



**MINUTES**  
**BOARD OF TRUSTEES' MEETING**  
**May 21, 2010**  
**Centennial Hall - Brown Hall**

The meeting of the University Of Northern Colorado Board Of Trustees was held Friday, May 21, 2010, at 8:35 a.m. in Centennial Hall within Brown Hall, on the University of Northern Colorado Campus.

Those present included:

Trustees: Dick Monfort, Jerry Morgensen, Dick Gast, Jim Chavez, Dee St. Cyr, Vish Iyer, Matt VanDriel

Officers and Administrators: President Kay Norton, Vice President and General Counsel Ronald Lambden, Sr. Vice President and CFO Michelle Quinn, Provost and Sr. Vice President for Academic Affairs Abe Harraf, Vice President for University Relations Chuck Leonhardt, Recording Secretary Vicki Niccum

UNC staff/ faculty/students: Assistant Vice President Tobias Guzmán, Assistant Vice President and Dean of the Graduate School Robbyn Wacker, PASC Representative Joe Tort, SPEEC Representative Marcus McCutchen

**ACTION ITEMS:**

**1. Approval of Agenda**

Vice Chairman Morgensen moved to approve the agenda for the meeting. Trustee Chavez seconded the motion. Motion carried unanimously.

**2. Approval of Minutes**

Trustee Gast moved to accept the minutes of the March 12<sup>th</sup> regular meeting and May 6<sup>th</sup> meeting as presented. Trustee Chavez seconded the motion. Minutes required two modifications 1) on March 12 Trustee St. Cyr did not attend this meeting and 2) for the MA in Accounting Degree it is the Colorado Certified Public Accountants "CCPA" society that requires this for a CPA. Motion carried unanimously.

### **3. Board Planning Calendar**

The addition of the September 10 Board Retreat was added to the 3-year calendar.

### **4. Board Chairman's Report**

Comments will be made throughout the meeting.

### **5. Trustee Remarks**

None

### **6. Communications**

None

### **7. President's Report**

The passage of Colorado Senate Bill 3 (which included tuition flexibility) has created the most opportunities for the Administration to engage with state policy making processes. There is a set of complex and undefined procedures through which an individual governing board can have the authority to raise tuition above 9% annually for in-state undergraduates. This requires approval from the Colorado Commission on Higher Education (CCHE) of a multi-year financial plan supporting the necessity. There has been a significant shift in the role and importance of the CCHE in the higher education policy in Colorado. This requires more attention from the university on a daily basis on financial matters and what the policy for the state ought to be in relation to higher education. The role of CCHE has changed significantly over the last several years, especially with the College Opportunity Fund (COF). We were surprised by the shift in administrative process when the department of Higher Ed and Commission were reviewing our Masters in Accounting Degree. There seemed like a tendency to re-regulate and go backwards in terms of administrative policies. We spent quite a bit of time having conversations with the Department of Higher Ed and Commission to make it clear that if there is going to be a change in policy that comes out of the planning process not to get out ahead of those changes before the shift of the state makes a decision on how to review things. Our involvement will include reviews of individual programs, in early June we will discuss the role of performance contracts and how they can be a tool for implementing a consistent state policy about higher education. In parallel will be the process that Senate Bill 3 calls for and our financial planning, tuition increases and we will be meeting about the implementation and unknowns; and how the administrators are going to get this done. Our Provost Abe Harraf has just taken a position as the academic representative and advisory board member to the CCHE and will be attending these commission meetings. The statutory structure in the COF legislation passed in 2004 provides for two types of funding. The volume based funding for undergraduate education is a per credit hour number that is the same for all institutions has nothing to do with the cost or service by an institution and a contract for specific educational programs or services. Trustee Gast asked questions related to College Opportunity Fund (COF) and performance contracts, which were clarified by President Norton. UNC gets  $\frac{1}{2}$  funding from fee for service contracts and  $\frac{1}{2}$  from the stipend. The incentives in the COF legislations were not clearly determined, which is why the discussion is now going in circles. Chairman Monfort

commented that the fee for COF is 50% stipend 80% service. No one has had money taken away because of a bad job or given more due to a good job. President Norton commented that there is a third piece of policy in higher education and it all relates to money. If the institutions need to price and discount the need based financial aid, it is very difficult to have any type of public policy associated with that because every institution has a different ability to charge. The state of Colorado has never made a significant investment in financial aid. Colorado has been traditionally a low state aid, low tuition and low financial aid state. Senate Bill 3 is characterized appropriately is a short term fix, not a long term fix. This is part of our transformation as an organization which is forward looking, nimble, creative and entrepreneurial.

