

**TO:** Board of Trustees

**FROM:** Kirsten M. Volpi  
Executive Vice President for Finance and Administration

**DATE:** May 18, 2015

**SUBJECT:** FY 2016 Budget

## **I. BACKGROUND INFORMATION**

As we approach fiscal year 2016 and the development of the budget, there are key strategic factors as well as operational needs that translate to our financial position, both short and long term. This year's budget considerations focus on the continuation of our strategic investments as well as meeting operational needs.

Fiscal year 2016 will bring an increase in financial support from the state. However, even with this growth, we are experiencing a softening of our revenue base primarily due to our moderating of tuition rate increases along with the leveling off of undergraduate enrollment. This has made our ability to manage the delicate balance of having to make strategic and critical investments while minimizing the impact on students and tuition even more difficult this year. This budget was developed by prioritizing our resource needs in relation to our revenue position and the impacts not only to the upcoming year, but future years.

### **State Funding**

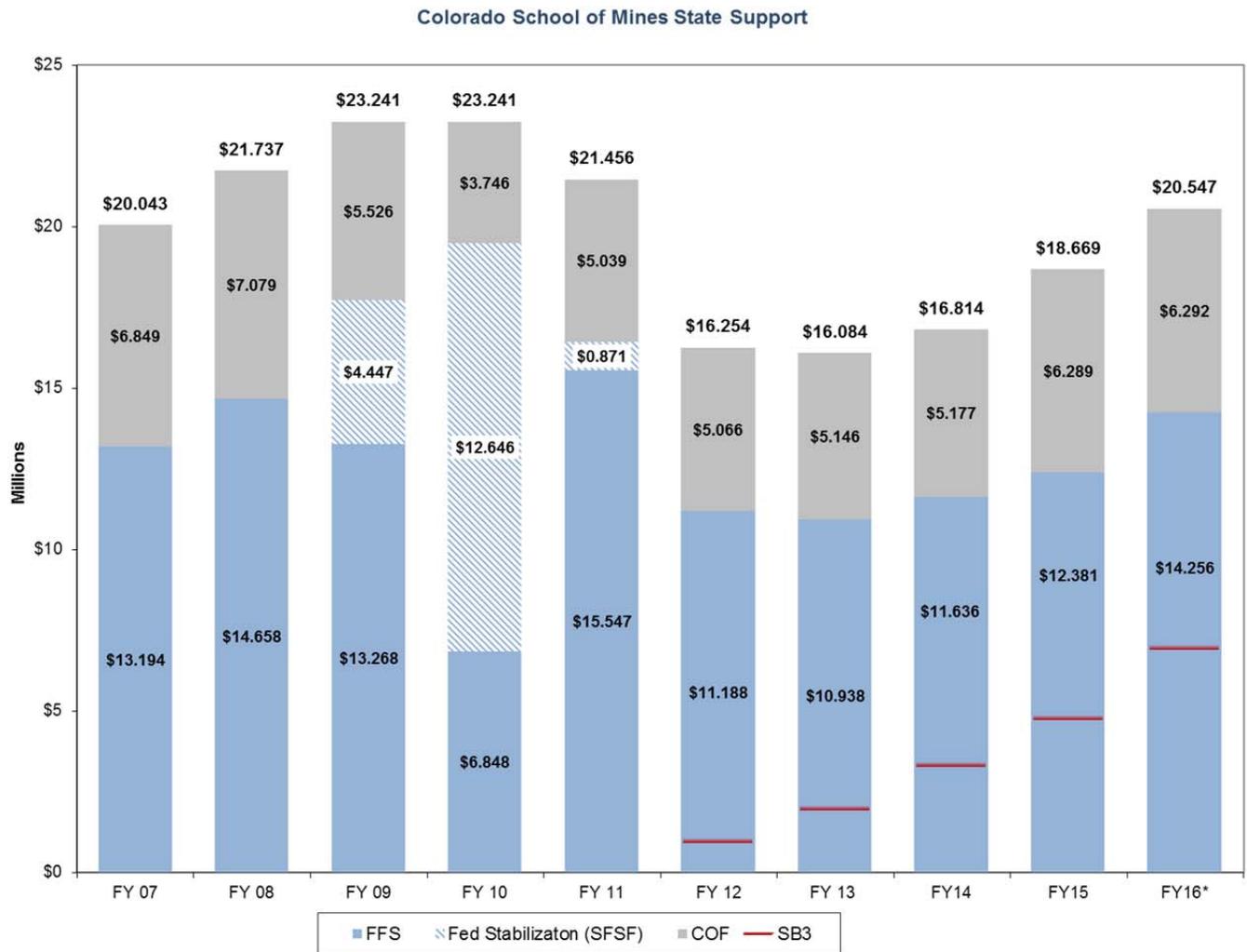
Continued economic growth in Colorado has allowed the state to increase its allocation (excluding financial aid) for higher education to \$671 million for 2016, an increase of 11% from 2015.

