University of Colorado
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Colorado Springs - FY 2014-15 Budget Fact Sheet						
Item		**Option A**	**Percent Change**		**Option B**	**Percent Change**
Academic Affairs – New Faculty and Staff Support		**$2,375,000**	**5.0%**		**$2,375,000**	**5.0%**

Summary

This investment plan includes 10.75 FTE Tenure Track faculty and 10.25 FTE staff for all departments within Academic Affairs as well as support for graduate assistantships, teaching assistantships, STEM, General Education, UCCS Teach and research initiatives.

Strategic Objective

This investment plan will support the growth of the student body population.

Analysis

The Colorado Springs campus has continued to produce enrollment growth, with particularly strong growth in non-resident students. Fall 2013 and spring 2014 enrollments were higher than projected. This investment plan addresses critical needs in faculty and staff support. The increase in faculty will meet the demands in those programs which have demonstrated the additional need. The increase in staff is essential to further research production and to build support for General Education, UCCS Teach Initiatives, and the Office of International Affairs. A portion of the investment plan would be used to support the Lane Center.

Recommendation

Approve. This request meets a demonstrated need and is targeted to meet the needs of the campus' enrollment growth.

Colorado Springs - FY 2014-15 Budget Fact Sheet				
Item	**Option A**	**Percent Change**	**Option B**	**Percent Change**
Campus Compliance and Chancellor, Provost, VCUA Administrative Support	**$75,000**	**N/A**	**$75,000**	**N/A**

Summary

To better coordinate campus compliance situations, the creation of a centralized compliance office is underway. This will be the second year of a three-year investment. In addition, a financial position will be added to help support the needs of campus leadership and provide appropriate data management and reporting.

Strategic Objective

This compliance investment plan will allow UCCS to support the growth and additional complexities of the campus. The financial position will strategically connect the fiscal management of the areas reporting to the Chancellor, Provost, and University Advancement to further strengthen the opportunities that exist in these areas.

Analysis

As the UCCS campus continues to grow and increase partnerships with other entities (Anschutz Medical Campus, City of Colorado Springs (Urban Renewal, Peak Vista), so do the complexities of these relationships. In order to protect the best interest of UCCS and the University of Colorado, it is necessary to formalize the compliance function. This will create efficiencies and ensure that all facets of compliance are evaluated in a centralized location. In addition, after reviewing current staffing levels, it is necessary to designate a financial position that will have oversight of the areas reporting to the Chancellor, Provost, and University Advancement. This will create efficiencies and ensure that financial accountability is monitored by a centralized position.

Recommendation

Approve. This request meets a demonstrated need and is targeted at institutional compliance and meets the needs of the campus' growth and enrollment strategies, a desirable strategic purpose.

Colorado Springs - FY 2014-15 Budget Fact Sheet						
Item		**Option A**	**Percent Change**		**Option B**	**Percent Change**
Administration & Finance – HR, Finance, Facilities Staff Support		**$735,000**	**5.6%**		**$735,000**	**5.6%**

Summary

This investment plan includes expanded services within the Administration and Finance arena to help keep up with the needs and demands of the campus due to enrollment growth and campus expansion. This investment includes 10.75 FTE in the Human Resources, Public Safety, Counseling, Mailroom, Physical Plant, Athletics, and the VCAF areas. A small portion will be directed to operating budgets.

Strategic Objective

This plan will meet the growing needs of campus constituents for cultivation of a vibrant, attractive and engaged campus community.

Analysis

Enrollment growth, expansion of programs, as well as the development of the campus geographic area has increased the need for services campus-wide. Campus and classroom activities are now planned at all times of the day and seven days of the week. Due to this increased demand, there is a need to increase service to the different areas of campus where events are planned.

Recommendation

Approve. This request meets a demonstrated need and is targeted to meet the needs of the campus' enrollment growth.

Colorado Springs - FY 2014-15 Budget Fact Sheet					
Item	**Option A**	**Percent Change**		**Option B**	**Percent Change**
Student Success – New Staff Advising, Recruitment, Financial Aid, Disability Services, Dean of Students	**$650,000**	**4.9%**		**$650,000**	**4.9%**

Summary

This investment plan includes 8.0 FTE for Recruitment, Dean of Students, Retention, Advising, Excel Centers, Financial Aid and Disability Services departments. It also increases student hourly budgets to support additional lab operating hours and increase tutoring sessions in the Excel Centers.

Strategic Objective

This investment plan will support the growth of the student body population, reinforce retention strategies and strengthen relationships with potential future scholars.

Analysis

Student enrollment growth not only puts demands on the academic units of the campus but also creates a strong need for comprehensive student success units. This investment plan would help to enhance key support positions within student success to give students the best opportunity for success. This investment plan would address critical needs in key departments.

Recommendation

Approve. This request meets a demonstrated need and is targeted to meet the needs of the campus' enrollment growth and continued commitment to educating future generations.

Colorado Springs - FY 2014-15 Budget Fact Sheet				
Item	**Option A**	**Percent Change**	**Option B**	**Percent Change**
University Advancement – Marketing and Staff Support	**$375,000**	**17.2%**	**$375,000**	**17.2%**

Summary

In support of existing University Advancement units including Marketing, University Relations, Special Events and Alumni Relations, the campus has been broadening the entire marketing strategy for the past several years to increase the visibility of UCCS. One-time funds have been utilized to cover on-going expenditures that should be built into the base. This investment funds 3.0 FTE, operating for additional marketing and a campus-wide calendar system.

Strategic Objective

This investment plan will advance the strategies that have been implemented over the past three years to increase enrollment growth potential and further strengthen the campus' local, regional, national, and international reputation.

Analysis

As the designated growth campus for the CU system, UCCS has established dynamic enrollment strategies to reach its goals. Marketing plays a significant role in achieving the desired outcomes outlined in the strategic plan.

Recommendation

Approve. This request meets a demonstrated need and is targeted to support the campus' enrollment strategies outlined in the strategic plan.

Colorado Springs - FY 2014-15 Budget Fact Sheet						
Item		**Option A**	**Percent Change**		**Option B**	**Percent Change**
Information Technology – Staff Support and Technology Upgrades		**$201,885**	**4.9%**		**$201,885**	**4.9%**

Summary

With enrollment growth and the expansion of the campus, necessary investments are needed to support campus infrastructure. A portion of this investment will help to strengthen information technology services and the remainder will be used to add a position to develop leadership and infrastructure for sustainable operations.

Strategic Objective

Provide necessary IT services required and desired by our student and employee population.

Analysis

As UCCS continues to grow, it must invest in its infrastructure. This small investment will support IT services.

Recommendation

Approve. This request meets a demonstrated need and is targeted to meet the needs of the campus' enrollment growth.

Colorado Springs - FY 2014-15 Budget Fact Sheet				
Item	**Option A**	**Percent Change**	**Option B**	**Percent Change**
Controlled Maintenance and North Nevada Utilities/Infrastructure	**$400,000**	**65.4%**	**$400,000**	**65.4%**

Summary

This additional increase in the campus Capital Renewal Fund of $300,000 brings the total to over $900,000. An additional increment of $100,000 will be designated for the utility infrastructure development of the North Nevada corridor.

Strategic Objective

This investment will meet the continuing demands of responsible stewardship for the care and upkeep of aging campus buildings in addition to creating a sustainable infrastructure for future construction.

Analysis

Due to the lack of state controlled maintenance appropriations, it is critical for the campus to build a substantial funding source to care for campus property. Additionally, as the campus continues to expand its footprint, it is important to have matching funds available to partner with City, County, Colorado Springs Utilities, or other potential affiliates to maximize development opportunities on the North Nevada corridor.

Recommendation

Approve. This request meets a demonstrated need and is targeted to meet the needs of the campus' enrollment growth and continued commitment to educating future generations.

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Colorado Springs - FY 2014-15 Budget Fact Sheet				
Item	**Option A**	**Percent Change**	**Option B**	**Percent Change**
Enrollment Contingency	**$596,947**	**N/A**	**$948,045**	**N/A**

Summary

The ability to respond quickly to enrollment needs is a critical factor in the strategies that have been developed by the campus Enrollment Management Team.

Strategic Objective

This investment allows for immediate reaction to needs for additional classes or sections depending on enrollment patterns or ameliorates any tuition shortfall if targets are not met.

Analysis

The overall campus enrollment target is 5% in FY 2014-15. The target was also 5% in FY 2013-14. This strategy generated enrollment growth of almost 8% in fall 2013 and over 6% in spring 2014. Due to the unpredictability of student behavior it is wise to have the ability to respond to demands.

Recommendation

Approve. This request meets a demonstrated need and is targeted to meet the needs of the campus' enrollment growth and continued commitment to educating future generations.

Colorado Springs - FY 2013-14 Budget Fact Sheet				
Item	**Option A**	**Percent Change**	**Option B**	**Percent Change**
Campus Strategic Initiatives	**$1,299,218**	**N/A**	**$1,299,218**	**N/A**

Summary

This investment provides a 1% salary pool ($616K) and a pool ($683K) for campus-wide strategic initiatives.

Strategic Objective

The salary pool will allow the campus to address equity and retention adjustments for faculty and university staff. The initiatives pool provides opportunity to address needs that may be highlighted in the Program Prioritization process or other campus planning meetings.

Analysis

As UCCS continues to outpace its strategic plan goals, it is important to recognize the efforts of the faculty and staff. It is also imperative to responsibly plan and prepare for demands and expectations of students, faculty, staff, and opportunities within the community.

Recommendation

Approve. This request meets a demonstrated need.

