DEPARTMENT OF HIGHER EDUCATION
FY 2017-18 JOINT BUDGET COMMITTEE HEARING AGENDA

Thursday, January 5, 2017
9:00 am – 12:00 noon

9:00-11:15 UNIVERSITY OF COLORADO SYSTEM, COLORADO STATE UNIVERSITY SYSTEM, UNIVERSITY OF NORTHERN COLORADO, COLORADO SCHOOL OF MINES

INTRODUCTIONS AND OPENING COMMENTS (5 MINUTES PER GOVERNING BOARD)
Note: the JBC requests only one speaker per governing board
A break will be taken as needed

Tuition, General Fund, Institutional Financial Health, and the Executive Request

1 What are the primary drivers behind tuition increases at your institution(s)? How much is driven by General Fund cuts versus other factors? Do educational costs for your institution(s) increase faster than inflation? If so, why?

2 Discuss the resident tuition increase proposed for your governing board in the Executive request.

a) How much of an increase in education and general *revenue* do you anticipate needing in FY 2017-18? If this is greater than the projected increase in the Boulder-Denver-Greeley CPI, explain why.
b) Does the maximum undergraduate resident tuition rate increase proposed for your governing board accurately reflect your tuition need if R1 General Fund support is approved? Why or why not?
c) How much of a General Fund increase would you need to keep tuition flat?
d) How much of a resident tuition rate increase would you seek if the State could not provide a General Fund increase?

3 How much do you hope to increase non-resident tuition? Is this less than your proposed resident tuition increase? If so, why? How much of your tuition revenue is from non-residents?

4 Are you comfortable with the funding allocation model as submitted? Why or why not?

5 How healthy is your governing board financially? If you've had ongoing challenges or you've recently seen a significant improvement or decline, please discuss your situation.

Financial aid

6 Does your governing board award institutional financial aid? If so, what are the criteria? What are your goals in awarding the aid?
   a. What percentage of your resident student population receives an institutional aid scholarship based on need? Based on merit?
   b. How much of your "education and general" tuition revenue is used for scholarships? What is the break-down of the expense between residents and non-residents and the proportion used for need-based versus merit-based aid in each category?

7 If applicable, what share of revenue from an increase in resident tuition would you expect to use for scholarships? Why?

Institutional Efficiency/Efficiency to Degree/Debt Burden/Transfers

8 What can be done to reduce the cost of education for students and the burden of student debt?

9 Can higher education institutions be more efficient? Do we need new educational models?

10 How have initiatives in the following areas affected student retention, completion, and time-to-degree/credential at your governing board? What other initiatives are you exploring or implementing to help students complete as efficiently as possible?
   a. Changes in remediation/supplemental academic instruction policies
   b. Dual/concurrent enrollment programs
   c. Policies related to transfer (e.g., transferrable core-requirement courses and associates degrees)

11 What are the primary reasons credits are lost when students transfer to your institution(s), based on the data your staff collected for JBC staff? Are there steps that should be considered to address credit-loss at the institutional level? At the State level? Do you have input on JBC staff's recommendations on this?

12 JBC staff made the following recommendations related to open access (freely available) educational and research materials.

   (a) Support a grant program to develop and disseminate open access educational materials for gtPathways courses, with a particular focus on concurrent enrollment courses. The goal would be to reduce student (and K-12 system) costs.

   (b) Consider requiring that all research publications produced by faculty at state institutions be deposited to institutional archives and made freely available after no more than a 12 month embargo.

Do you have any feedback on these ideas?

11:15-11:30 BREAK

11:30-12:00 HISTORY COLORADO

INTRODUCTIONS AND OPENING COMMENTS

1 Please discuss your budget priorities.

2 Explain how History Colorado is doing financially. Why does visitation and revenue appear to drop off in certain months in FY 2015-16 compared to FY 2014-15?

3 How has the Limited Gaming funding formula changed since Amendment 50 and how has this affected History Colorado?

4 Why are some history museums state museums and others not? How significant are state properties compared to other history museums and historic sites not owned by the State?

5 What challenges does History Colorado face operating within the OIT structure? Is History Colorado interested in a statutory change that would allow it to operate some or all of its facilities outside of OIT (like other institutions of higher education)?

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED - GOVERNING BOARDS

1 Provide a list of any legislation that the governing board has: (a) not implemented, or (b) partially implemented. Explain why the governing board has not implemented or has only partially implemented the legislation on this list. Please explain any problems the governing board is having implementing any legislation and any suggestions you have to modify legislation.

2 Are you expecting any substantial changes in federal funding for your governing board with the passage of the FFY 2016-17 federal budget?

3 Does the governing board have any HIGH PRIORITY OUTSTANDING recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office and dated June 30, 2016 (link below)? What is the department doing to resolve the HIGH PRIORITY OUTSTANDING recommendations?

http://leg.colorado.gov/sites/default/files/documents/audits/1667s_annual_report_-_status_of_outstanding_recommendations_1.pdf

4 What is the expected impact of Amendment 70 (minimum wage increase) on the governing board? Please address impacts related to state personnel, contracts, and providers of services.

Capital Construction

5 Do your institutions provide for controlled maintenance projects (not annual repairs and maintenance, but projects that replace building systems or subsystems intended for facility renewal and intended to provide benefits longer than a year) in addition to state funded controlled maintenance for academic buildings? If so, does your institution have a formalized process for budgeting and funding these projects? If yes, generally describe the plan or process. If no, describe how a project would be accommodated with funding on either a planned or emergency basis. Briefly describe how your institution provides controlled maintenance for auxiliary buildings and how that differs from academic buildings.

6 Please provide an actual amount or estimate of institution-funded controlled maintenance spending annually for FY11-12 through FY15-16 for academic buildings. Include as much additional detail, regarding types of projects, that might be tracked as a part of your capital renewal efforts (no need to provide detail that isn't tracked - no need to provide project details).

7 Please provide the following data for your institution: number of academic buildings and auxiliary buildings; square footage of academic buildings and auxiliary buildings; total campus area; current replacement value of academic buildings and auxiliary buildings; annual facility management operating expenses for FY11-12 through FY15-16 (please clarify if the total includes or excludes all campus grounds maintenance and upkeep).

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED - HISTORY COLORADO

1 Provide a list of any legislation that History Colorado (HC) has: (a) not implemented, or (b) partially implemented. Explain why HC has not implemented or has only partially implemented the legislation on this list. Please explain any problems HC is having implementing any legislation and any suggestions you have to modify legislation.

2 If HC receives federal funds of any type, please respond to the following:

a. Please provide a detailed description of any federal sanctions or potential sanctions for state activities of which the Department is already aware. In addition, please provide a detailed description of any sanctions that MAY be issued against the Department by the federal government during FFY 2016-17.

b. Are expecting any changes in federal funding with the passage of the FFY 2016-17 federal budget? If yes, in which programs, and what is the match requirement for each of the programs?

3 Does HC have any HIGH PRIORITY OUTSTANDING recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office and dated June 30, 2016 (link below)? What is the department doing to resolve the HIGH PRIORITY OUTSTANDING recommendations?

http://leg.colorado.gov/sites/default/files/documents/audits/1667s_annual_report_-_status_of_outstanding_recommendations_1.pdf

4 Is HC spending money on public awareness campaigns? What are these campaigns, what is the goal of the messaging, what is the cost of the campaign? Please distinguish between paid media and earned media. Do you have any indications or metrics regarding effectiveness? How is the department working with other state or federal departments to coordinate the campaigns?

5 Based on HC's most recent available record, what is the FTE vacancy and turnover rate by department and by division? To what does the Department attribute this turnover/vacancy?

6 For FY 2015-16, do any line items in HC have reversions? If so, which line items, which programs within each line item, and for what amounts (by fund source)? What are the reasons for each reversion? Do you anticipate any reversions in FY 2016-17? If yes, in which programs and line items do you anticipate these reversions occurring? How much and in which fund sources do you anticipate the reversion being?

7 [Background Information: For FY 2017-18, the Department of Law has submitted a request to change the calculation of legal services appropriations as well as the monthly billing system for legal services provided to state agencies. Specifically, the proposal would: 1) calculate the number of budgeted legal services hours for each agency as the average of actual usage in the prior three years; 2) include a two-year average of "additional litigation costs" such as court reporting, travel for depositions, expert witness costs, etc., in the appropriation for legal services (these costs are not currently included in the appropriation and are often absorbed from other personal services and operating expenses line items); and 3) convert from monthly billing based on the actual hours of service provided to monthly billing based on twelve equal installments to fully spend each client agency's appropriation.]

Please discuss your agency's position on the Department of Law's proposed changes to the legal services system, including the potential impacts of the changes on your agency budget. That is, does your department support the proposed changes? How would you expect the changes to positively or negatively impact your department? Please explain.

8 What is the expected impact of Amendment 70 (minimum wage increase) on HC programs? Please address impacts related to state personnel, contracts, and providers of services.

9 Please provide an update on HC's status, concerns, and plans of action for increasing levels of cybersecurity, including existing programs and resources. How does the Department work with the Cybersecurity Center in the Office of Information Technology?

10 Is the SMART Act an effective performance management and improvement tool for HC? What other tools are you using? Do your performance tools inform your budget requests? If so, in what way?

11 Please identify how many rules you have promulgated in the past two years. With respect to these rules, have you done any cost-benefit analysis pursuant to Section 24-4-103 (2.5), C.R.S., regulatory analysis pursuant to Section 24-4-103 (4.5), C.R.S., or any other similar analysis? Have you conducted a cost-benefit analysis of the Department's rules as a whole? If so, please provide an overview of each analysis.

12 What has HC done to decrease red tape and make the HC more navigable/easy to access?

13 What is the number one customer service complaint HC receives? What is HC doing to address it?

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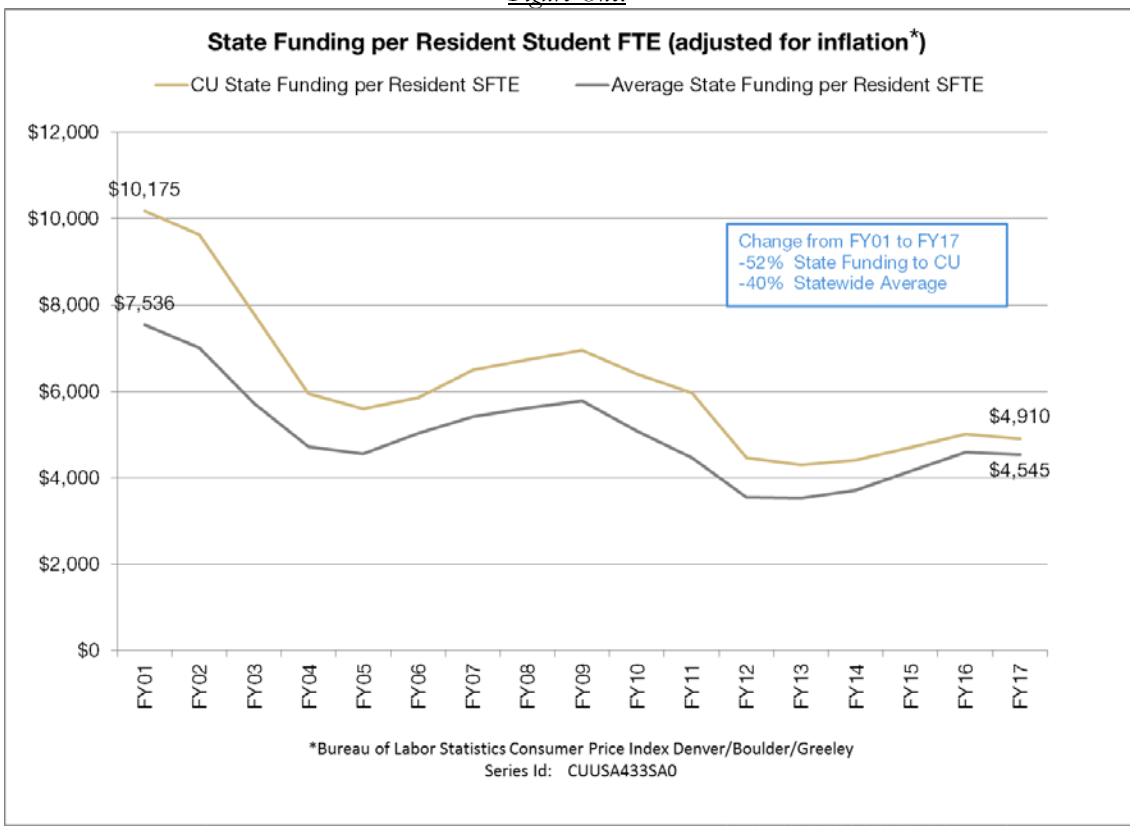
Tuition, General Fund, Institutional Financial Health, and the Executive Request

1 What are the primary drivers behind tuition increases at your institution(s)? How much is driven by General Fund cuts versus other factors? Do educational costs for your institution(s) increase faster than inflation? If so, why?

University of Colorado System

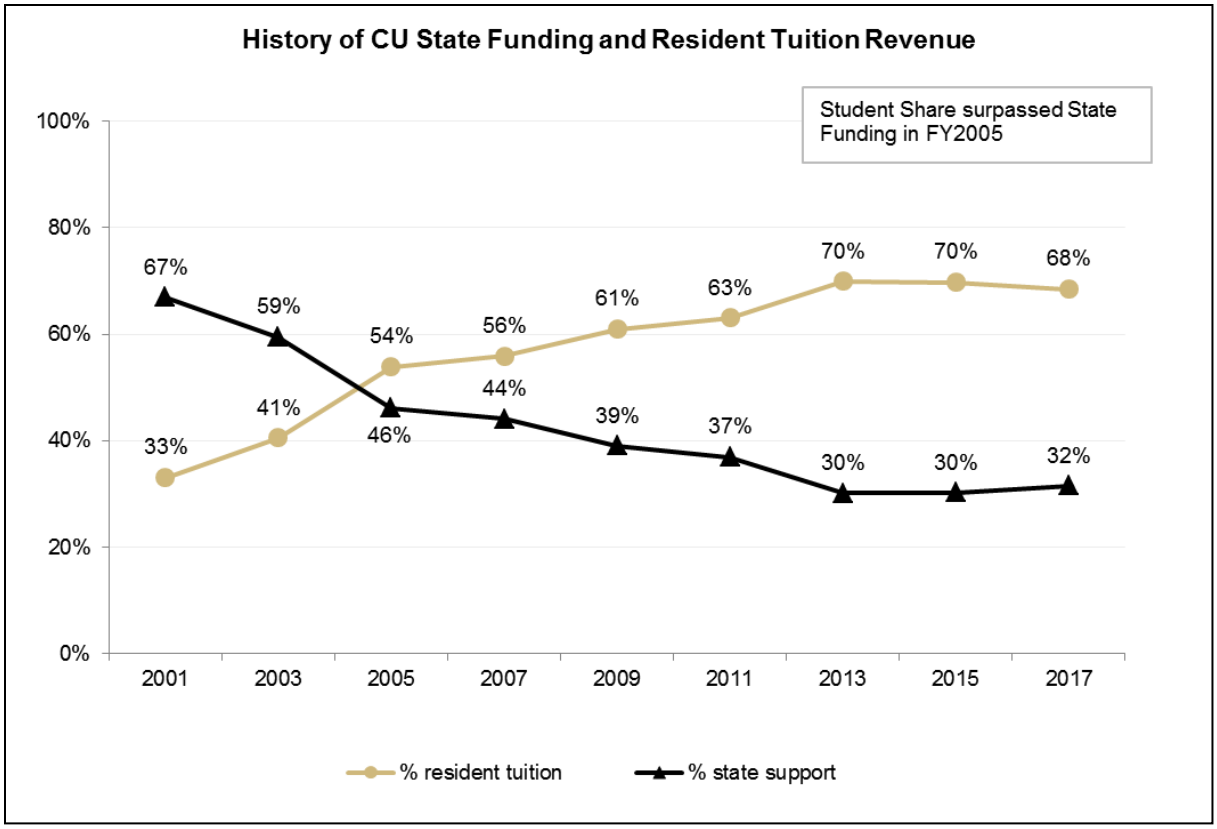
Over the last 17 years, the General Assembly has been forced to reduce state funding for public higher education as a result of balancing the state's budget during the recession in the early 2000s and the great recession of 2008. During both time frames, public higher education budgets, including the University of Colorado's, were cut. From FY 2000-01 through FY 2016-17, per resident student funding, adjusted for inflation at the University of Colorado has been reduced by nearly 52 percent ($10,175 FY 2000-01 to $4,910 in FY 2016-17). This is illustrated in Figure One on the following page.

Figure One:



Over this same period, tuition rate increases have played a critical role in backfilling state funding reductions and have enabled the University of Colorado to maintain and improve its educational quality while addressing infrastructure needs. At the University of Colorado this shift has resulted in students and families covering 68 percent of the cost in FY 2016-17, compared to 33 percent in FY 2000-01. This trend is illustrated on Figure Two on the following page.

Figure Two:



*As mentioned on page 11 of the December 13, 2016 - Joint Budget Committee Higher Education Briefing document "**Most, but not all, tuition increases in recent years are explained by declines in state support per student FTE.**" The University of Colorado agrees with the JBC staff's conclusion.*

While tuition setting and tuition revenues have been tools that the University of Colorado used during the last two economic downturns, these increases took place when the existing tuition rates were significantly lower compared to our peer institutions' tuition rates throughout the country. Today, resident tuition rates are near the average of our peers while non-resident tuition rates at our campuses are above those of our peers. The leadership of the University of Colorado remains extremely committed to access and affordability and is also sensitive to the fact that our price point must remain competitive in the higher education market place. These are critical considerations as CU leadership considers tuition increases.

While tuition will remain a policy tool to increase revenues, as state investments in public higher education don't keep up, we are in a different place now as compared to when we implemented tuition increases during the last two recessions. If the state is forced to make significant reductions in higher education funding due to state budget constraints or a future economic downturn, the University's ability to use tuition to backfill these reductions will be more limited.

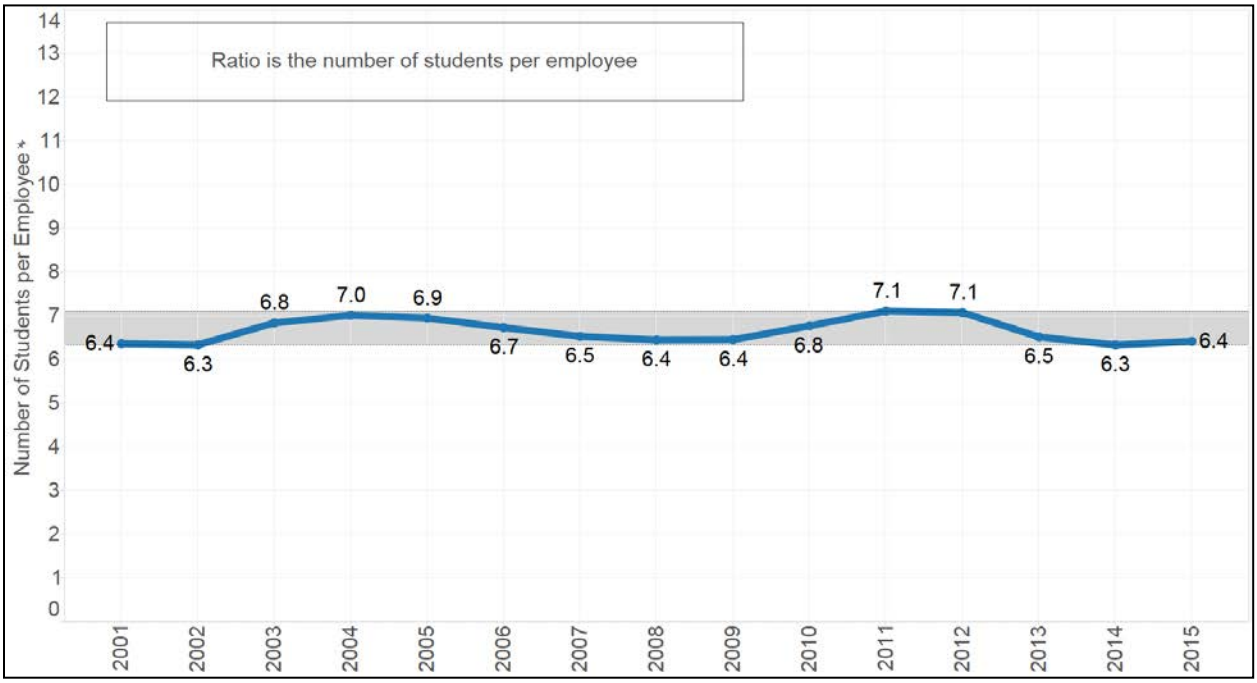
In an effort to better understand why costs have been increasing the University of Colorado, the Office of the Vice President of Budget and Finance examined cost drivers and staffing patterns that the University over the last few years. This was originally presented to the University Of Colorado Board Of Regents at the July 2015 Board meeting, then updated and

revised for the July 2016 meeting. A link to the full July 2016 presentation can be found at: https://www.cu.edu/cost-drivers-cu

Below are some of the conclusions:

- *73 percent of the increase in spending is a direct result of inflation and enrollment growth. We studied this topic to determine what was driving the remaining cost increases;*
- *System-wide, CU student to employee ratios have remained consistent compared to FY 2000-01. This means that employee growth is not outpacing student growth. (This is illustrated below in Figure Three.);*

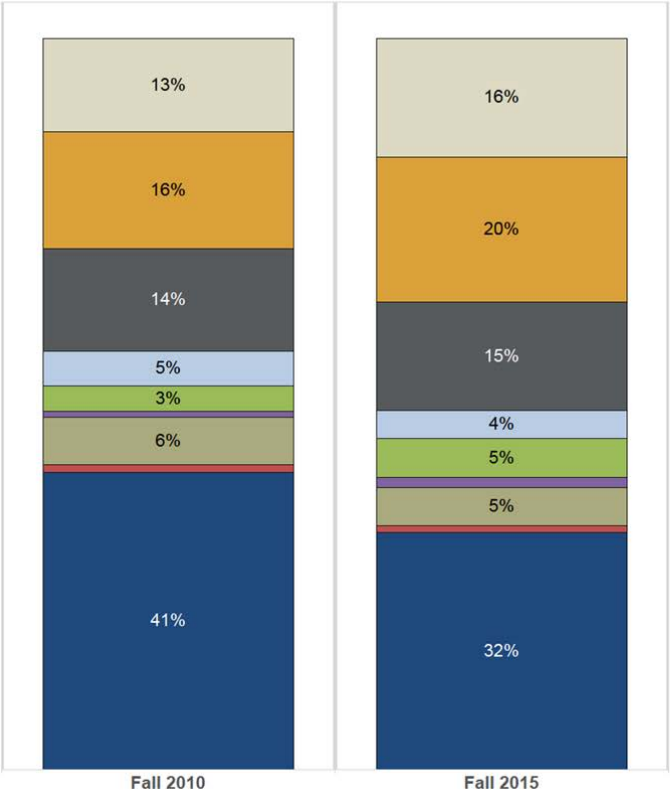
Figure Three:



- *Due to growing costs of employee benefits, total compensation for faculty is just slightly above inflation. Total compensation for exempt and classified staff remains below inflation. This means that total spending on salaries did not drive cost increases above inflation;*

- *Enrollments are shifting to more high cost programs and expensive disciplines.* ***We believe this is the primary remaining factor*** *driving cost of education increases above inflation. A larger portion of our students is shifting to higher cost programs. In fact, since 2010 we have seen a 23.6% increase in majors that are weighted as high cost at CU and 6.2% decline in majors that are weighted as lower cost at CU. This shift can be seen in Figure Four below.*

Figure Four:
CU System Majors, Weighted, by Discipline



Source: Cost Drivers at CU, July 2016

In addition, the Board of Regents, President Benson and the campus Chancellors are committed to finding ongoing efficiencies that eliminate inefficient business practices and result in savings or cost avoidance to both the institution and student and families. More detail on CU Efficiencies is included in the response to question #9. Many of the efficiencies that CU has achieved under its current leadership were highlighted in an August 2015 Wall Street Journal Op-Ed written by President Benson that can be found here: http://www.wsj.com/articles/giving-college-administrators-a-business-education-1440628508

Colorado State University System

CSU *– The need for revenue increases is primarily driven by increased expenses for faculty/staff salaries and institutional financial aid, with investments in student retention and graduation rates being additional factors. In the case of faculty/staff salaries, as a Carnegie R1 Doctoral University (Highest Research Activity), we compete for faculty and staff in a national market, which is driving compensation upward at a rate faster than local inflation; in addition, cost of living in Fort Collins has been increasing faster than national averages over the past decade. Compared to our CCHE-approved peer institutions, our faculty salaries as a percentage of peer faculty salaries have declined 2 percentage points over the past 5 years, which has a direct impact on our ability to recruit and retain employees. Each percentage point in faculty/staff compensation represents roughly $3.5M in GF expenditures. Colorado State for the last decade has made institutional financial aid a priority to ensure the state's land-grant university remains affordable and accessible for Colorado students and that our average student debt loads at graduation remain below the national average. This has been particularly important during a time when we have seen a steadily increasing number of Pell-eligible students with significant financial need, and it also gives us some additional ability to better support Colorado's most talented students with additional merit awards. Our Commitment to Colorado Program (in which Pell-eligible students are awarded need-based scholarships to fully cover tuition and fees) is working: For seven years now, the tuition/fee costs for our neediest students have been zero – meaning that our lowest-income students aren't impacted by rising tuition costs. While the number of students eligible for this program and other need-based scholarships has grown, putting stress on the budget, we have been able to preserve access and affordability through this program. Over the past six years, CSU has invested more than $5M in base budget resources toward the*

student success initiative, which results in total expenditures of more than $14.3 in support of this initiative over the same time period.

CSU-Pueblo - *The need to increase compensation for faculty and staff is a significant cost driver for CSU-Pueblo. Due to budgetary pressures, faculty and staff have only received one base-building raise since 2011. In June 2016, the results of a salary equity study indicated that salaries (and associated fringe benefits) should be increased by a total of $3.75 million across all fund sources (approximately 12.0% above current salaries). This investment is critical for the campus to continue attracting and retaining high quality faculty and staff.*

CSU-Pueblo's fixed costs have also increased in recent years. These include: utilities, health insurance, PERA contribution rates, minimum wage changes, workers' compensation, property/liability insurance, statewide indirect costs, payments to the State Auditor's Office, information technology inflation, and the university's contract with the Pueblo County Sheriff's Office. If implemented, the proposed rule changes to the Fair Labor Standards Act regarding overtime eligibility could have an impact in the future. Maintaining an aging infrastructure contributes to the financial pressures placed on the institution.

Certain costs at CSU-Pueblo are unique to the mission of the institution as a Hispanic Serving Institution (HSI). CSU-Pueblo's undergraduate degree-seeking student population is composed of 48% minority students, including 33% who are Latino. CSU-Pueblo serves a high percentage of low-income students and a high percentage of first-generation students. For example, approximately 40% of CSU-Pueblo undergraduate degree-seeking students are Pell-eligible, and 41% of students report being first-generation students. Financial aid and advising and counseling services are critical for students at CSU-Pueblo.

Investments will need to exceed inflation to address the cost drivers discussed previously. The cost drivers for the institution have exceeded inflation; furthermore, increases above projected inflation rates will be needed to address the salary needs identified through the equity study.

University of Northern Colorado

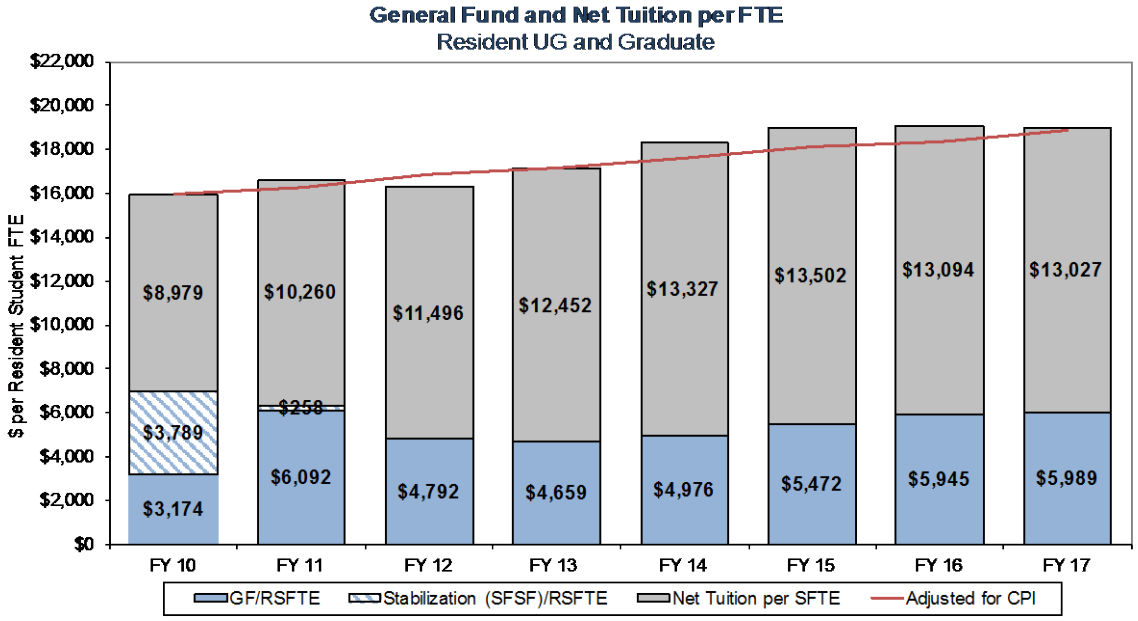
The University of Northern Colorado takes a multi-year approach to strategic and financial planning. We have nine core plans, rooted in our vision to provide students a transformational learning opportunity that integrates all aspects of their experience. Most of these plans are directly related to academic quality, e.g., Research, Scholarship and Creative Works, Integrated Student Support, and the Academic Portfolio. The Enrollment Plan and Pricing Strategy includes multi-year undergraduate and graduate enrollment targets, connected to the goals and objectives of the aforementioned academic plans. All of this work is connected to financial realities through our Five-year Fiscal Sustainability Plan (FY15-FY19); a pathway to long-term financial health in service to our mission and vision. The Five-year Fiscal Sustainability Plan quantifies our intentions to invest reserves in priorities that will spur enrollment growth, including our first-rate academic programs, customized learning opportunities and individualized student support. UNC is committed to student success and fiscal sustainability, while recognizing the challenges of relying upon state funding.

UNC's strategic and financial plans include cost increases greater than the rate of inflation. Most significant is the importance of recruiting and retaining high-quality faculty and staff. For faculty, and some staff positions, we compete in the national market; to recruit and retain qualified employees we must invest in compensation and benefits. Our average faculty and staff salaries are below the average of our peers, (peers include those identified in the Colorado higher education funding work done in 2006-2008 by NCHEMS). Other costs that outpace inflation include technology and library materials. While utility costs also have the potential to increase faster than inflation, we have invested some of our reserves in capital improvements that reduce energy consumption, for example new lighting. Also of importance in driving costs are capital expenditures to reduce deferred maintenance on UNC's facilities (calculated at $170 million). UNC has instituted a student capital fee to address critical infrastructure and capital renewal.

Any reduction in UNC general fund support has a multiplicative effect on UNC's tuition, given that we invest about 25% of tuition in institutional financial aid. However, because we are committed to multi-year planning, the impact of a general fund cut will not necessarily be reflected in tuition pricing for the same year.

Colorado School of Mines

Since 2010, net revenue (resident tuition revenue minus scholarships plus state funding) per resident FTE student has remained consistent with inflationary growth. As the chart below indicates Mines relied on tuition increases to offset impact of state funding reductions, reduced spending power of state funding per FTE, and inflation.



Another perspective is to take a look at our cost to educate an undergraduate student. We calculate this number every year using the Cost of College methodology created by the National Association of College and University Business Officers (NACUBO). In 2016 the cost to educate an undergraduate student at Mines was $26,655. As noted in the chart above, total net revenue per resident SFTE is well below the cost to educate at student at Mines.

The main cost drivers for the School of Mines impacting tuition rates are: salary and benefits; financial aid and graduate support; and capital and deferred maintenance. Balancing the market demands of providing high tech facilities and high quality faculty, while increasing support for Colorado resident students, creates unique challenges in our cost structure. Mines' cost structure is strained by our narrow mission since all of our degree programs are in high-cost engineering and applied science fields, and our relatively smaller size.

Mines has experienced significant growth in enrollment (40% in the past decade and 77% since 2002), and in research grants and contracts (84% since 2007). To accommodate this growth and maintain quality programs Mines made investments in renovating, repairing existing facilities and building new ones. Because of our relatively smaller size the cost of capital infrastructure improvements are spread across less students than larger institutions.

In addition to these base cost drivers Mines has made significant investments to enhance our programs and continue to improve outcomes (e.g. the Center for Innovative Teaching and Learning, the Center for Academic Services and Advising, the Studio Bio labs etc.). Continued investments drive our success and are critical to the success of our students.

Below is further information about the 3 main cost drivers at Mines.

Salaries and Benefits

In fiscal year 2016, base salaries and benefits increased by over $3.2 million (compared to a $1.87 million increase in state funding). Health benefits and PERA continue to drive compensation increases. In fiscal year 2012 CSM paid on average, $0.30 of fringe for each dollar of salary. Today, this cost has increased to almost $0.40 cents for faculty and $0.36 for classified staff. Of the total fringe, almost half ($0.20) is for the employer contribution to PERA. This year we have established an optional retirement plan for all new employees to help stem future cost increases due to PERA.

Financial Aid and Graduate Support

Institutional financial aid and graduate support increased by $4.1 million in fiscal year 2016. Of that increase, $2.2 million was for resident students.

Capital and Deferred Maintenance

The School of Mines continues to invest institutional funds in capital projects and controlled maintenance. In fiscal year 2016, Mines self-funded over $2.5 million in campus-wide deferred maintenance, small capital projects across campus for classroom and lab renovations, and improvements/expansions of information technology. For a highly focused engineering and applied science university like Mines, improving classroom, laboratory and campus technologies and information technologies is especially important.

In addition, Mines continues to use institutional funds to invest in larger projects. For example, in fiscal year 2016 the State of Colorado generously provided funding to help Mines replace its boiler plant with a new one. While this is not an attractive project to private donors it is absolutely critical to the operation of a campus. The campus would have to shut down if the existing system fails. Given limited availability of state funding, Mines is self-funding $6 million to cover one-half of the project costs.

Although we have been successful in raising gift funds for several new academic and student facilities, no project is funded at 100% without using the schools funds. Recent examples include:

- *CoorsTek Center for Applied Science and Engineering (academic)*
- *Brown Hall Addition (academic)*
- *Marquez Hall (academic)*
- *The General Research Laboratory Annex (research / academic)*
- *The Clear Creek Athletics Complex (athletics / student services)*

2 Discuss the resident tuition increase proposed for your governing board in the Executive request.

a) How much of an increase in education and general revenue do you anticipate needing in FY 2017-18? If this is greater than the projected increase in the Boulder-Denver-Greeley CPI, explain why.

University of Colorado System

At this time it is unknown how much education and general (E&G) revenue increase the University of Colorado anticipates for FY 2017-18. While budget scenarios for FY 2017-18 are not presented to the Board of Regents until the February 2017 meeting, the University of Colorado has been utilizing a five year budgeting scenario tool to better estimate for the future. While we will present our actual estimate of FY 2017-18 E&G need in February 2017, our planning tool from our February 2016 presentation to the Board of Regents estimated that system wide (all campuses combined) there would be a, 3.1 percent increase in the E&G budget from FY 2015-16 to FY 2016-17 and a 3.0 percent increase in the E&G budget from FY 2016-17 going into FY 2017-18 (See Table One below). This includes additional revenue from projected enrollment increases. The FY 2017-18 estimate will be updated for the Board of Regents in February 2017.

Table One:

CU System Total	FY 2015-16 Base	FY 2016-17		FY 2017-18	
	Total	Change	Total	Change	Total
	1,288,597,733	39,586,500	1,328,184,233	39,813,518	1,367,997,751
	Percent Change	3.1%		3.0%	

Colorado State University System

CSU *– The new resources provided through the cost driver model will cover the majority of our inflationary costs relating to salaries, benefits, and utilities. However, they will not cover items such as increased teaching costs associated with increased enrollment, operations and maintenance costs for new facilities coming on line, faculty/staff promotions, enhancements to our non-PERA retirement plans needed to remain competitive in the marketplace, nor new investments in our student success initiatives, quality program enhancements, etc. To support these non-inflation-related costs, we are modeling an additional $10M in new resources for FY17-18 that will be provided through enrollment growth, increases to graduate level tuition rates, and a minor increase in our administrative cost recovery from our research portfolio.*

CSU-Pueblo *- CSU-Pueblo's Education and General (E & G) revenue must equal a total of $1.9 million to support projected cost increases. CSU-Pueblo's proposed Education and General budget for FY 2017-18 reflects an increase of $1.9 million in Education and General expenses (3.65% over FY 2016-17). This budget includes $800k for salary increases (2.5%) for all faculty and staff, plus $150k for faculty promotions and a small allocation ($100k) for equity adjustments. The other increases include: fringe benefits, utilities, institutional aid, and other fixed costs. The revenue includes $1.7 million in tuition revenue and $0.9 million in additional state support. These amounts are partially offset by a projected decline in enrollment ($0.8 million associated with a 2.6% decline).*
The draft E & G budget presented to the Board of Governors in December 2016 does not address all of the university's needs (e.g., the funds needed for salary increases to implement the equity study). However, CSU-Pueblo anticipates phasing in salary increases based on available revenue over the next few years.

University of Northern Colorado

UNC's FY2016-17 Budget Data Book reflects an estimated $147 million in Education and General revenue. Our Five-year Fiscal Sustainability Plan includes a $10 million increase in E&G revenue as part of the five –year plan to move toward fiscal sustainability. The $10 million increase is more than the Boulder-Denver-Greeley CPI but is consistent with expected enrollment growth next year and with our multi-year strategic and financial plans.

