

UNIVERSITY OF
NORTHERN COLORADO

BOARD OF TRUSTEES AGENDA ITEM

Meeting Date: June 12, 2020	
<input checked="" type="checkbox"/> Action Item <input type="checkbox"/> Discussion Item <input type="checkbox"/> Information Item	
Name of Item:	FY21 Provisional Budget

Responsible Staff Member: Michelle Quinn

Summary of Issue: The University's recommended provisional FY21 budget is based on in-person education in the fall, with accommodations for social distancing. The budgeted \$175.8 million in revenue includes shortfall of \$24.1 million due to the effects of COVID-19. The shortfall will be addressed through a combination of cost savings and a \$7 million use of operating reserves. An updated FY21 budget will be recommended to the Board in the fall and will include particulars of cost savings work occurring over the summer.

Approval of tuition and fee rates are included in the FY21 provisional budget.

Recommended Action by BOT:	<input checked="" type="checkbox"/> Approval <input type="checkbox"/> No Action Needed
Change to Board Policy Manual:	<input type="checkbox"/> Approval <input checked="" type="checkbox"/> No Action Needed
	If yes, Section:
Administrative Recommendation (Motion): Approve Fiscal year 2020-21 Provisional Budget	

Signature of Vice President

Date

Signature of President

Date

University of Northern Colorado
Fiscal Year 2020-21 Provisional Budget

The following list presents a brief outline of topics covered in this document and presented for your review:

1. Fiscal Year 2019-20 (FY20) Update
2. Provisional Fiscal Year 2020-21 (FY21) Budget
3. Other Scenarios, Contingency plans, and Next steps
4. Actions Items

1. FY20 Update

As is true in most sectors of the economy, COVID-19 has presented significant challenges for institutions of higher education and students. In mid-March government, business, and public health adaptations to the virus accelerated. Over UNC's regularly scheduled spring break, all courses were shifted to remote instruction modalities and most employees began working from home. After spring break 273 students were living in residence halls and all students made the transition to online learning.

The initial financial implications of these adjustments included lost revenue in summer tuition and fees, loss of auxiliary revenue (parking, bookstore, conferences and events, dining cash sales, etc.), direct costs of COVID-19, and natural savings from the closure of campus for a net cash impact of (\$4.5) million. Expectations in April were to end the fiscal year with \$42.9 million in cash.

The good news is that we now project ending the fiscal year with \$45.8 million in cash and that FY20 operating reserves will increase \$2.0 million, (Table 1) due to the limited June furloughs, temporary 10% salary reduction for senior staff, savings in travel, utilities and other constrained spending.

Table 1. FY20 Cash and Reserves

	FY19	FY20
	End	End
	6/30/2019	6/30/2020
Committed Cash		
Operating Budget ⁽¹⁾	19,598,353	19,598,353
Capital Projects	3,299,796	4,114,639
Restricted Funds	1,054,666	586,036
Sub-total Committed Cash	\$ 23,952,815	\$ 24,299,028
Reserves		
Operating Reserve	6,296,067	8,315,746
Capital Reserves	12,238,454	13,210,759
Restricted Reserves	-	-
Sub-total Reserves	\$ 18,534,521	\$ 21,526,505
Cash at 06/30⁽²⁾	\$ 42,487,336	\$ 45,825,533

(1) Operating cash is essentially depleted at the August 15th cash low point each year.

(2) UNC's cash low point at August 15th is typically \$15-\$20M less than cash at June 30th.

2. Provisional FY21 Budget

In planning for FY21, we expect reduced revenue from lost enrollment due to student concerns about health issues and family financial situations. Additionally, while students adapted reasonably well to wrapping up the Spring 2020 semester online, many students have a preference for greater in-person faculty interaction and for the social and extracurricular elements of a college campus experience. For Fall 2020, UNC is planning to offer in-person instruction primarily, with accommodation for social distancing requirements, along with remote instruction for courses, as needed.

Current enrollment projections show a 10% decrease in degree-seeking undergraduate students and flat enrollment for all graduate students from Fall 2019. However, we know that past confirmation, deposit and registration patterns have been significantly disrupted, making projections less certain. Unlike previous recessions, we are also planning for a disproportionate negative effect on auxiliary revenue including Housing & Dining, Conferences & Events, and Athletics. Under this scenario we have an **expected \$24.1 million revenue shortfall**.

As the markets and economy responded to these changes, the state reduced funding for Higher Education by 58% for Fiscal Year 2020-21 as they worked to balance their budget. Table 2 shows the cuts in state funding along with the details of the CARES Coronavirus Relief Funds (CRF).

Table 2. State and Federal Funding

(\$ in Millions)		UNC		Colorado Higher Ed Total	
		FY20	FY21	FY20	FY21
State Funding	1	\$47.1	\$19.8	\$850.3	\$357.1
CARES CRF	2	\$0.0	\$24.9	\$0.0	\$450.0
CARES HEER - Student	3	\$3.8			
CARES HEER - UNC	3	<u>3.8</u>			
		\$7.7			
1. UNC FY20 includes ~ \$70K GOAL funds and \$75K GOAL funds for FY21					
2. CARES Coronavirus Relief Funds (CRF) are distributed through the State in FY20 and must be used by 12/30/20.					
3. CARES Higher Education Emergency Relief Funds direct to UNC from the federal government 50% is distributed to students and 50% to institutions.					

