

FY 2020-21 Operating Budget

June 18, 2020

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State and Federal Update

FY 2020-21 Budget

- CARES Act funding received by CU:
 - \$36.8 million Higher Education Emergency Relief Funds (HEERF)
 - \$127.7 million from Coronavirus Relief Fund (CRF)
- CARES Act expenditure guidance, compliance and tracking being developed by system office and campuses
- Federal House HEROES Act (passed May 15th), no action in Senate
- CU's budget for FY 2020-21 (July 1, 2020 to June 30, 2021) is based on the best-known information as of June 2020
- Actual enrollment will be known by September 2020, fall census
- Actual enrollment variance may require mid-year FY 2020-21 budget adjustments and revisions

State and Federal Update

FY 2020-21 Budget

- -\$140.0 million onetime state funding cut to CU. -58% cut statewide.
- -5% personal service cut to all state agencies
- 0% compensation pool for state employees (CU adopted 0%)
- +3.0% legislative tuition rate cap (CU adopted 0%)
- S.B. 20-219 COPs for 3 higher education continuation capital construction projects including: Anschutz Health Sciences Building \$21.9 million
- H.B. 20-1408 proceeds from favorable bond market from S.B. 17-267 (lease-purchase agreement) used to fund all FY 2020-21 Level 1 controlled maintenance projects and phases including:

Campus	Controlled Maintenance Project	(in millions)
CU Boulder	Replace Campus Fire Alarm Control Panels	\$ 3.1
CU Boulder	Replace Fire Alarm Systems	\$ 3.4
UCCS	Replace Roof, El Pomar, Kraemer Family Library	\$ 2.0
AHEC	Replace Fire Alarm System, King Center	\$ 1.6
Total to CU and AHEC		\$ 10.0



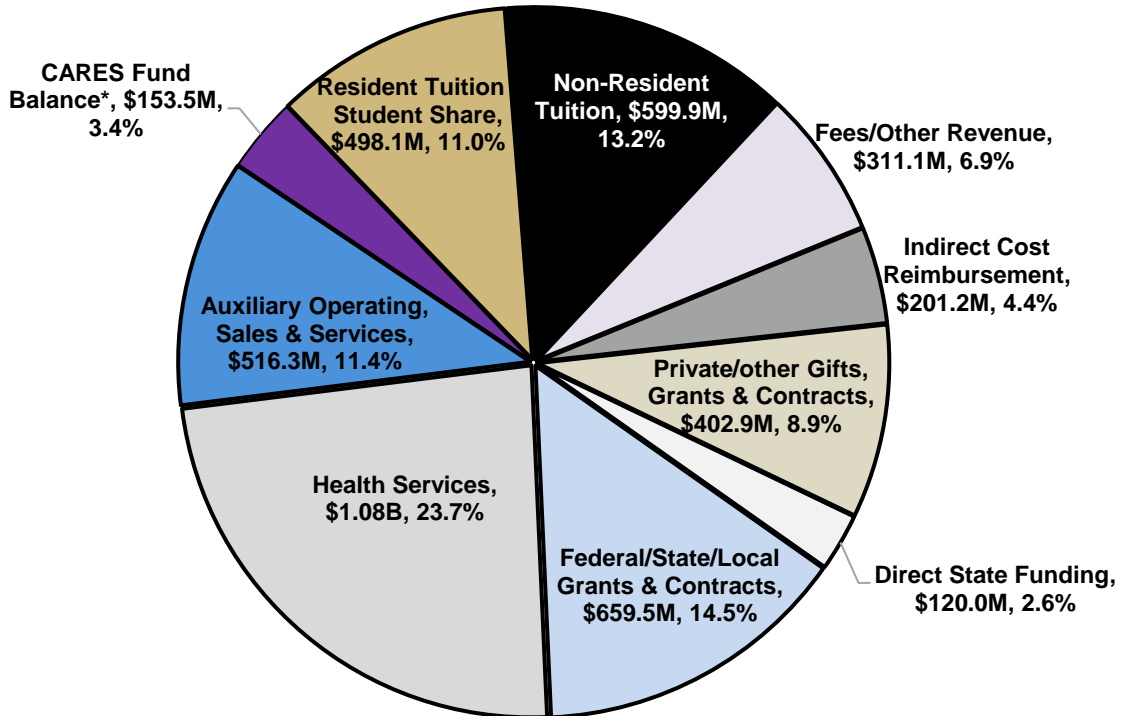
How has CU's total budget changed? FY 2019-20 vs. FY 2020-21

- Consolidated: \$4.79 billion to \$4.54 billion, -5.3%
- CU Boulder: \$1.90 billion to \$1.86 billion, -2.1%
- UCCS: \$271.6 million to \$244.7 million, -9.9%
- CU Denver: \$330.2 million to \$300.4 million, -9.0%
- CU Anschutz: \$2.29 billion to \$2.14 billion, -6.8%
- System Office: \$201.4 million to \$197.2 million, -2.1%

Note: FY 2020-21 budgets include one-time CARES Act funds for allowable expenditures.



FY 2020-21 Total Current Funds Budget Consolidated – Sources of Revenue



Total Current Funds Budget = \$4.54 Billion



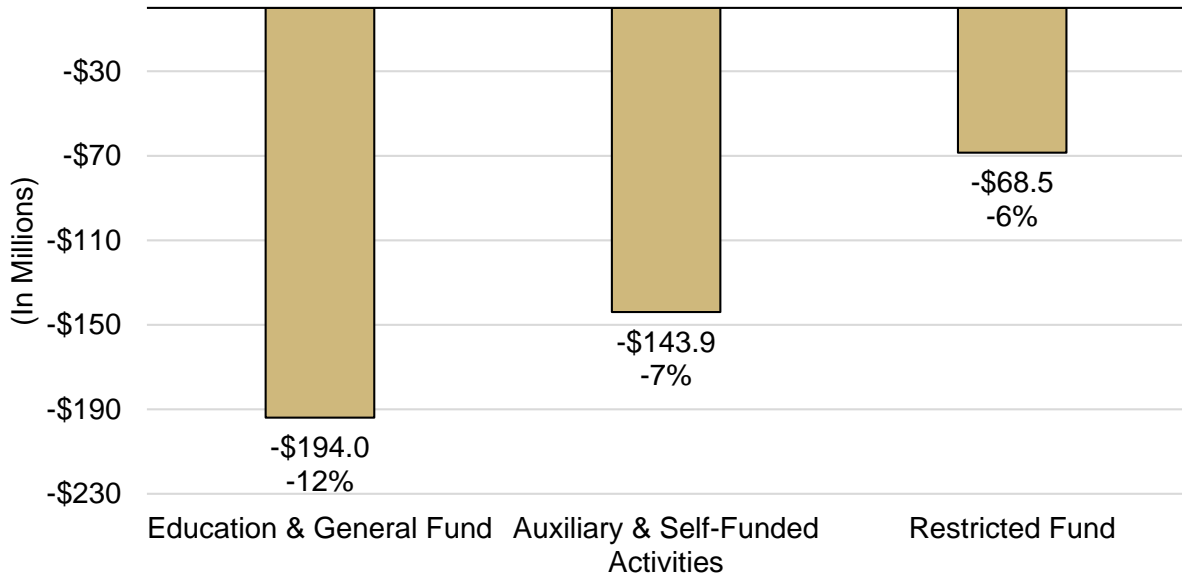
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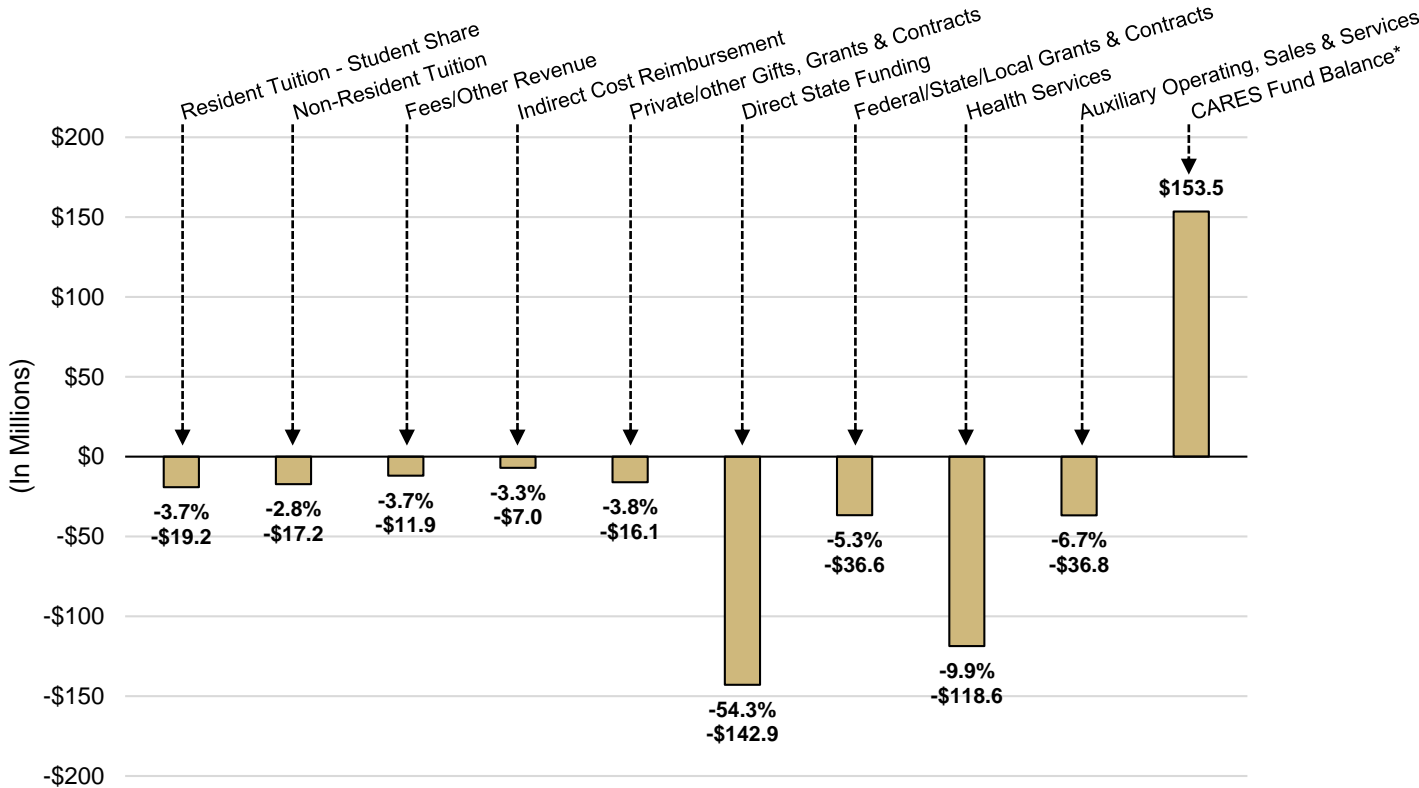
*Includes the amount estimated to be spent in FY 2020-21 of, \$36.8 million from Higher Education Emergency Relief Fund and \$127.7 million from Coronavirus Relief Fund received in FY 2019-20.

