

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2016-17 STAFF FIGURE SETTING  
DEPARTMENT OF HIGHER EDUCATION**

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

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March 9, 2016**

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## **How to Use this Document**

The Department Overview contains a table summarizing the staff recommended incremental changes followed by brief explanations of each incremental change. A similar overview table is provided for each division, but the description of incremental changes is not repeated, since it is available under the Department Overview. More details about the incremental changes are provided in the sections following the Department Overview and the division summary tables.

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

## **Department Overview**

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The state higher education system serves about 180,000 full-time equivalent students (FTE), including about 150,000 Colorado residents. About 10,000 additional FTE are served by local district junior colleges, which receive regional property tax revenues in addition to state funding, and area vocational schools, which offer occupational certificates and serve both secondary and post-secondary students. Approximately thirty-five percent of student FTE attend 2-year and certificate institutions. Students attending institutions that offer baccalaureate and higher degrees are concentrated at the University of Colorado, Colorado State University, and Metropolitan State University of Denver.

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

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

The Department includes the following divisions and programs:

- **Colorado Commission on Higher Education**, including staff, operating expenses, and special purpose programs. The executive director of CCHE is also the executive director of the Department. The **Department Administrative Office** includes centrally-appropriated amounts for CCHE and History Colorado.
- **Financial aid** programs, which fall under the purview of CCHE. The director of CCHE also appoints the directors of College Assist and CollegeInvest, which are both statutorily authorized state enterprises with responsibilities related to student loans and college savings programs. Both of these programs are off-budget.
- The **College Opportunity Fund** Program which provides stipend for undergraduate resident students to attend public colleges and participating private colleges in Colorado. The section also includes appropriations for fee-for-service contracts with public higher education institutions for graduate education and other educational services not covered by the stipends.
- Appropriations for each of the higher education **Governing Boards**. Tuition, stipend, and fee-for-service spending authority for public higher education institutions is provided in the Governing Boards section.
- The **Division of Occupational Education** oversees Colorado Vocational Act programs, the Area Vocational Schools, federal Perkins technical training programs, and resources for the promotion of job development, job training, and job retraining.
- State subsidies for **Local District Junior Colleges; History Colorado; and the Auraria Higher Education Center**, which maintains the single shared campus of the Community

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College of Denver, Metropolitan State College of Denver, and the University of Colorado at Denver and Health Sciences Center.

**SUMMARY OF STAFF RECOMMENDATIONS**

<b>Department of Higher Education</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>						
S.B. 15-234 (Long Bill)	\$3,731,739,272	\$856,871,803	\$2,150,856,183	\$701,516,735	\$22,494,551	23,856.2
Long Bill supplemental	4,381,327	0	4,381,327	0	0	0.0
Other legislation	817,803	544,192	(13,349)	286,960	0	0.1
H.B. 16-1241 (Supplemental)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,736,938,402</b>	<b>\$857,415,995</b>	<b>\$2,155,224,161</b>	<b>\$701,803,695</b>	<b>\$22,494,551</b>	<b>23,856.3</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$3,736,938,402	\$857,415,995	\$2,155,224,161	\$701,803,695	\$22,494,551	23,856.3
<i>Governing Boards, Commission on Higher Education, Other Department Functions</i>						
R1 Base reduction for public colleges and universities	(39,267,447)	(20,063,881)	0	(19,203,566)	0	0.0
R2 Fort Lewis Native American Tuition Waiver	1,206,630	1,206,630	0	0	0	0.0
R3 Western Interstate Commission for Higher Education	8,000	0	0	8,000	0	0.0
Tuition adjustment	110,468,992	0	110,468,992	0	0	0.0
Tuition/Enrollment contingency	60,000,000	0	60,000,000	0	0	0.0
Fee adjustment	123,376,733	0	123,376,733	0	0	0.0
Move Higher Education FML COP payments to Department	29,900,350	12,125,175	5,650,000	12,125,175	0	0.0
Amendment 50 gaming revenue adjustment	1,167,264	0	1,167,264	0	0	0.0
Nonprioritized requests and fund source adjustments	366,975	(34,726)	6,971	394,730	0	0.0
FTE adjustment	0	0	0	0	0	634.8
Indirect cost adjustment	0	(526,637)	(10,620)	537,257	0	0.0
Annualize prior year budget actions and legislation (all department)	(1,471,549)	(1,092,500)	(345,049)	(34,000)	0	0.0
Centrally appropriated line items	(254,716)	24,498	(366,328)	23,041	64,073	0.0
Annualize prior year salary survey and merit pay	(187,309)	2,335	(141,041)	(2,496)	(46,107)	0.0
Tobacco settlement revenue adjustment	(147,808)	79,121	(226,929)	0	0	0.0

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<b>Department of Higher Education</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<i>History Colorado</i>						
HC1 Investment in Cumbres and Toltec Railroad Sustainability	1,421,000	1,092,500	328,500	0	0	0.0
New Mexico contribution for Cumbres and Toltec Railroad	426,500	0	426,500	0	0	0.0
History Colorado preservation grants and gaming cities distribution	<u>500,000</u>	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$4,024,452,017</b>	<b>\$850,228,510</b>	<b>\$2,456,059,154</b>	<b>\$695,651,836</b>	<b>\$22,512,517</b>	<b>24,491.1</b>
<b>Increase/(Decrease)</b>	\$287,513,615	(\$7,187,485)	\$300,834,993	(\$6,151,859)	\$17,966	634.8
Percentage Change	7.7%	(0.8%)	14.0%	(0.9%)	0.1%	2.7%
<b>FY 2016-17 Executive Request</b>	<b>\$3,694,806,076</b>	<b>\$838,524,430</b>	<b>\$2,150,718,821</b>	<b>\$683,021,994</b>	<b>\$22,540,831</b>	<b>23,856.3</b>
Request Above/(Below) Recommendation	(\$329,645,941)	(\$11,704,080)	(\$305,340,333)	(\$12,629,842)	\$28,314	(634.8)

## Description of Incremental Changes

### FY 2015-16

**Long Bill supplemental:** The recommendation adjusts higher education tuition revenue estimates.

### FY 2016-17

**R1 Base reduction for public colleges and universities:** The recommendation includes a decrease of \$20,063,881 General Fund (3.0 percent) for public institutions of higher education allocated among the state governing boards, local district junior colleges, and area vocational schools based on the H.B. 14-1319 funding model.

**R2 Fort Lewis College Native American Tuition Waiver:** The recommendation includes an increase of \$1,206,630 General Fund for the Fort Lewis College Native American tuition waiver, bringing the total to \$17,269,714 General Fund for the program. This requested increase is mandated by Section 23-52-105 (1) (b) (I), C.R.S., which requires the General Assembly to fund 100 percent of the tuition obligations for qualifying Native American students attending Fort Lewis College. Funding for the tuition waiver is made one year in arrears and is calculated based on the prior year enrollment estimates.

**R3 Western Interstate Commission for Higher Education:** The recommendation includes an increase of \$8,000 appropriated funds (indirect cost recoveries) to pay for the increase in Western Interstate Commission for Higher Education (WICHE) dues.

**Tuition adjustment:** The recommendation incorporates projected tuition revenue for each institution, based on a combination of institutional projections and staff analysis.



**Tuition/Enrollment contingency:** The recommendation adds funds that can be allocated by the Department to governing boards to address discrepancies between appropriated tuition amounts and institutional need due to enrollment changes.

**Move Higher Education FML COP payments to Department:** The recommendation moves an appropriation for payments for higher education Federal Mineral Lease (FML) certificates of participation from the Treasurer's Office to the Department consistent with H.B. 16-1229.

**Nonprioritized requests and fund source adjustments:** The recommendation includes \$397,580 reappropriated funds spending authority for increases in Auraria Higher Education Center costs that are paid by the three higher education institutions on the campus: the Community College of Denver, Metropolitan State University of Denver, and the University of Colorado at Denver. It also includes other minor technical adjustments.

**FTE adjustment:** The recommendation adjusts the *employee* FTE shown in the Long Bill for each governing board to reflect the most recent estimates available (estimates for FY 2015-16). FTE figures are shown for informational purposes only.

**Indirect cost adjustment:** The recommendation includes adjustments for anticipated indirect cost collections, resulting in a decrease in General Fund required.

**Annualize prior year budget actions and legislation:** The recommendation annualizes prior-year appropriations for Cumbres and Toltec railroad operations, lease purchase payments for the History Colorado museum and academic facilities at Fitzsimons, and the Department's purchase of Tableau software. It also annualizes reductions included in S.B. 15-186 (Yoga Teacher Training Private Occupational School).

**Centrally appropriated line items:** The recommendation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability; supplemental state contributions to the Public Employees Retirement Association (PERA) pension fund; workers compensation; administrative law judges; legal services, payment to risk management and property funds; payments to OIT; and leased space. Centrally appropriated line items in this department support the operations of the Colorado Commission on Higher Education, Department of Higher Education central offices, and History Colorado but do not fund the higher education institutions.

**Annualize prior year salary survey and merit pay:** The recommendation annualizes salary survey and merit pay funding awarded in FY 2015-16, consistent with common policy.

**Tobacco settlement revenue adjustment:** The recommendation reduces the appropriation for moneys received by the University of Colorado pursuant to the tobacco master settlement agreement based on the tobacco revenue projection and statutory formulas.

**HC1 Investment in Cumbres and Toltec Railroad sustainability:** The recommendation is for \$1,421,000 total funds to address deferred maintenance/capital costs for this historic scenic railroad, which is located on the border between Colorado and New Mexico and jointly owned by the two states. The request would replace \$1,421,000 total funds appropriated in FY 2013-14, FY 2014-15, and FY 2015-16 that is eliminated (“annualized”) in FY 2016-17, pursuant to footnote #19 of the FY 2013-14 Long Bill (S.B. 13-1230) which stated that funding is not assumed to continue after FY 2015-16. If this request is approved, the result would be a net \$0 change/continuation funding for the railroad for FY 2016-17.

**New Mexico contribution for Cumbres and Toltec Railroad:** The recommendation adjusts the amount shown as New Mexico's contribution for the railroad based on the most recent information available from New Mexico. This amount is shown for informational purposes only.

**History Colorado preservation grants and gaming cities distribution:** The recommendation adjusts anticipated grants and distributions from the State Historical Fund. These amounts are shown for informational purposes only.

### **Major Differences from the Request**

- The recommendation includes various changes to the Higher Education funding model authorized by H.B. 14-1319. These changes underlie the R1 Base Reduction recommendation. Although these changes do not significantly affect FY 2016-17 allocations, they may affect development of the model for future years.
- The Department requested legislation so that tuition would not be appropriated in FY 2016-17. However, based on current law, staff has assumed tuition will be appropriated and recommends appropriations and footnotes to express the General Assembly's intent regarding increases in undergraduate resident tuition rates. The recommendation also adds a \$60.0 million Enrollment/Contingency line item that can be used by the Department to address discrepancies between appropriated tuition amount and institutional need due to enrollment changes.
- The recommendation moves an appropriation for payments for higher education Federal Mineral Lease (FML) certificates of participation from the Treasurer's Office to the Department consistent with a change specified in H.B. 16-1229 (Rankin/Steadman). This appears as an increase in the Department of Higher Education but a decrease in the Treasurer's Office. The overall General Fund recommendation is \$5.7 million less than the request in the Treasurer's Office as the recommendation appropriates amounts previously in the Higher Education FML Reserve Fund to offset General Fund otherwise required for the payments.
- The recommendation modifies the type of fee that is shown for informational purposes, so that all mandatory fees (fees all students must pay) are included. Because of this change, fee amounts are not comparable to the FY 2015-16 amounts and adjustments may appear large.

The staff recommendation also adjusts FTE for the governing boards and certain State Historical Fund amounts in History Colorado that are shown for informational purposes only.

## Decision Items Affecting Multiple Divisions

### ➔ R1 Base Reduction for Public Colleges and Universities

**Request:** The Department’s priority request R1 is for a \$20.0 million (3.0 percent) General Fund reduction to higher Education public governing boards for FY 2016-17. According to the submission “**the request is made solely due to state budget balancing needs**”.

<u>Request Components</u>	<u>General Fund</u>
Governing Boards	(\$19,181,905)
Local District Junior Colleges	(482,099)
Area Vocational Schools	(295,826)
COF- Private Stipend	(40,170)
	(\$20,000,000)

The reduction is allocated among the governing boards through the model developed pursuant to H.B. 14-1319. This model has undergone changes, which are described in more detail in a separate issue. The net result as submitted provides for reductions ranging from 0.93 percent (Metropolitan State University of Denver) to 7.42 percent (University of Northern Colorado), as reflected in the chart below. As required by statutory formulas, the request includes proportionate reductions to the local district junior colleges (Aims and Colorado Mountain College), as well as the College Opportunity Fund (COF) Private Stipend (based on a requested cut to the public institutions’ COF stipend), resulting in the total \$20.0 million reduction shown.

Governing Board	FY 2015-16	FY 2016-17	Change	Percent Change from Prior Year
Adams	14,121,017	\$13,847,673	(273,344)	-1.94%
Mesa	24,465,356	\$23,653,557	(811,799)	-3.32%
Mines	20,547,328	\$20,155,942	(391,386)	-1.90%
CSU	134,660,184	\$130,420,511	(4,239,673)	-3.15%
CCCS	153,549,541	\$148,542,857	(5,006,684)	-3.26%
Ft. Lewis	11,822,422	\$11,255,570	(566,852)	-4.79%
Metro	50,153,399	\$49,688,568	(464,831)	-0.93%
CU	184,615,667	\$180,531,397	(4,084,270)	-2.21%
UNC	41,092,729	\$38,045,385	(3,047,344)	-7.42%
Western	11,643,992	\$11,348,270	(295,722)	-2.54%
<b>Total</b>	<b>646,671,635</b>	<b>\$627,489,730</b>	<b>(19,181,905)</b>	<b>-2.97%</b>

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**Recommendation:**

- **Staff recommends the request with various adjustments. These adjustments generally change portions of HOW the result is generated but do not significantly affect the amount received by each governing board for FY 2016-17.** Thus, *staff anticipates that the primary impact of these changes, if approved by the JBC, would be to future-year allocations.* The Department is not required to submit its request for next year based on the JBC's model. However, staff anticipates that JBC decisions related to the model will influence future-year requests.

The tables below summarize the recommendation by line item and compare the recommendation and the request.

Governing Board	FY 15-16 Appropriation	FY 16-17 Recommendation	Percent	
			Change from Prior Year	Recommended Reduction
Adams	\$14,121,017	\$13,852,610	-1.90%	(\$268,407)
Mesa	24,465,356	23,603,557	-3.52%	(861,799)
Metro	50,153,399	49,705,893	-0.89%	(447,506)
Western	11,643,992	11,375,460	-2.31%	(268,532)
CSU	134,660,184	130,373,471	-3.18%	(4,286,713)
Ft. Lewis	11,822,422	11,250,841	-4.83%	(571,581)
CU	184,615,667	180,461,427	-2.25%	(4,154,240)
Mines	20,547,328	20,169,766	-1.84%	(377,562)
UNC	41,092,729	38,034,957	-7.44%	(3,057,772)
Community College System	153,549,541	148,640,087	-3.20%	(4,909,454)
CO Mountain College	7,143,039	6,930,891	-2.97%	(212,148)
Aims Community College	8,446,176	8,195,325	-2.97%	(250,851)
Area Vocational Schools	9,971,721	9,675,561	-2.97%	(296,160)
<b>Governing Board Total</b>	<b>672,232,571</b>	<b>652,269,847</b>	<b>-2.97%</b>	<b>-19,962,725</b>
COF Private Stipend	1,506,375	1,404,885	-7.22%	(101,490)
<b>Total Reduction</b>				<b>(\$20,064,215)</b>

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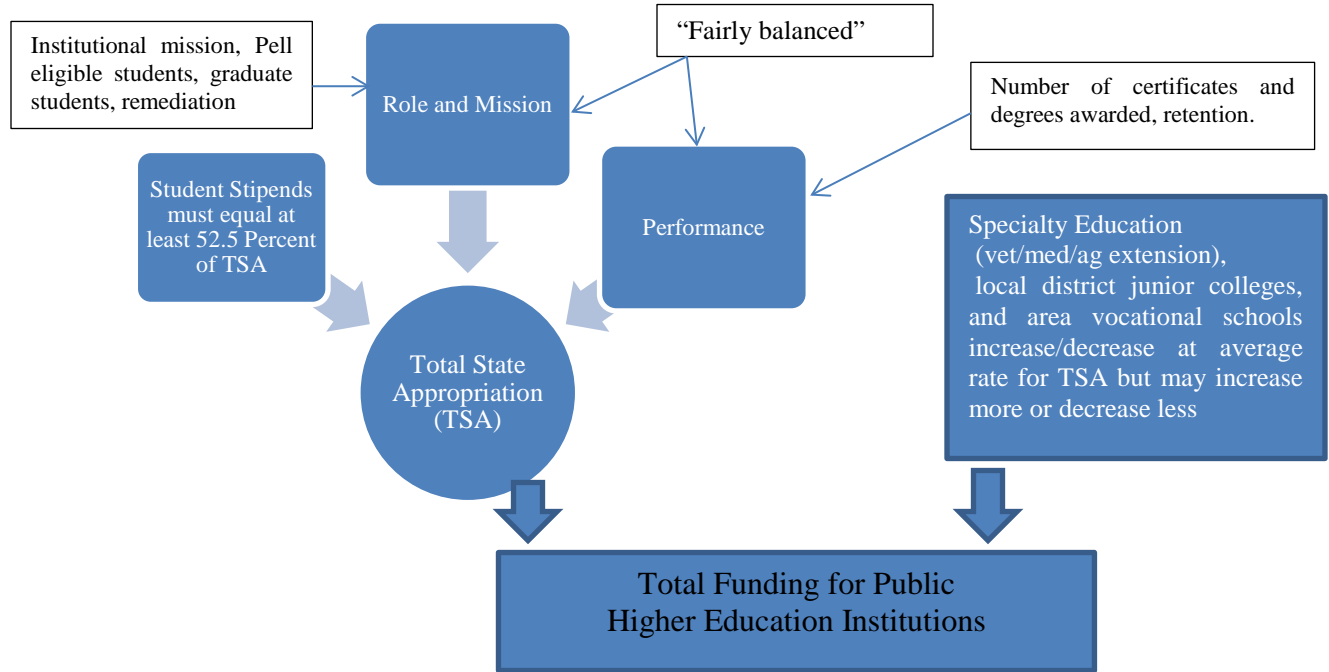
Governing Board	Request	Recommendation	Recommendation above/(below) Request
Adams	\$13,847,673	\$13,852,610	\$4,937
Mesa	23,653,557	23,603,557	-\$50,000
Metro	49,688,568	49,705,893	\$17,325
Western	11,348,270	11,375,460	\$27,190
CSU	130,420,511	130,373,471	-\$47,040
Ft. Lewis	11,255,570	11,250,841	-\$4,729
CU	180,531,397	180,461,427	-\$69,970
Mines	20,155,942	20,169,766	\$13,824
UNC	38,045,385	38,034,957	-\$10,428
Community College System	148,542,857	148,640,087	\$97,230
CO Mountain College	6,921,940	6,930,891	\$8,951
Aims Community College	8,185,176	8,195,325	\$10,149
Area Vocational Schools	9,675,895	9,675,561	-\$334
<b>Governing Board Total</b>	<b>652,272,741</b>	<b>652,269,846</b>	<b>(2,895)</b>
COF Private Stipend	1,466,205	\$1,404,885	-\$61,320
<b>Total Reduction</b>			<b>(\$64,215)</b>

- Staff assumes that the Committee may need to do some budget-balancing within higher education—whether this involves cutting or restoring funds. **Staff has explored options that adjust amounts based on total dollars available. The proportional allocation among governing boards remains similar in these scenarios.**
- **Staff has also explored other options in which Committee members may be interested.** These include: using current-year estimates for COF stipends instead of prior year actuals, increasing the proportion of funding for Pell-eligible students, and maintaining the COF stipend at the \$75 level, instead of reducing it to \$73 per credit hour as requested, while keeping total funding at approximately the level of the request. These will be provided under separate cover if desired.

**Analysis:**

***Requirements of the H.B. 14-1319 Model***

House Bill 14-1319 details several major funding categories, as reflected in the chart below.



***Student Stipends:*** With some exceptions, resident undergraduate students who attend a state operated higher education institution are eligible for a stipend per credit hour taken. Funding for student stipends must constitute at least 52.5 percent of total state appropriations, as defined by the bill.

***Role and Mission Funding:*** The role and mission component includes:

- **Institutional mission.** Amount to offset the costs incurred in providing undergraduate programs at each institution, including the following components: selectivity, number of campuses, rural or urban location, low student enrollment, undergraduate programs with a high cost per student, and whether the institution conducts research.
- **Support services for Pell-eligible, first-generation, and underserved undergraduate students.** Must include an amount for Pell-eligible students at least equal to ten percent of the amount of the college opportunity fund stipend. May include amounts for first-generation or underserved students.
- **Graduate programs.** Must include an amount for each graduate student enrolled in an institution, which amount shall be based on the subject and level of the graduate program.
- **Remediation.** Must include an amount for each eligible governing board to offset the costs incurred in providing effective basic skills courses and the costs incurred in providing approved supplemental academic instruction.

- **Additional factors.** Up to two allowed that are distinguishable from each other and from the factors above. Examples provided: institution affordability, cost studies, technology transfer, and provision of career and technical programs.

**Performance Funding:** The performance funding component includes:

- **Completion.** An amount for each certificate or degree awarded and each student transferring from a community college. Must include additional amount for each Pell-eligible undergraduate completion.
- **Retention.** An amount for each governing board based on the number of students enrolled in an institution who make academic progress by completing thirty credit hours, sixty credit hours, or ninety credit hours.
- **Additional metrics.** Up to four additional performance funding metrics that reflect and support the policy goals adopted by the commission in the master plan. Examples: workforce placement, closing the achievement gap, limiting student loan debt, and controlling institutional administrative costs.

**General role and mission and performance metric requirements:**

- It is the General Assembly's intent that the components of the fee-for-service contracts be **"fairly balanced" between role and mission factors and performance metrics.**
- Role and mission and performance metrics must be  **tied to the policy goals** established by the General Assembly and the Commission in its Master Plan  **and must be transparent and measurable.**
- **Each role and mission factor may be applied differently to institutions,** but to the extent possible, similar institutions must be treated similarly.
- **Each performance funding metric must be applied uniformly** to all governing boards.

**Specialty Education, Local District Junior Colleges, Area Vocational Schools:** Specialty education programs (the medical school at the University of Colorado and the veterinary school and various agricultural extension programs at Colorado State University), as well as funding for local district junior colleges and area vocational schools are required to increase or decrease at the same rate as overall funding for higher education institutions ("total state appropriation") but may increase more or decrease less.

**Guard rails:** Through FY 2019-20, the appropriation for a governing board may not increase or decrease by a percentage that exceeds five percentage points of the average for all the governing boards. Beginning in FY 2020-21, use of the guard rails is optional.

**Annual Process:** The Department and CCHE must annually submit a budget request that includes a detailed description of role and mission factors and metrics, values assigned, and funding for each institution for each funding metric. The Joint Budget Committee may modify the model within the constraints outlined in H.B. 14-1319. Specifically, the JBC is required to follow the minimum statutory requirements concerning role and mission and performance funding but may apply different weights to the factors and metrics than the values determined by the commission.

*JBC Staff Figure Setting: FY 2016-17  
Staff Working Document – Does Not Represent Committee Decision*

**Model Version 2.0 Submitted by Department versus Staff Recommendation**

The table below compares the Department-requested version of the model and the staff recommendation.

FY 2016-17 Request		FY 2016-17 Recommendation	
	% total funding excluding specialty ed.		% total funding excluding specialty ed.
<b>Stipend</b> \$73 per eligible resident undergraduate FTE	54.8%	<b>Stipend</b> \$73 per eligible resident undergraduate FTE	54.8%
<b>Role and Mission</b> <u>Mission Differentiation/base funding</u> Prior year role & mission funding x	25.1%	<b>Role and Mission</b> <u>Mission Differentiation/base funding</u> <i>Flat amount per type of institution</i> Large research institution	21.2%
Factor based on institutional type and size Base = .45 to .75 x prior year role &		CU Boulder, CSU Ft. Collins 11,250,000 UCCS, UCD 6,600,000	
<i>Research</i>	%	Medium-sized research, part of a system Medium-sized stand-alone research institution	
25,000+	0.450	Mines, UNC 8,900,000 Metro 5,100,000	
15,000 to 25,000	0.500	Large comprehensive 4 year institution All other comprehensive 4 year institutions	
Under 15,000	0.675	Ft Lewis, Pueblo, Mesa 4,800,000 Small regional 4 year institutions <3,000	
<i>Comp 4-year</i>		Western, Adams 6,350,000 Medium/large community colleges 7 of total 1,000,000 Small community colleges 6 of total 1,600,000	
15,000+	0.450	PLUS	
10,000 to 15,000	0.500	<i>Special factor/tuition stability</i>	
5,000 to 10,000	0.600	Adams 1,550,000	
2,500 to 5,000	0.675	UNC 5,400,000	
Under 2,500	0.750		
<i>2-year</i>		<u>Weighted Credit Hours</u>	3.9%
7,500 +	0.450	Credit hours provided by each institution	
1,500 to 7,500	0.600	(non-resident credit hours excluded), weighted by type of class.	
< 1,500	0.650	For example, a graduate science course might be worth 8 times an undergraduate history class.	
<u>Pell</u>		<u>Pell</u>	
10.0 percent of stipend for Pell-eligibles	2.1%	10.0 percent of stipend for Pell-eligibles	2.1%
<b>Performance/Outcomes Funding</b> Non-residents treated same as residents <u>Completions - 85 percent of performance funding</u> Number of degrees/transfers: .25 for a certificate or transfer to 1.25 for a graduate degree weighted extra 0.5 for STEM disciplines and 0.6 for Pell	16.1% (combined)	<b>Performance/Outcomes Funding</b> Non-residents weighted at 30 percent of residents: <u>Completions - 85 percent of performance funding</u> Number of degrees/transfers: .25 for a certificate or transfer to 1.25 for a graduate degree weighted extra 0.5 for STEM disciplines and 0.6 for Pell	16.1% (combined)
<u>Retentions - 15 percent of performance funding</u> Number of students completing 30/60/90 credits (4 yr) or 15/30/45 at two-year institution		<u>Retentions - 15 percent of performance funding</u> Number of students completing 30/60/90 credits (4 yr) or 15/30/45 at two-year institution	
<u>Institutional Productivity (renamed; capped at \$10.0 million)</u> Credentials per 100 SFTE	1.9%	<u>Institutional Productivity (renamed; capped at \$10.0 million)</u> Credentials per 100 SFTE	1.9%
<b>Data sources:</b> All model funding components are based on actual prior year data including for <b>number of FTE eligible for COF stipend</b> (FY 2014-15 for FY 2016-17 model).		<b>Data sources:</b> All model funding components are based on actual prior year data including for <b>number of FTE eligible for COF stipend</b> (FY 2014-15 for FY 2016-17 model).	



**Staff Recommendation - Change to "Role and Mission" component:**

Staff has restructured the "role and mission" portion of the model to conform more closely to the language currently in statute. Staff was concerned that the Department's proposal for "base" funding, that relied on taking percentages of prior year role and mission funding was too far removed from the statutory language.

- Of the total requested for role and mission funding, staff has set aside \$20.0 million for weighted credit hour funding. Staff believes this addresses the portion of statute that requires that "an amount" be provided for each graduate student and each student requiring remedial education, since the weighted credit hours do this for these two categories of student courses, as well as other student courses. This also helps to address concerns of the fastest-growing boards (MSU and CMU) that too much of the new version of the model will now not respond to institutional growth.
- The balance of funding (aside from support for Pell-eligible students) is allocated in staff's version of a "mission differentiation" factor. Staff has constructed this component differently from the Department, but the core intent is the same. Although less elegant than the Department's version, the staff approach is designed to hew more closely to the current statutory language. The staff approach provides "open the door amounts" for each institution or campus that is created in statute and provides additional amounts for each institution that is very small, very large, and/or a research institution (as specified in statute). Additional amounts to address "special factors" such as low enrollment and an exceptionally low-income population are provided for two institutions (UNC and Adams State).

*In whatever way this portion of the model is justified (and staff welcomes future proposals), staff supports the Department's concept that this piece of the model should provide stability. This portion of the model is where the State says: "we want this institution to exist".*

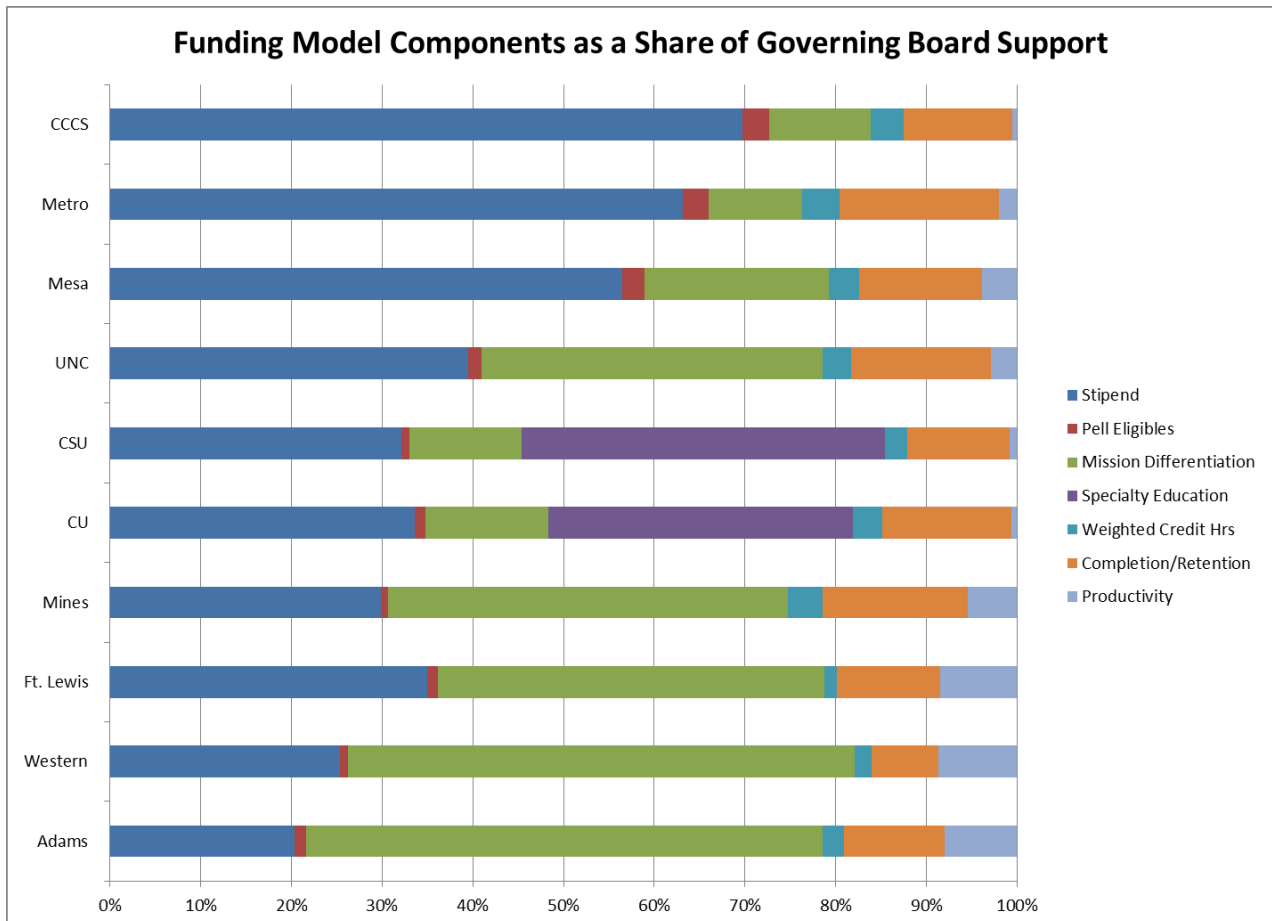
**Staff Recommendation - Reduce emphasis on non-resident students:**

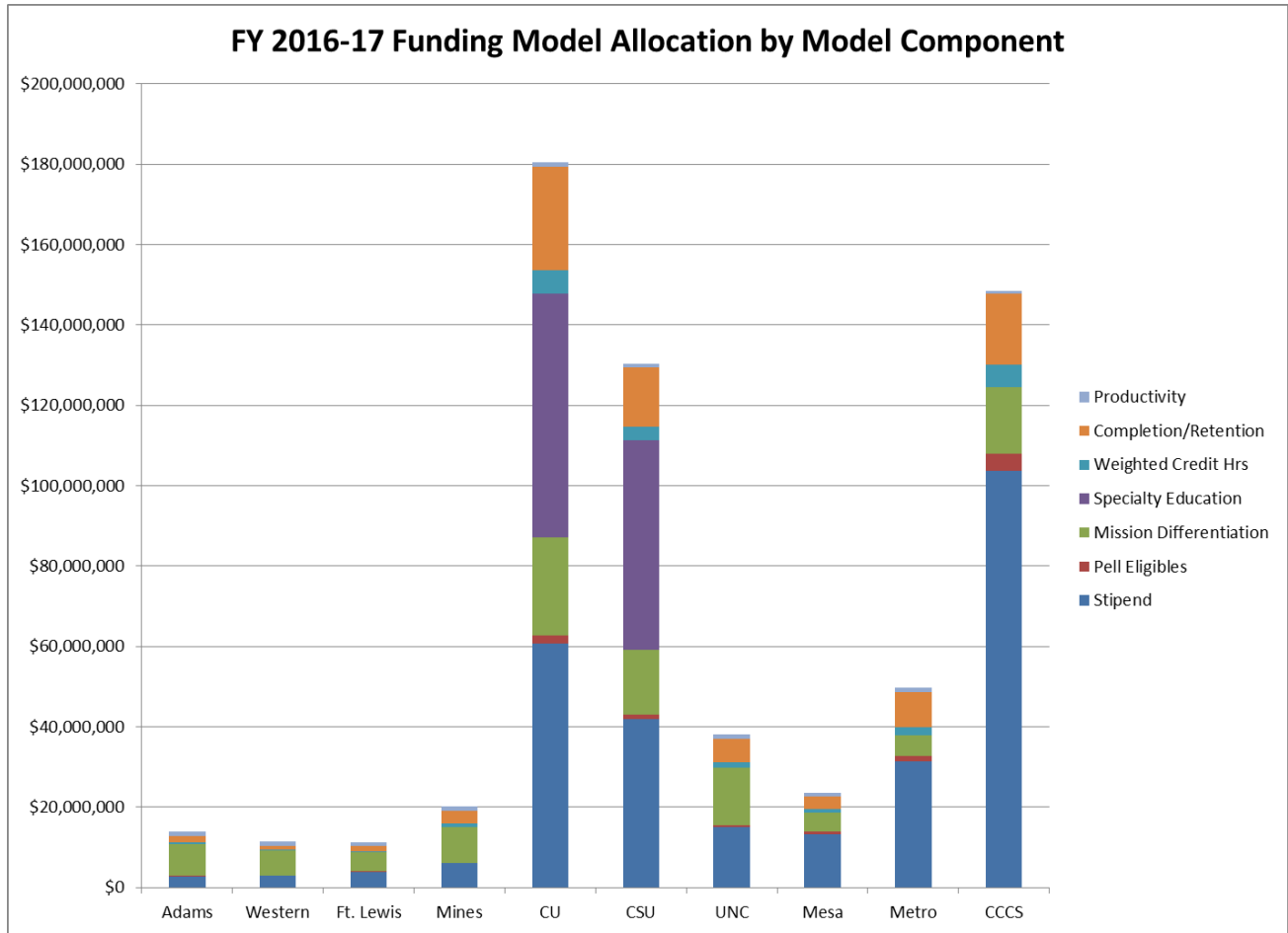
- Staff adjusted weighted credit hour amounts (in role and mission funding) to eliminate funding for non-resident students.
- Staff also adjusted the outcomes portion of the model so that non-resident students are weighted at 30 percent of resident students, i.e., for each non-resident credential earned, a governing board receives 30 percent of the funds it receives for each resident student. H.B. 14-1319 specifies that an amount will be provided for each degree, but Legislative Council Staff has indicated that a lower amount may be provided for a non-resident degree.

Staff reduced the emphasis on non-residents for the following reasons:

- Non-resident students pay far more than resident students to attend Colorado institutions. As a result, institutions have substantial incentives to try to recruit and retain such students. Given the state's limited ability to support higher education, staff believes state funds should be targeted where they are most likely to have an impact and to address state problems. Colorado's biggest challenge is in moving lower-income, less-well-prepared students through the higher education pipeline to graduation—not in recruiting well-off students from out-of-state.

- The source of the state's funding for higher education is Colorado taxpayers. Directing state dollars to support non-resident students whose parents do not pay Colorado taxes could create an "image problem" for state support of higher education.
- Providing funding for degrees and credentials awarded to non-residents at a rate of 30 percent of the amount awarded for residents is reasonable. *About 30 percent of non-resident students who graduate from Colorado institutions remain in Colorado after they graduate.* To the extent students with degrees remain in State, they benefit the state economy and the state's future tax base.





**➔ Tuition Policy and Appropriation of Tuition**

*Note: This issue touches only the Governing Boards section, but due to the relationship between the General Fund appropriations for each institution and the tuition policy, staff is addressing this here.*

**Request:** Under current law, tuition is again appropriated by the General Assembly for FY 2016-17. The Executive Branch has proposed the following approach to tuition, some of which would require a bill:

- Change law so that tuition is not appropriated.
- The Department will annually submit its proposal for statewide tuition policy. The General Assembly will respond either through a footnote to the Long Bill, through a letter, or through new legislation. The Department will adjust its tuition policy to comply with the General Assembly's desires as conveyed through one of the above mechanisms.

- For FY 2016-17, the Department proposes that if General Fund is flat or declining, there will be no caps or other restraints on the tuition charged by institution. If the General Assembly provides an increase, a cap will be imposed. If the General Assembly increases state funding by \$56.6 million, the Department anticipates imposing a cap of 3.0 to 4.0 percent. The larger figure will apply for institutions that are receiving a reduction in General Fund support due to the funding model. In addition, institutions for whom the cap poses a financial hardship will be permitted to request a waiver from CCHE to apply higher tuition.

**Staff recommendation:**

- **Continue to appropriate tuition and resist any bills to change this.**
- **Appropriate tuition in a way that avoids administrative headaches and clearly conveys the General Assembly's intent.** This will include: providing direction through a Long Bill footnote, revising appropriated amounts mid-year through a supplemental, and providing excess spending authority to address errors in the tuition forecast. Specifically, staff recommends adding a \$60.0 million Tuition/Enrollment Contingency line item in the CCHE Special Purpose section.
- **For FY 2016-17, cap tuition for governing boards by governing board, and do this in a way that is not unduly restrictive.** This seems important given the lack of time remaining in the year for individual institutions to request modifications to the JBC's policy from CCHE and the significant variation among the institutions in their resources for lobbying the General Assembly for policy changes.

Staff developed a model and provided draft calculations for any Board that expressed interest and was willing to keep the draft recommendations confidential. The staff recommendation incorporates feedback for those institutions that were willing and able to provide input on the level that might be appropriate for their institutions. *Staff anticipates that, if the JBC accepts the staff recommendation, some boards that did not feel comfortable providing input prior to figure setting may request additional adjustments.* Boards that provided input emphasized that this did not constitute an endorsement of the staff approach, since the governing boards would prefer that tuition not be appropriated.

The staff calculation assumes that institutions require a revenue increase of at least 2.6 percent per student in FY 2016-17 to address normal inflationary pressures, increases in health care costs and PERA AED/SAED costs, and some amount of quality improvement/institution-specific initiatives. This is based on actual CY 2015 inflation of 1.1 percent, a calculation specific to AED/SAED, and an additional approximately 1.4 percent for other inflationary cost-drivers.

Staff also assumes resident tuition revenue will be required to backfill any General Fund cut applied and the General Fund portion of inflationary increases. Depending upon the level of General Fund support recommended, this results in a different calculation for each institution.

Finally, staff acknowledges that specific circumstances at any given institution may justify further flexibility. From staff's perspective, much of the purpose of appropriating tuition is to enable the General Assembly to engage institutions around these issues.

Staff assumes that the General Assembly is not interested in constraining nonresident and graduate tuition growth to the same extent and therefore is not expecting the Committee to imply a cap through the appropriations process.

An example of the staff-recommended tuition model is on the next page. As shown on that page, staff used the "percentage change per FTE by fund source" for resident students, assuming no enrollment changes, as the basis for the proposed tuition cap for each governing board.

	<b>Recommended implied "cap" on undergraduate resident rates (figure identified in Long Bill footnote as assumed maximum undergraduate resident student rate increase)</b>	<b>Any "additional flexibility" added to reach specified resident undergraduate cap</b>	<b>Comparison: Maximum assumed increase included in governing board's Feb 2016 assumptions or other public</b>	<b>Recommended implied "cap" on nonresident rates</b>
ASU	8%	0.0%	5%	n/a
CMU	8%	<b>2.3%</b>	5% - 8%	n/a
MSU	9%	<b>3.9%</b>	11%	n/a
WSCU	10%	0.0%	8%	n/a
CSU	6%	0.0%	6%	n/a
Ft. Lewis	11%	0.0%	12%	0%
CU	5%	<b>0.2%</b>	5%	n/a
Mines	n/a	n/a	5%	n/a
UNC	10%	0.0%	8.4%	n/a
CCCOES	7%	0.0%	12%	n/a

*Reasons for additional flexibility:*

- Both CMU and MSU indicated that they needed additional flexibility to respond to fixed costs and enrollment changes. CMU indicated that it requires an overall budget increase of approximately 4.7 percent to address growth in various fixed/mandatory costs related to growth in its overall student population. Conversely, MSU indicated that it needed additional flexibility to address the combination of fixed costs and projected declines in enrollment that would otherwise finance these costs. It noted that it likely would not increase rates as high as 9 percent but would like sufficient flexibility to discuss reinvestment needs with its board.
- The University of Colorado has recently announced preliminary plans for a new 4-year fixed-rate tuition option that would include an increase of 5.0 percent for new freshman. As fixed rate tuition has long been of interest to the General Assembly, additional flexibility seems appropriate.

*Proposed "standard" Long Bill footnote (one for each board corresponding to numbers above):*

N The amount in this line item is calculated based on the assumptions that the governing board will serve \_\_\_ resident students at a weighted average tuition rate of \_\_\_\_\_ and

non-resident students at a weighted average tuition rate of \_\_\_\_\_ and that the governing board will not increase the tuition rate for undergraduate students with in-state classification by more than \_\_\_\_\_ percent per student or \_\_\_\_\_ percent per credit hour over the tuition rate for FY 2015-16. The General Assembly intends to adjust the amounts in this line item through supplemental action during fiscal year 2016-17 based on updated enrollment estimates and tuition rate information, so that the institution's spending authority is not constrained below the level of tuition revenue anticipated to be received.

- **Appropriated tuition amounts to include in FY 2016-17 Long Bill.** Staff recommends:
  - Using institutional estimates of FY 2016-17 revenue when the assumptions used in these revenue estimates are for a resident undergraduate tuition rate increase below the staff-recommended cap. Institutional estimates are also used for revenue from non-residents, except at Fort Lewis College.
  - Using a staff estimate when the assumptions described include a tuition rate increase above the staff-recommended cap. For these, staff used the product of projected enrollment growth provided by the institution and the maximum rate increase recommended by staff.

<b>Tuition Revenue</b>	<b>Resident</b>	<b>Nonresident</b>	<b>Total</b>
ASU	12,027,750	8,028,300	20,056,050
CMU	53,461,966	13,365,492	66,827,458
MSU	95,154,290	9,929,046	105,083,336
WSCU	9,031,062	9,217,285	18,248,347
CSU	220,676,301	196,332,259	417,008,560
Ft. Lewis	11,506,139	29,216,262	40,722,401
CU	451,142,678	480,177,052	931,319,730
Mines	53,235,636	80,611,800	133,847,436
UNC	64,150,674	24,922,857	89,073,531
CCCOES	219,990,109	40,694,265	260,684,374
<b>Total</b>	<b>1,190,376,606</b>	<b>892,494,618</b>	<b>2,082,871,224</b>

- **If the General Assembly wishes to cap tuition in a manner that is legally binding on the institutions, the JBC should also sponsor a bill capping tuition. In the absence of such a bill, the General Assembly will be counting on CCHE to impose tuition policy consistent with the assumptions conveyed in a Long Bill footnote.**
- Finally, staff recommends that the JBC submit a request for information to the institutions clarify the ongoing practice for collecting data on institutional tuition and fees, i.e., what data is expected when.

**Example: JBC staff tuition model**

	Total	General Fund	Resident tuition	Non-resident Tuition
<b>FY 2015-16 Estimates E&amp;G Revenue</b>	\$150,000,000	\$50,000,000	\$90,000,000	\$10,000,000
<i>Percentage Share</i>		33.3%	60.0%	6.7%
FTE	15,600.0	15,000.0	15,000.0	600.0
Total tuition + GF per FTE (excludes fees)	<b>\$9,615</b>	<b>\$3,333</b>	<b>\$6,000</b>	<b>\$16,667</b>

**Notes**  
 Institution February 2016 Tuition Revenue Estimates  
 Institution February 2016 Enrollment Estimates

Base used	% assumption
40,000,000	2.50%
8,069,129	0.90%
8,069,129	
	3.50%
	1.00%

<b>Cost and Fund Source Adjustments for FY 2016-17</b>		Total	General Fund	Resident tuition	Non-resident Tuition
Inflation	3,750,000	1,250,000	2,250,000	250,000	
AED and SAED	360,000	120,000	216,000	24,000	
Salary Survey - Classified Staff					
Merit Pay - Classified Staff					
Reallocate all GF inflationary adjustments to resident tuition	0	(1,370,000)	1,370,000		
General Fund increase/(reduction)	0	(500,000)	500,000		
Additional flexibility for resident tuition if needed	3,150,000		3,150,000		
Additional non-resident adjustment	100,000			100,000	
<b>Total FY 2016-17 if no FTE change</b>	<b>157,360,000</b>	<b>49,500,000</b>	<b>97,486,000</b>	<b>10,374,000</b>	
<b>Amount per FTE if no FTE change</b>	<b>\$10,087</b>	<b>\$3,300</b>	<b>\$6,499</b>	<b>\$17,290</b>	
<b>Percentage Change per FTE by Fund Source</b>	<b>4.9%</b>	<b>-1.0%</b>	<b>8.3%</b>	<b>3.7%</b>	

Incorporates 1.1% inflation + an amount for flexibility on revenue needed  
 Consistent with Department's assumptions  
 Assumes no classified salary survey, consistent with legislative action to-date  
 Assumes no classified salary survey, consistent with legislative action to-date  
 Based on H.B. 14-1319 Funding Model  
 Organization provides explanation for why additional funds may be needed, e.g., fixed costs to be managed within shrinking enrollment or investments needed due to growing enrollment.  
 Non-resident funding is adjusted to reflect institutional estimate; not capped except for Fort Lewis

**Resident percentage change used as basis for cap**

<b>Enrollment-related Adjustments</b>		Total	General Fund	Resident tuition	Non-resident Tuition
Projected FY 2016-17 Enrollment	15,700.0	15,100.0	15,100.0	600.0	
Projected Change in Enrollment	100	100	100	0	
FY 2016-17 per FTE x FTE change	649,907		649,907	0	
<b>Revised total FY 2016-17</b>	<b>158,009,907</b>	<b>49,500,000</b>	<b>98,135,907</b>	<b>10,374,000</b>	
<b>Amount per FTE</b>	<b>\$10,064</b>	<b>\$3,278</b>	<b>\$6,499</b>	<b>\$17,290.0</b>	
<b>Percentage Change per FTE by Fund Source</b>	<b>4.7%</b>	<b>-1.6%</b>	<b>8.3%</b>	<b>3.7%</b>	
Total budget change FY 2015-16 to FY 2016-17	8,009,907	(500,000)	8,135,907	374,000	
Percentage budget change from FY 2015-16	<b>5.3%</b>	<b>-1.0%</b>	<b>9.0%</b>	<b>3.7%</b>	

**Analysis:**

***Why Appropriate Tuition?***

- While state support for higher education has shrunk and may continue to decline, the state contribution for educational costs remains significant. For FY 2016-17, state support will continue to comprise about 35 percent of the combined revenue from resident tuition and state support. For a small institution like Adams State, General Fund support (through stipends and fee-for-service contracts) comprises over 50 percent of total support for resident students. For the community colleges, this figure is about 40 percent.
- The State has a compelling interest in limiting tuition increases at state institutions. As tuition increases, the participation in higher education declines, particularly among low-income students. Students who do participate are less likely to complete and more likely to leave school with a significant debt burden. Thus, higher education costs have a significant impact on the state's economic health and vibrancy over the long term.
- The Executive Branch has noted—correctly—that there is a strong relationship between the level of State support and the tuition required to support institutions given their current cost structures. The appropriation process is the right place of the General Assembly to examine and respond to that inter-relationship.
- The General Assembly has two tools established in the Constitution: statutory changes and appropriations.
- A bill is the strongest and most effective way for the General Assembly to establish tuition policy. However, staff is not certain whether the General Assembly will want to pass a tuition policy bill each year. What happens if authority to appropriate tuition is eliminated on the assumption that there will be an annual bill but no such bill comes to pass? Establishing annual policy through a bill is a harder "lift", even for the JBC: pursuant to current JBC policy, six members must agree to a bill, while only a majority is needed for an appropriation.
- The Executive Branch has suggested that the General Assembly could convey its will on tuition policy through a footnote to an informational appropriation. However, the Office of Legislative Legal Services does not feel that a footnote to an informational amount in the Long Bill conveys any real significance, since the appropriation itself is simply informational.
- As long as the General Assembly retains authority to appropriate tuition, it has a mechanism for sanctioning institutions that do not comply that is less severe than cutting an institution's General Fund appropriation: it can curtail the institution's spending authority for its cash funds. The institution will still receive the cash funds; it simply won't be able to spend them in the sanctioned year.

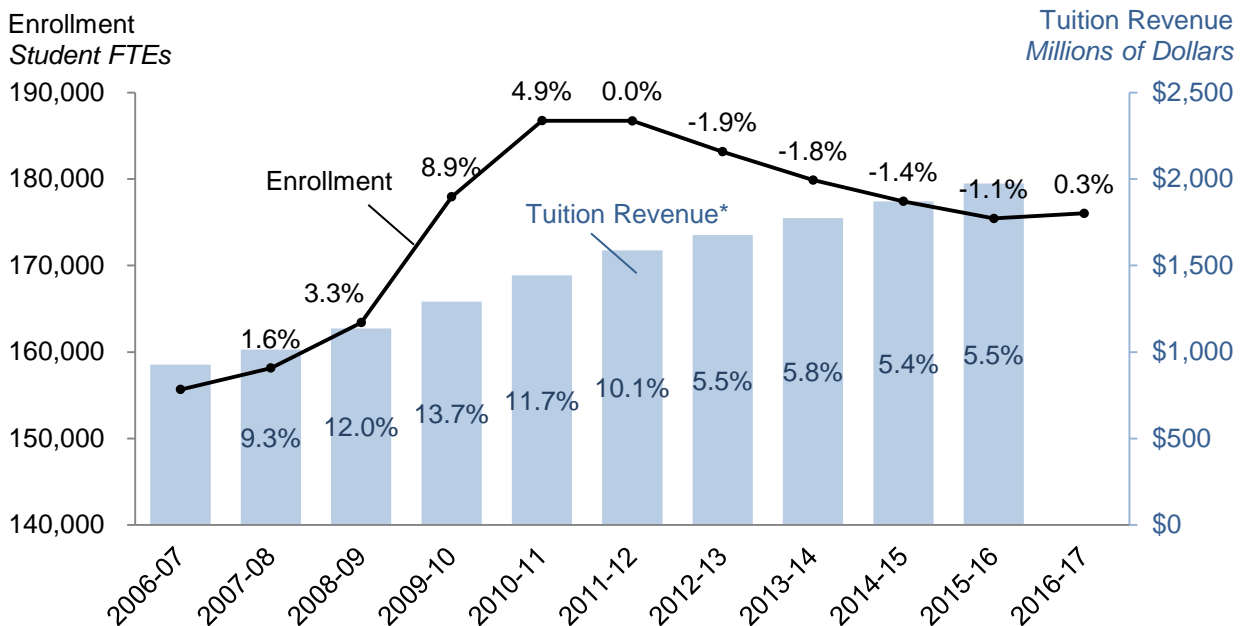


*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

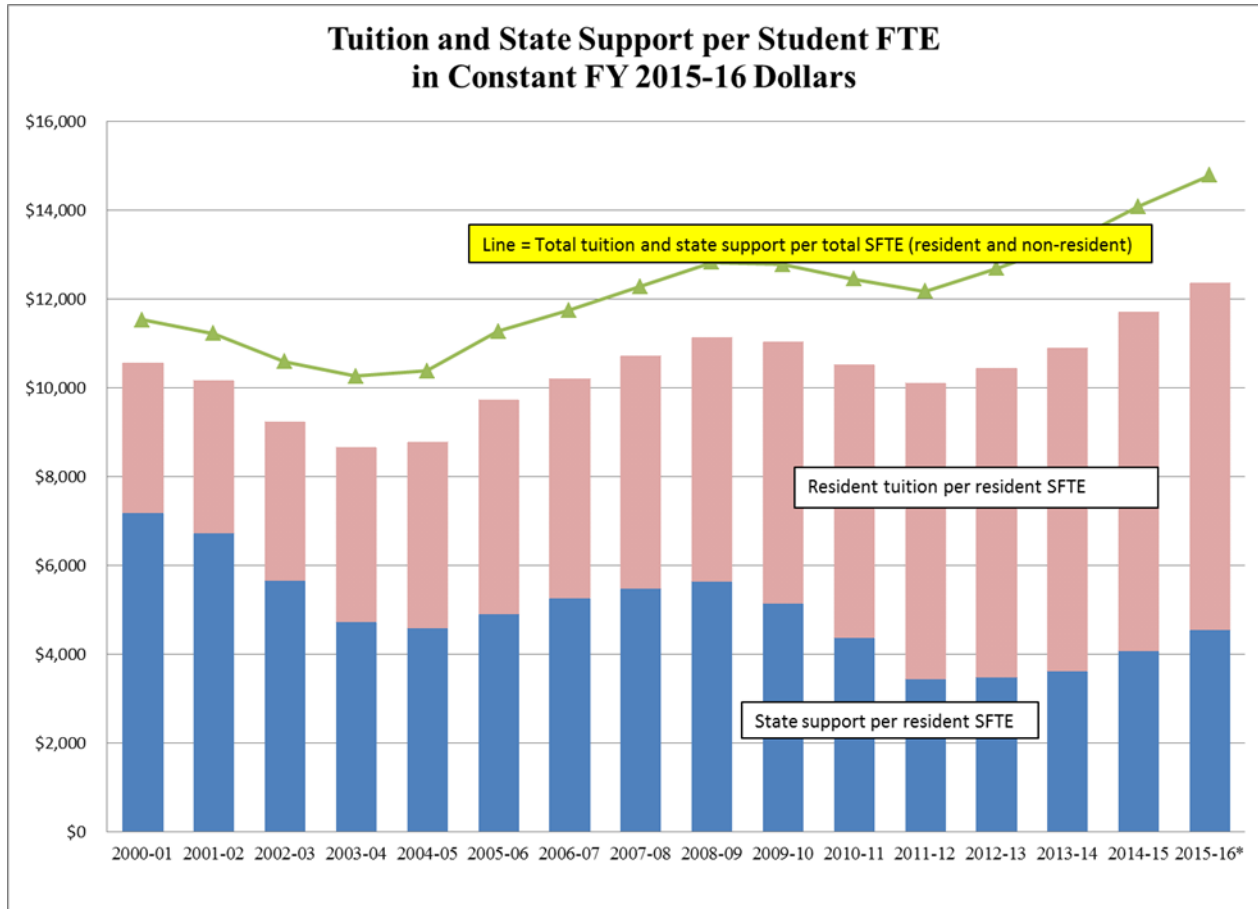
- The Executive has also suggested that the General Assembly could convey its will on tuition policy through a letter. However, for such a letter to effectively convey the opinion of the entire General Assembly it would need to be reviewed and vetted through a legislative process that does not presently exist.

