




School of Education Budget Sustainability Project launch

April 4, 2024



School of Education
UNIVERSITY OF COLORADO **BOULDER**



HIGHER EDUCATION AT A CROSSROADS NATIONALLY

- Flat to declining high school graduates nationwide
- Limited state funding
- Increasing demand for institutional financial aid
- Decreased perception of value of higher education
- Wages not competitive with inflation
- Workforce needs not aligned with academic programs

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How the U. of Arizona Found

Academic units have been asked to submit three slimmed-down budget scenarios: a five-percent cut, a 10-percent cut, or a 15-percent cut.




OF ITS OWN Making

**Inside a \$225-million
missed target.**

ILLUSTRATION BY THE CHRONICLE, PHOTO BY ISTOCK

The U. of Chicago Is Feeling a Financial Squeeze

By *Scott Carlson* | JANUARY 19, 2024

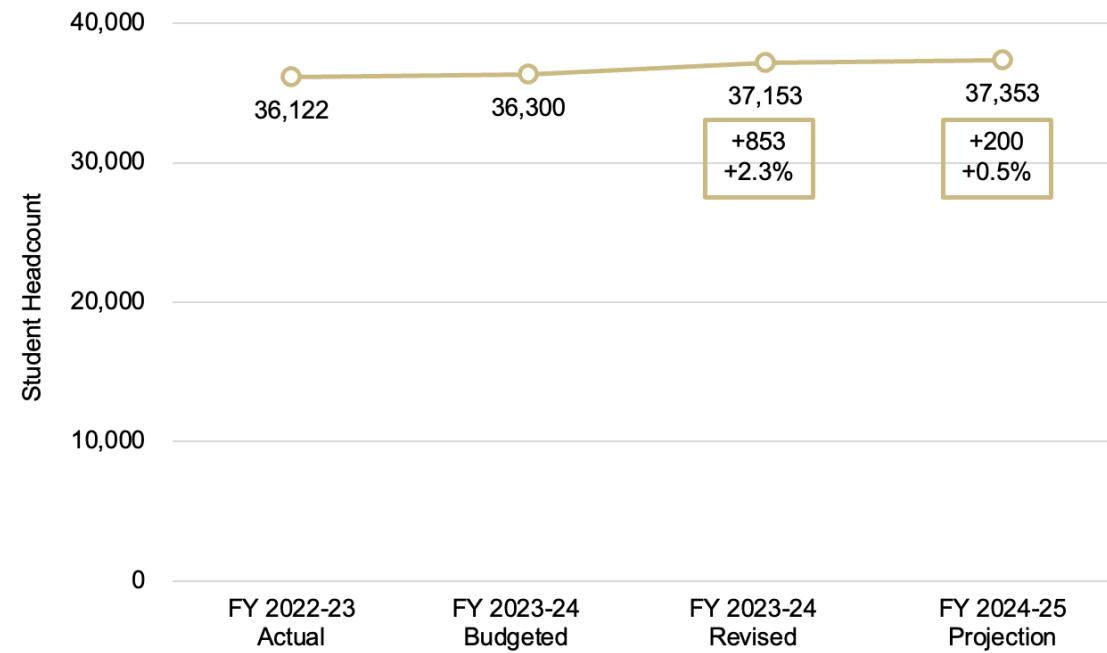


But keeping up has costs — one of the dynamics bubbling up at the University of Chicago over the past few months. The institution, with a \$3.1-billion operating budget and \$10 billion endowment, is running a \$239-million deficit and carrying a heavy debt load. “In essence, we transformed ourselves into a shiny bauble,” said Clifford Ando, a classics professor at the university, “but both the process, and also maintaining that, has become parasitic on the university itself.”



ILLUSTRATION BY THE CHRONICLE: JACOB BOOMSMA, GETTY IMAGES

CU BOULDER ENROLLMENT



CU BOULDER ENROLLMENT PROJECTION

Headcount Enrollment*	FY 2023-24 Revised	FY 2024-25 Projection	Count Change	Percent Change
Resident Undergraduate	17,569	17,818	249	1.4%
Non-Resident Undergraduate	13,138	13,045	(93)	-0.7%
Domestic	12,360	12,252	(108)	-0.9%
International	778	793	15	1.9%
Resident Graduate	3,619	3,650	31	0.9%
Non-Resident Graduate	2,827	2,840	13	0.5%
Domestic	1,170	1,150	(20)	-1.7%
International	1,657	1,690	33	2.0%
Total Undergraduate	30,707	30,863	156	0.5%
Total Graduate	6,446	6,490	44	0.7%
Total Resident	21,188	21,468	280	1.3%
Total Non-Resident	15,965	15,885	(80)	-0.5%
Total Enrollment	37,153	37,353	200	0.5%

Of the revised 37,153 total students in FY 2023-24, 10,974 are new and 26,179 are retained.

