

UNIVERSITY *of*
NORTHERN COLORADO

Financial Planning

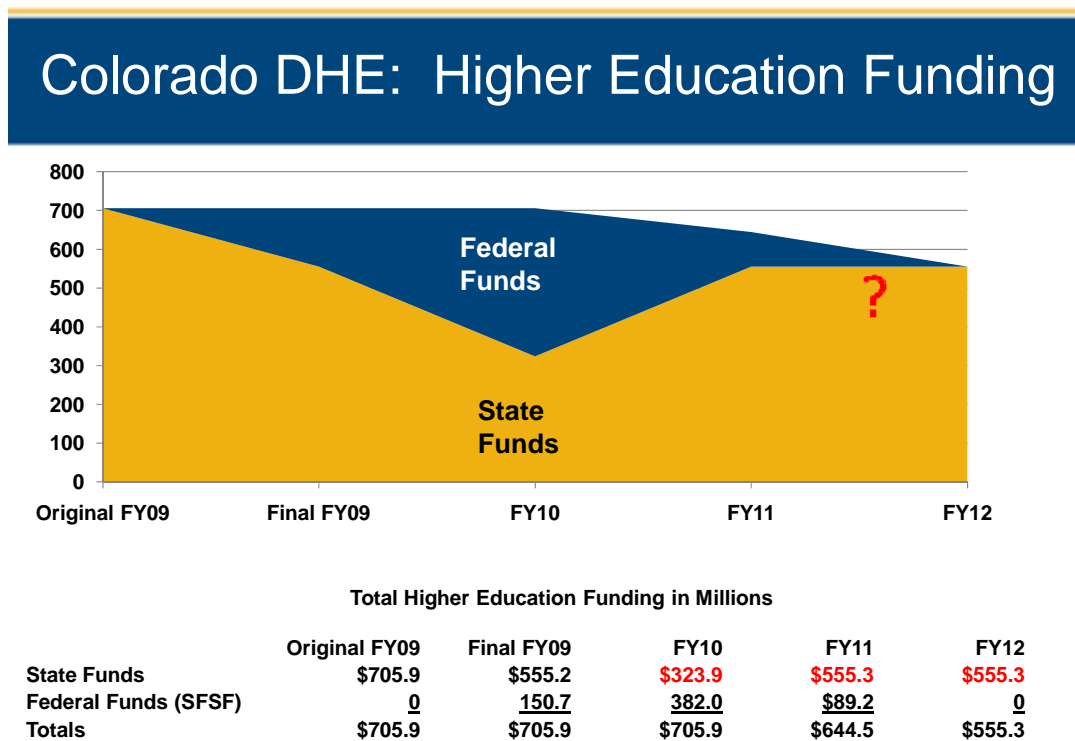
State Funding and Policy Changes

There is no question that the state’s ability to invest in higher education has been permanently impaired, at least for the foreseeable future.

Colorado used a combination of state and federal stimulus funds to hold the higher education budget at \$706 million through FY10. In FY11 the budget was reduced to \$645 million, using \$89 million from stimulus funds and \$555 million from the state [Figure 1]. The effect of these changes at UNC was a loss of \$3.5 million in funding in FY11. In FY10, UNC received \$44.1 million (\$20.5 million stimulus and \$23.6 million state), and in FY11, UNC received \$40.6 million (\$5.4 million stimulus and \$35.2 million state).

Current state budget discussions are based on the assumption that the state will continue to fund higher education at \$555 million in FY12, but this is unlikely. Colorado will face a large budget shortfall in FY12, when stimulus funds and other one-time sources used to balance the FY11 budget are no longer available. Higher education, in particular, will be vulnerable to reductions because the state will no longer have to hold funding at the FY06 level as it did to qualify for federal stimulus funds.

Figure 1



UNIVERSITY of NORTHERN COLORADO

In light of this volatility and the results emerging from the Colorado Higher Education Strategic Planning effort launched last winter by the Governor, it is becoming clear that the state priority for higher education funding will be undergraduate instruction, particularly access for low- and middle-income students.

We will continue to make the point that higher education policy should be based on the twin pillars of access to high-quality undergraduate education and the economic and social development engine embodied by research universities. However, this is unlikely to happen in the context of the current economy and limited public understanding of the valuable things that research universities like UNC do.

How UNC Is Responding

The changing state context confirms it is imperative that UNC take control of those things we can control. We have taken a number of important steps toward this in the past year, including:

- Articulating our shared vision for moving the University forward;
- Enhancing our strategic enrollment management and financial aid awarding capabilities;
- Developing the initial version of a multi-year financial plan;
- Launching our Bringing Education to Life branding campaign; and
- Committing to better connect our fundraising and alumni operations to the University's operations.

Multi-year Financial Planning

The focus of this report is to provide background materials in preparation for a financial planning strategy discussion at the September 10th Board retreat. We have developed two financial planning scenarios to illustrate the interrelated effects of various strategies.

As you know, last fall we began anticipating a \$14 million loss in state funding over a two or three-year period, and this remains our best estimate. We lost \$3.5 million of the \$14 million in FY11, which is reflected in the budget approved by the Board in June, and we are preparing to for loss of an additional \$10.5 million in FY12. We have been working to address these reductions through cost savings, revenue generation, reallocations, and judicious use of reserves to smooth out effects over multiple years.

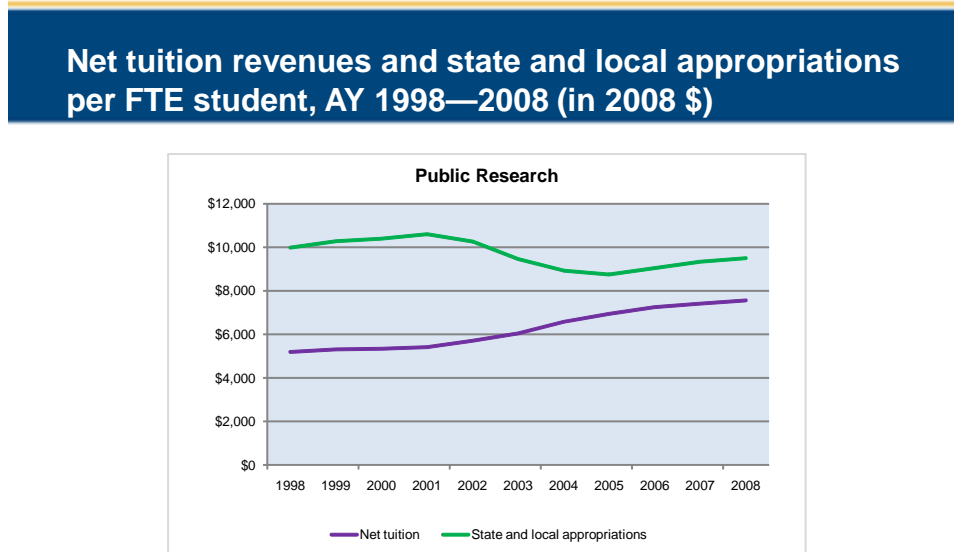
Our ongoing efforts to develop a multi-year financial plan for UNC have prepared us to respond to the requirements of Senate Bill 3 (SB-3), the Higher Education Flexibility Bill passed in May 2010. The bill requires the Colorado Commission on Higher Education (CCHE) to review plans by institutions to increase resident undergraduate tuition more than 9% in one or more of the next five years (beginning in FY12). The institutions must submit a five-year financial accountability plan, which addresses projected tuition increases, financial aid and access for low- and middle-income students. If UNC anticipates the need for an annual increase in undergraduate resident tuition greater than 9% before the end of FY16, the University must submit an SB-3 Financial Accountability Plan by the October 1, 2010, deadline.

It's important that our plan demonstrates a commitment to fiscal restraint and our thoughtful analysis of appropriate tuition rates. However, because the SB-3 process is new and there is still quite a bit of uncertainty about the CCHE's approach to reviewing the financial accountability plans, we may need to allow for some flexibility. Given the date of the plan submission deadline, if UNC's tuition rate projections ultimately prove to be too aggressive, there will be ample time for further refinement before the Board adopts a budget in June.

National trends in higher education and at UNC's peer institutions provide some context for this discussion. It will come as no surprise that over the past decade at public research institutions net

tuition revenues per student have increased as state and local appropriations fell [Figure 2]. However, in spite of recent tuition increases at UNC, we have the next-to-lowest tuition rate among our NCHEMS¹ peers [Figure 3].

Figure 2



Source: Delta Cost Project IPEDS database, 1987-2008, 11-year matched set.

UNIVERSITY OF NORTHERN COLORADO

Figure 3

**2009-2010 Academic Year Tuition Information
NCHEMS-Resident Undergraduate**

Institution	Resident Undergraduate Tuition	Resident % Tuition UNC/ Comparison
UNIVERSITY OF NORTH CAROLINA AT GREENSBORO	\$2,590	166%
UNIVERSITY OF NORTHERN COLORADO	\$4,296	100%
UNIVERSITY OF NORTH TEXAS	\$5,060	85%
NORTHERN ARIZONA UNIVERSITY	\$5,236	82%
INDIANA UNIVERSITY OF PENNSYLVANIA-MAIN CAMPUS	\$5,554	77%
NORTHERN ILLINOIS UNIVERSITY	\$6,240	69%
ILLINOIS STATE UNIVERSITY	\$6,624	65%
BALL STATE UNIVERSITY	\$7,228	59%
BOWLING GREEN STATE UNIVERSITY-MAIN CAMPUS	\$7,778	55%
SUNY AT BINGHAMTON	\$9,940	43%
MIAMI UNIVERSITY-OXFORD	\$11,442	38%
Average of 10 NCHEMS Schools	\$6,940	62%

*all rates for undergraduate tuition based on 12 credit hours per semester

¹ The National Center for Higher Education Management System (NCHEMS) was engaged by the CCHE to conduct a funding study for Colorado. As part of this study, national peer groups were identified for Colorado public higher education institutions.

At the same time states have been shifting the burden of cost to students, the average expenditure per student for education and related costs has also risen, albeit at a much slower rate [Figure 4]. UNC's expenditure per student is now the lowest in our peer group [Figure 5], which raises the issue of our continuing ability to compete with similar institutions.

Figure 4

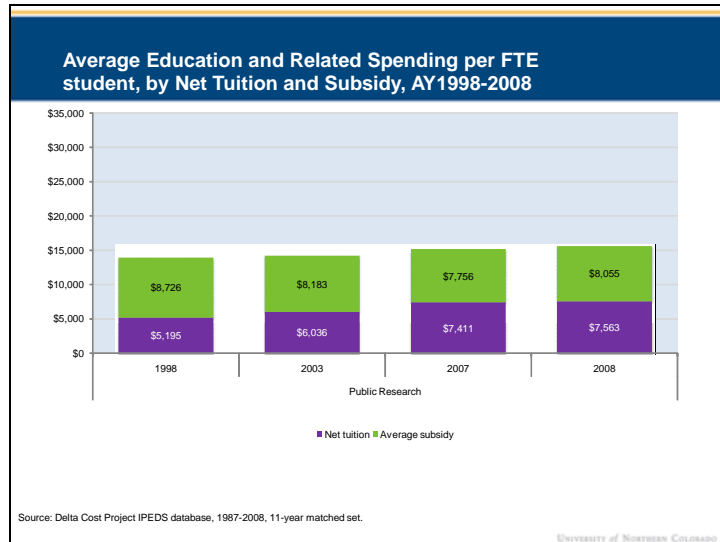
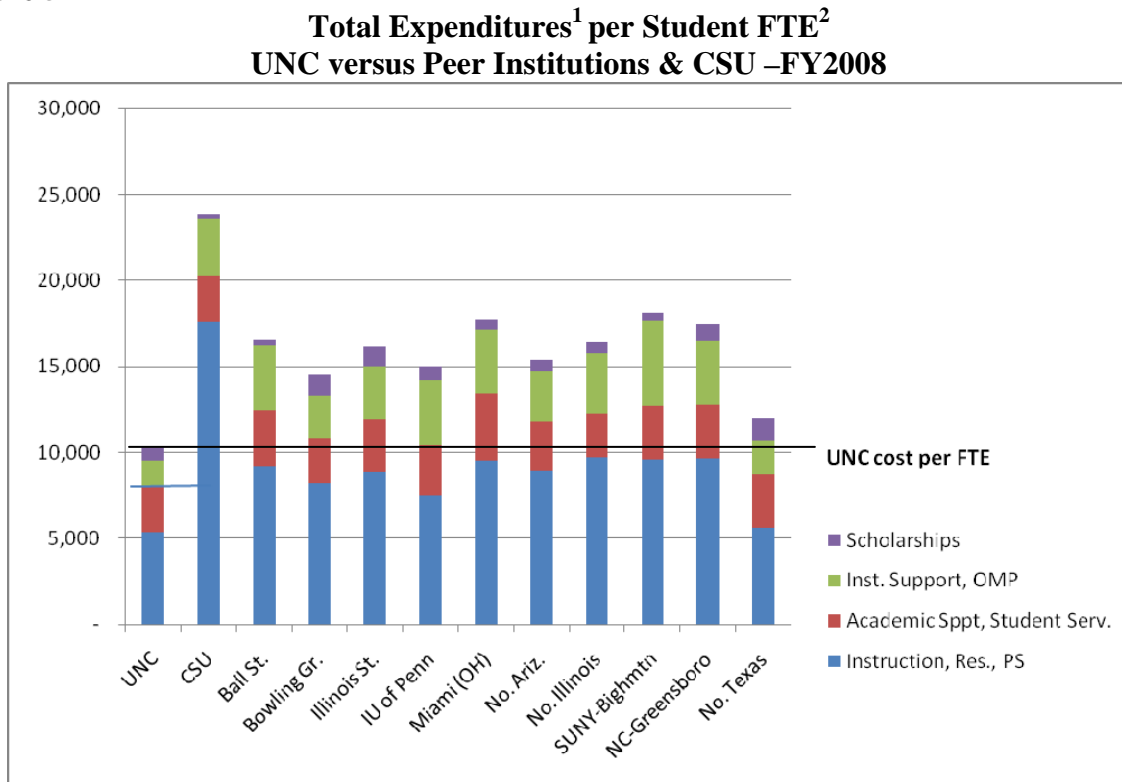


Figure 5



- 1) Includes all unrestricted and restricted funding.
- 2) FTE is an IPEDS defined calculation that is consistent among institutions but would look different than UNC reported in other context.

