

# Faculty Senate

Northern Kentucky University

Highland Heights, Kentucky 41076

## MEMORANDUM

TO: Members of the Faculty Senate  
FR: Nancy D. Martin *NDM*  
DA: March 30, 1988  
RE: SPECIAL SENATE MEETING

MONDAY, APRIL 4, 1988      3:00 P.M.      UC BALLROOM

Central administration has requested a special meeting of the Faculty Senate in order to respond to the budget priorities recommendation approved by the Senate on February 22 and to discuss proposed budget and salary increases for 1988-89 and 89-90.

In a meeting with the Budget and Senate Executive Committees on March 28, Dr. Boothe indicated that the next regular Senate meeting on April 18 is too late for this proposed discussion. Dennis Taulbee believes that the state legislature will complete its work on the biennial budget on Wednesday, March 30 and that firm information on appropriations will be available to us on Monday.

Enclosed you will find:

- 1) the NKU Senate Budget Priorities Recommendation
- 2) the 1988-89 Operating Budget  
Preliminary Budget and Proposed Revenue/Expenditure Summary
- 3) State Appropriation Summary Schedule A
- 4) 1988-89 Tuition Revenue Summary Schedule B
- 5) 1988-89 Operating Budget: Expansion Proposal
- 6) 1989-90 Operating Budget: Expansion Proposal

It is my understanding that a letter from Dr. Boothe is to be sent to you under separate cover detailing the administration's response to the Senate's recommendation.

Please inform your departmental faculty of this special meeting and share the enclosed information with them. Should you be unable to attend, please send your departmental alternate and notify the Senate office (x6400).

# **Faculty Senate**

**Northern Kentucky University**

**Highland Heights, Kentucky 41076**

**FACULTY SENATE**

**April 4, 1988**

## **SPECIAL BUDGET MEETING**

**MEMBERS PRESENT:** Scottie Barty, Rebecca Britton, Carol Bredemeyer, Gary Cole, David Dunevant, Lynn Ebersole, Allen Ellis, Andrea Gauthier, Lynn Jones, William Jones, Mike Klembara, David Lavery, Nancy Martin, Margaret Myers, Susan Hollis Nakao, Dennis O'Keefe, Tom Rambo, Fred Schneider, Linda Sheffield, Barbara Thiel, David Thomson, Bill Wagner, Bob Wallace, Ted Weiss, Macel Wheeler, Geraldine Williams.

**MEMBERS ABSENT:** Jim Gray, Nan Littleton, Sharlotte Neely, Lou Noyd, Jan Prickett, Fred Rhynhart, Dennis Sies, Robert Vitz, Donald Welti.

**GUESTS:** Leon Boothe, Darryl Poole, Dennis Taulbee, Chester Arthur, Bill Oliver, Dan Alford, Lois Schultz, Jerry Carpenter, Lew Wallace, Bob Bussom, Garrison M. Hickman, Carla S. Chance, Carol Futhey, Jim Hopgood.

Nancy called the meeting to order at 3:08 p.m. and noted the Budget items which had been distributed.

Dr. Boothe noted that this legislative session has been the most difficult he has yet attended. Governor Wilkinson had recommended no salary increase for 1988-89 and a 5% increase for 1989-90. Again we have no increase for operating revenue. We have only had one increase in operating revenue and six budget cuts in the last eight years. Health Insurance has been increasing 20-40%, but bids opened on Friday, April 1, seem to be okay. Workmen's comp increased \$130,000.00 last year.

In our eight county service region we will see a modest increase in High School graduates in June 1988 to level off in 1989 and then drop until 1992. We are projecting a flat enrollment. Tuition will increase by 4% in 1988-89 and 2% in 1989-90. This is controlled by the Council on Higher Education. Student retention has been helped by UNIV 100 but this also costs money.

A 5% salary increase would cost \$1,250,000.00. This would require reallocation of \$625,000.00. In a personnel intensive university, this would impact upon other programs.

