



University of Colorado **Denver**



CU Denver Budget

Administration and Finance

Budget Office

Updated 2/16/2022

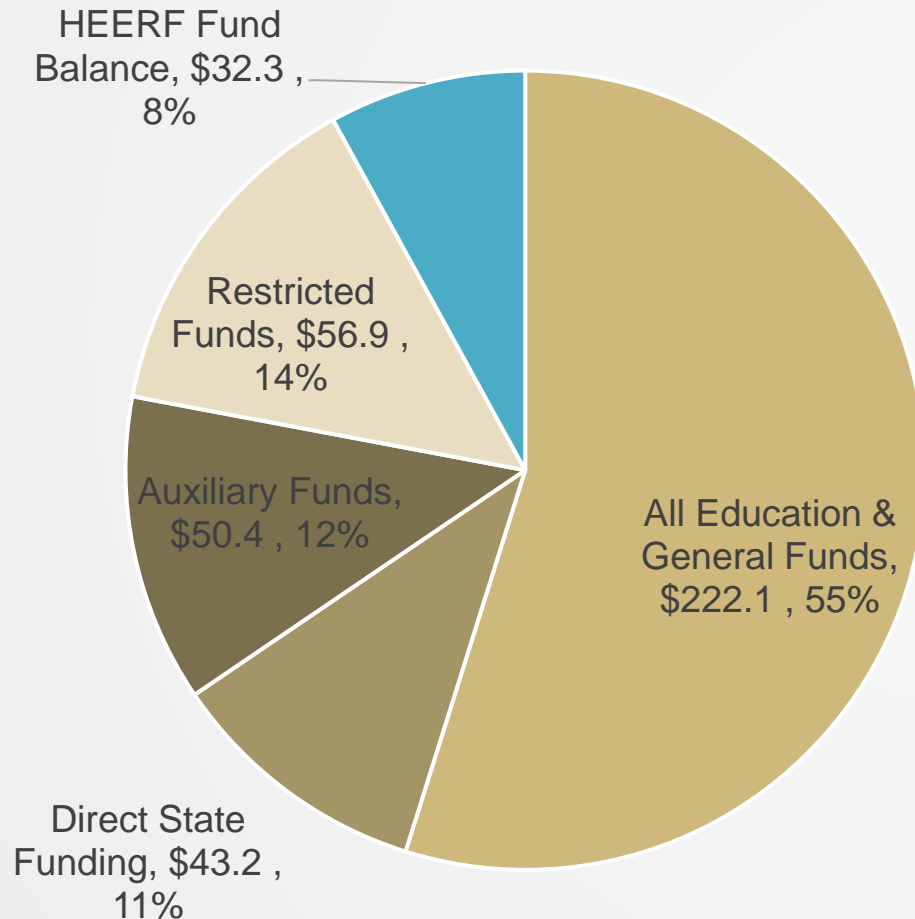
CU DENVER Agenda

- February 2022 Board of Regents
- Multi-year Budget Planning
- FY 2022-23 Budget Requests
- 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)

Tuition, Fee, and Compensation Assumptions

- ▶ Undergraduate Resident Tuition Rates (CU Denver, UCCS, CU Anschutz)
 - Scenario A = 0.0%, Scenario B = 3.0%, and Scenario C = 2.0%
- ▶ Reflects mandatory fees into tuition
- ▶ JBC approved 3.0% across-the-board salary survey on 1/27/22
- ▶ Classified employee compensation 3.0% in all Scenarios
- ▶ Non-classified and faculty 3.0% in Scenarios B and C

