

Attached:

- Higher Education Figure Setting, March 3, 2015
- Memo: Distribution Options for Higher Education Funding, March 2, 2015 (distributed March 3, 2015)
- Memo: Additional “runs” of higher education funding allocation model, March 10, 2015 (distributed March 13, 2015)
- Memo: History Colorado comebacks, March 13, 2015
- Memo: Recommended additional RFI for Higher Education, March 13, 2015
- Memos: Lease Purchase for Fitzsimons Fund Sources and Technical Corrections to Governing Board allocation spreadsheets (Option 5 & Local District JCs), March 17, 2015

- * Memo: Additional Options for H.B. 14-1319 Model Distribution, March 20, 2015 [Note - JBC Approved use of OPTION 8 in Long Bill]
- * Memo: FY 2013-14 and FY 2014-15 General Fund Exempt Allocations for Higher Education, March 20, 2015

- * Memo: Revised Version of RFI #23 (HED - H.B. 14-1319 funding model), April 14, 2015
- * Memo: CSU Intercept Program Request, April 14, 2015

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2015-16 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 3, 2015**

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DEPARTMENT OF HIGHER EDUCATION

Department Overview

The public higher education system serves about 180,000 full-time equivalent students (FTE) students, about 150,000 of whom are Colorado residents. Approximately 45 percent of the students attend 2-year and certificate institutions. These include state-operated community colleges, local district junior colleges that receive regional property tax revenues in addition to state funding, and area vocational schools that offer occupational certificates and serve both secondary and post-secondary students. Students attending institutions that offer baccalaureate and higher degrees are concentrated at the University of Colorado, Colorado State University, and Metropolitan State College 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 College of Denver, Metropolitan State College of Denver, and the University of Colorado at Denver and Health Sciences Center.
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DEPARTMENT REQUEST AND RECOMMENDATION SUMMARY

Executive Request

The Department request is for \$3.6 billion total funds including \$869.3 million General Fund. This includes **an increase of \$107.3 million General Fund (14.1 percent)** over the FY 2014-15 appropriation. Consistent with recent years, this request represents a unified submission from the Colorado Commission for Higher Education (CCHE) and the Governor’s Office, as CCHE did not submit a separate request.

The request includes:

- R1/BA1: an increase of \$75.6 million General Fund over the FY 2014-15 appropriation, allocated among state higher education institutions for College Opportunity Fund fee-for-service contracts and student stipends.
- R2: a requested *transfer* of \$30.0 million General Fund to the Colorado Opportunity Scholarship Initiative (COSI).
- R5: An increase of \$1.2 million General Fund for the Fort Lewis Native American tuition waiver.
- BA1: \$250,000 General Fund for an Alzheimer’s research center at the University of Colorado Health Sciences Center.
- R3: \$190,268 for CCHE data and research personnel shore up
- R4: \$105,494 General Fund and 1.0 FTE for geologic hazard mitigation staff at the Colorado Geological Survey at the Colorado School of Mines.
- Other increases for common policy adjustments and requests originating in other departments, including \$2.0 million to annualize prior year actions, \$1.8 million for Colorado First/Existing Industry Job Training, and \$752,837 for centrally appropriated line items.

Staff Recommendation

The staff recommendation is for \$3.7 billion total funds, including \$865.4 million General Fund. Total funding is summarized in the table below, followed by a brief description of each item listed. Note that the staff recommendation includes appropriating some of the requested funds in separate, new legislation.

Differences between the request and recommendation include the following:

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- In total, the staff recommendation is \$3.9 million General Fund lower but \$112.6 million total funds higher than the request. The difference in total funds primarily reflects staff's update to institutional tuition revenue projections.
- Staff does not recommend the requested transfer for COSI. Staff recommends, instead, an appropriation off \$22.0 million for need based aid and a \$5.0 million appropriation for COSI.
- Staff recommends \$2.5 million in reductions in History Colorado because there is insufficient revenue to support the appropriation.
- Staff recommends less than the request for R3 Data and Research Personnel shore up due to some concerns about how moneys appropriated previously were used.
- Staff recommends \$40,000 to purchase software so the Department can run the H.B. 14-1319 higher education funding model in-house
- Staff has various other differences with the department related to the indirect cost plan, annualizations, committee common policy, and amounts shown for informational purposes, including FTE.

Department of Higher Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$3,282,561,278	\$659,765,586	\$2,023,919,592	\$576,442,493	\$22,433,607	23,452.2
Other legislation	160,181,351	102,217,466	0	57,963,885	0	3.0
FY 14-15 Supplemental	131,276	99,473	34,346	0	(2,543)	0.0
Long Bill supplemental	<u>24,702,343</u>	<u>0</u>	<u>24,702,343</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,467,576,248	\$762,082,525	\$2,048,656,281	\$634,406,378	\$22,431,064	23,455.2
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$3,467,576,248	\$762,082,525	\$2,048,656,281	\$634,406,378	\$22,431,064	23,455.2
R1/BA1 Operating Increase for Public Colleges and Universities	138,619,149	75,576,945	0	63,042,204	0	0.0
Tuition and fee adjustments	96,189,900	0	96,189,900	0	0	0.0
Increase need based financial aid	22,000,000	22,000,000	0	0	0	0.0
R2 Colorado Opportunity Scholarship Initiative	5,000,000	5,000,000	0	0	0	0.0
NP1 Colorado First/Existing Industry Job Training	1,774,978	0	0	1,774,978	0	0.0
R5 Fort Lewis Native American Tuition Waiver	1,315,637	1,315,637	0	0	0	0.0
Centrally appropriated line items	838,462	167,226	522,675	28,976	119,585	0.0
Gaming cities revenue estimate	500,000	0	500,000	0	0	0.0
BA2 Alzheimer's disease center	500,000	250,000	0	250,000	0	0.0
AHEC adjustment	579,000	0	0	579,000	0	0.0
R4 Geologic Hazard Mitigation FTE, CGS at Mines	105,494	105,494	0	0	0	1.0

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Department of Higher Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
R3 DHE Data and Research Personnel Shore Up	100,000	100,000	0	0	0	0.0
Amendment 50 gaming revenue adjustment	75,233	0	75,233	0	0	0.0
Staff-recommended funds to purchase Tableau software	40,000	40,000	0	0	0	0.0
FTE adjustment	0	0	0	0	0	400.0
History Colorado budget reorganization	0	0	0	0	0	(0.0)
Net \$0 technical adjustment	0	0	0	0	0	0.0
Annualize salary survey	0	0	0	0	0	0.0
Fund split adjustment	0	(167,226)	36,453	130,773	0	0.0
Indirect cost adjustment	0	(179,193)	18,046	161,147	0	0.0
History Colorado budget reductions	(2,520,510)	0	(2,520,510)	0	0	0.0
Tobacco adjustment	(847,125)	0	(847,125)	0	0	0.0
Annualize prior year actions	(645,096)	(904,462)	(49,346)	306,169	2,543	0.0
Federal funds adjustment	(52,318)	0	0	0	(52,318)	0.0
Annualize merit pay	<u>(31,315)</u>	<u>0</u>	<u>(21,314)</u>	<u>(3,678)</u>	<u>(6,323)</u>	<u>0.0</u>
TOTAL	\$3,731,117,737	\$865,386,946	\$2,142,560,293	\$700,675,947	\$22,494,551	23,856.2
Increase/(Decrease)	\$263,541,489	\$103,304,421	\$93,904,012	\$66,269,569	\$63,487	401.0
Percentage Change	7.6%	13.6%	4.6%	10.4%	0.3%	1.7%
FY 2015-16 Executive Request	\$3,618,489,349	\$869,336,340	\$2,025,839,473	\$700,722,423	\$22,591,113	23,456.2
Request Above/(Below) Recommendation	(\$112,628,388)	\$3,949,394	(\$116,720,820)	\$46,476	\$96,562	(400.0)

Issue Descriptions

Long Bill Supplemental: The recommendation adjusts higher education tuition and fee revenue estimates.

R1/BA1 Operational funding increase for public colleges and universities: The recommendation includes an increase of \$65,576,945 General Fund (10.8 percent) for public institutions of higher education. Of this amount, \$60,532,276 is allocated through the new funding model authorized pursuant to H.B. 14-1319, and \$5,044,669 is allocated to ensure all state governing boards receive increases of at least 10 percent and local district junior colleges and area vocational schools receive an additional 1 percent to align their increase with additional moneys available for state institutions. The request is associated, in part, with continuing the 6.0 percent or lower cap on tuition increases for FY 2015-16 imposed by S.B. 14-001. The recommendation also includes \$10,000,000 for a new Strategic Performance Investment Program to enable CCHE to provide grants to institutions to assist them with improving efficiency and performance as they transition to the new H.B. 14-1319 funding model. This would require new

legislation. The recommendation restores state funding for the governing boards to \$681.1 million if the S-PIP is included--about \$25 million short of the FY 2008-09 peak.