Colorado School of Mines

At this time, we anticipate our mandatory and necessary cost increases without new investments (to maintain current activity) for next year is approximately $10 million. Of this, $4 million is for undergraduate financial aid and graduate support. Subtracting our plans to increase financial support of students places our expected cost increase just a bit higher than CPI. Approximately $3.7 million is for salary and fringe benefit increases and the remaining $2.4 million covers utility increases, software and information technology maintenance and research development support for new faculty. The increased costs associated with software licenses and technology maintenance as well as development support for new faculty are significantly large enough to push are expected costs to increase slightly beyond CPI.

We anticipate covering half of our total expected cost increases with tuition increases. The remaining will be funded from a slight increase in state support and some increases in other auxiliary activity. The remaining will be addressed through cuts to core expenses and realignment of funding.

b) Does the maximum undergraduate resident tuition rate increase proposed for your governing board accurately reflect your tuition need if R1 General Fund support is approved? Why or why not?

University of Colorado System

The increase proposed in the Department of Higher Education decision item R-2, indicates that the University of Colorado needs a 5.0 percent increase for FY 2017-18. Additionally, it is likely that the University of Colorado will be seeking minor tuition differentials for specific programs similar to what were included in the tuition footnote for FY 2016-17 in H.B. 16-1405 at the University of Colorado Denver School of Engineering and Applies Sciences and the Business School (as mentioned in the decision item).

Further, in April 2016 the Board of Regents approved a multi-year CU Boulder Guarantee for Tuition and Mandatory Fees for undergraduate Colorado resident students. This policy locks in the both the tuition and mandatory fee rates for undergraduate resident students for four years, and further capped the increases for the future Fall 2018, Fall 2019 and Fall 2020 cohorts. (Detail on this can be found on Table Two on the following page.) This guarantee is not predicated on a specific funding level from the state. Future state funding scenarios were considered at length prior to adoption, and the CU Boulder campus is assuming some financial risk in the event of decreased state funding. This guarantee was implemented to ensure current and future CU students and their families would know exactly how to plan. The predictability of cost is a significant improvement.

Under this model, the approved tuition increase is applied to incoming resident freshman and then that freshman will see a ***0% change in his or her tuition and mandatory fees for the next three years****.*

Table Two:

Arts & Sciences & All Other Combined Tuition and Mandatory Fees - Guarantee Plan								
Year	**FY 2015-16**	**FY 2016-17**	**FY 2017-18**	**FY 2018-19**	**FY 2019-20**	**FY 2020-21**	**FY 2021-22**	**FY 2022-23**
FY 2016-17 New Cohort	**Total**	$11,531	$11,531	$11,531	$11,531			
	$ Change	$440	$0	$0	$0			
	% Change	3.97%	0.00%	0.00%	0.00%			
FY 2017-18 New Cohort (Increase no more than)		**Total**	$12,108	$12,108	$12,108	$12,108		
		$ Change	$577	$0	$0	$0		
		% Change	5.00%	0.00%	0.00%	0.00%		
FY 2018-19 New Cohort (Increase no more than)			**Total**	$12,592	$12,592	$12,592	$12,592	
			$ Change	$484	$0	$0	$0	
			% Change	4.00%	0.00%	0.00%	0.00%	
FY 2019-20 New Cohort (Increase no more than)				**Total**	$13,096	$13,096	$13,096	$13,096
				$ Change	$504	$0	$0	$0
				% Change	4.00%	0.00%	0.00%	0.00%

Note: CU Boulder' differential Guaranteed Tuition and Mandatory Fee rates can be found in their entirety here. http://www.cu.edu/doc/cubouldertuitionfeesguaranteejune2016.pdf

Colorado State University System

CSU *– Yes. The rate included for CSU, taking R1 into consideration, is 6%. CSU is currently planning around a 5% resident undergraduate tuition rate increase. With a calculated inflationary cost increase of $14.3M, based upon the model but updated for actual FY15-16 results, the revenue sources CSU relies upon to cover the related costs include R1 State funding of $2.9M, non-resident tuition increases of $2.8M, and resident tuition increases of $7.5M, at a rate of 5%, with the balance, $1.3M, being covered in part by the tuition attributed to enrollment growth.*

CSU-Pueblo – *Yes. The maximum undergraduate resident tuition rate proposed for CSU-Pueblo's governing board is 6.0%, and the budget proposed in the response to Question 2a can be supported by this rate increase. CSU-Pueblo's University Budget Board has examined establishing a differential tuition model for upper division courses. This has been discussed with the CSU System Board of Governors in concept, but no formal proposal has been made nor has the Board voted on such a proposal. If this were implemented in addition to a base increase of 6.0%, the total tuition for some students would be slightly higher than 6.0% (up to 1.0% more depending upon how tuition differential increases are phased in).*

University of Northern Colorado

Our five-year fiscal sustainability plan includes a 6.8% resident undergraduate tuition increase; this is within the 7% maximum proposed for UNC.

Colorado School of Mines

The tuition rate increase listed in R1 reflects a rate that would assist us in covering our anticipated mandatory and necessary costs as detailed above. However, we are projecting to recommend to our Board of Trustees a lower rate increase, perhaps 3%, to balance our financial needs while trying to protect the affordability of a Mine education for our students. As noted above we continue to examine cuts to core expenses and realignment of funds in order to maintain a lower tuition rate increase.

c) How much of a General Fund increase would you need to keep tuition flat?

University of Colorado System

University of Colorado leadership, including the Board of Regents, is committed to maintaining access and affordability for Colorado resident students and have made it a priority to keep tuition rate increases modest while also making critical investments in educational quality and infrastructure needs. For example, as CU approached the FY 2016-17 budget cycle, the Board of Regents considered three budget scenarios that projected three different state funding possibilities. Resident undergraduate tuition increases were low and identical in all three scenarios. Unfortunately, due to Colorado's significant budgetary constraints, tuition revenue has become a more stable and predictable funding source than state support. With this in mind, CU relies on the revenue resulting from tuition increases to fund ongoing base budget needs at our campus. Needs such as additional faculty to accommodate enrollment growth and mandatory costs like utilities are funded with tuition increases. Increases (and decreases) in state funding are spent in different ways at our campus and our presented to the Board of Regents each February. Examples can be seen below in our response to part (d) of this question. This approach ensures maximum transparency in the CU budgeting process. We can more accurately tell the Board of Regents and legislators how changes in state funding will impact each of CU's four campuses.

Colorado State University System

In total, for FY 2017-18 the CSU System would need $12.5M in general fund support to keep resident undergraduate tuition flat. This figure represents the sum of the currently projected State funding to be provided to the System added to the resident undergraduate tuition increases currently planned.

CSU *- An additional $7.5M would be needed, for a total State funding amount of $10.4M to keep resident undergraduate tuition flat*

CSU-Pueblo *- CSU-Pueblo would require a total of $2.1 million in state funds if resident undergraduate tuition were kept flat.*

University of Northern Colorado

UNC takes a multi-year approach to financial planning, including our tuition rate increases. Generally, we try to smooth out the effect of tuition increases on students over several years; the FY2017-18 rate increase takes into consideration the overall trend of general fund allocations, not a single year. Thus, our planned 6.8% tuition rate increase assumes a range of General Fund increases for FY 2017-18. A General Fund increase of 10% or more for UNC would be a significant positive variance from our expectations and would likely result in keeping tuition flat.

Colorado School of Mines

We would need approximately $6 million in general fund increase in order to offset our required revenues from tuition increases. But this is a little more complicated for Mines because Mines has committed to using its Fee-For-Service funding for financial aid. As a result a $1 increase in General Fund will not result in a $1 increase of funds available to use for basic operating expenses.

d) How much of a resident tuition rate increase would you seek if the State could not provide a General Fund increase?

University of Colorado System

This is not yet known; however, as mentioned above, in February 2016 all three of CU's budget scenarios assumed the same modest tuition increases. In the three different CU budget scenarios, the University of Colorado identified what budget items will be impacted in order to maintain a balanced budget depending on different levels of state funding. When comparing a marginal state funding increase to a decrease in state funding many areas would either receive further cuts or no funding increase. The operational program areas varied by campus but include things like:

- *compensation,*
- *basic infrastructure needs,*
- *administrative budget cuts,*
- *school and college budget cuts,*
- *diversity initiatives;*
- *technology investments;*
- *facility and differed maintenance*

In the event the state cannot provide an investment in higher education, areas like these are likely to be considered in order to balance budgets in tandem with the considered tuition rate.

Colorado State University System

CSU *– CSU is currently planning around a figure of $2.9M in State Funding. A 1% increase in tuition for our resident undergraduate students equates to approximately $1.5M with a 2% increase equating to the same level of State funding.*

CSU-Pueblo *- The budget discussed in the response to 2a would require a 9.4% increase if there were no increase in state funds. That large an increase may not be feasible for the population served by CSU-Pueblo. If the state were not able to provide a General Fund increase, CSU-Pueblo would need to work collaboratively with the CSU System Office and the Board of Governors to develop a strategy for tuition increases that would include an analysis of proposed expenses.*

University of Northern Colorado

UNC takes a multi-year approach to financial planning, including our tuition rate increases. Generally, we try to smooth out the effect of tuition increases on students over several years; the FY2017-18 rate increase takes into consideration the overall trend of general fund allocations, not a single year. Our single year planned 6.8% tuition rate increase would not change if UNC's General Fund allocation was flat rather than the proposed 1.2% increase for UNC.

Colorado School of Mines

Many factors are considered when determining tuition rate increases, including affordability to our students and market forces. We would first examine delaying or reducing planned expenses such as controlled maintenance, capital projects, technology improvements, and financial aid before increasing tuition beyond what we are planning for the upcoming year. We would also re-assess other programs or services to determine if costs can be further reduced to keep within the scope of a new financial landscape before additional increases to tuition.

3 How much do you hope to increase non-resident tuition? Is this less than your proposed resident tuition increase? If so, why? How much of your tuition revenue is from non-residents?

University of Colorado System

While this is unknown at this time, the non-resident tuition rates will increase at different amounts depending on the campus and their circumstances. These assumptions are currently being considered and will be presented to the Board of Regents at

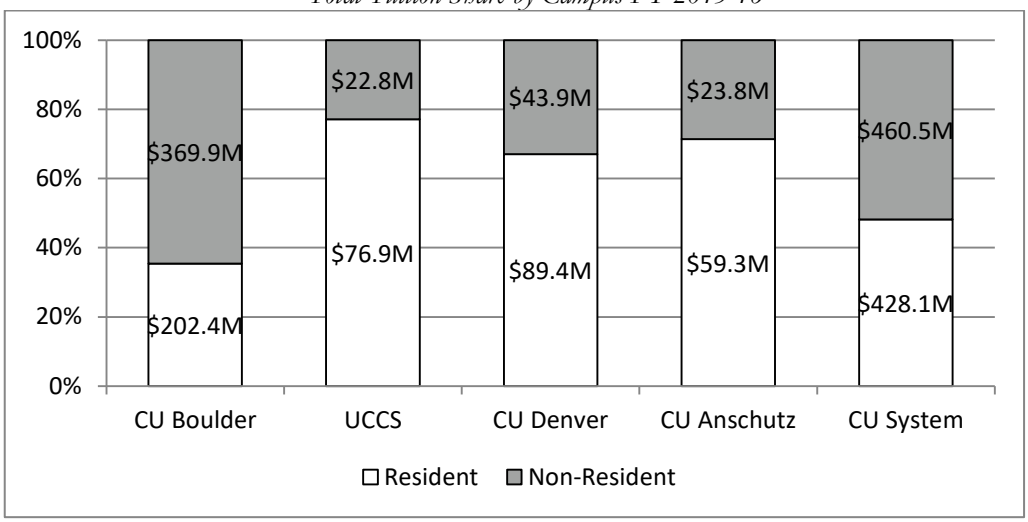
the February 2017 meeting. As we mentioned in Question #1, non-resident tuition rates at our campuses exceed the average non-resident tuition rates of our peers.

Please note that the CU Boulder campus' continuing non-resident students will not experience an increase in tuition as part of the tuition guarantee program. The CU regents approved a four-year tuition guarantee for non-resident undergraduate students starting in 2005. Only incoming nonresident students experience a tuition increase compared to the prior year. CU Boulder has found that predictability in pricing is an effective way to recruit and retain non-resident students at the campus (More information on the non-resident tuition guarantee program at the Boulder campus can be found at: https://bursar.colorado.edu/tuition-fees/cu-boulder-tuition-guarantee/undergraduate-nonresident-tuition-guarantee/.)

System wide non-resident revenues account for 52 percent of total tuition revenues. In terms of the composition of total tuition revenue it varies by each campus, ranging from 23 percent at UCCS to a high of 65 percent at CU Boulder. All amounts are illustrated in Figure Five on the following page.

Figure Five:

Total Tuition Share by Campus FY 2015-16



Colorado State University System

CSU *– Given the market conditions, we are planning on a 2.5% increase in our non-resident undergraduate tuition rate, which results in a higher increase than that planned for our resident undergraduate students. The resulting dollar increase in non-resident undergraduate tuition is $650.20/year, while the planned increase for our resident undergraduate students is $435.80/yr. Tuition generated from our non-resident students represents 41% of our overall tuition based upon the FY16 results. The FY16 total non-resident undergraduate tuition rate of $25,010 is over 300% of that of our resident undergraduate student of $8,301.*

CSU-Pueblo *- CSU-Pueblo is proposing the same increase for non-resident tuition as resident tuition (not to exceed 6.0%). Approximately 76.0% of CSU-Pueblo's tuition revenue is from residential tuition. The remaining 24.0% includes 12.7% from WUE and 11.3% from non-resident tuition.*

University of Northern Colorado

We plan to increase non-resident tuition by the same dollar amount as resident tuition -- approximately $470 per full-time undergraduate student. About 28% of our undergraduate and graduate tuition is from non-residents.

Colorado School of Mines

Our tuition increases are limited by our market elasticity and, at this time, we anticipate the same increase for resident and non-resident tuition. We expect the increase to be below DHE's proposed threshold. At this level, increases in tuition revenue will not cover increases in mandated and institutional costs. To fill this gap, we expect to balance our budget by cutting core costs and re-aligning resources. We will hold new investments in technology and capital to only those projects which are critical to the success of our mission.

In Fiscal Year 2016, our net non-resident revenue (both undergraduate and graduate) was approximately 58.45% of our total net tuition revenue.

4 Are you comfortable with the funding allocation model as submitted? Why or why not?

University of Colorado System

CU supports the allocation model as submitted. While the support of the model represents compromises made by all governing boards, it should be noted that the legislation that created the allocation model is not adequate to address the different types of institutions in Colorado. We are grateful to the DHE and CCHE for their continued diligence to try to make the model work for the governing boards while complying with the statute, unfortunately, there is simply not enough money available in the state budget for higher education. Without a predictable and adequate funding source for higher education, institutions will grapple with budget planning uncertainty.

Colorado State University System

The CSU System supports the current funding allocation model. Although one could envision ways in which to tweak the model, many of the adjustments to be considered would result in disadvantages to one type of institution while others benefit. The model is primarily based upon the number of students served, including those that are Pell-eligible, as well as outcomes, which seems to be a very reasonable approach.

The model represents a multi-year collaboration among governing boards, the Department of Higher Education, and the General Assembly. Although every governing board would propose some changes, a consistent and predictable funding formula benefits all in an environment where available investments to higher education are limited.

University of Northern Colorado

While UNC has been disadvantaged by the implementation of the funding allocation model in recent years, we appreciate the work by the Department to reach consensus and we are supportive of the collaborative work by the institutions and the Department to balance multiple competing needs for very limited funding.

Colorado School of Mines

We support the position of the Department and JBC staff to maintain consistency in the model so that the institutions and the system can better understand how the model can impact decisions. We would like to note that among 2015-16 Mines graduates who are employed or in graduate school, 50% have remained in Colorado. This is contrast to the Model that assigns only 1/3 credit to non-residents based on the assumption that only 1/3 of graduates stay in Colorado.

5 How healthy is your institution financially? If you've had ongoing challenges or you've recently seen a significant improvement or decline, please discuss your situation.

University of Colorado System

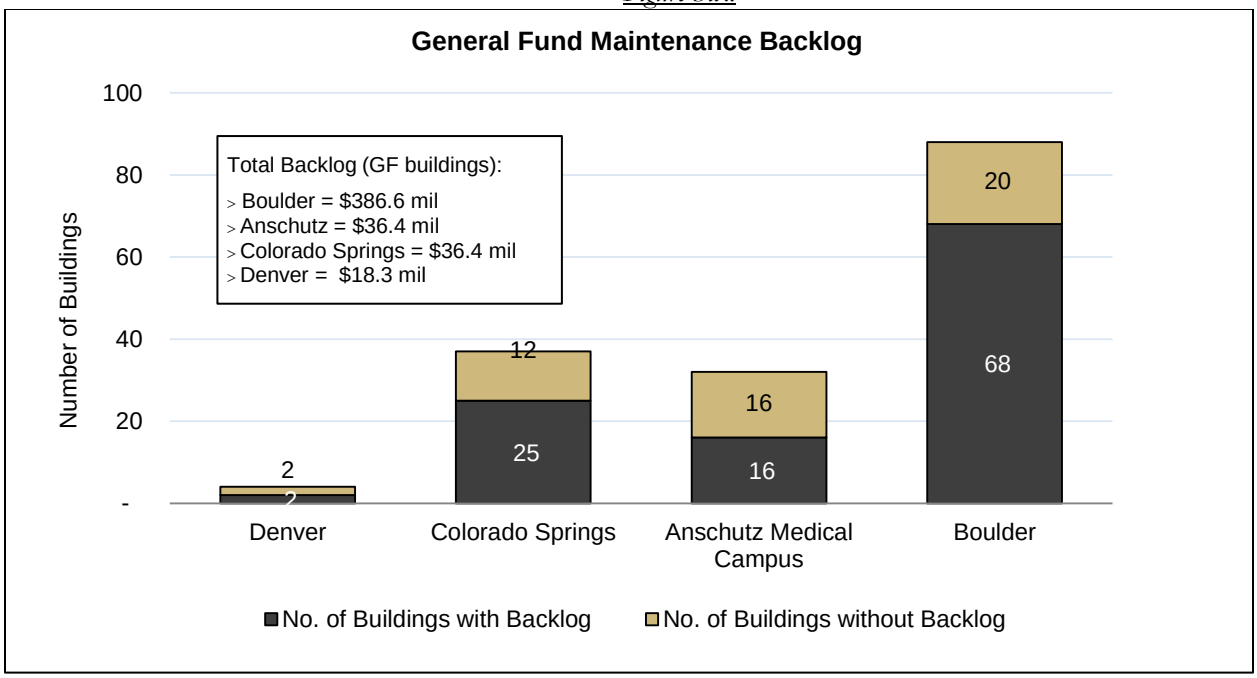
The University of Colorado remains financially healthy. CU leadership places a high value on financial stewardship, and actively tracks our financial position through enhanced financial reporting and performance metrics. To demonstrate this stewardship, the university has self-imposed a debt limit below the statutory limit, and maintains a high level of liquidity. Earlier this year, Moody's Investor Services upgraded its outlook for the University of Colorado from 'stable' to 'positive'. This is CU's highest rating ever. Moody's report cited CU's diverse revenue sources and prudent financial management.

Moody's credit rating of CU is higher than that of the State of Colorado.

The university recognizes and appreciates recent increases in state support. Knowing the challenges facing the General Assembly reinforces the need for the university to seek diverse revenue streams. Private support increased in FY 2016 for the seventh consecutive year, and sponsored research hit $924 million, a new record.

The university's efforts to broaden its resource base also highlight the challenges. There is concern over the sustainability of our limited state support which is resulting in the University's increasing reliance on non-operating revenues from gifts and investment returns. The significant costs of renewal and replacement of older mechanical systems and building infrastructure is a shared responsibility that must be addressed. This General Fund maintenance backlog using the State's methodology is illustrated by campus in Figure Six below:

Figure Six:



Colorado State University System

CSU/CSU-Pueblo - *Colorado State University is financially healthy, as measured by our Standard & Poor's and Moody's ratings, by the Higher Learning Commission's recent accreditation report, and, to the extent this measure is applicable to public research universities, the CFI (Composite Financial Index). We *are* dependent on our enrollment and tuition collections, but these have proved to be quite strong in the past 10 years.*

University of Northern Colorado

UNC's multi-year approach to financial planning includes quarterly Board Finance & Audit Committee meetings, in addition to the approval of the annual budget by the Board. Discussions about the institution's financial health include enrollment results relative to targets, financial results relative to budget, cash and reserve balances, capital, and debt

management --- all in the context of the strategic goals and priorities in the University's nine core plans, and the Five-year Fiscal Sustainability Plan.

The Composite Financial Index – a point-in-time financial snapshot – is another tool that UNC uses for financial planning. At UNC's October Board Finance and Audit Committee meeting, UNC's Composite Financial Index (CFI) was discussed– as it is every year -- to review how our financial condition is aligned with our strategic plans. Consistent with our planned investment of reserves, total cash has decreased in the last several years. As expected and discussed with the Board, this has caused our CFI to decline. Because the CFI includes the results of the Foundation, the FY16 CFI was negatively affected by poor investment returns. UNC's FY16 CFI would have improved from 0.44 to 0.91 if Foundation investment returns were the same in FY16 as they were in FY15.

UNC also has two credit ratings which take into account not only financial ratios, but also new student enrollment trends (which have been positive for UNC for the past two years), and institutional strategic planning. In recent rating agency conversations, analysts have been complimentary of UNC's strong and stable management and the University's clarity and consistency over the last several years about our strategic and financial plans. Analysts were not surprised by the changes in our financial ratios because those changes align with the explicitly stated intention to invest reserves in strategic priorities.. UNC has an A rating from Standard and Poor's – "a strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions that obligors in higher-rated categories". UNC has an A2 rating from Moody's – "obligations rated A are judged to be upper-medium grade and are subject to low credit risk".

Colorado School of Mines

Our financial position remains strong as demonstrated with our improved bond rating at Aa3 by Moody's Investors Service and A1 by Standard and Poors. Our Composite Financial Index remains healthy at 3.2, after making significant investments in capital projects. Our most immediate concern is paying for increases in mandatory and institutional costs such as salary and health care increases, undergraduate financial aid, graduate support and software maintenance. We must also find creative ways to backfill the lack of state capital and deferred maintenance funding for buildings. We are particularly concerned with finding resources to invest in new technologies in the classroom which is critical to our program delivery. We continue to partner with our generous donors to help with new facilities and classroom equipment. We also work to develop relationships with industry. Some of our partners in industry assist with software use in the classroom and research to ensure our graduates leave with a strong skillset in the latest technology.

Financial aid

6 Does your institution award institutional financial aid? If so, what are the criteria? What are your goals in awarding the aid?

University of Colorado System

Yes, all CU campuses award institutional financial aid. Institutional financial aid is an important mechanism for access, recruitment and retention. Institutional financial aid is a critical factor in CU's commitment to ensure every qualified Colorado resident can obtain a CU degree. CU leadership carefully monitors affordability for resident students every year and reviews a detailed report on this topic annually.

As competition with out of state institutions increases, there is sometimes a need to offer competitive financial aid packages to attract in-state students. The approach of financial aid is to diversify the types of packages to align with the students we serve. For low-income students, the CU Promise provides resident students tuition and mandatory fees, plus books. High performing students with remaining financial need are eligible for institutional merit aid in addition to institutional need based aid. The CU Boulder campus designates additional funding each year for the Esteemed Scholars program in an effort to attract and retain high performing Colorado resident students. Just this year, CU Boulder also created a pilot

program to offer scholarships to top performing transfer students. Additionally, in the fall of 2016 UCCS launched an enhanced Chancellor's Scholarship program for meritorious undergraduate Colorado Residents.

Colorado State University System

***CSU** – The University's goals in awarding financial aid are to ensure access to higher education without regard to socio-economic status, to continue adequate financial support through degree completion, and to limit student borrowing to the best of the institution's ability. CSU awards financial aid from federal, state, institutional, and private sources. Aid for our resident undergraduate students is provided through two primary financial aid awards. The first award is for our Pell-eligible students who receive need-based state and institutional financial aid each year, in addition to the federal Pell award, equal to total tuition and fees. The University uses the Free Application for Federal Student Aid (FAFSA) to determine a student's eligibility for federal aid administered via the Title IV programs. State and institutional aid are awarded based on an institutional need analysis, and the University directs that aid to students who are at or below the median Colorado household income.*

The second primary way in which resident undergraduate students qualify for aid is based upon merit.

CSU also provides tuition discounts to non-resident students in varying amounts based upon merit. It is important to note that tuition discounting is a long-standing technique used by private universities to maximize revenue, and this form of aid does not represent a loss of institutional revenue.

The overall goal of our institutional aid program is to preserve access for Colorado students, including first-generation and low-income students; sustain and improve the academic quality and success of our student body; and offset the cost of tuition for our resident undergraduate population.

***CSU-Pueblo** - Over 95% of CSU-Pueblo students receive some form of federal, state, university foundation, or institutional assistance to pay for their college education. The university uses limited institutional resources to support the funds offered to our students through federal and state programs; the majority of aid assistance provided to our students takes the form of federal or state aid. However, CSU-Pueblo does award institutional aid, using both merit scholarships and need-based grant awards. Merit awards are based on high school GPA and test scores for incoming freshmen and transfer GPA for transfer students. Need-based awards are predicated on the student's financial need, as determined by FAFSA information and the student's cost of attendance. (Note: institutional aid does not include separate scholarship programs overseen and funded by the CSU-Pueblo Foundation, which is the main source of scholarship funds for CSU-Pueblo students).*

University of Northern Colorado

UNC awards institutional financial aid in five broad categories:

- ***Need-based aid to assist low- and middle- income students**. Eligibility is based on the federal calculation of Expected Family Contribution (EFC).*
- ***Merit scholarships to provide an incentive for focus on academic preparation during high school and to ensure that UNC remains attractive to students with a range of academic achievement.** Merit scholarship criteria include ACT/SAT scores and high-school GPA.*
- ***Talent scholarships to attract students based on their particular interests and skills.** Examples include music scholarships and athletic aid. Music scholarship candidates must audition.*
- ***Matching grants for students being funded by a third-party such as the Denver Scholarship Foundation**.*

- ***Other scholarships to meet particular objectives.*** *An example is the Greeley Promise, a $2000 scholarship for graduates of local high schools.*

Colorado School of Mines

Merit Aid Criteria: Our goal is to recruit and retain academically strong and prepared students for the rigorous and challenging programs at Mines. This merit based aid is based on composite SAT or ACT and the student's unweighted HS GPA. Students are awarded these scholarships as a freshmen and can continue to receive them as long as they meet minimum academic progress set by the institution. Our transfer students can also receive a merit scholarship if they belong to the Phi Theta Kappa Honor Society at their community college.

Need Based Aid Criteria: Our goal is to assist students who have determined need based on the information received from the FAFSA. Our goal is to assist as many students as we can who have high financial need with the cost of a Mines education. Need based aid for our CO residents is based on the EFC from the FAFSA. Everyone with an EFC less than 12,000 will receive a need based grant. For our out of state students it is based on remaining need after other funding sources have been awarded. Merit eligible undergraduate nonresident students can receive up to $2,000 in need based aid as those students have access to merit aid. Undergraduate nonresident students that are not merit eligible can receive up to $10,000. The amount of grant aid received by both residents and non-residents is based on the FAFSA information each year.

CO Scholars Fund Scholarship Program: Our goal is to assist academically strong, Pell eligible, CO residents. Mines will offset the student's tuition and fees for four years with this scholarship as long as they meet minimum academic progress and continue to be determined needy through the FAFSA.

a. What percentage of your resident student population receives an institutional aid scholarship based on need? Based on merit?

University of Colorado System

Approximately 30% of resident students in the financial aid file receive some form of need based institutional aid. Approximately 32% of resident students in the financial aid file receive merit based institutional aid. More than 85% of the students who receive institutional aid scholarships are enrolled full-time.

Colorado State University System

CSU - *During academic year 2015-16, 44% received need-based aid and 30% received merit-based aid.*

CSU-Pueblo - *During academic year 2015-16, 16% of all CSU-Pueblo students received some form of institutional aid. In more detail, 6% of resident students received institutional need-based aid, and 9% of resident students received institutional merit aid.*

University of Northern Colorado

Of our undergraduate students, 26% receive institutional need-based aid and 19% receive merit scholarships. Merit awards help meet the financial need of low- and middle-income students, with about 60% of UNC's merit award meeting financial need, in addition to recognizing and encouraging academic achievement.

Colorado School of Mines

Most "scholarships" at Mines are based on the academic strength and success of our students during their time in high school as well as at Mines. However, Mines has established a program to recruit high need, high achieving, Colorado residents through our Colorado Scholars Fund Scholarship program. It is common for a scholarship to be awarded to a student who not only has high academic merit but may also be categorized as a student with financial need.

Fall 2016:
% of undergraduate resident student population receiving aid based on need: 118/2,659=4.4%
% of undergraduate resident student population receiving aid based on merit: 1,811/2,659=68%

b. How much of your "education and general" tuition revenue is used for scholarships? What is the break-down of the expense between residents and non-residents and the proportion used for need-based versus merit-based aid in each category?

University of Colorado System

In FY 2015-16 CU's total E&G tuition revenue is comprised of the following amounts: resident tuition revenue is $428.1 million and non-resident tuition revenue is $460.5 million as illustrated below in Figure Seven.

Figure Seven:
E&G Tuition Revenue by Residency

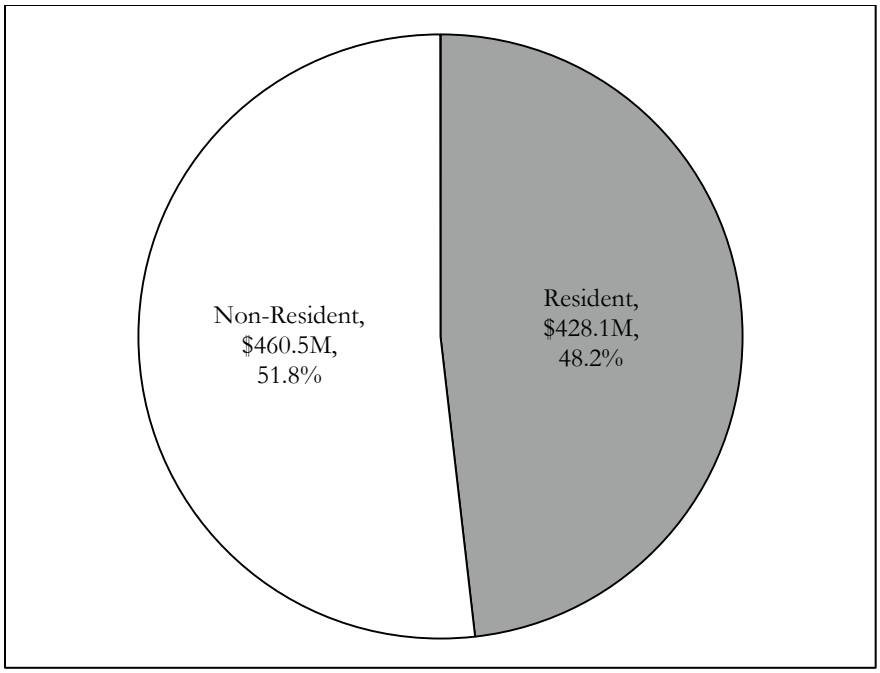


Table Three and Figure Eight below illustrates the total institutional aid expenditures by types in FY 2015-16. While approximately, 72.6 percent of all of CU's institutional aid is merit based, one third of all institutional merit aid is awarded to students with demonstrated financial (although the award is based on merit). ***As a result of this, 52 percent of all of the CU's institutional aid goes to students with demonstrated financial need.***

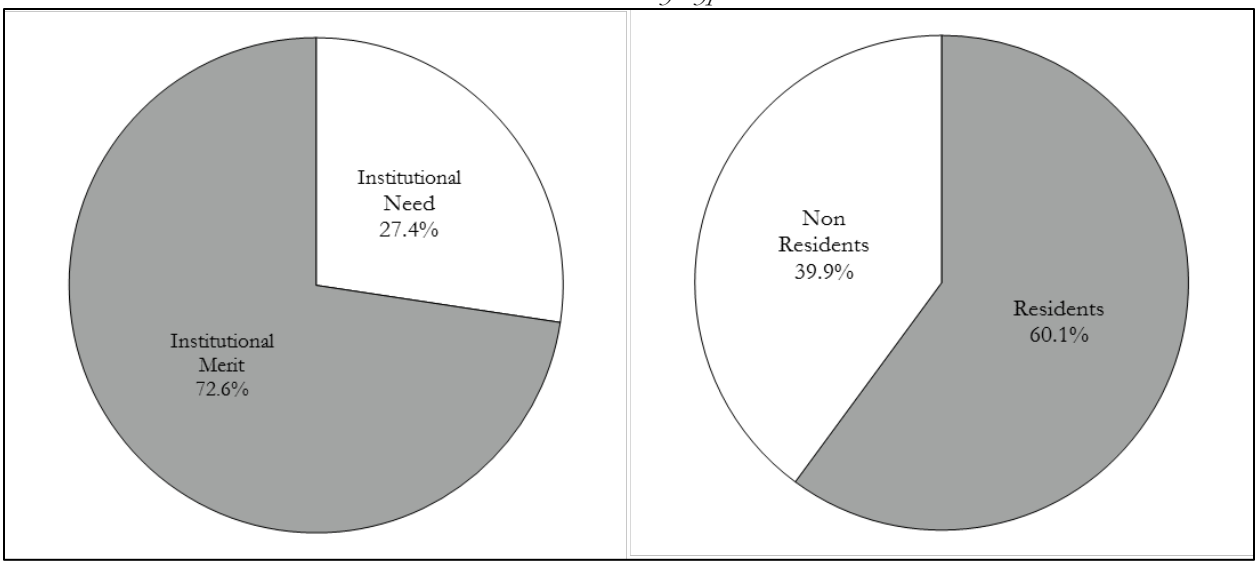
Table Three:

Institutional Aid Awards by Type FY 2015-16

Residency	Institutional Need	Institutional Merit
Residents	$ 40,277,086	$ 60,014,832
Non Residents	$ 5,437,958	$ 61,127,072
Total	$ 45,715,044	$ 121,141,904

Figure Eight:

Institutional Aid Awards by Type FY 2015-16



Colorado State University System

CSU:

- *Tuition revenue used for scholarships*
  - *$47,447,913*
- *Residents*
  - *Total: $35,138,163 – 74%*
  - *Need-based: $26,616,218 – 56%*
  - *Merit-based: $8,521,945 – 18%*
- *Non-residents*
  - *Total: $12,309,750 – 26%*
  - *Need-based: $0 – 0%*
  - *Merit-based: $12,309,750 – 26%*

CSU-Pueblo *- In FY 2016-17, CSU-Pueblo allocated approximately $5.1 million (9.8%) of its total E & G budget ($52.2 million) for institutional aid. Of the total aid administered by the Financial Aid Office, 58.2% is for need-based aid and 41.8% is for merit-based aid.*

Of all students receiving any institutional aid for the 2015-16 academic year, 82.3% were resident students, while 17.7% were nonresident. Of those specifically receiving institutional need-based aid, 78.2% were resident students, and 21.8% were non-resident students. Of those receiving institutional merit aid for the same timeframe, 85.4% were resident students, while 14.6% were non-resident students.

	Merit-Based	Need-Based	Total Aid
Resident	*85.4%*	*78.2%*	*82.3%*
Non-resident	*14.6%*	*21.8%*	*17.7%*
Total	***100.0%***	***100.0%***	***100.0%***

University of Northern Colorado

About $18.8 million of tuition revenue (28%) is used for institutional financial aid.
Resident: $5.7 million need-based, $3.7million merit, $3.2 million talent, match and other aid
Non-resident: $0.9 million need-based, $1.5 million merit, $3.8 million talent, match and other aid

Colorado School of Mines

We use 12.6% of our total E & G revenue to fund scholarships for residents and nonresident students. ($21,146,228/$167,521,026)

Fall 2016:
E&G scholarship expense residents: $5,920,347/$20,848,693= 28.40% (28% of funding is going to Pell eligible resident undergraduates)
E&G scholarship expense residents need-based: $1,015,014/$5,920,347= 17.14% (97% of funding is going to Pell eligible resident undergraduates)
E&G scholarship expense residents merit-based: 82.86% (16% is going to Pell eligible undergraduate resident students)

E&G scholarship expense nonresidents: $14,928,346/$20,848,693= 71.60% (6% of funding is going to Pell-eligible nonresident undergraduate students)
E&G scholarship expense nonresidents need-based: 0%
E&G scholarship expense nonresidents merit-based: 100%

7 If applicable, what share of revenue from an increase in resident tuition would you expect to use for scholarships? Why?

University of Colorado System

It is uncertain what share of revenue will be designated for scholarships if resident tuition increases, but based on our historical investment in institutional aid, it is likely that CU will increase our investment in student financial aid with new tuition revenue. The CU Board of Regents are committed to providing access to Colorado residents, any decision to increase in resident tuition would be weighed against student access and the University's ability to provide institutional aid Colorado residents.

Colorado State University System

CSU *- We typically devote 20% of resident undergraduate tuition increases to residential undergraduate institutional need-based scholarships, at a minimum, in accord with previous State policy. In the recent past, we have supplemented this with resources from non-resident tuition, as well, to satisfy our scholarship commitments to our neediest resident students.*

CSU-Pueblo *- CSU-Pueblo plans to allocate 25% of new tuition revenue for institutional aid.*

University of Northern Colorado
UNC anticipates using about 25% of any resident tuition increase for scholarships based upon our financial aid model.

Colorado School of Mines
We are anticipating $10 million in mandatory/necessary increases for Fiscal Year 2018, $2 million of which is funding for resident undergraduate financial aid.

