



Fiscal Year 2008-2009 Recommended Operating Budget

June 6, 2008



Office of the Vice President for Administration

TO: University of Northern Colorado Board of Trustees

FROM: Randal Haack, Senior Vice President for Administration and Chief Financial Officer

Date: May 23, 2008

RE: Recommend Approval of Fiscal Year 2008/2009 (FY09) Operating Budget

At the May 9th Board of Trustees meeting the proposed FY09 Operating Budget was reviewed and discussed. Based on the discussion and subsequent direction by the Board Chair and President Norton revisions have been made. For ease, references to all changes from the May agenda item will be clearly identified and explained. Overall this budget will allow the University of Northern Colorado to continue to serve students even though the overall fiscal resources are marginal. The proposed expenditures will focus on the recruitment and retention of students to regain lost enrollment and reward faculty and staff for their continued service during financially challenging times. Increases in tuition and fees are proposed. Correspondingly, financial aid has been increased to ensure access and to supplement student recruitment. The fees recommended will also provide students with tangible and much needed benefits, in such critical areas as technology.

The two significant revisions to the budget proposal in May are increased support to improve compensation parity and scholarships focused on the recruitment and retention of students. Regarding compensation an additional \$1,000,000 will be devoted to improving the UNC goal of parity in salary. The million dollars will support \$808,000 in salaries and \$192,000 in corresponding benefits. The proposed scholarship budget is being increased by \$1,355,000. In both instances the expenditures are being funded from prior year revenues. While the support for the additional FY09 expenditures are from one time funds the intent is to fund them on an ongoing basis.

The University Academic Plan provided the following priorities for the budget process.

Goal 1: Create an exemplary teaching and learning community

Goal 2: Build a superior faculty of teacher-scholars

Goal 3: Be a model for transformational learning that integrates all aspects of students' UNC experience

Goal 4: Build a staff that is dedicated to the teaching and learning community

Goal 5: Engage the greater community as partners in teaching and learning

Revenue is based upon a 5% enrollment decline in addition to the 3% decline from budget in FY08. Recruitment and retention is a University priority and there are areas which will receive additional monies (Public Relations, \$250,000 and Academic Advising, \$150,000) to assist in this effort. With regard to scholarships, funds have been allocated to assist with need-based financial aid and to help recruit students to the University.

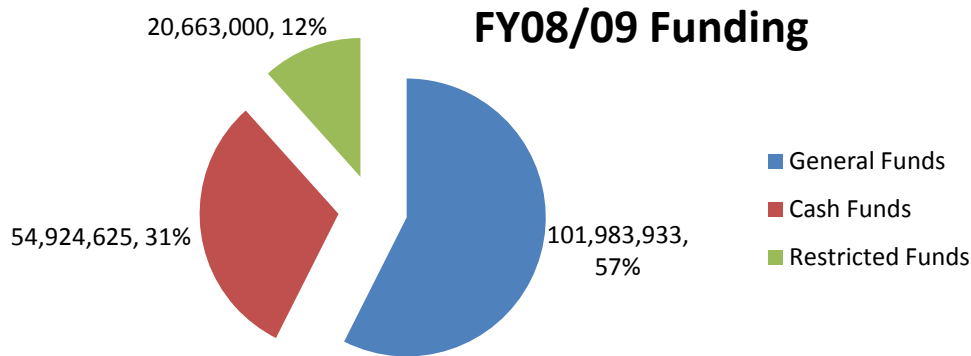
The student share of tuition is proposed to increase 9.5% for both residents and nonresidents. In FY07 we instituted a differential tuition for Nursing, Music, Theatre and Business but because of last minute changes to the state budget we used the differential tuition revenue to backfill the overall university budget rather than direct some of it to those programs. For FY09, we recommend changing this approach, directing one-third of the differential tuition revenue to the areas where they are generated for program enhancement. It is also recommended that the differential tuition rate be increased by 9.5% (rounded to the nearest \$.25). The differentiated tuition rates have not been adjusted since their inception. We will continue to examine our application of differential tuition to determine its most effective use.

With regard to fees (technology, instructional-classroom consumables, library learning materials and student services-health operations and counseling), that we discussed with the Board of Trustees at our April 14th working session we have revised our approach to a more gradual reinstitution of fees. We are therefore recommending moving forward with only the technology fee, which will provide enhanced technology services to UNC students, including additional smart classrooms and technology support. Minor adjustments in the proposed technology fee per credit hour rates by college have been made based upon a refinement of our cost benefit analysis. Instituting the fees previously under consideration would move the University of Northern Colorado in line with the fee structure of the other public universities in Colorado. However, to do so could adversely impact recruitment and retention at this time. Recent discussions at the state level have introduced the potential for capital fees to address construction and renovation of buildings, although none were mandated at this time. We recognize the significant need for consumables funding and the increased costs of the library. Those needs will be addressed to the extent possible with one-time funding as has been the practice in recent years.

Page 21 is a new schedule from what was presented in May to explain the use of one time funds, university cash management, and measurements of UNC's fiscal strength. In the past two years we have reviewed closely university fiscal resources, procedures for fund allocation, reallocation and retention. The review resulted in the FY08 implementation of a practice whereby budget managers were provided a means to retain funds for necessary expenditures over fiscal periods but also allow the University to redirect available resources to high priorities. The full text of this practice can be found online at: <http://www.unco.edu/acctservices/ftp/genacct/RollForwardInterest8.pdf>.

At the Board of Trustees retreat we will request the opportunity to present additional information related to cash balances and cash management with the goal of establishing specific strategic cash targets acceptable to the BOT.

The University of Northern Colorado proposed budget is approximately \$177 million. This budget can be thought of as three parts: approximately \$102 million of general funds, \$55 million of cash funds and \$20 million of restricted funds. The summary of all funds can be found on page 4. The graph below illustrates the exact dollars figures and percentages for funding for FY09.



To compare the budget to the audited financial statements, adjustments are required. For example the financial statement reduces revenue by scholarship allowance, eliminates the effect of internal sales, and reflects depreciation which is not budgeted.

The attached materials are organized as follows:

| | |
|--|------------|
| Budget Summary | page 4 |
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| Restricted Funds | page 11 |
| Tuition and Fees | page 12-17 |
| University Funding Priorities Guidelines | page 18-20 |
| Cash Balances | page 21 |

University of Northern Colorado
FY09 Budget Summary
Summary of All Funds

| REVENUE | Current Budget FY08 | Recommended Budget FY09 | Change | |
|---|------------------------|-------------------------------|------------------|--------------|
| | | | Amount | Percent |
| Resident Tuition | \$ 38,846,305 | \$ 39,115,826 | \$ 269,521 | 0.69% |
| COF Stipend | 22,776,833 | 21,804,000 | (972,833) | -4.27% |
| Non-Resident Tuition | 14,193,291 | 14,244,629 | 51,338 | 0.36% |
| Fee For Service (COF) | 18,379,337 | 22,282,311 | 3,902,974 | 21.24% |
| Long Bill Appropriated Fees | 777,890 | 2,977,890 | 2,200,000 | (1) |
| Sub Total Appropriated Revenue | 94,973,656 | 100,424,656 | 5,451,000 | 5.74% |
| Extended Studies Tuition | 5,289,000 | 5,581,625 | 292,625 | 5.53% |
| Extended Studies Fees | 680,000 | 680,000 | 0 | 0.00% |
| Student Fees | 8,032,000 | 7,668,000 | (364,000) | -4.53% |
| Grants and Contracts | 19,632,000 | 19,837,000 | 205,000 | 1.04% |
| Room and Board | 23,147,000 | 23,079,000 | (68,000) | -0.29% |
| Other Auxiliary Services Revenue | 5,351,000 | 5,574,000 | 223,000 | 4.17% |
| Investment Income | 1,029,671 | 1,029,671 | 0 | 0.00% |
| Other Internal Income | 5,390,000 | 5,705,000 | 315,000 | 5.84% |
| Other Revenue | 7,614,606 | 7,992,606 | 378,000 | 4.96% |
| TOTAL OPERATING REVENUES | 171,138,933 | 177,571,558 | 6,432,625 | 3.76% |
| EXPENDITURES | | | | |
| PERSONNEL EXPENSES | | | | |
| Faculty Salaries | 33,852,916 | 35,268,041 | 1,415,125 | 4.18% |
| TA Salary and Scholarships | 1,958,737 | 1,958,737 | 0 | 0.00% |
| Exempt Salaries | 19,853,172 | 20,449,172 | 596,000 | 3.00% |
| GA Salary and Scholarships | 1,284,019 | 1,284,019 | 0 | 0.00% |
| Classified Salaries | 20,826,100 | 21,719,400 | 893,300 | 4.29% |
| Other Salaries | 4,416,004 | 4,495,004 | 79,000 | 1.79% |
| Fringe Benefits | 18,400,629 | 19,285,929 | 885,300 | 4.81% |
| Other | 10,500 | 10,500 | 0 | 0.00% |
| Additional Salary Increase incl benefits | | 1,000,000 | 1,000,000 | new |
| TOTAL PERSONNEL EXPENSES | 100,602,077 | 105,470,802 | 4,868,725 | 4.84% |
| NONPERSONNEL EXPENSES | | | | |
| Cost of Sales | 8,251,000 | 8,501,000 | 250,000 | 3.03% |
| Other Current Expense | 22,087,674 | 23,150,974 | 1,063,300 | 4.81% |
| Scholarships | 18,598,329 | 19,542,329 | 944,000 | 5.08% |
| Additional Scholarship Increase | | 1,355,500 | 1,355,500 | new |
| Utilities | 8,421,478 | 8,441,978 | 20,500 | 0.24% |
| Risk Management | 147,600 | 147,600 | 0 | 0.00% |
| Travel | 1,995,637 | 1,995,637 | 0 | 0.00% |
| Capital | 2,822,638 | 2,801,238 | (21,400) | -0.76% |
| TOTAL NONPERSONNEL EXPENSES | 62,324,356 | 65,936,256 | 3,611,900 | 5.80% |
| TRANSFERS | | | | |
| Transfers | 8,212,500 | 8,520,000 | 307,500 | 3.74% |
| TOTAL TRANSFERS | 8,212,500 | 8,520,000 | 307,500 | 3.74% |
| TOTAL EXPENDITURES/TRANSFERS | 171,138,933 | 179,927,058 | 8,788,125 | 5.14% |
| REVENUES LESS EXPENDITURES | | | | |
| | \$ - | \$ (2,355,500) | \$ (2,355,500) | |
| Commitment of 1 time Funds (Salaries) | | 1,000,000 | 1,000,000 | |
| Commitment of 1 time Funds (Scholarships) | | 1,355,500 | 1,355,500 | |
| TOTAL FUNDS LESS EXPENDITURES | \$ - | \$ - | \$ - | |

(1) UNC has added a technology fee that is anticipated to generate \$2.2 million in FY09.

