

UNIVERSITY *of*
NORTHERN COLORADO



**RECOMMENDED OPERATING
BUDGET
FISCAL YEAR 2006-07
June 16, 2006**



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 16, 2006

RE: Submittal of Recommended 2006-07 Operating Budget

The recommended 2006-07 operating budget for the University of Northern Colorado is being forwarded for your review and approval.

The recommended 2006-07 operating budget incorporates the Board's revisions to the proposed budget presented in May.

- The proposed tuition model at the May meeting included a 2.5% increase in non-resident undergraduate tuition. Based on the deliberations we have revised the proposal to a 1.0% increase. The details can be found on page 3-3.
- The second change reflects discussion about the May proposal for a 5.5% increase in room and board rates. The proposal presented here is a blended rate increase of 6.5% achieved by increasing room rates by 3.5% and board rates by 9.5%. The details of the pricing strategy and resulting proposal can be found on page 4-1.
- Lastly, throughout the document we have refined the narrative for greater clarity, provided additional detail (e.g. fee rates on page 3-4) and modified the format of charts based on feedback from Board members at the May meeting (e.g. Sources and Uses on page 2-3).

UNIVERSITY of
NORTHERN COLORADO



Fiscal Year 2006-07
Recommended Operating Budget
June 16, 2006

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**University of Northern Colorado
Operating Budget Overview
2006-2007 Budget Recommendation**

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University Priorities

The University of Northern Colorado identified its priorities for investment and development during the Charting the Future process (summary on page 1-3). An academic planning process that builds on this foundation is now under way. The academic plan, to be completed in 2006, will allow definition of goals for faculty, academic programs, research, enrollment, student support, facilities, and external funding. These goals will guide financial planning and resource allocation for the next three to five years.

Thoughtful planning requires accurate, relevant information. UNC's implementation of the Banner enterprise resource planning system (ERP) is an important step toward making data-driven decisions at UNC. Since the Banner project kickoff in February 2005, finance, human resources, admissions, registration, and financial aid functions have all "gone-live". The university recently began the second project phase, which includes the implementation of automated workflow, electronic document imaging and the development of an operational data store and enterprise data warehouse. The data store will simplify end-user data retrieval to support operational decisions. When fully implemented, the data warehouse will provide the foundation for complex analysis to support strategic decisions. The new Office of Budgets and Institutional Analysis is engaging people across campus to help design the data store and data warehouse.

Priorities outlined in Charting the Future guided the fiscal year 2006-07 budget process; however, the short-term focus had to be on funding "mandated costs". The Colorado Commission on Higher Education defines mandated costs to include salaries, benefits, utilities, and risk management costs. Because UNC faces a significant increase in mandated costs, which require ongoing funding, investment in other university priorities in fiscal year 2007 is limited to one-time funding. Page 1-4 provides more information about UNC's mandated cost increases.

INVESTMENT IN PEOPLE

As highlighted in Charting the Future, the university is committed to investing in faculty and staff. Classified staff salary increases are based on Joint Budget Committee Common Policies, while faculty and exempt staff increases are at the discretion of the institution (although included in the CCHE-defined mandated costs calculation). Rather than giving "across-the board" increases to faculty and exempt staff, UNC uses the issues of promotion, parity, compression, and equity to determine increases. A pool of \$1.8 million has been identified for fiscal year 2006-07 salary increases, including the associated cost of fringe benefits on the increases. In addition, \$2.5 million will be required to fund the cumulative rise in health insurance costs, retirement contributions and other fringe benefits. Page 1-7 has additional information on compensation.

NATIONAL UNDERGRADUATE SCHOLARSHIPS

In fiscal year 2005-06, UNC committed \$1.3 million to new scholarships for non-resident undergraduates. These scholarships were created to replace the discounted Western Undergraduate Exchange tuition, which is being phased out, and to increase non-resident

enrollment. In fiscal year 2006-07, an additional \$950,000 will be committed to these scholarships. Funding comes from growth in non-resident tuition.

CONTINGENCY RESERVE

With the implementation of the College Opportunity Fund (COF), the volatility of the university's revenue stream increased. Prior to COF, fluctuations in enrollment did not affect state appropriations in the same year. With the COF funding model, more than 80% of the university's current year revenue depends on current year enrollment.

Historically, the university has maintained a base contingency reserve (currently \$800,000). At the end of the fiscal year, if the funds are not needed, they are made available for one-time expenditures in the next year. The next year's increment of base reserve is then held against contingencies in that year.

Tuition and COF stipends total over \$70 million, which means the \$800,000 is only a 1% reserve. In fiscal year 2005-06 we experienced a 2% negative variance from budgeted tuition, and the contingency funds were not sufficient to make up the shortfall.

In fiscal year 2006-07, the \$800,000 base contingency reserve will be supplemented with \$700,000 in one-time funds for a total one year reserve of \$1.5 million. More information is on page 2-2.

OTHER PRIORITIES

One-time funding was identified to fund critical needs in (details are on page 2-4):

- Instruction
- Facility repair and replacement
- University advancement

University of Northern Colorado
Charting the Future Report and Transition Summary

Provide a quality education that enables a UNC graduate to contribute effectively in a rapidly changing, diverse, and technology advanced society

Deliver on UNC's promise to deliver a student-centered education that provides a solid liberal arts foundation, professional preparation, and real world experiences

Be recognized as an educational leader by external groups, e.g. – CCHE, legislature, community—local, state, & national

Enhance teaching, research, and creative scholarship capabilities;
 Promote functional and management excellence;
 Develop leadership skills

Improve quality of teaching and learning

Organize to foster interdisciplinary opportunities, cross-functional collaboration, and advancement of the University mission, objectives

- establish faculty and staff professional development center
- invest in instructional equipment
- invest in academics: instruction, research, and creative scholarship
- invest in extended studies
- invest in faculty and staff salaries

- establish commission on the university experience to develop core curriculum
- increase use of technology in course content and delivery
- increase experiential learning and service learning opportunities
- increase scholarly and activity research projects

- improve academic and administrative structure alignment
- increase interdisciplinary activities, e.g. degree programs, research
- invest in advancement and external relations
- sustain ongoing participative planning through President's Planning Council

Improve student success and access by integrating and coordinating support services and fostering an inclusive campus

Adopt new technology that encourages and aids process improvements

Effectively link staff compensation, performance, and service delivery

- conduct student services and cultural center self studies
- establish diversity advisory council
- establish commission on student success

- implement Enterprise Planning System (integrated management system)
- expand imaging and work flow system
- invest in academic technology life cycle renewal
- enhance system security

- utilize performance pay and incentives
- establish task force for faculty evaluation, promotion, and tenure policies and procedures

Enhance non-state revenue through strategic pricing, fund raising, research grants & contracts, and innovative capital funding

Improve operational efficiency through outsourcing, academic program reduction, and course elimination

Maximize use of existing assets through activity-based budgeting and efficient use of facilities

- establish strategic pricing task force
- establish capital planning committee

- establish appropriate mix of academic programs
- reduce course electives
- investigate outsourcing potential of business functions

- establish facility usage committee
- implement activity based budgeting

External Mandates

The Colorado Commission on Higher Education facilitated the development of a standard model for fiscal year 2006-07 mandated cost increases, which amounted to \$4.1 million for the University of Northern Colorado. The definition of mandated costs was:

- Salaries
- Fringe Benefits (limited to current year health, life and dental increases)
- Risk Management
- Utilities
- Indirect Costs⁽¹⁾

The CCHE calculation fell about \$2.1 million short of the university's \$6.2 million projection of mandated costs. The shortfall is due primarily to continued increases in utility costs and increases in fringe benefits not accounted for in the CCHE model. Part of the difference between the CCHE and university calculations of benefits is due to the impact of PERA and Medicare, which were not considered in the CCHE model. The remainder is due to the cumulative impact of health, life and dental premium increases in prior years that were funded with one-time funds during the recent rescissions.

For fiscal year 2006-07 the state increases in stipends and fee-for-service will not fund all of UNC's mandated costs. The balance will be funded from tuition increases (page 3-3) and internal reallocations of budget (page 2-3).

In addition, the university incurs expenses due to legal obligations that are, in effect, mandated costs. For example, the cost of providing services under the Americans with Disabilities Act continues to increase.

The university will continue to work with the CCHE in future years to develop an appropriate model for calculating mandated costs.

UNC's Fiscal Year 2006-07 Mandated Cost Increases

Salaries	\$1,800,000
Fringe Benefits	2,500,000
Utilities	1,750,000
Statewide Indirect Costs ⁽¹⁾	100,000
TOTAL	\$6,150,000

(1) UNC's portion of statewide overhead costs as calculated by the State Controller's Office and approved by the Joint Budget Committee. Statewide indirect cost recovery allocates the central administrative costs of state government to state agencies/institutions that use the administrative services.

Fiscal Management Strategies

The following fiscal management strategies will affect the fiscal year 2006-07 budget.

- 1. Extended Studies Cash-Funded Programs Tuition and Fees** – Extended Studies recommends increasing the off-campus cash-funded degree program rates by approximately 2.5%. In addition, they are considering differential tuition rates for the Nursing Ph.D. online program.

