Email to Campus on March 11, 2011

Dear Colleagues and Students,

Our 2011-12 draft budget for next year is now available online for campus review and comment – version 5.0. ([http://www.president.colostate.edu/pdf/FY12-budget-5.0-tuition.pdf](http://www.president.colostate.edu/pdf/FY12-budget-5.0-tuition.pdf))

The materials represent an ‘incremental’ budget -- that is, the changes between this year’s budget (FY11) and next year’s (FY12). All fall and into this spring, we have been engaged in strategic planning and budget discussions, and I have exposed earlier versions at our budget hearings in late January. This draft reflects input from ASCSU, our Cabinet and Council of Deans, the Committee on Strategic and Financial Planning, Faculty Council Executive Committee, the Board of Governors, and many other groups. While it is not the budget any of us would want if given the choice, it is the best budget we have been able to model given the economic and budgetary realities facing CSU and Colorado.

Next year, we will be losing approximately $23 million in funding from the State of Colorado, bringing our cumulative, three-year reduction level to over $36 million. This budget includes $11.1 million in expense reductions, in keeping with our multiyear plan to reduce spending over several years to prepare for these state funding cuts and the loss of ARRA stimulus funds. For non-academic units, this level of reduction will amount to a budget cut of about 5%. Academic units will receive additional funding through new differential tuition charges, so the funding cuts to the academic colleges will be closer to 2% overall. Given that we have been planning for cuts in the 5-10% range all year long, all of our campus units should be well prepared (which was the purpose of the planning!).

As President Frank has said repeatedly in his messages to campus, tuition will be going up next year. We've developed a package of tuition increases we believe represents the best path forward to strike a balance between keeping costs reasonable and competitive and preserving the quality of a CSU education. In keeping with the plan approved last fall by the Colorado Commission on Higher Education, we will stop the practice of discounting full-time tuition: students will now pay for the first 12 credits instead of only the first ten, closing the “credit hour gap.” This will bring CSU’s full-time tuition more in line with our peer schools in Colorado and beyond. This draft budget also expands the use of differential tuition for high-cost, high-demand, and high-return programs, charged to upperclass students; the additional tuition revenue will be returned directly back to the academic departments.

For the third year in a row, this budget includes no merit-based salary increases for faculty and staff. While it hasn’t been possible in this budget, President Frank and I—and the Board of Governors of the CSU System—feel very strongly that an increase for faculty and administrative professionals will need to be one of our highest priorities in the next budget cycle (FY13). We would also strongly support increases for state classified staff, as well; those increases would be determined at the state level, not by CSU.

We’ve once again been able to avoid budgeting for any additional increase in utility costs, thanks to our ongoing investments in efficiency and innovations like the new Solar Plant on the Foothills Campus. Financial aid will again remain our largest single discretionary expense, bolstered by significant new scholarship support from private donors raised through the Campaign for Colorado State University.
Please keep in mind that this is still a draft budget that will continue to evolve between now and when the Board of Governors votes on it in June. The state still has to approve higher education funding levels for next year, which may yet influence our planning.

But at this time, given the information available to us, this budget represents our best projections for next year. We invite your comments and critiques—you can send your thoughts to presofc@colostate.edu or share them with Faculty Council, Administrative Professional Council, or Classified Personnel Council representatives. We will compile and review all comments as we put together the next draft—version 6.0—of the FY12 budget.

Thanks for your involvement in this process—and have a great spring break. Since you didn’t have to read a budget note from Tony, your break should be starting a bit earlier!

Rick Miranda
Provost and Executive Vice President