Tuition and fee adjustments: The recommendation incorporates projected tuition and fee revenue for each institution, based on the Legislative Council Staff projection (for tuition) and institutional projections (for fee revenue).

Increase need based financial aid: The recommendation includes an increase of \$22.0 million for need based financial aid. This exceeds the \$17.2 million required to comply with Section 23-3.3-103, C.R.S., which requires increases in annual appropriations for student financial assistance at least consistent with increases for the governing boards. Staff recommends this higher figure given the large gap between financial aid available and student need.

R2 Colorado Opportunity Scholarship Initiative: The recommendation includes a \$5.0 million increase for the Colorado Opportunity Scholarship Initiative Fund (COSI) to reflect ongoing interest in this initiative. The Department requested \$30.0 million but staff believes a further increase is premature, given that this is a new initiative which does not yet have a track-record.

NP1 Colorado First/Existing Industry Job Training: The request includes an increase of \$1,774,978 for the Colorado First/Existing Industry Job Training program from funds transferred from the Governor's Office. Committee action on this item will be determined during figure setting for the Governor's Office.

R5 Fort Lewis College Native American Tuition Waiver: The recommendation includes an increase of \$1,315,637 General Fund for the Fort Lewis College Native American tuition waiver. This 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.

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; salary survey; merit pay; workers compensation; administrative law judges; payment to risk management and property funds; purchase of services from computer center; management and administration of OIT; information security technology; Colorado state network; 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.

Gaming cities revenue estimate: The recommendation includes an increase for current projections of limited gaming revenues distributed to gaming cities for historic preservation consistent with constitutional requirements.

BA2 Alzheimer's disease center: The recommendation includes an increase to support a proposed new Alzheimer's disease center at the University of Colorado Health Sciences Center.

AHEC adjustment: The recommendation increases spending authority for the Auraria Higher Education Center (AHEC) for moneys received for operating costs from the three institutions that share the AHEC campus: the University of Colorado at Denver, Metropolitan State University of Denver, and the Community College of Denver.

R4 Geologic Hazard Mitigation FTE, CGS at Mines: The recommendation adds \$105,494 and 1.0 FTE for geologic hazard mapping at the Colorado Geological Survey.

R3 DHE Data and Research Personnel Shore Up: The recommendation adds funds to ensure consistent support for the Department's data and research unit. The recommendation for \$100,000 is less than the Department request due to concerns about how previous appropriations were used.

Amendment 50 gaming revenue adjustment: The recommendation adjusts amounts shown for informational purposes based on the FY 2013-14 actual gaming revenue received by two-year institutions pursuant to Constitutional provisions.

Staff-recommended funds to purchase Tableau software: Staff recommends adding \$40,000 in FY 2015-16 to enable the Department to purchase the Tableau software used to operate the funding allocation model pursuant to H.B. 14-1319. This is a one-time amount that would annualize to \$6,000 in future years.

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 2014-15). FTE figures are shown for informational purposes only.

History Colorado budget reorganization: The recommendation includes a net \$0 adjustment to reorganize the History Colorado budget to better reflect its operating structure.

Net \$0 technical adjustment: The recommendation includes an adjustment to the line item structure for this section to break-out fee-for-service appropriations provided for specialty education programs and to align the appropriation structure with the requirements of Sections 23-18-303 and 304, C.R.S.

Annualize salary survey: The recommendation annualizes salary survey funding awarded in FY 2014-15, consistent with common policy.

Fund split adjustment: The recommendation includes changes to adjust funding sources in various line items.

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

History Colorado budget reductions: The recommendation reduces spending authority for limited gaming funds deposited to the State Historical Fund pursuant to Constitutional allocations. There is insufficient revenue to support the current level of appropriations. The

reductions include \$695,408 from line items that support the operation of History Colorado museums and facilities, including cuts of 11.5 percent from this fund source in most operating line items. The recommendation also includes a reduction of \$1,825,102 to appropriations associated with State Historical Fund statewide preservation grants, based on anticipated revenue and expenditures to the Fund.

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.

Annualize prior year actions: The recommendation includes various adjustments for prior year actions.

Federal funds adjustment: The recommendation adjusts federal amounts shown for informational purposes.

Annualize merit pay: The recommendation annualizes merit pay funding awarded in FY 2014-15, consistent with common policy.

GENERAL NOTES ABOUT THIS PACKET

Personal Services Common Policy Annualization

The Department's request reflects building all funds approved for FY 2014-15 salary survey and anniversary into base personal services funding for FY 2015-16. Common policy with respect to FY 2014-15 salary survey and merit pay involved *not* annualizing merit pay for individuals at the top of the pay range and not annualizing salary survey for individuals over the range maximum. However, because many staff employed in the Department of Higher Education are not classified staff, pay ranges are not clear. The Department treated \$31,315 of its merit pay allocation in FY 2014-15 as not base building, while all salary survey was treated as base building.

ADJUSTMENT AFFECTING MULTIPLE DIVISIONS

Indirect Cost Adjustments

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.

- 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 has recommended an adjustment to the Department’s plan to incorporate the costs associated with H.B. 14-1319 in FY 2014-15. This increases the amount allocated among the institutions by \$610,220 for FY 2015-16 related to allocating administrative costs added through H.B. 14-1319.** With this exception, 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.
- **Staff is aware that the institutions and Department have concerns about the staff recommendation and may (to staff’s concern) have been lobbying in advance of it. Particularly in light of this, staff has some alternatives that the Committee may wish to consider, which are described below. Specifically:**
 - **The Committee could consider accepting the Department’s plan this year, which would mean that the extraordinary one-time initial costs of H.B. 14-1319 are not included in the indirect cost plan, but could also clarify its intent to include ongoing costs in the indirect cost allocation plan.** Ongoing costs cover three department FTE who have been added to the Department’s budget and data sections. **Staff would request a specific vote on this issue.** At present, the Department appears to be considering items that are requested as reappropriated as items that will be cost allocated and items requested as General Funds as things that will not. However, *in practice, any new item is always General Fund in the first year with, typically, about 75 percent recovered through indirect cost collections in the subsequent year, i.e., nothing requested as a new indirect cost-funded item is fully funded through indirect costs and is, in practice, not funded through indirects at all during the initial year of appropriation.* Because of this, **staff does not believe that the fund-type requested or appropriated is an effective way to communicate whether or not an item is subject to the indirect cost collection plan** and staff does not believe that the fund sources identified in a Legislative Council Staff Fiscal Note—for H.B. 14-1319 or any other bill affecting CCHE administration--clearly indicate the General Assembly’s intent on this issue. **If the Committee indicates it wishes to fund costs related to H.B. 14-1319 solely through General Fund on an ongoing basis, staff will reflect this decision by breaking out a separate line item for this purpose.**
 - **A more radical alternative, which staff believes the Committee should very seriously consider, is to simply end the entire indirect cost collection process with respect to departmental indirects. Instead, the Committee could directly fund CCHE administration with General Fund and reduce the**

appropriations to the governing boards by \$2,660,271 General Fund (the request for the department portion of the indirect cost plan this year). Much of the push-back from the Executive on the HB 14-1319 issue is that staff associated with H.B. 14-1319 should not be funded through indirect cost collections to ensure appropriate independence of Department staff. Staff believes this concern has merit, given the lobbying effort staff has noted related to departmental indirect costs both this year and in FY 2013-14, and perhaps more fundamentally, given the Department’s peculiar position as a “coordinating entity”. *To the extent the General Assembly believes it would be beneficial to give the Department more independence from the governing boards, eliminating the indirect cost collection process for departmental indirects might be helpful.*

Indirect Cost Plan - Request: The table below shows The Department’s requested indirect cost allocation plan. As reflected in the table, increases in adjustments in cost collections would allow for an additional offset of \$41,628 General Fund in FY 2015-16. The total amounts include \$2,551,726 for departmental indirect recoveries and \$2,528,303 for statewide indirect recoveries.

