



Board of Trustees
Regular Meeting of the Finance and Audit Committee
February 27, 2025
1:30 p.m. to 4:30 p.m.
Campus Commons, Multipurpose Hall
Greeley, Colorado

Minutes

Trustees Present: Greg Anton (chair), Dick Monfort, Maia Babbs, Keegan Bradley, Brenda Campos-Spitze, Fritz Fischer, Annette Martinez

Trustees Absent: Prateek Dutta, Steve Jordan

University Staff Present: Andy Feinstein, Jennifer Almquist, Darren Dunn, Tamra English, Kirsty Fleming, Britney Kyle, Pete Lien, Leila McCamey, Dale Pratt, Lori Riley, Allie Steg Haskett

Invited Guest(s): Dan Curran (Partner, Crowe, LLP)

I. Call to Order / Roll / Approval of Agenda

Finance and Audit Committee Chair Greg Anton called the meeting to order at 1:30 p.m. General Counsel Tamra English noted the roll.

A motion to approve the agenda was made by Trustee Annette Martinez and seconded by Trustee Maia Babbs. The agenda was approved by all board members in attendance.

II. Welcome and Update

Feinstein began by acknowledging the shifting landscape for higher education at the federal level, the state's budget pressures and challenges, and the implications for the university. He outlined agenda items to include an update to the FY2025 forecast; enrollment updates; the FY2024 audit, annual report and athletics financial report; and the FY2026 outlook. He noted that factors contributing to this year's projected budget shortfall include a slightly lower than projected fall enrollment, changes at the federal level in how financial need is calculated, and increased personnel expenses due to a decline in turnover rates. Feinstein also noted that the university continues to prioritize good resource management by aligning expenses with available resources. He noted that an update on UNC's current financial health and budget outlook was shared at

two town hall sessions in February, and meetings will continue at the college level to discuss strategic planning priorities. Feinstein stated that budget planning for the next fiscal year is underway, divisional leaders have submitted initial projections, and updates will be shared at future board meetings. He also noted that one of the enrollment priorities at this point in the academic year is to move prospective students from admitted to enrolling at UNC next fall through a number of enrollment activities.

III. Discussion Items

A. FY24 Audit, Annual Report, and Athletics Financial Report

Chair Anton welcomed Dan Curran, partner at the audit firm of Crowe, LLP. Vice President Dale Pratt noted that this is Crowe, LLP's first year performing UNC's financial and compliance audit.

Assistant Vice President Leila McCamey noted that there are no changes from the preliminary FY2024 Annual Financial Report presented to the Board of Trustees at the December 12, 2024, Finance & Audit Committee meeting.

Dan Curran summarized the purpose, procedures, and responsibilities for the university financial and compliance audit and provided an overview of the results of the June 2024 report summary, noting no inconsistencies and no modification recommendations, resulting in a clean audit. Curran also summarized the UNC Department of Athletics Financial Report noting no unusual findings regarding procedures, NCAA compliance, coaching and support staff salary details, or financial aid.

Discussion included the calculation method for interest rates and bonds, pension liability, discount rates, market rates and returns, and the university's Public Employees Retirement Association (PERA) funding parameters and liability.

B. FY25 Q2 Financial Report and Forecast

Pratt presented the forecast for the second quarter of the current fiscal year. He reviewed cash balances and reserves, expenses, operating budget variances, tuition, room and board discounting expenses, capital project commitments, revenue, and factors that affect cash balances. He noted that the escrow account for the UNC College of Osteopathic Medicine is disclosed but is a restricted fund and not included in consideration of the university's financial position. He reported the decline in operating cash from the Q1 update, \$64.8M to \$61.6M, which represents a decrease of \$3.2M in cash reserves, largely due to undergraduate net

tuition and fee revenue, ongoing capital expenditures, and other factors including availability of Pell grant eligibility and calculation changes, a shift in the Free Application for Federal Student Aid (FAFSA) process, an increase in need-based aid, institutional grants and scholarships, and discount rate adjustments. Pratt also outlined enrollment revenue gaps, income projection variances, and financial aid award matrix changes. He reviewed changes in the FY2025 forecast, budget variance factors that contributed to increased expenses to include increased personnel expenses, unplanned facility repairs, capital project expenses, and increases in purchased services rates.

