

FY2025 Budget Process

Incremental Budget Proposals

October 2023



Colorado State University

What budget are we talking about?

Historical & Incremental Budget

- Incremental budget versions presented to the BOG
- Campus transparency presentations (retreats and forums) based on FY23-24
- FY25 annual budget for next year

Budget Model Redesign

- New budget structure for years beyond FY25
- Campus engagement process this fall

Budget System (Questica)

- New technology system
- Will support the data, process and reporting of the incremental budget and future budget model

CSU Financial Structure



Colorado State University

Funding Types

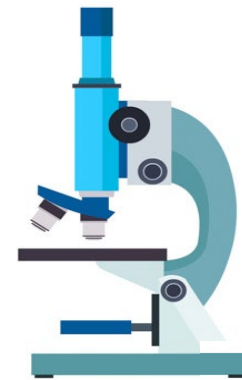
Unrestricted

54%



Restricted

25%



Auxiliary

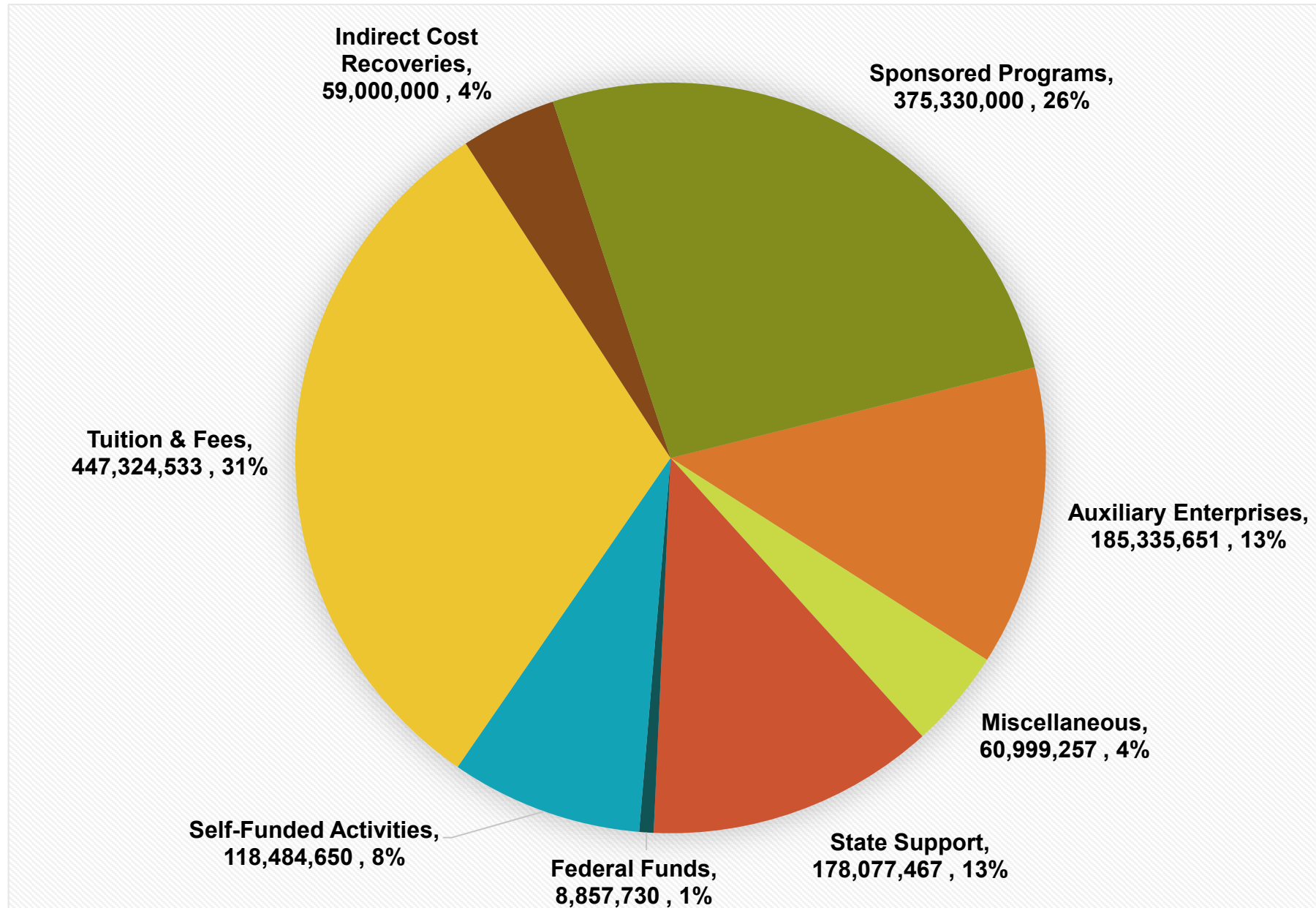
21%

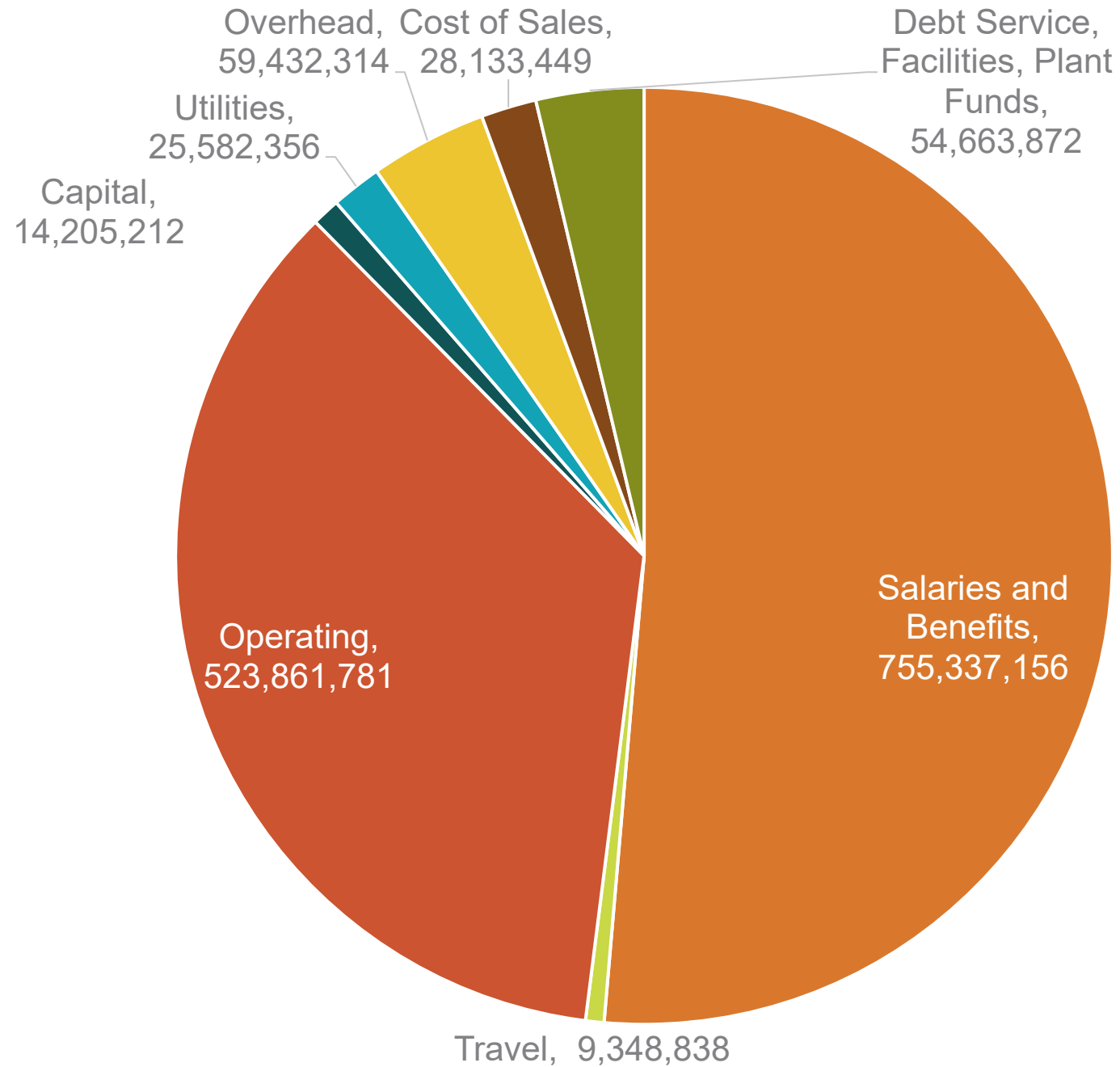


Where the Money Comes From

FY 2023 \$1.433B

http://www.budgets.colostate.edu/Forms/OperatingBudgetSummaries/FY23_Operating_Budget_Summary.pdf#zoom=100





Where the Money Goes

(Total Institutional Budget - \$1.436B)

http://www.budgets.colostate.edu/Forms/OperatingBudgetSummaries/FY23_Operating_Budget_Summary.pdf#zoom=100

