



University of Colorado **Denver**

CU IN THE CITY



CU Denver Budget

Administration and Finance

Budget Office

Updated 12/15/2021



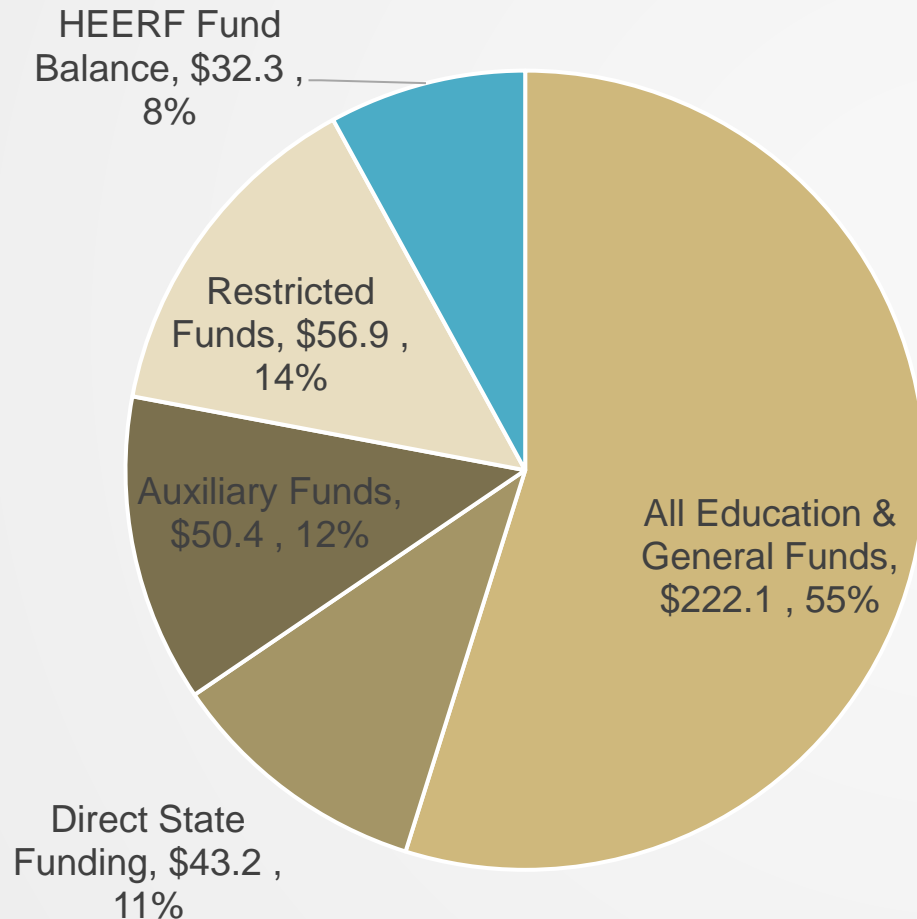
CU DENVER Agenda

- Revenue and Expenses Trends
- FY 2022-23 Budget Planning
- What Does This Mean?
- Discussion



Where does our money come from?

FY 2021-22 Sources of Revenue (Millions)



Unrestricted General Fund

- Main Campus UG and Grad Tuition (aka, D1)

Auxiliary and Self-Funded Activities

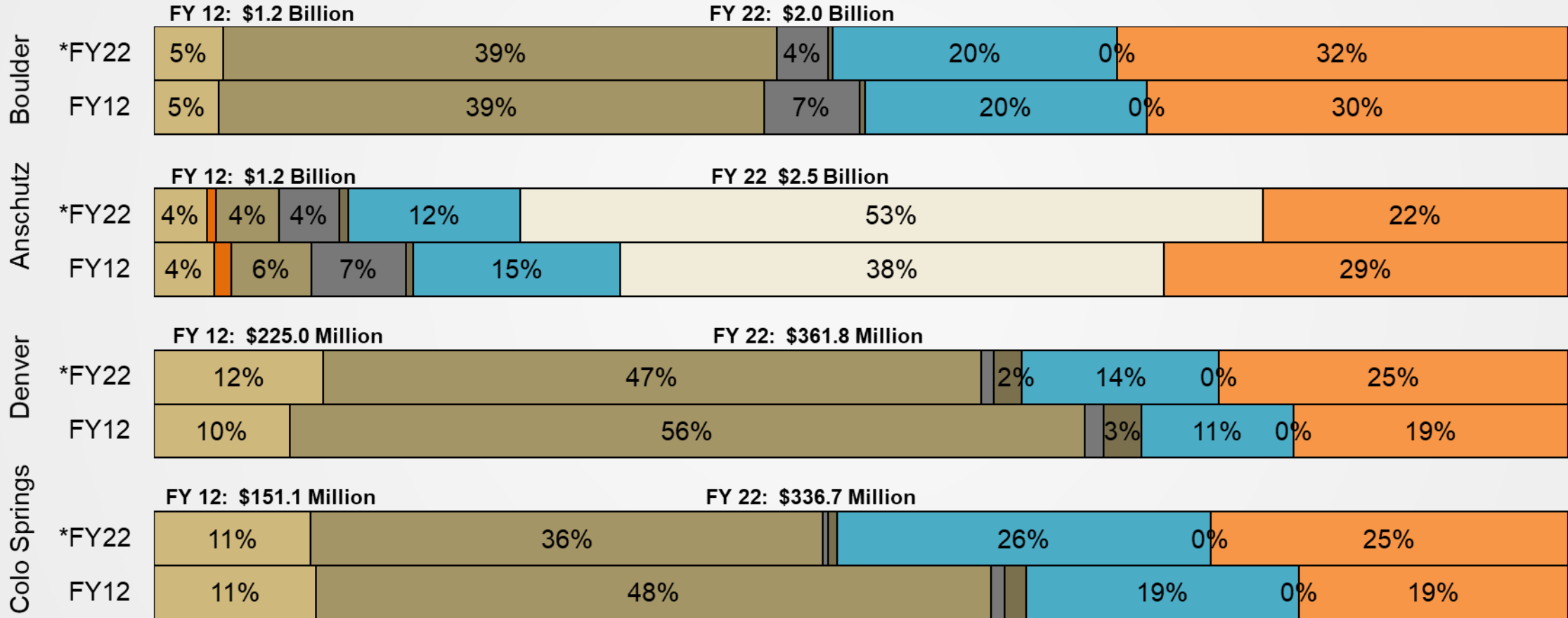
- Extended Studies (D2)
- Continuing Education for non-credit (D3)
- Housing and Wellness Center

Restricted Funds

- Financial Aid
- Sponsored project awards (e.g., grants, contracts from businesses, foundations, and federal or state government agencies)
- Gifts
- Other Federal Aid (e.g., CARES ACT, HEERF)