We will address the \$24.1 million revenue shortfall through

- **\$6.0 million from actions already taken and “natural” temporary savings (Table 3)**
 - Senior staff 10% pay cut for all of FY21
 - Third year of flat pay for all faculty and exempt staff
 - No pay increases for classified staff
 - Limited furloughs in July
 - Strategic investment and capital savings
 - Utility, travel, cost of sales, and other “natural” temporary savings
- **\$10.0 million in reductions through the work of the Financial Task Force and VPs (Table 3)**
 - Prioritizing university functions
 - Looking at permanent savings tools
 - Looking at temporary savings tools like additional furloughs and graduated pay cuts
- **\$7.0 million use of operating reserves rather than increase of \$1.1 million (Table 3)**

- FY21 year-end projections for total cash and operating reserves are \$37.3 million and \$1.3 million, respectively (Table 4)

We are presenting a provisional FY21 budget authorizing spending over the summer until we have

- Better information about fall operating status and revenue
- Completed work to maximize permanent reductions that align with the long-term planning
- Addressed the logistics of short-term tools like furloughs, graduated pay reductions, etc.

We plan to come back to the Board in the fall for approval of a revised budget that incorporates these elements.

The provisional FY21 budget includes:

Table 3

- Overall \$175.8 million of operating revenue – 15% reduction from FY19 (\$205.1 million). Operating revenue excludes restricted grants and state capital appropriations
- Ongoing operating expenses of \$174.2 million
- Project-based and one-time Strategic Investments totaling \$2.5 million including \$0.5 million in technology and facilities costs related to fall re-entry. Other costs include matching funds for grants, research and scholarship, multi-year commitments such as faculty start-up packages, and academic program accreditation
- Transfer of \$4.7 million student capital fee to capital reserves and \$0.5 million foundation funds to capital projects but no other capital transfers
- \$0.9 million cash payment of Housing & Dining vouchers (net of CARES HEER funding)

Table 4

- \$8.5 million use of cash
 - \$7.0 million reduction in operating reserves
 - \$1.5 million in capital expenditures in excess of capital fee revenue
 - Completion of \$3.2 million in ongoing capital projects and \$2.9 million in new capital projects for \$6.2 million in capital spending (holding back \$2.1 million of new capital projects until fall, as shown in Table 8)

In addition to the overall university operating budget in Table 3 we have provided supplemental disaggregated budgets for Housing & Dining, Conferences & Events, and Athletics in Table 7.

Table 3. FY21 Provisional Budget

(\$ in Millions)						
	FY20 Forecast @ May (1)	FY21 Pre- COVID Budget	COVID-19 Revenue Impact	Initial Reductions / Natural Savings (2)	\$10 Million Additional Reductions (3)	FY21 Provisional Budget
Inflows						
Undergrad Net Tuition & Fee Revenue (NTR)	\$ 70.1	\$ 70.2	\$ (6.8)			\$ 63.4
Grad Net Tuition & Fee Revenue (NTR)	28.2	27.9	0.5			28.4
Room & Board (net of waivers)	28.8	28.6	(6.9)			21.7
State Funding	47.1	49.4	(29.6)			19.8
Federal CARES Funding	-		24.9			24.9
Donor Operating Support	5.2	5.1				5.1
Donor Capital Support	0.4	0.8	(0.3)			0.5
Other Revenue	13.8	17.3	(5.3)			12.0
Total Revenue/Inflows	\$ 193.6	\$ 199.3	\$ (23.5)	\$ -	\$ -	\$ 175.8
Outflows						
Operating Expenses						
Personnel	\$ 129.7	\$ 132.1		\$ (2.6)	\$ (7.0)	\$ 122.5
Non-Personnel	38.9	44.6		(1.6)	(3.0)	40.0
Bond & Lease Payments	11.8	11.7				11.7
Total Operating Expenses	\$ 180.4	\$ 188.4	\$ -	\$ (4.2)	\$ (10.0)	\$ 174.2
Strategic Investment Expenses	2.6	3.0		(0.5)		2.5
Total Transfers to Capital	6.9	6.8	(0.3)	(1.3)		5.2
Total Expenses and Transfers	\$ 189.9	\$ 198.2	\$ (0.3)	\$ (6.0)	\$ (10.0)	\$ 181.9
Total Operating Inflow/(Outflow)	\$ 3.7	\$ 1.1	\$ (23.2)	\$ 6.0	\$ 10.0	\$ (6.1)
Total Timing Changes Inflow / (Outflow)	\$ (1.7)	\$ -	\$ (0.9)	\$ -	\$ -	\$ (0.9)
Increase/(Decrease) to Operating Reserves	\$ 2.0	\$ 1.1	\$ (24.1)	\$ 6.0	\$ 10.0	\$ (7.0)

(1) Includes the effects of June furloughs, utility savings, travel cancellations, senior salary reductions

(2) July furloughs \$0.2M, eliminated pay raises \$2.2M, utility savings \$0.2M, reduce exec pay 10% \$0.2M, reduce capital transfer \$1.3M, reduce SI net of increases in COVID costs \$0.5M, Jul/Aug natural savings \$1.4M

(3) This is the work of the Financial Task Force and VPs

Table 4. FY20-21 Cash and Reserves

	FY19	FY20	FY21	
	End	End	Begin	End
	6/30/2019	6/30/2020	7/1/2020	6/30/2021
Committed Cash				
Operating Budget ⁽¹⁾	19,598,353	19,598,353	19,598,353	19,598,353
Capital Projects	3,299,796	4,114,639	8,137,942	1,975,589
Restricted Funds	1,054,666	586,036	586,036	586,036
Sub-total Committed Cash	\$ 23,952,815	\$ 24,299,028	\$ 28,322,331	\$ 22,159,978
Reserves				
Operating Reserve	6,296,067	8,315,746	8,315,746	1,315,746
Capital Reserves	12,238,454	13,210,759	9,187,456	13,850,663
Restricted Reserves	-	-	-	-
Sub-total Reserves	\$ 18,534,521	\$ 21,526,505	\$ 17,503,202	\$ 15,166,409
Cash at 06/30⁽²⁾	\$ 42,487,336	\$ 45,825,533	\$ 45,825,533	\$ 37,326,387

(1) Operating cash is essentially depleted at the August 15th cash low point each year.