While there is no question that UNC and Colorado’s other public universities are underfunded in relation to their national peers, we are providing this information only as context. We did not use the average expenditures and revenues of our peers as targets for UNC in the financial plan scenarios we have developed. Rather, the scenarios are based on factors that include UNC’s obligation as a public institution to serve the state’s changing population, costs associated with enrollment growth and quality, the fact that many of our students come from low- and middle-income families, our historical mission as an education thought leader, and a continuing emphasis on efficiency.

UNC, CU and CSU already give Colorado a better return on its investment per resident degree than the state’s other four-year public institutions do [Figure 6]. Nonetheless, we are committed to finding additional cost saving measures at UNC in the coming year.

Figure 6

State Support per Resident Student Degree

Institution	FY 2009 COF / FFS/ ARRA*	FY 2009 Resident Degrees*	State Support/Resident Degree
Western State College	\$12,173,017	309	\$39,395
Adams State College	\$14,608,449	424	\$34,454
Colo School of Mines	\$23,237,386	731	\$31,788
Mesa State College	\$24,005,607	829	\$28,957
Colo State Univ Pueblo	\$16,981,727	687	\$24,719
Ft Lewis College	\$12,736,330	539	\$23,630
Metro State College	\$49,713,412	2,510	\$19,806
Univ of Northern Colorado	\$44,086,311	2,307	\$19,110
Colo State Univ Ft Collins	\$89,081,108	4,722	\$18,865
Univ of Colorado Boulder	\$86,283,006	5,234	\$16,485
Univ of Colorado Colorado Springs	\$22,941,600	1,582	\$14,502
Univ of Colorado Denver	\$33,084,995	2,706	\$12,227

*Source: FY 2008-09 Actuals: Budget Data Book
 ARRA not shown in Budget Data Book - assumes FY09 appropriation
 Source of Data: SURDS; Dept of Higher Education Degrees database

The framework we are using for our University planning effort emphasizes fiscal and operational sustainability [Appendix A]. The ultimate goal is to reinvent our operations in ways that improve our effectiveness, save money and make UNC a better place to work. In keeping with this, both of the scenarios we have developed for the Board include \$5 million in permanent and sustainable cost savings to be identified this fiscal year and implemented over the next three fiscal years.

General Assumptions for Financial Plan Scenarios

The scenarios model two different approaches to a multi-year financial plan. They are far less precise, particularly in the out years, than the annual budget the Board approves. The following assumptions were used:

- A loss of \$10.5 million in state funds from \$40.6 million to \$30.1 million
- Cost savings of at least \$5.0 million

- Revenues shown are for On-campus Education and General activities, do not include self-supporting activities such as Extended Studies and Housing and Dining, but do include funds generated by self-supporting activities and redirected to support On-campus Education and General activities [Appendix D, page 1]
- Tuition increases are shown by resident, non-resident, undergraduate and graduate categories; however, further refinement within each category can be achieved with strategies such as additional programmatic differentials, upper/lower division differentials, and closing the tuition window [Appendix D, page 3]
- Salary increases of 3% annually (neither faculty nor staff received increases in FY10 or FY11)
- An increase in the cost of fringe benefits from 27% of wages in FY11 to 32% in FY12 and increasing gradually thereafter
- Undergraduate enrollment growth of 1.8% annually
- Graduate enrollment growth between 6% and 7% annually
- Continued strategic discounting of tuition for undergraduates and graduates
- Utility price increases of 3%
- Cumulative investments of \$7.0 million FY12, FY13, and FY14 to support growth and quality

Risks

Downside risks to these assumptions include:

- Potential additional loss of state funding
- Slower enrollment growth than projected
- A need for greater discounting to achieve enrollment growth

Scenario 1

Scenario 1 assumptions for tuition rate increases are as follows:

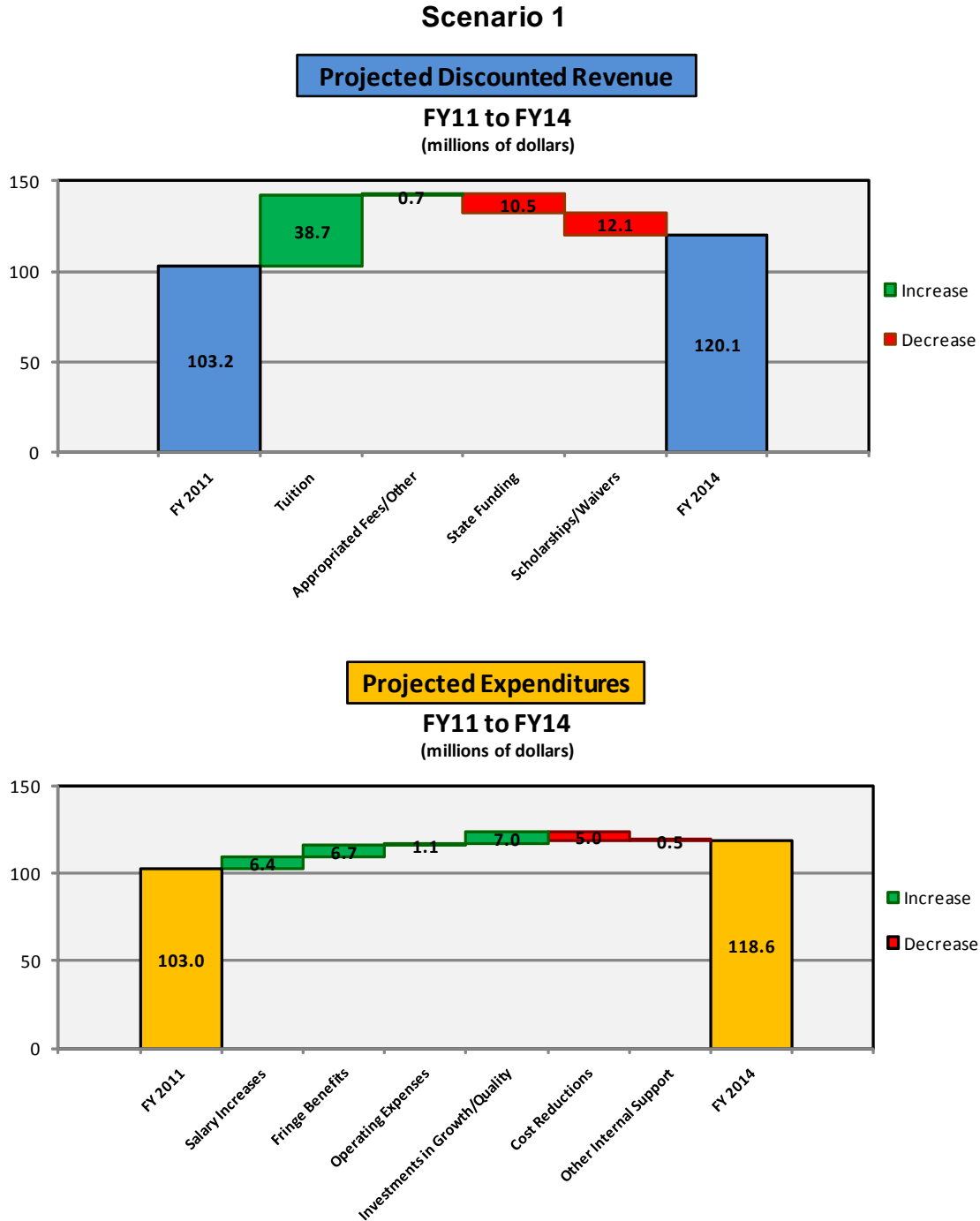
	FY12	FY13	FY14	FY15	FY16
Undergraduate Resident	15.0%	15.0%	12.0%	9.0%	9.0%
Undergraduate Non-resident	6.5%	6.5%	6.5%	6.0%	6.0%
Graduate Resident and Non-resident	15.0%	15.0%	15.0%	15.0%	15.0%

While the percentage increase is higher for undergraduate residents than non-residents, the dollar amount is greater for non-residents. The effect of the 15% and 12% resident undergraduate tuition increases thru FY14 would be for FY12-\$702, FY13-\$807, and FY14-\$743. The effect of the 6.5% increase for non-resident undergraduates over the same time period is FY12-\$1,031, FY13-\$1,098 and FY14-\$1,170.

Scenario 1 includes the implementation of \$5 million in cost savings over three years, from FY12 through FY14.

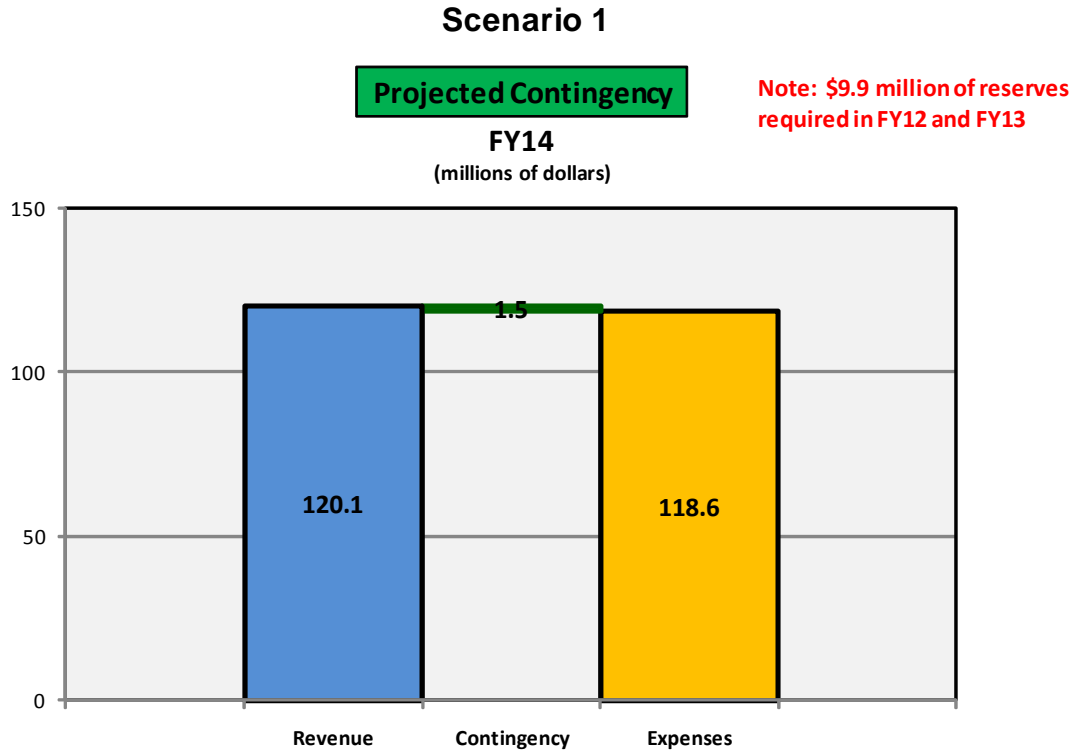
Figure 7 summarizes projected changes in revenues and expenses through FY14 under Scenario 1. Appendix B includes more detail about Scenario 1.

Figure 7



This scenario also includes the use of \$9.9 million from reserves in FY12 and FY13, which we have already set aside, to smooth out the impact of the loss in state funding. If enrollment and discounting assumptions are correct, by FY14 we would generate revenue of \$1.5 million in excess of expenditures (contingency) [Figure 8]. These funds could be used, for example, to replenish reserves, address further declines in state funding, or make capital investments. Alternately, this approach leaves room for some margin of error in enrollment and discounting assumptions.

Figure 8



Scenario 2

The second scenario would moderate tuition increases to 10% in FY12 through FY14 (1 percentage point over the SB-3 Financial Accountability Plan threshold). Other tuition rates are the same as in Scenario 1.