Institutional Efficiency/Efficiency to Degree/Debt Burden/Transfers

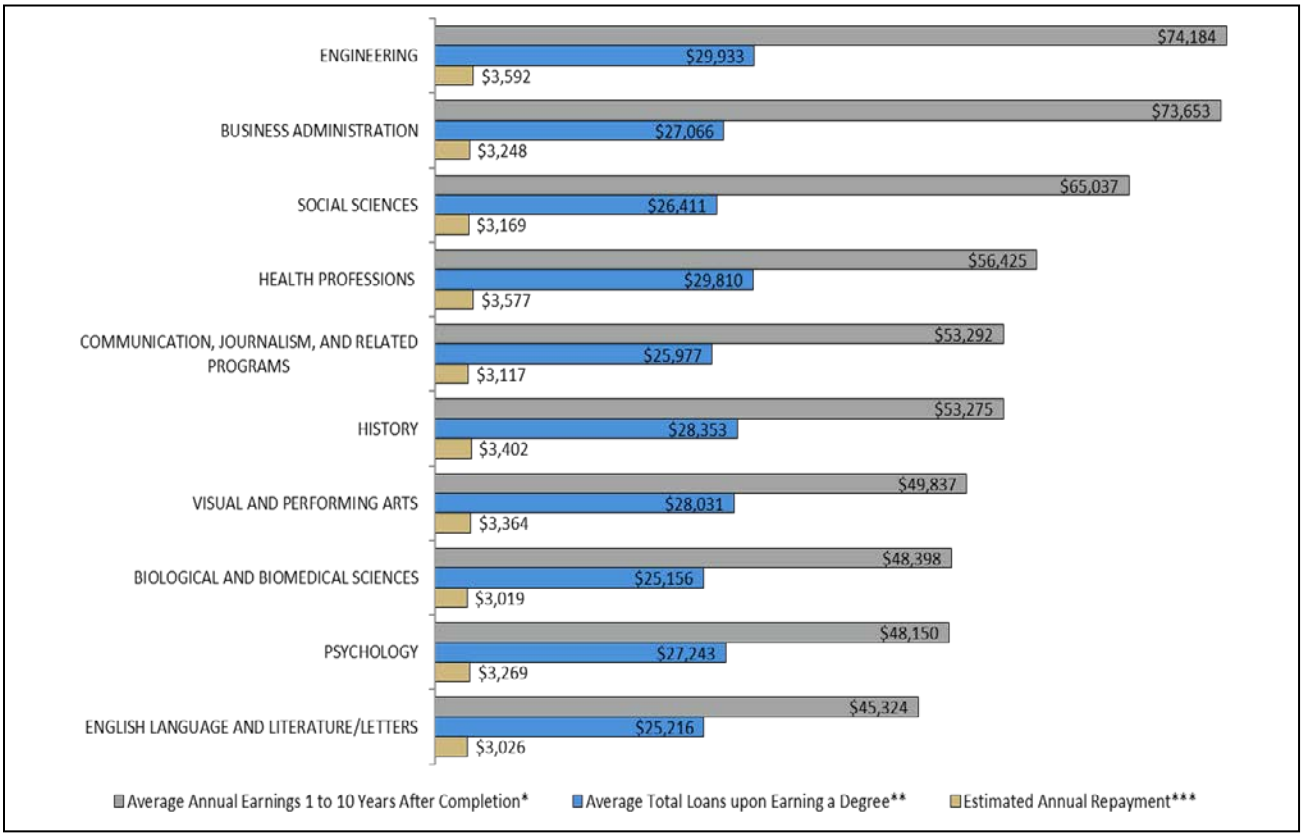
8 What can be done to reduce the cost of education for students and the burden of student debt?

University of Colorado System
Many factors drive the cost of education for students. While tuition is one factor, the length of time-to-degree, student living arrangements, and college readiness are also factors. The University of Colorado is focused on keeping tuition and fees in check, retaining and graduating students to ensure student costs are kept as low as possible. Strategic financial aid packaging and student advising is essential to support students in financial decision making, but the one of the most essential things we can do to keep debt down is to get students through in a timely manner. Not only does a student who does not complete in four years accrue more debt, but the lost wages from not entering the workforce for an additional year or two compound the cost. It is also critical that students complete their higher education experience with a degree. It is troubling when students accrue debt but leave higher education before receiving their degree. In this instance, students have debt but not the extra earning power that accompanies a college degree. CU is committed to improving graduation rates on all of our campuses to address this issue. Higher education must live up to its obligation to help students obtain a degree.

All indicators support the notion that students who earn a degree increase earning potential over their lifetime. At CU we examined student loan debt by program of completion and compared it with average total debt upon graduation for students with debt as well as alumni survey income data for earnings by students who completed a bachelor's degree. We found that on average, a large majority of resident undergraduate students that graduate from one of the CU campuses with debt (a significant number of our students graduate with no debt) have less than $30,000 in student loan debt. Using a standard repayment calculation (over ten years), annual student loan payments are modest when compared to average reported gross annual earnings over that same ten-year period. This is illustrated in Figure Nine on the following page.

Figure Nine:

Average Student Debt upon Graduation by Program for Resident Bachelor's Degree Recipients in FY 2015



Colorado State University System

Central to the CSU System and to the land grant mission at CSU is access to an affordable, quality education for all who desire. Colorado State University continues to buck national trends with debt loads at graduation that are well below the national average and some of the lowest student-loan default rates in the country. At CSU, 44% of students graduating last year had zero student loan debt when they earned their diploma.

There are two potential keys to reducing the cost of education for students. One is educating and counseling students regarding time to graduation. Extended enrollment can increase costs, perhaps more so than most students realize. Although some students take longer to graduate due to breaks in enrollment, others simply spend more time enrolled. CSU and CSU-Pueblo provide academic resources and academic counseling to ensure that students understand the decisions they make when registering for classes. CSU Global Campus provides academic advisors that help newly admitted students create a plan for completing a degree. Students are educated on the impact that their course selection has on progress towards graduation.

Choice of institution also matters. While public colleges and universities educate most of the country's students, the national debt burden is driven disproportionately by students at private and for-profit schools.

A significant increase in state support for Colorado residents could significantly reduce the cost of education on students. Twenty years ago, the state of Colorado paid two-thirds of every student's education and the student paid a third. Today, students pay approximately three-fourths and the state covers a fourth.

University of Northern Colorado

Given the convergence of limited public funding, increasing compliance requirements, and changing student demographics, this is certainly a challenge. UNC's approach has been to emphasize the importance of supporting students in making informed decisions.

First, It is helpful for students and families to understand their higher education options and the financial implications early, i.e., when students are in middle school. Both institutions and the State should continue to effectively and consistently communicate the following kinds of information: a) the costs of different institutions and different programs at each institution b) availability of financial aid and the importance of academic achievement for merit-based aid, and c) ways to save for college.

Also, from the time a student is admitted to college through graduation, academic advising and support services are critical in helping the student make informed choices about choosing a major, overcoming challenges and transitioning to a career (or further education) after graduation. UNC's Student Success Collaborative – an advising and analytic tool using a database of student success indicator at UNC over time -- has been one way that UNC has been more effectively advising students throughout the course of their studies.

Colorado School of Mines

We continue to examine ways to improve efficiencies in operations and reduce less essential expenses to mitigate rising costs. Given the high cost of providing an engineering and applied science education, we believe our attention needs to focus on 1) ensuring a greater number of students complete their degrees at Mines, and 2) reducing the time to graduation. National studies have shown that the burden of student debt is greater on those who do not complete degree programs. Our graduates have a very low default rate due to their success in securing employment after graduation. Recently a Wall Street Journal study rated Mines graduates as having the highest salaries among all public universities in the West. Other studies such as Payscale also shows Mines graduates as having among the top salaries in the nation on average.

9 Can higher education institutions be more efficient? Do we need new educational models?

University of Colorado System

Higher education institutions should seek efficiencies on a continuous basis. The University of Colorado is constantly looking for ways to operate more efficiently. In response to ongoing questions around this issue from the Board of Regents, starting in the Fall of 2015, the campuses annually report annually to the Board of Regents on efficiency efforts. In FY 2014-15, the university reported $39.7 million of efficiencies. Total savings by category include:

- *Cost avoidance measures* *$11.8 million*
- *Cost Savings to Campus / System* *$24.3 million*
- *Cost Savings to Department* *$2.3 million*
- *Reallocation of Resources* *$0.3 million*
- *Other* *$1.0 million*

A more complete description of these measures can be found at:
http://www.cu.edu/sites/default/files/Operating_Efficiencies_2015.pdf

In the most recent fiscal year, FY 2015-16 the university reported nearly $32 million of efficiencies. Many of these initiatives were made possible through flexibility granted by the General Assembly. Total savings by category include:

- *Cost avoidance measures* *$3.6 million*
- *Cost Savings to Campus / System* *$18.0 million*
- *Cost Savings to Department* *$6.6 million*
- *Cost Savings to Students* *$2.0 million*
- *Reallocation of Resources* *$1.7 million*

A more complete description of these measures can be found at: http://www.cu.edu/doc/2016operatingefficiencies.pdf

Colorado State University System

Central to the CSU System and to the land grant mission at CSU is access to an affordable, quality education for all who desire. Colorado State University continues to buck national trends with debt loads at graduation that are well below the national average and some of the lowest student-loan default rates in the country. At CSU, 44% of students graduating last year had zero student loan debt when they earned their diploma.

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University of Northern Colorado

UNC is committed to exploring ways to be more efficient and has embedded a practice of finding sustainable cost savings into annual budgeting. The annual sustainable cost savings goal provides a tangible way to engage all departments in reviewing individual programs and practices for continued importance and effectiveness, and more importantly to engage in university-wide collaboration for greater efficiency. For FY 2017-18 UNC's sustainable cost savings goal is $800 thousand.

Colorado School of Mines

We believe we can always improve efficiencies both in our classrooms and administration.

Mines has spent significant time assessing academic metrics to better deploy resources across our programs. We are developing a faculty productivity model to ensure workload is appropriate and positions are allocated equitably. We are also working on a benchmarking project comparing our academic metrics at the program level with those of other institutions in order to move us towards best practices. In Fiscal Year 2018, we will begin to use these metrics to implement a new budget model, allocating resources that incentivizes both academic and research productivity.

We are working on an initiative specifically to reduce student time to completion, thus facilitating earlier graduations, lowering cost of attendance and potentially reducing student debt. To do so, we are restructuring our classroom room scheduling, assessing the use of facilities (particularly facility use) and re-evaluating the number of course offering for those critical for degree completion

Mines is also aggressively pursuing administrative efficiencies. We are taking advantage of new technologies to streamline historically manual and paper processes. We are assessing our administrative structure and will implement changes to better meet the needs of our academic and research functions. Many administrative processes are in the queue to be re-engineered as our new organizational structure takes shape and we are able to implement new technologies.

10 How have initiatives in the following areas affected student retention, completion, and time-to-degree/credential at your governing board? What other initiatives are you exploring or implementing to help students complete as efficiently as possible?

a. Changes in remediation/supplemental academic instruction policies

University of Colorado System

The University of Colorado does not offer remedial or supplemental academic instruction policies per statute. CDHE requires that remedial education courses may only be offered on a cash-funded basis. The CU Boulder students who do not meet criteria for certain programs of study may begin in open option plans until they are prepared for the appropriate level of study for their intended majors. Undergraduate Admissions at the Denver Campus requires a second-level admission review process for applicants who are admissible based on index score but who need remediation in either English or mathematics. In such cases, students attending any of the CU campuses may be encouraged to enroll concurrently into a preparatory course at a nearby community college.

Colorado State University System

CSU *- We have implemented selected supplemental instruction opportunities and have been very active in advising students to take 30 credits their first year, as well as completing their mathematics and composition requirements in the first 30 credits. Our data show that these steps can lead to over 40% increases in student retention. We have implemented 'credit recovery' options for students who withdraw from one course and are too late to pick up a standard other course – the credit recovery courses start later in the semester and are specifically targeted for those transitioning students.*

CSU-Pueblo *- For those students needing remediation at CSU-Pueblo, most need remediation in mathematics. Slightly more than one third of CSU-Pueblo's new first time, full time freshmen enroll in remedial math courses each fall. The math department has been piloting various initiatives to improve student success in the two developmental course offerings. Overall student retention has been increasing steadily each year since the cohort* of *new freshmen enrolled in fall 2011, from a low of 58% for fall 2011 to fall 2012, increasing each year to 66% for fall 2015 to fall 2016 (and this increase has occurred despite the percentage of new cohort freshmen taking remedial math slightly increasing in the past three years, from 38% enrolled in fall 2013 to 40% in fall 2015). The math department has piloted computer-based initiatives that support instruction in the remedial courses. Based on experiences learned in these pilots, the department plans to extend this to support supplemental academic instruction, which will allow some students who previously would not have been placed into 100-level courses such as mathematics explorations and statistics, to begin those courses without having to complete remedial courses. Such courses are primarily for students not pursuing STEM degrees. (For STEM majors, the math department allows certain students whose ACT math subscore is below the ACT-recommended minimum 'cut score' for College Algebra to enroll, provided they agree to academic supplemental support.)*

University of Northern Colorado

Currently, UNC offers academic supplemental instruction in mathematics; specifically, MATH123 Supplemental Algebra is offered to students enrolled in MATH124 College Algebra whose math placement exam falls within a certain range. (For more details: http://www.unco.edu/nhs/mathematical-sciences/placement/results.aspx) The courses will undergo review next year to measure effectiveness. Also, the School of Mathematical Sciences is developing an SAI for beginning calculus.

Colorado School of Mines

Mines does not offer any remediation or supplemental academic instruction programs given our high admission requirements.

b. Dual/concurrent enrollment programs

University of Colorado System

CU Denver- offers dual credit through the CU Succeed Program and other programs and last year offered college courses in 229 high schools, serving 9,225 high school students who generated 27,740 student credit hours. The CU Succeed Program is delivered to students in high school as a continuing and professional education program in which students or schools pay the tuition and COF funds are not used. The CU Succeed Program focuses primarily on delivering GT Pathways courses in high schools. Nearly 80% of all CU Succeed courses are GT Pathways. Academic departments offer courses to students at the junior and senior level so they can earn transferable college credit and gain experience with college level course expectations. Academic departments credential the teachers and monitor the courses in the high schools by sending CU Succeed Liaisons to observe the courses and stay in touch with teachers, school administrators and the CU Succeed Office. This helps to ensure adequate student and teacher support for the CU Succeed Program. High school students that complete CU Succeed courses earn a grade on a CU Denver transcript that starts their college academic career and those courses can be transferred to other higher education institutions. Research has shown that dual enrollment increases student retention and persistence. In a study in 2013, the National Student Clearinghouse Research Center calculated six year completion rates and determined that the college completion rate for dually enrolled students was 12% greater than those students with no dual enrollment experience. Historically, the time to complete a degree for dually enrolled students is shorter than those who did not take such courses, thereby reducing time to graduation.

UCCS- Those high school concurrent students who end up in our freshmen cohort are more likely to be retained. We have not evaluated time-to-degree specifically for this group of students (who are about 10% of a cohort). Additionally, communication with our K-12 partners suggests heavy interest by our local high school districts in increased dual/concurrent enrollment opportunities for their students.

CU Boulder- CU Boulder offers pre-collegiate outreach programs in locations throughout Colorado. These programs serve more than 1,600 families annually and provide academic enhancement and enrichment opportunities (e.g. academic advising, tutoring, and summer academic course work for high school juniors), and skills to help students with the college and financial aid application process, communication skills to interact with college staff and faculty, and how to find support services on campus. The programs report 100 percent high school graduation rates for participants and a college placement rate of between 96 percent and 100 percent. CU Boulder offers the High School Concurrent Program through Continuing Education, allowing high school students aged 16 and over to earn college credit that may also be applied to high school graduation requirements. Course enrollment occurs on a space-available basis, and students enrolled in a public high school may be eligible to receive tuition assistance from their school district.

Colorado State University System

***CSU** - We rely primarily on AP and IB (and to a lesser extent on CLEP) to award college credit for academic work done prior to matriculating.*

***CSU-Pueblo -** Colorado high school students may receive college credit when their district has established state concurrent enrollment agreements, or other post-secondary options, with institutions of higher education. CSU-Pueblo partners with local school districts for both types of these programs, which we will refer to as 'concurrent/dual enrollment' programs. CSU-Pueblo high school concurrent/dual enrollments increased significantly from academic year 2011-12 to 2015-16. Over this time, the student headcount increased 72% in the Fall term (from 528 to 909) and 76% in the Spring term (from 789 to 1,396). During academic year 2015-16, high school students earned a total of 10,207 credit hours, compared to 5,872 in 2011-12. Thus, CSU-Pueblo is assisting Colorado high school students, with an increasing number of students receiving college credit from CSU-Pueblo.*

The number of new degree-seeking students enrolled at CSU-Pueblo with concurrent/dual enrollment credits has ranged from 325 to 390 over the past five academic years. On average, these students enter CSU-Pueblo with 15

credit hours. Students may have earned concurrent/dual enrollment credit from any higher education institution. Approximately one-third of these students earned an average of 8 credit hours from CSU-Pueblo prior to enrolling as new freshmen.

The retention rate of first-year full-time (FTFT) degree-seeking students who earned concurrent/dual high school credits is higher than those who did not and has been increasing. For instance, the retention rate rose from 65% for fall 2011 to fall 2012 (when the overall retention rate was 58%) to 75% for fall 2015 to fall 2016 (when the overall rate was 66%). The retention rate is consistently 6 - 9% higher for students who earned high school concurrent/dual credit prior to enrolling at CSU-Pueblo as a full-time degree-seeking student compared with the overall retention rate.

University of Northern Colorado

UNC has a very robust dual enrollment program that continues to grow. Looking at enrollments for fall term alone, the numbers have grown from 246 in Fall 2013 to 725 in Fall 2016.

UNC suggestions:

- *Better communication with parents about transferability of these courses across the state for general education as well as program-specific (major) applicability.*
- *Suggest that high school websites include a broader scope of information for high school student and parent/guardian awareness. For example, if a HS student is taking a UNC college algebra course through dual enrollment (at the HS), and the student receives a grade of "D," the student must realize the consequences of that D. If the student decides to matriculate at UNC, the student comes in with the D grade that will be considered when calculating GPA. If the student decides to matriculate elsewhere, the D will not transfer.*

Colorado School of Mines

This is in response to both b and c as they are related to Mines. Mines has worked with 5 community colleges to develop transfer articulation agreements. While these assist students with transfer of credits in core classes such as calculus, chemistry, physics, etc., the impact is somewhat limited as major-related courses begin in the 2nd semester of the 2nd year for most engineering and applied science programs. Most degree programs have only 9-12 free electives to allocate other credits outside core and degree requirements.

c. Policies related to transfer (e.g., transferrable core-requirement courses and associates degrees)

University of Colorado System

CU Denver- The following are the Minimum Transfer Standards at the campus.

Minimum Transfer Standards

Student course work of comparable content and scope to that of CU Denver curriculum will be considered for transfer credit if it was completed at a college or university with regional accreditation. If coursework was completed at an institution not regionally accredited, the student may specifically request that credit be considered in transfer by initiating a review process which begins with the student's academic advisor. Only courses in which a grade of C- or better (1.7) was earned are considered for transfer. Courses in which a grade of Pass (P) was earned are considered for transfer only if a grade of Pass at the sending institution is defined as a C- or better. Courses identified on transcripts as State of Colorado guaranteed transfer courses (gtPathways) are always accepted in transfer (with C- or better grades) and applied to degree requirements per gtPathways guidelines.

The Office of Admissions considers course work for general transfer regardless of the age of the academic credit. Certain departments, however, have specific age of credit policies for applying credit to degree requirements and for meeting prerequisites. State guaranteed general education courses will be accepted in transfer and applied to graduation requirements for a period of at least 10 years after course completion as outlined in gtPathways guidelines. Additional detailed information on everything related to transfers can be found here: http://catalog.ucdenver.edu/content.php?catoid=21&navoid=5352&print

UCCS- Publication of gtPathways has assisted with clarifying for the public and academic advisors the transfer credit awarded to all Colorado community college students regardless of which community college is attended or to which university the student will transfer. Although not directly related, the state-wide Degree Within Reach program, allowing enrolled students at Colorado four year universities to combine those credits with their prior community college course work to receive an associate's degree seems to be having a positive impact. Otherwise, the upcoming changes in CLEP, IB, and AP exam credit appear to be strong next steps which we can evaluate in a year or so after there have been a sufficient number of students entering under these new policies.

CU Boulder- The university is complying with state requirements regarding GT Pathways courses, and is analyzing new proposed CDHE policies related to test credit, challenge exams and CLEP/DSST. CU Boulder, like other four-year institutions in the state, is actively participating in the reverse transfer (Degrees within Reach) initiative by the CDHE. Admissions is working with colleges/schools to improve and create more consistency in the review process and timeline for transfer credit presented by new transfer students.

Colorado State University System

CSU - *We are a state leader in the GT Pathways program and in the development of articulation and 60+60 programs across the state. The DHE website has information on all articulation and 60+60 transfer programs between state institutions (http://highered.colorado.gov/Academics/Transfers/TransferDegrees.html). There are 32 undergraduate transfer degrees listed there; CSU is a participant in 29 of them. No other institution is a participant in more than 24 of them. In eight of these transfer degree agreements, Colorado State University is the only four-year partner to the agreement. The three agreements to which we are not a party involve degree programs that CSU does not offer.*

CSU-Pueblo - *CSU-Pueblo has a long-standing commitment to our transfer students and undertakes ongoing analysis and revision of our policies to provide support for credit transfer, persistence, and degree completion for this population. The institution publicizes statewide articulation agreements and institutional transfer guides to assist students and their advisors with planning transfer into our programs, helping to ensure timely degree completion. We recently launched the student-facing Transferology software, which allows students to input their transfer work and understand before applying for admission how their coursework would contribute to their CSU-Pueblo degree. This allows students to make an informed decision during the application and admission phase of the college selection process. This benefit is available to all students transferring in coursework, including those with dual or concurrent enrollment credit from other institutions. Upon admission, students have access to the DARS degree audit software, which allows them to determine not only which coursework will transfer but exactly how it will apply to their degree. CSU-Pueblo accepts gtPathways courses, and the institution also accepts in-state AA and AS degrees as transferable to meet all General Education core requirements.*

In recognition of the barrier finances can be to both persistence and graduation, CSU-Pueblo offers guaranteed scholarships for transfer students who complete their associate's degrees with at least a 3.0 college GPA.

To assist with integrating students into the university community, CSU-Pueblo offers both online and in-person transfer student orientation that introduces them to campus resources available to support their success.

In addition, recent Registrar Office staffing changes were made with the intent of improving the transfer student experience, and assisting with ongoing support and degree completion. CSU-Pueblo combined existing positions to

create Degree Analyst positions, a model in which a single position handles transfer counseling and evaluation at intake, as well as degree audit of a record prior to graduation. This new model allows the institution to provide continuity of service to our students, from transfer admission to degree completion. This not only enhances the student experience and provides them with enhanced staff contact and opportunity for understanding degree requirements, but also decreasing the time to completion of their transfer evaluation and final degree conferral.

University of Northern Colorado

UNC has developed measures to minimize conflict with the transfer of coursework via internal policy creation. These policies offer flexibility with student's transferring from non-accredited/vocational institutions. Specifically, transfer students may request an evaluation of coursework for consideration for course applicability. (For more details see: http://unco.smartcatalogiq.com/en/current/Undergraduate-Catalog/Undergraduate-Information-and-Policies/Transfer-Evaluation)

UNC, along with most institutions within the state, use web-based transfer tools to assist in advising students about how course credit will transfer into UNC as well as other institutions. UNC adopted TRANSFEROLOGY as an advising and prospective student transfer tool to build awareness around the transferring of credit. (For more details see: http://www.unco.edu/regrec/Current%20Students/Transfer/Transferology.html)

Colorado School of Mines

This is in response to both b and c as they are related to Mines. Mines has worked with 5 community colleges to develop transfer articulation agreements. While these assist students with transfer of credits in core classes such as calculus, chemistry, physics, etc., the impact is somewhat limited as major-related courses begin in the 2nd semester of the 2nd year for most engineering and applied science programs. Most degree programs have only 9-12 free electives to allocate other credits outside core and degree requirements.

d. What other initiatives are you exploring or implementing to help students complete as efficiently as possible?

CSU *- Student retention has steadily increased due to a variety of focused programs, both curricular and co-curricular, to give academic and additional support to students. Our retention rates have risen – now over 86% - and six-year graduation rates are about two-thirds. Time-to-degree is steadily improving, with four- and five-year graduation rates rising faster than the six-year rate (indicating faster graduations for undergraduate students). We have estimated that over the past 10 years we have saved ~$10M in tuition and other expenditures for students who have graduated at faster rates.*

CSU-Pueblo *- CSU-Pueblo recognizes that retention, persistence, and on-time graduation can be a challenge when serving a population that contains high percentages of students otherwise underrepresented in higher education, which is a key component of our mission. Because of this, we implement strategies like those outlined previously, to do everything possible to ensure student success. In addition, our Financial Aid office adopted a change to build initial financial aid offers based on the 15 credit hours needed per semester for the majority of students to graduate on time. This begins the discussion with prospective students about progress toward their degree. Students understand the need to take more than the 12 hours required for full-time status to graduate on-time; this expectation is continued through first-year advisement discussions and course scheduling decisions. CSU-Pueblo is also exploring the potential for a new advising model that would eliminate barriers to continued enrollment and provide students with both course advisement and faculty mentorship at a level greater than what is currently received.*

In addition, with some support from the US Department of Education, we have enhanced partnerships with local community colleges and increased academic support for student success in several ways. For underserved populations in science, technology, engineering and mathematics disciplines, we are enhancing mentoring for beginning STEM students, provided by upperclassmen; we are also supporting enhanced undergraduate research experiences for students who ordinarily would not be participants in such activities. Curriculum redesign has involved collaboration with community college STEM faculty. Recent and current innovations, not restricted to STEM fields, include enhanced emphasis on experiential education; use of technology in the classroom; and developing faculty expertise in creating more hybrid and flipped classroom modes of instruction. A new center for teaching and learning builds on prior initiatives and provides significant professional development for faculty in instruction; as one example, this past summer, the center created an innovative, intensive experience for new students that involved team-teaching and enhanced curricular and extracurricular activities for students, with very promising results in student success.

11 What are the primary reasons credits are lost when students transfer to your institution(s), based on the data your staff collected for JBC staff? Are there steps that should be considered to address credit-loss at the institutional level? At the State level? Do you have input on JBC staff's recommendations on this?

University of Colorado System

CU Denver- In the sample of 100 students, Denver considered a total of 4,563 credits for transfer across different terms and accepted 3,925 (86% credit transfer rate) and rejected 638 credits presented for transfer for reasons other than D/F/W/Remedial/Duplicate. The reasons are as follows:

- *308 (48%) were technical/vocational courses*
- *87 (14%) were seminars/challenge credits/independent study courses*
- *78 (12%) were from non-accredited institutions*
- *62 (10%) were non-credit courses*
- *26 (4%) were college prep courses*
- *24 (4%) were religious/doctrinal courses*
- *27 (4%) were courses with non-matching content*
- *17 (3%) were duplicate courses from multiple transfer institutions*
- *9 (1%) miscellaneous*

In all cases of rejected credits, the rationale in the applicable institutional policy is to support student success at CU Denver. The courses presented that were rejected either did not support the pursuit of a CU Denver degree based on content or the presenting academic performance was not high enough to give confidence that the student had an adequate understanding of the content.

UCCS- The primary reasons credits are lost are due to non-transferable grades or remedial work, non-transferable courses, reaching transfer hour credit limits, and/or transfer from institutions which are not regionally accredited. The UCCS Degree Audit Team indicates that the total credits considered were actually 6,769, but the accepted and percentage of accepted is correct. However, about 56% of the credits not accepted were due to unsatisfactory grades (D, F, or W) or remedial course work. Most of the remaining hours that UCCS did not accept came from either non-transferrable courses (career and technical courses from community colleges) or from transfer credit limits (for two-year schools it is 60 max for UCCS College of Business and 72 max for all other colleges; it is 90 hours total for all transfer institutions).

CU Boulder- Primary reasons credits are not transferred include: grades are too low (below C-); they are remedial credits; and credits are not equivalent to anything offered by CU Boulder (i.e., physical education credits). In many cases, even if transfer coursework does not have CU Boulder equivalents or does not apply to a student's chosen degree plan, that credit will still be accepted in transfer and may be used to fulfill elective credit. Accepting too much unusable credit, however, could potentially result in students meeting aid limits before they earn their degrees and/or have other unintended consequences.

Colorado State University System

CSU *- The basis for accepting credit hours for transfer purposes is always rooted in what is needed for a student to succeed in subsequent courses and obtain the needed material to earn a degree from a public research university. Current CSU Policy outlines that, "Regular academic courses from institutions accredited by one of the six regional associations of schools and colleges completed with a grade of C- or better are generally accepted in transfer. Course work from institutions that are not regionally accredited will not be transferred. Coursework that is remedial or vocational/technical in nature will not be transferred. Transfer grades and credits are not computed within the cumulative GPA earned at CSU."*

a) ***Transfer work presented from non-regionally accredited institutions:*** *Course work taken through a nationally accredited institution will not be accepted in transfer. However, students are provided the opportunity to have their prior learning credits reviewed by the teaching department to see if requirements might be waived. We had two students in our review with a rather large sum of credit from nationally accredited institutions not accepted. However, one of the institutions has since obtained regional accreditation and some course work presented will now be transferable.*

b) ***Students presented coursework that was vocational or technical in nature****: CSU does not offer vocational degree programs. Students submitting courses in welding and mechanical trades, for example, may not see the courses coming in as something comparable to coursework offered at CSU. In instances where content appears to be overlapping, the courses can be reviewed by the CSU teaching department and a direct or elective equivalent will be provided. In this instance, altering policy may not be in the best interest of our students. Bringing in credit does not guarantee a student will achieve graduation at a timelier rate. If courses brought in will not apply to the degree program being pursued, the additional credits appearing on a student record have potential to impact the student financially, having them reach financial aid limits and differential tuition charges earlier than others in their cohort.*

c) ***Transfer credit cap:*** *Current CSU policy limits lower division credits accepted in transfer. If a student attends one or more regionally accredited 2-year institutions a total of 64 transfer credits may be accepted. There is no limit for the amount of credit that can be transferred from regionally accredited 4-year institutions. CSU is re-evaluating this long standing policy. We are reviewing the students impacted in our transfer credit survey to determine if coursework beyond 64 credits would have assisted them in earlier degree obtainment. Any policy changes should assist students by ensuring credits are fulfilling degree requirements and are not coming in as additional electives causing the student to reach financial aid limits and differential tuition charges earlier than peers. Our current practice does allow students to choose what 64 credits apply to their program of study. Therefore, if the student changes majors, the student can elect to "swap" course work to ensure the most degree applicable 64 credits apply. At this time, we would like to review the best fit for our students to ensure they are receiving the full benefit from their course work without experiencing negative impacts of transferring in potentially non-applicable coursework.*

d) ***AP/IB, Challenge Exams and Duplicate coursework:*** *Other reasons for credit "loss" include coursework duplicated in transfer, low Advanced Placement (AP) and International Baccalaureate (IB) exam scores, and students presenting challenge exam credit.*

   i. *Duplicate Coursework: Students have the opportunity to repeat courses to improve the grade applying to their degree program. Unless a course has been approved to be repeated, the student can only have one instance of the course on their record apply to their degree program.*
   ii. *AP/IB and Challenge Exams: As of summer 2016, the State of Colorado worked in collaboration with the Colorado public institutions of higher education to determine "common cut scores" for high demand AP/IB exams. Several of the students in our 2015 review would have benefitted from the recent change in policy.*
   iii. *Challenge Exams: Along with the review and change in policy with the AP/IB examinations, the state also assisted in the recognition of institutional challenge exams in transferring credit. This update has changed CSU's acceptance of challenge exam credit and again, resolves one of the areas where a few students did not receive credit in transfer form a challenge exam.*

CSU provides students with many avenues to have their life experience and prior credits recognized and applied to their degree program, while keeping the integrity of the degree program and accreditation of the institution in focus. The State of Colorado has already assisted many of our students with the new cut scores for AP/IB exams, as well as acceptance of challenge exam credit. In addition, CDHE staff are currently working on the review of additional exams, DSST, and CLEP. Our goal is to ensure credit acceptance is in favor of students and decisions are most beneficial by accepting credits that will apply to a student's degree program and not just inflate their cumulative credits.

A recommendation to improve the transfer credit process is to investigate implementing an electronic exchange of transcript data. This process exists in other states where institutions can send and receive transcript data electronically at the request of the transferring student. There is either limited or no participation among the state institutions in Colorado in the sending, receiving, and processing of electronic data for transcripts. This could potentially reduce processing time and provide students the evaluation results much more quickly. Staff from several institutions are discussing this initiative, but there is not coordinated support or involvement from representatives at state agencies.

CSU–Pueblo *- CSU-Pueblo is committed to serving the needs of our transfer student population, and we work hard to ensure transfer-friendly guidelines related to credit hours. In gathering the recent information for the state, we determined that of the sampling of Fall 2015 students, the average students presented almost 80 credit hours for evaluation. Our findings indicated that the largest portion of credits lost in transfer to our institution were from courses in which the student received a D, F, or W grade, or in which the course was remedial. In all cases, university credit simply had not been earned and so could not be granted by CSU-Pueblo. In the other cases examined, small numbers of credits were not accepted for reasons such as courses were vocational in nature and therefore do not align with university coursework, or because the student had exceeded guidelines for maximum numbers of transferable hours, or had credits more than 10 years old. As an institution, we have a process in place by which students may petition the departments for credits to be accepted which are not automatically granted during the initial transfer evaluation. The Registrar's Office is also currently evaluating our institutional guidelines related to the maximum number of transferable credits and determining how we align with other state institutions with respect to that policy. This is part of an ongoing commitment to the review of our transfer guidelines and processes, and CSU-Pueblo is open to making changes that provide a higher level of service to our transfer students while maintaining the academic integrity of our programs.*

University of Northern Colorado

Based on the analysis developed by the Office of the Registrar, the loss of credit to the University of Northern Colorado occurs primarily due to

1) *non-transferrable grades (D/F/W – UNC will not accept grades that would end up placing a student on probation),*
2) *credits surpassing the residency requirement (the maximum number of credits accepted in transfer is 90; for the awarding of a bachelor's degree 30 credits must be UNC credits otherwise the degree would not be a "UNC" degree; the Higher Learning Commission [HLC] requires the establishment of a residency policy as a way to ensure the institution has control over the awarding of a degree conferred by an institution), and*
3) *the credits are vocational/technical (per C.R.S. 23-1-108 7 II A, vocational/technical credits may be transferred and applied to a Bachelor of Applied Science [BAS] degree; currently UNC has no BAS degrees).*

UNC actions:

In the past year UNC has initiated processes to assist faculty in the review of transfer courses more quickly and consistently. To allow for transparency, transferability of courses from ALL transcripts submitted by students to UNC is now listed in TRANSFEROLOGY. Additionally, UNC is in the process of developing a Bachelor of Applied Science degree that would allow for the transfer of some vocational/technical credits.

As an institution accredited by HLC, UNC is required to follow all requirements for accreditation. HLC-defined "Assumed Practices" that relate to UNC's response to this question posed by the JBC are listed below.

Reference: http://policy.hlcommission.org/Policies/assumed-practices.html

Policy Title: Assumed Practices CRRT.B.10.020
B. Teaching and Learning: Quality, Resources, and Support

1.b. The institution maintains structures or practices that ensure the coherence and quality of the programs for which it awards a degree.

1.e. Courses that carry academic credit toward college-level credentials have content and rigor appropriate to higher education.

1.f. The institution has a process for ensuring that all courses transferred and applied toward degree requirements demonstrate equivalence with its own courses required for that degree or are of equivalent rigor.

2.c. Faculty participate substantially in:
1) oversight of the curriculum—its development and implementation, academic substance, currency, and relevance for internal and external constituencies;
2) assurance of consistency in the level and quality of instruction and in the expectations of student performance;

UNC suggestions:

- *The Higher Learning Commission requires that institutions analyze existing policies and use those analyses to make modifications to practices as a way to improve student learning. The JBC might consider asking institutions about how this HLC requirement has been addressed in regards to the transfer of credit.*
- *Share with institutions if specific complaints arise about transfer of credit.*

Colorado School of Mines

The most frequent reason students lose credits when transferring to Mines is that they exceeded the maximum allowable free electives within a degree program. Degree programs at Mines have very free electives in order to meet the intensive and discipline specific requirements of engineering and applied science.

12 JBC staff made the following recommendations related to open access (freely available) educational and research materials.

(a) Support a grant program to develop and disseminate open access educational materials for gtPathways courses, with a particular focus on concurrent enrollment courses. The goal would be to reduce student (and K-12 system) costs.

University of Colorado System

CU Denver- The Auraria Library is a supporter of the OER/AER (Open Educational Resources/Alternative Educational Resources) project that allows faculty to customize learning resources for their courses. A grant program could be helpful in providing resources to encourage faculty effort in utilizing OER. The Library has created a Research Guide with OER/AER recommendations and consults with faculty who are interested in finding and adopting vetted, quality learning resources for their courses. A meeting of individuals from Auraria Library's three institutions (CU Denver, MSU Denver, and CCD) is planned for the near future to discuss OER initiatives that will include bookstore and educational technology representatives).In April 2017, there will be a Unizin Summit in Denver. Unizin is a consortium of universities (Colorado State University is a founding member) that was created to "improve the digital learning experience with increased access, affordability, and learner success." OER is part of their approach to affordability. The Auraria Library hopes to send a librarian to the Unizin Summit. See http://unizin.org/about/

At UCCS, teaching a gtPathways course does not entail using common readings, including those sections taught as dual enrollment. Faculty creativity in meeting the learning outcomes is as essential as having a common understanding of

what courses are designed to accomplish. UCCS, however, makes significant efforts to minimize student costs for materials including, when possible, a book rental and resell program. The campus supports the Auraria Library's efforts as a way of providing an additional low-cost alternative to faculty in these courses.
CU Boulder- CU Boulder is interested in learning more about a grant program that would encourage student success. Open access materials may be an avenue for helping achieve those goals but additional information is needed to understand how the program would work and how best CU Boulder could participate in the program.