(2) UNC's cash low point at August 15th is typically \$15-\$20M less than cash at June 30th.

As part of the FY21 provisional budget the following tuition, fee, room and board rates are provided for your consideration and approval.

- Previously considered tuition and fee increases (Table 6)
 - Undergraduate Rates: 3% resident tuition, 1.0% non-resident, 1.5% WUE, 3% Extended Campus
 - Graduate Rates: 3.0% resident tuition, 1.6% non-resident, 1.6-3.0% Extended Campus
 - Fees: 3%
 - Incremental revenue from tuition and fee rate increases are not currently included in the FY21 provisional budget
- Room and board recommendations (Table 6)
 - Tiered Residence Halls: 2.0-2.5%
 - Arlington Park Apartments: 2.5-4.8%
 - Board Rates: 0%
 - Incremental revenue from these rate increases are currently included in the FY21 provisional budget

UNC is currently the least expensive doctoral research university in Colorado for undergraduate students, and less expensive than all but four of the four-year schools in Colorado (Table 5).

Table 5. FY20 Tuition and Fees Colorado Institutions

Institutions	Resident Undergraduate Rates Fiscal Year 2019-20		
	Tuition	Fees	Tuition & Fees
Fort Lewis College	\$ 7,056	\$ 1,815	\$ 8,871
Metropolitan State University of Denver	\$ 7,236	\$ 1,913	\$ 9,149
Colorado Mesa University	\$ 8,343	\$ 963	\$ 9,306
Adams State University	\$ 5,736	\$ 3,704	\$ 9,440
University of Northern Colorado	\$ 7,596	\$ 2,390	\$ 9,986
Western State University	\$ 6,624	\$ 3,813	\$ 10,437
Colorado State University-Pueblo	\$ 7,936	\$ 2,510	\$ 10,446
University of Colorado-Colorado Springs	\$ 8,850	\$ 1,613	\$ 10,463
University of Colorado-Denver	\$ 9,900	\$ 1,547	\$ 11,447
Colorado State University	\$ 9,426	\$ 2,656	\$ 12,082
University of Colorado-Boulder	\$ 10,728	\$ 1,813	\$ 12,541
Colorado School of Mines	\$ 16,650	\$ 2,412	\$ 19,062

Source: Institutions websites, DHE tuition and fee report

Table 6. FY21 Tuition, Fee, Room and Board History

Rate Increases vs. Prior Year	FY19	FY20	FY21 Considerations	FY21 Est. Revenue Impact ⁽¹⁾
Undergraduate Tuition & Fees				
Resident	3.0%	0.0%	3.0%	\$ 1,040,263
Non-Resident	2.7%	2.0%	1.0%	66,471
WUE	3.6%	2.0%	1.5%	88,565
Extended Campus	0.0% - 4.6%	0.0% - 4.4%	3.0%	107,290
Subtotal UG Tuition				\$ 1,302,589
Undergraduate Fees	3.0% ⁽²⁾	3.0%	3.0%	\$ 379,193
Subtotal UG T&F				\$ 1,681,782
Graduate Tuition & Fees				
Resident	1.7% - 5.3%	1.8% - 4.8%	3.0%	\$ 179,315
Non-Resident	0.9% - 3.0%	1.0% - 3.4%	1.6%	109,903
Extended Campus	0.0% - 5.0%	2.7% - 6.7%	1.6% - 3.0%	383,382
Subtotal GR Tuition				\$ 672,600
Graduate Fees	3.0% ⁽²⁾	3.0%	3.0%	35,400
Subtotal GR T&F				\$ 708,000
Total Tuition & Fees				\$ 2,389,782
Room & Board				
Tiered Residence Halls	2.0%	0.0%	2.0% - 2.5%	\$ 185,000
Arlington Park Apts	1.9% - 2.1%	0.0%	2.5% - 4.8%	52,000
Subtotal Housing				\$ 237,000
Board Rates	2.1%	0.0%	0.0%	-
Total Room & Board				\$ 237,000

⁽¹⁾ Revenue for increases other than room and board are not currently part of the FY21 provisional budget and are shown net of estimated institutional scholarships and waivers.

⁽²⁾ Mandatory Fees increased 3% for FY19, except Capital Fees which increased by 13.8% or \$110/Yr/FTE

Housing & Dining, Conferences & Events, and Athletics have developed several operating scenarios. The table below shows the disaggregated budgets for these units that are included in the overall FY21 provisional budget (Table 3) with the following highlights

- The Housing & Dining FY21 provisional budget includes lost revenue of \$9.1 million and expenditure reductions of \$4.3 million with the balance coming from previous contributions to operating reserves.
- The Athletics FY21 provisional budget includes lost revenue of \$0.2 million and expenditure reductions of \$0.3 million.
- The Conferences & Events FY21 provisional budget includes lost revenue of \$1.6 million and expenditure reductions of \$1.2 million with the balance coming from previous contributions to operating reserves.

