

# Internal Campus Budget Model Update

January 27, 2022

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# CU Denver

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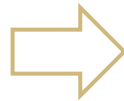
# CU Denver Campus Budget Model

- Adoption of new incentive-based budget model FY 2017-18
- Aligns campus investments and resources with strategic priorities
- Incentivizes activities that drive both student and financial success
- Driven by common and easily available sources of data
- Promotes fiscal year planning and utilization of all funding sources
- Rewards growing revenues, reallocating resources, and better containing costs

1



**Grow Revenue**



2



**Contain Costs**



3

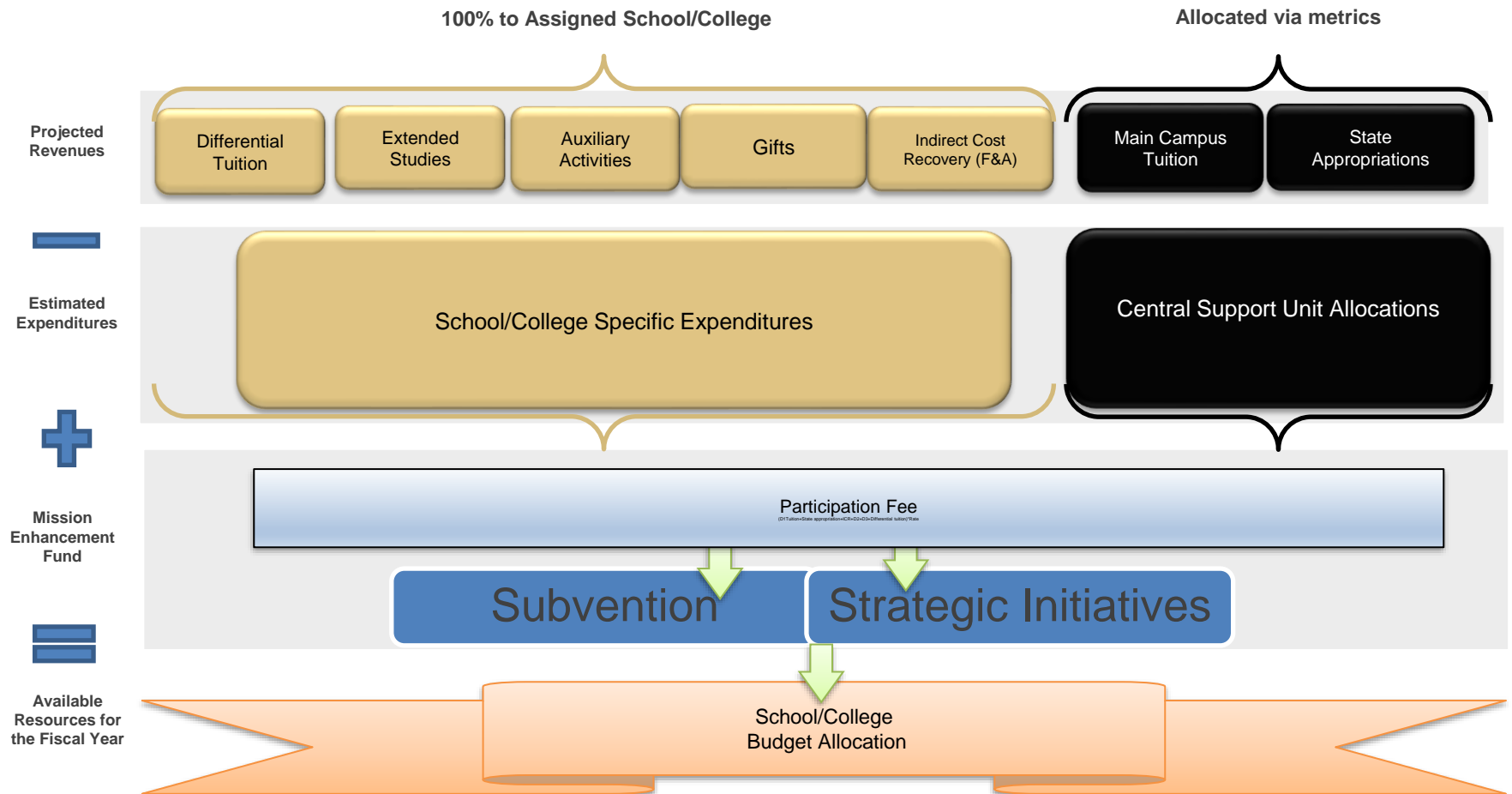


**Reallocation of  
Resources**

# How the Budget Model results in reallocation of dollars

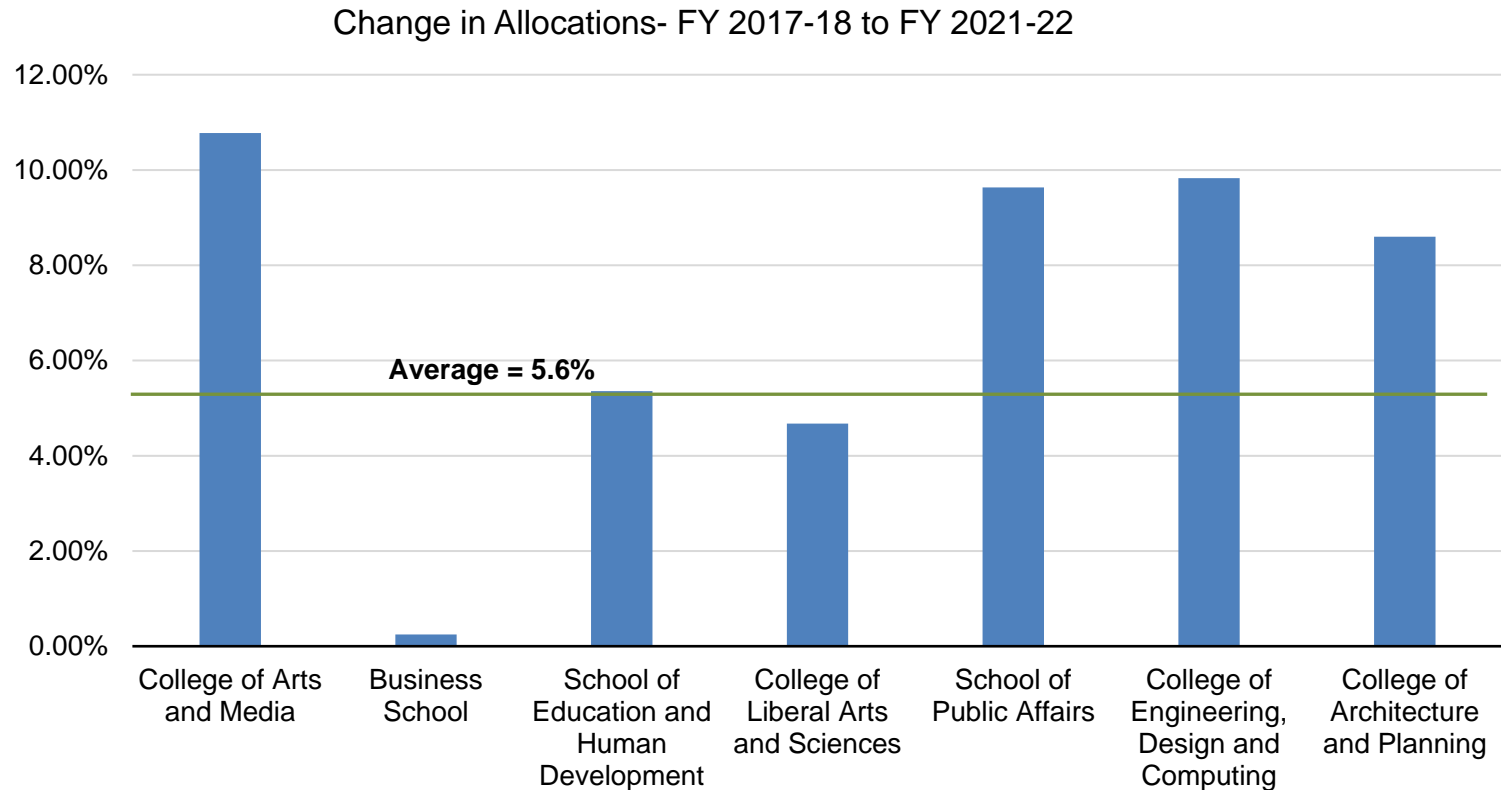
- Provides incentives to take advantage of new markets and opportunities for growth in any kind of revenue including enrollment, research and donations.