***Historic Tuition Increases and Intersection with General Fund Support***

	Tuition and Fees, Liberal Arts, Resident Freshmen and Sophomores				Percentage Change Tuition and Fees over Time Period		
	FY 00-01	FY 08-09	FY 14-15	FY 15-16	FY 00-01 to FY 2015-16	FY 08-09 to FY 15-16	FY 14-15 to FY 15-16
CU-Boulder	\$3,188	\$7,278	\$10,789	\$11,090	248%	52%	2.8%
CSU-Ft. Collins	3,133	5,874	9,897	10,557	237%	80%	6.7%
Metropolitan State	2,224	3,241	6,070	6,420	189%	98%	5.8%
Mines	5,412	11,239	16,918	17,353	221%	54%	2.6%
Other 4-year Institutions Avg.*	2,349	4,322	7,722	8,180	248%	89%	5.9%
Community Colleges	1,950	2,728	4,119	4,156	113%	52%	0.9%
Denver Metro CPI Percentage Change Over Time Period (LCS 9/15 Forecast)					37%	15%	1.7%



Reduced General Fund support has played the largest, though not only, role in driving tuition rate increases.



Looking overall at the period from FY 2000-01 to FY 2015-16 in the data shown above, tuition and state support to the institutions per student FTE has increased by:

- **1.7 percent per year above inflation for total revenue per student; and**
- **1.1 percent per year above inflation for resident students.**

***Recommended Annual Process for Reviewing and Acting on Tuition Policy Proposal***

November 1 – Annual Department Tuition Policy Request Submitted for next year (e.g., FY 2016-17); [Consistent with Department proposal]

December – JBC staff briefs the JBC on whether CCHE policy and institutional practice in the current year (e.g., FY 2016-17) conforms to the Long Bill tuition footnote(s). [Not addressed in Department proposal but consistent with its overall approach]

Nov 1 – Feb Department works with institutions to determine if any special adjustments or waivers might be requested related to the policy it has proposed for the subsequent fiscal year (FY 2016-17). [Department identifies a waiver process—but does not clarify whether this occurs before or after legislative consideration of the Long Bill Staff would expect this to happen before the Long Bill and that any waivers would be incorporated in Long Bill footnotes.]

- February 20 Tuition Revenue Estimates Received for current and next fiscal year from governing boards and LCS. Staff anticipates that the Department may submit a supplemental request; however, given timing issues, staff anticipates that the General Assembly would make necessary adjustments related to tuition spending authority whether or not the Department submits a supplemental request. [Different from proposal: Department hopes that the General Assembly will no longer appropriate tuition and thus no supplemental changes would be required.]
- March/April JBC Figure Setting/Legislative Action for both current year supplemental and Long Bill. Footnote(s) outlining the General Assembly's tuition policy are determined. These incorporate any governing board or institution-specific tuition caps, including any "waivers" approved by CCHE. New legislation on tuition/fee policy is introduced if desired. [Partially different from proposal: in years of General Fund increase, the Department supports a tuition cap that might be expressed through "informational" footnotes; but it advocates a global cap with individual exceptions/waivers that might be approved after action on the Long Bill, rather than before.]

***Staff Approach: What's Important and When?***

**STEP 1: In March/April 2016, when developing the FY 2016-17 Long Bill, the General Assembly, Department, and governing boards should focus on (a) the GF appropriation; and (b) the Long Bill footnote(s) expressing legislative intent on tuition policy for the upcoming year (in this case FY 2016-17).** Tuition appropriations in the Long Bill reflect rough estimates at this point due to uncertainty about both enrollment and tuition levels, but there should be sufficient spending authority so that no supplemental action is required prior to spring 2017. An "extra" appropriation is added in CCHE to provide additional spending authority to address unexpected changes in enrollment.

**STEP 2: In March/April 2017, when developing the FY 2016-17 *supplemental*, the General Assembly and governing boards will focus on the FY 2016-17 tuition appropriation amounts and ensuring these provide adequate spending authority for the year.** At this point, enrollment estimates for the current year are far more accurate and tuition and fee rates have been finalized and applied. The final figures will be as close as possible to institutional tuition revenue/expenditures for the year. Exception: In the event an institution did not comply with legislative intent on tuition policy, there's an opportunity to apply a sanction if desired. The "extra" appropriation in CCHE is maintained to provide extra spending authority to address unexpected changes in enrollment between February and the end of the fiscal year. As a result, there should be no need for a further supplemental in June for year-end close-out.

***Department \$56.6 million Calculations – Differences with Staff Calculations***

The Department's calculation of tuition flexibility needs in relation to General Fund seems higher than may be needed. In particular:

- **Because institutions rely on General Fund support to widely varying degrees and have very different tuition rates and financial structures, efforts to set a statewide tuition cap that accommodates all governing boards may over-state the level of tuition increases or General Fund needed to keep institutions "whole".**
- **The Department's calculations identify a budget "hole" based on all institutional funding sources including non-resident tuition, but calculations for filling the hole rely solely on General Fund and/or resident tuition.** The Department calculated need on a base amount which includes ALL institutional sources of education and general revenue, i.e., it includes all tuition from non-residents as well as various departmental indirect cost collection amounts. It is not limited to current resident tuition. However, *the Department assumes that resident tuition revenue or General fund would be required to backfill inflation on all sources of revenue, even though non-resident tuition and indirect cost collections now comprise a large share of institutional "education and general" revenue.*
- The Department calculates the need for resident tuition increases using solely the base resident tuition rate per student FTE. However, "base" tuition rates do not take into account tuition differentials and other figures that tend to make overall revenue from resident tuition greater than the Department calculations. Staff agrees that the base rate is useful for outlining legislative expectations, but other tuition components are an important component of institutional revenue.
- The Department uses 1.8% inflation and AED/SAED base amounts. The 1.8% was based on an FY 2017 OSPB inflation estimate. Because inflation rates are difficult to predict, staff supports using the most recent actual figure available for estimating inflation. Calendar year 2015 is currently forecast at 1.1 percent and this estimate is unlikely to change significantly once the actual rate for CY 2015 is finalized.
- The Department proposes 3.0 to 4.0 percent tuition flexibility on top of its inflationary calculations. Staff believes a smaller figure is sufficient for most institutions.
- For timing reasons, the Department calculates tuition needs based on FY 2014-15 estimated data included in last year's budget data books. Staff instead uses FY 2015-16 revenue estimates. Note that revenue will not correspond exactly with expenditures, since institutions either place funds in reserves or draw from reserves in any given year. Nonetheless, because both revenues and expenditures are closely correlated with student enrollment, *staff has elected to use the more recent enrollment and revenue estimate figure as a proxy for expenditure needs.*

**➔ Fee Policy and Informational Amounts**

*Staff recommendation:*

- Although fees are no longer appropriated, the Long Bill has continued to show these amounts for informational purposes. However, over time, the quality and consistency of the information has declined and it is not clear that institutions are all reporting on the same fees. In light of this, staff recommends that fee amounts shown for informational purposes now include all mandatory fees as defined by the Department of Higher Education. Mandatory fees include facility fees and fees for student activities such as student government, in addition to academic fees. However, these are all fees that increase a student's bill. Recommended amounts for FY 2016-17 are shown below. Note that these are not comparable to the amounts shown in prior years. These figures are based on estimates from the Governing Boards.

	<b>Mandatory Fees</b>
ASU	6,569,160
CMU	6,094,986
MSU	15,642,901
WSCU	5,133,893
CSU	67,958,136
Ft. Lewis	6,133,000
CU	76,454,291
Mines	13,132,026
UNC	18,452,587
CCCOES	29,214,555
<b>Total</b>	<b>244,785,535</b>

- **Staff also recommends that the Committee consider sponsoring a bill to appropriate mandatory fees.** This would enable the General Assembly to convey its wishes related to rate increases for both tuition and mandatory fees. This combination would better reflect the figures that students and their families care about, i.e., growth in their total higher education bill, regardless of whether the charge is classified as tuition or as a fee. Staff anticipates that the governing boards will oppose such a change. *If the Committee wishes to pursue the bill, it could consider making it effective for FY 2017-18, thus providing additional time for the Department and governing boards to hone in on which fees would be affected, assure consistent implementation, and better manage the transition.*

If the Committee does not wish to sponsor such a bill at this time, it could consider *another request for information regarding the implications of using the combination of tuition and fees when CCHE proposes any tuition rate cap policies.* Staff believes the Department's

current statutory authority would enable it to incorporate fees in its policy; it has simply chosen not to use this authority at present.

<b>Tuition and Mandatory Fees: Freshman and Sophomores, Liberal Arts, FY 2015-16</b>				
<b>Institution</b>	<b>Tuition</b>	<b>Fees</b>	<b>Total</b>	<b>Fees as Percentage of Total Charges</b>
CU-Boulder	\$9,312	\$1,778	\$11,090	16.0%
University of Colorado - Colo Springs	7,980	1,448	9,428	15.4%
University of Colorado - Denver	9,090	1,279	10,369	12.3%
CSU	8,300	2,257	10,557	21.4%
Colorado School of Mines	15,225	2,128	17,353	12.3%
University of Northern Colorado	6,372	1,794	8,166	22.0%
Colorado State University - Pueblo	6,159	2,123	8,282	25.6%
Fort Lewis College	5,856	1,745	7,601	23.0%
Metropolitan State University	5,222	1,198	6,420	18.7%
Adams State University	5,448	3,126	8,574	36.5%
Colorado Mesa University	7,185	823	8,008	10.3%
Western State Colorado University	5,844	2,607	8,451	30.8%
Community Colleges Average	3,747	409	4,156	9.8%

**➔ Indirect Cost Adjustments**

*Request:* This is a staff-initiated change and was not requested by the Department. However, the Department annually submits an indirect cost collection plan in February.

*Recommendation:* The staff recommendation applies the Department's requested indirect cost collection plan for FY 2016-17. The plan offsets \$5,562,745 that would otherwise be required to support administration and other activities in this department.

*Analysis:*

The Department charges cash, reappropriated, and federal funded programs for their portion of statewide overhead costs, such as human resources in the Department of Personnel, and for Department overhead costs for CCHE and the Department Administration. The revenues generated, called indirect cost recoveries, are then used to offset the need for General Fund.

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The Department has submitted a requested indirect cost allocation plan, detailed below, but has not submitted a request for related adjustments to line items typically supported through indirect cost collections.

Staff recommends the Department’s allocation plan and recommends indirect cost adjustments in several department line items, based on the total revenue generated by departmental and statewide indirect cost collections the amount required to support line items typically funded through indirect cost collections. Final adjustments are possible related to pending Committee decisions for some centrally-appropriated line items.

*Indirect Cost Plan:* The table below shows The Department’s requested indirect cost allocation plan. These figures include \$3,139,041 for Departmental indirect cost collections and \$2,423,704 for statewide indirect cost collections. For additional detail on the assessment methodology, see the figure setting appendix.

	<b>FY 2016-17</b>
University of CO	\$1,915,998
CSU System	986,245
Ft. Lewis	21,239
Adams State	37,891
Colorado Mesa	195,902
Western State	22,439
Metro State	385,081
Community Colleges	1,228,467
U. of Northern CO	296,081
School of Mines	215,081
Auraria Higher Ed Ctr	12,446
<b>SUBTOTAL</b>	<b>5,316,871</b>
CCHE	0
History Colorado	140,168
Private Occupational Schools	7,454
Vet. Medicine	327
<b>SUBTOTAL</b>	<b>5,464,821</b>
CollegeInvest	17,942
CollegeAssist	79,183
Local Districts	799
<b>TOTAL</b>	<b>\$5,562,745</b>

Typically, the share of indirect costs allocated to the General Fund are not collected, because it is unnecessary to collect from the General Fund in order to pay the General Fund. A large portion of the cash funds each institution collects is just a transfer of General Fund from the College Opportunity Fund Program. However, if higher education institutions were not charged for a share of centrally provided services, like those provided by the Department of Personnel, then

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these services would need to be considered a state grant for purposes of determining the enterprise status of the institutions. To avoid this, the higher education institutions are assessed indirect on revenue earned from stipend payments and fee-for-service contracts.

All of the indirect recoveries are characterized as reappropriated funds except the recoveries from CollegeInvest and College Assist. Those two agencies are not otherwise appropriated in the Long Bill, and so the indirect cost recoveries from them are not a double count.

*Recommendation:* Staff has applied the total collections identified above as reflected in the table below. In sum, **the FY 2016-17 indirect cost collection plan allows for an offset of an additional \$506,589 General Fund above the level included in the FY 2015-16 Long Bill related to the FY 2016-17 assessment. In addition, staff recommends a further indirect cost collections increase/General Fund decrease of \$20,048 to correct a FY 2015-16 error.** Specifically, higher education institutions were assessed \$20,048 more in FY 2015-16 than the total indirect cost collection amount appropriated in the Long Bill. As a result, \$20,048 in FY 2015-16 collections is available for appropriation in FY 2016-17.

**If Committee common policy results in a different amount being used in the Department Administration section (pots), staff requests permission to apply offsetting adjustments in the Need Based Aid line item so that the net increase in indirect collections and net decrease in General Fund from the FY 2015-16 Long Bill remains \$506,589 plus \$20,048.**

Use of Indirects	Total Indirects	Dept indirects	State Indirects	Cash indirects	General Fund Impact
Total IC collections available for FY 16-17	\$5,562,745	\$3,138,257	\$2,326,564	\$97,924	(\$5,562,745)
<i>Use of Indirects Before Adjustments</i>					
Dept Admin (pots) as of 2/30 with common policy	1,054,217	1,054,217	-		(1,054,217)
CCHE Administration with annualizations	2,404,039	775,736	1,519,759	108,544	(2,404,039)
CCHE - Special Purpose line items	697,900	697,900			(697,900)
Occupational Ed - Administration	900,000	-	900,000		(900,000)
Subtotal used -base	5,056,156	2,527,853	2,419,759	108,544	(5,056,156)
<i>Additional Adjustments</i>					
Adjust share in CCHE Administration	326,450	430,265	(93,195)	(10,620)	(326,450)
Adjust need-based aid	180,139	180,139	-	-	(180,139)
Revised total used	5,562,745	3,138,257	2,326,564	97,924	(5,562,745)
<b>Total GF impact of indirect cost changes, annualizations, admin decision items</b>					<b>(506,589)</b>
<b>Components of additional General Fund offset from Indirect Costs (compared to FY 2015-16 Long Bill)</b>					
Increase in available indirect cost collections					502,764
Reduction in IC needed for department administration (common policy)					17,145
Increase in IC need to annualize prior year changes in CCHE administration					(5,320)
WICHE decision item					(8,000)
Additional General Fund offset					<b>506,589</b>



**ADDITIONAL NOTES:** The Department's indirect cost recovery calculations left out appropriations for two bills that were appropriated to the CCHE administration line item and that staff would normally have expected would be included in the calculation. Based on further discussion with the Department, staff anticipates that:

- The appropriation for H.B. 15-1227 (\$7,232) will be incorporated in the FY 2017-18 indirect cost collections calculation as though it were a supplemental);
- If, based on further discussions this summer, the H.B. 15-1274 appropriation is deemed appropriate for inclusion (\$200,000) it too will be incorporated in the FY 2017-18 collection (both the FY 2016-17 and FY 2017-18 amounts);
- The Department and staff will meet over the summer to discuss potential changes to the indirect cost collection methodology for departmental indirect cost collections. *Staff continues to believe that it might be most appropriate to provide direct General Fund support for the Department and reduce institutional direct General Fund allocations by the same amount, in lieu of the current indirect cost collection process.*

## (1) Department Administrative Office

This division includes funding for centrally appropriated items for:

- the Colorado Commission on Higher Education and central administration for the Department of Higher Education, the GEAR UP program and the Division of Private Occupational Schools;
- the Colorado Geological Survey at the Colorado School of Mines;
- and History Colorado.

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

<b>Department Administrative Office</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>						
S.B. 15-234 (Long Bill)	4,510,951	0	2,774,216	1,081,157	655,578	0.0
<b>TOTAL</b>	<b>\$4,510,951</b>	<b>\$0</b>	<b>\$2,774,216</b>	<b>\$1,081,157</b>	<b>\$655,578</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$4,510,951	\$0	\$2,774,216	\$1,081,157	\$655,578	0.0
Nonprioritized requests	4,141	0	4,141	0	0	0.0
Centrally appropriated line items	(254,716)	24,498	(366,328)	23,041	64,073	0.0
Annualize prior year salary survey and merit pay	(256,339)	0	(165,716)	(42,408)	(48,215)	0.0
Fund source adjustment	0	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$4,004,037</b>	<b>\$24,498</b>	<b>\$0</b>	<b>\$1,061,790</b>	<b>\$671,436</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$506,914)	\$24,498	(\$527,903)	(\$19,367)	\$15,858	0.0
Percentage Change	(11.2%)	0.0%	(19.0%)	(1.8%)	2.4%	0.0%
<b>FY 2016-17 Executive Request:</b>						
Request Above/(Below) Recommendation	\$429,945	\$4,232	\$390,998	\$8,079	\$26,636	0.0

\*Includes amounts that were pending at the time this document was finalized. For amounts that are pending the *request* is reflected.

## DECISION ITEMS – DEPARTMENT ADMINISTRATIVE OFFICE

### ➔ Technical Adjustments to "Pots" for History Colorado Downsizing

*Recommendation:* The Joint Budget Committee common policy amounts for personal services "pots" (AED, SAED, H/L/D, and STD) did not take into account the significant downsizing at History Colorado that has occurred since the pots "runs" in July 2015. In light of this, staff requested that History Colorado reanalyze the request to incorporate the necessary changes. The table below compares the JBC common policy total with the recommendation. The changes below reflect the approximately 18.0 percent reduction in History Colorado total staff salaries resulting from downsizing. Only cash funds (State Historical Fund subaccounts) and federal funds are affected.

Summary differences - totals	Common Policy	Recommendation	Difference
Health, Life Dental	\$1,823,867	\$1,620,777	(\$203,090)
Short-term Disability	22,274	20,161	(2,113)
PERA AED	608,871	549,352	(59,519)
PERA SAED	602,527	543,629	(58,898)

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## LINE ITEM DETAIL – DEPARTMENT ADMINISTRATIVE OFFICE

### Health, Life, and Dental

This line item funds the State's contribution to state employee medical and dental plans. The request is made for the entire Department, based on the recommended contribution rates as submitted by the State Personnel Director and enrollment figures. As for all centrally-appropriated items in this section, the amounts do not fund benefits for employees of the state higher education institutions.

The health, life, dental insurance benefit for staff of the Colorado Commission on Higher Education (CCHE) differs from the benefit provided for other state staff, as CCHE contracts for its health, life, and dental benefit through the community college system. In response to an FY 2015-16 Request for Information, the Department submitted data comparing the two benefits.

Currently 106 Department staff are covered under the community college plans (includes "off budget" staff for CollegeAssist, CollegeInvest, College in Colorado, and grant-funded programs). The Department reports that this arrangement has been in place for at least 16 years. The Department pursued this option because it provided a better benefit at a lower cost to the State and employee.

Review of the current plan options from the State and the Community College System indicates the following:

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- The Kaiser plan offered by the Community College System is, in total, lower in cost than any of the plans offered by the State. All other plans offered by the Community College System are, in total, more expensive than the plans offered by the State.
- The Department offers the Kaiser plan to its employees for free (no employee share) for both the individual and family plan, while employees on State plan all pay monthly premiums. However, the other plans offered by the Department/Community College system have premiums that are comparable to or higher than the premiums paid by participants in the State plans.
- The fiscal impact of the plans is difficult to compare because the State plan includes options for employee+spouse and employee+children, while the community college plans offer only two options: employee only or family.

	Employee		
MEDICAL			
State Plans	Cost State Covers	Employee Cost	Total Premium
UHC Copay Plan	465.61	135.14	600.75
UHC High Deductible	465.61	18.20	483.81
Kaiser Copay Plan	465.61	89.20	554.81
Kaiser High Deductible	465.61	56.20	521.81

CCCS Plans			
Anthem BCBS			
Blue Priority HMO	520.00	131.00	651.00
Preferred Provider PPO	571.00	131.00	702.00
Point of Service	571.00	159.00	730.00
HMO Colorado	571.00	172.00	743.00
Kaiser	493.00	0.00	493.00

- Because 80 percent of Department staff choose the Kaiser plan, the Department still considers the Community College System plan attractive. **The total cost to the Department is, however, higher than the cost would be under the State plan because the Department chooses to pay a larger contribution than the required share under the State plans: it pays \$493 per month to \$1,435 per month per employee, versus the \$466 to \$1,230 paid by employers using the State plan.** It does this out of its base budget (the CCHE administration and Division of Private Occupational Schools line items). Based on the "pots"

recommendation for FY 2016-17, staff anticipates that the Department will spend approximately **\$30,000** in cash and reappropriated funds in its base budget to cover the difference between the "pots" appropriation and the benefit it provides.

**To ensure the State health benefits "pot" for Department of Higher Education administrative employees is comparable to that for other state staff, beginning in FY 2016-17, The Department was asked to submit data templates for the CCHE staff that correspond with the templates used for other staff on the state health benefit program.** The health, life, dental "pot" is based on the template amount, rather than the actual amount the Department pays for the staff benefit.

The Department provided two templates for these calculations. For one template, the Department used the State plan contribution rates but reflected the two options available to staff under the community college plan: employee only or family. For the other template, the Department also used the State plan contribution rates but surveyed staff to determine the option they would have selected if they had the additional State choices (employee+spouse or employee+children). *Based on this survey, in FY 2015-16, the total additional cost of employees choosing between only two options (employee or employee+family) was 6.0 percent higher than the alternative calculation or about \$41,000 total for the "pots" calculation.*

<b>CCHE Administration and Division of Private Occupational Schools</b>		CF	RF	FF	Total
Request/Recommend: Using Employee/Family Choice		97,219	240,856	342,631	680,707
Hypothetical Choice, including employee+spouse, employee plus children		<u>92,895</u>	<u>218,209</u>	<u>328,868</u>	<u>639,972</u>
Difference		4,324	22,648	13,764	40,735

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

*Request:* The Department requests an appropriation of \$1,823,686 total funds for this line item, including an OSPB common policy adjustments. For employees on the community college plan, the request was based on the individual's actual choice (employee or family) rather than the hypothetical choice they would have made using state plan options.

*Recommendation:* The staff recommendation is reflected in the table below. As described above, the Executive request relied on a calculation for staff on the community college system plan based on the individual's actual choice (employee or family) rather than the hypothetical choice they would have made using state plan options. Given the small discrepancy between the two calculations, Department's relatively small staff, and the administrative burden involved in conducting this survey on a regular basis, the staff recommendation—consistent with the Executive request—is based on the templates that reflect employees' actual choice ("individual" or "family"). However, the table above compares the two figures in case the Committee prefers using the lower option.

There are, however, differences between the request and recommendation. These are based on:

- History Colorado downsizing; and
- Minor technical corrections to the pots template spreadsheets

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<b>Department Administrative Office, Health, Life, and Dental</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>						
S.B. 15-234 (Long Bill)	1,902,038	0	1,144,173	349,353	408,512	0.0
<b>TOTAL</b>	<b>\$1,902,038</b>	<b>\$0</b>	<b>\$1,144,173</b>	<b>\$349,353</b>	<b>\$408,512</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$1,902,038	\$0	\$1,144,173	\$349,353	\$408,512	0.0
Centrally appropriated line items	(391,221)	5,119	(301,193)	(104,736)	9,589	0.0
<b>TOTAL</b>	<b>\$1,510,817</b>	<b>\$5,119</b>	<b>\$842,980</b>	<b>\$244,617</b>	<b>\$418,101</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	<b>(\$391,221)</b>	<b>\$5,119</b>	<b>(\$301,193)</b>	<b>(\$104,736)</b>	<b>\$9,589</b>	<b>0.0</b>
Percentage Change	(20.6%)	0.0%	0.0%	(30.0%)	2.3%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$1,823,868</b>	<b>\$5,210</b>	<b>\$1,136,133</b>	<b>\$245,528</b>	<b>\$436,997</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$313,051	\$91	\$293,153	\$911	\$18,896	0.0

The table below shows the estimated allocation to different agencies and divisions funded in this line item.

<b>Health, Life, Dental</b>	<b>Total</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>
Colorado Commission on Higher Education	\$621,751	\$0	\$38,264	\$240,856	\$342,631
Division of Private Occupational Schools	58,921	0	58,921	0	0
History Colorado	800,960	0	733,717	0	67,243
Colorado Geological Survey	29,184	5,119	12,077	3,761	8,227
<b>Total</b>	<b>1,510,816</b>	<b>5,119</b>	<b>842,979</b>	<b>244,617</b>	<b>418,101</b>

**Short-term Disability**

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

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

*Request:* The Department requests an appropriation of \$22,274 total funds for this line item, including an OSPB common policy adjustment.

*Recommendation:* The staff recommendation is reflected in the table below. Amounts are lower than the request due to adjustments for downsizing at History Colorado.

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<b>Department Administrative Office, Short-term Disability</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>						
S.B. 15-234 (Long Bill)	25,965	0	16,856	4,319	4,790	0.0
<b>TOTAL</b>	<b>\$25,965</b>	<b>\$0</b>	<b>\$16,856</b>	<b>\$4,319</b>	<b>\$4,790</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$25,965	\$0	\$16,856	\$4,319	\$4,790	0.0
Centrally appropriated line items	(5,804)	353	(5,221)	(751)	(185)	0.0
<b>TOTAL</b>	<b>\$20,161</b>	<b>\$353</b>	<b>\$11,635</b>	<b>\$3,568</b>	<b>\$4,605</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$5,804)	\$353	(\$5,221)	(\$751)	(\$185)	0.0
Percentage Change	(22.4%)	0.0%	(31.0%)	(17.4%)	(3.9%)	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$22,274</b>	<b>\$353</b>	<b>\$13,602</b>	<b>\$3,568</b>	<b>\$4,751</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$2,113	\$0	\$1,967	\$0	\$146	0.0

The table below shows the estimated allocation to different agencies and divisions funded in this line item.

<b>Short Term Disability</b>	<b>Total</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>
Colorado Commission on Higher Education	\$7,665	\$0	\$523	\$3,495	\$3,647
Division of Private Occupational Schools	933	0	933	0	0
History Colorado	10,650	0	9,778	0	872
Colorado Geological Survey	913	353	401	73	86
<b>Total</b>	<b>20,161</b>	<b>353</b>	<b>11,635</b>	<b>3,568</b>	<b>4,605</b>

**Amortization Equalization Disbursements**

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

*Statutory Authority:* Section 24-51-411, C.R.S.

*Request:* The Department requests an appropriation of \$604,024 total funds for this line item, including an OSPB common policy adjustment.

*Recommendation:* The staff recommendation is reflected in the table below. Amounts are lower than the request due to adjustments for downsizing at History Colorado.

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<b>Department Administrative Office, S.B. 04-257 Amortization Equalization Disbursement</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>						
S.B. 15-234 (Long Bill)	534,843	0	347,174	88,956	98,713	0.0
<b>TOTAL</b>	<b>\$534,843</b>	<b>\$0</b>	<b>\$347,174</b>	<b>\$88,956</b>	<b>\$98,713</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$534,843	\$0	\$347,174	\$88,956	\$98,713	0.0
Centrally appropriated line items	14,510	9,563	(29,149)	7,793	26,303	0.0
<b>TOTAL</b>	<b>\$549,353</b>	<b>\$9,563</b>	<b>\$318,025</b>	<b>\$96,749</b>	<b>\$125,016</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$14,510	\$9,563	(\$29,149)	\$7,793	\$26,303	0.0
Percentage Change	2.7%	0.0%	(8.4%)	8.8%	26.6%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$604,024</b>	<b>\$9,563</b>	<b>\$368,879</b>	<b>\$96,749</b>	<b>\$128,833</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$54,671	\$0	\$50,854	\$0	\$3,817	0.0

The table below shows the estimated allocation to different agencies and divisions funded in this line item.

<b>Amortization Equalization Disbursement (AED)</b>	<b>Total</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>
Colorado Commission on Higher Education	\$201,112	\$0	\$13,294	\$91,267	\$96,551
Division of Private Occupational Schools	23,284	0	23,284	0	0
History Colorado	277,626	0	254,852	0	22,774
Colorado Geological Survey	47,330	9,563	26,594	5,482	5,691
<b>Total</b>	<b>549,352</b>	<b>9,563</b>	<b>318,024</b>	<b>96,749</b>	<b>125,016</b>

**Supplemental Amortization Equalization Disbursements**

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

*Statutory Authority:* Section 24-51-411, C.R.S.

*Request:* The Department requests an appropriation of \$597,732 total funds for this line item, including an OSPB common policy adjustment.

*Recommendation:* The staff recommendation is reflected in the table below. Amounts are lower than the request due to adjustments for downsizing at History Colorado.



*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Department Administrative Office, S.B. 06-235 Supplemental Amortization Equalization Disbursement</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>						
S.B. 15-234 (Long Bill)	516,610	0	335,338	85,924	95,348	0.0
<b>TOTAL</b>	<b>\$516,610</b>	<b>\$0</b>	<b>\$335,338</b>	<b>\$85,924</b>	<b>\$95,348</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$516,610	\$0	\$335,338	\$85,924	\$95,348	0.0
Centrally appropriated line items	27,019	9,463	(20,627)	9,817	28,366	0.0
<b>TOTAL</b>	<b>\$543,629</b>	<b>\$9,463</b>	<b>\$314,711</b>	<b>\$95,741</b>	<b>\$123,714</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$27,019	\$9,463	(\$20,627)	\$9,817	\$28,366	0.0
Percentage Change	5.2%	0.0%	(6.2%)	11.4%	29.7%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$597,732</b>	<b>\$9,463</b>	<b>\$365,037</b>	<b>\$95,741</b>	<b>\$127,491</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$54,103	\$0	\$50,326	\$0	\$3,777	0.0

The table below shows the estimated allocation to different agencies and divisions funded in this line item.

<b>Supplemental AED</b>	<b>Total</b>	<b>GF</b>	<b>CF</b>	<b>RF</b>	<b>FF</b>
Colorado Commission on Higher Education	\$199,016	\$0	\$13,155	\$90,316	\$95,545
Division of Private Occupational Schools	23,041	0	23,041	0	0
History Colorado	274,735	0	252,198	0	22,537
Colorado Geological Survey	46,837	9,463	26,317	5,425	5,632
<b>Total</b>	<b>543,629</b>	<b>9,463</b>	<b>314,711</b>	<b>95,741</b>	<b>123,714</b>

**Salary Survey**

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

*Statutory Authority:* Section 24-50-104, C.R.S.

*Request:* The Department requested no appropriation for salary survey.

*Recommendation:* Staff has not included an appropriation for salary survey, consistent with Committee common policy.

**Merit Pay**

This line item funds pay increases related to employee performance evaluations.

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

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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*Request:* The Department requested no appropriation for merit pay.

*Recommendation:* Staff has not included an appropriation for salary survey, consistent with Committee common policy.

**Worker's Compensation**

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

*Statutory Authority:* Section 24-30-1510.7, C.R.S.

*Request:* The Department requests \$90,471 total funds for this line item consistent with OSPB common policy.

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

<b>Department Administrative Office, Workers' Compensation</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
S.B. 15-234 (Long Bill)	87,984	0	78,459	9,525	0.0
<b>TOTAL</b>	<b>\$87,984</b>	<b>\$0</b>	<b>\$78,459</b>	<b>\$9,525</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$87,984	\$0	\$78,459	\$9,525	0.0
Centrally appropriated line items	(5,674)	0	(9,204)	3,530	0.0
<b>TOTAL</b>	<b>\$82,310</b>		<b>\$69,255</b>	<b>\$13,055</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$5,674)	\$0	(\$9,204)	\$3,530	0.0
Percentage Change	(6.4%)	0.0%	(11.7%)	37.1%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$90,471</b>	<b>\$0</b>	<b>\$73,796</b>	<b>\$16,675</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$8,161		\$4,541	\$3,620	0.0

**Legal Services for 448 hours**

This line item provides funding for the Department's purchase of legal services from the Department of Law. About two-thirds of total hours are for History Colorado.

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

*Request:* The Department requests \$43,075 for this line item.

*Recommendation:* Staff recommends funding for a continuation level of 448 legal services hours. The appropriation is **pending** a common policy by the JBC on the legal services hourly

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

rate. When the JBC makes a common policy decision, staff will apply the policy to this line item.

The table below shows actual expenditures and utilization for this line item. In light of recent-year charges, the 448 hours appears reasonable.

<b>CCHE Legal Services Utilization</b>			
	<b>Actuals Reported</b>	<b>Blended Rate</b>	<b>Est. Hours</b>
FY 2010	62,572	75.38	830
FY 2011	32,870	73.37	448
FY 2012	33,918	75.71	448
FY 2013	32,247	91.08	354
FY 2014	40,804	99.01	412
FY 2015*	43,403	99.01	438

\*Reduced by \$18,216 for one-time H.B. 14-1319 costs

**Administrative Law Judge Services**

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

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

*Request:* The Department requests \$7,148 total funds for this line item pursuant to OSPB's budget instructions.

*Recommendation:* The recommendation is to follow the JBC's common policy, as reflected in the table below. The appropriation is from various cash funds and is related to the Division of Private Occupational Schools.

<b>Department Administrative Office, Administrative Law Judge Services</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	0	0	0	0.0
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$0	\$0	\$0	0.0
Centrally appropriated line items	7,475	0	7,475	0.0
<b>TOTAL</b>	<b>\$7,475</b>		<b>\$7,475</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	<b>\$7,475</b>	<b>\$0</b>	<b>\$7,475</b>	<b>0.0</b>
Percentage Change	0.0%	0.0%	0.0%	0.0%

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Department Administrative Office, Administrative Law Judge Services</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2016-17 Executive Request:</b>	<b>\$7,148</b>	<b>\$0</b>	<b>\$7,148</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$327)		(\$327)	0.0

The Department is billed for the 39.7 hours used in FY 2014-15 out of its FY 2016-17 budget.

<b>Fiscal Year</b>	<b>ALJ Hours Used</b>
2010-11	4.4
2011-12	10.4
2012-13	18.6
2013-14	0.0
2014-15	39.7

**Payment to Risk Management and Property Funds**

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

*Statutory Authority:* Section 24-30-1510 and 24-30-1510.5, C.R.S.

*Request:* The Department requests an appropriation of \$123,103 total funds for this line item pursuant to OSPB's budget instructions.

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

<b>Department Administrative Office, Payment to Risk Management and Property Funds</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
S.B. 15-234 (Long Bill)	94,719	0	90,678	4,041	0.0
<b>TOTAL</b>	<b>\$94,719</b>	<b>\$0</b>	<b>\$90,678</b>	<b>\$4,041</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$94,719	\$0	\$90,678	\$4,041	0.0
Centrally appropriated line items	33,425	0	30,925	2,500	0.0
<b>TOTAL</b>	<b>\$128,144</b>		<b>\$121,603</b>	<b>\$6,541</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	<b>\$33,425</b>	<b>\$0</b>	<b>\$30,925</b>	<b>\$2,500</b>	<b>0.0</b>

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Department Administrative Office, Payment to Risk Management and Property Funds</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
Percentage Change	35.3%	0.0%	34.1%	61.9%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$123,103</b>	<b>\$0</b>	<b>\$114,476</b>	<b>\$8,627</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$5,041)		(\$7,127)	\$2,086	0.0

**Leased Space**

This line item pays for leased space for the Department's administrative office at 1560 Broadway.

*Request:* The Department requests \$556,818 total funds for this line item based on the terms of the lease. This amount includes a \$10,652 increase. The Department entered into this lease at the end of FY 2007-08, and the terms of the contract continue through April 2018. The contract includes annual inflationary escalators. The requested increase is based on the increase in the lease.

*Recommendation:* **Staff recommends the Department's request based on the cost of the lease.** The lease is subject to annual escalators pursuant to the contract. The lease cost for FY 2016-17 is \$636,457 for 21,034 square feet or about \$30.26 per square foot, with a total annual payment due of \$669,631 including additional utility, operating, and parking costs. This is more than the current appropriation because the Department offsets costs through a property tax deduction credit and sub-lease payments from off-budget programs, as well as, one on-budget program (the Colorado Opportunity Scholarship Initiative).

*JBC Staff Figure Setting: FY 2016-17  
Staff Working Document – Does Not Represent Committee Decision*

	FY 2015-16	FY 2016-17 Estimated
<b>Total Lease Per Contract</b>	\$ 625,805	\$ 636,457
Additional Operating Expenses	\$ 15,738	\$ 15,222
Parking Costs	\$ 11,100	\$ 11,100
Additional Electric Costs	\$ 6,672	\$ 6,852
<b>Total Leased Space Costs</b>	<b>\$ 659,315</b>	<b>\$ 669,631</b>
DHE Leased Space Appropriation (RF)	\$ (436,934)	\$ (445,456)
DPOS Leased Space Appropriation (CF)	\$ (109,232)	\$ (111,362)
<b>Total FY 15-16 Leased Space Appropriation</b>	<b>\$ (546,166)</b>	<b>\$ (556,818)</b>
<b>Remaining FY 15-16 Leased Space Costs</b>	<b>\$ 113,149</b>	<b>\$ 112,813</b>
Property Tax Deduction (credit provided by building management)	\$ (33,251)	\$ (33,251)
Sub-lease payment from CollegeInvest	\$ (37,254)	\$ (37,937)
GEAR-UP payment	\$ (25,000)	\$ (25,000)
<b>Total Supplemental Income/Credits</b>	<b>\$ (95,505)</b>	<b>\$ (96,188)</b>
<b>Balance of Total Leased Space Costs (picked up by COSI)</b>	<b>\$ 17,644</b>	<b>\$ 16,625</b>

*This is a lease in a fairly high-end downtown building.* For 2016-17, the cost is consistent with average market rates for this type of office space. The average price of “Class A” office space in FY 2013-14 in the central Denver business district was about \$30 per square foot. Staff’s understanding is that the Department is locked into this 10-year lease through FY 2017-18.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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**Payments to OIT**

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

*Statutory Authority:* Section 24-37.5-104, C.R.S.

*Request:* The Department has requested \$403,610 total funds for this line item, corresponding to requested adjustments in the Office of Information Technology.

*Recommendation:* The staff recommendation for this line item is **pending**. Staff will reflect the amount approved by the Committee, if any, when the common policy amount for this service is finalized.

**CORE Operations**

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

*Statutory Authority:* Section 24-30-209, C.R.S.

*Request:* The Department requests \$161,859 total funds for this line item pursuant to OSPB's budget instructions.

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

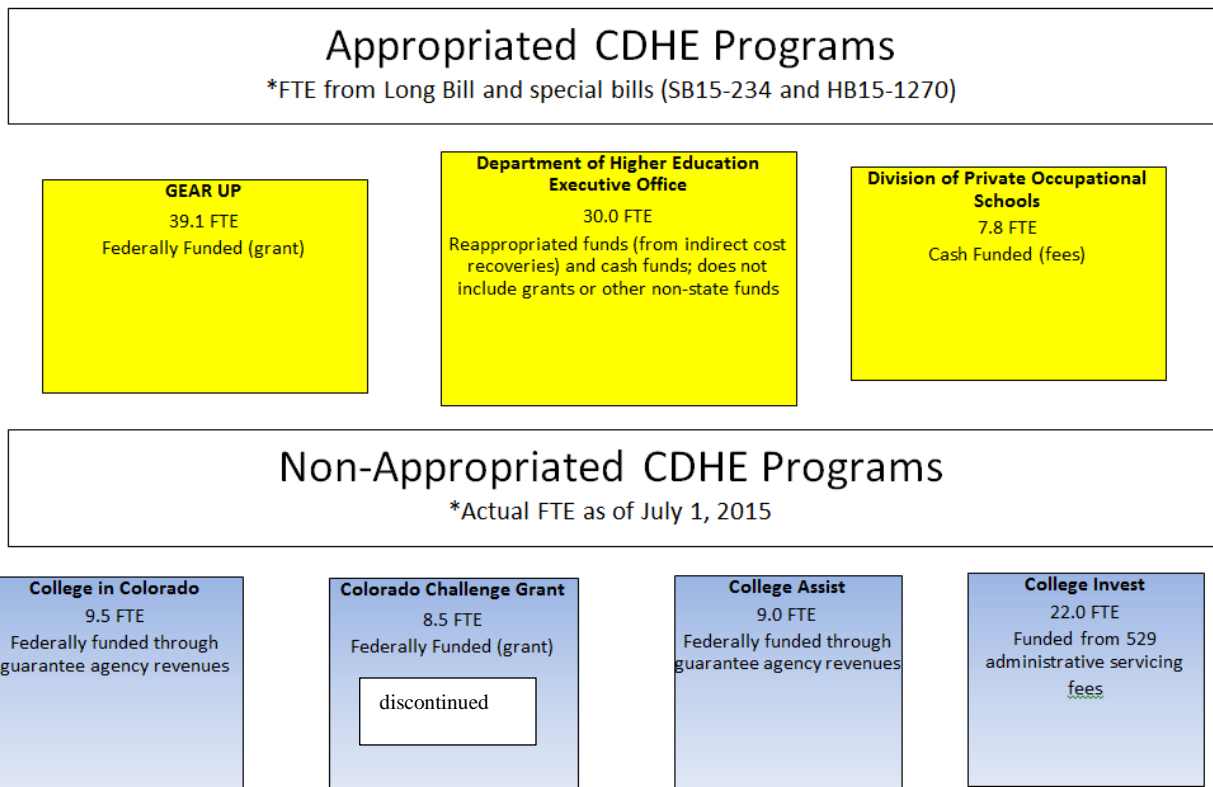
<b>Department Administrative Office, CORE Operations</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>						
S.B. 15-234 (Long Bill)	95,720	0	78,265	17,455	0	0.0
<b>TOTAL</b>	<b>\$95,720</b>	<b>\$0</b>	<b>\$78,265</b>	<b>\$17,455</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$95,720	\$0	\$78,265	\$17,455	\$0	0.0
Centrally appropriated line items	62,925	0	8,192	54,733	0	0.0
<b>TOTAL</b>	<b>\$158,645</b>	<b>\$0</b>	<b>\$86,457</b>	<b>\$72,188</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$62,925	\$0	\$8,192	\$54,733	\$0	0.0
Percentage Change	65.7%	0.0%	10.5%	313.6%	0.0%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$161,859</b>	<b>\$0</b>	<b>\$88,209</b>	<b>\$73,650</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$3,214	\$0	\$1,752	\$1,462	\$0	0.0

## (2) Colorado Commission on Higher Education

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

Much of the Department's activities are off-budget. The chart below reflects the full array of programs operated by the Department, including those that are off budget. Note that many of these off-budget programs are supported by revenue that resulted from the state's role as a loan guarantee agency for the federal government. Staff anticipates that this funding source will decline over time as the federal government now makes student loans directly, and the state guarantee-agency role has been eliminated for new loans.

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



Prepared by DHE Budget and Finance Staff 2/12/16

Appropriated programs are described under the relevant line items in this division. A brief description of non-appropriated programs is included here.

*College Invest (22.0 FTE; cash funds):* This agency manages the Colorado college savings plans authorized under section 529 of the Internal Revenue Code. Savings deposited in these 529



accounts are exempt from Colorado income tax, and interest earnings and capital gains on the accounts are exempt from both state and federal tax if used for qualified purposes.

For fiscal year 14-15, total actual expenditures of \$577.7 million included:

- \$4,141,000 operating expenses;
- \$1,437,000 scholarships and loan forgiveness
- \$23,815,000 servicing fees
- \$577.7 million in benefits paid to participants and withdrawals.

The budget for FY 2015-16 and FY 2016-17 is \$669,733,000.

*College Assist (9.0 FTE; federal funds):* College Assist served as the guarantee agency for student loans issued before the federal government took over this role. The agency no longer provides student loan origination and disbursement assistance but is now focused solely on default prevention for previously-issued loans. The budget for FY 2016-17 is still estimated at \$2.3 million. Because the federal government now issues student loans directly, the State still receives revenue related to historic loans but not new ones. Staff anticipates that the program will gradually phase-out.

For fiscal year 14-15, total actual expenditures of \$299.8 million included:

- \$1,823,246 operating expenses;
- \$302,763 College Opportunity Fund administration
- \$297.7 million claims and rehabilitation discounts

The budget for FY 2015-16 and FY 2016-17 is \$292,329,930.

*College in Colorado (9.5 FTE; primarily federal funds):* This program provides outreach and an integrated website for students and counselors to assist students in making the high school-to-college transition. Core funding for College in Colorado is from the state's legacy College Assist/guarantee agency role. Because guarantee agency revenue is being gradually phased out staff understands it is likely that by FY 2020-21 the program will either need a new revenue source or will need to be phased out.

- For fiscal year 14-15, actual expenditures were \$1,494,872 federal funds (down from \$2.6 million in FY 2013-14).
- The budget for FY 2015-16 and FY 2016-17 is \$1,762,650. This includes a base \$1.6 million federal funds and \$200,000 reappropriated funds that is transferred from the Department of Labor and Employment and passed (on-budget) through the CCHE administration line item.

*Other Federal Grants:* The Department reports that the \$1.0 million per year College Access Challenge Grant, which focused on financial aid outreach, is being *discontinued* in FY 2015-16. The Department still anticipates \$672,373 for FY 2015-16 from federal No Child Left Behind/teacher quality grants and a similar amount in FY 2016-17.

*Private Grants:* The Department anticipates \$262,347 in private grants in FY 2015-16 and \$154,358 for FY 2016-17 for various projects. This reflects a significant decrease from over \$700,000 in private funds accessed in FY 2013-14 and FY 2014-15.

## **DECISION ITEMS – COLORADO COMMISSION ON HIGHER EDUCATION**

### **➔ R3 Western Interstate Commission for Higher Education**

*Request:* The request includes an increase of \$8,000 reappropriated funds to pay for the increase in Western Interstate Commission for Higher Education (WICHE) dues from \$137,000 to \$145,000 per year.

WICHE is a coalition of 15 western states that benefit members through shared research data and the development of reciprocity and student exchange programs. WICHE provides the following main services:

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

Membership in WICHE allows Colorado institutions of higher education to participate in the Western Undergraduate Exchange Program (WUE). WUE students pay 150 percent of resident tuition rates at institutions in other participating states. The professional and graduate education exchange programs allows students to attend selected uncommon, specialized, or high-quality graduate programs in other WICHE states at resident tuition rates. For the professional programs, the member's state pays a fee and, in some cases including Colorado, requires participant students to return to their home states.

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

*Recommendation:* **Staff recommends the requested increase of \$8,000 for WICHE dues.** Participation in WICHE seems to offer significant benefits including, in particular, access to the WICHE student exchange programs.

In FY 2015-16, Colorado sent 23 students to the professional student exchange program in other states (for Optometry) and received 177 in various disciplines; in 2015, it sent 96 students to other states through the Western Regional Graduate Program and received 357; also in 2015, it

sent 2,578 Colorado students to other states through the Western Undergraduate Exchange but received 3,503 students from other participating states.

WICHE also produces a variety of studies and documents of value to Colorado public higher education institutions, such as studies of tuition and fees, and educational attainment, and numbers of high school graduates in western states.

**➔ Add line items for Lease Purchase of Academic Facilities**

*Request:* The Department of the Treasury submitted a request for \$17.8 million General Fund for Lease Purchase of Academic Facilities, but there was no related request in the Department of Higher Education.

*Recommendation:* Staff recommends that the appropriation for Lease Purchase of Academic Facilities Pursuant to Section 23-19.9-102, C.R.S., be transferred to the Department of Higher Education from the Treasury. Specifically, staff recommends the creation of two new line items in the Department of Higher Education: one for the Higher Education Federal Mineral Lease Revenues Fund and one for Lease Purchase of Academic Facilities Pursuant to Section 23-19.9-102, C.R.S.

The new line items recommended in the Department of Higher Education are shown below.

	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>
Higher Education Federal Mineral Lease Revenues Fund	\$12,125,175	\$12,125,175	\$0	\$0
Lease Purchase of Academic Facilities Pursuant to Section 23-19.9-102	17,775,175	0	5,650,000	12,125,175

In addition, for FY 2016-17 only, staff also recommends reflecting \$17,775,175 reappropriated funds in the Treasury, transferred from the Department of Higher Education, to ensure that someone looking for the line item is able to find it.

*Background:* In 2008, the General Assembly authorized the State to enter into lease-purchase agreements (certificates of participation/COPs) to fund capital construction projects for state-supported institutions of higher education. The General Assembly anticipated significant increases in federal mineral lease (FML) revenue due to natural gas leases on the Roan Plateau and, in light of this, modified the formula allocation for FML revenue to direct a portion to support the new COPs. The Higher Education FML Revenues Fund (revenues fund), created in Section 23-19.9-102, C.R.S., receives the "spillover" (amounts that exceed caps) from other funds that receive statutory allocations of FML revenue. Amounts in this fund are subject to annual appropriation for the higher education COP payments.

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

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Appropriations – Lease Purchase of Academic Facilities Pursuant to Section 23-19.9-102, C.R.S.</b>					
	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>
Capital Construction Fund/ General Fund	\$4,066,510	\$420,184	\$18,587,975	\$18,587,556	\$5,781,075
FML Revenues	<u>8,379,790</u>	<u>18,165,191</u>	<u>0</u>	<u>0</u>	<u>11,991,975</u>
<b>Total</b>	<b>\$12,446,300</b>	<b>\$18,585,375</b>	<b>\$18,587,975</b>	<b>\$18,587,556</b>	<b>\$17,773,050</b>

The JBC is sponsoring H.B. 16-1229 which makes some changes to the funding structure for the COP payments. This bill:

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

The staff recommendation for FY 2016-17 is designed to:

- Use all FML funds that will be available in the revenues fund (\$5.7 million) to offset General Fund otherwise required for the COP payments.
- Comply with language in the COP documents that require all COP payments to be made from the revenues fund. Therefore, General Fund is appropriated to the revenues fund and reappropriated for the COP payments.

## **LINE ITEM DETAIL – COLORADO COMMISSION ON HIGHER EDUCATION**

### **(A) Administration**

#### **Administration**

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

*Statutory Authority:*

*Master Plan*

Develop a master plan and performance contracts with institutions to achieve statewide expectations and goals [23-1-108, 23-5-129, 23-41-104.6]  
Recommend changes to the statewide expectations and goals  
Measure progress toward statewide expectations and goals

*Institutional Role and Mission and System Coordination*

- Define the role and mission of each institution within statutory guidelines [23-1-108]
- Set admissions criteria consistent with the roll and mission of each institution, including enforcing requirements related to percentages of non-resident students that may be enrolled [23-1-108 (1) (d), (e), 113, 113.5, 113.7]
- Establish service areas, designate regional education providers, and monitor courses provided out of state to ensure that no state funds are used for these [23-1-109, 127, 23-5-116, 23-60-207]
- Evaluate duplicate graduate programs and discontinue them where the need is not justified by special excellence, geographical or other particular needs served, or the unique contributions of duplicate programs [23-1-107]
- Establish and enforce transfer agreements and common course numbering, and resolve disputes [23-1-108 (7), 108.5]
- Standardize assessments of basic skills, specify which institutions may offer basic skills courses and supplemental academic instruction, and report to the General Assembly on program effectiveness [23-1-113, 113.3]
- Approve public and private academic and degree programs and investigate complaints [23-1-107 (oversight limited under performance contracts)]
- Coordinate a process to ensure eligible students are aware of their eligibility for an associate's degree (reverse transfer program). [23-1-131]
- Approve comprehensive academic and facilities master plans for the Auraria campus and resolve disputes [23-70-115, 23-70-106.5]
- Establish policies for community colleges to become local district junior colleges [23-71-205]

*State Support for Institutions*

- Develop and report on the system of funding for higher education established pursuant to H.B. 14-1319 [23-18-301 through 307]
- Request operating funds for state institutions [23-1-109.7]
- Negotiate fee-for-service contracts [23-1-109.7]
- Oversee stipends [23-18-101 et seq.]
- Report on College Opportunity Fund Program [23-18-207]
- Prepare fiscal notes to help the legislature assess the impact of legislation
- Approve the acceptance of gifts by institutions, if they require on-going state expenditures [23-5-112]

*Capital Construction*

- Regulate capital construction [23-1-106, 106.3, 24-82-1202], including
  - setting space utilization standards to measure the need for new projects
  - approving long range and individual facility master plans
  - prioritizing projects for state funding

*Financial Aid, Student Loans, College Savings Accounts*

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

*Tuition and Fee Policy*

- Set tuition and fee policies based on roll and mission [23-1-108 (12)] [*authority limited FY 2010-11 through FY 2015-16*]
- Approve fixed tuition policies [23-5-131]
- Negotiate reciprocal tuition agreements [23-1-108 (10), 112, 23-3.3-601]
- Adopt policies concerning the definition, assessment, increase, and use of fees, and the minimum necessary student input [23-1-123]

*Incentivize Institutional Performance*

- Negotiate performance contracts with state-operated institutions [23-5-129]
- Recognize and reward (the latter is not currently funded) programs of excellence and improvement initiatives [23-1-118, 120]
- Implement policies to assure students can complete programs in a timely fashion [23-1-108 (13), 125] after reviewing
  - advising and counseling
  - the availability of courses
  - barriers to transferring course credits
  - costs
  - the implementation of core courses

*Outreach*

- Perform outreach to potential students [23-1-119.1, 23-1-119.2, 23-13-106, 23-15-110.5, 23-18-205]

*Oversee Select Statewide Policies*

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

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

- Analyze state workforce needs versus credential production in coordination with other agencies [23-1-130]
- Coordinate with the State Board of Education to define postsecondary and workforce readiness, align admissions criteria and assessments, and report to school districts on whether students are prepared [23-1-113, 113.2, 113.3, 119]
- Coordinate with the state board of education to ensure that parents and guardians of public school students receive notice regarding postsecondary admissions requirements and precollegiate course requirements [23-1-119.1, 119.2]
- Develop a strategic plan for improving Pre-K-16 mathematics, science, and technology education [22-81-104, 22-83-102]
- Coordinate with the State Board of Education regarding concurrent enrollment [22-35-107]
- Review, approve, and regulate preparation programs for K-12 educators [23-1-121 et seq.]
- Provide financial aid to teachers [23-3.3-901, 23-3.9-102]
- Evaluate and implement 2-year educational programs for professional registered nursing [23-1-126]
- Provide financial aid to nursing professionals [23-3.3-701, 23-3.6-102]
- Collaborate with the Workforce Development Council in the Department of Labor and Employment, the Department of Education, and the community college system to develop and publicize career pathways for students. [24-46.3-104]

*Data Reporting and Collecting*

- Prescribe uniform reporting and collect data regarding
  - financial information [23-1-105]
  - counting and classifying student FTE [23-1-105]
  - academic data [23-1-108 (8)]
  - students eligible for stipends [23-18-202, 203]
  - financial aid [23-3.3-101]
  - shared data with the state board of education [23-1-109.3, 119.3]
  - performance [23-5-129, 23-41-104.6]
  - facility inventories [24-30-1303.5]
  - auxiliary bonds [23-5-102]
  - students convicted of riot offenses [23-5-124, 126]
  - information requested by federal agencies in anti-terrorism investigations [23-5-126]
  - health and dental benefits to higher education employees [23-5-133]

*Promote Technology Transfer*

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

*Staffing:* The staff in this line item fall into the following major sections:

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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- Executive and administrative – Includes director, chief operating officer, chief policy officer, and support staff – 5.0 FTE
- Budget and finance – 9.0 FTE
- Research and data management – 8.0 FTE
- Academic affairs – 6.0 FTE
- Advocacy and outreach – 3.0 FTE [includes 1.0 FTE originally authorized for research and data]

Since FY 2013-14, the General Assembly has added \$289,227 and 3.0 FTE to this line item for data analysis staff (1.0 FTE position was internally redirected by the Department to a "communications manager" position), \$306,169 and 3.0 FTE for financial management staff pursuant to H.B. 14-1319, and, most recently, \$200,000 reappropriated funds from the Department of Labor to add career pathways information to the College in Colorado website pursuant to H.B. 15-1274.

