

Recommended Budget Fiscal Year 2011–12

June 10, 2011



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I. Executive Summary

The University of Northern Colorado developed its fiscal year 2011-12 budget to address significant changes in Colorado higher education funding while continuing to fulfill UNC's mission as a public institution. The proposed budget builds on the multi-year financial plan discussed by the Board of Trustees at its August 2010 retreat, which included the following objectives:

- Connect resource allocation with **university plans and priorities**
- Consider **long-term strategic financial issues** by moving to the multi-year approach to financial planning
- **Make decisions earlier** so that changes can be communicated and implemented in a timely manner

Our fiscal year 2011-12 budget discussions included major topics that are key to our fiscal sustainability:

- Undergraduate enrollment, pricing, and discounting
- Graduate enrollment, pricing, and discounting
- Compensation, including salaries and benefits
- Commitment to identify \$5 million in sustainable cost savings by fiscal year 2013-14, including at least \$1.5 million to be implemented in fiscal year 2011-12

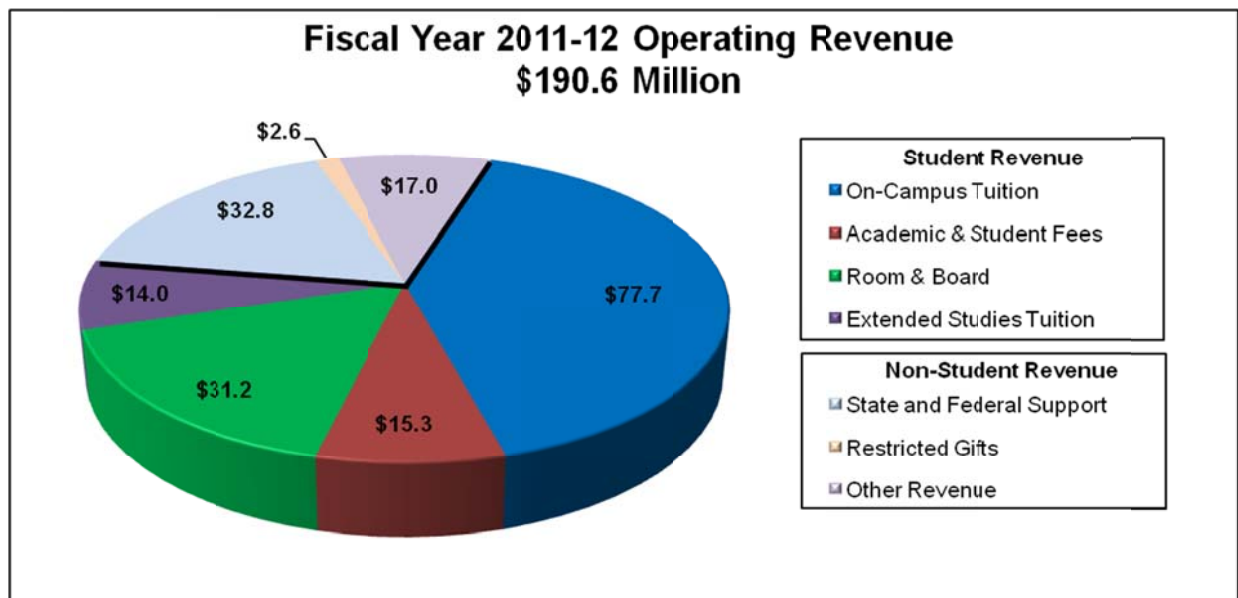
Highlights of the proposed fiscal year 2011-12 budget are:

- Loss of \$7.8 million in state funding (\$11.3 million combined loss in fiscal years 2010-11 and 2011-12)
- Sustainable cost savings of \$1.9 million toward our \$5 million commitment
- No salary increases for employees, except faculty promotions (\$100 thousand)
- Increased cost of benefits of \$3.4 million
 - ❖ Health insurance cost increases shared by the University and employees in a 60/40 ratio
- Undergraduate tuition rate increase of 13.2% or \$620 for the year for full-time in-state students (before differential tuition, which is based on program of study)
- Increased on-campus undergraduate credit hour production of 1% (1.11% increase in resident credit hours and flat non-resident credit hours)
- Additional investment of \$2.4 million in undergraduate financial aid
- Room and board rate increase averaging 5%
- Graduate on-campus tuition rate increase of 10% to 20%, depending on program of study
- Off-campus and online tuition rate increase of 6.1% to 15.5%, depending on program of study
- Increased off-campus and online credit hour production of 12%

Revenue

Total estimated fiscal year 2011-12 revenue for the University of Northern Colorado is \$199.2 million.⁽¹⁾ This includes operating revenue of \$190.6 million and \$8.6 million in restricted grants and contracts. The funds for \$6.1 million capital expenditures in fiscal year 2011-12 will come from remaining balances of earlier state capital appropriations, bond funds, and transfers from the operating budget.