Change in Total Budgeted Revenues FY 2019-20 vs. FY 2020-21

Does not include revenue from \$36.8 million from Higher Education Emergency Relief Fund and \$127.7 million from Coronavirus Relief Fund included in CARES Act and does not include additional expenses resulting from COVID-19.



Change in Total Budgeted Revenues FY 2019-20 vs. FY 2020-21

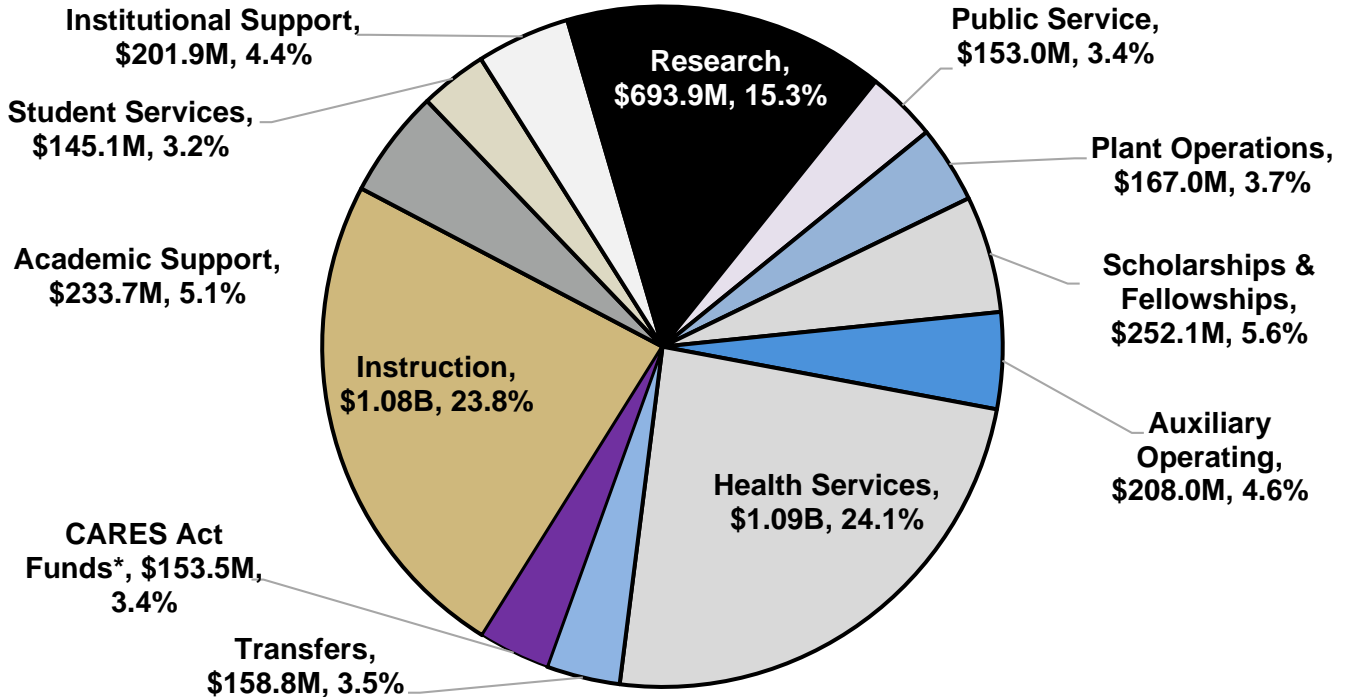


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*Amount estimated to be spent in FY 2020-21 of, \$36.8 million from Higher Education Emergency Relief Fund and \$127.7 million from Coronavirus Relief Fund received in FY 2019-20.

FY 2020-21 Total Current Funds Budget Consolidated – Expenditures



Total Current Funds Expenditures and Transfers = \$4.54 Billion

*Includes the amount estimated to be spent in FY 2020-21 of, \$36.8 million from Higher Education Emergency Relief Fund and \$127.7 million from Coronavirus Relief Fund received in FY 2019-20.

CU Campus Furloughs and Position Controls

FY 2020-21 Workforce Budget Balancing Actions			
Campus	Action	Number of Employees	Estimated Savings
Boulder	Furloughs (continuous)	373	\$1,463,500
	Furloughs (partial or intermittent)	3,210	\$20,619,932
	Position Controls	1,048	\$39,707,523
	Campus Totals	4,631	\$61,790,955
Denver	Furloughs (continuous)	19	\$616,787
	Furloughs (partial or intermittent)	957	\$5,800,755
	Position Controls*	69	\$5,878,959
	Campus Totals	1,045	\$12,296,501
UCCS	Furloughs (continuous)	32	\$279,900
	Furloughs (partial or intermittent)	581	\$2,298,115
	Position Controls**	120	\$6,413,541
	Campus Totals	733	\$8,991,556
Anschutz	Furloughs (continuous)	98	\$5,731,674
	Furloughs (partial or intermittent)	686	\$5,777,534
	Position Controls	127	\$6,765,772
	Campus Totals	911	\$18,274,980
System Admin.	Furloughs (continuous)	0	\$0
	Furloughs (partial or intermittent)	388	\$2,490,071
	Position Controls	tbd	\$1,000,000
	Campus Totals	388	\$3,490,071
Total	Furloughs (continuous)	522	\$8,091,861
	Furloughs (partial or intermittent)	5,822	\$36,986,407
	Position Controls	1,364	\$59,765,795
	Campus Totals	7,708	\$104,844,063

Note: Position controls include hiring delays and positions left unfilled.

* Includes planned separations and vacancies.

