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

- Boulder
- Colorado Springs
- Denver
- Anschutz

- Other
- Indirect Cost Recovery
- Tobacco Funds
- College Opportunity Fund (FFS+Stipend)
- Non-Resident Tuition
- Resident Tuition
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

<table>
<thead>
<tr>
<th>Campus</th>
<th>Fiscal Year</th>
<th>Driver</th>
</tr>
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<tbody>
<tr>
<td>Boulder</td>
<td>2006</td>
<td>Nonresident enrollment</td>
</tr>
<tr>
<td>Colo Springs</td>
<td>2004</td>
<td>State appropriations</td>
</tr>
<tr>
<td>Denver</td>
<td>2004</td>
<td>Nonresident enrollment, state appropriations</td>
</tr>
<tr>
<td>Anschutz</td>
<td>2005</td>
<td>Indirect cost recoveries, undergraduate enrollment</td>
</tr>
</tbody>
</table>
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%
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.