Fiscal year 2016 is the first year for allocating funds under HB14-1319, which provided new parameters for higher education funding, superseding the pay for services model in prior years, and moves us to a pay for "performance" model. While the financial impact of this new allocation was positive for 2016, the parameters of this model greatly benefit larger institutions as the model is heavily driven by enrollment volume. In order to smooth out funding inequities for universities that do not operate with high volume, the model includes a variable amount that is applied to those universities with smaller enrollment. Given that this variable amount is not mandated in legislation and is subject to annual negotiation, future allocations are not predictable. Also, this new allocation model relies heavily on the availability of new funds for performance allocations. Without increases in funding each year, the model, as implemented, will most likely redistribute base funding to large enrollment

universities and would require significant adjustments/negotiations in order for us to maintain our current allocation.

Based on the overall 11% increase for Higher Education, the Colorado School of Mines will receive an increase in state funding of \$1.88 million (10%) in fiscal year 2016 for a total of \$20.55 million to be received in the form of College Opportunity Fund stipends and fee for service contract.

The chart below reflects state funding for Mines since fiscal year 2007 along with our financial aid commitment pursuant to SB10-003:



\* Upon passage of the Long Bill

Fiscal Year 2016 for other Research Institutions:  
 CU - \$184,615,667 (increase of \$17.27 m)  
 CSU - \$134,660,187 (increase of \$12.68 m)

In the March 2015 revenue forecast, the Governor’s budget office noted that continued economic growth in Colorado is likely to lead to TABOR refunds as soon as next fiscal year (one year earlier than previously projected). Once the Referendum C limit is met, the state is required to distribute the excess (refund) to Colorado tax payers. The source to fund the

refunds is any discretionary budget within the state’s general fund. As higher education is one of a few discretionary line items within the state budget, it could be the most affected by the TABOR refunds.

Pursuant to the state’s projections, they have been able to budget refunds for the fiscal years 2014-2015 and 2015-2016 without a negative impact to higher education. However, the source of funds to pay for the refunds projected for fiscal year 2016-2017 has not been determined; both higher education operating funds as well as capital funds are at risk of reduction.

Due to the economic outlook and the unknown impacts of HB14-1319, we are modeling a state funding decline in fiscal year 2017 and beyond.

## II. DISCUSSION

The university continues to make strides in funding strategic and critical investments. The proposed budget reflects investing in areas that are critical to the operations of the university as well as efforts to align resources with the strategic initiatives set forth in the strategic plan.

This budget represents all funds received and used by the university and is categorized as **current unrestricted** funds (“operating”), funds that are **designated** for particular purposes (faculty start up and indirect cost recoveries), **restricted** funds (research and gifts) and the university’s **endowment** funds. The budget is summarized in Attachment 1 and the changes for each fund are summarized below and detailed in Attachment 2.