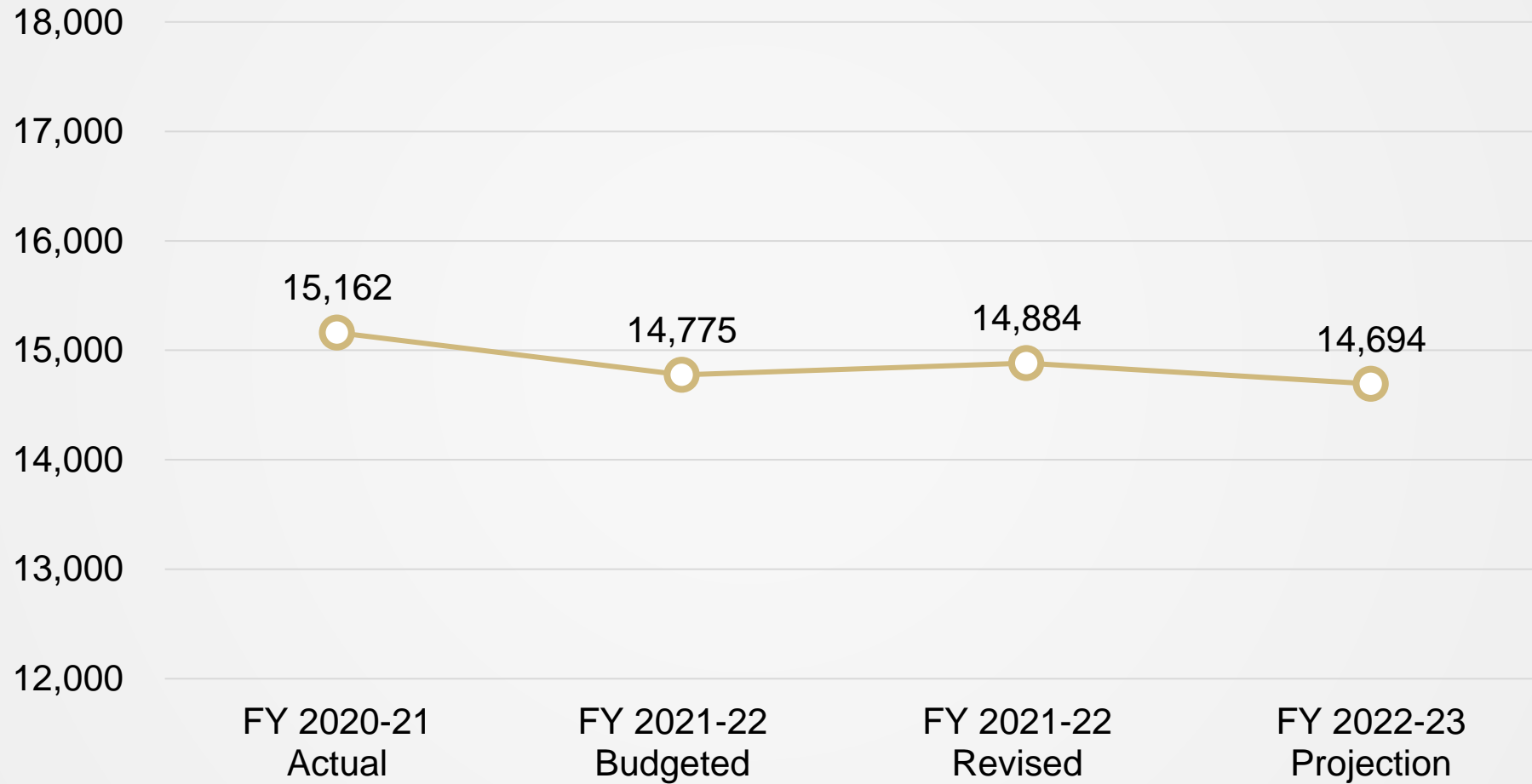
Current Year Budget Update, CU Denver

- ▶ Enrollment as of Fall 2021 census is over budget by +0.7 percent. Notable areas of change include:
 - Undergraduate resident enrollment is -1.0 percent under budget and graduate resident is -2.2 percent under budget
 - Total nonresident enrollment is over budget by +13.7 percent, driven by a historically large number of new domestic nonresident undergraduates and increases in domestic nonresident graduate students in fall 2020 and fall 2021
- Annualized tuition and fee revenue coming in slightly above budget.
- Anticipate \$2.3 million expenditure increase related to January compensation adjustments.
- All other expenditures track to budget.

