

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2009-10 STAFF BUDGET BRIEFING  
DEPARTMENT OF HIGHER EDUCATION**

**JBC Working Document - Subject to Change  
Staff Recommendation Does Not Represent Committee Decision**

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December 11, 2008**

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**FY 2009-10 BUDGET BRIEFING  
STAFF PRESENTATION TO THE JOINT BUDGET COMMITTEE**

**DEPARTMENT OF HIGHER EDUCATION**

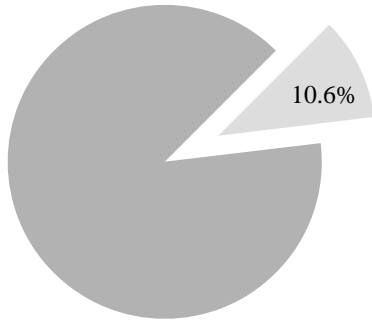
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**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of Higher Education**

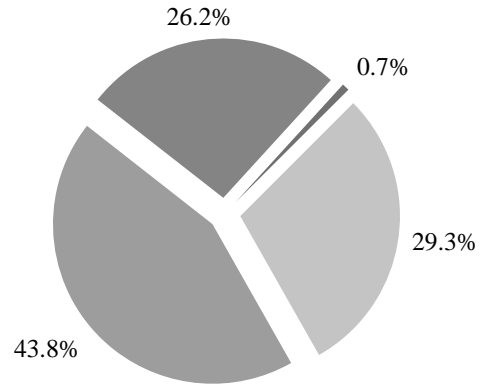
**GRAPHIC OVERVIEW**

**Department's Share of Statewide General Fund**



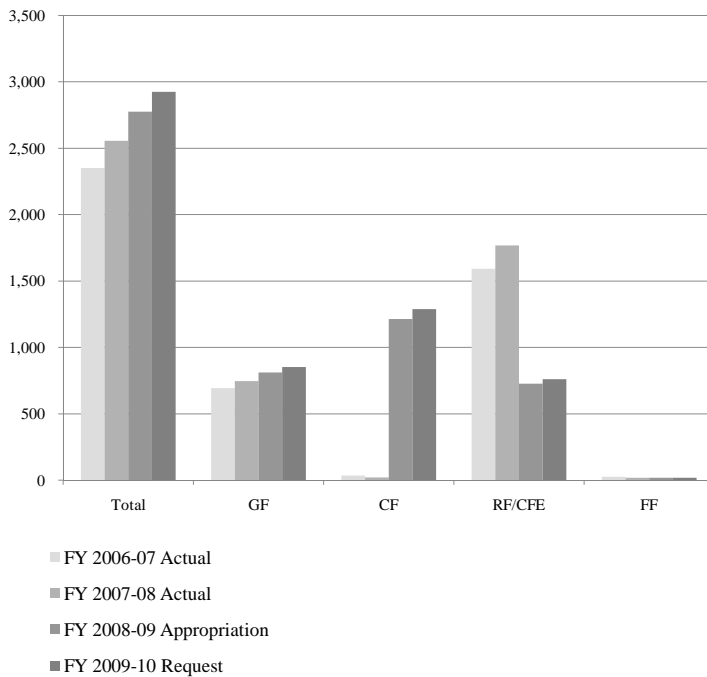
- Department of Higher Education
- Statewide General Fund

**Department Funding Sources**

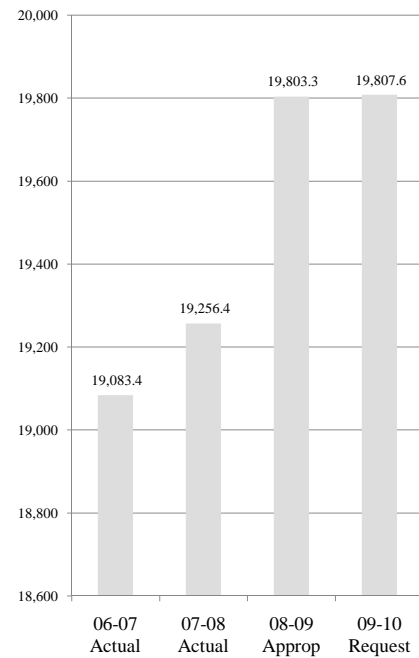


- General Fund
- Cash Funds
- Reappropriated Funds
- Federal Funds

**Budget History  
(Millions of Dollars)**

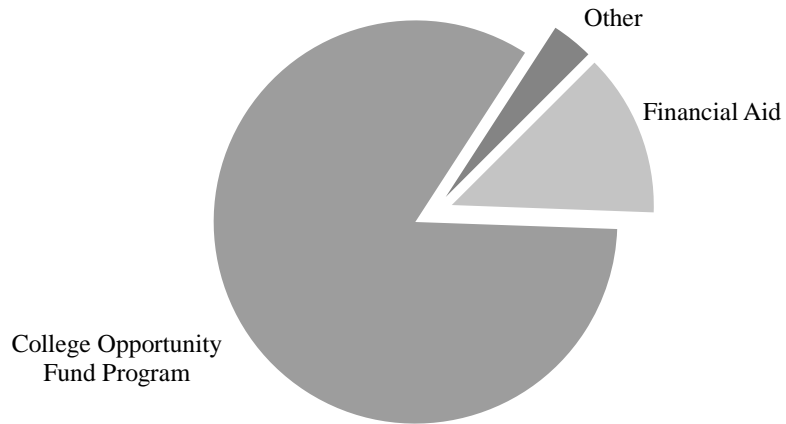


**FTE History**

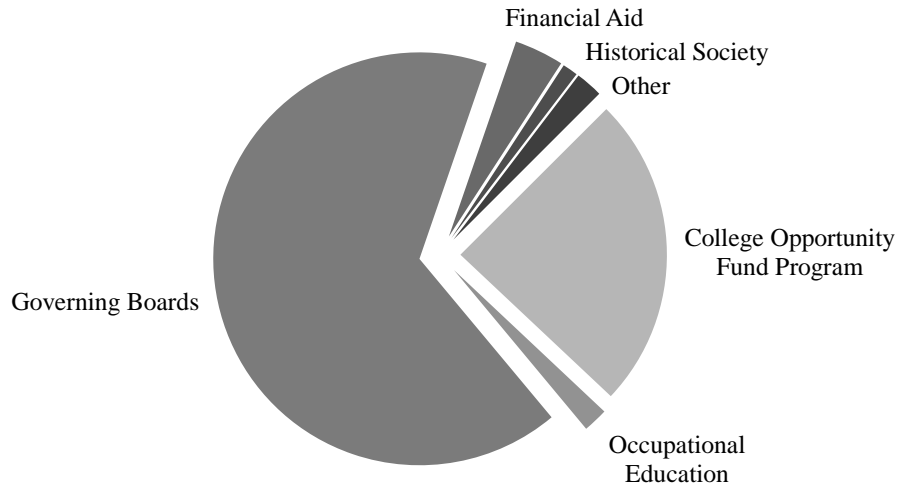


Unless otherwise noted, all charts are based on the FY 2008-09 appropriation.

**Distribution of General Fund by Division**



**Distribution of Total Funds by Division**



**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of Higher Education**

**DEPARTMENT OVERVIEW**

**Key Responsibilities**

- ✓ Provides higher education opportunities for Colorado residents through 26 state-operated campuses, two local district junior colleges, and four area vocational schools.
- ✓ Administers the College Opportunity Fund Program that provides stipends to students for undergraduate education.
- ✓ Negotiates fee-for-service contracts with institutions to provide graduate, professional, specialized, rural, and other education programs.
- ✓ Distributes state financial assistance for students to attend public, private, or proprietary schools.
- ✓ Through the State Historical Society, collects, preserves, exhibits and interprets items and properties of historical significance.

**Factors Driving the Budget**

The Department of Higher Education accounts for 10.6 percent of state General Fund appropriations in FY 2008-09. It is the third largest General Fund appropriation, behind the Department of Education and the Department of Health Care Policy and Financing. It has by far the largest number of state employees, with 19,803 appropriated full-time-equivalent (FTE) positions in FY 2008-09.

The Colorado Commission on Higher Education (Commission) oversees the higher education delivery system. Each state-operated institution also reports to a governing board. The members of the Commission and of the governing boards are appointed by the Governor, except at the University of Colorado, where they are elected. Through statutes, the General Assembly has delegated significant budgetary control to the governing boards. 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 26 state-operated institutions of higher education (institutions) serve a head-count of roughly 210,000 students from Colorado per year. The following table shows the number of resident full-time-equivalent (FTE) students at each institution. It also shows the two independent local district junior colleges that receive state General Fund in addition to local tax revenue.

**Resident Students by Institution  
and Governing Board — FY 2007-08**

<b>Public Institutions</b>	<b>Resident Student FTE</b>	<b>Percent of Total</b>
<b>University of Colorado:</b>	<u>35,183</u>	25.9%
CU - Boulder	17,785	13.1%
CU - Colorado Springs	5,836	4.3%
CU - Denver	8,484	6.3%
CU - Health Sciences Center	3,078	2.3%
<b>Colorado State University System:</b>	<u>20,770</u>	15.3%
CSU - Fort Collins	17,690	13.0%
CSU - Pueblo	3,080	2.3%
<b>Fort Lewis College</b>	2,621	1.9%
<b>Colorado School of Mines</b>	3,085	2.3%
<b>University of Northern Colorado</b>	9,362	6.9%
<b>Adams State College</b>	1,703	1.3%
<b>Mesa State College</b>	4,459	3.3%
<b>Metropolitan State College of Denver</b>	15,135	11.2%
<b>Western State College</b>	1,428	1.1%
<b>Community College System:</b>	<u>41,929</u>	30.9%
Arapahoe CC	4,022	3.0%
Northwestern CC	663	0.5%
CC of Aurora	3,077	2.3%
CC of Denver	4,655	3.4%
Front Range CC	9,313	6.9%
Lamar CC	662	0.5%
Morgan CC	974	0.7%
Northeastern Junior College	1,196	0.9%
Otero Junior College	1,139	0.8%
Pikes Peak CC	7,102	5.2%
Pueblo CC	3,405	2.5%
Red Rocks CC	4,466	3.3%
Trinidad State Junior College	1,255	0.9%
<b>Local District Junior Colleges:</b>	<u>5,455</u>	4.0%
Aims CC	2,856	2.1%
Colorado Mountain College	2,113	1.6%
<b>Total Resident Student FTE</b>	<b>135,675</b>	<b>100.0%</b>

Another significant part of the department's duties is to regulate the state's occupational education programs. The Community College System administers the Colorado Vocational Act, which provides resources for high school technical education, the federal Perkins program, and economic development funds to help companies provide industry-specific training. The Community College System also has responsibility for the four Area Vocational Schools (Emily Griffith Opportunity School, T.H. Pickens Technical Center, Delta-Montrose Vocational Technical Center, and San Juan Basin Area Vocational School).

### **Individual versus public responsibility for higher education**

A key factor driving the budget for the Department of Higher Education is how much policy makers view paying for higher education as an individual versus public responsibility. Higher education benefits individuals by increasing their earning potential and exposing them to cultural and social experiences that may improve their quality of life, but it also has a public benefit. An educated populous may attract businesses and cultural resources to the community, and it is associated with higher wages, and lower unemployment and dependence on public resources. Some studies have linked it with better physical health and a greater degree of civic involvement.

### **Higher education performance expectations**

Hand in hand with decisions about the degree of individual versus public funding for higher education, legislators must determine what they expect from public higher education institutions in exchange for the General Fund support. Some examples of current statutory expectations include the minimum percentage of in-state students relative to out-of-state students that an institution must accept, and how selective each institution may be with admissions criteria.

Another type of performance criteria is the tuition and fee rates charged by the institutions. Statutes state that the General Assembly retains the ability to approve tuition spending authority for the governing boards (Section 23-5-129 (10), C.R.S.). Furthermore, statutes require that the General Assembly annually note the tuition increases it uses to derive the total spending authority for each governing board in a footnote to the Long Bill (Section 23-18-202 (3) (b), C.R.S.).

At times the legislature has attempted to use performance criteria such as time to graduation or graduation rates as a basis for determining the distribution of funding and/or the total level of funding for higher education. Currently, higher education institutions report this type of data as part of performance contracts with the Colorado Commission on Higher Education and, while it may influence legislative funding decisions, it is not overtly part of the General Fund distribution formula.

### Impact of the statewide budget outlook

During the last economic downturn, reductions to higher education represented a significant portion of the actions by the General Assembly to adjust the budget to available revenues. This was true not only in Colorado, but in most states nationwide, and it is a pattern seen in prior years as well. The table below compares General Fund appropriations in FY 2000-01 with FY 2004-05.

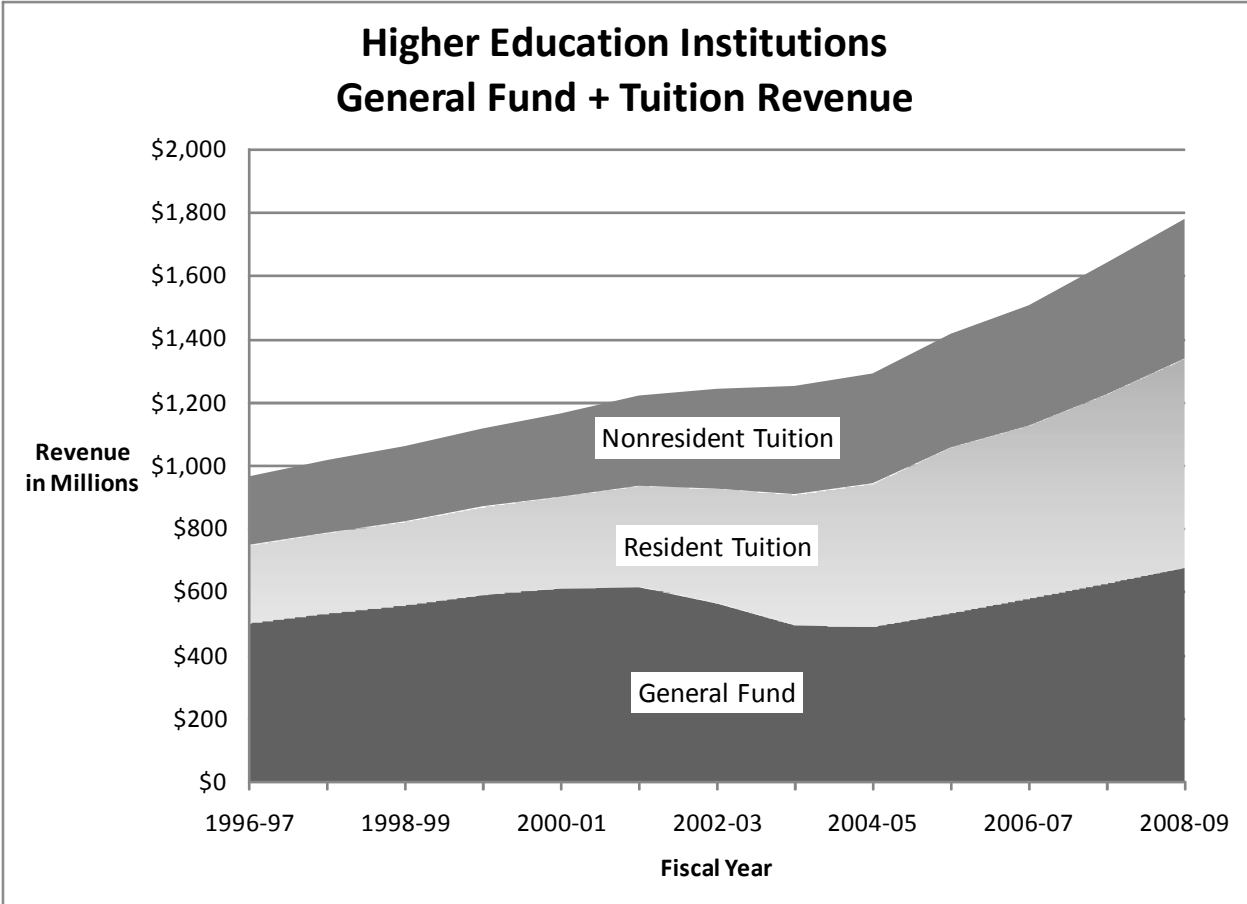
General Fund Appropriations for Major Departments During the Most Recent Recession (in millions)				
Department	FY 2000-01	FY 2004-05	Difference	Percent
Health Care	\$1,015.0	\$1,280.8	\$265.8	26.2%
Education	\$2,143.5	\$2,514.6	\$371.1	17.3%
Corrections	\$423.8	\$496.8	\$73.0	17.2%
Judicial	\$206.5	\$219.0	\$12.5	6.1%
Human Services	\$498.4	\$484.9	(\$13.5)	-2.7%
Higher Education	\$747.6	\$588.0	(\$159.6)	-21.3%
All Other	\$366.3	\$256.8	(\$109.5)	-29.9%

In this same time frame tuition charges increased significantly, to some degree mitigating the impact of the General Fund reductions on the operating revenue of the higher education institutions. The increases in tuition transferred more of the burden for funding higher education from state tax revenues to students.

While the higher education institutions experienced disproportionate General Fund reductions between FY 2000-01 and FY 2004-05, following the recession the General Assembly appropriated annual General Fund increases in excess of eight percent for each of the last four fiscal years. Tuition charges have continued to increase substantially.

The following chart illustrates how tuition supplements General Fund revenues for the higher education institutions, and perhaps provides a portion of the explanation for why higher education has historically been such a big part of budget balancing efforts in Colorado and other states during recessions. It also illustrates how the higher education institutions have fared in terms of General Fund appropriations and tuition spending authority in the years following the recession. However, it should be noted that the chart does not include adjustments for changes in the number of students served, or inflationary factors impacting the cost of providing services. Also, it makes no judgements about whether resources were being used optimally prior to the recession. Thus, legislators should be cautious about drawing conclusions from the chart about the adequacy of General Fund and tuition increases during and following the recession. That is a complicated and subjective analysis beyond the scope of this overview.





**College Opportunity Fund Program**

Colorado uses a method of distributing higher education funding that is unique from other states. Instead of appropriating General Fund directly to the institutions for their day-to-day operations, the General Assembly appropriates money into a fund that provides stipends to eligible undergraduate students. In addition, the General Assembly appropriates money for differences in the cost of programs at each institution. This second appropriation for cost differentials gets to the institutions through what are called fee-for-service contracts between the Commission and the governing boards.