University of Northern Colorado
FY09 Budget Summary
General Funds
(Stipend, FFS, Tuition, Academic Fees, Other)

| REVENUE | Current Budget FY08 | Recommended Budget FY09 | Change | |
|---------------------------------------|------------------------|-------------------------------|------------------|--------------|
| | | | Amount | Percent |
| Resident Tuition | \$ 38,846,305 | \$ 39,115,826 | \$ 269,521 | 0.69% |
| COF Stipend | 22,776,833 | 21,804,000 | (972,833) | -4.27% |
| Non-Resident Tuition | 14,193,291 | 14,244,629 | 51,338 | 0.36% |
| Fee For Service (COF) | 18,379,337 | 22,282,311 | 3,902,974 | 21.24% |
| Long Bill Appropriated Fees | 777,890 | 2,977,890 | 2,200,000 | (1) |
| Sub Total Appropriated Revenue | 94,973,656 | 100,424,656 | 5,451,000 | 5.74% |
| Investment Income | 509,671 | 509,671 | 0 | 0.00% |
| Other Revenue | 1,018,606 | 1,049,606 | 31,000 | 3.04% |
| TOTAL OPERATING REVENUES | 96,501,933 | 101,983,933 | 5,482,000 | 5.68% |

EXPENDITURES

PERSONNEL EXPENSES

| | | | | |
|--|-------------------|-------------------|------------------|--------------|
| Faculty Salaries | 30,116,616 | 31,320,616 | 1,204,000 | 4.00% |
| TA Salary and Scholarships | 1,958,737 | 1,958,737 | 0 | 0.00% |
| Exempt Salaries | 13,417,372 | 13,820,372 | 403,000 | 3.00% |
| GA Salary and Scholarships | 1,284,019 | 1,284,019 | 0 | 0.00% |
| Classified Salaries | 16,209,600 | 16,904,600 | 695,000 | 4.29% |
| Other Salaries | 1,399,604 | 1,441,604 | 42,000 | 3.00% |
| Fringe Benefits | 14,216,829 | 14,895,829 | 679,000 | 4.78% |
| Additional Salary Increase incl benefits | | 1,000,000 | 1,000,000 | new |
| TOTAL PERSONNEL EXPENSES | 78,602,777 | 82,625,777 | 4,023,000 | 5.12% |

NONPERSONNEL EXPENSES

| | | | | |
|------------------------------------|-------------------|-------------------|------------------|---------------|
| Other Current Expense | 3,815,674 | 5,330,674 | 1,515,000 | 39.70% |
| Scholarships | 6,429,329 | 7,373,329 | 944,000 | 14.68% |
| Additional Scholarship Increase | | 1,355,500 | 1,355,500 | new |
| Utilities | 4,786,978 | 4,786,978 | 0 | 0.00% |
| Risk Management | 400 | 400 | 0 | 0.00% |
| Travel | 322,137 | 322,137 | 0 | 0.00% |
| Capital | 2,685,638 | 2,685,638 | 0 | 0.00% |
| TOTAL NONPERSONNEL EXPENSES | 18,040,156 | 21,854,656 | 3,814,500 | 21.14% |

TRANSFERS

| | | | | |
|-------------------------------------|-------------------|--------------------|------------------|--------------|
| Transfers | -141,000 | -141,000 | 0 | 0.00% |
| TOTAL TRANSFERS | -141,000 | -141,000 | 0 | 0.00% |
| TOTAL EXPENDITURES/TRANSFERS | 96,501,933 | 104,339,433 | 7,837,500 | 8.12% |

REVENUES LESS EXPENDITURES

| | | | |
|---|-------------|----------------|----------------|
| | \$ - | \$ (2,355,500) | \$ (2,355,500) |
| Commitment of 1 time Funds (Salaries) | | 1,000,000 | 1,000,000 |
| Commitment of 1 time Funds (Scholarships) | | 1,355,500 | 1,355,500 |
| TOTAL FUNDS LESS EXPENDITURES | \$ - | \$ - | \$ - |

(1) UNC has added a technology fee that is anticipated to generate \$2.2 million in FY09.

University of Northern Colorado
FY09 Budget Summary
Summary of Changes to Expenditures and Revenue

| Expenditures | | | Base Budget FY08 | <u>\$96,501,933</u> |
|--|------|--|-------------------------|-----------------------------|
| PERSONNEL EXPENSES | | | | |
| Faculty Salaries (Increase pool) | 3% | | 815,000 | |
| Faculty Salary Parity (Increase pool) | 1% | | 300,000 | |
| Summer Faculty(Increase pool) | 3% | | 89,000 | |
| Exempt Salaries(Increase pool) | 3% | | 403,000 | |
| Classified Salaries (Increase pool) | 4.3% | | 695,000 | |
| Student Hourly & Other Salaries (pool) | 3% | | 42,000 | |
| Fringe Benefits on Salary Increases | | | 679,000 | |
| Additional Salary (Increase pool) | | | 1,000,000 | |
| Total Change in Personnel Expenses | | | | <u>4,023,000</u> |
| OTHER CURRENT EXPENSES (OCE) | | | | |
| Audit Costs | | | 20,000 | |
| Public Health Consortium | | | 100,000 | |
| Public Relations | | | 250,000 | |
| Technology Enhancement | | | 1,100,000 | |
| Academic Advising | | | 150,000 | |
| Differential Tuition | | | 225,000 | |
| Increase in recovery for administrative services from cash funds | | | -330,000 | |
| Total Change in OCE | | | | <u>1,515,000</u> |
| SCHOLARSHIPS | | | | |
| Need Based | | | 418,000 | |
| Recruitment /Incentives | | | 526,000 | |
| Additional Scholarship Increase | | | 1,355,500 | |
| Total Change in Scholarships | | | | <u>2,299,500</u> |
| Total Change in Expenditures | | | | <u>7,837,500</u> |
| Proposed Expenditures FY09 | | | | <u>\$104,339,433</u> |

| Revenues | | | Base Budget FY08 | <u>\$96,501,933</u> |
|---|-------|--|-------------------------|-----------------------------|
| Estimated FY08 Enrollment Adjustment | | | -2,800,000 | |
| Projected FY09 Enrollment Adjustment | | | -3,667,000 | |
| FY09 Tuition Increase (Student Share) | 9.50% | | 6,787,859 | |
| COF Stipend and FFS Increase FY09 | | | 2,930,141 | |
| Proposed Technology Fee | | | 2,200,000 | |
| Other Revenue | | | 31,000 | |
| Total Change in Revenue | | | | <u>5,482,000</u> |
| Projected Revenue FY09 | | | | <u>\$101,983,933</u> |
| Commitment of 1 time Funds (Salaries) | | | 1,000,000 | |
| Commitment of 1 time Funds (Scholarships) | | | 1,355,500 | |
| Total Funds for FY09 | | | | <u>\$104,339,433</u> |