	Current Unrestricted Operating Fund	Designated Fund	Current Restricted Fund	Endowment and Loan Fund	Total
<b>Revenue</b>	\$ 183,807,854	\$ 26,115,203	\$ 83,960,739	\$ 716,441	\$ 294,600,237
<b>Expense</b>	\$ 183,104,259	\$ 21,724,556	\$ 79,734,922	\$ 424,617	\$ 284,988,354
<b>Net Activity</b>	\$ 703,595	\$ 4,390,647	\$ 4,225,817	\$ 291,824	\$ 9,611,883

## Operating Revenue

Operating revenues are expected to increase by \$11.31 million outlined below:

<u>Revenue:</u>	FY 2015 Base	FY 2016 Adjustments	FY 2016 Budget
Tuition	\$116,098,852	\$8,298,605	\$124,397,457
State Funding	18,669,456	1,877,872	20,547,328
Housing and Dining Revenue	16,977,495	800,960	17,778,455
Indirect Cost Return from Research Activity	11,680,000	299,866	11,979,866
Continuing Education	4,133,518	33,063	4,166,581
Other Revenue	3,038,167		3,038,167
Gift Revenue from the Mines Fund	1,900,000		1,900,000
<b>Total</b>	<b>\$172,497,488</b>	<b>\$11,310,366</b>	<b>\$183,807,854</b>

The increases are based on the following assumptions:

- Tuition increases of 2.9% for resident students and 3.9% for non-resident students.
- An incoming freshmen class of 1,000 and transfers of 159. Although these incoming class numbers are flat from fiscal year 2015, total enrollment is expected to increase due to the increase in our retention numbers; with higher retention, we anticipate an increase in undergraduate resident students of 1.55% and an increase in non-resident students of 6.77%. This overall increase in enrollment reflects the greater number of non-resident students that have enrolled in prior year classes as they matriculate through the system and replace older classes that had less non-resident students. The enrollment increase also reflects an increase in non-resident retention. The enrollment projections assume an increase in graduate enrollment of 3%.
- State Funding increase of \$1.88 million or 10%.
- Auxiliary Revenue is expected to increase by \$0.80 million. The increase is primarily due the average increase of room and board of 5%.
- Indirect Cost Recoveries for research spending is expected to grow slightly by \$0.30 million due to an increase in the indirect cost rate on new research awards.
- Continuing Education will increase slightly by \$0.03 million.

## **Operating Expenses**

Operating expenses are expected to increase by \$13.09 million. The increases in expenses are for strategic initiatives and operational needs as follows:

<u>Expense:</u>	FY 2015 Base	FY 2016 Adjustments	FY 2016 Budget
Labor – salaries and benefits	\$88,858,073	\$5,575,661	\$94,433,734
Graduate Support	11,874,751	438,374	12,313,125
Adjunct	1,458,988	96,560	1,555,548
Undergraduate Financial Aid	18,035,637	3,778,157	21,813,794
Debt	7,560,283	2,270,159	9,830,442
Operations and Maintenance	7,415,550	373,385	7,788,936
Housing and Dining Operating	6,569,672	204,820	6,774,492
Other Operating	6,127,636	539,815	6,667,451
Capital Renovation and Operating Reserves	6,790,000	(409,573)	6,380,427
New Faculty Start Up	5,119,768		5,119,768
Indirect Cost Return Distribution	2,940,505		2,940,505
Information Technology Operating	2,423,909	249,744	2,673,653
CSMF Development Fee	1,900,000		1,900,000
Library	1,650,962	103,000	1,753,961
Continuing Education	1,286,383	(127,960)	1,158,423
<b>Total</b>	<b>\$170,012,117</b>	<b>\$13,092,142</b>	<b>\$183,104,259</b>

### **Strategic Initiatives \$3.72 million**

Over the last several years, we have been investing in strategic initiatives. Most notable are the investments in faculty over the last few years. Since 2012, we have increased our tenure, tenure track and teaching faculty over 30%. Our continued investment in faculty has directly impacted the quality of our classroom teaching as well as strengthened our research agenda.

Our investments also include advancing our residential campus initiative. This began in 2006 with the construction of our recreation center and was continued with the renovation and addition of residence halls on campus so that all of our freshman students could live on the core of campus. We also built a new dining facility and will be renovating the Student Center that will create more dining options for students, provide a one stop shop for student services, and will greatly enhance the Bookstore.

We have also supported student and faculty success in a number of ways: in 2012, created the Center for Academic Services and Advising (CASA); in 2013 developed a state of the art studio biology lab; and last year, provided seed funding to create the Center for Innovative Teaching and Learning.