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Denver FY 2014-15 Budget Fact Sheet						
Item		**Option A**	**Percent Change**		**Option B**	**Percent Change**
Denver Tuition and Enrollment		**$11,528**	**0.009%**		**None**	

<u>Summary</u>

The Denver Campus has experienced recent enrollment declines which have resulted in lower tuition than originally expected for FY 2012-13 and FY 2013-14. Although both years were conservatively budgeted, tuition revenue did not arrive as expected. This paper defends the enrollment projection for FY 2014-15 for the Denver Campus, the tuition rate strategy, and the expenditure of the limited funds.

<u>Analysis/Background</u>

Enrollment

On the Denver Campus, undergraduate enrollment declined in the last three years, following a decade of steady increases. Even though the Campus had projected a 2.3% decline in <u>undergraduate resident</u> enrollment in FY 2013-14, actual fall 2013 census undergraduate resident enrollment declined by only 0.8%, buoyed by a record high new freshmen class with 23.8% growth over fall 2012. However, the Campus had projected a strong growth of 16.9% among <u>undergraduate nonresidents</u>, including a 21.4% increase in international nonresidents, but actual fall 2013 undergraduate nonresident enrollment growth was only 2.5% over fall 2012. This lack of strong growth by nonresidents combined with stronger declines (-10%) in returning and new transfer students contributed most to this year's decrease.

<u>Graduate</u> enrollment on the Denver Campus has been declining since the economy started to improve and students went back to work. In fall 2013, total graduate enrollment declined by 4.8% from fall 2012, the third consecutive year of contractions. The largest decreases were in resident enrollments, where fall 2013 census dropped by 6.8%.

Over the long term, however, there has been substantial growth in <u>nonresident</u> enrollment at both the undergraduate and graduate levels. The following table shows long term enrollment change for the Denver Campus.

	Fall 2008	Fall 2013	% Change
Undergraduate Resident	7,949	8,292	4.3%
Undergraduate Nonresident	716	1,444	101.7%
Total Undergraduate	8,665	9,736	12.4%
Graduate Resident	3,963	3,500	-11.7%
Graduate Nonresident	551	787	42.8%
Total Graduate	4,514	4,287	-5.0%
Total Resident	11,912	11,792	-1.0%
Total Nonresident	1,267	2,231	76.1%
Domestic	690	1,148	66.4%
International	577	1,083	87.7%
Total Campus	13,179	14,023	6.4%

The Budget and Finance Office has hired a dedicated Tuition Projection Director to analyze each student category on the Denver Campus and propose distinct enrollment trends for each level and residency category. As the Campus approaches a fully linear tuition structure for undergraduates (see discussion below), the projection model will more heavily focus on forecasting credit hours rather than headcount. A projection of total credit hours should be more predictive of tuition revenue as each credit hour is paid at the full rate, and headcount forecasts do not solely account for changes in credit hour distributions and patterns. Headcount estimates are then computed using historical trends of average credit hours by population type.

As mentioned above, the Denver Campus experienced a record setting new freshman class in fall 2013 coupled with strong declines in transferring and continuing students. The Campus is implementing a robust campaign to increase resident students, but Budget and Finance must wait to see real outcomes before budget projections can be revised. For undergraduate residents, the Campus is forecasting moderating decreases similar to recent trends followed by small increases due to enhanced student recruitment and marketing.

Since enrollment growth of domestic undergraduate nonresidents slowed to 3.0% after averaging 13.9% per year over the previous ten years, being driven by declines in new and transfer students, the Campus is forecasting very moderate growth assuming continued weakness in new and transfer students. However, the Campus has initiatives underway focused on domestic nonresidents and is hopeful that FY 2014-15 will see a turnaround that is not yet evident. Similarly, international undergraduates flattened dramatically to 1.9% in fall 2013 following double digit increases in each of the preceding six years, driven by a decline in new and transfer students. The Campus is projecting this modest growth to continue given uncertainty regarding future student enrollments.

The decline in graduate students appears to be statewide[1] and decline is also being experience nationwide.[2] Because the tuition structure for graduates is not yet linear, the projection model still forecasts headcount using historical trends and utilizes information from schools and colleges, the Office of International Affairs, and the Office of Student Affairs. Headcount is transformed to credit hours using historical distributions as well as input from schools and colleges regarding expected credit hour loads for graduate students.

[1]Colorado Department of Higher Education reports first-time and transfer graduate enrollment at all Colorado institutions increased by nearly 5% between fall 2011 and fall 2012, while continuing enrollment dropped by 0.9%, leaving total enrollment up by 0.69%.
[2]September 2013 Report from the Council of Graduate Schools states total graduate enrollment fell by 2.3% between fall 2011 and fall 2012.

Enrollment of resident graduate students on the Denver Campus has declined for three consecutive years. The Campus is projecting the contractions to continue, particularly as the economy and job market continue to recover from the recent recession. Historical enrollment for graduate domestic nonresidents is volatile, having an increase of nearly 32% in fall 2012 followed by a decline of 0.5% in fall 2013. Given the instability and uncertainty of this group, the Campus is forecasting moderate growth in line with long-term averages. Comparatively, growth in international graduates has been relatively strong, having averaged 7% per year over the last eight years. The Campus is projecting modest growth due to continued uncertainty regarding future graduate student enrollments.

Headcount	Fall 2011 Census	Fall 2012 Census	Fall 2013 Census	Fall 2014 Projection	Fall 2015 Projection
Undergraduate Resident	8,527	8,357	8,292	8,110	7,935
Change	(164)	(170)	(65)	(182)	(175)
% Change	-1.89%	-1.99%	-0.78%	-2.19%	-2.16%
Undergraduate Nonresident Domestic	624	726	748	760	760
Change	81	102	22	12	0
% Change	14.92%	16.35%	3.03%	1.60%	0.00%
Undergraduate Nonresident International	576	683	696	709	725
Change	129	107	13	13	16
% Change	28.86%	18.58%	1.90%	1.87%	2.26%
Undergraduate Nonresident Subtotal	1,200	1,409	1,444	1,469	1,485
Change	210	209	35	25	16
% Change	21.21%	17.42%	2.48%	1.73%	1.09%
Total Undergraduate	9,727	9,766	9,736	9,579	9,420
Change	46	39	(30)	(157)	(159)
% Change	0.48%	0.40%	-0.31%	-1.61%	-1.66%
Graduate Resident	4,083	3,754	3,500	3,310	3,193
Change	(174)	(329)	(254)	(190)	(117)
% Change	-4.09%	-8.06%	-6.77%	-5.43%	-3.53%
Graduate Nonresident Domestic	305	402	400	407	409
Change	(47)	97	(2)	7	2
% Change	-13.35%	31.80%	-0.50%	1.75%	0.49%
Graduate Nonresident International	330	349	387	401	405
Change	1	19	38	14	4
% Change	0.30%	5.76%	10.89%	3.62%	1.00%
Graduate Nonresident Subtotal	635	751	787	808	814
Change	(46)	116	36	21	6
% Change	-6.75%	18.27%	4.79%	2.67%	0.74%
Total Graduate	4,718	4,505	4,287	4,118	4,007
Change	(220)	(213)	(218)	(169)	(111)
% Change	-4.46%	-4.51%	-4.84%	-3.94%	-2.70%
Grand Total, Undergraduate/Graduate	14,445	14,271	14,023	13,697	13,427
Change	(174)	(174)	(248)	(326)	(270)
% Change	-1.19%	-1.20%	-1.74%	-2.32%	-1.97%

Tuition: Linearity

In the spring of 2012, the University of Colorado Regents approved the move toward a completely linear tuition structure for undergraduates over three years. Linearity means that students pay for every credit hour taken, with no “flat spot” (i.e., ranges of credit hours that equal the same price). In FY 2012-13, the first year pursuing full linearity, undergraduate resident students paid for every credit hour up to 15, and every credit hour past 18, and total credit hours 16 to 18 remained the same price as 15 credit hours. In FY 2013-14, students paid for every credit hour up to 17 and past 18, and 18 credit hours remained the same price as 17.

The majority (69%) of undergraduate resident students at the Denver campus takes 13 credit hours per term or less[3], so the higher rates from a linear tuition structure do not affect most students. In FY 2013-14, 10% of students saw rate increases ranging from 13% to 20% from a combination of base increases and linearity adjustments. However, due to institutional aid called “buy down,” these increases were held to 9% for undergraduate resident returning students, provided the same term load and student level. Only new students were charged the full new rates; approximately 2.4% of total undergraduate resident enrollment was new students that were affected by the higher rates from the implementation of the linear tuition structure. The Campus had planned to complete the linearity plan in FY 2014-15, but due to SB 14-01 and the Governor’s intent to cap undergraduate resident tuition growth to 6%, the Campus is postponing the final step to ensure that no students experience a rate increase greater than 6%, even if it’s only due to paying for credit hours they are taking.

When that last step is taken, hopefully in FY 2015-16, only 2.9% of all undergraduate resident students (those taking 18 credits or more per term) will see a tuition increase of up to 9.6%. The Campus will propose that continuing students with increases over 9% receive “buy down” aid so their total increase plus linearity will be no more than 9%, provided the same term load and student level. Only new students will be charged the full new rates; approximately 0.4% of total undergraduate resident enrollment will be new students affected by the higher rates from the completion of the linear tuition structure.

For undergraduate residents, the Campus planned for linearity to occur also over three years. In FY 2013-14, nonresident undergraduate students paid for every credit hour up to 14, the 15th credit hour was paid at a discounted rate, and every credit hour past 15 was linear. The Campus proposes to complete the linearity plan for undergraduate nonresidents in FY 2014-15, since the legislative intent is not to restrict action for nonresident students. This will result in increases ranging from 6.4% to 8.4% for nonresident undergraduate students taking 15 or more credit hours.

