



MSU Denver Budget 101

Reimagine possible

March 2020

Prepared by the Budget Office

Components of Operating Budget

E&G:

- Tuition
- State Support
- Program Fees
- ICRs
- Other Than Tuition Revenue



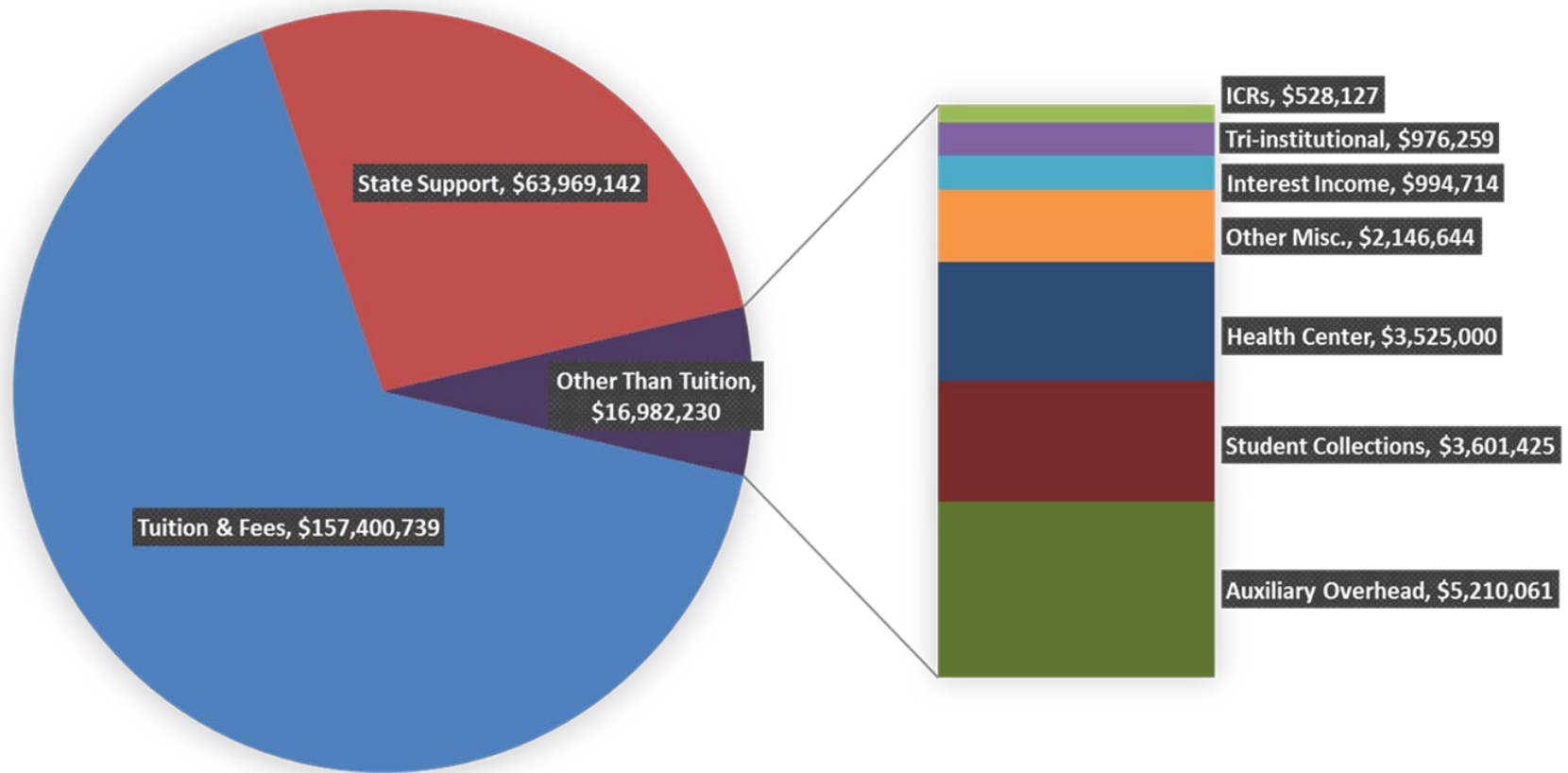
Auxiliaries:

- Student Fees
- Graduate Programs & Other Cash Academic Programs
- Business Activities: Health Center