The current budget proposal continues to focus on funding priorities for the strategic plan and where we have been strategically investing over the last few years. We are continuing our investment in faculty, providing initial seed funding for a new student success and innovation hub, infrastructure, and continuing to deploy certain systems in order to enhance business processes. These major initiatives are outlined below:

- Continued Investment in Faculty (*Strategic Plan Goal 1*) \$1.92 million – as we have recently had an aggressive strategy for hiring tenure/tenure track and teaching faculty, this year we are moderating those hires, but within this budget, have provided for three faculty hires that will be strategic. We are allocating additional funds for faculty salary increases that will address equity issues as well as provide for promotion and tenure salary increases. The Applied Math and Statistics department is creating a Post-Doc program that will change course delivery and improve research. This budget also includes funding for adjuncts to lower section sizes as new tenure line faculty are building their research programs.
- A Student Success and Innovation Hub (*Strategic Plan Goal 2*) \$0.34 million – create a student success and innovation hub that will be the locus for the integrated Mines academic experience. This hub will serve as the catalyst for the next step in the residential campus initiative, a critical service center for the integration of the first and second year experience, and a starting point for the innovation program that will likely align with EPICS. The seed funds will be used to create a prototype of a design studio for students to access and use for group work and/or individual entrepreneurial experiences.

Additionally, capital funds (\$2.5 million) will be allocated to repurpose and reimagine the underutilized space in the library for programs that promote student success, active learning instruction, and instructional excellence.

- Continued Enhancement of Business Processes (*Strategic Plan Goal 4*) \$0.34 million – as a continuation from prior years, we will assess and redesign processes and invest in technology where appropriate to employ best practices, improve administrative infrastructure and streamline processes. We have been making strategic investments in this area and will continue to do so past this fiscal year. Our strategic focus for enhancement in fiscal year 2016 are the areas of the Registrar's Office, the (undergraduate) Admissions Office, and Human Resources.
- New Buildings \$0.54 million – Three new buildings are expected to open later in 2015:
  - The Starzer Welcome Center will be central to furthering our outreach to new students, alumni, and friends by expanding our ability to garner institutional support and infrastructure development through alumni outreach and Foundation initiatives;
  - Clear Creek Athletic Complex will expand our residential campus by bringing a world class athletic facility to not only our student athletes, but those within the Mines community; and
  - The GRL Annex, while serving as a temporary home for the Physics laboratories, will be used as an expansion of our infrastructure to grow our research portfolio.

- Other Strategic Investments \$0.58 million – include the support of an Endowed Chair in Mining, a K-12 Outreach program, student recruiting and support, support for a branding and marketing study, and continued investment in the Center for Innovative Teaching and Learning.

### ***Operational needs \$9.37 million***

Operational budget increases are provided to address critical needs within the departments that, without support, could impact operations.

**Salaries and Benefits** \$2.58 million – The legislature sets the salary and benefit increases for classified staff. For this year, they have approved an increase of 2% (1% base adjustments and a 1% merit increase). Consistent with the proposed level of academic faculty increases, we propose to increase administrative faculty 3% (1% for base adjustments and 2% for merit). Also included is the annualization of positions that were hired mid-year in 2015.

Benefits increases not only include health care, but also the statutory increase for the state retirement plan (PERA) of 0.90%. Total benefit increases are \$1.32 million.

**FTE** – This budget requests the addition of 21 new FTE that are categorized as follows:

- 3.5 funded with realignments of existing funding and thus have no budget impact;
- 7 faculty including one endowed chair;
- 1 director for the K-12 outreach program;
- 7 facility positions to operate new buildings: the Starzer Welcome Center, the Clear Creek Athletics Complex, and the GRL Annex;
- 1 to support research;
- 0.5 to support enrollment management; and
- 1 for classroom technology support

A complete listing of all new positions and their related areas are provided in Attachment 2.

**Financial Aid** \$4.13 million – The budget includes our commitment under SB10-003 to convert all state funds received pursuant to fee for service to financial aid and graduate support within ten years. Fiscal year 2016 will be the fifth year of the commitment with a total budget of \$7.13 million (50% of our fee for service contract) in additional institutional financial aid and graduate support dedicated to resident students. To meet this target, the proposed budget request includes an increase of \$2.11 million undergraduate resident financial aid and \$0.07 million for graduate resident support.