*Request:* The Department requests \$3,185,214 total funds, including \$326,450 General Fund, with the balance from fees and indirect cost collections that offset General Fund otherwise required. The request annualizes FY 2015-16 salary survey and merit awards, as well as initial costs for the FY 2015-16 purchase of Tableau software to enable the Department to bring the higher education funding model in-house. (The cost was \$40,000 in the first year and \$6,000 on going.)

*Recommendation:* The following table summarizes the staff recommendation, which is calculated consistent with Committee common policy, except that staff has included adjustments related to indirect cost collections. This is the only difference between the request and recommendation.

Additional note: The Lieutenant Governor has announced his intention to leave office, including resigning his position as head of the Department of Higher Education near the end of FY 2015-16. House Bill 11-1155 authorized the Lieutenant Governor to be compensated for his additional duties as the head of a principal department. Due to the Lieutenant Governor's base salary, the Department's financial obligation for his salary was lower than it would have been if paying an entire director's salary. As a result, the Department's appropriation was reduced. The bill's fiscal note reflected an annualized reduction of \$76,446 and 1.0 FTE in the appropriation to the Department of Higher Education as of FY 2012-13. *If the Governor again splits the roles of Lieutenant Governor and head of the Department of Higher Education, staff anticipates that this sum, or a figure close to it, will need to be restored to the Department of Higher Education budget.*



*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Colorado Commission on Higher Education, Administration, Administration</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>						
S.B. 15-234 (Long Bill)	2,966,937	319,218	252,364	2,395,355	0	29.9
Other legislation	207,232	7,232	0	200,000	0	0.1
<b>TOTAL</b>	<b>\$3,174,169</b>	<b>\$326,450</b>	<b>\$252,364</b>	<b>\$2,595,355</b>	<b>\$0</b>	<b>30.0</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$3,174,169	\$326,450	\$252,364	\$2,595,355	\$0	30.0
Annualize prior year salary survey and merit pay	45,045	0	5,725	39,320	0	0.0
Indirect cost adjustment	0	(326,450)	(10,620)	337,070	0	0.0
Annualize prior year budget actions and legislation	(34,000)	0	0	(34,000)	0	0.0
<b>TOTAL</b>	<b>\$3,185,214</b>	<b>\$0</b>	<b>\$247,469</b>	<b>\$2,937,745</b>	<b>\$0</b>	<b>30.0</b>
<b>Increase/(Decrease)</b>	\$11,045	(\$326,450)	(\$4,895)	\$342,390	\$0	0.0
Percentage Change	0.3%	(100.0%)	(1.9%)	13.2%	0.0%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$3,185,214</b>	<b>\$326,450</b>	<b>\$258,089</b>	<b>\$2,600,675</b>	<b>\$0</b>	<b>30.0</b>
Request Above/(Below) Recommendation	\$0	\$326,450	\$10,620	(\$337,070)	\$0	0.0

The line item includes the following components, but the Department has flexibility to shift funds among these funding categories.

<b>Colorado Commission on Higher Education, Administration, Administration</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Personal Services	\$2,334,163	\$0	\$88,651	\$2,245,512	\$0	30.0
Operating Expenses	610,965	0	158,818	452,147	0	0.0
Other	240,086	0	0	240,086	0	0.0
<b>Total Recommended FY 2016-17 Appropriation</b>	<b>\$3,185,214</b>	<b>\$0</b>	<b>\$247,469</b>	<b>\$2,937,745</b>	<b>\$0</b>	<b>30.0</b>

**(B) Division of Private Occupational Schools**

This program is responsible for reviewing the curriculum and establishing standards for private occupational schools in Colorado, pursuant to Section 12-59-101, C.R.S., et. seq. The Division regulates over 300 private occupational schools in Colorado and 40 out-of-state schools that deliver education or training in areas such as cosmetology, real estate, IT/business, massage therapy, trucking, automotive, bartending and allied healthcare professions.

As outlined in statute, the Division reports to the executive director of the Department, rather than to the Division of Occupational Education within the Community College System. The Board of Private Occupational Schools, which consists of seven members appointed by the Governor and confirmed by the Senate, advises the executive director and has regulatory oversight and rule-making authority. The source of cash funds in this division is fee revenue from the individual schools and the students.

*Statutory Authority:* Section 12-59-101, C.R.S., et. seq.

*Request:* The Department requests \$656,642 cash funds and 7.8 FTE for this line item, including annualization of FY 2015-16 salary survey and merit pay and S.B. 15-186 (Yoga Teacher Training).

*Recommendation:* Staff recommends the request, which is calculated consistent with Committee common policy.

<b>Colorado Commission on Higher Education, Division of Private Occupational Schools, Division of Private Occupational Schools</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	676,094	0	676,094	7.8
Other legislation	(13,349)	0	(13,349)	0.0
<b>TOTAL</b>	<b>\$662,745</b>	<b>\$0</b>	<b>\$662,745</b>	<b>7.8</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$662,745	\$0	\$662,745	7.8
Annualize prior year salary survey and merit pay	10,446	0	10,446	0.0
Annualize prior year budget actions and legislation	(16,549)	0	(16,549)	0.0
<b>TOTAL</b>	<b>\$656,642</b>		<b>\$656,642</b>	<b>7.8</b>
<b>Increase/(Decrease)</b>	(\$6,103)	\$0	(\$6,103)	0.0
Percentage Change	(0.9%)	0.0%	(0.9%)	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$656,642</b>	<b>\$0</b>	<b>\$656,642</b>	<b>7.8</b>
Request Above/(Below) Recommendation	\$0		\$0	0.0

## **(C) Special Purpose**

### **Western Interstate Commission on Higher Education (WICHE)**

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

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

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

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

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

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

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

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

*Request:* The Department requests \$145,000 reappropriated funds for this line item, including \$8,000 to address a WICHE dues increase. The source of reappropriated funds is indirect cost recoveries.

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

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Colorado Commission on Higher Education, Special Purpose, Western Interstate Commission for Higher Education (WICHE)</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	137,000	0	137,000	0.0
<b>TOTAL</b>	<b>\$137,000</b>	<b>\$0</b>	<b>\$137,000</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$137,000	\$0	\$137,000	0.0
R3 Western Interstate Commission for Higher Education	8,000	0	8,000	0.0
<b>TOTAL</b>	<b>\$145,000</b>		<b>\$145,000</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$8,000	\$0	\$8,000	0.0
Percentage Change	5.8%	0.0%	5.8%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$145,000</b>	<b>\$0</b>	<b>\$145,000</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0		\$0	0.0

**WICHE - Optometry**

This line provides funding for Colorado students to enroll in out-of-state institutions with optometry programs at resident tuition rates through an exchange set up by WICHE. The exchange offers an alternative to establishing such a program in Colorado. In return for the discounted tuition, the students agree to return to Colorado to practice optometry, or to repay the state for its investment. Historically, 75 percent of the students return. The funding is based on enrollment and the reimbursement rates negotiated by the WICHE institutions. The source of reappropriated funds is indirect cost recoveries.

FY 2012-13 request BRI #7 proposed to phase out the program, but the General Assembly did not approve this request.

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

*Request:* The Department requested a continuing appropriation of \$399,000 reappropriated funds for this line item.

*Recommendation:* Staff recommends the request for a continuation level of funding of \$399,000 reappropriated funds from indirect cost recoveries.

**Distribution to the Higher Education Competitive Research Authority**

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

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

The Authority was initially supported by waste tire fees and more recently by Limited Gaming Funds. Senate Bill 13-133 provided for a limited gaming funds transfer of \$2,100,000 at the end of FY 2012-13 and subsequent years. This is currently the sole source of revenue. The table below reflects calendar year revenues and annual disbursements to provide matching funds for various grants at the research institutions. Disbursements for projects are typically spread over two to six years. The 2013 annual report (March 3, 2014), indicated that cumulatively over six years, CHECRA funding of \$9.5 million had brought in \$45 million in matching funds.

Although the chart below indicates that disbursements in 2015 were well below the level of funds or reserves available, the Department indicates that this is due to timing and when federal funds are approved. State funds are not disbursed unless/until the requesting entity receives the federal grant. Thus, various additional grants were tentatively awarded in 2015, but disbursement is pending a federal decision.

<b>Higher Education Competitive Research Authority</b>	<b>CY 2015</b>
<b>Balance available</b>	3,999,781
<b>Revenue</b>	
Limited Gaming Fund	\$2,100,000
Interest	18,430
<b>Total</b>	<b>2,118,430</b>
<b>Disbursements</b>	
<b>Colorado State University</b>	
NSF Center for Multiscale Modeling of Atmospheric Processes (\$150,000 year/5 years)	150,000
AIR-RA program (\$134,000 per year/3 years)	136,000
<b>Colorado School of Mines</b>	
Renewable Energy Materials Research Science and Engineering Ctr. (\$400 per year/6 years, extended 1 year \$200,000)	200,000
Engineering Research Center - Urban Water Infrastructure (\$400,000 per year/6 years)	400,000
NSF WSC Category 2 Collaborative (\$75,000 per year/5 years)	75,000
DOE Advanced Composite Manufacturing (\$100,000 each to CU, CSU, Mines/5 years)	100,000
<b>CU Boulder</b>	
NSF MRSEC Soft Materials Research Center (\$400,000 per year/6 years)	
<b>University of Northern Colorado</b>	
MRI: Single Crystal X-Ray Diffractometer	93,783
MRI: High Performance Computing Cluster	59,978
Legal and audit costs	4,350
<b>Total</b>	<b>1,219,111</b>
Balance as of December 31, 2015 (includes encumbered funds)	<b>4,899,100</b>

*Statutory Authority: Section 23-19.7-102, C.R.S.*

*Request:* The Department requests a continuation level of funding of \$2,800,000 cash funds for this line item.

*Recommendation:* **Staff recommends the Department’s request for a continuation of \$2,800,000 cash funds spending authority.** Although this likely exceeds available revenues and expenditures for FY 2016-17, the program has a sufficient fund balance that some spending from reserves is possible.

**Veterinary School Program Needs**

This line represents the WICHE cash funds and state funds for capital outlay associated with CSU's veterinary medicine program. These moneys appear in the CCHE budget rather than under the Board of Governors of the Colorado State University System with the rest of the veterinary medicine school money due to an agreement with WICHE that requires separate accounting. The funding split is based on the ratio of residents to out-of-state WICHE students. The FY 2014-15 appropriation includes \$131,100 from WICHE cash funds (which are provided directly to CSU, rather than through the Department) and \$153,900 from indirect cost recoveries that offset the need for General Fund.

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

*Request:* The Department requests a continuation level of funding of \$285,000 total funds for this line item, including \$153,900 from indirect cost recoveries.

*Recommendation:* As reflected in the table, staff recommends the request for a continuation level of funding of \$285,000 total funds, but a slight fund adjustment, as the funding sources are based on the ratio of resident to non-resident students in the program: 295 residents and 257 non-residents in FY 2015-16.

<b>Colorado Commission on Higher Education, Special Purpose, Veterinary School Program Needs</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
S.B. 15-234 (Long Bill)	285,000	0	131,100	153,900	0.0
<b>TOTAL</b>	<b>\$285,000</b>	<b>\$0</b>	<b>\$131,100</b>	<b>\$153,900</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$285,000	\$0	\$131,100	\$153,900	0.0
Fund source adjustment	0	0	2,850	(2,850)	0.0
<b>TOTAL</b>	<b>\$285,000</b>	<b>\$0</b>	<b>\$133,950</b>	<b>\$151,050</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,850</b>	<b>(\$2,850)</b>	<b>0.0</b>
Percentage Change	0.0%	0.0%	2.2%	(1.9%)	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$285,000</b>	<b>\$0</b>	<b>\$131,100</b>	<b>\$153,900</b>	<b>0.0</b>

<b>Colorado Commission on Higher Education, Special Purpose, Veterinary School Program Needs</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
Request Above/(Below) Recommendation	\$0		(\$2,850)	\$2,850	0.0

**Colorado Geological Survey at the Colorado School of Mines**

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

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

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

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

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

Both CGS and Mines representatives have indicated to staff that they believe the move of CGS to Mines will ultimately be good for both entities. The move presented some initial challenges and some integration is now occurring, although CGS's public focus and mission is distinct from Mines'.

*Report:* House Bill 12-1355 required a report to the General Assembly on or before December 1, 2013 and each December thereafter through 2017 concerning the priority of functions for the CGS determined by the School of Mines, the sufficiency of Severance Tax moneys to implement the functions and objectives of the survey, and additional funding available from other sources to carry out these functions.

The Colorado School of Mines submitted the third of these required reports in 2015. The report indicates that the CGS has worked extensively communities in the last several years on hazard issues, including the 2013 flooding disaster, the 2014 Mesa County landslide, and additional landslides in 2015. It has also been working with the Department of Public Health to gather information on 23,000 abandoned mine sites and develop a database on such sites.

The report notes that efforts to provide these statutory functions at the same service levels provided prior to the transfer are limited by budget and staffing constraints. As part of the transfer, overall appropriations from the Operational Account of the Severance Tax Trust Fund were reduced by 42 percent; even with the additional General Fund support authorized, total funding and FTE were cut sharply. (JBC staff background: The budget for the CGS at the Department of Natural Resources prior to transfer was \$4.5 million, including \$2.3 million from the Operational Account of the Severance Tax Trust Fund. The FY 2015-16 budget is \$2.3 million, including \$1.3 million from the Operational Account and \$0.4 million from the General Fund.)

The chart below summarizes recent activities and partners.



*JBC Staff Figure Setting: FY 2016-17*  
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Statutory Objective	Partner	Partner	Partner	Partner	Partner
<b>Geologic Hazards</b>					
Review of schools, development plans, and land-use plans for geologic hazards. Provide technical assistance to local governments.	Municipalities, Counties and School Districts	Colorado Department of Emergency Management	Colorado Water Conservation Board	Colorado Department of Local Affairs	Colorado Recovery Office
Prepare, publish, and distribute reports, maps and bulletins when necessary to meet statutory mission	Colorado School of Mines	Colorado Department of Emergency Management	Colorado Oil & Gas Conservation Commission	USGS	
Determine areas of natural geologic hazards that could affect the safety of or economic loss to the citizens of Colorado	Colorado Department of Emergency Management	Colorado School of Mines	Municipalities and Counties	Colorado Recovery Office	Colorado Water Conservation Board and OIT
<b>Mineral and Energy Resources</b>					
Identify areas with commercial mineral deposits	Municipalities and Counties	Colorado State Land Board	USGS		
Promote economic development of mineral and energy resources	Colorado Energy Office	Colorado School of Mines	Municipalities and Counties	Colorado State Land Board	
Prepare, publish, and distribute reports, maps and bulletins when necessary to meet statutory mission	Colorado Mining Association	Colorado School of Mines	University of Colorado	Colorado State Land Board	Municipalities, and Counties
Inventory and analyze the state's mineral and energy resources as to quantity, chemical composition, physical properties, and possible use	Colorado School of Mines	Municipalities, and Counties	Colorado State Land Board	NASA	Colorado Energy Office
<b>Water Resources</b>					
To conduct scientific studies of how geology affects and controls water resources	Colorado Water Conservation Board	Coalition for the Upper South Platte	Counties	Colorado School of Mines	Colorado Department of Health and Environment
Prepare, publish, and distribute reports, maps and bulletins when necessary to meet statutory mission	Colorado Water Conservation Board	Coalition for the Upper South Platte	Counties	Colorado Department of Health and Environment	Colorado School of Mines

*Statutory Authority:* Sections 23-41-201 through 210, C.R.S.

*Request:* The Department of Higher Education requests \$2,243,363 and 15.5 FTE, including \$411,829 General Fund and \$1,486,289 from the Operational Account of the Severance Tax Trust Fund for the Geological Survey at the Colorado School of Mines. This includes annualizing FY 2015-16 salary and merit appropriations.

*Line Item Recommendation:* The staff recommendation is reflected in the table below.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Colorado Commission on Higher Education, Special Purpose, Colorado Geological Survey at the Colorado School of Mines</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>						
S.B. 15-234 (Long Bill)	2,229,824	411,494	1,477,785	50,000	290,545	15.5
<b>TOTAL</b>	<b>\$2,229,824</b>	<b>\$411,494</b>	<b>\$1,477,785</b>	<b>\$50,000</b>	<b>\$290,545</b>	<b>15.5</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$2,229,824	\$411,494	\$1,477,785	\$50,000	\$290,545	15.5
Annualize prior year salary survey and merit pay	13,539	2,335	8,504	592	2,108	0.0
<b>TOTAL</b>	<b>\$2,243,363</b>	<b>\$413,829</b>	<b>\$1,486,289</b>	<b>\$50,592</b>	<b>\$292,653</b>	<b>15.5</b>
<b>Increase/(Decrease)</b>	\$13,539	\$2,335	\$8,504	\$592	\$2,108	0.0
Percentage Change	0.6%	0.6%	0.6%	1.2%	0.7%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$2,243,363</b>	<b>\$413,829</b>	<b>\$1,486,289</b>	<b>\$50,592</b>	<b>\$292,653</b>	<b>15.5</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

**GEAR UP**

**This line item was added in FY 2014-15 to show all federal funding for the GEAR UP grant program, as this is where the program is managed.** Previously, only portions of GEAR UP funding were on-budget, although the overall size of the grant has not changed. The full program was moved the Department of Higher Education at the end of FY 2012-13.

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

*Federal Grant:* In FY 2011-12, Colorado received a second seven-year GEAR UP grant for \$5,000,000 per year. Fifty percent of the total (\$2.5 million) is directed to direct scholarship/tuition assistance to GEAR UP participants, while the balance primarily supports the salaries of the GEAR UP student advisors.

*JBC Staff Figure Setting: FY 2016-17*  
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<b>Position</b>	<b>FTE</b>
Pre-Collegiate Advisors	25.5
College Advisors	8.0
Management Team	5.0
Data Staff Support	0.6
<b>Total GEAR-UP FTE</b>	<b>39.1</b>

*Request:* The Department requests continuation of \$5,000,000 federal funds and 39.1 FTE shown for informational purposes.

*Recommendation:* **Staff recommends a continuation of \$5,000,000 federal funds and 39.1 FTE shown for informational purposes.** Staff notes that salary increases need to be absorbed within the fixed base grant amount.

**Prosecution Fellowship Program**

Senate Bill 14-174 created the Prosecution Fellowship Program. Through state funding appropriated to the Department of Higher Education, the Colorado District Attorney's Council (CDAC) oversees and facilitate the placement of six recent graduates from the state's two major law schools, the University of Colorado at Boulder and the University of Denver, into one year prosecution fellowships in rural jurisdictions around the state. Fellows receive an intensive trial advocacy course from CDAC over the summer before placement in the community in September.

The fellowship committee selected the first six applicants in the summer of 2015 from a pool of 30. Three back-up candidates received fellowships when three of those initially selected failed the bar exam, but all fellowships were ultimately filled. CDAC reports that the program is achieving its goals of providing prosecution work experience for law school graduates and assisting understaffed rural prosecutor's offices.

*Statutory Authority:* Sections 23-19.3-101 and 102, C.R.S.

*Request:* The Department requests continuation of \$356,496 General Fund.

*Recommendation:* Staff recommends continuation of \$356,496 General Fund.

**University of Colorado, Lease Purchase of Academic Facilities at Fitzsimons**

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

The General Assembly further authorized use of up to \$8,000,000 per year of Tobacco Master Settlement revenues for this purpose in Section 23-20-136 (3.5), C.R.S. The annual amount is

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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based on total tobacco settlement funds received and the statutory allocation of the funds. These funds are deposited to the Tobacco Settlement Health Education Fund.

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

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

*Request:* The Department requests \$14,255,211 total funds for FY 2016-17, including \$7,170,205 from the General Fund and \$7,085,006 tobacco settlement funds.

*Recommendation:* The staff recommendation is reflected in the table below. While total funding is the same as the request, the fund split is adjusted based on the FY 2016-17 forecast for tobacco settlement revenue and associated Committee common policy on the amounts to be used for figure setting the Long Bill. The total amount is consistent with the amortization schedule for the Fitzsimons COP.

<b>Colorado Commission on Higher Education, Special Purpose, University of Colorado, Lease Purchase of Academic Facilities at Fitzsimons</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	14,289,937	7,204,931	7,085,006	0.0
<b>TOTAL</b>	<b>\$14,289,937</b>	<b>\$7,204,931</b>	<b>\$7,085,006</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$14,289,937	\$7,204,931	\$7,085,006	0.0
Tobacco settlement revenue adjustment	0	79,121	(79,121)	0.0
Nonprioritized requests	(34,726)	(34,726)	0	0.0
<b>TOTAL</b>	<b>\$14,255,211</b>	<b>\$7,249,326</b>	<b>\$7,005,885</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$34,726)	\$44,395	(\$79,121)	0.0
Percentage Change	(0.2%)	0.6%	(1.1%)	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$14,255,211</b>	<b>\$7,170,205</b>	<b>\$7,085,006</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	(\$79,121)	\$79,121	0.0

**Higher Education Federal Mineral Lease Revenues Fund [new line item]**

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

*Background:* The revenues fund was created to support lease-purchase (certificate of participation /COP) payments for higher education capital construction projects authorized in 2008. Created in Section 23-19.9-102, C.R.S., the fund receives the "spillover" (amounts that

exceed caps) from other funds that receive statutory allocations of FML revenue, as well as 50 percent of FML bonus revenues.

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

During the 2016 legislative session, staff became aware that the Master Indenture for the COPs states that “payment of Rent and all other payments by the State under the Leases shall constitute currently appropriated expenditures of the State and shall be paid solely from \*the Higher Education Federal Mineral Lease Revenues Fund and any moneys in the Higher Education Institutions Lease Purchase Cash Fund.” (This second fund receives institutional contributions.) The Indenture also specifies that if FML revenues are insufficient, the State may deposit General Fund into the revenues fund to make up the difference.

In light of this, all moneys to be used for the COP payments, including General Fund, should be deposited to the revenues fund. This new line item is recommended for this purpose.

*Statutory Authority:* Section 23-19.9-102, C.R.S.

*Request:* The Department did not request this new line item but the Treasury submitted a related General Fund request for \$17.8 million for Lease Purchase of Academic Facilities Pursuant to Section 23-19.9-102, C.R.S.

*Recommendation:* Staff recommends an appropriation of \$12,125,175 General Fund for this line item. This amount is then reappropriated in the subsequent line item (Lease Purchase of Academic Facilities Pursuant to Section 23-19.9-102, C.R.S.). This amount represents the difference between the COP payments due in FY 2016-17 (\$17,775,175) and FML revenues anticipated to be available in the revenues fund.

<b>Colorado Commission on Higher Education, Special Purpose, Higher Education Federal Mineral Lease Revenues Fund for Lease Purchase of Academic Facilities</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>FTE</b>
Move Higher Education FML COP payments to Department	12,125,175	12,125,175	0.0
<b>TOTAL</b>	<b>\$12,125,175</b>	<b>\$12,125,175</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$12,125,175	\$12,125,175	0.0
Percentage Change	0.0%	0.0%	0.0%
Request Above/(Below) Recommendation	(\$12,125,175)	(\$12,125,175)	0.0

**Lease Purchase of Academic Facilities Pursuant to Section 23-19.9-102, C.R.S.**

**[line item moved from Treasury]**

In 2008, the General Assembly authorized the State to enter into lease-purchase agreements (certificates of participation/COPs) to fund capital construction projects for state-supported institutions of higher education. The General Assembly anticipated significant increases in federal mineral lease (FML) revenue due to natural gas leases on the Roan Plateau and, in light of this, modified the formula allocation for FML revenue to direct a portion to support the new COPs. The Higher Education FML Revenues Fund (revenues fund), created in Section 23-19.9-102, C.R.S., receives the "spillover" (amounts that exceed caps) from other funds that receive statutory allocations of FML revenue. Amounts in this fund are subject to annual appropriation for the higher education COP payments.

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

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

<b>Appropriations – Lease Purchase of Academic Facilities Pursuant to Section 23-19.9-102, C.R.S.</b>					
	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>
Capital Construction Fund/ General Fund	\$4,066,510	\$420,184	\$18,587,975	\$18,587,556	\$5,781,075
FML Revenues	<u>8,379,790</u>	<u>18,165,191</u>	<u>0</u>	<u>0</u>	<u>11,991,975</u>
Total	\$12,446,300	\$18,585,375	\$18,587,975	\$18,587,556	\$17,773,050

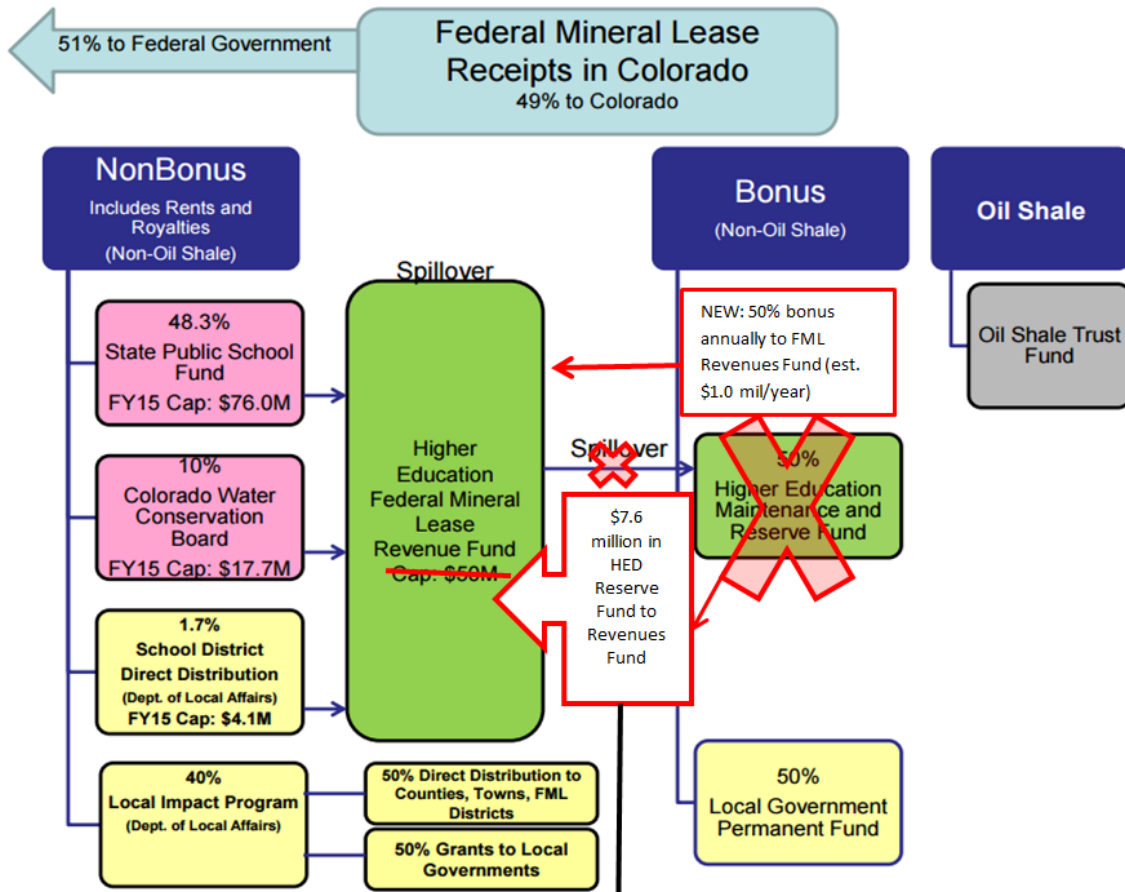
During the 2016 legislative session, the JBC sponsored H.B. 16-1229 to make some changes to the funding structure for the COP payments. This bill:

- Transfers the amount in the former Higher Education FML Reserve Fund (\$7.6 million) into the revenues fund upon enactment. Of this amount \$1.9 million is used to help cover FY 2015-16 COP payments and address a shortfall in the fund, while the balance of \$5.7 million is available for appropriation in FY 2016-17.
- Eliminates the Higher Education FML Reserve Fund and directs 50 percent of FML bonus revenue that would previously have been deposited to the reserve fund into the revenues fund. This will add about \$1.0 million per year in FML moneys to the revenues fund.

- Clarifies that appropriations for higher education COPs are made to the Department of Higher Education for transfer to the State Treasurer. Amounts transferred to the Treasurer are continuously appropriated to the Treasurer for purposes of making related payments.

The chart below summarizes the flow of FML revenue pursuant to H.B. 16-1229.

**House Bill 16-1229 with L.001 SEBEC**



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

*Request:* The Department of Higher Education did not submit a request for this line item, because it was located in the Department of Treasury in FY 2015-16. The request in the Department of Treasury was \$17,775,175, General Fund for FY 2016-17 based on the COP payment schedule and the Treasurer's expectation that no FML revenues would be available to support the COP payment.

*Recommendation:* The staff recommendation is for \$17,775,175 total funds appropriated to the Department of Higher Education, including \$5,650,000 cash funds from FML revenue and \$12,125,175 reappropriated funds that originate as General Fund. Specifically:

*JBC Staff Figure Setting: FY 2016-17*  
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- Appropriate \$5,650,000 cash funds from the FML revenues fund in this line item. This represents the balance of FML revenue anticipated to remain in the fund after FY 2015-16 COP payments have been completed;
- Appropriate \$12,125,175 General Fund into the FML revenues fund (previous line item) and then reappropriate this amount in this line item. Although this structure is awkward, it is consistent with the COP documents, which require payments for the COPs be made from the FML revenues fund.
- For FY 2016-17 only, also reflect \$17,775,175 reappropriated funds in the Treasury, transferred from this line item. This will not be necessary in future years because H.B. 16-1229 will make amounts that are transferred to the Treasurer continuously appropriated for purposes of making the COP payments. However, in this first year it may be helpful to include a reappropriated amount so that someone looking for the appropriation can find it.

<b>Colorado Commission on Higher Education, Special Purpose, Lease Purchase of Academic Facilities Pursuant to Section 23-19.9-102</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
Move Higher Education FML COP payments to Department	17,775,175	0	5,650,000	12,125,175	0.0
<b>TOTAL</b>	<b>\$17,775,175</b>		<b>\$5,650,000</b>	<b>\$12,125,175</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$17,775,175	\$0	\$5,650,000	\$12,125,175	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%
Request Above/(Below) Recommendation	(\$17,775,175)	0	(\$5,650,000)	(\$12,125,175)	0.0

**Tuition/Enrollment Contingency**

This line item previously provided spending authority that CCHE could transfer to any of the governing boards in the event that enrollment increased above projected levels, resulting in greater revenue and expenditures than expected. It was included in the past because the cash fund appropriations to the governing boards in the Long Bill represented a cap on higher education expenditures and, in some years, on the revenue that higher education institutions could raise. Pursuant to S.B. 10-003, higher education governing boards were not bound by tuition appropriations in the Long Bill for five years, from FY 2011-12 through FY 2015-16, so this line item was not needed. The line item was last appropriated at \$20,000,000.

**Under current law, tuition is again appropriated effective FY 2016-17. In light of this, staff recommends reinstating this line item.** If tuition expenditures reach the appropriation cap and there is no contingency, schools could be forced to stop enrolling additional students because they would not have sufficient spending authority to serve the additional students.

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



*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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circumstances these institutions could approach their annual spending cap before a late supplemental is adopted.

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

*Recommendation:* **Staff recommends an appropriation of \$60,000,000 cash funds (tuition spending authority)** for this line item for FY 2016-17. This represents approximately 3.0 percent of total appropriations for tuition spending authority.

<b>Colorado Commission on Higher Education, Special Purpose, Enrollment/Tuition and Stipend Contingency</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
Tuition/Enrollment contingency	60,000,000	0	60,000,000	0.0
<b>TOTAL</b>	<b>\$60,000,000</b>		<b>\$60,000,000</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$60,000,000	\$0	\$60,000,000	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
Request Above/(Below) Recommendation	(\$60,000,000)		(\$60,000,000)	0.0

Had tuition appropriation authority been in place in FY 2014-15 and spending authority been adjusted through a Long Bill supplemental, a total of \$25.9 million in additional spending authority from this line item would have been required to accommodate end-of-year revenue if February 2015 institutional revenue forecasts were used, and a total of \$22.9 million would have been required if February 2015 Legislative Council Staff figures were used (the amounts that were shown for informational purposes in the FY 2014-15 supplemental). This suggests that \$60.0 million should be ample to accommodate end-of-year enrollment changes.

Staff also recommends the following new footnote and request for information:

Footnote

N [See new footnote on page 148]

RFI

N Department of Higher Education, Colorado Commission on Higher Education, Special Purpose, Tuition/Enrollment Contingency – The Department is requested to provide information on the amount of Tuition Enrollment Contingency funds distributed to any

governing board and whether the governing board complied with CCHE tuition policy and intended limits on undergraduate rates expressed in Long Bill footnotes. This information, as it applies to actual expenditures in FY 2016-17, should be provided by November 1, 2017.

### (3) Colorado Commission on Higher Education Financial Aid

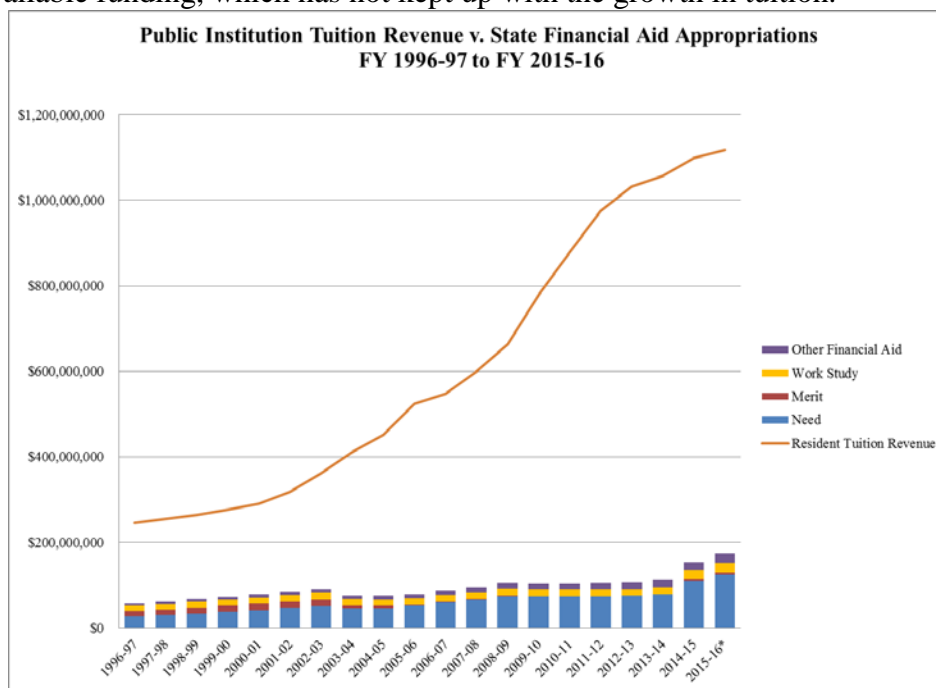
Of the state General Fund appropriations for higher education in FY 2015-16, \$174.1 million (20.3 percent) is for financial aid. The majority of the money goes for need-based aid and work study. A small appropriation for merit-based grants was restored in FY 2014-15 and continued in FY 2015-16, and there are a number of smaller, special purpose financial aid programs. These include the Colorado Opportunity Scholarship Initiative, added in FY 2014-15, to fund services, supports, and scholarships for high achieving low income students in collaboration with private funders and agencies.

For most of the financial aid programs, the General Assembly appropriates financial aid funds to the Colorado Commission on Higher Education, which allocates them to institutions, including to some private institutions, based on formulas that consider financial need at the schools, total student enrollment, student retention, and program eligibility criteria. Under current law, governing boards have broad authority to determine the policies and procedures for their financial aid programs.

*State financial aid:* A total of 82,480 students received state-supported financial aid in FY 2014-15, most of whom received need-based or work-study support.

- The average state need-based award was \$1,632; and
- The average state work study award was \$2,429.

For FY 2014-15, the General Assembly provided a 37.0 percent increase in financial aid, and for FY 2015-16 it provided a 14.0 percent increase. However, overall demand for aid still far outstrips available funding, which has not kept up with the growth in tuition.



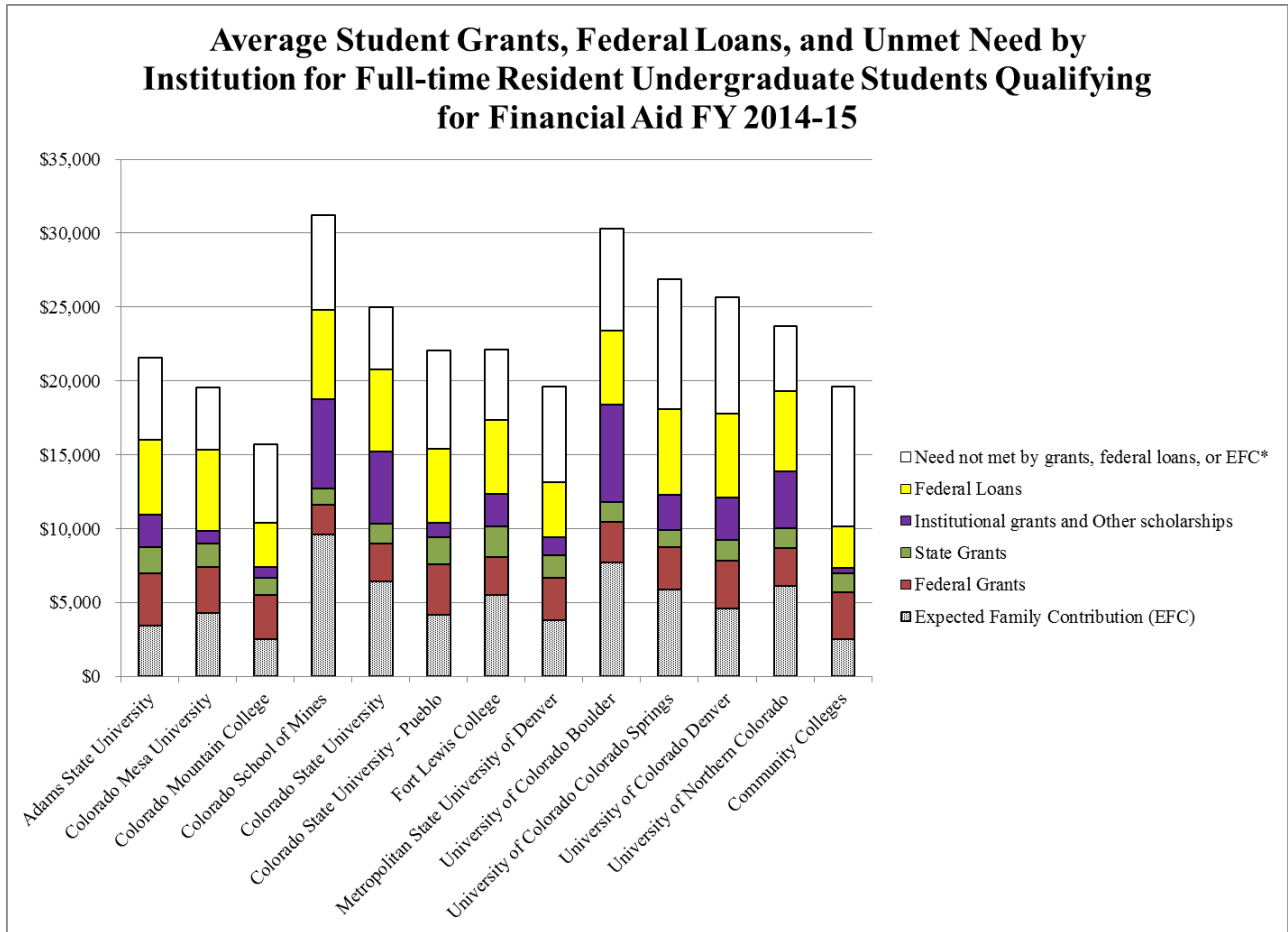
\*Tuition revenue reflects governing board estimates for resident tuition for FY 2015-16.

Most state aid is need-based. Smaller amounts are provided for work-study and merit-based aid. In addition, the State supports various special-purpose aid programs that are described by line item in the sections below. These include support for the Fort Lewis Native American Tuition Waiver and the Colorado Opportunity Scholarship Initiative, among others.

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

*Student Need and Other Sources of Support:* Most sources of student financial aid are not reflected in the state budget. The Department's annual financial aid report summarizes financial aid and federal student loans distributed statewide to both public and private institutions, which included \$1.2 billion in grants and \$1.0 billion in student loans in FY 2014-15. Yet even when these other funding sources are included, financial aid support is far less than the cost of higher education. The following chart compares grants and loans awarded in FY 2014-15 to full-time resident undergraduate students with financial need at (calculated based on federal formulas) and the average cost of attendance for a resident student at each governing board. Of the funding sources shown below, only state grants are reflected in the state budget.

The calculated “Cost of Attendance” is far greater than just tuition and academic fees. It includes expenses related to room, board, transportation, and learning materials, in addition to tuition. Depending on the institution, these other costs of attendance may dwarf the price of tuition. As shown above, the total cost of attendance for a resident student in FY 2014-15, including room and board and fees, ranged from about \$17,500 at some rural community colleges to over \$31,000 at the Colorado School of Mines.



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

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

	<b>Pell Resident Undergraduate FTE FY 2014-15</b>	<b>FY 2014-15 Resident Undergraduate FTE</b>	<b>Pell as % Resident FTE</b>
Adams State University Board	803	1,421	56.5%
Colorado Mesa Board	2,609	6,261	41.7%
Colorado School of Mines Board	664	2,947	22.5%
Colorado State University Board	5,421	19,239	28.2%
Community College System Board	19,752	50,001	39.5%
Fort Lewis College Board	598	1,962	30.5%
Metro State University Board	6,553	15,528	42.2%
University of Colorado Board	9,109	29,588	30.8%
University of Northern Colorado B	2,545	7,099	35.9%
Western State Board	461	1,358	33.9%
<b>Total</b>	<b>48,514</b>	<b>135,404</b>	<b>35.8%</b>

*Federal financial aid:* The largest source of need-based aid is the federal government, which provides student grants that are not reflected in the state budget.

- The federal Pell grant program provided up to up to \$5,730 per eligible student in FY 2014-15, and the average grant was \$3,369.
- The families of dependent students receiving a full Pell had an average adjusted gross income of \$17,139 while the average for students receiving any Pell award was \$29,520.
- In FY 2014-15, 98,973 students statewide received a Pell grant.
- In FY 2014-15, over one-third of Colorado resident student FTE attending state institutions received a Pell grant.

*Institutional financial aid:* Students may also receive grants from the higher education institutions they attend. About twenty-five percent of all aid students receive at public and private Colorado institutions is institutional aid. Some institutions make significant funds available from their operating budgets and donated funds, based on moneys available and the number of students who qualify for institutional aid. *About one-third of institutional aid is used for need-based aid, primarily for resident students, and this is reflected in the chart above.* About two-thirds of institutional aid is directed to merit-based aid and about half of this is for non-residents.

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

- Seventy-one percent of students completing a bachelor’s degree from a public institution graduated with debt in FY 2014-15, and the average federal student loan debt at graduation was \$25,509.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

- Sixty-one percent of students completing an associate’s degree from a public institution graduated with debt in FY 2014-15, and the average student loan debt at graduation was \$13,762.
- There is a substantial gap between the calculated cost of attendance for students with need and known sources of student support. A portion of this gap may be filled with additional unsubsidized student or family loans which are not included in these figures.

<b>Colorado Commission on Higher Education Financial Aid</b>						
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>						
S.B. 15-234 (Long Bill)	\$173,632,678	\$173,632,678	\$0	\$0	\$0	0.0
Other legislation	<u>450,000</u>	<u>450,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$174,082,678</b>	<b>\$174,082,678</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>						
FY 2015-16 Appropriation	\$174,082,678	\$174,082,678	\$0	\$0	\$0	0.0
R2 Fort Lewis Native American Tuition Waiver	1,206,630	1,206,630	0	0	0	0.0
Indirect cost adjustment	<u>0</u>	<u>(200,187)</u>	<u>0</u>	<u>200,187</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$175,289,308</b>	<b>\$175,089,121</b>	<b>\$0</b>	<b>\$200,187</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$1,206,630	\$1,006,443	\$0	\$200,187	\$0	0.0
Percentage Change	0.7%	0.6%	0.0%	0.0%	0.0%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$175,194,774</b>	<b>\$175,194,774</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$94,534)	\$105,653	\$0	(\$200,187)	\$0	0.0

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

**➔ R2 Fort Lewis College Native American Tuition Waiver**

*Request:* As of November 1, 2015, Resident student tuition growth and Native American enrollment growth at Fort Lewis were projected to drive a need for an additional \$1,112,096 General Fund in FY 2016-17. Funding is made one year in arrears. Thus, the FY 2016-17 request was based on the FY 2015-16 estimate.

*Recommendation:* The staff recommendation for R2 is for an increase of \$1,206,630 General Fund, for a total \$17,362,248. The higher recommendation is based on an updated projection from Fort Lewis.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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- Consistent with past practice, the staff recommendation is based on the projected current year (FY 2015-16) Native American Tuition Waiver cost. The higher staff figure is based on revised estimates of the FY 2015-16 Native American Tuition Waiver cost provided (as in prior years) in February.
- The state's obligation to waive tuition for Native Americans has been challenged and upheld in court. In 1971, Colorado passed legislation requiring Native American students at Fort Lewis who came from outside Colorado to pay tuition, while resident Native American students would be admitted free of charge. The federal government brought suit against the State, resulting in an injunction requiring that tuition be waived for all Native American students. The 1972 District Court ruling against the State was subsequently upheld by the federal Court of Appeals.
- About 94 percent of costs for the Native American Tuition Waiver are due to costs associated with non-resident students. **For FY 2015-16, funding requested includes just \$1,030,834 for resident students and \$16,116,978 for non-resident students**, excluding adjustments for prior years. The primary reason for this year's increase (like others in recent years) is an *increase in the number of non-resident Native American students from FY 2015-16 to FY 2016-17*. Tuition for non-residents has continued to be held flat. However, 16.6 percent of the increase is related to resident students, who received a 5.6 percent tuition rate increase in FY 2015-16.

	FY 2014-15	FY 2015-16 Est.	Change
<b>Enrollment</b>			
Resident Native American Student FTE	143.0	154.0	11.0
Nonresident Native American SFTE	<u>899.0</u>	<u>939.0</u>	<u>40.0</u>
Total	1,042	1,093	51.0
<b>Tuition Waiver Cost</b>			
Resident Native American Student FTE	\$892,297	\$1,030,834	\$138,537
Nonresident Native American SFTE	<u>\$15,421,836</u>	<u>\$16,116,978</u>	<u>\$695,142</u>
Total	\$16,314,133	\$17,147,812	\$833,679
<b>Per-student Est. Charge*</b>			
Resident Native American Student FTE	\$6,240	\$6,694	\$454
Nonresident Native American SFTE	<u>\$17,154</u>	<u>\$17,164</u>	\$10
Total	\$15,657	\$15,689	\$32

\*Enrollment and waiver amounts generated from this calculation exceed Fort Lewis' official tuition rates, due primarily to summer-session costs.

- Fort Lewis continues to work with Colorado's Congressional delegation to try and secure federal support for the Native American tuition waivers, since so many of the students are not



from Colorado. However, there has been no recent progress, and a significant change seems unlikely in the near-term, given overall pressures on the federal budget and ongoing Congressional negotiations related to federal budget cuts.

- **The growth of the program very concerning, particularly as it is driven by increasing enrollment from nonresident students.** This year’s increase is 7.5 percent, and Fort Lewis receives substantially more General Fund support related to the waiver program than from the College Opportunity Fund Program.

Fort Lewis Native American Tuition Waiver Appropriations/Recommendation							
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
General Fund	\$10,430,371	\$11,785,002	\$12,773,557	\$14,466,230	\$14,841,981	\$16,157,618	\$17,362,248
Increase over prior year		\$1,354,631	\$988,555	\$1,692,673	\$375,751	\$1,315,637	\$1,204,630
Percentage Increase		13.0%	8.4%	13.3%	2.6%	8.9%	7.5%

	<b>Ft. Lewis FY 2016-17</b>
Fort Lewis Support	
Native American Waiver	\$17,362,248
Governing Board Allocation Request	11,255,571
Total General Fund	<u>\$28,617,819</u>

- **In light of the growth of the budget due solely to nonresident enrollment, staff has reflected an assumption that nonresident tuition will continue to be held flat in FY 2016-17** so that a rate increase does not compound the growth that is driven by the number of students.

*Additional Background on Fort Lewis Native American Tuition Waiver*

**Ft. Lewis History:** The Old Fort Lewis property in Hesperus, Colorado was home to a military post and an Indian boarding school, both operated by the federal government. In 1910, the federal government offered the land to the State on two conditions: (1) that the lands and buildings would be held and maintained by the State; and (2) that “Indian pupils shall at all times be admitted to such school free of charge for tuition and on terms of equality with white pupils”. The provisions were outlined in a 1910 Act of Congress, and the State’s subsequent acceptance was outlined in an Executive Order by then Governor Shaforth.

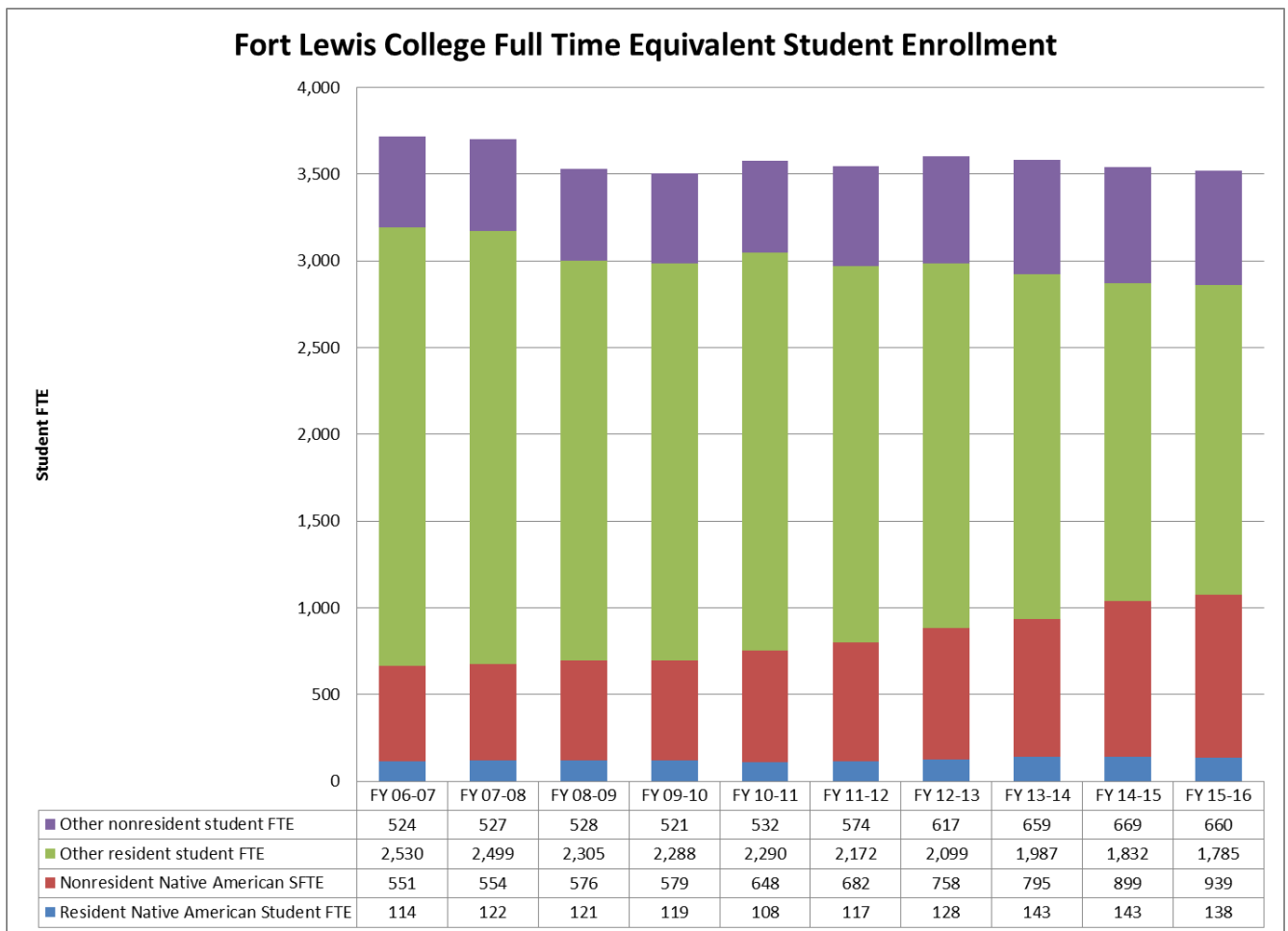
The school was initially an agricultural and mechanical arts high school. In the 1930s, it expanded into a two-year college, and in 1948 it was brought under the control of the State Board of Agriculture. In 1956, the college moved 18 miles east to a hill overlooking Durango and became a four-year institution, awarding its first baccalaureate degrees in 1964.

Throughout the institution’s changes, Colorado continued to provide free tuition for Native American students, regardless of their state of origin. In 1971, Colorado passed legislation requiring Native American students at Fort Lewis who came from outside Colorado to pay tuition, while resident Native American students would be admitted free of charge. The federal

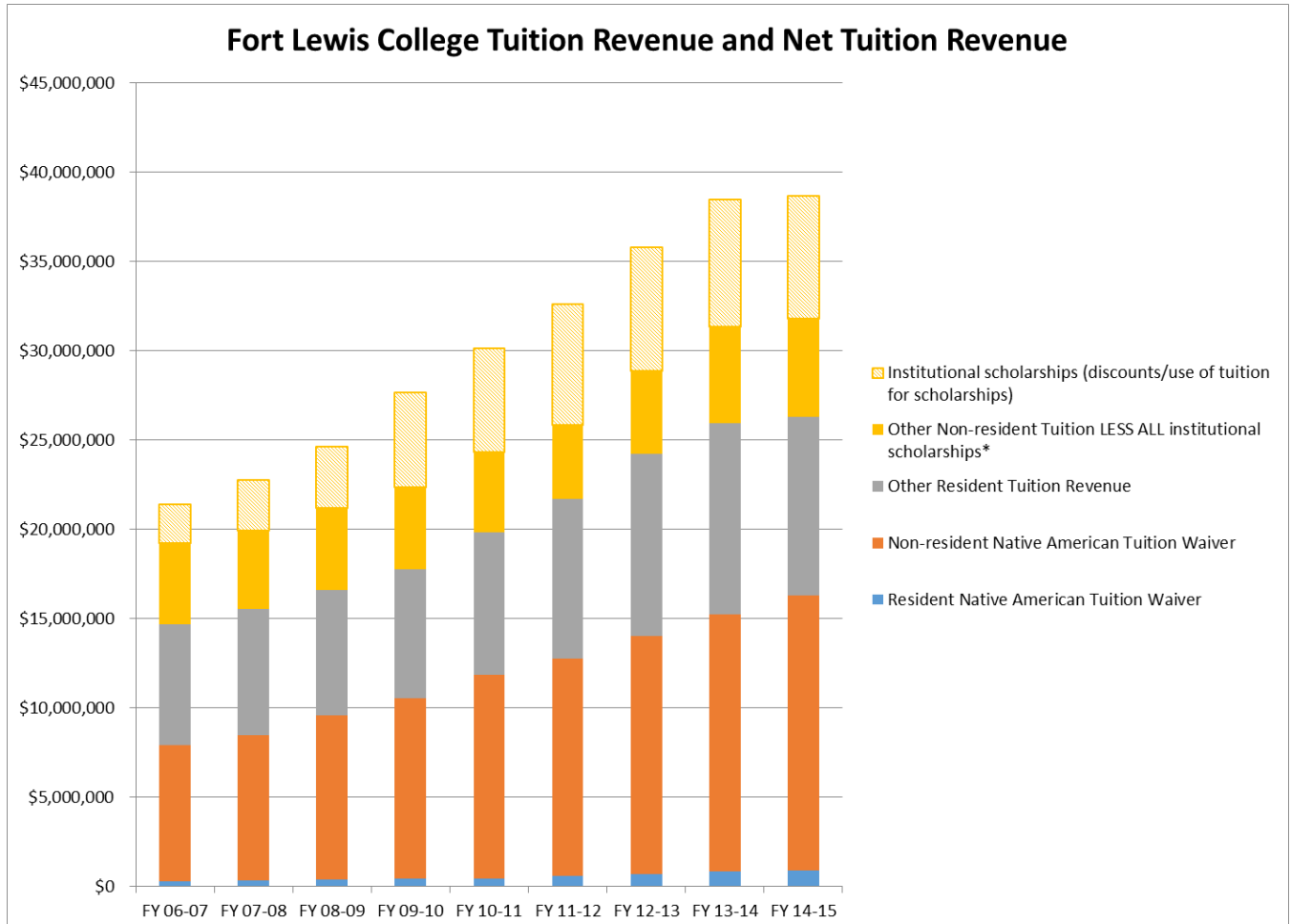
government brought suit against the State, resulting in an injunction requiring that tuition be waived for all Native American students. The 1972 District Court ruling against the State was subsequently upheld by the federal Court of Appeals. As a result, Colorado has continued to cover Native American tuition costs for both in-state and out-of-state students.