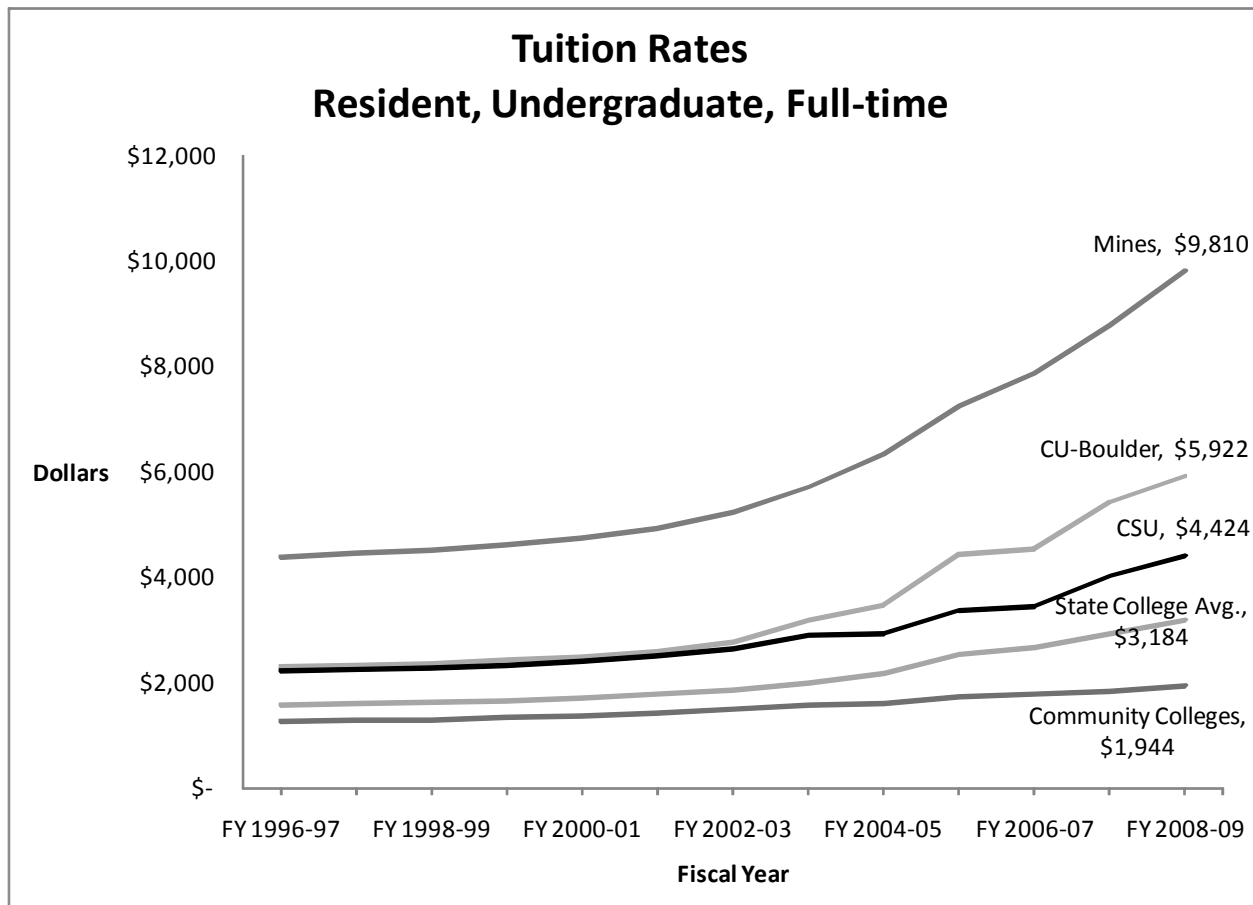
It may be helpful for legislators to focus on the sum of stipends and fee-for-service contracts, rather than each separately. In practice, once stipends and fee-for-service contracts are paid to a higher education institution the institution makes no distinction between them. The sum of stipends and fee-for-service contracts is the state General Fund support provided to each institution for their operations.

## Enterprise Status

The bill that authorized stipends and fee-for-service contracts (S.B. 04-189) also provided a mechanism for designating qualifying state higher education institutions as enterprises under TABOR. Revenue, such as tuition, that is generated by enterprises is exempt from the limits imposed by TABOR and has no impact on the refund. To achieve enterprise status under TABOR, a program must: (1) be a government-owned business; (2) have authority to issue revenue bonds; and (3) receive less than 10 percent of annual revenue from state and local grants. Stipends and fee-for-service contracts are defined in statute as different from a state grant. All of the institutions have been designated as TABOR enterprises.

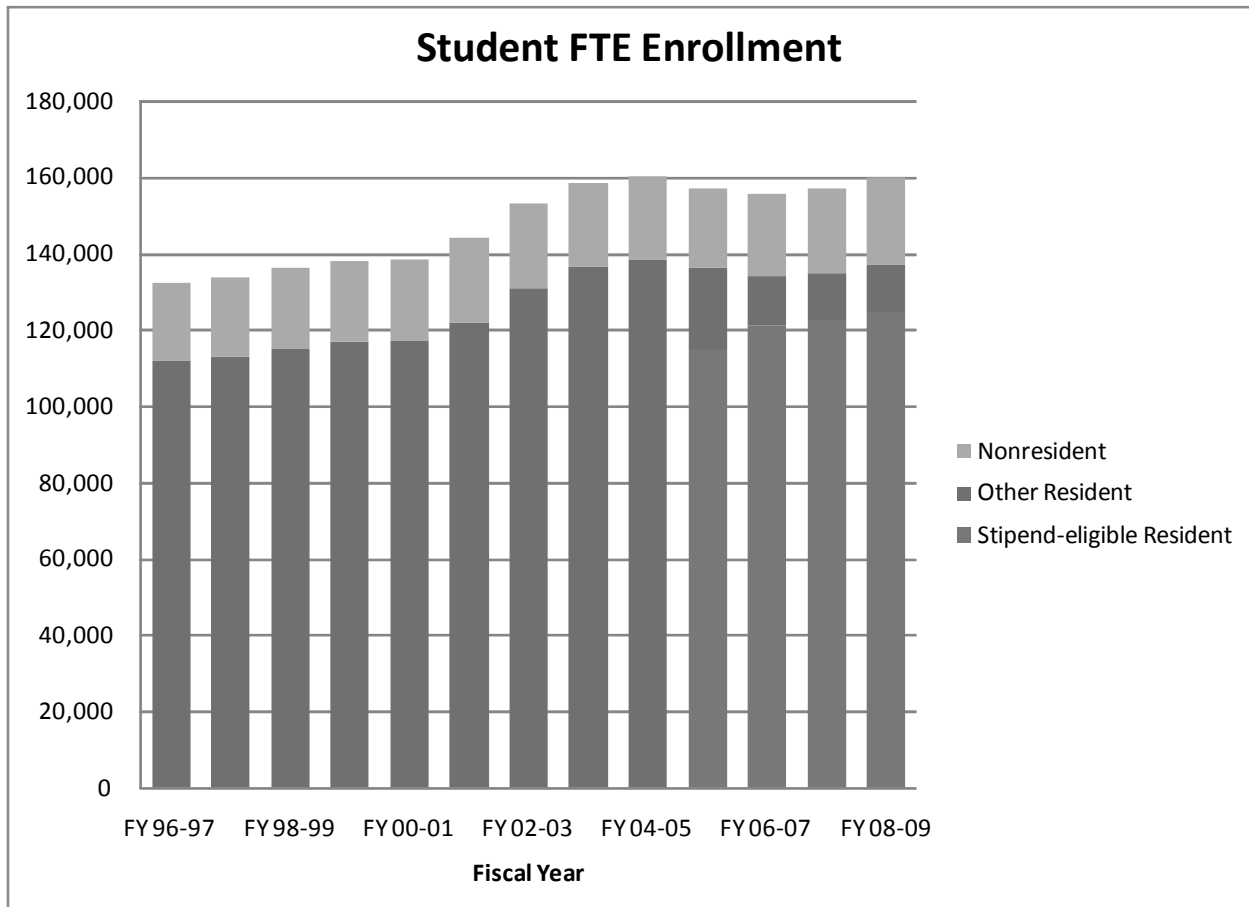
## Tuition

As described above, statutes require the General Assembly to annually note the tuition increases it uses to derive the total spending authority for each governing board in a footnote to the Long Bill (Section 23-18-202 (3) (b), C.R.S.). Tuition rates are a central consideration in discussions about access and affordability. Total projected tuition revenue for the governing boards influences legislative decisions about how much General Fund to appropriate for stipends and fee-for-service contracts. The graph below charts changes in tuition rates at selected institutions over the last 12 years.



## Enrollment

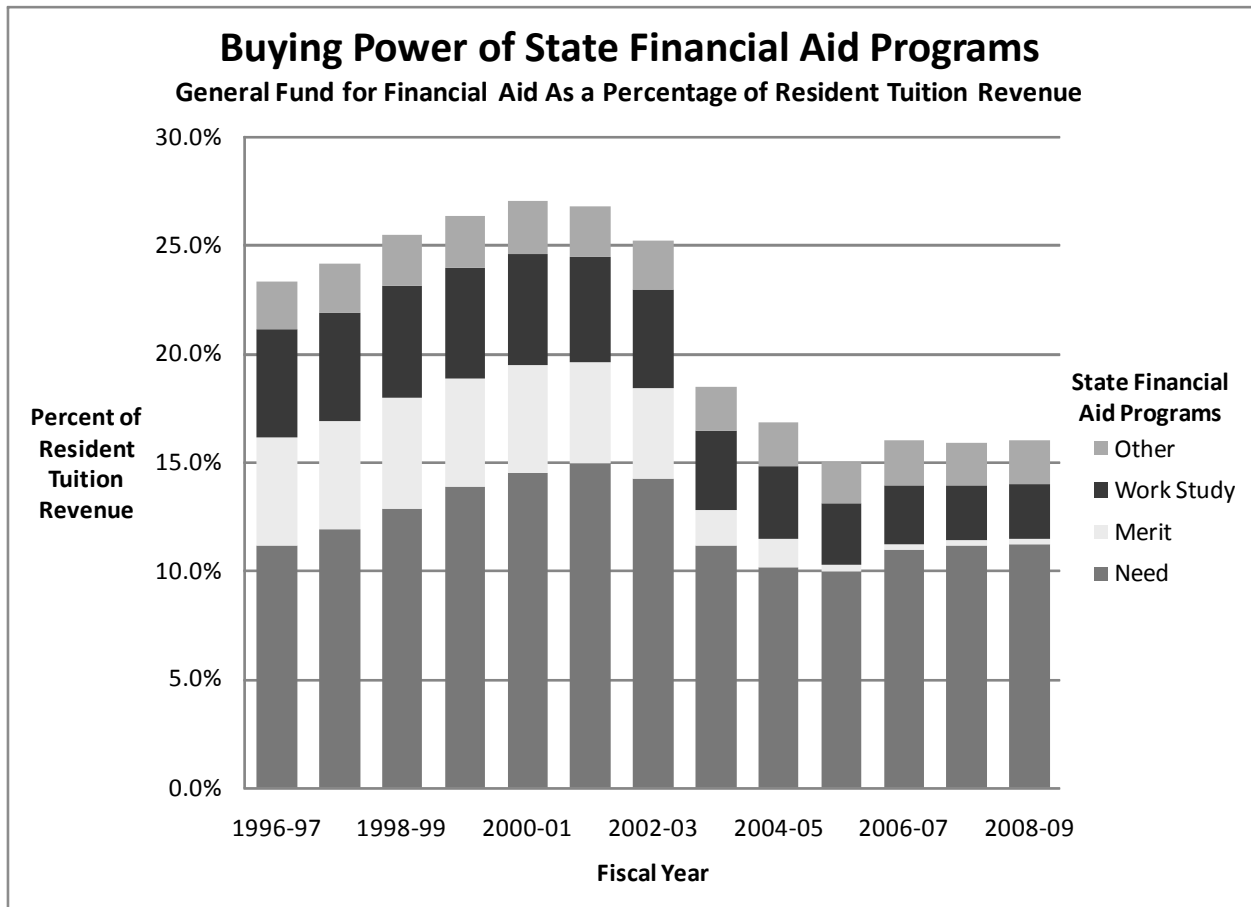
Enrollment is both a workload and performance measure for the campuses, and it affects tuition revenue. For a few schools, nonresident enrollment is important in terms of total revenue, since nonresident tuition helps subsidize resident education. Enrollment tends to be counter-cyclical. In other words, when the economy slows, higher education enrollment increases. The following chart reports student FTE over the last 12 years. Thirty credit hours in a year equals one full-time-equivalent student.



## Financial Aid

Of the General Fund appropriation for higher education in FY 2008-09, \$105.8 million (13.0 percent) is for financial aid. The three major, broad-based Colorado financial aid programs are (1) need based aid, (2) merit based aid, and (3) work study. There are also a number of smaller, special purpose financial aid programs. Financial aid funds are appropriated to the Commission and then allocated to the institutions based on formulas that consider financial need at the schools, total student enrollment, and program eligibility criteria.

The following table shows General Fund appropriations for financial aid as a percentage of resident tuition revenues over time. The table provides an indication of the buying power of financial aid appropriations. However, it should be noted that financial aid is used for more than paying tuition. It also helps pay for expenses related to room, board, transportation, student fees, and learning materials. Also, the table does not take into account changes in the economic circumstances of the overall student population, including the number of students with financial need and the amount of need for those students.



The federal government also provides a significant amount of financial aid for students. The most recent year of data shows federal Pell Grants to the neediest students attending schools in Colorado (both public and private) totaled \$141.2 million in FY 2006-07. Federal guaranteed loan programs provided another \$901.9 million for students and their parents. The federal government also provides tax credits and deductions for tuition.

Another source of funding for financial aid is money set aside by the institutions. Some of the money comes from fund-raising, but the majority comes from the operating budgets of the schools. There is significant variation in the amount of money available by institution based on differences in school policies and fund raising. The Commission reports the total institutional financial aid available in the state in FY 2006-07 was \$243.7 million.

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Department of Higher Education**

**DECISION ITEM PRIORITY LIST**

<b>Decision Item</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
1 Governor	34,065,864	0	32,791,429	0	66,857,293	0.0
<i>CCHE</i>	<i>71,871,676</i>	<i>0</i>	<i>70,000,000</i>	<i>0</i>	<i>141,871,676</i>	<i>0.0</i>
<b>Allocations for the College Opportunity Fund, Local District Colleges, and the Area Vocational Schools</b>						
<p><b>Governing Boards:</b> The <i>Governor</i> requests \$32.8 million General Fund for a 4.8 percent General Fund increase in the total for stipends and fee-for-service contracts that support the governing boards, while <i>CCHE</i> requests \$70.0 million for a 10.3 percent increase. The increase would be distributed to the governing boards according to an analysis of the funding gap between each governing board and a set of national peer institutions. The <i>Governor and CCHE</i> requested corresponding reappropriated funds to give each governing board authority to spend the stipend and fee-for-service contract money. In both the <i>Governor and CCHE</i> requests the stipend rate would increase 3.7 percent (inflation) from \$2,760 to \$2,850 for a full-time student. This stipend rate increase accounts for \$11.2 million of the total requested increase for the governing boards and increases in fee-for-service contracts account for the remainder.</p> <p><b>Area Vocational Schools:</b> The <i>Governor</i> proposes a \$526,520 General Fund increase, or 4.7 percent, for the Area Vocational Schools, while <i>CCHE</i> proposes \$1,123,761 General Fund for a 10.0 percent increase.</p> <p><b>Local District Junior Colleges:</b> Both the <i>Governor and CCHE</i> request \$587,940 General Fund for a 3.7 percent increase for the Local District Junior Colleges.</p> <p><b>Private Stipends:</b> The requests submitted by the <i>Governor and CCHE</i> also include a \$159,975 General Fund increase for stipends for students at participating private institutions, of which \$123,975 is related to the addition of Colorado Christian University as a participating private institution.</p> <p><i>Statutory authority: Sections 23-18-201 and 202 (2) (c); and 23-5-129 (5) (a), C.R.S.</i></p>						
		<b><u>Governor</u></b>	<b><u>CCHE</u></b>	<b><u>Difference</u></b>		
Adams State College		\$651,151	\$1,091,784	\$440,633		
Mesa State College		1,145,520	2,401,757	1,256,237		
Metro State College		2,564,034	6,252,658	3,688,624		
Western State College		546,819	943,267	396,448		
Colorado State University System		6,802,449	14,041,729	7,239,280		
Fort Lewis College		604,105	1,225,918	621,813		
University of Colorado System		10,444,211	23,072,266	12,628,055		
Colorado School of Mines		967,165	1,770,423	803,258		
University of Northern Colorado		2,057,171	4,418,298	2,361,127		
Colorado Community College System		7,008,804	14,781,900	7,773,096		
<b>Subtotal - Governing Boards</b>		<b>\$32,791,429</b>	<b>\$70,000,000</b>	<b>\$37,208,571</b>		
Area Vocational Schools		526,520	1,123,761	597,241		
Local District Junior Colleges		587,940	587,940	0		
Private Stipends		159,975	159,975	0		
<b>TOTAL</b>		<b>\$34,065,864</b>	<b>\$71,871,676</b>	<b>\$37,805,812</b>		

Decision Item	GF	CF	RF	FF	Total	FTE
2	0	75,148,224	0	0	75,148,224	0.0
<b>Tuition and Fee Spending Authority</b>						
<b>Governing Boards.</b> Both the <i>Governor and CCHE</i> request tuition spending authority based on <u>resident undergraduate rate increases</u> of:						
<ul style="list-style-type: none"> <li>▶ 9.0 percent at the research institutions</li> <li>▶ 7.0 percent at the state institutions, and</li> <li>▶ 5.0 percent at the community colleges.</li> </ul>						
Part of the Department's request includes a plan to limit the effective impact of tuition increases for students and families with income up to 200 percent of the federal Pell eligibility criteria, or roughly \$49,498 annual income, to no more than 5.0 percent through increased institutional financial aid. To arrive at the total requested spending authority, the Department assumed graduate tuition would increase at the same rate as undergraduate tuition, and nonresident tuition would increase 5.0 percent, but the request proposes that these categories of tuition would not be limited by the legislature. <i>Statutory authority: Sections 23-5-129 (10); 23-1-104 (1) (a) (1); and 23-18-202 (3) (b), C.R.S.</i>						
3	Governor	5,934,136	0	0	5,934,136	0.0
	<i>CCHE</i>	11,141,952	0	0	11,141,952	0.0
<b>State Funded Student Assistance Programs</b>						
<b>Financial Aid.</b> The <i>Governor</i> requests General Fund increases of \$4,520,588 (6.1 percent) for need based financial aid, \$150,000 for National Guard Tuition Assistance, and \$1,263,548 for Native American Tuition Assistance at Fort Lewis College. National Guard Tuition Assistance is currently funded at the statutory cap, and so the requested increase would require a bill. <i>CCHE</i> requests General Fund increases of \$7,408,803 (10.0 percent) for need based financial aid, \$2,469,601 (14.8 percent) for Work Study, no increase for National Guard Tuition Assistance, and \$1,263,548 for Native American Tuition Assistance at Fort Lewis College. <i>Statutory authority: Sections 23-3.3-103; 23-52-105 (1) (b); and 23-3.3-202 (2), C.R.S.</i>						
4		0	0	1,706,549	1,706,549	0.0
<b>Auraria Higher Education Center - Administration</b>						
<b>Division Name Here.</b> The Department requests additional spending authority for the Auraria Higher Education Center to provide common services such as maintenance, grounds keeping, purchasing, and utilities to the tenant institutions of the campus. The source of revenue is transfers from the tenant institutions. The 10.3 percent increase includes \$543,000 for utilities associated with the expansion of Science Building and \$500,000 to address a structural deficit where auxiliary revenues are being used to support the non-auxiliary functions of AHEC. The remaining \$662,549 is for annual salary, benefit, and utility increases. The tenant institutions have agreed to the 10.3 percent increase. <i>Statutory authority: Sections 23-70-104 (b) through (d), C.R.S.</i>						

Decision Item	GF	CF	RF	FF	Total	FTE
Hist 1	0	0	0	0	0	2.0
<p><b>Decision Support and Virtualization</b></p> <p><b>State Historical Society.</b> The Department proposes transferring \$286,695 cash funds from the Statewide Preservation Grants Program to Society Museum and Preservation Operations. The source of funds is gaming revenue deposited in the State Historical Fund. The transfer would support the following:</p> <ul style="list-style-type: none"> <li>▶ one-time costs for creation of a decision support system that would integrate data currently maintained in disparate software applications;</li> <li>▶ 1.0 FTE for a data architect to maintain the decision support system;</li> <li>▶ 1.0 FTE to create virtual exhibits on the Society's web site, in part due to concern about access during the transition period to a new facility; and</li> <li>▶ one-time costs for a collections management system assessment of how best to catalogue and track artifacts.</li> </ul> <p><i>Statutory authority: Sections 12-47.1-1201 and 24-80-210, C.R.S.</i></p>						
Hist 2	0	104,000	0	0	104,000	0.0
<p><b>Facilities and Regional Museum Division Operational Budget Increase</b></p> <p><b>State Historical Society.</b> The Department requests additional cash funds spending authority to address increases in utilities (\$63,177), state vehicle maintenance and fuel costs (\$3,887), temporary seasonal employees at regional museums (\$18,936), and storage of artifacts at the Museum Support Center Lowry (\$18,000). The sources of funds include a \$1 increase in admission fees at selected museums (\$31,000), increases in rents and event leases (\$73,000), and increased store sales that the Society attributes to recently improved store layouts and increases in the quality of goods merchandized. <i>Statutory authority: Sections 24-80-209; 210; 211; and 501, C.R.S..</i></p>						
Hist 3	0	0	0	0	0	1.3
<p><b>Cultural Resource Data to the Public</b></p> <p><b>State Historical Society.</b> The Department proposes transferring \$65,024 cash funds from the Statewide Preservation Grants Program to Society Museum and Preservation Operations. The source of funds is gaming revenue deposited in the State Historical Fund. The request would annualize to \$81,850 and 2.0 FTE in FY 2010-11. The new FTE would be geographical information system specialists charged with improving the accessibility of information maintained by the Society on archaeologically valuable sites and cultural resources. The Society fields inquiries about cultural resources near development such as roads, buildings, and wells. The Department indicates there is a 28 month backlog of new data about cultural resources waiting to be entered in the tracking system. <i>Statutory authority: Sections 12-47.1-701 (1) (c) (II); and 1201 (5) (a) (I) (C), C.R.S..</i></p>						
Hist 4	0	0	0	0	0	1.0
<p><b>Museum Assistant - Ute Indian Museum</b></p> <p><b>State Historical Society.</b> The Department proposes transferring \$46,153 cash funds from the Statewide Preservation Grants Program to Society Museum and Preservation Operations. The source of funds is gaming revenue deposited in the State Historical Fund. The transfer would increase staff at the Ute Indian Museum in Montrose by 1.0 FTE, commensurate with the renovation and expansion of the facility that is currently under way. The museum is currently staffed by one employee and volunteers. <i>Statutory authority: Sections 12-47.1-701 (1) (c) (II); 1201 (5) (a) (I) (C); and (II), C.R.S..</i></p>						