	Indirect Cost Recovery Request		
	FY 2015-16	FY 2014-15	Difference
University of CO	\$1,780,435	\$1,665,299	\$115,136
CSU System	809,626	759,855	49,772
Ft. Lewis	41,037	79,895	(38,858)
Adams State	44,181	60,217	(16,037)
Colorado Mesa	159,337	141,990	17,347
Western State	36,497	58,683	(22,186)
Metro State	338,028	358,487	(20,459)
Community Colleges	1,115,584	1,176,571	(60,987)
U. of Northern CO	268,129	254,297	13,832
School of Mines	196,863	175,536	21,327
Auraria Higher Ed Ctr	10,005	15,222	(5,217)
SUBTOTAL	4,799,723	4,746,053	53,670
CCHE	0	0	0
HISTORICAL	164,549	195,404	(30,855)
Private Occupational Schools	6,926	6,155	771
Vet. Medicine	287	292	(5)
SUBTOTAL	4,971,486	4,947,904	23,582
CollegeInvest	26,048	24,171	1,877
CollegeAssist	82,496	66,327	16,169
TOTAL	\$5,080,030	\$5,038,402	\$41,628

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 these services would need to be considered a state grant for purposes of determining the

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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 recommends an adjusted version of the Department’s indirect cost recovery plan. **The difference between the request and recommendation is that staff included the CCHE administration costs associated with H.B. 14-1319 in FY 2014-15 in the calculation, while these were not included in the plan as submitted.** The recommendation is shown in the table below. The staff recommendation includes \$3,161,947 for departmental indirects, while the statewide amount is \$2,528,303, consistent with the Department’s plan as submitted. The staff recommendation allows for an additional General Fund offset \$651,848 in FY 2015-16 (compared to the requested change of \$41,628)

	Indirect Cost Recovery Recommendation		
	FY 2015-16	FY 2014-15	Difference
University of CO	\$1,942,236	\$1,665,299	\$276,937
CSU System	900,491	759,855	140,637
Ft. Lewis	52,826	79,895	(27,069)
Adams State	52,226	60,217	(7,991)
Colorado Mesa	184,239	141,990	42,248
Western State	42,439	58,683	(16,244)
Metro State	393,807	358,487	35,320
Community Colleges	1,310,377	1,176,571	133,807
U. of Northern CO	300,520	254,297	46,223
School of Mines	213,997	175,536	38,461
Auraria Higher Ed Ctr	10,005	15,222	(5,217)
SUBTOTAL	5,403,165	4,746,053	657,112
CCHE	0	0	0
HISTORICAL	171,107	195,404	(24,297)
Private Occupational Schools	7,081	6,155	926
Vet. Medicine	354	292	62
SUBTOTAL	5,581,706	4,947,904	633,802
CollegeInvest	26,048	24,171	1,877
CollegeAssist	82,496	66,327	16,169
TOTAL	\$5,690,250	\$5,038,402	\$651,848

Staff also recommends adjustments to reflect the impact of the recommended plan on the budget, as outlined below. The recommendation results in adjustments to the CCHE Administration and Need Based Grants line items and allows for all base funding and annualizations in administration line items to be funded with indirect cost collections. Note that staff has reflected new requests (adjustments other than common policy and annualizations) as General Fund so that they may be more easily adjusted in response to Committee decisions.

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Budget Adjustments for Indirect Cost Collections				
Available Indirects	Dept indirects	State Indirects	Cash indirects	Total
FY 14-15	2,386,039	2,561,865	90,498	5,038,402
FY 15-16	3,161,947	2,419,759	108,544	5,690,267
Change	775,908	(142,106)	18,046	651,848
Use of Indirects				
Total IC collections available for FY 15-16	3,161,947	2,419,759	108,544	(5,690,250)
<i>Indirect Amounts in Base + Annualization:</i>				
Dept admin as of 2/21 w/common policy	1,041,831	-		(1,041,831)
CCHE Administration with annualizations	534,080	1,909,572	90,498	(2,534,150)
CCHE - Special Purpose (base)	689,900			(689,900)
Occupational Ed - Administration (base)	498,959	401,041		(900,000)
Need Based Grants (base)	93,804	251,372		(345,176)
Subtotal used	2,858,574	2,561,985	90,498	(5,511,057)
Difference Used in Base & Available	303,373	(142,226)	18,046	(179,193)
Adjust CCHE Administration	(18,046)		18,046	
Adjust Need Based Grants	321,419	(142,226)	-	(179,193)
All Indirects Applied	-			
Total GF impact of indirect cost changes, annualizations, admin decision items				(179,193)
Components of General Fund Adjustment				
Increase in available indirect cost collections				(651,848)
Common policy changes in department administration				86,887
Annualization of prior year changes				385,768
Decision items/staff-recommended changes (shown as GF)				-
Total General Fund savings				(179,193)

In total, the FY 2015-16 indirect cost collection plan provides for a General Fund offset of \$5,690,250 in this department in FY 2015-16.

Due to the increase in indirect cost collections, staff currently anticipates that, in addition to financing increases for centrally appropriated line items and CCHE administration adjustments, the additional indirect cost collections allow for ongoing refinancing of General Fund appropriations in Need Based Grants. This is reflected in the staff recommendation, which refinances additional General Fund in the Colorado Commission on Higher Education Financial Aid, Need Based Grants line item with reappropriated funds from indirect cost collections.

If the distribution of indirect cost recoveries within the Department of Higher Education needs to be adjusted after further common policy adjustments are set by the JBC, staff will apply the adjustment to the CCHE Financial Aid, Need Based Grants line item to fit the available indirect collections.

(1) Department Administrative Office

This division includes funding for centrally appropriated items for the Colorado Commission on Higher Education, including the GEAR UP program and (*new this year*) the Colorado Geological Survey at the Colorado School of Mines; the Division of Private Occupational Schools; and the Historical Society. 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 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.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Department Administrative Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$3,929,172	\$0	\$2,345,668	\$954,944	\$628,560	0.0
Other Legislation	18,216	18,216	0	0	0	0.0
FY 14-15 Supplemental	<u>131,276</u>	<u>99,473</u>	<u>34,346</u>	<u>0</u>	<u>(2,543)</u>	<u>0.0</u>
TOTAL	\$4,078,664	\$117,689	\$2,380,014	\$954,944	\$626,017	0.0
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$4,078,664	\$117,689	\$2,380,014	\$954,944	\$626,017	0.0
Centrally appropriated line items	838,462	167,226	522,675	28,976	119,585	0.0
R3 DHE Data and Research Personnel Shore Up	0	0	0	0	0	0.0
Fund split adjustment	0	(167,226)	36,453	130,773	0	0.0
Annualize salary survey	(226,207)	0	(118,595)	(45,302)	(62,310)	0.0
Annualize prior year actions	(149,492)	(117,689)	(34,346)	0	2,543	0.0
Annualize merit pay	<u>(149,056)</u>	<u>0</u>	<u>(101,034)</u>	<u>(17,765)</u>	<u>(30,257)</u>	<u>0.0</u>
TOTAL	\$4,392,371	\$0	\$2,685,167	\$1,051,626	\$655,578	0.0
Increase/(Decrease)	\$313,707	(\$117,689)	\$305,153	\$96,682	\$29,561	0.0
Percentage Change	7.7%	(100.0%)	12.8%	10.1%	4.7%	0.0%
FY 2015-16 Executive Request:	\$4,540,452	\$156,261	\$2,684,122	\$1,000,247	\$699,822	0.0
Request Above/(Below) Recommendation	\$148,081	\$156,261	(\$1,045)	(\$51,379)	\$44,244	0.0

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

Issue Descriptions

Centrally appropriated line items: The recommendation includes adjustments to centrally appropriated line items described below. 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.

R3 DHE Data and Research Personnel Shore Up: The Department request included additional funds related to R3 for health, life and dental benefits. **Consistent with Committee common policy, staff has not included “pots” amounts for new FTE.** Staff notes that these are not truly new employees, but rather employees the Department proposes to refinance with General Fund/reappropriated funds, but there is typically some capacity to absorb first-year costs within pots line items. *If the Committee chooses to approve the R3 and, after figure setting, the Department provides information indicating that these additional costs are unmanageable, staff will consider bringing a staff comeback on this issue.*

Fund split adjustment: Consistent with historic practice, staff has refinanced all General Fund amounts for “pots” with indirect cost collections. Staff notes that where indirect collections are *applied* is not the same as the *expenditures on which they are collected*. Staff has also shifted \$36,453 in requested General Fund for the new CORE system to cash funds, as this amount is based on system utilization by the off-budget College Assist student loan program.

Annualize FY 2014-15 salary survey: The recommendation moves FY 2014-15 centrally appropriated amounts for salary survey to the CCHE Administration and History Colorado line items.

Annualize prior year actions: The recommendation reflects eliminating one-time supplemental costs and adjustments, consistent with staff’s understanding of historic practice, to apply indirect costs to CCHE-related expenses.

Annualize FY 2014-15 merit pay: The recommendation moves FY 2014-15 centrally appropriated amounts for merit pay to the CCHE Administration and History Colorado line items.

LINE ITEM DETAIL

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.

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. Based on a comparison of the state versus the community college plans in past years, it appeared that the cost of the plans to the State were similar but that the cost of the community college plan to the employee and the benefit provided might be generally better than the standard state plan.

Request: The Department requests an appropriation of \$2,032,273 total funds for this line item, including an OSPB common policy adjustment and \$26,268 for R3 Data and Research Personnel shore-up.

Recommendation: Consistent with JBC common policy regarding “pots” allocations, staff has not included an additional amount for R3 Data and Research Personnel shore-up. The staff recommendation is based on JBC common policy, but it is lower than the request due to some corrections to the figures submitted (in most cases, H/L/D common policy is higher than the request).