**State Costs and Students Served:** Colorado funds the Native American Tuition waiver for the upcoming fiscal year based on the current year’s costs (*i.e.*, the FY 2016-17 budget request is based on FY 2015-16 estimated expenditures). Amounts are ultimately “trued up” based on final actual expenditures.

The charts below show: (1) The relatively rapid growth in non-resident student enrollment at Fort Lewis; (2) the large and growing significance of Native American Tuition Waiver revenue for non-resident students on Fort Lewis’ overall tuition revenue picture; and (3) the average “education and general” cost per student and sources of support at Fort Lewis versus Adams State and Western State, which, like Fort Lewis, are small institutions located far from the State’s Front Range population centers.



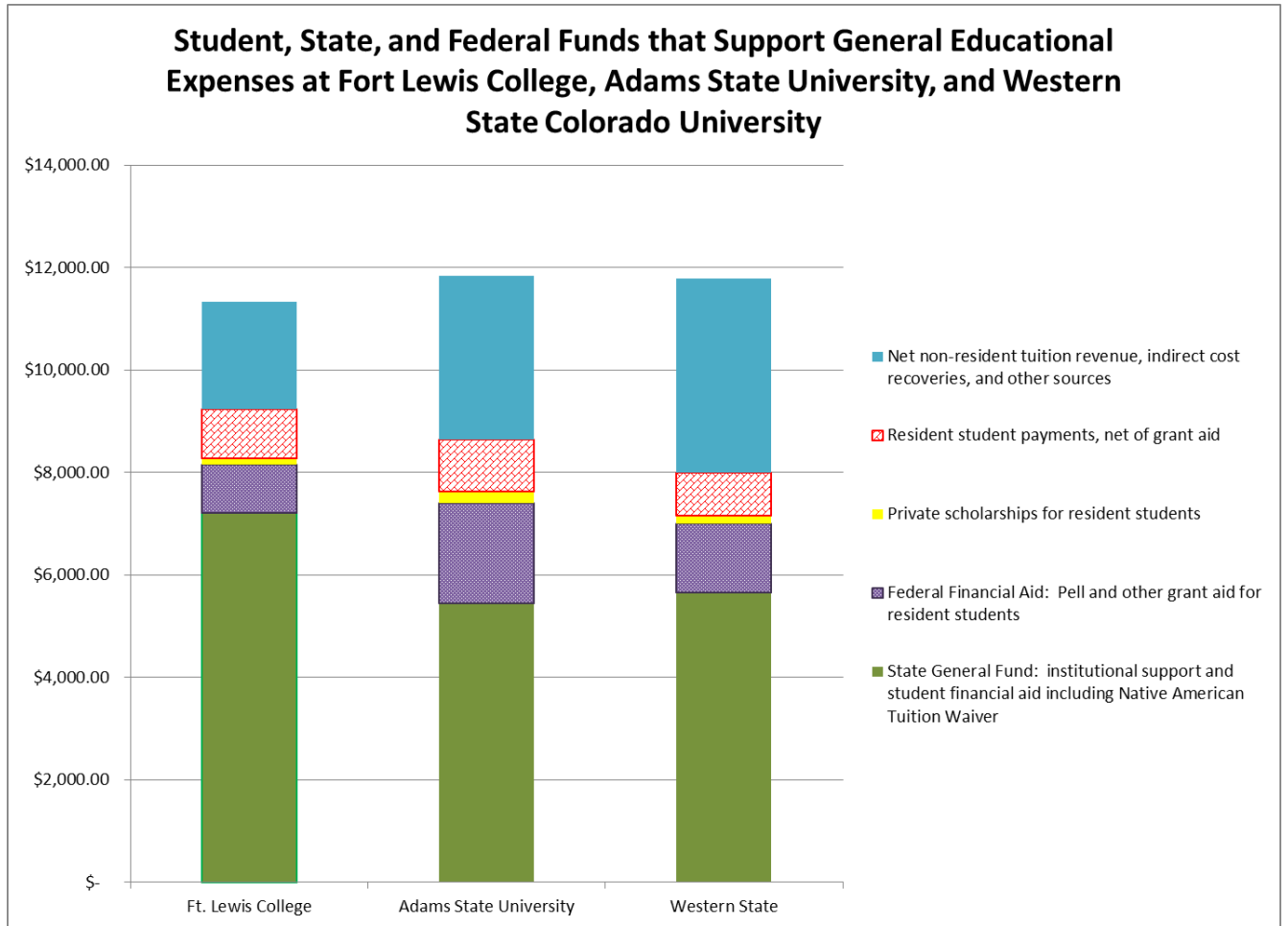
\*FY 2015-16 reflects estimated enrollment



\*For purposes of this chart, institutional scholarships are reflected as an offset to non-resident tuition. In practice, about one-third of institutional scholarships went to resident students.

As shown in the chart above, revenue from non-residents who receive the Native American Tuition Waiver is a large and growing source of support for the institution. As also shown, a growing portion of institutional revenue is directed to scholarships. In part because the State pays full cost—rather than a discounted cost—for Native American students, Fort Lewis is able to provide substantial scholarships/discounts for non-native students, including both residents and non-residents. In FY 2014-15, Fort Lewis disbursed \$7.2 million in institutional aid. Of this, \$4.5 million went to non-residents who are not Native American, \$2.5 million to residents who are not Native American, and just under \$0.2 million to Native American students.

Fort Lewis' net revenue per student is below that of its peers (Adams and Western), but General Fund comprises a larger share of its overall operating revenue if the tuition waiver is included. This is reflected in the chart below.



**Notes:** Reflects educational and general revenue per student FTE, based on FY 2013-14 data from budget data books, Department financial aid report, and Department of Higher Education data on state categorical grants. This calculation excludes revenue received but then expended as institutional financial aid. For purposes of this exercise, all federal financial aid is reflected as an offset for resident students; however, some of this aid may in practice be used to support non-residents.

**➔ Consider Increase to Need Based Aid**

The Department requested no change to financial aid, other than an increase for the Native American Tuition Waiver. **To the extent resources allow, staff encourages the Committee to consider options for increasing Need Based Aid. These options could include using available General Fund, such as the savings that will be generated from accessing reserve funds to support Higher Education Federal Mineral Lease COP Payments or potentially redirecting the current \$5.0 million appropriation for Merit Based Aid to Need Based Aid.**

The Department's request for reduced General Fund support for higher education institutions will drive tuition increases. Financial aid programs, particularly for needy students, have not kept pace with increased demand, leading to increased reliance on student debt to finance the cost of higher education.

- For lower income students facing these total attendance costs, financial aid plays a crucial role in students’ ability to attend and succeed in post-secondary studies. Cost is an obstacle to higher education participation and persistence among youth from low-income families, who are far less likely to attend and persist in postsecondary education.<sup>1</sup> Further, studies have shown that providing need-based aid increases the odds of enrollment, retention, and graduation of lower-income students in higher education.<sup>2</sup>
- Demographic changes could threaten the state’s long-term economic health, unless it is able to more effectively meet the educational needs of low-income minority populations. The share of Colorado’s population that identifies as being from a minority racial or ethnic groups is expected to increase from about 29 percent in 2010 to 45 percent in 2040, with most of this growth attributable to growth in the Hispanic population.<sup>3</sup> Colorado has historically done a poor job of supporting this population through the educational pipeline.<sup>4</sup> *Unless Colorado improves educational outcomes for its low-income, traditionally under-served populations, it runs the risk that the State will become, on average, poorer and less well-educated and that Colorado will lose its current position as one of the best-educated and highest income states in the country.*
- For students at the lowest end of the economic spectrum, with incomes below \$30,000, average net cost of attendance at public institutions of higher education still substantially exceeds assistance provided.
- Although institutional aid has grown along with tuition, the vast majority of institutional aid is directed to merit-based aid. Colorado’s larger institutions offer standard merit-based tuition reductions for resident students: the University of Colorado offers an “esteemed scholars” program that provides merit aid of \$2,500 to \$5,000 per year and CSU Fort Collins offers reductions of \$1,000 to \$4,000 per year based, in each case, on GPA and standardized test scores. The institutions note that these kinds of programs help to keep gifted Colorado students in-state. However, *merit-based aid disproportionately benefits better-off students, who are likely to be better-prepared than less wealthy students.* Researchers have pointed out that institutions have increasingly directed institutional aid to merit-based aid. This reflects a competitive environment among institutions in which institutions actively recruit students by offering them tuition discounts. Nationally, the share of high income students

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<sup>1</sup> Baum, McPherson, Steele, eds, *The Effectiveness of Student Aid Policies: What the Research Tells Us*, The College Board, 2008 <http://professionals.collegeboard.com/profdownload/rethinking-stu-aid-effectiveness-of-stu-aid-policies.pdf>

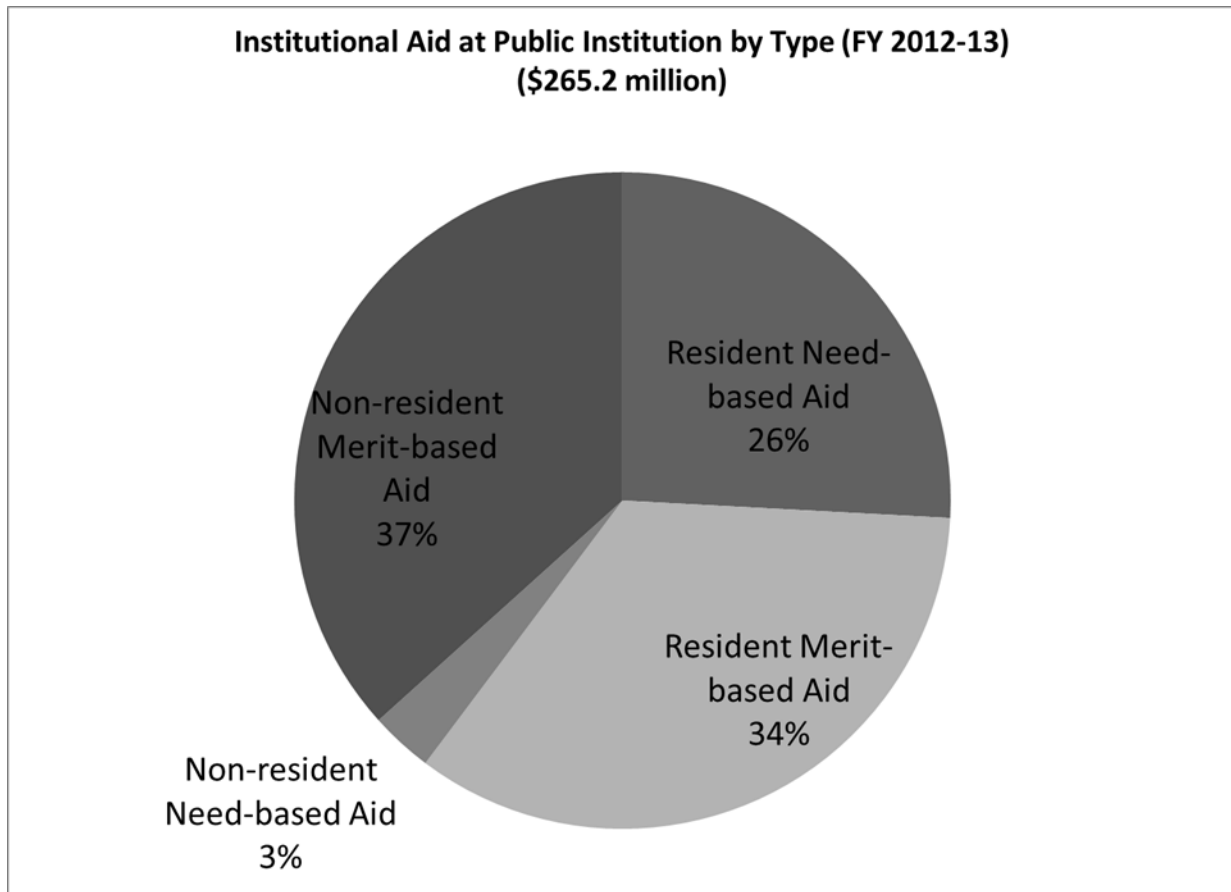
<sup>2</sup> See for example, [http://gseacademic.harvard.edu/~longbr/Castleman\\_Long\\_-\\_Looking\\_Beyond\\_Enrollment\\_-\\_draft\\_Oct2012.pdf](http://gseacademic.harvard.edu/~longbr/Castleman_Long_-_Looking_Beyond_Enrollment_-_draft_Oct2012.pdf)

<sup>3</sup> <http://www.colorado.gov/cs/Satellite?blobcol=urldata&blobheadername1=Content-Disposition&blobheadername2=Content-type&blobheadervalue1=inline%3B+filename%3D%22Forecasts+by+Race+and+Ethnicity.pdf%22&blobheadervalue2=application%2Fpdf&blobkey=id&blobtable=MungoBlobs&blobwhere=1251904894046&ssbinary=true>

<sup>4</sup> [http://highered.colorado.gov/Publications/General/StrategicPlanning/MasterPlan2012/Master\\_Plan\\_Final.pdf](http://highered.colorado.gov/Publications/General/StrategicPlanning/MasterPlan2012/Master_Plan_Final.pdf)

receiving grants has grown, while the share of low-income students receiving grants has declined.<sup>5</sup>

- Public institutions are already directing hundreds of millions per year to merit-based aid through institutional financial aid. Staff believes there is a greater need for need based aid than merit based aid from a state perspective.



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<sup>5</sup> Burd, *Undermining Pell: How Colleges Compete for Wealthy Students and Leave the Low-Income Behind*, New America Foundation, May 2013  
[http://education.newamerica.net/sites/newamerica.net/files/policydocs/Merit\\_Aid%20Final.pdf](http://education.newamerica.net/sites/newamerica.net/files/policydocs/Merit_Aid%20Final.pdf)

## **LINE ITEM DETAIL – COLORADO COMMISSION ON HIGHER EDUCATION FINANCIAL AID**

### **(A) Need Based Grants**

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

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

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

The CCHE’s current formula for allocating need-based aid is based on the number of Pell-eligible individuals at each institution. It provides an increasing level of funding depending upon whether the student is a freshman, sophomore, junior, etc. The formula is designed to incentivize institutions in their efforts to retain students. *In FY 2014-15, the program served 67,385 students with an average award of \$1,632.*

*Statutory Authority:* Section 23-3.3-501, C.R.S.

*Request:* The Department requests a continuation level of \$124,570,732 General Fund.

*Recommendation:* The staff recommendation is for a continuation level of funding but includes a General Fund offset for indirect cost recoveries. In light of the large gap between tuition increases and increases for financial aid, staff supports the executive request to keep aid funding flat even with a cut to support for the higher education institutions. Note that statute requires that an increase in support for the governing boards, if available, is accompanied by a matching increase in financial aid.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Colorado Commission on Higher Education Financial Aid, Need Based Grants, Need Based Grants</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
S.B. 15-234 (Long Bill)	124,570,732	124,570,732	0	0	0.0
<b>TOTAL</b>	<b>\$124,570,732</b>	<b>\$124,570,732</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$124,570,732	\$124,570,732	\$0	\$0	0.0
Indirect cost adjustment	0	(200,187)	0	200,187	0.0
<b>TOTAL</b>	<b>\$124,570,732</b>	<b>\$124,370,545</b>	<b>\$0</b>	<b>\$200,187</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$0	(\$200,187)	\$0	\$200,187	0.0
Percentage Change	0.0%	(0.2%)	0.0%	0.0%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$124,570,732</b>	<b>\$124,570,732</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$200,187	\$0	(\$200,187)	0.0

**(B) Work Study**

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

The Department has indicated in the past that students receiving work study have better achievement and retention rates than both students who don't work and students who find work on their own, speculating that work study creates a sense of investment, while the regulated hours and locations ensure that employment doesn't interfere with study. *In FY 2014-15, the program served 9,138 students with an average amount of \$2,429 per student.*

*Statutory Authority:* Section 23-3.3-401, C.R.S.

*Request:* The Department requests a continuation of \$21,432,328 General Fund for this line item.

***Recommendation:* Staff recommends the Department's request for a continuation of \$21,432,328 General Fund.**

**(C) Merit Based Grants**

Prior to FY 2009-10 merit based grants provided awards to both undergraduate and graduate students attending eligible institutions in Colorado, which include some private institutions. The



awards were used to recognize and encourage outstanding achievement in academic and other talent areas. In FY 2009-10 funding was eliminated to address the budget shortfall. It was restored in S.B. 14-001. In FY 2014-15, the program served 4,580 students with an average award of \$1,098.

*Statutory Authority:* Section 23-3.3-501, C.R.S.

**Request:** The Department requests continuation funding at the level of \$5,000,000 General Fund.

**Recommendation:** Staff recommends the request for continuation funding of \$5,000,000 General Fund.

### **(D) Special Purpose**

#### **Veterans'/Law Enforcement/POW Tuition Assistance**

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

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

*Statutory Authority:* Section 23-3.3-204 and 23-3.3-205, C.R.S.

*Request:* The Department requests a continuation of \$672,000 General Fund for this line item.

*Recommendation:* Staff recommends the request for a continuation level of funding of **\$672,000**. In FY 2014-15, total expenditures for the program were \$575,034 for 45 student FTE. The Department currently projects that it will use \$643,753 in FY 2015-16; though it will use less if fewer students participate in spring semester than in fall. The line item is somewhat difficult to project due to the small number of students who receive the benefit. The current figure was based on a larger number of students (66) but a lower average cost per student.

Pursuant to the current interpretation of Section 23-3.3-102 (7), C.R.S., a funding shortfall of up to 10 percent may be addressed via transfers from other financial aid programs. (Shortfalls were

addressed by transfers from moneys rolled forward in the work-study line item.) When the difference exceeded 10 percent, additional transfers were authorized through the Governor’s transfer authority (for like-purposes, up to \$5.0 million; Section 24-75-108, C.R.S.).

**National Guard Tuition Assistance**

Since the adoption of H.B. 04-1347, the first priority of any funds appropriated for financial aid in the Department of Higher Education must be providing tuition assistance to national guard members (in addition to the priority provided to Veterans'/Law Enforcement/POW Tuition Assistance). Pursuant to statute, funding for this program is capped at \$800,000. Thus, if the General Fund appropriation is insufficient for the actual number of qualifying applicants, CCHE must use funds appropriated for other financial aid programs for this purpose, up to the \$800,000 statutory cap.

*Statutory Authority:* Section 23-3.3-202 and 23-5-111.4, C.R.S.

*Request:* The Department requests a continuation level of funding of \$800,000 General Fund for this line item.

*Recommendation:* **Staff recommends the Department's request for a continuation level of funding of \$800,000 General Fund.** If more students enroll, or the cost of grants increases, the Department is not required to transfer any more money to the Department of Military Affairs. Instead, the Department of Military Affairs will prorate the benefit per student.

**Native American Students/Fort Lewis College**

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

*Statutory Authority:* Section 23-42-105, C.R.S.

*Request:* The Department requests an appropriation of \$17,269,714 General Fund for this line item, including an increase for request R2.

*Recommendation:* The staff recommendation is summarized in the table below.

<b>Colorado Commission on Higher Education Financial Aid, Special Purpose, Native American Students/Fort Lewis College</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	16,157,618	16,157,618	0	0.0
<b>TOTAL</b>	<b>\$16,157,618</b>	<b>\$16,157,618</b>	<b>\$0</b>	<b>0.0</b>

<b>Colorado Commission on Higher Education Financial Aid, Special Purpose, Native American Students/Fort Lewis College</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$16,157,618	\$16,157,618	\$0	0.0
R2 Fort Lewis Native American Tuition Waiver	1,206,630	1,206,630	0	0.0
<b>TOTAL</b>	<b>\$17,364,248</b>	<b>\$17,364,248</b>	<b>\$0</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$1,206,630	\$1,206,630	\$0	0.0
Percentage Change	7.5%	7.5%	0.0%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$17,269,714</b>	<b>\$17,269,714</b>	<b>\$0</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$94,534)	(\$94,534)	\$0	0.0

**College Opportunity Scholarship Initiative (COSI)**

The College Opportunity Scholarship Initiative promotes public/private partnerships to fund scholarships and support services for gifted low-income students who might not otherwise pursue or complete higher education. Created in H.B. 14-1384, it was initially seeded with a transfer of \$33.4 million from the CollegeInvest Financial Need Scholarship Fund and a \$1.0 million appropriation. For FY 2015-16, the General Assembly appropriated \$5.0 million General Fund to the COSI Fund, from which the Department has continuous spending authority.

Statute provides:

- Up to 10 percent of moneys in the fund any fiscal year “may be awarded to state agencies and nonprofit organizations to assist such agencies and organizations with ensuring that student-success, precollegiate, postsecondary student support services are available to students who are classified as Colorado residents for tuition purposes; increasing the capacity for student support services at postsecondary institutions; and developing connections between local employers, public schools, precollegiate organizations, and postsecondary institutions...” Of this amount, at least 70 percent must be awarded to nonprofit organizations.
- Up to 3 percent of moneys in the fund in any fiscal year may be used for administrative costs.
- Moneys not used for the purposes above must be used to build a financial corpus capable of providing tuition assistance to eligible Colorado students attending eligible Colorado higher education institutions. Such assistance may include direct awards; matching incentives to create or increase other scholarships; loans, or any combination of these.
- To the extent practicable, tuition assistance must be awarded to students representing rural and urban areas and students attending all types of higher education institutions (vocational schools, community colleges, 4-year institutions, research institutions). Also, to the extent

practicable, tuition assistance must be evenly distributed between students eligible for federal Pell grants and students with household incomes between 100 percent and 250 percent of Pell income eligibility.

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

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

The program has thus far provided or plans to provide several different kinds of grants, described below.

*Community Partner Program Grants:* In the first year (2014), grants were awarded for the community partner program (\$3.4 million). The program awarded grants to 28 organizations, including non-profits, K-12 and higher education institutions with pre-collegiate, collegiate, and bridge programs to support student participation and success in higher education. Grants were provided for two years (FY 2014-15 and FY 2015-16). The Department expects to award an additional round of these grants for FY 2016-17 and FY 2017-18, including "legacy grants" for organizations funded in the first round and new grants for other qualified applicants.

*Collective Impact Initiative Grants:* The Department recently announced its plans for issuing new Collective Impact Initiative Grants starting in FY 2016-17. The grants support cross-sector collaborative groups including at least three of the following: K-12, higher education, non-profit, business, government, philanthropy, and/or other community stakeholder. These will provide funding for two years (\$150,000 per year state funds which must have \$50,000 in local match). The grants are designed to encourage communities to organize across multiple sectors to help close the attainment gap. They will include technical assistance (a data package), in addition to financial support.

*Matching Scholarship Grants:* These grants began in FY 2015-16. In its June 2015 legislative report, the program announced plans to allow counties, higher education institutions, and workforce programs to apply for matching scholarship grants totaling \$7 million of the \$35 million in the fund in FY 2015-16. This includes:

- \$5 million allocated to counties based on free and reduced lunch populations;
- \$1.5 million made available to public institutions of higher education; and
- \$500,000 for workforce development scholarships.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

*The program now expects to award \$5.6 million in scholarship grants during FY 2015-16. It currently anticipates that a similar allocation of \$7 million for matching scholarship grants will be offered in FY 2016-17.*

*Scholarship moneys awarded will not be spent immediately. The department reports that disbursements will vary between one and four years. Specifically, over the next five years the Department expects annual disbursements of \$202,000 to \$1.7 million. JBC staff assumes disbursements would then need to continue after that time to reach the total allocated.*

The \$3.2 million in grants already awarded will be matched by nearly \$6.4 million in scholarship funds from state and philanthropic sources. Matching funds are provided by state higher education institutions and institutional foundations operating on behalf of county governments. These entities will then distribute the grants (state funds and matching funds) to students whose family income is 250 percent or less of PELL eligibility.

*JBC Staff Analysis: Budget and Long-term Forecast for COSI*

In response to staff questions, the Department provided actual and projected expenditures for FY 2014-15 and FY 2015-16. Based on this, staff projected has projected spending for FY 2016-17 and out-years. ***Based on staff's analysis, assuming an annual appropriation level of \$5.0 million, no new funding sources, and a similar level of annual financial commitments for the next several years, the program will likely need to suspend operations after FY 2019-20.*** There may be significant program and funding changes between now and then, but the Committee should be aware that the program is presently spending down the corpus it received in its first year.

<b>Colorado Opportunity Scholarship Initiative</b>	<b>FY 2014-15</b>	% fund balance	<b>FY 2015-16</b>	% fund balance	<b>FY 2016-17 (JBC Staff Estimate based on FY 2015-16; not provided by DHE)</b>	% fund balance
Beginning fund balance, including committed funds	35,191,437		33,140,541		34,031,739	
<i>Revenue</i>						
GF Appropriation			5,000,000		5,000,000	
Interest revenue	270,343		214,981		214,981	
Adjusted fund balance	35,461,780		38,355,522		39,246,720	
<i>Expenses</i>						
Administration (salary, benefits, operating)	145,631	0.4%	173,961	0.5%	173,961	0.5%
Anticipated FY Community Partner Program Grant Disbursements, including Collective Impact Grants	2,175,608	6.1%	3,494,518	9.1%	3,494,518	8.9%
Anticipated Matching Scholarship Disbursements	-		655,304	1.7%	3,657,602	9.3%
Expense subtotal	2,321,239		4,323,783		7,326,081	
<i>Remaining funds</i>						
Scholarships committed but not disbursed (JBC staff estimate)			4,944,696	12.9%	8,287,095	21.1%
Estimated Uncommitted balance			<b>29,087,043</b>	75.8%	<b>23,633,545</b>	60.2%

Some additional observations about the program:

- The Department is structuring expenditures so that it may comply with the letter of the law that no more than 10 percent of moneys "in the fund in any fiscal year" may be used for student success grants. However, because scholarship amounts are spent-down over multiple years, moneys "in the fund" are far greater than *uncommitted* moneys in the Fund. This enables the program to spend more than 10 percent of total revenue received on community partner program grants. *Thus far, the program appears to be committing about one-third of annual commitments to grants to organizations and communities that support student participation and success in higher education.*
- As originally conceived, the program anticipated that additional amounts for scholarships might be deposited in the COSI fund from private donations. However, the program is instead requiring the entities (counties and higher education institutions) that receive scholarship grants to provide matching funds without passing these funds through state government. Staff believes this is a sensible change.

*Statutory Authority:* Section 23-3.3-1001 through 1005, C.R.S.

*Request:* The Department requests a continuation level of funding of \$5,000,000 General Fund for this line item.

***Recommendation:* Staff recommends the Department's request for a continuation level of funding of \$5,000,000 General Fund.**

**Tuition Assistance for Career and Technical Education Certificate Programs**

House Bill 15-1275 (Winter/Heath, Marble) directed the Colorado Commission on Higher Education to create a tuition assistance program for students enrolled in career and technical education certificate programs, subject to available appropriations. The program is for students who meet the income eligibility requirements for the federal Pell grant but do not qualify for the grant because the certificate program in which they are enrolled does not meet minimum credit hour requirements. The bill included a General Fund appropriation of \$450,000 for tuition assistance for such students attending community colleges, Colorado Mesa University, area vocational schools, and local district junior colleges.

*Statutory Authority:* Section 23-3.3-1101, C.R.S.

*Request:* The Department requests a continuing appropriation of \$450,000 General Fund for this line item.

***Recommendation:* Staff recommends the request for continuation funding of \$450,000 General Fund.**

## **(4) College Opportunity Fund Program**

The College Opportunity Fund Program section includes line items for stipends for students at state operated institutions, stipends for students at private institutions, and fee-for-service contracts with state supported institutions. The Governing Board section includes the reappropriated funds spending authority for the higher education institutions to receive and expend the stipend payments on behalf of students, and to receive and expend the fee-for-service contracts. Both fee-for-service and student stipend requirements are now codified in article 18 of Title 23 pursuant to H.B. 14-1319.

### **Stipends**

- With some exceptions, resident undergraduate students who attend a state operated higher education institution are eligible for a stipend per credit hour taken.
- The General Assembly annually sets the stipend rate through the Long Bill.
- Statutes express the intent of the General Assembly that the Department request at least inflation and enrollment growth for the stipends.
- Stipends are not considered a state grant for purposes of determining the enterprise status of higher education institutions.
- The General Assembly must appropriate spending authority to the higher education institutions for money received from stipends.
- If there is not enough money in the College Opportunity Fund to pay all student stipends at the rate established in the Long Bill, the Department of Higher Education must prorate the stipend payments to the institutions. Although the higher education institutions receive less from stipend payments in this scenario, they may not increase the student share of tuition to compensate for the lost revenue per student.
- Students that qualify for the federal need-based Pell grant that attend a participating private institution (currently the University of Denver, Regis, and Colorado Christian University) are eligible for a stipend equal to half of the stipend for students attending a state supported institution.

### **Fee-for-service contracts**

- An institution of higher education may annually negotiate a fee-for-service contract with the Department for the delivery of role and mission funding and performance funding. Role and mission factors and performance metrics must be tied to the policy goals established by General Assembly and the CCCHE in the Master Plan and must comply with detailed requirements outlined in Section 23-18-303, C.R.S.
- Role and mission funding includes an amount to offset the costs incurred in providing undergraduate programs at each institution, based on a variety of components such as whether the institution is rural or urban. Role and mission funding also includes amounts for support services for Pell-eligible students, graduate programs, remediation costs, and optional additional role and mission elements. Role and mission factors may be applied

differently to institutions, but to the extent possible, similar institutions must be treated similarly.

- Performance metrics include amounts for completion and retention and optional additional metrics. Performance funding metrics must be applied uniformly to all governing boards.
- The components of fee-for-service contracts should be “fairly balanced” between role and mission factors and performance metrics.
- In addition to role and mission and performance funding, an institution may negotiate a fee-for-service contract for the delivery of specialty educational programs, defined as the CU health sciences center campus, the CSU veterinary school, and various CSU extension programs.
- Fee-for-service contracts are not considered a state grant for purposes of determining the enterprise status of higher education institutions.

### **General Provisions**

- Funding for stipends must comprise at least 52.5 percent of the sum total of stipends, role and mission factors, and performance metric amounts (“total state appropriation” or TSA).
- Annual adjustments to funding for specialty education programs (as well as local district junior colleges and area vocational schools) must be equal to the annual percentage change in total state appropriation, though funding may increase by more than or decrease by less than TSA.
- Up to ten percent of the total appropriation to a governing board may be shifted between fee-for-service and stipend funding at year end, based on the actual number of FTE eligible for the stipend.
- For FY 2015-16 through FY 2019-20, the appropriation to a governing board will not increase by more than 5.0 percentage above nor decrease by more than 5.0 percentage points below the annual change in funding for the TSA.
- In developing the annual general appropriation bill, the Joint Budget Committee shall follow the provision so Section 23-18-303 in calculating the amounts of fee-for-service contracts, but may apply different weights to the factors and metrics than the values determined by the CCHE.

The Department initially contracted with the National Center for Higher Education Management Systems to develop a model consistent with the requirements of H.B. 14-1319 outlined above. For FY 2016-17, the Department has brought the model "in house", and a "2.0" version was submitted for FY 2016-17. The model is discussed in more detail at the beginning of this packet.



<b>College Opportunity Fund Program</b>			
	<b>Total Funds</b>	<b>General Fund</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>			
S.B. 15-234 (Long Bill)	\$648,091,050	\$648,091,050	0.0
Other legislation	86,960	86,960	0.0
H.B. 16-1241 (Supplemental)	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$648,178,010</b>	<b>\$648,178,010</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	\$648,178,010	\$648,178,010	0.0
R1 Base reduction for public colleges and universities	<u>(19,305,056)</u>	<u>(19,305,056)</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$628,872,954</b>	<b>\$628,872,954</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$19,305,056)	(\$19,305,056)	0.0
Percentage Change	(3.0%)	(3.0%)	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$628,955,935</b>	<b>\$628,955,935</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$82,981	\$82,981	0.0

## DECISION ITEMS – COLLEGE OPPORTUNITY FUND PROGRAM

### ➔ R1 Base reduction for public colleges and universities

The Department’s sole request affecting this section was R1 the base reduction for public colleges and universities. This request is addressed at the beginning of the packet.

Staff recommends a total of \$652,182,886 General Fund for the higher education institutions, including the Local District Junior Colleges and Area Vocational Schools, distributed according to the Department-requested formula, with minor adjustments previously described. Of this amount, \$627,468,069 is included in this section, including a decrease of \$19,203,566 pursuant to this request.

### ➔ Long Bill Supplemental to adjust COF stipend amounts not recommended

In the past, the Long Bill typically included a Long Bill Supplemental Add-on to adjust figures in prior year appropriations to “rebalance” appropriations for College Opportunity Fund student

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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stipends and fee-for-service contracts. These adjustments were made to update appropriations based on revised estimates of the numbers of students eligible for the COF stipend, which would drive increases or decreases to the governing boards. These adjustments would typically include corresponding adjustments to fee-for-service contract amounts so that, in the end, the total appropriation to each governing board would not change from the amount included in its original annual appropriation.

As part of the changes included in H.B. 14-1319, the Department was given authority to transfer up to 10 percent of the total appropriation to a governing board at year end between stipend and fee-for-service contract amounts. **In light of this transfer authority and in light of current estimates of the FY 2015-16 stipend enrollment from both Legislative Council Staff and the governing boards, staff is not recommending a true-up this year. Staff expects to apply a true-up only when it appears that the variance might exceed the Department of Higher Education's authority to transfer up to 10.0 percent of a governing board's appropriation at the end of the year between the COF stipend and fee-for-service appropriations.**

	COF Stipend FTE in Long Bill FY 2015-16	LCS Feb 2016 Stipend Forecast FY 2015-16	LCS Stipend Forecast FTE above/(below) LB	Total FY 2015-16 approp for governing board	Potential increase/(reduce) from Long Bill based on updated forecast	Potential adjustments as percent appropriation
ASU	1,340	1,227	(113)	\$14,121,017	(331,775)	-2.3%
CMU	6,493	6,089	(404)	\$24,465,356	(322,956)	-1.3%
MSU	14,050	13,821	(229)	\$50,153,399	(510,359)	-1.0%
WSCU	1,232	1,335	102	\$11,643,992	(5,887)	-0.1%
CSU	19,562	18,902	(660)	\$134,660,184	(1,430,259)	-1.1%
Ft. Lewis	2,020	1,706	(314)	\$11,822,422	(721,570)	-6.1%
CU	27,171	28,128	957	\$184,615,667	81	0.0%
Mines	2,796	2,729	(67)	\$20,547,328	(202,281)	-1.0%
UNC	7,635	6,655	(979)	\$41,092,729	(2,207,044)	-5.4%
CCCOES	48,626	44,640	(3,985)	\$153,549,541	(7,784,427)	-5.1%
Total	130,926	125,233	(5,692)	\$646,671,635	(13,516,477)	-2.1%

**(A) Stipends**

**Stipends for eligible full-time equivalent students attending state institutions**

COF stipend payments are made on behalf of eligible students to each of the governing boards. The FY 2015-16 rate is \$75 per credit hour or \$2,250 per student FTE.

*Statutory Authority:* Section 23-18-202, C.R.S.

*Request:* The Department request is for \$281,646,632 for this line item, based on funding for 128,605.6 eligible student FTE at an average rate of \$73 per credit hour (\$2,190 per student FTE, based on 30 credit hours). This includes a reduction from \$75 to \$73 per credit hour pursuant to request R1, the base reduction for public colleges and universities. The student FTE figure is based on FY 2014-15 actual eligibility for the COF stipend.

*Recommendation:* Staff recommends the request for this line item.

<b>College Opportunity Fund Program, Stipends, Stipends for eligible full- time equivalent students attending state institutions</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>			
S.B. 15-234 (Long Bill)	294,582,047	294,582,047	0.0
<b>TOTAL</b>	<b>\$294,582,047</b>	<b>\$294,582,047</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	\$294,582,047	\$294,582,047	0.0
R1 Base reduction for public colleges and universities	(12,935,515)	(12,935,515)	0.0
<b>TOTAL</b>	<b>\$281,646,532</b>	<b>\$281,646,532</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$12,935,515)	(\$12,935,515)	0.0
Percentage Change	(4.4%)	(4.4%)	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$281,646,532</b>	<b>\$281,646,532</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	0.0

- Staff supports the use of prior year actual FTE for calculating appropriations pursuant to H.B. 14-1319. This eliminates "gaming" that might be associated with using estimated figures. It also helps to ensure that changes in the number of stipend-eligible FTE have a material impact on institutional budgets. In the past, stipend funding was based on current-year estimates, but there were offsetting adjustments to fee-for-service appropriations so that there was typically no real impact on the institutions' budgets.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

- In light of the overall 3.0 percent budget cut proposed for the institutions, a proportionate reduction to the COF stipend (\$2) seems appropriate. If the Committee is able to avoid a cut to higher education, staff assumes the previous \$75 per credit hour would be restored.

Additional detail is included in the discussion of R1. The table below shows the number of stipend eligible students by governing board.

<b>Student FTE Eligible for College Opportunity Fund Stipend</b>				
	<b>FY 2015-16 Long Bill</b>	<b>FY 2016-17 based on FY 2014-15 Actual</b>	<b>Change to eligible FTE</b>	<b>Percentage</b>
<b>Adams</b>	1,339.9	1,284.7	(55.2)	-4.1%
<b>Mesa</b>	6,493.1	6,091.6	(401.5)	-6.2%
<b>Metro</b>	14,050.3	14,332.8	282.5	2.0%
<b>Western</b>	1,232.3	1,318.8	86.5	7.0%
<b>CSUSys</b>	19,562.3	19,132.3	(430.0)	-2.2%
<b>Ft. Lewis</b>	2,020.4	1,796.0	(224.4)	-11.1%
<b>CU</b>	27,170.9	27,712.2	541.3	2.0%
<b>Mines</b>	2,796.3	2,753.1	(43.2)	-1.5%
<b>UNC</b>	7,634.5	6,862.6	(771.9)	-10.1%
<b>CCs</b>	48,625.6	47,321.5	(1,304.1)	-2.7%
	130,925.4	128,605.6	(2,319.8)	-1.8%

**Stipends for students attending participating private institutions**

Students who qualify for the federal need-based Pell grant and attend a participating private institution are eligible for a stipend equal to half of the stipend for students attending a state operated institution. Three institutions currently participate in this program: Colorado Christian University, the University of Denver, and Regis University.

<b>College Opportunity Fund Program, Stipends, Stipends for eligible full- time equivalent students attending participating private institutions</b>			
	<b>Total Funds</b>	<b>General Fund</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>			
S.B. 15-234 (Long Bill)	1,506,375	1,506,375	0.0
<b>TOTAL</b>	<b>\$1,506,375</b>	<b>\$1,506,375</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	\$1,506,375	\$1,506,375	0.0
R1 Base reduction for public colleges and universities	(101,490)	(101,490)	0.0
<b>TOTAL</b>	<b>\$1,404,885</b>	<b>\$1,404,885</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$101,490)	(\$101,490)	0.0
Percentage Change	(6.7%)	(6.7%)	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$1,466,205</b>	<b>\$1,466,205</b>	<b>0.0</b>

<b>College Opportunity Fund Program, Stipends, Stipends for eligible full-time equivalent students attending participating private institutions</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>FTE</b>
Request Above/(Below) Recommendation	\$61,320	\$61,320	0.0

*Statutory Authority:* 23-18-202 (2) (e), C.R.S.

*Request:* The Department requests \$1,466,205 General Fund, based on the requested reduction to the COF stipend for students attending public institutions and assuming flat participation of 1,339 students. Pursuant to statute the private stipend amount is based on 50 percent of the amount for students attending public institutions.

*Recommendation:* **Staff recommends \$1,404,885 General Fund**, which is based on an estimate of 1,283 FTE using the program (the number who used it in FY 2014-15) x \$1,095 (50 percent of the student stipend recommended for students attending public institutions). Program enrollment appears lower in FY 2015-16, so it seems unlikely that FY 2016-17 enrollment will exceed this estimate.

Pursuant to statute, the funding level for stipends at private and public institutions are linked, and the private stipend amount must be set at 50 percent of the public rate. As noted above, only Pell-eligible students benefit from the program.

### **(B) Fee-for-service Contracts with State Institutions**

Each governing board has a fee-for-service contract with the Department for services not supported through the COF stipend payment. Pursuant to H.B. 14-1319, these contracts are based on role and mission and performance factors, pursuant to Section 23-18-303, C.R.S. or are based on specialty education programs (school of medicine, veterinary medicine, and agricultural extension programs) pursuant to Section 23-18-304, C.R.S. In addition, Section 23-18-308, C.R.S. authorizes fee-for-service contracts for limited purposes, e.g., a contract with a particular governing board for a specific service.

#### **Fee-for-service Contracts with State Institutions Pursuant to Section 23-18-303, C.R.S.**

This line item includes funding for both role and mission funding and outcomes/performance funding as authorized in Section 23-18-303, C.R.S. The Department is required to submit a request for each governing board for both role and mission and performance funding as part of its annual budget request, using a model that complies with statute.

*Statutory Authority:* 23-18-303, C.R.S.

*Request:* The Department requests \$232,798,462 for this line item, including a reduction pursuant to request R1.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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*Recommendation:* The staff recommendation is summarized below. Details of the request and recommendation are addressed in the discussion at the beginning of the packet on request R1.

<b>College Opportunity Fund Program, Fee-for-service Contracts with State Institutions, Fee-for-service Contracts with State Institutions Pursuant to Section 23-18-303, C.R.S.</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>			
S.B. 15-234 (Long Bill)	235,868,831	235,868,831	0.0
H.B. 16-1241 (Supplemental)	(277,495)	(277,495)	0.0
<b>TOTAL</b>	<b>\$235,591,336</b>	<b>\$235,591,336</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	\$235,591,336	\$235,591,336	0.0
R1 Base reduction for public colleges and universities	(2,810,635)	(2,810,635)	0.0
<b>TOTAL</b>	<b>\$232,780,701</b>	<b>\$232,780,701</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	<b>(\$2,810,635)</b>	<b>(\$2,810,635)</b>	<b>0.0</b>
Percentage Change	(1.2%)	(1.2%)	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$232,798,462</b>	<b>\$232,798,462</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$17,761	\$17,761	0.0

**Fee-for-service Contracts with State Institutions for Specialty Education Programs**

This line item provides funding for the School of Veterinary Medicine and agricultural extension programs at Colorado State University and for the University of Colorado Health Sciences Center.

*Statutory Authority:* 23-18-304, C.R.S.

*Request:* The Department requests \$112,957,776, for this line item, including a reduction pursuant to request R1.

*Recommendation:* The staff recommendation is summarized below. Details of the request and recommendation are addressed in the discussion at the beginning of the packet on request R1.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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<b>College Opportunity Fund Program, Fee-for-service Contracts with State Institutions, Fee-for-service Contracts with State Institutions for Specialty Education Programs</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>			
S.B. 15-234 (Long Bill)	116,133,797	116,133,797	0.0
H.B. 16-1241 (Supplemental)	277,495	277,495	0.0
<b>TOTAL</b>	<b>\$116,411,292</b>	<b>\$116,411,292</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	\$116,411,292	\$116,411,292	0.0
R1 Base reduction for public colleges and universities	(3,457,416)	(3,457,416)	0.0
<b>TOTAL</b>	<b>\$112,953,876</b>	<b>\$112,953,876</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	<b>(\$3,457,416)</b>	<b>(\$3,457,416)</b>	<b>0.0</b>
Percentage Change	(3.0%)	(3.0%)	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$112,957,776</b>	<b>\$112,957,776</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$3,900	\$3,900	0.0

**Limited Purpose Fee-for-Service Contracts**

This line item provides funding for special purpose activities that may be contracted with specific governing boards

*Statutory Authority:* 23-18-308, C.R.S.

*Request:* The Department requests a continuation amount of \$86,960 for a contract with the community college system for a career pathways project authorized in Section 23-18-308. C.R.S.

*Recommendation:* Staff recommends the request for a continuation amount of \$86,960.

## (5) Governing Boards

This division includes a single line item for each governing board that contains reappropriated funds spending authority for stipends, fee-for-service contracts, and appropriated grants, and cash funds spending authority for tuition, academic and academic facility fees, and revenue from the tobacco master settlement agreement.

<b>Governing Boards</b>				
	<b>Total Funds</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	\$2,754,389,274	\$2,107,804,599	\$646,584,675	23,412.5
Long Bill supplemental	4,381,327	4,381,327	0	0.0
Other legislation	86,960	0	86,960	0.0
H.B. 16-1241 (Supplemental)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,758,857,561</b>	<b>\$2,112,185,926</b>	<b>\$646,671,635</b>	<b>23,412.5</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$2,758,857,561	\$2,112,185,926	\$646,671,635	23,412.5
R1 Base reduction for public colleges and universities	(19,203,566)	0	(19,203,566)	0.0
FTE adjustment	0	0	0	632.2
Tuition adjustment	110,468,992	110,468,992	0	0.0
Fee adjustment	123,376,733	123,376,733	0	0.0
Tobacco settlement revenue adjustment	(147,808)	(147,808)	0	0.0
Amendment 50 gaming revenue adjustment	<u>1,049,136</u>	<u>1,049,136</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$2,974,401,048</b>	<b>\$2,346,932,979</b>	<b>\$627,468,069</b>	<b>24,044.7</b>
<b>Increase/(Decrease)</b>	\$215,543,487	\$234,747,053	(\$19,203,566)	632.2
Percentage Change	7.8%	11.1%	(3.0%)	2.7%
<b>FY 2016-17 Executive Request:</b>				
Request Above/(Below) Recommendation	\$2,735,294,329	\$2,107,804,599	\$627,489,730	23,412.5
Request Above/(Below) Recommendation	(\$239,106,719)	(\$239,128,380)	\$21,661	(632.2)

**Note:** All reappropriated amounts shown represent General Fund initially appropriated in the College Opportunity Fund Program section and reappropriated to the Governing Boards. Cash Funds amounts, with few exceptions, represent tuition and fee revenue.



## DECISION ITEMS – GOVERNING BOARDS

### FY 2015-16 Decision Items

The Department did not submit a request for adjustments to stipends, fee-for-service contracts, or tuition or fee revenue after its January 15, 2016 submission. Pursuant to Section 23-18-202 (2) (a) (I), C.R.S., the Department is required to annually estimate the number of undergraduate full-time equivalent students eligible for COF stipends and report the numbers by February 15 to the Governor and the Joint Budget Committee. The Department provided estimates of tuition, fee, and COF revenue submitted by the institutions.

#### **FY 2015-16 Tuition Adjustment**

**Staff recommends updating tuition amounts for FY 2015-16 to match new projections from the higher education governing boards. These amounts are shown solely for informational purposes in FY 2015-16 but provide a foundation for FY 2016-17 amounts, which are appropriated.** Legislative Council Staff also prepared a forecast which aligns closely to institutional estimates. The Legislative Council Staff forecast is attached to this packet, as is a summary sheet comparing the institutional and Legislative Council Staff figures.

	<b>FY 2015-16 Long Bill</b>	<b>FY 2015-16 Adjusted</b>	<b>Supplemental Adjustment</b>	<b>Percent Change</b>
<b>Adams</b>	22,397,850	19,101,000	(3,296,850)	-14.7%
<b>Mesa</b>	58,573,068	60,663,996	2,090,928	3.6%
<b>Metro</b>	105,664,087	99,427,740	(6,236,347)	-5.9%
<b>Western</b>	16,885,635	16,847,571	(38,064)	-0.2%
<b>CSUSys</b>	375,661,457	398,591,264	22,929,807	6.1%
<b>Ft. Lewis</b>	40,387,403	38,946,415	(1,440,988)	-3.6%
<b>CU</b>	895,559,699	882,917,778	(12,641,921)	-1.4%
<b>Mines</b>	117,815,815	124,096,781	6,280,966	5.3%
<b>UNC</b>	81,918,145	81,290,546	(627,599)	-0.8%
<b>CCs</b>	253,157,745	250,519,140	(2,638,605)	-1.0%

#### **FY 2015-16 Fees – Not Adjusted**

Historically, staff has adjusted fee amounts to correspond to updated fee projections from the higher education governing boards. These amounts are currently shown for informational purposes, and staff is not recommending an update for FY 2015-16. For FY 2016-17, staff would like to begin reflecting, for informational purposes, a comprehensive collection of fees, i.e., all fees that are "mandatory" for all students. In the tables below, these amounts are not updated. *However, if the Committee agrees with the staff proposal to begin reflecting all*

*mandatory fees for FY 2016-17, it may also be helpful to modify FY 2015-16 amounts so that they are comparable and the overall growth in institutional revenue is not distorted.*

**➔ COF Stipends and Fee-for-service Contracts - Not Adjusted**

**As previously discussed does NOT recommend adjusting the estimates of COF stipend eligible students for FY 2015-16.** While there are some relatively significant differences between the earlier projection and current estimates, staff believes the adjustments can be managed within the Department's authority to transfer, at the end of the year, up to 10 percent of the total appropriation for a governing board between fee-for-service and stipend amounts pursuant to Section 23-18-202, C.R.S.

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**FY 2016-17 Decision Items**

**➔ R1 Base reduction for public colleges and universities**

The Department's sole request affecting this section was R1 the base reduction for public colleges and universities. This request is addressed at the beginning of the packet.

**➔ Tuition appropriation**

As discussed at the beginning of this packet, staff has recommended appropriations and footnotes for each higher education governing board for FY 2016-17, consistent with statute. Only amounts for the Colorado School of Mines are shown solely for informational purposes. The recommended amounts are based either on institutional projections or on a staff estimate when staff recommended a maximum rate increase that exceeded the estimates included in the Department's submission. Staff anticipates that, consistent with past practice, these amounts will be updated in spring 2017 based on updated estimates.

**➔ Projected fee revenue - academic and facility fees**

As also discussed at the beginning of this packet, staff recommends including fee estimates for each of the governing boards based on their revenue from all mandatory fees. Fee revenue is shown for informational purposes only, but does correspond to overall student costs. It is important to note that the "mandatory fees" shown are based on the Department's definition and include fees for student activities (e.g. student government, athletics), as well as fees for capital construction and fees related to academic programs. These fees are included because they are mandatory for all students, regardless of whether the student is enrolled in a particular program or course.

Note that in prior years, only fees that were considered academic and/or part of "education and general" revenue were included. **Because amounts shown this year are based on a broader definition of fees, they are not comparable to prior year fee amounts as shown in the tables below.**

**➔ Amendment 50 gaming revenue adjustment**

Staff recommends modifying estimated distributions of limited gaming funds reflected in the Long Bill to align with the FY 2014-15 actual distributions of \$7,702,884 (including amounts allocated to the Local District Junior Colleges). These amounts are shown for informational purposes only and are provided pursuant to Amendment 50 (passed in 2008 to modify limits on bets, hours, and games in Central City, Black Hawk, and Cripple Creek).

Amendment 50 Limited Gaming	FY 2013-14 Actual	FY 2014-15 Actual	Increase to reflect in FY 2016-17 Long Bill
<u>State Institutions</u>			
State Community College System	\$5,557,239	\$6,545,140	\$987,901
Adams State University	20,260	21,568	1,308
Colorado Mesa University	296,717	356,644	59,927
<u>Local District Colleges</u>			
Aims Community College	351,616	413,645	62,029
Colorado Mountain College	309,788	365,887	56,099
<b>Total</b>	<b>\$6,535,620</b>	<b>\$7,702,884</b>	<b>\$1,167,264</b>

**➔ Full-time Equivalent (FTE) adjustment**

Staff recommends an adjustment to employee FTE shown in the Long Bill for informational purposes. Consistent with past practice, the recommendation is based on FY 2015-16 estimated FTE in the budget data books submitted by the Department, with the exception of FTE at CSU. Due to anomalies in the data submitted, staff has reflected CSU's FY 2014-15 actual FTE data, rather than FY 2015-16 estimates.

Prior to FY 1999-00, FTE designations were not included in the Long Bill for Higher Education. In FY 1999-00 the JBC adopted a policy of reflecting FTE for all departments in the Long Bill to provide additional information about the number of state employees. Pursuant to statute, the governing boards may hire as many or as few employees as they see fit. The staff recommendation is consistent with the historic practice of the JBC of using the current year

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

estimate in the budget data books for each governing board. Note that amounts in this section do not include the adjustment for the Auraria Higher Education Center, which is shown in a separate Long Bill section. The total FTE included in the Governing Boards section for informational purposes is 24,235.3, including an increase of 634.8 for FY 2016-17.

	FTE			
	FY 2015-16	FY 2016-17	Recommended	
	Appropriation	(FY 2015-16 Data Books Estimates)	Change	Percent
Adams	330.0	331.6	1.6	0.5%
Mesa	695.3	705.8	10.5	1.5%
Metro	1,362.6	1,453.2	90.6	6.6%
Western	241.4	248.1	6.7	2.8%
CSU System*	4,587.2	4,856.2	269.0	5.9%
Fort Lewis	415.0	430.4	15.4	3.7%
CU Regents	7,825.2	7,982.3	157.1	2.0%
Mines	878.5	896.8	18.3	2.1%
UNC	1,141.9	1,136.5	-5.4	-0.5%
Community Colleges	5,935.4	6,003.8	68.4	1.2%
AHEC	188.0	190.6	2.6	1.4%
<b>TOTAL</b>	<b>23,600.5</b>	<b>24,235.3</b>	<b>634.8</b>	<b>2.7%</b>

\*FTE reflected for the CSU system are based on the FY 2014-15 actual.

**➔ Tobacco Settlement revenue adjustment**

**Staff recommends reflecting funding from Tobacco Settlement revenue for the University of Colorado of 12,352,869, a reduction of \$147,808 based on current tobacco settlement revenue estimates and allocation formulas.** The Department did not request this change, but it reflects the statutory allocation of money from the tobacco master settlement agreement, the projected tobacco revenues, and the JBC's action during figure setting for the tobacco-funded programs.

**LINE ITEM DETAIL – GOVERNING BOARDS**

**General Note:** All reappropriated amounts shown represent General Fund initially appropriated in the College Opportunity Fund Program section and reappropriated to the Governing Boards. Cash Funds amounts, with few exceptions, represent tuition and fee revenue.

