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Sent: Thursday, May 6, 2021 6:36 PM
To: faculty-l <faculty-l@lists.uccs.edu>
Subject: [faculty-l] May Faculty Assembly Committee on the Budget Report

Message from:
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The University Budget Advisory Committee met on April 29. A few updates:

The 2% non-base-building salary increase the regents approved from previous federal relief funding will be paid in one lump sum at the end of July. For you algebra fans out there, please keep in mind that 2% of half a year's salary = 1% of an annual salary.

The campus is receiving another \$25M in Higher Education Relief Funding. Half of that will go to continuing to supplement student financial aid needs. Another chunk will be distributed as tuition remission to offset the 2.5% tuition increase the regents authorized. What remains will mostly go to balancing the books in the units hardest hit by the pandemic.

The prospects of a base-building salary increase starting in January (as all future increases will) **hinge mostly on enrollment.** If we come in as of **fall census as projected at -2%, there will almost certainly be no pay increase.** However, we **wouldn't have to make it all the way back to 0% enrollment growth for a 1% salary increase** to be possible. **We wouldn't even have to make it all the way to a 1% enrollment increase to make a 2% salary increase** possible. There are other budget factors that would possibly derail (or help) those prospects, but the thing to keep our eyes on is enrollment. We are currently still more than 10% down year over year and predicting under these conditions is perilous at best. If you get an opportunity to help recruit or retain a student, please do so.

The other big topic is the **Budget Allocation Model.** UBAC is focused on the future governance of the budget under this model right now, but I want to offer **a (sort of) brief primer on the model,** mostly being called **BAM.**

Revenues: All revenues are attributed to their producers (student auxiliary units, like housing, get the student fees and sales revenues they generate, for example). For the colleges, it breaks down this way:

- UG Tuition and COF – 80% based on SCH and 20% based on majors, certificates, minors, etc.)
- Graduate tuition – 100% based on majors and certificates
- Sponsored program revenue – 100% based on awards (this would also apply to non-college units, such as the Excel centers)
- Auxiliary revenues (such as extended studies tuition)
- Gifts to that particular college

Expenses: All units except auxiliaries and colleges depend on allocations charged to the colleges and auxiliaries based on consumption of the service provided by that unit. Examples of support units would be the library, the provost's office, HR, the budget office, campus advising, the Graduate School, OSP, etc.

- **The college and auxiliaries have whatever remains of their revenue after they have been charged** all their allocations to support units, contributions to campus reserves (which they would then be able to draw on if there was a drop in revenues) and the charge to the subvention pool.
- **Colleges whose revenue falls below a pre-specified amount they are authorized to spend would be made whole from the subvention pool**, but would not be able to spend on initiatives without campus permission (currently that's Beth-El, COB and EAS).
- **Colleges with positive net revenues could spend on new positions, added travel, etc., or save the excess in their own college reserves** (thus building up the ability to make bigger investments or weather drops in revenues without making cuts).

Support units, on the other hand, have a specific budget determined at the campus level. Those budgets determine how much they charge back to the colleges (and auxiliaries) that they serve **based on measures of how much the primary unit depends on the support unit's services.** Examples:

- Provost's Office – Based on total FTE of Faculty and Students
- OSP – Based on total Grant Expenditures
- Library – Based on total FTE of Faculty and Students
- IT – Faculty, Staff and Student Headcounts
- Facilities – Based on total Assignable Square Footage
- Student Affairs – Based on Student Headcount as of fall census
- Admin & Finance – Direct expenses

Governance: Not yet fully determined, but it will probably look something like:

- **Operational Groups** – provide information that the other groups need for decision-making
 - Model, discuss adjustments to the budget model, correct errors
 - Data, to reach agreement on the numbers that drive the allocation model
 - Curriculum, to settle conflicts about what belongs to each college
 - Space Advisory Committee
 - Strategic Enrollment Steering Committee
 - Strategic Plan Working Groups
- **Proposing Groups** – bring together input from individual units to create general proposals for allocations
 - Support Unit, which will figure out what each support unit's base budget is for the coming year, based on cost increases and budget allocations (e.g., pay raises) implemented campus-wide; may also organize initiative requests; essentially ABRs for the support units
 - Academic Affairs Committee, which will discuss the relationships between the colleges, the colleges' position on how the model components are working, increases to the support units, and academic affairs initiative proposals
- **Review Groups** – make recommendations directly to Executive Budget Committee
 - University Budget Advisory Committee, similar membership to current UBAC, but a different charge: to make recommendations on the proposals generated from the Advisory Groups
 - Extended Cabinet, based on the cabinet membership, but with the specific charge to make recommendations on the proposals
- **Executive Budget Committee** – makes the final decisions