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Sent: Friday, December 10, 2021 4:22 PM

To: FA-I <FA-I@lists.uccs.edu>

Subject: [FA-I]Faculty Assembly Committee on the Budget December Report

The FACB met as part of the University Budget Advisory Committee on December 9.

The chancellor's report was quite the holiday gift (for the most part):

- **Nancy Marchand-Martella** (OK, her identity wasn't made public across campus until today) accepted the chancellor's offer to become **our next provost beginning July 1, 2022**. As a member of the search committee, I got to see that **she had widespread campus support**.
- Speaking of things that weren't actually announced until today, **the CU Foundation dramatically over-achieved its endowment income goals** over the last year and a half. **UCCS is receiving about 15% of \$220 M** the system will be distributing to the campuses for initiatives supporting the system and campus strategic plans. **These are one-time funds**, to be expended over the next 2-3 years, **so they need to be spent carefully so that we aren't left with unfunded legacy costs**, but there are **many good uses the money can be put to**, some of which will help increase revenues or free up other dollars for investment elsewhere. We have a lot of needs. This isn't a panacea, but it will help us address some of those needs.
- The chancellor addressed the **\$15 campus minimum wage petition** that has been in the media this week. His position is that, as beneficial as it would be to raise those wages, **the \$3 M cost would mean cutting hours or positions or taking the funds from some other already-committed use**.
- **Two additional VC DEI candidates had virtual campus visits this week**. I saw, and liked, both. Fingers crossed.
- **The response rate on the campus culture survey was high enough to make it useful at the unit level** for many units. The results should begin to become available after the break.

Two new degrees were recommended for approval by UBAC. The **Bachelor of Science in Aerospace Engineering** and the **Bachelor of Arts in Music** are on schedule to **go to the regents in time for a fall 2022 launch**.

The remainder of the meeting was devoted to a discussion of **one of the decisions that need to be made in order to implement the Budget Allocation Model**. Tuition revenue attributed to each school or college is based on the credit hours taught in some prior period. After discussing multiple possible alternatives, **the Primary Unit Governance Group has forwarded two for UBAC's recommendation** to the Executive Budget Committee (chancellor, VCAF, provost):

- **Allocations based on the immediate prior academic year**
- **Allocations based on a rolling three-year average**

The subsequent discussion introduced the following considerations:

- A **one-year look-back may be much more volatile**, potentially in some colleges more than others, making college planning more complicated
- A **three-year rolling average will extend the period over which revenues from increased enrollments are realized** by the college, **reducing the incentive to seek** (and potentially the ability to pay for) **increased enrollments**
- A **one-year look-back would encourage** risk-averse deans to put **more funding into reserves** relative to new initiatives
- **Smaller reserves would be more palatable** to risk averse deans **with three-year rolling averages**
- Campus decisions about the **use of subvention (deficit reduction at the college level by the campus) and campus reserves would play a big role** in those dynamics
- A **one-year look-back may tend to make new programs more attractive** as a means to increase enrollment, since additional enrollments are probably more predictable
- **Three-year rolling averages may make longer term investments in recruitment and retention more attractive** because of the smaller need for reserves and less risk of reduced revenues until the investments begin to pay off

UBAC will be asked to vote on a recommendation at the January meeting. We also plan to introduce the question of how to allocate graduate tuition.

The big picture: **Governance is happening**, people!

Have a great weekend and a better winter break,



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