



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

**January 15, 2025**

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

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**Special Board of Regents Meeting**

Video Teleconference – Wednesday, January 15, 2025 – 10:00 a.m.

**This meeting will be conducted as a video teleconference pursuant to KRS 61.826.**

**Members of the public may attend the meeting via live stream at this link:**

<https://inside.nku.edu/president/communication/streaming.html>

**10:00 a.m.**

- Call to Order
- Roll Call

**A. Business Items**

- |   |           |
|---|-----------|
| 1. Enterprise Resource Planning System – Workday                  | (Calvert) |
| 2. Athletics/Tennis Naming, Renovation and Reconstruction Project | (Roybal)  |
| 3. Participation in New NCAA Division I Structure                 | (Roybal)  |
| 4. Amendment to Chartwells Food Service Agreement                 | (Calvert) |

**B. Adjournment**

**RECOMMENDATION:**

The Board of Regents authorizes the administration to initiate a capital project and execute a 10-year license with Workday, Inc., to provide a cloud-based Enterprise Resource Planning (ERP) system to replace the current SAP ERP system and serve the University's finance, human resources, student information system, and other needs. The Board of Regents also authorizes the administration to execute contracts with third-party implementation vendors and other contractors and vendors necessary to implement the ERP system.

**BACKGROUND:**

The University's current ERP system is nearing end-of-life, necessitating either an upgrade to SAP or conversion to a new system to support finance, human resources, and student information system needs. The University prioritized support for online and mobile student operations due to the increasing trend of students electing online undergraduate and graduate education.

The University conducted significant due diligence and an open, competitive solicitation process to select an ERP system best suited for the University's current and future student and operational needs. The solicitation process included multi-day in-person demonstrations, reference calls, and reviews of detailed responses to the RFP.

After the competitive solicitation process, the steering committee and the Cabinet recommended the Workday system as its selection for the University's ERP system. This selection was based on numerous factors, including the student experience (with emphasis on the ability of students to interact with the University in an online manner), the number of successful implementations in higher education, references from higher education institutions, the responsiveness of the vendor and implementation partner, and system capabilities to achieve efficiencies in operation.

The conversion of the ERP system will be a significant project for the University. The timeline will begin in March 2025 and conclude with the Fall 2028 Semester. The implementation phases of the project will be funded, in part, using state capital appropriations from the 2024-2026 biennium "Enhance Online Programs" appropriation. Most of the Workday license agreement will be funded using operating funds. Savings from the expiration of the current SAP license agreement and the consolidation of other license agreements with functionality that Workday's system can replace will be used to mitigate the financial impact of the new system.

## **BOARD OF REGENTS**

### **RESOLUTION**

#### **AUTHORIZATION TO INITIATE CAPITAL PROJECT AND EXECUTE CONTRACTS ENTERPRISE RESOURCE PLANNING SYSTEM – WORKDAY**

WHEREAS, Northern Kentucky University's current Enterprise Resource Planning System (ERP) is nearing the end of its useful life and is approaching expiration of the vendor's maintenance commitment;

WHEREAS, after completing a competitive solicitation process, the University has selected Workday, Inc., to provide a cloud-based ERP to serve the University's finance, human resources, student information system, and other needs; and

WHEREAS, under the Board of Regents' Finance and Transactions Approval Policy, initiation of capital projects and execution of certain significant contracts require prior approval by the Board.

BE IT RESOLVED that the Board hereby authorizes the administration to initiate and complete a capital project to replace its ERP with solutions offered by Workday, Inc., and authorizes the President to sign all contracts that are appropriate to implement the project, including contracts with Workday, the University's third party implementation vendor, and other necessary contractors and vendors.

**RECOMMENDATION:**

That the Board of Regents approve the following naming actions and approve initiation of the associated capital project:

- (1) The naming of a new pickleball facility at NKU, the naming of one individual tennis court in a new outdoor tennis facility at NKU, and the naming of the new outdoor tennis facility. “Reynolds Family Pickleball Facility” “Maria Reynolds Tennis Court” “NKU Tennis Complex”

**BACKGROUND:**

NKU’s Naming Policy provides for naming opportunities in recognition 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 is recommended to offer the following naming recognitions:

- (1) The University has received a gift that will support the demolition of the current outdoor tennis facility at NKU, the construction of a new outdoor tennis facility, and the addition of pickleball courts at NKU. The gift will be made in two installments. The first will be used to fund the design of and related services for the facilities. If all parties approve the design of the facilities, then the second installment will be used to fund the construction of the facilities.