Consistent with the typical budgeting for this line item, staff has reflected any General Fund in this line item as indirect cost recoveries, which offset General Fund otherwise required. Please note, however, that because CCHE has been using the community college plan, rather than a state plan, it is difficult to ensure that amounts provided do not exceed common policy.

For CCHE, staff based the recommendation for this year for the portion of the request that reflects use of the community college plan on:

- Numbers of individuals and families enrolled as of July 2014; and
- Committee-approved state contributions for individuals and families (using the highest family rate, as there appears to be no equivalent to the smaller family rate in state policy).

This calculation results in total amount that is slightly lower than the Department’s reported actual expenditures for FY 2013-14, possibly due to the cost of the community college plan.

For the future, staff recommends that the Department complete the pots template for all staff (including any on the community college plan) on a position-by-position basis for health/life/dental. In this way, staff will be able to confirm that common policy is being followed as though all staff were on the state plan. Staff also notes that, based on the figures currently available, the community college plan may no longer be more advantageous than the State plan from a state cost perspective, so the Department may wish to reconsider the decision to use the community college plan.

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Department Administrative Office, Health, Life, and Dental						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	1,477,269	0	885,006	256,321	335,942	0.0
TOTAL	\$1,477,269	\$0	\$885,006	\$256,321	\$335,942	0.0
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$1,477,269	\$0	\$885,006	\$256,321	\$335,942	0.0
R3 DHE Data and Research Personnel Shore Up	0	0	0	0	0	0.0
Centrally appropriated line items	398,501	83,073	259,167	(16,309)	72,570	0.0
Fund split adjustment	0	(83,073)	0	83,073	0	0.0
TOTAL	\$1,875,770	\$0	\$1,144,173	\$323,085	\$408,512	0.0
Increase/(Decrease)	\$398,501	\$0	\$259,167	\$66,764	\$72,570	0.0
Percentage Change	27.0%	0.0%	29.3%	26.0%	21.6%	0.0%
FY 2015-16 Executive Request:	\$2,032,273	\$72,108	\$1,184,741	\$322,668	\$452,756	0.0
Request Above/(Below) Recommendation	\$156,503	\$72,108	\$40,568	(\$417)	\$44,244	0.0

Short-term Disability

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

Request: The Department requests an appropriation of \$25,965 total funds for this line item, including an OSPB common policy adjustment.

Recommendation: The recommendation is based on JBC common policy. Consistent with the typical budgeting for this line item, staff has reflected any General Fund in this line item as indirect cost recoveries, which offset General Fund otherwise required.

Department Administrative Office, Short-term Disability						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	23,373	0	14,332	3,691	5,350	0.0
TOTAL	\$23,373	\$0	\$14,332	\$3,691	\$5,350	0.0
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$23,373	\$0	\$14,332	\$3,691	\$5,350	0.0
Centrally appropriated line items	2,592	959	2,524	(331)	(560)	0.0
Fund split adjustment	0	(959)	0	959	0	0.0
TOTAL	\$25,965	\$0	\$16,856	\$4,319	\$4,790	0.0
Increase/(Decrease)	\$2,592	\$0	\$2,524	\$628	(\$560)	0.0
Percentage Change	11.1%	0.0%	17.6%	17.0%	(10.5%)	0.0%
FY 2015-16 Executive Request:	\$25,965	\$959	\$16,856	\$3,360	\$4,790	0.0
Request Above/(Below) Recommendation	\$0	\$959	\$0	(\$959)	\$0	0.0

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Amortization Equalization Disbursements

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.).

Request: The Department requests an appropriation of \$534,843 total funds for this line item, including an OSPB common policy adjustment.

Recommendation: The recommendation is based on JBC common policy and is reflected below. Consistent with the typical budgeting for this line item, staff has reflected any General Fund in this line item as indirect cost recoveries, which offset General Fund otherwise required.

Department Administrative Office, S.B. 04-257 Amortization Equalization Disbursement						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	432,278	0	264,719	68,381	99,178	0.0
TOTAL	\$432,278	\$0	\$264,719	\$68,381	\$99,178	0.0
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$432,278	\$0	\$264,719	\$68,381	\$99,178	0.0
Centrally appropriated line items	102,565	19,695	82,455	880	(465)	0.0
Fund split adjustment	0	(19,695)	0	19,695	0	0.0
TOTAL	\$534,843	\$0	\$347,174	\$88,956	\$98,713	0.0
Increase/(Decrease)	\$102,565	\$0	\$82,455	\$20,575	(\$465)	0.0
Percentage Change	23.7%	0.0%	31.1%	30.1%	(0.5%)	0.0%
FY 2015-16 Executive Request:	\$534,843	\$19,695	\$347,174	\$69,261	\$98,713	0.0
Request Above/(Below) Recommendation	\$0	\$19,695	\$0	(\$19,695)	\$0	0.0

Supplemental Amortization Equalization Disbursements

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

Request: The Department requests an appropriation of \$516,610 total funds for this line item, including an OSPB common policy adjustment.

Recommendation: The recommendation is based on JBC common policy. Consistent with the typical budgeting for this line item, staff has reflected any General Fund in this line item as indirect cost recoveries, which offset General Fund otherwise required.

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Department Administrative Office, S.B. 06-235 Supplemental Amortization Equalization Disbursement						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	405,261	0	248,174	64,107	92,980	0.0
TOTAL	\$405,261	\$0	\$248,174	\$64,107	\$92,980	0.0
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$405,261	\$0	\$248,174	\$64,107	\$92,980	0.0
Centrally appropriated line items	111,349	19,024	87,164	2,793	2,368	0.0
Fund split adjustment	0	(19,024)	0	19,024	0	0.0
TOTAL	\$516,610	\$0	\$335,338	\$85,924	\$95,348	0.0
Increase/(Decrease)	\$111,349	\$0	\$87,164	\$21,817	\$2,368	0.0
Percentage Change	27.5%	0.0%	35.1%	34.0%	2.5%	0.0%
FY 2015-16 Executive Request:	\$516,610	\$19,024	\$335,338	\$66,900	\$95,348	0.0
Request Above/(Below) Recommendation	\$0	\$19,024	\$0	(\$19,024)	\$0	0.0

Salary Survey

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

Request: The Department requests an appropriation of \$133,092 total funds for this line item, consistent with the OSPB common policy request for a 1.0 percent increase.

Recommendation: The recommendation is based on the JBC common policy increase of 1.0 percent.

Department Administrative Office, Salary Survey						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	226,207	0	118,595	45,302	62,310	0.0
TOTAL	\$226,207	\$0	\$118,595	\$45,302	\$62,310	0.0
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$226,207	\$0	\$118,595	\$45,302	\$62,310	0.0
Annualize prior year actions	(226,207)	0	(118,595)	(45,302)	(62,310)	0.0
Centrally appropriated line items	133,092	4,915	86,399	17,223	24,555	0.0
Fund split adjustment	0	(4,915)	0	4,915	0	0.0
TOTAL	\$133,092	\$0	\$86,399	\$22,138	\$24,555	0.0
Increase/(Decrease)	(\$93,115)	\$0	(\$32,196)	(\$23,164)	(\$37,755)	0.0
Percentage Change	(41.2%)	0.0%	(27.1%)	(51.1%)	(60.6%)	0.0%
FY 2015-16 Executive Request:	\$133,092	\$4,915	\$86,399	\$17,223	\$24,555	0.0
Request Above/(Below) Recommendation	\$0	\$4,915	\$0	(\$4,915)	\$0	0.0

Merit Pay

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

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Request: The Department requests an appropriation of \$123,247 total funds for this line item, consistent with OSPB common policy.

Recommendation: The recommendation is based on the JBC common policy for a 1.0 percent increase.

Department Administrative Office, Merit Pay						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	149,056	0	101,034	17,765	30,257	0.0
TOTAL	\$149,056	\$0	\$101,034	\$17,765	\$30,257	0.0
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$149,056	\$0	\$101,034	\$17,765	\$30,257	0.0
Annualize prior year actions	(149,056)	0	(101,034)	(17,765)	(30,257)	0.0
Centrally appropriated line items	123,247	3,107	79,317	17,163	23,660	0.0
Fund split adjustment	0	(3,107)	0	3,107	0	0.0
TOTAL	\$123,247	\$0	\$79,317	\$20,270	\$23,660	0.0
Increase/(Decrease)	(\$25,809)	\$0	(\$21,717)	\$2,505	(\$6,597)	0.0
Percentage Change	(17.3%)	0.0%	(21.5%)	14.1%	(21.8%)	0.0%
FY 2015-16 Executive Request:	\$123,247	\$3,107	\$79,317	\$17,163	\$23,660	0.0
Request Above/(Below) Recommendation	\$0	\$3,107	\$0	(\$3,107)	\$0	0.0

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.

