



**COLORADO**SCHOOLOF**MINES**

November 2, 2016

**BUSINESS MODEL**

# Academic and Research Model

Promotion  
and Tenure

*Quality – Strategic  
Intent*

Productivity

*Capacity –  
resource  
utilization and  
deployment*

University  
Design

*Strategic Intent -  
Programmatic  
Priorities*

Budget  
Model

*Resource  
Allocation –  
Incentives and  
\$ follow students*

Business Model

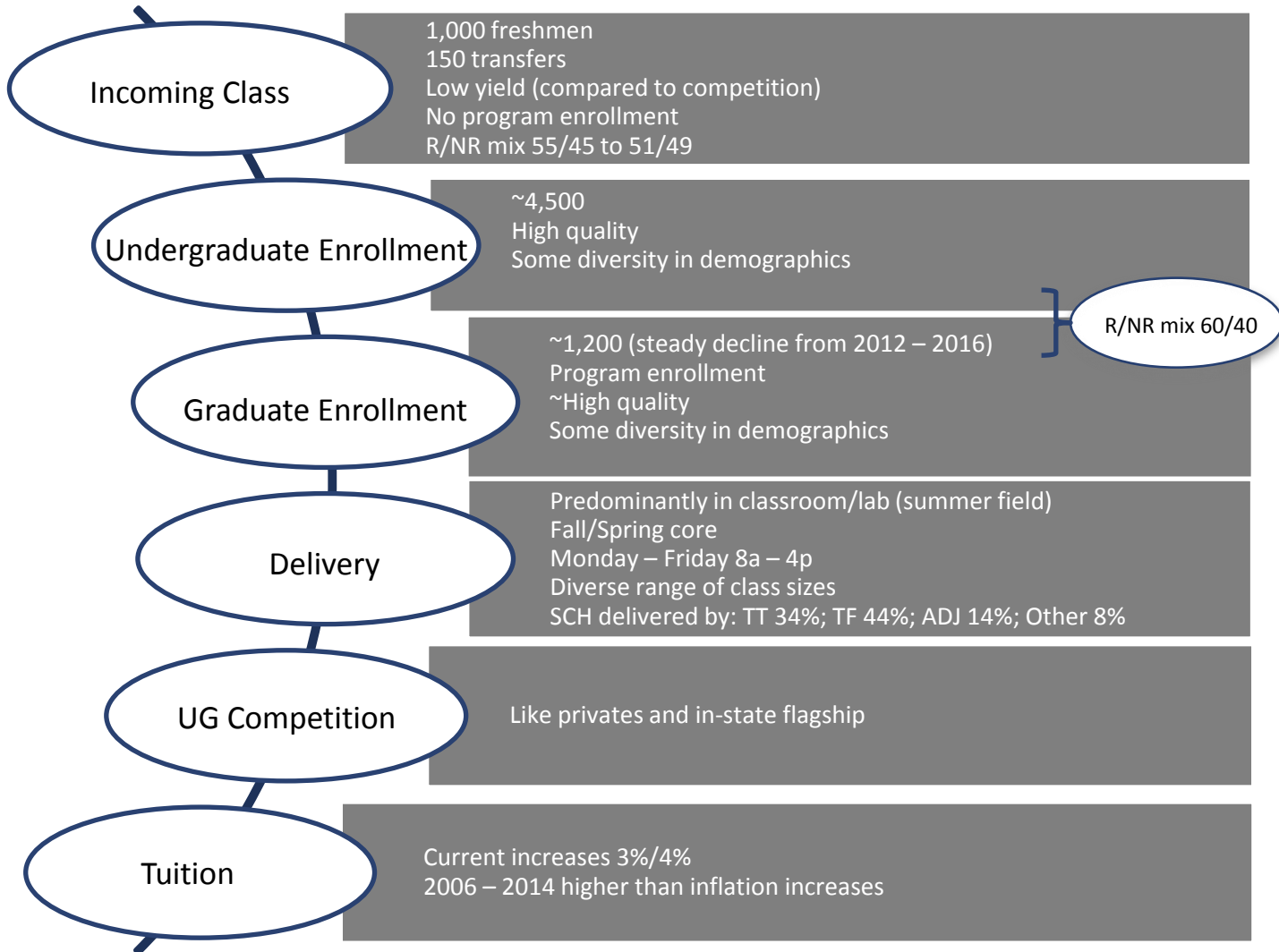
# Business Model – What does it mean to me?

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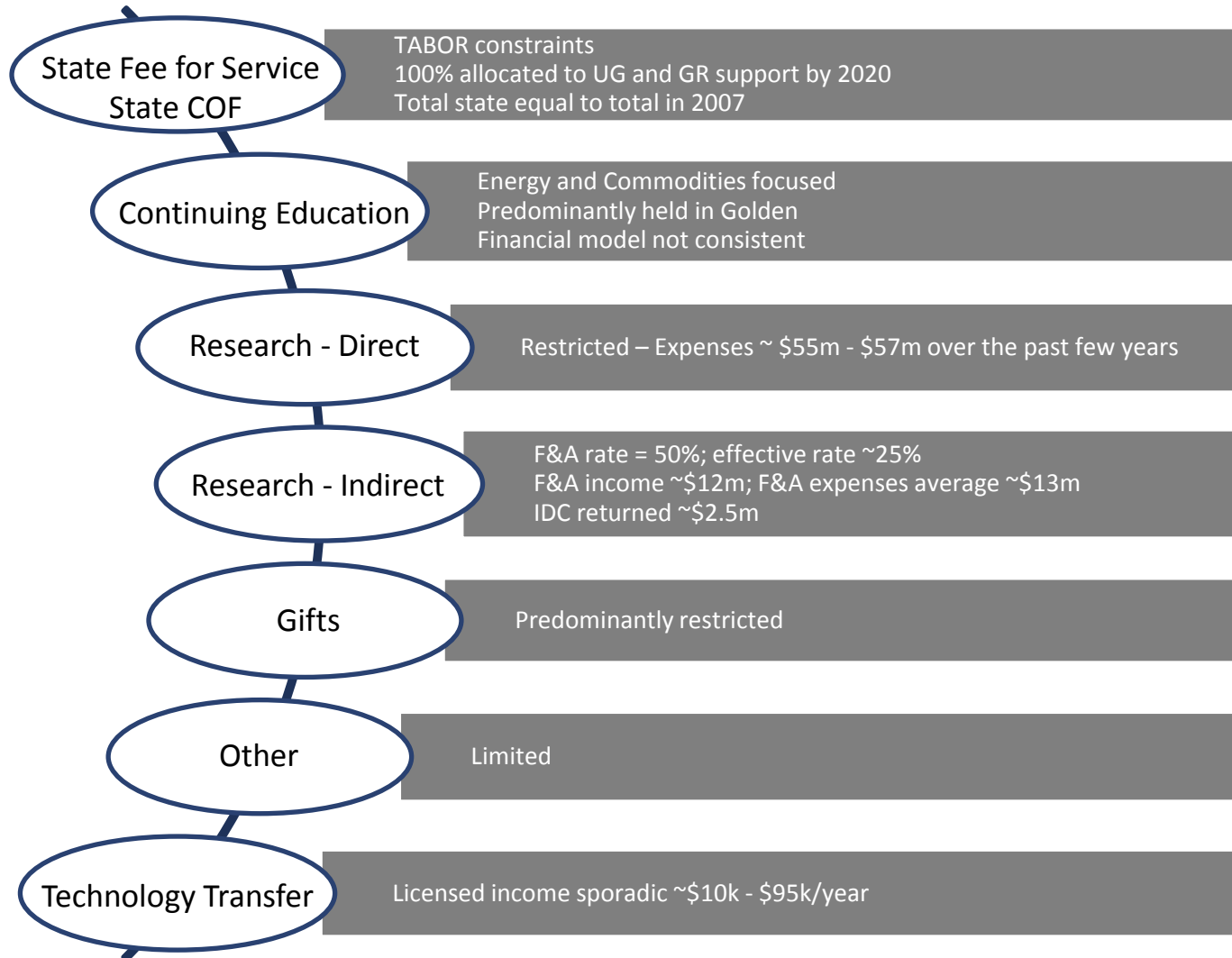
How the University runs determines the resources that we have for:

- Faculty:
  - merit increases
  - benefit structure
  - start up
  - internal investment of TAs/RAs
  - innovation
- Student Success
- Space and Occupancy
- Mandatory Costs:
  - classified salaries/benefits
  - debt
  - State expenses
- Other

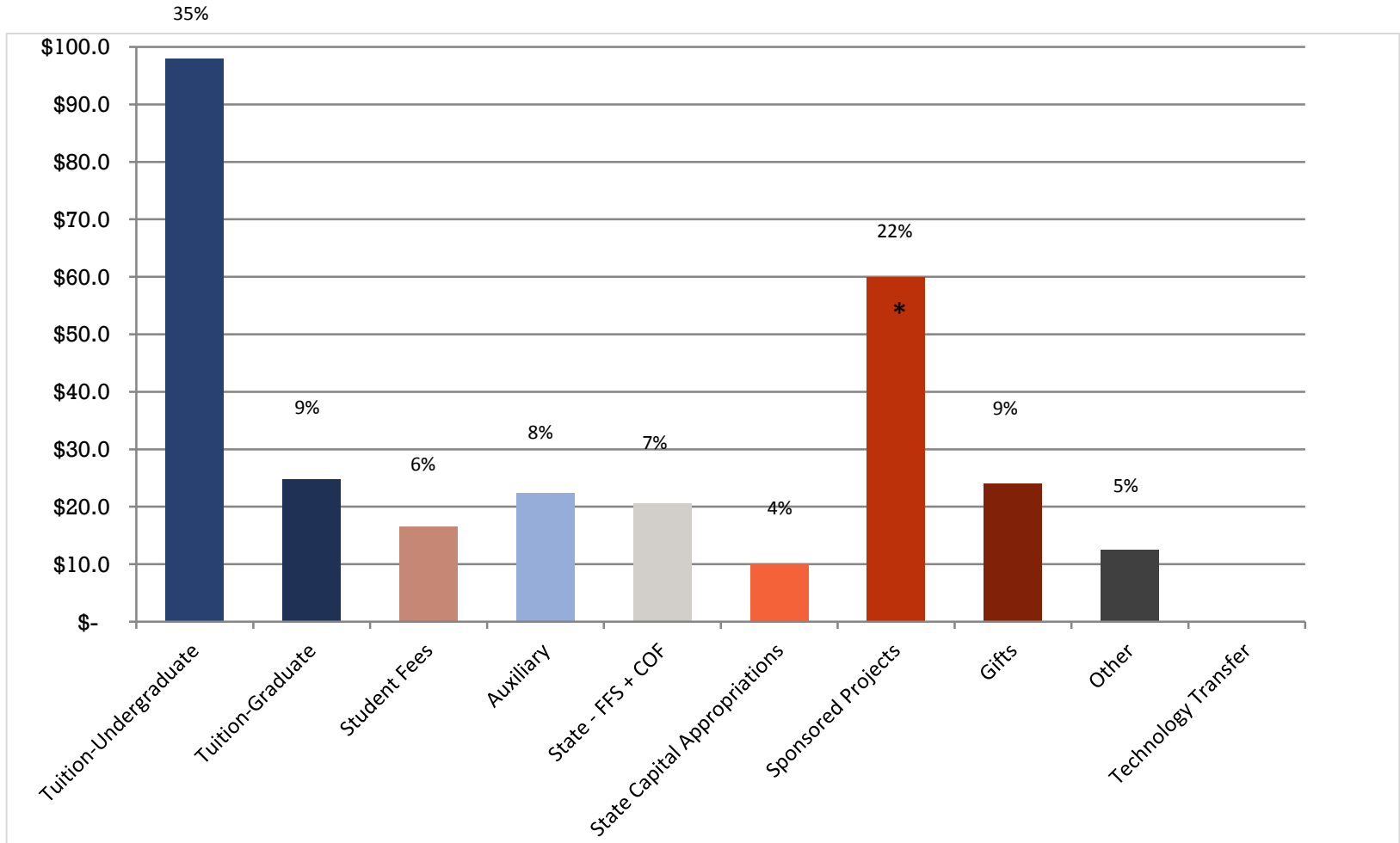
# Existing Business Model Revenue



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# Total Revenue

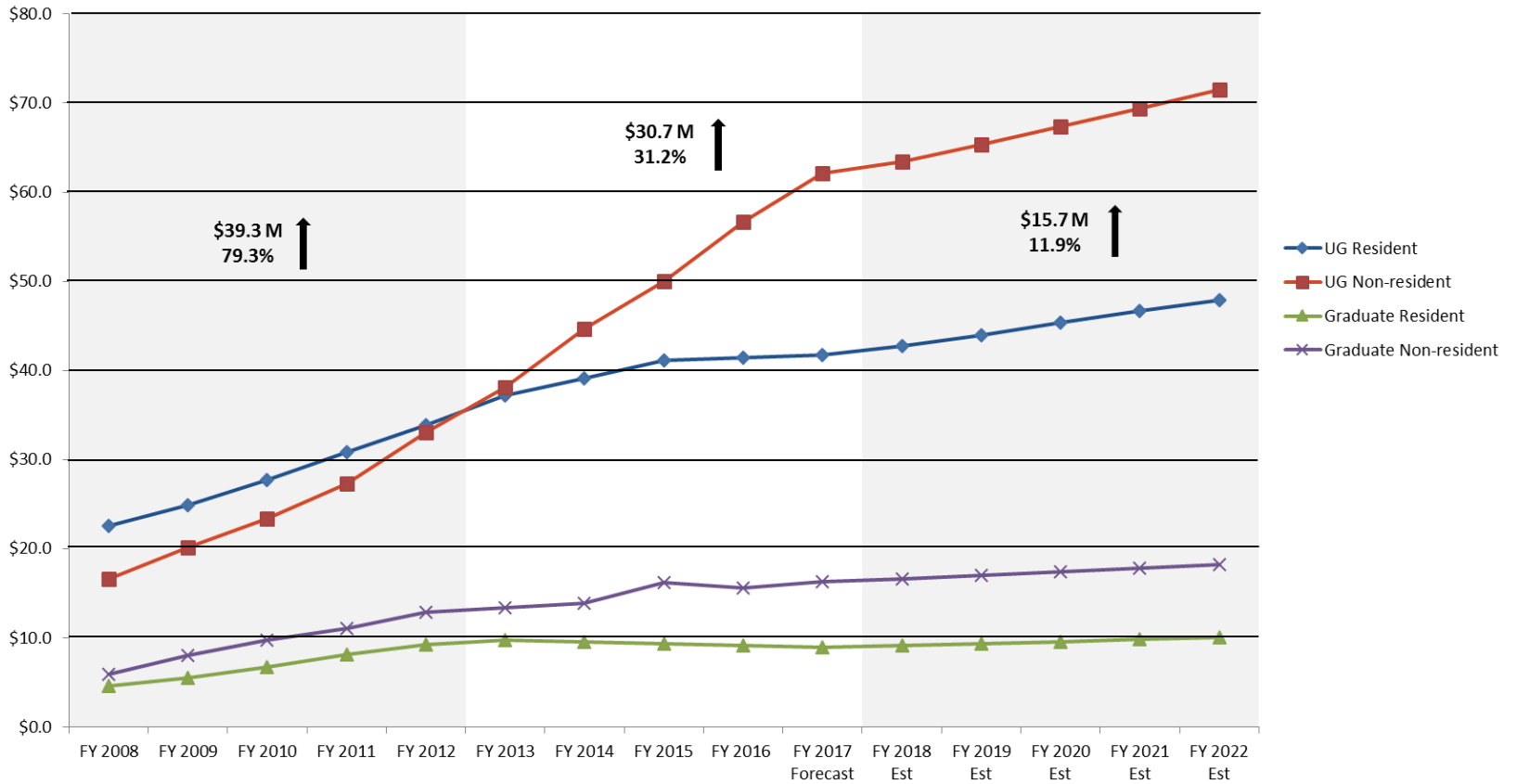