University of Northern Colorado
FY09 Budget Summary
Cash Funds

(Extended Studies, Student Fees, Auxiliary Services, Other Cash)

| REVENUE | Current Budget FY08 | Recommended Budget FY09 | Change | |
|-------------------------------------|------------------------|-------------------------------|------------------|---------------|
| | | | Amount | Percent |
| Extended Studies Tuition | \$ 5,289,000 | \$ 5,581,625 | \$ 292,625 | 5.53% |
| Extended Studies Fees | 680,000 | 680,000 | 0 | 0.00% |
| Student Fees | 8,032,000 | 7,668,000 | (364,000) | -4.53% |
| Grants and Contracts | 61,000 | 61,000 | 0 | 0.00% |
| Room and Board | 23,147,000 | 23,079,000 | (68,000) | -0.29% |
| Other Auxiliary Services Revenue | 5,351,000 | 5,574,000 | 223,000 | 4.17% |
| Investment Income | 301,000 | 301,000 | 0 | 0.00% |
| Other Internal Income | 5,390,000 | 5,705,000 | 315,000 | 5.84% |
| Other Revenue | 5,928,000 | 6,275,000 | 347,000 | 5.85% |
| TOTAL OPERATING REVENUES | 54,179,000 | 54,924,625 | 745,625 | 1.38% |
| EXPENDITURES | | | | |
| PERSONNEL EXPENSES | | | | |
| Faculty Salaries | 2,308,300 | 2,462,425 | 154,125 | 6.68% |
| Exempt Salaries | 4,698,800 | 4,839,800 | 141,000 | 3.00% |
| Classified Salaries | 4,424,500 | 4,614,800 | 190,300 | 4.30% |
| Other Salaries | 1,793,400 | 1,793,400 | 0 | 0.00% |
| Fringe Benefits | 3,107,800 | 3,263,100 | 155,300 | 5.00% |
| Other | 10,500 | 10,500 | 0 | 0.00% |
| TOTAL PERSONNEL EXPENSES | 16,343,300 | 16,984,025 | 640,725 | 3.92% |
| NONPERSONNEL EXPENSES | | | | |
| Cost of Sales | 8,251,000 | 8,501,000 | 250,000 | 3.03% |
| Other Current Expense | 15,412,000 | 14,960,300 | (451,700) | -2.93% |
| Scholarships | 280,000 | 280,000 | 0 | 0.00% |
| Utilities | 3,634,500 | 3,655,000 | 20,500 | 0.56% |
| Risk Management | 145,200 | 145,200 | 0 | 0.00% |
| Travel | 1,313,500 | 1,313,500 | 0 | 0.00% |
| Capital | 97,000 | 75,600 | (21,400) | -22.06% |
| TOTAL NONPERSONNEL EXPENSES | 29,133,200 | 28,930,600 | (202,600) | -0.70% |
| TRANSFERS | | | | |
| Transfers | 8,702,500 | 9,010,000 | 307,500 | 3.53% |
| TOTAL TRANSFERS | 8,702,500 | 9,010,000 | 307,500 | 3.53% |
| TOTAL EXPENDITURES/TRANSFERS | 54,179,000 | 54,924,625 | 745,625 | 1.38% |
| REVENUES LESS EXPENDITURES | \$ - | \$ - | \$ - | |

University of Northern Colorado
FY09 Budget Summary
Cash Funds
Pledged for Debt Service and Non-Pledged

The University of Northern Colorado anticipates "Cash Revenues" to total \$54,925,000 in FY08-09. A portion of these revenues (\$34,603,000) are pledged for the bonds that have been issued. The remaining revenues are for a variety of functions that support the activities of the University. The following describes the types of activities included in the Cash funds.

Pledged "Cash" Revenues; Housing and Dining Services, Parking Services, Rec Center, Health and Counseling Centers, Women's Resource Center and Recreation and Athletic facilities. \$ 34,603,000

Non-Pledged "Cash" Revenues;

| | |
|---|--------------|
| Extended Studies | \$ 6,036,000 |
| Athletics (student fees and other cash) | \$ 3,286,000 |
| Student Fees (other non-pledged) | \$ 1,165,000 |
| Bear Logic (internal computer store) | \$ 3,172,000 |
| Mail Services | \$ 580,000 |
| Warehouse Services | \$ 617,000 |
| Student Orientation | \$ 512,000 |
| Speech and Audiology Clinic | \$ 433,000 |
| Summer Enrichment Program | \$ 515,000 |
| Other (individual programs less than \$100,000) | \$ 4,006,000 |

| | |
|---------------------------|----------------------|
| Total "Cash Funds" | \$ 54,925,000 |
|---------------------------|----------------------|

UNIVERSITY OF NORTHERN COLORADO

Actual and Projected Revenues and Expenditures

Pledged Net Revenues

| | <i>Actual FY06-07</i> | <i>Estimated FY07-08</i> | <i>Estimated FY08-09</i> | <i>Estimated FY09-10</i> | <i>Estimated FY10-11</i> |
|--|---------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Operating Revenues: | | | | | |
| Housing and Food Contracts | 22,033,539 | 22,168,000 | 23,079,000 | 26,704,000 | 28,448,000 (1) |
| Short Term Room and Board | 1,608,906 | 1,997,000 | 2,067,000 | 2,139,000 | 2,214,000 (2) |
| Student Fees | 4,614,132 | 4,592,000 | 4,252,000 | 4,358,000 | 4,467,000 (3) (4) |
| Parking Fees | 1,788,140 | 1,865,000 | 2,186,000 | 2,391,000 | 2,487,000 (5) |
| Other Aux Sales and Services | 3,652,516 | 3,604,000 | 3,019,000 | 3,094,000 | 3,171,000 (3) |
| Pledged Student Tuition | | 7,273,000 | 7,637,000 | 8,019,000 | 8,420,000 (9) |
| Gross Revenues | 33,697,233 | 41,499,000 | 42,240,000 | 46,705,000 | 49,207,000 |
| Expenditures | | | | | |
| Cost of Sales | 3,449,605 | 3,270,000 | 3,503,000 | 3,591,000 | 3,681,000 (3) |
| Personal Services | 8,306,538 | 9,500,000 | 9,137,000 | 9,569,000 | 9,856,000 (6) (7) |
| Other Current Expenses | 8,095,223 | 8,719,000 | 7,874,000 | 8,971,000 | 9,195,000 (3) (7) |
| Utilities | 2,345,082 | 3,237,000 | 3,399,000 | 3,842,000 | 4,034,000 (8) (7) |
| Travel and Subsistence | 91,024 | 72,000 | 72,000 | 72,000 | 72,000 |
| Capital Outlay, Operations | 180,717 | 20,000 | 67,000 | 67,000 | 67,000 |
| Current Expenses | 22,468,189 | 24,818,000 | 24,052,000 | 26,112,000 | 26,905,000 |
| Net Revenues | 11,229,044 | 16,681,000 | 18,188,000 | 20,593,000 | 22,302,000 |
| Transfers: | | | | | |
| (or available for transfer) | | | | | |
| Debt Service | 8,129,060 | 8,265,228 | 8,635,758 | 8,639,363 | 9,296,440 |
| Less: Capitalized Interest | -2,600,000 | -1,560,000 | -959,000 | -155,000 | 0 (10) |
| Net Debt Service | 5,529,060 | 6,705,228 | 7,676,758 | 8,484,363 | 9,296,440 |
| Capital Maintenance | 4,228,835 | 1,189,772 | 1,333,242 | 2,325,637 | 2,712,560 |
| Administrative Overhead | 1,471,149 | 1,513,000 | 1,541,000 | 1,764,000 | 1,873,000 |
| Total Transfers | 11,229,044 | 9,408,000 | 10,551,000 | 12,574,000 | 13,882,000 |
| Net Pledged Revenue After Transfers | 0 | 7,273,000 | 7,637,000 | 8,019,000 | 8,420,000 |
| Net Revenue w/o Tuition / Net Debt Service | 2.03 | 1.40 | 1.37 | 1.48 | 1.49 |
| Net Revenue with Tuition / Net Debt Service | 2.03 | 2.49 | 2.37 | 2.43 | 2.40 |

Assumptions for 2007-08 through 2010-2011

- (1) Assumes 96% to 96.5% occupancy. Assumes 6% room and board increase for FY08 and FY09. Assumes 7.3% room and board increase for FY2010. Goal is to fund debt service obligations and provide for capital maintenance. If utility cost increase above projected room rate increases, room rates will have to be increased.
- (2) Estimated using a 3.5% growth rate
- (3) Estimated using a 2.5% growth rate.
- (4) Student Fee Referenda were approved by students in Spring of 2005 to increase student fees by \$44 per student (FY06 only) for sports and recreation facility improvements.
- (5) Parking Decal assumed to be increased \$20 each for FY08, FY09 and FY10
- (6) Estimated using a 3% growth rate
- (7) Costs will increase due to changed facilities in FY09-10.
- (8) Estimated using a 12% increase in FY07-08, 5% growth rate in other years.
- (9) Pledged revenues at the University of Northern Colorado include 10% of tuition per the bonding resolution dated 2/8/2008.
- (10) Capitalized interest originally funded by the Board's Series 2005 Bonds, plus interest on the proceeds of the Series 2005 Bonds.