Phase II Operating Budget-Sources of Money

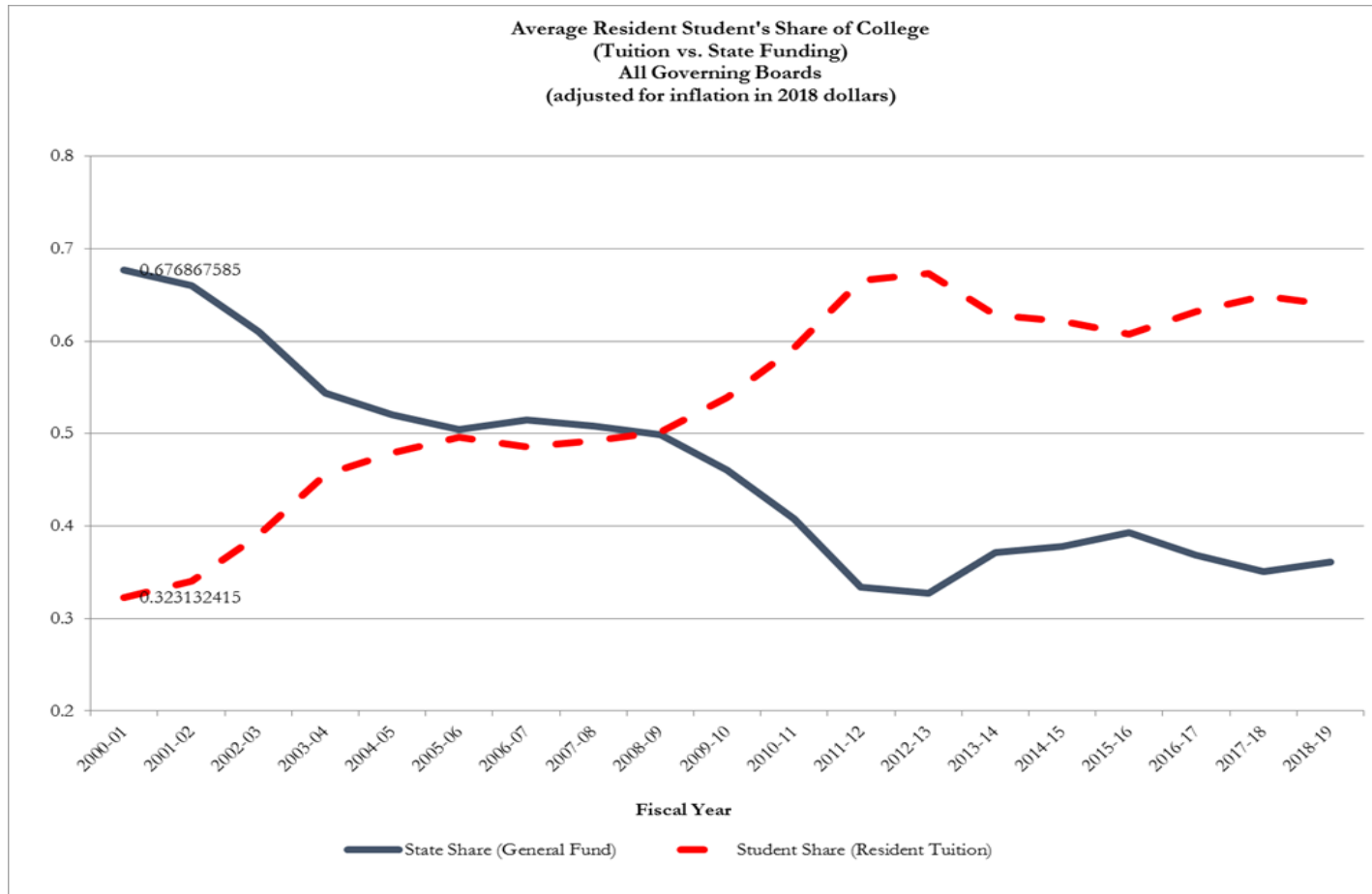
Total Operating Budget of \$238,352,111



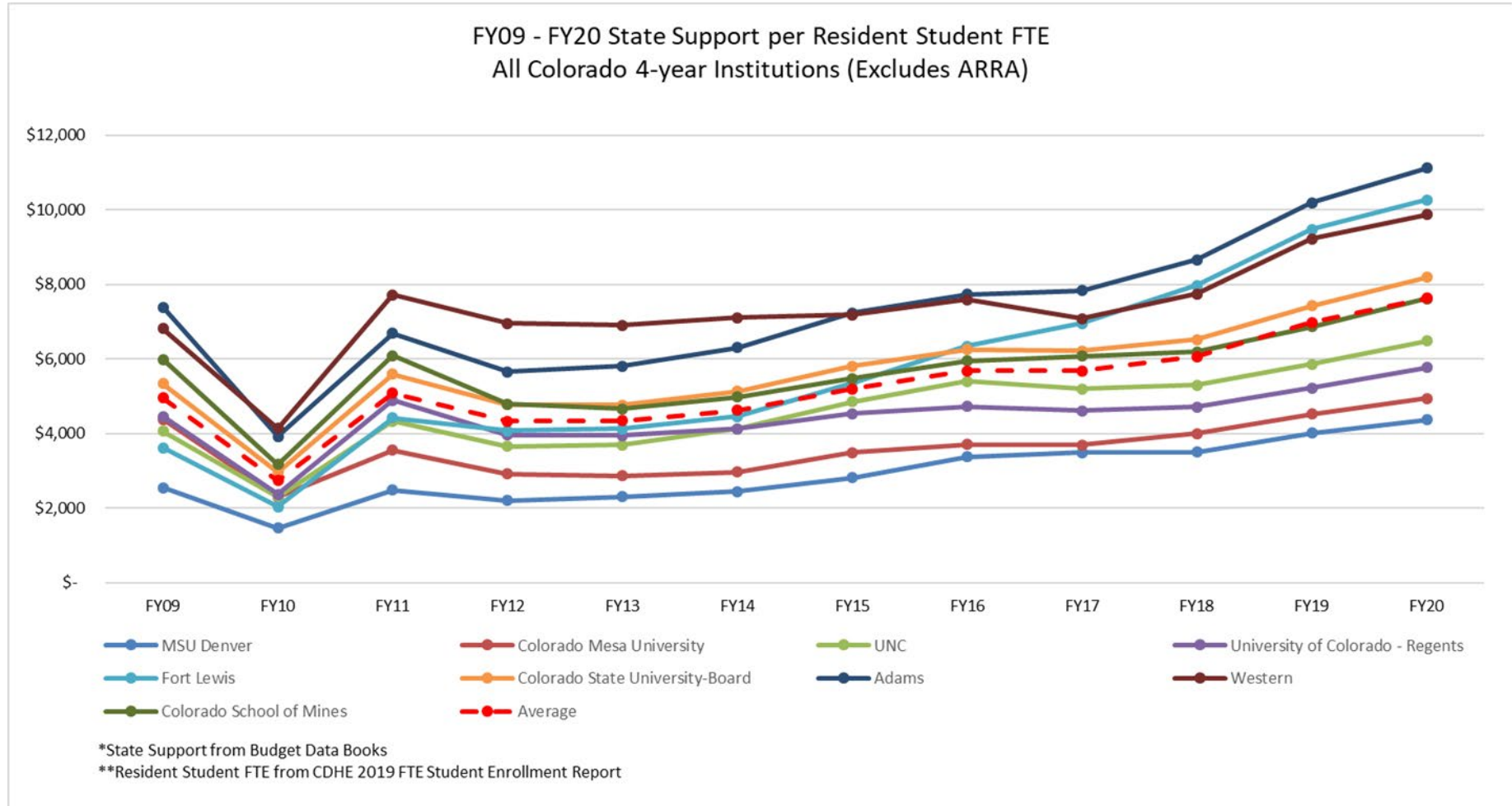
Colorado Funding Shifted from State to Student

Student's share of college has increase from around 32% to nearly 68% since 2000

Although efforts have been made to increase funding, Colorado is still ranked 49th in the US for funding per Student FTE

