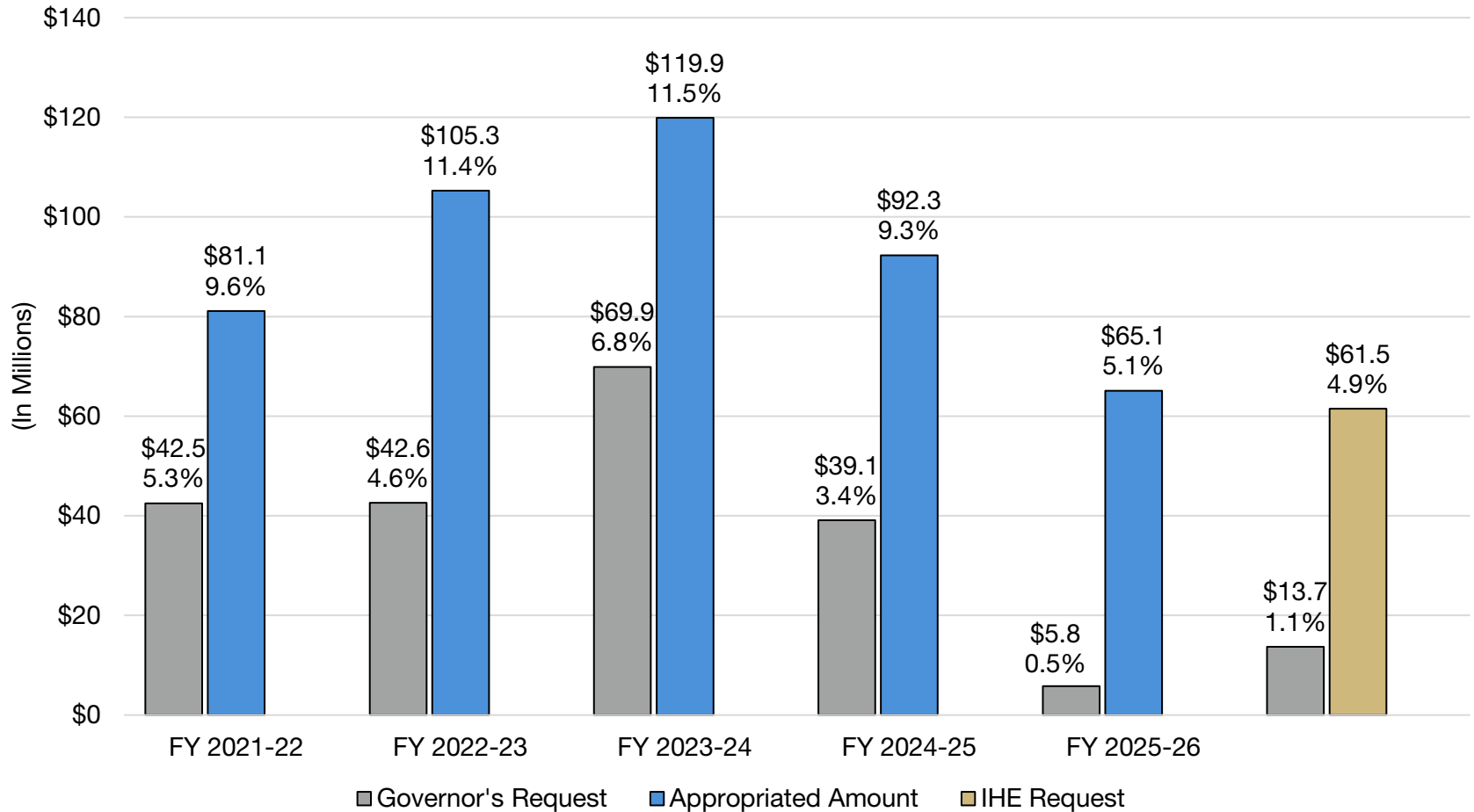


Budget Model Update: Allocation of State Funding and Internal Campus Budget Models Regent Finance Committee January 29, 2026



BOULDER
SPRINGS
DENVER
ANSCHUTZ

Governor's Budget Request vs. Appropriated Amount (FY 2021-22 to FY 2026-27)