Table 7. Supplemental FY21 Budgets for Selected Areas Disaggregated from Table 3

(\$ in Millions)			
	Housing & Dining Provisional Budget (1)	Athletics Provisional Budget (2)	Conferences, Events, & UC Provisional Budget (3)
Inflows			
Undergrad Net Tuition & Fee Revenue (NTR)	\$ -	\$ 1.8	\$ -
Grad Net Tuition & Fee Revenue (NTR)	-	0.2	-
Room & Board (net of waivers)	21.7	-	-
State Funding	-	-	-
Federal CARES Funding	-	-	-
Donor Operating Support	-	-	-
Donor Capital Support	-	-	-
Other Revenue	2.3	2.0	1.6
General Fund Support	-	4.9	-
Total Revenue/Inflows	\$ 24.0	\$ 8.9	\$ 1.6
Outflows			
Operating Expenses			
Personnel	\$ 5.6	\$ 5.4	\$ 0.9
Non-Personnel	12.9	3.5	0.9
Bond & Lease Payments	7.1	-	-
Total Operating Expenses	\$ 25.6	\$ 8.9	\$ 1.8
Strategic Investment Expenses	-	-	-
Total Transfers to Capital	-	-	-
Total Expenses and Transfers	\$ 25.6	\$ 8.9	\$ 1.8
Total Operating Inflow/(Outflow)	\$ (1.6)	\$ -	\$ (0.2)
Total Timing Changes Inflow / (Outflow)	\$ (0.9)	\$ -	\$ -
Increase/(Decrease) to Operating Reserves	\$ (2.5)	\$ -	\$ (0.2)

(1) Housing and Dining Provisional Budget Assumptions:

Revenue: 60% opening occupancy (54% paid equivalency), other cash sales and short term housing reduced by 50%, conferences reduced 43%, catering reduced 76%

Expenses: Staff furloughs for July, eliminating 3 hall director positions, reducing student labor 10%, reducing dining personnel 20%, reducing cost of sales to 26% of dining revenues, other natural savings due to reduction in students, and no contribution to capital reserves

(2) Athletics Provisional Budget Assumptions:

Revenue: reduction in sponsorship revenue, reduction in ticket sales

Expenses: Staff furloughs for July, activity levels return to normal as of August first, slightly modified/reduced game schedule for fall, reduced game attendance, reduced game day expenses

Athletics Additional Information:

General Fund Support is normally \$5.0M and has been reduced based on the additional savings to \$4.9M

Athletics P&L excludes the net tuition and fee revenue \$3.8M that is generated by student athletes

(3) Conferences, Events and UC Provisional Budget Assumptions:

Revenue: Starting August 1st allowed to host events up to 50 people, reduced rentals, reduced catering, ticket office revenue reduced 20%, all vendors in UC back to normal lease operations Aug. 1st

Expenses: Staff furloughs for July, reduced student wages, reduced printing/processing costs, reduced business purchases services expenses

Table 8. FY20 Continuing Projects and FY21 New Capital Projects

	Amount Required to Complete Project	To Be Expended FY21	To Be Expended FY22
Prior Year Projects in Process			
UNC-Funded Projects			
Prior year projects with budgets less than \$200,000	\$ 621,041	\$ 367,041	\$ 254,000
Michener plaza waterproofing	191,382	191,382	-
Energy performance completion funds	44,769	44,769	-
TK dish machine design & construction	325,416	325,416	-
Campus Rec Center storefront replacement	220,927	220,927	-
Equipment funds	450,000	450,000	-
Subtotal UNC-Funded Projects	1,853,535	1,599,535	254,000
Restricted Capital Gifts			
All-Steinway school piano purchase	340,920	340,920	-
Subtotal Restricted Capital Gifts	340,920	340,920	-
State Capital Appropriations			
McKee chiller replacement	347,840	347,840	-
Fire sprinkler upgrade-McKee	90,169	90,169	-
Fire sprinkler upgrade-Frasier (Phase I)	421,885	421,885	-
COP Fire sprinkler-Gunter (Phase II)	450,000	450,000	-
COP Frasier tunnel piping replacement & abatement	48,470	48,470	-
COP Butler Hancock pool AHU replacement	500,000	500,000	-
Subtotal State Capital Appropriations	1,858,365	1,858,365	-
Campus Commons (multi-year)			
Debt Funding	1,920,229	1,920,229	-
Restricted Capital Gifts from Foundation	1,176,000	126,000	1,050,000
Bridge Funding from UNC Capital Reserves	594,305	1,644,305	(1,050,000)
Subtotal Campus Commons (multi-year)	3,690,534	3,690,534	-
Total Prior Year Projects in Process	\$ 7,743,354	\$ 7,489,354	\$ 254,000
Fiscal Year 2020-21 New Projects			
Recommend to Proceed Projects			
FY21 projects with budgets less than \$200,000	\$ 706,237	\$ 607,190	\$ 99,047
McKee chiller replacement supplemental funds	300,000	150,000	150,000
Replace TK dish machine (construction phase) 2 of 2 years	450,000	400,000	50,000
Replace BH synthetic fields 2 of 2 years	500,000	250,000	250,000
Subtotal of Projects to Proceed	1,956,237	1,407,190	549,047
Projects to Hold (wait for Fall revenue/could eliminate in Revised Budget)			
FY21 projects with budgets less than \$200,000	567,066	411,323	155,743
Facilities Master Plan	500,000	400,000	100,000
Equipment funds	1,000,000	700,000	300,000
Subtotal of Hold Projects	2,067,066	1,511,323	555,743
Restricted Capital Gifts			
Renovate swimming locker room	58,515	58,515	-
Subtotal Restricted Capital Gifts	58,515	58,515	-
State Capital Appropriations			
Fire sprinklers-Michener	1,281,079	640,000	641,079
Boiler #3 replacement	3,779,372	1,900,000	1,879,372
Subtotal State Capital Appropriations	5,060,451	2,540,000	2,520,451
Total Fiscal Year 2020-21 New Projects	\$ 9,142,269	\$ 5,517,028	\$ 3,625,241
Total Capital Projects	\$ 16,885,623	\$ 13,006,382	\$ 3,879,241
Total UNC-Funded Capital Projects	\$ 6,471,143	\$ 6,162,353	\$ 308,790

3. Other Scenarios, Contingency Plans, and Next Steps

Importantly, we understand that as public health and economic issues evolve, revenue shortfalls could increase.