<b>Decision Item</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
Hist 5 <b>Cumbres and Toltec Scenic Railroad Annual Maintenance</b> <b>State Historical Society.</b> The Department requests General Fund to establish a maintenance program for the locomotive running gear to meet standards of the Federal Railroad Administration. <i>Statutory authority: Sections 24-60-1901; 1902; 1903, C.R.S.</i>	150,000	0	0	0	150,000	0.0
NP-1 <b>Statewide Workers Compensation Department Administrative Office.</b>	0	25	9	0	34	0.0
NP-2 <b>Mail Services - Postage increase Colorado Commission on Higher Education and State Hisotrical Society.</b>	0	1,286	551	0	1,837	0.0
NP-3 <b>Mail Services - Mail Equipment Upgrade Colorado Commission on Higher Education and State Hisotrical Society.</b>	0	4,276	1,833	0	6,109	0.0
NP-4 <b>Increase in Colorado Vocational Act corresponding with Department of Education's decision item #2 Division of Occupational Education.</b>	0	0	746,822	0	746,822	0.0
<b>Total Governor</b>	<b>40,150,000</b>	<b>75,257,811</b>	<b>35,247,193</b>	<b>0</b>	<b>150,655,004</b>	<b>4.3</b>
<b>Total CCHE</b>	<b>83,163,628</b>	<b>75,257,811</b>	<b>72,455,764</b>	<b>0</b>	<b>230,877,203</b>	<b>4.3</b>

**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of Higher Education**

**OVERVIEW OF NUMBERS PAGES**

The following table summarizes the total change, in dollars and as a percentage, between the Department's FY 2008-09 appropriation and its FY 2009-10 request.

**Total Requested Change, FY 2008-09 to FY 2009-10 (millions of dollars)**

<b>Category</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
FY 2008-09 Appropriation	\$812.9	\$1,213.7	\$726.9	\$20.2	\$2,773.7	19,803.3
FY 2009-10 Request	853.2	1,289.2	762.2	20.3	2,924.9	19,807.6
Increase / (Decrease)	\$40.3	\$75.5	\$35.3	\$0.1	\$151.2	4.3
Percentage Change	5.0%	6.2%	4.9%	0.5%	5.5%	0.0%

The following table highlights the individual changes contained in the Department's FY 2009-10 budget request, as compared with the FY 2008-09 appropriation. For additional detail, see the numbers pages in Appendix A.

**Requested Changes, FY 2008-09 to FY 2009-10**

<b>Category</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>	<b>Total</b>	<b>FTE</b>
<b>Governing Boards</b>						
Stipends and fee-for-service (DI #1)	\$32,791,429	\$0	\$32,791,429	\$0	\$65,582,858	0.0
Tuition (DI #2; 9, 7, 5 percent for research, state, community)	<u>0</u>	<u>75,148,224</u>	<u>0</u>	<u>0</u>	<u>75,148,224</u>	<u>0.0</u>
<b>Subtotal</b>	<b>\$32,791,429</b>	<b>\$75,148,224</b>	<b>\$32,791,429</b>	<b>\$0</b>	<b>\$140,731,082</b>	<b>0.0</b>
<b>Financial Aid</b>						
Need Based (DI #3)	\$4,520,588	\$0	\$0	\$0	\$4,520,588	0.0
Native American (DI #3)	1,263,548	0	0	0	1,263,548	0.0
National Guard (DI #3)	150,000	0	0	0	150,000	0.0
Teacher Loan Forgiveness (HB 08-1255)	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>0.0</u>
<b>Subtotal</b>	<b>\$6,034,136</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,034,136</b>	<b>0.0</b>
<b>Local District Junior Colleges (DI #1)</b>	<b>\$587,940</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$587,940</b>	<b>0.0</b>
<b>Area Vocational Schools (DI #1)</b>	<b>\$526,520</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$526,520</b>	<b>0.0</b>

Category	GF	CF	RF	FF	Total	FTE
<b>Private Stipends (DI #1)</b>	<b>\$159,975</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$159,975</b>	<b>0.0</b>
<b>Colorado Vocational Act</b>	<b>\$0</b>	<b>\$0</b>	<b>\$746,822</b>	<b>\$0</b>	<b>\$746,822</b>	<b>0.0</b>
<b>Historical Society</b>						
Statewide Preservation Grants (Hist #1, #3, #4)	\$0	(\$397,872)	\$0	\$0	(\$397,872)	0.0
Museum Operations (Hist #1, #2, #3, #4, misc other)	\$0	\$795,207	\$0	\$34,642	\$829,849	4.3
Cumbres and Toltec Railroad (Hist #5)	<u>150,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>150,000</u>	<u>0.0</u>
<b>Subtotal</b>	<b>\$150,000</b>	<b>\$397,335</b>	<b>\$0</b>	<b>\$34,642</b>	<b>\$581,977</b>	<b>4.3</b>
<b>Other</b>	<b>\$0</b>	<b>(\$92,090)</b>	<b>\$1,766,731</b>	<b>\$171</b>	<b>\$1,674,812</b>	<b>0.0</b>
<b>Total Change</b>	<b>\$40,250,000</b>	<b>\$75,453,469</b>	<b>\$35,304,982</b>	<b>\$34,813</b>	<b>\$151,043,264</b>	<b>4.3</b>

It should be noted that the Department's request did NOT include separating appropriations for the Colorado Forest Service, Agriculture Experiment Station, and Cooperative Extension from the appropriation for the Colorado State University System. In the past, Section 23-1-104 (1) (a) (I), C.R.S. required the General Assembly to make appropriations to higher education governing boards as a single line item, but S.B. 08-232 changed the provision to allow separate appropriations for Colorado Forest Service, Agriculture Experiment Station, and Cooperative Extension.

Colorado State University's budget data book indicates the following revenues and expenditures associated with the three agencies.

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Agricultural Experiment Station	\$10,392,235	\$10,130,808	\$10,697,387	\$10,942,284	\$11,590,962	\$12,352,496
Cooperative Extension	9,816,320	9,662,597	10,058,970	10,276,694	10,867,522	11,631,682
Colorado State Forest Service	4,366,003	4,204,748	4,329,618	4,488,407	4,828,550	5,097,541
<b>CSU Agencies</b>	<b>\$24,574,558</b>	<b>\$23,998,153</b>	<b>\$25,085,975</b>	<b>\$25,707,385</b>	<b>\$27,287,034</b>	<b>\$29,081,719</b>
Percent Change		-2.3%	4.5%	2.5%	6.1%	6.6%

**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of Higher Education**

**BRIEFING ISSUE**

**ISSUE:** Changes in higher education funding since the 2002 recession

The issue brief examines changes in higher education funding since the 2002 recession.

**SUMMARY:**

- The issue brief includes charts that show higher education funding per student and then adjusted first for the Denver/Boulder/Greely Consumer Price Index and then for the Higher Education Cost Adjustment.
- The answers to the questions, "How much did higher education resources decrease relative to the cost of providing services?" and "Has funding recovered to pre-recession levels?" depend in large part on the indexes used to adjust for enrollment and inflation.
- The burden of paying for higher education has shifted significantly from the state to students.

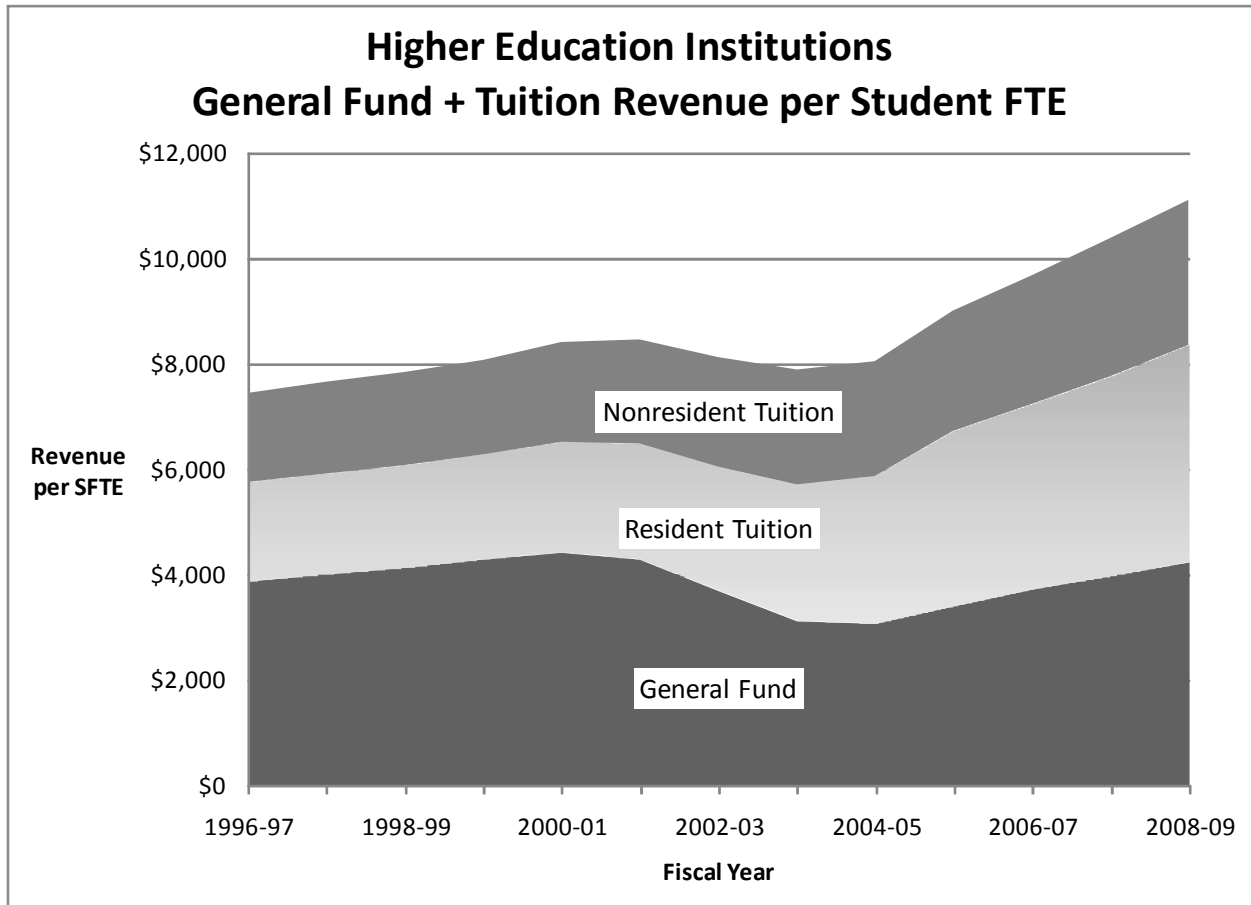
**DISCUSSION:**

The graph on page 7 of this document illustrates how tuition supplements General Fund revenue, but because it doesn't control for changes in enrollment or the cost of providing higher education services, it does not provide a very useful picture of how healthy the governing boards are since the 2002 recession. The following chart shows the revenue charted in the graph on page 7 on a per student FTE basis. This incremental step is shown, because in the next step that uses an index to control for inflationary costs, there may be disagreement about the best index to use.

The incremental cost of each additional student is not necessarily equal to the current average cost per student. There are fixed costs associated with operating higher education institutions, and even the variable costs escalate in a stair-step pattern with plateaus. An increase or decrease in students has to reach some threshold and be sustained there to justify increasing or decreasing the number of professors, rather than just changing the number of chairs in the classroom. However, if the ratio of professors to students is a measure of higher education quality, then over time operating revenues would need to keep near the pace, or exceed, changes in enrollment to avoid a degradation in the service level provided.

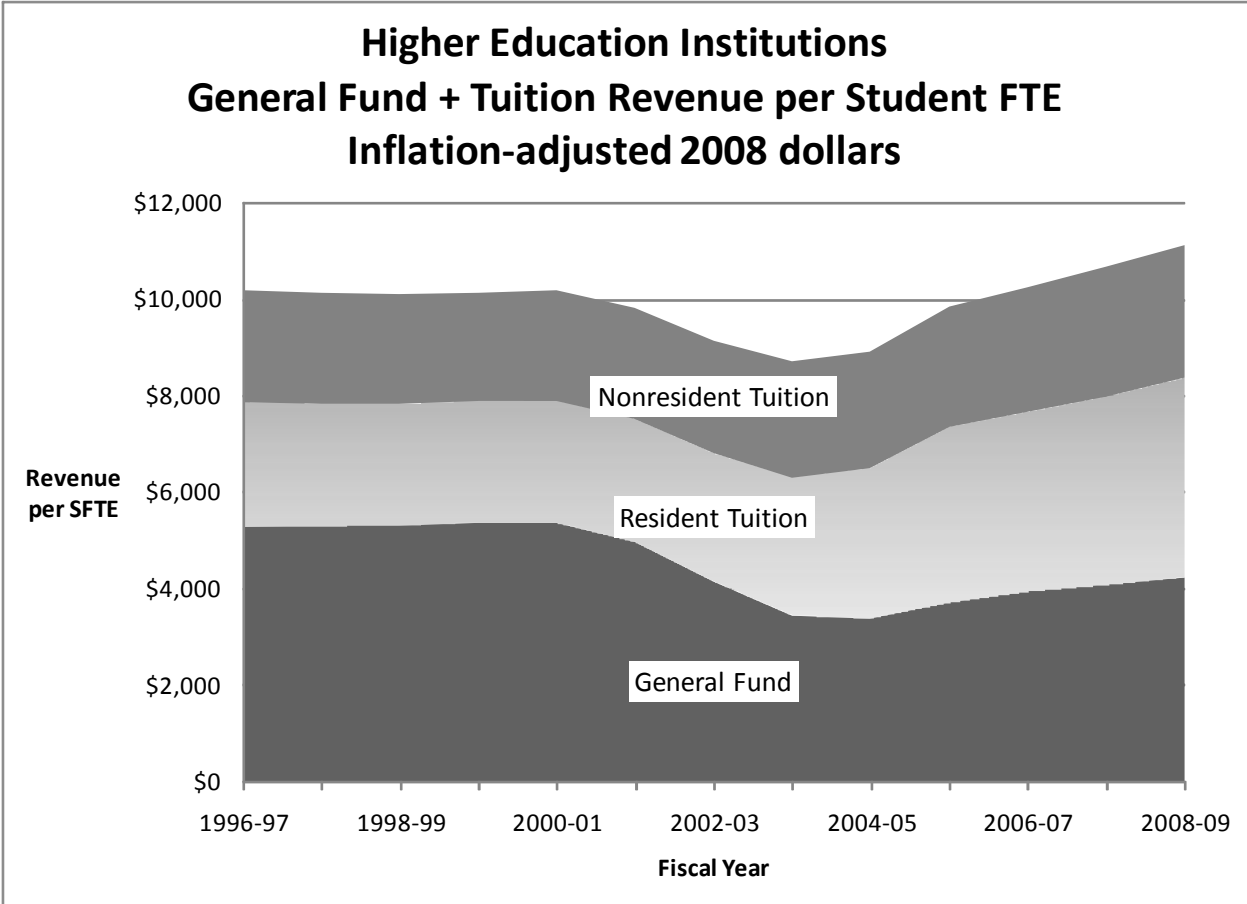
Student FTE data is collected and reported by CCHE according to a standardized methodology. The methodology has remained relatively constant for the period of time graphed. CCHE counts student FTE based on total credit hours in a year divided by 30. CCHE conducts some minimal auditing and confirmation of the data submitted by the institutions. There are some small inconsistencies between

institutions and from one year to the next at the same institution, mostly due to differing interpretations about how to count non-traditional credit hours such as labs, remedial programs, and supplementary winter or summer programs.



While the chart on page 7 showed that the total dollars for higher education institutions increased from FY 2000-01 to FY 2004-05, this chart shows a dip in the resources available per student. However, subsequent General Fund and tuition increases resulted in significantly higher resources per student today than in FY 2000-01.

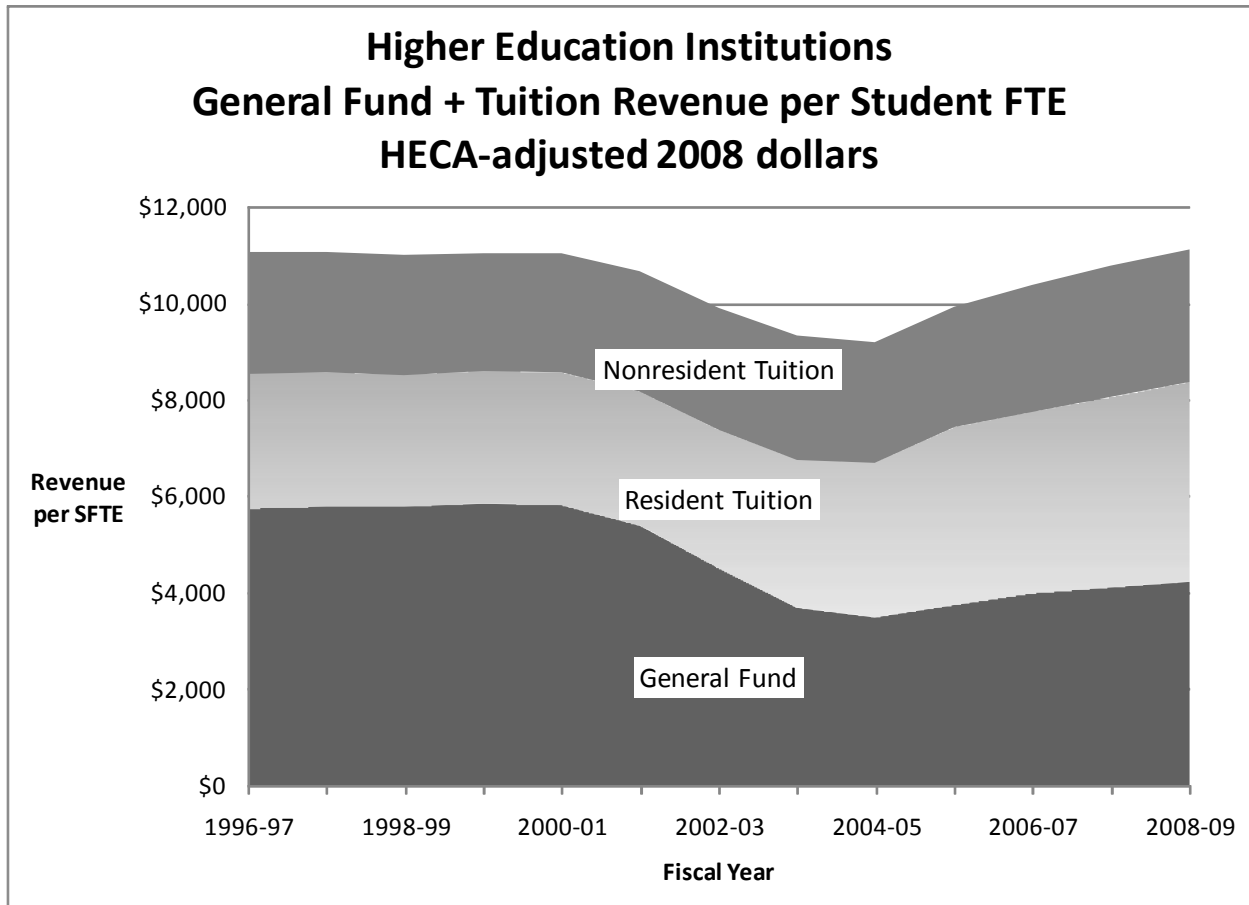
In addition to changes in enrollment, higher education institutions must contend with changes in operating costs due to salary and benefit increases and inflation. The next chart adjusts General Fund and tuition revenue per student based on the Denver/Boulder/Greeley consumer price index to show the figures in constant inflation-adjusted 2008 dollars.



