

UNIVERSITY OF
NORTHERN COLORADO

MINUTES
BOARD OF TRUSTEES MEETING
April 22, 2020
Virtual via Zoom

A meeting of the University of Northern Colorado Board of Trustees was held Wednesday, April 22, beginning at 9:00 a.m. via Zoom.

Trustees present: Chair Dick Monfort, Christine Scanlan, Prateek Dutta, Maia Babbs, Steve Jordan, Janice Sinden, Patricia Barela Rivera, Fritz Fischer, Malaika Michel-Fuller

Officers and Administrators present: President Andy Feinstein, Vice President and General Counsel Dan Satriana, Senior Vice President for Finance and Administration President Michelle Quinn, Provost Mark Anderson, Vice President for University Advancement Allie Steg Haskett, Vice President for Student Affairs Katrina Rodriguez, and Darren Dunn Director of Athletics

CALL TO ORDER

Chair Dick Monfort called the meeting of the Board of Trustees to order

University Overview (Feinstein)

- Continue to work and understand the COVID-19 impacts to UNC, students and fiscal budget of 2019-2020
- We anticipate a cut from the House Appropriations, a decline in enrollment, and reduced revenues from closures will have a significant negative impact on FY21
- Exploring options to further reduce the budget, and leadership will continue to evaluate all possible options
- Presentation today will have four sections:
 - 1) an update on University finances before COVID-19
 - We have taken measures over the past several years to limit the deficit, to start to rebuild reserves, streamline administrative staffing (e.g. Administrative Service Centers), to put UNC on a more sustainable footing, and coordinating actions among Colorado higher education institutions to advocate for additional State funding
 - If not for COVID-19 we would end the fiscal year putting money back into reserves for the second year and would likely see an increase in State appropriations next year
 - 2) Financial projections on the effects of COVID-19
 - Uncertainty on when things might return to normal in higher education
 - Currently modeling the projections, scenarios and assumptions
 - 3) Silver Lining
 - Provost Mark Anderson and VP Katrina Rodriguez will share insights that exemplify the resilience of our community and our efforts to put students first
 - 4) The path forward
 - CFO Michelle Quinn will discuss how we implement a path forward

Budget Update and Financial Planning (Quinn)

Where we were

- In Spring 2019 there were \$10M in budget cuts affecting FY19 and FY20
- In FY19 we experienced a \$900K increase in operating reserves
- Eliminated 33 vacant faculty positions, reduced housing and dining non-personnel costs
- FY20 we expected a \$1M increase in operating reserves
- As we looked forward to FY21 there was optimism as to state funding
- Worked with other CEO's of higher education institutions on a unified approach while working with the Joint Budget Committee and Governor on funding
 - A new formula was developed for allocating funding
 - Work was done collectively by the CFOs; the Joint Budget Committee supported the formula and there was legislation drafted to make the new formula law
 - The Joint Budget Committee put a 7% overall increase into the budget for higher education
- From a planning perspective we anticipated increases from the State
 - Projected fall 2020 undergraduate enrollment would be down 3.8%
 - Intended to increase salaries for faculty and exempt staff
 - A reduction in vacant positions
 - A need for \$5M in budget cuts
 - Restructuring to include Administrative Service Centers (ASC)
 - We were finalizing each Vice President's structures at a divisional level
 - Optimizing the ASC organizational design of generalists versus specialists and staffing spans and layers
 - Restructuring work resulted in a \$3.3M savings in personnel expenses and \$188M in non-personnel savings
- Pre-COVID-19 FY21 budget outlook
 - Anticipating undergraduate overall enrollment to be down 3.8%
 - Graduate overall enrollment to be down 2.4%
 - A 5% increase in State funding
 - \$5M in budget reductions
 - Faculty and staff salary increases
 - A pre-COVID budget of \$199M in revenue and operating inflow/outflow of \$1.1M