<b>Governing Boards, Trustees of Adams State University, Trustees of Adams State College</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
S.B. 15-234 (Long Bill)	39,296,127	0	25,175,110	14,121,017	330.0
Long Bill supplemental	(3,296,850)	0	(3,296,850)	0	0.0
<b>TOTAL</b>	<b>\$35,999,277</b>	<b>\$0</b>	<b>\$21,878,260</b>	<b>\$14,121,017</b>	<b>330.0</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$35,999,277	\$0	\$21,878,260	\$14,121,017	330.0
Fee adjustment	3,812,160	0	3,812,160	0	0.0
Tuition adjustment	955,050	0	955,050	0	0.0
Amendment 50 gaming revenue adjustment	1,308	0	1,308	0	0.0
FTE adjustment	0	0	0	0	1.6
R1 Base reduction for public colleges and universities	(268,407)	0	0	(268,407)	0.0
<b>TOTAL</b>	<b>\$40,499,388</b>		<b>\$26,646,778</b>	<b>\$13,852,610</b>	<b>331.6</b>
<b>Increase/(Decrease)</b>	<b>\$4,500,111</b>	<b>\$0</b>	<b>\$4,768,518</b>	<b>(\$268,407)</b>	<b>1.6</b>
Percentage Change	12.5%	0.0%	21.8%	(1.9%)	0.5%
<b>FY 2016-17 Executive Request:</b>	<b>\$39,022,783</b>	<b>\$0</b>	<b>\$25,175,110</b>	<b>\$13,847,673</b>	<b>330.0</b>
Request Above/(Below) Recommendation	(\$1,476,605)		(\$1,471,668)	(\$4,937)	(1.6)

<b>Governing Boards, Trustees of Colorado Mesa University, Trustees of Colorado Mesa University</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
S.B. 15-234 (Long Bill)	83,808,850	0	59,343,494	24,465,356	695.3
Long Bill supplemental	2,090,928	0	2,090,928	0	0.0
<b>TOTAL</b>	<b>\$85,899,778</b>	<b>\$0</b>	<b>\$61,434,422</b>	<b>\$24,465,356</b>	<b>695.3</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$85,899,778	\$0	\$61,434,422	\$24,465,356	695.3
Tuition adjustment	6,163,462	0	6,163,462	0	0.0

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Governing Boards, Trustees of Colorado Mesa University, Trustees of Colorado Mesa University</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
Fee adjustment	5,621,277	0	5,621,277	0	0.0
Amendment 50 gaming revenue adjustment	59,927	0	59,927	0	0.0
FTE adjustment	0	0	0	0	10.5
R1 Base reduction for public colleges and universities	(861,799)	0	0	(861,799)	0.0
<b>TOTAL</b>	<b>\$96,882,645</b>		<b>\$73,279,088</b>	<b>\$23,603,557</b>	<b>705.8</b>
<b>Increase/(Decrease)</b>	<b>\$10,982,867</b>	<b>\$0</b>	<b>\$11,844,666</b>	<b>(\$861,799)</b>	<b>10.5</b>
Percentage Change	12.8%	0.0%	19.3%	(3.5%)	1.5%
<b>FY 2016-17 Executive Request:</b>	<b>\$82,997,052</b>	<b>\$0</b>	<b>\$59,343,494</b>	<b>\$23,653,558</b>	<b>695.3</b>
Request Above/(Below) Recommendation	(\$13,885,593)		(\$13,935,594)	\$50,001	(10.5)

<b>Governing Boards, Trustees of Metropolitan State University of Denver, Trustees of Metropolitan State University of Denver</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
S.B. 15-234 (Long Bill)	165,285,709	0	115,132,310	50,153,399	1,362.6
Long Bill supplemental	(6,236,347)	0	(6,236,347)	0	0.0
<b>TOTAL</b>	<b>\$159,049,362</b>	<b>\$0</b>	<b>\$108,895,963</b>	<b>\$50,153,399</b>	<b>1,362.6</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$159,049,362	\$0	\$108,895,963	\$50,153,399	1,362.6
Fee adjustment	6,174,678	0	6,174,678	0	0.0
Tuition adjustment	5,655,596	0	5,655,596	0	0.0
FTE adjustment	0	0	0	0	90.6
R1 Base reduction for public colleges and universities	(447,506)	0	0	(447,506)	0.0
<b>TOTAL</b>	<b>\$170,432,130</b>		<b>\$120,726,237</b>	<b>\$49,705,893</b>	<b>1,453.2</b>
<b>Increase/(Decrease)</b>	<b>\$11,382,768</b>	<b>\$0</b>	<b>\$11,830,274</b>	<b>(\$447,506)</b>	<b>90.6</b>
Percentage Change	7.2%	0.0%	10.9%	(0.9%)	6.6%
<b>FY 2016-17 Executive Request:</b>	<b>\$164,820,877</b>	<b>\$0</b>	<b>\$115,132,310</b>	<b>\$49,688,567</b>	<b>1,362.6</b>
Request Above/(Below) Recommendation	(\$5,611,253)		(\$5,593,927)	(\$17,326)	(90.6)

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Governing Boards, Trustees of Western State Colorado University, Trustees of Western State Colorado University</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
S.B. 15-234 (Long Bill)	31,774,283	0	20,130,291	11,643,992	241.4
Long Bill supplemental	(38,064)	0	(38,064)	0	0.0
<b>TOTAL</b>	<b>\$31,736,219</b>	<b>\$0</b>	<b>\$20,092,227</b>	<b>\$11,643,992</b>	<b>241.4</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$31,736,219	\$0	\$20,092,227	\$11,643,992	241.4
Fee adjustment	1,889,237	0	1,889,237	0	0.0
Tuition adjustment	1,400,776	0	1,400,776	0	0.0
FTE adjustment	0	0	0	0	6.7
R1 Base reduction for public colleges and universities	(268,531)	0	0	(268,531)	0.0
<b>TOTAL</b>	<b>\$34,757,701</b>	<b>\$0</b>	<b>\$23,382,240</b>	<b>\$11,375,461</b>	<b>248.1</b>
<b>Increase/(Decrease)</b>	\$3,021,482	\$0	\$3,290,013	(\$268,531)	6.7
Percentage Change	9.5%	0.0%	16.4%	(2.3%)	2.8%
<b>FY 2016-17 Executive Request:</b>	<b>\$31,478,562</b>	<b>\$0</b>	<b>\$20,130,291</b>	<b>\$11,348,271</b>	<b>241.4</b>
Request Above/(Below) Recommendation	(\$3,279,139)		(\$3,251,949)	(\$27,190)	(6.7)

<b>Governing Boards, Board of Governors of the Colorado State University System, Board of Governors of the Colorado State University System</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
S.B. 15-234 (Long Bill)	530,091,180	0	395,430,996	134,660,184	4,587.2
Long Bill supplemental	22,929,807	0	22,929,807	0	0.0
<b>TOTAL</b>	<b>\$553,020,987</b>	<b>\$0</b>	<b>\$418,360,803</b>	<b>\$134,660,184</b>	<b>4,587.2</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$553,020,987	\$0	\$418,360,803	\$134,660,184	4,587.2
Fee adjustment	48,188,597	0	48,188,597	0	0.0
Tuition adjustment	18,417,296	0	18,417,296	0	0.0
FTE adjustment	0	0	0	0	269.0
R1 Base reduction for public colleges and universities	(4,286,713)	0	0	(4,286,713)	0.0
<b>TOTAL</b>	<b>\$615,340,167</b>	<b>\$0</b>	<b>\$484,966,696</b>	<b>\$130,373,471</b>	<b>4,856.2</b>
<b>Increase/(Decrease)</b>	\$62,319,180	\$0	\$66,605,893	(\$4,286,713)	269.0
Percentage Change	11.3%	0.0%	15.9%	(3.2%)	5.9%

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Governing Boards, Board of Governors of the Colorado State University System, Board of Governors of the Colorado State University System</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2016-17 Executive Request:</b>	<b>\$525,851,506</b>	<b>\$0</b>	<b>\$395,430,996</b>	<b>\$130,420,510</b>	<b>4,587.2</b>
Request Above/(Below) Recommendation	(\$89,488,661)		(\$89,535,700)	\$47,039	(269.0)

<b>Governing Boards, Trustees of Fort Lewis College, Trustees of Fort Lewis College</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
S.B. 15-234 (Long Bill)	53,409,825	0	41,587,403	11,822,422	415.0
Long Bill supplemental	(1,440,988)	0	(1,440,988)	0	0.0
<b>TOTAL</b>	<b>\$51,968,837</b>	<b>\$0</b>	<b>\$40,146,415</b>	<b>\$11,822,422</b>	<b>415.0</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$51,968,837	\$0	\$40,146,415	\$11,822,422	415.0
Fee adjustment	4,933,000	0	4,933,000	0	0.0
Tuition adjustment	1,775,986	0	1,775,986	0	0.0
FTE adjustment	0	0	0	0	15.4
R1 Base reduction for public colleges and universities	(571,581)	0	0	(571,581)	0.0
<b>TOTAL</b>	<b>\$58,106,242</b>		<b>\$46,855,401</b>	<b>\$11,250,841</b>	<b>430.4</b>
<b>Increase/(Decrease)</b>	<b>\$6,137,405</b>	<b>\$0</b>	<b>\$6,708,986</b>	<b>(\$571,581)</b>	<b>15.4</b>
Percentage Change	11.8%	0.0%	16.7%	(4.8%)	3.7%
<b>FY 2016-17 Executive Request:</b>	<b>\$52,842,974</b>	<b>\$0</b>	<b>\$41,587,403</b>	<b>\$11,255,571</b>	<b>415.0</b>
Request Above/(Below) Recommendation	(\$5,263,268)		(\$5,267,998)	\$4,730	(15.4)

<b>Governing Boards, Regents of the University of Colorado, Regents of the University of Colorado</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
S.B. 15-234 (Long Bill)	1,148,537,561	0	963,921,894	184,615,667	7,825.2
H.B. 16-1241 (Supplemental)	0	0	0	0	0.0
Long Bill supplemental	(12,641,921)	0	(12,641,921)	0	0.0
<b>TOTAL</b>	<b>\$1,135,895,640</b>	<b>\$0</b>	<b>\$951,279,973</b>	<b>\$184,615,667</b>	<b>7,825.2</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$1,135,895,640	\$0	\$951,279,973	\$184,615,667	7,825.2
Tuition adjustment	48,401,952	0	48,401,952	0	0.0



*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Governing Boards, Regents of the University of Colorado, Regents of the University of Colorado</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
Fee adjustment	20,592,773	0	20,592,773	0	0.0
FTE adjustment	0	0	0	0	157.1
R1 Base reduction for public colleges and universities	(4,154,240)	0	0	(4,154,240)	0.0
Tobacco settlement revenue adjustment	(147,808)	0	(147,808)	0	0.0
<b>TOTAL</b>	<b>\$1,200,588,317</b>		<b>\$1,020,126,890</b>	<b>\$180,461,427</b>	<b>7,982.3</b>
<b>Increase/(Decrease)</b>	\$64,692,677	\$0	\$68,846,917	(\$4,154,240)	157.1
Percentage Change	5.7%	0.0%	7.2%	(2.3%)	2.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$1,144,453,292</b>	<b>\$0</b>	<b>\$963,921,894</b>	<b>\$180,531,398</b>	<b>7,825.2</b>
Request Above/(Below) Recommendation	(\$56,135,025)		(\$56,204,996)	\$69,971	(157.1)

<b>Governing Boards, Trustees of the Colorado School of Mines, Trustees of the Colorado School of Mines</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
S.B. 15-234 (Long Bill)	143,037,105	0	122,489,777	20,547,328	878.5
Long Bill supplemental	6,280,966	0	6,280,966	0	0.0
<b>TOTAL</b>	<b>\$149,318,071</b>	<b>\$0</b>	<b>\$128,770,743</b>	<b>\$20,547,328</b>	<b>878.5</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$149,318,071	\$0	\$128,770,743	\$20,547,328	878.5
Tuition adjustment	9,750,655	0	9,750,655	0	0.0
Fee adjustment	8,458,064	0	8,458,064	0	0.0
FTE adjustment	0	0	0	0	18.3
R1 Base reduction for public colleges and universities	(377,563)	0	0	(377,563)	0.0
<b>TOTAL</b>	<b>\$167,149,227</b>		<b>\$146,979,462</b>	<b>\$20,169,765</b>	<b>896.8</b>
<b>Increase/(Decrease)</b>	\$17,831,156	\$0	\$18,208,719	(\$377,563)	18.3
Percentage Change	11.9%	0.0%	14.1%	(1.8%)	2.1%
<b>FY 2016-17 Executive Request:</b>	<b>\$142,645,718</b>	<b>\$0</b>	<b>\$122,489,777</b>	<b>\$20,155,941</b>	<b>878.5</b>
Request Above/(Below) Recommendation	(\$24,503,509)		(\$24,489,685)	(\$13,824)	(18.3)

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Governing Boards, University of Northern Colorado, University of Northern Colorado</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
S.B. 15-234 (Long Bill)	128,793,507	0	87,700,778	41,092,729	1,141.9
Long Bill supplemental	(627,599)	0	(627,599)	0	0.0
<b>TOTAL</b>	<b>\$128,165,908</b>	<b>\$0</b>	<b>\$87,073,179</b>	<b>\$41,092,729</b>	<b>1,141.9</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$128,165,908	\$0	\$87,073,179	\$41,092,729	1,141.9
Fee adjustment	12,669,954	0	12,669,954	0	0.0
Tuition adjustment	7,782,985	0	7,782,985	0	0.0
FTE adjustment	0	0	0	0	(5.4)
R1 Base reduction for public colleges and universities	(3,057,772)	0	0	(3,057,772)	0.0
<b>TOTAL</b>	<b>\$145,561,075</b>		<b>\$107,526,118</b>	<b>\$38,034,957</b>	<b>1,136.5</b>
<b>Increase/(Decrease)</b>	\$17,395,167	\$0	\$20,452,939	(\$3,057,772)	(5.4)
Percentage Change	13.6%	0.0%	23.5%	(7.4%)	(0.5%)
<b>FY 2016-17 Executive Request:</b>	<b>\$125,746,162</b>	<b>\$0</b>	<b>\$87,700,778</b>	<b>\$38,045,384</b>	<b>1,141.9</b>
Request Above/(Below) Recommendation	(\$19,814,913)		(\$19,825,340)	\$10,427	5.4

<b>Governing Boards, State Board for Community Colleges and Occupational Education State System Community Colleges, State Board for Community Colleges and Occupational Education State System Community Colleges</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
S.B. 15-234 (Long Bill)	430,355,127	0	276,892,546	153,462,581	5,935.4
Other legislation	86,960	0	0	86,960	0.0
Long Bill supplemental	(2,638,605)	0	(2,638,605)	0	0.0
<b>TOTAL</b>	<b>\$427,803,482</b>	<b>\$0</b>	<b>\$274,253,941</b>	<b>\$153,549,541</b>	<b>5,935.4</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$427,803,482	\$0	\$274,253,941	\$153,549,541	5,935.4
Fee adjustment	11,036,993	0	11,036,993	0	0.0
Tuition adjustment	10,165,234	0	10,165,234	0	0.0
Amendment 50 gaming revenue adjustment	987,901	0	987,901	0	0.0
FTE adjustment	0	0	0	0	68.4
R1 Base reduction for public colleges and universities	(4,909,454)	0	0	(4,909,454)	0.0

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Governing Boards, State Board for Community Colleges and Occupational Education State System Community Colleges, State Board for Community Colleges and Occupational Education State System Community Colleges</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>TOTAL</b>	<b>\$445,084,156</b>		<b>\$296,444,069</b>	<b>\$148,640,087</b>	<b>6,003.8</b>
<b>Increase/(Decrease)</b>	\$17,280,674	\$0	\$22,190,128	(\$4,909,454)	68.4
Percentage Change	4.0%	0.0%	8.1%	(3.2%)	1.2%
<b>FY 2016-17 Executive Request:</b>	<b>\$425,435,403</b>	<b>\$0</b>	<b>\$276,892,546</b>	<b>\$148,542,857</b>	<b>5,935.4</b>
Request Above/(Below) Recommendation	(\$19,648,753)		(\$19,551,523)	(\$97,230)	(68.4)

## (6) Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S.

This division provides funding for grants to Aims Community College and Colorado Mountain College. These institutions also receive tax revenue from local taxing districts which provide the majority of their funding. The source of cash funds is limited gaming revenue distributed to higher education institutions with a 2-year mission. Pursuant to Section 23-18-304 (3), C.R.S., state support for these institutions increases or decreases at the same rate as the average change in funding for the state-operated governing boards, except that under some circumstances they may increase more or decrease less.

<b>Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S.</b>				
	Total Funds	General Fund	Cash Funds	FTE
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	<u>\$16,250,619</u>	<u>\$15,589,215</u>	<u>\$661,404</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$16,250,619</b>	<b>\$15,589,215</b>	<b>\$661,404</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$16,250,619	\$15,589,215	\$661,404	0.0
R1 Base reduction for public colleges and universities	(462,999)	(462,999)	0	0.0
Amendment 50 gaming revenue adjustment	<u>118,128</u>	<u>0</u>	<u>118,128</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$15,905,748</b>	<b>\$15,126,216</b>	<b>\$779,532</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$344,871)	(\$462,999)	\$118,128	0.0
Percentage Change	(2.1%)	(3.0%)	17.9%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$15,768,520</b>	<b>\$15,107,116</b>	<b>\$661,404</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$137,228)	(\$19,100)	(\$118,128)	0.0

## DECISION ITEMS – LOCAL DISTRICT COLLEGE GRANTS

### R1 Base Reduction for Public Colleges and Universities

The Department requests a 3.0 reduction to funding for all public colleges and universities. Pursuant to Section 23-18-304 (3), C.R.S., state support local district junior colleges must increase or decrease at the same rate as the average change in funding for the state-operated governing boards, except that they may increase more or decrease less.

As discussed at the beginning of this department, staff recommends the executive request for a 3.0 percent decrease for the governing boards, including for these entities. **However, due to an error in the Department's calculations, the staff-recommended reduction is smaller than the requested reduction to conform to statute.** (The request included Amendment 50 revenue in the base when calculating the percentage reduction, rather than solely General Fund grants authorized pursuant to Section 23-71-301, C.R.S..)

**➔ Adjust Amendment 50 Gaming Revenue**

The staff recommendation adjusts gaming revenue amounts shown for informational purposes. Funding for institutions with a two-year mission was authorized as part of 2008 changes to the state constitutional amendment authorizing limited stakes gaming. The amounts recommended to be shown for informational purposes are based on FY 2014-15 actual distributions. In total, Aims Community College received \$413,645 in Amendment 50 revenue in FY 2014-15 and Colorado Mountain College received \$365,887

**➔ Name Change for Division**

House Bill 16-1259 (Mitsch Bush, Wilson; Cooke, Donovan) makes various changes to the local district college statutes. One change is to require the revisor to modify statutory references to the institutions so that they are known as "local district colleges" rather than "local district junior colleges". Colorado Mountain College, in particular, now has a four-year mission, in addition to a two-year "junior college" mission.

**Although this bill has not yet been adopted, staff recommends that the name of this division also be changed to "Local District Colleges".** Staff believes the name more accurately describes the function of the colleges supported in this Long Bill division.

## **LINE ITEM DETAIL – LOCAL DISTRICT COLLEGE GRANTS**

### **Aims Community College**

Aims community college serves the northern Front Range, with campuses in Greeley, Windsor, Fort Lupton, and Loveland. It served 3,231 student FTE in FY 2014-15 including 3,160 resident students. The community college district was formed in 1967. In FY 2014-15, local tax district support and other miscellaneous sources of revenue provided 58.5 percent of Aims' education and general revenue, while state support provided 17.0 percent.

*Statutory Authority:* Sections 23-71-301 and 302 and 23-18-304 (3), C.R.S.

*Request:* The Department requests \$8,536,792 including \$8,185,876 General Fund.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

*Recommendation:*

<b>Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S., Aims Community College</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	8,797,792	8,446,176	351,616	0.0
<b>TOTAL</b>	<b>\$8,797,792</b>	<b>\$8,446,176</b>	<b>\$351,616</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$8,797,792	\$8,446,176	\$351,616	0.0
Amendment 50 gaming revenue adjustment	62,029	0	62,029	0.0
R1 Base reduction for public colleges and universities	(250,851)	(250,851)	0	0.0
<b>TOTAL</b>	<b>\$8,608,970</b>	<b>\$8,195,325</b>	<b>\$413,645</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$188,822)	(\$250,851)	\$62,029	0.0
Percentage Change	(2.1%)	(3.0%)	17.6%	0.0%
<b>FY 2016-17 Executive Request:</b>				
Request Above/(Below) Recommendation	(\$72,178)	(\$10,149)	(\$62,029)	0.0

**Colorado Mountain College**

Colorado Mountain College serves the mountain communities in north-central Colorado, with 11 campus locations, including three residential campuses in Leadville, Glenwood Springs, and Steamboat Springs. It served 3,369 student FTE in FY 2014-15 including 2,795 resident students. The community college district was formed in 1967. In 2011, the General Assembly authorized it to begin offering selected baccalaureate degrees. In FY 2014-15, local tax district support and other miscellaneous sources of revenue provided 74.0 percent of Colorado Mountain College's education and general revenue, while state support provided 11.8 percent.

*Statutory Authority:* Sections 23-71-301 and 302 and 23-18-304 (3), C.R.S.

*Request:* The Department requests \$7,231,728 including \$6,921,940 General Fund.

*Recommendation:*

<b>Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S., Colorado Mountain College</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	7,452,827	7,143,039	309,788	0.0
<b>TOTAL</b>	<b>\$7,452,827</b>	<b>\$7,143,039</b>	<b>\$309,788</b>	<b>0.0</b>

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S., Colorado Mountain College</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$7,452,827	\$7,143,039	\$309,788	0.0
Amendment 50 gaming revenue adjustment	56,099	0	56,099	0.0
R1 Base reduction for public colleges and universities	(212,148)	(212,148)	0	0.0
<b>TOTAL</b>	<b>\$7,296,778</b>	<b>\$6,930,891</b>	<b>\$365,887</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$156,049)	(\$212,148)	\$56,099	0.0
Percentage Change	(2.1%)	(3.0%)	18.1%	0.0%
<b>FY 2016-17 Executive Request:</b>				
Request Above/(Below) Recommendation	(\$65,050)	(\$8,951)	(\$56,099)	0.0

## (7) Division of Occupational Education

The Division is administratively located within the State Board for the Community Colleges and Occupational Education State System Community Colleges and has responsibility for approving programs and maintaining standards for public vocational programs (the Division of Private Occupational Schools in CCHE oversees proprietary schools). The Division also distributes state and federal funds for occupational education.

<b>Division of Occupational Education</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
S.B. 15-234 (Long Bill)	56,382,347	9,971,721	30,836,648	15,573,978	32.0
<b>TOTAL</b>	<b>\$56,382,347</b>	<b>\$9,971,721</b>	<b>\$30,836,648</b>	<b>\$15,573,978</b>	<b>32.0</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$56,382,347	\$9,971,721	\$30,836,648	\$15,573,978	32.0
R1 Base reduction for public colleges and universities	(295,826)	(295,826)	0	0	0.0
<b>TOTAL</b>	<b>\$56,086,521</b>	<b>\$9,675,895</b>	<b>\$30,836,648</b>	<b>\$15,573,978</b>	<b>32.0</b>
<b>Increase/(Decrease)</b>	(\$295,826)	(\$295,826)	\$0	\$0	0.0
Percentage Change	(0.5%)	(3.0%)	0.0%	0.0%	0.0%
<b>FY 2016-17 Executive Request:</b>					
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

### DECISION ITEMS – DIVISION OF OCCUPATIONAL EDUCATION

#### ➔ R1 Base Reduction for Public Colleges and Universities

The Department requests a 3.0 reduction to funding for all public colleges and universities. Pursuant to Section 23-18-304 (2), C.R.S., state support for area vocational schools must increase or decrease at the same rate as the average change in funding for the state-operated governing boards, except that they may increase more or decrease less.

As discussed at the beginning of this department, staff recommends the executive request for a 3.0 percent decrease for the governing boards, including for the area vocational schools.

#### ➔ Name Change for Area Vocational Schools

The "area vocational schools" are three technical training schools that, like community colleges, award technical education certificates but that managed within the public K-12 education system and are overseen by local school boards rather than by separate higher education boards of



trustees. The schools are Delta-Montrose Technical College, Emily Griffith Technical College (Denver), and Pickens Technical College (Aurora).

The area vocational schools have all changed their names to "technical colleges" (e.g., Emily Griffith Technical College). House Bill 16-1082 (Change Name Area Vocational Schools; Garnett/Willett) will change statutory references from "area vocational schools" to "area technical colleges" to align with the schools' current names. Although this bill has not yet been adopted, **staff recommends the Long Bill line item title for "Area Vocational School Support" also be modified to "Area Technical College Support"**.

**➔ Line Items for Colorado First/Existing Industry Job Training and Distribution of State Assistance for Career and Technical Education pursuant to Section 23-8-102, C.R.S.**

The line item for Colorado First/Existing Industry Job Training is set in the Governor's Office, and the line item for Distribution of State Assistance for Career and Technical Education is set in the Department of Education. Staff requests permission to set these line items consistent with decisions made during figure setting presentations for these two other departments. For Career and Technical Education this amount is \$25,639,363.

## **LINE ITEM DETAIL – DIVISION OF OCCUPATIONAL EDUCATION**

### **(A) Administrative Costs**

These FTE, located in the community college system, are responsible for approving occupational education programs and distributing funds to both higher education and K-12 entities. The source of reappropriated funds is indirect cost recoveries.

*Statutory Authority:* 23-8-101, C.R.S., et. seq.

*Request:* The Department requests a continuation level of funding of \$900,000 reappropriated funds and 9.0 FTE.

*Recommendation:* **Staff recommends the request for continuation funding of \$900,000 reappropriated funds from departmental and statewide indirect cost collections and 9.0 FTE.**

### **(B) Distribution of State Assistance for Career and Technical Education pursuant to Section 23-8-102, C.R.S.**

The appropriation provides state support for secondary students enrolled in vocational programs in school districts across the state. These funds help the school districts offset, in part, the higher cost of vocational education. State statutes and regulations from the Division define the eligible costs for which K-12 schools may apply for reimbursement. The source of reappropriated funds

is a transfer from the Department of Education. This is one of the categorical programs covered by Amendment 23.

According the annual report on the Career and Technical Act (February 29, 2016), these funds were used to serve 96,854 individual secondary CTE students in 147 public school districts, a special school, eight technical centers, three community colleges, one four-year college and three area technical colleges. In addition there were 20,721 middle school CTE student enrollments.

*Statutory Authority:* Section 23-8-102, C.R.S.

*Request:* The Department requests a continuation level of \$25,436,648 reappropriated funds.

*Recommendation:* **The amount for this line item is pending figure setting for the Department of Education.** Staff requests permission to set the amount for this line item consistent with the Committee's final decision for figure setting in the Department of Education.

**(C) Area Vocational School TECHNICAL COLLEGE Support**

This line provides state support for the three area vocational schools to provide post-secondary vocational training: Delta-Montrose Technical College, Emily Griffith Technical College, and Pickens Technical College. In addition to the General Fund shown in the Long Bill, the Area Vocational Schools (AVS) charge tuition and fees to students. Also, the AVS provide some vocational training to secondary students with funds from their local school districts, which may include Colorado Vocational Act dollars. The distribution of General Fund is determined by the Division in consultation with the AVS.

*Statutory Authority:* Sections 23-71-303 and Section 23-18-304 (2), C.R.S.

*Request:* The Department requests an appropriation of \$9,675,895 General Fund for this line item, including an adjustment for R1 Base Reduction for Public Colleges and Universities.

*Recommendation:*

<b>Division of Occupational Education, Area Vocational School Support, Area Vocational School Support</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>			
S.B. 15-234 (Long Bill)	9,971,721	9,971,721	0.0
<b>TOTAL</b>	<b>\$9,971,721</b>	<b>\$9,971,721</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>			
FY 2015-16 Appropriation	\$9,971,721	\$9,971,721	0.0
R1 Base reduction for public colleges and universities	(295,826)	(295,826)	0.0

*JBC Staff Figure Setting: FY 2016-17  
Staff Working Document – Does Not Represent Committee Decision*

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<b>Division of Occupational Education, Area Vocational School Support, Area Vocational School Support</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>FTE</b>
<b>TOTAL</b>	<b>\$9,675,895</b>	<b>\$9,675,895</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	(\$295,826)	(\$295,826)	0.0
Percentage Change	(3.0%)	(3.0%)	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$9,675,895</b>	<b>\$9,675,895</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	0.0

**(D) Sponsored Programs**

The programs in this section are federally funded occupational education programs.

**Administration**

These FTE review educational programs to ensure compliance with federal Perkins requirements and approve courses eligible for federal funds. They also provide training and technical assistance to educators and students.

*Statutory Authority:* Section 23-60-301, C.R.S.

*Request:* The Department requests a continuation level of funding of \$2,220,227 federal funds and 23.0 FTE for this line item.

*Recommendation:* **Staff recommends the Department's request for a continuation level of funding of \$2,220,227 federal funds and 23.0 FTE.** Actual spending has remained in-line with this figure.

**Programs**

These funds are federal "Carl Perkins" funds, and are distributed to Community Colleges, Local District Junior Colleges, Area Vocational Schools, and K-12 districts.

*Statutory Authority:* Section 23-60-301, C.R.S.

*Request:* The Department requests a continuation level of funding of \$13,353,751 federal funds for this line item.

*Recommendation:* **Staff recommends a continuation level of \$13,353,751 for this line item.** This line item is shown for informational purposes, so appropriations do not constrain spending. FY 2014-15 spending fell slightly below this level and community college system projects somewhat greater expenditures for FY 2015-16. However, given the uncertainty of federal funding and the small scale of the adjustments, staff does not feel an adjustment is currently warranted.

**(E) Colorado First Customized Job Training**

This line item is for General Fund dollars transferred from the Governor's Office for community colleges to provide training to employees of new companies or expanding firms.

*Statutory Authority:* Section 23-60-306, C.R.S.

*Request:* The Department requests \$4,500,000 reappropriated funds for this line item.

*Recommendation:* **The staff recommendation is pending figure setting for the Governor's Office, from which these funds are transferred.**

## **(8) Auraria Higher Education Center**

The Auraria Higher Education Center (AHEC) collects funds from the institutions with programs on the Auraria campus for operation and maintenance of the campus. While there is some impact on AHEC's budget when enrollment changes on the campus, much of the expenses are for fixed costs related to maintaining the buildings and coordinating activities of the co-tenants. The source of reappropriated funds is payments by the three institutions that share the AHEC campus: University of Colorado at Denver, Metropolitan State University of Denver, and the Community College of Denver. Pursuant to statute, institutions' base payments for support of AHEC are appropriated; however, individual institutions may contract with AHEC for specific additional services, and related AHEC expenditures do not require additional appropriation.

*Statutory Authority:* Section 23-70-101 through 23-70-116, C.R.S.

### **DECISION ITEMS – AURARIA HIGHER EDUCATION CENTER**

#### **➔ Increase AHEC Spending Authority**

The three institutions that share the Auraria campus work with AHEC to determine fair rates and the allocation of costs among the institutions. These costs typically increase due to inflationary adjustments for salary and benefits and, in some cases, due to the growing student population on the AHEC campus.

For FY 2014-15, staff recommended an increase for AHEC (not included in the executive request), to address the impact of inflationary cost increases on the AHEC budget, as AHEC had capped out its spending authority. For the last two years, the Department has requested a technical adjustment for inflation. **The requested adjustment for FY 2016-17 is an increase of 2.0 percent (\$397,580) Staff recommends the requested adjustment.** The AHEC budget is primarily driven by rates and services negotiated by the institutions operating on the AHEC campus. In light of this, staff does not believe the Long Bill appropriation needs to be unduly restrictive.

#### **➔ Full-time Equivalent (FTE) adjustment**

**The staff recommendation on FTE to be reflected in the Long Bill is based on FY 2015-16 estimated FTE in the budget data books submitted by the Department.** For AHEC, the recommended adjustment is 2.6 FTE.

**LINE ITEM DETAIL – AURARIA HIGHER EDUCATION CENTER**

**Administration**

*Request:* The Department requests \$20,276,580 reappropriated funds and a continuation level of 188.0 FTE for this line item.

*Recommendation:*

<b>Auraria Higher Education Center, Administration</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Reappropriated Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	19,879,000	0	19,879,000	188.0
<b>TOTAL</b>	<b>\$19,879,000</b>	<b>\$0</b>	<b>\$19,879,000</b>	<b>188.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$19,879,000	\$0	\$19,879,000	188.0
Nonprioritized requests	397,580	0	397,580	0.0
<b>TOTAL</b>	<b>\$20,276,580</b>		<b>\$20,276,580</b>	<b>188.0</b>
<b>Increase/(Decrease)</b>	\$397,580	\$0	\$397,580	0.0
Percentage Change	2.0%	0.0%	2.0%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$20,276,580</b>	<b>\$0</b>	<b>\$20,276,580</b>	<b>188.0</b>
Request Above/(Below) Recommendation	\$0		\$0	0.0

## (9) History Colorado

The State Historical Society, now known as History Colorado, is simultaneously a non-profit charitable “501 (c) (3)” organization and an institution of higher education authorized pursuant to Section 24-80-201, C.R.S. Founded in 1879, the agency operates the History Colorado Center in Denver and many other history museums, archeological and historic sites throughout the State. It is charged with preserving the state’s history and documenting it for the benefit of its citizens and it provides a wide variety of services related to this mission.

History Colorado’s operating appropriation for FY 2015-16 is \$30.7 million. Of this, about 80 percent is derived from limited gaming revenue deposited to the State Historical Fund. The 1990 Constitutional amendment that legalized limited stakes gaming in three cities specified that 28 percent of state gaming revenue after administrative expenses would be used for statewide historic preservation efforts. The General Assembly has authorized History Colorado to administer these funds, subject to annual appropriation.

<b>History Colorado</b>					
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
S.B. 15-234 (Long Bill)	\$29,463,065	\$1,295,000	\$27,193,615	\$974,450	131.4
H.B. 16-1241 (Supplemental)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$29,463,065</b>	<b>\$1,295,000</b>	<b>\$27,193,615</b>	<b>\$974,450</b>	<b>131.4</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$29,463,065	\$1,295,000	\$27,193,615	\$974,450	131.4
HC1 Investment in Cumbres and Toltec Railroad Sustainability	1,421,000	1,092,500	328,500	0	0.0
New Mexico contribution for Cumbres and Toltec Railroad	426,500	0	426,500	0	0.0
History Colorado preservation grant adjustment	400,000	0	400,000	0	0.0
History Colorado gaming cities distribution	100,000	0	100,000	0	0.0
HC BA1 Cumbres and Toltec roll-forward footnote	0	0	0	0	0.0
Annualize prior year budget actions and legislation	(1,421,000)	(1,092,500)	(328,500)	0	0.0
Nonprioritized requests	(20)	0	(20)	0	0.0
Annualize prior year salary survey and merit pay	0	0	0	0	0.0
Fund source adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>

	<b>History Colorado</b>				
	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>TOTAL</b>	<b>\$30,389,545</b>	<b>\$1,295,000</b>	<b>\$28,120,095</b>	<b>\$974,450</b>	<b>131.4</b>
<b>Increase/(Decrease)</b>	\$926,480	\$0	\$926,480	\$0	0.0
Percentage Change	3.1%	0.0%	3.4%	0.0%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$29,469,509</b>	<b>\$1,295,000</b>	<b>\$27,198,381</b>	<b>\$976,128</b>	<b>131.4</b>
Request Above/(Below) Recommendation	(\$920,036)	\$0	(\$921,714)	\$1,678	0.0

### **Recent History: Financial Problems and Turnaround**

History Colorado has been through a challenging period. Recent developments began with two audits, proceeded to a wholesale change in governance, a new interim management team, and, most recently, a 17 percent reduction in the organization’s staff. Though this process was painful, the organization now appears poised to move forward on a more sound financial footing.

2014 Audit Findings. The *FY 2012-13 Statewide Financial Audit*, released in January 2014, raised significant concerns about History Colorado and identified material weaknesses (the highest level of problem) in its financial management.<sup>6</sup> The auditors subsequently initiated a *History Colorado Performance Audit*, released in June 2014.<sup>7</sup> This second audit further confirmed financial management problems. In response, the agency hired new accounting and budgeting staff who began a painstaking forensic accounting process to assist the organization in better understanding its financial situation.

The June 2014 audit also highlighted History Colorado’s unusual governance structure. As a 501 (c) (3), History Colorado was governed, until recently, by a large board of directors, with members nominated and appointed by the board itself. As a “Type 1” agency, was not under the administrative oversight of the Department of Higher Education, although the Governor and General Assembly had budget oversight through the annual appropriations process.

2015 Legislative Session. History Colorado governance and financial issues became a focus of the General Assembly’s attention during the 2015 legislative session.

Long Bill and JBC Bill. During FY 2015-16 figure setting, JBC staff drew attention to the imbalance between the organization’s revenue and expenditures for museum operations and preservation activities. JBC Staff reported projected losses of \$2.3 million in FY 2014-15,

<sup>6</sup>[http://www.leg.state.co.us/OSA/coauditor1.nsf/All/10DCD66C80F6C67B87257C7500708DE6/\\$FILE/1301F\\_State%20of%20Colorado%20Statewide%20Single%20Audit%20Fiscal%20Year%20Ended%20June%2030%202013.pdf](http://www.leg.state.co.us/OSA/coauditor1.nsf/All/10DCD66C80F6C67B87257C7500708DE6/$FILE/1301F_State%20of%20Colorado%20Statewide%20Single%20Audit%20Fiscal%20Year%20Ended%20June%2030%202013.pdf)

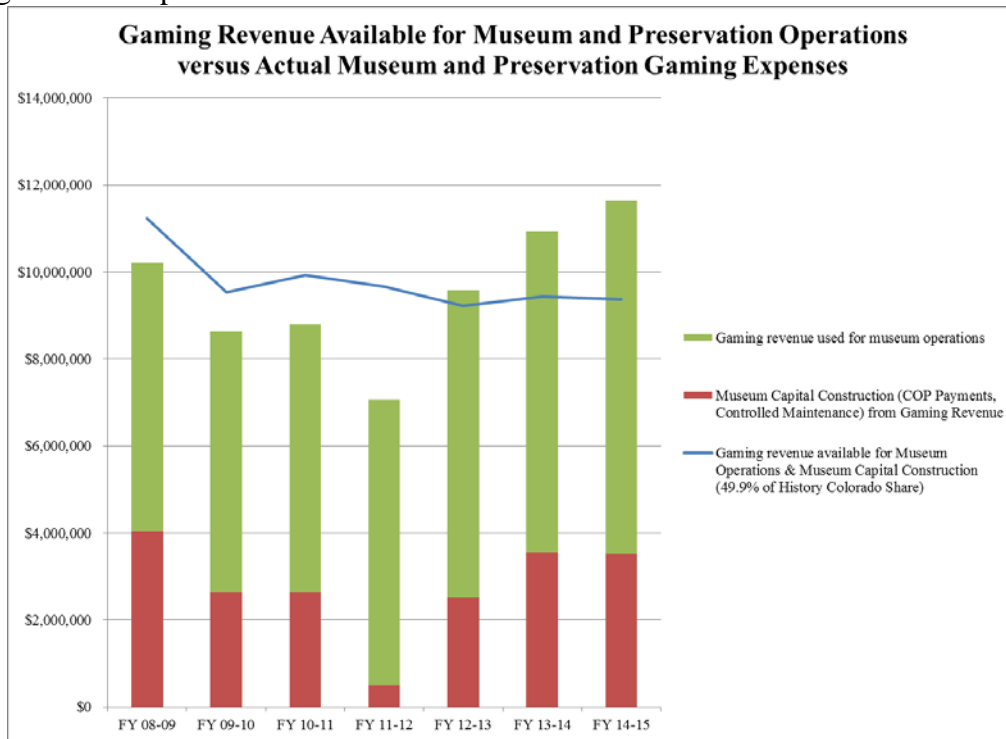
<sup>7</sup>[http://www.leg.state.co.us/OSA/coauditor1.nsf/UID/2A213DCB5D60982587257D070074DB0B/\\$file/1405P+-+History+Colorado,+Performance+Audit,+June+2014.pdf?OpenElement](http://www.leg.state.co.us/OSA/coauditor1.nsf/UID/2A213DCB5D60982587257D070074DB0B/$file/1405P+-+History+Colorado,+Performance+Audit,+June+2014.pdf?OpenElement)



representing almost 24 percent of annual gaming revenue for museum and preservation operations. It seemed likely that the museum operation would be insolvent in FY 2016-17 unless some action was taken. As staff noted:

- Gaming revenue, which comprises the vast majority of History Colorado revenue, had been relatively flat;
- Overall expenses increased by over \$3.0 million per year associated with COP payments for the new History Colorado Center. In addition staffing costs had increased associated with common policy; and
- Earned revenue had not increased rapidly enough to make up the difference.

Staff recommended, and the JBC approved, reductions of 12.5 percent in gaming revenue in most operations line items and noted that this represented a symbolic first step to draw attention to the organization’s problems.



The JBC also:

- Added footnote 20 to the Long Bill specifying the General Assembly’s intent that “History Colorado work as quickly as possible to align expenditures with revenues so that the institution remains solvent and viable into the future”;
- Added Higher Education Request for Information #4, requesting the organization to submit a report by November 1, 2015, on its financial status;
- Restructured the History Colorado Long Bill to more accurately reflect the organization’s operating structure; and

- Sponsored S.B. 15-236 (Reorganize State Historical Society Funds) to modify the structure of History Colorado’s funds and thus assist management in tracking the organization’s financial status.

*Legislative Audit Committee Governance Bill.* During the 2015 session, the Legislative Audit Committee worked with the History Colorado board and the Governor on creating a new governance structure for the organization. The Legislative audit Committee sponsored **S.B. 15-225**, which changed the organization’s governance structure, so that it would now be overseen by a board of nine people appointed/approved by the Governor and confirmed by the Senate. Although the change was originally expected to take effect in January 2016, the bill was modified during the process to take effect July 1, 2015, with new members allowed to serve prior to Senate confirmation.

*History Colorado Response.* In response to legislative and executive branch concerns and legislative action, History Colorado has made changes on a scale that is unusual for a government entity. These include:

- New leadership. A highly qualified board has been appointed, the previous management team has retired, and a new interim management team consists of a member of the board (volunteering his time) and the Preservation Programs director;
- Downsizing of staff by over 17 percent through early retirements, voluntary furloughs, and layoffs;
- Internal restructuring. The new management is working to develop new management tools for staff, breaking down internal organizational silos, and growing revenue through new programming;
- Exhibit changes. Rather than hosting expensive travelling exhibits, the organization is working to develop exhibits from its extensive internal collection. It also expects to put more emphasis on exhibits of interest to adults and not solely children;
- Bringing the budget into balance. While the organization anticipates continued losses in FY 2015-16, the scale of losses has declined and it expects to break even by FY 2016-17.

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>Museum Operations Budget: Combined Gaming ("minority share"), Earned, and Federal Grant Revenue</b>			
	<b>FY 2014-15</b>	<b>FY 2015-16</b>	<b>FY 2016-17</b>
<b>Revenue</b>			
Gaming revenue ("minority share")	\$9,371,341	\$9,762,834	\$9,762,834
Earned revenue from operations + prior year adjustment	3,790,200	3,522,293	3,522,293
"Majority share" indirect cost transfer	382,778	382,778	382,778
Combined interest earnings	76,548	22,328	13,987
Federal grants	803,146	1,213,289	1,237,555
<b>Total Revenue</b>	<b>\$14,424,013</b>	<b>\$14,903,522</b>	<b>\$14,919,447</b>
<b>Expenses</b>			
Combined operational budget + internal grants	12,060,550	10,337,913	9,597,975
History Colorado Center COP payment	3,021,718	3,021,835	3,021,815
Regional museum controlled maintenance (capital budget)	499,988	600,000	600,000
Higher Education indirect costs	195,404	164,549	195,000
Unemployment and contingency	-	400,000	250,000
Federal grant expense	803,146	1,213,289	1,237,555
<b>Total Expense</b>	<b>\$16,580,806</b>	<b>\$15,737,586</b>	<b>\$14,902,345</b>
<b>Revenue to Expense Surplus/(Shortfall)</b>	<b>(\$2,156,793)</b>	<b>(\$834,064)</b>	<b>\$17,102</b>
<b>Beginning Cash Balance (combined funds)</b>	<b>\$4,744,779</b>	<b>\$2,587,986</b>	<b>\$1,753,922</b>
<b>Ending Cash Balance (combined funds)</b>	<b>2,587,986</b>	<b>1,753,922</b>	<b>1,771,024</b>

## Revenue Sources

### *The State Historical Fund*

*Constitutional Allocations:* Article XVIII, Section 9 of the State Constitution, which provides for limited gaming in Central City, Black Hawk, and Cripple Creek, specifies that up to 40 percent of the adjusted gross proceeds from gaming, in addition to license fees, shall be paid by each licensee into the Limited Gaming Fund. For the portion of the revenue derived pre-Amendment 50<sup>8</sup>, and after deductions for administrative expenses, the Limited Gaming Fund proceeds are distributed as follows:

- 50 percent to the General Fund or other fund as the General Assembly provides;
- 28 percent to the State Historical Fund;
- 12 percent to Gilpin and Teller counties in proportion to the gaming revenues generated in each;
- 10 percent to the governing bodies of Central City, Black Hawk, and Cripple Creek in proportion to the gaming revenues generated by each.

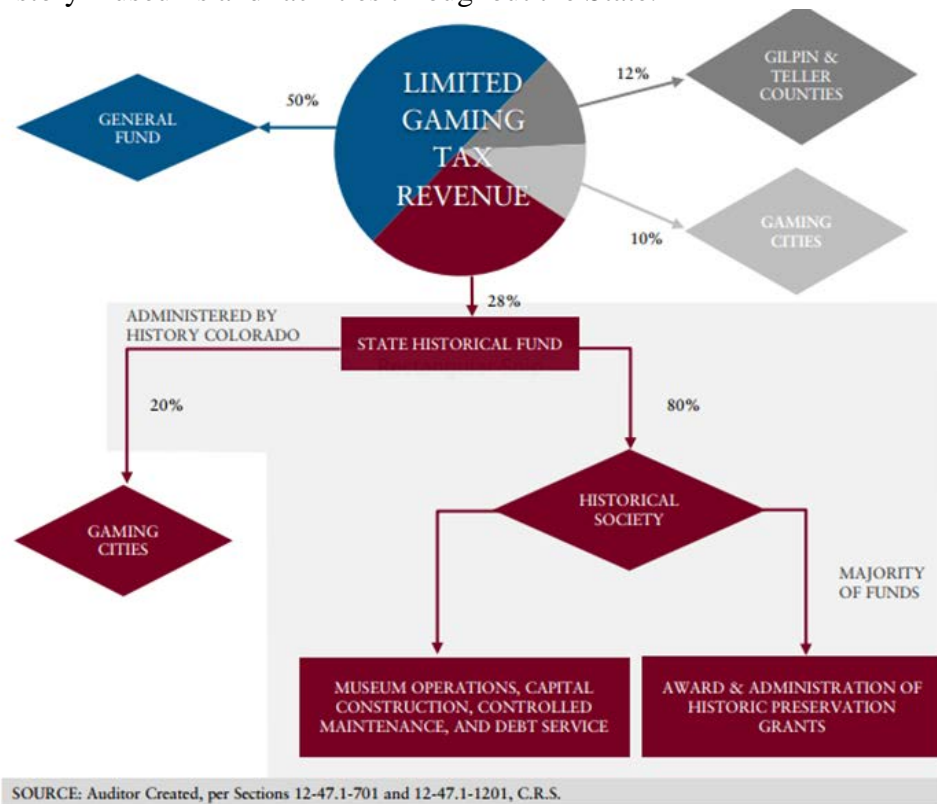
The Constitution further specifies that, of the amount distributed to the State Historical Fund:

- 20 percent be used for the preservation and restoration of the three gaming cities; and
- 80 percent “shall be used for the historic preservation and restoration of historical sites and municipalities throughout the state in a manner to be determined by the general assembly.”

<sup>8</sup> Amendment 50 provided for bets up to \$100 and provides distributions to higher education institutions.

The total amount for the State Historical Fund is determined by the constitution and revenues, but within this, the General Assembly has latitude in the use of the funds for statewide grants and other state historic preservation needs, including Historical Society operations and related capital construction projects. Pursuant to Section 12-47.1-1201, C.R.S.:

- the statewide preservation program (a statewide grant program) must constitute the *majority share* of the 80 percent to be used for statewide preservation activities.
- *the minority share* may be used to support operations of the History Colorado center and regional history museums and facilities throughout the State.



*Statutory Guidelines:* Over the years, the General Assembly has increased its reliance on the State Historical Fund for operation of History Colorado museums and to make various repairs and upgrades to the state Capitol. While consistent with the goals of the State Historical Fund to support historic preservation, these actions have reduced the availability of moneys for statewide historic preservation grants.

As outlined Section 12-47.1-1201, C.R.S., the General Assembly has elected:

- To direct the “minority share” of revenue that does not go to gaming cities to museum operations and to include the costs of grant program administration in the calculation of “majority share”. “Majority” is interpreted as 50.1 percent for purposes of the agency’s budget.

- To direct a portion of the funds allocated for operations of the State Historical Society (from the “minority share”) to construction of the new Colorado history museum. Specifically, for FY 2011-12 through FY 2045-46, requires the General Assembly to appropriate each year from the State Historical Fund to the State Historical Society an amount sufficient to cover the Certificates of Participation (COP) payments for the new Colorado history museum. COP payments are \$3.1 million per year.
- To transfer a portion of the moneys for the statewide grant program (“majority share”) to the Capitol Dome Restoration Fund and other improvements to the State Capitol building. Between FY 2010-11 and FY 2012-13 nearly \$12 million was transferred. Most recently, in FY 2014-15, \$1.0 million was transferred for House and Senate chamber restoration.

***Gaming Revenue Available in FY 2015-16 versus FY 2016-17 Request***

The History Colorado budget is based on the *prior year’s* revenue to the State Historic Fund. Thus, FY 2016-17 moneys available will be determined largely by FY 2015-16 gaming receipts. The table below shows actual FY 2014-15 gaming receipts deposited to the State Historic Fund which are used to support History Colorado activities in FY 2015-16. For purposes of the budget, the History Colorado Board is assuming that gaming revenues will be flat for FY 2016-17.

<b>State Historic Fund Limited Gaming Receipts (FY 15 used in FY 16; continuation assumed for FY 2016-17)</b>	<b>FY 2015-16</b>
Majority Share - Statewide Preservation Grant Program (50.1% of 80%)	\$9,801,964
Minority Share - Museum Operations and Capital (49.9% of 80%)	9,762,834
Gaming City Direct Distribution (20.0%)	<u>4,891,200</u>
Total to History Colorado	\$24,455,998

<b>Requested HC Appropriations</b>	<b>FY 2016-17</b>
Majority Share/Pres. Grants Account - Statewide Preservation Grant Program (50.1% of 80%)*	\$9,431,218
Minority Share/Operations Account - Museum Operations in operating budget (49.9% of 80%)	9,943,830
Minority Share/Operations Account – Museum Operations in capital budget	600,000
Gaming City Direct Distribution (20.0%)*	<u>4,900 000</u>
Total to History Colorado	\$24,875,048

\*Amounts for grants and gaming city distributions are shown for informational purposes only. These amounts may be adjusted and do not restrict History Colorado spending.

	Received in FY 2014-15 for use FY 2015-16	Requested Continuation Budget	Difference (Requested budget above/(below) amounts estimated available)
Preservation Grants Program Account (informational appropriation)	\$9,801,964	\$9,431,218	(\$370,746)
Operations Account	9,762,834	10,543,830	780,996
Gaming City Distributions (informational appropriation)	<u>4,891,200</u>	<u>4,900,000</u>	<u>8,800</u>
	\$24,455,998	\$24,875,048	\$419,050

***Earned Revenue Available in FY 2015-16 versus FY 2016-17 Request***

History Colorado anticipates revenue from museum entry fees and memberships and gift shop sales that is well below the appropriated level. The FY 2015-16 Long Bill includes \$4,444,464 from this source, but it may take several years for History Colorado to grow into this figure.

	Received in FY 2014-15/ Estimated for FY 2015-16	Requested Continuation Budget	Difference (Requested budget above/(below) amounts estimated available)
Enterprise Services Cash Fund	\$3,522,293	\$4,444,464	\$922,171

**DECISION ITEMS – HISTORY COLORADO**

**➔ HC1 Cumbres and Toltec Scenic Railroad Sustainability**

The Department requests continuation funding for the Cumbres and Toltec Scenic Railroad in FY 2016-17. **The request adds \$1,092,000 General Fund and \$328,000 cash funds (amounts assumed from the Railroad Commission and the State of New Mexico, but this replaces amounts that are otherwise annualized (removed) from the Cumbres and Toltec Budget based on legislative intent as expressed in Long Bill footnotes.**

*Background on the Railroad:* The Cumbres and Toltec Railroad is jointly owned by the State of New Mexico and the State of Colorado. The 64-mile track represents the last remaining portion of an 1880 Denver and Rio Grande line from Alamosa to Durango that was called the San Juan Extension. In 1970 Colorado and New Mexico jointly purchased the portion of track between the small towns of Antonito, Colorado and Chama, New Mexico before it was ripped up by the Denver and Rio Grande.

The states set up an interstate commission to operate the railroad that snakes back and forth across the border as a passenger tourism line. The primary sources of operating funds are ticket and gift shop sales. Both states provide a modest ongoing operating appropriation and have historically provided capital appropriations for larger projects. The railroad is also supported by an associated non-profit, the Friends of the Cumbres and Toltec Scenic Railroad, which coordinates volunteer services focused on equipment and facility maintenance and repair.

- About 35,000 passengers per year ride the railroad, which operates during the tourist season (summer/fall).
- Revenue from ticket and retail sales averages about \$110 per rider. The operating budget is about \$3.9 million per year, largely from ticket sales, and varies based primarily on the number of riders.
- In contrast, the capital budget has historically depended virtually entirely on appropriations from Colorado and New Mexico. Funds have varied from year to year depending upon railroad needs and available state funding.
- In FY 2012-13, the General Assembly moved capital construction funding for the railroad to the operating budget from the capital construction budget. In FY 2013-14, the General Assembly authorized an appropriation of \$1,092,500 General Fund per year for three years, within the state operating budget, to address specified capital construction needs. Footnote 19 to the FY 2013-14 Long Bill, added at the time, explained that amounts above a \$202,500 base for capital costs and would be revisited after the three-year period authorized.

The FY 2015-16 version of this footnote reads as follows:

23a Department of Higher Education, History Colorado, Cumbres and Toltec Railroad Commission -- The amount in this line item is calculated based on the following assumptions: (1) This line item includes \$202,500 for annual Commission operating expenses and other routine ongoing costs including controlled maintenance; (2) the balance of this appropriation is for capital projects including locomotive boiler repair, passenger car upgrades, and track, bridge and tunnel upgrades; and (3) amounts above the \$202,500 ongoing operating support are based on an analysis of the Railroad's capital outlay needs over a three year period and are not assumed to continue after FY 2015-16. Amounts in this line item that are not expended by June 30, 2016 may be rolled forward for expenditure in FY 2016-17.

*Current request:* The request seeks five years of funding at the FY 2015-16 funding level. The Railroad expects that this need would be reduced starting in FY 2010-21 and further thereafter as the railroad becomes increasingly self-sustaining.

- The railroad adopted a new business model two years ago through which it is operated by an LLC formed by the Commission, rather than a third party operating company.
- The new structure, new management, ability to save costs by eliminating duplicate management positions for the Commission and an operating company enabled the Railroad to achieve \$182,000 operating profit in FY 2013-14. Unaudited statements for FY 2014-15

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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reflect \$50,000 to \$100,000 in profit. FY 2013-14 and FY 2014-15 are the first profits in 44 years of state ownership.

- The Railroad projects that with five additional years of capital funding to restore its track and cars, the annual cost of capital maintenance will be far lower.
- **The ultimate goal is to have the cost of capital maintenance supported by operating revenues.** By FY 22-23, only state operating support of about \$247,000 for Commission operations would be required.

The table below summarizes the components of the request by year.

Cumbres & Toltec 5 Year Needs						
PROJECT TITLE	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	TOTAL
Locomotive Rehab Program - CO 1/2	250,000	245,000	250,000	250,000	250,000	1,245,000
Passenger Car Program - CO 1/2	326,000	326,000	327,000	225,000	225,000	1,429,000
Track, Bridge & Tunnel Program - CO 1/2	500,000	500,000	490,000	450,000	300,000	2,240,000
<b>CONTROLLED MAINTENANCE</b>						
Building Rehab/upgrades	0	0	0	137,000	139,000	276,000
Commission Operating	129,000	134,000	138,000	143,000	147,000	691,000
Property & Liability Insurance - CO 1/2	90,000	90,000	90,000	90,000	90,000	450,000
<b>TOTALS</b>						
Annual General Fund	1,295,000	1,295,000	1,295,000	1,295,000	1,151,000	6,331,000

**Recommendation:** Staff recommends the request for continuation funding for the Railroad but that this level again be revisited in three years, rather than the requested five. Staff also believes that the amount provided could be reduced by the \$300,000-\$500,000 if the General Assembly is seeking budget reductions and thus needs to delay investments in capital improvements on the railroad.