Request: The Department requests \$82,126 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.

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Department Administrative Office, Workers' Compensation					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	108,732	0	99,427	9,305	0.0
TOTAL	\$108,732	\$0	\$99,427	\$9,305	0.0
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$108,732	\$0	\$99,427	\$9,305	0.0
Centrally appropriated line items	(22,396)	0	(22,616)	220	0.0
TOTAL	\$86,336		\$76,811	\$9,525	0.0
Increase/(Decrease)	(\$22,396)	\$0	(\$22,616)	\$220	0.0
Percentage Change	(20.6%)	0.0%	(22.7%)	2.4%	0.0%
FY 2015-16 Executive Request:	\$82,126	\$0	\$75,242	\$6,884	0.0
Request Above/(Below) Recommendation	(\$4,210)		(\$1,569)	(\$2,641)	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.

Request: The Department requests a continuation level of funding of \$42,340 total funds for this line item pursuant to OSPB's budget instructions.

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 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.

CCHE Legal Services Utilization			
	Actuals Reported	Blended Rate	Est. Hours
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

Administrative Law Judge Services

This line item provides funding the Department to purchase Administrative Law Judge services from the Department of Personnel.

Request: The Department requests \$0 total funds for this line item pursuant to OSPB's budget instructions.

Recommendation: The appropriation is **pending** a common policy by the JBC on the ALJ hourly rate. When the JBC makes a common policy decision, staff will apply the policy to this line item. The table below shows ALJ utilization over the last five actual years. As shown, there was 0 in FY 2013-14.

Fiscal Year	ALJ Used	Hours
2013-14		0.0
2012-13		18.6
2011-12		10.4
2010-11		4.4
2009-10		3.2

Purchase of Services from Computer Center

This line item provided funding for the Department's share of statewide computer services provided by the Governor's Office of Information Technology. It was consolidated into the Payments to OIT line item in FY 2014-15.

Request/Recommendation: The Department has not requested, and staff does not recommend, funding for this line item in FY 2015-16.

CORE Operations [Formerly COFRS Modernization]

Supports the new state accounting and budgeting system. For FY 2015-16, appropriations in department operating budgets are reappropriated to the Department of Personnel, the Governor's Office, and the Capital Construction section.

Request: The Department requests \$95,720 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, except that staff has included a fund-split adjustment to shift amounts request from the General Fund (\$36,453) to **College Assist** cash funds, as this is the source of the CORE activity and charges.

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Department Administrative Office, CORE Operations						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	39,004	0	19,614	16,847	2,543	0.0
FY 14-15 Supplemental	127,002	99,353	30,192	0	(2,543)	0.0
TOTAL	\$166,006	\$99,353	\$49,806	\$16,847	\$0	0.0
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$166,006	\$99,353	\$49,806	\$16,847	\$0	0.0
Annualize prior year actions	(127,002)	(99,353)	(30,192)	0	2,543	0.0
Centrally appropriated line items	56,716	36,453	22,198	608	(2,543)	0.0
Fund split adjustment	0	(36,453)	36,453	0	0	0.0
TOTAL	\$95,720	\$0	\$78,265	\$17,455	\$0	0.0
Increase/(Decrease)	(\$70,286)	(\$99,353)	\$28,459	\$608	\$0	0.0
Percentage Change	(42.3%)	(100.0%)	57.1%	3.6%	0.0%	0.0%
FY 2015-16 Executive Request:	\$95,720	\$36,453	\$41,812	\$17,455	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$36,453	(\$36,453)	\$0	\$0	0.0

Information Technology Security

This line item was added in FY 2013-14, associated with a new line item in the Governor's Office of Information Technology.

Request/Recommendation: The Department has not requested, and staff does not recommend, funding for this line item in FY 2015-16.

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.

Request: The Department requests an appropriation of \$89,775 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.

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Department Administrative Office, Payment to Risk Management and Property Funds	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	131,534	0	128,964	2,570	0.0
TOTAL	\$131,534	\$0	\$128,964	\$2,570	0.0
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$131,534	\$0	\$128,964	\$2,570	0.0
Centrally appropriated line items	(37,547)	0	(38,429)	882	0.0
TOTAL	\$93,987		\$90,535	\$3,452	0.0
Increase/(Decrease)	(\$37,547)	\$0	(\$38,429)	\$882	0.0
Percentage Change	(28.5%)	0.0%	(29.8%)	34.3%	0.0%
FY 2015-16 Executive Request:	\$89,775	\$0	\$86,944	\$2,831	0.0
Request Above/(Below) Recommendation	(\$4,212)		(\$3,591)	(\$621)	0.0

Payments to OIT

The request adds this new line item to correspond to requested changes in the Governor’s Office of Information Technology.

Request: The Department has requested \$318,295 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.

Leased Space

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

Request: The Department requests \$546,166 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.** In response to staff’s questions, the Department provided a copy of the lease document demonstrating the annual escalators. The lease cost for FY 2015-16 is set at a rate of \$29.38 per square foot for 21,034 square feet, with a total payment due of \$625,805. This is more than the current appropriation because the Department has been able to offset costs through a property tax deduction credit and sub-lease payments from off-budget programs as reflected in the table below with respect to the FY 2014-15 payment.

*JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision*

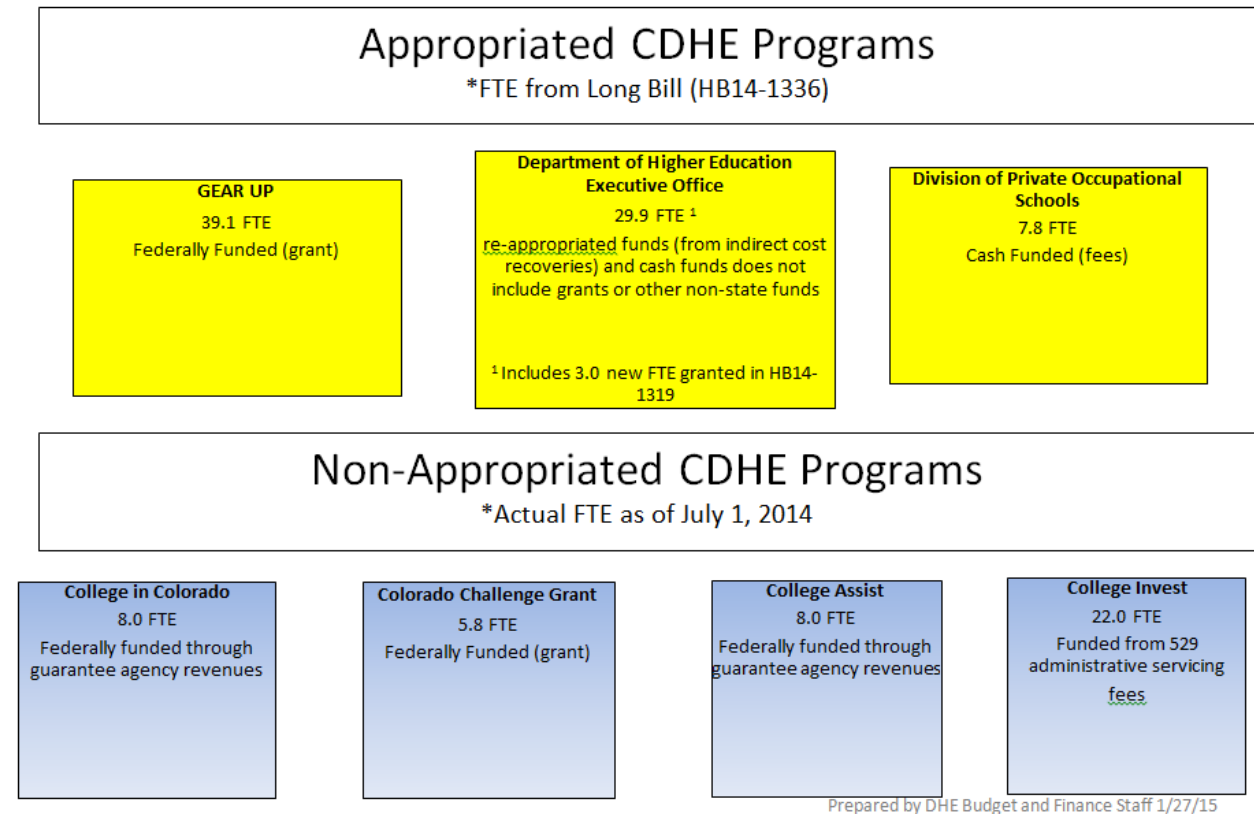
Total Lease Per Contract FY 14-15	\$615,153
Additional Operating Expenses	\$17,466
Parking Costs	\$11,100
Additional Electric Costs	\$6,960
Total Leased Space Costs FY 14-15	\$650,679
DHE Leased Space Appropriation (RF)	(\$428,412)
DPOS Leased Space Appropriation (CF)	(\$107,102)
Total FY 14-15 Leased Space Appropriation	(\$535,514)
Remaining FY 14-15 Leased Space Costs	\$115,165
Property Tax Deduction (credit provided by building management)	(\$33,251)
Sub-lease payment from CollegenInvest	(\$47,695)
GEAR-UP payment	(\$25,000)
COSI payment	(\$9,219)
Total Supplemental Income/Credits	(\$115,165)

This is a lease in a fairly high-end downtown building. For 2015-16, 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.