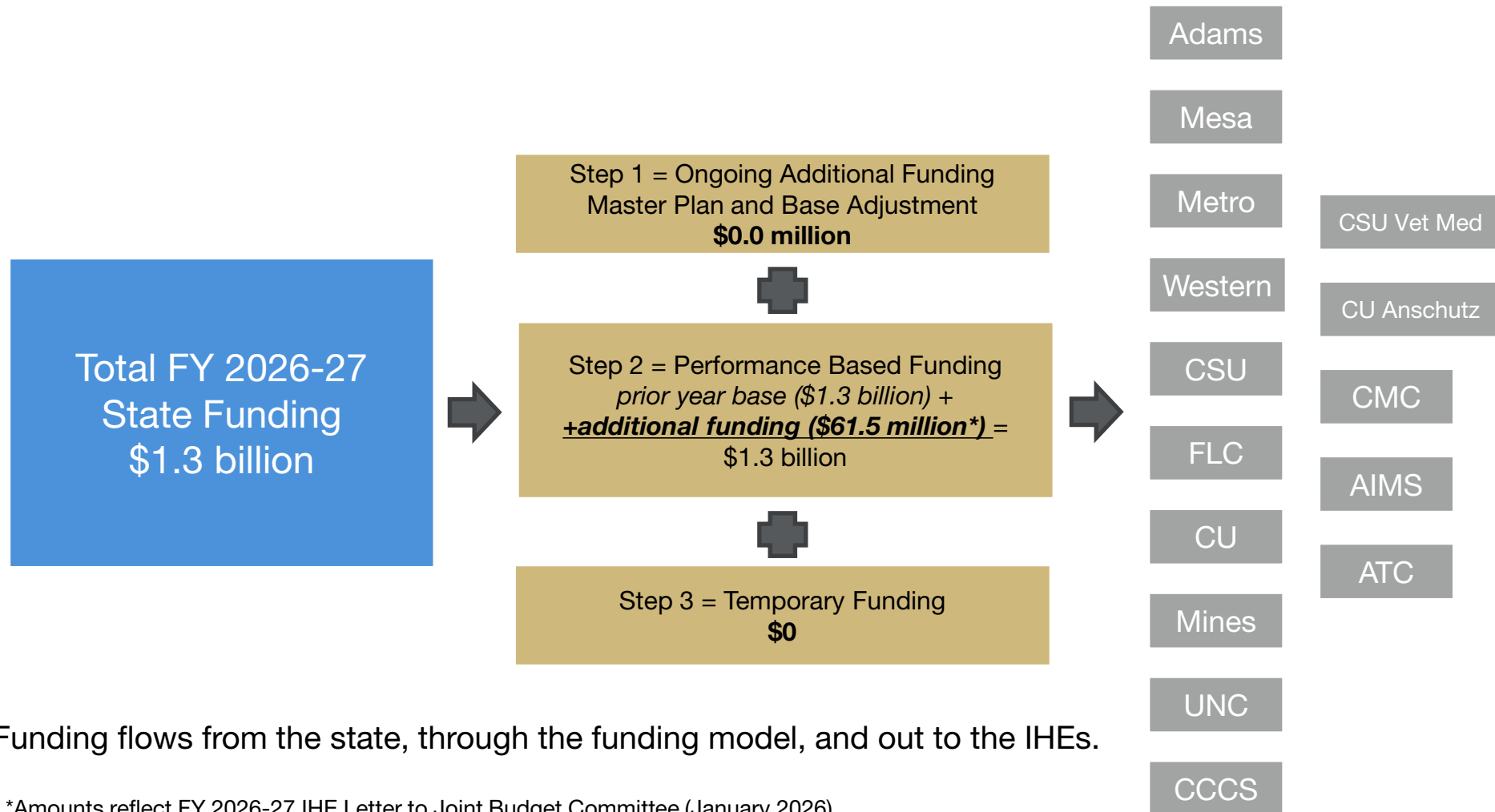


How Are State Dollars Allocated through the Higher Education Funding Model for all Higher Education Institutions?

- Appropriation based on:
 - Step 1 = Ongoing additional dollars
 - Step 2 = Performance-based funding, (Annual Base Core Minimum Costs)
 - Step 3= Temporary additional dollars
 - Never used
- Specialty Fee-For-Service contracts
 - Funding for CU Anschutz Medical School

Note: In fall 2025, the Department of Higher Education and the Colorado Commission on Higher Education made recommendations to the legislature about minor changes to the funding formula.

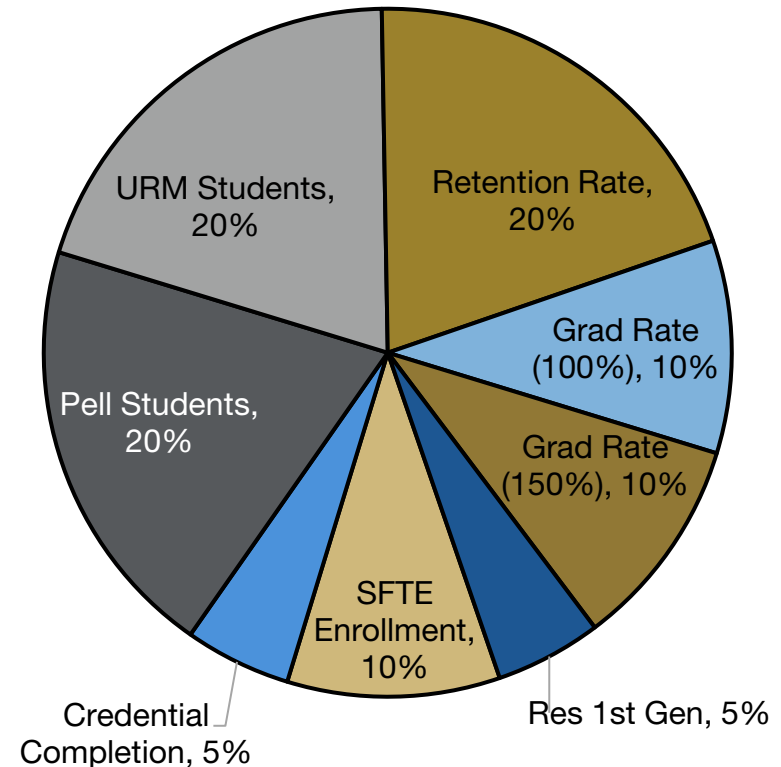
Higher Education Funding Model – January 2026 Institutions of Higher Education Request



Step 2 = Performance Based Funding

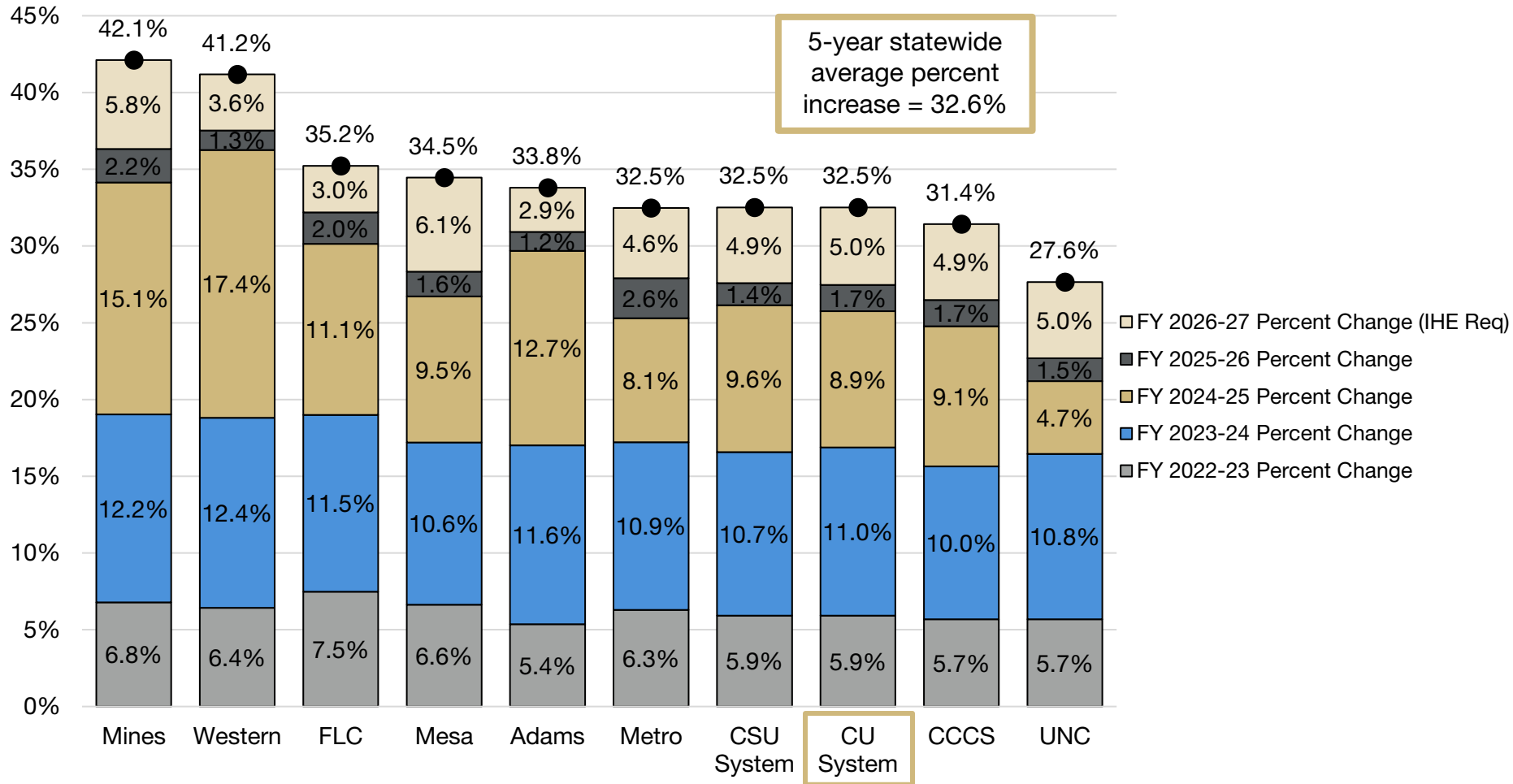
- Performance funding, core of the model
- Allocates 100% of prior year base through performance metrics
- Measures each governing board's performance over time against itself
- Annual changes have compounding effect over time

