



COLORADO STATE UNIVERSITY PUEBLO

Friday, April 17, 2020 | 5 p.m.

Dear CSU Pueblo Campus Community—

Last Friday, my message to campus outlined CSU Pueblo's priorities during the COVID-19 pandemic. These four directives will guide every decision we make about operations, personnel, and our fiscal responsibilities. Our priorities include:

- To ensure the continuity of teaching and learning
- To ensure that all full-time employees remain employed
- To ensure business continuity for the university
- To ensure the financial sustainability of the university

Today's message is designed to provide you with critical details around our financial decision-making, shared governance, and a proposed pathway forward.

OUR FINANCIAL FUTURE: PROTECTING OUR PEOPLE

The Board of Governors of the CSU System has unanimously approved a fiscal approach to 2021 budgeting that aims to protect the payroll of permanent, full-time employees to the extent possible while we transition through the pandemic. Our system understands that our CSU campuses are critical pieces of the state and nation's economic ecosystem.

Although federal support in the face of today's crisis remains uncertain, we believe that there is reason to be hopeful that additional resources may be forthcoming. Of course, as our Chancellor reminds us, we are not without our own resources – as campuses and as a System. We can begin by deploying our limited campus reserves and then engaging the System in how their reserves could be used to protect our permanent, full-time employees.

We are simultaneously developing budget models that anticipate fall enrollment declines from 5 to 15% and we estimate that state funding for higher education may decline by as much as 20%. We remain uncertain of federal funding beyond the \$2 million provided to the University from the CARES Act. Finally, data suggest that tuition could not increase more than 5% without an adverse impact on our students and the mission of the university; we continue to advocate for what's best for our students.

RAMPING DOWN: A TWO-STEP PROCESS

In the weeks ahead, we will be engaging in a "ramp down" process that includes two steps. In step one, we will outline a plan to reduce expenses up to 15%. We are very supportive of the Board's priority to protect our full-time, permanent payroll. The Board feels strongly that laying people off in the middle of the economic downturn has the potential to harm not just our campuses but the community and state in which we reside. We will look at our options for budget reductions, and we will temporarily become a smaller university. Certainly, reducing expenses will be incredibly challenging for the campus. Together, we will carefully manage all campus resources by examining part-time employees, employee vacancies, employee workload, and operating budgets — among others.

In step-two, we will partner with our CSU System and Board of Governors to mitigate the impact downsizing campus could have on our ability to strategically rebuild the university and implement Vision 2028. Simply put, we will ask for system reserves to help us backfill some of our cuts allowing us to reach our three university goals — increasing the appeal of campus, improving student success,

and developing our people. These discussions will occur during the May and June Board of Governors meetings.

OUR TIMELINE: DEADLINES AND SHARED GOVERNANCE

In order to meet mandatory state and system deadlines for a mid-June budget, and to prepare for the May 4th CSU System Board of Governors meeting, Cabinet will meet on Monday, April 20th to discuss and validate various budget scenarios based on information we have regarding state funding, enrollment projections, and tuition rates.

On Tuesday, April 21st, we will convene a meeting of the President's Budget Advisory Council (PBAC)¹, during which we will ask this group to study and prioritize a variety of expense reduction strategies related to the potential budget scenarios.

On Friday, April 24th, I will provide another message to campus. This message will include details around what leadership believes are the most likely financial scenarios, and it will include the PBAC decisions around proposed expense reductions for each of those scenarios. During the week of April 27th, I will host virtual campus budget discussions — you are all invited. Afterwards, my team and I will update campus with additional messaging, as needed.

As is our practice, we will provide you with updates to our budget discussions following each of the upcoming Board of Governors meetings. Once our budget is finalized and approved by the Governors, the Vice Presidents will then work with their respective units to operationalize the expense reductions.

THE PATHWAY FORWARD

Our mission, vision, and guiding principles have served us well during this worldwide crisis, and it is clear that becoming the people's university is more important now than ever before. I am proud that our proactive decision-making has consistently put our students, and the health and safety of our employees, first.

No doubt, tough decisions are ahead. I am grateful for your patience, for your dedication to our students, and for your creative problem-solving these last two months. I know you have questions. Like you, I do not know what the future holds, but I promise to be transparent, to be direct, and to always advocate for outcomes that support our students, our employees, and this community.

With sincere wishes for your continued health and safety,



Dr. Timothy Mottet, President
Colorado State University Pueblo

¹ CSU Pueblo PBAC Members: Mohamed Abdelrahman, Kat Abernathy, Beverly Allen, Vicki Becker, Meg Brewer, Yaneth Correa-Martinez, Abby Davidson, Hannah, Douglass (ASG President), Johnna Doyle, William Folkestad, Joe Franta, Rhonda Gonzales, Chrissy Holliday, Greg Hoye, Marie Humphrey, Sylvester Kalevela, Todd Kelly, Chad Kinney, David Lehmpuhl, Margie Massey, Chris Milliken, Paul Plinske, Bruce Raymond, Alejandro Rojas Sosa, Corey Shilling, Donna Souder Hodge, Niki Toussaint, Kristyn White Davis