In FY 2013-14, resident graduate rates were linear through 9 and after 15 credit hours, with credit hours 10 through 15 paid at a discounted rate. With the aim of completing a linear rate structure by FY 2017-18, the Campus is proposing two changes for the graduate resident rates:

- Extend linearity through 11 credit hours (2 additional credit hours); and
- Extend linearity to each credit hour after 14 (1 additional credit hour).

In FY 2013-14, nonresident graduate rates were linear through 10 and after 15 credit hours, with credit hours 11 through 15 paid at a discounted rate. These rates are also planned for full linearity

[3] As of fall 2013 Census.

for FY 2017-18, and the Campus is requesting to extend linearity through 12 credit hours (2 additional credit hours).

This proposal for graduate rates allows for rate increases to be moderated and smoothed for FY 2015-16 through FY 2017-18, but results in relatively large increases in FY 2014-15 for students taking 11 or more credit hours. Because the vast majority of graduate students (86%) take 10 or fewer credit hours per term[4], the higher rates from a linear tuition structure do not affect most students. In order to mitigate the increases for the students who are affected by the implementation of linearity, the Campus is proposing to cap tuition increases at 9% for all returning graduate students, provided the same term load. It is anticipated that this tuition buy down would be effective for two years. This is discussed further in the Denver Financial Aid Fact Sheet.

The tables below delineate how much of new tuition revenue is from the base increase and how much for charging for additional credit hours. These figures are for FY 2014-15, and represent the amounts and percentages for postponing undergraduate resident linearity this year, as well as finishing undergraduate nonresident and the proposed changes for graduate. The table shows tuition revenue split by base and linearity.

FY 2014-15 Tuition Revenue- Partial Linearity

	Base	Linearity	% Base	% Linearity
Undergraduate Resident	$61,828,874	$0	100.00%	0.00%
Undergraduate Nonresident	$32,673,576	$461,365	98.61%	1.39%
Graduate Resident	$20,140,660	$538,880	97.39%	2.61%
Graduate Nonresident	$14,033,944	$576,886	96.05%	3.95%
Subtotal Undergraduate	$94,502,450	$461,365	99.51%	0.49%
Subtotal Graduate	$34,174,604	$1,115,766	96.84%	3.16%
Subtotal Resident	$81,969,534	$538,880	99.35%	0.65%
Subtotal Nonresident	$46,707,520	$1,038,251	97.83%	2.17%
Campus Total	**$128,677,054**	**$1,577,131**	**98.79%**	**1.21%**

Tuition: Base Increases

Base rate increases are the percent increases applied to each credit hour price. The table below shows a history of Regent-approved base rate increases. These rates do not include an overall increase that students might experience from being charged for more credit hours (linearity):

	FY 2010-11	**FY 2011-12**	**FY 2012-13**	**FY 2013-14**
Undergraduate Resident	9.0%	2.0%	0.8%	6.0%
Undergraduate Nonresident	2.0%	2.0%	2.0%	5.0%
Graduate Resident*	3.0%	0.0%	0.0%	1.0%
Graduate Nonresident	0.0%	2.0%	1.0%	3.0%

*School of Education and Human Development did not increase tuition rates in FY 2010-11 and FY 2011-12.

[4] As of fall 2013 Census.

For FY 2014-15, the Campus is proposing modest base rate increases in amounts in line with inflation and to offset the declines in tuition revenue caused by enrollment. The following rate changes are proposed:

Student Type	Base Rate	Linearity Progress Recommendation
Undergraduate Resident	3.5%	No change; linear to 17 credits (currently linear to 17 and after 18)
Undergraduate Nonresident	3.5%	Fully Linear (currently linear to 14 and after 15)
Graduate Resident	2.0%	Linear to 11 credits and after 14 credits (currently linear to 9 and after 15)
Graduate Nonresident	2.0%	Linear to 12 credits and after 15 credits (currently linear to 10 and after 15)

Under the proposal, the growth rate for undergraduate residents is 3.5% for everyone. The average weighted growth rate for undergraduate nonresidents is 5.1% (once factoring in those affected by linearity). The average weighted growth rate for graduate resident is 4.0%. For graduate nonresidents, the average weighted growth rate is 4.7%.

This year, the Denver Campus has taken reductions to ensure base increases as proposed. No Option B is provided for tuition rates because we do not feel the market can bear increases above those provided. If a second, higher option were offered, CU Denver does believe it could implement those higher rates in light of declining enrollments. Lower rates were also entertained, but in light of the most basic needs being addressed, it seemed that rates at these percentages would still appear modest and reasonable while keeping tuition revenue neutral on the Denver Campus. More cuts would need to be made to implement lower rates.

Expenditure Strategy

Due to declining enrollment with increasing costs in schools, colleges, and administration, revenue growth in FY 14-15 was not sufficient to address all campus needs, even with increases in state funds. Therefore the Budget Office carefully reviewed many areas of the budgets and was able to identify several reductions and revenue increases that could be made in the ongoing budget that would not cause significant consequences:

- Several of these were smaller projects originally thought to require ongoing funds but only required one time funds or two time funds.
- The Auraria budget was reconciled and required less investment than originally thought, including the end of a rent agreement for the new Auraria fields.
- $500,000 was trimmed from the ongoing operating budget of Academic 1 after an extensive, multi-stakeholder workgroup met to analyze each cost.
- The research indirect budget has stabilized and the Budget Office believes the revenue can be increased by $400,000.
- More revenue is also expected from the use of building space by auxiliary sources.
- The linearity buy down (which is still required to maintain rates for continuing students from FY 12-13 and 13-14) calculation was refined, requiring less commitment.

These actions, in addition to the new State funds, allowed some necessities to be funded, including:

- Compensation
- Increased leases
- CU System Indirect (ICCA)
- Increases to maintain current electronic collections in the Library
- Implementation of an Intranet
- Make good on existing commitments to new programs (College of Architecture and Planning Bachelor of Science, School of Education and Human Development Doctorate of Psychology, Bioengineering MS/PhD, Bioengineering Undergraduate, BS & BA in Public Health)
- Converting the student recruitment contract (Royall) from one-time funds to ongoing funds
- Converting First Year Seminar from one-time funds to ongoing funds
- One new position in the Assistive Technology Lab of Disabilities Resource Services to receive a gift made to the University in the amount of $650,000
- Maintaining summer courses in the School of Business through faculty support
- Recalibration of the Graduate School's Integrative and Systems Biology Program Budget

Recommendation

Approve 3.5% increases for undergraduates and 2% increased for graduates to maintain tuition levels and, in tandem with cuts and state funds, to address critical needs and mandatory costs.

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Denver - FY 2014-15 Budget Fact Sheet				
Item	**Option A**	**Percent Change**	**Option B**	**Percent Change**
Financial Aid	**($539,092)**	**-37.4%**	**N/A**	

Summary

This fact sheet explains the update financial aid buy down due to linearity. Starting in FY 2012-13 buy down was funded by the Regents to ensure returning undergraduate students did not experience tuition rate increases over 9% due to a combination of base increases and paying for the credit hours taken (linearity). In addition, this fact sheet proposes using some tuition revenue to implement a buy down for continuing graduate students who might experience tuition rate increases over 9% due to linearity adjustments.

Analysis/Background

1. Postponing Linearity for Undergraduate Resident Students

Starting in FY 2012-13, the Board of Regents for the University of Colorado approved moving to a linear tuition schedule, or shortening the tuition window, for undergraduate students. Prior to FY 2012-13, undergraduate resident students paid for every credit hour up to 12 credit hours and for every credit hour over 18, but the ones in the middle were free. The goal was that within three years, students would pay for each credit hour taken. FY 2014-15 would have been the third year of the plan, but full linearity is being postponed for one year, per the Governor's request and SB 14-01. The Campus is postponing the final step to ensure that no undergraduate resident students experience a rate increase greater than 6%, even if it's only due to paying for credit hours they are taking.

To achieve linearity in three years, undergraduate resident tuition was scheduled to increase by up to double-digits each year for one to three years, for a small number of students, when linearity was combined with base rate increases. Currently a majority (69%) of resident undergraduate students at the Denver campus takes 13 credit hours or less, so the impact of the higher increases due to linearity has not affected most students. Next year's linearity adjustments will impact even fewer students. Since there is no linearity progress for undergraduate resident students in FY 14-15, they will only see an increase of 3.5%. However, some funds must continue in the budget so their rates maintain and do not increase based on the prior progress toward linearity. Therefore, only new undergraduate resident students will be charged the full new rates and continuing students would only see a 3.5% increase in FY 14-15, assuming they take the same number of credit hours they did in the prior year.

2. Refining the Budget Estimate for Undergraduate Resident Students

Based on new data, the Tuition Projection Director has refined the methodology for estimating the amount necessary for buy down for undergraduate resident continuing students. In FY 2013-14, the Campus provided financial aid in the form of a buy down to two cohorts of undergraduate resident continuing students: those returning from FY 2012-13 and those returning from FY 2011-12. Those continuing from FY 2011-12 receive a higher buy down amount because their tuition growth is limited to 9% per year for two compounded years whereas the students continuing from FY 2012-13 receive aid to limit only one year's growth. Due to limited data, previous budget estimates had erroneously assumed that all eligible students would receive the higher amount of institutional aid. With data from fall 2013, the Campus was able to refine the calculations to account for students that will receive a lower buy down amount.

It is estimated that $348,652 is needed for undergraduate resident institutional financial aid for tuition buy down for linearity rate changes in FY 14-15. By updating the methodology and postponing the final step of linearity for undergraduate resident students, the Campus estimates savings of $1,092,589 relative to the FY 2014-15 base budget of $1,441,241.