	FY12	FY13	FY14	FY15	FY16
Undergraduate Resident	10.0%	10.0%	10.0%	9.0%	9.0%
Undergraduate Non-resident	6.5%	6.5%	6.5%	6.0%	6.0%
Graduate Resident and Non-resident	15.0%	15.0%	15.0%	15.0%	15.0%

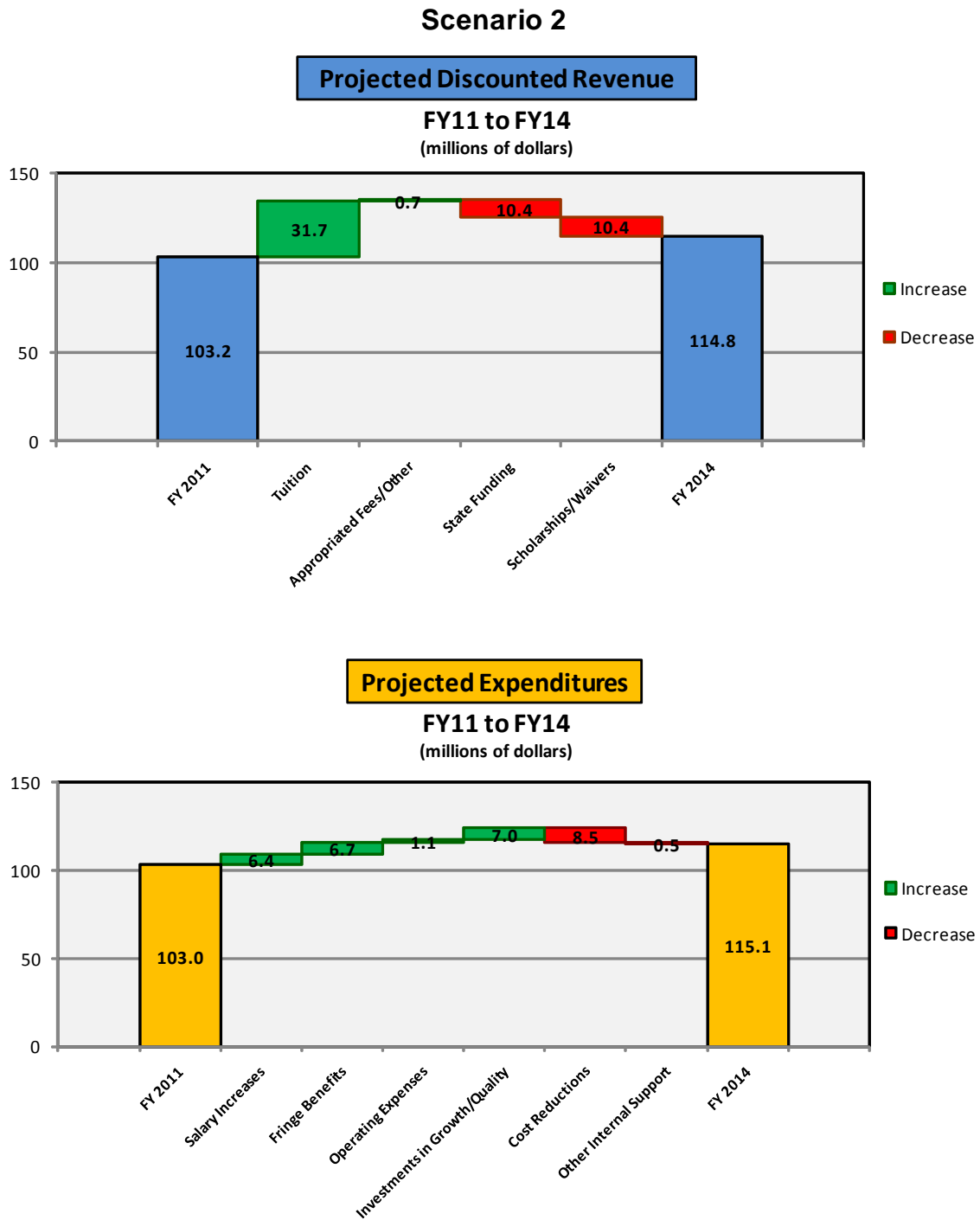
While the percentage increase is higher for undergraduate residents than non-residents, the dollar amount is greater for non-residents. The effect of the 10% resident undergraduate tuition increases thru FY14 would be for FY12-\$468, FY13-\$515, and FY14-\$566. The effect of the 6.5% increase for non-resident undergraduates over the same time period is FY12-\$1,031, FY13-\$1,098 and FY14-\$1,170.

Scenario 2 would require \$8.5 million in cost savings, \$3.5 million more than in Scenario 1. It is extremely unlikely that we could achieve this degree of cost savings by reinventing our operations in ways that improve our effectiveness, save money and make UNC a better place to work. This scenario would also require budget cuts. Savings could be achieved by forgoing the salary increases included in the financial plan, but we would risk the loss of talented faculty and staff. Savings could also be achieved with tactics such as larger class sizes, less frequent course offerings and greater reliance on part-time faculty; reductions in marketing and promotional activities; reduced academic support functions such as tutoring, advising, mentoring programs, and services for at-risk student cohorts; or fewer residential campus experiences such as linked courses, learning communities, honors, common reading, and leadership and civic engagement

programs. Past experience has shown us the corrosive effects these types of measures can have on student recruitment, retention and graduation rates [Appendix D, page 4].

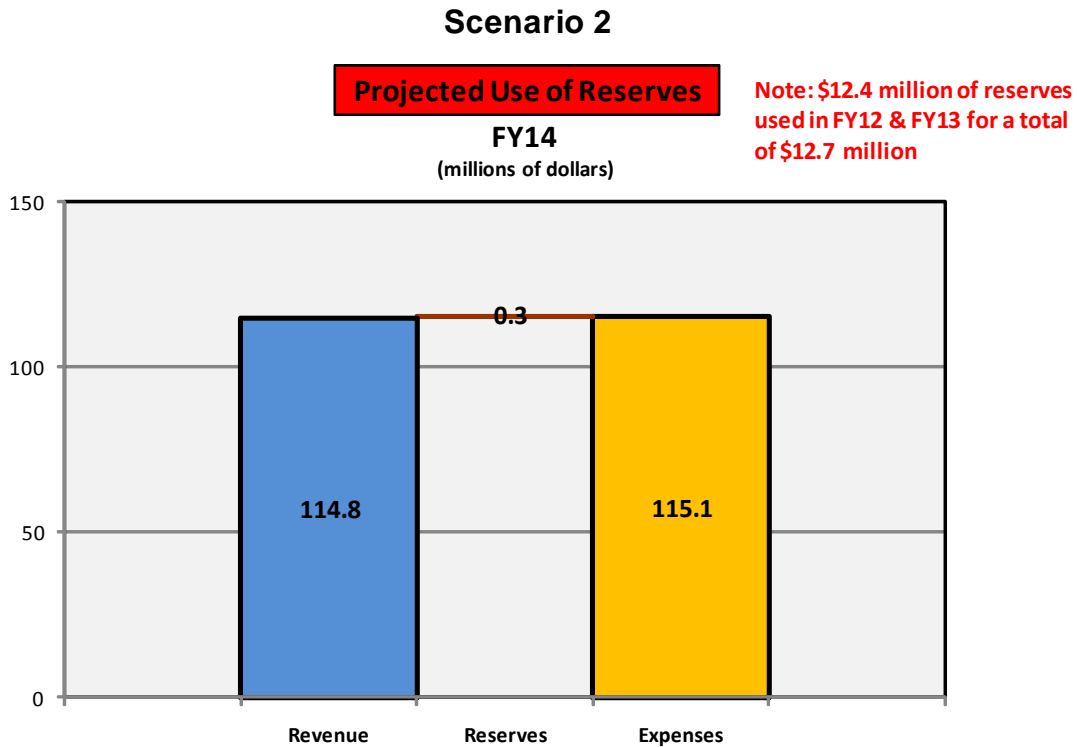
Figure 9 summarizes projected changes in revenues and expenses through FY14 under Scenario 2. Appendix C includes more detail about Scenario 2.

Figure 9



This scenario includes the use of \$12.7 million from reserves in FY12, FY13 and FY14 to smooth out the impact of the loss in state funding. Unlike in Scenario 1, where we projected flexibility beginning in FY14, Scenario 2 does not show revenues in excess of expenditures until FY15. This makes the risk of imperfect enrollment and discounting assumptions greater for Scenario 2.

Figure 10



Projected Tuition Comparison

In Scenario 1 the cumulative \$94 per-credit-hour increase would result in annual resident undergraduate tuition of \$6,932. Predicting how that might compare to UNC’s NCHEMS peers or other Colorado institutions is speculative, but Figure 11 gives an example of what might occur under Scenario 1. Figure 12 gives an example of how, under Scenario 2, the \$65 cumulative per-credit-hour increase might compare in annual tuition to other institutions. Appendices B and C include similar comparisons for non-resident tuition.

Figure 11

**Projected Tuition Comparisons
Scenario 1
Resident Undergraduate**

Rate Increase Assumptions					Annual Tuition		UNC FY14 Annual Tuition Compared to Competition
	FY11	FY12	FY13	FY14	FY10	FY14	
UNC	9.0%	15.0%	15.0%	12.0%			
CU/CSU	9.0%	12.0%	12.0%	12.0%			
NCHEMS	6.0%	6.0%	6.0%	6.0%			
University of Northern Colorado					4,296	6,932	-
University of Colorado-Boulder*					6,446	9,871	2,939 lower
Colorado State University-Fort Collins					4,822	7,384	452 lower
NCHEMS Peers							
Ball State University					7,228	9,125	2,193 lower
Bowling Green State University					7,778	9,820	2,888 lower
Illinois State University					6,624	8,363	1,431 lower
Indiana University of Pennsylvania					5,554	7,012	80 lower
Northern Arizona University					5,236	6,610	322 higher
Northern Illinois University					6,240	7,878	946 lower
University of North Carolina-Greensboro					2,590	3,270	3,662 higher
University of North Texas					5,060	6,388	544 higher
Miami University-Oxford					11,442	14,445	7,513 lower
SUNY at Binghamton					9,940	12,549	5,617 lower

*Used Arts & Sciences/Other Rate

Figure 12

**Projected Tuition Comparisons
Scenario 2
Resident Undergraduate**

Rate Increase Assumptions					Annual Tuition		UNC FY14 Annual Tuition Compared to Competition
	FY11	FY12	FY13	FY14	FY10	FY14	
UNC	9.0%	10.0%	10.0%	10.0%			
CU/CSU	9.0%	12.0%	12.0%	12.0%			
NCHEMS	6.0%	6.0%	6.0%	6.0%			
University of Northern Colorado					4,296	6,229	-
University of Colorado-Boulder*					6,446	9,871	3,643 lower
Colorado State University-Fort Collins					4,822	7,384	1,156 lower
NCHEMS Peers							
Ball State University					7,228	9,125	2,897 lower
Bowling Green State University					7,778	9,820	3,591 lower
Illinois State University					6,624	8,363	2,134 lower
Indiana University of Pennsylvania					5,554	7,012	783 lower
Northern Arizona University					5,236	6,610	382 lower
Northern Illinois University					6,240	7,878	1,649 lower
University of North Carolina-Greensboro					2,590	3,270	2,959 higher
University of North Texas					5,060	6,388	160 lower
Miami University-Oxford					11,442	14,445	8,217 lower
SUNY at Binghamton					9,940	12,549	6,320 lower

*Used Arts & Sciences/Other Rate

Appendix A-Planning Framework

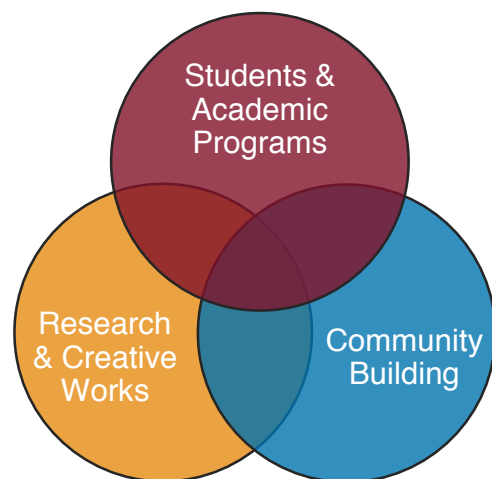
UNC Planning Framework

UNIVERSITY of NORTHERN COLORADO

Framework

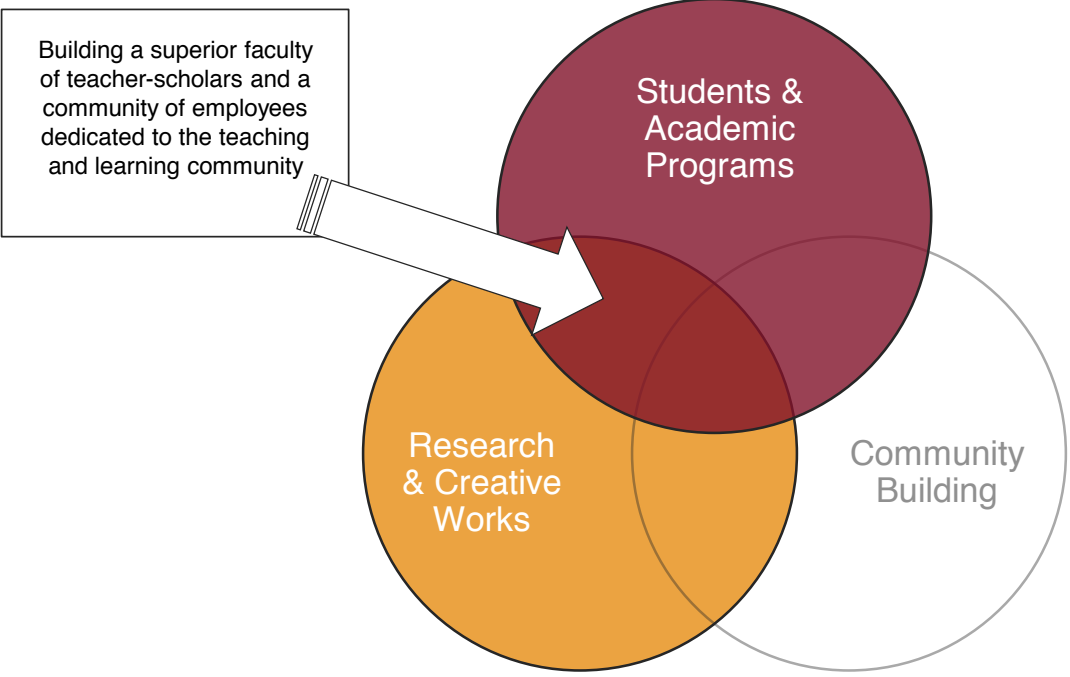
Action Areas

1. Serve students and build exemplary academic programs to fulfill UNC's mission in sustainable ways
2. Enhance UNC's research focus to engage our faculty and students and the public we serve
3. Create a respectful and inclusive campus community that connects with the area around the University and the global community



