**MINUTES**

Regular Meeting of the CU Denver Downtown Campus Faculty Assembly’s

Budget Priorities Committee

September 19, 2023

Chancellor’s Conference Room

12:00 pm - 1:30 pm

BPC Attendees: Joanne Addison, Katherine Gunny, Kelly McCusker, Dan Hodges, Jody Beck, Todd Ely, Alan Davis, David Tracer

Guests: Jessica Godo (Business Operations Program Manager, Student Affairs, Staff Council Representative), Jen St. Peter (Associate Vice Chancellor for Budget), Ann Sherman (Executive Vice Chancellor for Finance and Administration), Katie Linder (AVC Academic Strategy), Monique Snowden (SVC of Student Success)

**Welcome 12:00 – 12:10**

* Introductions

**Conversation with Ann Sherman, Jen St Peter, Monique Snowden, & Katie Linder 12:10 – 1:15**

* Total budget is $383.7M (79% comes from tuition, direct sate funding, and indirect cost recovery; 64% is unrestricted fund; 14.1% state support)
* Unrestricted fund goes to campus budget model, auxiliary fund direct to unit, restricted fund direct to activity
* 70% of unrestricted funds go to salaries, 7% student financial aid
* FY 23-24
  + Budgeted: 1% increase in tuition, 4% increase in state funding, 5.6% increase in health, life, dental (HLD) rates
  + Received: 5% increase in tuition rates, 12% increase in state funding, 3.8% increase in HLD rates
  + Covered gap of $12M in budget gaps, VERY unlikely will happen again
* Fall 2023 census is 3.7% below Fall 2022 (13,968); 2nd year in a row that we haven’t met budgeted enrollment; 1.1% below budgeted enrollment; credit hours was better, did not drop as much as headcount
* Q: How many students do we need to keep spring numbers up? Need to take into consideration expected fall graduations. Each year we’re dropping 500 students, so that’s the starting point. Doing a little better this year retaining new students (70% vs. 72%). Minimum of 125 new students, hoping for 175. Out-of-state students don’t retain at the same level as in-state students.
* Due to 3.1%M below budget, planning to balance the FY 23-24 enrollment shortfall by pausing the planned 2% equity and retention pool, looking at one-time funds.
  + Q: Where would this money come from and how would this help people who would have received a 2% equity? Various pools of money, one-time stipends, considering merit pool and if can take a little for equity.
* 3% merit pool still exists
* Phase 1 cuts happened, phase 2 cuts are still under discussion
  + FY24-25: Short $4.1M right now
  + Recommending a $5M cut for FY 24-25 (2.6% for all, reduced from 4%)
  + Should cover our current enrollment dip and enable us to withstand possible enrollment drops in the future
* When we increase tuition rates, we increase our financial aid the same amount
* In 2017 there was a President’s initiative ask for $5M per year for the next 10 years. Last year will be FY26-27.
* Trying to be proactive vs. reactive in terms of budget cuts
* FASO – Financial Aid and Scholarships Office is very understaffed and students are frustrated
* 3% merit pool: is held centrally, dept / college determines how much the increase needs to be in a specific year, then central releases it.
* Communication coming out this week
  + Enrollment
  + Merit pool
  + Holding on the equity piece
  + Phase 2 communication coming soon, website and FAQ will be updated **(confidential for now)**
    - Situation is better than we thought it would be, but we still have issues to work with.

Quick Comments

* Improved communication with campus community is a goal.
* Discussion of the role BPC will play in the ongoing budget realignment process.
  + Consulting role
* Role of BPC in program closures—details about the process and metrics to be used.
  + Consulting role
* Budget implications for Provost’s new working committees—commitment to allow BPC to review any budget implications before implementation.
  + Want to review working groups before implementation.

**Response to BPC Letter with recommendations (Ann Sherman) 1:15 -1:30**

* Ann will email everyone the response after the meeting.

**Faculty Only portion of the meeting 1:30-1:35**

* Schedule recuring meetings
  + Tuesdays between 10am and 12pm. Will have an extra meeting in about 2 weeks to finish the discussion from today.

*Next meeting: Are we well serviced for a Salary Oversight Committee at this moment?* *Draft work plan for the year.* *Efforts to improve budget transparency/annual budget report. Review of roles/responsibilities (e.g., who oversees the new degree proposal process/ coordinates with BPC for review before they are sent to BOR)*