Donor: The Edward G. Reynolds Charitable Trust

Naming Gift: \$265,000 (first installment) and \$2,735,000 (second installment)

Naming Recognition: Reynolds Family Pickleball Facility

Naming Recognition: Maria Reynolds Tennis Court

Naming Recognition: NKU Tennis Complex

Recognition of the donor’s gift will be acknowledged by the naming of the NKU pickleball facility for the duration of its useful physical life, not less than 25 years, beginning on opening of the facility. In addition, one of the tennis courts in the new outdoor tennis facility will officially be named in honor of Maria Reynolds, beginning on opening of the facility and lasting for its useful physical life, not less than 25 years. The tennis facility will be named the NKU Tennis Complex, with the understanding that it may be renamed at a later date.

In addition to the naming, the Board of Regents’ Finance and Transactions Approval Policy requires prior Board approval of capital projects exceeding \$1 million. The capital project for the tennis facility will consist of design, demolition of the existing courts, and construction of a new outdoor tennis facility on the current site, which is estimated to cost \$3 million. The project will be funded entirely by the Reynolds gift and possible other private philanthropic funding. No University institutional funds will be used to fund this project. The project is expected to be completed in FY26.

Note that the donor’s original 2021 gift agreement, which related to possible construction of an indoor tennis facility, is superseded by the agreement reflecting the gift described above.

## **BOARD OF REGENTS**

### **RESOLUTION**

#### **NAMING TO RECOGNIZE GIFT FROM THE EDWARD G. REYNOLDS CHARITABLE TRUST and APPROVAL TO INITIATE CAPITAL PROJECT**

WHEREAS, The Edward G. Reynolds Charitable Trust has agreed to make a significant gift in the amount of \$3 million to support design and construction of a new outdoor tennis facility and a new pickleball facility on the site of the existing tennis courts;

WHEREAS, the University's Naming Policy provides for naming opportunities to recognize major contributions to the institution, with approval by the Board of Regents; and

WHEREAS, the Board of Regents' Finance and Transactions Approval Policy requires prior Board approval of significant capital projects.

BE IT RESOLVED that the Board of Regents approves the following naming recognitions; approves initiation of a capital project to design and construct a new outdoor tennis facility, with tennis and pickleball courts on the site of the existing courts; and authorizes the President or designee to sign all appropriate contracts in furtherance of the project:

Naming Recognition: Reynolds Family Pickleball Facility

Naming Recognition: Maria Reynolds Tennis Court

Naming Recognition: NKU Tennis Complex

**RECOMMENDATION:**

That the Board of Regents approve Northern Kentucky University's election to participate in the new NCAA Division I structure beginning with the 2025-26 academic year.

**BACKGROUND:**

New Division I Structure

For nearly a century, the National Collegiate Athletic Association (NCAA) has adhered to the principle of amateurism in college sports by restricting the benefits that universities may provide to their student-athletes. However, in several recent lawsuits, many of those restrictions have been challenged under antitrust law, including the long-standing restriction on student-athletes' ability to receive compensation for use of their name, image, and likeness (NIL).

To resolve three of those significant lawsuits, including *House v. NCAA*, the NCAA has proposed a settlement that would create a new structure in Division I beginning with the 2025-26 academic year. The proposal is expected to be approved by a federal judge in April 2025.

If approved, new NCAA rules would provide the following:

- Universities may make direct monetary payments to their student-athletes, including for use of their NIL, subject to an annual cap;
- Rosters will be subject to new limits; and
- Scholarship limits will be eliminated, giving schools more flexibility to provide scholarships within roster limits.

Non-Power 5 schools like NKU will have the option to either participate in the new structure (assuming approval in April) or continue to operate under current NCAA rules, which restrict scholarships and prohibit schools from compensating their student-athletes for their NIL. Non-Power 5 schools have until March 1, 2025, to elect whether to participate in the new structure beginning this coming August. A school may make this decision on a year-by-year basis, for example, choosing to participate (or not participate) for 2025-26, then reversing that decision for the following year. This new structure is expected to be in place for at least the next ten years.

Recommendation for NKU

It is recommended that the Board of Regents approve NKU's election to participate in the new Division I structure for 2025-26.

- NKU is well-positioned to benefit from new roster limits, with limited negative impacts.



NKU anticipates that, under the new structure, there will be opportunities to add students by increasing many sport rosters up to the caps. In November 2023, the Board of Regents directed that NKU add new sports as part of an enrollment growth strategy. With new roster caps, that decision now may yield additional benefits: Because NKU typically has kept its roster sizes close to NCAA averages, even while adding programs, there is now room to add student-athletes to many of NKU's programs, given that the caps are generally higher than NKU's current roster sizes. In the handful of instances where NKU's current roster sizes modestly exceed the proposed caps, NKU anticipates that the excess roster spots will be reduced through graduation and other attrition prior to August 2025. Thus, while other institutions may be forced to make significant roster cuts in existing programs, NKU is better positioned to grow its rosters, especially in new programs.

