

# JOINT BUDGET COMMITTEE



## STAFF FIGURE SETTING FY 2022-23

## DEPARTMENT OF HIGHER EDUCATION

JBC WORKING DOCUMENT - SUBJECT TO CHANGE  
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

PREPARED BY:  
AMANDA BICKEL, JBC STAFF  
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JOINT BUDGET COMMITTEE STAFF  
200 E. 14TH AVENUE, 3RD FLOOR • DENVER • COLORADO • 80203  
TELEPHONE: (303) 866-2061 • TDD: (303) 866-3472  
<https://leg.colorado.gov/agencies/joint-budget-committee>

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Additional Appendices:

- Appendix - Higher Education Funding Model
- Appendix – FY 2021-22 and FY 2022-23 Adjustments to Governing Boards
- Appendix –Tuition and Enrollment Forecast February 2022

HOW TO USE THIS DOCUMENT

The Department Overview contains a table summarizing the staff recommended incremental changes followed by brief explanations of each incremental change. A similar overview table is provided for each division, but the description of incremental changes is not repeated, since it is available under the

Department Overview. More details about the incremental changes are provided in the sections following the Department Overview and the division summary tables.

Decision items, both department-requested items and staff-initiated items, are discussed either in the Decision Items Affecting Multiple Divisions or at the beginning of the most relevant division. Within a section, decision items are listed in the requested priority order, if applicable.

## DEPARTMENT OVERVIEW

The public higher education system served 186,546 full-time equivalent students (SFTE) in FY 2020-21, including 149,355 Colorado residents, in 31 institutions. Of the total, 175,225 students attended one of the 27 institutions overseen by 10 state governing boards. The remaining 11,321 student FTE attended local district colleges, which receive regional property tax revenues in addition to state funding, or area technical colleges, which offer occupational certificates and serve both secondary and post-secondary students. Of the total, 28.6 percent of SFTE attended two-year and certificate institutions in FY 2020-21. Students attending institutions that offer baccalaureate and higher degrees are concentrated at the University of Colorado, Colorado State University, and Metropolitan State University of Denver. Enrollment in FY 2020-21 is 4.4 lower than FY 2019-20 enrollment of 195,196 SFTE, reflecting the impact of the COVID-19 pandemic.

The Colorado Commission on Higher Education (CCHE) coordinates the higher education delivery system, including requests for state funding. The CCHE has some regulatory authority over the public higher education institutions in areas such as role and mission, degree programs, the transfer of credits, and performance reporting. However, each institution has a governing board that makes policy and budget decisions for the institution.

The General Assembly has delegated significant budgetary control to the governing boards of the higher education institutions. The members of the governing boards are generally appointed by the Governor, except at the University of Colorado, which has an elected Board of Regents. Within broad parameters, the governing boards are allowed to determine how to spend the revenue they earn, and they can retain unspent funds at the end of each fiscal year for future initiatives.

The Department includes the following divisions and programs:

- **Colorado Commission on Higher Education**, including staff, operating expenses, and special purpose programs. The executive director of CCHE is also the executive director of the Department. The **Department Administrative Office** includes centrally-appropriated amounts for CCHE and History Colorado.
- **Financial aid** programs, which fall under the purview of CCHE. The director of CCHE also appoints the directors of College Assist and CollegeInvest, which are both statutorily authorized state enterprises with responsibilities related to student loans and college savings programs. Both of these programs are off budget.
- The **College Opportunity Fund** Program, which provides stipend for undergraduate resident students to attend public colleges and participating private colleges in Colorado. The section also includes appropriations for fee-for-service contracts with public higher education institutions for graduate education and other educational services not covered by the stipends.
- Appropriations for each of the higher education **Governing Boards**. Tuition, stipend, and fee-for-service spending authority for public higher education institutions is provided in the Governing Boards section.

- The **Division of Occupational Education** oversees Colorado Vocational Act programs, the Area Vocational Schools, federal Perkins technical training programs, and resources for the promotion of job development, job training, and job retraining.
- State subsidies for **Local District Junior Colleges; History Colorado;** and the **Auraria Higher Education Center**, which maintains the single shared campus of the Community College of Denver, Metropolitan State College of Denver, and the University of Colorado at Denver and Health Sciences Center.

SUMMARY OF STAFF RECOMMENDATIONS

DEPARTMENT OF HIGHER EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$5,117,769,342	\$1,216,180,141	\$2,896,129,062	\$980,048,751	\$25,411,388	26,566.2
Long Bill supplemental	45,990,389	0	45,990,389	0	0	0.0
<b>TOTAL</b>	<b>\$5,163,759,731</b>	<b>\$1,216,180,141</b>	<b>\$2,942,119,451</b>	<b>\$980,048,751</b>	<b>\$25,411,388</b>	<b>26,566.2</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$5,163,759,731	\$1,216,180,141	\$2,942,119,451	\$980,048,751	\$25,411,388	26,566.2
R1 Increase operating support for public higher education institutions and financial aid	93,671,044	52,642,854	0	41,028,190	0	0.0
R2 Tuition spending authority	105,519,180	0	105,519,180	0	0	0.0
R3 Fort Lewis College Native American tuition waiver	1,518,889	1,518,889	0	0	0	0.0
R4 Higher education research authority spending authority increase	800,000	0	800,000	0	0	0.0
R5 Division of outreach and attainment services	0	0	0	0	0	0.0
R6 Support expansion of single stop	0	0	0	0	0	0.0
R7 Lowering fees for former students of closed schools	(4,833)	0	(4,833)	0	0	0.0
R8 Funding for Institute of Cannabis Research	1,000,000	0	1,000,000	0	0	0.0
HC1 History Colorado resource realignment & SI spending authority for gaming revenue	1,490,421	0	1,490,421	0	0	6.5
BA 1 Expansion of Area Technical College Programs and Services	1,700,000	1,700,000	0	0	0	0.0
T1 WICHE dues	5,000	0	0	5,000	0	0.0
T2 Auraria Higher Education Center	100,000	0	0	100,000	0	0.0
T3 Depreciation Lease Equivalent adjustment	2,717,414	2,717,414	0	0	0	0.0
SI, T4, T6 Lease purchase payment adjustments	(1,018,957)	(1,009,156)	431,205	(441,006)	0	0.0
Centrally appropriated line items	987,305	436,602	53,078	31,759	465,866	0.0
Non-prioritized centrally appropriated requests	(4,109)	0	(3,469)	(640)	0	0.0
SI Higher education limited gaming adjustment	1,822,776	0	1,822,776	0	0	0.0
SI History Colorado informational funds adjustment	1,060,000	0	1,060,000	0	0	0.0
SI Indirect cost collection adjustments	493,752	(365,794)	73,870	771,032	14,644	0.0
SI Increase Dependent Tuition Assistance Program	187,700	187,700	0	0	0	0.0

DEPARTMENT OF HIGHER EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SI Spending authority Division of Private Occupational Schools	99,415	0	99,415	0	0	0.0
SI Inflationary adjustment Colorado Geological Survey	45,001	12,442	32,559	0	0	0.0
SI Operating adjustment for Cumbres & Toltec Railroad	21,500	21,500	0	0	0	0.0
SI WICHE Optometry PSEP inflation	8,900	8,900	0	0	0	0.0
SI Adjustments to location of appropriation	0	0	0	0	0	0.0
Other	0	0	0	0	0	0.0
SI Higher education institution employees	0	0	0	0	0	(97.1)
Annualize prior year legislation	(60,432,755)	2,502,629	(68,026,197)	5,087,432	3,381	(1.5)
Annualize prior year budget actions	(34,888,247)	(1,993,778)	(32,934,318)	80,000	(40,151)	0.0
SI Student fee adjustments	(13,577,382)	0	(13,577,382)	0	0	0.0
SI Utilization of COF stipend private institutions	(254,392)	(254,392)	0	0	0	0.0
SI Tobacco Master Settlement Agreement revenue adjustment	(38,199)	0	(38,199)	0	0	0.0
<b>TOTAL</b>	<b>\$5,266,789,154</b>	<b>\$1,274,305,951</b>	<b>\$2,939,917,557</b>	<b>\$1,026,710,518</b>	<b>\$25,855,128</b>	<b>26,474.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$103,029,423</b>	<b>\$58,125,810</b>	<b>(\$2,201,894)</b>	<b>\$46,661,767</b>	<b>\$443,740</b>	<b>(92.1)</b>
Percentage Change	2.0%	4.8%	(0.1%)	4.8%	1.7%	(0.3%)
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$5,156,594,764</b>	<b>\$1,275,069,855</b>	<b>\$2,829,086,407</b>	<b>\$1,026,740,895</b>	<b>\$25,697,607</b>	<b>26,568.8</b>
Request Above/(Below) Recommendation	(\$110,194,390)	\$763,904	(\$110,831,150)	\$30,377	(\$157,521)	94.7

## DESCRIPTION OF INCREMENTAL CHANGES

**LONG BILL SUPPLEMENTAL:** The recommendation includes adjustments to higher education tuition and fee revenue estimates for FY 2021-22. It also includes an increase of \$15,000,000 in the tuition contingency line item to assist in addressing any tuition forecast errors in FY 2021-22. Finally, it includes a one-time adjustment of \$32,667,217 for spending authority for tuition revenue received by the University of Colorado System and Colorado State University System in FY 2020-21 in excess of appropriations.

**R1 STATE OPERATING FUNDING FOR PUBLIC HIGHER EDUCATION:** The request includes an increase of \$52,488,643 General Fund for public higher education institutions and financial aid, including an increase of 4.6 percent for the public institutions of higher education. Consistent with statutory requirements for aligned funding increases, it also includes \$9,768,590 General Fund for Need Based Grants (financial aid) and an adjustment to increase stipends for students attending private institutions. The request allocates funds based solely on "Step 2" of the funding formula established by H.B. 20-1366. This portion of the model compares institutions' performance changes over time with the performance changes of other institutions in eight areas: resident FTE enrollment, credential production, Pell eligible enrollment, underrepresented minority enrollment, retention rate, graduation rate in 100% of time, graduation rate in 150% of time, and first generation enrollment. The request proposes that this increase be associated with holding tuition flat.

The recommendation includes an increase of \$52,642,854 General Fund for public higher education institutions and financial aid, including an increase of \$42,690,664 General Fund (4.6 percent) for the public institutions of higher education, including \$41,028,190 for stipends and fee-for-service contracts reappropriated to the ten state governing boards and \$1,662,474 for grants to local district



colleges and area technical colleges. Consistent with statutory requirements for aligned funding increases, the recommendation also includes \$9,768,590 General Fund for Need Based Grants (financial aid) and \$183,600 to increase stipends for students attending private institutions.

The differences between the request and recommendation include a technical correction to the amount for stipends for students attending private institutions, which increases the total funding slightly. The recommendation also allocates the funds differently. The staff recommendation allocates the funds based on a version of the H.B. 20-1366 model submitted by the governing boards based on a negotiated agreement. The staff version scales amounts requested by the governing boards to provide the same share of total funding for each board as the shares requested by the governing boards in a proposal for \$105.3 million. Specifically, the recommendation includes \$46,965,423 in Step 1 of the model and funds the Step 2 performance model at 99.5 percent of the base derived from FY 2021-22 funding. Step 1 of the model includes the same components as were included in the FY 2021-22 version of the model adopted by the JBC, but uses different percentages. First generation FTE, first generation headcount, race/ethnicity with headcount calibrated to General Fund shares, and Pell distribution with headcount calibrated to General Fund shares each receive 16.25 percent of the total Step 1 allocation, while race/ethnicity retention receives 35.0 percent.

The request indicates that it is for a theory-informed program or practice. Although the state collects data on outputs and return-on-investment for students, there are no studies or evaluations specifically on the impact of Colorado's funding on outcomes. Staff concurs.

**R2 TUITION SPENDING AUTHORITY:** The request is to hold resident undergraduate tuition flat for FY 2022-23 with the goal of keeping tuition affordable. It proposes the General Assembly apply an exemption process to address the needs of individual institutions if required. Although the request included no change to cash funds spending authority for tuition revenue, JBC Staff anticipated that, consistent with statute and past practice, amounts in the FY 2022-23 Long Bill would incorporate adjustments based on mid-year revenue estimates and assumptions the Committee adopts about tuition.

The recommendation incorporates a resident undergraduate tuition to an increase of 3.0 percent for FY 2022-23, with the exception of additional adjustments that are requested and recommended for the University of Colorado System. Resident graduate and all nonresident tuition rates are unrestricted, but calculations are based on an assumed 3.0 percent increase, except Fort Lewis College is not expected to increase its nonresident tuition rates. Figures are based on the Legislative Council Staff revenue assumptions, modified as described. Assumptions will be described in Long Bill footnotes, consistent with statute.

**R3 FORT LEWIS NATIVE AMERICAN TUITION WAIVER:** The request includes an increase of \$758,358 General Fund for the Fort Lewis College Native American tuition waiver. The recommendation includes an updated amount of \$1,518,889, bringing the total \$25,563,965 General Fund. Waiver payments are mandated by Section 23-52-105 (1)(b)(I), C.R.S., which requires the General Assembly to fund 100 percent of the tuition obligations for qualifying Native American students attending Fort Lewis College. Funding for the tuition waiver is made one year in arrears and is calculated based on prior year enrollment estimates. Almost all funds support nonresident tuition payments for Native American students who are not Colorado residents; however, the majority of these students are from tribes with historical ties to the State.

**R4 HIGHER EDUCATION RESEARCH AUTHORITY SPENDING AUTHORITY INCREASE:** The request and recommendation is to restore \$800,000 cash funds spending authority for Colorado Higher Education Competitive Research Authority (CHECRA), bringing the total appropriation for the program to \$2.8 million from the Innovative Higher Education Research Fund. CHECRA was established by the General Assembly in 2007 to provide higher education institutions with a state source for matching funds for grants awarded by the National Science Foundation and other competitive federal grants. Prior to the COVID-19 pandemic, the program received \$2,100,000 annually from limited gaming revenues that was deposited to the Innovative Higher Education Research Fund. The General Assembly suspended the distributions that would have occurred at the end of FY 2019-20 and FY 2020-21 due to projected declines in gaming revenue; however a distribution is anticipated at the end of FY 2021-22 based on current law. The program has been spending from its fund balance but anticipates that additional spending authority will be needed in FY 2022-23, once deposits to the Innovative Higher Education Research Fund are restored.

**R5 DIVISION OF OUTREACH AND ATTAINMENT SERVICES:** The request includes \$250,000 General Fund and 2.0 FTE to fund the Division of Outreach and Attainment Services. The funding will enable the Department to continue serving education, workforce and corrections professionals statewide by assisting them with tools and resources for individual career, postsecondary, and job exploration and planning with their stakeholders. For subsequent years, the funding will annualize to \$250,000 reappropriated funds from indirect cost recoveries paid by higher education institutions.

The Department previously operated the College in Colorado online counseling and career exploration tool and had a staff of 14 outreach professionals who were funded through the federal CollegeAssist program. This funding ended in FY 2018-19. To replace the College in Colorado tool, a multi-agency taskforce coordinated by the Colorado Workforce Development Council raised funds to develop My Colorado Journey, a new online career exploration tool that was authorized in statute by H.B. 20-1396. The Department of Higher Education received grant support through the Colorado Workforce Development Council for 2.0 FTE to provide outreach and training about My Colorado Journey in FY 2020-21, but the funding did not continue in FY 2021-22. The Department's written request for R5 indicated that it was supporting these staff in FY 2021-22 with vacancy savings and that this was not sustainable. More recently, the Department informed JBC staff that one of these staff members has departed. As originally presented, the request indicated that the Department sought staff to provide regional workshop opportunities for education and workforce professionals on My Colorado Journey activities and features, assist professionals with other training and career planning tools, and facilitate school and organizational participation in College Application Month, College Friday, and Free Application for Federal Student Aid (FAFSA) Completion. In more recent communication the Department indicates that the request is no longer related to My Colorado Journey and that new staff would be particularly focused on FAFSA completion.

The Department indicates that funding is for the implementation of a theory informed program or practice as defined in S.B. 21-284 (Evidence-based evaluation for budget), although JBC staff is uncertain how the impact of the additional staff can be evaluated.

**Staff recommends that the JBC sponsor legislation to outline Department responsibilities for outreach and that this bill carry a fiscal note, which staff assumes would be similar to the \$250,000 General Fund requested.** Staff believes the Department has an important role in outreach,

particularly related to assisting high school students in understanding college options and affordability. However the Department has little statutory authority to support this role, because its prior activities were supported with federal and grant funds. Given this, staff does not recommend funding for this item in the Long Bill.

**R6 SUPPORT EXPANSION OF SINGLE STOP:** The request includes \$45,000 General Fund for FY 2022-23 and ongoing to support the use of the Single Stop technology application at all institutions of higher education in Colorado (public and private). The funding represents the annual cost for the license. The Single Stop online tool is designed for use by nonprofits, higher education institutions, and other entities that wish to assist their constituents in accessing public benefits (e.g., food assistance). With the technology, entities can "screen... constituents or have them screen themselves from a mobile device; provide referrals to critical benefits and services in their own community; and track and report data in real-time." The request notes that several Colorado institutions of higher education have already licensed this tool.

A recent survey of the Colorado community colleges found that 40 percent of students experienced food insecurity in the prior 30 days, 55 percent experienced housing insecurity in the previous year, and 16 percent experienced homelessness in the previous year. Many postsecondary students may be eligible for public benefits such as SNAP, TANF, WIC, and Medicaid but do not know they are eligible. Use of public benefits can enable students to complete credentials and degrees and access better long-term workforce opportunities, thereby breaking a cycle of dependence.

In response to staff questions, the Department reports that the \$45,000 serves as base funding for the State. However, individual institutions participating in the program must also contribute, with current pricing per institution at \$12,600 for the first year, \$6,600 for the second year, and \$5,500 thereafter. The \$45,000 cost for the State has been covered by a donor for the last two years, but this funding will not be available beginning in FY 2022-23.

The Department indicates that the funding is for the implementation of an evidence-informed practice as defined in S.B. 21-284 (evidence based evaluation for budget). National research studies have found that Single Stop clients are more successful in college than peers that do not use the service and that students with support from Single Stop had higher retention, pass rates, GPAs and graduation rates compared to peers. The RAND Corporation is currently facilitating a randomized control trial which includes some Colorado higher education institutions. Staff concurs with the Department's assessment.

In response to a staff question, on December 7, the Department informed staff that it believes new legislation will be required to give the Department statutory authority to execute the Single Stop request. **Staff recommends that the Committee sponsor legislation to authorize the Department to contract for this program and provide associated funding in the bill. As part of this, staff recommends that the Committee consider providing a one-time additional subsidy for institutions not currently participating in the program.** To provide a first-year partial subsidy of \$6,000 per institution for the 21 institutions not currently participating in Single Stop would cost an additional \$126,000 General Fund in one-time funds. This would encourage institutions to join more quickly and thus make more efficient use of the State's investment. Each institution would still be required to contribute \$6,500 per year for the first two years, and \$5,500 per year after that. Because this item requires legislation, it is not included in the recommended Long Bill appropriation.

**R7 LOWERING FEES FOR FORMER STUDENTS OF CLOSED SCHOOLS:** The request and recommendation includes a decrease of \$4,833 in cash funds spending authority, including a reduction for the Division of Private Occupational Schools (DPOS) line item and a small reduction to the Administration line item. The decrease is from lower fees for students requesting transcripts from closed schools, reflecting cost savings from schools' transition to digital transcripts. Fees are being reduced from \$35 per transcript to \$20 per transcript.

**R8 FUNDING FOR INSTITUTE OF CANNABIS RESEARCH:** The request includes an increase of \$1,800,000 from the Marijuana Tax Cash Fund for the Institute of Cannabis Research (ICR) for FY 2022-23 and ongoing. The request would double the current funding to a total of \$3,600,000 cash funds. Of the request, approximately \$1.6 million would be used to fund two new medical/clinical multi-year projects (\$500,000 x 2), three new biotechnology/scientific multi-year projects (\$150,000 x 3), and two economic/social impact multi-year projects (\$75,000 x 2). The ICR was launched in 2016 at Colorado State University-Pueblo. Initially its activities were focused on research and education at CSU Pueblo and hosting an annual research conference. In 2019, the mission evolved to a pure research focus engaging researchers throughout Colorado. The ICR's current grant funding model launched in 2021 and is based on the process used by the National Institutes of Health for research funding. There is significant demand for this research funding, and the request notes that unbiased research on cannabis informs appropriate regulation and policy to protect public health and safety; stimulates medical, scientific, and technology advancement; and addresses societal questions about the impacts of new markets and policies. The ICR also continues to host an annual research conference, sponsors publication of the Journal of Cannabis Research in partnership with Springer Nature Publishing, and provides a monthly webinar series on cannabis research.

The staff recommendation is for an increase of \$1,000,000, rather than the \$1,800,000 requested, in light of the projected insolvency of the Marijuana Tax Cash Fund. Staff also recommends that the Committee continue the practice of allowing the ICR to roll-forward 25 percent of research funding through a footnote to facilitate multi-year grants and address occasional research delays.

**HC1 HISTORY COLORADO RESOURCE REALIGNMENT & SI SPENDING AUTHORITY FOR GAMING REVENUE:** History Colorado requests a net \$0 budget reorganization to more closely align the organization's budget with its internal organization. Staff recommends the related changes in budget structure but also recommends adding an additional \$1,490,421 cash funds spending authority for limited gaming revenue deposited to the Museum and Preservation Operations Account of the State Historical Fund. This builds on supplemental action to provide additional spending authority in FY 2021-22 and reflects the combined impact of General Fund support for History Colorado COP payments and a rebound in gaming revenue. The increase recommended is based on setting total appropriations throughout the budget at no more than \$11,000,000 cash funds from the Museum and Preservation Operations Account for FY 2022-23.

**BA1 EXPANSION OF AREA TECHNICAL COLLEGE PROGRAMS AND SERVICES:** The request adds \$1,700,000 General Fund to enhance funding for area technical college (ATC) operations. The request is presented as for two years only (\$3.4 million total) and would be eliminated (annualize) in FY 2024-25. The three ATCs are Emily Griffith Technical College, Pickens Technical College, and the Technical College of the Rockies. The funds will be used for reducing waiting lists and expanding program offerings. Additional funding provided in H.B. 21-1264 (\$10.0 million in federal Coronavirus

State Fiscal Recovery Funds for Career and Technical Education investments) will help address some of the front-end costs, but expanding capacity also requires ongoing investments in instructional staff. The ATCs also indicate that they hope to use some of the funds to eliminate student loans by providing grant support to low-income students. *Staff recommends the request for a \$1,700,000 increase for the Area Technical Colleges but recommends that this amount be treated as ongoing, rather than limited to two years, based on the large increases in enrollment at Emily Griffith Technical College in the last decade.*

**T1 WICHE DUES:** The request and recommendation includes an increase for fees paid to the Western Interstate Commission on Higher Education, which provides research services and runs inter-state student exchange programs used by the department and public institutions of higher education.

**T2 AURARIA HIGHER EDUCATION CENTER:** The request and recommendation increases spending authority for the Auraria Higher Education Center by \$100,000 for funds received from the institutions operating on the Auraria campus (University of Colorado – Denver, Metropolitan State University of Denver, and the Community College of Denver).

**T3 DEPRECIATION LEASE EQUIVALENT ADJUSTMENT:** The request and recommendation includes a \$2,717,414 General Fund increase to the annual depreciation lease equivalent payment for higher education, bringing the total for higher education to \$7,406,847 General Fund. This mechanism for supporting capital construction is based on the depreciation of new construction and renovations funded by the General Assembly since FY 2015-16. Most of the appropriation is credited to the Capital Construction Fund, with 1.0 percent credited to the Controlled Maintenance Trust Fund.

**SI, T4, T6 LEASE PURCHASE PAYMENT ADJUSTMENTS:** The request included small technical adjustments to lease purchase obligations appropriated in this department: the University of Colorado Health Sciences Center at Fitzsimons lease purchase authorized by H.B. 03-1256; and the Higher Education Federal Mineral Lease (FML) Revenues lease purchase that supported the construction of various higher education capital construction projects in 2008. The staff recommendation includes more substantial changes to reflect a reduction in the total FY 2022-23 Fitzsimons obligation and a small technical correction to the FML lease purchase obligation. The recommendation also adjusts fund sources based on the Tobacco Master Settlement revenue projection and revenue available in the Higher Education FML Revenues Fund. The net result of the changes is a reduction of \$1,009,156 in General Fund required for these obligations in FY 2022-23.

**CENTRALLY APPROPRIATED LINE ITEMS:** The request and recommendation include adjustments to centrally appropriated line items, as detailed in the table below. The amounts reflect Committee action for those items where the Committee has taken action. For other items, the request is shown and will be updated based on Committee common policy.

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Salary survey	\$567,669	\$148,115	\$226,814	\$115,193	\$77,547	0.0
Health, life, and dental	266,267	129,890	37,037	(137,482)	236,822	0.0
Payment to risk management and property funds	45,984	0	23,949	22,035	0	0.0
Payments to OIT	38,949	0	11,685	27,264	0	0.0
DPA Paid family leave	31,599	5,208	15,526	5,557	5,308	0.0
Legal services	21,152	0	(14,399)	35,551	0	0.0

CENTRALLY APPROPRIATED LINE ITEMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
CORE adjustment	20,110	0	0	20,110	0	0.0
Short-term disability	3,003	1,507	174	(415)	1,737	0.0
PERA Direct Distribution	1,449	49,616	(46,318)	(33,071)	31,222	0.0
ALJ services	322	0	322	0	0	0.0
Workers' compensation	(5,471)	0	(5,094)	(377)	0	0.0
AED	(1,864)	51,133	(98,309)	(11,303)	56,615	0.0
SAED	(1,864)	51,133	(98,309)	(11,303)	56,615	0.0
<b>TOTAL</b>	<b>\$987,305</b>	<b>\$436,602</b>	<b>\$53,078</b>	<b>\$31,759</b>	<b>\$465,866</b>	<b>0.0</b>

**NON-PRIORITIZED CENTRALLY APPROPRIATED REQUESTS:** This item includes a net reduction of \$4,109 total funds for four non-prioritized requests: the Department's share of the Governor's Office of Information Technology's budget package adjustments, the Department's share of a request from the Department of Personnel (DPA) for additional funding for the Colorado State Employee Assistance Program (CSEAP), the Department's share of the non-prioritized Colorado WINS Partnership Agreement and the Department's share of a reduction related to OIT CBMS administrative costs. The recommendation reflects Committee common policy when this has been decided and reflects the request for items that are pending.

**STAFF INITIATED (SI) HIGHER EDUCATION LIMITED GAMING ADJUSTMENT:** The recommendation includes an increase of \$1,822,776 cash funds for community college and other designated institutions' revenue from limited gaming funds. These funds are received based on Constitutional and statutory provisions and are shown for informational purposes only. This increase reflects the overall increase in receipts from FY 2019-20 to FY 2020-21.

**SI HISTORY COLORADO INFORMATIONAL FUNDS ADJUSTMENT:** The recommendation includes an increase of \$1,060,000 cash funds to reflect increases in spending for historic preservation grants and distributions to gaming communities for historic preservation. The total is based on assumed revenue from limited gaming to the State Historical Fund of \$27.6 million at the end of FY 2021-22 for distribution in FY 2022-23, which is allocated within History Colorado based on Constitutional and statutory provisions. Funding for preservation grants and distributions to gaming communities is continuously appropriated based on statute and the Constitution, so these amounts are shown for informational purposes only.

**INDIRECT COST ADJUSTMENTS:** The recommendation incorporates adjustments consistent with the Department's indirect cost plan.

**SI INCREASE DEPENDENT TUITION ASSISTANCE PROGRAM:** The recommendation includes increasing the appropriation for the Dependent Tuition Assistance Program by \$187,700 General Fund to a total of \$1,143,700 General Fund, which was the actual expenditure in FY 2020-21. The Dependent Tuition Assistance Program, authorized in Section 23-3.3-204 and 23-3.3-205, C.R.S., pays tuition, room, and board for Colorado dependents of deceased or permanently disabled members of the National Guard, law enforcement, firefighters, prisoners of war and military personnel missing in action. Pursuant to Section 23-3.3-202, C.R.S. this is the first priority of any state financial aid funds. If the appropriation in this line is insufficient to cover costs, CCHE must use money appropriated in other financial aid line items for this purpose.

**SI SPENDING AUTHORITY DIVISION OF PRIVATE OCCUPATIONAL SCHOOLS:** The recommendation increases the appropriation for the Division of Private Occupational Schools by \$99,415 cash funds for two years to enable the Division to complete a previously-approved information technology project and spend down excess uncommitted reserves.

**SI INFLATIONARY ADJUSTMENT COLORADO GEOLOGICAL SURVEY:** The recommendation provides a 2.0 percent inflationary increase of \$45,001 total funds (General Fund and Severance Tax Tier 1 funds) appropriated for the Colorado Geological Survey at the Colorado School of Mines. State funding supports hazard mitigation and related services for communities throughout Colorado.

**SI OPERATING ADJUSTMENT FOR CUMBRES AND TOLTEC RAILROAD:** The recommendation includes an adjustment of \$21,500 General Fund in order to include all funding for ongoing operating support for the Cumbres and Toltec Railroad Commission in the operating line item in History Colorado.

**SI WICHE OPTOMETRY PSEP INFLATION:** The recommendation includes an increase of \$8,900 General Fund for inflationary increases for the WICHE Professional Student Exchange Program in Optometry to enable the program to continue to include 20 participants.

**SI ADJUSTMENTS TO LOCATION OF APPROPRIATION:** The recommendation includes net \$0 technical adjustments to reflect appropriations from new legislation in distinct line items.

**OTHER:** The recommendation includes various net \$0 adjustments to fund source detail.

**EMPLOYEE FTE ADJUSTMENTS:** The recommendation includes a net decrease of 97.1 FTE for the governing boards. These FTE are shown for informational purposes only.

**ANNUALIZE PRIOR YEAR LEGISLATION** The request includes a net reduction of \$60.4 million total funds to reflect the FY 2022-23 impact of bills passed in previous legislation sessions, summarized in the following table. Among other adjustments, this includes eliminating cash funds originating as federal Coronavirus State Fiscal Recovery Fund money that was appropriated on a one-time basis in FY 2021-22 in H.B. 21-1330, H.B. 21-1264, and S.B. 21-137.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 21-213 Use of increased Medicaid match	\$10,231,186	\$5,115,593	\$0	\$5,115,593	\$0	0.0
SB 21-106 Successful high school transitions	324,570	324,570	0	0	0	0.1
SB18-200 PERA unfunded liability	59,685	6,320	38,145	11,839	3,381	0.0
HB 21-1330 Higher education student success	(51,500,000)	0	(51,500,000)	0	0	(1.0)
HB 21-1264 Funds workforce development increase worker skills	(10,000,000)	0	(10,000,000)	0	0	0.0
HB 21-1317 Regulating Marijuana Concentrates	(3,000,000)	0	(3,000,000)	0	0	0.0

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SB 21-185 /TA 28 Educator Loan Forgiveness	(2,898,963)	(2,898,963)	0	0	0	(0.5)
SB 21-137 Behavioral Health	(2,705,000)	0	(2,705,000)	0	0	0.0
HB 21-1149 Energy Sector Career Pathways	(824,431)	0	(824,431)	0	0	0.0
HB 21-1268 Study Emerging Technologies for Water	(80,000)	(40,000)	0	(40,000)	0	0.0
HB 21-1306 Accreditation of postsecondary institutions	(34,911)	0	(34,911)	0	0	(0.1)
SB 21-185 Supporting Educator Workforce in CO	(4,891)	(4,891)	0	0	0	0.0
<b>TOTAL</b>	<b>(\$60,432,755)</b>	<b>\$2,502,629</b>	<b>(\$68,026,197)</b>	<b>\$5,087,432</b>	<b>\$3,381</b>	<b>(1.5)</b>

**ANNUALIZE PRIOR YEAR BUDGET ACTIONS** The request includes a net decrease of \$32.7 million total funds for the out-year impact of prior year budget actions. This primarily reflects eliminating a one-time adjustment to tuition spending authority in FY 2021-22. The General Fund reduction primarily reflects eliminating one-time appropriations for History Colorado, as reflected in the table below.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize Chief Educational Equity Officer funding	\$0	(\$80,000)	\$0	\$80,000	\$0	0.0
Annualize supplemental for CU and CSU for excess FY 21 revenue	(32,667,217)	0	(32,667,217)	0	0	0.0
Annualize History CO sustainability funding	(1,000,000)	(1,000,000)	0	0	0	0.0
Annualize Cumbres and Toltec RR support	(871,500)	(871,500)	0	0	0	0.0
Annualize prior year salary survey	(349,530)	(42,278)	(267,101)	0	(40,151)	0.0
<b>TOTAL</b>	<b>(\$34,888,247)</b>	<b>(\$1,993,778)</b>	<b>(\$32,934,318)</b>	<b>\$80,000</b>	<b>(\$40,151)</b>	<b>0.0</b>

**SI STUDENT FEE ADJUSTMENTS:** The recommendation includes a reduction of \$13,577,382 cash funds for the projected decline in higher education mandatory fee revenue, including reductions related to a University of Colorado proposal to roll certain fees into tuition charges. Mandatory higher education fees are shown for informational purposes only. A Long Bill supplemental adjusted the fee projection for FY 2021-22. The \$13.6 million reduction reflects changes net of the supplemental adjustment.

**SI UTILIZATION OF COF STIPEND PRIVATE INSTITUTIONS:** The recommendation includes a reduction of \$254,392 General Fund to the appropriation for College Opportunity Fund (COF) stipends for students at participating private institutions. The adjustment is based on use of the stipends as reported by the Department in prior actual years.

**SI TOBACCO MASTER SETTLEMENT AGREEMENT REVENUE ADJUSTMENT:** The recommendation includes a decrease of \$38,199 for the projected decrease in revenue to the Tobacco Settlement Health Education Fund appropriated to the Regents of the University of Colorado for programs on the medical campus.



## MAJOR DIFFERENCES FROM THE REQUEST

Major differences in the recommendation for amounts in the *Long Bill* include:

*For FY 2021-22:*

- The staff recommendation includes updates to FY 2021-22 tuition and fee amounts that were not formally requested. The recommendation also includes an increase of \$15,000,000 in the tuition contingency line item to assist in addressing any tuition forecast errors in FY 2021-22 and a one-time adjustment of \$32,667,217 for spending authority for tuition revenue received by the University of Colorado System and Colorado State University System in FY 2020-21 in excess of appropriations. These adjustments were not requested.

*For FY 2022-23:*

- The recommendation adds \$105.5 million cash funds for tuition spending authority, based on the staff recommendation that resident undergraduate tuition should be allowed to increase by up to 3.0 percent, with additional adjustments at the University of Colorado. The amount also reflects the staff recommendation for estimated increases of 3.0 percent for resident graduate and nonresident tuition and enrollment adjustments based on the Legislative Council Staff forecast.
- The recommendation includes differences in the distribution of funding to institutions for the R1 request to increase operating support for public higher education institutions and financial aid, although the total matches the request with the exception of a technical correction to the adjustment for COF stipends for students at private institutions.
- The recommendation includes an increase of \$1.5 million cash funds for spending authority in History Colorado based on anticipated receipts from limited gaming revenue.
- The recommendation includes an increase of \$1.0 million cash funds from the Marijuana Tax Cash Fund, rather than \$1.8 million cash funds, for R8 Institute of Cannabis Research, in light of shortfalls in available revenue.
- The recommendation reflects providing the request for BA1 (\$1.7 million) on an ongoing, rather than time-limited, basis.
- The recommendation includes a reduction of \$1.0 million General Fund for lease purchase payments, based on technical corrections and adjustments.
- The recommendation includes a reduction of \$13.6 million cash funds for student fee adjustments and an increase of \$1.8 million cash funds for line items in History Colorado. These amounts are shown for informational purposes only.
- The recommendation includes an increase for the Dependent Tuition Assistance Program, the Division of Private Occupational Schools, the Colorado Geological Survey, and WICHE Optometry, as well as a decrease for the COF stipend at private institutions, to address utilization and inflation.
- The recommendation includes other differences consistent with Committee common policy or technical corrections.

## DECISION ITEMS AFFECTING MULTIPLE DIVISIONS

### → REQUEST R1 INCREASE OPERATING SUPPORT FOR PUBLIC INSTITUTIONS OF HIGHER EDUCATION AND FINANCIAL AID

*REQUEST:* The request includes an increase of \$52,488,643 General Fund for public higher education institutions and financial aid. As summarized in the table below, the request provides an average increase of 4.6 percent for the public institutions of higher education, with variation by institution, and an aligned increase for financial aid and student stipends at private institutions.

TABLE 1: R1 INCREASE FOR PUBLIC HIGHER EDUCATION AND FINANCIAL AID

	BASE FUNDING FOR STUDENT STIPENDS, FEE-FOR-SERVICE CONTRACTS UNDER 23-18-303.5, SPECIALTY EDUCATION, AND GRANTS FOR LOCAL DISTRICT AND AREA TECHNICAL COLLEGES, AND ALIGNED FINANCIAL AID BASE (FY 21-22 APPROPRIATION+ ANNUALIZATIONS)	FY 22-23 REQUEST: STUDENT STIPENDS, FEE-FOR-SERVICE CONTRACTS UNDER 23-18-303.5, SPECIALTY EDUCATION, AND GRANTS FOR LOCAL DISTRICT AND AREA TECHNICAL COLLEGES, AND ALIGNED FINANCIAL AID	R1 INCREASE REQUESTED	PERCENTAGE INCREASE IN FUNDING
Adams State University	\$19,067,430	\$19,831,943	\$764,513	4.0%
Colorado Mesa University	35,677,002	37,552,135	1,875,133	5.3%
Metropolitan State University	72,239,051	75,796,422	3,557,371	4.9%
Western State Colorado University	16,494,441	17,329,074	834,633	5.1%
Colorado State University System	183,342,995	191,727,705	8,384,710	4.6%
Fort Lewis College	15,375,659	16,312,711	937,052	6.1%
University of Colorado System	255,348,965	267,010,637	11,661,672	4.6%
Colorado School of Mines	27,577,460	29,071,421	1,493,961	5.4%
University of Northern Colorado	51,724,570	53,957,382	2,232,812	4.3%
Community College System	213,982,645	223,218,980	9,236,335	4.3%
<b>Sub-total, State Governing Boards</b>	<b>890,830,218</b>	<b>931,808,410</b>	<b>\$40,978,192</b>	<b>4.6%</b>
Colorado Mountain College	9,668,008	10,112,736	444,728	4.6%
Aims Community College	11,483,011	12,011,230	528,219	4.6%
Area Technical Colleges	14,989,723	15,679,250	689,527	4.6%
<b>Total</b>	<b>\$926,970,960</b>	<b>\$969,611,626</b>	<b>\$42,640,666</b>	<b>4.6%</b>
Financial aid programs aligned with funding for governing boards	212,360,648	222,129,238	9,768,590	4.6%
Student stipends at private institutions aligned with public institutions	1,725,840	1,805,229	79,389	4.6%
<b>Total</b>	<b>\$1,141,057,448</b>	<b>\$1,193,546,093</b>	<b>\$52,488,645</b>	

The funding request uses the funding model created in H.B. 20-1366. This model includes three sections for the state operated governing boards.

- Ongoing Additional Funding (often called "Step 1")
- Performance Funding ("Step 2")

- Temporary Additional Funding ("Step 3")

Most funding is expected to be allocated through the Performance Funding section of the model. Specialty education programs such as the medical school and veterinary school, and funding for the local district colleges and area technical colleges must increase by no less than the percentage funding increase for Step 2 of the model.

The Governor's request uses **only** the Performance Funding section of the model to award an increase of 4.6 percent. For comparison, in FY 2021-22, the General Assembly provided an overall funding increase of \$100.3 million General Fund for the governing boards and financial aid and used both the Performance Funding section of the model to provide a 4.7 percent increase and the Ongoing Additional Funding section to provide a 4.9 percent increase. *Please refer to the appendices in the Staff Budget Briefing dated December 9, 2021 for additional detail on the operation of the performance model.*

PERFORMANCE FUNDING MODEL COMPONENTS	
CATEGORY	WEIGHT
Resident Enrollment	10%
Credential Production	5%
Pell (Low Income) Enrollment	20%
Race/Ethnicity Enrollment	20%
Retention Rate	20%
Grad. Rate - 100%	10%
Grad Rate - 150%	10%
1st Generation Enrollment	5%
<b>Total</b>	<b>100%</b>

The performance funding portion of the model allocates funds over time based on an institution's *change* in performance. If an institution's performance has improved more (or decreased less) than the performance of other boards, its funding will increase. However, **because the performance portion of the model uses multiple measures and averages over time, comparing a four year average (FY 2017-18 to FY 2020-21) to a three year average (FY 2017-18 to FY 2019-20), change is relatively slow and variation among the institutions is limited.**

The table below compares the FY 2022-23 performance funding allocation with the FY 2021-22 allocation. **These allocations are affected both by performance and by adjustments to the share of funding allocated through Step 1 (Ongoing Additional Funding) in the prior year, since this modifies each institution's base share.**

SHARE OF TOTAL FUNDING - HIGHER EDUCATION MODEL PERFORMANCE FUNDING (STEP 2) COMPONENT			
	FY 2021-22 SHARE OF FUNDING	FY 2022-23 SHARE OF FUNDING	CHANGE
Adams	2.56%	2.56%	(0.00%)
Mesa	4.81%	4.84%	0.04%
Metro	9.55%	9.78%	0.22%
Western	2.26%	2.24%	(0.02%)
CSU System	15.18%	14.99%	(0.19%)
Fort Lewis	2.10%	2.10%	0.01%
CU System	24.23%	23.98%	(0.25%)
Mines	3.81%	3.75%	(0.06%)

SHARE OF TOTAL FUNDING - HIGHER EDUCATION MODEL PERFORMANCE FUNDING (STEP 2) COMPONENT			
	FY 2021-22 SHARE OF FUNDING	FY 2022-23 SHARE OF FUNDING	CHANGE
UNC	7.02%	6.96%	(0.06%)
Community Colleges	28.48%	28.80%	0.32%
Total	100.0%	100.0%	

*RELATED REQUEST R2 (TUITION SPENDING AUTHORITY):* Request R2 proposes that tuition authority be held flat to provide affordability for Colorado students. It thus includes \$0 changes in spending authority. The request also notes, however, that the effects of the pandemic were not uniform across institutions and some may continue to experience budget shortfalls. In light of this, "an exemption process...allowing individual public institutions of higher education to raise tuition on a case-by-case basis can be used as a last resort."

**Rationale:** The request notes that "while the state's higher education institutions faced significant challenges from COVID-19, the increase in state support in 2021-22, multiple infusions of federal aid, durable cost saving measures, innovations in modes of providing services and instruction to students and stronger than expected enrollment rebounds for many institutions have provided institutions with funding to meet those challenges."

The request also indicates that state funding is intended to align with the level of increase provided for the K-12 system and to be sufficient to support a 3.0 percent funding increase for classified staff (\$5.2 million of the total), as well as other adjustments.

The request highlights:

- Significant funding increases for higher education in recent years [interrupted only by the pandemic in FY 2020-21]. In the five fiscal years before the pandemic, Colorado led the states in growth in state support for higher education.
- Federal funding of \$941.3 million (including \$450.0 million in Coronavirus Relief Funds allocated by the Governor and Higher Education Emergency Relief (HEERF) funds for institutional support of \$544.5 million for institutional support and \$337.5 million for student support) that have helped to compensate for the lost revenue in FY 2020-21 and FY 2021-22.
- The wide range of institutional financial positions, including differences in sources of support, enrollment, and reserves, which advocates for addressing tuition on a case-by-case basis.
- Indications that "institutions have made significant progress in finding sustainable cost-saving measures" but must "continue to find efficiency to maintain educational quality free up resources."

*RECOMMENDATION:* The staff recommendation includes:

- Provide the requested 4.6 percent General Fund increase as requested by the Governor, but allocate the funds consistent with the model negotiated among the institutions.
- Authorize an accompanying 3.0 percent increase in resident undergraduate tuition at the institutions, with some adjustments requested by institutions.
- As feasible, provide additional support to broadly address institutional funding needs and financial aid.

**ANALYSIS:** As discussed during the budget briefing, staff does not believe the Governor's request is sufficient to cover basic inflationary operating needs of the institutions. Staff does not agree with the institutions' analysis of the amount they require to cover "core needs". However, staff does believe that more is needed than has been included in the request.

IMPACT OF FY 23 GOVERNOR REQUEST GENERAL FUND & TUITION ONLY <sup>1</sup>									
BASE FY 2022-23 FUNDING					INCREASE WITH 0.0% RESIDENT AND 3.0% NONRESIDENT <sup>2</sup>				
	GENERAL FUND	RESIDENT TUITION	NONRESIDENT TUITION	TOTAL	GENERAL FUND	RESIDENT TUITION	NONRESIDENT TUITION	TOTAL	% CHG
Adams	\$19,067,430	\$11,657,000	\$8,706,600	\$39,431,030	\$764,513	\$0	\$261,198	\$1,025,711	2.6%
Mesa	35,677,002	56,295,318	14,006,949	105,979,269	1,875,133	0	420,208	2,295,341	2.2%
Metro	72,239,051	104,906,065	12,357,630	189,502,746	3,557,371	0	370,729	3,928,100	2.1%
Western	16,494,441	8,603,155	8,364,038	33,461,634	834,633	0	250,921	1,085,554	3.2%
CSU System	183,342,995	231,941,645	249,040,341	664,324,981	8,384,710	0	7,471,210	15,855,920	2.4%
Fort Lewis <sup>2</sup>	15,375,659	9,364,710	33,535,955	58,276,324	937,052	0	503,039	1,440,091	2.5%
CU System	255,348,965	532,601,411	611,825,870	1,399,776,246	11,661,672	0	18,354,776	30,016,448	2.1%
Mines	27,577,460	64,104,761	100,633,987	192,316,208	1,493,961	0	3,019,020	4,512,981	2.3%
UNC	51,724,570	59,255,715	19,791,391	130,771,676	2,232,812	0	593,742	2,826,554	2.2%
Community Colleges	213,982,645	245,282,633	27,242,182	486,507,460	9,236,335	0	817,265	10,053,600	2.1%
<b>TOTAL</b>	<b>\$890,830,218</b>	<b>\$1,324,012,413</b>	<b>\$1,085,504,943</b>	<b>\$3,300,347,575</b>	<b>\$40,978,192</b>	<b>\$0</b>	<b>\$32,062,109</b>	<b>\$73,040,301</b>	<b>2.2%</b>

<sup>1</sup> Calculations were based on FY 2021-22 tuition appropriations and no change in enrollment.

<sup>2</sup> For purposes of this exercise only staff assumed a 1.5 percent nonresident tuition increase for Fort Lewis College because no enrollment changes were incorporated. In most years the General Assembly assumes flat nonresident tuition for Fort Lewis College, because the majority of nonresident tuition at Fort Lewis College is paid by the General Fund at the posted price.

### HOW MUCH FUNDING?

In determining funding for the institutions, the Committee must address the questions both of **how much funding** to provide and then **how to allocate it**.

- **Every 1.0 percent increase in General Fund support for the higher education institutions above the FY 2021-22 base costs \$11.4 million**, including \$9.3 million for the institutions and \$2.1 million for financial aid.
- **Funding for higher education has historically been driven by the revenue available to the General Assembly.** The Committee could establish the minimum General Fund it wishes to provide for higher education during the figure setting process, but staff anticipates that both the final amount and the allocation plan may not be settled immediately.
- **The Governor's Office has proposed a total increase of \$52.5 million for the institutions and financial aid**, representing a **4.6 percent** increase in state support for the institutions, based an assumption that **tuition will be held flat**.
- **The institutions have come directly to the Committee (not through the Governor's Office) seeking an increase for the institutions of between \$105.3 million (11.4 percent)**, assuming a 3.0 percent resident undergraduate tuition increase, or **\$179.6 million (19.4 percent)**, assuming resident tuition is kept flat. **This range excludes an aligned financial aid increase.** Their calculation is based on:

- **For funding through the "performance" section of the model:**
    - \$124.5 million to cover "base core minimum cost" increases, representing an **increase on their total base of resident tuition, nonresident tuition, and General Fund of 3.8 percent.** This incorporates: a 3.0 percent increase in salaries, a 5.8 percent increase on health/life/dental benefits, an increase of 0.225 percent for Paid Family Medical Leave Insurance, 0.5 percent for automatic increases in PERA employer contributions under S.B. 18-200, and a 3.7 percent for inflationary increases on other costs.
    - An assumption that each 1.0 percent tuition increase will offset this required expense by \$23.8 million.
  - **A request for \$50.0 million through "Step 1" of the model, without regard to inflationary needs or the calculations above.**
- The letter from the institutions states that once financial aid is included, the request would require \$125.0 million to \$213.2 million General Fund, but this included an error in the calculation. Staff's calculation is that **providing the percentage increases proposed for the governing boards would require \$129.4 million to \$220.7 million General Fund once aligned financial aid is included.** The total FY 2021-22 appropriation for the Department of Higher Education includes \$1,216,180,141 General fund, so the high end of the request would represent an increase of **18.1 percent on the total base General Fund** for the Department. For comparison, the staff recommendation, which is largely based on the Executive Request, provides a 4.8 percent General Fund increase Department-wide.

Apart from minor tweaking, **staff concurs with the institutions' expectations that they will experience inflationary increases in the range of 3.5 to 4.0 percent, assuming no other adjustments to the size of their operations.** Increased costs in this range have been broadly consistent for many years. However, **staff notes that the institutions' calculation is based on the need to cover inflation on nonresident tuition, in addition to General Fund and resident tuition.** Similarly the "tuition offset" calculation assumes that the institutions will restrict graduate and nonresident tuition consistent with restrictions established by the General Assembly on undergraduate resident tuition, even though the General Assembly has not historically imposed any restrictions on nonresident tuition or resident graduate tuition.

- **Using staff's preferred calculation** detailed below, which is similar to the institutions' but excludes nonresident tuition, **the total to cover "base core minimum" costs would be \$80.8 million. If General Fund is provided at the level requested by the Governor, the balance could be covered by resident tuition of just over 3.0 percent.**
- While the calculation above represents a reasonable estimate of inflationary need, **the actual share of state funds each governing board has in its base or would receive from this increase is not tied to its total General Fund + resident tuition.** Thus, a 4.8 percent increase in General Fund support for Adams State, with no increase in resident tuition, would translate to an overall increase of about 3.0 percent on General Fund + resident tuition for ASU, because General Fund is a large part of ASU's base. In contrast, a 4.8 percent increase in General Fund for the CU system would translate into an increase of about 1.6 percent in General Fund + resident tuition for CU, because General Fund is a small part of CU's base. Further all these figures would be affected by enrollment changes.

- There is ample evidence that the state higher education system is “underfunded” in comparison to other states, and **staff is supportive of additional increases for the institutions to the extent the General Assembly feels it has sufficient resources. However, staff recommends that the Committee set the General Fund operating budget for higher education at a level it thinks is likely to be a sustainable base point for the General Assembly over the next several years.** The public higher education institutions are an industry with over \$9 billion in combined annual revenues and rely far more heavily on tuition and other cash revenues than the General Fund. Thus, even a \$43.1 million increase spread across the institutions represents a modest increase from the perspective of most of the institutions, though it represents a large amount from a state budget perspective. The General Assembly should not over-extend its own limited resources to provide additional support that will be welcome--but unlikely to change the fundamental dynamic that makes the institutions highly dependent upon tuition.

*JUSTIFICATION FOR SUPPORT: BASE CORE MINIMUM COSTS*

The institutions have costs that they must cover to keep their organizations functioning, including annual salary and benefits increases. The ten state governing boards employ an estimated 25,995.3 state FTE in Education and General functions in FY 2021-22. This represents one-quarter to one-half of all staff employed by the institutions. In prior year requests the Department has cited data indicating that nearly 60 percent of all State of Colorado government employees work in higher education.<sup>1</sup> Most of these are “off budget” and work for the institutions in research and auxiliary services, which are expected to be self-supporting.

Unlike other parts of state government, the General Assembly does not appropriate funds to the governing boards based on common policy salary and benefits calculations. Instead, institutions are expected to use General Fund, tuition revenue and other sources of support to cover these costs. This is true even for those institutional staff whose salary and benefits are determined by state personnel system rules (classified staff). Salary and benefits for *classified* staff represented 10.6 percent of salaries and benefits overall in the Education and General Budget in FY 2019-20. Other classified staff are employed in housing, dining, and other “auxiliary enterprises” but these enterprises are assumed to be self-sustaining. The table below summarizes the sources and uses of funds in FY 2019-20 that were funded from the Education and General budget.

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<sup>1</sup> According to prior year Department requests, the U.S. Census Bureau report on State Government employment and payroll data for 2016 showed that 50,472 FTE worked in higher education in 2016, representing 59.0 percent of all State of Colorado government FTE. The Bureau of Labor Statistics reported 79,600 state employees in Colorado working in education in 2019, most of whom are presumed to be higher education staff, including student workers.

FY 2019-20 ACTUAL EDUCATION AND GENERAL BUDGETS <sup>2</sup>		
	EXPENDITURE/REVENUE	PERCENTAGE OF TOTAL
Total Salaries and Benefits - 26,103.3 FTE (about 50% salaries and 15% benefits)	\$2,414,898,402	64.8%
Other Expenditures	1,310,001,231	35.2%
<b>Total Education &amp; General Budget</b>	<b>\$3,724,899,633</b>	<b>100.0%</b>
General Fund	824,151,477	22.1%
Resident tuition	1,324,508,231	35.6%
Nonresident tuition	1,105,532,933	29.7%
Other state funds sources	30,163,736	0.8%
Fees, indirect recoveries, other	440,543,256	11.8%
Classified Staff Salaries and Benefits (included above)	\$256,473,228	<i>10.6% of all salaries and benefits</i>

Although the General Assembly does not appropriate funding for institutional staff and benefits in the same way it does for other parts of the budget, the JBC typically considers basic inflationary cost drivers when establishing funding levels for the governing boards.

In prior years the Department has coordinated an annual submission to report on "base core minimum" costs for the institutions. This was not included in the budget request this year. However, the recent submission from the governing boards is based on a similar approach and includes:

- a) Using the FY 2021-22 Long Bill as the base for identifying a break-down between resident tuition, non-resident tuition, and state funding for each governing board.
- b) Using prior year (FY 2018-19) "budget data book" submissions to determine the portion of overall actual costs at each institution related to:
  - Salary (49-61 percent by institution in the most recent analysis submitted);
  - Benefits (16 percent to 18 percent by institution);
  - Other (21-36 percent)
- c) Inflating these based on recent experience and Committee common policy. The institutions figures used 3.0% for salaries, 5.3% for health, life dental benefits, 3.7% for all other expenses based on anticipated CPI for CY 2021, an addition for the estimated costs associated with Prop 118 Paid Family Medical Leave for six months, and PERA increases required under S.B. 18-200.
- d) Estimating the tuition revenue that will come from an assumed tuition increase; and
- e) Requesting the General Fund cover the balance

<sup>2</sup> Actual FY 2019-20 data is shown due to the complexity added by federal supports in FY 2020-21.



Based on this calculation, the institutions indicate that they have a need for \$124.5 million. Their calculation includes: a base of \$3.27 billion, including General Fund, nonresident tuition, and resident tuition x composite inflation of 3.8%=\$124.5 million. **They calculate that this need is reduced by \$23.8 million for every 1.0% increase in tuition.** Both the calculation of "base core need" and the calculation of the tuition offset available is comprised of both resident and nonresident tuition.

	FLAT TUITION	1.0% TUITION INCREASE	2.0% TUITION INCREASE	3.0% TUITION INCREASE
Model "Step 1"	\$50.0 million	\$50.0 million	\$50.0	\$50.0
"Step 2" Performance Funding	\$129.6 million	\$104.8 million	\$80.8 million	\$55.3 million
Associated specialty education program increases	\$5.1 million	\$4.1 million	\$3.1 million	\$2.2 million
<b>Total</b>	<b>\$179.6 million (19.4%)</b>	<b>\$154.8 million (16.7%)</b>	<b>\$130.1 million (14.0%)</b>	<b>\$105.3 million (11.4%)</b>

- **Staff believes 3.7 percent is a reasonable estimate of inflationary pressures** faced by institutions of higher education. Staff's calculation, which includes some minor adjustments to the institutions' calculation are reviewed below.
- However, **staff believes the institutions' approach has significant flaws as a basis for determining how much state support the institutions require**, and, in particular, the amount of General Fund increase that is required if the General Assembly wishes to keep undergraduate tuition flat.

Specific issues and concerns:

- **The approach used by the institutions implies that the General Assembly should cover all inflationary increases for non-resident students**, as well as resident graduate students, as the "price" for avoiding tuition increases for resident undergraduate students. In FY 2019-20, state General Fund support represented only 25 percent of General Fund + tuition revenue for the state governing boards and 22.1 percent of overall Education and General revenue. In FY 2021-22, state General Fund support will represent 26.8 percent of General Fund plus tuition, after adjustments for a Long Bill supplemental, and **nonresident tuition will represent 30.1 percent.** *Why should the General Assembly be responsible for inflation on nonresident tuition?*
- **Tuition revenue figures are subject to substantial swings based on enrollment, and institutions adjust their costs in response to available revenue.** These enrollment adjustments often have a far greater impact on institutions' ability to provide staff salary and benefits adjustments than the scale of General Fund increases. As demonstrated later in a chart in this document, *projected changes in enrollment from FY 2021-22 to FY 2022-23 are likely to have a more significant impact on the revenue available to many institutions than either General Fund changes or changes in tuition rates.*
- **Whether or not the General Assembly approves a General Fund increase and/or a tuition increase, institutions may provide far greater or far lower salary increases depending upon their overall revenue.** With respect to salaries, the only staff affected by the General Assembly's common policies are those who are classified (about ten percent). Staff at some institutions are also affected by state policies related to PERA, for those institutions and staff who participate, but institutions have generally reduced their participation in PERA over time. Finally, institutions may

be affected by other state laws, such as new family leave requirements, but these are only one element of many different financial challenges and opportunities they are balancing.

- **The above said, it is certainly true that institutions of higher education, like any business, governmental body, or other large organization, face a range of inflationary pressures, including salary pressures. Official state policy on compensation, as well as state funding, will play into institutional decisions on salaries, though it will not be the final determinant for most institutional staff who are exempt from the classified system. The level of General Fund support will be one factor, along with enrollment, that will drive institutional decisions about compensation and other initiatives.**
- If the JBC focuses **solely** on covering the inflationary increase required to cover the **General Fund share and the *resident* tuition share** of higher education costs, **using the assumption that 3.7 percent is required to cover inflationary pressures**, and assuming no changes in enrollment, the calculation would be as follows. This is the same calculation, with minor adjustments, that staff presented as part of the budget briefing and is very similar to what institutions have provided the Committee as the basis for their request. **The primary difference between this calculation and the institutions' is that staff has entirely excluded nonresident tuition from the calculation.**
- As shown in the table below and as discussed during the briefing, **staff believes that the Governor's request in total dollars, combined with resident tuition increases of approximately 3.0 percent, would provide sufficient revenue to address basic inflationary needs at institutions. This is the basis for the staff recommendation.**

<b>HIGH LEVEL BASE CORE COST CALCULATION FOR GOVERNING BOARDS</b>	
<b>Base for Calculation: General Fund + Resident Tuition</b>	
(1) FY 21-22 General Fund for State Boards (State Stipends/Fee-for-service Contracts)	891,387,431
(2) FY 21-22 Resident Tuition (revised for recent enrollment update)	<u>1,293,368,647</u>
(3) Total	2,184,756,078
<b>(4) Calculate Composite inflationary assumption* 3.7%</b>	
3.0% salary survey on salaries comprising 51.0% of the base (3.0% = JBC common policy)	
4.8% health life dental on 16% of base (4.8%= JBC-approved increases requested by DPA)	
3.5% CY 2021 inflation on remaining 33% of base	
Adjustments for Prop 118 Paid Family Leave and PERA automatic increases=additional 0.4% on the salary base (based on institutions' estimates)	
<b>Identify Sources for Inflationary Adjustment</b>	
(5) Total inflationary adjustment needed	<b>\$80,835,975</b>
(6) Less Governor's General Fund Request	<u>40,978,192</u>
(7) Balance of Funding Needed from Tuition or General Fund	39,857,783
(8) FY 2021-22 Resident Tuition (Row 2)	1,293,368,647
Percentage Tuition Increase (Row 11/Row 12)	<b>3.1%</b>

**HIGH LEVEL BASE CORE COST CALCULATION FOR GOVERNING BOARDS**

\*Approach matches institutions' with minor adjustments. For additional detail on the overall approach see the staff budget briefing. Figures differ slightly from the briefing due to adjustments to both base tuition (to reflect the mid-year adjustments) and inflationary components (to reflect Committee common policy and updated inflation).

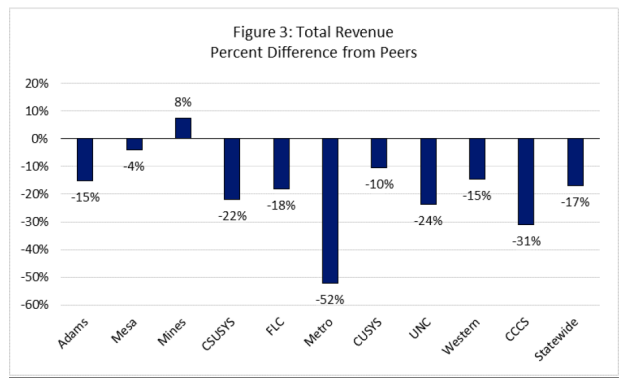
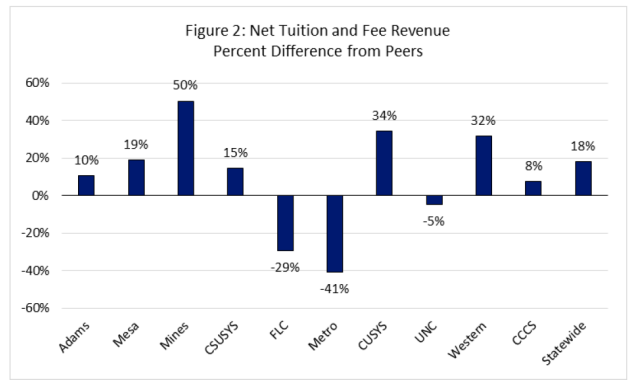
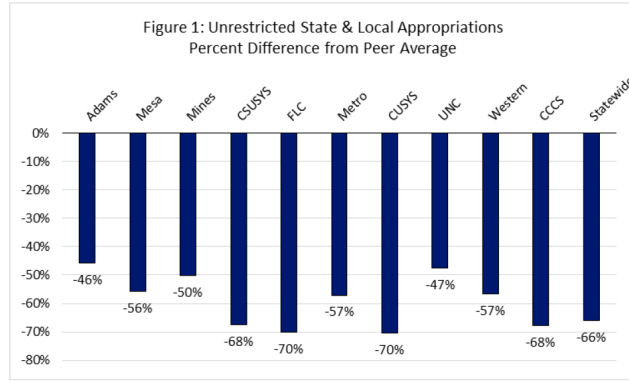
- While this inflationary calculation works from the perspective of developing a high level estimate of need, it works less well once adjustments are applied at the individual governing board level, particularly if the adjustments are to the General Fund, rather than tuition. This is because: (1) Governing boards rely on General Fund versus resident versus nonresident tuition to vastly different extents; and (2) governing boards' total revenue is also significantly affected by enrollment, both in absolute numbers and in the mix of students: resident, non-resident, particular disciplines, etc. Staff assumes this is at least a part of the reason institutions assert they would require far more than the \$80.8 million in the staff calculation to hold resident tuition flat. However, as shown later in this document, staff believes that authorizing a 3.0 tuition increase on resident tuition, combined with nonresident tuition increases and allocations recommended, should be sufficient to cover inflationary pressures at most institutions.
- **Staff would support providing the institutions with additional funding beyond this level for the reasons described below, but only to the extent that the General Assembly has funds available after addressing other state priorities.**

*JUSTIFICATION FOR SUPPORT: LOW LEVEL OF STATE FUNDING, BURDEN ON STUDENTS*

A wide range of analyses over the years have emphasized the extent to which Colorado governmental support for higher education is low compared to other states and tuition is typically relatively high. Staff frequently cites the State Higher Education Officers' State Higher Education Finance Report to highlight this. As shown in the table from the 2020 report: Colorado's educational appropriations per student FTE are low, its net tuition revenue is high, and its costs per student served are also now higher than the national average. Staff believes this is largely driven by the share of students in Colorado who attend the expensive research institutions versus less expensive community colleges. <https://shf.sheeo.org/state-profile/colorado/>

	Colorado			U.S. Average		
	1980	2020	Change	1980	2020	Change
Education Appropriations per FTE	\$5,859	\$5,591	-4.6%	\$8,814	\$8,636	-2.0%
Net Tuition Revenue per FTE	\$3,387	\$11,538	240.6%	\$2,329	\$6,726	188.7%
Total Education Revenue per FTE	\$9,246	\$17,128	85.2%	\$11,143	\$15,276	37.1%

The Department's 2020 *Hanover Resource Analysis Report* was designed to provide a related analysis at the institutional level, comparing each state institution to its national peers. The report highlights dramatically lower state support as well as, at most institutions, higher tuition.



High costs borne by students have short and long term consequences for students. As staff has highlighted in the past:

- Studies indicate that student participation is inversely related to higher education cost.** For example, a study of tuition increases from 1980 to 1992 found that for every \$1,000 increase in tuition, participation in community colleges fell by 4.7 percent and participation in 4-year institutions fell by 1.2 percent. While low-income students, in particular, may not actually pay the sticker price, they are far more likely to be aware of the sticker price than of the amount they will actually pay. As a result, a *higher sticker price discourages participation, particularly* among low-income

students.<sup>3</sup> In addition, students likely take more time to complete their degrees than in the past in large part due to higher education costs: students often work many hours to finance their educations, and this can make it difficult for them to take a full course load. A recent survey of over 6,000 community college students across the country indicated that their top obstacles to success were work obligations and paying expenses.<sup>4</sup> Colorado's Master Plan includes ambitious goals for increasing completion at state higher education institutions. Allowing tuition to continue to rise at high rates runs directly contrary to state goals.

- At Colorado public institutions, among those graduating with a baccalaureate degree, 36.6 percent graduated with loans in FY 2020-21; among those graduating with an associate degree, 52.9 percent graduated with loans. The average loan debt of loan recipients at graduation from public four-year institutions ranged from \$11,843 to \$28,687. The average student loan debt for associates graduates ranged from \$8,465 to \$20,661. While these figures have improved over time in Colorado, student debt is still a significant challenge. Nationally, student loan debt has now surpassed all other forms of non-mortgage consumer debt. According to the Federal Reserve Bank of New York, nationally, per-borrower higher education debt increased at a rate of about five percent per year between 2008 and 2018, student repayment is slow (2005 graduates had repaid less than 40 percent of their outstanding balances 10 years after leaving school), and more than 15 percent of borrowers in the second quarter of 2019 were 90 or more days past due or in default. In many cases students may simply avoid pursuing higher education to avoid taking on debt.

#### STAFF ANALYSIS: HOW TO ALLOCATE AVAILABLE FUNDS?

##### *Allocation Method Requested*

- The proposal from the Department was to use solely Step 2 of the funding model, i.e., the portion that is designed to change slowly over time based on institutions' performance compared to themselves.
- In their submission to the Joint Budget Committee, the institutions indicated that they had reached agreement on three possible scenarios, using the higher education funding formula, based on their calculation that they required \$124.5 million to cover base core cost increases. **The institutions' proposal reflects a negotiated agreement.** The version of the higher education funding model proposed includes adjustments to "Step 1" of the model that are clearly designed to ensure that all institutions receive close to the same percentage increase, with those institutions that serve a more disadvantaged population receiving slightly more.
- **After reviewing the results of the "pure" Step 2 model and the institutions' negotiated model that involves use of Step 1, staff prefers the results derived from the institutions' model. Further, staff believes the distribution provided by the negotiated model at the**

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<sup>3</sup> Kane, 1995, cited in Heller, Donald. Student Price Response in Higher Education: An update to Leslie and Brinkman. The Journal of Higher Education, Vol. 68, No 6 (Nov – Dec., 1997), pp. 624-659. See also David Deming and Susan Dynarski, *Into College, Out of Poverty? Policies to Increase the Postsecondary Attainment of the Poor*, National Bureau of Economic Research, September 2009. [w15387.pdf \(nber.org\)](https://www.nber.org/papers/w15387)

<sup>4</sup>RISC, "What Challenges Do Community College Students Face?". January 2019. [https://www.risc.college/sites/default/files/2019-01/RISC\\_2019\\_report\\_natl.pdf](https://www.risc.college/sites/default/files/2019-01/RISC_2019_report_natl.pdf)

lower funding level is preferable to the negotiated model at the higher funding model, since step 1 comprises a larger share of that version. Therefore, the staff recommendation is to use the funding shares generated by the funding model at the \$105.3 million level for distributing whatever level of funding the General Assembly desires.

- Specifically, the recommendation includes \$46,965,423 in Step 1 of the model and funds the Step 2 performance model at 99.5 percent of the base derived from FY 2021-22 funding. Step 1 of the model includes the same components as were included in the FY 2021-22 version of the model adopted by the JBC, but uses different percentages. First generation FTE, first generation headcount, race/ethnicity with headcount calibrated to General Fund shares, and Pell distribution with headcount calibrated to General Fund shares each receive 16.25 percent of the total Step 1 allocation, while race/ethnicity retention receives 35.0 percent.
- Staff had hoped that the new higher education funding model would incentivize performance (through the performance section) and give the General Assembly a tool for directing more funding to particular types of institutions that serve more disadvantaged populations through step 1. It has this capacity. **If the Committee uses the institutions' proposed distribution it will do this to some extent.** However, just as the former HB 14-1319 model was modified many times because the results were considered unsatisfactory, the new model is subject to similar pressures. *The negotiated agreement drives more funding to "access" institutions, but the funding distribution is still relatively flat.* The table below summarizes the share of funding provided to different institutions under the options presented so far. Ultimately, staff focuses on the model's results, rather than its components, because that is typically what the institutions themselves care about.

R1 INCREASE FOR PUBLIC HIGHER EDUCATION AND FINANCIAL AID: COMPARISON DISTRIBUTION VIA STEP 2 VERSUS USING INSTITUTION NEGOTIATED MODEL					
	BASE FUNDING FOR STUDENT STIPENDS, FEE-FOR-SERVICE CONTRACTS UNDER 23-18-303.5, SPECIALTY EDUCATION, AND GRANTS FOR LOCAL DISTRICT AND AREA TECHNICAL COLLEGES, AND ALIGNED FINANCIAL AID BASE (FY 21-22 APPROPRIATION+ ANNUALIZATIONS)	DEPARTMENT REQUEST ENTIRELY "STEP 2" PERFORMANCE MODEL	PERCENTAGE INCREASE IN FUNDING	STAFF RECOMMENDATION: USE OF INSTITUTIONS' NEGOTIATED MODEL FOR \$105 MILLION, SCALED TO \$42.6 MILLION	PERCENTAGE INCREASE IN FUNDING
Adams State University	\$19,067,430	\$764,513	4.0%	711,092	3.7%
Colorado Mesa University	35,677,002	1,875,133	5.3%	2,004,414	5.6%
Metropolitan State University	72,239,051	3,557,371	4.9%	4,883,663	6.8%
Western State Colorado University	16,494,441	834,633	5.1%	645,120	3.9%
Colorado State University System	183,342,995	8,384,710	4.6%	7,041,161	3.8%

R1 INCREASE FOR PUBLIC HIGHER EDUCATION AND FINANCIAL AID: COMPARISON DISTRIBUTION VIA STEP 2 VERSUS USING INSTITUTION NEGOTIATED MODEL					
	BASE FUNDING FOR STUDENT STIPENDS, FEE-FOR-SERVICE CONTRACTS UNDER 23-18-303.5, SPECIALTY EDUCATION, AND GRANTS FOR LOCAL DISTRICT AND AREA TECHNICAL COLLEGES, AND ALIGNED FINANCIAL AID BASE (FY 21-22 APPROPRIATION+ ANNUALIZATIONS)	DEPARTMENT REQUEST ENTIRELY "STEP 2" PERFORMANCE MODEL	PERCENTAGE INCREASE IN FUNDING	STAFF RECOMMENDATION: USE OF INSTITUTIONS' NEGOTIATED MODEL FOR \$105 MILLION, SCALED TO \$42.6 MILLION	PERCENTAGE INCREASE IN FUNDING
Adams State University	\$19,067,430	\$764,513	4.0%	711,092	3.7%
Fort Lewis College	15,375,659	937,052	6.1%	764,023	5.0%
University of Colorado System	255,348,965	11,661,672	4.6%	9,831,731	3.9%
Colorado School of Mines	27,577,460	1,493,961	5.4%	947,109	3.4%
University of Northern Colorado	51,724,570	2,232,812	4.3%	1,847,795	3.6%
Community College System	213,982,645	9,236,335	4.3%	12,302,081	5.7%
<b>Sub-total, State Governing Boards</b>	<b>890,830,218</b>	<b>\$40,978,192</b>	<b>4.6%</b>	<b>40,978,190</b>	<b>4.6%</b>
Colorado Mountain College	9,668,008	444,728	4.6%	444,728	4.6%
Aims Community College	11,483,011	528,219	4.6%	528,219	4.6%
Area Technical Colleges	14,989,723	689,527	4.6%	689,527	4.6%
<b>Total</b>	<b>\$926,970,960</b>	<b>\$42,640,666</b>	<b>4.6%</b>	<b>\$42,640,666</b>	<b>4.6%</b>
Financial aid programs aligned with funding for governing boards	212,360,648	9,768,590	4.6%	9,768,590	4.6%
Student stipends at private institutions aligned with public institutions	1,725,840	79,389	4.6%	183,600	10.6%
<b>Total</b>	<b>\$1,141,057,448</b>	<b>\$52,488,645</b>		<b>52,592,854</b>	

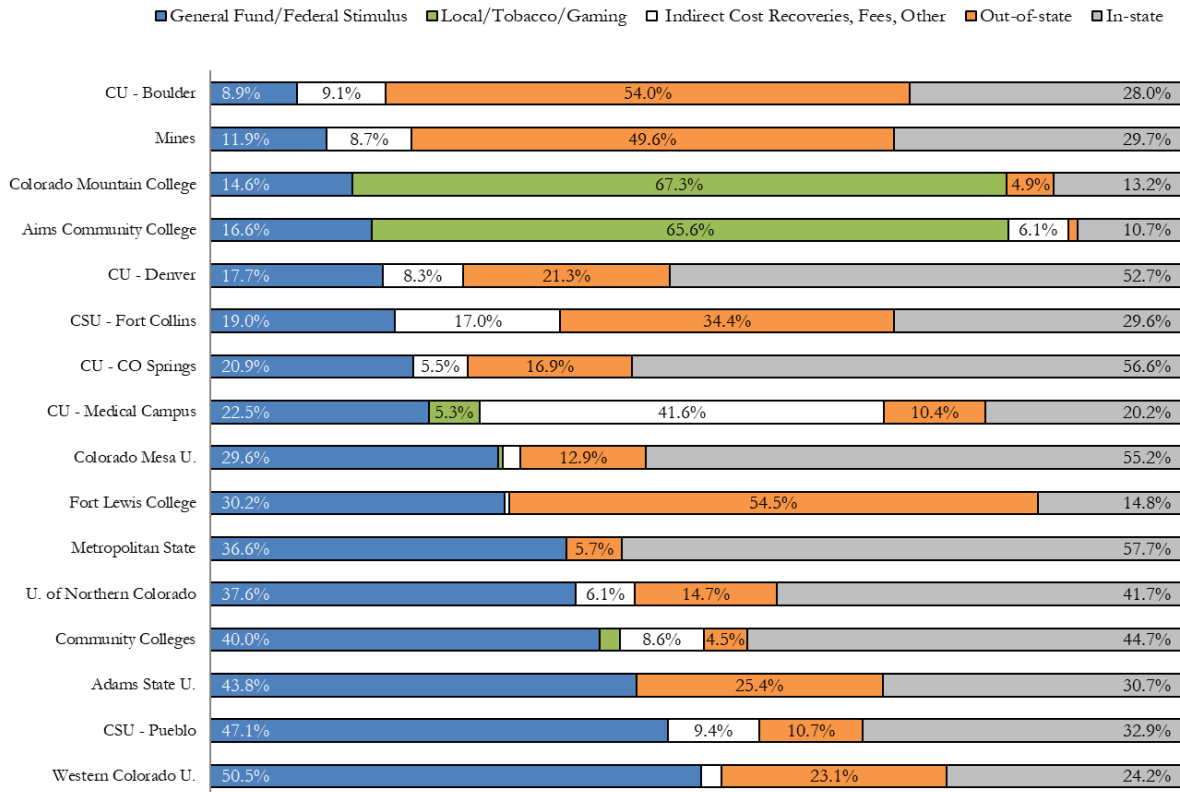
- **Staff is happy to work with members on alternative distribution scenarios.** In particular, staff has previously suggested that the Committee consider a targeted tuition buy-down that reduces tuition at some institutions but does not attempt to hold tuition to a particular level at all institutions. However, if the members value the fact that the institutions have reached an agreement, it is not clear to staff that presenting yet another distribution model will be helpful.

*Rationale for Additional Support for Access Institutions:* Staff has been supportive over the years of efforts to direct a larger share of state support to institutions that serve the students with the greatest challenges: the “access” institutions. **This is not because staff believes that other institutions are over-funded by the State but rather because, with few state resources to go around, the large**

research institutions have been far more effective at bringing in other resources, including through their recruitment of nonresident students. State support per resident student is not large at the research institutions. Indeed, *state support per resident student FTE is less at most CU campuses than at Metropolitan State University of Denver*. However, the state institutions that are not “R1” research institutions simply have fewer alternatives for supporting their operations, and their primary alternative to state support is tuition from students who are often already struggling both financially and academically. The access institutions have important weaknesses, including abysmal graduation rates, but their ability to improve these rates is dependent both on the support services they can provide and the level of financial strain faced by their students.

STATE GENERAL FUND PER RESIDENT STUDENT FTE AND TOTAL FUNDS PER TOTAL STUDENT FTE FY 2019-20			
	STATE FUNDING PER RESIDENT STUDENT FTE		TOTAL FUNDING PER TOTAL STUDENT FTE
Community College System	\$4,086		\$9,735
MSU Denver	5,276		12,583
Colorado Mesa	5,021		14,174
CU Denver	3,854		18,474
UCCS	3,891		16,672
CU Boulder	4,898		29,247

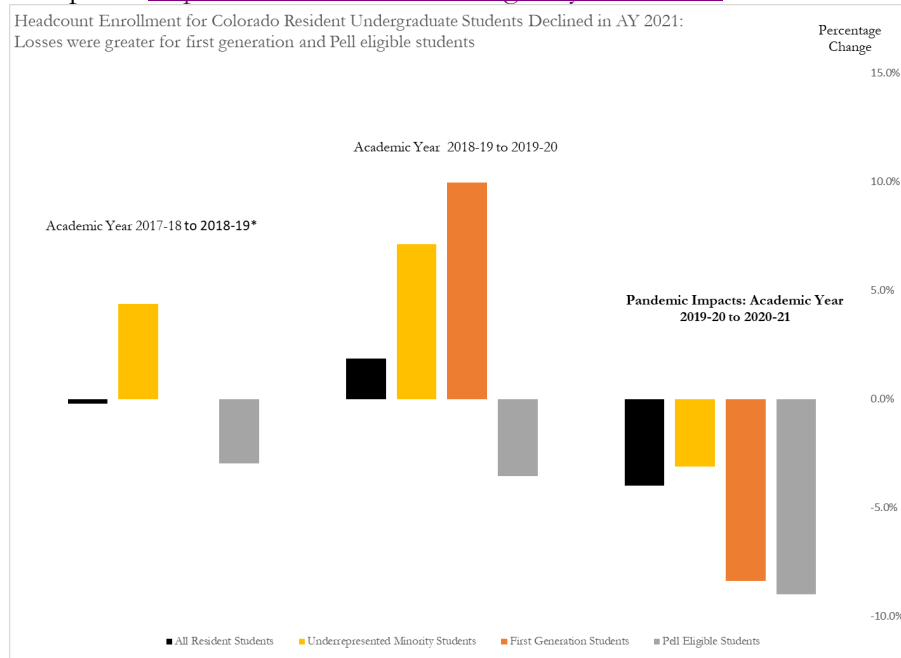
PROPORTION OF FUNDING FROM THE STATE VERSUS STUDENTS





*Option for Targeting More Funds to Access Institutions in Return for Keeping Tuition Lower:* While not included in the staff recommendation calculations, staff believes the Committee could consider directing funding to access institutions above the recommendation level **in return for tuition restrictions**.

- Both national and state data have clearly demonstrated the disproportionate impact of the pandemic on low income and marginalized student populations. This has played out in the more severe drop-off in enrollment that has occurred at the access institutions as compared to other institutions. The pattern is similar to the national experience, based on National Student Clearinghouse reports. <https://nscresearchcenter.org/stay-informed/>



- While institutions serving disadvantaged student populations received higher levels of federal support from federal HEERF funds, as did their students, most of these funds will have been spent by the beginning of FY 2022-23. The end of this funding presents additional financial challenges for the institutions, but also for their students.
- While most institutions attempted to minimize tuition increases during the pandemic, in recognition of the challenges facing their students, the access institutions often continued to increase their tuition to whatever level was allowed (or, in one case, above it). In all cases, staff believes that the institutions which increased tuition during the pandemic did so because they did not see an alternative from a financial perspective.
- In the last few years, posted tuition and fees for many of the four year institutions, including CU Boulder, the Colorado School of Mines, and the small rural four-years have been declining after adjusting for inflation. However, **tuition and fees at the access institutions, including the community colleges and the Metro have been increasing** as they have worked to manage fixed costs and declining student populations.

- Finally, staff notes that from a practical perspective, **tuition rates at access institutions are typically driven to a considerable degree by state General Fund allocations** and it is easier for them to make adjustments late in the year.

*Current Financial Status of the Institutions:* The following information is intended to provide some additional context for Committee decisions. As discussed during briefings, Colorado public institutions faced significant negative effects from the pandemic but they have weathered the storm better than was originally feared. Additional federal support provided from federal Higher Education Emergency Relief (HEERF) funds, as well as Coronavirus Relief Funds allocated by the Governor in 2020, placed them in an unusually strong financial position at the end of FY 2020-21 and will continue to provide significant support through FY 2021-22. However, by the beginning in FY 2022-23, most institutions will have exhausted their federal support and will once again be highly dependent upon student tuition revenue and, to varying degrees, state General Fund support provided via fee-for-service contracts and student stipends.

