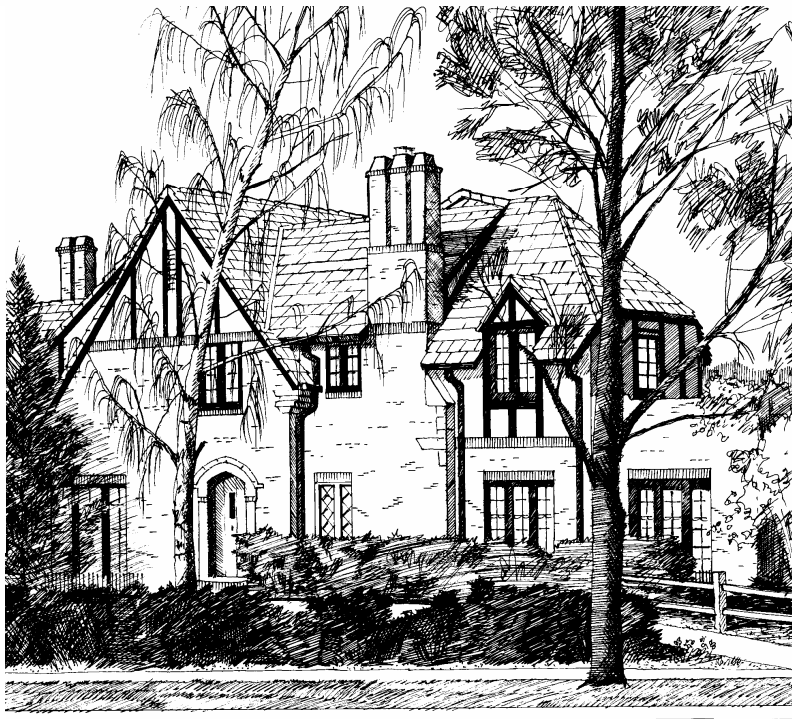


UNIVERSITY *of*
NORTHERN COLORADO



**RECOMMENDED OPERATING
BUDGET
FISCAL YEAR 2005-2006
JUNE 17, 2005**



Office of the Vice President for Administration

MEMORANDUM

TO: University of Northern Colorado Board of Trustees

FROM: Frances Schoneck
Vice President for Administration and Treasurer to the Board of Trustees

DATE: June 17, 2005

RE: Submittal of Recommended 2005-06 Operating Budget

The recommended 2005-06 operating budget for the University of Northern Colorado is being forwarded for your review and approval.

As discussed when the proposed budget was presented to you in May, the recommended budget has been developed using principles and priorities identified in *Charting the Future*. This budget has been based on the new structure of UNC, including college reorganization. Procedurally, President Norton used the President's Planning Council as an advisory body for the budget deliberations.

The recommended 2005-06 operating budget incorporates the Board's revisions to the proposed budget presented in May.

- The previously proposed \$200,000 base increase to contingency has been added instead to the funds designated for athletic scholarship donor matching dollars, for a total of \$343,000. Funds earned in FY 2006 will be expended for donor match in FY 2007. The contingency budget will remain at \$800,000 for 2005-06.
- Need-based financial aid has been increased to \$1,000,000 based on the Board's desire to ensure student access. The \$113,500 increase was transferred from the amount recommended for the new facility repair and replacement fund. (Additional information requested on student aid is being provided separately.)
- The facility repair and replacement fund, generated by new tuition dollars is recommended at \$886,500. As noted above, \$113,500 of the May \$1,000,000

proposed amount is now recommended as an increase to need-based financial aid to support student access. Additional state building facility repair and replacement funds will be available (more than \$600,000 annually) with Board approval of a fee charged to traditional auxiliary services revenues.

- Throughout the document, narrative has been refined for more clarity, particularly regarding financial aid including scholarships, tuition pricing and need-based aid; compensation; and university advancement.

As requested by the Board, supplemental information is being provided separately including:

- Auxiliary Services expenditures
- Bond maturities
- Student financial aid



2005-2006
Operating Budget Recommendation
June 17, 2005

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University Priorities

Overview

The Charting the Future process identified areas for investment and development as summarized below.

- **Investment in Students** – Students are the center of the University. A commitment to provide quality academic and academic support services is critical for UNC to achieve greatness. Investments and development initiatives to support the functions and programs such as advising and career services are priorities.

Approximately \$1.1 million will be committed to new merit and need based scholarships in FY 2006. A supplemental analysis of financial aid is being separately provided to the Board. An additional \$1.3 million in scholarships will be awarded to non-resident student, including those who formerly would have been eligible for the Western Undergraduate Exchange (WUE) program. Other investment in students will include the use of roll-forward from the Provost's division to address advising and career service needs on a one-time basis during the first year of the Charting the Future structural reorganization.

- **Investments in Faculty and Staff** – A priority for UNC is an investment in our human resources: our faculty, staff, and administrative personnel. A commitment to increase salaries is paramount to achieving greatness.

Base dollars will be invested in faculty and staff salary increases – see page 1-8.

- **Investment in Academics: Instruction, Research & Creative Scholarship** – To reach this goal, the Design Team recommends that *investing for greatness* requires an investment in our faculty so that they can effectively perform their academic responsibilities to instruct and advise students, conduct research and creative scholarship, and provide services to their various communities.

In FY 2005-06, in addition to investing in faculty through base salary increases, a center for Faculty and Staff Development will be created.

- **Investment in Academics: Instructional Equipment** – Base funding for replacement of and investment in instructional equipment has been identified as an area of need.

A rotating fund of \$315,000 will be established for instructional equipment. See page 2-8 for proposed allocation in FY 2005-06.

- **Investment in Academics: Extended Studies** – Much of our off-campus efforts operate in isolation from the rest of the institution. We can no longer afford to treat off-campus and distance education as an addendum and sideline source of revenue. UNC has a responsibility to offer educational programs throughout the state.

De-regulation under the College Opportunity Fund gives additional flexibility to offer programs off-campus which can meet state needs and provide a source of additional revenue to UNC.

- **Investment in Technology** – There are five areas identified for investment in information technology.
 1. **Integrated system** - During the summer and fall of 2004, a task force comprised of the AVPs for enrollment management, information technology and financial services evaluated and selected a system. Purchase and implementation will occur over several years, with the Human Resources Payroll component being the most urgent.

One-time funds have been identified from all areas of the university to fund the three year implementation of the Banner Enterprise Resource Planning System (ERP).

2. **Security** – Security and threats to security evolve rapidly. This creates a need for the University to constantly upgrade its security suite, expending considerable effort to provide a secure environment.

The Information Technology department has been reorganized to better address security concerns, including the designation of an individual responsible for security matters.

3. **Life-cycle renewal for technology.**

A pool of \$208,000 has been designated for faculty computers and \$475,000 of base budget has been designated for smart classroom maintenance.

4. **Imaging** – The University's imaging system has proven to be an effective tool for storing and sharing documents across campus. To make the documents and processes available throughout campus where they are needed will require expanding the current system.

The Banner ERP system includes imaging capabilities which will be

implemented toward the end of the project.

5. **Base budget to eliminate messaging system charge backs** - Information Technology charges university departments and colleges for active directory (Exchange) account service. Elimination of the charge back will allow the university to make policy decisions without having an unfunded mandate effect.

Base funding of \$217,000 has been identified for this purpose.

Investment in University Advancement – UNC is of a size, stature and institutional complexity that it deserves appropriate attention to its image and communications, both internal and external.

The university has conducted an audit of its communications and public relations functions, in preparation for the development of a comprehensive communications, public relations and marketing plan. The President has reserved \$150,000 for FY 2005-06 university advancement initiatives. The investment in University Advancement will come in three areas: marketing, promotional writing/editing and communications at the UNC Foundation, including alumni functions.

A new pool of \$343,000 in base funding has been reserved for athletic scholarships as a challenge grant to prospective donors.

External Mandates

OVERVIEW

In general, external mandates are expenditure requirements imposed upon UNC over which the university has little or no control.

For the FY 2005-06 budget, the Colorado Commission on Higher Education (CCHE) developed a cash spending authority (tuition increase) approach based on: 1) a mandated cost model and 2) specific request and justification for additional increases. The CCHE mandated cost model included a 3% increase in classified, exempt and faculty salary, utility increases and financial aid. In addition, based on UNC's proposal, CCHE recommended increased spending authority for quality and capital initiatives. Specifically, this included faculty and exempt "catch-up" salary increases and \$1.47 million in facility, technology, and instructional equipment funds. The Joint Budget Committee accepted the CCHE recommendation for increased spending authority (tuition).

In accordance with the CCHE recommendation and UNC's performance contract under the College Opportunity Fund, the following items are considered external mandates for purposes of the FY 2005-06 budget.

1. Classified Wage Increases are projected at 3% for all classifications totaling \$540,000. The legislature has stipulated that the increase is "across the board" and there are no performance incentives.
2. Utility budgets have been increased by \$468,805. UNC has initiated energy conservation measures to reduce consumption of utilities. Had these measures not been initiated, utility increases would be greater.
3. Need-based financial aid has increased by \$1 million. Based on undergraduate resident tuition increases, the minimum required is \$886,500. In the interest of ensuring student access, the Board of Trustees expressed the intent to exceed the minimum.
4. An \$886,500 fund has been established to address facility repair and replacement. Funds will be earned from new tuition (CCHE endorsed capital initiative) in one year and spent the next.
5. Funding of \$745,000 previously associated with the technology fee and \$155,000 of funding from increased tuition (CCHE endorsed capital initiative) has been dedicated to technology. The \$900,000 will be used for smart classrooms, Exchange server costs, and faculty computers.
6. A pool of \$315,000 in increased tuition (CCHE endorsed capital initiative) will be used for instructional equipment.

Fiscal Management Strategies

OVERVIEW

The following fiscal management strategies will impact the 2005-06 budget.

