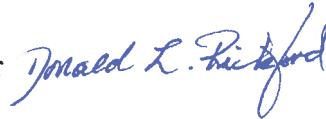


## Fiscal Impact Statement

TO: The Board of Trustees

FROM: Office of the Chief Financial Officer



DATE: March 10, 2014

SUBJECT: Fiscal Impact Statement - Proposed Use of Up To Four Million Dollars of UDC Fund Balance

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The proposed resolution is to approve use of up to \$4.0 million of the University's fund balance to address the following needs: (1) satisfaction of the university's obligation to employees affected by the proposed academic program eliminations; (2) establish an enrollment management fund to improve enrollment and retention; (3) fund an ongoing marketing and recruitment effort to improve fall 2014 and Spring 2015 enrollments; and (4) fund the final phase of the strategic planning process.

### Background

As of the end of FY 2013, the University's unrestricted fund balance is \$13.276 million and these funds are available for use by the University upon approval by the Board of Trustees. Please note that this fund balance of \$13.276 million is less than the minimum amount of fund balance that is recommended by the Governmental Accounting Standards Board for a university with an operating budget similar to UDC's. Also, during the past four years the University incurred the following net operating gains or (losses):

- FY 2010 (\$12,617,276)
- FY 2011 \$12,500,663
- FY 2012 (\$5,840,381)
- FY 2013 \$3,912,515 (Included use of \$9.8M fund balance)

The University's current fund balance of \$13.276 is sufficient to cover this \$4.0 million request.