Trustee Gast asked Chairman Monfort when their committee is supposed to be finished. The committee is looking at tax opportunities but it is likely that higher education may get no additional funding. There are things that can be done within the system, such as combining schools or programs. The Sustainability Committee has multiple variables to consider.

If UNC is student revenue based, then the student body will look different than if supported by public funding. We have to be fiscally responsible, it's not just the cost of tuition, but also support costs associated which have been reviewed previously. Pain comes in FY11-12 when Federal funds are no longer available. Also related to Senate Bill 3 is a request to submit a financial plan for what would happen if our state funding was to be cut in half. Michelle Quinn will talk about this later.

## **8. INFORMATION ITEMS**

### **UNIVERSITY FY10-11 BUDGET – Michelle Quinn**

At UNC we need to maintain focus on what we can control 1) Revenue, 2) Retention of Students 3) Reserves and what we're going to do in FY12. The document shared with the Board is intended to show how all of this information impacts the budget that will be presented in June for FY11. A lot of time has been spent communicating to the Board our plans, reviewing revenue, enrollment and trying to optimize our enrollment in the way that is right for UNC in terms of our public mission and market in Colorado. A key point is the different segments and we're continuing to look at these in terms of revenue. We are pricing in a way that recognizes these segments. We have focused on tiers of pricing for housing and last year we differentiated our graduate tuition by program and whether it was masters or doctorate level. At the last meeting we spoke about program fees for music and nursing recognizing the differences that are appropriate to those segments of our students. President Puckett spoke about quality of life initiative and we want to be specific about our pricing particularly off campus such as online activities, extended studies. We need to provide incentives to our faculty to grow and develop the revenue in this area. Several meetings ago we presented the different retention efforts that are going on around campus and we are continuing to invest in these areas.

On page 2, there is a recap of our FY10 budget and the positive variances we have had in revenue as well as the additional investment in scholarships. We are anticipating by the end of June we will have close to \$10 million in our reserve. We know that in FY12 we will have significant funding issues at the State level. These are the funds that we have already identified. Historically there have been contingencies built into individual units. We are segregating these funds and earmarking them as reserves so that it is very clear to the Board and everyone else that these are reserves and not part of the operating budget. We expect \$10 million by the end of June and then during the year-end closing process we will identify additional pieces and will continue to set that aside into the reserve. Trustee Gast asked about unit funding and monies set aside. This money was rolled forward in individual units or departments from FY09 that they did not really need in the current year. We are confident that it will be \$9.4 million. President Norton reminded the Board that there are things funded with base funding or on a reoccurring basis because they have always been funded. Our goal is to reallocate budgets and into our base operations and priorities.

Page 3 is a summary of how things are evolving with the FY11 budget. On the revenue side we know that we will have a loss of \$3.5 million from funding in the combination of federal and state dollars, which is ~8%. Tuition has a 9% increase in undergraduate and 15% increase in graduate, room and board 7% and then off campus extended studies program 8-15% increase. Anticipated growth is at 3% for undergraduate, 7.5% for graduate and 18% in off campus and extended studies programs. As far as expenditures we are looking at discounting, scholarships at the undergraduate level, tuition waivers and stipends (which helps cover our cost of instruction). We are not doing any salary increases. In extended studies there are expenses with delivering instruction and student services. We do have an incentive plan where 20% of the extended studies net revenue is returned to the colleges and departments who have been innovative and are generating this revenue, 20% is returned to the extended studies office for continuing to target areas of growth, 20% to the Provost, and 40% is coming back to the universities general fund. One area that students have concerns about are the University Center and how it fits into our campus life. VP Leonhardt has led a group to discuss what we want that to be. On the lower level there is a food court dining area and students have requested extended hours, better food options. At Holmes dining there have been long lines and so we are extending hours there as well. In addition we are adding a convenience store, which will be primarily focused on food items. The \$1.7 is the allocation of the new funding generated by the student quality of life initiative as well as the regular inflationary increases. Internally we are continuing to look at reallocations. President Norton has said is that we will not be reactive, which results in a negative downward spiral. We are working at shifting away from lower priorities to higher priorities; we want to gradually build up what we need in FY12. We have \$55 million in the bank and are being thoughtful and moderated in our approach. President Norton commented that we will be working across campus and that we will make choices, set priorities and what the effect will be. In June we will provide information on how these changes wrap up into total bottom line numbers.

