Dear CSU Colleagues,

Thank you for the work you have done and continue to do to educate and serve our students and the university. Faculty—your conversion of the spring curriculum in just 10 days to 100% on-line teaching and learning is extraordinary. You have so much to be proud of moving so quickly in a crisis and doing it with commitment and gracious good spirits. Staff on the front lines—a special thank you for your hour-by-hour protection of our critical operations: cleaning, preparing food, providing medical services to people and animals, caring for research animals, maintaining buildings and grounds, keeping our campus safe and performing research on the coronavirus. Our university community has come together to fight an invisible enemy with energy, spirit, and empathy.

The COVID-19 crisis currently casts a shadow that makes it difficult to see the full dimensions of the challenge we face and the shape of the future. In the midst of this uncertainty, I know our entire community is concerned about the fiscal implications of the pandemic, including on the university’s budget. I write to you now to share information about how we will approach the budget. The CSU System Board of Governors has provided guidance and our approach aligns with the Board’s.

As the land grant university of the state of Colorado, we affirm our mission of providing access to higher education, conducting impactful research, and engaging positively across the state—even and especially in a crisis. To fulfill this mission, we must prioritize a commitment to our employees. The Board shares this commitment and has unanimously approved a fiscal approach that aims to “protect permanent, full-time employees to the extent possible while the university adjusts to the current uncertain fiscal situation.” In making this decision, the Board considered the uncertain status of both federal and state funding and provided guidance that we should maintain our permanent, full-time payroll as a top priority, recognizing that laying people off during an economic downturn is harmful not just for our campus but for our community and state. The Board has also authorized us to look at the strategic use of reserves, along with other measures, as a bridge to stepping down expenses in light of reduced revenues.

Although the federal government has stepped in with some recovery funds for higher education, the announced dollar amount falls far below what the higher education economic sector will need to truly recover. To understand what I mean, consider the airline industry as a comparator. The airline industry employs 750,000 people nationwide and has been publicly allocated $25 billion. Universities across the country, employ more than 2.3 million people and serve 19.4 million students (many of whom are also
university employees). Yet the higher education sector received only $14.2 billion, of which only $6 billion will be made available to institutions to deal with lost revenue.

To be clear, we are grateful that the CARES Act includes a variety of supports for students. But we are also grateful that a number of national educational associations—including the American Association of Universities, the Association of Public Land-grant Universities, the American Council on Education, and the American Association of State Colleges and Universities—are advocating for a $46 billion package for institutional losses and another $26 billion to support federal research at universities. We have no way of assessing the probability of this level of support from the federal government.

Meanwhile, Colorado’s budget process has been understandably delayed by the pandemic and the state is waiting for the May economic forecast. Experts anticipate there will be a sharp decline in state revenue. You may recall that before the pandemic, Members of the Joint Budget Committee signaled possible increases in funding to higher education institutions and state employee salaries. These are now off the table. In addition, if the forecast is as bad as some predict, the Joint Budget Committee will recommend significant reductions in state support for higher education.

We do have a path forward, however. It will not be easy, but if we commit to trust and collaboration we can not only survive this crisis but come out the other side a stronger institution. With a combination of federal funding, campus and system reserves, and a targeted budget strategy, we can make smart decisions for the remainder of the 2020 fiscal year and also construct workable budgets for fiscal year 2021. We will protect full-time permanent jobs by selectively using reserves, reduce staff through attrition and retirement, limit hiring to critical positions, and control expenses. Our campus will have many processes and decisions to work through in the coming months. My goal is for us to engage in those processes and make those decisions thoughtfully, courageously, strategically, and compassionately—and for us to do so together.

Yours truly,

Joyce