

Campus Budget Models and Program Prioritization

May 27, 2021

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CU Denver

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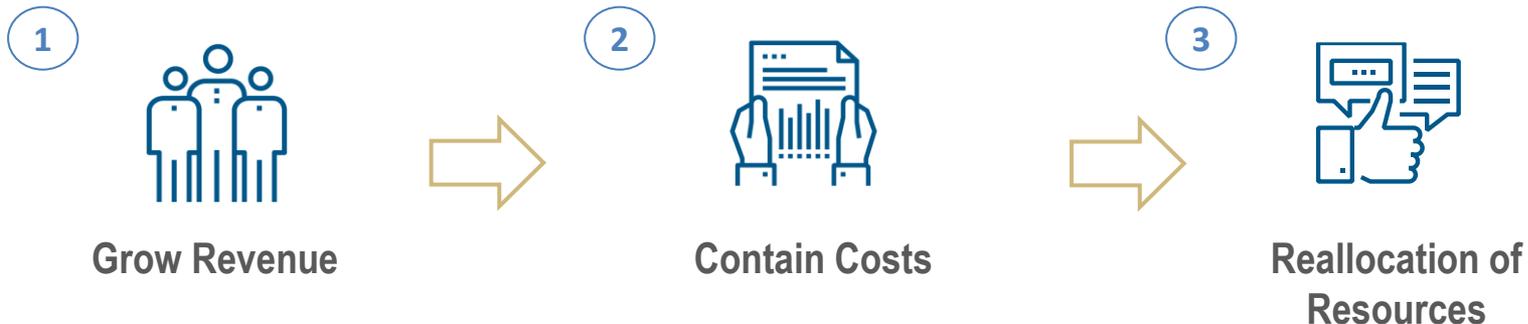


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CU Denver Campus Budget Model

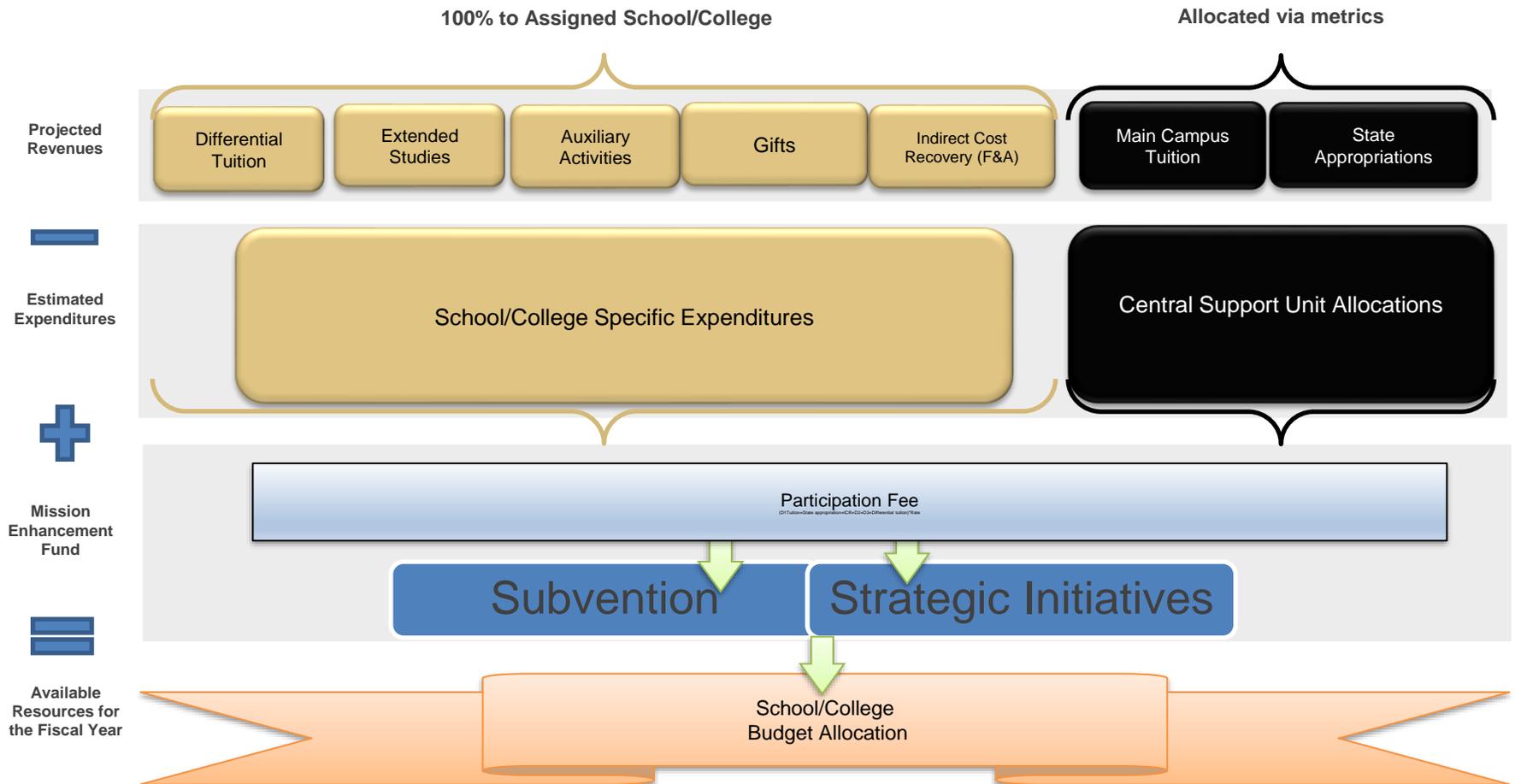
- Adoption of new incentive-based budget model FY 2017-18
- Aligns campus investments and resources with strategic priorities
- Incentivizes activities that drive both student and financial success
- Driven by common and easily available sources of data
- Promotes fiscal year planning and utilization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