We would like to talk about Senate Bill 3 (page 4) and how it ties into our financial planning process. The bill allows higher education operational flexibilities. The second piece is flexibility in tuition rates, 9% for undergraduates, this allow institutions to increase above that if they submit a 5-year plan to CCHE. The approval process and timeline are being

worked out by the CCHE. The bill also requires a plan for what we might do with a 50% cut in funding. It charges CCHE with a master plan for education that takes into account the work that the governor had done with the various committees. What this means for us (page 5) is that we are going to continue to working on our 3-year plans and will discuss this at the September 10th Board retreat and a multi-year approach to tuition and fees. We are concerned about the facilities on campus and the absence of any type of state funding for capital and the potential need to put a capital fee in place. There are some proposals for the ballot Amendment 60, 61, and Proposition 101 that could change the landscape of financing in municipalities in the state as a whole. Our Bond Counsel and Underwriters are continuing to monitor and advise us on these.

In June the President will be recommending a budget to the Board that incorporates these changes, we will show you what that means in terms of total revenue and expenses, we'll be working on the 3-year financial plan that will be discussed in September, reallocation of existing budgets and working on setting aside a cash reserve. We have set aside a special reserve, operating reserve, capital reserve and risk management reserves. President Norton mentioned, that we do not know when the State will be asking the Board to state when it might expect a UNC tuition increase of more than 9%. The retreat is not scheduled until September 10<sup>th</sup> and the timing of when we have to make a statement regarding this has ranged from July 1, 2010 to January 1, 2011. One concern is if a lot of the universities plan on increases of more than 9% how will the CCHE be able to handle in influx of those plans. Trustee Gast asked about use of the term "cost reallocation." This is costs shifting, not an actual savings. VP Quinn responded that we continue to look at where we can be more efficient. We have focused on this in 2000-2001, we do look at our relative position nationally and we can identify more effective ways to use those funds.

### **ENROLLMENT UPDATES – Tobias Guzmán, Assistant VP for Enrollment and Robbyn Wacker**

Tobias Guzmán – (see presentation) Summer school has started with both kid and adult camps on campus. Enrollment report - campus visits have increased, students admitted (+150 admits) are a point-in-time increase versus year-over-year. Trustee Gast asked if this increase was due to our outreach strategies. We have several admissions counselors, our recruitment efforts, we have a strong presence in Greeley and Lafayette and student personnel recruiting helps as well. There is a "high needs" set of students ~70%; we see a graduation gap with minorities students and white students which is closing. During enrollment in FY10 we began measuring students. Students that have registered is up 8.4% (includes graduate, undergrad and extended studies). Total undergraduate enrollment is up 7.3%. We are proud that we're taking proactive measures that we need in higher education. The cost to recruit a student is \$480 and the median public institution \$461. There is a huge retainment difference between \$7,165 per year or \$28,661 over a four years period. We have lost 612 students as of today, in comparison (see slides) and there are less students withdrawing. There is more communication to students (e.g. Deans Welcome Newsletters, Facebook pages). Chairman Monfort commented they are doing a good job, keep it up.

Robbyn Wacker – (see presentation) Graduate applications are up. It's an ongoing cycle where we will get applications in spring, summer, and fall. At this point in time our number is at 1869, this is a surge in enrollment. The application cycle for graduates can happen anytime throughout the year. We are working on point-in-time data to get better information tied to admissions and are just beginning this process. Minority applications – percent in change up across all populations (210 applications for minority students). Enrollment for fall-to-fall is up 17%. Master's, doctoral, non-resident is flat and extended studies are up. We are continuing to work on retention and are working closely with University Relations to improve outreach and our high quality programs. Our environment has changed and is working on personalized communication, direct marketing, and web pages and they are working with the Provost and Deans regarding placement of scholarship dollars and the cost of those programs.

