



# **Fiscal Year 2007-2008 Recommended Operating Budget**

June 8, 2007

**Fiscal Year 2007-2008**  
**Recommended Operating Budget**  
June 8, 2007

<b>1. Fiscal Year 2008 Budget Development Background</b>	<b>Page</b>
I. Description and Goals of the Process	1-2
II. University Priorities	2
III. State Funding Context for Colorado Higher Education and UNC	3
IV. FY08 Challenges for UNC	3-5
 <b>2. Recommended FY08 Budget</b>	
I. Summary of Recommended Budget	6
II. Revenue Items	7-10
III. Continuation Expenses	11-13
 <b>3. Additional Outcomes of the FY08 Budget Process</b>	
I. One-Time Funds	14-16
II. Incentive Proposals	16-17
III. Additional Recommendations	17-18
 Chart I Undergraduate Resident Tuition	19
Chart 2 Room and Board Rates	20
Chart 3 Mandatory Undergraduate Fees	21
Chart 4 Undergraduate Resident Total Cost	22
Chart 5 Five Year Enrollment Trends	23
 Attachment A Tuition and Fee Rates	24
Attachment B Tuition and Fee Rates	25
Attachment C Student Fee Allocation Update	26
Attachment D Tuition Funded Repair and Replacement	27
Attachment E Distribution of Salary Increases FY08	28

# FY08 Budget Development Background

## I. Description and Goals of the Process

One goal of the FY08 budget process was to engage a broader group of budget leaders from across the University in budget development; this included over 80 budget leaders and resulted in twelve formal budget proposals in the following areas:

- President
- Board of Trustees
- Athletics
- University Advancement
- Provost
- Monfort College of Business
- College of Education and Behavioral Sciences
- College of Natural and Health Sciences
- College of Humanities and Social Sciences
- College of Performing and Visual Arts
- University Libraries
- Finance and Administration

A second goal was to develop budget proposals and engage budget leaders at a broader level. Budget proposal submissions included the following components:

- Incentive Proposals
- One-Time Requests
- Service Fee Proposals (New and Increases)
- 1% Increase Scenario
- 2% and 4% Re-Direction Scenarios

A third goal, linked to Charting the Future, was to refocus the President's Planning Council (PPC) toward the coordination of various planning efforts on campus and establish a set of University priorities that would begin to link budgeting and planning more closely.

A fourth goal was to better link budget development to University planning priorities by framing budget proposals around the University priorities. As we embarked on the FY08 budget process, important planning efforts such as the Academic Plan were in their early stages, and the priorities were broad. Thus, the priorities that emerged from the PPC require further refinement over the next few years. A conscious effort was made during this budget process to be mindful of the impact of short-term budgetary decisions on long term planning efforts.

Facilitated by the Office of Budgets and Institutional Analysis (OBIA), leaders from each of the twelve areas convened in a series of deliberations to discuss key budget issues and provide input and information about important FY08 budget considerations.

Following the deliberations, the Provost and CFO used the information from the budget deliberations to collaborate on a formal budget recommendation to the President.

## **II. University Priorities**

The following institutional priorities emerged from discussions in the Academic Plan Steering Committee and President's Planning Council and were used to frame budget proposals:

- (1) The University of Northern Colorado must develop the capacity to collect, analyze and properly interpret information that will support quality decision-making.
- (2) Invest in initiatives that grow university revenues.
- (3) Support academic excellence by investing in compensation, benefits and work environment designed to retain high quality faculty, staff and administrators.
- (4) Invest in academic excellence
  - by supporting programs that are mission central and/or have state, national/international potential,
  - by identifying targets that are tangible measures of academic excellence and invest in the action steps needed to reach those targets, and
  - by recruiting and supporting retention efforts for all students.
- (5) Support innovative learning opportunities that enhance student learning experiences and improve quality.
- (6) Develop and implement a marketing plan that highlights program and faculty excellence that will in turn enhance institutional image and recruit students.
- (7) Support institutes and other academic units that have initiatives, which will enhance national, state and local partnerships and support student learning.

As budget deliberations proceeded, it became apparent that additional considerations might be needed for short-term budget decision-making. These included:

1. Are there legal, risk management, or "semi mandatory" (e.g. accreditation) factors to consider?
2. Are there sufficient infrastructure and/or support services to move forward with a proposal?
3. Does the proposal build capacity?
4. Are there University-wide planning considerations that make an FY08 decision inadvisable?

### **III. State Funding Context for Colorado Higher Education and UNC**

FY08 state general fund support for UNC will be based on a \$2,670 COF stipend (up from \$2,580 in FY07). While the recommended state support for UNC is about \$3.2 million, actual new state support (COF stipends and fee-for-service contract) is \$2.9 million. The \$2.9 million calculation is based on:

- \$3.2 million (JBC general fund recommendation)
- Minus \$0.6 million (already accounted for in FY07 UNC budget)
- Plus \$0.3 million (difference between FY07COF budget and appropriation to be maximized)

Early in the legislative session, the Department of Higher Education (DHE) proposed an allocation model which attempted to force a compromise that would have changed the relative funding of institutions, to UNC's detriment, without regard for state priorities and existing funding disparities. As a result of UNC's efforts, the DHE recommended a funding model (below) that will result in more state funding for UNC than the other models under consideration.

While the proposed funding model was the most favorable FY08 option for UNC, there is no question it emerges from an imperfect system that includes severe budget cuts in the early 2000s as well as annual, sometimes disjointed funding decisions made by the Legislature. The proposed funding model also reflects the increase to our budget as a result of the passage of Referendum C.

#### Need-Based Financial Aid

Based on an increase of \$6.9 million in state financial aid approved by the General Assembly, it is projected that UNC will receive an \$875,806 increase in need-based financial aid (above what it must set aside for tuition increases above CPI). The DHE is also rolling Governor's Opportunity Scholarship funds into the state's general need-based financial aid program, which should result in at least another \$125,000 in need-based aid for UNC, for a total of about \$1 million in new need-based financial aid.

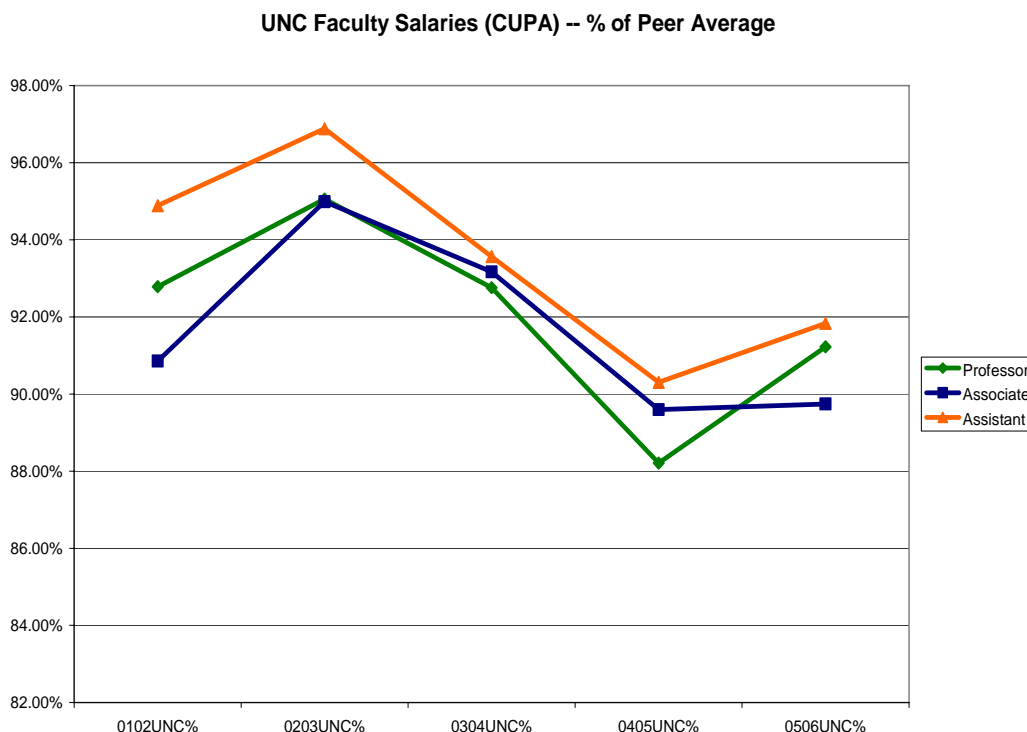
### **IV. FY08 Challenges for UNC**

In addition to ongoing challenges in securing more state funding for higher education, UNC faced three key challenges in developing a FY08 budget.