How the Budget Model results in reallocation of dollars

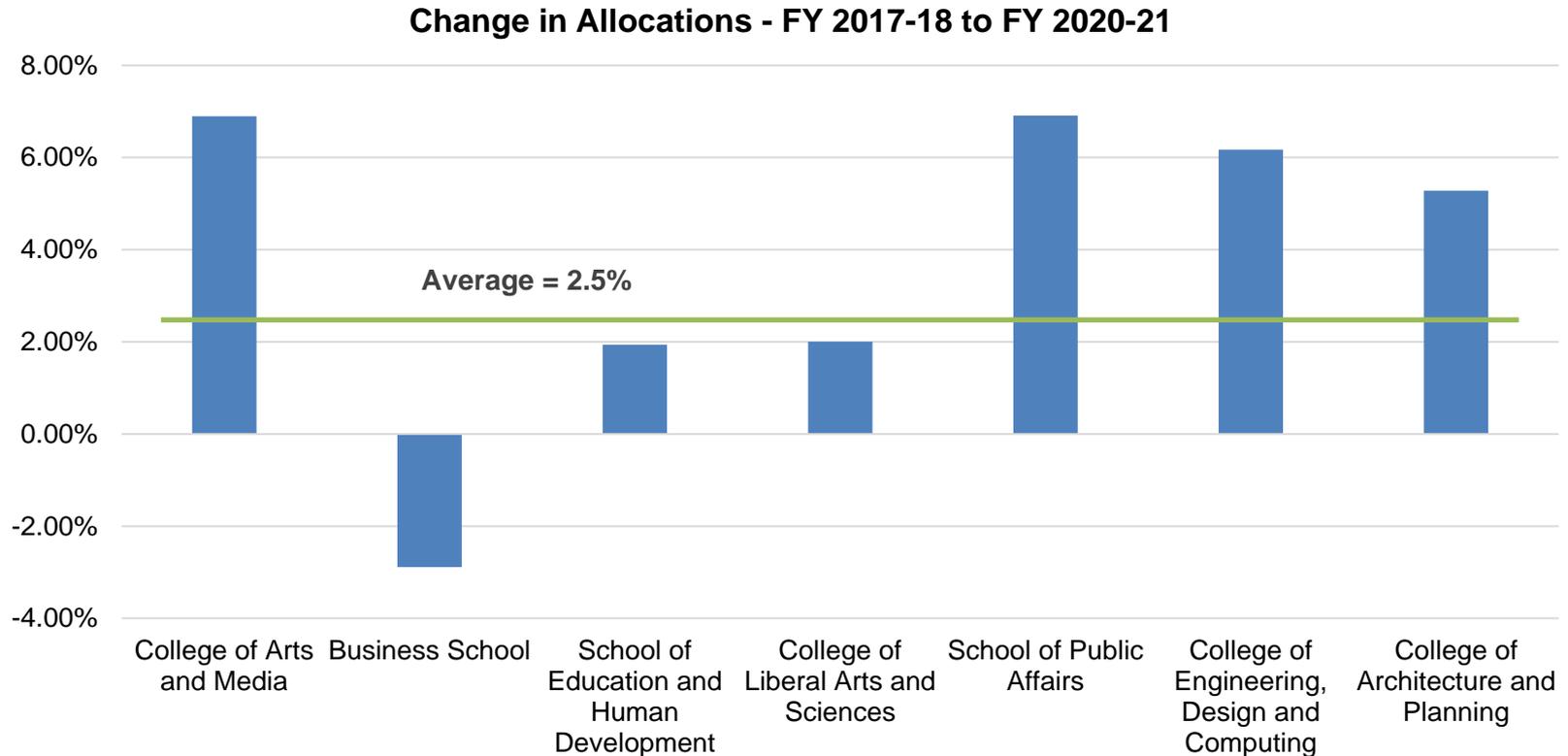
- Provides incentives to take advantage of new markets and opportunities for growth in any kind of revenue including enrollment, research and donations.