**Moving into FY 2022-23, early projections are that the State will see some of the trends seen prior to the pandemic, with some recovery but also some ongoing struggles.**

- **Winners** are likely to continue to be the most prestigious research institutions, including CU Boulder and the Colorado School of Mines, which serve a population that includes more nonresident students and a higher share of affluent residents students, as well as significant numbers of graduate students. In the last decade, CU Boulder in particular has attracted a growing share of both the resident and nonresident student population. CSU Fort Collins has also been strengthening its position with nonresidents but has also been affected by declines among less affluent population.
- **Losers** are most likely to be some of the four-year institutions that serve a less affluent population and that have been struggling with declining enrollment for many years: Metropolitan State University of Denver and the University of Northern Colorado, as well as CSU Pueblo.
- **In the middle** are other research and four year institutions that have done better in retaining and expanding their student populations in recent years but that have also been affected by the disproportionate drop in enrollment among low-income and first-generation students during the pandemic. This includes institutions such as CU Denver, and UCCS, as well as Colorado Mesa University.
- **Small rural institutions** generally fared better during the pandemic than they have in recent years. Early projections are for modest declines overall compared to the prior year for two of the three institutions.
- **Community colleges** are currently anticipating relatively flat revenue, but they, too, have experienced enrollment declines for most of the last decade and, unlike in a traditional recession, they experienced enrollment declines, rather than increases, during the pandemic. The System also expects to still be spending some of its HEERF funds in early FY 2022-23.

**Many of the institutions that serve a large number of low-income students may be coming off a "sugar high" in FY 2022-23:** although these institutions faced bigger enrollment drops than other institutions, they also received a disproportionate share of federal HEERF funding, which totaled \$544.5 million for the state's public institutions. Most of this will have been expended by the end of FY 2021-22. The key question facing these institutions is to what extent enrollment will fully rebound from pandemic drops, as the additional support they were receiving will no longer be available. In

addition, their students will no longer have support from the additional HEERF funds that were provided directly for student financial aid, which could suppress enrollment.

ALL REVENUE SOURCES (EDUCATION AND GENERAL, AUXILIARY, RESEARCH)						
	FY 2019-20 ACTUAL TOTAL REVENUE	FY 2020-21 ACTUAL TOTAL REVENUE	FY 2021-22 ESTIMATED TOTAL REVENUE	FY 2022-23 FORECAST TOTAL REVENUE	CHANGE FY 2021- 22 ESTIMATED REVENUE TO FY 2022-23 FORECAST	PERCENTAGE CHANGE FROM FY 2019-20 TO FY 2022-23 FORECAST
<b>Public IHE Total</b>	<b>\$8,963,602,787</b>	<b>\$10,119,773,138</b>	<b>\$9,314,193,896</b>	<b>\$9,137,251,164</b>	<b>(\$176,942,732)</b>	<b>(1.9%)</b>
<i>Research Systems</i>						
CU System	4,969,020,000	6,241,708,000	5,230,591,340	5,253,424,919	22,833,579	0.4%
CSU System	1,570,868,518	1,539,664,097	1,648,143,153	1,619,113,360	(29,029,793)	(1.8%)
<i>Community College System</i>						
	780,286,144	775,687,895	765,011,105	761,235,927	(3,775,178)	(0.5%)
<i>Independent Research Institutions</i>						
UNC	224,485,299	213,107,997	237,119,213	216,273,126	(20,846,087)	(8.8%)
Mines	354,308,041	394,831,007	407,663,110	414,019,166	6,356,056	1.6%
<i>Large 4-year Institutions</i>						
CMU	171,525,089	237,631,510	222,403,610	200,539,004	(21,864,606)	(9.8%)
MSU-Denver	280,311,113	282,349,529	309,513,812	283,018,203	(26,495,609)	(8.6%)
<i>Small Institutions</i>						
Western	63,124,402	63,818,464	67,117,834	64,993,822	(2,124,012)	(3.2%)
Ft. Lewis	85,023,704	94,114,276	95,250,031	94,244,633	(1,005,398)	(1.1%)
Adams	58,243,528	61,771,476	57,341,063	58,185,818	844,755	1.5%
<i>Local District Colleges</i>						
CMC	78,417,820	78,085,801	90,187,726	89,241,956	(945,770)	(1.0%)
Aims	79,760,639	90,469,847	95,086,181	82,961,230	(12,124,951)	(12.8%)

Source: Institutional data submissions, supplemented with resident tuition and General Fund amounts for FY 2022-23 included in the staff figure setting recommendation (3.0% tuition rate increase, 4.6% overall increase in General Fund support).

*College Opportunity Fund Stipend:* The request and the recommendation are based on allocating the total funding between College Opportunity Fund student stipends and fee-for-service contracts. The COF stipend amount is based on increasing the current stipend from \$94 per credit hour to \$104 per credit hour and using the 2021 actual use of the COF stipend by students. The balance of funding is allocated through fee-for-service contracts.

**STAFF ANALYSIS: FINANCIAL AID**

The Committee does have some flexibility in which type of financial aid to support. As described above, the staff recommendation for FY 2022-23 is to use any aligned financial aid increases to support Need Based Aid.

The calculation for the alignment, is based on the base figures below. Any amount above the base governing board funding for FY 2021-22 must be matched with a proportionate increase to financial aid. Staff notes that the institutions' request underestimated the amounts required for aligned financial aid. A 4.6 percent increase on the financial aid base of \$212,360,658 is \$9,768,590, as requested.

BASE FOR ALIGNED FINANCIAL AID INCREASE		
		SHARE OF TOTAL
Base FY 2021-22 Governing Board Support (proportionate financial aid increase for any amount above this) Includes: College Opportunity Fund program (except COF stipends)	\$927,528,173	81.4%

BASE FOR ALIGNED FINANCIAL AID INCREASE		
		SHARE OF TOTAL
at private institutions) and General Fund grants for the local district colleges and area technical colleges		
Base FY 2021-22 Financial Aid. Includes all appropriations for programs authorized in Article 3.3 of Title 23. This currently includes Need Based Aid, Work Study, the Dependent Tuition Program, the Colorado Opportunity Scholarship Initiative, and Career and Technical Education scholarships	212,360,648	18.6%
<b>Total</b>	<b>\$1,139,888,821</b>	

→ R2 TUITION SPENDING AUTHORITY INCREASE

*Note: Tuition spending authority only directly affects the state-operated governing boards. However, because the need for tuition spending authority is closely related to the General Fund operating request for the institutions, staff has included it directly below R1.*

**REQUEST:** The request is for \$0 cash funds spending authority for state public institutions’ tuition revenue for FY 2023-24. The request proposes that Long Bill footnotes restrict resident undergraduate tuition increases so that there are no increases, with adjustments as the General Assembly deems appropriate for special circumstances. The request includes no restrictions on non-resident or graduate tuition or mandatory fees.

**RECOMMENDATION:**

- **As described during the budget briefing, staff recommends that, as a starting point, undergraduate resident tuition be restricted to a 3.0 percent increase via assumptions expressed in Long Bill footnotes.** Staff supports some exceptions, but believes this a reasonable starting point at the funding level proposed by the Governor. If the General Assembly has additional money to direct to higher education, some of this could be directed to buying down tuition, at least at some institutions. The staff calculations also assume that resident graduate and nonresident tuition will increase at 3.0 percent, but this would not be restricted via footnote or intent.
- **Staff recommends assuming that Fort Lewis College will not increase nonresident tuition.** Consistent with recent Committee practice, staff has not specified this in a footnote; however, staff has calculated the tuition spending authority for Fort Lewis College to incorporate this assumption. Staff understands this is Fort Lewis College's expectation for FY 2022-23.
- **Staff recommends tuition changes proposed by the University of Colorado system, to be authorized via footnote. These are described in more detail below.**

**ANALYSIS:**

*University of Colorado System Footnotes*

- **CU has proposed a lengthy footnote. While staff is likely to recommend some adjustments to the language, the key elements of the proposal are:**

- Permitting a **4.3** percent increase for new resident freshmen starting at CU Boulder. These students then receive guaranteed flat tuition for the next four years.
- **Adjusting costs for multiple programs at CU Boulder.** Natural Sciences would be moved into the more-expensive engineering school category. Environmental design would be moved to the mid-tier Media, Communications and Information cost tier. This would affect new students representing eight percent of Boulder's student population. **For the 1,131 resident students in the Natural Sciences, in particular, the change would result in a very large tuition increase from \$11,040 for resident students to \$14,592--an increase of 32.2 percent.** Students in environmental design would have an increase of \$1,776 for resident students to \$12,816--an increase of 16.1 percent. Natural Sciences has the largest enrollment of any incoming resident student category, so the financial benefits for the institution are significant. CU indicates that the costs to educate these students are higher and their pay upon graduation is also greater. Of the projected \$6.9 million in additional gross tuition revenue, \$1.2 million would be directed to financial aid for Natural Sciences students.
- **Rolling fees into tuition.** CU Denver proposes rolling mandatory technology fees of \$420 per student into tuition. The net financial impact on the student would be \$0, but tuition would appear to increase 4.1 percent. UCCS also propose to roll \$260 in technology fees into tuition. This too, will appear as a 2.6 percent tuition increase in addition to whatever tuition cap is approved, although the net impact on students is zero.
- From a staff perspective, the changes at UCD and UCCS are not a concern, as they should not materially impact students. The only risk is that CU later chooses to again add more fees, so this should perhaps be reflected in the footnote. The changes at CU Boulder are much more financially significant from the perspective of students. However, staff recognizes that the net impact of the 4.3 percent increase for incoming students is blunted by the fact that their tuition is guaranteed. For the program cost adjustments staff recognizes that the rationale is plausible, and General Fund support at CU Boulder represents less than ten percent of funding. **However, the entire proposal from CU Boulder certainly raises a question about what the General Assembly might be "buying" with a large increase in state funding for the higher education institutions.** CU requests the changes for Boulder regardless of the amount of state funding increase provided. **Staff believes the proposed CU adjustments are reasonable, but also believes the proposal emphasizes the limited importance of state funding in Boulder's overall funding picture.**

The specific cash fund adjustments for the recommendation are summarized below. **See the appendix to this packet for copies of the projections from Legislative Council Staff used in developing these figures.**

*Impact of Tuition Rates, General Fund, and Enrollment and Other Changes on Institutions*

The chart below shows the expected changes FY 2021-22 funding to FY 2022-23 funding that would be shown in the Long Bill and the extent to which these changes are driven, under the staff recommendation, by General Fund, tuition increases, enrollment, or other factors. As can be seen. For many of the institutions, enrollment adjustments are a more significant element of funding changes than General Fund or tuition rate increases

COMPONENTS OF CHANGES IN GOVERNING BOARD FUNDING UNDER STAFF RECOMMENDATION									
	FY 2021-22 TOTAL APPROPRIATION	GF INCREASE	RESIDENT TUITION RATE INCREASE	NON RESIDENT TUITION RATE INCREASE	CU PROPOSED TUITION FOOTNOTE	ENROLMENT FEES, OTHER	FY 2022-23 TOTAL RECOMMEND	TOTAL CHANGE	% CHANGE
Adams	\$45,732,008	1.6%	0.8%	0.6%	0.0%	-0.1%	\$47,049,032	\$1,317,024	2.9%
Mesa	112,064,402	1.8%	1.5%	0.4%	0.0%	-0.1%	116,132,021	4,067,619	3.6%
Metro	209,129,204	2.4%	1.4%	0.1%	0.0%	-2.2%	212,851,819	3,722,615	1.8%
Western	39,679,605	1.6%	0.6%	0.7%	0.0%	2.3%	41,757,638	2,078,033	5.2%
CSU Sys	751,972,150	0.9%	0.9%	1.1%	0.0%	0.9%	780,587,016	28,614,866	3.8%
Ft. Lewis	66,066,553	1.2%	0.4%	0.0%	0.0%	1.9%	68,341,906	2,275,353	3.4%
CU	1,515,377,943	1.0%	1.0%	1.3%	2.1%	-1.5%	1,574,819,754	59,441,811	3.9%
Mines	216,766,786	0.4%	0.9%	1.5%	0.0%	4.5%	232,608,558	15,841,772	7.3%
UNC	143,757,243	1.3%	1.2%	0.4%	0.0%	-2.7%	144,048,231	290,988	0.2%
CCs	511,624,063	2.4%	1.4%	0.2%	0.0%	0.0%	531,802,807	20,178,744	3.9%
Total	\$3,612,169,957						\$3,749,998,782		

*Calculation Details*

Each year, the institutions submit their estimates of tuition and fee revenue for the current fiscal year and their forecast for the next year. Legislative Council Staff review actual enrollment data and discuss projections with the institutions to develop a separate tuition and enrollment forecast model. Staff has at times used the LCS model and at times the institutions’ model.

**For the FY 2021-22 Long Bill supplemental and FY 2022-23 Long Bill staff is recommending using the Legislative Council Staff forecast, which now includes more helpful detail than in the past on resident, nonresident, graduate and undergraduate tuition.** In recent years, the institutions’ projections of revenue for the current fiscal year have at times been better than Legislative Council Staff’s, and at times worse (which staff finds surprising given the institutions’ day-to-day management of revenue and expenditures). The Legislative Council Staff forecast is \$13.5 million (0.6 percent) above the institutions’ for the current year in total, and variances at most institutions are under 1.0 percent. For FY 2022-23, the LCS forecast is also very similar if the same assumptions are included, though there is variation of up to 5.0% by institution.

FY 2021-22 LONG BILL SUPPLEMENTAL - TUITION FORECAST REVISION				
	ORIGINAL FY 22 FORECAST	REVISED FY 22 FORECAST	CHANGE	PERCENTAGE CHANGE
Adams State University	\$20,363,600	\$21,925,190	\$1,561,590	7.7%
Colorado Mesa University	70,302,267	71,074,748	772,481	1.1%
Metropolitan State University of Denver	117,263,695	109,576,243	(7,687,452)	(6.6%)

FY 2021-22 LONG BILL SUPPLEMENTAL - TUITION FORECAST REVISION				
	ORIGINAL FY 22 FORECAST	REVISED FY 22 FORECAST	CHANGE	PERCENTAGE CHANGE
Western Colorado University	16,967,193	17,036,282	69,089	0.4%
Colorado State University System	480,981,986	487,126,600	6,144,614	1.3%
Fort Lewis College	42,900,665	45,058,430	2,157,765	5.0%
University of Colorado System	1,144,427,281	1,159,554,679	15,127,398	1.3%
Colorado School of Mines	164,738,748	172,951,515	8,212,767	5.0%
University of Northern Colorado	79,047,106	75,153,434	(3,893,672)	(4.9%)
Community College System	272,524,815	269,332,866	(3,191,949)	(1.2%)
<b>Total Tuition Revenue</b>	<b>\$2,409,517,357</b>	<b>\$2,428,789,986</b>	<b>\$19,272,630</b>	<b>0.8%</b>

FY 2020-21 AND FY 2021-22 RECOMMENDED TUITION CASH FUNDS APPROPRIATION				
	FY 2020-21 (REVISED)*	FY 2021-22	CHANGE	PERCENTAGE CHANGE
Adams State University	21,925,190	22,697,145	771,955	3.5%
Colorado Mesa University	71,074,748	72,968,016	1,893,268	2.7%
Metropolitan State University of Denver	109,576,243	108,749,580	(826,663)	(0.8%)
Western State Colorado University	17,036,282	18,206,016	1,169,734	6.9%
Colorado State University System	487,126,600	506,024,263	18,897,663	3.9%
Fort Lewis College	45,058,430	47,514,075	2,455,645	5.4%
University of Colorado System	1,159,554,679	1,220,967,587	61,412,908	5.3%
Colorado School of Mines	172,951,515	186,848,104	13,896,589	8.0%
University of Northern Colorado	75,153,434	74,283,870	(869,564)	(1.2%)
Community College System	269,332,866	276,050,511	6,717,645	2.5%
<b>Total Tuition Revenue</b>	<b>2,428,789,986</b>	<b>2,534,309,167</b>	<b>105,519,181</b>	<b>4.3%</b>

\*Includes recommended Long Bill Supplemental

The tables below show two viewpoints: (1) Institution viewpoint - The total revenue from General Fund and cash fund sources included in the Long Bill and how this changes by governing board under staff's recommendation; and (2) The student viewpoint - the projected average weighted tuition and fees that will be paid per student.

INSTITUTION VIEWPOINT: TOTAL REVENUE AND TOTAL REVENUE PER STUDENT			
	FY 2022-23 LONG BILL (STAFF REC)		
	TOTAL E&G REVENUE	TOTAL STUDENT FTE	REVENUE PER SFTE
Adams State University	47,000,753	2,370	19,833
Colorado Mesa University	116,058,949	7,394	15,696
Metropolitan State University	212,803,204	11,712	18,170
Western State Colorado University	41,712,718	2,322	17,966
Colorado State University System	779,230,369	27,978	27,851
Ft. Lewis College	69,455,195	2,989	23,237
University of Colorado System	1,571,996,101	60,252	26,090
Colorado School of Mines	232,036,759	6,949	33,391
University of Northern Colorado	143,955,235	6,356	22,650
Community College System	531,578,743	44,228	12,019
<b>Total or Weighted Avg.</b>	<b>3,745,828,026</b>	<b>172,550</b>	<b>21,709</b>

STUDENT VIEWPOINT: FY 2022-23 PROJECTED TUITION AND MANDATORY FEE REVENUE PER STUDENT FTE			
	RESIDENT TUITION	NONRESIDENT TUITION	FEES
Adams State University	\$8,310	\$11,906	\$1,907
Colorado Mesa University	9,412	12,131	602
Metropolitan State University	8,785	21,153	2,274
Western Colorado University	5,272	14,840	2,656
Colorado State University System	12,234	29,541	2,880
Fort Lewis College	7,163	22,231	1,941
University of Colorado System	13,210	35,281	1,105
Colorado School of Mines	17,539	39,112	2,398
University of Northern Colorado	10,117	21,123	2,533
Community College System	5,900	13,024	370



## → SI INDIRECT COST COLLECTION ADJUSTMENTS

*REQUEST:* The Department did not submit a formal request for an indirect cost collection adjustment. However, consistent with the usual practice, it submitted the data necessary for the staff to make related funding adjustments in February 2021.

*RECOMMENDATION:* Based on the data submitted by the Department, staff recommends increasing the Department’s indirect cost collections line item and using these collections to offset General Fund otherwise required in the Department. The adjustment, described in greater detail below, results in a total increase in indirect cost collections of \$493,752 in FY 2022-23 and a matching decrease in General Fund otherwise required in this department. Amounts for statewide indirect cost collections match previously-approved Committee common policy for this department.

In addition to changes in the amounts shown, **staff is working with the Department to ensure that indirect cost collections from the higher education institutions are deducted from fee-for-service and grant payments that would otherwise be provided to the institutions, i.e., that these amounts are collected *before* the fee-for-service and grant payment amounts are transferred to institutions.** In response to staff questions, the Department indicated that indirect cost collections from the public higher education institutions are currently being counted as part of the State's TABOR revenue because the revenue is *received by the State* from entities (the higher education governing boards) that are separate enterprises/entities from the State. Based on information available at the time of this writing, **staff believes that this is probably not necessary and that the \$7.3 million received in indirect cost collections from higher education institutions can probably be handled in the accounting process so that these funds are not treated as revenue to the State under the State's TABOR cap.** To facilitate this change, staff will recommend a change to the indirect cost collection letter-note to ensure that the source of reappropriated funds in the indirect cost collections line item is identified as fee-for-service contract and grant amounts that are allocated for indirect cost collections prior to disbursement of the balance of funds to the recipient entities (language to be adjusted as recommended by the Office of Legislative Legal Services).

*BACKGROUND:* The Department does not formally request indirect cost collection adjustments, but it submits an updated plan each year prior to figure setting. The FY 2022-23 figures incorporate a new Departmental indirect cost collection structure that took effect in FY 2020-21, as well as statewide indirect cost collections.

Statewide indirect cost collections from higher education institutions, determined based on statewide agreements and processes, offset General Fund otherwise required in this department. These statewide indirect cost collections are significant, as statewide recoveries associated with Department of Personnel services to all of the higher education institutions are used to offset General Fund otherwise required for Department administration.

Departmental services to higher education institutions and other entities are also largely offset by departmental indirect cost collections. The Colorado Department of Higher Education differs from most other state departments in that its indirect cost collection structure for *departmental* functions is not driven by federal requirements or negotiated with a federal “cognizant agency”. However, nearly 80 percent of departmental operating costs for core administration functions are covered by indirect

cost collections, drawn primary from the state governing boards. The department’s activities are paid for by the governing boards, much as Department of Personnel or OIT staff are supported by the state agencies that they support.

Based on work conducted by the Department in response to a FY 2019-20 RFI, a new departmental indirect cost model was adopted beginning in FY 2020-21. The model is described in the appendix to this document. The Department’s work in response to the FY 2019-20 RFI found that the previous indirect cost collection plan was consistent with standard accounting practice and generally followed best practices identified from other indirect cost allocations. However, the report and subsequent submissions recommended a significant number of changes and improvements to define elements of the cost pool and how they should be allocated. In particular, services related to departmental federal grants, as well as services for the local district colleges and area technical colleges, are now subject to indirect cost collections.

The adjustments for FY 2022-23 include the impact of making the Department's new Chief Equity Officer part of the indirect cost collections pool, as well as increases in statewide collections from the activities at various higher education institutions.

*Recommended Changes:*

INDIRECT COST RECOVERIES: FY 2022-23 BUDGET CHANGES FOR DEPARTMENTAL AND STATEWIDE INDIRECT COST COLLECTIONS				
	FY 2022	FY 2023	FY 23 ABOVE/(BELOW) FY 22	NET GENERAL FUND IMPACT
Statewide Indirect Cost Collections	\$3,311,377	\$3,548,707	\$237,330	(\$237,330)
Departmental Indirect Cost Collections	4,050,132	4,306,554	256,422	(256,422)
<b>Total Plan Changes</b>	<b>\$7,361,509</b>	<b>\$7,855,261</b>	<b>\$493,752</b>	<b>(\$493,752)</b>

In sum, fiscal impact on the budget of the proposed changes include:

- An increase of \$493,752 total funds for the indirect cost assessment line item.
- A net reduction of \$493,752 General Fund due to the offset of departmental and statewide indirect costs collected.

**→ CORRECTIONS AND ADJUSTMENTS TO ANNUALIZATION OF 2021 SESSION LEGISLATION AND CORRECTIONS TO TECHNICAL ERRORS IN REQUEST**

*REQUEST:* The Department's request included annualization of amounts added in S.B. 21-137 (Behavioral Health), S.B. 21-106 (Successful High School Transitions), and S.B. 21-185 (Supporting Educator Workforce in Colorado), among other bills. With the exception of an error related to annualization of teacher loan forgiveness in S.B. 21-185 which was subsequently corrected by the Department, the request generally aligned with staff's expectations and the fiscal notes for the bills.

*RECOMMENDATION:* Although total annualization amounts match in most cases, the staff recommendation for the line item location for the second-year impacts of some bills differs from the Department request and the recommendation includes other technical adjustments and corrections.

- Staff has consolidated amounts for the Center for Substance Use Disorder Prevention, Treatment, and Recovery Support Strategies at the University of Colorado Health Sciences Center in a discrete line item, as this is now permitted based on a statutory change included in S.B. 21-137. Previously related amounts were included in the line item for the Regents of the University of Colorado.
- Staff has consolidated funding related to the Fourth-year Innovation Pilot Program created in S.B. 21-106 in a separate line item in the Financial Aid section of the Higher Education budget, rather than in two other line items where the Department had reflected the funding.
- Staff has included a small additional annualization adjustment (a reduction of \$4,891 General Fund) for a staff position added in S.B. 21-185 related to developing educator career pathways. The change is consistent with the fiscal note for the bill. The adjustment is included in a new line item entitled Strategies for Educator Preparation Programs.
- The Department request eliminated some FTE notations in existing line items, with no related funding changes. Since the basis for these adjustments was not explained, staff did not make the adjustments.
- Finally, the request for centrally appropriated line items and History Colorado included an item entitled "T19 History Colorado Common Policy Adjustments". Based on further conversations with the Department and History Colorado, staff has treated this component of the request as a technical error and has not included the requested adjustments.

**(1) DEPARTMENT ADMINISTRATIVE OFFICE**

This division includes funding for centrally appropriated items for:

- the Colorado Commission on Higher Education and central administration for the Department of Higher Education and the GEAR-UP program
- the Division of Private Occupational Schools;
- and History Colorado.

These centrally appropriated items include salary survey, risk management, leased space, health benefits, and other miscellaneous expenses. *These expenses are not appropriated centrally for the higher education institutions or other divisions within the Department.* The sources of cash funds include limited gaming revenues deposited in the State Historical Fund and various fees. The source of reappropriated funds is statewide and departmental indirect cost recoveries.

DEPARTMENT ADMINISTRATIVE OFFICE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 Appropriation</b>						
FY 2021-22 Appropriation	\$6,047,928	\$578,355	\$3,417,502	\$1,583,921	\$468,150	0.0
<b>TOTAL</b>	<b>\$6,047,928</b>	<b>\$578,355</b>	<b>\$3,417,502</b>	<b>\$1,583,921</b>	<b>\$468,150</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$6,047,928	\$578,355	\$3,417,502	\$1,583,921	\$468,150	0.0
Centrally appropriated line items	987,305	436,602	53,078	31,759	465,866	0.0
Non-prioritized centrally appropriated requests	(4,109)	0	(3,469)	(640)	0	0.0
Annualize prior year legislation	(26,585)	0	(26,585)	0	0	0.0
Annualize prior year budget actions	(460,796)	(42,278)	(290,148)	(88,219)	(40,151)	0.0
<b>TOTAL</b>	<b>\$6,543,743</b>	<b>\$972,679</b>	<b>\$3,150,378</b>	<b>\$1,526,821</b>	<b>\$893,865</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$495,815</b>	<b>\$394,324</b>	<b>(\$267,124)</b>	<b>(\$57,100)</b>	<b>\$425,715</b>	<b>0.0</b>
Percentage Change	8.2%	68.2%	(7.8%)	(3.6%)	90.9%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	\$59,530	(\$84,193)	\$113,421	\$221,407	(\$191,105)	0.0

**DECISION ITEMS - DEPARTMENT ADMINISTRATIVE OFFICE****→ COMMON POLICY ITEMS, NON-PRIORITIZED REQUESTS FOR CENTRALLY-APPROPRIATED ITEM, AND FUNDING SPLITS**

**The request included multiple errors in the common policy amounts submitted, largely due to how amounts for History Colorado were treated. The staff recommendation for items on which the Committee has taken action is based on Committee common policy.** Staff has relied on common policy tables distributed by JBC staff and, in some cases, Department of Personnel common policy templates in cases in which the tables initially distributed by JBC staff were known to require technical corrections.

The request for this division also includes the following non-prioritized decision items and technical adjustments.

- DPA CSEAP
- DPA Paid Family Leave
- OIT Budget Request Package
- BANP OIT CBMS Admin Costs
- BANP COWINS Partnership Agreement
- Other technical adjustments requested to common policy line items

The Staff recommendation incorporates common policy decisions as adopted to-date. **Staff requests permission to make further adjustments to amounts shown based on common policy decisions that are still pending, including adjustments to funding sources for these common policy items if required.**

## LINE ITEM DETAIL — DEPARTMENT ADMINISTRATIVE OFFICE

### HEALTH, LIFE, AND DENTAL

This line item funds the State's contribution to state employee medical and dental plans. The request is made for the entire Department, based on the recommended contribution rates as submitted by the State Personnel Director and enrollment figures. As for all centrally-appropriated items in this section, the amounts do not fund benefits for employees of the state higher education institutions and include only Colorado Commission on Higher Education (CCHE), Division of Private Occupational Schools, and History Colorado staff.

The health, life, dental insurance benefit for staff of the Colorado Commission on Higher Education (CCHE) differs from the benefit provided for other state staff, as CCHE contracts for its health, life, and dental benefit through the community college system. Over 100 Department staff are covered under the community college plans (includes "off budget" staff for CollegeAssist, CollegeInvest, College in Colorado, and grant-funded programs). This arrangement has been in place for at least 20 years and was originally pursued because it provided a better benefit at a lower cost to the State and employee.

The Department has been required to demonstrate periodically that the costs incurred by the state are close to the amounts that would be required if for all staff, whether or not they are enrolled in the state-sponsored health plans. An annual RFI requests that the Department submit its H/L/D template in the same format as other state agencies so that, as for other agencies, allocations are based on employee selections x amount per selection and can be compared to other agencies on that basis.

*STATUTORY AUTHORITY:* Sections 24-50-611 and 24-50-603 (9), C.R.S.

*REQUEST:* The Department requests an appropriation of \$2,462,225 total funds for this line item.

*RECOMMENDATION:* The staff recommendation is reflected in the table below. The request is \$151,661 higher than the DPA calculations that the Committee adopted in its common policy decisions. The

difference between the request and recommendation is a technical error in the formal Department submission.

DEPARTMENT ADMINISTRATIVE OFFICE, HEALTH, LIFE, AND DENTAL						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$2,263,269	\$228,089	\$1,349,702	\$448,564	\$236,914	0.0
<b>TOTAL</b>	<b>\$2,263,269</b>	<b>\$228,089</b>	<b>\$1,349,702</b>	<b>\$448,564</b>	<b>\$236,914</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$2,263,269	\$228,089	\$1,349,702	\$448,564	\$236,914	0.0
Centrally appropriated line items	266,267	129,890	37,037	(137,482)	236,822	0.0
Non-prioritized centrally appropriated requests	47	0	7	40	0	0.0
<b>TOTAL</b>	<b>\$2,529,583</b>	<b>\$357,979</b>	<b>\$1,386,746</b>	<b>\$311,122</b>	<b>\$473,736</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$266,314</b>	<b>\$129,890</b>	<b>\$37,044</b>	<b>(\$137,442)</b>	<b>\$236,822</b>	<b>0.0</b>
Percentage Change	11.8%	56.9%	2.7%	(30.6%)	100.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$2,464,225</b>	<b>\$397,171</b>	<b>\$1,361,116</b>	<b>\$311,122</b>	<b>\$394,816</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$65,358)	\$39,192	(\$25,630)	\$0	(\$78,920)	0.0

**SHORT-TERM DISABILITY**

This line item is used to purchase short-term disability (STD) coverage. Pursuant to Section 24-50-609 (13), C.R.S., short-term disability provides for a partial payment of an employee's salary if an individual becomes disabled and cannot perform his or her duties. This benefit is available to all employees and is paid entirely by the State. The coverage provides for a 30-day waiting period, and it will pay 60.0 percent of an employee's salary for a maximum of five months.

*STATUTORY AUTHORITY:* Sections 24-50-611, C.R.S., and 24-50-603 (13), C.R.S.

*REQUEST:* The Department requests an appropriation of \$22,705 total funds for this line item, including an OSPB common policy adjustment.

*RECOMMENDATION:* The staff recommendation is reflected in the table below and is based on Committee common policy.

DEPARTMENT ADMINISTRATIVE OFFICE, SHORT-TERM DISABILITY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$21,194	\$1,914	\$13,046	\$4,292	\$1,942	0.0
<b>TOTAL</b>	<b>\$21,194</b>	<b>\$1,914</b>	<b>\$13,046</b>	<b>\$4,292</b>	<b>\$1,942</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$21,194	\$1,914	\$13,046	\$4,292	\$1,942	0.0
Centrally appropriated line items	3,003	1,507	174	(415)	1,737	0.0
<b>TOTAL</b>	<b>\$24,197</b>	<b>\$3,421</b>	<b>\$13,220</b>	<b>\$3,877</b>	<b>\$3,679</b>	<b>0.0</b>

DEPARTMENT ADMINISTRATIVE OFFICE, SHORT-TERM DISABILITY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	<b>\$3,003</b>	<b>\$1,507</b>	<b>\$174</b>	<b>(\$415)</b>	<b>\$1,737</b>	<b>0.0</b>
Percentage Change	14.2%	78.7%	1.3%	(9.7%)	89.4%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$22,705</b>	<b>\$3,124</b>	<b>\$13,059</b>	<b>\$3,877</b>	<b>\$2,645</b>	<b>0.0</b>
Request Above/(Below)						
Recommendation	(\$1,492)	(\$297)	(\$161)	\$0	(\$1,034)	0.0

**AMORTIZATION EQUALIZATION DISBURSEMENTS**

This line item increases the effective state contribution to the Public Employees’ Retirement Association (PERA) pursuant to S.B. 04-257 (Section 24-51-111, C.R.S.).

*STATUTORY AUTHORITY:* Section 24-51-411, C.R.S.

*REQUEST:* The Department requests an appropriation of \$753,126 total funds for this line item, including an OSPB common policy adjustment.

*RECOMMENDATION:* The staff recommendation is reflected in the table below and is based on Committee common policy.

DEPARTMENT ADMINISTRATIVE OFFICE, S.B. 04-257 AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$704,081	\$64,601	\$443,336	\$134,794	\$61,350	0.0
<b>TOTAL</b>	<b>\$704,081</b>	<b>\$64,601</b>	<b>\$443,336</b>	<b>\$134,794</b>	<b>\$61,350</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$704,081	\$64,601	\$443,336	\$134,794	\$61,350	0.0
Centrally appropriated line items	(1,864)	51,133	(98,309)	(11,303)	56,615	0.0
<b>TOTAL</b>	<b>\$702,217</b>	<b>\$115,734</b>	<b>\$345,027</b>	<b>\$123,491</b>	<b>\$117,965</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$1,864)</b>	<b>\$51,133</b>	<b>(\$98,309)</b>	<b>(\$11,303)</b>	<b>\$56,615</b>	<b>0.0</b>
Percentage Change	(0.3%)	79.2%	(22.2%)	(8.4%)	92.3%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$753,126</b>	<b>\$102,660</b>	<b>\$443,786</b>	<b>\$123,491</b>	<b>\$83,189</b>	<b>0.0</b>
Request Above/(Below)						
Recommendation	\$50,909	(\$13,074)	\$98,759	\$0	(\$34,776)	0.0

**SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENTS**

This line item increases the effective state contribution to the Public Employees Retirement Association (PERA) pursuant to S.B. 06-235 (Section 24-51-111, C.R.S.).

*STATUTORY AUTHORITY:* Section 24-51-411, C.R.S.

*REQUEST:* The Department requests an appropriation of \$753,126 total funds for this line item, including an OSPB common policy adjustment.

*RECOMMENDATION:* The staff recommendation is reflected in the table below and is based on common policy.

DEPARTMENT ADMINISTRATIVE OFFICE, S.B. 06-235 SUPPLEMENTAL AMORTIZATION EQUALIZATION DISBURSEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$704,081	\$64,601	\$443,336	\$134,794	\$61,350	0.0
<b>TOTAL</b>	<b>\$704,081</b>	<b>\$64,601</b>	<b>\$443,336</b>	<b>\$134,794</b>	<b>\$61,350</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$704,081	\$64,601	\$443,336	\$134,794	\$61,350	0.0
Centrally appropriated line items	(1,864)	51,133	(98,309)	(11,303)	56,615	0.0
<b>TOTAL</b>	<b>\$702,217</b>	<b>\$115,734</b>	<b>\$345,027</b>	<b>\$123,491</b>	<b>\$117,965</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$1,864)</b>	<b>\$51,133</b>	<b>(\$98,309)</b>	<b>(\$11,303)</b>	<b>\$56,615</b>	<b>0.0</b>
Percentage Change	(0.3%)	79.2%	(22.2%)	(8.4%)	92.3%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$753,126</b>	<b>\$102,660</b>	<b>\$443,786</b>	<b>\$123,491</b>	<b>\$83,189</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$50,909	(\$13,074)	\$98,759	\$0	(\$34,776)	0.0

**PERA DIRECT DISTRIBUTION**

This line item funds a direct distribution to the Public Employees Retirement Association.

*STATUTORY AUTHORITY:* Section 24-51-414 (2), C.R.S.

*REQUEST:* Consistent with OSPB direction, the Department included a request for a direct distribution to the Public Employees Retirement Association (PERA) of \$473,936 total funds.

*RECOMMENDATION:* The staff recommendation reflects Committee common policy.

DEPARTMENT ADMINISTRATIVE OFFICE, PERA DIRECT DISTRIBUTION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$478,087	\$25,566	\$233,519	\$152,559	\$66,443	0.0
<b>TOTAL</b>	<b>\$478,087</b>	<b>\$25,566</b>	<b>\$233,519</b>	<b>\$152,559</b>	<b>\$66,443</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$478,087	\$25,566	\$233,519	\$152,559	\$66,443	0.0
Centrally appropriated line items	1,449	49,616	(46,318)	(33,071)	31,222	0.0
<b>TOTAL</b>	<b>\$479,536</b>	<b>\$75,182</b>	<b>\$187,201</b>	<b>\$119,488</b>	<b>\$97,665</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,449</b>	<b>\$49,616</b>	<b>(\$46,318)</b>	<b>(\$33,071)</b>	<b>\$31,222</b>	<b>0.0</b>
Percentage Change	0.3%	194.1%	(19.8%)	(21.7%)	47.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$473,936</b>	<b>\$62,391</b>	<b>\$211,565</b>	<b>\$119,488</b>	<b>\$80,492</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$5,600)	(\$12,791)	\$24,364	\$0	(\$17,173)	0.0



**SALARY SURVEY**

This line item pays for department staff salary increases related to the annual compensation survey. This survey compares state employee compensation to the market for comparable jobs.

*STATUTORY AUTHORITY:* Section 24-50-104, C.R.S.

*REQUEST:* The Department requested \$573,783 total funds.

*RECOMMENDATION:* The staff recommendation is shown in the table below and reflects Committee common policy for a 3.0 percent increase. The recommendation includes a technical correction to the request.

DEPARTMENT ADMINISTRATIVE OFFICE, SALARY SURVEY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$460,796	\$42,278	\$290,148	\$88,219	\$40,151	0.0
<b>TOTAL</b>	<b>\$460,796</b>	<b>\$42,278</b>	<b>\$290,148</b>	<b>\$88,219</b>	<b>\$40,151</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$460,796	\$42,278	\$290,148	\$88,219	\$40,151	0.0
Centrally appropriated line items	567,669	148,115	226,814	115,193	77,547	0.0
Annualize prior year budget actions	(460,796)	(42,278)	(290,148)	(88,219)	(40,151)	0.0
<b>TOTAL</b>	<b>\$567,669</b>	<b>\$148,115</b>	<b>\$226,814</b>	<b>\$115,193</b>	<b>\$77,547</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$106,873</b>	<b>\$105,837</b>	<b>(\$63,334)</b>	<b>\$26,974</b>	<b>\$37,396</b>	<b>0.0</b>
Percentage Change	23.2%	250.3%	(21.8%)	30.6%	93.1%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$527,783</b>	<b>\$67,461</b>	<b>\$290,443</b>	<b>\$115,193</b>	<b>\$54,686</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$39,886)	(\$80,654)	\$63,629	\$0	(\$22,861)	0.0

**MERIT PAY**

This line item is a centrally appropriated line item used to pay for performance-based pay awards for state employees.

*STATUTORY AUTHORITY:* Pursuant to Section 24-50-104 (1) (c), C.R.S.

*REQUEST:* The Department does not request an appropriation for this line item.

*RECOMMENDATION:* Consistent with common policy, staff does not recommend an appropriation for this line item.

**PAID FAMILY MEDICAL LEAVE FUNDING [REQUESTED NEW LINE ITEM]**

This line item is requested as part of a Department of Personnel request to cover the backfill costs associated with state employees using 160 hours (four weeks) of Paid Family Medical Leave in FY 2022-23

*STATUTORY AUTHORITY:* None.

*REQUEST:* The Department requests an appropriation of \$31,599 total funds.

*RECOMMENDATION:* Committee action on this item is **pending**.

**WORKER'S COMPENSATION**

This line item pays the Department’s share of the workers’ compensation program for state employees. This program is administered by the Department of Personnel.

*STATUTORY AUTHORITY:* Section 24-30-1510.7, C.R.S.

*REQUEST:* The Department requests \$36,111 total funds for this line item consistent with OSPB common policy.

*RECOMMENDATION:* The recommendation is to follow the JBC's common policy, as reflected in the table below.

DEPARTMENT ADMINISTRATIVE OFFICE, WORKERS' COMPENSATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$55,884	\$0	\$36,117	\$19,767	\$0	0.0
<b>TOTAL</b>	<b>\$55,884</b>	<b>\$0</b>	<b>\$36,117</b>	<b>\$19,767</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$55,884	\$0	\$36,117	\$19,767	\$0	0.0
Centrally appropriated line items	(5,471)	0	(5,094)	(377)	0	0.0
<b>TOTAL</b>	<b>\$50,413</b>	<b>\$0</b>	<b>\$31,023</b>	<b>\$19,390</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$5,471)</b>	<b>\$0</b>	<b>(\$5,094)</b>	<b>(\$377)</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(9.8%)	0.0%	(14.1%)	(1.9%)	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$36,111</b>	<b>\$0</b>	<b>\$22,222</b>	<b>\$13,889</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$14,302)	\$0	(\$8,801)	(\$5,501)	\$0	0.0

**LEGAL SERVICES**

This line item provides funding for the Department’s purchase of legal services from the Department of Law.

*STATUTORY AUTHORITY:* Sections 24-31-101 (1)(a), C.R.S., and 24-75-112 (1)(i), C.R.S.

*REQUEST:* The Department requests \$212,793 total funds for this line item pursuant to OSPB's budget instructions. This includes a common policy adjustment based on the Department’s share of actual statewide legal services usage for the last three years.

*RECOMMENDATION:* This item is **pending** a Committee common policy decision. The table below summarizes the request.

**ADMINISTRATIVE LAW JUDGE SERVICES**

This line item provides funding the Department to purchase Administrative Law Judge services from the Department of Personnel. In this Department, the only entity using ALJ services is the Division of Private Occupational Schools.

*STATUTORY AUTHORITY:* Sections 24-30-1001 (3) and 24-30-1002, C.R.S.

*REQUEST:* The Department requests \$311 cash funds for this line item for FY 2022-23, consistent with OSPB common policy.

*RECOMMENDATION:* The recommendation is for \$322 cash funds. This amount is consistent with Committee common policy but reflects a fund source adjustment.

**PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS**

This line item provides funding for the Department’s share of the statewide costs for the liability and property programs operated by the Department of Personnel and Administration. The state’s liability program is used to pay liability claims and expenses brought against the State. The property program provides insurance coverage for state buildings and their contents.

*STATUTORY AUTHORITY:* Section 24-30-1510 and 24-30-1510.5, C.R.S.

*REQUEST:* The Department requests an appropriation of \$308,350 total funds for this line item.

*RECOMMENDATION:* The staff recommendation is included in the table below and reflects the Committee common policy decision for this program.

DEPARTMENT ADMINISTRATIVE OFFICE, PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$278,935	\$0	\$259,235	\$19,700	\$0	0.0
<b>TOTAL</b>	<b>\$278,935</b>	<b>\$0</b>	<b>\$259,235</b>	<b>\$19,700</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$278,935	\$0	\$259,235	\$19,700	\$0	0.0
Centrally appropriated line items	45,984	0	23,949	22,035	0	0.0
Non-prioritized centrally appropriated requests	830	0	466	364	0	0.0
<b>TOTAL</b>	<b>\$325,749</b>	<b>\$0</b>	<b>\$283,650</b>	<b>\$42,099</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$46,814</b>	<b>\$0</b>	<b>\$24,415</b>	<b>\$22,399</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	16.8%	0.0%	9.4%	113.7%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$308,350</b>	<b>\$0</b>	<b>\$39,343</b>	<b>\$269,007</b>	<b>\$0</b>	<b>0.0</b>

DEPARTMENT ADMINISTRATIVE OFFICE, PAYMENT TO RISK MANAGEMENT AND PROPERTY FUNDS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Request Above/(Below) Recommendation	(\$17,399)	\$0	(\$244,307)	\$226,908	\$0	0.0

**LEASED SPACE**

This line item pays for leased space for the Department's administrative office. It moved to 18,182 square feet at 1600 Broadway, Suite 2200 in May 2018.

*REQUEST:* The Department requests a continuation appropriation of \$424,927 for this line item, including \$112,960 cash funds and \$311,967 reappropriated funds.

*RECOMMENDATION:* **Staff recommends the continuation amount requested.** The table below shows both the on-budget and off-budget portions of the DHE Leased Space payments in actual year FY 2020-21 and estimate year FY 2021-22. In recent years , lease payment adjustments have been absorbed by off-budget programs, and staff assumes that this will also be true of any incremental increase in FY 2022-23. Staff anticipates that a modest inflationary adjustment will ultimately be required in this line item.

DHE LEASED SPACE CALCULATION		
	FY20-21	FY21-22
FY 20-21 Total Lease	\$518,187	\$518,187
Less property tax deduction	(84,183)	(84,183)
Additional costs year 2	10,220	21,000
<b>Total lease</b>	<b>\$444,224</b>	<b>\$455,004</b>
<i>On -budget</i>		
DHE	311,967	311,967
DPOS	112,960	112,960
Total appropriated in LB	<b>\$424,927</b>	<b>\$424,927</b>
<i>Off-budget balance remaining</i>		
COSI	6,712	8,087
OPPE	839	1,164
Foster	839	1,164
CoHelps	4,195	5,818
GEARUp	5,873	5,701
OER	839	2,327
Teacher Mentor & SB21-185		1,164
Ed Loan Forgiveness		582
COSI- SB21- 1330		3,491
CWDC position - .5 FTE		582
Total Off-budget Remaining	<b>\$19,297</b>	<b>\$30,077</b>

PAYMENTS TO OIT

This line item supports information technology services provided by the Governor’s Office of Information Technology.

*STATUTORY AUTHORITY:* Section 24-37.5-104, C.R.S.

*REQUEST:* The Department has requested \$355,946 total funds for this line item, including the Department’s share of request items in OIT.

*RECOMMENDATION:* This item is **pending** a Committee common policy decision. The table below summarizes the request.

CORE OPERATIONS

This line item supports the new state accounting and budgeting system. Appropriations in department operating budgets are reappropriated to the Department of Personnel.

*STATUTORY AUTHORITY:* Section 24-30-209, C.R.S.

*REQUEST:* The Department requests \$257,323 total funds for this line item, including a common policy adjustment.

*RECOMMENDATION:* The recommendation is to follow the JBC's common policy as reflected in the table below.

DEPARTMENT ADMINISTRATIVE OFFICE, CORE OPERATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$237,213	\$0	\$92,160	\$145,053	\$0	0.0
<b>TOTAL</b>	<b>\$237,213</b>	<b>\$0</b>	<b>\$92,160</b>	<b>\$145,053</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$237,213	\$0	\$92,160	\$145,053	\$0	0.0
Centrally appropriated line items	20,110	0	0	20,110	0	0.0
<b>TOTAL</b>	<b>\$257,323</b>	<b>\$0</b>	<b>\$92,160</b>	<b>\$165,163</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$20,110</b>	<b>\$0</b>	<b>\$0</b>	<b>\$20,110</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	8.5%	0.0%	0.0%	13.9%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$257,323</b>	<b>\$0</b>	<b>\$92,160</b>	<b>\$165,163</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

## (2) COLORADO COMMISSION ON HIGHER EDUCATION AND HIGHER EDUCATION SPECIAL PURPOSE PROGRAMS

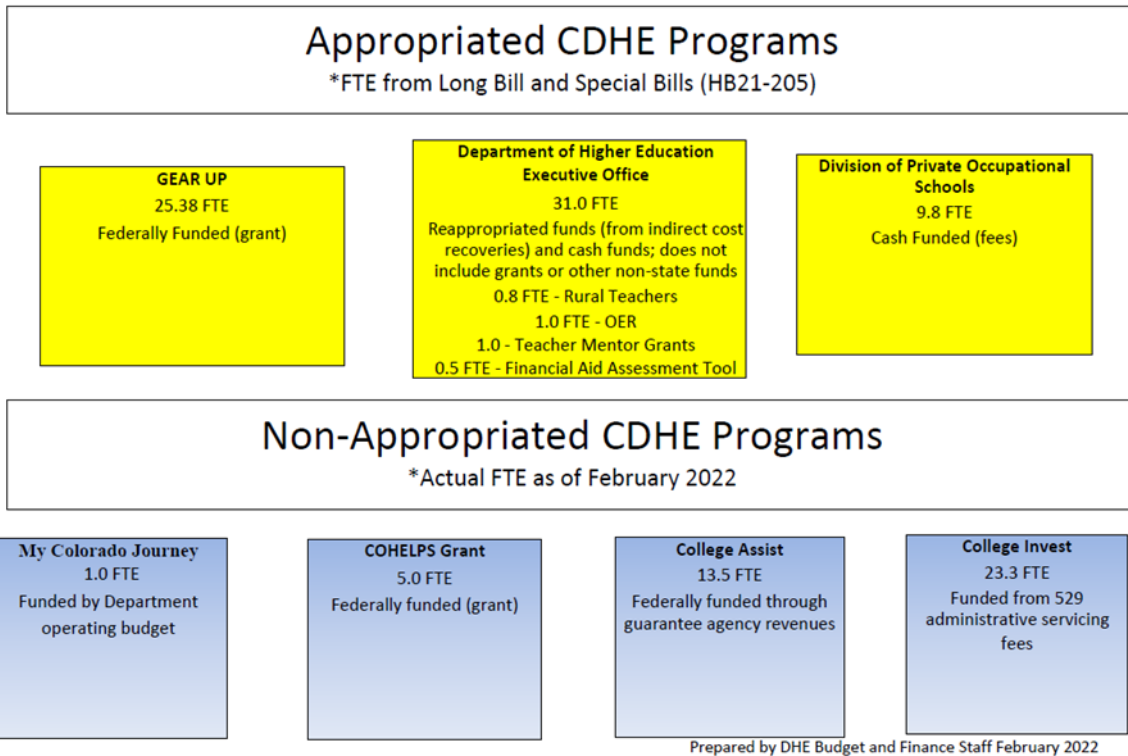
The Colorado Commission on Higher Education serves as a central policy and coordinating board for public higher education in Colorado. This division includes funding for the Commission's staff, the Division of Private Occupational Schools, and special purpose initiatives of the Department. The table below summarizes recommended Long Bill changes for the Division.

COLORADO COMMISSION ON HIGHER EDUCATION AND HIGHER EDUCATION SPECIAL PURPOSE PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 Appropriation</b>						
FY 2021-22 Appropriation	\$168,959,449	\$44,077,753	\$91,735,133	\$28,051,603	\$5,094,960	92.3
Long Bill supplemental	15,000,000	0	15,000,000	0	0	0.0
<b>TOTAL</b>	<b>\$183,959,449</b>	<b>\$44,077,753</b>	<b>\$106,735,133</b>	<b>\$28,051,603</b>	<b>\$5,094,960</b>	<b>92.3</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$183,959,449	\$44,077,753	\$106,735,133	\$28,051,603	\$5,094,960	92.3
R4 Higher education research authority spending authority increase	800,000	0	800,000	0	0	0.0
R5 Division of outreach and attainment services	0	0	0	0	0	0.0
R6 Support expansion of single stop	0	0	0	0	0	0.0
R7 Lowering fees for former students of closed schools	(4,833)	0	(4,833)	0	0	0.0
R8 Funding for Institute of Cannabis Research	1,000,000	0	1,000,000	0	0	0.0
T1 WICHE dues	5,000	0	0	5,000	0	0.0
T3 Depreciation Lease Equivalent adjustment	2,717,414	2,717,414	0	0	0	0.0
SI, T4, T6 Lease purchase payment adjustments	(1,018,957)	(1,009,156)	431,205	(441,006)	0	0.0
SI Indirect cost collection adjustments	493,752	(64,994)	73,870	470,232	14,644	0.0
SI Spending authority Division of Private Occupational Schools	99,415	0	99,415	0	0	0.0
SI Inflationary adjustment Colorado Geological Survey	45,001	12,442	32,559	0	0	0.0
SI WICHE Optometry PSEP inflation	8,900	8,900	0	0	0	0.0
SI Adjustments to location of appropriation	500,000	0	500,000	0	0	0.0
Other	0	0	0	0	0	0.0
Annualize prior year legislation	(16,468,200)	(2,900,160)	(13,579,879)	11,839	0	(1.6)
Annualize prior year budget actions	111,266	(80,000)	23,047	168,219	0	0.0
<b>TOTAL</b>	<b>\$172,248,207</b>	<b>\$42,762,199</b>	<b>\$96,110,517</b>	<b>\$28,265,887</b>	<b>\$5,109,604</b>	<b>90.7</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$11,711,242)</b>	<b>(\$1,315,554)</b>	<b>(\$10,624,616)</b>	<b>\$214,284</b>	<b>\$14,644</b>	<b>(1.6)</b>
Percentage Change	(6.4%)	(3.0%)	(10.0%)	0.8%	0.3%	(1.7%)
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$154,862,492</b>	<b>\$44,447,719</b>	<b>\$76,895,930</b>	<b>\$28,375,655</b>	<b>\$5,143,188</b>	<b>91.5</b>
Request Above/(Below) Recommendation	(\$17,385,715)	\$1,685,520	(\$19,214,587)	\$109,768	\$33,584	0.8

BACKGROUND ON DEPARTMENT STRUCTURE

Much of the Department’s activities are off-budget. The organization's major components are summarized below. Most programs that are under the Department’s Executive Director also operate under the oversight of the Colorado Commission on Higher Education, but this is not uniformly the case.

## Department of Higher Education Program Budgets and Associated Employees (FTE)



Appropriated programs are described under the relevant line items in this division. A brief description of major non-appropriated programs is included here, followed by a spreadsheet summarizing existing programs and projections.

*College Invest (cash funds):* This agency manages the Colorado college savings plans authorized under section 529 of the Internal Revenue Code. Savings deposited in these 529 accounts are exempt from Colorado income tax, and interest earnings and capital gains on the accounts are exempt from both state and federal tax if used for qualified purposes.

*College Assist (federal funds):* College Assist served as the guarantee agency for student loans issued before the federal government took over this role. The agency no longer provides student loan origination and disbursement assistance but is now focused solely on default prevention for previously-issued loans. Because the federal government now issues student loans directly, the State still receives revenue related to historic loans but not new ones. Staff anticipates that the program will gradually phase-out, but this appears to be slow process.

*Private and Other Federal Grants:* The Department typically receives at least \$2.0 million total funds in grants each year from various private sources, as detailed in the table below. This year the Department received extensive appropriations from the General Assembly of federal Coronavirus State Fiscal Recovery Funds (which are "on-budget"), as well as support for other programs, such as the federal Colorado HELPS (apprenticeship) program, which are not reflected in the state budget.

CDHE Non-Appropriated Expenditures and Budgets FY 2019 to FY 2023					
Name	FY 18-19 Actual Expenditures	FY 19-20 Actual Expenditures	FY 20-21 Actual Expenditures	FY 21- 22 Budget	Anticipate d FY 22-23 Budget
<b>Federal Funds</b>					
IES CE - Research Partnership Grant - Federal (GF0021E50)	\$ 106,032	\$ 129,810	\$ -	\$ -	\$ -
GearUp 3 (GFAMOGU40)	\$ 1,555,912	\$ 288,866	\$ -	\$ -	\$ -
GearUp 4 (GFAMOGU44)	\$ 846,161	\$ 1,995,467	\$ 2,333,991	\$ 4,824,391	\$ 4,990,400
CO HELP 5 (GFAMOHELP)	\$ -	\$ 647,660.60	\$ 1,856,759.35	\$ 6,474,981.48	\$ 3,020,648.56
ARPA- HB21-1264- Career and Technical Education ( GLZATECH)	\$ -	\$ -	\$ -	\$ 10,000,000.00	\$ -
ARPA- HB21-1330-Colorado Opportunity Scholarship- Finish What you started (GLZACSPW)	\$ -	\$ -	\$ -	\$ 49,000,000.00	\$ -
ARPA- HB21-1330-Student Aid Applications Completion Grant Program (GLZASAAC)	\$ -	\$ -	\$ -	\$ 1,500,000.00	\$ -
ARPA- HB21-1330- Re-engaged Initiative and Associate Degree (GLZARIA0)	\$ -	\$ -	\$ -	\$ 1,000,000.00	\$ -
ARPA- SB21-232 College Oppor-t-Scholarship Displaced Workers Grant-Back to Work (GLZADPWG)	\$ -	\$ -	\$ -	\$ 15,000,000.00	\$ -
ARPA- SB21-137 Health Connector Work-for-e Program-arious Substance Use Disorder Activities (GLZARFA0)	\$ -	\$ -	\$ -	\$ 1,000,000.00	\$ -
ARPA- SB21-137 Health Connector Work-for-e Program-Health Connector Work-for-e Program (GLZARFA0)	\$ -	\$ -	\$ -	\$ 1,000,000.00	\$ -
ARPA- SB21-137-Health Connector Work-force Program-Stipends for Health Care-Workers- Opioid Use Disorder (GLZARFA0)	\$ -	\$ -	\$ -	\$ 600,000.00	\$ -
ARPA- ARPA funds from Governor Office - IA with Gov's Office (GLZAARPA)	\$ -	\$ -	\$ -	\$ 685,270.00	\$ -
APRAO Behavioral Health Incentive Program- SB 21-137 - IA with CDHS (GLZABHIP)	\$ -	\$ -	\$ -	\$ 9,000,000.00	\$ -
<b>Subtotal Federal Funds</b>	<b>\$ 2,508,104.84</b>	<b>\$ 3,061,803.28</b>	<b>\$ 4,190,750.09</b>	<b>\$ 100,114,582.71</b>	<b>\$ 8,011,049.04</b>
<b>College Assist Total <sup>1</sup></b>					
<b>Operating Expenses &amp; FISMA</b>	<b>\$ 2,504,595</b>	<b>\$ 2,057,005</b>	<b>\$ 2,158,664</b>	<b>\$ 3,140,700</b>	<b>\$ 3,300,000</b>
College Access Initiatives	-	927,612	1,787,601	2,489,100	8,050,000
Servicing fees and rehabilitation discount	21,583,007	18,409,949	16,613,392	9,225,000 <1>	19,470,000
Claims	218,032,105	180,159,019	58,958,768	172,479,010 <1>	98,200,000
Colorado Opportunity Fund Administration	291,483	290,969	315,050	352,700	370,300
<b>College in Colorado</b>	<b>\$ 1,337,000</b>			\$ -	\$ -
<b>Subtotal: Federal Funds</b>	<b>\$ 241,243,595</b>	<b>\$ 199,787,549</b>	<b>\$ 77,674,811</b>	<b>\$ 184,525,810</b>	<b>\$ 126,090,300</b>
<b>Private Funds</b>					
Study Colorado - (GC0135C00)	\$ 41,478	\$ 30,172	\$ 1,852	\$ 89,827	\$ 89,827
TIE Grant (Luminaj) (GC02507E)	\$ 91,244	\$ -	\$ -	\$ -	\$ -
Kresge Foundation (FAFSA) (GCGA2KR ES)	\$ 268,896	\$ -	\$ -	\$ -	\$ -
Colorado Workforce Development Council-Shared position (GF025SCGC-GC025SCGC)	\$ 47,330	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Interagency Agreement between CDLE(CWCD) and CDHE (GC025CWDC)	\$ 96,158	\$ -	\$ -	\$ -	\$ -
Interagency Agreement between CDE and CDHE (GC03TEAC)	\$ -	\$ 245,000	\$ 200,000	\$ 775,000	\$ 775,000
Colorado Challenge (GF023CCHA)	\$ 260,488	\$ 50,000	\$ -	\$ -	\$ -
Poster (GC026F0ST-GF028POST)	\$ 58,485	\$ 95,708	\$ 86,717	\$ 114,177	\$ 114,177
My Colorado Journey (GC031MJC0)	\$ -	\$ 2,054,381	\$ 858,519	\$ 885,000	\$ 885,000
Lumina Fund for Policy Acceleration (GC018JWMI)	\$ -	\$ 25,000	\$ -	\$ -	\$ -
Strong Start to Finish Strategy Site (GC0345STF)	\$ -	\$ -	\$ 255,002	\$ 44,698	\$ -
SB IR Phase II funding from BrightHive (GC0375BIR)	\$ -	\$ -	\$ 72,857	\$ 97,142.87	\$ -
Strada Education Network, Inc. (GC225EVO)	\$ -	\$ -	\$ 129,652	\$ 120,348	\$ -
Lumina Support - Office of Equity (GC018JWMI)	\$ -	\$ -	\$ -	\$ 125,000	\$ -
National College Attainment Network (GC025SCGC)	\$ -	\$ -	\$ 48,943	\$ -	\$ -
Concurrent Enrollment research-CU-CDHE agreement (GC025SCGC)	\$ -	\$ -	\$ 10,950	\$ -	\$ -
The Denver Foundation-outcomes-based payments of COSI (GC025SCGC)	\$ -	\$ -	\$ -	\$ 49,275.00	\$ -
Statewide Internet Portal Authority (GC025SCGC)	\$ -	\$ -	\$ 7,432	\$ 1,400.84	\$ -
Eligible Training Provider List/Consumer Site (GC0260CIC)	\$ -	\$ -	\$ 109,460	\$ 188,335	\$ 188,335
<b>Subtotal: Private Funds</b>	<b>\$ 864,078</b>	<b>\$ 2,523,256</b>	<b>\$ 1,856,383</b>	<b>\$ 2,540,204</b>	<b>\$ 2,102,339</b>
<b>Cash Funds</b>					
College Invest					
Total Operating Expenses	\$ 5,988,348	\$ 5,629,158	\$ 6,780,470	\$ 7,484,000	\$ 8,500,000
Scholarships & Matching Grant	1,164,789	1,667	-	-	-
Benefits Paid to Participants and Withdrawals	843,258,000	881,303,260	933,663,746	915,000,000	980,000,000
Servicing Fees	25,660,019	25,112,669	27,179,097	31,933,500	35,000,000
<b>Subtotal College Invest</b>	<b>876,072,156</b>	<b>912,046,754</b>	<b>967,623,313</b>	<b>954,437,500</b>	<b>973,500,000</b>
<b>Subtotal: Cash Funds</b>	<b>\$ 876,072,156</b>	<b>\$ 912,046,754</b>	<b>\$ 967,623,313</b>	<b>\$ 954,437,500</b>	<b>\$ 973,500,000</b>
>1 Funding end prior to FY21-22					
>2 Funding will end FY21-22					
>3 Carry Forward Authority					
>4 ARPA Funds					
>5 ARPA Funds- Passthrough to IHE or CCCS					
>6 ARPA Interagency Agreement					



## DECISION ITEMS - COLORADO COMMISSION ON HIGHER EDUCATION AND HIGHER EDUCATION SPECIAL PURPOSE PROGRAMS

### → R4 CHECRA SPENDING AUTHORITY INCREASE

*REQUEST:* The Department requests restoration of \$800,000 cash funds spending authority for Colorado Higher Education Competitive Research Authority (CHECRA), bringing the total appropriation for the program to \$2.8 million from the Innovative Higher Education Research Fund. CHECRA was established by the General Assembly in 2007 to provide higher education institutions with a state source for matching funds for grants awarded by the National Science Foundation and other competitive federal grants. Prior to the COVID-19 pandemic, the program received \$2,100,000 annually from limited gaming revenues that was deposited to the Innovative Higher Education Research Fund. The General Assembly suspended the distributions that would have occurred at the end of FY 2019-20 and FY 2020-21 due to projected declines in gaming revenue; however a distribution is anticipated at the end of FY 2021-22 based on current law. The program has been spending from its fund balance but anticipates that additional spending authority will be needed in FY 2022-23, once deposits to the Innovative Higher Education Research Fund are restored.

*RECOMMENDATION:* **Staff recommends the request to restore spending authority for the program by \$800,000 cash funds, to \$2,800,000 cash funds.** In staff's opinion, the request reflects a standard annualization calculation, *i.e.*, restoration of a temporary adjustment to allow an entity to spend revenue that is already available under statute. However, as the organization spends down its fund balance in the out-years, staff assumes that spending is likely to be closer to the \$2.1 million provided annually.

#### *ANALYSIS:*

*Background:* The Higher Education Competitive Research Authority is created in Section 23-19.7-102, C.R.S. The authority is overseen by a board comprised of the presidents or designees of the research institutions and a Governor appointee. Its role is to provide matching funds for federal research grants.

The Authority was initially supported by waste tire fees and more recently by Limited Gaming Funds. Senate Bill 13-133 provided for a limited gaming funds transfer of \$2,100,000 at the end of FY 2012-13 and subsequent years. This has been the sole source of revenue in recent years. Due to steep declines in limited gaming revenues, the JBC sponsored and the General Assembly adopted legislation to suspend allocations to this program that are received in FY 2020-21 (based on FY 2019-20 limited gaming revenue) and FY 2021-22 (based on FY 2020-21 limited gaming revenue). Under current law, gaming allocations to the program will resume in early FY 2022-23 (based on FY 2021-22 limited gaming revenue).

Although new funding was suspended for two years, the program continued to spend from its considerable existing reserves on both prior and new commitments. The table below reflects calendar year revenues and disbursements in 2020 to provide matching funds for various grants at the research institutions. Disbursements for projects are typically spread over two to six years. While the grants funded vary from year to year, the table below (the most recent provided to staff) demonstrates the types of activities supported.

*Funding Status:* As reflected in the table below, the program has been spending down its fund balance in the last two years. However, there is likely to be enough fund balance in FY 2022-23 to spend at the \$2.8 million level requested, with new revenue of \$2.1 million to be received in CY 2022 and a projected fund balance at the end of CY 2021/beginning of CY 2022 of \$1.9 million. The amount requested is merely spending authority and cannot be used if there is insufficient revenue available.

COLORADO HIGHER EDUCATION COMPETITIVE RESEARCH AUTHORITY (FOR FEBRUARY 2022 BOARD PRESENTATION)			
	CY 2019	CY2020	CY 2021
<b>Balance Available January 1</b>	<b>\$5,488,850</b>	<b>\$6,082,092</b>	<b>\$3,695,206</b>
<b>Revenues</b>			
Limited Gaming Fund	2,100,000	0	0
interest earnings	92,425	77,388	20,863
<b>Total Revenues</b>	<b>2,192,425</b>	<b>77,388</b>	<b>20,863</b>
<b>Disbursements</b>			
<b>Colorado State University</b>			
ARPA- Egrant	99,183	101,033	
IAC Extension to Underserved Areas (3 payments)		87,756	
NAWI- 1 payment			38,446
Colorado State University-NAWI- 1 payment			89,275
<b>Colorado School of Mines</b>			
Engineering Research Center Reinventing Urban Water ERC (renewal)	400,000	800,000	
\$400,000 per year (10/10 installment)			
IACMI-Institute for Advanced Composites Manufacturing Innovation		100,000	
\$200,000 per year 5 years split \$100,000 each to CSU and Mines			
\$64,858.00 in total			
MRI: Environmental X-ray Photoelectron Spectroscopy Facility for Characterizing Active Interfaces			
\$247,050.00 in total			
MRI: Acquisition of a Raman Imaging-	300,000		
\$300,000 in total			
REMADE-Clean Energy Manufacturing Innovation Institute for Reducing Embodied-energy And Decreasing Emissions		66,435	
MRI: 2019 MSF - one year		170,000	
NAWI- 1 payment			123,188
<b>University of Colorado - Boulder</b>			
NSF MRSEC	400,000		
Soft Materials Research Center Liquid Crystal Frontiers; and, Click Nucleic Acid IRGs			
\$400,000 per year/6 years			
NSF Science and Technology Center on Real-Time Function Imaging (STROBE) award notification	400,000	400,000	
5 payments of \$400,000			
QLCI-CI: NSF Quantum Leap Challenge Institute for Enhanced Sensing and Distribution Using Correlated Quantum States		400,000	400,000

COLORADO HIGHER EDUCATION COMPETITIVE RESEARCH AUTHORITY (FOR FEBRUARY 2022 BOARD PRESENTATION)			
	CY 2019	CY2020	CY 2021
5 payments of \$400,000			
MRI: NSF- (HS-LEIS)- one year		195,000	
MRI: NSF- (STED)- one year		135,000	
STROBE (5 payments)			800,000
U of Co- Boulder NAWI- 1 payment			40,000
U of Co- Boulder Cost share 2020			187,500
U of Co- Co Springs Cost share 2020			112,500
Audit cost	0.00	9,050.00	0.00
<b>Total Disbursements</b>	<b>\$1,599,183</b>	<b>\$2,464,274</b>	<b>\$1,790,909</b>
<b>Balance Available at December 31</b>	<b>\$6,082,092</b>	<b>\$3,695,206</b>	<b>\$1,925,169</b>

→ R5 DIVISION OF OUTREACH AND ATTAINMENT SERVICES [BILL RECOMMENDED]

*REQUEST:* The request includes \$250,000 General Fund and 2.0 FTE to fund the Division of Outreach and Attainment Services. The funding will enable the Department to work with internal divisions and external agencies on trainings, events, and coordination tools for postsecondary career planning and completion of the Free Application for Federal Student Aid (FAFSA). For subsequent years, the funding will annualize to \$250,000 reappropriated funds from indirect cost recoveries paid by higher education institutions.

The Department indicates that funding is for the implementation of theory-informed program or practice as defined in S.B. 21-284 (Evidence-based evaluation for budget).

*RECOMMENDATION:* **Because of the very limited statutory responsibilities for the Department to provide outreach services, as well as the history of supporting this activity with grant funds, staff recommends that the Committee sponsor legislation to specify the Department's responsibilities for conducting certain types of outreach.** If the Committee is willing to proceed with this, the bill would carry an appropriation clause of in the range of the \$250,000 requested, although the figure would be refined.

*ANALYSIS:*

The Department previously operated the College in Colorado online counseling and career exploration tool and had a staff of 14 outreach professionals who were funded through the federal CollegeAssist program. This funding ended in FY 2018-19. More recently the Department received support from the Kresge Foundation for related activities, but this support has also ended.

The Department now seeks new resources to work on statewide efforts to promote postsecondary participation, but its description of the function of these positions has evolved since the original request was submitted.

*Original Request*

- The Department's request as submitted emphasized work related to My Colorado Journey, a career exploration tool managed by the Colorado Workforce Development Council. To replace the College in Colorado tool, a multi-agency taskforce coordinated by the Colorado Workforce Development Council raised funds to develop My Colorado Journey, which was subsequently authorized in statute by H.B. 20-1396. The Department of Higher Education received grant support through the Colorado Workforce Development Council for 2.0 FTE to provide outreach and training about My Colorado Journey in FY 2020-21, but the funding did not continue in FY 2021-22. When Request R5 was submitted, the Department indicated that it was seeking sustainable funding to continue this work. However, JBC staff understands that this is no longer the focus of this request. The CWCB indicates that it is taking over outreach activities for My Colorado Journey itself, using gifts, grants and donations, although the Department is still involved as a partner and will use the platform in its activities. *Staff notes that My Colorado Journey does not appear to be serving the same function or to have anywhere near the same user base as the previous College in Colorado tool. The CWCB indicates that the program currently has about 40,000 users. For comparison, the previous College in Colorado tool had over 205,000 accounts active on average per year from 2015 to 2017.*
- The request also indicated that the Department sought staff to facilitate school and organizational participation in College Application Month, College Friday, and Free Application for Federal Student Aid (FAFSA) Completion, which had been part of the work of the previous College in Colorado Team. **In more recent communication the Department has particularly highlighted its focus on FAFSA completion**, as well as JBC Staff's recommendation that the State work to more clearly communicate information about affordability for low income students.

*Recommended Focus for New Staff: Promoting Applications for Financial Aid and Providing Information about College Affordability*

**In staff's opinion, if the Department is granted these resources, it should use recommendations of the Financial Aid Working Group report as a foundation for determining much of the role of these new staff.** As described above, the Department's original request, as written, no longer appears to be relevant. In addition, as described below, there is very little existing statute that describes the Department's role in conducting outreach activities. This is presumably because this work was previously supported primarily with federal and grant funding.

The following are some of the recommendations from the FAFSA working group that relate to CDHE (there are others that represent more of a Department of Education function).<sup>5</sup> While staff recognizes that coordinating these activities *cannot be the sole focus* of a Division of Outreach and Attainment Services, **coordinating the functions below should be central to the work of new staff.**

First:

- Permanently fund CDHE's FAFSA tool, including technical staff to support the tool to update it and make it more user-friendly. Districts rely heavily on the information provided by the tool to support FAFSA completion initiatives.

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<sup>5</sup> [https://higher.ed.colorado.gov/Publications/Reports/Legislative/1330/2022\\_FA\\_WorkingGroup\\_Report.pdf](https://higher.ed.colorado.gov/Publications/Reports/Legislative/1330/2022_FA_WorkingGroup_Report.pdf)

Next:

- Develop a team to serve as a resource on student aid applications, including staff to assist in statewide aid application completion, with accountability for implementing and maintaining work group recommendations.
- Staff should also be dedicated to making necessary technical upgrades and maintenance of both the CAFSA application itself and the way in which it is integrated with institutional data systems.
- Update the FAFSA/CASFA (Colorado Application for State Financial Aid) toolkit to provide more information to districts and students and families on technical aspects of FAFSA completion.
- Implement a communications campaign in multiple languages to increase awareness about the benefits of filing for a FAFSA or CAFSA.

In the medium term:

- Create a state-endorsed financial aid certification for school counselors, teachers, and community partners to ensure students receive accurate filing information.
- Work with financial aid offices to streamline the verification process across institutions to minimize barriers to students.

*Observations from Staff's Budget Briefing on Increasing Awareness About Financial Aid*

- **Colorado has a poor college-going rate.** Among Colorado high school students who graduated in 2019 (pre-pandemic), **only 56.3 percent enrolled in postsecondary education the next fall.** This figure was 51.4 percent for rural students, 51.9 percent for Black students, and 45.9 percent for Latinx students. While some enroll later, for students who completed high school in 2017, **over one-third had not enrolled in postsecondary education two years after graduation.**<sup>6</sup> Colorado is behind other states. Nationally, 66 percent of high school graduates enroll in college immediately.<sup>7</sup>
- **Colorado has one of the lowest completion rates in the nation for the Free Application for Federal Student Aid (FAFSA).** As of summer 2021, the FY 2020-21 FAFSA completion rate was **42.1 percent**, having fallen from the previous 44.4 percent.<sup>8</sup> Thus, many students never learn about the financial aid for which they are eligible. According to a report developed for the Department of Higher Education, **almost half of student who do not complete the FAFSA are predicted to be eligible for a Pell grant.**<sup>9</sup>

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<sup>6</sup> Colorado Department of Higher Education, Pathways to Prosperity: Postsecondary Access and Success for Colorado's High School Graduates, 2021 Report.

[https://higher.ed.colorado.gov/Publications/Reports/Legislative/PostSecondary/2021\\_Postsecondary\\_Progress\\_rel20210415.pdf](https://higher.ed.colorado.gov/Publications/Reports/Legislative/PostSecondary/2021_Postsecondary_Progress_rel20210415.pdf)

<sup>7</sup> National Center for Education Statistics, Immediate College Enrollment Rate.

<https://nces.ed.gov/programs/coe/indicator/cpa>

<sup>8</sup> Department information for H.B. 21-1330 Financial Aid Working Group. <https://cdhe.colorado.gov/higher-education-student-success-legislation-hb21-1330-authorizes-federal-american-rescue-plan>

<sup>9</sup> Hanover Research, *Best Practices Analysis: FAFSA Completion Trends*, Prepared for the Colorado Department of Higher Education, October 2021.

- **The cost of college--and particularly the full cost of attendance including room and board--is a real obstacle for students. However, the *perceived* cost is a problem too.** A 2018 U.S. Department of Education publication, *What High Schoolers and Their Parents Know About 4-Year Tuition and Fees in Their State*, cites previous studies and new data demonstrating the degree of misperception.

"Most high school students and parents are unaware of the actual price of college, and those who offer their best approximations tend to overestimate rather than underestimate prices...Minority and low-socioeconomic-status families in particular are less knowledgeable."<sup>10</sup>

- **Students who are eligible for a full Pell grant typically pay no tuition or fees at any Colorado public institution.** Data provided by the Department indicates that financial aid exceeded estimated tuition and fees for almost any student who attended full time (at least 24 credit hours per year) and qualified for the maximum federal Pell grant, regardless of age. This was true for 100.0 percent of students attending community college. This is also true for between 88.1 percent and 100.0 percent of students at the four year institutions, depending upon the institution.<sup>11</sup> **Furthermore, Colorado students coming out of high school who qualified for a Pell grant of any size and attended full time were usually able to attend public institutions without paying tuition or mandatory fees.** This was not true at two four-year institutions with an open access/modified open access mission, Colorado Mesa University and the Metropolitan State University of Denver, and might not be true for all students at other institutions.
- **Many of Colorado's postsecondary institutions are suffering from declining student enrollment.** This is particularly true at institutions that traditionally serve disadvantaged students. The pandemic has exacerbated these trends. Community colleges, Metropolitan State University of Denver, the University of Northern Colorado, and even Colorado State University have seen declining enrollment among resident students. To thrive, Colorado public institutions need to enroll and retain students who have not historically attended college. If they can do this well, the institutions, the students they serve, and the State will benefit.
- Postsecondary public institutions in Colorado compete with each other to attract students, who provide their largest source of revenue: tuition. Staff does not expect institutions to stop competing. However, **staff believes it would be in the interest of all of the public institutions--and certainly in the State's interest--to have a clear overarching message that principals and counselors could use to help students in middle and high school see college as a realistic option.**
- **FY 2022-23 is the right time for the State to begin communicating about college affordability, given recent federally-enacted FAFSA simplification.** The federal Coronavirus

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<sup>10</sup> Erin Dunlop Velez and Laura Horn, *What High Schoolers and Their Parents Know About Public 4-Year Tuition and Fees in Their State*, U.S. Department of Education Stats in Brief, October 2018 citing previous research.

<https://nces.ed.gov/pubs2019/2019404.pdf>

<sup>11</sup> Those institutions where the total was not 100.0 percent generally conduct additional financial aid screening to determine if someone who appears to have a low income also has high assets.

Response and Relief Supplemental Appropriations Act (CRRSA), signed December 27, 2020, included critical changes to simplify the FAFSA, reducing the number of FAFSA questions from 108 to a maximum of 36. The simplification provisions generally take effect on July 1, 2023 and apply to award year 2023-24. An analysis by the Urban Institute concludes that...**"the formula changes will make it much easier to communicate to students their likely eligibility for the maximum Pell award before they fill out a FAFSA."** The Urban Institute further estimates that, under the new formula, 76 percent of Pell recipients will receive the maximum grant.

*Other Observations on the Role of the Department of Higher Education in Outreach*

Over the years, staff has had questions about the effectiveness of some of the Department's outreach efforts, particularly given the high price tag associated with the College in Colorado tool and staff--a program that was entirely off budget. However, **staff believes the FAFSA Working Group report makes a strong case for the importance of establishing greater consistency in outreach funding, particularly as this relates to persuading students to complete financial aid applications.**

"Over the past two decades, Colorado has had a variety of programs targeting improvements in FAFSA completion rates. In the early 2010s, divisions of CDHE served as the state's outreach arm, with staff funded largely through state student loan funds. For five years the state also received a federal College Access Challenge Grant. That grant-funded outreach efforts, a college access scholarship for Pell-eligible undergraduates, a loan forgiveness program for school counselors, and investments in online tools devoted to connecting students and families of all ages with resources for financing and applying to college. State-level outreach staff also coordinated telethons, organized statewide campaigns like College Goal Sunday, and worked with groups like the Colorado Association of Financial Aid Administrators (CAFAA) to maximize the reach of FAFSA and other financial aid education activities.

Following the federalization of student loans, the loan-based funding stream was lost, as was support staff. The federal College Access Grant Program was funded from 2010 through 2014. Although Colorado was a leader in the FAFSA completion initiative work funded through a Kresge Grant from 2014 through 2018, the Kresge Foundation subsequently shifted its focus to awarding community organizations rather than state offices. As a result of the shift, funding supporting the Department's FAFSA portal and the related staff was lost. The cumulative loss of external funding over time has resulted in a correlated loss in outreach staff and programming, as when private funding was lost there was no funding from the state to continue those efforts. Where the Department previously had 5 outreach staff focused on FAFSA completion, in FY 2021-22 the Department of Higher Education has 1.5 FTE dedicated to outreach. As staff was cut, progress stalled — between the 2011-12 and 2012-13 FAFSA cycles, an increase in FAFSA outreach activities under the CACG program resulted in a 6 percentage point jump in FAFSA completion rates, but both funding and staff declined in subsequent years and Colorado's completions flattened out and eventually declined to the 2021-22 cycle rate of 43%."

Staff recognizes that certain types of outreach activities in high schools and other venues will be carried out by individual higher education institutions that seek to attract students. **Staff does not believe**

**the Department can substitute for the outreach activities of the individual higher education institutions, but it can play a useful, overarching role** in helping students and middle- and high-school staff understand their options in the public higher education arena and help smooth some of the kinks in the pipeline between K-12 and the postsecondary sector. It can play a similar useful intermediary role between postsecondary education and programs operated through the Department of Labor and Employment that focus on workforce training for people of all ages.

**The Department already has special expertise and resources that should be leveraged in outreach activities. For example:**

- As described in the Financial Aid report, the Department developed a resource, with private grant funds, that enables school districts to track at what rate their students are completing the FAFSA. This is critical infrastructure, and it makes financial sense from the State's perspective to upgrade and maintain it, rather than allowing it to fall into disuse.
- Under statute, rule, and CCHE guidelines, the Department distributes state financial aid to institutions and collects information from the institutions on students' use of state, federal, institutional, and other financial aid. It is thus in a unique position to answer questions about what Colorado students of various income levels actually pay to attend Colorado's public higher education institutions--and to support related outreach to high school students and others.

**In light of these factors, staff believes it is reasonable to provide some formal statutory recognition to CCHE's outreach role and some stable resources to help make this feasible.**

*Legislation Recommended*

**Staff recommends that the Joint Budget Committee sponsors legislation to identify the functions of the proposed new Division of Outreach and Attainment Services in law.**

- Section 24-75-1305, C.R.S. requires that the "general assembly shall not make an appropriation of moneys from the general fund or from any other source of state moneys to fund a program, service, study, or other function of state government that was previously funded through grant money and that has not received adequate grant money to support the program, service, student or other function of state government for the applicable fiscal year" *except* that the "general assembly may adopt legislation to reauthorize any program, service, study, or other function of state government that was previously funded through grant money, and, if such legislation includes an appropriation from the general fund or any other source of state moneys and becomes law, may make an appropriation from the general fund or from any other source of state moneys...."
- As described above, the Department previously operated an outreach division of significant size that was supported by revenue from the Department's role as a federal loan guarantee agency as well as grants from the Kresge Foundation. These funds are no longer available, and the Department is therefore approaching the General Assembly to provide support for outreach activities.
- **Staff believes that the Department should be engaged in outreach activities designed to connect high school students and others to postsecondary education. However, there is very little statute authorizing the Department to conduct such activities, presumably in large part because the Department never had to request funding for this function in the past and handled the activity using federal and grant funds.** There are, however, a few



statutory components identifying a Department role and indicating the General Assembly's interest in having the Department play this role.