CU Denver FY 2022-23 Enrollment Projections

- ▶ Overall decrease of 1.3 percent in enrollment for FY 2022-23
- ▶ Undergraduate enrollment is projected to decline by 2.7 percent
 - New freshmen are anticipated to remain around fall 2021 levels
 - New transfers are expected to decrease given weakness in community college enrollment
 - Continuing undergraduates are projected to decline given the enrollment decreases experienced since fall 2020
- ▶ Graduate enrollment is projected to increase by 1.7 percent due to enrollment growth experienced since fall 2020

CU Denver - Enrollment



CU Denver FY 2022-23 Budget Highlights

- ▶ Recognizing an ever-increasing reliance on tuition revenue along with market pressure on tuition rates, CU Denver plans minimal tuition increases:
 - Increase to convert fees to tuition.
 - Market adjustment to select resident graduate tuition rates to better align with Colorado, regional, and peer institutions.
- ▶ Estimated mandatory cost increases (including HLD, Denver minimum wage, and AHEC) plus the unfunded FY 2021-22 compensation increases exceed the anticipated revenue growth resulting in a general operating budget shortfall.
- ▶ Continued investment in Affordability & Access by increasing Institutional Financial Aid to keep pace with tuition and fee rate changes.

CU Denver Expenditures, FY 2022-23

Expenses	FY 2021-22 Original Budget	FY 2021-22 Budget Adjustment	FY 2022-23					
			Scenario A		Scenario B		Scenario C	
Operating Expense			\$ Change	% Change	\$ Change	% Change	\$ Change	% Change
Compensation (1)								
Salary Faculty and Graduate Students	\$63,016,764	\$1,098,700	\$1,136,510	1.8%	\$3,058,030	4.8%	\$3,058,030	4.8%
Salary Exempt	\$46,407,973	\$739,300	\$581,340	1.2%	\$1,994,640	4.2%	\$1,994,640	4.2%
Salary Classified and Hourly	\$7,836,565	\$0	\$341,100	4.4%	\$341,100	4.4%	\$341,100	4.4%
Benefits - Faculty and Exempt	\$33,260,118	\$462,000	\$2,531,970	7.5%	\$3,276,280	9.7%	\$3,276,280	9.7%
Benefits - Classified & Staff Tuition Waiver	\$4,431,600	\$0	\$211,690	4.8%	\$211,690	4.8%	\$211,690	4.8%
Mandatory Transfers/Other	\$7,464,494	\$0	\$735,000	9.8%	\$735,000	9.8%	\$735,000	9.8%
Institutional Financial Aid	\$15,073,143	\$0	\$0	0.0%	\$0	0.0%	\$0	0.0%
General Operating	\$31,934,353	\$0	(\$2,467,591)	-7.7%	(\$2,534,211)	-7.9%	\$612,645	1.9%
Library Expense	\$3,434,533	\$0	\$0	0.0%	\$0	0.0%	\$0	0.0%
Utilities	\$862,111	\$0	\$0	0.0%	\$0	0.0%	\$0	0.0%
ICCA*	\$7,286,293	\$0	\$883,241	12.1%	\$1,008,366	13.8%	\$1,008,366	13.8%
Insurance	\$1,053,065	\$0	\$21,861	2.1%	\$21,861	2.1%	\$21,861	2.1%
Operating Expense Total	\$222,061,012	\$2,300,000	\$969,983	0.4%	\$5,470,618	2.3%	\$8,496,474	3.8%

*Campus may utilize one-time reserves in FY 2022-23 to partially mitigate operating reductions while implementing a multi-year budget realignment process.

**FY 2022-23 ICCA adjustment shows the annual increase after accounting for the revised base adjustment of \$3.0 million to accommodate compensation action in November 2021.

CU Denver Expenditures, FY 2022-23 (cont.)

Expenses	FY 2021-22 Original Budget	FY 2021-22 Budget Adjustment	FY 2022-23					
			Scenario A		Scenario B		Scenario C	
Operating Expense			\$ Change	% Change	\$ Change	% Change	\$ Change	% Change
Campus Initiatives								
Financial Aid			\$0		\$363,000		\$242,000	
Campus Initiatives Total		\$0	\$0		\$363,000		\$242,000	
Total Estimated Budget	\$222,061,012	\$2,300,000	\$4,086,356	1.8%	\$8,992,999	4.0%	\$8,871,999	4.0%