1. **Extended Studies Cash Funded Tuition and Fees** - Typically, Extended Studies (off-campus cash funded) tuition increases at the same percentage as on-campus tuition. With the changes in the tuition structure for the on-campus rates, Extended Studies elected to increase only the Off-Campus Cash Funded degree program rates by approximately 10% in order to stay competitive. In addition, they are recommending reducing the per credit hour charge for ESL coursework from \$400 to \$300. (Page 3-4 reflects specific changes.)
2. **Extended Studies** - Beginning FY 2005-06, the revenue in excess of operating expenses will be distributed as follows:
 - 25% will be budgeted centrally by Extended Studies administration in the subsequent year to fund campus-wide initiatives to expand and enhance the quality of Extended Studies programs.
 - 55% will be directed to the Provost Office and budgeted in the subsequent year to fund initiatives that enhance the academic programs and to enhance distance education capacity for colleges participating in Extended Studies programs.
 - 10% will be directed to the President's Office and budgeted in the subsequent year to support general academic mission initiatives.
 - 10% will be directed to the Center for Faculty and Staff Professional Development.
3. **Summer Session** – The Summer 2005 funding model does not require additional funding. The current budget for Summer is \$2,888,824. Approximately \$354,000 of summer funding typically allocated to chair release administration will be shifted to fund the school director positions.
4. **President's Leadership Program** – The current contract for the Presidential Leadership Program has expired and the program will now be base funded at \$40,000 for staffing and operating costs.
5. **Strategic Pricing** – During the fall 2004 semester, a task force was charged with making recommendations on the overall pricing structure of the university, giving consideration to costs, market forces, program quality and capacity, and other relevant factors. Recommendations presented to the Board of Trustees in November included the foundational principle of more closely aligning prices charged with costs of delivery. Specific recommendations, which were supported by the Board, included: linear, per-credit pricing; upper/lower division differential pricing; greater pricing differences between undergraduate and graduate tuition; and program differentials, specifically a private lesson fee. Additional follow-up

analysis and specific FY 2005-06 pricing recommendations have been developed based on Board direction and tuition pricing parameters from the Colorado Commission on Higher Education and Joint Budget Committee. (Section 3 includes the details.)

6. **State Building Repair and Replacement** – Two new sources of funding for state building repair and replacement have been identified. Both pools of funding will be earned in one year and spent the next. During the year that the resources are being earned, the accumulating funds will provide a source for unforeseen capital contingencies.

The first pool of \$886,500 will be from new tuition under the CCHE endorsed capital initiative. (See page 1-4 for additional information.)

The second pool is related to the university attaining “enterprise” status under the provisions of the Taxpayer Bill of Rights and the College Opportunity Fund in FY 2005-06. Enterprise status affords the university greater flexibility in its use of funds across traditional budgetary lines. Accordingly, the administration proposes the implementation of an auxiliary enterprise fee of 2.5% against traditional auxiliary services revenues (room & board, conferences, catering, etc.).

The administration proposes retroactive implementation of the auxiliary enterprise fee to FY 2004-05 revenues, which would generate approximately \$640,000 to be used in FY 2005-06 state building needs. (See page 2-8 on one-time funds for additional information.)

7. **Technology and Instructional Equipment Funds** - A pool of \$1.2 million in base dollars has been identified from the former technology fee and new tuition revenue (in accordance with CCHE mandated cost model/tuition increase parameters). This \$1.2 million will be split into a \$315,000 revolving instructional equipment fund and \$900,000 of technology needs. (Details on the proposed FY 2005-06 distribution of instructional equipment funds are on page 2-8.) The \$900,000 in technology funds will be dedicated to: smart classroom maintenance - \$475,000; faculty computer replacement and new faculty computer match - \$208,000; and central funding of Exchange server costs - \$217,000.

Compensation

Compensation for classified employees is externally mandated by the State while faculty and exempt increases are internal decisions, although CCHE considers all salary to be part of the mandated cost model.

PROPOSED BUDGET

- Based on JBC common policies, a 3% increase for classified employees is mandated for FY 2005-06, requiring approximately \$540K in new funding.
- Faculty and exempt staff did not receive base increases in FY 2004-05, while classified received an average of 3%. A faculty and exempt salary increase pool of 6% - equivalent to cumulative classified increases in FY 2004-05 and FY 2005-06 - has been established. UNC's pay scale in 2004-05 for faculty is at 90% of parity, down from 96% in 2002-03. The 2004-05 exempt staff parity is at 88% of parity, down from 94% in 2002-03. The 6% funding pools have been established as follows:
 - Faculty Salary \$1,754,634
 - Summer Faculty \$ 145,701
 - Exempt Salary \$ 590,000

See below for a discussion of salary increase allocations.

- A pool of \$106,000 (6% of current base funding) is proposed for teaching assistants (TA) and graduate assistants (GA). Allocations decisions will be made by the Provost in consultation with the Deans' Council and Graduate Council. Allocations may be made for additional TA/GA positions and/or increases to existing positions.

COMPENSATION COMMISSION AND SALARY ALLOCATION

The President has tasked a university-wide commission with making recommendations on future compensation principles and practices. The President has reviewed the Commission's report and discussed with the Board's compensation committee. Additional evaluation is continuing. Faculty and exempt allocations for 2005-06 will be informed by the work of the compensation commission. The President will establish allocation parameters that address issues of promotion, parity, compression and equity.

University of Northern Colorado 2005-06 All Sources of Operating Funds Expenditure Budget Summary

FY 04-05 Base Expense Budget		FY 05-06 Requested Budget						
		Details of Expense Budget						
		Revenue	Expense	Cost of Sales	Professional Services	Classified	Other Support Services	OCE, Travel and Capital Outlay
STATE APPROPRIATED	\$69,926,821	\$82,862,082	\$75,024,609	\$0	\$48,182,221	\$18,143,593	\$368,499	\$8,330,296
STATE APPROPR. DESIGNATED	\$5,063,557	\$0	\$7,837,473	\$0	\$109,909	\$46,756	\$25,627	\$7,655,181
DIRECTED REVENUE	\$2,443,542	\$1,757,576	\$1,757,576	\$0	\$99,345	\$340,036	\$13,733	\$1,304,462
Sub Total State Appropriated	\$77,433,920	\$84,619,658	\$84,619,658	\$0	\$48,391,475	\$18,530,385	\$407,859	\$17,289,939
STUDENT ACTIVITIES	\$5,076,712	\$7,343,252	\$5,476,239	\$0	\$760,701	\$875,862	\$439,823	\$3,399,853
CONTINUING EDUCATION	\$3,864,884	\$3,669,834	\$3,669,834	\$0	\$1,641,256	\$246,669	\$52,466	\$1,729,443
UNIVERSITY SERVICES	\$5,755,255	\$6,117,622	\$6,092,871	\$1,657,730	\$598,963	\$582,533	\$418,408	\$2,835,237
INTERNAL SERVICES	\$5,502,560	\$5,835,900	\$5,835,900	\$3,872,799	\$111,415	\$933,079	\$122,040	\$796,567
AUXILIARY SERVICES Pledged	\$20,188,944	\$27,288,059	\$22,110,124	\$2,943,448	\$1,320,595	\$4,168,657	\$2,328,134	\$11,349,290
Sub Total Cash Funds	\$40,388,355	\$50,254,667	\$43,184,968	\$8,473,977	\$4,432,930	\$6,806,800	\$3,360,871	\$20,110,390
Grand Total	\$117,822,275	\$134,874,325	\$127,804,626	\$8,473,977	\$52,824,405	\$25,337,185	\$3,768,730	\$37,400,329

INTERNAL SERVICES - Contains interdepartmental University sales and service accounts for the accumulation of the cost of jobs or projects in advance of their charge against the ultimate source of funding. Through the mechanics of the Accounting System, Revenues and Expenditures within the Internal Services Fund are reported both within the internal services fund source and within the ultimate consumer of the services. This causes a double counting effect within this report. This report includes the "double counted" internal services amounts to reflect the activity in that area. The grand total amounts in this report would have to be reduced by the amounts in the Internal Services line to be accurate.

STUDENT ACTIVITIES - The Expenditure budgets do not contain \$1,186,013 of debt service.

AUXILIARY SERVICES - The Expenditure budgets do not contain \$3,182,913 of debt service, \$682,201 enterprise fee and \$1,312,821 of facility use charges.

RECONCILIATION - TOTAL UNIVERSITY BUDGET - The total operating budget of the university is \$129 million. The \$134.8 million of total revenue on this schedule is adjusted by removing the \$5.8 million of Internal Services. Or, The \$127.8 million of expense on this schedule is adjusted by subtracting the \$5.8 million of Internal Services and then adding \$1.87 million of debt service from the Student Activities fund and adding \$3.18 million of debt service \$682,000 enterprise fee and \$1.3 million of facility use charges from Auxiliary Services.

DEBT SERVICE REQUIREMENTS

The University has bonded indebtedness totaling \$60,105,000 as of 6/30/2005. The revenues of Auxiliary Services and Parking Services as well as a portion of Student Fees are pledged for the repayment of this debt. The annual debt service is approximately \$4.1 million through 6/1/2031. The areas responsible for the debt service have combined annual gross revenues of approximately \$31 million and current expenses of approximately \$27 million. This leaves approximately \$4 million available for capital maintenance on these facilities in 2005-06.

The areas responsible for the debt services are Auxiliary Services, Parking Services, Student Recreation Center, Women's Resource Center and the Health/Counseling Center. The most recent issuance of debt has been for parking facilities and a new West Campus dining hall. The accompanying schedule shows the annual debt service.

