



UNIVERSITY OF
**NORTHERN
COLORADO**

Fiscal Year 2022-23

Preliminary Budget Review

May 6, 2022

UNC

Office of Budget and
Financial Planning

Executive Summary

UNC will enter fiscal 2022-23 (FY23) with a strong cash position, estimated at \$77.1 million, due to one-time federal stimulus funding, oil and gas royalties, as well as the significant underspending of budget in fiscal 2021-22 (FY22).

Revenue factors and assumptions:

- Undergraduate Net Tuition & Fee Revenue is down 7.9% compared to FY22
 - Overall decrease in enrollment of 10%, consistent with previous forecasts, including an estimate of 1,100 New First-Time students for fall 2022
 - Tuition rate increases of 2% for resident undergraduate students, 3% for non-residents, 2% for graduate students, and a 3% increase in student fees
- Graduate Tuition and Fee Revenue 2.6% lower
 - Overall decrease in fall enrollment of 1.8%
 - 2% tuition rate increase, and a 3% increase in student fees
- Room & Board rate increases of 5% and 7%, respectively, with occupancy similar to FY22
- Increase in state funding of \$5.3 million or 10.3%
- Oil and gas royalties projected at \$1.5 million compared to \$4.8 million in FY22

Expenditure factors and assumptions:

- Personnel
 - Restoration of some one-time cuts from FY22
 - Pay-equity adjustments implemented in FY22
 - Mid-year compensation increase implemented in FY22
 - 3% pool for compensation increases in FY23
 - Expected vacancy savings above normal with higher turnover continuing
- Non-personnel
 - Normalization of expenditures for Services, Travel, Professional Development, etc.
 - Cost of Sales increases related to expected campus activity in auxiliary services
 - Supplies, Utilities, and Insurance increases related to inflation and program requirements

Cash factors and assumptions:

- Preliminary projection of operating deficit at \$8.9 million
- Proposed capital project expenditures of \$8.1 million
- Capital transfers from operations inflow of \$3.6 million
- Anticipated cash inflow from Sodexo investments of \$2.0 million
- Potential inflow from the sale of real estate assets of \$2 million to \$3 million
- Potential financing options to be considered for some capital projects and equipment purchases

Preliminary Operating Budget

Table 2: FY23 Preliminary Operating Budget

Operating Budget Summary							
In millions	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Budget	FY22 Forecast	FY23 Prelim Budget	% Inc/(Dec)
Operating Revenue							
Undergraduate Tuition and Fees	102.7	97.2	87.1	85.6	82.7	75.2	-9.1%
Undergraduate Institutional Grants and Scholarships	(28.3)	(27.2)	(22.7)	(23.6)	(22.3)	(19.6)	-12.3%
Undergraduate Net Tuition and Fee Revenue	74.3	70.0	64.4	62.1	60.4	55.6	-7.9%
Graduate Tuition and Fees	33.7	33.7	33.7	36.0	34.2	34.3	0.3%
Graduate Institutional Scholarships and Waivers	(5.6)	(5.1)	(4.6)	(5.3)	(4.5)	(5.4)	18.9%
Graduate Net Tuition and Fee Revenue	28.2	28.5	29.0	30.7	29.7	28.9	-2.6%
Room and Board	32.5	28.9	22.6	22.6	24.0	24.9	3.7%
Room and Board Waivers	(1.0)	(1.0)	(0.8)	(0.9)	(0.8)	(1.1)	34.9%
Net Room and Board Revenue	31.5	27.9	21.7	21.7	23.1	23.7	2.5%
Subtotal Net Student Revenue	134.0	126.5	115.1	114.5	113.2	108.2	-4.4%
State Funding	42.5	47.1	19.8	51.7	51.7	57.0	10.2%
Federal CARES Act Funding	-	-	24.6	-	-	-	0.0%
Federal HEERF II & III	-	-	3.0	5.6	16.7	-	-100.0%
Foundation	7.4	5.0	8.1	7.2	8.4	6.2	-25.5%
Other Revenue	18.1	15.2	9.7	15.6	17.1	14.9	-13.2%
Subtotal Other Revenue	68.0	67.3	65.2	80.2	93.9	78.1	-16.9%
Net Operating Revenue	202.0	193.8	180.4	194.6	207.1	186.3	-10.0%
Operating Expenditures							
Personnel Expenses	137.5	128.4	119.0	126.0	119.5	126.4	5.7%
Non-Personnel Expenses	44.6	36.6	31.6	43.7	42.3	51.1	20.8%
Debt and Lease Payments	11.0	11.6	12.9	11.3	11.0	11.0	-0.6%
Multiyear Projects	3.5	2.7	2.6	3.8	3.1	3.1	0.7%
Total Operating Expenditures	196.7	179.3	166.2	184.9	175.9	191.5	8.9%
Capital Transfers	7.2	4.7	9.8	6.5	7.2	3.6	-50.0%
Total Expenditures	203.8	184.0	175.9	191.3	183.1	195.1	6.6%
Total Operating Inflow/(Outflow)	(1.9)	9.8	4.4	3.3	24.0	(8.8)	-136.9%
Balance Sheet Changes/Timing	2.0	(3.2)	(1.0)	(0.4)	(1.3)	(0.0)	-99.2%
Operating Surplus/(Deficit)	0.2	6.6	3.5	2.9	22.7	(8.9)	-139.1%

Preliminary Operating Budget

Table 3: FY23 Personnel Changes

Personnel Expenses (In Millions)	Total	
FY22 Forecast	119.5	
Reverse mid-year compensation changes	(1.5)	
Reverse unexpected vacancy savings & unplanned variances	8.0	
FY22 Budget	126.0	
Annualized FY22 mid-year compensation increases	3.0	
New Positions, discretionary pay increases, etc. in FY22	1.2	
Reverse temporary FY22 budget adjustments	0.6	
FY23 Budget Roll-Forward	130.8	
3% compensation increase proposed for FY23 + Faculty Promos	3.8	
New Staffing Plan changes	(2.0)	
Other changes - Adjuncts, Students, GA/TA/RA, etc.	1.7	
Sodexo impact (Personnel Expenses shift to Non-Personnel Purchased Services)	(4.8)	
Vacancy Savings adjustment - for turnover beyond typical rates	(3.1)	
FY23 Proposed Budget	126.4	
		w/o Sodexo Δ
% Change: FY23 Budget vs. FY22 Forecast	5.8%	9.8%
% Change FY23 Budget vs. FY22 Budget	0.3%	4.1%

Table 4: FY23 Non-Personnel Changes

Non-Personnel Expenses (in Millions)	Total	
FY22 Forecast	42.3	
Reverse forecast variances from budget	1.4	
FY22 Budget	43.7	
Base budget adjustments during FY22	(0.1)	
Reverse temporary FY22 budget adjustments	0.7	
FY23 Budget Roll-Forward	44.3	
Budget reductions	(1.5)	
Sodexo impact (Personnel Expenses shift to Non-Personnel Purchased Services)	4.0	
New investments, utilities, software, subscriptions, contract increases and inflation	4.3	
FY23 Proposed Budget	51.1	
		w/o Sodexo Δ
% Change: FY23 Budget vs. FY22 Forecast	20.8%	11.3%
% Change FY23 Budget vs. FY22 Budget	16.9%	7.8%