**Analysis:**

- **Staff has long maintained that the Railroad should strive for financial self-sufficiency.** Annual state funding for the railroad seems large when compared to the limited ridership of about 35,000 per year (state cost of about \$37 per rider) and the tiny size of the Colorado town of Antonito (pop. 775), which serves as the Colorado terminus for the railroad (state cost of about \$1,700 per year per resident of the town). Support from Colorado and New Mexico has historically comprised over one-third of railroad revenue.
- **The Railroad now has a plan to achieve this in the foreseeable future, and it has financial projections that suggest that this is feasible.** Staff is far more willing to support



funding for the railroad if further near-term investment will enable the organization to stand largely on its own in the next 5-6 years.

- **The railroad has intrinsic value to the State from various perspectives.**
  - The railroad can legitimately describe itself as a piece of "living history". It was designated a National Historic Landmark in October 2012. The Commission and its staff pay great attention to the historic character of the railroad and note that even the "views capes" are little changed from the 1880s. The Railroad maintains its own extensive machine shop to manufacture parts for its historic trains, and a large community of volunteers (Friends of the Cumbres and Toltec) gathers each year from across the country to work on restoration of the historic railroad.
  - The railroad supports **jobs and economic activity in a very isolated corner of the State** (76-80 seasonal employees and 26-30 full time staff) and claims a \$15.0 million impact on the local economy.
- **Colorado owns the railroad and thus has related legal obligations.** The interstate compact is authorized in statute at Section 24-60-1901, C.R.S. Railroad Commissioners note that the railroad was in very poor condition when it was purchased by the two states and that much of the recent-year expense, particularly for rehabilitation of tracks, has been required simply to get the railroad back into safe operating condition.
- **Given the limits on the State's budget and the many other demands on its funds, staff would not support expenditure at the level requested on an indefinite basis; but the "ask" is no longer for indefinite support.**
- **Staff recommends a shorter timeframe for reviewing the funding level – 3 years rather than 5—for several reasons.**
  - 3 years is the typical length of time authorized for expending capital construction funds and seems a useful benchmark when considering authorization for capital spending on the railroad.
  - A decision item such as this year's provides a useful opportunity for examining whether the railroad is making the expected progress toward self-sufficiency and reviewing the time-frame for this. The railroad has only made an operating profit for two years.
  - In the last few years Colorado has provided more support than New Mexico for the railroad, although the railroad's ridership and economic benefits fall more to New Mexico, where the majority of passengers originate. Staff does not want New Mexico to take Colorado's contribution level for granted. New Mexico's support for FY 2015-16 and anticipated support for FY 2016-17 is just over \$700,000
- **Staff also recommends, (1) continuing the FY 2013-14 footnote that explains the General Assembly's assumptions and provides roll-forward authority; and (2) adding \$426,500 to reflect a total of \$735,000 estimated support from New Mexico (informational only).**

- **Finally, while staff supports funding for the Railroad under the terms of the compact, there is no specific obligation to provide a specific amount if state funding is too constrained. Few capital construction projects will be funded this year because of the limits of available state support. This is a capital request** that happens to be funded through the operating budget. Of the \$1.1 million requested for capital needs in FY 2016-17, the Commission indicates that its first priority is locomotive rehabilitation (required under federal law after every 1,492 days of service) at a cost of \$250,000 per year; its second priority is track, bridge, and tunnel maintenance and upgrade (\$500,000 per year); and its third priority is passenger car rehabilitation (\$326,000 per year). **If the State is unable to provide funding at the level requested, staff assumes it will take longer for the railroad to reach self-sufficiency**, particularly as delays in track-repair increase the cost of such repair.

**➔ History Colorado Retain Excess Admin. Spending Authority and FTE - FY 2016-17**

The History Colorado budget currently includes significant excess spending authority. However, **because it is still in the midst of significant efforts to restructure its operations, History Colorado has requested that for FY 2016-17 the budget remain stable.** The History Colorado leadership has committed that it will submit a FY 2017-18 budget request to eliminate excess spending authority and propose any further budget restructuring needed.

**Staff is comfortable agreeing to this request, in light of the organization's new leadership. History Colorado recognizes that its FY 2016-17 spending will be constrained by revenue available, rather than Long Bill amounts. Staff has not annualized (added in) FY 2015-16 salary survey and merit amounts but otherwise recommends a continuation level of funding for administration line items.**

**Staff also notes that the gap between available revenue and spending is projected to shrink.** The staff recommendation for FY 2016-17 gaming appropriations for History Colorado are reflected below. These amounts include an appropriation in the capital construction budget (requested) and appropriations in the Executive Director's Office of the Department for "pots". *As shown, there remains a gap of \$0.3 million between the appropriations recommended or requested and projected revenue to the Operations Account—less than 3.0 percent.*

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

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<b>Recommended HC Appropriations from Gaming Revenue</b>	<b>FY 2016-17</b>
Majority Share/Pres. Grants Account - Statewide Preservation Grant Program (50.1% of 80%)*	\$9,831,218
Minority Share/Operations Account - Museum Operations in operating budget (49.9% of 80%)	9,943,830
Minority Share/Operations Account – Museum Operations in capital budget*	600,000
Gaming City Direct Distribution (20.0%)*	<u>5,000,000</u>
Total to History Colorado	\$25,375,048
<b>Gaming Revenue Historical Fund Operations Account Analysis</b>	
Total recommended appropriations from the Operations Account FY 2016-17 (operating+capital)	\$10,543,830
Estimated Operations Account revenue available for FY 2017 (OSPB Dec 15 forecast/moneys received in FY 2015-16)	<u>10,259,440</u>
Appropriations over/(under) revenue projection	\$284,390

\*Estimated or requested

**In practice, History Colorado is budgeting for FY 2016-17 with caution and therefore expects to spend less than the revenue projected so that it can rebuild reserves.** Staff requested that History Colorado provide an analysis of the estimated excess spending authority in its budget for FY 2016-17 for the record and to enable the JBC to respond to any related questions. **As reflected in the table below, based on a comparison of History Colorado's internal budget for FY 2016-17 and the JBC staff recommendation:**

- There is an estimated \$1.4 million excess spending authority in the History Colorado budget.
- \$767,000 is from the Operations Account of the State Historical Fund;
- \$454,000 is from the Enterprise Services Fund (earned revenue).
- The balance is federal funds and amounts from the Preservation Grant Program Account of the State Historical Fund.

A detailed table on the following page summarizes the excess spending authority in the History Colorado section of the budget. Additional spending authority is included in Departmental "pots", but these amounts have been adjusted to eliminate excess spending authority for FY 2016-17.

**In addition, History Colorado reports it is currently employing 105.0 FTE and expects to increase this to 107.0 FTE by the end of the year, including hiring an Executive Director. The FY 2015-16 Long Bill currently reflects 131.4 FTE—or 24.4 FTE more than the FY 2015-16 Long Bill figure. The staff recommendation would continue to reflect this excess for one additional year until the budget is reset in FY 2017-18.**

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>History Colorado FY 2016-17 Internal Budget Versus Long Bill Continuation Budget - Excess Spending Authority</b>					
	<b>Total</b>	<b>Cash Funds</b>			<b>Federal Funds</b>
		<b>Historical Fund - Gaming Operations Account (minority share)</b>	<b>Enterprise Cash Fund (earned revenue)</b>	<b>Historical Fund - Gaming Preservation Grants Account (majority share)</b>	
<b>Internal Budget/Estimated Spending FY 2016-17</b>					
<b>A. Central Administration</b>					
Central Administration	\$1,009,355	\$1,009,355	-	-	-
Facilities Management	1,808,675	1,658,675	150,000	-	-
Lease Purchase of Colorado History Museum	3,121,835	3,121,835	-	-	-
<b>B. History Colorado Museums</b>					
History Colorado Center	4,045,575	1,038,002	2,933,596	-	73,977
Community Museums	1,121,358	274,969	846,390	-	-
<b>C. Office of Archeology and Historic Preservation</b>					
	1,291,798	447,667	60,000	-	784,131
<b>D. State Historical Fund Administration</b>					
	1,692,872	-	-	1,692,872	-
<b>TOTAL (excluding grants/gaming cities distrib)</b>	<b>14,091,469</b>	<b>7,550,503</b>	<b>3,989,986</b>	<b>1,692,872</b>	<b>858,108</b>
<b>Recommended LB Appropriation FY 2016-17 (continuation)</b>					
<b>A. Central Administration</b>					
Central Administration	\$1,234,667	\$1,118,325	-	-	116,342
Facilities Management	1,833,925	1,683,925	150,000	-	-
Lease Purchase of Colorado History Museum	3,121,815	3,121,815	-	-	-
<b>B. History Colorado Museums</b>					
History Colorado Center	4,711,859	1,250,418	3,387,464	-	73,977
Community Museums	1,205,725	358,725	847,000	-	-
<b>C. Office of Archeology and Historic Preservation</b>					
	1,629,929	784,120	60,000	-	785,809
<b>D. State Historical Fund Administration</b>					
	1,703,303	-	-	1,703,303	-
<b>TOTAL (excluding grants/gaming cities distrib)</b>	<b>15,441,223</b>	<b>8,317,328</b>	<b>4,444,464</b>	<b>1,703,303</b>	<b>976,128</b>
<b>LB Appropriation Rec Above/(below) Internal Budget - Excess Spending Authority</b>					
<b>A. Central Administration</b>					
Central Administration	\$225,312	\$108,970	-	-	\$116,342
Facilities Management	25,250	25,250	-	-	-
Lease Purchase of Colorado History Museum	(20)	(20)	-	-	-
<b>B. History Colorado Museums</b>					
History Colorado Center	666,284	212,416	453,868	-	-
Community Museums	84,367	83,756	610	-	-
<b>C. Office of Archeology and Historic Preservation</b>					
	338,131	336,453	-	-	1,678
<b>D. State Historical Fund Administration</b>					
	10,431	-	-	10,431	-
<b>TOTAL EST. EXCESS SPENDING AUTHORITY</b>	<b>\$1,349,754</b>	<b>\$766,825</b>	<b>\$454,478</b>	<b>\$10,431</b>	<b>\$118,020</b>

**➔ Reflect additional funds for preservation grants and distributions to gaming cities for informational purposes**

**Preservation Grants:** The staff recommendation adds \$400,000 to the preservation grants program line item based on an estimate of the amount of funds likely to be available for new grants. This increases the amount shown in this line item from \$7,500,000 to \$7,900,000. This amount is shown for informational purposes, given that amounts for grants are continuously appropriated to History Colorado. This would bring appropriations from the Preservation Grants Account of the State Historical Fund to \$9,831,218, which is still less than the approximately \$10.3 million in new revenue which may be available in this account for FY 2016-17 if the current forecast holds. Since the amount in the line item for grants does not constrain the allocation, staff recommends a conservative number consistent with History Colorado's current budgeting approach. **The recommended \$9.8 million total funds shown from the Preservation Grants Program Account (including grants and grant administration) is the amount actually received in FY 2014-15 for use in FY 2015-16.**

**Gaming Cities Distribution:** The staff recommendation adds \$100,000 to the amount for gaming cities distributions, bringing the amount up from the current \$4,900,000 to \$5,000,000. This amount is also shown for informational purposes. **The most recent forecast indicates that as much as \$5.1 million may be available, but, since the amount in the line item does not constrain the allocation, and actual revenue has often come in lower than the projection, staff recommends the more conservative round number.**

## LINE ITEM DETAIL – HISTORY COLORADO

### (A) Central Administration

#### Central Administration

This line item includes funding for the President’s Office and staff.. The sources of cash funds are gaming revenues deposited in the Operations Account of the State Historical Fund (“minority share”) and cash funds including museum admission fees and user charges deposited to the Enterprise Services Cash Fund.

*Statutory Authority:* Sections 24-80-201 through 214 and 12-47.1-1201, C.R.S.

*Request/ Recommendation:* The request and recommendation are detailed below.

History Colorado, Central Administration, Central Administration	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2015-16 Appropriation					

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>History Colorado, Central Administration, Central Administration</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
S.B. 15-234 (Long Bill)	1,234,667	0	1,118,325	116,342	12.0
<b>TOTAL</b>	<b>\$1,234,667</b>	<b>\$0</b>	<b>\$1,118,325</b>	<b>\$116,342</b>	<b>12.0</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$1,234,667	\$0	\$1,118,325	\$116,342	12.0
Fund source adjustment	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$1,234,667</b>		<b>\$1,118,325</b>	<b>\$116,342</b>	<b>12.0</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$1,234,667</b>	<b>\$0</b>	<b>\$1,118,325</b>	<b>\$116,342</b>	<b>12.0</b>
Request Above/(Below) Recommendation	\$0		\$0	\$0	0.0

**Facilities Management**

This line item includes funding for financial oversight and facilities management for all History Colorado facilities throughout the State. This includes budget, accounting, procurement, asset management planning, maintenance, historic preservation, remodeling, controlled maintenance, and capital construction oversight. The source of cash funds is gaming revenues deposited in the Operations Account of the State Historical Fund (“minority share”).

*Statutory Authority:* Sections 24-80-201 through 214 and 12-47.1-1201, C.R.S.

*Request/ Recommendation:* The request and recommendation are detailed below.

<b>History Colorado, Central Administration, Facilities Management</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	1,833,925	0	1,833,925	7.5
<b>TOTAL</b>	<b>\$1,833,925</b>	<b>\$0</b>	<b>\$1,833,925</b>	<b>7.5</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$1,833,925	\$0	\$1,833,925	7.5
Fund source adjustment	0	0	0	0.0
<b>TOTAL</b>	<b>\$1,833,925</b>		<b>\$1,833,925</b>	<b>7.5</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$1,833,925</b>	<b>\$0</b>	<b>\$1,833,925</b>	<b>7.5</b>
Request Above/(Below) Recommendation	\$0		\$0	0.0

**Lease Purchase of Colorado History Museum**

Senate Bill 08-206 authorized the State to enter into lease-purchase agreements for both a new state justice center and a new Colorado state museum. For the history museum, the bill authorized lease purchase (certificate of participation/COP) payments from FY 2011-12 through July 1, 2045 in an annual amount not to exceed \$4,998,000,. The bill's fiscal note estimated \$84,000,000 to be financed through COPs out of the \$113.0 million project budget. The museum was financed with a combination of \$25.0 million transferred from the Judicial Branch and moneys from the State Historical Fund from the "minority share" now known as the Operations Account of the State Historical Fund. The financing included \$11.0 million in up-front transfers from the State Historical Fund and ongoing COP payments from this source. These COP payments have strained History Colorado's resources because the COP payments added a \$3.1 million expense to be paid out of the \$9.8 million per year Operations Account budget without any commensurate increase in Operations Account revenue. *COP payments are scheduled to grow to \$3.5 million in FY 2022, \$3.8 million by 2027, \$4.0 million by 2032, \$4.5 million by 2037, and \$5.0 million by 2040.*

*Statutory Authority:* Sections 24-80-201 through 214 and 12-47.1-1201, C.R.S.

*Request/ Recommendation:* The request and recommendation are detailed below.

<b>History Colorado, Central Administration, Lease Purchase of Colorado History Museum</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	3,121,835	0	3,121,835	0.0
<b>TOTAL</b>	<b>\$3,121,835</b>	<b>\$0</b>	<b>\$3,121,835</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$3,121,835	\$0	\$3,121,835	0.0
Fund source adjustment	0	0	0	0.0
Nonprioritized requests	(20)	0	(20)	0.0
<b>TOTAL</b>	<b>\$3,121,815</b>	<b>\$0</b>	<b>\$3,121,815</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	<b>(\$20)</b>	<b>\$0</b>	<b>(\$20)</b>	<b>0.0</b>
Percentage Change	(0.0%)	0.0%	(0.0%)	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$3,121,815</b>	<b>\$0</b>	<b>\$3,121,815</b>	<b>0.0</b>
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

**(B) History Colorado Museums**

**History Colorado Center**

This line item funds the staff for the History Colorado Center in Denver and associated operating expenses. This includes collections and library services, exhibits and interpretation, and education and public programs. The sources of cash funds are gaming revenues deposited in the in the Operations Account of the State Historical Fund (“minority share”) and cash funds including museum admission fees and user charges deposited to the Enterprise Services Cash Fund.

*Statutory Authority:* Sections 24-80-201 through 214 and 12-47.1-1201, C.R.S.

*Request/ Recommendation:* The request and recommendation are detailed below.

<b>History Colorado, History Colorado Museums, History Colorado Center</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
S.B. 15-234 (Long Bill)	4,711,859	0	4,637,882	73,977	56.4
<b>TOTAL</b>	<b>\$4,711,859</b>	<b>\$0</b>	<b>\$4,637,882</b>	<b>\$73,977</b>	<b>56.4</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$4,711,859	\$0	\$4,637,882	\$73,977	56.4
Annualize prior year salary survey and merit pay	0	0	0	0	0.0
Fund source adjustment	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$4,711,859</b>		<b>\$4,637,882</b>	<b>\$73,977</b>	<b>56.4</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$4,716,645</b>	<b>\$0</b>	<b>\$4,642,668</b>	<b>\$73,977</b>	<b>56.4</b>
Request Above/(Below) Recommendation	\$4,786		\$4,786	\$0	0.0

**Community Museums**

This line item funds the staff and associated operating expenses for regional museums and facilities across the state: the El Pueblo Center, Ute Indian Museum, Trinidad History Museum, Fort Garland, the Byers-Evans House, Healy House/Dexter Cabin, the Grant-Humphreys Mansion, and the Georgetown Loop railroad. The sources of cash funds are gaming revenues deposited in the in the Operations Account of the State Historical Fund and cash funds including museum admission fees and user charges deposited to the Enterprise Services Cash Fund.

*Statutory Authority:* Sections 24-80-201 through 214 and 12-47.1-1201, C.R.S.

*Request/ Recommendation:* The request and recommendation are detailed below.



*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>History Colorado, History Colorado Museums, Community Museums</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	1,205,725	0	1,205,725	14.5
<b>TOTAL</b>	<b>\$1,205,725</b>	<b>\$0</b>	<b>\$1,205,725</b>	<b>14.5</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$1,205,725	\$0	\$1,205,725	14.5
Fund source adjustment	0	0	0	0.0
<b>TOTAL</b>	<b>\$1,205,725</b>		<b>\$1,205,725</b>	<b>14.5</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$1,205,725</b>	<b>\$0</b>	<b>\$1,205,725</b>	<b>14.5</b>
Request Above/(Below) Recommendation	\$0		\$0	0.0

**(C) Office of Archeology and Historic Preservation**

**Program Costs**

The Office of Archeology and Historic Preservation documents, studies and protects Colorado’s historic places, fulfilling statutory responsibilities assigned to the State Archaeologist and the State Historic Preservation Officer to raise public appreciation of cultural resources. This includes encouraging study of the state’s archeological resources, coordinating with federal and state agencies regarding the effects of their actions on historic properties, and preservation planning including designating sites to the State Register of Historic Properties and National Register of Historic Places. The source of cash funds is gaming revenues deposited in the Operations Account of the State Historical Fund (“minority share”).

*Statutory Authority:* Sections 24-80-201 through 214 and 12-47.1-1201, C.R.S.

*Request/ Recommendation:* The request and recommendation are detailed below.

<b>History Colorado, Office of Archeology and Historic Preservation, Program Costs</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>					
S.B. 15-234 (Long Bill)	1,628,251	0	844,120	784,131	23.0
<b>TOTAL</b>	<b>\$1,628,251</b>	<b>\$0</b>	<b>\$844,120</b>	<b>\$784,131</b>	<b>23.0</b>
<b>FY 2016-17 Recommended Appropriation</b>					
FY 2015-16 Appropriation	\$1,628,251	\$0	\$844,120	\$784,131	23.0

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>History Colorado, Office of Archeology and Historic Preservation, Program Costs</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Fund source adjustment	0	0	0	0	0.0
Annualize prior year salary survey and merit pay	0	0	0	0	0.0
<b>TOTAL</b>	<b>\$1,628,251</b>		<b>\$844,120</b>	<b>\$784,131</b>	<b>23.0</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$1,629,929</b>	<b>\$0</b>	<b>\$844,120</b>	<b>\$785,809</b>	<b>23.0</b>
Request Above/(Below) Recommendation	\$1,678		\$0	\$1,678	0.0

**(D) State Historical Fund Program**

The State Historical Fund was created by voters through the passage of the 1990 constitutional amendment legalizing limited stakes gaming in Black Hawk, Central City, and Cripple Creek. The amendment requires 28 percent of tax revenue generated be used for historic preservation efforts. This section includes funding for a statewide preservation grant program supported with gaming revenue and funding for a direct distribution for historic preservation to gaming cities, as required by the Constitution.

**Administration**

The majority of the revenue generated from gaming is to be used for the preservation and restoration of historical sites and municipalities throughout the state. The Historical Society has statutory authority to expend some of these funds to cover the "reasonable costs" of administration. The source of cash funds is gaming revenues deposited in the Preservation and Grant Programs Account of the State Historical Fund ("majority share").

*Statutory Authority:* Section 12-47.1-1201, C.R.S..

*Request/ Recommendation:* The request and recommendation are detailed below.

<b>History Colorado, State Historical Fund Program, Administration</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	1,703,303	0	1,703,303	18.0
<b>TOTAL</b>	<b>\$1,703,303</b>	<b>\$0</b>	<b>\$1,703,303</b>	<b>18.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$1,703,303	\$0	\$1,703,303	18.0
Fund source adjustment	0	0	0	0.0
<b>TOTAL</b>	<b>\$1,703,303</b>		<b>\$1,703,303</b>	<b>18.0</b>

*JBC Staff Figure Setting: FY 2016-17*  
*Staff Working Document – Does Not Represent Committee Decision*

<b>History Colorado, State Historical Fund Program, Administration</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>Increase/(Decrease)</b>	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$1,703,303</b>	<b>\$0</b>	<b>\$1,703,303</b>	<b>18.0</b>
Request Above/(Below) Recommendation	\$0		\$0	0.0

**Grants**

The majority of the revenue generated from gaming is to be used for the preservation and restoration of historical sites and municipalities throughout the state. These moneys are distributed as grants statewide. Funding is from the “majority share” of gaming revenue deposited to the State Historic Fund. The source of cash funds is gaming revenues deposited in the Preservation and Grant Programs Account of the State Historical Fund (“majority share”). Amounts distributed as grants are continuously appropriated to History Colorado.

*Statutory Authority:* Section 12-47.1-1201, C.R.S..

*Request/ Recommendation:* The request and recommendation are detailed below.

The amount shown reflects an estimate of new grant amounts that will be available in FY 2016-17.

<b>History Colorado, State Historical Fund Program, Grants</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	7,500,000	0	7,500,000	0.0
<b>TOTAL</b>	<b>\$7,500,000</b>	<b>\$0</b>	<b>\$7,500,000</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$7,500,000	\$0	\$7,500,000	0.0
History Colorado preservation grant adjustment	400,000	0	400,000	0.0
Fund source adjustment	0	0	0	0.0
<b>TOTAL</b>	<b>\$7,900,000</b>		<b>\$7,900,000</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$400,000	\$0	\$400,000	0.0
Percentage Change	5.3%	0.0%	5.3%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$7,500,000</b>	<b>\$0</b>	<b>\$7,500,000</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$400,000)		(\$400,000)	0.0

**Gaming Cities Distribution**

Twenty percent of revenue generated from gaming and deposited to the State Historical Fund is returned to the gaming cities, pursuant to the state Constitution. Section 12-47.1-1202, C.R.S., establishes standards for the use and administration of the funds by the gaming cities to ensure that expenditures are used as intended for historic restoration and preservation.

*Statutory Authority:* Sections 12-47.1-1201 and 1202, C.R.S..

*Request:* History Colorado requests a continuing appropriation of \$4,900,00 cash funds for this line item, which represents the anticipated gaming revenue to be allocated to the State Historical Fund.

*Recommendation:* **Staff recommends adjusting the amount in this line item based on recent gaming revenue projections.** This amount is included in the Long Bill for informational purposes, since the allocation is constitutional. This is a reasonable estimate of amounts anticipated to be received.

<b>History Colorado, State Historical Fund Program, Gaming Cities Distribution</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	4,900,000	0	4,900,000	0.0
<b>TOTAL</b>	<b>\$4,900,000</b>	<b>\$0</b>	<b>\$4,900,000</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$4,900,000	\$0	\$4,900,000	0.0
History Colorado gaming cities distribution	100,000	0	100,000	0.0
<b>TOTAL</b>	<b>\$5,000,000</b>		<b>\$5,000,000</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$100,000	\$0	\$100,000	0.0
Percentage Change	2.0%	0.0%	2.0%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$4,900,000</b>	<b>\$0</b>	<b>\$4,900,000</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$100,000)		(\$100,000)	0.0

**(E) Cumbres-Toltec Railroad Commission**

This line item funds the state's portion of a cooperative agreement with New Mexico to operate the Cumbres and Toltec Scenic Railroad, pursuant to Section 24-60-1901, C.R.S. The railroad is jointly owned by the two states and represents the last remaining portion of an 1880 Denver and Rio Grande line from Alamosa to Durango that was called the San Juan Extension. Smaller lines originating in Durango and branch lines from the San Juan Extension serviced the nearby silver mines and logging areas, including the line that is now called the Durango and Silverton Narrow Gauge Railroad. Natural gas briefly revived the line after World War II, but then it became progressively less profitable to operate for freight. In 1970 Colorado and New Mexico jointly

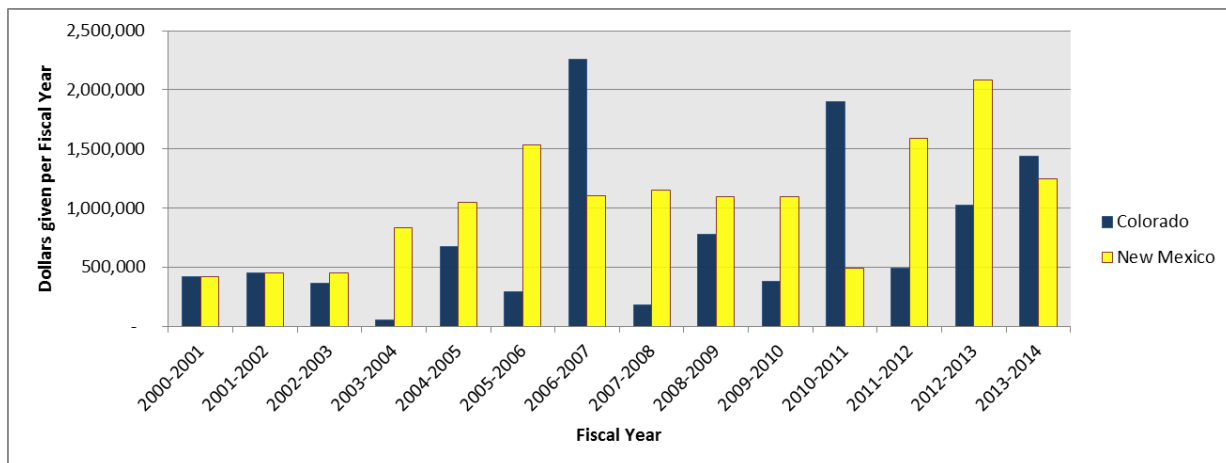
purchased the portion of track between the small towns of Antonito, Colorado and Chama, New Mexico before it was ripped up by the Denver and Rio Grande.

The states set up an interstate commission to operate the railroad that snakes back and forth across the border as a passenger tourism line. The primary sources of operating funds are ticket and gift shop sales. Both states provide an ongoing operating appropriation and provide capital appropriations for larger projects. The railroad is also supported by an associated non-profit, the Friends of the Cumbres and Toltec Scenic Railroad, which coordinates volunteer services focused on equipment and facility maintenance and repair.

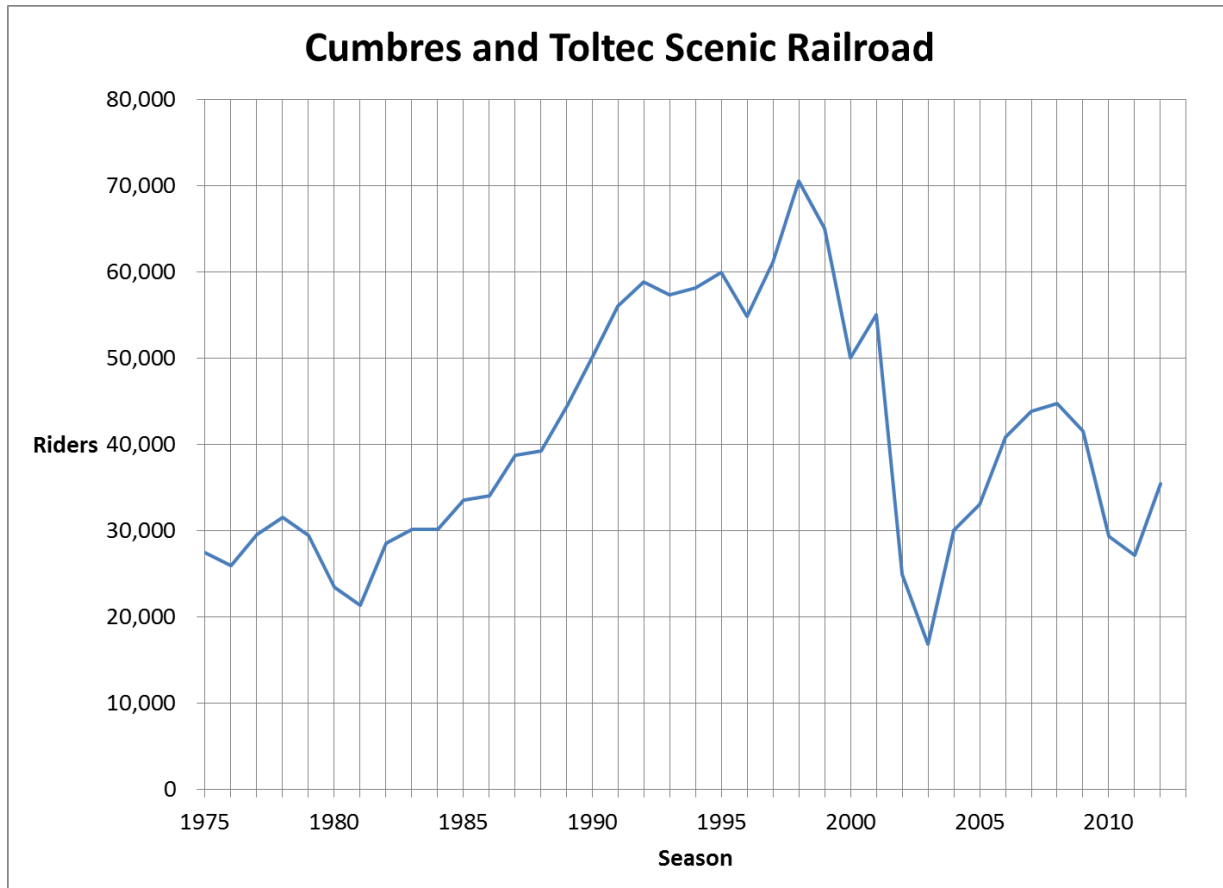
The railroad has undergone a variety of management changes. It has just completed two years of operation under a new model, where it is operated by an LLC formed by the Railroad Commission rather than through a third party operating company. The Railroad reports that the new structure and a strong management team has resulted in operating savings and the first operating profit in 44 years of state ownership.

***Current Railroad Budget and Operations:*** The state budget reflects only state subsidies to the railroad, and the railway’s fee-generating components are off budget. However, based on budget documents and financial statements provide by the railroad for FY 2005-06 through FY 2011-12, support from the states of Colorado and New Mexico comprised about 37 percent of revenue on average, **From FY 2012-13 through FY 2014-15, support from the two states (average of \$1.8 million combined) continued to comprise about one-third of total annual revenue.** Historically, about 70 percent of capital construction revenue has come from the two state budgets and about 15 percent of operating revenue.

Both Colorado and New Mexico contribute, but New Mexico's support has been lower in the last few years. The chart below compares historic contributions. In FY 2014-15 New Mexico reduced its contributions to just \$308,500, eliminating its capital contributions. For FY 2015-16, funding again increased to \$768,200, and for FY 2016-17, however, the New Mexico legislature has approved \$615,000 for locomotive and boiler upgrades and track rehabilitation and \$120,000 for Commission operating costs. This appropriation is pending final action by the governor of New Mexico.



The railroad was designated a National Historic Landmark in October 2012. It offers trips between Antonito and Chama, including lunch and a round trip connection by bus, for \$89-\$95 coach class, as well as round trips entirely by train to the approximate mid-point of the railroad in Osier, Colorado for the same price, including lunch. More luxurious seating runs up to \$179 per ticket.



The railroad has attributed recent drops in ridership to fires, maintenance issues, issues with the contract operator, and the impact of the overall economy on tourism. In 2010 a fire destroyed the Lobato trestle, disrupting travel between Chama and Osier. The railroad finished the process of repairing the trestle for the 2011 season and expected ridership to rebound, but ridership is still relatively low. The railroad’s 2014 financial statement includes the following overview of revenue and ridership.

		<u>2014</u>	<u>2013</u>	<u># Change</u>	<u>% Change</u>
Ticket revenue	\$	3,333,891	2,985,565	348,326	12%
Ridership		34,503	32,081	2,422	8%
Avg price per rider	\$	96.63	93.06	3.56	4%

Ridership in FY 2014-15 was 35,691 with a yield per passenger of \$99.58.

**Capital and Operating Costs Included in the History Colorado Operating Budget:** In FY 2012-13, the Joint Budget Committee and General Assembly chose to finance amounts originally requested as capital construction funding as part of the Department of Higher Education, History Colorado operating budget.

For FY 2013-14, funding was increased to \$2,145,000, including \$1,295,000 General Fund, with the balance of \$850,000 representing cash funds from New Mexico. A footnote attached to the line item clarified that the portion of the funding associated with capital construction (\$1.1 million of the total) was not assumed to continue past FY 2015-16 (i.e., a new request will be required in FY 2016-17 if the railroad seeks ongoing funding for capital construction and controlled maintenance activities).

**Request:** The Department requests funding of \$1,623,500, including \$1,295,000 General Fund, with the balance representing cash funds from New Mexico and the Cumbres and Toltec Railroad Commission. This includes the annualization of prior capital funding and the associated request HC1 to restore the funding.

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

<b>History Colorado, Cumbres and Toltec Railroad Commission, Cumbres and Toltec Railroad Commission</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>FTE</b>
<b>FY 2015-16 Appropriation</b>				
S.B. 15-234 (Long Bill)	1,623,500	1,295,000	328,500	0.0
H.B. 16-1241 (Supplemental)	0	0	0	0.0
<b>TOTAL</b>	<b>\$1,623,500</b>	<b>\$1,295,000</b>	<b>\$328,500</b>	<b>0.0</b>
<b>FY 2016-17 Recommended Appropriation</b>				
FY 2015-16 Appropriation	\$1,623,500	\$1,295,000	\$328,500	0.0
HC1 Investment in Cumbres and Toltec Railroad Sustainability	1,421,000	1,092,500	328,500	0.0
New Mexico contribution for Cumbres and Toltec Railroad	426,500	0	426,500	0.0
HC BA1 Cumbres and Toltec roll-forward footnote	0	0	0	0.0
Annualize prior year budget actions and legislation	(1,421,000)	(1,092,500)	(328,500)	0.0
<b>TOTAL</b>	<b>\$2,050,000</b>	<b>\$1,295,000</b>	<b>\$755,000</b>	<b>0.0</b>
<b>Increase/(Decrease)</b>	\$426,500	\$0	\$426,500	0.0
Percentage Change	26.3%	0.0%	129.8%	0.0%
<b>FY 2016-17 Executive Request:</b>	<b>\$1,623,500</b>	<b>\$1,295,000</b>	<b>\$328,500</b>	<b>0.0</b>
Request Above/(Below) Recommendation	(\$426,500)	\$0	(\$426,500)	0.0





## Long Bill Footnotes and Requests for Information

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### LONG BILL FOOTNOTES

#### ***FY 2015-16 Footnote amendment:***

- 19 Department of Higher Education, Governing Boards, Trustees of Adams State University; Trustees of Colorado Mesa University; Trustees of Metropolitan State University of Denver; Trustees of Western State Colorado University; Board of Governors of the Colorado State University System; Trustees of Fort Lewis College; Regents of the University of Colorado; Trustees of the Colorado School of Mines; University of Northern Colorado; State Board for Community Colleges and Occupational Education State System Community Colleges -- The cash funds appropriations from tuition and academic and academic facility fees are for informational purposes only. Within the parameters of Section 23-5-130.5, C.R.S., higher education governing boards may set the tuition rates for the institutions they govern. Amounts shown are based on the Legislative Council Staff February 2015 2016 higher education enrollment and tuition forecast. Consistent with the provisions of S.B. 14-001 that limit undergraduate resident tuition rate increases to no more than 6.0 percent, resident UNDERGRADUATE tuition rates ~~are assumed to increase~~ HAVE INCREASED by no more than 6.0 percent. ~~The assumed rate of increase varies by institution and ranges from 4.5 percent to 6.0 percent for resident students and 0.8 percent to 6.0 percent for nonresident students, based on information available at the time of the forecast.~~ AMOUNTS SHOWN REFLECT PROJECTED REVENUE BASED ON ACTUAL AND PROJECTED ENROLLMENT AND WEIGHTED AVERAGE TUITION RATES THAT INCORPORATE, WHERE APPLICABLE, DIFFERENT TUITION RATES FOR DIFFERENT MAJORS AND PROGRAMS.

Comment: Expresses legislative intent, consistent with current statute, and explains forecast assumptions. These are adjusted consistent with the revised forecast.

#### ***FY 2016-17 Footnotes:***

Staff recommends the following new footnotes:

*Staff recommends the following "standard" footnote be used for all governing boards except the Colorado School of Mines (where tuition is not appropriated). In addition a footnote for Fort Lewis College would also specify an assumption that the tuition rate for undergraduate students without in-state classification will not increase.*

- N The amount in this line item is calculated based on the assumptions that the governing board will serve \_\_\_ resident students at a weighted average tuition rate of \_\_\_\_\_ and non-resident students at a weighted average tuition rate of \_\_\_\_\_ and that the governing board will not increase the tuition rate for undergraduate students with in-state classification by more than \_\_\_\_\_ percent per student or \_\_\_ percent per credit hour

over the tuition rate for FY 2015-16. The General Assembly intends to adjust the amounts in this line item through supplemental action during fiscal year 2016-17 based on updated enrollment estimates and tuition rate information, so that the institution's spending authority is not constrained below the level of tuition revenue anticipated to be received.

N Department of Higher Education, Colorado Commission on Higher Education, Special Purpose, Tuition/Enrollment Contingency -- The Colorado Commission on Higher Education may transfer spending authority from this line item to the Governing Boards in the event that tuition 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 increases.

Staff recommends the following FY 2015-16 footnotes be **continued** for FY 2016-17:

18 Department of Higher Education, Colorado Commission on Higher Education Financial Aid, Work Study – The Colorado Commission on Higher Education may roll forward up to two percent of the Work Study appropriation to the next fiscal year.

Comment: Expresses legislative intent with regard to rolling forward work study funds. The footnote provides flexibility for the Department to roll forward work study funds because employment by some students in the summer of the academic year may occur in the next state fiscal year.

21 Department of Higher Education, History Colorado, Administration, History Colorado Museums, Office of Archeology and Historic Preservation – History Colorado may transfer up to 10.0 percent of the total amount appropriated in these sections between the sections and among the line items within the sections.

Comment: Added flexibility in the History Colorado budget to assist in a smooth transition to a new budget structure in FY 2015-16. Staff recommends that this be continued in FY 2016-17 with the expectation that there will be more significant budget adjustments beginning in FY 2017-18.

22 Department of Higher Education, History Colorado, State Historical Fund Program, Administration and Statewide Preservation Grants – History Colorado may transfer up to 10.0 percent of the total amount appropriated in the Administration line item to or from the Statewide Preservation Grants line item.

Comment: Added flexibility in the History Colorado budget to assist in a smooth transition to a new budget structure in FY 2015-16. Staff recommends that this be continued in FY 2016-17 with the expectation that there will be more significant budget adjustments beginning in FY 2017-18.

Staff recommends the following FY 2015-16 footnotes be **continued as amended** for FY 2016-17:

- 23a Department of Higher Education, History Colorado, Cumbres and Toltec Railroad Commission –The amount in this line item is calculated based on the following assumptions: (1) This line item includes \$202,500 for annual Commission operating expenses and other routine ongoing costs including controlled maintenance; (2) the balance of this appropriation is for capital projects including locomotive boiler repair, passenger car upgrades, and track, bridge, and tunnel upgrades; and (3) amounts above the \$202,500 ongoing operating support are based on an analysis of the Railroad's capital outlay needs over a three year period and are not assumed to continue after ~~FY 2015-16~~ FY 2018-19. Amounts in this line item that are not expended by June 30, ~~2016~~ 2017 may be rolled forward for expenditure in ~~FY 2016-17~~ FY 2017-18.

Comment: This language is related to request HC1 to provide ongoing funding for Cumbres and Toltec Railroad capital construction expenses through the operating budget and should be adjusted if the Committee takes action different from the staff recommendation.

Staff recommends the following footnotes be **discontinued**:

- 19 Department of Higher Education, Governing Boards, Trustees of Adams State University; Trustees of Colorado Mesa University; Trustees of Metropolitan State University of Denver; Trustees of Western State Colorado University; Board of Governors of the Colorado State University System; Trustees of Fort Lewis College; Regents of the University of Colorado; Trustees of the Colorado School of Mines; University of Northern Colorado; State Board for Community Colleges and Occupational Education State System Community Colleges -- The cash funds appropriations from tuition and academic and academic facility fees are for informational purposes only. Within the parameters of Section 23-5-130.5, C.R.S., higher education governing boards may set the tuition rates for the institutions they govern. Amounts shown are based on the Legislative Council Staff February 2015 higher education enrollment and tuition forecast. Consistent with the provisions of S.B. 14-001 that limit undergraduate resident tuition rate increases to no more than 6.0 percent, resident tuition rates are assumed to increase by no more than 6.0 percent. The assumed rate of increase varies by institution and ranges from 4.5 percent to 6.0 percent for resident students and 0.8 percent to 6.0 percent for nonresident students, based on information available at the time of the forecast.

Comment: The recommended new footnotes—one for each governing board—replaces this one.

- 20 Department of Higher Education, History Colorado – Appropriations for History Colorado incorporate reductions to align appropriations with available limited gaming revenue, based on current gaming revenue projections. In the event History Colorado is able to compensate for declines in gaming revenue with increased earned revenue or additional gaming receipts, this will represent information not available at the time the appropriation was made and will thus be consistent with supplemental request criteria. It is the intent of the General Assembly that History Colorado work as quickly as possible

to align expenditures with revenues so that the institution remains solvent and viable into the future.

Comment: History Colorado is working to bring revenues and expenditures into alignment, and no supplemental was required for FY 2015-16. This footnote is no longer needed.

23 Department of Higher Education, History Colorado, State Historical Fund Program, Statewide Preservation Grants – This amount represents an estimate of the new grant funds available to be awarded during the fiscal year. Funding for new grants may be reduced based on transfers authorized by the General Assembly for state capitol renovations. Further, actual expenditures in this line item may be higher or lower than the amount shown, based on expenditure of grant fund amounts that first became available in prior years and are being expended over multiple years.

Comment: This explained the assumptions used to calculate a Long Bill amount that is shown for informational purposes only. Now that the general approach of reflecting estimated new grants has been established, staff does not feel this footnote is needed.

## **REQUESTS FOR INFORMATION**

Staff recommends the following **new** requests for information

N [See request on p. 67]

N Colorado Department of Higher Education, Colorado Commission on Higher Education, Administration; and Governing Boards – The Department is requested to coordinate the following annual data submissions to the Joint Budget Committee and Legislative Council Staff to support tuition, fee, and stipend revenue estimates used for appropriations and informational amounts included in the Long Bill.

- By November 1, 2016: Submit budget data books for each of the governing boards that provide detail on education and general revenue and expenditures for each institution for the most recent actual year (FY 2015-16) and the current estimate year (FY 2016-17). In a change from prior years:
  - Include estimate-year FY 2016-17 full time equivalent (FTE) enrollment data for resident undergraduate and graduate students and non-resident undergraduate and graduate students, in addition to actual year FY 2015-16 student FTE data. The FY 2016-17 student FTE estimates should be those used to develop the FY 2016-17 revenue and expenditure estimates in the data books.
  - Identify actual FY 2015-16 and budgeted FY 2016-17 student FTE eligible for the College Opportunity Fund (COF) stipend in the budget data book submission.
  - Include actual and estimated revenue from mandatory fees using the definitions established by the Department of Higher Education for mandatory fees.
- By December 15, 2016: Submit fall 2016 student FTE census data. This should include resident undergraduate and graduate and non-resident undergraduate and graduate FTE figures for each governing board and institutional break-outs for those governing boards that

oversee multiple institutions. Also include actual year-to-date COF FTE from the most recent accounting records by governing board and institution.

- By February 15, 2017: Submit revised estimate year FY 2016-17 and request year FY 2017-18 revenue and enrollment data for each governing board, along with the comparable FY 2015-16 actual data for context.
  - For each year, include FTE enrollment for resident undergraduates and graduate students and non-resident undergraduate and graduate students.
  - Include annotations explaining assumptions, including tuition and fee rate and enrollment assumptions for the FY 2017-18 request year.
  - Consistent with the requirements of Section 23-18-202 (2) (a) (I), C.R.S., also include an update on the number of student FTE estimated to be eligible for COF stipends in FY 2016-17 based on the most recent data available (different from the figures used to establish initial stipend appropriations).
  - Include actual and estimated revenue from mandatory fees using the definitions established by the Department of Higher Education for mandatory fees.

Following the February 15th submission, Legislative Council Staff will conduct telephone interviews with one or more contacts from each governing board to address a specific list of written questions regarding enrollment and tuition revenue estimates. The schedule for interviews and the questions will be provided to the institutions at least two weeks in advance of the interviews. The data and interviews will be used by Legislative Council Staff to refine a submission to the JBC by February 24, 2017 which includes both the governing board and Legislative Council staff tuition forecasts for FY 2016-17 and FY 2017-18 and explains any significant differences between the forecast estimates.

Staff recommends the following FY 2015-16 requests be **continued as amended** for FY 2016-17:

2. Department of Higher Education, Colorado Commission on Higher Education, Administration – ~~Pursuant to H.B. 14-1319, the Department is required to submit to the General Assembly, by November 1, 2015, policies to ensure accessible and affordable higher education for Colorado residents. These policies are requested to also address mandatory fees imposed on most or all students given that such fees significantly affect the accessibility and affordability of higher education.~~ AS PART OF ITS FY 2017-18 BUDGET REQUEST, THE DEPARTMENT IS REQUESTED TO CONSIDER INCLUDING MANDATORY FEES, AS WELL AS TUITION, IN ANY PROPOSED RESTRICTIONS ON INSTITUTIONAL RATE INCREASES.

Comment: The Department's FY 2015-16 report included further information on fees, but the Department did not suggest any limits on fees as part of its proposed policy for FY 2016-17. Department authority over fees is similar to its authority over tuition, and the General Assembly has expressed ongoing concern about the combined impact of tuition and fees on the affordability of higher education.

6. Department of Higher Education, Colorado Commission on Higher Education, Administration – ~~The Department is requested to submit a report by November 1, 2015 comparing the cost to the State and participants of providing health and dental benefits through the community college plan versus the state benefits plan. It is also requested to submit, as part of the annual request for common policy benefits adjustments, templates that reflect the benefit selection for each member of the Department staff in a manner that will enable health benefits for these staff to be calculated consistent with common policy. The templates are expected to contain July 2015 data on health benefits actually selected by Department staff, with family size options that match the state plan options including member plus children only and member plus spouse only.~~ STAFF.

Comment: The Department submitted a more comprehensive report on the CCHE health benefits plan in November 2016. Staff requested this to ensure that the State does not pay more for the health benefit for Department of Higher Education administrative employees than it does for other state staff, since these staff are enrolled in plans administered by the community college system. While staff does not believe such a report should be provided each year, it is helpful if the Department submits its health/life/dental "pots" request in a format consistent with other state agencies. Because of the fewer options available on the community college system plans (i.e., no staff+children or staff+spouse options), the "pots" calculation for the department's administrative staff for FY 2016-17 was approximately 6.0 percent higher than it would otherwise have been. However, given the relatively small number of staff affected, surveying staff annually about the option they "would have selected" does not seem practical.

7. 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 ~~January~~ DECEMBER 1 of each year an evaluation of financial aid programs, which should include, but not be limited to: 1) an estimate of the amount of federal, institutional, and private resources (including tax credits) devoted to financial aid; 2) the number of recipients from all sources; 3) information on typical awards; and 4) the typical debt loads of graduates. ~~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.~~ THE DEPARTMENT IS REQUESTED TO PROVIDE MORE IN-DEPTH DATA ON THE FINANCIAL AID AWARDED AT THE STATE'S PUBLIC INSTITUTIONS, BY INSTITUTION. TO THE EXTENT FEASIBLE, THIS SHOULD INCLUDE FURTHER INFORMATION ON THE USE OF INSTITUTIONAL AID, INCLUDING THE EXTENT TO WHICH SUCH AID IS AWARDED TO RESIDENTS VERSUS NON-RESIDENTS, FOR FINANCIAL NEED VERSUS MERIT, AND THE EXTENT TO WHICH MERIT-BASED AID IS AWARDED TO STUDENTS WHO QUALIFY ON THE BASIS OF NEED, WHETHER OR NOT THE AID WAS CLASSIFIED AS MERIT-BASED.

**Comment:** The Department submits this report annually and provides key information from the report in advance of staff's budget briefing. Staff has included changes to highlight areas of particular interest. Some of this information has been included in recent reports. Staff also recommends a change to the due date, as the Department has typically released this report earlier.

Staff recommends the following information requests be **discontinued**:

1. Department of Higher Education, Colorado Commission on Higher Education, Administration – The Joint Budget Committee requests that during the annual review process of the new funding allocation model the Department consider the following policy issues, include with their annual budget request, due November 1, 2015, a report on how these issues were examined, incorporated into the current model, or otherwise decided upon, and make recommendations for changes to the model, if needed, including identifying any needed funding to implement.
  - a) Examine the role of the “Tuition Stability Factor” within the model and how it should be utilized in the future.
  - b) Examine the feasibility, cost, and benefit to weighting resident and non-resident students within the model.
  - c) Examine the feasibility, cost, and benefit to program the ability to download model settings and funding results into an Excel spreadsheet format for any given “run” of the model; allowing users to compare the impact of various model settings without excessive data entry.
  - d) (i) Ensure the ability for all concerned parties to examine data used by the model; and (ii) examine the feasibility, cost, and benefit to program a mechanism into the model that would allow for consideration of how model results would change with different underlying data, e.g., data from prior years.
  - e) Examine the feasibility, cost, and benefit to program a mechanism to run the model so that an adjustment to any particular model setting or value does not change the funding allocation associated with other model components but instead increases or decreases the total model funding - thus enabling an increase or decrease support for services (such as Pell-eligible students or masters degrees awarded) without simultaneously *reducing* funding to other model components.
  - f) Continue to examine how performance funding is awarded to incentivize increased completions, retentions, and transfers. In particular:
    - (i) Explore why increasing the proportion of funding directed to performance in the FY 2015-16 model reduces funding to the state's more selective institutions. Does this indicate a need for further changes to the model?
    - (ii) Explore how changes in the numbers of degrees awarded at small versus large governing boards could affect performance funding for each, given FY 2015-16 model settings and recent trends in degrees awarded at boards of different sizes.
  - g) Examine the feasibility, cost, and benefit to incorporating total institutional revenue within the model.

Comment: The Department submitted the requested report and has addressed the issues raised. A statutory report on the funding model is required next year, so an RFI may not be needed. However, the RFI can provide a good mechanism by which the Committee can provide input in the development of the higher education funding model for the next year, if there are issues of particular interest to the Committee.

3. Department of Higher Education, Colorado Commission on Higher Education, Administration; and Governing Boards, Trustees of Adams State University; Trustees of Colorado Mesa University; Trustees of Metropolitan State University of Denver; Trustees of Western State Colorado University; Board of Governors of the Colorado State University System; Trustees of Fort Lewis College; Regents of the University of Colorado; Trustees of the Colorado School of Mines; University of Northern Colorado; State Board for Community Colleges and Occupational Education State System Community Colleges – The Department and governing boards are requested to submit to the Joint Budget Committee, by July 1, 2015, a copy of the enrollment and tuition forecast for each of the governing board’s institutions for FY 2014-15 and FY 2015-16. These are requested to be submitted in spreadsheet format, if feasible. As part of this submission, the governing boards are requested to provide a detailed explanation of how they use enrollment projections to build tuition forecasts. By September 1, 2015, the Department and governing boards are also requested to provide a comparison between each institution’s FY 2014-15 enrollment and tuition forecasts and their final FY 2014-15 actual enrollment and tuition revenue. By November 15, 2015, the Department and governing boards are requested to submit to the Joint Budget Committee actual fall 2015 enrollment data and any revisions to their FY 2015-16 tuition forecasts based on fall enrollment.

Comment: This request was designed to help improve tuition revenue estimates included in the Long Bill. The Department provided the requested information. For FY 2016-17 and future years, staff is recommending a different (new) request, described above, to support a predictable cycle of data submissions for the higher education institutions and legislative staff.

4. Department of Higher Education, History Colorado – History Colorado is requested to submit a report by November 1, 2015, on its financial status. This report is requested to include a comprehensive financial analysis reflecting History Colorado’s current and projected fund balances, revenues, and expenditures. The analysis should address both operating and capital costs and the trends for the various types of revenue that support History Colorado. Finally, the report should include a detailed explanation of the steps the organization is taking to address its financial challenges and the projected impacts of these changes from both a financial and organizational perspective.

Comment: The Department submitted the requested report, which included both the requested data and a comprehensive review of organizational and financial changes at History Colorado. This request does not need to be continued.



5. Department of Higher Education, Colorado Commission on Higher Education, Administration; and Colorado Commission on Higher Education Financial Aid, Special Purpose, Colorado Opportunity Scholarship Initiative – The Department is requested to provide a report by November 1, 2015 addressing which Colorado public high schools do and do not have access to pre-collegiate programs, concurrent enrollment programs, and other programs designed to encourage students who might not otherwise attend college to pursue postsecondary studies.

Comment: The Department submitted the requested report, which included Excel spreadsheets showing “student success” programs the Colorado Opportunity Scholarship Initiative (COSI) has identified located 1-5 miles from Colorado high schools. COSI is in the process of building an on-line database that should make identifying these programs easier. Staff does not believe the request needs to be continued.

## Appendix A: Indirect Cost Assessment Methodology

### Description of Indirect Cost Assessment Methodology

There are two major components of the Department’s indirect cost methodology:

- A component for allocating departmental indirect costs; and
- A component for allocating statewide indirect costs, which are significant for this department.

### Departmental Indirect Cost Methodology

The Department of Higher Education's indirect cost assessment methodology is calculated based on two components: an “*Indirect Cost Pool*”, and an “*Indirect Cost Base*.”

The *Departmental Indirect Cost Pool* is comprised of the FY 2014-15 appropriated amounts for the administrative functions of the Colorado Commission on Higher Education, and its share of central POTS costs. *Table 1* outlines which lines are included in the *Department’s* Indirect Cost Pool.

<b>Table 1</b>		
<b>Department of Higher Education Indirect Cost Pool</b>		
Division	Line Item	FY 2015-16 Approp.
Department Administrative Office		
	Centrally-appropriated for CCHE	\$1,071,362
Colorado Commission on Higher Education		
	Administration	2,966,937
	Adjustments (reversions, supplemental adjustments)	(22,432)
<b>Total Indirect Cost Pool</b>		<b>\$4,015,867</b>
	Reduce for nonpublic schools	(61,966)
	Subtotal	3,953,901
<b>Cash and Reappropriated Share of Total (77.58%)</b>		<b>\$3,139,002</b>

The *Indirect Cost Base* is comprised of the FY 2015-16 appropriations shown in Table 1. The costs are allocated to the programs, divisions, and Governing Boards using a multi-tiered allocation methodology.

