

FOUR CAMPUSES UNITED **ALL FOUR: COLORADO**

CU Reserve Metric

October 15, 2018 Finance Committee



University of Colorado

Boulder | Colorado Springs | Denver | Anschutz Medical Campus

Background

- Avoid large tuition fluctuations during economic downturn.
- Enable thoughtful implementation of long term cuts as needed.
- Focus on Operating Budget funded in large part with tuition dollars.
- Common approach for all campuses to keep it simple.
- Annually report status and progress toward metric goal.



Focus on Operating (E&G) Budget

The Operating budget is also called the Education & General (E&G) budget. It is the category that most people associate with the university's educational activities

Revenue Components include:

- State support
- Tuition
- Indirect Cost Recoveries

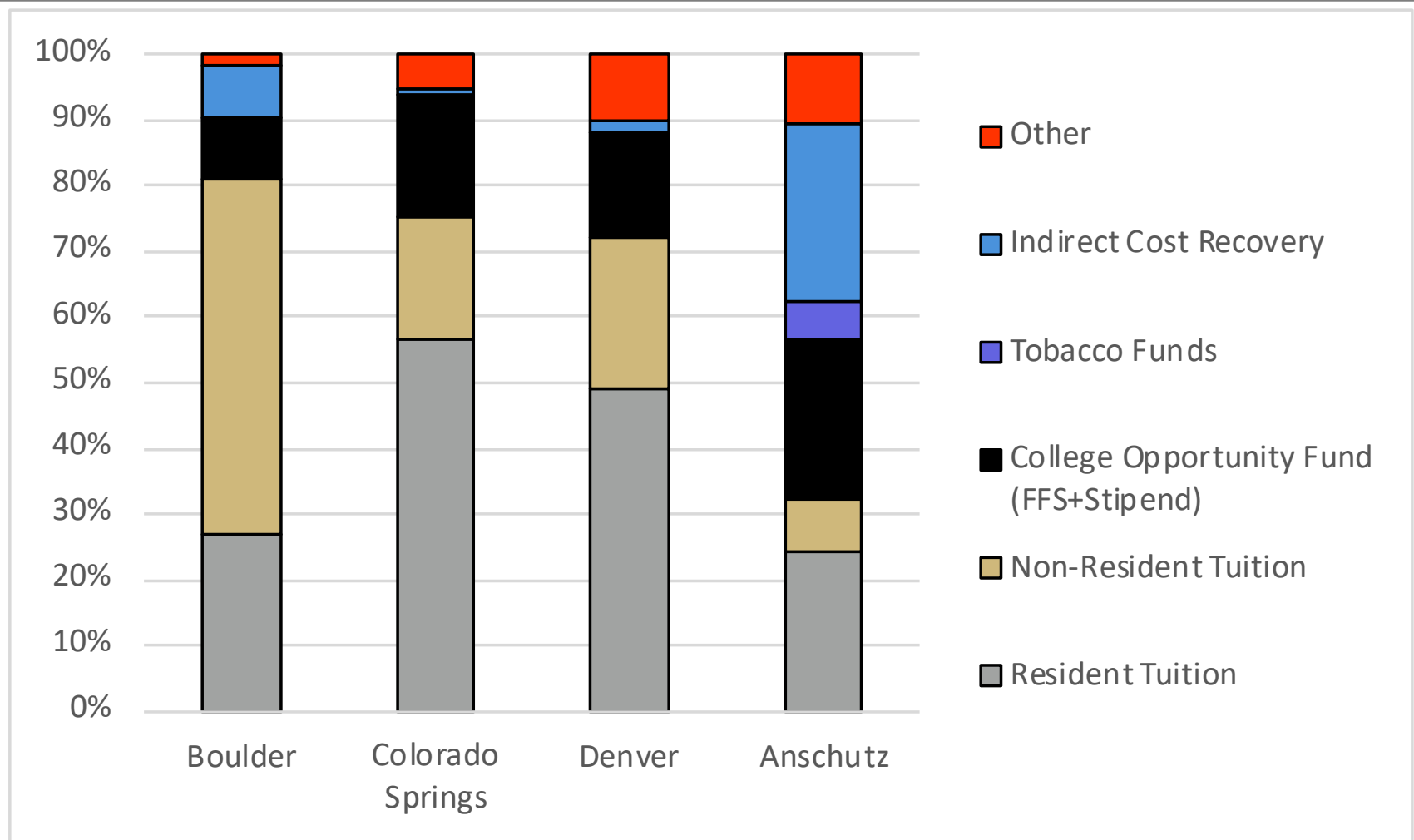


Needs Based on Five-Year Budget Scenarios

- Five-year budget scenarios set out revenue and expenditure expectations.
- State funding projections based on VPBF long term state revenue and expenditure forecast.
- E & G expenditures are based on campus plans and common budget assumptions.
- Emergency Tuition Stabilization Plan (ETS Plan) will keep tuition in check and protect educational programs for students during an economic downturn.