In addition, the proposal includes requests for non-resident students with an additional \$1.67 million allocated to undergraduate financial aid and \$0.28 million for graduate support.

## Other Critical Needs

- Debt and Other Operating \$2.07 million – Included in other operating expenses are increases for debt (\$2.27 million) primarily for the Clear Creek Athletics Complex and Elm Residence and Dining Hall which opened this year (approximately \$0.65 million of this debt will be funded from housing reserves). Other nondiscretionary increases include utilities, software licenses and other contractual agreements (\$0.45 million).
- Academic Affairs \$0.14 million – support for the library collection (electronic); information technology and Banner upgrades; and support for Faculty Senate.
- Finance and Administration \$0.14 million – increase in the cost of existing software licenses, and increases for Environmental Health and Safety services, a budget analyst for auxiliary activity (an increase in FTE but no impact to the budget), and professional services within Human Resources.
- Research and Technology Transfer \$0.08 million – personnel support for research, and an associate to bring in house some of the technical aspects of technology transfer licensing.
- Student Life \$0.23 million – funding to enhance the transportation practices for student athletes, student athlete recruitment, and a new enrollment document management system.

## Designated and Restricted Activities

Designated and restricted revenues are expected to increase by \$1.11 million and expenses are expected to decrease by \$1.63 million as detailed below:

<u>Revenue:</u>	FY 2015 Base	FY 2016 Adjustments	FY 2016 Budget
Sponsored Research Grants/Contracts	\$57,773,691		\$57,773,691
Gifts	21,256,629		21,256,629
Fees	17,316,411	519,492	17,835,903
Auxiliary	5,164,756	500,000	5,664,756
Financial Aid	5,153,903	207,401	5,361,304
CO Geological Survey - State Support	1,595,601	158,133	1,753,734
Other	1,420,298	(273,932)	1,146,366
<b>Total Revenue</b>	<b>\$109,681,289</b>	<b>\$1,111,094</b>	<b>\$110,792,383</b>
<u>Expense:</u>			
Sponsored Research - salaries, benefits & operating	\$56,449,946		\$56,449,946
Other Labor – salaries and benefits	16,349,265	123,216	16,472,481
Designated Auxiliary Operating	10,643,641	34,000	10,677,641
Undergraduate Financial Aid	9,701,736	207,041	9,908,777
Debt	4,134,073	(118,649)	4,015,424
Other Operating	3,780,021	54,804	3,834,825
Capital Renovation/Controlled Maint.	2,457,034	(1,932,034)	525,000
<b>Total</b>	<b>\$103,515,716</b>	<b>(\$1,631,622)</b>	<b>\$101,884,094</b>
<b>Net Activity</b>	<b>\$6,165,573</b>	<b>\$2,742,716</b>	<b>\$8,908,289</b>

### Designated Funds

Designated activity includes revenues derived for a specific purpose and cannot typically be used to fund general operations. Examples include the Academic Facility Fee designated for debt services payments, Student Activity Fees used for student organizations, lab fees, and funds set aside for faculty research and professional development.

Designated Revenue is expected to increase by \$0.96 million primarily due to student fee revenue increases from enrollment and Severance Tax to the Colorado Geological Survey (see below). Operating expense will increase slightly (\$0.12 million) due to the increase in salary and benefits, increase in flu shots and to support the Celebration of Mines activities. Capital renovations/controlled maintenance will decrease by \$1.93 million due to the completion of the Student Center renovation in 2015.

### Restricted Funds

Restricted Funds are restricted from outside entities and include all of our federal, state and private research, activities supported by our donors and the CSM Foundation, as well as federal and state financial aid. We are anticipating research expenditures (not awards) to remain relatively flat but we do anticipate a small increase for state financial aid of \$0.21 million.

### *Endowment Funds*

Endowment funds are resources invested in perpetuity and represent those endowment funds that are owned by the university (as opposed to the CSM Foundation) and include both restricted and unrestricted sources. The income in this section includes investment earnings or new gifts and expenses represent spending from the university's endowment and the foundation fee for administering university endowments. We expect the activity to remain relatively flat for the next fiscal year.