As in years past, the revenue in excess of operating expenses is 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's Office and budgeted in the subsequent year to fund initiatives to 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 the Enhancement of Teaching and Learning.
- 2. Differential Tuition for Business, Music, Nursing and Theatre Arts** – Consistent with the recommendations of the fall 2004 strategic pricing task force report, differential tuition for business, music, and nursing and theatre courses will be implemented in fall 2007. General education core courses will be excluded from these charges.
 - 3. Private Music Lesson Fee** – In fiscal year 2005-06, the university initiated a private music lesson fee of \$25 per credit hour in addition to tuition for private music lesson "classes". An increase of \$5 per credit hour, to a total of \$30 is recommended. In its first year, the fee generated approximately \$60,000. The increase is projected to yield an additional \$12,000.
 - 4. Graduate Student Tuition Support** – The Graduate School recommends increasing the graduate assistant tuition support to a maximum of 10 credit hours per semester from the current maximum of 9 credit hours. This increase will keep UNC competitive with peer institutions as we recruit graduate students. In addition, some programs require students to enroll in an additional one-credit teaching seminar, which brings their load to 10 credit hours. The Graduate School will use one-time roll-forward balances of approximately \$95,000 to fund the increased costs of paying up to 10 credit hours in fiscal year 2006-07.
 - 5. Enrollment Fee** – At its March meeting, the Board of Trustees approved combining existing Matriculation and Orientation Fees into a single Enrollment Fee. In addition, it approved increasing the fee to \$145. The one-time, nonrefundable fee is assessed to all freshmen and transfer students during registration to cover the costs of orientation, advising, and student support services. A fee waiver process will be established for eligible students based upon financial need.

- 6. Online Learning System** – The university currently employs the Blackboard online learning system in two ways. It is used to deliver online courses that are wholly web-based. It is also widely used as a supplement to face-to-face classroom instruction. The use and functionality of Blackboard is increasing, and associated costs are rising. In fiscal year 2006-07, the administration will research options for ongoing funding of this tool. In addition, the Banner implementation project will identify how to integrate Blackboard and Banner, including the university online portal called Ursa.

Compensation

The University of Northern Colorado is committed to investing in human resources through fair and competitive compensation of faculty, exempt, and classified employees. Salaries and fringe benefit contributions for classified employees are externally mandated. Faculty and exempt salaries are internal decisions based on issues of promotion, parity, compression and equity. The university participates in a higher education consortium for faculty and exempt health, life, and dental insurance. Most faculty and exempt staff participate in the Optional Retirement Plan, which is a defined contribution plan, while classified staff participate in the Colorado the Public Employees' Retirement Association (PERA) defined benefit plan.

The university uses a fringe benefit pool to accumulate all fringe benefit costs, which are allocated to individual departments based on salary expense. The allocation is based on the calculation required for federal grant fringe benefit rates. The cumulative effect of several years of fringe benefit cost increases has resulted in an increase in the fiscal year 2006-07 fringe benefit rate to 22.6%, from 18.1%. This increase will require an additional \$2.5 million annual fringe benefit recovery from the university's state general fund.

Based on the CCHE mandated cost model, 3% of budgeted fiscal year 2005-06 salaries—or a \$1.8 million pool—has been identified for salary increases. The \$1.8 million salary pool will be used to fund:

- Classified salary increases in accordance with the Joint Budget Committee Common Policies
- Faculty and exempt staff salary increases based on promotion, parity, compression, and equity
- Graduate assistant and teaching assistant stipend increases
- Fringe benefit cost increases associated with increased salaries

Preliminary estimates of the \$1.8 million allocation by university division are as follows:

Administrative Area	Base Salary Increase	Fringe	Total Increase
President	\$11,450	\$2,550	\$14,000
University Counsel	\$9,800	\$2,200	\$12,000
Academic Affairs	\$1,143,000	\$258,000	\$1,401,000
Finance & Administration	\$244,000	\$55,000	\$299,000
University Advancement	\$60,500	\$13,500	\$74,000
Total	\$1,468,750	\$331,250	\$1,800,000

Debt Service Requirements

In 2005 UNC issued an additional \$85 million in bonds, increasing total bonded indebtedness to approximately \$142 million as of the end of fiscal year 2005-06. 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 has risen from approximately \$4.1 million in fiscal year 2004-05 to more than \$8 million in fiscal year 2006-07 and will peak at \$9.4 million in 2011.

The areas responsible for the debt service have combined annual gross operating revenues of approximately \$35.6 million and direct expenses of approximately \$26.7 million. This provides for a debt service ratio estimated at 1.10. However, in fiscal year 2006-07, \$2.6 million in interest earnings on bond proceeds will be used to buy down the \$8.1 million debt service to \$5.5 million. An additional \$2.1 million in net revenues will be used for administrative overhead services provided by the university. This leaves approximately \$1.3 million available for capital maintenance on these facilities in 2006-07. It is important to recognize that the \$2.6 million in interest is not an ongoing revenue stream. As the bond proceeds are expended through fiscal year 2008-09, the interest revenue will decline to \$0.

The blended room and board rate increase is recommended at 6.5%. At current service levels, room and board rates would need to increase approximately 7.5% annually through fiscal year 2010-11 to provide adequate debt service coverage. The Board has expressed concerns that annual increases of 7.5% are not tenable. Therefore it is crucial that the university develop a multi-year financial plan to fund operating, capital, and debt service expenditures from revenue based on sustainable rate increases.

The most recent issuance of debt was for additions to and renovations of housing facilities and additional recreational and athletic facilities. The following schedule summarizes the finances of the areas responsible for the debt service. The accompanying schedule shows the annual debt service through 2040.

Pledged Revenue Summary			
	Actual FY05	Budgeted FY06	Estimated FY07
Operating Revenue	32,030,542	34,321,191	35,627,000
Total Gross Revenue	<u>32,030,542</u>	<u>34,321,191</u>	<u>65,627,000</u>
Current Expenses	21,517,441	25,866,988	26,700,000
Net Available Revenue	<u>10,513,101</u>	<u>8,454,203</u>	<u>8,927,000</u>
Debt Service	4,190,954	5,388,133	8,129,000
Interest on Bond Proceeds			(2,600,000)
Net Debt Service			5,529,000
Admin Overhead	2,119,282	2,141,333	2,100,000
Capital Maintenance	4,202,865	924,737	1,298,000
Net Revenue/Debt Service	<u>2.51</u>	<u>1.57</u>	<u>1.10</u>

University Of Northern Colorado - Aggregate Debt Service Schedule														
Auxiliary System Revenue Bonds Series 2001 and 2005														
FY	UC Student Fee 1986 (**)	Rec Center Series 94 & 98 (**)	Auxiliary Services Series 94 & 98 (*)	WRC series 1997 (**)	Health Series 1997 (**)	Counseling Series 1997 (**)	Auxiliary Services Series 1997 (*)	Series 2001						
								Auxiliary Improve. (*)	Parking Facility Project (*)	Sports & Rec Facility Project (**)	Campus Parking Improve. (*)	West Campus Housing Project (*)	Aggregate Debt Service	Auxiliary Services Debt Service (*)
2002	198,000	640,230	577,821	41,353	77,911	51,940	1,104,346	758,005	249,284				4,193,981	3,184,548
2003	198,000	636,305	582,616	44,890	75,961	51,940	1,352,784	348,668	408,148				4,191,859	3,184,762
2004	198,000	636,945	580,396	43,140	73,961	51,940	1,356,534	351,418	404,848				4,190,829	3,186,842
2005	198,000	636,875	581,316	46,390	76,961	51,940	1,350,284	348,778	406,218				4,190,954	3,180,787
2006	198,000	613,093	591,803	44,350	74,666	51,940	1,354,619	345,978	407,193	986,088	226,111		5,388,133	3,419,995
2007	198,000	621,058	583,730	42,300	77,360	51,940	1,353,975	348,058	407,813	987,755	247,100	2,715,972	8,129,060	6,150,647
2008	198,000	632,168	577,119		74,485	51,940	1,399,150	344,785	408,000	983,655	244,825	3,094,145	8,501,497	6,561,249
2009	198,000	636,975	579,438		76,610	51,940	1,397,025	351,385	407,800	984,393	247,550	3,299,145	8,722,286	6,774,368
2010	198,000	644,600	576,950		73,723	51,940	1,399,913	347,490	407,265	984,805	245,112	3,297,483	8,722,745	6,769,678
2011	198,000	636,610	587,000		75,766	51,940	1,397,869	348,500	406,385	984,892	247,675	3,955,657	9,383,619	7,436,411
2012		640,250			77,526	51,940	2,136,109	384,200	405,150	984,655	245,075	3,957,220	9,377,925	7,623,554
2013		643,250			73,951	51,940	2,137,684	387,200	407,650	988,280	247,275	3,955,545	9,384,325	7,626,904
2014		635,250			75,376	51,940	2,147,509	384,700	404,650	986,380	244,300	3,957,975	9,379,975	7,631,029
2015		636,750			76,526	51,940	2,140,109	391,950	406,400	983,880	245,050	3,959,320	9,383,975	7,634,879
2016		642,250			77,401	51,940	2,136,234	393,450	402,650	984,280	246,450	3,958,520	9,384,725	7,628,854
2017		636,500			72,901	51,940	2,145,734	389,450	403,650	984,080	247,650	3,956,120	9,378,575	7,633,154
2018		640,000			73,401	51,940	2,142,984	389,275	403,200	984,330	247,650	3,956,120	9,381,800	7,632,129
2019		637,250			73,620	51,940	2,142,765	383,550	407,200	987,730	248,450	3,959,920	9,386,850	7,636,310
2020		643,500			73,580	51,940	2,139,780	382,550	405,375	985,980	247,950	3,959,670	9,385,450	7,630,450
2021		638,250			78,260	51,940	2,139,050	386,000	403,000	988,230	247,200	3,956,420	9,383,350	7,626,670
2022		637,000			77,380	51,940	2,141,180	384,750	406,250	984,230	246,200	3,955,170	9,379,600	7,629,050
2023		639,500			76,220	51,940	2,140,590	383,000	403,750	984,230	244,950	3,955,670	9,375,100	7,623,210
2024		640,500			74,780	51,940	2,142,280	385,750	404,250	987,980	248,450	3,957,670	9,389,350	7,634,150
2025							2,906,000	387,750	407,000	985,230	246,450	3,955,920	9,380,850	8,395,620
2026							2,907,750	389,000	402,500	986,230	244,200	3,955,420	9,380,100	8,393,870
2027							2,909,250	389,500	402,500	985,000	247,750	3,957,750	9,383,250	8,398,250
2028							2,905,250	389,250	406,750	983,250	244,750	3,959,500	9,381,000	8,397,750
2029							2,905,750	388,250	405,000	985,000	246,500	3,956,750	9,379,250	8,394,250
2030							2,905,250	396,500	402,500	985,000	247,750	3,959,500	9,387,250	8,402,250
2031							2,908,500	388,500	404,250	983,250	248,500	3,957,250	9,383,750	8,400,500
2032										984,750	243,750	3,960,000	5,188,500	4,203,750
2033										984,250	247,750	4,927,250	6,160,250	5,176,000
2034										986,750	248,000	4,925,500	6,160,250	5,173,500
2035										987,000	246,750	4,925,500	6,159,250	5,172,250
2036												4,926,750	4,926,750	4,926,750
2037												4,928,750	4,928,750	4,928,750
2038												4,926,000	4,926,000	4,926,000
2039												4,928,250	4,928,250	4,928,250
2040												4,929,750	4,929,750	4,929,750
	1,980,000	14,645,109	5,818,189	262,423	1,738,329	1,194,620	61,646,254	11,647,638	12,008,127	29,561,563	7,378,173	138,887,427	301,569,161	252,187,118
														49,382,043