** Of this total, this includes 39 lay-offs resulting in \$1.4 million cost avoidance.

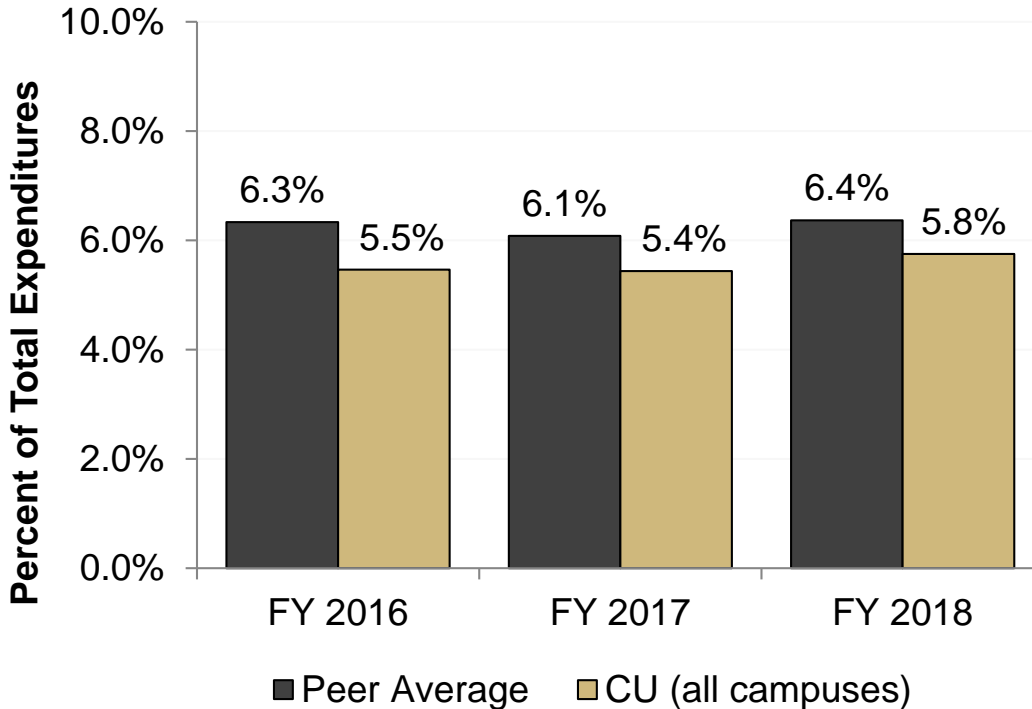


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Administrative Expenditures Compared to Peers



The proportion of CU's administrative expenditures to total expenditures is consistently below the average for peer institutions.

Peer list approved by CCHE Nov 2011

Source: FY16 to FY18 from IPEDS Finance (Institutional Support);

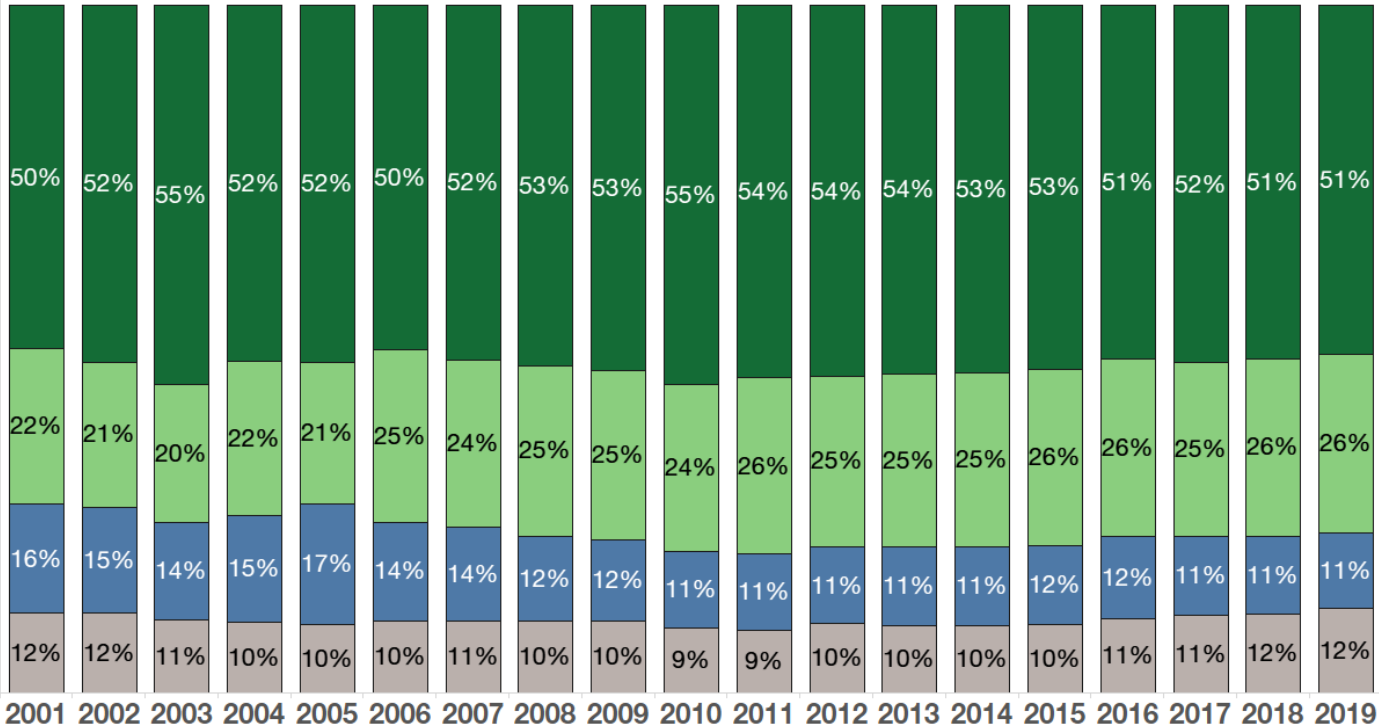
Note: FY 2017-18 is the most recent data available for peer institutions at the time of publication.



CU E&G Budget

by NACUBO, excludes Transfers

- Instruction
- Student Services, Scholarships & Academic Support
- Non-Instruction, Non-Academic
- Institutional Support (Administration)



Source: Budget Data Books



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Statewide Tuition and Fee Increases

Institution	Last Year	Proposed	Change	
	FY 2019-20 Tuition and Fees (30 credit hrs.)	FY 2020-21 Tuition and Fees (30 credit hrs.)	\$ Increase	% Increase
Adams State University	\$9,440	June 15th		
Colorado Community College System (CCD)	\$5,615	\$5,795	\$180	3.21%
Colorado Community College System (MCC)	\$4,612	\$4,747	\$135	2.93%
Colorado Mesa University	\$9,306	\$9,306	\$0	0.00%
Colorado School of Mines	\$19,062	\$19,100	\$38	0.20%
Colorado State University	\$11,902	\$11,939	\$37	0.31%
Colorado State University Pueblo	\$10,445	\$10,664	\$219	2.10%
Fort Lewis College	\$8,871	June 22nd		
Metropolitan State University of Denver	\$9,150	\$9,093	(\$57)	-0.62%
University of Colorado Boulder*	\$12,500	\$12,466	(\$34)	-0.27%
University of Colorado Colorado Springs	\$10,463	\$10,480	\$17	0.16%
University of Colorado Denver**	\$11,447	\$11,537	\$90	0.78%
University of Northern Colorado	\$9,987	\$10,062	\$75	0.75%
Western State Colorado University	\$10,437	\$10,466	\$29	0.28%

*CU Boulder: 4 Year Guarantee for incoming FY 2020-21 Freshman & Transfer Cohort, 0.0% increase for continuing cohorts.
 **CU Denver change, in part due to equity adjustment for the student technology fee in FY 2020-21.

CU Boulder



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Overview CU Boulder FY 2020-21

The total number of students enrolled during next academic year is currently projected to remain stable.

- Incoming class expected to be slightly less than last year, offset by increased enrollment from continuing students
- Graduate student enrollments projected to be slightly higher
- Summer “melt” effect is a source of uncertainty



Overview CU Boulder FY 2020-21

Actions taken to date

Began cost reduction measures this spring and will continue efforts to reduce expenses and control costs into FY 2020-21.

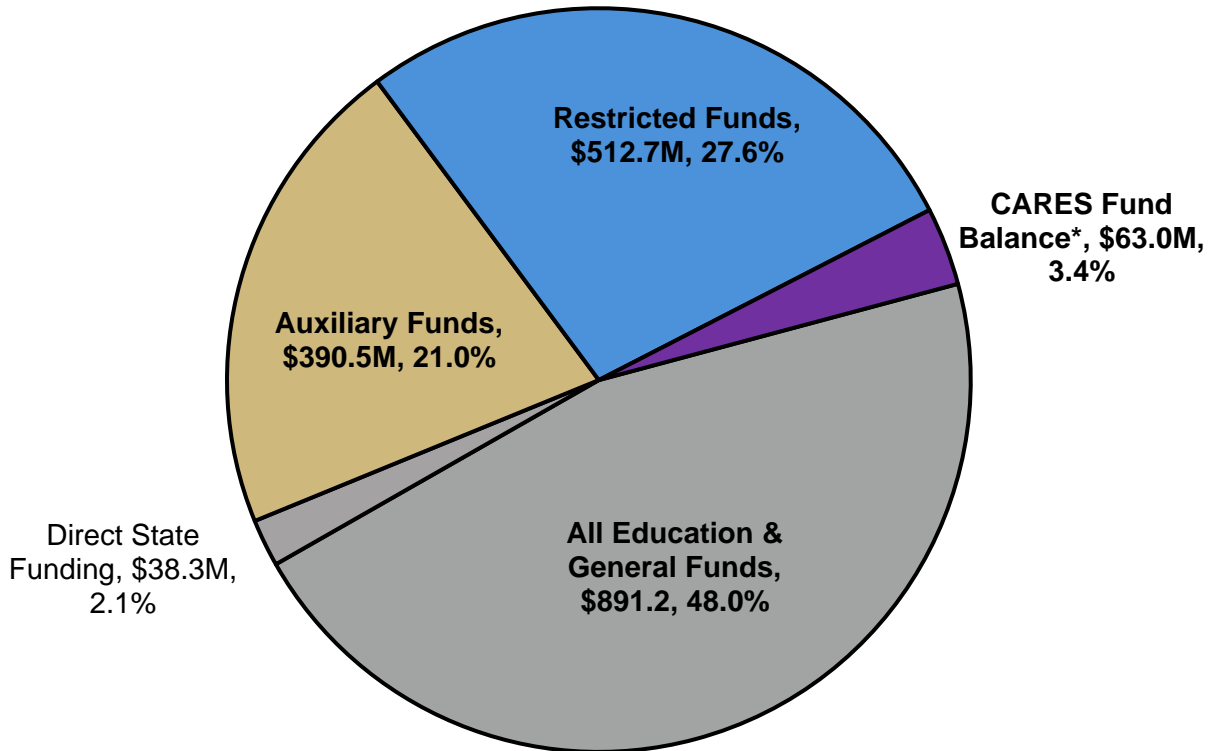
- Continued hiring delays
- Continuous and intermittent furloughs
- Planned separations and retirements
- Reductions to discretionary spending