Source: The University's Administrative Staff

University Of Northern Colorado Aggregate Debt Service Schedule

| | Aggregate Debt Service | Auxiliary Services Debt Service (*) | Parking Services Debt Service (**) | Student Fee Debt Service (***) |
|---------------|---------------------------|--|---|---|
| Debt Svc Trfr | 222,206 | 38,886 | 0 | 183,320 |
| 6/1/2008 | 8,043,022 | 5,826,496 | 652,825 | 1,563,701 |
| 6/1/2009 | 8,635,758 | 6,052,710 | 655,350 | 1,927,699 |
| 6/1/2010 | 8,639,363 | 6,118,555 | 652,377 | 1,868,431 |
| 6/1/2011 | 9,296,440 | 6,737,351 | 654,060 | 1,905,030 |
| 6/1/2012 | 9,293,356 | 6,973,329 | 650,225 | 1,669,803 |
| 6/1/2013 | 9,300,731 | 6,971,979 | 654,925 | 1,673,828 |
| 6/1/2014 | 9,292,831 | 6,982,079 | 648,950 | 1,661,803 |
| 6/1/2015 | 9,378,781 | 6,983,429 | 651,450 | 1,743,903 |
| 6/1/2016 | 9,383,094 | 6,979,754 | 649,100 | 1,754,240 |
| 6/1/2017 | 9,380,819 | 6,981,854 | 651,300 | 1,747,665 |
| 6/1/2018 | 9,383,106 | 6,981,279 | 650,850 | 1,750,978 |
| 6/1/2019 | 9,386,506 | 6,980,660 | 655,650 | 1,750,196 |
| 6/1/2020 | 9,383,856 | 6,977,125 | 653,325 | 1,753,406 |
| 6/1/2021 | 9,381,006 | 6,976,470 | 650,200 | 1,754,336 |
| 6/1/2022 | 9,381,906 | 6,976,600 | 652,450 | 1,752,856 |
| 6/1/2023 | 9,376,600 | 6,974,510 | 648,700 | 1,753,390 |
| 6/1/2024 | 9,384,775 | 6,979,950 | 654,200 | 1,750,625 |
| 6/1/2025 | 9,380,850 | 7,742,170 | 653,450 | 985,230 |
| 6/1/2026 | 9,380,100 | 7,747,170 | 646,700 | 986,230 |
| 6/1/2027 | 9,383,250 | 7,748,000 | 650,250 | 985,000 |
| 6/1/2028 | 9,381,000 | 7,746,250 | 651,500 | 983,250 |
| 6/1/2029 | 9,379,250 | 7,742,750 | 651,500 | 985,000 |
| 6/1/2030 | 9,387,250 | 7,752,000 | 650,250 | 985,000 |
| 6/1/2031 | 9,383,750 | 7,747,750 | 652,750 | 983,250 |
| 6/1/2032 | 5,188,500 | 3,960,000 | 243,750 | 984,750 |
| 6/1/2033 | 6,160,250 | 4,927,250 | 248,750 | 984,250 |
| 6/1/2034 | 6,160,250 | 4,925,500 | 248,000 | 986,750 |
| 6/1/2035 | 6,159,250 | 4,925,500 | 246,750 | 987,000 |
| 6/1/2036 | 4,926,750 | 4,926,750 | 0 | 0 |
| 6/1/2037 | 4,928,750 | 4,928,750 | 0 | 0 |
| 6/1/2038 | 4,926,000 | 4,926,000 | 0 | 0 |
| 6/1/2039 | 4,928,250 | 4,928,250 | 0 | 0 |
| 6/1/2040 | 4,929,750 | 4,929,750 | 0 | 0 |
| | 300,812,173 | 232,647,723 | 19,386,300 | 48,778,151 |

University of Northern Colorado

FY09 Budget Summary

Restricted Funds

(Foundation Funds to UNC, Fed and State Financial Aid, Restricted Grants, Loans and Endowments)

| REVENUE | Current Budget FY08 | Recommended Budget FY09 | Change | |
|-------------------------------------|------------------------|-------------------------------|----------------|--------------|
| | | | Amount | Percent |
| Grants and Contracts | \$ 19,571,000 | \$ 19,776,000 | \$ 205,000 | 1.05% |
| Investment Income | 219,000 | 219,000 | | 0.00% |
| Other Revenue | 668,000 | 668,000 | | 0.00% |
| TOTAL OPERATING REVENUES | 20,458,000 (1) | 20,663,000 | 205,000 | 1.00% |
| EXPENDITURES | | | | |
| PERSONNEL EXPENSES | | | | |
| Faculty Salaries | 1,428,000 | 1,485,000 | 57,000 | 3.99% |
| Exempt Salaries | 1,737,000 | 1,789,000 | 52,000 | 2.99% |
| Classified Salaries | 192,000 | 200,000 | 8,000 | 4.17% |
| Other Salaries | 1,223,000 | 1,260,000 | 37,000 | 3.03% |
| Fringe Benefits | 1,076,000 | 1,127,000 | 51,000 | 4.74% |
| Other | | 0 | | |
| TOTAL PERSONNEL EXPENSES | 5,656,000 | 5,861,000 | 205,000 | 3.62% |
| NONPERSONNEL EXPENSES | | | | |
| Other Current Expense | 2,860,000 | 2,860,000 | | 0.00% |
| Scholarships | 11,889,000 | 11,889,000 | | 0.00% |
| Risk Management | 2,000 | 2,000 | | 0.00% |
| Travel | 360,000 | 360,000 | | 0.00% |
| Capital | 40,000 | 40,000 | | 0.00% |
| TOTAL NONPERSONNEL EXPENSES | 15,151,000 | 15,151,000 | 0 | 0.00% |
| TRANSFERS | | | | |
| Transfers | (349,000) | (349,000) | | 0.00% |
| TOTAL TRANSFERS | (349,000) | (349,000) | 0 | 0.00% |
| TOTAL EXPENDITURES/TRANSFERS | 20,458,000 | 20,663,000 | 205,000 | 1.00% |
| REVENUES LESS EXPENDITURES | \$ - | \$ - | \$ - | |

(1) Sources of Funds

| | | |
|---------------------------------|----------------------|----------------------|
| Foundation Funds | 2,156,000 | 2,156,000 |
| Federal and State Financial Aid | 10,655,000 | 10,655,000 |
| Restricted Grants | 6,782,000 | 6,987,000 |
| Loans and Endowments | 865,000 | 865,000 |
| Total | \$ 20,458,000 | \$ 20,663,000 |

**University of Northern Colorado
FY09 Budget Summary
TUITION AND FEE RATES**

| Section A.1 | Recommended FY09 | | Actual FY08 | Increase (Dollars) | Increase % |
|--|---------------------|---------------|----------------|-----------------------|---------------|
| On-Campus Tuition (Full Time Academic Year Rates) | Per Credit | Academic Year | | | |
| <u>Resident Tuition:</u> | | | | | |
| Undergraduate (15 Credit Hours per Semester) | \$256.25 | \$6,702.00 | \$6,270 | \$432.00 | 6.9% |
| College Opportunity Fund (COF) Stipend at 15 credit hours | -\$92.00 | -\$2,760.00 | -\$2,670 | (\$90.00) | 3.4% |
| Student Share of Tuition net of Stipend at 15 credit hours | \$164.25 | \$3,942.00 | \$3,600 | \$342.00 | 9.5% |
| Graduate (9 Credit Hours per Semester) | \$242.75 | \$4,369.50 | \$3,992 | \$378.00 | 9.5% |
| Graduate (12 - 16 Credit Hours per Semester) | | \$5,826.00 | \$5,322 | \$504.00 | 9.5% |
| <u>Non-Resident Tuition:</u> | | | | | |
| Undergraduate (12 - 16 Credit Hours per Semester) | \$556.00 | \$13,344.00 | \$12,180 | \$1,164.00 | 9.60% |
| Graduate (9 Credit Hours per Semester) | \$687.00 | \$12,366.00 | \$11,277 | \$1,089.00 | 9.70% |
| Graduate (12 - 16 Credit Hours per Semester) | | \$16,488.00 | \$15,036 | \$1,452.00 | 9.70% |
| <u>Differential Tuition: (Per Credit Hour Charge)</u> | | | | | |
| Music, Theatre & Nursing Courses ** | | \$16.50 | \$15 | \$1.50 | 10.00% |
| Business Courses ** | | \$22.00 | \$20 | \$2.00 | 10.00% |

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

| Section A.2 | Recommended FY09 | | Actual FY08 | Increase (Dollars) | Increase % |
|--|---------------------|---------------|----------------|-----------------------|---------------|
| Mandatory Fees (Full Time Academic Year Rates) | Per Credit | Academic Year | | | |
| Student Activity Fees (10 or more credits per semester) | \$36.90 | \$738.00 | \$712.60 | \$25.40 | 3.6% |

| Section A.3 | Recommended FY09 | | Actual FY08 | Increase (Dollars) | Increase % |
|---|---------------------|---------------|----------------|-----------------------|---------------|
| Other Fees | Per Credit | Academic Year | | | |
| <u>Technology Fee Average Charge</u> | \$ 7.90 | \$237.00 | n/a | \$237.00 | New |
| <u>Specific Charge by Major</u> | | | | | |
| EBS | \$ 7.40 | \$222.00 | | | |
| HSS | \$ 7.35 | \$220.50 | | | |
| NHS | \$ 7.75 | \$232.50 | | | |
| PVA | \$ 7.35 | \$220.50 | | | |
| MCB | \$ 8.00 | \$240.00 | | | |
| Undeclared | \$ 7.90 | \$237.00 | | | |

**University of Northern Colorado
FY09 Budget Summary
TUITION AND FEE RATES**

| Section B.1 | Recommended FY09 | Actual FY08 | Increase (Dollars) | Increase % |
|---|--|----------------|-----------------------|---------------|
| Other Fees | Per Credit Academic Year | | | |
| <u>Auxiliary Services Room & Board Fees</u> (Academic Year base) Room rates vary depending on size of rooms and amenities. Base Board plan is known as a 19 meal plan. | \$7,784 \$3,664 to \$4,436 \$4,120 | \$7,342 | \$442 | 6.0% |
| <u>Parking Fees</u> Student (Annual) \$210 \$190 \$20 10.5% Student (Semester) \$145 \$145 \$0 0.0% Student K-Lot (Premium lot limited spaces- Annual) \$230 \$210 \$20 9.5% Student K-Lot (Premium lot limited spaces- Semester) \$165 \$165 \$0 0.0% Faculty/Staff (Annual) \$230 \$210 \$20 9.5% Faculty/Staff (Semester) \$155 \$155 \$0 0.0% Faculty/Staff K-Lot (Premium lot limited spaces- Annual) \$250 \$230 \$20 8.7% Graduate Assistant (Annual) \$230 \$210 \$20 9.5% | | | | |
| <u>Student Health Insurance Premium Plan (Annual)</u> | \$1,750 | \$1,700 | \$50 | 2.9% |
| Section B.2 | Recommended FY09 | Actual FY08 | Increase (Dollars) | Increase % |
| Other Fees | | | | |
| <u>Study Abroad Application Fee</u> | \$300 | \$300 | \$0 | 0.0% |
| <u>Admission Fee</u> Freshman Application \$45 \$45 \$0 0.0% Four Year Transfer \$45 \$45 \$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% Student Success Fee \$160 \$145 \$15 10.3% | | | | |
| <u>Career Service Fees</u> Teacher Employment Days \$25 \$25 \$0 0.0% | \$25 | \$25 | \$0 | 0.0% |
| <u>Graduation Check Fee</u> | \$25 | \$25 | \$0 | 0.0% |
| Section B.3 | Recommended FY09 | Actual FY08 | Increase (Dollars) | Increase % |
| Off-Campus (Cash Funded Programs) | | | | |
| <u>External Degree Programs Tuition</u> (Per Credit Hour Rate) (2) Undergraduate \$250 \$245 \$5 2.0% Graduate \$340 \$330 \$10 3.0% Independent Study Tuition Undergraduate \$160 \$150 \$10 6.7% Graduate \$250 \$225 \$25 11.1% 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 \$329/hr \$300/hr \$29 9.7% | | | | |
| <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% *Per Credit Hour Rate | | | | |

(1) Tuition for Grant Funded programs and individual courses, 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.

