

Out-Year Budget Action Proposals

June 17, 2021

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Out-Year Budget Gaps Preparing for the Challenges of the Future

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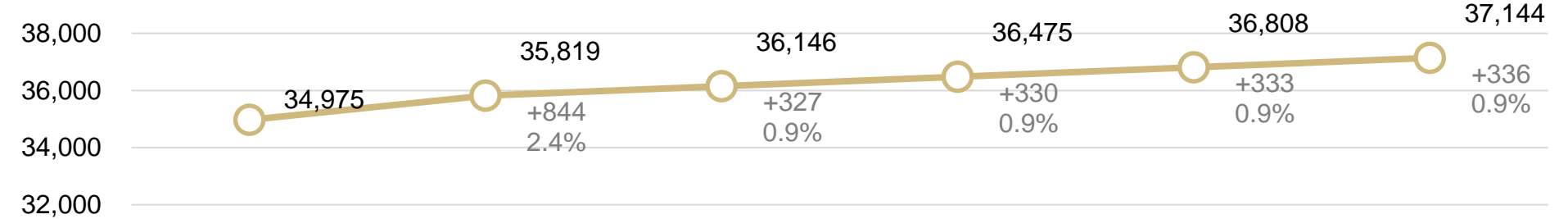
Expected Revenues do not keep pace with Anticipated Expenses

- Low state funding compared to peers
- More financial aid and student support services
- Increased competition for student enrollment
- Lower numbers of high school graduates
- Affordability - keeping tuition in-check
- Strategic initiatives

