

MEMORANDUM

Date: March 11, 2025

From: Brendan Hanlon, VP for University Operations and Chief Financial Officer



To: Vice Presidents, Deans, Department Heads and Campus Supervisors

Subject: Maintaining Fiscal Health

Overview

As we face uncertainties within the ever-evolving higher education landscape, your continued support and commitment are vital to helping maintain CSU's fiscal health. It's important to start from the perspective that the state of Colorado's support for public higher education ranks 42 out of 50 in per-student funding. I have repeatedly emphasized this point in the budget forums over the past several months, and it's unlikely to shift dramatically in the years ahead.

The state is now facing a more than \$1.2 billion budget shortfall, and if the state elects to use one-time reserves to cover the shortfall over multiple years and/or if federal Medicare reductions impact state budgets, these challenges could persist beyond this year. Both the volatility of state funding and recent federal shifts in priorities make long-term financial planning more challenging and critical than ever. Given these factors, it is crucial that we take additional steps now to manage expenses, prioritize jobs, and ensure resources remain dedicated to supporting our core mission of teaching, research and service. By taking the following forward-looking actions, we aim to maintain financial strength, preserve flexibility and reduce potential disruptions.

Personnel Cost Controls

Like many other leading research universities across the country, CSU is implementing a temporary hiring chill until further notice. This measure will pause recruitment and hiring decisions for most vacant positions, except those deemed essential to core operations and/or the life and safety of campus. A position review process will be used to assess requests for exceptions based on critical academic and operational needs. Details about this process will be provided to campus shortly.

To further manage costs, we ask that all mid-year salary adjustments be minimized through the end of the FY25 fiscal year. This includes off-cycle pay increases, except in cases where adjustments are legally required or for purposes of critical adjustments as justified by a dean or VP. In addition, all requests for supplemental pay, including stipends and contract extensions, must be reviewed and approved by deans and VPs before being offered. This will ensure that any additional compensation is aligned with institutional priorities and financial capacity.

We also ask that overtime and extra-duty pay receive prior approval from deans and VPs and that they are used only when necessary to support essential university operations.

Discretionary Spending Controls

To maintain budget flexibility, we need you to join us in limiting discretionary spending to essential and mission-critical activities. Effective immediately, departments should carefully evaluate expenses to ensure alignment with strategic priorities and reduce or defer non-essential costs.

Non-essential travel will be limited, and departments should prioritize virtual conferences and training opportunities whenever possible. Professional development funding will be focused on essential roles that directly impact the university's mission.

University-sponsored events and hospitality expenses will also be significantly reduced. We encourage departments to consider lower-cost event formats or virtual alternatives wherever possible to help conserve resources.

Next Steps

These temporary measures are being implemented to ensure financial stability and minimize job losses as we navigate uncertain funding conditions. While these steps require adjustments, they allow us to take control of our financial future and avoid more severe disruptions later. We will also prioritize programs and initiatives that support revenue generation opportunities.

We will continue to monitor financial conditions closely and will provide further communications in the coming weeks. At this time, we request that all departments follow these guidelines and reach out if they have any questions or concerns. Instructions on the process to request filling a position will be available shortly.

Thank you for your ongoing commitment to the university's mission and your efforts to maintain CSU's financial stability during these uncertain times. We've weathered significant challenges in the past, and we've always come out on the other side stronger and more resilient because we have worked together. This moment is no different. Your support is greatly appreciated.