(2) Differential Tuition (per credit hour charge) for Music, Theatre & Nursing courses will be \$16.50 and Business courses \$22

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 FY09 totaling \$418,000. UNC's calculation of compliance for FY09 is as follows:

| 20% Compliance Calculation | | |
|----------------------------|------------------------------------|--|
| \$ 3,600 | 2008 UG Res student share | |
| \$ 3,942 | 2009 UG Res student share | |
| \$ 342 | Total Increase | 2009 student share less 2008 student share (\$3,942 - \$3,600) |
| \$ 79.2 | CPI Increase 2.2% | 2008 rate times 3.6% (\$3,600x 2.26%) |
| \$ 262.8 | Increase greater than CPI | Total increase less CPI increase (\$342 - \$79.2) |
| | | |
| 7,960.9 | SFTE (Students) | |
| \$2,092,125 | Student Share of tuition above CPI | Increase greater than CPI times SFTE (\$262.8 X7,960.9) |
| \$ 418,000 | 20% Need-Based Aid Mandate | 20% of Student Share of tuition above CPI (\$2,092,125 x 20%) |

Compliance with statutory mandate (Long Bill) on tuition increase

UNC's tuition rates have been set consistent with "Footnote 22" within the state appropriations Long Bill. The "Footnote" states:

...It is the intent of the General Assembly that any effective increase in the resident undergraduate tuition rate not exceed 9.5 percent Provided that students with demonstrated financial need (Pell Levels I, II, and III) receive sufficient financial aid to limit increases in their effective tuition rates above 5.0 percent...

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 9.76% or approximately \$421.00. Level 2 and Level 3 students with an "Estimated Family Contribution" (EFC) of less than \$17,546 will receive financial aid to reflect the increase in unmet need resulting from an increase in tuition credit hour rates above 5%. UNC had approximately 1,300 Level 2 and 3 students that qualified for this award in FY08.

The award per level 2 and 3 student to cover the unmet need will be \$162 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 | \$ 150.00 | Per Credit hr |
| FY08 Tuition | \$ 164.25 | Per Credit hr |
| Increase | \$ 14.25 | Per Credit hr |
| 5% footnote limit | \$ 7.50 | Per Credit hr |
| Amt above 5% | \$ 6.75 | Per Credit hr |

Full Time Student,
Academic year Award \$ 162.00 12 credits and above

As part of the FY09 budget process, UNC has funded \$418,000 for need-based financial aid. One use of those funds will be to meet the requirements of the footnote. In FY08 UNC awarded a total of \$170,086 to 1,299 students to comply with the FY08 version of the footnote. A similar expense is anticipated in FY09.

| Credit Hours Enrolled | Award Amount |
|-----------------------|--------------|
| 1-5 | \$ 68 |
| 6-8 | \$ 108 |
| 9-11 | \$ 149 |
| 12 and up (Full time) | \$ 162 |

**UNIVERSITY OF NORTHERN COLORADO
STUDENT FEE ALLOCATION UPDATE
FY09**

| | FY08 Allocation | FY09 Allocation | Change | |
|--|--------------------|--------------------|--------------------|--------------|
| STUDENT ACTIVITY FEE | | | | |
| Programs | | | | |
| Asian/Pacific American Student Services | 21,889 | 22,427 | 538 | 2.5% |
| Cesar Chavez Cultural Center | 22,147 | 22,694 | 547 | 2.5% |
| Club Sports | 58,673 | 65,785 | 7,112 | 12.1% |
| GLBT Resource Office | 25,739 | 25,739 | 0 | 0.0% |
| Graduate Affairs | 67,717 | 72,989 | 5,272 | 7.8% |
| International Film Series | 12,730 | 13,188 | 458 | 3.6% |
| Center for International Education | 3,539 | 3,539 | 0 | 0.0% |
| Marcus Garvey Cultural Center | 20,160 | 20,636 | 476 | 2.4% |
| Native American Student Services | 21,036 | 21,543 | 507 | 2.4% |
| Student Activities | 347,379 | 356,885 | 9,506 | 2.7% |
| Student Representative Council | 233,672 | 242,084 | 8,412 | 3.6% |
| University Program Council | 195,547 | 199,587 | 4,040 | 2.1% |
| UNC Radio Station | 2,201 | 2,780 | 579 | 26.3% |
| Women's Resource Center | 92,523 | 95,574 | 3,051 | 3.3% |
| SFAP PROGRAMS SUBTOTAL | \$1,124,952 | \$1,165,450 | \$40,498 | 3.6% |
| STUDENT FACILITIES & SERVICES FEE | | | | |
| Student Services | | | | |
| Administrative Services | | | | |
| Bonded Facility Operating Costs | | | | |
| Bonded Facility Repair & Replacement | | | | |
| SUB-TOTAL FACILITIES & SERVICES FEE | \$4,966,691 | \$4,554,632 | (\$412,059) | -8.3% |
| BOND REQUIREMENTS | | | | |
| UC Bond Requirements | 198,000 | 198,000 | 0 | 0.0% |
| Campus Rec Center Bond Requirements | 632,168 | 636,975 | 4,807 | 0.8% |
| Cassidy Hall Bond Requirements | 126,425 | 128,550 | 2,125 | 1.7% |
| Recreation and Athletic Facilities | 983,655 | 984,393 | 738 | 0.1% |
| SUB-TOTAL BOND REQUIREMENTS | \$1,940,248 | \$1,947,918 | \$7,670 | 0.4% |
| GRAND TOTAL | \$8,031,890 | \$7,668,000 | | |

University of Northern Colorado

FY 09 Technology Fee

The technology fee will be charged to students on a differentiated basis by college. The fee will be charged per credit hour and average \$237 per academic year for a full-time (15 credits per semester) student. The fee will be used to support of variety of student technology including:

- Maintenance of existing smart classrooms
- Construction, maintenance and support of 30 new smart classrooms
- Blackboard learning management system software annual licenses and support
- Maintenance and support of open computing labs
- Software virtualization (software on-demand)
- Internet-based electronic personal file storage and collaboration system

A complete list is reflected below. It includes both technology that is currently funded by base dollars that will be reallocated to other priorities as well as increased student technology initiatives.

| | FY09 Technology Spending Plan |
|---|----------------------------------|
| <i>Smart Classrooms</i> | |
| o Current (original Smart Classrooms) | \$ 475,000 |
| o Classrooms added with 1x funds | \$ 160,845 |
| o FY09 (Build 30 tech rooms w/ maint) | \$ 430,000 |
| <i>Academic Personal Computer Refresh</i> | |
| o Colleges /Units | |
| o Academic Support Units (i.e. ASA, CETL, Fin Aid) | |
| o Faculty Refresh | \$ 208,000 |
| o Academic Support Units | \$ 3,850 |
| o Open Computer Labs (general use) | \$ 204,400 |
| <i>Printer Refresh</i> | |
| o Colleges | |
| o Labs | \$ 80,000 |
| o Academic Support Units | |
| <i>Academic/Instructional Software</i> | |
| o College* | \$ 90,000 |
| o Academic Support Units | |
| <i>Blackboard Learning Management System Maintenance</i> | |
| o Current | \$ 48,000 |
| o Current (Funded FY07-08 with One time funds) | \$ 111,000 |
| o Technical Support Staff | \$ 120,000 |
| <i>Instructional/Academic Server Refresh</i> | |
| o Student Fileserver Maintenance | \$ 30,000 |
| o Software Virtualization Maintenance | \$ 30,000 |
| <i>DSS-Tech Support</i> | \$ 48,000 |
| <i>Academic Support Units Tech Support</i> | \$ 96,142 |
| <i>Help Desk</i> | \$ 60,000 |
| GRAND TOTAL | \$ 2,195,237 |

University of Northern Colorado University Funding Priorities Guidelines

Board Adopted Policies 1-1-201(4) states:

University Funding Priorities Guidelines. The fiscal year budget shall conform to the following guidelines. Variations may be approved by the BOT pursuant to 1-1-201(3).

| | |
|----------------------------------|--------|
| Instruction | 55.00% |
| Research | 1.25% |
| Public Service | 0.10% |
| Academic Support | 14.75% |
| Student Services | 7.00% |
| Institutional Support | 10.25% |
| Operation & Maintenance of Plant | 8.25% |
| Scholarships & Fellowships | 3.30% |
| Transfers | 0.10% |

This guideline was adopted for the FY02 Budget. Since the adoption of this guideline, many changes have occurred that impacted UNC's budget structure. Two of the largest impacts have been reduced state funding and an increase in UNC's commitment to scholarships. A third impact is the ability of the new Banner financial reporting system to categorize expenditures at a finer level of detail. Finally, rising utility costs have also impacted the allocation of resources.