Covid-19 Effects

- FY20 change in operating reserves
 - Pre-forecast in March included \$3.9M in cost savings
 - Change with COVID-19 impact will be a loss of \$4.4M
 - Forecasted that operating reserves would be down \$490K
 - FY20 cash and operating reserve impacts were discussed
- The Federal Cares Education Stabilization Fund
 - Distributes \$12.5B to higher education institutions
 - Total distribution to Colorado's Higher Ed is \$66M
 - UNC will receive \$3.8M for "cash grants" for our students and associated with significant changes due COVID-19
 - There will be a CEO meeting for additional guidance from the Department of Education on the distribution of these funds and how they are to be used

- Currently these funds cannot be used for DACA students, discussions are ongoing
- State funding outlook
 - State will do an updated revenue forecast on May 12 (which is an interim forecast) and typically done quarterly
 - Joint Budget Committee will be distributing updated figure setting documents on April 27, long bill will be completed the end of May
- COVID-19 Revenue Impacts
 - Estimated cash impact to UNC is a negative \$18.5M
 - All Colorado institutions are experiencing a softness in attendance deposits
 - Admissions has reached out to uncommitted students in Weld and Larimer Counties, sensing people will want to stay closer to home
 - In the fall without the full in-person college experience potentially some students will choose to take a gap year
 - Operating in a remote or online situation this fall will further impact UNC revenues
- Summer and Fall point-in-time registrations
 - Registration opened two weeks ago and registrations as of April 20th overall for summer were down 4.7% relative to 2019 and down 3.6% for fall
 - This summer all classes will be held online, which is not a not a huge change in delivery method
 - Families are concerned about their own economic situation and are waiting to commit, unsure of the ongoing impact of the Corona virus, and waiting to hear what UNC's delivery method mechanism will be
- FY21 Natural savings
 - In FY21 there will be natural savings (e.g. food costs, travel, utilities, non-personnel savings, and no salary increases)
 - Operational strategies under consideration include closing or renting buildings, furloughs, faculty and staff reductions, evaluation of academic and student programs, outsourcing, and athletic reductions
 - Cash enhancement strategies under consideration include deferring technology, delaying strategic investments (faculty scholarship and research), capital purchases and refinancing of bonds
 - Next steps include the feasibility of additional changes, pros and cons of these possibilities, and how these changes would impact students

Silver Lining (Anderson/Rodriguez)

- During spring break, we shifted to a virtual environment
- Housing is currently supporting 509 residents and 1,398 students have now checked out of the dorms
- Dining Services continues to provide meals for 100 students each day
- The UNC community has stepped up in support of our students through collaboration between units and available services
- Encouraged virtual meeting attendees to visit the academic support links (shared in slide deck). Links included information on:
 - Updated grading options (satisfactory or unsatisfactory or a letter grade)
 - Online tutoring, many students are volunteering their time to each other

- Moving practicum and clinical experiences online (Speech Language Pathology and Applied Psychology and Counselor Education)
- Celebration of our students through UNC Research Day, which was done virtually
- Important to maintain the sense of community and expand on the student experience that culminate with a positive sendoff

The Path Forward

- We do not know yet what to expect this fall
- Waiting for COVID-19 guidance from the Governor's office
- In the fall we expect there to be distancing and meetings of smaller groups
- The Corona Virus Task Force continues to meet
- Hosting Cabinet meetings daily to discuss outlook, evaluate recommendations, strategies and actions
- President is in communication regularly with governance groups
- The institution has a robust Corona Virus website and hotline
- President will continue to meet with other CEO's across the State
- President Feinstein announced that he, his Vice President's and Athletics Director will take a 10% pay cut in support of the UNC's Corona Virus efforts
- Leadership will continue to work over the summer in preparation for the fall semester and communicate as we know more

ADJOURNMENT

The meeting of the UNC Board of Trustees adjourned at 11:15 a.m.

Respectfully submitted by:

Victoria Niccum
Recording Secretary