Plans for Fall 2020

- A safe and COVID ready, flexible, in-person experience
- Students arrive August 24th and completing their in-person instruction at Thanksgiving.
- Researchers began return to campus last week of May.



CU Boulder FY 2020-21 Total Current Funds Budget



Total Current Funds Budget = \$1.86 Billion

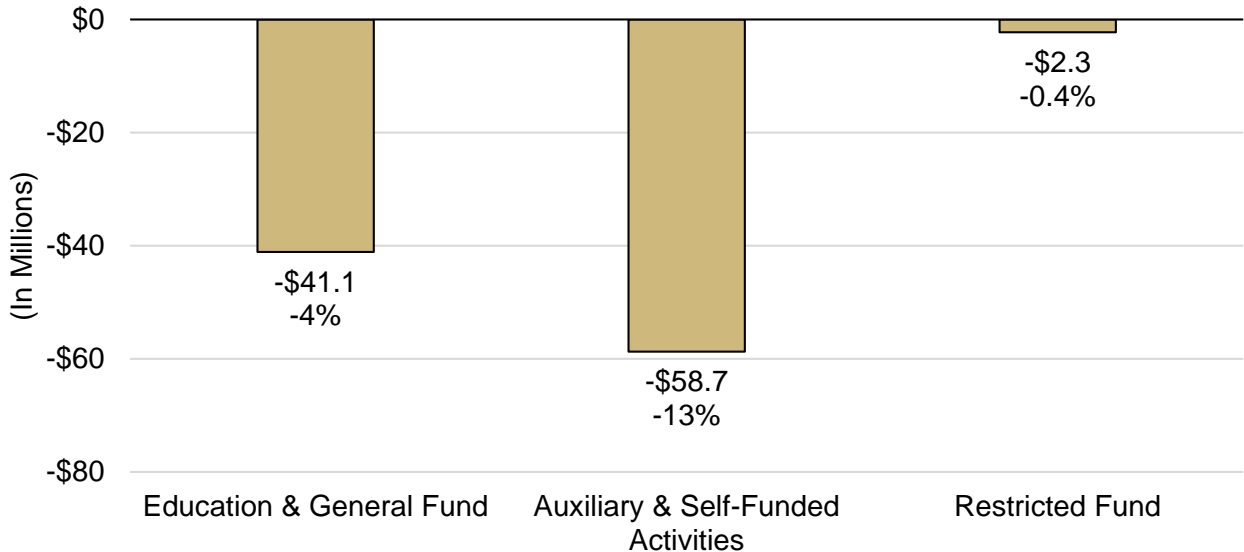


*Includes the amount estimated to be spent in FY 2020-21 of, \$18.7 million from Higher Education Emergency Relief Fund and \$48.3 million from Coronavirus Relief Fund received in FY 2019-20.

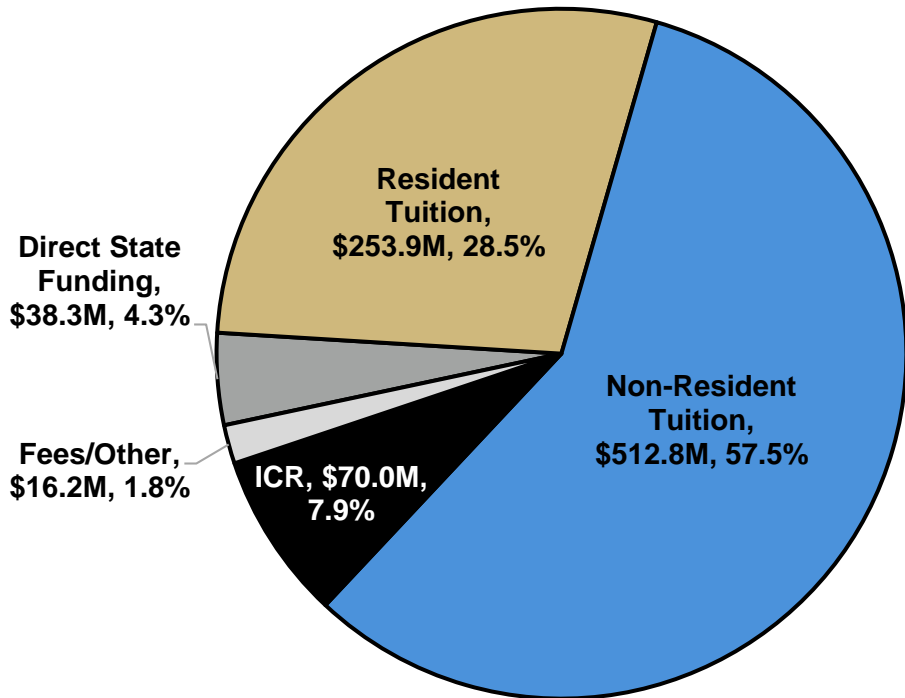
CU Boulder Year Over Year Revenue Change

FY 2019-20 Original June Budget to FY 2020-21 June Budget

Does not include revenue from \$18.7 million from Higher Education Emergency Relief Fund and \$48.3 million from Coronavirus Relief Fund included in CARES Act and does not include additional expenses resulting from COVID-19.



CU Boulder FY 2020-21 Education & General Budget Sources of Revenue



Total Education & General Budget = \$891.2 Million



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CU Boulder Enrollment Estimates FY 2020-21

Enrollment Estimates	FY 2019-20	FY 2020-21	Change	Percent Change
Resident Undergrad	17,096	16,992	-104	-0.6%
Non-Resident Undergrad	12,528	12,441	-87	-0.7%
Domestic	10,853	11,060	207	1.9%
International	1,675	1,381	-294	-17.6%
Resident Graduate	3,607	3,902	295	8.2%
Non-Resident Graduate	2,297	2,327	30	1.3%
Domestic	1,048	1,177	129	12.3%
International	1,249	1,150	-99	-7.9%
Total Resident	20,703	20,894	191	0.9%
Total Non-Resident	14,825	14,768	-57	-0.4%
Total Enrollment	35,528	35,662	134	0.4%

How would the campus balance the budget if additional revenue shortfalls in FY 2020-21?

Depending on the depth of revenue shortfalls, the campus would include or extend the following as budget balancing measures:

- Reductions to operating costs (travel, events, building maintenance, utilities, hardware and software)
- Additional personnel actions such as periodic and extended furloughs, eliminating positions, further hiring delays, layoffs
- Strategic use of reserves and other contingency funds, including those that have been set aside for deferred maintenance
- Consolidation, reorganization and discontinuance of programs