#### **FOUNDATION TRANSITION UPDATE – Chuck Leonhardt, VP University Relations**

On January 28<sup>th</sup> the Board passed a Resolution to transfer the responsibilities of fundraising of Alumni Relations from the UNC Foundation to the University. We want to increase the Universities commitment and accountability and no longer have the luxury of going year-after-year flat-lined in our stream of benefactor contributions. UNC has made a first big step with the transition, which will allow us to have more direct involvement. We are creating a new division for the university with Development and Alumni Relations, with its own Vice President that will report to the President. We want this transition to happen smoothly and expect a full transition to occur by July 1. We created a transition team in February and we are virtually complete , we are now working on the final details. An important part is that this is not costing the university any money and the Foundation will be funded by their efforts. There will be 7 employees with the purpose to receive, manage and invest those funds. The Foundation Board will stay intact and they are currently clarifying their role. The Development part is coming over to the university with 17 employees as a part of that transition. We have overhauled the operating agreement between the Foundation and the University. There is a new position for the VP of Development. We have retained an outside search firm and they have come up with a strong list of candidates that will be reviewed by our internal search committee. The goal is to have interviews over the next month, with a start date as soon as possible. Chairman Monfort asked if there will be any cost savings. No, the costs are virtually the same. There are pieces that will deliver higher quality and a larger number of people involved in this commitment. Ultimately we may need more people, but have assimilated some of the functions (e.g. publications). President Norton commented that this will be an increase in productivity and deliver better results.

#### **FACULTY SENATE REPORT –**

No report

#### **STUDENT SENATE REPORT – Trustee Matt VanDriel**

President Puckett is in Hawaii. Forrest Bowlick reported that there was a committee formed by the Student Senate called the Rules and Bylaws team. The goal is to work out wording and structural changes in the Student Body Constitution. They determined that there needed to be an expansion of the Student Body Government out of the one body system. They wanted to expand the judicial powers to determine bylaws and grievances by

assigning these to a different body. The first presentation was a bylaws change which was reviewed by the Student Senate and they determined that this needed to be a bigger change. Spring was spent researching how other student bodies do this at other universities. It was determined that other university student governments have a judicial body with 5-9 members. The changes to this constitution includes a 5 member party beginning in the fall, there will be a Student Advocate as a first point of contact. Trustee Gast asked about how this committee will act? The committee decided to lay the framework and let the Judiciary Committee determine this.

#### **PASC Report – Joe Tort**

PASC held a retreat to review the last year. PASC is working on professional development, luncheons with topics geared toward professional development which they plan to continue. They are planning more community outreach events. This year they hope to get their foundation account to endowment status, endowments are at \$7500 which is not where they hoped them to be (goal was \$10K). Next year they will be offering \$3,000 in scholarship monies to employees and students.

#### **SPEEC Report - Marcus McCutchen**

SPEEC held an ice cream social yesterday and presented awards. They plan to host a Yard Sale for student scholarships with one scholarship going to a Graduate candidate. In July they'll have a new executive board.

### **9. BOARD ACTION ITEMS:**

- **FACULTY SENATE CONSTITUTION CHANGE (HARRAF)**
- **BOARD POLICY ALIGNMENT WITH UNDERGRADUATE COUNCIL BYLAWS (HARRAF)**
- **TEACHING RESPONSIBILITIES POLICY CHANGE (HARRAF)**
- **UNDERGRADUATE COUNCIL BYLAWS CHANGE (HARRAF)**
- **THE CONSTITUTION OF STUDENT BODY UPDATE (HARRAF)**

The Board opted to combine all five policy changes with the same vote. Trustee Chavez moved to approve the Faculty Senate Constitution. Trustee Gast seconded the motion. Changes passed unanimously.

#### **EMPLOYMENT AGREEMENT HEAD MEN'S BASKETBALL COACH (LAMBDEN)**

Contract amendments were suggested by Trustees VanDriel and Chairman Monfort. Jay Hinrichs will work with Ron Lambden to modify contract to include buyout language and incentive breakdown. Trustee Chavez moved to approve the Employment Agreement as amended. Trustee Gast seconded the motion. Motion passed unanimously.

#### **RETIRING FACULTY EMERITUS RECOMMENDATIONS**

Trustee Chavez moved to approve the Emeritus recommendations. Trustee Gast seconded the motion. Motion passed unanimously.

**PERSONNEL ACTIONS & INFORMATION ITEMS**  
**NEW APPOINTMENTS, SEPARATIONS AND RESIGNATIONS**  
**2010-11 SABBATIC LEAVE RECOMMENDATIONS**  
**PROMOTION & TENURE RECOMMENDATIONS**

Trustee Chavez moved to approve the Personnel Actions and Information Items. Trustee Gast seconded the motion. Motion passed unanimously.

**EXECUTIVE SESSION**

Not required.

**PUBLIC COMMENTS**

None

**ADJOURNMENT**

Chairman Monfort motioned to adjourn the regular meeting of the UNC Board of Trustees at 11:00 a.m.

Respectfully submitted by:

Victoria Niccum  
Recording Secretary