Colorado State University System
We participate in several consortium arrangements (most promisingly Unizin) that have among their goals an array of OER (open educational resources) for lower-division courses. We have run several faculty workshops and invested resources in bringing OER materials to the attention of faculty in hopes of encouraging them to adopt OER materials as texts and for other classroom uses. These are beginning to bear some fruit; pilots in calculus, for example, look very promising.

University of Northern Colorado
Currently a national push is underway for open access to research/educational resources/data. (See SPARC http://sparcopen.org/) Initial research is needed. Perhaps a first step is to create a faculty/librarians task force to explore the options. The discussion needs to include specifics about the K-12 environment such as the vastly varying technology capabilities. Other elements of discussion/research need to include who would be the granting "agency," how are the materials administered, where would these resources "live" in terms of a repository where they would be accessible to everyone.

Colorado School of Mines
This would require further study on how this might impact a faculty member's ability to select the material the member feels is most appropriate. We would not be supportive if that decision is removed from the authority of the faculty member or the institution.

(b) Consider requiring that all research publications produced by faculty at state institutions be deposited to institutional archives and made freely available after no more than a 12 month embargo.

University of Colorado System
UCCS- All faculty research is published in formats that are highly accessible through widely available databases or the print collections of one or more member libraries. Formal information sharing across the state's research libraries means that literally everything is available to every member of the Colorado Alliance of Research Libraries. The public may access material through all public university libraries.

CU Denver- The Auraria Library created the Auraria Institutional Repository (AIR) as a digital library to collect, preserve, and make available the intellectual output of the three institutions on the Auraria Campus. Materials In AIR include open-access scholarly publications. None of the 3 Auraria institutions currently "require" faculty to submit their research publications into the repository, but the Library does 'invite and encourage" faculty to do so. The reference to a twelve month embargo in question 12b presumably reflects the fact that many faculty are not publishing in open access journals. The number of for-profit journal publishers (such as Elsevier), which allow for open access after an embargo, is growing.

CU Boulder- On April 22, 2015 CU Boulder adopted an open access policy that grants CU-Boulder an irrevocable, nonexclusive, worldwide license to the scholarly work of its faculty, including published journal articles and conference proceedings. This policy enables the university to negotiate with publishers that require an exclusive right to publish. Under this policy, faculty provide an electronic copy of scholarly work which is then made publicly available via the CU Boulder institutional repository, CU Scholar. There are currently close to 4,300 works that are publicly available in

CU Scholar, spanning multiple disciplines and research topics. Any further changes to the current treatment of research publications produced by faculty should be taken under careful consideration and with input from faculty researchers.

Colorado State University System

We are generally supportive of open access constructs; a 12-month embargo may not be sufficient for some disciplines in which standard publication takes longer.

University of Northern Colorado

As stated above there is a major movement nationally for open access to research publications with no knowledge of the impact. Some questions to consider include: What is the impact on scholarly publishing both by associations and by for-profit publishers? How do we develop a fiscally sustainable model for dissemination of research? How do faculty balance requirements by for-profit publishers? (Publishers often derive revenue when a publication is accessed.)

Several of the Colorado state institutions have passed open access resolutions or mandates—urging or requiring faculty to deposit their research publications. At UNC, the Faculty Senate passed a resolution in 2010 urging faculty to make their work openly available.
See http://libguides.unco.edu/c.php?g=94852&p=615059

While it is highly desirable for institutions to capture the research from their faculty not all state institutions have repositories or "archives" to house this research. Will the state be funding this initiative? Putting research in "archives," if it is not online, it does not enhance access. For smaller institutions this can be a costly venture both in technology infrastructure and staffing.

Colorado School of Mines

Any requirements of this nature must allow for institutions to make exceptions – as they determine appropriate – in order to ensure faculty are not limited in which external publications with which they can work. Some publications have restrictive copyright terms that would not allow for free access after a 12-month period. In other cases faculty may be conducting research that are limited by terms set forth by the sponsoring company.

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED - GOVERNING BOARDS

1 Provide a list of any legislation that the governing board has: (a) not implemented, or (b) partially implemented. Explain why the governing board has not implemented or has only partially implemented the legislation on this list. Please explain any problems the governing board is having implementing any legislation and any suggestions you have to modify legislation.

University of Colorado System
The University of Colorado has fully implanted all legislation and statutory charges required of the governing board.

Colorado State University System
All legislation has been implemented.

University of Northern Colorado
To our knowledge UNC has implemented all legislation.

Colorado School of Mines
We believe we have complied with or implemented all applicable legislation.

2 Are you expecting any substantial changes in federal funding for your governing board with the passage of the FFY 2016-17 federal budget?

University of Colorado System
The most recent federal budget action was a continuing resolution of FFY 2016-17 current funding levels through April 28, 2017. It is unknown what the incoming Administration and Congress will do for the remainder of the current fiscal year. Over the last five state fiscal years the University of Colorado has received the following amounts for federal sponsored research grants in Figure Ten as well as Title IV funding for student financial aid in Figure Eleven on the following page.

Figure Ten:

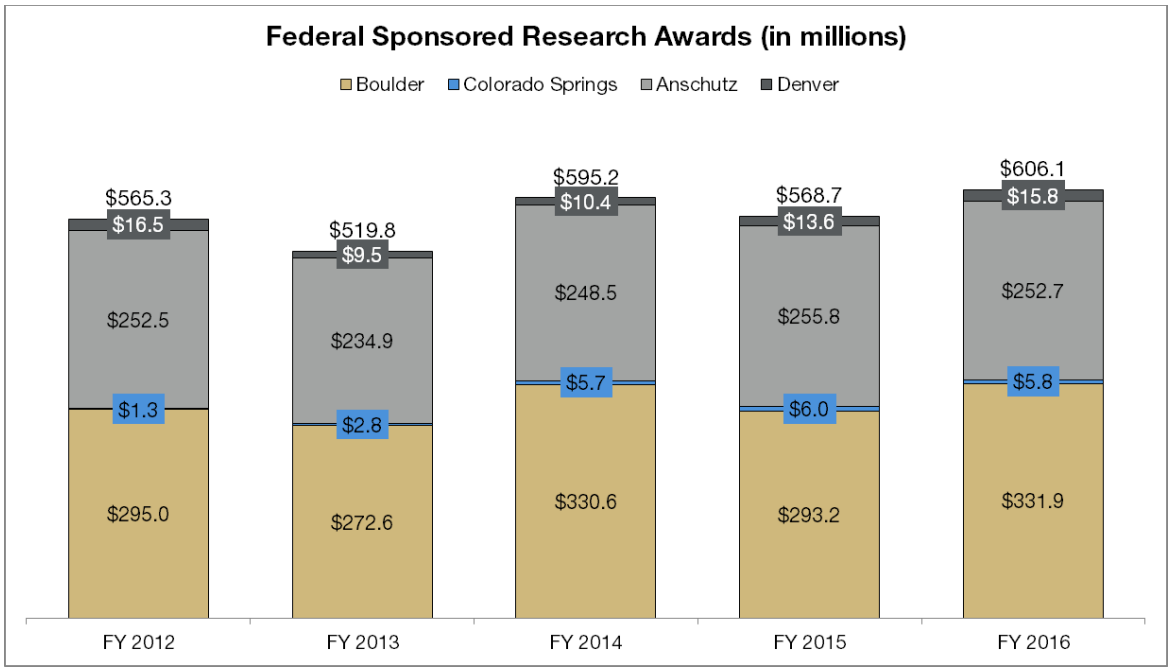
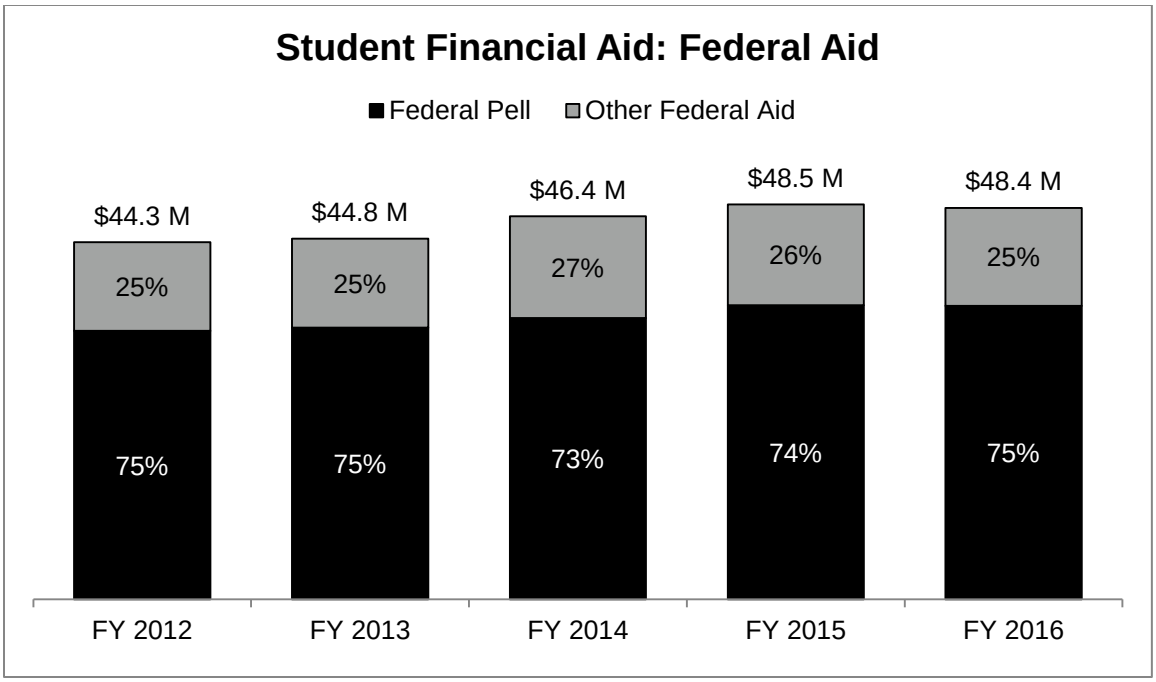


Figure Eleven:



Colorado State University System

CSU *- National professional organizations such as the AAAS are projecting modest growth in future Federal R&D spending at institutions of higher education for this next fiscal year (see attached AAAS 2017 Projections Graph). According to the latest estimates, both the House and Senate would provide moderate increases (2.1% to 3.1%) to federal R&D overall in FFY 2017. Based on CSU current pending proposals for funding, CSU conservatively projects obligation activity to increase from $214M to $270M (increasing 26%-28%), largely driven by CEMML. Detail also attached. Particularly noteworthy is that the current Federal continuing resolution (CR), which extends funding levels until April 28, 2017, includes $872 million for programs prioritized by the 21st Century Cures Act of 2016, which also passed last week. As reported by AAAS, "NIH programs covered by that bill include the Administration's Precision Medicine Initiative, the Cancer Moonshot, the BRAIN Initiative, and regenerative medicine. These programs together received an extra $352 million – with cancer research receiving the lion's share – while the Food and Drug Administration received another $20 million. In addition, $500 million was included for state response to the ongoing opioid abuse crisis" (see attached AAAS Report, "FY2017 R&D Appropriations So Far: A Roundup," downloaded 12-19-16). Earlier this September Congress approved $1.1B in Zika funding, which also could drive modest increases in FFY17 CSU funding levels in infectious disease research.*

CSU-Pueblo *- It is not clear what changes, if any, will affect the amount of funds received by CSU-Pueblo. The following table reflects the total amount of federal funds received by CSU-Pueblo. In FY 2015-16, CSU-Pueblo received approximately $28.4 million in funds to support students.*

Student Aid (FY16)	
Direct Loans	*$19,310,105*
Federal Pell Grant	*7,894,173*
Federal SEOG	*560,863*
Federal Work Study	*365,590*
Perkins	*197,572*
TEACH Grant	*27,463*
Total	***$28,355,766***

Additionally, CSU-Pueblo has been awarded $29,428,374 in federal funds for research and to support student success as a part of CSU-Pueblo's mission as a Hispanic Serving Institution (HSI). Of this amount, $4.1 million was spent in FY 2016. The remaining funds could potentially be at risk.

University of Northern Colorado

No substantial changes are expected. The downward pressure on federal funding for research grants remains a challenge.

Colorado School of Mines

No

3 Does the governing board have any HIGH PRIORITY OUTSTANDING recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office and dated June 30, 2016 (link below)? What is the department doing to resolve the HIGH PRIORITY OUTSTANDING recommendations?

http://leg.colorado.gov/sites/default/files/documents/audits/1667s_annual_report_-_status_of_outstanding_recommendations_1.pdf

University of Colorado System
The University of Colorado does not have any High Priority Outstanding recommendations.

Colorado State University System
The report indicates that CSU-Pueblo has not implemented audit recommendations for two material weaknesses (Audit Recommendation 2015-43 and Audit Recommendation 2015-44). These recommendations and CSU – Pueblo's responses are as follows:

Audit Recommendation 2015-43:
Colorado State University – Pueblo should ensure that the federal Pell grant reporting is accurate and performed timely by adding a control to review the frequency and accuracy of reporting to help ensure that the disbursement date reflected by the school agree to the date reported to COD.

In Fall 2015, CSU-Pueblo identified that an internal date change was occurring within PowerFAIDS when submitting files to Common Origination and Distribution (COD) System that caused the dates to be misreported. CSU-Pueblo corrected this issue by updating our disbursement procedure to include the submission of disbursement files to COD the same day that disbursement occurs. This was corrected November 2015 effective for the Spring semester, and no additional findings were discovered after this date.

Audit Recommendation 2015-44:
Colorado State University – Pueblo should establish a process for reconciling Federal Direct Loan payment information contained in CSU-Pueblo's financial records and COD School Account Statements data files on a monthly basis. Any differences identified should be investigated and resolved immediately.

CSU-Pueblo's Financial Aid Office designed and implemented an updated policy and procedure to ensure that the indicator box in PowerFAIDS is checked during the disbursement process so that notifications, within 30 days, of Direct Loan Disbursements are sent in conjunction with the loan funds crediting the students' accounts during the disbursement process. The new disbursement process training is currently being conducted with staff members and the Associate Director of the CSU-Pueblo's Financial Aid Office.

CSU-Pueblo's Financial Aid Office worked with a PowerFAIDs, CSU-Pueblo's student financial aid system, consultant who recommended an enhanced internal control that identifies students who may become ineligible from one term to the next. A work-study earnings report will be generated out of PowerFAIDS and a Student Employment Reconciliation Report will be generated out of AIS, CSU – Pueblo's student accounts receivable system. A pivot table will be used to compare the funding levels and maintain reconciliation of State-Funded Student Financial Aid, Colorado Work-Study. If any errors are identified they will be corrected immediately by our Student Employment and Academic Progress Manager. If a student is nearing their maximum award amount, both the student and the supervisor will receive an electronic communication. This process will occur monthly in congruence with reconciliation. This internal control improvement has been added to the current policies and procedures.

University of Northern Colorado
Not applicable

Colorado School of Mines
No

4 What is the expected impact of Amendment 70 (minimum wage increase) on the governing board? Please address impacts related to state personnel, contracts, and providers of services.

University of Colorado System

The new law will increase the minimum wage in 2017 to $9.30 per hour with incremental increases up to $12.00 per hour by 2020. In our fiscal analysis for the initiative, we discovered that more than 3,000 employees earn less than $12.00 per hour, but more than half earn $10.00 per hour or more. We anticipate the direct costs related to personnel up to $370,500 in year one based on current staffing levels. The total anticipated impact to personnel costs by 2020 may be as much as $2,850,000. This analysis does not factor in any increases that may have occurred outside of this legislation. The impact to contracts and third party service providers remain unknown.

Colorado State University System

***CSU** – University employees who will be impacted by Amendment 70 are our student workers. Units that significantly rely on student employees fall into our Auxiliary Operations, such as Housing and Dining, Student Recreation Center, the Lory Student Center, etc. Similar to the external providers of services and contractors, the University is anticipating annual increases in charges and fees for these units in the range of 3-5%, depending upon the level of reliance on student employees, to accommodate just the impacts of Amendment 70. As other inflationary costs increase, the overall annual increases will exceed these levels.*

***CSU-Pueblo** - The total estimated impact of Amendment 70 (minimum wage increase) to CSU-Pueblo is $119k. Most of the estimated impact stems from student hourly employees. It is not possible to project how this will affect the cost of contracts or services, but it is not expected to be significant. It is expected that the wages paid by most entities already exceeds the minimum wage. Of the estimated impact to CSU-Pueblo, only 13% ($15k) will impact the E & G budget. The impact to Auxiliaries is approximately $38k, and the impact to State and Federal Funds (primarily for work study students) is approximately $66k.*

	Est. Impact	***% of Total***
Federal / State (work study)	*$65,738*	*55.2%*
Auxiliary Funded Positions	*37,828*	*31.8%*
E & G Funded Positions	*15,828*	*13.0%*
Total Funds	***$119,000***	

University of Northern Colorado

The immediate impact of Amendment 70 is on UNC's student employee salary cost. The estimated fiscal impact for year ending June 30, 2017 is an increase of approximately $77,000 in student wages. Assuming that we make no changes to current staffing levels, the estimated increase cost for FY18 is $258,000 and $380,000 for FY19. The University will be analyzing the use of student employees and consider alternatives to manage the minimum wage increases in FY18 and FY19. The financial impact on state classified personnel will begin to be felt in FY19, barring changes to pay grade minimums as a result of the state salary survey in the next two years, and is included in our calculation. The impact on costs related to outside contracts and providers of services has not been quantified however, increases are expected.

Colorado School of Mines

We are estimating the monetary impact of increasing the minimum wage for our undergraduate student workers at approximately $70,000 annually.

Capital Construction

5 Do your institutions provide for controlled maintenance projects (not annual repairs and maintenance, but projects that replace building systems or subsystems intended for facility renewal and intended to provide benefits longer than a year) in addition to (if applicable) state funded controlled maintenance for academic buildings? If so, does your institution have a formalized process for budgeting and funding these projects? If yes, generally describe the plan or process. If no, describe how a project would be accommodated with funding on either a planned or emergency basis. Briefly describe how your institution provides controlled maintenance for auxiliary buildings and how that differs from academic buildings.

University of Colorado System

The CU system annually provides funding for controlled maintenance projects in addition to state funds. The system has a formalized annual budget process that is approved by the Board of Regents. As a part of the annual budget process, projected revenues and expenses of the university including controlled maintenance are determined. Controlled maintenance is budgeted for academic buildings in the campus education and general fund budget. Controlled maintenance is budgeted for auxiliary and research buildings in the auxiliary and restricted funds budgets. State funding for controlled maintenance in academic buildings is an important component to the stewardship of the CU building infrastructure. Although CU budgets annually for controlled maintenance projects, the system has long-term maintenance needs of approximately $764.8 million (academic buildings) as reported to the Office of the State Architect (July 2016). Individual campus estimates may vary from the OSA targeted backlog formula with supplemental building condition studies.

Colorado State University System

Colorado State University (Fort Collins): CSU has a database of prioritized maintenance projects that is routinely updated by the maintenance department. Maintenance needs are generally addressed by criticality, as funding allows. The University has committed $1.7M annually for maintenance and infrastructure deficiencies. Student fees cannot be used for maintenance items, per their bylaws. We also leverage university funds to generate utility rebates on energy conservation projects. Controlled maintenance of auxiliary buildings is prioritized and funded by the auxiliary. In recent years CSU has also funded full building revitalizations of both academic and auxiliary buildings, often coupled with an addition. This has proven to be very successful in addressing the controlled maintenance backlog for older buildings.

Colorado State University (Pueblo): Throughout the year, Facilities Management staff evaluates the controlled maintenance need for campus and determine initial scope of work. The projects are first prioritized based on deficiency (fire and life safety, code requirement, maintenance repair, building efficiency). Projects are then ranked by project type (roofs, utilities, mechanical systems, exterior components, other). Last, projects are ranked on facility use (classroom / laboratories, library, offices, athletics, and maintenance facilities). Once completed, recommendations are provided to President's cabinet for final review and questions.

University of Northern Colorado

UNC uses a process similar to the annual State CM request process. Each year, we use the information from our facility audits and from our trade's shops to identify controlled maintenance priorities for all of our facilities. Some of these projects are submitted as controlled maintenance requests while others are submitted to our internal funding process. We have identified a modest capital reserve that is used for internally funded controlled maintenance as well as small renovation / tenant finish projects for all State and Auxiliary funded facilities on campus. The controlled maintenance projects are scored using a process similar to the State CM scoring process. Emergency projects are also funded from the capital reserve.

Colorado School of Mines

Mines uses data from the campus facility audit and input from Facilities Management staff to prioritize controlled maintenance projects on an annual basis. The highest priority needs are submitted to the Office of the State Architect via the annual Controlled Maintenance request. Projects that are not funded by the State are deferred or addressed using one-time funds from the Administration that may or may not be available from year to year. Controlled maintenance projects for auxiliary buildings follow a similar assessment process through the facilities audit and input from FM Staff. Since auxiliary buildings are not eligible for State CM funds, Mines prioritizes auxiliary building needs and accomplishes the highest priority needs based on auxiliary funds that are available for maintenance that year.

6 Please provide an actual amount or estimate of institution-funded controlled maintenance spending annually for FY11-12 through FY15-16 for academic buildings. Include as much additional detail, regarding types of projects, that might be tracked as a part of your capital renewal efforts (no need to provide detail that isn't tracked - no need to provide project details).

Please see the compiled response to this question provided in the Department of Higher Education Common Questions Addendum.

7 Please provide the following data for your institution: number of academic buildings and auxiliary buildings; square footage of academic buildings and auxiliary buildings; total campus area; current replacement value of academic buildings and auxiliary buildings; annual facility management operating expenses for FY11-12 through FY15-16 (please clarify if the total includes or excludes all campus grounds maintenance and upkeep).

Please see the compiled response to this question provided in the Department of Higher Education Common Questions Addendum.

COLORADO SCHOOL OF MINES

EARTH • ENERGY • ENVIRONMENT

Mines Public Mission

- Founded 1874 to produce scientists and engineers, and knowledge and innovation vital to economic growth and prosperity
- Specialties in energy, mineral, and material science and engineering and associated fields
- Always evolving to meet the needs of industry and society

Mines Pillars

- Focused Public Mission
- Practical Education & Professional Preparation
- Distinctive Graduates
- Connections & Partnerships
- Use-Inspired and Collaborative Discovery & Innovation
- People
- Pride

Educate • Innovate • Collaborate

January 5, 2017

- **DEPARTMENT OF HIGHER EDUCATION**
- **FY 2017-18 JOINT BUDGET COMMITTEE HEARING**

Supporting the State's Higher Education Master Plan

Total Enrollment: 5,793 (Fall16,degree-seeking)

- UG – 4,566; Graduate – 1,227.
- 40% growth over last 10 years, and 78% over 15 years.
- 28% women; 17% ethnic/racial under-represented.

High Retention and Increasing Graduation Rates

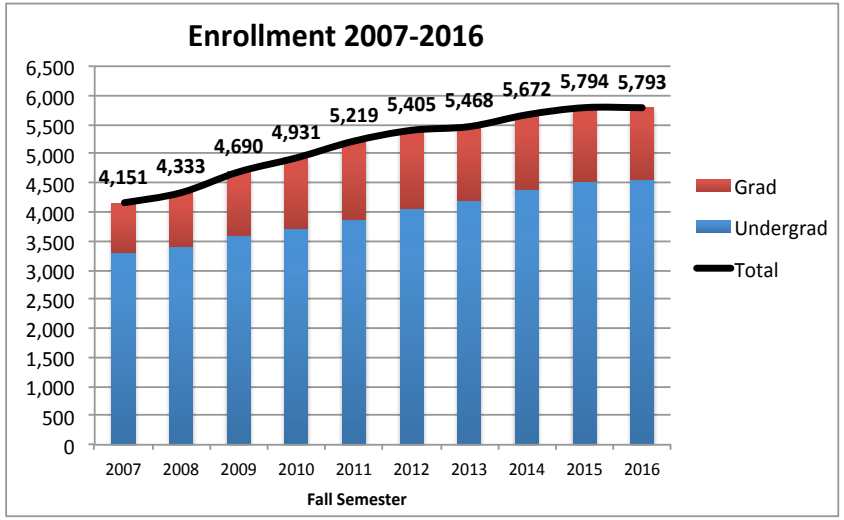
- 92% Freshman retention; +10% increase for 1st generation students in Nucleus Community
- 59% 4-year graduation rate; 75% 6-year.
- Improving these rates is a key strategic goal.

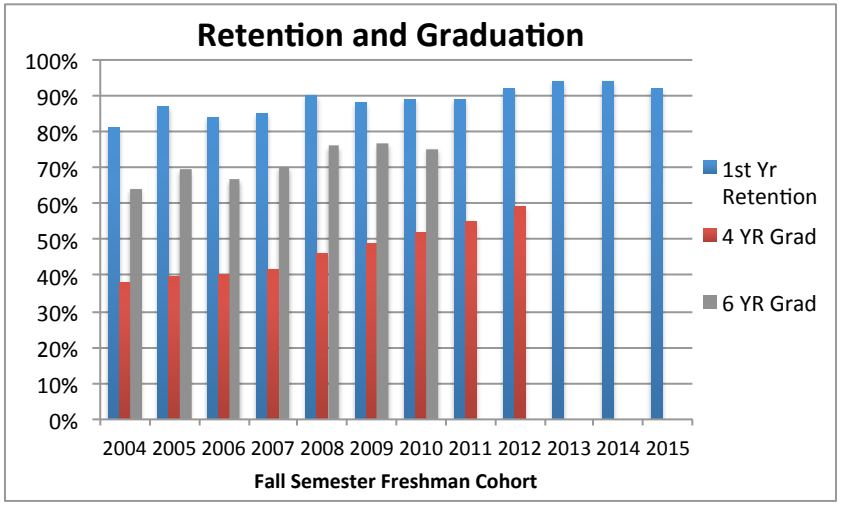
Student Outcomes (as of Sept 30, 2016)

- 2015-16 graduates employed or in graduate school: BS - 85%; MS – 93%; PhD – 96%.
- Avg salary offers: BS - $67,229; MS - $74,966; PhD - $80,854.
- 50% of all 2015-16 graduates (resident and non-resident) accepting industry or government positions stayed in Colorado.
- Wall Street Journal ranked Mines #1 among public universities in the West, for the salaries of its graduates

Affordability for Resident Students:

- Net tuition per resident SFTE about $13,000 vs. about $27,000 cost to educate an undergraduate student
- Private and corporate investment through the Mines Foundation is now at about the level of State investment





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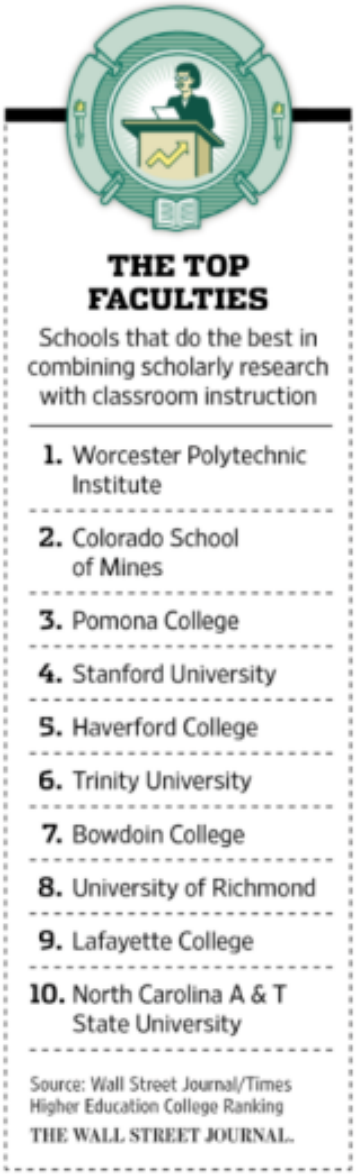
Notable Examples from 2016

- **Mines faculty** recognized as one of the best in combining scholarly research with classroom instruction by WSJ.
  - Research activity is coupled with the education mission.
  - Research Grants and Contracts from External Sources totaled $60.3 million in FY16. An 84% increase since 2007.
  - Trefny Center innovations in instruction summer program for faculty

- **ADAPT Center** – Characterization center for materials produced by Colorado's advanced manufacturing industries (e.g., 3-D printing)
  - Alliance includes Lockheed Martin, Faustson, Ball.
  - Helping local business standardize manufacturing recipes and qualify parts built using metal-based 3-D printing.
  - Partnering with Red Rocks CC to develop training and certification programs.
  - Center built and producing data for industry within 6-months of funding from OEDIT

- **Mines Idea Hub** – Student-driven initiative to promote entrepreneurship and innovation.
  - Resulted in the creation of 7 labs, workshops, design studios across campus….for now.
  - Teaming with local accelerators to prepare students students & faculty for the entrepreneurial world and to advance their innovations

- **Partnership with UNC** to give Mines students a streamlined pathway to Colorado teacher licensure in math or science.
  - 31 Mines students have participated to date.
  - Working with 17 K-12 schools in Adams 12, DPS, Jeffco and Littleton.



Mines' Strategic Priorities for 2017

Accessibility

Goal: Mines' student population to be representative of the eligible graduates of Colorado's high schools

- demographics (gender, socio-economic background)

Goal: provide a highly-desirable, transformative, and distinctive professional preparation at an accessible cost

- Cost-to-degree (time-to-degree, financial support)

Academic Success:

Goal: academic success measures comparable to other highly-selective & top-ranked institutions:

- retention, persistence, graduation rates

Professional Success:

Goal: to be the national exemplar for professional success measures:

- employment (salary, career success, location)

University Design Initiative:

Goal: design the university and its components to meet our future goals for accessibility, student success, and impact

- Productivity & performance guidelines
- Business model and resource allocation
- Expertise & capabilities

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ALL FOUR:COLORADO

Joint Budget Committee Hearing

January 5, 2017

Office of the Vice President for Budget and Finance
University of Colorado
1800 Grant Street, Suite 800
Denver, Colorado 80203
More data available at http://www.cu.edu/budgetpolicy/cu-data

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CU Facts

Students

- Over 63,000 degree-seeking students and an additional 8,000 taking courses for credit.

Alumni

- More than 200,000 alumni are living and working in Colorado.
- CU has some 445,000 alumni worldwide.

Employees

- CU is the third-largest employer in the state, employing a total workforce of nearly 32,000.

Research

- CU researchers received more than $924 million in sponsored research funding in FY 2015-16 helping research and capital improvements, scientific equipment and salaries for research and support staff.

Academic Excellence

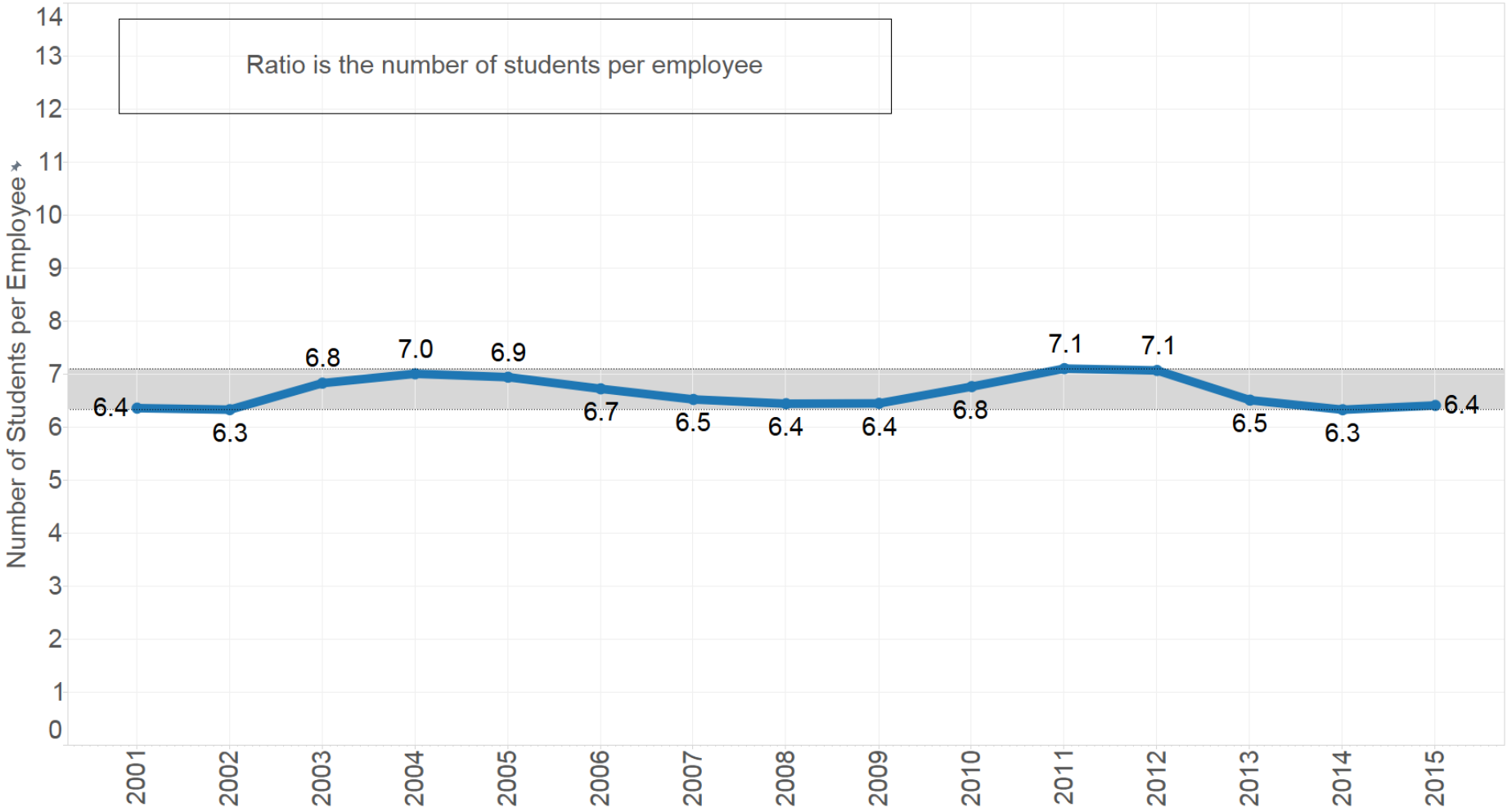
Five Nobel Laureates

- David J. Wineland, physics, 2012
- John Hall, physics, 2005
- Eric Cornell and Carl Wieman, physics, 2001
- Thomas Cech, chemistry, 1989

The University of Colorado boasts:

- 10 MacArthur "genius" fellows
- Pulitzer Prize winner Elizabeth Fenn, Boulder's Dept of History 2015
- Carnegie Foundation's Professor of the Year honorees Carl Wieman, 2004, and Steven Pollock, 2013-14
- 19 alumni astronauts and one teaching astronaut
- 19 Rhodes scholars
- Leading global experts in anthropology, Alzheimer's disease, space exploration and cancer treatment

CU System Students & Staff, FY 2001 to FY 2015



Source Project: Cost Drivers at CU, July 2016; Data Source: Budget Data Books, Education & General Only;

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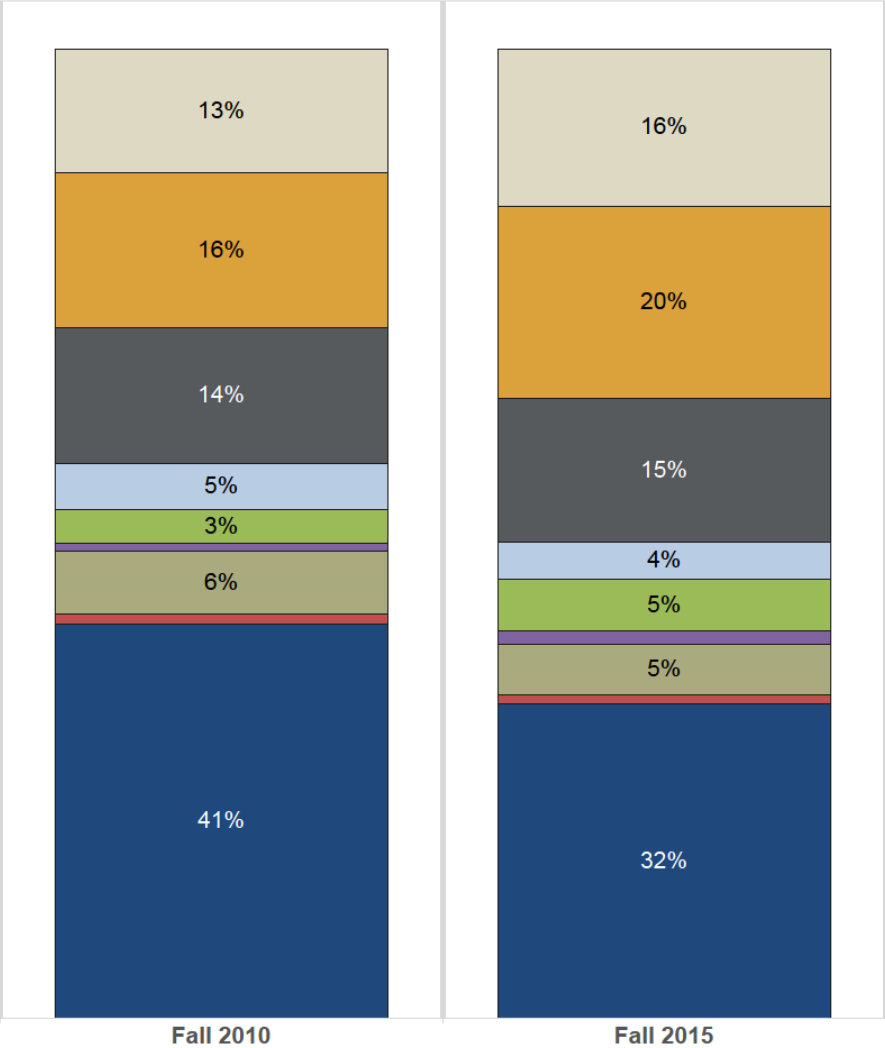
CU System Majors, Weighted, by Discipline



Major Discipline

- Eng/Arch
- Sciences
- Business
- Education
- Health
- Criminal Justice
- Visual & Perf Arts
- Law
- Liberal Arts/Other

Source: Cost Drivers at CU, July 2016

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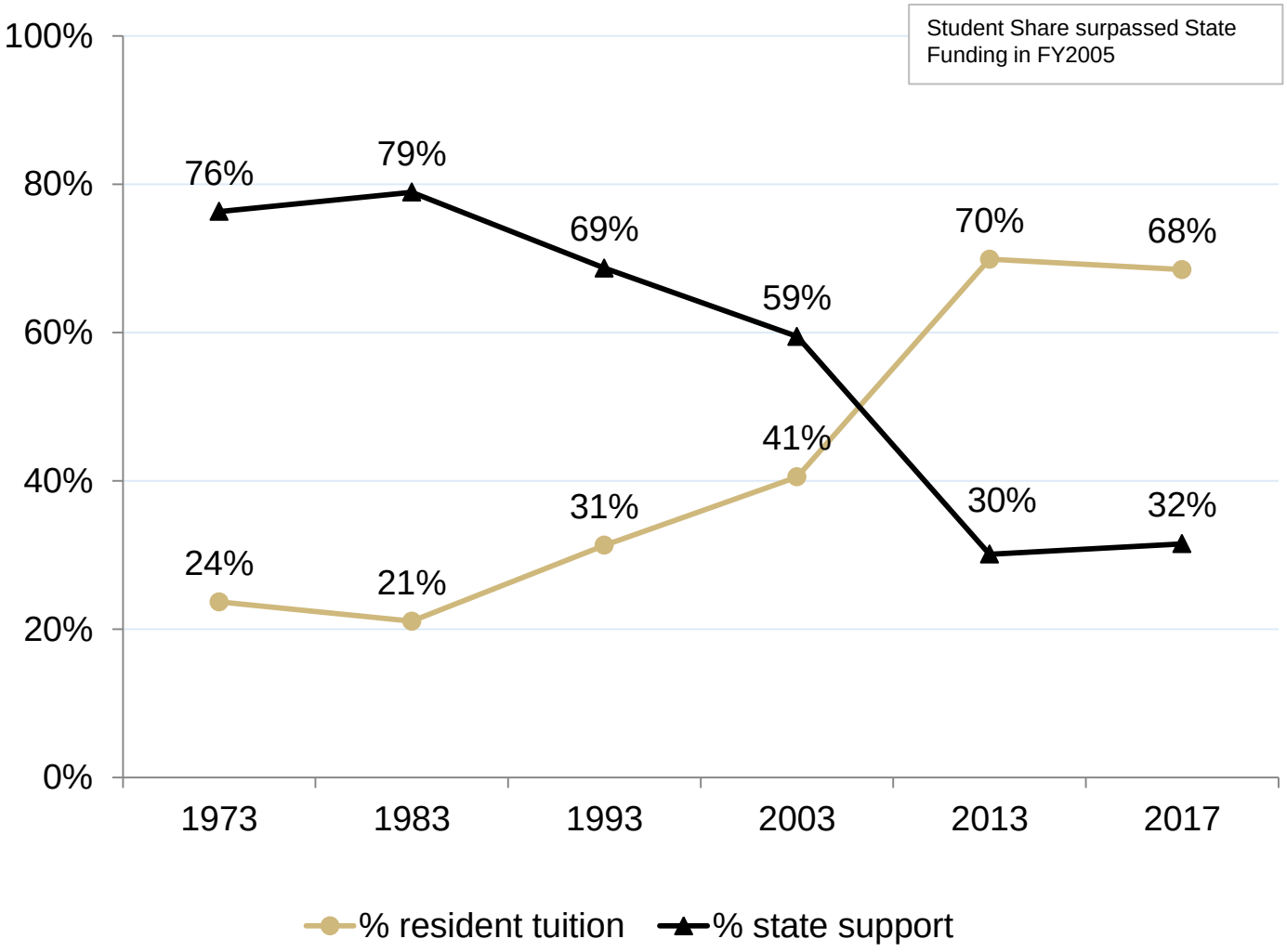
History of CU State Funding + Tuition



The balance between state support and tuition revenue has changed markedly since the 1970s.