University of Northern Colorado
State Appropriated Funds
2005-2006 Budget Recommendation

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STATE APPROPRIATED BUDGET SUMMARY

Key elements of the proposed State Appropriated Operating Budget for the FY 2005-06 are:

REVENUE

1. In accordance with the College Opportunity Fund (COF) legislation, UNC will no longer receive a general fund appropriation (\$33.6 million in FY 2004-05). Instead the university expects to enter into an \$11.8 million Fee for Service contract and have \$21.4 million of its students' tuition cost paid for by COF stipends. The Fee for Service relates primarily to UNC's delivery of graduate education to Colorado residents.
2. Proposed tuition rate restructuring includes eliminating the current full-time flat rate window (10-18 credits). All non-resident and resident graduate rates include a 12-16 credit flat rate window. Resident undergraduates have a graduated rate window. (See tables in section 3 for specifics.) Based on this rate structure and enrollment projections, total tuition revenue is projected at \$49.2 million. This represents a \$7.6 million increase over the 2004-05 budget including approximately \$900,000 in FY 2004-05 tuition revenue in excess of budget.
3. Other revenue comprised primarily of fees, treasury fund interest, and indirect cost recovery will remain relatively constant. A net increase in the academic fees of \$14,000 is expected based on the implementation of a music private lesson fee (\$27,000) and decreases in other fees.
5. All of the above items combine to yield \$7.2 in new revenue.

(See Page 2-5 for reconciliation of the above.)

RESOURCE STRATEGIES

- Resource Strategies totaled \$1.6 from overhead recoveries, elimination of faculty exchange scholarships, elimination of funding for equipment requests and salary savings created by vacated positions.

RESERVES and EXTERNAL MANDATES

1. The University typically maintains a Contingency Reserve to cover tuition shortfalls and other funding risks. This reserve will remain constant at \$800,000 at the direction of the Board of Trustees.
2. External Mandates for 2005-06 are detailed in Section 1. Included are:
 - Need-based Financial Aid \$1 million.
 - Classified Salary increases \$540,000.
 - Utility Increases \$468,805.
 - Facility R&R Fund \$886,500.
 - Technology and Instructional Equipment \$1.2 million.

UNIVERSITY PRIORITIES

- University Priorities are also discussed in Section 1 with 2005-06 allocations including:
- Faculty Salary increases totaling \$1,900,335.
- \$106,000 funding for TA/GA increases.
- \$590,000 funding for exempt salary increases.
- \$110,000 TA/GA tuition increases.
- \$1,300,000 funding for “National” scholarships for non-resident students including reallocation of the WUE funding.
- \$12,500 funding for “States” and “Legacy” scholarships.
- \$40,000 funding for Presidential Leadership Program.
- \$100,000 funding for library learning materials.
- \$65,000 funding for assistant director of human resources position.
- \$58,500 funding for athlete insurance.
- \$30,000 funding for attorney general costs.
- \$343,000 funding for athletic talent scholarships.



State Appropriated Budget Planning Parameters Fiscal Year 2005-2006

The following parameters guided development of revenue and expense budgets for FY 2005-06:

1. **Enrollment Projection:** Resident undergraduate enrollment is projected to increase approximately 2.7% while resident graduate and non-resident enrollment is projected to remain constant.
2. **Tuition Revenue:** Tuition rates will be set consistent with the parameters established by the Colorado Commission on Higher Education and the Joint Budget Committee.
3. **Miscellaneous Fees:** State appropriated "Other Than Tuition" revenue is expected to increase \$14,000.
4. **General Fund Appropriation Revenue:** Under the College Opportunity Fund, Colorado institutions of higher education will no longer receive a general fund appropriation. UNC will enter into a Fee for Service contract with the state and its resident undergraduate students will be eligible for stipend support from the state.
5. **Contingency Fund:** The University will increase the contingency reserve to \$1,000,000 from \$800,000. This increase is being made due to increased funding uncertainty including possible changes in student enrollment behavior.
7. **Resource Strategies:** "Resource strategies" are the funds made available for reallocation due to operating changes that eliminate base budget commitments. A total of \$1.5 million was identified as available for reallocation in FY 2005-2006.
8. **Employee Salary Increases:** Classified salary increases are set by the State Classified Salary Survey. The statewide average salary survey increase is 3 percent. Base salary increases will be granted to exempt and faculty employees. A pool of funds is being established to address base salaries, promotions and parity issues.

9. ***Fringe Benefit Rate:*** For 2005-06 the rate of 18.1 percent for full-time employees will continue, and 11.7 percent for part-time employees will be used.
10. ***Administrative Overhead Rate:*** For 2005-06 the rate of 5.74 percent of adjusted gross revenue will continue to be charged to non-State accounts to recover the cost of administrative support.

Source: Finance and Administration

STATE APPROPRIATED FUNDS FY 2005-2006 REQUEST
SOURCES AND USES OF FUNDS

	Long Bill 05/06 Authorization	State Fund 05/06 Proposed Budget	Notes	State Fund 04/05 Approved Budget	Change In Proposed Budget
Sources of Funds:					
General Fund Regular Allocation		\$0	fund 310	\$33,590,909	(\$33,590,909)
COF	\$21,871,200	\$21,358,016			\$21,358,016
Fee for Service	\$11,719,709	\$11,719,709			\$11,719,709
Tuition*	\$48,270,785	\$49,237,525	fund 310	\$41,552,603	\$7,684,922
Academic Fees and Academic Facility Fees	\$712,000	\$712,000		\$698,000	\$14,000
Total State Appropriation	\$82,573,694	\$83,027,250		\$75,841,512	\$7,185,738
(UNC Budget in Excess of State Appropriation)*	(453,556)				
Non-Appropriated Sources					
Indirect Cost Recoveries (ICR) & Administrative Allowance		\$581,000	fund 311	\$581,000	\$0
Other Than Tuition Revenue		\$1,011,408	fund 310, 331	\$1,011,408	\$0
Non-Exempt Auxiliary Revenue		\$1,450,000	fund 329	\$1,450,000	\$0
Total Sources of Funds		\$86,069,658		\$78,883,920	\$7,185,738
					(a)

* UNC's proposed tuition and total budget exceed the Long Bill authorization due to phasing out the WUE program resulting in a nominal revenue increase offset by additional scholarship expense: 135 students x \$6,948 nominal price increase = \$937,980

	05/06 Proposed Budget	Spending Authority Budget	Dedicated Revenue Budget	Non-Exempt Auxiliary Revenue
Uses of Funds:				
Prior Year Base Budget	\$78,883,920	\$74,990,378	\$2,443,542	\$1,450,000
Adjustment to Base (Incl. Fee Shift)	\$0	\$72,280	(\$72,280)	
Adjusted Prior Year Base Budget	\$78,883,920	\$75,062,658	\$2,371,262	\$1,450,000
Resource Strategies (reductions to current base budgets) ^(b)	(\$1,579,902)	(\$1,579,902)		
Dedicated Revenue Scholarships moved to State Funds	\$0	\$89,386	(\$89,386)	
Dedicated Revenue items Moved to State Funds Urban Ed		\$524,300	(\$524,300)	
New Allocations				
Increase in General Fund Reserves	\$200,000	\$200,000		
Increase in General Fund External Mandated	\$3,570,305	\$3,570,305		
Increase in General Fund Compensation - Classified	\$540,000	\$540,000		
Increase in General Fund Compensation - Faculty and Exempt	\$2,490,335	\$2,490,335		
Increase in General Fund Compensation - GA/TA Salary	\$110,000	\$110,000		
Increase in General Fund Compensation - GA/TA Tuition	\$106,000	\$106,000		
Increase in General Fund Expenditures - University Priorities	\$293,500	\$293,500		
Increase in General Fund Expenditures - Scholarships	\$1,455,500	\$1,455,500		
				\$0
Total New Allocations ^(d)	\$8,765,640	\$9,379,326	(\$613,686)	\$0
Total Uses of Funds	\$86,069,658	\$82,862,082	\$1,757,576	\$1,450,000

Reconciliation of New Allocations

New Resources (a)	\$	7,185,738
Resource Strategies (b)		<u>1,579,902</u>
New Allocations (d)	\$	8,765,640

**DIVISION LEVEL
SPENDING AUTHORITY DECISION DOCUMENT**

	Total UNC	Provost	President	Finance & Admin	Univ Advance	Board of Trustees	Other
Base Budget as Approved by BOT 6/16/2004	74,990,378	55,324,805	1,512,766	10,701,806	2,431,437	355,803	4,663,761
Proposed Base Transfers							
Scholarship and Urban Ed Transfers from Dedicated Revenue	685,966	613,686					
CTF Transfers IT Functions	0	(267,876)		267,876			72,280
One Time in FY 2004-Proposed Perm for 2005	0	(22,482)	(138,875)	(148,685)	86,013	122,522	101,507
Sub-total Pro Forma Base	75,676,344	55,648,133	1,373,891	10,820,997	2,517,450	478,325	4,837,548
Revenue							
General Fund	(33,590,909)						
04-05 Excess Tuition	905,744						
Fee for Service	11,765,274						
Tuition	6,733,613						
COF Stipend	21,358,016						
Private Lesson Fee	14,000						
Sub-total Revenue	7,185,738	-	-	-	-	-	-
Sub-total New Base Available	82,862,082						
Pro-Forma Base Budget	75,676,344	55,648,133	1,373,891	10,820,997	2,517,450	478,325	4,837,548
Other Resources							
Technology Funding	(749,708)			(749,708)			
Facility and Police Overhead	(372,300)			(372,300)			
Admin Overhead	(232,000)			(232,000)			
Salary Savings	(101,507)						(101,507)
Extended Studies General fund	(101,001)	(101,001)					
Faculty Exchange Scholarships	(23,386)	(23,386)					
	(1,579,902)	(124,387)	0	(1,354,008)	0	0	(101,507)
Reserves							
	0						0
External Mandates							
Need Based Aid	1,000,000	1,000,000					
Classified Mandated Survey	540,000	215,656	5,740	306,510	9,913	1,766	415
Utilities	468,805			468,805			
Facility Repair and Replacement	886,500			886,500			
Technology and Instructional Equipment	1,215,000	315,000		900,000			
	4,110,305	1,530,656	5,740	2,561,815	9,913	1,766	415
University Priorities							
Faculty salaries (including promotions)	1,754,634	1,754,634					
Faculty Summer Portion	145,701	145,701					
GA/TA salaries	106,000	106,000					
Exempt salaries	590,000	372,914	24,628	89,944	86,344	16,170	0
GA/TA Tuition Increase	110,000	110,000					
National Scholarships	1,300,000	1,300,000					
States and Legacy Scholarships	12,500	12,500					
Presidential Leadership Program	40,000	40,000					
Library Learning Materials	100,000	100,000					
Assistant Director Human Resources	65,000			65,000			
Athletics Insurance	58,500				58,500		
Attorney General Costs	30,000					30,000	
Athletic Talent Scholarships	343,000	343,000					
	4,655,335	4,284,749	24,628	154,944	144,844	46,170	0
Proposed 2005-06 Spending Authority Base	82,862,082	61,339,151	1,404,259	12,183,748	2,672,207	526,261	4,736,456