**University of Northern Colorado
State Appropriated Funds
2006-2007 Budget Recommendation**

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State General Fund Budget Summary

Key elements of the proposed fiscal year 2006-07 state general fund operating budget are:

Revenue

1. Both tuition and the College Opportunity Fund (COF) stipend revenue streams are dependent upon enrollment patterns. This accounts for more than 80% of UNC's state general fund revenue. Fiscal year 2006-07 enrollment is projected to decline slightly from fiscal year 2005-06.
2. UNC has budgeted revenue from the College Opportunity Fund (COF) stipends of \$22,776,831. This revenue is dependent upon projected enrollment and has replaced historic general fund appropriations that had subsidized the cost of Colorado resident undergraduate education. The appropriation of \$23,078,100 exceeds the budget due to variances in enrollment forecasts and the fact that the state appropriates for fall 2006, spring 2007 and summer 2007, while the university budgets in accordance with its July 1, 2006 - June 30, 2007 fiscal year. In addition to the COF stipend, the state will pay UNC \$14,870,911 under a Fee for Service contract, primarily for the delivery of graduate education to Colorado residents.
3. Projected enrollment, proposed tuition rate increases and the implementation of differential tuition rates are forecast to generate total tuition revenues of \$50,311,272 as reflected in the model detailed in section 3. Tuition is expected to be within the state's appropriation for tuition of \$51,043,730.
4. Other revenue comprised primarily of fees, treasury fund interest, and indirect cost recovery will remain relatively constant totaling \$738,017. A net increase in academic fees of \$26,017 is expected.
5. UNC has budgeted \$640,952 in fiscal year 2005-06 in the form of one-time non-base supplemental funding. This funding is intended to buy-down fiscal year 2006-07 undergraduate tuition increases to 2.5%. UNC anticipates that this supplement will become base funding in FY 2007-08.

Resource Reallocations

Projected revenue will not be sufficient to fund ongoing expenses, mandated cost increases and new university priorities. Therefore each division has been assigned a share of a \$1 million budget reallocation. The availability of a fiscal year 2005-06 \$1 million unfunded enrollment supplemental appropriation will allow the implementation of the reallocations to be delayed until fiscal year 2007-08. Reallocations from each division will be identified by October 2006.

Reserves

The university maintains a contingency reserve against revenue shortfalls and unexpected expenses. The current base funding for this reserve is \$800,000. With the implementation of the College Opportunity Fund, volatility of the university's revenue stream has increased. To address the greater revenue risk, \$700,000 of one-time funding (\$200,000 Extended Studies and \$500,000 Co-Generation funds) has been identified and reserved. This brings the total fiscal year 2006-07 contingency reserve to \$1.5 million.

Expenses

1. The full-time fringe benefit rate for 2006-07 is 22.60 %, up from 18.10 % for full-time employees. The part-time rate is 13.75 %, up from 11.70% . These rate increases have resulted in a \$2.5 million increase in fringe benefit costs.
2. The administrative overhead rate for 2006-07 continues to be 5.74% of adjusted gross revenue. This charge to non-State accounts recovers the cost of administrative support provided by state-funded areas.
3. A compensation pool of \$1.8 million has been identified. Details are on page 1-7.
4. Utilities are projected to increase by \$1.7 million.
5. National non-resident undergraduate scholarships will be increased \$950,000 to continue to replace the discounted Western Undergraduate Exchange tuition rate and to increase non-resident enrollment. Funding comes from growth in non-resident tuition revenue.
6. Other 2006-07 budget allocations include
 - \$117,691 statewide indirect costs⁽¹⁾
 - \$80,000 TA/GA tuition increases.
 - \$68,000 funding for animal care facility staffing.
 - \$50,000 Disability Support Services interpreter.

(1) UNC's portion of statewide overhead costs as calculated by the State Controller's Office and approved by the Joint Budget Committee. Statewide indirect cost recovery allocates the central administrative costs of state government to state agencies/institutions that use the administrative services.

Sources and Uses of Funds

Sources of Funds -- Operating Budget

FY06 Original Budgeted Revenue	\$ 82,862,082
Adjustment to Tuition and COF Stipend	(1,484,616)
FY06 Projected Revenue	\$ 81,377,466
Basic Tuition Increase	1,351,634
Differential Tuition	758,275
COF Stipend	1,867,271
Fee for Service	3,151,202
Music Fee and misc. fees	26,017
Sub-total New Revenue	7,154,399
FY07 Base Revenue Budget	\$ 88,531,865
Expected Base Fee For Service Supplement in FY08	640,952
FY07 Pro-Forma Base Revenue Budget	\$ 89,172,817
FY06 Supplemental Fee-for-Service Carried Forward	1,000,000
Total Funds Available for FY 06-07	\$ 90,172,817

Notes:

1

2

Uses of Funds -- Operating Budget

	Total UNC	Provost	President	Finance & Admin	Univ Advance	Board of Trustees	Other
Base Expense Budget FY 05-06	82,862,082	61,277,626	1,248,848	17,080,067	2,558,141	531,673	165,727
Proposed Perm Entries for 2006	0	(185,278)	(168,347)	(45,255)	422,090	(23,210)	0
Pro-Forma Base Budget	\$ 82,862,082	61,092,348	1,080,501	17,034,812	2,980,231	508,463	165,727
External Mandates and University Priorities							
Estimated Classified, Exempt, Faculty and TA/GA Salaries	1,800,000	1,401,000	14,000	299,000	74,000	12,000	
Utilities	1,745,044			1,745,044			
Statewide Indirect Costs	117,691						117,691
Fringe Benefits Increase	2,500,000	1,620,000	60,000	700,000	100,000	20,000	
GA/TA Tuition Increase	80,000	80,000					
National Scholarships (offset by non-res tuition increase)	950,000	950,000					
Interpreter (Disability Support Svc.)	50,000	50,000					
Animal Care Facility Attendant	68,000	68,000					
Total External Mandates, University Priorities and Reserves	7,310,735	4,169,000	74,000	2,744,044	174,000	32,000	117,691
Total Funds Used FY 06-07	\$ 90,172,817	65,261,348	1,154,501	19,778,856	3,154,231	540,463	283,418
Internal Resource Reallocation	\$ (1,000,000)	(500,000)	(28,700)	(378,600)	(79,200)	(13,500)	0
FY07 Total Pro-Forma Base Expense Budget	\$ 89,172,817	64,761,348	1,125,801	19,400,256	3,075,031	526,963	283,418

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Notes:

In FY06 UNC will receive \$1.6 million in fee-for-service supplementals. The supplementals include \$1 million for unfunded enrollment and \$.6 million for a FY07 tuition buy down. These funds will be held in reserve in FY06 for use as one-time sources of operating funds for FY07.

1 The tuition buy-down supplemental is intended to become base funding in FY08.

2 Use of the FY06 unfunded enrollment supplemental allows UNC the opportunity to be thoughtful about internal reallocations needed to balance the budget. This reflects the \$1 million in base reallocations that will be identified in FY07 for implementation in FY08.

**University of Northern Colorado
Funding Decisions
FY07 Budget**

(Funding of requests listed is contingent upon availability of funds.)

Funding Sources

FY05 & FY06 Enterprise Fee	\$	448,000
FY06 Tuition Funded Capital	\$	886,500
FY06 Roll-forward*	\$	877,500
Total Funding Sources	\$	2,212,000

*Roll forward of \$877,500 has been identified for 1x allocation. Of this amount \$67,500 is from the Provost, \$46,000 is from Extended Studies, \$88,000 is smart classroom refresh funding, \$250,000 is facilities roll-forward, \$152,000 is from F&A operating budgets and \$274,000 is from F&A cash fund balances.