**Increased activity levels = Increased funding      Decreased activity levels = Decreased funding**



# Outcomes from the Budget Model

- Enrollment trends have driven changes in the campus budget allocation since FY 2017-18, that would not have occurred in the previous budget model.



“The budget model has driven us to look at the financial performance and viability of all of our programs.”  
–Dean of Engineering

“The new budget model allows us to be ‘early’ entrepreneurs to address opportunities and challenges with our academic suite of programs and ultimately rewarding us for program efficiency and effectiveness.”  
-Dean of School of Education

UCCS

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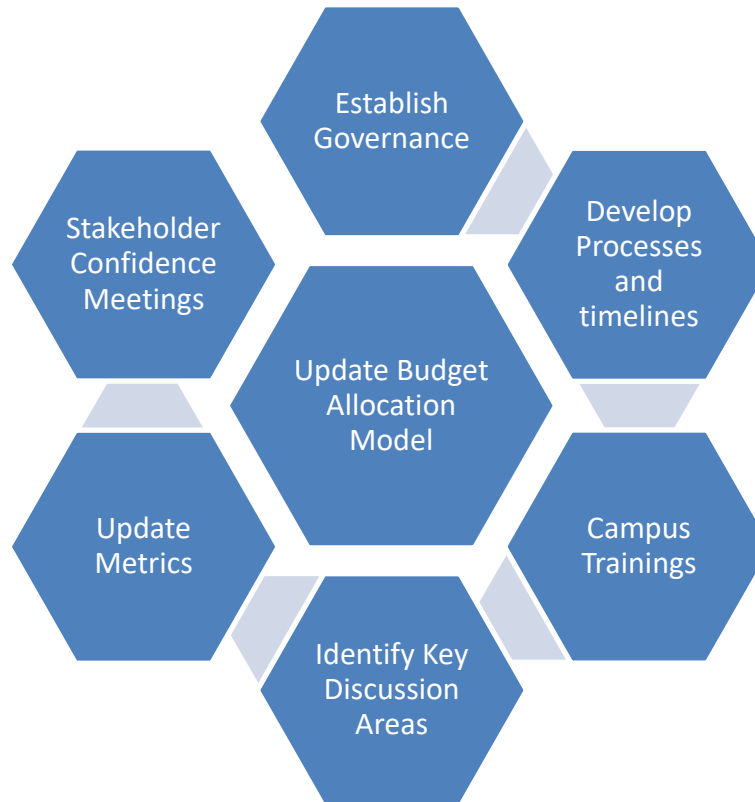