DIVISION LEVEL

		Total UNC	Provost	President	Finance & Admin.	Univ Advance	Board of Trustees	Other
Dedicated Revenue Base 2004-2005		2,443,542	1,941,831		501,711			
Adjustments to Base		(72,280)	(72,280)					
Dedicated Revenue Base 2004-2005		2,371,262	1,869,551	-	501,711	-	-	-
Scholarships moved to State Funds		(89,386)	(89,386)					
Urban Education moved to State Funds		(524,300)	(524,300)					
		-						
		-						
		-						
		-						
Total Req. Dedicated Rev. Changes		(613,686)	(613,686)	-	-	-	-	-
Requested Dedicated Revenue Base 2005-06		1,757,576	1,255,865	-	501,711	-	-	-

**UNIVERSITY OF NORTHERN COLORADO
ONE TIME FUNDING
FY 2006 BUDGET**

State Building Repair & Replacement

If approved, the auxiliary enterprise fee for FY 05 will generate approximately \$640,000 to be used in FY 06 for state building repair and replacement. The following items (in priority order) have been identified as potential uses of those funds. Actual projected funding will be agreed to by the Director of Facilities, Vice President for Administration and Provost.

Provost	Renovation Costs to move CTC to Michener	\$ 175,000
PVA	Renovations required by Fire Marshall's inspection	12,433
EBS	Permanent walls & improve classrooms	15,000
NHS	Construct faculty offices	21,000
NHS	Create two research labs by remodeling Ross	44,131
Lib	Michener Library shelving	28,000
GRES	Improvements to the Animal Care Facility	50,000
EBS	Classroom modifications	11,250
MCB	Replace classroom seating in Kepner Room 1015	10,000
		366,814

Provost's Instructional Equipment Fund

A revolving fund of \$315,000 has been established for purchases of instructional equipment. The following items (in priority order) have been identified as potential FY 2006 allocations. Actual allocations will be made by the Provost in consultation with the deans.

Provost	General Ed Core Curriculum development	\$ 50,000
PVA	Color changing light fixtures	35,200
PVA	Replace musical instruments	20,000
NHS	Labconco Freezone system	12,100
HSS	Multimedia computer lab for interdisciplinary minors	14,674
PVA	Theatre computer lighting control	25,000
NHS	Energy Dispersive Spectrometer	40,500
NHS	Princeton Polarograph	10,000
HSS	GIS lab upgrade including server	35,442
NHS	High-Resolution Spectrometer	54,910
PVA	School of Music's Group 4	17,174
		\$ 315,000

Provost's Division Roll-forward

During the budget process a number of instructional and academic support needs were identified. The Provost intends to fund as many of these as possible on a one-time basis as funds become available from division roll-forward. Needs include:

Provost	Additional sections	\$ 200,000
Lib	Learning materials	50,000
GRES	Faculty/Staff professional development	100,000
GRES	Faculty research	60,000
GRES	Under-Graduate research	10,000
MCB	MCB - Marketing faculty position	61,000
GRES	International Faculty Exchange scholarships	16,121
PVA	School of Music	38,753
HSS	Cartography computer lab upgrade	27,949
HSS	X-ray diffractometer upgrades	12,000
Provost	Program relocation	23,000
GRES	Professional faculty travel (HSS & NHS)	60,000
UGS	Academic Advising & Discover	30,000
UGS	Best University Experience	150,000
EM	AmeriCorps Dues	10,000
Provost	Faculty Workload Issues	300,000
PVA	Music department workload	27,604
		\$ 1,176,427

University of Northern Colorado
Tuition and Fees
2005-2006 Budget Recommendation

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Tuition and Fee Summary FY 2005-06

Strategic Pricing

During the fall 2004 semester, a task force was charged with making recommendations on the overall pricing structure of the university, giving consideration to costs, market forces, program quality and capacity, and other relevant factors. Recommendations presented to the Board in November included the foundational principle of more closely aligning prices charged with costs of delivery. Specific recommendations, which were supported by the Board, included: linear, per-credit pricing; upper/lower division differential pricing; greater pricing differences between undergraduate and graduate tuition; and program differentials, specifically a private lesson fee.

Additional follow-up analysis and specific FY 2005-06 pricing recommendations have been developed based on Board direction and tuition pricing parameters from the Colorado Commission on Higher Education and Joint Budget Committee.

Summary of FY 2005-06 Pricing Recommendations

- UNC will begin phasing in linear per-credit tuition pricing by eliminating the flat-rate 10-18 semester credit window and replacing it with a modified 12-16 semester credit hour window. Undergraduate residents who elect to use their COF stipends, graduate residents and all non-residents will have a flat tuition rate from 12-16 semester credits.
- Upper and lower division pricing differential will not be implemented in FY 2005-06.
- **Resident undergraduate tuition:** Full-time rates will increase by 12%. Part-time rates will decrease and overload (17 or more credits) will increase 20%-30%.
- **Resident graduate tuition:** Part-time and full-time rates up to 9 semester credits will increase by 23%. Window rates (12-16 credits) will increase 48% .
- **Non-resident undergraduate tuition:** Full-time rates will remain constant. Part-time rates will decrease and overload (17 or more credits) will increase 8%-17%.

- **Non-resident graduate tuition:** Part-time and full-time rates up to 9 semester credits will decrease by 2%. Window rates (12-16 credits) will increase 17% .

College Opportunity Fund Stipends

Resident undergraduate students may apply a state-funded stipend of \$80 per credit toward their tuition bill.

Student Fees

In April, students voted to increase student fees for:

1. Recreational and athletic facility bonding
2. Athletic program operation

Student fees are charged per credit, up to 10 semester credits.

Rate Schedules

Page 3-3 presents summarized tuition and fee rates and page 3-4 includes additional tuition and fee details.

TUITION AND FEE RATES
FY 2005-06
On Campus

	Proposed 2005-06	Actual 2004-05	Increase (Dollars)	Increase (Percent)
<u>TUITION (Full Time Academic Year Rates)</u>				
<u>Resident Tuition:</u>				
Undergraduate (15 Credit Hours per Semester)	\$5,592			
College Opportunity Fund (COF) Stipend at 15 credit hours	(\$2,400)			
Student Share of Tuition net of Stipend at 15 credit hours	<u>\$3,192</u>	\$2,850	\$342	12.00%
Graduate (9 Credit Hours per Semester)	\$3,726	\$3,024	\$702	23.2%
Graduate (12 - 16 Credit Hours per Semester)	\$4,968	\$3,360	\$1,608	47.9%
<u>Non-Resident Tuition:</u>				
Undergraduate (12 - 16 Credit Hours per Semester)	\$11,736	\$11,740	(\$4)	0.0%
Graduate (9 Credit Hours per Semester)	\$11,016	\$11,268	(\$252)	-2.2%
Graduate (12 - 16 Credit Hours per Semester)	\$14,688	\$12,520	\$2,168	17.3%
<u>MANDATORY FEES</u>				
Student Activity Fees (10 or more credits per semester)	\$645	\$520.00	\$125	24.0%
<i>** Includes student referendum approved by students 4/05</i>				
<u>OTHER FEES</u>				
<u>Student Health Insurance Premium Plan</u>	\$1,360	\$1,248	\$112	9.0%
<u>Auxiliary Services Room & Board Fee (base)</u>	\$6,412	\$6,226	\$186	3.0%
<u>Parking Fees</u>				
Student	\$150	\$135	\$15	11.1%
Student K-Lot (Premium lot limited spaces)	\$180	\$165	\$15	9.1%
<u>International Exchange Program Fee</u>	\$200	\$200	\$0	0.0%
<u>Admission Fee</u>				
Standard Undergraduate	\$40	\$40	\$0	0.0%
First Step (Jr. in High School submitting application)	\$30	\$30	\$0	0.0%
UNC Bound (Junior College Transfer)	\$20	\$20	\$0	0.0%
Graduate (U.S.)	\$50	\$50	\$0	0.0%
International (Graduate and Undergraduate)	\$60	\$60	\$0	0.0%
Undergraduate New Enrollment Fee	\$70	\$70	\$0	0.0%
<u>Career Service Fees</u>				
Credential File Enrollment	\$30	\$30	\$0	0.0%
Teacher Employment Days	\$25	\$25	\$0	0.0%
<u>Graduation Check Fee</u>	\$20	\$20	\$0	0.0%
<u>Participation Fees</u>				
Participation Fees are assessed to students in classes that require specialized facilities or field trips sufficient to cover the costs of the activities, e.g. ski lifts, bowling lanes, etc.				