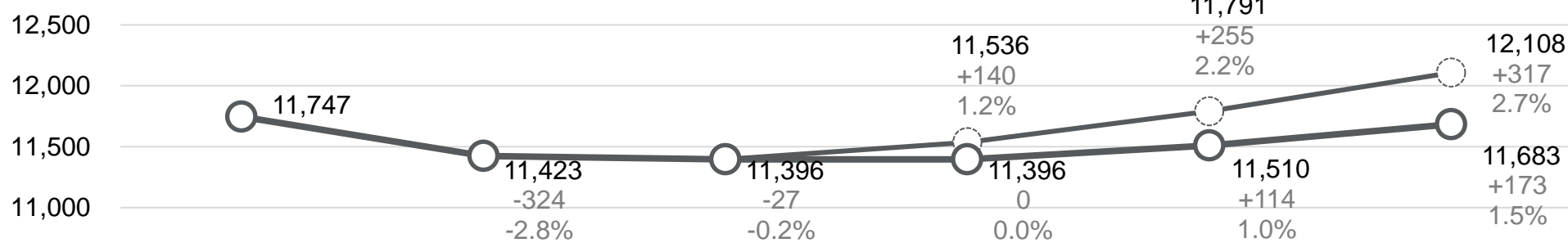
Forecasted Enrollment Changes by Campus

Post-Engineering Enrollment at UCCS and CU Denver

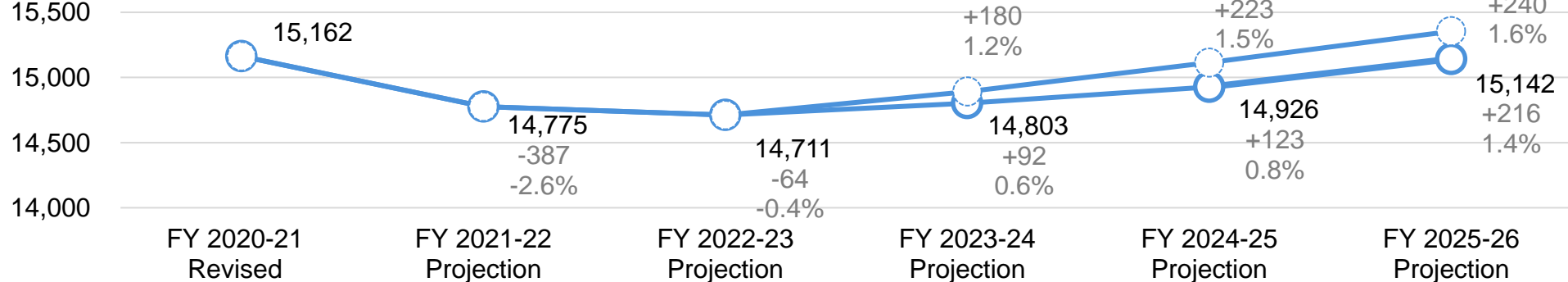