UCCS



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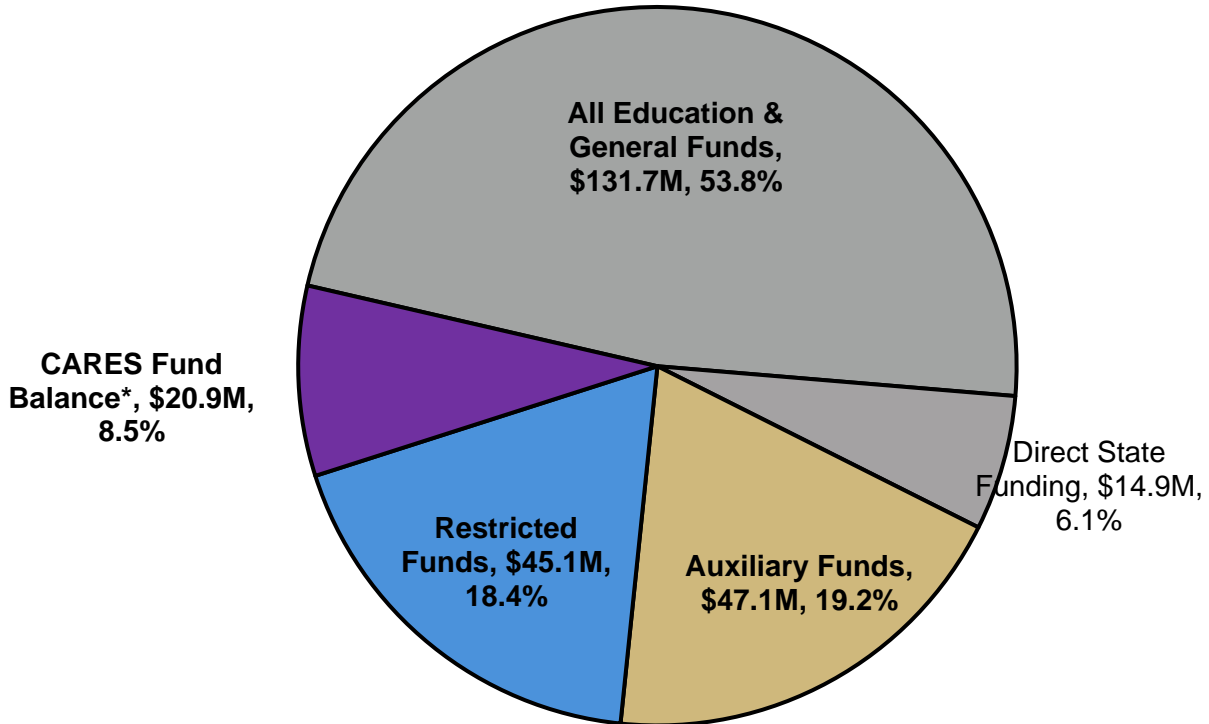
Overview UCCS FY 2020-21

Fall Opening and Enrollment

- Announced fall opening June 4
- Mix on-campus and remote classes
- Public Health guidelines – Social distancing constraint
- Housing – double occupancy; matches started
- Fall enrollment trending 14-16% down
- Online orientation helping improve enrollment
- Fall opening marketing/communication campaign
- Staff and Faculty phased return to campus begins in July
- Auxiliary lay-offs and furloughs notifications complete
- 10% Officer furlough; 4.6% furlough over \$60K



UCCS FY 2020-21 Total Current Funds Budget

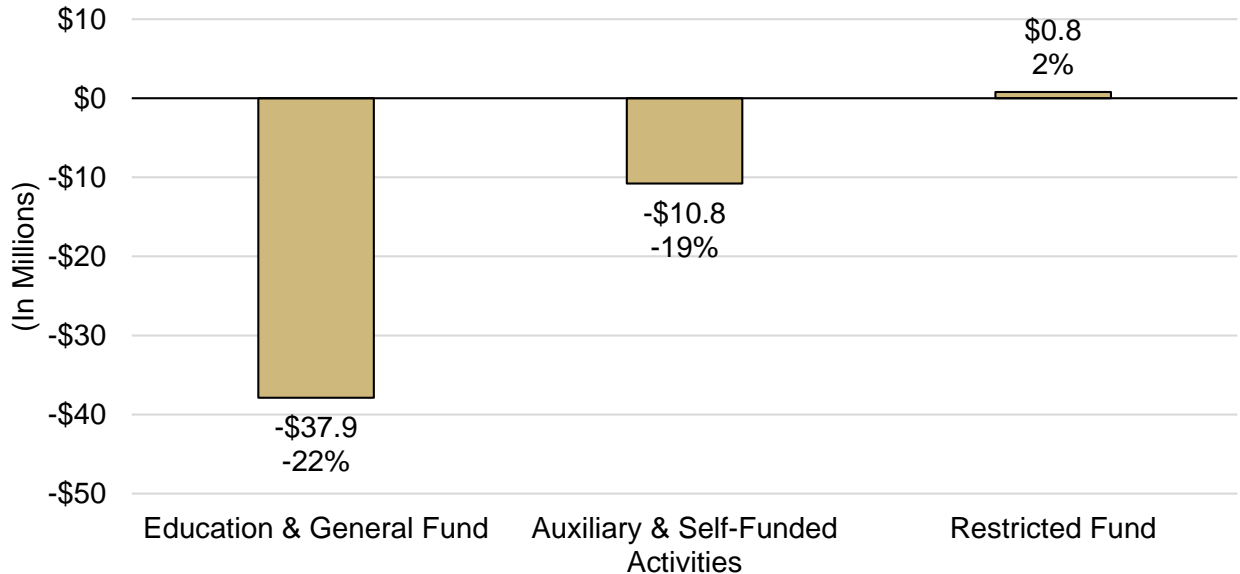


Total Current Funds Budget = \$244.7 Million

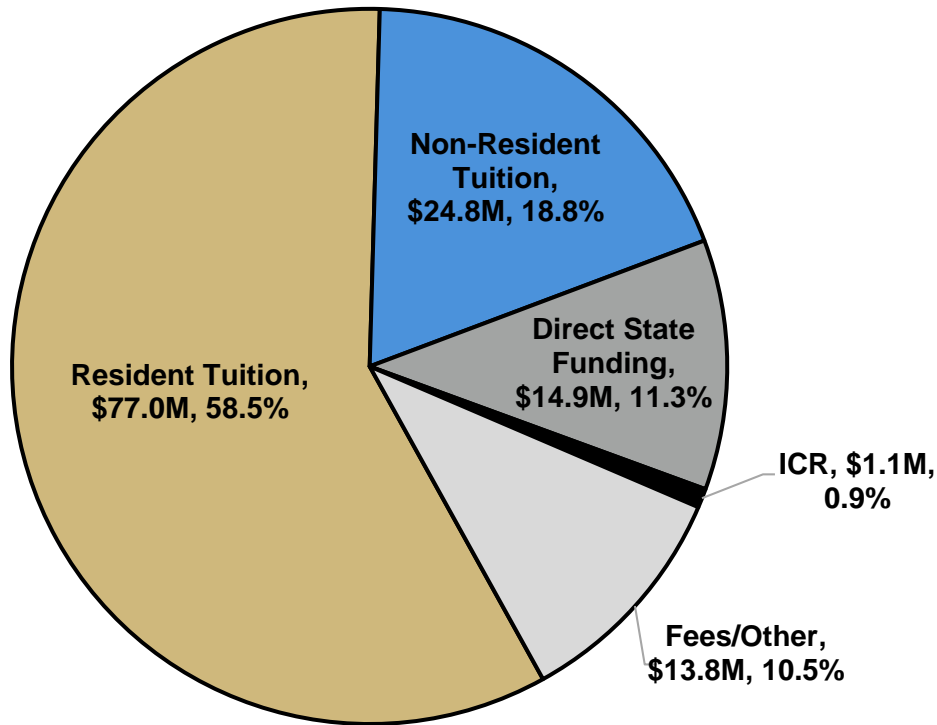
UCCS Year Over Year Revenue Change

FY 2019-20 Original June Budget to FY 2020-21 June Budget

Does not include revenue from \$7.9 million from Higher Education Emergency Relief Fund and \$16.5 million from Coronavirus Relief Fund included in CARES Act and does not include additional expenses resulting from COVID-19.



UCCS FY 2020-21 Education & General Budget Sources of Revenue



Total Education & General Budget = \$131.7 Million



UCCS Enrollment Estimates FY 2020-21

Enrollment Estimates	FY 2019-20	FY 2020-21	Change	Percent Change
Resident Undergrad	9,459	7,756	-1,703	-18.0%
Non-Resident Undergrad	1,445	1,271	-174	-12.0%
Domestic	1,286	1,112	-174	-13.5%
International	159	159	0	0.0%
Resident Graduate	1,741	1,758	17	1.0%
Non-Resident Graduate	376	380	4	1.1%
Domestic	335	339	4	1.2%
International	41	41	0	0.0%
Total Resident	11,200	9,514	-1,686	-15.1%
Total Non-Resident	1,821	1,651	-170	-9.3%
Total Enrollment	13,021	11,165	-1,856	-14.3%

How would the campus balance the budget if additional revenue shortfalls in FY 2020-21?