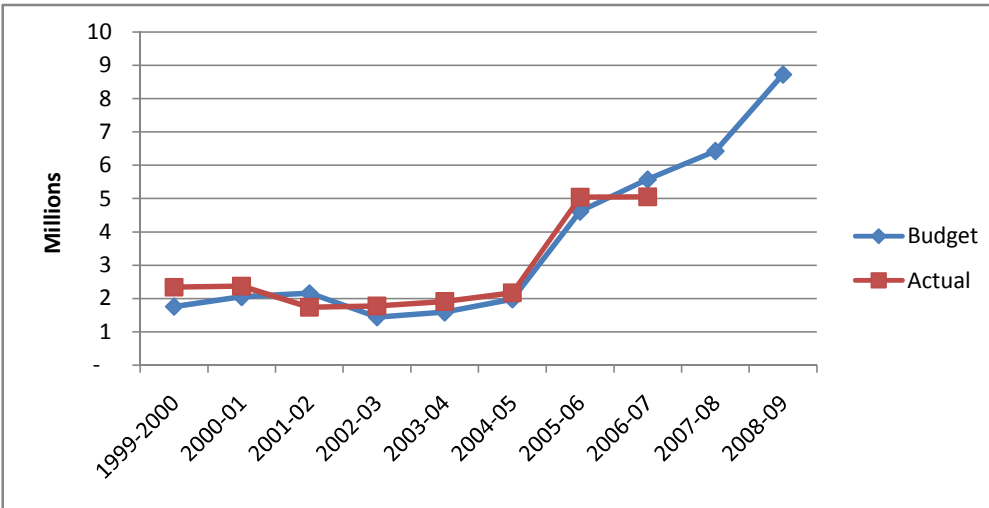
The following charts show the percentages anticipated for the FY09 budget. The first chart shows the percentage for UNC's General Funds. The second chart shows the percentages with scholarship funding removed. This presentation demonstrates the significance of the impact that scholarship funding has had on UNC's ability to reach a 55% instruction guideline. To meet the 55% guideline would require putting an additional \$15 million into instructional funding.

University of Northern Colorado
FY09 Budget Summary
General Funds
University Funding Priorities Guidelines

| General Fund Functional Categories | | (in \$1,000) | | | |
|-------------------------------------|----------|--------------|-----------|--------|---------|
| | FY08 | | FY09 | | Change |
| Instruction | \$47,562 | 49.29% | 50,557 | 48.45% | \$2,995 |
| Research | 582 | 0.60% | 586 | 0.56% | 4 |
| Public Service | 124 | 0.13% | 129 | 0.12% | 5 |
| Academic Support | 13,676 | 14.17% | 15,346 | 14.71% | 1,670 |
| Student Services | 7,360 | 7.63% | 7,606 | 7.29% | 246 |
| Institutional Support | 10,358 | 10.73% | 10,641 | 10.20% | 283 |
| Operation & Maintenance of Plant | 10,541 | 10.92% | 10,876 | 10.42% | 335 |
| Scholarships & Fellowships | 6,440 | 6.67% | 8,740 | 8.38% | 2,300 |
| Depreciation and Interfund Transfer | (141) | -0.15% | (141) | -0.14% | |
| TOTAL EXPENDITURES/TRANSFERS | \$96,502 | 100% | \$104,340 | 100% | \$7,838 |

| General Fund Functional Categories | | (in \$1,000) | | | | |
|------------------------------------|-------------------------------------|--------------|--------|----------|--------|---------|
| With Scholarships Removed | | FY08 | | FY09 | | Change |
| | Instruction | \$47,562 | 52.81% | 50,557 | 52.88% | \$2,995 |
| | Research | 582 | 0.65% | 586 | 0.61% | 4 |
| | Public Service | 124 | 0.14% | 129 | 0.13% | 5 |
| | Academic Support | 13,676 | 15.19% | 15,346 | 16.05% | 1,670 |
| | Student Services | 7,360 | 8.17% | 7,606 | 7.96% | 246 |
| | Institutional Support | 10,358 | 11.50% | 10,641 | 11.13% | 283 |
| | Operation & Maintenance of Plant | 10,541 | 11.70% | 10,876 | 11.38% | 335 |
| | Scholarships & Fellowships | | 0.00% | | 0.00% | |
| | Depreciation and Interfund Transfer | (141) | -0.16% | (141) | -0.15% | |
| TOTAL EXPENDITURES/TRANSFERS | | \$90,062 | 100% | \$95,600 | 100% | \$5,538 |

Scholarship Analysis



| FY | Budget | Actual | Budget Increase | Actual Increase | Student Share of Tuition | % Discount Actual Scholarship/ Student Share |
|-------------|-----------|-----------|-----------------|-----------------|--------------------------|--|
| 1999-2000 | 1,761,848 | 2,340,843 | | | 29,723,115 | 7.88% |
| 2000-01 | 2,052,848 | 2,372,974 | 16.52% | 1.37% | 30,297,422 | 7.83% |
| 2001-02 | 2,158,236 | 1,738,832 | 5.13% | -26.72% | 31,682,854 | 5.49% |
| 2002-03 | 1,442,817 | 1,778,499 | -33.15% | 2.28% | 34,366,207 | 5.18% |
| 2003-04 | 1,593,472 | 1,913,070 | 10.44% | 7.57% | 27,419,140 | 6.98% |
| 2004-05 | 1,981,078 | 2,172,573 | 24.32% | 13.56% | 41,927,508 | 5.18% |
| 2005-06 (1) | 4,619,329 | 5,040,931 | 133.17% | 132.03% | 47,646,081 | 10.58% |
| 2006-07 (2) | 5,575,500 | 5,053,704 | 20.70% | 0.25% | 48,589,809 | 10.40% |
| 2007-08 | 6,429,329 | | 15.31% | | 53,039,596 | 12.12% Budget |
| 2008-09 (3) | 8,728,829 | | 35.77% | | 53,360,455 | 16.36% Budget |

(1) In FY2005-06 scholarships were increased in excess of \$2.6 million. This was a combination of new merit, need based, non-resident, and Athletic scholarships.

(2) In FY2006-07 an additional \$950,000 was added to the non-resident scholarships. The non-resident scholarships in FY2005-06 and 2006-07 were in responses to phasing out the Western Undergraduate Exchange (WUE) tuition program.

(3) Since FY1999-2000 the scholarship budget has increased 395%, while the overall general fund budget increased 46%.

University of Northern Colorado Cash Balances

Introduction

Over the last several years the Board and the Administration have been increasingly attentive to UNC's cash balances. This is particularly true as we work to find ways to invest in the future, given state funding constraints. The following information is related to using cash balances for \$2.3 million FY09 Compensation parity and scholarship expenditures.

- Ü The cash flow cycle results in balances between about \$30 million and \$74 million, with mid-August being the annual low
- Ü Cash balances consist of working capital, project funds, and reserves
- Ü Strategic financial management considerations for reducing cash balances include liquidity ratios and impact on bond ratings

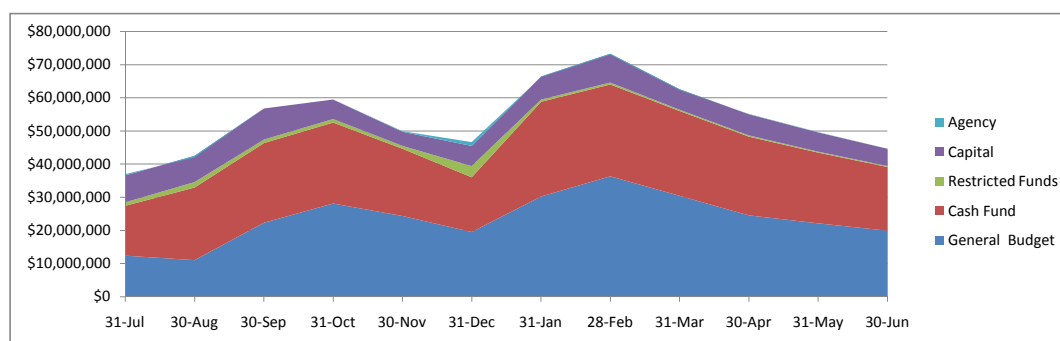
Cash Flow

Cash balances represent working capital that supports the \$177 million dollar university budget, project funds and required and planned reserves. University cash balances rise at the beginning of each semester as tuition and COF (College Opportunity Fund) stipends are collected and then decline until the beginning of the next semester. Over the last several years, cash balances varied from about \$30 million to \$74 million. The annual lowest cash balance is typically in mid-August, just before fall tuition payments commence. Cash balances can be identified with fund groups. For example, the typical \$37.1 million cash balance at July 31 is attributable to the **three operating budgets**: General budget- \$12.4 million, Cash budget- \$15.1 million, Restricted budget- \$1.1 million, the **capital budget** - \$8.1 million, and **agency funds** - \$390 thousand