This chart shows a similar, but somewhat steeper dip in resources per student from FY 2000-01 to FY 2004-05. The chart also shows higher resources per student today than in FY 2000-01, but the difference between today and FY 2000-01 does not appear as dramatic when the dollars are adjusted for inflation.

Higher education institutions frequently argue that the consumer price index is not a good indicator of the inflation institutions face, because the basket of goods measured by the CPI differs from the basket of goods purchased by institutions. The CPI tracks the cost of items such as housing, transportation, food, apparel, medical care, and entertainment. Nationally, roughly 75 percent of higher education expenditures are for salaries. For this reason, higher education researchers developed first the Higher Education Price Index (HEPI) and, more recently, the Higher Education Cost Adjustment (HECA). The State Higher Education Executive Officers (SHEEO) association developed HECA to address perceived problems with the HEPI, including a component of HEPI that was self-referential. CCHE advocates using HECA as the best indicator of higher education inflation. The HECA market basket consists of 75 percent wages, salaries and benefits (as measured by the federally maintained Employment Cost Index) and 25 percent non-personnel costs (as measured by the fedrally maintained Gross Domestic Product Implicit Price Deflator).

In the next graph, resources per student are adjusted by HECA to show the figures in constant HECA-adjusted 2008 dollars.

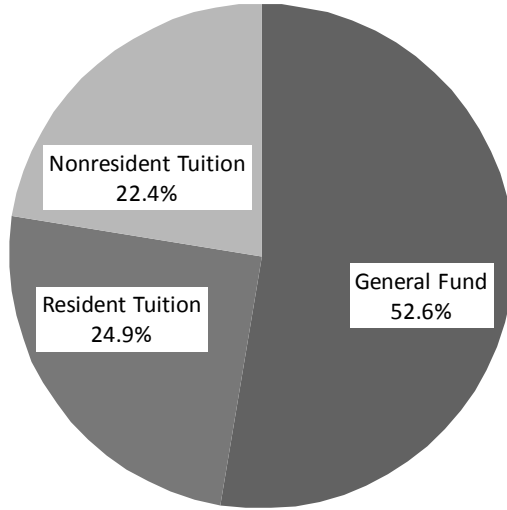


This chart shows the most dramatic dip in resources yet between FY 2000-01 and FY 2004-05. The chart shows FY 2008-09 resources that are slightly higher than FY 2000-01, but just barely, such that the difference is almost imperceptible at this scale (a difference in HECA-adjusted dollars of \$89 per student).

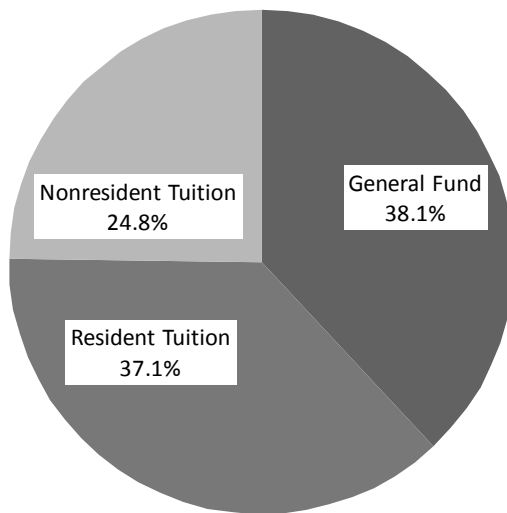
The answers to the questions, "How much did higher education resources decrease relative to the cost of providing services?", and "Has funding recovered to pre-recession levels?", depends in large part on the indexes used to adjust for enrollment and inflation. Of course, none of these charts say anything about whether higher education was or is funded at the optimal level.

The other thing that is clear from these charts is the shift in how much higher education institutions rely on tuition versus General Fund. This shift appears even more dramatically in the next two pie charts.

**Higher Education Institutions  
General Fund and Tuition Resources  
FY 2000-01**



**Higher Education Institutions  
General Fund and Tuition Resources  
FY 2008-09**





To help in evaluating the different possible indexes, the following table compares the fiscal year Denver/Boulder/Greeley consumer price index with HECA and Colorado's per capita personal income.

Fiscal Year	Denver/Boulder/ Greeley		Per Capita Income
	Fiscal Year CPI	HECA	
1996-97	3.6%	2.6%	5.5%
1997-98	3.4%	2.7%	5.0%
1998-99	2.7%	3.1%	7.2%
1999-00	2.8%	2.8%	5.9%
2000-01	3.4%	3.9%	9.4%
2001-02	4.8%	4.4%	3.2%
2002-03	3.0%	3.2%	-1.4%
2003-04	1.8%	3.1%	0.1%
2004-05	-0.2%	3.5%	4.5%
2005-06	1.2%	3.4%	5.6%
2006-07	3.3%	3.0%	5.2%
2007-08	2.9%	3.3%	3.9%
2008-09	2.8%	3.7%	3.5%

**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of Higher Education**

**BRIEFING ISSUE**

**ISSUE:** Financial aid programs

This issue brief provides an overview of financial aid programs and discusses the potential impact of current market conditions on the availability of student loans.

**SUMMARY:**

- ❑ Eligibility for financial aid is determined from cost of attendance and expected family contribution. The issue brief includes a table showing cost of attendance at the state-operated institutions, which is significantly higher than tuition because it includes room, board, books, fees, medical, transportation, and incidentals. The issue brief also includes a table with income ranges associated with different expected family contributions, but because expected family contribution includes factors such as family size and assets, there is not a one-for-one correspondence with income.
- ❑ CCHE policy regarding state need based aid requires institutions to distribute the majority of it to very low income students, similar to the federal Pell grant. The average family income of students at the maximum eligibility level for the majority of state need based aid is \$21,645.
- ❑ Institutions set aside significant amounts of their operating budgets for institutional financial aid. Institutions have more flexibility in how they target institutional financial aid than state or federal aid. Statutes and recent Long Bill footnotes have set minimum standards for institutional financial aid, but these standards are open to interpretation and the Department has not reported on how they are enforced.
- ❑ The combination of changes in the federally allowable yield from student loans and instability in the credit market has caused some lenders to reduce or halt the origination of student loans. However, all eligible students and families should be able to get a guaranteed loan. The federal government has temporarily made federal money available to lenders to originate student loans without having to access the private credit market.
- ❑ Some students and families may be using nonfederal loans, particularly if the cost of their education causes them to exceed guaranteed loan limits, or if they have assets to secure the loan, such as a house. Market conditions may be negatively impacting the availability and terms of these loans, but these loans are not reported to the Department and no data is available.

- ❑ The issue brief includes a table exploring average loans at graduation and the ability of students to pay.

**DISCUSSION:**

***Cost of Attendance and Expected Family Contribution.*** In order to determine eligibility for financial aid, the federal government uses calculations of the "cost of attendance" and "expected family contribution" at each institution. Most state and institutional financial aid piggybacks on these federal calculations. Cost of attendance includes tuition, but it may also include fees, room, board, books, medical, transportation, and incidentals. The following table lists the FY 2007-08 cost of attendance for each Colorado institution:

<b>Institution</b>	<b>Cost of attendance for Full-time students</b>
University of Colorado - Boulder	\$20,652
Colorado School of Mines	\$20,547
University of Colorado Denver	\$19,568
University of Colorado - Colorado Springs	\$18,289
Colorado State University	\$16,605
University of Northern Colorado	\$16,566
Colorado State University - Pueblo	\$15,859
Fort Lewis College	\$15,843
Pueblo Community College	\$15,418
Colorado Northwestern Community College	\$15,345
Trinidad State Junior College	\$15,258
AimsCommunityCollege	\$15,026
Morgan Community College	\$15,013
Western State College	\$14,892
Pikes Peak Community College	\$14,822
Metropolitan StateCollege of Denver	\$14,808
Red Rocks Community College	\$14,762
Adams State College	\$14,625
Front Range Community College	\$14,441
Otero Junior College	\$14,430
Community College of Denver	\$14,400
Mesa State College	\$14,366
Northeastern Junior College	\$14,271
Arapahoe Community College	\$14,169
Lamar Community College	\$14,097
Community College of Aurora	\$14,044
Colorado Mountain College	\$13,185

The expected family contribution takes into account variables such as assets, household size, and the number of family members attending college, as well as income, and so there is not a one for one

correspondence between the expected family contribution and income. However, based on averages it is possible to make some generalizations.

<b>Expected Family Contribution (EFC) by income level</b>			
<b>Family Income Level</b>	<b>Average EFC</b>	<b>Low EFC</b>	<b>High EFC</b>
Below \$20,000	541	0	3,649
\$20,000-\$39,999	2,126	0	6,063
\$40,000-\$59,999	5,936	692	11,180
\$60,000-\$79,999	11,189	3,932	18,446
Above \$79,999	28,505	8,736	48,274

**Federal Pell Grant.** If there is a difference between the expected family contribution and the cost of attendance, then the federal formula indicates the student has financial need. If a student has financial need and an expected family contribution of \$4,041 or less, then the student is eligible for a federal Pell grant.

**State Need Based Aid.** CCHE policy distributes state need based financial aid to higher education institutions based on the number of students with Level 1 financial need and the cost of attendance at the institution. CCHE defines Level 1 as 150 percent of Pell eligibility. The median family income with an EFC that is 150 percent of Pell eligibility is \$21,645. The CCHE policy also requires institutions to allocate the majority of the state need based financial aid they receive toward minimum grants of \$850 for these Level 1 students. The institutions have administrative discretion in allocating remaining funds after providing the minimum grants for Level 1 students.

**Institutional Aid.** Institutions also have their own aid programs. Statutes require (Section 23-18-202 (3) (c), C.R.S.) that any institution designated as an enterprise, "annually allocate at least twenty percent of any increase in undergraduate resident tuition revenues above inflation to need-based financial assistance." Note that the statute doesn't have any maintenance of effort or non-supplanting clauses. The General Assembly has included a footnote requesting that the Department report on compliance with the statute. The Department has not yet submitted a report this year, indicating that they are still in the process of collecting and analyzing financial aid data and that the report will be submitted in January. The Department responded in a similar way to the footnote last year, but never followed up with a direct response to the question about compliance with the statute.

In addition to the statutory requirement about the level of institutional financial aid, the last two years the General Assembly has included language regarding financial aid for needy students in the tuition footnote to the Long Bill. The FY 2008-09 footnote language indicated, "that students with demonstrated financial need (i.e., Pell Levels I, II, and III) receive sufficient financial aid to limit increases in their effective tuition rates above 5.0 percent per student or per credit hour.". The footnote doesn't specify the source of funds used to limit tuition rate increases. State and federal funds, as well as institutional aid, can be used to satisfy the footnote requirement. The footnote

doesn't include any maintenance of effort requirement, and so to the extent that an institution uses financial aid for students above Level III need that financial aid can be reallocated to satisfy the footnote requirement. Also, the footnote allows money allocated to limit tuition rate increases to overlap with money allocated to satisfy the 20 percent statutory requirement.

One final note about the footnote is that financial aid is used to pay more than just tuition. It also pays for expenses such as room, board, fees, books, transportation, and incidentals. Because financial aid is not limited to just tuition, it is difficult to say definitively whether financial aid limited a student's effective tuition rate increase to under 5.0 percent. Perhaps the increase in financial aid was used for an increase in room and board, and none of it offset tuition. Or, perhaps all of it was used to offset tuition and the student had to pay the full increase in room and board.

**Work Study.** In addition to federal, institutional, and state grants, a student may receive work study. Work study jobs are typically closer to the campus than jobs the student could get without the work study award. They may also have more student-friendly hours, include an educational component, and pay better, although this is not always the case. The availability of student jobs outside of work study awards varies based on the local economy around each institution. Work study helps the employer, which is usually the institution, by subsidizing the cost of hiring student labor. Federal, state, and in some cases institutional funding is available for work study. Statutes require at least 70 percent of state work study jobs to be awarded based on need. Work study jobs are generally limited to less than 20 hours per week. Studies indicate students with work study jobs perform better academically and have higher retention rates than students who don't work or work in a non-work study job.

**Tax Benefits.** The federal government provides income tax credits and allows the deduction of tuition and fees for families that meet eligibility criteria. The eligibility criteria targets students and families with higher incomes than the need based programs discussed above. As the Department explains:

*Tax credits and deductions are less likely than other forms of student aid to benefit the lowest income students because they are available only to students and families who have positive federal tax liabilities. In addition, they cover only tuition and fee expenses net of grant aid, not room and board or other education-related expenses. These policies also provide larger subsidies to students paying higher tuition and fees than to those enrolled in the lowest price institutions.*

In 2005, the most recent year of data the Department has reported, 90 percent of the credits claimed in Colorado were for students and families with an adjusted gross income between \$25,000 and \$100,000. The maximum credit was \$2,000 and a more typical credit amount claimed was around \$1,000. Eighty-two percent of those who claimed a tuition and fee tax deduction had a family income between \$50,000 and \$160,000. Forty-two percent of the people claiming the tuition and fee deduction had an income between \$100,000 and \$160,000 and an average deduction of \$434.

**Merit Aid.** In FY 2002-03 the state appropriated almost \$15 million for merit based aid, but the program in FY 2008-9 totaled \$1.5 million statewide. Charitably funded financial aid frequently has a merit component.

**Federally Guaranteed Student Loans.** If grants, employment, and tax benefits are insufficient, students and parents can apply for loans. The table below summarizes the major federal guaranteed loan programs:

Loan Program	Eligibility	Interest Rate	Dependent Lifetime Limit
Stafford subsidized	Need based	6.0% -- federal government pays interest while the student is in school and through a 6-month grace period	\$23,000
Stafford unsubsidized	No defaults on Title IV debt	6.8% -- interest is deferred and capitalized while the student is in school	\$31,000 for subsidized and unsubsidized combined
Parent PLUS loan	No adverse credit history (more than 90 days late or a default) in the last 5 years	8.5%	Cost of attendance less aid
Perkins	Need based and limited by available federal funding (a total of \$21.1 million was awarded statewide in FY 2007-08)	5.0%-- federal government pays interest while the student is in school and through a 9-month grace period; no fees	\$20,000

**Nonfederal Loans.** Students or parents with a good credit history may be able to get private loans in addition to, or instead of, federally guaranteed loans. There are also some charitably funded loans available for students. The federally guaranteed loan programs will generally provide better interest rates and terms than an unsecured private student loan. However, if the private loan is secured (e.g. a home equity line of credit) it may offer a better interest rate. Also, private loans may allow longer repayment periods than the 10 years for federally guaranteed loans. The Department does not have any data on private loans as they are not systematically reported. The nonprofit College Board estimates nonfederal loans represented 23 percent of student loans nationally for the 2007-08 academic year. Their source of data for this estimate is, "an informal annual College Board survey of major private education loan providers, supplemented by data from annual reports and from Student Lending Analytics, and on information collected from staff of state-sponsored private loan programs." Presumably the College Board's survey is not capturing secured private loans, as lenders would not necessarily know how a consumer is spending the money from something like a second mortgage or home equity line of credit. Staff suspects that the majority of nonfederal loans captured in the College Board's survey would be for students at higher priced private colleges and graduate/professional students, who are more likely to have maxed out federal guaranteed loans, and so it may not be a good indicator of private loans for students at state operated institutions.

## **Impact of Market Conditions on Student Loans**

In 2007 the federal government reduced the yield to lenders on guaranteed student loans. Shortly after the change in federal policy, instability in the credit market made it difficult for lenders to raise the capital necessary to originate student loans, or to do so at a rate that made the student loans profitable. The combined impact of these two events caused some of the major national lenders to stop or significantly curtail the student loans they were making. There were several national news stories about an impending student loan crisis in which students would not be able to get loans for lack of a lender. Indeed, some students had to scramble to find a new lender immediately preceeding the 2008-09 academic year, although not so much in Colorado, because most of the major lenders reducing their student loans were more active in other states.

Despite the change in the yield to lenders and the instability in the credit market, staff sees no reason for concern that Colorado students would not be able to obtain a guranteed student loan for lack of a lender. The federal government responded to the problems lenders were having raising capital by making federal funds available to them to originate student loans. The program was initially for one year, but was extended through the 2009-10 academic year. Even if the federal government hadn't taken this measure, there is a provision in the federal loan program that allows gurantee agencies to originate loans with federal money as the lender of last resort. Also, schools can choose to participate in the direct lending program, which makes federal money available to schools to lend to students.

While current market conditions should have no bearing on whether a student can access a guaranteed loan, it is likely that students will pay more in fees than in prior years. Previously, many lenders charged less than the maximum fees allowed by the federal government and/or bought down the interest rate on student loans as a "borrower benefit" intended to attract customers. With the current market conditions, the state-created CollegeInvest is not waiving federally allowable fees, and staff assumes private lenders are doing the same. In better market conditions, CollegeInvest earned enough off student loans that executive and legislative initiatives created special programs, such as a loan forgiveness program for teachers and a grant program for low-income students.

It's possible that in the current market conditions Colorado students are experiencing difficulty obtaining nonfederal loans. As noted above, very little data is available about these loans. This may increase the interest rates students pay, if they were previously using a secured loan, such as a home equity line of credit, to finance college at a lower rate than a federally guranteed loan. If a student borrows the maximum federally guaranteed loans and needs more, then a reduction in the availability of nonfederal student loans could be problematic. The parent PLUS loan allows parents to borrow up to the full cost of attendance with only a minimal credit history standard, and so only independent students and students with special circumstances with their parents would likely be in this predicament.

## Ability of Students to Pay the Loans

The following chart provides some key statistics about the debt burdens of graduates from state-operated four-year institutions. Note that the table doesn't include PLUS loans that are in the name of the parent, or private loans that are not reported to the Department.

Institution	Average Stafford/ Pekins loan debt at graduation	Percent of graduates with loans	Estimated monthly loan repayment (10 years)	Minimum annual income to repay without hardship*
University of Colorado Denver	\$23,327	69%	\$268.45	\$37,076
Colorado School of Mines	\$22,453	66%	\$258.39	\$36,271
Colorado State University - Pueblo	\$21,855	75%	\$251.51	\$35,721
University of Colorado - Boulder	\$21,642	46%	\$249.06	\$35,525
Metropolitan State College of Denver	\$21,475	75%	\$247.14	\$35,371
Western State College	\$20,613	75%	\$237.22	\$34,578
Colorado State University	\$18,948	66%	\$218.05	\$33,044
Adams State College	\$18,634	77%	\$214.44	\$32,755
University of Colorado - CO Springs	\$18,168	72%	\$209.08	\$32,326
Mesa State College	\$18,028	69%	\$207.47	\$32,198
University of Northern Colorado	\$17,967	67%	\$206.76	\$32,141
Fort Lewis College	\$17,891	66%	\$205.89	\$32,071

\* The "minimum annual income to repay without hardship" requires explanation. The Department's CollegeInColorado.org web site asserts, "Experts agree that your student loan payments should not exceed 8% of your annual income, or if you are married, 8% of your household income." However, the Department has never been able to point to any research or analysis supporting the eight percent threshold, nor has the Department identified who are these experts in agreement on the eight percent. This year, the Department identified an alternative standard. There is a federal program that allows for income based repayment of student loans in certain circumstances. The income based repayment program caps payments at 15 percent of discretionary income, which is defined as income in excess of 150 percent of the federal poverty level (or \$15,600 annually). The "minimum annual income to repay without hardship" calculates what the student's annual income would have to be for the estimated monthly payment to not exceed 15 percent of discretionary income, as that term is defined by the federal income based repayment program. It turns out that the minimum annual income calculated by this method falls within a few tenths of the 8.0 percent rule of thumb espoused by CollegeInColorado.org.