3. Adding Buy down for Graduate Students

For graduate students, the Campus plans to achieve full linearity by FY 2017-18. In FY 2013-14, graduate resident rates were linear through 9 and after 15 credit hours, with credit hours 10 through 15 paid at a discounted rate. In FY 2013-14, graduate nonresident rates were linear through 10 and after 15 credit hours, with credit hours 11 through 15 paid at a discounted rate. Because these tuition rate structures have relatively large ranges of discounted credit hours, achieving full linearity results in larger rate increases through FY 2017-18.

In order to achieve full linearity while moderating and smoothing rate increases in FY 2015-16 through FY 2017-18, the Campus is proposing to accelerate linearity progress in FY 2014-15 with the following changes:

- Graduate Resident: Extend linearity through 11 credit hours (2 additional credit hours) and to each credit hour after 14 (1 additional credit hour).
- Graduate Nonresident: Extend linearity through 12 credit hours (2 additional credit hours).

This proposal results in tuition rate increases of 9% to 21% for students taking 11 or more graduate credit hours. While the vast majority of graduate students (86%) take 10 or fewer credit hours per term and are not affected by these higher rates, graduate students are still sensitive to rate increases and enrollment has been declining for three years. To mitigate these rate increases and a corresponding impact on enrollment, the Campus is proposing to institute a tuition buy down for all graduate continuing students affected by linearity. Note that students may also reduce their credit hour load to 9 credit hours to only receive a 2% increase. This buy down would limit tuition rate growth to 9% per year, provided the same term load, and is anticipated to be effective for two years. Under this proposal, it is estimated that $553,497 would be required for graduate financial aid in FY 2014-15.

Combined with the savings from the base budget for undergraduate tuition buy down, this proposal results in ongoing savings of $539,092.

Table

	FY 2014-15 Amount
Revised Estimate - Undergraduate Resident Buy down	$348,652
Estimated Graduate Buy down	$553,497
Total Estimated Buy down Needed	**$902,149**
Base Budget - Undergraduate Resident Buy down	$1,441,241
Total Buy down Savings	**($539,092)**

Recommendation

Approve savings in the institutional financial aid for tuition buy down for linearity rate changes for continuing graduate students experiencing rate increases greater than 9%, provided the same term load, and use those savings to help balance the budget since they are not needed for this purpose.

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Boulder - FY 2013-14 Budget Fact Sheet						
Item		**Option A**	**Percent Change**		**Option B**	**Percent Change**
Esteemed Scholars Merit Aid Program		**$613,275**			**$613,275**	

Summary

Fiscal Year 2015 is the second year of a newly established campus-wide Esteemed Scholars undergraduate merit aid program. In addition to the funds allocated this year, an additional $1.8 million will be allocated from the one-year state funding that is available again in FY 2015. In total, the campus will fully fund a second cohort of esteemed scholars.

Strategic Objective

Merit aid is a direct recruitment strategy to attract the best resident students.

Analysis

In the past, the state of Colorado funded a merit aid program. At the height of the program (in 2002-03), CU-Boulder received more than $2M to help recognize high achieving resident students. This program decreased over the years and was unfunded in 2009-10.

The Esteemed Scholars program was put into effect in fall 2013 to further the Boulder campus' continued commitment to Colorado and recognize top Colorado students for their academic achievements. $2.5 million has been spent in 2013-14 on about 800 Colorado students who received this scholarship award. This program yielded in excess of 100 additional highly qualified students.

The second year costs of the program are anticipated to be $2.5 million in addition to the first year's $2.5 million investment, since a new cohort will be receiving these merit awards in fall 2014. $1.9 million of the state funding received in 2013-14 that was used for one-time infrastructure improvements will be reallocated to the Esteemed Scholars program effective 2014-15. The difference to be funded in 2014-15 is $613K.

Undergraduate resident students account for approximately 53% of the total student enrollment and 31% of tuition revenues. To remain competitive nationally in keeping the best Colorado high school students in Colorado, UCB developed a merit scholarship awarding program, which many other nationally recognized public institutions of higher education have already in place. The Esteemed Scholar program is not a replacement for the strong commitment to providing need based aid.

The scholarships are named for former CU-Boulder presidents and are awarded based on high school grade point average and national college admissions examinations score from either the ACT or SAT. The following is a table of the merit scholarship awards for entering Colorado resident freshman students:

<table>
<tr><th>Award</th><th>GPA</th><th>Test Score</th><th>Amount</th><th>Renewal Criteria</th></tr>
<tr><td>President Joseph A. Sewall Award</td><td>4.0</td><td>33 ACT or 1440 SAT</td><td>$5,000 per year</td><td rowspan="4">Renewable for a total of 4 years. Requires a minimum 3.00 cumulative GPA and completion of 28 credit hours per academic year.</td></tr>
<tr><td>President Horace M. Hale Award</td><td>4.0</td><td>31 ACT or 1350 SAT</td><td>$3,500 per year</td></tr>
<tr><td rowspan="2">President James H. Baker Award</td><td>3.9</td><td>28 ACT or 1240 SAT</td><td rowspan="2">$2,500 per year</td></tr>
<tr><td>3.8</td><td>30 ACT or 1310 SAT</td></tr>
</table>

Recommendation

The Boulder campus recommends Option A.

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Boulder - FY 2013-14 Budget Fact Sheet				
Item	**Option A**	**Percent Change**	**Option B**	**Percent Change**
Deferred Maintenance	**$500,000**		**$500,000**	
Facilities Infrastructure	**$46,862**		**$569,274**	

Summary

The campus proposes to invest $500,000 ongoing funding to address deferred maintenance needs. In addition, the campus will use $47K in funding to address ongoing operational deferred maintenance needs, such as replacement of failing boilers and other mechanical failures.

Strategic Objective

There are limited funding streams for deferred maintenance and a strong need to maintain facilities.

Analysis

The campus has an estimated deferred maintenance backlog exceeding $375M of its General Fund buildings. The state has had minimal dollars available for controlled maintenance in the last decade. As a result, the burden of maintaining campus academic buildings is falling to the campus. The campus has made strategic investments in deferred maintenance over the last five years. In 2012-13, the campus self-funded the renovation of Ekeley, an academic building that should have been funded from the state, from the establishment of capital renewal fund. As the state of Colorado moves away from supporting the campus infrastructure, an ongoing plan for maintaining our campus buildings is being developed. This request continues to move the campus in a direction to better take care of its facilities.

A national standard for deferred maintenance investment is approximately 2% of current replacement value, of which CU-Boulder is approaching $2 billion. This standard far exceeds the resources available to the campus. However, in consultation with the board in 2011, the campus established a goal investing of 0.5% of current replacement value by 2016 or $10 million. This request helps move the campus toward that goal.

Recommendation

The Boulder campus recommends Option A.

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Boulder - FY 2013-14 Budget Fact Sheet				
Item	**Option A**	**Percent Change**	**Option B**	**Percent Change**
Enrollment growth	**$650,000**		**$650,000**	

Summary

$650,000 will be investing in enrollment growth in Engineering and Arts and Sciences Pre-Engineering and Computer Sciences programs.

Strategic Objective

The campus is in a growth mode for high demand programs in Engineering and Arts and Sciences Computer Science. This funding will support the already occurring growth and fund instructional and academic support costs.

Analysis

Engineering is experiencing unprecedented demand in its programs with 25-28% enrollment growth in both undergraduate and PhD programs since 2007. It is about a 1,000 student increase during that time period. Even with this growth, these Engineering students are highly qualified; for example, they have overall higher ACT composite scores than students who entered earlier.

A complimentary program to the Engineering college that already has gained popularity with undergraduates is the Pre-Engineering program in Arts and Sciences, which provides a pathway for students, some who may not have otherwise enrolled at CU-Boulder. In addition, Arts and Sciences has established a high demand program for computer science for those students not enrolled through the Engineering college.

Funding to support instructional and academic support costs are needed. $650,000 will go towards supporting these growth programs.

Recommendation

The Boulder campus recommends Option A.

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Boulder - FY 2013-14 Budget Fact Sheet				
Item	**Option A**	**Percent Change**	**Option B**	**Percent Change**
Technology& Advising Investments	**$1,500,000**		**$1,500,000**	

Summary

Funding of $1.5 million will be used to support technology and advising investments.

Strategic Objective

The campus relies on technology-enhanced classrooms, computer classrooms, and other academic support technology, such as for advising, to fulfill the academic mission. In addition we rely heavily on administrative technology to help assist the campus in operating efficiently.

Analysis

In a recent inventory, it was determined that the campus has well over 600 teaching and learning spaces. The quality of technology infrastructure ranges from the newest smart classroom technology set-up to only a chalk board, with the technology in the majority of the spaces falling somewhere in between. Technology investments for a learning space can range from $5,000 to over $50,000 for the equipment alone depending on level of technology. In addition, may require a space build-out to accept the technology, which can average $8,000 to $15,000 per space. Investments in advising, and in particular, advising technology, is much needed to meet student demand and help ensure student success and support the Chancellor's goal of increasing the graduation rate to 80% in 2020.

Recommendation

The Boulder campus recommends Option A.

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Boulder - FY 2013-14 Budget Fact Sheet				
Item	**Option A**	**Percent Change**	**Option B**	**Percent Change**
Compliance Initiatives	**$1,100,000**		**$1,100,000**	

Summary

This proposal focuses on the on-going compliance effort and will increase staff and operating funds costing $1.1 million.

Strategic Objective

The campus has fiduciary and regulatory compliance needs that spread throughout campus organizations. The campus research enterprise alone expends approximately $380 million annually. It is essential to provide adequate staff support to manage the myriad rules and regulations ranging from the federal government to internal CU policies. Funding for positions and operating costs would be placed in departments that have the highest compliance needs. Areas with high compliance activities include accounting and business support, human resources, legal, student services, research, and financial aid.

