



# FY 2014 Budget Proposals

February 2013



# Budget Landscape

- State fiscal structure will likely soon result in higher education cuts.
- Governor's request includes a \$30 million increase for operating.
- Governor's request includes \$5.3 million for statewide financial aid.
- Salary increase for classified employees of 3.6% approved by JBC.
- JBC adjusted state employee benefits to keep up with market.



# System Wide Budget Priorities

- Spend new state funds prudently to ensure stability of base budget.
- Clearly identify changes in operating cost drivers, such as utilities.
- Benefits for all employees that reflects JBC policy.
- Classified staff compensation policy that reflects JBC policy.
- Minimize tuition increases.



# System Wide Budget Priorities

- Non-classified merit pool for faculty and staff.
- Need based financial aid to help keep up with tuition increases.
- Merit aid to attract the best and brightest Colorado high school students.
- Compliance requirements to improve performance and reduce risk.
- Strategic initiatives to advance each campuses' strategic plan.



# Mandatory Costs

- Mandatory costs are included in Market and Market Plus plan.
- Other critical needs could only be addressed through cuts in other campus critical areas if only mandatory costs are funded.
- If only mandatory costs are funded, tuition increases would be lower but current service and quality levels could not be maintained.
- Mandatory costs include:
  - Classified Staff Compensation pursuant to JBC action;
  - Classified staff benefits pursuant to JBC action;
  - Professional staff PERA change required by law; and
  - Operating, utilities and insurance required increases.



# Market and Market Plus

- Market Plan
  - State mandated costs;
  - Faculty and exempt merit pool 3.1% reflecting Governor's budget request;
  - Financial aid;
  - Most service and quality levels currently offered will be maintained; and
  - Advances very limited number of strategic objectives.
- Market Plus Plan
  - Market Plan;
  - Non-classified merit pool of 3.6% similar to JBC action; and
  - Advances additional limited strategic objectives.



# Summary of Presentation

- At the Board's request, mandatory spending is identified and budget options have been developed.
- Budget and tuition decisions will be made in April.
- Leadership is recommending the Market Plan.
- Main spending areas in Market Plan:
  - Mandatory costs;
  - Compensation and benefits;
  - Compliance and strategic initiatives; and
  - New state funding for non-permanent needs.



# System Wide Compensation and Benefits

- Mandatory: 3.6% salary for classified and 0% for faculty and exempt.
- Mandatory: Only one that does not have JBC benefits for faculty and exempt.
- Market: 3.6% salary for classified and 3.1% for faculty and exempt.
- Market Plus: 3.6% salary for classified and 3.6% for faculty and exempt.

		Classified Salaries	Classified Benefits	Non Classified Salaries*	Non Classified Benefits	Total
<b>UCCS</b>	Mandatory	\$ 257,616	\$ 259,944	\$ -	\$ 118,777	\$ 636,337
	Market	\$ 257,616	\$ 259,944	\$ 1,439,180	\$ 1,031,044	\$ 2,987,784
	Market Plus	\$ 257,616	\$ 259,944	\$ 1,671,306	\$ 1,031,044	\$ 3,219,910
<b>Denver</b>	Mandatory	\$ 353,724	\$ 297,539	\$ -	\$ 150,114	\$ 801,377
	Market	\$ 353,724	\$ 297,539	\$ 2,364,614	\$ 1,057,557	\$ 4,073,434
	Market Plus	\$ 353,724	\$ 297,539	\$ 2,746,004	\$ 1,131,222	\$ 4,528,489
<b>UCB</b>	Mandatory	\$ 2,283,614	\$ 1,686,410	\$ -	\$ 770,966	\$ 4,740,990
	Market	\$ 2,283,614	\$ 1,686,410	\$ 6,774,877	\$ 3,302,796	\$ 14,047,697
	Market Plus	\$ 2,283,614	\$ 1,686,410	\$ 7,867,599	\$ 3,648,574	\$ 15,486,197
<b>Anschutz</b>	Mandatory	\$ 783,521	\$ 810,163	\$ -	\$ 125,449	\$ 1,719,133
	Market	\$ 783,521	\$ 810,163	\$ 2,256,423	\$ 939,195	\$ 4,789,302
	Market Plus	\$ 783,521	\$ 810,163	\$ 2,620,363	\$ 1,153,922	\$ 5,367,969
<b>Total</b>	Mandatory	\$ 3,678,475	\$ 3,054,056	\$ -	\$ 1,165,306	\$ 7,897,837
	Market	\$ 3,678,475	\$ 3,054,056	\$ 12,835,095	\$ 6,330,592	\$ 25,898,218
	Market Plus	\$ 3,678,475	\$ 3,054,056	\$ 14,905,272	\$ 6,964,762	\$ 28,602,565

\* Does not include promotions or new hires.

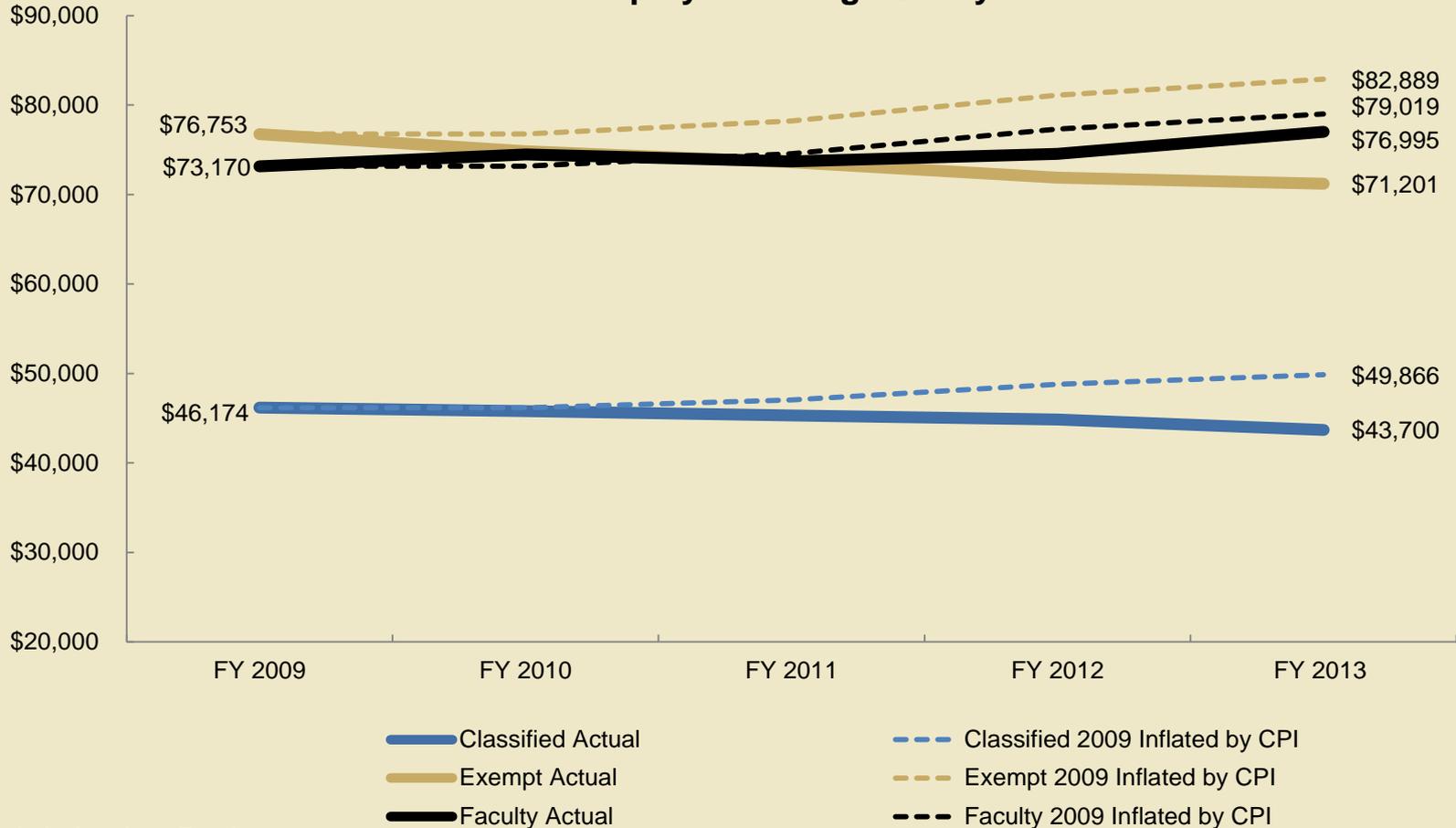
# Non-classified Compensation, Defining the Need