TUITION AND FEE RATES

FY 2005-06

Off Campus Cash Funded

<u>Proposed</u> <u>2005-06</u>	<u>Actual</u> <u>2004-05</u>	<u>Increase</u> <u>(Dollars)</u>	<u>Increase</u> <u>(Percent)</u>
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Off-Campus Cash Funded Programs:

External Degree Programs Tuition:

Undergraduate	\$230	\$220	\$10	4.5%
Graduate	\$310	\$297	\$13	4.4%
Independent Study Tuition:				
Undergraduate	\$140	\$140	\$0	0.0%
Graduate	\$210	\$160	\$50	31.3%
Professional Development Credit	Varies	Varies		
Non-Credit or Continuing Education Unit (1)	Varies	Varies		
Contract Classes (1st hr/each additional hr) (1)	Varies	Varies		
ESL Non-Resident Remedial	\$300/hr	\$400/hr	(\$100)	-25.0%

Extended Study Fees

Extended Studies State Funded Degree Program Fee	\$45	\$45	\$0	0.0%
Urban Education State Funded Degree Program Fee	\$30	\$30	\$0	0.0%
Independent Studies Extension Fee (6 months)	\$15	\$15	\$0	0.0%
Independent Studies Withdrawal Fee	\$25	\$25	\$0	0.0%

**University of Northern Colorado
Fiscal Year 2005-2006 Tuition Model - Per Credit Pricing**

12 16 Window Post Wue Shift 2.7%

	Resident					WUE/WICHE					Non-Resident				
	LD	UD	LD	UD	Grad	LD	UD	LD	UD	Grad	Credits	FTE	UD	Credits	Tuition Calc
	Credits	FTE	Credits	FTE	Tuition Calc	Credits	FTE	Credits	FTE	Tuition Calc	Credits	FTE	Credits	FTE	Tuition Calc
Per Credit, std share	133.00	133.00	133.00	133.00	207.00	199.50	199.50	199.50	199.50	207.00	489.00	489.00	489.00	489.00	612.00
Full-time (15 UG, 9GR)	1,596.00	1,596.00	1,596.00	1,596.00	1,863.00	2,394.00	2,394.00	2,394.00	2,394.00	1,863.00	5,868.00	5,868.00	5,868.00	5,868.00	5,508.00
\$1,596 avg UG Res															
Summer 2005															
Undergraduate	16,015.0	533.8	\$	2,029,200		420.0	14.0	\$	86,569		764.5	25.5	\$	396,812	
Graduate	7,749.0	258.3	\$	1,186,416		72.0	2.4	\$	11,088		855.0	28.5	\$	473,256	
TOTAL	23,764.0	792.1	\$	3,215,616		492.0	16.4	\$	97,657		1,619.5	54.0	\$	870,068	
PRORATED for FY 04	10,069.5	335.7	\$	1,362,549		208.5	6.9	\$	41,380		686.2	22.9	\$	368,673	
42.37%															
Fall 2005															
Lower Division	75,601.6	2,520.1	\$	14,626,661		2,176.5	72.6	\$	354,113		6,330.7	211.0	\$	2,595,734	
Upper Division	58,479.4	1,949.3	\$	11,299,057		2,995.0	99.8	\$	496,556		3,275.0	109.2	\$	1,344,261	
Sub-total Undergrad	134,081.0	4,469.4	\$	25,925,718		5,171.5	172.4	\$	850,668		9,605.7	320.2	\$	3,939,995	
Graduate	10,807.0	360.2	\$	2,132,928		249.0	8.3	\$	48,645		1,966.0	65.5	\$	1,127,916	
TOTAL	144,888.0	4,829.6	\$	28,058,646		5,420.5	180.7	\$	899,313		11,571.7	385.7	\$	5,067,911	
Spring 2006															
Lower Division	62,280.4	2,076.0	\$	11,949,936		1,858.0	61.9	\$	296,258		5,222.1	174.1	\$	2,117,248	
Upper Division	61,384.8	2,046.2	\$	11,914,489		3,117.0	103.9	\$	519,698		3,181.0	106.0	\$	1,322,256	
Sub-total Undergrad	123,665.2	4,122.2	\$	23,864,425		4,975.0	165.8	\$	815,955		8,403.1	280.1	\$	3,439,504	
Graduate	11,021.0	367.4	\$	2,181,366		258.0	8.6	\$	50,301		1,913.0	63.8	\$	1,066,716	
TOTAL	134,686.2	4,489.6	\$	26,045,791		5,233.0	174.4	\$	866,256		10,316.1	343.9	\$	4,506,220	
Summer 2006															
Lower Division	2,930.0	97.7	\$	616,584		31.0	1.0	\$	6,085		197.5	6.6	\$	94,854	
Upper Division	13,085.0	436.2	\$	2,735,475		389.0	13.0	\$	74,813		567.0	18.9	\$	271,884	
Sub-total Undergrad	16,015.0	533.9	\$	3,352,059		420.0	14.0	\$	80,897		764.5	25.5	\$	366,738	
Graduate	7,749.0	258.3	\$	1,551,672		72.0	2.4	\$	14,904		855.0	28.5	\$	496,944	
TOTAL	23,764.0	792.2	\$	4,903,731		492.0	16.4	\$	95,801		1,619.5	54.0	\$	863,682	
PRORATED for FY 05	13,694.5	456.5	\$	2,825,879		283.5	9.5	\$	55,208		933.2	31.1	\$	497,715	
57.63%															
Year Projection	303,338.2	10,111.4	\$	58,292,865		11,145.5	371.5	\$	1,862,156		23,507.2	783.6	\$	10,440,519	

FY 05-06

TTL Credits	337,991.0
TTL FTE	11,266.5
TTL Tuition	\$ 70,595,540

This data includes Urban Education, NSE and ISE enrolled Students
Students with a military flag are included in residents
Assumes LD WUE student enroll. at 50% of actual 04-05 ,and 75% of those becoming Non-resident enroll

COF Stipend	\$ (21,358,015.60)
Net Tuition	\$ 49,237,524.8

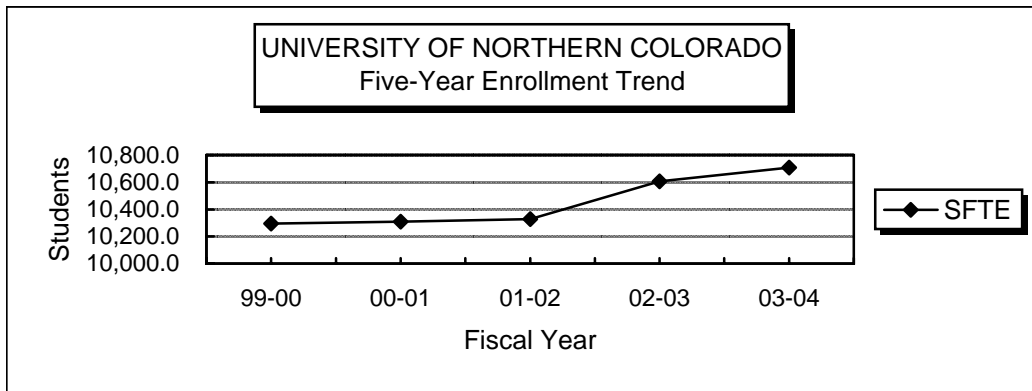
Summer COF stipend is also	57.63%
Adjusted for .59% 04-05 model accuracy	\$ 48,947,023

This model predicted 04-05 tuition revenue to within .59% compared to FRS posted revenue.

Five-Year Enrollment Trend

FY 1999-2000 through FY 2003-04 and Fall 2004

<u>Fiscal Yr</u>	<u>Fall Term</u>			<u>Fiscal Year</u>			
	<u>Headcount</u>	<u>% Res</u>	<u>% Grad</u>	<u>SFTE</u>	<u>% Res</u>	<u>% Grad</u>	<u>% Sumr</u>
1999-00	11,267	87.3%	12.9%	10,294.7	87.3%	12.4%	7.8%
2000-01	11,251	87.8%	13.6%	10,309.2	87.7%	12.4%	7.8%
2001-02	11,338	88.1%	12.9%	10,328.5	88.0%	11.5%	7.5%
2002-03	11,364	88.9%	13.6%	10,605.8	88.8%	12.3%	8.0%
2003-04	11,611	89.5%	15.5%	10,708.7	89.6%	10.8%	7.7%
2004-05	10,851	89.3%	14.3%				



Sources: Final Fiscal Year Student Enrollment Reports submitted to CCHE by UNC
Fall 2004 Fact Book Enrollment Profile

Note: Student FTE is calculated by dividing student credit hours by 30.

STUDENT ACTIVITY FEES

The following schedule represents the student fee budget recommended by the Student Representative Council (SRC) as proposed to the President's Planning Council in April, 2005.

In accordance with the University's Institutional Plan for student fees, President Norton provided the Student Representative Council with budgetary guidelines based on the consumer price index for 2003 (1.1%).

The student fee budget is established through a process governed by the Institutional Plan for Student Fees and the SRC Bylaws. According to the Institutional Plan, before programs are allocated any new funds, administrative requirements to fund bonded facilities payments, operating costs, and facility repair and replacement are funded. Effective fiscal year 2004-05, the College of Performing Arts program funding was moved from student fees to tuition, and intercollegiate athletics allocated in the same manner as bonded facilities.

In April 2005, the UNC student body voted on and approved two referenda approving an increase in student fees. In fiscal year 2005-06, full time student fees will increase from \$540 to \$645. In the next two years the fees will increase based on \$1.25 per credit hour for students enrolled in 1-10 credit hours in addition to CPI.

The additional fees will:

- Fund improvements and renovations to athletic and recreation facilities, which will encourage private donors.
- Increase the number of available athletic scholarships.
- Provide additional athletic program operating funds.

The increases are incorporated in the following schedule in the categories of Intercollegiate Athletics (Student Services) and Recreation and Athletic Facilities (Bond Obligations). Administrative Overhead was adjusted accordingly.

Effective fiscal year 2005-06, The Student Media Corporation will no longer receive a direct student fee allocation. A contractual agreement was established between the University and the Mirror using student fee funds to purchase student newspapers for campus distribution. This change is represented in the following schedule.

Total SFAP Budget	\$7,343,252
Less: Administrative Requirements	
Bond Payments	(\$1,867,013)
Bonded Facility Operations	(1,951,387)
Bonded Facility R & R	(285,669)
Intercollegiate Athletics	(1,172,803)
Student Newspaper	(37,913)
Counseling Center	(277,223)
Student Health Center	(645,653)
Student Fee funds distributed by SRC	\$1,105,592

- SRC requested a 1.1% increase cap on student fee budgets.
- Fourteen programs made initial requests for increases totaling \$31,630.
- In fiscal year 2004-05, no funding was allocated to KSRX Radio. The program reorganized and is now known as UNC Student Radio Station. SRC voted to allocate \$2,000 to the program for fiscal year 2005-06.