Table 1 - Typical Month-end Cash

| | General Budget | Cash Fund | Restricted Funds | Capital | Agency | Total |
|--------|----------------|---------------|------------------|--------------|------------|---------------|
| 31-Jul | \$ 12,457,051 | \$ 15,079,162 | \$ 1,057,340 | \$ 8,052,888 | \$ 390,222 | \$ 37,036,664 |
| 30-Aug | 11,138,256 | 21,906,775 | 1,577,269 | 7,963,093 | (555,885) | \$ 42,029,508 |
| 30-Sep | 22,356,721 | 24,088,379 | 1,025,771 | 9,390,151 | (46,603) | \$ 56,814,419 |
| 31-Oct | 28,171,957 | 24,431,778 | 1,087,913 | 5,858,447 | (42,857) | \$ 59,507,238 |
| 30-Nov | 24,408,840 | 20,271,512 | 883,248 | 4,184,567 | 232,245 | \$ 49,980,412 |
| 31-Dec | 19,577,511 | 16,518,028 | 3,382,458 | 6,034,053 | 1,164,141 | \$ 46,676,192 |
| 31-Jan | 30,292,433 | 28,539,195 | 731,517 | 6,936,168 | (222,924) | \$ 66,276,389 |
| 28-Feb | 36,418,901 | 27,708,124 | 534,401 | 8,673,417 | (283,449) | \$ 73,051,394 |
| 31-Mar | 30,502,293 | 25,535,309 | 442,647 | 6,147,424 | (314,768) | \$ 62,312,904 |
| 30-Apr | 24,629,603 | 23,713,388 | 355,097 | 6,413,318 | 103,593 | \$ 55,215,001 |
| 31-May | 22,166,643 | 21,342,049 | 319,588 | 5,771,987 | 93,234 | \$ 49,693,501 |
| 30-Jun | \$ 19,949,979 | \$ 19,207,844 | \$ 287,629 | \$ 5,194,788 | \$ 83,911 | \$ 44,724,151 |

Chart 1 - Typical Month-end Cash



Strategic Financial Management

At the Board of Trustees annual retreat we will request the opportunity to present additional information with the goal of establishing specific strategic cash targets acceptable to the BOT, for example ratio of cash to total expense. However, a number of standards have been established that indirectly measure cash through liquidity ratios. For example:

- Ü KPMG's primary reserve ratio which compares expendable net assets total expenses is recommended to be 0.40 or better. UNC's FY 2007 ratio was 0.633 (including Foundation funds). (See Note 1 for relationship of cash to primary reserve ratio)
- Ü Standard and Poors's recent bond report reflected "Low liquidity levels, with unrestricted net assets of \$37.8 million (including unrestricted foundation net assets) providing only 25% coverage of operations and 22% coverage of pro forma

Note: Impact on strategic ratios of using cash balances can be summarized as follows:

$$1 \text{ Assets} = \text{Liabilities} + \text{Net Assets} \quad \text{Increase in Net Assets} = \text{Revenue} - \text{Expense}$$

UNIVERSITY OF NORTHERN COLORADO
STUDENT FEE ALLOCATION UPDATE
FY09

FINAL

| | FY08 Allocation | FY09 Allocation | Change | |
|--|--------------------|--------------------|--------------------|----------------|
| STUDENT ACTIVITY FEE | | | | |
| <u>Programs</u> | | | | |
| Asian/Pacific American Student Services | 21,889 | 22,427 | 538 | 2.5% |
| Cesar Chavez Cultural Center | 22,147 | 22,694 | 547 | 2.5% |
| Club Sports | 58,673 | 65,785 | 7,112 | 12.1% |
| GLBT Resource Office | 25,739 | 25,739 | 0 | 0.0% |
| Graduate Affairs | 67,717 | 72,989 | 5,272 | 7.8% |
| International Film Series | 12,730 | 13,188 | 458 | 3.6% |
| Center for International Education | 3,539 | 3,539 | 0 | 0.0% |
| Marcus Garvey Cultural Center | 20,160 | 20,636 | 476 | 2.4% |
| Native American Student Services | 21,036 | 21,543 | 507 | 2.4% |
| Student Activities | 347,379 | 356,885 | 9,506 | 2.7% |
| Student Representative Council | 233,672 | 242,084 | 8,412 | 3.6% |
| University Program Council | 195,547 | 199,587 | 4,040 | 2.1% |
| UNC Radio Station | 2,201 | 2,780 | 579 | 26.3% |
| Women's Resource Center | 92,523 | 95,574 | 3,051 | 3.3% |
| SFAP PROGRAMS SUBTOTAL | \$1,124,952 | \$1,165,450 | \$40,498 | 3.6% |
| STUDENT FACILITIES & SERVICES FEE | | | | |
| <u>Student Services</u> | | | | |
| Intercollegiate Athletics | 1,735,616 | 1,710,482 | (25,134) | -1.4% |
| Student Media Corp. | 40,373 | 41,830 | 1,457 | 3.6% |
| Counseling Center | 359,550 | 359,550 | 0 | 0.0% |
| Student Health Center | 120,098 | 118,359 | (1,739) | -1.4% |
| | \$2,255,636 | \$2,230,221 | -\$25,416 | -1.1% |
| <u>Administrative Services</u> | | | | |
| Administrative Overhead | \$474,275 | \$441,000 | (33,275) | -7.02% |
| <u>Bonded Facility Operating Costs</u> | | | | |
| Operating Reserve | \$7,006 | 6,905 | (101) | -1.4% |
| University Center | 610,040 | 601,206 | (8,834) | -1.4% |
| Student Recreation Center / Intramurals | 1,009,841 | 995,217 | (14,624) | -1.4% |
| Cassidy Hall (Health & Counseling Center) | 154,253 | 152,019 | (2,234) | -1.4% |
| Scott-Willcoxon Hall (WRC) | 36,106 | 35,583 | (523) | -1.4% |
| Butler Field House Building | 8,160 | 8,042 | (118) | -1.4% |
| Jackson Field House Building | 85,680 | 84,439 | (1,241) | -1.4% |
| | \$1,911,085 | \$1,883,411 | (\$27,675) | -1.4% |
| <u>Bonded Facility Repair & Replacement</u> | | | | |
| University Center | 166,806 | 0 | (166,806) | -100.0% |
| Student Recreation Center | 114,781 | 0 | (114,781) | -100.0% |
| Cassidy Hall (Health & Counseling Center) | 20,053 | 0 | (20,053) | -100.0% |
| Scott-Willcoxon Hall (WRC) | 4,083 | 0 | (4,083) | -100.0% |
| Butler Field House | 2,125 | 0 | (2,125) | -100.0% |
| Jackson Field House Building | 17,847 | 0 | (17,847) | -100.0% |
| | \$325,695 | \$0 | (\$325,695) | -100.0% |
| SUB-TOTAL FACILITIES & SERVICES FEE | \$4,966,691 | \$4,554,632 | (\$412,061) | -8.3% |
| BOND REQUIREMENTS | | | | |
| UC Bond Requirements | 198,000 | 198,000 | 0 | 0.0% |
| Campus Rec Center Bond Requirements | 632,168 | 636,975 | 4,807 | 0.8% |
| Cassidy Hall Bond Requirements | 126,425 | 128,550 | 2,125 | 1.7% |
| Recreation and Athletic Facilities | 983,655 | 984,393 | 738 | 0.1% |
| SUB-TOTAL BOND REQUIREMENTS | \$1,940,248 | \$1,947,918 | \$7,670 | 0.4% |
| GRAND TOTAL | \$8,031,890 | \$7,668,000 | (\$363,890) | -4.53% |

| | |
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| | |
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Addendum to "June Book" to document impact of BOT actions approved on June 6, 2008.

The University of Northern Colorado's Board of Trustees approved the FY09 Budget for the University. As part of this approval, the BOT selected an option labeled as "B-2". This option was the approval of a total of \$1,238,000 for Faculty and Exempt Salaries (\$1,000,000) and associated Fringe Benefits of 23.8% (\$238,000).

