

Report from the Faculty Assembly Committee on the Budget

For those whose eyes have already glazed over, check the end of the report for the takeaway. That may motivate you to review the full report.

The University Budget Advisory Committee met on January 28.

The chancellor began with an update:

- The conditions for lifting the furloughs appeared to all be in place, but the decision will not be finalized until after census. If lifted, the restoration will be retroactive to January 1. [Promise made, promise kept. The announcement that furloughs were ended effective January 1 was made two days after census date.]
- Seventy percent of the funding needed to complete the Engineering Annex has been raised so far. Fundraising to complete the Cybersecurity Building renovations is continuing.
- UCCS stands to receive more funding from the second stimulus package than the first (not counting the pass-through from the state that restored a portion of the state funding cut)
- The pandemic has made using FY 2020-21 as the base year for implementing the new funding model problematic. Will decide whether or not to delay implementation to July 1, 2022 soon.

Chuck Litchfield and Suzanne Scott gave a budget update:

FY 2021

- Position Review Board update
 - 124 out of 159 staff positions were approved to be filled during the current FY, leaving 35 still held vacant
 - 53 out 56 faculty positions were released, leaving 3 still held vacant
 - Spring census is expected to be down 7.5% over the previous spring. If so, that is sufficient to allow the furloughs to be lifted.

FY 2022

- The budget office is working on the 5-year projections in preparation for presenting the UCCS budget proposal
 - 2021 Assumptions
 - Small drop in state funding (due to CU's diminished share of state funding restored to FY 2019 levels)
 - Up to a 3% tuition increase
 - Slight decline in enrollment (smaller cohort of new student in fall 2020, larger cohort of graduating student in spring 2021); even with a full rebound to fall 2019 new student enrollment numbers, we will be down more in continuing students; we would have to have an all-time record of new student enrollments not to decline in overall enrollment
 - Three scenarios
 - A: Budget of \$159M, decline of 3.2% relative to FY 2020
 - B: Budget of \$161M, decline of 2.1% relative to FY 2020
 - C: Budget of \$162M, decline of 1.7% relative to FY 2020

- All three scenarios requires some cuts in currently base-funded budgets
- A balanced budget under any of the three scenarios does not allow for a salary increase for FY 2021-22 (1% increase = \$1.2M)
- We can't know if enrollments will rise sufficiently to create any surplus until the FY 2021-22 budget has already been approved by the regents
- Given what we know about the dynamics of our current enrollments, it is unrealistic to count on any enrollment increase

Annual Budget and Expense Reviews for spring 2021

- No base budget to allocate
- One-on-one reviews to identify common challenges that the campus may need to consider

The bottom line is that we have realistic projections that next year's budget will remain constrained. There is no "growth dividend" expected. Making investments in pay increases and expanded operating in the general fund is not plausible unless enrollment exceeds expectations. Any new initiatives will need to be funded from non-general fund sources, and the cabinet is focused on determining those priorities and possible sources. The good news is that almost all the temporary cuts from this year will be restored and any new cuts in the general fund will be relatively small, but we will feel the pinch in terms of things we need to add (like salary increases), but don't have the resources for.