Current Funds - Funding History by CU Campus

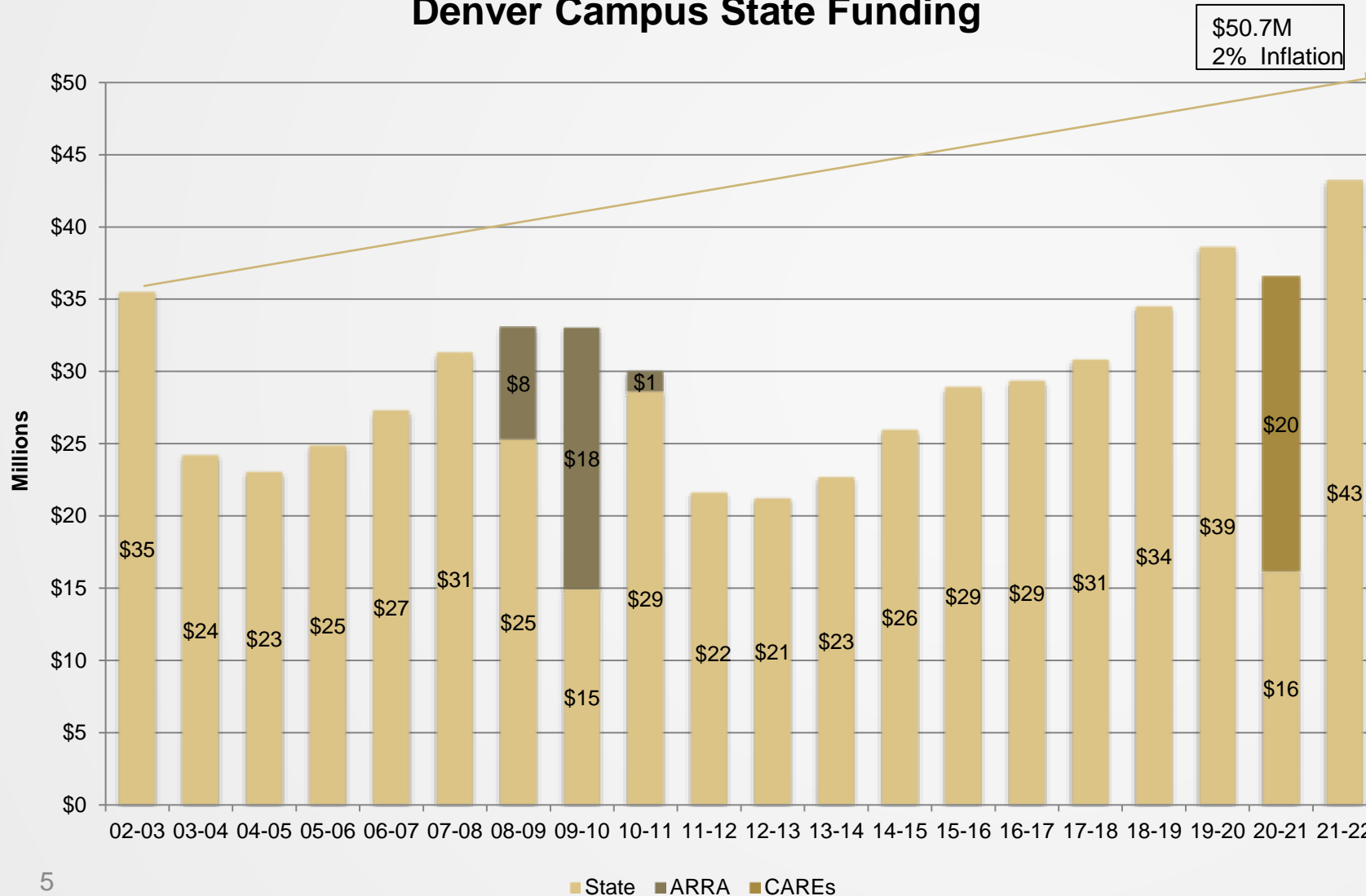
■ State Approp
 ■ Tobacco
 ■ Tuition & Fees
 ■ F&A
 ■ Other Unrestricted
 ■ Auxiliary
 ■ CU Medicine
 ■ Restricted



*Budgeted F&A: Facilities and Administration

State of Colorado Funding

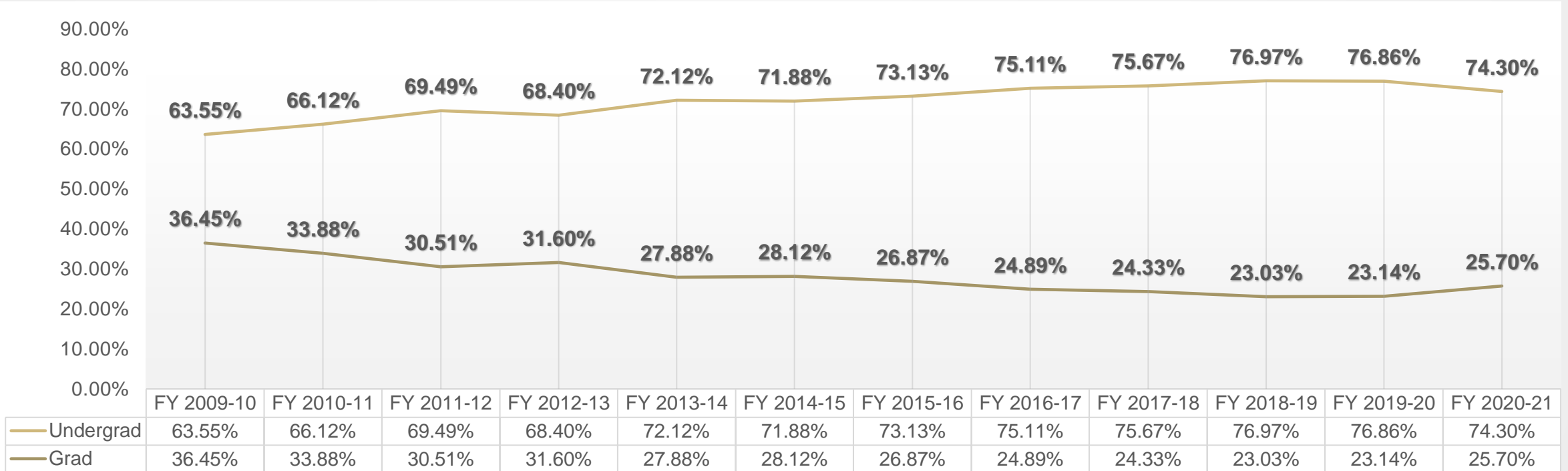
Denver Campus State Funding



➤ Despite recent increases in state appropriations for higher education, funding levels are relatively unchanged since FY 2002-03

Increasing Reliance on Undergraduate Tuition Revenue:

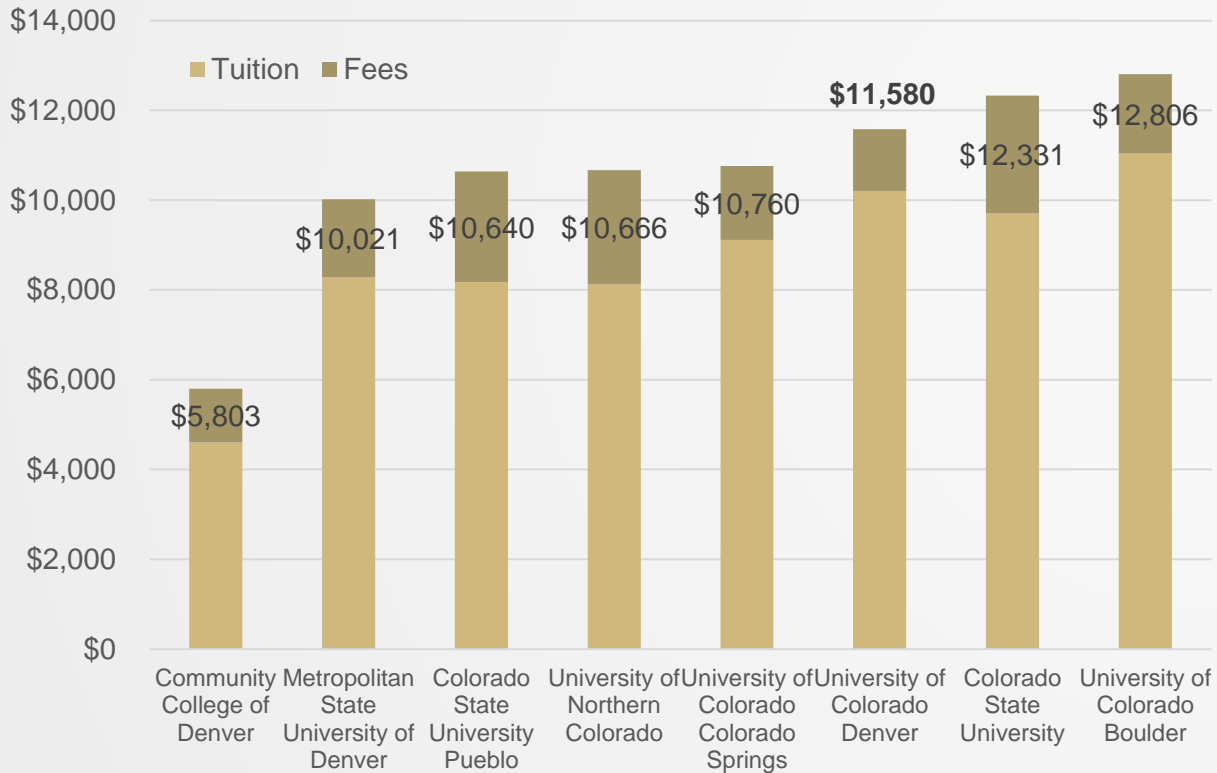
Undergraduate and Graduate Tuition Revenue as % of Total