#### A. Competitiveness of Salaries

In the President's recent report to the Board of Trustees she noted: "One thing is clear; we must address the corrosive effect of recent budget constraints on faculty salaries and, in turn, on faculty recruitment and retention." Institutional data and reports from the Faculty Salary Equity Committee indicate that UNC faces serious competitive challenges with respect to faculty salaries. While the newly re-constituted Compensation Committee is actively engaged in a host of salary and related issues for all University employees, key discussions during budget deliberations centered on how to make short-term allocation decisions that begin to address the competitiveness of faculty salaries in particular. The following chart shows institutional (CUPA) data trends

for faculty salaries at the professor, associate professor, and assistant professor positions for the past five years.



## B. Cost of Attendance

Also in a recent report to the Board of Trustees the President highlighted the importance and complexity of looking at the total cost of attendance for our students:

“A key factor in enrollment management is coordinating tuition pricing with financial aid and other scholarship programs. As state funding for higher education has declined over the past several years, institutions, particularly universities, have been forced to shift a greater portion of educational costs to students. Although data suggest that we have additional flexibility in setting tuition rates, we need to analyze enrollment behavior to determine the right price point to maximize revenue without harming recruitment and retention efforts.”

The tuition that we charge to students is but one component of the overall cost associated with their attendance at UNC. Room and board, mandatory fees, and other costs encountered in the course of their time at UNC, as well as how we package financial aid and award scholarships, is a complex area where we need to be more strategic. In order to make better decisions in this regard, the University will embark upon a tuition elasticity study to begin to understand how we can be more strategic. In the meantime we must make some short-term decisions about tuition, fees, and room and board.

Charts **1, 2, 3 and 4** (pages 19-22) show how UNC compares to other Colorado institutions with respect to resident undergraduate tuition, mandatory fees, room and board, and total cost of attendance. For purposes of illustration, UNC's FY07:

- resident undergraduate tuition rate was 72% of CU Boulder's and 95% of CSU's
- room and board rates were 82% of CU Boulder's and 103% of CSU's
- mandatory fees were 62% of CU Boulder's and 42% of CSU's (consistent with UNC's policy of keeping fees transparent and low)
- total cost of attendance was 77% of CU Boulder's and 94% of CSU's

### C. Enrollment

In FY07 UNC budgeted a \$1.5 million dollar contingency and experienced a decline in enrollment revenue within the contingency. The following chart shows actual student credit hour enrollment.

**FY07 Student Credit Hour Enrollment**

	06-07 Budget	06-07 Actual	<b>06-07 Budget to Actual</b>
Resident UG	266,300	264,278	<b>-0.8%</b>
Non-resident UG	22,050	23,126	<b>4.9%</b>
WUE	6,950	4,560	<b>-34.4%</b>
Resident Graduate	28,400	25,341	<b>-10.8%</b>
Non-resident Graduate	4,200	4,777	<b>13.7%</b>
<b>Total</b>	<b>327,900</b>	<b>322,082</b>	<b>-1.8%</b>

Note: Assumes Summer 2007 enrollment is flat relative to last year.

Chart **5** (page 23) provides a five-year summary of fall, spring and summer headcount enrollments for UNC.

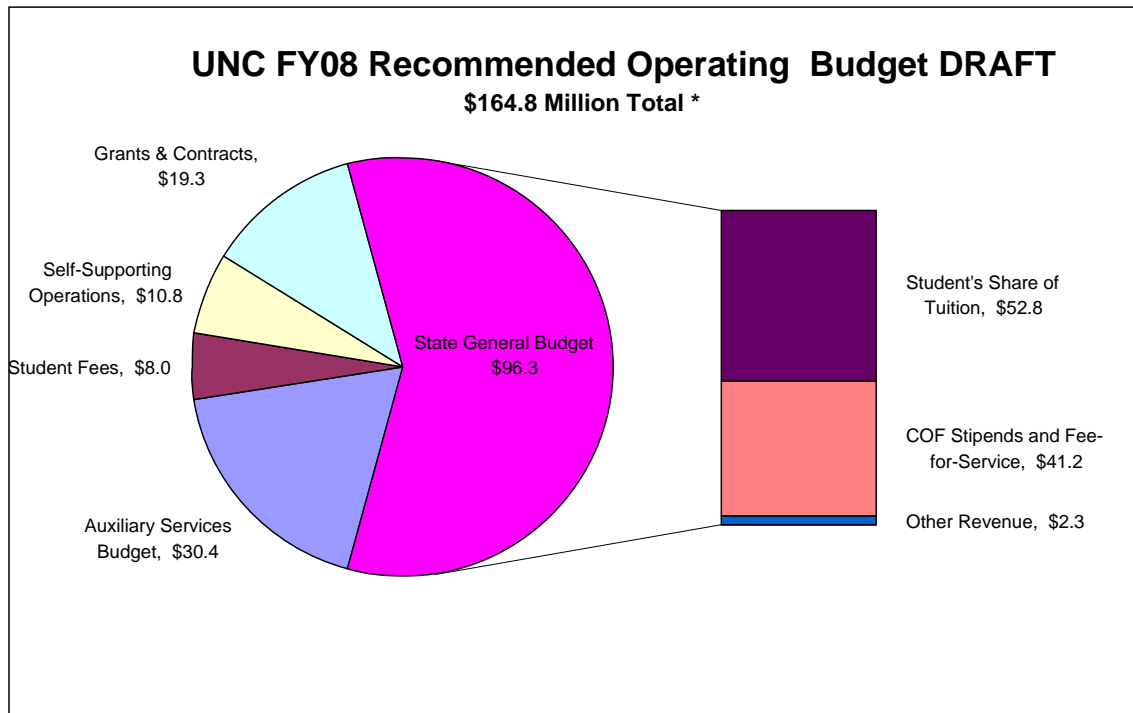
Similar to other Colorado institutions, UNC faces a potential enrollment shortfall next year. For purposes of budget development for FY08 the following factors were considered in the projected 3% decline:

- Fewer than anticipated freshman applications – 2,200 projected entering class (similar to 2003-04) versus 2,500
- Decline in first-time freshman retention rates
- Continued challenges in graduate enrollment
- Steady non-resident and transfer enrollment

# Recommended FY08 Budget

## I. Summary of Recommended University Budget

The following graph shows the recommended University budget and the table that follows shows the changes in the operating budget from FY07 to FY08. Subsequent pages in this section provide supporting details.



\* Not adjusted for estimated \$9.2 million scholarship allowance  
All numbers in millions

		FY07	FY08
		in millions	
State General Budget	Student's Share of Tuition	\$ 50.9	\$ 52.8
	COF Stipends and Fee-for-Service	\$ 38.4	\$ 41.2
	Other Revenue	\$ 2.3	\$ 2.3
	Subtotal	\$ 91.6	\$ 96.3
	Auxiliary Services Budget	\$ 29.2	\$ 30.4
	Grants & Contracts	\$ 19.3	\$ 19.3
	Student Fees	\$ 7.6	\$ 8.0
	Self-Supporting Operations	\$ 10.8	\$ 10.8
		<u>\$ 158.5</u>	<u>\$ 164.8</u>



## II. Revenue Items

The following table summarizes revenue projections:

<b>Revenue Projections</b> <b>\$324 Undergraduate and \$150 Graduate (Academic Year)</b> <b>Tuition Increase</b>	
Net Tuition Income (1)	\$1,713,326
Summer Tuition Revenue Increase	150,000
Increase to Fee-for-Service and Stipends (net of \$600K supplemental fee-for-service from FY07)	2,867,474
Redirections (2)	865,000
<b>Total</b>	<b>\$5,595,800</b>

(1) Gross tuition increase of \$4,458,242 less enrollment decrease FY07 (student share) \$900,000 less enrollment decline adjustment for FY08 \$979,916 less tuition discount/financial aid \$865,000.

(2) Redirection from President, Provost and Finance and Administration areas.

### Compliance with statutory mandate to fund need-based aid with 20% of tuition revenue increase above CPI

Institutions of Higher Ed are required by statute to provide funding for need-based aid equal to 20% of any student share of tuition revenue increases above CPI. To comply with this statute, UNC has made provisions for additional need-based financial aid in FY08 totaling \$365,000. UNC's calculation of compliance for FY08 is as follows:

20% Compliance Calculation		
\$ 3,276	2007 UG Res student share	
\$ 3,600	2008 UG Res student share	
\$ 324	Total Increase	2008 student share less 2007 student share (\$3,600 - \$3,276)
\$ 118	CPI Increase 3.6%	2007 rate times 3.6% (\$3,276x 3.6%)
\$ 206	Increase greater than CPI	Total increase less CPI increase (\$324 - \$118)
8,561	SFTE (Students)	
\$1,763,566	Student Share of tuition above CPI	Increase greater than CPI times SFTE ( \$206 X 8,561)
\$ 352,713	20% Need-Based Aid Mandate	20% of Student Share of tuition above CPI (\$1,763,566 x 20%)

This was rounded this up to \$365,000 to cover any potential increases.

