

V3 Budget Forum

February 2025

Introductions

- Marion Underwood, Provost and EVP
- Angie Nielsen, CSU Budget Director
- Brendan Hanlon, VPUO & CFO

What budget are we talking about?

Incremental Budget

- Incremental budget versions presented to the BOG
- Campus transparency presentations (retreats and forums) based on FY23-24, 24-25
- FY26 annual budget for next year

Budget Model Redesign

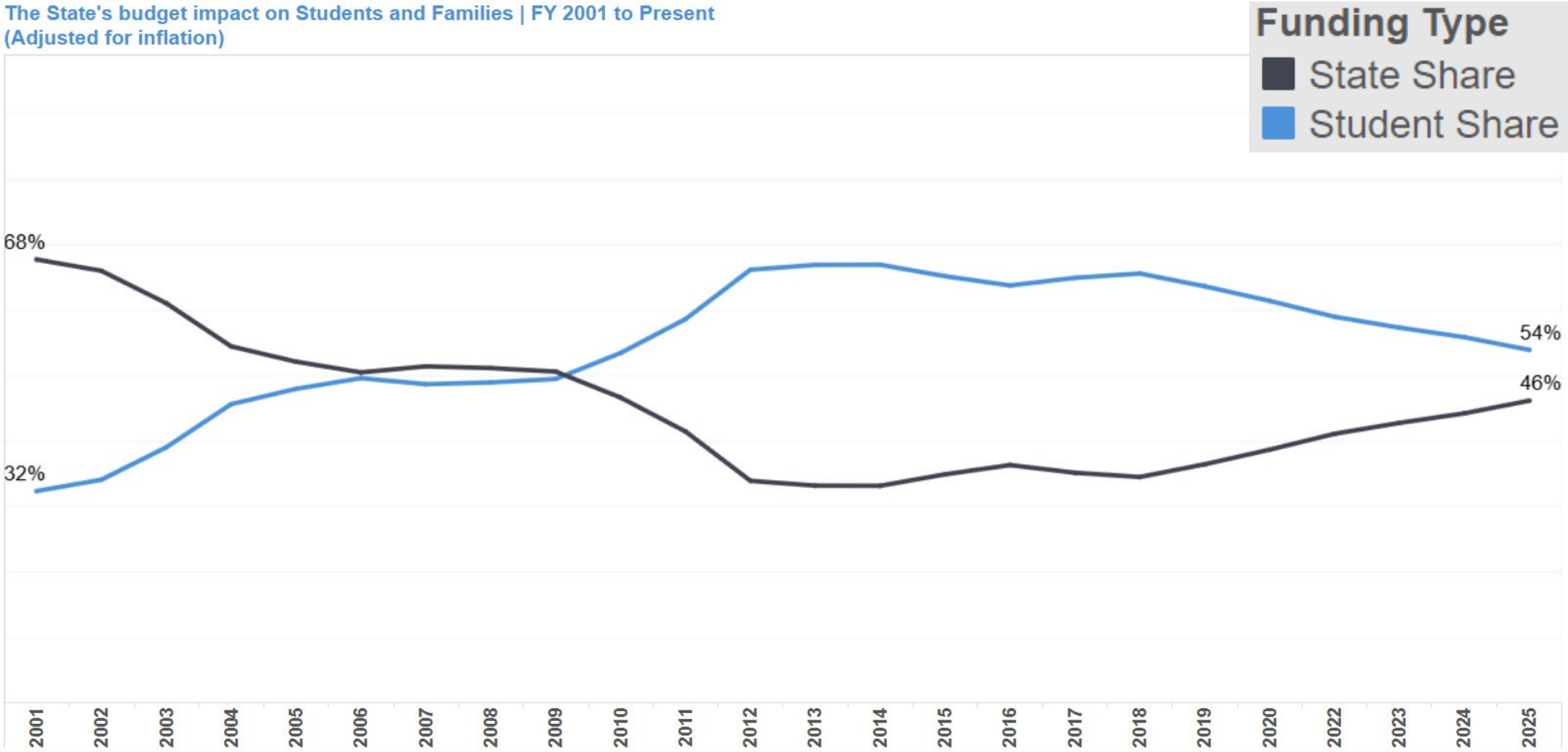
- New budget structure for years beyond FY25
- Campus engagement process continues