**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of Higher Education**

**BRIEFING ISSUE**

**ISSUE:** General Fund distribution formula

This issue discusses the distribution formula proposed by the Colorado Commission on Higher Education

**SUMMARY:**

The Colorado Commission on Higher Education proposes a three-step model for distributing General Fund to the governing boards that incorporates an inflationary increase, an increase based on a comparison of funding to peers, and an adjustment for differences in the ability of institutions to earn resident tuition revenue.

**DISCUSSION:**

To distribute new General Fund for FY 2009-10, the Colorado Commission on Higher Education (CCHE) recommends a three-step model.

1. CCHE proposes that each governing board should receive an **inflationary increase** on their existing General Fund appropriation. For the request, CCHE used 3.7 percent as the estimate of inflation.
2. Per CCHE's model, fifty percent of any General Fund increase in excess of inflation should be allocated to the Governing Boards in proportion to the Department's peer gap analysis. The peer gap analysis compares the General Fund and tuition revenues per SFTE of Colorado's institutions to the average of a set of peers identified by The National Center for Higher Education Management Systems (NCHEMS), which the Department hired as a consultant to assist with the development of this model. The model then estimates the amount of money required by institution to close the funding gap. Finally, it allocates new General Fund to the institutions based each institution's percentage of the total estimated funding gap. When calculating the funding gap for the Health Sciences Center the model includes appropriations from tobacco revenues as part of state funding.

The Department continues to refine the way that it calculates the funding gap. The Department indicates that the most significant change for this year has to do with the data source and methodology used for determining SFTE. The table below summarizes the Department's calculation of the actual funding gap through FY 2006-07, which is the most recent year with all of the necessary national data points, and the Department's projection of the funding gap through FY 2008-09. The JBC staff attempted to follow the Department's

methodology to project the gap for FY 2009-10 with the Governor's request and with CCHE's request.

**CCHE Analysis of the Funding Gap  
Between Colorado Institutions and Peers**

	<u>Millions</u>
FY 2004-05 Actual	\$703.1
FY 2005-06 Actual	\$757.0
FY 2006-07 Actual	\$783.9
FY 2007-08 Projection	\$713.1
FY 2008-09 Projection	\$651.0
<u>FY 2009-10 Projection</u>	
Governor's Request	\$680.9
CCHE's Request	\$643.7

The Department's estimate of the gap for the projection years assumes that peer funding grows at 3.7 percent. For FY 2009-10 it assumes no change in SFTE.

3. CCHE advocates that the remaining 50 percent of any increase in General Fund above inflation be allocated in a way that takes into account differences in the capacity of institutions to raise resident tuition. This General Fund adjustment ignores nonresident tuition.
  - a. First the model calculates the total percentage General Fund + resident tuition increase.
  - b. Then the model calculates the difference between projected increases in resident tuition revenue at each institution and a theoretical General Fund + resident tuition increase if each institution increased at the same proportion. This is the amount the model indicates that the General Fund has to backfill to account for differences in tuition earning capacity between the institutions.
  - c. Finally, the model allocates the General Fund to the institutions in relation to each institution's share of the total General Fund backfill.

Rate	Total	Adams	Mesa	Metro	Western	CSU Sys	Ft. Lewis	CU	Mines	UNC	CCs
<b>FY 2008-09 Appropriation</b>											
Stipends + Fee-for-service	\$ 678,872,256	\$ 14,608,449	\$ 24,005,607	\$ 49,713,412	\$ 12,173,017	\$ 146,891,512	\$ 12,736,330	\$ 209,099,449	\$ 23,237,386	\$ 44,086,311	\$ 142,320,783
Tobacco	\$ 18,943,716	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,943,716	\$ -	\$ -	\$ -
Subtotal State Funding	\$ 697,815,972	\$ 14,608,449	\$ 24,005,607	\$ 49,713,412	\$ 12,173,017	\$ 146,891,512	\$ 12,736,330	\$ 228,043,165	\$ 23,237,386	\$ 44,086,311	\$ 142,320,783
Resident tuition	\$ 660,519,552	\$ 4,917,565	\$ 19,740,816	\$ 46,627,706	\$ 4,704,785	\$ 109,401,707	\$ 8,202,221	\$ 280,026,965	\$ 30,431,603	\$ 38,609,871	\$ 117,856,313
State + Resident tuition	\$ 1,358,335,524	\$ 19,526,014	\$ 43,746,423	\$ 96,341,118	\$ 16,877,802	\$ 256,293,219	\$ 20,938,551	\$ 508,070,130	\$ 53,668,989	\$ 82,696,182	\$ 260,177,096

**Requested Changes**

32,791,429 TOTAL targeted General Fund Increase

State Inflation	3.7%	25,819,191	540,513	888,207	1,839,396	450,402	5,434,986	471,244	8,437,597	859,783	1,631,194	5,265,869
Percent of peer gap		100.0%	0.5%	3.2%	12.2%	0.5%	19.9%	1.5%	36.5%	1.1%	6.9%	17.8%
Increase to close peer gap		\$ 3,486,119	\$ 16,050	\$ 110,316	\$ 424,377	\$ 18,038	\$ 692,350	\$ 53,227	\$ 1,272,521	\$ 37,985	\$ 239,814	\$ 621,441
GF required to backfill res. tuition for a total funds GF + res. increase of	6.3%	32,791,428	\$ 889,717	\$ 1,382,700	\$ 2,824,342	\$ 737,258	\$ 6,350,307	\$ 749,058	\$ 6,905,088	\$ 652,770	\$ 1,751,101	\$ 10,549,087
Allocation of tuition backfill		100.0%	2.7%	4.2%	8.6%	2.2%	19.4%	2.3%	21.1%	2.0%	5.3%	32.2%
Tuition backfill		\$ 3,486,119	\$ 94,588	\$ 146,997	\$ 300,261	\$ 78,379	\$ 675,113	\$ 79,634	\$ 734,093	\$ 69,397	\$ 186,163	\$ 1,121,493
Subtotal State		32,791,428	\$ 651,151	\$ 1,145,520	\$ 2,564,034	\$ 546,819	\$ 6,802,449	\$ 604,105	\$ 10,444,211	\$ 967,165	\$ 2,057,171	\$ 7,008,803
Resident rate increase		8.0%	7.0%	7.0%	7.0%	7.0%	9.0%	7.0%	9.0%	9.0%	9.0%	5.0%
Resident tuition increase		\$ 53,048,645	\$ 344,230	\$ 1,381,857	\$ 3,263,939	\$ 329,335	\$ 9,846,154	\$ 574,155	\$ 25,202,427	\$ 2,738,844	\$ 3,474,888	\$ 5,892,816
State + Resident tuition		\$ 85,840,073	\$ 995,381	\$ 2,527,377	\$ 5,827,973	\$ 876,154	\$ 16,648,603	\$ 1,178,260	\$ 35,646,638	\$ 3,706,009	\$ 5,532,059	\$ 12,901,619

**FY 2009-10 Requested Appropriation**

Stipends + Fee-for-service	\$ 711,663,684	\$ 15,259,600	\$ 25,151,127	\$ 52,277,446	\$ 12,719,836	\$ 153,693,961	\$ 13,340,435	\$ 219,543,660	\$ 24,204,551	\$ 46,143,482	\$ 149,329,586
Tobacco	\$ 18,943,716	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,943,716	\$ -	\$ -	\$ -
Subtotal State Funding	\$ 730,607,400	\$ 15,259,600	\$ 25,151,127	\$ 52,277,446	\$ 12,719,836	\$ 153,693,961	\$ 13,340,435	\$ 238,487,376	\$ 24,204,551	\$ 46,143,482	\$ 149,329,586
Resident tuition	\$ 713,568,197	\$ 5,261,795	\$ 21,122,673	\$ 49,891,645	\$ 5,034,120	\$ 119,247,861	\$ 8,776,376	\$ 305,229,392	\$ 33,170,447	\$ 42,084,759	\$ 123,749,129
State + Resident tuition	\$ 1,444,175,597	\$ 20,521,395	\$ 46,273,800	\$ 102,169,091	\$ 17,753,956	\$ 272,941,822	\$ 22,116,811	\$ 543,716,768	\$ 57,374,998	\$ 88,228,241	\$ 273,078,715

**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of Higher Education**

**BRIEFING ISSUE**

**ISSUE:** Amendment 50 gaming revenues

This issue brief discusses a few key provisions of Amendment 50, which is the amendment that allowed local communities to vote to expand gaming activities.

**SUMMARY:**

- ❑ When the community colleges will benefit from Amendment 50 revenues is dependent on local action and how the program is structured through implementing legislation, but disbursements to community colleges are not likely to occur before FY 2010-11.
- ❑ If all of the expansions in gaming are approved and implemented by all of the eligible gaming communities, the projected revenue to community colleges would represent more than a 10 percent increase over the FY 2008-09 General Fund and tuition appropriation, and revenues are projected to increase at a healthy pace into the near future as gaming businesses ramp up.
- ❑ Nothing in the language of Amendment 50 precludes CCHE or the General Assembly from taking Amendment 50 revenues into account when deciding how much of an increase in General Fund for the governing boards should be allocated to the community colleges. However, there is language that suggests the General Assembly could not decrease existing General Fund appropriations for the community colleges based on the availability of Amendment 50 revenues.

**DISCUSSION:**

The passage of Amendment 50 allows gaming communities to vote to do any or all of the following: extend the hours of casinos, add roulette and craps, and increase the maximum bet from \$5 to \$100. If gaming communities approve any of these changes, the additional state tax revenue from these changes is distributed primarily to the community colleges and gaming communities. The additional money for community colleges is distributed to the colleges based on student FTE in the prior year.

**When will the community colleges receive the money?**

To date, none of the gaming communities have voted on the increases in gaming activity allowed by the amendment, but all of them have special elections scheduled for this winter. The amendment allows implementation of the expansions in gaming activity beginning July 1, 2009.

To the extent that gaming communities approve the allowable expansions, and gaming businesses implement the allowable expansions, revenue subject to the Amendment 50 formula could accrue to the state in FY 2009-10. However, the fiscal note for Amendment 50 assumed that the revenue would not be distributed to the community colleges until FY 2010-11. This is how distributions for other programs that receive gaming moneys are handled. Also, the calculation of the total that the community colleges should receive is dependent on knowing the enforcement costs of the Division of Gaming, and the exact total revenue, neither of which is available until the end of the fiscal year.

**Amount of revenue**

It is not known what of the allowable expansions will be implemented by the gaming communities and businesses. If all of the possible expansions are implemented for FY 2009-10, the Fiscal Note for Amendment 50 projected the following amounts would be distributed to the community colleges:

Amendment 50 disbursement to Community Colleges		
Year	Millions	Percent Change
FY 2010-11	\$29	
FY 2011-12	\$32	10.3%
FY 2012-13	\$46	43.8%
FY 2013-14	\$52	13.0%
FY 2014-15	\$63	21.2%

This is both a healthy annual growth rate and a significant increase over current resources for the community colleges. For comparison, the FY 2008-09 appropriation for the community colleges includes:

FY 2008-09 Appropriations	
Community Colleges	Millions
General Fund	\$142
Tuition	<u>\$143</u>
Total	\$285

**Impact of the gaming revenue on the distribution of General Fund**

CCHE has not yet addressed how, if at all, gaming revenues would impact the distribution of General Fund through the peer gap comparison model. The budget request assumes there will not be money available for the community colleges to expend in FY 2009-10.

There is a provision in Amendment 50 that says the gaming money is, "to supplement existing state funding." This suggests that the General Assembly could not replace existing General Fund appropriations with Amendment 50 revenue, but it could provide less of a General Fund increase to the community colleges because of their access to Amendment 50 revenues. If the General Assembly needs to reduce funding for the governing boards, it will need to be cautious about the distribution formula to avoid the appearance that Amendment 50 revenues are supplanting rather than supplementing existing state funding.

**FY 2009-10 Joint Budget Committee Staff Budget Briefing  
Department of Higher Education**

**BRIEFING ISSUE**

**ISSUE:** Higher Education Maintenance and Reserve Fund

This issue brief discusses the uses of the Higher Education Maintenance and Reserve Fund.

**SUMMARY:**

Senate Bill 08-218 created the Higher Education Federal Mineral Lease Revenues Fund (Revenues Fund) that is being used to make annual lease payments on certificates of participation for higher education construction projects. The lesser-known cousin of the Revenues Fund is the Higher Education Maintenance and Reserve Fund (M&R Fund). It was also created by S.B. 08-218.

The M&R Fund receives 50 percent of federal mineral lease bonus payments. It can also receive a spillover if income to the Revenues Fund exceeds \$50 million. The principal of the M&R Fund is supposed to remain in the fund as a reserve. Interest earnings may be used for higher education controlled maintenance. The reserve in the M&R Fund is one of the places that the Revenues Fund can turn to if income to the Revenues Fund is insufficient to make the annual lease purchase payments. In addition, the principal of the M&R Fund can be tapped for operating funds for higher education in the event that General Fund revenues are insufficient to maintain the statutory 4.0 percent reserve.

**Section 23-19.9-102 (2) (b) (II), C.R.S.** If, at any time during a fiscal year, the most recent available quarterly revenue estimate prepared by the staff of the legislative council indicates that the amount of total general fund revenues for the fiscal year will not be sufficient to allow the state to maintain the four percent reserve required by section 24-75-201.1 (1) (d) (III), C.R.S., the general assembly may make supplemental appropriations of principal of the maintenance and reserve fund or the state controller may allow overexpenditures to be made from principal of the maintenance and reserve fund pursuant to and in accordance with the requirements of section 24-75-111, C.R.S., in order to offset any reduction in the amount of one or more general fund appropriations for the fiscal year for operating expenses of state-supported institutions of higher education that resulted from the insufficiency in the amount of total general fund revenues.

The September Legislative Council Staff Revenue Forecast showed an FY 2008-09 General Fund shortfall of a little over \$100 million. This projected shortfall triggered the provision allowing expenditures from the M&R Fund. The M&R Fund has money in it. Bonus payments related to the Roan Plateau generated approximately \$28 million for the M&R Fund in FY 2008-09. However, these bonus payments are the subject of litigation and there is some risk that the state would have to pay back the funds.

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	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp	FY 2009-10		Notes
				Governor Request	CCHE Request	

funds. Reappropriated funds are those moneys that are appropriated for a second or more time in the same fiscal year. Moneys that were previously categorized as cash funds exempt that are not reappropriated funds are characterized in the new budget format as cash funds, regardless of the TABOR status of the funds.

**DEPARTMENT OF HIGHER EDUCATION**  
**Executive Director: David Skaggs**

**(1) Department Administrative Office**

*(Primary Functions: Centrally appropriated items for the Department Administration, the Commission, the Division of Private Occupational Schools, and the Historical Society. Cash funds reflect the share of costs born by various cash programs within the Department. Reappropriated funds are from indirect cost recoveries.)*

Health, Life, and Dental	<u>565,992</u>	<u>683,910</u>	<u>882,911</u>	<u>827,863</u>	<u>827,863</u>
General Fund	0	0	0	0	0
Cash Funds	189,588	243,084	667,459	625,844	625,844
RF/CFE	376,404	426,498	186,410	174,788	174,788
Federal Funds	0	14,328	29,042	27,231	27,231
Short-term Disability	<u>7,086</u>	<u>9,793</u>	<u>10,878</u>	<u>11,898</u>	<u>11,898</u>
General Fund	0	0	0	0	0
Cash Funds	3,246	3,409	7,626	8,341	8,341
RF/CFE	3,359	5,525	2,185	2,390	2,390
Federal Funds	481	859	1,067	1,167	1,167
S.B. 04-257 Amortization Equalization					
Disbursement	<u>47,033</u>	<u>90,581</u>	<u>134,611</u>	<u>187,258</u>	<u>187,258</u>
General Fund	0	0	0	0	0
Cash Funds	21,542	31,473	94,577	131,567	131,567
RF/CFE	22,295	51,177	26,894	37,412	37,412
Federal Funds	3,196	7,931	13,140	18,279	18,279

S.B. 06-235 Supplemental Amortization



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	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp	FY 2009-10		Notes
				Governor Request	CCHE Request	
Equalization Disbursement	<u>0</u>	<u>18,904</u>	<u>63,042</u>	<u>117,036</u>	<u>117,036</u>	
General Fund	0	0	0	0	0	
Cash Funds		6,557	44,277	82,199	82,199	
RF/CFE		10,694	12,606	23,403	23,403	
Federal Funds		1,653	6,159	11,434	11,434	
Salary Suvey and Senior Executive Service	<u>217,561</u>	<u>258,113</u>	<u>387,536</u>	<u>234,951</u>	<u>234,951</u>	
General Fund	0	0	0	0	0	
Cash Funds	71,323	79,165	253,197	153,505	153,505	
RF/CFE	126,579	150,482	86,694	52,560	52,560	
Federal Funds	19,659	28,466	47,645	28,886	28,886	
Performance-based Pay Awards	<u>0</u>	<u>123,924</u>	<u>122,241</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	0	
Cash Funds		34,645	83,177			
RF/CFE		75,954	25,182			
Federal Funds		13,325	13,882			
Worker's Compensation	<u>13,662</u>	<u>17,542</u>	<u>22,492</u>	<u>22,526</u>	<u>22,526</u>	
General Fund	0	0	0	0	0	
Cash Funds	10,558	5,756	16,596	16,621	16,621	
RF/CFE	3,104	11,786	5,896	5,905	5,905	
Legal Services	<u>67,431</u>	<u>93,783</u>	<u>33,644</u>	<u>33,644</u>	<u>33,644</u>	
<i># of Hours (non-add)</i>			448	448	448	
General Fund	37,070	61,514	0	0	0	
Cash Funds	22,771	26,447	9,284	9,284	9,284	
RF/CFE	7,590	5,822	24,360	24,360	24,360	
Purchase of Services from Computer Center	<u>5,853</u>	<u>120,097</u>	<u>94,110</u>	<u>94,110</u>	<u>94,110</u>	
General Fund	0	74,732	0	0	0	

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	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp	FY 2009-10		Notes
				Governor Request	CCHE Request	
Cash Funds	2,651	27,485	14,101	14,101	14,101	
RF/CFE	3,202	17,880	80,009	80,009	80,009	
Payment to Risk Management/ Property Funds	<u>33,750</u>	<u>28,376</u>	<u>46,140</u>	<u>46,140</u>	<u>46,140</u>	
General Fund	0	0	0	0	0	
Cash Funds	3,153	755	44,346	44,346	44,346	
RF/CFE	30,597	27,621	1,794	1,794	1,794	
Leased Space	<u>345,112</u>	<u>362,265</u>	<u>507,150</u>	<u>514,210</u>	<u>514,210</u>	
General Fund	0	0	0	0	0	
Cash Funds	345,112	362,265	96,149	102,842	102,842	
RF/CFE	0	0	411,001	411,368	411,368	
						<b>Approp vs. Request</b>
<b>TOTAL - (1) Administrative Office</b>	<u>1,303,480</u>	<u>1,807,288</u>	<u>2,304,755</u>	<u>2,089,636</u>	<u>2,089,636</u>	<b>Governor</b> -9.3% <b>CCHE</b> -9.3%
General Fund	37,070	136,246	0	0	0	
Cash Funds	669,944	821,041	1,330,789	1,188,650	1,188,650	-10.7%    -10.7%
RF/CFE	573,130	783,439	863,031	813,989	813,989	-5.7%    -5.7%
Federal Funds	23,336	66,562	110,935	86,997	86,997	-21.6%    -21.6%