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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UCCS Campus Budget Model

- One of the goals in the UCCS 2030 Strategic Plan is the planning and implementation of an incentive-based campus budget model.

This model will:

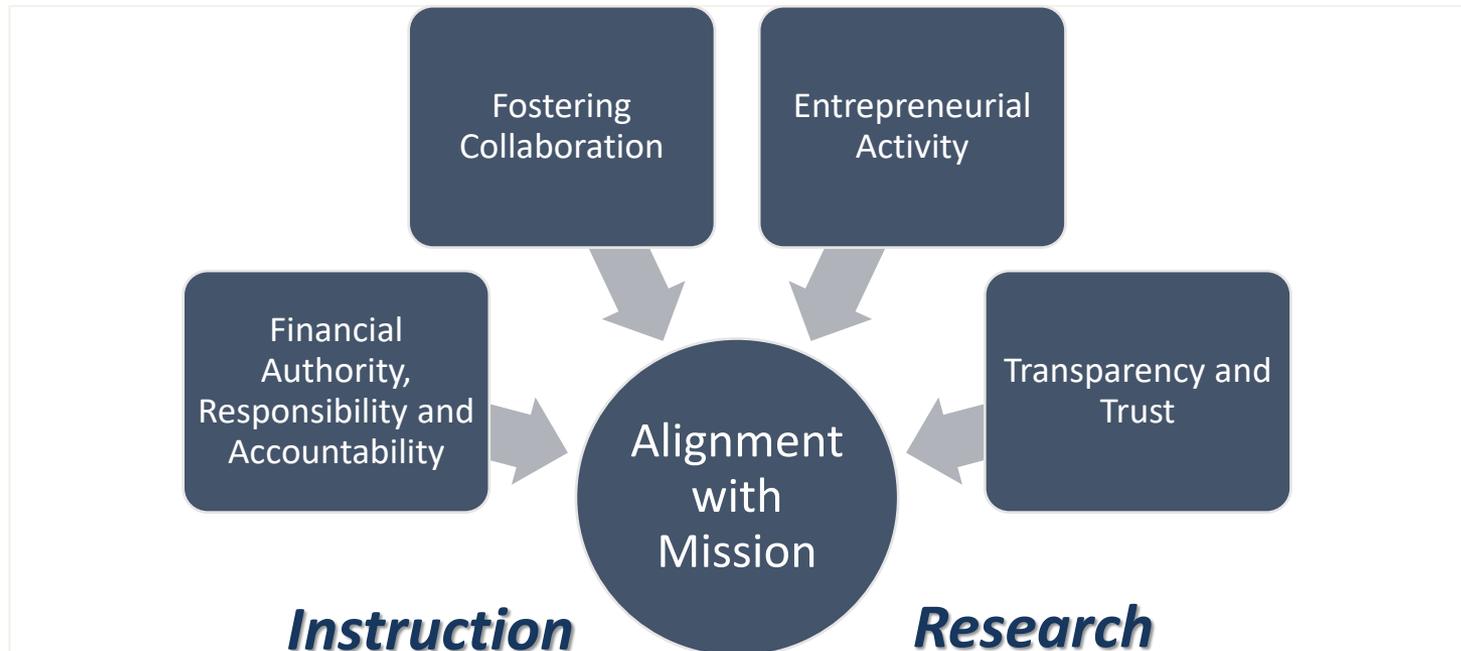
- Allocate resources in alignment with strategic priorities
 - funding follows enrollments; and
 - support for research
- Provide a pool of funds to be directed toward strategic investments
- Be transparent

UCCS Timeline:



How the Budget Model results in reallocation of dollars

- Resources are allocated aligned with campus strategic priorities based on activities: instructional, entrepreneurial and research.
- Financial performance will be reviewed after close of each fiscal year to insure financial accountability and continued alignment of resources to activity.
- Key areas the model will incentivize:



Anticipated Outcomes from the Budget Model

- Better alignment of resources to activity
- Increase understanding of the financial health of the campus
- Increase of entrepreneurship and innovation
- Stronger accountability



CU Boulder

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CU Boulder Campus Budget Model

- CU Boulder launched budget model redesign in December 2020
- Throughout the spring 2021 semester, students, faculty and staff have been invited to engage in opportunities to learn about the budget model redesign
- Currently in the design phase of the budget model redesign, aiming for implementation in July 2022 (FY 2022-23)



How the Budget Model results in reallocation of dollars

- Campus intends to collaboratively design a campus budget model that will:
 - Align with mission as a comprehensive public teaching and research institution
 - Provide enhanced incentives to support and reward growth in priority areas
 - Ensure transparency and accountability for the use and allocation of funding
- Campus is in the process of designing an incentive-based budget model, that aligns with our strategic imperatives:
 - Shape tomorrow's leaders
 - Be the top university for innovation
 - Positively impact humanity
- The budget model committees are meeting and discussing initial design options and weighing incentives that might be included in the future model.

Anticipated Outcomes from the Budget Model

The new 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)