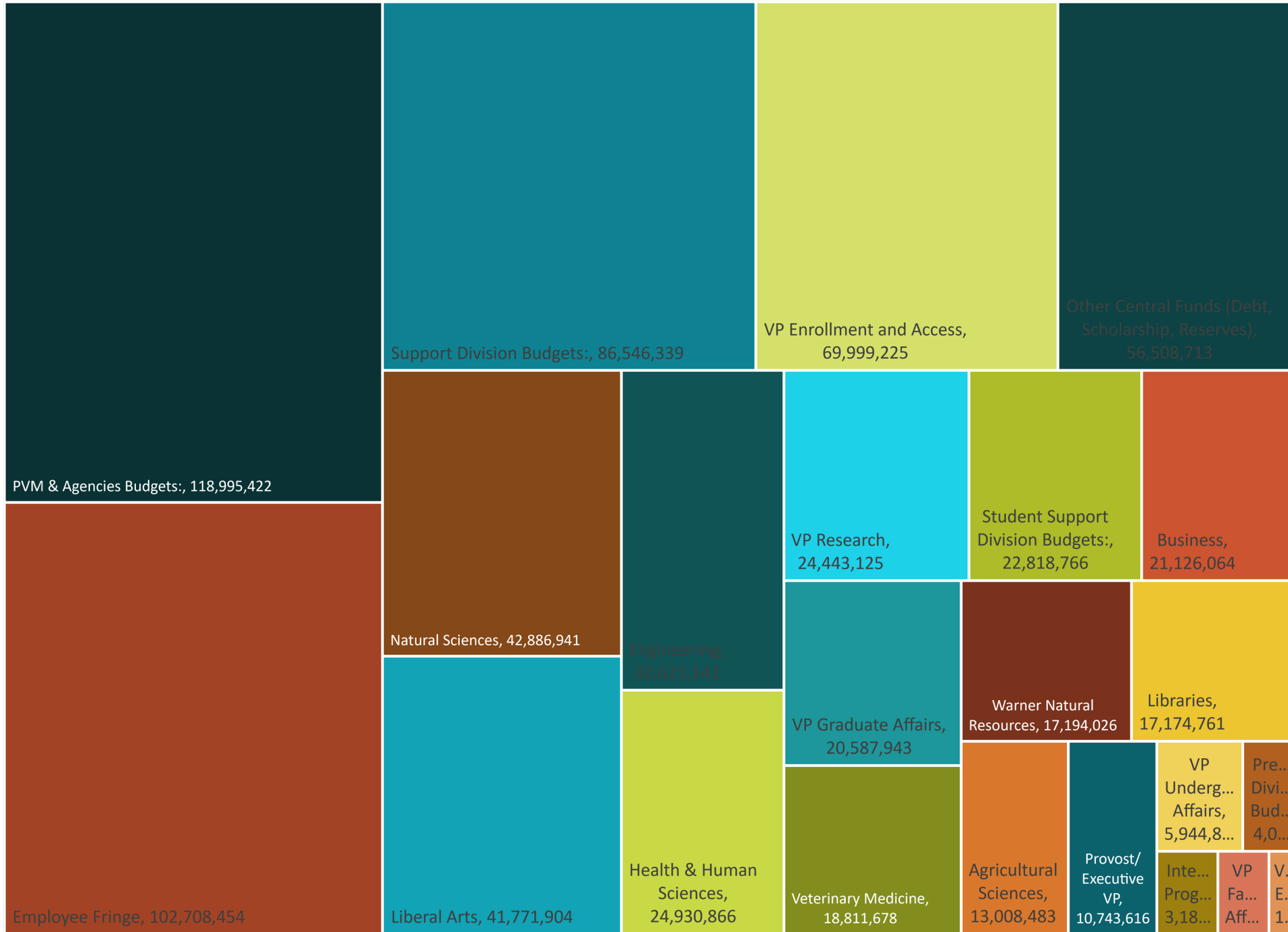
Colorado State University 2023-24 Estimated Total Budget

| | State Fee for Service | State Student Financial Aid (COF) * | State Restricted Funds** | Total State Funds | Tuition & Fees | Miscellaneous Revenue & Cash Operations | Federal Funds | Self-Funded Operations & Auxiliaries | Contracts Grants | Total FY24 |
|---|---|--|--------------------------------|-------------------------|--------------------|--|-------------------|--|---------------------|----------------------|
| State Appropriated | 148,351,175 | 48,664,320 | 330,000 | 197,345,495 | 472,193,196 | 62,066,793 | 11,182,575 | | | 742,788,059 |
| % of Total Revenues (\$1.48 Billion) | | | | 13.3% | 31.9% | 4.2% | 0.8% | | | |
| Seedling Tree Nursery | | | | | | | | 610,000 | | 610,000 |
| Continuing Education | | | | | | | | 50,059,400 | | 50,059,400 |
| General Operations | | | | | | | | 15,105,858 | | 15,105,858 |
| Student Organizations | | | | | | | | 8,403,926 | | 8,403,926 |
| Intercollegiate Athletics | | | | | | | | 48,058,633 | | 48,058,633 |
| Est. Sponsored Programs | | | | | | | | | 409,000,000 | 409,000,000 |
| Auxiliary Enterprises | | | | | | | | 204,496,651 | | 204,496,651 |
| Total Estimated Budget | 148,351,175 | 48,664,320 | 330,000 | 197,345,495 | 472,193,196 | 62,066,793 | 11,182,575 | 326,734,468 | 409,000,000 | 1,478,522,527 |
| * College Opportunity Fund | | | | | | | | | | |
| ** State Restricted Funds: | \$330,000 PVM CCHE, WICHE & Gaming Commission Funds | | | | | | | | | |