- Emergency Tuition Stabilization reserves and base
- Campus, college and gift reserves
- Operating reductions
- Deferred Maintenance reduction
- Personnel actions
 - Position Control (open positions)
 - Student hourly reduction
 - Furloughs/ lay-offs
- Program re-organization/elimination



CU Denver



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Overview CU Denver FY 2020-21

- For FY 2020-21, total funds budget is projected to decline by 9%
 - Primarily due to nonresident (domestic and international) enrollment
 - Nonresident tuition revenue is projected to decline by \$17 million
- To balance the budget, a mix of one-time and ongoing actions are employed
 - Reserves, including the Emergency Tuition Stabilization Plan Reserves
 - One-time savings like position vacancies and operating reductions
 - Workforce Actions (mission critical hiring, temporary pay reductions, workload revisions, retirement incentives)
 - A tiered, progressive program of unpaid, temporary furloughs beginning July 1, 2020 and potentially running through June 30, 2021



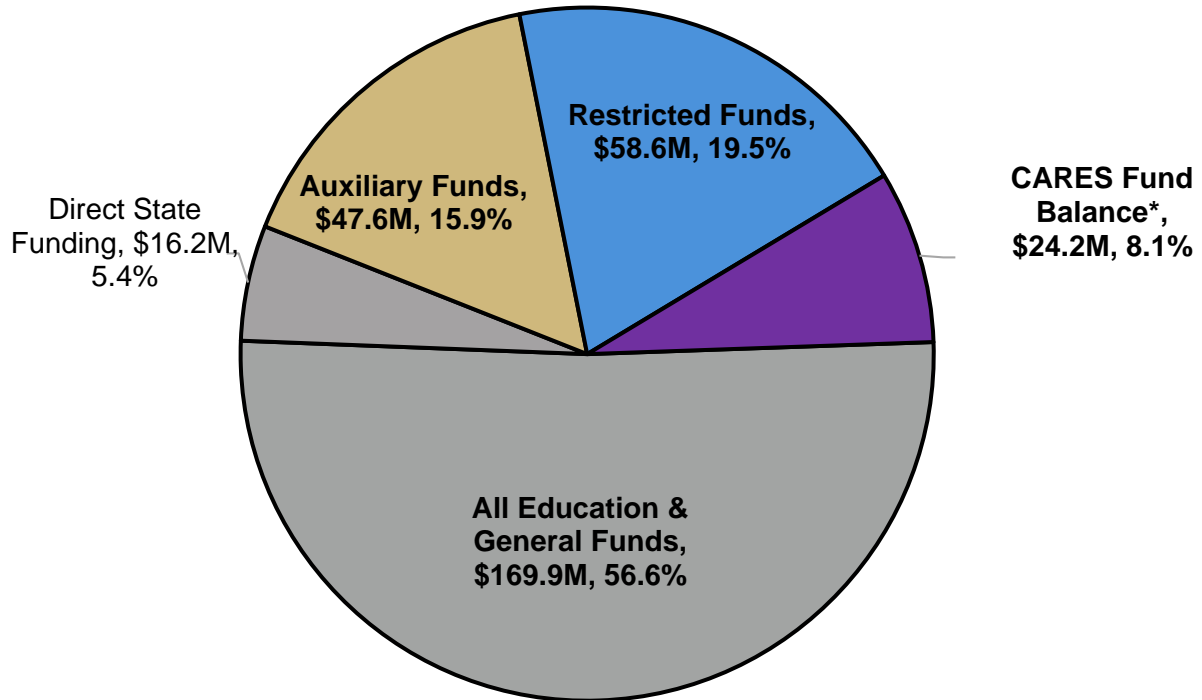
Overview CU Denver FY 2020-21

CU Denver Safe Return Plan

- Announced June 4th
- Provides a flexible return to campus designed to keep our community safe, ensure our students' ongoing success, and innovate for the future.
- Mix of on-campus, remote, online, and hybrid course formats to meet a wide variety of student preferences and circumstances
- Details to be provided by early July on format for each course



CU Denver FY 2020-21 Total Current Funds Budget

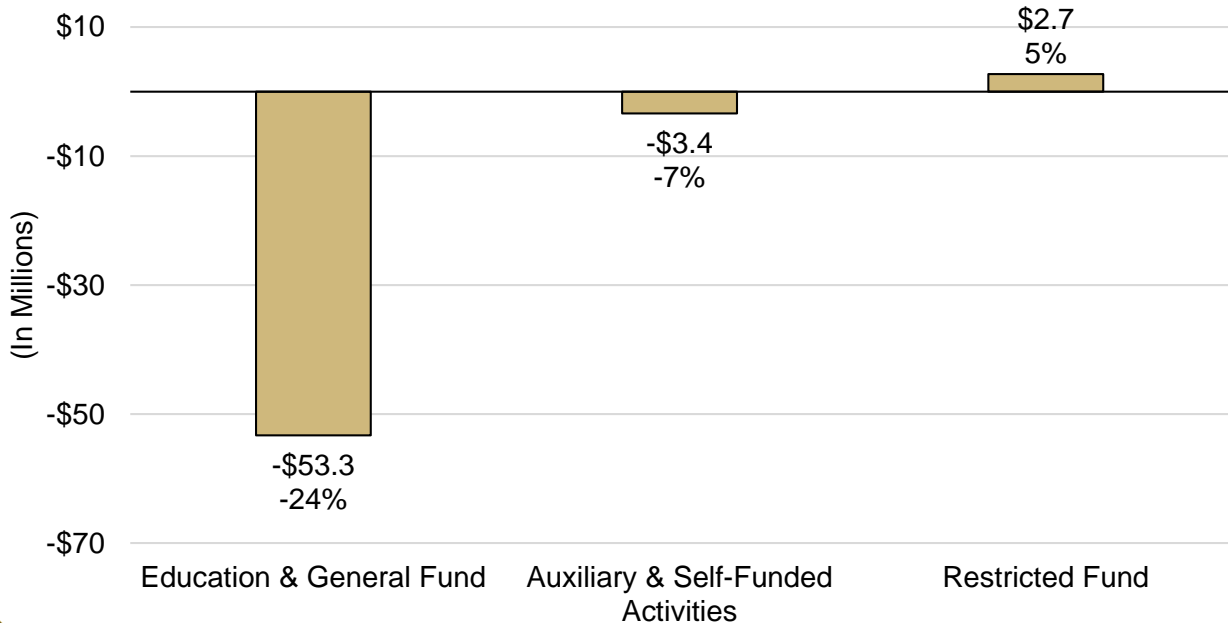


Total Current Funds Budget = \$300.4 Million

CU Denver Year Over Year Revenue Change

FY 2019-20 Original June Budget to FY 2020-21 June Budget

Does not include revenue from \$6.8 million from Higher Education Emergency Relief Fund and \$20.4 million from Coronavirus Relief Fund included in CARES Act and does not include additional expenses resulting from COVID-19.

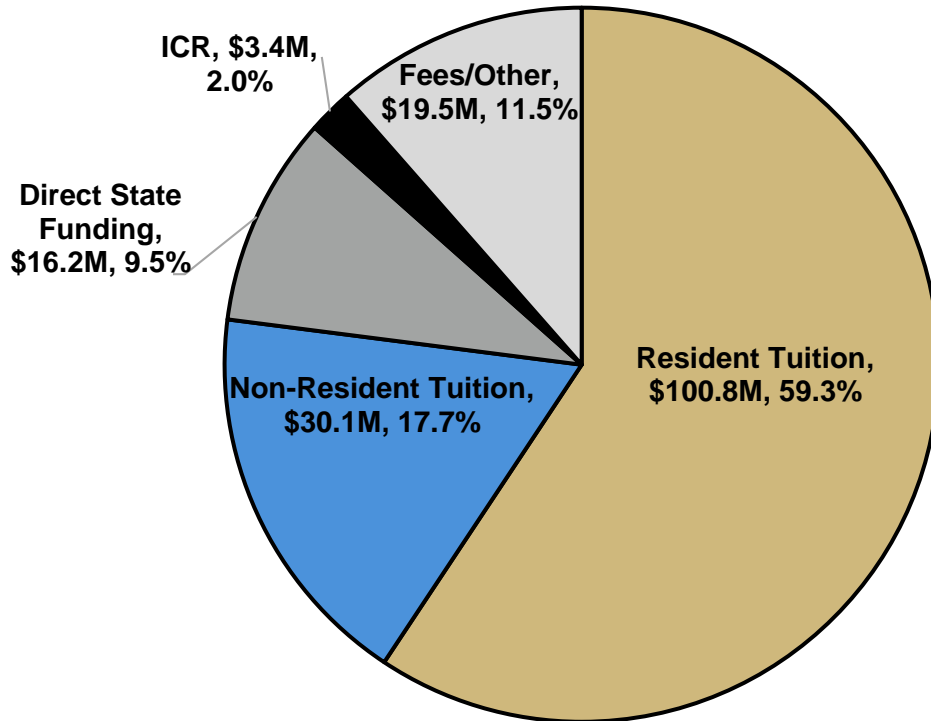


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CU Denver FY 2020-21 Education & General Budget Sources of Revenue



Total Education & General Budget = \$169.9 Million



CU Denver Enrollment Estimates FY 2020-21

Enrollment Estimates	FY 2019-20	FY 2020-21	Change	Percent Change
Resident Undergrad	9,415	9,084	-331	-3.5%
Non-Resident Undergrad	1,481	1,114	-367	-24.8%
Domestic	972	874	-98	-10.4%
International	509	240	-269	-52.8%
Resident Graduate	3,319	3,293	-26	-0.8%
Non-Resident Graduate	732	494	-238	-32.5%
Domestic	334	322	-12	-3.6%
International	398	172	-226	-56.8%
Total Resident	12,734	12,377	-357	-2.8%
Total Non-Resident	2,213	1,607	-606	-27.4%
Total Enrollment	14,947	13,984	-963	-6.4%



How would the campus balance the budget if additional revenue shortfalls in FY 2020-21?