As an example, *FY21 Scenario 2*, shown below in Table 9, takes into consideration the following assumptions regarding potential impacts on revenue:

- Fall begins with on-campus/remote hybrid course delivery
- By December, COVID-19 forces re-closure and all remote course delivery
- UG enrollment declines another 10% for spring and summer
- Room & Board revenue reduced from 54% to 35% paid equivalency, plus 80% in Arlington Park
- Other Revenue is impacted by the following (total reductions of \$3.2 million):
 - No spring Athletics activity; (\$0.7 million)
 - Parking services reduced 40%; (\$0.6 million)
 - Reduced UC, Conferences & Events activity, some summer events; (\$0.6 million)
 - Reduced other dining cash sales and other H&D by 40%; (\$1.0 million)
 - Other central programs/services revenues decline; (\$0.3 million)

Another example, *FY21 Scenario 3*, is also shown below in Table 9, considering the following assumptions:

- COVID-19 restrictions imposed prior to fall require remote course delivery full year
- Enrollment decline doubles to ~20%.
- Room & Board revenue is limited to 600 students with exceptions, plus 80% Arlington
- Other Revenue is impacted by the following (total reductions of \$6.6 million):
 - No Athletics activity, some sponsorships persist; (\$1.8 million)
 - Parking services revenue reduced by 75%; (\$1.2 million)
 - UC, Conferences & Events closed in fall, limited in spring and summer; (\$1.1 million)
 - Other dining cash sales and other H&D reduced 75%; (\$1.8 million)
 - Other central programs/services revenues decline; (\$0.7 million)

Table 9. Scenarios and Sensitivity Values

	FY21 Provisional Budget		FY21 Scenario 2		FY21 Scenario 3		Sensitivity Value of 10 Students (\$)
	% Change	Revenue (\$ in M)	% Change	Revenue (\$ in M)	% Change	Revenue (\$ in M)	
UG Net Tuition & Fees	-10%	\$ 63.4	-14%	\$ 60.1	-20%	\$ 56.5	\$ 76,000
GR Net Tuition & Fees	2%	28.4	2%	28.4	2%	28.4	\$ 139,000
Room & Board	-24%	21.7	-45%	15.7	-78%	6.3	\$ 117,000
State & Federal Funding	-10%	44.7	-10%	44.7	-10%	44.7	
Other Revenue	-24%	17.6	-38%	14.4	-53%	11.0	
Total Revenue	-12%	\$ 175.8	-18%	\$ 163.3	-26%	\$ 146.9	
Other Transfers/Timing (Outflows)		\$ (0.6)		\$ (0.6)		\$ (0.6)	
Total \$ Change before Savings		\$ (24.1)		\$ (36.6)		\$ (53.0)	
Assumptions recap:		<u>On-Campus Fall, Re-closure in Dec.</u> (10%) UG Spring & Summer R&B: 60% opening, 35% Pd. Equiv.		<u>Virtual/On-line classes only-full year</u> Double UG Enrollment Decline R&B: ~600 Students +Arlington			

As we move forward to address our revenue shortfall and respond to evolving realities, we are taking the following steps:

- We continue to work with the State and our Colorado higher education partners to identify additional sources of funds and strategies to serve our students and ensure their success in our new environment.
- We have created a Financial Task Force consisting of members of the cabinet, faculty, professional exempt staff, classified staff, the Student Senate President and the Student Trustee. Within that task force, two subcommittees have been established to carry out tasks in the weeks and months to come.
 - First, the **Prioritization Subcommittee**, led by President Feinstein, will conduct a vertical review of the budget—collecting high-level information on major functions from units and prioritizing functions. They are also collecting feedback from campus and reviewing with the Task Force before vice presidents incorporate the conclusions into their FY21 budget reductions.
 - Second, the **University-Wide Savings Subcommittee**, led by Senior Vice President Quinn, will examine specific expense line items that could be utilized as “tools in the toolbox” to generate cost savings, including compensation-related strategies like across-the-board furloughs, progressive pay cuts, benefit reductions, additional layoffs, and early retirements, as well as line items like external contracts and travel budgets.
- Vice presidents will incorporate the work of these two subcommittees into their budget planning as we work to identify the original \$10.0 million shortfall in our provisional budget and respond to other financial changes as they evolve; this work will be used to develop the revised FY21 budget.
- Given the uncertainty of fall revenues, we are holding back on a portion of capital projects until the situation and financial circumstances become clearer.
- As our revenue picture develops, once students return in the fall and we work through the important expense reductions, we will be able to define a final FY21 Budget, and we plan to bring that to the Board in the fall.

4. Action Items

- a. Approve tuition and fee rates (page 6)
- b. Approve FY21 provisional budget including
 - i. Overall levels of spending (page 4)
 - ii. Capital projects as presented (page 8)

UNIVERSITY OF
NORTHERN COLORADO

BOARD OF TRUSTEES AGENDA ITEM

Meeting Date: June 12, 2020

☒ Action Item ☐ Discussion Item ☐ Information Item

**Name of
Item:**

Capital Plan Approvals

Responsible Staff Member: Michelle Quinn

Summary of Issue: DHE requires board approval for capital construction priorities. The attached sheets show the FY22 five-year state funded capital construction and information technology priorities. If the state funds the projects, they would be included in the FY22 budget recommendation to the Board of Trustees in June 2021.

Recommended Action by BOT: ☒ Approval ☐ No Action Needed

Change to Board Policy Manual: ☐ Approval ☒ No Action Needed

If yes, Section:

Administrative Recommendation (Motion): Approve the 5-year state-funded capital and information technology construction priorities.

Signature of Vice President

Date

Signature of President

Date

UNIVERSITY OF
NORTHERN COLORADO

Office of the Board of Trustees

6/12/20

Lauren Gilliland
Colorado Department of Higher Education
1560 Broadway Suite 2200
Denver, CO 80202

Dear Ms. Gilliland:

Enclosed please find the five-year state-funded capital construction priorities and information technology projects for the University of Northern Colorado. These priorities emerged from UNC's capital planning process which also includes an annual capital budget for a wide array of deferred maintenance and capital renewal projects which are funded from student fees and donors.