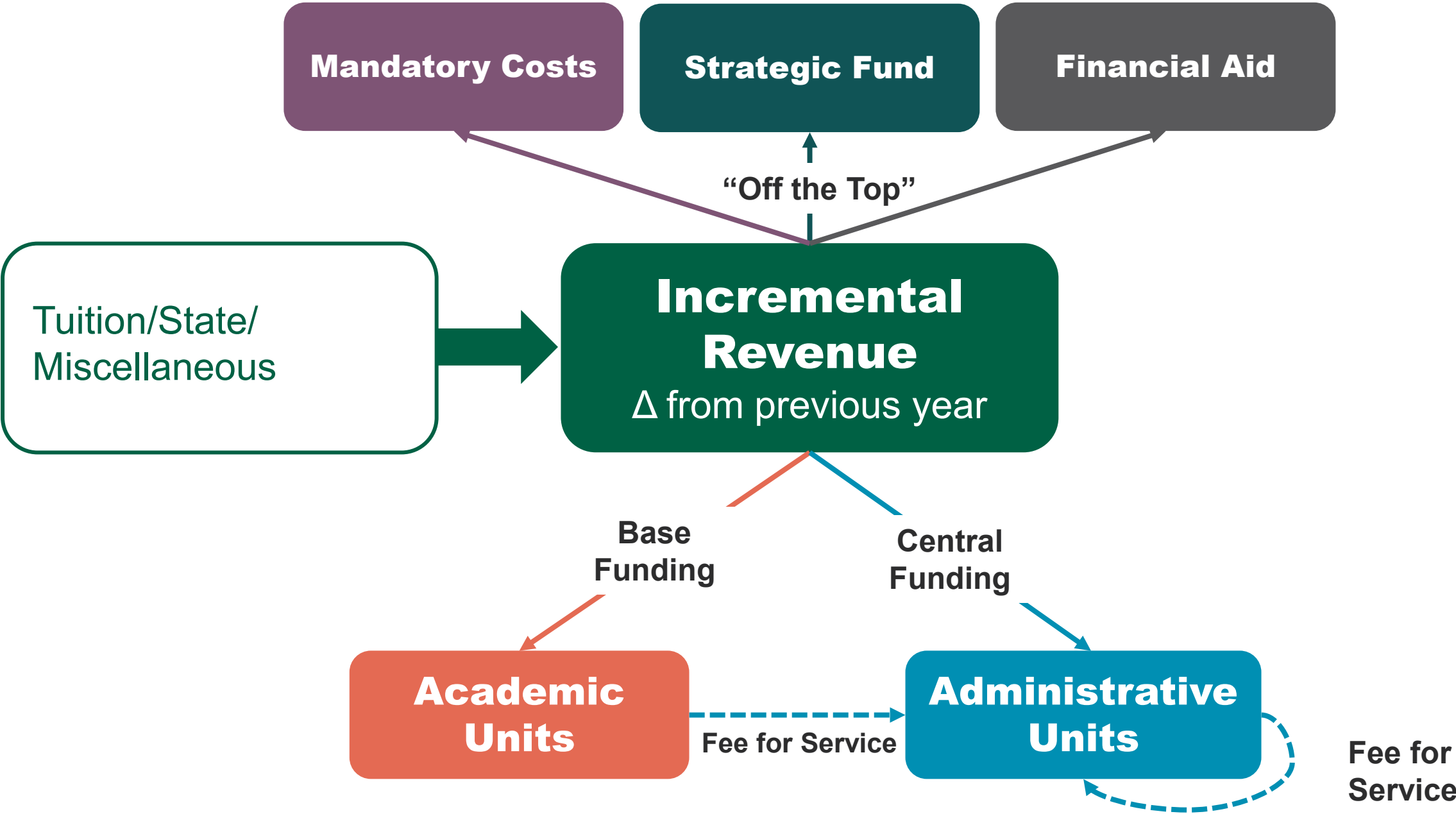
Where the Money Goes

(E&G Budget Summary \$760.5m)

http://www.budgets.colostate.edu/Forms/CollegeDivisionOperating/FY23_College_Division_OBS.pdf#zoom=100