### Tuition

UNC's tuition rates have been set consistent with Option 2 of the "Footnote" within the state appropriations Long Bill. The "Footnote" states:

...[Option 1] "Undergraduate resident tuition credit hour rate increases are limited to 7%. ... [Option 2].. However, for research institutions, governing boards have the option to set tuition levels within a 7% total tuition revenue limit, provided that all resident undergraduate students with any unmet need (i.e., Levels 1, 2 and 3) receive sufficient financial aid to cover any increase in unmet need resulting from an increase in tuition credit hour rates above 5%. These limitations are intended to restrict resident tuition rate increases. It is the intent of the General Assembly

that institutions may increase nonresident tuition rates to reflect market conditions and that any additional spending authority necessary for nonresident tuition rate increases will be addressed through a supplemental appropriation during the 2008 legislative session. The General Assembly will not back-fill lost revenue from nonresident tuition if governing boards increase nonresident tuition rates above market conditions.”

UNC Level 1 students will not have any unmet need resulting from an increase in tuition credit hour rates above 5% due to the increase in financial aid available to these students (Pell amounts will increase at least 6.5% or approximately \$260 and Work Study will increase \$500 per student). Level 2 students who qualify for a Perkins loan do not have any unmet need resulting from an increase in tuition credit hour rates above 5%. The remaining Level 2 and Level 3 students with an “Estimated Family Contribution” (EFC) of less than \$15,500 will receive financial aid to reflect the increase in unmet need resulting from an increase in tuition credit hour rates above 5%. Level 3 unmet need will be calculated based on the FY07 cost of attendance adjusted only for the increase in tuition credit hour rates above 5%. UNC has approximately 1,987 Level 2 and 3 students that will qualify for this award.

The award per level 2 and 3 student to cover the unmet need will be \$160 for the academic year for full time resident undergraduate students. Part time students will be awarded a prorated amount. The award is calculated as follows.

**Option 2 Award Calculation**

FY07 Tuition	\$ 136.50	Per Credit hr
FY08 Tuition	\$ 150.00	Per Credit hr
Increase	\$ 13.50	Per Credit hr
5% footnote limit	\$ 6.83	Per Credit hr
Amt above 5%	\$ 6.67	Per Credit hr
Full Time Student, Academic year Award	\$ 160.00	12 credits and above

As part of the FY08 budget process, UNC has funded \$365,000 for need-based financial aid. One use of those funds will be to meet the requirements of the footnote. The estimated cost of the awards is as follows:

Credit Hours Enrolled	Estimated Number of students	Award Amount	Cost of Awards
1-5	32	\$ 68	\$ 2,176
6-8	48	\$ 108	\$ 5,184
9-11	82	\$ 148	\$ 12,136
12 and up (Full time)	1825	\$ 160	\$ 292,000
<b>Total</b>	<b>1987</b>		<b>\$ 311,496</b>

#### Sources for Redirection to Faculty Salaries

Funds recommended for redirection are from the President, Provost and Finance and Administration areas in the amount of \$865,000.

The redirection recommended from the President's area, in the amount of \$259,000, is from the compensation reserve accrued from administrative salary savings. Funds will be used for faculty salary market competitiveness.

#### Room & Board

Based on the housing market, the recommended room and board rate for FY08 is \$7,292. This is a 6% base room rate increase with an additional \$50 dining dollar program. (See Attachment A – Section A3 page 24)

We continue to monitor the bond market for opportunities to restructure our debt. Refinancing will help reduce the increase of future room and board rates.

#### Parking Fees

FY07 was the first of a multi-year plan to increase parking fees. Consistent with prior planning commitments, we recommended a \$20/annual increase in parking rates which establishes a consistent relationship (\$20 difference) between the Student Annual and Student Annual K compared to the Faculty/Staff Annual and the Faculty/Staff Annual K rate. (See Attachment A – Section A3 page 24)

#### Service Fees

Three service fee increases were proposed and assessed during budget deliberations. Consistent with feedback from those deliberations, the recommendation is to implement the proposed service fee increases for:

- Study Abroad Application Fee
- Undergraduate Application Fee
- Commencement Fee (Graduation Check Fee)

(See Attachment B – Section B1 page 25)

Mandatory Student Fees

The recommended mandatory student fee is \$712.60 (based on \$35.63 per credit hour up to 10 credits per semester). This reflects a 2% CPI increase and the last year of a 3-year, \$25 athletic fee increase. The attached schedule reflects the allocations of the increase as approved by SRC. (See Attachment C page 26)

### III. Continuation Expenses

The following table summarizes recommended continuation expenses, including salary increases.

Recommended Continuation Expenses		
Faculty Increase Pool (4.5%)	\$1,260,000	
Supplemental Pool From Redirected Resources	\$420,000	
<b>Total Faculty Increase Pool</b>		<b>\$1,680,000</b>
Summer Increase (funded from Summer tuition)		150,000
Exempt Increase Pool (4.5%)		576,000
GA/TA Stipend Increase		89,000
(1) Classified Increase Pool (4.5%) – varying rates per classification		750,000
Estimated fringe benefit (23.5%)		1,245,000
Utilities Increase		250,000
Risk Management		100,000
Minimum wage increase		200,000
<b>Sub-Total</b>		<b>\$5,040,000</b>
Base Funding required for Academic Affairs positions authorized in FY07.		225,000
Base Funding Required for Ticket Office function authorized in FY07.		103,000
NHS – Associate Professor Nursing		75,000
Academic Affairs – Interdisciplinary Liberal Arts (IDLA) Position		60,000
Library – Learning Materials		50,000
Animal Research Facility OCE		27,800
Hazardous Waste Removal		15,000
<b>Total</b>		<b>\$5,595,800</b>

(1) The classified salary pool is based on the salary survey from the State. At the State level, increases range from 2.7% to 4.2% depending on position classification. In addition, employees with the highest performance ratings will receive a one time bonus achievement pay of 2%. The pool for UNC's employees will be approximately 4.5%, which includes achievement pay.

### Dependent Tuition Policy

Based on the recommendation advanced by the Compensation Committee and the support of the twelve budget leaders, we recommend reinstatement of the dependent tuition grants for all qualified employees, including those hired on or after January 1, 2000.

### Faculty Salary Pools

#### *Establish a 4.5% Salary Pool for Distribution by Provost and Deans:*

Distribution of this pool will be consistent with current policies as stated in University Regulations 3-3-701 (Institutional Priority 3), while ensuring that each faculty member who "meets expectations" receives at least a 3.0% base salary increase.

#### *Establish a Supplemental Competitiveness Pool:*

We recommend a base-funded Supplemental Market Competitiveness Pool of \$308,000 for faculty salaries. This fund will be allocated by the Provost in collaboration with the Deans through the development and implementation of parity plans. The intent of the parity plans is to bring faculty in the targeted programs as close to parity as quickly as possible. (Parity is defined by discipline per OBIA CUPA data for the current fiscal year.) (Institutional Priority 3) This pool has been reduced from the original \$420,000 planned by \$112,000 to ensure that each faculty member who "meets expectations" receives at least a 3.0% base salary increase.

Attachment E (page 28) describes the distribution of faculty salary increases for FY08.

#### *Separate "Line" for Summer Programming:*

Traditionally the allocations associated with funding adjustments to the summer model have been accommodated in the overall salary pool allocations. Due to fundamental changes in the summer model, additional funding for the summer program has been identified separately and is not classified as an increase to cover salaries. (Institutional Priorities 2 & 5)

### GA/TA Stipend Pool

The Graduate Assistant and Teaching Assistant pool will be increased by 4.5%. Increases to individual stipends will be consistent with University practices that pay appropriate compensation for these assistants. Any residual funds will be available to increase the number of assistantships.