Sincerely,

Richard L. Monfort
Board Chair



COLORADO STATE OF COLORADO
Department of
Higher Education
DEPARTMENT OF HIGHER EDUCATION

Five-Year Capital Construction/Capital Renewal Project Plan FY 2021-22 to FY 2025-26 (CC_CR-P)

(A)	(1) Institution Name:	University of Northern Colorado	(2) Institution Signature Approval:	Date				
(B)	(1) Name & Title of Preparer:	Kirk Leichter	(2) CDHE Signature Approval:	Date				
(C)	(1) E-mail of Preparer:	kirk.leichter@unco.edu						
	GRAND TOTALS	(b) Total Project Cost	(c) Total Prior Appropriation	(d) Current Budget Year Request	(e) Year Two Request	(f) Year Three Request	(g) Year Four Request	(h) Year Five Request
(D)	Capital Construction Funds (CCF)	\$32,328,221	\$0	\$8,085,579	\$24,242,642	\$0	\$0	\$0
	Cash Funds (CF)	\$386,675	\$0	\$141,800	\$244,875	\$0	\$0	\$0
	Reappropriated Funds (RF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Federal Funds (FF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Total Funds (TF)	\$32,714,896	\$0	\$8,227,379	\$24,487,517	\$0	\$0	\$0

(1)	Project Title and No. of Phases: Heat Plant Boiler # 3 Phase 1 of 1							
(2)	Brief Description of Project: Replace the # 3 high temperature hot water boiler. Critical system for all campus							
(3)	Intercept Program? (Yes/No): NO							
(4)	(a) Priority Number:	1	(b) Project Type:	Capital Renewal (CR)	(c) Gross Square Feet:		2,850,320	
(5)	(a) Funding Source	(b) Total Project Cost	(c) Total Prior Appropriation	(d) Current Budget Year Request	(e) Year Two Request	(f) Year Three Request	(g) Year Four Request	(h) Year Five Request
(6)	Capital Constr Funds (CCF)	\$3,779,372	\$0	\$3,932,408	\$0	\$0	\$0	\$0
(7)	Cash Funds (CF)	\$46,800	\$0	\$46,800	\$0	\$0	\$0	\$0
(8)	Reappropriated Funds (RF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(9)	Federal Funds (FF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10)	Total Funds (TF)	\$3,979,208	\$0	\$3,979,208	\$0	\$0	\$0	\$0

(1)	Project Title: UNC Facility Master Plan update Phase 1 of 1							
(2)	Brief Description of Project: Update the Facility Master Plan for the UNC campus							
(3)	Intercept Program? (Yes/No):							
(4)	(a) Priority Number:	2	(b) Project Type:	Capital Construction (CC)	(c) Gross Square Feet:		2,850,320	
(5)	(a) Funding Source	(b) Total Project Cost	(c) Total Prior Appropriation	(d) Current Budget Year Request	(e) Year Two Request	(f) Year Three Request	(g) Year Four Request	(h) Year Five Request
(6)	Capital Constr Funds (CCF)	\$500,000	\$0	\$500,000	\$0	\$0	\$0	\$0
(7)	Cash Funds (CF)	\$50,000	\$0	\$50,000	\$0	\$0	\$0	\$0
(8)	Reappropriated Funds (RF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(9)	Federal Funds (FF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10)	Total Funds (TF)	\$550,000	\$0	\$550,000	\$0	\$0	\$0	\$0

(1)	Project Title & No. of Phases: Gray Hall mechanical systems replacement phase 1 of 1							
(2)	Brief Description of Project: Upgrade all HVAC and plumbing systems in Gray Hall. Add fire sprinklers and cooling.							
(3)	Intercept Program? (Yes/No): NO							
(4)	(a) Priority Number:	3	(b) Project Type:	Capital Renewal (CR)	(c) Gross Square Feet:		27,531	
(5)	(a) Funding Source	(b) Total Project Cost	(c) Total Prior Appropriation	(d) Current Budget Year Request	(e) Year Two Request	(f) Year Three Request	(g) Year Four Request	(h) Year Five Request
(6)	Capital Constr Funds (CCF)	\$3,653,171	\$0	\$3,653,171	\$0	\$0	\$0	\$0
(7)	Cash Funds (CF)	\$45,000	\$0	\$45,000	\$0	\$0	\$0	\$0
(8)	Reappropriated Funds (RF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(9)	Federal Funds (FF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10)	Total Funds (TF)	\$3,698,171	\$0	\$3,698,171	\$0	\$0	\$0	\$0

(1)	Project Title & No. of Phases:	Frasier Hall Capital renewal Phase 1 of 1						
(2)	Brief Description of Project:	Renew all mechanical, electrical, plumbing systems and architectural finishes in Frasier Hall. Add cooling						
(3)	Intercept Program? (Yes/No):	NO						
(4)	(a) Priority Number:	4	(b) Project Type:	Capital Renewal (CR)	(c) Gross Square Feet:		94,828	
(5)	(a) Funding Source	(b) Total Project Cost	(c) Total Prior Appropriation	(d) Current Budget Year Request	(e) Year Two Request	(f) Year Three Request	(g) Year Four Request	(h) Year Five Request
(6)	Capital Constr Funds (CCF)	\$24,242,642	\$0	\$0	\$24,242,642	\$0	\$0	\$0
(7)	Cash Funds (CF)	\$244,875	\$0	\$0	\$244,875	\$0	\$0	\$0
(8)	Reappropriated Funds (RF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(9)	Federal Funds (FF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10)	Total Funds (TF)	\$24,487,517	\$0	\$0	\$24,487,517	\$0	\$0	\$0