CU Boulder



UCCS

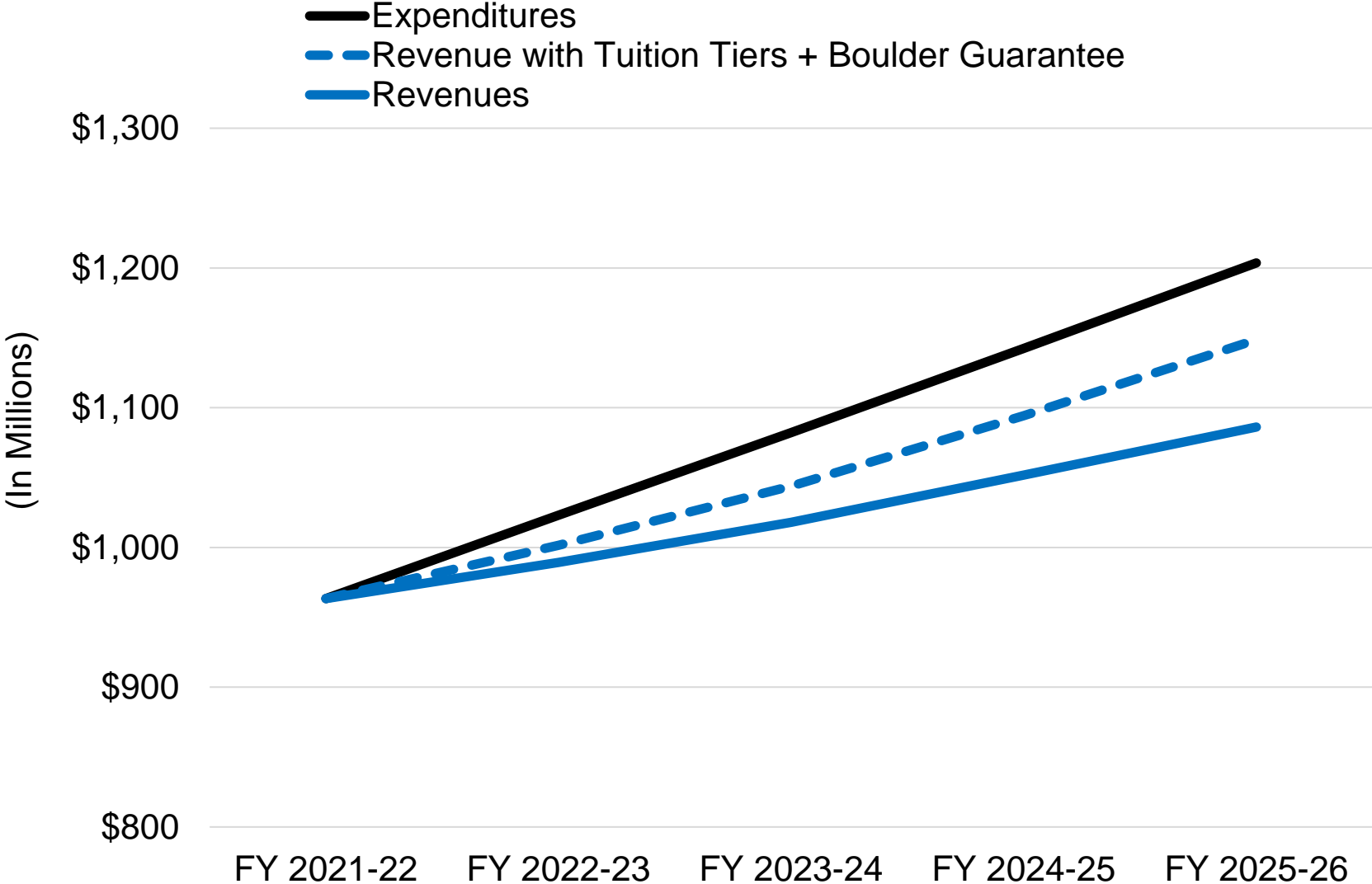


CU Denver



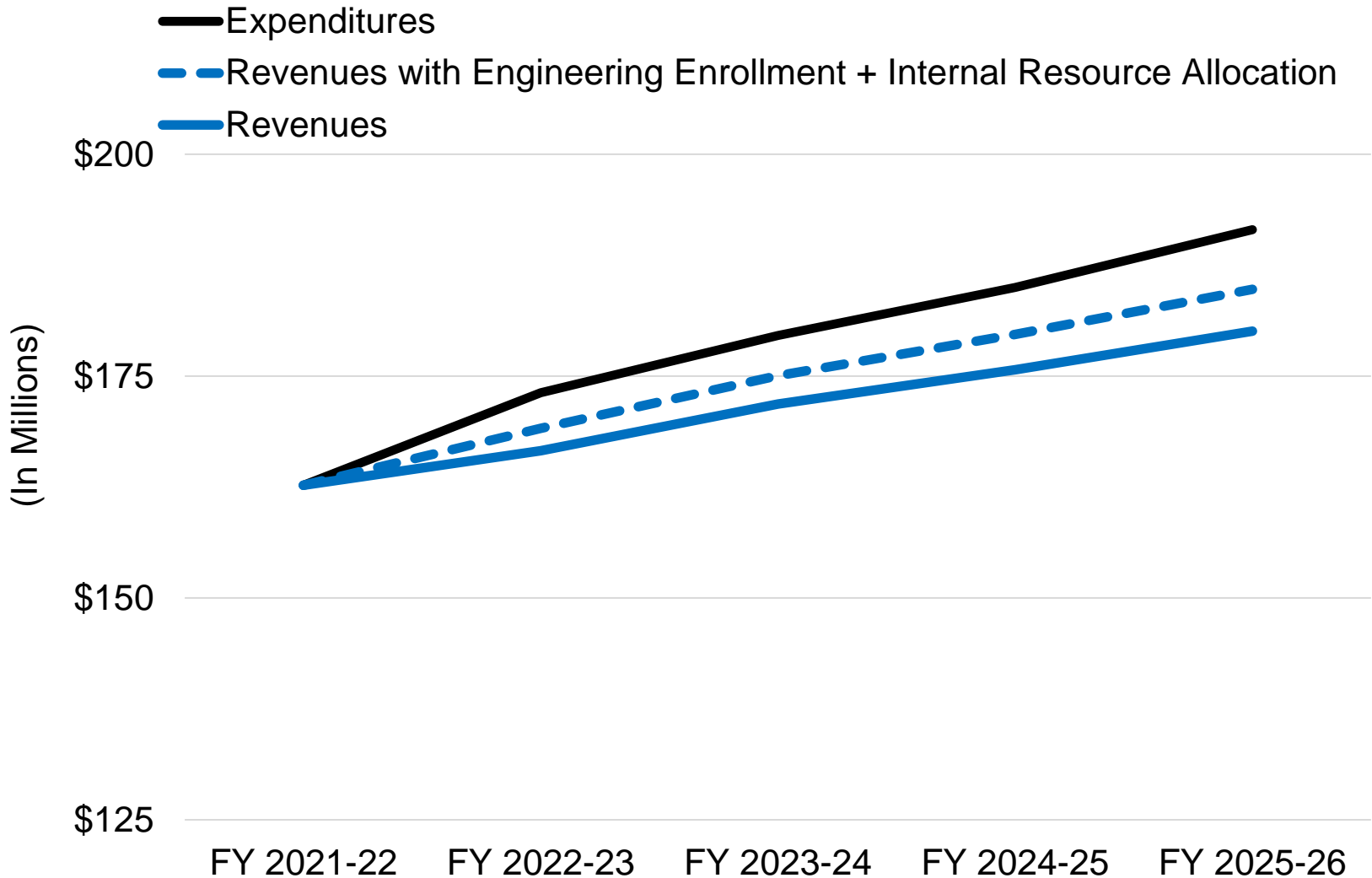
CU Boulder Revenue and Expenditure Estimates