Budget System (Questica)

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

Average Resident Student's Share of College (Tuition vs. State Funding) All Governing Boards

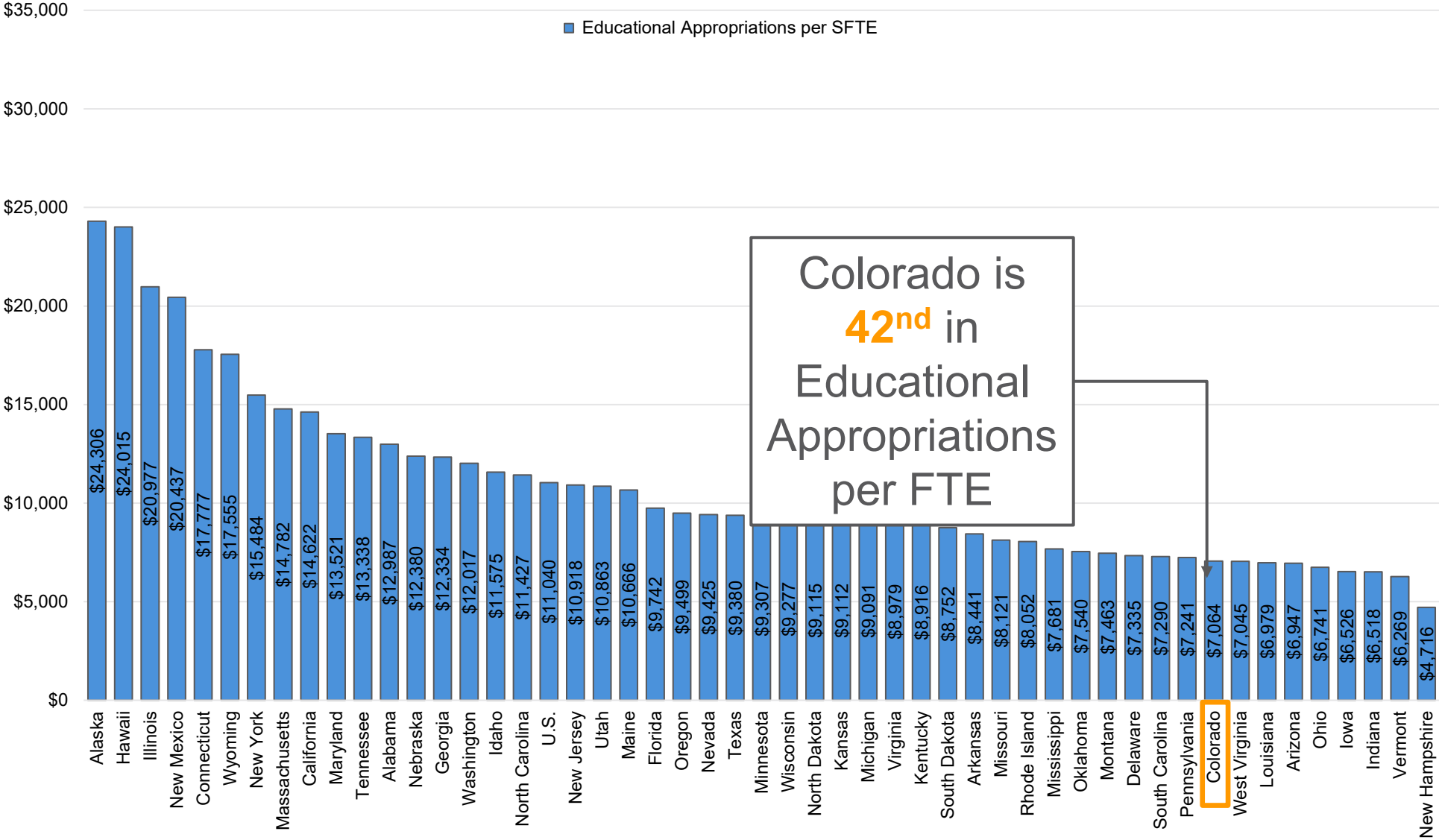
The State's budget impact on Students and Families | FY 2001 to Present (Adjusted for inflation)