- Additional workforce actions (mission critical hiring, furloughs, temporary pay reductions, workload revisions, retirement incentives)
- Use of Reserves and Enrollment Contingency
- Utilize One-Time Resources (position vacancies, operating reductions, one-time savings)
- Defer Investments in Initiatives
- Reduce Budget Allocation to Deferred Maintenance
- Program or Activity Reorganization or Elimination



CU Anschutz Medical Campus



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Overview CU Anschutz FY 2020-21

Circumstances and approach to FY 2020-21

- State Funding Decrease
 - -58% Operating Funding
 - Marijuana Tax Fund and Tobacco decrease of -9.4% (-\$1.7 million)
- Fall enrollment is projected to increase 5% percent from fall 2019 census
 - 4% of the increase is due to College of Nursing programs shifting from Extended Studies to Main Campus for fall 2020
- Health Services Operations negatively impacted by suspension of elective procedures
- Research productivity reduced due to remote work; full impact TBD
- CARES Act Funds (received in FY 2019-20)
 - Approximately \$45.3 million to be utilized in FY 2020-21



Overview CU Anschutz FY 2020-21

Plans for Fall 2020

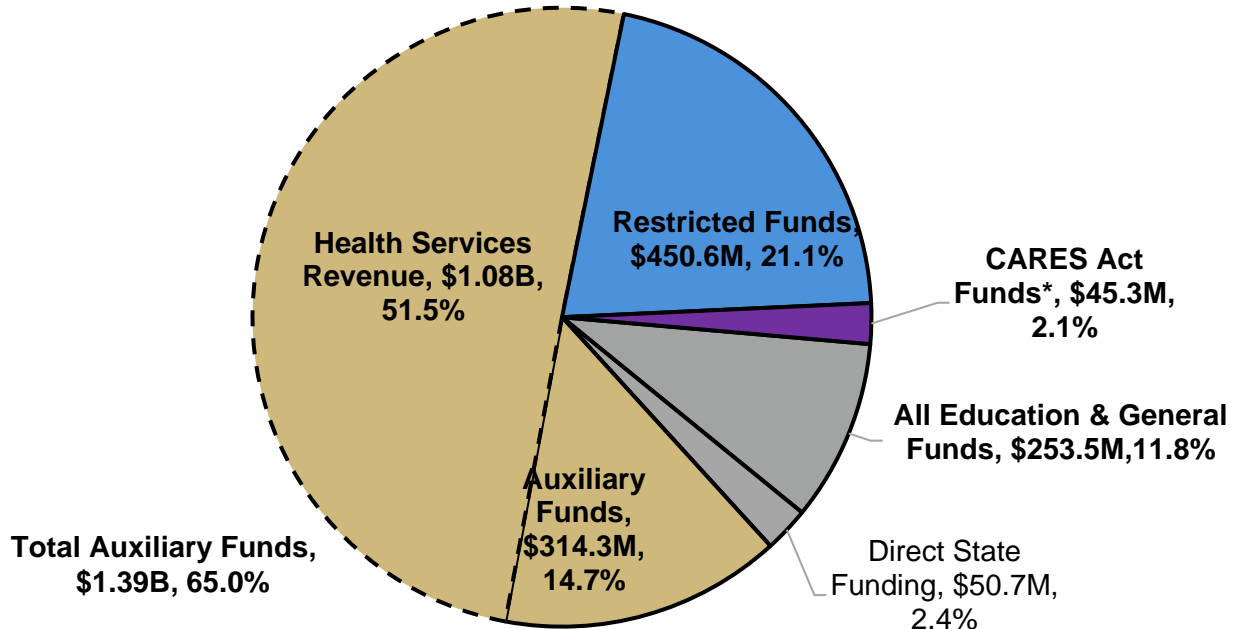
- Deliver components of courses remotely when possible
- Programs requiring clinical hours will be conducted with social distancing and safety measures in place

Actions taken to date

- Furloughs and layoff decisions began in April 2020 (FY 2019-20) for the auxiliary and healthcare missions
- Hiring chills began in March 2020 (FY 2019-20) across all departments
- Voluntary officer furloughs, 100% participation



CU Anschutz Medical Campus FY 2020-21 Total Current Funds Budget



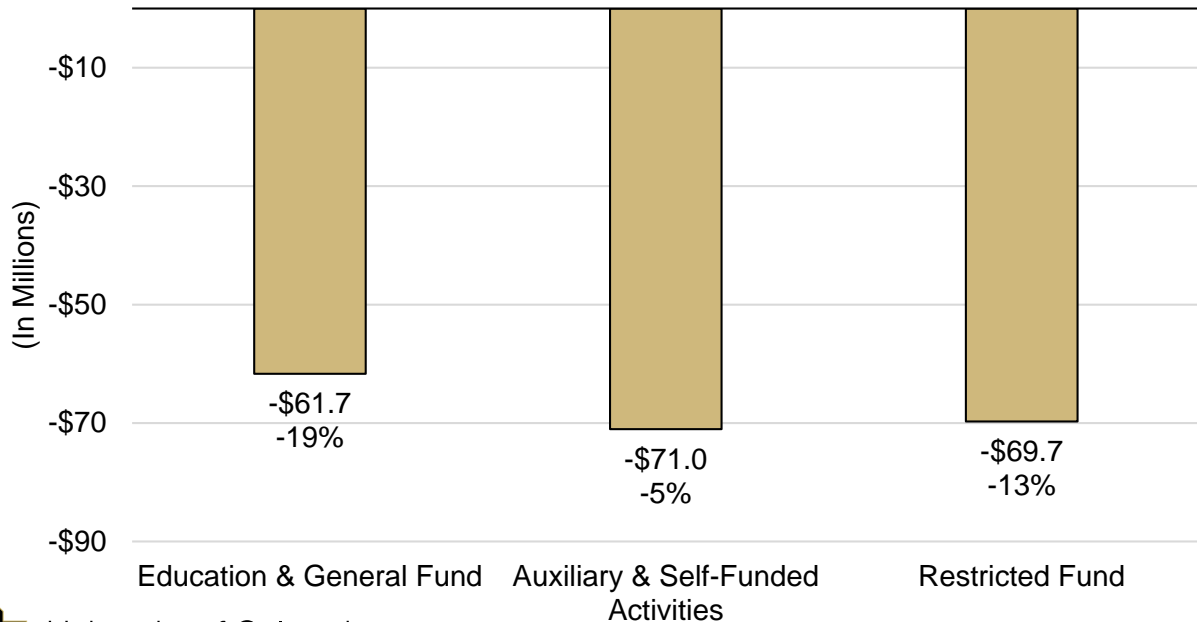
Total Current Funds Budget = \$2.14 Billion



CU Anschutz Year Over Year Revenue Change

FY 2019-20 Original June Budget to FY 2020-21 June Budget

Does not include revenue from \$3.3 million from Higher Education Emergency Relief Fund and \$42.6 million from Coronavirus Relief Fund included in CARES Act and does not include additional expenses resulting from COVID-19.

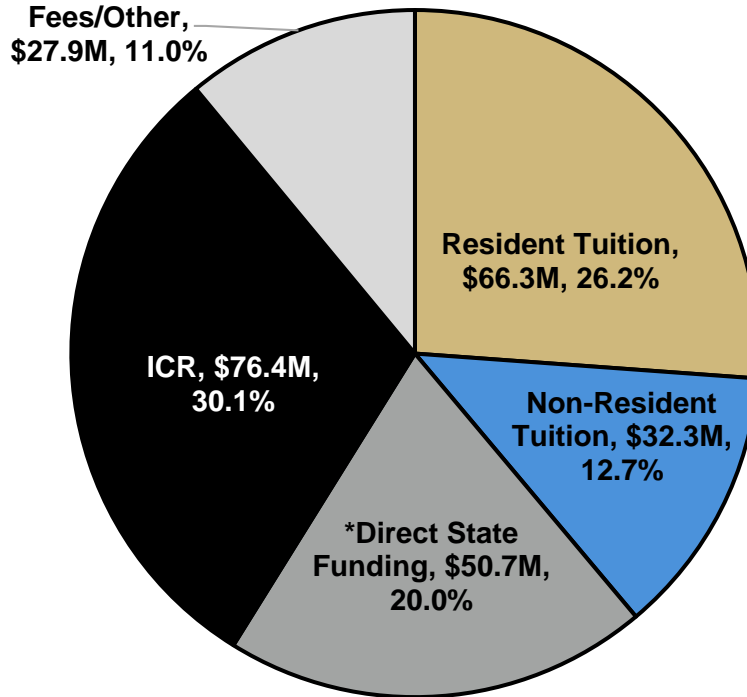


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CU Anschutz Medical Campus FY 2020-21 Education & General Budget Sources of Revenue



Total Education & General Budget = \$253.5 Million

*Direct State Funding includes \$16.9M from the Tobacco MSA and Marijuana Tax cash funds for specific purposes



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CU Anschutz Enrollment Estimates FY 2020-21

Enrollment Estimates	FY 2019-20	FY 2020-21	Change	Percent Change
Resident Undergrad	483	449	-34	-7.0%
Non-Resident Undergrad	28	36	8	28.6%
Domestic	n/a	n/a	n/a	n/a
International	n/a	n/a	n/a	n/a
Resident Graduate	2,935	3,183	248	8.4%
Non-Resident Graduate	846	833	-13	-1.5%
Domestic	n/a	n/a	n/a	n/a
International	n/a	n/a	n/a	n/a
Total Resident	3,418	3,632	214	6.3%
Total Non-Resident	874	869	-5	-0.6%
Total Enrollment	4,292	4,501	209*	4.9%

*165 of the headcount increase (3.8%) is due to nursing programs converted from Extended Studies to Main Campus

How would the campus balance the budget if additional revenue shortfalls in FY 2020-21?