### Exempt and Classified Salary Pools

The exempt increase pool is recommended at 4.5%. The classified salary pool is based on the salary survey from the State of Colorado. At the State level increases range from 2.7% to 4.2% depending on position classification. In addition, employees with the highest performance ratings will receive a one time bonus achievement pay of 2% funded from one time sources. (Institutional Priority 3)

### Base Adjustments

The following items are recommended for base funding:

\$225,000 Base Funding required for Academic Affairs positions authorized in FY07—Four positions were approved in FY07 that require base funding in FY08. These are: Finance faculty, Spanish Generalist faculty, .5 FTE Associate Director of Honors, and .5 FTE Associate Director of Academic Services. These were funded in FY07 from one-time funds. (Institutional Priorities 1, 2, 3, 4, 5 & 7)

\$103,000 Base Funding Required for Ticket Office function authorized in FY07—Several compliance issues necessitated the creation of a centralized ticketing function on the UNC campus. This was funded in FY07 from one-time funds within Finance and Administration. (Institutional Priorities 1, 2, 4 & 7)

\$75,000 Associate Professor in Nursing—This is consistent with State and National Priorities to provide nursing education and also address critical accreditation issues and the potential for losing significant student FTE (over 58 existing and 15 in the pipeline who have been admitted). (Institutional Priorities 2, 4, & 5)

\$60,000 Interdisciplinary Liberal Arts (IDLA) Position—This major serves over 1,200 students. The IDLA committee identified the need for three additional faculty FTE to accommodate the need for content and classroom capacity in line with “best practices” for education majors. The three content areas identified include: Literacy, Art and Social Sciences pedagogy. We are recommending a three-year phase-in with the Arts pedagogy having the highest current capacity need. (Institutional Priorities 2, 4, & 5)

\$50,000 Library Learning Materials—Although this does not address all the costs associated with library learning materials it will begin to base fund a portion. For FY 2007-08 an additional \$150,000 is being recommended from one time funding. Securing funding for library learning materials is critical to sustaining and investing in academic excellence and insuring a viable infrastructure for the teaching and learning environment. (Institutional Priorities 4, 5 & 7)

\$27,800 Animal Research Facility Other Current Expenses (OCE)—There is currently insufficient state funding to adequately support operations in the Animal Research Facility. This funding will address issues regarding safety, accreditation with the Association for Assessment and Accreditation of Laboratory Animal Care (AAALAC) and compliance with the Department of Agriculture best practices. (Institutional Priorities 2, 4, 5 & 7 Lens 1)

\$15,000 Hazardous Waste—Laboratory waste generation has increased significantly and base funding is required to meet ongoing costs. (Lens 1)

# FY08 Budget Process Additional Outcomes

## I. One-Time Funds

The Board of Trustees, President, senior leadership and the campus budget leaders have throughout FY07 reexamined the roll forward procedures with the intent to develop a process that focuses resources on the highest University priorities and communicates allocation in a transparent fashion. FY08 will be a transition year, allowing the campus budget leadership to adjust to an environment that meets the aforementioned objectives.

### A. Existing Funds

UNC currently has the following sources of funds for one-time projects.

Tuition-Funded R&R (1)	\$886,500
Enterprise Fee Fund	\$700,000
Safety Funds (not base)	\$125,000
Smart Classrooms (1)	\$475,000
Faculty Computer Rotation (1)	\$208,000

(1) These funds are already committed for FY08

Attachment D (page 27) identifies projects which were either previously approved or had a prior commitment from the Tuition Funded Repair and Renovation account. The recommendation is to proceed with these projects. Additional work is required to assess other proposals for potential funding from the last year of enterprise fee funds.

The Provost and CFO will charge and convene a committee with coordinating, evaluating, recommending and communicating with the campus regarding one-time capital and technology projects (e.g., smart classrooms, repair and renovation).

### B. Roll-Forward Funds

It is recommended that the process for making additional allocations for one-time projects be done in two phases:

#### *Phase 1*

The first phase will address needs related to three critical areas:

- Costs historically funded by roll-forward that will no longer be retained under new roll-forward procedures.
- Academic program needs where 1) differential tuition is being charged but not directly allocated to the program or 2) course fees could potentially be charged. Allocation of differential tuition and course fees are both important strategic considerations that should be addressed with a long-term view. The use of one-time funding for academic program needs is a short-term solution, allowing time for a more thoughtful long-term approach.
- Instructional equipment costs



We are recommending the following allocations be designated as the first commitments from the roll-forward:

\$500,000	Additional Course Funding Pool (Part time Faculty) (Institutional Priorities 3, 4, 5, & 7 Lens 4)
\$150,000	Library Learning Materials (compliments the recommended base-funded amount of \$50,000 to fully fund for the upcoming year) (Institutional Priorities 4, 5, & 7)
\$60,000	Development of a Business minor. This proposal has considerable merit. We recommend buying out a faculty member equivalent to one FTE (term/ adjunct) in order to release a full time faculty member to further explore the feasibility. (Institutional Priorities 2, 4, 5 & 7)
\$15,000	Small Business Development Center Matching Funds (Institutional Priorities 2, 4, 5 & 7)
\$84,000	This will fund the institutionalization plan of support for CUMBRES personnel and operations required by Daniels Foundation. Daniels Foundation has previously provided two years of start-up funding. (Institutional Priorities 4, 5 & 7)
\$89,000	Funding for Classified employee achievement pay bonuses.
TBD	Targeted Other Current Expenses (OCE) for Classroom Consumables (Institutional Priorities 4, 5, & 7)
TBD	Instructional Equipment

By June 20<sup>th</sup> a final list of the existing and Phase 1 commitments and specific allocations will be decided, based upon recommendations by the Senior Vice Presidents and at the direction of the President. If it is essential that commitments be made prior to June 20<sup>th</sup> requests will be reviewed by the Senior Vice Presidents and, when necessary, recommendations made to the President for commitments that can not be deferred until June 20<sup>th</sup>.

Two such commitments being made at this time are:

- \$38,500 to purchase student lead lists-This would allow over 22,000 non-resident student prospects to be communicated with in a more widespread and cost effective way. Data indicates that physical travel of staff has had limited return on investment. This money could also be used for technology initiatives such as streaming video, pod casting, webinar creation, instant messaging and creating an on-line application self service tracking system for prospective students.
- \$12,300 for a tuition pricing and branding study-University Communication and Public Relations staff are working with Enrollment Management staff to develop a request for proposals for a tuition pricing and branding study that targets Colorado residents. This will allow us to create an ongoing market research program and would help further refine our target audiences and identify new audiences, as well as allow us to periodically test our marketing messages.

## *Phase 2*

When final roll-forward funding is known in September, the Senior Vice Presidents will reassess the one-time requests and seek additional insight and advice from the campus and recommend additional allocations consistent with the University priorities to the President. Specific allocations for Phase 2 should be communicated to units prior to or before the end of September.

The list of request items for one-time funding which came forward in the FY08 budget process will be considered in the process outlined above.

All allocations of roll-forward funds, as well as a summary of the FY08 budget, will be posted to the OBIA website, so that the information is available to the campus community.

## **II. Incentive Proposals**

The new budget development process encouraged the “growing of the university” by soliciting incentive proposals. Proposals must be central to the goals and objectives of the university and show promise of generating additional revenues. The proposals were to articulate how the program is related to university goals and objectives and, when appropriate, what incentives for revenue sharing were proposed. The following proposals summarize the status of the process:

### A. Enhancement or Expansion of Existing Off Campus Programs

Five of the incentive proposals were actually expansion of existing Extended Studies programs; therefore, it is recommended that the Provost review and approve these programs relative to the traditional Extended Studies approval process. These include: Credit for Cooperating Teachers, Longmont Reading Cohort, Loveland Post-Baccalaureate Cohort, Expanded Principal Licensure offerings, and Urban Education–Special Education.

### B. Incentive Programs Recommended for Implementation

- Center for Nursing Education: The center’s primary purpose will be the establishment of a Nursing Education Research Laboratory that will conduct significant grant writing efforts, sustain a state-of-the-art simulation lab, and establish nursing faculty development programs. (Institutional Priorities 2, 4, 5 & 7)
- Fourth Year Computer Maintenance: UNC can perform maintenance on personal computers at a cost less than purchasing a fourth year warranty from the manufacturer. (Institutional Priorities 4 & 7)
- Colorado Department of Education (CDE) Grant Returns: This must be self-supporting (sustainable). (Institutional Priorities 2, 4, 5 & 7)
- Social Science Research Office (Institutional Priorities 2, 4, 5 & 7)
- Thai Embassy Summer Program (ESL): This program enables potential foreign students to become proficient in English prior to enrolling at UNC. (Institutional Priorities 2 & 7)

### C. Additional Incentive Proposals for Future Consideration

There should be a thorough re-evaluation of the revenue “sharing” policies of extended studies conducted by the Provost and Senior Vice President as soon as possible. The following proposals are likely viable programs, consistent with University priorities; however, additional evaluation is needed prior to approval:

- Monfort Institute
- Extended Studies ASL Teacher Preparation
- Extended Studies English Education
- Extended Studies School of Communication, MA – Public Admin
- Extended Studies History on-line courses
- Extended Studies NHS Mathematics and Science Teaching (MAST) Institute
- Course Prototype
- Extended Studies Ranch Initiative
- Expansion of Interim Session

### **III. Additional Recommendations**

The deliberations with the twelve budget leaders identified several critical issues that need to be addressed in the upcoming year in preparation for FY09 Budget Process. We recommend the following issues be identified for further discussion/review and possible implementation.