- H.B. 20-1396 (Work Force Development Council Online Career Platform) updated two existing provisions of statute related to Department outreach. Section 23-1-119.1 (1), C.R.S., requires the Department to conduct outreach to provide notice to the parents and guardians of all students enrolled in eighth grade about opportunities for higher education and financial aid. Section 23-1-119.2, C.R.S., requires the Department to send a similar notice prior to the start of a student's eleventh- or twelfth-grade year regarding college preparatory courses required to meeting higher education admissions guidelines. As amended, both provisions require this notice to be provided via the free on-line career education and training resource managed by the Colorado Workforce Development Council [My Colorado Journey], if available, and, if not, subject to available appropriation.
- House Bill 20-1396 also added statutory language to enable the Department to receive and expend revenues received from the Colorado Workforce Development Council for the purpose of implementing and maintaining the [My Colorado Journey] platform and providing training about the online platform.
- In H.B. 21-1330, the General Assembly created the FAFSA working group within the Department to study how to improve FAFSA completion among high school students. This provision repeals July 1, 2022. This bill also created a grant program to promote FAFSA completion under the Colorado Opportunity Scholarship Initiative (COSI) program within the Department. This is funded with funds originating as federal Coronavirus State Fiscal Recovery Funds and repeals July 1, 2026.

#### *Cost Details*

If the Committee is willing to sponsor the legislation proposed, staff recommends funding outlined in the recommendation section. The request was for an even \$250,000 and the Department states that it includes costs associated with one existing positions. If the Committee agrees to sponsor related legislation, staff anticipates costs in the range requested, although the specific number would be refined consistent with fiscal note policies.

#### → R6 SUPPORT EXPANSION OF SINGLE STOP [BILL REQUIRED]

*REQUEST:* The request includes \$45,000 General Fund for FY 2022-23 and ongoing to support the use of the Single Stop technology application at all institutions of higher education in Colorado (public and private). The funding represents the annual cost for the license. The Single Stop online tool is designed for use by nonprofits, higher education institutions, and other entities that wish to assist their constituents in accessing public benefits (e.g., food assistance). With the technology, entities can "screen... constituents or have them screen themselves from a mobile device; provide referrals to critical benefits and services in their own community; and track and report data in real-time." The request notes that several Colorado institutions of higher education have already licensed this tool.

- The Department indicates that the funding is for the implementation of an evidence-informed practice as defined in S.B. 21-284 (evidence based evaluation for budget).

- In response to a staff question, on December 7, 2021, the Department informed staff that it believes new legislation will be required to give the Department statutory authority to execute the Single Stop request.

*RECOMMENDATION:*

- Staff recommends that the Committee sponsor legislation to provide the Department statutory authority for support of the Single Stop program.
- Staff further recommends that the bill include, at a minimum, an appropriation for the \$45,000 General Fund in requested ongoing funding.
- **Staff also recommends that the Committee consider adding additional one-time funds to help subsidize first-year participation by institutions not currently participating** at a cost of \$6,000 per institution. This would buy-down the cost for participation to the cost institutions are assessed in the second year (\$6,500). Staff believe this would encourage rapid uptake of the program and maximize the benefit to the State of the \$45,000 ongoing investment. *To provide a first-year partial subsidy for the 21 institutions not currently participating in Single Stop would cost an additional \$126,000 General Fund in one-time funds.*

*ANALYSIS:*

*Students' Need for Public Benefits:* As described in the request and during the budget hearing, a June 2021 survey of students at the Colorado Community College System by the Hope Center at Temple University found that:

- 40 percent of students who responded experienced food insecurity in the prior 30 days;
- 55 percent experienced housing insecurity in the previous year; and
- 16 percent experienced homelessness in the previous year.<sup>12</sup>

The survey was distributed by email to 51,899 students at the 13 Community College System colleges, and 9,616 students responded (18.5 percent).<sup>13</sup>

The Department has noted that these results are almost identical to a 2018 survey of students in the Denver Metro area including students at Metropolitan State University of Denver, the University of Colorado Denver, and the University of Denver, which found 40 percent experienced food insecurity in the prior 30 days, 55 percent experienced housing insecurity in the previous year, and 18 percent experienced homelessness in the previous year.<sup>14</sup>

**Students face these challenges despite the fact that they work.** While financial aid is sufficient to cover tuition and fees for many low-income students, it is not sufficient to cover living expenses. Because of this, most lower income students work, and they are far more likely to attend college part-time, so that they can support themselves (and sometimes their families) and limit or avoid student

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<sup>12</sup> [#RealCollege 2021: Basic Needs Insecurity Among Colorado Community College System Students During the Ongoing Pandemic \(hope4college.com\)](#)

<sup>13</sup> The survey was presented as being about college life and distributed to all students. To encourage students to complete the survey, incentives of \$150 were offered to a random selection of those who participated. While the results of the survey are undoubtedly biased based on who responded, the researchers cannot say definitively whether the results over- or under-represented students facing financial challenges. The response rate at the community college system was higher than at many other institutions nationwide (two- and four-year) where the survey was conducted. [Microsoft Word - RC2021\\_National\\_Appendices\\_FINAL.docx \(hope4college.com\)](#) National studies also indicate significant food and housing insecurity among students. See for example: <https://files.eric.ed.gov/fulltext/EJ1171368.pdf>

<sup>14</sup> [RC2018\\_Denver\\_Report\\_20190906.pdf \(hope4college.com\)](#)

debt.<sup>15</sup> National data from 2018 indicates that among part-time students, 81 percent work, with 47 percent working more than 35 hours per week. Among full-time students, 43 percent work, with 27 percent of full-time students working more than 20 hours per week.<sup>16</sup> One impact of these many hours of work is that students take longer to complete their educations, and part-time students are unlikely to complete degrees at all.<sup>17</sup> Students who work more than 15 hours per week also have worse academic performance.<sup>18</sup>

The request notes that **postsecondary students may be eligible for public benefits such as SNAP** (the Supplemental Nutrition Assistance Program), **TANF** (Temporary Assistance for Needy Families), **WIC** (Women, Infants, and Children Program), **and Medicaid but do not know they are eligible**. A 2018 student from the federal General Accounting Office found that almost 2 million at-risk students who were potentially eligible for Supplemental Nutrition Assistance (SNAP) benefits did not report using such benefits in 2016.<sup>19</sup> As noted in the request, use of public benefits can enable students to complete credentials and degrees and access better long-term workforce opportunities, thereby breaking a cycle of dependence.

*What is Single Stop and What Difference Does it Make?* As described by the Department during its budget hearing, "Single Stop allows all students at an institution of higher education to use calculators estimating [the] benefits [for which] a student is eligible and equips staff at institutions to guide a student through those application processes." The program can connect students to a range of free services including screening and application for public benefits, tax services, financial counseling, legal services, and case management referrals. A 2014 study by the RAND Corporation at various community colleges in the United States found that use of the program was associated with increased college persistence and improved postsecondary outcomes.<sup>20</sup>

*Cost of Providing Single Stop:* In response to staff questions, the Department reports that the \$45,000 serves as base funding for the State. **The \$45,000 cost for the State has been covered by a donor for the last two years, but this funding will not be available beginning in FY 2022-23. This is the cost included in the request.**

**Individual institutions participating in the program must also contribute.** Pricing for participating institutions is:

- \$12,600 for the first year;
- \$6,600 for the second year; and
- \$5,500 thereafter.

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<sup>15</sup> Nearly 38 percent of college students are age 25 or older. [https://nces.ed.gov/programs/digest/d20/tables/dt20\\_303.40.asp](https://nces.ed.gov/programs/digest/d20/tables/dt20_303.40.asp)

<sup>16</sup> <https://nces.ed.gov/programs/coe/indicator/ssa>

<sup>17</sup> Recent National Clearinghouse data indicates that nearly 84 percent of students who began college at a Colorado public 4-year institution (and 68 percent who began at a Colorado public two-year institution) *full-time* completed within six years. However, less than 20 percent of those who started at a Colorado public 4-year institution (and less than 27 percent who started at a Colorado public two-year institution) who attended *part-time* completed in six years. <https://nscresearchcenter.org/completing-college/>

<sup>18</sup> <https://1gyhoq479ufd3yna29x7ubjn-wpengine.netdna-ssl.com/wp-content/uploads/Low-Income-Working-Learners-FR.pdf>

<sup>19</sup> <https://www.gao.gov/assets/gao-19-95.pdf>

<sup>20</sup> [https://www.rand.org/pubs/research\\_reports/RR1740-1.html](https://www.rand.org/pubs/research_reports/RR1740-1.html)

Data provided by the Department indicates that **ten state institutions are currently participating in the program**, including seven community colleges from the Community College System, Metropolitan State University of Denver, the University of Colorado Denver, and Fort Lewis College. Four of these are in a current RAND study cohort. For these existing institutions, pricing is \$5,500 per year which is being paid by RAND, donors, or institutional funds.

An additional **21 institutions are not currently participating**. For these institutions to join, they would each need to pay on the per-institution basis described above (\$12,600 for the first year, \$6,600 for the second, etc.) **Staff notes that these institutions range dramatically in size from CU Boulder to the Technical College of the Rockies**, although the cost per institution is the same for all.

*Evidence-based Program:* The Department indicates that the funding is for the implementation of an evidence-informed practice as defined in S.B. 21-284 (evidence based evaluation for budget). National research studies have found that Single Stop clients are more successful in college than peers that do not use the service and that students with support from Single Stop had higher retention, pass rates, GPAs and graduation rates compared to peers. Studies include previous RAND corporation research cited above, and a Metis Associates study.<sup>21</sup> While the results of providing Single Stop are not enormous, the program appears to have measurable impacts (several percentage points) in improving student retention and pass rates in large, carefully designed studies. The RAND Corporation is currently facilitating another randomized control trial which includes some Colorado higher education institutions.

**Staff concurs with the Department's conclusion that this program represents an "evidence-informed program or practice"** and, depending upon the results of the current RAND study, it appears to staff that it may soon fall into the "proven program or practice category", based on the results of large, randomized studies.

## → R7 LOWERING FEES FOR FORMER STUDENTS OF CLOSED SCHOOLS

*REQUEST:* The request includes a decrease of \$4,833 in cash funds spending authority for the Division of Private Occupational Schools (DPOS) line item. The decrease is from lower fees for students requesting transcripts from closed schools, reflecting cost savings from schools' transition to digital transcripts. Fees are being reduced from \$35 per transcript to \$20 per transcript.

*RECOMMENDATION:* **Staff recommends the requested reduction of \$4,833 cash funds. However, if the cash fund schedules submitted by the Department are accurate, the Division of Private Occupational Schools may need to consider additional temporary fee reductions** to students and private occupational schools given that it has exceeded its uncommitted reserve and its three-year reserve waiver will expire at the end of FY 2021-22. The DPOS increased ongoing expenditures by \$100,000, based on a new IT project that was supposed to start in FY 2020-21. Its fund balance was projected to decline based on the additional spending. This does not appear to have occurred. In response to staff questions about how the program would address its excess uncommitted reserve balance, the Department responded that "Any waiver requests deemed necessary and appropriate

<sup>21</sup> <https://singlestop.org/wp-content/uploads/2019/11/Single-Stop-Final-Impact-and-Implementation-Study-final1.pdf>

would be submitted as part of the January executive request." Since no request was received, staff anticipates that the Division may need to consider additional free reductions or holidays. Such changes will not, however, affect the Division's annual appropriations.

*ANALYSIS:*

*Background:* This program is responsible for reviewing the curriculum and establishing standards for private occupational schools in Colorado, pursuant to Section 12-59-101, C.R.S., et. seq. The Division regulates over 356 private occupational schools in Colorado and 40 out-of-state schools that deliver education or training in areas such as cosmetology, real estate, IT/business, massage therapy, trucking, automotive, bartending and allied healthcare professions. The vast majority of schools regulated by the Division are not subject to any other accreditation or quality review process. The Division thus helps to protect students from deceptive trade practices and substandard educational programs. It also maintains the student records of any institution that closes, among other functions.

As outlined in statute, the Division reports to the executive director of the Department. The Board of Private Occupational Schools, which consists of seven members appointed by the Governor and confirmed by the Senate, advises the executive director and has regulatory oversight and rule-making authority.

The division is entirely cash funded. In FY 2021-22, the Division's line item had an appropriation of \$956,750 cash funds to support 10.4 FTE. Appropriations are larger once centrally appropriated amounts are taken into account: a total of \$1,070,350 was appropriated to the Department from the Division of Private Occupational Schools Fund, and the Division also receives the majority of the \$486,760 in "various" cash funds spending authority appropriated in the Department Administrative Office for centrally appropriated amounts.

In response to staff questions, the Department provided its fee schedule. This indicates that with the sole exception of the student transcript for closed schools, which this request addresses, *all fees are levied on the private occupational schools themselves*. The highest charges are to review and process applications to license new schools (\$5,000 per school), but there are additional charges for new campus programs and ongoing charges for school and program renewals. Also in response to staff questions, the Department provided an analysis of its actual FY 2020-21 fee revenue. **These fees totaled \$1,312,115 in FY 2020-21.** The largest revenue component was for initial school assessment fees (\$653,440). The component the Department proposes to change is the smallest revenue component at \$11,875 in FY 2020-21.

**Staff is supportive of the proposed reduction in student fees. However the relationship between fees and appropriations is far from exact, and staff is puzzled by the request to reduce a small amount of spending authority.** As indicated in the table below, **the cash fund schedule submitted by the Department seems to indicate that the program expecting an ongoing and significant excess uncommitted fee reserve balance, which, on its face, should drive larger reductions in fees than is reflected in this request.** However, such a fee reduction would not require a reduction in spending authority, and most impacts would need to be on schools, rather than students, to have any noticeable impact on excess reserves. As described later in this document, in response to staff questions, *the Department indicated that it planned to seek additional spending authority to enable it to spend down these excess reserves through a FY 2022-23 supplemental.*

Cash Flow Summary				
Revenue Total	\$1,113,706	\$1,312,115	\$1,412,115	\$1,412,116
Fees	\$1,113,706	\$1,312,115	\$1,412,115	\$1,412,115
Interest	\$0	\$0	\$0	\$1
Expenses Total	\$1,078,570	\$1,197,390	\$1,297,390	\$1,292,557
Cash Expenditures	\$1,078,570	\$1,197,390	\$1,297,390	\$1,297,390
Change Requests (If Applicable)	\$0	\$0	\$0	-\$4,833
Net Cash Flow	\$35,136	\$114,725	\$114,725	\$119,559

Schedule 9: Cash Funds Reports  
 Department of Higher Education  
 FY 2022-23 Budget Request  
 Fund 2220 - Private Occupational Schools Cash Fund  
 12-59-116, C.R.S. (2015)

Cash Fund Reserve Balance	Actual	Actual	Estimated	Requested
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Uncommitted Fee Reserve Balance (total reserve balance minus exempt assets and previously appropriated funds; calculated based on % of revenue from fees)	\$309,574	\$424,299	\$424,299	\$424,299
Target/Alternative Fee Reserve Balance (amount set in statute or 16.5% of total expenses)	\$177,964	\$197,569	\$214,069	\$213,272
<b>Excess Uncommitted Fee Reserve Balance</b>	<b>\$131,610</b>	<b>\$226,730</b>	<b>\$210,230</b>	<b>\$211,027</b>
Compliance Plan (narrative)	Private Occupational Schools Cash Fund was found to be out of compliance with the excess uncommitted reserve requirements contained in Section 24-75-402, C.R.S. in FY 2018-19 and received a three-year cash fund waiver so that the Division may spend down the excess reserves on an IT project it plans to implement.			

➔ SI INCREASE SPENDING AUTHORITY FOR DIVISION OF PRIVATE OCCUPATIONAL SCHOOLS

*REQUEST:* The Department did not submit a formal request for this item. However, in response to staff questions, the Department and OSPB indicated that they planned to submit a supplemental request for FY 2022-23 to address excess reserves and additional temporary spending authority for the Division of Private Occupational Schools.

*RECOMMENDATION:* Staff recommends providing an additional appropriation of \$99,419 cash funds from the Private Occupational Schools Fund for the Division of Private Occupational Schools line item for FY 2022-23 and FY 2023-24. The recommendation will enable this division to spend down excess reserves and complete a new information technology system, for which the JBC previously provided spending authority. The spending authority would annualize (be eliminated) for FY 2024-25.

*ANALYSIS:*

*Excess Reserve:* As described above, the Division of Private Occupational Schools is responsible for reviewing the curriculum and establishing standards for private occupational schools in Colorado, pursuant to Section 12-59-101, C.R.S., et. seq. The Division estimates annual expenses in FY 2021-22 of \$1,469,990 cash funds, including centrally appropriated amounts.

As also described above, the Private Occupational Schools Fund has an excess uncommitted reserve. It was provided a three-year waiver on this excess reserve for FY 2019-20 through FY 2021-22, but it

is expected to be in violation of excess reserve requirements in FY 2022-23. Earlier in the year, staff asked whether the Department would be submitting another cash funds waiver request for this fund, but no such request was forthcoming.

*Information Technology System Transition:* During the 2020 legislative session (the same year the Department submitted a request for a three year waiver of excess reserve requirements), it requested spending authority for transitioning to a new information technology system. The request was for \$200,000 cash funds spending authority for FY 2020-21 and \$100,000 cash funds spending authority for FY 2021-22 through FY 2023-24. The purpose described was to enable the Division of Private Occupational Schools to implement a comprehensive IT solution that will increase the quality and efficiency of the Division's workflow. The Division regulates over 300 private occupational schools and had continued to collect school information mostly in paper format, which is then transcribed into outdated databases. In 2016 the Division issued an RFP for a new information and tracking system to manage its workflow processes, but the bids were too high and did not meet the Division's needs.

The Division saw a new opportunity for implementing a cost-effective system by linking to a data system developed for the Department of Labor and Employment's one-stop workforce system, the Eligible Training Provider List (ETPL). This system is used by the state's one-stop workforce center system and managed by the Division. The technology solution the Department proposed was intended to enable private occupational schools to file required materials with the Division and simultaneously register with the ETPL if they wish to do so. About one-third of schools regulated by the Division are already on the ETPL.

The request highlighted:

- *Time savings and efficiencies:* Five Division personnel were spending approximately 30 percent of their time doing data entry after receiving paper submissions from schools. The new IT solution would allow schools to directly input applications and data to a centralized system. The Department provided a cost-benefit analysis spreadsheet indicating estimated savings of 406 days from this upgrade that would allow staff to redirect their efforts to outreach activities.
- *Better information and data reporting:* The new automation tool would enable the Division to more readily track student completions and provide data and statistics relevant to the Department's credential attainment goals and tracking. They would also help the Division use lead measures (rather than lag measures) to help identify schools that are in financial difficulty before they face closure.

Staff recommended the request, and the Committee and General Assembly authorized funding. This was one of the few decision items that was not reversed during the FY 2020-21 budget balancing process. In addition to providing the spending authority, the JBC added a footnote specifying the General Assembly's intent that the additional spending authority would not drive fee increases.

*Current Situation:* In response to staff questions the Department provided additional analysis and information.

- It noted that despite the contractor initially giving an estimate of \$500,000 for the IT project (the basis for the \$200,000 spending authority in the first year, followed by three years at \$100,000), the contractor had underestimated the complexity of the project, and the Department now expects

the cost to be closer to \$625,000 through FY 2023-24, including maintenance. The Department wishes to finish the IT project in a timely manner and without further cost increases.

- Department staff have been challenged by the workload associated with development of the IT system combined with their regular workload, and the Division could benefit from additional temporary resources to help manage this. the Division's caseload has increased significantly as thirty new schools have been added since the pandemic.
- In collaboration with OSPB, the Department felt it was best to spend down the excess reserves as soon as possible. It believes that it will be able to use the additional spending authority for short-term needs and does not expect to hire additional ongoing staff. Travel and in-person conferences ceased during the pandemic but are expect to restart. Over the longer term, the program anticipates a decline in revenues as the federal government begins to crack down on proprietary schools and the Division thus issues fewer licenses.

The Department provided spreadsheets indicating that additional spending authority for at least two years would be required to spend down the Division's current excess reserve. The amount recommended is based on the Department's data. If further changes are required beyond FY 2023-24, staff anticipates that the Department will submit a decision item at that time.

## → R8 COLORADO CANNABIS RESEARCH FUNDING FOR INSTITUTE OF CANNABIS RESEARCH

*REQUEST:* The Department request includes an increase \$1,800,000 from the Marijuana Tax Cash Fund (MTCF) for the Institute of Cannabis Research. This amount would double the current appropriation for the Institute, bringing it to \$3,600,000.

### *RECOMMENDATION:*

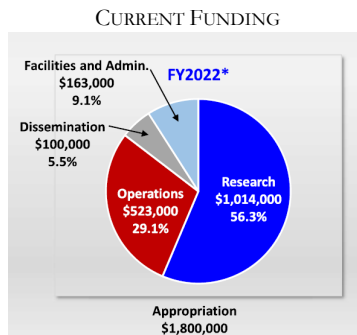
- Staff recommends that the Committee increase funding for the Institute by \$1,000,000 cash funds from the MTCF, to a total of \$2,800,000, *pending updated projections on revenue to the Marijuana Tax Cash Fund and staff's analysis of the revenue required to maintain programs to which the State has previously committed.* Staff recommends all funding be included in a line item entitled "Institute of Cannabis Research".
- Staff is supportive of increasing research funding for the Institute of Cannabis Research. However, given questions about available MTCF revenue, *staff recommends that the Committee consider whether additional funding for the Institute, beyond the \$1.0 million recommended, is feasible after the March 15 discussion on the Marijuana Tax Cash Fund and the March 17 revenue forecast.*
- Staff also recommends continuing a footnote authorizing the Institute to roll forward up to \$500,000 of the total appropriation to FY 2022-23, representing approximately one quarter of research funding.
- While there has been some discussion of a bill related to the Institute of Cannabis Research, if roll-forward authority is the primary reason for such a bill, staff recommends that, for now, this issue be addressed by continuing to allow the organization some roll-forward authority through the Long Bill. Staff notes that OSPB has expressed objection to allowing any roll-forward, but given the function of this funding--research grants that may in some cases require timing adjustments--staff believes limited roll-forward authority is appropriate. By providing authorization through the Long Bill, rather than statute, the JBC will also be in a better position to determine whether/when this authority should be adjusted.



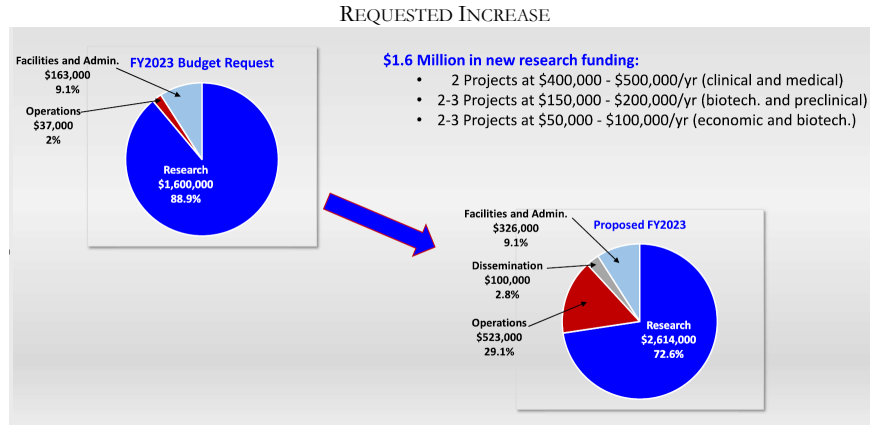
*ANALYSIS:*

*Background:* Senate Bill 16-191 authorized the General Assembly to appropriate money from the Marijuana Tax Cash Fund (MTCF) to the Board of Governors of the Colorado State University System (CSU) to fund scientific and social science research at CSU-Pueblo concerning marijuana and other matters that impact the state and its regions. The appropriation was initially provided at the \$900,000 level and was increased to \$1,800,000 MTCF in FY 2017-18. House Bill 19-1311 (Institute of Cannabis Research Role and Mission by Singer/Bridges made changes to the program. The changes include, among others, creating a new 9-member board to oversee the program, approve the budget, and oversee grant awards through an open process. Prior to 2019, the Institute's activities were focused on research and education at CSU Pueblo and hosting an annual research conference. In 2019, the mission evolved to a pure research focus engaging researchers throughout Colorado. One intent of this structural change was to make the Institute more independent of CSU-Pueblo and thereby clarify a statewide mission, even though the institute remains housed at CSU Pueblo.

During the 2020 legislative session, in response to budget constraints, the JBC reduced the budget for the Institute to \$1,000,000 cash funds from the MTCF for FY 2020-21. Staff anticipated that this would eliminate much of the state funding for institute-sponsored research, while leaving the core institute structure and staffing in place. The FY 2020-21 reduction was restored in FY 2021-22 to \$1,800,000. In its hearing responses, the Institute provided the following graphics indicating how funds are used in FY 2021-22 (based on its Board-approved budget) and how it would hopes to direct the \$1,600,000 requested.



\*Board-approved budget



As shown, the proposal includes:

- Increasing research funding by \$1,400,00, including adding new clinical/medical multi-year projects, new biotechnology/scientific multi-year projects, and two economic-social impact multi-year projects.
- Increasing administration funding by \$200,000. In response to staff questions, the Institute reports that this would be primarily to cover a 10 percent facilities and administration overhead charge for Colorado State University of Pueblo for space, accounting, business, human resources, contracting, legal services, and other administrative support. A recent analysis had indicated that the current facilities and administration payment (\$163,000) covers less than half of CSU-Pueblo's costs.

The ICR's current grant funding model launched in 2021 and is based on the process used by the National Institutes of Health for research funding. There is significant demand for this research funding, and the request notes that unbiased research on cannabis informs appropriate regulation and policy to protect public health and safety; stimulates medical, scientific, and technology advancement; and addresses societal questions about the impacts of new markets and policies. The ICR also continues to host an annual research conference, sponsors publication of the Journal of Cannabis Research in partnership with Springer Nature Publishing, and provides a monthly webinar series on cannabis research. Studies have explored issues such as the effects of medicinal cannabinoids on seizures in those with epilepsy, a study of use of industrial hemp fibers as reinforcing agents, and study for an enhanced method for extracting cannabidiol from cannabis leaves and flowers using pressurized liquid extraction. As the new funds have been requested, budgets for operations and dissemination activities (journal and conference) would be unchanged, while the research budget would increase to \$2.6 million.

#### *Staff Observations*

- **Given marijuana tax revenues in the \$425 million range, a total of the requested \$3.6 million from this funding source for the institute and state-funded research on cannabis seems relatively modest.** The Institute has noted that funding for research on cannabis is constrained by the federal prohibition on use and sale of cannabis. It also notes that private funding is heavily driven by the existing structure of financial incentives. Thus, pharmaceutical companies have thus far shown little public interest in funding research in this area as cannabis is already legally available and thus less likely to be profitable, and businesses that grow and sell

marijuana for medicinal and recreational purposes are particularly interested in research and findings that bolster their bottom line.

- **Members of the General Assembly have expressed interest** in improving information on Marijuana that is being sold for medical and recreational uses, including improving the information on the dosage dispensed, and related health and medical impacts. The institute is well-positioned to deliver this.
- The changes adopted by the Institute to mirror National Institute of Health approaches to grant funding seem reasonable and appropriate, and **the Board of the Institute appears to be doing its intended job.**
- Given the points above, **staff is supportive of an increase in funding for the Institute. However, staff also notes that the flow of marijuana tax revenue is less secure than in the past.** As outline in the Staff budget briefing on the marijuana revenue outlook<sup>22</sup>, marijuana revenue projections have decreased since the General Assembly finalized the FY 2021-22 budget. Prior to FY 2020-21, the General Assembly relied on prior year revenue to support spending for the upcoming budget year. However, that changed in FY 2020-21. Thus, as revenue has declined, the State's ability to fund its FY 2021-22 commitments is in question. **Given this, staff is not recommending the full request, pending the results of the March discussions of marijuana appropriations approved by the JBC and the revenue forecast.**
- **Regardless of the size of increase available, staff recommends continuing to allow roll-forward of approximately 25 percent of research funding.** Beginning in FY 2021-22, the General Assembly included a roll-forward of approximately 25 percent of research funding (\$250,000). Staff proposes to continue this in FY 2022-23, with the size of roll-forward dependent upon the amount of funding authorized. The institute had noted that it routinely faced a technical problem with spending for research, because research projects often extend beyond a year or may be temporarily delayed by any number of intervening factors. It had also noted that the federal National Institutes of Health allows roll-forward of up to 25.0 percent of research grants with little additional inquiry, and that it would be helpful to have a similar policy for state funding for research from the institute. While OSPB has objected to a roll-forward, the additional flexibility seems appropriate to staff.
- **Further, staff recommends re-consolidating the line item for the Institute of Cannabis Research,** which was split in FY 2021-22 between two lines, including one for the Board of the Institute and one directed to CSU-Pueblo. Although the program had believed this change would simplify accounting, it has made accounting more challenging. Given this, staff is recommending just one line item entitled "Institute of Cannabis Research at CSU Pueblo".

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<sup>22</sup> [https://leg.colorado.gov/sites/default/files/fy2022-23\\_marbrf.pdf](https://leg.colorado.gov/sites/default/files/fy2022-23_marbrf.pdf)

→ SI INCREASE FOR WICHE PROFESSIONAL STUDENT EXCHANGE PROGRAM/  
EXPLORATION OF PROGRAM CHANGES

*REQUEST:* The Department has not proposed a change to this program for FY 2022-23.

*RECOMMENDATION:* **Staff recommends an increase of \$8,900 General Fund for this program so that funding is sufficient to cover the costs for the 20 students currently covered by the program, based on average program costs reported by WICHE.**

In addition, **if the Committee continues to be interested in changes to this program so that it becomes more focused on benefits to the State, the Committee could authorize staff to work on a related bill proposal over the summer.** Based on the Department's response to last year's Request for Information on this topic and discussion with the Colorado Optometric Association, it appears that the State might be able to rely on the federal Health Resources and Services Administration (HRSA) definitions for medically underserved areas as a basis for establishing more targeted service requirements for program participants. For service to the most underserved areas--particularly rural underserved areas--the State could consider reducing the service time period associated with the grant.

A response to a Request for Information submitted in Fall 2021 resulted in helpful ideas; however, staff did not feel that it provided sufficient guidance for staff to recommend a bill during an already-busy 2022 legislative session. Staff also notes that this is a small program from a budget perspective.

*BACKGROUND*

The RFI below was added in the FY 2021-22 Long Bill, associated with a decision to retain funding for the WICHE - Optometry line item. The JBC reduced funding for the program in FY 2020-21 by \$74,025 General Fund to a total of \$376,000 General Fund. For FY 2021-22, the Executive branch proposed complete phase out of the program. The JBC chose to retain it at the lower level with a footnote and this RFI.

- 4 Colorado Department of Higher Education, Colorado Commission on Higher Education and Higher Education Special Purpose Programs, Special Purpose, WICHE - Optometry -- The Department is requested to work with the Western Interstate Commission for Higher Education, the Colorado Optometric Association, and other stakeholders to explore how this program could be modified to ensure that funding for the program results in increased optometry services for underserved communities and locations, including rural areas. The Department is requested to report its findings to the Joint Budget Committee by October 1, 2021.

The conversation during FY 2021-22 figure setting included the following points:

- **Conflicting data over whether the program is necessary to ensure a sufficient supply of optometrists in Colorado.** Bureau of Labor Statistics data suggests Colorado is well supplied with optometrists. A National Academy study emphasizes that differences in projection approaches make the future difficult to assess.
- **National and state level data indicating that there may be shortages in particular regions.** Many rural Colorado counties do not have a local optometrist.

The Department submitted a response as requested. Staff has excerpted key points verbatim.

"The WICHE PSEP program provides funding for Colorado residents who wish to pursue a degree in optometry. Since Colorado does not have an optometry school, students are subsidized through the WICHE PSEP program in order to study out of state. The goal of the program is for students to pay a comparable rate to what they would have paid had they been able to study optometry at an in-state institution. In FY 2021-22, 19 students are receiving a PSEP stipend of \$19,275 each. Upon graduating from PSEP, students are expected to repay the support received by practicing optometry in the state of Colorado for one year for every year they received funding – so a student who was funded through all four years of optometry school would be expected to practice in the state for four years. This is referred to as service repayment. If graduates do not return to the state, their PSEP funding converts to a loan that must be repaid with interest. Per WICHE, from 2008 to 2017, Colorado's "return rate" was 85 percent.

Over the interim, the Department held meetings with WICHE, the Colorado Optometric Association (COA), and optometrists who had previously participated in PSEP and now work in underserved areas to explore issues optometrists face in serving underserved communities and locations and to brainstorm solutions. Challenges faced by providers in underserved and rural areas include:

- low volume of patients;
- low reimbursements from vision plans;
- high cost of equipment; and
- lack of access to affordable housing and office space.

In addition to a shortage of optometrists due to these challenges, practitioners often do not remain in a rural/underserved area, creating a revolving door of optometrists that is challenging for the community.

The meetings resulted in a number of options for changes to the WICHE PSEP optometry program that could result in increased optometry services for underserved communities for consideration by the legislature. Below are the three changes the Department believes could be the most readily implemented:

- **Require that participants accept Medicaid patients** for the duration of their service repayment. Current practitioners indicated that this approach would not be overly administratively burdensome to program participants, and that prospective employers would likely be able to accommodate this requirement. Reimbursement for Medicaid patients is about 30% less than private insurance or self-pay patients.
- **Shorten the amount of time PSEP graduates who practice in Colorado's underserved/rural areas are required to practice after graduation from 4 years to 2 or 3 years.** This approach would give graduates choice in where to practice, recognizing that especially in rural areas there may not be enough jobs to accommodate a rural practice requirement. COA participants noted that this approach could incentivize graduates to "get their foot in the door" of practicing in a rural or underserved community, and that they may find they connect with the community and intend to stay.

- **Increase outreach/marketing/mentoring opportunities for current and potential optometry students to discuss the opportunities and benefits associated with practicing in underserved/rural areas.** Participants from the Colorado Optometry Association indicated they have organized an Equity Committee with the intent to work with STEM students at the undergraduate level who may be interested in health professions. By better targeting outreach to students from underserved/rural communities, students who want to return to their communities to practice optometry could become more aware of the availability of PSEP funding. COA has also organized volunteer opportunities and other days of service that could be integrated into PSEP requirements. Increased collaboration between the Department, WICHE, and COA could better highlight opportunities and benefits related to working in underserved/rural areas following graduation." The report also identifies several other options that might require additional resources or program administration to require or support students in rural areas.

It also seems possible that the program could "weight" applications from students who are from rural Colorado areas (and perhaps other underserved communities) more heavily in the application process.

JBC Staff recommended that if the JBC was interested in pursuing related legislation or requirements, the Optometric Association should collect additional information on: (1) whether there is a problem in Colorado related to whether optometrists accept Medicaid/whether program graduates accept Medicaid patients; and (2) the scope of the optometry shortage in rural Colorado and whether this can be addressed by provisions such as those described, i.e., can aging optometrists in rural areas be replaced by PSEP graduates or is serving certain rural areas simply not financially viable, even with some incentives?

Based on communication with the Optometry Association, Staff also asked the Department to explore to what extent Colorado graduates of the PSEP program are currently serving in rural areas and whether it had recommendations for how the State might be able to identify underserved urban areas, as well as rural areas, and to what extent PSEP graduates are serving these populations.

Responses from the Optometry Association and the Department indicate:

- The federal Health Resources Services and Administration (HRSA) has designations for medically underserved areas, including both urban and rural areas. Although it does not provide data specifically on optometry, it does look at primary care. According preliminary research by Department of Higher Education staff, possible proxies would be areas that have been designated Health Professional Shortage Areas (HPSAs) in the area of primary care, as well as general "medically underserved areas/populations (MUA/Ps)," which per the HRSA website are areas "in which residents have a shortage of personal health services; MUPs may include groups of persons who face economic, cultural or linguistic barriers to health care." As of last summer, there were 21 PSEP graduates either in active service repayment or reporting they had completed their service repayment that year. A review by Department staff found that 9 of the 24 practices PSEP graduates currently work in (some are in more than one) were considered HPSAs and 5 were considered MUA/Ps. *This suggests to staff that the PSEP program might be able to tie to service in such practices and/or rural areas as a requirement for those graduating from the program in the future.*
- Nearly all program participants who are currently in repayment live and work along the I-25 corridor, with the majority (16 of 21) in the Denver and Colorado Spring Metropolitan areas. Given this, *it seems possible that additional incentives (such as a shorter service requirement or preference for participants from rural areas) may be necessary if a program goal is to support service in rural areas.*

- Most optometrists accept Medicaid, now that Medicaid rates have improved, but a requirement for program graduates would still be a reasonable addition to the program.
- The Optometry Association and the Department continue to highlight data that around 12 percent of currently practicing Colorado optometrists are either already at retirement or will reach retirement within 1-2 years, and there are projected to be about 51 job openings per year. *As JBC staff has noted in the past, there is conflicting data on whether there is an actual shortage of optometrists in Colorado, as opposed to underserved areas and populations.*

### → JBC MEMBER INITIATED OPTION - COSLI FY 2021-22 SUPPLEMENTAL

*REQUEST:* The Department has not requested this item. However, Senator Hansen requested that this issue be brought to the Committee for its consideration. Staff is therefore providing related background information to enable the JBC to take action if it wishes to do so.

*COMMITTEE OPTION:* The Colorado Student Leaders Institute (COSLI), which operates as a summer program on the University of Colorado at Denver campus, has reported that it reverted a portion of its FY 2020-21 appropriation because it had to split its summer 2021 program into two cohorts based on the impact of COVID-19. As a result, one cohort fell in FY 2020-21, while the second cohort fell in FY 2021-22. Because it did not have authority to roll forward funds from FY 2020-21 into FY 2021-22, the program reverted a portion of its FY 2020-21 appropriation, and the cohort that participated in the second half of the summer had to be paid for using FY 2021-22 appropriations. As a result, COSLI does not have sufficient funds to fully cover the costs of the program it will operate during summer 2022, since this will also need to be paid out of its FY 2021-22 appropriation.

According to information from the Department of Higher Education, the amount of the FY 2020-21 reversion was **\$69,913 General Fund**. If the Committee wishes to address this issue, staff would recommend providing a supplemental appropriation for COSLI for FY 2021-22 of \$69,913 General Fund. This could be accomplished through an add-on supplemental to the Long Bill.

*BACKGROUND:*

COSLI was originally established as a pilot program by S.B. 15-290 and was reauthorized through 2024 by S.B. 19-137, which also established an ongoing annual appropriation for the Department of \$218,825 General Fund and 1.0 FTE. COSLI is a residential summer education program for up to 100 Colorado students in tenth and eleventh grade. COSLI operates four weeks each summer on the University of Colorado Denver campus, where students participate in college-level courses, lectures, seminars, and enrichment activities. Students who complete the program receive three hours of college credit. Students must be nominated by their school district or charter school to participate and be selected to participate by the COSLI Board of Directors via a competitive application process. Operation of the program is contingent on COSLI receiving at least \$40,000 annually in gifts, grants, and donations and students who are accepted are encouraged to donate up to \$400 each to assist in covering COSLI's operating expenses.

Actual participation in COSLI has typically ranged from 60-75 students per year. Statute requires that at least 50% of participating students each year must be eligible for free or reduced lunch and/or be first-generation college students. From 2017 to 2019, the percentage of participants who were prospective first-generation college students has fluctuated slightly around 50%, while the percentage of participants who were both first-generation and eligible for free or reduced lunch ranged between

40-50%. COSLI is required by statute to report on the college matriculation and success of its participants, and current data shows that most participants are progressing through college and are being continuously matriculated.

In FY 2021-22, the Department proposed eliminating the program on the grounds that other programs were better targeted to low income and first-generation students. The JBC and General Assembly did not proceed with this proposed change.

→ SI TUITION/ENROLLMENT CONTINGENCY ADJUSTMENT - RECOMMENDED FY 2021-22 SUPPLEMENTAL AND FY 2022-23 ADJUSTMENT

*REQUEST:* The Department did not request an adjustment to this line item.

*RECOMMENDATION:* Staff recommends increasing the amount in this line item from \$60,000,000 to \$75,000,000. This represents approximately 3.0 percent of all projected tuition revenue. Further **staff recommends including this adjustment as an FY 2021-22 supplemental adjustment that is continued in FY 2022-23.**

*ANALYSIS:* When this line was originally added in FY 2015-16, which was the year the General Assembly again began to appropriate tuition, the \$60.0 million reflected in this line item was based on 3.0 percent of total projected tuition. In the intervening years, the amount has not been adjusted. For FY 2020-21--an admittedly challenging year to project--the tuition/enrollment contingency amount was insufficient to cover excess revenue received at all institutions based on underestimates in the institutions' own mid-year revenue projections.

The purpose of this additional spending authority is to address this type of forecast error, so long as differences between the forecast and final expenditures are driven by changes in enrollment, rather than tuition rates that exceed the assumptions established by the General Assembly.

Staff notes that the recommended \$15.0 million adjustment would not have been sufficient on its own to address excess revenue of over \$30.0 million that occurred in FY 2020-21. However, staff anticipates that this change, combined with revised Department procedures, will help the State to avoid having institutions receive revenue that exceeds appropriations. In most years, the spending authority in this line item should be adequate to address forecast errors. This was the case for the five fiscal years from FY 2015-16 through FY 2019-20. To address situations that may arise in extraordinary years such as FY 2020-21, the Department now plans to survey institutions in May, prior to the end of the fiscal year, to determine if total revenue is likely to exceed appropriations. In such a situation, staff anticipates that the Department will request a late supplemental budget adjustment (an interim/"1331" supplemental) in June of the fiscal year to make the necessary spending authority adjustments.

**Staff is recommending that the JBC make this change on a supplemental basis for FY 2021-22, as well as for FY 2022-23, for two reasons: (1) due to the COVID-19 pandemic, staff believes the current year forecast incorporates more forecast uncertainty than in other years.** In particular, projections related to enrollment for early summer sessions in 2022 could be underestimates. In addition, **staff is recommending use of the Legislative Council Staff forecast this year.** While institutional and Legislative Council Staff forecasts are fairly close, the institutions



will have an entity other than themselves to blame if the FY 2021-22 forecast is an underestimate. *As described above, if this line item is still insufficient based on actual revenue for FY 2021-22, the Department will still be responsible for requesting late supplemental action in June 2022.*

### → SI COLORADO GEOLOGICAL SURVEY INFLATIONARY ADJUSTMENT

**REQUEST:** The Department did not request any adjustment for the Colorado Geological Survey line item and requested continuation funding of \$2,250,018 and 15.5 FTE, including \$622,086 General Fund and \$1,627,932 from the Operational Account of the Severance Tax Trust Fund.

**RECOMMENDATION:** Staff recommends applying a 2.0 percent inflationary increase to this line item, consistent with the Committee's community provider rate increase, resulting in an increase of \$45,001 total funds for the line item, including \$12,442 from the General Fund and \$32,559 from the Operational Account of the Severance Tax Trust Fund. While staff does not believe this line item should necessarily be considered a "community provider," staff believes it should receive inflationary adjustments, and staff believes the community provider rate is a reasonable minimum. Staff notes that this is a lower figure than the "core minimum cost" increase of 3.7 percent staff is applying more broadly to the higher education institutions, but also notes that the Department did not request any increase for this line item. **Staff requests permission to adjust this amount consistent with any subsequent Committee community provider rate decisions.**

#### *ANALYSIS:*

*Background on the Colorado Geological Survey:* Pursuant to H.B. 12-1355 and H.B. 13-1057 and an MOU between the Department of Natural Resources and the Colorado School of Mines, the Colorado Geological Survey (CGS), excluding the Avalanche Information Center, was transferred to the Colorado School of Mines in mid-FY 2012-13. The transfer downsized the CGS and the amount of money it received from the Operational Account of the Severance Tax Trust Fund (reduction of \$908,000), although the JBC subsequently added \$300,000 General Fund to the appropriation to retain some functions that were not included in the original transfer plans. An additional \$105,494 General Fund and 1.0 FTE was added in FY 2015-16.

The CGS is the only entity funded from "Tier I" of the Operational Account of the Severance Tax Trust Fund that is not within the Department of Natural Resources.

Most State funding provided for the Survey is for Geologic Hazard mitigation, consistent with an MOU between the school of Mines and the Department of Natural Resources when the CGS was transferred. However, the General Fund provided by the General Assembly has allowed the Division to retain a nucleus of activities in a broader range of areas.

- **land use reviews**, funded through fees paid by local governments (new subdivision proposals and new school locations must be reviewed by CGS for geologic hazards);
- **other geologic hazard work** supported with Severance tax (e.g., identifying areas of natural geologic hazards, providing related technical assistance to state and local governments, creating guidelines for land use in natural hazard areas);
- **surface mapping activities**, which are closely related to and integrated with the geologic hazard work and are supported with both Severance tax and federal funds.

- **groundwater activities**, including mapping, reporting, and technical assistance and advisory work for state and local governments (1.0 FTE supported with General Fund).
- **energy and minerals activities**, including mapping and reporting on mineral deposits and energy resources, as well as reporting on the status of the energy industry. This includes projects related to **geothermal energy** and **carbon sequestration** (1.5 FTE total for energy and minerals activities supported with General Fund). The Oil and Gas Commission in the Department of Natural Resources is now doing this work internally for oil and gas deposits. The CGS continues to do some work in this area for other minerals.

The CGS is expected to bring in additional matching funds to augment the state support provided. The move to the Colorado School of Mines was expected to facilitate growth of such outside funding opportunities.

As specified in the Legislative Declaration the statute authorizing this program (Section 23-41-202), “It is the intent of the General Assembly that sufficient funds be provided to cover the direct costs of a base staff and their operating expenses to ensure functional continuity of the Colorado geological survey as provided by statute and as determined to any memorandum of understanding [with the Department of Natural Resources]....”

*Recent History Regarding Inflationary and Common Policy Increases*

- Starting with the FY 2017-18 Long Bill, the JBC moved centrally-appropriated items for the Colorado Geological Survey (CGS) to the CGS line item. At the time, staff anticipated that future growth in the line item would be based on alternative growth factors, rather than actual pots (centrally appropriated line item) calculations, since benefits for CGS staff are no longer incorporated in the state benefits system. CGS staff now receive benefits through the Colorado School of Mines, which charges the CGS a flat 40 percent for benefits for all staff.
- Nonetheless, for FY 2018-19 and FY 2019-20, CGS, in consultation with the Department, chose to submit a request based on state common policy for salary survey and other benefits.
- This mechanism was complex and appeared to generate many errors. Further, it could lead to unreasonable swings in funding for a small agency. As described in the FY 2019-20 figure setting:

“...staff believes that the best solution is simply to provide an annual inflationary increase for the line item. For FY 2019-20, staff recommends using CY 2018 inflation. The Committee could consider using a different inflationary proxy, such as the annual community provider rate increase, to provide an annual adjustment. In years in which funding for increases for staff statewide is limited, increases may simply not be available. However, the community provider rate increase, as set in recent years, has typically run below the amounts required to adequately maintain programs, leading to periodic “rebasings” of program rates to address shortfalls. Staff would like to avoid this type of rebasing process if feasible and instead provide for consistent annual increases on a slightly larger scale.”

- **Staff continues to believe the CGS should receive routine inflationary increases.** The CGS represents a specialty function of the Colorado School of Mines with a statutory mission focused

on providing specified public services, rather than educational functions. **However, staff is troubled by the Executive Branch's failure to submit any related requests.**

- The Department did not submit a request for an inflationary adjustment for CGS for FY 2021-22 or FY 2022-23. For FY 2021-22, the Executive Request also included no community provider increases, no increases above funding restoration for higher education governing boards, and, initially, no staff salary adjustments, so this line item was at least treated consistently with others. However, for FY 2022-23, the Department **again** failed to submit a request for any increase in this line item, despite the fact that salary survey and other increases were requested statewide.

## → T1 WICHE SPENDING AUTHORITY

*REQUEST:* The Department requests an increase of \$5,000 reappropriated funds from indirect cost recoveries for dues to the Western Interstate Commission on Higher Education.

*RECOMMENDATION:* Staff recommends the request for a 3.1 percent increase on the base \$159,000. The funding source is General Fund that is offset by indirect cost recoveries.

*BACKGROUND:*

WICHE provides the following main services:

- ▶ coordinates the undergraduate, graduate and professional student exchange programs;
- ▶ operates conferences on national and western higher education issues;
- ▶ conducts research and develops publications on regional and national higher education issues (tuition and fee report, summary of recent legislation, student demographics, etc.); and
- ▶ provides a forum for exchanging information, such as interstate technology efforts.

Through WICHE's undergraduate exchange program, students pay 150 percent of resident tuition rates. Colorado sends more students out of state than it accepts through this program. Each state controls the circumstances under which they accept students.

The graduate education exchange program allows students to attend selected uncommon, specialized, or high-quality graduate programs in other WICHE states at resident tuition rates. For the receiving institution, accepting out-of-state students at the reduced WICHE rate can help fill out low-enrollment courses.

In WICHE's professional exchange program, students pay resident tuition rates and the sending state pays a support fee to the receiving state. Colorado is a net importer of students through the professional exchange program.

Examples of WICHE's research publications and data sharing initiatives can be found at WICHE's web site: <http://www.wiche.edu/>

Dues represent approximately one-third of WICHE's annual budget and are equally apportioned among the 15 members. Grants from foundations and corporations and federal support represent the remainder of WICHE's budget.

This line item relies on General Fund appropriations that are entirely offset by indirect cost recoveries. WICHE dues are now included in the pool of recoverable costs in the Department's indirect cost collection plan.

### → T3 DEPRECIATION LEASE EQUIVALENT

*REQUEST:* The Department requests an increase of \$2,717,414 General Fund for the Annual Depreciation Lease Equivalent Payment, bringing this line item to a total of \$7,406,847 General Fund.

*RECOMMENDATION:* Staff recommends the requested increase, which is based on calculation established in law.

*BACKGROUND:* Senate Bill 15-211, as amended by S.B. 16-020, created a process to annually set aside an amount equal to the calculated depreciation of a capital asset funded through the capital construction section of the Long Bill. Beginning with projects funded in the 2015 Long Bill, the bill established three set-aside mechanisms based on how a project is funded.

- For projects funded from a cash fund, the state agency annually credits an amount equal to the recorded depreciation to a capital reserve account in the cash fund.
- For projects funded from the General Fund, the Capital Construction Fund, or the Controlled Maintenance Trust Fund, the General Assembly is required to include an annual depreciation-lease equivalent payment line item payable from the General Fund in the operating section of the Long Bill for each state agency, including the Department of Higher Education. Amounts in this line item are credited to the Capital Construction Fund, except that an amount equal to one percent of the project cost is deducted from the payment and credited to the Controlled Maintenance Trust Fund.
- If the project is funded through a financing arrangement, such as a lease-purchase payment, the General Assembly must include an annual controlled maintenance line item payable from the General Fund equal to one percent of the project cost.
- If a project is funded from more than one cash fund or from a cash fund and from state funds, the set-aside amounts are shared proportionately between the various fund sources.

The set-aside amounts may be appropriated for future capital expenses such as routine maintenance, equipment replacement, or the construction of a new building.

The program took effect for capital construction projects first funded in FY 2015-16 from the date of acquisition or the date of completion of the project. Fiscal year FY 2018-19 was the first year in which a depreciation-lease equivalent payment has been required within the Department of Higher Education. Because higher education institutions receive a large share of total state capital construction appropriations, this line item is expected to grow significantly over time.

For FY 2020-21, the JBC sponsored H.B. 20-1398 to suspend this program for one year. The program took effect again in FY 2021-22.

→ T4 HIGHER EDUCATION FEDERAL MINERAL LEASE COP PAYMENTS

**REQUEST:** The Department requested adjustments for the Higher Education Federal Mineral Lease Certificate of Participation (COP) payment based on Federal Mineral Lease (FML) funds available and the COP payment schedule. The adjustments include a decrease in the total appropriation of \$1,006 and a fund split adjustment that provides a cash funds appropriation of \$220,000 from federal mineral revenue. The request includes a General Fund appropriation of \$17,072,238. It also includes a technical error that results in a mismatch between the General Fund deposited in the Federal Mineral Lease Revenues Fund and reappropriated spending authority from this fund.

**BACKGROUND:** In 2008, the General Assembly authorized the State to enter into lease-purchase agreements (certificates of participation/COPs) to fund capital construction projects for state-supported institutions of higher education. The decision reflected: (1) a desire to fund additional capital construction projects at state higher education institutions despite limited available capital construction funds; and (2) projected increases in federal mineral lease (FML) revenue due to natural gas leases on the Roan Plateau. Pursuant to S.B.08-233 and H.J.R 08-1042, the General Assembly authorized COP payments to fund 17 projects for higher education academic buildings across the state. Funding was ultimately sufficient to fund the first 12 projects, with some additional controlled maintenance projects authorized through H.B. 12-1357 using unspent COP proceeds.

Section 23-1-106.3 (1)(b)(IV), C.R.S. specifies that the anticipated annual state-funded payments for the principal and interest components under all lease purchase agreements on the projects may not exceed *an average of* \$16,200,000 per year for the first ten years of payment and may not exceed an average of \$16,800,000 for the second ten years of payment. Payments will end in FY 2027-28, and no new issuances are allowed under current law.

The COP payments are made from the Higher Education FML Revenues Fund (Revenues Fund), created in Section 23-19.9-102, C.R.S. The Revenues Fund receives statutory allocations of FML revenue, including “spillover” from other funds that receive FML revenue and, per H.B. 16-1229, 50 percent of FML “bonus” payments. However, under statute and the COP agreements, if amounts in the Higher Education FML Revenues Fund are insufficient to cover COP payments due, the General Assembly transfers other funds into the Revenues Fund to make the necessary payment.

Since FY 2011-12, the General Assembly has frequently had to partially or entirely replace appropriations from the FML Revenues Fund with General Fund due to insufficient FML revenues. The table below compares funding sources for COP payments since the program’s inception.

HIGHER EDUCATION FML LEASE PURCHASE APPROPRIATIONS HISTORY			
	CAPITAL CONSTRUCTION FUND/ GENERAL FUND	HIGHER EDUCATION FML REVENUES FUND	TOTAL
FY 2008-09	\$0	\$10,000,000	\$10,000,000
FY 2009-10	0	16,652,725	16,652,725
FY 2010-11	0	8,877,550	8,877,550

HIGHER EDUCATION FML LEASE PURCHASE APPROPRIATIONS HISTORY			
	CAPITAL CONSTRUCTION FUND/ GENERAL FUND	HIGHER EDUCATION FML REVENUES FUND	TOTAL
FY 2011-12	4,066,510	8,379,790	12,446,300
FY 2012-13	420,184	18,165,191	18,585,375
FY 2013-14	18,587,975	0	18,587,975
FY 2014-15	18,587,556	0	18,587,556
FY 2015-16	5,781,075	11,991,975	17,773,050
FY 2016-17	12,125,175	5,650,000	17,775,175
FY 2017-18	16,073,025	1,700,000	17,773,025
FY 2018-19	17,035,263	650,000	17,685,263
FY 2019-20	16,294,250	1,140,000	17,434,250
FY 2020-21	16,933,244	500,000	17,433,244
FY 2021-22	17,072,238	360,000	17,432,238
<b>Total to-date</b>	<b>\$142,976,495</b>	<b>\$84,067,231</b>	<b>\$227,043,726</b>

Notes: The initial appropriation was included S.B. 08-233, which authorized the program (Capital Development Committee bill). Subsequent appropriations appeared in the Capital Construction section of the Long Bill (Treasury) until FY 2015-16, when the appropriation was included in the Treasury operating appropriations section. From FY 2016-17 on, appropriations are in the Department of Higher Education. Obligations end FY 2027-28.

*RECOMMENDATION:* Staff recommends the adjustments reflected in the table below. The primary difference from the request is that the staff recommendation increases the share of the funding from federal mineral lease revenues to \$800,000, based on the balance of these funds currently available. The Department calculates a current balance of \$954,319 available for FY 2022-23 based on revenue received through January 2021 and spending obligations for FY 2021-22. (Based on the variability of FML funding, including bonus funds which support this line item, staff does not rely on projected FML revenue.) Further, in light of periodic negative adjustments to the FML Revenues Fund based on federal actions, staff recommends retaining a small uncommitted balance. The request will leave close to \$150,000 in the fund as cushion.

Pursuant to statute and the state's COP agreements, if amounts in the Higher Education FML Revenues Fund are insufficient to cover COP payments due, the General Assembly transfers other funds (in this case General Fund) into the Revenues Fund to make the necessary payment. As specified by H.B. 16-1229, these appropriations are made to the Department of Higher Education for transfer to the Treasurer for payment of the COPs. The Department of the Treasury has continuous spending authority for the funds received.

In the table below:

- The first line item deposits General Fund into the Higher Education FML Revenues Fund.

- The second line item provides appropriations for the FY 2021-22 COP payments, including both cash funds (from FML revenues) and reappropriated funds (from the General Fund appropriated in the first line item).
- As shown, the staff recommendation includes \$800,000 from cash funds requested; as a result, \$440,000 less General Fund is required compared to FY 2021-22, although the General Fund still bears the majority of the costs for these bonds.

COLORADO COMMISSION ON HIGHER EDUCATION AND HIGHER EDUCATION SPECIAL PURPOSE PROGRAMS, LEASE PURCHASE PAYMENTS AND CAPITAL-RELATED OUTLAYS, APPROPRIATION TO THE HIGHER EDUCATION FEDERAL MINERAL LEASE REVENUES FUND FOR LEASE PURCHASE OF ACADEMIC FACILITIES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$17,072,238	\$17,072,238	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$17,072,238</b>	<b>\$17,072,238</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$17,072,238	\$17,072,238	\$0	\$0	\$0	0.0
SI, T4, T6 Lease purchase payment adjustments	(441,006)	(441,006)	0	0	0	0.0
<b>TOTAL</b>	<b>\$16,631,232</b>	<b>\$16,631,232</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$441,006)</b>	<b>(\$441,006)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(2.6%)	(2.6%)	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$17,072,238</b>	<b>\$17,072,238</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$441,006	\$441,006	\$0	\$0	\$0	0.0

COLORADO COMMISSION ON HIGHER EDUCATION AND HIGHER EDUCATION SPECIAL PURPOSE PROGRAMS, LEASE PURCHASE PAYMENTS AND CAPITAL-RELATED OUTLAYS, LEASE PURCHASE OF ACADEMIC FACILITIES PURSUANT TO SECTION 23-19.9-102						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$17,432,238	\$0	\$360,000	\$17,072,238	\$0	0.0
<b>TOTAL</b>	<b>\$17,432,238</b>	<b>\$0</b>	<b>\$360,000</b>	<b>\$17,072,238</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$17,432,238	\$0	\$360,000	\$17,072,238	\$0	0.0
SI, T4, T6 Lease purchase payment adjustments	7,662	0	448,668	(441,006)	0	0.0
<b>TOTAL</b>	<b>\$17,439,900</b>	<b>\$0</b>	<b>\$808,668</b>	<b>\$16,631,232</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$7,662</b>	<b>\$0</b>	<b>\$448,668</b>	<b>(\$441,006)</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.0%	0.0%	124.6%	(2.6%)	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$17,431,232</b>	<b>\$0</b>	<b>\$220,000</b>	<b>\$17,211,232</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$8,668)	\$0	(\$588,668)	\$580,000	\$0	0.0

## → T6 UNIVERSITY OF COLORADO, LEASE PURCHASE OF ACADEMIC FACILITIES AT FITZSIMONS

*REQUEST:* The Department requests \$12,129,495 for the FY 2022-23 Fitzsimons Lease Purchase Payments. The total includes a technical adjustment total funds related to the COP payment schedule and an adjustment based on anticipated tobacco settlement revenue available. The request includes \$5,121,284 from the General Fund and \$7,008,211 tobacco settlement funds.

*RECOMMENDATION:* **The staff recommendation is for \$11,540,613, including \$4,589,105 from the General Fund and \$6,951,508 cash funds from the Fitzsimons Trust Fund**, which originates as tobacco settlement revenue. The figure differs from the request due to:

- Updated data on the total payment due from the University of Colorado. The revised figure is based on refinancing of the debt by the Treasurer, action by the General Assembly to retire a portion of the debt early, and funds placed in escrow to cover a portion of current debt obligations.
- Committee action to approve the tobacco settlement revenue forecast, which provides the revenue for FY 2022-23 cash funds amounts for this line item.

In the past, staff has also adjusted this amount based on revenue available in reserves in the Fitzsimons Trust Fund. However, due to a partial pay-off of the Fitzsimons obligation in FY 2021-22, staff is less confident of the projected reserve amount at the beginning of FY 2022-23. Given the 8.5 percent reserve available at the end of FY 2020-21 and the fact that FY 2021-22 Tobacco Settlement receipts were known when the appropriation was made, staff anticipates that Fitzsimons Trust Fund reserves will be sufficient to address any error in the tobacco revenue forecast for FY 2022-23.

*BACKGROUND:* The General Assembly authorized the State to enter into a lease purchase agreement for the University of Colorado Health Sciences Center at Fitzsimons pursuant to H.B. 03-1256 (Section 23-20-136 (3.5), C.R.S. The bill authorized an agreement for up to twenty-five years, with the total amount of the agreement not to exceed \$202,876,109 plus administrative, monitoring, closing costs and interests. The bill further specified that annual aggregate rentals authorized would not exceed \$15,100,000. The General Assembly further authorized use of up to \$8,000,000 per year of Tobacco Master Settlement revenues for this purpose in Section 23-20-136 (3.5), C.R.S. The annual amount is based on total tobacco settlement funds received and the statutory allocation of the funds. These funds are deposited to the Fitzsimons Trust Fund.

This line item was moved from the capital construction section of the Long Bill to the operating section in FY 2015-16.

During the 2021 legislative session, the JBC approved a supplemental add-on to amend the FY 2020-21 appropriation to add \$5,615,000 General Fund to retire a portion of the Fitzsimons lease purchase payment, reducing the annual payment by approximately \$2.0 million per year.

## LINE ITEM DETAIL – COLORADO COMMISSION ON HIGHER EDUCATION



## (A) ADMINISTRATION

## ADMINISTRATION

This line item pays for personal services, contracts, and operating expenses associated with CCHE and staff. The sources of cash funds include indirect cost recoveries paid by CollegeInvest and College Assist, and fees paid by private institutions for program approval pursuant to Section 23-1-125 (5) and Section 23-2-104.5, C.R.S. The sources of reappropriated funds include indirect cost recoveries and a transfer from the Department of Education for aligning public education with postsecondary and workforce readiness standards.

*Master Plan and Institutional Performance*

- Develop a master plan with institutions to achieve statewide expectations and goals [23-1-108]
- In collaboration with the public institutions of higher education, ensure the Master Plan is implemented [23-1-108 (1.5)]
- Submit annual reports to the General Assembly, and post on-line, each institution's progress toward meeting Master Plan goals [23-1-108 (1.5)]
- Negotiate performance contracts with the Colorado School of Mines and private institutions that participate in the College Opportunity Fund Program [23-41-104.6 and 23-1-108 (14)]
- Implement policies to assure students can complete programs in a timely fashion [23-1-108 (13), 125] after reviewing
  - advising and counseling
  - the availability of courses
  - barriers to transferring course credits
  - costs
  - the implementation of core courses

*Institutional Role and Mission and System Coordination*

- Define the role and mission of each institution within statutory guidelines [23-1-108]
- Set admissions criteria consistent with the roll and mission of each institution, including enforcing requirements related to percentages of non-resident students that may be enrolled [23-1-108 (1) (d), (e), 113, 113.5, 113.7]
- Establish service areas, designate regional education providers, and monitor courses provided out of state to ensure that no state funds are used for these [23-1-109, 127, 23-5-116, 23-60-207]
- Authorize bachelor of applied science degrees at community colleges based on demonstrated need, cost-effectiveness, and considering whether such program could instead be provided conjunction with an accredited four-year institution. [23-1-133]
- Establish and enforce transfer agreements and common course numbering, and resolve disputes [23-1-108 (7), 108.5]
- Coordinate a system of core courses and associates degrees that may be transferred from one state institution to another. [23-1-125]
- Standardize assessments of basic skills, specify which institutions may offer basic skills courses and supplemental academic instruction, and report to the General Assembly on program effectiveness [23-1-113, 113.3]

- Coordinate a process to ensure eligible students are aware of their eligibility for an associate's degree (reverse transfer program) [23-1-131]
- Approve comprehensive academic and facilities master plans for the Auraria campus and resolve disputes [23-70-115, 23-70-106.5]
- Establish policies for community colleges to become local district colleges [23-71-205]

*State Support for Institutions*

- Develop and report on the system of funding for higher education established pursuant to H.B. 20-1366 [23-18-301 through 307]
- Request operating funds for state institutions [23-1-109.7]
- Negotiate fee-for-service contracts [23-1-109.7]
- Oversee stipends [23-18-101 et seq.]
- Report on College Opportunity Fund Program [23-18-207]
- Prepare fiscal notes to help the legislature assess the impact of legislation
- Approve the acceptance of gifts by institutions, if they require on-going state expenditures [23-5-112]

*Capital Construction*

- Regulate capital construction [23-1-106 *except as waived by CCHE*], 106.3, 24-82-1202], including
  - setting space utilization standards to measure the need for new projects
  - approving long range and individual facility master plans
  - prioritizing projects for state funding
- Managing appropriations from the Higher Education Federal Mineral Lease Revenues Fund for certificates of participation paid by the FML Revenues Fund [23-1-106.3]

*Financial Aid, Student Loans, College Savings Accounts*

- Oversee financial aid programs [23-3.3-101 et seq.]
- Distribute financial aid to institutions [23-3.3-101 et seq.]
- Act as designated state agency to administer federal loan programs [23-3-101 through 107, 23-3.1-103; being phased out]
- Oversee CollegeInvest [23-3.1-205.7]
- Oversee the Colorado Opportunity Scholarship Initiative (COSI) under the Executive Director and the COSI advisory board [23-3.3-1001 et. seq.]

*Tuition and Fee Policy*

- Set tuition and fee policies based on roll and mission [23-1-108 (12)]
- Approve fixed tuition policies [23-5-131]
- Negotiate reciprocal tuition agreements [23-1-108 (10), 112, 23-3.3-601]

*Outreach on Specific Topics*

- Perform outreach to potential students on specific topics [23-1-119.1, 23-1-119.2, 23-15-110.5, 23-18-205]

*Oversee Select Statewide Policies*

- Establish policies for determining student residency status within statutory guidelines [23-1-105, 23-7-101 et seq.]
- Adopt statewide affirmative action policies [23-1-108 (1) (f)]
- Ensure academic credit for American sign language courses [23-1-128]

*Coordinate with State Board of Education and Department of Labor on Workforce Needs*

- Analyze state workforce needs versus credential production in coordination with other agencies [23-1-130]
- Coordinate with the State Board of Education to define postsecondary and workforce readiness, align admissions criteria and assessments, and report to school districts on whether students are prepared [23-1-113, 113.2, 113.3, 119]
- Coordinate with the state board of education to ensure that parents and guardians of public school students receive notice regarding postsecondary admissions requirements and precollegiate course requirements [23-1-119.1, 119.2]
- Develop a strategic plan for improving Pre-K-16 mathematics, science, and technology education [22-81-104, 22-83-102]
- Coordinate with the State Board of Education regarding concurrent enrollment [22-35-107]
- Review, approve, and regulate preparation programs for K-12 educators [23-1-121 et seq.]
- Provide financial aid to teachers [23-3.3-901, 23-3.9-102]
- Evaluate and implement 2-year educational programs for professional registered nursing [23-1-126]
- Provide financial aid to nursing professionals [23-3.3-701, 23-3.6-102; *funding not presently available*]
- Collaborate with the Workforce Development Council in the Department of Labor and Employment, the Department of Education, and the community college system to develop and publicize career pathways for students. [24-46.3-104]

*Data Reporting and Collecting*

- Prescribe uniform reporting and collect data regarding
  - financial information [23-1-105]
  - counting and classifying student FTE [23-1-105]
  - academic data [23-1-108 (8)]
  - students eligible for stipends [23-18-202, 203]
  - financial aid [23-3.3-101]
  - shared data with the state board of education [23-1-109.3, 119.3]
  - performance [23-1-108, 23-41-104.6]
  - facility inventories [24-30-1303.5]
  - auxiliary bonds [23-5-102]
  - students convicted of riot offenses [23-5-124, 126]
  - information requested by federal agencies in anti-terrorism investigations [23-5-126]

*Promote Technology Transfer*

- Coordinate technology policy
- Facilitate the transfer of technology from higher education to the private sector [23-1-106.7, 23-5-121]
- Facilitate the establishment of the statewide telecommunications network [24-30-1804]

*Staffing:* The staff in this line item were identified in 2020 as falling into the following major categories:

- Executive and administrative – Includes director, chief operating officer, chief of staff, special projects and industry partnerships, communications staff (2.5 FTE), and support staff – 9.3 FTE excluding the IT director.
- Budget and finance – 7.9 FTE
- Research/policy/IT and data management – 8.0 FTE including the IT director
- Academic affairs – 4.2 FTE

Since FY 2013-14, the General Assembly has added \$289,227 and 3.0 FTE to this line item for data analysis staff (1.0 FTE position was internally redirected by the Department to a "communications manager" position) and \$306,169 and 3.0 FTE for financial management staff pursuant to H.B 14-1319. In FY 2021-22, the General Assembly added \$125,000 General Fund and 1.0 FTE for a Chief Educational Equity Officer.

In part because this Department receives significant off-budget grant funds, over the years staff roles and financing sources may shift.

*REQUEST:* The Department requests \$3,920,779 total funds and 32.6 FTE. The total includes \$306,094 General Fund, \$202,082 cash funds from fees, and \$3,412,603 from indirect cost collections that offset General Fund otherwise required. The total includes \$250,000 General Fund and 2.0 FTE for R5 Division of Outreach and Attainment Services, \$88,219 to annualize prior year salary survey, and \$15,533 total funds for the FY 2022-23 impact of S.B. 18-200 (PERA Unfunded Liability).

*RECOMMENDATION:* The following table summarizes the staff recommendation. Differences from the request include:

COLORADO COMMISSION ON HIGHER EDUCATION AND HIGHER EDUCATION SPECIAL PURPOSE PROGRAMS, ADMINISTRATION, ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$3,631,050	\$196,423	\$202,082	\$3,232,545	\$0	32.0
<b>TOTAL</b>	<b>\$3,631,050</b>	<b>\$196,423</b>	<b>\$202,082</b>	<b>\$3,232,545</b>	<b>\$0</b>	<b>32.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$3,631,050	\$196,423	\$202,082	\$3,232,545	\$0	32.0
Annualize prior year budget actions	88,219	(80,000)	0	168,219	0	0.0
Annualize prior year legislation	15,533	3,694	0	11,839	0	0.0
SI Indirect cost collection adjustments	0	(56,094)	0	56,094	0	0.0
R5 Division of outreach and attainment services	0		0	0	0	0.0
SI Adjustments to location of appropriation	(64,023)	(64,023)	0	0	0	(1.0)
<b>TOTAL</b>	<b>\$3,670,779</b>	<b>\$0</b>	<b>\$202,082</b>	<b>\$3,468,697</b>	<b>\$0</b>	<b>31.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$39,729</b>	<b>(\$196,423)</b>	<b>\$0</b>	<b>\$236,152</b>	<b>\$0</b>	<b>(1.0)</b>
Percentage Change	1.1%	(100.0%)	0.0%	7.3%	0.0%	(3.1%)

COLORADO COMMISSION ON HIGHER EDUCATION AND HIGHER EDUCATION SPECIAL PURPOSE PROGRAMS, ADMINISTRATION, ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$3,920,779</b>	<b>\$306,094</b>	<b>\$202,082</b>	<b>\$3,412,603</b>	<b>\$0</b>	<b>32.6</b>
Request Above/(Below) Recommendation	\$250,000	\$306,094	\$0	(\$56,094)	\$0	1.6

(B) DIVISION OF PRIVATE OCCUPATIONAL SCHOOLS

This program is responsible for reviewing the curriculum and establishing standards for private occupational schools in Colorado, pursuant to Section 12-59-101, C.R.S., et. seq. The Division regulates over 356 private occupational schools in Colorado and 40 out-of-state schools that deliver education or training in areas such as cosmetology, real estate, IT/business, massage therapy, trucking, automotive, bartending and allied healthcare professions. The vast majority of schools regulated by the Division are not subject to any other accreditation or quality review process. The Division thus helps to protect students from deceptive trade practices and substandard educational programs. It also maintains the student records of any institution that closes, among other functions.

As outlined in statute, the Division reports to the executive director of the Department, rather than to the Division of Occupational Education within the Community College System. The Board of Private Occupational Schools, which consists of seven members appointed by the Governor and confirmed by the Senate, advises the executive director and has regulatory oversight and rule-making authority.

Division FTE are supported through fees on the regulated schools. This includes the Director, Deputy Director who focuses on investigation and compliance, 1.0 administrative staff who supports both the DPOS board and staff, and 4.0 program specialists who assist schools through the application and renewal process and focus heavily on technical assistance. For FY 2017-18, the General Assembly approved a 2.0 FTE increase for the Division, including an investigative specialist to identify noncompliance issues, including substandard education and deceptive sales and trade, and a data and research specialist. Among other responsibilities, the data and research specialist will assist the Division in moving from a paper-based to an electronic system for managing records.

Current fees on schools subject to DPOS review are as follows:

- Approval for a provisional school (a new school) is \$5,000 per school and \$2,500 per campus
- Renewal (every 3 years) is \$2,000
- Review of new programs and courses is \$500
- Quarterly assessments per student are \$5.00 (\$20/year/student)

*STATUTORY AUTHORITY:* Section 12-59-101, C.R.S., et. seq.

*REQUEST:* The Department requests \$943,307 cash funds and 10.3 FTE for this line item, including a reduction of \$35,104 and 0.1 FTE for the second year impact of H.B. 21-1306 (Accreditation of Postsecondary Institutions, an increase of \$23,047 to annualize prior year salary survey, an increase

of \$3,447 for the FY 2022-23 impact of S.B. 18-200 (PERA Unfunded Liability), and a reduction of \$4,833 for R7 Lowering fees for former students of closed schools.

*RECOMMENDATION:* The staff recommendation is reflected in the table below. As described previously, this includes a staff initiated spending authority increase.

COLORADO COMMISSION ON HIGHER EDUCATION AND HIGHER EDUCATION SPECIAL PURPOSE PROGRAMS, DIVISION OF PRIVATE OCCUPATIONAL SCHOOLS, DIVISION OF PRIVATE OCCUPATIONAL SCHOOLS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$956,750	\$0	\$956,750	\$0	\$0	10.4
<b>TOTAL</b>	<b>\$956,750</b>	<b>\$0</b>	<b>\$956,750</b>	<b>\$0</b>	<b>\$0</b>	<b>10.4</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$956,750	\$0	\$956,750	\$0	\$0	10.4
SI Spending authority Division of Private Occupational Schools	99,415	0	99,415	0	0	0.0
Annualize prior year budget actions	23,047	0	23,047	0	0	0.0
Annualize prior year legislation	(4,879)	0	(4,879)	0	0	(0.1)
R7 Lowering fees for former students of closed schools	(4,833)	0	(4,833)	0	0	0.0
<b>TOTAL</b>	<b>\$1,069,500</b>	<b>\$0</b>	<b>\$1,069,500</b>	<b>\$0</b>	<b>\$0</b>	<b>10.3</b>
<b>INCREASE/(DECREASE)</b>	<b>\$112,750</b>	<b>\$0</b>	<b>\$112,750</b>	<b>\$0</b>	<b>\$0</b>	<b>(0.1)</b>
Percentage Change	11.8%	0.0%	11.8%	0.0%	0.0%	(1.0%)
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	(\$126,193)	\$0	(\$126,193)	\$0	\$0	(0.0)

(C) SPECIAL PURPOSE

WESTERN INTERSTATE COMMISSION ON HIGHER EDUCATION (WICHE)

The line item provides funding for Colorado's dues to support WICHE. This coalition of 15 western states works to benefit members through shared research data and the development of reciprocity and student exchange programs. WICHE provides the following main services:

- ▶ coordinates the undergraduate, graduate and professional student exchange programs;
- ▶ operates conferences on national and western higher education issues;
- ▶ conducts research and develops publications on regional and national higher education issues (tuition and fee report, summary of recent legislation, student demographics, etc.); and
- ▶ provides a forum for exchanging information, such as interstate technology efforts.

Through WICHE's undergraduate exchange program, students pay 150 percent of resident tuition rates. Colorado sends more students out of state than it accepts through this program. Each state controls the circumstances under which they accept students.

The graduate education exchange program allows students to attend selected uncommon, specialized, or high-quality graduate programs in other WICHE states at resident tuition rates. For the receiving institution, accepting out-of-state students at the reduced WICHE rate can help fill out low-enrollment courses.

In WICHE's professional exchange program, students pay resident tuition rates and the sending state pays a support fee to the receiving state. Colorado is a net importer of students through the professional exchange program.

Examples of WICHE's research publications and data sharing initiatives can be found at WICHE's web site: <http://www.wiche.edu/>

Dues represent approximately one-third of WICHE's annual budget and are equally apportioned among the 15 members. Grants from foundations and corporations and federal support represent the remainder of WICHE's budget.

This line item relies on General Fund appropriations that are entirely offset by indirect cost recoveries. WICHE dues are now included in the pool of recoverable costs in the Department's indirect cost collection plan.

*STATUTORY AUTHORITY:* Sections 24-60-601 and 23-1-108 (10), C.R.S..

*REQUEST:* The Department requests \$164,000 reappropriated funds for this line item, including \$5,000 in fee increases.

*RECOMMENDATION:* **Staff recommends the request for \$164,000, including the requested fee adjustment.**

## WICHE – OPTOMETRY

This line provides funding for Colorado students to enroll in out-of-state institutions with optometry programs, including private institutions, at subsidized rates through an exchange set up by WICHE. The exchange offers an alternative to establishing such a program in Colorado, as there is currently no optometry school in the State. In return for discounted tuition, participating students agree to return to Colorado to practice optometry for the same number of years as they were supported, or to repay the state for its investment inflated by the federal PLUS student loan rate. As of FY 2015-16, 87 percent of graduates returned to the State.

The program typically serves about 25 students at any given time. The FY 2017-18 state support fee (paid by all states per student) was \$17,725 per year, or about half of typical optometry school tuition. Since FY 2004-05, from 2 to 12 new students have been added to the program each year. Students are funded for their entire time in the multi-year program, so there are only a few students added each year, while others graduate (an O.D. program is typically 4 years).

Fiscal Year 2012-13 request BRI 7 proposed to phase out the program, but the General Assembly did not approve this request. In FY 2017-18, based on request R4, the General Assembly increased the appropriation by \$44,125 to address the impact of inflation over multiple years. This annualized to add an additional \$7,500 in FY 2018-19. In response to an FY 2017-18 RFI, the Department expressed its continued support for the program but did not support adding additional professional exchange programs.

Due to revenue shortfalls, beginning in FY 2020-21, the JBC authorized reduction for the program to eliminate funding for positions that were vacated as students graduated. For FY 2021-22, the Department proposed phasing out the program entirely, but the General Assembly chose to retain the program with the reductions that had been applied for FY 2020-21.

The program is supported by General Fund that is offset by departmental and state indirect cost recoveries. The program is not included in the pool of recoverable costs in the Department’s indirect cost collection plan.

*STATUTORY AUTHORITY:* Sections 24-60-601 and 23-1-108 (10), C.R.S.

*REQUEST:* Department requested a continuation level of \$376,600 General Fund.

*RECOMMENDATION:* The staff recommendation is reflected in the table below.

COLORADO COMMISSION ON HIGHER EDUCATION AND HIGHER EDUCATION SPECIAL PURPOSE PROGRAMS, SPECIAL PURPOSE, WICHE - OPTOMETRY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$376,600	\$0	\$0	\$376,600	\$0	0.0
<b>TOTAL</b>	<b>\$376,600</b>	<b>\$0</b>	<b>\$0</b>	<b>\$376,600</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$376,600	\$0	\$0	\$376,600	\$0	0.0
SI WICHE Optometry PSEP inflation	8,900	8,900	0	0	0	0.0
SI Indirect cost collection adjustments	0	(8,900)	0	8,900	0	0.0
<b>TOTAL</b>	<b>\$385,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$385,500</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$8,900</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,900</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	2.4%	0.0%	0.0%	2.4%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$376,600</b>	<b>\$0</b>	<b>\$0</b>	<b>\$376,600</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below)						
Recommendation	(\$8,900)	\$0	\$0	(\$8,900)	\$0	0.0

**DISTRIBUTION TO THE HIGHER EDUCATION COMPETITIVE RESEARCH AUTHORITY**

The Higher Education Competitive Research Authority is created in Section 23-19.7-102, C.R.S. The authority is overseen by a board comprised of the presidents or designees of the research institutions and a Governor appointee. Its role is to provide matching funds for federal research grants.



The Authority was initially supported by waste tire fees and more recently by Limited Gaming Funds. Senate Bill 13-133 provided for a limited gaming funds transfer of \$2,100,000 at the end of FY 2012-13 and subsequent years. This has been the sole source of revenue in recent years. Due to steep declines in limited gaming revenues, the JBC sponsored and the General Assembly adopted legislation to suspend allocations to this program that are received in FY 2020-21 (based on FY 2019-20 limited gaming revenue) and FY 2021-22 (based on FY 2020-21 limited gaming revenue). Under current law, gaming allocations to the program will resume in FY 2022-23.

Although new funding was suspended for two years, the program has continued to spend from its considerable existing reserves on both prior and new commitments. Disbursements for projects are typically spread over two to six years.

*STATUTORY AUTHORITY:* Section 23-19.7-102, C.R.S.

*REQUEST:* The Department requests \$2,800,000 cash funds for this line item, including a requested restoration of \$800,000 cash funds pursuant to R4.

*RECOMMENDATION:* **Staff recommends the Department's request for \$2,800,000 cash funds spending authority**, including the increase for R4, as discussed earlier in this document.