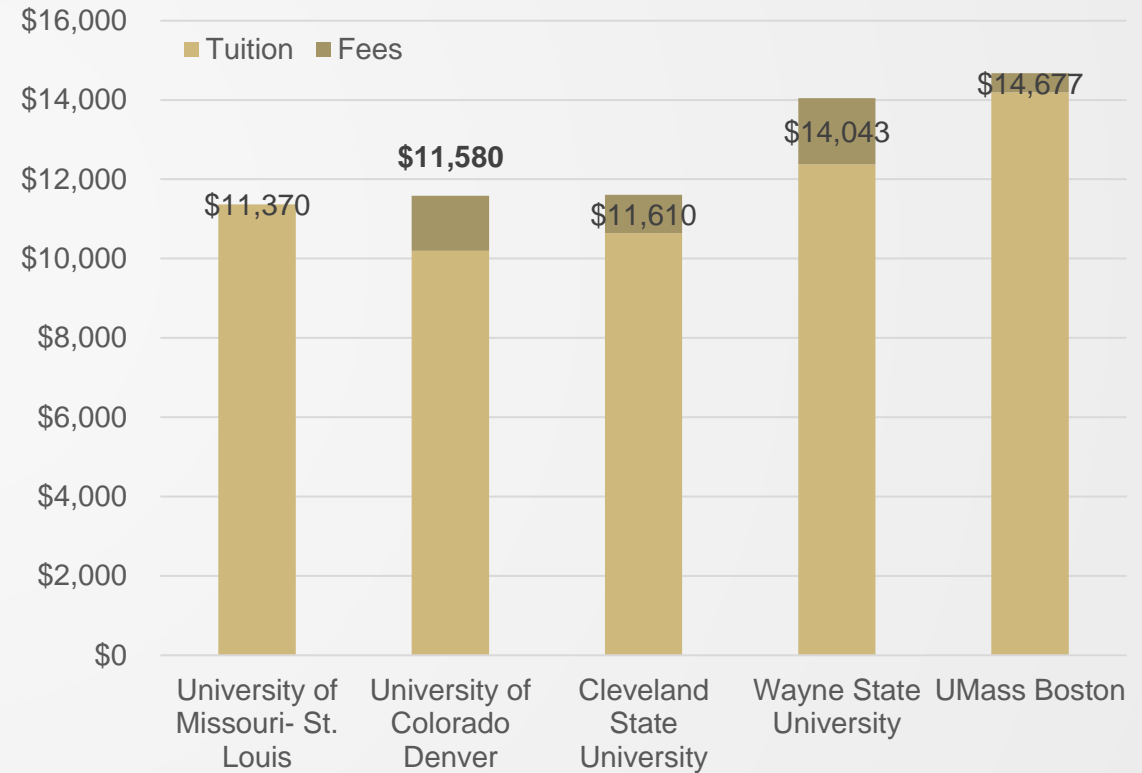
Increasing Reliance on Undergraduate Tuition Revenue:

Undergraduate Resident Tuition & Fees

Fall 2021 Tuition & Fee Comparisons- Colorado Institutions

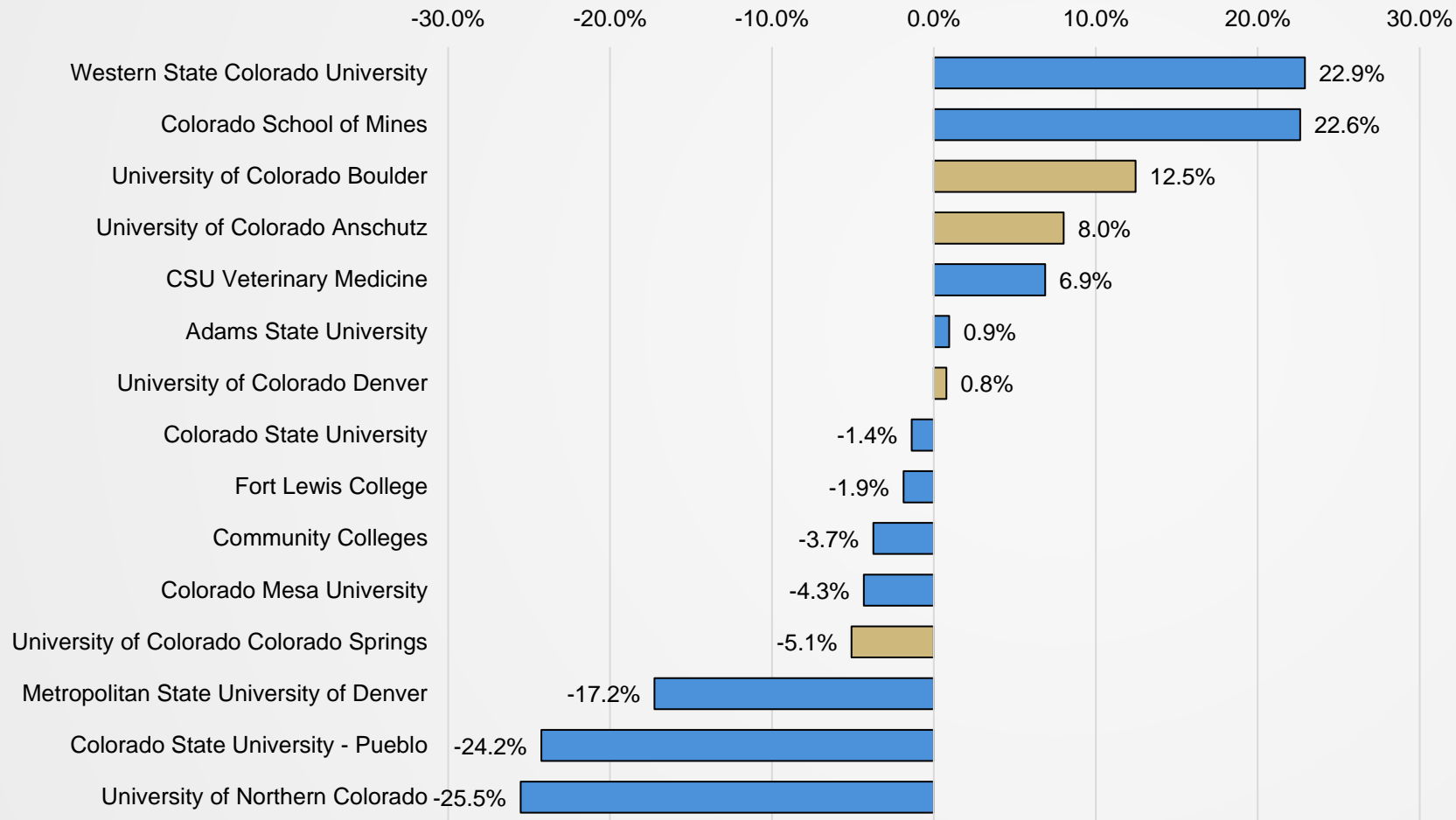


Fall 2021 Tuition & Fee Comparisons- Peer Institutions



CU Denver State Enrollment Trends

Fall Census Headcount % Change 2016 to 2021



Over the past 5-years, enrollment has grown for most of the campus in the University of Colorado system while most other Colorado public institutions have experienced significant declines