#### Blackboard licensing

While it is our recommendation that a technology fee not be implemented in FY08 (but a technology fee should be directed to the Fee Committee for evaluation), there is, however, increased cost associated with Blackboard licensing. We are proposing that Extended Studies evaluate the ability to either absorb or increase costs to support one-half of the cost for Blackboard licensing (estimated to be \$80,000). We understand that Extended Studies will evaluate an increase in rates based on market competitiveness.

#### Review of fee philosophy and policies

The laboratory/service fees and other student fee related issues raised during our budget deliberations merit further consideration and need to be part of the broader discussion regarding charges and total cost of attendance in the upcoming year. Recharging the existing Fee Committee is the most appropriate venue to facilitate such a fee discussion and to make recommendations for further consideration by the President and Board of Trustees.

#### Program Review

The Provost should evaluate the current program review process giving consideration to incorporate strategic university priorities in concert with the academic plan. Future academic re-direction discussions should be channeled through this process.

#### Distribution of Revenue and or Revenue Sharing

The Provost and CFO should convene a committee to do a comprehensive evaluation of our current policies/procedures related to revenue distribution to include differential tuition and make recommendations to the President.

#### Connecting FY08 Discussions to Planning Processes

Information and issues that emerged from budget deliberations in the areas of enrollment management and compensation policy should be directed to the Academic Planning Steering Committee for incorporation into its strategic planning efforts. They should also be forwarded to the AVP for Enrollment Management for consideration in establishing an enrollment plan and the compensation committee as they consider compensation policy recommendations.

#### Establish a Facilities/Technology Planning Committee

The Provost and CFO should charge and convene a committee with coordinating, evaluating, recommending and communicating with the campus regarding one-time capital and technology projects (e.g., smart classrooms, repair and renovation). Coordination of these projects, beginning in Fall 2007, should provide easier coordination in the FY09 process.

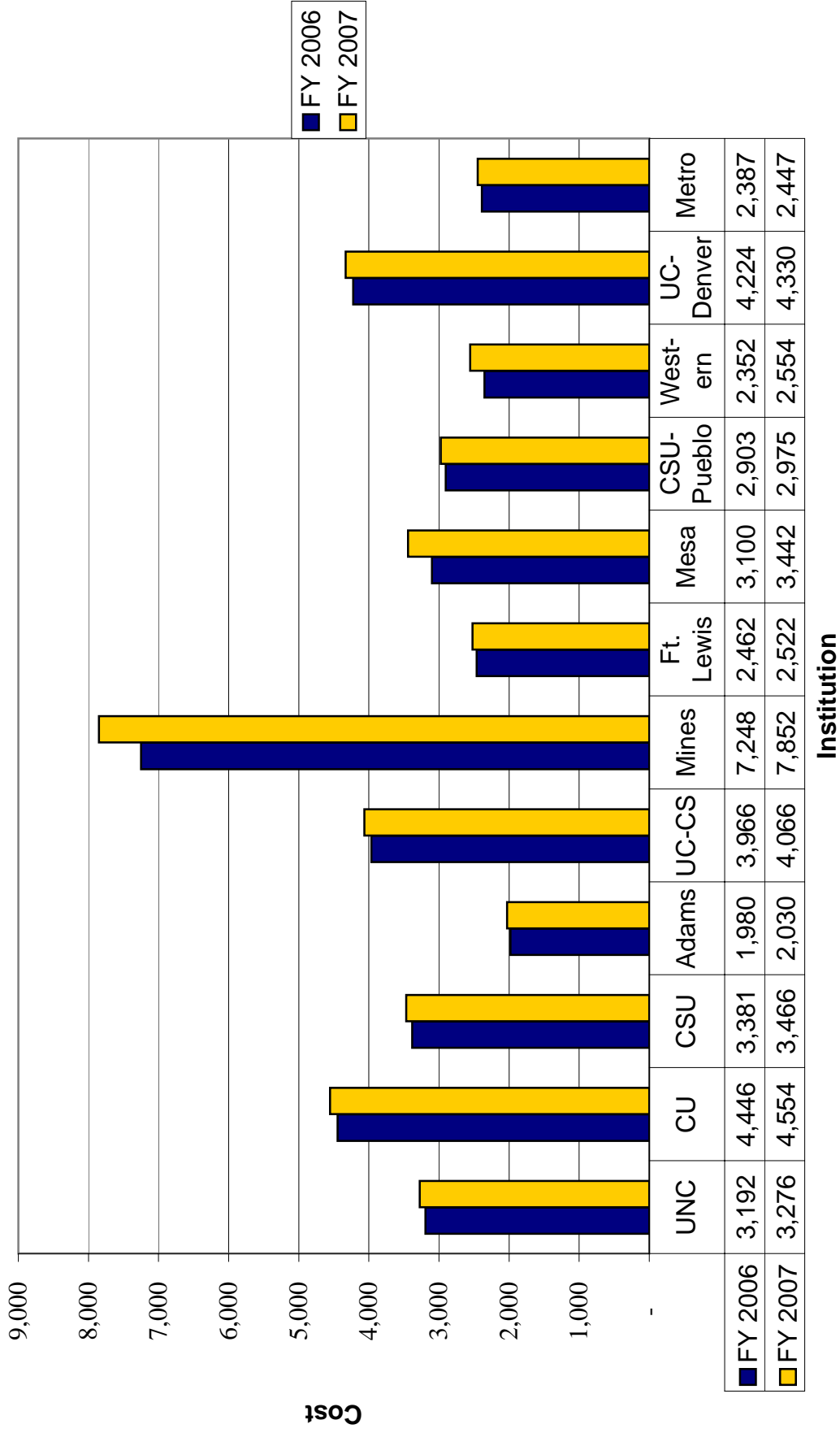
#### Campus Facilities Use, Practices and Charges

The CFO should evaluate charges assessed for internal users for campus facilities. This impacts areas such as PVA and Athletics.