Analysis

The campus receives federal funding and is subject to myriad rules and regulations that impact operations ranging from department-located support staff to central administrative offices for accounting, financial aid, and human resources. In addition to federal rules and regulations, the campus must adhere to state, local, university and campus laws and policies. This requires the campus to be a compliance-minded organization with many of the faculty and staff positions across the campus requiring compliance awareness in order to perform day-to-day duties. The central campus offices in particular can have a high compliance aspect to their day-to-day duties because central campus offices often are identified as the responsible party to ensure campus-wide compliance. An investment in a compliance heavy department can defray potential non-compliance findings which can carry a hefty financial penalty up into the millions of dollars in some cases.

Recommendation

The Boulder campus recommends Option A.

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Anschutz Medical Campus FY 2014-15 Budget Fact Sheet				
Item	**Option A**	**Percent Change**	**Option B**	**Percent Change**
Student Mental Health Services	**$1,132,418**	**N/A**	**$1,132,418**	**N/A**

Summary

Student Mental Health provides comprehensive and confidential mental health services for all Anschutz Medical Campus students. It also provides consultation to deans, faculty members, and other support staff on any issues related to Student Mental Health on an as-needed basis. Psychiatric issues treated include: depression, anxiety/stress, bipolar disorder, drug and alcohol dependence, eating disorders, marital difficulties, family crises, and post-traumatic stress disorder.

Treatment modalities include individual psychotherapy, couples counseling, and/or medication. Goals of this initiative are to ensure:

- Waiting time is minimal.
- Enrolled students are usually seen within a couple days.
- Same-day emergency appointments are available.
- There is 24-hour emergency coverage by Anschutz/University Hospital psychiatry staff.
- Initial consultation is always free.
- Students can choose either ongoing treatment with professionals on the Anschutz Campus or private practitioners in the local community.
- CU Denver student insurance covers at least 20 visits per year. (Unlimited visits for certain diagnoses.)
- No co-pay or co-insurance for students.
- Students with other insurance are referred to an appropriate provider on campus or in the community.

Historically, schools, colleges, and administration have used one-time funds (approximately half of this requested amount) for these services. While the services have been very beneficial, there is an apparent need to make this service permanent, and to expand the services so they are more reliable and comprehensive. Therefore, the Campus has made funding this program a priority and fund it permanently from new revenue, shared across schools and colleges so that mental health needs of their students can be addressed effectively.

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Analysis/Background

The initiative will fund the time of psychiatrists and counselors to provide services. This funding will also ensure a staffed phone line, dedicated space, and more centralized student services. This funding will be integrated into the base budget and the funding needs assessed into the future. A reallocation of funds in the amount of $434,000 will be made to help offset the total.

Table

Student Mental Health	$1,132,418
Reallocation in Administration budget	($434,410)
TOTAL from new revenue	$698,008

Recommendation

Approve. This request meets a demonstrated need for student mental health as institutional compliance and is a priority based on the rising and urgent needs that have already been identified on the Campus over the past couple of years.

Anschutz Medical Campus FY 2014-15 Budget Fact Sheet				
Item	**Option A**	**Percent Change**	**Option B**	**Percent Change**
Area Health Education Center Housing Rotations	**$434,410**	**N/A**	**$434,410**	**N/A**

Summary

This request is to fund increased direct housing costs for Anschutz Medical Campus students on rural clinical rotations. These costs include arranging housing, background checks on all adults in the home, single rooms for students, emergencies, and travel.

As part of its core mission, the Colorado Area Health Education Center (AHEC) Program –a part of the University of Colorado Anschutz Medical Campus –seeks to improve health care delivery to the State of Colorado especially in rural and medically underserved areas. Students are assigned to rotations in rural and/or underserved clinical sites. Local health care providers, acting as preceptors, benefit from the teaching experience while local areas receive thousands of hours of health care from students who bring up-to-the-minute health care innovation and education to the clinical experience.

Additionally, it is hoped that some health care professionals will choose to practice in rural and/or underserved areas of the state upon completion of their degree. It has been demonstrated that students who have enjoyed a rotation in a rural and/or underserved area are more likely to practice in a similar setting and also perform better on board or standardized testing than students who did not participate in a rotation.

The State is divided into six regions, and the Colorado AHEC Program has offices in each of these regions to help find student/resident housing and to provide support to local health care initiatives that will serve the Colorado AHEC Program's missions and goals.

Analysis/Background

AHEC is requesting permanent funding for student housing rotations. The costs for rotations have increased, and the number of students participating has increased. Schools and colleges will use new tuition to fund their proportionate cost of the initiative based on the number of students or resident they send. The actual utilization is reconciled at the end of the year.

Table

New Proposal Method	AHEC housing $25/day	Other source $15/day	Total	Combined Percent Allocation	Allocate Reduction	Total with equal percentage reduction	Shared with Admin
Medicine (CHAPA/PA, PT)	7,884	3,198	$245,078	34.8%	$69,600	$175,478	$87,739
Dentistry	1,531	686	$48,563	7.02%	$14,030	$34,533	$17,266
Nursing	267	61	$7,579	0.99%	$1,980	$5,599	$2,799
Pharmacy	8,096	8,719	$333,190	57.2%	$114,390	$218,800	$109,400
Proposed Central Administration Contribution							$217,205
Total	17,778	12,664	$634,410	100%	$200,000	$434,410	$434,410

Recommendation

Approve. These are critical, ongoing needs that must be funded in order for students to be able to do clinical rotations in rural areas and in order for them to gain the rural experience that is required in the curriculum.

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Anschutz Medical Campus FY 2014-15 Budget Fact Sheet				
Item	**Option A**	**Percent Change**	**Option B**	**Percent Change**
Use Research Indirect Funds to Maintain Static Vivarium Rates and Add Cages	**$1,000,000**	**N/A**	**$1,000,000**	**N/A**

Summary

The Anschutz Medical Campus maintains an extensive, federally-approved Vivarium which provides researchers with access to various animals for research purposes. New research indirect (otherwise called "facilities and administration," or "F&A") rates are now being assessed on animal resource center charges in modified total direct costs, in accordance with A-21 and consistent with other higher education institutions across the country with their treatment of animal care charges. Starting in FY 2013-14, the federal government approved that the research indirect administration percentage could be applied to the revenue generated by the approved use of animals in research. Typically, this indirect research revenue is collected by Central Administration then allocated in part to the schools and colleges conducting the research and in part to Central Administration to run the Campus.

Unrelated, the Vivarium has also received intense pressure over the past three years from researchers in regards to its rates. Researchers believe that the rates are high in comparison to peer universities, and several researchers who use animals more extensively have threatened to leave the University to where cheaper rates may be accessed. Due to the expense of running such a complex animal facility, subject to intense federal regulation, the Vivarium cannot charge rates to cover its costs and still remain competitive. Many academic health campuses subsidize their vivarium so its researchers have more reasonable rates, allowing more research to be funded. The subsidy from the School of Medicine is currently $287,000 but the Vivarium budget is double the size that it was less than ten years ago. Subsiding with this indirect revenue would allow the Vivarium to operate in the black and to ensure our researchers are able to use the facilities.

Some of the rates at the Anschutz Medical Campus are also affected by a deficit that was created approximately 5 years ago when significant costs were experienced to address some sanitation issues that had developed and during the move from 9th and Colorado Blvd. The rates have been higher that otherwise would have been in order to cover this deficit over time.

Analysis/Background

Instead of following the typical allocation methodology set by Anschutz Medical Campus policy, the Campus is recommending that all new indirect revenue from animal research be retained by the Vivarium and used to avoid any rate increases for mice in FY 14-15. This will be very helpful to researchers on the Campus; these researchers bring many benefits to the Campus in other ways and keeping the rates static will encourage retention. In addition, some of the new indirect revenue will be collected to offset the deficit, providing a long term solution to better rate management. The schools and colleges have agreed to bypass this revenue so these issues can be addressed.

The Campus is recommending that the new F&A rates being assessed on animals be used to help offset the mice per diem increases. This is approximately $266,000. The total estimated revenue for FY 14-15 is $1 million. Also new cages are needed to be purchased for the additional mice that will be coming from the researchers at National Jewish Hospital that are relocating. The estimate for new cages is $535,400. The F&A revenue that is not used to offset rates or to buy cages will be used to reduce the deficit over the next 3 years, which is currently $1.9 million. This results in no policy allocation of this F&A to schools, colleges or central administration, therefore reflects a shared initiative.

Table

Mice per diem offset	$266,000
Cages	$535,400
Reduce deficit of Vivarium	$198,600
TOTAL	$1,000,000

Recommendation

Approve. This proposal will benefit all parties without using state funds or tuition revenue

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Anschutz Medical Campus FY 2014-15 Budget Fact Sheet				
Item	**Option A**	**Percent Change**	**Option B**	**Percent Change**
Addressing Basic Needs	**$3,701,502**	**N/A**	**$3,701,502**	**N/A**

Summary

Based on the current structure and status of the Anschutz Medical Campus base budget, the ongoing funds projected to be generated in the Fiscal Year 2014-15 budget under Option A proposal, after Campus-wide initiatives, should be returned to the Schools and Colleges to address base instructional and operational needs.

Background/Analysis

The Anschutz Medical Campus has sustained over $21 million in state General Fund and tobacco funding cuts over the last five fiscal years. More than half of this amount, $13 million, was addressed by cutting an already thin and over-burdened administrative infrastructure. In addition, the academic health schools received proportionate reductions in their already low state funding allocations, sending most of them even further down the ladder of public schools receiving the lowest state funding in the country. Another $4 million of the cuts were addressed through revenue offsets, and the remaining $4 million is being covered by temporary bridge funding from the President's Office.