University of Northern Colorado
FY09 Budget Summary
Summary of All Funds

| REVENUE | Current Budget FY08 | Recommended Budget FY09 | Change | |
|---|------------------------|-------------------------------|-----------------------|--------------|
| | | | Amount | Percent |
| Resident Tuition | \$ 38,846,305 | \$ 39,115,826 | \$ 269,521 | 0.69% |
| COF Stipend | 22,776,833 | 21,804,000 | (972,833) | -4.27% |
| Non-Resident Tuition | 14,193,291 | 14,244,629 | 51,338 | 0.36% |
| Fee For Service (COF) | 18,379,337 | 22,282,311 | 3,902,974 | 21.24% |
| Long Bill Appropriated Fees | 777,890 | 2,977,890 | 2,200,000 | (1) |
| Sub Total Appropriated Revenue | 94,973,656 | 100,424,656 | 5,451,000 | 5.74% |
| Extended Studies Tuition | 5,289,000 | 5,581,625 | 292,625 | 5.53% |
| Extended Studies Fees | 680,000 | 680,000 | 0 | 0.00% |
| Student Fees | 8,032,000 | 7,668,000 | (364,000) | -4.53% |
| Grants and Contracts | 19,632,000 | 19,837,000 | 205,000 | 1.04% |
| Room and Board | 23,147,000 | 23,079,000 | (68,000) | -0.29% |
| Other Auxiliary Services Revenue | 5,351,000 | 5,574,000 | 223,000 | 4.17% |
| Investment Income | 1,029,671 | 1,029,671 | 0 | 0.00% |
| Other Internal Income | 5,390,000 | 5,705,000 | 315,000 | 5.84% |
| Other Revenue | 7,614,606 | 7,992,606 | 378,000 | 4.96% |
| TOTAL OPERATING REVENUES | 171,138,933 | 177,571,558 | 6,432,625 | 3.76% |
| EXPENDITURES | | | | |
| PERSONNEL EXPENSES | | | | |
| Faculty Salaries | 33,852,916 | 35,268,041 | 1,415,125 | 4.18% |
| TA Salary and Scholarships | 1,958,737 | 1,958,737 | 0 | 0.00% |
| Exempt Salaries | 19,853,172 | 20,449,172 | 596,000 | 3.00% |
| GA Salary and Scholarships | 1,284,019 | 1,284,019 | 0 | 0.00% |
| Classified Salaries | 20,826,100 | 21,719,400 | 893,300 | 4.29% |
| Other Salaries | 4,416,004 | 4,495,004 | 79,000 | 1.79% |
| Fringe Benefits | 18,400,629 | 19,285,929 | 885,300 | 4.81% |
| Other | 10,500 | 10,500 | 0 | 0.00% |
| Additional Salary Increase incl benefits | | 1,238,000 | 1,238,000 | new |
| TOTAL PERSONNEL EXPENSES | 100,602,077 | 105,708,802 | 5,106,725 | 5.08% |
| NONPERSONNEL EXPENSES | | | | |
| Cost of Sales | 8,251,000 | 8,501,000 | 250,000 | 3.03% |
| Other Current Expense | 22,087,674 | 23,150,974 | 1,063,300 | 4.81% |
| Scholarships | 18,598,329 | 19,542,329 | 944,000 | 5.08% |
| Additional Scholarship Increase | | 1,355,500 | 1,355,500 | new |
| Utilities | 8,421,478 | 8,441,978 | 20,500 | 0.24% |
| Risk Management | 147,600 | 147,600 | 0 | 0.00% |
| Travel | 1,995,637 | 1,995,637 | 0 | 0.00% |
| Capital | 2,822,638 | 2,801,238 | (21,400) | -0.76% |
| TOTAL NONPERSONNEL EXPENSES | 62,324,356 | 65,936,256 | 3,611,900 | 5.80% |
| TRANSFERS | | | | |
| Transfers | 8,212,500 | 8,520,000 | 307,500 | 3.74% |
| TOTAL TRANSFERS | 8,212,500 | 8,520,000 | 307,500 | 3.74% |
| TOTAL EXPENDITURES/TRANSFERS | 171,138,933 | 180,165,058 | 9,026,125 | 5.27% |
| REVENUES LESS EXPENDITURES | \$ - | \$ (2,593,500) | \$ (2,593,500) | |
| Commitment of 1 time Funds (Salaries) | | 1,238,000 | 1,238,000 | |
| Commitment of 1 time Funds (Scholarships) | | 1,355,500 | 1,355,500 | |
| TOTAL FUNDS LESS EXPENDITURES | \$ - | \$ - | \$ - | |

(1) UNC has added a technology fee that is anticipated to generate \$2.2 million in FY09.

(2) Includes Fringe approved for Option B-2 for salaries

University of Northern Colorado
FY09 Budget Summary
General Funds
(Stipend, FFS, Tuition, Academic Fees, Other)

| REVENUE | Current Budget FY08 | Recommended Budget FY09 | Change | |
|---------------------------------------|------------------------|-------------------------------|------------------|--------------|
| | | | Amount | Percent |
| Resident Tuition | \$ 38,846,305 | \$ 39,115,826 | \$ 269,521 | 0.69% |
| COF Stipend | 22,776,833 | 21,804,000 | (972,833) | -4.27% |
| Non-Resident Tuition | 14,193,291 | 14,244,629 | 51,338 | 0.36% |
| Fee For Service (COF) | 18,379,337 | 22,282,311 | 3,902,974 | 21.24% |
| Long Bill Appropriated Fees | 777,890 | 2,977,890 | 2,200,000 | (1) |
| Sub Total Appropriated Revenue | 94,973,656 | 100,424,656 | 5,451,000 | 5.74% |
| Investment Income | 509,671 | 509,671 | 0 | 0.00% |
| Other Revenue | 1,018,606 | 1,049,606 | 31,000 | 3.04% |
| TOTAL OPERATING REVENUES | 96,501,933 | 101,983,933 | 5,482,000 | 5.68% |

EXPENDITURES

PERSONNEL EXPENSES

| | | | | |
|--|-------------------|-------------------|------------------|--------------|
| Faculty Salaries | 30,116,616 | 31,320,616 | 1,204,000 | 4.00% |
| TA Salary and Scholarships | 1,958,737 | 1,958,737 | 0 | 0.00% |
| Exempt Salaries | 13,417,372 | 13,820,372 | 403,000 | 3.00% |
| GA Salary and Scholarships | 1,284,019 | 1,284,019 | 0 | 0.00% |
| Classified Salaries | 16,209,600 | 16,904,600 | 695,000 | 4.29% |
| Other Salaries | 1,399,604 | 1,441,604 | 42,000 | 3.00% |
| Fringe Benefits | 14,216,829 | 14,895,829 | 679,000 | 4.78% |
| Additional Salary Increase incl benefits (2) | | 1,238,000 | 1,238,000 | new |
| TOTAL PERSONNEL EXPENSES | 78,602,777 | 82,863,777 | 4,261,000 | 5.42% |

NONPERSONNEL EXPENSES

| | | | | |
|------------------------------------|-------------------|-------------------|------------------|---------------|
| Other Current Expense | 3,815,674 | 5,330,674 | 1,515,000 | 39.70% |
| Scholarships | 6,429,329 | 7,373,329 | 944,000 | 14.68% |
| Additional Scholarship Increase | | 1,355,500 | 1,355,500 | new |
| Utilities | 4,786,978 | 4,786,978 | 0 | 0.00% |
| Risk Management | 400 | 400 | 0 | 0.00% |
| Travel | 322,137 | 322,137 | 0 | 0.00% |
| Capital | 2,685,638 | 2,685,638 | 0 | 0.00% |
| TOTAL NONPERSONNEL EXPENSES | 18,040,156 | 21,854,656 | 3,814,500 | 21.14% |

TRANSFERS

| | | | | |
|-------------------------------------|-------------------|--------------------|------------------|--------------|
| Transfers | -141,000 | -141,000 | 0 | 0.00% |
| TOTAL TRANSFERS | -141,000 | -141,000 | 0 | 0.00% |
| TOTAL EXPENDITURES/TRANSFERS | 96,501,933 | 104,577,433 | 8,075,500 | 8.37% |

REVENUES LESS EXPENDITURES

| | | | |
|---|-------------|----------------|----------------|
| | \$ - | \$ (2,593,500) | \$ (2,593,500) |
| Commitment of 1 time Funds (Salaries) (2) | | 1,238,000 | 1,238,000 |
| Commitment of 1 time Funds (Scholarships) | | 1,355,500 | 1,355,500 |
| TOTAL FUNDS LESS EXPENDITURES | \$ - | \$ - | \$ - |

(1) UNC has added a technology fee that is anticipated to generate \$2.2 million in FY09.

(2) Includes Fringe approved for Option B-2 for salaries

University of Northern Colorado
FY09 Budget Summary
Summary of Changes to Expenditures and Revenue

| Expenditures | | | Base Budget FY08 | <u>\$96,501,933</u> |
|--|------|--|-------------------------|-----------------------------|
| PERSONNEL EXPENSES | | | | |
| Faculty Salaries (Increase pool) | 3% | | 815,000 | |
| Additional Salary (Increase pool) (1) | | | 1,238,000 | |
| Faculty Salary Parity (Increase pool) | 1% | | 300,000 | |
| Summer Faculty(Increase pool) | 3% | | 89,000 | |
| Exempt Salaries(Increase pool) | 3% | | 403,000 | |
| Classified Salaries (Increase pool) | 4.3% | | 695,000 | |
| Student Hourly & Other Salaries (pool) | 3% | | 42,000 | |
| Fringe Benefits on Salary Increases | | | 679,000 | |
| Total Change in Personnel Expenses | | | | <u>4,261,000</u> |
| OTHER CURRENT EXPENSES (OCE) | | | | |
| Audit Costs | | | 20,000 | |
| Public Health Consortium | | | 100,000 | |
| Public Relations | | | 250,000 | |
| Technology Enhancement | | | 1,100,000 | |
| Academic Advising | | | 150,000 | |
| Differential Tuition | | | 225,000 | |
| Increase in recovery for administrative services from cash funds | | | -330,000 | |
| Total Change in OCE | | | | <u>1,515,000</u> |
| SCHOLARSHIPS | | | | |
| Need Based | | | 418,000 | |
| Recruitment /Incentives | | | 526,000 | |
| Additional Scholarship Increase | | | 1,355,500 | |
| Total Change in Scholarships | | | | <u>2,299,500</u> |
| Total Change in Expenditures | | | | <u>8,075,500</u> |
| Proposed Expenditures FY09 | | | | <u>\$104,577,433</u> |

| Revenues | | | Base Budget FY08 | <u>\$96,501,933</u> |
|---|-------|--|-------------------------|-----------------------------|
| Estimated FY08 Enrollment Adjustment | | | -2,800,000 | |
| Projected FY09 Enrollment Adjustment | | | -3,667,000 | |
| FY09 Tuition Increase (Student Share) | 9.50% | | 6,787,859 | |
| COF Stipend and FFS Increase FY09 | | | 2,930,141 | |
| Proposed Technology Fee | | | 2,200,000 | |
| Other Revenue | | | 31,000 | |
| Total Change in Revenue | | | | <u>5,482,000</u> |
| Projected Revenue FY09 | | | | <u>\$101,983,933</u> |
| Commitment of 1 time Funds (Salaries) (1) | | | 1,238,000 | |
| Commitment of 1 time Funds (Scholarships) | | | 1,355,500 | |
| Total Funds for FY09 | | | | <u>\$104,577,433</u> |

(1) includes fringe for approved Option B-2