CU Denver Targeted Investments

- ▶ Align increases to tuition with increases to the financial aid budget to maintain affordability and remove financial barriers for individuals and families who are the most susceptible to changes in economic conditions.
 - 3% tuition increase: \$363,000 Financial Aid (Scenario B)
 - 2% tuition increase: \$242,000 Financial Aid (Scenario C)

CU Denver Tuition, FY 2022-23

Projected Tuition Revenue Sources	FY 2021-22 Original Budget (Current Rate)	FY 2022-23			Notes
		Scenario A	Scenario B	Scenario C	
Resident Undergraduate Tuition Rate	\$10,620				
Dollar Change		\$0	\$300	\$210	
Percent Change*		0.0%	2.8%	2.0%	
Proposed Resident Undergraduate Tuition Rate		\$10,620	\$10,920	\$10,830	
Non-Resident Undergraduate Tuition Rate	\$31,860				
Dollar Change		\$0	\$930	\$630	
Percent Change*		0.0%	2.9%	2.0%	
Proposed Non-Resident Undergraduate Tuition Rate		\$31,860	\$32,790	\$32,490	
International Undergraduate Tuition Rate	\$33,420				
Dollar Change		\$0	\$990	\$660	
Percent Change*		0.0%	3.0%	2.0%	
Proposed Non-Resident Undergraduate Tuition Rate		\$33,420	\$34,410	\$34,080	
Resident Graduate Tuition Rate	\$12,060				
Dollar Change		\$570	\$930	\$810	Increasing the graduate resident rate for Liberal Arts and Education by 5% as a market adjustment
Percent Change**		4.7%	7.7%	6.7%	
Proposed Resident Graduate Tuition Rate		\$12,630	\$12,990	\$12,870	
Non-Resident Graduate Tuition Rate	\$39,210				
Dollar Change		\$0	\$1,170	\$780	
Percent Change**		0.0%	3.0%	2.0%	
Proposed Non-Resident Graduate Tuition Rate		\$39,210	\$40,380	\$39,990	

Note: all tuition rates reflect the mandatory fees converted into tuition that was approved by the Board in June 2021.

CU Denver FY 2022-23 and Auraria Fees

- ▶ Fees converted to tuition
 - Information Technology fee, \$12.00 per credit hour
 - Student Information Fee, \$2.00 per credit hour