Auxiliary Enterprises

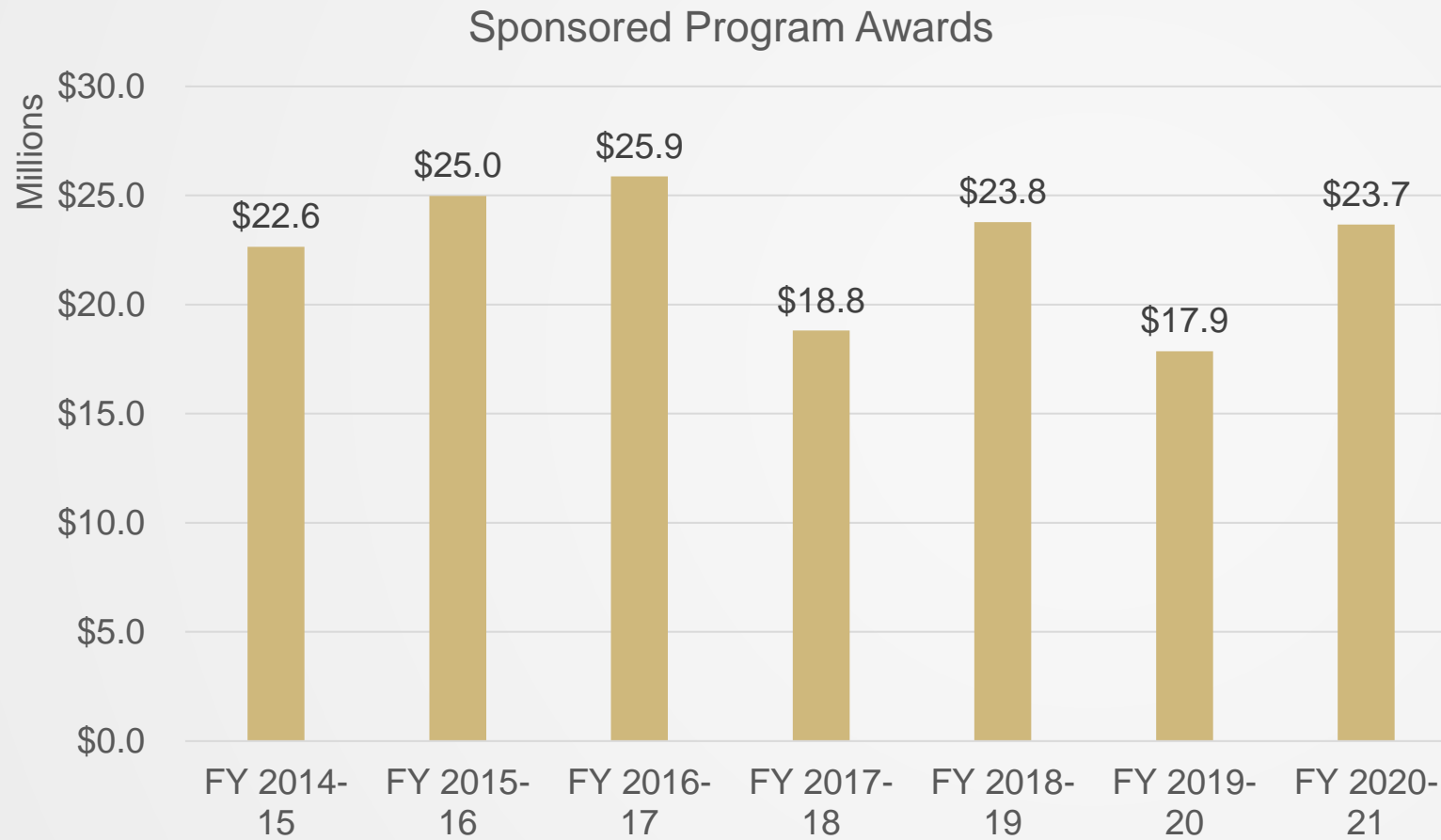
General Auxiliary

- Lynx Crossing
- City Heights
- Student Wellness Center
- A small amount of parking

Education Related Auxiliary

- School and College Extended Studies and Continuing and Professional Education
- International College of Beijing
- CU Succeed
- Fee for service

Flat Growth in Sponsored Research

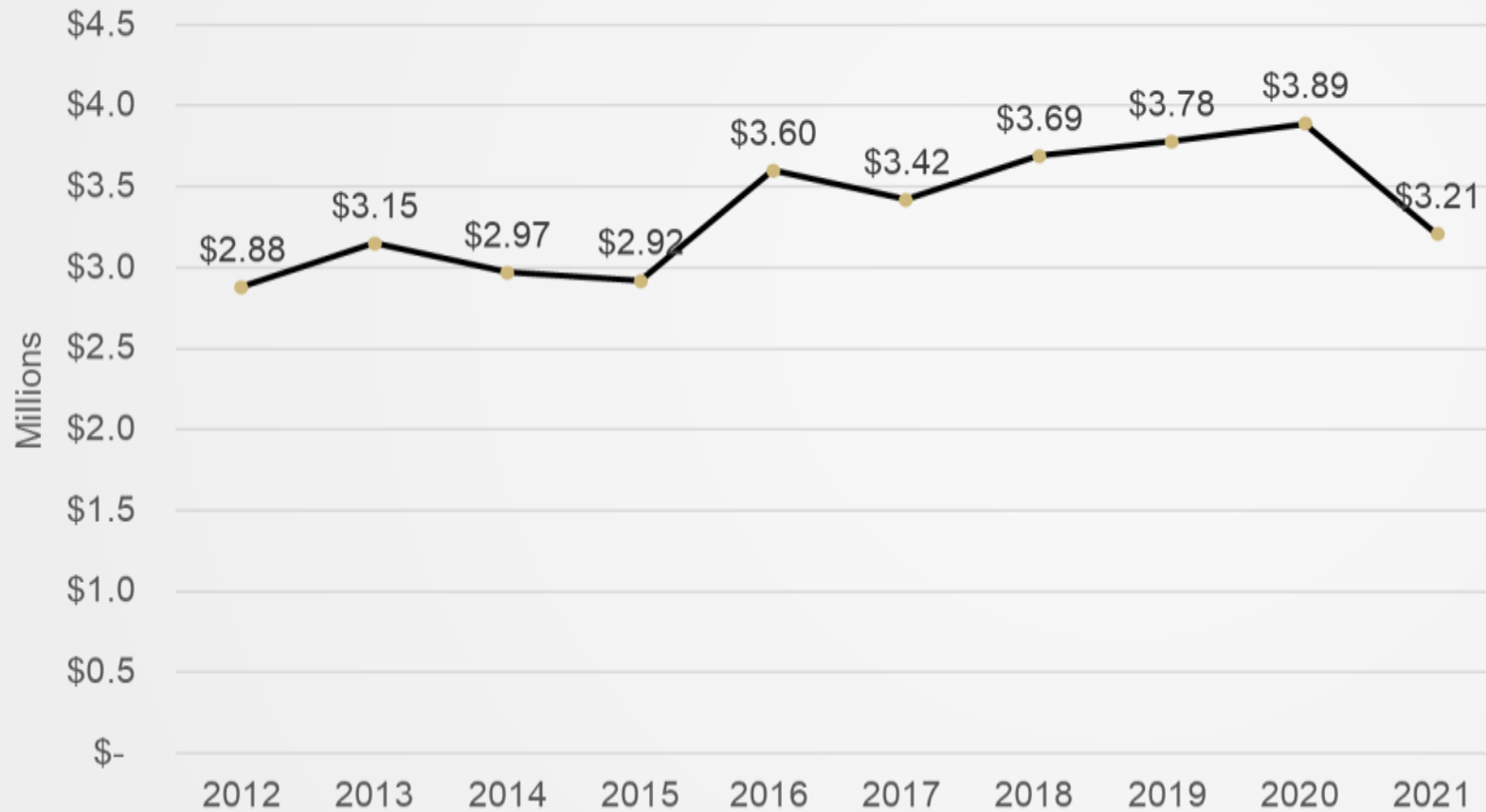


Less than half of our restricted fund is sponsored research, which is another factor increasing our reliance on undergraduate tuition revenue