State Building and Other Capital Expenses

NHS: New faculty office space (Gunter 1250)	\$	12,000
NHS: Ross Hall research and teaching renovations	\$	12,800
NHS & HSS Smart Classrooms	\$	44,000
HSS: Upgrading GIS & Computer Mapping Lab	\$	28,000
HSS: Move Philosophy & Poli Sci to McKee Hall	\$	41,600
HSS: Refurbish rooms in Candelaria Hall (part one of three yrs)	\$	30,000
PVA: Facility improvements *	\$	90,000
MCB: Replace worn-out fixed-seating in Kepner 2040	\$	15,000
MCB: Replace worn-out fixed-seating in Kepner 2045	\$	15,000
MCB: Replace worn-out fixed-seating in Kepner 1030	\$	20,000
MCB: Replace worn-out fixed-seating in Kepner 2030	\$	15,000
COEBS: Refurbish Psychological Services Clinic	\$	40,000
COEBS: Remodel Psychology Lab Space	\$	17,000
COEBS: Refurbish classrooms in McKee	\$	200,000
Blackboard Online Learning System Costs	\$	90,000
CM: Phase I of Campus Signage	\$	50,000
CM: Ross Animal Facility - air handling unit	\$	350,000
CM: Gray Hall - window replacement	\$	300,000
CM: Gray Hall - re-roof the ballroom and flat roof areas	\$	90,000
CM: Parsons Hall - window replacement (south & east)	\$	125,000

Sub-Total State Building Repair & Other Capital Expenses **\$** **1,585,400**

*PVA has a number of requests, i.e., Langworthy stage floor, Arts Annex ceiling repair/HVAC, Crabbe Hall re-flooring, Norton Theater/Acting Studio renovation, Student Theater Design Lab update. Specific priorities to be funded will be identified within the \$90K.

Other Funding Priorities

⁽¹⁾ Mandated Big Sky Conference Sports	\$	50,000
University Advancement: Refocused Marketing Efforts	\$	95,000
⁽²⁾ Director of MAST	\$	54,000
University Advancement: Recruiting Partnership	\$	20,000
University Advancement: Cohesive Research Agenda	\$	97,000
⁽³⁾ Assistant Professor of Finance	\$	116,500
Athletics: Computer Replacement Year One	\$	23,400
Athletics: New Sport Program Uniforms & Equipment	\$	8,900
Materials for theatre/dance scene and costume	\$	20,000
⁽⁴⁾ Faculty for APCE (.6 FTE State/.4 cash)	\$	36,800
Learning Materials - Library	\$	50,000
⁽⁵⁾ Spanish Faculty Generalist Position	\$	55,000

Sub-Total Other Funding Priorities **\$** **626,600**

Total Other Funding Requests **\$** **2,212,000**

Funding Strategies for ongoing needs:

- ⁽¹⁾ Big Sky Conference Sports: fund raising/reallocation of funds
- ⁽²⁾ Director of MAST: fund internally within college through salary savings
- ⁽³⁾ Assistant Professor of Finance: 50% Provost salary savings/50% college funds
- ⁽⁴⁾ Faculty for APCE: fund 100% from Extended Studies program
- ⁽⁵⁾ Spanish Faculty Generalist Position: fund from college's current part-time hiring pool

**University of Northern Colorado
Tuition and Fees
2006-2007 Budget Recommendation**

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Tuition and Fee Summary Fiscal Year 2006-07

Background

In fall 2004, Vice President Schoneck charged a task force with researching and analyzing tuition pricing and developing recommendations for a more strategic approach to setting annual tuition rates. The task force recommendations were discussed by the Board of Trustees in November and December 2004. General pricing principles were established:

- tuition prices should be related to the cost of education as a matter of fairness and good business practice
- tuition should be related to demand for courses and programs
- cost of attendance should be predictable and clear
- pricing should be considered in concert with financial aid policies, so that student choice of program is preserved as much as possible
- pricing should reflect UNC's primary obligation to serve Colorado citizens

Fiscal year 2005-06 tuition rates were established based on the task force recommendations. The most significant change was reducing the window for flat-rate tuition from 10-18 credit hours per semester to 12-16 credit hours. Graduate tuition rates were increased more than undergraduate rates because graduate education was being subsidized by undergraduate tuition. Non-resident undergraduate rates were held constant.

Summary of Fiscal Year 2006-07 Tuition Recommendations

Page 3-4 summarizes the recommended tuition pricing for the upcoming year. The considerations in developing the recommended rates included:

- identifying programmatic areas at UNC that, because of market considerations and student demand could be charged a differential
- minimizing the impact to non-resident tuition to remain competitive
- recognizing that resident graduate tuition rates in Colorado are generally under-priced
- limiting the increase in resident undergraduate tuition to 2.5%

Recommended Model

Recommended rate increases are:

- resident undergraduate (2.5%, \$80 annual full-time increase)
- resident graduate (3.0%, \$149 annual full-time increase)
- non-resident undergraduate (1%, \$117 annual full-time increase)
- non-resident graduate (1.0%, \$147 annual full-time increase)
- per-credit differential tuition charges for Business, Theatre, Music, and Nursing to be implemented based upon course prefixes. General education courses are excluded so as not to discourage students from outside the major from exploring these disciplines.

College Opportunity Funds (COF) Stipends

Resident undergraduate students may apply a state-funded stipend of \$86 per credit (full-time annual equivalent of \$2,580) toward their tuition bill.

Student Fees

Student fees are charged per credit, up to 10 semester credits. The proposed fee for fiscal year 2006-07 is \$33.70 per credit. This increase of \$1.45 per credit from fiscal year 2005-06 rates is due to inflation, the second year of student-approved increases for athletics, and yield adjustments. Beginning in fiscal year 2006-07, students enrolled in both face-to-face classes on campus and online classes will be assessed student fees on all credits, up to 10 semester credits. Students enrolled exclusively in online courses may request a waiver of student fees.

University of Northern Colorado Fiscal Year 2006-07 Tuition Proposal

Full-time Tuition Rates:				
	FY 06 Rate	FY 07 Rate	Percent Increase	
Resident Undergraduate	\$ 3,192	\$ 3,276	2.50%	
Resident Graduate	\$ 4,968	\$ 5,118	3.00%	
Non-Resident Undergraduate	\$ 11,736	\$ 11,856	1.00%	
Non-Resident Graduate	\$ 14,688	\$ 14,832	1.00%	

Tuition Revenue:					
	FY06 Original Budget	FY 06 Projected	Change due to Rate Increase & Enrollment Drop	FY07 Budgeted	
Resident Undergraduate	\$ 31,223,642	\$ 30,632,595	\$ 422,044	\$	31,054,639
Resident Graduate	5,711,207	5,599,976	108,333		5,708,309
Non-Resident Undergraduate	9,475,892	9,405,822	970,226		10,376,048
Non-Resident Graduate	2,826,783	2,562,970	(148,969)		2,414,001
Basic Student Tuition	\$ 49,237,524	\$ 48,201,363	\$ 1,351,634	\$	49,552,997
Differential Tuition	-	-	758,275		758,275
Total Student Tuition	49,237,524	48,201,363	2,109,909		50,311,272
COF Stipend	21,358,015	20,909,560	1,867,271		22,776,831
TOTAL TUITION	\$ 70,595,539	\$ 69,110,923	\$ 3,977,180	\$	73,088,103

TUITION AND FEE RATES
FY 2006-07
On Campus

Proposed 2006-07	Actual 2005-06	Increase (Dollars)	Increase (Percent)
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TUITION (Full Time Academic Year Rates)

Resident Tuition:

Undergraduate (15 Credit Hours per Semester)	\$5,856	\$5,592	\$264	4.7%
College Opportunity Fund (COF) Stipend at 15 credit hours	(\$2,580)	(\$2,400)	(\$180)	7.5%
Student Share of Tuition net of Stipend at 15 credit hours	\$3,276	\$3,192	\$84	2.5%
Graduate (9 Credit Hours per Semester)	\$3,838	\$3,726	\$112	3.0%
Graduate (12 - 16 Credit Hours per Semester)	\$5,118	\$4,968	\$150	3.0%

Non-Resident Tuition:

Undergraduate (12 - 16 Credit Hours per Semester)	\$11,856	\$11,736	\$120	1.00%
Graduate (9 Credit Hours per Semester)	\$11,124	\$11,016	\$108	1.00%
Graduate (12 - 16 Credit Hours per Semester)	\$14,832	\$14,688	\$144	1.00%

Differential Tuition: (Per Credit Hour Charge)

Music, Theatre & Nursing Courses **	\$15	\$0		
Business Courses **	\$20	\$0		

** Does not apply to General Education Courses or Individual Music Lessons

MANDATORY FEES (Full Time Academic Year Rates)

<u>Student Activity Fees (10 or more credits per semester)</u>	\$674	\$645	\$29	4.5%
<i>Includes student referendum approved by students 4/05</i>				

OTHER FEES

<u>Student Health Insurance Premium Plan (Annual)</u>	\$1,576	\$1,360	\$216	15.9%
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<u>Auxiliary Services Room & Board Fees (Academic Year base)</u>	\$6,832	\$6,412	\$420	6.5%
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Parking Fees

Student (Annual)	\$170	\$150	\$20	13.3%
Student K-Lot (Premium lot limited spaces- Annual)	\$200	\$180	\$20	11.1%

<u>International Exchange Program Fee</u>	\$200	\$200	\$0	0.0%
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Admission Fee

Standard Undergraduate	\$40	\$40	\$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%
Enrollment Fee	\$145	\$70	\$75	107.1%

Career Service Fees

Teacher Employment Days	\$25	\$25	\$0	0.0%
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<u>Graduation Check Fee</u>	\$20	\$20	\$0	0.0%
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Participation Fees

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 2006-07

Off Campus Cash Funded

	<u>Proposed</u> <u>2006-07</u>	<u>Actual</u> <u>2005-06</u>	<u>Increase</u> <u>(Dollars)</u>	<u>Increase</u> <u>(Percent)</u>
<u>Off-Campus Cash Funded Programs:</u>				
External Degree Programs Tuition: (Per Credit Hour Rate)				
Undergraduate	\$236	\$230	\$6	2.6%
Graduate	\$318	\$310	\$8	2.6%
Independent Study Tuition:				
Undergraduate	\$144	\$140	\$4	0.0%
Graduate	\$215	\$210	\$5	2.4%
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	\$300/hr	\$0	0.0%
<u>Extended Study Fees</u>				
*Extended Studies State Funded Degree Program Fee	\$35	\$35	\$0	0.0%
Independent Studies Extension Fee (6 months)	\$15	\$15	\$0	0.0%
Independent Studies Withdrawal Fee	\$25	\$25	\$0	0.0%
<i>*Per Credit Hour Rate</i>				

(1) Tuition for Professional Development Credit courses, Non-Credit courses and Continuing Education Units courses shall be set at levels which ensure that at least full instructional and administrative costs associated with the courses are recovered.