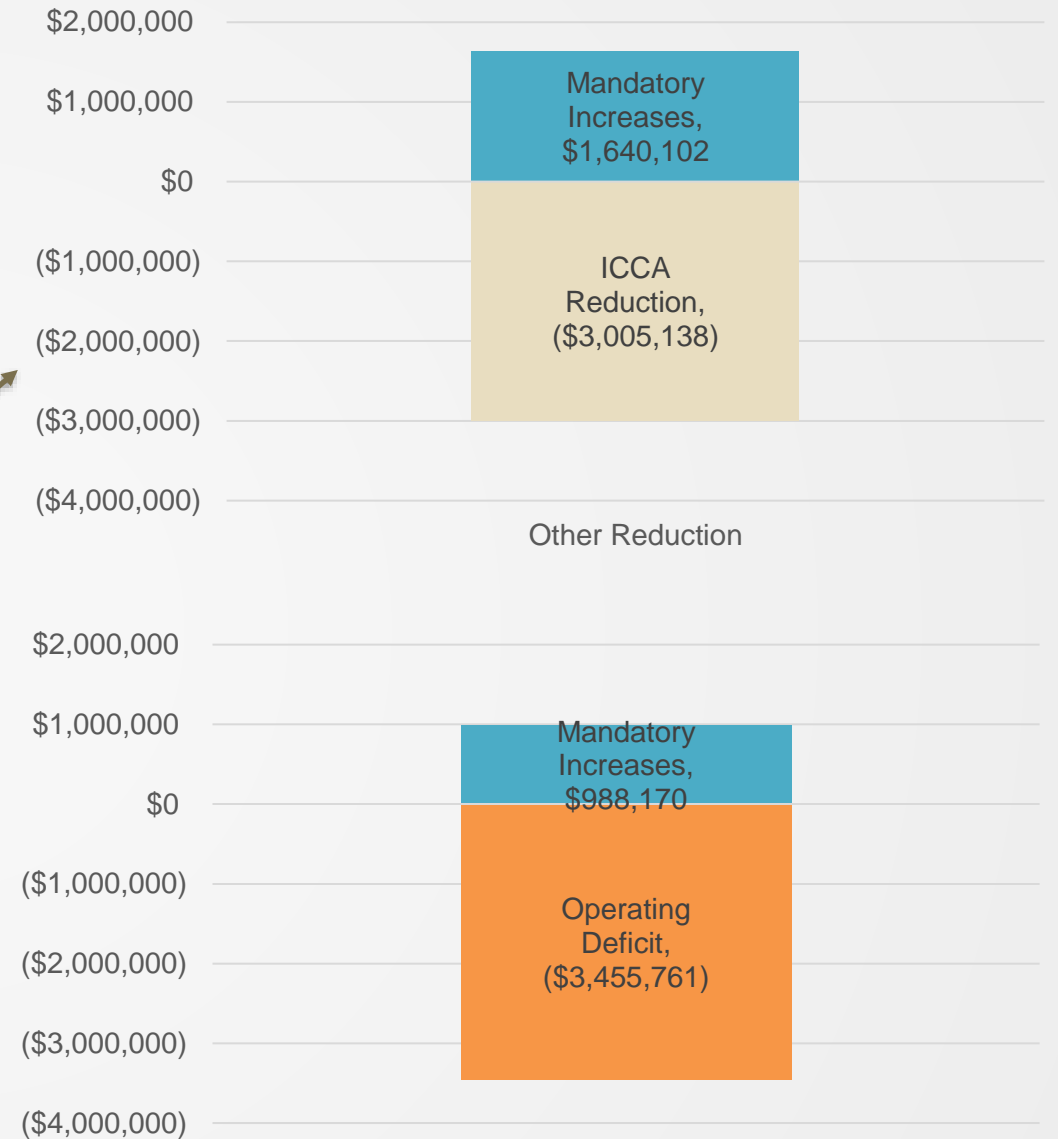
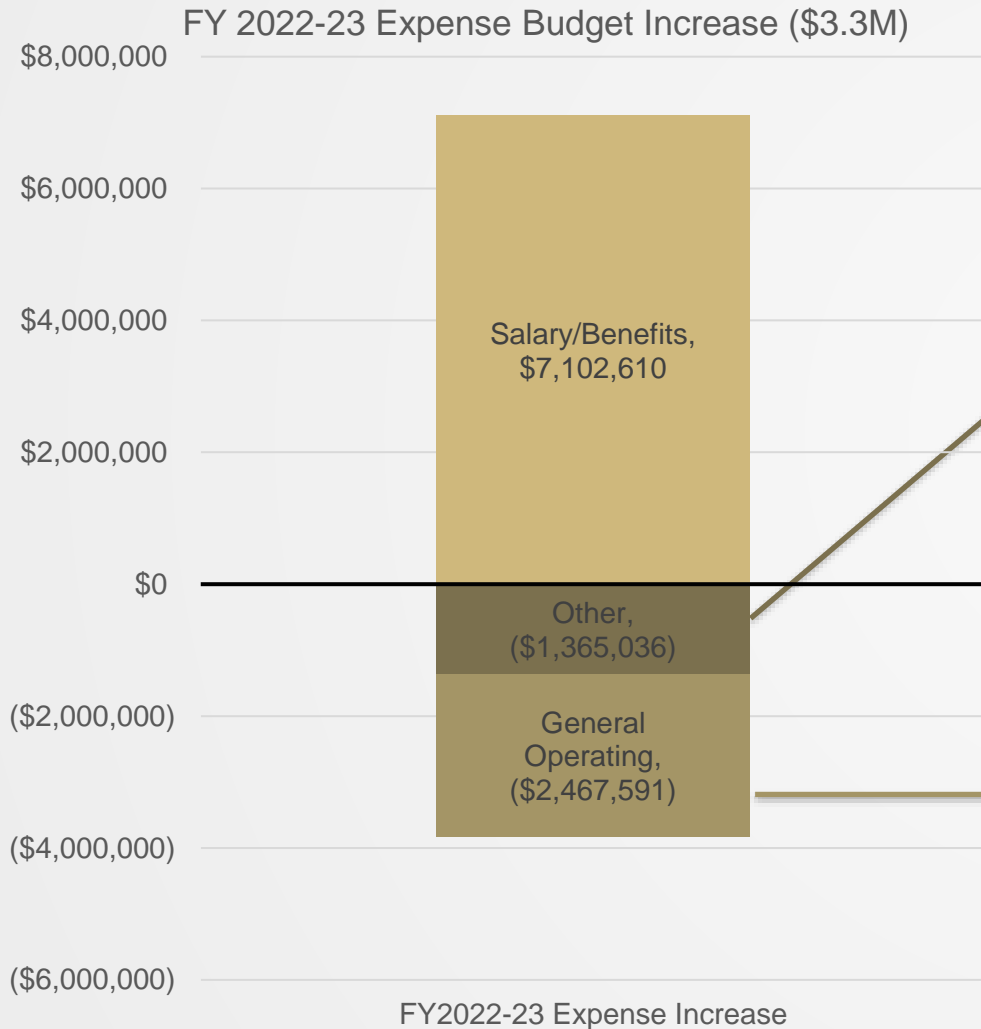
- ▶ Housing and Dining Services
 - Increase housing rates by 3.0 percent
 - Increase dining rates by 4.0 percent

