



MINUTES
BOARD OF TRUSTEES' SPECIAL MEETING
January 26, 2009
UNC Center at Centerra

The special meeting of the University of Northern Colorado Board of Trustees was called to order at 9:00 a.m. on Monday, January 26, 2009 at the UNC Center at Centerra, Loveland, Colorado.

Those present included:

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| Trustees | Dick Monfort, Jerry Morgensen, Gil Carbajal, Dick Gast, Carlotta LaNier, Darlene LeDoux, Jim Chavez, Vish Iyer, Bob Vincent |
| Officers and Administrators | President Kay Norton, Vice President and General Counsel Ron Lambden, Sr. Vice President and CFO Randal Haack, Provost and Sr. Vice President for Academic Affairs Abe Harraf, Vice President for University Relations Chuck Leonhardt, Recording Secretary Debra Fliethman |
| UNC staff/ faculty/students | Assistant Vice President Tobias Guzmán, Assistant Vice President and Dean of the Graduate School Robbyn Wacker, Assistant Vice President Michelle Quinn, Director of Human Resources Marshall Parks, Francie Murry, Aimee Rogers, Debra Kinzer, Brad Hoffner, Gloria Reynolds, Nate Haas, Susan Simmers |

ACTION ITEMS:

1. Approval of Agenda

Trustee Chavez moved to approve the agenda for the meeting. Trustee Gast seconded the motion. Motion carried unanimously.

2. BOARD ACTION ITEMS:

Optional Retirement Plan

Vice President Haack presented the Restated Optional Retirement Plan. Marshall Parks explained that the changes are intended to restate the UNC 403(b) Plan in order to comply with IRS regulations. There is no modification to the plan design and no fiscal change. Trustee Carbajal moved to approve the Restated Optional Retirement Plan as presented. Trustee Morgensen seconded the motion. Motion passed unanimously.

Bachelor of Science in Athletic Training

Provost Harraf presented a request to change the Athletic Training area from an emphasis within the Bachelor of Science in Sport and Exercise Science to a Bachelor of Science in Athletic Training. This

request is necessary to satisfy requirements of the Commission on Accreditation of Athletic Training Education (CAATE). Trustee LeDoux moved to approve the degree change as presented. Trustee Gast seconded the motion. Motion passed unanimously.

3. WORK SESSION

Overview

President Norton introduced the topic of pricing and revenue in the budgeting process. The tradition has been to prepare a budget every year, but not necessarily plan for long term. Recently, work has been done to develop a long term plan with input from the various campus areas. A new Academic Plan has been developed, the Education Innovation Institute launched, and a multi-year plan for strategic pricing and cost allocation have been developed drawing on research conducted by NCHEMS and Maguire Associates.

Vice President Haack reported on the Governor's budget recommendations:

- Use available cash balances
- Reduce budgets
 - 2.5% FY08-09 (approximate)
 - 7.5% FY 09-10 (approximate)
- Use statutory reserves thereafter

Last Thursday, the Joint Budget Committee decided tentatively to use the Governor's recommendation to remove \$1.6 million from UNC's current budget. Recommendations for the coming year are expected later this week. Using lessons learned from the last economic downturn, UNC's approach will be:

- Invest in university priorities and maximize revenues
- Manage expenses
- Establish and implement a value-driven tuition and fees model

Provost Harraf spoke about investments that should be made to increase and improve recruiting, improve the student experience and enhance the image of the University.

Vice President Haack then presented various means of managing expenditures by maximizing revenues, postponing spending and eliminating spending. One idea that came from the Joint Budget Committee, and which has been discussed with Faculty Senate and employee groups, is to furlough all employees, which would result in a savings to the University of approximately \$300,000 per day. Employees have voiced their support of this measure, as opposed to the alternative of layoffs. Other possible areas of cuts are travel and administrative salaries. Postponing spending could come in the form of deferred maintenance, employee retirement incentives, and opting out of state purchasing and collections. Recommendations will be brought to the Board, based on research and input from various campus groups.

Trustee Report

Trustee LaNier reported on her attendance at President Obama's inauguration.

Pricing Strategy

President Norton led a discussion on pricing strategy. She shared several scenarios that were presented to the Joint Budget Committee showing what would happen at UNC with zero state funding.

The current funding/pricing model is based on:

- Low funding
- Low sticker price
- Low financial aid
- Equals less student access

President Norton is leading an effort on the state level to establish a "hybrid funding model" in which institution governing boards set tuition and package financial aid without state micromanagement.

The new model includes:

- Increased funding (state appropriations)
- Value-based sticker price
- Increased financial aid

The result would be a multi-year pricing plan that increases access for students by providing them with tailor-made financial aid packages that address their individual needs.

Budget Development

As information becomes known, budget scenarios will be developed and the Trustees will be kept up-to-date until approval of the final budget.

Communication

Vice President Leonhardt reported on communication that is taking place with regard to budget development. Internally, there have been meetings with University governing boards, deans and administrators. Small groups will continue to meet to discuss cost-saving opportunities, as well as areas that require investment. Externally, President Norton and Vice President Leonhardt have met with editorial boards of major area newspaper publications to provide accurate and transparent information.

The Board requested that they be provided talking points for use when they interact with policy makers. Future topics for Board discussion are enrollment and retention, differential tuition pricing, and cost per student.

EXECUTIVE SESSION

None

PUBLIC COMMENTS

None.

ADJOURNMENT

Chairman Monfort adjourned the special meeting of the UNC Board of Trustees at 11:45 a.m.

Respectfully submitted by:



Debra Fliethman
Recording Secretary