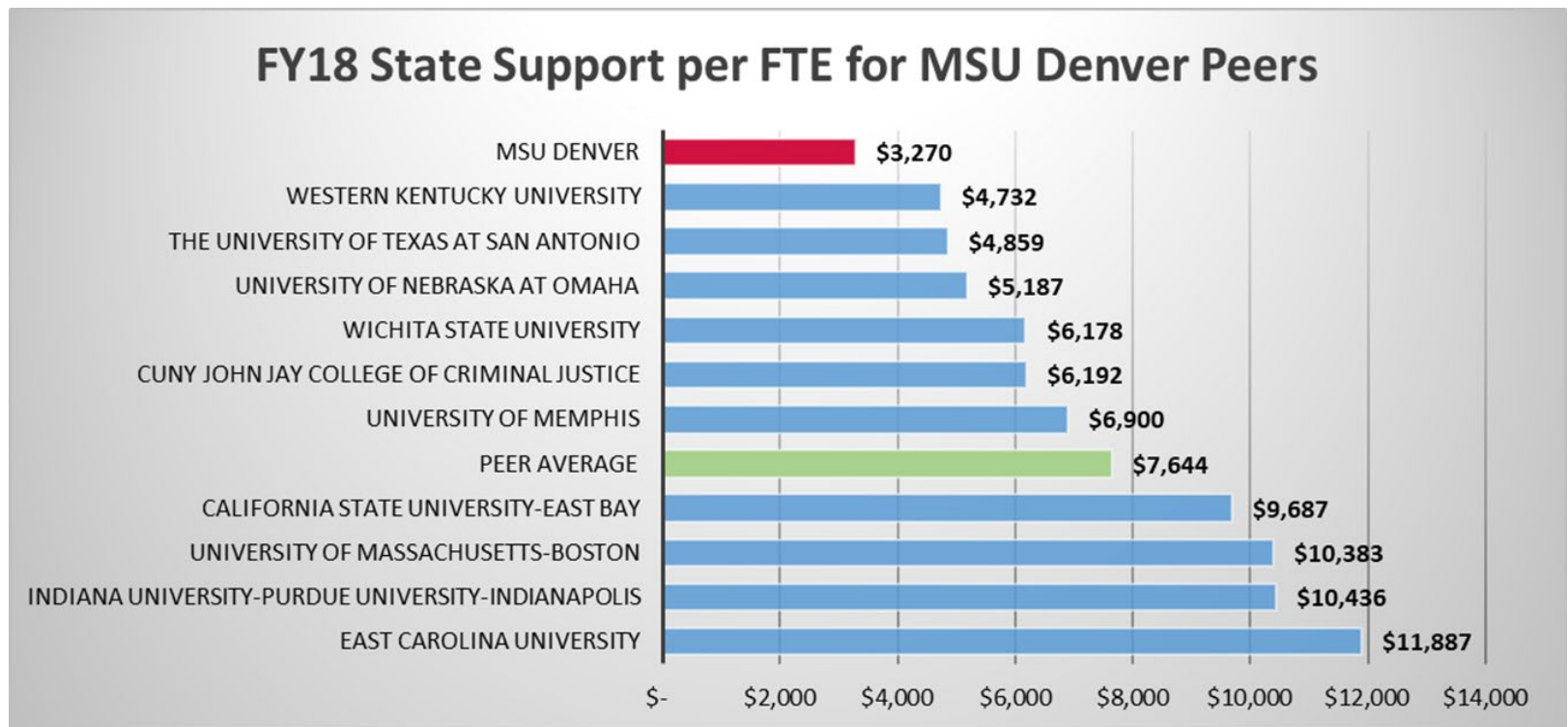


MSU Denver receives lowest funding in Colorado per student FTE

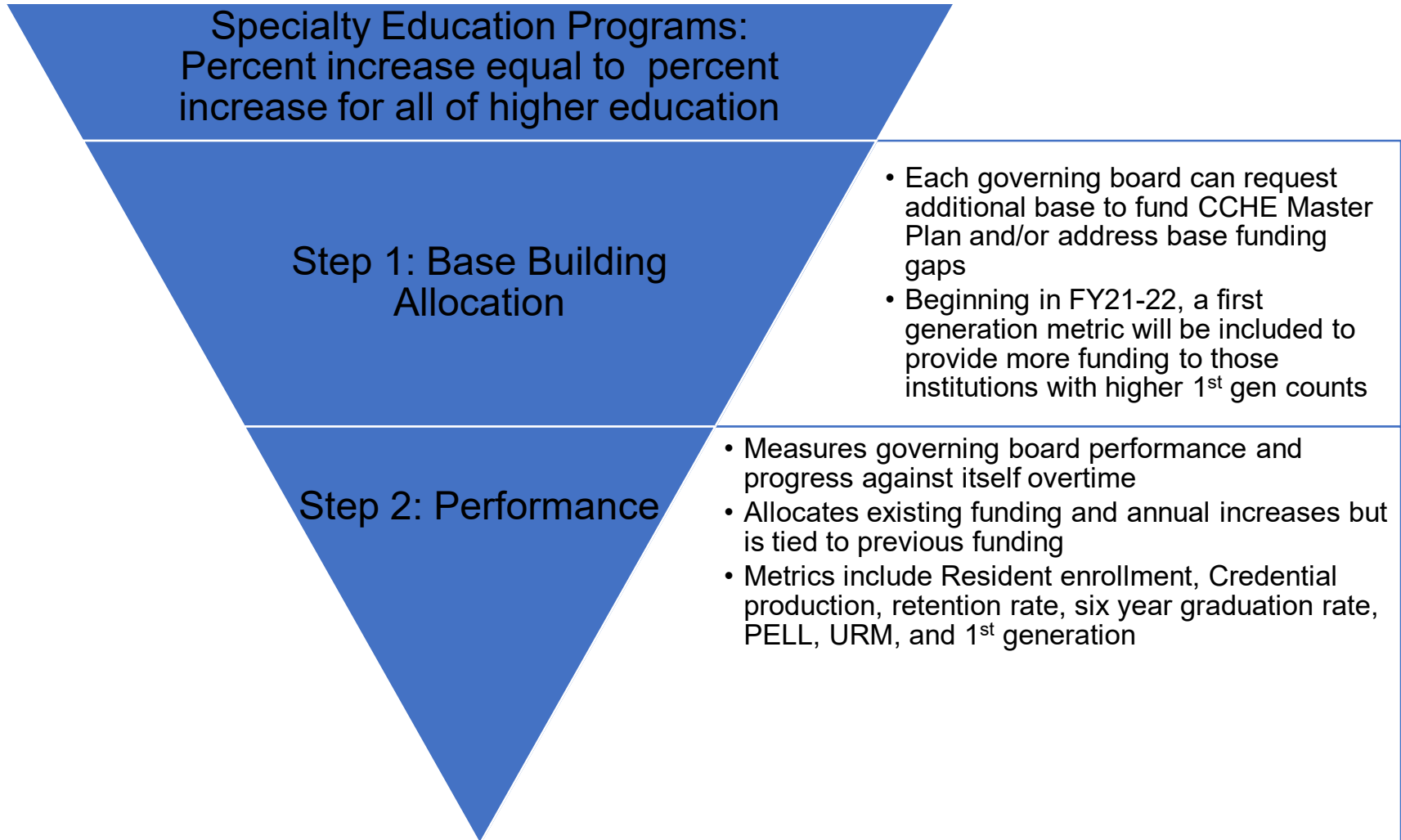


Peer Comparison: FY18 State Support per Student FTE

As of FY18, MSU Denver was \$4,375 below the average per FTE state funding