Revenue with Tuition Tiers and Boulder Guarantee



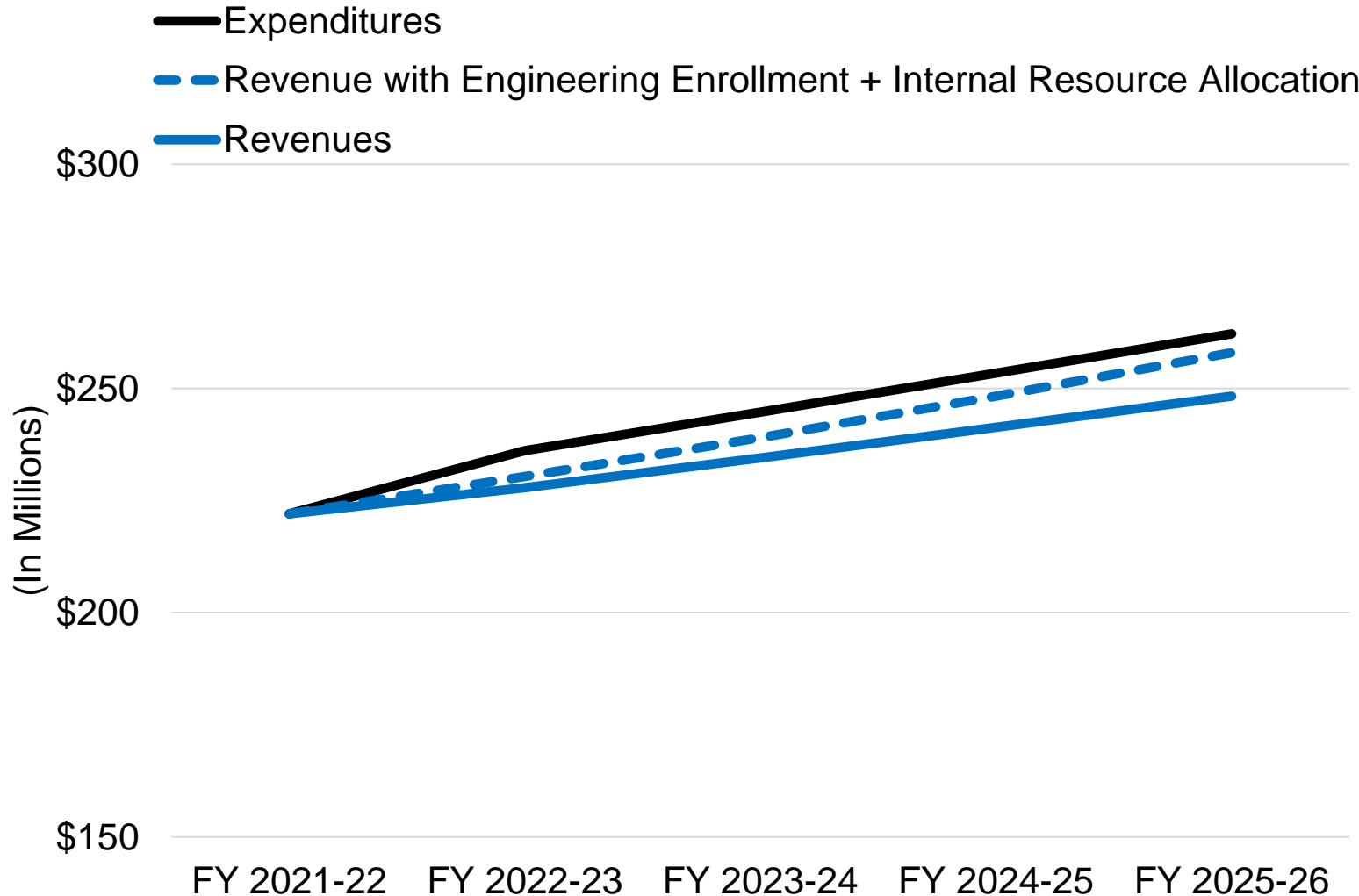
UCCS Revenue and Expenditure Estimates

Revenue with Engineering Enrollment and Internal Resource Allocation



CU Denver Revenue and Expenditure Estimates

Revenue with Engineering Enrollment and Internal Resource Allocation



Transparency, Resiliency and Long-Term Planning Solutions

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Transparency, Resiliency & Long-Term Planning Solutions

- CU Boulder Tiered Tuition Plan
- CU Boulder 4-year Tuition and Mandatory Fee Guarantee Plan
- CU Denver and UCCS Roll Mandatory Fees into Tuition
- Funding Source Flexibility for Engineering Projects at UCCS and CU Denver
- Internal Resource Allocation
- Incentive Based Budget Model Development
- Additional Efficiencies and Other Revenues

CU Boulder Tiered Tuition Proposal

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Simplify Structure with 4 tiers

Program based instead of School/College based

The restructuring will provide a base tuition rate, plus three tiers:

Base: A&S Arts & Humanities, A&S Social Sciences, Program in Exploratory Studies, Education, and **Music**

Tier 2: CMCI, **Environmental Design**

Tier 3: Engineering, **A&S Natural Sciences**

Tier 4: Business

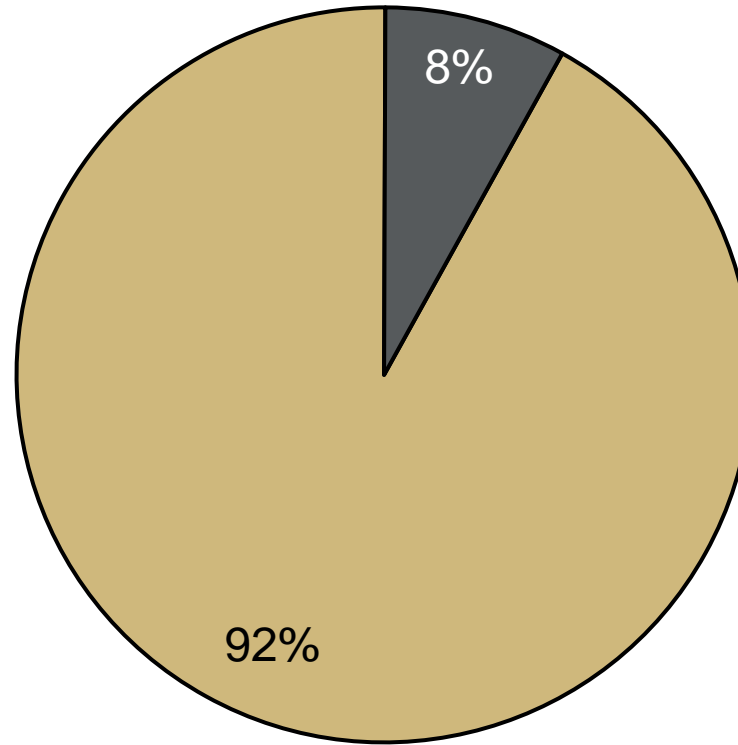
Natural Science Programs are more Expensive Nationally