### *Colorado Geological Survey*

Beginning with fiscal year 2014, legislation was passed moving the Colorado Geological Survey (CGS) from the Department of Natural Resources to the Colorado School of Mines. CGS transitioned to the university and is now a function within the College of Earth Resource Sciences and Engineering. The funding for CGS comes primarily from state general funds and severance tax. CGS also receives state and federal funds for research. Because the majority of their funding is derived from state resources, they are separately appropriated in the Long Bill. Below is the fiscal year 2016 budget that has been approved and appropriated in the Long Bill:

Colorado Geological Survey		
FY 16 Budget		
	Designated State Funds	Federal/ Restricted Funds
Revenue		
State General Fund	\$411,494	
Severance Tax	1,342,243	
Grants and Contracts		190,397
Other	185,542	
<b>Total Revenue</b>	<b>1,939,279</b>	<b>190,397</b>
Expense		
Labor	1,567,369	127,517
Operating	371,910	62,880
<b>Total Expense</b>	<b>\$1,939,279</b>	<b>\$190,397</b>

Because their funding is separately budgeted and appropriated in the state's Long Bill, their budget cycle begins in June and must be submitted to the Office of State Planning and Budgeting in August (almost one year in advance of the CSM budgeting process). The fiscal year 2017 budget request is still in development and is not expected to have material changes. However, they may be requesting one additional FTE (a Geologist) that, if approved, will be funded with additional severance tax.

## CSM Foundation Budget

CSM receives annual funding for specific administrative operating activities outlined below:

### CSM Support:

Legislative Relations	FY 2015	FY 2016
Federal Legislative Services	\$150,000	\$150,000
Colorado Legislative Services	110,018	111,118
	<b>\$260,018</b>	<b>\$261,118</b>
General CSM Support		
Institutional Support	\$250,000	\$250,000
<b>Total CSM Support</b>	<b>\$510,018</b>	<b>\$511,118</b>

In addition to in-kind services, the university provides financial support of the CSM Alumni Association (CSMAA), specifically for the Mines Magazine as well as general operations. For fiscal year 2016, the CSM Foundation will provide financial funding to the university in order to support our funding of the CSMAA. In addition to this support and other in-kind services, the CSM Foundation supports the CSMAA for the Mines on the Move program as well as many other programmatic operations.

The Colorado School of Mines Foundation Budget in its entirety is included for informational purposes in Attachment 3.

### III. RECOMMENDATION

The Finance and Audit Committee recommends to the Board of Trustees for approval the Fiscal Year 2016 Budget. With a new President starting at the beginning of this budget year, the Committee recognizes that he may have alternate initiatives that could impact the 2016 budget. The Committee acknowledges that those changes can be made through our quarterly forecast process.

- o The Colorado School of Mines budget:

	Current Unrestricted Operating Fund	Designated Fund	Current Restricted Fund	Endowment and Loan Fund	Total
<b>Revenue</b>	\$ 183,807,854	\$ 26,115,203	\$ 83,960,739	\$ 716,441	\$ 294,600,237
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<b>Net Activity</b>	\$ 703,595	\$ 4,390,647	\$ 4,225,817	\$ 291,824	\$ 9,611,883

- o Colorado School of Mines Foundation unrestricted support on behalf of the university in the amount of \$511,118 for the Colorado School of Mines.

### IV. RESOLUTION

*BE IT RESOLVED that the Board of Trustees hereby approves the Fiscal Year 2016 Budget as follows:*

- o *The Colorado School of Mines budget:*

	Current Unrestricted Operating Fund	Designated Fund	Current Restricted Fund	Endowment and Loan Fund	Total
<b>Revenue</b>	\$ 183,807,854	\$ 26,115,203	\$ 83,960,739	\$ 716,441	\$ 294,600,237
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- o *Colorado School of Mines Foundation unrestricted support on behalf of the university in the amount of \$511,118 for the Colorado School of Mines.*