Academic health programs are the most expensive education offered by the University. Small class sizes and individual instruction along with high-tech laboratory and clinical education facilities drive the costs of these programs ever higher. As a result, when new enrollments are added to these programs, the incremental instructional costs of bringing on additional students are higher than other academic programs. Even if enrollment were to remain flat, health care still experiences higher inflation than other areas of the economy which affects the cost of education. This means that more of the tuition generated through enrollment growth goes towards instruction costs with less available for investments into campus initiatives or to cover state funding cuts.

In addition, enrollment constraints such as limited clinical placements, accreditation policies, and the availability of high-tech facilities like simulation restrict the University's ability to grow enrollments dramatically as a strategic approach to address state funding reductions. Tuition rate increases, while available as a minor strategy, are limited from a competitive standpoint and also due to the impact they have on driving up already high student debt. Each year, the schools and colleges on the Anschutz Campus set their rates through a precarious decision making process that balances peer competition, needs for academic programs, changes in state funding (e.g., General Fund and tobacco fund reductions), and the impact on students.

Currently the Anschutz Medical Campus has a $4 million deficit in on-going support for its base budget. As mentioned above, this deficit is currently being covered with a five year pledge of bridge funding from the President's initiative fund. Fiscal Year 2014-15 is the last year of that five year pledge. The President pledged these funds as a means to stabilize the impact of the significant funding cuts to the Anschutz Medical Campus that began in FY 2010-11 after the state's backfill of ARRA funding stopped.

The bottom line of all of these factors is that the additional tuition generated by the Anschutz Medical Campus programs over the last five years has gone to cover increased costs for instruction, mandatory cost increases, inflation, and to offset some of the state funding cuts sustained by the campus. Needless to say, tuition is not a strategy that has addressed the campus' loss of state funding or the pressures we face as we look to fund new initiatives.

Some of the uses of the basic needs are, but not limited to:

- School of Dental Medicine will be hiring new faculty and staff for their increased enrollment of 28 as a result of building expansion. There are also additional educational operating costs associated with the new enrollment.
- School of Dental Medicine needs to make technology Investments for the Clinical Electronic Health Record (EHR) needs; IT switches replacement in building; operating budget expansion for information technology in regards to on-site server backup and disaster recovery room; and mobile clinical computing hardware purchases for faculty monitoring of student and patient record data in real-time.
- Salary increases are necessary to retain the high quality personnel currently employed on Campus. Turnover is far more expensive than retention and the schools are working hard to retain excellent faculty members. A number of faculty members have been approached to consider academic positions in other institutions – several are considering offers at this time.
- Investments in FTE in the areas of student recruitment, assessment, instructional technology, student services, clinical affairs, research enterprise diversity and staff support in order to continually improve the school's ability to meet its mission. During recent accreditation self-study activities that are currently underway, a gap analysis was conducted that indicated the need for additional resources in these areas.

Table

Expenses	**Option A**	**Option B**
Addressing Basic Needs	$3,701,502	$3,701,502

Recommendation

Allow these funds to be returned to the schools and colleges so that the basic costs of education can be covered.

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Anschutz Medical Campus FY 2014-15 Budget Fact Sheet				
Item	**Option A**	**Percent Change**	**Option B**	**Percent Change**
Anschutz Tuition and Enrollment	**$5,181,906**	**7.4%**	**None**	

Summary

Each year, schools and colleges on the Anschutz Campus provide enrollment projections to the CU Denver Budget and Finance Office where these projections are reviewed and consolidated. Enrollment constraints including limited statewide clinical placements in the community, accreditation policies, and the availability of specialty classrooms restrict the University's ability to grow health professional enrollments dramatically as a strategic approach to state funding reductions. Since these enrollment decisions are made annually and are widely dependent on outside sources, out year projections are not provided by this Campus.

Tuition rate increases, while having a temperate impact on revenue, are limited from a competitive standpoint as schools assess their market to ensure students will retain interest in the Campus. Each year, the schools on the Anschutz Medical Campus set their rates through a precarious decision making process that balances peer competition, needs for academic programs, changes in state funding (e.g., General Fund and Tobacco Master Settlement funds), and the impact on students' debt. Academic health programs are the most expensive education offered by the University. For FY 14-15, schools and colleges on the Anschutz Medical Campus have proposed program-specific rates based on the market and needs of each program. These are maximum rates that can be lowered if necessary before the start of the term as permitted by Regent Resolution (starting fall 2013). This Campus is not able to manipulate tuition increases to address potential shortfalls, so is not proposing different tuition rates for Option B or for Mandatory Costs. The undergraduate resident rates in the College of Nursing will not exceed 6%.

Analysis/Background

Enrollment

There is one undergraduate degree program offered at the Anschutz Medical Campus, and it is through the College of Nursing. Following a large fall 2012 cohort, enrollment declined expectedly by 13.4% in fall 2013 and returned to a similar level seen in fall 2011. Based on the size of the cohorts currently in the program, the College is projecting enrollment to decrease by a further 5.9% in fall 2014.

There are over 20 graduate and professional programs offered through the six schools and colleges at the Anschutz Medical Campus. Enrollment projections are submitted for each program and residency category. Of particular note are the following programs:

- School of Dental Medicine, Dental Surgery (DDS): The School is projecting an increase of 9.7% for FY 2014-15. Approximately four years ago, the School constructed additional space for the DDS program, allowing for 80 students per new incoming class (up from 52). Beginning in fall 2014, each class level will be at the higher enrollment, and the School is projecting enrollment of 317 students.

- College of Nursing, Nursing RN to BS program: The College of Nursing is in the process of expanding the RN to BS program. Admission cycles will occur twice per year instead of once, and the College is developing relationships with hospitals to encourage enrollment of practicing registered nurses. The College anticipates that the spring 2014 admissions cycle will bring 27 new students into the program, which will ultimately result in enrollment growth of 86.4% in fall 2014. This detail can be seen on the last page.

- Skaggs School of Pharmacy and Pharmaceutical Sciences, PhD Programs: The Skaggs School of Pharmacy and Pharmaceutical Sciences has recently recruited several new faculty members who will mentor graduate students, and are therefore able to recruit additional graduate students. The School anticipates enrollment growth of 8.0% in FY 2014-15 in these programs.

Please see the following table for enrollment projections for each school and college (please see last page for more detail):

Headcount	Fall 2011 Census	Fall 2012 Census	Fall 2013 Census	Fall 2014 Projection
School of Medicine	953	962	963	1,010
Change	-	9	1	47
% Change	-	0.94%	0.10%	4.88%
School of Dental Medicine	234	261	289	317
Change	-	27	28	28
% Change	-	11.54%	10.73%	9.69%
College of Nursing	832	872	819	834
Change	-	40	(53)	15
% Change	-	4.81%	-6.08%	1.83%
Skaggs School of Pharmacy and Pharmaceutical Sciences	688	698	678	679
Change	-	10	(20)	1
% Change	-	1.45%	-2.87%	0.15%
Colorado School of Public Health	487	520	561	585
Change	-	33	41	24
% Change	-	6.78%	7.88%	4.28%
Graduate School	362	381	396	409
Change	-	19	15	13
% Change	-	5.25%	3.94%	3.28%
Anschutz Medical Campus Total	3,556	3,694	3,706	3,834
Change	-	138	12	128
% Change	-	3.88%	0.32%	3.45%
Total Resident	2,904	3,006	2,995	3,082
Change	-	102	(11)	87
% Change	-	3.51%	-0.37%	2.90%
Total Nonresident	652	688	711	752
Change	-	36	23	41
% Change	-	5.52%	3.34%	5.77%

Tuition

Each school and college at the Anschutz Medical Campus proposes tuition rates individually for each program offered, weighing peer competition, needs for academic programs, changes in state funding, and impact on students. For FY 2014-15, notable rate changes are:

- All Graduate School programs (excluding MS Modern Human Anatomy): Resident tuition increase of 36.0% (+$67 per credit hour) and nonresident increase of 9.9% (+$66 per credit hour). As almost all of these Graduate School students are fully supported by grants, institutional funds or tuition waivers, the tuition increase will be used for direct student support (maintaining a first year class of 50 PhD students) and program support. These tuition rates also apply to students in years 1 and 2 of the Medical Scientist Training/PhD program in the School of Medicine.

- School of Public Health, MS Biostatistics, Epidemiology, Health Services Research: Resident tuition increase of 9.0%. There is currently a wide price disparity between Master of Science programs and the Master of Public Health for resident students. The School is proposing a 9.0% increase to the MS tuition rate to begin to close this variance.