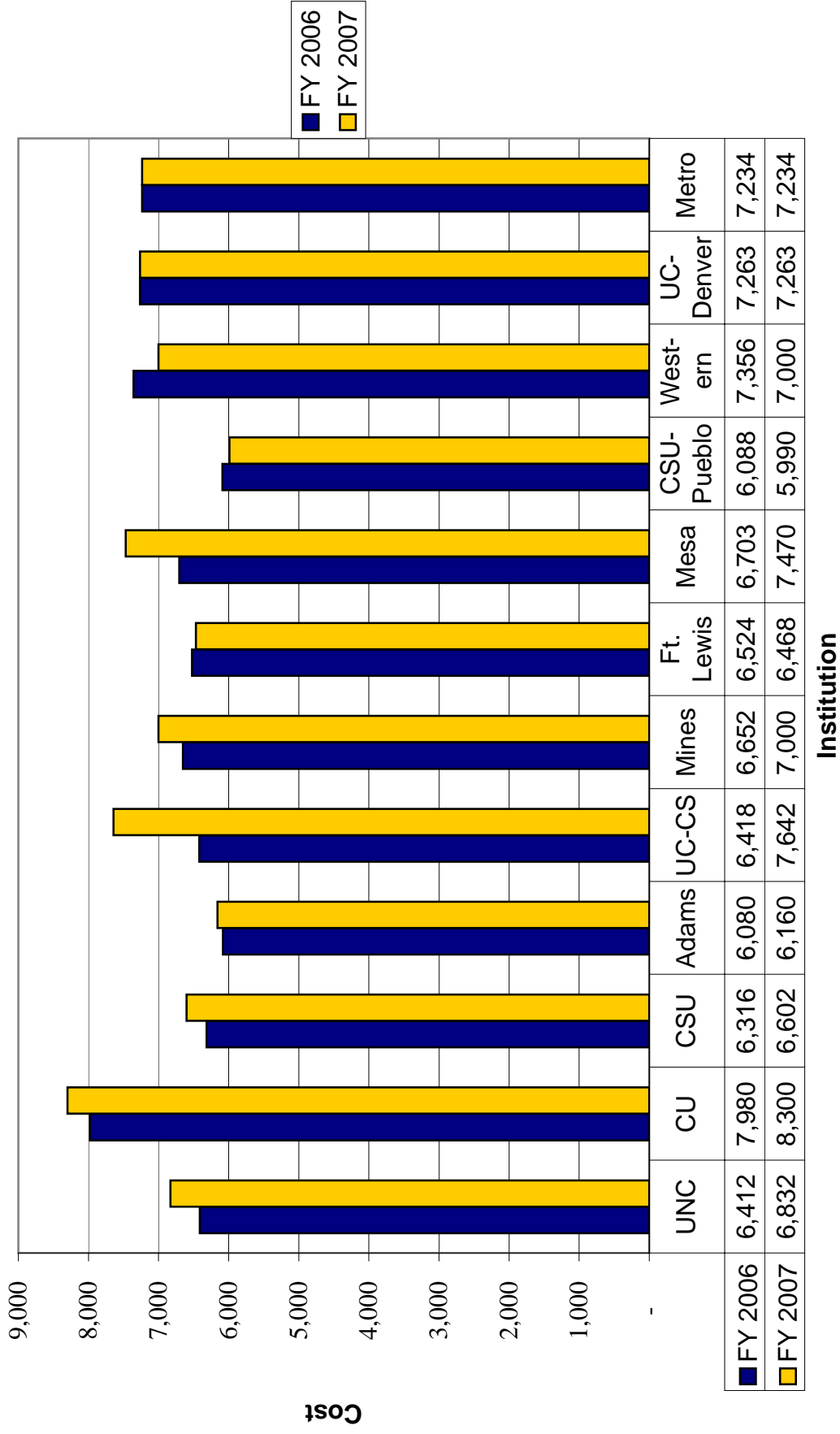
#### Library Technology

Specific information technology issues were raised related to the library. The CFO, Dean of University Libraries and AVP for IT will meet to review the service concerns and work together to meet campus needs in the most efficient and effective means possible.

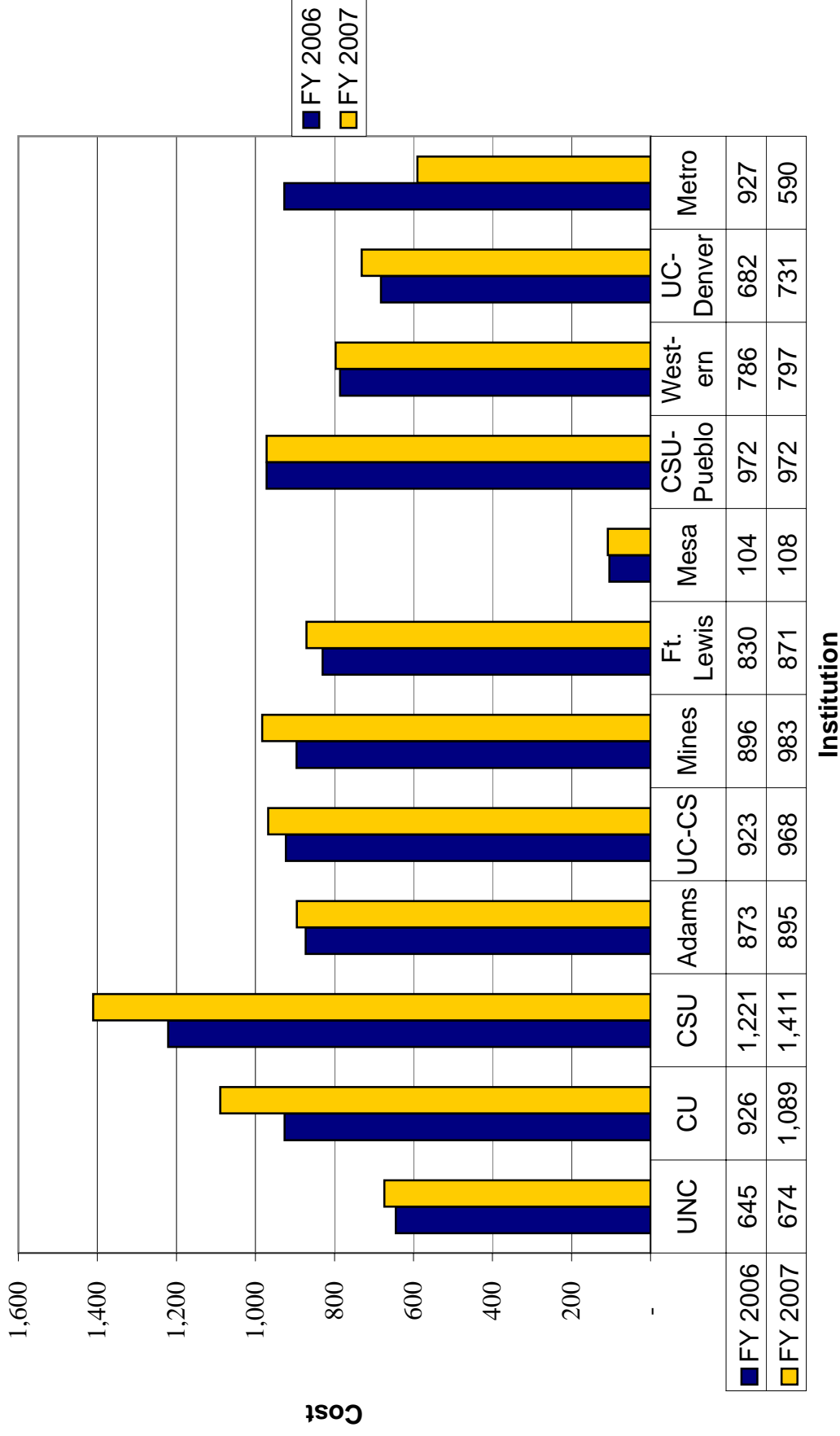
**Chart I Undergraduate Resident Tuition  
AY 2005-06 and AY2006-07**



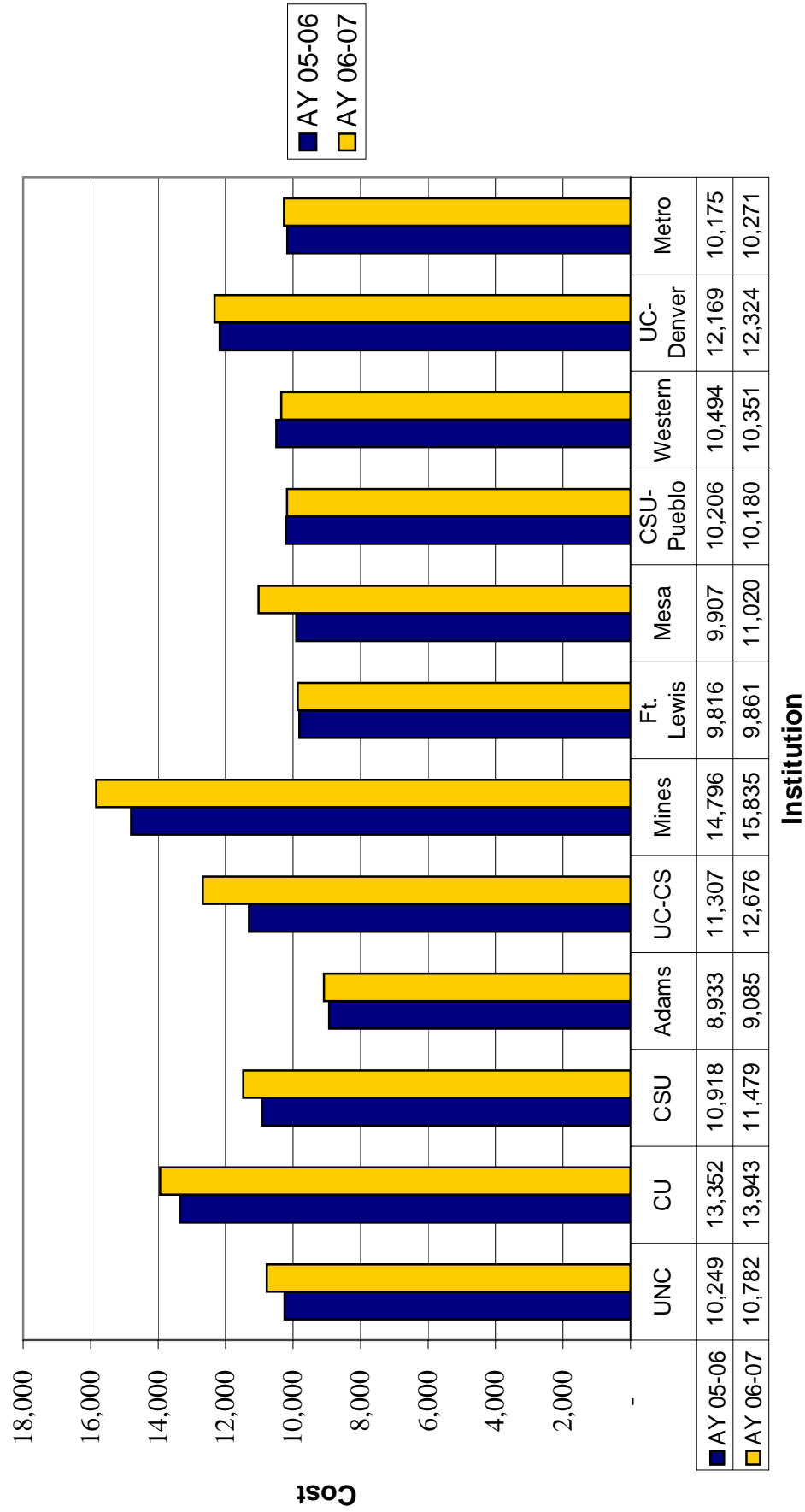
**Chart 2 Room and Board Rates  
AY 2005-06 and AY2006-07**