**Attachment 1**

<i>in millions</i>	FY15 Forecast	FY16 Proposed Budget	Designated & Restricted FY15 Forecast	Designated & Restricted FY16 Proposed Budget	Total FY15 Forecast	Total FY16 Proposed Budget
<b>Revenues</b>						
Tuition and Fees (including Continuing Education)	\$126.35	\$134.86	\$17.32	\$17.84	\$143.67	\$152.69
Research	11.68	11.98	57.77	57.77	69.45	69.75
Auxiliary	16.51	17.78	5.16	5.66	21.67	23.44
Fee for Service/State Support	12.38	14.26	1.60	1.75	13.98	16.01
Gifts	1.90	1.90	20.57	20.57	22.47	22.47
Other	3.81	3.04	7.26	7.20	11.08	10.24
<b>Total Revenues</b>	<b>172.63</b>	<b>183.81</b>	<b>109.68</b>	<b>110.79</b>	<b>282.31</b>	<b>294.60</b>
<b>Expenditures</b>						
Instruction	60.60	65.97	9.10	9.10	69.71	75.07
Research	4.10	4.22	57.23	57.32	61.33	61.55
Public Service	-	-	0.24	0.24	0.24	0.24
Academic Support	19.64	20.50	0.21	0.21	19.85	20.71
Student Services	5.35	5.79	1.65	1.65	7.01	7.44
Institutional Support	17.40	18.22	0.90	0.90	18.30	19.12
Operations and Maintenance of Plant	16.99	19.14	3.80	3.79	20.79	22.93
Scholarships & Fellowships	18.04	21.81	9.75	9.95	27.79	31.76
Auxiliaries	19.05	21.07	18.15	18.19	37.19	39.26
<b>Total Expenditures</b>	<b>161.16</b>	<b>176.72</b>	<b>101.04</b>	<b>101.36</b>	<b>262.20</b>	<b>278.09</b>
Net Operating Activity Before Reserves	11.47	7.08	8.65	9.43	20.12	16.51
<b>Capital/Reserve Additions</b>	<b>10.86</b>	<b>6.38</b>	<b>2.48</b>	<b>0.52</b>	<b>13.34</b>	<b>6.90</b>
<b>Net Operating Activity</b>	<b>\$0.61</b>	<b>\$0.70</b>	<b>\$6.17</b>	<b>\$8.91</b>	<b>\$6.77</b>	<b>\$9.61</b>

## Detail for Incremental Budget Adjustments

### Current Unrestricted Fund Expenses

Incremental adjustments to the current unrestricted budget are proposed as follows and detailed below:

Salary and Benefit increases -	\$5.7m
Financial Aid/Graduate Support increases -	\$4.1m
Operating Expense increases -	\$3.9m
Fund balance used for debt -	(\$0.7m)
<b>Total</b>	<b>\$13.0m</b>

<i>FTE</i>	<i>Salary and Benefit Increases</i>	<i>increase of \$5.7 million</i>
<b>9</b>	<b>Academic:</b>	
	Faculty <ul style="list-style-type: none"> <li>• 3 Strategic TTT hires</li> <li>• 2 TTT positions (realignment of budget \$0 impact)</li> <li>• 3 Teaching faculty</li> </ul>	652,392
	Endowed Chair – 1FTE	139,400
	TA budget – SB003 funds with no additional budget impact	0
	Adjuncts – First of a two year increase	96,560
	Student Success and Innovation Hub faculty buyout; student hourly; teaching post-docs	136,280
<b>12</b>	<b>Administrative Staff:</b>	
1.0	President's Office <ul style="list-style-type: none"> <li>• Director for K-12 Outreach</li> </ul>	105,300
1.0	Academic Support - 1 FTE <ul style="list-style-type: none"> <li>• AV/Classroom Support Technician</li> </ul>	84,240
0.5	Student Services – 0.5 FTE <ul style="list-style-type: none"> <li>• Document Scanner/Indexer for Enrollment Management</li> </ul>	27,060
0.5 0.5 0.5	Research and Technology Transfer – 1.50 FTE <ul style="list-style-type: none"> <li>• Technology Transfer Licensing Associate (realignment of budget \$0 impact)</li> <li>• Associate Vice President for Research</li> <li>• Research Advisor to the President</li> </ul>	172,692
1.0 7.0	Finance and Administration <ul style="list-style-type: none"> <li>• Budget Analyst for Student Life/Auxiliary cash funded activity (realignment of budget \$0 impact)</li> <li>• Facility Maintenance for operations of new buildings</li> </ul>	277,355
<b>Other Labor Increases (Fringe Benefits, Increases, Annualizations):</b>		
Increase due to annualization of positions, fringe benefit increase, personal services and student hourly		1,489,651
Classified Salary increases and related benefits		328,717
Promotion, Equity and Merit Pool and related benefits		2,182,895