\* Includes ~\$7m of graduate tuition

# Tuition Revenue Trend



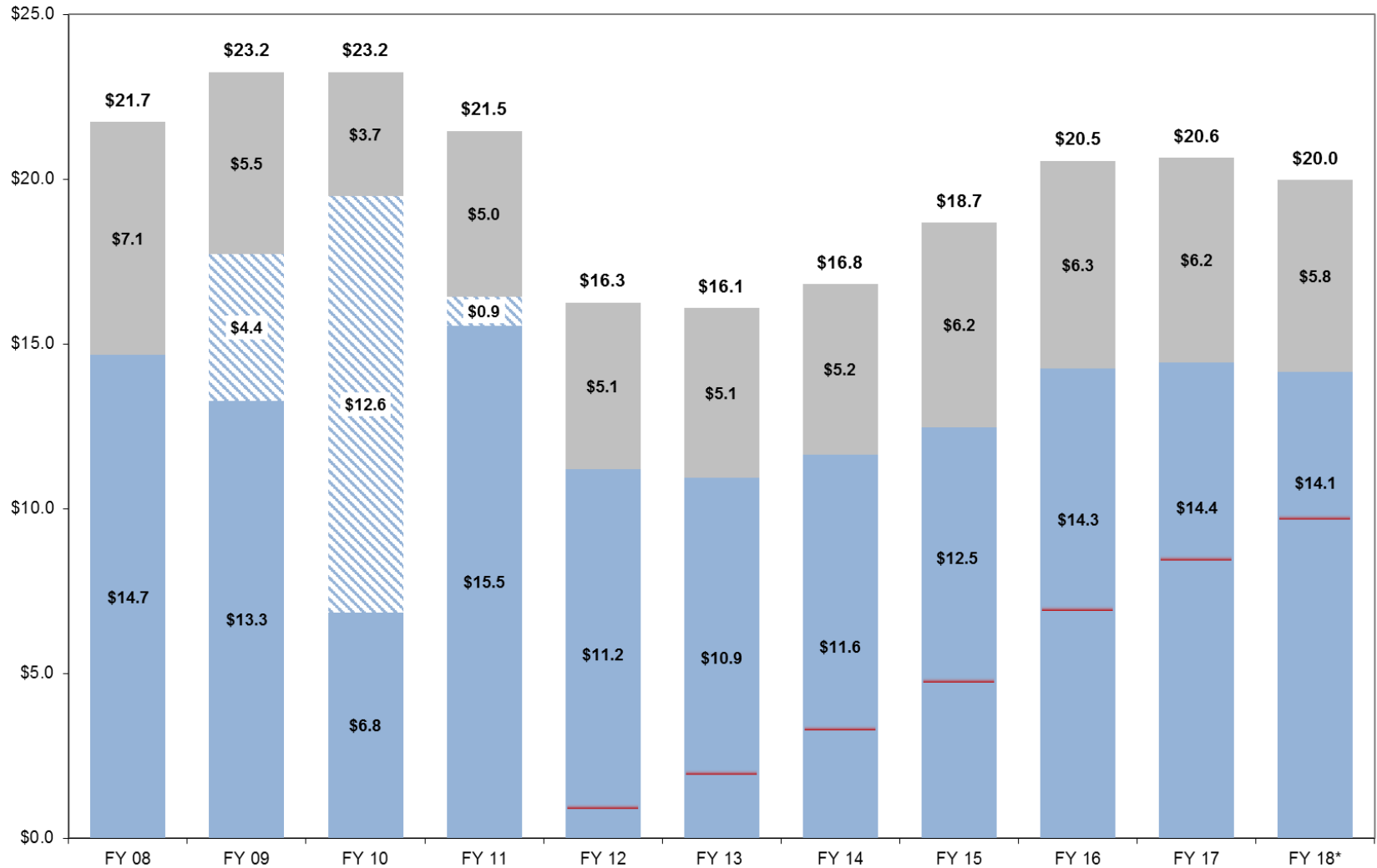
Total (Millions)    \$49.6    \$58.7    \$67.5    \$77.4    \$88.9    \$98.4    \$107.1    \$116.7    \$122.8    \$129.1    \$131.2    \$135.1    \$139.7    \$143.7    \$147.6



# Mines State Funding



in millions



\*proposed

■ FFS

▨ Fed Stabilizaton (SFSS)

■ COF

— SB3 (will fully support Resident students by 2020)