#### VETERINARY SCHOOL CAPITAL OUTLAY

This line represents cash funds and state funds for capital outlay associated with CSU's veterinary medicine program consistent with the provisions of 23-31-118 (2), C.R.S. The funding split is based on the ratio of resident students to non-resident students in the veterinary medicine program. Statute requires that a fee of \$1,001 be assessed to all non-resident and WICHE students. The state appropriation covers this cost-component for resident students, and states participating in the WICHE agreement cover this cost-component for their students. The funds are used for the purchase and replacement of equipment used in the education of veterinary students, with about half (\$496.98 per student) used for capital equipment for use of veterinary students and the balance used for capital construction funding directly related to the veterinary medicine program.

The State's contribution is shown as reappropriated funds from indirect cost recoveries, but this represents indirect cost recoveries that offset General Fund otherwise required. (The appropriation is not included in the Department's pool of recoverable costs.) The balance of the appropriation is shown for informational purposes and represents CSU's collections from non-resident and WICHE students. The cash funds do not pass through the state accounting system.

*STATUTORY AUTHORITY:* Sections 23-31-118(2), C.R.S.

*REQUEST:* The Department requests a continuation level of funding of \$285,000 total funds for this line item.

*RECOMMENDATION:* Staff recommends the request for \$285,000, including \$143,640 cash funds and \$141,360 reappropriated funds from indirect cost recoveries.

## COLORADO GEOLOGICAL SURVEY AT THE COLORADO SCHOOL OF MINES

Pursuant to H.B. 12-1355 and H.B. 13-1057 and an MOU between the Department of Natural Resources and the Colorado School of Mines, the Colorado Geological Survey (CGS), excluding the Avalanche Information Center, was transferred to the Colorado School of Mines in mid-FY 2012-13.

The transfer was accompanied by budget cuts. The budget for the CGS at the Department of Natural Resources prior to transfer was \$4.5 million, including \$2.3 million from the Operational Account of the Severance Tax Trust Fund. As part of the transfer, overall appropriations from the Operational Account of the Severance Tax Trust Fund were reduced by 42 percent (\$908,000). The JBC subsequently added \$300,000 General Fund to the appropriation to retain some functions that were not included in the original transfer plans, and additional \$105,494 General Fund and 1.0 FTE was added in FY 2015-16 to help maintain hazard mitigation services.

The CGS is the only entity funded from "Tier I" of the Operational Account of the Severance Tax Trust Fund that is not within the Department of Natural Resources.

Most State funding provided for the Survey is for Geologic Hazard mitigation, consistent with an MOU between the school of Mines and the Department of Natural Resources when the CGS was transferred. However, the General Fund provided by the General Assembly has allowed the Division to retain a nucleus of activities in a broader range of areas.

- **land use reviews**, funded through fees paid by local governments (new subdivision proposals and new school locations must be reviewed by CGS for geologic hazards);
- **other geologic hazard work** supported with Severance tax (e.g., identifying areas of natural geologic hazards, providing related technical assistance to state and local governments, creating guidelines for land use in natural hazard areas);
- **surface mapping activities**, which are closely related to and integrated with the geologic hazard work and are supported with both Severance tax and federal funds.
- **groundwater activities**, including mapping, reporting, and technical assistance and advisory work for state and local governments (1.0 FTE supported with General Fund).
- **energy and minerals activities**, including mapping and reporting on mineral deposits and energy resources, as well as reporting on the status of the energy industry. This includes projects related to **geothermal energy** and **carbon sequestration** (1.5 FTE total for energy and minerals activities supported with General Fund). The Oil and Gas Commission in the Department of Natural Resources is now doing this work internally for oil and gas deposits. The CGS continues to do some work in this area for other minerals.

The CGS is expected to bring in additional matching funds to augment the state support provided. The move to the Colorado School of Mines was expected to facilitate growth of such outside funding opportunities.

*STATUTORY AUTHORITY:* Sections 23-41-201 through 210, C.R.S.

*REQUEST:* The Department of Higher Education requests a continuation of \$2,250,018 total funds and 15.5 FTE, including \$622,086 from the General Fund and \$1,627,932 from the Operational Account of the Severance Tax Trust Fund, among other sources.

*RECOMMENDATION:* The staff recommendation is reflected below. As discussed previously in this packet, the recommendation adds a 2.0 percent inflationary adjustment.

COLORADO COMMISSION ON HIGHER EDUCATION AND HIGHER EDUCATION SPECIAL PURPOSE PROGRAMS, SPECIAL PURPOSE, COLORADO GEOLOGICAL SURVEY AT THE COLORADO SCHOOL OF MINES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$2,250,018	\$622,086	\$1,627,932	\$0	\$0	15.5
<b>TOTAL</b>	<b>\$2,250,018</b>	<b>\$622,086</b>	<b>\$1,627,932</b>	<b>\$0</b>	<b>\$0</b>	<b>15.5</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$2,250,018	\$622,086	\$1,627,932	\$0	\$0	15.5
SI Inflationary adjustment Colorado Geological Survey	45,001	12,442	32,559	0	0	0.0
<b>TOTAL</b>	<b>\$2,295,019</b>	<b>\$634,528</b>	<b>\$1,660,491</b>	<b>\$0</b>	<b>\$0</b>	<b>15.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$45,001</b>	<b>\$12,442</b>	<b>\$32,559</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	2.0%	2.0%	2.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	(\$45,001)	(\$12,442)	(\$32,559)	\$0	\$0	0.0

**INSTITUTE OF CANNABIS RESEARCH GOVERNING BOARD AND INSTITUTE OF CANNABIS RESEARCH AT CSU-PUEBLO**

Senate Bill 16-191 authorized the General Assembly to appropriate money from the Marijuana Tax Cash Fund (MTCF) to the Board of Governors of the Colorado State University System (CSU) to fund scientific and social science research at CSU-Pueblo concerning marijuana and other matters that impact the state and its regions. The appropriation was initially provided at the \$900,000 level and was increased to \$1,800,000 MTCF in FY 2017-18. House Bill 19-1311 (Institute of Cannabis Research Role and Mission by Singer/Bridges made changes to the program. The changes include, among others, creating a new 9-member board to oversee the program, approve the budget, and oversee grant awards through an open process.

CSU reported that in 2019, the institute supported 16 research projects led by 20 CSU-Pueblo faculty and staff, and employed five staff directly. CSU-P consults with the Department of Public Health and Environment to avoid any funding overlap. Studies have explored issues such as the effects of medicinal cannabinoids on seizures in those with epilepsy, a study of use of industrial hemp fibers as reinforcing agents, and study for an enhanced method for extracting cannabiniol from cannabis leaves and flowers using pressurized liquid extraction. The Institute also hosts conferences and a journal, the Journal of Cannabis Research, launched in partnership with Springer Nature.

During the 2020 legislative session, in response to budget constraints, the JBC reduced the budget for the Institute to \$1,000,000 cash funds from the MTCF for FY 2020-21. Funding was restored to \$1,800,000 in FY 2021-22 and the appropriation was divided into two line items, at the request of the program: Institute of Cannabis Research - Governing Board and Institute of Cannabis Research at CSU-Pueblo.

*STATUTORY AUTHORITY:* Sections 23-31.5-112, C.R.S.

*REQUEST:* The Department of Higher Education requests \$3,600,000 cash funds from the Marijuana Tax Cash Fund, including an increase of \$1,800,000 cash funds from the Marijuana Tax Cash Fund for Request R8.

*RECOMMENDATION:* The staff recommendation is reflected in the table below and incorporates the staff recommendation for Request R8.

COLORADO COMMISSION ON HIGHER EDUCATION AND HIGHER EDUCATION SPECIAL PURPOSE PROGRAMS, SPECIAL PURPOSE, INSTITUTE OF CANNABIS RESEARCH AT CSU-PUEBLO						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$600,000	\$0	\$600,000	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$600,000</b>	<b>\$0</b>	<b>\$600,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$600,000	\$0	\$600,000	\$0	\$0	0.0
SI Adjustments to location of appropriation	1,200,000	0	1,200,000	0	0	0.0
R8 Funding for Institute of Cannabis Research	1,000,000	0	1,000,000	0	0	0.0
<b>TOTAL</b>	<b>\$2,800,000</b>	<b>\$0</b>	<b>\$2,800,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,200,000</b>	<b>\$0</b>	<b>\$2,200,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	366.7%	0.0%	366.7%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	\$800,000	\$0	\$800,000	\$0	\$0	0.0

## GEAR UP

*PROGRAM BACKGROUND:* The federally-funded GEAR UP program places full-time advisors in more than two dozen middle and high schools across the state. The goal is to help students, who are typically first in their family to attend college, to become college-ready. Advisors recruit roughly 100 students per grade level, starting with eighth-graders, and work with them throughout middle and high school. Middle-school students may begin with ‘early remediation’ courses (remedial courses that would be required to begin college work if they were college-age) in order to demonstrate that they are college ready. Older students participate in dual enrollment courses that earn college credits while they are in high school in order to build students’ confidence and save them money and time in college. They also take CLEP exams (e.g., in Spanish) to demonstrate proficiency and earn college credit. GEAR UP students graduate high school having earned an average of 17 college credits. These are far more likely to graduate from high school and pursue and persist in college than their peers. The program reports that 87 percent graduate from high school, 84 percent enroll in college in the fall after high school graduation, and 81 percent persist through their first year of college.

The program was moved to the Department of Higher Education in FY 2012-13 and a line item to show full federal funding was added in FY 2014-15

*FEDERAL GRANT:* In FY 2018-19, Colorado received a fourth seven-year GEAR UP grant for \$5,000,000 per year. This funding will be available through FY 2024-25. Fifty percent of the total (\$2.5 million) is allocated to scholarship/tuition assistance to GEAR UP participants, while the balance primarily supports the salaries of the GEAR UP student advisors, including pre-collegiate advisors, college advisors, and management and support staff.

*REQUEST:* The Department requests of \$5,048,228 federal funds and 29.1 FTE shown for informational purposes, including \$48,228 for the FY 2022-23 impact of S.B. 20-200 (PERA).

*RECOMMENDATION:* **Staff recommends \$5,000,000 federal funds and 29.1 FTE shown for informational purposes.** Staff notes that any increases and decreases, including related to common policy for staff compensation, will be absorbed within the fixed base grant amount. Since this line item is shown for informational purposes, the staff recommendation is simply to maintain the current \$5.0 million appropriation. Actual expenditures vary from year to year, but this amount is consistent with the overall federal grant award.

## PROSECUTION FELLOWSHIP PROGRAM

Senate Bill 14-174, amended by S.B. 15-043, created the Prosecution Fellowship Program. Through state funding appropriated to the Department of Higher Education, the Colorado District Attorney's Council (CDAC) oversees and facilitate the placement of six recent graduates from the state's two major law schools, the University of Colorado at Boulder and the University of Denver, into one year prosecution fellowships in rural jurisdictions around the state. Fellows receive an intensive trial advocacy course from CDAC over the summer before placement in the community in September. The two universities are required to contribute 20 percent of fellows' salaries if they wish to participate

The fellowships were filled beginning in FY 2015-16, and CDAC has reported that the program is achieving its goals of providing prosecution work experience for law school graduates and assisting understaffed rural prosecutor's office

In response to budget constraints, the Joint Budget Committee eliminated funding for the program for FY 2020-21 only. The program was reinstated effective FY 2021-22. In February 2021, CDAC reported that to date 29 fellows had participated in the program. Of these, 16 had been retained in District Attorney offices and 2 absorbed in city attorney offices, while 4 were still considered fellows. Of the others, 3 did not pass the bar (but 1 of these was retained in an administrative position), 3 moved out of states, and the whereabouts of 4 others is unknown.

*STATUTORY AUTHORITY:* Sections 23-19.3-101 and 102, C.R.S.

*REQUEST:* The Department requested a continuation level of \$356,496 General Fund for the program, reflecting a continuation of JBC action for FY 2021-22.

*RECOMMENDATION:* Staff recommends the request for a continuation of \$356,496 General Fund.

## RURAL TEACHER RECRUITMENT, RETENTION, AND PROFESSIONAL DEVELOPMENT

*Line Item History:* Senate Bill 16-104 (Incentives to Build Number of Rural Teachers) created several new programs to provide incentives for individuals to become teachers in rural school districts, and to support the needs of professional educators in rural school districts. The bill included statutory authorization and funding for:

- a rural education coordinator (\$145,000) - UNC Center for Rural Education selected;
- financial stipends for student teachers who agree to teach in rural areas (\$112,000);
- support for teacher cadet programs to support high school students interested in pursuing teaching careers in rural schools (\$50,000) - operated by the Colorado Community College System;
- funds for national board certification, concurrent enrollment certification, and other professional development for rural teachers (\$120,000; increased under S.B. 18-085 to \$360,000); and
- support to the Department of Higher Education to oversee these programs.

Subsequently:

- Senate Bill 18-085 added stipends for additional teachers to pursue concurrent enrollment educator qualifications and National Board teacher certification.
- Senate Bill 20-158 modified the program funding structure to combine it with Rural Teaching Fellowships program and allocate any grant funds remaining after the fellowships so that 50.0 percent is available for rural teachers pursuing alternative licensure, 25.0 percent is student teachers who agree to teach in rural areas, and 25.0 percent is for the various continuing education stipends for existing teachers.

This program was reduced in FY 2020-21 based on the availability of \$500,000 rolled forward from prior years. The \$500,000 was restored for FY 2021-22.

*Current Line Item:* In FY 2021-22, the Rural Teacher Recruitment, Retention, and Professional Development line item is used to support:

- Programs authorized under Sections 23-76-101 through 106, including funding for a rural education coordinator (now housed at the University of Northern Colorado), funding for the high school teacher cadet program in rural schools, stipends for student teachers doing student teaching in rural areas (up to \$4,000 per student teacher), stipends for teachers in rural areas pursuing alternative teacher certification, and stipends for rural teachers who are pursuing National Board Certification and teachers pursuing other specified professional development activities (up to \$6,000 per teacher).
- The Rural Teaching Fellowship Program, authorized under section 23-78-302 through 307, which provides \$10,000 fellowships for student teachers in rural areas that are jointly supported by the state and the higher education institution where the student is studying. The State's contribution is \$5,000 per student teacher. This program was previously funded in a separate line item and was consolidated into the Rural Teacher Recruitment, Retention, and Professional Development line item in FY 2020-21.

Under the provisions of S.B. 20-158:

- Teaching fellowships, which are matched by higher education institutions, are funded up to the level of demand;
- Of the remaining funds, 50.0 percent is allocated for stipends for alternative licensure teachers, 25.0 percent for stipends for rural student teachers, and the remaining 25.0 percent for the other stipend programs (current rural teachers seeking National Board certification or credentials to allow them serve as concurrent enrollment teachers).

*FY 2020-21 Use of Funds:*

RURAL TEACHER RECRUITMENT, RETENTION, AND PROFESSIONAL DEVELOPMENT APPLICATIONS, AWARDS, AND REVENUE FOR COMBINED PROGRAMS									
	FY 2018-19		FY 2019-20		FY 2020-21		Amount per Award	Projected Expenditures	
	Stipends/Fellowships		Stipends/Fellowships		Stipends/Fellowships				
<b>Expenditures</b>	Applied	Awarded	Applied	Awarded	Applied	Awarded			
Rural student teacher stipend (23-76-104)	68	57	87	18	131	55	\$4,000	\$220,000	
Alt Licensure teacher stipends (23-76-106)	144	43	120	48	140	100	4,500	453,000	
National Board Certification (23-76-106)	35	24	13	13	13	11	4,250	51,000	
Teachers seeking credential for concurrent enrollment (23-76-106)	20	17	6	6	87	25	6,000	150,000	
Rural teacher fellowship program (Section 23-78-305, CRS)	14	14	18	14	22	22	5,000	110,000	
<b>Subtotal Total #s and Expenses - stipends/fellowships</b>	<b>281</b>	<b>155</b>	<b>244</b>	<b>99</b>	<b>393</b>	<b>213</b>		<b>\$984,000</b>	
Department Administration									42,300
Teacher Cadet Program (23-76-105)									50,000
Rural Education Coordinator (23-76-103)									145,000
<b>Total Estimated Expenditures</b>									<b>1,221,300</b>

*STATUTORY AUTHORITY:* Sections 23-76-101 through 106, C.R.S.

*REQUEST:* The Department requests \$1,533,927 General Fund and 0.9 FTE for this program. The request includes an increase of \$324,570 and 0.1 FTE to annualize S.B. 21-106 (Successful High School Transitions).

*RECOMMENDATION:* The staff recommendation is for a continuation of \$1,209,357 General Fund. The Department incorrectly placed annualization for S.B. 21-106 in this line item. Staff has instead added that amount in the Fourth-year Innovation Pilot Program line item in the Financial Aid section.

OPEN EDUCATIONAL RESOURCES INITIATIVES

House Bill 18-1331 created the Colorado Open Educational Resources (OER) Council and grant program in the Department of Higher Education (DHE). Open educational resources are high-quality teaching, learning, and research resources that reside in the public domain or have been released under an intellectual property license that permits their free use and repurposing by others. Establishes requirements for appointments to the Council by the Executive Director of DHE and the Commissioner of Education. Council responsibilities include:

- Recommending statewide policies for promoting adaptation, creation, and use of OER at Colorado public institutions of higher education;
- Facilitating professional development and sharing of knowledge about OER;
- Implementing the OER grant program that is created in the bill; and
- Submitting an annual report to the Colorado Commission on Higher Education and the General Assembly on the use of OER and the impact of the grant program.

The OER grant program provides grants to public institutions of higher education to promote the use of OER at the institutions and to faculty and staff, individually or in groups, to create and adapt open educational resources. The bill also directed the Colorado Commission on Higher Education to adopt guidelines to require public institutions of higher education to ensure that, beginning in the fall of 2021, students are informed prior to course registration concerning which courses and sections use OER or other low-cost materials.

During the 2021 legislative session, the Joint Budget Committee sponsored S.B. 21-215 (Use of Open Educational Resources in Higher Education) to continue and strengthen the program, which otherwise repealed in FY 2020-21, for an additional five years. The bill's appropriation included the following components.

APPROPRIATION COMPONENTS	
FTE	1.0 FTE
Personal Services (excluding centrally-appropriated)	\$71,770
Standard Operating	\$1,350
Capital Outlay	
Other Costs	
Travel	\$2,080
OER Council Costs	\$3,000
Other operating - conference, training	\$30,000
OER Grants	\$1,000,000
<b>Total</b>	<b>\$1,108,200</b>

The bill included provisions to expand the program to provide grants to support zero-textbook-cost degree programs. It also directs the Commission on Higher Education to adopt guidelines to require public institutions of higher education, beginning no later than the Fall of 2025, to also inform students at the point of registration concerning those courses that use open educational resources.

*STATUTORY AUTHORITY:* Section 23-4.5-101 *et. seq.*, C.R.S.



*REQUEST:* The Department requested continuation funding of \$1,108,200 General Fund and 1.0 FTE for FY 2022-23.

*RECOMMENDATION:* Staff recommends the request for continuation funding of \$1,108,200 General Fund and 1.0 FTE.

## FOREST RESTORATION AND WILDFIRE RISK MITIGATION GRANT PROGRAM CASH FUND

The Forest Restoration and Wildfire Risk Mitigation Grant Program Cash Fund supports Colorado State Forest Service cost-share grants for local community groups, government entities, public or private utilities, state agencies, and nonprofits for projects to reduce the risk to people and property in the wildland-urban interface. [Section 23-31-310, C.R.S.]

This fund also receives annual transfers of Severance Tax funds (Tier 2/Natural Resources and Energy Grant Program Distributions of up to \$1,050,000), but only when Tier 2 Severance Tax funding is available, and only through FY 2022-23 (provision repeals September 1, 2023). Previously, the program was only supported through these statutory transfers, but changes included in H.B. 19-1006 made it possible to appropriate to this fund through the Long Bill. The program received a one-time appropriation in H.B. 19-1006 of \$1,000,000. The Joint Budget Committee recommended retaining the appropriation, rather than eliminating it, in FY 2020-21 and indicated that its intent was that this funding would be ongoing. In FY 2022-23, the General Assembly increased the appropriation for the line item by \$7,000,000 to \$8,000,000 General Fund.

The Colorado State Forest Service is a service and outreach agency of Colorado State University which works with a wide range of stakeholders (federal, state, nonprofit, and local governments, and individual landowners) “to achieve stewardship of Colorado’s diverse forest environments for the benefit of present and future generations.” Actual revenue in FY 2019-20, prior to the large increase provided in this line item, was \$16.7 million and supported 122.2 FTE and various grant programs.

*STATUTORY AUTHORITY:* Section 23-31-310, C.R.S.

*REQUEST:* The request is for a continuing appropriation of \$8,000,000 General Fund.

*RECOMMENDATION:* Staff recommends the request for a continuing appropriation of \$8,000,000 General Fund for this program.

## HEALTHY FORESTS AND VIBRANT COMMUNITIES FUND AT COLORADO STATE UNIVERSITY

The Healthy Forests and Vibrant Communities Fund supports the activities of the Colorado State Forest Service to develop and help implement community wildfire protection plans. The funds are used to support community and firefighter planning and preparedness through facilitation and technical assistance to communities seeking to develop community wildfire protection plans and for staff to support fuels mitigation and community watershed restoration programs. The funds are also used to administer a wildfire risk mitigation revolving loan program (from a fund continuously appropriated for such loans). Statute is explicit that the program is to improve outreach and technical

assistance through the provision of full-time staff and specific information technology services (GIS capacity and a web-based technical assistance clearinghouse).

The program has received multiple statutory transfers since its creation, including a transfer in FY 2020-21 of \$5,000,000 General Fund. Statute also provides this fund with a \$1.305 million transfer from Tier 2 Severance Tax Funding, but only through FY 2022-23 and when Tier 2 Severance funding is available. The Severance Tax transfer provision repeals September 1, 2023.

*STATUTORY AUTHORITY:* Section 23-31-313, C.R.S.

*REQUEST:* The request is for a continuing appropriation of \$2,000,000 General Fund.

*RECOMMENDATION:* Staff recommends the request for a continuing appropriation of \$2,000,000 General Fund for this program.

## COLORADO STUDENT LEADERS INSTITUTE

The Colorado Student Leaders Institute is a competitive residential summer academic program for students who are entering tenth or eleventh grade in the coming fall semester. The institute operates at the University of Colorado at Denver for four weeks each summer during which time participating students attend college level classes (and enrichment activities). The program is overseen by an eleven-member board, appointed by the Governor and confirmed by the Senate, which is responsible for selecting students for the program. The program was created as a pilot in the Lieutenant Governor's Office in 2015 and moved to the Department of Higher Education in FY 2017-18. The program was reauthorized during the 2019 session through S.B. 19-137 and the appropriation structure modified to provide a direct General Fund appropriation.

*STATUTORY AUTHORITY:* Section 23-77-101 through 106, C.R.S.

*REQUEST:* Department requests continuation funding of \$218,825 General Fund for FY 2022-23, but did not include the 1.0 FTE historically reflected in the line item.

*RECOMMENDATION:* Staff recommends the request for a continuation level of funding of \$218,825, but has continued to reflect the 1.0 FTE for informational purposes, as no explanation was provided for the change. As FTE notations are shown for informational purposes, including the 1.0 FTE (or not) should not affect program operations

## STRATEGIES FOR EDUCATION PREPARATION PROGRAMS

*REQUEST:* The Department's FY 2022-23 request includes \$108,245 General Fund in this new line item to include the second-year impacts of two bills: \$44,122 General Fund and 0.6 FTE for S.B. 21-108 (Concerning Successful High School Transitions) and \$64,023 General Fund and 1.0 FTE for S.B. 21-185 (Supporting Educator Workforce in Colorado).

- The funding in S.B. 21-108 was for the administrative staff to implement the Fourth-year Innovation Pilot Program.
- The funding in S.B. 21-185 was to implement requirements in Section 4 of that bill that the Department, in collaboration with the Department of Education and the institutions of higher

education, no later than FY 2022-23, design a teaching career pathway that begins in middle- or high-school.

*RECOMMENDATION:* Staff recommends \$64,023 General Fund and 1.0 FTE in this line item.

- The staff recommendation consolidates the funding for S.B. 21-108 administration to the line item in the Financial Aid section where staff has also included the annualization for the Fourth-year Innovation Pilot program and funding for the financial aid that is tied to this bill. Since the program is described as a temporary pilot program, staff recommends that related administrative staff be associated with the program. Thus, depending upon if the pilot grows or does not continue in later years, the administrative costs are tied to the program funding.
- Consistent with the request, staff has included the appropriation for S.B. 21-185 in this line item. The administrative appropriation for designing a teaching career pathway was included in the Department's Administration line item in FY 2021-22, based on the appropriation clause in the bill. However, the staff recommendation moves funding to this separate line item for FY 2022-23 in light of the request. Staff is uncertain whether the funding for this line item is expected to be ongoing beyond FY 2022-23, based on the fiscal note. Statute requires the development of the teaching career pathway no later than FY 2022-23. **Staff assumes that funding in the line item annualizes (is eliminated) in FY 2023-24, pending further information.** Some ongoing funding may be required. If so, this will need to be clarified prior to FY 2023-24 figure setting.

*STATUTORY AUTHORITY:* Section 23-60-110, C.R.S. [for teaching career pathway]

## FINANCIAL AID ASSESSMENT TOOL

H.B. 19-1196 (Financial Aid for Students with In-State Tuition; Gonzales-Gutierrez/Moreno) extended access to state financial aid for a subset of undocumented students who met the requirements for receiving in-state tuition at state higher education institutions. These students, known as ASSET (Advancing Students for a Stronger Tomorrow) students, are not eligible for federal financial aid and therefore do not complete the federal Free Application for Federal Student Aid (FAFSA). However, since these students will now be eligible for *state* financial aid, the State must ensure there is a consistent method used for determining these students' financial need.

Funds were added on a supplemental basis in FY 2019-20 to enable the state to purchase a software solution that provides an on-line FAFSA-like tool that ASSET students can use to assess their eligibility for financial aid. The tool performs the same needs-analysis as the FAFSA methodology. Costs include a 0.5 FTE to manage the system (in collaboration with the vendors) and serve as a liaison to the higher education institutions and students.

From the beginning, costs for the new system were paid by the higher education institutions. Funds added in FY 2019-20 annualized in FY 2020-21 to reflect ongoing (as opposed to start-up) costs associated with the new tool. Beginning in FY 2021-22, ongoing costs have been incorporated in the Department's regular indirect cost assessment process.

*STATUTORY AUTHORITY:* Sections and 23-7-110 and 23-3.3-101 et. seq., and C.R.S.

*REQUEST:* The request is for a continuation amount of \$154,069 reappropriated funds.

*RECOMMENDATION:* Staff recommends the request for a continuation amount of \$154,069 reappropriated funds. The funding source for this line item is indirect cost recoveries.

## TEACHER MENTOR GRANTS

Senate Bill 19-190 created the Teacher Mentor Grant Program in the Department to provide money to partnering local education providers and educator preparation programs to provide training and stipends for teachers who serve as mentors for teacher candidates participating in clinical practice. The Department established the grant application, review, and award procedures and collaborated with the Department of Education to create a new mentor endorsement through the State Board of Education, which was adopted in November 2019. However, due to budget shortfalls, the program grant funding was eliminated in FY 2019-20, and funding for the associated staff position was eliminated in FY 2020-21. In FY 2021-22 the General Assembly partially restored funding to \$548,477 and 0.5 FTE, including \$500,000 in grants.

The bill also required that the Department to research best practice in educator preparation programs, adopt guidelines in collaboration with the Department of Education by January 1, 2020, and prepare a report, to assist educator preparation programs in adopting and implementing best practice. This was implemented.

Under the statute added by this bill at Section 23-78-101 through 105, C.R.S., subject to available appropriation, the grant program:

- Provides money to partnering local education providers and education preparation programs to provide training and stipends for teachers serving as mentors for teacher candidates.
- The duration of each grant is to be for up to three years.
- Applicants must include a plan by which the applicant intends to sustain the mentor program after the grant period ends.
- The Department is to ensure, to the extent practicable, that grant recipients include applicants of varying size from rural, urban, and suburban areas across the state.
- The Department may only award grants to applicants that:
  - Commit to implementing programs that recruit teachers with three years of experience (as practical), are rated effective or higher, and who hold a masters certification or are national board certified;
  - Provide training in mentoring best practices;
  - Ensure that the employing local education provider provides time for the mentor to provide mentoring
  - Pays each mentor teacher a stipend of at least \$2,000 or \$2,500 if masters level or national board certified.
  - Provide mentoring for teacher candidates and for newly employed teachers through and induction program for at least two school years after employment
  - Collect required data.

*STATUTORY AUTHORITY:* Section 23-78-105, C.R.S.

*REQUEST:* The Department requested a continuation level of \$548,477 General Fund, but did not include the previous 0.5 FTE notation.

*RECOMMENDATION:* Staff recommends continuation funding of \$548,477 General Fund and 0.5 FTE. Staff has not changed the FTE notation, as no explanation was provided for the change. Since FTE notations are shown for informational purposes, including the 0.5 FTE (or not) should not affect program operations.

#### SUPPORT EXPANSION OF SINGLE STOP

*REQUEST:* Pursuant to Request R6, the Department requested \$45,000 General Fund for a statewide license for the Single Stop application to help postsecondary students connect to public benefits for which they are eligible.

*RECOMMENDATION:* As described earlier in this document, the Department does not have authority for this activity under current law. As a result, **the staff recommendation does not include this amount in funding in the Long Bill.** If the JBC sponsors related legislation, staff assumes an appropriation for this purpose will be included in the bills.

#### CENTER FOR SUBSTANCE USE DISORDER PREVENTION, TREATMENT AND RECOVERY SUPPORT STRATEGIES AT THE UNIVERSITY OF COLORADO HEALTH SCIENCE CENTER

Senate Bill 17-193 identified the Center for Substance Use Disorder Prevention, Treatment, and Recovery Support Strategies as part of the University of Colorado's Health Sciences Center. Prior to the passage of S.B. 21-137 (Behavioral Health Recovery Act), this program, like other programs funded at the higher education governing boards, was required to be included in the single line item that provides appropriations for the Regents of the University of Colorado. Pursuant to Section 23-1-104 (1), C.R.S., appropriations for the Center are now exempt from the single line item requirement.

*STATUTORY AUTHORITY:* Sections 27-80-118, 23-80-121, 23-21-803 et. seq., C.R.S.

*REQUEST:* The Department did not request funding in this line item but instead included related funding for the Center in the line item for the Regents of the University of Colorado.

*RECOMMENDATION:* Staff recommends an appropriation of \$4,825,000 cash funds from the Marijuana Tax Cash Fund in this line item. This includes the following components:

- \$3,000,000 for the Medication Assisted Treatment (MAT) Program;
- \$1,250,000 for the opioid awareness campaign, grant assistance, and provider education activities authorized in Section 27-80-118, C.R.S.

The total amount includes:

- Continuation of \$3,000,000 appropriated in this line item for the MAT program and \$750,000 for activities authorized under Section 27-80-118 (4), C.R.S., for continuing education for pain medication subscribers and community engagement to address substance use prevention. This funding was authorized and included in S.B. 21-137 and is required to continue at this level indefinitely by statute.

- Continuation of \$500,000 appropriated for Section 27-80-118 activities in the FY 2021-22 Long Bill in the Regents of the University of Colorado line item. This includes \$250,000 required to be provided indefinitely under Section 27-80-118 (5), C.R.S., for a program to increase public awareness concerning safe use, storage, and disposal of opioids and the availability of drugs to prevent overdose, and an additional \$250,000 added at the discretion of the General Assembly for the same purpose.
- Annualization (elimination) of \$75,000 for the Perinatal Data Linkage Study originally funded in S.B. 19-228 and funded for an additional year in S.B. 21-137.

### COSI FAFSA COMPLETION GRANT PROGRAM - ARPA MONEY

House Bill 21-1330 created the Colorado Opportunity Scholarship Initiative (COSI) FAFSA Completion Grant Program and a related working group on increasing student financial aid applications that are submitted through the free application for federal student aid (FAFSA) and a related state tool. The bill included a one-time FY 2021-22 appropriation of \$1,500,000 cash funds from the Workers, Employers, and Workforce Centers Cash Fund, from money originating as federal Coronavirus State Fiscal Recovery Funds, for the FAFSA Completion Grant Program.

*REQUEST/RECOMMENDATION:* This was a one-time appropriation. The Department has not requested, and staff does not recommend, an appropriation for FY 2022-23.

### COLORADO RE-ENGAGED AND ASSOCIATE DEGREE COMPLETION PROGRAM - ARPA MONEY

House Bill 21-1330 created the Colorado Re-Engaged and Associate Degree Completion Program to enable students who stopped out of four year degree programs prior to graduation to obtain associates degrees for which they are qualified. The bill included a one-time FY 2021-22 appropriation of \$1,000,000 cash funds from the Workers, Employers, and Workforce Centers Cash Fund, from money originating as federal Coronavirus State Fiscal Recovery Funds. As amended through supplemental budget action, this appropriation is available through FY 2022-23.

*REQUEST/RECOMMENDATION:* This was a one-time appropriation. The Department has not requested, and staff does not recommend, an appropriation for FY 2022-23.

### CAREER AND TECHNICAL EDUCATION EQUIPMENT, FACILITY, AND INSTRUCTION CAPACITY FUNDING - ARPA MONEY

House Bill 21-1264 authorized funding to enhance career and technical education equipment, facility and instruction capacity . The bill included a one-time FY 2021-22 appropriation of \$10,000,000 cash funds for this purpose from the Workers, Employers, and Workforce Centers Cash Fund, from money originating as federal Coronavirus State Fiscal Recovery Funds.

*REQUEST/RECOMMENDATION:* This was a one-time appropriation. The Department has not requested, and staff does not recommend, an appropriation for FY 2022-23.

## APPROPRIATION TO THE EDUCATOR LOAN FORGIVENESS FUND AND EDUCATOR LOAN FORGIVENESS PROGRAM ADMINISTRATION

S.B. 19-003 modified and extended an older program which had not been funded in many years. Under the new Educator Loan Forgiveness Program, eligible educators, including teachers, principals, and special service providers serving in a hard-to-staff position in a rural school district or content shortage area, is eligible to receive up to \$5,000 in loan forgiveness for each year of employment in a qualified position, for up to five years. The Colorado Commission on Higher Education (CCHE) was required to approve up to 100 educators per year for participation in the program. If more than 100 applications were received, CCHE was required to prioritize applicants who have contracted for a qualified position in a rural school and in a content shortage area, followed by those who had contracted for a qualified position in a rural school, and finally those who had contracted for a qualified position in a content shortage area. The program repeals September 1, 2033.

In response to staff questions in February 2020, the Department reported that after passage of S.B. 19-003, it hired a program coordinator to administer the program, created an application process, guidelines, and program policy. The program closed for applications on February 21st having received over 2500 inquiries and 500 submitted applications. However, due to unexpected budget shortfalls associated with the COVID-19 pandemic, loan forgiveness funding was eliminated in FY 2019-20, and funding for the associated staff position was eliminated in FY 2020-21.

For FY 2021-22, the S.B. 21-185 (Supporting the Educator Workforce in Colorado) restored funding for the program in the form of a five-year appropriation by providing \$2,500,000 General Fund deposited to the Educator Loan Forgiveness Fund and \$398,963 for administrative costs that could be rolled forward. The appropriation was to allow an estimated 100 educators to receive loan forgiveness of up to \$5,000 per year for five years. The bill also added provisions (Section 23-3.9-102 (1)(d), C.R.S.) to specify that in approving applications for the program, the Colorado Commission on Higher Education would first consider those who hold educator licenses, beginning with those who have been employed the longest under the license, and then consider those who do not hold an educator license, prioritized by the length of time the applicant has been employed as an educator.

*STATUTORY AUTHORITY:* Section 23-3.9-101 through 104, C.R.S.

*REQUEST:* The Department initially requested continuation funding but then withdrew the request after staff noted the error.

*RECOMMENDATION:* The Department has not requested, and staff does not recommend, additional funding for this program.

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## (D) LEASE-PURCHASE PAYMENTS AND CAPITAL-RELATED OUTLAYS

### UNIVERSITY OF COLORADO, LEASE PURCHASE OF ACADEMIC FACILITIES AT FITZSIMONS

The General Assembly authorized the State to enter into a lease purchase agreement for the University of Colorado Health Sciences Center at Fitzsimons pursuant to H.B. 03-1256. The bill authorized an agreement for up to twenty-five years, with the total amount of the agreement not to exceed \$202,876,109 plus administrative, monitoring, closing costs and interests. The bill also specified that annual aggregate rentals authorized would not exceed \$15,100,000.

The General Assembly authorized use of up to \$8,000,000 per year of Tobacco Master Settlement revenues for this purpose in Section 23-20-136 (3.5), C.R.S. The annual amount is based on total tobacco settlement funds received and the statutory allocation of the funds. These funds are deposited to the Fitzsimons Trust Fund.

This line item was moved from the capital construction section of the Long Bill to the operating section in FY 2015-16. The JBC provided an appropriation of \$5.1 million in FY 2020-21 to facilitate early retirement of a portion of the remaining obligation.

*STATUTORY AUTHORITY:* Sections 23-20-136 (3.5), C.R.S., and H.B. 03-1256.

*REQUEST:* The Department requests \$12,128,495 total funds for FY 2022-23, including \$5,121,284 General Fund and \$7,008,211 tobacco settlement funds.

*RECOMMENDATION:* The staff recommendation is reflected in the table below.

COLORADO COMMISSION ON HIGHER EDUCATION AND HIGHER EDUCATION SPECIAL PURPOSE PROGRAMS, LEASE PURCHASE PAYMENTS AND CAPITAL-RELATED OUTLAYS, UNIVERSITY OF COLORADO, LEASE PURCHASE OF ACADEMIC FACILITIES AT FITZSIMONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$12,126,226	\$5,157,255	\$6,968,971	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$12,126,226</b>	<b>\$5,157,255</b>	<b>\$6,968,971</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$12,126,226	\$5,157,255	\$6,968,971	\$0	\$0	0.0
SI, T4, T6 Lease purchase payment adjustments	(585,613)	(568,150)	(17,463)	0	0	0.0
<b>TOTAL</b>	<b>\$11,540,613</b>	<b>\$4,589,105</b>	<b>\$6,951,508</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$585,613)</b>	<b>(\$568,150)</b>	<b>(\$17,463)</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(4.8%)	(11.0%)	(0.3%)	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$12,129,495</b>	<b>\$5,121,284</b>	<b>\$7,008,211</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$588,882	\$532,179	\$56,703	\$0	\$0	0.0



## APPROPRIATION TO THE HIGHER EDUCATION FEDERAL MINERAL LEASE REVENUES FUND

This line item is used to appropriate General Fund into the Higher Education Federal Mineral Lease (FML) Revenues Fund (revenues fund). Once in the revenues fund, the money is subject to annual reappropriation for the Lease Purchase of Academic Facilities Pursuant to Section 23-19.9-102, C.R.S.

*BACKGROUND:* The revenues fund was created to support lease-purchase (certificate of participation /COP) payments for higher education capital construction projects authorized in 2008. Created in Section 23-19.9-102, C.R.S., the fund receives the "spillover" (amounts that exceed caps) from other funds that receive statutory allocations of FML revenue, as well as 50 percent of FML bonus revenues.

In most recent years, FML revenues deposited to the revenues fund have not been sufficient to cover required COP payments, and the General Assembly has appropriated General Fund to make up the difference.

The Master Indenture for the COPs states that "payment of Rent and all other payments by the State under the Leases shall constitute currently appropriated expenditures of the State and shall be paid solely from the Higher Education Federal Mineral Lease Revenues Fund and any moneys in the Higher Education Institutions Lease Purchase Cash Fund." (This second fund receives institutional contributions.) The Indenture also specifies that if FML revenues are insufficient, the State may deposit General Fund into the revenues fund to make up the difference.

In light of this, all moneys to be used for the COP payments, including General Fund, are deposited to the revenues fund. This line item is included in the Long Bill to make the necessary General Fund deposit. The amount appropriated in this line item is then reappropriated in the subsequent line item (Lease Purchase of Academic Facilities Pursuant to Section 23-19.9-102, C.R.S.) for payment of the COPs.

*STATUTORY AUTHORITY:* Section 23-19.9-102, C.R.S.

*REQUEST:* The Department requests a continuation of \$17,072,238 General Fund.

*RECOMMENDATION:* The staff recommendation is for \$16,631,232 General Fund. The amount included is based on the difference between the COP payments due in 2022-23 and FML revenues available. Note that staff bases the amount of revenues available on the amounts currently available in the Higher Education Revenues Cash Fund less annual obligations to be paid, rather than relying on an FML revenues forecast.

## LEASE PURCHASE OF ACADEMIC FACILITIES PURSUANT TO SECTION 23-19.9-102, C.R.S.

In 2008, the General Assembly authorized the State to enter into lease-purchase agreements (certificates of participation/COPs) to fund capital construction projects for state-supported institutions of higher education. The General Assembly anticipated significant increases in federal mineral lease (FML) revenue due to natural gas leases on the Roan Plateau and, in light of this, modified the formula allocation for FML revenue to direct a portion to support the new COPs. The

Higher Education FML Revenues Fund (revenues fund), created in Section 23-19.9-102, C.R.S., receives the "spillover" (amounts that exceed caps) from other funds that receive statutory allocations of FML revenue plus 50 percent of all FML bonus revenue. Amounts in this fund are subject to annual appropriation for the higher education COP payments.

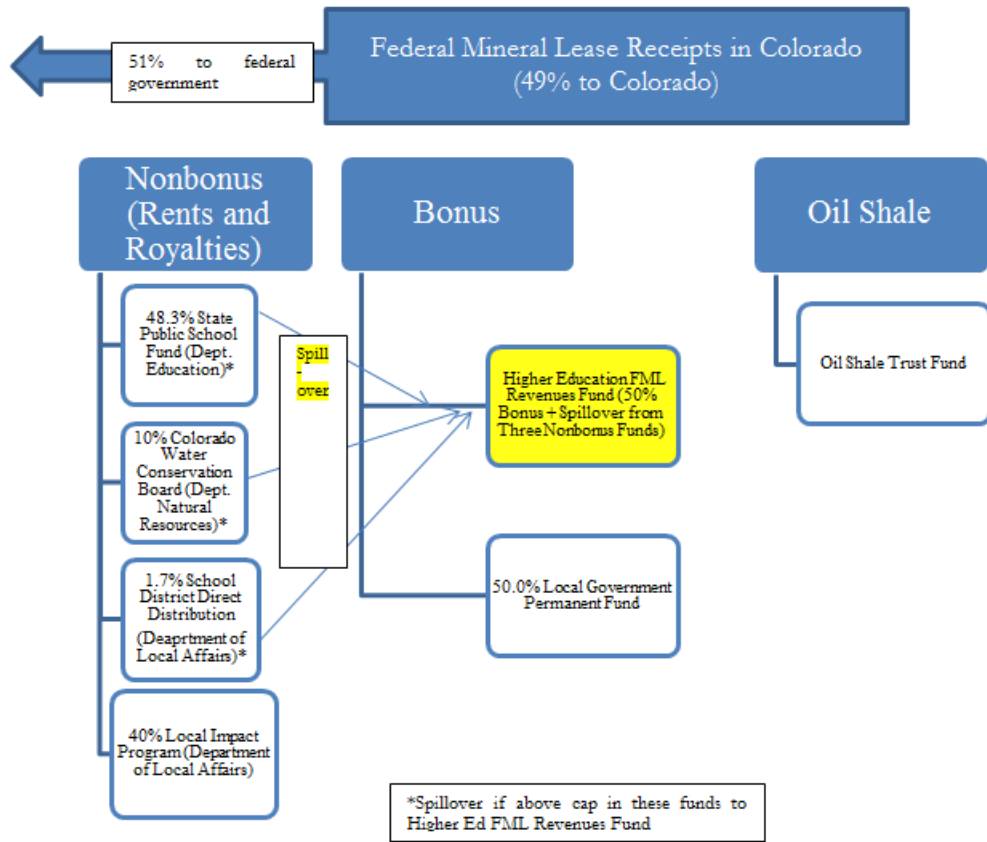
Through S.B. 08-233 and H.J.R 08-1042, the General Assembly authorized COP payments to fund 17 projects for higher education academic buildings. Funding was ultimately sufficient to fund the first 12 projects, with some additional controlled maintenance projects authorized through H.B. 12-1357 using unspent COP proceeds. Pursuant to Section 23-1-106.3 (1)(b)(IV), C.R.S. the anticipated annual state-funded payments for the principal and interest components under all lease purchase agreements on the projects is not to exceed an average of \$16,200,000 per year for the first ten years of payment and is not to exceed \$16,800,000 for the second ten years of payment. Payments will end in FY 2027-28.

Although the General Assembly anticipated funding would be provided through the FML revenues fund, this revenue stream has been extremely inconsistent, and General Fund backfill has thus been required to make the COP payments in many years.

During the 2016 legislative session, the JBC sponsored H.B. 16-1229 to make some changes to the funding structure for the COP payments. This bill:

- Transferred the amount in the former Higher Education FML Reserve Fund (\$7.6 million) into the revenues fund upon enactment. Of this amount \$1.9 million was used to help cover FY 2015-16 COP payments and address a shortfall in the fund, while the balance of \$5.7 million was available for appropriation in FY 2016-17.
- Eliminated the Higher Education FML Reserve Fund and directed 50 percent of FML bonus revenue that would previously have been deposited to the reserve fund into the revenues fund. This was expected to add about \$1.0 million per year in FML money to the revenues fund.
- Clarified that appropriations for higher education COPs are made to the Department of Higher Education for transfer to the State Treasurer. Amounts transferred to the Treasurer are continuously appropriated to the Treasurer for purposes of making related payments.

The chart below summarizes the flow of FML revenue used for these Higher Education COP payments including the changes in H.B. 16-1229.



*STATUTORY AUTHORITY:* Sections 23-1-106.3, 23-19.9-101 and 102, and 34-63-102, C.R.S.

*REQUEST:* The Department requested \$17,431,232 total funds, including \$17,072,238 reappropriated funds from General Fund appropriated in the line item above.

*RECOMMENDATION:* The staff recommendation is reflected in the table below.

**COLORADO COMMISSION ON HIGHER EDUCATION AND HIGHER EDUCATION SPECIAL PURPOSE PROGRAMS, LEASE PURCHASE PAYMENTS AND CAPITAL-RELATED OUTLAYS, LEASE PURCHASE OF ACADEMIC FACILITIES PURSUANT TO SECTION 23-19.9-102**

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$17,432,238	\$0	\$360,000	\$17,072,238	\$0	0.0
<b>TOTAL</b>	<b>\$17,432,238</b>	<b>\$0</b>	<b>\$360,000</b>	<b>\$17,072,238</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$17,432,238	\$0	\$360,000	\$17,072,238	\$0	0.0
SI, T4, T6 Lease purchase payment adjustments	7,662	0	448,668	(441,006)	0	0.0
<b>TOTAL</b>	<b>\$17,439,900</b>	<b>\$0</b>	<b>\$808,668</b>	<b>\$16,631,232</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$7,662</b>	<b>\$0</b>	<b>\$448,668</b>	<b>(\$441,006)</b>	<b>\$0</b>	<b>0.0</b>

COLORADO COMMISSION ON HIGHER EDUCATION AND HIGHER EDUCATION SPECIAL PURPOSE PROGRAMS, LEASE PURCHASE PAYMENTS AND CAPITAL-RELATED OUTLAYS, LEASE PURCHASE OF ACADEMIC FACILITIES PURSUANT TO SECTION 23-19.9-102

	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Percentage Change	0.0%	0.0%	124.6%	(2.6%)	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$17,431,232</b>	<b>\$0</b>	<b>\$220,000</b>	<b>\$17,211,232</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$8,668)	\$0	(\$588,668)	\$580,000	\$0	0.0

ANNUAL DEPRECIATION-LEASE EQUIVALENT PAYMENT

Senate Bill 15-211, as amended by S.B. 16-020, created a process to annually set aside an amount equal to the calculated depreciation of a capital asset funded through the capital construction section of the Long Bill. Beginning with projects funded in the 2015 Long Bill, the bill established three set-aside mechanisms based on how a project is funded.

- For projects funded from a cash fund, the state agency annually credits an amount equal to the recorded depreciation to a capital reserve account in the cash fund.
- For projects funded from the General Fund, the Capital Construction Fund, or the Controlled Maintenance Trust Fund, the General Assembly is required to include an annual depreciation-lease equivalent payment line item payable from the General Fund in the operating section of the Long Bill for each state agency, including the Department of Higher Education. Amounts in this line item are credited to the Capital Construction Fund, except that an amount equal to one percent of the project cost is deducted from the payment and credited to the Controlled Maintenance Trust Fund.
- If the project is funded through a financing arrangement, such as a lease-purchase payment, the General Assembly must include an annual controlled maintenance line item payable from the General Fund equal to one percent of the project cost.
- If a project is funded from more than one cash fund or from a cash fund and from state funds, the set-aside amounts are shared proportionately between the various fund sources.

The set-aside amounts may be appropriated for future capital expenses such as routine maintenance, equipment replacement, or the construction of a new building.

The program took effect for capital construction projects first funded in FY 2015-16 from the date of acquisition or the date of completion of the project. Fiscal year FY 2018-19 was the first year in which a depreciation-lease equivalent payment has been required within the Department of Higher Education. Because higher education institutions receive a large share of total state capital construction appropriations, this line item is expected to grow significantly over time.

For FY 2020-21, the JBC sponsored H.B. 20-1398 to suspend this program for one year. It took effect again in FY 2021-22.

*STATUTORY AUTHORITY:* Section 24-30-1310, C.R.S.

*REQUEST:* The Department requested \$7,406,847 General Fund, including an increase of \$2,717,414 General Fund based on the calculation outlined in statute.

*RECOMMENDATION:* Staff recommends the request for \$7,406,847 General Fund.

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### (E) TUITION/ENROLLMENT CONTINGENCY

This line item provides spending authority that CCHE may transfer to any of the governing boards in the event that enrollment increased above projected levels, resulting in greater revenue and expenditures than expected. It is included because the cash fund appropriations to the governing boards in the Long Bill represent a cap on higher education expenditures.

After a five-year hiatus, tuition was again appropriated in FY 2016-17. In light of this, the line item was reinstated in FY 2016-17. If tuition expenditures reach the appropriation cap and there is no contingency, schools could be forced to stop enrolling additional students because they would not have sufficient spending authority to serve the additional students.

Staff anticipates that annual tuition appropriations to each governing board will be "trued up" each year through late supplemental action (a Long Bill add-on). Nonetheless, (1) there will still be some variance between supplemental appropriations and final institutional spending, due to late student decisions and summer sessions; and (2) in some years, some institutions may experience extraordinary enrollment adjustments due to macro-economic factors. Under such circumstances these institutions could approach their annual spending cap before a late supplemental is adopted.

*STATUTORY AUTHORITY:* Section 23-1-104(b), C.R.S., authorizes the General Assembly to appropriate tuition.

*REQUEST:* The Department requested a continuation level of appropriation for this line item.

***RECOMMENDATION:* As previously discussed in this document, staff recommends increasing the appropriation in this line item to \$75,000,000 cash funds, representing approximately 3.0 percent of total appropriations for tuition spending authority for FY 2022-23. Staff also recommends continuing the footnote that explains the purpose of the line item and an information request on how it is used.**

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### (F) INDIRECT COST ASSESSMENTS

This line item was added in FY 2020-21. All indirect cost assessments are reflected in this line item, and the total is then reappropriated in Department Administration and other sections and line items, offsetting General Fund otherwise required.

*STATUTORY AUTHORITY:* Section 23-1-105(8), C.R.S.

*REQUEST:* The November 1, 2021 request included a continuation amount, but the Department submitted an updated calculation in February 2022, consistent with the usual timeframe for submitting this data.

*RECOMMENDATION:* The staff recommendation, discussed earlier in this packet, is reflected below.

COLORADO COMMISSION ON HIGHER EDUCATION AND HIGHER EDUCATION SPECIAL PURPOSE PROGRAMS, INDIRECT COST ASSESSMENTS, INDIRECT COST ASSESSMENTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$7,361,509	\$0	\$350,758	\$6,915,791	\$94,960	0.0
<b>TOTAL</b>	<b>\$7,361,509</b>	<b>\$0</b>	<b>\$350,758</b>	<b>\$6,915,791</b>	<b>\$94,960</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$7,361,509	\$0	\$350,758	\$6,915,791	\$94,960	0.0
SI Indirect cost collection adjustments	493,752	0	73,870	405,238	14,644	0.0
<b>TOTAL</b>	<b>\$7,855,261</b>	<b>\$0</b>	<b>\$424,628</b>	<b>\$7,321,029</b>	<b>\$109,604</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$493,752</b>	<b>\$0</b>	<b>\$73,870</b>	<b>\$405,238</b>	<b>\$14,644</b>	<b>0.0</b>
Percentage Change	6.7%	0.0%	21.1%	5.9%	15.4%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$7,361,509</b>	<b>\$0</b>	<b>\$350,758</b>	<b>\$6,915,791</b>	<b>\$94,960</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$493,752)	\$0	(\$73,870)	(\$405,238)	(\$14,644)	0.0

### (3) COLORADO COMMISSION ON HIGHER EDUCATION FINANCIAL AID

This section includes all appropriations for financial aid in the Higher Education budget. This includes appropriations for need based aid, work study, merit based aid, and various special purpose programs. Financial aid represents nearly 20 percent of the Department of Higher Education's General Fund budget. The table below summarizes the recommended changes to the Division appropriation for FY 2022-23.

COLORADO COMMISSION ON HIGHER EDUCATION FINANCIAL AID					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
<b>FY 2021-22 Appropriation</b>					
FY 2021-22 Appropriation	\$285,449,946	\$235,593,061	\$49,000,000	\$856,885	0.6
<b>TOTAL</b>	<b>\$285,449,946</b>	<b>\$235,593,061</b>	<b>\$49,000,000</b>	<b>\$856,885</b>	<b>0.6</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>					
FY 2021-22 Appropriation	\$285,449,946	\$235,593,061	\$49,000,000	\$856,885	0.6
R1 Increase operating support for public higher education institutions and financial aid	9,768,590	9,768,590	0	0	0.0
R3 Fort Lewis College Native American tuition waiver	1,518,889	1,518,889	0	0	0.0
SI Indirect cost collection adjustments	0	(300,800)	0	300,800	0.0
SI Increase Dependent Tuition Assistance Program	187,700	187,700	0	0	0.0
Annualize prior year legislation	(48,675,430)	324,570	(49,000,000)	0	0.1
<b>TOTAL</b>	<b>\$248,249,695</b>	<b>\$247,092,010</b>	<b>\$0</b>	<b>\$1,157,685</b>	<b>0.7</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$37,200,251)</b>	<b>\$11,498,949</b>	<b>(\$49,000,000)</b>	<b>\$300,800</b>	<b>0.1</b>
Percentage Change	(13.0%)	4.9%	(100.0%)	35.1%	16.7%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$246,932,672</b>	<b>\$246,075,787</b>	<b>\$0</b>	<b>\$856,885</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$1,317,023)	(\$1,016,223)	\$0	(\$300,800)	(0.7)

#### ADDITIONAL PROGRAM BACKGROUND

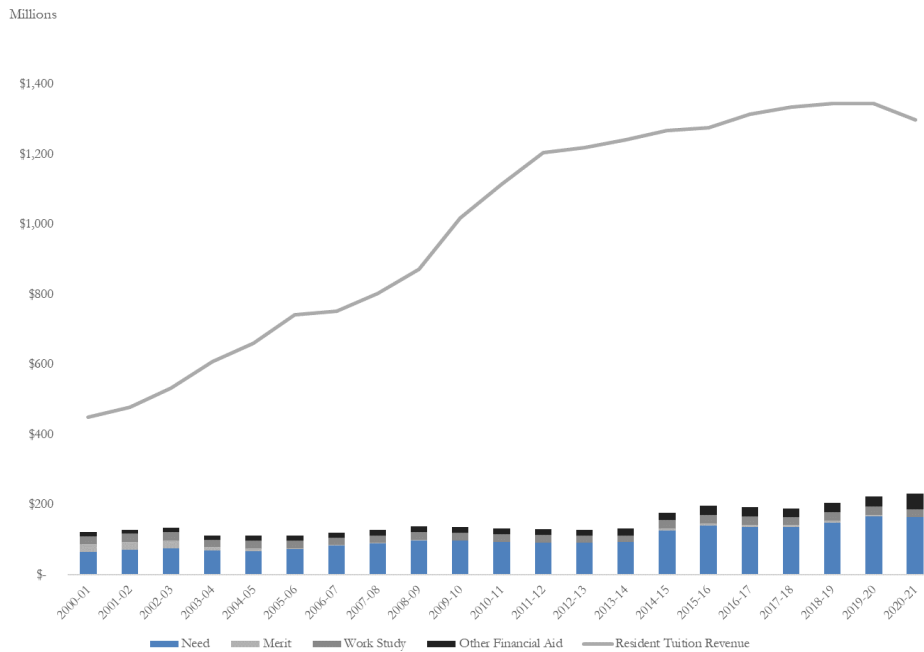
Of state appropriations for higher education in FY 2021-22, \$285.4 million total funds, including \$235.6 million General Fund, is for financial aid, representing 19.4 percent of state higher education General Fund appropriations.

*State financial aid:* For most of the financial aid programs, the General Assembly appropriates state financial aid funds to the Colorado Commission on Higher Education, which allocates them to institutions, including to some private institutions, based on formulas that consider financial need at the schools, total student enrollment, student retention, and program eligibility criteria. A total of 63,546 students received state-supported financial aid in FY 2020-21. The average state need-based award was \$2,829 and the average state work-study award was \$3,000.

There have been significant financial aid increases in recent years, including \$19.1 million (10.7 percent) in FY 2018-19 and \$23.4 million (11.9 percent) in FY 2019-20. Although appropriations for

the governing boards were cut sharply in FY 2020-21, financial aid remained largely intact. For FY 2021-22, state support increased by \$20.8 million (9.7 percent) *excluding* additional one-time cash funds. Nonetheless, overall demand for aid continues to outstrip available funding. In FY 2000-01, total state financial aid disbursements equaled 27.0 percent of resident tuition revenue at state institutions; for FY 2020-21 this figure was 17.0 percent.

PUBLIC INSTITUTION RESIDENT TUITION REVENUE V. STATE FINANCIAL AID APPROPRIATIONS (CONSTANT FY 2020-21 DOLLARS)

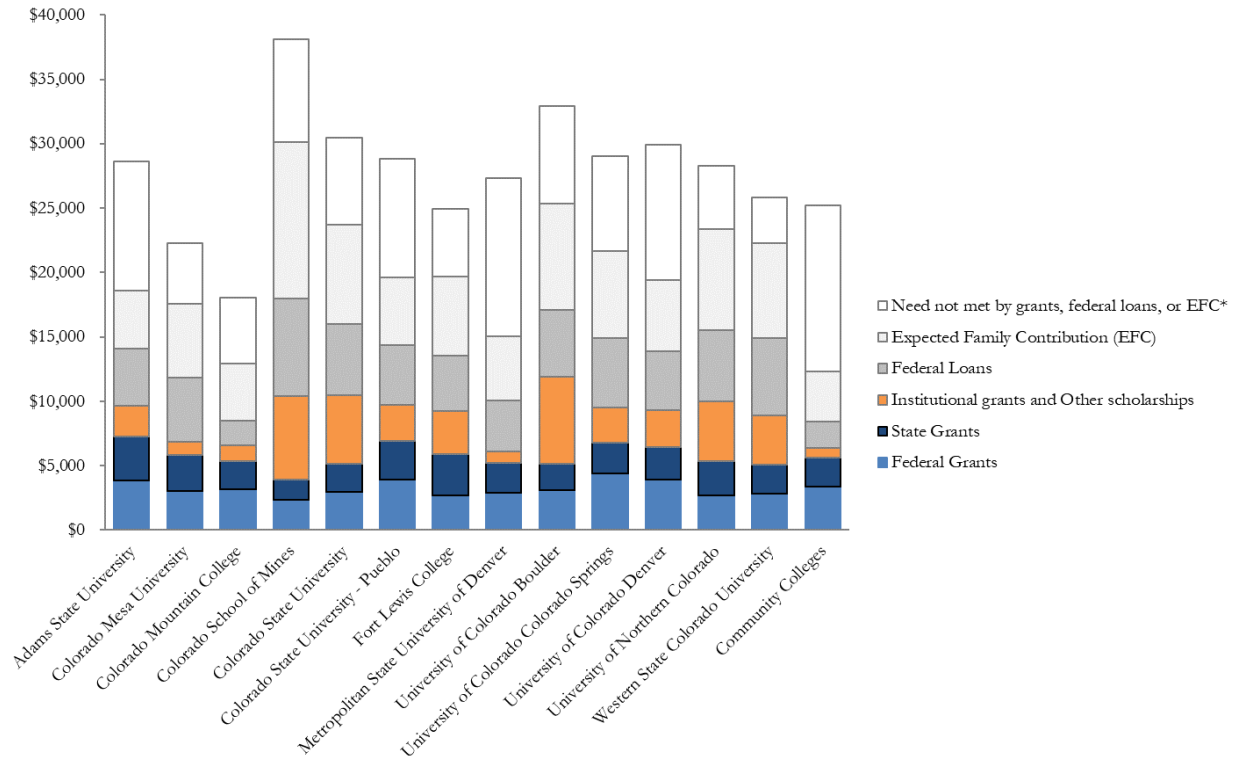


*Statutory Guidance on State Financial Aid Funding:* Section 23-3.3-103, C.R.S. requires that the annual appropriations for student financial assistance (need-based, merit-based, work-study, and assistance to national guard members and to dependents of deceased or disabled national guard members and first-responders), and the Colorado Opportunity Scholarship Initiative, increase, in total, by at least the same percentage as the aggregate percentage increase of all General Fund appropriations to institutions of higher education.

*Student Need and Other Sources of Support:* Most sources of student financial aid are not reflected in the state budget. Yet even when these other funding sources are included, financial aid support is far less than the cost of higher education. The following chart compares grants and loans awarded in FY 2020-21 to full-time resident undergraduate students with financial need (calculated based on federal formulas) and the average cost of attendance for a resident student at various institutions. The average cost of attendance includes the cost of room, board, transportation, and learning materials, in addition to tuition and fees. Depending on the institution, these other costs of attendance may dwarf the price of tuition.



AVERAGE GRANTS, FEDERAL LOANS, AND UNMET NEED BY INSTITUTION FOR FULL-TIME RESIDENT UNDERGRADUATE STUDENTS QUALIFYING FOR FINANCIAL AID FY 2020-21



\*This shortfall may be addressed by the student by reducing their out-of-pocket costs, e.g., by living with family or in less expensive accommodation than the cost of attendance formula calculates, by additional earned income or savings, or by private unsubsidized loans taken out by the student or family.

*Federal Grants:* The largest source of need-based aid is the federal government. The federal Pell grant program provided up to \$6,345 per eligible student in FY 2020-21, with an average grant of \$3,852 in Colorado. Among undergraduate resident students attending Colorado state institutions of higher education, 31.3 percent qualified for the Pell grant in FY 2019-20.

*Institutional Grants:* Of the aid granted at public institutions to resident undergraduates with need in FY 2019-20, \$170.8 million (27.1 percent) was from institutional awards.

*Federal Student Loans:* In order to fill the gap between cost of attendance and available grant funds, students typically rely on student loans. In addition to grant funds, the federal government provides guaranteed loans and tax credits and deductions for tuition.

- Of students completing a bachelor’s degree from a public institution, 50.7 percent graduated with federal student loan debt in FY 2019-20, and the average debt at graduation for these students was \$26,289.
- For students completing an associate’s degree, the average federal student loan debt at graduation ranged from \$8,347 to \$15,169 in FY 2019-20. In FY 2018-19, the Department reported that approximately 42.0 percent of students completing an associate’s degree from a public institution graduate with federal student debt.

*Other Sources:* There is a substantial gap between the calculated cost of attendance for students with need and known sources of student support. A portion of this gap may be filled with additional unsubsidized student or family loans, which are not included in these figures.

*Program Administration:* The state financial aid structure is built around the federal financial aid structure. It nonetheless gives institutions a high level of autonomy in managing their financial aid programs. State financial aid statutes, in Article 3.3, 3.5, and 3.7 of Title 23 generally date back to 1977 or 1979 and provides little guidance around program structure. Historically, the Colorado Commission on Higher Education established state financial aid policies. However, in 2010, the General Assembly adopted changes in S.B. 10-003 specifying that “each state institution shall administer a financial assistance program according to the policies and procedures established by the governing board of the institution” (Section 23-3.3-102 (3), C.R.S. As a result, the Department now *allocates* funds among the governing boards, but the governing boards are able to adopt their own administrative policies.

Because institutions must comply with *federal* rules to obtain federal need-based financial aid for their students, they still all follow certain procedures and comply with certain reporting requirements. For example, any student applying for federal financial aid, whether a grant or loan, must complete the “FAFSA” or free application for federal student assistance., a detailed questionnaire that considers a family’s income and size, number of students attending college, and various other factors to identify an amount that the student’s household should be able to contribute to the student’s higher education. This is the “expected family contribution”. Some public higher education institutions may ask students and families to complete an additional questionnaire to determine if the family has other assets that may help cover a student’s educational costs, even if the FAFSA indicates that the student is eligible for financial aid. Students not eligible for federal financial aid who are eligible for state financial based on living and graduating from a Colorado high school complete a FAFSA-like application (the Colorado Application for State Financial Aid or CASFA).

The Colorado Department of Higher Education distributes funds to the higher education institutions based on the number of students eligible for the federal Pell grant at each institution. Institutions predominantly use the state funds to support students on the lower-end of the income range (particularly students who are eligible for the Pell grant but not the full Pell grant). However, they may also choose to use the state funds to serve students higher up the income scale, so long as the student has a gap between the calculated cost of attendance and the student’s expected family contribution.

*Higher Education Affordability:* Because institutions “package” both institutional and state financial aid following their own policies, it can be difficult to predict what any particular student will pay at any particular higher education institution. Based on previous staff research, at state public institutions, approximately 60 percent of all students receive need-based aid, with the percentage is as high as 94 percent at some institutions; approximately 42 percent receive merit based aid, with as many as 82 percent receiving aid at some institutions. A student with the same economic profile may receive a different level of funding at the same institution depending upon factors such as when he or she applies. Data on affordability at Colorado institutions has generally indicated that tuition is covered by grant aid for students who qualify for a Pell grant at most public institutions. However, families with incomes below the median may be faced with unaffordable debt at all institutions due to the full cost of attendance. Low-income students who attend regional comprehensive institutions often receive less support than the same student would at a research institution that has more resources.

The table below shows the allocations of financial aid by institution for FY 2021-22.

	UG Need	Grad Need	Work-Study	Merit	CTE	Total
<b>Public Four-Year Institutions</b>						
Adams State University	\$2,308,145		\$455,077			\$2,763,222
Colorado Mesa University	\$8,567,909	\$50,247	\$1,002,770		\$6,083	\$9,627,009
Colorado School of Mines	\$1,995,233	\$647,311	\$518,181			\$3,160,725
Colorado State University	\$14,670,353	\$1,634,391	\$2,361,724			\$18,666,468
Colorado State University - Pueblo	\$4,676,962	\$112,048	\$878,653			\$5,667,663
Fort Lewis College	\$1,529,585		\$357,865			\$1,887,450
Metropolitan State University of Denver	\$23,042,483	\$50,428	\$2,755,271			\$25,848,182
University of Colorado Boulder	\$12,908,205	\$875,459	\$2,053,113			\$15,836,777
University of Colorado Colorado Springs	\$10,002,765	\$269,260	\$909,119			\$11,181,144
University of Colorado Denver	\$13,523,820	\$7,121,976	\$1,134,628			\$21,780,424
University of Northern Colorado	\$8,048,953	\$287,417	\$1,306,532			\$9,642,902
Western State Colorado University	\$1,338,214	\$13,428	\$285,097			\$1,636,739
	<b>\$102,612,627</b>	<b>\$11,061,964</b>	<b>\$14,018,030</b>	<b>\$0</b>	<b>\$6,083</b>	<b>\$127,698,705</b>
<b>Public Two-Year Institutions</b>						
Arapahoe Community College	\$3,068,393		\$466,199		\$27,595	\$3,562,187
Colorado Northwestern Community College	\$545,635		\$90,027		\$2,180	\$637,842
Community College of Aurora	\$4,091,200		\$411,839		\$13,012	\$4,516,051
Community College of Denver	\$6,168,322		\$953,113		\$14,532	\$7,135,967
Front Range Community College	\$9,351,318		\$1,228,814		\$125,588	\$10,705,720
Lamar Community College	\$613,148		\$131,342		\$2,062	\$746,552
Morgan Community College	\$671,615		\$145,273		\$5,560	\$822,448
Northeastern Junior College	\$884,676		\$202,961		\$7,368	\$1,095,005
Otero Junior College	\$1,079,657		\$232,560		\$7,232	\$1,319,449
Pikes Peak Community College	\$12,231,012		\$1,185,326		\$58,012	\$13,474,350
Pueblo Community College	\$4,992,805		\$834,754		\$54,852	\$5,882,411
Red Rocks Community College	\$4,142,302	\$71,483	\$486,718		\$60,175	\$4,760,678
Trinidad State Junior College	\$1,394,391		\$375,195		\$8,821	\$1,778,407
	<b>\$49,234,474</b>	<b>\$71,483</b>	<b>\$6,744,121</b>	<b>\$0</b>	<b>\$386,986</b>	<b>\$56,437,065</b>
<b>Local Districts</b>						
Aims Community College	\$4,366,135		\$415,092		\$22,610	\$4,803,837
Colorado Mountain College	\$2,588,176		\$195,709		\$18,166	\$2,802,051
	<b>\$6,954,311</b>	<b>\$0</b>	<b>\$610,801</b>	<b>\$0</b>	<b>\$40,775</b>	<b>\$7,605,887</b>
<b>Non-Profit Private Institutions</b>						
Colorado Christian University	\$2,396,573	\$10,665	\$255,753			\$2,662,991
Colorado College	\$162,277		\$157,620			\$319,897
Naropa University	\$160,284		\$33,530			\$193,814
Regis University	\$2,461,753	\$1,356,779	\$546,870			\$4,365,402
University of Denver	\$1,602,435	\$319,772	\$543,934			\$2,466,141
	<b>\$6,783,322</b>	<b>\$1,687,216</b>	<b>\$1,537,707</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,008,245</b>
<b>Technical Colleges</b>						
Technical College of the Rockies	\$176,318		\$6,220		\$7,520	\$190,058
Emily Griffith Technical College	\$907,214		\$63,973		\$8,635	\$979,822
Pickens Technical College	\$575,394		\$31,207			\$606,601
	<b>\$1,658,926</b>	<b>\$0</b>	<b>\$101,400</b>	<b>\$0</b>	<b>\$16,155</b>	<b>\$1,776,481</b>
<b>Private For Profit Institutions</b>						
Colorado Technical Univ	\$226,373					\$226,373
ConCorde Career Inst	\$278,283					\$278,283
International Bty	\$71,825					\$71,825
IBMC	\$80,284					\$80,284
Rocky Mtn Col A&D	\$104,384		\$117,119			\$221,503
	<b>\$761,149</b>	<b>\$0</b>	<b>\$117,119</b>	<b>\$0</b>	<b>\$0</b>	<b>\$878,268</b>
<b>Grand Total</b>	<b>\$168,004,809</b>	<b>\$12,820,663</b>	<b>\$23,129,178</b>	<b>\$0</b>	<b>\$450,000</b>	<b>\$204,404,650</b>

## DECISION ITEMS – COLORADO COMMISSION ON HIGHER EDUCATION FINANCIAL AID

### → R3 FORT LEWIS NATIVE AMERICAN TUITION WAIVER

*REQUEST:* As part of the November 2021 budget request, the Department submitted a request for an increase of \$758,358 General Fund for the Fort Lewis College Native American Tuition Waiver. Funding is made one year in arrears. Thus, the FY 2022-23 request is based on the FY 2021-22 estimate.

*RECOMMENDATION:* **The staff recommendation for R3 is for an increase of \$1,518,889 General Fund, for a total \$25,563,965 General Fund.** The recommendation is based on an updated projection from Fort Lewis received February 15, 2022 and represents an increase of \$760,511 General Fund from the original request. The recommendation includes the adjustments in this line item, consistent with past practice.

- To comply with a federal treaty and the contract that granted the Fort Lewis property to the state in 1911, Section 23-52-105, C.R.S. requires that the General Assembly appropriate funds to cover 100 percent of the cost of tuition for qualified Native Americans who wish to attend Fort Lewis College. The college waives tuition for these students up front, and then receives reimbursement in the following fiscal year.
- Consistent with past practice, the staff recommendation is based on the projected current year (FY 2021-22) Native American Tuition Waiver cost. The lower staff figure is based on revised estimates provided (as in prior years) in February. Each year's appropriation is based on the prior year's actual experience, including a "true up" component. Thus, the FY 2022-23 request is based on the FY 2021-22 actual to-date plus an estimated figure for 2022 summer enrollment and a "true-up" for the final FY 2020-21 actual enrollment.
- The state's obligation to waive tuition for Native Americans has been challenged and upheld in court. In 1971, Colorado passed legislation requiring Native American students at Fort Lewis who came from outside Colorado to pay tuition, while resident Native American students would be admitted free of charge. The federal government brought suit against the State, resulting in an injunction requiring that tuition be waived for all Native American students. The 1972 District Court ruling against the State was subsequently upheld by the federal Court of Appeals.

#### *ADDITIONAL BACKGROUND AND ANALYSIS:*

*History of the Fort Lewis Native American Tuition Waiver:* In 1882, the federal government set aside Fort Lewis in Hesperus for an Indian reservation school. The school remained in operation after the lands composing the reservation were released to the public domain. In 1910, the federal government included the property in a land grant to the State subject to the condition that "said lands and buildings shall be held and maintained by the State of Colorado as an institution of learning, and that Indian pupils shall at all times be admitted to such school free of charge for tuition and on terms of equality with white pupils." The General Assembly accepted the land grant in 1911 with the condition. Fort Lewis College moved to Durango in 1956, but the State continued to uphold the terms of the original grant. In 1970, Colorado sought to limit the waiver to Colorado residents. The federal government

and Indian students brought suit. In 1973, the Tenth Circuit Court of Appeals affirmed the federal district court decision in favor of the government and the Indian students (Tahdooahnippah v.Thinnig).

*Fort Lewis College Student Population:* In FY 2020-21, 45.9 percent of the school’s population was Native American, with most of these (41.4 percent of the total school population) non-resident Native American students. For these non-resident students, the State pays the full “sticker price” for non-resident tuition. For the last decade, the population served at Fort Lewis has declined, but the share of the population comprised of non-resident, Native American students has increased. As a result, the **State now provides more than 2/3<sup>rd</sup> of the Fort Lewis College operating budget, based on FY 2019-20 data, once all state financial aid is included.** This is substantially more than for any other school, including the other small institutions.

FORT LEWIS COLLEGE FUNDING SOURCES FY 2019-20					
	ACTUAL GOVERNING BOARD EXPENDITURES (BUDGET DATA BOOK)	NATIVE AMERICAN TUITION WAIVER	OTHER STATE FINANCIAL AID FOR STUDENTS AT FLC	TOTAL AFTER FUND SOURCE ADJUSTMENTS	PERCENTAGE OF COLLEGE BUDGET
Resident tuition total	\$9,265,006	(\$1,048,785)	(\$1,806,224)	\$6,409,997	11.7%
Nonresident tuition	31,085,188	(20,520,324)	0	10,564,864	19.2%
IC Recoveries, fees, other	472,169		0	472,169	0.8%
State General Fund	14,136,436	21,569,109	\$1,806,224	37,511,769	68.3%
<b>Total</b>	<b>54,958,799</b>	<b>0</b>	<b>0</b>	<b>54,958,799</b>	<b>100.00%</b>

- **Currently 95.4 percent of costs for the Native American Tuition Waiver are due to costs associated with non-resident students.** For FY 2021-22 (used for the FY 2022-23 request), funding requested includes \$1.2 million for resident students and \$24.5 million for non-resident Native American students.

	FY 2020-21 Actual	FY 2021-22 Estimate*	Change
<b>Enrollment</b>			
Resident Native American Student FTE	129	133	4
Nonresident Native American SFTE	<u>1,166</u>	<u>1,182</u>	<u>16</u>
Total	1,294	1,315	20
<b>Tuition Waiver Cost</b>			
Resident Native American Student FTE	\$1,098,165	\$1,172,262	\$74,097
Nonresident Native American SFTE	<u>22,801,100</u>	<u>24,506,759</u>	<u>1,705,659</u>
Total	\$23,899,265	\$25,679,021	\$1,779,756

\*SFTE figures represent JBC staff estimates. Excludes adjustments for prior years that are part of the FY 2021-22 appropriation request.

- **The college reports that of the non-resident students, 63.2 percent are from tribes with historical connections to Colorado.** Others come from throughout the United States, including from as far away as Alaska.

The table below shows the long-term trend for the waiver. As shown, after years of large increases, the waiver amount declined in FY 2017-18 (after the College temporarily tightened enrollment standards) and included a modest increase for FY 2018-19, but costs have since increased sharply. The College has reported that the new Freshman class of Native American students is particularly large, so it seems likely these figures will continue to grow.

FORT LEWIS NATIVE AMERICAN TUITION WAIVER APPROPRIATIONS/RECOMMENDATION			
	GENERAL FUND	CHANGE OVER PRIOR YEAR	PERCENTAGE INCREASE
FY 2011-12	\$11,785,002	\$1,354,631	13.0%
FY 2012-13	\$12,773,557	\$988,555	8.4%
FY 2013-14	\$14,466,230	\$1,692,673	13.3%
FY 2014-15	\$14,841,981	\$375,751	2.6%
FY 2015-16	\$16,157,618	\$1,315,637	8.9%
FY 2016-17	\$17,364,248	\$1,206,630	7.5%
FY 2017-18	\$16,948,194	(\$416,054)	(2.4%)
FY 2018-19	\$17,024,859	\$76,665	0.5%
FY 2019-20	\$19,626,044	\$2,601,185	15.3%
FY 2020-21	\$21,790,595	\$2,164,551	11.0%
FY 2021-22	\$24,045,076	\$2,254,481	10.3%
FY 2022-23	\$25,593,945	\$1,518,889	6.3%

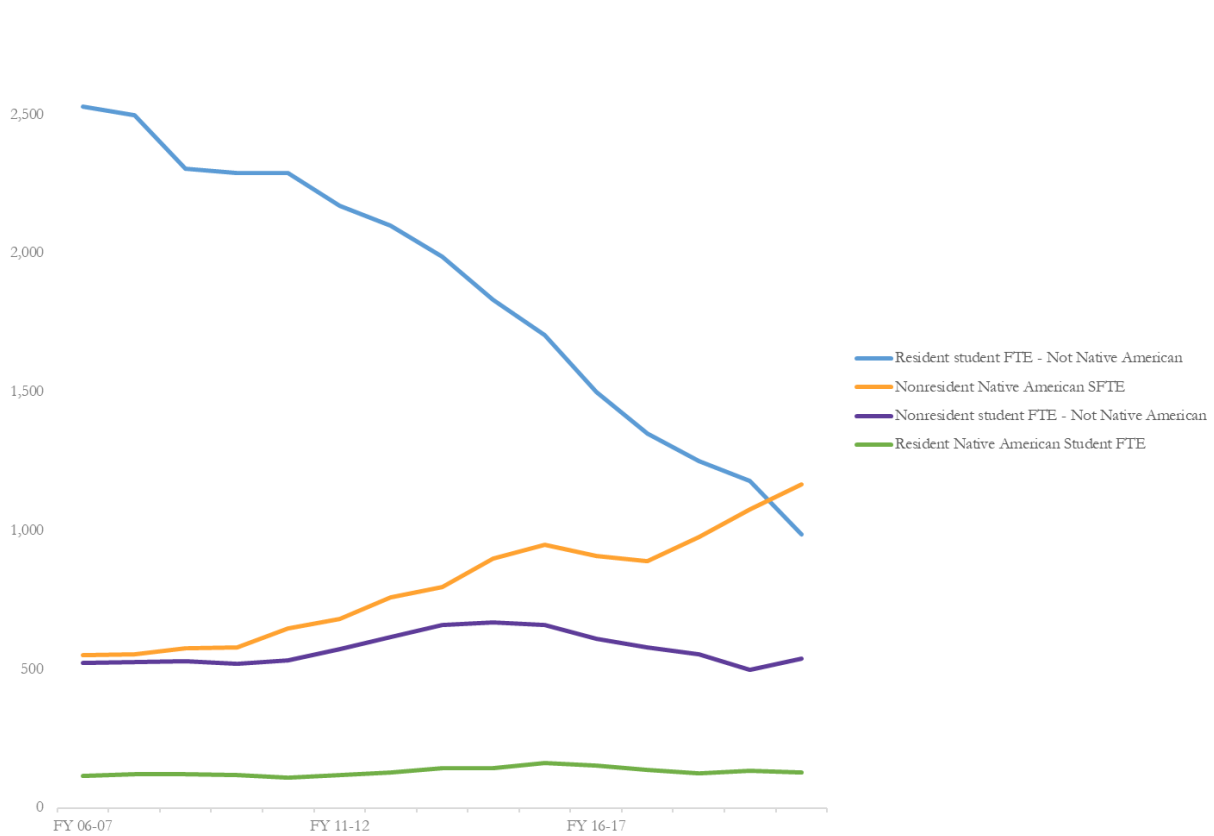
Most recent increases have been driven by increases in enrollment of nonresident students, although the JBC also agreed to a 5.0 percent increase in nonresident tuition in FY 2018-19 which contributed to the FY 2019-20 cost increase. In the last few years Fort Lewis College has also launched graduate programs which are contributing to enrollment growth and waiver costs.

**Staff anticipates that the College will avoid nonresident student tuition increases, given the impact on the General Fund budget.** Fort Lewis has argued that the college should be treated no differently from other state higher education institutions in the Long Bill but is aware that the State now pays 2/3rds of its nonresident tuition.

- Every 1.0 percent increase in nonresident tuition will drive a General Fund increase of \$245,068 for Native American Tuition Waiver payments in the subsequent fiscal year excluding any change in enrollment.

- Whether or not tuition rates increase, enrollment drives increases. The nonresident Native American enrollment has increased by 32.6 percent since FY 2017-18. Staff understands that there has been a large increase in the freshman class of Native American students.
- The average tuition cost for each of the 1,166 nonresident Native American students enrolled in Fort Lewis College in FY 2020-21, including summer enrollment, was \$19,568 per student.
- Fort Lewis College’s overall enrollment has declined over the last fifteen years. The only population that has grown has been nonresident Native American students. **There are now more nonresident Native American students enrolled at Fort Lewis College than the total population of Colorado resident students enrolled** (Native and non-Native).