<b>Financial Aid and Graduate Support</b>		<i>increase of \$4.1 million</i>
Financial Aid for Undergraduate		
Resident - \$2,105,818		
Non-resident - \$1,672,339		3,778,157
Graduate Support		
Resident - \$70,905		
Non-resident - \$281,189		352,094

<b>Operating Expense</b>		<i>increase of \$3.9 million</i>
Utilities		107,236
New buildings		265,400
IT operating and hardware/software support		249,744
Debt service		2,269,431
Research instrumentation match		244,070
Athletics transportation		199,000
Administrative software and licenses		198,500
Increase for meal plans (Sodexo)		175,798
Other operating increases include increases to operating budgets for marketing, library, diplomas; recruiting and consulting and other operating expenses		213,815

<b>Fund Balance used for Debt payment</b>		<i>decrease of (\$0.7 million)</i>
Auxiliary		
• Resident Housing		(653,643)

<b>Designated Fund</b>		
<b>Expenses</b>		<i>increase of \$.11 million</i>
Health and Student Services		46,000
• Flu Shots - \$9,000		
• Celebration of Mines - \$25,000		
• Student Hourly - \$12,000		
Other Operating and Labor		60,000

**COLORADO SCHOOL OF MINES FOUNDATION, INC.**

**FY'16 UNRESTRICTED OPERATIONS BUDGET REQUEST**

4/23/2015

**DRAFT**

3% salary adjustments

	FY'16	FY'15	Change from prior year	
			Amount	Percent
<b><u>REVENUE:</u></b>				
Endowment Administrative Fee	\$3,420,000	\$3,066,069	353,931	12%
CSM Campaign Development Services Fee	2,160,000	1,900,000	260,000	14%
CSM Endowment Held - Investment Fees	505,000	471,556	33,444	7%
Administration Fee on Non-Endowed Restricted Gifts	240,762	235,775	4,987	2%
Unrestricted Cash Contributions-Bequests, trusts, etc	150,000	130,000	20,000	15%
Unrestricted Investment Income	210,000	210,000	0	0%
Other Sources	68,500	32,101	36,399	113%
CSMF Reserve Endowments	150,774	66,000	84,774	128%
CSMF Reserve Endowment-Welcome Center lease (Payment to CSMF is waived for FY15 thru FY18 (4 years))	199,600	202,750	(3,150)	-2%
<b>Total Revenue</b>	<b>\$7,104,636</b>	<b>\$6,314,251</b>	<b>\$790,385</b>	<b>13%</b>
<b><u>EXPENDITURES:</u></b>				
<b><u>CSM Foundation:</u></b>				
<b>University Advancement</b>				
Personnel Compensation	\$ 4,113,120	\$3,509,832	603,288	17%
Operations	1,251,151	1,180,151	71,000	6%
<b>Total</b>	<b>5,364,271</b>	<b>4,689,983</b>	<b>674,288</b>	<b>14%</b>
<b>Finance and Administration</b>				
Personnel Compensation	1,000,497	901,000	99,497	11%
Operations	218,750	203,250	15,500	8%
CSMF/CSM President contract	10,000	10,000	0	0%
<b>Total</b>	<b>1,229,247</b>	<b>1,114,250</b>	<b>114,997</b>	<b>10%</b>
<b><u>CSM Support:</u></b>				
<b>Legislative Relations</b>				
Federal Legislative Services	150,000	150,000	0	0%
Colorado Legislative Services	111,118	110,018	1,100	1%
<b>Total</b>	<b>261,118</b>	<b>260,018</b>	<b>1,100</b>	<b>0%</b>
<b>President's Discretionary</b>	<b>250,000</b>	<b>250,000</b>	<b>0</b>	<b>0%</b>
<b>Total Expenditures</b>	<b>\$7,104,636</b>	<b>\$6,314,251</b>	<b>\$790,385</b>	<b>13%</b>