(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.



Operating expenses related to College Assist and College Invest are significant: \$3.0 million estimated for College Assist, which is winding down, and about \$4.6 million for College Invest. The federal College in Colorado budget, which has declined, is about \$1.5 million, and the federal *College Access Challenge Grant*, which focuses on financial aid outreach, is also estimated at about \$1.0 million but may not continue in FY 2015-16. The Department also anticipates receiving about \$900,000 total per year in private grant funds for a wide range of special projects.¹

¹ In total, the Department estimates for FY 2014-15 \$714,142,000 cash funds from College Invest, \$899.8 million from other private sources, and \$287,931,596 federal funds. However, the vast majority of funds are related to College Assist claims and discounts (\$281.7 million federal funds) and College Invest benefits paid, withdrawals and servicing fees (\$707.5 million cash funds).

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Colorado Commission on Higher Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$13,800,267	\$306,000	\$5,300,758	\$2,902,964	\$5,290,545	88.3
Other legislation	<u>786,770</u>	<u>786,770</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3.0</u>
TOTAL	\$14,587,037	\$1,092,770	\$5,300,758	\$2,902,964	\$5,290,545	91.3
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$14,587,037	\$1,092,770	\$5,300,758	\$2,902,964	\$5,290,545	91.3
R4 Geologic Hazard Mitigation FTE, CGS at Mines	105,494	105,494	0	0	0	1.0
R3 DHE Data and Research Personnel Shore Up	100,000	100,000	0	0	0	0.0
Staff-recommended funds to purchase Tableau software	40,000	40,000	0	0	0	0.0
Annualize salary survey	96,125	0	13,716	45,302	37,107	0.0
Annualize merit pay	34,121	0	4,823	14,087	15,211	0.0
R2 Colorado Opportunity Scholarship Initiative [see financial aid section]	0	0	0	0	0	0.0
Indirect cost adjustment	0	0	18,046	(18,046)	0	0.0
Annualize prior year actions	(480,604)	(786,773)	0	306,169	0	0.0
Federal funds adjustment	<u>(52,318)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(52,318)</u>	<u>0.0</u>
TOTAL	\$14,429,855	\$551,491	\$5,337,343	\$3,250,476	\$5,290,545	92.3
Increase/(Decrease)	(\$157,182)	(\$541,279)	\$36,585	\$347,512	\$0	1.0
Percentage Change	(1.1%)	(49.5%)	0.7%	12.0%	0.0%	1.1%
FY 2015-16 Executive Request:	\$14,526,383	\$737,870	\$5,319,297	\$3,126,353	\$5,342,863	92.3
Request Above/(Below) Recommendation	\$96,528	\$186,379	(\$18,046)	(\$124,123)	\$52,318	(0.0)

Issue Descriptions

R4 Geologic Hazard Mitigation FTE, CGS at Mines: The recommendation adds 1.0 FTE for geologic hazard mapping at the Colorado Geological Survey.

R3 DHE Data and Research Personnel Shore Up: The recommendation adds funds to ensure consistent support for the Department’s data unit. The recommendation is lower than the request for \$164,000 in this division due to staff concerns about how previous increases have been used. Staff has reflected this amount as General Fund because all initiatives are, in effect, General

Fund in the first year, with approximately 75 percent of those first-year costs recovered through indirect cost collections in the subsequent year.

Annualize FY 2014-15 salary survey: The recommendation moves FY 2014-15 centrally appropriated amounts for salary survey to CCHE Administration and History Colorado.

Staff-recommended funds to purchase Tableau software: Staff recommends adding \$40,000 in FY 2015-16 to enable the Department to purchase the Tableau software used to operate the funding allocation model pursuant to H.B. 14-1319. This is a one-time amount that would annualize to \$6,000 in future years. Staff has reflected this amount as General Fund because all initiatives are, in effect, General Fund in the first year, with approximately 75 percent of those first-year costs recovered through indirect cost collections in the subsequent year. Reflecting this amount as General fund is not intended to convey that these costs are not subject to indirect cost collection (unless the JBC decides to fund all CCHE administration this way or to separate H.B. 14-1319 costs into a separate line item to reflect this intent).

Annualize FY 2014-15 merit pay: The recommendation moves FY 2014-15 centrally appropriated amounts for merit pay to CCHE Administration and History Colorado.

Indirect cost adjustments: The recommendation includes adjustments for anticipated indirect cost collections, resulting in a decrease in General Fund required department-wide. The adjustment in CCHE administration modifies the balance between cash and reappropriated funds indirect cost collection amounts.

R2 Colorado Opportunity Scholarship Initiative: The Department's request included a requested appropriation for the Colorado Opportunity Scholarship Initiative (added through H.B. 14-1384) in this section of the Long Bill. Staff recommends that the appropriation for COSI be included in the financial aid section. To assist in the comparison between the staff recommendation and Department request, staff has moved both the request and recommendation to the CCHE Financial Aid section.

Annualize prior year actions: The recommendation annualizes appropriations associated with H.B. 14-1319. This includes eliminating one-time General Fund appropriations for FY 2014-15 and refinancing ongoing costs into base funding for FY 2015-16.

Federal funds adjustment: The recommendation includes an adjustment to maintain the amount reflected for the GEAR UP program at \$5,000,000, based on federal funds anticipated to be received, rather than building prior year merit and salary survey amounts into the base.

(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.

CCHE and the Department Administration are responsible for consulting with the higher education institutions and coordinating statewide policies. Some key statutory responsibilities include:

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]

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]

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

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]

Request: The Department requests \$2,947,147 total funds, including \$326,376 General Fund, with the balance from fees and indirect cost collections that offset General Fund otherwise required. The request includes \$164,000 reappropriated funds from indirect cost collections for R3 Data and Research Personnel Shore Up.

Recommendation Summary: The following table summarizes the staff recommendation. The appropriation annualizes prior year salary survey and merit pay amounts, consistent with Committee common policy. Three other request items or issues on which the Department request and staff recommendation differ are discussed in more detail below. These include:

- R3 DHE Data and Research Personnel Shore Up
- Staff-recommended funds to purchase Tableau Software
- Annualize prior year actions (H.B. 14-1319 annualization)

Colorado Commission on Higher Education, Administration, Administration	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Personal Services						
FY 2014-15 Appropriation	\$2,065,729	\$264,827	\$75,500	\$1,725,402	\$0	29.9
R3 DHE Data and Research Personnel Shore Up	100,000	100,000	0	0	0	0.0
Staff-recommended funds to purchase Tableau software	0	0	0	0	0	0.0
Annualize salary survey	45,302	0	0	45,302	0	0.0
Indirect cost adjustment	0	0	18,046	(18,046)	0	0.0
Annualize prior year actions	0	(264,827)	0	264,827	0	0.0
Annualize merit pay	14,087	0	0	14,087	0	0.0
Subtotal - Personal Services	\$2,225,118	\$100,000	\$93,546	\$2,031,572	\$0	29.9
Operating Expenses						
FY 2014-15 Appropriation	\$640,423	\$43,943	\$158,818	\$437,662	\$0	0.0
Annualize prior year actions	(27,601)	(43,943)	0	16,342	0	0.0
Subtotal - Operating Expenses	\$612,822	\$0	\$158,818	\$454,004	\$0	0.0
Other						
FY 2014-15 Appropriation	\$478,000	\$478,000	\$0	\$0	\$0	0.0
Staff-recommended funds to purchase Tableau software	40,000	40,000	0	0	0	0.0
Annualize prior year actions	(453,003)	(478,003)	0	25,000	0	0.0
Subtotal - Other	\$64,997	\$39,997	\$0	\$25,000	\$0	0.0
Total Recommended FY 2015-16	\$2,902,937	\$139,997	\$252,364	\$2,510,576	\$0	29.9

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Appropriation						
FY 2015-16 Executive Request	\$2,947,147	\$326,376	\$234,318	\$2,386,453	\$0	29.9
Request Above/(Below) Recommendation	\$44,210	\$186,379	(\$18,046)	(\$124,123)	\$0	(0.0)

➔ R3 Data and Research Personnel Shore Up

Request: The Department requests \$190,268 reappropriated funds to fund portions of existing positions which are funded with federal and grant dollars that are no longer available. The request provides partial or full funding for four positions as reflected in the table below:

Position Title	FY 14-15 DHE FTE	FY 15-16 RF FTE Request	FY14-15 Base Annualized Salary	FY15-16 RF Requested Salary	HLD DHE Share ¹	PERA Medicare DHE Share ²	FY 15-16 RF Requested Annual Benefit	FY15-16 RF Requested Compensation
Data Systems Engineer/Web Developer	1.0	0.3	60,000	18,000	1,970	3,321	5,291	23,291
Research and Policy Analyst	1.0	1.0	61,455	61,455	15,307	11,338	26,645	88,100
Director of Information Systems	1.0	0.5	78,000	39,000	7,740	7,196	14,936	53,936
Chief Research Officer	1.0	0.2	100,000	20,000	1,251	3,690	4,941	24,941

Total Requested Salary:	138,455
Total Requested Benefits:	51,813
Total RF Request:	190,268

¹ "HLD DHE Share" based on the actual DHE share of HLD in FY 14-15.