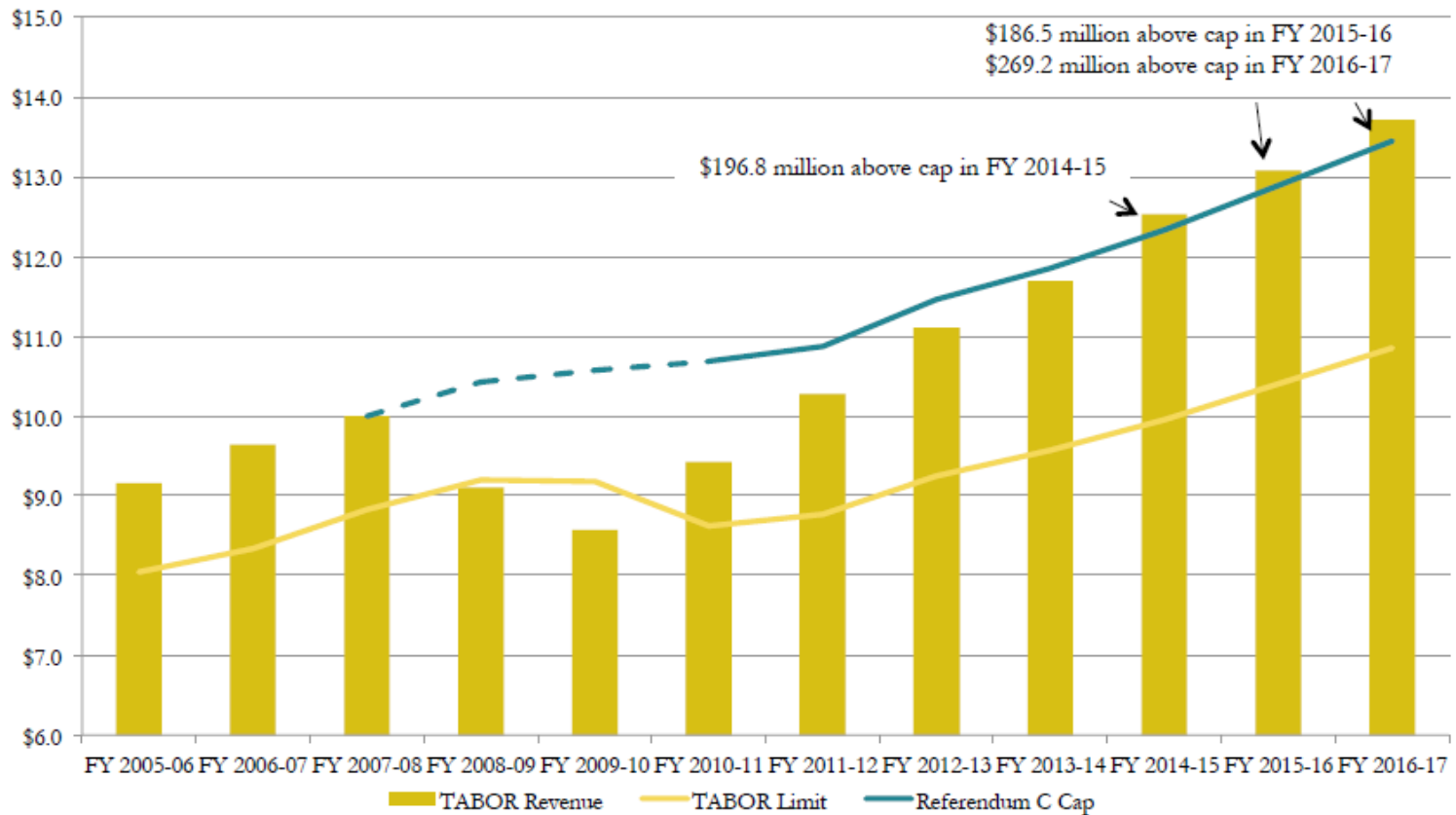


# State Funding – A forward look

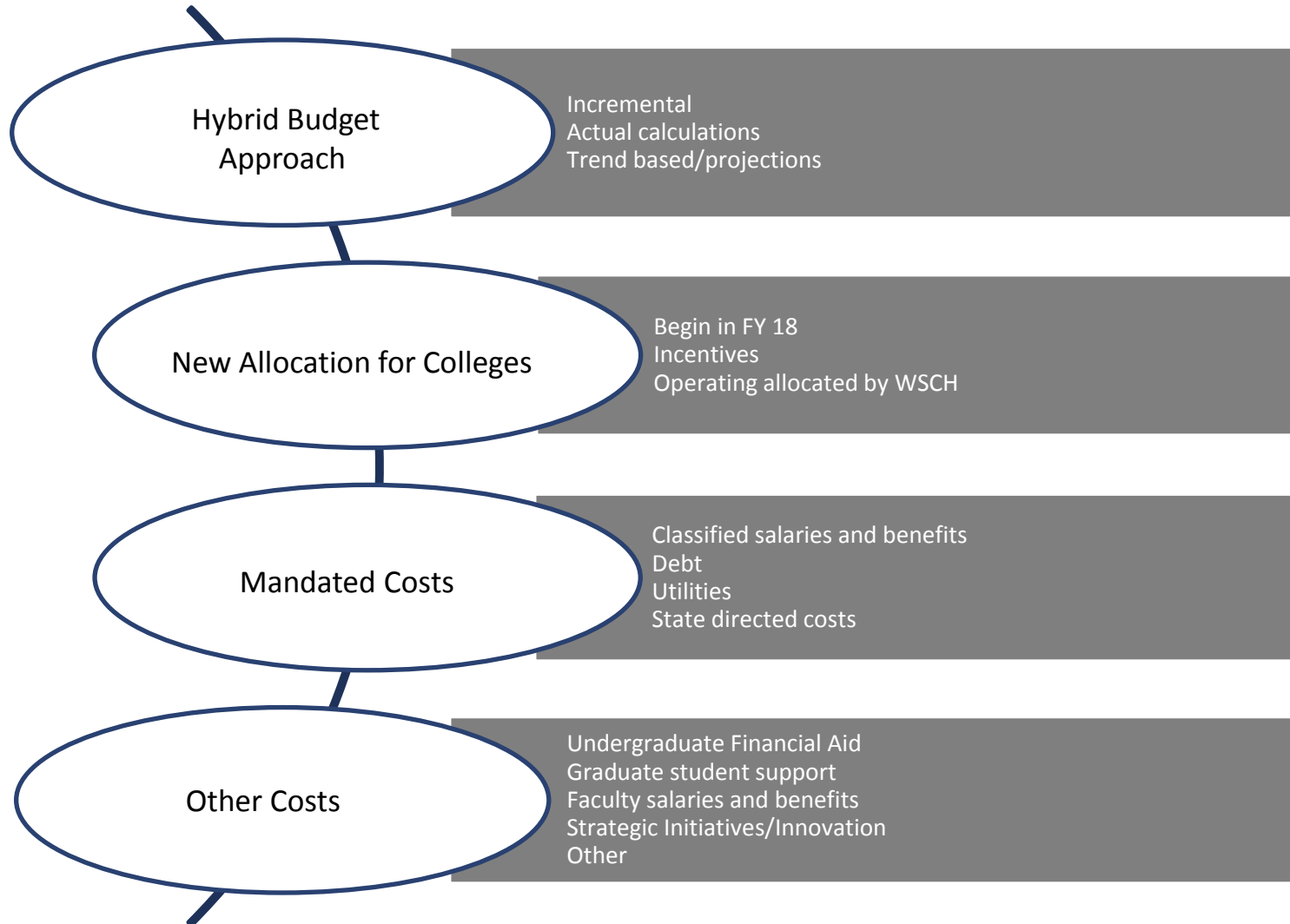
produced by the Governor's Budget Office