Budget reductions:

- The Student Representative Council voluntarily reduced their budget by \$1,191 to be more in line with expenditures and to avoid budget cuts in other program areas.

Funding increases were awarded to:

Asian Pacific Student Services, \$744 (3.6%)
 GLBT Resource Office, \$4,000 (22.5%)
 Graduate Affairs, \$722 (1.1%)
 Cesar Chavez Cultural Center, \$752 (3.5%)
 Center for International Education, \$39 (1.1%)
 UNC Student Radio, \$2,000 (100%)

International Film Series, \$134 (1.1%)
 Marcus Garvey Cultural Center, \$837 (4.3%)
 Native American Student Services, \$641 (3.2%)
 Club Sports, \$641 (1.1%)
 Student Representative Council (SRC), (\$1,191) (-.5%)
 Student Activities, \$1,723 or (.51%)
 University Program Council, (0)
 Women's Resource Center, \$987 (1.10%)

**FY 2005-06
STUDENT FEE ALLOCATION WORKSHEET**

DEPT ATTRIBUTE	REQUESTING ORGANIZATION	04-05 UNC TRUSTEES APPROVED	05-06 Final SRC Recommendation to BOT	05-06 President's Recommendation to BOT
Student Activity Programs				
01200	Asian Pacific/American Student Services	20,560	21,304	21,304
05450	GLBT Resource Office	17,712	21,712	21,712
12400	Graduate Affairs	65,667	66,389	66,389
05900	Cesar Chavez Cultural Center	20,961	21,713	21,713
06600	Center for International Education	3,500	3,539	3,539
06710	UNC Student Radio Station	0	2,000	2,000
07100	International Film Series	12,190	12,324	12,324
07300	Marcus Garvey Cultural Center	19,323	20,160	20,160
07750	Native American Student Services	19,983	20,624	20,624
09850	Club Sports	58,333	58,974	58,974
11400	Student Representative Council (SRC)	237,379	236,188	236,188
11500	Student Activities	338,505	340,228	340,228
011800	Student Media Corporation	22,151	0	0
12800	University Program Council	189,728	189,728	189,728
13320	Women's Resource Center	89,722	90,709	90,709
	SFAP PROGRAMS SUBTOTAL	1,115,714	1,105,592	1,105,592
STUDENT FACILITIES & SERVICES FEE				
Student Services				
01300	Intercollegiate Athletics	898,249		1,172,803
11800	Contract for Mirror Student Newspapers			37,913
03100	Counseling Center	274,207		277,223
05700	Student Health Center	638,628		645,653
	TOTAL STUDENT SERVICES	1,811,084		2,133,592
Administrative Services		345,356		418,207
Bonded Facility Operating Costs				
2-11400	Campus Recreation/Intramurals	810,372		819,286
2-12110	Cassidy Hall (Counseling)	56,137		56,755
2-11120	Cassidy Hall (Health)	84,205		85,131
2-04960	Scott-Willcoxon Hall	33,159		33,524
2-13000	University Center	445,614		450,516
2-13100	UC Business Office	87,011		87,968
	TOTAL BONDED FACILITY OPERATING	1,516,498		1,533,180
Bonded Facility R&R Costs				
2-11430	Campus Recreation Center	97,585		98,658
2-12150	Cassidy Hall (Counseling)	7,766		7,851
2-11130	Cassidy Hall (Health)	11,660		11,789
2-04970	Scott-Willcoxon Hall	3,955		3,999
2-13200	University Center	161,594		163,372
	TOTAL BONDED FACILITY R&R	282,560		285,669
Bond Obligations				
2-11450	Campus Recreation Center Bonds	636,875		641,075
2-11150	Health/Counseling Center Bonds	51,940		51,940
2-04990	Women's Resource Center Bonds	46,390		44,350
2-13300	UC Bonds	198,000		198,000
2-XXXXX	Recreation and Athletic Facilities	0		931,648
	TOTAL BOND OBLIGATIONS	933,205		1,867,013
	SFAP GRAND TOTAL	6,004,416		7,343,252

¹ KSRX funding was suspended in 04-05 pending licensing. Funding was reinstated in 05-06 to \$2,000.

² Shift from student fee allocation to contractual agreement with the student newspaper.

³ Increase due to athletic fee referenda approval by student vote.

University of Northern Colorado
Auxiliary Services Fund
2005-2006 Budget Recommendation

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AUXILIARY SERVICES BUDGET SUMMARY

The proposal for the Auxiliary Services operating budget for the 2005-06 fiscal year was developed on the basis of meeting the obligation for debt service and deferred maintenance while maintaining acceptable levels of service and price competitiveness. The following key elements comprise the proposed budget:

REVENUE

1. Room and board rates were set based upon the amount of revenues needed to support the proposed expenditures. The overall rate for the traditional freshman room with a full meal plan is proposed at \$6,412 for the academic year representing a 3 percent increase.
2. Factors contributing to a rate increase above the consumer price index of 1.1% include:
 - Funding of deferred maintenance
 - Maintaining price comparability with other institutions
 - Funding mandated classified salary increases
 - Funding increased utility expenses
 - Funding the new "Enterprise Fee"
3. The proposed rate schedule for 2005-06 is:

Traditional Double Room increase	\$3,150	3.0 percent
Renovated Double/Suite Style increase	\$3,482	3.0 percent
Large Suite/Apartment increase	\$3,814	3.0 percent
Full Meal Plan increase	\$3,262	3.0 percent
4. Comparative estimated proposed "Base" annual room and board rates for Colorado institutions are as follows:

CU	\$7,870	(22.7% Higher than UNC)
CSU	\$6,326	(1.4% Lower than UNC)
UNC	\$6,412	
5. A summary of significant adjustments to the revenue lines in the budget from 2004-05 to 2005-06 include:

- The 3% room and board rate increase necessary to fund operations after adjusting revenue model projections to include increased optional meal plan activity.
- The \$15 increase on parking permits necessary to fund operations.

EXPENSES

1. This budget reflects the fully staffed operation of Auxiliary Services. The level of expenditures requested are necessary to deliver Dining, Housing and Other services to the University community at a level adequate to maintain a positive atmosphere for recruitment and retention of students.
2. Net revenues (revenue over expenses) are dedicated in the bond covenants for debt service. The debt service requirement is approximately \$3.18 million.
3. Net revenues after debt service payments are dedicated to Auxiliary Services deferred maintenance and facility improvement. The amount budgeted for the 2005-06 year is approximately \$1.3 million.
4. A summary of significant adjustments to the expense lines in the budget from 2004-05 to 2005-06 include:
 - Projected increases in employee salaries.
 - Projected increases in OCE, including utilities.
 - Increases in maintenance, custodial and grounds services provided by Facility Operations.

FUND BALANCES

1. Auxiliary Services maintains a fund balance in the operating fund to cover inventory and working capital. This fund balance fluctuates with activity but is anticipated to be about \$2.7 million.
2. Unexpended plant fund balance is currently estimated to be \$5.3 million and is reserved as follows:
 - \$750,000 to meet bond requirements.
 - \$ 1.3 million for committed projects not yet complete.
 - \$ 1.8 million for Capital Improvements Scheduled in FY 06.
 - \$ 1.45 million for contingencies.

**AUXILIARY SERVICES
BUDGET PLANNING PARAMETERS
FISCAL YEAR 2005-2006**

For the purpose of initiating the Auxiliary Services budget process for Fiscal Year 2005-06, the following budget parameters are recommended as guidelines for establishing the revenue and expense budget for Auxiliary Services. The budget planning parameters include the following:

- 1. *Occupancy Levels:*** Occupancy levels are projected to be 96.00 percent.
- 2. *Employee Salaries:*** Classified salary increases are set by the State Classified Salary Survey. The statewide average salary survey increase is 3.00 percent. A 6% pool has been established to address parity and compression issues for Exempt Staff. There were no base increases for administrative staff and faculty salaries in FY 2004 or FY 2005.
- 3. *Fringe Benefit Rate:*** For FY 2005-06 the rate of 18.1 percent for full-time employees and 11.7 percent for part-time employees will be used.
- 4. *Administrative Overhead:*** For FY 2005-06 the rate of 5.74 percent of adjusted gross revenue will be charged to non-State accounts to recover the cost of administrative support.
- 5. *Enterprise Fee:*** Beginning FY 2005-06 a fee of 2.5% of revenue will be charged to Auxiliary Services to fund campus improvements.
- 6. *Cost of Sales:*** Cost of sales budgets will be adjusted upwards as needed for increased volume.
- 7. *Current Operating Expense:*** Current operating expense budgets will be adjusted as needed for increases to utilities, insurance, contract for facility operations, banking services, and bad debt expense.
- 8. *Capital Projects Funding:*** The annual funding for deferred maintenance will be maintained at a level consistent with the calculated capital use charge for the auxiliary physical plant.
- 9. *Room and Board Rate:*** Increases to the combined room and board rate for rooms requiring a meal plan will be recommended at a level necessary to fully fund debt service, operations, and deferred maintenance while remaining competitive.

