

MINUTES  
Regular Meeting of the CU Denver Downtown Campus Faculty Assembly's  
Budget Priorities Committee  
Tuesday, March 23, 2021  
held via Zoom  
12:30 pm - 2:00 pm

Present: Diana White (chair), Keith Guzik (minutes), Quintin Gonzalez, Todd Ely, Katherine Gunny, Heather Johnson, Todd Haggerty, Kelly McCusker, Roderick Nairn, Jody Beck, Michael Radenkovic

Updates from Provost Nairn

We are in the final stages of HLC accreditation work. Their team will be with us April 26 and 27. They might to meet with our group.  
RTP will be done virtually again this year.

- Questions? *There are questions about the merit and raise pool timelines. In the absence of clear answers on that question, disinformation is circulating. When might a final decision be coming on that?*

The conversations on that question have just started.

Updates from Todd Haggerty

Our capital prioritization list for the upcoming fiscal year is being prepared to go to the Board for the FY2023 cycle. There is less appetite from the state to invest in new buildings, so we will prioritize capital renewal projects the CU Denver Building. Getting that would eliminate about 85% of the backlog in our deferred maintenance budget. A new engineering building is still the number one priority in terms of new capital projects.

There is a chance that there will be additional one-time funds from the state, which could go for capital projects. This week we will hear on higher educational funds from the JBC. They had recommended a 2.5% increase and additional for Metro State to hold their tuition flat. On April 8, our own board will meet and decide about the possibility of a merit pool if we hit enrollment targets in the Fall. We have gone 2 years without a tuition increase. We are meeting with RTD on a long-term solution for the next iteration of the pass program. Something should be in place for the Fall.

We are receiving a substantial amount of money from the federal government as part of covid relief. That will be split with Anschutz, with the majority coming to the Denver campus. The state may also have additional federal relief funds, which we hope can go in part to higher education.

Legislation did go through on AHEC as they were about to default. The state will cover half of the amount, with the 3 partner institutions on Auraria picking up the other half.

### Budget Model Revision/Subvention

The budget model looks to incentivize growth while having shared commitment for the fiscal health of the campus. The model depends on a few key items: resident versus non-resident tuition, strategic initiatives, subvention, and alignment with state funding.

Non-resident tuition model. We do not separate out resident versus non-resident tuition in our budget model. If we did, certain colleges would lose significant funds. So, our original budget model plan did not incentivize growth in non-resident tuition.

Strategic initiatives. New programs and program growth. In FY2020, there was \$900k in strategic initiative funds. We can expect something similar if our upcoming budget is close to FY2020, as expected. That money last year went to balancing the budget because of covid. The year before, it went to online growth and the BACS in Engineering.

Subvention conversation. Our subvention levels for colleges are roughly on par with other institutions. In comparing the old incremental model versus the new incentive based model, some colleges lost significant amounts under the new model. Included here are the questions about resident and non-resident tuition. Subvention will never go away, and it cannot be a 1-1 equivalence with growth, which would remove the incentive for growth.

Question. *Where are we now, if not 1 to 1 with incentives vs. subvention?*

This is in process. Next meeting, we will discuss it again, thinking about tuition, subvention, and a bigger strategic initiative pot. But the model is still incentive-based. In April, we will have more information on the budget model and next year's budget.

### ODE/online update

The services agreement with ODE has been signed with all four campuses on board. The financial part is good for our campus. Importantly, there is language that ODE is a service unit and not a for-profit entity, and any profits above 4% will move prorated back to the campuses. It is not expected that ODE will be profitable for a while, as funds will go towards recruitment and advertising. But the agreement is good for our campus as ODE was going to cost us significantly as its support from central was expiring. There will be no requirement for programs to partner with them, and they will partner with programs that hold promise for growth.