Student FTE



- President Stritikus of Fort Lewis College sent a letter to the Committee dated February 21, 2022 providing a status update on the College’s efforts to secure federal funding. The letter notes that "given herculean challenges, along with increasing partisan gridlock, I do not feel it is prudent to spend further state or institutional resources at this time." Efforts have been unsuccessful in part because of opposition from the American Indian Higher Education Council, which represents Tribal Colleges and Universities.

## → SI DEPENDENT TUITION ASSISTANCE PROGRAM ADJUSTMENT

*REQUEST:* The Department did not request an adjustment to the Dependent Tuition Assistance Program line item, which is currently set at \$956,000.

*RECOMMENDATION:* **Staff recommends increasing the appropriation for this line item by \$187,700 General Fund to a total of \$1,143,700 General Fund**, which was the actual expenditure in FY 2020-21.

*ANALYSIS:* The Dependent Tuition Assistance Program, authorized in Section 23-3.3-204 and 23-3.3-205, C.R.S., pays tuition, room, and board for Colorado dependents of deceased or permanently disabled members of the National Guard, law enforcement, firefighters, prisoners of war and military personnel missing in action. Pursuant to Section 23-3.3-202, C.R.S. this is the first priority of any state financial aid funds. If the appropriation in this line is insufficient to cover costs, CCHE must use money appropriated in other financial aid line items for this purpose.

Qualified dependents are eligible to pursue an undergraduate education leading to a first baccalaureate degree or a certificate of completion. The educational benefits provided vary depending upon the type of school a student attends. Students attending a public in-state institution of higher education receive free tuition, and if the institution has on-campus living, the room and board (half of double-occupancy) is also included. Students attending private in-state institutions receive the average cost of undergraduate instruction calculated for student at a comparable public institution. Students attending an out-of-state institution receive tuition assistance only, up to the average cost of undergraduate tuition at a comparable Colorado state institution.

The FY 2020-21 appropriation, which included a staff-initiated increase, was \$956,000. Actual FY 2020-21 expenditures were \$1,143,700. As required by law, the Department transferred funds from other financial aid line items to cover the deficit. Program costs have grown due to tuition and room and board cost increases and as more students and families have become aware of the program. Excess program expenditures are typically taken “off the top” of Need Based Aid appropriations. The Department has previously indicated that participation in the program has grown from 38 students in FY 2013-14 to 75 students in FY 2019-20. The cost to the State of the program averages approximately \$15,000 per student per year.

The Department has provided a rough estimate that costs in FY 2021-22 and FY 2022-23 will be \$1,300,000. It did not provide detail on actual or estimated numbers of students served in FY 2020-21 or forecast for FY 2021-22 and FY 2022-23. In light of this, **the staff recommendation is based solely on matching the level of expenditure in FY 2020-21. Staff assumes that any funds required above this level will be transferred from other financial aid line items.**



LINE ITEM DETAIL – COLORADO COMMISSION ON HIGHER EDUCATION FINANCIAL AID

(A) NEED BASED GRANTS

This line item includes grants for full-time and part-time graduate and undergraduate students with demonstrated financial need attending eligible institutions in Colorado, which include some private institutions.

*Determining Need:* Financial need is determined by the formula of [cost of attendance] – [estimated family contribution] = need. The federal Pell grant formula determines the estimated family contribution and is the amount the family is expected to contribute before any aid (including low interest subsidized federal loans) can be offered. The State Auditor’s Office confirms that need-based aid, including both state and federal need-based aid, has been authorized consistent with this formula.

*Allocations to Institutions:* Pursuant to Section 23-3.3-102, C.R.S., CCHE is responsible for determining the allocation of financial aid among the institutions. However, public institutions are authorized to administer their financial assistance program according to policies and procedures established by their governing boards. According to CCHE, some public institutions’ need-based aid policies authorize use of state-funded need based aid for individuals with estimated family contribution of up to 150 percent of Pell-grant eligibility.

The CCHE’s current formula for allocating need-based aid is based on the number of Pell-eligible individuals at each institution. It provides an increasing level of funding depending upon whether the student is a freshman, sophomore, junior, etc. The formula is designed to incentivize institutions in their efforts to retain students. *In FY 2018-19, the program served 57,346 students with an average award of \$2,308.*

*STATUTORY AUTHORITY:* Section 23-3.3-501, C.R.S.

*REQUEST:* The Department requests an appropriation of \$190,594,060 total funds, including General Fund and indirect cost recovery amounts that substitute for General Fund otherwise required. The request includes an increase of \$9,768,590 General Fund for request R1.

*RECOMMENDATION:* The staff recommendation is reflected in the table below and incorporates increases associated with the staff recommendation for request R1. In addition, the staff recommendation adjusts reappropriated funds from indirect cost collections to offset General Fund otherwise required in this line item. The fund split adjustment has no impact on program administration.

COLORADO COMMISSION ON HIGHER EDUCATION FINANCIAL AID, NEED BASED GRANTS, NEED BASED GRANTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 APPROPRIATION						
FY 2021-22 Appropriation	\$180,825,470	\$179,968,585	\$0	\$856,885	\$0	0.0
<b>TOTAL</b>	<b>\$180,825,470</b>	<b>\$179,968,585</b>	<b>\$0</b>	<b>\$856,885</b>	<b>\$0</b>	<b>0.0</b>

COLORADO COMMISSION ON HIGHER EDUCATION FINANCIAL AID, NEED BASED GRANTS, NEED BASED GRANTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$180,825,470	\$179,968,585	\$0	\$856,885	\$0	0.0
R1 Increase operating support for public higher education institutions and financial aid	9,768,590	9,768,590	0	0	0	0.0
SI Indirect cost collection adjustments	0	(300,800)	0	300,800	0	0.0
<b>TOTAL</b>	<b>\$190,594,060</b>	<b>\$189,436,375</b>	<b>\$0</b>	<b>\$1,157,685</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$9,768,590</b>	<b>\$9,467,790</b>	<b>\$0</b>	<b>\$300,800</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	5.4%	5.3%	0.0%	35.1%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	\$0	\$300,800	\$0	(\$300,800)	\$0	0.0

**(B) WORK STUDY**

Work Study allows resident undergraduates to earn money to help pay for college. Students with financial need as well as students who can benefit from work experience are eligible, but statutes require that at least 70 percent of the funds be awarded based on need. Students may work at state-funded educational institutions, non-profit organizations, or government agencies.

The Department has indicated in the past that students receiving work study have better achievement and retention rates than both students who don't work and students who find work on their own, speculating that work study creates a sense of investment, while the regulated hours and locations ensure that employment doesn't interfere with study. In FY 2018-19, the program served 8,281 students with an average amount of \$2,888 per student.

*STATUTORY AUTHORITY:* Section 23-3.3-401, C.R.S.

*REQUEST:* The Department requests a continuation amount of \$23,413,178 for this line item.

***RECOMMENDATION:* Staff recommends the Department's request for continuation funding of \$23,413,178 General Fund.**

**(C) MERIT BASED GRANTS**

Prior to FY 2009-10 merit based grants provided awards to both undergraduate and graduate students attending eligible institutions in Colorado, which include some private institutions. The awards were used to recognize and encourage outstanding achievement in academic and other talent areas. In FY 2009-10 funding was eliminated to address the budget shortfall. It was restored in S.B. 14-001 but again eliminated in FY 2020-21 due to statewide revenue shortfalls associated with the COVID-19 pandemic.

*STATUTORY AUTHORITY:* Section 23-3.3-501, C.R.S.

*REQUEST:* The Department did not request funding for this line item.

*RECOMMENDATION:* **Staff does not recommend an appropriation for this line item.**

**(D) SPECIAL PURPOSE**

**VETERANS'/LAW ENFORCEMENT/POW TUITION ASSISTANCE**

This line item pays tuition, room, and board for Colorado dependents of deceased or permanently disabled members of the National Guard, law enforcement, firefighters, prisoners of war and military personnel missing in action. Pursuant to Section 23-3.3-202, C.R.S. this is the first priority of any state financial aid funds. If the appropriation in this line is insufficient to cover costs, CCHE must use money appropriated in other financial aid line items for this purpose.

Qualified dependents are eligible to pursue an undergraduate education leading to a first baccalaureate degree or a certificate of completion. The educational benefits provided vary depending upon the type of school a student attends. Students attending a public in-state institution of higher education receive free tuition, and if the institution has on-campus living, the room and board (half of double-occupancy) is also included. Students attending private in-state institutions receive the average cost of undergraduate instruction calculated for student at a comparable public institution. Students attending an out-of-state institution receive tuition assistance only, up to the average cost of undergraduate tuition at a comparable Colorado state institution.

*STATUTORY AUTHORITY:* Section 23-3.3-204 and 23-3.3-205, C.R.S.

*REQUEST:* The Department requests a continuation of \$956,000 General Fund for this line item.

*RECOMMENDATION:* The staff recommendation is reflected in the table below and incorporates a staff-initiated increase. The line item has been difficult to project due to the relatively small number of students who receive the benefit.

COLORADO COMMISSION ON HIGHER EDUCATION FINANCIAL AID, SPECIAL PURPOSE, VETERANS'/LAW ENFORCEMENT/POW TUITION ASSISTANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$956,000	\$956,000	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$956,000</b>	<b>\$956,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$956,000	\$956,000	\$0	\$0	\$0	0.0
SI Increase Dependent Tuition Assistance Program	187,700	187,700	0	0	0	0.0
<b>TOTAL</b>	<b>\$1,143,700</b>	<b>\$1,143,700</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$187,700</b>	<b>\$187,700</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	19.6%	19.6%	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$956,000</b>	<b>\$956,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

COLORADO COMMISSION ON HIGHER EDUCATION FINANCIAL AID, SPECIAL PURPOSE, VETERANS'/LAW ENFORCEMENT/POW TUITION ASSISTANCE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Request Above/(Below) Recommendation	(\$187,700)	(\$187,700)	\$0	\$0	\$0	0.0

Pursuant to the current interpretation of Section 23-3.3-102 (7), C.R.S., a funding shortfall of up to 10 percent may be addressed via transfers from other financial aid programs. (Transfers from money rolled forward in the work-study line item addressed shortfalls in prior years.) When the difference exceeded 10 percent in prior years, additional transfers have been authorized through the Governor’s transfer authority (for like-purposes, up to \$5.0 million; Section 24-75-108, C.R.S.).

NATIVE AMERICAN STUDENTS/FORT LEWIS COLLEGE

To comply with a federal treaty and the contract that granted the Fort Lewis property to the state in 1911, Section 23-52-105, C.R.S. requires that the General Assembly appropriate funds to cover 100 percent of the cost of tuition for qualified Native Americans who wish to attend Fort Lewis College. The college waives tuition for these students up front, and then receives reimbursement in the following fiscal year.

*STATUTORY AUTHORITY:* Section 23-42-105, C.R.S.

*REQUEST:* The Department requests an appropriation of \$21,790,595 General Fund for this line item, including an increase for request R3.

*RECOMMENDATION:* The staff recommendation is summarized in the [table below](#) and reflects updated data from Fort Lewis for request R3, as discussed at the beginning of this division.

COLORADO COMMISSION ON HIGHER EDUCATION FINANCIAL AID, SPECIAL PURPOSE, NATIVE AMERICAN STUDENTS/FORT LEWIS COLLEGE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$24,045,076	\$24,045,076	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$24,045,076</b>	<b>\$24,045,076</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$24,045,076	\$24,045,076	\$0	\$0	\$0	0.0
R3 Fort Lewis College Native American tuition waiver	1,518,889	1,518,889	0	0	0	0.0
<b>TOTAL</b>	<b>\$25,563,965</b>	<b>\$25,563,965</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,518,889</b>	<b>\$1,518,889</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	6.3%	6.3%	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	(\$760,531)	(\$760,531)	\$0	\$0	\$0	0.0

## COLLEGE OPPORTUNITY SCHOLARSHIP INITIATIVE (COSI)

The College Opportunity Scholarship Initiative promotes public/private partnerships to fund scholarships and support services for gifted low-income students who might not otherwise pursue or complete higher education. Created in H.B. 14-1384, it was initially seeded with a transfer of \$33.4 million from the CollegeInvest Financial Need Scholarship Fund and a \$1.0 million appropriation. In FY 2015-16 and FY 2016-17, the General Assembly appropriated \$5.0 million General Fund to the COSI Fund, from which the Department has continuous spending authority. In FY 2018-19, the Long Bill appropriation was increased to \$7.0 million. Senate Bill 20-006 modified the program to allow greater program flexibility. The appropriation was reduced by \$1.0 million in FY 2020-21 to assist in addressing the state budget shortfall related to the COVID-19 pandemic. This reduction was restored in FY 2021-22.

- Student Support Services: Funds may be awarded to state agencies and nonprofit organizations to assist such agencies and organizations with ensuring that student-success and precollegiate, postsecondary student support services are available to students who are classified as Colorado residents for tuition purposes; increasing the capacity for student support services at postsecondary institutions; and developing connections between local employers, public schools, precollegiate organizations, and postsecondary institutions.
- Administration: Up to 7.5 percent of amounts expended in the prior fiscal year may be used for direct and indirect administrative costs. Allows for a larger amount to be used for administration if authorized in any fiscal year by a footnote in the Long Bill.
- Scholarships: Moneys not used for the purposes above must be used to build a financial corpus capable of providing tuition assistance to eligible Colorado students attending eligible Colorado higher education institutions. Such assistance may include direct awards; matching incentives to create or increase other scholarships; loans, or any combination of these.
- Eligible Students: To the extent practicable, tuition assistance must be awarded to students representing rural and urban areas and students attending all types of higher education institutions (vocational schools, community colleges, 4-year institutions, research institutions). Also, to the extent practicable, tuition assistance must be evenly distributed between students with an expected family contribution (EFC) of less than 100 percent of the annual federal PELL grant award and students with an EFC between 100% and 250% of the annual federal PELL grant award.

The program has an advisory board comprised of the executive committee of the State Workforce Development Council, and three Governor appointees to represent research institutions, four-year postsecondary institutions and community colleges and area vocational schools. It requires this board to establish:

- eligibility for state agencies, nonprofit organizations, and public institutions of higher education to participate in the initiative;
- criteria for eligibility of students to apply for and receive grants from the initiative; and
- rules establishing permissible uses of grant and scholarship moneys from the initiative.

The program provides several different kinds of grants, described below.

*Community Partner Program (CPP) Grants:* Consistent with the legislation, the program funds community partner grants for student support programs operated by non-profits, K-12 and higher education institutions with pre-collegiate, collegiate, and bridge programs to support student participation and success in higher education.

- For programs at the K-12 level, the program supports a “future center” model. This program is a collaborative approach between partner organizations and/or a school district that is embedded in a school’s counseling department. The hub serves all students at the school with curriculum and activities that address career and college options and pathways, provide academic support (e.g. tutoring), assist students with FAFSA completion, offer classes dedicated to precollegiate curriculum, provide summer bridge programming, and support other wrap-around services. The program enriches existing high school counseling resources.
- For programs at the postsecondary level, programs must provide intrusive advising, wrap-around student support services to assist students in overcoming academic and other barriers to success. The grantee must use the Colorado Challenge model and curriculum, which includes a collaborative approach between the institution and the Colorado Challenge as a peer coach.

*Matching Student Scholarship (MSS) Grants:* The program offers grants to counties, higher education institutions, and workforce programs for matching scholarship grants. These grants have historically represented \$7.0 to \$7.5 million of annual COSI allocations. State grants are matched by scholarship funds from state and philanthropic sources. State higher education institutions and institutional foundations operating on behalf of county governments provide the matching funds. These entities then distribute the grants (state funds and matching funds) to income-eligible students. Disbursements vary between one and four years.

*STATUTORY AUTHORITY:* Section 23-3.3-1001 through 1005, C.R.S.

*REQUEST:* The Department requests a continuation of \$7,000,000 General Fund for this line item.

***RECOMMENDATION:* The staff recommendation reflects continuation funding of \$7,000,000 for FY 2022-23. If the Committee chooses to provide a large additional increase for the higher education governing boards, staff recommends that the Committee consider directing a portion of the additional increase to the COSI program.**

## TUITION ASSISTANCE FOR CAREER AND TECHNICAL EDUCATION CERTIFICATE PROGRAMS

House Bill 15-1275 (Winter/Heath, Marble) directed the Colorado Commission on Higher Education to create a tuition assistance program for students enrolled in career and technical education certificate programs, subject to available appropriations. The program is for students who meet the income eligibility requirements for the federal Pell grant but do not qualify for the grant because the certificate program in which they are enrolled does not meet minimum credit hour requirements. The bill included a General Fund appropriation of \$450,000 for tuition assistance for such students attending

community colleges, Colorado Mesa University, area vocational schools, and local district junior colleges.

*STATUTORY AUTHORITY:* Section 23-3.3-1101, C.R.S.

*REQUEST:* The Department requests a continuing appropriation of \$450,000 General Fund for this line item.

*RECOMMENDATION:* **Staff recommends the request for continuation funding of \$450,000 General Fund.**

#### COSI STUDENT FINANCIAL AID AND SUPPORT SERVICES - ARPA MONEY

House Bill 21-1330 created the Colorado Opportunity Scholarship Initiative (COSI) Student Financial Aid and Support Services program. The bill included a one-time FY 2021-22 appropriation of \$49,000,000 cash funds from the Workers, Employers, and Workforce Centers Cash Fund, from money originating as federal Coronavirus State Fiscal Recovery Funds, that is distributed to higher education institutions based on formulas and applications describing the use of the funds. Money will be available for several years based on the structure of the COSI Fund and the availability of the federal funds, which must be encumbered by the end of December 2024.

*REQUEST/RECOMMENDATION:* This was a one-time appropriation. The Department has not requested, and staff does not recommend, an appropriation for FY 2022-23.

#### FOURTH-YEAR INNOVATION PILOT PROGRAM

The Fourth-year Innovation Pilot Program was created in S.B. 21-106 (Concerning Successful High School Transitions). The program was created in the Department of Higher Education, but the Department of Education has related statutory responsibilities. The program provides state funding for low-income students who graduate early from high school to use for postsecondary education tuition and fees and also provides incentives to the local education providers that graduate these students early. The Department of Higher Education is responsible for distributing the scholarship funds for students who graduate early in the school districts that are piloting the program. The Department of Education is responsible for distributing incentives to affected school districts.

*REQUEST:* The Department requested an appropriation for the program consisting of a base appropriation \$44,222 General Fund and 0.6 FTE and annualization of \$324,570 General Fund and 0.1 FTE for the second year impact of the program. However, it requested these in the Strategies for Educator Preparation Programs line item and the Rural Teacher Recruitment, Retention, and Professional Development line item, respectively.

*RECOMMENDATION:* **The staff recommendation is for \$368,792 General Fund and 0.7 FTE** and reflects consolidating the appropriation in this line item, based on the fiscal note components that relate to this program.

## RURAL TEACHER FELLOWSHIP PROGRAM (H.B. 18-1002)

House Bill 18-1002 (Hamner & Rankin/Coram and Todd) created a teaching fellowship program for rural local education providers and institutions of higher education that offer a teacher preparation program. It authorized up to 100 one-year fellowships that are designed by participating rural education providers and institutions of higher education to meet the needs of the rural education provider and the higher education student who receives the teaching fellowship. Teaching fellows receive a \$10,000 stipend, in addition to any other financial assistance available to the fellow. Stipends are funded 50 percent by the participating institution of higher education and 50 percent from state support. The education provider commits to extending an offer of employment to students who successfully complete a fellowship, and students receiving a job offer commit to two full years of employment or repaying their fellowship stipend. Requires reporting from participating institutions and an annual report from the Department of Higher Education to the Joint Budget Committee, Education Committees, the State Board of Education, and the Colorado Commission on Higher Education.

*STATUTORY AUTHORITY:* Section 23-78-305 through 307, C.R.S. [relocated]

*REQUEST:* The Department did not request an appropriation for this line item, which has been merged with the Rural Teacher Recruitment, Retention, and Professional Development line item.

*RECOMMENDATION:* **Consistent with the request, staff does not recommend an appropriation for this line item.**

## COLORADO SECOND CHANCE SCHOLARSHIP

Senate Bill 19-231 (Moreno and Bridges/Exum and Tipper) created the second chance scholarship program in the Department to assist persons who were previously committed to the Division of Youth Services and are pursuing a postsecondary credential. The Executive Director of the Colorado Commission on Higher Education (CCHE) must appoint a program coordinator to regularly meet with and support scholarship recipients to set employment and education goals, and to connect students with wraparound services.

The bill creates a five-member advisory board to review grant applications and make awards based on specified criteria. The board includes representatives from the Division of Youth Services, CCHE, the Department of Human Services, the program coordinator, and an individual previously committed to the Division of Youth Services. The board must meet at least four times per year, and establish application procedures and deadlines for the scholarship program. The advisory board must award scholarships of up to \$10,000, with the specific amount based on the applicant's financial need, the cost of attendance, the available funding, and the number of applicants. The program is repealed September 1, 2022, following a sunset review.

In response to staff questions in February 2020, the Department reported that the Second Chance Scholarship program had focused on preparing for the launch of the Scholarship Application period. The Department had hired a program coordinator and formed an Advisory Board as mandated by SB 19-231. The program expected to open the scholarship to applications beginning March 1. However,



due to the COVID-19 pandemic and related state fiscal impacts, funding for most scholarships was eliminated for FY 2019-20 and the balance of funding was removed for FY 2020-21.

*STATUTORY AUTHORITY:* Section 23-3.3-1201 through 1203, C.R.S.

*REQUEST:* The Department did not request an appropriation for this line item.

*RECOMMENDATION:* **Staff does not recommend an appropriation for this line item.** Because the program repeals September 1, 2022, staff recommends that funding only be provided in conjunction with a statutory change to extend the repeal date.

## (4) COLLEGE OPPORTUNITY FUND PROGRAM

The College Opportunity Fund Program section includes line items for stipends for students at state operated institutions, stipends for students at private institutions, and fee-for-service contracts with state supported institutions. The Governing Board section includes the reappropriated funds spending authority for the higher education institutions to receive and expend the stipend payments on behalf of students, and to receive and expend the fee-for-service contracts. Both fee-for-service and student stipend requirements codified in article 18 of Title 23. Provisions added in H.B. 14-1319 were significantly modified by H.B. 20-1366.

COLLEGE OPPORTUNITY FUND PROGRAM			
	TOTAL FUNDS	GENERAL FUND	FTE
<b>FY 2021-22 Appropriation</b>			
FY 2021-22 Appropriation	\$893,113,271	\$893,113,271	0.0
<b>TOTAL</b>	<b>\$893,113,271</b>	<b>\$893,113,271</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>			
FY 2021-22 Appropriation	\$893,113,271	\$893,113,271	0.0
R1 Increase operating support for public higher education institutions and financial aid	41,211,790	41,211,790	0.0
Other	0	0	0.0
Annualize prior year legislation	5,075,593	5,075,593	0.0
SI Utilization of COF stipend private institutions	(254,392)	(254,392)	0.0
<b>TOTAL</b>	<b>\$939,146,262</b>	<b>\$939,146,262</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>			
Percentage Change	5.2%	5.2%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>			
Request Above/(Below) Recommendation	\$150,181	\$150,181	0.0

### ADDITIONAL PROGRAM BACKGROUND

#### STIPENDS

- With some exceptions, resident undergraduate students who attend a state operated higher education institution are eligible for a stipend per credit hour taken.
- The General Assembly annually sets the stipend rate through the Long Bill.
- Statutes express the intent of the General Assembly that the Department request at least inflation and enrollment growth for the stipends.
- Stipends are not considered a state grant for purposes of determining the enterprise status of higher education institutions.
- The General Assembly must appropriate spending authority to the higher education institutions for money received from stipends.

- Students that qualify for the federal need-based Pell grant that attend a participating private institution are eligible for a stipend equal to half of the stipend for students attending a state supported institution.

#### *FEE-FOR-SERVICE CONTRACTS*

- Provisions related to fee-for-service contracts were significantly changed pursuant to H.B. 20-1366. Statute specifies that each governing board's annual fee-for-service contract includes the amount of funding appropriated to the governing board pursuant to sections 23-18-303.5, 23-18-304, and 23-18-308, C.R.S. minus the amount of funding appropriated to the board for College Opportunity Fund stipends pursuant to Section 23-18-202, C.R.S.
- Section 23-18-303.5 includes provisions for performance funding that compare each institution's improvement in performance on metrics specified in statute versus the improvements of other boards. The results are then calibrated to the current appropriation for the board. This mechanism will adjust funding to boards gradually over time.
- Section 23-18-303.5 also provides statutory authorization for the General Assembly to add funding on an ongoing or temporary basis. Statute identifies a mechanism for adding ongoing additional funding based on the number of first generation students served by a board; however, the General Assembly has flexibility in decisions to add funds for ongoing additional funding or temporary additional funding.
- Section 23-18-304 provides for fee-for-service contracts for the delivery of specialty educational programs, defined as the CU health sciences center campus, the CSU veterinary school, and various CSU extension programs. Statute requires that funding for these fee-for-service contracts increase or decrease at the same rate as total funding for performance contracts under Section 23-18-303.5. (This requirement also applies to grants to the local district colleges and area technical colleges.)
- Section 23-18-308 provides for limited purpose fee-for-service contracts that fund boards for the specific activities identified in this part of statute.
- Fee-for-service contracts are not considered a state grant for purposes of determining the enterprise status of higher education institutions.

## DECISION ITEMS – COLLEGE OPPORTUNITY FUND PROGRAM

The Department's sole request affecting this section was R1 State Funding Increase for Public Higher Education. This request is addressed at the beginning of the packet.

### → COF STIPEND AND FEE-FOR-SERVICE ADJUSTMENTS INCORPORATED R1 REQUESTS

*REQUEST:* Request R1 reflects adjustments to the COF eligible student FTE and amount per student FTE, although this is not explicitly addressed in the request. In response to staff question, the Department indicates that the stipend is based on \$104 per credit hour (a 21.3 percent increase from the \$94 per credit hour authorized in FY 2021-22. It also reports that the actual use of the COF stipend in FY 2020-21 is provided as the estimated utilization in FY 2022-23, based on past practice.

**RECOMMENDATION:**

*Stipends at Public Institutions:* The staff recommendation includes setting the COF stipend figure at \$104 per credit hour (\$3,120 per student FTE) as requested. The recommendation also includes using the FY 2020-21 actual use of the COF stipend as the basis for the estimated use of the stipend in FY 2022-23. While this is likely to be an underestimate, staff prefers to maintain the past practice on this if feasible, and it appears to staff that, even with this adjustment, the Department should be able to close out the year making necessary adjustments between COF stipends and fee-for-service contracts as allowed under current law. Statute provides flexibility for the Department to make end of year adjustments between fee-for-service and stipend amounts in an amount not to exceed 10 percent of a governing board’s total appropriation.

COF STIPEND ADJUSTMENT			
	COF STIPEND FTE IN FY 2021-22 LONG BILL (FY 2019-20 ACTUAL)	COF STIPEND FTE RECOMMENDED FY 2022-23 LONG BILL (FY 2020-21 ACTUAL)	CHANGE FY2021-22 TO FY2022-23
Adams State University	1,014.9	853	(162.1)
Colorado Mesa University	6,160.0	5,868	(291.9)
Metropolitan State University	13,157.0	11,631	(1,526.0)
Western Colorado University	1,346.0	1,332	(13.9)
Colorado State University System	17,878.6	16,639	(1,239.5)
Fort Lewis	1,203.6	1,117	(86.6)
University of Colorado System	29,719.0	28,968	(750.6)
Colorado School of Mines	2,857.2	2,853	(4.6)
University of Northern Colorado	6,245.9	5,439	(807.4)
Community College System	46,343.3	40,989	(5,354.5)
<b>Total</b>	<b>125,925.4</b>	<b>115,688.4</b>	<b>(10,237.1)</b>

Consistent with provisions in Section 23-18-303.5, staff adjusted amounts between the amount for COF stipends for students at public institutions pursuant to Section 23-18-303.5, C.R.S. and the amount for student stipends at public institutions for a net \$0 adjustment.

*Stipends at Private Institutions:* This change also results in an adjustment to the COF stipend available to students attending private non-profit institutions and a related change to the appropriation for the “Stipends for eligible full-time equivalent students attending participating private institutions” line item. Pell-eligible students at these institutions are eligible for a COF stipend equal to 50 percent of the amount for a student at a public institution. The associated increase has been included in the recommendation for the R1 request. However, as described separately below, the final staff recommendation for students at private institutions who receive a COF stipend is lower due to underutilization reported by the Department. The staff recommendation for R1 for this component of the request (\$1,909,440 total) differs from the Department's request for \$1,805,229 total. Staff believes this reflects a technical error in the request.

COF STIPEND ADJUSTMENT - PARTICIPATING PRIVATE INSTITUTIONS			
	AMOUNT PER STUDENT FTE	STUDENT FTE	TOTAL
FY 2021-22	\$1,410	1,224	\$1,725,840
FY 2022-23	1,560	1,224	1,909,440

COF STIPEND ADJUSTMENT - PARTICIPATING PRIVATE INSTITUTIONS			
	AMOUNT PER STUDENT FTE	STUDENT FTE	TOTAL
Change	\$150	0	\$183,600

➔ SI ADJUSTMENT FOR COF PRIVATE STIPEND ENROLLMENT

*REQUEST:* The Department did not request an adjustment for COF private stipend enrollment.

*RECOMMENDATION:* Students that qualify for the federal need-based Pell grant who attend a participating private institution are eligible for a stipend equal to half of the stipend for students attending a state supported institution. For the last two years, the Long Bill has reflected the assumption that 1,224 student FTE will use a COF stipend at a private institution. Based on information provided by the Department, staff recommends instead anticipating that **1,061 student FTE will use the COF stipend at private institutions in FY 2022-23. Assuming a private stipend amount of \$1,560 per student FTE (half of the recommended \$3,120 for students attending public institutions), the total amount required for the line item for stipends for students attending participating private institutions will be \$1,655,048, and the appropriation will be \$254,392 lower than it would have been assuming the previous enrollment of 1,224 student FTE.**

*ANALYSIS:* In response to staff questions, the Department reported that the COF private stipend has been underused in the last two years. Based on the actual utilization reflected in the table below, the staff recommendation is based on the average of actual utilization in FY 2019-20 and FY 2020-21 (1,060.9 FTE).

PRIOR YEAR UNDEREXPENDITURES COF STIPEND FOR STUDENTS AT PARTICIPATING PRIVATE INSTITUTIONS						
	FTE APPROPRIATED	STIPEND	APPROPRIATION	UNDEREXPENDITURE	UNDERUTILIZATION (FTE)	FTE UTILIZATION
FY 2019-20	1,224.0	\$1,410	\$1,725,840	(\$183,273)	(130.0)	1,094.0
FY 2020-21	1,224.0	600	734,400	(117,698)	(196.2)	1,027.8

❗ FOOTNOTE RELATED TO SCHOOL OF MEDICINE UPPER PAYMENT LIMIT

Staff anticipates that adjustments may be required related to footnote that applies to both the Department of Higher Education and the Department of Health Care Policy and Financing. This footnote authorizes funds to be transferred from the Department of Higher Education to the Department of Health Care Policy and Financing related to the University of Colorado School of Medicine upper payment limit. **Staff will request adjustments based on the total appropriation authorized for the University of Colorado specialty education programs, additional information from CU about available funds, and any policy decisions the Committee makes during figure setting for the Department of Health Care Policy and Financing about whether CU will be allowed to match funds beyond the amounts transferred from the Department of Higher Education. (Amounts provided to the State from CU that are not transferred from the**

**Department of Higher Education are expected to drive General Fund refunds under TABOR.)** The following information is background on the origins of the footnote and its impact on the two departments thus far.

- In FY 2017-18, the JBC approved new footnotes in HCPF and Higher Education and an appropriation in HCPF that enables the vast majority of the appropriation for specialty education programs at the University of Colorado, (almost all funding for educational services at the University of Colorado Health Sciences Center) to be transferred to the Department of Health Care Policy and Financing.
- These funds are used to enhance Medicaid medical payments to physicians who are faculty at the School of Medicine and who provide clinical care at University of Colorado Hospital and Children’s Hospital. The state funds transferred to HCPF are then matched by federal funds as part of enhanced physician reimbursements under the Upper Payment Limit (UPL).
- School of Medicine educational programs are “held harmless” because educational programs are reimbursed by a component unit of the University of Colorado that is responsible for physician billing before any real increase in payments to physicians.
- As a result of this arrangement, access and services for Medicaid-eligible clients at University Hospital, Children’s Hospital, and other locations served by the faculty of the School of Medicine are enhanced, the Commission on Family Medicine Residency Training Program is increased, and staff are added at the Department of Health Care Policy and Financing to manage the program and related accounting.
- The Centers for Medicare and Medicaid Services approved the Upper Payment Limit arrangement during 2017, and HCPF and CU entered into a formal agreement to implement this program and identify and measure resulting benefits.

*Current Footnote*

The FY 2021-22 version of this footnote reads as follows:

- 20 Department of Health Care Policy and Financing, Grand Totals; Department of Higher Education, College Opportunity Fund Program, Fee-for-service Contracts with State Institutions, Fee-for-service Contracts with State Institutions for Specialty Education Programs; and Governing Boards, Regents of the University of Colorado -- The Department of Higher Education shall transfer \$800,000 to the Department of Health Care Policy and Financing for administrative costs and family medicine residency placements associated with care provided by the faculty of the health sciences center campus at the University of Colorado that are eligible for payment pursuant to Section 25.5-4-401, C.R.S. If the federal Centers for Medicare and Medicaid services continues to allow the Department of Health Care Policy and Financing to make supplemental payments to the University of Colorado School of Medicine, the Department of Higher Education shall transfer the amount approved, up to \$81,709,561, to the Department of Health Care Policy and Financing pursuant to Section 23-18-304(1)(c), C.R.S. If permission is discontinued, or is granted for a lesser amount, the Department of Higher Education shall transfer any portion of the \$81,709,561 that is not transferred to the

Department of Health Care Policy and Financing to the Regents of the University of Colorado. In addition, it is assumed that the University of Colorado School of Medicine will use clinical revenues to make an intergovernmental transfer in the amount approved, up to \$11,668,599 to the Department of Health Care Policy and Financing, including up to \$180,000 for actual administrative costs.

## LINE ITEM DETAIL – COLLEGE OPPORTUNITY FUND PROGRAM

### (A) STIPENDS

#### STIPENDS FOR ELIGIBLE FULL-TIME EQUIVALENT STUDENTS ATTENDING STATE INSTITUTIONS

COF stipend payments are made on behalf of eligible students to each of the governing boards.

*STATUTORY AUTHORITY:* Section 23-18-202, C.R.S.

*REQUEST:* The Department requests \$351,292,326 for this line item.

*RECOMMENDATION:* The staff recommendation is shown below and is based on rate of \$104 per credit hour (\$3,120 per student FTE attending 30 credit hours per year) for 115,668.4 student FTE. **This reflects the Department request for the COF stipend rate, with a minor difference in total funding due to rounding.**

- The FTE figure is based on the FY 2020-21 actual FTE using the COF stipend, and reflects a decline from 125,925.4 student FTE who used the stipend in FY 2019-20 to 115,668.4 student FTE who used the stipend in FY 2020-21.
- The amount per student FTE incorporates a \$10 per credit hour increase over the FY 2021-22 figure, with the stipend increasing from \$94 per credit hour (\$2,820 per student FTE) to \$104 per credit hour (\$3,120 per student FTE). The 21.3 percent increase reflects the Department's request.
- **Staff notes that actual student enrollment in FY 2022-23 may be closer to pre-pandemic levels and is expected to result in adjustments between COF stipend and fee-for service figures at the end of the year. Following prior practice, the request and recommendation rely on actual COF stipend enrollment in FY 2020-21 as an estimate for FY 2022-23 COF stipends.** The Department is authorized in statute to make end-of-year adjustments to increase or reduce COF stipend expenditures and make related adjustments to fee-for-service contracts so that total funding for each governing board does not change. Staff's preliminary assessment is that the adjustments required will be less than 10.0 percent of the total appropriation by governing board, which is within the adjustments that Department is authorized to implement to close the books at the end of the year. However, *if enrollment changes are greater, it is possible that supplemental adjustments in FY 2022-23 will be required to adjust for higher COF stipend figures. This would be accomplished by increasing amounts related to COF stipends and reducing funding for fee-for-service contracts.*

COLLEGE OPPORTUNITY FUND PROGRAM, STIPENDS, STIPENDS FOR ELIGIBLE FULL-TIME EQUIVALENT STUDENTS ATTENDING STATE INSTITUTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$355,109,572	\$355,109,572	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$355,109,572</b>	<b>\$355,109,572</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$355,109,572	\$355,109,572	\$0	\$0	\$0	0.0
R1 Increase operating support for public higher education institutions and financial aid	5,838,236	5,838,236	0	0	0	0.0
Other	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$360,947,808</b>	<b>\$360,947,808</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$5,838,236</b>	<b>\$5,838,236</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	1.6%	1.6%	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$360,947,377</b>	<b>\$360,947,377</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$431)	(\$431)	\$0	\$0	\$0	0.0

STIPENDS FOR STUDENTS ATTENDING PARTICIPATING PRIVATE INSTITUTIONS

Students who qualify for the federal need-based Pell grant and attend a participating private institution are eligible for a stipend equal to half of the stipend for students attending a state operated institution. Three institutions currently participate in this program: Colorado Christian University, the University of Denver, and Regis University.

*STATUTORY AUTHORITY:* 23-18-202 (2) (e), C.R.S.

*REQUEST:* The Department requests \$1,805,229 General Fund, including an increase of \$79,389 for Request R1. The calculation appears to be based on funding for 1,158 students at a rate of \$1,560 per FTE.

*RECOMMENDATION:* The staff recommendation is shown in the table below. Pursuant to statute, the funding level for stipends at private and public institutions are linked, and the private stipend amount must be set at 50 percent of the public rate. The FY 2021-22 appropriation included funding for 1,224.0 student FTE, but, as described above, the recommendation is based on 1,061.0 student FTE. Only Pell-eligible students benefit from the program. The staff calculation is based on 1,061.0 student FTE qualifying for a stipend of \$1,560 per FTE at the participating private institutions.

COLLEGE OPPORTUNITY FUND PROGRAM, STIPENDS, STIPENDS FOR ELIGIBLE FULL-TIME EQUIVALENT STUDENTS ATTENDING PARTICIPATING PRIVATE INSTITUTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$1,725,840	\$1,725,840	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$1,725,840</b>	<b>\$1,725,840</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>



COLLEGE OPPORTUNITY FUND PROGRAM, STIPENDS, STIPENDS FOR ELIGIBLE FULL-TIME EQUIVALENT STUDENTS ATTENDING PARTICIPATING PRIVATE INSTITUTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$1,725,840	\$1,725,840	\$0	\$0	\$0	0.0
R1 Increase operating support for public higher education institutions and financial aid	183,600	183,600	0	0	0	0.0
Other	0	0	0	0	0	0.0
SI Utilization of COF stipend private institutions	(254,392)	(254,392)	0	0	0	0.0
<b>TOTAL</b>	<b>\$1,655,048</b>	<b>\$1,655,048</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$70,792)</b>	<b>(\$70,792)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(4.1%)	(4.1%)	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	\$150,181	\$150,181	\$0	\$0	\$0	0.0

**(B) FEE-FOR-SERVICE CONTRACTS WITH STATE INSTITUTIONS**

Each governing board has a fee-for-service contract with the Department for services not supported through the COF stipend payment. These contracts are based on funding provisions specified in Section 23-18-303.5, C.R.S. or are based on specialty education programs (school of medicine, veterinary medicine, and agricultural extension programs) pursuant to Section 23-18-304, C.R.S. In addition, Section 23-18-308, C.R.S. authorizes fee-for-service contracts for limited purposes, e.g., a contract with a particular governing board for a specific service. As specified in Section 23-18-303.5 (1)(b), each governing board’s annual fee-for-service contract includes the amount appropriated pursuant to Section 23-18-303.5, 23-18-304, and 23-18-308, C.R.S., minus the amount appropriated for student stipends pursuant to Section 23-18-202, C.R.S.

**FEE-FOR-SERVICE CONTRACTS WITH STATE INSTITUTIONS PURSUANT TO SECTION 23-18-303.5, C.R.S.**

This line item includes funding for performance funding and additional ongoing and temporary funding as authorized in Section 23-18-303.5, C.R.S. The Department is required to submit a request for funding as part of its annual budget request, using a model that complies with statute.

*STATUTORY AUTHORITY:* 23-18-303.5, C.R.S.

*REQUEST:* The Department requests \$414,203,484 General Fund for this line item, including an increase for the impact of R1.

*RECOMMENDATION:* The staff recommendation is summarized below. Details of the request and recommendation are addressed in the discussion at the beginning of the packet.

COLLEGE OPPORTUNITY FUND PROGRAM, FEE-FOR-SERVICE CONTRACTS WITH STATE INSTITUTIONS, FEE-FOR-SERVICE CONTRACTS WITH STATE INSTITUTIONS PURSUANT TO SECTION 23-18-303, C.R.S.						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$385,902,437	\$385,902,437	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$385,902,437</b>	<b>\$385,902,437</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$385,902,437	\$385,902,437	\$0	\$0	\$0	0.0
R1 Increase operating support for public higher education institutions and financial aid	28,300,616	28,300,616	0	0	0	0.0
<b>TOTAL</b>	<b>\$414,203,053</b>	<b>\$414,203,053</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$28,300,616</b>	<b>\$28,300,616</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	7.3%	7.3%	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$414,203,484</b>	<b>\$414,203,484</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$431	\$431	\$0	\$0	\$0	0.0

**FEE-FOR-SERVICE CONTRACTS WITH STATE INSTITUTIONS FOR SPECIALTY EDUCATION PROGRAMS**

This line item provides funding for the School of Veterinary Medicine and agricultural extension programs at Colorado State University and for the University of Colorado Health Sciences Center.

*STATUTORY AUTHORITY:* 23-18-304, C.R.S.

*REQUEST:* The Department requests \$156,657,547 General Fund for this line item, including an increase of \$5,115,593 General Fund for the out-year impact of S.B. 21-213 Increased Use of Medicaid Match. It also includes \$6,889,338 General Fund for Request R1.

*RECOMMENDATION:* The staff recommendation is summarized below and matches the request. The recommendation on R1 is discussed earlier in this packet. Staff notes that the request to annualize S.B. 21-213 reflects the adjustment anticipated, according to the analyst for the Department of Health Care Policy and Financing. This adjustment represents restoring 50 percent of the General Fund reduction applied in S.B. 21-213 based on higher federal Medicaid match rates.

COLLEGE OPPORTUNITY FUND PROGRAM, FEE-FOR-SERVICE CONTRACTS WITH STATE INSTITUTIONS, FEE-FOR-SERVICE CONTRACTS WITH STATE INSTITUTIONS FOR SPECIALTY EDUCATION PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$144,652,616	\$144,652,616	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$144,652,616</b>	<b>\$144,652,616</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$144,652,616	\$144,652,616	\$0	\$0	\$0	0.0

COLLEGE OPPORTUNITY FUND PROGRAM, FEE-FOR-SERVICE CONTRACTS WITH STATE INSTITUTIONS, FEE-FOR-SERVICE CONTRACTS WITH STATE INSTITUTIONS FOR SPECIALTY EDUCATION PROGRAMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
R1 Increase operating support for public higher education institutions and financial aid	6,889,338	6,889,338	0	0	0	0.0
Annualize prior year legislation	5,115,593	5,115,593	0	0	0	0.0
<b>TOTAL</b>	<b>\$156,657,547</b>	<b>\$156,657,547</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$12,004,931</b>	<b>\$12,004,931</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	8.3%	8.3%	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$156,657,547</b>	<b>\$156,657,547</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

LIMITED PURPOSE FEE-FOR-SERVICE CONTRACTS

This line item provides funding for special purpose activities that may be contracted with specific governing boards. The table below lists the bills that authorized the associated funding and the related appropriations by governing board as appropriated in FY 2021-22 and annualized or otherwise adjusted in FY 2022-23.

LIMITED PURPOSE FEE-FOR-SERVICE CONTRACTS - FY 2021-22 AND FY 2022-23							
	MESA	METRO	WESTERN	CSU SYSTEM	CU SYSTEM	CC SYSTEM	TOTAL
<b><i>FY 2021-22 Appropriation</i></b>							
Career Pathways (H.B. 15-1274)	\$0	\$0	\$0	\$0	\$0	\$86,960	\$86,960
Cyber Coding Cryptology (S.B. 18-086)	300,000	300,000	200,000	1,200,000	2,800,000	300,000	5,100,000
Food Systems Advisory Council (S.B. 19-1202)	0	0	0	151,068	0	0	151,068
Expanding Concurrent Enrollment (S.B. 19-176)	0	0	0	0	0	105,000	105,000
Study Emerging Technologies Water (H.B. 21-1268)	0	0	0	20,000	20,000	0	40,000
Supporting Educator Workforce CO (S.B. 21-185)	0	0	0	0	239,778	0	239,778
<b>FY 2021-22 Appropriations</b>	<b>300,000</b>	<b>300,000</b>	<b>200,000</b>	<b>1,371,068</b>	<b>3,059,778</b>	<b>491,960</b>	<b>5,722,806</b>
<b><i>FY 2022-23 Annualization</i></b>							
Study Emerging Technologies Water (H.B. 21-1268)	0	0	0	(20,000)	(20,000)	0	(40,000)
<b><i>FY 2022-23 Long Bill Limited Purpose Fee for Service Contracts</i></b>							
	<b>\$300,000</b>	<b>\$300,000</b>	<b>\$200,000</b>	<b>\$1,351,068</b>	<b>\$3,039,778</b>	<b>\$491,960</b>	<b>\$5,682,806</b>

STATUTORY AUTHORITY: 23-18-308, C.R.S.

REQUEST: The Department requests \$5,682,806 for this line item.

RECOMMENDATION: The staff recommendation is shown below and is consistent with the request and the table above.

COLLEGE OPPORTUNITY FUND PROGRAM, FEE-FOR-SERVICE CONTRACTS WITH STATE INSTITUTIONS, LIMITED PURPOSE FEE-FOR-SERVICE CONTRACTS WITH STATE INSTITUTIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$5,722,806	\$5,722,806	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$5,722,806</b>	<b>\$5,722,806</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$5,722,806	\$5,722,806	\$0	\$0	\$0	0.0
Annualize prior year legislation	(40,000)	(40,000)	0	0	0	0.0
<b>TOTAL</b>	<b>\$5,682,806</b>	<b>\$5,682,806</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$40,000)</b>	<b>(\$40,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(0.7%)	(0.7%)	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

**(5) GOVERNING BOARDS**

This division includes a single line item for each governing board that contains reappropriated funds spending authority for stipends, fee-for-service contracts, and appropriated grants, and cash funds spending authority for tuition, academic and academic facility fees, and revenue from the tobacco master settlement agreement.

GOVERNING BOARDS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 Appropriation</b>						
FY 2021-22 Appropriation	\$3,613,846,785	\$0	\$2,722,459,354	\$891,387,431	\$0	26,103.4
Long Bill supplemental	30,990,389	0	30,990,389	0	0	0.0
<b>TOTAL</b>	<b>\$3,644,837,174</b>	<b>\$0</b>	<b>\$2,753,449,743</b>	<b>\$891,387,431</b>	<b>\$0</b>	<b>26,103.4</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$3,644,837,174	\$0	\$2,753,449,743	\$891,387,431	\$0	26,103.4
R1 Increase operating support for public higher education institutions and financial aid	41,028,190	0	0	41,028,190	0	0.0
R2 Tuition spending authority	105,519,180	0	105,519,180	0	0	0.0
SI Higher education limited gaming adjustment	1,605,118	0	1,605,118	0	0	0.0
SI Adjustments to location of appropriation	(500,000)	0	(500,000)	0	0	0.0
SI Higher education institution employees	0	0	0	0	0	(108.1)
Annualize prior year legislation	(378,838)	0	(5,454,431)	5,075,593	0	0.0
Annualize prior year budget actions	(32,667,217)	0	(32,667,217)	0	0	0.0
SI Student fee adjustments	(13,577,382)	0	(13,577,382)	0	0	0.0
SI Tobacco Master Settlement Agreement revenue adjustment	(38,199)	0	(38,199)	0	0	0.0
<b>TOTAL</b>	<b>\$3,745,828,026</b>	<b>\$0</b>	<b>\$2,808,336,812</b>	<b>\$937,491,214</b>	<b>\$0</b>	<b>25,995.3</b>
<b>INCREASE/(DECREASE)</b>	<b>\$100,990,852</b>	<b>\$0</b>	<b>\$54,887,069</b>	<b>\$46,103,783</b>	<b>\$0</b>	<b>(108.1)</b>
Percentage Change	2.8%	0.0%	2.0%	5.2%	0.0%	(0.4%)
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	(\$87,581,887)		(\$87,581,889)	\$2	\$0	108.1

*Note: All reappropriated amounts shown represent General Fund initially appropriated in the College Opportunity Fund Program section and reappropriated to the Governing Boards. Cash Funds amounts, with few exceptions, represent tuition and fee revenue.*

**DECISION ITEMS – GOVERNING BOARDS****FY 2021-22 DECISION ITEMS**

The Department did not submit a request for mid-year adjustments to stipends, fee-for-service contracts, or tuition or fee revenue. Pursuant to Section 23-18-202 (2)(a)(I), C.R.S., the Department

is required to annually estimate the number of undergraduate full-time equivalent students eligible for COF stipends and report the numbers by February 15 to the Governor and the Joint Budget Committee. Further, the Department provided estimates of tuition, fee, and COF revenue in February, consistent with the provisions outlined in an annual request for information.

Staff does not recommend adjusting the estimates of COF stipend eligible students for FY 2021-22. While there are differences between earlier projections (based on FY 2019-20 actuals) and current estimates (based on FY 2021-22 data to-date), staff believes the adjustments can be managed within the Department’s authority to transfer, at the end of the year, up to 10 percent of the total appropriation for a governing board between fee-for-service and stipend amounts pursuant to Section 23-18-202, C.R.S.

→ FY 2021-22 TUITION ADJUSTMENT

**As discussed earlier in this document, staff recommends updating tuition amounts for FY 2021-22 to match new projections from Legislative Council Staff. FY 2021-22 amounts are appropriated, except at the Colorado School of Mines.** As discussed in January 2022, Metropolitan State University of Denver did not comply with its original FY 2021-22 footnote when it closed its "tuition window". However, through the regular FY 2021-22 supplemental bill, the footnote was modified to permit this. (MSU's appropriation for fee-for-service contracts originating from the General Fund was also reduced by \$50,000 for FY 2021-22 due to MSU's failure to obtain authority from the General Assembly prior to the change.) The other Boards all complied with FY 2021-22 footnote assumptions. Legislative Council Staff and institutional estimates are close. In the past, sometimes Legislative Council Staff estimates have been better than the institutions' and sometimes the institutions' estimates have been better, but starting with Legislative Council Staff current year estimates provides a more coherent basis for using Legislative Council Staff projections for FY 2022-23. Legislative Council Staff's projections for FY 2022-23 are easier to rapidly adjust than the institutions', and staff anticipates that FY 2022-23 may be a year when it may be necessary to change tuition assumptions rapidly.

FY 2021-22 LONG BILL SUPPLEMENTAL - TUITION FORECAST REVISION				
	ORIGINAL FY 22 FORECAST	REVISED FY 22 FORECAST	CHANGE	PERCENTAGE CHANGE
Adams State University	\$20,363,600	\$21,925,190	\$1,561,590	7.7%
Colorado Mesa University	70,302,267	71,074,748	772,481	1.1%
Metropolitan State University of Denver	117,263,695	109,576,243	(7,687,452)	(6.6%)
Western Colorado University	16,967,193	17,036,282	69,089	0.4%
Colorado State University System	480,981,986	487,126,600	6,144,614	1.3%
Fort Lewis College	42,900,665	45,058,430	2,157,765	5.0%
University of Colorado System	1,144,427,281	1,159,554,679	15,127,398	1.3%
Colorado School of Mines	164,738,748	172,951,515	8,212,767	5.0%
University of Northern Colorado	79,047,106	75,153,434	(3,893,672)	(4.9%)
Community College System	272,524,815	269,332,866	(3,191,949)	(1.2%)

FY 2021-22 LONG BILL SUPPLEMENTAL - TUITION FORECAST REVISION				
	ORIGINAL FY 22 FORECAST	REVISED FY 22 FORECAST	CHANGE	PERCENTAGE CHANGE
Total Tuition Revenue	\$2,409,517,357	\$2,428,789,986	\$19,272,630	0.8%

→ PREVIOUSLY-APPROVED ONE-TIME FY 2021-22 TUITION ADJUSTMENT FOR CU AND CSU RELATED TO FY 2020-21 REVENUE

The following information is excerpted from the Staff FY 2021-22 supplemental budget recommendation document dated January 13, 2022, which the Committee approved. This adjustment is included in the recommended FY 2021-22 supplemental Long Bill add-on.

*DEPARTMENT REQUEST:* The Department did not request this supplemental. However, staff discussed this recommendation during the briefing, so the Department is aware of it. The Department's position on this issue is unclear.

*STAFF RECOMMENDATION:* Staff recommends that the Committee make adjustments to the FY 2021-22 cash funds appropriations for the University of Colorado and Colorado State University System to provide spending authority for excess revenue received in FY 2020-21. The **adjustments would add \$10,297,290 cash fund spending authority for the Colorado State University System and \$22,369,927 cash fund spending authority for the University of Colorado System for FY 2021-22.**

Staff recommends that these adjustments be applied in addition to other FY 2021-22 tuition spending authority adjustments that are still pending. **Staff recommends all tuition spending authority changes, including the changes described here, be part of the regular FY 2021-22 Long Bill add-on supplemental** to avoid multiple supplemental changes to the same appropriations.

*STAFF ANALYSIS:* As described in the staff budget related to an annual RFI report, tuition revenue received by some institutions in FY 2020-21 exceeded the spending authority provided by the General Assembly, even after contingency funds were distributed (\$60.0 million appropriated in a separate line item). The table below is drawn from the Department's FY 2022-23 R2 request, which included information on final spending authority granted. Based on this data, staff would have expected the Department to approach the JBC about an interim supplemental in June 2021 to provide additional spending authority. The Executive Branch did not submit a late interim supplemental. Instead, arrangements were made with the institutions to ensure that they did not over expend their appropriations.

The Department has not submitted any related supplementals thus far. **As indicated during the briefing, staff is recommending an FY 2021-22 supplemental to provide the additional spending authority related to the FY 2020-21 revenue. Staff also expects that some Department procedures will be revised so this is not an issue in the future.** The Department indicated in the hearing on January 11 that it is revising procedures so that it approaches the JBC in June if end-of-year adjustments are required.

Since the need for the additional spending authority is due to enrollment, rather than tuition rates, staff believes additional spending authority should be provided. The difference between actual revenue and the amount in the Long Bill was simply a large forecast error, reflecting an underestimate of enrollment or the tuition associated with enrollment by the institutions. CU and CSU complied with FY 2020-21 restrictions on tuition rates.

TUITION SPENDING AUTHORITY VERSUS REVENUE - FY 2020-21					
	FY 2020-21 APPROPRIATION AFTER LONG BILL ADD-ON	CONTINGENCY FUNDS DISTRIBUTED	FY 2020-21 SPENDING AUTHORITY AFTER \$60.0 MILLION IN CONTINGENCY FUNDS WERE DISTRIBUTED	FINAL ESTIMATE OF EXPENDITURES INCLUDED IN R2 TABLES	REVENUE ABOVE/(BELOW) FINAL SPENDING AUTHORITY
Adams State University	\$21,183,079	\$723	\$21,183,802	\$21,087,815	(\$95,987)
Colorado Mesa University	72,043,336	0	72,043,336	70,514,105	(1,529,231)
Metropolitan State University of Denver	111,343,670	3,151,004	114,494,674	112,898,057	(1,596,617)
Western Colorado University	16,563,599	0	16,563,599	15,503,812	(1,059,787)
Colorado State University System	435,367,948	19,630,221	454,998,169	465,295,459	10,297,290
Fort Lewis College	41,909,810	0	41,909,810	41,795,009	(114,801)
University of Colorado System	1,070,573,330	34,478,052	1,105,051,382	1,127,421,309	22,369,927
University of Northern Colorado	77,696,289	740,000	78,436,289	78,363,856	(72,433)
Colorado Community College System	273,474,970	2,000,000	275,474,970	271,160,617	(4,314,353)
<b>Total</b>	<b>2,120,156,031</b>	<b>\$60,000,000</b>	<b>2,180,156,031</b>	<b>\$2,204,040,039</b>	

→ FY 2021-22 FEE ADJUSTMENT

Fee amounts reflect mandatory fees charged to all students. These are not appropriated and are shown for informational purposes. However, staff recommends adjusting them for better comparison with FY 2022-23 recommended figures.

FY 2021-22 REVISED FEE REVENUE ESTIMATE - MANDATORY FEES				
	FY 2021-22 LONG BILL	FY 2021-22 REVISED FORECAST	CHANGE	% CHANGE
Adams State University	\$4,737,000	\$4,737,000	0	n/a
Colorado Mesa University	5,435,390	4,450,170	(985,220)	(18.1%)
Metropolitan State University	29,669,040	27,063,910	(2,605,130)	(8.8%)
Western State Colorado University	5,678,495	5,948,882	270,387	4.8%
Colorado State University System	79,118,255	79,231,487	113,232	0.1%
Fort. Lewis College	5,342,395	5,632,464	290,069	5.4%
University of Colorado System	96,569,829	81,155,490	(15,414,339)	(16.0%)
Colorado School of Mines	15,507,986	16,237,811	729,825	4.7%
University of Northern Colorado	17,740,757	16,879,239	(861,518)	(4.9%)
Community College System	18,609,336	16,122,571	(2,486,765)	(13.4%)
<b>Total</b>	<b>\$278,408,483</b>	<b>\$257,459,024</b>	<b>(\$20,949,459)</b>	<b>(7.5%)</b>



## FY 2022-23 DECISION ITEMS

The Department's request included R1 State Funding Increase for Public Higher Education and R2 Tuition Spending Authority Increase for FY 2022-23. The Department did not submit a request for FY 2022-23 tuition adjustments. Both R1 and R2 and additional staff recommendations for institutional funding and a tuition buy-down are discussed at the beginning of this packet.

As discussed at the beginning of this packet, pursuant to R2, staff is recommending appropriations and footnotes for each higher education governing board for FY 2022-23, consistent with statute. Only amounts for the Colorado School of Mines are shown solely for informational purposes pursuant to the provisions of Section 23-41-104.6 (5)(c), C.R.S. Staff anticipates that, consistent with past practice, these amounts will be updated in 2023 based on updated estimates.

### → ESTIMATED FEE REVENUE - MANDATORY FEES

Staff recommends including fee estimates for each of the governing boards based on their revenue from all mandatory fees. Fee revenue is shown for informational purposes only but does correspond to overall student costs. It is important to note that the "mandatory fees" shown are based on the Department's definition and include fees for student activities (e.g. student government, athletics), as well as fees for capital construction and fees related to academic programs. These fees are included because they are mandatory for all students, regardless of whether the student is enrolled in a particular program or course.

FY 2022-23 FEE REVENUE ESTIMATE - MANDATORY FEES				
	FY 2021-22 ADJUSTED ESTIMATE	FY 2022-23 ESTIMATE	CHANGE	% CHANGE
Adams State University	\$4,737,000	\$4,519,580	(\$217,420)	(4.6%)
Colorado Mesa University	4,450,170	4,450,170	0	n/a
Metropolitan State University	27,063,910	26,630,910	(433,000)	(1.6%)
Western Colorado University	5,948,882	6,167,141	218,259	3.7%
Colorado State University System	79,231,487	80,570,882	1,339,395	1.7%
Fort Lewis College	5,632,464	5,801,438	168,974	3.0%
University of Colorado System	81,155,490	66,601,614	(14,553,876)	(17.9%)
Colorado School of Mines	16,237,811	16,664,086	426,275	2.6%
University of Northern Colorado	16,879,239	16,099,000	(780,239)	(4.6%)
Community College System	16,122,571	16,376,821	254,250	1.6%
<b>Total</b>	<b>257,459,024</b>	<b>243,881,642</b>	<b>(13,577,382)</b>	<b>(5.3%)</b>

### → AMENDMENTS 50 AND 77 GAMING REVENUE ADJUSTMENT

**Staff recommends modifying estimated distributions of limited gaming funds reflected in the FY 2022-23 Long Bill to align with the FY 2020-21 actual distributions, including amounts allocated to the Local District Colleges.** These amounts are shown for informational purposes only and are provided pursuant to Amendment 50 (passed in 2008 to modify limits on bets, hours,

and games in Central City, Black Hawk, and Cripple Creek) and Amendment 77 (passed in 2020 to allow gaming communities to eliminate limits on bets and games). Receipts for FY 2019-20 (used in FY 2020-21) were exceptionally low due to casino closures. Receipts for actual FY 2020-21 (used in FY 2021-22) were close to pre-pandemic levels.

AMENDMENTS 50 & 77 LIMITED GAMING			
	FY 2019-20 ACTUAL	FY 2020-21 ACTUAL	ADJUSTMENT TO REFLECT IN FY 2022-23 LONG BILL
<u>State Institutions</u>			
State Community College System	\$9,969,431	\$11,474,566	\$1,505,135
Adams State University	2,388	5,506	3,118
Colorado Mesa University	562,482	659,347	96,865
<u>Local District Colleges</u>			
Colorado Mountain College	611,446	752,949	141,503
Aims Community College	<u>796,551</u>	<u>872,706</u>	<u>76,155</u>
<b>Total</b>	\$11,942,298	\$13,765,074	\$1,822,776

➔ FULL-TIME EQUIVALENT FACULTY AND STAFF FTE ADJUSTMENT

Staff recommends an adjustment to employee FTE shown in the Long Bill for informational purposes. In the past, this adjustment has been based on the estimated FTE for the current fiscal year that is included in the budget data books submitted by the Department. **While, staff recommended an exception for FY 2021-22, for FY 2022-23, staff recommends returning to the practice of using the FY 2021-22 estimated FTE reported in the budget data books. The only exception is the data reported for the Colorado State University System, for which staff uses the most recent actual (FY 2020-21), due to the consistently large discrepancies in the estimates and actuals reported for the system.**

Prior to FY 1999-00, FTE designations were not included in the Long Bill for Higher Education. In FY 1999-00 the JBC adopted a policy of reflecting FTE for all departments in the Long Bill to provide additional information about the number of state employees. Pursuant to statute, the governing boards may hire as many or as few employees as they see fit. Note that amounts in this section do not include the adjustment for the Auraria Higher Education Center, which is shown in a separate Long Bill section.

GOVERNING BOARD FACULTY AND STAFF FTE (EDUCATION AND GENERAL ONLY - EXCLUDES RESEARCH & AUXILIARY)				
	FY 2021-22 (FY 2019-20 DATA BOOKS ACTUALS)	FY 2021-22 (FY 2021-22 DATA BOOKS ESTIMATES)	RECOMMENDED	
			CHANGE	PERCENT
Adams State University	314.2	353.8	39.6	12.6%
Colorado Mesa University	742.7	784.6	41.9	5.6%
Metropolitan State University	1,369.10	1,186.4	(182.7)	(13.3%)
Western Colorado University	273.8	300.2	26.4	9.6%

GOVERNING BOARD FACULTY AND STAFF FTE (EDUCATION AND GENERAL ONLY - EXCLUDES RESEARCH & AUXILIARY)				
	FY 2021-22	FY 2021-22	RECOMMENDED	
	(FY 2019-20 DATA BOOKS ACTUALS)	(FY 2021-22 DATA BOOKS ESTIMATES)	CHANGE	PERCENT
Colorado State University System <sup>1</sup>	5,028.90	4,902.5	(126.4)	(2.5%)
Fort Lewis College	409.7	448.4	38.7	9.4%
University of Colorado System	9,926.10	10,036.3	110.2	1.1%
Colorado School of Mines	980.5	1,014.8	34.3	3.5%
University of Northern Colorado	1,156.90	1,216.1	59.2	5.1%
Community College System	5,901.50	5,752.2	(149.3)	(2.5%)
Auraria Higher Education Center	200.4	211.4	11.0	5.5%
<b>TOTAL</b>	<b>26,303.8</b>	<b>26,206.7</b>	<b>(97.1)</b>	<b>(0.4%)</b>

<sup>1</sup> FY 2022-23 figure for CSU is based on FY 2020-21 actual, rather than FY 2021-22 estimate due to the large discrepancy between CSU actuals and estimates that has appeared for multiple years.

## → TOBACCO REVENUE ADJUSTMENT

Staff recommends reflecting funding from Tobacco Settlement revenue for the University of Colorado based on current tobacco settlement revenue estimates and allocation formulas and the additional revenue anticipated to be available. The Department did not request this change, but it reflects the statutory allocation of money from the tobacco master settlement agreement, the projected tobacco revenues, and the JBC's action during figure setting for the tobacco-funded programs.

TOBACCO HEALTH EDUCATION FUND	
FY 2020-21 Estimate	\$15,244,624
FY 2021-22 Estimate	<u>15,206,425</u>
FY 2021-22 Appropriation Adjustment	(\$38,199)

LINE ITEM DETAIL – GOVERNING BOARDS

*General Note: All reappropriated amounts shown represent General Fund initially appropriated in the College Opportunity Fund Program section and reappropriated to the Governing Boards. Cash Funds amounts, with few exceptions, represent tuition and fee revenue.*

GOVERNING BOARDS, TRUSTEES OF ADAMS STATE UNIVERSITY, TRUSTEES OF ADAMS STATE COLLEGE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$44,170,418	\$0	\$25,102,988	\$19,067,430	\$0	314.2
Long Bill supplemental	\$1,561,590	\$0	\$1,561,590	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$45,732,008</b>	<b>\$0</b>	<b>\$26,664,578</b>	<b>\$19,067,430</b>	<b>\$0</b>	<b>314.2</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$45,732,008	\$0	\$26,664,578	\$19,067,430	\$0	314.2
R2 Tuition spending authority	771,955	0	771,955	0	0	0.0
R1 Increase operating support for public higher education institutions and financial aid	711,092	0	0	711,092	0	0.0
SI Higher education limited gaming adjustment	3,118	0	3,118	0	0	0.0
SI Higher education institution employees	0	0	0	0	0	39.6
SI Student fee adjustments	(217,420)	0	(217,420)	0	0	0.0
<b>TOTAL</b>	<b>\$47,000,753</b>	<b>\$0</b>	<b>\$27,222,231</b>	<b>\$19,778,522</b>	<b>\$0</b>	<b>353.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,268,745</b>	<b>\$0</b>	<b>\$557,653</b>	<b>\$711,092</b>	<b>\$0</b>	<b>39.6</b>
Percentage Change	2.8%	0.0%	2.1%	3.7%	0.0%	12.6%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$44,934,931</b>	<b>\$0</b>	<b>\$25,102,988</b>	<b>\$19,831,943</b>	<b>\$0</b>	<b>314.2</b>
Request Above/(Below) Recommendation	(\$2,065,822)	\$0	(\$2,119,243)	\$53,421	\$0	(39.6)

GOVERNING BOARDS, TRUSTEES OF COLORADO MESA UNIVERSITY, TRUSTEES OF COLORADO MESA UNIVERSITY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$112,277,141	\$0	\$76,300,139	\$35,977,002	\$0	742.7
Long Bill supplemental	(212,739)	0	(212,739)	0	0	0.0
<b>TOTAL</b>	<b>\$112,064,402</b>	<b>\$0</b>	<b>\$76,087,400</b>	<b>\$35,977,002</b>	<b>\$0</b>	<b>742.7</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$112,064,402	\$0	\$76,087,400	\$35,977,002	\$0	742.7
R1 Increase operating support for public higher education institutions and financial aid	2,004,414	0	0	2,004,414	0	0.0
R2 Tuition spending authority	1,893,268	0	1,893,268	0	0	0.0
SI Higher education limited gaming adjustment	96,865	0	96,865	0	0	0.0
SI Student fee adjustments	0	0	0	0	0	0.0

GOVERNING BOARDS, TRUSTEES OF COLORADO MESA UNIVERSITY, TRUSTEES OF COLORADO MESA UNIVERSITY						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
SI Higher education institution employees	0	0	0	0	0	41.9
<b>TOTAL</b>	<b>\$116,058,949</b>	<b>\$0</b>	<b>\$78,077,533</b>	<b>\$37,981,416</b>	<b>\$0</b>	<b>784.6</b>
<b>INCREASE/(DECREASE)</b>	<b>\$3,994,547</b>	<b>\$0</b>	<b>\$1,990,133</b>	<b>\$2,004,414</b>	<b>\$0</b>	<b>41.9</b>
Percentage Change	3.6%	0.0%	2.6%	5.6%	0.0%	5.6%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$114,152,274</b>	<b>\$0</b>	<b>\$76,300,139</b>	<b>\$37,852,135</b>	<b>\$0</b>	<b>742.7</b>
Request Above/(Below) Recommendation	(\$1,906,675)	\$0	(\$1,777,394)	(\$129,281)	\$0	(41.9)

GOVERNING BOARDS, TRUSTEES OF METROPOLITAN STATE COLLEGE OF DENVER, TRUSTEES OF METROPOLITAN STATE COLLEGE OF DENVER						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$219,421,786	\$0	\$146,932,735	\$72,489,051	\$0	1,369.1
Long Bill supplemental	(10,292,582)	0	(10,292,582)	0	0	0.0
<b>TOTAL</b>	<b>\$209,129,204</b>	<b>\$0</b>	<b>\$136,640,153</b>	<b>\$72,489,051</b>	<b>\$0</b>	<b>1,369.1</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$209,129,204	\$0	\$136,640,153	\$72,489,051	\$0	1,369.1
R1 Increase operating support for public higher education institutions and financial aid	4,933,663	0	0	4,933,663	0	0.0
SI Higher education institution employees	0	0	0	0	0	(182.7)
R2 Tuition spending authority	(826,663)	0	(826,663)	0	0	0.0
SI Student fee adjustments	(433,000)	0	(433,000)	0	0	0.0
<b>TOTAL</b>	<b>\$212,803,204</b>	<b>\$0</b>	<b>\$135,380,490</b>	<b>\$77,422,714</b>	<b>\$0</b>	<b>1,186.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$3,674,000</b>	<b>\$0</b>	<b>(\$1,259,663)</b>	<b>\$4,933,663</b>	<b>\$0</b>	<b>(182.7)</b>
Percentage Change	1.8%	0.0%	(0.9%)	6.8%	0.0%	(13.3%)
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$223,029,157</b>	<b>\$0</b>	<b>\$146,932,735</b>	<b>\$76,096,422</b>	<b>\$0</b>	<b>1,369.1</b>
Request Above/(Below) Recommendation	\$10,225,953	\$0	\$11,552,245	(\$1,326,292)	\$0	182.7

GOVERNING BOARDS, TRUSTEES OF WESTERN STATE COLLEGE, TRUSTEES OF WESTERN STATE COLLEGE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$39,340,129	\$0	\$22,645,688	\$16,694,441	\$0	273.8
Long Bill supplemental	\$339,476	\$0	\$339,476	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$39,679,605</b>	<b>\$0</b>	<b>\$22,985,164</b>	<b>\$16,694,441</b>	<b>\$0</b>	<b>273.8</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$39,679,605	\$0	\$22,985,164	\$16,694,441	\$0	273.8
R2 Tuition spending authority	1,169,734	0	1,169,734	0	0	0.0

GOVERNING BOARDS, TRUSTEES OF WESTERN STATE COLLEGE, TRUSTEES OF WESTERN STATE COLLEGE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
R1 Increase operating support for public higher education institutions and financial aid	645,120	0	0	645,120	0	0.0
SI Student fee adjustments	218,259	0	218,259	0	0	0.0
SI Higher education institution employees	0	0	0	0	0	26.4
<b>TOTAL</b>	<b>\$41,712,718</b>	<b>\$0</b>	<b>\$24,373,157</b>	<b>\$17,339,561</b>	<b>\$0</b>	<b>300.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,033,113</b>	<b>\$0</b>	<b>\$1,387,993</b>	<b>\$645,120</b>	<b>\$0</b>	<b>26.4</b>
Percentage Change	5.1%	0.0%	6.0%	3.9%	0.0%	9.6%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$40,174,762</b>	<b>\$0</b>	<b>\$22,645,688</b>	<b>\$17,529,074</b>	<b>\$0</b>	<b>273.8</b>
Request Above/(Below) Recommendation	(\$1,537,956)	\$0	(\$1,727,469)	\$189,513	\$0	(26.4)

GOVERNING BOARDS, BOARD OF GOVERNORS OF THE COLORADO STATE UNIVERSITY SYSTEM, BOARD OF GOVERNORS OF THE COLORADO STATE UNIVERSITY SYSTEM						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$745,714,304	\$0	\$561,000,241	\$184,714,063	\$0	5,029.0
Long Bill supplemental	\$16,555,136	\$0	\$16,555,136	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$762,269,440</b>	<b>\$0</b>	<b>\$577,555,377</b>	<b>\$184,714,063</b>	<b>\$0</b>	<b>5,029.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$762,269,440	\$0	\$577,555,377	\$184,714,063	\$0	5,029.0
R2 Tuition spending authority	18,897,663	0	18,897,663	0	0	0.0
R1 Increase operating support for public higher education institutions and financial aid	7,041,161	0	0	7,041,161	0	0.0
SI Student fee adjustments	1,339,395	0	1,339,395	0	0	0.0
SI Higher education institution employees	0	0	0	0	0	(126.4)
Annualize prior year budget actions	(10,297,290)	0	(10,297,290)	0	0	0.0
Annualize prior year legislation	(20,000)	0	0	(20,000)	0	0.0
<b>TOTAL</b>	<b>\$779,230,369</b>	<b>\$0</b>	<b>\$587,495,145</b>	<b>\$191,735,224</b>	<b>\$0</b>	<b>4,902.6</b>
<b>INCREASE/(DECREASE)</b>	<b>\$16,960,929</b>	<b>\$0</b>	<b>\$9,939,768</b>	<b>\$7,021,161</b>	<b>\$0</b>	<b>(126.4)</b>
Percentage Change	2.2%	0.0%	1.7%	3.8%	0.0%	(2.5%)
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$754,079,014</b>	<b>\$0</b>	<b>\$561,000,241</b>	<b>\$193,078,773</b>	<b>\$0</b>	<b>5,029.0</b>
Request Above/(Below) Recommendation	(\$25,151,355)	\$0	(\$26,494,904)	\$1,343,549	\$0	126.4

GOVERNING BOARDS, TRUSTEES OF FORT LEWIS COLLEGE, TRUSTEES OF FORT LEWIS COLLEGE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$63,618,719	\$0	\$48,243,060	\$15,375,659	\$0	409.7
Long Bill supplemental	\$2,447,834	\$0	\$2,447,834	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$66,066,553</b>	<b>\$0</b>	<b>\$50,690,894</b>	<b>\$15,375,659</b>	<b>\$0</b>	<b>409.7</b>

GOVERNING BOARDS, TRUSTEES OF FORT LEWIS COLLEGE, TRUSTEES OF FORT LEWIS COLLEGE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$66,066,553	\$0	\$50,690,894	\$15,375,659	\$0	409.7
R2 Tuition spending authority	2,455,645	0	2,455,645	0	0	0.0
R1 Increase operating support for public higher education institutions and financial aid	764,023	0	0	764,023	0	0.0
SI Student fee adjustments	168,974	0	168,974	0	0	0.0
SI Higher education institution employees	0	0	0	0	0	38.7
<b>TOTAL</b>	<b>\$69,455,195</b>	<b>\$0</b>	<b>\$53,315,513</b>	<b>\$16,139,682</b>	<b>\$0</b>	<b>448.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$3,388,642</b>	<b>\$0</b>	<b>\$2,624,619</b>	<b>\$764,023</b>	<b>\$0</b>	<b>38.7</b>
Percentage Change	5.1%	0.0%	5.2%	5.0%	0.0%	9.4%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$64,555,771</b>	<b>\$0</b>	<b>\$48,243,060</b>	<b>\$16,312,711</b>	<b>\$0</b>	<b>409.7</b>
Request Above/(Below) Recommendation	(\$4,899,424)	\$0	(\$5,072,453)	\$173,029	\$0	(38.7)

GOVERNING BOARDS, REGENTS OF THE UNIVERSITY OF COLORADO, REGENTS OF THE UNIVERSITY OF COLORADO						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$1,515,664,884	\$0	\$1,262,371,734	\$253,293,150	\$0	9,926.0
Long Bill supplemental	\$22,082,986	\$0	\$22,082,986	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$1,537,747,870</b>	<b>\$0</b>	<b>\$1,284,454,720</b>	<b>\$253,293,150</b>	<b>\$0</b>	<b>9,926.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$1,537,747,870	\$0	\$1,284,454,720	\$253,293,150	\$0	9,926.0
R2 Tuition spending authority	61,412,908	0	61,412,908	0	0	0.0
R1 Increase operating support for public higher education institutions and financial aid	9,831,732	0	0	9,831,732	0	0.0
Annualize prior year legislation	465,593	0	(4,630,000)	5,095,593	0	0.0
SI Higher education institution employees	0	0	0	0	0	110.2
Annualize prior year budget actions	(22,369,927)	0	(22,369,927)	0	0	0.0
SI Student fee adjustments	(14,553,876)	0	(14,553,876)	0	0	0.0
SI Adjustments to location of appropriation	(500,000)	0	(500,000)	0	0	0.0
SI Tobacco Master Settlement Agreement revenue adjustment	(38,199)	0	(38,199)	0	0	0.0
<b>TOTAL</b>	<b>\$1,571,996,101</b>	<b>\$0</b>	<b>\$1,303,775,626</b>	<b>\$268,220,475</b>	<b>\$0</b>	<b>10,036.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$34,248,231</b>	<b>\$0</b>	<b>\$19,320,906</b>	<b>\$14,927,325</b>	<b>\$0</b>	<b>110.2</b>
Percentage Change	2.2%	0.0%	1.5%	5.9%	0.0%	1.1%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$1,531,542,149</b>	<b>\$0</b>	<b>\$1,261,491,734</b>	<b>\$270,050,415</b>	<b>\$0</b>	<b>9,926.0</b>
Request Above/(Below) Recommendation	(\$40,453,952)	\$0	(\$42,283,892)	\$1,829,940	\$0	(110.2)

GOVERNING BOARDS, TRUSTEES OF THE COLORADO SCHOOL OF MINES, TRUSTEES OF THE COLORADO SCHOOL OF MINES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$207,824,194	\$0	\$180,246,734	\$27,577,460	\$0	980.5
Long Bill supplemental	\$8,942,592	\$0	\$8,942,592	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$216,766,786</b>	<b>\$0</b>	<b>\$189,189,326</b>	<b>\$27,577,460</b>	<b>\$0</b>	<b>980.5</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$216,766,786	\$0	\$189,189,326	\$27,577,460	\$0	980.5
R2 Tuition spending authority	13,896,589	0	13,896,589	0	0	0.0
R1 Increase operating support for public higher education institutions and financial aid	947,109	0	0	947,109	0	0.0
SI Student fee adjustments	426,275	0	426,275	0	0	0.0
SI Higher education institution employees	0	0	0	0	0	34.3
<b>TOTAL</b>	<b>\$232,036,759</b>	<b>\$0</b>	<b>\$203,512,190</b>	<b>\$28,524,569</b>	<b>\$0</b>	<b>1,014.8</b>
<b>INCREASE/(DECREASE)</b>	<b>\$15,269,973</b>	<b>\$0</b>	<b>\$14,322,864</b>	<b>\$947,109</b>	<b>\$0</b>	<b>34.3</b>
Percentage Change	7.0%	0.0%	7.6%	3.4%	0.0%	3.5%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$209,318,155</b>	<b>\$0</b>	<b>\$180,246,734</b>	<b>\$29,071,421</b>	<b>\$0</b>	<b>980.5</b>
Request Above/(Below) Recommendation	(\$22,718,604)	\$0	(\$23,265,456)	\$546,852	\$0	(34.3)

GOVERNING BOARDS, UNIVERSITY OF NORTHERN COLORADO, UNIVERSITY OF NORTHERN COLORADO						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$148,512,433	\$0	\$96,787,863	\$51,724,570	\$0	1,156.9
Long Bill supplemental	(4,755,190)	0	(4,755,190)	0	0	0.0
<b>TOTAL</b>	<b>\$143,757,243</b>	<b>\$0</b>	<b>\$92,032,673</b>	<b>\$51,724,570</b>	<b>\$0</b>	<b>1,156.9</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$143,757,243	\$0	\$92,032,673	\$51,724,570	\$0	1,156.9
R1 Increase operating support for public higher education institutions and financial aid	1,847,795	0	0	1,847,795	0	0.0
SI Higher education institution employees	0	0	0	0	0	59.2
R2 Tuition spending authority	(869,564)	0	(869,564)	0	0	0.0
SI Student fee adjustments	(780,239)	0	(780,239)	0	0	0.0
<b>TOTAL</b>	<b>\$143,955,235</b>	<b>\$0</b>	<b>\$90,382,870</b>	<b>\$53,572,365</b>	<b>\$0</b>	<b>1,216.1</b>
<b>INCREASE/(DECREASE)</b>	<b>\$197,992</b>	<b>\$0</b>	<b>(\$1,649,803)</b>	<b>\$1,847,795</b>	<b>\$0</b>	<b>59.2</b>
Percentage Change	0.1%	0.0%	(1.8%)	3.6%	0.0%	5.1%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$150,745,245</b>	<b>\$0</b>	<b>\$96,787,863</b>	<b>\$53,957,382</b>	<b>\$0</b>	<b>1,156.9</b>
Request Above/(Below) Recommendation	\$6,790,010	\$0	\$6,404,993	\$385,017	\$0	(59.2)



GOVERNING BOARDS, STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION STATE SYSTEM COMMUNITY COLLEGES, STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION STATE SYSTEM COMMUNITY COLLEGES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$517,302,777	\$0	\$302,828,172	\$214,474,605	\$0	5,901.5
Long Bill supplemental	(5,678,714)	0	(5,678,714)	0	0	0.0
<b>TOTAL</b>	<b>\$511,624,063</b>	<b>\$0</b>	<b>\$297,149,458</b>	<b>\$214,474,605</b>	<b>\$0</b>	<b>5,901.5</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$511,624,063	\$0	\$297,149,458	\$214,474,605	\$0	5,901.5
R1 Increase operating support for public higher education institutions and financial aid	12,302,081	0	0	12,302,081	0	0.0
R2 Tuition spending authority	6,717,645	0	6,717,645	0	0	0.0
SI Higher education limited gaming adjustment	1,505,135	0	1,505,135	0	0	0.0
SI Student fee adjustments	254,250	0	254,250	0	0	0.0
SI Higher education institution employees	0	0	0	0	0	(149.3)
Annualize prior year legislation	(824,431)	0	(824,431)	0	0	0.0
<b>TOTAL</b>	<b>\$531,578,743</b>	<b>\$0</b>	<b>\$304,802,057</b>	<b>\$226,776,686</b>	<b>\$0</b>	<b>5,752.2</b>
<b>INCREASE/(DECREASE)</b>	<b>\$19,954,680</b>	<b>\$0</b>	<b>\$7,652,599</b>	<b>\$12,302,081</b>	<b>\$0</b>	<b>(149.3)</b>
Percentage Change	3.9%	0.0%	2.6%	5.7%	0.0%	(2.5%)
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$525,714,681</b>	<b>\$0</b>	<b>\$302,003,741</b>	<b>\$223,710,940</b>	<b>\$0</b>	<b>5,901.5</b>
Request Above/(Below) Recommendation	(\$5,864,062)	\$0	(\$2,798,316)	(\$3,065,746)	\$0	149.3

## (6) LOCAL DISTRICT COLLEGE GRANTS PURSUANT TO SECTION 23-71-301, C.R.S.

This division provides funding for grants to Aims Community College and Colorado Mountain College. These institutions also receive tax revenue from local taxing districts which provide the majority of their funding. The source of cash funds is limited gaming revenue distributed to higher education institutions with a 2-year mission. Pursuant to Section 23-18-304 (3), C.R.S., state support for these institutions increases or decreases at the same rate as the average change in funding for the state-operated governing boards that is included in the performance section of the higher education funding model outlined in Section 23-18-303.5; however, funding for the local district colleges may be adjusted to increase more or decrease less.