Discipline weighting based on multi-state cost study by NCHEMS & SHEEO

Discipline Cluster	Lower Division	Upper Division	Master's	Doctoral
Liberal Arts, Math, Social Sciences, Languages, Other	1.0	2.2	4.4	5.5
Education	1.5	2.2	2.75	5.5
Services (Criminal Justice)	1.5	2.2	3.3	4.4
Visual and Performing Arts	1.5	2.75	5.5	5.5
Law	2.0	2.2	4.4	4.4
Health	2.0	2.2	5.5	6.6
Sciences	2.0	3.3	5.5	8.8
Engineering/Architecture	2.0	3.3	5.5	8.8

92% Percent of Undergraduate Students in FY 2022-23 Unaffected

(Zero students continuing from FY 2021-22 affected)



■ Unaffected ■ Affected

Estimated Incoming Resident Student Counts

Tier	Number of New Students	Current Rate	New Rate
Base			
Arts & Humanities	214	\$11,040	\$11,040
Social Sciences	312	\$11,040	\$11,040
Education	52	\$11,040	\$11,040
Program in Exploratory Studies and Other	1,068	\$11,040	\$11,040
Music	56	\$11,400	\$11,040
Tier 2			
CMCI	133	\$12,816	\$12,816
Environmental Design	55	\$11,040	\$12,816
Tier 3			
Engineering	970	\$14,592	\$14,592
Natural Sciences	1,131	\$11,040	\$14,592
Tier 4			
Business	409	\$16,512	\$16,512

Note: This is Fall 2020 (FY21) student counts, but FY22 assumed rates

Fiscal Impact and Investments

- \$6.9 million in gross tuition revenue
 - \$1.2 million relocated to financial aid for Natural Science students equivalent to Engineering students
- \$5.7 million in net tuition revenue change
 - \$3.2 million resident students
 - \$2.5 million non-resident students

Investments:

- Need-based and merit-based financial aid
- Invest in quality and student experience
- Investment in underserved and underrepresented students

“Tiered tuition would better reflect the true differential costs of education between the divisions.” – A&S Dean White

CU Boulder 4-year Tuition and Mandatory Fee Guarantee Plan

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Experience Since Initial Guarantee