**Chart 3 Mandatory Undergraduate Fees  
AY 2005-06 and AY2006-07**



**Chart 4 Undergraduate Resident Total Cost  
(Tuition, Mandatory Fees, Room & Board)  
AY 2005-06 and AY 2006-07**





**Chart 5 -- Five Year Headcount Enrollment Trends**

<b>Fall Headcounts</b>					
	<b>Fall 2002</b>	<b>Fall 2003</b>	<b>Fall 2004</b>	<b>Fall 2005</b>	<b>Fall 2006</b>
<b>All Students</b>	<b>11,364</b>	<b>11,611</b>	<b>12,091</b>	<b>12,302</b>	<b>12,109</b>
Degree Seeking Undergrads	9,334	9,563	10,071	10,309	10,385
Non-Degree Seeking Undergrads	79	78	62	48	41
<b>Total Undergrads</b>	<b>9,413</b>	<b>9,641</b>	<b>10,133</b>	<b>10,357</b>	<b>10,426</b>
<b>Off-campus state funded</b>	<b>402</b>	<b>243</b>	<b>212</b>	<b>158</b>	<b>152</b>
<b>Graduates</b>	<b>1,549</b>	<b>1,727</b>	<b>1,746</b>	<b>1,787</b>	<b>1,531</b>
<b>New Freshmen</b>	<b>1,971</b>	<b>2,123</b>	<b>2,431</b>	<b>2,477</b>	<b>2,529</b>
<b>New Transfers</b>	<b>842</b>	<b>942</b>	<b>883</b>	<b>879</b>	<b>764</b>

<b>Spring Headcounts</b>					
	<b>Spring 2003</b>	<b>Spring 2004</b>	<b>Spring 2005</b>	<b>Spring 2006</b>	<b>Spring 2007</b>
<b>All Students</b>	<b>10,830</b>	<b>10,928</b>	<b>11,282</b>	<b>11,210</b>	<b>10,943</b>
Degree Seeking Undergrads	8,755	8,956	9,277	9,336	9,243
Non-Degree Seeking Undergrads	71	80	44	47	54
<b>Total Undergrads</b>	<b>8,826</b>	<b>9,036</b>	<b>9,321</b>	<b>9,383</b>	<b>9,297</b>
<b>Off-campus state funded</b>	<b>414</b>	<b>230</b>	<b>206</b>	<b>141</b>	<b>146</b>
<b>Graduates</b>	<b>1,590</b>	<b>1,662</b>	<b>1,755</b>	<b>1,686</b>	<b>1,500</b>
<b>New Freshmen</b>	<b>44</b>	<b>52</b>	<b>60</b>	<b>59</b>	<b>88</b>
<b>New Transfers</b>	<b>513</b>	<b>467</b>	<b>316</b>	<b>288</b>	<b>267</b>

<b>Summer Headcounts</b>					
	<b>Summer 2002</b>	<b>Summer 2003</b>	<b>Summer 2004</b>	<b>Summer 2005</b>	<b>Summer 2006</b>
<b>All Students</b>	<b>3,951</b>	<b>3,921</b>	<b>3,792</b>	<b>3,756</b>	<b>3,705</b>
Degree Seeking Undergrads	2,185	2,366	2,427	2,462	2,536
Non-Degree Seeking Undergrads	43	36	34	35	17
<b>Total Undergrads</b>	<b>2,228</b>	<b>2,402</b>	<b>2,461</b>	<b>2,497</b>	<b>2,553</b>
<b>Off-campus state funded</b>	<b>184</b>	<b>18</b>	<b>13</b>	<b>1</b>	<b>0</b>
<b>Graduates</b>	<b>1,539</b>	<b>1,501</b>	<b>1,318</b>	<b>1,258</b>	<b>1,152</b>
<b>New Freshmen</b>	<b>10</b>	<b>9</b>	<b>9</b>	<b>4</b>	<b>1</b>
<b>New Transfers</b>	<b>56</b>	<b>70</b>	<b>73</b>	<b>59</b>	<b>47</b>

**Attachment A**  
**TUITION AND FEE RATES**  
**FY 2007-08**

Section A.1	Recommended 2007-08		Actual 2006-07	Increase (Dollars)	Increase %
On-Campus Tuition (Full Time Academic Year Rates)	Per Credit	Academic Year			
<b><u>Resident Tuition:</u></b>					
Undergraduate (15 Credit Hours per Semester)	\$239.00	\$6,270.00	\$5,856	\$414.00	7.1%
College Opportunity Fund (COF) Stipend at 15 credit hour:	-\$89.00	-\$2,670.00	-\$2,580	(\$90.00)	3.5%
Student Share of Tuition net of Stipend at 15 credit hour:	\$150.00	\$3,600.00	\$3,276	\$324.00	
Graduate (9 Credit Hours per Semester)	\$221.75	\$3,991.50	\$3,838	\$153.50	4.0%
Graduate (12 - 16 Credit Hours per Semester)		\$5,322.00	\$5,118	\$204.00	4.0%
<b><u>Non-Resident Tuition:</u></b>					
Undergraduate (12 - 16 Credit Hours per Semester)	\$507.50	\$12,180.00	\$11,856	\$324.00	2.70%
Graduate (9 Credit Hours per Semester)	\$626.50	\$11,277.00	\$11,124	\$153.00	1.40%
Graduate (12 - 16 Credit Hours per Semester)		\$15,036.00	\$14,832	\$204.00	1.40%
<b><u>Differential Tuition: (Per Credit Hour Charge)</u></b>					
Music, Theatre & Nursing Courses **		\$15.00	\$15	\$0	0.0%
Business Courses **		\$20.00	\$20	\$0	0.0%

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

Section A.2	Recommended 2007-08		Actual 2006-07	Increase (Dollars)	Increase %
Mandatory Fees (Full Time Academic Year Rates)	Per Credit	Academic Year			
<b>Student Activity Fees</b> (10 or more credits per semester)	\$35.63	\$712.60	\$674.00	\$38.60	5.7%
<i>Includes student referendum approved by students 4/05</i>					

Section A.3	Recommended 2007-08		Actual 2006-07	Increase (Dollars)	Increase %
Other Fees	Per Credit	Academic Year			
<b><u>Auxiliary Services Room &amp; Board Fees</u></b> (Academic Year base)					
Room rates vary depending on size of rooms and amenities.	\$7,292	\$3,456 to \$4,184	\$6,832	\$460	6.0%
Base Board plan is known as a 19 meal plan, the rate includes a \$50 dining dollar component effective FY08		\$3,836			
<b><u>Parking Fees</u></b>					
Student (Annual)	\$190		\$170	\$20	11.8%
Student (Semester)	\$145		\$135	\$10	7.4%
Student K-Lot (Premium lot limited spaces- Annual)	\$210		\$200	\$10	5.0%
Student K-Lot (Premium lot limited spaces- Semester)	\$165		\$155	\$10	6.5%
Faculty/Staff (Annual)	\$210		\$190	\$20	10.5%
Faculty/Staff (Semester)	\$155		\$145	\$10	6.9%
Faculty/Staff K-Lot (Premium lot limited spaces- Annual)	\$230		\$210	\$20	9.5%
Graduate Assistant (Annual)	\$210		\$190	\$20	10.5%
<b><u>Student Health Insurance Premium Plan (Annual)</u></b>		\$1,700	\$1,576	\$124	7.9%