Flat Growth in Sponsored Research

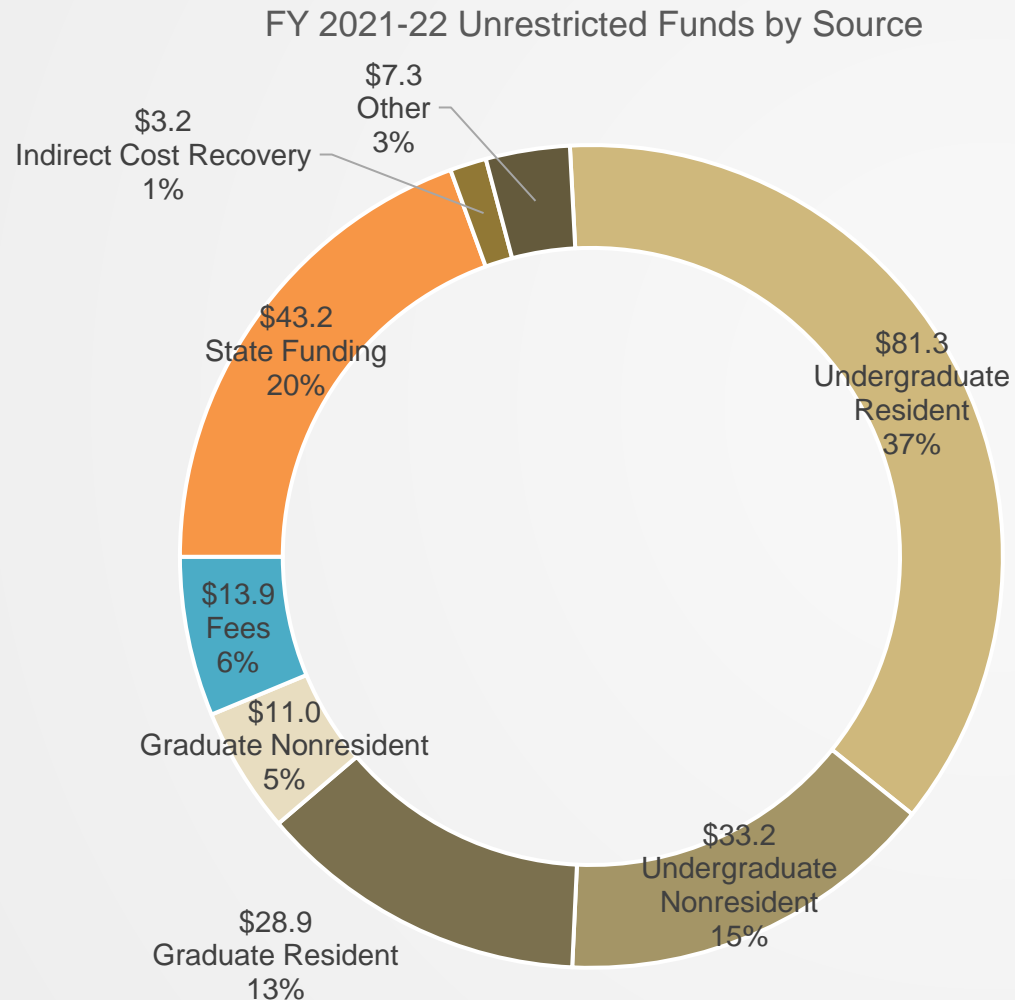
Facilities and Administrative (F&A) Revenue
Denver Campus



F&A Has Been Relatively Flat Over the Past Ten-Years



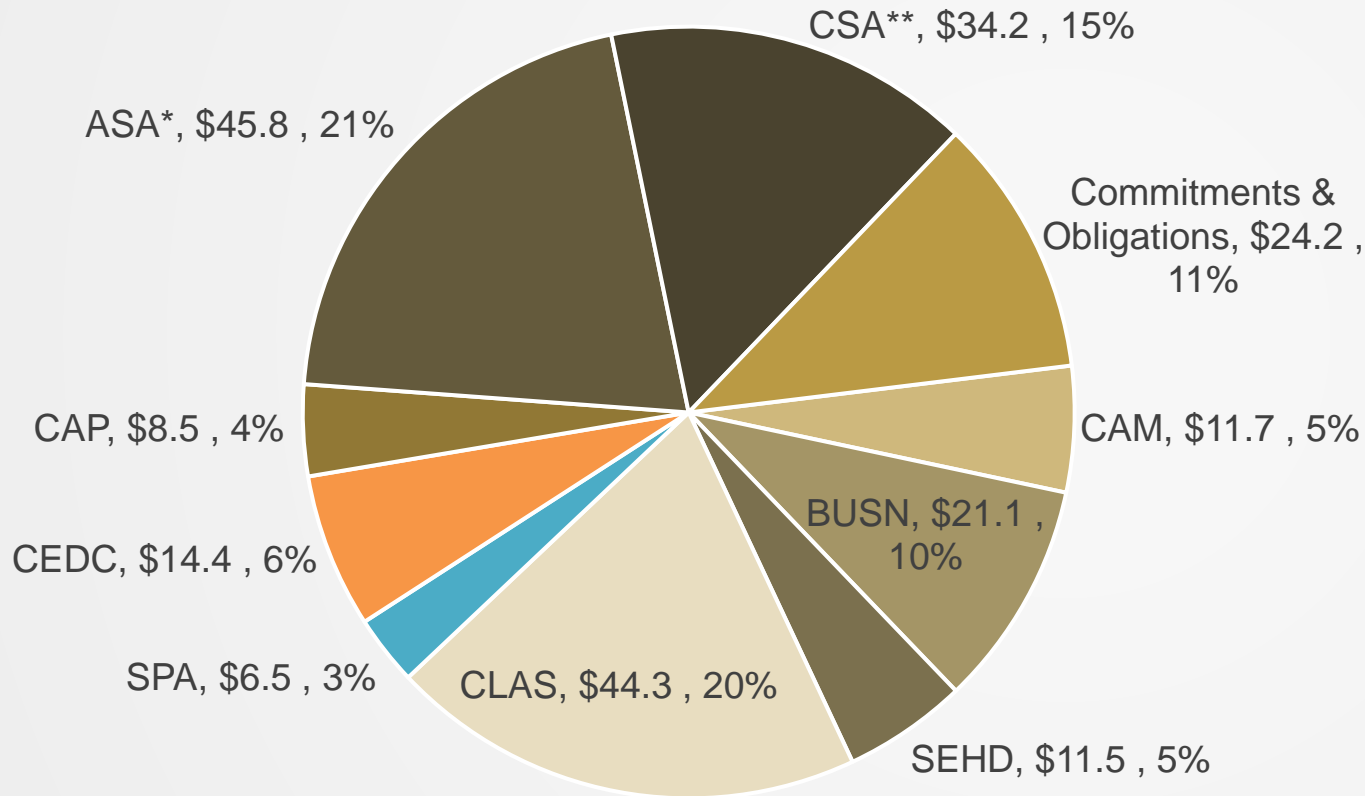
Where does our money come from?



- Our budgeted unrestricted fund revenue is \$222.1M
- 76% of the unrestricted fund revenue is from students and families (tuition & fees)

Where does our money go?

FY 2021-22 Unrestricted Fund Budget (\$222.1M)



- All \$222.1M of our budgeted unrestricted fund revenue is allocated through the budget process
 - Central Support Units are reviewed by CACB
 - School/college budgets allocated through budget model
 - Strategic initiatives pool reviewed by CACB

*ASA includes Graduate School, Institutional Aid, Research, and Library

**CSA includes Facilities

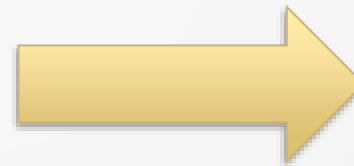
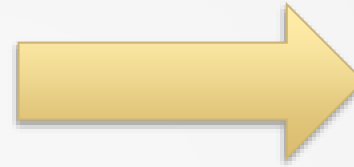
Shared Campus Administration

▶ Central Services & Administration (CSA)

- *Office of Information Technology*
- *Human Resources*
- *Facilities Operations*
- *Financial Services*
- *Police and Security*

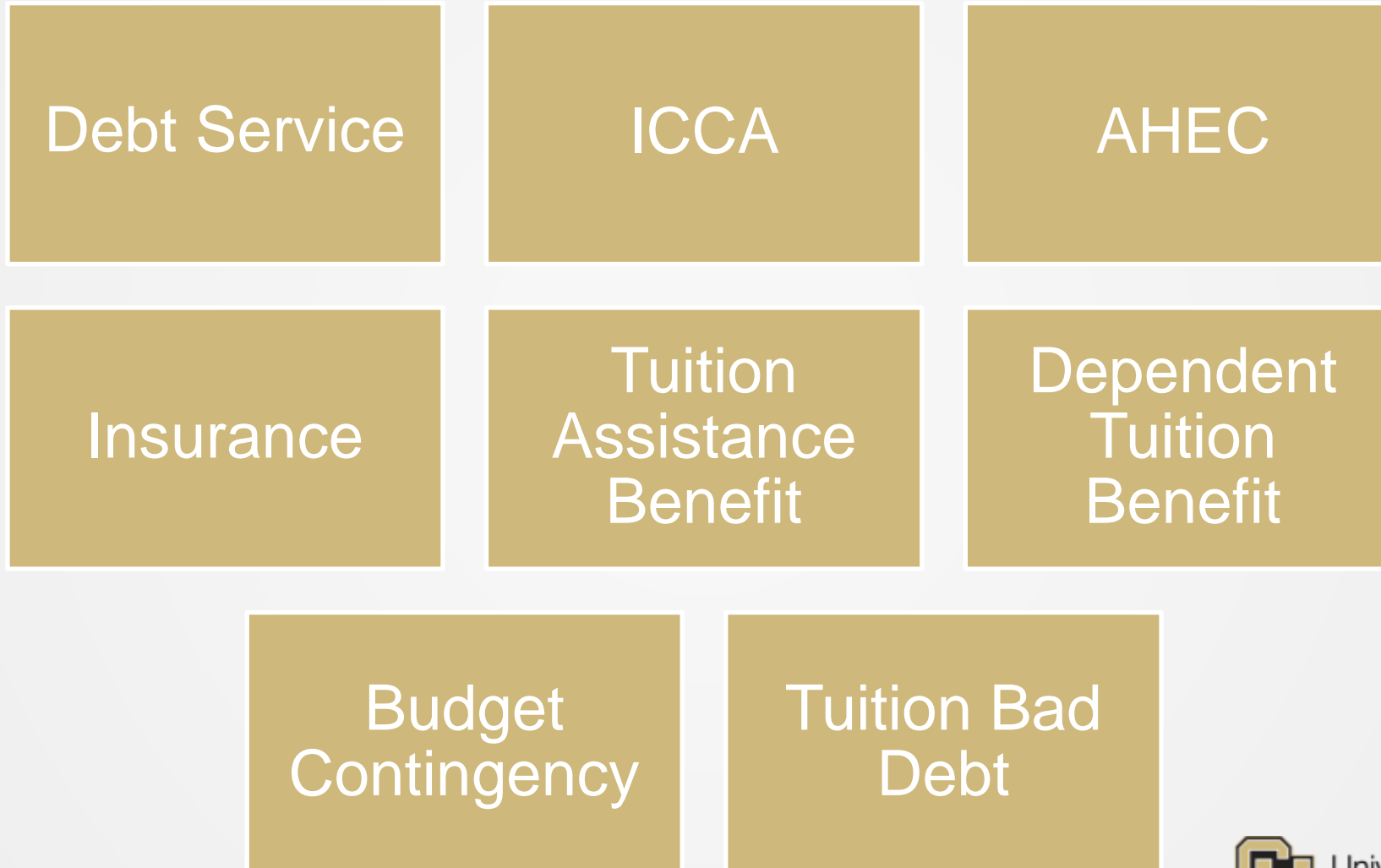
▶ Academic and Student Affairs (ASA)