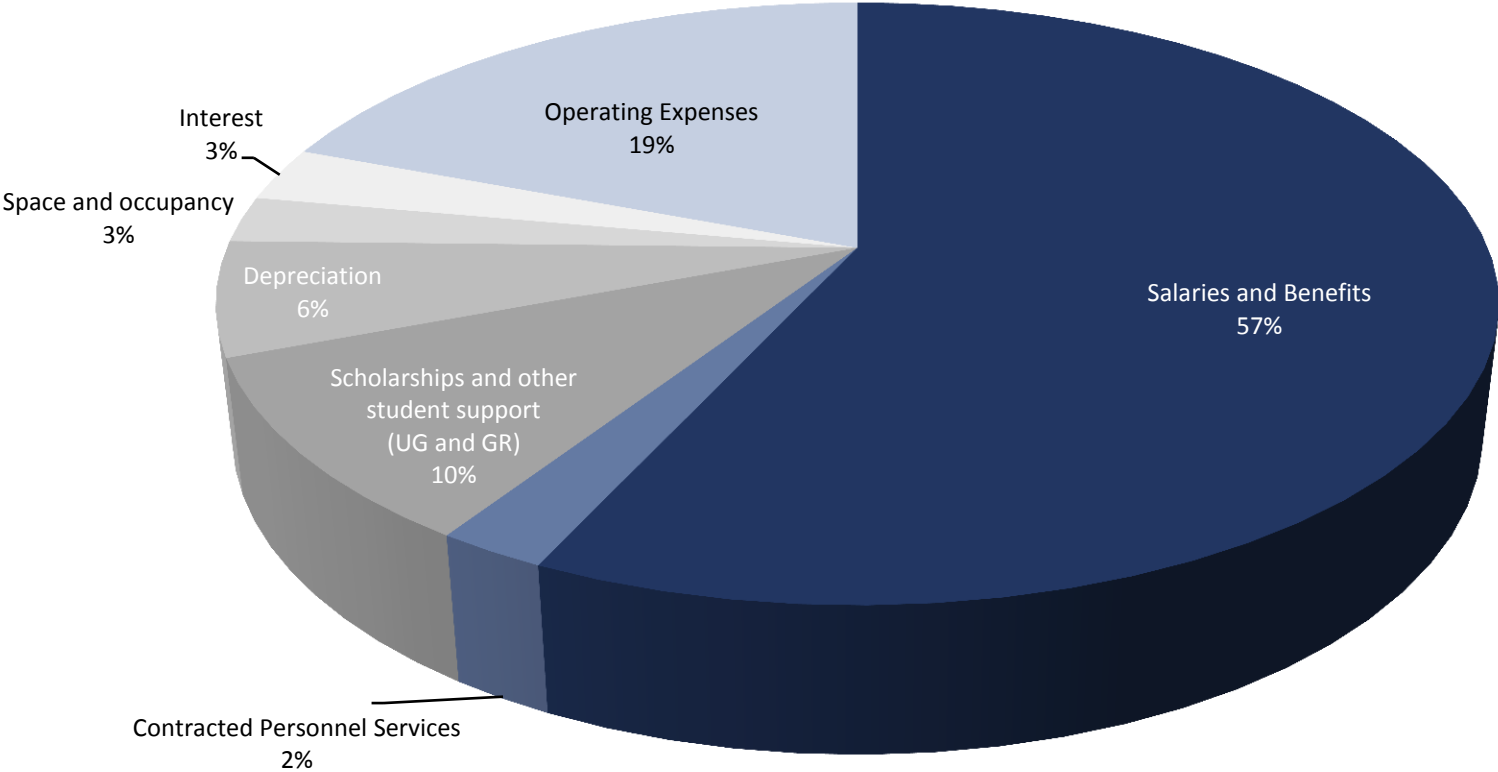
## TABOR and Referendum C



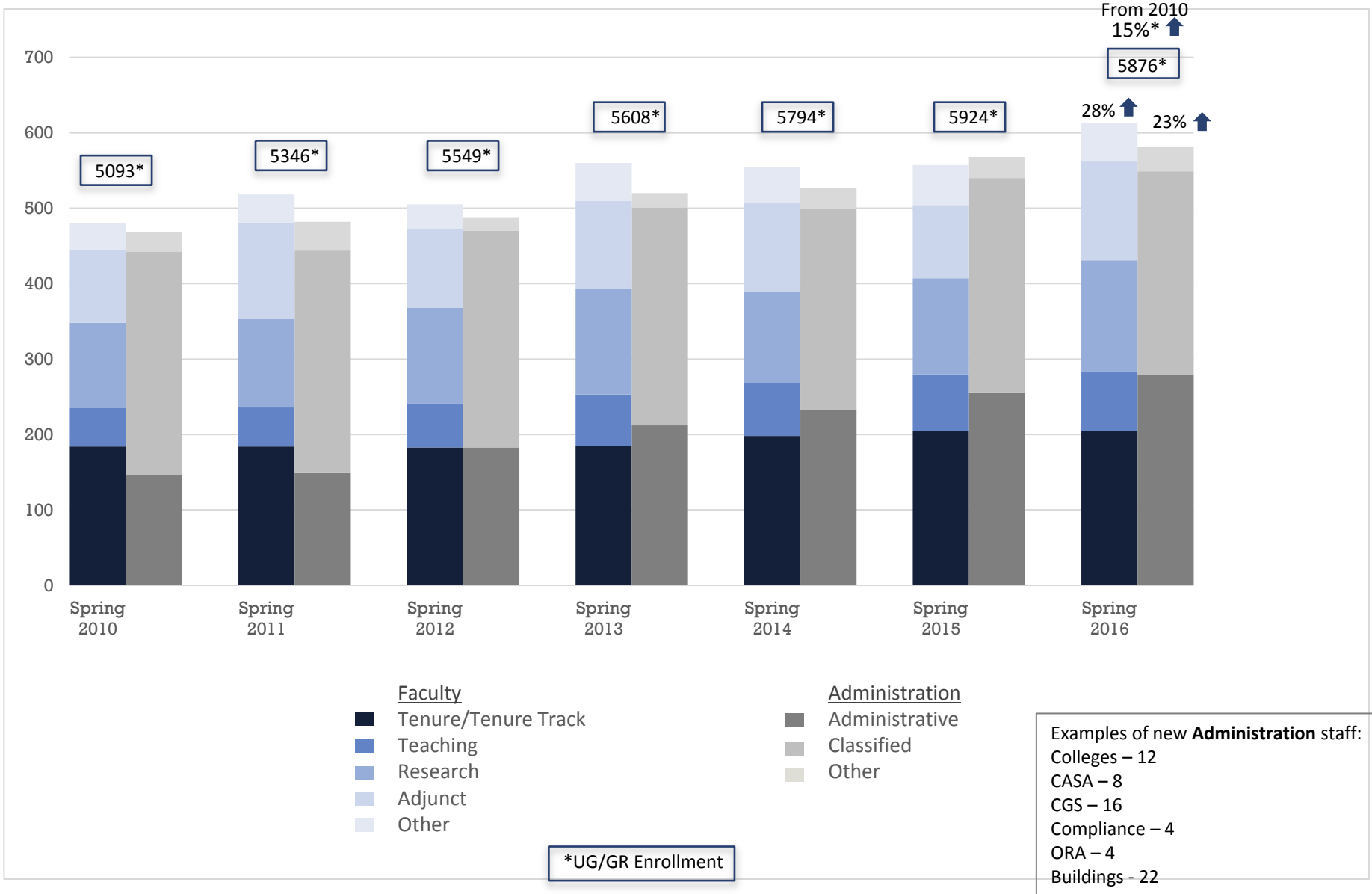
# Existing Business Model **Expense**



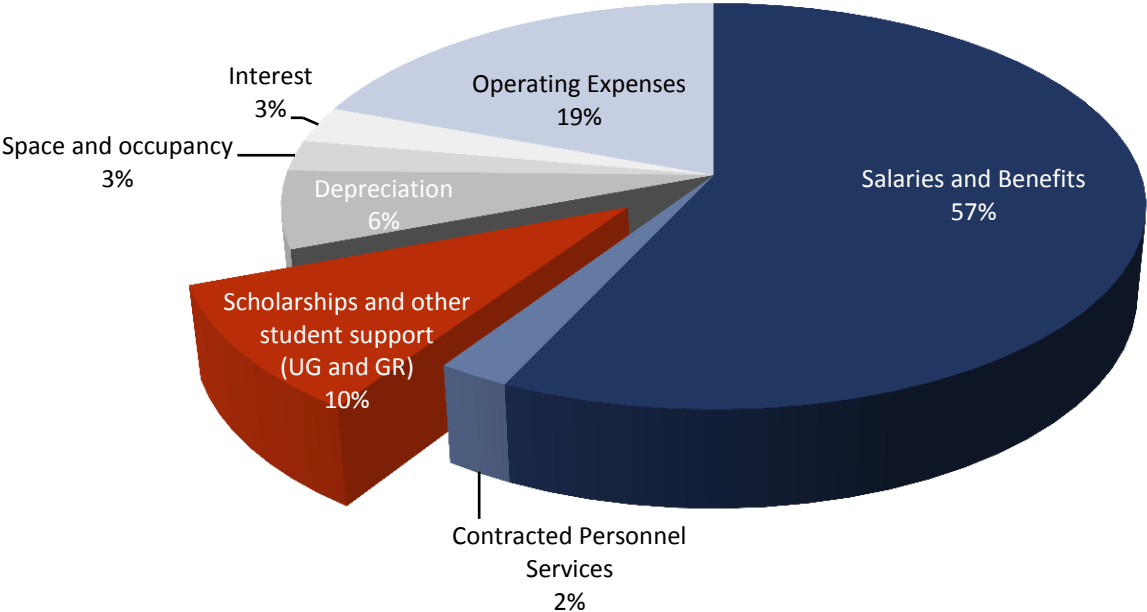
# Total Expenses



# Salaries and Benefits are our largest expenses - Faculty and Administration Headcount from 2010 to today



# Scholarships and other Student Support is our Second Highest Single Expense



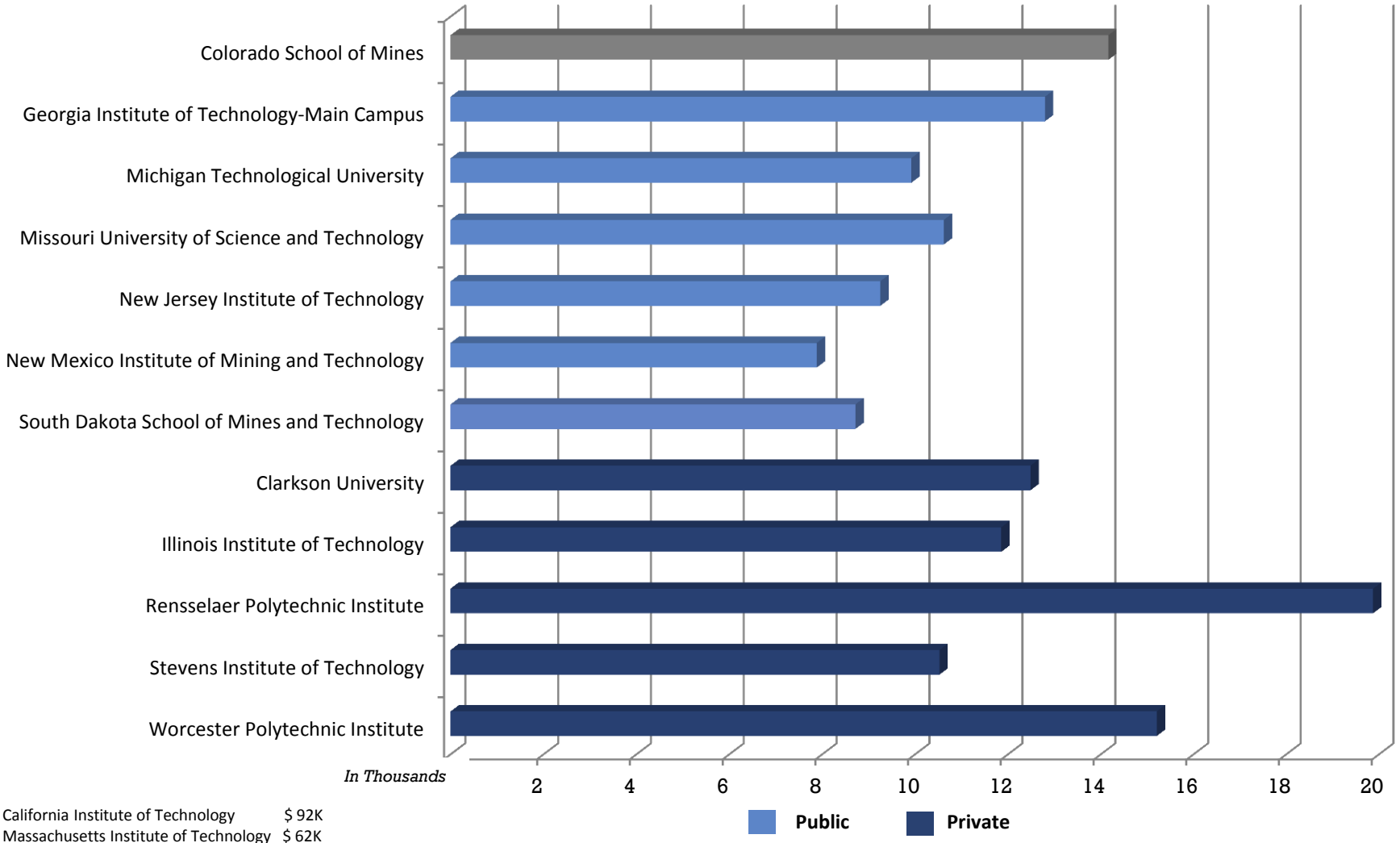
<i>Scholarships and Student Support (in millions)</i>		Discount
Undergraduate Financial Aid (Merit and Need)	<b>\$19.3</b>	<b>~18%</b>