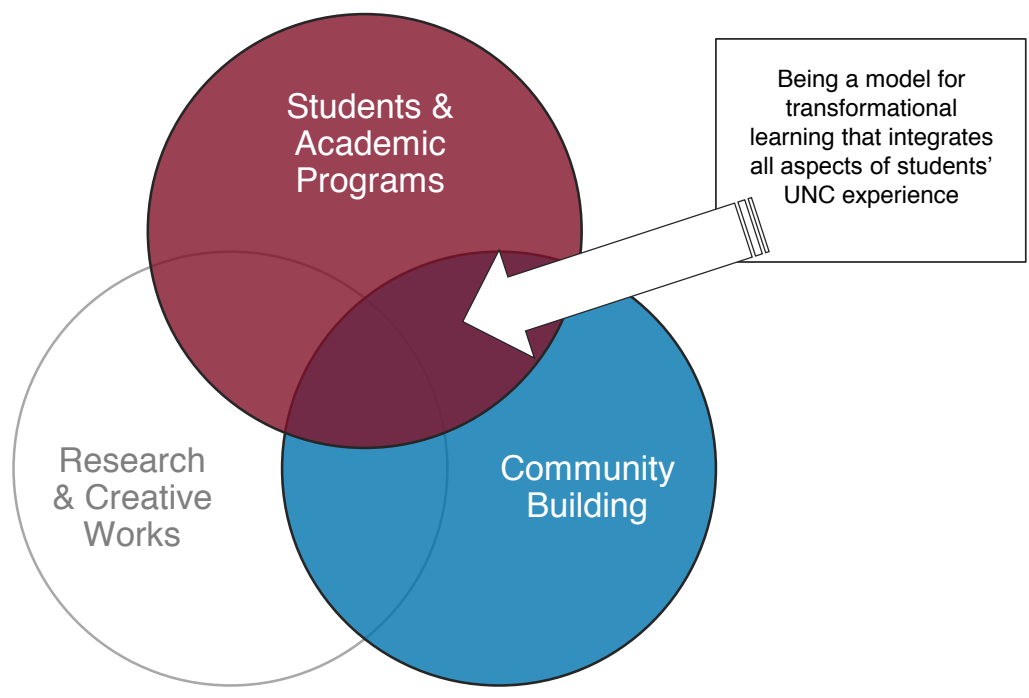
Framework

Superior Faculty & Staff

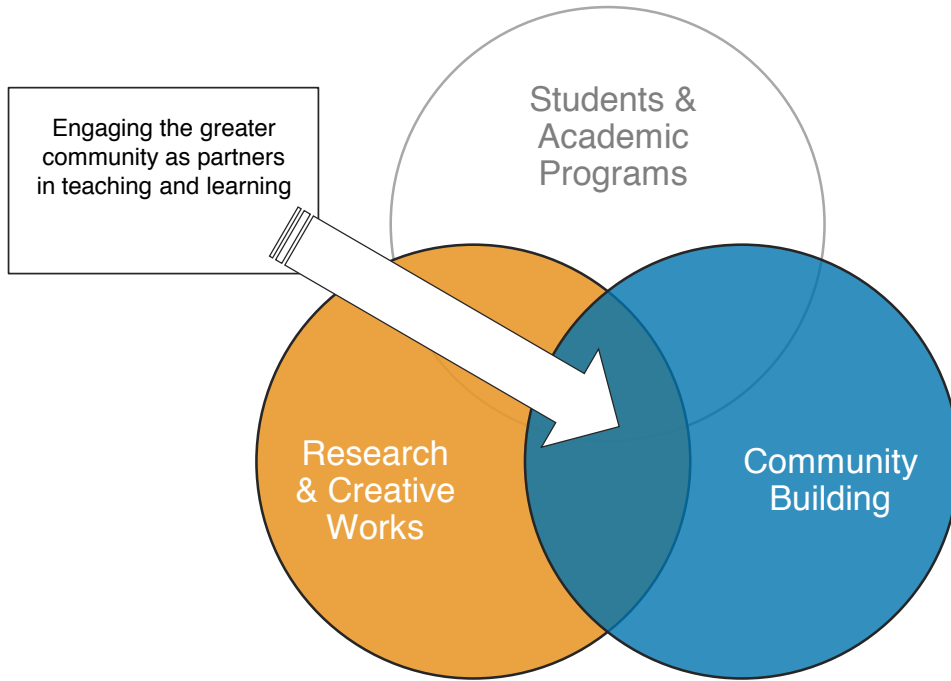


Framework

Transformational Learning



Community Engagement



Teaching & Learning Community



Resource Development

To develop resources for our exemplary teaching and learning community we will:

- Serve students, build academic programs, enhance our research focus and create community in fiscally sustainable ways that fulfill our mission
- Effectively allocate and reallocate resources in support of University priorities
- Plan in multi-year cycles to lessen the disruptive effect of funding fluctuations
- Better integrate fundraising efforts into University planning and operations

Operational Changes

We, as an institution, will exemplify the critical thinking, problem solving, communication and leadership abilities we teach our students.

- Shift from ad hoc to integrated decision making
- Link key University functions (e.g., integrating student recruitment, engagement and success operations)
- Improve our data and information management capabilities
- Focus on ongoing planning and assessment

Appendix B-Scenario 1

University of Northern Colorado
On Campus Education and General
Fiscal Year 2011 to 2016

	FY11	FY12	% Chg	FY13	% Chg	FY14	% Chg	FY15	% Chg	FY16	% Chg
Revenue											
UG Resident Tuition	43,012,000	50,717,000	17.9%	59,516,000	17.3%	68,000,000	14.3%	75,600,000	11.2%	84,029,000	11.1%
UG Non-resident Tuition	13,669,000	15,460,000	13.1%	16,475,000	6.6%	17,553,000	6.5%	18,613,000	6.0%	19,733,000	6.0%
GR Resident Tuition	7,716,000	9,314,000	20.7%	11,421,000	22.6%	14,007,000	22.6%	17,194,000	22.8%	21,121,000	22.8%
GR Non-resident Tuition	4,321,000	5,275,000	22.1%	6,434,000	22.0%	7,855,000	22.1%	9,592,000	22.1%	11,726,000	22.2%
Appropriated Fees	4,929,000	5,077,000	3.0%	5,229,000	3.0%	5,386,000	3.0%	5,548,000	3.0%	5,714,000	3.0%
Federal/ State Funding	40,623,000	30,176,000	-25.7%	30,176,000	0.0%	30,176,000	0.0%	30,176,000	0.0%	30,176,000	0.0%
Other Revenue	4,338,000	4,425,000	2.0%	4,515,000	2.0%	4,607,000	2.0%	4,702,000	2.1%	4,800,000	2.1%
Total Revenue	118,608,000	120,444,000	1.5%	133,766,000	11.1%	147,584,000	10.3%	161,425,000	9.4%	177,299,000	9.8%
Institutional Discounting											
GA/TA Waivers	(2,400,000)	(3,621,000)	50.9%	(5,193,000)	43.4%	(7,130,000)	37.3%	(9,518,000)	33.5%	(12,468,000)	31.0%
Scholarships	(12,964,000)	(15,393,000)	18.7%	(17,908,000)	16.3%	(20,366,000)	13.7%	(22,605,000)	11.0%	(25,073,000)	10.9%
Total Institutional Discounting	(15,364,000)	(19,014,000)	23.8%	(23,101,000)	21.5%	(27,496,000)	19.0%	(32,123,000)	16.8%	(37,541,000)	16.9%
Discounted Revenue	103,244,000	101,430,000	-1.8%	110,665,000	9.1%	120,088,000	8.5%	129,302,000	7.7%	139,758,000	8.1%
Expenditures											
Faculty Salaries	32,835,000	34,120,000	3.9%	36,528,000	7.1%	39,250,000	7.5%	41,788,000	6.5%	44,465,000	6.4%
GA/TA Stipends	3,126,000	3,636,000	16.3%	4,289,000	18.0%	5,090,000	18.7%	6,075,000	19.4%	7,287,000	20.0%
Exempt & Classified Salaries	31,491,000	32,435,000	3.0%	33,485,000	3.2%	34,571,000	3.2%	35,851,000	3.7%	37,173,000	3.7%
All Other Wages	3,840,000	3,955,000	3.0%	4,083,000	3.2%	4,215,000	3.2%	4,352,000	3.3%	4,494,000	3.3%
Fringe Benefits	15,700,000	19,479,000	24.1%	21,461,000	10.2%	23,571,000	9.8%	25,931,000	10.0%	28,459,000	9.7%
Cost of Sales	305,000	317,000	3.9%	331,000	4.4%	345,000	4.2%	360,000	4.3%	375,000	4.2%
OCE	8,132,000	8,511,000	4.7%	8,810,000	3.5%	9,121,000	3.5%	9,445,000	3.6%	9,781,000	3.6%
Utilities	3,787,000	3,901,000	3.0%	4,036,000	3.5%	4,176,000	3.5%	4,321,000	3.5%	4,472,000	3.5%
Travel	1,017,000	1,017,000	0.0%	1,024,000	0.7%	1,031,000	0.7%	1,038,000	0.7%	1,045,000	0.7%
Capital	2,536,000	2,536,000	0.0%	2,541,000	0.2%	2,546,000	0.2%	2,551,000	0.2%	2,556,000	0.2%
Total Expenditures	102,769,000	109,907,000	6.9%	116,588,000	6.1%	123,916,000	6.3%	131,712,000	6.3%	140,107,000	6.4%
Cost Reductions		(1,500,000)	-	(3,000,000)	100.0%	(5,000,000)	66.7%	(5,000,000)	0.0%	(5,000,000)	0.0%
Transfers											
Out to Capital	886,000	886,000	0.0%	888,000	0.2%	890,000	0.2%	892,000	0.2%	894,000	0.2%
Support from Other Activities	(661,000)	(716,000)	8.3%	(1,028,000)	43.6%	(1,181,000)	14.9%	(1,522,000)	28.9%	(1,926,000)	26.5%
Total Transfers	225,000	170,000	-24.4%	(140,000)	-182.4%	(291,000)	107.9%	(630,000)	116.5%	(1,032,000)	63.8%
Total Expenditures, Cost Reductions and Transfers	102,994,000	108,577,000	5.4%	113,448,000	4.5%	118,625,000	4.6%	126,082,000	6.3%	134,075,000	6.3%
Discounted Revenue Less Expenditures, Cost Reductions and Transfers	250,000	(7,147,000)		(2,783,000)		1,463,000		3,220,000		5,683,000	
Use of Reserves	0	7,147,000		2,783,000		0		0		0	
Contingency	250,000	0		0		1,463,000		3,220,000		5,683,000	

On Campus Education and General					
Multi-Year Financial Plan Assumptions					
	FY 12	FY 13	FY 14	FY 15	FY 16
Assumptions related to Revenue Items:					
Undergraduate Resident Tuition (student share)	15.0%	15.0%	12.0%	9.0%	9.0%
Undergraduate Non-Resident Tuition	6.5%	6.5%	6.5%	6.0%	6.0%
Graduate Resident and Non-Resident Tuition	15.0%	15.0%	15.0%	15.0%	15.0%
Undergraduate Overall Enrollment Growth (credit hours)	1.8%	1.8%	1.8%	1.8%	1.8%
Graduate Overall Enrollment Growth (credit hours)	6.5%	6.6%	6.6%	6.7%	6.8%
Loss of State Funds	(10,447,000)	0	0	0	0

Assumptions related to Expense Items:					
Salaries and Wages, general inflation	3.0%	3.0%	3.0%	3.0%	3.0%
Employee Benefits as % of Wages	31.6%	32.8%	33.9%	35.2%	36.5%
Cost of Sales	4.0%	4.0%	4.0%	4.0%	4.0%
Graduate stipends – 20% of new on-campus graduate tuition revenue will be added to graduate stipends.					
OCE (left H & D and Ext Studies per submission)	1.0%	1.0%	1.0%	1.0%	1.0%
Utilities	3.0%	3.0%	3.0%	3.0%	3.0%
Travel (left H & D and Ext Studies per submission)	0.0%	0.0%	0.0%	0.0%	0.0%
Other Changes for Growth and Investment Including possible salary adjustments and capital	\$ 1,055,000	\$ 2,700,000	\$ 3,199,000	\$ 3,270,000	\$ 3,617,000