(1)	Project Title & No. of Phases:							
(2)	Brief Description of Project:							
(3)	Intercept Program? (Yes/No):							
(4)	(a) Priority Number:		(b) Project Type:		(c) Gross Square Feet:			
(5)	(a) Funding Source	(b) Total Project Cost	(c) Total Prior Appropriation	(d) Current Budget Year Request	(e) Year Two Request	(f) Year Three Request	(g) Year Four Request	(h) Year Five Request
(6)	Capital Constr Funds (CCF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7)	Cash Funds (CF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(8)	Reappropriated Funds (RF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(9)	Federal Funds (FF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10)	Total Funds (TF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0

(1)	Project Title & No. of Phases:							
(2)	Brief Description of Project:							
(3)	Intercept Program? (Yes/No):							
(4)	(a) Priority Number:		(b) Project Type:		(c) Gross Square Feet:			
(5)	(a) Funding Source	(b) Total Project Cost	(c) Total Prior Appropriation	(d) Current Budget Year Request	(e) Year Two Request	(f) Year Three Request	(g) Year Four Request	(h) Year Five Request
(6)	Capital Constr Funds (CCF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7)	Cash Funds (CF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(8)	Reappropriated Funds (RF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(9)	Federal Funds (FF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10)	Total Funds (TF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0

(1)	Project Title & No. of Phases:							
(2)	Brief Description of Project:							
(3)	Intercept Program? (Yes/No):							
(4)	(a) Priority Number:		(b) Project Type:		(c) Gross Square Feet:			
(5)	(a) Funding Source	(b) Total Project Cost	(c) Total Prior Appropriation	(d) Current Budget Year Request	(e) Year Two Request	(f) Year Three Request	(g) Year Four Request	(h) Year Five Request
(6)	Capital Constr Funds (CCF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7)	Cash Funds (CF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(8)	Reappropriated Funds (RF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(9)	Federal Funds (FF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10)	Total Funds (TF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0

(1)	Project Title & No. of Phases:							
(2)	Brief Description of Project:							
(3)	Intercept Program? (Yes/No):							
(4)	(a) Priority Number:		(b) Project Type:		(c) Gross Square Feet:			
(5)	(a) Funding Source	(b) Total Project Cost	(c) Total Prior Appropriation	(d) Current Budget Year Request	(e) Year Two Request	(f) Year Three Request	(g) Year Four Request	(h) Year Five Request
(6)	Capital Constr Funds (CCF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7)	Cash Funds (CF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(8)	Reappropriated Funds (RF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(9)	Federal Funds (FF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10)	Total Funds (TF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0



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Department of
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Five-Year Capital Construction/Capital Renewal Project Plan FY 2021-22 to FY 2025-26 (CC_CR-P)

(A)	(1) Institution Name:	University of Northern Colorado	(2) Institution Signature Approval:	Date
(B)	(1) Name & Title of Preparer:	Bret Naber	(2) CDHE Signature Approval:	Date
(C)	(1) E-mail of Preparer:	bret.naber@unco.edu		

	(b) Total Project Cost	(c) Total Prior Appropriation	(d) Current Budget Year Request	(e) Year Two Request	(f) Year Three Request	(g) Year Four Request	(h) Year Five Request
GRAND TOTALS							
Capital Construction Funds (CCF)	\$1,387,867	\$0	\$1,373,988	\$5,512,699	\$1,523,166	\$513,522	\$522,133
Cash Funds (CF)	\$13,879	\$0	\$13,879	\$55,082	\$15,231	\$5,135	\$5,221
Reappropriated Funds (RF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds (FF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Funds (TF)	\$9,540,056	\$0	\$1,387,867	\$5,567,781	\$1,538,397	\$518,657	\$527,354

(1)	Project Title and No. of Phases:	Next Generation Cyber Secure Network						
(2)	Brief Description of Project:	UNC has identified an opportunity to increase our visibility, flexibility, security and automation of our network. Instead of replacing current equipment with like for like we looked at rearchitecting our core network. This work could also pave the path for many other institutions in Colorado. Unfortunately, with the financial position of the institution we are unable to make the necessary investments internally. This project request is well suited for the State of Colorado as an opportunity to further invest in secure cyber systems. UNC is prepared to fund the ongoing maintenance and support for this new architecture. We have reached the end of support for existing equipment.						
(3)	Intercept Program? (Yes/No):	NO						
(4)	(a) Priority Number:	1 of 4	(b) Project Type:	Capital	(c) Gross Square Feet:			
(5)	(a) Funding Source	(b) Total Project Cost	(c) Total Prior Appropriation	(d) Current Budget Year Request	(e) Year Two Request	(f) Year Three Request	(g) Year Four Request	(h) Year Five Request
(6)	Capital Constr Funds (CCF)	\$1,373,988	\$0	\$1,373,988	\$0	\$0	\$0	\$0
(7)	Cash Funds (CF)	\$13,879	\$0	\$13,879	\$0	\$0	\$0	\$0
(8)	Reappropriated Funds (RF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(9)	Federal Funds (FF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10)	Total Funds (TF)	\$1,373,988	\$0	\$1,387,867	\$0	\$0	\$0	\$0

(1)	Project Title:	Infrastructure Replacements						
(2)	Brief Description of Project:	Replace aging network equipment. Replace edge switches, access points, access controllers, and call recording capability.						
(3)	Intercept Program? (Yes/No):							
(4)	(a) Priority Number:	2 of 4	(b) Project Type:	Capital	(c) Gross Square Feet:			
(5)	(a) Funding Source	(b) Total Project Cost	(c) Total Prior Appropriation	(d) Current Budget Year Request	(e) Year Two Request	(f) Year Three Request	(g) Year Four Request	(h) Year Five Request
(6)	Capital Constr Funds (CCF)	\$4,734,500	\$0	\$0	\$4,734,500	\$0	\$0	\$0
(7)	Cash Funds (CF)	\$47,300	\$0	\$0	\$47,300	\$0	\$0	\$0
(8)	Reappropriated Funds (RF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(9)	Federal Funds (FF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10)	Total Funds (TF)	\$4,781,800	\$0	\$0	\$4,781,800	\$0	\$0	\$0