Please see the following table for tuition estimates for each school and college:

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FY 2014-15 Anschutz Medical Campus Proposed Tuition Rates By School and College, By Degree Program	FY 2013-14 Rates		FY 2014-15 Proposed Rates		Change	
	Resident	Non	Resident	Non	Resident	Non
School of Medicine						
Doctor of Medicine, MD	$33,663	$59,618	$34,673	$60,628	3.0%	1.7%
Medical Scientist Training/PhD	$186	$669	$253	$735	36.0%	9.9%
Doctor of Physical Therapy, DPT	$440	$1,012	$467	$1,042	6.1%	3.0%
Child Health Associate Physician Assistant, MPAS	$357	$773	$364	$788	2.0%	1.9%
MS Genetics	$557	$1,088	$557	$1,088	0.0%	0.0%
MS Anesthesiology	$470	$670	$470	$670	0.0%	0.0%
School of Dental Medicine						
Doctor of Dental Surgery, DDS	$30,889	$56,192	$32,125	$57,428	4.0%	2.2%
College of Nursing						
BS Nursing	$360	$819	$382	$868	6.0%	6.0%
RN to BS Nursing	$350	$475	$368	$490	5.1%	3.2%
MS Nursing	$520	$990	$560	$1,020	7.7%	3.0%
Doctor of Nursing Practice, DNP	$520	$990	$560	$1,020	7.7%	3.0%
PhD Nursing	$500	$990	$525	$1,020	5.0%	3.0%
Post Master Certificate	$520	$990	$560	$1,020	7.7%	3.0%
School of Pharmacy						
Doctor of Pharmacy, PharmD	$24,614	$38,891	$25,599	$39,280	4.0%	1.0%
PhD Pharmaceutical Sciences or Toxicology	$146	$631	$148	$637	1.4%	1.0%
School of Public Health						
Master of Public Health, MPH	$674	$1,215	$708	$1,276	5.0%	5.0%
MS Biostatistics, Epidemiology, Health Services Research	$443	$1,215	$483	$1,276	9.0%	5.0%
PhD and Doctor of Public Health, DrPH	$421	$1,068	$442	$1,121	5.0%	5.0%
Certificate/Non Degree	$674	$1,215	$708	$1,276	5.0%	5.0%
Graduate School						
MS Clinical Science	$186	$669	$253	$735	36.0%	9.9%
MS Modern Human Anatomy	$630	$1,025	$655	$1,066	4.0%	4.0%
PhD Basic Sciences	$186	$669	$253	$735	36.0%	9.9%
Non-Degree	$186	$669	$253	$735	36.0%	9.9%

MD, DDS, and PharmD are annual rates; All others are per credit hour

Expenditure Strategy

The revenue mix at the Anschutz Medical Campus is challenging with tuition and state funding providing the smallest percentage of mission-based revenue, and completely restricted clinical and research revenues providing the largest sources of funding. Unlike most other schools of medicine, the Anschutz Medical Campus leverages a significant portion of clinical practice funds to support the academic and research missions of the School in the absence of sufficient General Fund. Research grants make up a much larger portion of the revenue than on a traditional campus, but these restricted funds are earmarked for specific research projects and cannot be used for other purposes.

Due to modest tuition growth and new state funds, some campus-wide initiatives are proposed. The remaining funds are required to address basic needs in the schools and colleges.

Recommendation

Approve the proposed changes for each program, setting them as a maximum and thereby allowing schools and colleges to decrease tuition before the start of the term if feasible.

FY 2014-15 Anschutz Medical Campus Enrollment Projection

By School and College, By Degree Program	Fall 2013 Census			Fall 2014 Projection			Change Projection over Census		As of February 3, 2014
	Resident	Non	Total	Resident	Non	Total	Resident	Non	Total
School of Medicine	**766**	**197**	**963**	**798**	**212**	**1,010**	**4.2%**	**7.6%**	**4.9%**
Doctor of Medicine, MD	448	150	598	463	165	628	3.3%	10.0%	5.0%
Medical Scientist Training, PhD	26	7	33	25	8	33	-3.8%	14.3%	0.0%
Doctor of Physical Therapy, DPT	159	22	181	169	21	190	6.3%	-4.5%	5.0%
Child Health Associate Physician Assistant, MPAS	118	14	132	118	14	132	0.0%	0.0%	0.0%
MS Genetics	8	4	12	8	4	12	0.0%	0.0%	0.0%
MS Anesthesiology	7	0	7	15	0	15	114.3%	-	114.3%
School of Dental Medicine									
Doctor of Dental Surgery, DDS	**219**	**70**	**289**	**240**	**77**	**317**	**9.6%**	**10.0%**	**9.7%**
College of Nursing	**756**	**63**	**819**	**771**	**63**	**834**	**2.0%**	**0.0%**	**1.8%**
BS Nursing	359	30	389	337	29	366	-6.1%	-3.3%	-5.9%
RN to BS Nursing	42	2	44	79	3	82	88.1%	50.0%	86.4%
MS Nursing	246	20	266	246	20	266	0.0%	0.0%	0.0%
Doctor of Nursing Practice, DNP	61	1	62	61	1	62	0.0%	0.0%	0.0%
PhD Nursing	35	10	45	35	10	45	0.0%	0.0%	0.0%
Post Master Certificate	13	0	13	13	0	13	0.0%	-	0.0%
School of Pharmacy	**560**	**118**	**678**	**563**	**116**	**679**	**0.5%**	**-1.7%**	**0.1%**
Doctor of Pharmacy, PharmD	537	91	628	538	87	625	0.2%	-4.4%	-0.5%
PhD Pharmaceutical Sciences or Toxicology	23	27	50	25	29	54	8.7%	7.4%	8.0%
School of Public Health	**488**	**73**	**561**	**510**	**75**	**585**	**4.5%**	**2.7%**	**4.3%**
Master of Public Health, MPH	286	41	327	300	43	343	4.9%	4.9%	4.9%
MS Biostatistics, Epidemiology, Health Services Research	23	4	27	24	4	28	4.3%	0.0%	3.7%
PhD and Doctor of Public Health, DrPH	46	10	56	48	10	58	4.3%	0.0%	3.6%
Certificate/Nondegree	133	18	151	138	18	156	3.8%	0.0%	3.3%
Graduate School	**333**	**63**	**396**	**332**	**77**	**409**	**-0.3%**	**22.2%**	**3.3%**
MS Clinical Science	41	1	42	40	1	41	-2.4%	0.0%	-2.4%
MS Modern Human Anatomy	18	5	23	30	6	36	66.7%	20.0%	56.5%
PhD Basic Sciences	250	54	304	237	65	302	-5.2%	20.4%	-0.7%
Non-Degree	24	3	27	25	5	30	4.2%	66.7%	11.1%
Anschutz Medical Campus	**3,122**	**584**	**3,706**	**3,214**	**620**	**3,834**	**2.9%**	**6.2%**	**3.5%**

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System Administration FY 2014-15 Budget Fact Sheet				
Item Description	**FY 2015 Request**	**Percent Change**	**FY 2016 Annual Cost**	**Percent Change**
DARS Upgrade to u.Achieve	**$140,000**		**$0**	

Summary
The Degree Audit Reporting System (DARS) provides students and advisors with an easy-to-read progress report that allows for "what if" planning and creates a clear picture of the degree requirements necessary for graduation.

Background
The DARS application is currently using a version that was established during the ISIS project several years aso. Although the product is still supported by the vendor, there is an expectation of a vendor announcement regarding end-of-life on our product in the next 18-24 months.

Analysis
Multiple application versions have come out in recent years, enabling more functionality for our user base, to include enhanced batch audit functionality and user interfaces. This upgrade further supports the educational mission of CU and UIS in providing the best technology to functionally enhance the experience of students and administration.

The budget request would support using consultants from CollegeSource, which own the DARS product line, to complete the upgrade. This approach is more cost effective, faster, and less risky than training and deploying UIS technical staff to complete the project.

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System Administration FY 2014-15 Budget Fact Sheet				
Item Description	**FY 2015 Request**	**Percent Change**	**FY 2016 Annual Cost**	**Percent Change**
Data Continuity	**$900,000**		**$25,000**	

Summary

UIS Data Continuity will enable offsite, automated enterprise data backup management to prevent the loss, and speed the recovery, of business critical data in the event of a catastrophic event whether weather (ex. tornado or flood) related or human related (ex. cyber-attack or compromised physical security).

Background

Scope: Automated backup and restore capability to support production environments for:

- PeopleSoft CS, HRMS, FIN (excludes Oracle databases which are currently backed up through existing Oracle licenses)
- Online Application Offering (OAO)
- System Administration (UIS, PSC, OUC, ES…) services including user/department file shares, Legal files, Microsoft SharePoint, Singularity document management, and Microsoft SQL Database systems (fsaAtlas Teammate, Onbase and ImageNow document management, URM).

Issue: These backups are currently done through point-in-time copies of the full system (called snapshots), which are taken daily and retained for 2 weeks. Depending on scope of system failure, manual recovery could take days and be at significant risk of technology/human error.

Solution: Implement automated replication and backup/restore through enterprise software purchases while adding storage capacity to existing Hitachi SANs to house the backups.

Note: This project is the next step in the multi-year UIS program to complete UIS Service Continuity with the objective of enabling the recovery of enterprise UIS services within 24 hours of catastrophic event. Depending on the scope of the catastrophic event, without UIS Service Continuity in place, recovery for services such as student administration (admissions, registration, financial aid, etc.), research administration, HR and Payroll, and Finance, could take weeks during which time the University would be unable to operate administratively.

Analysis

Components:

- Enterprise Data backup/restore management software - $340,000
- Hitachi SAN Storage Expansion to support additional backup space requirements - $410,000
- Hitachi SAN (hosting.com) to SAN (eFort) replication software licenses - $150,000
- Annual Maintenance for Enterprise Data backup software - $25,000

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System Administration FY 2014-15 Budget Fact Sheet				
Item Description	**FY 2015 Request**	**Percent Change**	**FY 2016 Annual Cost**	**Percent Change**
Firewall Security Improvement	**$607,000**		**$50,000**	

Summary

Firewalls are hardware/software devices which protect UIS enterprise applications and data from unauthorized access from the internet. Intrusion protection enables UIS to identify and prevent or remediate fraudulent or malicious access to UIS systems and data.