for our recently established peers or, **on average, \$.43 for every dollar our peers receive**

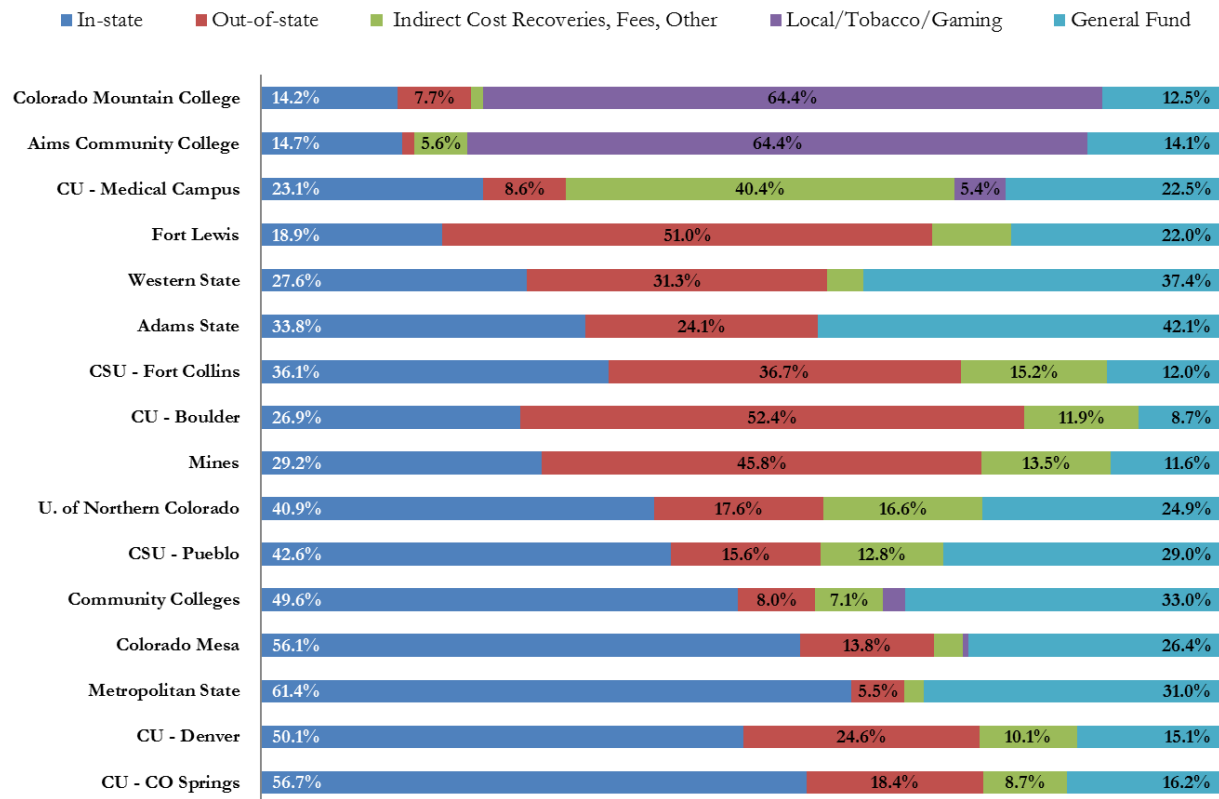


Proposed Funding Formula



Lower state funding per student FTE = higher reliance on tuition revenue compared to Colorado institutions.