Share	FY 2025-26 Performance Metrics
10%	Resident student FTE enrollment
5%	Credential completion
20%	Resident Pell-eligible student population share
20%	Resident URM student population share
20%	Retention rate
10%	Graduation rate 100% time-to-degree
10%	Graduation rate 150% time-to-degree
5%	Resident first-generation student population share



Step 2 = Performance Based Funding

Five-Year Percent Increase by Governing Board, FY 2022-23 thru FY 2026-27



Notes: Amounts reflect FY 2026-27 IHE Letter to Joint Budget Committee (January 2026).
FY 2025-26 amounts reflect the Governor's mid-year cuts.

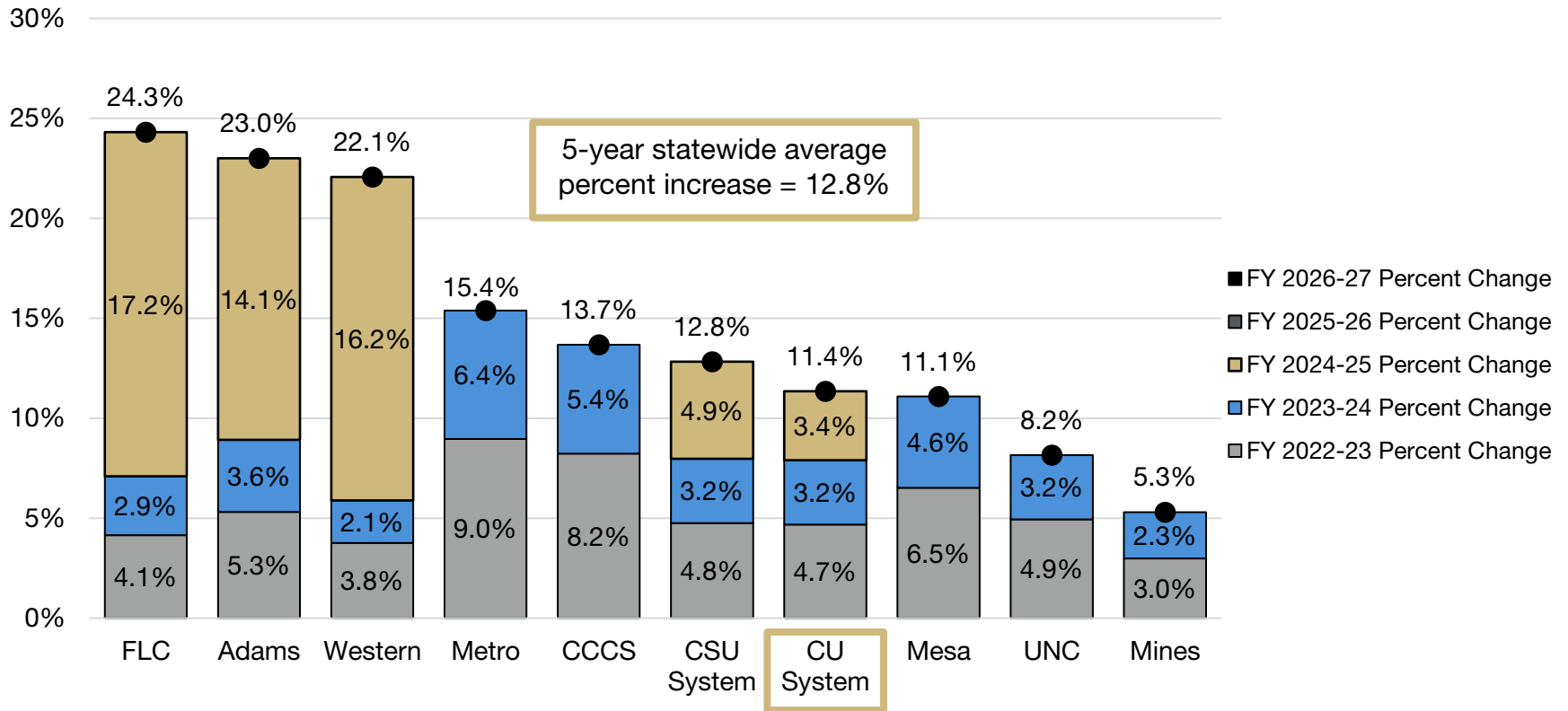


University of Colorado

Boulder | Colorado Springs | Denver | Anschutz

Step 1 = Master Plan and Base Adjustment

Five-Year Percent Increase by Governing Board, FY 2022-23 thru FY 2026-27



Notes:

1. CSU Vet Med and CU Anschutz included in CSU and CU System totals.
2. FY 2026-27 amounts reflect FY 2026-27 IHE Letter to Joint Budget Committee, which includes no step 1 funding.