Of the projected 37,353 total students in FY 2024-25, 10,491 are new (4.4% decrease) and 26,862 are retained (2.6% increase).



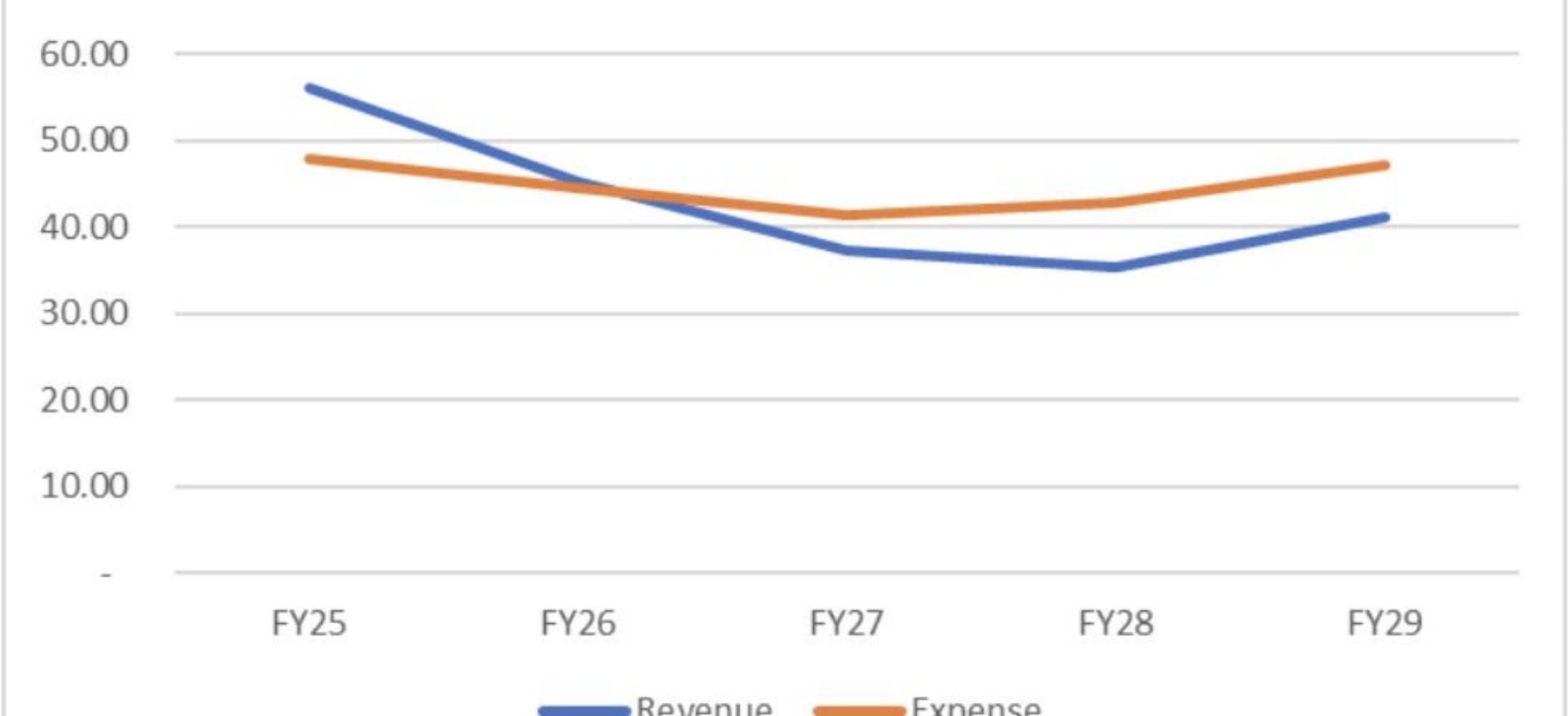
MODELING ASSUMPTIONS

- 4.5% growth in state appropriations
- 1% enrollment increases
- 3% tuition increases (in tuition guarantee model)
- 3% compensation pools with corresponding increase in benefits

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PROJECTED GENERAL FUND BUDGET CHANGE (IN MILLIONS)



SOE Budget

- SOE is facing a projected budget shortfall that will continue to increase each FY unless we act now to reconfigure our budget for sustainability and resiliency
- In the past, we've covered deficits with temporary budget reserves generated primarily from open positions and buyouts ('salary savings') - but that won't work this time
- Now through the end of FY24, SOE will engage in a transparent and collective budget transformation project that will provide multiple points of engagement for faculty, staff, and students throughout the process

SOE Budget

- Two components from campus
 - Core funds generated from net tuition revenue
 - Supplemental funds
 - (not including DAICR which is ~\$200k and used to support research infrastructure)
- FY 24
 - We have a general fund budget deficit of ~\$675.4k
 - We are covering this deficit with continuing budget from open faculty & staff lines, and by shifting expenses to temporary reserves, DAICR, or non-general funds
- FY 25 through FY 28
 - Projected deficit increases due to level or declining enrollments - no significant increase in our general fund budget allocations
 - Annual merit pool paid out of SOE allocations
 - Example: we spend most of our general fund budget on faculty/staff salaries & benefits, nearly \$8.4m. A 3% raise to faculty and staff salaries is ~\$234k added to our expenditures.