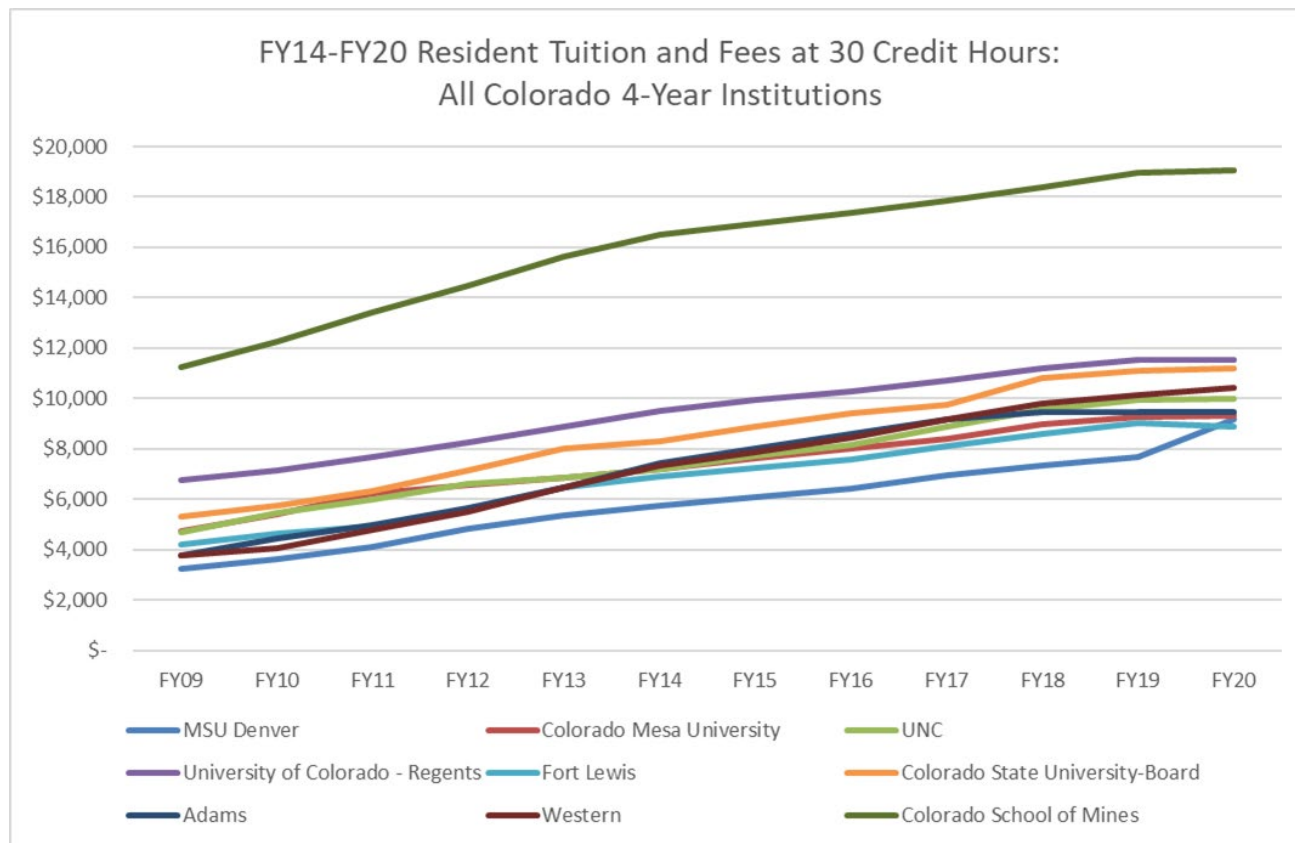
Proportion of Funding from Students vs the State FY 2017-18



Graph is from JBC December 2018 Briefing document.

Resident Tuition and Fee Rates

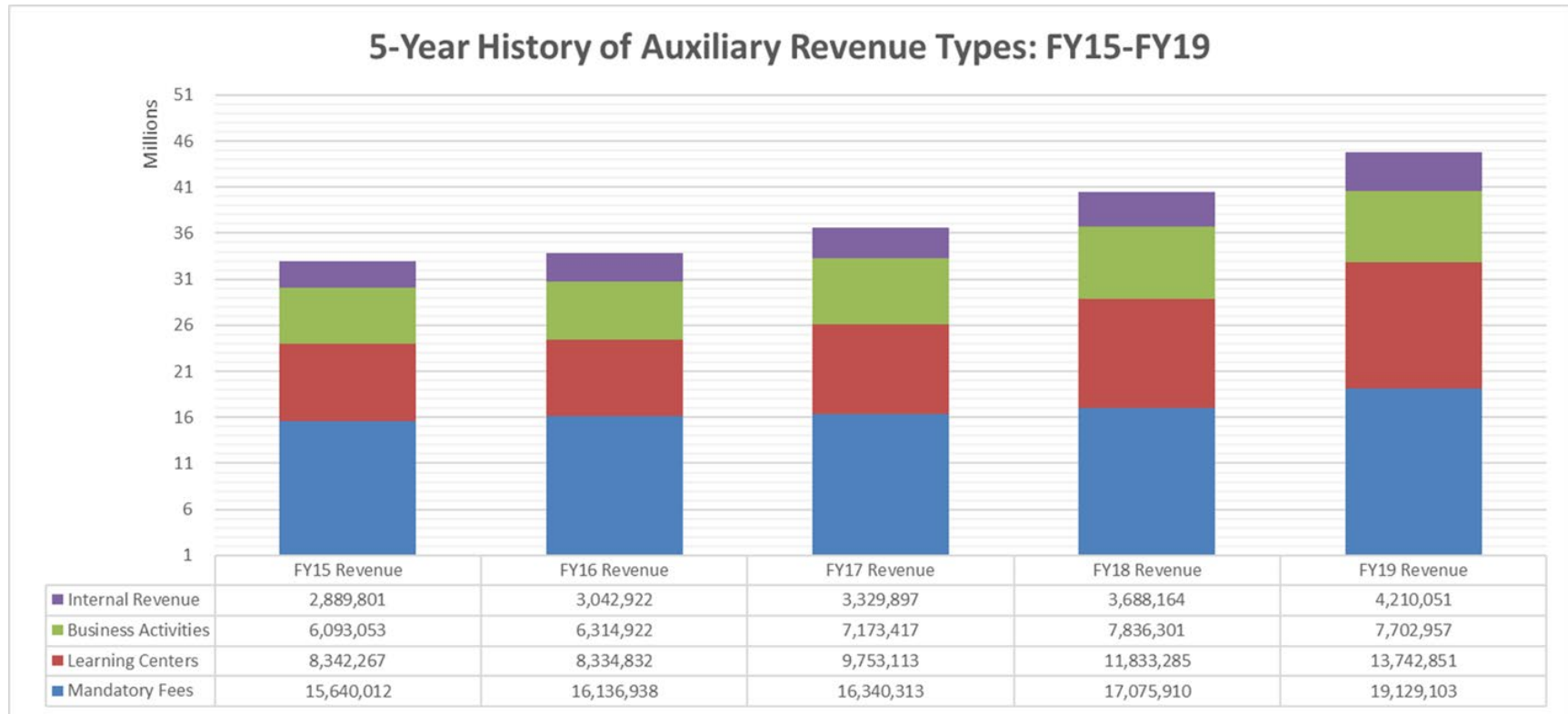
- Although we are tuition dependent, MSU Denver has consistently been the most affordable university in the Denver metro area.
- In FY20, with the partial closing of the window, became second most affordable in the state of Colorado



Auxiliary Revenue

Auxiliary revenue has grown over the last 5 years but the majority of that is related to cash funding academic programs (learning centers) and new fees.