LOCAL DISTRICT COLLEGE GRANTS PURSUANT TO SECTION 23-71-301, C.R.S.				
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	FTE
<b>FY 2021-22 Appropriation</b>				
FY 2021-22 Appropriation	\$22,559,016	\$21,151,019	\$1,407,997	0.0
<b>TOTAL</b>	<b>\$22,559,016</b>	<b>\$21,151,019</b>	<b>\$1,407,997</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>				
FY 2021-22 Appropriation	\$22,559,016	\$21,151,019	\$1,407,997	0.0
R1 Increase operating support for public higher education institutions and financial aid	972,947	972,947	0	0.0
SI Higher education limited gaming adjustment	217,658	0	217,658	0.0
<b>TOTAL</b>	<b>\$23,749,621</b>	<b>\$22,123,966</b>	<b>\$1,625,655</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,190,605</b>	<b>\$972,947</b>	<b>\$217,658</b>	<b>0.0</b>
Percentage Change	5.3%	4.6%	15.5%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>				
Request Above/(Below) Recommendation	(\$217,658)	\$0	(\$217,658)	0.0

### DECISION ITEMS – LOCAL DISTRICT COLLEGE GRANTS

This section includes the following adjustments discussed in previous sections:

- R1 to increase funding for public institutions of higher education
- Adjustment to Amendment 50 Gaming Revenue to reflect actual FY 2020-21 amounts

No other adjustments are requested or recommended.

LINE ITEM DETAIL – LOCAL DISTRICT COLLEGE GRANTS

COLORADO MOUNTAIN COLLEGE

Colorado Mountain College serves the mountain communities in north-central Colorado, with 11 campus locations, including three residential campuses in Leadville, Glenwood Springs, and Steamboat Springs. The community college district was formed in 1967. In 2011, the General Assembly authorized it to begin offering selected baccalaureate degrees. In FY 2019-20, local tax district support and other miscellaneous sources of revenue provided 77.1 percent of the college’s education and general revenue, while state support provided 13.8 percent.

*STATUTORY AUTHORITY:* Sections 23-71-301 and 302 and 23-18-304 (3), C.R.S.

*REQUEST:* The Department requests \$10,724,182, including \$10,122,736 from the General Fund. The amount includes an increase of \$444,728 General Fund for Request R1.

*RECOMMENDATION:* The recommendation is shown in the table below.

LOCAL DISTRICT COLLEGE GRANTS PURSUANT TO SECTION 23-71-301, C.R.S., COLORADO MOUNTAIN COLLEGE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$10,279,454	\$9,668,008	\$611,446	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$10,279,454</b>	<b>\$9,668,008</b>	<b>\$611,446</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$10,279,454	\$9,668,008	\$611,446	\$0	\$0	0.0
R1 Increase operating support for public higher education institutions and financial aid	444,728	444,728	0	0	0	0.0
SI Higher education limited gaming adjustment	141,503	0	141,503	0	0	0.0
<b>TOTAL</b>	<b>\$10,865,685</b>	<b>\$10,112,736</b>	<b>\$752,949</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$586,231</b>	<b>\$444,728</b>	<b>\$141,503</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	5.7%	4.6%	23.1%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$10,724,182</b>	<b>\$10,112,736</b>	<b>\$611,446</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$141,503)	\$0	(\$141,503)	\$0	\$0	0.0

AIMS COMMUNITY COLLEGE

Aims community college serves the northern Front Range, with campuses in Greeley, Windsor, Fort Lupton, and Loveland. In FY 2019-20, local tax district support and other miscellaneous sources of revenue provided 65.8 percent of Aims' education and general revenue, while state support provided 13.8 percent.

*STATUTORY AUTHORITY:* Sections 23-71-301 and 302 and 23-18-304 (3), C.R.S.

*REQUEST:* The Department requests \$12,807,781, including \$12,011,230 General Fund. The request includes an increase of \$528,219 General Fund for Request R1.

*RECOMMENDATION:* The recommendation is shown in the table below.

LOCAL DISTRICT COLLEGE GRANTS PURSUANT TO SECTION 23-71-301, C.R.S., AIMS COMMUNITY COLLEGE						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$12,279,562	\$11,483,011	\$796,551	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$12,279,562</b>	<b>\$11,483,011</b>	<b>\$796,551</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$12,279,562	\$11,483,011	\$796,551	\$0	\$0	0.0
R1 Increase operating support for public higher education institutions and financial aid	528,219	528,219	0	0	0	0.0
SI Higher education limited gaming adjustment	76,155	0	76,155	0	0	0.0
<b>TOTAL</b>	<b>\$12,883,936</b>	<b>\$12,011,230</b>	<b>\$872,706</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$604,374</b>	<b>\$528,219</b>	<b>\$76,155</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	4.9%	4.6%	9.6%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$12,807,781</b>	<b>\$12,011,230</b>	<b>\$796,551</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$76,155)	\$0	(\$76,155)	\$0	\$0	0.0

**(7) DIVISION OF OCCUPATIONAL EDUCATION**

The Division is administratively located within the State Board for the Community Colleges and Occupational Education State System Community Colleges and has responsibility for approving programs and maintaining standards for public vocational programs (the Division of Private Occupational Schools in CCHE oversees proprietary schools). The Division also distributes state and federal funds for occupational education.

DIVISION OF OCCUPATIONAL EDUCATION					
	TOTAL FUNDS	GENERAL FUND	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 Appropriation</b>					
FY 2021-22 Appropriation	\$67,562,312	\$14,989,723	\$33,706,670	\$18,865,919	32.0
<b>TOTAL</b>	<b>\$67,562,312</b>	<b>\$14,989,723</b>	<b>\$33,706,670</b>	<b>\$18,865,919</b>	<b>32.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>					
FY 2021-22 Appropriation	\$67,562,312	\$14,989,723	\$33,706,670	\$18,865,919	32.0
R1 Increase operating support for public higher education institutions and financial aid	689,527	689,527	0	0	0.0
BA 1 Expansion of Area Technical College Programs and Services	1,700,000	1,700,000	0	0	0.0
<b>TOTAL</b>	<b>\$69,951,839</b>	<b>\$17,379,250</b>	<b>\$33,706,670</b>	<b>\$18,865,919</b>	<b>32.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$2,389,527</b>	<b>\$2,389,527</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	3.5%	15.9%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$69,951,839</b>	<b>\$17,379,250</b>	<b>\$33,706,670</b>	<b>\$18,865,919</b>	<b>32.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

**DECISION ITEMS – DIVISION OF OCCUPATIONAL EDUCATION**

This section includes the adjustments for R1, which provides funding increases for higher education institutions, as well as additional staff recommendations discussed at the beginning of the packet for funding for the institutions. Decisions about overall funding for the institutions affects support for the Area Technical Colleges, which receive appropriations in this section.

**→ BA1 EXPANSION OF AREA TECHNICAL COLLEGE PROGRAMS AND SERVICES**

*REQUEST:* The Department submitted a budget amendment for \$1,700,000 General Fund to enhance funding for area technical college (ATC) operations. The request is presented as for two years only (\$3.4 million total) and would be eliminated (annualize) in FY 2024-25. The three ATCs are Emily Griffith Technical College, Pickens Technical College, and the Technical College of the Rockies. These institutions received \$14,989,723 General Fund for operations in FY 2021-22. They will also receive a portion of \$10,000,000 in federal Coronavirus State Fiscal Recovery Funds appropriated for FY 2021-22 in H.B. 21-1264 that is to be used to expand equipment and capacity among career and technical education providers, including area technical colleges.

The request describes this item as on "step 2" of the evidence continuum, which staff understands to mean "theory-informed" as defined in S.B. 22-284 (Evidence-based Evaluations for Budget).

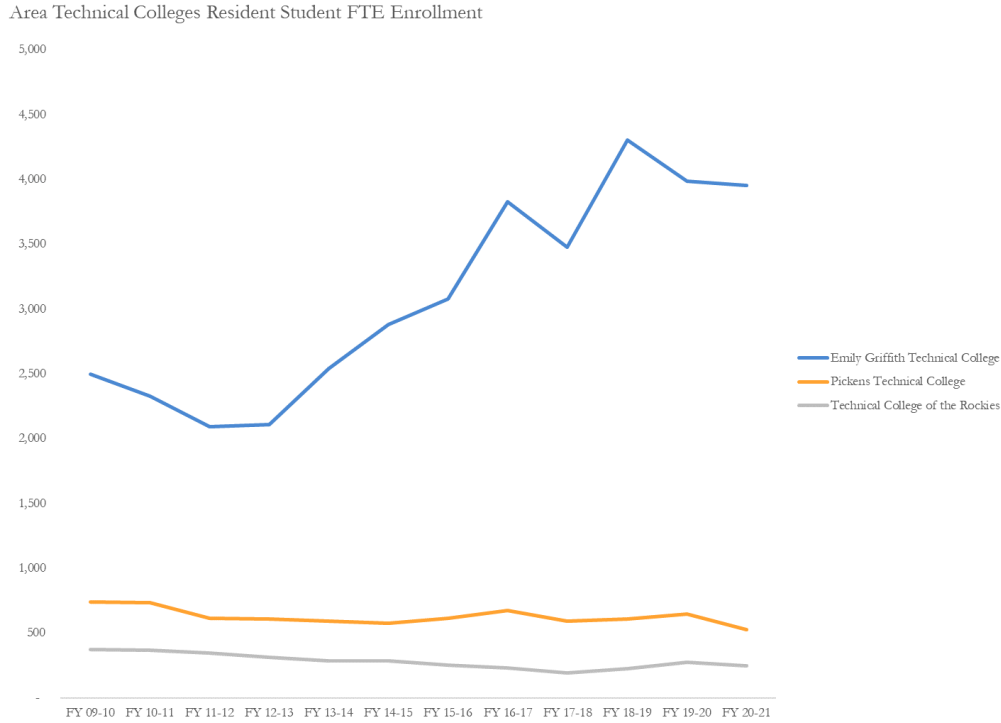
**RECOMMENDATION:** Staff recommends the request for an increase of \$1,700,000 General Fund for the Area Technical Colleges. Barring large unforeseen shifts in the state budget or in enrollment at these institutions, staff believes the General Assembly should treat this as ongoing funding, rather than assuming that the funding will annualize after two years. Furthermore, staff believes that, if the JBC wishes to distribute additional amounts for higher education institutions beyond the amounts in the Executive Request, it should consider adding funds for the Area Technical Colleges beyond the level requested or proportionate increases. As a result of growth at Emily Griffith, area technical college enrollment has grown much faster than at other institutions, including the community college system (where enrollment has been in decline for ten years). Because of this, the ATCs have a legitimate basis for claiming to be underfunded, even in comparison to other state institutions.

With respect to the evidence continuum, staff anticipates that funding this request will facilitate increased enrollment and benefits for students but does not believe that the impact of funding for the broad range of programs that are supported by this request can be effectively evaluated.

*ANALYSIS:*

*Background:* These institutions operate under the supervision of local school districts and provide vocational training to secondary students with funds from their local school districts, which may include Colorado Vocational Act dollars. The Division in consultation with the colleges, determines the distribution of General Fund among the colleges each year. While the entities operate under the authority of local school boards, they vary significantly with respect to the share of students they serve who are postsecondary versus secondary students, and typically do not receive support from their local districts for postsecondary student enrollment, except for students who are concurrently enrolled in high school and college.

The chart below shows, for the three institutions, the trends in their *postsecondary* enrollment. As shown, enrollment at Emily Griffith has increased dramatically over the last ten years, while enrollment at Pickens and the Technical College of Rockies has been generally flat or declining. In FY 2020-21, reflecting the impact of the pandemic, FTE enrollment at Emily Griffith fell just 0.8 percent, but FTE enrollment Pickens fell 18.6 percent and at the Technical College of the Rockies fell 10.5 percent.



*Comparison - Community College System and Area Technical Colleges:* The area technical colleges often compare their funding to the support provided for the State Community College System. While these entities are not the same, the Colorado Community College System, like the area technical colleges, is responsible for providing career and technical education programs such as training in auto repair and cosmetology. The Community College System also offers degree programs (generally associates of arts and sciences, as well as applied sciences), and the area technical colleges are more embedded in the K-12 education system. Nonetheless, there are many parallels, and many of the existing community colleges began as part of K-12 systems.

The area technical colleges correctly note that--at present--they receive significantly less per student FTE than their community college counterparts. This is largely the result of enrollment trends. The table below provides a picture of how state General Fund support, enrollment, and General Fund per student FTE have changed at the area technical colleges compared to the Colorado Community College System over the last ten years.

As shown:

- In FY 2012-13, as the economy began to rebound from the Great Recession, General Fund per student FTE at the area technical colleges and the Community College System were relatively close. For example, in FY 2013-14, the ATCs received \$2,366 per student FTE, while the Community College System received \$2,337.
- Through FY 2019-20, total funding for the Area Technical Colleges increased by more than funding for the Community College System (79.1% versus 61.8% increase, respectively), but enrollment increased sharply at the ATCs (61.8% increase), while enrollment gradually fell at the Community College System (15.4% decline). As a result of these two trends, by FY 2019-20,

funding per student FTE at the ATCs was \$2,836, while funding per student FTE at the Community College System was \$4,056.

- In the first year of the pandemic, enrollment at both the ATCs and the Community College System fell, but the decline was steeper at the Community College System, further exacerbating the trend.
- The Executive Request for FY 2022-23 proposes an increase in R1 for the Area Technical Colleges that aligns with the average for the state governing board (4.6 percent)<sup>23</sup> The Executive Request also proposes adding an additional \$1.7 million for the area technical colleges pursuant to BA1. However, **even with an additional \$1.7 million increase, it seems likely that per-student funding for the ATCs (estimated at \$3,678 per FTE) will remain well below the funding per student FTE Community College System (estimated at \$5,342 per FTE).**

Colorado's current funding structure for higher education is not closely tied to enrollment. Further, there is sufficient volatility in enrollment, particularly at the ATCs and Community College System, that precise alignment is not realistic. Nonetheless, **staff believe the gap has become excessive, that the \$1,700,000 increase requested should be approved, and that a higher figure could be considered.** For example, *if the General Assembly wished to bring funding for the ATCs to approximately the per student level provided for the Community College System in FY 2019-20, before pandemic-related enrollment declines (\$4,056 per student FTE), it should add an additional \$1,800,000 for a total increase of \$3,500,000.*

In addition, staff is not convinced that providing this additional support for two years only is reasonable. **Barring dramatic shifts in enrollment (or dramatic changes to the State budget), staff recommends the \$1.7 million be assumed to continue past FY 2022-23.**

COMPARISON OF FUNDING HISTORY AND ENROLLMENT - AREA TECHNICAL COLLEGES AND COMMUNITY COLLEGE SYSTEM						
	AREA TECHNICAL COLLEGES			COMMUNITY COLLEGE SYSTEM		
	GENERAL FUND APPROPRIATION	UNDERGRAD. RESIDENT STUDENT FTE	GENERAL FUND PER STUDENT FTE	GENERAL FUND APPROPRIATION <sup>1</sup>	UNDERGRAD. RESIDENT STUDENT FTE	GENERAL FUND PER STUDENT FTE
2012-13	\$7,765,822	3,031	\$2,562	\$117,720,293	55,475	\$2,122
2013-14	8,091,845	3,419	2,366	123,389,317	52,792	2,337
2014-15	8,983,694	3,736	2,405	137,465,925	50,001	2,749
2015-16	8,983,694	3,945	2,277	153,549,541	47,272	3,248
2016-17	8,983,694	4,735	1,897	153,330,147	46,856	3,272
2017-18	10,218,039	4,264	2,396	153,709,215	46,666	3,294
2018-19	12,311,435	5,132	2,399	172,072,047	46,278	3,718
2019-20	13,910,021	4,906	2,836	190,447,695	46,955	4,056
2020-21	5,842,209	4,725	1,236	82,214,681	43,083	1,908
2021-22 <sup>2</sup>	14,989,723	4,725	3,172	214,474,605	41,920	5,116
2022-23 Request <sup>2</sup>	17,379,250	4,725	<b>\$3,678</b>	223,710,940	41,878	<b>\$5,342</b>
% Change FY 13 to FY 20	79.1%	61.8%	10.7%	61.8%	(15.4%)	91.1%
% Change FY 20 to FY 23 with requests R1 and BA1	24.9%	(3.7%)	29.7%	17.5%	(10.8%)	31.7%

<sup>1</sup> Reflects fee-for-service contracts and student stipend payments.

<sup>23</sup> The proposal from the institutions likewise reflects an increase for the Area Technical Colleges that aligns with the requested funding for the state governing boards.



<sup>2</sup> No enrollment estimates are available for the Area Technical Colleges, so flat enrollment is reflected from FY 2020-21 to FY 2022-23. Estimates for the Community College System are based on the Legislative Council Staff Forecast.

*Why Additional Funding - Proposed Uses:*

- **The ATCs indicate the funds will be used for reducing waiting lists and expanding program offerings.** Pickens has a waiting list of 158, Emily Griffith has a waiting list of 297, and Technical College of the Rockies has a waiting list of 80. The demand for Emily Griffith programs has grown rapidly since 2012, but all of the technical colleges have waiting lists due to capital and operating limitations. Additional funding provided in H.B. 21-1264 (\$10.0 million in federal Coronavirus State Fiscal Recovery Funds for Career and Technical Education investments) will help address some of the front-end costs, but expanding capacity also requires ongoing investments in instructional staff. The request highlights Emily Griffith's need for a clinical coordinator to support students' clinical experiences in healthcare training programs and to increase staffing for the HVAC programs to provide more student supports, as well as adding instructional technicians. It highlights Technical College of the Rockies need to improve salaries to attract and retain staff with appropriate skills. Pickens Technical college also wishes to hire additional instructors/adjuncts for high demand programs such as Cybertech, Licensed Practical Nurse, and Medical Assistants so that these programs can stay remote/hybrid and teach short-term credential programs.
- During the budget hearing and in conversations with staff, the ATCs also indicate that they hope to use some of the funds to **eliminate student loans** by providing grant support to low-income students.

*ADDITIONAL STAFF OBSERVATIONS:* While the Department collects and reports on a wide array of data for most public institutions of higher education on its website, there is far less available about the Area Technical Colleges. Staff has attempted to validate some of the assertions in the request where feasible.

- **The area technical colleges note that they have the lowest tuition rates of any public institution.** They cite average out-of-pocket costs of \$1,500. They cite tuition rates ranging from \$96 per credit hour at the Technical College of the Rockies to an average of \$125 per credit hour at Emily Griffith, compared to \$153 at the Community College of Aurora and \$286 at Colorado Mesa University. Finding comparable information is challenging, since fees for specific technical programs differ at both the technical colleges and the community colleges. However, the Federal College Scorecard data confirms the area technical colleges' assertion that their costs are lower than other institutions, including community colleges.<sup>24</sup>
- The ATCs also report that they have the highest completion rates in the State, with completion rates well over 80%, which exceed even the completion rates at the Colorado School of Mines. The Federal College Scorecard data also confirms the area technical colleges' assertion that their completion and employment rates are at this level and higher than other institutions in the State; of course, **completing a 3 month certificate program in automotive technology is not really comparable to a baccalaureate in engineering. Nonetheless, the mission of the ATCs, and the measurement for success that is used by their accreditors, is successful placement in jobs. This is a strength.**

<sup>24</sup> <https://collegescorecard.ed.gov/>

- Finally, the ATCs note that they serve a disproportionately disadvantaged population, with 41 percent of those served falling into underserved populations. As reflected on the Department's performance dashboard, the ATC's clearly award a large share of their credentials to underrepresented groups.<sup>25</sup>

→ LINE ITEMS FOR COLORADO FIRST/EXISTING INDUSTRY JOB TRAINING AND DISTRIBUTION OF STATE ASSISTANCE FOR CAREER AND TECHNICAL EDUCATION PURSUANT TO SECTION 23-8-102, C.R.S.

The line item for Colorado First/Existing Industry Job Training is set in the Governor's Office, and the line item for Distribution of State Assistance for Career and Technical Education is set in the Department of Education. **Staff requests permission to set these line items consistent with decisions made during figure setting presentations for these two other departments.**

For FY 2022-23, the Committee's decision on March 1, 2021 during figure setting for the Governor's Office of Economic Development, was to authorize an appropriation of \$4,500,000 for the Colorado First/Existing Industry Job Training program. The Committee's decision on State Assistance for Career and Technical Education, representing the categorical program amount appropriated in the Department of Education that is transferred to this department, was **pending** when this packet was printed.

## LINE ITEM DETAIL – DIVISION OF OCCUPATIONAL EDUCATION

### (A) ADMINISTRATIVE COSTS

These FTE, located in the community college system, are responsible for approving occupational education programs and distributing funds to both higher education and K-12 entities. The source of reappropriated funds is indirect cost recoveries.

*STATUTORY AUTHORITY:* 23-8-101, C.R.S., et. seq.

*REQUEST:* The Department requests continuation of \$962,309 reappropriated funds and 9.0 FTE.

*RECOMMENDATION:* Staff recommends the request for \$962,309 reappropriated funds from indirect cost recoveries and 9.0 FTE.

### (B) DISTRIBUTION OF STATE ASSISTANCE FOR CAREER AND TECHNICAL EDUCATION PURSUANT TO SECTION 23-8-102, C.R.S.

The appropriation provides state support for secondary students enrolled in vocational programs in school districts across the state. These funds help the school districts offset, in part, the higher cost

<sup>25</sup> [https://masterplan.highered.colorado.gov/dashboard\\_detail/](https://masterplan.highered.colorado.gov/dashboard_detail/)

of vocational education. State statutes and regulations from the Division define the eligible costs for which K-12 schools may apply for reimbursement. The source of reappropriated funds is a transfer from the Department of Education. This is one of the categorical programs covered by Amendment 23.

*STATUTORY AUTHORITY:* Section 23-8-102, C.R.S.

*REQUEST:* The Department requests a continuation level of \$28,244,361 reappropriated funds.

*RECOMMENDATION:* The staff recommendation is **pending** Committee action in the Department of Education.

(C) AREA TECHNICAL COLLEGE SUPPORT

AREA TECHNICAL COLLEGE SUPPORT

This line provides state operating support for the three area technical colleges to provide post-secondary vocational training: Technical College of the Rockies, Emily Griffith Technical College, and Pickens Technical College. In addition to the General Fund shown in the Long Bill, the area technical colleges charge tuition and fees to students. These institutions operate within local school districts and provide vocational training to secondary students with funds from their local school districts, which may include Colorado Vocational Act dollars. The Division in consultation with the colleges determines the distribution of General Fund.

*STATUTORY AUTHORITY:* Sections 23-71-303 and Section 23-18-304 (2), C.R.S.

*REQUEST:* The Department requests an appropriation of \$17,379,250 General Fund for this line item, including an increase of \$689,527 General Fund for Request R1 and \$1,700,000 General Fund for Request BA1.

*RECOMMENDATION:* The staff recommendation is reflected in the table below and is discussed earlier in this packet.

DIVISION OF OCCUPATIONAL EDUCATION, AREA TECHNICAL COLLEGE SUPPORT, AREA TECHNICAL COLLEGE OPERATING SUPPORT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$14,989,723	\$14,989,723	\$0	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$14,989,723</b>	<b>\$14,989,723</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$14,989,723	\$14,989,723	\$0	\$0	\$0	0.0
BA 1 Expansion of Area Technical College Programs and Services	1,700,000	1,700,000	0	0	0	0.0
R1 Increase operating support for public higher education institutions and financial aid	689,527	689,527	0	0	0	0.0
<b>TOTAL</b>	<b>\$17,379,250</b>	<b>\$17,379,250</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>

DIVISION OF OCCUPATIONAL EDUCATION, AREA TECHNICAL COLLEGE SUPPORT, AREA TECHNICAL COLLEGE OPERATING SUPPORT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>INCREASE/(DECREASE)</b>	<b>\$2,389,527</b>	<b>\$2,389,527</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	15.9%	15.9%	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$17,379,250</b>	<b>\$17,379,250</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

**(D) SPONSORED PROGRAMS**

The programs in this section are federally funded occupational education programs.

**ADMINISTRATION**

These FTE review educational programs to ensure compliance with federal Perkins requirements and approve courses eligible for federal funds. They also provide training and technical assistance to educators and students.

*STATUTORY AUTHORITY:* Section 23-60-301, C.R.S.

*REQUEST:* The Department requests a continuation level of funding of \$2,709,888 federal funds and 23.0 FTE for this line item.

***RECOMMENDATION:* Staff recommends the Department's request for a continuation level of funding of \$2,709,888 federal funds and 23.0 FTE.**

**PROGRAMS**

These funds are federal "Carl Perkins" funds, and are distributed to Community Colleges, Local District Junior Colleges, Area Vocational Schools, and K-12 districts.

*STATUTORY AUTHORITY:* Section 23-60-301, C.R.S.

*REQUEST:* The Department requests a continuation level of funding of \$16,156,031 federal funds for this line item.

***RECOMMENDATION:* Staff recommends a continuation level of \$16,156,031 for this line item.** This line item is shown for informational purposes, so appropriations do not constrain spending. Recent actuals are close to this figure. This incorporates an adjustment based on increases in federal allocations in FY 2019-20.

**(E) COLORADO FIRST CUSTOMIZED JOB TRAINING**

This line item is for General Fund dollars transferred from the Governor's Office for community colleges to provide training to employees of new companies or expanding firms.

*STATUTORY AUTHORITY:* SECTION 23-60-306, C.R.S.

*REQUEST:* The Department requests a continuation amount of \$4,500,000 reappropriated funds for this line item.

*RECOMMENDATION:* **Staff recommends continuation of \$4,500,000 reappropriated funds, based on Committee action during figure setting for the Governor's Office of Economic Development on March 1, 2022.** The amount in the Department of Higher Education is transferred from the appropriation to the Governor's Office.

**(8) AURARIA HIGHER EDUCATION CENTER**

The Auraria Higher Education Center (AHEC) collects funds from the institutions with programs on the Auraria campus for operation and maintenance of the campus. Much of the expenses are for fixed costs related to maintaining the buildings and coordinating activities of the co-tenants. The source of reappropriated funds is payments by the three institutions that share the AHEC campus: University of Colorado at Denver, Metropolitan State University of Denver, and the Community College of Denver. Institutions' base payments for support of AHEC are appropriated; however, individual institutions may contract with AHEC for specific additional services, and related AHEC expenditures do not require additional appropriation.

AURARIA HIGHER EDUCATION CENTER					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
<b>FY 2021-22 Appropriation</b>					
FY 2021-22 Appropriation	\$24,039,958	\$0	\$0	\$24,039,958	200.4
Long Bill supplemental	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$24,039,958</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,039,958</b>	<b>200.4</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>					
FY 2021-22 Appropriation	\$24,039,958	\$0	\$0	\$24,039,958	200.4
T2 Auraria Higher Education Center	100,000	0	0	100,000	0.0
SI Higher education institution employees	0	0	0	0	11.0
<b>TOTAL</b>	<b>\$24,139,958</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,139,958</b>	<b>211.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100,000</b>	<b>11.0</b>
Percentage Change	0.4%	0.0%	0.0%	0.4%	5.5%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$24,139,958</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,139,958</b>	<b>200.4</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	(11.0)

**DECISION ITEMS – AURARIA HIGHER EDUCATION CENTER****→ MEMBER-INITIATED AURARIA HIGHER EDUCATION CENTER ADJUSTMENT**

*AURARIA HIGHER EDUCATION CENTER REQUEST:* On February 9, 2021 the Auraria Higher Education Center (AHEC) sent a letter to JBC Staff following up on previous communication with JBC Staff and the Committee regarding AHEC revenue shortfalls in FY 2021-22. **AHEC is now seeking \$6.1 million in state support for FY 2021-22 to address revenue shortfalls, having secured a commitment of \$2.0 million in additional assistance from institutions on the AHEC campus.** The fund source for money from the State has not been specified, although staff believes state support could come from the state General Fund or federal Coronavirus State Fiscal Recovery Funds. AHEC first approached the JBC via a January 14, 2021 letter. AHEC then provided additional information via staff on January 18, 2022 (presented in a January 21, 2021 staff supplemental budget presentation to the JBC) requesting \$8.1 from the State. The latest request further adjusts this amount.

AHEC did not engage with the Department of Higher Education or OSPB before submitting the request to the JBC in January, although they subsequently had conversations. **OSPB's position on the request is unclear to staff.**

*STAFF RECOMMENDATION:* In the Staff presentation on January 21, 2021, staff told the Committee staff did not believe this item was ripe for JBC action at that time.

- AHEC has added information since that time, and staff has collected information from other sources. Based on this, staff believes there should be sufficient information for the Committee to make a decision.
- Because this item has come through a member, rather than through the regular Executive Branch process, staff is providing the Committee with information on AHEC priorities (which items are most important to AHEC), recommendations related to legal and process issues, and observations on which uses of funds appear most appropriate to staff.
- Staff anticipates that the Committee will set aside funds for this one-time purpose to the extent the Committee believes it has such one-time funds available.

**The staff recommendation from a *procedural* perspective would be to provide support for AHEC's parking bond payment for FY 2021-22 (up to a total of \$6,100,000) using money in the Revenue Loss Restoration Cash Fund that originates as federal Coronavirus State Fiscal Recovery Fund.** Staff anticipates that any money provided for bond payments will free up revenue to support other AHEC operating needs.

**Staff believes that addressing some or all of AHEC's requested infrastructure and maintenance needs--\$4.75 million total and AHEC's highest priority--is more consistent with historic legislative action to support AHEC and less likely to create a "cliff effect" related to ongoing revenue streams.**

**The analysis is based on assumption that the institutions on the AHEC campus will be covering additional costs of at least \$2,000,000 related to Regional Transportation District (RTD) charges that are not being covered by student payments.**

*ANALYSIS:*

*2021 Session JBC Action:* During the 2021 legislative session, AHEC approached the JBC to highlight its financial challenges. While the institutions operating on the AHEC campus (Metropolitan State University of Denver, the University of Colorado at Denver, and the Community College of Denver) had each received federal Higher Education Emergency Relief (HEERF) funding to help address COVID-related revenue shortfalls, AHEC was not eligible for such support. At the same time, it had been dramatically affected by moves to on-line instruction and reduced parking and other revenue. Similar revenue impacts were being experienced on other higher education campuses, but these other campuses had access to backfill from federal funds which were not available to AHEC due to AHEC's unique structure. In response, **the JBC sponsored S.B. 21-109 (Bond Payments for Auraria Higher Education Center), which enabled bond payments for AHEC to be covered by sources other than revenue from auxiliary enterprises and provided an appropriation of \$5,500,000, including \$2,750,000 from the General Fund and \$2,750,000 from cash funds from the institutions on the AHEC campus for payments for bond and COP payments and for reserves required to meet bond coverage ratios.** The bill specified the amount each entity on the campus would contribute.

*Current Request and Prioritization:* In a letter to the JBC dated January 14, 2022, AHEC noted that it continues to see far fewer students on campus than in the past: about 60-65 percent of the usual 20,000 between 10:00 am and 2:00 pm. AHEC auxiliary revenues have partially rebounded from \$20.1 million in FY 2020-21 to an estimated \$30.4 million for FY 2021-22, but this is still \$12.9 million short of pre-pandemic revenue of \$41.7 million.

On January 18, in response to staff questions, AHEC indicated that it was seeking \$8.1 million to address its FY 2021-22 revenue shortfalls. AHEC indicated that the additional funding would address the following needs. AHEC has since provided additional detail, which is incorporated below.

SUMMARY OF AHEC JANUARY 18, 2022 REQUEST		
ITEM	AMOUNT REQUESTED (MILLIONS)	ADDITIONAL INFORMATION
Annual Infrastructure and Maintenance Needs [Priority 1]	\$4.75	Address deferred maintenance including parking lot maintenance (\$1.75M), Tivoli Student Union accumulated maintenance (\$2.0M), Tivoli Student Union Wireless Upgrades
Campus Staffing [Priority 2]	1.35	Campus safety and peace officer positions; facilities maintenance positions; early learning center staff to open 4 additional classrooms; increase student wages to City of Denver minimum; training and equipment for safety and peace officers.
Operations/RTD pass subsidy [ <i>now Priority 3/excluded because expected to be covered by higher education institutions on the campus</i> ]	2.0	AHEC contracts with RTD to provide low-cost bus passes for students through College Pass program at a fixed cost of \$5.6 M. This year, an estimated 7,000 students will opt into the program, paying \$140 per semester and providing approximately \$2.0 M in revenue. AHEC thus faces a remaining liability of \$3.7 million and seeks assistance for \$2.0 million of this, which must be paid by the end of FY 2022-23.
<b>TOTAL</b>	<b>\$8.1</b>	

Since approaching the JBC in January, **AHEC reported in a letter dated February 9, 2021 that it has secured commitments of \$2,000,000 from the institutions on the AHEC campus to help address these items. This funding is particularly being provided to address the RTD pass issue**, given the importance to the institutions of providing student access to the campus. Thus, staff has focused on the **other two items** of this request in providing the additional detail below. The following information is excerpted directly from AHEC's February 9 letter.

*"Annual Infrastructure and Maintenance -~~\$4.75M~~* – Given revenue declines (including Parking and Auxiliary revenue losses), we have not been able to invest in annual maintenance over the past two years. The annual infrastructure and maintenance needs highlighted in section I of Exhibit A are not part of our controlled maintenance and/or capital construction renewal projects, and as such have not been eligible for state maintenance funding. Given the accumulated annual maintenance needs for the campus, the associated safety concerns we have, and the availability of contractors, we would immediately invest in the following areas:

1. Parking lot accumulated ongoing maintenance (\$1.75M), which includes repaving and restriping the lots (17), LED lighting upgrades, technology upgrades with our pay stations, power washing and deep cleaning the garages (3) and general parking lot and bollard repairs



2. Tivoli Student Union accumulated ongoing annual maintenance (\$2M), which includes key infrastructure upgrades including chiller repairs, replacing water mains, fixing the courtyard underlayment and associated drains and fixing/replacing boilers and pumps

3. Tivoli Student Union Wireless Upgrades (\$1M) – We need to upgrade our end-of-life wireless access points from 1 GB to 10 GB. This will allow us to provide for 100% wireless coverage in the Student Union, thus increasing access for students and staff/faculty. In addition, this will help address impacts on the current public safety access for ACPD.

*Partner response:* Our partner institutions support the request for additional funding for the critical maintenance needs as outlined. The Tivoli Student Union is the heart of the campus. The building is programmed with an emphasis on student services, career placement, transfer services, mental health services, Phoenix Center (provides free and confidential resources and assistance to survivors of interpersonal violence), services to students experiencing homeless, Co-Responder Program, counseling services. Additionally, the Tivoli Student Union houses conference and meeting spaces for students, faculty, and staff, Student Advisory Committee to the Auraria Board, Tri-Institutional student government offices, study lounges and spaces, as well as the Tivoli Station (campus bookstore), food services, event services, ID station and RTD transit pass distribution, and an substation for the Auraria Campus Police Department. In many cases, our student populations are working parents, including single parents, with upwards of 70% Pell eligibility. As mentioned above, the Tivoli provides comprehensive human services that are a vital component to student success."

II. "*Campus Staffing \$1.35M* – Our focus would start with funding currently unfunded positions, with a prioritization for those that provide critical safety and support to the campus. The specific roles that we would immediately target would include:

1. Campus-wide safety and peace officer positions, including emergency management and continuity of operations staff
2. Facilities positions that provide critical upkeep and continuity of services to our campus
3. Early Learning Center Staffing, including teachers and teacher aides.
  - a. Teachers and Teaching aides to expand capacity and allow us to open four (4) additional classrooms, which would provide 40-48 spots for additional children.
4. Address wage disparity by increasing student wages up to the City of Denver minimum wage of \$15.87
5. Invest in training and equipment for safety and peace officers.

*Partner response:* Our partner institutions support the request for additional staffing needs. They understand we are looking to reinvest in several positions as the campus continues to come back from the pandemic. They understand our need to increase AHEC's capacity to be operational, and to and allow us to execute on critical safety and operational areas that have a positive impact on the staff, students, and faculties' experience on campus."

In response to staff questions, AHEC provided the following *prioritization for its request*.

1 **Parking Lot Maintenance** - \$1.75M

Re-restriping the lots, re-paving and performing asphalt repair are the highest priority, as many of our lots have deep erosion and faintly visible lines. The repaving and restriping specifically will cost \$1.35M

2 **Tivoli Maintenance - \$2M**

Performing the required chiller upgrades, water main fixes, electrical service and Tivoli courtyard drains and underlayment. The Tivoli courtyard project for \$0.5M+ is the highest priority among this list of projects

3 **Technology Upgrades - \$1M**

Critical upgrades to our wireless infrastructure are important to allow for 100% wireless coverage in the Tivoli

4 **Campus Staffing - \$1.35M**

Staffing our Safety/Peace officer and Early Learning Center (ELC) staff remains the highest priority within this grouping. This will allow us to jump start the staffing needs and compensate at the City of Denver minimum wages while our operations came back from the pandemic. Specifically, with ELC, we are confident, as shown in the excel file, that COVID related space caps will be lifted during FY23, allowing us to serve an additional 8-10 student per class (with minimal to no instructional cost increases), allowing sufficient revenue to cover all ELC related costs.

5 **RTD - \$2M (with the likelihood it could be as high as \$3.2M)**

Although still a high priority and a known liability, given partner institutions willingness to contribute/cover \$2M of this, we have placed this last on the list.

AHEC also provided additional detail on its revenue and expenses for the last three actual years, estimated FY 2021-22, and projected FY 2022-23. More detail is attached. The table below summarizes the change from FY 2018-19 to FY 2021-22.

AURARIA HIGHER EDUCATION CENTER REVENUE				
	2018-19	2021-22	Change	
General Fund	\$28,954,933	\$28,498,081	(\$456,852)	(1.6%)
Student Revenue Bond	21,692,445	10,754,323	(10,938,122)	(50.4%)
Parking Enterprise	12,357,198	8,370,000	(3,987,198)	(32.3%)
General Auxiliary	6,587,097	5,199,430	(1,387,667)	(21.1%)
<b>Total</b>	<b>\$69,591,673</b>	<b>\$52,821,834</b>	<b>(\$16,769,839)</b>	<b>(24.1%)</b>
Exclude Bookstore from Student Revenue Bonds (now outsourced)	(8,560,506)			
<b>Total</b>	<b>\$61,031,167</b>	<b>\$52,821,834</b>	<b>(\$8,209,333)</b>	<b>(13.5%)</b>

As shown, **AHEC reflects a total revenue and expense reduction of 13.5 percent, excluding bookstore revenue and expenses which are now outsourced.** AHEC's general fund revenue (revenue from constituent institutions to cover operating costs) is projected to be down just 1.6 percent from FY 2018-19, as a result of additional support from the institutions. However, auxiliary revenues have declined more sharply. This revenue comprised 58 percent of AHEC's 2018-19 revenue and now comprises about 46 percent of revenue. Some of the decline reflects a decision to outsource Tivoli bookstore operations to Barnes and Noble. However, even excluding this component, auxiliary and student bond payment revenue is down \$7.8 million (24.2 percent) from FY

2018-19. AHEC's budget reflects reductions in total expenditures that align with these reductions in revenues.

*Legal Considerations:*

- The JBC should consider the precedent that may be established by providing an appropriation for AHEC operations. **Current law is extremely limited and does not expressly allow or disallow state operating support for AHEC.** The General Assembly has not previously contributed directly to AHEC operations, though it has made capital construction appropriations. **While the General Assembly may ultimately decide that supporting AHEC operations directly is in the State's interest, providing an operating appropriation now, other than for an auxiliary bond payment, is a significant step that will *de facto* establish a precedent as to whether operating support may be provided under current law or not.**
- While the legal picture is not perfectly clear on whether the General Assembly may or may not provide General Fund operating appropriations, **the Office of Legislative Legal Services' advice is that operating appropriations for activities other than those for which there is precedent or specific legal authority should be provided as part of legislation that authorizes this.**
- Given this, staff believes **the preferred options from a legal perspective are as follows (in the order of preference staff would recommend):**
  - 1 Without changing law or practice, **provide funding for AHEC bonds** in FY 2021-22 through the operating budget, recognizing that this will allow AHEC to redirect available revenue to other needs.
  - 2 Without changing law, **refer the portion of the AHEC request that is for funding for infrastructure and maintenance support back to the Capital Development Committee.** This process is also outside of the CDC's typical procedures (see below), but such a referral from the JBC is clearly allowed and would ensure that other legislators who are particularly concerned about capital items reviews the issue.
  - 3 **Sponsor legislation that would allow the General Assembly to appropriate funds for AHEC operations for FY 2021-22 (and perhaps FY 2022-23)** to address pandemic-related funding problems. Staff recommends a time limit, since questions related to ongoing direct state operating support for AHEC deserve a more robust discussion within the General Assembly.
- Based on the action taken last year to provide \$2,750,000 from the General Fund for AHEC parking enterprise bond payments in FY 2020-21, AHEC's Parking Enterprise has already lost its status as a TABOR enterprise. AHEC is comprised of two different legal enterprises under statute, and the one that received the FY 2020-21 appropriation, the Parking Enterprise, had total revenues of \$7,703,958 in FY 2020-21. As a result, the State contribution significantly exceeded the 10 percent threshold for this small TABOR enterprise. Given this, **staff recommends that any support provided to AHEC for FY 2021-22 be made using appropriations using federal ARPA funds from the Revenue Loss Restoration Cash Fund,** as such funding would not count as a state grant under TABOR enterprise provisions, and AHEC's parking auxiliary would again count as a TABOR enterprise for FY 2021-22.

- CDC Procedural Issues: **This request falls into a grey area with respect to the CDC's role, since it is a supplemental request including capital-like components that was not referred by OSPB.**
  - The definitions for capital construction and controlled maintenance include, for capital construction, "construction, demolition, remodeling or renovation of real property..." and for controlled maintenance "corrective repairs or replacement..." These appear to encompass many of the capital improvements described in the AHEC request. This section also explicitly identifies the Auraria Higher Education Center as a state institution of higher education for purposes of capital construction definitions (Section 24-30-1301, C.R.S.). However, AHEC's auxiliary facilities do not qualify for state controlled maintenance funding through the Office of the State Architect because these are not considered state-funded facilities.
  - Under the Joint Rule 45 of the House and Senate, the JBC is responsible for operating budget requests and this "includes building and equipment repair and renovation associated with routine maintenance of existing assets and for construction projects of limited scope, if such repair, renovation, or construction falls within the definition of capital outlay..." The CDC is responsible for review and prioritization of "a state-funded...capital construction project, when a capital construction project, including the cost of initial design, has a total cost of more than \$500,000." The rule specifies that "Notwithstanding this Joint Rule, if the Capital Development Committee, the Joint Technology Committee, or the Joint Budget Committee determines that a particular request would be more appropriately reviewed by another committee, it may refer the request to the other committee at its discretion."
  - Section 23-37-304 outlines OSPB's responsibility for submitting supplemental budget requests or capital items to the CDC by December 10 of each year or after this "in the event of an emergency". Section 24-75-111 requires CDC approval for supplemental overexpenditures when the General Assembly is not meeting in regular or special session. The CDC's role with respect to a supplemental request that has not been referred to it by OSPB is not specified, but the JBC can clearly refer a supplemental item to the CDC for its consideration. Supplemental requests are considered outside of the prioritized list the CDC submits to the JBC for the upcoming budget year.

*AHEC Bond Payments Due:*

In response to staff questions, AHEC provided a schedule of its bond payments. As shown below, **staff believes that the General Assembly could make a one-time contribution to these payments for FY 2020-21, under current law up to the balance** (which is currently \$8.1 million). ***This would enable AHEC to redirect other revenue to the needs outlined in the request it has submitted. Procedurally, this would be the staff recommendation.*** Note that these represent all of AHEC bond payments due for the year. This includes payments for parking facility bonds but also various other bonds issued for infrastructure investments.

AHEC FY 2021-22 BOND OBLIGATIONS	
Annual bond obligations	\$10,472,974
Paid October-November 2021	<u>2,376,705</u>

## AHEC FY 2021-22 BOND OBLIGATIONS

Balance due April-May 2022	<b>\$8,096,269</b>
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*Other Considerations:*

- **AHEC Needs and Population Served:** AHEC correctly notes: (1) the students it serves are disproportionately from disadvantaged backgrounds; (2) its finances have been severely affected by pandemic--far more than higher education institutions that draw on a more diverse array of revenue sources; (3) unlike other higher education entities, it did not receive any federal HEERF funds. These funds have been critical to propping up other institutions, including the institutions on the AHEC campus which received all the benefits of federal support based on their enrollment but did not need to manage all costs, since some of these were borne by AHEC.
- **Temporary and Ongoing Funding Needs/Available Revenue:** AHEC's funding needs are pandemic-driven. The State has considerable one-time funds available from both state and federal sources. Both state and federal leaders have indicated an expectation that one-time funds should be used, at least in part, to address the immediate economic impacts of the pandemic. The current challenges faced by AHEC seem to fit that description. However, *staff also notes that AHEC's projections for FY 2022-23 reflect long-term revenue that is well below the pre-pandemic level. It appears to staff that AHEC may need to adjust to a new normal involving revenue well below FY 2018-19.* **Staff recommends that the Committee convey to AHEC that any steps to address ongoing shortfalls should be addressed either through a carefully-developed plan for new legislation that addresses the long term funding structure for AHEC or, at a minimum, through the regular capital construction budget process in which AHEC has historically participated.**
- **Appropriate Uses of State Funds:** While staff recommends funding AHEC bond payments from a procedural perspective, **funding authorized for this will ultimately support some of the other activities outlined by AHEC.**
  - From staff's perspective, the **requested investments in maintenance and improvements for AHEC's physical plant are in some ways analogous to items that the Committee will consider related to the capital construction request.** To the extent that the State has one-time funds available, investing in maintenance and activities such internet access in the Tivoli Center will reduce AHEC's costs over the longer term and may improve AHEC's ability to be self-sustaining in future years. These expenses also look more like the type of support the State has provided AHEC in the past through the capital construction and controlled maintenance budgets.
  - **Staff has greater concerns about the requested investments in staff, salaries, and the AHEC early learning center.** Although AHEC expresses confidence that these additional investments will be self-sustaining over the longer term, staff is less confident about this and would prefer to see such investments supported by the institutions on the campus, if they value these items, or from auxiliary revenue. Staff recognizes that the early learning center represents a valuable **community** service, but *it nonetheless seems an unusual use of state resources to help subsidize expansion of a particular child care center in a particular state facility.*

- **Budget Situation for Constituent Institutions:** The constituent institutions on the AHEC campus are also likely to have one-time funds available in FY 2021-22. Data collected from the institutions in fall 2021 indicated that almost all the public higher education institutions are in a strong near-term financial position due to federal support or (in the case of CU) investment performance. This is true despite declining enrollment that may threaten institutional health over the longer-term. For example, MSU Denver reported estimated total revenue of \$331.2 million in FY 2021-22, representing an increase of \$48.9 million (17.3 percent) over total FY 2020-21 revenue. This was largely due to federal and state support, as enrollment has declined and total tuition revenue is projected to be relatively flat despite rate increases. As also discussed during the budget briefing, the University of Colorado System saw a \$1.5 billion improvement in its financial position at the end of FY 2020-21. CU has indicated that this primarily reflects one-time investment earnings. Staff does not have institution-level data on Community College of Denver finances but notes that HEERF institutional support for community colleges represented about 20 percent of the annual total funds revenue for community colleges--proportionately far more than was received by institutions serving more advantaged students.

*Attachment - AHEC Budget History and Projection*

AURARIA HIGHER EDUCATION CENTER BUDGET ACTUALS AND PROJECTIONS						
	SUMMARY OF FUNDS					
	2018-19	2019-20	2020-21	2021-22	2022-23	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET*	
<b>REVENUES</b>						
<b>GENERAL FUND</b>						
Institutional Operating Support	\$20,901,970	\$21,514,461	\$21,514,461	\$22,493,228	\$23,168,025	
Institutional Support-Deferred Maintenance	1,580,655	2,554,186	1,921,231	2,000,000	2,060,000	
Other Income	922,807	813,752	639,674	618,700	759,278	
Auxiliary Support	<u>5,549,501</u>	<u>3,699,668</u>	<u>2,672,849</u>	<u>3,386,153</u>	<u>3,487,738</u>	
Total General Fund	\$28,954,933	\$28,582,067	\$26,748,214	\$28,498,081	\$29,475,040	
<b>STUDENT REVENUE BOND FUND</b>						
Student Bond Fees	\$5,386,516	\$5,338,423	\$5,319,493	\$4,908,861	\$5,056,127	
Tivoli Student Union Operations	3,888,223	3,355,114	2,164,017	3,537,571	3,329,028	
Tivoli Station (Bookstore)	8,560,506	6,986,931	3,283,065	0	0	
Starbucks	1,322,862	1,066,535	218,180	936,100	1,172,190	
Early Learning Center	<u>2,534,339</u>	<u>2,078,226</u>	<u>1,310,643</u>	<u>1,371,791</u>	<u>2,376,454</u>	
Total Revenue Bond Fund	\$21,692,445	\$18,825,228	\$12,295,398	\$10,754,323	\$11,933,800	
<b>PARKING ENTERPRISE FUND</b>						
	\$12,357,198	\$9,130,177	\$7,303,958	\$8,370,000	\$9,996,547	
<b>GENERAL AUXILIARY</b>						
Facilities Auxiliaries	\$5,570,092	\$11,854,954	\$2,008,596	\$4,139,870	\$2,381,733	
Other General Auxiliaries	<u>1,016,975</u>	<u>888,384</u>	<u>548,769</u>	<u>1,059,560</u>	<u>1,194,364</u>	
Total General Auxiliary	\$6,587,067	\$12,743,339	\$2,557,365	\$5,199,430	\$3,576,097	
<b>TOTAL REVENUES</b>	<b>\$69,591,643</b>	<b>\$69,280,811</b>	<b>\$48,904,935</b>	<b>\$52,821,834</b>	<b>\$54,981,484</b>	
<b>EXPENDITURES</b>						
<b>GENERAL FUND</b>						
Total General Fund	\$28,172,254	\$27,904,016	\$26,157,493	\$28,498,081	\$29,254,909	
<b>STUDENT REVENUE BOND FUND</b>						
Tivoli Student Union Operations	\$8,201,689	\$7,590,993	\$7,263,477	\$8,463,354	\$8,935,259	
Tivoli Station (Bookstore)	8,601,953	7,646,781	3,910,242	0	0	
Starbucks	1,233,528	1,064,541	403,922	933,660	1,140,103	
Early Learning Center	2,571,647	2,390,782	1,583,992	1,530,391	2,269,593	
Deferred Maintenance	<u>535,555</u>	<u>542,676</u>	<u>118,148</u>	<u>0</u>	<u>0</u>	
Total Student Revenue Bond Fund	\$21,144,372	\$19,235,774	\$13,279,780	\$10,927,405	\$12,344,955	

AURARIA HIGHER EDUCATION CENTER BUDGET ACTUALS AND PROJECTIONS					
	SUMMARY OF FUNDS				
	2018-19	2019-20	2020-21	2021-22	2022-23
	ACTUAL	ACTUAL	ACTUAL	BUDGET	BUDGET*
<b><u>PARKING ENTERPRISE FUND</u></b>					
Total Parking Enterprise Fund	\$11,170,259	\$9,740,212	\$5,786,041	\$8,370,000	\$9,249,751
<b><u>GENERAL AUXILIARY</u></b>					
Facilities Auxiliaries	\$5,599,312	\$11,931,016	\$2,058,801	\$4,139,870	\$2,575,380
Other General Auxiliaries	894,228	723,322	415,636	1,059,422	1,043,622
Total General Auxiliaries	\$6,493,540	\$12,654,338	\$2,474,436	\$5,199,292	\$3,619,002
<b>TOTAL EXPENDITURES</b>	<b>\$66,980,425</b>	<b>\$69,534,340</b>	<b>\$47,697,751</b>	<b>\$52,994,778</b>	<b>\$54,468,617</b>
<i>*FY23 Budget is preliminary</i>					
<i>*FY22 adjusted for ELC staffing increases (Mar-Jun)</i>					

FY23 Uncertainties/Challenges

- Onsite enrollment to drive Student Fee and Parking Revenue (Auxiliary)
- Containing cost increases for State mandated increases - Salary, State Risk, Health Benefits. Indirect Cost Recovery
- Increased appropriation from the partners to cover state mandated cost increases and critical investments
- Enrollment to support our Tivoli Student Union Operations (including vendors, campus ID, bookstore and Starbucks)
- COVID space restrictions lifted in Early Learning Center (allowing us to increase class sizes from 8-10 to 16-18)
- Meeting the market rate salary levels to attract and retain top talent
- As shown in the projected budget numbers, we are not expecting a return to pre-pandemic levels in FY23. We are also working with each institution to get detailed forecasts for FY22/23 that breakout for actual onsite enrollment (vs hybrid/online). This will allow for much better accuracy as we forecast/project going forward.

→ STAFF AND FACULTY FTE ADJUSTMENT

As previously discussed for the governing boards, **the staff recommendation on employee FTE to be reflected in the Long Bill is based on FY 2020-21 actual FTE in the budget data books submitted by the Department.** For AHEC, the recommended adjustment is 11.0 FTE.

→ T2 INCREASE AHEC SPENDING AUTHORITY

**REQUEST:** The Department requests an inflationary increase of \$100,000 in reappropriated funds for inflationary adjustments, bringing the Auraria Higher Education Center line item to \$24,139,958 reappropriated funds.

**RECOMMENDATION:** Staff recommends the request for an increase of \$100,000 reappropriated funds spending authority.

**ANALYSIS:**

**Background:** The three institutions that share the Auraria campus work with AHEC to determine fair rates and the allocation of costs among the institutions. These costs typically increase due to inflationary adjustments for salary and benefits, changes to the student population on the AHEC



campus, and may be adjusted based on other agreements among the institutions to support AHEC operations.

The amount in the Long Bill does not incorporate all revenue and expenditures for AHEC. The Long Bill figure reflects solely the general support provided by the institutions to AHEC (typically on a student per-capita basis). In addition, AHEC has arrangements with individual institutions on the campus to accomplish particular tasks, and these amounts have been treated as "off budget". It receives revenue from its various auxiliary operations, including parking lots, which are also off budget, as they are for all of the state higher education governing boards. Finally, in recent years AHEC has received \$2.0 million in deferred maintenance contributions from the institutions on the campus, which have also been treated as off budget.

For FY 2014-15, staff recommended an increase to the AHEC reappropriated funding in the Long Bill (not included in the executive request), to address the impact of inflationary cost increases on the AHEC budget, as AHEC had capped out its spending authority. Since that time, the Department has requested a technical adjustment for inflation of \$100,000 per year, which has been approved each year.

*FY 2021-22 and FY 2022-23 Spending Estimates:* The table below summarizes FY 2021-22 and FY 2022-23 AHEC estimated revenue for the core operating contributions from the institutions compared to current and requested appropriations. As shown below, the appropriation/request figures exceed estimated spending. Staff believes there is currently sufficient "space" to allow adjustments for actual payments negotiated between AHEC and the institutions on its campus. Staff notes that these figures exclude payments for deferred maintenance of \$2.0 million per year that the institutions have been making for multiple years.

FY 2021-22 AND FY 2022-23 INSTITUTIONAL OPERATING SUPPORT FOR AURARIA HIGHER EDUCATION CENTER	
TYPE	REAPPROPRIATED FUNDS
<b><u>Estimated FY 2021-22 Revenue</u></b>	
Metro State U. Denver	\$11,186,830
CU Denver	8,164,549
Community College of Denver	3,141,849
<b>Total FY 2021-22 Estimated Operating<sup>1</sup></b>	<b>\$22,493,228</b>
<b><u>Comparison to Current Appropriations</u></b>	
Current FY 2021-22 appropriation	<b>\$24,039,958</b>
Appropriation above/(below) FY 22 estimate	\$1,546,730
AHEC FY 2022-23 Estimated Operating Expenses	<b>\$23,168,025</b>
<b>FY 2022-23 Requested Appropriation</b>	<b>\$24,139,958</b>
Request above/(below) FY 23 Estimate	\$971,933

<sup>1</sup>Excludes deferred maintenance contributions of \$2.0 million, additional services purchased by particular institutions, and recent commitments of \$2.0 million toward RTD pass costs.

## LINE ITEM DETAIL – AURARIA HIGHER EDUCATION CENTER

## ADMINISTRATION

*STATUTORY AUTHORITY:* ARTICLE 70 OF TITLE 23, C.R.S.

*REQUEST:* The Department requests \$24,139,958 reappropriated funds and a continuation level of 200.4 FTE for this line item.

*RECOMMENDATION:* The staff recommendation is reflected in the table below.

AURARIA HIGHER EDUCATION CENTER					
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FTE
<b>FY 2021-22 Appropriation</b>					
FY 2021-22 Appropriation	\$24,039,958	\$0	\$0	\$24,039,958	200.4
Long Bill supplemental	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$24,039,958</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,039,958</b>	<b>200.4</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>					
FY 2021-22 Appropriation	\$24,039,958	\$0	\$0	\$24,039,958	200.4
T2 Auraria Higher Education Center	100,000	0	0	100,000	0.0
SI Higher education institution employees	0	0	0	0	11.0
<b>TOTAL</b>	<b>\$24,139,958</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,139,958</b>	<b>211.4</b>
<b>INCREASE/(DECREASE)</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$100,000</b>	<b>11.0</b>
Percentage Change	0.4%	0.0%	0.0%	0.4%	5.5%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$24,139,958</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,139,958</b>	<b>200.4</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	(11.0)

## AURARIA HIGHER EDUCATION CENTER BOND PAYMENTS

The Joint Budget Committee sponsored S.B. 20-109, which provided authority to use revenue other than auxiliary revenue to make bond payments for auxiliary facilities in FY 2020-21 and FY 2021-22. The bill also provides an appropriation of \$2,750,000 General Fund and \$2,750,000 from institutional funds paid by the institutions on the Auraria campus for Auraria Higher Education Center bond payments in FY 2020-21.

*STATUTORY AUTHORITY:* Section 23-70-107 (2), C.R.S.

*REQUEST:* The Department did not submit a request for additional appropriations for this line item for FY 2021-22 or FY 2022-23.

*RECOMMENDATION:* As previously described in this document, staff has included information to enable the JBC to provide a supplemental FY 2021-22 appropriation for this line item if desired. Staff does not recommend an appropriation for FY 2022-23 and notes that no appropriation may be provided for this purpose in FY 2022-23 under current law.

**(9) HISTORY COLORADO**

The State Historical Society, now known as History Colorado, is simultaneously a non-profit charitable “501 (c)(3)” organization and an institution of higher education authorized pursuant to Section 24-80-201, C.R.S. Founded in 1879, the agency operates the History Colorado Center in Denver and many other history museums, archeological and historic sites throughout the State. It is charged with preserving the state’s history and documenting it for the benefit of its citizens and it provides a wide variety of services related to this mission. In prior years, over 70 percent of History Colorado’s operating budget has been derived from limited gaming revenue deposited to the State Historical Fund. The 1990 Constitutional amendment that legalized limited stakes gaming in three cities specified that 28 percent of state gaming revenue after administrative expenses would be used for statewide historic preservation efforts. The General Assembly has authorized History Colorado to administer these funds, subject to annual appropriation.

HISTORY COLORADO						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 Appropriation</b>						
FY 2021-22 Appropriation	\$36,190,677	\$6,676,959	\$28,109,076	\$422,283	\$982,359	137.5
<b>TOTAL</b>	<b>\$36,190,677</b>	<b>\$6,676,959</b>	<b>\$28,109,076</b>	<b>\$422,283</b>	<b>\$982,359</b>	<b>137.5</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$36,190,677	\$6,676,959	\$28,109,076	\$422,283	\$982,359	137.5
HC1 History Colorado resource realignment & SI spending authority for gaming revenue	1,490,421	0	1,490,421	0	0	6.5
SI History Colorado informational funds adjustment	1,060,000	0	1,060,000	0	0	0.0
SI Operating adjustment for Cumbres & Toltec Railroad	21,500	21,500	0	0	0	0.0
Annualize prior year legislation	40,705	2,626	34,698	0	3,381	0.0
Annualize prior year budget actions	(1,871,500)	(1,871,500)	0	0	0	0.0
<b>TOTAL</b>	<b>\$36,931,803</b>	<b>\$4,829,585</b>	<b>\$30,694,195</b>	<b>\$422,283</b>	<b>\$985,740</b>	<b>144.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$741,126</b>	<b>(\$1,847,374)</b>	<b>\$2,585,119</b>	<b>\$0</b>	<b>\$3,381</b>	<b>6.5</b>
Percentage Change	2.0%	(27.7%)	9.2%	0.0%	0.3%	4.7%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$33,029,985</b>	<b>\$4,858,204</b>	<b>\$26,763,758</b>	<b>\$422,283</b>	<b>\$985,740</b>	<b>141.5</b>
Request Above/(Below) Recommendation	(\$3,901,818)	\$28,619	(\$3,930,437)	\$0	\$0	(2.5)

**ADDITIONAL PROGRAM BACKGROUND****THE STATE HISTORICAL FUND**

*Constitutional Allocations:* Article XVIII, Section 9 of the State Constitution, which provides for limited gaming in Central City, Black Hawk, and Cripple Creek, specifies that up to 40 percent of the adjusted gross proceeds from gaming, in addition to license fees, shall be paid by each licensee into the Limited

Gaming Fund. For the portion of the revenue derived pre-Amendment 50<sup>26</sup>, and after deductions for administrative expenses, the Limited Gaming Fund proceeds are distributed as follows:

50 percent to the General Fund or other fund as the General Assembly provides;  
28 percent to the State Historical Fund;

12 percent to Gilpin and Teller counties in proportion to the gaming revenues generated in each;  
10 percent to the governing bodies of Central City, Black Hawk, and Cripple Creek in proportion to the gaming revenues generated by each.

The Constitution further specifies that, of the amount distributed to the State Historical Fund:

20 percent be used for the preservation and restoration of the three gaming cities; and  
80 percent “shall be used for the historic preservation and restoration of historical sites and municipalities throughout the state in a manner to be determined by the general assembly.”

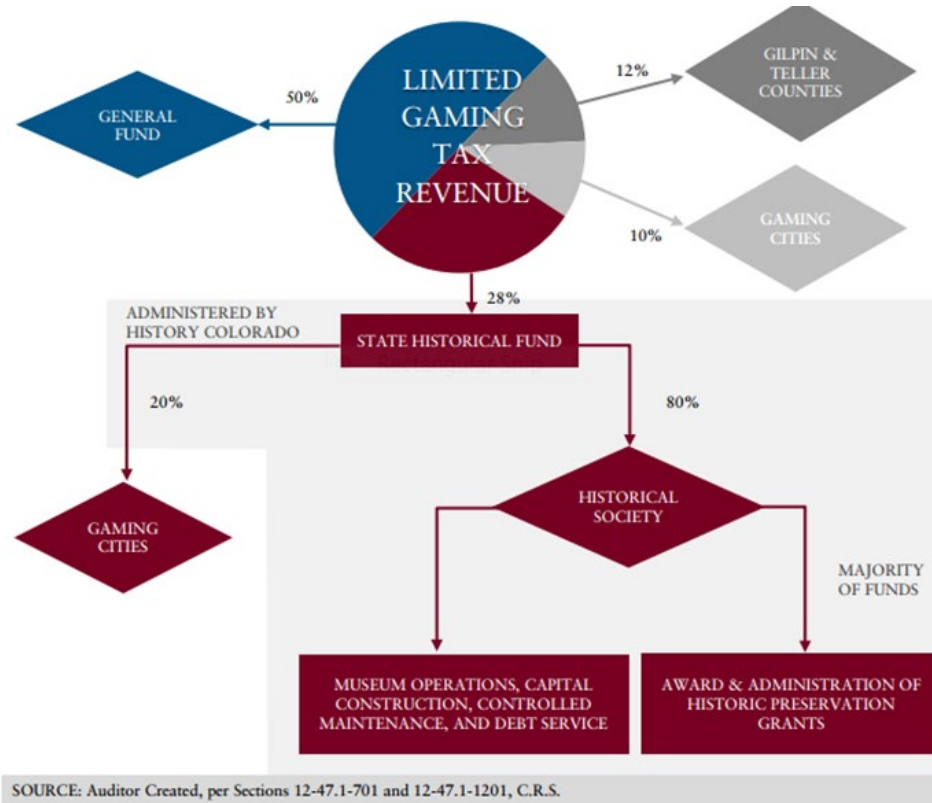
**The Constitution and revenues determine the total amount for the State Historical Fund, but within this, the General Assembly has latitude in the use of the funds for statewide grants and other state historic preservation needs, including Historical Society operations and related capital construction projects. Pursuant to Section 44-30-1201, C.R.S.<sup>27</sup>:**

- the statewide preservation program (a statewide grant program) must constitute the *majority share* of the 80 percent to be used for statewide preservation activities.
- *the minority share* may be used to support operations of the History Colorado center and regional history museums and facilities throughout the State.

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<sup>26</sup> Amendment 50 provided for bets up to \$100 and provides distributions to higher education institutions.

<sup>27</sup> Note that this statutory section was relocated from Title 12, Article 47.1.



*Statutory Guidelines:* Over the years, the General Assembly has increased its reliance on the State Historical Fund for operation of History Colorado museums and to make various repairs and upgrades to the state Capitol. While consistent with the goals of the State Historical Fund to support historic preservation, these actions reduced the availability of moneys for statewide historic preservation grants.

As outlined Section 44-30-1201, C.R.S., the General Assembly has elected:

- To direct the “minority share” of revenue that does not go to gaming cities to museum operations and to include the costs of grant program administration in the calculation of “majority share”. “Majority” is interpreted as 50.1 percent for purposes of the agency’s budget.
- To direct a portion of the funds allocated for operations of the State Historical Society (from the “minority share”) to construction of the new Colorado history museum.
- To transfer a portion of the moneys for the statewide grant program (“majority share”) to the Capitol Dome Restoration Fund and other improvements to the State Capitol building.

While limited gaming revenue deposited to the State Historical Fund has been the largest source of funding for the organization, History Colorado operations are also supported by earned revenue from entrance fees, memberships, gift shop sales, programs, donations, some federal grant funding, and the state General Fund.

## FINANCIAL CHALLENGES

As a public facing organization, History Colorado has been severely affected by the COVID-19 pandemic, which has had a devastating impact on its major revenue streams. However, even before the pandemic, History Colorado was struggling financially due to a combination of inadequate growth in its primary revenue stream--limited gaming revenues--and the financial burden created by Certificate of Participation payments for the new History Colorado Center.

As part of the decision to rebuild a new Judicial Center in 2008, the General Assembly authorized the Historical Society to execute a lease-purchase agreement for up to \$85.0 million in principal, with annual payments not to exceed \$4,998,000 to build a new museum. The resulting annual lease-purchase obligation, which will be \$3.5 million in FY 2021-22 and FY 2022-23, would have been over 30 percent of the organization's limited gaming funding stream for museum operations even before the pandemic sharply reduced such revenue.

At the time the COP's were authorized, History Colorado anticipated that it would be able to cover the lease-purchase payments through increases in earned revenue. It also anticipated that gaming revenue to the organization would continue to increase, as it had in prior years. These expectations were frustrated for several reasons:

- Voters adopted Amendment 50 in November 2008, which created a new category of "extended" limited gaming revenue and, from FY 2009-10, effectively redirected most increases in tax revenue that would previously have gone in part to History Colorado.
- The Great Recession, combined with Limited Gaming Commission policies that reduced gaming tax rates, sharply depressed gaming revenue in FY 2008-09. Although tax rates and overall revenues partially rebounded, the compound average annual growth rate in revenue to History Colorado for the 10 years before the pandemic began was just 1.0 percent per year.
- The new facility did not result in sufficient new paying customers to cover the huge additional lease purchase payment. In the years through FY 2010-11, preceding the museum's move, earned revenue was typically \$1.5 to \$1.7 million per year. While earned revenue had increased modestly, earned revenue for the History Colorado Center was just \$3.5 million in FY 2018-19, prior to the onset of the pandemic.

As a result of these factors, the organization faced a serious structural imbalance beginning in FY 2013-14, the first full year of lease-purchase payments. Initially, the scale of the imbalance and the implications were not entirely clear to the museum's Board of Directors or other oversight entities, in part due to other problems at the organization: poor accounting and financial management practices. The institution was the subject of two highly critical audits from the Office of the State Auditor in 2014 which indicated that, among other issues, the organization was not following various standard government accounting practices.

As both financial and management problems became more clear, the organization, Governor and General Assembly worked together to modify the organization's oversight structure, ultimately giving the Governor (rather than the organization's membership), authority to select the Board of Directors (S.B. 15-225). JBC budget actions and bills also helped to highlight the key issues during the 2015 legislative session.

At the beginning of FY 2015-16, a new Board of Directors with an aggressive turn-around mandate took rapid steps to appoint a new interim management team. Through voluntary early retirements and furloughs and involuntary layoffs the organization reduced personnel (by 26.1 FTE or 20 percent as of June 30, 2016), flattened its management structure, and began to develop additional in-house exhibits, thus eliminating reliance on traveling exhibits from out-of-state.

The organization began rebuilding reserves in FY 2016-17, but its financial situation remained tenuous. During FY 2018-19 History Colorado engaged in a comprehensive strategic planning process under the leadership of Dan Ritchie, former President of the University of Denver. In light of the unanticipated decline in gaming revenue and the high costs of the certificates of participation payments, the resulting Strategic Plan noted that

“the Board of Directors and leadership have stabilized the finances on a year-to-year basis. However, any negative impact from an economic downturn, shift in gaming revenue, increasing State costs that are out of the organization’s control, or urgent construction projects that impact operational revenue could bankrupt the organization.”

With the onset of the COVID-19 pandemic, the organization has been faced with operational and financial threats beyond what even the drafters of the Strategic Plan could have envisioned. The shut-down of casinos dramatically reduced limited gaming revenues in late FY 2019-20, and public health restrictions have kept FY 2020-21 casino operations and related state revenue far below prior years. In addition, the History Colorado museums, including both the History Colorado Center and regional community museums and related in-person programs, closed in March 2020, largely eliminating the agency’s access to its typical sources of earned revenue. Many of the facilities reopened in June, 2020 but still faced strict capacity limits and periodic closures (the History Colorado Center reopened in early December 2020). While the organization has pivoted to provide additional and different services, such as expanded programs and care services for children, the disruption has been immense.

During the 2020 legislative session, the JBC and the General Assembly took multiple steps to assist History Colorado in balancing its budget. This included making up to \$3.0 million in additional cash funds available for museum operations between FY 2020-21 and FY 2021-22 and allowing appropriations for History Colorado COPs from any source (H.B. 20-1365); adding \$1.0 million in General Fund in the Long Bill for operational sustainability in FY 2020-21 for continuation in FY 2021-22; and modifying statutory formulas so that, as gaming revenue rebuilds, the share for History Colorado, as well as the General Fund, rebuilds more quickly (H.B. 20-1400).

**Beginning in FY 2021-22, the JBC moved to take on responsibility for History Colorado's annual COP payments. By providing a General Fund appropriation of \$3.5 million starting in FY 2021-22, the General Assembly provided substantial relief to address History Colorado's financial challenges in the near-term and ongoing.** This enables History Colorado to again use its gaming revenue to support ongoing operations in a more robust manner. Because gaming revenue rebounded from Coronavirus Pandemic impacts more quickly than had been anticipated, History Colorado has also had access to more substantial gaming receipts more quickly than had been anticipated. **For FY 2021-22, the JBC and General Assembly provided supplemental budget appropriations to provide History Colorado with additional spending authority from gaming receipts because it would otherwise have been unable to spend much of the gaming revenue**

it received in early FY 2021-22. The supplemental added \$2,689,480 cash funds an 17.0 FTE for History Colorado operations and museum preservation projects.

Staff notes that if the General Assembly fully covers History Colorado's COP payments going forward, this includes significant future year increases beyond the \$3.5 million authorized beginning in FY 2021-22.

Schedule of History Colorado COP payments (\$ in millions)			
Fiscal Years	Annual Payment	Increase in Annual Payment	Cumulative Increase in Annual Payments
2012-20	3.042		
2021-25	3.525	0.483	0.483
2026-30	3.827	0.302	0.785
2031-35	4.029	0.202	0.987
2036-38	4.532	0.503	1.490
2039-44	4.998	0.466	1.956
2045-46	4.848	(0.150)	1.806

Note: In this table, FY 2012-13 is reflected as 2012; FY 2021-22 as 2021

## DECISION ITEMS – HISTORY COLORADO

→ SI BILL RECOMMENDED - CHANGES TO H.B. 20-1400 DISTRIBUTION BETWEEN LIMITED GAMING RECIPIENTS AND EXTENDED GAMING RECIPIENTS DUE TO IMPACT OF 2020 AMENDMENT 77

**RECOMMENDATION:** Staff recommends that the Committee authorize a bill draft and sponsor legislation to make technical changes to provisions added in H.B. 20-1400 (Temporary Reallocation of Limited Gaming Tax Revenues), a JBC bill which established a temporary distribution between the original recipients of limited gaming tax revenue when gaming was authorized in 1990 (the General Fund, History Colorado, and gaming cities and counties) and the "extended" gaming recipients who were intended to benefit when bets and hours were increased under Amendment 50 in 2008 (community colleges, as well as gaming cities and counties). **The specifics of a bill are still being discussed with OSPB, the Community College System, and History Colorado, but staff requests drafting authority so that staff can bring the Committee a proposal in the near future.**

### **BACKGROUND:**

Legal gaming in Colorado mountain towns was first authorized in 1990 and has had two major expansions.

- The original 1990 Constitutional amendment (Section 9 of Article XIII) defined limited gaming as the use of slot machines and card games of blackjack and poker, each gaming having a maximum single bet of five dollars, and prohibited gaming operations between the hours of 2:00 am and 8:00 am.
- Amendment 50, adopted in 2008, allowed voters in Central, Black Hawk, and Cripple Creek to extend the hours of operation, allow roulette or craps or both, allow bets up to one hundred dollars.
- Amendment 77, adopted in 2020, allowed voters Central, Black Hawk, and Cripple Creek to add other games and allow bets up to any size.



Amendment 50 and Amendment 77 specified that the limited gaming revenue attributed to the expansions provided by Amendment 50, and later 77, would be distributed differently from the original tax revenue. These amendments also specified that the additional revenue would not be subject to limitations imposed by Section 20 of Article X (TABOR). The table below shows the recipients of limited gaming tax revenue under the Constitution.

ORIGINAL LIMITED GAMING RECIPIENTS (1990 AMENDMENT) REVENUE SUBJECT TO TABOR	EXTENDED GAMING RECIPIENTS (2008 AMENDMENT 50, 2020 AMENDMENT 77) REVENUE NOT SUBJECT TO TABOR
50.0% - State General Fund or such fund as the General Assembly provides	78% - Public community colleges, junior colleges, local district colleges
28% State Historical Fund	
10% - Gaming Cities (Central, Black Hawk, Cripple Creek) 12% Gaming Counties (Gilpin, Teller)	

While the Constitutional amendments implied that it would be possible to differentiate the "new" revenue received under Amendment 50 extended gaming provisions and the revenue attributable to the original limited gaming provisions, there was no clear way to do this. The Constitution authorized the General Assembly "to enact, as necessary, legislation that will facilitate the operation of [the section creating extended gaming and the revised distributions]". **The General Assembly adopted statutory provisions that are now located at Section 44-30-702, C.R.S. to address this. The legislation provided formulas that capped growth for the original recipients at 3.0 percent in most years.** The legislation provides that if revenue growth is between 0 and 3.0 percent, limited and extended recipients receive increases equal to the actual percentage increases in gaming revenue, if growth is over 3.0 percent but below 6.0 percent, extended gaming recipients receive the increases that exceed 3.0 percent, if growth in revenue exceeds six percent, the original recipients also receive six percent of the increases,<sup>28</sup> and in the event of revenue declines, revenue to both the original and extended recipients declines in proportion to the revenue declines.

During the 2020 legislative session, it became clear to gaming beneficiaries that casino shut downs related to the COVID-19 pandemic could have a devastating impact on the gaming revenue to the original gaming recipients because of the "ratchet" built into existing law. Gaming revenue would decline for both original and extended recipients, but increases as the economy came back would go solely to the extended gaming recipients. This seemed contrary to the voters' intent and the State's interest. In response, **the JBC sponsored House Bill 20-1400, which temporarily modified the limited gaming allocation** provisions so that funding for original recipients could rebound after a steep drop related to the pandemic. The language was the result of negotiations between the interested parties. The statute added by H.B. 20-1400 at Section 44-30-702 (7)(b)(I), C.R.S. specifies as follows:

"Notwithstanding [statutory provisions that cap original recipients], beginning in state fiscal year 2020-21 and continuing through each subsequent fiscal year until *the fiscal*

<sup>28</sup> The Constitution provides that original recipients receive 6.0 percent of growth attributed to extended gaming; this was the General Assembly's effort to address that requirement.

*year immediately following the fiscal year in which total limited gaming tax revenue collections have again equaled or exceeded the amount of total limited gaming tax revenues collected in state fiscal year 2018-19, any annual growth or decline in total net gaming tax distributions shall be allocated between the [original and extended gaming recipients] based on the relative percentage is which each group of recipients shared in the decrease in total net gaming tax distributions from state fiscal year 2018-19 to state fiscal year 2019-20." [emphasis added]*

**As had been anticipated when the General Assembly adopted House Bill 20-1400, gaming revenue dropped sharply for FY 2019-20.** Based on the structure of gaming taxes, most gaming revenue is earned late in the fiscal year. When casinos were closed in the Spring of 2020, it caused a precipitous drop in the gaming revenue for FY 2019-20, which is available for use in FY 2020-21. Total gaming distributions dropped from \$125.0 million for FY 2018-19 to \$80.3 million for FY 2019-20--a decline of nearly 36.0 percent.

**However, contrary to expectations when H.B. 20-1400 was adopted, limited gaming revenue rebounded rapidly in FY 2020-21.** Total FY 2020-21 revenue, which is available for use in FY 2021-22, is close to the FY 2018-19 level, although it has not yet surpassed it. **Projections from both Legislative Council Staff and OSPB indicate that revenue earned in FY 2021-22, for use in FY 2022-23, will be much higher than pre-pandemic FY 2018-19 revenue.**

**Legislative and Executive Branch staff believe much of the reason for the new sharp increase in limited gaming revenue is the impact of 2020 Amendment 77.** This amendment, adopted by the voters in November 2020, allowed voters in Central City, Black Hawk and Cripple Creek to approve a maximum single bet of any amount (eliminating the previous \$100 limit) and approve more game types. The gaming cities moved quickly to approve new games and uncap bets.

**The combination of H.B. 20-1400 and Amendment 77 appear poised to deliver an unintended result, potentially driving a large share of revenue to the original limited gaming recipients and setting a new base for the original recipients that is much higher than it was before the pandemic and passage of Amendment 77.**

The table below shows the most recent Legislative Council Staff projection. As shown, Legislative Council Staff projects that **at the end of FY 2021-22, under existing law, the original gaming recipients can expect \$35 million in revenue above the level earned in FY 2018-19, representing an increase of 32.9 percent and bringing them to total revenue of \$139.3 million. On the other hand, the extended gaming recipients are projected to receive just a \$3 million increase above their FY 2018-19 earnings, with total revenue of \$23 million.** H.B. 20-1400 would then set that as the new base for original recipients for future years, as the provisions capping original recipients at 3.0 percent would not take effect until one year later.

This is problematic for two reasons:

- **It seems contrary to the intent of voters.** Amendment 77 was presented to voters as benefiting the extended gaming recipients (the community colleges) and not the original limited gaming recipients (History Colorado and the General Fund). H.B. 20-1400 seems likely to give the original limited gaming recipients a larger share of the new revenue than they should have.