State support was once more than three times tuition revenue. That ratio has nearly reversed over time.

Note: Dollar amounts are not adjusted for inflation.

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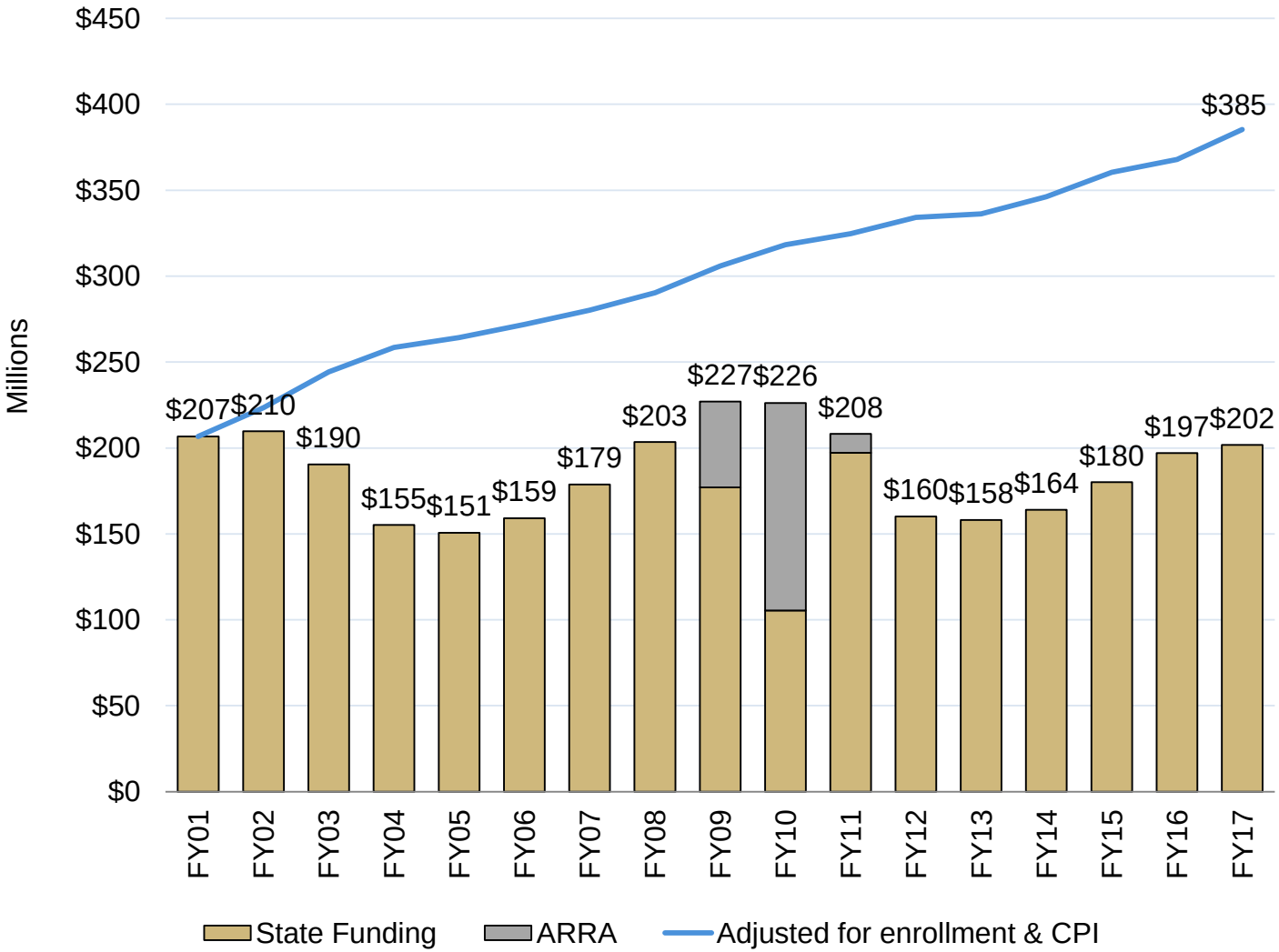
History of State Funding



Adjusted for inflation and enrollment, the university needs more than $180 million to maintain the purchasing power it had in FY 2001.

In FY 2017, state funding is $202 million (including tobacco settlement funds).

Note: Funding amounts are not adjusted for inflation. Data is based on Budget Data Books and CDHE FTE.

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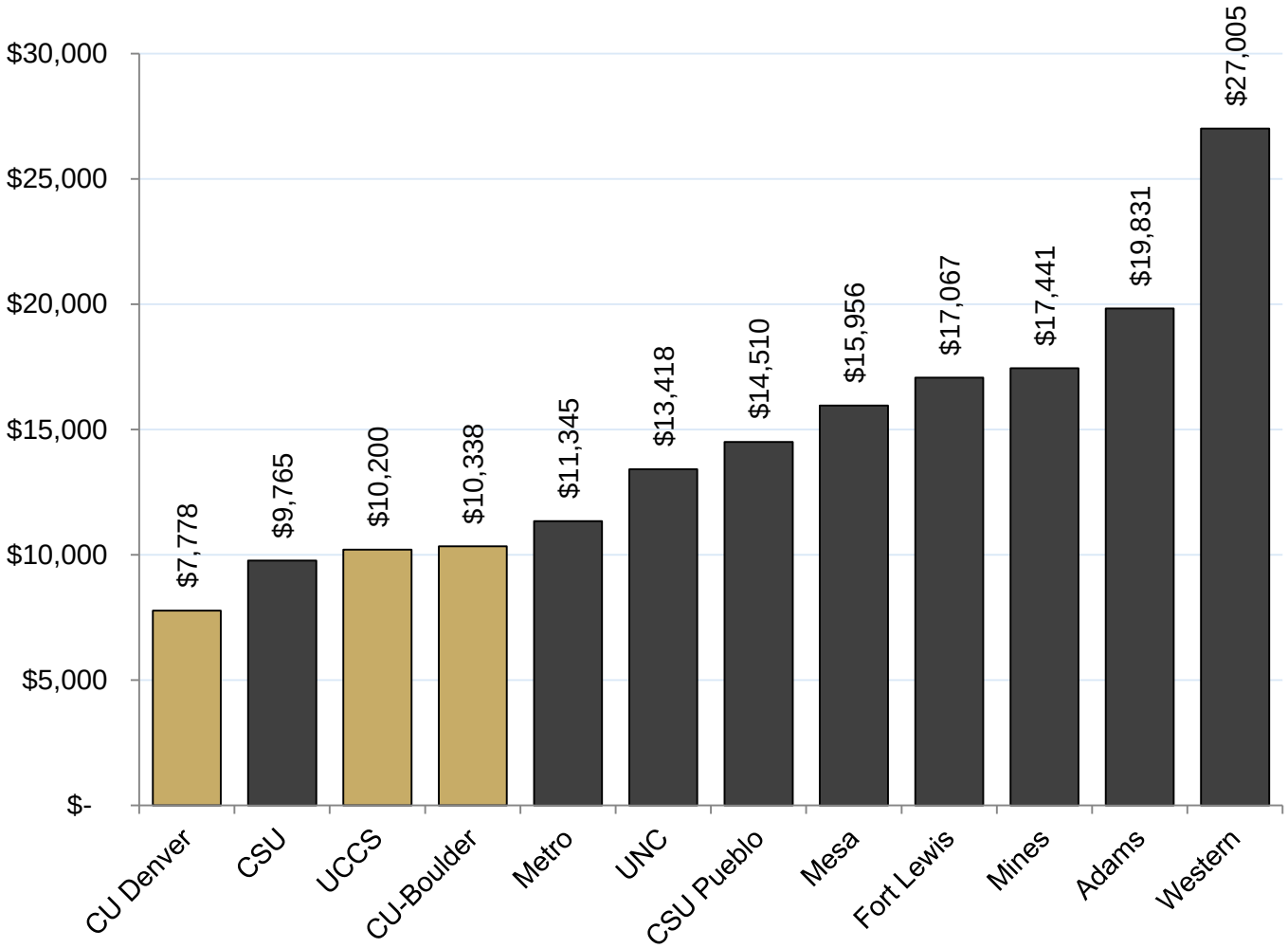
State Support per Resident Degree



FY 2013-14

CU campuses have among the lowest state cost per resident degree when compared to other Colorado public four-year institutions.

Source: CDHE Degrees Awarded, all levels; Budget Data Book

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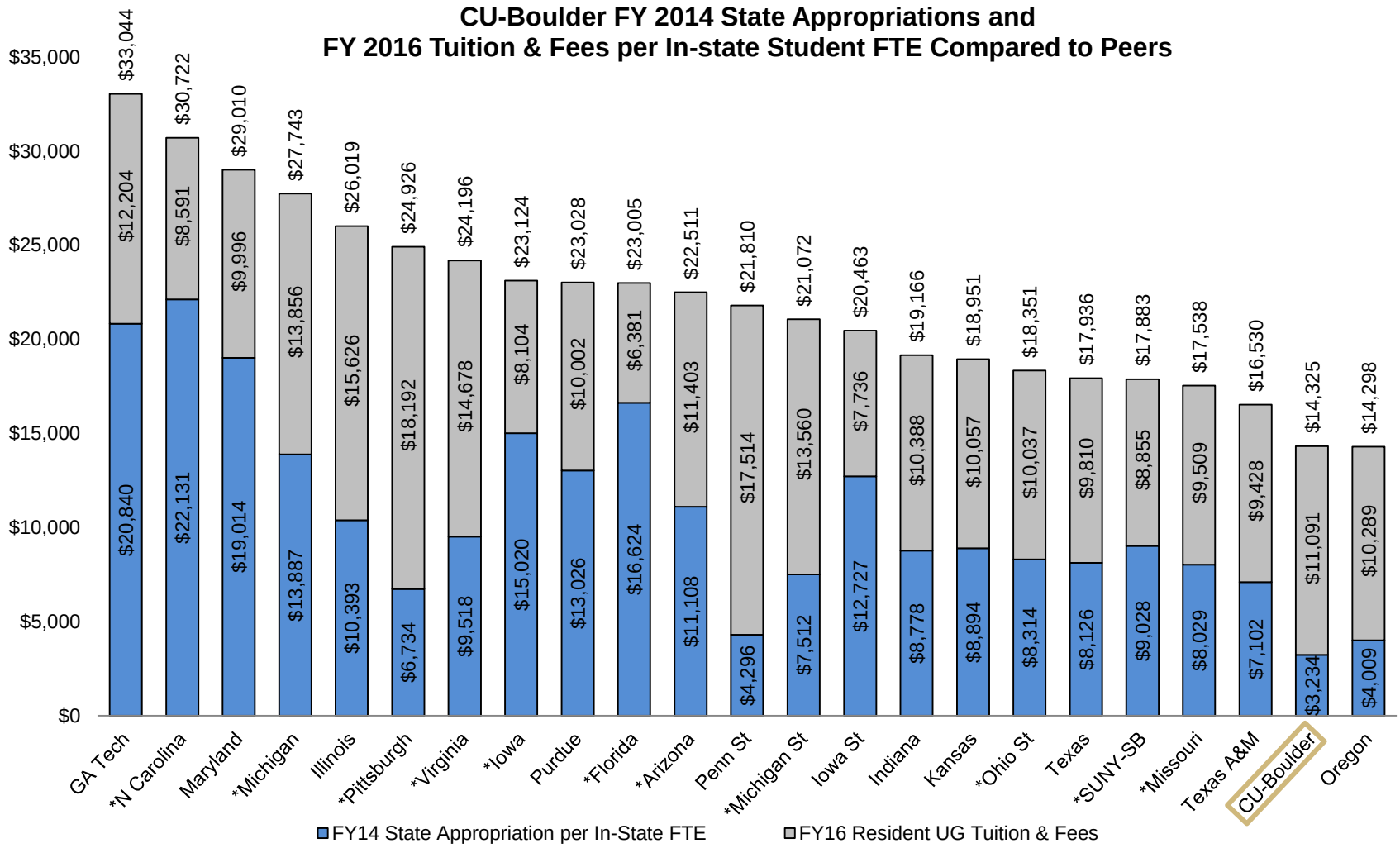
State Support + Tuition Comparison, CU-Boulder



May include some medical school funding.

Note: FY14 state appropriations and student FTE are from the CU-Boulder Office of Planning, Budget and Analysis, via the American Association of Universities. Tuition & Fees direct from campus websites. Chart updated June 2016.

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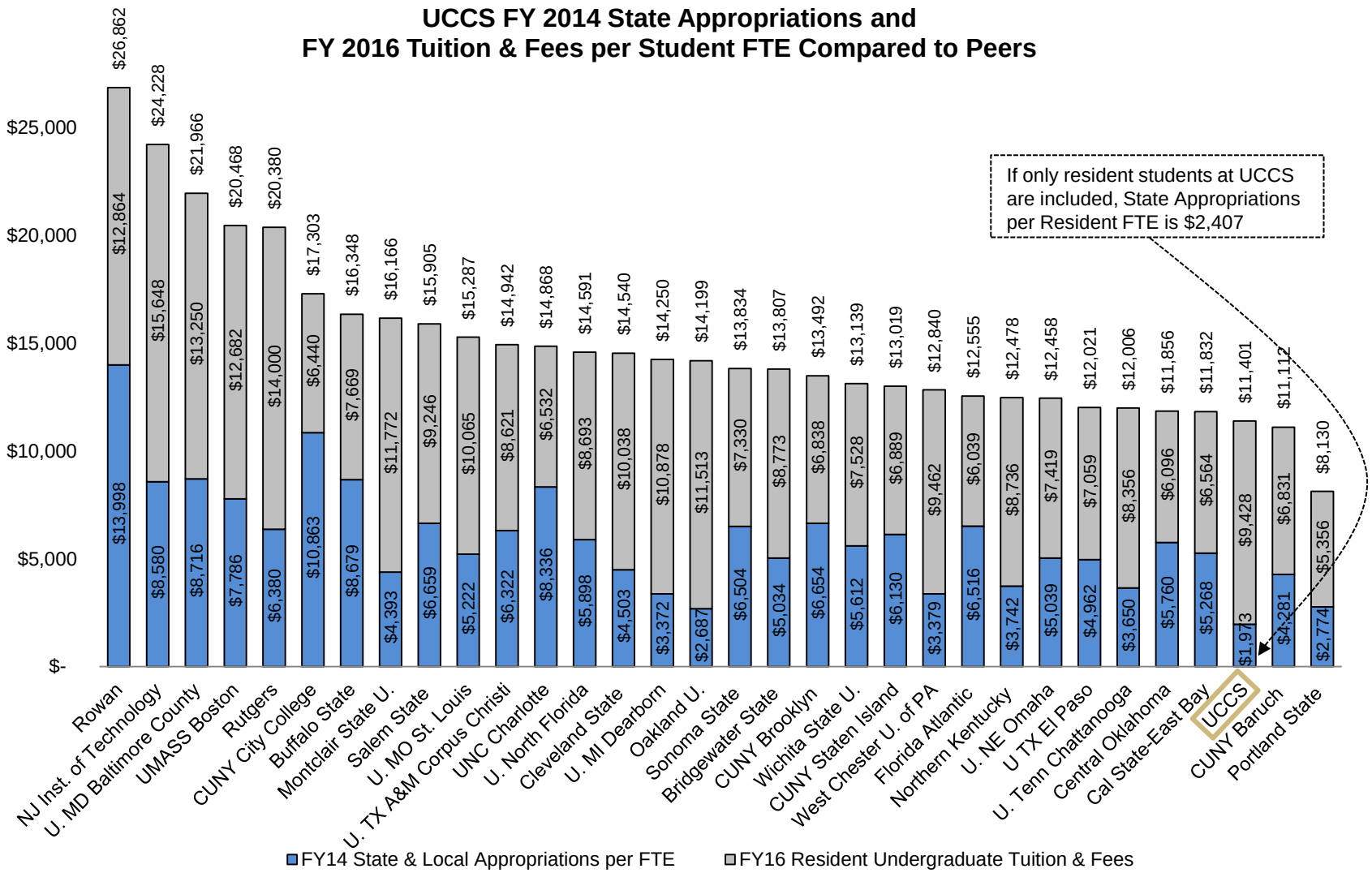
State Support + Tuition Comparison, UCCS



Note: FY14 state appropriations and student FTE are the most recent IPEDS data available for peers. UCCS FY14 state appropriation is from budget data book (actual) and FY14 student FTE is from IPEDS. Tuition & Fees direct from campus websites. Chart updated May 2016.

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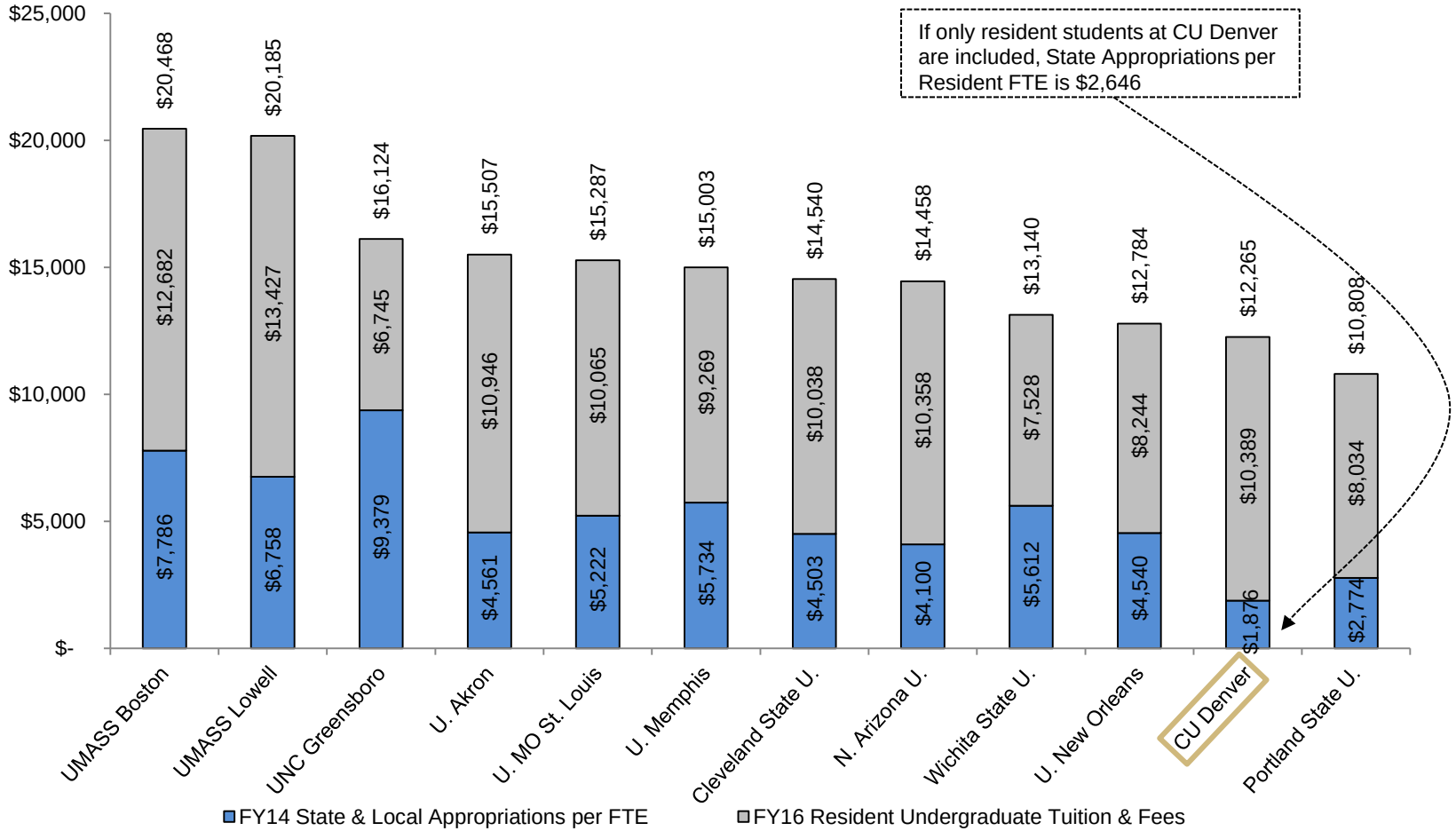
State Support + Tuition Comparison, CU Denver

CU Denver FY 2014 State Appropriations and FY 2016 Tuition & Fees per Student FTE Compared to Peers



Note: FY14 state appropriations and student FTE are the most recent IPEDS data available for peers. CU Denver FY14 state appropriation is from budget data book (actual) and FY14 student FTE is from CDHE student FTE data submission. Tuition & Fees direct from campus websites. Chart updated May 2016.

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CU Boulder Guaranteed Tuition & Mandatory Fees

Arts & Sciences & All Other Combined Tuition and Mandatory Fees - Guarantee Plan								
Year	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
FY 2016-17 New Cohort	Total	$11,531	$11,531	$11,531	$11,531			
	$ Change	$440	$0	$0	$0			
	% Change	3.97%	0.00%	0.00%	0.00%			
FY 2017-18 New Cohort (Increase no more than)		Total	$12,108	$12,108	$12,108	$12,108		
		$ Change	$577	$0	$0	$0		
		% Change	5.00%	0.00%	0.00%	0.00%		
FY 2018-19 New Cohort (Increase no more than)			Total	$12,592	$12,592	$12,592	$12,592	
			$ Change	$484	$0	$0	$0	
			% Change	4.00%	0.00%	0.00%	0.00%	
FY 2019-20 New Cohort (Increase no more than)				Total	$13,096	$13,096	$13,096	$13,096
				$ Change	$504	$0	$0	$0
				% Change	4.00%	0.00%	0.00%	0.00%

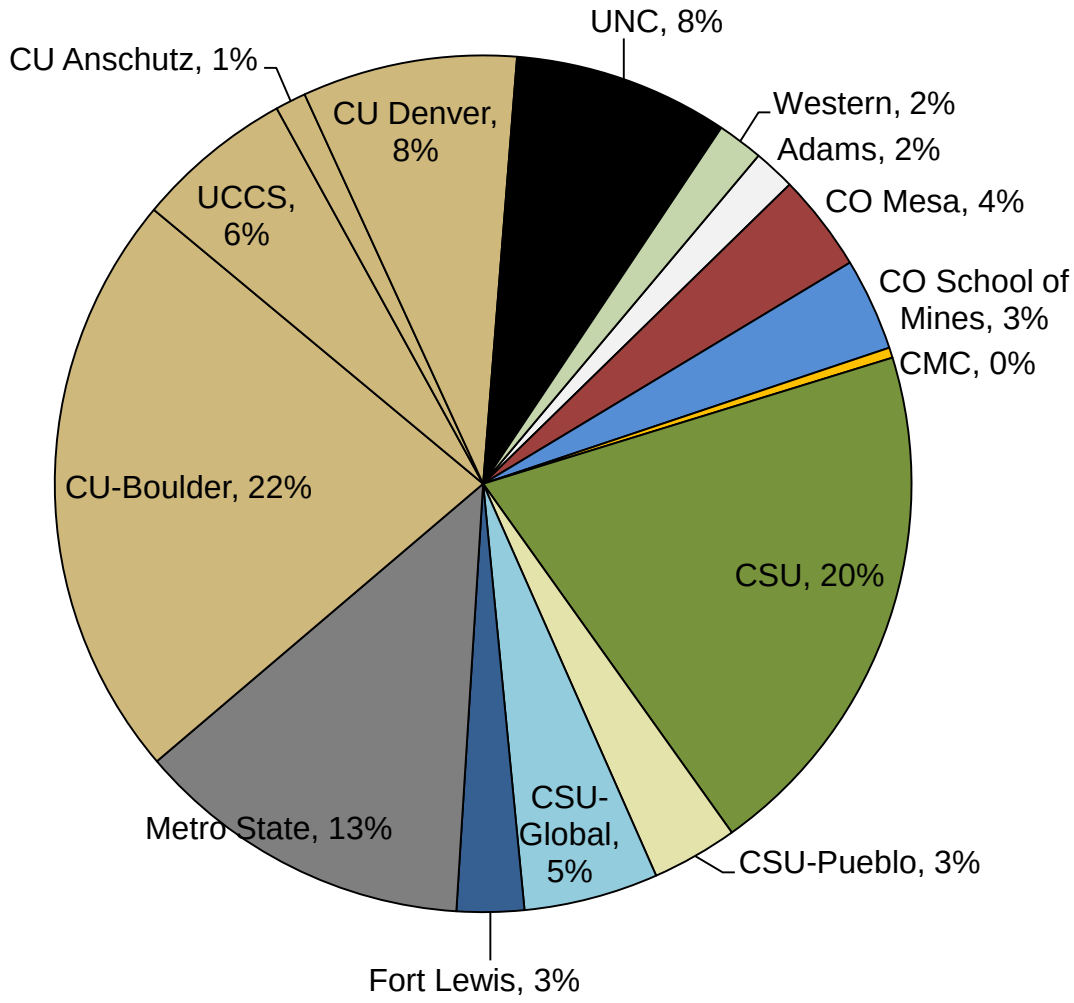
Tuition and mandatory fees for new cohorts will increase at a rate of no more than 5% for the next four years. For additional information please visit the website at: https://bursar.colorado.edu/tuition-fees/cu-boulder-tuition-guarantee/undergraduate-resident-tuition-guarantee/.

FY 2016-17

In April 2016 the Board of Regents approved a four year tuition and mandatory fee guarantee for resident undergraduates.

Students enrolled in programs with differential tuition rates will be guaranteed at the differential rate for four years.

Percent of Baccalaureate Degrees Awarded



FY 2014-15

Total Baccalaureate Degrees in CO: 26,280

*In FY 2015, CU awarded nearly 10,000 baccalaureate degrees, **37 percent of the total awarded by Colorado's public four-year universities***

Source: CDHE, Degrees Awarded. Data includes double majors.

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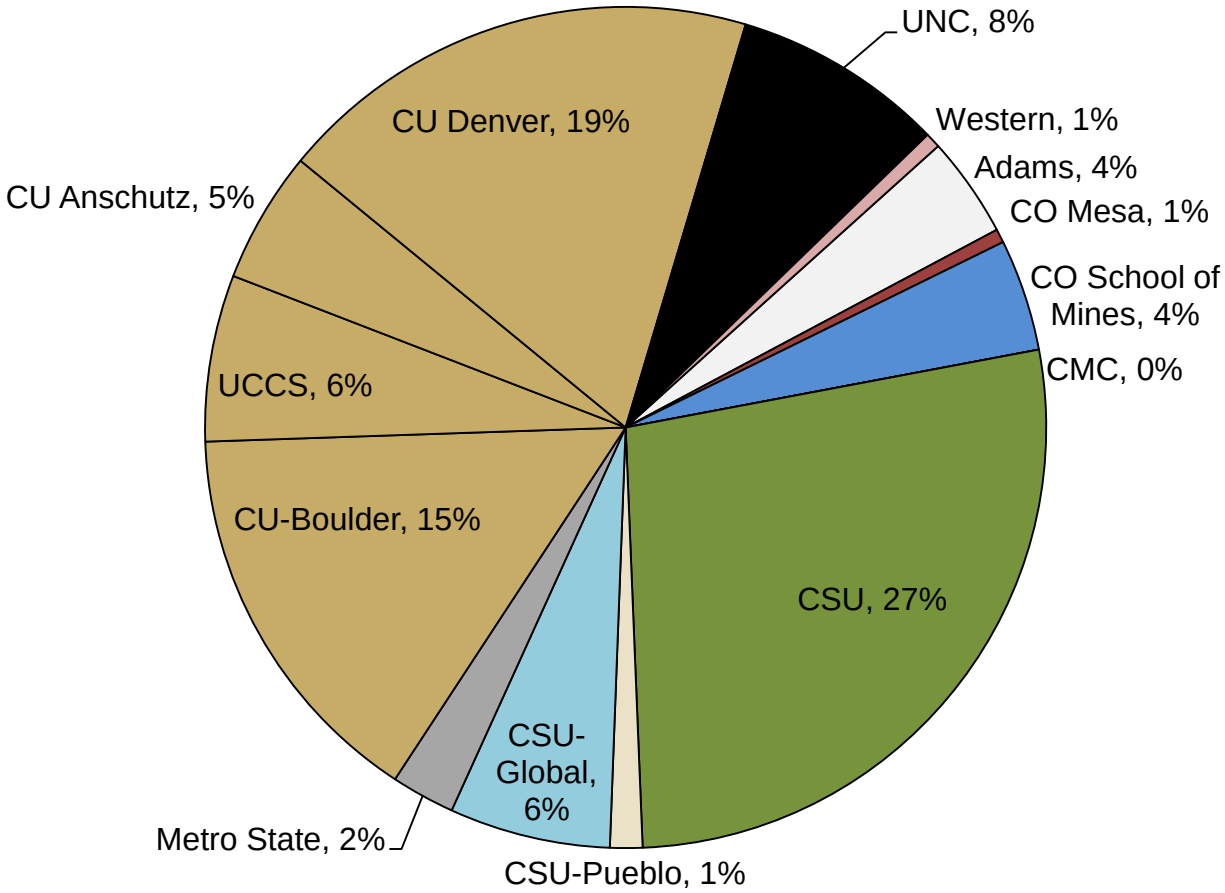
Percent of Master's Degrees Awarded



FY 2014-15

Total Master's Degrees in CO: 8,045

*CU awarded more than 3,600 master's degrees, **45 percent of all master's** degrees awarded by Colorado public institutions.*

Source: CDHE, Degrees Awarded.

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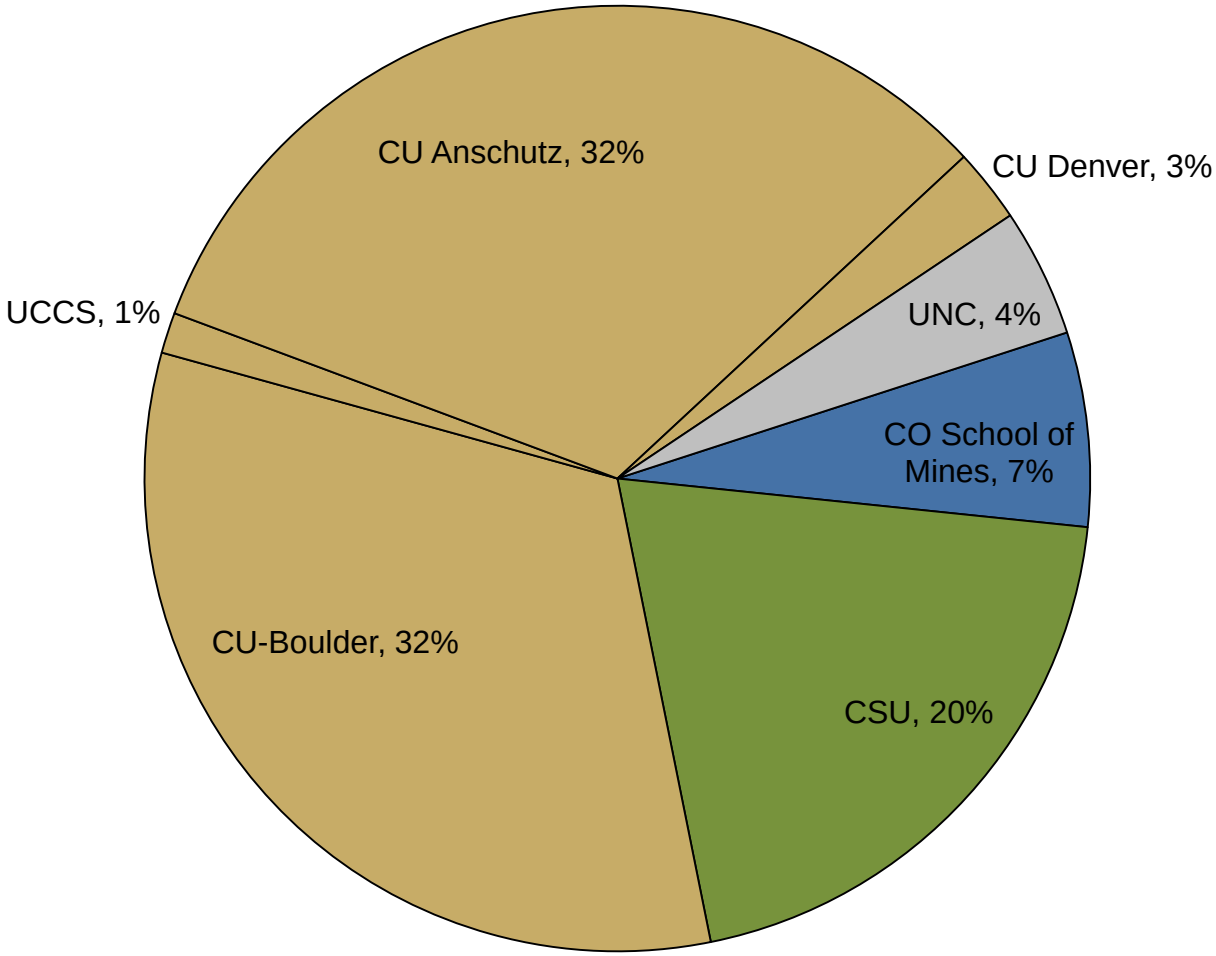
Percent of Doctoral Degrees Awarded



FY 2014-15

Total Degrees: 1,867

*CU awarded nearly 1,300 doctoral degrees, **70 percent of all doctoral degrees** awarded by Colorado public institutions.*

Of the doctoral degrees awarded by CU, more than half were professional degrees. The majority of those degrees were awarded in the health professions, including medicine, dentistry, pharmacy, physical therapy, and nursing.

Source: CDHE, Degrees Awarded.