Each Campus has a Unique E&G Mix



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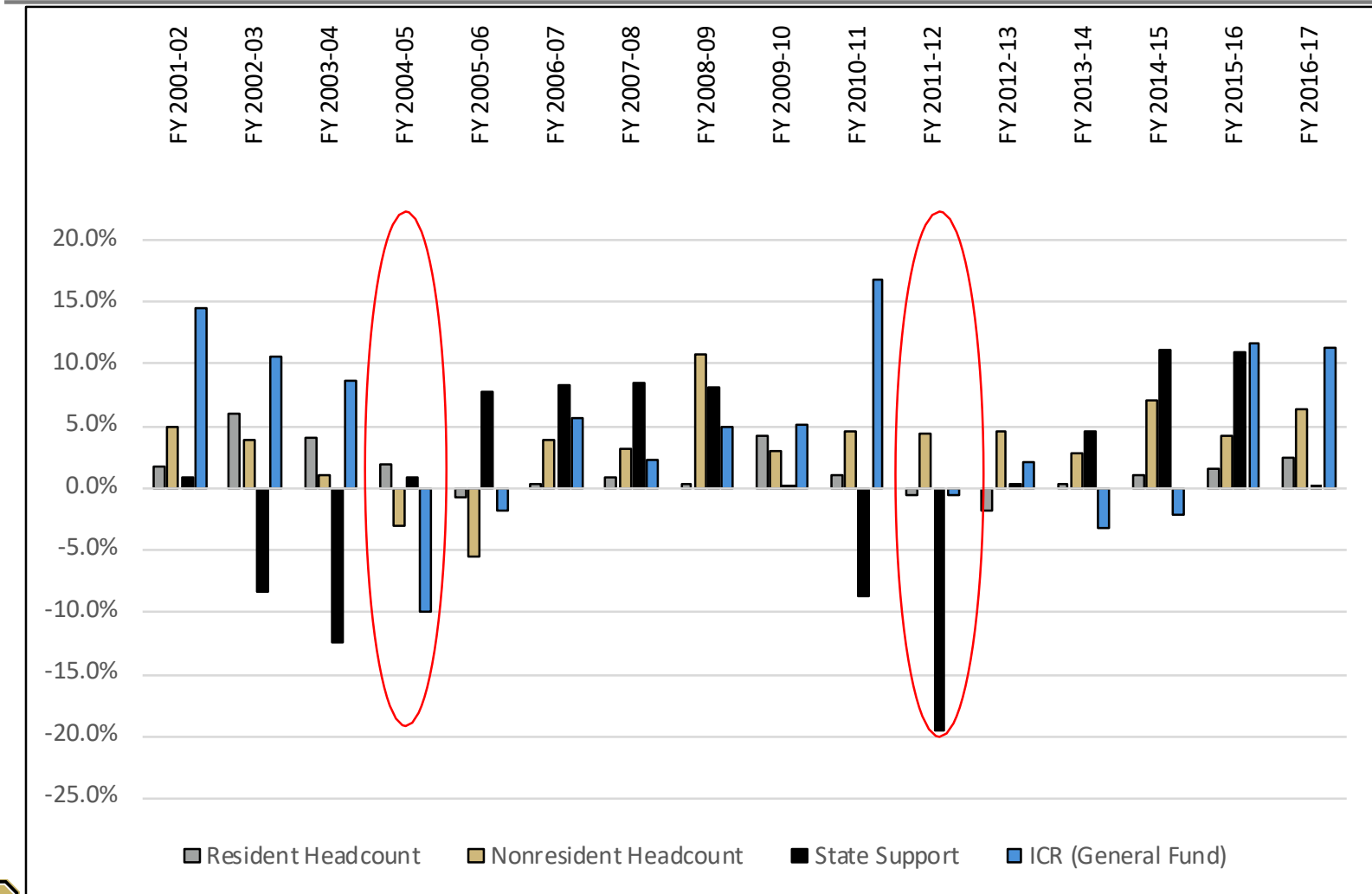
Review of Historical Revenue Variations

- Based on 18 years of E&G revenue history
- Revenue components rarely act in a uniform direction
- Campuses experienced different ‘worst’ years and different components drove the revenue declines

Campus	Fiscal Year	Driver
Boulder	2006	Nonresident enrollment
Colo Springs	2004	State appropriations
Denver	2004	Nonresident enrollment, state appropriations
Anschutz	2005	Indirect cost recoveries, undergraduate enrollment



History of Consolidated E&G Revenue Components



Applied Historical Variations to Current Budget

- Worst-case shortfall, based on historical worst-case year.
- Historic campus worst-case revenue shortfall applied to the FY 2018-19 E&G budget components to quantify revenue picture.
- Analysis of worst-case shows campuses would experience a range of shortfalls from 2.6% to 5.0% of total E&G revenue.



CU Reserve Metric Goal

4%



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Next Steps

- Each campus will identify resources available to move
 - toward a 4% Emergency Tuition Stabilization Plan.
- Campus progress toward goal will be presented during November 2018 reserves presentation to Board of Regents.
- Status and progress will be reported annually to Regents
 - at summer retreat.