**UNIVERSITY OF NORTHERN COLORADO
AUXILIARY SERVICES
BUDGET PROPOSAL REVIEW
FISCAL YEAR 2005-06**

OCCUPANCY REVIEW – FISCAL YEAR 2005

Residence Hall Occupancy	
2005 Estimated Occupancy	97.50%
Five Year Average (FY 2000-2004)	94.92%
University Apartments	
2005 Estimated Occupancy	87.38%
Five Year Average (FY 2000-2004)	86.14%
Contract Renewal	
2005 Return Sign-up	966
2004 Return Sign-up	958

MISSED MEAL FACTOR

<u>Fiscal Year</u>	<u>Meal Rate</u>
2004-05	44.04%
2003-04	43.94%
2002-03	44.74%
2001-02	48.11%
2000-01	48.55%

ROOM & BOARD RATE REVIEW – FISCAL YEAR 2006

Board Plan Rates			
<u>Institution</u>	<u>19 Meals</u>	<u>15 Meals</u>	<u>Rate</u>
CU	1,799	1,607	6.00%
CSU	1,750	1,617	5.00%
UNC	1,631	1,549	3.00%

Residence Hall Room Rates				
<u>Institution</u>	<u>Double</u>	<u>Suite/Renv</u>	<u>Large Suite</u>	<u>Rate</u>
CU	2,136	2,401	2,735	6.00%
CSU	1,413	1,667	n/a	5.00%
UNC	1,575	1,741	1,907	3.00%

AUXILIARY SERVICES
Budget Request Summary - FY2005-06
Summary of Auxiliary Facilities Fund

	(1)				
Revenue, Expense, Transfers:	2003-04 Actual	2004-05 Approved Budget	2005-06 Operating Changes		2005-06 Requested Budget
Revenue					
Revenue	25,232,903	25,500,058	1,788,001		27,288,059
Less: Cost of Sales	2,554,522	2,658,205	285,243		2,943,448
Adjusted Gross Revenue	22,678,381	22,841,853	1,502,758		24,344,611
Expense					
Total Prof. Services	977,178	1,127,522	55,340		1,182,862
Total Support Services	5,311,969	6,293,714	340,810		6,634,524
Total Personnel	6,289,147	7,421,236	396,150		7,817,386
Total OCE and Travel	9,299,714	10,251,979	991,287		11,243,266
Total Capital Outlay	100,143	112,724	(6,700)		106,024
Total Expense	15,689,004	17,785,939	1,380,737		19,166,676
Adjusted Gross Revenue Over/(Under) Expense	6,989,377	5,055,914	122,021		5,177,935
Mandatory Transfers					
* Debt Service	3,186,843	3,180,788	2,125		3,182,913
Non-Mandatory Transfers					
Deferred Maintenance Transfers	3,802,534	1,875,126	(562,305)		1,312,821
Enterprise Fee (4)	0	0	682,201		682,201
Total Transfers	6,989,377	5,055,914	122,021		5,177,935
Balance	0	0	(0)		(0)

* Based on Pledged Net Revenue.

(1) Restated to show impact of Res Net on the Auxiliary Services Operations

(4) The enterprise Fee was retroactively instated effective FY 05 yielding \$640,000

FTE Section					
Professional Staff					
Prof Exempt	19.00	19.00	0.00		19.00
Support Staff					
Classified	112.15	113.15	3.00		116.15
Total FTE	131.15	132.15	3.00		135.15

AUXILIARY SERVICES
Budget Request Summary - FY2005-06
Summary of Auxiliary Facilities Fund
Source and Application of Funds

(1)

Title	2003-04 Actual	2004-05 Approved Budget	2005-06 Operating Changes		2005-06 Requested Budget
Revenue Sources					
Housing and Food Contracts	18,892,394	19,364,000	1,472,506		20,836,506
Parking Revenues	1,514,278	1,649,720	128,385		1,778,105
Other Aux. Sales and Services	4,826,231	4,486,338	187,110		4,673,448
Total Revenue	25,232,903	25,500,058	1,788,001		27,288,059
Expenditure Classifications					
Cost of Sales	2,554,522	2,658,205	285,243		2,943,448
Personal Services	6,289,147	7,421,236	396,150		7,817,386
Other Current Expense (2)	6,924,873	7,673,127	510,921		8,184,048
Utilities	2,374,841	2,578,852	480,366		3,059,218
Capital Outlay, Operations	100,143	112,724	(6,700)		106,024
Transfer to Debt Service	3,186,843	3,180,788	2,125		3,182,913
Transfer for Enterprise Fee (4)	0	0	682,201		682,201
Available for Deferred Maintenance	3,802,534	1,875,126	(562,305)		1,312,821
Total Expense and Transfers	25,232,903	25,500,058	1,788,001		27,288,059

(1) Restated to show impact of Res Net on the Auxiliary Services Operations

Purchase of Services From UNC (2)

Administrative Overhead	1,287,089	1,279,606	82,749		1,362,355
Enterprise Fee (4)	0	0	682,201		682,201
Grounds	256,526	258,379	17,989		276,368
Utility Production	143,808	164,670	5,522		170,192
Police Department Services (3)	491,496	510,919	130,371		641,290
Custodial Services	1,562,660	1,661,091	62,855		1,723,946
Building Repair and Maintenance	1,707,079	1,537,371	164,217		1,701,588
Total Purchased Services from UNC	5,448,658	5,412,036	1,145,904		6,557,940

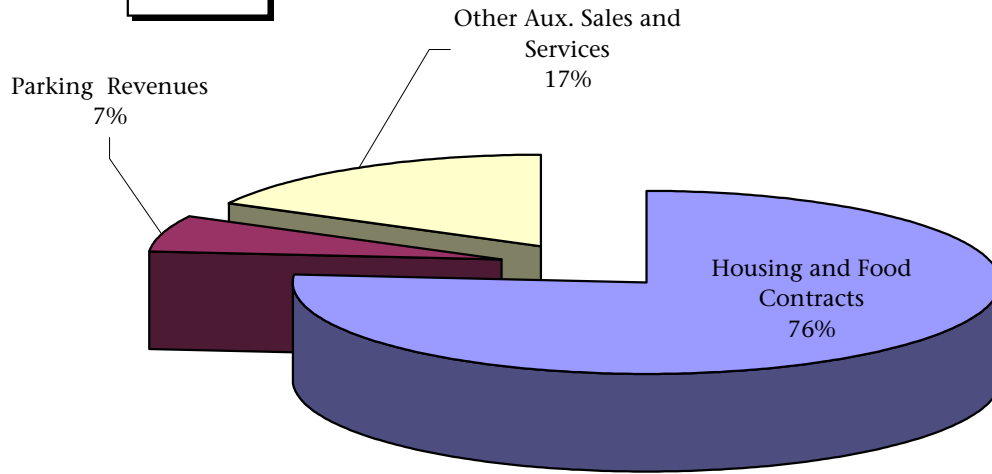
(2) Auxiliary Services obtains services from UNC and pays for the cost of those services. These are included in the OCE category. These services comprise 24% of Auxiliary Services' budget for FY 05-06. Part of this increase is due to WCD coming online.

(3) The cost of total Police services was reduced at UNC when budget cuts occurred for 03-04. This also reduced the cost of this service for Auxiliary Services. In 05-06 the allocation method was re-evaluated when hourly data became available. This budget reflects the cost of Auxiliary Services portion of these

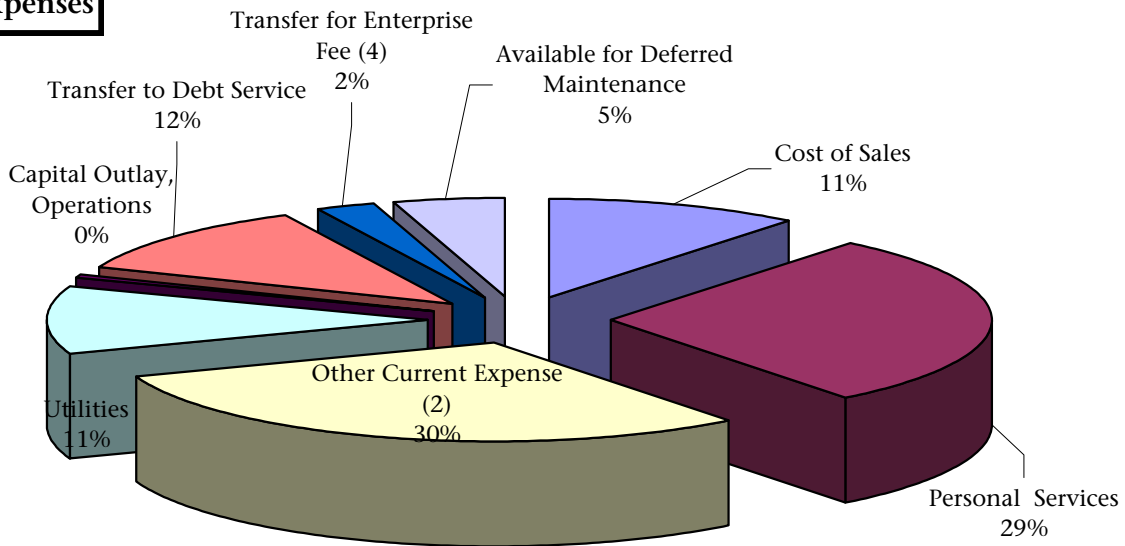
(4) The enterprise Fee was retroactively instated effective FY 05 Yielding \$640,000.