<b>Graduate Student Support:</b>		
Teaching Assistant Tuition	2.6	
Differential Tuition Fellowships	4.5	
Summer Tuition Fellowships	1.8	
Research Matching	0.3	
Graduate Fellowship	0.7	
Continuance and Underrepresented - SB3	0.1	
<b>Graduate Student Support Total</b>	<b>\$10.0</b>	<b>~39%</b>

# Expenses Compared to peers/aspirants

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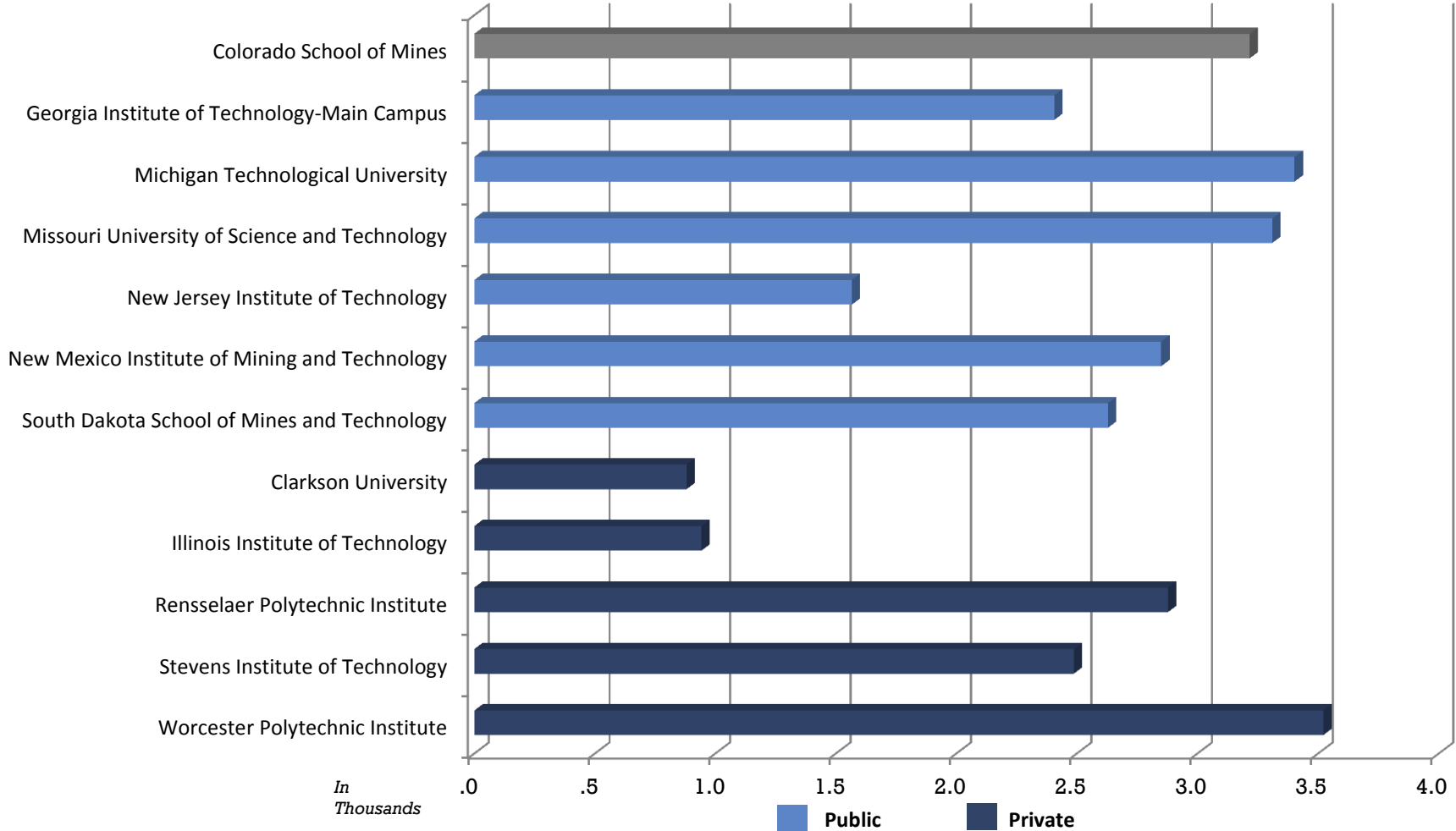
- Instruction
- Academic Support
- Student Services
- Institutional Support
- Auxiliaries