Source: JBC Appropriations Report and Legislative Council Enrollment Forecast, adjusted for inflation. Visualization created by CU System Office of Budget and Finance

State Funding National Comparison

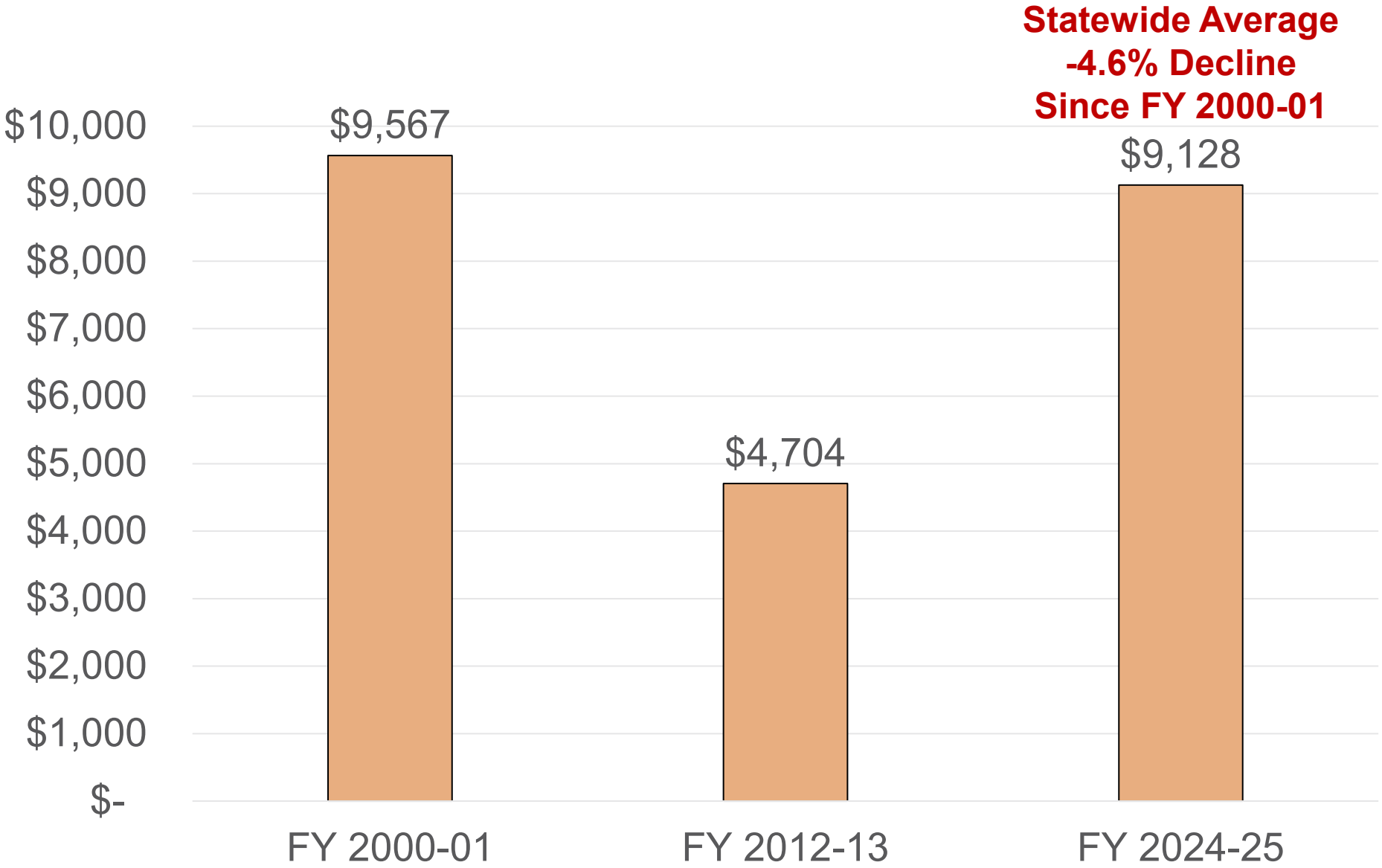
Colorado 42nd at \$7,064 per SFTE (2023 Report)



Source: SHEEO 2023 SHEF Report, unadjusted dollars, excludes District of Columbia; Full Unadjusted Data Excludes Federal Stimulus and Financial Aid allocation. <https://shef.sheeo.org/>

NOTE: Colorado is 48th (\$6,603) in the published FY 2023 report, figure 3.2, reflecting SHEEO adjusted data for Cost of Living Index (COLI) and Enrollment Mix Index (EMI).