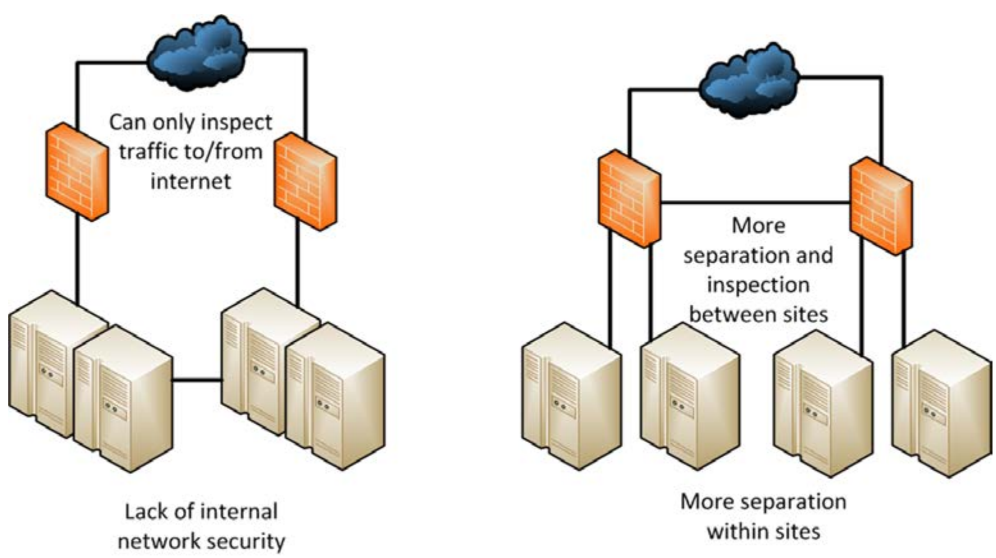
In addition to the critical transaction data associated with UIS enterprise applications, UIS houses Personally Identifiable Information (PII) related to approximately three million individuals such as applicants, students, parents, faculty and staff. While UIS has basic protections in place, this improvement is required to further protect these systems and this critical data.

Background

This will improve security of CU data managed by UIS through right-sizing the current Firewall/Intrusion prevention platform to allow for more segmentation of data. This will allow UIS to better manage access to sensitive data by application or site (for example, not every employee at 1800 Grant Street needs network access to the UIS Datacenter that houses our application development environments). Also, this will allow us to enable intrusion inspection/prevention at critical internal locations to better determine if each use of the systems and data is appropriate or malicious and to respond quickly to protect UIS systems and data.

Analysis

- Intrusion prevention software licenses - $204,000
- Firewall hardware right-size for production and development datacenters - $403,000
- Annual Hardware/Software Maintenance - $50,000 (recurring)



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System Administration FY 2014-15 Budget Fact Sheet				
Item Description	**FY 2015 Request**	**Percent Change**	**FY 2016 Annual Cost**	**Percent Change**
Internal Audit	**$291,853**	**19%**	**$292,630**	**15%**

Summary

In consultation with the Chair of the Regent Audit Committee, Internal Audit is making a continuing budget request for two professional exempt positions to be added to the department over two years and market adjustments and incentives for existing auditors. Also included is an increase to operating budgets for conference registrations and travel for staff continuing education.

Analysis/Background

Internal Audit has been staffed at between 10 and 12 positions since FY2009. During that time, Internal Audit had a 13th authorized but unfilled position due to budget considerations. The risks facing the university have grown substantially since 2009, most notably in the area of information technology. At this time, the department has three approved IT audit positions. Our assessment is that this level of staffing will not be adequate to address current and future technology risks. Therefore, Internal Audit is requesting two additional IT Audit positions be added to the existing headcount.

Under the department of Internal Audit charter, internal audit personnel are required to hold and maintain professional audit related certifications. It is a retention and a recruiting issue for this department to be able to offer quality continuing professional education to help meet the minimum requirements to maintain those certifications. Since FY2010, Internal Audit has attempted to sustain these training needs through no-cost webinars, low-cost local chapter meetings and the no-cost education offered through the Office of the University Controller. However, these options are not sufficient to meet the audit-specific technical training requirements to keep the staff current on the tools, techniques and ideas that are necessary to address the risks facing the university.

Table

Description	FY 2015	FY 2016
Audit Manager	$88,000	$100,000
Market/ Incentive	$105,733	$125,100
Benefits@ 30%	$58,120	$67,530
Operating	$40,000	
Total	**$291,853**	**$292,630**

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System Administration FY 2014-15 Budget Fact Sheet				
Item Description	**FY 2015 Request**	**Percent Change**	**FY 2016 Annual Cost**	**Percent Change**
Campus Attorneys	**$201,227**		**$201,227**	

Summary

Campus attorney positions were reduced from FY 2009 to FY 2011. In addition, some attorneys have left the University for other positions. Open positions have been filled in recent years with lower level attorneys. As a result, legal services for campus constituents have been delayed or denied. This request is meant to address the unmet need for campus legal services.

Background

The campus counsel attorneys advise campus constituents on subjects critical to a major research institution, including employment law, contract law and real property law. In addition, campus counsel offices represent the campuses in State Personnel Board administrative hearings and minor court cases.

Legal issues have been expanding over the past several years, with a commensurate increase in attorney workload. Some lower priority demands are being delayed, resulting in increased exposure due to regulatory or statutory noncompliance.

Table

Proposed New Positions	
UCCS Research Counsel Salary	$46,395
UCB Research Counsel Salary	46,395
UCD Assistant Counsel Salary	62,000
TOTAL NEW POSITIONS SALARY	**154,790**
Add 30% for benefits	46,437
Total FY 14-15 New Positions	**201,227**

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System Administration FY 2014-15 Budget Fact Sheet					
Item	**FY 2015 Request**	**Percent Change**		**FY 2016 Annual Cost**	**Percent Change**
Refinance SWICAP	**$100,000**			**$0**	

Summary

Refinance SWICAP increase from PSC Projects to ICCA.

Background

As a result of flexibility legislation in FY 2012, higher education is no longer under state purchasing rules. As a result, we were able to negotiate separate rebate contracts with our procurement card provider and other vendors. In prior years the state gave us a credit against our Statewide Allocation plan. We no longer receive this credit of just under one million dollars. The increased SWICAP, the amount of lost credit, is now charged against the rebates we receive directly.

We are transitioning these costs onto ICCA at $100,000 per year. The rebate revenue stream is not guaranteed and if it were to go away or decrease dramatically, an additional $700,000 of SWICAP would have to be absorbed by ICCA with a negative impact on the budget.

Table

SWICAP Transition:	
FY 2015	$100,000
Pending Future SWICAP Planned Transition:	
FY 2016	$100,000
FY 2017	$100,000
FY 2018	$100,000
FY 2019	$100,000
FY 2020	$100,000
FY 2021	$100,000
FY 2022	$100,000

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System Administration FY 2014-15 Budget Fact Sheet						
Item Description		**FY 2015 Request**	**Percent Change**		**FY 2016 Annual Cost**	**Percent Change**
Technology Currency for FY2015		**$127,000**			**TBD**	

Summary
Technology Currency is the periodic replacement of production UIS hardware, which reaches end-of-life and/or is unsupported. Replacement is required to ensure the ongoing availability and reliability of UIS services. Failure to maintain technology currency significantly increases the likelihood of UIS service outages and should be considered a 'cost of doing business.'

Background
Specific hardware components within the UIS technology infrastructure reach their end-of-life (EOL) in FY2014. These devices have been in service more than five years. At EOL, UIS will not be able to renew support contracts with the manufacturers on these platforms for software bug-fixes, software updates, technical support, and hardware failure replacement. A hardware or software failure at that point will result in an outage until new hardware can be purchased and installed.

- The four current Load Balancers in the UIS Datacenters, which handle all user traffic to/from UIS enterprise applications, are end-of-life (EOL) in December of 2014.
- Eleven Cisco network switches across eight System Administration sites will be end-of-life in 2014. These sites include: 1800 Grant Street, Hosting.com Datacenter, eFort Datacenter, Coleman Institute, Government Relations Office, 924 Broadway, University Risk Management, and the Technology Transfer Office.

Analysis

UIS recommends replacing them with current hardware to maintain service levels.
- Load Balancer replacement: $80,000
- Cisco switch replacement: $47,000

Note: There is no change in annual maintenance costs, as it is the same cost as in the existing budget

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Campus FY 2014-15 Budget Fact Sheet				
Item Description	**FY 2015 Request (includes benefits)**	**Percent Change**	**FY 2016 Annual Cost**	**Percent Change**
Contracts Administrator position	**$77,400**	**100%**		

Summary

A third Contracts Administrator position is needed in the Procurement Service Center (PSC) in order to manage the additional workload if contracts less than $5,000 in value are to be administered by the PSC timely and efficiently.

Background

Effective July 1, 2011, University Fiscal Procedures were changed to allow authorized personnel in campus departments to sign, without alteration, procurement contracts less than $5,000 in value. This change was intended to improve efficiency and allow these low dollar and low risk contracts to be processed quickly at the department level.

This change did not produce the anticipated efficiencies. Despite training and documentation, there is ongoing confusion at the campus level as to whom may sign these agreements and concern about perceived risks. Many of these contracts are being routed through University Counsel for review and revision.

The PSC was staffed with three (3) contracts administrators. Since approximately one-third of the contracts we manage are less than $5,000 in value, when one of the Contracts Administrators retired, that position was not replaced. The funds from that position were reallocated to campus needs through the Facilities & IT Commodity Manager positions.

Analysis

To alleviate confusion among campus departments and relieve University Counsel from reviewing these low dollar contracts, it has been determined that the best solution is to once again have these contracts routed to the PSC for review and amendment. To accomplish this, the University Fiscal Procedures will need to be revised and a third Contracts Administrator position will need to be funded within the PSC.