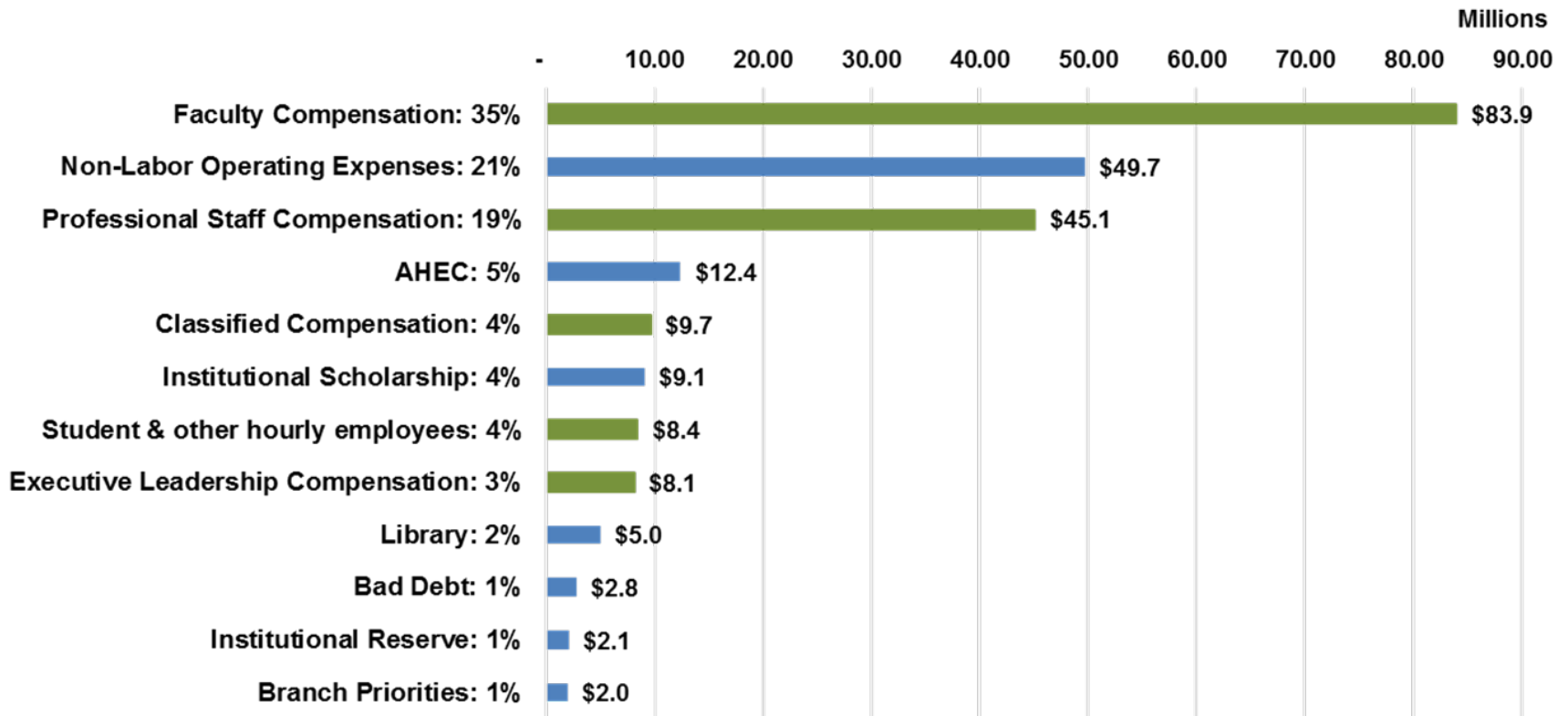
AHEC model limits the University's ability to generate traditional Auxiliary revenue.