Higher Education Still Has Its Negative Factor... Average State Funding Per Colorado Resident Student

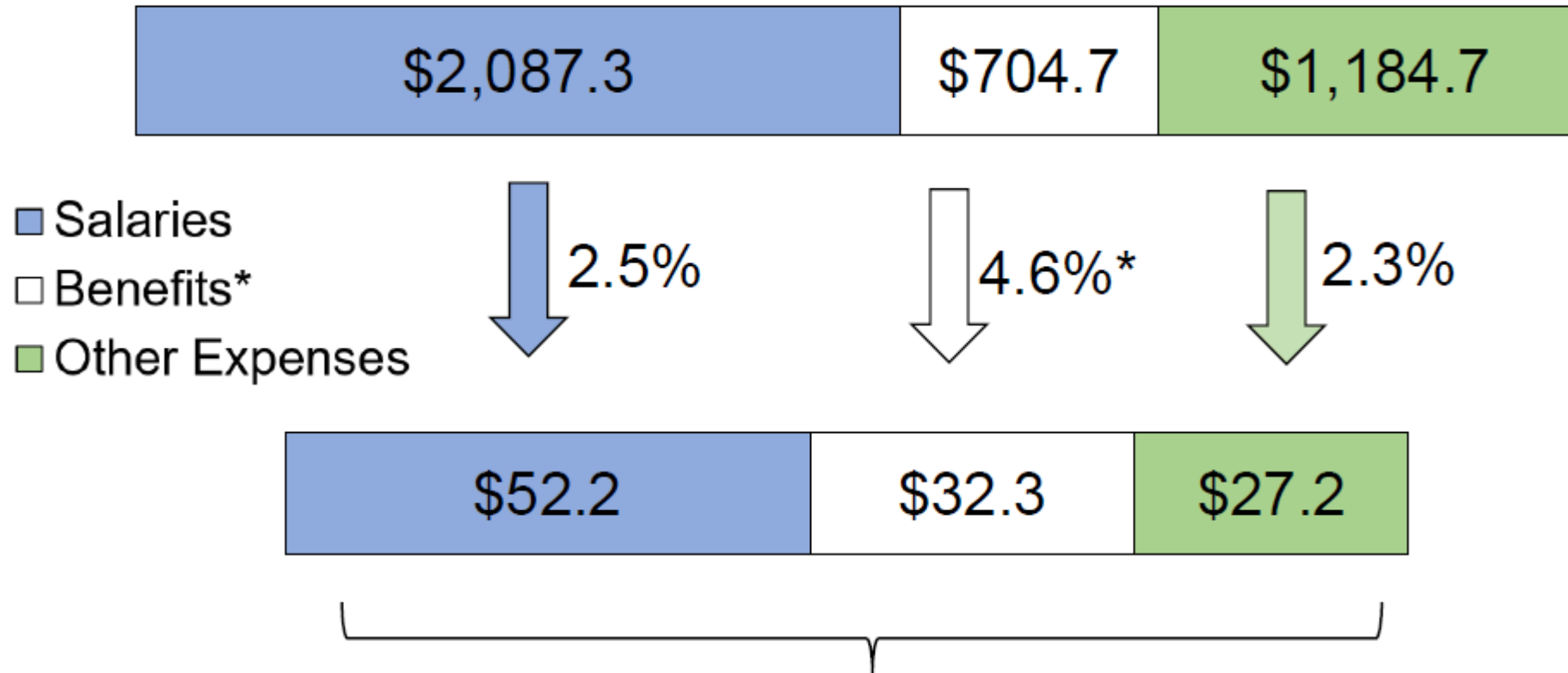


Source & Methodology: State funding data from Joint Budget Committee appropriations report for specified fiscal year, SFTE data from CDHE, Amounts adjusted by CPI (in current dollars)
Visualization created by CU System Office of Budget and Finance