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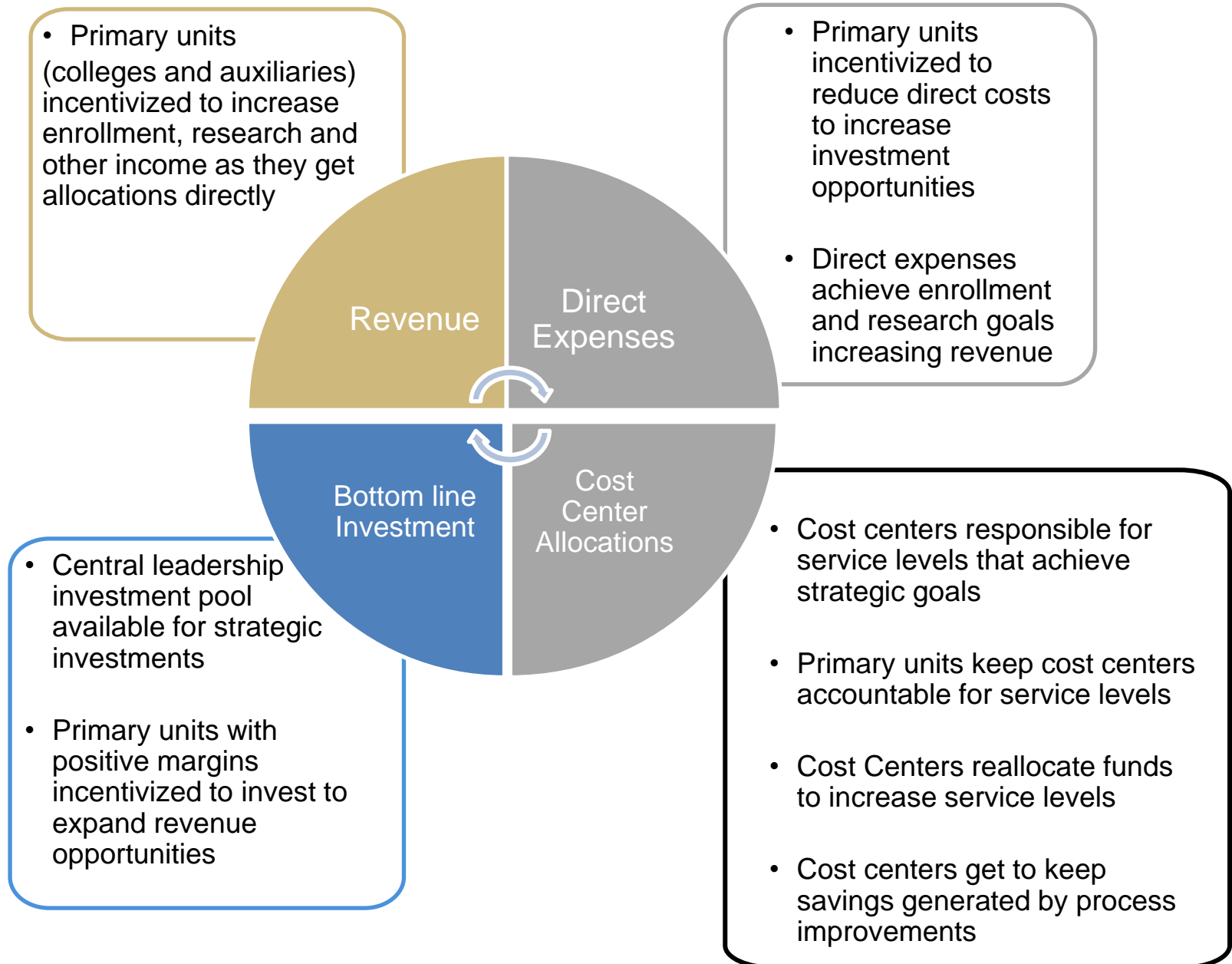
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# UCCS Campus Budget Model Update

- Process initially began in FY 2018-19
- Parallel year in FY 2021-22; expected cut-over FY 2022-23
- Key areas of focus during this parallel year:



# How the Budget Model results in reallocation of dollars





# Anticipated Outcomes from the Budget Model



- Increased understanding of financial health of the campus and college activity
- Increased shared governance participation in budget decision-making
- Increased budget transparency



- Rewards increased enrollment, retention and academic progress
- Rewards increased research
- Rewards entrepreneurial efforts and collaboration
- Rewards cost control and resource reallocation