**(2) Colorado Commission on Higher Education**

*(Primary Functions: Serves as the central policy and coordinating board for higher education. Cash fund sources include fees from proprietary schools deposited in the Private Occupational Schools Fund, and payments from other states for veterinary medicine as a part of the exchange program organized by WICHE. Reappropriated Funds are from indirect cost recoveries.)*

(A) Administration	2,332,301	2,390,137	2,706,248	2,839,581	2,839,581	
FTE	<u>23.6</u>	<u>30.1</u>	<u>31.1</u>	<u>31.1</u>	<u>31.1</u>	
General Fund	0	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	0.0	
Cash Funds	1,789,374	1,905,869	173,002	173,002	173,002	

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	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp	FY 2009-10		Notes
				Governor Request	CCHE Request	
FTE	20.5	26.5	0.0	0.0	0.0	
RF/CFE	225,015	215,615	2,172,769	2,281,993	2,281,993	
FTE	0.0	0.0	27.5	27.5	27.5	
Federal Funds	317,912	268,653	360,477	384,586	384,586	
FTE	3.1	3.6	3.6	3.6	3.6	
<b>(B) Div. of Private Occupational Schools</b>						
Cash Funds	535,449	484,585	608,590	658,639	658,639	
FTE	6.0	6.0	7.8	7.8	7.8	
<b>(C) Special Purpose</b>						
WICHE (Annual Dues)	<u>112,000</u>	<u>116,000</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	
General Fund	0	0	0	0	0	
Cash Funds	112,000	116,000	0	0	0	
RF/CFE	0	0	120,000	120,000	120,000	
WICHE Optometry	<u>329,750</u>	<u>395,644</u>	<u>399,000</u>	<u>399,000</u>	<u>399,000</u>	
General Fund	0	0	0	0	0	
Cash Funds	329,750	395,644	0	0	0	
RF/CFE	0	0	399,000	399,000	399,000	
Advanced Technology Grants - RF/CFE	334,196	0	0	0	0	
<b>Distribution to the Higher Education</b>						
Competitive Research Authority	<u>0</u>	<u>901,854</u>	<u>330,000</u>	<u>330,000</u>	<u>330,000</u>	
Cash Funds		0	330,000	330,000	330,000	
RF/CFE		901,854	0	0	0	
Veterinary School Program Needs	<u>285,000</u>	<u>285,000</u>	<u>285,000</u>	<u>285,000</u>	<u>285,000</u>	
General Fund	0	0	0	0	0	
Cash Funds	285,000	285,000	122,600	122,600	122,600	
RF/CFE	0	0	162,400	162,400	162,400	

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	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp	FY 2009-10		Notes
				Governor Request	CCHE Request	
Enrollment/Tuition and Stipend Contingency	13,500,815	13,998,159	20,000,000	20,000,000	20,000,000	
Cash Funds	13,500,815	0	20,000,000	20,000,000	20,000,000	
RF/CFE	0	13,998,159	0	0	0	
<b>Subtotal - (C) Special Purpose</b>	<b>14,561,761</b>	<b>15,696,657</b>	<b>21,134,000</b>	<b>20,804,000</b>	<b>21,134,000</b>	
						<b>Approp vs. Request</b>
<b>TOTAL - (2) CCHE</b>	17,429,511	18,571,379	24,448,838	24,632,220	24,632,220	<b>Governor    CCHE</b> 0.8%            0.8%
FTE	29.6	36.1	38.9	38.9	38.9	
General Fund	0	0	0	0	0	
Cash Funds	16,552,388	3,187,098	21,234,192	21,284,241	21,284,241	0.2%            0.2%
RF/CFE	559,211	15,115,628	2,854,169	2,963,393	2,963,393	3.8%            3.8%
Federal Funds	317,912	268,653	360,477	384,586	384,586	6.7%            6.7%

**(3) Financial Aid**

*(Primary Functions: Provides assistance to students in meeting the costs of higher education. The source of cash funds exempt is money transferred from the Department of Human Services for the Early Childhood Professional Loan Repayment program.)*

(A) Need Based Grants

General Need Based Grants	52,240,163	66,981,729	74,294,146	78,814,734	81,702,949	
General Fund	52,240,163	66,981,729	74,294,146	78,814,734	81,702,949	#3
Federal Funds	0	0	0	0	0	
Governor's Opportunity Scholarships - GF	7,902,673	0	0	0	0	
<b>Subtotal - (A) Need Based Grants (GF)</b>	<b>60,142,836</b>	<b>66,981,729</b>	<b>74,294,146</b>	<b>78,814,734</b>	<b>81,702,949</b>	

(B) Merit Based Grants - GF

	1,499,743	1,494,744	1,500,000	1,500,000	1,500,000	
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	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp	FY 2009-10		Notes
				Governor Request	CCHE Request	
(C) Work Study - GF	14,856,716	14,821,314	16,612,357	16,612,357	19,081,958	#3
(D) Special Purpose						
Precollegiate Programs - GF	787,940	804,952	1,600,000	1,600,000	1,600,000	
Required Federal Match	<u>2,410,037</u>	<u>2,412,920</u>	<u>3,026,350</u>	<u>3,026,350</u>	<u>3,026,350</u>	
General Fund	1,434,968	1,524,898	1,726,350	1,726,350	1,726,350	
Federal Funds	975,069	888,022	1,300,000	1,300,000	1,300,000	
Veterans'/Law Enforcement/POW Tuition Assistance						
General Fund	304,585	390,469	364,922	364,922	364,922	
National Guard Tuition Assistance - GF	539,271	649,319	650,000	800,000	650,000	#3
Native American Students/Fort Lewis College						
General Fund	7,634,353	8,063,560	8,359,421	9,622,969	9,622,969	#3
Early Childhood Professional Loan Repayment						
Cash Funds Exempt	1,000	0	0	0	0	
Nursing Teacher Loan Forgiveness Pilot						
General Fund	161,600	161,600	161,600	161,600	161,600	
GEAR - UP - FF	639,027	404,834	600,000	600,000	600,000	
Teacher and Principal Training Grants - FF	820,547	0	0	0	0	
Teach Colorado Grant (SB 08-133) - GF	0	0	500,000	500,000	500,000	
FTE	0.0	0.0	0.2	0.2	0.2	
Teacher Loan Forgiveness (HB 08-1255) - G	0	0	0	100,000	100,000	

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	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp	FY 2009-10		Notes
				Governor Request	CCHE Request	
<b>Subtotal - (D) Special Purpose</b>	13,298,361	12,887,654	15,262,293	16,775,841	16,625,841	
						<b>Approp vs. Request</b>
<b>TOTAL - (3) Financial Aid</b>	<u>89,797,656</u>	<u>96,185,441</u>	<u>107,668,796</u>	<u>113,702,932</u>	<u>118,910,748</u>	<b>Governor</b> 5.6% <b>CCHE</b> 10.4%
FTE	0.0	0.0	0.2	0.2	0.2	
General Fund	87,362,012	94,892,585	105,768,796	111,802,932	117,010,748	5.7% 10.6%
Cash Funds Exempt	1,000	0	0	0	0	
Federal Funds	2,434,644	1,292,856	1,900,000	1,900,000	1,900,000	0.0% 0.0%
<b>(4) College Opportunity Fund Program</b>						
<i>(Provides General Fund for student stipend payments and for fee-for-service contracts between the Colorado Commission on Higher Education and state higher education institutions)</i>						
Stipends - State	<u>312,952,259</u>	<u>329,696,192</u>	<u>343,314,652</u>	<u>354,509,695</u>	<u>354,509,695</u>	
General Fund	312,952,259	326,660,516	343,314,652	354,509,695	354,509,695	#1
Cash Funds Exempt	0	3,035,676	0	0	0	
<i>Eligible Students (non-add)</i>	<i>121,299.3</i>	<i>123,481.7</i>	<i>124,389.4</i>	<i>124,389.4</i>	<i>124,389.4</i>	
<i>Rate per 30 Credit Hours (non-add)</i>	<i>\$2,580</i>	<i>\$2,670</i>	<i>\$2,760</i>	<i>\$2,850</i>	<i>\$2,850</i>	
Stipends - Private						
<i>Eligible Students (non-add)</i>	<i>704.3</i>	<i>798.0</i>	<i>800.0</i>	<i>887.0</i>	<i>887.0</i>	
<i>Rate per 30 Credit Hours (non-add)</i>	<i>\$1,290</i>	<i>\$1,335</i>	<i>\$1,380</i>	<i>\$1,425</i>	<i>\$1,425</i>	
General Fund	908,552	1,065,330	1,104,000	1,263,975	1,263,975	#1
<b>Subtotal - Stipends</b>	313,860,811	330,761,522	344,418,652	355,773,670	355,773,670	
College Opportunity Fund Balance - GF	2,644,738	1,201,366	0	0	0	#1
Fee-for-service Contracts - GF	266,892,085	297,958,166	335,557,604	357,153,989	394,362,561	#1
						<b>Approp vs. Request</b>

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				Governor Request	CCHE Request	
<b>TOTAL - (4) College Opportunity Fund</b>						<b>Governor      CCHE</b>
<b>Program</b>	<u>583,397,634</u>	<u>629,921,054</u>	<u>679,976,256</u>	<u>712,927,659</u>	<u>750,136,231</u>	4.8%      10.3%
General Fund	583,397,634	626,885,378	679,976,256	712,927,659	750,136,231	4.8%      10.3%
Cash Funds Exempt	0	3,035,676	0	0	0	
†General Fund Exempt	<u>322,400,000</u>	<u>294,300,000</u>	<u>330,500,000</u>	<u>330,500,000</u>	<u>330,500,000</u>	0.0%      0.0%

**(5) Governing Boards**

*(Primary Functions: Provides spending authority for revenue earned by higher education institutions from student stipend payments, fee-for-service contracts, tuition, academic program and academic facility fees, and miscellaneous other sources.)*

<b>(A) Trustees of Adams State College</b>	19,418,709	20,843,396	22,862,997	24,003,077	24,443,710	
FTE	<u>261.2</u>	<u>271.5</u>	<u>285.3</u>	<u>285.3</u>	<u>285.3</u>	
College Opportunity Fund	<u>12,486,259</u>	<u>13,624,080</u>	<u>14,608,449</u>	<u>15,259,600</u>	<u>15,700,233</u>	#1
Student Stipend Payments	3,705,276	3,667,925	3,806,040	3,930,150	3,930,150	
Fee-for-service Contracts	8,780,983	9,956,155	10,802,409	11,329,450	11,770,083	
Tuition	<u>6,522,020</u>	<u>7,123,291</u>	<u>7,811,548</u>	<u>8,300,477</u>	<u>8,300,477</u>	#2
Resident	4,551,208	4,457,230	4,917,565	5,261,795	5,261,795	
Nonresident	1,970,812	2,666,061	2,893,983	3,038,682	3,038,682	
Academic Fees	410,430	96,025	443,000	443,000	443,000	
<b>(B) Trustees of Mesa State College</b>	40,203,297	44,750,687	49,474,411	52,266,937	53,523,174	
FTE	<u>422.2</u>	<u>452.2</u>	<u>474.8</u>	<u>474.8</u>	<u>474.8</u>	
College Opportunity Fund	<u>20,632,636</u>	<u>22,376,340</u>	<u>24,005,607</u>	<u>25,151,127</u>	<u>26,407,364</u>	#1
Student Stipend Payments	11,282,662	11,701,293	12,226,800	12,625,500	12,625,500	
Fee-for-service Contracts	9,349,974	10,675,047	11,778,807	12,525,627	13,781,864	

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				Governor Request	CCHE Request	
Tuition	<u>19,229,604</u>	<u>21,963,026</u>	<u>25,043,804</u>	<u>26,690,810</u>	<u>26,690,810</u>	#2
Resident	16,200,730	18,048,806	19,740,816	21,122,673	21,122,673	
Nonresident	3,028,874	3,914,220	5,302,988	5,568,137	5,568,137	
Academic Fees	341,057	411,321	425,000	425,000	425,000	
<b>(C) Trustees of Metropolitan State College</b>						
FTE	<u>1,077.8</u>	<u>1,056.3</u>	<u>1,124.0</u>	<u>1,124.0</u>	<u>1,124.0</u>	
College Opportunity Fund	<u>42,692,725</u>	<u>44,644,910</u>	<u>49,713,412</u>	<u>52,277,446</u>	<u>55,966,070</u>	#1
Student Stipend Payments	38,529,170	40,888,137	43,986,120	45,420,450	45,420,450	
Fee-for-service Contracts	4,163,555	3,756,773	5,727,292	6,856,996	10,545,620	
Tuition	<u>44,193,238</u>	<u>47,865,187</u>	<u>52,397,880</u>	<u>55,950,328</u>	<u>55,950,328</u>	#2
Resident	39,574,870	42,780,232	46,627,706	49,891,645	49,891,645	
Nonresident	4,618,368	5,084,955	5,770,174	6,058,683	6,058,683	
Academic Fees	764,075	841,379	900,000	900,000	900,000	
<b>(D) Trustees of Western State College</b>						
FTE	<u>232.0</u>	<u>230.9</u>	<u>241.5</u>	<u>241.5</u>	<u>241.5</u>	
College Opportunity Fund	<u>10,372,540</u>	<u>11,355,691</u>	<u>12,173,017</u>	<u>12,719,836</u>	<u>13,116,284</u>	#1
Student Stipend Payments	3,678,183	3,731,330	4,002,000	4,132,500	4,132,500	
Fee-for-service Contracts	6,694,357	7,624,361	8,171,017	8,587,336	8,983,784	
Tuition	<u>8,599,218</u>	<u>8,621,844</u>	<u>9,307,422</u>	<u>9,866,889</u>	<u>9,866,889</u>	#2
Resident	4,012,046	4,170,064	4,704,785	5,034,120	5,034,120	
Nonresident	4,587,172	4,451,780	4,602,637	4,832,769	4,832,769	
Academic Fees	20,930	0	26,000	26,000	26,000	



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	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp	FY 2009-10		Notes
				Governor Request	CCHE Request	
<b>(E) Colorado State University System</b>	289,148,258	329,972,259	357,312,938	378,753,277	385,992,557	
FTE	<u>3,815.1</u>	<u>3,852.4</u>	<u>4,070.7</u>	<u>4,070.7</u>	<u>4,070.7</u>	
College Opportunity Fund	<u>123,364,193</u>	<u>133,789,929</u>	<u>146,891,512</u>	<u>153,693,961</u>	<u>160,933,241</u>	#1
Student Stipend Payments	49,182,146	51,120,902	53,865,172	55,621,645	55,621,645	
Fee-for-service Contracts	74,182,047	82,669,027	93,026,340	98,072,316	105,311,596	
Tuition	<u>160,440,051</u>	<u>183,781,827</u>	<u>205,236,426</u>	<u>219,874,316</u>	<u>219,874,316</u>	#2
Resident	85,044,791	96,136,104	109,401,707	119,247,861	119,247,861	
Nonresident	75,395,260	87,645,723	95,834,719	100,626,455	100,626,455	
Academic Fees	4,674,014	12,080,503	5,015,000	5,015,000	5,015,000	
Appropriated Grants - CF	500,000	150,000	0	0	0	
Appropriated Grants - RF/CFE	170,000	170,000	170,000	170,000	170,000	
<b>(F) Trustees of Fort Lewis College</b>	33,084,576	35,398,842	38,530,861	40,536,337	41,158,150	
FTE	<u>390.5</u>	<u>432.3</u>	<u>449.3</u>	<u>449.3</u>	<u>449.3</u>	
College Opportunity Fund	<u>10,745,793</u>	<u>11,653,935</u>	<u>12,736,330</u>	<u>13,340,435</u>	<u>13,962,248</u>	#1
Student Stipend Payments	6,607,080	6,775,801	7,087,680	7,318,800	7,318,800	
Fee-for-service Contracts	4,138,713	4,878,134	5,648,650	6,021,635	6,643,448	
Tuition	<u>21,432,334</u>	<u>22,784,772</u>	<u>24,746,531</u>	<u>26,147,902</u>	<u>26,147,902</u>	#2
Resident	7,082,300	7,415,269	8,202,221	8,776,376	8,776,376	
Nonresident	14,350,034	15,369,503	16,544,310	17,371,526	17,371,526	
Academic Fees	858,449	912,135	1,000,000	1,000,000	1,000,000	
Appropriated Grants - RF/CFE	48,000	48,000	48,000	48,000	48,000	
<b>(G) Regents of the University of Colorado</b>	649,978,976	716,966,486	777,917,970	825,899,204	838,527,259	

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				Governor Request	CCHE Request	
FTE	<u>6,438.1</u>	<u>6,441.1</u>	<u>6,507.6</u>	<u>6,507.6</u>	<u>6,507.6</u>	
College Opportunity Fund	<u>179,645,241</u>	<u>194,986,340</u>	<u>209,099,449</u>	<u>219,543,660</u>	<u>232,171,715</u>	#1
Student Stipend Payments	70,546,808	73,652,240	77,525,640	80,053,650	80,053,650	
Fee-for-service Contracts	109,098,433	121,334,100	131,573,809	139,490,010	152,118,065	
Tobacco Settlement Distribution	0	8,511,345	18,943,716	18,943,716	18,943,716	#2
Tuition	<u>451,659,887</u>	<u>490,388,093</u>	<u>526,718,894</u>	<u>564,255,917</u>	<u>564,255,917</u>	
Resident	226,941,679	254,141,636	280,026,965	305,229,392	305,229,392	
Nonresident	224,718,208	236,246,457	246,691,929	259,026,525	259,026,525	
Academic Fees	18,016,317	22,423,177	22,498,380	22,498,380	22,498,380	
Appropriated Grants - RF/CFE	657,531	657,531	657,531	657,531	657,531	
<b>(H) Colorado School of Mines</b>	63,758,843	71,964,514	78,776,644	83,730,536	84,533,794	
FTE	<u>633.9</u>	<u>629.4</u>	<u>653.6</u>	<u>653.6</u>	<u>653.6</u>	
College Opportunity Fund	<u>20,043,357</u>	<u>21,737,271</u>	<u>23,237,386</u>	<u>24,204,551</u>	<u>25,007,809</u>	#1
Student Stipend Payments	6,849,036	7,079,257	7,429,920	7,672,200	7,672,200	
Fee-for-service Contracts	13,194,321	14,658,014	15,807,466	16,532,351	17,335,609	
Tuition	<u>42,503,108</u>	<u>49,668,163</u>	<u>55,389,258</u>	<u>59,375,985</u>	<u>59,375,985</u>	#2
Resident	24,544,515	27,232,248	30,431,603	33,170,447	33,170,447	
Nonresident	17,958,593	22,435,915	24,957,655	26,205,538	26,205,538	
Academic Fees	12,378	559,080	150,000	150,000	150,000	
Appropriated Grants - CF	0	0	0	0	0	
Appropriated Grants - RF/CFE	1,200,000	0	0	0	0	
<b>(I) University of Northern Colorado</b>	87,289,756	92,681,279	97,282,524	103,504,033	105,865,160	
FTE	<u>959.4</u>	<u>1,015.0</u>	<u>954.9</u>	<u>954.9</u>	<u>954.9</u>	