In the first step of the allocation methodology, costs of services to non-public schools are allocated. The balance of the indirect cost pool is allocated proportionately to each funding source. Next, the costs allocated to the cash and reappropriated funding sources (79.39 percent of the FY 2015-16 total), are further allocated to the divisions, programs, and governing boards (in aggregate) based on FY 2015-16 appropriations. Finally the aggregate governing board costs

are then allocated to each individual governing board based on student FTE, using a three-year rolling average.

**Table 2** illustrates the final allocations assessed to each program and governing board.

<b>Table 2 Department of Higher Education Departmental Indirect Cost Assessments</b>	
University of CO	\$856,246
CSU System	475,641
Ft. Lewis	61,684
Adams State	41,330
Colorado Mesa	130,938
Western State	32,198
Metro State	284,879
Community Colleges	965,813
U. of Northern CO	162,906
School of Mines	92,371
Auraria Higher Ed Ctr	0
SUBTOTAL	\$3,104,006
CCHE	0
HISTORICAL	33,183
Private Occupational Schools	747
Vet. Medicine	321
SUBTOTAL	\$3,138,257
CollegeInvest	0
CollegeAssist	0
Local District Colleges	784
<b>TOTAL</b>	<b>\$3,139,041</b>

### **Department Share of *Statewide* Indirect Cost Assessment Request**

In addition to the *Departmental* indirect cost pool, the Department is responsible for an allocated share of the *statewide* indirect cost pool. For this department, the statewide pool and associated indirect cost collections from the governing boards are large. The statewide indirect cost amount for the Department is allocated to the governing boards based upon their usage of state services as calculated by the State Controller’s Office. The statewide indirect cost collection amount, including the Colorado Commission on Higher Education’s share of the statewide assessment for FY 2016-17 (which is then allocated to the governing boards) is shown below in **Table 3**.

<b>Table 3</b>	
<b>Department of Higher Education</b>	
<b>Statewide</b>	
<b>Indirect Cost Assessments</b>	
University of CO	\$1,018,279
CSU System	501,278
Ft. Lewis	(41,655)
Adams State	(4,249)
Colorado Mesa	62,397
Western State	(10,390)
Metro State	60,058
Community Colleges	232,433
U. of Northern CO	129,981
School of Mines	120,898
Auraria Higher Ed Ctr	82,973
<b>SUBTOTAL</b>	<b>\$2,152,003</b>
CCHE (re-allocated to gov. boards)	61,549
<b>HISTORICAL</b>	<b>106,334</b>
Private Occupational Schools	6,693
Vet. Medicine	\$0
<b>SUBTOTAL</b>	<b>\$2,326,579</b>
CollegeInvest	17,942
CollegeAssist	79,183
Local District Colleges	\$0
<b>TOTAL</b>	<b>\$2,423,704</b>

### **Use of Indirect Cost Collections**

Statewide and departmental indirect cost collections are used to offset General Fund otherwise required in the Department. These funds are applied to centrally appropriated amounts for the Commission on Higher Education, administration and special purpose line items for the Commission, administration for occupational education programs and, depending upon sufficient funds available, need based aid funding.

*JBC Staff Staff Figure Setting - FY 2016-17*  
*Staff Working Document - Does Not Represent Committee Decision*

**Appendix A: Number Pages**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
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<p><b>DEPARTMENT OF HIGHER EDUCATION</b>  <b>Joseph Garcia, Executive Director/Lt. Governor</b></p>
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**(1) DEPARTMENT ADMINISTRATIVE OFFICE**

Primary Functions: Centrally appropriated items for the Department of Administration, the Commission, the Division of Private Occupational Schools, and History Colorado. 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>1,247,031</u>	<u>1,477,269</u>	<u>1,902,038</u>	<u>1,823,868</u>	<u>1,510,817</u>
General Fund	0	0	0	5,210	5,119
Cash Funds	893,372	885,006	1,144,173	1,136,133	842,980
Reappropriated Funds	190,396	256,321	349,353	245,528	244,617
Federal Funds	163,263	335,942	408,512	436,997	418,101
Short-term Disability	<u>18,973</u>	<u>23,373</u>	<u>25,965</u>	<u>22,274</u>	<u>20,161</u>
General Fund	0	0	0	353	353
Cash Funds	12,997	14,332	16,856	13,602	11,635
Reappropriated Funds	3,357	3,691	4,319	3,568	3,568
Federal Funds	2,619	5,350	4,790	4,751	4,605
S.B. 04-257 Amortization Equalization					
Disbursement	<u>363,955</u>	<u>432,278</u>	<u>534,843</u>	<u>604,024</u>	<u>549,353</u>
General Fund	0	0	0	9,563	9,563
Cash Funds	247,115	264,719	347,174	368,879	318,025
Reappropriated Funds	66,142	68,381	88,956	96,749	96,749
Federal Funds	50,698	99,178	98,713	128,833	125,016

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
S.B. 06-235 Supplemental Amortization					
Equalization Disbursement	<u>328,570</u>	<u>405,261</u>	<u>516,610</u>	<u>597,732</u>	<u>543,629</u>
General Fund	0	0	0	9,463	9,463
Cash Funds	223,090	248,174	335,338	365,037	314,711
Reappropriated Funds	59,711	64,107	85,924	95,741	95,741
Federal Funds	45,769	92,980	95,348	127,491	123,714
Salary Survey	<u>215,193</u>	<u>226,207</u>	<u>133,092</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	145,257	118,595	86,399	0	0
Reappropriated Funds	39,592	45,302	22,138	0	0
Federal Funds	30,344	62,310	24,555	0	0
Merit Pay	<u>174,977</u>	<u>149,056</u>	<u>123,247</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Cash Funds	119,653	101,034	79,317	0	0
Reappropriated Funds	31,161	17,765	20,270	0	0
Federal Funds	24,163	30,257	23,660	0	0
Workers' Compensation	<u>179,422</u>	<u>108,627</u>	<u>87,984</u>	<u>90,471</u>	<u>82,310</u>
Cash Funds	170,416	99,322	78,459	73,796	69,255
Reappropriated Funds	9,006	9,305	9,525	16,675	13,055
Legal Services	<u>40,804</u>	<u>61,619</u>	<u>42,565</u>	<u>43,075</u>	<u>43,075</u>
General Fund	0	18,216	0	0	0
Cash Funds	11,260	11,287	11,747	11,887	11,887
Reappropriated Funds	29,544	32,116	30,818	31,188	31,188

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
Administrative Law Judge Services	<u>1,454</u>	<u>2,654</u>	<u>0</u>	<u>7,148</u>	<u>7,475</u> *
Cash Funds	1,454	2,654	0	7,148	7,475
CORE Operations	<u>36,461</u>	<u>166,006</u>	<u>95,720</u>	<u>161,859</u>	<u>158,645</u>
General Fund	0	99,353	0	0	0
Cash Funds	19,614	49,806	78,265	88,209	86,457
Reappropriated Funds	16,847	16,847	17,455	73,650	72,188
Federal Funds	0	0	0	0	0
Payment to Risk Management and Property Funds	<u>139,297</u>	<u>131,534</u>	<u>94,719</u>	<u>123,103</u>	<u>128,144</u> *
Cash Funds	138,040	128,964	90,678	114,476	121,603
Reappropriated Funds	1,257	2,570	4,041	8,627	6,541
Payments to OIT	<u>0</u>	<u>358,208</u>	<u>408,002</u>	<u>403,610</u>	<u>403,610</u> *
General Fund	0	120	0	4,141	0
Cash Funds	0	347,961	396,578	346,782	350,923
Reappropriated Funds	0	10,127	11,424	52,687	52,687
Leased Space	<u>524,862</u>	<u>534,607</u>	<u>546,166</u>	<u>556,818</u>	<u>556,818</u>
Cash Funds	104,972	107,102	109,232	111,362	111,362
Reappropriated Funds	419,890	427,505	436,934	445,456	445,456
<b>TOTAL - (1) Department Administrative Office</b>	3,270,999	4,076,699	4,510,951	4,433,982	4,004,037
<b>FTE</b>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	117,689	0	28,730	24,498
Cash Funds	2,087,240	2,378,956	2,774,216	2,637,311	2,246,313
Reappropriated Funds	866,903	954,037	1,081,157	1,069,869	1,061,790
Federal Funds	316,856	626,017	655,578	698,072	671,436

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
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**(2) COLORADO COMMISSION ON HIGHER EDUCATION**

Primary Functions: Services as the central policy and coordinating board for higher education. This section also includes funding for various special purpose programs. Cash fund sources include fees from proprietary schools deposited in the Private Occupational Schools Fund, tobacco settlement moneys that support the lease purchase of academic facilities at Fitzsimons, limited gaming funds that support higher education research grants, and severance tax funds that support the Colorado Geological Survey at the Colorado School of Mines, among other sources. Reappropriated funds are primarily from indirect cost recoveries.

**(A) Administration**

Administration	<u>7,141,652</u>	<u>3,107,380</u>	<u>3,174,169</u>	<u>3,185,214</u>	<u>3,185,214</u>
FTE	27.3	26.4	30.0	30.0	30.0
General Fund	45,207	786,770	326,450	326,450	0
Cash Funds	165,433	179,481	252,364	258,089	247,469
Reappropriated Funds	2,068,570	2,141,129	2,595,355	2,600,675	2,937,745
Federal Funds	4,862,442	0	0	0	0

<b>SUBTOTAL - (A) Administration</b>	7,141,652	3,107,380	3,174,169	3,185,214	3,185,214
FTE	<u>27.3</u>	<u>26.4</u>	<u>30.0</u>	<u>30.0</u>	<u>30.0</u>
General Fund	45,207	786,770	326,450	326,450	0
Cash Funds	165,433	179,481	252,364	258,089	247,469
Reappropriated Funds	2,068,570	2,141,129	2,595,355	2,600,675	2,937,745
Federal Funds	4,862,442	0	0	0	0

**(B) Division of Private Occupational Schools**

Division of Private Occupational Schools	<u>460,029</u>	<u>664,386</u>	<u>662,745</u>	<u>656,642</u>	<u>656,642</u>
FTE	7.3	7.0	7.8	7.8	7.8
Cash Funds	460,029	664,386	662,745	656,642	656,642



**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
<b>SUBTOTAL - (B) Division of Private</b>					
<b>Occupational Schools</b>	460,029	664,386	662,745	656,642	656,642
<i>FTE</i>	<u>7.3</u>	<u>7.0</u>	<u>7.8</u>	<u>7.8</u>	<u>7.8</u>
Cash Funds	460,029	664,386	662,745	656,642	656,642

**(C) Special Purpose**

Western Interstate Commission for Higher Education (WICHE)	<u>131,000</u>	<u>137,000</u>	<u>137,000</u>	<u>145,000</u>	<u>145,000</u> *
Reappropriated Funds	131,000	137,000	137,000	145,000	145,000
WICHE - Optometry	<u>393,976</u>	<u>399,000</u>	<u>399,000</u>	<u>399,000</u>	<u>399,000</u>
General Fund	0	0	0	0	0
Reappropriated Funds	393,976	399,000	399,000	399,000	399,000
Distribution to Higher Education Competitive Research Authority	<u>2,534,000</u>	<u>1,414,342</u>	<u>2,800,000</u>	<u>2,800,000</u>	<u>2,800,000</u>
Cash Funds	2,534,000	1,414,342	2,800,000	2,800,000	2,800,000
Veterinary School Program Needs	<u>162,400</u>	<u>285,000</u>	<u>285,000</u>	<u>285,000</u>	<u>285,000</u>
Cash Funds	0	131,100	131,100	131,100	133,950
Reappropriated Funds	162,400	153,900	153,900	153,900	151,050

**JBC Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
Colorado Geological Survey at the Colorado School of Mines					
FTE	<u>1,863,401</u>	<u>2,137,695</u>	<u>2,229,824</u>	<u>2,243,363</u>	<u>2,243,363</u>
General Fund	10.0	5.7	15.5	15.5	15.5
Cash Funds	300,000	306,000	411,494	413,829	413,829
Reappropriated Funds	1,459,401	1,541,150	1,477,785	1,486,289	1,486,289
Federal Funds	0	0	50,000	50,592	50,592
Federal Funds	104,000	290,545	290,545	292,653	292,653
GEAR-UP	<u>0</u>	<u>6,620,644</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
FTE	0.0	40.0	39.1	39.1	39.1
Federal Funds	0	6,620,644	5,000,000	5,000,000	5,000,000
Prosecution Fellowship Program	<u>0</u>	<u>0</u>	<u>356,496</u>	<u>356,496</u>	<u>356,496</u>
General Fund	0	0	356,496	356,496	356,496
University of Colorado, Lease Purchase of Academic Facilities at Fitzsimons					
General Fund	<u>0</u>	<u>0</u>	<u>14,289,937</u>	<u>14,255,211</u>	<u>14,255,211</u>
Cash Funds	0	0	7,204,931	7,170,205	7,249,326
Cash Funds	0	0	7,085,006	7,085,006	7,005,885
Higher Education Federal Mineral Lease Revenues					
Fund for Lease Purchase of Academic Facilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>12,125,175</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	12,125,175

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
Lease Purchase of Academic Facilities Pursuant to Section 23-19.9-102	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>17,775,175</u>
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	0	0	0	0	5,650,000
Reappropriated Funds	0	0	0	0	12,125,175
Enrollment/Tuition and Stipend Contingency	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>60,000,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
Cash Funds	0	0	0	0	60,000,000
<b>SUBTOTAL - (C) Special Purpose</b>	5,084,777	10,993,681	25,497,257	25,484,070	115,384,420
FTE	<u>10.0</u>	<u>45.7</u>	<u>54.6</u>	<u>54.6</u>	<u>54.6</u>
General Fund	300,000	306,000	7,972,921	7,940,530	20,144,826
Cash Funds	3,993,401	3,086,592	11,493,891	11,502,395	77,076,124
Reappropriated Funds	687,376	689,900	739,900	748,492	12,870,817
Federal Funds	104,000	6,911,189	5,290,545	5,292,653	5,292,653
<b>TOTAL - (2) Colorado Commission on Higher Education</b>	12,686,458	14,765,447	29,334,171	29,325,926	119,226,276
FTE	<u>44.6</u>	<u>79.1</u>	<u>92.4</u>	<u>92.4</u>	<u>92.4</u>
General Fund	345,207	1,092,770	8,299,371	8,266,980	20,144,826
Cash Funds	4,618,863	3,930,459	12,409,000	12,417,126	77,980,235
Reappropriated Funds	2,755,946	2,831,029	3,335,255	3,349,167	15,808,562
Federal Funds	4,966,442	6,911,189	5,290,545	5,292,653	5,292,653

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
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**(3) COLORADO COMMISSION ON HIGHER EDUCATION FINANCIAL AID**

Primary Function: Provides assistance to students in meeting the costs of higher education.

**(A) Need Based Grants**

Need Based Grants	79,271,758	110,399,584	124,570,732	124,570,732	124,570,732
General Fund	79,271,758	4,874,528	9,774,030	9,774,030	9,573,843
General Fund Exempt	0	105,179,880	114,796,702	114,796,702	114,796,702
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	345,176	0	0	200,187

<b>SUBTOTAL - (A) Need Based Grants</b>	79,271,758	110,399,584	124,570,732	124,570,732	124,570,732
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	79,271,758	4,874,528	9,774,030	9,774,030	9,573,843
General Fund Exempt	0	105,179,880	114,796,702	114,796,702	114,796,702
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	345,176	0	0	200,187

**(B) Work Study**

Work Study	16,012,141	20,442,881	21,432,328	21,432,328	21,432,328
General Fund	16,012,141	0	5,000,000	5,000,000	5,000,000
General Fund Exempt	0	20,442,881	16,432,328	16,432,328	16,432,328

<b>SUBTOTAL - (B) Work Study</b>	16,012,141	20,442,881	21,432,328	21,432,328	21,432,328
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	16,012,141	0	5,000,000	5,000,000	5,000,000
General Fund Exempt	0	20,442,881	16,432,328	16,432,328	16,432,328

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
<b>(C) Merit Based Grants</b>					
Merit Based Grants	0	<u>5,010,052</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
General Fund	0	0	5,000,000	5,000,000	5,000,000
General Fund Exempt	0	5,010,052	0	0	0
<b>SUBTOTAL - (C) Merit Based Grants</b>	0	5,010,052	5,000,000	5,000,000	5,000,000
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	5,000,000	5,000,000	5,000,000
General Fund Exempt	0	5,010,052	0	0	0

**(D) Special Purpose**

Veterans'/Law Enforcement/POW Tuition Assistance					
General Fund	<u>591,309</u>	<u>575,034</u>	<u>672,000</u>	<u>672,000</u>	<u>672,000</u>
General Fund	591,309	575,034	672,000	672,000	672,000
National Guard Tuition Assistance Fund					
General Fund	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
General Fund	800,000	800,000	800,000	800,000	800,000
Native American Students/Fort Lewis College					
General Fund	<u>14,466,230</u>	<u>14,841,981</u>	<u>16,157,618</u>	<u>17,269,714</u>	<u>17,364,248</u> *
General Fund	14,466,230	0	1,315,637	2,427,733	2,522,267
General Fund Exempt	0	14,841,981	14,841,981	14,841,981	14,841,981
Reappropriated Funds	0	0	0	0	0
Colorado Opportunity Scholarship Initiative Fund					
General Fund	<u>0</u>	<u>1,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
General Fund	0	1,000,000	5,000,000	5,000,000	5,000,000

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
Tuition Assistance for Career and Technical Education Certificate Programs	<u>0</u>	<u>0</u>	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>
General Fund	0	0	450,000	450,000	450,000
GEAR - UP	<u>792,862</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
Federal Funds	792,862	0	0	0	0
<b>SUBTOTAL - (D) Special Purpose</b>	16,650,401	17,217,015	23,079,618	24,191,714	24,286,248
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	15,857,539	2,375,034	8,237,637	9,349,733	9,444,267
General Fund Exempt	0	14,841,981	14,841,981	14,841,981	14,841,981
Reappropriated Funds	0	0	0	0	0
Federal Funds	792,862	0	0	0	0
<b>TOTAL - (3) Colorado Commission on Higher Education Financial Aid</b>	111,934,300	153,069,532	174,082,678	175,194,774	175,289,308
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	111,141,438	7,249,562	28,011,667	29,123,763	29,018,110
General Fund Exempt	0	145,474,794	146,071,011	146,071,011	146,071,011
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	345,176	0	0	200,187
Federal Funds	792,862	0	0	0	0

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
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**(4) COLLEGE OPPORTUNITY FUND PROGRAM**

Primary Function: 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.

**(A) Stipends**

Stipends for eligible full-time equivalent students attending state institutions

	<u>255,770,284</u>	<u>289,362,876</u>	<u>294,582,047</u>	<u>281,646,532</u>	<u>281,646,532</u> *
General Fund	255,770,284	0	0	0	0
General Fund Exempt	0	289,362,876	294,582,047	281,646,532	281,646,532

Stipends for eligible full-time equivalent students attending participating private institutions

	<u>1,295,102</u>	<u>1,506,375</u>	<u>1,506,375</u>	<u>1,466,205</u>	<u>1,404,885</u> *
General Fund	1,295,102	0	0	0	0
General Fund Exempt	0	1,506,375	1,506,375	1,466,205	1,404,885

<b>SUBTOTAL - (A) Stipends</b>	257,065,386	290,869,251	296,088,422	283,112,737	283,051,417
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	257,065,386	0	0	0	0
General Fund Exempt	0	290,869,251	296,088,422	283,112,737	283,051,417

**(B) Fee-for-service Contracts with State Institutions**

Fee-for-service Contracts with State Institutions

Pursuant to Section 23-18-303, C.R.S.	<u>0</u>	<u>0</u>	<u>235,591,336</u>	<u>232,798,462</u>	<u>232,780,701</u> *
General Fund	0	0	14,894,637	5,172,132	6,349,492
General Fund Exempt	0	0	220,696,699	227,626,330	226,431,209

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
Fee-for-service Contracts with State Institutions for Specialty Education Programs	<u>0</u>	<u>0</u>	<u>116,411,292</u>	<u>112,957,776</u>	<u>112,953,876</u> *
General Fund	0	0	12,009,594	1,732,099	552,178
General Fund Exempt	0	0	104,401,698	111,225,677	112,401,698
Limited Purpose Fee-for-Service Contracts with State Institutions	<u>0</u>	<u>0</u>	<u>86,960</u>	<u>86,960</u>	<u>86,960</u>
General Fund	0	0	86,960	86,960	86,960
Fee-for-service Contracts with State Institutions	<u>267,873,915</u>	<u>292,931,609</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	267,873,915	250,000	0	0	0
General Fund Exempt	0	292,681,609	0	0	0
<b>SUBTOTAL - (B) Fee-for-service Contracts with State Institutions</b>	267,873,915	292,931,609	352,089,588	345,843,198	345,821,537
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	267,873,915	250,000	26,991,191	6,991,191	6,988,630
General Fund Exempt	0	292,681,609	325,098,397	338,852,007	338,832,907
<b>(C) Strategic Performance Investment Program</b>					
Strategic Performance Investment Program	<u>0</u>	<u>0</u>			
General Fund	0	0			
<b>SUBTOTAL - (C) Strategic Performance Investment Program</b>	0	0			
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>			
General Fund	0	0			



**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
<b>TOTAL - (4) College Opportunity Fund</b>					
<b>Program</b>	524,939,301	583,800,860	648,178,010	628,955,935	628,872,954
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	524,939,301	250,000	26,991,191	6,991,191	6,988,630
General Fund Exempt	0	583,550,860	621,186,819	621,964,744	621,884,324

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
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**(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.

**(A) Trustees of Adams State University**

Trustees of Adams State College	<u>31,601,536</u>	<u>32,527,072</u>	<u>35,999,277</u>	<u>39,022,783</u>	<u>40,499,388</u> *
FTE	317.0	319.6	330.0	330.0	331.6
Cash Funds	20,040,335	19,689,783	21,878,260	25,175,110	26,646,778
Reappropriated Funds	11,561,201	12,837,289	14,121,017	13,847,673	13,852,610

<b>SUBTOTAL - (A) Trustees of Adams State University</b>	31,601,536	32,527,072	35,999,277	39,022,783	40,499,388
FTE	<u>317.0</u>	<u>319.6</u>	<u>330.0</u>	<u>330.0</u>	<u>331.6</u>
Cash Funds	20,040,335	19,689,783	21,878,260	25,175,110	26,646,778
Reappropriated Funds	11,561,201	12,837,289	14,121,017	13,847,673	13,852,610

**(B) Trustees of Colorado Mesa University**

Trustees of Colorado Mesa University	<u>75,299,707</u>	<u>78,955,368</u>	<u>85,899,778</u>	<u>82,997,052</u>	<u>96,882,645</u> *
FTE	626.8	640.2	695.3	695.3	705.8
Cash Funds	55,465,896	56,928,117	61,434,422	59,343,494	73,279,088
Reappropriated Funds	19,833,811	22,027,251	24,465,356	23,653,558	23,603,557

<b>SUBTOTAL - (B) Trustees of Colorado Mesa University</b>	75,299,707	78,955,368	85,899,778	82,997,052	96,882,645
FTE	<u>626.8</u>	<u>640.2</u>	<u>695.3</u>	<u>695.3</u>	<u>705.8</u>
Cash Funds	55,465,896	56,928,117	61,434,422	59,343,494	73,279,088
Reappropriated Funds	19,833,811	22,027,251	24,465,356	23,653,558	23,603,557

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
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**(C) Trustees of Metropolitan State College of Denver**

Trustees of Metropolitan State College of Denver	<u>136,971,040</u>	<u>145,809,389</u>	<u>159,049,362</u>	<u>164,820,877</u>	<u>170,432,130</u> *
FTE	1,275.5	1,313.2	1,362.6	1,362.6	1,453.2
Cash Funds	97,741,027	102,128,196	108,895,963	115,132,310	120,726,237
Reappropriated Funds	39,230,013	43,681,193	50,153,399	49,688,567	49,705,893

<b>SUBTOTAL - (C) Trustees of Metropolitan State College of Denver</b>	136,971,040	145,809,389	159,049,362	164,820,877	170,432,130
FTE	<u>1,275.5</u>	<u>1,313.2</u>	<u>1,362.6</u>	<u>1,362.6</u>	<u>1,453.2</u>
Cash Funds	97,741,027	102,128,196	108,895,963	115,132,310	120,726,237
Reappropriated Funds	39,230,013	43,681,193	50,153,399	49,688,567	49,705,893

**(D) Trustees of Western State College**

Trustees of Western State College	<u>24,597,255</u>	<u>26,565,226</u>	<u>31,736,219</u>	<u>31,478,562</u>	<u>34,757,701</u> *
FTE	234.7	244.6	241.4	241.4	248.1
Cash Funds	15,064,346	15,979,779	20,092,227	20,130,291	23,382,240
Reappropriated Funds	9,532,909	10,585,447	11,643,992	11,348,271	11,375,461

<b>SUBTOTAL - (D) Trustees of Western State College</b>	24,597,255	26,565,226	31,736,219	31,478,562	34,757,701
FTE	<u>234.7</u>	<u>244.6</u>	<u>241.4</u>	<u>241.4</u>	<u>248.1</u>
Cash Funds	15,064,346	15,979,779	20,092,227	20,130,291	23,382,240
Reappropriated Funds	9,532,909	10,585,447	11,643,992	11,348,271	11,375,461

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
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**(E) Board of Governors of the Colorado State University System**

Board of Governors of the Colorado State University System	<u>442,861,398</u>	<u>484,788,862</u>	<u>553,020,987</u>	<u>525,851,506</u>	<u>615,340,167</u> *
FTE	4,729.4	4,856.1	4,587.2	4,587.2	4,856.2
Cash Funds	343,014,016	362,810,378	418,360,803	395,430,996	484,966,696
Reappropriated Funds	99,847,382	121,978,484	134,660,184	130,420,510	130,373,471

<b>SUBTOTAL - (E) Board of Governors of the Colorado State University System</b>	<u>442,861,398</u>	<u>484,788,862</u>	<u>553,020,987</u>	<u>525,851,506</u>	<u>615,340,167</u>
FTE	<u>4,729.4</u>	<u>4,856.1</u>	<u>4,587.2</u>	<u>4,587.2</u>	<u>4,856.2</u>
Cash Funds	343,014,016	362,810,378	418,360,803	395,430,996	484,966,696
Reappropriated Funds	99,847,382	121,978,484	134,660,184	130,420,510	130,373,471

**(F) Trustees of Fort Lewis College**

Trustees of Fort Lewis College	<u>49,367,991</u>	<u>50,600,826</u>	<u>51,968,837</u>	<u>52,842,974</u>	<u>58,106,242</u> *
FTE	372.7	409.7	415.0	415.0	430.4
Cash Funds	39,827,671	40,006,222	40,146,415	41,587,403	46,855,401
Reappropriated Funds	9,540,320	10,594,604	11,822,422	11,255,571	11,250,841

<b>SUBTOTAL - (F) Trustees of Fort Lewis College</b>	<u>49,367,991</u>	<u>50,600,826</u>	<u>51,968,837</u>	<u>52,842,974</u>	<u>58,106,242</u>
FTE	<u>372.7</u>	<u>409.7</u>	<u>415.0</u>	<u>415.0</u>	<u>430.4</u>
Cash Funds	39,827,671	40,006,222	40,146,415	41,587,403	46,855,401
Reappropriated Funds	9,540,320	10,594,604	11,822,422	11,255,571	11,250,841

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
<b>(G) Regents of the University of Colorado</b>					
Regents of the University of Colorado	<u>982,379,472</u>	<u>1,055,261,427</u>	<u>1,135,895,640</u>	<u>1,144,453,292</u>	<u>1,200,588,317</u> *
FTE	7,713.4	7,821.7	7,825.2	7,825.2	7,982.3
Cash Funds	832,123,833	888,163,616	951,279,973	963,921,894	1,020,126,890
Reappropriated Funds	150,255,639	167,097,811	184,615,667	180,531,398	180,461,427
<b>SUBTOTAL - (G) Regents of the University of Colorado</b>					
	982,379,472	1,055,261,427	1,135,895,640	1,144,453,292	1,200,588,317
FTE	<u>7,713.4</u>	<u>7,821.7</u>	<u>7,825.2</u>	<u>7,825.2</u>	<u>7,982.3</u>
Cash Funds	832,123,833	888,163,616	951,279,973	963,921,894	1,020,126,890
Reappropriated Funds	150,255,639	167,097,811	184,615,667	180,531,398	180,461,427
<b>(H) Trustees of the Colorado School of Mines</b>					
Trustees of the Colorado School of Mines	<u>128,547,431</u>	<u>138,966,344</u>	<u>149,318,071</u>	<u>142,645,718</u>	<u>167,149,227</u> *
FTE	832.7	835.2	878.5	878.5	896.8
Cash Funds	111,733,884	120,296,888	128,770,743	122,489,777	146,979,462
Reappropriated Funds	16,813,547	18,669,456	20,547,328	20,155,941	20,169,765
<b>SUBTOTAL - (H) Trustees of the Colorado School of Mines</b>					
	128,547,431	138,966,344	149,318,071	142,645,718	167,149,227
FTE	<u>832.7</u>	<u>835.2</u>	<u>878.5</u>	<u>878.5</u>	<u>896.8</u>
Cash Funds	111,733,884	120,296,888	128,770,743	122,489,777	146,979,462
Reappropriated Funds	16,813,547	18,669,456	20,547,328	20,155,941	20,169,765

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
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**(I) University of Northern Colorado**

University of Northern Colorado	<u>118,413,262</u>	<u>121,696,776</u>	<u>128,165,908</u>	<u>125,746,162</u>	<u>145,561,075</u> *
FTE	1,125.7	1,110.1	1,141.9	1,141.9	1,136.5
Cash Funds	84,773,202	84,340,249	87,073,179	87,700,778	107,526,118
Reappropriated Funds	33,640,060	37,356,527	41,092,729	38,045,384	38,034,957

<b>SUBTOTAL - (I) University of Northern Colorado</b>	118,413,262	121,696,776	128,165,908	125,746,162	145,561,075
FTE	<u>1,125.7</u>	<u>1,110.1</u>	<u>1,141.9</u>	<u>1,141.9</u>	<u>1,136.5</u>
Cash Funds	84,773,202	84,340,249	87,073,179	87,700,778	107,526,118
Reappropriated Funds	33,640,060	37,356,527	41,092,729	38,045,384	38,034,957

**(J) State Board for Community Colleges and Occupational Education State System Community Colleges**

State Board for Community Colleges and Occupational Education State System Community Colleges	<u>395,285,155</u>	<u>414,739,364</u>	<u>427,803,482</u>	<u>425,435,403</u>	<u>445,084,156</u> *
FTE	5,906.4	5,916.8	5,935.4	5,935.4	6,003.8
Cash Funds	271,895,839	277,273,440	274,253,941	276,892,546	296,444,069
Reappropriated Funds	123,389,316	137,465,924	153,549,541	148,542,857	148,640,087

<b>SUBTOTAL - (J) State Board for Community Colleges and Occupational Education State System Community Colleges</b>	395,285,155	414,739,364	427,803,482	425,435,403	445,084,156
FTE	<u>5,906.4</u>	<u>5,916.8</u>	<u>5,935.4</u>	<u>5,935.4</u>	<u>6,003.8</u>
Cash Funds	271,895,839	277,273,440	274,253,941	276,892,546	296,444,069
Reappropriated Funds	123,389,316	137,465,924	153,549,541	148,542,857	148,640,087

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
<b>TOTAL - (5) Governing Boards</b>	2,385,324,247	2,549,910,654	2,758,857,561	2,735,294,329	2,974,401,048
<i>FTE</i>	<u>23,134.3</u>	<u>23,467.2</u>	<u>23,412.5</u>	<u>23,412.5</u>	<u>24,044.7</u>
Cash Funds	1,871,680,049	1,967,616,668	2,112,185,926	2,107,804,599	2,346,932,979
Reappropriated Funds	513,644,198	582,293,986	646,671,635	627,489,730	627,468,069

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
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**(6) LOCAL DISTRICT JUNIOR COLLEGE GRANTS PURSUANT TO SECTION 23-71-301, C.R.S.**

Primary Functions: Subsidizes the operations of the state's two local district junior colleges: Aims Community College and Colorado Mountain College. Institutions that are set up as local district junior colleges have special property tax districts that also support their operations and governing boards that are independent from the rest of the community college system. Students from the special property tax districts pay discounted tuition rates.

Colorado Mountain College	<u>0</u>	<u>0</u>	<u>7,452,827</u>	<u>7,231,728</u>	<u>7,296,778</u> *
General Fund	0	0	1,102,019	1,102,019	1,102,019
General Fund Exempt	0	0	6,041,020	5,819,921	5,828,872
Cash Funds	0	0	309,788	309,788	365,887
Aims Community College	<u>0</u>	<u>0</u>	<u>8,797,792</u>	<u>8,536,792</u>	<u>8,608,970</u> *
General Fund	0	0	1,836,871	1,836,871	1,836,871
General Fund Exempt	0	0	6,609,305	6,348,305	6,358,454
Cash Funds	0	0	351,616	351,616	413,645
Local District Junior College Grants	<u>13,300,325</u>	<u>14,705,995</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	12,650,325	0	0	0	0
General Fund Exempt	0	14,044,591	0	0	0
Cash Funds	650,000	661,404	0	0	0

<b>TOTAL - (6) Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S.</b>	13,300,325	14,705,995	16,250,619	15,768,520	15,905,748
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	12,650,325	0	2,938,890	2,938,890	2,938,890
General Fund Exempt	0	14,044,591	12,650,325	12,168,226	12,187,326
Cash Funds	650,000	661,404	661,404	661,404	779,532



**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
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**(7) 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.

**(A) Administrative Costs**

Administrative Costs	<u>900,000</u>	<u>712,839</u>	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>
FTE	9.0	9.0	9.0	9.0	9.0
Reappropriated Funds	900,000	712,839	900,000	900,000	900,000

<b>SUBTOTAL - (A) Administrative Costs</b>	900,000	712,839	900,000	900,000	900,000
FTE	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>
Reappropriated Funds	900,000	712,839	900,000	900,000	900,000

**(B) Distribution of State Assistance for Career and Technical Education pursuant to Section 23-8-102, C.R.S.**

Distributions of State Assistance for Career and Technical Education	<u>24,528,304</u>	<u>25,101,461</u>	<u>25,436,648</u>	<u>25,436,648</u>	<u>25,436,648</u>
Reappropriated Funds	24,528,304	25,101,461	25,436,648	25,436,648	25,436,648

<b>SUBTOTAL - (B) Distribution of State Assistance for Career and Technical Education pursuant to Section 23-8-102, C.R.S.</b>	24,528,304	25,101,461	25,436,648	25,436,648	25,436,648
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Reappropriated Funds	24,528,304	25,101,461	25,436,648	25,436,648	25,436,648

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
<b>(C) Area Vocational School Support</b>					
Area Vocational School Support	<u>8,091,845</u>	<u>8,983,694</u>	<u>9,971,721</u>	<u>9,675,895</u>	<u>9,675,895</u> *
General Fund	8,091,845	0	1,879,876	1,879,876	1,879,876
General Fund Exempt	0	8,983,694	8,091,845	7,796,019	7,796,019
<b>SUBTOTAL - (C) Area Vocational School</b>					
<b>Support</b>	8,091,845	8,983,694	9,971,721	9,675,895	9,675,895
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	8,091,845	0	1,879,876	1,879,876	1,879,876
General Fund Exempt	0	8,983,694	8,091,845	7,796,019	7,796,019
<b>(D) Sponsored Programs</b>					
Administration	<u>1,804,779</u>	<u>2,100,956</u>	<u>2,220,227</u>	<u>2,220,227</u>	<u>2,220,227</u>
FTE	17.3	17.3	23.0	23.0	23.0
Federal Funds	1,804,779	2,100,956	2,220,227	2,220,227	2,220,227
Programs	<u>12,414,710</u>	<u>13,143,191</u>	<u>13,353,751</u> 0.0	<u>13,353,751</u>	<u>13,353,751</u>
Federal Funds	12,414,710	13,143,191	13,353,751	13,353,751	13,353,751
<b>SUBTOTAL - (D) Sponsored Programs</b>					
<i>FTE</i>	<u>17.3</u>	<u>17.3</u>	<u>23.0</u>	<u>23.0</u>	<u>23.0</u>
Federal Funds	14,219,489	15,244,147	15,573,978	15,573,978	15,573,978
<b>(E) Colorado First Customized Job Training</b>					
Colorado First Customized Job Training	<u>4,225,022</u>	<u>2,781,733</u>	<u>4,500,000</u>	<u>4,500,000</u>	<u>4,500,000</u>
Reappropriated Funds	4,225,022	2,781,733	4,500,000	4,500,000	4,500,000

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
<b>SUBTOTAL - (E) Colorado First Customized</b>					
<b>Job Training</b>	4,225,022	2,781,733	4,500,000	4,500,000	4,500,000
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Reappropriated Funds	4,225,022	2,781,733	4,500,000	4,500,000	4,500,000
<b>TOTAL - (7) Division of Occupational</b>					
<b>Education</b>	51,964,660	52,823,874	56,382,347	56,086,521	56,086,521
<i>FTE</i>	<u>26.3</u>	<u>26.3</u>	<u>32.0</u>	<u>32.0</u>	<u>32.0</u>
General Fund	8,091,845	0	1,879,876	1,879,876	1,879,876
General Fund Exempt	0	8,983,694	8,091,845	7,796,019	7,796,019
Reappropriated Funds	29,653,326	28,596,033	30,836,648	30,836,648	30,836,648
Federal Funds	14,219,489	15,244,147	15,573,978	15,573,978	15,573,978

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
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**(8) AURARIA HIGHER EDUCATION CENTER**

Primary Functions: Established by statute in 1974, the Auraria Higher Education Center (AHEC) is governed by a Board of Directors who oversee the centralized operations of the campus located in Denver. AHEC houses and provides common services to the Community College of Denver, Metropolitan State College of Denver, and the University of Colorado at Denver and Health Sciences Center.

Administration	<u>17,679,311</u>	<u>18,376,048</u>	<u>19,879,000</u>	<u>20,276,580</u>	<u>20,276,580</u> *
FTE	181.9	181.3	188.0	188.0	190.6
Reappropriated Funds	17,679,311	18,376,048	19,879,000	20,276,580	20,276,580
<b>TOTAL - (8) Auraria Higher Education Center</b>	17,679,311	18,376,048	19,879,000	20,276,580	20,276,580
<b>FTE</b>	<u>181.9</u>	<u>181.3</u>	<u>188.0</u>	<u>188.0</u>	<u>190.6</u>
Reappropriated Funds	17,679,311	18,376,048	19,879,000	20,276,580	20,276,580

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
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**(9) HISTORY COLORADO**

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) Central Administration**

Central Administration	<u>0</u>	<u>0</u>	<u>1,234,667</u>	<u>1,234,667</u>	<u>1,234,667</u>
FTE	0.0	0.0	12.0	12.0	12.0
Cash Funds	0	0	1,118,325	1,118,325	1,118,325
Federal Funds	0	0	116,342	116,342	116,342
Facilities Management	<u>0</u>	<u>0</u>	<u>1,833,925</u>	<u>1,833,925</u>	<u>1,833,925</u>
FTE	0.0	0.0	7.5	7.5	7.5
Cash Funds	0	0	1,833,925	1,833,925	1,833,925
Lease Purchase of Colorado History Museum	<u>0</u>	<u>0</u>	<u>3,121,835</u>	<u>3,121,815</u>	<u>3,121,815</u>
Cash Funds	0	0	3,121,835	3,121,815	3,121,815

<b>SUBTOTAL - (A) Central Administration</b>	<u>0</u>	<u>0</u>	<u>6,190,427</u>	<u>6,190,407</u>	<u>6,190,407</u>
FTE	<u>0.0</u>	<u>0.0</u>	<u>19.5</u>	<u>19.5</u>	<u>19.5</u>
Cash Funds	0	0	6,074,085	6,074,065	6,074,065
Federal Funds	0	0	116,342	116,342	116,342

**(B) History Colorado Museums**

History Colorado Center	<u>0</u>	<u>0</u>	<u>4,711,859</u>	<u>4,716,645</u>	<u>4,711,859</u>
FTE	0.0	0.0	56.4	56.4	56.4
Cash Funds	0	0	4,637,882	4,642,668	4,637,882
Federal Funds	0	0	73,977	73,977	73,977

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
Community Museums	<u>0</u>	<u>0</u>	<u>1,205,725</u>	<u>1,205,725</u>	<u>1,205,725</u>
FTE	0.0	0.0	14.5	14.5	14.5
Cash Funds	0	0	1,205,725	1,205,725	1,205,725
<b>SUBTOTAL - (B) History Colorado Museums</b>	<u>0</u>	<u>0</u>	<u>5,917,584</u>	<u>5,922,370</u>	<u>5,917,584</u>
<b>FTE</b>	<u>0.0</u>	<u>0.0</u>	<u>70.9</u>	<u>70.9</u>	<u>70.9</u>
Cash Funds	0	0	5,843,607	5,848,393	5,843,607
Federal Funds	0	0	73,977	73,977	73,977

**(C) Office of Archeology and Historic Preservation**

Program Costs	<u>0</u>	<u>0</u>	<u>1,628,251</u>	<u>1,629,929</u>	<u>1,628,251</u>
FTE	0.0	0.0	23.0	23.0	23.0
Cash Funds	0	0	844,120	844,120	844,120
Federal Funds	0	0	784,131	785,809	784,131
<b>SUBTOTAL - (C) Office of Archeology and Historic Preservation</b>	<u>0</u>	<u>0</u>	<u>1,628,251</u>	<u>1,629,929</u>	<u>1,628,251</u>
<b>FTE</b>	<u>0.0</u>	<u>0.0</u>	<u>23.0</u>	<u>23.0</u>	<u>23.0</u>
Cash Funds	0	0	844,120	844,120	844,120
Federal Funds	0	0	784,131	785,809	784,131

**(D) State Historical Fund Program**

Administration	<u>0</u>	<u>0</u>	<u>1,703,303</u>	<u>1,703,303</u>	<u>1,703,303</u>
FTE	0.0	0.0	18.0	18.0	18.0
Cash Funds	0	0	1,703,303	1,703,303	1,703,303
Grants	<u>0</u>	<u>0</u>	<u>7,500,000</u>	<u>7,500,000</u>	<u>7,900,000</u>
Cash Funds	0	0	7,500,000	7,500,000	7,900,000

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
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Gaming Cities Distribution	<u>4,726,639</u>	<u>4,695,061</u>	<u>4,900,000</u>	<u>4,900,000</u>	<u>5,000,000</u>
Cash Funds	4,726,639	4,695,061	4,900,000	4,900,000	5,000,000

<b>SUBTOTAL - (D) State Historical Fund</b>					
<b>Program</b>	4,726,639	4,695,061	14,103,303	14,103,303	14,603,303
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>18.0</u>	<u>18.0</u>	<u>18.0</u>
Cash Funds	4,726,639	4,695,061	14,103,303	14,103,303	14,603,303

**(E) Cumbres and Toltec Railroad Commission**

Cumbres and Toltec Railroad Commission	<u>1,295,447</u>	<u>548,434</u>	<u>1,623,500</u>	<u>1,623,500</u>	<u>2,050,000</u> *
General Fund	445,447	513,434	1,295,000	1,295,000	1,295,000
Cash Funds	850,000	35,000	328,500	328,500	755,000

<b>SUBTOTAL - (E) Cumbres and Toltec Railroad</b>					
<b>Commission</b>	1,295,447	548,434	1,623,500	1,623,500	2,050,000
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	445,447	513,434	1,295,000	1,295,000	1,295,000
Cash Funds	850,000	35,000	328,500	328,500	755,000

**Sponsored Programs**

Sponsored Programs	<u>73,580</u>	<u>213,055</u>	<u>0</u>	<u>0</u>
FTE	0.9	3.5	0.0	0.0
Cash Funds	0	0	0	0
Federal Funds	73,580	213,055	0	0

<b>SUBTOTAL - Sponsored Programs</b>	73,580	213,055	0	0
<i>FTE</i>	<u>0.9</u>	<u>3.5</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	0	0	0	0
Federal Funds	73,580	213,055	0	0

**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	FY 2013-14 Actual	FY 2014-15 Actual	FY 2015-16 Appropriation	FY 2016-17 Request	FY 2016-17 Recommendation
<b>Auxiliary Programs</b>					
Auxiliary Programs	<u>1,757,535</u>	<u>1,926,563</u>	0	0	
FTE	12.4	14.5	0.0	0.0	
Cash Funds	1,757,535	1,926,563	0	0	
<b>SUBTOTAL - Auxiliary Programs</b>	<u>1,757,535</u>	<u>1,926,563</u>	<u>0</u>	<u>0</u>	
FTE	<u>12.4</u>	<u>14.5</u>	<u>0.0</u>	<u>0.0</u>	
Cash Funds	1,757,535	1,926,563	0	0	
<b>Gaming Revenue</b>					
Statewide Preservation Grant Program	<u>7,483,277</u>	<u>8,542,068</u>	0	0	0
FTE	15.1	18.0	0.0	0.0	0.0
Cash Funds	7,483,277	8,542,068	0	0	0
Federal Funds	0	0	0	0	0
Society Museum and Preservation Operations	<u>8,185,210</u>	<u>12,090,144</u>	0	0	0
FTE	83.8	95.4	0.0	0.0	0.0
Cash Funds	7,505,167	11,286,998	0	0	0
Federal Funds	680,043	803,146	0	0	0
<b>SUBTOTAL - Gaming Revenue</b>	<u>15,668,487</u>	<u>20,632,212</u>	<u>0</u>	<u>0</u>	<u>0</u>
FTE	<u>98.9</u>	<u>113.4</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Cash Funds	14,988,444	19,829,066	0	0	0
Federal Funds	680,043	803,146	0	0	0



**JBC Staff Staff Figure Setting - FY 2016-17**  
**Staff Working Document - Does Not Represent Committee Decision**

	<b>FY 2013-14 Actual</b>	<b>FY 2014-15 Actual</b>	<b>FY 2015-16 Appropriation</b>	<b>FY 2016-17 Request</b>	<b>FY 2016-17 Recommendation</b>
<b>TOTAL - (9) History Colorado</b>	23,521,688	28,015,325	29,463,065	29,469,509	30,389,545
<i>FTE</i>	<u>112.2</u>	<u>131.4</u>	<u>131.4</u>	<u>131.4</u>	<u>131.4</u>
General Fund	445,447	513,434	1,295,000	1,295,000	1,295,000
Cash Funds	22,322,618	26,485,690	27,193,615	27,198,381	28,120,095
Federal Funds	753,623	1,016,201	974,450	976,128	974,450
<b>TOTAL - Department of Higher Education</b>	3,144,621,289	3,419,544,434	3,736,938,402	3,694,806,076	4,024,452,017
<i>FTE</i>	<u>23,499.3</u>	<u>23,885.3</u>	<u>23,856.3</u>	<u>23,856.3</u>	<u>24,491.1</u>
General Fund	657,613,563	9,223,455	69,415,995	50,524,430	62,289,830
General Fund Exempt	0	752,053,939	788,000,000	788,000,000	787,938,680
Cash Funds	1,901,358,770	2,001,073,177	2,155,224,161	2,150,718,821	2,456,059,154
Reappropriated Funds	564,599,684	633,396,309	701,803,695	683,021,994	695,651,836
Federal Funds	21,049,272	23,797,554	22,494,551	22,540,831	22,512,517

	Rate	Gov. Boards	Adams	Mesa	Metro	Western	CSU Sys	Ft. Lewis	CU	Mines	UNC	CCs
	\$ 75											
<b>FY 2015-16 TOTAL w special bills and regular sup</b>	30											
<b>Final Action</b>												
Stipend-eligible SFTE assumption		130,925.4	1,339.9	6,493.1	14,050.3	1,232.3	19,562.3	2,020.4	27,170.9	2,796.3	7,634.5	48,625.6
State-operated Stipends @	\$2,250	\$ 294,582,047	\$ 3,014,742	\$ 14,609,398	\$ 31,613,068	\$ 2,772,617	\$ 44,015,134	\$ 4,545,816	\$ 61,134,606	\$ 6,291,590	\$ 17,177,543	\$ 109,407,533
FFS per Section 303		\$ 235,591,336	\$ 11,106,275	\$ 9,855,958	\$ 18,540,331	\$ 8,871,375	\$ 36,830,679	\$ 7,276,606	\$ 60,884,140	\$ 14,255,738	\$ 23,915,186	\$ 44,055,048
Specialty education		\$ 116,411,292					\$ 53,814,371		\$ 62,596,921			
<b>SUBTOTAL State Funds</b>		\$ 646,584,675	\$ 14,121,017	\$ 24,465,356	\$ 50,153,399	\$ 11,643,992	\$ 134,660,184	\$ 11,822,422	\$ 184,615,667	\$ 20,547,328	\$ 41,092,729	\$ 153,462,581
Subtotal - State Funds in LB or supplementals												
Resident		1,135,128,678	12,919,911	47,191,158	94,957,895	8,408,671	207,953,450	11,297,341	441,782,420	50,360,461	56,923,031	203,334,340
Nonresident		<u>832,892,226</u>	<u>9,477,939</u>	<u>11,381,910</u>	<u>10,706,192</u>	<u>8,476,964</u>	<u>167,708,007</u>	<u>29,090,062</u>	<u>453,777,279</u>	<u>67,455,354</u>	<u>24,995,114</u>	<u>49,823,405</u>
Tuition		\$1,968,020,904	\$22,397,850	\$58,573,068	\$105,664,087	\$16,885,635	\$375,661,457	\$40,387,403	\$895,559,699	\$117,815,815	\$81,918,145	\$253,157,745
State/Tuition		\$ 2,614,605,579	\$ 36,518,867	\$ 83,038,424	\$ 155,817,486	\$ 28,529,627	\$ 510,321,641	\$ 52,209,825	\$ 1,080,175,366	\$ 138,363,143	\$ 123,010,874	\$ 406,620,326
Tobacco		12,500,677							12,500,677			
Gaming		5,874,216	20,260	296,717	0	0	0	0	0	0	0	5,557,239
Academic Fees		121,408,802	2,757,000	473,709	9,468,223	3,244,656	19,769,539	1,200,000	55,861,518	4,673,962	5,782,633	18,177,562
<b>TOTAL</b>		\$ 2,754,389,274	\$ 39,296,127	\$ 83,808,850	\$ 165,285,709	\$ 31,774,283	\$ 530,091,180	\$ 53,409,825	\$ 1,148,537,561	\$ 143,037,105	\$ 128,793,507	\$ 430,355,127
Ltd purpose fee-for-service approp		\$ 86,960										\$ 86,960
<b>TOTAL - all bills - state funds</b>		\$ 646,671,635	\$ 14,121,017	\$ 24,465,356	\$ 50,153,399	\$ 11,643,992	\$ 134,660,184	\$ 11,822,422	\$ 184,615,667	\$ 20,547,328	\$ 41,092,729	\$ 153,549,541
<b>TOTAL - all bills- all funds</b>		\$ 2,754,476,234	\$ 39,296,127	\$ 83,808,850	\$ 165,285,709	\$ 31,774,283	\$ 530,091,180	\$ 53,409,825	\$ 1,148,537,561	\$ 143,037,105	\$ 128,793,507	\$ 430,442,087
<b>Long Bill Supplemental</b>												
NEW amounts												
Resident		1,130,270,410	11,455,000	48,531,197	89,971,506	8,083,410	214,269,162	10,581,787	425,606,300	51,287,162	58,722,189	211,762,697
Nonresident		<u>842,131,821</u>	<u>7,646,000</u>	<u>12,132,799</u>	<u>9,456,234</u>	<u>8,764,161</u>	<u>184,322,102</u>	<u>28,364,628</u>	<u>457,311,478</u>	<u>72,809,619</u>	<u>22,568,356</u>	<u>38,756,443</u>
Tuition		\$ 1,972,402,231	\$19,101,000	\$60,663,996	\$99,427,740	\$16,847,571	\$398,591,264	\$38,946,415	\$882,917,778	\$124,096,781	\$81,290,546	\$250,519,140

	Rate	Gov. Boards	Adams	Mesa	Metro	Western	CSU Sys	Ft. Lewis	CU	Mines	UNC	CCs
Change to Tuition	\$	4,381,327	\$ (3,296,850)	\$ 2,090,928	\$ (6,236,347)	\$ (38,064)	\$ 22,929,807	\$ (1,440,988)	\$ (12,641,921)	\$ 6,280,966	\$ (627,599)	\$ (2,638,605)
Change to Fees	\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NEW total all bills all funds	\$	2,758,857,561	\$ 35,999,277	\$ 85,899,778	\$ 159,049,362	\$ 31,736,219	\$ 553,020,987	\$ 51,968,837	\$ 1,135,895,640	\$ 149,318,071	\$ 128,165,908	\$ 427,803,482

	Rate	Gov. Boards	Adams	Mesa	Metro	Western	CSU Sys	Ft. Lewis	CU	Mines	UNC	CCs
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**FY 2015-16 Governing Board Detail**

\$ 75

FY 2015-16 TOTAL w special bills and regular sup 30

**Final Action**

Stipend-eligible SFTE assumption		130,925.4	1,339.9	6,493.1	14,050.3	1,232.3	19,562.3	2,020.4	27,170.9	2,796.3	7,634.5	48,625.6
State-operated Stipends @ \$2,250	\$	294,582,047	\$ 3,014,742	\$ 14,609,398	\$ 31,613,068	\$ 2,772,617	\$ 44,015,134	\$ 4,545,816	\$ 61,134,606	\$ 6,291,590	\$ 17,177,543	\$ 109,407,533
FFS per Section 303	\$	235,591,336	\$ 11,106,275	\$ 9,855,958	\$ 18,540,331	\$ 8,871,375	\$ 36,830,679	\$ 7,276,606	\$ 60,884,140	\$ 14,255,738	\$ 23,915,186	\$ 44,055,048
Specialty education	\$	116,411,292					\$ 53,814,371		\$ 62,596,921			
Special purpose	\$	86,960										\$ 86,960
SUBTOTAL State Funds	\$	646,671,635	\$ 14,121,017	\$ 24,465,356	\$ 50,153,399	\$ 11,643,992	\$ 134,660,184	\$ 11,822,422	\$ 184,615,667	\$ 20,547,328	\$ 41,092,729	\$ 153,549,541
Subtotal - State Funds in LB or supplementals												
Resident		1,130,270,410	11,455,000	48,531,197	89,971,506	8,083,410	214,269,162	10,581,787	425,606,300	51,287,162	58,722,189	211,762,697
Nonresident		<u>842,131,821</u>	<u>7,646,000</u>	<u>12,132,799</u>	<u>9,456,234</u>	<u>8,764,161</u>	<u>184,322,102</u>	<u>28,364,628</u>	<u>457,311,478</u>	<u>72,809,619</u>	<u>22,568,356</u>	<u>38,756,443</u>
Tuition		\$1,972,402,231	\$19,101,000	\$60,663,996	\$99,427,740	\$16,847,571	\$398,591,264	\$38,946,415	\$882,917,778	\$124,096,781	\$81,290,546	\$250,519,140
State/Tuition	\$	2,619,073,866	\$ 33,222,017	\$ 85,129,352	\$ 149,581,139	\$ 28,491,563	\$ 533,251,448	\$ 50,768,837	\$ 1,067,533,445	\$ 144,644,109	\$ 122,383,275	\$ 404,068,681
Tobacco		12,500,677							12,500,677			
Gaming		5,874,216	20,260	296,717	0	0	0	0	0	0	0	5,557,239
Mandatory Fees (all)		121,408,802	2,757,000	473,709	9,468,223	3,244,656	19,769,539	1,200,000	55,861,518	4,673,962	5,782,633	18,177,562
TOTAL	\$	2,758,857,561	\$ 35,999,277	\$ 85,899,778	\$ 159,049,362	\$ 31,736,219	\$ 553,020,987	\$ 51,968,837	\$ 1,135,895,640	\$ 149,318,071	\$ 128,165,908	\$ 427,803,482

**Recommended changes - FY 2016-17**

\$ 75

30

**Final Action**

Stipend-eligible SFTE assumption		(2,319.8)	(55.2)	(401.5)	282.5	86.5	(430.0)	(224.4)	541.3	(43.2)	(771.9)	(1,304.1)
State-operated Stipends @ \$2,250	\$	(12,935,515)	(201,200)	(1,268,740)	(224,254)	115,532	(2,115,358)	(612,481)	(444,800)	(262,245)	(2,148,422)	(5,773,547)
FFS per Section 303		(2,810,635)	(67,207)	406,941	(223,252)	(384,063)	(573,068)	40,900	(1,850,311)	(115,318)	(909,350)	864,093
Specialty education		(3,457,416)	-	-	-	-	(1,598,287)	-	(1,859,129)	-	-	-
Special purpose		-	-	-	-	-	-	-	-	-	-	-
SUBTOTAL State Funds	\$	(19,203,566)	\$ (268,407)	\$ (861,799)	\$ (447,506)	\$ (268,531)	\$ (4,286,713)	\$ (571,581)	\$ (4,154,240)	\$ (377,563)	\$ (3,057,772)	\$ (4,909,454)
Resident		60,106,195	572,750	4,930,769	5,182,784	947,652	6,407,139	924,352	25,536,378	1,948,474	5,428,485	8,227,412

	Rate	Gov. Boards	Adams	Mesa	Metro	Western	CSU Sys	Ft. Lewis	CU	Mines	UNC	CCs
Nonresident Tuition	\$	50,362,797	<u>382,300</u>	<u>1,232,693</u>	<u>472,812</u>	<u>453,124</u>	<u>12,010,157</u>	<u>851,634</u>	<u>22,865,574</u>	<u>7,802,181</u>	<u>2,354,501</u>	<u>1,937,822</u>
		110,468,992	955,050	6,163,462	5,655,596	1,400,776	18,417,296	1,775,986	48,401,952	9,750,655	7,782,985	10,165,234
State/Tuition	\$	91,265,426	\$ 686,643	\$ 5,301,663	\$ 5,208,090	\$ 1,132,245	\$ 14,130,583	\$ 1,204,405	\$ 44,247,712	\$ 9,373,092	\$ 4,725,213	\$ 5,255,780
Tobacco		(147,808)	-	-	-	-	-	-	(147,808)	-	-	-

	Rate	Gov. Boards	Adams	Mesa	Metro	Western	CSU Sys	Ft. Lewis	CU	Mines	UNC	CCs
Gaming		1,049,136	1,308	59,927	-	-	-	-	-	-	-	987,901
Mandatory Fees (all)		123,376,733	3,812,160	5,621,277	6,174,678	1,889,237	48,188,597	4,933,000	20,592,773	8,458,064	12,669,954	11,036,993
TOTAL	\$	215,543,487	\$ 4,500,111	\$ 10,982,867	\$ 11,382,768	\$ 3,021,482	\$ 62,319,180	\$ 6,137,405	\$ 64,692,677	\$ 17,831,156	\$ 17,395,167	\$ 17,280,674

		\$ 73											
<b>FY 2016-17 funding recommendations</b>		30											
<b>Final Action</b>													
Stipend-eligible SFTE assumption			128,605.6	1,284.7	6,091.6	14,332.8	1,318.8	19,132.3	1,796.0	27,712.2	2,753.1	6,862.6	47,321.5
State-operated Stipends @ \$2,190	\$	\$	281,646,532	2,813,542	13,340,658	31,388,814	2,888,149	41,899,776	3,933,335	60,689,806	6,029,345	15,029,121	103,633,986
FFS per Section 303	\$	\$	232,780,701	11,039,068	10,262,899	18,317,079	8,487,312	36,257,611	7,317,506	59,033,829	14,140,420	23,005,836	44,919,141
Specialty education	\$	\$	112,953,876					52,216,084		60,737,792			
Special purpose	\$	\$	86,960										86,960
SUBTOTAL State Funds	\$	\$	627,468,069	13,852,610	23,603,557	49,705,893	11,375,461	130,373,471	11,250,841	180,461,427	20,169,765	38,034,957	148,640,087
Resident	\$	\$	1,190,376,605	12,027,750	53,461,966	95,154,290	9,031,062	220,676,301	11,506,139	451,142,678	53,235,636	64,150,674	219,990,109
Nonresident	\$	\$	892,494,618	<u>8,028,300</u>	<u>13,365,492</u>	<u>9,929,046</u>	<u>9,217,285</u>	<u>196,332,259</u>	<u>29,216,262</u>	<u>480,177,052</u>	<u>80,611,800</u>	<u>24,922,857</u>	<u>40,694,265</u>
Tuition	\$	\$	2,082,871,223	\$20,056,050	\$66,827,458	\$105,083,336	\$18,248,347	\$417,008,560	\$40,722,401	\$931,319,730	\$133,847,436	\$89,073,531	\$260,684,374
State/Tuition	\$	\$	2,710,339,292	\$ 33,908,660	\$ 90,431,015	\$ 154,789,229	\$ 29,623,808	\$ 547,382,031	\$ 51,973,242	\$ 1,111,781,157	\$ 154,017,201	\$ 127,108,488	\$ 409,324,461
Tobacco			12,352,869							12,352,869			
Gaming			6,923,352	21,568	356,644								6,545,140
Mandatory Fees (all)			244,785,535	6,569,160	6,094,986	15,642,901	5,133,893	67,958,136	6,133,000	76,454,291	13,132,026	18,452,587	29,214,555
TOTAL	\$	\$	2,974,401,048	\$ 40,499,388	\$ 96,882,645	\$ 170,432,130	\$ 34,757,701	\$ 615,340,167	\$ 58,106,242	\$ 1,200,588,317	\$ 167,149,227	\$ 145,561,075	\$ 445,084,156



# Colorado Legislative Council Staff

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## MEMORANDUM

March 3, 2016

**TO:** Interested Persons

**FROM:** Kate Watkins, Senior Economist, 303-866-3446  
Louis Pino, Senior Economist, 303-866-3556

**SUBJECT:** 2016 Higher Education Enrollment and Tuition Revenue Forecast

### Summary

This memorandum presents the 2016 Legislative Council Staff forecast for the state public institutions of higher education. The forecast provides projections of resident and nonresident full-time equivalent (FTE) student enrollment and College Opportunity Fund (COF) FTE enrollment for the current year (FY 2015-16) and next year (FY 2016-17). The forecast also includes projected tuition revenue for FY 2015-16.