- *Faculty Affairs*
- *Student Affairs*
- *Academic Planning*
- *Office of Institutional Research & Effectiveness*
- *International Affairs*



**\$ Allocated to
Denver and
Anschutz
campuses via
metrics**

Commitments & Obligations



Setting the Stage for FY 2022-23

Balancing Mandatory Costs and Strategic Investments

Mandatory

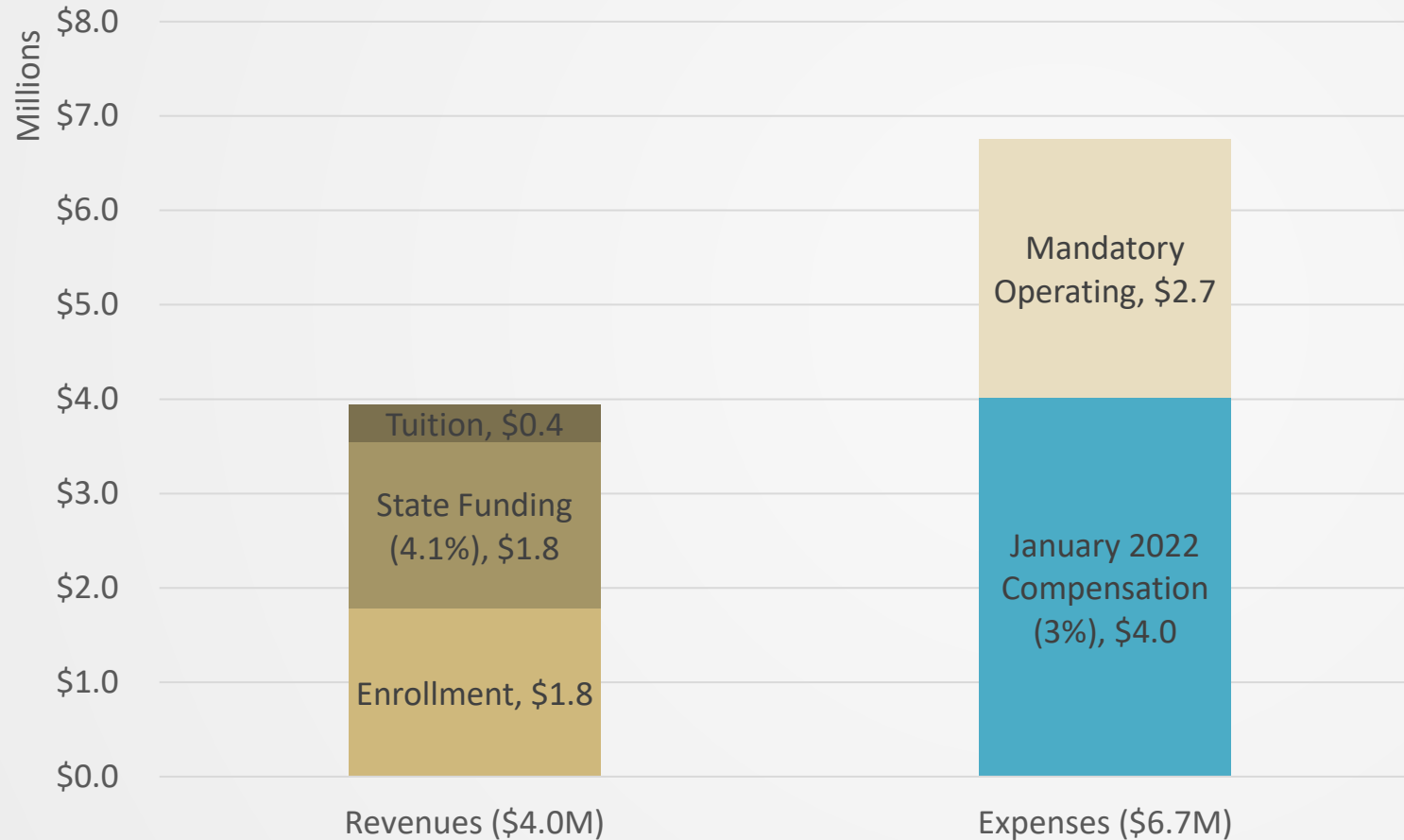
Classified Salary Pool	AHEC/System Increases	Health/Life/Dental Benefits
Software License	Risk Management	Debt Service
Compliance	Capital Needs	Equal Pay Act
	System-wide IT Projects	

Areas for Investment

Salary Pool for Exempt Faculty & Staff	Institutional Financial Aid	School/College Initiatives
Central Support Unit Initiatives	Operating Budgets	Deferred Maintenance
New Capital Projects	Campus-wide Reserves and Contingencies	Investments in Student Retention
Student Recruitment	Research and Creative Work	Diversity, Equity and Inclusion Initiatives