- Metrics aligned with strategic goal success metrics

# CU Boulder

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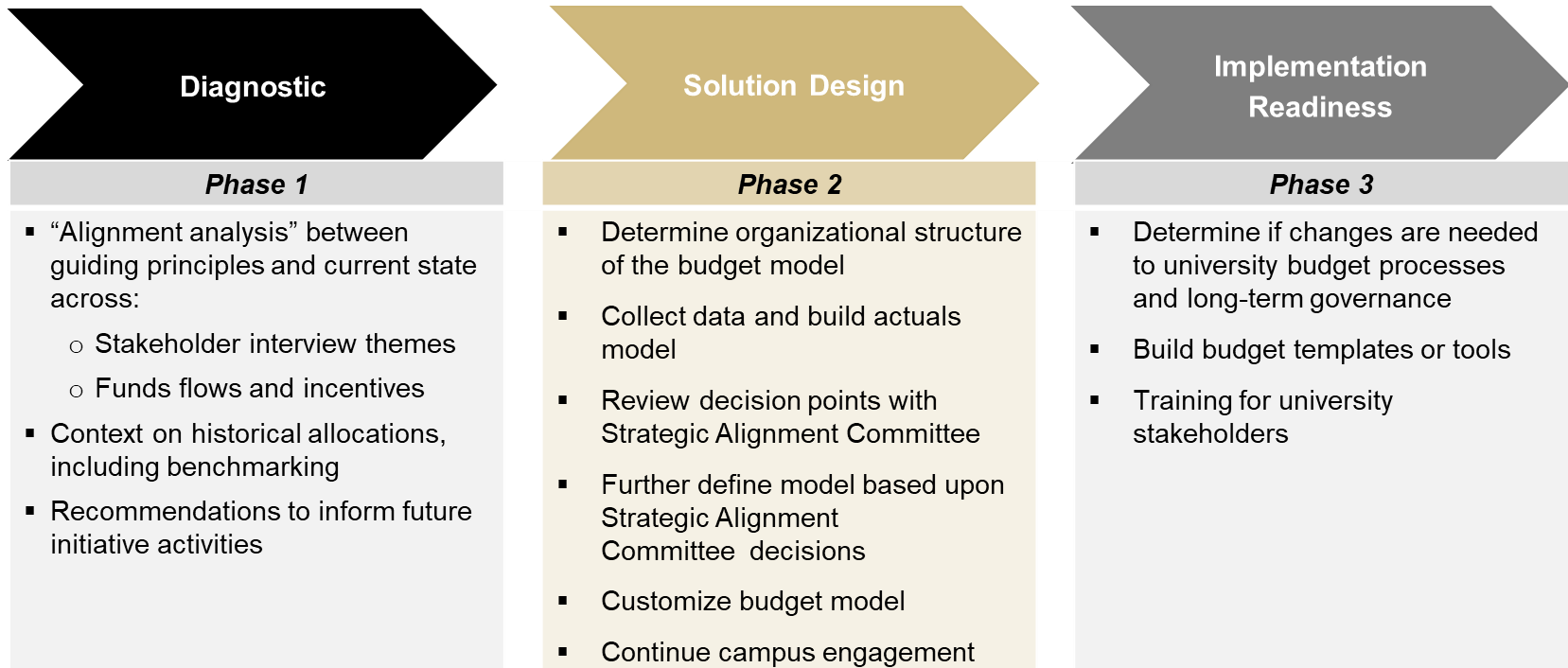


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# CU Boulder Campus Budget Model

- CU Boulder launched its budget model redesign project in December 2020
- Throughout spring and fall 2021, students, faculty and staff were invited to engage in opportunities to learn about the budget model redesign through stakeholder meetings, listening sessions, and open forum presentations
- The campus is currently finalizing the design phase of the budget model redesign, preparing for implementation in July 2022 (FY 2022-23)