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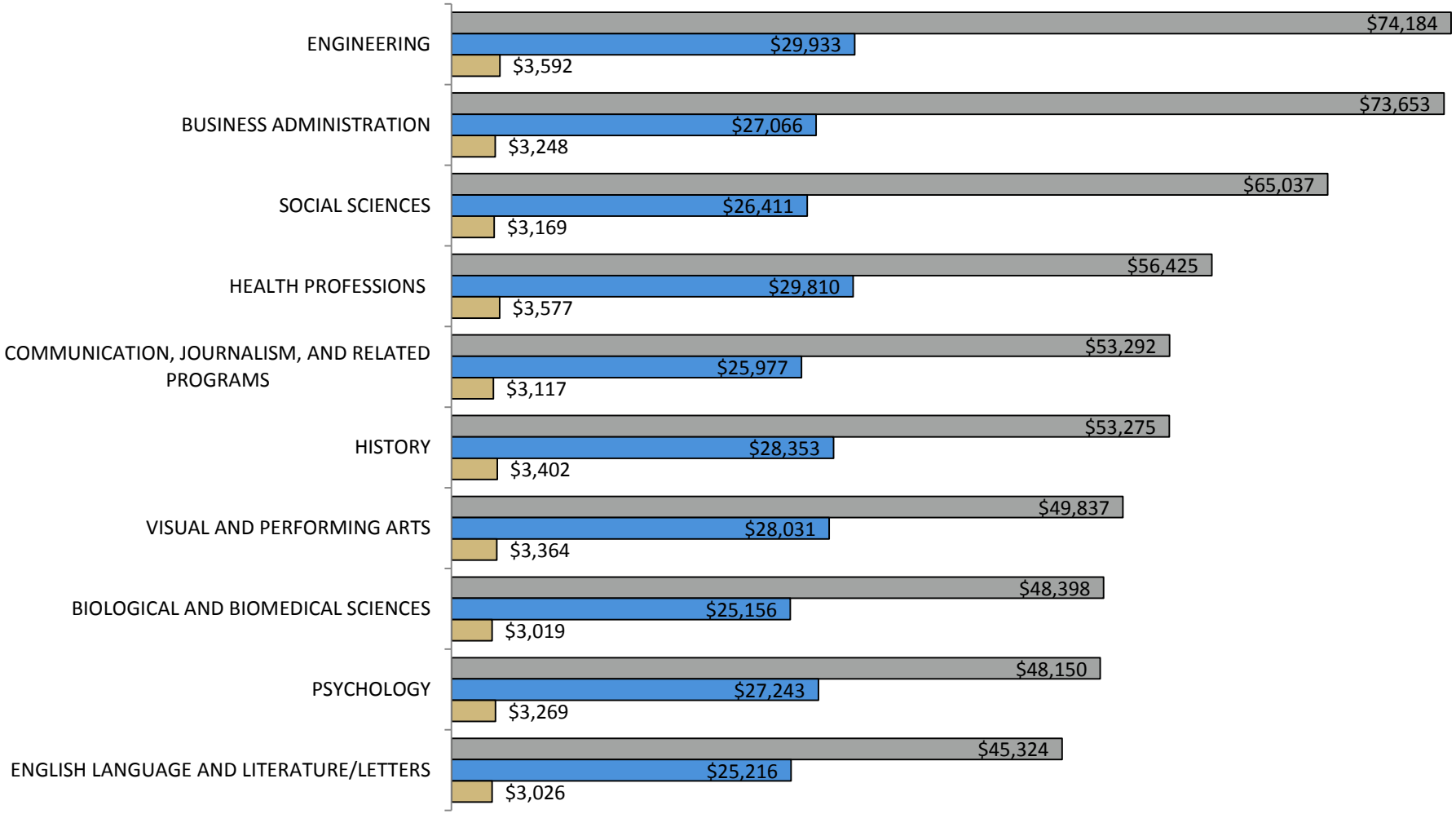
Average Earnings by Degree Type vs. Average Loans (FY 2015)



*Per CU System wide Alumni Survey FY 2006 - FY 2015

**CDHE SURDS 2015

***Assumes Standard 10 year repayment at 3.9%

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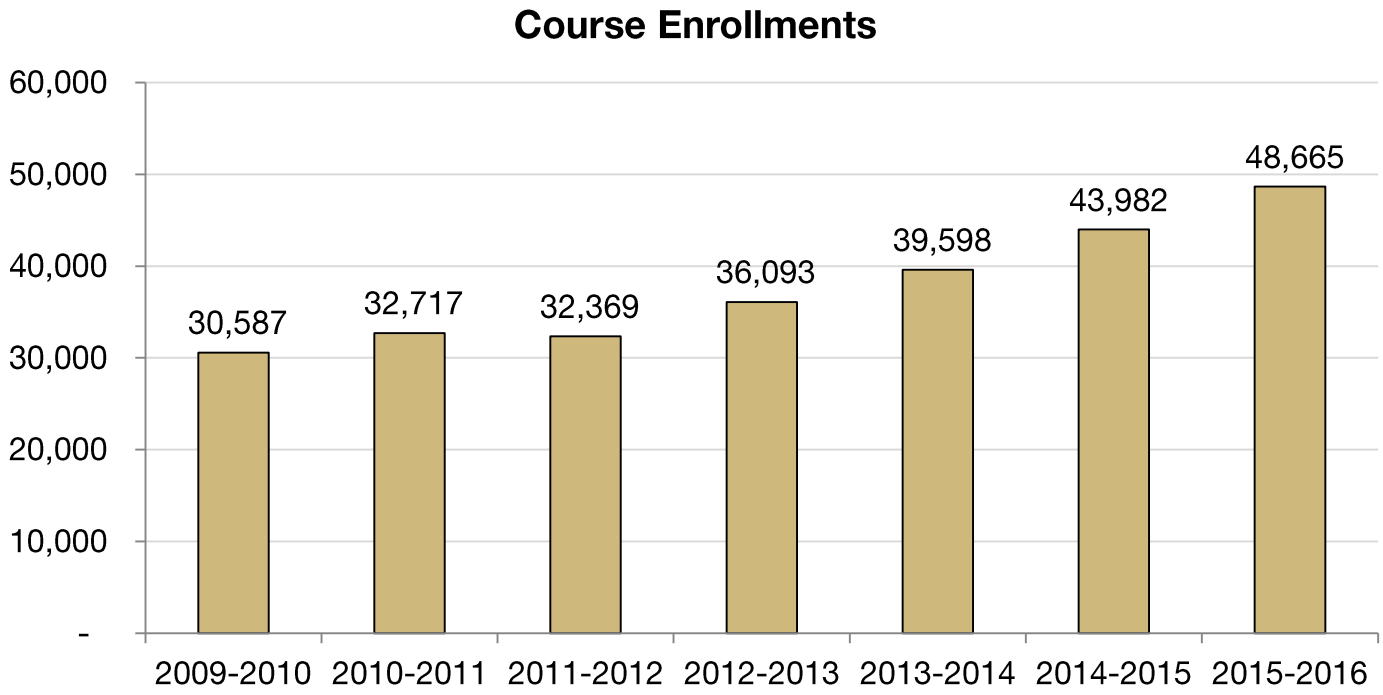
Online Education



FY 2015-16

CU has extensive online course offerings.

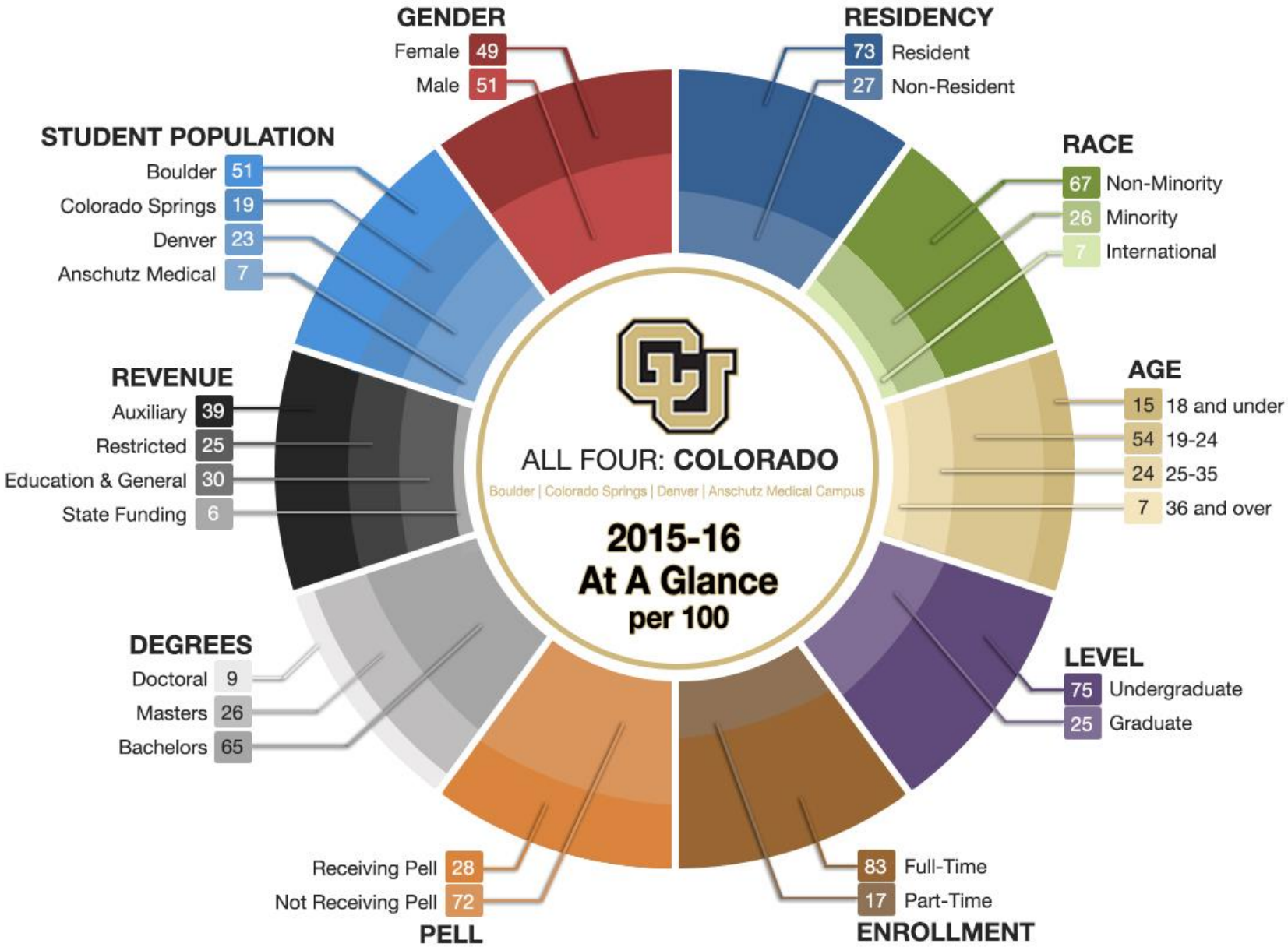
Over 22,000 students are enrolled in nearly 49,000 online courses across the CU system.

Course enrollments have increased 59 percent since FY 2010.

Source: CU Institutional Research

<u>Massive Open Online Courses (MOOC)</u>

- 1.6 million course enrollments (Fall 2013 through Fall 2016)
- 28 courses with 3 new cybersecurity courses under development



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History Colorado

History Colorado

Joint Budget Committee Hearing

Thursday, January 5, 2017

11:30 am – 12:00 pm

Presenting for History Colorado

Steve Turner, Executive Director

Dawn DiPrince, Director of Community Museums

Presenting for Cumbres & Toltec Scenic Railroad

John Bush, President

Lucy Kay, Colorado Commissioner

11:30-12:00 HISTORY COLORADO

INTRODUCTIONS AND OPENING COMMENTS

1 **Please discuss your budget priorities.**

History Colorado's priority is community museum fiscal stability and economic viability in the rural communities. The museums include Ute Indian Museum, Montrose; Trinidad History Museum, Trinidad; Healy House and Dexter Cabin, Leadville; Fort Vasquez, Platteville; Fort Garland Museum and Cultural Center, Costilla County; El Pueblo History Museum; Pueblo; Byers-Evans House Museum and Grant Humphreys Mansion, Denver.

These properties provide over $18 million in economic impact around the state, including some of Colorado's poorest communities. The sites lack sufficient funding to maintain local programs and services, sustain routine operations, and provide a minimum level of security and risk management. Community museums require adequate funding to serve a local public and generate additional revenue that will enable them to achieve greater self-sufficiency.

Decision Item 1 - Revitalizing our Community Museums - - $1,589,044 GF and 8.0 FTE from vacant positions - No new FTE requested

There are 8 Community Museums in Colorado, many in rural areas of the State.

- HC is looking at the success of the Molly Brown House Museum in Denver and the History Colorado Community Museum, El Pueblo History Museums as models.
    - El Pueblo - In 2013, El Pueblo hired an education coordinator, since that time they have been able to provide more educational programs. Total revenue at El Pueblo Museum has increased by the following amounts — some from educational programs, increased exhibit development, and community outreach. This reflects an 80% increase over a three year period.
        - FY 2012-13: $50,649
        - FY 2013-14: $51,775
        - FY 2014-15: $65,315
        - FY 2015-16: $91,402
    - At the same time, visitation increased from 24,804 persons in FY 2012-13 to 58,843 in FY 2015-16, or a 137% increase over a 3 year period. (In the first five months of this fiscal year, we have already had more than 34,000 visitors)

The Community Museum Decision Item:

- Helps the eight community museums become more sustainable.
- Improves economic development in rural communities where the community museums are located— community museums' service area encompasses the vast majority of the state and enables us to serve ethnically, economically and geographically diverse audiences.

- Increases and improves capacity building efforts at the community museums that will result in increased revenue.
- Improves security at the community museums which have between 1 and 3 staff and one location is at least 20 minutes away from law enforcement, which makes this site very vulnerable.
- Helps us better serve rural parts of the state since many of the community museums are located in rural and underserved communities.
- Increase economic development in rural parts of the state through collaboration with local entities such as schools, higher education, economic development agencies, tourism offices, small businesses, etc.
- Collaborate with local partners to have them access History Colorado State Historical Fund grants that result in rural economic development.

Decision Item 2 – Realignment of History Colorado Long Bill Line Items

History Colorado requests a technical change to adjust two line items in the FY 2017-18 Long Bill. Specifically, History Colorado requests that, in the 2017-18 Long Bill and continuing forward, Facilities Management cash funds (from Limited Gaming) be reduced by $306,475, offset by an equivalent increase of $306,475 cash funds for History Colorado Community Museums. This change will give Community Museums more control over and accountability of Community Museum funds for facility costs at each location which includes items such as utilities, minor facility repairs, facility supplies, etc.
This is a technical adjustment; there is no impact on cost or FTE.

2 **Explain how History Colorado is doing financially. Why does visitation and revenue appear to drop off in certain months in FY 2015-16 compared to FY 2014-15?**

In FY 2016-17, History Colorado is operating under a balanced operating budget. Through November, 2016, the Department is projecting that it will achieve this financial target.

Primary reasons for visitation and revenue differences between FY 2014-15 and FY 2015-16 include events that affect group visitation, and the introductions of new exhibits that affect general admissions. In FY 2014-15, History Colorado featured several traveling exhibits, such as *Race, Food, 1968* and *Toys*. Although they proved not to be cost-effective, traveling exhibits increased visitation, and events that were hosted along with these exhibits also increased visitation. In addition, the introduction of *Living West* at the History Colorado Center, shortly preceding the start of the FY 2014-15 increased visitation. In contrast, *Awkward Family Photos* was the only exhibit introduced in FY 2015-16. At History Colorado community museums, visitation *increased* 10% from FY 2014-15 to FY 2015-16, despite the closing of the Ute Indian Museum most of the year for expansion and remodeling.

3 **How has the Limited Gaming funding formula changed since Amendment 50 and how has this affected History Colorado?**

Prior to the passage of Amendment 50, History Colorado received 80% of the 28% annual limited gaming revenue after the Department of Revenue administrative expenses were taken. It was a simple formula and the agency generally received increased revenues unless there was an economic downturn. The passage of Amendment 50 in November 2008, changed the distribution formula by capping the amount of limited gaming revenue History Colorado receives at 3% or less depending on the fluctuation of limited gaming revenue. The year that Amendment 50 was implemented was the year the economy tanked (FY 2008-09), and coupled with the passage of the constitutional amendment that banned smoking in public facilities and the Gaming Commission's decision to reduce the tax rate on casinos, History Colorado's allocation of gaming revenue dropped by more than $1 million from FY 2010-11 to FY 2011-12. Since gaming revenue is allocated to agencies a year after it is received, there is a one year lag time. Under the pre-Amendment 50 formula, History Colorado would have received $21,776,908 in FY 2014-15, while it actually received $19,564,798 based on the capped formula with the implementation of the extended limited gaming Amendment 50. The limited gaming revenue received by History Colorado is growing at a much slower rate than expenditures for other programs that the agency must finance such as the non-personal services centrally appropriated line items. This means that History Colorado must consider increasing other revenue sources or reduce expenditures.

4 **Why are some history museums state museums and others not? How significant are state properties compared to other history museums and historic sites not owned by the State?**

Community Museums of History Colorado have all been donated to History Colorado/State Historical Society by a community or community organization. Starting as early as 1945, donating organizations expressed that these sites were both significant to their community or region of the state and to the larger history of Colorado. All of these acquisitions were community-driven and the last such donation was in 1978. It is impossible for us to compare significance with other museums and sites, but here is a synopsis of the background and significance of History Colorado's Community Museums.

Byers-Evans House Museum, Denver

The house was **built in 1883**. In **1978**, the house was donated to the State Historical Society by the Evans family. The Evans family furnishings (on display in the home) were donated in 1985. After restoration and collections work, the house was opened to the public as a museum in 1990.

El Pueblo History Museum, Pueblo

El Pueblo History Museum **opened in 1959** in an old airport hangar. In **2003**, the museum opened in its current building adjacent to the archaeological remains of the original El Pueblo trading post, established in 1842. The original trading post was the birthplace of Pueblo and is now part of an archaeological dig, which is being resurrected after a 15-year dormancy. Excavation and assessment of this origin site are being done at El Pueblo History Museum, in conjunction with the State Archaeologist, the City of Pueblo, and Colorado State University-Pueblo.

Fort Garland Museum, Costilla County, San Luis Valley

Built in 1858, the Fort Garland museum campus includes the oldest buildings owned by the state of Colorado. It was established, after the Treaty of Guadalupe-Hildago, to secure the newly acquired US territory. It was closed after the Ute Indians were forced onto reservations. Buffalo Soldiers, an African American troops, were stationed here after the Civil War. The Fort was abandoned by the federal government in 1883. In 1928, community members collectively purchased and saved the property. In **1945**, the community donated the state to the State Historical Society. In 1950, the Historical Society opened it as a museum.

Fort Vasquez, Platteville

Fort Vasquez Trading Post was **constructed in 1835** and considered the first permanent structure built along the South Platte River. The adobe outpost was used to trade manufactured goods with the Cheyenne and Arapaho Indians for buffalo robes. The post was abandoned in 1842 and its adobe walls eroded. Nearly a century later, the Platteville community worked with the WPA to reconstruct the adobe trading post. The project provided temporary employment for 59 local men during 1935-36. The community donated the property to the State Historical Society in **1958**. It opened as a museum in 1964.

Grant Humphreys Mansion, Denver

Built in 1902, the Grant-Humphreys Mansion has been home to two different families with significant ties to Colorado and American history. Built for James Benton Grant, the third Governor of the state of Colorado, whose two-year term ended in 1885. After Grant died in 1911, his wife lived in the mansion for the following six years. She finally sold the house to Albert E. Humphreys in 1917. A.E. Humphreys earned renown for being the so-called "King of the Wildcatters" after his profitable oil-drilling ventures in Wyoming, Oklahoma, and Texas. The Humphreys were also known for their active philanthropic contributions. Ira, considered the family's mechanical genius (he would, over the course of his life, introduce a number of technological innovations to oil drilling and mining), opened Denver's first commercial airport in 1919. Ira bequeathed the family home to the Colorado Historical Society, which took possession of the mansion after Ira's death in 1976. After preservation and restoration of the mansion, it now operates as an event center for weddings, meetings, and business functions.

Healy House/Dexter Cabin, Leadville

This site encompasses two important buildings. The Healy House was **built in 1878** by August Meyer, the owner of the first smelter in Leadville. The Leadville Historical Association opened it as a museum in 1936. The Dexter Cabin, **built in 1879** by millionaire James Dexter, was donated to the Leadville Historical Association in 1935. Both properties were donated to the State Historical Society (now History Colorado) in **1946**. At this time, the cabin was moved to the Healy House property and sits next to it.

Trinidad History Museum, Trinidad

The Trinidad History Museum campus covers an entire city block and includes four historic structures. The two-story adobe Baca House was **constructed in 1870** and was the home of Felipe Baca, considered the founder of Trinidad. The Bloom Mansion was **built in the 1880s**. The site also includes the Barglow

Building and the Santa Fe Trail Museum, another adobe structure. Each of the properties was donated to History Colorado by local residents in the **1960s**. The Bloom Mansion opened as a museum in 1963 and the Baca House in 1973.

Ute Indian Museum, Montrose
The Ute Indian Museum was once the ranch of Chief Ouray and his wife Chipeta. The property eventually was owned by the Daughters of the American Revolution. They donated the property to the History Colorado in **1945**. The acquisition included a provision that a museum must be established to tell the history of the Ute people. The Ute Indian Museum was built on the property in 1956. The property includes: the museum, over 8 acres of Chief Ouray's original ranch, the graves of Chipeta and her brother and much more.

5 **What challenges does History Colorado face operating within the OIT structure? Is History Colorado interested in a statutory change that would allow it to operate some or all of its facilities outside of OIT (like other institutions of higher education)?**

History Colorado faces several specific challenges accomplishing its mission within the OIT structure, including:

Fulfilling History Colorado's obligation to serve the state through our community museums.
One of the ways History Colorado serves the State is through a network of History Colorado community museums of which many are located in rural locations. These sites lack adequate internet connectivity. State OIT has a contract with CenturyLink for the Colorado State Network (CSN). It is cost-prohibitive for the community museums to be a part of the CSN — both in installation costs and monthly service fees. Local service providers — especially in rural locations — could provide high quality connectivity and much lower costs but are unable to do so due to limitations of the state's contract. The current low-quality internet connectivity impacts the community museums ability to steadily connect the museums to the History Colorado network.

The community museums are unable to run a point of sales system that would enhance inventory and accounting oversight. The low-quality internet connection also impacts rental revenue as most clients expect internet connectivity and wifi when hosting events, such as weddings and conferences. This situation makes it difficult for History Colorado to conduct virtual meetings across our geographic divide.

Technical Support: Ability for OIT to service History Colorado in a timely fashion.
There is generally insufficient technical support to locations outside of the Denver metro area. Most OIT technical support to History Colorado community museum sites outside of Denver is provided remotely. However, there are a number of instances where onsite support is required and may not be immediately available. For example, it took nearly 18 months to resolve a cabling issue at El Pueblo History Museum because no technical staff was available for on-site support. When technology support is unavailable or untimely, the operations at community museums are impacted. Even when remote support can be

employed, connectivity deficiencies at the community museums limit the viability of providing effective remote service.

The inability of OIT to sufficiently service History Colorado remote locations impacts the business goals in these locations. Inadequate technical support impacts revenue and public goodwill, and may cause community museums to have to cancel programs, possibly refund rental fees, lose business or reduce effective community outreach.

Public wireless

Museums require high-speed public wireless as a part of its business operations to serve the public, attract group rentals, provide educational programs, and enhance exhibits programs. While public wireless is considered to be a basic amenity that customers expect, it can be a security risk to OIT and to the state network. However in contrast, the state's Higher Education institutions seem to have solved these concerns, as they have implemented high security protocols and practices and also provide for public wireless. Balancing, or possibly segregating public wireless access from the state network, must be achieved so that OIT security concerns and providing public wireless service can coexist at all History Colorado properties.

History Colorado has had discussions with OIT management and OIT staff has met with History Colorado staff at El Pueblo, Trinidad and Fort Garland to address the concerns raised in this response. History Colorado is working with OIT to determine if these issues can be resolved administratively or if other alternatives such as legislation should be considered.

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED — HISTORY COLORADO

1 **Provide a list of any legislation that History Colorado (HC) has: (a) not implemented, or (b) partially implemented. Explain why HC has not implemented or has only partially implemented the legislation on this list. Please explain any problems HC is having implementing any legislation and any suggestions you have to modify legislation.**

History Colorado has partially implemented SB 15-225, a Legislative Audit Committee sponsored bill that changed the appointment process for the selection of board members for History Colorado from a twenty-seven member board of directors elected by members of History Colorado to a nine member board appointed by the Governor, subject to Senate confirmation. The legislation created a Director's Council to advise the Board and specified that the Council members are elected by members of the Historical Society pursuant to nomination procedures adopted by the Board and authorized the Board to adopt by-laws for the Director's Council that include the number of members of the Director's Council, the terms of office for members of the Council and procedures when there is a vacancy on the Council.

The Board appointment process was established in 2015, but the Director's Council has not been implemented for the following reasons. The Board spent most of 2015 and 2016 dealing with financial issues that required significant staff and Board time spent on balancing the budget and addressing ways to enhance revenue to ensure the long term sustainability of the organization. The concept of the

Director's Council was raised with the introduction of SB 15-225 since some of the prior Board members expressed an interest in remaining active with the organization. With only nine volunteer board members and reduced staffing at History Colorado, the management of the Director's Council may be difficult to achieve. The Board has considered other approaches to securing input from former Board and community members and believes that these provisions can be made permissive rather than mandatory without adding additional costs and administrative workload to the staff and Board by requiring an annual meeting of the 8,000+ members. History Colorado is currently meeting with Audit Committee members and staff to solicit feedback concerning a proposal to amend SB 15-225 to revise the language regarding the Director's Council and repeal obsolete statutory provisions concerning the initial Board appointment process that occurred in 2015.

2 **If HC receives federal funds of any type, please respond to the following:**

a. Please provide a detailed description of any federal sanctions or potential sanctions for state activities of which the Department is already aware. In addition, please provide a detailed description of any sanctions that MAY be issued against the Department by the federal government during FFY 2016-17.

History Colorado has no federal sanctions or potential sanctions that we are aware of at this time.

b. Are expecting any changes in federal funding with the passage of the FFY 2016-17 federal budget? If yes, in which programs, and what is the match requirement for each of the programs?

History Colorado is not expecting any changes in federal funding with the passage of the FFY 2016-17 federal budget.

3 **Does HC have any HIGH PRIORITY OUTSTANDING recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office and dated June 30, 2016 (link below)? What is the department doing to resolve the HIGH PRIORITY OUTSTANDING recommendations?**

http://leg.colorado.gov/sites/default/files/documents/audits/1667s_annual_report_-_status_of_outstanding_recommendations_1.pdf

History Colorado had one outstanding recommendation:

History Colorado should improve its process for reporting to the Board by (a) instituting an internal reconciliation process between budget to-actual reports and COFRS to ensure that both COFRS and the budget-to-actual reports are accurate; (b) documenting the required procedures for generating internal financial reports to increase the accuracy of the reports and the efficiency of the accounting staff.

As of 7/1/2016, History Colorado has fully implemented the recommendation.

4 **Is HC spending money on public awareness campaigns? What are these campaigns, what is the goal of the messaging, what is the cost of the campaign? Please distinguish between paid media and earned media. Do you have any indications or metrics regarding effectiveness? How is the department working with other state or federal departments to coordinate the campaigns?**

History Colorado dedicates both operating and sponsor resources, including corporate and private donations to build public awareness for the agency's exhibitions, programs and services to meet our strategic plan goals, specifically with a focus on broadening audiences and increasing revenue. During 2017-18, we are allocating our marketing and communications resources as follows:

- History Colorado Center exhibition and programs
    - Increase program participation and History Colorado Center museum attendance to meet paid attendance and revenue goals.
    - Create awareness for the exhibitions program focusing on the stories and collections of Colorado.
- Ute Indian Museum Re-Opening
    - Generate awareness of and participation with the new museum offerings (gift store and exhibitions), increasing tourism visitation to the UIM by 10% in the first year.
    - Generate interest in and engagement with the museum in the local community to increase visitation and use of the museum by 10% during the first year.
    - Create awareness of the project in local community to meet the financial goals of the fundraising and public campaigns.
    - Improve the reputation of History Colorado as a collaborative partner with the tribes.
- Preservation Programs
    - Leverage engagement with preservation audiences to build advocacy for, and enhance History Colorado Brand statewide.

History Colorado's public awareness strategy utilizes a full spectrum of marketing and communication mediums including paid, earned, shared and owned media to meet our goals. Decision on budget allocation and medium are based on audience, message, and engagement goals. Our traditional media buys focus on Out Of Home, SEO and programmatic advertising, with audience specific print (Colorado Parent) and broadcast (RMPBS, CPR). Effectiveness of the mediums and messages for campaigns is evaluated based on the individual campaign goals, and an evaluation of ROI. We are focusing heavily this year on improving and increasing our engagement across digital platforms, and are using a number of analytical tools to monitor and evaluate the effectiveness of our campaigns, allowing us to better target messaging, timing and campaign demographics to meet our desired goals.

History Colorado relies on our community, media, business, and intergovernmental partnerships to both broaden our reach and engage more deeply with our audiences. Our promotional partnerships with the CTO, the Governor's Wine Cup, and Colorado Proud, are some of our most effective.

History Colorado typically budgets $300k of operating funds that are spent on base advertising for the History Colorado Center and the Community Museums, including promotion of family based programs and advertising to a tourism audience, plus soft costs, i.e. design, collateral, agency fees, production, etc. History Colorado supplements with donations and capital campaign funds (HC Foundation) to cover the media costs for specific exhibits. Typically, the cost is between $150-200k in additional media for an exhibition depending on the length or run of the exhibit.

5 **Based on HC's most recent available record, what is the FTE vacancy and turnover rate by department and by division? To what does the Department attribute this turnover/vacancy?**

As of 12/30/16, History Colorado has 109 employees. Currently there are 2 vacancies, one vacancy in security and one vacancy in preservation. The current turnover rate is 3%.
Since July 1, 2016, 3 employees left HC for different reasons during the past year as follows:

1 deceased
1 retirement
1 other opportunity

6 **For FY 2015-16, do any line items in HC have reversions? If so, which line items, which programs within each line item, and for what amounts (by fund source)? What are the reasons for each reversion? Do you anticipate any reversions in FY 2016-17? If yes, in which programs and line items do you anticipate these reversions occurring? How much and in which fund sources do you anticipate the reversion being?**

In FY 2015-16 History Colorado did not have any reversions and it does not expect any reversions in FY 2016-17.

7 **[Background Information: For FY 2017-18, the Department of Law has submitted a request to change the calculation of legal services appropriations as well as the monthly billing system for legal services provided to state agencies. Specifically, the proposal would: 1) calculate the number of budgeted legal services hours for each agency as the average of actual usage in the prior three years; 2) include a two-year average of "additional litigation costs" such as court reporting, travel for depositions, expert witness costs, etc., in the appropriation for legal services (these costs are not currently included in the appropriation and are often absorbed from other personal services and operating expenses line items); and 3) convert from monthly billing based on the actual hours of service provided to monthly billing based on twelve equal installments to fully spend each client agency's appropriation.]**

Please discuss your agency's position on the Department of Law's proposed changes to the legal services system, including the potential impacts of the changes on your agency budget. That is, does your department support the proposed changes? How would you expect the changes to positively or negatively impact your department? Please explain.

History Colorado is not in favor of the Department of Law's proposed changes to the legal services system that is based on twelve equal installments of HC's appropriation. HC budgets each year for legal services and how services are used. The proposed change will make it more difficult to manage legal service needs. Also, having a true up process that lags in time impedes appropriate agency management.

8 **What is the expected impact of Amendment 70 (minimum wage increase) on HC programs? Please address impacts related to state personnel, contracts, and providers of services.**

History Colorado does not have any minimum wage employees and will not be impacted by the minimum wage increase.

9 **Please provide an update on HC's status, concerns, and plans of action for increasing levels of cybersecurity, including existing programs and resources. How does the Department work with the Cybersecurity Center in the Office of Information Technology?**

The Office of Information Security, within OIT, provides security governance, security architecture, risk management, compliance assessment support, and security operations functions for History Colorado. The Office of Information Security has input into the 5-year plans for the Department and has worked to prioritize projects benefiting the Department such as: the Enterprise Firewall Refresh project, new quarterly security awareness trainings, and an enterprise security log collection and correlation engine. Additionally, OIT implemented a mandatory two-factor authentication for Google email users across the executive branch agencies, which is expected to reduce phishing attempts by 90%.

Also, the Office of Information Security, within OIT, produces a quarterly risk report card, in which they measure risk for the Department and have specific goals set for reducing risk.

10 **Is the SMART Act an effective performance management and improvement tool for HC? What other tools are you using? Do your performance tools inform your budget requests? If so, in what way?**

If it were used more dynamically and effectively, the SMART Act could be a more useful tool to History Colorado than it currently is or would normally be in a more static operating environment. This is due in part to an extensive organizational transformation that History Colorado has been working through during the past 18 months, including reforms to its governance and organizational structure, appointing new executive leadership, redefining its business goals and community outreach objectives, and

reforming its financial operations. During this 18 month period alone, metrics that may have been strategic benchmarks were superseded by more immediate priorities including public outreach throughout the state, a shift to internal exhibit development, and an ongoing focus on financial sustainability. History Colorado manages to specific performance initiatives and individual S.M.A.R.T. goals for all staff similar to the SMART Act philosophy. The SMART Act Performance Plan provides public transparency and reflects the strategies of the Department, but it serves more as a report than a planning and management tool. Each Senior Staff members' performance plan has a direct correlation to meet specific budget goals that has a direct correlation to the budget request.

11 **Please identify how many rules you have promulgated in the past two years. With respect to these rules, have you done any cost-benefit analysis pursuant to Section 24-4-103 (2.5), C.R.S., regulatory analysis pursuant to Section 24-4-103 (4.5), C.R.S., or any other similar analysis? Have you conducted a cost-benefit analysis of the Department's rules as a whole? If so, please provide an overview of each analysis.**

History Colorado has not promulgated rules in the past two years.

12 **What has HC done to decrease red tape and make the HC more navigable/easy to access?**

1) Within our regulatory processes (Section 106), the Office of Archaeology and Historic Preservation has contracted with a vendor to develop a system where all required information can be uploaded to our systems and responses generated electronically. Not only will this assist the person/organization submitting information for review, but will allow us to more quickly make submitted information accessible to the public.

2) Working with OIT, the Office of Archaeology and Historic Preservation will soon be issuing an RFP to map out future system upgrades that will better able to the public to interact with our historic resource databases, including the ability to map historic sites.

3) The Office of Archaeology and Historic Preservation is currently under contract with an attorney to develop a "model" historic preservation ordinance for local governments. This "model" will provide a basic structure for local governments to reference when attempting to develop an ordinance that will allow them to be certified by History Colorado and the National Park Service. Certification qualifies the local governments to apply for grants offered through the National Park Service and properties designated as historic by them for Colorado State Historic Preservation Tax Credits.

4) The State Historical Fund grant application, review and award process is now entirely online, generating a seamless, efficient system for applicants, reviewers and employees.

5) The History Colorado website is currently being updated and restructured. The current site is based on History Colorado's organizational chart where the new edition will be organized on how the public uses

the website. The new website will be designed using a relational database, allowing updated content to immediately be available across the entire website, as opposed to the current website, where updates that effect more than one area must be entered numerous times (with some locations missed from time to time).

13 **What is the number one customer service complaint HC receives? What is HC doing to address it?**

The number one customer service complaint that History Colorado receives is that museum exhibits generally lack the depth of content that enables visitors to more deeply engage Colorado's past. The complaint is usually expressed as "light weight" exhibits that are either characterized by a lack of artifacts on display or a lack of opportunity for visitors to explore history more deeply if they have the inclination. In FY 2016-17, History Colorado committed to changing the types of exhibits it creates, and to further present historical content so that it will satisfy its customers at various levels of desired learning. As part of the solution, History Colorado has also changed its strategy so that it is committed to Colorado-specific exhibits that combine relevant artifacts from its extensive collection as an integral part of the historical message. The focus of previous years, which relied more heavily on traveling exhibits and more generic themes, such as with "1968" or "Toys" are being replaced by Colorado-specific themes such as a revised interpretation in the Bent's Fort exhibit, "Backstory" to be introduced in March 2017, and "The Centennial State in 100 Objects" in the upcoming year. Within these Colorado-specific exhibits, the historical messaging is structured to appeal to attendees who seek content that varies from a general overview to in-depth historical interpretation. This concept, known as "layering," is intended to provide a relevant approach to Colorado history and to engage a much wider audience. This central theme of Colorado-specific exhibits that contains a layered approach to content is now a common strategic thread in the master plan for exhibits planned in FY 2017-18 and beyond. Further, these exhibits will be created and developed specifically for the History Colorado Center and the Community Museums in-house.

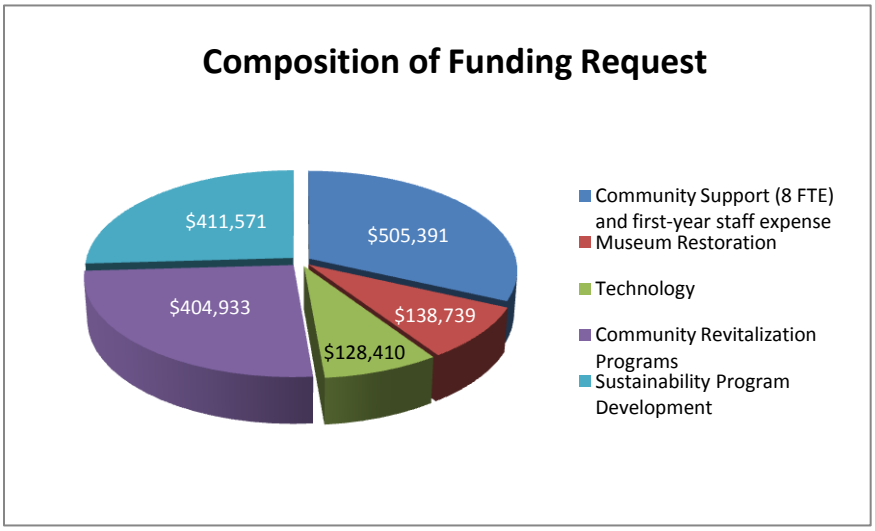
Department Priority: HC-1
Request Detail: Revitalization Funding for Community Museums

Summary of Incremental Funding Change FY 2017-18	Total Funds	General Fund
Revitalization Funding for Community Museums	$ 1,589,044	$1,589,044
Overview of Request		

History Colorado requests $1,589,044 General Fund in FY 2017-18 for core costs in community museums and to allow for growth of self-sustaining operations to lead community museums in future years.