University of Northern Colorado
FY07 Tuition Model Summary

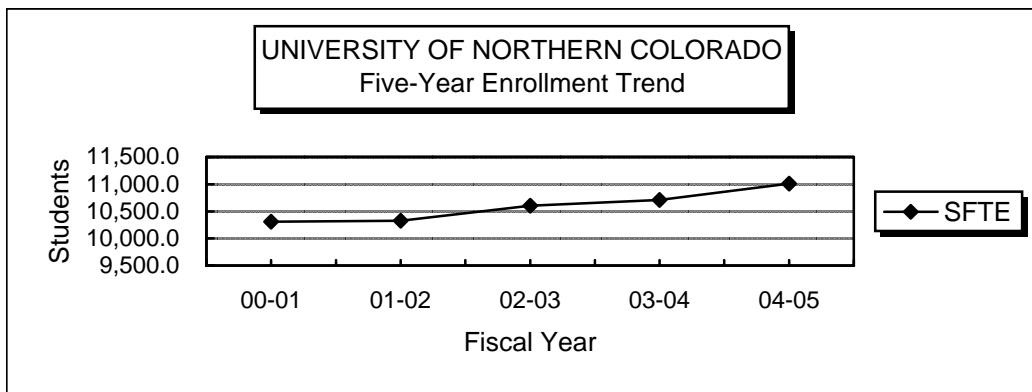
Tuition Incr in Model		UG		Grad	
Res	Non Res	2.50%	1.00%	3.00%	1.00%

	Resident						WUE/WICHE						Non-Resident					
	LD	UD	FTE	Tuition Calc	Credits	LD	UD	FTE	Tuition Calc	Credits	LD	UD	FTE	Tuition Calc	Credits	LD	UD	FTE
Per Credit, std share	136.50	136.50				213.25	213.25				213.25	213.25				494.00	494.00	
Full-time (15 UG, 9GR)	1,638.00	1,638.00				1,919.25	1,919.25				2,457.00	2,457.00				5,928.00	5,928.00	
\$1,596 avg UG Res																		
Summer 2006																		
Undergraduate	15,125.0	504.2		\$ 3,158,184	329.0			11.0	\$ 103,199	837.0			27.9	\$ 399,024				
Graduate	7,024.0	234.1		\$ 1,412,775	-			-	\$ -	720.0			24.0	\$ 410,652				
TOTAL	22,149.0	738.3		\$ 4,570,959	329.0			11.0	\$ 103,199	1,557.0			51.9	\$ 809,676				
Prorated for FY 07	9,229.5	307.6		\$ 1,904,719	137.1			4.6	\$ 43,003	648.8			21.6	\$ 337,392				
41.67%																		
Fall 2006																		
Lower Division	-	-		\$ -	-			-	\$ -	-			-	\$ -				
Upper Division	132,146.0	4,404.9		\$ 26,731,022	3,474.0			115.8	\$ 574,973	11,000.5			366.7	\$ 4,607,790				
Sub-total Undergrad	132,146.0	4,404.9		\$ 26,731,022	3,474.0			115.8	\$ 574,973	11,000.5			366.7	\$ 4,607,790				
Graduate	10,946.9	364.9		\$ 2,237,685	-			-	\$ -	1,850.0			61.7	\$ 1,078,975				
TOTAL	143,092.9	4,769.8		\$ 28,968,707	3,474.0			115.8	\$ 574,973	12,850.5			428.4	\$ 5,686,765				
Spring 2007																		
Lower Division	-	-		\$ -	-			-	\$ -	-			-	\$ -				
Upper Division	119,273.9	3,975.8		\$ 24,130,391	3,075.6			102.5	\$ 516,659	10,221.4			340.7	\$ 4,236,145				
Sub-total Undergrad	119,273.9	3,975.8		\$ 24,130,391	3,075.6			102.5	\$ 516,659	10,221.4			340.7	\$ 4,236,145				
Graduate	10,449.2	348.3		\$ 2,155,166	-			-	\$ -	1,651.0			55.0	\$ 956,134				
TOTAL	129,723.1	4,324.1		\$ 26,285,557	3,075.6			102.5	\$ 516,659	11,872.4			395.7	\$ 5,192,279				
Summer 2007																		
Lower Division	-	-		\$ -	-			-	\$ -	-			-	\$ -				
Upper Division	15,125.0	504.2		\$ 3,300,202	329.0			11.0	\$ 66,134	837.0			27.9	\$ 403,104				
Sub-total Undergrad	15,125.0	504.2		\$ 3,300,202	329.0			11.0	\$ 66,134	837.0			27.9	\$ 403,104				
Graduate	7,024.0	234.1		\$ 1,455,431	-			-	\$ -	720.0			24.0	\$ 414,678				
TOTAL	22,149.0	738.3		\$ 4,755,633	329.0			11.0	\$ 66,134	1,557.0			51.9	\$ 817,782				
PRORATED for FY 07	11,074.5	369.2		\$ 2,377,817	164.5			5.5	\$ 33,067	778.5			26.0	\$ 408,891				
50.00%																		
Year Projection	293,120.0	9,770.7		\$ 59,536,799	6,851.3			228.4	\$ 1,167,702	26,150.2			871.7	\$ 11,625,327				

Differential Tuition Projection	\$	758,275	Student Fee Total yield		\$	7,614,303
FY 06-07					Rate	\$
TTL Credits		326,121.4	This data includes Urban Education, NSE and ISE enrolled Students			
TTL FTE		10,870.7	Students with a military flag are included in residents. Assumes LD WUE student			
TTL Tuition	\$	73,088,103	enroll at 50% of actual 04-05 ,and 75% of those becoming Non-resident enroll.			
COF Stipend	\$	(22,776,831)				
(now incl Summer COF)						
Net Tuition		50,311,272.4				

Five-Year Enrollment Trend FY01 through FY05 and Fall 2005

<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>
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	11,851	89.3%	14.3%	11,012.7	89.7%	10.5%	7.6%
2005-06	12,121	89.6%	14.6%				



Sources: Final Fiscal Year Student Enrollment Reports submitted to CCHE by UNC

Fall 2005 Fact Book Enrollment Profile; Budget Data Book October, 2005

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

Student Activity Fees

The following schedule represents the student fee budget proposal recommended by the Student Representative Council (SRC) as proposed to the President's Planning Council in April, 2006.

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 2004 (.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.

Due to the savings through the management contract with North Colorado Medical Center, \$400,000 was reallocated from the Health Center to address increased utilities in student fee funded facilities, changes in debt service, operational costs for new recreation and athletic space, and a reduction of reliance on student health insurance administration funds by the Counseling Center.

During FY 05-06, the Cheerleading Club program was transferred from Club Sports to Athletics. The associated budget is \$3,800.

In April 2005, the UNC student body voted on and approved two referenda approving an increase in student fees over a three year period. During fiscal years 2006-07 and 2007-08, the fees will increase based on \$1.25 per credit hour for students enrolled in 1-10 credit hours in addition to CPI. In fiscal year 2006-07, full time student fees will increase from \$645 to \$674.

Total SFAP Budget	\$7,614,596
Less: Administrative Requirements	
Bond Payments	(\$1,978,413)
Bonded Facility Operations	(1,844,880)
Bonded Facility R & R	(299,728)
Administrative Overhead	(437,078)
Intercollegiate Athletics	(1,441,780)
Student Newspaper	(39,581)
Counseling Center	(352,500)
Immunization Program	(117,743)
Student Fee funds distributed by SRC	\$1,102,894

- Six programs made initial requests for increases totaling \$23,236.
- Seven programs submitted budgets at level funding.
- A previously student fee funded program, Co-PIRG, made application to be considered a new program and put forth an original budget request of \$30,000. Funding this program was not approved by SRC.
- Student Activities received the CPI increase of \$340.
- Club Sports, GLBT, and University Program Council received the CPI increase in addition to a funding increase.
- UNC Student Radio received the CPI increase of \$2.00.

Budget reductions:

- The Student Representative Council voluntarily reduced their budget by \$7,098 in their legal services line due to decreased expenditures for this budgeted item. This represents a 3% reduction in their budget.