Incremental Budget Structure



V1.0 Incremental Budget Overview

FY25 Incremental E&G Budget - V.1
Colorado State University - Fort Collins
Tuesday, September 26, 2023

| <u>Scenario 1</u> | <u>Scenario 2</u> |
|-------------------|-------------------|
| Rate = 3% - RUG | Rate = 0% - RUG |
| State = 5% | State = 5% |
| Salary Inc. = 3% | Salary Inc. = 3% |

| | | | |
|----|--|----------------------|---------------------|
| 1 | New Resources | | |
| 2 | Tuition | | |
| 3 | Enrollment | | |
| 4 | Increase/Decrease in FTE | | |
| 5 | Undergraduate ¹ | \$ - | \$ - |
| 6 | Graduate | 900,000 | 900,000 |
| 7 | Undergraduate Rate Increase | | |
| 8 | Resident - 3%, 0% | 4,477,000 | - |
| 9 | Non-Resident - 3%, 0% | 5,764,000 | - |
| 10 | Graduate Rate Increase | | |
| 11 | Resident - 3%, 0% | 492,000 | - |
| 12 | Non-Resident - 3%, 0% | 757,000 | - |
| 13 | Professional Veterinary Medicine Rate Increase | 985,000 | - |
| 14 | Differential Tuition | 736,000 | - |
| 15 | Total Tuition | \$ 14,111,000 | \$ 900,000 |
| 16 | State Funding Impact - FFS | 5,381,000 | 5,381,000 |
| 17 | State Funding Impact - SEP | 4,469,000 | 4,469,000 |
| 18 | Facilities and Administrative Overhead | - | - |
| 19 | Other | (2,000,000) | (2,000,000) |
| 20 | Total New Resources | \$ 21,961,000 | \$ 8,750,000 |
| 21 | | | |
| 22 | Financial Aid | 4,149,000 | 2,927,000 |
| 23 | Net New Resources | \$ 17,812,000 | \$ 5,823,000 |

V1.0 Incremental Budget Overview

| | | | | | | |
|----|---|-----------|---------------------|-----------|---------------------|---|
| 24 | New Expenses | | | | | |
| 25 | Multi-Year Central Investments in Strategic Initiatives | \$ | 2,569,000 | \$ | 2,569,000 | GA fees, student success, rural initiative |
| 26 | Faculty/Staff Compensation | | 27,984,000 | | 27,984,000 | Merit raises, market adjustments, step increases, benefits cost increases |
| 27 | Academic Incentive Funding | | 1,512,000 | | | - Differential tuition, tuition sharing |
| 28 | Mandatory Costs | | 9,796,000 | | 9,796,000 | Bond payments, new facilities, insurance, utilities, library collection. |
| 29 | Quality Enhancements | | 1,477,000 | | 1,477,000 | Primarily startups, retentions and position modifications |
| 30 | Budget Reallocation | | (3,000,000) | | (3,000,000) | 1% budget reallocation |
| 31 | | | | | | |
| 32 | Total New Expenses | \$ | 40,338,000 | \$ | 38,826,000 | |
| 33 | | | | | | |
| 34 | Net New Incremental Budget Resources | \$ | (22,526,000) | \$ | (33,003,000) | |
| 35 | FY24 Budget Deficit | \$ | (2,711,000) | \$ | (2,711,000) | |
| 36 | Total Base Budget Overage (Shortfall) | \$ | (25,237,000) | \$ | (35,714,000) | |



FY2025

Budget Development Process

Subtitle goes here

FY2025 Budget Process Goals

- Transparency/communication with campus
 - Give campus a voice
 - Know your fiscal situation
- Front door for campus
 - Submission by each Dean and VP
- Level of effort calibrated based on available funds
 - Keep the lights on, short falls not aspirational resourcing
 - Identify opportunities to mitigate risks
 - Identify revenue growth opportunities and associated costs

Disclosures

- Financial capacity - The V1 incremental budget contains deficits in both scenarios. The process may not fund many proposals but there is a value in know where there are resource challenges and risks.
- Respect people's limited time – This is meant to be light and progressive process as a proposal remains under consideration.
- Continuous improvement – This process will not be perfect and will require continuous improvement and feedback from campus. We could use your solutions to make this a better process.
- Assume positive intent – We are all trying something new and we are all trying to make this a positive experience.

Presidential Priorities

Budget proposals should be focused on advancing our shared priorities stated in the Fall Address by the President:

- Student Success
- World class academic and research programs
- Institutional competitiveness
- Outreach and impact around the state and world
- Strengthen our democracy

For each proposal, a primary priority should be assigned to demonstrate alignment with these priorities.