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				Governor Request	CCHE Request			
College Opportunity Fund	<u>37,949,011</u>	<u>41,156,170</u>	<u>44,086,311</u>	<u>46,143,482</u>	<u>48,504,609</u>	#1		
Student Stipend Payments	22,603,916	22,126,286	21,804,000	22,515,000	22,515,000			
Fee-for-service Contracts	15,345,095	19,029,884	22,282,311	23,628,482	25,989,609			
Tuition	<u>48,589,809</u>	<u>50,733,637</u>	<u>52,398,876</u>	<u>56,563,214</u>	<u>56,563,214</u>	#2		
Resident	35,891,829	37,654,429	38,609,871	42,084,759	42,084,759			
Nonresident	12,697,980	13,079,208	13,789,005	14,478,455	14,478,455			
Academic Fees	750,936	791,472	797,337	797,337	797,337			
<b>(J) State Board for the Community Colleges and Occupational Education</b>								
State System Community Colleges	251,041,476	268,206,594	293,127,019	307,308,847	315,081,944			
FTE	<u>4,559.9</u>	<u>4,576.4</u>	<u>4,720.0</u>	<u>4,720.0</u>	<u>4,720.0</u>			
College Opportunity Fund	<u>121,912,589</u>	<u>132,329,692</u>	<u>142,320,783</u>	<u>149,329,586</u>	<u>157,102,683</u>	#1		
Student Stipend Payments	99,967,982	108,195,901	111,581,280	115,219,800	115,219,800			
Fee-for-service Contracts	21,944,607	24,133,791	30,739,503	34,109,786	41,882,883			
Tuition	<u>124,894,048</u>	<u>131,613,363</u>	<u>143,460,496</u>	<u>150,633,521</u>	<u>150,633,521</u>	#2		
Resident	104,134,435	108,724,465	117,856,313	123,749,129	123,749,129			
Nonresident	20,759,613	22,888,898	25,604,183	26,884,392	26,884,392			
Academic Fees	4,234,839	4,263,539	5,845,740	5,845,740	5,845,740			
Appropriated Grants - RF/CFE	0	0	1,500,000	1,500,000	1,500,000			
							<b>Approp vs. Request</b>	
<b>TOTAL - (5) Governing Boards</b>	1,540,566,617	1,694,113,068	1,839,803,095	1,947,742,747	1,984,951,319		<b>Governor</b>	<b>CCHE</b>
FTE	<u>18,790.1</u>	<u>18,957.5</u>	<u>19,481.7</u>	<u>19,481.7</u>	<u>19,481.7</u>		5.9%	7.9%
College Opportunity Fund	<u>579,844,344</u>	<u>627,654,358</u>	<u>678,872,256</u>	<u>711,663,684</u>	<u>748,872,256</u>		4.8%	10.3%

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				Governor Request	CCHE Request		
Student Stipend Payments	312,952,259	328,939,072	343,314,652	354,509,695	354,509,695	3.3%	3.3%
Fee-for-service Contracts	266,892,085	298,715,286	335,557,604	357,153,989	394,362,561	6.4%	17.5%
Tuition	<u>928,063,317</u>	<u>1,014,543,203</u>	<u>1,102,511,135</u>	<u>1,177,659,359</u>	<u>1,177,659,359</u>	6.8%	6.8%
Resident	547,978,403	600,760,483	660,519,552	713,568,197	713,568,197	8.0%	8.0%
Nonresident	380,084,914	413,782,720	441,991,583	464,091,162	464,091,162	5.0%	5.0%
Tobacco Settlement Distribution	0	8,511,345	18,943,716	18,943,716	18,943,716	0.0%	0.0%
Academic Fees	30,083,425	42,378,631	37,100,457	37,100,457	37,100,457	0.0%	0.0%
Appropriated Grants - CF	500,000	150,000	0	0	0	#DIV/0!	#DIV/0!
Appropriated Grants - RF/CFE	2,075,531	875,531	2,375,531	2,375,531	2,375,531	0.0%	0.0%

<b>Approp vs. Request</b>							
						Governor	CCHE
<b>TOTAL - (6) Local District Junior College Grants</b>							
General Fund	13,668,051	14,823,001	15,890,257	16,478,197	16,478,197	3.7%	3.7%

<b>TOTAL - (7) Advisory Commission on Family</b>							
Medicine	1,703,558	1,903,558	<i>See HCPF</i>	<i>See HCPF</i>	<i>See HCPF</i>		
FTE	<u>0.0</u>	<u>0.0</u>					
General Fund	0	0					
RF/CFE	1,703,558	1,903,558					

**(8) Division of Occupational Education**

(Primary Functions: Administers and supervises vocational programs and distributes state and federal funds for this purpose. Also, coordinates resources for job development, job training, and job retraining. The reappropriated funds represent transfers from the Office of Economic Development and from the Department of Education for the Colorado Vocational Act.)

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	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp	FY 2009-10		Notes
				Governor Request	CCHE Request	
(A) Administrative Costs	586,389	870,261	900,000	900,000	900,000	
FTE	<u>7.5</u>	<u>7.3</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	
General Fund	0	118,522	0	0	0	
Cash Funds	586,389	751,739	0	0	0	
RF/CFE	0	0	900,000	900,000	900,000	
(B) Colorado Vocational Act Distributions						
RF/CFE	20,635,922	21,208,319	21,672,472	22,419,294	22,419,294	
(C) Area Vocational School Support						
General Fund	9,635,902	10,450,136	11,202,546	11,729,066	12,326,307	
(D) Sponsored Programs						
(1) Administration						
Federal Funds	2,065,069	1,945,725	2,220,227	2,220,227	2,220,227	
FTE	20.5	21.8	23.0	23.0	23.0	
(2) Sponsored Programs						
Federal Funds	20,657,226	15,000,036	14,737,535	14,737,535	14,737,535	
<b>Subtotal - (D) Sponsored Programs</b>	<b>22,722,295</b>	<b>16,945,761</b>	<b>16,957,762</b>	<b>16,957,762</b>	<b>16,957,762</b>	
(E) Colorado First Customized Job Training						
RF/CFE	2,290,638	2,725,022	2,725,022	2,725,022	2,725,022	
(F) Existing Industry Training						
RF/CFE	0	0	0	0	0	
						<b>Approp vs. Request</b>
<b>TOTAL - (8) Occupational Education</b>	<b>55,871,146</b>	<b>52,199,499</b>	<b>53,457,802</b>	<b>54,731,144</b>	<b>55,328,385</b>	<b>Governor</b> 2.4%
FTE	<u>28.0</u>	<u>29.1</u>	<u>32.0</u>	<u>32.0</u>	<u>32.0</u>	<b>CCHE</b> 3.5%

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	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp	FY 2009-10		Notes	
				Governor Request	CCHE Request		
General Fund	9,635,902	10,568,658	11,202,546	11,729,066	12,326,307	4.7%	10.0%
Cash Funds	586,389	751,739	0	0	0		
RF/CFE	22,926,560	23,933,341	25,297,494	26,044,316	26,044,316	3.0%	3.0%
Federal Funds	22,722,295	16,945,761	16,957,762	16,957,762	16,957,762	0.0%	0.0%

**(9) Auraria Higher Education Center**

(Primary Functions: Coordinate administration of the Auraria campus. The reappropriated funds represent payments from the resident institutions.)

Administration	14,814,761	15,545,113	16,627,252	18,333,801	18,333,801		
FTE	<u>123.6</u>	<u>123.6</u>	<u>123.6</u>	<u>123.6</u>	<u>123.6</u>		
Cash Funds	14,814,761	15,545,113	0	0	0		
RF/CFE	0	0	16,627,252	18,333,801	18,333,801	#4	
Auxiliary Enterprises - CF	2,440,000	100,000	0	0	0		
						<b>Approp vs. Request</b>	
<b>TOTAL - (9) AHEC</b>	17,254,761	15,645,113	16,627,252	18,333,801	18,333,801	<b>Governor</b>	<b>CCHE</b>
FTE	<u>123.6</u>	<u>123.6</u>	<u>123.6</u>	<u>123.6</u>	<u>123.6</u>	10.3%	10.3%
Cash Funds	17,254,761	15,645,113	0	0	0		
RF/CFE	0	0	16,627,252	18,333,801	18,333,801	10.3%	10.3%

**(10) State Historical Society**

(Primary Functions: Collect, preserve, exhibit, and interpret artifacts and properties of historical significance to the state. Distribute gaming revenues earmarked for historic preservation. The cash funds come from gaming revenues deposited in the State Historic Fund, museum revenues, gifts, and grants.)

(A) Cumbres and Toltec Railroad Commission

General Fund	510,000	100,000	100,000	250,000	250,000		
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(B) Sponsored Programs

	227,985	136,328	250,000	250,000	250,000		
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	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp	FY 2009-10		Notes
				Governor Request	CCHE Request	
FTE	<u>0.9</u>	<u>1.5</u>	<u>3.5</u>	<u>3.5</u>	<u>3.5</u>	
Cash Funds	0	0	20,000	20,000	20,000	
RF/CFE	0	0	0	0	0	
Federal Funds	227,985	136,328	230,000	230,000	230,000	
(C) Auxiliary Programs	875,420	995,868	1,562,179	1,562,179	1,562,179	
FTE	<u>12.4</u>	<u>9.8</u>	<u>14.5</u>	<u>14.5</u>	<u>14.5</u>	
Cash Funds	461,180	723,182	1,562,179	1,562,179	1,562,179	
RF/CFE	414,240	272,686	0	0	0	
(D) Gaming Revenue						
Gaming Cities Distribution	<u>5,608,258</u>	<u>5,955,976</u>	<u>6,318,695</u>	<u>6,318,695</u>	<u>6,318,695</u>	
Cash Funds	0	0	6,318,695	6,318,695	6,318,695	
Cash Funds Exempt	5,608,258	5,955,976	0	0	0	
Statewide Preservation Grant Program	16,159,864	17,847,403	18,666,896	18,269,024	18,269,024	
FTE	<u>15.7</u>	<u>15.2</u>	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>	
Cash Funds	0	0	18,666,896	18,269,024	18,269,024	Hist #1
Cash Funds Exempt	16,159,864	17,847,403	0	0	0	
Society Museum and Preservation						
Operations	6,069,255	6,204,765	6,695,009	7,524,858	7,524,858	
FTE	<u>83.1</u>	<u>83.6</u>	<u>90.9</u>	<u>95.2</u>	<u>95.2</u>	Hist #1
Cash Funds	695,347	692,748	6,024,070	6,819,277	6,819,277	Hist #1, #2
Cash Funds Exempt	4,735,188	4,858,910	0	0	0	
Federal Funds	638,720	653,107	670,939	705,581	705,581	
<b>Subtotal - (D) Gaming Revenue</b>	<b>11,677,513</b>	<b>12,160,741</b>	<b>31,680,600</b>	<b>32,112,577</b>	<b>32,112,577</b>	
						<b>Approp vs. Request</b>
<b>TOTAL - (10) Historical Society</b>	<b>29,450,782</b>	<b>31,240,340</b>	<b>33,592,779</b>	<b>34,174,756</b>	<b>34,174,756</b>	<b>Governor</b> 1.7%
FTE	<u>112.1</u>	<u>110.1</u>	<u>126.9</u>	<u>131.2</u>	<u>131.2</u>	<b>CCHE</b> 1.7%

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	FY 2006-07 Actual	FY 2007-08 Actual	FY 2008-09 Approp	FY 2009-10		Notes	
				Governor Request	CCHE Request		
General Fund	510,000	100,000	100,000	250,000	250,000	150.0%	150.0%
Cash Funds	1,156,527	1,415,930	32,591,840	32,989,175	32,989,175	1.2%	1.2%
CFE/RF	26,917,550	28,934,975	0	0	0		
Federal Funds	866,705	789,435	900,939	935,581	935,581	3.8%	3.8%

							<b>Approp vs. Request</b>	
							<b>Governor</b>	<b>CCHE</b>
<b>TOTAL - Dept. of Higher Education</b>	2,350,443,195	2,556,409,741	2,773,769,830	2,924,813,092	3,005,035,293		5.4%	8.3%
FTE	<u>19,083.4</u>	<u>19,256.4</u>	<u>19,803.3</u>	<u>19,807.6</u>	<u>19,807.6</u>			
General Fund	694,610,669	747,405,868	812,937,855	853,187,854	896,201,483		5.0%	10.2%
Cash Funds	36,720,009	21,970,921	1,213,712,129	1,289,165,598	1,289,165,598		6.2%	6.2%
CFE/RF	1,592,747,626	1,767,669,685	726,889,733	762,194,714	799,403,286		4.9%	10.0%
Federal Funds	26,364,892	19,363,267	20,230,113	20,264,926	20,264,926		0.2%	0.2%
† <i>General Fund Exempt</i>	<i>322,400,000</i>	<i>294,300,000</i>	<i>330,500,000</i>	<i>330,500,000</i>	<i>330,500,000</i>		<i>0.0%</i>	<i>0.0%</i>

Key:  
*ITALICS* = non-add figure, included for informational purposes  
**A** = impacted by a budget amendment submitted after the November 1 request  
**S** = impacted by a supplemental appropriation approved by the Joint Budget Committee



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**APPENDIX B: SUMMARY OF MAJOR LEGISLATION**

- ❑ **S.B. 08-71:** Extends the forest restoration pilot program administered by the Colorado State Forest Service at Colorado State University through FY 2011-12. Creates the Forest Restoration Pilot Program Cash Fund and continuously appropriates the fund to the Department of Higher Education. Transfers \$1,000,000 per year through FY 2011-12 from the Operational Account of the Severance Tax Trust Fund to the fund. By placing the transfers within the structure of H.B. 08-1398, makes the transfers subject to the reserve requirements and proportional reductions if there are insufficient revenues that are associated with tier 2 programs.
  
- ❑ **S.B. 08-79:** Establishes that a student meeting the following criteria shall be afforded in-state tuition rates for attendance at institutions of higher education:
  - the student is a United States citizen;
  - the student graduated from a high school in Colorado; and,
  - the student attended high school for three years preceding enrollment.

Makes the following appropriations to the Department of Higher Education in FY 2008-09:

	<b>TOTAL</b>	<b>General Fund</b>	<b>Cash Funds (tuition)</b>	<b>Reappropriated Funds (stipend spending authority)</b>
Stipends	\$71,760	\$71,760	\$0	\$0
Metropolitan State College of Denver	\$144,825	\$0	\$75,825	\$69,000
Community Colleges	<u>\$5,075</u>	<u>\$0</u>	<u>\$2,315</u>	<u>\$2,760</u>
<b>TOTAL</b>	\$221,660	\$71,760	\$78,140	\$71,760

Reduces the General Fund appropriation to the Controlled Maintenance Trust Fund by \$71,760.

- ❑ **S.B. 08-133:** Creates the Teach Colorado Grant Initiative in the Department of Higher Education to provide scholarships to students in state institution teacher preparation programs who excel academically in high-need content areas. Requires the Department of Higher Education and the Colorado Department of Education to collaborate yearly to identify such content areas. Appropriates \$500,000 General Fund and 0.2 FTE to the Department of Higher Education in FY 2008-09 for the grant program, and reduces the appropriation to the Controlled Maintenance Trust Fund by a like amount.

- ❑ **S.B. 08-166:** Makes Colorado National Guard members who are not yet state residents eligible for the College Opportunity Fund stipend. Appropriates \$28,612 General Fund in FY 2008-09 to the Department of Higher Education for stipend payments and reduces the appropriation to the Controlled Maintenance Trust Fund by a like amount. Increases the FY 2008-09 reappropriated funds stipend spending authority for the higher education governing boards by \$28,612 and reduces cash fund tuition spending authority for the governing boards by the same amount. Reduces the General Fund appropriation to the Controlled Maintenance Trust Fund by \$28,612.
  
- ❑ **S.B. 08-167:** Requires that private colleges or universities of higher education apply for and receive approval from the Department of Higher Education before doing business in the state. Once approved, the private college must receive accreditation based on an on-site review conducted by a nationally recognized accreditation agency. Defines deceptive trade practices and authorizes the Department to investigate substantiated student complaints of such practices made against a private college. Requires CCHE to establish an application fee to charge a private college or university when it seeks approval from the Department to cover all direct and indirect costs to the state. Appropriates \$31,500 cash funds from the fees paid by private colleges and universities to the Department of Higher Education in FY 2008-09.
  
- ❑ **S.B. 08-206:** Authorizes the state to enter into lease-purchase agreements for the development and construction of a state justice center (to be known as the "Ralph L. Carr Justice Complex") and a new Colorado State Museum. See the Capital Construction section for more detail.
  
- ❑ **S.B. 08-212:** Requires the State Board Education and the Colorado Commission on Higher Education (CCHE) to negotiate a consensus and adopt a *description of postsecondary and workforce readiness* by December 15, 2009, and to adopt one or more postsecondary and workforce planning, preparation, and readiness assessments by December 15, 2010. Authorizes the Department of Education and CCHE to receive and expend gifts, grants, or donations to implement the act. Requires the Department of Education, by September 15, 2009, to contract for a study of the costs of implementing this act. Appropriates a total of \$792,453 cash funds from the State Education Fund and 5.0 FTE to the Department of Education for FY 2008-09, including: \$437,273 for the Department's administrative costs of implementing the act; \$250,000 for the postsecondary and workforce readiness assessments pilot program, and \$105,180 to be transferred to the Department of Higher Education to cover its administrative costs of implementing the act. Appropriates \$105,180 reappropriated funds and 1.0 FTE to the Department of Higher Education for FY 2008-09. See the Department of Education section for more detail.
  
- ❑ **S.B. 08-218:** Beginning July 1, 2008, modifies the allocation of federal mineral lease (FML) revenues, other than FML revenues generated by oil shale production on oil shale lands that current law segregates from other FML revenues, as follows:

- Segregates the portion of FML revenues attributable to bonus payments from other FML revenues, and requires 50 percent of the bonus payment revenues to be transferred to a newly created local government permanent fund (permanent fund) and 50 percent of the bonus payment revenues to be transferred to a newly created higher education maintenance and reserve fund (maintenance and reserve fund).
- For any fiscal year in which the total amount of FML revenues received by the state declines by at least 10 percent, allows the general assembly to appropriate and the executive director of the department of local affairs (DOLA) to make formula-based direct distributions of permanent fund moneys to counties and municipalities to the extent necessary to prevent any reduction from the prior fiscal year in the amount of formula-based direct distributions of FML revenues to counties and municipalities.
- Allows the general assembly to annually appropriate investment earnings of the maintenance and reserve fund for controlled maintenance projects of state-supported institutions of higher education, but only allows use of fund principal to mitigate reductions in general fund appropriations for operating expenses of state-supported institutions of higher education necessitated by a general fund revenue shortfall.
- For the 2008-09, 2009-10, and 2010-11 fiscal years, requires the lesser of 48.3 percent of the FML revenues, other than bonus payments, or \$65,000,000 of such revenues to be transferred to the state public school fund.
- For the 2011-12 fiscal year or during any succeeding fiscal year, requires the lesser of 48.3 percent of the FML revenues, other than bonus payments, or \$65,000,000 multiplied by 104 percent per year to be transferred to the state public school fund.
- For the 2008-09 fiscal year, requires the lesser of 10 percent of the FML revenues, other than bonus payments, or \$14,000,000 to be paid into the Colorado water conservation board construction fund.
- For the 2009-10 fiscal year or during any succeeding fiscal year, requires the lesser of 10 percent of the FML revenues, other than bonus payments, or \$14,000,000 multiplied by 104 percent per year to be paid into the Colorado water conservation board construction fund.
- Requires 40 percent of the FML revenues, other than bonus payments, to be credited to the local government mineral impact fund, requires the executive director of DOLA to distribute 50 percent of the revenues so credited as mineral impact grants in a manner that gives priority to those communities most substantially and directly impacted by energy production on federal mineral lands and to multi-jurisdictional and large projects, and requires the executive director of DOLA to make formula-based direct distributions of 50 percent of the revenues so credited to counties and municipalities.
- For the 2008-09 fiscal year, requires the lesser of an additional 1.7 percent of the FML revenues, other than bonus payments, or \$3,300,000 to be credited to the local government mineral impact fund and distributed directly by the executive director of DOLA to each school district within a county that receives formula-based direct distributions of FML revenues on the basis of both the formula used to make direct distributions to counties and the percentage of the total funded pupil count of all school districts within the county attributable to the district's funded pupil count.