- A compensation pool matching the Governor's recommendation for state workers keeps us from losing further ground with the market.
- System-wide, full professors remain below peer institution compensation levels.
- Since FY 2008-09, the faculty salary gap between Boulder and public AAU institutions has grown each year, and now exceeds \$7,000.
- Hospitals are hiring away medical school faculty at higher salaries.
- For positions with a comparable private sector benchmark, average CU salaries are below market salary, with more than half greater than 10% under the market salary.
- The improving economy is presenting opportunities for high performing faculty and staff to leave the university.
- Replacing a departing faculty member often costs more than retaining that position.



# Salary History vs. CPI

## Full-Time Employee Average Salary\*

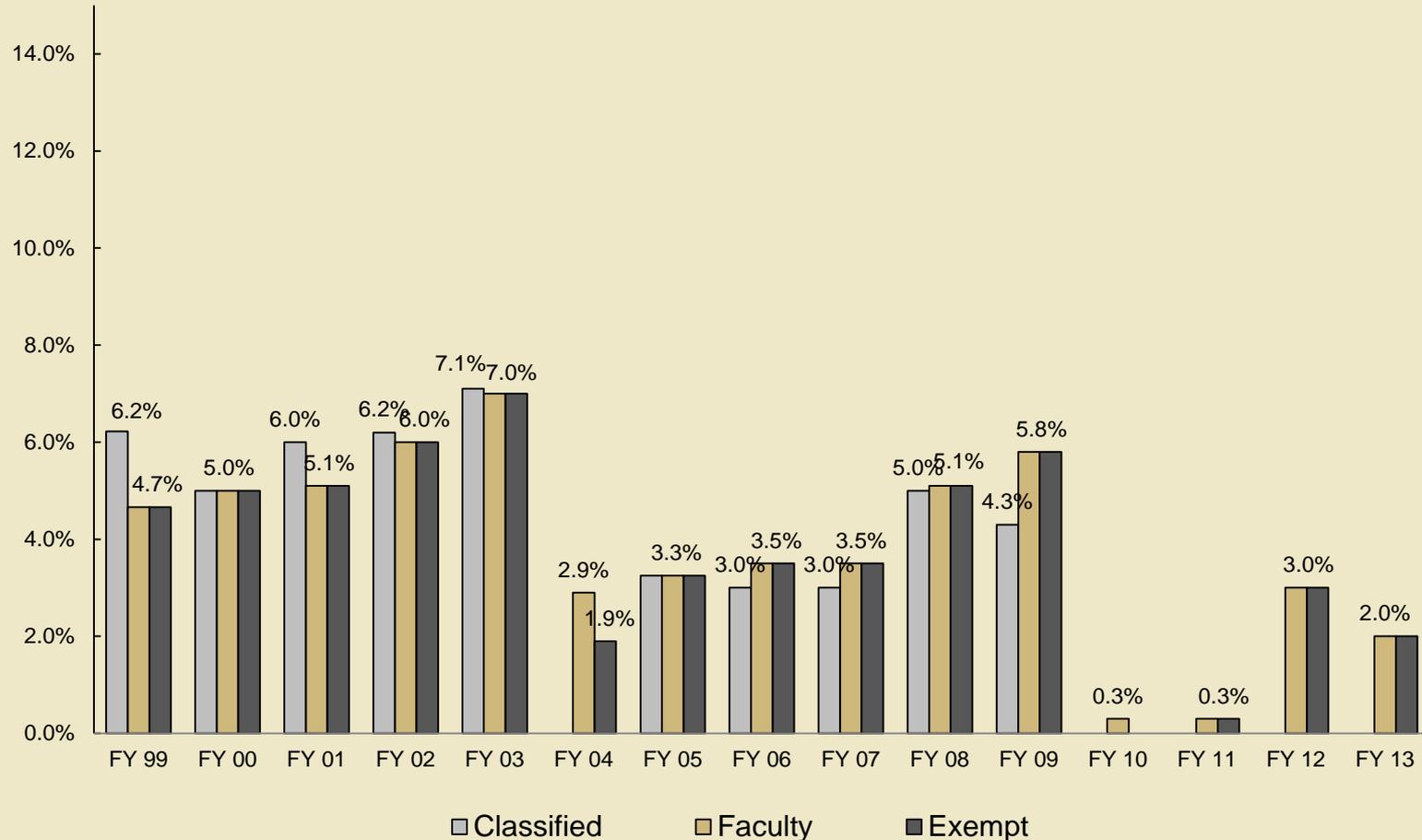


\*Does not include Anschutz Faculty



# Base-Building Compensation Pool History

## CU Base-Building Compensation Pool History



# FY 2013 Colorado Tuition Increases

## Resident Student's Share of College - Tuition Expenses

Institution	FY2011-12 Tuition only (30 credit hrs)	FY 2012-13 Tuition only (30 credit hrs)	Dollar Increase	% Increase
Adams State University	\$3,312	\$3,816	\$504	15%
Colorado Community College System	\$3,176	\$3,383	\$207	7%
Colorado Mesa University	\$5,780	\$6,103	\$324	6%
Colorado School of Mines	\$12,585	\$13,590	\$1,005	8%
Colorado State University System	CSU: \$6,307 CSU-P: \$4,486	CSU: \$6,875 CSU-P: \$5,194	\$568 \$708	9.0% 15.8%
Fort Lewis College	\$4,048	\$4,800	\$752	18.6%
Metropolitan State University of Denver	\$3,809	\$4,304	\$495	13.0%
University of Colorado System	UCCS: \$6,720 *Denver: \$6,776 UCB: \$7,672	UCCS: \$7,050 Denver: \$7,980 UCB: \$8,056	\$330 \$1,204 \$384	4.9% 0.8%/17.8% 5.0%
University of Northern Colorado	\$5,300	\$5,464	\$164	3.1%
Western State Colorado University	\$3,922	\$4,627	\$705	18.0%

Source: [http://higher.ed.colorado.gov/Publications/General/Presentations/20130116\\_Joint\\_Education\\_Committee\\_Presentation.pdf](http://higher.ed.colorado.gov/Publications/General/Presentations/20130116_Joint_Education_Committee_Presentation.pdf)

NOTE: The tuition figures identified above are considered "Base Tuition Rates" (30 credit hours) and do not include tuition differentials, etc. No fees are identified in these figures.

\*UCD Tuition Increased 0.8% for 13 SCH or less. The average weighted tuition increase for Denver undergraduate resident students, including buydown, is 6.5%



# CU System Efficiencies

- University Treasurer saved a total of \$13.4 million on refinancing bonds.
- University Risk Management's Property/Casualty program saved an estimated \$4.3 million in FY 2013.
- Procurement Service Center saved \$2.8 million in strategic contracts in FY 2012 (\$2 million) and 2013 (est. \$820,000).
- University of Colorado Health and Welfare Trust in collaboration with UPI has saved university employees millions through lower premium increases (5.5% is lowest among reporting universities) and pharmacy savings (\$2.8 million savings in most recent year).





