

1. We often hear that CU has an almost \$2billion budget. But we often don't think about the fact that a very large portion of that is dedicated spending streams (restricted gifts, contracts, grants, self-funded auxiliaries) that can only be spent on the specified purpose. Our General Fund is much smaller than that. Don't confuse the notion of "budget" (spending authority, spending planning) with "available general fiscal resources" (the General Fund). So when you hear that the state has cut our funding, but initially think "the state only provides 4% of the budget, so why is this a major problem?" keep in mind that the state portion of the general fund is significantly higher.
2. Right now, the budget each school and college gets each year is a set, continuing amount that rolls over from year to year – if you got \$20m last year, you pretty much automatically get \$20m this year. If we get growth in revenue, then that additional revenue is doled out to the various schools and colleges as an additional continuing amount. So from one year to the next, A & S might have \$170m in continuing budget, then have that incrementally increased to \$172m the next year due to higher campus revenue (which is expected to continue indefinitely into the future). The budgets are re-evaluated or re-calculated every year (or really ever, at least recently). So any fights we have over budget are currently over the 0-3% increases that are available in a given year, not over base funding. We don't say things like "let's drop A & S to \$167m and give \$3m more to Business, out of the base continuing budget" (though we certainly could, and the possibility of doing such general based reallocations is being discussed at the Campus level right now).
3. Many faculty think the Grad School pays TA and GPTI salaries, benefits and tuition waivers, but in fact the College of A & S (or other schools and colleges in their cases) does that. A very significant portion of A & S' budget is dedicated to this expense.
4. **Sponsored research generates a net budget surplus** The campus spends more to

run its own admissions process, for example. So all tuition revenue will never be returned to units. In addition, some units do subsidize other units – this occurs internally to Colleges and Schools and across them as well. We're not a business, so all sub-units don't have to be generating "profits", and we recognize that some types of education are inherently more expensive than others (a common example being the individual instruction model needed in Music, or the close supervision needed in lab classes).

That said, the ASC Budget Committee does believe that both internally to A & S, and across the Colleges, the continuing yearly base budgets should be reviewed and possibly reallocated (see #2). Base budgets are based on conditions in place years or even decades ago in some cases, and they have remained relatively stable over time, with only yearly incremental increases calculated on the base. Meanwhile, enrollments have increased or declined dramatically in some areas, and instructional and research technologies have changed markedly in some cases.

16. In 1992 Colorado voters passed the TABOR (Tax Payer Bill of Rights) Amendment. This requires taxpayer approval for all tax increases. It also says in the absence of that approval, state spending can only increase year to year by the combination of population plus inflation. So Colorado state finances are quite tight, and higher education has been gradually losing out over the years to more politically powerful concerns such as K-12 education funding. Most insidiously, the TABOR bill included a "ratchet effect" which says that the population plus inflation spending limit is to be calculated against the previous years' spending. So if we have a recession and state income drops, it doesn't then go back to the level prior to the recession and continue increasing by population growth plus inflation. Instead, it basically starts over, from the new lower baseline established by the recession-era spending. So in fact Colorado state spending has not even kept up with population plus inflation since 1992, and politicians have no taxpayer-free way of addressing that problem. This largely explains the decline in state contribution to the CU general fund over the last 30 years.

For more information, see especially

Glossary of key terms:

Auxiliary income