Step 2 = Performance Based Funding (Governing Boards only)

	Adams	Mesa	Metro	Western	CSU	FLC	CU	Mines	UNC	CCCS	Total
Resident Enrollment 10%	4.8%	6.4%	3.9%	2.9%	3.9%	3.4%	4.4%	5.1%	2.3%	6.6%	4.9%
Credential Production 5%	0.8%	12.6%	3.2%	3.2%	4.9%	4.6%	3.9%	7.6%	0.2%	6.1%	
Pell 20%	3.9%	6.2%	4.6%	4.2%	6.1%	3.1%	5.9%	8.5%	6.8%	2.6%	
Race/Ethnicity 20%	0.7%	3.7%	5.2%	2.8%	5.6%	2.3%	5.5%	5.9%	5.7%	4.6%	
Retention Rate 20%	1.3%	5.8%	3.3%	3.6%	4.4%	7.6%	4.9%	4.4%	5.4%	5.6%	
Grad. Rate (100%) 10%	3.5%	4.9%	5.7%	6.7%	4.3%	-3.0%	4.7%	4.2%	4.9%	5.7%	
Grad Rate (150%) 10%	5.1%	4.8%	6.0%	5.4%	4.3%	0.3%	4.2%	4.3%	4.0%	6.0%	
1st Generation 5%	6.3%	7.3%	4.4%	-2.9%	3.9%	3.2%	5.5%	5.7%	4.1%	5.3%	
Funding Change Over FY 2025-26 (in millions)	\$0.8	\$2.9	\$4.1	\$0.9	\$7.3	\$0.7	\$11.5	\$2.2	\$3.4	\$14.5	\$48.4
Percent Change Over FY 2025-26	2.9%	5.8%	4.6%	3.6%	4.9%	3.0%	5.0%	5.8%	4.9%	4.9%	4.9%

Notes: Amounts reflect FY 2026-27 January 2026 IHE Letter to Joint Budget Committee.
 CU Anschutz statutory designation as SEP results in no less than the average in Step 2, \$5.5 million (4.9%) not reflected in this table.

Step 2 = Performance Based Funding (Internal CU Allocation)

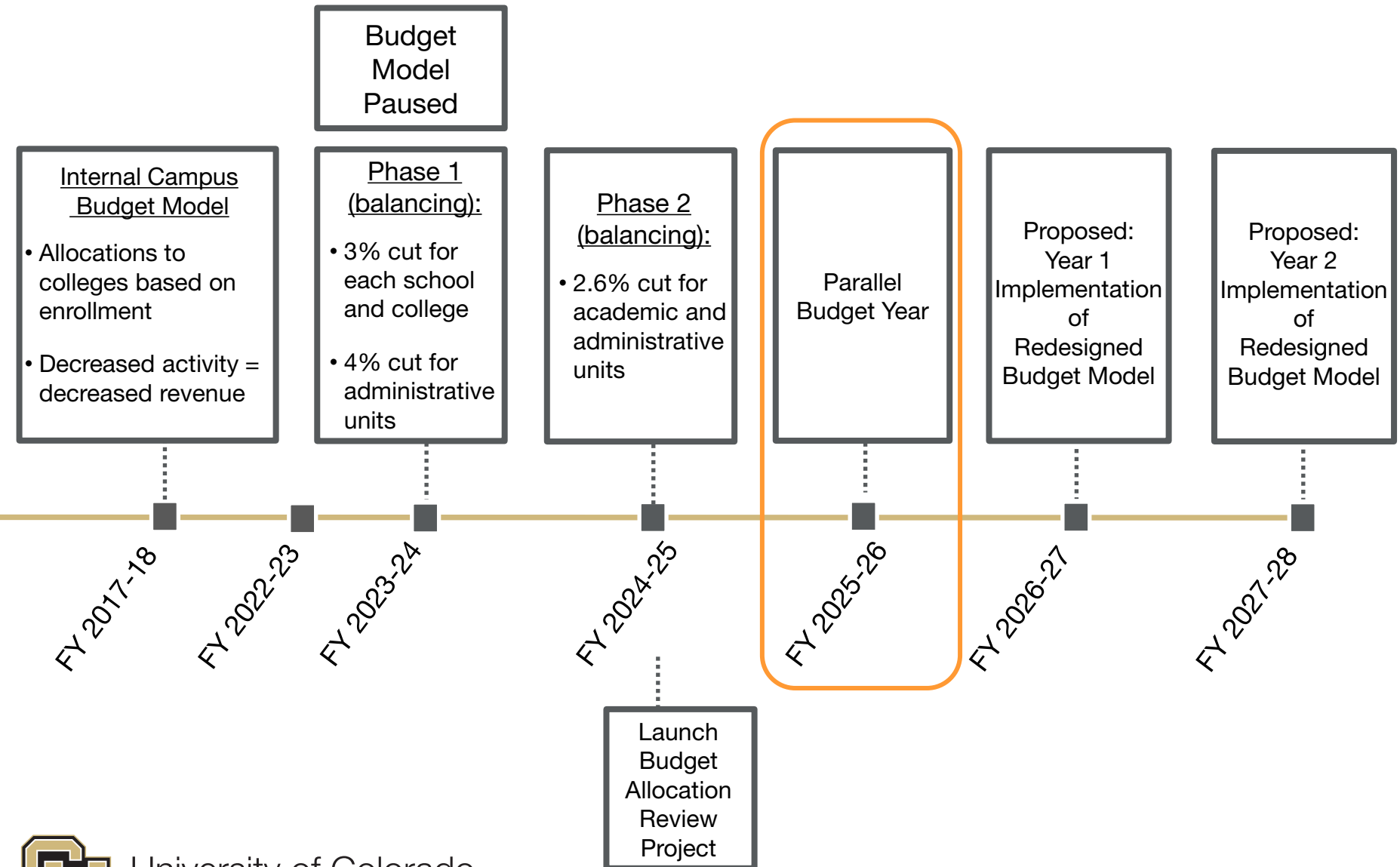
	CU Boulder	UCCS	CU Denver	CU Sub-Total	CU SEP* (CU Anschutz)	CU Total
Resident Enrollment 10%	6.1%	4.1%	3.3%	5.0%	4.9%	5.0%
Credential Production 5%	6.0%	3.9%	3.8%			
Pell 20%	4.7%	5.4%	5.5%			
Race/Ethnicity 20%	4.9%	4.0%	6.4%			
Retention Rate 20%	5.1%	5.1%	4.8%			
Grad. Rate (100%) 10%	3.9%	6.1%	6.9%			
Grad Rate (150%) 10%	4.6%	6.5%	4.6%			
1st Generation 5%	4.6%	10.0%	1.3%			
Funding Change Over FY 2024-25	\$6.3	\$2.6	\$2.6	\$11.5	\$5.5	\$17.0
Percent Change Over FY 2024-25	4.9%	5.3%	5.1%	5.0%	4.9%	5.0%

Notes: Amounts reflect FY 2026-27 IHE Letter to Joint Budget Committee (January 2026).
CU Anschutz statutory designation as SEP results in no less than the average in Step 2, \$5.5 million (4.9%).

