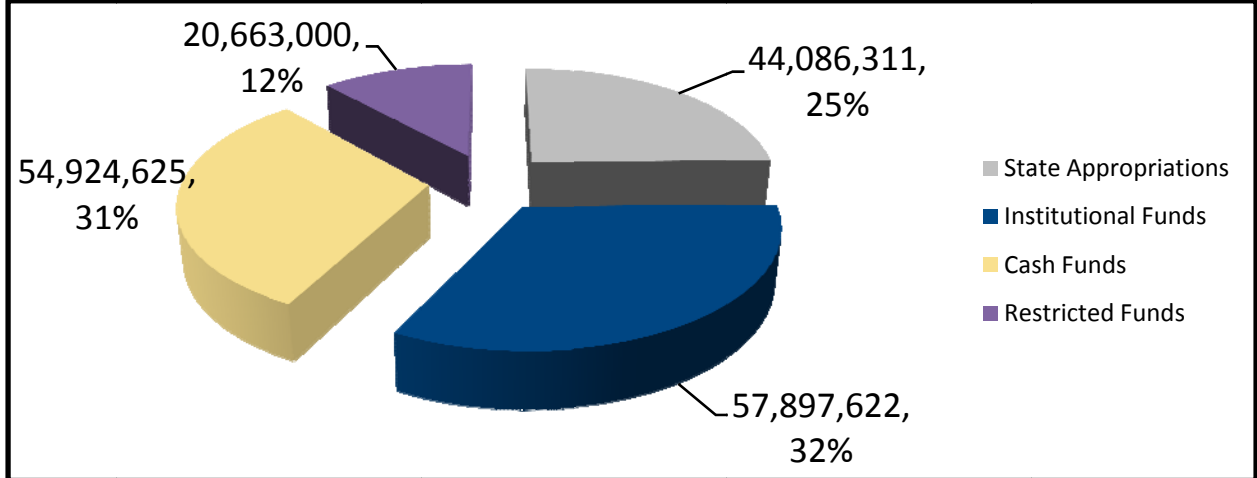


**University of Northern Colorado
FY10 Fiscal Outlook**

The University of Northern Colorado FY09 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 sources of revenue supporting the budget are:



There is an estimated \$8.2M in support by the UNC Foundation.

The summary of FY09 revenues and expenditures as approved by the Board of Trustees in June 2008 are as follows:

REVENUE	FY09
Resident Tuition	\$39,115,826
COF Stipend	21,804,000
Non-Resident Tuition	14,244,629
Fee For Service (COF)	22,282,311
Long Bill Appropriated Fees	2,977,890
Sub Total Appropriated Revenue	100,424,656
Extended Studies Tuition	5,581,625
Extended Studies Fees	680,000
Student Fees	7,668,000
Grants and Contracts	19,837,000
Room and Board	23,079,000
Other Auxiliary Services Revenue	5,574,000
Investment Income	1,029,671
Other Internal Income	5,705,000
Other Revenue	7,992,606
TOTAL OPERATING REVENUES	177,571,558
EXPENDITURES	
PERSONNEL EXPENSES	
Faculty Salaries	35,268,041
TA Salary and Scholarships	1,958,737
Exempt Salaries	20,449,172
GA Salary and Scholarships	1,284,019
Classified Salaries	21,719,400
Other Salaries	4,495,004
Fringe Benefits	19,285,929
Other	10,500
Additional Salary Increase incl benefits	1,238,000
TOTAL PERSONNEL EXPENSES	105,708,802
NONPERSONNEL EXPENSES	
Cost of Sales	8,501,000
Other Current Expense	23,150,974
Scholarships	19,542,329
Additional Scholarship Increase	1,355,500
Utilities	8,441,978
Risk Management	147,600
Travel	1,995,637
Capital	2,801,238
TOTAL NONPERSONNEL EXPENSES	65,936,256
TRANSFERS	
Transfers	8,520,000
TOTAL TRANSFERS	8,520,000
TOTAL EXPENDITURES/TRANSFERS	180,165,058
REVENUES LESS EXPENDITURES	\$(2,593,500)
Commitment of 1 time Funds (Salaries)	1,238,000
Commitment of 1 time Funds (Scholarships)	1,355,500
TOTAL FUNDS LESS EXPENDITURES	\$-

The Board of Trustees did amend the FY09 proposed budget to include the implementation of additional salary increases for Faculty and exempt staff and an increase in institutional aid so that scholarships could be used to recruit additional students to UNC.

While state funding is often the focus of discussions related to financial planning it is not the only source of revenues. As the following key points indicate there are many considerations important to the establishment of an annual fiscal plan. And any fiscal plan is only developed as a means to achieve programmatic objectives.

Key Points related to the development of the FY10 Financial Plan

- The state's general fund revenue sources are diminishing primarily as the result of decreased personal and corporate income tax, capital gains tax, and sales tax. The budget impact on higher education has been significant in terms of capital and operating budgets.
- Governor Ritter has proposed a reduction of \$100 million to higher education for the current fiscal year and FY2009-2010 combined. If the governor's proposal is approved by the Joint Budget Committee the impact for UNC would be a reduction of \$2.9 million (\$1.6 million for FY2008-09 and \$1.3 million for FY2009-10). In addition, state-funded financial aid for UNC would be reduced by an estimated \$590,000.
- UNC has multiple revenue streams and the state budget cuts impact only the state appropriation portion of university revenues. State appropriations represent approximately 25% of UNC's \$177 million budget.
- The majority of the budget reduction for FY2008-09 is expected to be covered with some contingency funds and savings in energy prices. Because enrollment did not decline as much as expected, a moderate amount of contingency funds were realized. The university also expects a one-time savings in energy prices because natural gas prices were not as high as expected.
- Balancing the budget for FY2009-10 will require additional strategies such as the implementation of a new tuition and financial aid model, setting differential tuition and fees for higher-cost programs and courses, careful consideration of the setting of other rates such as Room and Board and increasing external grants.

Key Points related to the Tuition, Fees, financial aid and the "Hybrid Tuition Model"

- Currently UNC's tuition and fees are 81% of Colorado State University and 67% of the University of Colorado. In addition to mandatory fees for all students, there are course specific fees that CSU and CU impose that UNC currently does not.
- UNC's tuition is about 60 percent of that of its out-of-state peers as defined by the National Center for Higher Education Management Systems (NCHEMS). Even though Colorado institutions are underfunded by \$750 million, according to NCHEMS, UNC and other institutions have been regulated by the state in making tuition adjustments.
- Because state appropriations continue to deteriorate, the discussion regarding tuition and fees becomes even more important. The current tuition pricing structure (which focuses on the "sticker price") is becoming more irrelevant, and perhaps unfair. Using this traditional model, every student pays the same amount without regard to financial aid, resulting in less student access.

What to expect in overall funding

While there are many components to revenue which are and will be under consideration (room and board, course fees, student fees, fees for service, etc) we urge you to bring forward your ideas and suggestions as part of the financial planning process. However first we must put into context tuition and state support. These two components are the primary sources of funds in the State Appropriations and Institutional Funds display in the pie charts above and represent 25% and 35% respectively of our total budget. Together we are talking about 57% of the total budget. Our expectation related to areas funded more directly from these sources is that little or no new net revenue is likely and perhaps a best case scenario.

Through the coming months as more information related to our fiscal outlook become available that information will be shared with the campus community.