The university is proposing a 3% salary increase for 1988-89 and 5% for 1989-90. This would require not meeting needs in other areas such as those recommended by SACS, including:

- 23 academic positions for \$660,000.
- Library acquisition for \$450,000.
- Instructional equipment for \$400,000.
- Microcomputer equipment for \$350,000.
- Student retention needs.
- Student Affairs -Financial Aid needs and positions for \$45,000.
- 7 other student affairs positions
- Administrative Affairs needs
- 7 new computer people
- 6 positions in telecommunications, public safety, physical plant
- General Operating Expenses needs another \$200,000.

None of the above needs will be met.



Dennis Taulbee presented the proposed budget. He noted we are three months behind in budget planning because of the legislatures lateness in passing the budget. The Governor may still veto any portion of the budget. Mike Hickman presented information on health insurance.

Dennis Taulbee noted that the budget process begins with last year's budget and tracks changes. Non-recurring and recurring cuts from 1987-88 were first noted. The nonrecurring cut has been restored to the 1988-89 budget.

Tuition increases are projected based on the Enrollment Volume/increase, the tuition rate increase and the mix of graduates/undergraduates, law school/others, etc.

The Proposed Budget increase for 1988-89 is predicted to be \$38,851,700. With expenditure increases proposed we have \$848,000 net available after adjustments.

Fixed costs propose \$192,500 for health insurance increases. Mick Hickman reported that preliminary bids for health insurance seems to be within those guidelines. The bidding process reduced the number of HMOs to choose from and that should keep costs down. Meetings on the coverage will be held with many groups on campus soon. An attempt was made to keep coverage up and costs down. High insurance costs for family plans could wipe-out any percentage in salary increases.

Fixed costs, faculty promotions and reclassifications total \$338,300. This leaves \$509,000. The House & Senate A&R committees added \$335,300 which was increased by \$74,500 in the conference committee.

The university proposes:

3% salary increase @ \$225,000 per 1 %	\$675,000.
Part-time faculty increase @ \$100 per course	50,000.
Academic Affairs Expansion	120,000.

This includes one new professor in Engineering Technology for \$50,000 and two new positions somewhere to reduce reliance on part-time faculty. This has not yet been discussed with the deans.

The postage increase and increase in minimum wage (especially for work study students) have not yet been included in the budget.

Projections for 1989-90 include a project of \$200,000 for tuition increase; \$892,000 from Governor Wilkinson's proposal (this falls short of an actual 5% increase). (State money makes up only 65% of our budget). The new AS&T building will cost at least \$185,000 for utilities and custodial services and \$50,000 for computers. The House/Senate Conference Committee recommended an additional \$152,000 for 89-90 for fixed costs, the new building, etc.

Dr. Boothe state he must get \$462,000 to match the debt service for building of a new Fine Arts building. We only need to match the debt service in the first year. Dr. Boothe will try to get this money from the community.

Dennis noted that it was unrealistic to expect more than 2% for salaries, and if we did not get the building the money would probably have gone to elementary/secondary education. We probably would not have gotten it for operating expenses. Increases in state funding have not kept up with increased expenses for building upkeep.

Macel Wheeler questioned how the university would justify a 3% raise to the general public.

Dr. Boothe noted his concern about the amount we are falling behind benchmark institution salaries. Dennis noted that the state has allocated about 1.7% and the rest can come from tuition increases.

Dr. Poole commented on the possibility of raising faculty benefits rather than a straight salary increase and the need to increase enrollment and retention.

Dennis Taulbee noted the difficulties of increasing benefits through a cafeteria approach. It was thought that the time was too short to do that this year.

Dennis recommended that the extra \$75,000 from the House & Senate Conference Committee be spent on instructional materials in 1988-89 and permanently assigned in 1989-90.

The serious repercussions of ignoring SACS recommendations were noted.

Nancy Martin requested the information provided today be taken up at the Senate Budget Committee meeting on April 11. She also asked those attending the special meeting to report the information back to their departments.

A question was raised as to whether this was a voting item. Nancy stated due to the short notification of this meeting it would be unfair to take action until the representatives had had an opportunity to discuss the administration's proposal and the Budget Committee deliberated on this response to the Senate's recommendation on Budget priorities. Action will take place at April 18 Senate Meeting.

Meeting adjourned at 4:10 p.m.

LS/pg