Funding increases (plus CPI) were awarded to:

Club Sports, \$2,349 (4.3%)

GLBT Resource Center, \$3,522 (16%)

University Program Council, \$1,987 (1%)

**FY07
Student Fee Allocation Worksheet**

Fund/Org	REQUESTING ORGANIZATION	05-06 UNC TRUSTEES APPROVED	06-07 Final SRC Recommendation to BOT	06-07 President's Recommendation to BOT
Student Activity Programs				
20711-31610	Asian Pacific/American Student Services	21,304	21,304	21,304
20708-32300	Center for International Education	3,539	3,539	3,539
20714-31620	Cesar Chavez Cultural Center	21,713	21,713	21,713
20759-64200	Club Sports	55,174	57,523	57,523
20370-61010	GLBT Resource Office	21,712	25,234	25,234
20379-6101	Graduate Affairs	66,389	66,389	66,389
20705-31110	International Film Series	12,324	12,324	12,324
20717-31630	Marcus Garvey Cultural Center	20,160	20,160	20,160
20720-31640	Native American Student Services	20,624	20,624	20,624
20010-61000	Student Activities	340,228	340,568	340,568
20105-61012	Student Representative Council (SRC)	236,188	229,090	229,090
20427-61010	UNC Student Radio Station	2,000	2,002	2,002
20155-61014	University Program Council	189,728	191,715	191,715
20783-61500	Women's Resource Center	90,709	90,709	90,709
	Co-PIRG	0	0	0
	SFAP PROGRAMS SUBTOTAL	1,101,792	1,102,894	1,102,894
STUDENT FACILITIES & SERVICES FEE				
Student Services				
21000-80100	Intercollegiate Athletics	1,176,603		1,441,780
20721-50000	Contract for Mirror Student Newspapers	37,913		39,581
20723-62000	Counseling Center	277,223		352,500
20735-63010	Immunization Program	645,653		117,743
	TOTAL STUDENT SERVICES	2,137,392		1,951,603
Administrative Services		418,207		437,078
Bonded Facility Operating Costs				
20750-64000	Campus Recreation/Intramurals	819,286		968,177
20726-62000	Cassidy Hall (Counseling)	56,755		60,492
20738-63010	Cassidy Hall (Health)	85,131		90,736
20777-61500	Scott-Willcoxon Hall	33,524		35,398
20762-65000	University Center	538,484		598,078
	Butler Field Building	0		8,000
	Jackson Field House	0		84,000
	TOTAL BONDED FACILITY OPERATING	1,533,180		1,844,880
Bonded Facility R&R Costs				
20753-64000	Campus Recreation Center	98,658		112,530
20729-62000	Cassidy Hall (Counseling)	7,851		7,859
20741-63010	Cassidy Hall (Health)	11,789		11,801
20780-61500	Scott-Willcoxon Hall	3,999		4,003
20765-65000	University Center	163,372		163,535
	TOTAL BONDED FACILITY R&R	285,669		299,728
Bond Obligations				
20756-64000	Campus Recreation Center Bonds	641,075		621,058
20744-63010	Health/Counseling Center Bonds	51,940		129,300
20786-61500	Women's Resource Center Bonds	44,350		42,300
20768-65000	UC Bonds	198,000		198,000
20900-90000	Recreation and Athletic Facilities	986,088		987,755
	TOTAL BOND OBLIGATIONS	1,921,453		1,978,413
	SFAP GRAND TOTAL	7,397,692		7,614,596

¹ Cheerleading program (\$3,800) was transferred from Club Sports to Athletics in 05-06.

² Formerly Student Health Center. Management contract with Northern Colorado Medical Center effective Jan., 2006.

³ Butler/Jackson operating expenses for 06-07

⁴ R&R for Butler/Jackson will be added when WRC debt is paid in 07-08

⁵ The FY 2006 recreation and athletic fee bond payment was \$55K more than originally budgeted.

**University of Northern Colorado
Auxiliary Services Fund
2006-2007 Budget Recommendation**

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Auxiliary Services Budget Summary

The proposal for the Auxiliary Services operating budget for fiscal year 2006-07 was developed to meet the obligation for debt service and deferred maintenance while maintaining acceptable levels of service and price competitiveness.

Pricing strategies were evaluated that would meet the following goals. 1) Provide a debt ratio coverage of approximately 1.10 without interest earnings from bond proceeds. 2) Evaluate UNC's pricing comparability to other institutions. 3) Anticipate future year debt service requirements and adequate debt service ratio coverage. 4) Associate pricing structure with value delivered. 5) Price sensitivity of room and board rates.

With these goals in mind a blended increase of 6.5% was established. By increasing room rates 3.5% and board rates 9.5% UNC will be price comparable to other Colorado institutions. The greater increase to board plans is consistent with the increased value UNC has provided students in the dining rooms. The decrease in missed meals is the strongest evidence of the increased value (historical highs of 48.5% down to the current 40%). This approach includes an increase in the pricing of the optional meal plans (Bear Plans) to assure that meal mandatory students are not subsidizing optional meal participants.

The following key elements comprise the proposed budget:

REVENUE

1. Room and board rates are typically targeted to generate sufficient revenues to support proposed expenditures. For fiscal year 2006-07, \$2.6 million of interest earnings on bond proceeds will be used to buy-down the blended rate to 6.5%. The overall rate for the traditional freshman room with a full meal plan is proposed at \$6,830 for the academic year (page 4-10).

The university will need to engage in multi-year planning to determine appropriate room and board rates and expenditure requirements. At current service levels, rates would have to be increased at approximately 7.5% annually through fiscal year 2010-11 to provide adequate debt service coverage.

2. Factors contributing to a rate increase above the consumer price index of 2.1% include:
 - Funding of debt service
 - Funding salary and fringe increases (page 4-5)
 - Funding increased utility expenses (page 4-5)

3. The proposed rate schedule for 2006-07 is:

Traditional Double Room	\$3,260 (3.5 % increase)
Renovated Double/Suite Style	\$3,604 (3.5 % increase)
Large Suite/Apartment	\$3,948 (3.5 % increase)
Full Meal Plan	\$3,570 (9.5 % increase)

4. Comparative estimated proposed FY07 “Base” annual room and board rates for Colorado institutions are as follows:

CU	\$8,428	(23.4% Higher than UNC)
CSU	\$6,602	(3.4% Lower than UNC)
UNC	\$6,830	

5. A summary of significant adjustments to the revenue lines in the budget from 2005-06 to 2006-07 include:
 - The 6.5% blended room and board rate increase necessary to fund operations and provide debt service coverage of 1.10 from operations.
 - The \$20 increase on parking permits necessary to fund operations and debt service.

EXPENSES

1. This budget reflects the fully staffed operation of Auxiliary Services. The level of expenditures requested is 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 \$6.2 million (page 1-9).

3. Net revenues after debt service payments are dedicated to Auxiliary Services deferred maintenance and facility improvement. The amount budgeted for the 2006-07 year is approximately \$1.4 million.

4. A summary of significant adjustments to the expense lines in the budget from 2005-06 to 2006-07 include (page 4-5):
 - Projected increases in employee salaries and fringe benefits
 - Projected increases in OCE, including utilities
 - Increases in maintenance, 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 \$5.4 million. Bond covenants require that \$750,000 be reserved. Past UNC practice has been to have in reserve an amount equivalent to one year's debt service payments. With the increased debt service, this is not possible for fiscal year 2006-07 and unlikely for several years.

Auxiliary Services
Budget Request Summary - FY07
Summary of Auxiliary Facilities Fund

	2004-05 Actual	2005-06 Approved Budget	2006-07 Operating Changes		2006-07 Requested Budget
Revenue, Expense, Transfers:					
Revenue					
Revenue	26,482,775	27,288,059	1,933,861		29,221,920
Less: Cost of Sales	3,262,989	2,943,448	96,997		3,040,445
Adjusted Gross Revenue	23,219,786	24,344,611	1,836,864		26,181,475
Expense					
Total Prof. Services	1,037,297	1,182,862	305,490		1,488,352
Total Support Services	5,468,587	6,634,524	212,404		6,846,928
Total Personnel	6,505,884	7,817,386	517,894		8,335,280
Total OCE and Travel (pg. 4-5)	9,621,436	11,243,266	885,605		12,128,871
Total Capital Outlay	39,745	106,024	(86,024)		20,000
Total Expense	16,167,065	19,166,676	1,317,475		20,484,151
Adjusted Gross Revenue Over/(Under) Expense	7,052,721	5,177,935	519,389		5,697,324
Mandatory Transfers					
* Debt Service	3,186,843	3,182,913	2,967,734		6,150,647
Interest from bond proceeds			(2,600,000)		(2,600,000)
Non-Mandatory Transfers					
Deferred Maintenance Transfers	3,225,878	1,312,821	103,308		1,416,129
Enterprise Fee	640,000	682,201	48,347		730,548
Total Transfers	7,052,721	5,177,935	519,389		5,697,324
Balance	0	(0)	0		0

* Based on Pledged Net Revenue.