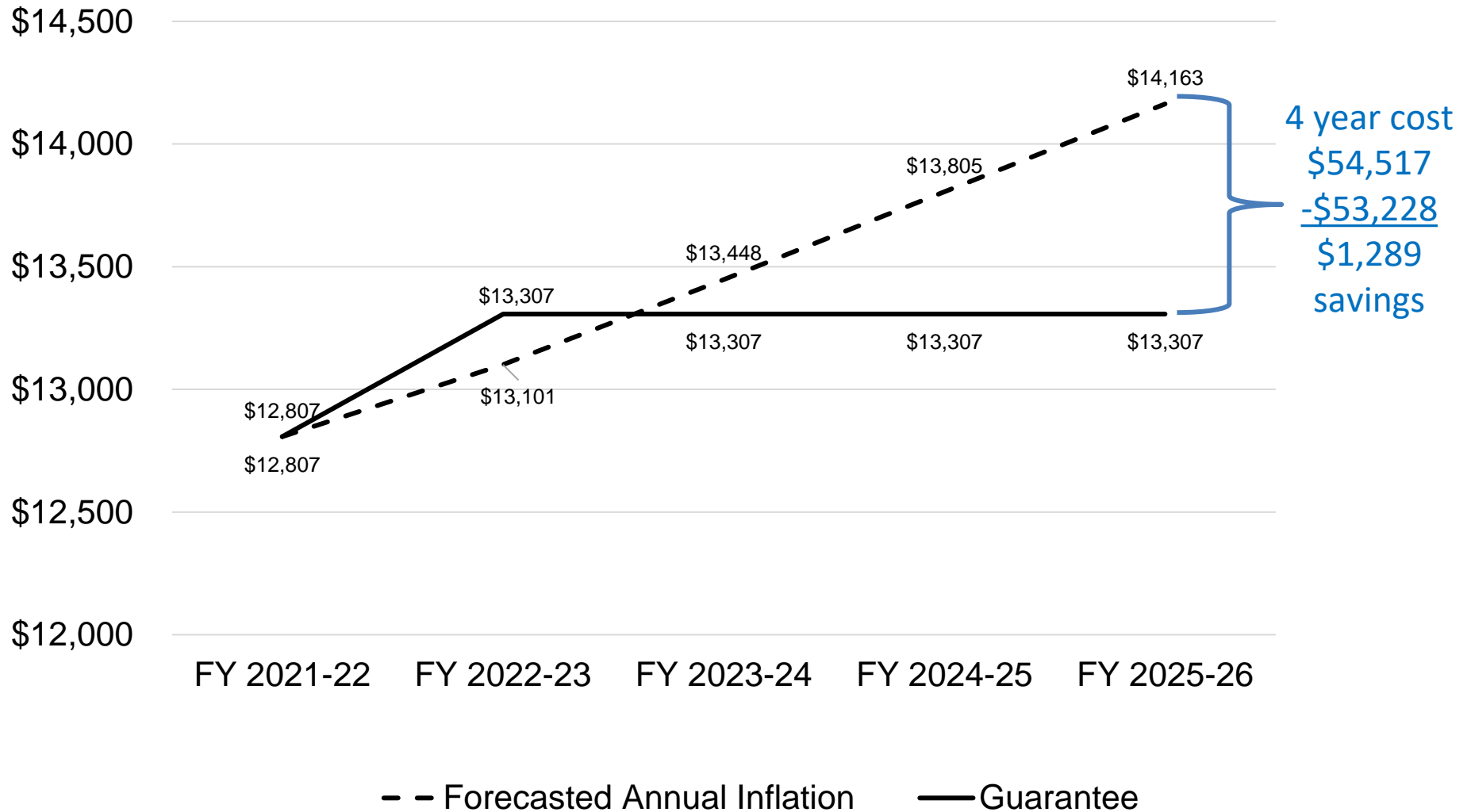
Approved by Board April 2016, Effective FY 2016-17

- Enables students and families to plan for costs
- Saves students and families money, compared to inflationary increases
- Ability to communicate potential cost to current high school freshman and sophomores
- Since starting the guarantee in Fall 2016:
 - 51 percent increase in Colorado resident applications
 - 4 percent increase in Colorado resident freshman enrollments
 - 95.9% freshman to sophomore retention for guarantee cohorts
 - 14.4 average credit hours per semester, increase over prior years average
 - 8.3 percentage point increase in four-year graduation rate to 60.2%

Three Year Plan

- 4-year Guarantee for Tuition and Mandatory Fees for FY 2022-23, 24, and 25
- Target is equal to \$500 annual increase for future students in incoming year
- This action serves as the tuition and mandatory fee resolution for the proposed three fiscal years
- Future boards can modify implementation of the plan if circumstance require

Proposal will Save an Incoming FY 2022-23 Student Approximately \$1,289 Compared to inflation, over 4 years



CU Denver and UCCS Rolling Mandatory Fees into Tuition

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CU Denver and UCCS Mandatory Fees to Tuition

- Enhanced student billing and cost transparency
- Promotes simplicity and equity in charges for services available to all students
- Recognized that services and entities currently supported by mandatory fees are part of the overall student experience and thus should be included in tuition and not viewed as an additive fee
- Reduced administrative burden
- Flexibility in budgeting and organizational structures

CU Denver Proposing Rolling Three Mandatory Fees into Tuition in FY 2022-23

CU Denver Undergraduate Resident - 30 Credit Hours						
	Rate	Frequency	FY 2021-22 Current	Restructured	\$ Change	% Change
Tuition College of Liberal Arts and Sciences	\$340.00	per credit	\$10,200	\$10,990	\$790	7.8%
Info Tech Fee	\$12.00	per credit	\$360	\$0	(\$360)	-100.0%
SIS Fee	\$2.00	per credit	\$60	\$0	(\$60)	-100.0%
Student Services Fee	\$185.00	per term	\$370	\$0	(\$370)	-100.0%
Total With Mandatory Fees			\$10,990	\$10,990	\$0	0.0%

UCCS Proposing Rolling Two Mandatory Fees into Tuition in FY 2022-23

UCCS Undergraduate Resident - 30 Credit Hours						
	Rate	Frequency	FY 2021-22 Current	Restructured	\$ Change	% Change
Tuition Fresh/Soph UG	\$304.00	per credit	\$9,118	\$9,358	\$240	2.6%
Student Tech Fee	\$6.00	per credit	\$180	\$0	(\$180)	-100.0%
SIS Fee	\$2.00	per credit	\$60	\$0	(\$60)	-100.0%
Total With Mandatory Fees			\$9,358	\$9,358	\$0	0.00%

Funding Source Flexibility Denver Engineering Project and UCCS Engineering Project

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Allow Funding Flexibility for Two Projects

- Add language to previous Board approved program plans that will allow for additional funding opportunities, such as additional gift funds, institutional cash contributions, or public-private partnerships.
- Both projects are included in the FY 2022-23 prioritized state-funded capital project list, but it is not likely either will receive state funding for funding for several years.