# Colorado Springs Campus



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# Current Budget Year Update, UCCS

- Campus likely will cross 10,000 students on campus in fall.
- Major capital projects underway.
- North Nevada planned development has community support.
- Additional office space remains a campus wide priority.
- Overall enrollments remain strong.
  - Fall 2012 and spring 2013 are slightly above projections.



# Current Budget Year Update, UCCS

- Enrollment mix favorable due to strong growth in non-resident students.
  - Fall 2011 to Fall 2012 up 185 students or 22.8%.
- Fall 2013 applications at record levels for 2<sup>nd</sup> consecutive year.
  - Implementing new strategies to improve yield rates.
- Construction projects are proceeding on schedule.
  - Lane Center – Excavation is in full swing.
  - Summit Village Expansion – Opens in August.
  - Excavation on Stanton parking garage to begin March 2013.



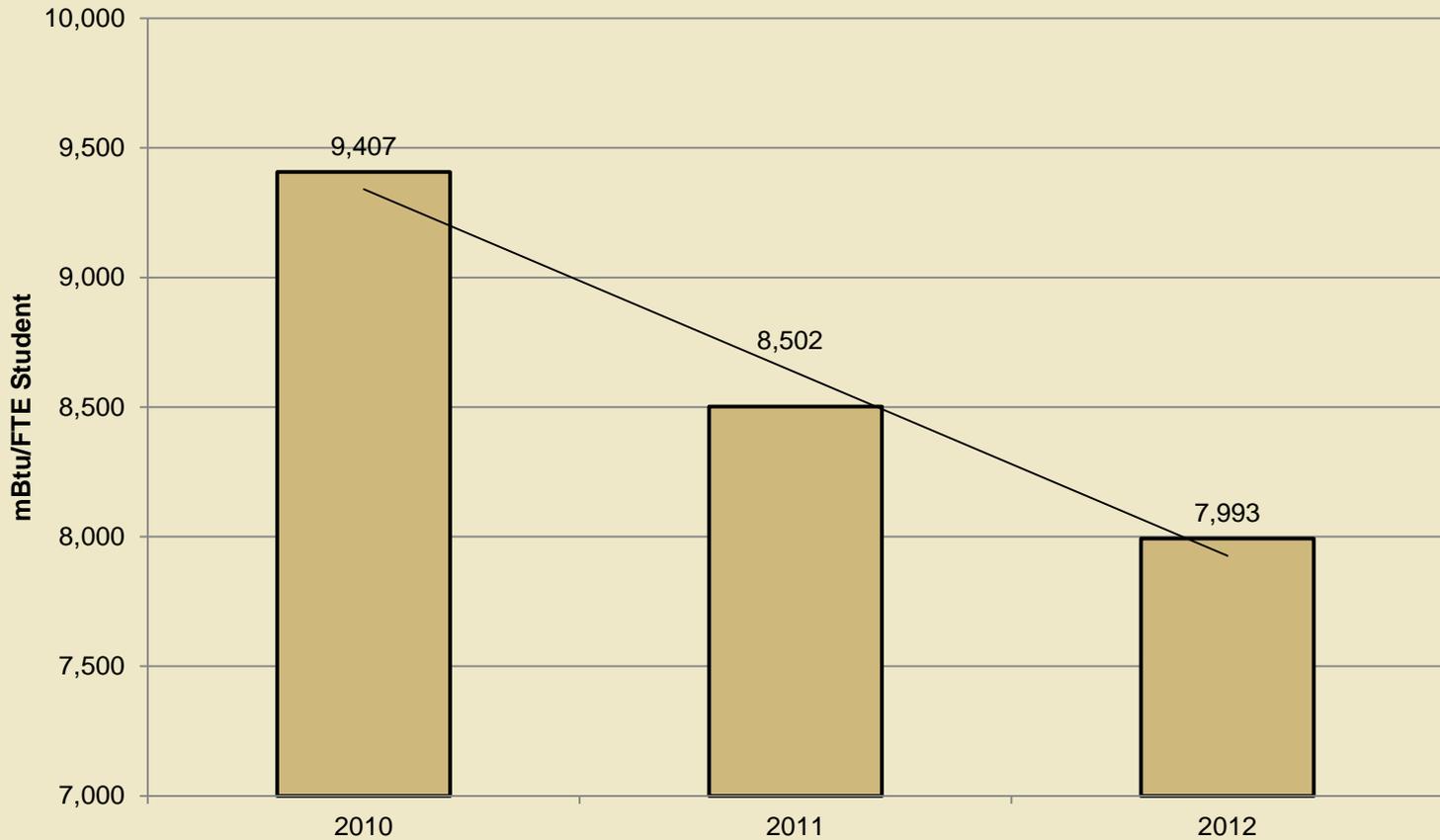
# UCCS Efficiencies

- Total Estimated Savings is \$153,469.
- Greening of the Office Program reduces lights being used in staff and faculty offices.
- Events Services Department serves campus needs more effectively.
- Mailroom improving mail sorting options to reduce postage costs.
- The Kraemer Family Library, in connection with CU and CSU, created an efficient Digital Repository service for resource materials.
- Admissions and Records created new and efficient online workflows to streamline processes.



# UCCS Efficiencies

## Energy Use/Student



# UCCS Expenditures, FY 2013-14

Expenses	FY 2012-13 Revised	FY 2013-14					
		Mandatory \$ Change	Mandatory % Change	Market \$ Change	Market % Change	Market Plus \$ Change	Market Plus % Change
<b>Operating Expense</b>							
<i>Compensation</i>							
Salary Faculty and Graduate Students	\$ 31,409,483	\$ -	0%	\$ 1,074,778	3.4%	\$ 1,231,825	3.9%
Salary Exempt	\$ 15,015,685	\$ -	0%	\$ 518,735	3.4%	\$ 593,814	3.9%
Salary Classified and Hourly	\$ 7,155,993	\$ 257,616	3.6%	\$ 282,993	3.9%	\$ 282,993	3.9%
Benefits - Faculty and Exempt	\$ 12,156,687	\$ 118,777	1.0%	\$ 1,031,044	8.5%	\$ 1,031,044	8.5%
Benefits - Classified	\$ 3,176,515	\$ 259,944	8.2%	\$ 259,944	8.2%	\$ 259,944	8.2%
<i>Financial Aid</i>	\$ 5,423,061	\$ -	0.0%	\$ 584,437	10.8%	\$ 584,437	10.8%
<i>General Operating</i>	\$ 11,610,187	\$ 324,641	2.8%	\$ 981,075	8.5%	\$ 943,515	8.1%
Controlled Maintenance	\$ 400,000	\$ -	0.0%	\$ 200,000	50.0%	\$ 200,000	50.0%
Library Expense	\$ 1,380,832	\$ -	0.0%	\$ 45,439	3.3%	\$ 45,439	3.3%
Utilities	\$ 2,452,241	\$ 171,657	7.0%	\$ 171,657	7.0%	\$ 171,657	7.0%
ICCA	\$ 3,263,891	\$ 94,254	2.9%	\$ 170,123	5.2%	\$ 219,930	6.7%
Insurance	\$ 937,149	\$ 93,715	10.0%	\$ 93,715	10.0%	\$ 93,715	10.0%
Transfers and Dedicated Expenditures	\$ 4,748,662	\$ -		\$ 104,208	2.2%	\$ 104,208	2.2%
<b>Compliance Initiatives</b>							
1) Compliance Officer (year 1 of 3)				\$ 42,570		\$ 42,570	
2) Add Women's Golf for Title IX				\$ 92,000		\$ 92,000	