# Instruction Expenses in thousands by Student Headcount



Faculty salaries and benefits; instructional expenses; department heads; assistant department heads; academic PA's; TA's; SPACE

# Academic Support in thousands by Student Headcount

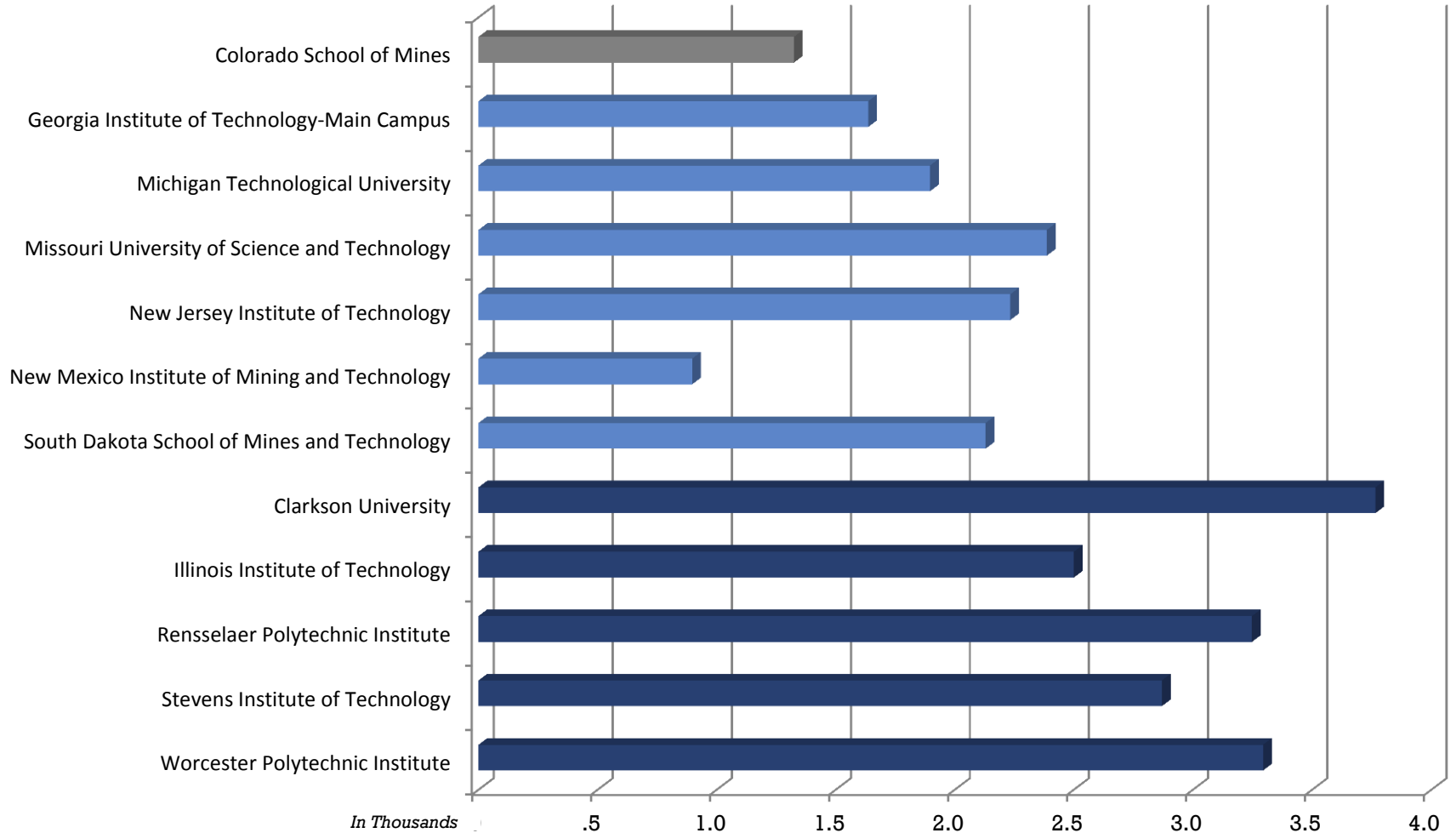


California Institute of Technology \$ 19K  
 Massachusetts Institute of Technology \$ 31K

Graduate Studies; portion of CCIT that supports the academic operation; Deans; college administrators; college fiscal officers; Library; TI<sup>2</sup>L; Professional Development funds; ORA