**University of Northern Colorado
Multi-Year Financial Plan Assumptions
Undergraduate**

	FY 11 Budget	FY 12 Projections	FY 13 Projections	FY 14 Projections	FY 15 Projections	FY 16 Projections
Base Rate Increases						
Undergraduate Resident Base Student Share	9.0%	15.0%	15.0%	12.0%	9.0%	9.0%
Undergraduate Non-Resident Base	9.0%	6.5%	6.5%	6.5%	6.0%	6.0%
<i>Note: Differential Tuition increased at same rate as UG resident</i>						
Enrollment Increases						
Undergraduate Resident	3.7%	2.0%	2.0%	2.0%	2.0%	2.0%
Undergraduate Non-Resident	-3.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Overall	3.0%	1.8%	1.8%	1.8%	1.8%	1.8%
Tuition Rates (24-30 credit hours - annual rate)						
Undergraduate Resident Student Share	\$4,680	\$5,382	\$6,189	\$6,932	\$7,556	\$8,236
Undergraduate Non-Resident	\$15,864	\$16,895	\$17,993	\$19,163	\$20,313	\$21,531
Undergraduate Institutional Discounting						
Institutional Discounting Percentage (of UG tuition revenue)	22%	22%	23%	23%	23%	23%
Institutional Scholarships Total	\$12,410,000	\$14,784,000	\$17,238,000	\$19,629,000	\$21,794,000	\$24,181,000
Institutional Scholarships Increase over Previous Year Resident		\$1,926,000	\$2,200,000	\$2,121,000	\$1,900,000	\$2,107,000
Institutional Scholarships Increase over Previous Year Non-Resident		\$448,000	\$254,000	\$270,000	\$265,000	\$280,000
Institutional Scholarships Percentage of Resident New Revenue	\$8,687,000	25%	25%	25%	25%	25%
Institutional Scholarships Percentage of Non- Resident New Revenue	\$3,723,000	25%	25%	25%	25%	25%

**University of Northern Colorado
Multi-Year Financial Plan Assumptions
Graduate On-Campus**

	FY 11 Budget	FY 12 Projections	FY 13 Projections	FY 14 Projections	FY 15 Projections	FY 16 Projections
Graduate Assistantship & Scholarship Calculations						
Scholarship Growth Increase		10%	10%	10%	10%	10%
Scholarship Dollars	\$554,000	\$609,000	\$670,000	\$737,000	\$811,000	\$892,000
Graduate Waivers Masters Percent of New Revenue						
Graduate Waivers Total	\$2,400,000	\$3,621,000	\$5,193,000	\$7,130,000	\$9,518,000	\$12,468,000
Graduate Stipend Increase as Percent of New Revenue						
Graduate Stipend Dollars	\$3,126,000	\$3,636,000	\$4,289,000	\$5,090,000	\$6,075,000	\$7,287,000
Total Stipends, waivers & Scholarships	\$6,080,000	\$7,866,000	\$10,152,000	\$12,957,000	\$16,404,000	\$20,647,000
Graduate Waivers & Scholarship as a Percent of New Revenue						
Graduate Waivers & Scholarship as a Percent of Total Revenue	24.5%	29.0%	32.8%	36.0%	38.6%	40.7%
Graduate Stipends as a Percent of New Revenue						
Graduate Stipends as a Percent of Total Revenue	26.0%	24.9%	24.0%	23.3%	22.7%	22.2%

**University of Northern Colorado
 Graduate On-Campus Credit Hours and Tuition Percentage Changes
 Fiscal Year 2011 -2016 Projection Model**

	Credit Hour Changes						Tuition Rate Changes					
	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
	Budget	Projection	Projection	Projection	Projection	Projection	Budget	Projection	Projection	Projection	Projection	Projection
<u>Resident</u>												
<u>Masters</u>												
Tier 1	1.0%	3.0%	3.0%	3.0%	3.0%	3.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Tier 2	9.0%	10.0%	10.0%	10.0%	10.0%	10.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Tier 3	13.0%	5.0%	5.0%	5.0%	5.0%	5.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Overall	6.4%	7.3%	7.4%	7.5%	7.6%	7.7%	N/A	N/A	N/A	N/A	N/A	N/A
<u>Doctoral</u>												
Tier 1	9.0%	7.0%	6.0%	6.0%	6.0%	6.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Tier 2	7.0%	4.5%	4.5%	4.5%	4.5%	4.5%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Tier 3	0.0%	2.0%	2.0%	1.0%	1.0%	1.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Overall	5.7%	4.5%	4.3%	4.1%	4.1%	4.2%	N/A	N/A	N/A	N/A	N/A	N/A
Resident Overall	6.2%	6.6%	6.6%	6.7%	6.8%	6.9%	N/A	N/A	N/A	N/A	N/A	N/A
<u>Non Resident</u>												
<u>Masters</u>												
Tier 1	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Tier 2	13.0%	9.0%	9.0%	9.0%	9.0%	9.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Tier 3	12.0%	7.0%	7.0%	7.0%	7.0%	7.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Overall	11.0%	7.5%	7.6%	7.7%	7.7%	7.8%	N/A	N/A	N/A	N/A	N/A	N/A
<u>Doctoral</u>												
Tier 1	10.0%	7.0%	6.0%	6.0%	6.0%	6.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Tier 2	4.0%	4.5%	4.0%	4.0%	4.0%	4.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Tier 3	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Overall	3.9%	4.0%	3.6%	3.7%	3.7%	3.7%	N/A	N/A	N/A	N/A	N/A	N/A
Non-Resident Overall	8.4%	6.3%	6.2%	6.3%	6.3%	6.4%	N/A	N/A	N/A	N/A	N/A	N/A
Resident & Non-Resident Overall	6.6%	6.5%	6.6%	6.6%	6.7%	6.8%	N/A	N/A	N/A	N/A	N/A	N/A

Projected Tuition Comparisons Scenario 1

Resident Undergraduate

Rate Increase Assumptions					Annual Tuition		UNC FY14 Annual Tuition Compared to Competition
	FY11	FY12	FY13	FY14			
UNC	9.0%	15.0%	15.0%	12.0%	FY10	FY14	
CU/CSU	9.0%	12.0%	12.0%	12.0%			
NCHEMS	6.0%	6.0%	6.0%	6.0%			
University of Northern Colorado					4,296	6,932	-
University of Colorado-Boulder*					6,446	9,871	2,939 lower
Colorado State University-Fort Collins					4,822	7,384	452 lower
NCHEMS Peers							
Ball State University					7,228	9,125	2,193 lower
Bowling Green State University					7,778	9,820	2,888 lower
Illinois State University					6,624	8,363	1,431 lower
Indiana University of Pennsylvania					5,554	7,012	80 lower
Northern Arizona University					5,236	6,610	322 higher
Northern Illinois University					6,240	7,878	946 lower
University of North Carolina-Greensboro					2,590	3,270	3,662 higher
University of North Texas					5,060	6,388	544 higher
Miami University-Oxford					11,442	14,445	7,513 lower
SUNY at Binghamton					9,940	12,549	5,617 lower

*Used Arts & Sciences/Other Rate

Projected Tuition Comparisons Scenario 1

Non-Resident Undergraduate

Rate Increase Assumptions					Annual Tuition		UNC FY14 Annual Tuition Compared to Competition
	FY11	FY12	FY13	FY14			
UNC	9.0%	6.5%	6.5%	6.5%	FY10	FY14	
CU/CSU	4.0%	6.0%	6.0%	6.0%			
NCHEMS	6.0%	6.0%	6.0%	6.0%			
University of Northern Colorado					14,544	19,163	-
University of Colorado-Boulder*					26,700	33,390	14,228 lower
Colorado State University-Fort Collins					20,744	25,448	6,285 lower
NCHEMS Peers							
Ball State University					19,796	24,992	5,829 lower
Bowling Green State University					15,086	19,046	117 higher
Illinois State University					11,448	14,453	4,710 higher
Indiana University of Pennsylvania					13,886	17,531	1,632 higher
Northern Arizona University					15,644	19,750	588 lower
Northern Illinois University					12,480	15,756	3,407 higher
University of North Carolina-Greensboro					14,351	18,118	1,045 higher
University of North Texas					11,708	14,781	4,381 higher
Miami University-Oxford					26,202	33,079	13,917 lower
SUNY at Binghamton					25,740	32,496	13,334 lower

*Used Arts & Sciences/Other Rate

Projected Tuition Comparisons Scenario 1

Resident Graduate

Rate Increase Assumptions					Annual Tuition		UNC FY14 Annual Tuition Compared to Competition
	FY11	FY12	FY13	FY14			
UNC	15.0%	15.0%	15.0%	15.0%	FY10	FY14	
CU/CSU	12.0%	12.0%	12.0%	12.0%			
NCHEMS	6.0%	6.0%	6.0%	6.0%			
University of Northern Colorado*					5,315	9,324	-
University of Colorado-Boulder					8,190	12,542	3,218 lower
Colorado State University-Fort Collins					6,464	10,444	1,120 lower
NCHEMS Peers							
Ball State University					7,228	9,125	199 higher
Bowling Green State University					7,632	9,635	311 lower
Illinois State University					3,960	4,999	4,325 higher
Indiana University of Pennsylvania					6,666	8,416	908 higher
Northern Arizona University					5,656	7,141	2,183 higher
Northern Illinois University					4,932	6,227	3,097 higher
University of North Carolina-Greensboro					3,044	3,843	5,481 higher
University of North Texas					4,116	5,196	4,128 higher
Miami University-Oxford					9,648	12,180	2,856 lower
SUNY at Binghamton					16,740	21,134	11,810 lower

* Used Master's General Rate

Projected Tuition Comparisons Scenario 1

Non-Resident Graduate

Rate Increase Assumptions					Annual Tuition		UNC FY14 Annual Tuition Compared to Competition
	FY11	FY12	FY13	FY14			
UNC	15.0%	15.0%	15.0%	15.0%	FY10	FY14	
CU/CSU	4.0%	4.0%	4.0%	4.0%			
NCHEMS	6.0%	6.0%	6.0%	6.0%			
University of Northern Colorado*					12,825	22,446	-
University of Colorado-Boulder					23,346	27,049	4,603 lower
Colorado State University-Fort Collins					18,116	21,397	1,049 higher
NCHEMS Peers							
Ball State University					19,796	24,992	2,546 lower
Bowling Green State University					13,122	16,566	5,880 higher
Illinois State University					8,226	10,385	12,061 higher
Indiana University of Pennsylvania					10,666	13,466	8,980 higher
Northern Arizona University					16,070	20,288	2,158 higher
Northern Illinois University					9,864	12,453	9,993 higher
University of North Carolina-Greensboro					14,524	18,336	4,110 higher
University of North Texas					9,102	11,491	10,955 higher
Miami University-Oxford					23,280	29,390	6,944 lower
SUNY at Binghamton					26,500	33,456	11,010 lower

* Used Master's General Rate

Appendix C-Scenario 2

University of Northern Colorado
On Campus Education and General
Fiscal Year 2011 to 2016