CU Denver



CU Denver: Campus Budget Model



CU Denver: Redesigning Campus Budget Model

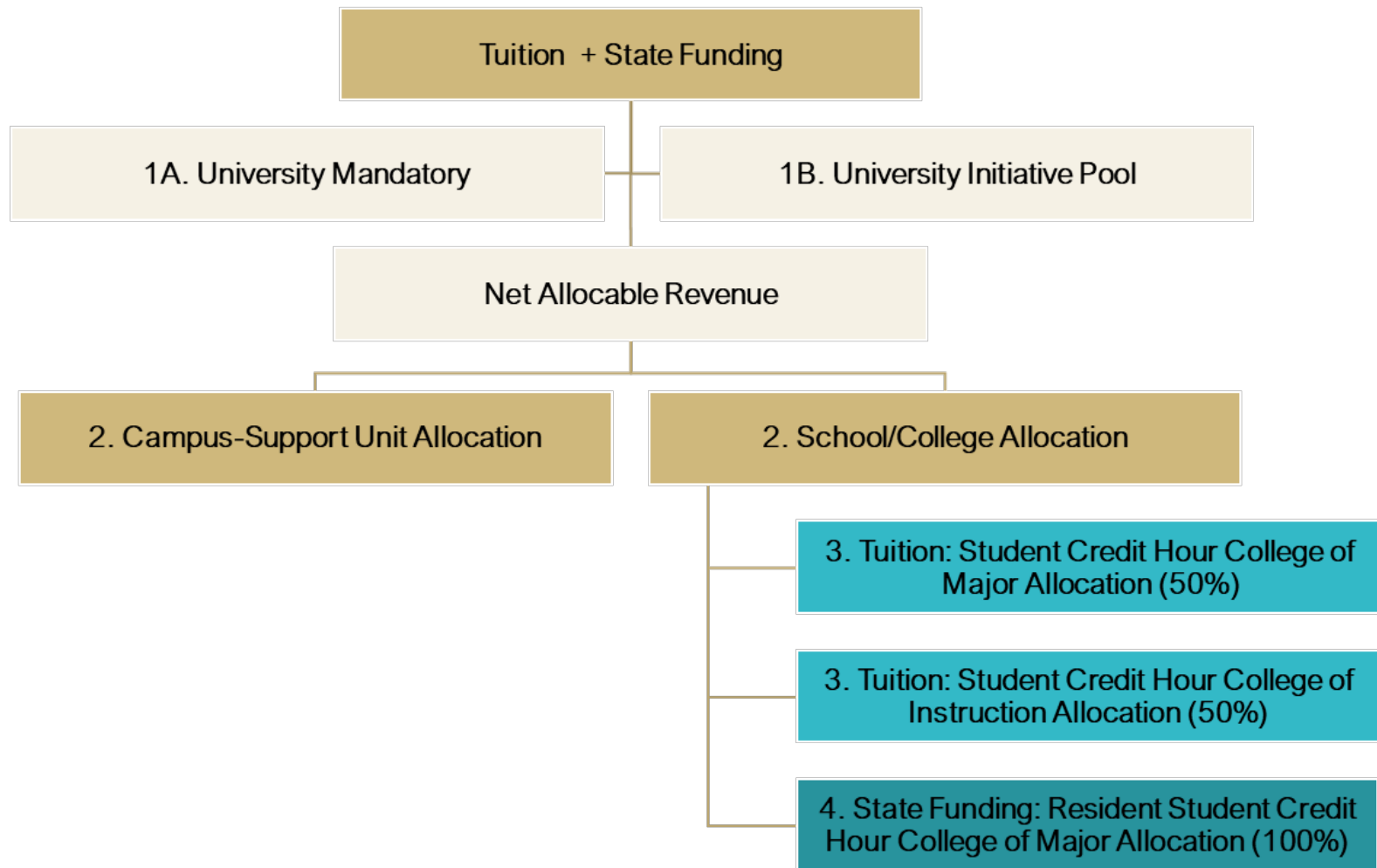
- August 2024: Launched Budget Allocation Review Committee (BARC)
 - 15 members: Faculty, staff, and students
 - Represent all areas of campus and levels of leadership
 - Collaborative process to engage campus community
 - Recommendations delivered to Chancellor May 2025; discussions ongoing with Provost and Chancellor around subvention levels
 - Once subvention levels are decided, the results from the parallel year model (FY 2025-26) will be shared with campus community
 - Members of BARC, in conjunction with the Office of Budget & Fiscal Planning, executive leadership, the Campus Advisory Committee on Budget, and the Faculty Assembly Budget Priorities Committee, will assess model and propose necessary adjustments

CU Denver: Redesigning Campus Budget Model

- BARC established guiding principles, which were later aligned with measures that can be used to monitor and evaluate the implementation and outcomes of the budget model over time

Guiding Principle	Measure
Promotes healthy fiscal foundations	Improved enrollment and retention, diversification of revenue
Supports university's purpose, vision, values, and reputation	Model includes initiative pool used to strategically support the university
Campus community can make sense of how model works	The budget model's structure is explainable for the campus community. Faculty, staff, and students have tools available to learn about and understand how resources are allocated
Reflects commitment to a comprehensive university	Model incorporates academic cross-subsidization (subvention)