- ▶ Auraria Campus Fee - TBD

CU Denver FY 2022-23 and Auraria Fee Detail

Fee Name	Charge Frequency ⁽¹⁾	FY 2022 Current Rate	FY 2023 Proposed Rate	Dollar Change	Percent Change
<i>Student Activity Fees</i>					
Auraria Campus Fee	Per Semester	\$114.92	TBD		
Information Technology Fee	Per Credit Hour	\$12.00	\$0.00	(\$12.00)	-100.0%
Student Information System Fee	Per Credit Hour	\$2.00	\$0.00	(\$2.00)	-100.0%
<i>Housing and Dining Rates</i>					
Standard Double	Per Semester	\$4,685.00	\$4,825.00	\$140.00	3.0%
Standard Meal Plan	Per Semester	\$2,091.00	\$2,175.00	\$84.00	4.0%

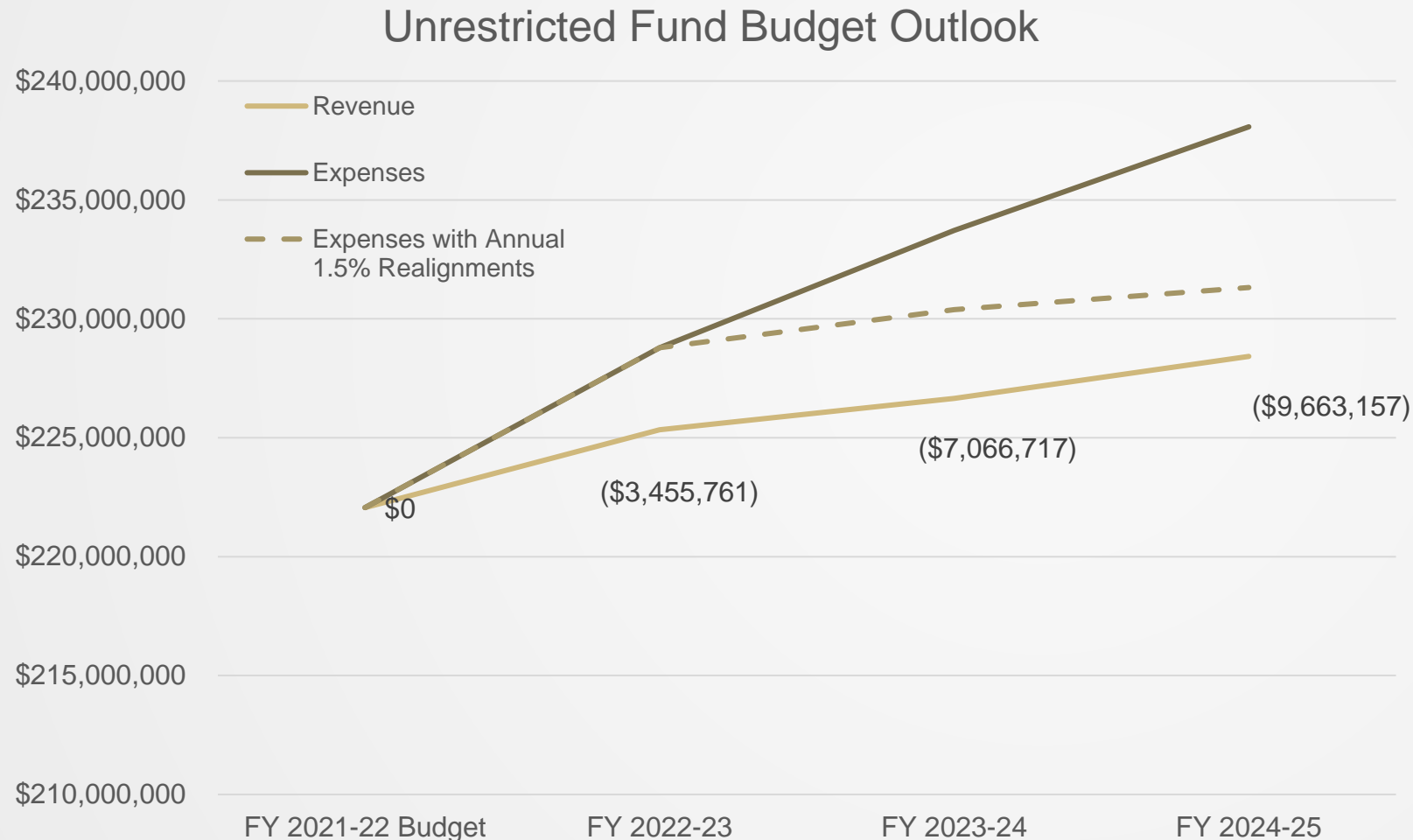
FY 2022-23 Expense Increase



General Operating



Revenue and Expense Looking Forward



- ▶ Based on the current enrollment forecast, our revenue picture is challenging in the near future
 - This outlook scenario assumes 1% tuition and 4% state funding increases

- ▶ Expenses will continue to grow by at least mandatory increases, leading to further budget pressure
 - This scenario no compensation increases

FY 2022-23 Budget Request Themes

- ▶ Capacity Building/Organizational
 - New staff positions, salary adjustments, operating increases, and faculty start-up
- ▶ Equity
 - Promote diversity, equity, and inclusion among faculty, staff, and students
- ▶ Health and Safety
 - Controlled maintenance, Public Health Response Director
- ▶ Mental Health (CU Denver Counseling Center)
- ▶ New Programs/Faculty
- ▶ Partnerships
- ▶ Student Recruitment
- ▶ Student Success
 - Graduate student support, student aid and debt relief

FY 2022-23 Budget Requests


Theme	Continuing Budget Request	FTE (New)	One-time Budget Request	Total Budget Request
Capacity Building/Organizational	\$9,783,848	49.05	\$13,607,000	\$23,390,848
Equity	\$919,800	12.00	\$1,421,156	\$2,340,956
Health and Safety	\$182,500	2.00	\$1,275,000	\$1,457,500
Mental Health	\$1,725,593	10.25	\$110,000	\$1,835,593
New Programs/Faculty	\$1,644,300	6.80	\$2,143,521	\$3,787,821
Partnerships	\$631,801	2.00	\$500,000	\$1,131,801
Student Recruitment	\$300,000	-	\$1,175,000	\$1,475,000
Student Success	\$1,183,319	1.00	\$4,713,720	\$5,897,039
Total All Budget Requests	\$16,371,161	83.10	\$24,945,397	\$41,316,558

- ▶ We have identified funding sources for approximately \$18.0M of the \$41.4M in budget requests from one-time campus strategic plan funds, Advancing the Strategic Plan funds from the President’s Office, initiative funding, and reserves

Next Steps

- ▶ Within the next week we will be announcing preliminary decisions on one-time requests
- ▶ Next CACB meeting following the April 2022 Board of Regents meeting, we will begin to plan our multi-year realignment strategy
 - Develop principals
 - Timelines
 - Targets

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