

Oct. 9, 2023



University of Colorado **Denver**

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Dear Faculty and Staff,

As a follow-up to the recent [enrollment update](#) memo, we wanted to provide the latest information on our strategic enrollment and budget initiative. This fall, we are continuing the second phase of this [initiative](#), which will accomplish several aims: help balance the budget for next fiscal year and curb expenses in line with our budget reality; create short-term and long-term financial health for our campus; and ultimately grow our enrollment to better serve our learners and ensure our future success. As a community, we've had experience working together effectively to reach our [Phase 1](#) budgetary goals. We are confident that we can do this again because we are all committed to the success of this campus.

Overall, heading into next fiscal year, we need to **reduce our continuing budget by about \$5 million, which equals approximately 2.6% of our unrestricted budget** minus mandatory campus expenses. That means we need to identify 2.6% reductions on the administrative side of the house and 2.6% on the academic side of the house, to be implemented on July 1, 2024. Each school and college will reduce its budget by 2.6%.

The \$5 million reduction will cover our enrollment shortfall (\$3 million+); help to insulate us from future fluctuations in enrollment, state funding, and mandatory expenses; and provide some cushion for us to invest in academic programs, recruitment and retention efforts aimed at growth.

### **A Lower-Than-Anticipated Budget Reduction**

While budget reductions are never pleasant, this is much less than the 4% reductions we projected last year. One reason for this is the collective work of our campus community last year to reduce our ongoing budget by more than \$6 million. Additionally, some of our planning assumptions turned out differently or more favorable than we predicted:

- The tuition rate increase was higher than anticipated;
- State funding was higher than anticipated; and
- Our health, dental, and life insurance increase was lower than anticipated.

That noted, our budget planning assumptions for this year are uncertain, and we can't count on these favorable conditions next year or in the future. If you recall, harsh

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economic conditions, shifting enrollment trends, increasing mandatory costs, and historically low state funding were major factors creating the need to institute our multi-year strategic enrollment and budget initiative in the first place.

## **Phase 2 Process**

Much like last year, we will engage in an inclusive, campuswide process with our shared governance leaders and our community members that offers opportunities for engagement and feedback. The [principles](#) that we established last year will remain intact; the proposal submission and vetting process will remain the same, including our overall timeline; and we will host a series of informational sessions to provide more context and updates on our process throughout the year. Vice chancellors and deans are ultimately responsible for developing, submitting, and refining the budget reduction proposals for their areas and for engaging their local communities along the way.

We are also introducing two new elements to this phase:

- 1) **A campuswide voluntary faculty/staff retirement program** to allow community members to make career or life changes that are right for them while giving the university greater financial flexibility. Applications for this one-time-only program will open on Nov. 1 to all (staff, classified, IRC, tenured, tenure track) who qualify for retirement subject to the amount of one-time funds available for the program. Detailed information about this program will be communicated later this month and will be followed by information sessions.
- 2) We are considering ways to support **academic program growth and retention** in areas where it makes the most sense. To be successful, we need to grow—not simply cut—our way to long-term financial health, and these investments are one way to help achieve that. Additional information will be available later in the fall.

## **Timeline for Phase 2**

The process and timeline for this phase will follow closely with the first phase:

- October – November 2023: Engagement and proposal development and iteration at the school, college, and unit level
- Mid-December 2023: Proposals due
- February – March 2024: Proposals reviewed by leadership and refined by leaders
- April 2024: Proposals finalized and shared with campus community
- July 1, 2024: Proposals implemented

## **Get Involved**

Every member of the CU Denver community contributes to the mission of the university and has a role to play in student success and our financial future. We invite members of the community to frequently check our dedicated [project website](#); read all-campus emails on

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this topic; and participate in information sessions hosted by our budget planning team. Our first information session will be held on **Wednesday, Oct. 11, at 10 a.m.**, in a hybrid format (Business School 2600 Executive Classroom and via Zoom), and an invitation is forthcoming. Additionally, faculty and staff are invited to participate in the processes established within their own schools, colleges, and units.

These types of initiatives are never easy, but we need—and appreciate—broad participation from faculty, staff, and students to reach our 2030 vision and make CU Denver successful for many years to come.

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