- **Driving more revenue to the original recipients has impacts under TABOR.** So long as the State is at its Referendum C cap, additional money received by the original recipients will drive General Fund refunds to taxpayers. However, **money that goes to the extended gaming recipients is exempt under TABOR and does not drive TABOR refunds.**

DECEMBER 2021 GAMING REVENUE AND DISTRIBUTIONS (LEGISLATIVE COUNCIL STAFF)						
(DOLLARS IN MILLIONS)						
	ACTUAL FY 2018-19	ACTUAL FY 2019-20	PRELIMINARY FY 2020-21	ESTIMATE FY 2021-22	ESTIMATE FY 2022-23	ESTIMATE FY 2023-24
<b>Gaming Taxes</b>						
Pre-Amendment 50 (Subject to TABOR)	104.8	67.4	100.6	139.5	139.9	141.9
Amendment 50 Revenue (TABOR Exempt)	20.2	13.0	19.8	22.7	22.8	23.1
<b>Total Gaming Taxes</b>	<b>125.0</b>	<b>\$80.3</b>	<b>\$120.5</b>	<b>\$162.2</b>	<b>\$162.7</b>	<b>\$165.0</b>
<b>Fees and Interest Earnings (Subject to TABOR)</b>						
To Limited Gaming Fund	1.7	1.6	1.1	1.2	1.3	1.4
To State Historical Fund	0.4	0.2	0.1	0.1	0.1	0.2
<b>Total Gaming Revenue</b>	<b>\$127.07</b>	<b>\$82.1</b>	<b>\$121.7</b>	<b>\$163.6</b>	<b>\$164.1</b>	<b>\$166.5</b>
% change	0.0%	-35.4%	48.1%	34.5%	0.4%	1.4%
<b>Total Gaming Revenue Subject to TABOR</b>	<b>\$106.9</b>	<b>\$69.1</b>	<b>\$101.8</b>	<b>\$140.9</b>	<b>\$141.4</b>	<b>\$143.4</b>
<b>Distributions of Gaming Tax Revenue</b>						
<b>Amendment 50 Distributions</b>						
Community Colleges	14.0	11.9	13.8	16.3	16.3	16.3
Gaming Counties and Cities	3.9	3.4	3.9	4.6	4.6	4.6
Amendment 50 Administrative Expenses	2.3	2.3	2.2	2.0	2.0	2.1
<b>Total Amendment 50 Distributions</b>	<b>\$20</b>	<b>\$18</b>	<b>\$20</b>	<b>\$23</b>	<b>\$23</b>	<b>\$23</b>
<b>Pre-Amendment 50 Distributions</b>						
State Historical Fund	26.3	14.3	25.0	35.9	36.0	36.6
Gaming Counties	11.3	6.1	10.7	15.4	15.4	15.7
Gaming Cities	9.4	5.1	8.9	12.8	12.9	13.1
General Fund	16.4	25.5	44.7	25.6	25.8	26.4
Economic Development Programs	30.5	0.0	0.0	38.2	38.3	38.6
Pre-Amendment 50 Administrative Expenses	10.9	11.8	11.3	11.4	11.5	11.6
<b>Total Pre-Amendment 50 Distributions</b>	<b>\$104.8</b>	<b>\$62.7</b>	<b>\$100.6</b>	<b>\$139.3</b>	<b>\$139.9</b>	<b>\$142.0</b>
<b>Total Gaming Distributions</b>	<b>\$125.0</b>	<b>\$80.3</b>	<b>\$120.5</b>	<b>\$162.2</b>	<b>\$162.7</b>	<b>\$165.0</b>

The challenge for the General Assembly will be determining what constitutes a fair dividing line between the original and extended gaming recipients. This was the same problem the legislature faced after Amendment 50 was adopted in 2008. While voters were presented with a proposal that indicated it was possible to determine what revenue was related to "old" gaming activities and what revenue was related to "new" gaming activities, this was never feasible. *While the allocation resulting from H.B. 20-1400 appears to staff to be inconsistent with voter intent, there may still be conflict in estimating the appropriate dividing line.*

- Staff believes that the base for the original recipients should be set at the FY 2018-19 level with potentially some modest adjustment to account for increases in pre-Amendment 50 limited gaming/inflation since that time. Given the TABOR implications, there is currently

a significant down-side for the State General Fund in directing more revenue to the original recipients. Every additional \$1 received for the original recipients will drive a General Fund refund of \$1, even though 27.6 percent of the gaming tax revenue will go to gaming cities and counties (which receive 22.0 percent of both limited and extended revenue and also 20 percent of all money deposited to the State Historical Fund).<sup>29</sup>

- As might be anticipated, **History Colorado is eager to keep as much of the increase for the original recipients as can be justified**, since they receive a dedicated 28 percent share of the distributions to the original recipients (22.4 percent if distributions to gaming cities for historic preservation are excluded).
- **The Community College System is eager to keep as much of the increase for the extended gaming recipients as can be justified**, since they receive their share of a dedicated 78 percent of such revenue.
- **OSPB staff are exploring whether they can find an analytically based solution** to dividing the revenue, to be as close as possible to voter intent. Staff agrees with OSPB in theory, but is uncertain how successful this exploration will be.
- **Staff is hopeful that the parties involved will reach agreement that seems reasonable to staff. In the absence of an agreement, however, staff will still recommend a change to the law, given that the current results seem inconsistent with both voter intent and the interests of the State.**

#### → SI SPENDING AUTHORITY FOR GAMING REVENUE REBOUND AND HC-1 HISTORY COLORADO RESOURCE REALIGNMENT

*REQUEST:* In Request HC1, submitted as part of the November 1, 2021 budget submission, History Colorado requested a net \$0 budget reorganization and an increase of 21.0 FTE reflected in the budget (with no associated dollar increase) to more closely align the organization's budget with its internal organization.

In mid-January 2022, History Colorado and OSPB informed JBC staff that History Colorado had insufficient spending authority to support FY 2021-22 expenditures approved by its board. This was due to unexpectedly high limited gaming receipts (received in early FY 2021-22 based on FY 2020-21 actual gaming revenue) combined with JBC action during the 2021 legislative session. For FY 2021-22, the JBC had moved to provide a \$3.5 million General Fund appropriation for History Colorado COP payments in lieu of a gaming revenue appropriation for the COP payments. However, the \$3.5 million in gaming revenue that was "freed up" as a result of this change had not been appropriated in other line items, as gaming revenue was not expected to rebound so quickly.

**Based on this late-breaking information, staff recommended, and the JBC and General Assembly approved, adding a total of \$2,039,480 cash funds and 17.0 FTE in the operating budget and an additional \$650,000 cash funds in the capital budget for FY 2021-22.**

Since that time, staff has been in discussion with History Colorado about the appropriate spending authority for FY 2022-23. As described above, staff believes the General Assembly needs to

<sup>29</sup> In addition, for funds going to the original recipients, limited gaming cities receive 20 percent of the revenue that goes to the State Historic Fund--effectively an additional 5.6 percent--for historic preservation.

legislatively address the allocations between the original limited gaming recipients and the extended gaming recipients and make a technical correction to provisions in H.B. 20-1400 in light of the impact of 2020 Amendment 77. Pending such resolution, **for FY 2022-23 staff requested that History Colorado provide a plan for appropriations not to exceed \$11,000,000 cash funds from the Museum Preservation and Operations Account of the State Historical Fund, including operating and capital amounts. This would imply total net receipts to the State Historical Fund of \$27.5 million<sup>30</sup> or an increase of about 5.0 percent above the State Historical Fund's FY 2018-19 limited gaming receipts.** *Actual receipts may be above or below this based both on total gaming revenue received at the end of FY 2021-22 and legislative action.* However, staff believes this represents a reasonable middle-ground estimate. If actual receipts are below this, History Colorado will only be able to spend as much revenue as is available. If actual receipts are above this, it may request a supplemental for FY 2022-23 or submit a decision item for FY 2023-24.

**History Colorado's proposal, including appropriations from the Museum Preservation and Operations Account at the \$11.0 million level, organized consistent with its proposal for HC1 Resource Realignment, is reflected below.**

- The November 1 request included 21.0 FTE notations but no associated dollars.
- The current request includes 23.5 FTE notations (2.5 more than the November 1 request) and adds additional spending authority from limited gaming revenue deposited to the Museum and Preservation Operations Account of the State Historical Fund.

HISTORY COLORADO SUMMARY OF PROPOSED FUNDING AND REORGANIZATION					
	NOV 1, 2021 REQ.	FTE	REVISED REQUEST	FTE	
<b>Central Administration</b>	<b>\$1,248,802</b>	<b>12.0</b>	<b>\$2,106,633</b>	<b>12.0</b>	
Federal Funds (Informational)	\$116,342	0.0	\$116,342	0.0	
Museum and Preservation Operations Account	1,132,460	12.0	1,990,291	12.0	
<b>Collections and Curatorial Services</b>	<b>1,131,235</b>	<b>16.0</b>	<b>1,208,343</b>	<b>16.5</b>	
Museum and Preservation Operations Account	1,131,235	16.0	1,208,343	16.5	
<b>Facilities Management</b>	<b>1,515,065</b>	<b>10.0</b>	<b>1,828,258</b>	<b>10.0</b>	
Museum and Preservation Operations Account	1,365,065	10.0	1,678,258	10.0	
Enterprise Services Cash Fund	150,000	0.0	150,000	0.0	
<b>Historical Site Maintenance</b>	<b>702,685</b>	<b>5.0</b>	<b>726,781</b>	<b>5.0</b>	
Museum and Preservation Operations Account	402,685	5.0	426,781	5.0	
Community Museums Cash Fund	300,000	0.0	300,000	0.0	
<b>Lease Purchase of Colorado History Museum</b>	<b>3,525,209</b>	<b>0.0</b>	<b>3,525,209</b>	<b>0.0</b>	
General Fund	3,525,209	0.0	3,525,209	0.0	
<b>History Colorado Center</b>	<b>948,569</b>	<b>7.0</b>	<b>982,304</b>	<b>7.0</b>	
Reappropriated Funds (SHF Indirect Cost Recovery)	325,000	0.0	325,000	0.0	
Federal Funds (Informational)	77,989	0.0	77,989	0.0	
Enterprise Services Cash Fund	545,580	7.0	545,580	7.0	
Museum and Preservation Operations Account	0	0.0	33,735	0.0	
<b>Community Museums</b>	<b>2,225,563</b>	<b>19.0</b>	<b>2,817,129</b>	<b>19.0</b>	
General Fund	1,061,750	5.0	1,061,750	5.0	

<sup>30</sup> As described above, the total deposited to the State Historical Fund is apportioned via the Constitution and statute as 20.0 percent for historical preservation projects in gaming cities, with the remaining 80 percent allocated as follows: 50.1 percent to the Preservation Grants Program Account of the State Historical Fund and 49.9 percent to the Museum Preservation and Operations Account of the State Historical Fund.

HISTORY COLORADO SUMMARY OF PROPOSED FUNDING AND REORGANIZATION					
	NOV 1, 2021 REQ.	FTE	REVISED REQUEST	FTE	
Federal Funds (Informational)	3,003	0.0	3,003	0.0	
Museum and Preservation Operations Account	332,383	0.0	923,949	0.0	
Community Museums Cash Fund	828,427	14.0	828,427	14.0	
<b>Statewide Programming</b>	<b>2,707,460</b>	<b>33.5</b>	<b>4,133,807</b>	<b>34.5</b>	
Museum and Preservation Operations Account	118,796	0.0	1,545,143	1.0	
Enterprise Services Cash Fund	2,588,664	33.5	2,588,664	33.5	
<b>Office of Archaeology and Historic Preservation</b>	<b>1,511,731</b>	<b>20.0</b>	<b>1,822,756</b>	<b>23.0</b>	
Reappropriated Funds (OEDIT)	97,283	0.0	97,283	0.0	
Federal Funds (Informational)	785,025	0.0	785,025	0.0	
Museum and Preservation Operations Account	629,423	20.0	880,448	21.0	
Enterprise Services Cash Fund	-	0.0	60,000	2.0	
<b>OAHP State Historic Preservation</b>	<b>105,000</b>	<b>2.0</b>	<b>0</b>	<b>0.0</b>	
Museum and Preservation Operations Account	45,000	0.0	0	0	
Enterprise Services Cash Fund	60,000	2.0	0	0	
<b>Preservation and maintenance projects - <u>Capital Construction Budget</u></b>	<b>210,000</b>	<b>0.0</b>	<b>385,000</b>	<b>0.0</b>	
Museum and Preservation Operations Account	210,000	0.0	385,000	0.0	

*RECOMMENDATION:* The staff recommendation below is based on the proposal above and includes History Colorado's desired allocation of additional gaming revenue in the Museum and Preservation Operations Account, up to the \$11.0 million level, consistent with History Colorado's proposed HC1 Resource Realignment. The adjustments are summarized in the tables below.

- The first table shows the changes in gaming revenue appropriations and total History Colorado FTE from the original FY 2021-22 appropriation to the FY 2022-23 recommendation. This table includes *all* appropriations and estimated appropriations from the Museum and Preservation Account throughout the Department and the capital budget as of the date this document was produced.
- The second table shows the adjustments by line item, fund source, and FTE between the FY 2021-22 appropriation after supplemental adjustments and the new FY 2022-23 recommendation. This table includes *only* adjustments in the History Colorado division related to HC1.

STAFF INITIATED ADJUSTMENTS FOR LIMITED GAMING REVENUE & REQUEST HC1				
	APPROPRIATIONS FROM THE MUSEUM AND PRESERVATION OPERATIONS ACCOUNT OF THE STATE HISTORICAL FUND			ALL HISTORY CO
	OPERATING BUDGET INCLUDING CENTRALLY APPROPRIATED AND INDIRECT COST COLLECTIONS	CAPITAL BUDGET*	TOTAL	FTE
FY 2021-22 Enacted	\$7,458,331	\$210,000	\$7,668,331	120.5
FY 2021-22 Supplemental	2,039,480	650,000	2,689,480	17.0
FY 2021-22 Enacted after Supplemental	9,497,811	860,000	10,357,811	137.5
FY 2022-23 Recommended Changes	1,117,189	(475,000)	642,189	6.5
<b>FY 2022-23 Total Recommendation*</b>	<b>\$10,615,000</b>	<b>\$385,000</b>	<b>\$11,000,000</b>	<b>144.0</b>

\*Capital budget amounts for FY 2022-23 reflect recommendations from the Capital Development Committee.

RECOMMENDED ADDITIONAL GAMING SPENDING AUTHORITY AND HC1 RESOURCE REALIGNMENT - OPERATING BUDGET - HISTORY COLORADO SECTION ONLY					
	TOTAL CHANGE FROM FY 2021-22 AFTER SUPPLEMENTAL		CASH FUND SOURCE DETAIL		
	CASH FUNDS	FTE	GAMING - OPERATIONS ACCOUNT	ENTERPRISE SERVICES CF	COMMUNITY MUSEUMS CF
<b>Central Administration</b>					
Central Administration	\$57,831	(2.0)	\$207,831	(\$150,000)	\$0
Collections and Curatorial Services [New line item]	1,208,343	16.5	1,208,343	0	0
Facilities Management	313,193	2.0	163,193	150,000	0
Historical Site Maintenance and Operations [New line item]	726,781	5.0	426,781	0	300,000
<b>History Colorado Museums</b>					
History Colorado Center	(4,544,440)	(48.0)	(1,955,776)	(2,588,664)	0
Community Museums	(611,119)	(4.5)	(311,119)	0	(300,000)
Statewide Programming [New line item]	4,133,807	34.5	1,545,143	2,588,664	0
<b>Office of Archeology &amp; Historic Preservation</b>					
Program Costs	206,025	3.0	206,025	0	0
<b>Total*</b>	<b>\$1,490,421</b>	<b>6.5</b>	<b>\$1,490,421</b>	<b>\$0</b>	<b>\$0</b>

\*Total changes differ from the previous table because this table shows only changes in the History Colorado division and excludes adjustments for S.B. 18-200 and centrally appropriated amounts. Increases in gaming appropriations in the History Colorado division are partially offset by reductions in appropriations in centrally appropriated amounts.

- This recommendation is still subject to adjustments, based on the Committee's final decisions on centrally appropriated amounts for Payments to OIT and legal services. **Staff requests permission to adjust the total amount in consultation with History Colorado so that spending authority from the Museum and Preservation Operations Account in the FY 2022-23 Long Bill does not exceed \$11,000,000.**
- In addition to the changes shown above, to align with spending authority from the Museum and Preservation Operations Account of the State Historical Fund, **staff is also recommending total adjustments of \$1,060,000 cash funds to History Colorado informational amounts** that estimate spending from limited gaming revenue in line items with continuous spending authority. These include:
  - **An increase of \$440,000, to \$8,690,000 cash funds, for Preservation Grants** from the Preservation Grants Program Account of the State Historical Fund. This will increase amounts shown in the budget from this Account to just over \$11,050,000. Pursuant to Section 44-30-1201, the Preservation Grant Program Account receives 50.1 percent of the money deposited in the State Historical Fund for by History Colorado (the State Historical Society), while the Museum and Preservation Operations Account receives 49.9 percent of the money deposited for use of History Colorado (both allocations occur after 20.0 percent of the money in the State Historical Fund is allocated for historic preservation in gaming localities). **Funds spent for historic preservation grants are continuously appropriated to History Colorado, so this adjustment is for informational purposes only.**
  - **An increase of \$620,000, to \$5,500,000, for distributions to gaming cities for historical preservation.** This represents the 20.0 percent share provided to the gaming

cities from the State Historical Fund under Constitutional provisions, if total revenue to the State Historical Fund is \$27.6 million.

Both of the figures are derived from an assumption of \$27.6 million deposited to the State Historical Fund, which is the amount that would be required to support expenditures of \$11.0 million from the Museum and Preservation Operations Account of the State Historical Fund.

*ANALYSIS:*

*Budget Reorganization:* The primary changes in the reorganization involve creating three new line items--Collections and Curatorial Services; Historical Site Maintenance and Operations; and Statewide Programming--and moving funds into these line items from other existing line items. History Colorado's original HC1 submission, which included a request for 21.0 FTE but \$0 dollars emphasized the following reasons for the change:

- **The adjustment aligns the appropriation to the organization's current structure**, consistent with the agency's efforts to improve its management and financial position. The request notes that one of History Colorado's Wildly Important Goals is to work, communicate, and serve as a unified institution. The impact of the pandemic has accelerated this transformation, so that programs, exhibitions, education, publications and work culture are no longer as site-based and represent holistic statewide services. The proposed reorganization reflects this. The changes will better allow History Colorado to assess the cost of each of activities and comply with federal indirect cost accounting principles. As one example of current misalignment, the request notes that Collections Access and Curatorial Services are included in the History Colorado Museum line item, which is primarily funded by earned revenue. At the same time museum security is included in the Facilities Management line item. The changes will address these misalignments, among others.
- **The adjustment modifies the fund sources and FTE levels of many existing appropriations. This is driven by History Colorado bringing in-house many previously vendor-provided solutions.** This approach has allowed History Colorado to save costs and better tailor many of its programs and communications to target audiences and communities. Examples of these include managing the gift shop at the History Colorado Center and providing security services internally.

**Staff believes History Colorado's explanation of the reasons for these changes is reasonable. Further, only dollars and not FTE are subject to appropriation by the General Assembly.** Thus, staff prefers to reflect FTE notations that reflect an agency's actual practice.

*Additional Gaming Revenue:* **As discussed when staff recommended increasing spending authority for History Colorado for FY 2021-22 on a supplemental basis, Staff understood that approving additional spending authority for History Colorado cash funds was consistent with the JBC's intent when it added General Fund for History Colorado COPs.**

- Prior to the pandemic, History Colorado was receiving \$10.5 million per year in limited gaming revenue that was deposited to the Museum and Preservation Operations Account of the State



Historical Fund and appropriated to support museum and program operating costs.<sup>31</sup> At the time, these funds were supporting museum operations, some community museum capital expenses, programming, and History Colorado Certificate of Participation (COP) payments. As a result of casino closures in spring 2020, the revenue available for this purpose fell to just \$5.7 million for FY 2020-21, a reduction of \$4.8 million.

- **During figure setting for FY 2021-22, in a Committee-initiated action, the JBC voted to refinance History Colorado's entire annual COP payment (\$3.5 million beginning in FY 2021-22), replacing cash funds appropriated from the Museum and Preservation Operations Account to General Fund on an ongoing basis. Staff's understanding was that this action was intended to address History Colorado acute funding shortfalls that resulted from the pandemic and also to address a longstanding challenge, highlighted in History Colorado's October 2019 Strategic Plan, that History Colorado did not have sufficient revenue to achieve its mission.** History Colorado's challenges dated to 2008. In this year, the General Assembly authorized construction of a new history museum to be funded through COPs paid for using History Colorado gaming revenue. Payments started at \$3.0 million. Later in 2008, voters adopted amendment 50, and then recession hit the gaming industry, and the Gaming Commission adjusted tax rates, reducing History Colorado's gaming revenue available for museum operations. The combination of high COP payments and reduced gaming revenue resulted in a structural deficit. Although History Colorado closed this deficit through deep cuts and some additional General Fund support, its financial situation has remained precarious for the last decade. The recommendation from History Colorado's 2019 strategic planning process was to seek addition state support for its COP payments. The goal was to provide sufficient revenue that History Colorado could increase its impact. The expectation outlined in the Strategic Plan was that History Colorado would use the revenue no longer required for COPs to support other parts of its mission.
- **Staff understood the JBC's funding action for FY 2021-22 as a decision to implement the History Colorado Strategic Plan recommendation, including enabling History Colorado to redirect gaming revenue to other needs.** However, at the time, both History Colorado and JBC Staff expected gaming revenue available for FY 2021-22 would remain fairly low. While the forecasts for gaming revenue earned in FY 2020-21 improved throughout the year, neither History Colorado nor JBC Staff anticipated that revenue would rebound to close to FY 2018-19 levels and strain existing spending authority. **Staff presumes that providing additional spending authority both in FY 2021-22 and in FY 2022-23 and future years will enable History Colorado to implement its Strategic Plan. This, in turn, seems consistent with the Committee's previous action.**

*History Colorado Goals and Performance:* **History Colorado's plans and performance should receive ongoing scrutiny by the JBC and General Assembly.** Although the money requested is cash funds spending authority and can only be spent for History Colorado activities, if the General Assembly is dissatisfied with History Colorado museum operations, it could place funds in different History

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<sup>31</sup> The *Constitution* allocates 28.0 percent of the revenue for original (pre-amendment 50) limited gaming recipients to the Historical Society and, of this amount, 20 percent must be allocated for preservation activities in the gaming localities. Of the remaining 80 percent, *statute* directs the "majority share" of 50.1 percent to the statewide preservation grant program. History Colorado museums, programs, and various capital expenses are funded from the remaining "minority share" of 49.9 percent deposited in the Museum and Preservation Operations Account of the State Historical Fund.

Colorado line items, reduce the state General Fund support currently provided to History Colorado (for COPs and community museums), or implement statutory changes to direct a greater share of revenue back to the Statewide Preservation Program.

History Colorado's 2019 Strategic Plan promised that, with additional resources, History Colorado would "engage 1 million people annually by 2025". The plan was to double the number of people History Colorado engaged with from 563,750 in FY 2018-19. The pandemic has significantly affected implementation, but History Colorado continues to identify this as its central goal. History Colorado's 1 million goal is now defined as based on "**interpersonal engagement**", defined as "in-person and digital activities in which we have direct engagement and participation with our audiences who are actively involved at the moment (e.g., live-streamed or in-person events, admissions, research visits)". To the extent the JBC action is funding the Strategic Plan, it seems particularly important to track History Colorado's outcomes. The following tables are from its FY 2021-22 Performance Plan.<sup>32</sup>

Actual Performance:

**SPI 1 – Engage One Million People Annually by 2025**

**The big idea of this plan is Double Our Impact! History Colorado focuses on human-to-human interaction and engagement because it is the best opportunity for the organization to generate a meaningful relationship with audiences and Colorado residents.**

Measure	Base	FY 17	FY 18	FY19	FY20	FY 21 End Period 11	FY 21 Goal
Interpersonal Engagement*	571,860	507,496	550,971	553,288	454,115	208,712	280,565
Independent Engagement**	1,028,319	55,161	178,230	316,172	1,150,488	1,360,088	1,196,423
Social Engagement**	533,988	n/a	187,457	539,840	874,668	757,933	946,778

\*Due to Covid-19, human to interpersonal engagement continues to be down 75% from base levels. Over the last quarter, there has been an uptick in museum visitors and at the end of April, Georgetown Loop will be operating again.

\*\* At the end of the fiscal year 2019-20, there was an abnormal spike in independent engagement that has since leveled to typical trends. For this year we are seeing a consistently higher trend than we have in previous years.

Goal:

Engagement Type	Base	June 30, 2022	June 30, 2023 (One-year goal)	June 30, 2025 (Three-year goal)
Interpersonal Engagement*	571,860	608,343*	797,347	1,014,341
Independent Engagement	1,028,319	1,398,523	1,623,523	2,281,807
Social Engagement	533,988	793,642	935,295	1,315,541

\* For FY 2021-22 a reduction in attendance is still expected from targeted growth rates every year. While this number is above base, it is not expected to meet our target growth goals set in the strategic plan

<sup>32</sup> [https://drive.google.com/file/d/1Ntj253U\\_x0ZQtaYrY518AV2vnu-ejEVw/view](https://drive.google.com/file/d/1Ntj253U_x0ZQtaYrY518AV2vnu-ejEVw/view)

## → T19 HISTORY COLORADO COMMON POLICY ADJUSTMENTS

*REQUEST:* The request included adjustments throughout the History Colorado line item for an item entitled T19 History Colorado Common Policy Adjustments. These adjustments totaled \$570,225, including \$50,119 from the General Fund and \$520,136 cash funds.

*RECOMMENDATION:* **The staff recommendation includes denying all of the related T19 adjustments.** History Colorado appears to have mistakenly believed that common policy increases to centrally appropriated line items should be included in line items in its budget section, rather than in the Department Administration section in centrally appropriated line items. **To the extent History Colorado should receive increases in centrally appropriated line items consistent with Committee common policy, staff has included such adjustments in the centrally appropriated line items.**

## → SI TECHNICAL ADJUSTMENTS FOR CUMBRES AND TOLTEC RAILROAD

*REQUEST:* The request is for \$1,439,500 total funds for the Cumbres and Toltec Railroad, including \$218,400 from the General Fund and \$1,221,000 funds from the Railroad Commission and the State of New Mexico. The request includes eliminating \$871,500 General Fund provided to help support Railroad operations in FY 2021-22. The Governor's November 1 budget request indicated that additional support for Railroad capital costs would be requested through separate legislation.

*RECOMMENDATION:* The staff recommendation includes providing \$240,000 General Fund for costs associated with the Railroad Commission and insurance. This is \$21,500 more than the request but incorporates a technical adjustment identified last year. Although the request and the staff recommendation are based on an expectation that capital costs for the railroad will be addressed in separate legislation, staff anticipates that the operating costs for the Railroad Commission will remain an ongoing obligation for the State of Colorado, as they are for the State of New Mexico. Staff believes it is appropriate to keep such ongoing operating costs in the Long Bill, rather than in separate legislation. The staff recommendation is otherwise based on the assumption that capital costs will be funded in separate legislation.

### *ANALYSIS:*

The Cumbres and Toltec Scenic Railroad is jointly owned by the State of New Mexico and the State of Colorado pursuant to a cooperative agreement authorized in Section 24-60-1901, C.R.S. The 64-mile track represents the last remaining portion of an 1880 Denver and Rio Grande line from Alamosa to Durango that was called the San Juan Extension. In 1970 Colorado and New Mexico jointly purchased the portion of track between the small towns of Antonito, Colorado and Chama, New Mexico before it was ripped up by the Denver and Rio Grande.

The states set up an interstate commission to operate the railroad that snakes back and forth across the border as a passenger tourism line. The primary sources of operating funds are ticket and gift shop sales. Both states provide a modest ongoing operating appropriation and have historically provided capital appropriations for larger projects. The railroad is also supported by an associated non-profit, the Friends of the Cumbres and Toltec Scenic Railroad, which coordinates volunteer services focused on equipment and facility maintenance and repair.

The railroad has undergone a variety of management changes but in recent years has been successfully operated by an LLC formed by the Railroad Commission. Until the pandemic, it was carrying approximately 40,000 passengers per year over its 5 month summer operating season. It was also working toward becoming fully self-sufficient, and was expecting that it would no longer require capital support from the State by FY 2023-24.

This situation changed with the pandemic. Earned revenue plummeted due to the pandemic. In addition, funding from Colorado and New Mexico was further curtailed. As part of FY 2020-21 budget balancing, the JBC eliminated the portion of the Railroad appropriation that was designated as intended for capital construction purposes (consistent with a Long Bill footnote). The reduction was \$1,146,500 General Fund. However, the Committee also authorized the Commission to roll-forward unused capital appropriations from FY 2019-20 and to apply those to operating expenses. The Committee also provided additional support for the Railroad to help maintain and rebuild operations in FY 2021-22.

*Operating Budget Adjustment:* As discussed in reference to adjustments during the 2022 legislative session, "the Department requested an additional \$21,500, beyond the original \$218,500 in operating support, reflecting the level the Commission had been using for operating prior to the pandemic. This will increase the ongoing operating support for the Commission to \$240,000 General Fund. The origin of the discrepancy between the \$218,500 that had been identified in the Long Bill as ongoing operating funds and the \$240,000 the Commission has been using for this purpose is unclear. However, staff believes that all parties have been operating in good faith, and the adjustment does not seem unreasonable within the scope of this budget...". Staff also noted that "long-term budgeting will be simplified if the \$21,500 is added as General Fund in the Long Bill rather than being included with one-time funding...[in separate legislation]".

*Capital Needs:* Despite delays caused by the pandemic, the railroad believes it remains on a path that will eventually allow ongoing capital costs to be covered from the Railroad's operating revenue, alleviating the associated financial burden on Colorado and New Mexico. However, several additional years of capital support are still expected to be required, either through one-time funds authorized in separate legislation (as the Governor proposes) or via annual operating appropriations, as occurred in recent years. The railroad's model reflects a need for \$4.4 million in additional capital support from Colorado before it achieves self-sufficiency. Given the State's ownership of the Railroad, staff assumes that the operating costs for the Railroad Commission will continue to be supported, even after capital support ends. **The Governor's November 1 budget transmission indicated that the Governor's office supported providing funds for the Railroad out of the \$91 million in one-time funds he identified for supporting rural economies.** The source would be money in the Economic Recovery and Relief Cash Fund (funds originating as federal Coronavirus State Fiscal Recovery Funds/ARPA Funds). Staff's understanding is that Governor's Office has asked the Economic Recovery and Relief Task Force to provide \$7.95 million in capital support from these federal funds for the Railroad. The goal would be to provide both track improvements and new cars to allow the Railroad to become self-sufficient more quickly. Staff is uncertain about the General Assembly's interest in this. However, the Railroad indicates it would be capable of spending such a sum within the timeframes allowed under the federal legislation.

C&T&S Capital Investment Model (11/22/2021)																								
	Actuals						Upgrade Phase Projections						Recovery Phase Projections						Totals					
	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY13-19	FY20-23	FY24-29	FY13-29			
<i>Number of Riders</i>	32,081	34,503	35,682	36,170	35,990	40,578	41,870	38,760	12,342	36,083	37,025	42,250	44,363	46,138	47,983	50,130	52,875	256,874	116,566	280,610	654,050			
<b>Train Operations</b>	[-----000-----]																							
<b>Train Operations Revenues</b>																								
Ticket Revenues	\$2,986	\$3,334	\$3,226	\$3,550	\$3,771	\$4,239	\$4,754	\$4,015	\$1,441	\$4,362	\$4,796	\$5,214	\$5,606	\$6,034	\$6,462	\$6,918	\$7,413	\$25,860	\$14,614	\$37,494	\$77,968			
Retail Sales (gross)	\$191	\$182	\$301	\$358	\$399	\$443	\$458	\$390	\$144	\$327	\$470	\$512	\$553	\$587	\$617	\$648	\$681	\$2,332	\$1,331	\$3,598	\$7,261			
Interest/Other Rev	\$4	\$3	\$7	\$1	\$35	\$28	\$27	\$25	\$68	\$280	\$90	\$93	\$96	\$99	\$101	\$105	\$108	\$105	\$463	\$601	\$1,169			
<b>Total Revenue</b>	\$3,181	\$3,519	\$3,534	\$3,909	\$4,205	\$4,710	\$5,239	\$4,430	\$1,653	\$4,969	\$5,356	\$5,819	\$6,255	\$6,720	\$7,180	\$7,671	\$8,202	\$28,297	\$16,408	\$44,705	\$86,398			
<b>Less Operating Expenses</b>	\$3,275	\$3,096	\$3,207	\$3,678	\$4,087	\$4,222	\$4,704	\$4,250	\$2,638	\$4,909	\$5,118	\$5,596	\$5,764	\$5,952	\$6,057	\$6,176	\$6,574	\$26,269	\$16,915	\$36,192	\$79,376			
<b>Net Operating Income</b>	-\$94	\$423	\$327	\$231	\$118	\$488	\$535	\$180	-\$985	\$60	\$238	\$223	\$491	\$768	\$1,123	\$1,495	\$1,628	\$2,028	-\$507	\$5,362	\$7,022			
Contingency Fund Alloc. 20%	\$0	\$0	\$0	\$0	\$0	\$98	\$107	\$398	\$144	-\$985	\$48	\$191	\$178	\$393	\$768	\$1,123	\$1,495	\$1,775	-\$423	\$4,612	\$5,935			
<b>Net After Contingency</b>	-\$94	\$423	\$327	\$231	\$118	\$390	\$428	\$144	-\$985	\$48	\$191	\$178	\$393	\$768	\$1,123	\$1,495	\$1,628	\$1,775	-\$423	\$4,612	\$5,935			
<b>Capital Investments</b>	[-----000-----]																							
<b>Capital Funding Allocations</b>																								
Track	\$400	\$700	\$350	\$650	\$815	\$500	\$900	\$650	\$425	\$900	\$900	\$750	\$750	\$550	\$525	\$500	\$500	\$4,315	\$2,875	\$3,575	\$10,756			
Locomotive Fleet	\$113	\$500	\$455	\$330	\$550	\$250	\$450	\$550	\$310	\$450	\$450	\$450	\$450	\$550	\$650	\$550	\$550	\$2,648	\$1,760	\$3,200	\$7,608			
Passenger Cars	\$290	\$400	\$50	\$400	\$146	\$146	\$220	\$625	\$175	\$375	\$770	\$885	\$925	\$713	\$413	\$213	\$213	\$1,612	\$1,945	\$3,362	\$6,919			
Historic Car Fleet	\$0	\$200	\$200	\$258	\$200	\$200	\$200	\$171	\$271	\$225	\$175	\$50	\$50	\$50	\$50	\$50	\$50	\$1,258	\$842	\$300	\$2,400			
Structures/Others	\$468	\$140	\$215	\$165	\$0	\$0	\$14	\$0	\$0	\$48	\$75	\$100	\$100	\$308	\$175	\$205	\$255	\$1,002	\$123	\$1,193	\$2,318			
	\$1,231	\$1,940	\$1,270	\$1,803	\$1,711	\$1,096	\$1,784	\$1,996	\$1,181	\$1,998	\$2,370	\$2,235	\$2,275	\$2,171	\$1,813	\$1,518	\$1,568	\$10,835	\$7,545	\$11,630	\$30,010			
<b>Funded from Operations</b>	\$90	\$0	\$0	\$0	\$0	\$98	\$428	\$144	-\$985	\$48	\$191	\$178	\$393	\$768	\$1,123	\$1,495	\$1,628	\$1,775	-\$602	\$4,612	\$5,797			
<b>Net Capital Needs</b>	\$1,231	\$1,940	\$1,270	\$1,803	\$1,711	\$706	\$1,356	\$1,852	\$2,166	\$1,950	\$2,179	\$2,057	\$1,882	\$1,403	\$690	\$23	-\$60	\$9,060	\$8,099	\$7,018	\$24,213			
<b>Capital Outlays</b>	[-----Appropriated-----]						[-----Projected Requests-----]																	
Colorado	\$931	\$1,090	\$1,085	\$1,100	\$1,096	\$1,096	\$1,091	\$125	\$0	\$850	\$1,125	\$1,105	\$1,073	\$700	\$350	\$0	\$0	\$7,489	\$2,100	\$3,328	\$12,917			
New Mexico	\$300	\$850	\$185	\$645	\$615	\$0	\$750	\$1,000	\$1,000	\$1,100	\$1,100	\$1,100	\$1,100	\$700	\$350	\$0	\$0	\$3,345	\$4,200	\$3,250	\$10,795			
<b>Balance</b>	\$0	\$0	\$0	-\$58	\$0	\$390	\$485	-\$727	-\$1,166	\$0	\$46	\$148	\$291	-\$3	\$10	-\$23	\$60	\$1,774	-\$1,799	-\$440	-\$501			
<b>What If? Variable Factors:</b>	FY20-23	FY24-29																						
Annual change in ridership	-1%	4%																						
Annual increase in yield/rider	4%	2%																						
Annual increase in retail/rider	5%	5%																						
Annual increase in op. costs	5%	3%																						

LINE ITEM DETAIL – HISTORY COLORADO

(A) CENTRAL ADMINISTRATION

CENTRAL ADMINISTRATION

This line item includes funding for the President’s Office and staff. The source of cash funds, as adjusted under the HC1 proposed reorganization, is limited gaming revenue deposited in the Museum and Preservation Operations Account of the State Historical Fund (“minority share”).

*STATUTORY AUTHORITY:* Sections 24-80-201 through 502, 24-80.1-102 through 109, and 44-30-1201, C.R.S.

*REQUEST:* The Department requests an appropriation of \$1,314,662 total funds, including \$1,314,662 cash funds and \$116,342 federal funds, and 12.0 FTE. The request includes adjustments for HC1 History Colorado Resource Realignment, the FY 2022-23 impact of S.B. 18-200 (PERA Unfunded Liabilities), and the T19 request for common policy adjustments. It does not include adjustments related to the need for spending authority for additional limited gaming revenue identified in mid-year FY 2021-22.

*RECOMMENDATION:* The staff recommendation is reflected in the table below and includes adjustments for the staff-initiated increase for FY 2021-22 and FY 2022-23 for spending authority for limited gaming revenue. The adjustments have been aligned with History Colorado's request for HC1 History Colorado Resource Realignment. The recommendation includes History Colorado's request for the FY 2022-23 impact of S.B. 18-200 (PERA Unfunded Liabilities) but excludes any adjustments related to the Department's T19 request, since that element of the request represented a technical error.

HISTORY COLORADO, CENTRAL ADMINISTRATION, CENTRAL ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$2,048,802	\$0	\$1,932,460	\$0	\$116,342	14.0
<b>TOTAL</b>	<b>\$2,048,802</b>	<b>\$0</b>	<b>\$1,932,460</b>	<b>\$0</b>	<b>\$116,342</b>	<b>14.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$2,048,802	\$0	\$1,932,460	\$0	\$116,342	14.0
HC1 History Colorado resource realignment & SI spending authority for gaming revenue	57,831	0	57,831	0	0	(2.0)
Annualize prior year legislation	2,552	0	2,552	0	0	0.0
Annualize prior year budget actions	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$2,109,185</b>	<b>\$0</b>	<b>\$1,992,843</b>	<b>\$0</b>	<b>\$116,342</b>	<b>12.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$60,383</b>	<b>\$0</b>	<b>\$60,383</b>	<b>\$0</b>	<b>\$0</b>	<b>(2.0)</b>
Percentage Change	2.9%	0.0%	3.1%	0.0%	0.0%	(14.3%)
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	(\$794,523)	\$0	(\$794,523)	\$0	\$0	0.0

COLLECTIONS AND CURATORIAL SERVICES [NEW LINE ITEM]

This is a new line item requested by History Colorado to better align its budget with its internal administrative structure and responsibilities. History Colorado is required by statute to preserve the state's collection of artifacts. The source of cash funds, as adjusted under the HC1 proposed reorganization, is limited gaming revenue deposited in the Museum and Preservation Operations Account of the State Historical Fund (“minority share”).

*STATUTORY AUTHORITY:* Sections 24-80-201 through 502, 24-80.1-102 through 109, and 44-30-1201, C.R.S.

*REQUEST:* The Department requests an appropriation of \$1,219,050 cash funds and 16.0 FTE. The request includes adjustments for HC1 History Colorado Resource Realignment, the FY 2022-23 impact of S.B. 18-200 (PERA Unfunded Liabilities), and the T19 request for common policy adjustments. It does not include adjustments related to the need for spending authority for additional limited gaming revenue identified in mid-year FY 2021-22.

*RECOMMENDATION:* The staff recommendation is reflected in the table below and includes adjustments for the staff-initiated increase for FY 2021-22 and FY 2022-23 for spending authority for limited gaming revenue. The adjustments have been aligned with History Colorado's request for HC1 History Colorado Resource Realignment. The recommendation includes History Colorado's request for the FY 2022-23 impact of S.B. 18-200 (PERA Unfunded Liabilities) but excludes any adjustments related to the Department's T19 request, since that element of the request represented a technical error.

HISTORY COLORADO, CENTRAL ADMINISTRATION, COLLECTIONS AND CURATORIAL SERVICES						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HC1 History Colorado resource realignment & SI spending authority for gaming revenue	\$1,208,343	\$0	\$1,208,343	\$0	\$0	16.5
Annualize prior year legislation	3,403	0	3,403	0	0	0.0
<b>TOTAL</b>	<b>\$1,211,746</b>	<b>\$0</b>	<b>\$1,211,746</b>	<b>\$0</b>	<b>\$0</b>	<b>16.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$1,211,746</b>	<b>\$0</b>	<b>\$1,211,746</b>	<b>\$0</b>	<b>\$0</b>	<b>16.5</b>
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$1,219,050</b>	<b>\$0</b>	<b>\$1,219,050</b>	<b>\$0</b>	<b>\$0</b>	<b>16.0</b>
Request Above/(Below) Recommendation	\$7,304	\$0	\$7,304	\$0	\$0	(0.5)

### FACILITIES MANAGEMENT

This line item includes funding for financial oversight and facilities management for all History Colorado facilities throughout the State. This includes budget, accounting, procurement, asset management planning, maintenance, historic preservation, remodeling, controlled maintenance, and capital construction oversight. The source of cash funds is gaming revenues deposited in the Operations Account of the State Historical Fund (“minority share”).

*STATUTORY AUTHORITY:* Sections 24-80-201 through 502, 24-80.1-102 through 109, and 44-30-1201, C.R.S.

*REQUEST:* The Department requests an appropriation of \$1,569,949 cash funds and 10.0 FTE. The request includes adjustments for HC1 History Colorado Resource Realignment, the FY 2022-23 impact of S.B. 18-200 (PERA Unfunded Liabilities), and the T19 request for common policy adjustments. It does not include adjustments related to the need for spending authority for additional limited gaming revenue identified in mid-year FY 2021-22.

*RECOMMENDATION:* The staff recommendation is reflected in the table below and includes adjustments for the staff-initiated increase for FY 2021-22 and FY 2022-23 for spending authority for limited gaming revenue. The adjustments have been aligned with History Colorado's request for HC1 History Colorado Resource Realignment. The recommendation includes History Colorado's request for the FY 2022-23 impact of S.B. 18-200 (PERA Unfunded Liabilities) but excludes any adjustments related to the Department's T19 request, since that element of the request represented a technical error.

HISTORY COLORADO, CENTRAL ADMINISTRATION, FACILITIES MANAGEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$1,515,065	\$0	\$1,515,065	\$0	\$0	8.0
<b>TOTAL</b>	<b>\$1,515,065</b>	<b>\$0</b>	<b>\$1,515,065</b>	<b>\$0</b>	<b>\$0</b>	<b>8.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						

HISTORY COLORADO, CENTRAL ADMINISTRATION, FACILITIES MANAGEMENT						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2021-22 Appropriation	\$1,515,065	\$0	\$1,515,065	\$0	\$0	8.0
HC1 History Colorado resource realignment & SI spending authority for gaming revenue	313,193	0	313,193	0	0	2.0
Annualize prior year legislation	2,127	0	2,127	0	0	0.0
Annualize prior year budget actions	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$1,830,385</b>	<b>\$0</b>	<b>\$1,830,385</b>	<b>\$0</b>	<b>\$0</b>	<b>10.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$315,320</b>	<b>\$0</b>	<b>\$315,320</b>	<b>\$0</b>	<b>\$0</b>	<b>2.0</b>
Percentage Change	20.8%	0.0%	20.8%	0.0%	0.0%	25.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$1,569,949</b>	<b>\$0</b>	<b>\$1,569,949</b>	<b>\$0</b>	<b>\$0</b>	<b>10.0</b>
Request Above/(Below) Recommendation	(\$260,436)	\$0	(\$260,436)	\$0	\$0	0.0

**HISTORICAL SITE MAINTENANCE AND OPERATIONS [NEW LINE ITEM]**

This is a new line item requested by History Colorado to better align its budget with its internal administrative structure and responsibilities. The source of cash funds is limited gaming revenue deposited in the Museum and Preservation Operations Account of the State Historical Fund (“minority share”) and the Community Museums Cash Fund, which holds revenue earned by the community museums.

*STATUTORY AUTHORITY:* Sections 24-80-201 through 502, 24-80.1-102 through 109, and 44-30-1201, C.R.S.

*REQUEST:* The Department requests an appropriation of \$730,127 cash funds and 5.0 FTE. The request includes adjustments for HC1 History Colorado Resource Realignment, the FY 2022-23 impact of S.B. 18-200 (PERA Unfunded Liabilities), and the T19 request for common policy adjustments. It does not include adjustments related to the need for spending authority for additional limited gaming revenue identified in mid-year FY 2021-22.

*RECOMMENDATION:* The staff recommendation is reflected in the table below and includes adjustments for the staff-initiated increase for FY 2021-22 and FY 2022-23 for spending authority for limited gaming revenue. The adjustments have been aligned with History Colorado's request for HC1 History Colorado Resource Realignment. The recommendation includes History Colorado's request for the FY 2022-23 impact of S.B. 18-200 (PERA Unfunded Liabilities) but excludes any adjustments related to the Department's T19 request, since that element of the request represented a technical error.

HISTORY COLORADO, CENTRAL ADMINISTRATION, HISTORICAL SITE MAINTENANCE AND OPERATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HC1 History Colorado resource realignment & SI spending authority for gaming revenue	\$726,781	\$0	\$726,781	\$0	\$0	5.0
Annualize prior year legislation	1,063	0	1,063	0	0	0.0



HISTORY COLORADO, CENTRAL ADMINISTRATION, HISTORICAL SITE MAINTENANCE AND OPERATIONS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year budget actions	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$727,844</b>	<b>\$0</b>	<b>\$727,844</b>	<b>\$0</b>	<b>\$0</b>	<b>5.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$727,844</b>	<b>\$0</b>	<b>\$727,844</b>	<b>\$0</b>	<b>\$0</b>	<b>5.0</b>
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$730,127</b>	<b>\$0</b>	<b>\$730,127</b>	<b>\$0</b>	<b>\$0</b>	<b>5.0</b>
Request Above/(Below) Recommendation	\$2,283	\$0	\$2,283	\$0	\$0	0.0

### LEASE PURCHASE OF COLORADO HISTORY MUSEUM

Senate Bill 08-206 authorized the State to enter into lease-purchase agreements for both a new state justice center and a new Colorado state museum. For the history museum, the bill authorized lease purchase (certificate of participation/COP) payments from FY 2011-12 through July 1, 2045 in an annual amount not to exceed \$4,998,000. The bill's fiscal note estimated \$84,000,000 to be financed through COPs out of the \$113.0 million project budget. The museum was financed with a combination of \$25.0 million transferred from the Judicial Branch and moneys from the State Historical Fund from the "minority share" now known as the Operations Account of the State Historical Fund. The financing included \$11.0 million in up-front transfers from the State Historical Fund and ongoing COP payments from this source. These COP payments strained History Colorado's resources, and the General Assembly authorized the use of other funds to make lease purchase payments through H.B. 20-1365 and appropriated General Fund to support the COP payments beginning in FY 2021-22. COP payments grew to \$3,525,209 in FY 2021-2022 and *are scheduled to grow to \$3,827,364 in FY 2026-27, \$4,028,812 million in FY 2031-2032, \$4,532,410 in FY 2036-2037, and \$4,998,000 in FY 2039-40, with the final payment in FY 2044-45.*

*STATUTORY AUTHORITY:* Section 44-30-1201(5)(d), C.R.S.

*REQUEST:* The request is for a continuation of \$3,525,209 General Fund.

*RECOMMENDATION:* **Staff recommends the request for continuation funding of \$3,525,209 General Fund.** The amount is consistent with the COP payment schedule and Committee intent expressed in FY 2021-22.

### HISTORY COLORADO SUSTAINABILITY

This line item was added in FY 2020-21 to help address financial challenges resulting from the COVID-19 pandemic.

*STATUTORY AUTHORITY:* Sections 24-80-201 through 502, 24-80.1-102 through 109, and 44-30-1201, C.R.S.

*REQUEST:* The Department did not request funding for this line item in FY 2022-23, consistent with the intent previously expressed by the JBC to provide this funding for two years only (FY 2020-21 and FY 2021-22) to assist History Colorado during the COVID-19 pandemic.

*RECOMMENDATION:* **Staff does not recommend any funding for this line item for FY 2022-23.**

(B) HISTORY COLORADO MUSEUMS

HISTORY COLORADO CENTER

This line item funds the staff for the History Colorado Center in Denver and associated operating expenses. This includes collections and library services, exhibits and interpretation, and education and public programs. The sources of cash funds are gaming revenues deposited in the in the Operations Account of the State Historical Fund (“minority share”) and museum admission fees, user charges, and other earned revenue deposited to the Enterprise Services Cash Fund. Reappropriated funds are from indirect cost recoveries from the State Historical Fund program. History Colorado's FY 2022-23 request for HC1 History Colorado Resource Realignment moves appropriations for the vast majority of funding and FTE previously included in this line item to a new Statewide Programming line item and other line items that reflect History Colorado's statewide activities. The change is proposed to better reflect the organization's internal structure and functions.

*STATUTORY AUTHORITY:* Sections 24-80-201 through 502, 24-80.1-102 through 109, and 44-30-1201, C.R.S.

*REQUEST:* The Department requests an appropriation of \$950,058 total funds, including \$547,069 cash funds, \$325,000 reappropriated funds, and \$77,989 federal funds, and 7.0 FTE. The request includes large reductions in amounts and FTE for HC1 History Colorado Resource Realignment, as well as the FY 2022-23 impact of S.B. 18-200 (PERA Unfunded Liabilities). It does not include adjustments related to the need for spending authority for additional limited gaming revenue identified in mid-year FY 2021-22.

*RECOMMENDATION:* The staff recommendation is reflected in the table below and includes adjustments for the staff-initiated increase for FY 2021-22 and FY 2022-23 for spending authority for limited gaming revenue. The adjustments have been aligned with History Colorado's request for HC1 History Colorado Resource Realignment, which reduces the appropriation in this line item. The recommendation includes History Colorado's request for the FY 2022-23 impact of S.B. 18-200 (PERA Unfunded Liabilities).

HISTORY COLORADO, HISTORY COLORADO MUSEUMS, HISTORY COLORADO CENTER						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$5,526,744	\$0	\$5,123,755	\$325,000	\$77,989	55.0
<b>TOTAL</b>	<b>\$5,526,744</b>	<b>\$0</b>	<b>\$5,123,755</b>	<b>\$325,000</b>	<b>\$77,989</b>	<b>55.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$5,526,744	\$0	\$5,123,755	\$325,000	\$77,989	55.0

HISTORY COLORADO, HISTORY COLORADO MUSEUMS, HISTORY COLORADO CENTER						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year legislation	1,489	0	1,489	0	0	0.0
HC1 History Colorado resource realignment & SI spending authority for gaming revenue	(4,544,440)	0	(4,544,440)	0	0	(48.0)
<b>TOTAL</b>	<b>\$983,793</b>	<b>\$0</b>	<b>\$580,804</b>	<b>\$325,000</b>	<b>\$77,989</b>	<b>7.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$4,542,951)</b>	<b>\$0</b>	<b>(\$4,542,951)</b>	<b>\$0</b>	<b>\$0</b>	<b>(48.0)</b>
Percentage Change	(82.2%)	0.0%	(88.7%)	0.0%	0.0%	(87.3%)
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$950,058</b>	<b>\$0</b>	<b>\$547,069</b>	<b>\$325,000</b>	<b>\$77,989</b>	<b>7.0</b>
Request Above/(Below) Recommendation	(\$33,735)	\$0	(\$33,735)	\$0	\$0	0.0

### COMMUNITY MUSEUMS

This line item funds the staff and associated operating expenses for regional museums and facilities across the state: the El Pueblo Center, Ute Indian Museum, Trinidad History Museum, Fort Garland, the Byers-Evans House, Healy House/Dexter Cabin, the Grant-Humphreys Mansion, and the Georgetown Loop railroad. The sources of cash funds are gaming revenues deposited in the in the Museum and Preservation Operations Account of the State Historical Fund and amounts in the Community Museums Cash Fund, which receives earned revenue from museum admission charges, gift shop revenue, and user fees at the community museums. This line item also receives General Fund support.

*STATUTORY AUTHORITY:* Sections 24-80-201 through 502, 24-80.1-102 through 109, and 44-30-1201, C.R.S.

*REQUEST:* The Department requests an appropriation of \$2,337,074 total funds, including \$1,114,495 General Fund, \$1,219,576 cash funds, and \$3,003 federal funds, and 19.0 FTE. The request includes adjustments for HC1 History Colorado Resource Realignment, the FY 2022-23 impact of S.B. 18-200 (PERA Unfunded Liabilities), and the T19 request for common policy adjustments. It does not include adjustments related to the need for spending authority for additional limited gaming revenue identified in mid-year FY 2021-22.

*RECOMMENDATION:* The staff recommendation is reflected in the table below and includes adjustments for the staff-initiated increase for FY 2021-22 and FY 2022-23 for spending authority for limited gaming revenue. The adjustments have been aligned with History Colorado's request for HC1 History Colorado Resource Realignment, which significantly reduces the appropriation in this line item. The recommendation includes History Colorado's request for the FY 2022-23 impact of S.B. 18-200 (PERA Unfunded Liabilities) but excludes any adjustments related to the Department's T19 request, since that element of the request represented a technical error.

HISTORY COLORADO, HISTORY COLORADO MUSEUMS, COMMUNITY MUSEUMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$3,428,248	\$1,061,750	\$2,363,495	\$0	\$3,003	23.5

HISTORY COLORADO, HISTORY COLORADO MUSEUMS, COMMUNITY MUSEUMS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>TOTAL</b>	<b>\$3,428,248</b>	<b>\$1,061,750</b>	<b>\$2,363,495</b>	<b>\$0</b>	<b>\$3,003</b>	<b>23.5</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$3,428,248	\$1,061,750	\$2,363,495	\$0	\$3,003	23.5
Annualize prior year legislation	11,273	2,626	8,647	0	0	0.0
HC1 History Colorado resource realignment & SI spending authority for gaming revenue	(611,119)	0	(611,119)	0	0	(4.5)
<b>TOTAL</b>	<b>\$2,828,402</b>	<b>\$1,064,376</b>	<b>\$1,761,023</b>	<b>\$0</b>	<b>\$3,003</b>	<b>19.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$599,846)</b>	<b>\$2,626</b>	<b>(\$602,472)</b>	<b>\$0</b>	<b>\$0</b>	<b>(4.5)</b>
Percentage Change	(17.5%)	0.2%	(25.5%)	0.0%	0.0%	(19.1%)
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$2,337,074</b>	<b>\$1,114,495</b>	<b>\$1,219,576</b>	<b>\$0</b>	<b>\$3,003</b>	<b>19.0</b>
Request Above/(Below) Recommendation	(\$491,328)	\$50,119	(\$541,447)	\$0	\$0	0.0

STATEWIDE PROGRAMMING [NEW LINE ITEM]

This is a new line item requested by History Colorado to better align its budget with its internal administrative structure and responsibilities. The source of cash funds is limited gaming revenue deposited in the Museum and Preservation Operations Account of the State Historical Fund (“minority share”).

*STATUTORY AUTHORITY:* Sections 24-80-201 through 502, 24-80.1-102 through 109, and 44-30-1201, C.R.S.

*REQUEST:* The Department requests an appropriation of \$2,891,321 cash funds and 33.5 FTE. The request includes adjustments for HC1 History Colorado Resource Realignment, the FY 2022-23 impact of S.B. 18-200 (PERA Unfunded Liabilities), and the T19 request for common policy adjustments. It does not include adjustments related to the need for spending authority for additional limited gaming revenue identified in mid-year FY 2021-22.

*RECOMMENDATION:* The staff recommendation is reflected in the table below and includes adjustments for the staff-initiated increase for FY 2021-22 and FY 2022-23 for spending authority for limited gaming revenue. The adjustments have been aligned with History Colorado's request for HC1 History Colorado Resource Realignment. The recommendation includes History Colorado's request for the FY 2022-23 impact of S.B. 18-200 (PERA Unfunded Liabilities) but excludes any adjustments related to the Department's T19 request, since that element of the request represented a technical error.

HISTORY COLORADO, HISTORY COLORADO MUSEUMS, STATEWIDE PROGRAMMING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HC1 History Colorado resource realignment & SI spending authority for gaming revenue	\$4,133,807	\$0	\$4,133,807	\$0	\$0	34.5

HISTORY COLORADO, HISTORY COLORADO MUSEUMS, STATEWIDE PROGRAMMING						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
Annualize prior year legislation	7,124	0	7,124	0	0	0.0
<b>TOTAL</b>	<b>\$4,140,931</b>	<b>\$0</b>	<b>\$4,140,931</b>	<b>\$0</b>	<b>\$0</b>	<b>34.5</b>
<b>INCREASE/(DECREASE)</b>	<b>\$4,140,931</b>	<b>\$0</b>	<b>\$4,140,931</b>	<b>\$0</b>	<b>\$0</b>	<b>34.5</b>
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>	<b>\$2,891,321</b>	<b>\$0</b>	<b>\$2,891,321</b>	<b>\$0</b>	<b>\$0</b>	<b>33.5</b>
Request Above/(Below) Recommendation	(\$1,249,610)	\$0	(\$1,249,610)	\$0	\$0	(1.0)

(C) OFFICE OF ARCHEOLOGY AND HISTORIC PRESERVATION

PROGRAM COSTS

The Office of Archeology and Historic Preservation documents, studies and protects Colorado’s historic places, fulfilling statutory responsibilities assigned to the State Archaeologist and the State Historic Preservation Officer to raise public appreciation of cultural resources. This includes encouraging study of the state’s archeological resources, coordinating with federal and state agencies regarding the effects of their actions on historic properties, and preservation planning including designating sites to the State Register of Historic Properties and National Register of Historic Places. This office is also responsible for promulgating rules and other activities related to the issuance of tax credits for costs incurred in the preservation of historic structures. The sources of cash funds are gaming revenues deposited in the in the Operations Account of the State Historical Fund (“minority share”) and user charges and other earned revenue deposited to the Enterprise Services Cash Fund. Reappropriated funds are transferred from the Governor's Office of Economic Development and International Trade for administrative responsibilities related to historic preservation tax credits.

*STATUTORY AUTHORITY:* Sections 24-80-201 through 502, 24-80.1-102 through 109, 44-30-1201, and 39-22-514, C.R.S.

*REQUEST:* The Department requests an appropriation of \$1,624,879 total funds, including \$739,190 cash funds, \$97,283 reappropriated funds, and \$788,406 federal funds, and 20.0 FTE. The request includes adjustments for HC1 History Colorado Resource Realignment, the FY 2022-23 impact of S.B. 18-200 (PERA Unfunded Liabilities), and the T19 request for common policy adjustments. It does not include adjustments related to the need for spending authority for additional limited gaming revenue identified in mid-year FY 2021-22.

*RECOMMENDATION:* The staff recommendation is reflected in the table below and includes adjustments for the staff-initiated increase for FY 2021-22 and FY 2022-23 for spending authority for limited gaming revenue. The adjustments have been aligned with History Colorado's request for HC1 History Colorado Resource Realignment. The recommendation includes History Colorado's request for the FY 2022-23 impact of S.B. 18-200 (PERA Unfunded Liabilities) but excludes any adjustments related to the Department's T19 request, since that element of the request represented a technical error.

HISTORY COLORADO, OFFICE OF ARCHEOLOGY AND HISTORIC PRESERVATION, PROGRAM COSTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$1,616,731	\$0	\$734,423	\$97,283	\$785,025	20.0
<b>TOTAL</b>	<b>\$1,616,731</b>	<b>\$0</b>	<b>\$734,423</b>	<b>\$97,283</b>	<b>\$785,025</b>	<b>20.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$1,616,731	\$0	\$734,423	\$97,283	\$785,025	20.0
HC1 History Colorado resource realignment & SI spending authority for gaming revenue	206,025	0	206,025	0	0	3.0
Annualize prior year legislation	8,059	0	4,678	0	3,381	0.0
<b>TOTAL</b>	<b>\$1,830,815</b>	<b>\$0</b>	<b>\$945,126</b>	<b>\$97,283</b>	<b>\$788,406</b>	<b>23.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$214,084</b>	<b>\$0</b>	<b>\$210,703</b>	<b>\$0</b>	<b>\$3,381</b>	<b>3.0</b>
Percentage Change	13.2%	0.0%	28.7%	0.0%	0.4%	15.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	(\$205,936)	\$0	(\$205,936)	\$0	\$0	(3.0)

STATE HISTORIC PRESERVATION [REQUESTED NEW LINE ITEM]

This is a new line item requested by History Colorado to better align its budget with its internal administrative structure and responsibilities. The source of cash funds is limited gaming revenue deposited in the Museum and Preservation Operations Account of the State Historical Fund (“minority share”).

*STATUTORY AUTHORITY:* Sections 24-80-201 through 502, 24-80.1-102 through 109, and 44-30-1201, C.R.S.

*REQUEST:* The Department's official request includes an appropriation of \$115,976 cash funds and 2.0 FTE. The request includes adjustments for HC1 History Colorado Resource Realignment, the FY 2022-23 impact of S.B. 18-200 (PERA Unfunded Liabilities), and the T19 request for common policy adjustments. It does not include adjustments related to the need for spending authority for additional limited gaming revenue identified in mid-year FY 2021-22.

*RECOMMENDATION:* **Based on further discussion with History Colorado, staff does not recommend creation of this new line item.** Instead, the staff recommendation consolidates the related funding and FTE in the existing Program Costs line item.

(D) STATE HISTORICAL FUND PROGRAM

The State Historical Fund was created by voters through the passage of the 1990 constitutional amendment legalizing limited stakes gaming in Black Hawk, Central City, and Cripple Creek. The amendment requires 28 percent of tax revenue generated be used for historic preservation efforts. This section includes funding for a statewide preservation grant program supported with gaming revenue and funding for a direct distribution for historic preservation to gaming cities, as required by the Constitution.

## ADMINISTRATION

The majority of the revenue generated from gaming is to be used for the preservation and restoration of historical sites and municipalities throughout the state. The Historical Society has statutory authority to expend some of these funds to cover the reasonable costs of administration, subject to appropriation by the General Assembly. The source of cash funds is gaming revenues deposited in the Preservation and Grant Programs Account of the State Historical Fund (“majority share”).

*STATUTORY AUTHORITY:* Sections 24-80-201 through 502, 24-80.1-102 through 109, and 44-30-1201, C.R.S.

*REQUEST:* The Department requests an appropriation of \$1,857,180 cash funds and 17.0 FTE. The request includes adjustments for the FY 2022-23 impact of S.B. 18-200 (PERA Unfunded Liabilities), and the T19 request for common policy adjustments.

*RECOMMENDATION:* The recommendation is detailed below. It includes an adjustment for the FY 2022-23 impacts of S.B. 18-200 and excludes the T19 request for common policy adjustments.

HISTORY COLORADO, STATE HISTORICAL FUND PROGRAM, ADMINISTRATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$1,763,878	\$0	\$1,763,878	\$0	\$0	17.0
<b>TOTAL</b>	<b>\$1,763,878</b>	<b>\$0</b>	<b>\$1,763,878</b>	<b>\$0</b>	<b>\$0</b>	<b>17.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$1,763,878	\$0	\$1,763,878	\$0	\$0	17.0
Annualize prior year legislation	3,615	0	3,615	0	0	0.0
HC1 History Colorado resource realignment & SI spending authority for gaming revenue	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$1,767,493</b>	<b>\$0</b>	<b>\$1,767,493</b>	<b>\$0</b>	<b>\$0</b>	<b>17.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$3,615</b>	<b>\$0</b>	<b>\$3,615</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	0.2%	0.0%	0.2%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	\$89,687	\$0	\$89,687	\$0	\$0	0.0

## GRANTS

The majority of the revenue generated from gaming is to be used for the preservation and restoration of historical sites and municipalities throughout the state. These moneys are distributed as grants statewide. Funding is from the “majority share” of gaming revenue deposited to the State Historic Fund. The source of cash funds is gaming revenues deposited in the Preservation Grant Programs Account of the State Historical Fund (“majority share”). Amounts distributed as grants are continuously appropriated to History Colorado.

*STATUTORY AUTHORITY:* Sections 24-80-201 through 502, 24-80.1-102 through 109, and 44-30-1201, C.R.S.

*REQUEST:* The request is for a continuation amount of \$8,250,000 cash funds shown for informational purposes. This is a rough estimate of new grants to be made available during the year.

*RECOMMENDATION:* **The staff recommendation is to increase the amount in this line item as shown below**, in light of anticipated increases in gaming revenue. This line item is continuously appropriated, so the amount shown does not affect spending.

HISTORY COLORADO, STATE HISTORICAL FUND PROGRAM, GRANTS						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$8,250,000	\$0	\$8,250,000	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$8,250,000</b>	<b>\$0</b>	<b>\$8,250,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$8,250,000	\$0	\$8,250,000	\$0	\$0	0.0
SI History Colorado informational funds adjustment	440,000	0	440,000	0	0	0.0
<b>TOTAL</b>	<b>\$8,690,000</b>	<b>\$0</b>	<b>\$8,690,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>\$440,000</b>	<b>\$0</b>	<b>\$440,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	5.3%	0.0%	5.3%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	(\$440,000)	\$0	(\$440,000)	\$0	\$0	0.0

## GAMING CITIES DISTRIBUTION

Twenty percent of revenue generated from gaming and deposited to the State Historical Fund is returned to the gaming cities, pursuant to the state Constitution. Section 44-30-1201, C.R.S., establishes standards for the use and administration of the funds by the gaming cities to ensure that expenditures are used as intended for historic restoration and preservation.

*STATUTORY AUTHORITY:* Sections 44-30-1201 and 1202, C.R.S.

*REQUEST:* History Colorado requests a continuing appropriation of \$4,880,000 cash funds for this line item, which represents the anticipated gaming revenue to be allocated to the State Historical Fund and the share allocated to gaming cities based on constitutional provisions.

*RECOMMENDATION:* This line item is continuously appropriated based on Constitutional provisions, so the amount shown does not affect spending. However, as previously discussed **in light of the rebound in gaming revenues, staff recommends adjusting the amount in the line item to \$5,500,000 for informational purposes.**



## INDIRECT COST ASSESSMENTS FOR HISTORY COLORADO ADMINISTRATION

History Colorado maintains an indirect cost collection plan to ensure that the State Historical Fund Program, which receives 50.1 percent of gaming revenue, contributes an appropriate share to central overhead and facilities maintenance costs. Through FY 2019-20, the associated revenue was deposited and spent from the Enterprise Services (earned revenue) Fund. Beginning in FY 2020-21, collections are reflected in this line item and appropriations to the History Colorado Center from the Enterprise Services Fund will be replaced with amounts reappropriated from this line item.

*STATUTORY AUTHORITY:* Section 44-30-1201, C.R.S.

*REQUEST:* History Colorado requested continuation of \$325,000 cash funds for this line item.

*RECOMMENDATION:* **Staff recommends continuation funding of \$325,000 cash funds, as requested.**

## (E) CUMBRES-TOLTEC RAILROAD COMMISSION

This line item funds the state's portion of a cooperative agreement with New Mexico to operate the Cumbres and Toltec Scenic Railroad, pursuant to Section 24-60-1901, C.R.S. The Cumbres and Toltec Railroad is jointly owned by the State of New Mexico and the State of Colorado. The 64-mile track represents the last remaining portion of an 1880 Denver and Rio Grande line from Alamosa to Durango that was called the San Juan Extension. In 1970 Colorado and New Mexico jointly purchased the portion of track between the small towns of Antonito, Colorado and Chama, New Mexico before it was ripped up by the Denver and Rio Grande.

The states set up an interstate commission to operate the railroad that snakes back and forth across the border as a passenger tourism line. The primary sources of operating funds are ticket and gift shop sales. Both states provide a modest ongoing operating appropriation and have historically provided capital appropriations for larger projects. The railroad is also supported by an associated non-profit, the Friends of the Cumbres and Toltec Scenic Railroad, which coordinates volunteer services focused on equipment and facility maintenance and repair.

The railroad has undergone a variety of management changes but is now successfully operated by an LLC formed by the Railroad Commission.

*REQUEST:* The Department requests \$218,500 General Fund for Commission operations. The request also includes continuing amounts of \$1,201,000 estimated to be provided by the State of New Mexico. The balance of \$20,000 is estimated cash funds contributions from the Commission.

*RECOMMENDATION:* The staff recommendation, which includes a small adjustment for operating support, is reflected in the table. **Staff also requests permission to adjust the informational amount shown for the State of New Mexico to the extent better information becomes available.** Earlier, staff was told that the New Mexico budget included \$261,800 for Commission operations, \$101,000 for Railroad marketing, \$1.1 million in capital funding for track, cars, and locomotives, and \$3 million in federal ARPA funding to offset losses due to COVID-19 shut downs.

HISTORY COLORADO, CUMBRES AND TOLTEC RAILROAD COMMISSION, CUMBRES AND TOLTEC RAILROAD COMMISSION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
<b>FY 2021-22 APPROPRIATION</b>						
FY 2021-22 Appropriation	\$2,311,000	\$1,090,000	\$1,221,000	\$0	\$0	0.0
<b>TOTAL</b>	<b>\$2,311,000</b>	<b>\$1,090,000</b>	<b>\$1,221,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2022-23 RECOMMENDED APPROPRIATION</b>						
FY 2021-22 Appropriation	\$2,311,000	\$1,090,000	\$1,221,000	\$0	\$0	0.0
SI Operating adjustment for Cumbres & Toltec Railroad	21,500	21,500	0	0	0	0.0
Annualize prior year budget actions	(871,500)	(871,500)	0	0	0	0.0
<b>TOTAL</b>	<b>\$1,461,000</b>	<b>\$240,000</b>	<b>\$1,221,000</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>INCREASE/(DECREASE)</b>	<b>(\$850,000)</b>	<b>(\$850,000)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Percentage Change	(36.8%)	(78.0%)	0.0%	0.0%	0.0%	0.0%
<b>FY 2022-23 EXECUTIVE REQUEST</b>						
Request Above/(Below) Recommendation	(\$21,500)	(\$21,500)	\$0	\$0	\$0	0.0

## LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION

### LONG BILL FOOTNOTES

#### FOOTNOTES OTHER THAN TUITION FOOTNOTES TO BE CONTINUED

Staff would like further **INPUT** from the Committee regarding whether the following footnote should be continued and amended:

- 21 Department of Higher Education, Colorado Commission on Higher Education and Higher Education Special Purpose Programs, Administration; College Opportunity Fund Program Fee-for-service Contracts with State Institutions; Governing Boards; Local District College Grants Pursuant to Section 23-71-301, C.R.S.; and Division of Occupational Education, Area Technical Colleges -- Of the total funding allocated to the Higher Education institutions for FY 2021-22, \$41,797,710 allocated to institutions, and an associated \$9,462,950 distributed as financial aid, is based on institutions' share of first generation, underrepresented minority, and Pell-eligible students in FY 2019-20 and their improvement in retaining underrepresented minority students in FY 2019-20 compared to prior years. It is the General Assembly's intent that this funding be used to prioritize retention of first generation, underrepresented minority, and low income students in FY 2021-22 and future years consistent with the goals of Colorado's Higher Education Master Plan, including the development, enhancement, and expansion of programs to recruit and retain such students as well as steps to reduce the cost of higher education through tuition rate freezes, reductions, and need-based scholarships for Colorado resident students.

**COMMENT:** This footnote was first added in the FY 2021-22 Long Bill, associated with a funding increase provided under the new higher education funding model that took effect in FY 2021-22. Information about how the funds distributed were used was incorporated into an associated JBC request for information.

Staff recommends **CONTINUING** the following footnotes (**OR CONTINUING THEM AS AMENDED**):

- 23 Department of Higher Education, Colorado Commission on Higher Education and Higher Education Special Purpose Programs, Special Purpose, Institute of Cannabis Research Governing Board -- Of the appropriation in this line item, ~~\$250,000~~ \$500,000 remains available until the close of the ~~2022-23~~ 2023-24 fiscal year.

**COMMENT:** This footnote was first added in the FY 2021-22 Long Bill based on information from the institute indicating that it routinely faces a technical problem with spending for research, because research projects often extend beyond a year or may be temporarily delayed by any number of intervening factors. The institute noted that the federal National Institutes of Health allows roll-forward of up to 25.0 percent of research grants with little additional inquiry. Staff recommended addition of this footnote pending a statutory change that might provide such a roll forward on an ongoing basis.

- 25 Department of Higher Education, Colorado Commission on Higher Education and Higher Education Special Purpose Programs, Tuition/Enrollment Contingency -- The Colorado Commission on Higher Education may transfer spending authority from this line item to the Governing Boards if tuition revenues increase beyond appropriated levels. The spending authority for this line item is in addition to the funds appropriated directly to the Governing Boards. It is the General Assembly's intent that the Colorado Commission on Higher Education transfer spending authority from this line item to allow institutions to receive and expend tuition revenue beyond appropriated levels that results from higher than expected enrollment and not to support tuition increases that exceed the assumptions outlined in the footnotes for each governing board.

**COMMENT:** This footnote, which is attached to a \$75.0 million cash funds line item, is associated with the General Assembly's authority to appropriate tuition. The legislative authority to appropriate tuition enables the General Assembly to limit tuition increases. This line item and footnote limits the risk of an unintended consequence in which spending authority is restricted based on an institution's enrollment, rather than a tuition rate that exceeds the amount approved by the General Assembly. Versions of this footnote have been included in many Long Bills. Between FY 2010-11 and FY 2015-16 the General Assembly suspended statutory provisions that authorized the General Assembly to appropriate tuition. The suspension was then allowed to lapse, and this footnote was included in the FY 2016-17 Long Bill and has been included in the Long Bill since that time.

- 27 Department of Higher Education, Colorado Commission on Higher Education Financial Aid, Work Study - Two percent of the Work Study appropriation remains available for expenditure until the close of the 2022-23 state fiscal year.

**COMMENT:** This footnote has been included in the Long Bill for at least 10 years. It provides flexibility for the Department to roll forward work-study funds because employment by some students in the summer of the academic year may occur in the next state fiscal year.

- 31 Department of Higher Education, History Colorado, Central Administration; History Colorado Museums; and Office of Archaeology and Historic Preservation -- In addition to the transfer authority provided in Section 24-75-108, C.R.S., History Colorado may transfer up to 10.0 percent of the total amount appropriated in these sections between the sections and among the line items within the sections.

**COMMENT:** This footnote added flexibility in the History Colorado budget starting in FY 2015-16, associated with a reorganization at that time. History Colorado has requested a different reorganization this year, and has requested the flexibility continue.

#### FOOTNOTES TO BE DISCONTINUED

Staff recommends **DISCONTINUING** the following footnotes:

- 21a Department of Higher Education, Colorado Commission on Higher Education and Higher Education Special Purpose Programs, Administration, Administration -- It is the General

Assembly's intent that \$125,000 General Fund in this line item be spent for a new Chief Educational Equity Officer position and related costs.

**COMMENT:** This footnote was first added in the FY 2021-22 Long Bill, associated with a floor amendment that provided the additional \$125,000 General Fund for the new Chief Educational Equity Officer. The Department has publicly announced that the new position has been filled.

22 Department of Higher Education, Colorado Commission on Higher Education and Higher Education Special Purpose Programs, Special Purpose, WICHE - Optometry -- It is the General Assembly's intent that this program increase its benefits to Colorado citizens by moving toward a model in which state support for students participating in this program will result in increased optometry services for underserved communities and locations in Colorado, including rural areas.

**COMMENT:** This footnote was first added in the FY 2021-22 Long Bill, associated with a JBC decision to retain, rather than phase-out, funding for the WICHE - Optometry program. The FY 2021-22 Long Bill includes \$376,000 for the program from indirect cost collections that offset General Fund otherwise required. An associated JBC request for information requested a report on how the program could be modified to provide greater benefits to the State.

24 Department of Higher Education, Colorado Commission on Higher Education and Higher Education Special Purpose Programs, Special Purpose, Colorado Student Leaders Institute -- It is the General Assembly's intent that the Colorado Student Leaders Institute increase its efforts to recruit traditionally underserved student populations into the program.

**COMMENT:** This footnote was added in the FY 2021-22 Long Bill related to a Committee decision to retain, rather than eliminate, funding for the program. The FY 2021-22 Long Bill includes an appropriation of \$218,000 General Fund for the program.

26 Department of Higher Education, Colorado Commission on Higher Education Financial Aid -- To ensure the most efficient and effective use of state funded financial aid resources, it is the General Assembly's intent that the Commission prioritize allocations for students attending public institutions of higher education and reduce priority for allocations for students attending for profit institutions of higher education.

**COMMENT:** This footnote was added in the FY 2021-22 Long Bill to express the Committee's intent with respect to financial aid funding, which is appropriated in large line items and allocated by the Colorado Commission on Higher Education. In response to questions, the Department provided the following.

"In FY21-22, the CCHE held CSG allocations to proprietary institutions flat. Those institutions did not receive the 10.7% increase in need based financial aid. The Commission held that these institutions are already deprioritized in the allocations, and therefore did not further reduce their allocations. In FY21-22, allocations to proprietary institutions averaged \$231 per model eligible FTE (Pell eligible EFC, in-state, at least 0.5 time), while allocations to other institutions averaged \$2,850 per model eligible FTE. Allocations to proprietary institutions make up less than 1% of CSG and Work Study allocations.

- 32 Department of Higher Education, History Colorado, Central Administration, History Colorado Sustainability -- In addition to the transfer authority provided in Section 24-75-108, C.R.S., History Colorado may transfer amounts in this line item to other line items within the History Colorado section to address shortfalls in gaming and earned revenue resulting from the COVID-19 pandemic.

**COMMENT:** This footnote was first added to a new FY 2020-21 line item that provided \$1.0 million General Fund for the agency. The footnote reflected the expectation that History Colorado would transfer the funds as needed to fill revenue holes associated with the COVID-19 pandemic. This funding is not expected to continue in FY 2022-23.

## TUITION FOOTNOTES

*Staff will bring revised tuition footnotes to the Committee as needed once it has made decisions about higher education funding. However, the following footnote represents the typical format. A footnote for the University of Colorado will need to differ this year, if the Committee agrees to CU's proposal for tuition increases and adjustments. Proposed language for this is pending and not included below.*

Staff recommends **CONTINUING** the following footnotes, as amended:

- 28 Department of Higher Education, Governing Boards, Trustees of Adams State University, Trustees of Colorado Mesa University, Trustees of Metropolitan State University of Denver, Trustees of Western Colorado University, Board of Governors of the Colorado State University System, Trustees of Fort Lewis College, UNIVERSITY OF NORTHERN COLORADO, ~~Regents of the University of Colorado,~~ and State Board for Community Colleges and Occupational Education State System Community Colleges -- The amounts in these line items are calculated based on the assumption that no undergraduate student with in-state classification will pay more tuition in FY ~~2021-22~~ 2022-23 than three percent over what a student would have paid in FY ~~2020-21~~ 2021-22 for the same credit hours and course of study. These amounts are also calculated based on the assumption that each governing board will increase tuition rates for graduate and nonresident students based on its assessment of market conditions. The General Assembly intends to adjust the amounts in these line items through supplemental action during ~~FY 2021-22~~ FY 2022-23 based on updated enrollment estimates and tuition rate information.

**COMMENT:** Statute authorizes the General Assembly to appropriate tuition and specify its tuition assumptions in a related footnote. Versions of this footnote have been included in the Long Bill for many years. Between FY 2010-11 and FY 2015-16 the General Assembly suspended statutory provisions that authorized the General Assembly to appropriate tuition. The suspension was then allowed to lapse, and versions of the footnote were included in the FY 2016-17 Long Bill and have been included in the Long Bill since that time.

- 29 Department of Higher Education, Governing Boards, Trustees of the Colorado School of Mines -- The cash funds appropriation from tuition in this line item is for informational purposes only. Pursuant to the provisions of Section 23-41-104.6 (5)(c), C.R.S., the Board of Trustees has authority to establish resident and non-resident tuition rates for the Colorado

School of Mines. The General Assembly intends to adjust the amount in this line item through supplemental action during ~~FY 2021-22~~ FY 2022-23 based on updated enrollment estimates and tuition rate information.

**COMMENT:** Statute authorizes the General Assembly to appropriate tuition for most institutions. However, the Colorado School of Mines is exempted from this restriction so long as it is operating pursuant to a performance contract negotiated with the Department of Higher Education. As a result, since tuition footnotes were reinstated in FY 2016-17, the Colorado School of Mines has had a separate footnote indicating that tuition amounts reflecting the Long Bill for the school are for informational purposes only. The Colorado School of Mines is exempted only so long as it is operating under a performance contract negotiated with the Colorado Department of Higher Education that is approved by a majority of members of the Education Committees, a majority of members of the JBC, and signed by the Governor.

Staff recommends **DISCONTINUING** the following footnote:

- 30 Department of Higher Education, Governing Boards, University of Northern Colorado -- The amount in this line item is calculated based on the assumption that no undergraduate student with in-state classification will pay more tuition in FY 2021-22 than seven percent over what a student would have paid in FY 2020-21 for the same credit hours and course of study. This amount is also calculated based on the assumption that the governing board will increase tuition rates for graduate and nonresident students based on its assessment of market conditions. The General Assembly intends to adjust the amount in this line item through supplemental action during FY 2021-22 based on updated enrollment estimates and tuition rate information.

**COMMENT:** Statute authorizes the General Assembly to appropriate tuition and specify its tuition assumptions in a related footnote. Versions of this footnote have been included in many Long Bills over the years. Between FY 2010-11 and FY 2015-16 the General Assembly suspended statutory provisions that authorized the General Assembly to appropriate tuition. The suspension was then allowed to lapse, and versions of the footnote were included in the FY 2016-17 Long Bill and have been included in each Long Bill since that time. Based on tuition and fee data from the Department, the University of Northern Colorado increased its tuition by 7.0 percent, the maximum allowed by this footnote. This was a one-time adjustment.

## REQUESTS FOR INFORMATION

### REQUESTS TO BE CONTINUED

Staff requests **COMMITTEE INPUT** on whether this item should be continued.