FY2025 Budget Proposals

Operating Proposals

- 1-3 per Dean/VP
- Positions and operating, 1x or base proposals
- Operating proposals that deal with capacity challenges not new programs.
- Should be no more than a maximum of \$350,000.
- December 8th

Capital Proposals

- 1-3 per Dean/VP
- Could be new construction, renovation or maintenance.
- Large and small projects.
- Projects under \$150k with existing funds should be sent to RCS.
- November 29th

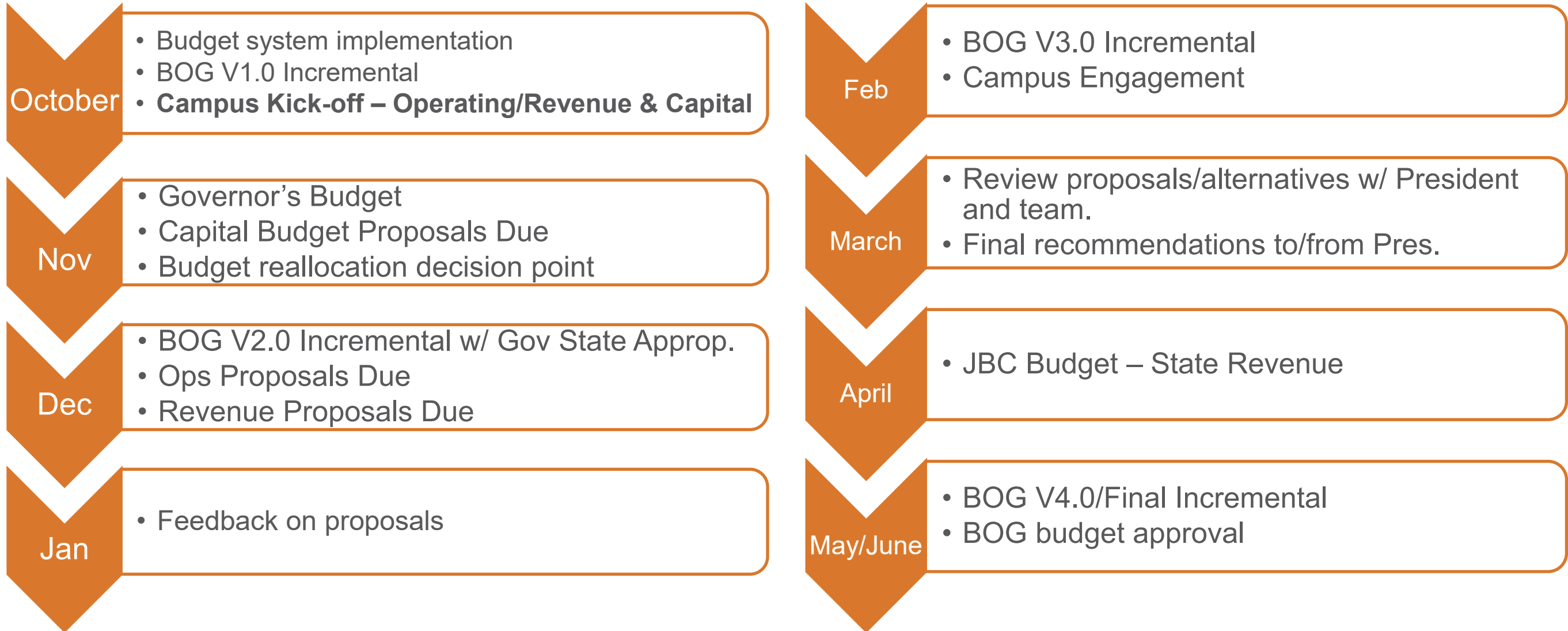
Revenue Proposals

- Unlimited revenue ideas
- May be enrollment based or other new revenue opportunities.
- Not for inter-campus billing.
- Investments required to support revenue can be included.
- December 8th

Budget Reallocation

- Reallocation amounts will be considered later in 2023 once we have more information from the State.
- V1.0 of the incremental budget included at least \$3m of reallocation savings to identify opportunities for reinvestment.

FY25 Budget Development Calendar*



*Budget model redesign meetings will be taking place during this period.



Operating Budget Proposals

Operating Proposals

Revenue Proposals

Operating/Revenue Budget Process

- Identify investments that mitigate risks or a long-term structural financial challenge.
- This process is only for proposals for central funding.
- Limit the volume of content early in the process.
- Limited number of proposals: 1-3 per Dean/VP
 - Only Deans and VPs can submit
- Submit top priorities even if they are known on campus

Operating Proposals

We are developing one form for operating budget/revenue and a separate for capital projects

- Description of the proposal
- Prioritization/ranking by College/Division
- Interdisciplinary/co-sponsored
- One-time or base funding
- FTE impact – Increase, reclassification, faculty, AP, SC
 - Salary and benefit estimates based on number of positions
- Operating costs – contract, utilities, training, travel

2025 Operating/Revenue Decision Package

Please fill out one tab for each Decision Package.