(1)	Project Title & No. of Phases:	Implement Ellucian Cloud ERP						
(2)	Brief Description of Project:	UNC is seeking to migrate our current on-premise Ellucian Banner ERP into the Ellucian Cloud. With this migration, UNC would be able to bundle addition Ellucian software into the cloud. These added software tools are solutions focused on increasing student retention, student completion, and enhanced analytics within a single software package. The move to Ellucian Cloud would allow UNC to remove redundant software, decrease future hardware expenses, reduce staff efforts toward cyber security and disaster recovery. Additionally, these reductions will allow UNC staff to focus on business process solutions instead of ERP related software upgrades, maintenance, and troubleshooting. UNC is not seeking a full rip and replace but requesting the funding variance to cover multi-year costs associated with migration services and initial licensing costs. UNC will continue to fund the current maintenance cost and future Ellucian Cloud expenses if the migration has been funded.						
(3)	Intercept Program? (Yes/No):	No						
(4)	(a) Priority Number:	3 of 4	(b) Project Type:	Capital	(c) Gross Square Feet:			
(5)	(a) Funding Source	(b) Total Project Cost	(c) Total Prior Appropriation	(d) Current Budget Year Request	(e) Year Two Request	(f) Year Three Request	(g) Year Four Request	(h) Year Five Request
(6)	Capital Constr Funds (CCF)	\$2,433,703	\$0	\$0	\$778,199	\$619,849	\$513,522	\$522,133
(7)	Cash Funds (CF)	\$24,336	\$0	\$0	\$7,782	\$6,198	\$5,135	\$5,221
(8)	Reappropriated Funds (RF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(9)	Federal Funds (FF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10)	Total Funds (TF)	\$2,458,039	\$0	\$0	\$785,981	\$626,047	\$518,657	\$527,354

(1)	Project Title & No. of Phases:	Data Center and Security Improvements						
(2)	Brief Description of Project:	Investments in security infrastructure related to key systems in cloud, firewall, core routers, fiber switches and compute systems.						
(3)	Intercept Program? (Yes/No):	No						
(4)	(a) Priority Number:	4 of 4	(b) Project Type:	Capital	(c) Gross Square Feet:			
(5)	(a) Funding Source	(b) Total Project Cost	(c) Total Prior Appropriation	(d) Current Budget Year Request	(e) Year Two Request	(f) Year Three Request	(g) Year Four Request	(h) Year Five Request
(6)	Capital Constr Funds (CCF)	\$903,317	\$0	\$0	\$0	\$903,317	\$0	\$0
(7)	Cash Funds (CF)	\$9,033	\$0	\$0	\$0	\$9,033	\$0	\$0
(8)	Reappropriated Funds (RF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(9)	Federal Funds (FF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10)	Total Funds (TF)	\$912,350	\$0	\$0	\$0	\$912,350	\$0	\$0

(1)	Project Title & No. of Phases:							
(2)	Brief Description of Project:							
(3)	Intercept Program? (Yes/No):							
(4)	(a) Priority Number:		(b) Project Type:		(c) Gross Square Feet:			
(5)	(a) Funding Source	(b) Total Project Cost	(c) Total Prior Appropriation	(d) Current Budget Year Request	(e) Year Two Request	(f) Year Three Request	(g) Year Four Request	(h) Year Five Request
(6)	Capital Constr Funds (CCF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7)	Cash Funds (CF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(8)	Reappropriated Funds (RF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(9)	Federal Funds (FF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10)	Total Funds (TF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0

(1)	Project Title & No. of Phases:							
(2)	Brief Description of Project:							
(3)	Intercept Program? (Yes/No):							
(4)	(a) Priority Number:		(b) Project Type:		(c) Gross Square Feet:			
(5)	(a) Funding Source	(b) Total Project Cost	(c) Total Prior Appropriation	(d) Current Budget Year Request	(e) Year Two Request	(f) Year Three Request	(g) Year Four Request	(h) Year Five Request
(6)	Capital Constr Funds (CCF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7)	Cash Funds (CF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(8)	Reappropriated Funds (RF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(9)	Federal Funds (FF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10)	Total Funds (TF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0

(1)	Project Title & No. of Phases:							
(2)	Brief Description of Project:							
(3)	Intercept Program? (Yes/No):							
(4)	(a) Priority Number:		(b) Project Type:		(c) Gross Square Feet:			
(5)	(a) Funding Source	(b) Total Project Cost	(c) Total Prior Appropriation	(d) Current Budget Year Request	(e) Year Two Request	(f) Year Three Request	(g) Year Four Request	(h) Year Five Request
(6)	Capital Constr Funds (CCF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7)	Cash Funds (CF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(8)	Reappropriated Funds (RF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(9)	Federal Funds (FF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10)	Total Funds (TF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0

(1)	Project Title & No. of Phases:							
(2)	Brief Description of Project:							
(3)	Intercept Program? (Yes/No):							
(4)	(a) Priority Number:		(b) Project Type:		(c) Gross Square Feet:			
(5)	(a) Funding Source	(b) Total Project Cost	(c) Total Prior Appropriation	(d) Current Budget Year Request	(e) Year Two Request	(f) Year Three Request	(g) Year Four Request	(h) Year Five Request
(6)	Capital Constr Funds (CCF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(7)	Cash Funds (CF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(8)	Reappropriated Funds (RF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(9)	Federal Funds (FF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(10)	Total Funds (TF)	\$0	\$0	\$0	\$0	\$0	\$0	\$0