	FY11	FY12	% Chg	FY13	% Chg	FY14	% Chg	FY15	% Chg	FY16	% Chg
Revenue											
UG Resident Tuition	43,012,000	48,502,000	12.8%	54,419,000	12.2%	61,023,000	12.1%	67,821,000	11.1%	75,416,000	11.2%
UG Non-resident Tuition	13,669,000	15,454,000	13.1%	16,462,000	6.5%	17,535,000	6.5%	18,594,000	6.0%	19,713,000	6.0%
GR Resident Tuition	7,716,000	9,314,000	20.7%	11,421,000	22.6%	14,007,000	22.6%	17,194,000	22.8%	21,121,000	22.8%
GR Non-resident Tuition	4,321,000	5,275,000	22.1%	6,434,000	22.0%	7,855,000	22.1%	9,592,000	22.1%	11,726,000	22.2%
Appropriated Fees	4,929,000	5,077,000	3.0%	5,229,000	3.0%	5,386,000	3.0%	5,548,000	3.0%	5,714,000	3.0%
Federal/ State Funding	40,623,000	30,176,000	-25.7%	30,176,000	0.0%	30,176,000	0.0%	30,176,000	0.0%	30,176,000	0.0%
Other Revenue	4,338,000	4,425,000	2.0%	4,515,000	2.0%	4,607,000	2.0%	4,702,000	2.1%	4,800,000	2.1%
Total Revenue	118,608,000	118,223,000	-0.3%	128,656,000	8.8%	140,589,000	9.3%	153,627,000	9.3%	168,666,000	9.8%
Institutional Discounting											
GA/TA Waivers	(2,400,000)	(3,621,000)	50.9%	(5,193,000)	43.4%	(7,130,000)	37.3%	(9,518,000)	33.5%	(12,468,000)	31.0%
Scholarships	(12,964,000)	(14,838,000)	14.5%	(16,630,000)	12.1%	(18,616,000)	11.9%	(20,655,000)	11.0%	(22,915,000)	10.9%
Total Institutional Discounting	(15,364,000)	(18,459,000)	20.1%	(21,823,000)	18.2%	(25,746,000)	18.0%	(30,173,000)	17.2%	(35,383,000)	17.3%
Discounted Revenue	103,244,000	99,764,000	-3.4%	106,833,000	7.1%	114,843,000	7.5%	123,454,000	7.5%	133,283,000	8.0%
Expenditures											
Faculty Salaries	32,835,000	34,120,000	3.9%	36,528,000	7.1%	39,250,000	7.5%	41,788,000	6.5%	44,465,000	6.4%
GA/TA Stipends	3,126,000	3,636,000	16.3%	4,289,000	18.0%	5,090,000	18.7%	6,075,000	19.4%	7,287,000	20.0%
Exempt & Classified Salaries	31,491,000	32,435,000	3.0%	33,485,000	3.2%	34,571,000	3.2%	35,851,000	3.7%	37,173,000	3.7%
All Other Wages	3,840,000	3,955,000	3.0%	4,083,000	3.2%	4,215,000	3.2%	4,352,000	3.3%	4,494,000	3.3%
Fringe Benefits	15,700,000	19,479,000	24.1%	21,461,000	10.2%	23,571,000	9.8%	25,931,000	10.0%	28,459,000	9.7%
Cost of Sales	305,000	317,000	3.9%	331,000	4.4%	345,000	4.2%	360,000	4.3%	375,000	4.2%
OCE	8,132,000	8,511,000	4.7%	8,810,000	3.5%	9,121,000	3.5%	9,445,000	3.6%	9,781,000	3.6%
Utilities	3,787,000	3,901,000	3.0%	4,036,000	3.5%	4,176,000	3.5%	4,321,000	3.5%	4,472,000	3.5%
Travel	1,017,000	1,017,000	0.0%	1,024,000	0.7%	1,031,000	0.7%	1,038,000	0.7%	1,045,000	0.7%
Capital	2,536,000	2,536,000	0.0%	2,541,000	0.2%	2,546,000	0.2%	2,551,000	0.2%	2,556,000	0.2%
Total Expenditures	102,769,000	109,907,000	6.9%	116,588,000	6.1%	123,916,000	6.3%	131,712,000	6.3%	140,107,000	6.4%
Cost Reductions		(2,500,000)	-	(5,000,000)	100.0%	(8,500,000)	70.0%	(8,500,000)	0.0%	(8,500,000)	0.0%
Transfers											
Out to Capital	886,000	886,000	0.0%	888,000	0.2%	890,000	0.2%	892,000	0.2%	894,000	0.2%
Support from Other Activities	(661,000)	(716,000)	8.3%	(1,028,000)	43.6%	(1,181,000)	14.9%	(1,522,000)	28.9%	(1,926,000)	26.5%
Total Transfers	225,000	170,000	-24.4%	(140,000)	-182.4%	(291,000)	107.9%	(630,000)	116.5%	(1,032,000)	63.8%
Total Expenditures, Cost Reductions and Transfers	102,994,000	107,577,000	4.4%	111,448,000	3.6%	115,125,000	3.3%	122,582,000	6.5%	130,575,000	6.5%
Discounted Revenue Less Expenditures, Cost Reductions and Transfers	250,000	(7,813,000)		(4,615,000)		(282,000)		872,000		2,708,000	
Use of Reserves	0	7,813,000		4,615,000		282,000		0		0	
Contingency	250,000	0		0		0		872,000		2,708,000	

On Campus Education and General					
Multi-Year Financial Plan Assumptions					
	FY 12	FY 13	FY 14	FY 15	FY 16
Assumptions related to Revenue Items:					
Undergraduate Resident Tuition (student share)	10.0%	10.0%	10.0%	9.0%	9.0%
Undergraduate Non-Resident Tuition `	6.5%	6.5%	6.5%	6.0%	6.0%
Graduate Resident and Non-Resident Tuition	15.0%	15.0%	15.0%	15.0%	15.0%
Undergraduate Overall Enrollment Growth (credit hours)	1.8%	1.8%	1.8%	1.8%	1.8%
Graduate Overall Enrollment Growth (credit hours)	6.5%	6.6%	6.6%	6.7%	6.8%
Loss of State Funds	(10,447,000)	0	0	0	0

Assumptions related to Expense Items:					
Salaries and Wages, general inflation	3.0%	3.0%	3.0%	3.0%	3.0%
Employee Benefits as % of Wages	31.6%	32.8%	33.9%	35.2%	36.5%
Cost of Sales	4.0%	4.0%	4.0%	4.0%	4.0%
Graduate stipends – 20% of new on-campus graduate tuition revenue will be added to graduate stipends.					
OCE (left H & D and Ext Studies per submission)	1.0%	1.0%	1.0%	1.0%	1.0%
Utilities	3.0%	3.0%	3.0%	3.0%	3.0%
Travel (left H & D and Ext Studies per submission)	0.0%	0.0%	0.0%	0.0%	0.0%
Other Changes for Growth and Investment Including possible salary adjustments and capital	\$ 1,055,000	\$ 2,700,000	\$ 3,199,000	\$ 3,270,000	\$ 3,617,000

**University of Northern Colorado
Multi-Year Financial Plan Assumptions
Undergraduate**

	FY 11 Budget	FY 12 Projections	FY 13 Projections	FY 14 Projections	FY 15 Projections	FY 16 Projections
Base Rate Increases						
Undergraduate Resident Base Student Share	9.0%	10.0%	10.0%	10.0%	9.0%	9.0%
Undergraduate Non-Resident Base	9.0%	6.5%	6.5%	6.5%	6.0%	6.0%
<i>Note: Differential Tuition increased at same rate as UG resident</i>						
Enrollment Increases						
Undergraduate Resident	3.7%	2.0%	2.0%	2.0%	2.0%	2.0%
Undergraduate Non-Resident	-3.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Overall	3.0%	1.8%	1.8%	1.8%	1.8%	1.8%
Tuition Rates (24-30 credit hours - annual rate)						
Undergraduate Resident Student Share	\$4,680	\$5,148	\$5,663	\$6,229	\$6,790	\$7,401
Undergraduate Non-Resident	\$15,864	\$16,895	\$17,993	\$19,163	\$20,313	\$21,531
Undergraduate Institutional Discounting						
Institutional Discounting Percentage (of UG tuition revenue)	22%	22%	23%	23%	23%	23%
Institutional Scholarships Total	\$12,410,000	\$14,229,000	\$15,960,000	\$17,879,000	\$19,844,000	\$22,023,000
Institutional Scholarships Increase over Previous Year Resident		\$1,373,000	\$1,479,000	\$1,651,000	\$1,700,000	\$1,899,000
Institutional Scholarships Increase over Previous Year Non-Resident		\$446,000	\$252,000	\$268,000	\$265,000	\$280,000
Institutional Scholarships Percentage of Resident New Revenue	\$8,687,000	25%	25%	25%	25%	25%
Institutional Scholarships Percentage of Non- Resident New Revenue	\$3,723,000	25%	25%	25%	25%	25%

**University of Northern Colorado
Multi-Year Financial Plan Assumptions
Graduate On-Campus**

	FY 11 Budget	FY 12 Projections	FY 13 Projections	FY 14 Projections	FY 15 Projections	FY 16 Projections
Graduate Assistantship & Scholarship Calculations						
Scholarship Growth Increase		10%	10%	10%	10%	10%
Scholarship Dollars	\$554,000	\$609,000	\$670,000	\$737,000	\$811,000	\$892,000
Graduate Waivers Masters Percent of New Revenue						
		47.85%	48.12%	48.35%	48.50%	48.67%
Graduate Waivers Total	\$2,400,000	\$3,621,000	\$5,193,000	\$7,130,000	\$9,518,000	\$12,468,000
Graduate Stipend Increase as Percent of New Revenue						
		20%	20%	20%	20%	20%
Graduate Stipend Dollars	\$3,126,000	\$3,636,000	\$4,289,000	\$5,090,000	\$6,075,000	\$7,287,000
Total Stipends, waivers & Scholarships	\$6,080,000	\$7,866,000	\$10,152,000	\$12,957,000	\$16,404,000	\$20,647,000
Graduate Waivers & Scholarship as a Percent of New Revenue						
		50.0%	50.0%	50.0%	50.0%	50.0%
Graduate Waivers & Scholarship as a Percent of Total Revenue	24.5%	29.0%	32.8%	36.0%	38.6%	40.7%
Graduate Stipends as a Percent of New Revenue						
		20.0%	20.0%	20.0%	20.0%	20.0%
Graduate Stipends as a Percent of Total Revenue	26.0%	24.9%	24.0%	23.3%	22.7%	22.2%

**University of Northern Colorado
 Graduate On-Campus Credit Hours and Tuition Percentage Changes
 Fiscal Year 2011 -2016 Projection Model**

	Credit Hour Changes						Tuition Rate Changes					
	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16
	Budget	Projection	Projection	Projection	Projection	Projection	Budget	Projection	Projection	Projection	Projection	Projection
<u>Resident</u>												
<u>Masters</u>												
Tier 1	1.0%	3.0%	3.0%	3.0%	3.0%	3.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Tier 2	9.0%	10.0%	10.0%	10.0%	10.0%	10.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Tier 3	13.0%	5.0%	5.0%	5.0%	5.0%	5.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Overall	6.4%	7.3%	7.4%	7.5%	7.6%	7.7%	N/A	N/A	N/A	N/A	N/A	N/A
<u>Doctoral</u>												
Tier 1	9.0%	7.0%	6.0%	6.0%	6.0%	6.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Tier 2	7.0%	4.5%	4.5%	4.5%	4.5%	4.5%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Tier 3	0.0%	2.0%	2.0%	1.0%	1.0%	1.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Overall	5.7%	4.5%	4.3%	4.1%	4.1%	4.2%	N/A	N/A	N/A	N/A	N/A	N/A
Resident Overall	6.2%	6.6%	6.6%	6.7%	6.8%	6.9%	N/A	N/A	N/A	N/A	N/A	N/A
<u>Non Resident</u>												
<u>Masters</u>												
Tier 1	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Tier 2	13.0%	9.0%	9.0%	9.0%	9.0%	9.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Tier 3	12.0%	7.0%	7.0%	7.0%	7.0%	7.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Overall	11.0%	7.5%	7.6%	7.7%	7.7%	7.8%	N/A	N/A	N/A	N/A	N/A	N/A
<u>Doctoral</u>												
Tier 1	10.0%	7.0%	6.0%	6.0%	6.0%	6.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Tier 2	4.0%	4.5%	4.0%	4.0%	4.0%	4.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Tier 3	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Overall	3.9%	4.0%	3.6%	3.7%	3.7%	3.7%	N/A	N/A	N/A	N/A	N/A	N/A
Non-Resident Overall	8.4%	6.3%	6.2%	6.3%	6.3%	6.4%	N/A	N/A	N/A	N/A	N/A	N/A
Resident & Non-Resident Overall	6.6%	6.5%	6.6%	6.6%	6.7%	6.8%	N/A	N/A	N/A	N/A	N/A	N/A

Projected Tuition Comparisons Scenario 2

Resident Undergraduate

Rate Increase Assumptions					Annual Tuition		UNC FY14 Annual Tuition Compared to Competition
	FY11	FY12	FY13	FY14			
UNC	9.0%	10.0%	10.0%	10.0%	FY10	FY14	
CU/CSU	9.0%	12.0%	12.0%	12.0%			
NCHEMS	6.0%	6.0%	6.0%	6.0%			
University of Northern Colorado					4,296	6,229	-
University of Colorado-Boulder*					6,446	9,871	3,643 lower
Colorado State University-Fort Collins					4,822	7,384	1,156 lower
NCHEMS Peers							
Ball State University					7,228	9,125	2,897 lower
Bowling Green State University					7,778	9,820	3,591 lower
Illinois State University					6,624	8,363	2,134 lower
Indiana University of Pennsylvania					5,554	7,012	783 lower
Northern Arizona University					5,236	6,610	382 lower
Northern Illinois University					6,240	7,878	1,649 lower
University of North Carolina-Greensboro					2,590	3,270	2,959 higher
University of North Texas					5,060	6,388	160 lower
Miami University-Oxford					11,442	14,445	8,217 lower
SUNY at Binghamton					9,940	12,549	6,320 lower

*Used Arts & Sciences/Other Rate

Projected Tuition Comparisons Scenario 2

Non-Resident Undergraduate

Rate Increase Assumptions					Annual Tuition		UNC FY14 Annual Tuition Compared to Competition
	FY11	FY12	FY13	FY14			
UNC	9.0%	6.5%	6.5%	6.5%	FY10	FY14	
CU/CSU	4.0%	6.0%	6.0%	6.0%			
NCHEMS	6.0%	6.0%	6.0%	6.0%			
University of Northern Colorado					14,544	19,163	-
University of Colorado-Boulder*					26,700	31,500	12,338 lower
Colorado State University-Fort Collins					20,744	24,007	4,845 lower
NCHEMS Peers							
Ball State University					19,796	24,992	5,829 lower
Bowling Green State University					15,086	19,046	117 higher
Illinois State University					11,448	14,453	4,710 higher
Indiana University of Pennsylvania					13,886	17,531	1,632 higher
Northern Arizona University					15,644	19,750	588 lower
Northern Illinois University					12,480	15,756	3,407 higher
University of North Carolina-Greensboro					14,351	18,118	1,045 higher
University of North Texas					11,708	14,781	4,381 higher
Miami University-Oxford					26,202	33,079	13,917 lower
SUNY at Binghamton					25,740	32,496	13,334 lower