Shift of 1 FTE from classified, .10 FTE to another funding source and 8 FTE for residence hall directors

FTE Section					
Professional Staff					
Prof Exempt	19.00	21.00	8.90		29.90
Support Staff					
Classified	116.15	116.57	(1.00)		115.57
Total FTE	135.15	135.15	7.90		145.47

Auxiliary Services
Budget Request Summary - FY07
Summary of Auxiliary Facilities Fund
Source and Application of Funds

Title	2004-05 Actual	2005-06 Approved Budget	2006-07 Operating Changes	2006-07 Requested Budget
Revenue Sources				
Housing and Food Contracts	19,848,474	20,836,506	1,826,779	22,663,285
Parking Revenues	1,719,366	1,778,105	205,555	1,983,660
Other Aux. Sales and Services	4,914,935	4,673,448	(98,473)	4,574,975
Total Revenue	26,482,775	27,288,059	1,933,861	29,221,920
Expenditure Classifications				
Cost of Sales	3,262,989	2,943,448	96,997	3,040,445
Personal Services	6,505,884	7,817,386	517,894	8,335,280
Other Current Expense (1)	7,586,942	8,704,288	272,736	8,977,024
Utilities (2)	2,034,494	2,538,978	612,869	3,151,847
Capital Outlay, Operations	39,745	106,024	(86,024)	20,000
Transfer to Debt Service	3,186,843	3,182,913	2,967,734	6,150,647
Interest from Bond Proceeds				(2,600,000)
Transfer for Enterprise Fee	640,000	682,201	48,347	730,548
Available for Deferred Maintenance	3,225,878	1,312,821	103,308	1,416,129
Total Expense and Transfers	26,482,775	27,288,059	4,533,861	29,221,920

(1) Auxiliary Services obtains services from UNC and pays for the cost of those services. These are included in the OCE category. These services comprise 19.5% of Auxiliary Services' total budget, or 26.1% of operating expense budget for FY 06-07. The substantial increase in this category includes passed through salary and fringe increases on these services.

(2) In past presentations of budgets, telephone service has been included in utilities. This presentation includes telephone service in OCE.

Purchase of Services From UNC

Administrative Overhead	1,484,006
Grounds	289,753
Utility Production	182,358
Police Department Services	690,255
Custodial Services	1,723,946
Building Repair and Maintenance	1,781,510

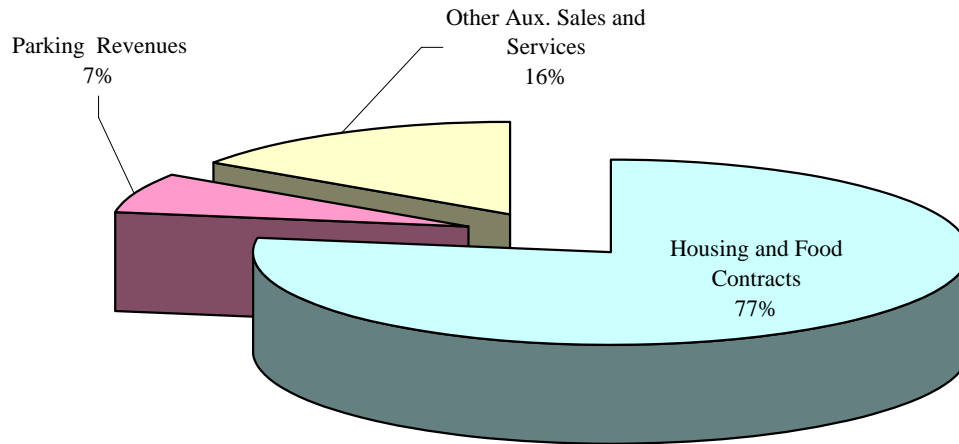
Total Purchased Services from UNC	6,151,828
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Auxiliary Services
Budget Request Summary - FY 2006-07
Schedule of Operating Changes

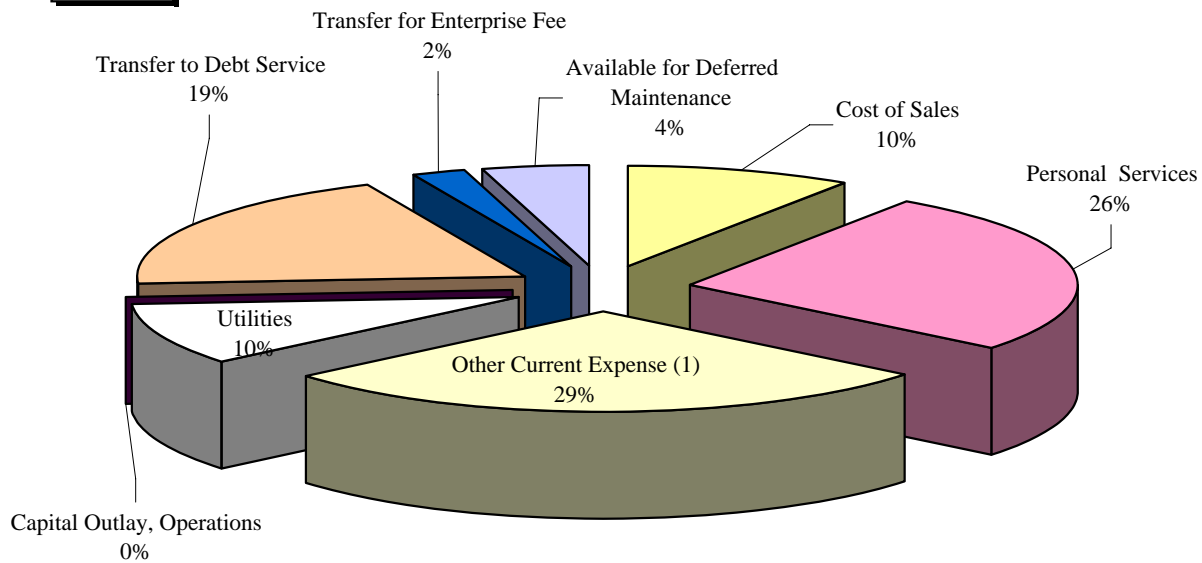
Title	2005-06 Budget	Change	2006-07 Budget	% change from prior year
Administrative Contract FT	\$1,154,396	\$98,056	\$1,252,452	8.49%
Administrative Fringe Benefits	\$208,946	\$74,108	\$283,054	35.47%
Classified Regular FT Wages	\$3,460,971	\$103,829	\$3,564,800	3.00%
Classified Fringe	\$626,436	\$179,209	\$805,645	28.61%
Other Support Services	\$2,366,637	\$62,692	\$2,429,329	2.65%
Personal Services	\$7,817,386	\$517,894	\$8,335,280	6.62%
All other OCE	\$2,336,002	\$2,284	\$2,338,286	0.10%
Cable Services	\$149,754	\$8,586	\$158,340	5.73%
ResNet Connection	\$307,768	\$20,802	\$328,570	6.76%
Admin Overhead	\$1,397,380	\$86,626	\$1,484,006	6.20%
Grounds Cost Allocation	\$276,368	\$13,385	\$289,753	4.84%
Utility Cost Allocation	\$170,192	\$12,166	\$182,358	7.15%
Custodial Cost Allocation	\$1,723,946	\$0	\$1,723,946	0.00%
Building/Equipment Cost Allocation	\$1,701,588	\$79,922	\$1,781,510	4.70%
Police Services Cost Allocation	\$641,290	\$48,965	\$690,255	7.64%
Subtotal other OCE and Travel	\$8,704,288	\$272,736	\$8,977,024	3.13%
Trash Service	\$87,361	\$2,862	\$90,223	3.28%
Electricity	\$791,995	\$132,916	\$924,911	16.78%
Heating	\$1,152,369	\$539,625	\$1,691,994	46.83%
Energy Conservation	\$224,208	\$0	\$224,208	0.00%
Water and Sewer	\$283,045	(\$62,534)	\$220,511	-22.09%
Subtotal Utilities	\$2,538,978	\$612,869	\$3,151,847	24.14%
Total OCE and Travel	\$11,243,266	\$885,605	\$12,128,871	7.88%

**Auxiliary Services
Budget Request Summary - FY07
Summary of Auxiliary Facilities Fund
Source and Application of Funds**

Revenues



Expenses



(1) Includes Administrative overhead charged to non-state accounts to recover the cost of administrative support provided by state funded areas.

Auxiliary Services
Budget Request Summary - FY07
Summary of Auxiliary Facilities Fund
Margin Analysis

Title	2004-05 Actual		2005-06 Approved Budget		2005-06 Projected		2006-07 Requested Budget	
Revenue Sources								
Housing and Food Contracts	\$19,848,474		\$20,836,506		\$20,836,506		\$22,663,285	
Parking Revenues	1,719,366		1,778,105		1,778,105		1,983,660	
Other Aux. Sales and Services	4,914,935		4,673,448		4,673,448		4,574,975	
Total Revenue	26,482,775		27,288,059		27,288,059		29,221,920	
Expenditure Classifications								
Cost of Sales	3,262,989	12.32%	2,943,448	10.79%	3,000,000	10.99%	3,040,445	10.40%
Personal Services	6,505,884	24.57%	7,817,386	28.65%	7,507,386	27.51%	8,335,280	28.52%
Other Current Expense	3,493,326	13.19%	4,190,904	15.36%	2,828,549	10.37%	2,825,196	9.67%
Administrative Overhead (1)	1,327,103	5.01%	1,362,355	4.99%	1,362,355	4.99%	1,484,006	5.08%
Facility Services (grounds, custodial, building maintenance)	3,588,513	13.55%	3,872,094	14.19%	3,872,094	14.19%	3,977,567	13.61%
Police Department Services	505,103	1.91%	641,290	2.35%	641,290	2.35%	690,255	2.36%
Utilities	2,034,494	7.68%	2,538,978	9.30%	2,788,978	10.22%	3,151,847	10.79%
Capital Outlay, Operations	39,745	0.15%	106,024	0.39%	106,024	0.39%	20,000	0.07%
Net Revenues in excess of Operating Expenses	5,725,618	21.62%	3,815,580	13.98%	5,181,383	18.99%	5,697,324	19.50%