FY2019-20 Ph. II Uses of Money

Base Operating Allocations

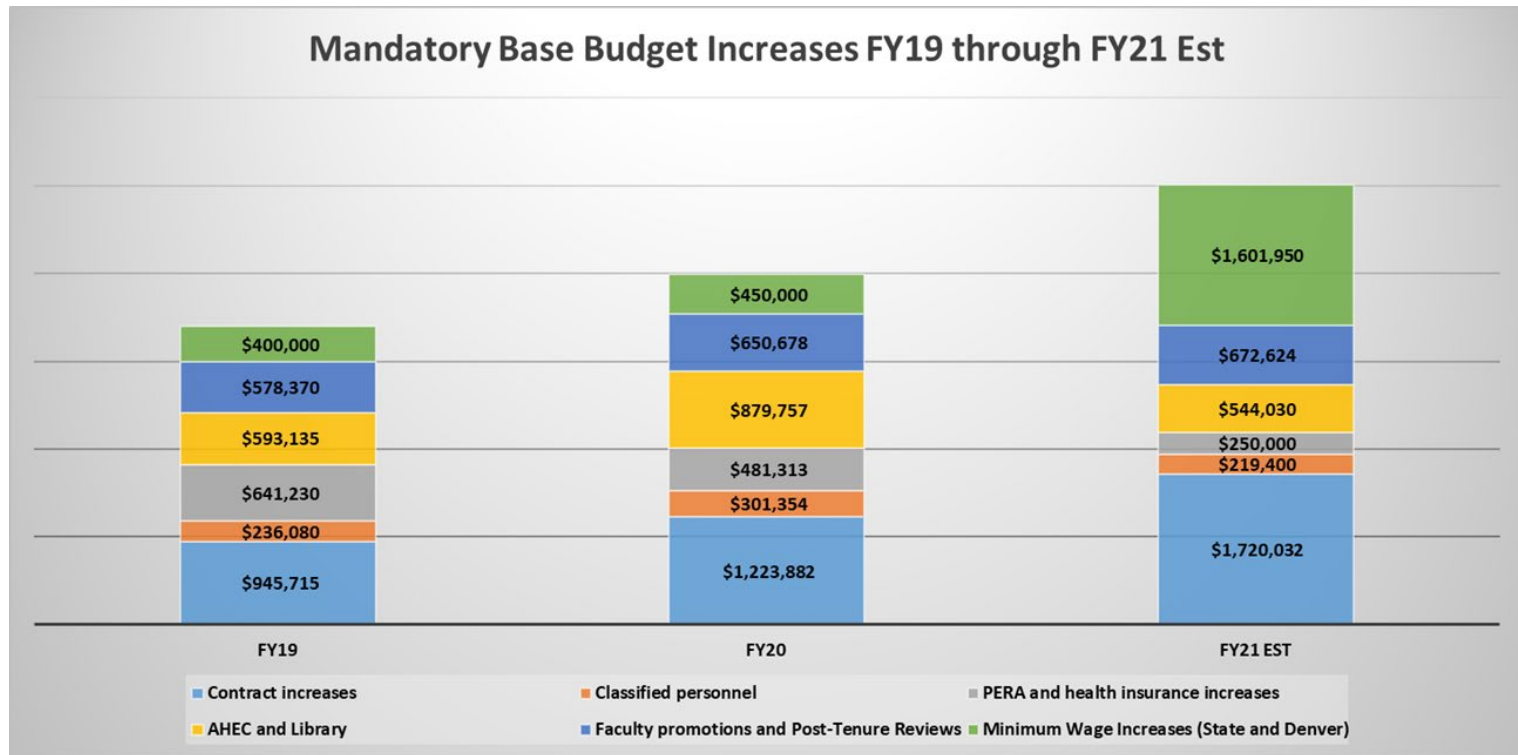
Total of \$238,352,111



Mandatory Allocations

Mandatory: increased costs that are mandated by an outside entity like the Federal or State Government, a Health Care provider, or Campus agreements.

- The University has no authority in determining the increases but is required to implement them.
- About \$4 million mandatory increases each year



Compensation

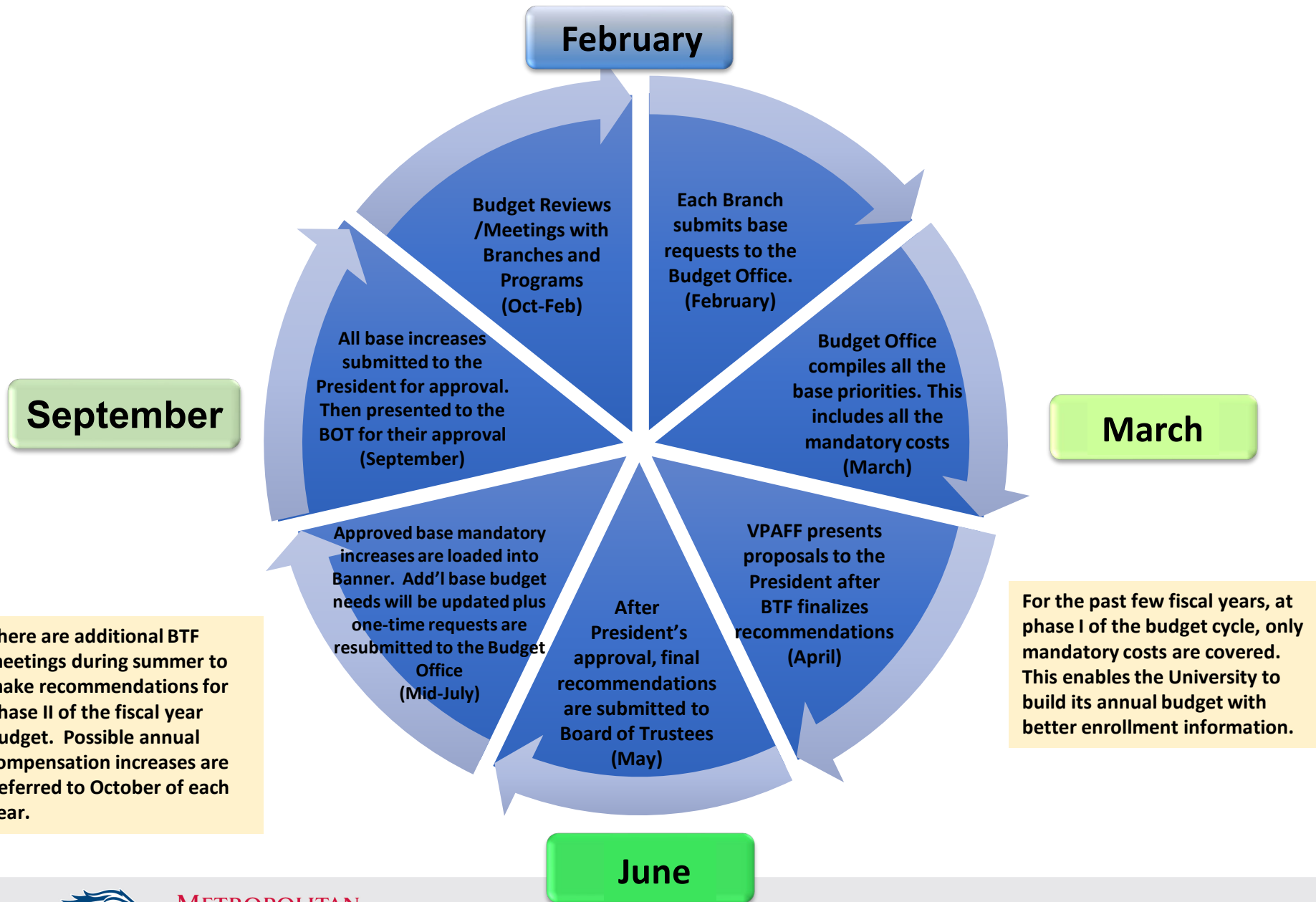
	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	5 year Total
						Estimation	
Spring CPI - All items	1.18%	2.77%	3.39%	2.73%	1.92%	1.92%	12.74%
Salary increase %:							
1 Faculty ATB	2.00%	1.50%	2.00%	1.00%	0.00%	3.00%	7.500%
2 Professional Staff (Administrators) ATB	2.00%	1.00%	2.00%	1.00%	0.00%	3.00%	7.00%
3 Classified ATB & Merit	3.50%	2.00%	0.00%	2.50%	3.00%	3.00%	10.50%

- Across-the-board increases have not been able to keep pace with inflation because of limited resources
- However, the University also maintains a minimum salary amount for each position
 - For faculty, the minimum is tiered between 94% to 100% of the CUPA average depending on years of service
 - Administrators were previously at 92% of the CUPA average but will be using a different compensation system beginning in FY21

Questions?

