

As part of UNC's ongoing effort to engage campus on the budget, President Andy Feinstein and Chief Financial Officer Michelle Quinn are hosting a series of 90-minute Budget 101 sessions. The presentation will be about 35-40 minutes, leaving time for questions and discussion. The sessions are open to everyone on campus.

The slide deck will be posted online to allow everyone access to the information, even if they are unable to attend one of the sessions.



## Overview

- What we mean by structural deficit
- Why we have a structural deficit
  - Growth strategy
  - Revenue drivers
  - Expense drivers
- How do we fix it?
- What's next?

2

This presentation reviews and builds on the spring 2018 campus financial updates and Board discussions that led up to the approval of the FY19 budget. It specifically defines the structural deficit, how it differs from any given year's actual surplus or deficit, why UNC has a deficit, and what we will do to fix it.



## Structural Deficit

- \$10 million structural deficit = ongoing costs of UNC's programs, services and infrastructure exceed ongoing revenues by \$10 million
- One-time savings (salary freezes, deferring capital) and unusual items (sale of University Apartments) affect actual annual deficit
- Eliminating the structural deficit requires fundamental or structural changes

3

### Key Points:

- \$10 million structural deficit is a base deficit equal to about 5% of UNC's budget
- Actual annual surplus or deficit can be better than \$10 million by making temporary budget decisions
- Fixing it requires permanent base changes



*How did we get here?*

## **Unfulfilled Growth Strategy**

- Built reserves by centralizing cash, finding temporary cost savings and increasing tuition
- Adopted a growth strategy to recover from state funding reductions
- Set unrealistic enrollment targets
- Invested in growing enrollment
- Spent down reserves while working to grow enrollment and revenue

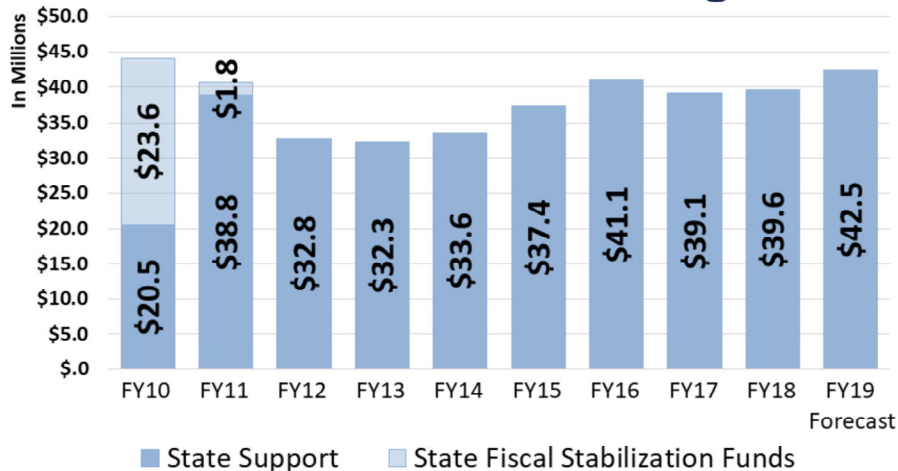
4

### **Key Points:**

- “We bet on growth,” trustee Christine Scanlan said  
“That’s not a bad strategy until it doesn’t work” *Greeley Tribune*, March 1, 2018
- The genesis of the structural deficit goes back to at least FY10, as higher education nationally was adapting to the changing environment
- UNC’s decision to invest in growth was a strategy to address these underlying challenges



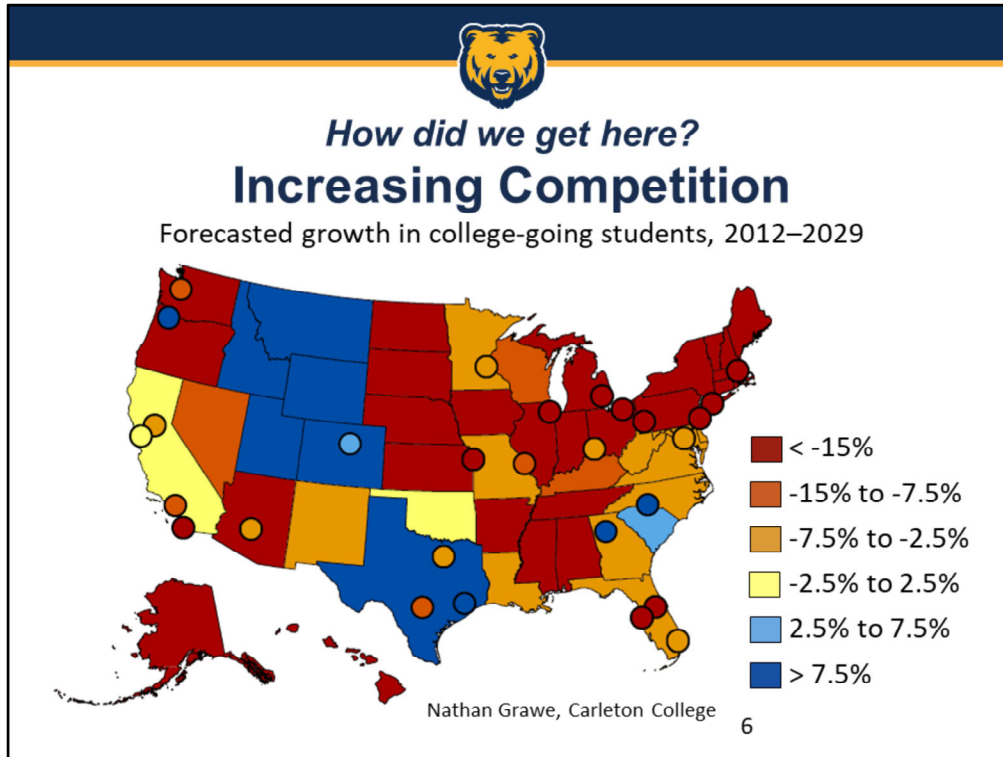
## How did we get here? Reduced State Funding



5

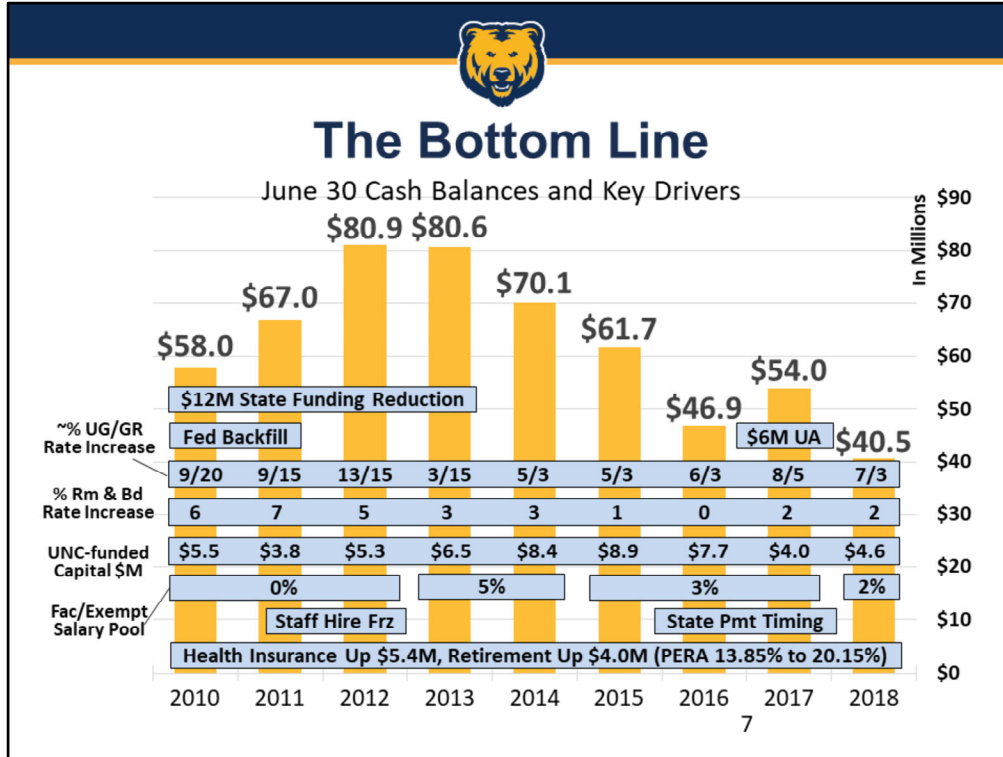
### Key Points:

- States have had a diminished ability to support higher education for at least a decade
- The financial impact of the overall socio-economic trends were accelerated by the 2008 national fiscal crisis
- The actual effects were delayed because of the federal economic stimulus package that provide State Fiscal Stabilization Funds that subsidized state funding to higher education, UNC received
  - FY09 \$8.9 million
  - FY10 \$23.6 million
  - FY11 \$1.8 million
- UNC lost 26%, or \$11 million in two years (FY10 to FY12)



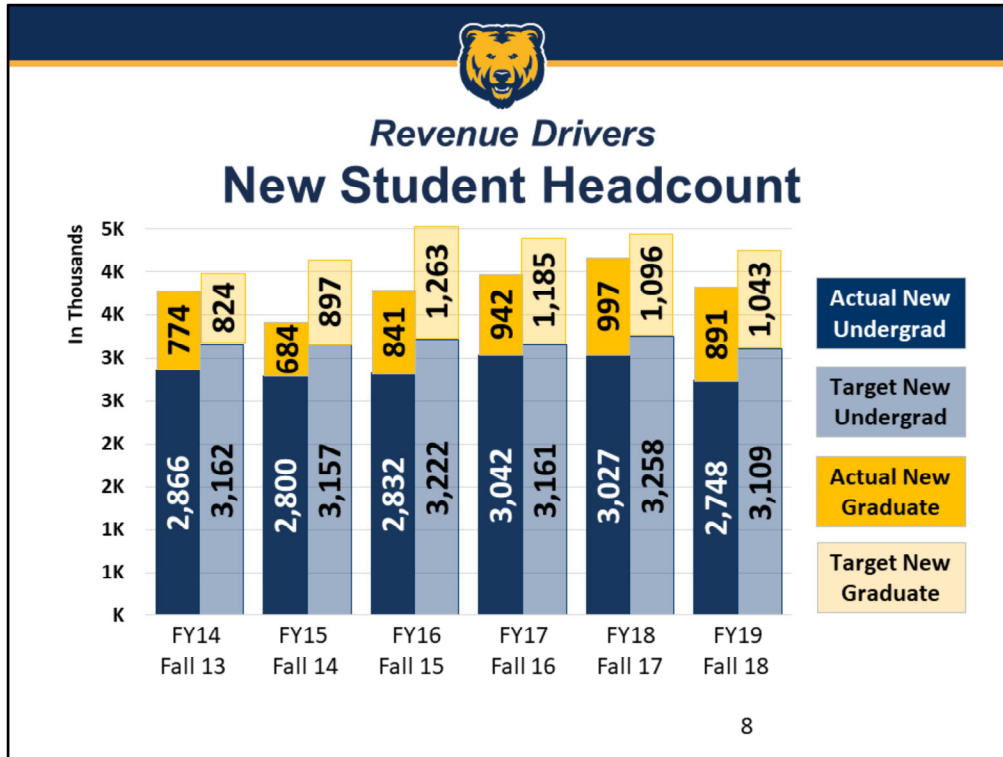
### Key Points:

- The number of high school graduates has been flattening, reducing the demand for higher education and increasing competition
- Grawe, Nathan D. (2018) *Demographics and the Demand for Higher Education*
- Metropolitan area forecasts can vary from the state in general



**Key Points:**

- The simplest indicator of our structural deficit is changes in cash balances, but it's not an absolute indicator
- The catalysts for the structural deficit—decreased levels of state funding and increased competition due to demographic changes—occurred well before 2014 when we see the first decline in cash
- From 2010-2013, cash actually went up because of
  - Federal backfill funding
  - UNC decisions to increase prices
  - UNC decisions to freeze exempt and faculty salaries, put a staff hiring freeze in place, and defer capital expenditures
- Beginning in 2014 cash consistently declined about \$10 million per year
  - Upward pressures on costs due to health insurance and retirement
  - Normalizing salary increases and capital expenditures
  - Investments to grow enrollment
- Exception in 2016 and 2017 due to odd timing in state payments and cash inflow from the sale of University Apartments
- Notably, from FY10-FY18: UG tuition increased averaged 7.2% per year, GR tuition increase averaged ~9% per year, inflation (CPI) averaged 2.5% per year



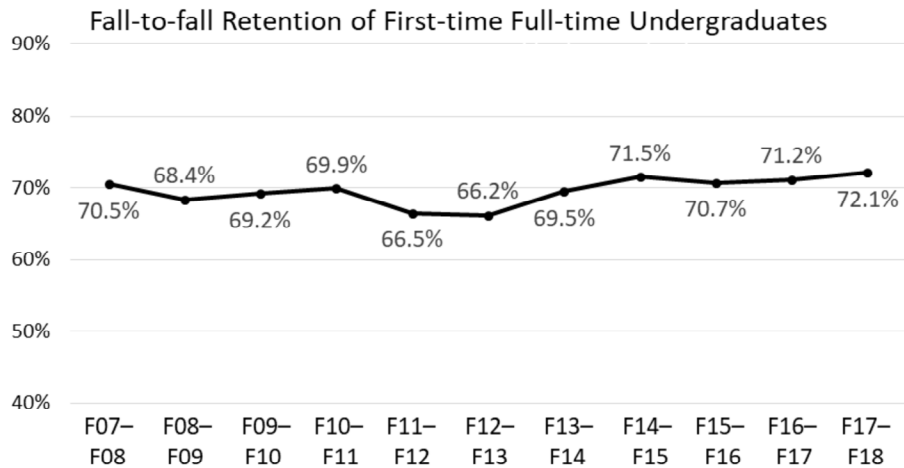
**Key Points:**

- There were positive results from the investments we were making
  - New graduate student enrollment increased 23% in fall 2015 and another 12% in fall 2016
  - New undergraduate student enrollment increased 7% in fall 2016
- In fall 2017 growth was clearly leveling off and our new undergraduate discounting rate accelerated from 42% to 47% in a single year





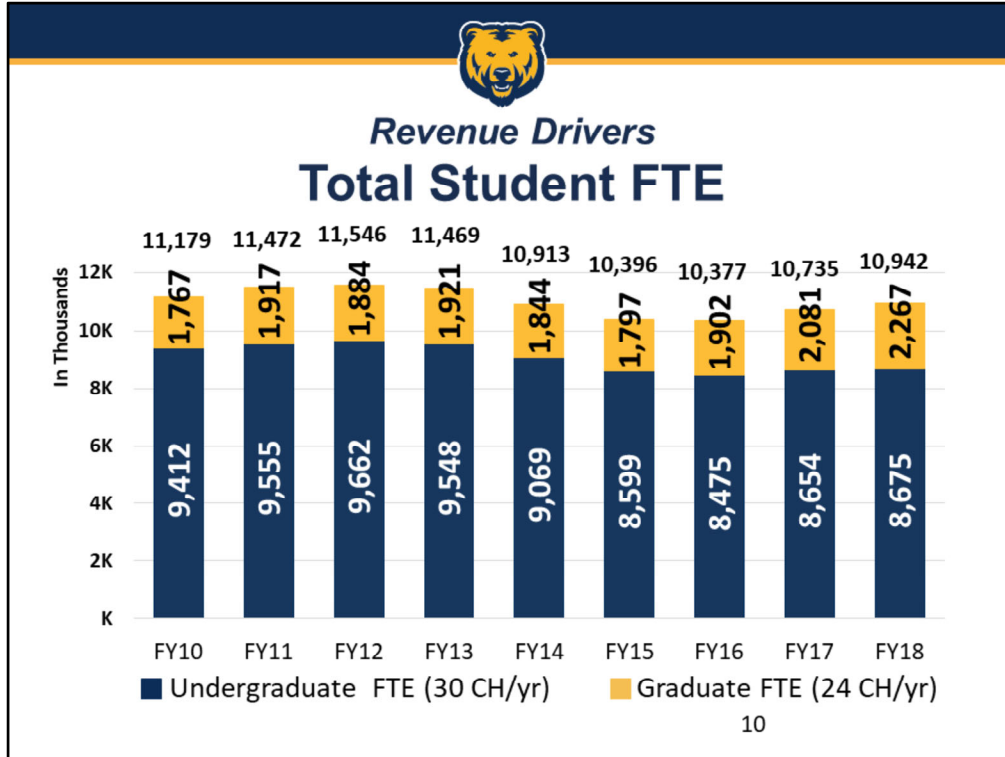
## Revenue Drivers Student Retention



9

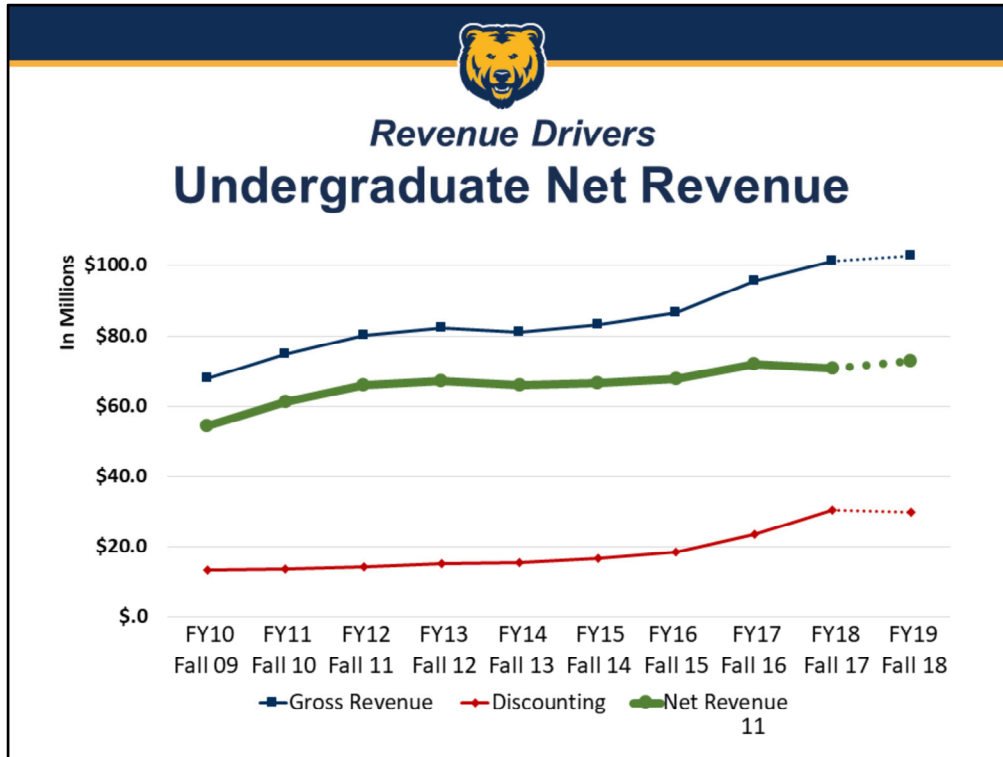
### Key Points:

- In addition, it is important to recognize incremental improvements in student retention



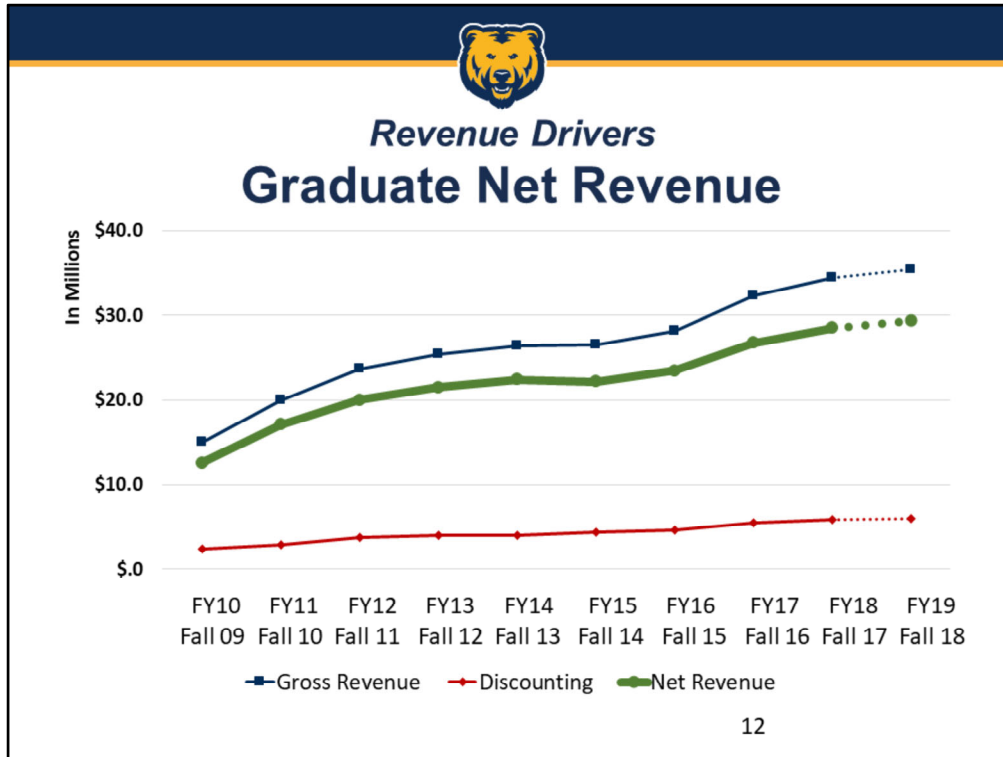
**Key Points:**

- FY18 graduate FTE hit a historical high with 28% growth since FY10
- FY18 undergraduate FTE was up 2.4% from the FY16 low point but did not recover to prior levels



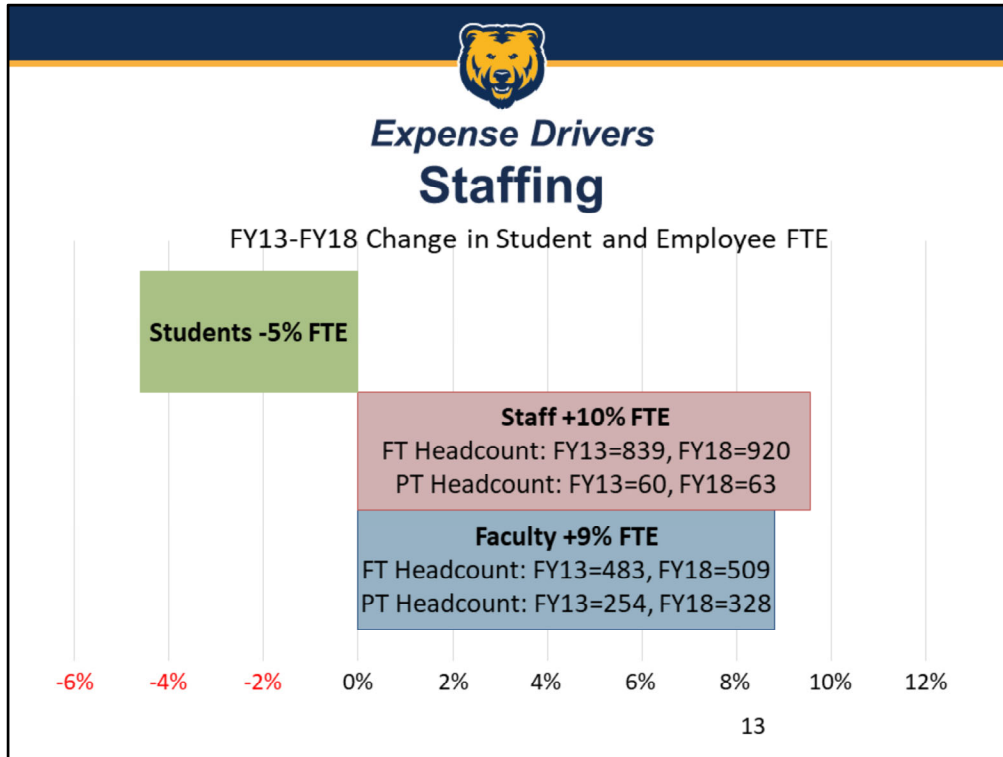
**Key Points:**

- Gross revenue, the tuition and fees we bill to undergraduates, increased
- Discounting, the institutional or “unfunded” aid to undergraduates doubled from \$15 million in FY14 to \$30 million in FY18
- As we discussed last spring (FY18), this meant that our total net undergraduate tuition and fee revenue (NTR) was actually \$1 million less in FY18 (\$70.9 million) than it was in FY17 (\$71.9 million)
- Our forecast for FY19 is a \$1.8 million increase in undergraduate NTR



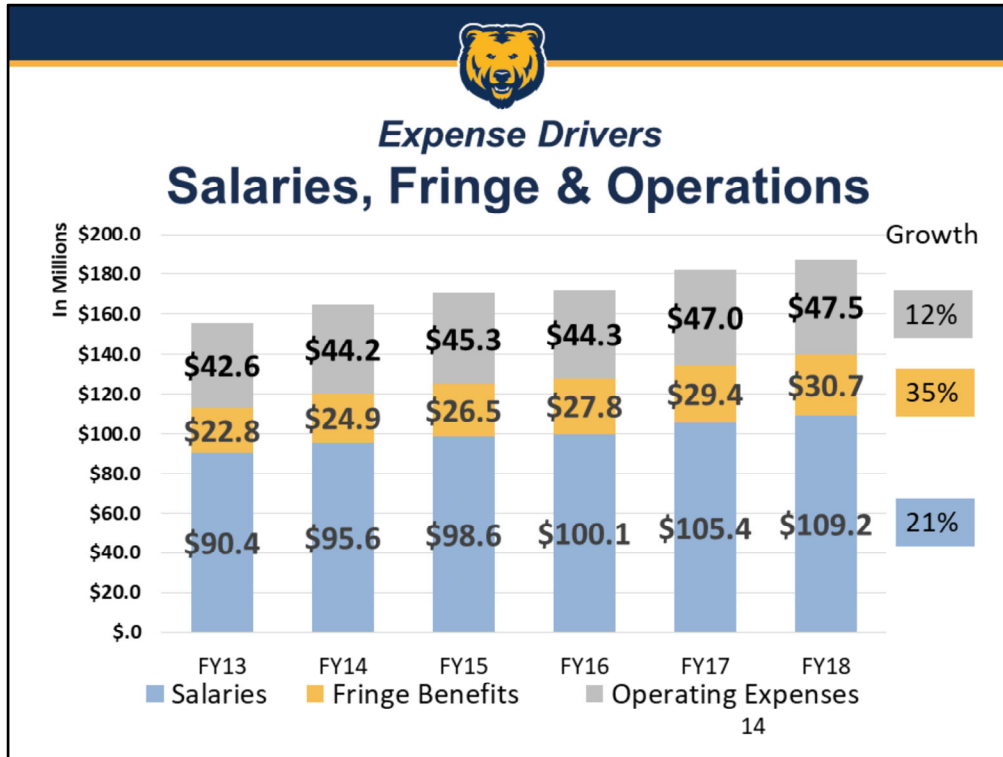
### Key Points:

- Better trend on graduate net tuition and fee revenue (NTR)
- However, graduate NTR (\$29 million) is only 14% of our total revenue while undergraduate NTR (\$71 million) is 36% of our total revenue



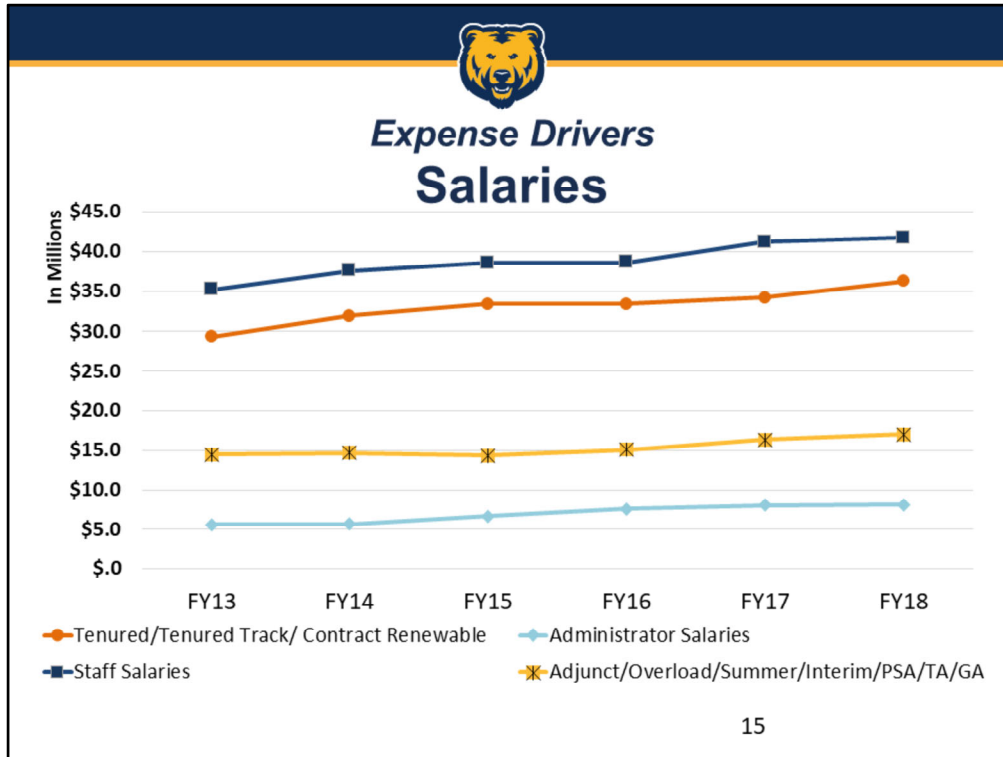
**Key Points:**

- Meanwhile, as student FTE, the primary driver of our revenue declined, both faculty and staff FTE, the primary driver of our expense, increased



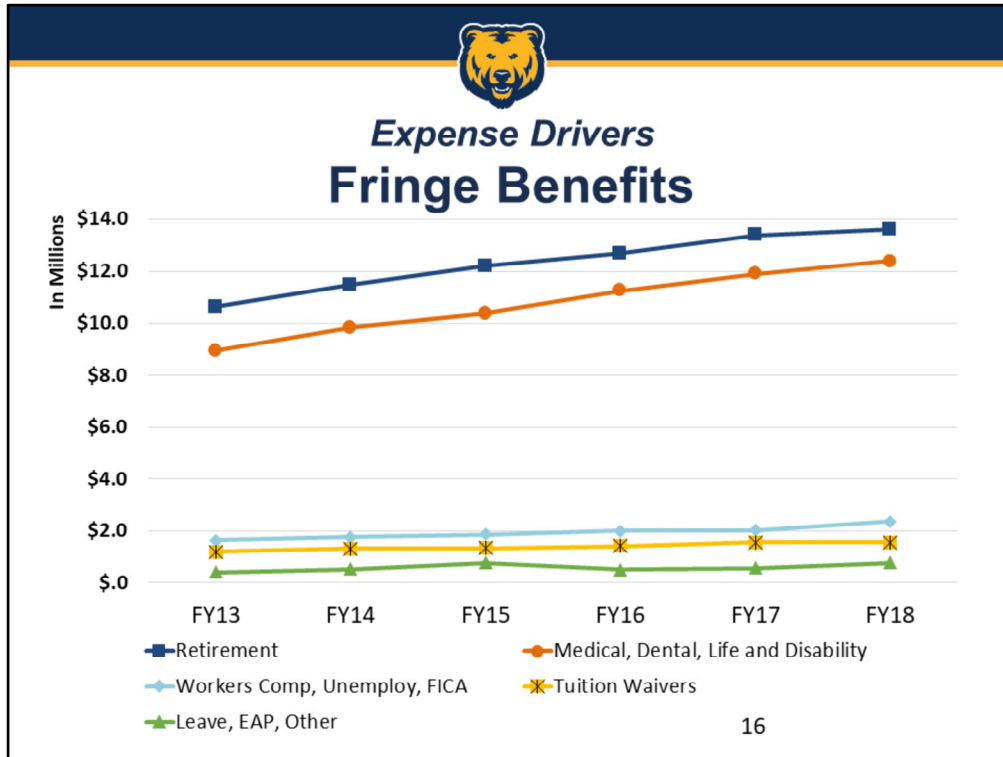
### Key Points:

- Since FY13
  - Faculty and staff salaries have increased 21%
  - Benefits have increased 35%
- Salaries and benefits total \$140 million or 70% of our operating budget
- Operating (non-personnel) expenses have increased 12% since FY13



**Key Points:**

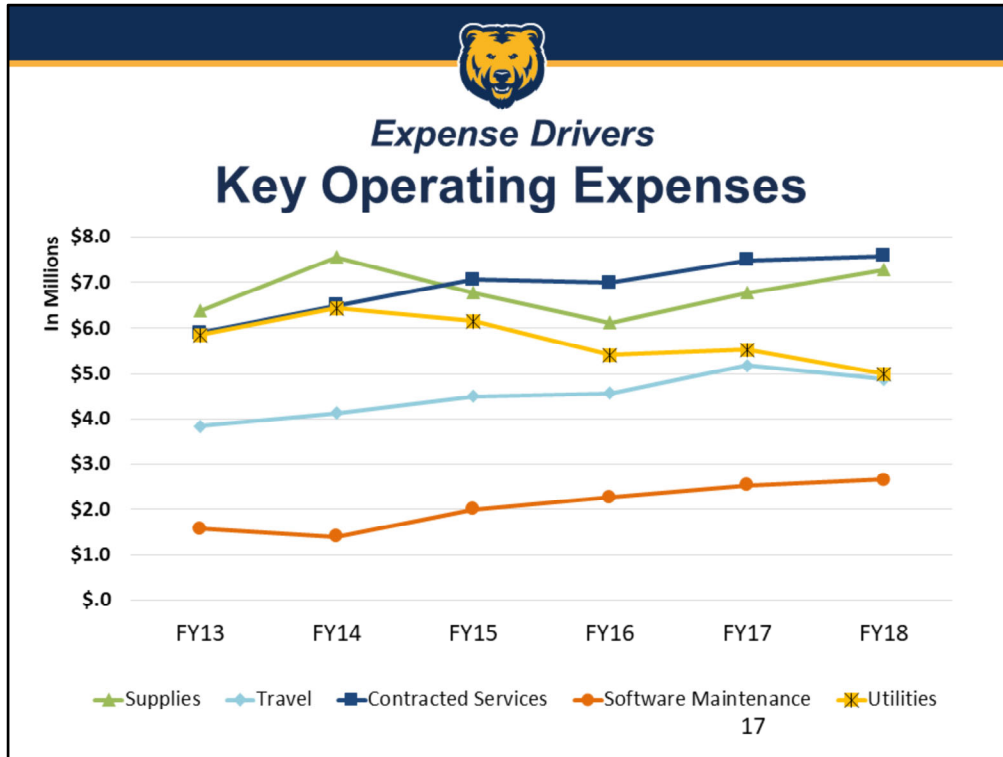
- This graph separates administrator salaries from all other staff salaries using the CUPA definition of administrator
  - Administrators include about 65 people
    - President
    - Vice president
    - Deans
    - AVPs
    - A-Deans



**Key Points:**

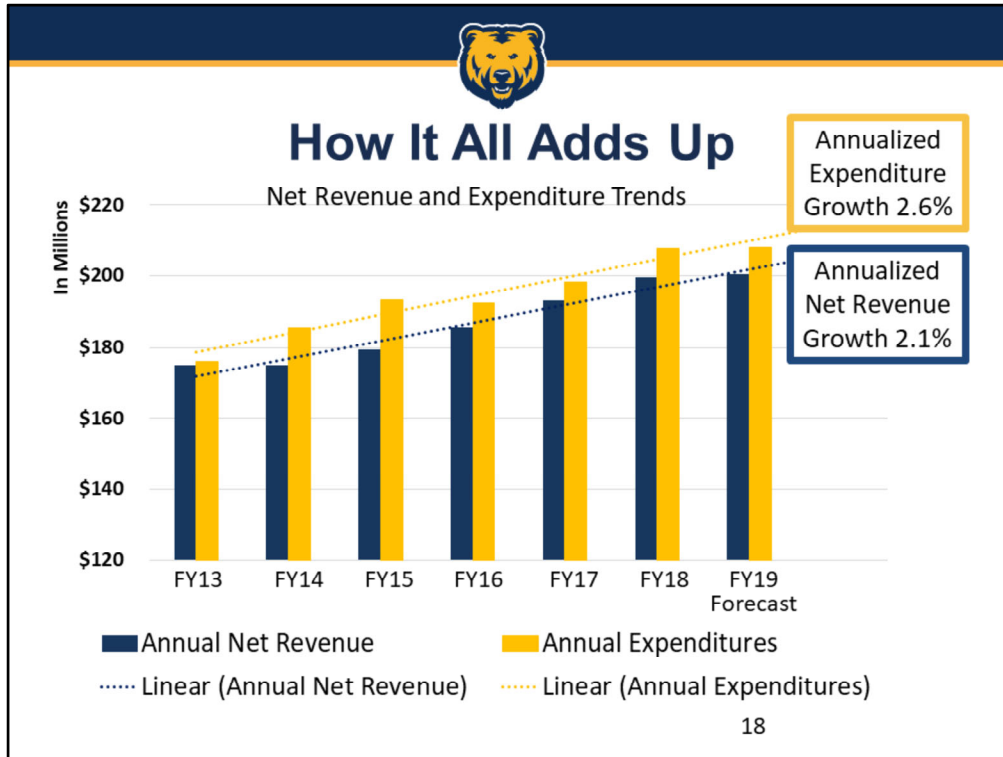
- Health insurance (\$13.6 million) and employer-funded retirement (\$12.4 million) each are over 40% of our total \$31 million in fringe benefits
- Since FY13
  - Health insurance has increased 38%
  - Retirement costs have increased 28%





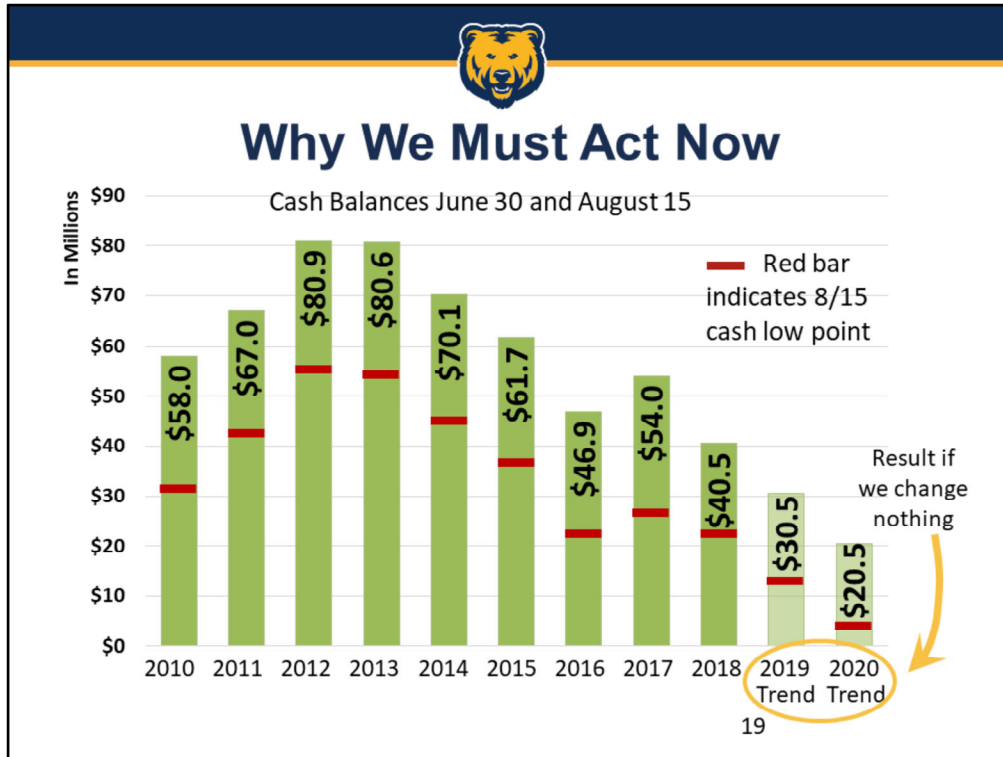
### Key Points:

- The President’s Leadership Council work will focus on selected expenses that are a significant portion of our \$48 million total operating expenses and/or that have been increasing
- Notably, utility costs have been decreasing, due in part to our collective energy conservation efforts, but also because natural gas prices have not increased
  - Electricity and heating are both affected by natural gas prices and are about 75% of our utility costs
  - Water, sewer and trash are the other 25%



### Key Points:

- Our expenses have increased about 2.6% per year, with an average inflation increase of 2.5% over that time
- However, total net revenue only grew 2.1% and we started from a deficit
- We needed the blue line to grow more than the gold line and it hasn't



### Key Points:

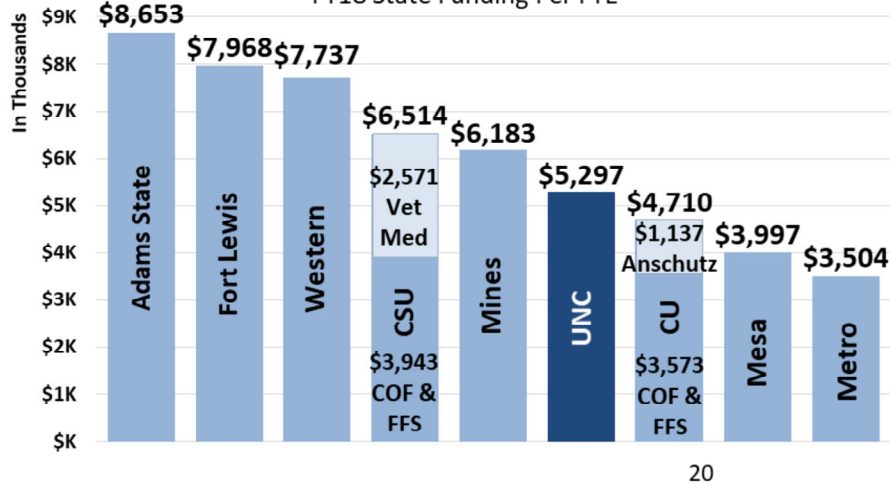
- June 30 balances are important because that is the end of our fiscal year
- However from that point to about August 15, we do not bring in very much cash but are expending cash for salaries, operations, and capital projects, so our cash low point is actually in mid-August
- The trend is hypothetical, if we did nothing. We expect to end FY19 with \$33 million, not \$30 million because we have done some short term things to conserve cash
- We must act with permanent change to fix the structural problem
- Also be aware of increased external scrutiny
  - Spring 2018 bond rating went from A2 to A3
  - The Higher Learning Commission, our accreditor, will consider our financial position in their Summer 2019 mid-cycle review (Assurance Argument)



*How do we fix it?*

## Limited State Funding Prospects

FY18 State Funding Per FTE



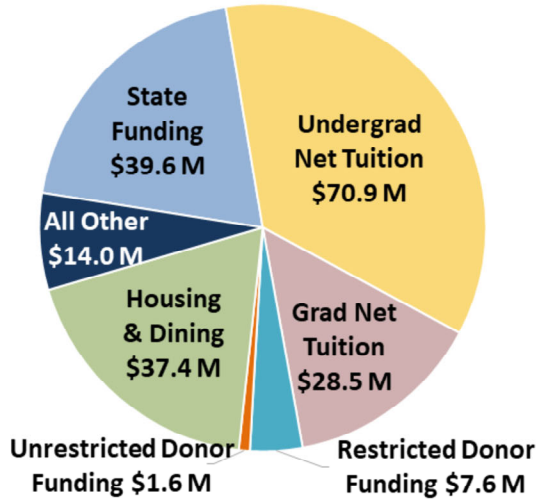
### Key Points:

- Flat or modest increases in overall state funding
- UNC's funding per resident FTE (7,476) is not out-of-line
  - Adams, Ft Lewis and Western each have less than 2,000 resident student FTE and so have more funding per FTE due to lack of economies of scale
  - Without Vet Med, CSU's funding per FTE is less than UNC
  - Mines has high cost programs and only 3,475 resident student FTE



*How do we fix it?*

## Modest Revenue Growth Opportunity



Any one = ~\$1 million

- 146 new undergrads
- 146 additional undergrads retained
- \$118 increased NTR per undergrad
- 80 new grad students
- \$440 increased NTR per grad student
- 2.4% more state funding

21

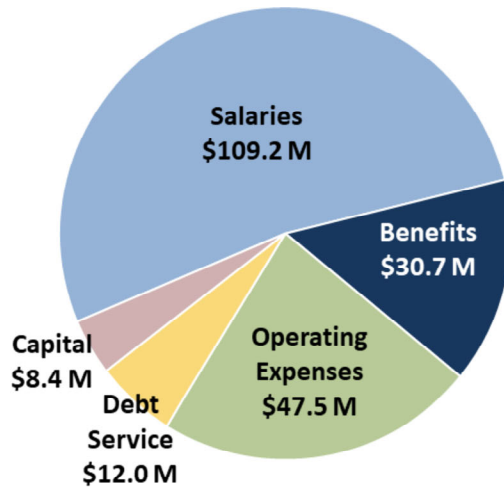
### Key Points:

- Enrollment is our key revenue driver and there are modest opportunities for growth



*How do we fix it?*

## Difficult Cost-cutting Choices



Any one = ~\$1 million

- 12% of administrator salaries
- 2% of other staff salaries
- 2% of faculty salaries
- 14% of supplies
- 13% of contracted services
- 20% of travel

22

### Key Points:

- We must look at cutting expenses—not because any of them are inherently unreasonable, but because we have to fix our structural deficit



## Next Steps

- Transparent campus-wide discussions in spring
- Continue to work on revenue growth
- Decide which university-wide cost-saving options to implement
- Identify a more decentralized approach to empower divisions/colleges to find further savings
- Use reserves and temporary savings to bridge the gap between FY20 and FY21



<b>ADDITIONAL DETAILS</b>		<b><i>slides</i></b>
1. Revenue and Expenditure Summary		25-26
2. Enrollment Trends		27-28
3. Staffing		29-30
4. Revenue		
	Overview	31-32
	Enrollment and Net Tuition & Fee Revenue (NTR) Trends	33
	Undergraduate Net Tuition Revenue & Discounting	34-35
	State Support	36
5. Expenditures-Salaries & Fringe Benefits		
	Salaries	37
	Fringe Benefits	38-39





## Net Revenue and Expenditure Trends (in millions)

	FY13	FY14	FY15	FY16	FY17	FY18	FY19 Forecast	FY13 to FY19 Change	
								Average Annual	Total
<b>Undergraduate Tuition &amp; Fee Revenue (NTR)</b>									
Undergraduate Gross Revenue	\$82.4	\$81.2	\$83.2	\$86.4	\$95.4	\$101.2	\$102.5	3.5%	24.4%
Undergraduate Discounting	(15.2)	(15.3)	(16.6)	(18.6)	(23.4)	(30.3)	(29.7)	13.6%	95.4%
<b>Undergraduate Net Revenue</b>	<b>\$67.2</b>	<b>\$65.9</b>	<b>\$66.6</b>	<b>\$67.9</b>	<b>\$71.9</b>	<b>\$70.9</b>	<b>\$72.7</b>	1.2%	8.2%
<b>Graduate Net Tuition &amp; Fee Revenue (NTR)</b>									
Graduate Gross Revenue	25.5	26.4	26.6	28.2	32.2	34.4	35.4	5.5%	38.8%
Graduate Discounting	(4.0)	(4.0)	(4.3)	(4.7)	(5.4)	(5.9)	(6.0)	7.1%	50.0%
<b>Graduate Net Revenue</b>	<b>\$21.5</b>	<b>\$22.5</b>	<b>\$22.2</b>	<b>\$23.5</b>	<b>\$26.8</b>	<b>\$28.5</b>	<b>\$29.4</b>	5.2%	36.7%
<b>Net Tuition Revenue</b>	<b>\$88.7</b>	<b>\$88.3</b>	<b>\$88.8</b>	<b>\$91.4</b>	<b>\$98.7</b>	<b>\$99.4</b>	<b>\$102.1</b>	2.2%	15.1%
<b>Room &amp; Board Net</b>	<b>\$31.0</b>	<b>\$29.6</b>	<b>\$29.8</b>	<b>\$30.7</b>	<b>\$32.2</b>	<b>\$33.0</b>	<b>\$31.7</b>	0.3%	2.3%
<b>State Funding</b>	<b>\$32.3</b>	<b>\$33.6</b>	<b>\$37.4</b>	<b>\$41.1</b>	<b>\$39.1</b>	<b>\$39.6</b>	<b>\$42.5</b>	4.5%	31.6%
<b>All Other Revenue</b>	<b>\$22.9</b>	<b>\$23.5</b>	<b>\$23.5</b>	<b>\$22.4</b>	<b>\$22.9</b>	<b>\$27.6</b>	<b>\$24.2</b>	0.8%	5.7%
<b>Annual Net Revenue</b>	<b>\$174.9</b>	<b>\$175.0</b>	<b>\$179.5</b>	<b>\$185.6</b>	<b>\$192.9</b>	<b>\$199.6</b>	<b>\$200.5</b>	<b>2.1%</b>	<b>14.6%</b>
Faculty Salaries	\$ 39.3	\$ 41.8	\$ 43.0	\$ 43.6	\$ 44.9	\$ 47.2	\$ 47.4	2.9%	20.6%
All Other Salaries	51.0	53.8	55.6	56.6	60.5	61.9	61.8	3.0%	21.2%
Benefits	22.8	24.9	26.5	27.8	29.4	30.7	31.7	5.6%	39.0%
Operating Expenses	42.6	44.2	45.3	44.3	47.0	47.5	47.1	1.5%	10.6%
Debt Service	11.0	10.4	11.8	10.9	12.0	12.0	11.0	0.0%	0.0%
Capital (Cash & Donor Funded)	9.4	10.3	10.9	9.1	4.3	8.4	9.0	-0.6%	-4.3%
<b>Annual Expenditures</b>	<b>\$176.1</b>	<b>\$185.4</b>	<b>\$193.1</b>	<b>\$192.3</b>	<b>\$198.1</b>	<b>\$207.8</b>	<b>\$208.0</b>	<b>2.6%</b>	<b>18.1%</b>
Cash Surplus / (Deficit)	(\$1.2)	(\$10.4)	(\$13.6)	(\$6.7)	(\$5.2)	(\$8.2)	(\$7.5)		



## Additional Revenue Detail (in millions)

	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY10 to FY18 Avg. Annual Increase (Decrease)	FY19 Forecast
Undergraduate Net Tuition & Fee (NTR)	\$54.4	\$61.1	\$65.9	\$67.2	\$65.9	\$66.6	\$67.9	\$71.9	\$70.9	\$2.1	\$72.7
Percent of Total	34%	36%	38%	38%	38%	37%	37%	37%	36%		36%
Graduate Net Tuition & Fee (NTR)	\$12.6	\$17.1	\$20.0	\$21.5	\$22.5	\$22.2	\$23.5	\$26.8	\$28.5	\$2.0	\$29.4
Percent of Total	8%	10%	11%	12%	13%	12%	13%	14%	14%		15%
<b>Total Net Tuition &amp; Fee (NTR)</b>	<b>\$67.0</b>	<b>\$78.2</b>	<b>\$86.0</b>	<b>\$88.7</b>	<b>\$88.3</b>	<b>\$88.8</b>	<b>\$91.4</b>	<b>\$98.7</b>	<b>\$99.4</b>	<b>\$4.0</b>	<b>\$102.1</b>
Percent of Total	42%	46%	49%	51%	50%	49%	49%	51%	50%		51%
State Funding	\$44.1	\$40.6	\$32.8	\$32.3	\$33.6	\$37.4	\$41.1	\$39.1	\$39.6	(\$.6)	\$42.5
Percent of Total	28%	24%	19%	18%	19%	21%	22%	20%	20%		21%
All Other Revenue	\$47.9	\$50.8	\$56.1	\$54.0	\$53.1	\$53.4	\$53.1	\$55.0	\$60.6	\$1.6	\$55.8
Percent of Total	30%	30%	32%	31%	30%	30%	29%	29%	30%		28%
<b>Total Discounted Revenue</b>	<b>\$159.0</b>	<b>\$169.6</b>	<b>\$174.9</b>	<b>\$174.9</b>	<b>\$175.0</b>	<b>\$179.5</b>	<b>\$185.6</b>	<b>\$192.9</b>	<b>\$199.6</b>	<b>\$5.1</b>	<b>\$200.5</b>
Undergraduate Tuition Increases	9.0%	9.0%	13.2%	3.0%	5.2%	4.8%	5.8%	8.4%	6.8%	7.2%	3.0%
Graduate Tuition Increases	~20%	~15%	~15%	~15%	~3%	~3%	~3%	~5%	~3%	~9.0%	~2.0%
Room & Board Increases	6.0%	7.3%	5.0%	3.0%	3.0%	0.7%	0.0%	2.0%	2.0%	3.2%	2.0%
CPI Increases*-Denver, Boulder, Greeley	1.87%	3.69%	1.94%	2.77%	2.78%	1.18%	2.77%	3.39%	2.43%	2.5%	

\*FY18 is an estimate as of 11/9/18.



## Fall Census Enrollment Trends

	Fall 2009 Historical Baseline	FY15 Fall 2014	FY16 Fall 2015	FY17 Fall 2016	FY18 Fall 2017	FY19 Fall 2018	Growth: Fall 14 to Fall 18	FY19 Fall 2018 Target
<b>UNDERGRADUATE</b>								
New first-time freshmen	2,367	1,938	2,035	2,142	2,138	1,949	1%	2,201
New transfer	847	786	726	776	788	705	-10%	804
New international	38	76	71	124	101	94	24%	104
Continuing domestic	6,405	6,273	6,058	6,063	6,066	6,147	-2%	6,107
Continuing international	89	113	98	93	87	79	-30%	104
Domestic non-degree	228	238	406	305	796	902	279%	820
<b>Total UG</b>	<b>9,974</b>	<b>9,424</b>	<b>9,394</b>	<b>9,503</b>	<b>9,976</b>	<b>9,876</b>	<b>5%</b>	<b>10,140</b>
<b>GRADUATE</b>								
New domestic	706	652	796	880	925	846	30%	966
New international	33	32	45	62	72	45	41%	77
Continuing domestic	1,043	1,301	1,338	1,475	1,626	1,688	30%	1,673
Continuing international	89	145	113	116	134	131	-10%	128
Domestic non-degree	256	230	250	224	235	276	20%	262
<b>Total GR</b>	<b>2,127</b>	<b>2,360</b>	<b>2,542</b>	<b>2,757</b>	<b>2,992</b>	<b>2,986</b>	<b>27%</b>	<b>3,106</b>
<b>Total Headcount</b>	<b>12,101</b>	<b>11,784</b>	<b>11,936</b>	<b>12,260</b>	<b>12,968</b>	<b>12,862</b>	<b>9%</b>	<b>13,246</b>

Note: Figures are as of fall census



### Fall Census New Student Enrollment Trends vs. Targets

	FY14 Fall 2013	Fall 2013 Target	FY15 Fall 2014	Fall 2014 Target	FY16 Fall 2015	Fall 2015 Target	FY17 Fall 2016	Fall 2016 Target	FY18 Fall 2017	Fall 2017 Target	FY19 Fall 2018	Fall 2018 Target
New U/G first-time freshmen	1,962	2,287	1,938	2,210	2,035	2,070	2,142	2,170	2,138	2,280	1,949	2,201
New U/G transfer	799	875	786	833	726	976	776	820	788	834	705	804
New U/G international	105	N/A	76	114	71	176	124	171	101	144	94	104
<b>New U/G Student Headcount</b>	<b>2,866</b>	<b>3,162</b>	<b>2,800</b>	<b>3,157</b>	<b>2,832</b>	<b>3,222</b>	<b>3,042</b>	<b>3,161</b>	<b>3,027</b>	<b>3,258</b>	<b>2,748</b>	<b>3,109</b>
New Grad domestic	701	824	652	829	796	1,201	880	1,110	925	1,007	846	966
New Grad international	73	N/A	32	68	45	62	62	75	72	89	45	77
<b>New Grad Student Headcount</b>	<b>774</b>	<b>824</b>	<b>684</b>	<b>897</b>	<b>841</b>	<b>1,263</b>	<b>942</b>	<b>1,185</b>	<b>997</b>	<b>1,096</b>	<b>891</b>	<b>1,043</b>
<b>Total New Student Headcount</b>	<b>3,640</b>	<b>3,986</b>	<b>3,484</b>	<b>4,054</b>	<b>3,673</b>	<b>4,485</b>	<b>3,984</b>	<b>4,346</b>	<b>4,024</b>	<b>4,354</b>	<b>3,639</b>	<b>4,152</b>



### Employee Headcount Trends

Fiscal Year	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
<b>Faculty Headcount (Filled Positions on November 1)</b>										
Full-time	458	488	498	492	483	504	490	485	485	509
Part-time	179	206	217	191	254	260	280	314	305	328
<b>Faculty Headcount Total</b>	<b>637</b>	<b>694</b>	<b>715</b>	<b>683</b>	<b>737</b>	<b>764</b>	<b>770</b>	<b>799</b>	<b>790</b>	<b>837</b>
<b>Faculty FTE Total</b>	<b>518</b>	<b>557</b>	<b>570</b>	<b>556</b>	<b>568</b>	<b>591</b>	<b>583</b>	<b>590</b>	<b>587</b>	<b>618</b>
<b>Staff Headcount (Filled Positions on November 1)</b>										
Full-time*	816	796	850	813	839	865	867	882	916	920
Part-time	82	84	75	72	60	57	65	59	58	63
<b>Staff Headcount Total</b>	<b>898</b>	<b>880</b>	<b>925</b>	<b>885</b>	<b>899</b>	<b>922</b>	<b>932</b>	<b>941</b>	<b>974</b>	<b>983</b>
<b>Staff FTE Total</b>	<b>843</b>	<b>824</b>	<b>875</b>	<b>837</b>	<b>859</b>	<b>884</b>	<b>889</b>	<b>902</b>	<b>935</b>	<b>941</b>
<b>GA/TA Headcount (Filled Positions on November 1)</b>										
TA/Teaching Assistant Headcount	134	99	120	152	164	158	176	200	233	251
GA/Non-Teaching Assistant Headcount	121	221	214	196	246	237	199	222	244	267
<b>TA/GA Headcount Total</b>	<b>255</b>	<b>320</b>	<b>334</b>	<b>348</b>	<b>410</b>	<b>395</b>	<b>375</b>	<b>422</b>	<b>477</b>	<b>518</b>
<b>TA/Teaching Assistant FTE</b>	<b>45</b>	<b>33</b>	<b>40</b>	<b>51</b>	<b>55</b>	<b>53</b>	<b>59</b>	<b>67</b>	<b>78</b>	<b>84</b>
<b>GA/Non-Teaching Assistant FTE</b>	<b>40</b>	<b>74</b>	<b>71</b>	<b>65</b>	<b>82</b>	<b>79</b>	<b>66</b>	<b>74</b>	<b>81</b>	<b>89</b>
<b>Total GA/TA FTE Total</b>	<b>85</b>	<b>107</b>	<b>111</b>	<b>116</b>	<b>137</b>	<b>132</b>	<b>125</b>	<b>141</b>	<b>159</b>	<b>173</b>
Source: IPEDS, FTE definition (FT+PT/3), 2012-13 GA/TA headcount is an approximation, only total headcount was available.										
<b>*Administrator Headcount included in Full-time Staff above</b>	<b>Information not available</b>				<b>57</b>	<b>57</b>	<b>60</b>	<b>63</b>	<b>65</b>	<b>65</b>

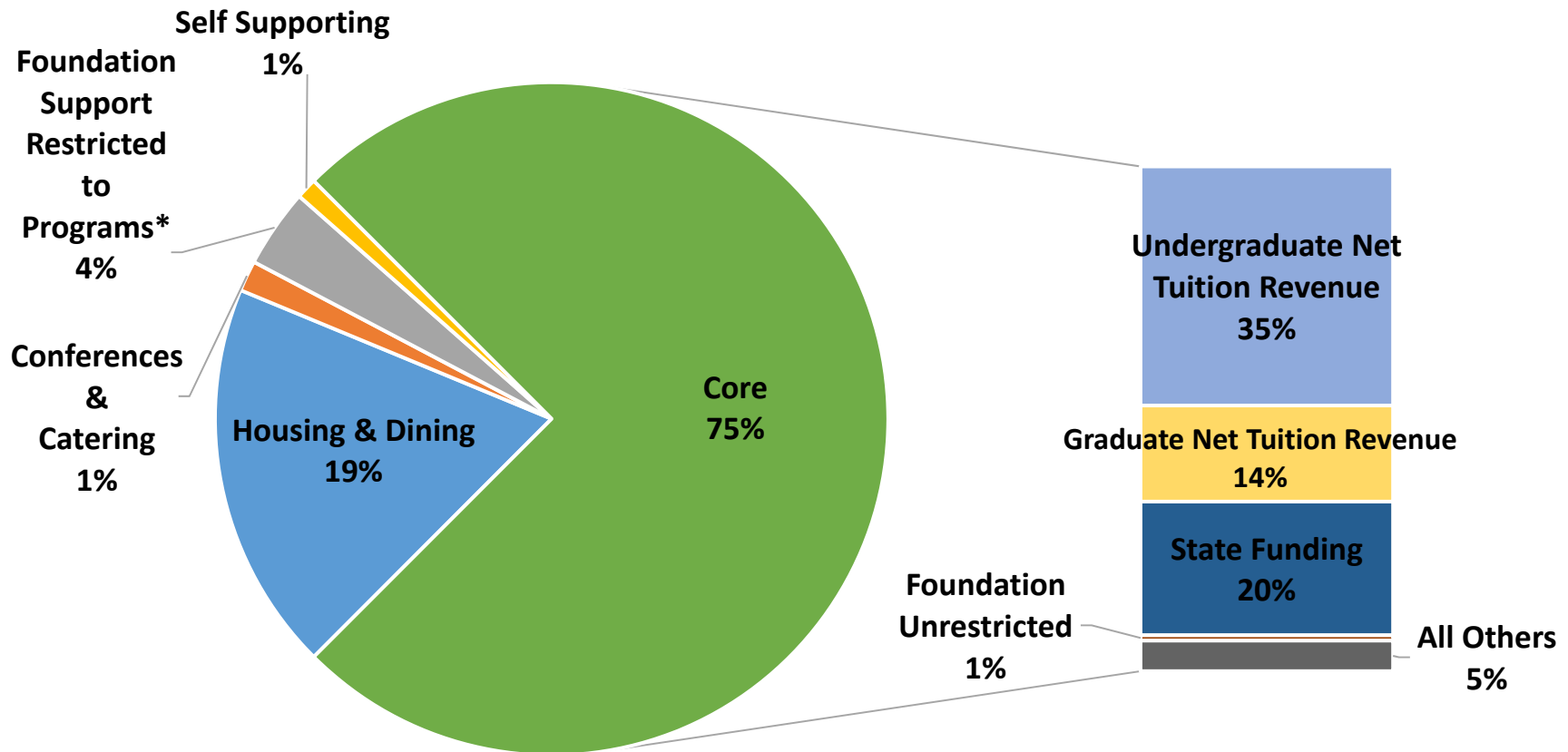


## 2016-17 Full-time Faculty, Staff, Student Ratios

NCHEMS Peer	FT Staff to FT Faculty	Student to FT Faculty	Student to FT Staff
<b>University of Northern Colorado</b>	<b>1.9 to 1</b>	<b>27.0 to 1</b>	<b>14.3 to 1</b>
Ball State University	2.1 to 1	21.7 to 1	10.4 to 1
Bowling Green State University	1.7 to 1	24.1 to 1	14.1 to 1
Illinois State University	2.4 to 1	23.9 to 1	9.8 to 1
Indiana University of Pennsylvania	1.4 to 1	23.3 to 1	16.3 to 1
Miami University-Oxford	2.2 to 1	20.1 to 1	9.0 to 1
Northern Arizona University	1.8 to 1	28.1 to 1	15.5 to 1
Northern Illinois University	2.7 to 1	22.9 to 1	8.5 to 1
SUNY Binghamton	2.1 to 1	25.0 to 1	11.6 to 1
University of North Carolina-Greensboro	2.1 to 1	24.9 to 1	12.0 to 1
University of North Texas	2.2 to 1	33.9 to 1	15.4 to 1
<b>NCHEMS Peer Average</b>	<b>2.1 to 1</b>	<b>24.8 to 1</b>	<b>12.2 to 1</b>



## FY18 Total Operating Revenue \$199.6M



\*Excludes Restricted Grants and Contracts, includes donor funds restricted for programs. Donor funded scholarships are an additional \$4.4 million.



<b>Operating Revenue</b>	<b>FY18</b>
Undergraduate Net Tuition Revenue (NTR)	\$ 70,856,023
Graduate Net Tuition Revenue (NTR)	28,520,287
State Funding	39,597,408
Foundation Unrestricted	1,590,000
All Others	9,071,345
<b>Subtotal</b>	<b>\$ 149,635,063</b>
Housing & Dining	37,432,494
Conferences & Catering	2,952,422
Foundation Support Restricted to Programs*	7,551,574
Self Supporting	2,003,293
<b>Total Operating Revenue</b>	<b>\$ 199,574,846</b>

\*Excludes Restricted Grants and Contracts, includes donor funds restricted for programs. Donor funded scholarships an additional \$4.4 million.





### Enrollment and Net Tuition and Fee (NTR) Trends

	FY10 Fall 2009	FY11 Fall 2010	FY12 Fall 2011	FY13 Fall 2012	FY14 Fall 2013	FY15 Fall 2014	FY16 Fall 2015	FY17 Fall 2016	FY18 Fall 2017	FY19 Forecast Fall 2018
Undergraduate FTE	9,412	9,555	9,662	9,548	9,069	8,599	8,475	8,654	8,675	8,450
Graduate FTE	1,767	1,917	1,884	1,921	1,844	1,797	1,902	2,081	2,267	
UG and Grad Student Full-time Equivalent (FTE)	11,179	11,472	11,546	11,469	10,913	10,396	10,377	10,735	10,942	
UG Resident FTE	8,188	8,264	8,295	8,077	7,554	7,099	6,899	6,877	6,834	
Grad Resident FTE	895	905	847	844	759	759	712	648	642	
Total Resident FTE	9,083	9,169	9,142	8,921	8,313	7,858	7,611	7,525	7,476	-
Undergraduate Tuition & Fee Revenue	\$67.8 M	\$74.8 M	\$80.1 M	\$82.4 M	\$81.2 M	\$83.2 M	\$86.4 M	\$95.4 M	\$101.2 M	\$102.5 M
Undergraduate Discounting	(\$13.4 M)	(\$13.7 M)	(\$14.2 M)	(\$15.2 M)	(\$15.3 M)	(\$16.6 M)	(\$18.6 M)	(\$23.4 M)	(\$30.3 M)	(\$29.7 M)
Undergraduate Net Tuition & Fee (NTR)	\$54.4 M	\$61.1 M	\$65.9 M	\$67.2 M	\$65.9 M	\$66.6 M	\$67.9 M	\$71.9 M	\$70.9 M	\$72.7 M
Discount %	19.8%	18.3%	17.7%	18.5%	18.9%	20.0%	21.5%	24.6%	29.9%	29.0%
Undergraduate NTR per FTE	\$ 5,779	\$ 6,399	\$ 6,823	\$ 7,034	\$ 7,263	\$ 7,744	\$ 8,007	\$ 8,313	\$ 8,168	\$ 8,608
New Freshman Headcount Census	2,367	2,247	2,274	2,203	1,962	1,938	2,035	2,142	2,138	1,949
New First-Time Freshman Resident Discount Rate						42.4%	42.4%	41.9%	46.6%	36.9%
Graduate Tuition & Fee Revenue	\$15.0 M	\$20.1 M	\$23.8 M	\$25.5 M	\$26.4 M	\$26.6 M	\$28.2 M	\$32.2 M	\$34.4 M	\$35.4 M
Discounting	(\$2.4 M)	(\$3.0 M)	(\$3.7 M)	(\$4.0 M)	(\$4.0 M)	(\$4.3 M)	(\$4.7 M)	(\$5.4 M)	(\$5.9 M)	(\$6.0 M)
Graduate Net Tuition & Fee (NTR)	\$12.6 M	\$17.1 M	\$20.0 M	\$21.5 M	\$22.5 M	\$22.2 M	\$23.5 M	\$26.8 M	\$28.5 M	\$29.4 M
Discount %	16.0%	14.7%	15.7%	15.7%	15.1%	16.3%	16.5%	16.9%	17.0%	16.9%
Graduate NTR per FTE	\$ 7,133	\$ 8,921	\$ 10,635	\$ 11,192	\$ 12,179	\$ 12,369	\$ 12,374	\$ 12,873	\$ 12,581	



<b>Undergraduate Discounting &amp; NTR by Residency</b>					
	Fall 2014 FY15	Fall 2015 FY16	Fall 2016 FY17	Fall 2017 FY18	Fall 2018 FY19
<b>UG Resident</b>					
<i>Discount Per FTE</i>	\$ 1,700	\$ 1,986	\$ 2,592	\$ 3,332	\$ 3,168
<i>% of Total FTE</i>	86%	85%	82%	84%	84%
<i>NTR Per FTE</i>	\$ 6,812	\$ 6,948	\$ 7,122	\$ 6,802	\$ 7,482
<b>Institutional Discount Rate</b>	<b>20.0%</b>	<b>22.2%</b>	<b>26.7%</b>	<b>32.9%</b>	<b>29.8%</b>
<b>UG Non-Resident</b>					
<i>% of Total FTE</i>	5%	6%	8%	6%	6%
<i>NTR Per FTE</i>	\$ 10,460	\$ 10,870	\$ 9,832	\$ 12,692	\$ 13,708
<b>Institutional Discount Rate</b>	<b>40.7%</b>	<b>36.1%</b>	<b>34.6%</b>	<b>38.8%</b>	<b>36.8%</b>
<b>UG WUE</b>					
<i>% of Total FTE</i>	7%	8%	8%	8%	8%
<i>NTR Per FTE</i>	\$ 9,830	\$ 10,896	\$ 11,884	\$ 11,950	\$ 12,996
<b>Institutional Discount Rate</b>	<b>32.8%</b>	<b>29.3%</b>	<b>26.8%</b>	<b>29.7%</b>	<b>26.2%</b>
<b>UG International</b>					
<i>% of Total FTE</i>	2%	2%	2%	2%	2%
<i>NTR Per FTE</i>	\$ 11,512	\$ 11,418	\$ 10,850	\$ 11,274	\$ 10,502
<b>Institutional Discount Rate</b>	<b>18.5%</b>	<b>23.6%</b>	<b>27.7%</b>	<b>30.2%</b>	<b>34.7%</b>
<b>Full-Year Undergraduate FTE and NTR</b>					
	FY15	FY16	FY17	FY18	FY19 (forecast)
<b>Student FTE</b>	<b>8,599</b>	<b>8,475</b>	<b>8,654</b>	<b>8,675</b>	<b>8,450</b>
<b>Net Tuition &amp; Fees Revenue</b>	<b>\$ 66,590,223</b>	<b>\$ 67,858,321</b>	<b>\$ 71,940,295</b>	<b>\$ 70,856,023</b>	<b>\$ 72,736,293</b>
<i>NTR Per FTE</i>	\$ 7,744	\$ 8,007	\$ 8,313	\$ 8,168	\$ 8,608
<b>Institutional Discount Rate</b>	<b>20.0%</b>	<b>21.5%</b>	<b>24.6%</b>	<b>29.9%</b>	<b>29.0%</b>



<b>Details of Resident Only Undergraduate Discounting &amp; NTR</b>					
	Fall 2014 FY15	Fall 2015 FY16	Fall 2016 FY17	Fall 2017 FY18	Fall 2018 FY19
<b>New First-Time Full-time Degree-Seeking (FTFT)</b>					
<i>% of Total FTE</i>	22%	24%	25%	24%	22%
<i>NTR Per FTE</i>	\$ 4,714	\$ 4,986	\$ 5,500	\$ 5,438	\$ 6,846
<b>Institutional Discount Rate</b>	<b>42.4%</b>	<b>42.4%</b>	<b>41.9%</b>	<b>46.6%</b>	<b>36.9%</b>
<b>Transfer</b>					
<i>% of Total FTE</i>	7%	6%	6%	6%	6%
<i>NTR Per FTE</i>	\$ 6,926	\$ 7,442	\$ 7,914	\$ 8,224	\$ 8,146
<b>Institutional Discount Rate</b>	<b>19.5%</b>	<b>17.6%</b>	<b>20.4%</b>	<b>21.6%</b>	<b>26.5%</b>
<b>Continuing FTFT and Transfer</b>					
<i>% of Total FTE</i>	66%	65%	64%	62%	64%
<i>NTR Per FTE</i>	\$ 7,354	\$ 7,422	\$ 7,448	\$ 7,128	\$ 7,592
<b>Institutional Discount Rate</b>	<b>14.1%</b>	<b>17.1%</b>	<b>23.4%</b>	<b>31.5%</b>	<b>30.1%</b>
<b>Part-time</b>					
<i>% of Total FTE</i>	4%	4%	4%	4%	5%
<i>NTR Per FTE</i>	\$ 9,236	\$ 9,760	\$ 10,370	\$ 10,988	\$ 11,772
<b>Institutional Discount Rate</b>	<b>2.2%</b>	<b>2.6%</b>	<b>4.0%</b>	<b>5.0%</b>	<b>5.8%</b>
<b>Non-Degree</b>					
<i>% of Total FTE</i>	0%	0%	1%	4%	4%
<i>NTR Per FTE</i>	\$ 4,788	\$ 7,678	\$ 8,202	\$ 3,048	\$ 3,486
<b>Institutional Discount Rate</b>	<b>9.1%</b>	<b>7.9%</b>	<b>4.7%</b>	<b>1.4%</b>	<b>2.6%</b>
<b>Total Residents</b>					
<b>Resident Student FTE</b>	<b>7,161</b>	<b>6,994</b>	<b>6,994</b>	<b>7,165</b>	<b>7,002</b>
<i>NTR Per FTE</i>	\$ 6,812	\$ 6,948	\$ 7,122	\$ 6,802	\$ 7,482
<b>Institutional Discount Rate</b>	<b>20.0%</b>	<b>22.2%</b>	<b>26.7%</b>	<b>32.9%</b>	<b>29.8%</b>



	FY18		
	State Support	Resident FTE	Support per FTE
Adams	\$ 14,259,963	1,648	\$ 8,653
Western	\$ 11,821,897	1,528	\$ 7,737
Fort Lewis	\$ 11,784,939	1,479	\$ 7,968
CSU System	\$ 139,285,526	21,384	\$ 6,514
CSU System (excluding Veterinary Medicine)	\$ 83,260,917	21,116	\$ 3,943
Colorado School of Mines	\$ 21,484,706	3,475	\$ 6,183
UNC	\$ 39,597,408	7,476	\$ 5,297
CU System	\$ 194,318,227	41,259	\$ 4,710
CU System (excluding Anschutz Medical Campus)	\$ 130,168,157	36,439	\$ 3,572
Colorado Mesa University	\$ 25,951,161	6,493	\$ 3,997
MSU Denver	\$ 51,626,603	14,732	\$ 3,504



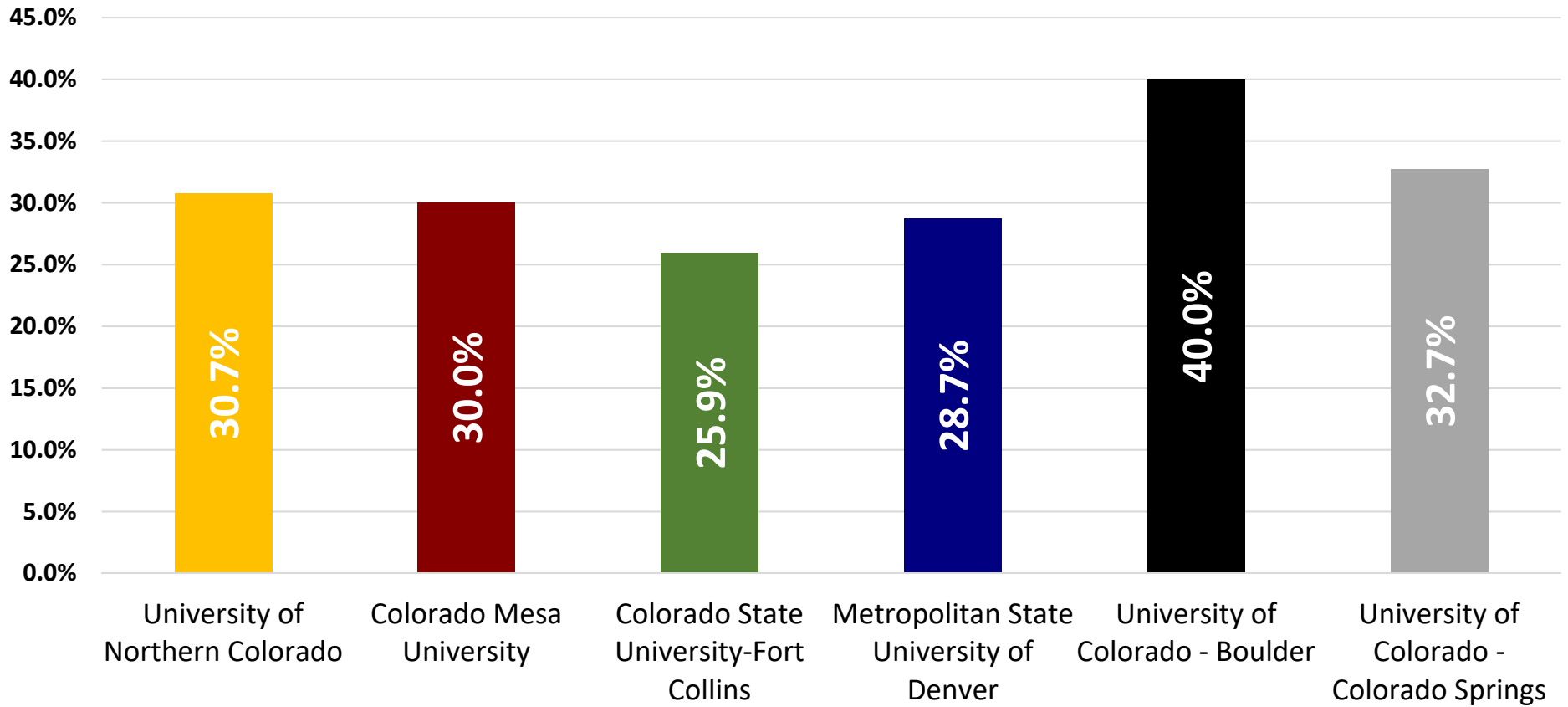
### Salary Trends (in millions)

	FY13	FY14	FY15	FY16	FY17	FY18	\$ Change	Change in FTE*
Tenured/Tenured Track/ Contract Renewable	\$29.4	\$31.9	\$33.4	\$33.4	\$34.2	\$36.2	\$6.9	26
Adjunct and Overload	6.2	5.9	5.7	6.0	6.5	6.6	.4	25
Summer/Interim/PSA	3.8	4.0	3.9	4.2	4.2	4.4	.6	
<b>Subtotal Faculty Salaries</b>	<b>\$39.3</b>	<b>\$41.8</b>	<b>\$43.0</b>	<b>\$43.6</b>	<b>\$44.9</b>	<b>\$47.2</b>	<b>\$7.9</b>	
Administrator Salaries	5.7	5.6	6.7	7.6	8.1	8.2	2.5	8
Other Exempt Salaries	16.2	18.1	18.7	19.8	21.9	22.8	6.6	74
Classified Salaries	18.9	19.5	19.7	18.7	19.2	18.9	(.0)	
TA/GA Wages	4.5	4.8	4.7	4.9	5.6	6.0	1.5	36
Student Wages	4.5	4.8	4.8	4.6	4.9	5.2	.7	
Other Wages/Compensation	1.2	1.0	.9	1.0	.8	.9	(.3)	
<b>Subtotal All Other Salaries</b>	<b>\$51.0</b>	<b>\$53.8</b>	<b>\$55.6</b>	<b>\$56.6</b>	<b>\$60.5</b>	<b>\$61.9</b>	<b>\$10.9</b>	
<b>Fringe Benefits</b>	<b>\$22.8</b>	<b>\$24.9</b>	<b>\$26.5</b>	<b>\$27.8</b>	<b>\$29.4</b>	<b>\$30.7</b>	<b>\$7.9</b>	
<b>Total Salary &amp; Fringe Benefits</b>	<b>\$113.2</b>	<b>\$120.5</b>	<b>\$125.1</b>	<b>\$128.0</b>	<b>\$134.9</b>	<b>\$139.9</b>	<b>\$26.7</b>	

\*IPEDS definition FTE (FT+PT/3)



## 2015-16 Fiscal Year Percent of Salaries that are Benefits



Source: IPEDS



### Fringe Benefits (in millions)

	FY13	FY14	FY15	FY16	FY17	FY18	\$ Change	% Change
Medical, Dental, Life and Disability	\$9.0	\$9.8	\$10.4	\$11.3	\$11.9	\$12.4	\$3.4	38%
PERA	5.4	5.8	6.3	6.5	6.9	6.8	1.5	27%
ORP	5.2	5.6	5.9	6.2	6.5	6.8	1.5	29%
Workers Comp, Unemploy, FICA	1.6	1.8	1.9	2.0	2.0	2.4	.7	44%
Tuition Waivers	1.2	1.3	1.3	1.4	1.6	1.6	.4	32%
Leave, EAP, Other	.4	.5	.8	.5	.6	.8	.4	87%
<b>Total</b>	<b>\$22.8</b>	<b>\$24.9</b>	<b>\$26.5</b>	<b>\$27.8</b>	<b>\$29.4</b>	<b>\$30.7</b>	<b>\$7.9</b>	<b>35%</b>