



UNIVERSITY OF
**NORTHERN
COLORADO**

Fiscal Year 2023-24 Preliminary Budget Review

May 5, 2023

Executive Summary

UNC will be entering FY24 with a balanced budget and a projected cash position of \$71.4 million, based upon the financial assumptions summarized below.

Revenue factors and assumptions:

- Undergraduate Net Tuition and Fee Revenue is up 0.8% compared to the FY23 forecast.
 - Overall undergraduate enrollment is projected to decline in FY24 with 5,508 full-time-equivalent (FTE) students compared to FY23 with 5,630 FTE. This includes an estimate of 1,400 new-first-time students for fall 2023, an increase of 17.5% from fall 2022.
 - Tuition rate increases of 6.0% for resident, non-resident, international, and extended campus students; 0% for WUE students. An increase of 5.0% in student fees, less the proposed elimination of fees for on-line courses.
- Graduate Tuition and Fee Revenue is lower by 2.5% compared to the FY23 forecast.
 - Overall decrease in fall enrollment of 8.3%.
 - 5.0% tuition rate increase, and 5.0% student fee increase.
- Room and Board Net Revenue is up 15.3% compared to the FY23 forecast.
 - 6.0% rate increase for residence halls and 7.0% rate increase for Arlington Park.
 - Opening occupancy at 64.0% which is 3.7% (or 98 students) higher than FY23.
 - 9.5% meal plan rate increase, along with restructuring the meal plans and an expected volume increase.
- Increase in state funding of \$5.8 million or 10.2%

Expense factors and assumptions:

- Personnel increase of 3.8% from the FY23 forecast
 - Restoration of some one-time adjustments from FY23
 - Pay-equity adjustments implemented in FY23
 - Colorado Overtime & Minimum Pay adjustments in FY23 and anticipated for FY24
 - Mid-year compensation increase implemented in FY23
 - 3.0% pool for compensation increases in FY24
 - Adjustments to vacancy savings estimates based on recent trends
- Non-Personnel increase of 1.0% from the FY23 forecast
 - Adjusted expenses 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 to be considered:

- Proposed capital projects expenditures of approximately \$8 million
- Capital transfers of \$3.6 million from FY24 operating revenues
- Arlington Park roof repairs project with total estimated cost of \$3.5 million over 2 years
- Potential financing options to be considered for some capital projects and equipment purchases

Preliminary Operating Budget

Table 1: FY24 Preliminary Operating Budget

(\$ in millions)	FY23 Forecast	FY24 Prelim Budget	% Inc/(Dec)
Operating Revenue			
Undergraduate Tuition and Fees	76.3	77.3	1.3%
Undergraduate Institutional Grants and Scholarships	(17.8)	(18.4)	2.9%
Undergraduate Net Tuition and Fee Revenue	58.5	59.0	0.8%
Graduate Tuition and Fees	30.9	30.6	-1.0%
Graduate Institutional Scholarships and Waivers	(4.6)	(5.0)	6.9%
Graduate Net Tuition and Fee Revenue	26.3	25.7	-2.5%
Room and Board	24.6	28.5	15.5%
Room and Board Waivers	(0.9)	(1.1)	20.4%
Net Room and Board Revenue	23.7	27.4	15.3%
Subtotal Net Student Revenue	108.5	112.0	3.2%
State Funding	57.0	62.9	10.2%
Foundation	7.9	7.7	-3.0%
Other Revenue	17.3	16.0	-7.8%
Subtotal Other Revenue	82.3	86.5	5.1%
Net Operating Revenue	190.8	198.6	4.0%
Operating Expenses			
Personnel Expenses	122.8	127.6	3.8%
Non-Personnel Expenses	51.7	52.2	1.0%
Debt and Lease Payments	10.9	11.6	6.3%
Multiyear Projects	2.3	3.6	57.0%
Total Operating Expenses	187.7	194.9	3.8%
Capital Transfers	6.8	3.6	-46.3%
Total Expenses	194.4	198.5	2.1%
Total Operating Inflow/(Outflow)	(3.6)	0.0	100.8%
Balance Sheet Changes/Timing	1.2	1.1	-2.0%
Operating Surplus/(Deficit)	(2.5)	1.2	147.3%