The request includes \$164,000 in the CCHE administration line item, with the balance for health/life/dental pots.

The request indicates that over half of the data and research FTE at the Department have been funded with grant funds since FY 2012-13. These grants are coming to an end and new grant resources are not available for FY 2015-16.

The request cites a wide array of responsibilities of the staff identified which could not be supported without additional funds. The request indicates that, "if this request is not funded, a significant amount of work the data and research team currently conducts at the department will cease." These initiatives include:

- District-at-a-Glance reporting – Shows, by district, the percentage of students in Colorado school districts who pursue postsecondary studies at Colorado public institutions;
- FAFSA completion initiative -- Provides feedback to school districts and the public on timely student completion of the Free Application for Federal Student Aid; and
- College Measures reporting and website – Provides data on earnings of graduates from Colorado institutions of public higher education for all students for whom employment data is reported to the Colorado Department of Labor. Shows earning by institution, degree, and area of study.

***Recommendation:* Staff recommends \$100,000, representing the request in part. Staff believes the Department’s data and research group does extremely important work and believes there is value in maintaining and even expanding its capacity. However the Department chose to use 1.0 new FTE added in FY 2013-14 for the data group to be used for a communications manager position. Staff believes that before approving any larger request for this item, the Committee should ask the Department to “comeback”, explain what occurred, and get a commitment from the Department that this will not occur again.**

In general this unit has a heavy workload. *The problem cited by the Department is that it substituted grant funds for state funds during recessionary cuts and is now unable to obtain replacement grants. Clearly much of the staff work identified that was previously supported by grants is based on state statutory requirements, and these are extensive in some areas.* The Department may also have taken on additional responsibilities from the institutions or workload related to its data capacity that isn’t strictly required by statute. However, the extent to which this drives this unit’s workload is still not clear to staff. (Staff suspects that some additional statutory directive related to the Department’s growing use of Department of Labor databases might be appropriate.)

Analysis:

Observations Supporting the Request

CCHE has statutory requirements related to linking and reporting data on the preschool to workforce continuum. Some of the functions the Department indicates will be lost without the additional funds appear to be clearly based in existing statute, such as provisions added in S.B. 13-053 promoting the exchange of K12 and higher education data. Some statutory authorization specifically tied to P12 work and labor force issues include:

- Analyze state workforce needs versus credential production in coordination with other agencies [23-1-130/repealed July 1, 2016]
- Support the “talent pipeline” workgroup and report [23-46.3-103]
- 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, precollegiate course requirements [23-1-119.1, 119.2]

- Coordinate with the Department of Education to exchange student records to provide students with relevant information concerning the transition from high school to college and university [23-1-119.3]
 - Report on concurrent enrollment [23-1-112] and reverse transfer [23-1-131]
 - Collect data and support development of the master plan and associated performance contracts [23-1-108, C.R.S.]
- In general, staff does believe that the **workload of the data and research group has grown substantially**. It does appear that the Department has taken on some state-driven workload applied “\$0” fiscal notes due to available state funds and may now find that it does not have sufficient resources as grant funds are gone. A number of bills have been adopted in recent years with a \$0 fiscal note, even though the related requirements now appear to have added to the work of the data and research group (e.g., S.B. 14-015 and S.B. 13-053). More data is available than ever before about the continuum from preschool through workforce, and the Department has done an admirable job of trying to use it to paint a picture of issues that are important to the General Assembly, postsecondary institutions, school districts, and the public. *This is a significant department function and, if it is valued by the General Assembly, it is appropriate to add resources for the data and research group, whatever the specifics of this request.*
 - Costs of this initiative will effectively be borne in the first year by the General Fund, but under the current system, about 75 percent of out-year costs will be borne in subsequent years by indirect cost recoveries from institutions of higher education. *The state is in a unique position to provide information that crosses institutional and preschool to workforce boundaries, and at least some of the highlighted initiatives e.g., promoting FAFSA completion—are doubtless of benefit to higher education institutions.*

Concerns Relating to Section 24-75-1305

- **Section 24-75-1305**, C.R.S., specifies that “the general assembly shall not make an appropriation of moneys from the general fund or from any other source of state moneys to fund a program, service, study, or other function of state government that was previously funded through grant moneys and that has not received adequate grant moneys to support the program, service, study, or other function of state government for the applicable fiscal year”. It also specifies that: “the general assembly may adopt legislation to reauthorize any program, service, study, or other function of state government that was previously funded through grant moneys and, if such legislation includes an appropriation from the general fund or any other source of state moneys and becomes law, may make an appropriation from the general fund or from any other source of state moneys to a state agency to oversee the program, service, study, or other function of state government. ”

Staff has spoken with the Office of Legislative Legal Services about this request. **It is not clear whether or not this request falls within the restrictions imposed by Section 24-75-1305 because it is unclear whether the portions of positions identified in the request should be treated as a single program or service—Department data and research generally—or as the support required to maintain a number of special initiatives that**

were previously supported by grant moneys that are no longer available. In a recent legal memo, OLLS differentiates between these two categories, concluding that if an activity was previously funded entirely by non-federal grant moneys it falls under 24-75-1305, while if not, the section does not apply. If “data and research” is a single program or service which has been supported by multiple funding sources, the provision does not apply; however, if specific programs (such as College Measures or District-at-a-Glance) are individual programs that were supported by grant moneys, the provision does apply.

The shortfalls identified in the Department’s request appear to be related primarily to the end of private grant funding provided by the Core to College grant from a consortium of donors coordinated by the Rockefeller foundation for District-at-a-Glance reporting and other P-20 work, although some of the shortfall may also be related to loss of federal funds. **Most of the Core to College private grant work seems to reflect work related to existing state statutory requirements.**

- **Because of the array of responsibilities borne by most of these staff, and the fact that there are state statutory requirements supporting much of the related work even if it was grant funded (i.e., the Department substituted grant funds for state funds during the downturn), staff feels that Section 24-75-1305 likely does not apply.**

Past History: How will the Department really use the additional funds?

- In FY 2013-14, the Department requested, and the JBC and General Assembly approved, an increase of \$150,772 for 2.0 new FTE described as a “research data analyst” and a “research communications analyst”. When staff asked about appropriate salary levels for these staff, the Department responded by citing reimbursement levels for institutional research staff. Staff’s understanding was that the new positions were to be added to the data and research division. However, after the funding was provided, the Department used the funding for the “research communications analyst” to hire a position it now describes as a “communications manager”, i.e., a person who is responsible for Department PR, distribution of press-clips and press-releases, who is not part of the data and research group. While staff has no doubt that this individual is capable and serves an important Department function, staff feels that there was an element of “bait and switch” in the FY 2013-14 request, i.e., that **the General Assembly previously intended to add 2.0 FTE in FY 2013-14 to address the needs of the data and research section but, in fact, only 1.0 was added to this unit while the other 1.0 FTE was used for another function—leading, in part, to the current request for an additional 1.0 FTE for data and research.**

➔ Staff recommended funds to purchase Tableau software

Request: The Department did not request this item.

Recommendation: **Staff recommends \$40,000 in FY 2015-16 and \$6,000 on an ongoing basis to purchase and maintain the Tableau software used for the H.B. 14-1319 model and an associated server. The Department hired the National Center for Higher Education Management Systems (NCHEMS) to build the funding allocation model as required pursuant to H.B. 14-1319.** The model was built on a software product known as Tableau, which is designed for effective manipulation and presentation of information drawn from databases. For the present, NCHEMS is hosting the Colorado model. NCHEMS has a more expensive license for the product which allows for unlimited use by the public, and it is apparently willing to host the Colorado for now, based on grant funds it has available. However, because NCHEMS—rather than Colorado—manages the model:

- **There have been significant delays associated with making changes** in the model that have been requested by both legislators and JBC staff. NCHEMS simply hasn't gotten to these requests in the time-frames needed by the legislative process, despite pressure from the Department.
- **NCHEMS charges on an hourly basis** for staff time required to make model changes. While the H.B. 14-1319 ongoing budget includes some funding for annual changes, it will likely be far more cost-effective for Colorado to make changes itself, given that H.B. 14-1319 also added new Department staff to work on financial issues.
- **For the long term, staff believes it will be beneficial for the quality of the model to have DHE staff who understand it thoroughly.** DHE staff are in a far better position than NCHEMS staff to recognize when a model result doesn't seem to make sense, given their knowledge about Colorado institutions.
- The Department has also indicated that the Tableau software may ultimately be extremely useful as a tool for displaying and analyzing some of the other, extensive, database information the Department collects and maintains through the SURDS system.