- 4 Department of Higher Education, Colorado Commission on Higher Education and Special Purpose Programs, Administration; College Opportunity Fund Program Fee-for-service Contracts with State Institutions; Governing Boards; Local District College Grants Pursuant to Section 23-71-301, C.R.S.; and Division of Occupational Education, Area Technical Colleges -- Of the total funding allocated to the Higher Education institutions for FY 2021-22, \$41,797,710

allocated to institutions, and an associated \$9,462,950 distributed as financial aid, is based on institutions' share of first generation, underrepresented minority, and Pell-eligible students in FY 2019-20 and their improvement in retaining underrepresented minority students in FY 2019-20 compared to prior years. The General Assembly has expressed its intent that this funding be used to prioritize retention of first generation, underrepresented minority, and low income students in FY 2021-22 and future years consistent with the goals of Colorado's Higher Education Master Plan. It has indicated that this may include the development, enhancement, and expansion of programs to recruit and retain such students as well as steps to reduce the cost of higher education through tuition rate freezes, reductions, and need-based scholarships for Colorado resident students. The General Assembly anticipates that the Colorado Commission on Higher Education may incorporate conditions in fee-for-service contracts with state institutions and grants with local district colleges and area technical colleges to ensure that the additional \$41.8 million in funding allocated to the institutions is used to supplement and not supplant existing institutional efforts to recruit and retain first generation, underrepresented minority, and low-income students, including reducing the financial barriers to students pursuing higher education through tuition rate freezes, reductions, and need-based scholarships for Colorado resident students. The Commission is requested to coordinate and submit a report to the Joint Budget Committee by October 1, 2021 that describes how these funds will be used for FY 2021-22 and future years. The institutions are requested to provide the information to the Department by a date and in a format specified by the Department, and the Department is requested to forward this information to the Joint Budget Committee with an executive summary developed by the Department. The report should specifically address the steps institutions will take with these funds to reduce and eliminate the retention rate gap and increase enrollment, and ultimately successful completion, of the targeted student groups.

**COMMENT:** This RFI was first added in the FY 2021-22 Long Bill, associated with a funding increase provided under the new higher education funding model that took effect in FY 2021-22. The Department submitted a response as requested. Please see the related issue brief on Requests R1 and R2.

Staff recommends **CONTINUING THE FOLLOWING REQUESTS AS AMENDED WHERE APPLICABLE:**

- 5 Colorado Department of Higher Education, Colorado Commission on Higher Education, Administration; and Governing Boards -- The Department is requested to coordinate the following annual data submissions to the Joint Budget Committee and Legislative Council Staff to support tuition, fee, and stipend revenue estimates used for appropriations and informational amounts included in the Long Bill.

By November 10, ~~2021-2022~~: Submit budget data books for each of the governing boards that provide detail on education and general revenue and expenditures for each institution for the most recent actual year (FY ~~2020-21~~ 2021-22) and the current estimate year (FY ~~2021-22~~ 2022-23).

- Include estimate-year FY ~~2021-22~~ 2022-23 full time equivalent (FTE) enrollment data for resident undergraduate and graduate students and non-resident undergraduate and graduate students, in addition to actual year FY ~~2020-21~~ 2021-22 student FTE data. The FY ~~2021-22~~ 2022-23 student FTE estimates should be those used to



develop the FY ~~2021-22~~ 2022-23 revenue and expenditure estimates in the data books.

- Identify actual FY ~~2020-21~~ 2021-22 and budgeted FY ~~2021-22~~ 2022-23 student FTE eligible for the College Opportunity Fund (COF) stipend in the budget data book submission.
- As part of the submission, the Department is requested to identify actual and estimated expenditures of federal stimulus funds used to support institutional operations. The submission should address: (1) Coronavirus Relief Funds and any other funds allocated through the State; (2) Higher Education Emergency Relief funds allocated directly by the federal government for institutional use; (3) the portion of such funds used for education and general purposes; and, separately, the portion used for other purposes that are not typically reflected in the state budget.
- The Department is requested to provide separately the actual and estimated revenue from mandatory fees using the definitions established by the Department of Higher Education for mandatory fees.

By December 15, ~~2021~~ 2022: Submit fall ~~2021~~ 2022 student FTE census data. This should include resident undergraduate and graduate and non-resident undergraduate and graduate FTE figures for each governing board and institutional break-outs for those governing boards that oversee multiple institutions.

By February 15, ~~2022~~ 2023: Submit revised estimate year FY ~~2021-22~~ 2022-23 and request year FY ~~2022-23~~ 2023-24 revenue and enrollment data for each governing board, along with the comparable FY ~~2020-21~~ 2021-22 actual data for context. Include data at the institutional level for the University of Colorado and Colorado State University Systems.

- For each year, include FTE enrollment and revenue estimates for resident undergraduate and graduate students and non-resident undergraduate and graduate students. The data should clearly separate revenue associated with each of these four categories, where applicable.
- Include annotations explaining assumptions, including tuition and fee rate and enrollment assumptions for the FY ~~2022-23~~ 2023-24 request year.
- Consistent with the requirements of Section 23-18-202 (2)(a)(I), C.R.S., also include an update on the number of student FTE estimated to be eligible for COF stipends in FY ~~2021-22~~ 2022-23 based on the most recent data available (different from the figures used to establish initial stipend appropriations).
- Include actual and estimated expenditures of federal stimulus funds used to support institutional operations. The submission should address: (1) Coronavirus Relief Funds and any other funds allocated through the State; (2) Higher Education Emergency Relief funds allocated directly by the federal government for institutional use; (3) the portion of such funds used for education and general purposes; and, separately, the portion used for other purposes that are not typically reflected in the state budget.
- Include actual and estimated revenue from mandatory fees using the definitions established by the Department of Higher Education for mandatory fees.

**COMMENT:** A version of this request has been included as a formal RFI since FY 2016-17 although the key elements of the request have been requested from the Department for many more years. The responses include data that is critical for figure setting.

- 6 Department of Higher Education, Colorado Commission on Higher Education, Administration -- The Department should continue its efforts to provide data on the efficiency and effectiveness of state financial aid in expanding access to higher education for Colorado residents. The Department is requested to provide to the Joint Budget Committee by December 1 of each year an evaluation of financial aid programs, which should include, but not be limited to: (1) an estimate of the amount of federal, institutional, and private resources (including tax credits) devoted to financial aid; (2) the number of recipients from all sources; (3) information on typical awards; and (4) the typical debt loads of graduates. The Department is requested to provide more in-depth data on the financial aid awarded at the state's public institutions, by institution. This should include further information on the use of institutional aid, including the extent to which such aid is awarded to residents versus non-residents, for financial need versus merit, and the extent to which merit-based aid is awarded to students who qualify on the basis of need, whether or not the aid was classified as merit-based.

**COMMENT:** The JBC has requested this information since at least FY 2008-09. The Department submitted the report on December 1, 2021, as required by the RFI.

- 7 Department of Higher Education, Colorado Commission on Higher Education, Administration -- The Department is requested to submit a report by November 1 of each year demonstrating that its annual funding request for centrally-appropriated amounts is similar to the amount that would be provided if Department staff were enrolled in state plans. The Department is further requested to submit, as part of the annual request for common policy benefits adjustments, templates that reflect the benefit selection for each member of the Department's staff in a manner that will enable health benefits for these staff to be calculated consistent with common policy. The templates are expected to contain July data on health benefits actually selected by Department staff and relate staff benefit elections to comparable state plan premiums.

**COMMENT:** A version of this RFI has been requested since FY 2016-17 because the Department's benefit structure differs from that of all other state departments. It has used the Colorado Community College System's benefits for at least 20 years.

- 8 Department of Higher Education, Colorado Commission on Higher Education, Special Purpose, Tuition/Enrollment Contingency -- The Department is requested to provide information on the amount of Tuition Enrollment Contingency funds distributed to any governing board and whether the governing board complied with Colorado Commission on Higher Education tuition policy and intended limits on undergraduate rates expressed in Long Bill footnotes. This information, as it applies to actual expenditures in FY ~~2020-21~~ 2021-22 should be provided by November 1, ~~2021~~ 2022, and as it applies to actual expenditures in FY ~~2021-22~~ 2022-23 should be provided by November 1, ~~2022~~ 2023.

**COMMENT:** This request has been included since FY 2016-17, when the General Assembly again began to appropriate tuition and provide a tuition/enrollment contingency line item. The Department has reported that by May 15, governing boards apply for tuition contingency funding with information on the tuition contingency fund requested, the undergraduate resident tuition rate for the year, the reason for needing additional spending authority, and a variation analysis from the most recent tuition appropriation. Any Board that has complied with the tuition limit in the Long Bill and that does not request more than its proportionate share of tuition contingency funding is automatically approved. If a governing board needs spending authority over their proportionate share, CDHE staff determine if there is spending authority remaining. As a last resort, a June 1331 supplemental may be submitted to the Joint Budget Committee.

## REQUESTS TO BE DISCONTINUED

Staff recommends **DISCONTINUING** the following requests for information.

- 9 Colorado Department of Higher Education, Colorado Commission on Higher Education, Administration --- The Department, in collaboration with the governing boards, is requested to continue to explore the implications of eliminating the current College Opportunity Fund student stipend structure and instead funding the state governing boards solely through fee-for-service contracts. The Department is requested to submit a report by September 1, 2021 that addresses the response it has received from the Attorney General's Office on the implications of this change, and, based on this, whether the Department and the governing boards support making this transition. If so, the Department is requested to outline any specific recommendations for implementing the change, including a timeline that will minimize disruptions to institutional operations.

**COMMENT:** This RFI was added in the FY 2021-22 Long Bill as a follow-on to an FY 2020-21 RFI response. The Department submitted the response as requested. It indicated that the Department engaged in attorney-client privileged discussions with the Attorney General's office. Following those privileged discussions, the Department concluded that it does not support eliminating the current structure. It believes that ending funding through both of the current mechanisms (stipends, as well as fee-for-service contracts) could create risk to the status of institutions of higher education as TABOR enterprises.

- 10 Colorado Department of Higher Education, Colorado Commission on Higher Education and Higher Education Special Purpose Programs, Special Purpose, WICHE - Optometry -- The Department is requested to work with the Western Interstate Commission for Higher Education, the Colorado Optometric Association, and other stakeholders to explore how this program could be modified to ensure that funding for the program results in increased optometry services for underserved communities and locations, including rural areas. The Department is requested to report its findings to the Joint Budget Committee by October 1, 2021.

**COMMENT:** This RFI was first added in the FY 2021-22 Long Bill, associated with a decision to retain funding for the WICHE - Optometry line item. The JBC reduced funding for the program in FY 2020-21 by \$74,025 General Fund to a total of \$376,000 General Fund. For FY 2021-22, the Executive branch proposed complete phase out of the program. The JBC chose to retain it at the lower level

with a footnote and this RFI. The conversation on this topic continues, but staff does not believe another RFI is required.

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

**Appendix A: Numbers Pages**

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
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**DEPARTMENT OF HIGHER EDUCATION**  
**Angie Paccione, Executive Director**

**(1) DEPARTMENT ADMINISTRATIVE OFFICE**

re not included in this section. Cash funds are primarily from the State Historical Fund. Reappropriated funds are from indirect cost recoveries.

Health, Life, and Dental	<u>2,177,159</u>	<u>1,182,675</u>	<u>2,263,269</u>	<u>2,464,225</u>	<u>2,529,583</u> *
General Fund	107,097	85,156	228,089	397,171	357,979
Cash Funds	1,234,748	354,075	1,349,702	1,361,116	1,386,746
Reappropriated Funds	337,594	339,958	448,564	311,122	311,122
Federal Funds	497,720	403,486	236,914	394,816	473,736
Short-term Disability	<u>20,496</u>	<u>12,186</u>	<u>21,194</u>	<u>22,705</u>	<u>24,197</u>
General Fund	551	1,528	1,914	3,124	3,421
Cash Funds	13,379	3,663	13,046	13,059	13,220
Reappropriated Funds	4,261	3,911	4,292	3,877	3,877
Federal Funds	2,305	3,084	1,942	2,645	3,679
S.B. 04-257 Amortization Equalization Disbursement	<u>639,698</u>	<u>371,868</u>	<u>704,081</u>	<u>753,126</u>	<u>702,217</u>
General Fund	17,746	48,848	64,601	102,660	115,734
Cash Funds	426,771	116,562	443,336	443,786	345,027
Reappropriated Funds	126,538	115,027	134,794	123,491	123,491
Federal Funds	68,643	91,431	61,350	83,189	117,965

*JBC Staff Figure Setting - FY 2022-23*  
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	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
S.B. 06-235 Supplemental Amortization Equalization					
Disbursement	<u>639,698</u>	<u>371,868</u>	<u>704,081</u>	<u>753,126</u>	<u>702,217</u>
General Fund	17,746	48,848	64,601	102,660	115,734
Cash Funds	426,771	116,562	443,336	443,786	345,027
Reappropriated Funds	126,538	115,027	134,794	123,491	123,491
Federal Funds	68,643	91,431	61,350	83,189	117,965
PERA Direct Distribution	<u>331,282</u>	<u>0</u>	<u>478,087</u>	<u>473,936</u>	<u>479,536</u>
General Fund	69,050	0	25,566	62,391	75,182
Cash Funds	170,290	0	233,519	211,565	187,201
Reappropriated Funds	91,942	0	152,559	119,488	119,488
Federal Funds	0	0	66,443	80,492	97,665
Salary Survey	<u>477,673</u>	<u>0</u>	<u>460,796</u>	<u>527,783</u>	<u>567,669</u>
General Fund	11,562	0	42,278	67,461	148,115
Cash Funds	338,391	0	290,148	290,443	226,814
Reappropriated Funds	82,996	0	88,219	115,193	115,193
Federal Funds	44,724	0	40,151	54,686	77,547
Workers' Compensation	<u>66,402</u>	<u>59,290</u>	<u>55,884</u>	<u>36,111</u>	<u>50,413</u> *
Cash Funds	36,616	37,588	36,117	22,222	31,023
Reappropriated Funds	29,786	21,702	19,767	13,889	19,390
Legal Services	<u>137,942</u>	<u>131,281</u>	<u>188,360</u>	<u>212,793</u>	<u>182,927</u> *
Cash Funds	88,312	81,373	123,685	112,567	82,701
Reappropriated Funds	49,630	49,908	64,675	100,226	100,226
Administrative Law Judge Services	<u>796</u>	<u>0</u>	<u>0</u>	<u>311</u>	<u>322</u>
Cash Funds	796	0	0	311	322

*JBC Staff Figure Setting - FY 2022-23*  
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	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Payment to Risk Management and Property Funds	<u>232,141</u>	<u>162,244</u>	<u>278,935</u>	<u>308,350</u>	<u>325,749</u> *
Cash Funds	224,922	154,315	259,235	39,343	283,650
Reappropriated Funds	7,219	7,929	19,700	269,007	42,099
Leased Space	<u>424,927</u>	<u>424,927</u>	<u>424,927</u>	<u>424,927</u>	<u>424,927</u>
Cash Funds	112,960	112,960	112,960	112,960	112,960
Reappropriated Funds	311,967	311,967	311,967	311,967	311,967
Payments to OIT	<u>744,491</u>	<u>359,245</u>	<u>231,101</u>	<u>355,946</u>	<u>265,064</u> *
General Fund	150,000	85,073	151,306	151,306	151,306
Cash Funds	525,869	215,544	20,258	118,883	28,001
Reappropriated Funds	68,622	58,628	59,537	85,757	85,757
CORE Operations	<u>203,523</u>	<u>274,875</u>	<u>237,213</u>	<u>257,323</u>	<u>257,323</u>
Cash Funds	79,820	106,792	92,160	92,160	92,160
Reappropriated Funds	123,703	168,083	145,053	165,163	165,163
<b>TOTAL - (1) Department Administrative Office</b>	6,096,228	3,350,459	6,047,928	6,590,662	6,512,144
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	373,752	269,453	578,355	886,773	967,471
Cash Funds	3,679,645	1,299,434	3,417,502	3,262,201	3,134,852
Reappropriated Funds	1,360,796	1,192,140	1,583,921	1,742,671	1,521,264
Federal Funds	682,035	589,432	468,150	699,017	888,557

*JBC Staff Figure Setting - FY 2022-23*  
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	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
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**(2) COLORADO COMMISSION ON HIGHER EDUCATION AND HIGHER EDUCATION SPECIAL PURPOSE PROGRAMS**

s proprietary institutions, higher education lease purchase payments and capital-related outlays, and a large number of special purpose programs that rely on various funding sources.

**(A) Administration**

Administration	3,236,405	3,156,620	3,631,050	3,920,779	3,670,779 *
FTE	30.9	30.6	32.0	32.6	31.0
General Fund	92,787	0	196,423	306,094	0
Cash Funds	35,376	39,698	202,082	202,082	202,082
Reappropriated Funds	3,010,123	3,067,693	3,232,545	3,412,603	3,468,697
Federal Funds	98,119	49,229	0	0	0

<b>SUBTOTAL - (A) Administration</b>	3,236,405	3,156,620	3,631,050	3,920,779	3,670,779
FTE	<u>30.9</u>	<u>30.6</u>	<u>32.0</u>	<u>32.6</u>	<u>31.0</u>
General Fund	92,787	0	196,423	306,094	0
Cash Funds	35,376	39,698	202,082	202,082	202,082
Reappropriated Funds	3,010,123	3,067,693	3,232,545	3,412,603	3,468,697
Federal Funds	98,119	49,229	0	0	0

**(B) Division of Private Occupational Schools**

Division of Private Occupational Schools	728,628	836,310	956,750	943,307	1,069,500 *
FTE	9.8	10.4	10.4	10.3	10.3
Cash Funds	728,628	836,310	956,750	943,307	1,069,500

<b>SUBTOTAL - (B) Division of Private Occupational Schools</b>	728,628	836,310	956,750	943,307	1,069,500
FTE	<u>9.8</u>	<u>10.4</u>	<u>10.4</u>	<u>10.3</u>	<u>10.3</u>
Cash Funds	728,628	836,310	956,750	943,307	1,069,500



*JBC Staff Figure Setting - FY 2022-23*  
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	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>(C) Special Purpose</b>					
Western Interstate Commission for Higher Education (WICHE)					
Reappropriated Funds	<u>153,000</u>	<u>159,000</u>	<u>159,000</u>	<u>164,000</u>	<u>164,000</u> *
WICHE - Optometry	<u>442,200</u>	<u>376,600</u>	<u>376,600</u>	<u>376,600</u>	<u>385,500</u>
General Fund	0	0	0	0	0
Reappropriated Funds	442,200	376,600	376,600	376,600	385,500
Distribution to Higher Education Competitive Research Authority	<u>1,811,441</u>	<u>1,748,478</u>	<u>2,000,000</u>	<u>2,800,000</u>	<u>2,800,000</u> *
Cash Funds	1,811,441	1,748,478	2,000,000	2,800,000	2,800,000
Veterinary School Capital Outlay Support	<u>285,000</u>	<u>285,000</u>	<u>285,000</u>	<u>285,000</u>	<u>285,000</u>
Cash Funds	139,650	150,768	143,640	143,640	143,640
Reappropriated Funds	145,350	134,232	141,360	141,360	141,360
Colorado Geological Survey at the Colorado School of Mines	<u>2,654,853</u>	<u>2,735,028</u>	<u>2,250,018</u>	<u>2,250,018</u>	<u>2,295,019</u>
FTE	15.5	15.5	15.5	15.5	15.5
General Fund	567,208	567,208	622,086	622,086	634,528
Cash Funds	1,628,535	1,744,091	1,627,932	1,627,932	1,660,491
Reappropriated Funds	51,958	0	0	0	0
Federal Funds	407,152	423,729	0	0	0
Institute of Cannabis Research - Governing Board	<u>0</u>	<u>0</u>	<u>1,200,000</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	1,200,000	0	0

*JBC Staff Figure Setting - FY 2022-23*  
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	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Institute of Cannabis Research at CSU-Pueblo	<u>1,740,649</u>	<u>1,195,585</u>	<u>600,000</u>	<u>3,600,000</u>	<u>2,800,000</u> *
Cash Funds	1,740,649	1,195,585	600,000	3,600,000	2,800,000
GEAR-UP	<u>6,084,825</u>	<u>6,114,699</u>	<u>5,000,000</u>	<u>5,048,228</u>	<u>5,000,000</u>
FTE	39.1	29.1	29.1	29.1	29.1
Federal Funds	6,084,825	6,114,699	5,000,000	5,048,228	5,000,000
Prosecution Fellowship Program	<u>195,496</u>	<u>0</u>	<u>356,496</u>	<u>356,496</u>	<u>356,496</u>
General Fund	195,496	0	356,496	356,496	356,496
Rural Teacher Recruitment, Retention, and Professional Development	<u>681,095</u>	<u>709,175</u>	<u>1,209,357</u>	<u>1,533,927</u>	<u>1,209,357</u>
FTE	0.3	0.8	0.8	0.9	0.8
General Fund	441,095	709,175	1,209,357	1,533,927	1,209,357
Reappropriated Funds	240,000	0	0	0	0
Open Educational Resources Initiatives	<u>786,577</u>	<u>961,176</u>	<u>1,108,200</u>	<u>1,108,200</u>	<u>1,108,200</u>
FTE	1.0	1.0	1.0	1.0	1.0
General Fund	786,577	961,176	1,108,200	1,108,200	1,108,200
Reappropriated Funds	0	0	0	0	0
Forest Restoration and Wildfire Risk Mitigation Grant Program Cash Fund at Colorado State University	<u>1,000,000</u>	<u>1,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>
General Fund	1,000,000	1,000,000	8,000,000	8,000,000	8,000,000
Healthy Forests and Vibrant Communities Fund at Colorado State University	<u>0</u>	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
General Fund	0	0	2,000,000	2,000,000	2,000,000

*JBC Staff Figure Setting - FY 2022-23*  
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	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Colorado Student Leaders Institute Pilot	<u>132,719</u>	<u>148,912</u>	<u>218,825</u>	<u>218,825</u>	<u>218,825</u>
FTE	1.0	1.0	1.0	0.0	1.0
General Fund	132,719	148,912	218,825	218,825	218,825
Strategies for Educator Preparation Programs	<u>0</u>	<u>0</u>	<u>0</u>	<u>108,245</u>	<u>59,132</u>
FTE	0.0	0.0	0.0	1.6	1.0
General Fund	0	0	0	108,245	59,132
Financial Aid Assessment Tool	<u>160,764</u>	<u>153,911</u>	<u>154,069</u>	<u>154,069</u>	<u>154,069</u>
FTE	0.2	0.5	0.5	0.5	0.5
Reappropriated Funds	160,764	153,911	154,069	154,069	154,069
Growing Great Teachers - Teacher Mentor Grants	<u>0</u>	<u>0</u>	<u>548,477</u>	<u>548,477</u>	<u>548,477</u>
FTE	0.0	0.0	0.5	0.0	0.5
General Fund	0	0	548,477	548,477	548,477
Support Expansions of Single Stop	<u>0</u>	<u>0</u>	<u>0</u>	<u>45,000</u>	<u>0</u> *
General Fund	0	0	0	45,000	0
COSI FAFSA Completion Grant Program - ARPA					
Money	<u>0</u>	<u>0</u>	<u>1,500,000</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	1,500,000	0	0
Center for Substance Use Disorder, Prevention, Treatment, and Recovery Support Strategies at the University of Colorado Health Sciences Center	<u>0</u>	<u>0</u>	<u>4,825,000</u>	<u>0</u>	<u>4,250,000</u>
Cash Funds	0	0	4,825,000	0	4,250,000

*JBC Staff Figure Setting - FY 2022-23*  
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	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Colorado Re-Engaged and Associate Degree Completion Programs - ARPA Money	<u>0</u>	<u>0</u>	<u>1,000,000</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	1.0	0.0	0.0
Cash Funds	0	0	1,000,000	0	0
Career and Technical Education Equipment, Facility, and Instruction Capacity Funding - ARPA Money	<u>0</u>	<u>0</u>	<u>10,000,000</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	10,000,000	0	0
Appropriation to the Educator Loan Forgiveness Fund	<u>0</u>	<u>0</u>	<u>2,500,000</u>	<u>0</u>	<u>0</u>
General Fund	0	0	2,500,000	0	0
Educator Loan Forgiveness Program Administration	<u>0</u>	<u>0</u>	<u>398,963</u>	<u>0</u>	<u>0</u>
FTE	0.0	0.0	0.5	0.0	0.0
General Fund	0	0	398,963	0	0
Educator Loan Forgiveness Program	<u>123,969</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	1.4	0.0	0.0	0.0	0.0
General Fund	123,969	0	0	0	0
RISE Education Innovation Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
H.B. 18-1332 Collaborative Educator Preparation Program Grants	<u>92,787</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	92,787	0	0	0	0

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Appropriation</b>	<b>FY 2022-23 Request</b>	<b>FY 2022-23 Recommendation</b>
<b>SUBTOTAL - (C) Special Purpose</b>	16,345,375	15,587,564	45,690,005	28,597,085	31,634,075
<i>FTE</i>	<u>58.5</u>	<u>47.9</u>	<u>49.9</u>	<u>48.6</u>	<u>49.4</u>
General Fund	3,339,851	3,386,471	16,962,404	14,541,256	14,135,015
Cash Funds	5,320,275	4,838,922	22,896,572	8,171,572	11,654,131
Reappropriated Funds	1,193,272	823,743	831,029	836,029	844,929
Federal Funds	6,491,977	6,538,428	5,000,000	5,048,228	5,000,000

**(D) Lease Purchase Payments and Capital-related Outlays**

University of Colorado, Lease Purchase of Academic

Facilities at Fitzsimons	<u>14,150,438</u>	<u>14,153,707</u>	<u>12,126,226</u>	<u>12,129,495</u>	<u>11,540,613</u> *
General Fund	1,939,257	0	5,157,255	5,121,284	4,589,105
General Fund Exempt	5,350,421	7,653,707	0	0	0
Cash Funds	6,860,760	6,500,000	6,968,971	7,008,211	6,951,508

Appropriation to the Higher Education Federal  
Mineral Lease Revenues Fund for Lease Purchase of  
Academic Facilities

	<u>16,294,250</u>	<u>16,933,244</u>	<u>17,072,238</u>	<u>17,072,238</u>	<u>16,631,232</u>
General Fund	16,294,250	0	17,072,238	17,072,238	16,631,232
General Fund Exempt	0	16,933,244	0	0	0

Lease Purchase of Academic Facilities Pursuant to  
Section 23-19.9-102

	<u>17,408,921</u>	<u>17,430,405</u>	<u>17,432,238</u>	<u>17,431,232</u>	<u>17,439,900</u> *
Cash Funds	1,114,671	497,161	360,000	220,000	808,668
Reappropriated Funds	16,294,250	16,933,244	17,072,238	17,211,232	16,631,232

Annual Depreciation-Lease Equivalent Payment

	<u>2,446,363</u>	<u>0</u>	<u>4,689,433</u>	<u>7,406,847</u>	<u>7,406,847</u> *
General Fund	2,446,363	0	4,689,433	7,406,847	7,406,847

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
Pre-payment to Retire Portion of Fitzsimons Lease					
Purchase Obligation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0

<b>SUBTOTAL - (D) Lease Purchase Payments and Capital-related Outlays</b>	50,299,972	48,517,356	51,320,135	54,039,812	53,018,592
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	20,679,870	0	26,918,926	29,600,369	28,627,184
General Fund Exempt	5,350,421	24,586,951	0	0	0
Cash Funds	7,975,431	6,997,161	7,328,971	7,228,211	7,760,176
Reappropriated Funds	16,294,250	16,933,244	17,072,238	17,211,232	16,631,232

**(E) Tuition/Enrollment Contingency**

Tuition/Enrollment Contingency	<u>31,238,416</u>	<u>60,000,000</u>	<u>75,000,000</u>	<u>60,000,000</u>	<u>75,000,000</u>
Cash Funds	31,238,416	60,000,000	75,000,000	60,000,000	75,000,000

<b>SUBTOTAL - (E) Tuition/Enrollment Contingency</b>	31,238,416	60,000,000	75,000,000	60,000,000	75,000,000
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	31,238,416	60,000,000	75,000,000	60,000,000	75,000,000

**(F) Indirect Cost Assessments**

Indirect Cost Assessments	<u>0</u>	<u>66,156</u>	<u>7,361,509</u>	<u>7,361,509</u>	<u>7,855,261</u>
Cash Funds	0	66,156	350,758	350,758	424,628
Reappropriated Funds	0	0	6,915,791	6,915,791	7,321,029
Federal Funds	0	0	94,960	94,960	109,604

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>SUBTOTAL - (F) Indirect Cost Assessments</b>	0	66,156	7,361,509	7,361,509	7,855,261
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	0	66,156	350,758	350,758	424,628
Reappropriated Funds	0	0	6,915,791	6,915,791	7,321,029
Federal Funds	0	0	94,960	94,960	109,604
<b>TOTAL - (2) Colorado Commission on Higher Education and Higher Education Special Purpose Programs</b>	101,848,796	128,164,006	183,959,449	154,862,492	172,248,207
<i>FTE</i>	<u>99.2</u>	<u>88.9</u>	<u>92.3</u>	<u>91.5</u>	<u>90.7</u>
General Fund	24,112,508	3,386,471	44,077,753	44,447,719	42,762,199
General Fund Exempt	5,350,421	24,586,951	0	0	0
Cash Funds	45,298,126	72,778,247	106,735,133	76,895,930	96,110,517
Reappropriated Funds	20,497,645	20,824,680	28,051,603	28,375,655	28,265,887
Federal Funds	6,590,096	6,587,657	5,094,960	5,143,188	5,109,604

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
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**(3) COLORADO COMMISSION ON HIGHER EDUCATION FINANCIAL AID**

Financial aid programs assist students in covering the cost of higher education. This section includes state appropriations for need based grants, merit based grants, work study, and various special purpose financial aid programs.

**(A) Need Based Grants**

Need Based Grants	<u>163,456,542</u>	<u>167,532,879</u>	<u>180,825,470</u>	<u>190,594,060</u>	<u>190,594,060</u> *
General Fund	35,849,141	0	179,968,585	189,737,175	189,436,375
General Fund Exempt	127,287,141	166,213,358	0	0	0
Reappropriated Funds	320,260	1,319,521	856,885	856,885	1,157,685
<b>SUBTOTAL - (A) Need Based Grants</b>	163,456,542	167,532,879	180,825,470	190,594,060	190,594,060
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	35,849,141	0	179,968,585	189,737,175	189,436,375
General Fund Exempt	127,287,141	166,213,358	0	0	0
Reappropriated Funds	320,260	1,319,521	856,885	856,885	1,157,685

**(B) Work Study**

Work Study	<u>22,435,601</u>	<u>18,560,939</u>	<u>23,129,178</u>	<u>23,129,178</u>	<u>23,129,178</u>
General Fund	1,003,273	0	23,129,178	23,129,178	23,129,178
General Fund Exempt	21,432,328	18,560,939	0	0	0
<b>SUBTOTAL - (B) Work Study</b>	22,435,601	18,560,939	23,129,178	23,129,178	23,129,178
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	1,003,273	0	23,129,178	23,129,178	23,129,178
General Fund Exempt	21,432,328	18,560,939	0	0	0



*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>(C) Merit Based Grants</b>					
Merit Based Grants	<u>5,198,860</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	198,860	0	0	0	
General Fund Exempt	5,000,000	0	0	0	
<b>SUBTOTAL - (C) Merit Based Grants</b>	5,198,860	0	0	0	
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
General Fund	198,860	0	0	0	
General Fund Exempt	5,000,000	0	0	0	

**(D) Special Purpose**

Veterans'/Law Enforcement/POW Tuition Assistance					
General Fund	<u>937,470</u>	<u>1,143,700</u>	<u>956,000</u>	<u>956,000</u>	<u>1,143,700</u>
Native American Students/Fort Lewis College	<u>19,626,043</u>	<u>21,790,595</u>	<u>24,045,076</u>	<u>24,803,434</u>	<u>25,563,965</u> *
General Fund	2,677,849	0	24,045,076	24,803,434	25,563,965
General Fund Exempt	16,948,194	21,790,595	0	0	0
Colorado Opportunity Scholarship Initiative Fund					
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	2,000,000	6,000,000	7,000,000	7,000,000	7,000,000
General Fund Exempt	5,000,000	0	0	0	0
Cash Funds	10,178,464	11,142,194	0	0	0
Tuition Assistance for Career and Technical Education Certificate Programs					
General Fund	<u>368,579</u>	<u>339,035</u>	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
COSI Student Financial Aid and Support Services -					
ARPA Money	<u>0</u>	<u>0</u>	<u>49,000,000</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	49,000,000	0	0
Fourth-year Innovation Pilot Program					
FTE	<u>0</u>	<u>0</u>	<u>44,222</u>	<u>0</u>	<u>368,792</u>
General Fund	0.0	0.0	0.6	0.0	0.7
General Fund	0	0	44,222	0	368,792
COSI Displaced Workers Program - ARPA Funds					
Cash Funds	<u>0</u>	<u>15,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	0	15,000,000	0	0	0
H.B. 18-1002 Rural Teaching Fellowship Program					
FTE	<u>117,314</u>	<u>485,463</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0.5	0.0	0.0	0.0	0.0
General Fund	117,314	485,463	0	0	0
Colorado Second Chance Scholarship					
FTE	<u>105,145</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0.8	0.0	0.0	0.0	0.0
General Fund	105,145	0	0	0	0
<b>SUBTOTAL - (D) Special Purpose</b>	38,333,015	55,900,987	81,495,298	33,209,434	34,526,457
FTE	<u>1.3</u>	<u>0.0</u>	<u>0.6</u>	<u>0.0</u>	<u>0.7</u>
General Fund	6,206,357	7,968,198	32,495,298	33,209,434	34,526,457
General Fund Exempt	21,948,194	21,790,595	0	0	0
Cash Funds	10,178,464	26,142,194	49,000,000	0	0

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Appropriation</b>	<b>FY 2022-23 Request</b>	<b>FY 2022-23 Recommendation</b>
<b>TOTAL - (3) Colorado Commission on Higher Education Financial Aid</b>	229,424,018	241,994,805	285,449,946	246,932,672	248,249,695
<i>FTE</i>	<u>1.3</u>	<u>0.0</u>	<u>0.6</u>	<u>0.0</u>	<u>0.7</u>
General Fund	43,257,631	7,968,198	235,593,061	246,075,787	247,092,010
General Fund Exempt	175,667,663	206,564,892	0	0	0
Cash Funds	10,178,464	26,142,194	49,000,000	0	0
Reappropriated Funds	320,260	1,319,521	856,885	856,885	1,157,685

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
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**(4) COLLEGE OPPORTUNITY FUND PROGRAM**

This section includes General Fund appropriations for student stipend payments and for fee-for-service contracts between the Colorado Commission on Higher Education and the governing boards that oversee the state higher education institutions.

**(A) Stipends**

Stipends for eligible full-time equivalent students

attending state institutions	<u>349,088,289</u>	<u>138,734,896</u>	<u>355,109,572</u>	<u>360,947,377</u>	<u>360,947,808</u> *
General Fund	349,088,289	1,102,960	0	5,837,805	5,767,444
General Fund Exempt	0	137,631,936	355,109,572	355,109,572	355,180,364

Stipends for eligible full-time equivalent students

attending participating private institutions	<u>1,725,840</u>	<u>734,400</u>	<u>1,725,840</u>	<u>1,805,229</u>	<u>1,655,048</u> *
General Fund	282,465	0	0	79,389	0
General Fund Exempt	1,443,375	734,400	1,725,840	1,725,840	1,655,048

<b>SUBTOTAL - (A) Stipends</b>	350,814,129	139,469,296	356,835,412	362,752,606	362,602,856
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	349,370,754	1,102,960	0	5,917,194	5,767,444
General Fund Exempt	1,443,375	138,366,336	356,835,412	356,835,412	356,835,412

**(B) Fee-for-service Contracts with State Institutions**

Fee-for-service Contracts with State Institutions

Pursuant to Section 23-18-303, C.R.S.	<u>319,730,451</u>	<u>142,168,976</u>	<u>385,902,437</u>	<u>414,203,484</u>	<u>414,203,053</u> *
General Fund	176,089,945	11,086,191	72,193,267	100,494,314	100,493,883
General Fund Exempt	143,640,506	131,082,785	313,709,170	313,709,170	313,709,170

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Appropriation</b>	<b>FY 2022-23 Request</b>	<b>FY 2022-23 Recommendation</b>
Fee-for-service Contracts with State Institutions for Specialty Education Programs	<u>147,931,042</u>	<u>59,832,736</u>	<u>144,652,616</u>	<u>156,657,547</u>	<u>156,657,547</u> *
General Fund	31,529,344	2,357,099	9,956,653	21,961,584	21,961,584
General Fund Exempt	116,401,698	57,475,637	134,695,963	134,695,963	134,695,963
Limited Purpose Fee-for-Service Contracts with State Institutions	<u>5,907,277</u>	<u>3,693,028</u>	<u>5,722,806</u>	<u>5,682,806</u>	<u>5,682,806</u>
General Fund	5,907,277	1,193,028	5,722,806	5,682,806	5,682,806
General Fund Exempt	0	2,500,000	0	0	0
<b>SUBTOTAL - (B) Fee-for-service Contracts with State Institutions</b>	473,568,770	205,694,740	536,277,859	576,543,837	576,543,406
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	213,526,566	14,636,318	87,872,726	128,138,704	128,138,273
General Fund Exempt	260,042,204	191,058,422	448,405,133	448,405,133	448,405,133
<b>TOTAL - (4) College Opportunity Fund Program</b>	824,382,899	345,164,036	893,113,271	939,296,443	939,146,262
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	562,897,320	15,739,278	87,872,726	134,055,898	133,905,717
General Fund Exempt	261,485,579	329,424,758	805,240,545	805,240,545	805,240,545

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
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**(5) GOVERNING BOARDS**

h funds are primarily from tuition and student fees. Reappropriated funds are initially appropriated as General Fund in the College Opportunity Fund Program section.

**(A) Trustees of Adams State University**

Trustees of Adams State College	<u>43,121,901</u>	<u>41,022,805</u>	<u>45,732,008</u>	<u>44,934,931</u>	<u>47,000,753</u> *
FTE	315.7	326.2	314.2	314.2	353.8
Cash Funds	25,841,644	24,569,860	26,664,578	25,102,988	27,222,231
Reappropriated Funds	17,280,257	7,257,708	19,067,430	19,831,943	19,778,522
Federal Funds	0	9,195,237	0	0	0

<b>SUBTOTAL - (A) Trustees of Adams State</b>					
<b>University</b>	43,121,901	41,022,805	45,732,008	44,934,931	47,000,753
<i>FTE</i>	<u>315.7</u>	<u>326.2</u>	<u>314.2</u>	<u>314.2</u>	<u>353.8</u>
Cash Funds	25,841,644	24,569,860	26,664,578	25,102,988	27,222,231
Reappropriated Funds	17,280,257	7,257,708	19,067,430	19,831,943	19,778,522
Federal Funds	0	9,195,237	0	0	0

**(B) Trustees of Colorado Mesa University**

Trustees of Colorado Mesa University	<u>110,591,384</u>	<u>108,362,250</u>	<u>112,064,402</u>	<u>114,152,274</u>	<u>116,058,949</u> *
FTE	764.4	564.6	742.7	742.7	784.6
Cash Funds	78,106,425	77,629,604	76,087,400	76,300,139	78,077,533
Reappropriated Funds	32,484,959	13,700,035	35,977,002	37,852,135	37,981,416
Federal Funds	0	17,032,611	0	0	0

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>SUBTOTAL - (B) Trustees of Colorado Mesa</b>					
<b>University</b>	110,591,384	108,362,250	112,064,402	114,152,274	116,058,949
<i>FTE</i>	<u>764.4</u>	<u>564.6</u>	<u>742.7</u>	<u>742.7</u>	<u>784.6</u>
Cash Funds	78,106,425	77,629,604	76,087,400	76,300,139	78,077,533
Reappropriated Funds	32,484,959	13,700,035	35,977,002	37,852,135	37,981,416
Federal Funds	0	17,032,611	0	0	0

**(C) Trustees of Metropolitan State College of Denver**

Trustees of Metropolitan State College of Denver	<u>214,132,860</u>	<u>212,649,144</u>	<u>209,129,204</u>	<u>223,029,157</u>	<u>212,803,204</u> *
FTE	1,373.8	1,262.0	1,369.1	1,369.1	1,186.4
Cash Funds	149,914,274	147,427,508	136,640,153	146,932,735	135,380,490
Reappropriated Funds	63,969,142	26,923,391	72,489,051	76,096,422	77,422,714
Federal Funds	249,444	38,298,245	0	0	0

<b>SUBTOTAL - (C) Trustees of Metropolitan State College of Denver</b>					
<b>Trustees of Metropolitan State College of Denver</b>	214,132,860	212,649,144	209,129,204	223,029,157	212,803,204
<i>FTE</i>	<u>1,373.8</u>	<u>1,262.0</u>	<u>1,369.1</u>	<u>1,369.1</u>	<u>1,186.4</u>
Cash Funds	149,914,274	147,427,508	136,640,153	146,932,735	135,380,490
Reappropriated Funds	63,969,142	26,923,391	72,489,051	76,096,422	77,422,714
Federal Funds	249,444	38,298,245	0	0	0

**(D) Trustees of Western State College**

Trustees of Western State College	<u>39,265,699</u>	<u>39,834,590</u>	<u>39,679,605</u>	<u>40,174,762</u>	<u>41,712,718</u> *
FTE	273.2	167.0	273.8	273.8	300.2
Cash Funds	24,030,320	22,224,826	22,985,164	22,645,688	24,373,157
Reappropriated Funds	15,235,379	6,436,427	16,694,441	17,529,074	17,339,561
Federal Funds	0	11,173,337	0	0	0

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>SUBTOTAL - (D) Trustees of Western State</b>					
<b>College</b>	39,265,699	39,834,590	39,679,605	40,174,762	41,712,718
<i>FTE</i>	<u>273.2</u>	<u>167.0</u>	<u>273.8</u>	<u>273.8</u>	<u>300.2</u>
Cash Funds	24,030,320	22,224,826	22,985,164	22,645,688	24,373,157
Reappropriated Funds	15,235,379	6,436,427	16,694,441	17,529,074	17,339,561
Federal Funds	0	11,173,337	0	0	0

**(E) Board of Governors of the Colorado State University System**

Board of Governors of the Colorado State University

System	<u>750,879,307</u>	<u>695,503,096</u>	<u>762,269,440</u>	<u>754,079,014</u>	<u>779,230,369</u> *
FTE	4,958.4	5,534.2	5,029.0	5,029.0	4,902.6
Cash Funds	578,500,771	536,757,369	577,555,377	561,000,241	587,495,145
Reappropriated Funds	172,378,536	72,628,333	184,714,063	193,078,773	191,735,224
Federal Funds	0	86,117,394	0	0	0

<b>SUBTOTAL - (E) Board of Governors of the Colorado State University System</b>	750,879,307	695,503,096	762,269,440	754,079,014	779,230,369
<i>FTE</i>	<u>4,958.4</u>	<u>5,534.2</u>	<u>5,029.0</u>	<u>5,029.0</u>	<u>4,902.6</u>
Cash Funds	578,500,771	536,757,369	577,555,377	561,000,241	587,495,145
Reappropriated Funds	172,378,536	72,628,333	184,714,063	193,078,773	191,735,224
Federal Funds	0	86,117,394	0	0	0

**(F) Trustees of Fort Lewis College**

Trustees of Fort Lewis College	<u>59,646,566</u>	<u>65,578,691</u>	<u>66,066,553</u>	<u>64,555,771</u>	<u>69,455,195</u> *
FTE	425.7	421.0	409.7	409.7	448.4
Cash Funds	45,510,129	47,332,361	50,690,894	48,243,060	53,315,513
Reappropriated Funds	14,136,437	5,937,304	15,375,659	16,312,711	16,139,682
Federal Funds	0	12,309,026	0	0	0



*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>SUBTOTAL - (F) Trustees of Fort Lewis College</b>	59,646,566	65,578,691	66,066,553	64,555,771	69,455,195
<i>FTE</i>	<u>425.7</u>	<u>421.0</u>	<u>409.7</u>	<u>409.7</u>	<u>448.4</u>
Cash Funds	45,510,129	47,332,361	50,690,894	48,243,060	53,315,513
Reappropriated Funds	14,136,437	5,937,304	15,375,659	16,312,711	16,139,682
Federal Funds	0	12,309,026	0	0	0

**(G) Regents of the University of Colorado**

Regents of the University of Colorado	<u>1,488,118,581</u>	<u>1,443,227,174</u>	<u>1,537,747,870</u>	<u>1,531,542,149</u>	<u>1,571,996,101</u> *
<i>FTE</i>	<u>9,471.3</u>	<u>9,754.0</u>	<u>9,926.0</u>	<u>9,926.0</u>	<u>10,036.2</u>
General Fund	600,000	0	0	0	0
Cash Funds	1,236,677,006	1,219,624,953	1,284,454,720	1,261,491,734	1,303,775,626
Reappropriated Funds	244,273,926	101,023,613	253,293,150	270,050,415	268,220,475
Federal Funds	6,567,649	122,578,608	0	0	0

<b>SUBTOTAL - (G) Regents of the University of Colorado</b>	1,488,118,581	1,443,227,174	1,537,747,870	1,531,542,149	1,571,996,101
<i>FTE</i>	<u>9,471.3</u>	<u>9,754.0</u>	<u>9,926.0</u>	<u>9,926.0</u>	<u>10,036.2</u>
General Fund	600,000	0	0	0	0
Cash Funds	1,236,677,006	1,219,624,953	1,284,454,720	1,261,491,734	1,303,775,626
Reappropriated Funds	244,273,926	101,023,613	253,293,150	270,050,415	268,220,475
Federal Funds	6,567,649	122,578,608	0	0	0

**(H) Trustees of the Colorado School of Mines**

Trustees of the Colorado School of Mines	<u>200,111,465</u>	<u>200,038,871</u>	<u>216,766,786</u>	<u>209,318,155</u>	<u>232,036,759</u> *
<i>FTE</i>	<u>1,078.4</u>	<u>991.4</u>	<u>980.5</u>	<u>980.5</u>	<u>1,014.8</u>
Cash Funds	174,740,200	175,956,206	189,189,326	180,246,734	203,512,190
Reappropriated Funds	25,371,265	10,655,931	27,577,460	29,071,421	28,524,569
Federal Funds	0	13,426,734	0	0	0

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>SUBTOTAL - (H) Trustees of the Colorado</b>					
<b>School of Mines</b>	200,111,465	200,038,871	216,766,786	209,318,155	232,036,759
<i>FTE</i>	<u>1,078.4</u>	<u>991.4</u>	<u>980.5</u>	<u>980.5</u>	<u>1,014.8</u>
Cash Funds	174,740,200	175,956,206	189,189,326	180,246,734	203,512,190
Reappropriated Funds	25,371,265	10,655,931	27,577,460	29,071,421	28,524,569
Federal Funds	0	13,426,734	0	0	0

**(I) University of Northern Colorado**

University of Northern Colorado	<u>153,214,028</u>	<u>149,295,236</u>	<u>143,757,243</u>	<u>150,745,245</u>	<u>143,955,235</u> *
<i>FTE</i>	1,370.2	1,073.4	1,156.9	1,156.9	1,216.1
Cash Funds	105,916,228	97,086,971	92,032,673	96,787,863	90,382,870
Reappropriated Funds	47,079,464	19,816,875	51,724,570	53,957,382	53,572,365
Federal Funds	218,336	32,391,390	0	0	0

<b>SUBTOTAL - (I) University of Northern Colorado</b>					
	153,214,028	149,295,236	143,757,243	150,745,245	143,955,235
<i>FTE</i>	<u>1,370.2</u>	<u>1,073.4</u>	<u>1,156.9</u>	<u>1,156.9</u>	<u>1,216.1</u>
Cash Funds	105,916,228	97,086,971	92,032,673	96,787,863	90,382,870
Reappropriated Funds	47,079,464	19,816,875	51,724,570	53,957,382	53,572,365
Federal Funds	218,336	32,391,390	0	0	0

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>(J) State Board for Community Colleges and Occupational Education State System Community Colleges</b>					
State Board for Community Colleges and Occupational Education State System Community Colleges					
	498,809,651	517,849,677	511,624,063	525,714,681	531,578,743 *
FTE	5,831.4	5,672.0	5,901.5	5,901.5	5,752.2
Cash Funds	308,361,956	297,487,658	297,149,458	302,003,741	304,802,057
Reappropriated Funds	190,447,695	82,214,681	214,474,605	223,710,940	226,776,686
Federal Funds	0	138,147,338	0	0	0
<b>SUBTOTAL - (J) State Board for Community Colleges and Occupational Education State System Community Colleges</b>					
	498,809,651	517,849,677	511,624,063	525,714,681	531,578,743
FTE	5,831.4	5,672.0	5,901.5	5,901.5	5,752.2
Cash Funds	308,361,956	297,487,658	297,149,458	302,003,741	304,802,057
Reappropriated Funds	190,447,695	82,214,681	214,474,605	223,710,940	226,776,686
Federal Funds	0	138,147,338	0	0	0
<b>TOTAL - (5) Governing Boards</b>					
	3,557,891,442	3,473,361,534	3,644,837,174	3,658,246,139	3,745,828,026
FTE	25,862.5	25,765.8	26,103.4	26,103.4	25,995.3
General Fund	600,000	0	0	0	0
Cash Funds	2,727,598,953	2,646,097,316	2,753,449,743	2,720,754,923	2,808,336,812
Reappropriated Funds	822,657,060	346,594,298	891,387,431	937,491,216	937,491,214
Federal Funds	7,035,429	480,669,920	0	0	0

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
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**(6) LOCAL DISTRICT COLLEGE GRANTS PURSUANT TO SECTION 23-71-301, C.R.S.**

by boards elected by tax district residents. Students from the districts pay discounted tuition rates.

Colorado Mountain College	<u>9,906,248</u>	<u>11,091,138</u>	<u>10,279,454</u>	<u>10,724,182</u>	<u>10,865,685</u> *
General Fund	2,969,022	0	9,668,008	10,112,736	10,112,736
General Fund Exempt	6,041,020	3,784,218	0	0	0
Cash Funds	742,699	742,699	611,446	611,446	752,949
Federal Funds	153,507	6,564,221	0	0	0
Aims Community College	<u>11,450,334</u>	<u>13,775,404</u>	<u>12,279,562</u>	<u>12,807,781</u>	<u>12,883,936</u> *
General Fund	4,044,478	0	11,483,011	12,011,230	12,011,230
General Fund Exempt	6,609,305	4,474,589	0	0	0
Cash Funds	796,551	917,534	796,551	796,551	872,706
Federal Funds	0	8,383,281	0	0	0

<b>TOTAL - (6) Local District College Grants</b>					
<b>Pursuant to Section 23-71-301, C.R.S.</b>	21,356,582	24,866,542	22,559,016	23,531,963	23,749,621
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	7,013,500	0	21,151,019	22,123,966	22,123,966
General Fund Exempt	12,650,325	8,258,807	0	0	0
Cash Funds	1,539,250	1,660,233	1,407,997	1,407,997	1,625,655
Federal Funds	153,507	14,947,502	0	0	0

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
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**(7) DIVISION OF OCCUPATIONAL EDUCATION**

These funds consistent with state and federal law. Most reappropriated funds are from transfers from the Governor's Office of Economic Development and the Department of Education.

**(A) Administrative Costs**

Administrative Costs	<u>962,309</u>	<u>962,309</u>	<u>962,309</u>	<u>962,309</u>	<u>962,309</u>
FTE	9.0	9.0	9.0	9.0	9.0
Reappropriated Funds	962,309	962,309	962,309	962,309	962,309
<b>SUBTOTAL - (A) Administrative Costs</b>	962,309	962,309	962,309	962,309	962,309
FTE	9.0	9.0	9.0	9.0	9.0
Reappropriated Funds	962,309	962,309	962,309	962,309	962,309

**(B) Distribution of State Assistance for Career and Technical Education pursuant to Section 23-8-102, C.R.S.**

Distributions of State Assistance for Career and Technical Education	<u>27,238,323</u>	<u>27,778,242</u>	<u>28,244,361</u>	<u>28,244,361</u>	<u>28,244,361</u>
Reappropriated Funds	27,238,323	27,778,242	28,244,361	28,244,361	28,244,361
<b>SUBTOTAL - (B) Distribution of State Assistance for Career and Technical Education pursuant to Section 23-8-102, C.R.S.</b>	27,238,323	27,778,242	28,244,361	28,244,361	28,244,361
FTE	0.0	0.0	0.0	0.0	0.0
Reappropriated Funds	27,238,323	27,778,242	28,244,361	28,244,361	28,244,361

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>(C) Area Technical College Support</b>					
Area Technical College Operating Support	<u>14,578,340</u>	<u>15,203,037</u>	<u>14,989,723</u>	<u>17,379,250</u>	<u>17,379,250</u> *
General Fund	5,818,176	0	14,989,723	17,379,250	17,379,250
General Fund Exempt	8,091,845	5,842,209	0	0	0
Federal Funds	668,319	9,360,828	0	0	0
<b>SUBTOTAL - (C) Area Technical College Support</b>					
<b>Support</b>	14,578,340	15,203,037	14,989,723	17,379,250	17,379,250
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	5,818,176	0	14,989,723	17,379,250	17,379,250
General Fund Exempt	8,091,845	5,842,209	0	0	0
Federal Funds	668,319	9,360,828	0	0	0
<b>(D) Sponsored Programs</b>					
Administration	<u>2,709,888</u>	<u>3,285,445</u>	<u>2,709,888</u>	<u>2,709,888</u>	<u>2,709,888</u>
FTE	23.0	24.0	23.0	23.0	23.0
Federal Funds	2,709,888	3,285,445	2,709,888	2,709,888	2,709,888
Programs	<u>15,439,874</u>	<u>16,297,602</u>	<u>16,156,031</u>	<u>16,156,031</u>	<u>16,156,031</u>
Federal Funds	15,439,874	16,297,602	16,156,031	16,156,031	16,156,031
<b>SUBTOTAL - (D) Sponsored Programs</b>					
<b>FTE</b>	<u>23.0</u>	<u>24.0</u>	<u>23.0</u>	<u>23.0</u>	<u>23.0</u>
Federal Funds	18,149,762	19,583,047	18,865,919	18,865,919	18,865,919

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>(E) Colorado First Customized Job Training</b>					
Colorado First Customized Job Training	<u>4,500,000</u>	<u>3,500,000</u>	<u>4,500,000</u>	<u>4,500,000</u>	<u>4,500,000</u>
Reappropriated Funds	4,500,000	3,500,000	4,500,000	4,500,000	4,500,000
<b>SUBTOTAL - (E) Colorado First Customized</b>					
<b>Job Training</b>	4,500,000	3,500,000	4,500,000	4,500,000	4,500,000
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Reappropriated Funds	4,500,000	3,500,000	4,500,000	4,500,000	4,500,000
<b>TOTAL - (7) Division of Occupational</b>					
<b>Education</b>	65,428,734	67,026,635	67,562,312	69,951,839	69,951,839
<i>FTE</i>	<u>32.0</u>	<u>33.0</u>	<u>32.0</u>	<u>32.0</u>	<u>32.0</u>
General Fund	5,818,176	0	14,989,723	17,379,250	17,379,250
General Fund Exempt	8,091,845	5,842,209	0	0	0
Reappropriated Funds	32,700,632	32,240,551	33,706,670	33,706,670	33,706,670
Federal Funds	18,818,081	28,943,875	18,865,919	18,865,919	18,865,919

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>(8) AURARIA HIGHER EDUCATION CENTER</b>					
olitan State University of Denver, and the University of Colorado at Denver. Reappropriated funds are from the three governing boards that share the AHEC campus.					
Administration	<u>21,514,461</u>	<u>23,514,460</u>	<u>24,039,958</u>	<u>24,139,958</u>	<u>24,139,958</u> *
FTE	188.5	200.4	200.4	200.4	211.4
Reappropriated Funds	21,514,461	23,514,460	24,039,958	24,139,958	24,139,958
Auraria Higher Education Center Bond Payments	<u>0</u>	<u>5,500,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	2,750,000	0	0	0
Cash Funds	0	2,750,000	0	0	0
<b>TOTAL - (8) Auraria Higher Education Center</b>	21,514,461	29,014,460	24,039,958	24,139,958	24,139,958
FTE	<u>188.5</u>	<u>200.4</u>	<u>200.4</u>	<u>200.4</u>	<u>211.4</u>
General Fund	0	2,750,000	0	0	0
Cash Funds	0	2,750,000	0	0	0
Reappropriated Funds	21,514,461	23,514,460	24,039,958	24,139,958	24,139,958



*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
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**(9) HISTORY COLORADO**

ing revenues that are deposited to various State Historic Fund accounts, museum revenues, gifts, and grants.

**(A) Central Administration**

Central Administration	<u>1,417,825</u>	<u>1,236,555</u>	<u>2,048,802</u>	<u>1,314,662</u>	<u>2,109,185</u> *
FTE	10.0	10.0	14.0	12.0	12.0
Cash Funds	1,350,044	1,162,460	1,932,460	1,198,320	1,992,843
Federal Funds	67,781	74,095	116,342	116,342	116,342
Collections and Curatorial Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,219,050</u>	<u>1,211,746</u> *
FTE	0.0	0.0	0.0	16.0	16.5
Cash Funds	0	0	0	1,219,050	1,211,746
Federal Funds	0	0	0	0	0
Facilities Management	<u>1,374,409</u>	<u>1,353,825</u>	<u>1,515,065</u>	<u>1,569,949</u>	<u>1,830,385</u> *
FTE	8.8	8.0	8.0	10.0	10.0
Cash Funds	1,374,409	1,353,825	1,515,065	1,569,949	1,830,385
Historical Site Maintenance and Operations	<u>0</u>	<u>0</u>	<u>0</u>	<u>730,127</u>	<u>727,844</u> *
FTE	0.0	0.0	0.0	5.0	5.0
Cash Funds	0	0	0	730,127	727,844
Lease Purchase of Colorado History Museum	<u>3,018,830</u>	<u>3,017,481</u>	<u>3,525,209</u>	<u>3,525,209</u>	<u>3,525,209</u>
General Fund	0	0	3,525,209	3,525,209	3,525,209
Cash Funds	3,018,830	3,017,481	0	0	0
Reappropriated Funds	0	0	0	0	0

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
History Colorado Strategic Plan Initiatives	0	<u>1,000,000</u>	<u>1,000,000</u>	0	0
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	1,000,000	1,000,000	0	0
<b>SUBTOTAL - (A) Central Administration</b>	5,811,064	6,607,861	8,089,076	8,358,997	9,404,369
FTE	<u>18.8</u>	<u>18.0</u>	<u>22.0</u>	<u>43.0</u>	<u>43.5</u>
General Fund	0	1,000,000	4,525,209	3,525,209	3,525,209
Cash Funds	5,743,283	5,533,766	3,447,525	4,717,446	5,762,818
Reappropriated Funds	0	0	0	0	0
Federal Funds	67,781	74,095	116,342	116,342	116,342

**(B) History Colorado Museums**

History Colorado Center	<u>4,306,145</u>	<u>4,219,425</u>	<u>5,526,744</u>	<u>950,058</u>	<u>983,793</u> *
FTE	56.1	45.0	55.0	7.0	7.0
Cash Funds	4,187,258	3,616,419	5,123,755	547,069	580,804
Reappropriated Funds	0	0	325,000	325,000	325,000
Federal Funds	118,887	603,006	77,989	77,989	77,989
Community Museums	<u>2,358,552</u>	<u>2,156,508</u>	<u>3,428,248</u>	<u>2,337,074</u>	<u>2,828,402</u> *
FTE	24.0	20.5	23.5	19.0	19.0
General Fund	1,406,031	1,450,707	1,061,750	1,114,495	1,064,376
Cash Funds	952,021	596,336	2,363,495	1,219,576	1,761,023
Federal Funds	500	109,465	3,003	3,003	3,003
Statewide Programming	0	0	0	<u>2,891,321</u>	<u>4,140,931</u> *
FTE	0.0	0.0	0.0	33.5	34.5
Cash Funds	0	0	0	2,891,321	4,140,931

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	<b>FY 2019-20 Actual</b>	<b>FY 2020-21 Actual</b>	<b>FY 2021-22 Appropriation</b>	<b>FY 2022-23 Request</b>	<b>FY 2022-23 Recommendation</b>
<b>SUBTOTAL - (B) History Colorado Museums</b>	6,664,697	6,375,933	8,954,992	6,178,453	7,953,126
<i>FTE</i>	<u>80.1</u>	<u>65.5</u>	<u>78.5</u>	<u>59.5</u>	<u>60.5</u>
General Fund	1,406,031	1,450,707	1,061,750	1,114,495	1,064,376
Cash Funds	5,139,279	4,212,755	7,487,250	4,657,966	6,482,758
Reappropriated Funds	0	0	325,000	325,000	325,000
Federal Funds	119,387	712,471	80,992	80,992	80,992

**(C) Office of Archeology and Historic Preservation**

Program Costs	<u>1,310,217</u>	<u>1,278,879</u>	<u>1,616,731</u>	<u>1,624,879</u>	<u>1,830,815</u> *
FTE	20.0	20.0	20.0	20.0	23.0
Cash Funds	188,454	543,483	734,423	739,190	945,126
Reappropriated Funds	75,764	90,852	97,283	97,283	97,283
Federal Funds	1,045,999	644,544	785,025	788,406	788,406
State Historic Preservation	<u>0</u>	<u>0</u>	<u>0</u>	<u>115,976</u>	<u>0</u> *
FTE	0.0	0.0	0.0	2.0	0.0
Cash Funds	0	0	0	115,976	0

<b>SUBTOTAL - (C) Office of Archeology and Historic Preservation</b>	1,310,217	1,278,879	1,616,731	1,740,855	1,830,815
<i>FTE</i>	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>	<u>22.0</u>	<u>23.0</u>
Cash Funds	188,454	543,483	734,423	855,166	945,126
Reappropriated Funds	75,764	90,852	97,283	97,283	97,283
Federal Funds	1,045,999	644,544	785,025	788,406	788,406

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>(D) State Historical Fund Program</b>					
Administration	<u>1,553,409</u>	<u>1,066,402</u>	<u>1,763,878</u>	<u>1,857,180</u>	<u>1,767,493</u> *
FTE	15.0	17.0	17.0	17.0	17.0
Cash Funds	1,553,409	1,066,402	1,763,878	1,857,180	1,767,493
Grants	<u>9,912,828</u>	<u>8,112,130</u>	<u>8,250,000</u>	<u>8,250,000</u>	<u>8,690,000</u>
Cash Funds	9,912,828	8,112,130	8,250,000	8,250,000	8,690,000
Gaming Cities Distribution	<u>5,255,635</u>	<u>2,851,391</u>	<u>4,880,000</u>	<u>4,880,000</u>	<u>5,500,000</u>
Cash Funds	5,255,635	2,851,391	4,880,000	4,880,000	5,500,000
Indirect Cost Assessments for History Colorado					
Administration	<u>0</u>	<u>324,913</u>	<u>325,000</u>	<u>325,000</u>	<u>325,000</u>
Cash Funds	0	324,913	325,000	325,000	325,000
<b>SUBTOTAL - (D) State Historical Fund</b>					
<b>Program</b>	16,721,872	12,354,836	15,218,878	15,312,180	16,282,493
FTE	15.0	17.0	17.0	17.0	17.0
Cash Funds	16,721,872	12,354,836	15,218,878	15,312,180	16,282,493

**(E) Cumbres and Toltec Railroad Commission**

Cumbres and Toltec Railroad Commission	<u>1,264,726</u>	<u>317,627</u>	<u>2,311,000</u>	<u>1,439,500</u>	<u>1,461,000</u>
General Fund	1,264,726	317,627	1,090,000	218,500	240,000
Cash Funds	0	0	1,221,000	1,221,000	1,221,000

*JBC Staff Figure Setting - FY 2022-23*  
*Staff Working Document - Does Not Represent Committee Decision*

	FY 2019-20 Actual	FY 2020-21 Actual	FY 2021-22 Appropriation	FY 2022-23 Request	FY 2022-23 Recommendation
<b>SUBTOTAL - (E) Cumbres and Toltec Railroad</b>					
<b>Commission</b>	1,264,726	317,627	2,311,000	1,439,500	1,461,000
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	1,264,726	317,627	1,090,000	218,500	240,000
Cash Funds	0	0	1,221,000	1,221,000	1,221,000
<b>TOTAL - (9) History Colorado</b>					
	31,772,576	26,935,136	36,190,677	33,029,985	36,931,803
<i>FTE</i>	<u>133.9</u>	<u>120.5</u>	<u>137.5</u>	<u>141.5</u>	<u>144.0</u>
General Fund	2,670,757	2,768,334	6,676,959	4,858,204	4,829,585
Cash Funds	27,792,888	22,644,840	28,109,076	26,763,758	30,694,195
Reappropriated Funds	75,764	90,852	422,283	422,283	422,283
Federal Funds	1,233,167	1,431,110	982,359	985,740	985,740
<b>TOTAL - Department of Higher Education</b>					
	4,859,715,736	4,339,877,613	5,163,759,731	5,156,582,153	5,266,757,555
<i>FTE</i>	<u>26,317.4</u>	<u>26,208.6</u>	<u>26,566.2</u>	<u>26,568.8</u>	<u>26,474.1</u>
General Fund	646,743,644	32,881,734	410,939,596	469,827,597	469,060,198
General Fund Exempt	463,245,833	574,677,617	805,240,545	805,240,545	805,240,545
Cash Funds	2,816,087,326	2,773,372,264	2,942,119,451	2,829,084,809	2,939,902,031
Reappropriated Funds	899,126,618	425,776,502	980,048,751	1,026,735,338	1,026,704,961
Federal Funds	34,512,315	533,169,496	25,411,388	25,693,864	25,849,820



	Rate	Gov. Boards	Adams	Mesa	Metro	Western	CSU Sys	Ft. Lewis	CU	Mines	UNC	CCs
<b>FY 2021-22 Governing Board Detail</b>												
	\$ 94											
<b>FY 2021-22 Revised Total Appropriation</b>	30											
Stipend-eligible SFTE assumption		125,925.4	1,014.9	6,160.0	13,157.0	1,346.0	17,878.6	1,203.6	29,719.0	2,857.2	6,245.9	46,343.3
State-operated Stipends @	\$	355,109,572	2,862,018	17,371,200	37,102,740	3,795,664	50,417,511	3,394,152	83,807,580	8,057,276	17,613,438	130,687,993
FFS per Section 303.5	\$	385,902,437	16,205,412	18,305,802	35,086,311	12,698,777	60,719,721	11,981,507	93,978,939	19,520,184	34,111,132	83,294,652
Specialty education	\$	144,652,616					72,205,763		72,446,853			
Limited purpose FFS	\$	5,722,806	0	300,000	300,000	200,000	1,371,068	0	3,059,778	0	0	491,960
<b>SUBTOTAL State Funds</b>	\$	891,387,431	19,067,430	35,977,002	72,489,051	16,694,441	184,714,063	15,375,659	253,293,150	27,577,460	51,724,570	214,474,605
(Long Bill/landscape bills only)												
30.7%												
Resident	\$	1,293,368,647	12,389,687	56,635,640	99,853,173	8,397,929	223,044,229	8,738,572	521,882,546	65,463,700	55,527,443	241,435,728
Nonresident	\$	1,135,421,340	9,535,503	14,439,108	9,723,070	8,638,353	264,082,371	36,319,858	637,672,133	107,487,815	19,625,991	27,897,138
Tuition	\$	2,428,789,987	\$21,925,190	\$71,074,748	\$109,576,243	\$17,036,282	\$487,126,600	\$45,058,430	\$1,159,554,679	\$172,951,515	\$75,153,434	\$269,332,866
State/Tuition	\$	3,320,177,418	\$ 40,992,620	\$ 107,051,750	\$ 182,065,294	\$ 33,730,723	\$ 671,840,663	\$ 60,434,089	\$ 1,412,847,829	\$ 200,528,975	\$ 126,878,004	\$ 483,807,471
Marijuana CF	\$	5,400,000	\$ -	\$ -	\$ -	\$ -	900,000	\$ -	4,500,000	\$ -	\$ -	\$ -
Tobacco	\$	15,244,624							15,244,624			
Gaming	\$	10,534,301	2,388	562,482								9,969,431
SPARC Cash Fund	\$	1,724,590										1,724,590
Behavioral and MH CF - ARPA	\$	1,630,000							1,630,000			
Mandatory Fees (all)		257,459,024	4,737,000	4,450,170	27,063,910	5,948,882	79,231,487	5,632,464	81,155,490	16,237,811	16,879,239	16,122,571
<b>TOTAL</b>	\$	3,612,169,957	\$ 45,732,008	\$ 112,064,402	\$ 209,129,204	\$ 39,679,605	\$ 751,972,150	\$ 66,066,553	\$ 1,515,377,943	\$ 216,766,786	\$ 143,757,243	\$ 511,624,063
Total CF in base Long Bill	\$	2,720,782,526	\$ 26,664,578	\$ 76,087,400	\$ 136,640,153	\$ 22,985,164	\$ 567,258,087	\$ 50,690,894	\$ 1,262,084,793	\$ 189,189,326	\$ 92,032,673	\$ 297,149,458

Contribution to CSU/CU tuition related to FY 21 excess revenue

	Rate	Gov. Boards	Adams	Mesa	Metro	Western	CSU Sys	Ft. Lewis	CU	Mines	UNC	CCs
<b>Recommended Adjustments for - FY 2022-23</b>												
	\$ 104											
	30											
<b>Final Action</b>												
Stipend-eligible SFTE assumption		(10,237.0)	(162.1)	(291.9)	(1,526.0)	(13.9)	(1,239.5)	(86.6)	(750.6)	(4.6)	(807.4)	(5,354.5)
State-operated Stipends @		5,838,236	(201,282)	937,272	(814,020)	360,488	1,496,481	90,888	6,573,828	842,836	(645,318)	(2,802,937)
FFS per Section 303		28,300,616	912,374	1,067,142	5,747,683	284,632	2,223,215	673,135	(309,969)	104,273	2,493,113	15,105,018
Specialty education		12,004,931	-	-	-	-	3,321,465	-	8,683,466	-	-	-
Limited purpose FFS		(40,000)	-	-	-	-	(20,000)	-	(20,000)	-	-	-
SUBTOTAL State Funds	\$	46,103,783	\$ 711,092	\$ 2,004,414	\$ 4,933,663	\$ 645,120	\$ 7,021,161	\$ 764,023	\$ 14,927,325	\$ 947,109	\$ 1,847,795	\$ 12,302,081
Resident		34,665,740	361,959	1,279,415	(1,118,355)	554,683	3,510,663	261,493	19,625,196	3,593,835	(400,739)	6,997,590
Nonresident	\$	70,853,440	<u>409,996</u>	<u>613,853</u>	<u>291,692</u>	<u>615,051</u>	<u>15,387,000</u>	<u>2,194,152</u>	<u>41,787,712</u>	<u>10,302,754</u>	<u>(468,825)</u>	<u>(279,945)</u>
Tuition		105,519,180	771,955	1,893,268	(826,663)	1,169,734	18,897,663	2,455,645	61,412,908	13,896,589	(869,564)	6,717,645
State/Tuition	\$	151,622,963	\$ 1,483,047	\$ 3,897,682	\$ 4,107,000	\$ 1,814,854	\$ 25,918,824	\$ 3,219,668	\$ 76,340,233	\$ 14,843,698	\$ 978,231	\$ 19,019,726
Marijuana CF			-	-	-	-	-	-	(3,500,000)	-	-	-
Tobacco		(38,199)	-	-	-	-	-	-	(38,199)	-	-	-
Gaming		1,605,118	3,118	96,865	-	-	-	-	-	-	-	1,505,135
SPARC Cash Fund		(824,431)										(824,431)
Behavioral and MH CF - ARPA		-										-
Mandatory Fees (all)		(13,577,382)	(217,420)	-	(433,000)	218,259	1,339,395	168,974	(14,553,876)	426,275	(780,239)	254,250
TOTAL	\$	138,788,069	\$ 1,268,745	\$ 3,994,547	\$ 3,674,000	\$ 2,033,113	\$ 27,258,219	\$ 3,388,642	\$ 61,748,158	\$ 15,269,973	\$ 197,992	\$ 19,954,680
			3.5%	2.7%	-0.8%	6.9%	3.9%	5.4%	5.3%	8.0%	-1.2%	2.5%



	Rate	Gov. Boards	Adams	Mesa	Metro	Western	CSU Sys	Ft. Lewis	CU	Mines	UNC	CCs
Final FY 2022-23 Long Bill	\$ 104											
	30											
<b>Final Action</b>												
Total Stipends + FFS per 303 to allocate			19,778,522	37,681,416	77,122,714	17,139,561	114,856,928	16,139,682	184,050,378	28,524,569	53,572,365	226,284,726
actual)		115,688.40	852.8	5,868.1	11,631.0	1,332.1	16,639.1	1,117.0	28,968.4	2,852.6	5,438.5	40,988.8
State-operated Stipends @ \$3,120	\$	360,947,808	2,660,736	18,308,472	36,288,720	4,156,152	51,913,992	3,485,040	90,381,408	8,900,112	16,968,120	127,885,056
FFS per Section 303.5	\$	414,203,053	17,117,786	19,372,944	40,833,994	12,983,409	62,942,936	12,654,642	93,668,970	19,624,457	36,604,245	98,399,670
Specialty education	\$	156,657,547					75,527,228		81,130,319			
Limited purpose FFS	\$	5,682,806	0	300,000	300,000	200,000	1,351,068	0	3,039,778	0	0	491,960
SUBTOTAL State Funds	\$	937,491,214	19,778,522	37,981,416	77,422,714	17,339,561	191,735,224	16,139,682	268,220,475	28,524,569	53,572,365	226,776,686
Resident	\$	1,328,034,387	12,751,646	57,915,055	98,734,818	8,952,612	226,554,892	9,000,065	541,507,742	69,057,535	55,126,704	248,433,318
Nonresident	\$	1,206,274,780	9,945,499	15,052,961	10,014,762	9,253,404	279,469,371	38,514,010	679,459,845	117,790,569	19,157,166	27,617,193
Tuition	\$	2,534,309,167	\$22,697,145	\$72,968,016	\$108,749,580	\$18,206,016	\$506,024,263	\$47,514,075	\$1,220,967,587	\$186,848,104	\$74,283,870	\$276,050,511
State/Tuition	\$	3,471,800,381	\$ 42,475,667	\$ 110,949,432	\$ 186,172,294	\$ 35,545,577	\$ 697,759,487	\$ 63,653,757	\$ 1,489,188,062	\$ 215,372,673	\$ 127,856,235	\$ 502,827,197
Marijuana CF	\$	1,900,000	\$ -	\$ -	\$ -	\$ -	900,000	\$ -	1,000,000	\$ -	\$ -	-
Tobacco	\$	15,206,425							15,206,425			
Gaming	\$	12,139,419	5,506	659,347								11,474,566
SPARC Cash Fund	\$	900,159										900,159
Behavioral and MH CF - ARPA	\$	-							0			0
Mandatory Fees (all)		243,881,642	4,519,580	4,450,170	26,630,910	6,167,141	80,570,882	5,801,438	66,601,614	16,664,086	16,099,000	16,376,821
TOTAL in LB	\$	3,745,828,026	\$ 47,000,753	\$ 116,058,949	\$ 212,803,204	\$ 41,712,718	\$ 779,230,369	\$ 69,455,195	\$ 1,571,996,101	\$ 232,036,759	\$ 143,955,235	\$ 531,578,743
CF in Long Bill	\$	2,808,336,812	\$ 27,222,231	\$ 78,077,533	\$ 135,380,490	\$ 24,373,157	\$ 587,495,145	\$ 53,315,513	\$ 1,303,775,626	\$ 203,512,190	\$ 90,382,870	\$ 304,802,057

## Forecast Summary

### Legislative Council Staff Forecast

COF FTE	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines	UNC	CCCOES
2021-22	840	6,032	10,740	1,399	16,256	1,107	30,737	2,993	4,829	41,264
2022-23	823	5,823	10,311	1,448	16,018	1,108	30,556	3,053	4,564	41,223
2021-22 Enrollment (FTE)	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines	UNC	CCCOES
Resident	1,543	6,205	11,707	1,647	18,782	1,255	41,215	3,846	5,697	42,150
Undergraduate	954	6,024	11,707	1,458	16,650	1,221	31,418	3,114	5,046	41,920
Graduate	589	181	0	189	2,132	35	9,797	732	651	230
Nonresident	824	1,227	473	605	9,203	1,683	19,252	2,831	961	2,207
Undergraduate	276	1,181	473	459	7,570	1,651	14,980	2,284	794	2,153
Graduate	548	46	0	146	1,633	32	4,271	547	168	54
Total (Fee-Eligible)	2,367	7,431	12,180	2,252	27,985	2,938	60,466	6,677	6,658	44,356
2022-23 Enrollment (FTE)	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines	UNC	CCCOES
Resident	1,535	6,153	11,239	1,698	18,518	1,257	40,993	3,937	5,449	42,108
Undergraduate	935	5,963	11,239	1,509	16,405	1,222	31,232	3,177	4,768	41,878
Graduate	599	190	0	189	2,113	35	9,761	761	681	230
Nonresident	835	1,241	473	624	9,460	1,732	19,259	3,012	907	2,121
Undergraduate	277	1,192	473	477	7,811	1,701	14,994	2,421	734	2,067
Graduate	558	48	0	146	1,649	32	4,264	591	173	54
Total (Fee-Eligible)	2,370	7,394	11,712	2,322	27,978	2,989	60,252	6,949	6,356	44,228
2021-22 Tuition Revenue	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines	UNC	CCCOES
Resident	12,389,687	56,635,640	99,853,173	8,397,929	223,044,229	8,738,572	521,882,546	65,463,700	55,527,443	241,435,728
Undergraduate	6,117,437	53,986,886	99,853,173	8,397,929	189,846,844	8,427,100	374,829,917	51,804,879	45,051,066	238,331,305
Graduate	6,272,250	2,648,754	0	0	33,197,385	311,472	147,052,630	13,658,821	10,476,378	3,104,423
Nonresident	9,535,503	14,439,108	9,723,070	8,638,353	264,082,371	36,319,858	637,672,133	107,487,815	19,625,991	27,897,139
Undergraduate	3,947,561	13,663,461	9,723,070	8,638,353	211,239,185	36,028,778	515,150,879	86,353,217	15,386,481	27,108,249
Graduate	5,587,943	775,647	0	0	52,843,185	291,080	122,521,254	21,134,598	4,239,510	788,889
Institutions' Forecasts										
2021-22 Enrollment (FTE)	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines	UNC	CCCOES
Resident	1,455	6,181	11,736	1,463	18,862	1,207	41,201	3,852	5,627	42,013
Undergraduate	864	6,008	11,736	1,463	16,715	1,175	31,450	3,114	4,967	41,772
Graduate	591	173	0	0	2,147	32	9,751	738	660	241
Nonresident	850	1,227	483	457	9,189	1,654	19,613	2,798	953	2,127
Undergraduate	291	1,184	483	457	7,573	1,625	15,302	2,250	783	2,074
Graduate	559	44	0	0	1,616	29	4,311	548	170	54
Total (Fee-Eligible)	2,305	7,408	12,219	1,920	28,051	2,862	60,813	6,650	6,580	44,140
2022-23 Enrollment (FTE)	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines	UNC	CCCOES
Resident	1,455	6,181	11,132	1,463	18,862	1,212	41,119	3,963	5,393	41,933
Undergraduate	864	6,008	11,132	1,463	16,715	1,180	31,410	3,167	4,694	41,692
Graduate	591	173	0	0	2,147	32	9,708	795	699	241
Nonresident	850	1,227	459	457	9,189	1,674	19,391	3,044	903	2,021
Undergraduate	291	1,184	459	457	7,573	1,645	15,081	2,419	725	1,968
Graduate	559	44	0	0	1,616	29	4,310	624	178	54
Total (Fee-Eligible)	2,305	7,408	11,591	1,920	28,051	2,886	60,510	7,006	6,296	43,955
2021-22 Tuition Revenue	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines	UNC	CCCOES
Resident	12,076,880	54,890,721	99,999,466	8,420,153	221,410,785	8,592,236	526,977,513	65,704,865	55,660,063	235,981,124
Undergraduate	6,242,710	52,184,199	99,999,466	8,420,153	189,701,000	8,265,229	371,767,962	51,992,520	45,293,392	234,606,953
Graduate	5,834,170	2,706,522	0	0	31,709,785	327,007	155,209,552	13,712,345	10,366,671	1,374,171

Nonresident	9,826,650	15,551,115	9,925,204	8,745,193	247,106,400	35,299,085	638,786,173	108,299,279	19,741,373	29,949,102
Undergraduate	4,120,020	14,794,238	9,925,204	8,745,193	199,952,646	34,973,389	525,969,628	86,744,479	15,394,118	29,056,620
Graduate	5,706,630	756,877	0	0	47,153,754	325,696	112,816,545	21,554,800	4,347,255	892,482

**USER-DEFINED ASSUMPTIONS**

**2022-23 Tuition Rate Increase Assumptions**

<i>(Rate Increase per FTE)</i>	ASU	CMU	MSU	WSCU	CSU Ft. Collins	CSU Pueblo	Ft. Lewis	CU	Mines	UNC
Resident Undergrad	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Nonresident Undergrad	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	0.0%	3.0%	3.0%	3.0%
Resident Grad	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Nonresident Grad	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	0.0%	3.0%	3.0%	3.0%

2021-22 Tuition Revenue Base **Legislative Council** Choose Legislative Council or the institutions' tuition forecast.

**2022-23 Enrollment Assumptions** per FTE Grow tuition while accounting for prior year enrollment (per FTE) based on the Legislative Council forecast, or assume flat enrollment growth (F

**TUITION ASSUMPTIONS**

<b>2021-22 Tuition Revenue</b>	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines	UNC	CCCOES
Resident	12,389,687	56,635,640	99,853,173	8,397,929	223,044,229	8,738,572	521,882,546	65,463,700	55,527,443	241,435,728
Undergraduate	6,117,437	53,986,886	99,853,173	8,397,929	189,846,844	8,427,100	374,829,917	51,804,879	45,051,066	238,331,305
Graduate	6,272,250	2,648,754	-	-	33,197,385	311,472	147,052,630	13,658,821	10,476,378	3,104,423
Nonresident	9,535,503	14,439,108	9,723,070	8,638,353	264,082,371	36,319,858	637,672,133	107,487,815	19,625,991	27,897,139
Undergraduate	3,947,561	13,663,461	9,723,070	8,638,353	211,239,185	36,028,778	515,150,879	86,353,217	15,386,481	27,108,249
Graduate	5,587,943	775,647	-	-	52,843,185	291,080	122,521,254	21,134,598	4,239,510	788,889
<b>2022-23 Tuition Revenue</b>	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines	UNC	CCCOES
Based on Legislative Council Enrollment Forecast and Assumed Rate Increases										
Resident	12,751,646	57,915,055	98,734,818	8,952,612	226,554,892	9,009,409	534,701,323	69,057,535	55,126,704	248,433,318
Undergraduate	6,174,941	55,050,428	98,734,818	8,952,612	192,671,775	8,688,593	383,791,183	54,426,206	43,850,455	245,235,763
Graduate	6,576,705	2,864,627	-	-	33,883,117	320,816	150,910,140	14,631,329	11,276,249	3,197,555
Nonresident	9,945,499	15,052,961	10,014,762	9,253,404	279,469,371	37,400,721	657,094,547	117,790,569	19,157,166	27,617,193