# UCCS Expenditures (cont.)

Expenses	FY 2012-13 Revised	FY 2013-14					
		Mandatory \$ Change	Mandatory % Change	Market \$ Change	Market % Change	Market Plus \$ Change	Market Plus % Change
<b>Strategic Plan Initiatives</b>							
1) Keep pace with enrollment growth & quality				\$ 2,366,968		\$ 2,366,968	
2) Increase marketing potential				\$ 200,000		\$ 200,000	
3) Strengthen IT services				\$ 75,000		\$ 75,000	
4) Maintain and improve campus				\$ 462,669		\$ 462,669	
5) Increase financial aid reach				\$ 250,000		\$ 1,462,420	
<b>On-going Expenses Subtotal</b>	<b>\$ 99,130,386</b>	<b>\$ 1,320,604</b>	<b>1.3%</b>	<b>\$ 9,007,355</b>	<b>9.1%</b>	<b>\$ 10,464,148</b>	<b>10.6%</b>
<b>Non-permanent Investments - New State Funds Total</b>							
1) Capital Const./Controlled Maintenance				\$ 851,673		\$ 851,673	
2) Enrollment Funding or Contingency				\$ 500,000		\$ 500,000	
<b>Market Plus Initiatives</b>							
1) Priority 1 – Computers for College of Letters, Arts, & Science						\$ 257,479	
2) Priority 2 – Bridge funds						\$ 600,000	
3) Priority 3 – Matching funds						\$ 400,000	
<b>One-time Investments Subtotal</b>				<b>\$ 1,351,673</b>		<b>\$ 2,609,152</b>	
<b>Total Expenses</b>	<b>\$ 99,130,386</b>	<b>\$ 1,320,604</b>	<b>1.3%</b>	<b>\$ 10,359,028</b>	<b>10.5%</b>	<b>\$ 13,073,300</b>	<b>13.2%</b>



# UCCS Expenditure Overview, Market

- Mandatory costs.
- Non-classified merit pool and benefits reflects system wide request.
- Fund third year increment of \$200,000 for controlled maintenance.
- Enrollment strategies to maximize opportunities for growth for \$500,000.
- Provide inflation increases of 3% to all units.
- Maintain purchasing power for current and new students.
- Additional investment in targeted groups.



# UCCS Expenditure Overview, Market (cont.)

- Compliance Investments
  - Fund Campus Compliance Officer (year 1 of 3).
  - Add Women's Golf.
- Strategic Plan Investments
  - Increase number of faculty and staff to support enrollment strategies outlined in strategic plan.
  - Add funding to financial aid beyond maintenance of purchasing power for strategic packaging opportunities for enhanced retention.
- State Funded Investments
  - Capital Construction/Controlled Maintenance projects.
  - Increase enrollment contingency for investment or reserve.



# UCCS Expenditure Overview - Market Plus

- Mandatory Costs
- Market Plan
- ICCA additional increase of \$50,000
- Compliance
  - Market Plan
- Strategic
  - Market Plan
  - Add entire amount generated from additional 2% tuition rate increase to financial aid. This will improve purchasing power for strategic packaging opportunities for enhanced retention.



# UCCS Expenditure Overview - Market Plus (cont.)

- State Funded Investments
  - Market Plan
  - College of LAS - replace faculty computers
  - Bridge funds to support Health & Wellness Initiative
  - Matching funds for potential local infrastructure funds for North Nevada development



# UCCS Tuition Overview

Full Time SFTE - 30 SCH	Mandatory Costs	Market Plan	Market Plus	Comment
<b>Current Resident Undergraduate Tuition</b>	\$ 7,050	\$ 7,050	\$ 7,050	Mandatory - 0.9% rate increase; no growth
Rate Increase <i>Dollar Change</i>	\$ 60	\$ 420	\$ 570	Market - 6.0% rate increase
Proposed Tuition	\$ 7,110	\$ 7,470	\$ 7,620	Market Plus - 8.1% rate increase
<b>Current Non-Resident Undergraduate Tuition</b>	\$ 16,720	\$ 16,720	\$ 16,720	Mandatory - 0.9% rate increase; no growth
Rate Increase <i>Dollar Change</i>	\$ 168	\$ 668	\$ 668	Market - 6.0% rate increase
Proposed Tuition	\$ 16,888	\$ 17,388	\$ 17,388	Market Plus - 8.1% rate increase
<b>Current Resident Graduate Tuition</b>	\$ 8,452	\$ 8,452	\$ 8,452	Mandatory - 0.9% rate increase; no growth
Rate Increase <i>Dollar Change</i>	\$ 84	\$ 508	\$ 676	Market - 6.0% rate increase
Proposed Tuition	\$ 8,536	\$ 8,960	\$ 9,128	Market Plus - 8.0% rate increase
<b>Current Non-Resident Graduate Tuition</b>	\$ 18,360	\$ 18,360	\$ 18,360	Mandatory - 0.9% rate increase; no growth
Rate Increase <i>Dollar Change</i>	\$ 180	\$ 740	\$ 740	Market - 4.0% rate increase
Proposed Tuition	\$ 18,540	\$ 19,100	\$ 19,100	Market Plus - 4.0% rate increase
<b>Total New Tuition Revenue</b>	<b>\$ 1,614,023</b>	<b>\$ 8,739,567</b>	<b>\$ 9,964,223</b>	





# Denver Campus



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# Denver Highlights

- Total ongoing budget growth under the Market proposal is \$5,666,960 which is 3.4% growth in expenditures over last year.
- This proposal implements year two of Regent-approved plan to pursue linearity (15 to 17 credit hours).
- Base rate tuition is proposed at 6% for undergraduate residents, 5% for undergraduate nonresidents, 1% for resident graduates, and 3% for nonresident graduates.
- Proposed tuition increases do not cover ongoing costs. \$1.13 million of potential ongoing cuts are reflected in the Market proposal.
- Enrollment declines are projected for all categories except nonresident undergraduates.



# Denver Campus Efficiencies

Total estimated savings for both campuses:  
\$1,579,000 ongoing, \$1,390,000 one-time

- Consolidated Networking and Telecom: \$110,000 savings, both campuses.
- Expanded use of Thin Client technology: \$214,000 savings, both campuses.
- Instituted Shared Services networking at the System office to leverage talent and increase the level of service, both campuses.
- Cost share with Metro State and AHEC for telecom usage: \$523,000 savings.
- School of Business - Xcel Energy Efficient Building Program: \$65,000 savings and \$124,000 rebates.

# Denver Expenditures

Expenses	FY 2012-13 Revised	FY 2013-14					
		Mandatory \$ Change	Mandatory % Change	Market \$ Change	Market % Change	Market Plus \$ Change	Market Plus % Change
<b>Operating Expense</b>							
<i>Compensation</i>							
Salaries - Faculty and Graduate Students	\$ 54,764,959	\$ -	0.0%	\$ 1,797,713	3.3%	\$ 2,071,539	3.8%
Salaries - Exempt	\$ 21,512,917	\$ -	0.0%	\$ 656,589	3.1%	\$ 762,491	3.5%
Salaries - Classified and Hourly	\$ 9,825,601	\$ 353,724	3.6%	\$ 353,724	3.6%	\$ 353,724	3.6%
Benefits - Faculty and Exempt	\$ 19,951,216	\$ 150,114	0.8%	\$ 1,057,557	5.3%	\$ 1,131,222	5.3%
Benefits - Classified	\$ 3,621,559	\$ 297,539	8.2%	\$ 297,539	8.2%	\$ 297,539	8.2%
<i>Financial Aid</i>	\$ 12,808,333	\$ (265,000)	-2.1%	\$ 305,241	2.4%	\$ 798,000	6.2%
<i>General Operating</i>	\$ 20,033,994	\$ 1,303,706	6.5%	\$ 170,435	0.9%	\$ 1,303,706	6.5%
Controlled Maintenance	\$ 888,681	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Library Expense	\$ 3,478,071	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Utilities	\$ 954,410	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
ICCA	\$ 4,783,501	\$ 94,254	2.0%	\$ 184,482	3.9%	\$ 239,778	5.0%
Insurance	\$ 300,000	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Transfers/Dedicated Expenditures	\$ 13,446,756	\$ -	0.0%	\$ (459,018)	-3.4%	\$ (459,018)	-3.4%
<b>Compliance Initiatives</b>							
1) Student Behavior Case Manager		\$ 84,500		\$ 84,500		\$ 84,500	
2) Accreditation for Business School		\$ 447,200		\$ 447,200		\$ 447,200	
<b>Strategic Plan Initiatives</b>							
1) Veterans Students Expansion				\$ 104,575		\$ 104,575	
2) College of Architecture and Planning Hiring				\$ 166,423		\$ 166,423	
3) School of Education and Human Development Program Director for new BA				\$ 160,417		\$ 160,417	
4) CLAS Faculty Hiring Plan				\$ 339,583		\$ 804,640	
5) CLAS Teaching Assistants for Growing Classes				\$ -		\$ 979,772	
6) Central Administration Resource Investments				\$ -		\$ 754,775	
7) Controlled Maintenance AHEC				\$ -		\$ 200,000	
<b>On-going Expenses Sub-total</b>	<b>\$ 166,369,998</b>	<b>\$ 2,466,037</b>	<b>1.5%</b>	<b>\$ 5,666,960</b>	<b>3.4%</b>	<b>\$ 10,201,283</b>	<b>6.1%</b>



# Denver Expenditures (cont.)

Expenses	FY 2012-13 Revised	FY 2013-14					
		Mandatory \$ Change	Mandatory % Change	Market \$ Change	Market % Change	Market Plus \$ Change	Market Plus % Change
<b>Non-permanent Investments - New State Funds</b>							
1) Mitigate Permanent Cuts with One Time Funds		\$ -		\$ 1,133,271		\$ -	
2) Veterans Students Expansion Initiative		\$ 104,575		\$ -		\$ -	
3) Educational Support - Classroom Upgrade		\$ 632,265		\$ 632,265		\$ 632,265	
4) Controlled Maintenance AHEC		\$ 512,149		\$ 512,149		\$ 312,149	
5) CLAS Faculty Hiring Plan		\$ -		\$ 188,640		\$ 188,640	
7) Financial Aid		\$ 1,498,724		\$ 281,388		\$ 1,614,659	
<b>Market Plus Initiatives</b>							
1) Financial Aid		\$ -		\$ -		\$ 1,055,650	
2) Advisors in CLAS for two years		\$ -		\$ -		\$ 919,000	
3) Administrative Assistants in the College of Engineering and Applied Science for three years		\$ -		\$ -		\$ 447,408	
<b>Non-permanent Investment Sub-total</b>		<b>\$ 2,747,713</b>		<b>\$ 2,747,713</b>		<b>\$ 5,169,771</b>	
<b>Total Expenses</b>	<b>\$166,369,998</b>	<b>\$ 5,213,750</b>	<b>3.1%</b>	<b>\$ 8,414,673</b>	<b>5.1%</b>	<b>\$ 15,371,054</b>	<b>9.2%</b>



# Denver Expenditure Overview - Market

- Mandatory Costs.
- Increased costs for Auraria (salary pool, security).
- Committed investments for new programs: BS Bioengineering, BS Public Health, BS Architecture.
- Maintains a 9% cap on the tuition increase from linearity, no new investment for merit or need based aid.
- Assumes \$1.13 million in potential cuts to balance (will be determined by actual fall enrollments).
- Compliance Expenditures Highlights.
  - Student Behavior Case Manager.
  - Business School hiring needs to meet accreditation.



# Denver Expenditure Overview – Market (cont.)

- Strategic Plan Investments
  - Veterans students expansion.
  - College of Architecture and Planning hiring needs.
  - School of Education and Human Development Program Director for new BA program.
  - College of Liberal Arts and Sciences (CLAS) faculty needs.
- State Funded Investments
  - Delay cuts with non-permanent funds (approximately \$1.13 million).
  - Educational Support - classroom upgrade.
  - Controlled maintenance Auraria (need ongoing funds).
  - Partially fund CLAS hiring needs (need ongoing funds).
  - Potential non-permanent funds for Financial Aid.



# Denver Revenue Overview - Market

- State Support
  - Estimated increase of \$2,747,713.
  - At the Denver Campus, tuition requested under Market is not enough to fund proposed expenditures for critical needs and mandatory costs
- Other
  - Indirect cost recoveries estimated increase is \$0
  - \$316,000 student fee increases
  - Revenue from Metro and CCD for the Library salary/benefit increases is estimated \$117,000
  - Use recently established drop/add charge revenue



# Denver Expenditure Overview - Market Plus

- Mandatory Costs and Market Plan
- Operating Expenses
  - Removes \$1.13 million in potential cuts to balance.
  - Increase in ICCA.
  - Since tuition is higher, more institutional aid is needed to maintain 9% cap due to linearity.
- Strategic Plan Initiatives
  - Adds CLAS Teaching Assistants for growing class sizes.
  - Fully funds CLAS hiring needs still using some non-permanent funds.
  - Allows Central Administration resource investments.
  - Adds some permanent funding to Auraria controlled maintenance.



# Denver Expenditure Overview - Market Plus

- State Funded Investments
  - Same as Market option except:
  - Backfill of cuts is not necessary since no cuts are included in Market Plus.
  - Adds \$1.6 million for Financial Aid; nonpermanent nature of funds would require spreading across several years.
- Market Plus Initiatives
  - Financial Aid.
  - Advisors in College of Liberal Arts and Sciences for two years.
  - Administrative Assistants in the College of Engineering and Applied Science for three years.



# Denver Tuition Overview

Full Time SFTE - 30 SCH	Mandatory Costs	Market Plan	Market Plus	Comment
<b>Current Resident Undergraduate Tuition</b>	\$ 7,980	\$ 7,980	\$ 7,980	Undergraduate resident rate will be made linear to 17 credits (currently linear to 15). Base Rate Increases: Mandatory - 2.0%, Market - 6.0%, Market plus - 9.0%.
Linearity + Base Increase <i>Dollar Change</i>	\$ 150	\$ 480	\$ 720	
Proposed Tuition	\$ 8,130	\$ 8,460	\$ 8,700	
<b>Current Non-Resident Undergraduate Tuition</b>	\$ 22,658	\$ 22,658	\$ 22,658	Undergraduate nonresident rate will be made linear to 14 credits (currently linear to 13). Base Rate Increases: Mandatory - 2.5%, Market - 5.0%, Market plus - 9.0%.
Linearity + Base Increase <i>Dollar Change</i>	\$ 1,708	\$ 2,282	\$ 3,256	
Proposed Tuition	\$ 24,366	\$ 24,940	\$ 25,914	
<b>Current Resident Graduate Tuition</b>	\$ 7,712	\$ 7,712	\$ 7,712	Graduate resident rate made linear to 9 credits (currently linear to 8, except for SEHD already at 9). For FY 12-13 and FY 13-14, graduate resident rates protected from increasing more than a combination of 4% due to base rate and linearity. Base Rate Increases: Mandatory - 1.0%, Market - 1.0%, Market plus - 5.0%.
Linearity + Base Increase <i>Dollar Change</i>	\$ 308	\$ 308	\$ 308	
Proposed Tuition	\$ 8,020	\$ 8,020	\$ 8,020	
<b>Current Non-Resident Graduate Tuition</b>	\$ 22,038	\$ 22,038	\$ 22,038	Graduate nonresident rate will be made linear to 10 credits (currently linear to 9). Base Rate Increases: Mandatory - 1.0%, Market - 3.0%, Market plus - 6.0%.
Linearity + Base Increase <i>Dollar Change</i>	\$ 2,118	\$ 2,600	\$ 3,306	
Proposed Tuition	\$ 24,156	\$ 24,638	\$ 25,344	
<b>Total New Tuition Revenue</b>	<b>\$ 2,054,493</b>	<b>\$ 5,245,115</b>	<b>\$ 9,167,964</b>	





# Boulder Campus



University of Colorado

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# Boulder

- Doing business differently
  - Innovative Advisory Group
  - Efficiency Office
  - New Merit Aid Program
- 3.4% total expenditure increase to fund the following priorities:
  - Compensation pool for all faculty and staff
  - Merit Aid program
  - Deferred Maintenance
  - Compliance



# Boulder Current Budget Year Update

- Enrollment
  - FY 2013 Freshman class approximately 5,450
  - FY 2013 Overall enrollment 29,850
  - FY 2014 Applications are strong
    - Developed new yield strategies
- Tuition Revenue
  - Unexpectedly high undergraduate nonresident conversion rate
  - Overall enrollment lower than original budget
- All other revenue categories are meeting expectations



# Boulder Efficiencies

- **Energy Efficiency**
  - System Bio building is saving over 3,246,000 kWh of electricity annually as compared to typical research building of similar size and complexity. **~\$250,000 savings per year**. Received the Excel Energy Design Assistance Achievement Award this year.
- **Consolidated the Colorado Diversity Initiative**
  - The CDI identifies opportunities for synergies among programs, departments and institutes campus-wide to maximize the effectiveness of well-established diversity initiatives and to foster interdisciplinary collaborations in STEM fields. Savings - **\$145,000 annually**



# Boulder Expenditures

Expenses	FY 2012-13 Revised	FY 2013-14					
		Mandatory \$ Change	Mandatory % Change	Market \$ Change	Market % Change	Market Plus \$ Change	Market Plus % Change
<b>Operating Expense</b>							
<i>Compensation</i>							
Salaries - Faculty and Graduate Students	\$ 169,841,933	\$ -	0.0%	\$ 5,465,100	3.1%	\$ 6,314,310	3.7%
Salaries - Exempt	\$ 48,702,497	\$ -	0.0%	\$ 1,509,777	3.1%	\$ 1,753,290	3.6%
Salaries - Classified and Hourly	\$ 63,987,654	\$ 2,283,614	3.6%	\$ 2,283,614	3.6%	\$ 2,283,614	3.6%
Benefits - Faculty and Exempt	\$ 85,166,572	\$ 770,966	0.9%	\$ 3,302,796	3.9%	\$ 3,648,574	4.1%
Benefits - Classified	\$ 21,792,139	\$ 1,686,410	7.7%	\$ 1,686,410	7.7%	\$ 1,686,410	7.7%
<i>Financial Aid</i>	\$ 49,971,000	\$ -	0.0%	\$ 2,152,450	4.3%	\$ 2,619,616	4.8%
<i>General Operating</i>	\$ 47,082,881	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
Controlled Maintenance	\$ 7,614,709	\$ -	0.0%	\$ 750,000	9.8%	\$ 151,813	9.8%
Library Expense	\$ 11,451,163	\$ -	0.0%	\$ 572,558	5.0%	\$ 572,558	5.0%
Utilities	\$ 21,225,783	\$ 742,902	3.5%	\$ 742,902	3.5%	\$ 742,902	3.5%
ICCA	\$ 20,206,882	\$ 580,202	2.9%	\$ 1,047,232	5.1%	\$ 1,353,830	6.6%
Insurance	\$ 4,570,651	\$ 228,533	5.0%	\$ 228,533	5.0%	\$ 228,533	5.0%
Transfers and Dedicated Expenditures	\$ 39,121,181	\$ -	0.0%	\$ (88,272)	-0.2%	\$ (88,272)	-0.2%
<b>Compliance Initiatives</b>							
1) Two compliance staff FTE				\$185,500		\$185,500	
<b>Strategic Plan Initiatives</b>							
1) Undergraduate Merit Aid Program				\$462,377		\$0	
<b>On-going Expenses Subtotal</b>	\$590,735,045	\$ 6,292,627	1.1%	\$20,300,977	3.4%	\$ 21,452,678	3.6%



# Boulder Expenditures

Expenses	FY 2012-13 Revised	FY 2013-14					
		Mandatory \$ Change	Mandatory % Change	Market \$ Change	Market % Change	Market Plus \$ Change	Market Plus % Change
<b>Non-permanent Investments - New State Funds</b>							
1) Undergraduate merit aid program				\$ 2,000,000		\$ 5,000,000	
2) Facility infrastructure				\$ 1,000,000		\$ 2,000,000	
3) Centralized computing services				\$ 854,812		\$ 1,500,000	
<b>Market Plus Initiatives</b>							
4) Academic Technology Investments						\$ 1,000,000	
5) Compliance						\$ 185,500	
6) Administrative Technology Investments						\$ 350,461	
<b>Non-permanent Investment Sub-total</b>				<b>\$ 3,854,812</b>		<b>\$ 10,035,961</b>	
<b>Total Expenses</b>	<b>\$ 590,735,045</b>	<b>\$ 6,292,627</b>	<b>1.1%</b>	<b>\$ 24,155,789</b>	<b>4.1%</b>	<b>\$ 31,488,939</b>	<b>5.3%</b>



# Boulder Expenditure Overview - Market

- Overall expenses grow by 3.4%.
- Mandatory Costs.
- 3.1% Non-classified merit pool and benefits.
- Compliance
  - Additional resources for compliance requirements, 2.0 FTE.
- Strategic
  - Provide initial funding for resident undergraduate merit aid program - \$462,377.
- Additional 2% increase for ICCA.
- State Funded Investments
  - Undergraduate resident merit aid program.
  - Facility infrastructure improvements.
  - Centralized computing services.



# Boulder Expenditure Overview – Market Plus

- Overall expenses increase by 3.6%
- Mandatory Costs
- Market Plan
  - 3.6% Non-classified merit pool and benefits
  - Controlled maintenance \$152,000
  - ICCA additional increase of \$300,000
- Compliance Initiatives
  - Market Plan
- Strategic Plan Initiatives
  - No strategic initiatives are available in this option



# Boulder Expenditure Overview – Market Plus (cont.)

- State Funded Investments
  - Market Plan
  - Merit Financial Aid
  - Facility Infrastructure
  - Centralized Computing Services
  - Academic and Administrative Technology



# Boulder Tuition Overview

Full Time SFTE - 30 SCH	Mandatory Costs	Market Plan	Market Plus	Comment
<b>Current Resident Undergraduate Tuition</b>	\$ 8,056	\$ 8,056	\$ 8,056	Mandatory - 6.1 % rate increase
Linearity <i>Dollar Change</i>	\$ -	\$ 548	\$ -	Market - linearity shift from 11.25 to 12.00 credit hours + 1.9% rate increase
Rate Increase <i>Dollar Change</i>	\$ 494	\$ 156	\$ 798	
Proposed Tuition	\$ 8,550	\$ 8,760	\$ 8,854	Market Plus - 9.9% rate increase
<b>Current Non-Resident Undergraduate Tuition</b>	\$ 29,952	\$ 29,952	\$ 29,952	Mandatory - no rate change
Rate Increase <i>Dollar Change</i>	\$ -	\$ 576	\$ 576	Market - 1.9% rate increase
Proposed Tuition	\$ 29,952	\$ 30,528	\$ 30,528	Market Plus - 1.9% rate increase
<b>Current Resident Graduate Tuition</b>	\$ 9,738	\$ 9,738	\$ 9,738	Mandatory - no rate change
Rate Increase <i>Dollar Change</i>	\$ -	\$ 198	\$ 198	Market - 1.9% rate increase
Proposed Tuition	\$ 9,738	\$ 9,936	\$ 9,936	Market Plus - 1.9% rate increase
<b>Current Non-Resident Graduate Tuition</b>	\$ 26,208	\$ 26,208	\$ 26,208	Mandatory - no rate change
Rate Increase <i>Dollar Change</i>	\$ -	\$ 504	\$ 504	Market - 1.9% rate increase
Proposed Tuition	\$ 26,208	\$ 26,712	\$ 26,712	Market Plus - 1.9% rate increase
<b>Total New Tuition Revenue</b>	\$ 6,352,659	\$ 20,328,765	\$ 21,480,765	





# Anschutz Medical Campus



University of Colorado

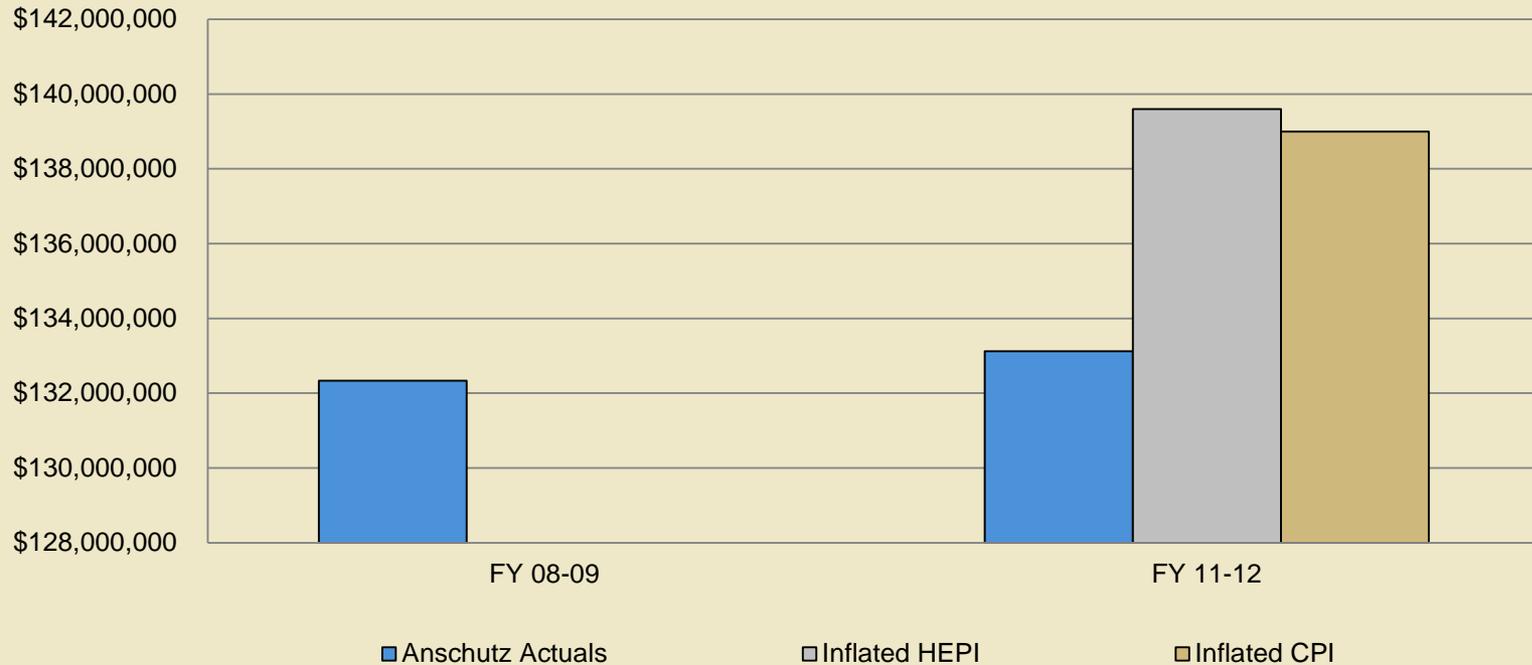
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# Anschutz Medical Campus Highlights

## Anschutz Medical Campus Total Tuition, Fees, and State Funding Compared to Inflation

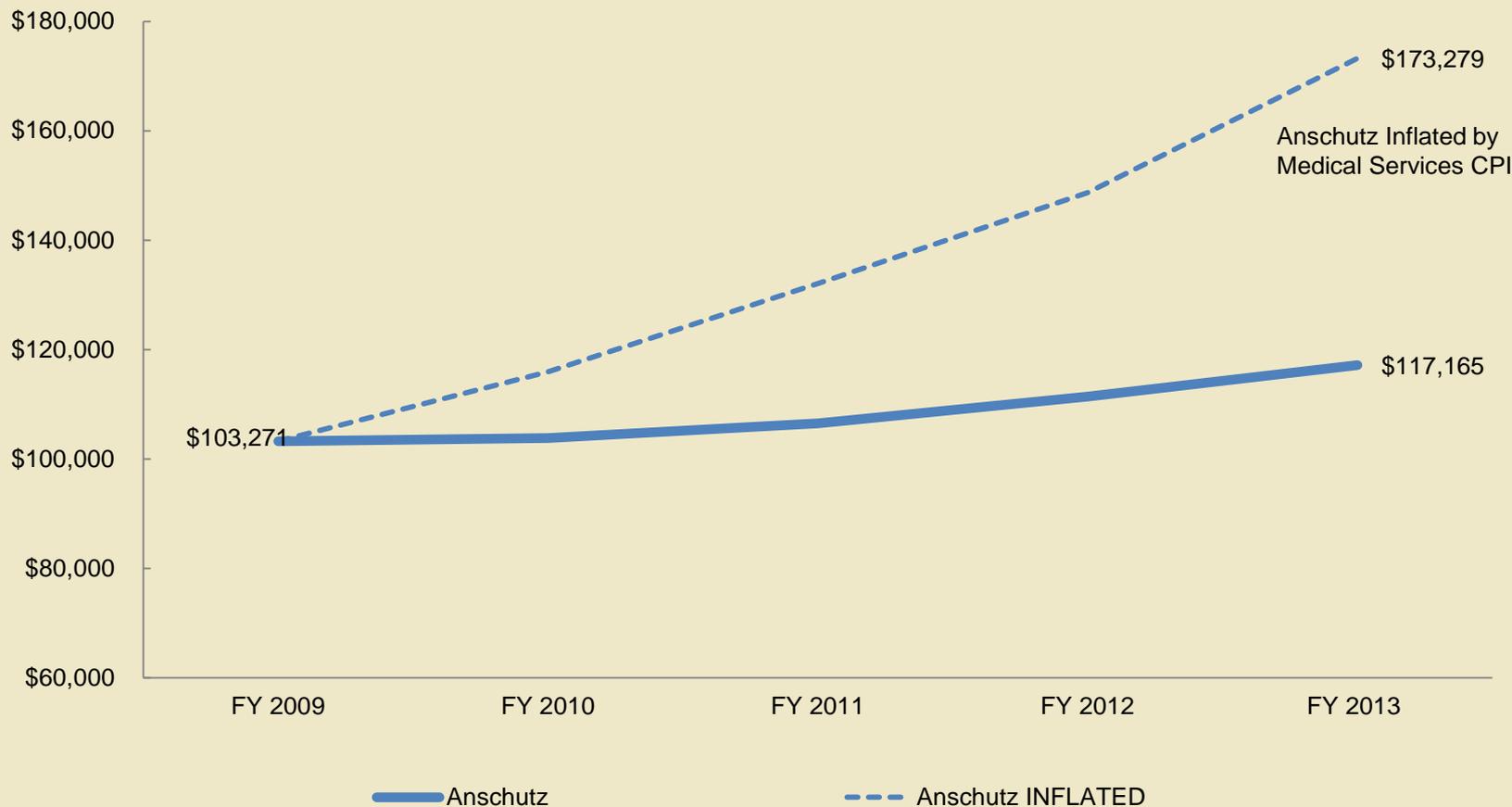


HEPI = Higher Education Price Index



# Anschutz Faculty Salary vs. Medical Services CPI

## Anschutz Faculty Full-Time Employee Average Salary



# Anschutz Medical Campus Highlights

- Base budget relies on \$4 million in deficit funding from President's Office.
- Market option ongoing budget growth is \$11 million (5.3% growth). \$3 million is related to SOM branch at UCCS – net growth is 3.9%.
- Tuition rate proposals still being developed. Schools talking with students and looking at national and peer data, and evaluating the anticipated budget needs to decide on final rates.
- Schools, colleges, and central administration require nearly all funds to address basic needs.
- One centralized initiative included under the Market proposal; Bioinformatics initiative provides a preliminary investment in a clinical data warehouse with affiliated hospitals. This initiative is critical for the campus as research and clinical care moves towards personalized medicine.
- Overall budget is quite large, majority of funds are restricted thus not available for E&G costs, GF and tuition dollars needed.



# Anschutz Medical Campus Efficiencies

- Xcel 2012 Energy Management Systems Achievement Award for Research 1: First year cost savings **\$911,000** and rebate of \$223,000.
- Building 500 energy savings projects: **\$104,000** savings
- Automated, centralized irrigation system, with \$20,000 in grant funds: **\$12,000** savings per year.
- Natural gas purchasing program: **\$519,000** savings.
- Reduced HVAC temperatures over holidays: **\$23,000** savings.
- New event management system automated HVAC module: **\$140,000** savings
- Automation of police reporting reduced annual printing by 10,000 sheets of paper.



# Anschutz Medical Campus Expenditures

Expenses	FY 2012-13 Revised	FY 2013-14					
		Mandatory \$ Change	Mandatory % Change	Market \$ Change	Market % Change	Market Plus \$ Change	Market Plus % Change
<b>Operating Expense</b>							
<i>Compensation</i>							
Salaries - Faculty and Graduate Students	\$43,066,562	\$0	0.0%	\$1,405,559	3.3%	\$1,632,261	3.8%
Salaries - Exempt	\$29,721,291	\$0	0.0%	\$990,382	3.3%	\$1,150,118	3.9%
Salaries - Classified and Hourly	\$21,764,475	\$783,521	3.6%	\$783,521	3.6%	\$783,521	3.6%
Benefits - Faculty and Exempt	\$21,011,329	\$125,449	0.6%	\$939,195	4.5%	\$1,153,922	5.5%
Benefits - Classified	\$8,140,900	\$810,163	10.0%	\$810,163	10.0%	\$810,163	10.0%
<i>Financial Aid</i>	\$2,694,256	\$0	0.0%	\$0	0.0%	\$0	0.0%
<i>General Operating</i>	\$15,385,788	\$1,252,649	8.1%	\$1,335,095	8.7%	\$1,335,095	8.7%
Controlled Maintenance	\$514,000	\$0	0.0%	\$0	0.0%	\$0	0.0%
Library Expense	\$1,816,436	\$117,350	6.5%	\$117,350	6.5%	\$117,350	6.5%
Utilities	\$16,040,848	\$0	0.0%	\$0	0.0%	\$0	0.0%
ICCA	\$11,466,249	\$94,254	0.8%	\$628,213	5.5%	\$816,511	7.1%
Insurance	\$3,973,549	\$0	0.0%	\$0	0.0%	\$0	0.0%
Transfers/Dedicated Expenditures	\$31,415,333	\$0	0.0%	\$0	0.0%	\$0	0.0%
<b>Compliance Initiatives</b>							
1) Biomedical Waste		\$149,000		\$149,000		\$149,000	
2) UCH UCCS Memorial Payment		\$3,000,000		\$3,000,000		\$3,000,000	
3) Additional Staff - Office of Grants and Contracts		\$300,000		\$300,000		\$72,891	
<b>Strategic Plan Initiatives</b>							
1) Addressing Basic Needs		\$4,388,446		\$562,354		\$0	
<b>On-going Expenses Sub-total</b>	<b>\$207,011,016</b>	<b>\$ 11,020,832</b>	<b>5.3%</b>	<b>\$11,020,832</b>	<b>5.3%</b>	<b>\$11,020,832</b>	<b>5.3%</b>



# Anschutz Medical Campus Expenditures (cont.)

Expenses	FY 2012-13 Revised	FY 2013-14					
		Mandatory \$ Change	Mandatory % Change	Market \$ Change	Market % Change	Market Plus \$ Change	Market Plus % Change
<b>Non-permanent Investments - New State Funds</b>							
1) Addressing Basic Needs		\$ 1,441,694		\$ 1,441,694		\$ 1,441,694	
2) Bioinformatics		\$ 923,285		\$ 923,285		\$ 923,285	
<b>Market Plus Initiatives</b>							
1) Bioinformatics						\$ 2,076,715	
3) Interprofessional Education						\$ 1,105,258	
4) Clinical Trials System						\$ 785,950	
5) Autoclaves						\$ 880,000	
6) Staff for Vice Chancellor of Health Affairs						\$ 85,000	
7) Backfill "OGC Staff" Shortfall						\$ 227,109	
<b>Non-permanent Investment Sub-total</b>		<b>\$ 2,364,979</b>		<b>\$ 2,364,979</b>		<b>\$ 7,525,011</b>	
<b>Total Expenses</b>	<b>\$207,011,016</b>	<b>\$ 13,385,811</b>	<b>6.5%</b>	<b>\$ 13,385,811</b>	<b>6.5%</b>	<b>\$ 18,545,843</b>	<b>9.0%</b>



# Anschutz Medical Campus Expenditure Overview - Market

- Mandatory Increases.
- Operating increase allocated to schools, colleges, and administration for lease increases, research administration, library materials.
- University Colorado Hospital UCCS Memorial Payment for costs related to School of Medicine branch location. This only covers year three and four costs; costs for year one and two must be covered by the SOM.
- Compliance Expenditures including:
  - Biomedical Waste; and
  - Adding staff for the Office of Grants and Contracts.



# Anschutz Medical Campus Expenditure Overview – Market (cont.)

- Strategic Initiative Funds
  - Addressing Basic Needs. Resources in schools and colleges and in central administration are already stretched thin and cannot accommodate centralized initiatives at this time. These funds must be allocated to the schools and colleges so they can use the funds towards basic needs driven by growth.
- State Funded Investments
  - Bioinformatics. Develop a clinical data warehouse with the affiliated hospitals and create a Division of Biomedical Informatics and Personalized Medicine in the School of Medicine.
  - Addressing Basic Needs. For the FY 2013-14 budget, non-permanent fund sources needed to balance the budget - allows funds to be returned to the schools and colleges and not mandated for centralized projects.



# Anschutz Medical Campus Revenue Overview - Market

- State Support
  - Estimated increase of \$2,364,979 in non-permanent state funds has been included.
  - Tuition rates have not been established at this time for the Anschutz Medical Campus.
- Other
  - Indirect cost recoveries are estimated to increase by \$1.5 million.
  - University Colorado Hospital UCCS Payment is expected revenue to pay for costs related to School of Medicine branch location for the 3<sup>rd</sup> and 4<sup>th</sup> year MD students, and patient revenue in the Dental Clinic is expected to grow.



# Anschutz Medical Campus Expenditure Overview - Market Plus

- Mandatory Costs and Market Plan
- State Funded Investments
  - Additional funding for Bioinformatics (over Market Proposal)
- Market Plus Initiatives
  - Expand Bioinformatics
  - Interprofessional Education
  - Adding staff for the Vice Chancellor of Health Affairs
  - Clinical Trials System
  - Autoclaves



# Anschutz Medical Campus Tuition Overview

- Schools and colleges on the Anschutz Medical Campus are still working on establishing the tuition rates that will be proposed to the Board of Regents.
- Each year, schools and colleges on the Anschutz Campus set the tuition rates through a complicated decision making process that balances peer competition, needs for resources, state funding, student debt load, and other factors.
- The Campus is not able to manipulate tuition increases to address potential shortfalls, so is not proposing different tuition rates for the Market Plus option or for Mandatory Costs.



# System Wide Recommendation – Market Plan

- State required salary (3.6%) and benefits for classified staff.
- Governor's salary request (3.1%) and benefits for faculty and exempt staff.
- Financial aid.
- Limited strategic and compliance initiatives that advance mission.
- Prudent allocation of new state funding for non-ongoing needs.
- Tuition and linearity changes as outlined in prior slides.