In FY 2017-18, the request seeks the following:

- $138,739 General Fund until FY 2020-21 to correct chronic deficiencies at specific community museums with updated equipment, improvements for operations efficiency, improved security, materials and supplies.
- $128,410 General Fund for improved technologies, including Internet and public wireless.
- $505,391 General Fund for additional staff and FTE operating expense that includes $62,792 of one-time FTE costs in the first year for staff PC's, office furniture, and office space configuration.
- $404,933 General Fund to develop business initiatives at community museums with the goal of helping to revitalize some of Colorado's more impoverished communities.
- $411,571 General Fund until FY 2025 to create long-term sustainability programs.



$1,589,044 is requested in FY 2017-18, reduced to $1,526,252 for FY 2018-19 and FY 2019-20, reduced to $1,387,513 in FY 2020-21 after completion of the museum restoration phase, and to $975,942 starting in FY 2025 after several self-sustainability initiatives are producing sufficient revenue to replace future funding for

sustainability programs. Although this initiative funds new FTEs, no additional FTE authorization is requested. Instead, History Colorado will transfer a 6.0 FTE appropriation from the History Colorado Center and will utilize 2.0 FTE of authorization previously provided to the community museums. There was insufficient revenue to fund the vacant FTE positions due to budget balancing actions taken in FY 2015-16.

History Colorado Overview

<u>The History Colorado Transformation</u>

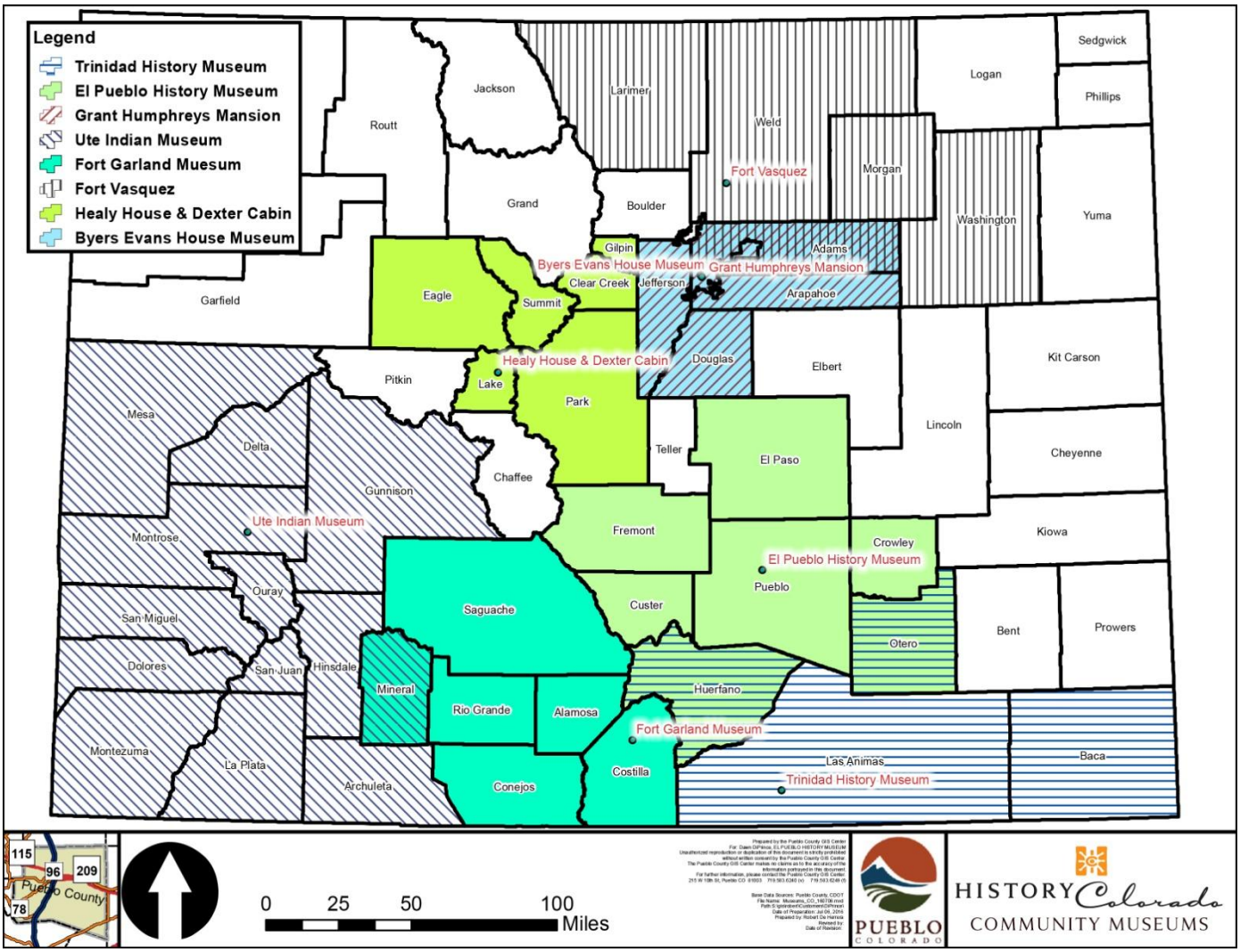
In Fiscal Year, 2015-16, History Colorado implemented several transformational steps within its organizational structure, which flattened the organization and restructured its governance.

With the passage of SB 15-225, the 28-member board of directors, previously elected by the membership of History Colorado, was transformed into a nine-member board. The new governance structure came about as a result of collaboration among the Governor's Office, the Colorado Department of Higher Education (CHDE), the Office of the State Controller and History Colorado, based on a recommendation made by the Legislative Audit Committee. History Colorado agreed that a modified governance structure would help better align the organization with other agencies within CDHE as well as with similar historical agencies in other states.

The organizational structure of History Colorado's management and staff was streamlined in Fiscal Year, 2015-16. The effort was coordinated in consultation with representatives in the Attorney General's Office and the Department of Personnel and Administration. FTEs were reduced from 131.4 to 105.3 (19.86% as of 6/30/16) and net operating results have improved by $1.864M. An organizational transformation was carried out in close consultation with senior leadership to assure that the organization (1) retained its best, brightest, and most capable and versatile employees; (2) remained capable of carrying out all essential activities and organizational priorities; and (3) was well positioned to rebound from this difficult period with the energy, enthusiasm, and support needed to drive it forward to new successes.

Overview of Community Museums

History Colorado has community museums across the state, including: Ute Indian Museum in Montrose, Fort Garland Museum and Cultural Center in Costilla County, Trinidad History Museum in Trinidad, El Pueblo History Museum in Pueblo, Healy House and Dexter Cabin in Leadville, Byers-Evans House in Denver, Grant Humphreys Mansion in Denver, and Fort Vasquez in Platteville. These museums serve their communities and surrounding region through exhibits, education, partnerships, and programs. Below is a map of the counties across the state that are served by community museums.



Below is an overview of the community museums:

	Byers Evans House	El Pueblo History Museum	Fort Garland Museum	Fort Vasquez Museum	Grant Humphreys Mansion	Healy House & Dexter Cabin	Trinidad History Museum	Ute Indian Museum	Community Museum Admin
Location	Denver	Pueblo	Costilla County	Platteville	Denver	Leadville	Trinidad	Montrose	
Budget FY17	$117,316	$304,842**	$230,024	$87,288	$186,529	$94,716	$208,644	$244,105	$252,598
Revenue Expectation FY17	$45,000	$75,000	$70,000	$32,000	$325,000	$18,000	$24,000	$94,500	
Actual Revenue FY16	$46,525	$87,661	$68,709	$33,412	$219,063	$16,320	$23,209	$125,454*	$4,689
Overall Visitation FY16	11,274	58,843	10,260	4,680	13,632	1,825	7,297	8,323*	
FTEs	1.0 FTE	3.0 FTE	2.0 FTE	part-time temp staff	1.0 FTE	0.5 FTE	2.0 FTE	2.0 FTE	1.0 FTE
Months of Operation	year-round	year-round	April-November	March-December	year-round	June-mid October	year-round	year-round	
Hours of Operation	open daily	open daily	open daily	open daily (summer) Wed-Sun (fall/winter)	open by rental	open daily	Wednesday-Sunday	open daily	
Content Focus	House museum about Denver history with focus on the Byers and Evans families	Modern museum with focus on multi-ethnic history of southern Colorado, includes adobe trading post and archaeo-logical dig	Historic adobe fort with interpretation on military history of the southern Colorado borderlands	Historic adobe trading post that was the first permanent structure built along the South Platte River	Historic mansion that operates as a rental facility and not a museum	Historic home and cabin that focus on early life in a historic mining town	Four building campus that sits along the historic Santa Fe Trail, includes the two-story adobe Baca House and the Bloom Mansion	Currently under construction, expanded museum and exhibit focus on the history and living culture of Colorado's longest continuous residents	
Demographics of Community -- Ethnicity	32% Latino; 52% white; 10% African American; 3.5% Asian American; 1.5% American Indian	51% Latino; 45% white; 2% African American; 2% American Indian	61% Latino; 30% white; 2% African American; 5.5% American Indian	41% Latino; 58% white	32% Latino; 52% white; 10% African American; 3.5% Asian American; 1.5% American Indian	39% Latino; 58% white	50% Latino; 46.2% white	21% Latino; 76% white	
Demographics of Community -- Poverty	18% of residents live in poverty	24% of residents live in poverty	29 % of residents live in poverty	10% of residents live in poverty	18% of residents live in poverty	16% of residents live in poverty	18% of residents live in poverty	20% of residents live in poverty	
Demographics of Community -- Educational Attainment	43.7% of adults (25+) have a bachelors degree or higher	19.4% of adults (25+) have a bachelors degree or higher	18.2% of adults (25+) have a bachelors degree or higher	29.5% of adults (25+) have a bachelors degree or higher	43.7% of adults (25+) have a bachelors degree or higher	30.3% of adults (25+) have a bachelors degree or higher	18.5% of adults (25+) have a bachelors degree or higher	24.6% of adults (25+) have a bachelors degree or higher	

* data from FY15 because site was under construction in FY16

** budget higher because electricity costs at El Pueblo are 10-20 times more than the other sites

Problems and Opportunities:

Staffing Limitations for Community Museums

Of History Colorado's eight community museums, six are located outside the Metro Denver area, with some in remote areas. Each community museum must be staffed during regular operating hours, so that they may be

accessible to the public. Yet, simply keeping the doors open and lights on is not enough to meet the standards of "Excellence in US Museums," as defined by the American Alliance of Museums, the national accreditation agency for US museums. For example, here are a few characteristic standards that are currently not being achieved at community museums: The museum asserts its public service role and places education at the center of that role (1.5); the museum legally, ethically and effectively manages, documents, cares for, and uses the collections (4.2); the museum's interpretive content is based on appropriate research (5.3); the museum demonstrates consistent high quality in its interpretative activities (5.7); the museum has an effective program for the care and long-term maintenance of its facilities (7.3); the museum is clean and well-maintained and provides for the visitors' needs (7.4).

Despite these deficiencies, community museum staff still fulfills multiple roles. These roles include the following: maintenance, grounds work including snow removal, facility management, gift shop/retail management, volunteer management, education development and implementation, museum conservatorship, accounting and reporting, community outreach, marketing, program development, facility rental sales and hosting, front line customer service, event planning and hosting, laundry, fundraising, grant writing and grant management. In addition to these roles, most community museums have more than one building on site and large grounds and gardens to maintain.

Staffing levels at community museums, however, are insufficient to accomplish all of these roles. Additionally, History Colorado has desired goals beyond basic "keeping the lights on." These goals include: achieving enterprise revenue targets that are required to support annual operations, developing and providing educational programs, operating and maintaining large historic properties in remote locations, sufficiently protecting community museums and historic properties against security threats and vandalism, effectively connecting with local communities, and keeping up with routine administrative responsibilities.

Examples of specific staffing issues:

<u>Security Limitations</u>: Community museums have very limited security, which poses a risk to staff and the respective properties. For example, Fort Garland Museum, the oldest property owned by the State of Colorado, includes multiple adobe structures, and is situated on 121 acres. Fort Garland Museum staff consists of two FTE plus a few part-time temporary workers. In addition to their other primary museum operations duties, the staff are also tasked with maintaining and protecting this large site, and, in addition, Pike's Stockade, which is a History Colorado site located 45 miles away. Law enforcement is at least 20 minutes away, so although there is an alarm system and security cameras are on the premises, insufficient staffing presents an immediate risk to people and properties in locations such as Fort Garland.

<u>Core Staffing Needs</u>: Consistent with History Colorado's purpose and vision, community museums are expected to provide educational programming and to connect with their communities. However with limited funding and staffing, museums like Fort Garland Museum, Healy House, Fort Vasquez, and Trinidad close for several months each year (winter months when schools are in session) because they cannot afford to operate year-around. This diminishes the impact that community museums are able to return to the communities they serve.

Community museums rely heavily on volunteers who supplement staff. High volunteer-to-staff ratios at museums indicate fundamental concerns with staffing levels. According to the American Alliance of Museums, the industry norm for volunteer-to-staff ratio at historic museums is 9:1. Many community museums are dependent on volunteer labor and have significantly higher ratios. For example, El Pueblo History Museum utilizes 88 volunteers in addition to its four FTEs to run its community programs – a ratio of 22:1. Byers-Evans

House Museum has a ratio of 50:1. Volunteers are a positive supplement to staff, but they require significant management, can have unreliable schedules, and are not obligated to adhere to certain standards. For example, volunteers who fail to show up for a scheduled school tour or who make financial errors at the cash register create significant operational struggles for limited museum staff. Further, museums, in more remote locations, struggle finding volunteer support to extend their operations.

Essential Technology Needs: Most community museums lack adequate technology to improve operations and increase revenue-generating programs. For example, the lack of a reliable guest wireless service limits the expansion of educational programs and facility rentals at community museums, and this reduces the opportunity for revenue generation. Low-quality connectivity is a technical constraint to implementing a Point-of-Sale system that would increase organization-wide efficiency and improve accountability. Most community museums still use analog phone systems because digital connectivity is not reliable or fast enough for VoIP; yet OIT no longer provides support for analog phone systems. Tech support and service response time is inadequate for community museums located outside of metro Denver, simply because most logistics originate from Denver rather than locally. For example, it recently took a new staff member at the Trinidad History Museum three months to receive a work computer.

A requirement to be on the Colorado State Network (CSN) is another example of technology that is currently not affordable across the History Colorado campus. At estimates between $10,000 and $16,000 for each museum per year, the annual cost to license and service just CSN will increase the total annual operating budget of a community museum between 15% and 23%.

Opportunities at Community Museums

This decision item requests funding for History Colorado's eight community museums to address core funding issues and also to implement a new growth-oriented management approach for community museums. This new approach, patterned after the successes at El Pueblo History Museum, seek to do the following: (1) implement innovative business strategies, (2) foster sustainability, (3) invest in educational programs for students and adults, (4) employ local community engagement strategies, and, by doing so, revitalize local communities and improve their local economies.

Economic Benefits for Remote Areas

This request is targeted directly at improving local communities, primarily in south central Colorado counties where economic conditions lag behind state economic averages. Community museums are often located in communities with high rates of poverty and low educational attainment. This is especially evident at community museums that are located in southern Colorado. Seven community museums are located in OEDIT-defined "Enterprise Zones." With adequate funding, community museums can become community-focused entities that work directly with this state's ethnically, economically, and geographically diverse audiences. [1]

[1] Examples of community museum programs that can contribute to the overall vitality of a community are: adobe education and preservation construction programs that build a specialized and skilled workforce; neighborhood memory projects that revitalize neighborhoods and build capacity for residents to tackle public health and environmental issues; preservation resource centers that assist in economic development strategies in historic small towns; memory programs that utilize medically proven reminiscing strategies to help Alzheimer's patients and their caretakers in our aging rural communities; after school programs and summer camps that provide a safe and educational opportunity for working families in communities with very little access to quality child care; economic opportunities for local artists as part of education, exhibit, and retail programs; education programs that provide cultural access to Colorado children living in poverty in small communities who would otherwise not have opportunity for rich cultural exposure; Bridging Borders Teen Girl fellowship offered in partnership with Department of Social Services, Pueblo County, for teen girls of color to build a stronger sense of place and sense of history that build a stronger sense of identity; etc.

Each community museum is located near a university and/or community college. Several community museums already have collaborative working relationships with these local higher education institutions, which offer mutually beneficial opportunities for students and museums. For example, this summer, four CSU-Pueblo student interns at El Pueblo History Museum were selected into an internship program in Washington, DC through the Smithsonian Institute, funded by the Hispanic Association of Colleges and Universities. These students were selected because of their work at El Pueblo History Museum. Like all History Colorado museums, El Pueblo History Museum is a Smithsonian Affiliate, and their work supports diverse audiences. This example serves as a prototype for community museums to be used as real-world learning sites that provide unique learning opportunities for college students who do not always have access to work within cultural institutions. It also creates successful pathways to diversify the museum workforce, which, according to the American Alliance of Museums, is over 80 percent white. Partnerships between the state's community museums and the state's colleges and universities leverage resources within geographically remote Colorado communities having low incomes, low educational attainment and ethnic diversity.

Community museums are evolving practices and programs that better serve their respective locations through community-relevant exhibits, enhanced education programming for local children and adults, community-based memory projects, and expanded community partnerships.

Traditionally, community museums have contributed to their local economies as a destination stop for tourism. This alone is significant, because most community museums are located in rural areas with smaller local economies, and some depend on tourism. For example, the economic impact of Fort Garland is over $1.7 million — a significant portion of the $3.7 million in travel-related spending in Costilla County (CTO study by Dean Runyon Associates). This tourism-based business model is only seasonal, however; and as part of a national trend in history museums, tourism-based models show declining visitation and revenue.

More recently, trends have emerged within educational and cultural institutions where there is also a focused priority shift to the local community. At the History Colorado community museums, pilot tests of revitalization programs have become local success stories during the past two years in specific Pueblo neighborhoods. The results of these programs provided neighborhood action, skills that lead to jobs, have restored community pride, and have rejuvenated the future of depressed neighborhoods. With funding provided from a portion of this request, the vision is for History Colorado community museums to become centers for community revitalization through public interest and hands-on community involvement, and to develop and expand revitalization programs throughout the footprint of community museums. The roll-out of this program will begin in Pueblo, Las Animas, Huerfano, Costilla, and Alamosa counties, and ultimately will extend throughout the state. Successful implementation of this strategy will also result from partnerships created between local communities and their community museum, instilling pride and enthusiasm within respective communities for shared history, promoting historical preservation, and creating success stories. General funding used for this purpose is also expected to attract philanthropic support, further enabling the History Colorado community museum network to grow a program that addresses an ongoing community need, creates economic stimulus in communities where economic development is a recognized need, and promotes education of Colorado history, benefitting Coloradans statewide. For example, recently, The Colorado Trust reached out to El Pueblo History Museum because they had heard about the work being done with their Neighborhood Memory Projects. This fall, the museum will partner with the Trust to do a memory project in Eastwood Heights (locally known as "Dogpatch") in Pueblo as a precursor to the work they will do with the community around health equity. This partnership will serve as a pilot program for implementation in communities across the state.

Growing Community Museums' Self-Sufficiency

Within the community museum structure, primary enterprise revenue sources are general admissions, programs that can provide service fees (such as camps or after school programs if the community can afford them,) facility rental and event income, museum store sales and on-site donations. Each community museum is different, and opportunities for enterprise revenue vary by location. Revenue from these activities is currently necessary to support the operations of the community museums. No funding is currently available to reinvest in future enterprise revenue opportunities that will be necessary to fund future programs and offset future expense escalation.

Community museums often have to choose between education or site maintenance because of funding levels. For example, Trinidad History Museum includes four historic buildings on a large city-block. Limited staff has traditionally spent time shoveling snow or maintaining grounds rather than working with schools and children in Las Animas and Huerfano Counties. Exhibits at community museums have also languished. At Fort Garland Museum, some exhibit displays are over 50 years old. Older exhibits often do not meet current industry standards and can also be culturally inappropriate.

There are numerous opportunities to increase enterprise revenue and build sustainability within the community museum network. For example, in Montrose and Delta Counties, the Ute Indian Museum expansion will provide History Colorado with an opportunity to develop a full-scale event center, generating income from facility rentals, catering, admissions and museum store sales, while also developing Ute-based curriculum that will impact young people across the Western Slope, including Ute youth. A second example is to improve store sales and management efficiency using a consistent Point-of-Sale system at all community museums. Data analysis from systems such as these can pinpoint increased sales opportunity and best retail practices. Efficiencies gained from POS will enable staff to sell more and create less paperwork.

Building sustainability depends on the number of opportunities that can be developed, and on staffing to carry out the vision. Funding requested for developing enterprise revenue is a limited-term decision item that is intended to reach a point of self sustainability in approximately 7 years. Once sustainability is reached, funding should no longer be required to sustain future enterprise development.

Community museums have spent many years subsisting with limited staff, limited resources, neglected collections, and deteriorating exhibits. Even in their current state, community museums create an $18 million impact on the state's economy, including a positive impact in some of the state's lowest income communities. However, with recent operational changes and planning, community museums are at a critical and opportune time not only to resolve prior deficiencies, but to implement a strategic transformation that will create vital and sustainable businesses, providing long-term benefits to their respective communities. With strategic plans and established models for success, community museums are "shovel ready" to implement the necessary strategies to evolve into thriving community centers with greater self-sustainability.

Proposed Solution:

History Colorado requests $1.589 Million General Fund in FY 2017-18 for core costs in community museums, and to allow for growth of self-sustaining operations to lead community museums in future years.

The request seeks the following:

FTE: Community Support (8 FTE) (First Year)	$442,599
One time FTE Furniture/Technology Expense	62,792
Museum Restoration	138,739
Technology	128,410
Community Revitalization Programs	404,933
Sustainability Program Development	411,571
TOTAL	$1,589,044

Specific Application of Funds

FTE-Community Support (8 FTE) $442,599

Community museums are currently staffed with 0.5 FTE to 3 FTE per site – a total of 12.5 FTE, which is less than the 14.5 outlined in the long bill. History Colorado has vacant FTE positions that can be transferred to Community Museums. There is no funding that can be transferred with the positions since the funding was eliminated in FY 2015-16 to balance the budget.

- Community Museum Curator (1 FTE: $54,856 combined salary and benefits).
  The vast majority of History Colorado's collection that is on display is showcased in community museums, yet there is no staff person dedicated to managing this collection. As a result, museums may have neglected collections on display, stored outside, or stored in potential gallery or classroom spaces. A collections staff person dedicated to community museums would enable staff to implement innovative museum strategies, update exhibitions, and better manage the state's collection. This position will collaborate with central collections staff at History Colorado.
- Community Museum Development Manager (1 FTE: $54,856 combined salary and benefits).
  Community museums need dedicated development staff to take advantage of local fundraising opportunities, rural-based grant dollars, site-based membership programs, and other funding opportunities. This staff person would also coordinate with development staff at History Colorado.
- Education Coordinator at Fort Garland Museum (1 FTE: $54,856 combined salary and benefits).
  Fort Garland Museum currently has a part-time, grant-funded educator on staff. With a full-time Education Coordinator, Fort Garland Museum would be better situated to serve all of the schools in the San Luis Valley with both site-based school tours and school-based outreach. This staff person could grow the museum's emerging after-school program, implement planned summer camp programs, host and coordinate a historic site-based learning lab for nearby Adams State University, and foster more cultural programming.
- Education Coordinator at Byers Evans House Museum (1 FTE: $54,856 combined salary and benefits).
  Byers Evans House Museum has strategic plans to implement a profitable adult-education program that would focus on hands-on historic preservation workshops for homeowners, heritage arts workshops and programs, and architectural and urban planning programs. This staff person would manage this future profit center, as well as coordinate the school tour program and emerging partnerships with local university programs.
- Maintenance/Rental Staff at Trinidad History Museum (1 FTE: $48,741 combined salary and benefits).
  The positive impact of this staff position is three-fold. This position will: 1) alleviate the museum director from time-consuming maintenance work like snow removal and enable them to spend more time growing business opportunities and community connections; 2) enable the museum to

implement a successful revenue-generating event rentals program; and 3) enhance museum security by offsetting work hours to extend the staff presence on the museum grounds after museum hours.

- Maintenance/Rental Staff at Ute Indian Museum (1 FTE: $48,741 combined salary and benefits). The positive impact of this staff position is three-fold. This position will: 1) alleviate the museum director from time-consuming maintenance work like snow removal and enable them to spend more time growing business opportunities and community connections; 2) enable the museum to implement a successful revenue-generating event rentals program; and 3) enhance museum security by offsetting work hours to extend the staff presence on the museum grounds after museum hours.
- Maintenance/Rental Staff at El Pueblo History Museum (1 FTE: $48,741 combined salary and benefits). The positive impact of this staff position is three-fold. This position will: 1) alleviate the museum director from time-consuming maintenance work like snow removal and enable them to spend more time growing business opportunities and community connections; 2) enable the museum to implement a successful revenue-generating event rentals program; and 3) enhance museum security by offsetting work hours to extend the staff presence on the museum grounds after museum hours.
- Director at Healy House/Dexter Cabin, Leadville (0.5 FTE: $41,301 combined salary and benefits). The director at this museum is currently a half-time position, which, combined with remote location, only allows the museum to subsist on a seasonal tourism business. A full-time director would enable the museum to do more community-based business development.
- Security Staff at Fort Garland Museum (0.5 FTE: $28,051 combined salary and benefits). Fort Garland Museum is the oldest property owned by the State of Colorado, includes multiple adobe structures, and is situated on 121 acres. Because of its remote location, law enforcement is at least 20 minutes away. This part-time security person would provide more preventative security at this very vulnerable museum site.
- Regular operating expenses for 8 FTEs for on-going technology and telephone expense (8 FTE: $7,600)
- One-time costs associated with furniture, PC purchases and office renovation to accommodate the new FTE is $62,792.

Museum Restoration **$138,739**

Museum Restoration funding will correct chronic deficiencies at specific community museums with updated equipment, improvements for operations efficiency, improved security and materials and supplies.

	Year 1	Year 2	Year 3	
Museum Restoration	**$138,739**	**$138,739**	**$138,739**	**NOTES**
Updated Rental/Events Equipment	$29,490	$34,585	$34,585	Chairs, Tables, Ice Machine, Sink Upgrades
Equipment upgrades	$14,785	$14,785	$14,785	Various – location specific
Utility Reductions	$12,360	$12,360	$12,360	LED light upgrades, electrical demand regulator, motion sensor lights
Exhibit/Collection Updates		$12,000	$12,000	Case repair, Text revisions, Hands-On Consumables
Point of Sale Systems	$27,272			Altru or Patron Manager (8 museums)
Third Grade Curriculum Development	$12,208	$12,208	$12,208	Develop program to assist schools in teaching local history (a 3rd grade Colorado academic standard)
Education Materials	$5,627	$15,804	$15,804	Consumable Materials for school tours x 7
Education Marketing	$13,420	$13,420	$13,420	Brochures, Flyers for School Tours, After School, Camps: 1917.14 x 7
Security Support	$23,577	$23,577	$23,577	Security system audit and upgrades x 7

Technology **$128,410**

Technology funding will support the implementation of IT infrastructure and also cover the costs of on-going annual service fees for Internet.

IT Infrastructure Road Map for Community Museums	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY25 and ongoing
OIT Staffing (Paid with Common Policy)								
Project Manager			$44,248	$44,248				
Business Analyst			$13,882					
Implementation								
Byers Evans House Museum		$100,619						
El Pueblo History Museum		$100,619						
Fort Garland Museum	$100,619							
Fort Vasquez				$98,349				
Grant Humphreys Mansion			$100,619					
Healy House/Dexter Cabin			$100,619					
Trinidad History Museum	$99,485							
Ongoing Costs								
Byers Evans House Museum			$14,513	$14,513	$14,513	$14,513	$14,513	$14,513
El Pueblo History Museum			$14,513	$14,513	$14,513	$14,513	$14,513	$14,513
Fort Garland Museum		$15,357	$15,357	$15,357	$15,357	$15,357	$15,357	$15,357
Fort Vasquez					$31,944	$31,944	$31,944	$31,944
Grant Humphreys Mansion				$14,513	$14,513	$14,513	$14,513	$14,513
Healy House/Dexter Cabin				$11,593	$11,593	$11,593	$11,593	$11,593
Trinidad History Museum		$11,464	$11,464	$11,464	$11,464	$11,464	$11,464	$11,464
Ute Indian Museum	$14,513	$14,513	$14,513	$14,513	$14,513	$14,513	$14,513	$14,513
TOTAL	**$214,617**	**$242,572**	**$271,598**	**$194,815**	**$128,410**	**$128,410**	**$128,410**	**$128,410**
	$128,410	$128,410	$128,410	$128,410				
Excess implementation costs will be prioritized and funded from Sustainability Program Development funds and Contribution sources	**$86,207**	**$114,162**	**$143,188**	**$66,405**				

Community Revitalization **$404,933**

Community Revitalization funding supports programs that can facilitate community change and renewal. Please see visitation forecast on page 17 for anticipated visitation growth from these initiatives.

Community Revitalization	Annual Costs $404,933	NOTES
Museum of Memory	$120,300	Oral histories, Alzheimers partnerships, senior adult programs, community memory collection, etc. for 7 museums
Hands-On History After School Program	$63,000	instructor costs, supplies, healthy snacks for 6 museums
Hands-On History Summer Camps	$38,250	instructor costs, supplies, healthy snacks for 6 museums
On-Site/Off-Site School Programs	$27,125	supplies and instructor stipends for on-site and off-site school tours for 7 museums
Adobe Education x 4 sites	$10,560	Instructor and materials for adobe education for STEM, CTE programs and industry training for 4 museums
Higher Education Learning Labs	$12,827	Learning labs for higher ed institutions in proximity to museums for 7 museums
Third Grade Local History Curriculum/Rendezvous	$4,750	Curriculum development, printing, and rendezvous program for 7 museums
Adult Education with Donation-Based Child Care	$13,250	Evening lecture series for adults with donation-based child care for 5 museums
Community Generated Exhibits	$55,071	Community outreach, planning, printing exhibits for a rotation of 3 museums each year
Residence Programs: Artists and Cultural Preservation	$6,700	Support and maintenance for artists in residence programs at 2 museum sites
Exhibit Development and Maintenance	$53,100	Exhibit upgrade, collections upkeep, cleaning, conservation, maintenance for 7 museums

Sustainability Program Development **$411,571**

Please see revenue forecast on page 18 for anticipated revenue growth from these initiatives.

Sustainability Program Development	FY18 $411,571	FY19 $411,571	FY20 $411,571	FY21 $411,571	FY22 $411,571	FY23 $411,571	FY24 $411,571	NOTES
Rentals Programs	$142,118	$127,241	$98,215	$120,470	$186,875	$186,875	$186,875	Rentals staffing, security, marketing, custodial for 7 museums
Bus Tour Business	$59,316	$29,658	$29,658	$59,316	$59,316	$59,316	$59,316	Promotion and hosting of motor coach tours for 7 museums
Increased Hours of Operation	$62,350	$62,350	$62,350	$62,350	$62,350	$62,350	$62,350	Staffing to expand hours of operation and eliminate seasonal closures
Site-Based Membership Programs	$16,580	$33,160	$33,160	$58,030	$58,030	$58,030	$58,030	Membership programs, monthly newsletter, print collateral for 7 museums
Increased Local Community Outreach	$45,000	$45,000	$45,000	$45,000	$45,000	$45,000	$45,000	Promotion and outreach for 8 museums
IT Infrastructure Implementation	$86,207	$114,162	$143,188	$66,405				(see technology)

Consequences if the Proposed Funding is Not Approved

The community museums enable History Colorado to serve a broader statewide audience to fulfill its statutorily mandated purpose "charged with collecting, preserving, and interpreting the history of Colorado and the west." (Section 12-47.1-1201, C.R.S.)

If this request is not funded, the ability of community museums to generate revenue and serve their communities will continue to decline. These museums will be forced to further reduce hours, close for several months each year, offer little-to-no educational support and outreach, and continue showcasing exhibits that have aged and are sometimes culturally inappropriate. For example, Fort Garland Museum once operated year round, but within the last two years, the museum has been forced to close for three months each year during the winter months. Seasonal closure during the winter months impacts the museum's ability to serve local school audiences.

Anticipated Outcomes:

SNAPSHOT:

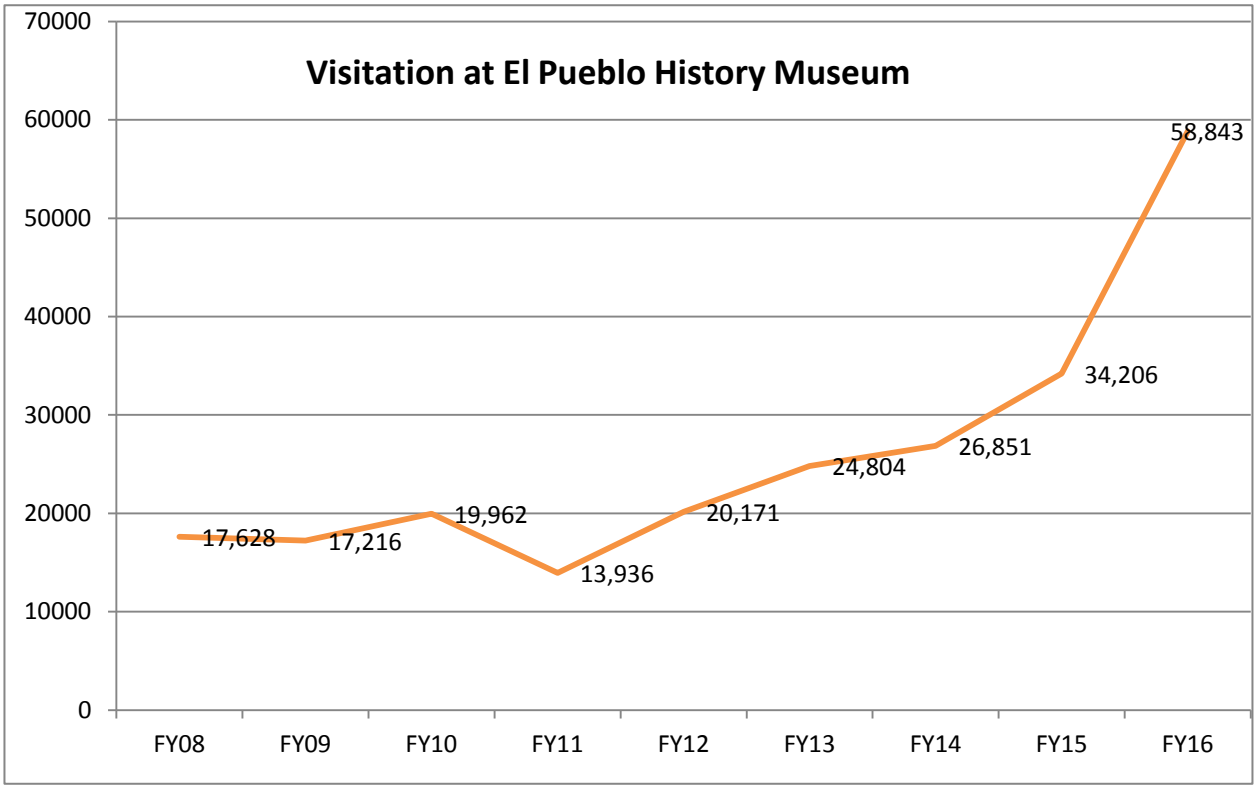
The Story of El Pueblo History Museum

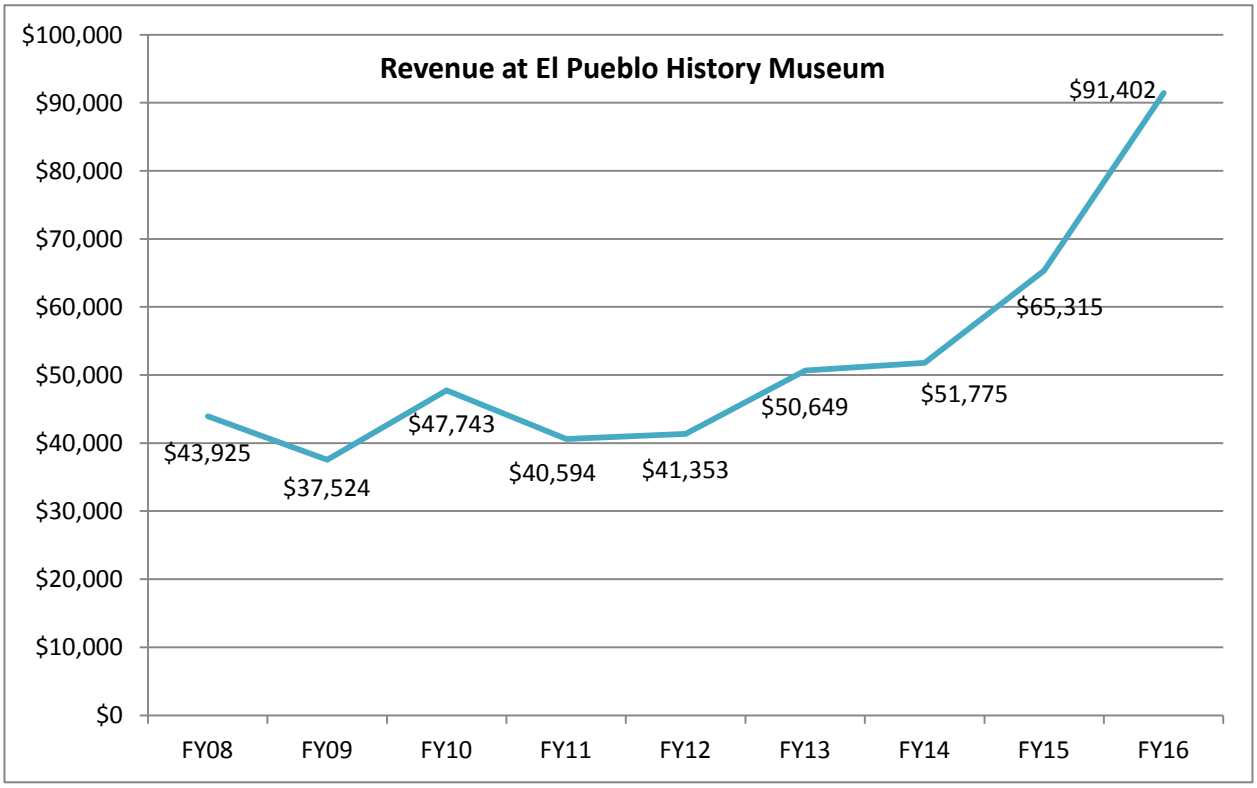
In February 2014, El Pueblo History Museum had a completely new staff because of a wave of staff retirements. The new team immediately began to implement a number of changes. Most notably, El Pueblo History Museum revised its business model and redefined its primary audience. Until this point, the museum was viewed as a history-based facility that primarily served tourist populations. This tourism-based business model was seasonal and, as part of a national trend in history museums, had declining visitation and revenue. El Pueblo History Museum chose to primarily implement programs that would serve the people of Pueblo County and surrounding region. They noted: "If we are a dynamic museum for local audiences, we will continue to attract a tourist audience." In this short time, El Pueblo History Museum has built community-based programs that have been recognized nationally while significantly growing visitation and revenue. A few accomplishments achieved by El Pueblo History Museum include:

- Created a popular and successful Hands-On History After School Program and Summer Camps. Museum staff fundraise to provide scholarships to the over 89 percent of the students in the After School Program who qualify for free/reduced lunch.
- Nearly doubled the number of students who experience museum-based school tours, implemented a new educational outreach program that takes place in the schools, and grew education-based revenue by 800% since FY 13.
- Recognized by the National Humanities Alliance, upon a recommendation from the National Endowment for Humanities, as a national model for using humanities to cultivate vibrant local communities.
- Developed Museum of Memory, which is a program that works directly with residents to reclaim their disenfranchised neighborhoods, collects underrepresented histories of a diverse Colorado, and has created innovative programs for people with memory loss and their caretakers. The Director of El Pueblo History Museum was recognized for her development of this program and was selected as one of 21 people from around the world to be a Creative Community Fellow for National Arts Strategies, where she learned how to further scale and develop this innovative community-based revitalization program.