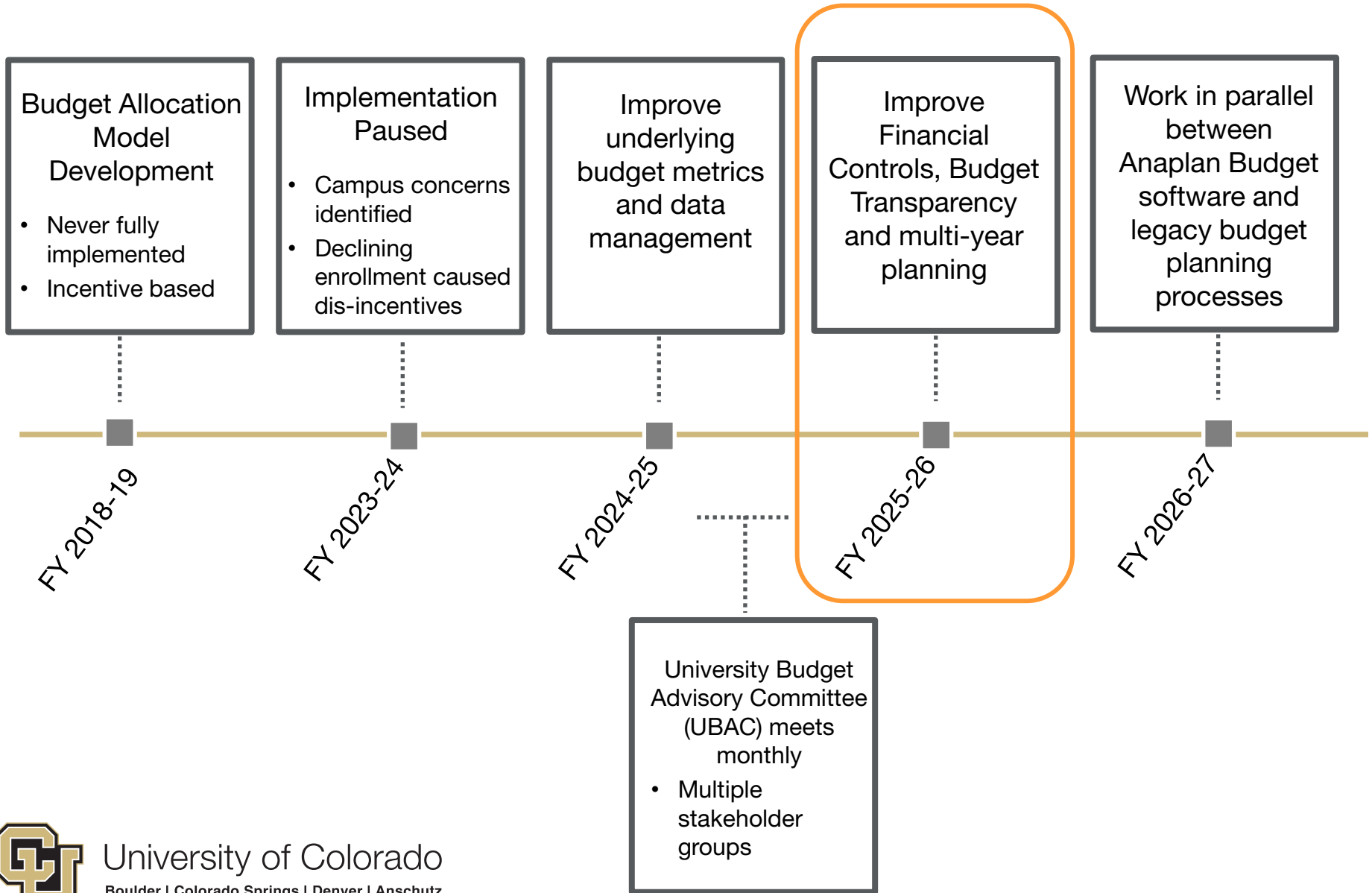
CU Denver: Proposed Campus Budget Model Illustration



UCCS



UCCS: Campus Budget Model



UCCS: Previous Efforts, Budget Model Redesign

- Budget model redesign started and paused several times since FY 2018-19
- Most recent decision to pause model (Fall 2023) due to:
 - Need time to stabilize budget and address declining/flat enrollment
 - Incentive model allocations do not always work well with declining/flat enrollment
 - Campus priority is growing enrollment and revenue
 - Data management concerns
- Since Fall 2023, budget transparency and learning opportunities through:
 - University Budget Advisory Committee (monthly meetings)
 - Includes direct participation from shared governance leaders
 - Senior and University Leadership Team
 - Meetings regularly include budget discussions



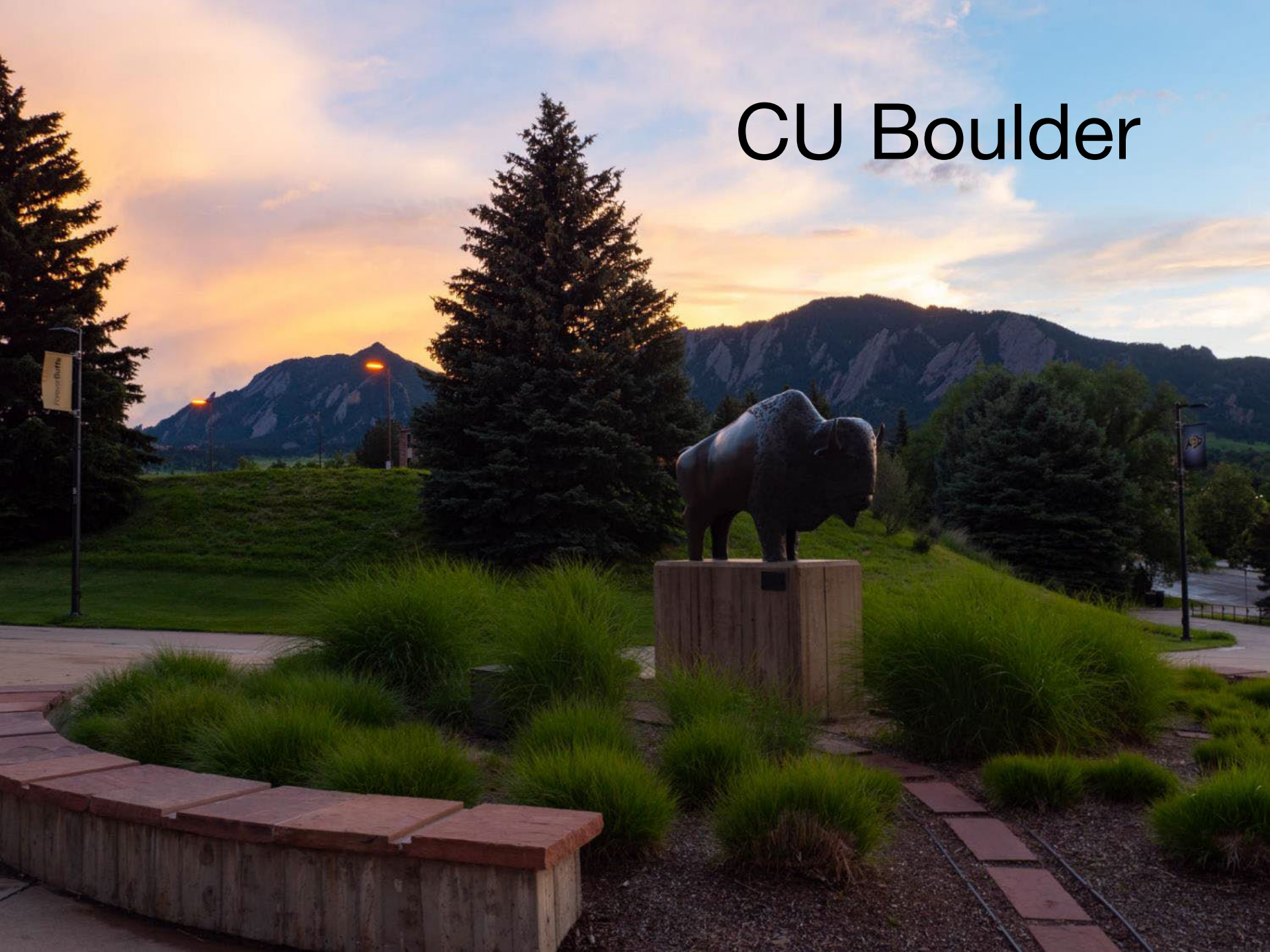
UCCS: Budget Model Redesign

- Developing consistent and transparent processes among campus units to create trust in underlying data used in budgeting
- Prioritizing improved data management in how expenses and funding sources are categorized
- Working in parallel between Anaplan Budget software and legacy budget planning processes to project FY 2026-27 budget
 - FY 2026-27 represents a transition and initial implementation period and includes a budget reset to support long-term financial sustainability
 - Efforts focus on balancing annual budgets while improving long-term alignment between ongoing revenues and expenses

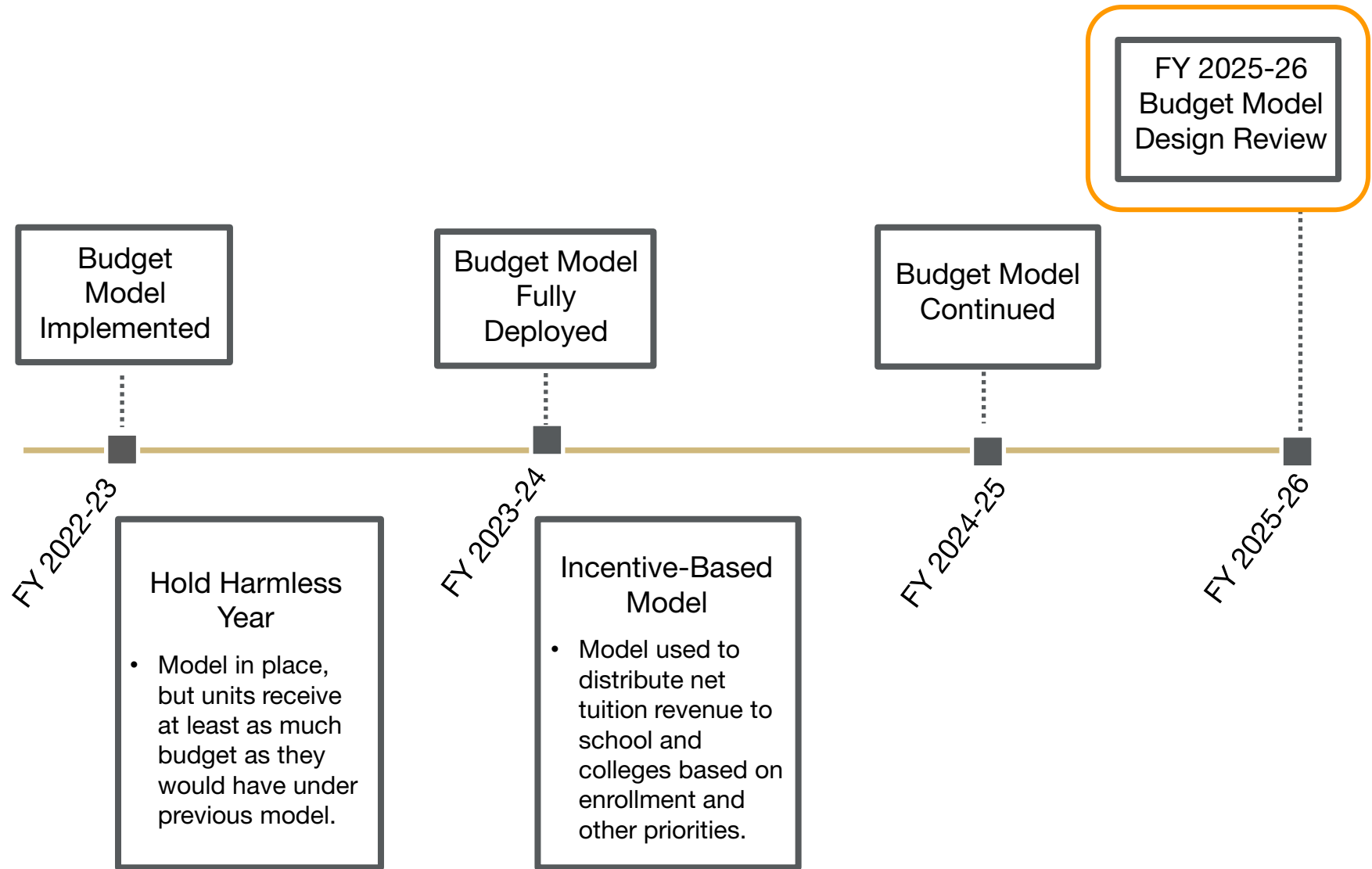
UCCS: FY 2026-27 Budget Balancing Strategies

- To balance FY 2026-27 budget, UCCS will reset the ongoing expense base so future budgets can be balanced without relying on temporary funding
- Review ongoing activities against available ongoing funds
 - Use multi-year projections to show cumulative budget impacts
 - Distinguish between temporary and ongoing expense funding
 - Inform decisions by campus leadership and shared governance bodies
 - Strengthen financial controls and accountability at campus and unit levels

CU Boulder

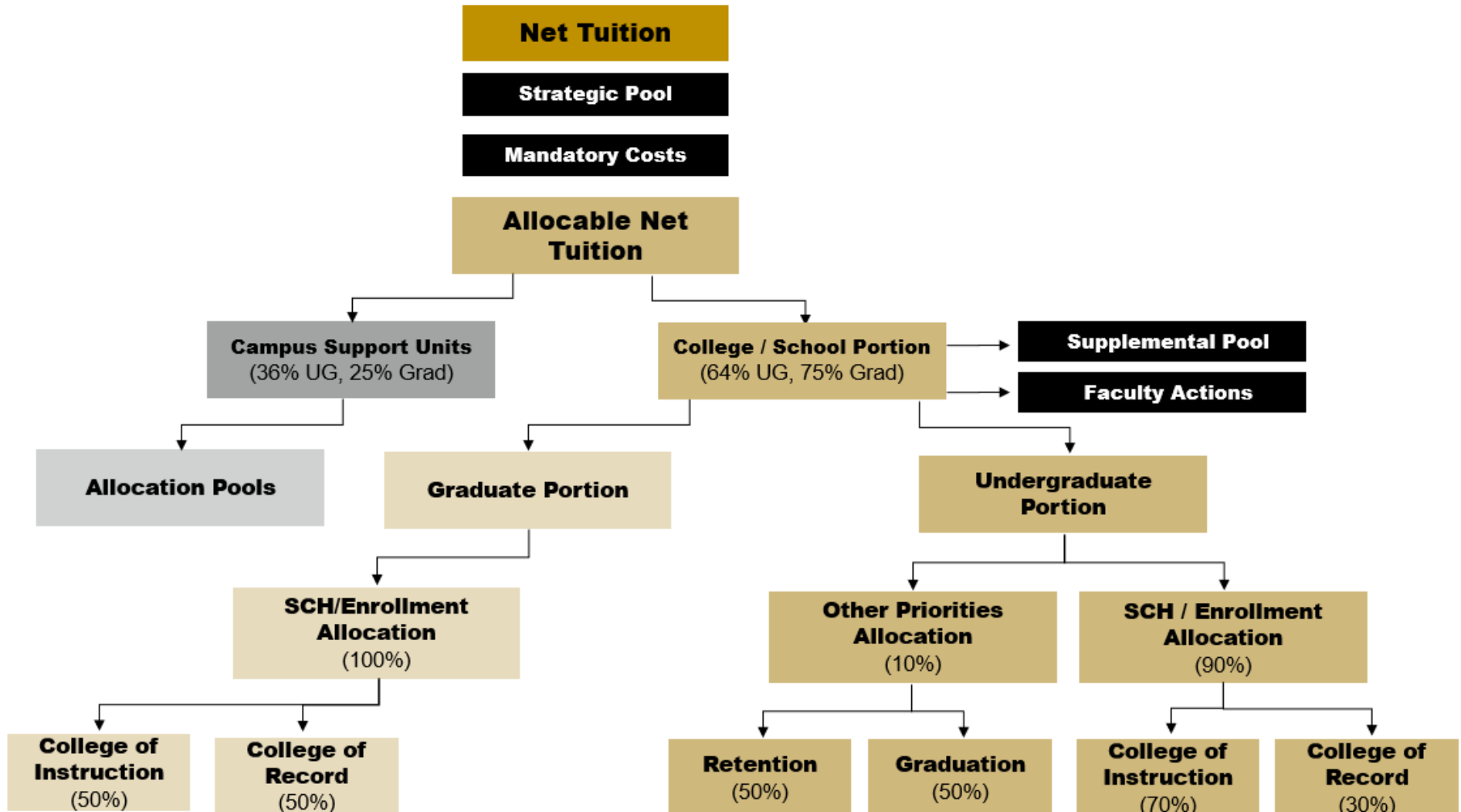


CU Boulder: Campus Budget Model



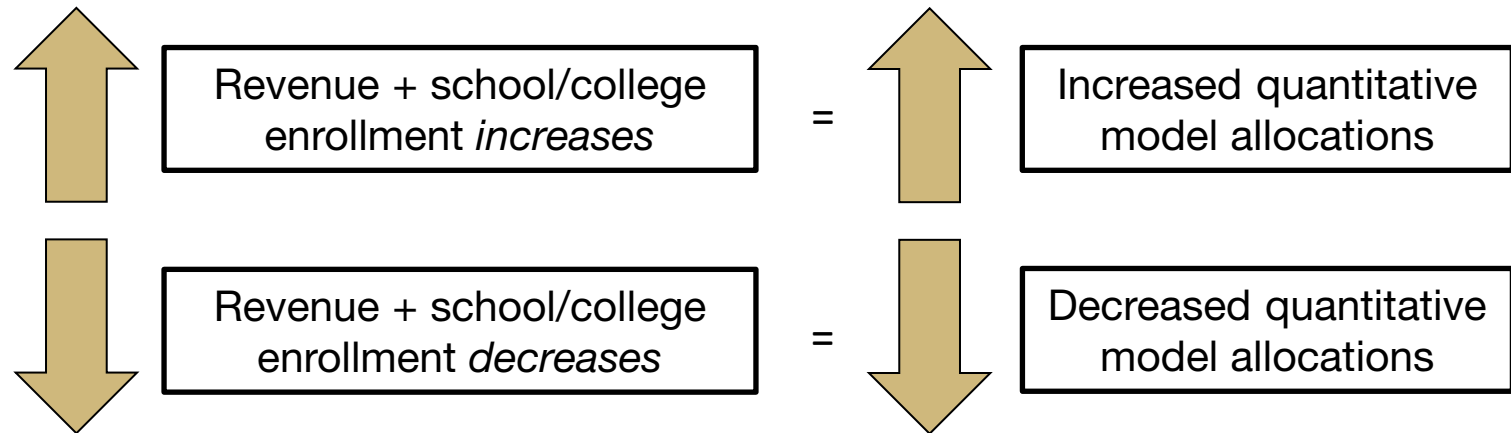
CU Boulder: Campus Budget Model Illustration

Initially implemented in FY 2022-23, CU Boulder's budget model is used for the annual campus budgeting process is currently under review.



CU Boulder: Campus Budget Model (Cont.)

- Throughout the creation of the new budget model, the campus ensured that the model supports the university's mission-aligned priorities and values
- Funding from FY 2025-26 enrollment growth and tuition change was allocated through the model, supporting campus priorities such as compensation increases
- In the event of revenue changes, the budget model flows funds in alignment with student enrollment



- Campus leadership can use qualitative funding mechanisms within the budget model to allocate revenue in support of mission critical needs

CU Boulder: Campus Budget Model Implementation

FY 2022-23 – FY 2025-26

- All net tuition revenue flows through budget model based on allocations designed by CU Boulder model governance structure
- Quantitative outputs are driven by inputs for student credit hours, headcount, graduation, and retention
- Changes to annual allocation are in line with SCH/enrollment and other changes to inputs noted above

Year-Over-Year Changes to Budget Model Allocation

School/College	FY 2022-23 to FY 2023-24	FY 2023-24 to FY 2024-25	FY 2024-25 to FY 2025-26
College of Arts & Sciences	5.6%	5.4%	4.0%
Leeds School of Business	2.4%	5.0%	11.1%
School of Education	0.1%	0.9%	3.7%
College of Engineering and Applied Sciences	7.2%	2.4%	6.2%
College of Communication, Media, Design and Information*	6.7%	7.3%	8.2%
Colorado Law	2.4%	1.3%	0.0%
College of Music	8.5%	3.9%	6.1%

**Environmental Design integrated into CMDI July 2024*

CU Anschutz Medical Campus



CU Anschutz: Campus Budget Model

- The campus utilizes a de-centralized budget model and financial framework
- Revenues generated by schools and colleges flow directly to them
- The budget model allocates, using metrics:
 - Incremental state appropriations to schools and central administration
 - Central administration expenses, net of centrally derived revenues, state appropriations and F&A (indirect cost recoveries), to academic units
- Entrepreneurial in nature
 - Direct flow of revenues to academic units encourages development of new revenue streams, efficiencies, and prioritization of resources
 - Every academic unit should be self sufficient



CU Anschutz: Campus Budget Model Illustration