Discussion included enrollment projections, award matrix adjustments, current and projected discount rates, peer institution discount rates, tuition and fee peer comparisons, updates to financial aid award letter timing, preparation for changes in award notification timelines and Pell grant eligibility increases, changes in timing of student commitments, marketing strategies, vacancy savings, capital reserves and projects, personnel expenses, and unexpected capital expenses. The Board also discussed scenario planning and preparation for changes in the higher education landscape.

C. Enrollment Update

Associate Vice President for Enrollment Management Pete Lien outlined fall 2024 enrollment highlights, point-in-time updates for fall 2025, fall 2025 enrollment priorities, and future enrollment initiatives. Lien discussed the significant increase in Pell eligible students at UNC, changes in the way UNC awards financial aid, discount rate updates, enrollment deadline extensions, adjustments to the award matrix, and changes in the university's enrollment communications strategy to be more pro-active and intentional. He also outlined factors that influence a student's ability to attend UNC, state funding changes, and the importance of the inclusion of faculty and staff in the recruitment strategies.

Lien also provided updates on Hispanic/Latine enrollment, communication strategies for bilingual student prospects and families, fall persistence rates, fall-to-fall retention for new first-time students, targets for fall 2025, future initiatives, and recruitment strategies for new and transfer students. He provided updates on undergraduate admitted, confirmed, and deposited data. He also outlined updated enrollment communication strategies, award and admission timelines, housing

application process updates, the partnership with Greeley-Evans School District 6, and current and future enrollment recruitment events and initiatives.

Discussion included in-state competition for enrollment, student populations across the country, Weld County and Colorado K-12 enrollment statistics, opportunities for growth, ways to continue communicating what makes UNC a unique destination, enrollment drivers, current and future enrollment, retention, direct admissions, the likely impact of the proposed UNC College of Osteopathic Medicine, non-traditional learners, and the importance of faculty involvement in recruitment initiatives.

D. FY26 Outlook

Pratt began with a summary of the university's financial health indicators and the FY2026 outlook. He reviewed the most recent Standard & Poor's (S&P) ratings report noting an A- rating and stable outlook for UNC. He provided an overview of the university's financial health indicators, comparison to other higher education institutions in Colorado, higher education state funding in Colorado, UNC trends and projections, basic core costs and tuition interaction, revenue assumptions, trends, and projections. Pratt outlined financial health indicators to include year-end net position, cash balances, composite financial index (CFI), accreditation results, debt profile, and credit ratings. He reviewed state funding national comparisons, and noted Colorado is 42nd in educational appropriations per full time equivalent (FTE). Pratt also outlined UNC revenue and expense trends and projections, current budget reduction steps, and process timelines.

Discussion included the level of confidence for next year's enrollment and future trends, current and future discount rates, tuition and room and board rates compared to other Colorado institutions, the potential amount of state funding for higher education, enrollment trends, strategies to cover overall cost increases, cost adjustment requirements to maintain a balanced budget, personnel expenses, increases in cost of services, the cost of benefits, current temporary and permanent budget reduction strategies, plans for restoration of temporary budget reductions, budget reduction timelines and incentives, expense trend calculations, and next steps to achieve a balanced budget.

IV. Executive Session

With no further discussion or business, Chair Anton asked General Counsel English to make the following announcement to take the Board into executive session:

UNC Board of Trustees

"Pursuant to §24-6-402(3)(a)(II), C.R.S. the University of Northern Colorado Board of Trustees will go into Executive Session to receive legal advice regarding pending legal issues."

Chair Anton sought a motion to take the Board into executive session. A motion was made, seconded, and approved by all Board members in attendance. The Board invited President Feinstein, General Counsel English, and other relevant staff members to join executive session. The Board entered executive session at 4:07 p.m.

Following executive session, General Counsel English provided public record of affirmation regarding the executive session and reconvened the regular meeting at 4:55 p.m.

V. Adjourn

With no further discussion or business, Chair Anton asked for a motion to adjourn the meeting. A motion to adjourn was made by Chair Monfort, seconded by Trustee Martinez, and approved by all Board members in attendance. The meeting was adjourned at 4:55 p.m.