NKU may benefit for another reason: Larger institutions have already begun to reduce rosters to the proposed caps, leaving many high-talent student-athletes looking to transfer to other institutions in order to compete. That trickle-down effect could yield more talented recruits, and more competitive teams, for NKU.

- NKU will benefit from new flexibility in making NIL payments and awarding scholarships.

By participating in the new structure, NKU will have much more flexibility in packaging student-athlete scholarships and benefits, which may include NIL payments.

Note that the decision to participate does not require an increase in funding from the institution. Rather, the new structure will require Athletics and its coaches to be even more intentional and thoughtful about allocating student-athlete scholarships and benefits within budget constraints.

- Participating in the new structure may be necessary to maintain credibility as a Division I institution.

If the proposed settlement is approved, it will bring significant changes to Division I college sports. As Division I programs evolve to accommodate those changes, an institution that chooses to remain under the current/old rules risks being left behind. If NKU wishes to maintain competitive Division I programs, particularly in men's and women's basketball, it must compete for and retain top-talent recruits. Operating under the "old" rules will leave NKU with fewer tools to compete for student-athletes relative to its peer institutions. Participating in the new structure will reinforce the Board's commitment to Division I athletics.

## **BOARD OF REGENTS**

### **RESOLUTION**

#### **PARTICIPATION IN NEW NCAA DIVISION I STRUCTURE**

WHEREAS, the National Collegiate Athletic Association (NCAA) has proposed a new structure for Division I sports, which will go into effect beginning with the 2025-26 academic year if approved in the *House v. NCAA* litigation;

WHEREAS, under the NCAA's guidance, Northern Kentucky University must indicate by March 1, 2025, whether it will participate in the new structure or operate under existing NCAA rules for 2025-26; and

WHEREAS, to ensure the competitiveness of the University's Division I athletics programs, and to advance the Athletics enrollment strategy directed by the Board of Regents in November 2023, it is appropriate for the University to participate in the new Division I structure proposed by the NCAA.

BE IT RESOLVED that the Board of Regents approves Northern Kentucky University's election to participate in the new Division I structure for the 2025-26 academic year and directs the President and Vice President / Director of Athletics to continue to apprise the Board of the Athletics Department's progress and competitive trends within Division I athletics.

**RECOMMENDATION:**

That the Board of Regents authorize administration to amend the University's agreement with Chartwells regarding campus food service. The amendment will convert the arrangement from a profit-and-loss contract to a fee-based contract through June 2026.

**BACKGROUND:**

In July 2020, the University and Chartwells entered into an agreement under which Chartwells provides food service for the campus's dining halls and the Student Union. Under the original agreement, Chartwells operated on a profit/loss basis, after sharing certain portions of revenue and commissions with the University. The agreement expires in June 2030.

In recent years, however, the University's student housing and Student Union food service volume has declined and has not recovered to pre-pandemic volumes. The lower volumes have put pressure on Chartwells to maintain service levels in the face of decreasing margins. Note that the original agreement includes a provision that allows either party to terminate the contract for convenience.

In order to provide consistent service levels to students at competitive costs and with minimal budget impact to the University, the parties have negotiated a proposed contract amendment. Under this proposal, the contract structure will shift from a profit/loss basis to a fee-for-service arrangement through June 2026. Specifically, the University will pay a guaranteed fee to Chartwells – \$20,000 per month during FY25, and \$10,000 per month during FY26 – and the University will retain all revenue (and cover any losses) from dining operations during that period. After June 2026, the parties will either extend this arrangement, revert to the original terms, or negotiate an alternative, subject to approval by the Board of Regents.

As part of this package, the University also has negotiated other improvements, including more flexibility on the original contract's meal-plan requirement.

This amendment is expected to save the University significant expenses in upcoming semesters, based on current in-person student and staff populations, while ensuring continuity of food service. In doing so, the parties have agreed to maintain similar services to current ones so that the student experience will not be negatively impacted.

## **BOARD OF REGENTS**

### **RESOLUTION**

#### **AMENDMENT TO CHARTWELLS FOOD SERVICE AGREEMENT**

WHEREAS, the University and Chartwells entered into a food service agreement in July 2020, by which Chartwells provides food services to the University's dining halls and the Student Union;

WHEREAS, due to current trends in campus food service performance, the administration has proposed an amendment to the contract that will shift the financial arrangement from a profit/loss basis for Chartwells to a fee-for-service arrangement, to ensure continuity of quality food service and reduce financial risk to the University;

WHEREAS, under the Board of Regents' Finance and Transactions Approval Policy, execution of concession contracts and amendments require prior approval by the Board.

BE IT RESOLVED that the Board hereby authorizes the Vice President for Administration and Finance / Chief Financial Officer to execute an amendment to the Chartwells agreement that modifies the financial structure to a fee-for-service contract through June 2026, with other negotiated terms approved by the Vice President for Administration and Finance / Chief Financial Officer.