College/Division: College of Liberal Arts RC Code: _____ Excel Tab No.: R1

Department: LEAP Institute

Contact Person: TBD Account: _____

Phone: 970 491-xxxx

Account No.: 1300010

Priority/Goal: _____

Primary Program Affected: Operating Proposal

Is proposal directly due to any of the following:

| | Yes / No | Comments, please explain |
|--|----------|--------------------------|
| Compliance mandate: | | |
| Safety risk (student, employee, etc.): | | |
| Next phase to implement a project already started: | | |

College/Division priority #: R1 (Assign priority numbers with an "R" for reductions and an "N" for new/additions. For example, R1, N1, N2, etc.)

Duration: _____ Use Drop Down List

Proposal Description

Title of Proposal: New revenue proposal

Brief Description of Proposal: _____

Results/Outcome Proposal Seeks to Achieve: _____

Metrics -- List 1 to 3 metrics that will be "moved" to implement the proposal

| | |
|-----------|--|
| Metric 1: | |
| Metric 2: | |
| Metric 3: | |

Detailed Proposal Resources -- List resources needed to achieve the intended results and "move the needle" on the metrics

Salaries (see comment box for instructions ->)

| Salaries | Project Code | Fringe Rate | FTE (+/-) | Salary (+/-) | Fringe (+/-) | Total |
|----------------------|------------------------|-------------|-----------|--------------|--------------|------------|
| Faculty | 5000 | 28.0% | 5.00 | \$613,355 | \$171,739 | \$785,094 |
| Administrative Prof. | 5100 | 28.0% | -3.00 | -\$225,000 | -\$63,000 | -\$288,000 |
| Federal Faculty | 5200 | 0.0% | | | \$0 | \$0 |
| Federal Admin Pro | 5250 | 0.0% | | | \$0 | \$0 |
| Graduate Assistants | 5300, 5320, 5340, 5360 | 7.5% | | | \$0 | \$0 |
| State Classified | 5400 | 50.5% | -10.00 | -\$500,000 | -\$252,500 | -\$752,500 |
| 1st Year Faculty/AP | 5540 | 13.8% | | | \$0 | \$0 |

Sample form

Revenue

- Enrollment growth
 - Net student increases to the university through a college.
 - Include operating cost to increase enrollment in all applicable units.
- Differential tuition
- Fee/charges

Operating budget calendar

- October 18: Process kick-off
- Late October – November Colleges and division develop proposals
- December 8th - Submissions due to submission “mailbox”
- Mid-January - First round feedback back to campus
- March/April budget process consideration
- May BOG

Good proposal

- **Alignment with Strategic Plan/Goals:** The proposal should clearly demonstrate how the budget aligns with CSU's strategic plan and mission. It should support the institution's long-term goals, such as enhancing academic quality, expanding research, or improving community engagement.
- **Stakeholder Involvement:** Involve key stakeholders, including faculty, staff, and department heads, in the budgeting process. Seek their input, as they can provide valuable insights into needs and priorities.
- **Compliance:** Ensure that the budget proposal addresses relevant regulations, laws, and accreditation standards.
- **Data-Driven Justification:** Use data and evidence to support your budget requests. Explain how the proposed budget will lead to improved outcomes in terms of student success, research impact, or other key performance indicators.
- **Prioritization:** Clearly prioritize budget requests based on importance and urgency. Highlight which items are essential for maintaining or improving the university's core functions.
- **Alternative Scenarios:** Present alternative scenarios or contingency plans in case certain revenue sources do not materialize or if financial challenges arise. This demonstrates flexibility and foresight.
- **Risk Assessment:** Identify potential operational and capital risks. Life safety and legal risks should be noted.



Capital Project Proposals

Capital Proposal Process

- Goals
 - Create an intake process for all College and Divisions to submit high priority operating budget needs.
 - Provide central an opportunity to review campus priorities and identify alignment with key goals.
 - Develop workload planning for FM based on approved projects.
 - Manage expectations on timing and budget with campus annually.

Capital Proposals

- Projects are defined as new construction, renovations and maintenance.
- Submission of top 3 projects for each College and Division.
- Projects should be prioritized in rank order.
- Projects proposed should be requesting central funds.
- Projects should reflect the strategic priorities of the campus and the College/Division.
- Projects should be:
 - No smaller than \$150,000.
 - There is no upper limit of budget.
- For renovation/maintenance projects requiring central funding under under \$150,000, please submit to RCS.

