term commitment to branding the university. We won't see results immediately, but the long-term benefits will be significant. After reviewing our consultant reports and speaking with chancellors and presidents at institutions that have made the move, I believe it makes sense for NKU. We're carefully studying the costs to ensure that we can do it without threatening other critical university investments. All of this is in preparation for a thorough review by the Board of Regents before any final decision is reached.

Finally, a variety of other topics were discussed this morning, including our ability to handle continued growth. I told those in attendance that where we can grow, we should grow. But I expect modest growth moving forward. Our business plan was written in a very different environment – we're not going to be at 23,000 students in 2020. I emphasized this morning that I won't push us to grow faster than we can.

I know these have been tough times. Our state appropriation continues to shrink, our enrollment continues to grow, and the expectations of our students and community are greater than ever. But we are strongly positioned for the future, even in the face of continued uncertainty. Our enrollment for the fall looks good; our market brand has never been stronger; we have cut costs and streamlined, demonstrating a capacity to innovate and adapt in response to whatever challenges are thrown our way; and we are once again able to invest in our people and many of the key areas that support our core mission. Our work is not completed; we will continue to focus on ways to improve both our quality and efficiency. Next year we'll again engage in a set of conversations around our priorities for the next five years and how best to achieve them. We do our best work when we plan together. You are an integral part of a historic period in the life of this institution. I'm proud of our story. I want you to stop for a moment, think of how far we've come, and take pride in our Northern Kentucky University.

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