**Attachment B**  
**TUITION AND FEE RATES**  
**FY 2007-08**

<b>Section B.1</b>	<b>Recommended 2007-08</b>	<b>Actual 2006-07</b>	<b>Increase (Dollars)</b>	<b>Increase %</b>
<b>Other Fees</b>				
<b><u>Study Abroad Application Fee</u></b>	\$300	\$200	\$100	50.0%
<b><u>Admission Fee</u></b>				
Freshman Application	\$45	\$40	\$5	12.5%
Four Year Transfer	\$45	\$40	\$5	12.5%
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	\$145	\$0	0.0%
<b><u>Career Service Fees</u></b>				
Teacher Employment Days	\$25	\$25	\$0	0.0%
<b><u>Graduation Check Fee</u></b>	\$25	\$20	\$5	25.0%

<b>Section B.2</b>	<b>Recommended 2007-08</b>	<b>Actual 2006-07</b>	<b>Increase (Dollars)</b>	<b>Increase %</b>
<b>Off-Campus (Cash Funded Programs)</b>				
<b>External Degree Programs Tuition (Per Credit Hour Rate)</b>				
Undergraduate	\$245	\$236	\$9	3.8%
Graduate	\$330	\$318	\$12	3.8%
Independent Study Tuition				
Undergraduate	\$150	\$144	\$6	4.2%
Graduate	\$225	\$215	\$10	4.7%
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%

<b>Extended Study Fees</b>				
*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%
<b>*Per Credit Hour Rate</b>				

(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

**Attachment C**  
**UNIVERSITY OF NORTHERN COLORADO**  
**STUDENT FEE ALLOCATION UPDATE**  
**FISCAL YEAR 2006-07 AND 2007-08**

	2006-07 Allocation	2007-08 Allocation	Change	
<b>STUDENT ACTIVITY FEE</b>				
<b><u>Programs</u></b>				
Asian/Pacific American Student Services	21,304	21,889	3%	
Cesar Chavez Cultural Center	21,713	22,147	2%	
Club Sports	57,523	58,673	2%	
GLBT Resource Office	25,234	25,739	2%	
Graduate Affairs	66,389	67,717	2%	
International Film Series	12,324	12,730	3%	
Center for International Education	3,539	3,539	0%	
Marcus Garvey Cultural Center	20,160	20,160	0%	
Native American Student Services	20,624	21,036	2%	
Student Activities	340,568	347,379	2%	
Student Representative Council	229,090	233,672	2%	
University Program Council	191,715	195,547	2%	
UNC Radio Station	2,002	2,201	10%	
Women's Resource Center	90,709	92,523	2%	
<b>SFAP PROGRAMS SUBTOTAL</b>	<b>\$1,102,894</b>	<b>\$1,124,952</b>	<b>\$22,058</b>	<b>2.0%</b>
<b>STUDENT FACILITIES &amp; SERVICES FEE</b>				
<b><u>Student Services</u></b>				
Intercollegiate Athletics ( see note 1)	1,441,780	1,735,616	293,836	20.4%
Student Media Corp.	39,581	40,373	792	2.0%
Counseling Center	352,500	359,550	7,050	2.0%
Student Health Center	117,743	120,098	2,355	2.0%
	<b>\$1,951,604</b>	<b>\$2,255,636</b>	<b>\$304,032</b>	<b>15.6%</b>
<b><u>Administrative Services</u></b>				
Administrative Overhead	<b>\$437,078</b>	<b>\$474,275</b>	23,952	<b>5.48%</b>
<b><u>Bonded Facility Operating Costs</u></b>				
Operating Reserve	\$0	\$7,006	7,006	
University Center	598,078	\$610,040	11,962	2.0%
Student Recreation Center / Intramurals	968,177	\$1,009,841	41,664	4.3%
Cassidy Hall (Health & Counseling Center)	151,228	\$154,253	3,025	2.0%
Scott-Willcoxon Hall (WRC)	35,398	\$36,106	708	2.0%
Butler Field House Building	8,000	\$8,160	160	2.0%
Jackson Field House Building	84,000	\$85,680	1,680	2.0%
	<b>\$1,844,881</b>	<b>\$1,911,085</b>	<b>\$59,198</b>	<b>3.2%</b>
<b><u>Bonded Facility Repair &amp; Replacement</u></b>				
University Center	163,535	\$166,806	3,271	2.0%
Student Recreation Center	112,530	\$114,781	2,251	2.0%
Cassidy Hall (Health & Counseling Center)	19,660	\$20,053	393	2.0%
Scott-Willcoxon Hall (WRC)	4,003	\$4,083	80	2.0%
Butler Field House	0	\$2,125	2,125	
Jackson Field House Building	0	\$17,847	17,847	
	<b>\$299,728</b>	<b>\$325,695</b>	<b>\$25,967</b>	<b>8.7%</b>
<b>BOND REQUIREMENTS</b>				
UC Bond Requirements	198,000	198,000	0	0.0%
Campus Rec Center Bond Requirements	621,058	632,168	11,110	1.8%
Scott- Willcoxon Hall Bond Requirements (see note 3)	42,300	0	(42,300)	-100.0%
Cassidy Hall Bond Requirements	129,300	126,425	(2,875)	-2.2%
Recreation and Athletic Facilities	987,755	983,655	(4,100)	-0.4%
<b>SUB-TOTAL BOND REQUIREMENTS</b>	<b>\$1,978,413</b>	<b>\$1,940,248</b>	<b>(\$38,165)</b>	<b>-1.9%</b>
<b>SUB-TOTAL FACILITIES &amp; SERVICES FEE</b>	<b>\$6,511,704</b>	<b>\$6,906,938</b>	<b>\$374,983</b>	<b>5.8%</b>
<b>GRAND TOTAL</b>	<b>\$7,614,598</b>	<b>\$8,031,890</b>		

(1) Athletics budget increases by 2.0% plus \$265,000 for the 3rd and final year of the April 2005 student fee referenda.

(2) The requirement for Scott-Willcoxon terminates at the end of 06-07 fiscal year.

## Attachment D -- Tuition Funded Repair and Replacement

	Brief Description	Projected Cost
Gray Hall roof replacement	Project was approved last year, but deferred. Replace the roofing over the center flat roofed portions and the arched ballroom.	<b>\$125,000</b>
Gray Hall window replacement - Phase I	Project was approved last year, but deferred. Replace existing wood-framed windows throughout the building. Existing windows are rotting away. First of two phases.	<b>\$300,000</b>
Parsons Hall window replacement	Project was approved last year, but deferred. Replace single pane steel-framed windows along south and east side. Existing windows leak wind and water. A future phase would replace remaining windows.	<b>\$150,000</b>
Doubenmier Field irrigation system replacement	Current equipment is original equipment from early 1960s. Malfunctions waste water, damage field.	<b>\$150,000</b>
Candelaria Hall fire alarm system replacement	The current system functions, but does not meet current standards of fire alarm technology. It is original equipment from 1972.	<b>\$150,000</b>
Carter Hall restroom renovation & re-piping	The galvanized piping serving the Carter Hall restrooms is failing. In addition, the restrooms are outdated and in need of a face lift.	<b>\$80,000</b>
<b>Total Tuition Funded R&amp;R</b>		<b>\$955,000</b>

**Attachment E**  
**University of Northern Colorado**  
**Distribution of Faculty Salary Increases**  
**FY 2008**

	<u>Base</u>
<b>Estimated Faculty Salary Base</b>	<b>\$ 28,000,000</b>
<b>Faculty Increase Pool</b>	<b>\$ 1,260,000</b>
<b>Initial Distributions</b>	
Promotions	\$ 44,500
Parity Pool	243,100
Merit Pool	243,100
<b>Subtotal</b>	<b>\$ 530,700</b>
<b>As a Percent of the Base</b>	<b>1.90%</b>
<b>Base Salary Adjustment</b>	
Remaining Amount from Pool	\$ 729,300
Adjustments ( Note 1)	112,000
<b>Subtotal</b>	<b>\$ 841,300</b>
<b>As a Percent of the Base</b>	<b>3.00%</b>
<b>Supplemental Market Competitiveness Pool</b>	<b>\$ 420,000</b>
Original	\$ 420,000
Adjustments (Note 1)	(112,000)
<b>Total</b>	<b>\$ 308,000</b>
<b>As a Percent of the Base</b>	<b>1.10%</b>
<b>Faculty Increase Summary</b>	<b>\$ 1,680,000</b>
<b>As a Percent of the Base</b>	<b>6.00%</b>

Note 1: The \$112,000 adjustment from the supplemental market competitiveness pool is the amount necessary to ensure that each faculty member who "meets expectations" receives at least a 3.0% base salary increase. The example of \$240,000 reflected in the faculty resolution exceeded the need once final calculations were made.