FY 2025-26 Base Core Minimum Costs

(in millions)

FY 2024-25 Operating Budget = \$3,976.7



FY 2025-26 Base Core Minimum Costs =
2.8% Increase Operating, \$111.7 million (Step 2)

Benefits* = 4.58% blended rate (7.5% for HLD, 2.5% for associated salary benefits, and 2.3% for other benefits.)

Statewide Higher Education Efficiencies and Cost Savings

- Course-demand forecasting tools.
- Geothermal heating and cooling.
- Elimination of academic deans.
- Active management of IT licenses and contracts.
- Reorganization of advising/registration/billing services.
- Combining low enrollment academic programs.
- New Student Information System for increased efficiencies, greater budget transparency.
- Reorganizations
- Breakeven standard for academic programs.
- Centralized IT infrastructure, software, and maintenance.
- Resource reallocation
- Partnerships with other institutions
- Energy performance evaluation.
- Shared services for administrative work
- New ERP (Workday), new technologies reducing IT FTE.
- Strategic Resource Analysis process
- Reduction in travel and facilities maintenance budgets.

NOTE: Examples across Colorado's public higher education system.

Statewide Higher Education Efficiencies and Cost Savings (cont.)

- Proactive debt management, refinancing.
- Strategic outsourcing of services like student dining.
- Reduced employee FTE, reallocating resources to high-priority needs.
- Implementation of Workday ERP for improved budget management and cost containment.
- Sunset programs not meeting budget projections
- Reduced administrative staffing.
- No salary increases for a year, increased healthcare premiums
- Outsourcing functions.
- Phasing out low-enrollment programs,
- Reduced capital and operating budgets.

NOTE: Examples across Colorado's public higher education system.

V3 FY26 Incremental Budget

February 2025



Colorado State University

Updates from V2.0

- State Funding – 0%, 3%
- Resident Undergrad Tuition Rate – 5%, 3%
- Student Mental Health – BOG Initiative

FY26 Incremental Budget V3

	<u>Scenario 1</u>	<u>Scenario 2</u>
	Rate = 5% RUG	Rate = 3% RUG
	State = 0%	State = 3%
	Salary Inc. = 3%	Salary Inc. = 3%
1 New Resources		
2 Tuition		
3 Enrollment		
4 Increase/Decrease in FTE		
5 Undergraduate	\$ 8,208,000	\$ 8,208,000
6 Graduate	900,000	900,000
7 Undergraduate Rate Increase		
8 Resident - 5%, 3%	7,676,000	4,606,000
9 Non-Resident - 4%	8,356,000	7,670,000
10 Graduate Rate Increase		
11 Resident - 3%	507,000	507,000
12 Non-Resident - 3%	807,000	807,000
13 Professional Veterinary Medicine Rate Increase - 2%	608,000	608,000
14 Differential Tuition	1,638,000	1,392,000
15 Total Tuition	\$ 28,700,000	\$ 24,698,000
16 State Funding Impact - FFS	(2,740,000)	552,000
17 State Funding Impact - SEP	-	2,930,000
18 Board Prioritized Programming Funding	1,240,000	1,240,000
19 Facilities and Administrative Overhead	2,757,000	2,757,000
20 Other	-	-
21 Total New Resources	\$ 29,957,000	\$ 32,177,000
22		
23 Financial Aid	8,694,000	8,035,000
24 Net New Resources	\$ 21,263,000	\$ 24,142,000