Initial FY24 Net Tuition Projections Calculation

	A&S	Leeds	SOE	CEAS	CMCI	Law	Music	ENVD	Total Academic Units
UG Net Tuition & Fees									
Net UG Tuition: College of Instruction Allocation	\$134.1	\$26.2	\$3.4	\$32.7	\$16.7	\$0.0	\$5.7	\$4.0	\$222.7
Net UG Tuition: College of Record Allocation	\$48.2	\$15.3	\$1.2	\$19.9	\$8.0	\$0.0	\$1.0	\$1.9	\$95.5
Net UG Tuition: Graduation Priority Allocation	\$8.7	\$3.0	\$0.1	\$3.2	\$2.0	\$0.0	\$0.2	\$0.4	\$17.6
Net UG Tuition: Retention Priority Allocation	\$10.3	\$2.4	\$0.2	\$3.2	\$0.9	\$0.0	\$0.2	\$0.4	\$17.6
Total Net Undergraduate Tuition	\$201.2	\$47.0	\$4.9	\$59.0	\$27.5	\$0.0	\$7.1	\$6.7	\$353.4
Grad Net Tuition & Fees									
Net Graduate Tuition: Traditional COI Allocation	\$6.0	\$0.3	\$0.7	\$5.4	\$0.6	\$0.0	\$0.5	\$0.0	\$13.4
Net Graduate Tuition: Traditional COR Allocation	\$5.8	\$0.1	\$0.8	\$5.7	\$0.6	\$0.0	\$0.5	\$0.0	\$13.4
Net Graduate Tuition: PMP & Other COI Allocation	\$1.9	\$3.6	\$0.0	\$6.3	\$0.2	\$5.9	\$0.0	\$0.0	\$18.0
Net Graduate Tuition: PMP & Other COR Allocation	\$2.1	\$3.5	\$0.0	\$6.4	\$0.1	\$5.8	\$0.0	\$0.0	\$18.0
Total Net Graduate Tuition	\$15.7	\$7.5	\$1.4	\$23.8	\$1.5	\$11.7	\$1.1	\$0.0	\$62.7
Total Core Funds Allocation	\$216.9	\$54.5	\$6.4	\$82.8	\$29.0	\$11.7	\$8.1	\$6.7	\$416.2
Supplemental Funding Distribution	\$5.4	\$5.0	\$4.3	\$27.4	(\$2.2)	\$16.8	\$10.8	(\$0.7)	\$67.0
Faculty Actions Funding	\$2.0	\$0.5	\$0.0	\$0.8	\$0.2	\$0.1	\$0.1	\$0.0	\$3.7
Other Direct GF Revenues	\$8.5	\$0.3	\$0.2	\$7.7	\$0.2	\$0.2	\$0.3	\$0.0	\$17.4
Total Sources of GF Funding	\$232.8	\$60.3	\$11.0	\$118.7	\$27.2	\$28.9	\$19.4	\$6.0	\$504.3
Estimated Mandatory Cost Increase	\$11.2	\$3.0	\$0.6	\$4.7	\$1.2	\$1.1	\$0.8	\$0.3	\$22.9
Expense Budget	\$224.2	\$59.7	\$11.0	\$112.7	\$25.7	\$28.3	\$18.0	\$5.6	\$485.3
*Net Margin	(\$2.5)	(\$2.4)	(\$0.7)	\$1.3	\$0.2	(\$0.5)	\$0.5	\$0.1	(\$3.9)
Supplemental Funding (As a % of Expense Budget)	2.3%	8.0%	37.2%	23.3%	-8.1%	57.2%	57.5%	-11.5%	

*This excludes mid-year changes to direct GF revenue (for example, DAICR and fees)

(in millions)



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SOE Structure

- The foundation of our school is strong research, teacher education and graduate studies
- Several other parts of our school support our overall mission and equity and justice commitments
- Many of our programs provide a critical service to the state (e.g. preparing teachers and leaders) and the campus (e.g. support of non-SOE-majors interested in education equity, leadership, research, etc.)
- Some of these critical programs are resource intensive