FY 2022-23 Initial Planning

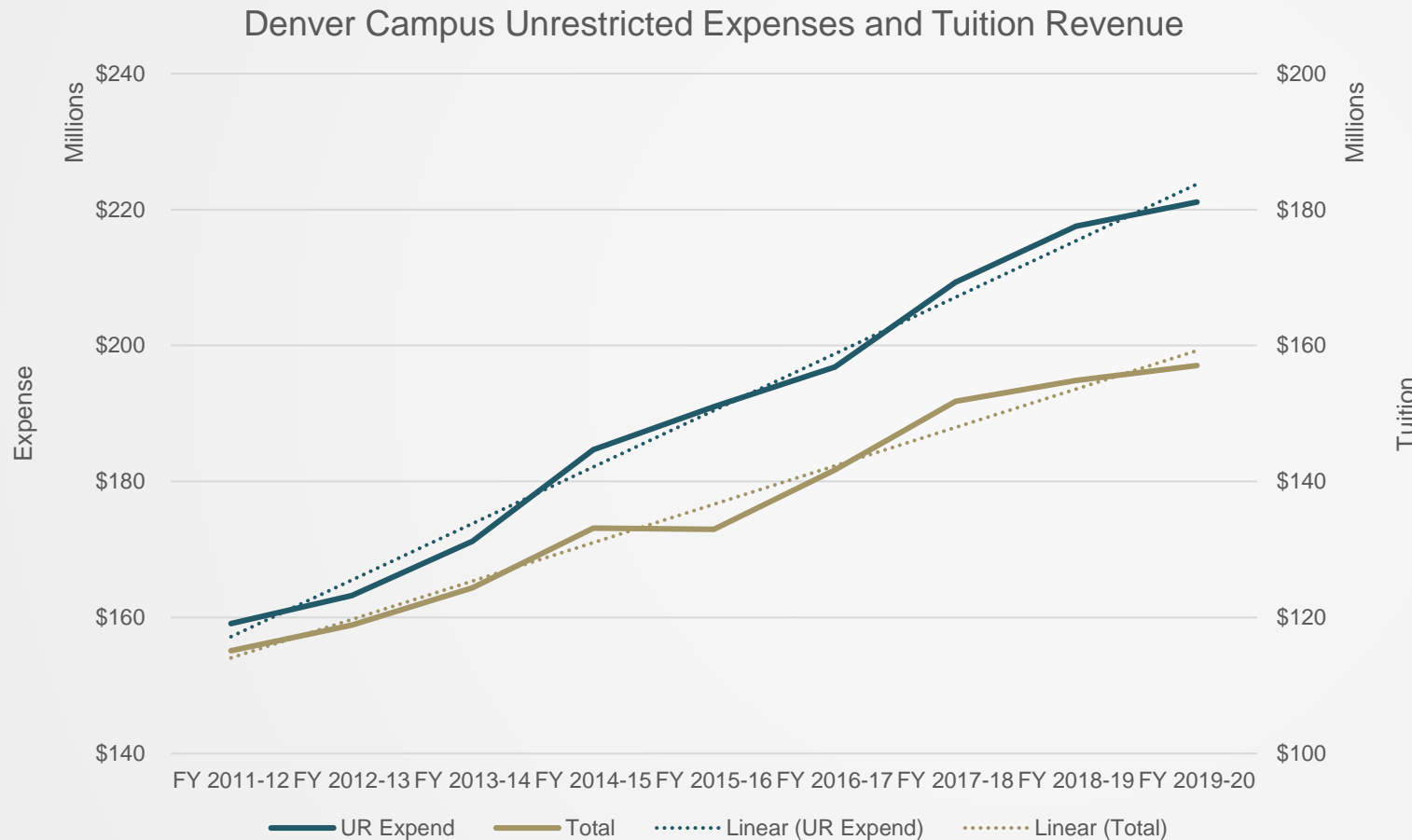
FY 2022-23 Planning Estimates



- ▶ 0% undergraduate resident tuition increase
- ▶ State funding increase of 4.1%
- ▶ Small tuition revenue increase from market balancing of graduate resident rates

- ▶ Reduction in ICCA included in mandatory operating, partially offsets the FY 2021-22 compensation increase
- ▶ 0% compensation increase for January 1, 2023

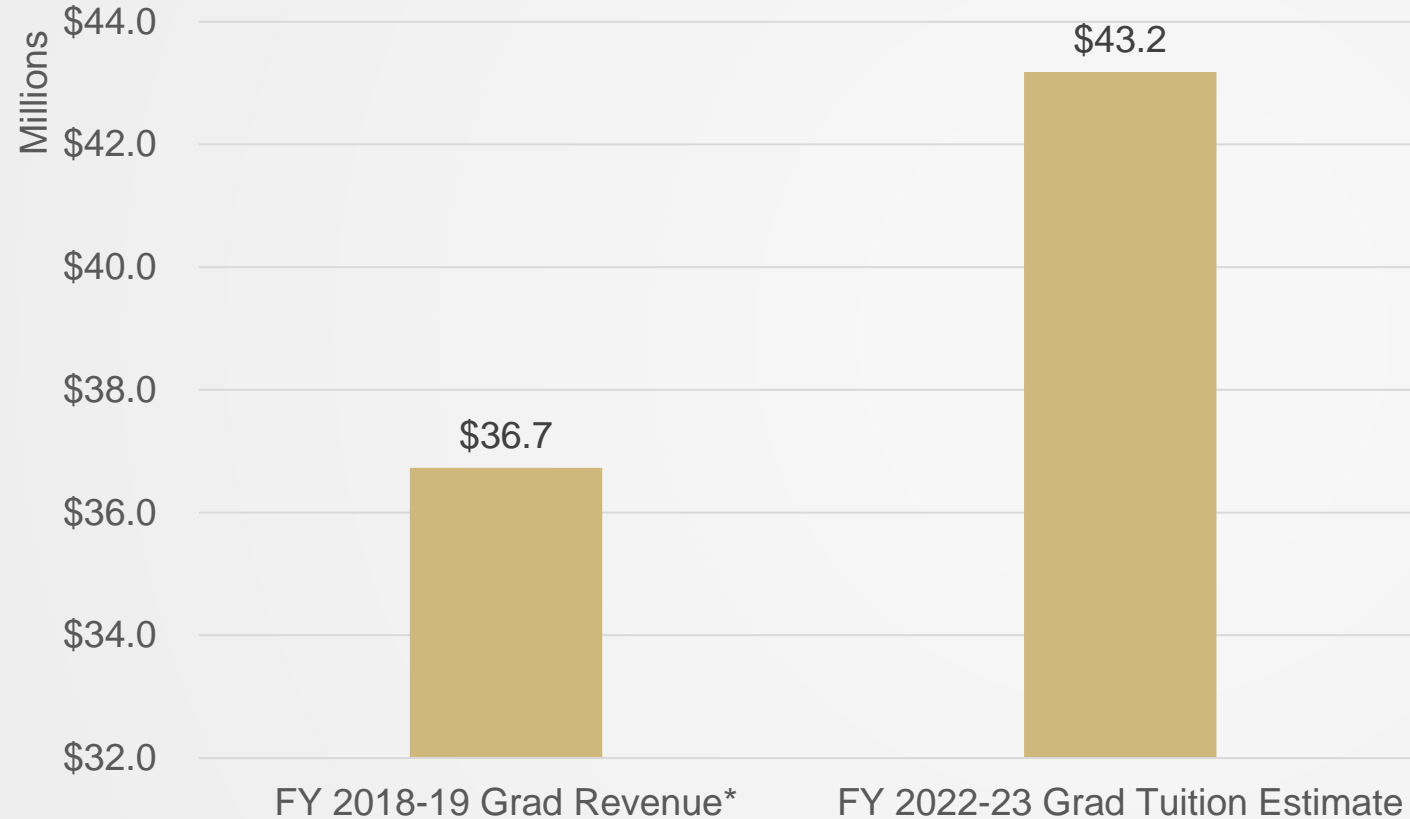
Historical Structural Gap



- Expenses have increased by an average of 4.1% per year since FY 2011-12
 - ▶ Over this 10-year period, expenses have increased 40%
- Tuition revenue has increased by an average of 3% per year since FY 2011-12
 - ▶ Over this 10-year period, tuition revenues increased 34%