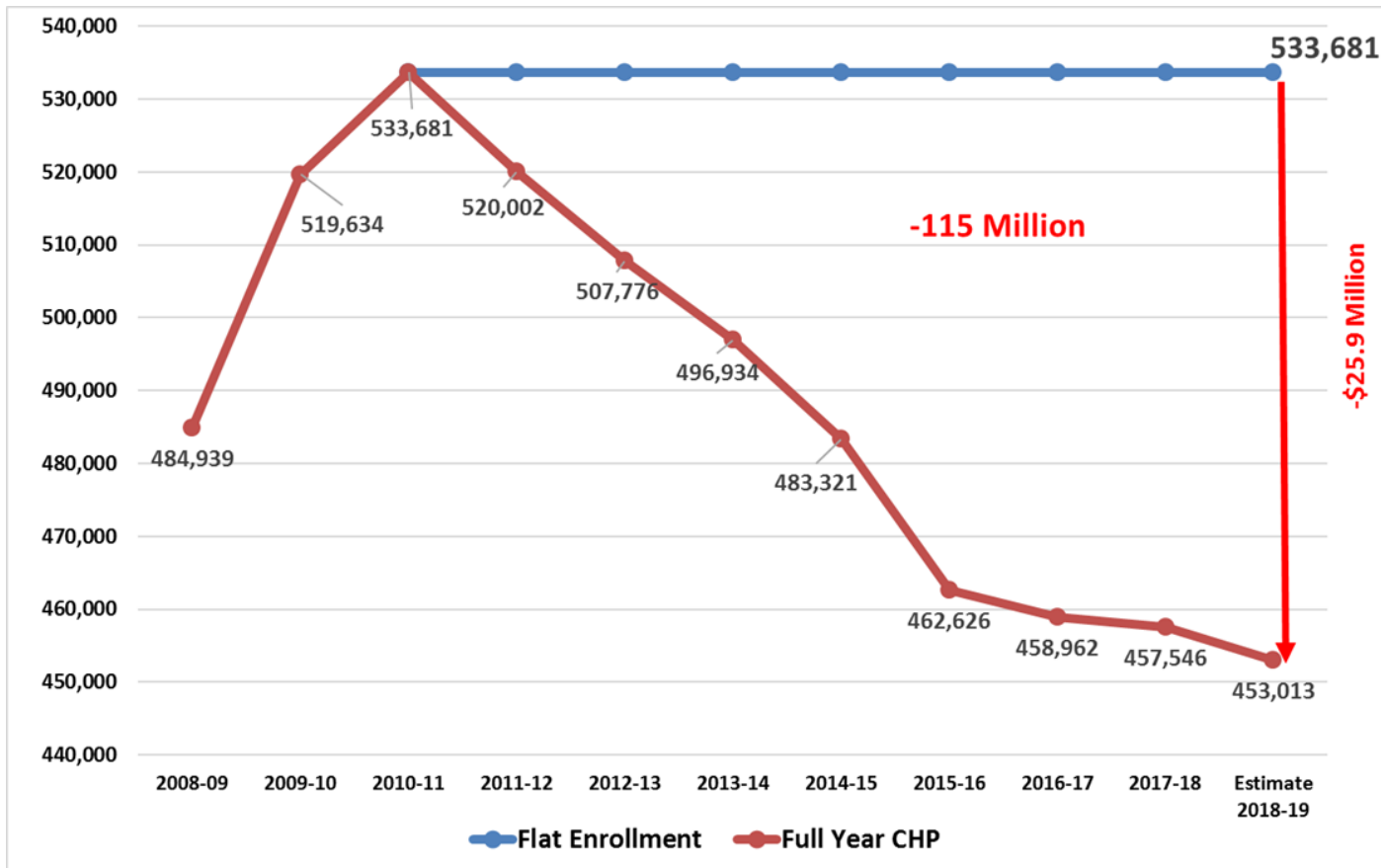


Budget Cycle



Enrollment History & Revenue Lost

- In fiscal year 2010-11 MSU Denver was at its peak for student enrollment with **533,681** **CHP**. If the enrollment had stayed at the same level, this would equate to nearly \$26 million in additional tuition and fee revenue for Fiscal Year 2018-19. Credit Hour Production (CHP) has dropped by over 15 % since FY2010-11.
- The cumulative affect is nearly \$115 million.



Budget and Financial Terms

- A list of budget terms can be found at the Budget Office website:

<https://www.msudenver.edu/media/content/officeofbudget/documents/MetroStateBudgetTermDefinitionsForthewebsite.pdf>

- State Appropriations are received by the University in two components:

College Opportunity Fund (COF)

The College Opportunity Fund Program provides stipends for students; for FY 2019-20 is at \$94 per credit hour.

Fee For Service (FFS)

State funds to subsidize educational activities that are not sustained by regular tuition rates or the COF Stipend. For the fiscal year 2019-20 this amount is \$24,644,801. The following table shows a three year comparison:

	FY2017-18	FY2018-19	FY2019-20
COF Stipend	31,966,747	34,139,239	39,024,341
FFS	19,659,856	22,346,090	24,644,801
COF Stipend Non-Base SB262	-	822,632	-
FFS Non-Base SB262	-	736,022	-
FFS Non-Base SB86	-	300,000	300,000
	51,626,603	58,343,983	63,969,142

Budget and Financial Terms-Continued

- **Base Budget**

- A recurring set of funds available to departments to provide consistent funding from year to year for ongoing operating costs.
- Rolls from year to year

- **One-time Budget**

- One-time budget allocation to provide funding for non-base expenditures or special projects.
- Does not roll

- **Incremental Budgeting**

- The University uses incremental budgeting; this means that each year only the anticipated budget increases and/or decreases are presented to the Board of Trustees for their final approval. Upon approval the annual budgets of the University are revised.

Budget and Financial Terms - Continued

- **CUPA**

- College and University Professional Association for Human Resources monitors trends, explores workforce issues, and promotes strategic discussions among colleges and universities.
- As of October 1st 2018, our full-time faculty salaries cannot be below 94% of average CUPA comparison (tiered by years of service) and Administrative personnel at 92% of average CUPA comparison.

- **Vacancy savings**

- The amount of money saved when a Base Position goes unfilled may be kept by the Branch and used toward non-base needs in the same fiscal year. Vacancy savings do not roll forward.

- **Undesignated**

- The base budget remaining when a position is filled at an amount lower than the budget. This amount remains with the Branch and may be used for other base needs.

- **Fringe Benefit**

- Includes PERA (pension plan at 20.15%), Health Insurance (at average of 12.7%), and FICA (at 1.45%). At MSU Denver an average percentage method is charged to each position by employment categories.