- For the 2009-10 fiscal year and for each succeeding fiscal year, requires the lesser of an additional 1.7 percent of the FML revenues, other than bonus payments, or \$3,300,000 multiplied by 104 percent per year to be credited to the local government mineral impact fund and distributed directly by the executive director of DOLA to each school district within a county that receives formula-based direct distributions of FML revenues on the basis of both the formula used to make direct distributions to counties and the percentage of the total funded pupil count of all school districts within the county attributable to the district's funded pupil count.
- Requires the lesser of all FML revenues, other than bonus payments, in excess of the amounts credited to the local government mineral impact fund for distribution to counties, municipalities, and school districts, transferred to the state public school fund, or paid into the Colorado water conservation board construction fund or the first \$50,000,000 of such revenues to be transferred to a newly created higher education federal mineral lease revenues fund (revenues fund). Requires any remaining FML revenues to be transferred to the maintenance and reserve fund.
- Allows the general assembly to appropriate moneys in the revenues fund to directly pay for or pay the costs of financing capital construction projects at state-supported institutions of higher education that are included on a specified prioritized list of such projects approved pursuant to a joint resolution of the general assembly, and also allows the general assembly to appropriate such moneys to the department of education for distribution by the department, or any board or division within the department that the department may designate, to school districts for capital construction projects at area vocational schools. Requires priority consideration to be given to projects located in communities that are substantially impacted by energy production or conversion activities.

Appropriates \$16,292 and 0.3 FTE to DOLA, division of local government, for the implementation of the act. Adjusts appropriations for the 2008-09 fiscal year for the implementation of the act. Decreases the cash funds appropriation from the State Public School Fund to the Department of Education for FY 2008-09 for the State Share of Districts' Total Program Funding by \$9,470,900 based on the anticipated impact of the new FML allocation formula. Increases the cash funds appropriation from the State Education Fund to the Department of Education for FY 2008-09 for the State Share of Districts' Total Program Funding by \$9,470,900.

- **S.B. 08-232:** Beginning July 1, 2009, this bill permits the General Assembly to make appropriations as separate line items to three entities at the Colorado State University system (CSU). The three entities to receive separate line items are:
  - ▶ the Colorado State Forest Service;
  - ▶ the Agricultural Experiment Station Department; and
  - ▶ the CSU Cooperative Extension Service.

The bill transfers \$250,000 from the Wildfire Preparedness Cash Fund to the Wildfire Emergency Response Fund.

- ❑ **S.B. 08-233:** Directs the Colorado Commission on Higher Education ("CCHE") to submit to the Office of State Planning and Budgeting ("OSPB") and the Capital Development Committee ("CDC") a prioritized list of capital construction projects at state-supported institutions of higher education ("higher education projects") to be constructed through lease-purchase agreements funded through the higher education federal mineral lease revenues fund ("fund"). Directs the OSPB to submit its prioritized list of higher education projects to the CDC. Directs the CDC to submit its prioritized list of higher education projects to the Joint Budget Committee ("JBC"). Directs the JBC to sponsor a joint resolution that proposes a prioritized list of higher education projects and that, if approved by the General Assembly, is presented to the Governor for approval. Limits the amount of the total average annual payments under all lease-purchase agreements related to the prioritized list and entered into during the fiscal year commencing July 1, 2008. If projects on the prioritized list are not subject to lease-purchase agreements entered into during the fiscal year commencing July 1, 2008, provides that the remaining projects in the joint resolution shall constitute a prioritized list for the fiscal year commencing July 1, 2009. Directs the State Treasurer to notify annually CCHE, OSPB, CDC, and JBC of the amount of money in the fund and whether the Treasurer determines that there are sufficient moneys available in the fund to enter into additional lease-purchase agreements for higher education projects. Authorizes the State Treasurer to enter into lease-purchase agreements not to exceed a specified number of annual payments for the construction of the higher education projects on the prioritized list in the joint resolution. Specifies terms of the lease-purchase agreements. Authorizes local governments and state-supported institutions of higher education to assist the state in making payments on the lease-purchase agreements. Establishes the higher education institutions lease-purchase cash fund. Authorizes the State Treasurer to enter into interest rate lock agreements related to the lease-purchase agreements. If there is insufficient money in the fund, authorizes the General Assembly to transfer money to the fund from the principal of the Higher Education Maintenance and Reserve Fund or to reduce the transfer from the Mineral Leasing Fund to the Public School Fund and transfer the money to the fund. Appropriates from the Higher Education Federal Mineral Lease Revenues Fund \$10,000,000 to the State Treasurer in FY 2008-09 to make payments on any lease-purchase agreements. Appropriates cash funds of \$22,227,526 to the Auraria Higher Education Center for the Science Building Addition and Renovation in FY 2008-09, but reduces the appropriation by any amount that is included in a lease-purchase agreement. Reduces the FY 2006-07 cash fund appropriation to the Colorado School of Mines for the Marquez Hall Petroleum Engineering Building by \$20,000,000. Specifies that the act will take effect only if Senate Bill 08-218 is enacted at the second regular session of the Sixty-sixth General Assembly and becomes law. Specifies that certain sections of the act shall take effect only if House Joint Resolution 08-1042 is adopted by the General Assembly and is signed by the Governor.

- **H.B. 08-1255:** Expands the Teacher Loan Forgiveness Program to allow more rural school districts in the state to qualify for the program. The bill makes the following modifications to the Teacher Loan Forgiveness Pilot Program:
  - In order to be eligible for the Teacher Loan Forgiveness Pilot Program as an elementary school teacher in a high-poverty school in a rural school district, a teacher must contract to teach in a qualified position no later than the end of the 2012-13 academic year. Current law requires the teacher to teach in a qualified position no later than the end of the 2008-09 academic year.
  - The increased loan forgiveness limit (up to \$10,000 over four years), would *only* apply to teachers teaching in a high-poverty school in a rural school district who *initially* applied to participate in the program in the 2009-10 academic year through the 2012-13 academic year. Current law limits loan forgiveness to \$8,000 over four years.
  - The definition of a "rural school district" is changed to mean a school district that does not include within its geographic boundaries a municipality exceeding 5,000 persons and that is characterized by sparse, widespread populations. Current law requires that no municipality within the boundaries of the school district may exceed 1,000 persons.
  - The bill specifies that the General Assembly may appropriate General Fund to support the program.
  - The bill extends the repeal date of the Teacher Loan Forgiveness Program from July 1, 2013, to July 1, 2019.
  
- **H.J.R. 08-1042:** Specifies the capital construction projects in priority order for which the State Treasurer is authorized to enter into lease-purchase agreements pursuant to S.B. 08-233.

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**APPENDIX C: UPDATE OF FY 2008-09  
LONG BILL FOOTNOTES AND REQUESTS FOR INFORMATION**

**Long Bill Footnotes**

- 17 Department of Higher Education, Colorado Commission on Higher Education, Special Purpose, Enrollment/Tuition and Stipend Contingency** -- The Colorado Commission on Higher Education may transfer spending authority from this line item to the Governing Boards in the event that tuition or stipend revenues increase beyond appropriated levels. The spending authority for this line item shall be in addition to the funds appropriated directly to the Governing Boards. The Colorado Commission on Higher Education shall not authorize transfers of spending authority from this line item to support tuition or fee increases.

Comment: Expresses legislative intent with regard to the Enrollment/Tuition and Stipend Contingency line item. In FY 2007-08 the Department transferred roughly \$14 million of the \$20 million contingency to the governing boards.

- 18 Department of Higher Education, Colorado Commission on Higher Education Financial Aid, Work Study** -- It is the intent of the General Assembly to allow the Colorado Commission on Higher Education to roll forward two percent of the Work Study appropriation to the next fiscal year.

Comment: Expresses legislative intent with regard to rolling forward Work Study funds.

- 19 Department of Higher Education, Colorado Commission on Higher Education Financial Aid, Special Purpose, National Guard Tuition Assistance Fund** -- It is the intent of the General Assembly that only the minimum funds necessary to pay tuition assistance for qualifying applicants pursuant to Section 23-5-111.4, C.R.S. will be transferred to the National Guard Tuition Fund administered by the Department of Military Affairs. Any funds appropriated in this line item that are in excess of the minimum necessary to pay tuition assistance for qualifying applicants may be used for need based financial aid.

Comment: Expresses legislative intent with regard to National Guard Tuition Assistance. In FY 2007-08 the Department transferred only the minimum funds necessary.

- 20 Department of Higher Education, Governing Boards, Trustees of Adams State College; Trustees of Mesa State College; Trustees of Metropolitan State College of Denver; Trustees of Western State College; 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; and Auraria Higher Education Center** -- Notwithstanding the limitations set forth in subsection (3) of section 1 of this act, the FTE reflected in these line items are shown for informational purposes and are not intended to be a limitation on the budgetary flexibility allowed by Section 23-1-104 (1) (a) (I), C.R.S.

Comment: Expresses legislative intent with regard to FTE.

**20a Department of Higher Education, Governing Boards, Trustees of Adams State College; Trustees of Mesa State College; Trustees of Metropolitan State College of Denver; Trustees of Western State College; 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** -- It is the intent of the General Assembly to allow spending authority for institutions that raise funds through the payment of one tuition premium or fees up to a maximum of \$5.00 per credit hour, if approved by a majority of those voting in an election of the entire student body, to be used for faculty retention, faculty compensation, or construction of facilities.

Comment: See appendix D for a summary of tuition rate increases implemented by the governing boards.

**21 Department of Higher Education, Governing Boards, Trustees of Adams State College; Trustees of Mesa State College; Trustees of Metropolitan State College of Denver; Trustees of Western State College; Trustees of Fort Lewis College** -- It is the intent of the General Assembly that any effective increase in the undergraduate resident tuition rate not exceed 7.5 percent per student or 7.5 percent per credit hour at Adams State College, Mesa State College, Metropolitan State College of Denver, Western State College, and Fort Lewis College, provided that students with demonstrated financial need (i.e., Pell Levels I, II, and III) receive sufficient financial aid to limit increases in their effective tuition rates above 5.0 percent per student or per credit hour. For any student eligible for the 5.0 percent effective rate limit, the base tuition amount for FY 2008-09 against which any future years' tuition increases are calculated shall be that effective FY 2008-09 tuition amount (as adjusted to the 5.0 percent effective rate limit) similar to the intent of the FY 2007-08 footnote. The effective 7.5 percent rate limit constrains all resident undergraduate tuition increases, including any closure of an institution's so-called full time window. It is the intent of the General Assembly that the institutions may increase all graduate and nonresident tuition rates to reflect market conditions and that any additional spending authority necessary to cover graduate and nonresident tuition rate increases will be addressed through a supplemental appropriation during the 2009 legislative session. The General Assembly will not back-fill for graduate or nonresident tuition revenue lost if a graduate or nonresident tuition increase results in a net reduction in graduate or nonresident tuition revenue.



Comment: See Appendix D for a summary of tuition rate increases implemented by the governing boards.

- 22 Department of Higher Education, Governing Boards, Board of Governors of the Colorado State University System; Regents of the University of Colorado; Trustees of the Colorado School of Mines; University of Northern Colorado --** It is the intent of the General Assembly that any effective increase in the resident undergraduate tuition rate not exceed 9.5 percent per student or 9.5 percent per credit hour at the University of Colorado System, the Colorado State University System, the Colorado School of Mines, and the University of Northern Colorado, provided that students with demonstrated financial need (i.e., Pell Levels I, II, and III) receive sufficient financial aid to limit increases in their effective tuition rates above 5.0 percent per student or per credit hour. For any student eligible for the 5.0 percent effective rate limit, the base tuition amount for FY 2008-09 against which any future years' tuition increases are calculated shall be that effective FY 2008-09 tuition amount (as adjusted to the 5.0 percent effective rate limit) similar to the intent of the FY 2007-08 footnote. The effective 9.5 percent rate limit constrains all undergraduate tuition increases, including any closure of an institution's so-called full time window. It is the intent of the General Assembly that the institutions may increase all graduate and nonresident tuition rates to reflect market conditions and that any additional spending authority necessary to cover graduate and nonresident tuition rate increases will be addressed through a supplemental appropriation during the 2009 legislative session. The General Assembly will not back-fill for graduate and nonresident tuition revenue lost if a graduate or nonresident tuition increase results in a net reduction in graduate or nonresident tuition revenue.

Comment: See Appendix D for a summary of tuition rate increases implemented by the governing boards.

- 23 Department of Higher Education, Governing Boards, Board of Governors of the Colorado State University System --** It is the intent of the General Assembly that at least \$1.0 million of the increase in the fee-for-service contract for the governing board be used for the College of Veterinary Medicine and Biomedical Sciences. This amount shall be to address a loss in revenue at the James L. Voss Veterinary Teaching Hospital and shall be in addition to any cost of living adjustment allocated to the program by the governing board.

Comment: Expresses legislative intent with regard to funding for the Professional Veterinary Medicine Program. There is no reporting requirement associated with the footnote. **Staff recommends that the JBC ask Colorado State University to submit a written statement for the hearing on how they have complied with the footnote.**

- 24 Department of Higher Education, Governing Boards, Regents of the University of Colorado --** It is the intent of the General Assembly that at least \$1.5 million of the increase in the fee-for-service contract for the governing board be used for the University of Colorado

Health Sciences Center, in addition to any cost of living adjustment allocated to the campus by the governing board.

Comment: Expresses legislative intent with regard to funding for the Health Sciences Center. There is no reporting requirement associated with the footnote. **Staff recommends that the JBC ask the University of Colorado to submit a written statement for the hearing on how they have complied with the footnote.**

**25 Department of Higher Education, Governing Boards, State Board for Community Colleges and Occupational Education State System Community Colleges --** It is the intent of the General Assembly that any effective increase in the resident undergraduate tuition rate not exceed 5.5 percent at the Colorado Community College institutions. It is the intent of the General Assembly that the institutions may increase all nonresident tuition rates to reflect market conditions and that any additional spending authority necessary to cover nonresident tuition rate increases will be addressed through a supplemental appropriation during the 2009 legislative session. The General Assembly will not back-fill for nonresident tuition revenue lost if a nonresident tuition increase results in a net reduction in nonresident tuition revenues.

Comment: See Appendix D for a summary of tuition rate increases implemented by the governing boards.

**26 Department of Higher Education, Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S. --** It is the intent of the General Assembly in making this appropriation that local district tax revenue supplement, rather than supplant, the amount of General Fund provided, and thus annual General Fund adjustments should be equitable with General Fund adjustments for the state-operated governing boards.

Comment: Expresses legislative intent with regard to General Fund increases for the Local District Junior Colleges. Both the Governor and CCHE requested smaller percentage increases for the Local District Junior Colleges than for the state-operated governing boards. The budget request explains that by the Department's calculations funding for the Local District Junior Colleges exceeds the peer average, and thus the equitable funding adjustment that state-operated governing boards in a similar situation would receive is inflation. However, the Department's calculation incorporates the portion of local district tax revenue that is used for operating expenses in the peer gap comparison (it excludes the portion used for capital), which may be inconsistent with the legislative intent that local district tax revenue supplement, rather than supplant General Fund. **The JBC may want to ask the Department for further explanation of their policy at the hearing.**

## Requests for Information

- 30 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 November 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. To the extent possible, the Department should differentiate the data based on available information about the demographic characteristics of the recipients. To the extent that this information is not currently available, the Department is requested to provide a reasonable estimate, or identify the additional costs that would be associated with collecting the data.

Comment: The Department did not submit the report by the date requested. The Governor's letter explained that the Department has an extensive review and corection process following the October 1st deadline for institutions to submit data. As a result, the Governor directed the Department to respond to the footnote by January 1.

- 31 Department of Higher Education, Colorado Commission on Higher Education, Administration** -- The Department is requested to submit a report to the Joint Budget Committee by November 1 each year documenting the base level of institutional financial aid at each institution and demonstrating that at least 20 percent of any increase in undergraduate resident tuition revenues in excess of inflation is being devoted to need-based financial assistance pursuant to Section 23-18-202 (3) (c), C.R.S.

Comment: The Department did not submit the report by the date requested. The Governor's letter explained that the Department has an extensive review and corection process following the October 1st deadline for institutions to submit data. As a result, the Governor directed the Department to respond to the footnote by January 1.

- 32 Department of Higher Education, Colorado Commission on Higher Education, Administration** -- The Department is requested to submit a report to the House and Senate Education Committees and the Joint Budget Committee by November 1, 2008, analyzing the impact of need based financial aid programs on the recruitment, retention, and academic performance of under-served students, and making recommendations for improvement.

Comment: The Department did not submit the report by the date requested. The Governor's letter explained that the Department has an extensive review and corection process following the October 1st deadline for institutions to submit data. As a result, the Governor directed the Department to respond to the footnote by January 1.

Appendix D - Department of Higher Education Tuition and Fee Report

**Resident, Undergraduate Full-Time Tuition Rates**

Institution	FY 2008-09 Academic Year Tuition Rates	FY 2007-08 Academic Year Tuition Rates	Dollar Change	Percent Change
<b>University of Colorado - Boulder</b>				
All-Other	5,922	5,418	\$ 504	9.30%
Business	9,450	8,632	\$ 818	9.48%
Engineering	8,212	7,498	\$ 714	9.52%
Journalism/Music	6,154	5,628	\$ 526	9.35%
<b>University of Colorado - Colorado Springs</b>				
Incoming Freshman	5,580	5,190	\$ 390	7.51%
Continuing Freshman & Sophomores	4,676	4,350	\$ 326	7.49%
Jr & Sr in LAS	4,904	4,562	\$ 342	7.50%
Upper Division Business & Engineering	5,186	4,824	\$ 362	7.50%
Jr & Sr in Beth El Nursing & Health Sciences	7,190	6,688	\$ 502	7.51%
Certificate in Education	4,904	4,562	\$ 342	7.50%
<b>University of Colorado - Denver</b>				
Lower Level	5,484	5,054	\$ 430	8.51%
Upper Level	5,624	5,184	\$ 440	8.49%
Dental Hygiene	5,184	5,016	\$ 168	3.35%
School of Nursing	6,480	5,928	\$ 552	9.31%
<b>Colorado State University</b>				
Resident	4,424	4,040	\$ 384	9.50%
College of Business	4,766	4,382	\$ 384	8.76%
College of Engineering	4,649	4,265	\$ 384	9.00%
Department of Computer Science	4,649	4,265	\$ 384	9.00%
Upper Division Courses	4,496	4,112	\$ 384	9.34%
High Cost Programs	4,532	4,148	\$ 384	9.26%
<b>Colorado State University - Pueblo</b>				
Base	3,422	3,184	\$ 239	7.50%
Differential	3,852	3,574	\$ 278	7.79%
<b>Fort Lewis College</b>	2,846	2,648	\$ 198	7.48%
<b>University of Northern Colorado</b>				
Resident	3,942	3,600	\$ 342	9.50%
Music, Theatre, and Nursing	4,338	3,960	\$ 378	9.55%
Business	4,470	4,080	\$ 390	9.56%
<b>Adams State College</b>	2,496	2,328	\$ 168	7.22%
<b>Mesa State College</b>	4,325	3,893	\$ 432	11.10%
<b>Metropolitan State College of Denver</b>	2,615	2,432	\$ 182	7.50%
<b>Western State College</b>	2,880	2,688	\$ 192	7.14%
<b>Colorado School of Mines</b>	9,810	8,764	\$ 1,046	11.94%
<b>Arapahoe Community College</b>	1,944	1,852	\$ 92	4.99%
<b>Colorado Northwestern Community College</b>	1,944	1,852	\$ 92	4.99%
<b>Community College of Aurora</b>	1,944	1,852	\$ 92	4.99%
<b>Community College of Denver</b>	1,944	1,852	\$ 92	4.99%
<b>Front Range Community College</b>	1,944	1,852	\$ 92	4.99%
<b>Lamar Community College</b>	1,944	1,852	\$ 92	4.99%
<b>Morgan Community College</b>	1,944	1,852	\$ 92	4.99%
<b>Northeastern Junior College</b>	1,944	1,852	\$ 92	4.99%
<b>Otero Junior College</b>	1,944	1,852	\$ 92	4.99%
<b>Pikes Peak Community College</b>	1,944	1,852	\$ 92	4.99%
<b>Pueblo Community College</b>	1,944	1,852	\$ 92	4.99%
<b>Red Rocks Community College</b>	1,944	1,852	\$ 92	4.99%
<b>Trinidad State Junior College</b>	1,944	1,852	\$ 92	4.99%