CU Denver Engineering Building



UCCS Engineering Building Renovation



Internal Resource Allocation

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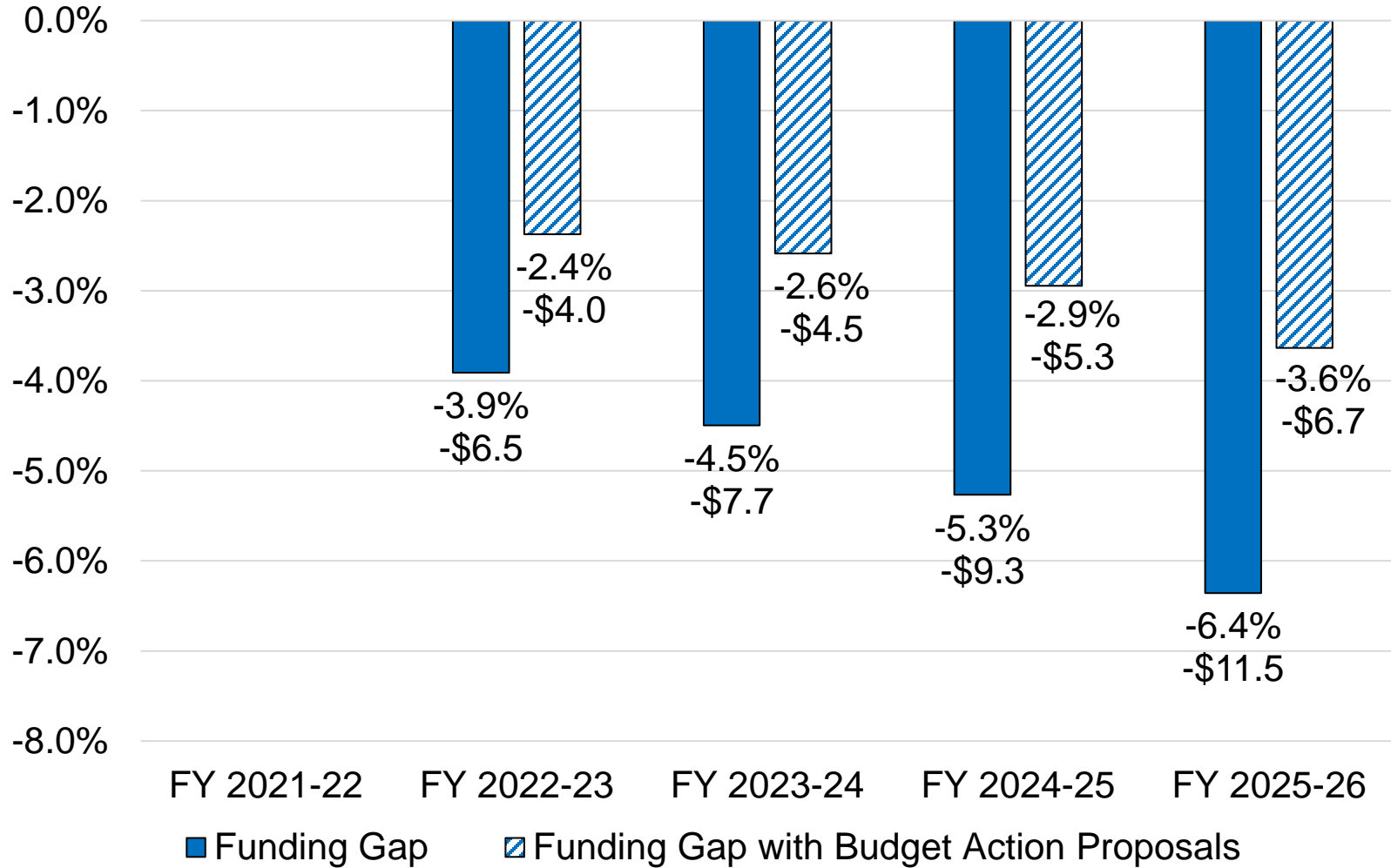