- Operating Reductions
- Compensation savings
- Program restructuring
- Utilization of reserves
- Layoffs and furloughs
- Discretionary expenditure reductions



System Administration



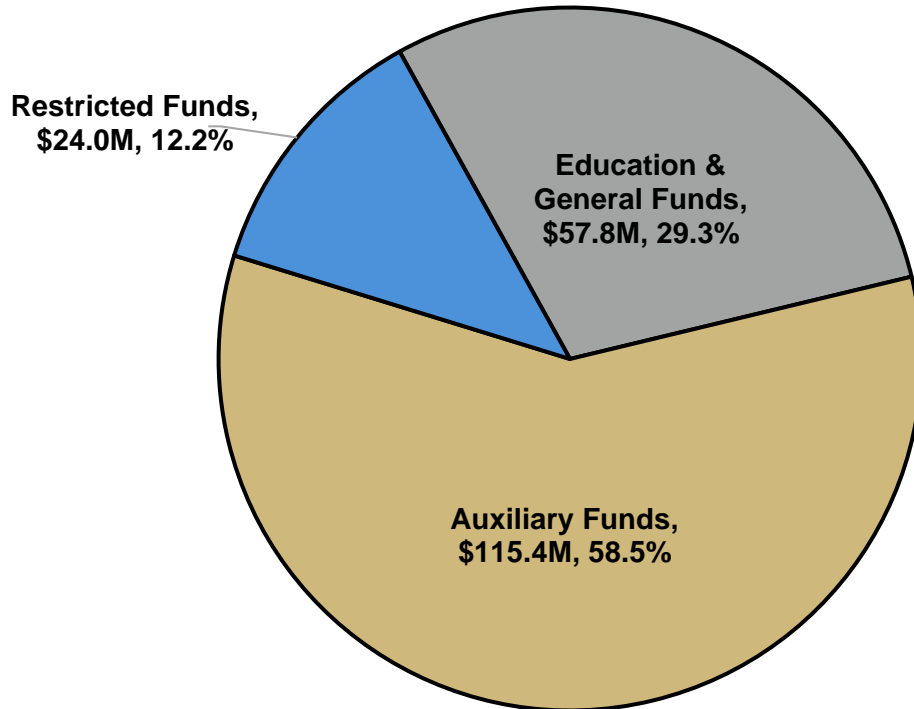
Overview CU System Administration FY 2020-21

System Administration has taken the following steps to provide savings for the campuses in the upcoming year.

- Officer pay reduction of 10% achieved through furloughs
- One-day per month furlough for positions above \$60,000
- Operating budget reductions including travel and supplies
- Review of vacant positions
- Reserves
- Additional actions as needed



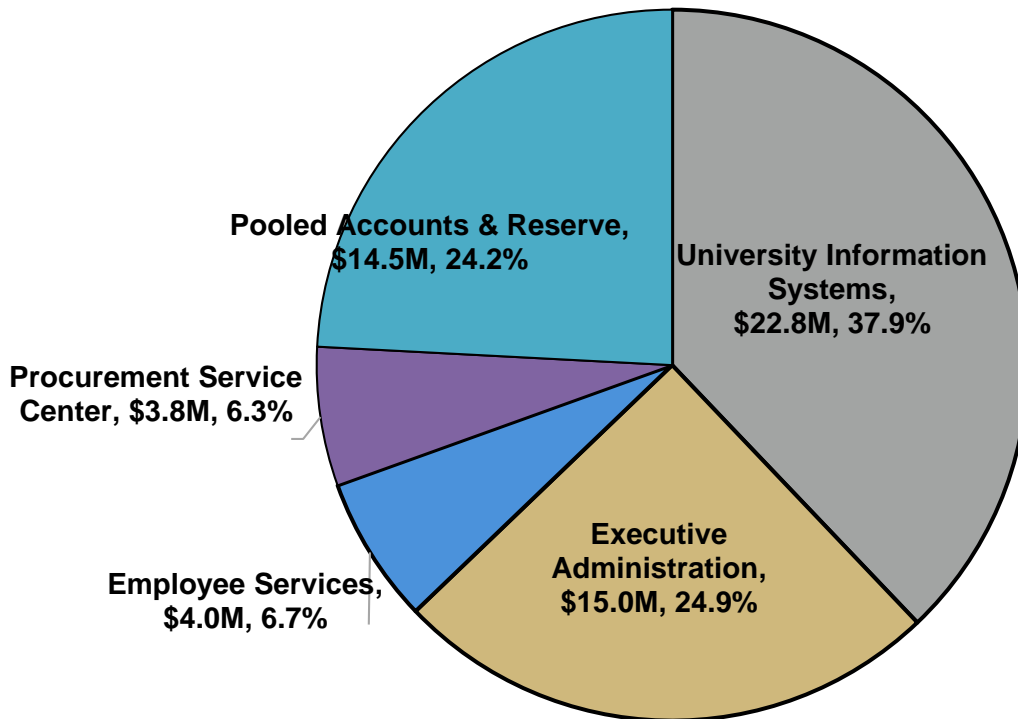
System Administration FY 2020-21 Total Current Funds Budget



Total Current Funds Budget = \$197.2 Million



System Administration FY 2020-21 Campus Support Budget by Department



Total Education & General Budget = \$57.8 Million

(\$2.3 million one-time cuts not shown)



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How would the system administration balance the budget if additional revenue shortfalls in FY 2020-21?

- Reduction in operating or payroll expenses
- Utilization of reserves
- Layoffs and additional furloughs



2020 - Looking Ahead

September Meeting

- Compensation Report
- Enrollment Update (*including campus enrollment management spending and strategies*)

November/December Meeting

- CU Finances
 - Including unobligated and capital detail
- Carry forward report by campus including auxiliaries
- Revenue, expenditures and transfer summary report by campus
- Financial Aid



Appendix

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General Budget Terminology

- **Current Funds Budget** — The current funds budget includes those economic resources of the institution which are expendable for any purpose in performing the primary objectives of the institution. Current funds are categorized by three funds: Education & General, Auxiliary and Restricted.
- **Auxiliary** — Auxiliary enterprises are self-contained business units that charge a fee and exist to provide a service to students, faculty, or staff. Examples of Auxiliary & Self-funded Activities: Intercollegiate Athletics, Bookstores, Housing Operations, Parking etc. These funds are not appropriated by the State.
- **Unrestricted vs. Restricted Funds** — Unrestricted current funds include all funds that leadership may use for the primary mission of the institution (tuition, state support). Restricted funds consist of those funds restricted by donors or other outside agencies for a specific purpose (research grants, endowments).



General Budget Terminology

NACUBO functional categories — The National Association of College and University Business Officers (NACUBO) establishes definitions for the functional expenditure categories, which group and aggregate expenses by institutional purpose.

- **Instruction**— Includes all activities that are part of an institution’s instructional program. Included are credit and noncredit courses. Includes departmental research and sponsored instruction.
- **Research**— Includes all activities specifically organized and separately budgeted to produce research.
- **Public Service**— Includes identified activities that are established primarily to provide non instructional services beneficial to individuals and groups external to the institution (i.e. community service).
- **Academic Support**— Includes support services for the institution’s primary missions: instruction, research, and public service. Examples include: *Libraries,*

Ancillary Support.

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General Budget Terminology

- **Student Services**– Those activities whose primary purpose is to contribute to the student’s emotional and physical well-being outside the context of the formal instructional program. Examples: *Tutoring, Counseling and Career Guidance, Student Health Services.*
- **Institutional Support**– Includes central executive-level activities concerned with management and long-range planning of the entire institution, such as the governing board, planning and programming, and legal services; fiscal operations, administrative data processing, employee personnel and records.
- **Operation & Maintenance of Plant**– Includes the operation and maintenance of physical plants for all institutional activities, including auxiliary enterprises and independent operations.
- **Scholarships & Fellowships**– Includes grants-in-aid, trainee stipends, tuition and fee waivers, prizes to undergraduate students and trainee stipends for grads.