Upcoming Graduate Tuition Cliff

Graduate Tuition Revenue Comparison

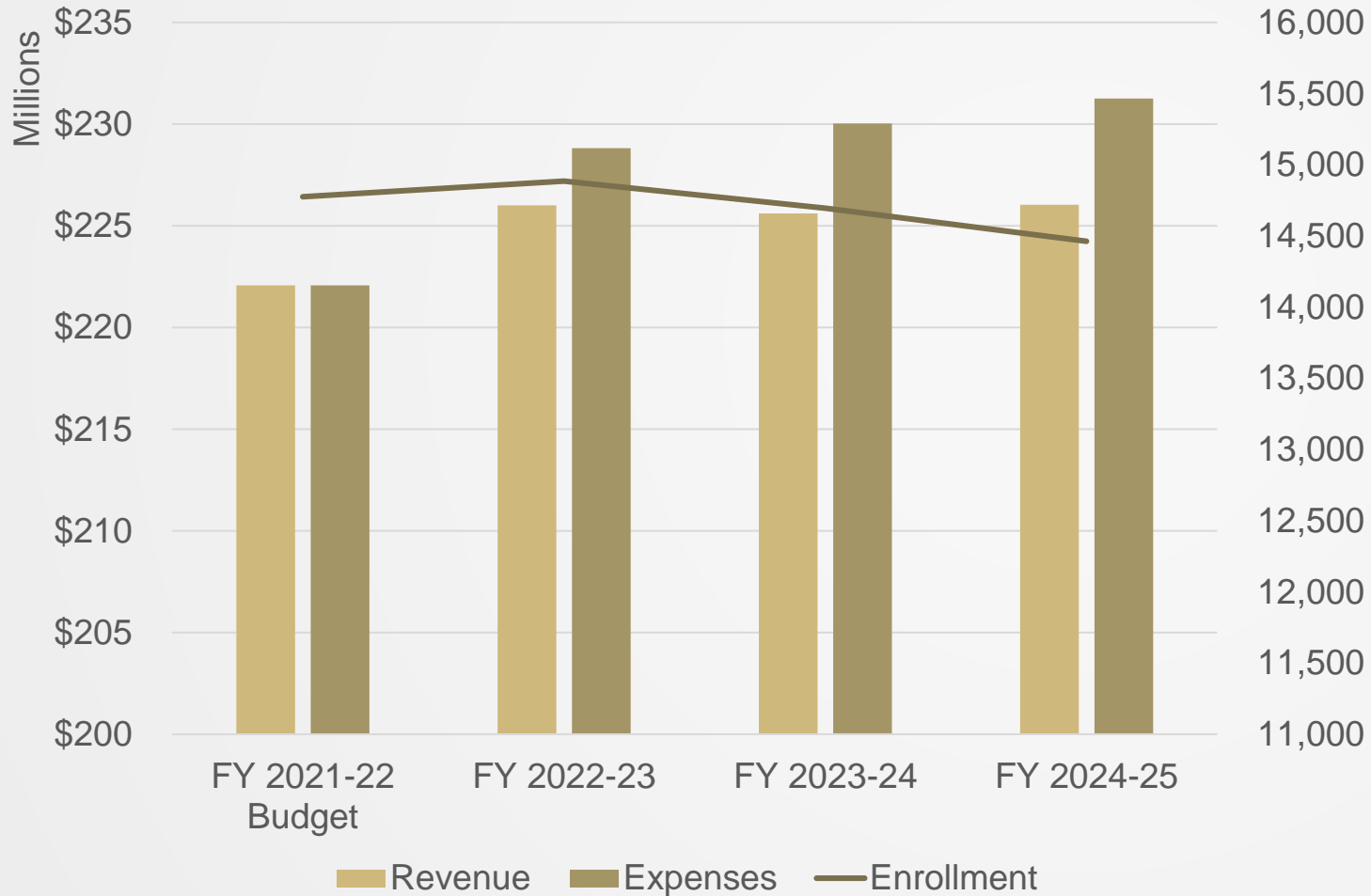


- Undergraduate tuition revenue is declining.
- Graduate tuition revenue is increasing, helping the campus overall.
- Returning to FY 2018-19 enrollment levels would result in a decrease in tuition of about \$6.5 million.

*Adjusted for tuition rate change to isolate the effect of enrollment only

Revenue and Expense Looking Forward

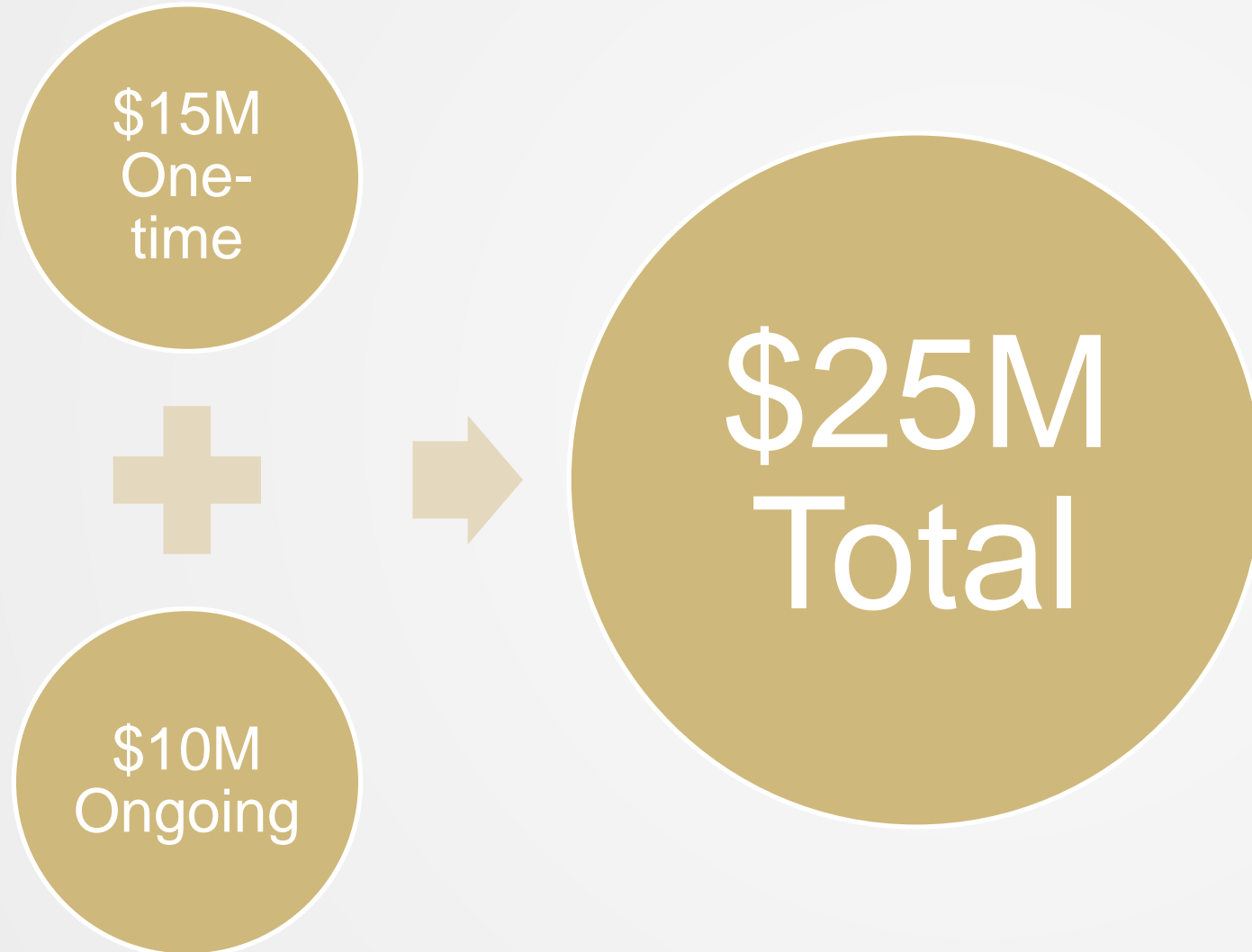
Unrestricted Fund and Enrollment Projections



- ▶ Based on the current enrollment forecast, our revenue picture is challenging in the near future
 - Enrollment mix has shifted to more volatile student populations, such as nonresident and graduate

- ▶ Expenses will continue to grow by at least mandatory increases, leading to further budget pressure

FY 2022-23 Budget Requests



- ▶ We have one-time funds to utilize to kickstart the campus strategic plan, as well as one-time Advancing the Strategic Plan funds from the President's Office
- ▶ The campus needs to ensure that one-time funds are used only for one-time items (for example, deferred maintenance capital projects)
- ▶ We need to look for ways to strategically deploy these one-time resources to provide flexibility in future budgets (for example, reducing debt service)

What Does This Mean?

- Mandatory increases consistently absorbs the revenue increases every year, leaving little room for on-going investments
- We have one-funds to kickstart the initiatives coming out of the Strategic Plan
- We have historically funded on-going items using one-time resources, which has caused our historical structural gap
- We will all have to reallocate on-going funds to campus priorities in order to make the Strategic Plan come to life
- We need to prioritize and pace initiatives
- We must diversify our sources of revenue
- We need to reevaluate the budget model to align it with the strategic plan

Strategic Planning and Budget Calendar

	July	August	Sept.	October	Nov.	Dec.	January	Feb	March	April	May	June
Strategic Planning		Offsite strategic planning meetings	Strategic Plan Funding discussions	Strategic Plan funding decisions finalized								
FY 2022-23 Budget Cycle			Budget cycle kickoff		Budget templates released; Fee requests due	Budget templates due; Initial Global Budget Assumptions	Unrestricted Fund Budget Submission (Tuition, Fees, Comp)	Initial budget model review	Finalize Central Support Unit budgets; Strategic initiatives discussions	Strategic Initiatives decisions; Budget allocations finalized		
Other			Fall census; Jan 1 salary decision		Salary setting (if necessary)			BOR: 1 st Meeting on Budget, Tuition and Fees	Auxiliary budget projections due	BOR: 2 nd Meeting on Budget Tuition and Salary Pool		BOR: 3 rd Meeting on Budget BOR acts on Budget



University of Colorado **Denver**

CU IN THE CITY

Discussion