AUXILIARY SERVICES
Budget Request Summary - FY2005-06
Summary of Auxiliary Facilities Fund
Source and Application of Funds

Revenues



Expenses





**Housing & Residence Life, Dining Services, University Center
CAPITAL IMPROVEMENT PLANNING SCHEDULE
FISCAL YEARS 2006-10**

FISCAL YEAR 2006	
Description	Amount
Central Campus Historic Restoration Phase 1	165,000
Lawrenson Kitchen Replacement Phase 1	100,000
OMM Site Improvements Phase 1	200,000
Residence Hall Building Security	125,000
Technology	25,000
Harrison Hall Dining Room Remodel	150,000
Lawrenson Hall Drapery Replacement	95,000
Lawrenson Hall CATV Cabling	100,000
West Campus Residence Hall FFE	500,000
Preliminary planning and design	25,000
TK Dining sneeze guard replacement and P/L repairs	120,000
UC Taco Bell finishes	25,000
TK HVAC improvements	40,000
TK Dining security Cameras	50,000
UC Kitchen hood fire protection upgrade	50,000
Cash Ops POS Micros for Coffee carts, UC cash window & Taco bell	30,000
Total	1,800,000

FISCAL YEAR 2007	
Description	Amount
Central Campus Historic Restoration Phase 2	195,000
Lawrenson Kitchen Replacement Phase 2	100,000
OMM Site Improvements Phase 2	250,000
Hazardous Material Abatement	25,000
Residence Hall ADA Improvements - Lawrenson	50,000
Technology	25,000
Turner Roof Repair/ Lawrenson Parapet	100,000
U.A. West Hall Roof Replacement	65,000
Hansen Willis & misc. Central Campus landscaping	175,000
Harrison Hall landscaping	175,000
Preliminary planning and design	25,000
UC Ballroom ceiling and sound system replacement	245,000
UC Ballroom floor replacement	150,000
UC Panorama servery remodel	40,000
Concessions POS Micros	30,000
Residence Hall building security Phase II	150,000
Total	1,800,000

FISCAL YEAR 2008	
Turner Student Room Improvements Phase 1	500,000
Hazardous Material Abatement	25,000
Technology	25,000
Lawrenson Re-Piping Phase 1	100,000
West Campus Residence Hall FFE	500,000
Harrison Roof Repair	150,000
Martin & Warren Roof Replacement	30,000
West Campus dining - replace trash compactor	33,000
Preliminary planning and design	25,000
UC replace exterior doors	75,000
UC Exterior structural repairs phase I	150,000
UC Roof Replacement - Area "E"	50,000
TK Dining painting	150,000
Total	1,813,000

FISCAL YEAR 2009	
Harrison/ North Lawrenson Courtyard Improvements	250,000
Faculty Apartments Roof Repair	175,000
Turner Student Room Improvements Phase 2	500,000
Lawrenson Re-Piping Phase 2	100,000
West Campus Residence Hall FFE	500,000
Preliminary planning and design	25,000
UC Food Court remodel phase I	300,000
Total	1,850,000

FISCAL YEAR 2010	
Turner Student Room Improvements / Windows Phase 3	500,000
Harrison Hall life safety improvements	800,000
Preliminary planning and design	25,000
UC Exterior structural repairs phase II	150,000
UC Food Court remodel phase II	300,000
Total	1,775,000

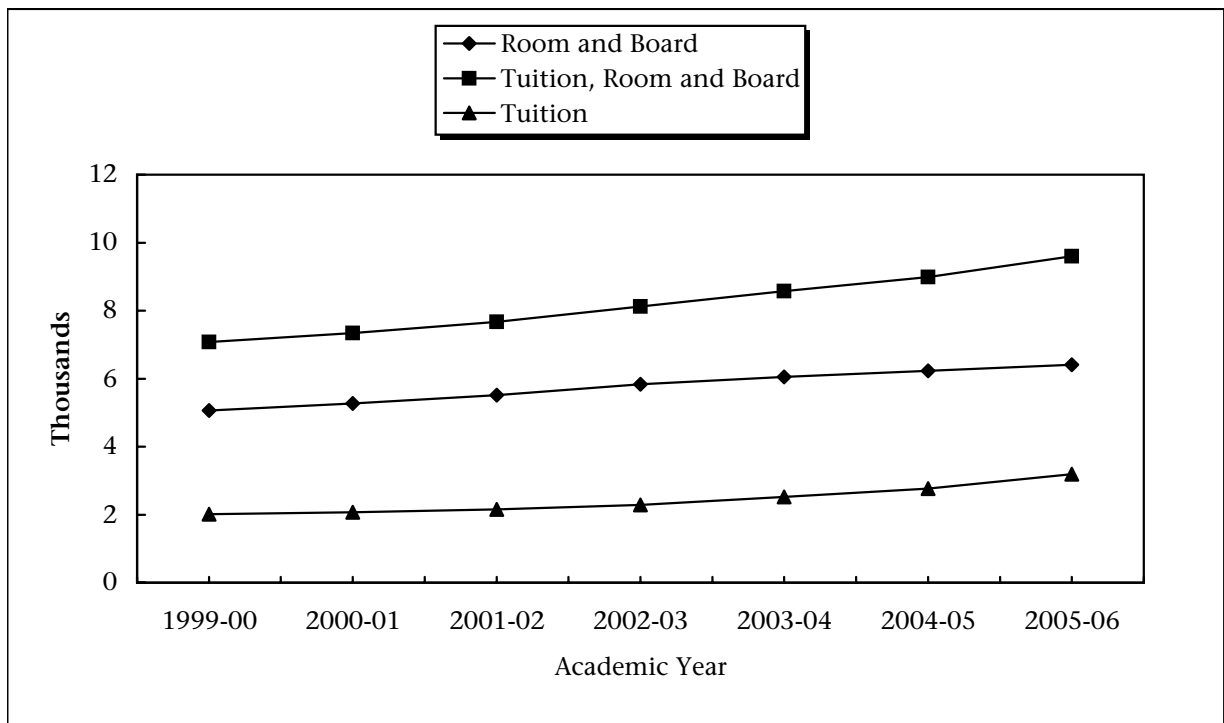
AUXILIARY SERVICES

FY 2005-06

Room and Board Program Rate History (Base Rate, Room and Board)

	<u>Fiscal Year</u>	<u>Base Rate</u>	<u>Dollar Increase</u>	<u>Percentage Increase</u>
Proposed	2005-06	\$6,412	\$186	3.00%
	2004-05	\$6,226	\$172	3.00%
	2003-04	\$6,054	\$222	4.00%
	2002-03	\$5,832	\$320	6.00%
	2001-02	\$5,512	\$244	4.63%
	2000-01	\$5,268	\$200	3.90%
	1999-00	\$5,068		

Rates were restated to reflect Res-Net Charges



Tuition shown for comparison only.

Auxiliary Services
Room and Board Revenue Schedule
FY 05-06

updated 04/8/2005

Room Contracts

Base Room Rate	\$	1,575	3.00% Per Semester
Facility Increment	\$	166	3.00% Per Semester
19 Meal Board Plan	\$	1,631	3.00% Per Semester

Location	Resident Capacity	Other properties 3.00%		ReStated after Res Net FY 2004-05 Rate	Proposed FY 2005-06 Rate	% change	Revenue Projection 96.00%
		Approved FY 2004 - 05 Rate					
Belford	53	\$ 3,108	\$	3,380	\$ 3,482	3%	177,164
Gordon	28	3,108		3,380	3,482	3%	93,596
Decker	28	3,108		3,380	3,482	3%	93,596
Sabin	33	3,108		3,380	3,482	3%	110,310
Snyder	103	3,108		3,380	3,482	3%	344,300
Faculty	123	3,430		3,702	3,814	3%	450,357
Wilson	282	3,108		3,380	3,482	3%	942,647
Wiebking	246	3,108		3,380	3,482	3%	822,309
McCowen	504	2,786		3,058	3,150	3%	1,524,096
Harrison	542	2,786		3,058	3,150	3%	1,639,008
Turner	614	3,108		3,380	3,482	3%	2,052,430
Hansen - Willis	108	3,430		3,702	3,814	3%	395,436
Lawrenson	438	\$ 3,430	\$	3,702	\$ 3,814	3%	1,603,711
Total	3102						\$ 10,248,960
Meal Contracts							
Meal Mandatory Beds	2672	\$ 3,168	\$	3,168	\$ 3,262	3%	8,367,421
Base Rate Change		5,954	\$	6,226	6,412	3.0%	
Annual Average Rate		\$ 5,954	\$	6,226	\$ 6,412	3.0%	\$18,616,381
					Combined avg. increase		
Optional Meal contracts					1,123,000		\$1,123,002
University Apartments							\$697,442
Off Campus Housing							\$186,429
Faculty Apartments							\$92,957
Design Single Premium						\$	59,634
Sorority							\$60,660
Total room and board contract Revenue Projection							\$20,836,505



**PARKING SERVICES
PARKING PERMIT FEE SCHEDULE
FISCAL YEAR 2005-2006**

Description	Fiscal Year 2004-2005	Fiscal Year 2005-2006
Faculty/Staff Annual	155.00	170.00
Faculty/Staff Semester	110.00	125.00
Faculty/Staff-K Annual	175.00	190.00
Graduate Assistant Annual	155.00	170.00
Student Annual	135.00	150.00
Student Semester	100.00	115.00
Student-K Annual	165.00	180.00
Student-K Semester	120.00	135.00
Disabled Faculty	155.00	170.00
Disabled Student	135.00	150.00
Cycle -- Full Year	90.00	105.00
Cycle -- With Another Vehicle Permit	50.00	65.00
Bicycle -- 4 years	4.00	5.00
Service Permit Annual	175.00	190.00
Service Permit Monthly	50.00	65.00
Service Permit Daily	6.00	7.00
Daily Visitor Permit (Internal Customer)	2.50/Day	2.50/Day
Daily Visitor Permit (External Customer)	2.50/Day	3.50/Day
Daily Dispenser Permit	2.00/Day	3.00/Day
Parking Lot Buyout - A, L & M	200 Half Day/400 Full	200 Half Day/400 Full
Parking Lot Buyout - Y-Lot	300 Half Day/400 Full	300 Half Day/600 Full



**Parking Services
Five Year Maintenance Plan**

Parking Lot	Description	Amount
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FY2005-06		
V-Lot	Fabric - Overlay	12,318
D-Lot	Curb & Gutter R & R	22,000
F-Lot	Crackfill, Sealcoat	3,745
Y-Lot	Crackfill, Sealcoat	19,700
X-Lot	Crackfill, Sealcoat	1,122
Total		58,885

FY2006-07		
R-Lot (Upper)	Fabric - Overlay	14,418
P-Lot	Fabric - Overlay	43,338
Total		57,756

FY2007-08		
L-Lot	Fabric - Overlay	69,162

FY2008-09		
M-Lot	Fabric - Overlay	95,220

FY2009-10		
1/2 J-Lot	Fabric - Overlay	125,304