The assumptions and major changes in UNC's \$190.6 million operating budget is the primary focus of the June 2011-12 budget book. Over the past two fiscal years UNC's state and federal support has decreased from \$44.1 million to \$32.8 million. State support will be 17.2% of UNC's operating revenue in fiscal year 2011-12. Tuition, fees, and room and board charges to students will account for 72.5% of UNC's operating revenue. Undergraduate tuition is the single largest source of revenue at \$63.9 million, and graduate tuition is \$13.8 million.



⁽¹⁾Does not include the pending acquisition of Arlington Park.

The fiscal year 2011-12 budget uses the undergraduate tuition rates, discussed at the March Board meeting. Enrollment has been budgeted to increase 1.0% and the resulting new revenue is \$7.3 million.

Undergraduate On-Campus Tuition Revenue				
	FY11 Budget		FY12 Budget	
	Credit Hours	Revenue	Credit Hours	Revenue
Resident	246,589	\$43,011,569	249,326	\$48,662,922
Non Resident	26,893	13,669,213	26,893	15,290,078
Total	<u>273,482</u>	<u>\$56,680,782</u>	<u>276,219</u>	<u>\$63,953,000</u>

The fiscal year 2011-12 budget uses the graduate tuition rates, discussed at the May Board meeting. Enrollment has been budgeted to increase 0.1% and the resulting new revenue is \$1.7 million.

Graduate On-Campus Tuition Revenue				
	FY11 Budget		FY12 Budget	
	Credit Hours	Revenue	Credit Hours	Revenue
Resident				
Master's	15,628	\$5,479,101	15,421	\$6,159,429
Doctoral	5,966	2,236,538	6,044	2,813,775
Non-Resident				
Master's	2,631	2,602,061	2,597	2,414,365
Doctoral	2,040	1,718,448	2,224	2,383,227
Total	<u>26,265</u>	<u>\$12,036,148</u>	<u>26,286</u>	<u>\$13,770,796</u>

The fiscal year 2011-12 budget uses the Extended Studies tuition rates, discussed at the May Board meeting. Enrollment has been budgeted to increase 12% and the resulting new revenue is \$3.8 million.

Extended Studies Enrollment				
	FY11 Budget	FY12 Budget	Change Amount	Change Percent
Enrollment (Credit Hours)				
Undergraduate	10,149	11,679	1,530	15.1%
Graduate	21,768	24,363	2,595	11.9%
Other	268	0	(268)	-100.0%
Total Enrollment	32,185	36,042	3,857	12.0%

Extended Studies Revenue				
	FY 11 Budget	FY12 Budget	Change Amount	Change Percent
Revenue				
Undergraduate	\$3,575,362	\$3,471,768	(\$103,594)	(2.9%)
Graduate	6,569,077	10,490,314	3,921,237	59.7%
Other	24,578	30,878	6,300	25.6%
Total Revenue	<u>\$10,169,017</u>	<u>\$13,992,960</u>	<u>\$3,823,943</u>	<u>37.6%</u>

Tuition Revenue Change Summary	
FY11 Budgeted Tuition	\$78,885,947
Undergraduate Increase (student share)	
Due to rate increase	6,802,218
Due to enrollment increase	470,000
Subtotal Undergraduate Increase (student share)	7,272,218
Graduate Increase	
Due to rate increase	1,734,648
Due to enrollment increase	0
Subtotal Graduate Increase	1,734,648
Extended Studies Increase	
Due to rate increase	671,800
Due to enrollment increase and shifts to higher priced programs	3,152,143
Subtotal Extended Studies Increase	3,823,943
FY12 Budgeted Tuition	\$91,716,756

Student Headcount

The following tables demonstrate the total university (both on-campus and off-campus) budgeted headcount growth from fall 2010 to fall 2011:

Undergraduate Headcount - Fall			
	FY11 Budget	FY12 Budget	% Change
New Freshman	2,290	2,247	-1.9%
New Transfers	813	900	10.7%
Continuing	<u>7,361</u>	<u>7,414</u>	<u>0.7%</u>
Total	10,464	10,561	0.9%

Graduate Headcount - Fall			
	FY11 Budget	FY12 Budget	% Change
New	378	438	15.9%
Continuing	<u>2,188</u>	<u>2,261</u>	<u>3.3%</u>
Total	2,566	2,699	5.2%

Compensation

One of the largest areas of financial impact for compensation is the rising cost of health insurance. We have worked over the past three years to establish a health benefits contribution ratio of 60% employer portion and 40% employee portion. The University has absorbed the increases in benefits costs rather than passing part of the increase on to employees in order to achieve this 60/40 ratio. Beginning in fiscal year 2011-12, to maintain the 60/40 ratio, employees will pay 40% of the cost of health insurance increases.