Auxiliary Units
Preliminary Capital Improvement Planning Schedule
Fiscal Years 2006-07 through 2010-11

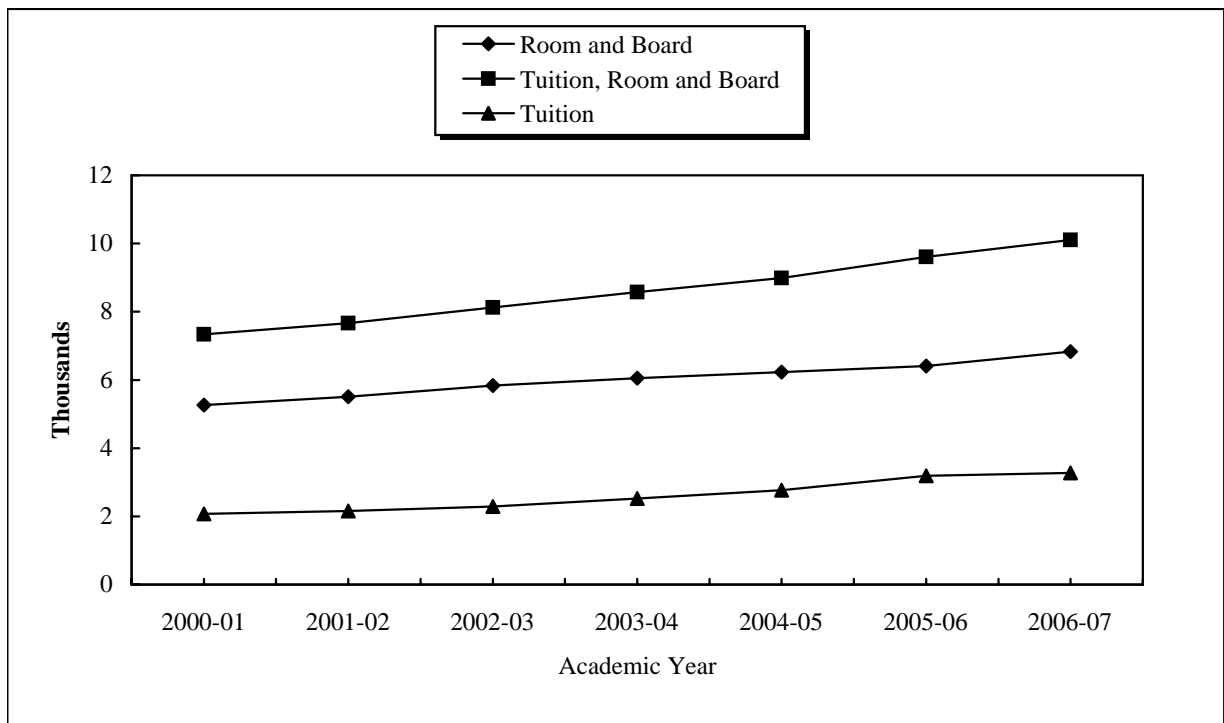
Item	Description	Amount
FISCAL YEAR 2007	Harrison Fire Protection	500,000
	Hazardous Material Abatement	25,000
	Lawrenson Kitchen Replacement Phase I	100,000
	Turner Roof Replacement & Lawrenson Parapet / Flashing	100,000
	University Apartments West Hall Roof Replacement	65,000
	UC Ballroom Refresh	400,000
	Harrison Hall Academic Center	150,000
	UC Section E Roof Repair	50,000
	Lawrenson Hall CATV Cabling	250,000
	Harrison Hall Lobby Refresh	100,000
	TK HVAC Improvements	60,000
	TK Servery Remodel	60,000
Total		1,860,000
FISCAL YEAR 2008	Harrison Hall Fire Protection	500,000
	Lawrenson Kitchen Replacement Phase II	100,000
	TK Servery Remodel	180,000
	Lawrenson Plumbing Re-Piping Phase I	100,000
	Harrison Hall Perimeter Landscaping Phase I	100,000
	Harrison Hall Student Room Remodel	150,000
	West Campus Residence Hall FFE	350,000
	UC Exterior Structural Repairs Phase I	100,000
	UC Panorama Servery Remodel	60,000
	Residence Hall & Dining Room Surveillance CCTV	150,000
Total		1,790,000
FISCAL YEAR 2009	Harrison Hall Landscaping Phase II	100,000
	Hazardous Material Abatement	25,000
	Holmes Dining Room Elevator Door Automation	75,000
	Lawrenson Plumbing Re-Piping Phase II	100,000
	Harrison Hall Student Room Window Pkg. Phase I	500,000
	Harrison Hall Section B Roof Replacement	150,000
	Martin & Warren Roof Replacement	30,000
	Holmes Dining Hall Trash Compactor Replacement	33,000
	UC Computer Commons Refresh	100,000
	UC Food Court Remodel Phase I	500,000
	TK Dining Room Painting	150,000
Total		1,763,000
FISCAL YEAR 2010	Harrison Hall Student Room Window Pkg. Phase II	500,000
	Starbucks / Taco Bell Reface	100,000
	UC Food Court Remodel Phase II	500,000
	West Campus Residence Hall FFE	500,000
	UC Panorama Re-paint	50,000
	UC Exterior Structural Repairs Phase II	150,000
Total		1,800,000
FISCAL YEAR 2011	Harrison Hall Court Yard Re-fresh	200,000
	Turner Hall Chiller Replacement	450,000
	Holmes Dining Room East Patio Site Amenities	25,000
	Presidents Row Roof Replacement	200,000
	West Campus Storage Tank Replacement	75,000
	UC Exterior Door Replacement	75,000
	UC Section C Roof Replacement	100,000
	UC Terrazzo Floor Refinish	25,000
	UC Room Partition Replacement	25,000
Total		1,175,000

Auxiliary Services
Fiscal Year 2006-07

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>
Recommended	2006-07	\$6,830	\$418	6.50%
	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	5.81%
	2001-02	\$5,512	\$244	4.60%
	2000-01	\$5,268		

Rates were restated to reflect Res-Net Charges



Tuition shown for comparison only.

**Auxiliary Services
Room and Board Revenue Schedule
FY 2006-07**

Room Contracts		Per Semester			
	Base Room Rate	\$	1,630	3.50%	
	Facility Increment	\$	172	3.50%	
	19 Meal Board Plan	\$	1,786	9.50%	
				Avg Increase	
				6.50%	
Location	Resident Capacity	Approved FY 2005 - 06 Rate		FY 2006-07 Proposed Rate	FY 06-07 Revenue Projection
					96.00%
	Belford	53	\$ 3,482	\$ 3,604	183,372
	Gordon	28	3,482	3,604	96,876
	Decker	28	3,482	3,604	96,876
	Sabin	33	3,482	3,604	114,175
	Snyder	103	3,482	3,604	356,364
	Faculty	202	3,814	3,948	765,596
	Wilson	282	3,482	3,604	975,675
	Wiebking	246	3,482	3,604	851,121
	McCowen	504	3,150	3,260	1,577,318
	Harrison	542	3,150	3,260	1,696,243
	Turner	614	3,482	3,604	2,124,342
	Hansen - Willis	108	3,814	3,948	409,329
	Lawrenson	438	\$ 3,814	\$ 3,948	1,660,055
	Total	3181			\$ 10,907,342
Meal Contracts					
	Meal Mandatory Beds	2751	\$ 3,262	\$ 3,572	9,433,509
	Base Rate Change		6,412	6,832	
	Annual Average Rate	6.50%	\$ 6,412	\$ 6,832	\$20,340,851
Optional Meal contracts					\$1,317,718
University Apartments					\$697,442
Off Campus Housing					\$185,713
Faculty Apartments					\$0
Design Single Premium					\$ 60,901
Sorority					\$ 60,660
Total room and board contract Revenue Projection					\$22,663,285

**Parking Services
Parking Permit Fee Schedule
Fiscal Year 2006-07**

Description	Fiscal Year 2005-2006	Fiscal Year 2006-2007
Student Annual	150.00	170.00
Student Semester	115.00	135.00
Student-K Annual	180.00	200.00
Student-K Semester	135.00	155.00
Faculty/Staff Annual	170.00	190.00
Faculty/Staff Semester	125.00	145.00
Faculty/Staff-K Annual	190.00	210.00
Graduate Assistant Annual	170.00	190.00
Disabled Student	150.00	170.00
Disabled Faculty	170.00	190.00
Cycle -- Full Year	105.00	105.00
Cycle -- With Another Vehicle Permit	65.00	65.00
Bicycle -- 4 years	5.00	5.00
Service Permit Annual	190.00	210.00
Service Permit Monthly	65.00	65.00
Service Permit Daily	7.00	7.00
Daily Visitor Permit (Internal Customer)	2.50/Day	2.50/Day
Daily Visitor Permit (External Customer)	3.50/Day	3.50/Day
Daily Dispenser Permit	3.00/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/600 Full	300 Half Day/600 Full

Comparison Data

CSU Student (commuter and res hall)	\$85 to \$110	\$85 to \$110
CSU Staff	\$95	\$95

CSU is planning a minimum \$20 per year multi-year increase beginning 07-08

CU Student (mid distance to res hall)	\$255 to \$323	tbd
CU Staff (mid distance to close)	\$312 to \$474	\$321 to \$489

**Parking Services
Five Year Maintenance Plan**

Parking Lot	Description	Amount
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
FY2010-11		
1/2 J-Lot	Fabric - Overlay	125,304