Request Form

- One page front and back.
- Each project should include the following information:
 - Project sponsor(s) and primary contact
 - Project title
 - Project Schedule – When does the project need to be completed
 - Project Scope – Outcomes, facility type, strategic goals supported
 - Project Risks – Life safety, timing, environmental, cost escalation, lost use
 - Project Funding -
 - Available funds and sources – State, donors, facility fees
 - Funds requested from central
 - Project readiness - State process, CDC
 - Other partners supporting the project on campus, if any.
 - Alternatives

Capital Project Request Form

Colorado State University - Division of University Operations

General Information

Project Sponsor: [Click here to enter text.](#)

College or Division: [Click here to enter text.](#)

Date: [Click here to enter a date.](#)

Project Request Type: [Choose an item.](#)

Project Information

Project Name: [Click here to enter text.](#)

Cost Estimate*: [Click here to enter text.](#)

Funding Amount Requested: [Click here to enter text.](#) Campus Location: [Click here to enter text.](#)

Funding Amount Available: [Click here to enter text.](#)

**Please use your best judgement on estimating the project cost. FM will be leveraged for cost estimating if a project progresses.*

1. Project Statement: Provide a clear statement describing the scope, need, benefit, and challenges associated with the requested project. Please note if the project is a continuation of a previous University investment.

2. Project Readiness: What is the level of project preplanning? Check all that apply.

- Conceptual idea only with some discussions
- Facilities study and programming
- Conceptual and/or schematic design
- Final design completed
- Land option identified and/or already acquired (e.g., existing university property)
- Project is currently being constructed
- Project is in/consistent with the Master Plan
- Other - Describe: [Click here to enter text.](#)

Sample form

Capital Budget Calendar

- October 18 – Process kick-off
- November 29 (Wed) - Submissions due to submission “mailbox”
- Mid-January - First round feedback back to campus
- March/April budget process consideration
- May BOG

Guidance

- Don't develop extra materials for this round of the process. If you have materials already available, you can include them.
- Don't try to identify funding on your own. One of our goals is trying to prioritize resource requests as an institution.
- Iterative. Ask questions. This is a work in progress, so we need your thoughts.
- Keep to the top 3 only. There are many opportunities but we have limited capacity.
- Find campus partners beyond your college. Co-sponsored projects that help achieve multiple priorities will compete better.
- Requests to match funding will be more competitive but the goal is not to advance new philanthropic requests.

Questions



Colorado State University

Next Steps

- We owe campus:
 - Final operating/revenue and capital project forms
 - Email box to send proposals and questions
 - One mailbox for operating/revenue proposals
 - One mailbox for capital project proposals
- Proposals due
 - Capital projects – Nov 29th
 - Operating/Revenue – December 8th

Questions

- Is this process worth our time?
- Is there financial capacity to fund all or most of the proposals my team submits?
- Why can't others send in the proposals like Business Officers?
- Will we use the BARC process again?
- Top 3 proposals? What about all the other ideas we have?
- Is this process all or nothing?
- When will we know if proposals are moving forward in the process?
- What happens to proposals that are not approved?
- Should we approach possible donors for funds to increase the likeliness of the project being approved?



Future Engagement

Budget Model Redesign

What budget are we talking about?

Historical & Incremental Budget

- Incremental budget versions presented to the BOG
- Campus transparency presentations (retreats and forums) based on FY23-24
- FY25 annual budget for next year

Budget Model Redesign

- New budget structure for years beyond FY25
- Campus engagement process this fall

Budget System (Questica)

- New technology system
- Will support the data, process and reporting of the incremental budget and future budget model

provide a brief review of the current incremental budget as context, the rationale for a budget model redesign, the expectations for a phased approach to designing and implementing a new model, budget remodeling committee structures, and other information, in addition to an opportunity for questions, comments, and collection of feedback. Prior registration is not required.

Please see the current dates and times below — locations will be updated as they are confirmed. Meetings are subject to change; the most up-to-date information will be reflected here.

Oct. 25 — Lory Student Center Room 376-78

11:30 a.m.-12:30 p.m.

Budget Model Open Forum (snacks provided)

Oct. 27

7:30-8:30 a.m.

Coffee Chats: Budget Models

Oct. 30

Noon-1 p.m.

Lunch and Listen: Budget Models

Nov. 1

2-3 p.m.

Coffee Chats: Budget Models

Nov. 3

Noon-1 p.m.

Lunch and Listen: Budget Models

Nov. 6

8:30-9:30 a.m.

Coffee Chats: Budget Models

Nov. 7

Noon-1 p.m.

Lunch and Listen: Budget Models

Nov. 7

3:30-4:30 p.m.

Coffee Chats: Budget Models

Nov. 10

8:30-9:30 a.m.

Coffee Chats: Budget Models

Nov. 14

8:30-9:30 a.m.

Coffee Chats: Budget Models

Nov. 14

2-3 p.m.

Coffee Chats: Budget Models

Nov. 15

2-3 p.m.

Coffee Chats: Budget Models

Nov. 16

11:30 a.m.-12:30 p.m.

Lunch and Listen: Budget Models

<https://operations.colostate.edu/budget-model-redesign/>

Future Engagement