# Student Services in thousands by Student Headcount

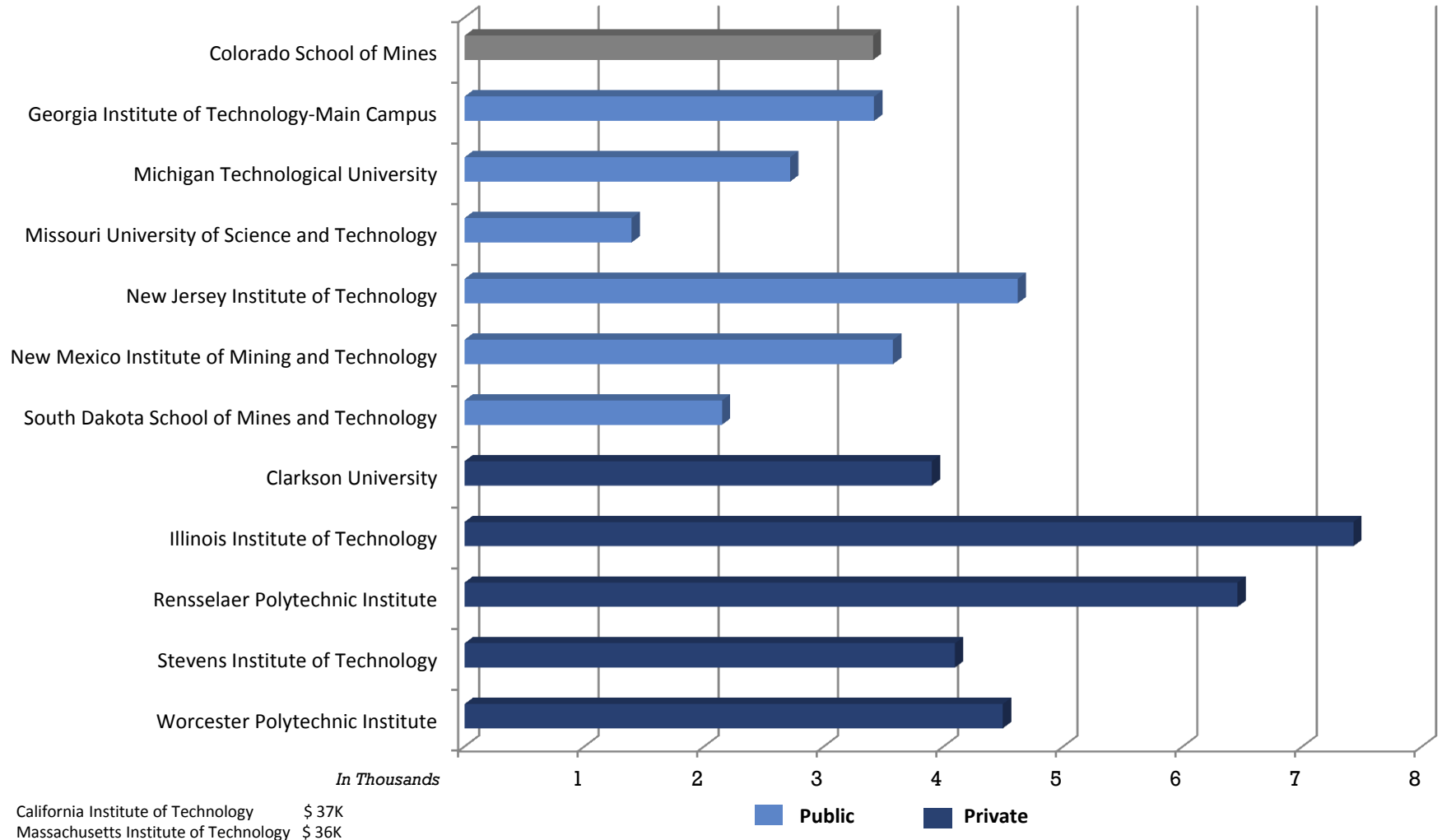


California Institute of Technology \$9K  
 Massachusetts Institute of Technology \$6K

Public Private

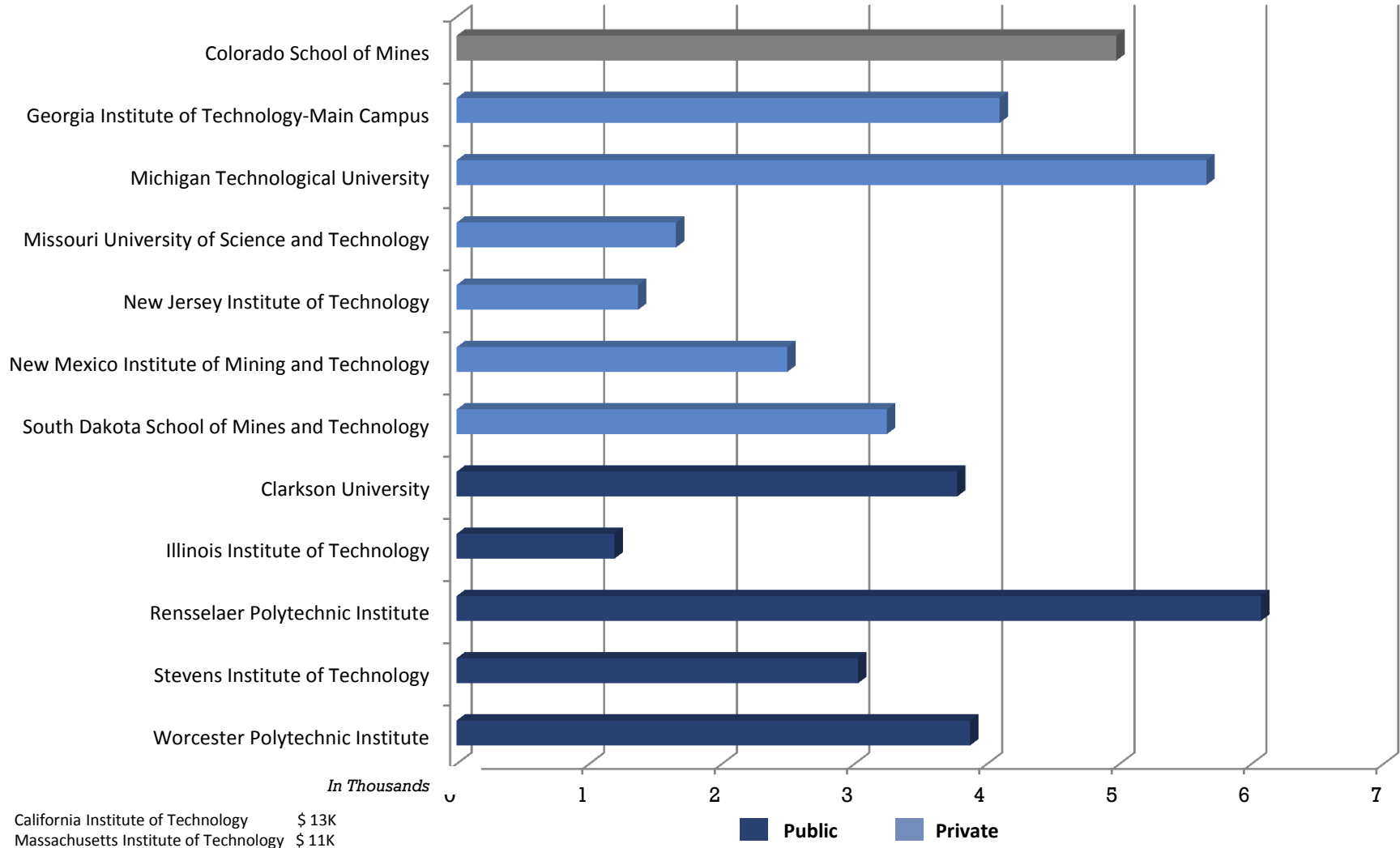
CASA; Registrar's Office; Counseling Center; Career Center; WISEM; MEP; UG Admissions; institutionally funded RA's; portion of Athletics

# Institutional Support in thousands by Student Headcount



Offices and salaries/benefits: President, Provost, EVPAO, VPRTT, VPSE, VPSL, COS, Legal, portion of CCIT, Title IX, Compliance, HR, Budget, Controller's office, Internal Audit, Procurement, Communications and Marketing

# Auxiliary enterprises in thousands by Student Headcount



Housing; dining; recreation center; Wellness Center; CGS; Athletics; etc.

# Business as usual... here is what our next five years could look like



## Annual Assumptions:

- 3% tuition rate increase; flat UG enrollment and 1% annual decline in GR
- 5% state reduction
- Other revenue streams flat
- Salary increases – 3%; 2% classified with benefits ~ CPI
- CPI increases in utilities and other mandated costs
- New building in 2020
- No net new positions and funding for strategic or operational initiatives
- New Defined Contribution Plan

# What is our business model going forward?

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- Tuition rate increases will be ~ 3% - 4% in the near future
- What is our capacity?
  - Positions (Faculty/Administration)
  - Enrollment:
    - Undergraduate
    - Graduate (Ph.D., TM, NTM)
    - On campus vs. off campus
  - Mix of students:
    - R/NR; other demographics
    - Programs
  - Space
  - Short courses/continuing education/professional development
  - Others....
- How do we supplant state funding?
- Other revenue streams?
- What costs can we re-align/shift/re-assess?
- Other?

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