# How the Budget Model results in reallocation of dollars

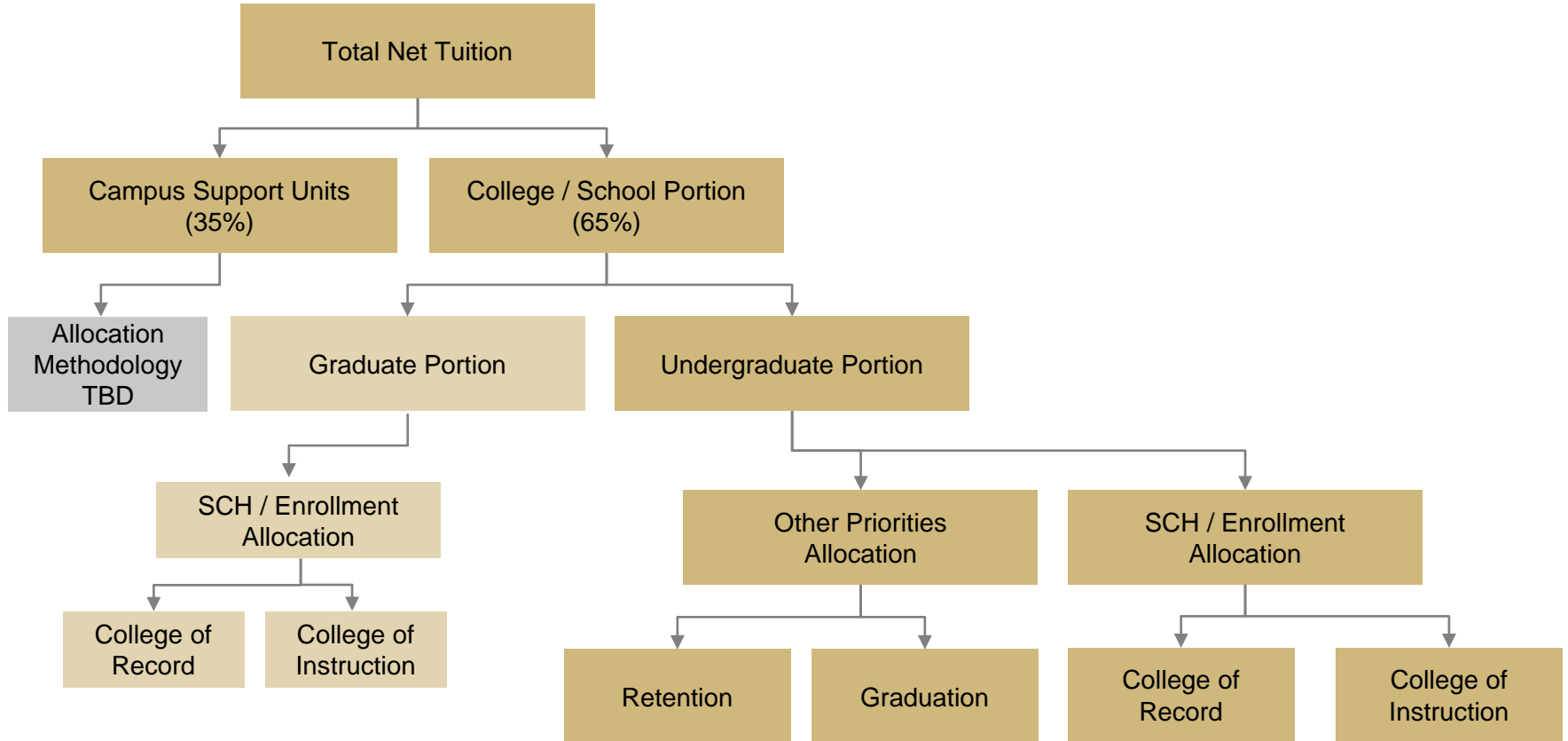
The Boulder Campus is collaboratively redesigning our campus budget model. The current budget model has provided stability for the campus, but greater flexibility is needed for strategic investments and to respond to the rapidly changing higher education landscape, including opportunities and crises that may arise. The new model will better:

- **Align with our mission** as a comprehensive public teaching and research institution
  - Enable us to respond to and anticipate current and future realities, instead of reflecting **legacy decisions** that may no longer be relevant.
  - Provide enhanced **incentives to support and reward growth** in key areas, **respond to declines**, and ensure **accountability** for the use and allocation of funding.
  - Increase **transparency** to enable stakeholders to better understand and engage in budgetary decision-making that furthers the university's mission and strategic objectives.
  - **Focus on the entire budget**, not just the increment.
- 
- The budget model committees are meeting and discussing design options and weighing priority allocations that might be included in the future model.
  - The budget model committees have met over the last year and are finalizing the initial prototype model and model design elements while beginning implementation readiness steps.

# Preliminary structure for net tuition allocation

## Design Phase

Initial recommendations for the allocation of net tuition to schools and colleges are shown below. Recommendations for other parts of the model including campus support units are forthcoming.



# Anticipated Outcomes from the Budget Model

The guiding principles were designed to ensure that our model supports the critical priorities of CU Boulder. These principles are used throughout the decision-making process, so we remain aligned to our core values and goals.

## CU Boulder's budget model should:

Reflect and execute the university's mission and priorities

Be understandable, easy to manage, logical and transparent

Promote and reward performance, success, and innovation

Foster trust and responsibility around decision making

Provide predictable funding to support our ability to be strategic in our planning

# CU Anschutz

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# CU Anschutz Campus Budget Model

- The campus utilizes a budget model and financial framework referred to as “every tub on their own bottom”
  - Revenues generated by schools and colleges flow directly to them
    - Incremental State Appropriations are allocated to schools and central administration through the campus budget model
  - Central administration expenses (net of centrally derived revenues, state appropriations and F&A) are allocated via metrics to the schools through the campus budget model
- Entrepreneurial in nature
  - Schools have greater control and responsibility over their own budgets
  - Encourages development of new revenue streams, efficiencies, and prioritization of resources
  - Every academic unit should be self sufficient



# Campus Funds Flow (Budget Model)

