

# MEMORANDUM

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**TO:** Joint Budget Committee

**FROM:** Amanda Bickel, JBC Staff

**SUBJECT:** Recommended additional RFI for Higher Education

**DATE:** March 13, 2015

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Staff has been in conversation with the Legislative Council Staff (LCS) regarding how to improve the higher education enrollment and tuition forecast. This year there were significant discrepancies between institutional and LCS forecasts for tuition. Based on further investigation, *LCS reports that they are comfortable with their enrollment forecast. However, they believe there are challenges in accurately translating enrollment into a tuition forecast because they do not have detailed information on student enrollment in various special programs at each institution which may reduce an institution's revenue, e.g., four-year fixed tuition or reciprocal exchange programs.*

For the present, staff is not recommending changes to the tuition figures recommended for the FY 2015-16 Long Bill, which are based on the LCS forecast. However, **staff recommends that the JBC staff and LCS collect additional information and meet with institutions during the interim to improve the forecast.** Under current law, appropriations for tuition will become binding again in FY 2016-17. For this reason, staff believes it would be in everyone's interest to improve the quality of the LCS and institutional forecasts so that the reasons for any discrepancies between the two are clear.

Staff is also considering whether LCS enrollment and tuition forecasts could potentially be moved to the fall and based solely on fall enrollment data to ensure that LCS, institutions, and JBC staff have sufficient time to develop and review the annual forecast. Staff anticipates that meetings this summer will help to determine whether this makes sense.

Staff proposes that the institutions provide additional data during summer 2015 which will be reviewed by LCS economists. Staff anticipates that there will then be meetings scheduled with the institutions to ensure that LCS and the institutions understand the projection methodology used by each.

Staff therefore recommends the following RFI [*note that some dates may require adjustment*]:

1. Department of Higher Education, Colorado Commission on Higher Education, Administration; and Governing Boards, Trustees of Adams State University; Trustees of Colorado Mesa University; Trustees of Metropolitan State University of Denver; Trustees of Western State Colorado University; Board of Governors of the Colorado State University System; Trustees of Fort Lewis College; Regents of the University of Colorado; Trustees of the Colorado School of Mines; University of Northern Colorado; State Board for Community Colleges and Occupational Education State System Community Colleges – The Department and governing boards are requested to submit to

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the Joint Budget Committee, by July 1, 2015, a copy of the enrollment and tuition forecast for each of the governing board's institutions for FY 2014-15 and FY 2015-16. These are requested to be submitted in spreadsheet format, if feasible. As part of this submission, the governing boards are requested to provide a detailed explanation of how they use enrollment projections to build tuition forecasts. By *September 1, 2015*, the Department and governing boards are also requested to provide a comparison between each institution's FY 2014-15 enrollment and tuition forecasts and their final FY 2014-15 actual enrollment and tuition revenue. By *November 15, 2015*, the Department and governing boards are requested to submit to the Joint Budget Committee actual fall 2015 enrollment data and any revisions to their FY 2015-16 tuition forecasts based on fall enrollment.

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