Preliminary Operating Budget

Table 2: FY24 Preliminary Operating Budget with Historical Results

(\$ in millions)	FY19 Actual	FY20 Actual	FY21 Actual	FY22 Actual	FY23 Forecast	FY24 Prelim Budget
Operating Revenue						
Undergraduate Tuition and Fees	102.7	97.2	87.1	82.4	76.3	77.3
Undergraduate Institutional Grants and Scholarships	(28.3)	(27.2)	(22.7)	(22.4)	(17.8)	(18.4)
Undergraduate Net Tuition and Fee Revenue	74.3	70.0	64.4	60.0	58.5	59.0
Graduate Tuition and Fees	33.7	33.7	33.7	33.7	30.9	30.6
Graduate Institutional Scholarships and Waivers	(5.6)	(5.1)	(4.6)	(4.5)	(4.6)	(5.0)
Graduate Net Tuition and Fee Revenue	28.2	28.5	29.0	29.2	26.3	25.7
Room and Board	32.5	28.9	22.6	24.3	24.6	28.5
Room and Board Waivers	(1.0)	(1.0)	(0.8)	(0.9)	(0.9)	(1.1)
Net Room and Board Revenue	31.5	27.9	21.7	23.4	23.7	27.4
Subtotal Net Student Revenue	134.0	126.5	115.1	112.7	108.5	112.0
State Funding	42.5	47.1	19.8	51.7	57.0	62.9
Federal CARES Act Funding	-	-	24.6	-	-	-
Federal HEERF II & III	-	-	3.0	16.7	-	-
Foundation	7.4	5.0	8.1	8.4	7.9	7.7
Other Revenue	18.1	15.2	9.7	17.9	17.3	16.0
Subtotal Other Revenue	68.0	67.3	65.2	94.7	82.3	86.5
Net Operating Revenue	202.0	193.8	180.4	207.4	190.8	198.6
Operating Expenses						
Personnel Expenses	137.5	128.4	119.0	119.1	122.8	127.6
Non-Personnel Expenses	44.6	36.6	31.6	43.6	51.7	52.2
Debt and Lease Payments	11.0	11.6	12.9	11.1	10.9	11.6
Multiyear Projects	3.5	2.7	2.6	3.0	2.3	3.6
Total Operating Expenses	196.7	179.3	166.2	176.8	187.7	194.9
Capital Transfers	7.2	4.7	9.8	7.2	6.8	3.6
Total Expenses	203.8	184.0	175.9	184.0	194.4	198.5
Total Operating Inflow/(Outflow)	(1.9)	9.8	4.4	23.4	(3.6)	0.0
Balance Sheet Changes/Timing	2.0	(3.2)	(1.0)	(6.2)	1.2	1.1
Operating Surplus/(Deficit)	0.2	6.6	3.5	17.2	(2.5)	1.2

Preliminary Operating Budget

Personnel expenses in the FY24 budget are \$4.8 million more than the FY23 forecast. A summary of the primary factors included are shown below in Table 3.

Table 3: Summary of Personnel Expense Changes

Personnel Expenses (\$ In millions)	
FY23 Forecast	122.8
FY23 Annualized mid-year compensation increase	1.1
Net fringe and vacancy savings adjustments	1.2
FY24 3% compensation increase + Faculty promos	3.5
FY24 Staffing changes	(0.9)
FY24 Proposed Budget	127.6

UNC is the beneficiary of \$5.7 million in donor funds to support the launch of the College of Osteopathic Medicine (COM). The FY24 budget for the college is included in the FY24 preliminary operating budget summarized in Table 1. COM is currently being supported, in full, by the initial donation and has a net zero impact on the operating budget. COM is forecasted to spend \$1.1 million in FY23 and an additional \$1.7 million in FY24, which will leave an estimated \$2.9 million for ongoing support into fiscal year 2024-25.

Table 4: College of Osteopathic Medicine

(\$ in millions)	FY23 Forecast	FY24 Budget
Operating Revenue		
Donor Funds	1.0	1.7
Total Operating Revenue	1.0	1.7
Operating Expenses		
Exempt Salaries	0.4	0.6
Fringe Benefits	0.1	0.2
Subtotal Personnel Expenses	0.6	0.7
Recruiting, Consulting, GME, Accreditation and Other	0.5	1.0
Total Operating Expenses	1.0	1.7
Total Operating Inflow/(Outflow)	-	-