The work at El Pueblo History Museum, combined with strategic planning, has created a road map for implementing successful businesses at the other Community Museums. El Pueblo History Museum has served and will continue to serve as an incubator for new ideas and community-based strategies that can be implemented in site-specific ways across the Community Museum network.

SNAPSHOT continued:



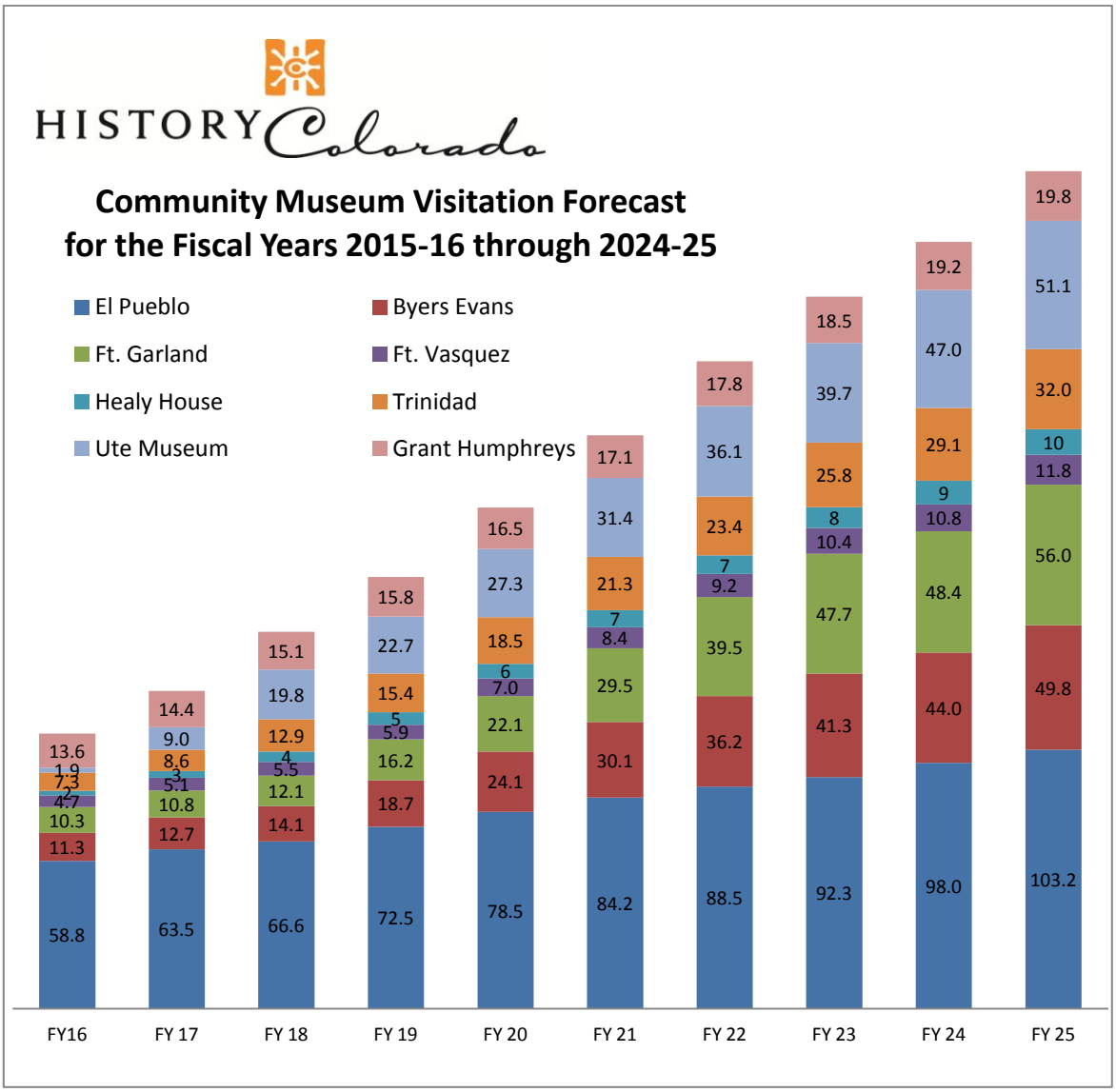


Because of the success documented at El Pueblo History Museum, which has served as an incubator for innovation, we anticipate the following outcomes and impacts if we have the funding and staffing necessary to implement proven strategies across the community museum network.

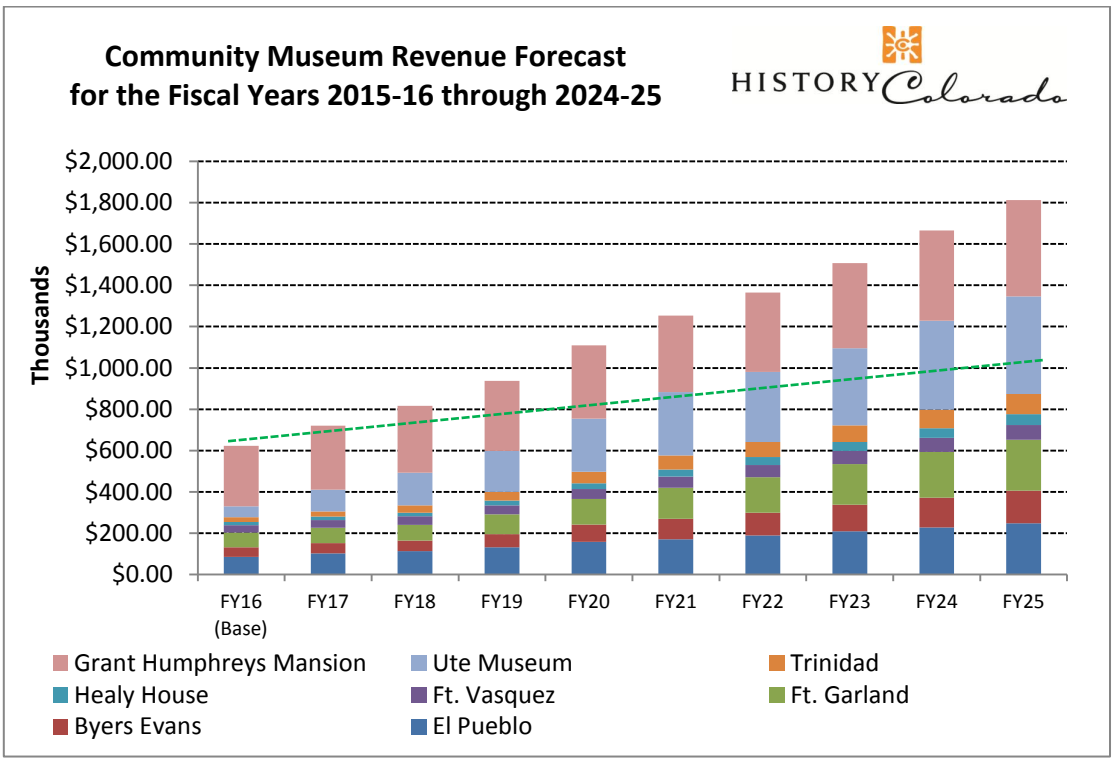
Outcomes

With this funding investment, we anticipate the following outcomes based on the implementation of the El Pueblo model:

- Increase visitation numbers at each museum



- Increase revenue at each museum



- Increase number of local people served by each respective museum
- Increase volunteers
- Increase community partnerships

Impacts

With this request, we anticipate that we will transform community museums from sites that are dwindling and diminishing into dynamic sites that are more self-sustaining and better positioned to serve their respective communities. This funding request will give community museums the necessary resources and tools needed to generate revenue that will reduce their reliance on state funding as costs continue to rise. More importantly, this funding request will empower community museums:

- to be dynamic centers of learning within communities that have significantly lower educational attainment
- to provide rich cultural opportunities to low-income communities who often lack access to such resources
- to inspire civic engagement necessary for a vital community
- to work with community residents to preserve the ethnically, economically, and geographically diverse history of Colorado
- and to implement community-centered programs that can work towards revitalization and community pride

Assumptions:

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25 and thereafter
FTE: Community Support (8.0 FTE)	$434,999	$434,999	$434,999	$434,999	$434,999	$434,999	$434,999	$434,999
FTE operations expense	$70,392	$7,600	$7,600	$7,600	$7,600	$7,600	$7,600	$7,600
Museum Restoration	$138,739	$138,739	$138,739					
Technology	$128,410	$128,410	$128,410	$128,410	$128,410	$128,410	$128,410	$128,410
Community Revitalization Programs	$404,933	$404,933	$404,933	$404,933	$404,933	$404,933	$404,933	$404,933
Sustainability Program Development	$411,571	$411,571	$411,571	$411,571	$411,571	$411,571	$411,571	
TOTAL General Fund Revenue	**$1,589,044**	**$1,526,252**	**$1,526,252**	**$1,387,513**	**$1,387,513**	**$1,387,513**	**$1,387,513**	**$975,942**

Revenue Growth Year-to-Year	**FY16 (Base)**	**FY17**	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**
El Pueblo	$85,616	$102,739	$112,625	$131,351	$157,622	$169,778	$188,545	$209,064	$228,091	$247,118
Byers Evans	$46,508	$48,896	$51,407	$64,258	$83,536	$100,243	$110,115	$127,932	$143,272	$158,613
Ft. Garland	$70,854	$73,778	$76,823	$96,028	$124,837	$149,804	$172,275	$198,116	$222,331	$246,908
Ft. Vasquez	$34,842	$37,963	$41,039	$43,472	$47,191	$54,269	$58,762	$63,565	$67,194	$70,408
Healy House	$15,763	$16,762	$17,824	$22,281	$28,965	$34,758	$38,257	$42,971	$47,684	$52,397
Trinidad	$23,180	$25,202	$34,251	$42,813	$55,657	$66,789	$73,468	$80,815	$89,720	$97,935
Ute Museum	$53,328	$105,768	$157,999	$197,499	$256,749	$308,099	$338,909	$372,800	$430,191	$473,083
Grant Humphreys Mansion	$293,224	$310,084	$324,852	$339,620	$354,388	$369,156	$383,924	$412,646	$437,559	$466,584
Total:	**$623,315**	**$721,192**	**$816,820**	**$937,324**	**$1,108,944**	**$1,252,896**	**$1,364,255**	**$1,507,908**	**$1,666,043**	**$1,813,045**
$ Growth from Prior Year		$97,877	$95,629	$120,504	$171,621	$143,952	$111,359	$143,653	$158,134	$147,002
$ Change from Base Year		$97,877	$193,505	$314,009	$485,629	$629,581	$740,940	$884,594	$1,042,728	$1,189,730

Forecast Assumptions:	*Forecasting Methods used are based on the closest correlation to each museum's revenue history and trend.*
A	Current Fiscal Year Plan - Growth rate varies by location
B	Assumes Funding Museum Restoration and Sustainability Development based on El Pueblo model
C	Implementation of El Pueblo model
D	Development of museum-specific sustainability programs (Phase 2)
E	Implementation of Phase 2 sustainability programs
F	Based on a standard Regression forecast
G	Based on a 3 -year moving average forecast
H	Based on an average growth rate for a specific museum
I	Museum expansion- under construction
J	Adjusted for partial year opening
K	Roll-out effect of the Ute expansion - 10% Growth in Admissions/Sales and $20K growth in events
L	Program Updates
M	Catering/Facililties rent adjustment @ 3.5%

APPENDIX

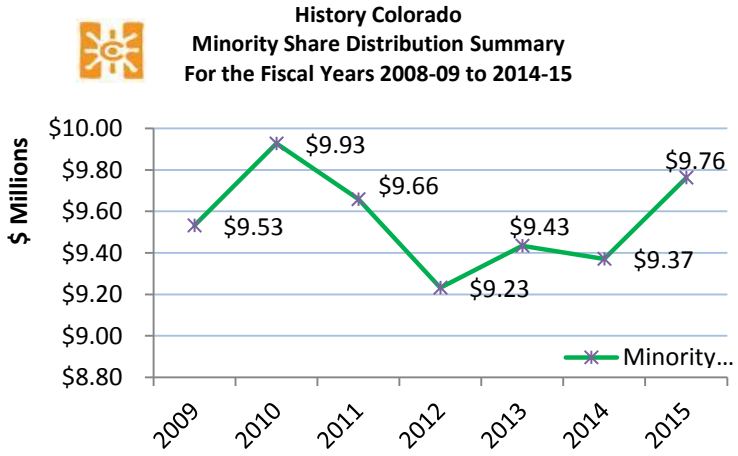
- The Inability to Fund this Request from Current Allocations of Gaming Tax Revenue
- Templates for FTE
- Cost Detail
- IT Infrastructure Implementation

APPENDIX 1:

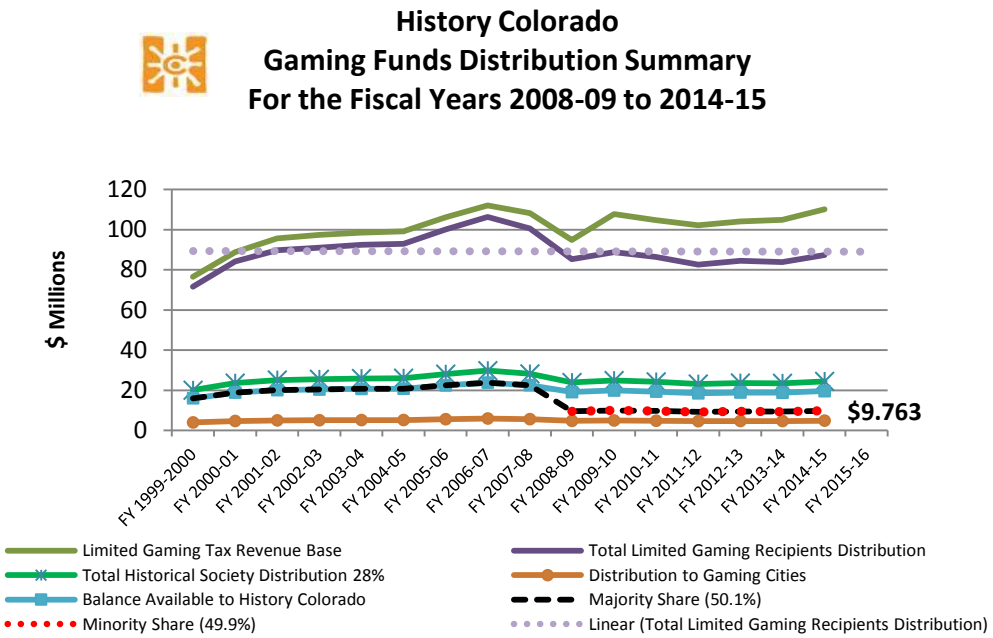
The Inability to Fund this Request from Current Allocations of Gaming Tax Revenue

In accordance with Section 12-47.1-701, C.R.S. and amended by Senate Bill 13-133, the balance remaining in the Limited Gaming Fund is to be transferred by the State Treasurer to the recipients of limited gaming revenues. Of these funds, 50% shall be transferred to the State General Fund, of which $16,600,000 is designated for specific purposes, and any amount that exceeds this amount shall be transferred to the General Fund. 28% of the balance remaining in the Limited Gaming Fund shall be transferred to the Colorado State Historical Fund; 12% to Gilpin and Teller Counties; and 10% to the cities of Cripple Creek, Central, and Black Hawk.

Of the 28% that is transferred to the State Historical Fund, 20% is distributed to the cities of Cripple Creek, Central City, and Black Hawk. Of the amount that remains, a "minority share", equal to 49.9% of the limited gaming revenue distribution, is designated for CHS operations and the Office of Archeology and Historic Preservation. These allocations are shown in the chart below. In FY 2015-16, $9,762,834 was distributed for this purpose.



Since FY 1999-2000, the long-term trend in gaming revenue, distributed to History Colorado, has been flat, shown by a dotted line in the chart below. This suggests a high probability that sufficient incremental increases in limited gaming revenue over a sustained period will not be available to fund this community museum decision item under the existing limited gaming allocation structure or revenue growth curve. A reduction in the Limited Gaming Tax Revenue Base will also further reduce funding to History Colorado under the current allocation formula.



Past appropriations from the minority share allocation of gaming revenue are shown below:

History Colorado

Allocation and Appropriation of Limited Gaming Funds

For the Fiscal Years ending June 30, 2012 through 2016

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Distribution of Limited Gaming Funds to History *Colorado*	$ 18,501,884	$ 18,906,556	$ 18,780,243	$ 19,564,799	$ 20,412,544
Allocation of Minority Share for Operations & Preservation	9,232,440	9,434,371	9,371,341	9,762,834	10,185,860
Appropriation Summary:					
Regional Museum Preservation Projects					
(Limited Gaming Portion)	600,000	600,000	600,000	600,000	600,000
Operations & Preservation	5,639,009	5,579,201	5,579,201	5,762,435	5,195,513
POTS	1,270,900	1,370,750	1,874,776	2,048,389	2,252,957
COP	2,920,546	3,042,094	3,021,000	3,121,000	3,121,835
Interest Credit	-	-	(85,141)	(64,137)	(22,311)
Net:	(10,430,455)	(10,592,045)	(10,989,836)	(11,467,687)	(11,147,994)
Excess/(Deficit) of Appropriated Limited Gaming to Distribution	$ (1,198,015)	$ (1,157,674)	$ (1,235,717)	$ (1,322,075)	$ (962,134)

In its internal budget for FY 2016-17, History Colorado will continue to utilize the full minority share allocation of limited gaming funds, estimated at $10 Million. A similar utilization pattern is expected beyond FY 2016-17.

Revenue	**FY 2016-17**
Federal Funds	$ 1,213,000
Earned Revenue	3,461,962
Majority Cost Allocation	382,778
Gaming Fund Interest	22,311
Gaming Fund - Minority Share	10,000,000
Total Revenue:	$ 15,080,051

Program Expense		---------- Funding ----------		
		From Minority	Other Sources*	
Payroll				6,683,283
	Central Administration[1]	1,019,399		
	Collections[2]	912,615		
	Community Museums[3]	358,725	527,789	
	Facilities Management[4]	661,902		
	Office of Archaeology & Historic Preservation[5]	857,467	427,403	
	Education[6]	177,984	372,569	
	Exhibits[7]	385,843		
	Marketing, Guest Services, Web Services		499,280	
	Membership Service & Development		482,307	
Operations				3,691,319
	Central Administration[1]	172,575		
	Collections[2]	98,335		
	Community Museum Operations[3]		869,618	
	Facilities Management[4]	731,899	150,000	
	Office of Archaeology & Historic Preservation[5]	77,975	65,000	
	Education	293,070	16,936	
	Exhibits[7]	96,930	213,000	
	Marketing, Guest Services, Web Services		666,301	
	Membership Service & Development		239,680	
Other Expense				4,705,449
	COP payment	3,021,835		
	Community Museum Maintenance	600,000		
	Non-Personnel POTS	533,446		
	DOHE Allocation		140,168	
	Web Site Re-engineering		170,000	
	Operating Reserve		240,000	
			Total Expense:	$ 15,080,051

Notes:

- * Other sources are Enterprise and Federal Funding
- 1 Includes the Operations of the Executive Office, Finance, Accounting, and Human Resources
- 2 Includes stewardship of 15 Million collections and Stephen H. Hart Library/Research Center operations.
- 3 Funding of HC's 7 Community Museums throughout the state and the Grant Humphreys Mansion in Denver.
- 4 Includes operations, maintenance and security for the History Colorado Center, 5 Historic Properties, two warehouses; management of capital development projects; and procurement management.
- 5 Fulfills statutory responsibilities assigned to the State Archaeologist and State Preservation Officer.
- 6 Fulfills History Colorado's outreach to schools and the public through its educational programming.
- 7 Fulfills History Colorado's commitment to inspiring exhibits and programs, statewide.

APPENDIX 2:

Templates for FTE

	Expenditure Detail		Year 1 (Request Year)		Year 2 (Out-year)	
	Personal Services:					
~	Classification Title	Monthly Salary	FTE		FTE	
~	Regional Property Administrator – Maintenance Staff	$2,803	3.0	$100,908	3.0	$100,908
~	PERA			$10,242		$10,242
~	AED			$4,844		$4,844
~	SAED			$4,793		$4,793
~	Medicare			$1,463		$1,463
~	STD			$192		$192
~	Health-Life-Dental			$23,782		$23,782
j	**Subtotal Position 1, #.# FTE**		**3.0**	**$146,224**	**3.0**	**$146,224**
~	Classification Title	Monthly Salary	FTE		FTE	
~	Regional Property Administrator – Healy House	$4,584	0.5	$27,504	0.5	$27,504
~	PERA			$2,792		$2,792
~	AED			$1,320		$1,320
~	SAED			$1,306		$1,306
~	Medicare			$399		$399
~	STD			$52		$52
~	Health-Life-Dental			$7,927		$7,927
j	**Subtotal Position 2, #.# FTE**		**0.5**	**$41,300**	**0.5**	**$41,300**
s	***Subtotal Personal Services***		3.5	**$187,524**	3.5	**$187,524**
	Operating Expenses:					
			FTE		FTE	
	Regular FTE Operating Expenses	$500	3.5	$1,750	3.5	$1,750
	Telephone Expenses	$450	3.5	$1,575	3.5	$1,575
	PC, One-Time	$1,230	3.5	$4,305		
	Office Furniture, One-Time	$3,473	3.5	$12,156		
	Office Build-Out, One-Time	$6,292	3.0	$18,876		
s	***Subtotal Operating Expenses***			**$38,662**		**$3,325**
	TOTAL REQUEST		3.5	**$226,186**	3.5	**$190,849**

Expenditure Detail		Year 1 (Request Year)		Year 2 (Out-year)	
Personal Services:					
Classification Title	Monthly Salary	FTE		FTE	
Curator	$3,223	1.0	$38,676	1.0	$38,676
PERA			$3,926		$3,926
AED			$1,856		$1,856
SAED			$1,837		$1,837
Medicare			$561		$561
STD			$73		$73
Health-Life-Dental			$7,927		$7,927
Subtotal Position 1, #.# FTE		**1.0**	**$54,856**	**1.0**	**$54,856**
Classification Title	Monthly Salary	FTE		FTE	
Staff Specialist – Community Development Manager; Education Coordinator at Ft. Garland, Education Coordinator at Byers-Evans	$3,223	3.0	$116,028	3.0	$116,028
PERA			$11,777		$11,777
AED			$5,569		$5,569
SAED			$5,511		$5,511
Medicare			$1,682		$1,682
STD			$220		$220
Health-Life-Dental			$23,782		$23,782
Subtotal Position 2, #.# FTE		**3.0**	**$164,569**	**3.0**	**$164,569**
Subtotal Personal Services		4.0	**$219,425**	4.0	**$219,425**
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating Expenses	$500	4.0	$2,000	4.0	$2,000
Telephone Expenses	$450	4.0	$1,800	4.0	$1,800
PC, One-Time	$1,230	4.0	$4,920	4.0	
Office Furniture, One-Time	$3,473	4.0	$13,892	4.0	
Office build-out, One Time	$6,292	1.0	$6,292	1.0	
Subtotal Operating Expenses			**$28,904**		**$3,800**
TOTAL REQUEST		4.0	**$248,329**	4.0	**$223,225**

Expenditure Detail		Year 1 (Request Year)		Year 2 (Out-year)	
Personal Services:					
Classification Title	Monthly Salary	FTE		FTE	
Security I – Ft. Garland	$1,382	0.5	$16,584	0.5	$16,584
PERA			$1,683		$1,683
AED			$796		$796
SAED			$788		$788
Medicare			$240		$240
STD			$32		$32
Health-Life-Dental			$7,927		$7,927
Subtotal Position 1, #.# FTE		**0.5**	**$28,050**	**0.5**	**$28,050**
Classification Title	Monthly Salary	FTE		FTE	
			$0		$0
PERA			$0		$0
AED			$0		$0
SAED			$0		$0
Medicare			$0		$0
STD			$0		$0
Health-Life-Dental			$0		$0
Subtotal Position 2, #.# FTE		**-**	**$0**	**-**	**$0**
Subtotal Personal Services		0.5	**$28,050**	0.5	**$28,050**
Operating Expenses:					
		FTE		FTE	
Regular FTE Operating Expenses	$500	0.5	$250	0.5	$250
Telephone Expenses	$450	0.5	$225	0.5	$225
PC, One-Time	$1,230	0.5	$615		
Office Furniture, One-Time	$3,473	0.5	$1,736		
Subtotal Operating Expenses			**$2,826**		**$475**
TOTAL REQUEST		0.5	**$30,876**	0.5	**$28,525**

APPENDIX 3: Cost Detail

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Annual Costs	Notes:
FTE: Community Support	**$505,391**	**$442,599**	**$442,599**	**$442,599**	**$442,599**	**$442,599**	**$442,599**	**$442,599**	
Community Museum Collections Staff	$54,856	$54,856	$54,856	$54,856	$54,856	$54,856	$54,856	$54,856	
Community Museum Development Manager	$54,856	$54,856	$54,856	$54,856	$54,856	$54,856	$54,856	$54,856	
Education Coordinator FTGA	$54,856	$54,856	$54,856	$54,856	$54,856	$54,856	$54,856	$54,856	
Education Coordinator BYERS	$54,856	$54,856	$54,856	$54,856	$54,856	$54,856	$54,856	$54,856	
Maintenance/Rental Staff BACA	$48,741	$48,741	$48,741	$48,741	$48,741	$48,741	$48,741	$48,741	
Maintenance/Rental Staff UTEM	$48,741	$48,741	$48,741	$48,741	$48,741	$48,741	$48,741	$48,741	
Maintenance/Rental Staff EPHM	$48,741	$48,741	$48,741	$48,741	$48,741	$48,741	$48,741	$48,741	
Director HEAL (PT to FT)	$41,301	$41,301	$41,301	$41,301	$41,301	$41,301	$41,301	$41,301	
Security Staff FTGA	$28,051	$28,051	$28,051	$28,051	$28,051	$28,051	$28,051	$28,051	
One-time costs for new staff: PC, office renovation, furniture	$62,792								
On-going FTE operating expenses	$7,600	$7,600	$7,600	$7,600	$7,600	$7,600	$7,600	$7,600	
Museum Restoration	**$138,739**	**$138,739**	**$138,739**						
Updated Rental/Events Equipment	$29,490	$34,585	$34,585						Chairs, Tables, Ice Machine, Sink Upgrades
Equipment Upgrades	$14,785	$14,785	$14,785						Various – location specific
Utility Reductions	$12,360	$12,360	$12,360						LED light upgrades, electrical demand regulator, motion sensor lights
Exhibit/Collection Updates		$12,000	$12,000						Case repair, Text revisions, Hands-On Consumables
Point of Sale Systems	$27,272								Square System x 8 museums
Third Grade Curriculum Development	$12,208	$12,208	$12,208						
Education Materials	$5,627	$15,804	$15,804						Consumable Materials for school tours x 7
Education Marketing	$13,420	$13,420	$13,420						Brochures, Flyers for School Tours, After School, Camps: 1917.14 x 7
Security Support	$23,577	$23,577	$23,577						Security system audit and upgrades x 7

Technology (See Appendix for detail)	**$128,410**	**$128,410**	**$128,410**	**$128,410**	**$128,410**	**$128,410**	**$128,410**	**$128,410**	
Implementation x 1-2 museums	$200,104	$201,238	$201,238	$98,349					
Ongoing Service Costs	$14,513	$41,334	$70,360	$96,466	$128,410	$128,410	$128,410	$128,410	
TOTAL	$214,617	$242,572	$271,598	$194,815					
Excess implementation costs will be paid from Sustainability Program Development funds (see below)	($86,207)	($114,162)	($143,188)	($66,405)					
Community Revitalization								**$404,933**	
Museum of Memory								$120,300	Oral histories, Alzheimer's partnerships, senior adult programs, community memory collection, etc. for 7 museums
Hands-On History After School Program								$63,000	instructor costs, supplies, healthy snacks for 6 museums
Hands-On History Summer Camps								$38,250	instructor costs, supplies, healthy snacks for 6 museums
On-Site/Off-Site School Programs								$27,125	supplies and instructor stipends for on-site and off-site school tours for 7 museums
Adobe Education x 4 sites								$10,560	Instructor and materials for adobe education for STEM, CTE programs and industry training for 4 museums
Higher Education Learning Labs								$12,827	Learning labs for higher ed institutions in proximity to museums for 7 museums
Third Grade Local History Curriculum/Rendezvous								$4,750	Curriculum development, printing, and rendezvous program for 7 museums
Adult Education with Donation-Based Child Care								$13,250	Evening lecture series for adults with donation-based child care for 5 museums
Community Generated Exhibits								$55,071	Community outreach, planning, printing exhibits for a rotation of 3 museums each year
Residence Programs: Artists and Cultural Preservation								$6,700	Support and maintenance for artists in residence programs at 2 museum sites
Exhibit Development and Maintenance								$53,100	Exhibit upgrade, collections upkeep, cleaning, conservation, maintenance for 7 museums

Sustainability Program Development	**$411,571**	**$411,571**	**$411,571**	**$411,571**	**$411,571**	**$411,571**	**$411,571**	
Rentals Programs	$142,118	$127,241	$98,215	$120,470	$186,875	$186,875	$186,875	Rentals staffing, security, marketing, custodial for 7 museums
Bus Tour Business	$59,316	$29,658	$29,658	$59,316	$59,316	$59,316	$59,316	Promotion and hosting of motor coach tours for 7 museums
Increased Hours of Operation	$62,350	$62,350	$62,350	$62,350	$62,350	$62,350	$62,350	Temp and part-time staffing to expand hours of operation and eliminate seasonal closures
Site-Based Membership Programs	$16,580	$33,160	$33,160	$58,030	$58,030	$58,030	$58,030	Membership programs, monthly newsletter, print collateral for 7 museums
Increased Local Community Outreach	$45,000	$45,000	$45,000	$45,000	$45,000	$45,000	$45,000	Promotion and outreach for 8 museums
IT Infrastructure Implementation	$86,207	$114,162	$143,188	$66,405				

APPENDIX 4: IT Infrastructure Implementation

IT Infrastructure Road Map for Community Museums	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY25 and ongoing
OIT Staffing (Common Policy)								
Project Manager			$44,248	$44,248				
Business Analyst			$13,882					
Implementation								
Byers Evans House Museum		$100,619						
El Pueblo History Museum		$100,619						
Fort Garland Museum	$100,619							
Fort Vasquez				$98,349				
Grant Humphreys Mansion			$100,619					
Healy House/Dexter Cabin			$100,619					
Trinidad History Museum	$99,485							
Ongoing Costs								
Byers Evans House Museum			$14,513	$14,513	$14,513	$14,513	$14,513	$14,513
El Pueblo History Museum			$14,513	$14,513	$14,513	$14,513	$14,513	$14,513
Fort Garland Museum		$15,357	$15,357	$15,357	$15,357	$15,357	$15,357	$15,357
Fort Vasquez					$31,944	$31,944	$31,944	$31,944
Grant Humphreys Mansion				$14,513	$14,513	$14,513	$14,513	$14,513
Healy House/Dexter Cabin				$11,593	$11,593	$11,593	$11,593	$11,593
Trinidad History Museum		$11,464	$11,464	$11,464	$11,464	$11,464	$11,464	$11,464
Ute Indian Museum	$14,513	$14,513	$14,513	$14,513	$14,513	$14,513	$14,513	$14,513
TOTAL	**$214,617**	**$242,572**	**$271,598**	**$194,815**	**$128,410**	**$128,410**	**$128,410**	**$128,410**
	$128,410	$128,410	$128,410	$128,410				
Sustainability Program Development	**$86,207**	**$114,162**	**$143,188**	**$66,405**				

C&TSRR CAPITAL INVESTMENT MODEL -- WORKING DRAFT

10 YEAR PROJECTION
Updated 01/03/17

	HISTORY				ON-GOING UPGRADE PROGRAMS						CAPITAL MAINT PHASE				TOTALS		
	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 17-22	FY 23-26	10 Years
TRAIN OPERATIONS DATA																	
Number of Riders (FY)	30,019	34,494	33,217	35,572	36,750	38,588	40,517	42,543	44,670	46,010	47,390	49,760	52,248	54,860	249,077	204,258	453,335
	---$000---																
Gross Income	$3,034	$3,299	$3,533	$3,908	$4,293	$4,621	$4,975	$5,357	$5,769	$6,106	$6,457	$6,829	$7,223	$7,641	$31,122	$28,151	$59,273
Less Operating Expenses	$3,443	$3,096	$3,426	$3,678	$4,015	$4,135	$4,259	$4,387	$4,519	$4,654	$4,794	$4,938	$5,086	$5,239	$25,970	$20,057	$46,027
Net Operating Income	**-$409**	**$203**	**$107**	**$230**	**$279**	**$486**	**$716**	**$970**	**$1,250**	**$1,452**	**$1,663**	**$1,891**	**$2,137**	**$2,402**	**$5,152**	**$8,094**	**$13,246**
Contingency fund alloc.	$0	$0	$0	$0	$279	$486	$649	$48	$63	$73	$83	$95	$107	$120	$1,597	$405	$2,002
Net after contingency	$0	$0	$0	$0	$0	$0	$67	$921	$1,188	$1,379	$1,580	$1,797	$2,031	$2,282	$3,555	$7,690	$11,244
CAPITAL NEEDS																	
Track	$425	$700	$350	$630	$1,030	$1,002	$1,028	$928	$616	$422	$431	$440	$448	$458	$5,026	$1,777	$6,803
Locomotive	$0	$500	$335	$330	$510	$520	$530	$541	$552	$338	$575	$586	$598	$610	$2,991	$2,369	$5,360
Passenger Cars	$256	$400	$50	$200	$434	$443	$452	$461	$689	$929	$201	$205	$209	$214	$3,408	$829	$4,237
Structures	$437	$140	$335	$365	$0	$0	$14	$1,131	$1,136	$634	$172	$176	$179	$183	$2,915	$710	$3,625
Historic fleet	$0	$200	$200	$200	$202	$206	$210	$22	$22	$23	$23	$23	$24	$24	$685	$94	$779
Total Needs	$1,118	$1,940	$1,270	$1,725	$2,176	$2,171	$2,234	$3,083	$3,015	$2,346	$1,402	$1,430	$1,458	$1,489	$15,025	$5,779	$20,804
Funded from Operations	$0	$0	$0	$0	$0	$0	$67	$921	$1,188	$1,379	$1,580	$1,797	$2,031	$2,282	$3,555	$7,690	$11,244
Net Capital Needs	$1,118	$1,940	$1,270	$1,725	$2,176	$2,171	$2,167	$2,162	$1,827	$967	$0	$0	$0	$0	$11,470	$0	$11,470
CAPITAL OUTLAYS	---------- *Appropriated* ----------				---------- *Projected Requests* ----------												
Colorado	$818	$1,090	$1,085	$1,080	$1,076	$1,071	$1,067	$1,062	$914	$484	$0	$0	$0	$0	$5,674	$0	$5,674
New Mexico	$300	$850	$185	$645	$615	$1,075	$1,100	$1,100	$914	$484	$0	$0	$0	$0	$5,288	$0	$5,288

ASSUMPTIONS:	FY 17-22	FY 23-28		
Ridership compound growth rate projection	5%	3%		
Yield/passenger compound increase %/yr	3%	3%		shift of mix toward premium service
Retail /rider/year increase	3%	3%		better product mix and merchandising
Present scope of operations, plus inflation	3%	3%		
Contingency fund build to $1.5M: then as % of NOI			5%	each year
Capital upgrade/maint, %/year inflation	2%	2%		