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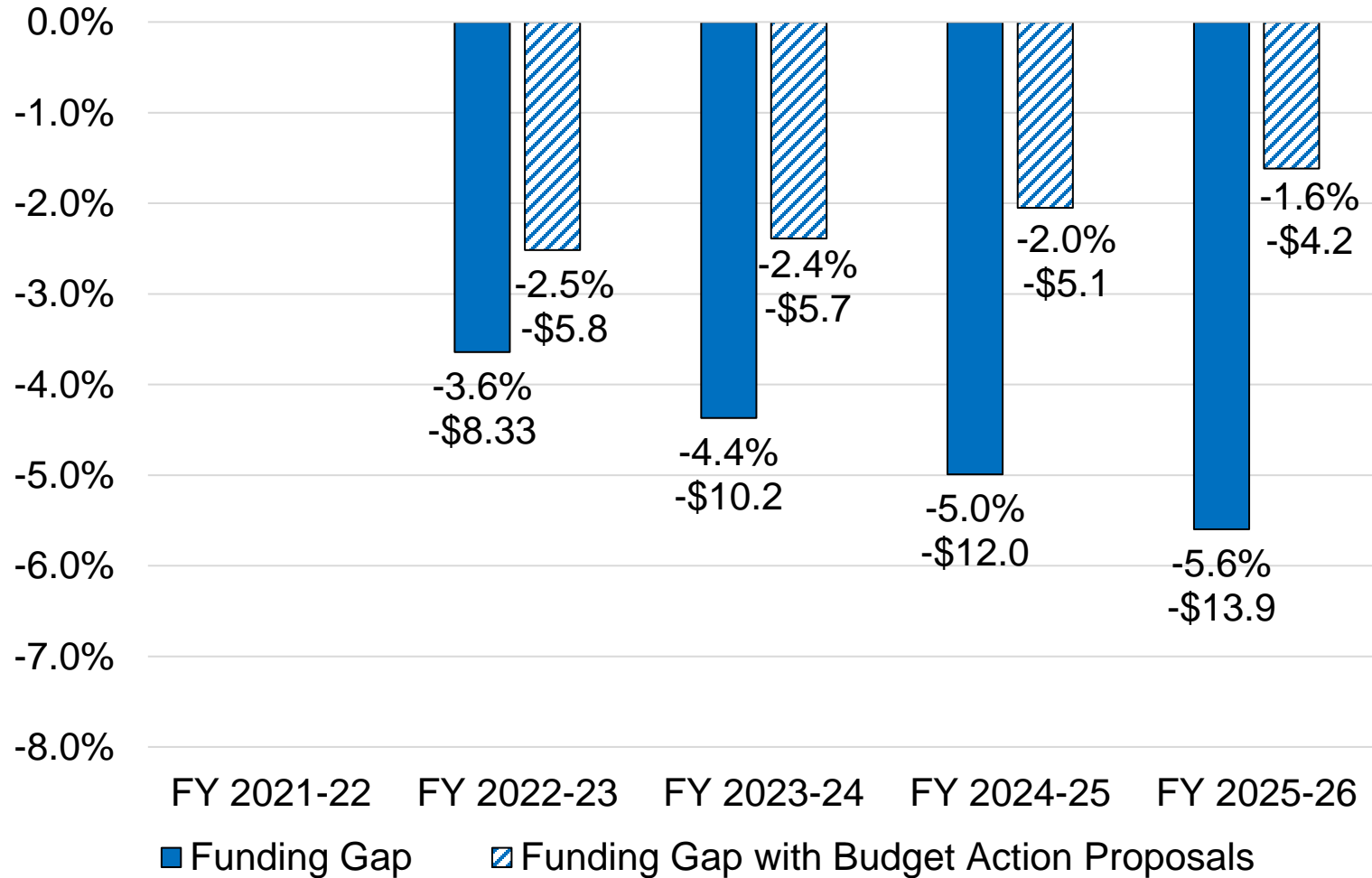
UCCS Closing Out Year Budget Gap

(\$ amount in millions)



CU Denver Closing Out Year Budget Gap

(\$ amount in millions)



Requested Actions

- Proposed Resolution One:
 - CU Boulder Tuition Tiers*
 - CU Denver and UCCS Mandatory fee into Tuition*
 - CU Denver and UCCS Engineering Funding Source Flexibility
- Proposed Resolution Two:
 - CU Boulder Tuition and Mandatory Fee Guarantee*

*Contingent on JBC approval in FY 2022-23

Next Steps

- Integration of incentive-based budget models that reward revenue generation while ensuring comprehensive program offerings
- Closing rest of the gap discussion at November meeting
- Campuses will engage the campus community and shared governance leaders as they work to grow revenue, contain costs, identify efficiencies and reallocate resources