The rising cost of supporting the state retirement plan (PERA) is also a significant factor in the employee benefits costs in the proposed budget. Approximately half of UNC's employees are enrolled in PERA. Since 2003 PERA has had a contribution rate of 10.15% for the employer and 8% for the employee. Legislation passed in 2010, as a cost-saving measure for the state, changed the PERA contribution for fiscal year 2010-11 to 7.65% for the employer and 10.5% for the employee, effectively reducing take-home pay 2.5% for employees in PERA. While this PERA "flip" actually creates some savings for UNC, our total required contribution to PERA continues to increase as the state works to make the plan solvent.

UNC employees who are not in PERA are enrolled in an optional retirement plan (ORP). Since the inception of the ORP, the University has contributed 11.5% of the employee's salary to the ORP and the employee has contributed 8%. The proposed budget continues this approach.

While this will be the third consecutive year without pay raises, given the economic climate and the increased tuition that students will pay next year, UNC does not feel it is prudent to increase salaries at this time. In keeping with the practice of the past two years, the proposed budget includes \$100,000 for faculty promotions. The Legislature sets base pay increases for classified employees (approximately 3.5% of UNC employees) and there will be no increase in fiscal year 2011-12.

Personnel expenses in the proposed budget total \$116.4 million, including \$23.4 million in fringe benefits detailed in the table below:

Estimated FY12 Fringe Benefit Budget (in millions)	
Retirement	\$11.5
Health, Life, Dental & Disability Insurance	8.9
Workers Compensation	0.6
Leave	0.5
Tuition Waivers, Counseling & Other	<u>1.2</u>
Estimated FY12 Fringe Benefit Expenses	22.7
Fund FY11 Fringe Benefit Reserve Deficit	<u>1.3</u>
Total Fringe Benefit Budget	24.0
Less Portion Funded by Restricted Grants	<u>(0.6)</u>
FY12 Operating Budget Fringe Benefits	<u>\$23.4</u>

The proposed budget reflects an increase of \$3.7 million from budgeted personnel expenses in fiscal year 2010-11. Changes include:

- \$3.4 million increase in fringe benefit rate increases (primarily due to cost increases in health insurance and PERA, as discussed above)
- \$1.1 million increase in teaching and graduate assistant tuition waivers (tuition discounting)
- \$400 thousand increase in teaching and graduate assistant stipends (wages)
- \$100 thousand increase in faculty promotions
- \$200 thousand increase in faculty for growth in off-campus programs
- (\$1.5 million) reduction in positions identified as sustainable cost savings

Note: In the operating budget on page 9, the \$4.2 million increase in fringe benefits reflects a budgetary reclassification of fringe benefits that were previously included in summer faculty salaries.

Fringe Benefit Change (in millions)	
Increase in benefit cost / rate	\$3.4
Sustainable cost savings	(0.3)
Reclassification from faculty salaries	<u>1.1</u>
Total	<u>\$4.2</u>

Faculty Salary Change (in millions)	
Promotions	\$0.1
Sustainable cost savings	(0.7)
Growth in off campus programs	0.2
Reclassification of benefit portion of summer salaries	<u>(1.1)</u>
Total	<u>(\$1.5)</u>

Sustainable Cost Savings

UNC has committed to identifying \$5 million in sustainable cost savings by fiscal year 2013-14, including at least \$1.5 million to be implemented in fiscal year 2011-12. So far, UNC has identified \$1.9 million. The following table is a summary of the university-wide initiative to identify sustainable cost savings:

Sustainable Cost Savings Fiscal Year 2011-12	
Implementing change in delivery of telecommunications and technical support across campus	402,113
Refresh lab desktops every five years instead of the original four while developing plan for virtual labs	160,000
Convert scanning of exams and course evaluations to a self service model	65,883
Reconfiguration of labor, technologies, and software savings in the delivery of basic telephone services	100,000
Change in technical support staffing at the Center for the Enhancement of Teaching and Learning (CETL)	62,230
Re-evaluation of quality control staffing for web and database management	14,000
Maximizing technology utilization campus-wide	177,967
Savings from accountant restructured duties due to system efficiencies	10,000
Savings from integration of the payroll processing and finance systems due to use of the Banner ERP system	76,200
Shifting of responsibilities and elimination of administrative tasks no longer needed in purchasing/accounts payable	14,645
Operating efficiencies identified due to collaboration between purchasing and facilities management	13,129
Efficiencies from implementation of parking management software	25,000
Transition from print to electronic format for library journals	10,000
Eliminating print version of Information Management and Technology newsletter	28,993
Revisions in faculty summer salary procedures and efficiencies of class sizes in program offerings	400,000
University-wide budget reductions to align with historical expenditures	360,897
Personnel lines	234,502
Non-Personnel lines	126,395
Re-evaluation of Big Sky Conference travel	20,492
Reconfiguration of marketing outreach and community outreach activities	17,000
Reconfiguration of Athletics coaching program for head coaches	10,350
Assessment of effectiveness of extended retail and dining hours resulting in scaling back	39,620
Realignment of instructional budget by academic program	489,760
Monfort College of Business	140,998
Humanities and Social Sciences	194,400
Natural and Health Sciences - cost of faculty positions for two new programs in Biomedical Sciences and Recreation and Tourism net of savings from other programs	(26,933)
Performing and Visual Arts	40,258
Education and Behavioral Sciences	<u>141,037</u>
Total Sustainable Cost Savings	<u>\$ 1,918,199</u>

The following table breaks out sustainable cost savings by personnel and non-personnel expenses:

Sustainable Cost Savings	
Recap by Operating Budget Classification	
Fiscal Year 2011-12	
Faculty Salaries	\$ 678,040
Exempt Salaries	192,185
Classified Salaries	227,892
Student Wages	48,163
Other Wages/Compensation	24,000
Fringe Benefits	280,900
Total Personnel Expenses	<u>1,451,180</u>
Cost of Sales	18,274
Other Current Expenses	25,128
Purchased Services	170,300
Supplies	205,975
Travel	36,342
Capital	11,000
Total Non-Personnel Expenses	<u>467,019</u>
Total Sustainable Cost Savings	<u><u>\$1,918,199</u></u>

A detailed schedule of sustainable cost savings by area of the University can be found in Appendix D.

II. Fiscal Year 2011-12 Budget

Operating Budget

	FY11 Budget	FY12 Budget	Change
REVENUE			
Resident Tuition	\$ 50,727,208	\$ 57,636,126	\$ 6,908,918
Non-Resident Tuition	17,989,722	20,087,670	2,097,948
COF Stipend	15,646,320	14,935,800	(710,520)
Fee For Service	19,530,558	17,870,806	(1,659,752)
Federal Stimulus Revenue	5,447,212	0	(5,447,212)
Long Bill Appropriated Fees	4,930,544	5,213,909	283,365
Subtotal Appropriated Revenue	114,271,564	115,744,311	1,472,747
Extended Studies Tuition	10,169,017	13,992,960	3,823,943
Student Fees - Non-Appropriated	10,014,742	9,977,514	(37,228)
Other Fees - Non-Appropriated	85,471	89,770	4,299
Restricted Gifts for Operations	2,583,732	2,600,000	16,268
Room and Board	29,507,424	31,163,552	1,656,128
Other Auxiliary Services Revenue	6,269,996	6,483,870	213,874
Grants and Contracts	10,000	10,000	0
Restricted Grant F & A Recovery	881,000	881,000	0
Other Revenue	8,830,665	8,764,532	(66,133)
Non-Operating Investment and Other Revenue	892,266	856,766	(35,500)
Subtotal Non-Appropriated Revenue	69,244,313	74,819,964	5,575,651
TOTAL REVENUE	183,515,877	190,564,275	7,048,398
EXPENSES AND TRANSFERS			
Faculty Salaries	38,119,323	36,592,816	(1,526,507)
Exempt Salaries	22,528,510	22,486,376	(42,134)
GA / TA / RA Stipends and Waivers	6,861,587	8,554,340	1,692,753
Classified Salaries	20,430,801	20,168,040	(262,761)
Student Wages	4,642,925	4,471,884	(171,041)
Other Wages/Compensations	1,018,501	815,845	(202,656)
Fringe Benefits	19,171,674	23,360,312	4,188,638
TOTAL PERSONNEL EXPENSES	112,773,321	116,449,613	3,676,292
Cost of Sales	4,858,617	5,007,943	149,326
Other Current Expenses	5,677,737	7,950,279	2,272,542
Purchased Services	11,197,684	11,526,268	328,584
Supplies	10,199,211	9,678,724	(520,487)
Scholarships	13,006,587	15,480,587	2,474,000
Utilities	6,127,435	6,626,081	498,646
Travel	3,405,795	3,186,507	(219,288)
Capital	2,731,333	2,818,564	87,231
TOTAL NONPERSONNEL EXPENSES	57,204,399	62,274,953	5,070,554
Mandatory Transfer Out - Debt	9,296,441	9,293,355	(3,086)
Mandatory Transfer Out - Cap Lease Pmt	861,112	861,112	0
Mandatory Transfer Out - Loan Match	3,120	3,120	0
Non-Man Transfer Out-Projects	59,160	59,200	40
Non-Man Transfer In-Reserves	0	0	0
Non-Man Transfer Out-Capital Reserves	3,193,314	3,465,662	272,348
TOTAL TRANSFERS	13,413,147	13,682,449	269,302
TOTAL EXPENSES/TRANSFERS	183,390,867	192,407,015	9,016,148
CONTRIBUTION / (USE) OF RESERVES	\$ 125,010	\$ (1,842,740)	\$ (1,967,750)

Summary of Changes Fiscal Year 2011-12

	Comments	FY12 Proposed Budget ⁽¹⁾
Operating and Innovation Budget		
FY11 Adjusted Revenue Budget		\$183,515,877
<u>FY12 Changes in Revenue</u>		
State/Federal Stimulus Funding		(7,817,484)
On-Campus Undergraduate Tuition	13.2% Rate Increase/1% Growth ⁽²⁾	7,272,218
On-Campus Graduate Tuition	10-20% Rate Increases/0.1% Growth ⁽²⁾	1,734,648
Room and Board	5% Rate Increase (average)	1,656,128
Extended Studies Tuition	6-15% Rate Increase/12% Growth ⁽²⁾	3,823,943
Academic Fees	2010 CPI Increase 1.9%	283,365
Development and Alumni Relations		329,128
Other Revenue		(233,548)
Estimated FY12 Revenue Budget ⁽¹⁾		\$190,564,275
FY11 Adjusted Expenditure Budget		\$183,390,867
<u>FY12 Changes in Expenditure</u>		
Fringe Benefits due to Rate Increase	See pages 5 and 6	3,391,770
Undergraduate Discounting	See page 14	2,374,000
Graduate Waivers, Scholarships & Stipends	\$70,375 is in areas other than the Graduate School (Student Fee, Counseling Center)	1,696,375
Room and Board Waivers		69,120
Sustainable Cost Savings	See page 7 and 8	(1,918,199)
Academic Innovation and Enhancements	Specific commitment to be determined	1,331,839
Extended Studies Program Growth		825,104
Utilities		498,646
Instructional Expense from Differential Tuition		362,135
Development and Alumni Relations		256,680
Academic Fee Allocations	Tech, Library, Classroom	283,365
Capital Reserves and Projects		216,445
Faculty Promotions		130,300
Debt Service	Does not reflect 2011A and 2011B Bonds	(3,086)
Budget Realignments and Reductions		(498,346)
Estimated FY12 Expenditure Budget ⁽¹⁾		\$192,407,015
FY12 Estimated Use of Reserves		(\$1,842,740)
Notes:		
(1) Totals exclude \$5 million in internal sales and include \$2.6 million in restricted gifts for operations.		
(2) Growth percentages are growth in credit hours.		

The 2011-12 budget will be adjusted in the first quarter of the fiscal year to include the refinancing of bonds and the acquisition of Arlington Park. The revised budget will be presented at the first quarter Finance and Audit Committee meeting.

Grants and Contracts Budget

Grants and Contracts Revenue and Expenses	
	FY12 Budget
REVENUE	
Federal Grants	\$ 6,730,510.01
State & Local Grants	77,746
UNC Foundation - Grants	1,656,115
Other Private Grants	145,509
Investment Income-Net, Non-Operating	-
Subtotal Revenue	8,609,880
EXPENSES/TRANSFERS	
Personnel Expenses	
Faculty Salaries	1,024,000
Administrative Exempt Salaries	1,482,000
Graduate Teaching Assistants	266,600
GA/TA GRA Tuition Scholarships	88,300
Classified Salaries	60,000
Student Wages	125,000
Other Wages/Compensations	150,000
Fringe Benefits	650,000
Subtotal Personnel Expenses	3,845,900
Non-Personnel Expenses	
Cost of Sales	-
Other Current Expenses	3,186,480
Scholarships	1,320,000
Travel	234,000
Capital	23,500
Subtotal Non-Personnel Expenses	4,763,980
Transfers	
Non-Mandatory Transfer In	
Non-Mandatory Transfer Out	
Subtotal Transfers	-
Investment Income-Net, NonOperating	
TOTAL EXPENSES/TRANSFERS	8,609,880
REVENUE LESS EXPENSES/TRANSFERS	\$ -

Capital Project Expenditures		
	FY11 Budget	FY12 Budget
UNIVERSITY FUNDED PROJECTS		
General Fund		
FY12 projects not yet assigned	\$ -	\$ 21,000
Projects with budgets less than \$200,000	1,164,447	853,500
McKee Hall North Roof Replacement	-	350,000
Butler-Hancock Exterior Gym Wall Replacement	-	300,000
Gray Hall Window Replacement Phase I	309,139	59,000
Michener Fire Alarm System	100,000	200,000
Butler-Hancock Interior Renovation	160,294	120,000
Card Access System Upgrade	215,000	35,000
Subtotal General Funded Projects	1,948,879	1,938,500
Housing, Dining, Extended Studies, Student Fees		
FY12 projects not yet assigned	-	524,560
Projects with budgets less than \$200,000	1,118,238	1,653,500
Harrison Hall Student Rm Remodel	756,904	700,000
Harrison Hall Bathroom Remodel	-	500,000
Central Campus FFE Replacement	-	250,000
UC Convenience Store	373,812	400,000
Michener Repairs	-	134,784
Subtotal Auxiliary and Other Funded Projects	2,248,953	4,162,844
Restricted Capital Grants/Gifts		
Projects with budgets less than \$200,000	54,705	11,000
Total Restricted Grant/Gift Funded Projects	54,705	11,000
Total University Funded Projects	4,252,537	6,112,344
NON-UNIVERSITY FUNDED PROJECTS		
State Capital Appropriations		
Reroof Candelaria, Butler-Hancock, McKee	179,801	-
Total State Capital Appropriated Projects	179,801	-
Bond/COP Debt Funded		
Harrison Renovation	119,297	-
West Campus/Turner Housing Project - Final	992,326	-
Butler-Hancock Interior Renovation	1,473,274	-
Total Bond/COP Funded Projects	2,584,897	-
Total State Capital Appropriated & Debt Projects	2,764,698	-
Total Capital Projects	\$ 7,017,235	\$ 6,112,344

III. Cost of Attendance

Annual Undergraduate Resident Freshman Cost of Attendance			
	Fiscal Year 2010-11 Actual	Fiscal Year 2011-12 Budget	% Increase
Tuition (Student Share)	\$4,680	\$5,300	13.2%
Student Activity Fees	972	972	0%
Technology Fee – average	280	285	1.9%
Library Fee – average	65	66	2.0%
Student Success Fee	225	225	0%
Subtotal Tuition and Fees	6,222	6,848	10.1%
Room and Board (Low Tier)	9,344	9,750	4.3%
Total Cost of Attendance	\$15,566	\$16,598	6.6%

Financial Aid and Discounting

Discussion of financial aid and discounting is most often in the context of enrollment management. In that context, the focus of the discussion is on the student perspective, and data is presented with that in mind. For example, one common discounting metric for enrollment management purposes measures the average financial aid package for a freshman (including institutional, state, and federal aid) as compared to the average bill for a freshman (including tuition, fees, and room and board).

The purpose of undergraduate and graduate discounting is to focus on the financial impact to the University of offering institutional scholarships and waivers. Therefore, rather than using a student perspective of net price paid, the following tables use an institutional perspective of discounted revenue. The metric reflected here (discount percentage) is the percent of gross tuition revenue that is paid out in institutional scholarships and waivers.

UNC continues to invest in institutionally funded scholarships, tuition waivers, room and board waivers, and graduate assistantship stipends as part of our overall pricing strategy.

The focus on financial aid is to show all sources of financial aid available to UNC students, which includes the institutional scholarships and waivers. Total financial aid also includes state and federal financial aid, private gifts, and loans.

Undergraduate Discounting

The fiscal year 2011-12 proposed budget includes \$4.4 million in resident need-based financial aid, which exceeds the \$4.1 million required by UNC's Financial Accountability Plan approved by the CCHE. The additional \$300 thousand UNC is investing will support low-income students who will be impacted by the \$300 thousand reduction in state financial aid anticipated for fiscal year 2011-12. The total reduction in state aid for fiscal years 2010-11 and 2011-12 will be \$833 thousand.

The revenue impact of the undergraduate pricing and discounting for the fiscal year 2011-12 budget is shown in the table below:

Undergraduate Pricing & Discounting Net New Revenue (in millions)	
	FY12
Rate Increase	\$4.3
Enrollment Increase (1%)	.5
Window Closure	1.3
Differential	1.2
Total Gross Tuition New Revenue	7.3
Less:	
New Institutional Aid	(2.4)
1/3 Differential to Programs	(0.4)
Net New Revenue Available	\$4.5

Undergraduate Institutional Tuition Discounting FY09 – FY12				
	FY09 Actual	FY10 Actual	FY11 Forecast	FY12 Budget
Undergraduate Tuition	\$ 46,500,947	\$ 51,958,675	\$ 57,045,140	\$ 63,953,000
Institutional Scholarships	(8,042,831)	(12,550,855)	(12,765,032)	(14,770,697)
Discounted Revenue	\$ 38,458,116	\$ 39,407,820	\$ 44,280,108	\$ 49,182,303
Discount Percent	17.3%	24.2%	22.4%	23.1%

Undergraduate Institutional Aid Allocation	
Aid Type	Total for FY12
Resident Need-Based	\$4,381,046
Non-Resident Need-Based	538,702
Athletics	2,017,236
Resident Merit	2,320,761
Non-Resident Merit	3,596,897
Membership-Based and Other	1,916,055
Total	\$14,770,697

Graduate Discounting

Graduate assistantships including tuition waivers, scholarships, and stipends are a key component of graduate pricing and discounting. The students who receive them also fulfill instructional and administrative responsibilities that help the University. Because stipends represent pay for teaching or conducting research, they are not included in discounting calculations. Graduate discounting varies by program of study. For example, relatively few students in Tier 1 Master's programs, which enroll primarily K-12 teachers, expect to receive waivers or scholarships; however, significant discounting is necessary to compete for students in Tier 3 Doctoral programs.

The on-campus tuition proposal will generate \$1.7 million in new tuition revenue, primarily due to rate increases, since credit hours are budgeted to be flat. About 68% of this new revenue is to be used for scholarship and waiver discounting.

Graduate Institutional Tuition Discounting				
FY09 – FY12				
	FY09 Actual	FY10 Actual	FY11 Forecast	FY12 Budget
Graduate Tuition	\$ 7,931,216	\$ 10,162,790	\$ 11,707,381	\$ 13,770,796
Institutional Scholarships and Waivers	(1,591,222)	(2,347,145)	(2,900,565)	(4,139,579)
Discounted Revenue	<u>\$ 6,339,994</u>	<u>\$ 7,815,645</u>	<u>\$ 8,806,816</u>	<u>\$ 9,631,217</u>
Discount Percent	20.1%	23.1%	24.8%	30.1%

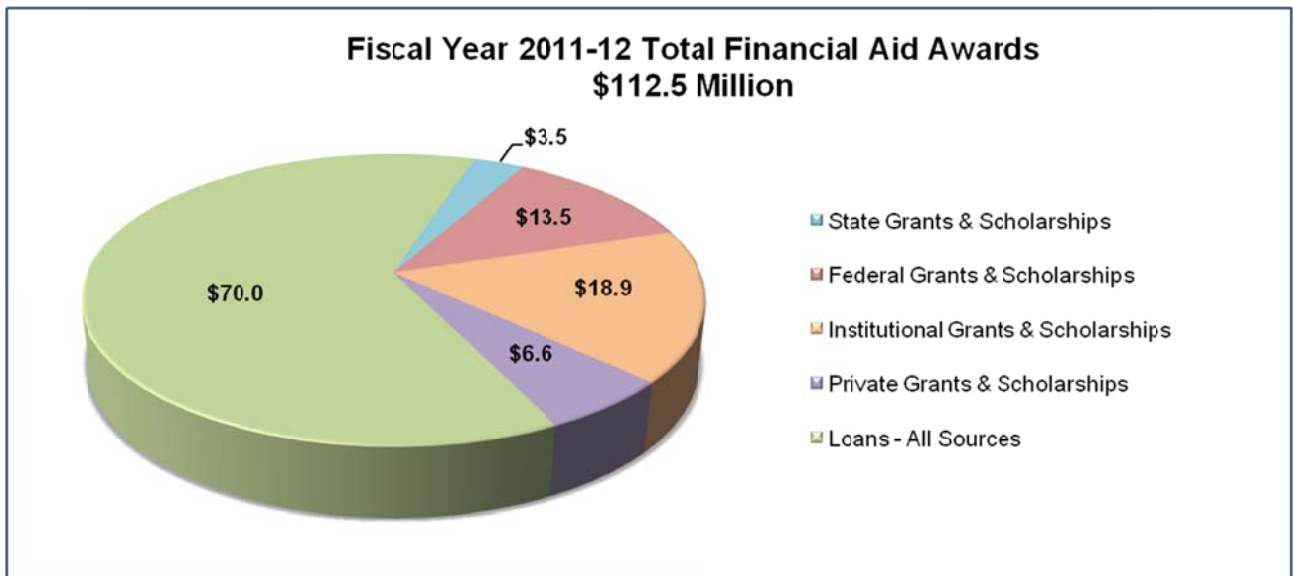
Financial Aid

The following tables show the total financial aid available to students from all funding sources including state, federal, institutional, private funds, and loans. The total financial aid available to UNC students in fiscal year 2011-12 will be \$112.5 million.

Total Financial Aid by Source and Type Undergraduate and Graduate			
Source and Type	FY11 Forecast	FY12 Budget	Change
Grants & Scholarships			
State	\$3,729,073	\$3,504,254	\$(224,819)
Federal	12,681,435	13,549,270	867,835
Institutional Scholarships & Waivers	15,837,166	18,967,587	3,130,421
Private	<u>6,493,009</u>	<u>6,550,000</u>	56,991
Subtotal	38,740,683	42,571,111	3,830,428
Loans – All Sources	<u>65,000,000</u>	<u>70,000,000</u>	<u>5,000,000</u>
Total Financial Assistance	<u>\$103,740,683</u>	<u>\$112,571,111</u>	<u>\$8,830,428</u>

Institutional Scholarships and Waivers			
	FY11 Forecast	FY12 Budget	Change
Scholarships	\$13,473,847	\$15,480,587	\$2,006,740
Waivers ¹⁾	2,363,319	3,487,000	1,123,681
Total	<u>\$15,837,166</u>	<u>\$18,967,587</u>	<u>\$3,130,421</u>

1) Waivers are embedded in the Personnel section of the operating budget



IV. Other Financial Information

Aggregate Debt Service Schedule (2001, 2005, 2008 Bonds)

	Aggregate Debt Service	Housing, Dining, UC	Parking Services	Student Fees
6/1/2011	9,296,440	6,737,351	654,060	1,905,030
6/1/2012	9,293,356	6,973,329	650,225	1,669,803
6/1/2013	9,300,731	6,971,979	654,925	1,673,828
6/1/2014	9,292,831	6,982,079	648,950	1,661,803
6/1/2015	9,378,781	6,983,429	651,450	1,743,903
6/1/2016	9,383,094	6,979,754	649,100	1,754,240
6/1/2017	9,380,819	6,981,854	651,300	1,747,665
6/1/2018	9,383,106	6,981,279	650,850	1,750,978
6/1/2019	9,386,506	6,980,660	655,650	1,750,196
6/1/2020	9,383,856	6,977,125	653,325	1,753,406
6/1/2021	9,381,006	6,976,470	650,200	1,754,336
6/1/2022	9,381,906	6,976,600	652,450	1,752,856
6/1/2023	9,376,600	6,974,510	648,700	1,753,390
6/1/2024	9,384,775	6,979,950	654,200	1,750,625
6/1/2025	9,380,850	7,742,170	653,450	985,230
6/1/2026	9,380,100	7,747,170	646,700	986,230
6/1/2027	9,383,250	7,748,000	650,250	985,000
6/1/2028	9,381,000	7,746,250	651,500	983,250
6/1/2029	9,379,250	7,742,750	651,500	985,000
6/1/2030	9,387,250	7,752,000	650,250	985,000
6/1/2031	9,383,750	7,747,750	652,750	983,250
6/1/2032	5,188,500	3,960,000	243,750	984,750
6/1/2033	6,160,250	4,927,250	248,750	984,250
6/1/2034	6,160,250	4,925,500	248,000	986,750
6/1/2035	6,159,250	4,925,500	246,750	987,000
6/1/2036	4,926,750	4,926,750	-	-
6/1/2037	4,928,750	4,928,750	-	-
6/1/2038	4,926,000	4,926,000	-	-
6/1/2039	4,928,250	4,928,250	-	-
6/1/2040	4,929,750	4,929,750	-	-

UNC will be refinancing 2001 bonds in late June or early July, 2011. In addition, UNC will be issuing bonds as part of the acquisition of Arlington Park. A revised debt service schedule reflecting these changes will be presented at the first quarter Finance and Audit Committee meeting.