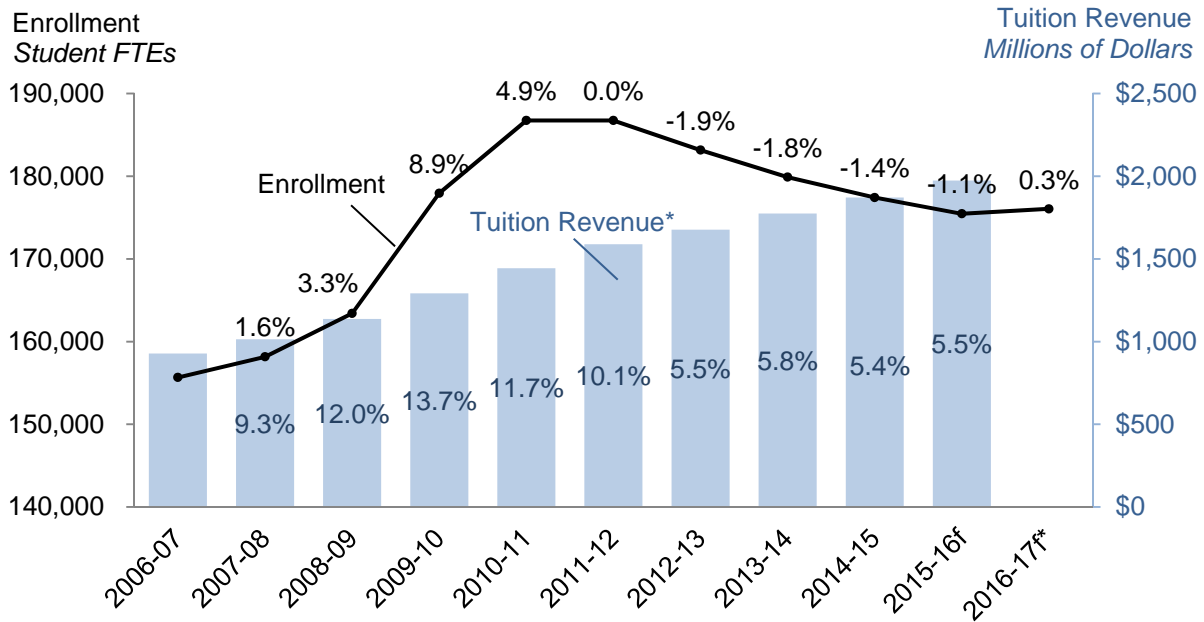
### Higher Education Forecast

Enrollment in Colorado's public colleges and universities continues to decrease as economic activity improves. FY 2015-16 is expected to mark the fifth consecutive year of declining enrollment on a full-time equivalent (FTE) basis (Figure 1, left axis). Total enrollment across all state-administered colleges and universities is expected to decline 1,966 FTE, or by 1.1 percent. Total tuition revenue will grow 5.5 percent in FY 2015-16 as tuition rate increases more than offset the decline in total enrollment (Figure 1, right axis). Enrollment is expected to level off as the unemployment rate stabilizes at pre-recessionary levels and economic activity slows in 2016 and 2017. In FY 2016-17, enrollment will grow by 590 FTE, or 0.3 percent.

Table 1 reports FTE resident and nonresident enrollment by governing board for the ten higher education institutions administered at the state level. Additionally, projections for the state's two local district colleges, Aims Community College and Colorado Mountain College, are shown for informational purposes.<sup>1</sup> Table 2 on page 7 summarizes the tuition revenue forecast by governing board for FY 2015-16. Per pupil tuition revenue is summarized in Table 2 on page 8. Tuition revenue projections for FY 2016-17 are excluded as the General Assembly and/or governing boards have not yet determined rate increases for the 2016-17 academic year.

<sup>1</sup>Local district colleges are funded at the local government level.

**Figure 1**  
**Total Higher Education Enrollment and Tuition Revenue**



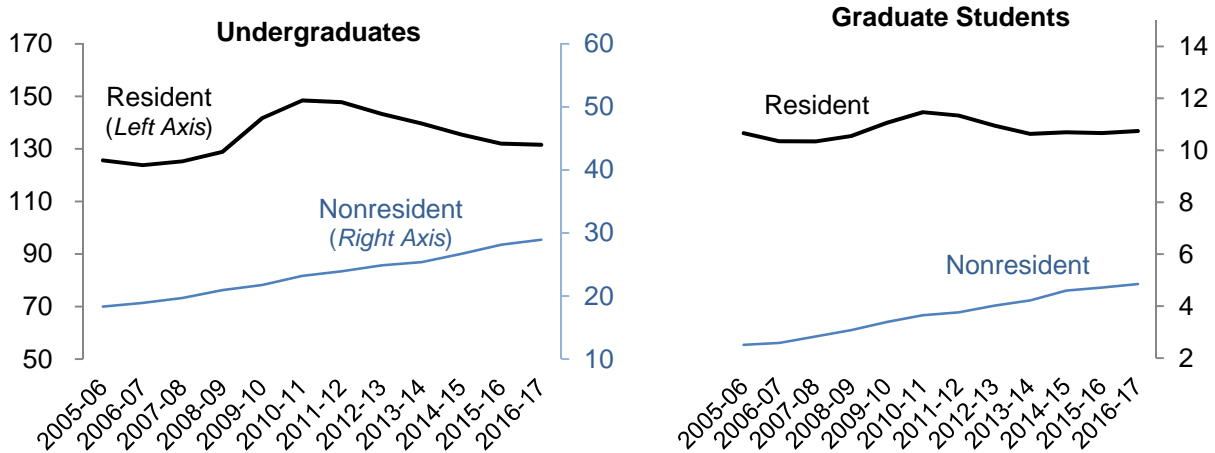
Source: Department of Higher Education. Legislative Council Staff forecast for FY 2015-16 and FY 2016-17.  
 \*Tuition revenue projections are not shown for FY 2016-17 as tuition rate increases have not yet been determined.  
 Note: Enrollment excludes local district colleges and private universities.

**FTE enrollment.** Resident and nonresident enrollment continue to follow opposing trends, where resident enrollment continues to decline, while nonresident enrollment continues to rise (Figure 2). Undergraduate resident enrollment has been falling since FY 2011-12, in part reflecting smaller Colorado high school cohorts. Additionally, a stronger Colorado economy has allowed more students and their families to afford out-of-state tuition at colleges and universities outside of Colorado. Resident graduate enrollment has also demonstrated a counter-cyclical pattern, where enrollment declines as the economy improves. Following the recession, improving job opportunities lured would-be graduate students away from enrolling. Total resident enrollment is expected to continue to decline through FY 2016-17, reflecting these trends. In FY 2016-17, declines will be modest as the unemployment rate stabilizes at low levels and economic activity slows.

Undergraduate and graduate nonresident enrollment continues to climb steadily. Colorado public colleges and universities have pursued targeted marketing efforts and sought to expand program offerings to appeal to out-of-state students, who pay higher tuition on a per FTE basis. Out-of-state students are attracted to Colorado's competitive program offerings as well as the quality of life in Colorado and relative strength of the Colorado economy. International students have made up a growing share of nonresident students in recent years, bolstering growth. Nonresident enrollment is expected to continue to grow through the end of the forecast period, though at a slightly more modest pace as tuition affordability dampens growth prospects.



**Figure 2**  
**Higher Education Enrollment by Student Type**  
*Student FTEs in Thousands*



Source: Department of Higher Education. Legislative Council Staff forecast for FY 2015-16 and FY 2016-17.  
 Note: Enrollment excludes local district colleges and private universities.

**College Opportunity Fund.** Stipends from the College Opportunity Fund (COF) are available to resident undergraduate students enrolling at public institutions administered at the state level and selected private universities. For FY 2015-16, COF stipends are equal to \$75 per credit hour, a level set by the General Assembly. Reduced COF stipends of \$38 per credit hour are available to students studying at three private universities in the state: Colorado Christian University, Regis University, and the University of Denver.

Expectations for FTE enrollment among students awarded COF stipends for public Colorado institutions are summarized in Table 1 on page 6. In general, COF FTE enrollment rises and falls with resident undergraduate student enrollment. Students must apply to receive a stipend, and the stipend is limited to 145 credit hours during a student’s lifetime. Because of these requirements, COF FTE enrollment is lower than resident undergraduate enrollment for most colleges and universities.

**Tuition revenue.** Tuition revenue continues to rise, as tuition rate increases more than offset declines in enrollment. A history and expectations for tuition revenue by governing board are provided in Table 2 on page 7. In FY 2015-16, total tuition revenue is expected to reach \$1,974.1 million, up 5.5 percent from the prior fiscal year. The General Assembly and/or governing boards have not yet determined tuition rates for FY 2016-17. Therefore, this forecast excludes tuition revenue projections for next fiscal year. Senate Bill 14-001 imposed a 6.0 percent cap on resident undergraduate tuition rate increases for FY 2014-15 and FY 2015-16, replacing a prior statutory cap of 9.0 percent.

Changes in tuition revenue are primarily driven by FTE enrollment and tuition rate increases. Tuition rate structures also impact tuition revenue. Structures may include: differential tuition, where some programs (e.g., business and engineering) or some cohorts (e.g., incoming freshman classes) have higher or lower rates than others; and tuition windows, where students pay the same tuition regardless of the number of classes taken for a certain window of credit hours.

In FY 2015-16, growth in nonresident tuition revenue will account for an estimated 68.3 percent of the increase in total tuition revenue. The share of tuition revenue attributable to nonresident students is expected to reach 42.6 percent in FY 2015-16, a share not experienced in over a decade. Resident tuition revenue is also expected to rise in FY 2015-16, as tuition rate increases more than offset enrollment declines.

***Per pupil tuition.*** With increases in tuition rates, tuition revenue per FTE (or per pupil tuition) continues to rise. In FY 2015-16, resident per pupil tuition for all governing boards is expected to average \$7,940, up 5.5 percent from the prior year. These figures reflect both undergraduate and graduate students. Nonresident per pupil tuition is expected to average \$25,632 per pupil in the current year, up 4.0 percent from FY 2014-15. Per pupil tuition and tuition rate increases vary across institutions, as shown in Table 2 on page 8.

### **Forecast Comparison and Error**

Actual enrollment for FY 2014-15 came in 784 FTE above the 2015 Legislative Council Staff forecast. This represents a forecast error of 0.4 percent. For FY 2015-16, enrollment expectations have been revised up 0.8 percent, or 1,381 FTE, from the forecast published last year.

Actual tuition revenue for FY 2014-15 totaled \$1,871.0 million, \$2.9 million below the 2015 forecast. This represents a forecast error of -0.2 percent. Relative to the 2015 forecast published last year, FY 2015-16 tuition revenue expectations have been revised upward by \$6.1 million, or 0.3 percent.

### **Risks to the Forecast**

Economic activity tends to be the biggest driver of higher education enrollment fluctuations. Faster or slower economic growth than expected could result in higher or lower enrollment growth than reflected in this forecast. Assumptions used to project enrollment carry different upside and downside risks for each institution. For example, at the University of Northern Colorado and Aims Community College, low oil prices and the contraction in the oil and gas industry activity may bolster resident enrollment. By contrast, the low oil price environment may continue to dampen enrollment at Colorado School of Mines, which has a large representation of students seeking energy-related careers.

Enrollment trends at individual institutions may also depend on developments unrelated to the economy. For example, enrollment may deviate from expectations due to establishment of a new program of study or the unanticipated success or failure of a new recruitment campaign. The FY 2015-16 tuition revenue forecast incorporates enrollment forecast uncertainty as well as tuition rate assumptions that may not hold true, resulting in either higher or lower revenue.

**Table 1. Legislative Council Staff 2016 Forecast**  
**Colorado Public Higher Education Enrollment by Governing Board**  
*Student Full-Time Equivalents (FTEs)*

Total Enrollment - All Students																						
Fiscal Year	Adams State University		Colorado Mesa University		Metro State University of Denver		Western State Colorado University		Colorado State University		Fort Lewis College		University of Colorado		Colorado School of Mines		University of Northern Colorado		CCCOES		TOTAL	
	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.
2005-06	2,179	0.3%	4,687	-6.1%	15,088	0.2%	2,010	-2.3%	25,956	-2.1%	3,712	-3.8%	44,105	-0.4%	3,806	3.8%	10,985	-0.2%	44,619	-2.2%	157,147	-1.3%
2006-07	2,051	-5.9%	4,849	3.5%	15,176	0.6%	1,918	-4.6%	25,514	-1.7%	3,719	0.2%	44,279	0.4%	3,919	3.0%	10,795	-1.7%	43,446	-2.6%	155,666	-0.9%
2007-08	1,977	-3.6%	4,968	2.5%	15,637	3.0%	1,876	-2.2%	25,587	0.3%	3,702	-0.5%	45,147	2.0%	4,075	4.0%	10,420	-3.5%	44,770	3.0%	158,159	1.6%
2008-09	1,919	-2.9%	5,058	1.8%	16,165	3.4%	1,875	-0.1%	26,117	2.1%	3,530	-4.6%	46,726	3.5%	4,325	6.1%	9,691	-7.0%	48,004	7.2%	163,410	3.3%
2009-10	2,165	12.8%	5,893	16.5%	17,321	7.2%	1,851	-1.3%	27,027	3.5%	3,507	-0.7%	48,511	3.8%	4,675	8.1%	9,940	2.6%	57,052	18.8%	177,942	8.9%
2010-11	2,320	7.2%	6,719	14.0%	17,789	2.7%	1,855	0.2%	27,429	1.5%	3,578	2.0%	48,813	0.6%	4,843	3.6%	10,040	1.0%	63,357	11.1%	186,743	4.9%
2011-12	2,460	6.0%	7,291	8.5%	17,333	-2.6%	1,798	-3.1%	27,702	1.0%	3,545	-0.9%	49,109	0.6%	5,058	4.4%	10,104	0.6%	62,340	-1.6%	186,740	0.0%
2012-13	2,443	-0.7%	7,624	4.6%	16,926	-2.3%	1,792	-0.3%	27,597	-0.4%	3,602	1.6%	48,928	-0.4%	5,238	3.6%	9,979	-1.2%	59,034	-5.3%	183,163	-1.9%
2013-14	2,430	-0.5%	7,774	2.0%	16,565	-2.1%	1,823	1.7%	27,487	-0.4%	3,595	-0.2%	49,389	0.9%	5,315	1.5%	9,431	-5.5%	56,082	-5.0%	179,891	-1.8%
2014-15	2,385	-1.8%	7,399	-4.8%	16,111	-2.7%	1,991	9.2%	27,730	0.9%	3,542	-1.5%	50,765	2.8%	5,530	4.0%	8,953	-5.1%	53,015	-5.5%	177,421	-1.4%
2015-16	2,378	-0.3%	7,695	4.0%	15,429	-4.2%	2,057	3.3%	28,054	1.2%	3,421	-3.4%	51,833	2.1%	5,578	0.9%	8,748	-2.3%	50,261	-5.2%	175,455	-1.1%
2016-17	2,414	1.5%	7,772	1.0%	15,008	-2.7%	2,095	1.8%	28,227	0.6%	3,407	-0.4%	52,955	2.2%	5,641	1.1%	8,832	1.0%	49,696	-1.1%	176,045	0.3%
CAAGR*		2.2%		5.1%		-0.5%		1.2%		1.1%		-0.9%		1.8%		3.7%		-1.8%		1.2%		1.2%

Total Resident Enrollment																						
Fiscal Year	Adams State University		Colorado Mesa University		Metro State University of Denver		Western State Colorado University		Colorado State University		Fort Lewis College		University of Colorado		Colorado School of Mines		University of Northern Colorado		CCCOES		TOTAL	
	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.
2005-06	1,933	2.1%	4,229	-6.2%	14,686	0.4%	1,514	-2.0%	21,135	-1.6%	2,656	-2.8%	34,843	0.8%	2,974	4.5%	9,881	0.0%	42,454	-2.4%	136,305	-0.9%
2006-07	1,822	-5.7%	4,411	4.3%	14,744	0.4%	1,452	-4.1%	20,755	-1.8%	2,644	-0.5%	34,793	-0.1%	3,019	1.5%	9,658	-2.3%	40,876	-3.7%	134,174	-1.6%
2007-08	1,703	-6.5%	4,460	1.1%	15,135	2.7%	1,428	-1.7%	20,771	0.1%	2,621	-0.9%	35,184	1.1%	3,045	0.9%	9,362	-3.1%	41,928	2.6%	135,637	1.1%
2008-09	1,646	-3.3%	4,541	1.8%	15,621	3.2%	1,453	1.8%	21,302	2.6%	2,426	-7.4%	35,692	1.4%	3,144	3.3%	8,658	-7.5%	44,920	7.1%	139,403	2.8%
2009-10	1,856	12.8%	5,279	16.3%	16,775	7.4%	1,422	-2.1%	22,109	3.8%	2,407	-0.8%	37,299	4.5%	3,339	6.2%	8,904	2.8%	53,405	18.9%	152,795	9.6%
2010-11	1,948	5.0%	5,883	11.4%	17,223	2.7%	1,397	-1.8%	22,548	2.0%	2,398	-0.4%	37,144	-0.4%	3,380	1.2%	8,988	0.9%	58,994	10.5%	159,903	4.7%
2011-12	1,976	1.4%	6,343	7.8%	16,783	-2.6%	1,343	-3.9%	22,303	-1.1%	2,289	-4.5%	36,864	-0.8%	3,392	0.4%	8,973	-0.2%	58,796	-0.3%	159,062	-0.5%
2012-13	1,903	-3.7%	6,597	4.0%	16,266	-3.1%	1,336	-0.5%	21,869	-1.9%	2,227	-2.7%	36,398	-1.3%	3,452	1.8%	8,752	-2.5%	55,475	-5.6%	154,275	-3.0%
2013-14	1,833	-3.7%	6,704	1.6%	16,068	-1.2%	1,341	0.4%	21,415	-2.1%	2,141	-3.9%	36,463	0.2%	3,379	-2.1%	8,161	-6.8%	52,792	-4.8%	150,297	-2.6%
2014-15	1,776	-3.1%	6,317	-5.8%	15,528	-3.4%	1,473	9.8%	21,009	-1.9%	1,975	-7.8%	36,921	1.3%	3,412	1.0%	7,706	-5.6%	50,001	-5.3%	146,118	-2.8%
2015-16	1,740	-2.0%	6,569	4.0%	14,860	-4.3%	1,505	2.2%	20,794	-1.0%	1,838	-7.0%	37,335	1.1%	3,359	-1.5%	7,457	-3.2%	47,151	-5.7%	142,609	-2.4%
2016-17	1,762	1.2%	6,634	1.0%	14,444	-2.8%	1,530	1.6%	20,708	-0.4%	1,805	-1.8%	37,973	1.7%	3,337	-0.7%	7,494	0.5%	46,585	-1.2%	142,271	-0.2%
CAAGR*		0.4%		4.5%		-0.5%		0.8%		0.0%		-4.1%		0.9%		1.0%		-2.4%		1.2%		0.5%

Total Nonresident Enrollment																						
Fiscal Year	Adams State University		Colorado Mesa University		Metro State University of Denver		Western State Colorado University		Colorado State University		Fort Lewis College		University of Colorado		Colorado School of Mines		University of Northern Colorado		CCCOES		TOTAL	
	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.
2005-06	246	-12.1%	458	-5.2%	402	-5.6%	496	-3.3%	4,821	-4.1%	1,056	-6.3%	9,262	-4.6%	832	1.5%	1,104	-2.6%	2,165	2.1%	20,842	-3.7%
2006-07	229	-6.9%	438	-4.4%	432	7.5%	466	-6.0%	4,759	-1.3%	1,075	1.8%	9,486	2.4%	900	8.2%	1,137	3.0%	2,570	18.7%	21,492	3.1%
2007-08	274	19.7%	508	16.0%	502	16.2%	448	-3.9%	4,816	1.2%	1,081	0.6%	9,963	5.0%	1,030	14.4%	1,058	-6.9%	2,842	10.6%	22,522	4.8%
2008-09	273	-0.4%	517	1.8%	544	8.4%	422	-5.8%	4,815	0.0%	1,104	2.1%	11,034	10.7%	1,181	14.7%	1,033	-2.4%	3,084	8.5%	24,007	6.6%
2009-10	309	13.2%	614	18.8%	546	0.4%	429	1.7%	4,918	2.1%	1,100	-0.4%	11,212	1.6%	1,336	13.1%	1,036	0.3%	3,647	18.3%	25,147	4.7%
2010-11	372	20.4%	836	36.2%	566	3.7%	458	6.8%	4,881	-0.8%	1,180	7.3%	11,669	4.1%	1,463	9.5%	1,052	1.5%	4,363	19.6%	26,840	6.7%
2011-12	484	30.1%	948	13.4%	550	-2.8%	455	-0.7%	5,399	10.6%	1,256	6.4%	12,245	4.9%	1,666	13.9%	1,131	7.5%	3,544	-18.8%	27,678	3.1%
2012-13	540	11.6%	1,027	8.3%	660	20.0%	456	0.2%	5,728	6.1%	1,375	9.5%	12,530	2.3%	1,786	7.2%	1,227	8.5%	3,559	0.4%	28,888	4.4%
2013-14	597	10.6%	1,070	4.2%	497	-24.7%	482	5.7%	6,072	6.0%	1,454	5.7%	12,926	3.2%	1,936	8.4%	1,270	3.5%	3,290	-7.6%	29,594	2.4%
2014-15	609	2.1%	1,082	1.1%	583	17.3%	518	7.5%	6,721	10.7%	1,567	7.8%	13,844	7.1%	2,118	9.4%	1,247	-1.8%	3,014	-8.4%	31,303	5.8%
2015-16	638	4.6%	1,126	4.1%	569	-2.4%	552	6.5%	7,260	8.0%	1,584	1.1%	14,498	4.7%	2,219	4.7%	1,291	3.5%	3,110	3.2%	32,846	4.9%
2016-17	652	2.3%	1,137	1.0%	563	-1.0%	565	2.4%	7,519	3.6%	1,603	1.2%	14,982	3.3%	2,304	3.8%	1,339	3.7%	3,110	0.0%	33,774	2.8%
CAAGR*		10.1%		9.4%		1.3%		2.6%		5.1%		4.5%		4.6%		9.4%		2.6%		1.0%		4.6%

\*CAAGR: Compound average annual growth rate calculated from FY 2007-08 through FY 2016-17.

**Table 1. Legislative Council Staff 2016 Forecast**  
**Colorado Public Higher Education Enrollment by Governing Board**  
*Student Full-Time Equivalents (FTEs)*  
(Continued)

COF Authorizations																						
Fiscal Year	Adams State University		Colorado Mesa University		Metro State University of Denver		Western State Colorado University		Colorado State University		Fort Lewis College		University of Colorado		Colorado School of Mines		University of Northern Colorado		CCCOES		TOTAL	
	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.
2005-06	1,407		4,056		14,223		1,498		19,053		2,512		26,539		2,544		8,925		34,138		114,894	
2006-07	1,436	2.1%	4,358	7.5%	14,943	5.1%	1,426	-4.8%	19,071	0.1%	2,563	2.0%	27,369	3.1%	2,659	4.5%	8,761	-1.8%	34,389	0.7%	116,975	1.8%
2007-08	1,375	-4.3%	4,381	0.5%	15,319	2.5%	1,398	-2.0%	19,150	0.4%	2,540	-0.9%	27,596	0.8%	2,652	-0.3%	8,287	-5.4%	40,526	17.8%	123,224	5.3%
2008-09	1,352	-1.7%	4,502	2.8%	16,014	4.5%	1,429	2.2%	19,764	3.2%	2,343	-7.7%	27,919	1.2%	2,688	1.4%	7,850	-5.3%	44,111	8.8%	127,973	3.9%
2009-10	1,471	8.8%	5,228	16.1%	17,216	7.5%	1,385	-3.1%	20,363	3.0%	2,406	2.7%	28,656	2.6%	2,792	3.9%	8,003	2.0%	52,248	18.4%	139,768	9.2%
2010-11	1,489	1.2%	5,728	9.6%	17,251	0.2%	1,298	-6.3%	20,654	1.4%	2,395	-0.5%	27,213	-5.0%	2,731	-2.2%	8,081	1.0%	56,248	7.7%	143,087	2.4%
2011-12	1,505	1.1%	6,163	7.6%	16,304	-5.5%	1,256	-3.3%	20,706	0.3%	2,137	-10.8%	27,014	-0.7%	2,723	-0.3%	7,895	-2.3%	54,835	-2.5%	140,538	-1.8%
2012-13	1,439	-4.4%	6,398	3.8%	15,566	-4.5%	1,218	-3.0%	19,965	-3.6%	2,288	7.0%	27,382	1.4%	2,766	1.6%	7,739	-2.0%	53,350	-2.7%	138,112	-1.7%
2013-14	1,365	-5.1%	6,472	1.1%	15,143	-2.7%	1,264	3.8%	19,671	-1.5%	2,056	-10.2%	27,511	0.5%	2,698	-2.5%	7,216	-6.8%	49,791	-6.7%	133,186	-3.6%
2014-15	1,285	-5.9%	6,089	-5.9%	14,351	-5.2%	1,319	4.4%	19,132	-2.7%	1,796	-12.6%	27,712	0.7%	2,762	2.4%	6,861	-4.9%	47,339	-4.9%	128,646	-3.4%
2015-16	1,227	-4.5%	6,089	4.0%	13,821	-3.7%	1,335	1.2%	18,902	-1.2%	1,706	-5.0%	28,128	1.5%	2,729	-1.2%	6,655	-1.2%	44,640	-5.7%	125,233	-2.7%
2016-17	1,228	0.1%	6,396	1.0%	13,476	-2.5%	1,345	0.8%	18,808	-0.5%	1,676	-1.8%	28,690	2.0%	2,710	-0.7%	6,689	-0.7%	44,105	-1.2%	125,122	-0.1%
CAAGR*		-1.2%		4.3%		-1.4%		-0.4%		-0.2%		-4.5%		0.4%		0.2%		-2.4%		0.9%		0.2%

Local District College Enrollment																					
Fiscal Year	Resident Enrollment						Nonresident Enrollment						Total Enrollment								
	Aims Community College		Colorado Mountain College		TOTAL		Aims Community College		Colorado Mountain College		TOTAL		Aims Community College		Colorado Mountain College		TOTAL				
	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Year	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Year	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	
2005-06	2,848	-3.6%	2,193	-3.7%	5,041	-3.6%	2005-06	113	-16.9%	542	-3.4%	655	-6.0%	2005-06	2,961	-4.2%	2,735	-3.6%	5,696	-3.9%	
2006-07	2,930	2.9%	2,155	-1.7%	5,085	0.9%	2006-07	120	6.2%	561	3.5%	681	4.0%	2006-07	3,050	3.0%	2,716	-0.7%	5,766	1.2%	
2007-08	2,856	-2.5%	2,113	-1.9%	4,969	-2.3%	2007-08	106	-11.7%	563	0.4%	669	-1.8%	2007-08	2,962	-2.9%	2,676	-1.5%	5,638	-2.2%	
2008-09	3,031	6.1%	2,143	1.4%	5,174	4.1%	2008-09	119	12.3%	623	10.7%	742	10.9%	2008-09	3,150	6.3%	2,766	3.4%	5,916	4.9%	
2009-10	3,471	14.5%	2,543	18.7%	6,014	16.2%	2009-10	113	-5.0%	610	-2.1%	723	-2.6%	2009-10	3,584	13.8%	3,153	14.0%	6,737	13.9%	
2010-11	3,562	2.6%	2,889	13.6%	6,451	7.3%	2010-11	130	15.0%	623	2.1%	753	4.1%	2010-11	3,692	3.0%	3,512	11.4%	7,204	6.9%	
2011-12	3,611	1.4%	2,950	2.1%	6,561	1.7%	2011-12	113	-13.1%	552	-11.4%	665	-11.7%	2011-12	3,724	0.9%	3,502	-0.3%	7,226	0.3%	
2012-13	3,486	-3.5%	3,040	3.1%	6,526	-0.5%	2012-13	104	-8.0%	540	-2.2%	644	-3.2%	2012-13	3,590	-3.6%	3,580	2.2%	7,170	-0.8%	
2013-14	3,330	-4.5%	2,930	-3.6%	6,260	-4.1%	2013-14	80	-23.1%	591	9.4%	671	4.2%	2013-14	3,410	-5.0%	3,521	-1.6%	6,931	-3.3%	
2014-15	3,160	-5.1%	2,795	-4.6%	5,955	-4.9%	2014-15	71	-11.3%	574	-2.9%	645	-3.9%	2014-15	3,231	-5.2%	3,369	-4.3%	6,600	-4.8%	
2015-16	3,312	4.8%	2,879	3.0%	6,191	4.0%	2015-16	68	-4.2%	597	4.0%	665	3.1%	2015-16	3,380	4.6%	3,476	3.2%	6,856	3.9%	
2016-17	3,361	1.5%	2,893	0.5%	6,255	1.0%	2016-17	69	1.0%	600	0.5%	669	0.6%	2016-17	3,430	1.5%	3,493	0.5%	6,923	1.0%	
CAAGR*		1.8%		3.6%		2.6%			-4.7%		0.7%		0.0%			1.6%		3.0%			2.3%

\*CAAGR: Compound average annual growth rate calculated from FY 2007-08 through FY 2016-17.

**Table 2. Legislative Council Staff 2016 Forecast  
Colorado Public Higher Education Tuition Revenue by Governing Board**

Total Tuition - All Students																						
Fiscal Year	Adams State University		Colorado Mesa University		Metro State University of Denver		Western State Colorado University		Colorado State University		Fort Lewis College		University of Colorado		Colorado School of Mines		University of Northern Colorado		Community College System		TOTAL	
	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.
2005-06	6,136,638	11.5%	15,858,766	33.9%	42,262,524	4.9%	8,780,615	9.4%	155,161,777	10.1%	21,771,794	4.1%	427,775,517	10.3%	37,646,698	14.5%	47,906,042	14.3%	118,157,415	7.6%	881,457,786	10.2%
2006-07	6,522,020	6.3%	19,229,604	21.3%	44,193,238	4.6%	8,599,218	-2.1%	160,440,051	3.4%	21,432,334	-1.6%	451,659,887	5.6%	42,503,108	12.9%	48,589,809	1.4%	124,894,048	5.7%	928,063,317	5.3%
2007-08	7,123,291	9.2%	21,963,026	14.2%	47,865,187	8.3%	8,621,844	0.3%	183,781,827	14.5%	22,784,772	6.3%	490,388,093	8.6%	49,668,163	16.9%	50,733,637	4.4%	131,613,363	5.4%	1,014,543,203	9.3%
2008-09	7,826,753	9.9%	24,890,253	13.3%	53,360,026	11.5%	8,724,598	1.2%	206,363,756	12.3%	24,651,639	8.2%	548,698,298	11.9%	58,536,372	17.9%	54,432,162	7.3%	149,056,279	13.3%	1,136,540,136	12.0%
2009-10	11,873,163	51.7%	31,979,772	28.5%	61,757,726	15.7%	9,104,032	4.3%	224,013,890	8.6%	27,662,062	12.2%	600,947,700	9.5%	67,488,862	15.3%	62,121,465	14.1%	194,956,762	30.8%	1,291,905,434	13.7%
2010-11	14,492,309	22.1%	40,589,823	26.9%	69,965,654	13.3%	9,926,912	9.0%	250,666,728	11.9%	30,124,555	8.9%	648,173,968	7.9%	77,391,291	14.7%	69,127,042	11.3%	232,938,775	19.5%	1,443,397,057	11.7%
2011-12	15,773,008	8.8%	46,402,362	14.3%	82,851,450	18.4%	10,224,391	3.0%	287,794,153	14.8%	32,645,221	8.4%	698,103,480	7.7%	88,936,530	14.9%	75,938,109	9.9%	249,824,285	7.2%	1,588,492,989	10.1%
2012-13	17,642,872	11.9%	50,728,593	9.3%	91,695,027	10.7%	13,565,630	32.7%	311,789,947	8.3%	35,804,794	9.7%	725,757,161	4.0%	98,389,057	10.6%	79,574,941	4.8%	251,694,626	0.7%	1,676,642,648	5.5%
2013-14	19,757,318	12.0%	54,712,027	7.9%	96,683,952	5.4%	15,064,346	11.0%	337,099,300	8.1%	38,580,620	7.8%	774,592,356	6.7%	107,103,260	8.9%	79,572,053	0.0%	251,129,796	-0.2%	1,774,295,028	5.8%
2014-15	19,394,716	-1.8%	56,165,490	2.7%	99,964,232	3.4%	15,603,294	3.6%	365,619,240	8.5%	38,691,309	0.3%	827,901,589	6.9%	116,707,173	9.0%	78,775,243	-1.0%	252,138,110	0.4%	1,870,960,396	5.4%
2015-16	19,281,343	-0.6%	60,858,013	8.4%	100,037,729	0.1%	16,932,866	8.5%	398,591,264	9.0%	38,798,064	0.3%	883,068,278	6.7%	123,778,106	6.1%	81,290,546	3.2%	251,512,333	-0.2%	1,974,148,543	5.5%
CAAGR*		12.5%		13.1%		9.4%		8.7%		9.9%		6.9%		7.7%		11.5%		6.3%		8.1%		8.7%
Total Resident Tuition																						
Fiscal Year	Adams State University		Colorado Mesa University		Metro State University of Denver		Western State Colorado University		Colorado State University		Fort Lewis College		University of Colorado		Colorado School of Mines		University of Northern Colorado		Community College System		TOTAL	
	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.
2005-06	4,748,660	15.2%	12,550,210	37.1%	38,385,745	5.8%	3,780,705	14.2%	82,968,862	14.0%	7,536,978	13.9%	215,144,987	22.1%	21,489,369	24.4%	35,909,033	14.8%	102,348,575	7.6%	524,863,124	16.1%
2006-07	4,551,208	-4.2%	16,200,730	29.1%	39,574,870	3.1%	4,012,046	6.1%	85,044,791	2.5%	7,082,300	-6.0%	226,941,679	5.5%	24,544,515	14.2%	35,891,829	0.0%	104,134,435	1.7%	547,978,403	4.4%
2007-08	4,457,230	-2.1%	18,048,806	11.4%	42,780,232	8.1%	4,170,064	3.9%	96,136,104	13.0%	7,415,269	4.7%	254,141,636	12.0%	27,232,248	11.0%	37,654,429	4.9%	108,724,465	4.4%	600,760,483	9.6%
2008-09	4,933,031	10.7%	20,801,477	15.3%	47,764,601	11.7%	4,607,258	10.5%	108,463,588	12.8%	7,404,323	-0.1%	276,392,613	8.8%	30,463,174	11.9%	39,134,501	3.9%	123,747,439	13.8%	663,712,005	10.5%
2009-10	7,613,713	54.3%	26,867,114	29.2%	55,712,877	16.6%	4,861,398	5.5%	123,291,999	13.7%	7,632,628	3.1%	311,068,550	12.5%	34,441,793	13.1%	45,821,514	17.1%	162,377,008	31.2%	779,688,594	17.5%
2010-11	8,972,619	17.8%	33,418,424	24.4%	63,342,555	13.7%	5,280,354	8.6%	138,738,156	12.5%	8,405,209	10.1%	336,567,696	8.2%	39,021,468	13.3%	50,501,293	10.2%	193,917,635	19.4%	878,165,409	12.6%
2011-12	9,335,684	4.0%	38,154,888	14.2%	75,908,847	19.8%	5,716,168	8.3%	166,267,624	19.8%	9,494,138	13.0%	356,286,381	5.9%	43,035,856	10.3%	57,144,483	13.2%	213,155,843	9.9%	974,499,912	11.0%
2012-13	10,135,332	8.6%	41,411,873	8.5%	82,698,722	8.9%	6,645,435	16.3%	180,003,822	8.3%	10,892,410	14.7%	366,698,901	2.9%	46,928,314	9.0%	58,922,934	3.1%	205,984,162	-3.4%	1,010,321,905	3.7%
2013-14	11,495,183	13.4%	44,859,091	8.3%	88,953,048	7.6%	7,498,951	12.8%	193,441,701	7.5%	11,592,365	6.4%	390,401,904	6.5%	48,603,217	3.6%	57,636,586	-2.2%	202,612,446	-1.6%	1,057,094,492	4.6%
2014-15	11,609,844	1.0%	45,579,673	1.6%	90,270,384	1.5%	7,588,646	1.2%	201,813,468	4.3%	10,869,661	-6.2%	408,290,875	4.6%	50,462,189	3.8%	57,436,312	-0.3%	215,617,222	6.4%	1,099,538,274	4.0%
2015-16	11,659,197	0.4%	49,290,570	8.1%	90,103,474	-0.2%	8,104,544	6.8%	214,269,162	6.2%	10,680,444	-1.7%	425,821,943	4.3%	51,125,570	1.3%	58,722,189	2.2%	212,476,757	-1.5%	1,132,253,852	3.0%
CAAGR*		12.0%		12.9%		9.5%		8.8%		10.0%		5.2%		6.8%		7.8%		6.1%		8.2%		8.4%
Total Nonresident Tuition																						
Fiscal Year	Adams State University		Colorado Mesa University		Metro State University of Denver		Western State Colorado University		Colorado State University		Fort Lewis College		University of Colorado		Colorado School of Mines		University of Northern Colorado		Community College System		TOTAL	
	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.
2005-06	1,387,978	0.5%	3,308,556	23.0%	3,876,779	-2.7%	4,999,910	6.0%	72,192,915	6.1%	14,234,816	-0.4%	212,630,530	0.5%	16,157,329	3.5%	11,997,009	12.7%	15,808,840	7.6%	356,594,662	2.6%
2006-07	1,970,812	42.0%	3,028,874	-8.5%	4,618,368	19.1%	4,587,172	-8.3%	75,395,260	4.4%	14,350,034	0.8%	224,718,208	5.7%	17,958,593	11.1%	12,697,980	5.8%	20,759,613	31.3%	380,084,914	6.6%
2007-08	2,666,061	35.3%	3,914,220	29.2%	5,084,955	10.1%	4,451,780	-3.0%	87,645,723	16.2%	15,369,503	7.1%	236,246,457	5.1%	22,435,915	24.9%	13,079,208	3.0%	22,888,898	10.3%	413,782,720	8.9%
2008-09	2,893,722	8.5%	4,088,776	4.5%	5,595,425	10.0%	4,117,340	-7.5%	97,900,168	11.7%	17,247,316	12.2%	272,305,685	15.3%	28,073,198	25.1%	15,297,661	17.0%	25,308,840	10.6%	472,828,131	14.3%
2009-10	4,259,450	47.2%	5,112,658	25.0%	6,044,849	8.0%	4,242,634	3.0%	100,721,891	2.9%	20,029,434	16.1%	289,879,150	6.5%	33,047,069	17.7%	16,299,951	6.6%	32,579,754	28.7%	512,216,840	8.3%
2010-11	5,519,690	29.6%	7,171,399	40.3%	6,623,099	9.6%	4,646,558	9.5%	111,928,572	11.1%	21,719,346	8.4%	311,606,272	7.5%	38,369,823	16.1%	18,625,749	14.3%	39,021,140	19.8%	565,231,648	10.4%
2011-12	6,437,324	16.6%	8,247,474	15.0%	6,942,603	4.8%	4,508,223	-3.0%	121,526,529	8.6%	23,151,083	6.6%	341,817,099	9.7%	45,900,674	19.6%	18,793,626	0.9%	36,668,442	-6.0%	613,993,077	8.6%
2012-13	7,507,540	16.6%	9,316,720	13.0%	8,996,305	29.6%	6,920,195	53.5%	131,786,125	8.4%	24,912,384	7.6%	359,058,260	5.0%	51,460,743	12.1%	20,652,007	9.9%	45,710,464	24.7%	666,320,743	8.5%
2013-14	8,262,135	10.1%	9,852,936	5.8%	7,730,904	-14.1%	7,565,395	9.3%	143,657,599	9.0%	26,988,255	8.3%	384,190,452	7.0%	58,500,043	13.7%	21,935,467	6.2%	48,517,350	6.1%	717,200,536	7.6%
2014-15	7,784,872	-5.8%	10,585,817	7.4%	9,693,848	25.4%	8,014,648	5.9%	163,805,772	14.0%	27,821,648	3.1%	419,610,714	9.2%	66,244,984	13.2%	21,338,931	-2.7%	36,520,888	-24.7%	771,422,122	7.6%
2015-16	7,622,145	-2.1%	11,567,443	9.3%	9,934,255	2.5%	8,828,322	10.2%	184,322,102	12.5%	28,117,619	1.1%	457,246,335	9.0%	72,652,536	9.7%	22,568,356	5.8%	39,035,576	6.9%	841,894,691	9.1%
CAAGR*		13.3%		13.9%		8.2%		8.6%		9.7%		7.7%		8.6%		15.0%		7.0%		7.3%		9.2%

\*CAAGR: Compound average annual growth rate calculated from FY 2006-07 through FY 2015-16.

**Table 2. Legislative Council Staff 2016 Forecast**  
**Colorado Public Higher Education Tuition Revenue by Governing Board**  
(Continued)

Average Resident Per-Pupil Tuition (per FTE)																						
Fiscal Year	Adams State University		Colorado Mesa University		Metro State University of Denver		Western State Colorado University		Colorado State University		Fort Lewis College		University of Colorado		Colorado School of Mines		University of Northern Colorado		Community College System		TOTAL	
	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.
2005-06	2,457	12.8%	2,968	45.2%	2,614	5.3%	2,497	16.5%	3,926	15.8%	2,838	17.2%	6,175	21.2%	7,226	19.0%	3,634	14.8%	2,411	13.0%	3,851	17.2%
2006-07	2,498	1.7%	3,673	23.8%	2,684	2.7%	2,763	10.7%	4,098	4.4%	2,679	-5.6%	6,523	5.6%	8,130	12.5%	3,716	2.3%	2,548	5.7%	4,084	6.1%
2007-08	2,617	4.8%	4,047	10.2%	2,827	5.3%	2,920	5.7%	4,628	13.0%	2,829	5.6%	7,223	10.7%	8,943	10.0%	4,022	8.2%	2,593	1.8%	4,429	8.4%
2008-09	2,997	14.5%	4,581	13.2%	3,058	8.2%	3,171	8.6%	5,092	10.0%	3,052	7.9%	7,744	7.2%	9,689	8.3%	4,520	12.4%	2,755	6.2%	4,761	7.5%
2009-10	4,102	36.9%	5,089	11.1%	3,321	8.6%	3,419	7.8%	5,577	9.5%	3,171	3.9%	8,340	7.7%	10,315	6.5%	5,146	13.9%	3,040	10.4%	5,103	7.2%
2010-11	4,606	12.3%	5,681	11.6%	3,678	10.7%	3,780	10.6%	6,153	10.3%	3,505	10.5%	9,061	8.6%	11,545	11.9%	5,619	9.2%	3,287	8.1%	5,492	7.6%
2011-12	4,725	2.6%	6,015	5.9%	4,523	23.0%	4,256	12.6%	7,455	21.2%	4,148	18.3%	9,665	6.7%	12,687	9.9%	6,368	13.3%	3,625	10.3%	6,127	11.6%
2012-13	5,326	12.7%	6,277	4.4%	5,084	12.4%	4,974	16.9%	8,231	10.4%	4,891	17.9%	10,075	4.2%	13,595	7.1%	6,733	5.7%	3,713	2.4%	6,549	6.9%
2013-14	6,271	17.7%	6,691	6.6%	5,536	8.9%	5,592	12.4%	9,033	9.7%	5,414	10.7%	10,707	6.3%	14,384	5.8%	7,062	4.9%	3,838	3.4%	7,033	7.4%
2014-15	6,537	4.2%	7,215	7.8%	5,813	5.0%	5,152	-7.9%	9,606	6.3%	5,504	1.6%	11,058	3.3%	14,790	2.8%	7,453	5.5%	4,312	12.4%	7,525	7.0%
2015-16	6,699	2.5%	7,504	4.0%	6,063	4.3%	5,384	4.5%	10,304	7.3%	5,812	5.6%	11,405	3.1%	15,219	2.9%	7,875	5.7%	4,506	4.5%	7,940	5.5%
CAAGR*		11.6%		8.0%		10.1%		8.0%		10.0%		9.7%		5.9%		6.7%		8.7%		6.5%		7.7%

Average Nonresident Per-Pupil Tuition (per FTE)																						
Fiscal Year	Adams State University		Colorado Mesa University		Metro State University of Denver		Western State Colorado University		Colorado State University		Fort Lewis College		University of Colorado		Colorado School of Mines		University of Northern Colorado		Community College System		TOTAL	
	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.
2005-06	5,642	14.5%	7,224	29.8%	9,644	3.1%	10,080	9.7%	14,975	10.6%	13,480	6.3%	22,957	5.3%	19,420	2.0%	10,867	15.8%	7,302	6.3%	17,109	
2006-07	8,606	52.5%	6,915	-4.3%	10,691	10.9%	9,844	-2.3%	15,843	5.8%	13,349	-1.0%	23,689	3.2%	19,954	2.8%	11,168	2.8%	8,078	10.6%	17,685	3.4%
2007-08	9,730	13.1%	7,705	11.4%	10,129	-5.3%	9,937	0.9%	18,199	14.9%	14,218	6.5%	23,712	0.1%	21,782	9.2%	12,362	10.7%	8,054	-0.3%	18,372	3.9%
2008-09	10,600	8.9%	7,909	2.6%	10,286	1.5%	9,757	-1.8%	20,332	11.7%	15,623	9.9%	24,679	4.1%	23,771	9.1%	14,809	19.8%	8,206	1.9%	19,695	7.2%
2009-10	13,785	30.0%	8,327	5.3%	11,071	7.6%	9,890	1.4%	20,480	0.7%	18,209	16.6%	25,854	4.8%	24,736	4.1%	15,734	6.2%	8,933	8.9%	20,369	3.4%
2010-11	14,838	7.6%	8,578	3.0%	11,702	5.7%	10,145	2.6%	22,931	12.0%	18,406	1.1%	26,704	3.3%	26,227	6.0%	17,705	12.5%	8,944	0.1%	21,059	3.4%
2011-12	13,300	-10.4%	8,700	1.4%	12,623	7.9%	9,908	-2.3%	22,509	-1.8%	18,432	0.1%	27,915	4.5%	27,551	5.1%	16,617	-6.1%	10,347	15.7%	22,183	5.3%
2012-13	13,903	4.5%	9,072	4.3%	13,631	8.0%	15,176	53.2%	23,007	2.2%	18,118	-1.7%	28,656	2.7%	28,813	4.6%	16,831	1.3%	12,844	24.1%	23,066	4.0%
2013-14	13,839	-0.5%	9,208	1.5%	15,555	14.1%	15,696	3.4%	23,659	2.8%	18,561	2.4%	29,722	3.7%	30,217	4.9%	17,272	2.6%	14,747	14.8%	24,235	5.1%
2014-15	12,774	-7.7%	9,784	6.2%	16,628	6.9%	15,472	-1.4%	24,372	3.0%	17,755	-4.3%	30,310	2.0%	31,277	3.5%	17,112	-0.9%	12,117	-17.8%	24,643	1.7%
2015-16	11,953	-6.4%	10,273	5.0%	17,459	5.0%	15,998	3.4%	25,387	4.2%	17,755	0.0%	31,539	4.1%	32,747	4.7%	17,482	2.2%	12,550	3.6%	25,632	4.0%
CAAGR*		2.9%		4.1%		6.8%		5.8%		4.4%		3.1%		3.8%		5.2%		4.3%		5.0%		4.2%

\*CAAGR: Compound average annual growth rate calculated from FY 2006-07 through FY 2015-16.

**Alternative with current year FY 2016 estimated COF stipend versus current staff figures**

**Note: Because total COF stipend figures decline, excess funds moved to performance**

Governing Board	Recommendation	Recommendation modified to include FY 2015-16 stipend #s	Above/(below) current staff rec.	% Difference
Adams	\$13,852,610	\$13,799,110	(\$53,500)	-0.4%
Mesa	23,603,557	24,478,539	874,982	3.7%
Metro	49,705,893	49,438,838	(267,055)	-0.5%
Western	11,375,460	11,261,575	(113,885)	-1.0%
CSU	130,373,471	131,354,103	980,632	0.8%
Ft. Lewis	11,250,841	11,164,520	(86,321)	-0.8%
CU	180,461,427	181,784,678	1,323,251	0.7%
Mines	20,169,766	20,381,831	212,065	1.1%
UNC	38,034,957	38,149,442	114,485	0.3%
Community College System	148,640,087	145,655,433	(2,984,654)	-2.0%
CMC	6,930,891	6,930,891	0	0.0%
AIMS	8,195,325	8,195,325	0	0.0%
AVS	9,675,561	9,675,561	0	0.0%
<b>Total</b>	<b>652,269,846</b>	<b>652,269,847</b>	<b>1</b>	<b>0.0%</b>
Private COF	1,404,885	1,404,885	(61,320)	-4.2%
<b>TOTAL REDUCTION</b>		<b>653,674,731</b>	<b>(64,215)</b>	<b>0.0%</b>

Note: Uses Governing Board estimates for current year COF stipend numbers

**Alternative with 13% Pell versus current staff figures**

Governing Board	Recommendation	Recommendation modified to include 13% Pell	Above/(below) current staff rec.	% Difference
Adams	\$13,852,610	\$13,846,703	(\$5,907)	0.0%
Mesa	23,603,557	23,652,595	49,038	0.2%
Metro	49,705,893	49,801,558	95,665	0.2%
Western	11,375,460	11,373,675	(1,785)	0.0%
CSU	130,373,471	130,164,781	(208,690)	-0.2%
Ft. Lewis	11,250,841	11,240,922	(9,919)	-0.1%
CU	180,461,427	180,069,682	(391,745)	-0.2%
Mines	20,169,766	20,089,293	(80,473)	-0.4%
UNC	38,034,957	37,976,296	(58,661)	-0.2%
Community College System	148,640,087	149,252,564	612,477	0.4%
CMC	6,930,891	6,930,891	0	0.0%
AIMS	8,195,325	8,195,325	0	0.0%
AVS	9,675,561	9,675,561	0	0.0%
<b>Total</b>	<b>652,269,846</b>	<b>652,269,846</b>	<b>(2,895)</b>	<b>0.0%</b>
Private COF	1,404,885	\$1,404,885	-\$61,320	-4.2%
<b>TOTAL REDUCTION</b>		<b>653,674,731</b>	<b>(64,215)</b>	<b>0.0%</b>