Challenges

- Growth alone will not provide a sustainable answer to our budget pressures
 - We cannot create our way out of the current challenges
- What tough decisions are we willing to make?
- Ultimately, we must choose what to focus on with the resources we have
 - With options for growth as our resources grow

Next Steps

- For now as Dean, I have decided to pause on all personnel actions, other than those critical towards supporting the operation of the school
 - Except for 1 TT position which will be searching for next AY (for EBB) and may/will be funded by the provost as part of the critical needs hire program
 - Staff changes and hires will be reviewed as they come up
- The SOE will conduct an organizational assessment
- A budget reorganization *ad hoc* committee will be formed and will work closely with Dean and the leadership team
 - Current SOE budget committee will be discontinued
- The *ad hoc* committee will develop a series of recommendations to align the budget with the overall mission and operation of the SOE. These recommendations will be submitted to the Dean and the leadership team, and the Dean will make final decisions on the way forward

Guiding Principles for Decision Making

- Our School of Education community and our equity and justice commitments are critical parts of CU Boulder's mission and service to the state and nation
- We will be student- and people-centric in our thinking, while holding care for all our people
- We will remain committed to upholding the School of Education's vital research, teaching, and public mission

Ad hoc committee

- A call for nominations will be sent out April 4 (following faculty and staff meetings), due April 10 at 5 pm MT
- The leadership team will review the nominations and will select members to join the committee (selection to be finalized and communicated by April 16).
 - Full list of nominees will be shared with their consent along with rationale for selecting members
- Target for a 6–8-member committee
 - 2-3 TT faculty
 - 1-2 teaching/research faculty
 - 2 staff
 - 1 student
- A chair and a secretary will be elected from amongst the committee members during the first meeting
- Leadership team will be serving as *ex officio* to support the committee.
- Committee will work intensively over the next ~2.5 months (mid April-June)
 - There will be stipends (\$3,000) that will be offered to committee members for their work
- Committee will meet biweekly (2-hrs), with likely work in between meetings
 - Meetings will from 1:30-3:30pm (dates shown in later slides)

Ad hoc committee

- The committee will work with the Leadership Team and campus resources/external partners
 - Uphold strict confidentiality, legal and ethical standards
 - Learn about campus and SOE financial outlook
 - Evaluate SOE operations
 - Submit to the Dean a set of recommendations by early July
- The committee deliberations will be strictly confidential until recommendations are made, however biweekly emails and a budget webpage will share public-facing updates while in session
- The draft charge for the committee is posted on the budget webpage (launching 4/4) and the final official charge will be posted by April 22

Schedule for Committee

- April 19: Initial meeting, select chair, discuss charge and scope, need for confidentiality, and procedures
 - Dean to lead this meeting
- April 24: Overview of CU and SOE budget
 - Ann Schmiesing and Mandy Cole will present
- May 8: Overview of SOE organization
 - Elizabeth Dutro, Millie Gort and Grace Maniscalco will present
- May 22: Overview of practices around course releases and leadership appointments
 - Suzanne Bonomo and Joe Polman will present
- June 5 and 17: Committee meets and develops recommendations
- July 1: Recommendations presented and discussed with the Dean and leadership team

Committee Recommendations

- The recommendations will be shared with SOE community by July 10
- The Dean, along with the leadership team and campus, will evaluate recommendations and make final recommendations to the SOE community by early August
- There will be a joint faculty and staff meeting on August 21 to discuss the final recommendations and actions
- Recommendations will be discussed with students in a separate session around the same time
- Ultimately the final decisions will be made by the Dean
 - As Dean, I commit to listening to recommendations and transparency around final decision-making.

Broader SOE Engagement

- The *ad hoc* committee and the Dean will seek engagement across the larger community through the following avenues:
 - Biweekly emails with info about budget and summary of discussions
 - Email will be authored by chair of committee and Dean/leadership team
 - Emails will contain facts and summary of discussions agreed upon by committee
 - [Qualtrics question submission form](#), with option to remain anonymous, to be reviewed before each committee meeting
 - Dean "office hours" will be scheduled for an hour each week during May and June
 - Dean will work with different engaged groups to provide updates as needed

Boundaries for Discussion

- Larger visioning discussions will be reserved for the permanent Dean
- We will conduct the work with respect for each other and the overall ethos of the SOE
- The committee will meet under an expectation that the discussions and deliberations will be confidential, consistent with legal and ethical standards
- Updates to the community will represent points of consensus by the committee

Questions?

Conversations about budget sustainability can be challenging.

Thank you, in advance, for your patience, positivity and confidence in my good will and intentions moving forward.

Our SOE is strong and plays a critical role in CU Boulder's mission and service to the state — that is and will remain true.