There are two options for purchasing Tableau:

Named User Pricing: \$750 per user (\$600 perpetual license / \$150 annual maintenance). Minimum of 10 users to start. Assuming 40 users (2 per governing board (20), DHE staff (6), OSPB (1), JBC staff and members (7), other (6)), this option would require \$40,000 in FY 2015-16 and \$6,000 annually in ongoing funds.

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Hardware Based Licensing: No limit on named users, limit on hardware capacity. \$150,000 per 8 Cores (\$120,000 perpetual license / \$30,000 annual maintenance). This option would require \$160,000 in FY 2015-16 and \$30,000 annually in ongoing funds.

Option #1: Named User Pricing		
\$750 per user (\$600 perpetual license / \$150 annual maintenance). Minimum of 10 users to start		
Item	FY 2015-16	FY 2016-17 and Ongoing
Purchase of Server (one-time)	\$10,000	\$0
User Cost	\$30,000	\$6,000
<i>Total</i>	<i>\$40,000</i>	<i>\$6,000</i>
Estimated # of users: 40		
(2 per governing board (20), DHE staff (6), OSPB (1), JBC staff and members (7), other (6))		
Option #2: Hardware based licensing		
Licensed by 8-Cores. No limit on named users, limit on hardware capacity.		
~\$150,000 per 8 Cores (\$120,000 perpetual license / \$30,000 annual maintenance)		
Item	FY 2015-16	FY 2016-17 and Ongoing
Purchase of Server (one-time)	\$10,000	\$0
License/Annual Maintenance	\$150,000	\$30,000
<i>Total</i>	<i>\$160,000</i>	<i>\$30,000</i>

The staff recommendation is for the lower-priced Option #1. However, the Committee should be aware that this option has a limit on the number of users and will not provide the public with the same level of access to the model as it does to the model posted by NCHEMS. The Department’s cost estimate, as shown above, assumes copies for the JBC members and staff, as well as limited numbers of department and university staff. Access to an active model could be provided to a few other legislative staff (e.g., education committee, economic or fiscal note staff) or legislators and could potentially be provided to individual members of the public upon request to the Department. However, this would be considerably less access than is currently available. *While staff is certainly supportive of public access, there’s no indication that large numbers of the public have interest in accessing an active version of the model, based on traffic to the current NCHEMS website.*

If the Department ultimately finds that the Tableau product is so strong that it would like to use the tool more broadly and make it available for display of extensive Department data on its website, the Committee could choose to fund an upgrade in the future. Staff understands that if you upgrade to the Hardware Based Licensing within 9 months you receive 75% of the original license credit. From 9-18 months you receive 50% and after 18 months the credit is 25%.

➔ Annualize prior year actions (H.B. 14-1319 – Outcomes Based Funding)

Request: The Department request eliminates \$460,394 of General Fund associated with H.B. 14-1319 to annualize one-time FY 2014-15 costs. The request reflected retaining the balance of

H.B. 14-1319 funding in the base as General Fund. Based on recent conversations with the Department, staff’s understanding is that this was intended to convey that this amount should not be included in the Department’s indirect cost collection plan.

Recommendation: The recommendation differs from the request in two respects. First:

- Staff notes that the annualization proposed removes less from the base than the amount reflected in the fiscal note (table below). Excluding “pots” costs, which are not appropriated in the first year per common policy, the total cost in FY 2014-15 was \$804,986 and was supposed to be \$306,170 in FY 2015-16, indicating that the **proper level of annualization in the CCHE line item would be a reduction of \$498,816 (a difference of \$38,422).**
- In addition, staff refinanced the balance of the amount as reappropriated funds from indirect cost collections. From staff’s perspective:
 - The new staff represents ongoing department staff who are part of overall administrative costs and who should therefore be included in an indirect cost collection calculation.
 - The base on which indirect costs are collected is a different issue from where such indirect cost collections are applied. If the Committee’s intent is that staff associated with H.B. 14-1319 should not be included in the indirect cost collection plan, staff suggests that a separate line item be broken out for this purpose.

Table 1. Expenditures Under HB 14-1319			
Cost Components	FY 2013-14	FY 2014-15	FY 2015-16
Personal Services	\$0	\$264,827	\$264,827
FTE	0.0 FTE	3.0 FTE	3.0 FTE
Operating Expenses and Capital Outlay Costs	0	16,959	2,850
Legal Services	0	18,216	0
Travel and other administrative expenses	2,207	26,984	13,492
Contract Services: Project Manager	18,000	78,000	0
Contract Services: Facilitator and Meeting Expenses	0	200,000	0
Contract Services: NCHEMS Model Construction	25,000	200,000	25,000
Centrally Appropriated Costs*	0	36,931	39,066
TOTAL	\$45,207	\$841,917	\$345,235

* Centrally appropriated costs are not included in the bill's appropriation.

(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

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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.

Request: The Department requests a continuing appropriation of \$676,094 cash funds and 7.8 FTE for this line item.

Recommendation: The recommendation is calculated consistent with Committee common policy and includes annualizing FY 2014-15 salary survey and anniversary amounts.

Colorado Commission on Higher Education, Division of Private Occupational Schools, Division of Private Occupational Schools	Total Funds	General Fund	Cash Funds	FTE
Personal Services				
FY 2014-15 Appropriation	\$483,747	\$0	\$483,747	7.8
Annualize salary survey	13,716	0	13,716	0.0
Annualize merit pay	4,823	0	4,823	0.0
Subtotal - Personal Services	\$502,286	\$0	\$502,286	7.8
Operating Expenses				
FY 2014-15 Appropriation	\$173,808	\$0	\$173,808	0.0
Subtotal - Operating Expenses	\$173,808	\$0	\$173,808	0.0
Total Recommended FY 2015-16 Appropriation	\$676,094	\$0	\$676,094	7.8
FY 2015-16 Executive Request	\$676,094	\$0	\$676,094	7.8
Request Above/(Below) Recommendation	\$0	\$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/>

Request: The Department requests a continuation level of \$137,000 reappropriated funds for this line item. The source of reappropriated funds is indirect cost recoveries.

Recommendation: Staff recommends the request for a continuation of \$137,000 reappropriated funds. The 15 member states of WICHE all pay the same dues. Member dues represent approximately a third of WICHE's budget, with the remainder coming primarily from grants and contracts. The last dues increase was in FY 2013-14.

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.

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. The Authority previously received a portion of the fees collected for the disposal of waste tires of about \$400,000 per year, but this provision repealed at the end of FY 2013-14.

The Authority has also been supported by statutory transfers of Limited Gaming Funds. Most recently, S.B. 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.

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		Calendar Year		
		2012	2013	2014
Balance Available January 1		\$ 2,299,401.42	\$ 3,770,292.87	\$ 4,404,599.61
Revenues				
	Waste Tire fee	393,752	411,108	191,152
	Limited Gaming Fund	1,546,919.40	2,100,000.00	2,100,000.00
	interest earnings	15,468.17	16,090.60	13,380.35
	Total Revenues	\$ 2,349,891	\$ 2,938,307	\$ 2,495,684
Disbursements				
Colorado State University				
	NSF Extreme Ultraviolet Engineering Research Center \$200,000 per year/two years			
	NSF Extreme Ultraviolet Engineering Research Center \$400,000 per year/4 years	0.00	400,000.00	400,000.00
	NSF Center for Multiscale Modeling of Atmospheric Processes (CMMAP) \$150,000 per year/5 years	0.00	300,000.00	150,000.00
Colorado School of Mines				
	Renewable Energy Materials Research Science and Engineering Center \$400,000 per year/6 years	400,000.00	400,000.00	400,000.00
	Engineering Research Center - Reinventing America's Urban Water Infrastructure \$400,000 per year/5 years	400,000.00	400,000.00	400,000.00
	NSF WSC Category 2 Collaborative \$75,000 per year/5 years	75,000.00	0.00	150,000.00
University of Colorado - Boulder				
	Soft Materials Research Center/Materials Research Scienc and Engineering Center \$400,000 per year/6 years	0.00	800,000.00	
	NSF MRSEC Soft Materials Research Center Liquid Crystal Frontiers; and, