



Cost Savings Work Update

February 1, 2019

Message from President Andy Feinstein

When I arrived at UNC last summer, we all knew that our campus was struggling with enrollment and resources. The themes that quickly emerged as I began talking with people were that we need to focus on student success, resolve our \$10M structural deficit, better articulate what makes UNC special, and work more collaboratively and transparently. Not a day goes by that I don't think about those four things.

UNC's first priority remains our students and their success. UNC staff, faculty and administrators are critically important to fulfilling our promise to students. These two concepts are fundamental to all of our work, including the difficult decisions to be made regarding the budget.

Next fall, we will come together as a campus to affirm our values and articulate a vision for the future of UNC, including how we will differentiate ourselves from Colorado's other universities, which really *aren't* like us. Our work this year to realign budgets to address our \$10M structural deficit is a stepping stone to thinking about the long term.

I am working to be collaborative and transparent, and many of you have given me the benefit of the doubt in these early months, for which I am incredibly fortunate. I am grateful that so many people have stepped up to genuinely engage in working together to support our students and address these challenges. You really do love UNC as much as I thought you did when I accepted this job.

We have made good progress in thinking about how to eliminate our structural deficit by July 2021, and now it is time to act. The purpose of this document is to explain the decisions I have made to move us forward.

As you know, we considered a number of university-wide cost-saving options and explored 13 in depth. I appreciate the input of the President's Leadership Council (PLC) and the more than 4,000 comments that the campus provided at the Jan. 14 forum and through the online form. I read and considered all of the feedback, and have decided to implement variations of three of the university-wide options: 1) increase the faculty and exempt staff contribution to health insurance, 2) modify our employee/dependent tuition waiver benefit, and 3) offer a faculty retirement incentive. These changes and other budget adjustments should generate about \$1.5M per year over the next few years.

We will identify the remaining \$8.5M in savings at the division level, guided by these questions:

- Are we making students and their success a priority?
- Have we made every effort to limit the human impact?
- Have we considered the effect on the rest of the university?
- How will this affect our work to support diversity, equity and inclusion?
- Is this sustainable?
- Have we done enough homework?
- Have we engaged the right people?

This document explains the details of the three university-wide cost-saving options to be implemented and the thinking that underpins the division-level cost-saving goals, which are shown in the table below.

Division-Level Cost-Saving Goals	
President	\$53K
BOT/General Counsel	\$29K
Academic Affairs Without Colleges	\$1.94M
Colleges	\$3.91M
Campus Community and Climate	\$1.83M
Finance and Administration	\$1.14M
Alumni and Development	\$161K
University Relations	\$178K
Athletics	\$459K
Vacancy Savings	(\$1.2M)
Total	\$8.5M

Background

UNC’s \$10M structural deficit began to emerge about 10 years ago as UNC, like higher education institutions across the nation, faced the challenge of adapting to a changing environment. From FY10 to FY12, we lost 26% (\$11M) of our state funding while the number of high school graduates flattened and competition grew. Rather than lay off employees or cut programs, we built cash reserves using temporary measures, such as salary and hiring freezes, and adopted an enrollment growth strategy to address our revenue challenges. We worked to grow enrollment revenue over five years as we spent down cash reserves from a high point of \$81M in FY12 to \$41M in FY18. This approach was unsuccessful, in large part because enrollment targets were not realistic. Though enrollment grew, the growth fell far short of targets and increases in UNC-funded tuition discounting significantly limited revenue growth.

In the spring of 2018, we took two steps to stabilize our rapidly diminishing reserves. 1) We scaled back the discount rate for the fall 2018 incoming class, which reduced the number of students but increased net revenue per student. 2) We enacted a 60-day hold for vacant positions, which was intended to minimize expenditures in order to extend cash reserves and to create flexibility for reorganization or elimination of positions without layoffs.

In the fall of 2018, I launched a campus-wide effort to permanently resolve UNC’s longstanding structural deficit. After soliciting ideas about potential university-wide cost-saving options, the PLC narrowed the options to a [list of 13, which it shared with the campus](#). The PLC spent the fall semester assessing each option by looking at best practices, comparing UNC to peers, and discussing the potential savings and impact of each option. After deliberating for dozens of hours, the [PLC made a recommendation on each option](#). The campus provided feedback on the 13 options and PLC recommendations at a Jan. 14 open forum and through an anonymous online form. UNC’s Social Research Lab compiled the feedback and provided a [summary report](#). I considered the feedback and then elected to implement variations of three of the options and set division-level goals to identify the remaining savings.

University-wide Cost-Saving Options to be Implemented

UNC will implement variations of three of the university-wide cost-saving options that have been under consideration since the fall of 2018.

1. Increase Faculty and Exempt Staff Contribution to Health Insurance

We will increase the faculty and exempt staff contribution to health insurance from 35% to 40% on July 1, 2019. This change will not affect classified staff; the State of Colorado determines benefits for classified staff.

The total cost for faculty and exempt staff health insurance has increased 27% since 2013, and UNC now spends almost \$9M annually. The 5% decrease in UNC's contribution to health insurance will generate almost \$700K in savings each year.

Unfortunately, this change will also increase employees' premiums for traditional plans by approximately \$35 per month for individuals (\$420 annually) and approximately \$96 per month for families (\$1152 annually). As I have acknowledged, this is effectively a pay cut.

The PLC recommendations noted that UNC should work to keep health insurance rates competitive with other Colorado universities, particularly given concerns about UNC salary levels. Currently, for traditional plans, Colorado State University (CSU) covers 73% of single premiums and 54% of family premiums.

2. Modify Employee and Dependent Tuition Waiver Benefit

UNC is the only Colorado public university that offers a 100% tuition waiver for dependents; however, many of our employees expressed concern about changing this benefit. To protect current employees, UNC will keep the dependent tuition waiver at 100% for employees hired on or before June 30, 2019; they may use the waiver as long as they remain employed at UNC. For employees hired after June 30, 2019, the dependent tuition waiver will be 50%. UNC will eliminate the dependent waiver for graduate courses, but will make an exception for dependents who are enrolled by Aug. 30, 2019.

To support employee professional development, UNC will continue to waive tuition and fees for up to 9 undergraduate or graduate credit hours per year for all employees, regardless of hire date.

To be eligible for a waiver, employees and dependents must file the Free Application for Federal Student Aid (FAFSA) and UNC's Universal Scholarship Application. This is to ensure that students receive all available external support before the waiver is applied.

We anticipate that the changes to the waiver benefit could generate approximately \$350K per year after about 5 years, as the number of employees receiving the 50% dependent waiver for undergraduate tuition grows.

The adjusted waiver benefits remain very competitive across Colorado.

3. Offer Faculty Retirement Incentive

To generate savings from a voluntary retirement incentive, UNC must keep vacant positions open or fill them at lower salaries. Salary savings from tenured faculty positions can be achieved by using adjunct and/or contract renewable faculty, filling vacated positions at a lower faculty rank, redistributing faculty workload, changing the mode and/or size of classes, or some combination of these approaches. Because it is difficult to re-fill staff positions at lower salaries, retirement incentives are not effective for staff.

The faculty retirement incentive is not a guarantee; decisions will be made in the university's best interests. For example, we must ensure that we don't lose too many faculty members from the same department.

Tenured faculty members with at least 20 years of service at UNC (including this academic year) and who have not submitted a notice of resignation or retirement or accepted other employment in a tenured or tenure-track position at another higher education institution will be eligible to apply voluntarily for this Voluntary Separation

Incentive Plan (VSIP). Tenured faculty who apply, are approved and decide to participate will receive 50% of their current base salary and remain eligible for the dependent tuition waiver until May 15, 2020. Participants may also remain eligible for health insurance for 18 months following their separation from UNC, with UNC continuing to pay 60% of the cost (through COBRA).

Savings will depend on how many tenured faculty members participate and how we address their workload when they leave UNC. The cost of the financial incentives for participation will significantly limit savings in the first year; however, savings in the following years could be as much as \$1.2M annually, depending on how workload is addressed.

We will announce the details of the retirement incentive program by Feb. 11, and our Human Resources office will notify faculty who are eligible to apply.

Division-Level Cost-Saving Goals

In addition to the university-wide cost-saving measures described above, we must identify approximately \$8.5M in savings to ensure that our \$10M structural deficit is addressed in its entirety. These savings will be achieved through division-level cost-saving goals, so that decisions can be made at the division and college level by people who fully understand the impact of the reductions. This also reflects my focus on decentralizing budgets and empowering VPs and Deans to manage UNC's resources.

Embedded Assumptions

The \$8.5M total for division-level cost-saving goals is our best approximation, given current circumstances. When we know more next fall, we may need to adjust. The following assumptions about next fiscal year (FY20) are embedded in the \$8.5M total:

- \$4.2M state funding increase
- 0% resident undergraduate tuition increase, 2% nonresident and Western Undergraduate Exchange (WUE) undergraduate tuition increase, 3% fee increase and 5% graduate tuition increase (average)
- 50 more new freshmen than fall 2018, as modeled by [Huron, our strategic enrollment management consultants](#)
- Total undergraduate enrollment down 2% and total graduate enrollment down 4%
- ~\$500K net increase in fringe benefits from PERA contribution increases and health insurance rate increases
- ~\$200K increase in utilities
- ~\$1M increase in all other costs

Considerations in Setting Goals

Our work to develop division goals started with two absolutes: 1) students and their success are the top priority, and 2) every division must identify savings.

To establish the baseline budget for setting division-level cost-saving goals, we began with the unrestricted university budget, which excludes restricted grants and contracts. Because the division-level goals are intended to allow leaders across the university to make good decisions about tradeoffs for the programs and activities under their control, the following are excluded:

- Academic program fees and course fees
- Small self-supporting operations not funded by students (budgets for conferences and events, housing, dining and parking are not excluded)
- Donor funded budgets

- Student fee-funded activities (e.g., Student Senate, Student Radio, The Mirror, Student Senate allocations to clubs, UPC budgets)
- Costs such as utilities, audit costs, bad debt, cost/accounting allocations and estimates
- Programs such as grant matches, discipline-based accreditation, faculty start-up, employee search and relocation costs
- Capital and technology projects

Costs associated with the final three bullet points above will be considered for reduction in the FY20 budget. They were excluded when setting division-level goals simply because they are not controlled at the division level. In addition, the budgets for two divisions were split in order to provide greater clarity about the locus of expenditures. The Academic Affairs budget was divided into college and non-college expenditures. The Intercollegiate Athletics budget was separated from the University Relations budget.

Table 1 shows baseline budgets used to set division-level cost-saving goals.

Table 1: FY19 Base Budgets by Division (after exclusions) with FY18 for Comparison

Division	FY18 Actual	FY19 Base Budget
President	\$ 932,144	\$ 1,059,801
Board of Trustees/ Gen Counsel	731,279	579,073
*Academic Affairs w/o Colleges	21,947,884	27,909,938
Academic Colleges	76,410,499	77,193,092
Campus Community & Climate	22,038,510	24,771,348
Finance and Administration	33,511,010	36,375,394
Alumni and Development	2,626,644	3,224,320
University Relations	3,703,335	3,394,663
Intercollegiate Athletics	<u>9,535,653</u>	<u>9,193,733</u>
Sub-total	\$ 171,436,958	\$ 183,701,361
**Central Bgt Vacancy Savings	0	(10,055,890)
	\$ 171,436,958	\$ 173,645,471
*TA/GA costs are budgeted in the Grad School but expended in the Colleges		
* **Vacancy savings are budgeted centrally but realized in divisions		

Using the baseline budgets in Table 1, we developed three potential models for assigning goals to the divisions:

1. Across-the-board reductions;
2. A roll-back of staffing investments made over the past five years; and
3. Functional expense reductions using student full-time equivalent (SFTE) benchmarks from the Integrated Postsecondary Education Data System (IPEDS), which collects data from colleges and universities in a way that allows them to compare themselves to similar institutions.

Role of Vacancy Savings

Vacancy savings is a significant factor in calculating cost savings. Reducing the number of positions at UNC will diminish the opportunities to generate vacancy savings. This year's budget assumes \$10M in vacancy savings, but we expect to generate ~\$1.2M less next year. We need to identify these savings elsewhere. This is why all three models show \$9.7M in division-level savings in order to reach the \$8.5M goal.

We have eliminated all positions that have been vacant for more than one year. However, eliminating these positions does not help with meeting our cost-saving goal because we weren't actually spending any money on them. When a division eliminates a position that has been vacant for less than one year, this will reduce actual expenditures and count toward the division's goal.

Model 1: Across-the-Board

The first model is a classic across-the-board model, which would require each division to cut 5.3%, as shown in Table 2. Across-the-board reductions are not strategic or appropriate, but this provides a good sense of the magnitude of savings needed.

Table 2: Model 1— Across-the-Board

Model 1: Across-the-board		Total Goal = \$ 8,500,000	
Division	FY19 Base Budget	Reduction	Pct of base
President	1,060,000	56,000	5.3%
Board of Trustees/ Gen Counsel	579,000	31,000	5.3%
Provost Non-College Functions	27,910,000	1,474,000	5.3%
Academic Colleges	77,193,000	4,076,000	5.3%
Campus Community & Climate	24,771,000	1,308,000	5.3%
Finance and Administration	36,375,000	1,921,000	5.3%
Alumni and Development	3,224,000	170,000	5.3%
University Relations	3,395,000	179,000	5.3%
Intercollegiate Athletics	9,194,000	485,000	5.3%
Subtotal by Division	183,701,000	9,700,000	5.3%
Centrally Bgt Vacancy Savings	(10,056,000)	(1,200,000)	11.9%
	\$ 173,645,000	\$ 8,500,000	4.9%

Model 2: Staffing Investments Roll-Back

Throughout our fall semester discussions about cost-saving options, many people raised questions about recent growth in staffing as enrollment declined. These concerns were the impetus for the second model, which rolls back all increases in personnel—not raises, but new personnel expenditures—that were made in the past five years. This includes new positions as well as positions that became vacant and were filled at a higher salary.

Table 3 shows that the financial impact of growth in positions over the past five years was about \$6.4M. Further detail about staffing trends by division is in Attachment 1.

Table 3: Total Financial Impact of 5-year Position Growth

Employee Category	Position Growth
Full-time Faculty	\$ 2,251,730
Adjunct Faculty	833,910
Staff and Administrators	1,714,330
TA/GA	1,601,320
Total	\$ 6,401,290

After the \$6.4M roll-back of positions, \$3.3M in cost-savings is still needed in Model 2. It assigns these reductions across-the-board, as shown in Table 4. The resulting goals would require divisions to identify from about 2% to 12% in savings.

The use of across-the-board reductions remains a problem in this model. The wide range of division-level goals, from 2% to 12%, also raises equity concerns. Further, it does not make sense to roll back investments that addressed urgent needs, such as campus climate and Title IX and Athletics compliance.

Table 4: Model 2—Staffing Roll-Back

Model 2: Roll-back					
	Total Goal = \$ 8,500,000				
Division	FY19 Base Budget	Roll-back Growth in Positions (3)	Remainder Across the board	Reduction	Pct of base
President (1)	1,059,801	-	19,718	20,000	1.9%
Board of Trustees/ Gen Counsel (1)	579,073	-	10,774	11,000	1.9%
Acad Affairs w/o colleges	27,909,938	15,960	518,974	535,000	1.9%
Colleges	77,193,092	3,545,780	1,370,226	4,916,000	6.4%
Campus Community & Climate	24,771,348	1,323,350	436,256	1,760,000	7.1%
Finance and Administration	36,375,394	226,100	672,566	899,000	2.5%
Alumni and Development (2)	3,224,320	43,890	59,173	103,000	3.2%
University Relations	3,394,663	266,000	58,210	324,000	9.5%
Intercollegiate Athletics	9,193,733	980,210	152,815	1,133,000	12.3%
Subtotal by Division	183,701,361	6,401,290	3,298,710	9,701,000	5.3%
Centrally Bgt Vacancy Savings	(10,055,890)			(1,200,000)	
	\$ 173,645,471		3,298,710	\$ 8,501,000	4.9%
(1) assigned savings for positions reallocated to other divisions to those divisions					
(2) excluded 17K positions transferred from Foundation					
(3) Roll-back growth in positions includes fringe benefits.					

Model 3: Functional Expense Benchmarks

The third model focuses on IPEDS data for functional expenditures—in areas such as instruction, research, student services and institutional support. The IPEDS definitions for functional expenditure categories are in Attachment 2.

This model compares UNC’s expenditures per student full-time equivalent (SFTE) to the eight peer institutions we identified in 2011 for enrollment planning and Colorado Department of Higher Education (CDHE) performance reporting. Attachment 3 has information about how these peers were selected. We also considered our nine Colorado competitors.

Two adjustments to the baseline division budgets in Table 1 were necessary in order to make meaningful comparisons to our peers. 1) Intercollegiate athletics was moved from student services to auxiliaries. Under the IPEDS definitions, intercollegiate athletics may be reported as either student services or auxiliaries, and UNC has reported it as student services for many years. However, six of our IPEDS peer institutions report it as auxiliaries so the model follows their lead. 2) Facilities costs such as custodial, trades, campus police, depreciation and interest were removed from the six main functional expenditure areas, where IPEDS allocates them on a pro rata basis, and accounted for separately. In order to fully allocate expense reductions on a functional basis, these benchmarks were “unloaded” as shown in Table 5.

Table 5: Functional Expense per Student FTE

Functional Expense Description	"Loaded" as in Feedback Report (1)			"Un-loaded" to Remove Facilities Expense from 6 Main Functional Expenses (2)		
	UNC	Peer Median (3)	UNC as a % of Peers	UNC	Median of IPEDS Peers	UNC as a % of Peers
6 Main Functional Expenses						
Instruction	9,088	8,507	107%	7,644	6,888	111%
Research	369	844	44%	310	701	44%
Public Service	213	529	40%	179	436	41%
Academic Support	2,355	1,894	124%	1,980	1,611	123%
Student Services <i>(removed athletics from UNC)</i>	2,185	1,252	175%	1,838	1,046	176%
Institutional Support	1,732	1,996	87%	1,457	1,711	85%
Auxiliaries <i>(UNC added Athletics)</i> (4)	4,065	3,649	111%	3,419	2,962	115%
Oper & Maint of Plant (OMP) (5)				1,005	1,500	67%
Depreciation & Interest				2,176	1,647	132%
Non-operating & Other	66	80		66	82	80%
Total per FTE	20,073	18,751		20,074	18,584	(6)
(1) The IPEDS feedback report "loads" the 6 main functional expenses with OMP, Depreciation & Interest.						
(2) Un-loaded calculation removes facilities expenses including OMP, depreciation & interest from 6 main functional expenses.						
(3) Peer median as per IPEDS feedback report; UNC calculation from raw IPEDS data resulted in a slightly higher median for Institutional Support due to Bowling Green having two campuses.						
(4) Auxiliaries expenditures per SFTE is not in the IPEDS feedback report, but can be calculated. It is less valid than the 6 main functional expenses since it is driven by # of beds, conferences, and other auxiliary activities.						
(5) OMP per SFTE is not reported in the IPEDS feedback report but can be calculated from IPEDS data. OMP is driven by square footage.						
(6) Peer total per FTE changes from loaded to unloaded due to nature of median calculations.						

Attachment 4 shows our IPEDS functional expense comparisons to peers prior to the two adjustments described above and how UNC compares to other Colorado institutions.

The IPEDS comparisons are not absolutely precise because IPEDS allows some leeway for institutions to categorize things differently. So, rather than working to align exactly with our peers, Model 3 uses ranges and moves the greatest outliers toward the median. It also requires every division to identify savings. Functions where UNC spends within 15% of peers were considered to be the middle range (i.e., not dramatically higher or lower than peers), and a 5% reduction was assigned. Where UNC spends 85% or less of peers, no reduction was assigned. This level of spending may actually suggest a need for future investment. Where our spending exceeds 115% of peers, we used a sliding scale to gradually increase the reduction as the expenditure goes up. The reduction increases 7.5% for each 5 additional percentage points over 115% of the peer median, as shown in Table 6.

Table 6: Sliding Scale for Reducing Functional Expenditures Over 115% of Peer Median

Peer Comparison	Reduction	Rationale
>115% to 120% of median	5.38%	0.075 incremental adjustment
>120% to 125% of median	5.78%	0.075 incremental adjustment
>125% to 130% of median	6.21%	0.075 incremental adjustment
>130% to 135% of median	6.68%	0.075 incremental adjustment
>135% to 140% of median	7.18%	0.075 incremental adjustment
>140% to 145% of median	7.72%	0.075 incremental adjustment
>145% to 150% of median	8.30%	0.075 incremental adjustment
>150% to 155% of median	8.92%	0.075 incremental adjustment
>155% to 160% of median	9.59%	0.075 incremental adjustment
>160% to 165% of median	10.31%	0.075 incremental adjustment
>160% to 165% of median	11.08%	0.075 incremental adjustment
>165% to 170% of median	11.91%	0.075 incremental adjustment
>More than 170% of median	12.80%	0.075 incremental adjustment

Table 7 shows how the reductions in Table 6 affect each functional expense and how the reductions would affect UNC’s spending per SFTE. Instruction would remain above the peer median, at 105%, as would academic support (116%) and student services (153%). Auxiliaries would also be above the median, but this cost per SFTE is less useful than the comparisons for the six main functional expenses because auxiliaries costs are driven more by the size of housing and dining operations (e.g., residence hall occupancy) than by intercollegiate athletics. IPEDS does not include auxiliaries in its feedback report but does make the data available elsewhere.

Because UNC is not organized along IPEDS functional expense lines, the model breaks apart expenditures by division, as shown in Table 8. For example, there are student services expenditures in Academic Affairs, Campus Community and Climate, and Finance and Administration. Similarly, institutional support expenditures are spread across most of the divisions. The percentages in Table 8 are used to translate functional expense reductions into the division-level cost-saving goals shown in Table 9.

Table 7: Functional Expenditures per Student FTE Before and After Reductions

Functional Expense Description	"Un-loaded " to remove facilities expense from 6 main functional expenses (1)			Model Function Reduction		
	UNC	Median of IPEDS Peers	UNC as a % of Peers	Percent Reduction	As if UNC Cost per SFTE	UNC as a % of Peers
6 Main Functional Expenses						
Instruction	7,644	6,888	111%	5.00%	7,262	105.4%
Research	310	701	44%	0.00%	310	44.2%
Public Service	179	436	41%	0.00%	179	41.1%
Academic Support	1,980	1,611	123%	5.78%	1,866	115.8%
Student Services (<i>removed athletics from UNC</i>)	1,838	1,046	176%	12.80%	1,603	153.2%
Institutional Support	1,457	1,711	85%	5.00%	1,384	80.9%
Auxiliaries (<i>UNC added Athletics</i>) (2)	3,419	2,962	115%	5.00%	3,248	109.7%
Operation & Maintenance of Plant	1,005	1,500	67%	0.00%	1,005	67.0%
Depreciation & Interest	2,176	1,647	132%			
Non-operating & Other	66	82	80%			
Total per FTE	20,074	18,584				
(1) Un-loaded calculation removes facilities expenses including OMP, depreciation & interest from 6 main functional expenses.						
(2) Auxiliaries expenditures per Student FTE is not in the IPEDS feedback report but can be calculated. It is less valid than the 6 main functional expenses since it is driven by number of beds, conferences, and other auxiliary activities.						

Table 8: Functional Expenses Total Budget and by Division

Percent of Functional Expense by Division (FY18)												
Functional Expense Category	Total Budget	Pres	BOT / General Counsel	Acad Affairs w/o Colleges	Colleges	Campus Comm & Climate	Finance & Admin	Alumni & Develop	Univ Relations	Athletics	Central	Total
Instruction	\$ 79.34			9%	91%							100%
Research	0.42			73%	27%							100%
Public Service	0.23			77%			23%					100%
Academic Support	15.62			65%	28%		7%					100%
Student Services	15.82			43%	3%	48%	5%		1%			100%
Institutional Support	27.04	4%	2%	8%		3%	59%	12%	12%			100%
Operation & Maintenance of Plant	16.21			6%	1%		93%					100%
Auxiliaries	28.99					57%	12%			32%		100%
Vacancy Savings	(10.06)										100%	100%
	\$ 173.61											

Table 9: Model 3—Division Budget Reduction based on Functional Benchmarks

Model 3 Reduction by Functional Expense and Division												
Functional Expense Category	Total Reduction	Pres	BOT / General Counsel	Acad Affairs w/o Colleges	Colleges	Campus Comm & Climate	Finance & Admin	Alumni & Develop	Univ Relations	Athletics	Central	Reduction by Function
Instruction	\$ 3.97	-	-	363,523	3,603,432	-	-	-	-	-		5.0%
Research		-	-	-	-	-	-	-	-	-		0.0%
Public Service		-	-	-	-	-	-	-	-	-		0.0%
Academic Support	0.90	-	-	588,699	250,052	-	63,728	-	-	-		5.8%
Student Services	2.02	-	-	877,146	64,887	965,901	103,660	-	13,065	-		12.8%
Institutional Support	1.35	52,990	28,954	105,371	-	38,134	800,786	161,216	164,630	-		5.0%
Operation & Maintenance of Plant		-	-	-	-	-	-	-	-	-		0.0%
Auxiliaries	1.45	-	-	-	-	823,666	167,206	-	-	458,827		5.0%
Vacancy Savings	(1.20)										(1,200,000)	
	\$ 8.50	53,000	29,000	1,936,000	3,919,000	1,829,000	1,136,000	161,000	178,000	459,000	(1,200,000)	
Reduction by Division		5.0%	5.0%	6.9%	5.1%	7.4%	3.1%	5.0%	5.2%	5.0%		

Models 1, 2 and 3 Summary and Conclusions

Table 10 shows the division-level cost-saving goals from each of the three models.

Table 10: Summary of Models for \$8.5M Reduction Scenario

Summary Model Reductions Table							
Division	FY19 Base Budget	Model 1 Across-the-Board		Model 2 Roll-back Position Increases		Model 3 IPEDS Benchmarks	
President	1,060,000	56,000	5.3%	20,000	1.9%	53,000	5.0%
Board of Trustees/ Gen Counsel	579,000	31,000	5.4%	11,000	1.9%	29,000	5.0%
*Academic Affairs w/o Colleges	27,910,000	1,474,000	5.3%	535,000	1.9%	1,936,000	6.9%
Colleges	77,193,000	4,076,000	5.3%	4,916,000	6.4%	3,919,000	5.1%
Campus Community & Climate	24,771,000	1,308,000	5.3%	1,760,000	7.1%	1,829,000	7.4%
Finance and Administration	36,375,000	1,921,000	5.3%	899,000	2.5%	1,136,000	3.1%
Alumni and Development	3,224,000	170,000	5.3%	103,000	3.2%	161,000	5.0%
University Relations	3,395,000	179,000	5.3%	324,000	9.5%	178,000	5.2%
Intercollegiate Athletics	9,194,000	485,000	5.3%	1,133,000	12.3%	459,000	5.0%
Total Divisions	183,701,000	9,700,000		9,701,000		9,700,000	
Central Bgt Vacancy Savings	(10,056,000)	(1,200,000)		(1,200,000)		(1,200,000)	0.0%
	\$173,645,000	\$ 8,500,000	4.9%	\$ 8,501,000	4.9%	\$ 8,500,000	4.9%

Before finalizing the division goals, we asked for feedback on the three models from Huron, our enrollment management consultants who have significant experience in cost-savings work. They agreed that the merits of Model 3 outweigh those of the other two models, though they did urge caution on the timeline for making reductions. Huron's response is Attachment 5.

We selected Model 3 because its functional expense benchmarking approach is more thoughtful and more equitable making than across-the-board reductions or a roll-back of staffing investments made in the past five years. The fact that the Model 3 goals do not deviate significantly from the other two models also gave us confidence. The division goals in Model 3 range from 3.1% to 7.4%, with more than half of the goals very close to 5%. This model requires every division to identify savings without putting unrealistic expectations on any division.

Part of the challenge as we move forward with this work will be in continuing to support the things that are most important to us, namely student success. Even though we spend 76% more than our peers on student services, we must consider how much we can realistically reduce this within the timeframe for eliminating our structural deficit. Creating a division of student affairs will help reduce our student services budgets without reducing our focus on student success as we will find savings through function centralization.

Also important are the staff, faculty and administrators who fulfill UNC's promise to students. As the vice presidents (VPs) work to meet their division-level cost-saving goals, they will be expected to make use of vacant positions and natural attrition. Any layoffs will have to be considered very carefully. This requirement goes back to the guiding question about making every effort to limit the human impact of decisions. Each VP will meet with me to go over the division's draft plan before it is finalized.

Division cost savings must be submitted by March 8, and a summary of the savings will be reported to campus in April. The proposed budget will be discussed with the Board of Trustees at the May 8 Finance and Audit Committee. We will report the results of the divisions' work to identify cost savings to campus in April. The final budget for next year (FY20) will be approved at the June 14 regular meeting of the Board of Trustees.

Attachment 1 5-Year Staffing Trends

Table 1: Total Salaries and Wages (excluding Restricted Grants)

Total Salaries and Wages (Excluding Restricted Grants)								
	FY13	FY14	FY15	FY16	FY17	FY18	5-year Change	
Faculty Salaries	\$ 39,329,000	\$ 41,814,000	\$ 43,025,000	\$ 43,556,000	\$ 44,907,000	\$ 47,219,000	\$ 7,890,000	20.1%
Exempt Salaries	21,915,000	23,764,000	25,491,000	27,425,000	30,011,000	30,968,000	9,053,000	41.3%
Classified Salaries	18,880,000	19,470,000	19,715,000	18,747,000	19,201,000	18,877,000	(3,000)	0.0%
Grad Assistant Salaries	4,540,000	4,753,000	4,736,000	4,866,000	5,628,000	6,028,000	1,488,000	32.8%
Subtotal	\$ 84,664,000	\$ 89,801,000	\$ 92,967,000	\$ 94,594,000	\$ 99,747,000	\$ 103,092,000	\$ 18,428,000	21.8%
Other Wages/Compensation	1,180,000	1,004,000	851,000	952,000	831,000	860,000	(320,000)	-27.1%
Student Wages	4,526,000	4,781,000	4,769,000	4,579,000	4,856,000	5,201,000	675,000	14.9%
Total	\$ 90,370,000	\$ 95,586,000	\$ 98,587,000	\$ 100,125,000	\$ 105,434,000	\$ 109,153,000	18,783,000	20.8%

Table 2: Salary Pools

Salary Pools from Annual Compensation Identity Update*								
	FY 13	FY14	FY15	FY16	FY17	FY18**	Total Salary Pools	
Faculty Salaries	Base Year	\$ 1,727,000	\$ 987,000	\$ 1,053,000	\$ 1,056,000	\$ 730,000	\$ 5,553,000	14.1%
Exempt Salaries		1,158,000	731,000	751,000	868,000	631,000	4,139,000	18.9%
Classified Salaries		1,028,000	723,000	424,000	764,000	473,000	3,412,000	18.1%
Grad Assistant Salaries		0	143,000	0	146,000	0	289,000	6.4%
Subtotal		3,913,000	2,584,000	2,228,000	2,834,000	1,834,000	13,393,000	15.8%
Other Wages/Compensation		0	0	0	0	0	0	0.0%
Student Wages*		91,000	143,000	48,000	549,000	486,000	1,317,000	29.1%
Total	\$ 4,004,000	\$ 2,727,000	\$ 2,276,000	\$ 3,383,000	\$ 2,320,000	\$ 14,710,000	16.3%	

* Student wage "salary pool" estimated based upon changes in minimum wage increases. Not all students would be at minimum wage, so not all would be affected. **The FY18 total includes \$6,000 increase that was not included in the published administrative salary increases total.

Table 3: UNC IPEDS Position Counts and FTE on November 1 (Filled only)

Fiscal Year	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	5-year Change	
Faculty Headcount (Filled Positions on November 1)								
Full-time	483	504	490	485	485	509	26	5%
Part-time	254	260	280	314	305	328	74	29%
Faculty Headcount Total	737	764	770	799	790	837	100	14%
Faculty FTE Total	568	591	583	590	587	618	50	9%
Staff Headcount (Filled Positions on November 1)								
Full-time*	839	865	867	882	916	920	81	10%
Part-time	60	57	65	59	58	63	3	5%
Staff Headcount Total	899	922	932	941	974	983	84	9%
Staff FTE Total	859	884	889	902	935	941	82	10%
GA/TA Headcount (Filled Positions on November 1)								
TA/Teaching Assistant Headcount	164	158	176	200	233	251	87	53%
GA/ Grad Asst Headcount	246	237	199	222	244	267	21	9%
TA/GA Headcount Total	410	395	375	422	477	518	108	26%
TA/Teaching Assistant FTE	55	53	59	67	78	84	29	53%
GA/Non-Teaching Assistant FTE	82	79	66	74	81	89	7	9%
Total GA/TA FTE Total	137	132	125	141	159	173	36	26%

Source: IPEDS, FTE definition (FT+PT/3), 2012-13 GA/TA headcount is an approximation, only total headcount was available.

*Administrator HC incl'd in FT Staff above	57	57	60	63	65	65	8	14%
---------------------------------------------------	-----------	-----------	-----------	-----------	-----------	-----------	----------	------------

- Page 2 Division Detail of Salary and Wage Trends excluding Student Wages
- Page 3 Colleges Faculty and GA/TA Detail of Salary and Wages Trends
- Pages 4-16 Position by Position Review of Staff Position Changes. Includes both filled and vacant positions.

Salary and Wage Trends by Division (excluding Student Wages)	5-Year Change (rounded to thousands)			
	Total Change		Share of Salary Pools (1)	All Other Changes
President				
PT, Adjunct, Summer	-	0%	-	-
Exempt Salaries	(181,000)	-22%	124,000	(305,000)
Total	\$ (181,000)	-22%	\$ 124,000	\$ (305,000)
General Counsel & BOT				
Exempt Salaries	13,000	5%	46,000	(33,000)
Total	\$ 13,000	5%	\$ 46,000	\$ (33,000)
Academic Affairs without Colleges				
FT Faculty Salaries	125,000	11%	247,000	(122,000)
PT, Adjunct, Summer	(260,000)	-30%	-	(260,000)
Exempt Salaries	2,331,000	50%	1,093,000	1,238,000
Classified Salaries	(244,000)	-8%	508,000	(752,000)
TA/GA	80,000	24%	22,000	58,000
Total	\$ 2,031,749	20%	\$ 1,870,000	\$ 162,000
Colleges				
FT Faculty Salaries	7,137,000	26%	5,300,000	1,837,000
PT, Adjunct, Summer	891,000	9%	-	891,000
Exempt Salaries	419,000	9%	664,000	(245,000)
Classified Salaries	(269,000)	-11%	458,000	(727,000)
TA/GA	1,144,000	30%	237,000	907,000
Total	\$ 9,322,000	19%	\$ 6,659,000	\$ 2,663,000
Campus Community & Climate				
PT, Adjunct, Summer	(4,000)	-20%	-	(4,000)
Exempt Salaries	1,962,000	56%	727,000	1,235,000
Classified Salaries	132,000	4%	536,000	(404,000)
TA/GA	194,000	53%	25,000	169,000
Total	\$ 2,284,000	33%	\$ 1,288,000	\$ 996,000
Finance & Administration				
Exempt Salaries	2,243,000	62%	659,000	1,584,000
Classified Salaries	515,000	5%	1,896,000	(1,381,000)
TA/GA	-	#DIV/0!	-	-
Total	\$ 2,758,000	20%	\$ 2,555,000	\$ 203,000
External & University Relations				
Exempt Salaries	594,000	81%	138,000	456,000
Classified Salaries	(92,000)	-100%	9,000	(101,000)
Total	\$ 502,000	61%	\$ 147,000	\$ 355,000
Athletics				
PT, Adjunct, Summer	-	0%	-	-
Exempt Salaries	1,183,000	46%	482,000	701,000
Classified Salaries	(29,000)	-74%	4,000	(33,000)
TA/GA	72,000	720%	2,000	70,000
Total	\$ 1,226,000	47%	\$ 488,000	\$ 738,000
Development & Alumni				
Exempt Salaries	456,000	40%	206,000	250,000
Total	\$ 456,000	40%	\$ 206,000	\$ 250,000
Central Adjustments				
PT, Adjunct, Summer	-	0%	-	-
Exempt Salaries	36,000	41%	-	36,000
Classified Salaries	(14,000)	-100%	-	(14,000)
Total	\$ 22,000	17%	\$ -	\$ 22,000

Notes: (1) Share of salary pools calculated on annual basis and summed.

Total UNC	Total Change	Share of Salary Pool (1)	All other Changes
FT Faculty Salaries	7,262,000	25%	1,715,000
PT, Adjunct, Summer	627,000	6%	627,000
Subtotal	\$ 7,889,000		\$ 2,342,000
Exempt Salaries	9,056,000	41%	4,917,000
Classified Salaries	(1,000)	0%	(3,412,000)
Subtotal	\$ 9,055,000		\$ 1,505,000
TA/GA	1,490,000	33%	1,204,000
Total UNC	\$ 18,434,000	22%	\$ 5,051,000
	Less: Central Adjustments		(22,000)
	Less: Positions Transf. from Fdn.		(217,000)
	Plus: Fringe		1,587,960
	Position Roll-back Model 2		\$ 6,399,960

Colleges Faculty and GA/ TA Detail					
	5-Year Change (rounded to thousands)				
	Total Change		Share of Salary Pools	All Other Changes	
Education and Behavioral Sciences					
FT Faculty	1,734,000	31%	1,285,000	449,000	8%
PT Faculty	(79,000)	-66%		(79,000)	-66%
Adjunct	210,000	9%		210,000	9%
Summer/ Interim	363,000	34%		363,000	34%
Faculty PSA	(7,000)	-11%		(7,000)	-11%
Faculty NonPayroll Expenses	18,000	-63%		18,000	-63%
Sub-total Faculty	\$ 2,239,000	25%	\$ 1,285,000	\$ 954,000	11%
Teaching Assistants	97,000	36%		97,000	36%
Graduate Assistants	350,000	36%	78,000	272,000	28%
Total Faculty & GA/TA	\$ 2,686,000	26%	\$ 1,363,000	\$ 1,323,000	13%
Humanities and Social Sciences					
FT Faculty	946,000	13%	1,219,000	(273,000)	-4%
PT Faculty	(196,000)	-100%		(196,000)	-100%
Adjunct	(411,000)	-33%		(411,000)	-33%
Summer/ Interim	(115,000)	-18%		(115,000)	-18%
Faculty PSA	87,000	218%		87,000	218%
Faculty NonPayroll Expenses	16,000	-54%		16,000	-54%
Sub-total Faculty	\$ 327,000	4%	\$ 1,219,000	\$ (892,000)	-10%
Teaching Assistants	32,000	10%		32,000	10%
Graduate Assistants	65,000	69%	25,000	40,000	43%
Total Faculty & GA/TA	\$ 424,000	4%	\$ 1,244,000	\$ (820,000)	-9%
Monfort College of Business					
FT Faculty	467,000	13%	599,000	(132,000)	-4%
PT Faculty	-			-	
Adjunct	98,000	27%		98,000	27%
Summer/ Interim	21,000	9%		21,000	9%
Faculty PSA	(3,000)	-5%		(3,000)	-5%
Faculty NonPayroll Expenses	15,000	-99%		15,000	-99%
Sub-total Faculty	\$ 598,000	14%	\$ 599,000	\$ (1,000)	0%
Teaching Assistants	-			-	
Graduate Assistants	4,000	61%	-	4,000	61%
Total Faculty & GA/TA	\$ 602,000	14%	\$ 599,000	\$ 3,000	0%
Natural and Health Sciences					
FT Faculty	2,514,000	32%	1,503,000	1,011,000	13%
PT Faculty	(150,000)	-71%		(150,000)	-71%
Adjunct	343,000	30%		343,000	30%
Summer/ Interim	177,000	18%		177,000	18%
Faculty PSA	92,000	114%		92,000	114%
Faculty NonPayroll Expenses	59,000	-91%		59,000	-91%
Sub-total Faculty	\$ 3,035,000	30%	\$ 1,503,000	\$ 1,532,000	15%
Teaching Assistants	161,000	12%		161,000	12%
Graduate Assistants	145,000	31%	109,000	36,000	8%
Total Faculty & GA/TA	\$ 3,341,000	28%	\$ 1,612,000	\$ 1,729,000	15%
Performing and Visual Arts					
FT Faculty	1,477,000	40%	694,000	783,000	21%
PT Faculty	(44,000)	-100%		(44,000)	-100%
Adjunct	321,000	51%		321,000	51%
Summer/ Interim	(24,000)	-10%		(24,000)	-10%
Faculty PSA	86,000	162%		86,000	162%
Faculty NonPayroll Expenses	14,000	-104%		14,000	-104%
Sub-total Faculty	\$ 1,830,000	40%	\$ 694,000	\$ 1,136,000	25%
Teaching Assistants	149,000	122%		149,000	122%
Graduate Assistants	143,000	53%	25,000	118,000	44%
Total Faculty & GA/TA	\$ 2,122,000	42%	\$ 719,000	\$ 1,403,000	28%
Total FT Faculty	7,137,000	26%	\$ 5,300,000	1,837,000	7%
Total PT, Adjunct, Summer	891,000	9%		891,000	9%

Attachment 2

Functional Expenditure Category Definitions

Integrated Postsecondary Education Data System (IPEDS) 2018-19 Data Collection System Glossary
August 13, 2018

Academic support

A functional expense category that includes expenses of activities and services that support the institution's primary missions of instruction, research, and public service. It includes the retention, preservation, and display of educational materials (for example, libraries, museums, and galleries); organized activities that provide support services to the academic functions of the institution (such as a demonstration school associated with a college of education or veterinary and dental clinics if their primary purpose is to support the instructional program); media such as audiovisual services; academic administration (including academic deans but not department chairpersons); and formally organized and separately budgeted academic personnel development and course and curriculum development expenses. Also included are information technology expenses related to academic support activities; if an institution does not separately budget and expense information technology resources, the costs associated with the three primary programs will be applied to this function and the remainder to institutional support. Institutions include actual or allocated costs for operation and maintenance of plant, interest, and depreciation.

Core expenses

Total expenses for the essential education activities of the institution. Core expenses for public institutions reporting under GASB standards include expenses for instruction, research, public service, academic support, student services, institutional support, operation and maintenance of plant, depreciation, scholarships and fellowships, interest and other operating and nonoperating expenses. Core expenses for FASB (primarily private, not-for-profit and for-profit) institutions include expenses on instruction, research, public service, academic support, student services, institutional support, net grant aid to students, and other expenses. For both FASB and GASB institutions, core expenses exclude expenses for auxiliary enterprises (e.g., bookstores, dormitories), hospitals, and independent operations.

Institutional support

A functional expense category that includes expenses for the day-to-day operational support of the institution. Includes expenses for general administrative services, central executive-level activities concerned with management and long range planning, legal and fiscal operations, space management, employee personnel and records, logistical services such as purchasing and printing, and public relations and development. Also includes information technology expenses related to institutional support activities. If an institution does not separately budget and expense information technology resources, the IT costs associated with student services and operation and maintenance of plant will also be applied to this function.

Instruction

A functional expense category that includes expenses of the colleges, schools, departments, and other instructional divisions of the institution and expenses for departmental research and public service that are not separately budgeted. Includes general academic instruction, occupational and vocational instruction, community education, preparatory and adult basic education, and regular, special, and extension sessions. Also includes expenses for both credit and non-credit activities. Excludes expenses for academic administration where the primary function is administration (e.g., academic deans). Information technology expenses related to instructional activities if the institution separately budgets and expenses information technology resources are included (otherwise these expenses are included in academic support). Institutions include actual or allocated costs for operation and maintenance of plant, interest, and depreciation.

Public service

A functional expense category that includes expenses for activities established primarily to provide noninstructional services beneficial to individuals and groups external to the institution. Examples are conferences, institutes, general advisory service, reference bureaus, and similar services provided to particular sectors of the community. This function includes expenses for community services, cooperative extension services, and public broadcasting services. Also includes information technology expenses related to the public service activities if the institution separately budgets and expenses information technology resources (otherwise these expenses are included in academic support). Institutions include actual or allocated costs for operation and maintenance of plant, interest, and depreciation.

Research

A functional expense category that includes expenses for activities specifically organized to produce research outcomes and commissioned by an agency either external to the institution or separately budgeted by an organizational unit within the institution. The category includes institutes and research centers, and individual and project research. This function does not include nonresearch sponsored programs (e.g., training programs). Also included are information technology expenses related to research activities if the institution separately budgets and expenses information technology resources (otherwise these expenses are included in academic support.) Institutions include actual or allocated costs for operation and maintenance of plant, interest, and depreciation.

Student services

A functional expense category that includes expenses for admissions, registrar activities, and activities whose primary purpose is to contribute to students emotional and physical well-being and to their intellectual, cultural, and social development outside the context of the formal instructional program. Examples include student activities, cultural events, student newspapers, intramural athletics, student organizations, supplemental instruction outside the normal administration, and student records. Intercollegiate athletics and student health services may also be included except when operated as self-supporting auxiliary enterprises. Also may include information technology expenses related to student service activities if the institution separately budgets and expenses information technology resources (otherwise these expenses are included in institutional support.) Institutions include actual or allocated costs for operation and maintenance of plant, interest, and depreciation.

U.S. Department of Education. Institute of Education Sciences, National Center for Education Statistics.

University of Northern Colorado: Peer Analysis for Enrollment Planning

Context of Peer Analysis

UNC's enrollment planning is shaped by the need to address state and national priorities for higher education—specifically the demand that colleges and universities increase degree completion. For this reason, the working group is producing a plan that places high priority on persistence to graduation. In order to set appropriate, achievable enrollment targets, then, we must have an accurate, data-informed picture of the landscape of universities that enroll students who have the same characteristics as those at UNC.

What Constitutes a Peer?

Institutional peers are always chosen in relation to some end. Our NCHEMS peers, for example, were selected as a means to look at comparative funding levels. But on close inspection, one sees readily that this group, as a whole at least, is not appropriate for the purpose of enrollment planning. The NCHEMS group represents a wide range of institutional types, student profiles, selectivity, program mix, and so on. So with respect to a process that involves setting and meeting performance targets around degree completion, the NCHEMS peers are not viable as a reference group.

The fundamental question we wanted to answer in choosing enrollment peers was this: whose students (inputs, if you like) look like ours? If our priorities revolve around persistence to degree completion, what institutions have students who look like ours in the characteristics that are generally known in student-success literature to be drivers of persistence: academic preparation, socioeconomic status, and minority status? Another reason to focus on student characteristics is the fact UNC has not significantly changed with respect to its student characteristics over a very long period of time, nor are we likely to. So our student inputs form a kind of baseline assumption, a “given.”

The Process

The planning group began from a clean slate, looking nationally at IPEDS data, and narrowed the field by looking at institutions offering doctoral programs (generally DRUs). We eliminated schools in large urban settings, applied filters for a reasonable range of in-state tuition rates, calculated index-score averages, majority-population percentage, percentage of Pell recipients, average Pell awards, average Pell award as percentage of tuition, and relative institutional focus on graduate education. This initial process yielded a list of 44 schools that met our criteria.

Planning group members individually scrutinized the data for each of these schools and submitted their lists of recommended peers. The group decided that, while the NCHEMS peers as a whole did not constitute an enrollment peer group, we realized at this point that we really had to evaluate each of the NCHEMS peers, because they have already been publicly associated with us at the state level. So we added the NCHEMS peers to the mix.

The outcome of this process, after collating members' recommendations and adding the NCHEMS peer list, was a "semi-final" list of 27 institutions (* denotes NCHEMS peer):

Ball State University*	Tennessee Tech University
Bowling Green State University*	University of Alaska—Fairbanks
Idaho State University	University of Central Arkansas
Illinois State University*	University of Louisiana—Lafayette
Indiana University—Pennsylvania*	University of Louisiana—Monroe
Louisiana Tech University	University of North Carolina—Greensboro*
Miami University*	University of North Texas*
Montana State University	University of Tennessee—Chattanooga
Middle Tennessee State University	University of South Dakota
North Dakota State University	University of Massachusetts—Lowell
Northern Arizona University*	University of Michigan—Dearborn
Northern Illinois University*	University of West Georgia
Radford University	Valdosta State University
SUNY—Binghamton*	

The group members then sent in, individually, their top 3-4 recommendations from this list, a process that also produced write-in votes for Portland State, Slippery Rock State, and UCCS.

As these recommendations were collected, a subgroup worked with the data and the group recommendations to refine a list of recommended peers to bring back to the group. To accomplish this refinement, we looked at the criteria with special attention to the most important drivers of persistence: SES and academic preparation. We then filtered the NCHEMS peers by our existing criteria (which quickly eliminated Miami, SUNY—Binghamton, and North Texas), and added an analysis of program array to see which institutions most resembled UNC in range and proportion of offerings. We also brought in Delta Cost Project data to look at relative per-student net revenue and per-student academic spending for all institutions, non-NCHEMS and NCHEMS. We looked at IPEDS data and individual institutional common data sets to find any glaring differences in institutional shape from UNC. We eliminated, for example, institutions with medical schools and law schools, as well as HBCUs.

Our goal in this process was to find convergences of information seen through many different lenses, as a check on any judgments members of the group might make on their own analysis of the raw data. We looked, for example, at data supplied by the Educational Trust, an organization that helps students and families find colleges and universities that are comparable to one another.

Through this we could see which colleges and universities are presented to, and understood by, the public as UNC peers. Fortunately, in determining their selections the Educational Trust asked very similar questions to those we were asking. Weighted criteria for the Educational Trust analysis include: median ACT/SAT of entering class; sector (public vs. private); percent of FTE students age 25 or over; admissions selectivity (per Barron's); percent of full-time, first-time undergraduates receiving federal grants; commuter-campus status; number of FTE undergraduates; percent of degrees awarded in STEM disciplines; Carnegie classification; and percent of undergraduates enrolled part-time. Educational Trust data yielded the following "most similar" institutions:

University of Rhode Island	Southern Illinois University—Edwardsville
Ball State University	Louisiana Tech University
University of Wisconsin-Whitewater	Southeast Missouri State University
South Dakota State	Marshall University
University Bridgewater State College	University of New Mexico-Main Campus
Sonoma State University	East Tennessee State University
University of North Carolina at Greensboro	University of Louisiana at Lafayette
University of Central Missouri	

We then surveyed Institutional Research web sites nationwide to determine which colleges and universities used UNC as a peer institution in their own planning efforts. This inquiry yielded a list of fourteen:

University of Nebraska—Kearney	University of Louisiana—Lafayette
Idaho State University	University of Maryland—Baltimore County
Louisiana Tech University	University of New Orleans
Michigan Tech University	University of Toledo
Middle Tennessee State University	University of Akron
University of Montana	University of Arkansas—Little Rock
University of Texas—Arlington	Wright State University

Armed with all these data points, we were then in a position to collate the selections of our group members with the other information to see where we had convergences. At the end of this process, our recommended peer institutions are detailed on your handouts, along with a selection of the data we collected about them. They are (* denotes NCHEM peers):

Ball State University*	Middle Tennessee State University
Bowling Green State University*	South Dakota State University
Indiana University of Pennsylvania*	University of Louisiana—Lafayette
Louisiana Tech University	University of North Carolina—Greensboro*

As a final check on our work, we did two things. First we applied a correlation analysis to each of the factors used to evaluate institutions. This was to make sure that our assumptions and the way we asked the questions were well-founded. In other words, we asked the statistical question:

“What data element correlates to what other data element?” E.g., does our academic preparation score correlate strongly to graduation rate? Does spending on instruction correlate to retention? And so on. To put it briefly, this analysis confirmed that our assumptions were sound, at least at the level of correlation. Lastly, we ran a comprehensive correlation analysis using all the data points of all the peer institutions to see how well they correlated with one another. The results were very strong, and give us confidence that this is a solid peer group.

The universities chosen here are chosen not because they constitute aspirational or competitor institutions, though some of them might become such later in the process. Rather, they are chosen because they most nearly match the “inputs” of UNC, especially in the most critical areas affecting student success and persistence: academic preparation and socioeconomic status.

For this reason the process was intentionally “output-blind,” that is, we did not want to “cherry-pick” institutions whose performance metrics roughly mirrored ours in persistence. Rather, we are asking which colleges and universities of our academic profile enroll the kinds of students we enroll, and offer them the same sorts of academic programs. Armed with such information, we are in a better position to see what constitute reasonable targets and expectations as we plan our enrollment with an eye to degree production.

October 2011

**University of Northern Colorado
Peers for Enrollment Planning
Oct-11**

NCHEM Peer	Institution Name	Acad Prep	Socio-economic Status		Minority	Headcount & FTE			OUTPUTS		
		Acad Prep (Weighted GPA ACT)	Students Receiving Pell	Avg. Pell Paid	Percent minority undergrad enrollment fall 2008	Undergrad Students 12 Month Headcount EYFF2009	Graduate Students 12 Month Headcount EYFF2009	Total FTE Students, AY 2008-09	6-yr Grad Rate 2009	Full Time Retention Rates Students from the Fulltime Fall 2008 cohort enrolled in fall 2009	Total degrees certificates awarded 2008-09
Y	Ball State University	2.1	27%	\$ 4,136	9%	18,786	5,152	19,448	60%	78%	4,500
Y	Bowling Green State University-Main Campus	1.9	31%	\$ 4,150	13%	16,359	4,295	17,072	59%	75%	4,210
Y	Indiana University of Pennsylvania-Main Campus	2.1	35%	\$ 4,082	13%	13,101	3,327	13,316	52%	75%	2,860
N	Louisiana Tech University	2.2	20%	\$ 4,415	18%	10,140	2,804	8,908	46%	74%	1,826
N	Middle Tennessee State University	2.1	35%	\$ 4,124	20%	24,810	3,628	21,090	45%	73%	4,596
N	South Dakota State University	2.1	26%	\$ 3,765	3%	12,281	1,778	9,973	53%	78%	1,782
N	University of Louisiana at Lafayette	2	28%	\$ 4,008	21%	18,126	2,012	10,118	42%	76%	2,162
Y	University of North Carolina at Greensboro	2.5	40%	\$ 4,266	26%	20,106	4,992	16,560	52%	77%	3,570
	University of Northern Colorado	2	23%	\$ 4,329	14%	11,159	3,656	11,224	49%	68%	2,581
	Minimum (Excluding UNC)	1.9	20%	\$ 3,765	3%	10,140	1,778	8,908	42%	73%	1,782
	Mean (Excluding UNC)	2.1	30%	\$ 4,130	16%	17,243	3,478	14,938	52%	76%	3,215
	Maximum (Excluding UNC)	2.5	40%	\$ 4,415	26%	24,810	5,152	21,090	60%	78%	4,596

*ARRA Funds Excluded. ARRA funding at non UNC institutions is unknown (Univ of No. Colo ARRA funding in 2009 was \$8,909,433).

SOURCE: IPEDS <http://nces.ed.gov/>

Academic Prep (Weighted GPA/ACT) Source: UNC

**University of Northern Colorado
Peers for Enrollment Planning
Oct-11**

NCHEM Peer	Institution Name	REVENUES *			EXPENSES							
		Resident Tuition	Total funding per FTE Student, 2008-09	Total Funding per degree Certificate Awarded 2008 09 (unweighted)	Core expenses total dollars	Instruction expenses as a percent of total core expenses	Research expenses as a percent of total core expenses	Public service expenses as a percent of total core expenses	Academic support expenses as a percent of total core expenses	Student service expenses as a percent of total core expenses	Institutional support expenses as a percent of total core expenses	Other core expenses as a percent of total core expenses
Y	Ball State University	\$ 7,508	\$ 12,907	\$ 55,781	\$ 340,430,432	44%	5%	3%	13%	5%	10%	20%
Y	Bowling Green State University-Main Campus	\$ 8,322	\$ 13,099	\$ 53,118	\$ 252,752,034	48%	2%	3%	10%	6%	11%	20%
Y	Indiana University of Pennsylvania-Main Campus	\$ 5,804	\$ 10,813	\$ 50,345	\$ 212,444,081	43%	1%	3%	11%	9%	13%	21%
N	Louisiana Tech University	\$ 3,640	\$ 10,954	\$ 53,438	\$ 138,039,411	35%	15%	1%	9%	4%	9%	26%
N	Middle Tennessee State University	\$ 4,824	\$ 8,973	\$ 41,175	\$ 288,869,038	41%	2%	8%	6%	10%	7%	25%
N	South Dakota State University	\$ 3,200	\$ 12,056	\$ 67,472	\$ 203,855,246	30%	21%	12%	6%	7%	7%	17%
N	University of Louisiana at Lafayette	\$ 3,002	\$ 10,141	\$ 47,459	\$ 207,672,828	33%	24%	2%	7%	7%	13%	14%
Y	University of North Carolina at Greensboro	\$ 2,790	\$ 12,649	\$ 58,674	\$ 303,901,922	41%	5%	5%	11%	5%	11%	22%
	University of Northern Colorado	\$ 4,680	\$ 8,765	\$ 38,116	\$ 145,496,392	41%	2%	2%	11%	13%	6%	25%
	Minimum (Excluding UNC)	\$ 2,790	\$ 8,973	\$ 41,175	\$ 138,039,411	30%	1%	1%	6%	4%	7%	14%
	Mean (Excluding UNC)	\$ 4,232	\$ 11,505	\$ 53,278	\$ 232,598,058	41%	5%	3%	10%	7%	11%	21%
	Maximum (Excluding UNC)	\$ 8,322	\$ 13,099	\$ 67,472	\$ 340,430,432	48%	24%	12%	13%	10%	13%	26%

*ARRA Funds Excluded. ARRA funding at non UNC institutions is unknown (Univ of No. Colo ARRA funding in 2009 was \$8,909,433).

SOURCE: IPEDS <http://nces.ed.gov/>

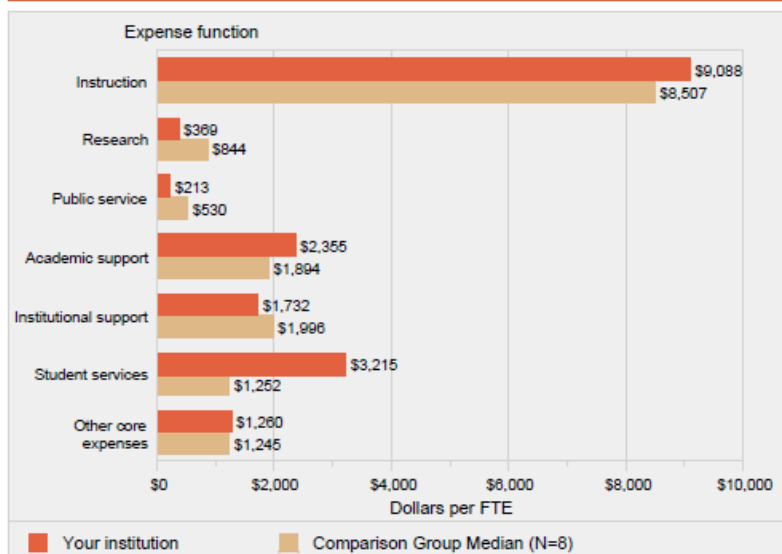
Academic Prep (Weighted GPA/ACT) Source: UNC

Attachment 4

Attachment 4: Functional Expense per Student FTE (IPEDS)

University of Northern Colorado

Figure 20. Core expenses per FTE enrollment, by function: Fiscal year 2016



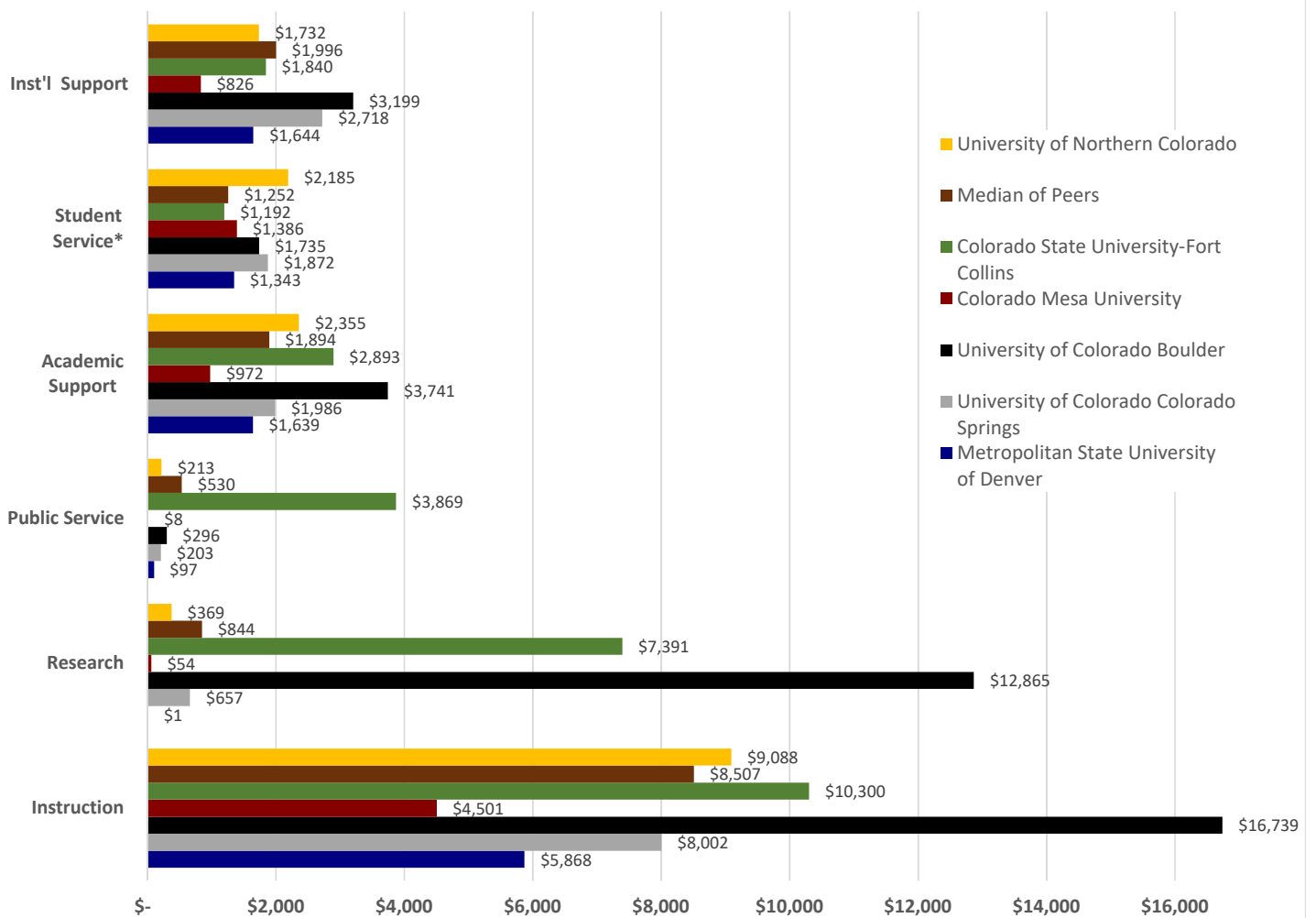
NOTE: Expenses per full-time equivalent (FTE) enrollment, particularly instruction, may be inflated because finance data includes all core expenses while FTE reflects credit activity only. For details on calculating FTE enrollment and a detailed definition of core expenses, see the Methodological Notes. N is the number of institutions in the comparison group.

SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System (IPEDS): Fall 2016, 12-month Enrollment component and Spring 2017, Finance component.

IPEDS question 4-how is athletics expense account for		
University of Northern Colorado		Student Services
Peers	Ball State University	Auxiliary
	Bowling Green State University-Main Campus	Auxiliary
	Indiana University of Pennsylvania-Main Campus	Student Services
	Louisiana Tech University	Auxiliary
	Middle Tennessee State University	Auxiliary
	South Dakota State University	Student Services
	University of Louisiana at Lafayette	Auxiliary
	University of North Carolina at Greensboro	Auxiliary
Colorado Competitors	Adams State University	Auxiliary
	Colorado Mesa University	Auxiliary
	Colorado School of Mines	Auxiliary
	Colorado State University-Fort Collins	Auxiliary
	Colorado State University-Pueblo	Auxiliary
	Metropolitan State University of Denver	Auxiliary
	University of Colorado Boulder	Auxiliary
	University of Colorado Colorado Springs	Auxiliary
	University of Colorado Denver/Anschutz Medical Campus	Does not participate in intercollegiate athletics
	Western State Colorado University	other-both Student Services & Auxiliary

15-16 Fiscal Year	Expenses						
	Instruction	Research	Public service	Academic support	Student services	Institutional support	Auxiliary enterprises
UNC Functional Expense Totals loaded with a proportionate share of Operations & Maintenance of Plant, Depreciation, Interest, as used in IPEDS Feedback Report	\$ 94,305,583	\$ 3,827,401	\$ 2,213,176	\$ 24,433,211	\$33,364,080	\$17,975,166	\$ 31,488,899
University of Northern Colorado - With Athletics As Aux	\$ 94,305,583	\$ 3,827,401	\$ 2,213,176	\$ 24,433,211	\$22,672,590	\$17,975,166	\$ 42,180,389
Comparison of UNC Expenses per Student FTE							
University of Northern Colorado - With Athletics As Aux	9,088	369	213	2,355	2,185	1,732	4,065
Peers							
Ball State University	\$ 10,954	\$ 588	\$ 791	\$ 3,119	\$ 1,317	\$ 3,081	\$ 4,631
Bowling Green State University-Main Campus	\$ 9,331	\$ 540	\$ 237	\$ 2,191	\$ 1,158	\$ 2,216	\$ 5,287
Indiana University of Pennsylvania-Main Campus*	\$ 9,851	\$ 103	\$ 574	\$ 2,076	\$ 1,791	\$ 2,923	\$ 1,964
Louisiana Tech University	\$ 5,405	\$ 2,118	\$ 21	\$ 1,556	\$ 884	\$ 1,332	\$ 5,363
Middle Tennessee State University	\$ 8,637	\$ 381	\$ 522	\$ 1,711	\$ 2,266	\$ 1,345	\$ 1,468
South Dakota State University*	\$ 8,376	\$ 5,670	\$ 2,780	\$ 1,502	\$ 2,239	\$ 2,744	\$ 3,068
University of Louisiana at Lafayette	\$ 5,795	\$ 2,923	\$ 350	\$ 1,120	\$ 910	\$ 1,886	\$ 2,978
University of North Carolina at Greensboro	\$ 8,092	\$ 1,100	\$ 537	\$ 2,589	\$ 1,187	\$ 1,678	\$ 4,230
Median of Peers	\$ 8,507	\$ 844	\$ 529	\$ 1,894	\$ 1,252	\$ 2,051	\$ 3,649
UNC as a Percent of Peer Median	107%	44%	40%	124%	175%	84%	111%
Colorado Competitors							
Adams State University	\$ 9,328	\$ 0	\$ 107	\$ 1,357	\$ 2,420	\$ 1,966	\$ 5,677
Colorado Mesa University	\$ 4,492	\$ 54	\$ 8	\$ 970	\$ 1,383	\$ 825	\$ 2,887
Colorado School of Mines	\$ 16,938	\$ 10,373	\$ 69	\$ 4,571	\$ 1,749	\$ 4,952	\$ 5,625
Colorado State University-Fort Collins	\$ 10,087	\$ 7,238	\$ 3,788	\$ 2,833	\$ 1,168	\$ 1,802	\$ 4,989
Colorado State University-Pueblo	\$ 3,082	\$ 164	\$ 21	\$ 601	\$ 873	\$ 860	\$ 2,249
Metropolitan State University of Denver	\$ 5,868	\$ 1	\$ 97	\$ 1,639	\$ 1,343	\$ 1,644	\$ 1,540
University of Colorado Boulder	\$ 16,407	\$ 12,610	\$ 290	\$ 3,667	\$ 1,700	\$ 3,135	\$ 7,849
University of Colorado Colorado Springs	\$ 7,984	\$ 655	\$ 202	\$ 1,982	\$ 1,868	\$ 2,712	\$ 3,065
University of Colorado Denver/Anschutz Medical Campus	\$ 32,991	\$ 20,118	\$ 6,582	\$ 4,829	\$ 1,799	\$ 4,285	\$ 2,128
Western State Colorado University	\$ 9,867	\$ 89	\$ 118	\$ 1,802	\$ 2,785	\$ 2,742	\$ 6,595

**Functional Expense per FTE (Loaded as per Feedback Report)
Fiscal Year 2015-16**



	Instruction	Research	Public Service	Academic Support	Student Service*	Inst'l Support
University of Northern Colorado	\$ 9,088	\$ 369	\$ 213	\$ 2,355	\$ 2,185	\$ 1,732
Median of Peers	\$ 8,507	\$ 844	\$ 530	\$ 1,894	\$ 1,252	\$ 1,996
Colorado State University-Fort Collins	\$ 10,300	\$ 7,391	\$ 3,869	\$ 2,893	\$ 1,192	\$ 1,840
Colorado Mesa University	\$ 4,501	\$ 54	\$ 8	\$ 972	\$ 1,386	\$ 826
University of Colorado Boulder	\$ 16,739	\$ 12,865	\$ 296	\$ 3,741	\$ 1,735	\$ 3,199
University of Colorado Colorado Springs	\$ 8,002	\$ 657	\$ 203	\$ 1,986	\$ 1,872	\$ 2,718
Metropolitan State University of Denver	\$ 5,868	\$ 1	\$ 97	\$ 1,639	\$ 1,343	\$ 1,644

* UNC reported Athletics in Student Services, but this has been removed for this analysis from IPEDS

15-16 Fiscal Year	Expenses										
	Instruction	Research	Public service	Academic support	Student services	Institutional support	Auxiliary enterprises	Operations and maintenance of plant	Depreciation	Interest	
Comparison of UNC Expenses per Student FTE (UNLOADED)											
University of Northern Colorado - With Athletics As Aux	7,644	310	179	1,980	1,838	1,457	3,419	1,005	1,682	494	
Peers	Ball State University	\$ 9,225	\$ 495	\$ 666	\$ 2,627	\$ 1,109	\$ 2,594	\$ 3,900	\$ 2,079	\$ 1,366	\$ 419
	Bowling Green State University-Main Campus	\$ 7,913	\$ 458	\$ 201	\$ 1,858	\$ 982	\$ 1,880	\$ 4,484	\$ 1,251	\$ 1,715	\$ 221
	Indiana University of Pennsylvania-Main Campus*	\$ 8,604	\$ 90	\$ 502	\$ 1,813	\$ 1,564	\$ 2,553	\$ 1,716	\$ 1,550	\$ 834	\$ 56
	Louisiana Tech University	\$ 4,500	\$ 1,763	\$ 18	\$ 1,296	\$ 736	\$ 1,109	\$ 4,465	\$ 951	\$ 1,054	\$ 788
	Middle Tennessee State University	\$ 7,109	\$ 314	\$ 429	\$ 1,408	\$ 1,865	\$ 1,107	\$ 1,208	\$ 1,450	\$ 1,013	\$ 427
	South Dakota State University*	\$ 6,657	\$ 4,506	\$ 2,209	\$ 1,194	\$ 1,779	\$ 2,181	\$ 2,438	\$ 3,062	\$ 1,838	\$ 514
	University of Louisiana at Lafayette	\$ 4,737	\$ 2,390	\$ 286	\$ 915	\$ 744	\$ 1,542	\$ 2,434	\$ 1,070	\$ 1,221	\$ 624
	University of North Carolina at Greensboro	\$ 6,667	\$ 906	\$ 442	\$ 2,133	\$ 978	\$ 1,383	\$ 3,485	\$ 1,773	\$ 1,131	\$ 515
	Median of Peers	\$ 6,888	\$ 701	\$ 436	\$ 1,611	\$ 1,046	\$ 1,711	\$ 2,962	\$ 1,500	\$ 1,176	\$ 471
	UNC as a Percent of Peer Median	111%	44%	41%	123%	176%	85%	115%	67%	143%	105%
	UNC WO GASB68 as a Percent of Peer Median (4)	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Colorado Competitors	Adams State University	\$ 7,016	\$ 0	\$ 80	\$ 1,021	\$ 1,820	\$ 1,479	\$ 4,270	\$ 1,400	\$ 2,532	\$ 1,238
	Colorado Mesa University	\$ 2,669	\$ 32	\$ 5	\$ 576	\$ 822	\$ 490	\$ 1,715	\$ 1,639	\$ 1,636	\$ 1,035
	Colorado School of Mines	\$ 13,647	\$ 8,358	\$ 56	\$ 3,683	\$ 1,409	\$ 3,990	\$ 4,532	\$ 4,101	\$ 3,106	\$ 1,395
	Colorado State University-Fort Collins	\$ 7,989	\$ 5,732	\$ 3,001	\$ 2,244	\$ 925	\$ 1,427	\$ 3,951	\$ 2,459	\$ 3,274	\$ 902
	Colorado State University-Pueblo	\$ 2,150	\$ 115	\$ 14	\$ 420	\$ 609	\$ 600	\$ 1,569	\$ 1,164	\$ 1,024	\$ 185
	Metropolitan State University of Denver	\$ 5,147	\$ 1	\$ 85	\$ 1,438	\$ 1,178	\$ 1,443	\$ 1,351	\$ 773	\$ 454	\$ 262
	University of Colorado Boulder	\$ 14,143	\$ 10,869	\$ 250	\$ 3,161	\$ 1,466	\$ 2,702	\$ 6,765	\$ 2,375	\$ 3,008	\$ 919
	University of Colorado Colorado Springs	\$ 6,486	\$ 532	\$ 164	\$ 1,610	\$ 1,517	\$ 2,203	\$ 2,490	\$ 1,422	\$ 1,329	\$ 715
	University of Colorado Denver/Anschutz Medical Campus	\$ 28,769	\$ 17,544	\$ 5,740	\$ 4,211	\$ 1,569	\$ 3,737	\$ 1,855	\$ 3,175	\$ 4,820	\$ 1,313
	Western State Colorado University*	\$ 7,181	\$ 64	\$ 86	\$ 1,312	\$ 2,027	\$ 1,995	\$ 4,800	\$ 1,189	\$ 3,016	\$ 2,327

Attachment 5: Details of Student Services at UNC

University of Northern Colorado

FY16 Student Services Expenses

		UG		GR	Total
		Student FTE	8,475	1,902	10,377
		PERSONNEL EXPENSES	NONPERSONNEL EXPENSES	TOTAL	Per Student FTE
300PRV	Academic Affairs Office	26,250	215,952	242,202	
300PRV	Community & Civic Engagement	86,557	15,673	102,230	
Provost's Office		112,808	231,625	344,433	\$ 33
310UGR	McNair	217,799	59,260	277,059	
310UGR	Upward Bound	186,268	83,646	269,914	
University College		404,067	142,906	546,973	\$ 53
315SEN	Career Services Office	481,125	42,220	523,345	
315SEN	Community Stnds & Conflict Resolut	377,342	32,882	410,225	
315SEN	Counseling Center Operation	1,114,812	185,190	1,300,002	
315SEN	Disability Support Services	444,340	39,122	483,462	
315SEN	Greek Life	56,295	6,541	62,836	
315SEN	Off-Campus Life	58,961	6,158	65,119	
315SEN	Prevention Education & Advocacy Svc	39,638	45,960	85,598	
315SEN	Student Clubs and Organizations	879	50,872	51,751	
315SEN	Student Engagement & DOS Ops	372,186	25,767	397,953	
315SEN	Student Judiciary		1,100	1,100	
315SEN	Student Life	204,867	80,548	285,416	
315SEN	Student Radio		7,848	7,848	
315SEN	Student Senate	50	46,256	46,306	
315SEN	Student Senate Academic Affairs		21,006	21,006	
315SEN	Student Senate Admin Operations	93,199	34,432	127,631	
315SEN	Student Senate Diverse Relations		1,280	1,280	
315SEN	Student Senate Elections		2,027	2,027	
315SEN	Student Senate Legal Services		7,236	7,236	
315SEN	Student Senate President		5,046	5,046	
315SEN	Student Senate University Relations		5,337	5,337	
315SEN	UPC / Bear Pride		20,770	20,770	
315SEN	UPC Admin Operations	111,422	13,286	124,708	
315SEN	UPC Arts & Entertainment	-	58,868	58,868	
315SEN	UPC Diversity Multicultural	300	6,437	6,737	
315SEN	UPC Social & Developmental		13,011	13,011	
Student Engagement/ DOS		3,355,416	759,203	4,114,619	\$ 397
322FRB	Office of Financial Aid	1,145,340	137,498	1,282,838	
322FRB	Registrar's Office	965,695	69,131	1,034,826	
One-stop		2,111,035	206,629	2,317,664	\$ 223
323CIE	Center for International Ed	361,746	152,372	514,119	
323CIE	English as a Second Language	3,445	-	3,445	
323CIE	Student Exchange Programs	4,716	3,617	8,333	
Center for Internatonal Ed		369,907	155,989	525,896	\$ 51
325ADM	Admissions Office	1,397,902	958,467	2,356,370	
Admissions		1,397,902	958,467	2,356,370	\$ 227
326EFA	Student Workstudy Control	818,141	38,367	856,508	
Workstudy in Student Services		818,141	38,428	856,569	\$ 83
327STS	Center for Human Enrichment	364,605	75,434	440,039	
327STS	Student Orientation	252,011	254,344	506,355	
327STS	Student-Athlete Academic Success	361	45	406	
327STS	Tutoring Services	440		440	
327STS	Unaccompanied Youth	-	69	69	
Student Success		617,417	329,892	947,309	\$ 91
340RGE	Grad Sch Internatl Mrktng/Recruitng	-	22,730	22,730	
340RGE	Grad Sch Marketing/Recruiting	13,583	260,741	274,324	
340RGE	Graduate School Office	-	20,551	20,551	
340RGE	Graduate Student Association	30,977	58,840	89,817	
Grad School		44,560	362,861	407,421	\$ 39
341AAC	Assessment and Accreditation	44,996		44,996	

University of Northern Colorado
 FY16 Student Services Expenses

		UG		GR	Total
		Student FTE	8,475	1,902	10,377
		PERSONNEL EXPENSES	NONPERSONNEL EXPENSES	TOTAL	Per Student FTE
Assessment and Accreditation		44,996		44,996	\$ 4
332EQI	Asian Pacific American Student Serv	189,202	27,188	216,389	
332EQI	Center for Women and Gender Equity	93,377	40,572	133,950	
332EQI	Cesar Chavez Cultural Center	167,089	27,356	194,446	
332EQI	Gender & Sexuality Resc Center	25,176	12,632	37,809	
332EQI	Marcus Garvey Cultural Center	141,450	24,044	165,493	
332EQI	Native American Student Services	125,862	26,981	152,843	
Equity and Diversity		742,156	158,774	900,930	\$ 87
650AUX	Outdoor Pursuits	94,829	200,891	295,720	
650AUX	Recreation Center Operations	913,835	627,114	1,540,950	
650AUX	Recreation Club Sports	14,637	70,079	84,716	
Recreation Center		1,023,302	898,084	1,921,386	\$ 185
400EBS	Cumbres	174,563	6,119	180,682	
Cumbres		174,563	6,119	180,682	\$ 17
420HSS	English	1,112	8,904	10,016	
HSS		1,112	8,904	10,016	\$ 1
440MCB	Dean Monfort Col Bus Office	-	51,636	51,636	
440MCB	Marketing Instruction	-	371	371	
MCB		-	52,008	52,008	\$ 5
480PVA	Community Arts	11,848	-	11,848	
480PVA	Dance Program	-	535	535	
480PVA	Dean Col Perf & Vis Arts Office	554	11,532	12,086	
480PVA	Jazz Studies	-	89,248	89,248	
480PVA	Marching Bands	-	3,400	3,400	
480PVA	Music Technology	-	30,800	30,800	
480PVA	Opera Studies	-	8,650	8,650	
480PVA	Schl of Art & Design Office	-	1,458	1,458	
480PVA	Schl of Music Office	34,927	63,510	98,438	
480PVA	Schl of Theatre Arts & Dance Office	-	38,916	38,916	
PVA		47,330	248,049	295,379	\$ 28
500VPA	Bear Bus	-	144,166	144,166	
500VPA	Academic Benchmarking Software	-	129,500	129,500	
VP for Admin		-	273,666	273,666	\$ 26
510FIN	Budget Office	-	76	76	
Budget Office		-	76	76	\$ 0
513PUR	Student Health Center	86,038	102,753	188,790	
513PUR	Student Health Insurance	99,661	82,306	181,966	
513PUR	UNC Card Office	99,942	73,416	173,358	
513PUR	Univ Center Student Business Office	109,544	12,763	122,307	
UNC Card and Health Center		395,184	271,237	666,422	\$ 64
520FAC	Environmental Health & Safety	974	-	974	
520FAC	Facility Management Office	-	(6,495)	(6,495)	
Facilities		974	(6,495)	(5,521)	\$ (1)
600AUX	University Center Operations	-	596,198	596,198	
University Center		-	596,198	596,198	\$ 57
320ENR	Enrollment Management Office	483,373	217,856	701,230	
Enrollment Management		483,373	217,856	701,230	\$ 68
700VPU	Commencement	4,469	85,448	89,917	
700VPU	VP University Relations Office	-	67	67	
University Relations		4,469	85,515	89,984	\$ 9
800ATH	Athletic Communications	103,266	32,537	135,802	
800ATH	Athletic Compliance	78,871	15,941	94,812	
800ATH	Athletic Development	43,833	2,603	46,436	
800ATH	Athletic Equipment	79,404	17,470	96,874	
800ATH	Athletic Marketing Promotion	139,016	67,060	206,076	

University of Northern Colorado
 FY16 Student Services Expenses

		UG		GR	Total
		Student FTE	8,475	1,902	10,377
		PERSONNEL EXPENSES	NONPERSONNEL EXPENSES	TOTAL	Per Student FTE
800ATH	Athletic Office	606,039	350,782	956,821	
800ATH	Athletic Sponsorship	62,660	41,152	103,811	
800ATH	Athletic Training	258,916	257,466	516,382	
800ATH	Athletics Cheerleading Squad	17,323	10,939	28,262	
800ATH	Athletics Events/Facilities	142,146	393,208	535,354	
800ATH	Bear Vision	83,396	50,339	133,736	
800ATH	Men's Baseball	146,802	199,116	345,918	
800ATH	Men's Basketball	467,841	471,224	939,065	
800ATH	Men's Football	758,207	816,518	1,574,725	
800ATH	Men's Golf	43,207	69,090	112,297	
800ATH	Men's Tennis	41,832	53,260	95,092	
800ATH	Men's Track and Field	53,047	74,610	127,657	
800ATH	Men's Wrestling	141,004	133,787	274,790	
800ATH	Postseason Competition	2,398	210,325	212,723	
800ATH	Sports Performance	178,715	9,319	188,035	
800ATH	Women's Basketball	367,551	230,371	597,922	
800ATH	Women's Golf	42,510	58,432	100,942	
800ATH	Women's Soccer	120,539	122,396	242,935	
800ATH	Women's Softball	126,902	134,183	261,085	
800ATH	Women's Swimming	113,247	119,371	232,618	
800ATH	Women's Tennis	58,131	58,055	116,186	
800ATH	Women's Track And Field	119,349	85,743	205,092	
800ATH	Women's Volleyball	275,976	234,226	510,201	
Athletics		4,672,131	4,319,522	8,991,653	\$ 866
950EXP	Central Expenses University Wide	(1,157)	17,453	16,296	
950EXP	Fringe Benefit Expenses	266,568		266,568	
950EXP	HR Campuswide Central		752	752	
950EXP	Student Fee Central & Facility	26,443	519,609	546,052	
950EXP	Utilities		31,786	31,786	
Accounting Entries		291,854	569,600	861,453	\$ 83
970AGN	Agency Revenue and Expenses	-	(549)	(549)	
Agency		-	(549)	(549)	\$ (0)
990ADJ	Central Allocations & Other Adjust	812,346	(1,055,828)	(243,482)	
990ADJ	GASB68 Pension FS Adjustment	303,690		303,690	
Financial Statement Adjustments		1,116,036	(1,055,828)	60,208	\$ 6
(1)Per Financial Statements		18,228,733	9,828,735	28,057,467	\$ 2,704
(2)Operation and Maint of Plant (OMP), Depreciation, Interest					
		3,446,324	1,858,221	\$ 5,304,545	
(3)"Loaded" cost as per IPEDS		21,675,057	11,686,955	33,362,012	\$ 3,215
(4a)Less Athletics Pure Expenses		(4,672,131)	(4,319,522)	\$ (8,991,653)	
(4b)Less OMP, Depeciation, Interest "Load"		(883,500)	(816,822)	(1,700,322)	
(3-4) IPEDS "Loaded" less Athletics		16,119,426	6,550,612	22,670,038	\$ 2,185
(1) Per Financial Statements					
				28,057,467	
(4a)Less Athletics Pure Expenses				\$ (8,991,653)	
(1-4) Financial Statements (Unloaded) Less Athletics				19,065,814	\$ 1,837



UNIVERSITY OF
NORTHERN COLORADO

BUDGET REDUCTION MODEL REVIEW

University of Northern Colorado

Executive Summary:

Consistent with the challenges faced by public higher education over the past decade, the University of Northern Colorado's (UNC) business model has experienced significant pressure, and now must address a \$10 million structural deficit. This deficit dates back to 2008 when a number of issues converged: States' diminished ability to support public higher education, changing student demographics and the national financial crisis. In the years following, UNC engaged in a planning process that culminated in a five-year (FY15 to FY19) plan to increase enrollment by 25% to 15,000 students. These ambitious growth targets, however, were not met, and to maintain operations UNC has been drawing down cash reserves to fund the operating deficit. At the current rate of spending, these reserves will be depleted by 2021. Although numerous short-term savings strategies have been identified to limit deficit spending, these strategies have been aimed at prolonging cash reserves in the short-term while giving UNC time to achieve sustainable, long-term financial health.

With the shared goals of comprehensively addressing the structural deficit and positioning the University for future success and investment, UNC assessed multiple reduction allocation models. Two common approaches used by institutions facing similar financial circumstances include an across the board reduction or a roll-back of position growth over the last few years. UNC specifically considered both a 5.3% reduction across the board and a roll-back of position growth over the last five years. Both of these models, however, raised concerns around a lack of data rationalization, inequity in the reductions, and penalization of divisions without justification. To address these concerns, UNC explored a third model which more closely aligns resource allocations with those of peer institutions. To support UNC's focus on data-driven decision-making and to promote transparency and reasonability across campus, the model leverages peer operating metrics, specifically functional expenses per student FTE, to realign divisional budget allocations. The model leverages peer operating metrics from the Integrated Postsecondary Education Data System (IPEDS) in the divisional realignment calculations. IPEDS is one of the most universally recognized resources for higher education data and is widely trusted and respected across the industry. Using peer operating metrics as a framework, the model seeks to rationally and moderately address divisions where resource allocations are misaligned with peers to achieve UNC's pursuit of budget equilibrium and preservation of the University's long-term financial position. UNC has elected to move forward with this approach to manage cost reductions across the campus.

The information below provides additional detail related to the methodology of how the budget reductions are calculated for individual divisions, inform campus of the reductions, and set expectations for how these reductions may be implemented. While challenging, addressing the structural deficit is a critical first step to building a sustainable institution that is best-prepared to successfully serve our students and other stakeholders going forward.

Model Overview:

The final proposed model compares UNC’s functional expenses per student FTE relative to peer median functional expenses per student FTE. The expense reduction is then applied to each functional expense based on their comparison to the peer median: functional expenses that are the greatest above the peer median have larger reductions than functional expenses that are only slightly above peer medians (Table 1). In addition, the model uses a weighted approach when calculating how much to reduce each functional expense that allows a buffer region to address data discrepancies in how institutions classify and report functional expenditures to IPEDS. Any functional expense classification that is 85% to 115% of the peer median is normalized to receive a 5% reduction, slightly below an “across the board” reduction of 5.3%. To illustrate this, institutional support expenditures per student FTE at UNC are 85% of the peer median but are projected to receive a 5% reduction, nonetheless. Finally, the weighted reduction percentages are multiplied by each division’s share of the budgeted functional expense (Table 2).

Table 1:

UNC vs. Peer IPEDS Functional Expense per SFTE				
Functional Expense Description	UNC Cost per SFTE	IPEDS Peer Median	UNC Cost per SFTE as a % of Peers	UNC as a % of Peers after Budget Reduction
Instruction	\$7,644	\$6,888	111%	105%
Research	\$310	\$701	44%	44%
Public Service	\$179	\$436	41%	41%
Academic Support	\$1,980	\$1,611	123%	116%
Student Services (Athletics Removed)	\$1,838	\$1,046	176%	153%
Institutional Support	\$1,457	\$1,711	85%	81%
Auxiliaries (Athletics Added)	\$3,419	\$2,962	115%	110%
Operation & Maintenance of Plant (OMP)	\$1,005	\$1,500	67%	67%
Depreciation & Interest	\$2,176	\$1,647	132%	N/A
Non-operating & Other	\$66	\$82	80%	80%

Table 2:

Model 3 Reduction by Functional Expense and Division												
Functional Expense Category	Total Reduction	BOT / General Pres	Acad Affairs w/o Counsel	Colleges	Colleges	Campus Comm & Climate	Finance & Admin	Alumni & Develop	Univ Relations	Athletics	Central	Reduction by Function
Instruction	\$ 3.97	-	-	363,526	3,603,429	-	-	-	-	-	-	5.0%
Research		-	-	-	-	-	-	-	-	-	-	0.0%
Public Service		-	-	-	-	-	-	-	-	-	-	0.0%
Academic Support	0.90	-	-	588,699	250,052	-	63,728	-	-	-	-	5.8%
Student Services	2.02	-	-	877,146	64,887	965,901	103,660	-	13,065	-	-	12.8%
Institutional Support	1.35	52,990	28,954	105,371	-	38,134	800,786	161,216	164,630	-	-	5.0%
Operation & Maintenance of Plant		-	-	-	-	-	-	-	-	-	-	0.0%
Auxiliaries	1.45	-	-	-	-	823,666	167,206	-	-	458,827	-	5.0%
Vacancy Savings	(1.20)										(1,200,000)	
	\$ 8.50	53,000	29,000	1,936,000	3,919,000	1,829,000	1,136,000	161,000	178,000	459,000	(1,200,000)	
Reduction by Division		5.0%	5.0%	6.9%	5.1%	7.4%	3.1%	5.0%	5.2%	5.0%		

Additional Considerations:

As UNC is concurrently undergoing efforts to improve student retention, graduation, and enhance the overall student experience and student success, it is worth noting that the proposed model places the largest percentage of cuts on two divisions that play a large role in supporting these areas: Academic Affairs and Campus Community & Climate. Following the realignment, Campus Community & Climate will still operate at 153% of peer expenditures per student FTE. It is also important to note that Campus Community & Climate is in the midst of an organizational realignment that will result in the creation of a Student Affairs division. While reductions may stress Academic Affairs and CCC, the simultaneous efforts of UNC Task Forces and the Strategic Enrollment Management Planning Project have identified numerous areas of overlap and are working to address these duplicative efforts to optimize the delivery of services to students in a more coordinated, efficient manner and at a reduced cost.

Strategies for Divisional Reductions:

UNC will inform each Vice President of their budget reduction targets for the next fiscal year and allow each VP the autonomy and flexibility to make decisions that they deem best for their division. A “toolkit” has been created to assist each division in successfully navigating their individual reductions while simultaneously balancing institutional strategy with division level realities. This toolkit includes a timeline of key dates, budget tools to track reductions to target, document templates to provide documentation on personnel actions, and data regarding vacant positions within each division. A prioritization table, such as the one below, will be leveraged to provide guidance to VPs and increase coordination around which reduction opportunities to target first.

Prioritization Level	Explanation	Cost-Cutting Opportunity (illustrative example)
Level 1	Highest priority: these should be targeted first before any other options are considered	- Closing any vacant positions that are not essential to future plans (ex. Positions not actively being recruited for or positions that have been vacant for 180+ days)
Level 2	High priority: these should be targeted once all level 1 opportunities have been exhausted	- Early retirement incentives - Reduction in position FTE
Level 3	Medium priority: these should be targeted once all level 1 & level 2 opportunities have been exhausted	- Reducing department operating budgets - Reducing functional expense budget (i.e. travel budgets, office supplies)
Level 4	Low priority: these should be targeted once all level1, level2 & level 3 opportunities have been exhausted	- Eliminating positions in lowest impact areas - Eliminating positions in highest staffed areas (i.e. relative to peer comparisons or other benchmarks)

In addition, each VP should categorize cost-reduction opportunities into the following three tiers based on the implications of each reduction: 1) reductions that can be implemented without impacting student success, 2) reductions that may have an impact on student success but preserve overall institutional strategy, and 3) reductions that will drastically impact student success and strategy. After each VP finalizes a plan for divisional reductions, a process to communicate each division’s prioritized reduction opportunities to unit leadership should be established to allow for cross-division coordination and exploration of unintended consequences of potential combinations of proposed reductions. This ultimately will allow for a more comprehensive understanding of the implications to different units.



www.huronconsultinggroup.com