

Talking Points from January 30, 2024 Retreat

Annual On-Going Campus Base Budget for the new Fiscal Year 2024-2025 starting July 1:

- Because enrollment is projected flat for Fiscal Year 2024-2025, revenue is not projected to grow enough to cover projected expenses.
- This gap between revenue and expenses means UCCS colleges and units will need to make budget cuts to balance the overall campus budget.
- We are required to balance our budget.
- We won't know the amount of state support until the Governor signs the state budget bill (the Long Bill) in early May, so we won't know the final number of cuts needed until that time.
- We do know that the cuts will be larger than last year's \$3.3M in cuts and the amount could be as high as \$7.5M, depending on state support and what the campus chooses to fund. We believe the high end of these reductions is not likely, but this depends on the new expenses we take on and the revenue we bring in through state support, enrollment and tuition increases.
- A variety of strategies will be used to help colleges and units make the needed cuts, including:
 - Reduction in operating expenses.
 - Early retirement incentives for both faculty and staff. Details will be announced in the coming months.
 - Position elimination – we will do our best to first eliminate positions that are vacant, to lessen any impact on existing staff.
 - Any affected positions have not yet been identified.
 - As filled positions are identified for elimination, we will prioritize finding vacant, funded positions for those individuals impacted.
 - We will work to ensure that individuals in affected positions, their teams, and the campus receive as much notice as possible, in the event filled positions are eliminated.
 - Compensation. One way to minimize the structural budget deficit for FY 2024-25 is to limit expense increases. One of the most significant expense increases contemplated for FY 2024-25 is the creation of a merit-based salary increase pool and the creation of an adjustment pool for faculty and staff employees impacted by issues such as compression, market and equity adjustments. We want to better understand our campus community's feedback as we weigh minimizing the impact of expense reductions and salary increases or adjustments. Note: Classified staff are required to and will receive raises and step and range adjustments as specified in the final state budget.
 - Impact of merit pool or adjustment pool:
 - Funding a 2% merit pool will cost about \$2.5 million in ongoing base expenses.
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 - Options for feedback:
 - Fund the merit pool and adjustment pool - Approximately \$5M cost and thus a \$5M cut to the ongoing base budget
 - Fund ONLY a 2% merit pool – Approximately \$2.5M cost and thus a \$2.5M cut to the ongoing base budget
 - Fund ONLY a 2% adjustment pool – Approximately \$2.5M cost and thus a \$2.5M cut to the ongoing budget

- Connect funding the adjustment pool OR merit pool to an enrollment increase of 2.5% or 3% above the Fall Census student credit hour budget. This means we would not take an additional budget cut for the increase because the increased enrollment would result in the additional revenue to cover this increase.
- Connect funding BOTH the adjustment pool and merit pool to an enrollment increase of 5% above the Fall Census student credit hour budget. This means we would not take an additional budget cut for the increase because the increased enrollment would result in the additional revenue to cover this increase.

Activities Funded with One-Time Funds such as President’s Initiatives, CU Foundation Initiatives, and Reserves:

- These activities will continue, per the requirements and availability of the funding received.
- Cabinet and Deans will prioritize these activities over the coming year, with guidance from shared governance, the University Budget Advisory Committee (UBAC) and stakeholders.
- These activities may continue and be funded with base dollars, may shrink, and have reduced funding with base dollars, or may stop entirely.
- Reserves may be used to provide a glide path over the coming three to five years.

On-Going Budget Structure

- In the coming months and through the summer, we will be putting data together regarding the impact of all campus activities.
- Together, starting in the fall, we will develop a distinct and focused vision for the campus based on our strengths.
- The strengths and priorities identified because of this shared process will be the cornerstone of our re-envisioned, strategic budget.