*Used Arts & Sciences/Other Rate

Projected Tuition Comparisons Scenario 2

Resident Graduate

Rate Increase Assumptions					Annual Tuition		UNC FY14 Annual Tuition Compared to Competition
	FY11	FY12	FY13	FY14			
UNC	15.0%	15.0%	15.0%	15.0%	FY10	FY14	
CU/CSU	12.0%	12.0%	12.0%	12.0%			
NCHEMS	6.0%	6.0%	6.0%	6.0%			
University of Northern Colorado*					5,315	9,324	-
University of Colorado-Boulder					8,190	12,542	3,218 lower
Colorado State University-Fort Collins					6,464	10,444	1,120 lower
NCHEMS Peers							
Ball State University					7,228	9,125	199 higher
Bowling Green State University					7,632	9,635	311 lower
Illinois State University					3,960	4,999	4,325 higher
Indiana University of Pennsylvania					6,666	8,416	908 higher
Northern Arizona University					5,656	7,141	2,183 higher
Northern Illinois University					4,932	6,227	3,097 higher
University of North Carolina-Greensboro					3,044	3,843	5,481 higher
University of North Texas					4,116	5,196	4,128 higher
Miami University-Oxford					9,648	12,180	2,856 lower
SUNY at Binghamton					16,740	21,134	11,810 lower

* Used Master's General Rate

Projected Tuition Comparisons Scenario 2

Non-Resident Graduate

Rate Increase Assumptions					Annual Tuition		UNC FY14 Annual Tuition Compared to Competition
	FY11	FY12	FY13	FY14			
UNC	15.0%	15.0%	15.0%	15.0%	FY10	FY14	
CU/CSU	4.0%	4.0%	4.0%	4.0%			
NCHEMS	6.0%	6.0%	6.0%	6.0%			
University of Northern Colorado*					12,825	22,446	-
University of Colorado-Boulder					23,346	27,049	4,603 lower
Colorado State University-Fort Collins					18,116	21,397	1,049 higher
NCHEMS Peers							
Ball State University					19,796	24,992	2,546 lower
Bowling Green State University					13,122	16,566	5,880 higher
Illinois State University					8,226	10,385	12,061 higher
Indiana University of Pennsylvania					10,666	13,466	8,980 higher
Northern Arizona University					16,070	20,288	2,158 higher
Northern Illinois University					9,864	12,453	9,993 higher
University of North Carolina-Greensboro					14,524	18,336	4,110 higher
University of North Texas					9,102	11,491	10,955 higher
Miami University-Oxford					23,280	29,390	6,944 lower
SUNY at Binghamton					26,500	33,456	11,010 lower

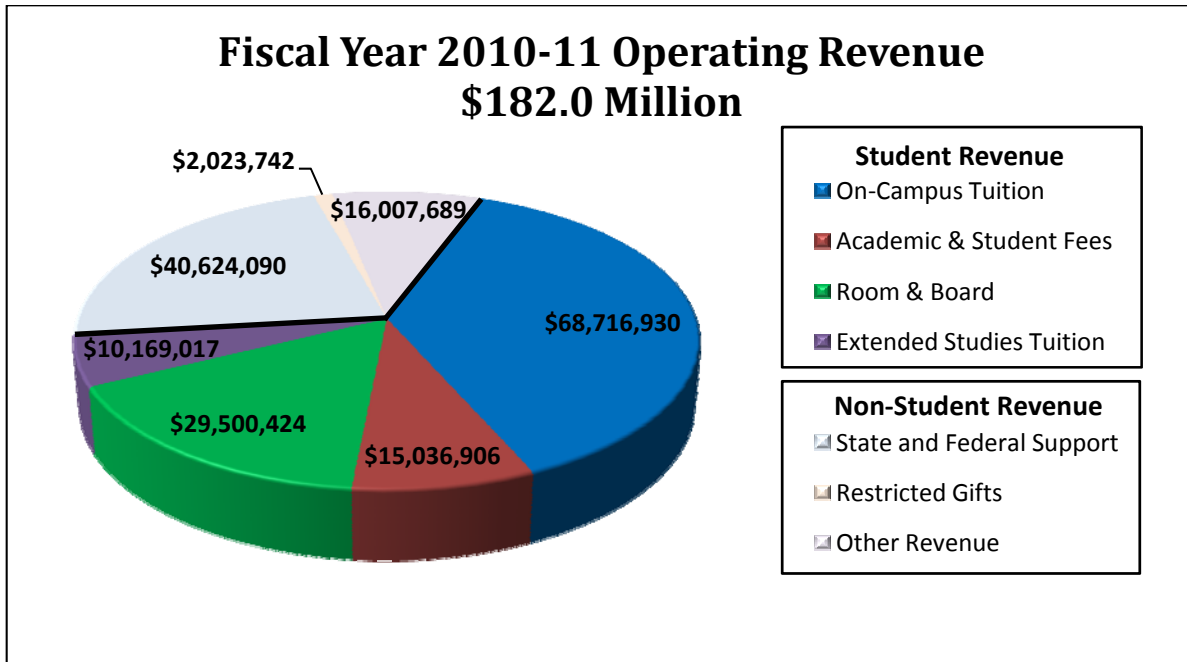
* Used Master's General Rate

Appendix D-Additional Background Material

Appendix D: Additional Background Material

Fiscal Year 2010-11 Projected Revenue

Total estimated Fiscal Year 2010-11 revenue for the University of Northern Colorado is \$191 million. This includes operating revenue of \$182 million and \$9 million in restricted grants and contracts.



The state fiscal cliff threatens the \$40.6 million in state and federal support for our On-campus Education and General activities, including undergraduate and graduate instruction with related support services. Revenue for this operation includes:

Tuition	\$68.7 million
State and Federal Support	40.6 million
Fees	4.9 million
Other Revenue	<u>4.4 million</u>
Total Education & General Revenue	\$118.6 million

The scenarios presented in these materials model the loss of \$10.5 million in state funding for On-Campus Education and General activities. Our other activities – including Off-Campus / Extended Studies and Housing & Dining – are self-supporting. The On-Campus Education and General scenarios include the assumption of \$661 thousand in support from these activities, growing to \$1.9 million of support in FY16.

The table on the following page details the FY11 budgets for the major activities of the university.

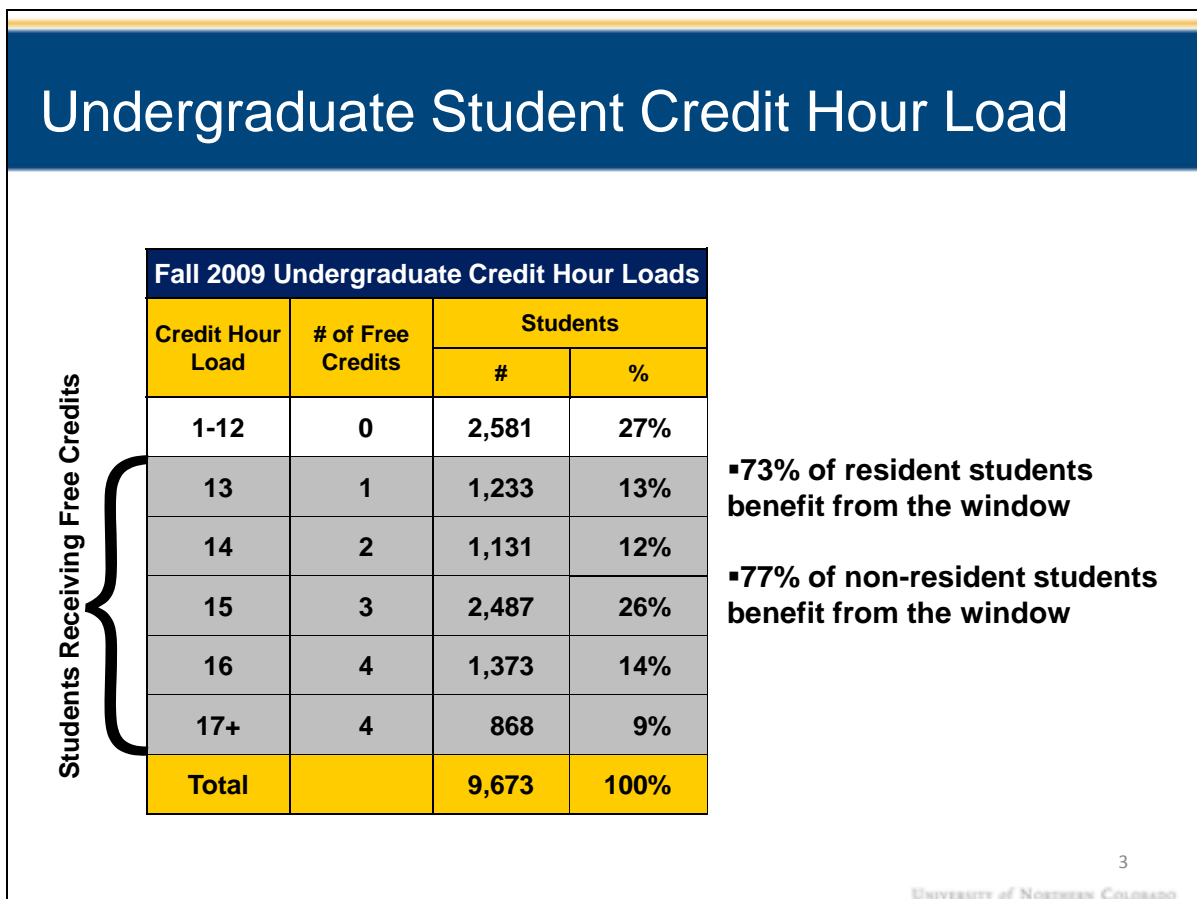
Budget by Activity (Fiscal Year 2010-11)

	On-Campus Educational and General	Housing, Dining and UC	Parking	Extended Studies	All Other	Restricted Gifts for Operating	Elimination of Internal Sales	Total
REVENUES								
Appropriated Revenues								
Resident Tuition	\$50,727,208	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$50,727,208
Non-Resident Tuition	17,989,722	-	-	-	-	-	-	17,989,722
COF Stipend	15,646,320	-	-	-	-	-	-	15,646,320
Fee-for-Service	19,530,558	-	-	-	-	-	-	19,530,558
Federal Stimulus Revenue	5,447,212	-	-	-	-	-	-	5,447,212
Long Bill Appropriated Fees	4,929,515	-	-	50,500	42,149	-	-	5,022,164
Subtotal Appropriated Revenues	114,270,535	-	-	50,500	42,149	-	-	114,363,184
Non-Appropriated Revenues								
Extended Studies Tuition	-	-	-	10,213,810	(44,793)	-	-	10,169,017
Student Fees - Non-Appropriated	-	-	-	-	10,014,742	-	-	10,014,742
Restricted Gifts for Operations	-	-	-	-	-	2,023,742	-	2,023,742
Grants and Contracts	-	-	-	-	10,000	-	-	10,000
Room and Board	-	29,500,424	-	-	-	-	-	29,500,424
Other Auxiliary Services Revenue	-	3,136,331	1,987,580	-	1,145,585	-	-	6,269,496
Other Internal Income	891,950	1,221,003	40,000	-	4,013,787	-	(6,166,740)	0
Other Revenue	2,905,060	75,000	-	319,125	5,592,620	-	-	8,891,805
Net Investments	540,671	275,000	20,000	-	716	-	-	836,387
Subtotal Non-Appropriated Revenues	4,337,681	34,207,759	2,047,580	10,532,935	20,732,657	2,023,742	(6,166,740)	67,715,614
TOTAL REVENUES	118,608,216	34,207,759	2,047,580	10,583,435	20,774,806	2,023,742	(6,166,740)	182,078,798
EXPENSES/TRANSFERS								
Personnel Expenses								
Faculty Salaries	32,835,362	-	-	3,869,598	217,693	-	-	36,922,654
Exempt Salaries	15,576,701	1,507,594	-	917,201	3,456,768	-	-	21,458,264
Graduate Stipends, Tuition and R&B Waivers	5,526,134	998,478	-	28,080	248,609	-	-	6,801,301
Classified Salaries	15,913,620	3,032,427	275,962	319,742	1,091,902	-	-	20,633,653
Student Wages	1,759,339	1,917,306	48,620	48,850	762,560	-	-	4,536,675
Other Wages/Compensations	2,080,889	341,158	17,018	95,519	(444,508)	-	-	2,090,075
Fringe Benefits	15,699,676	1,250,051	76,112	1,112,154	846,197	-	-	18,984,189
Subtotal Personnel Expenses	89,391,721	9,047,014	417,712	6,391,144	6,179,221	-	-	111,426,812
Non-Personnel Expenses								
Cost of Sales	304,964	4,228,747	-	-	4,900,877	-	-	9,434,588
Other Current Expenses	8,132,227	9,486,667	796,203	2,542,149	6,581,368	2,023,742	(6,166,740)	23,395,617
Scholarships	12,964,276	-	-	3,000	39,311	-	-	13,006,587
Utilities	3,786,878	2,478,927	74,300	-	(316,324)	-	-	6,023,781
Travel	1,017,176	55,371	1,400	312,310	1,793,368	-	-	3,179,625
Capital	2,535,891	70,000	12,000	18,500	54,405	-	-	2,690,796
Subtotal Non-Personnel Expenses	28,741,412	16,319,712	883,903	2,875,959	13,053,005	2,023,742	(6,166,740)	57,730,994
Transfers								
Mandatory Transfer Out - Debt	-	6,737,351	654,060	-	1,905,031	-	-	9,296,442
Mandatory Transfer Out-Cap Lease Pmt	-	-	-	-	488,322	-	-	488,322
Non-Mandatory Transfer-In	(164,386)	-	-	-	(100,000)	-	-	(264,386)
Non-Mandatory Transfer-Out	214,386	50,000	-	-	-	-	-	264,386
Non-Man Transfer Out-Projects	886,500	1,800,000	92,018	-	-	-	-	2,778,518
Non-Man Transfer In/Out-Innovation	(461,417)	-	-	1,316,332	(854,915)	-	-	-
Subtotal Transfers	475,083	8,587,351	746,078	1,316,332	1,438,438	-	-	12,563,282
TOTAL EXPENSES/TRANSFERS	118,608,216	33,954,078	2,047,693	10,583,435	20,670,664	2,023,742	(6,166,740)	181,721,088
REVENUES LESS EXPENSES & TRANSFERS	\$ -	\$ 253,681	\$ (113)	\$ -	\$ 104,142	\$ -	\$ -	\$ 357,710