FY26 Incremental Budget V3

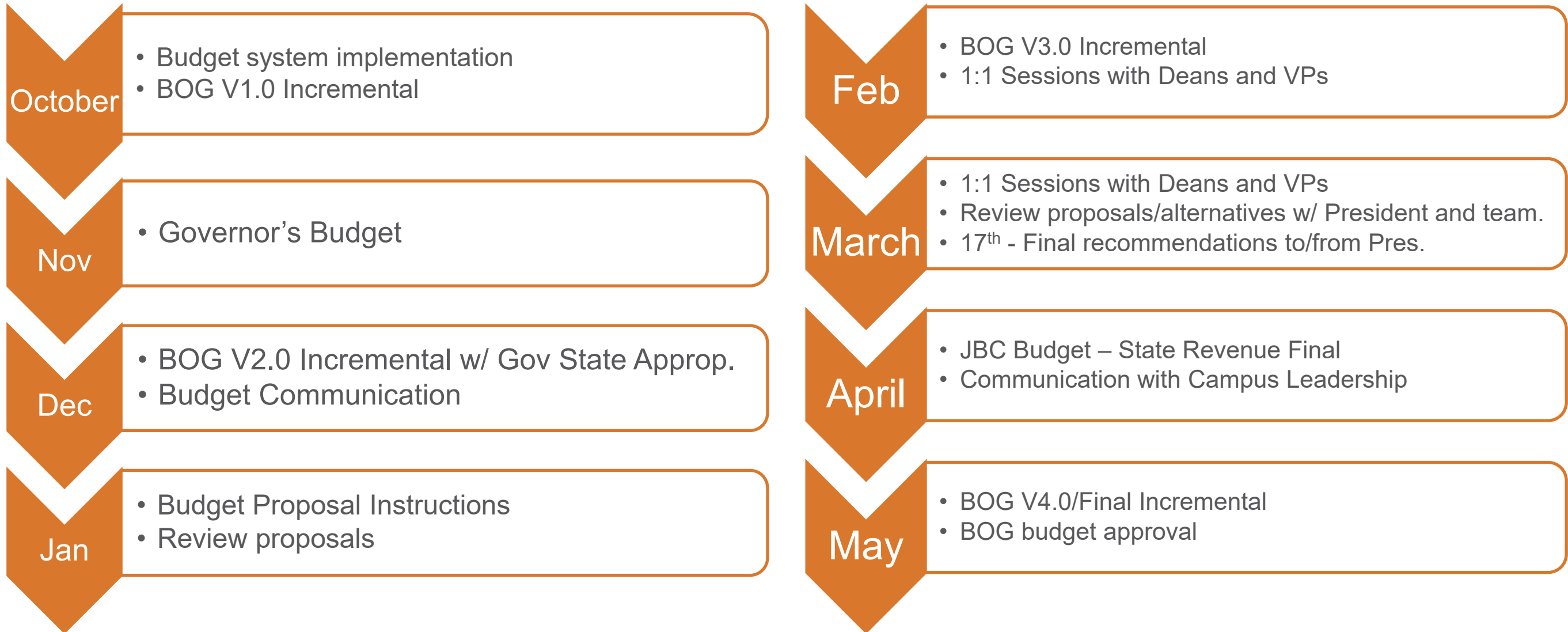
25	New Expenses		
26	Multi-Year Central Investments in Strategic Initiatives	\$ 12,760,000	\$ 12,760,000
27	Faculty/Staff Compensation	17,859,000	17,859,000
28	Academic Incentive Funding	2,039,000	1,792,000
29	Mandatory Costs	6,642,000	6,642,000
30	Quality Enhancements	3,387,000	3,387,000
31	Board Prioritized Programming Funding	1,240,000	1,240,000
32	Budget Reallocation	-	-
33	Total New Expenses	<u>\$ 43,927,000</u>	<u>\$ 43,680,000</u>
34			
35	Net New Incremental Budget Resources	<u>\$ (22,664,000)</u>	<u>\$ (19,538,000)</u>
36	Total Base Budget Overage (Shortfall)	<u><u>\$ (22,664,000)</u></u>	<u><u>\$ (19,538,000)</u></u>

FY26 Incremental Budget V3

37 SPUR Budget Overview

38	SPUR Funding from BOG/SIFm (estimated)	17,905,475	17,905,475
	SPUR Operating Budget (estimated)	10,995,000	10,995,000
39	SPUR Program Budget (estimated)	6,910,475	6,910,475
40	Total Base Budget - SPUR Campus	-	-

FY25 Budget Development Calendar*



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

Questions

V2.0 FY26 Budget

December 2024