Tuition Increase Strategies

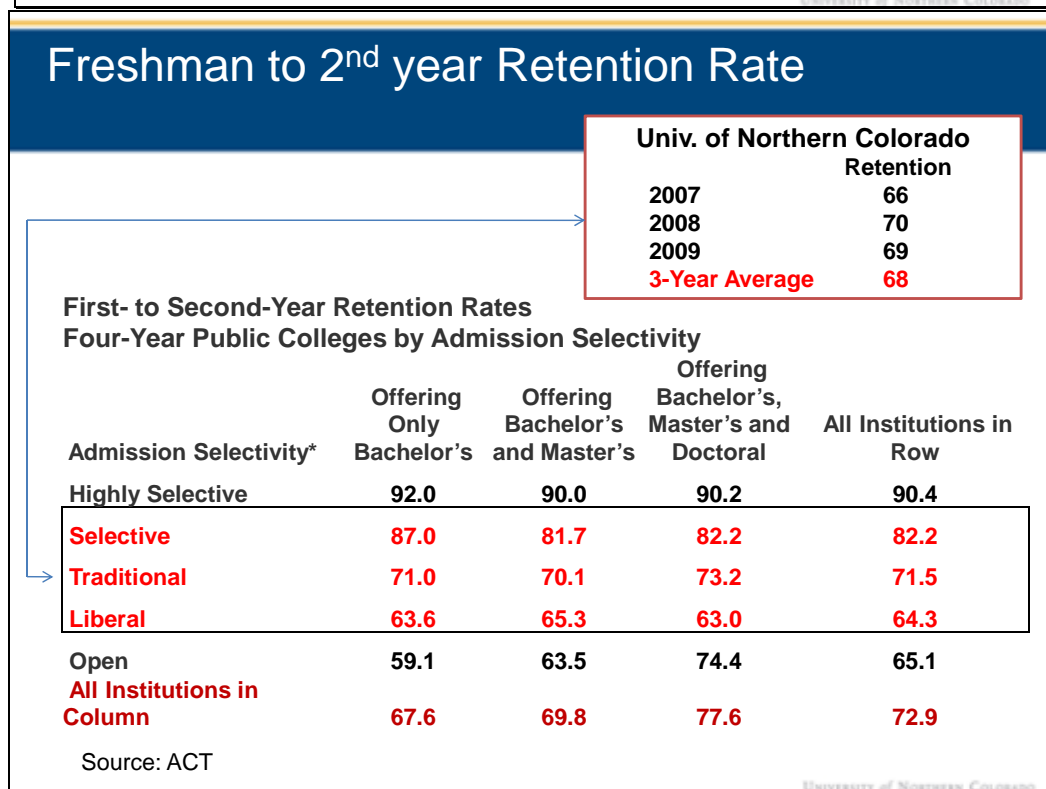
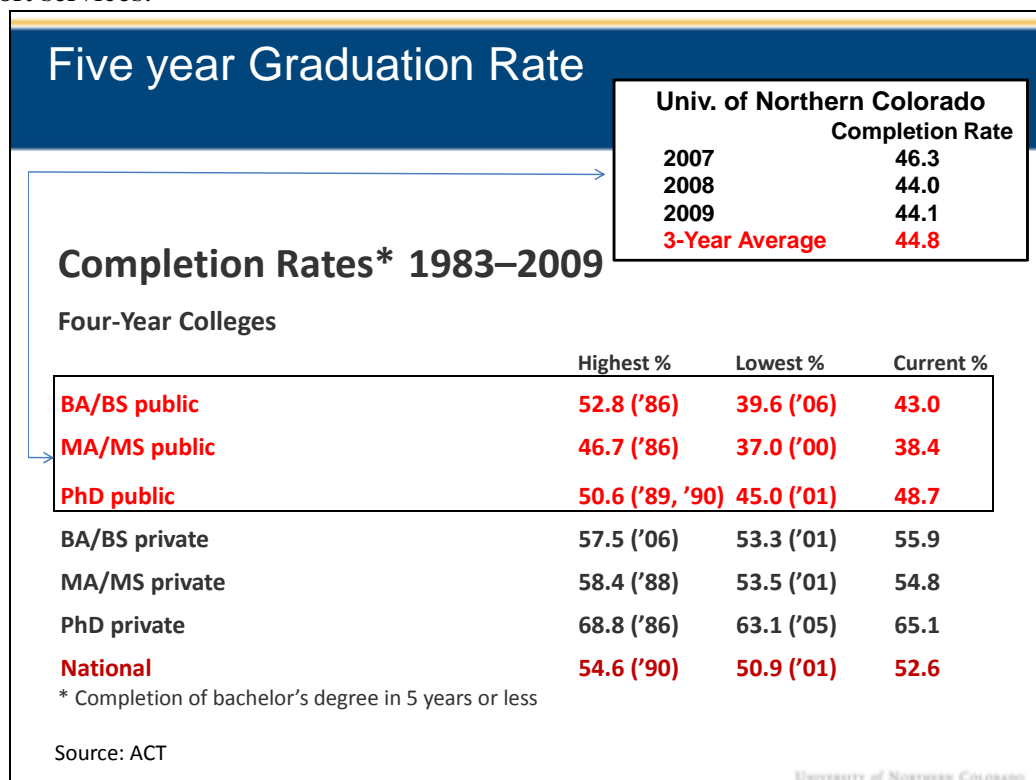
A 15% tuition increase would not necessarily impact every student equally. Rather than applying 15% increase to the resident undergraduate tuition rate per credit hour, the same revenue could be achieved with, for example:

- A greater percentage increase for upper division (junior and senior) students and a lesser percentage for lower division students
- Continuing to differentiate tuition by academic program area
- Increasing the per credit hour rate by 7% and closing the free credit hour window to 13-16 from 12-16 (students pay for the 13th credit hour). The figure below shows how many students currently take advantage of the free credit hour window.



Undergraduate Enrollment

Enrollment is a function of recruitment, retention and graduation which are influenced by academic and student support services.



Discounting Strategies

Strategic use of institutional, federal, state and private financial aid, customized to different student segments becomes more important as tuition rates increase.

Undergraduate Resident – 3 Year Tuition ¹ History				
	FY08-09	FY09-10	FY10-11 ³	FY10-11 Comparison to UNC
University of Northern Colorado	3,942	4,296	4,680	
University of Colorado-Boulder	5,922	6,446	7,018-11,220	2,338-6,540 higher
Colorado State University	4,424	4,822	5,256	576 higher

Undergraduate Non-Resident – 3 Year Tuition ¹ History				
	FY08-09	FY09-10	FY10-11 ³	FY10-11 Comparison to UNC
University of Northern Colorado	13,344	14,544	15,864	
University of Colorado-Boulder	25,400	26,700	28,000-31,500	12,136-15,636 higher
Colorado State University	20,140	20,774	21,366	5,502 higher

¹based on 30 credit hours per academic year

Graduate Non-Resident – 3 Year Tuition ² History				
	FY08-09	FY09-10 ³	FY10-11 ³	FY10-11 Comparison to UNC
University of Northern Colorado	4,370	5,315-6,201	6,120-7,128	
University of Colorado-Boulder	7,578	8,190	8,928	2,808-1,800 higher
Colorado State University	5,621	6,464	7,434	1,314-306 higher

Graduate Non-Resident – 3 Year Tuition ² History				
	FY08-09	FY09-10 ³	FY10-11 ³	FY10-11 Comparison to UNC
University of Northern Colorado	12,366	12,825-14,963	14,760-17,208	
University of Colorado-Boulder	22,770	23,346	24,048	9,288-6,840 higher
Colorado State University	17,253	18,116	19,022	4,262-1,814 higher

²based on 18 credit hours per academic year

³Source: College Websites for rate information, graduate rate tuition reflects rates for degrees in arts and sciences.

Source: Department of Higher Education Tuition Reports

The following figure illustrates the composition of the Fall 09 Instate admit pool by financial neediness and pre-college preparation. This slide can alternatively be understood as the “*possible or potential composition of our entering (inststate) freshmen class*” because it illustrates the cross-tabulation (or counts) of students who have been admitted to UNC by neediness and academic preparation.

The Strategic Financial Aid Matrix Fall 2009 ADMITTED CLASS & YIELD INSTATE only (N=4520 admits)

EFC-Need	Index ≤ 99	Index 100-111	Index 112-128	Index 129-139	Index ≥ to 140
Very High Need \$0.00	73% (164)	64% (127)	60% (88)	55% (9)	NA
High Need \$1-1,500.00	67% (76)	53% (65)	55% (63)	37% (8)	NA
Medium High \$1,501-6,926.00	66% (209)	51% (178)	51% (163)	31% (29)	NA
Medium Need \$6,927-9,999.00	64% (76)	59% (94)	44% (78)	61% (18)	NA
Medium Low \$10,000-12,500.00	59% (54)	53% (54)	54% (53)	53% (15)	NA
Low Need \$12,501.00-18,000.00	68% (111)	62% (108)	58% (117)	50% (24)	33% (3)
Very Low Need EFC > 18,000.00	67% (341)	54% (295)	49% (359)	46% (71)	0% (1)
No EFC Info	33% (534)	18% (461)	13% (401)	11% (72)	33% (3)

Slide Representation:

Illustrate the composition of the Fall 09 Instate admit pool by financial neediness and academic preparation. This slide can alternatively be understood as the "possible or potential composition of our entering (instate) freshmen class" because it illustrates the cross-tabulation (or counts) of students who have been admitted to UNC by neediness and academic preparation.

Data Note: Each cell provides the % yield (or % of admits who enrolled) and parentheses contain the total number of admitted students within the cross tabulation of need and index score ranges

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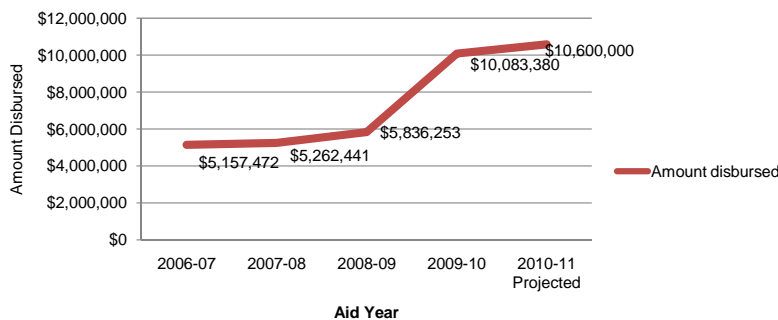
UNIVERSITY OF NORTHEAST COLORADO

UNC Pell Trend Data

UNC Resident Student Pell Eligibility

Year	Pell Eligible	Total Residents	Pell Eligibility
2005	2,111	8,875	23.79%
2006	1,998	8,922	22.40%
2007	1,903	8,831	21.55%
2008	1,843	8,629	21.36%
2009	1,750	7,937	22.05%

Federal Pell Grant



UNIVERSITY OF NORTHEAST COLORADO

Institutional Tuition Discounting Trends FY08 – FY11

Undergraduate	FY08 Actual	FY09 Actual	FY10 Forecast	FY11 Budget
Undergraduate Tuition ⁽¹⁾	\$ 43,750,738	\$ 46,500,947	\$ 51,525,357	\$ 56,680,782
Institutional Scholarships	(6,027,954)	(8,153,005)	(12,491,906)	(12,452,811)
Discounted Revenue	<u>\$ 37,722,784</u>	<u>\$ 38,347,942</u>	<u>\$ 39,033,451</u>	<u>\$ 44,227,971</u>
Discount Percent	13.8%	17.5%	24.2%	22.0%

(1) Excludes COF stipend; i.e., student share of tuition only.

Graduate	FY08 Actual	FY09 Actual	FY10 Forecast	FY11 Budget
Graduate Tuition	\$ 6,982,899	\$ 7,931,216	\$ 10,027,832	\$ 12,036,148
Institutional Tuition Waivers & Scholarships	(1,133,010)	(1,565,820)	(2,418,335)	(2,953,776)
Discounted Revenue	<u>\$ 5,849,889</u>	<u>\$ 6,365,396</u>	<u>\$ 7,609,497</u>	<u>\$ 9,082,372</u>
Discount Percent	16.2%	19.7%	24.1%	24.5%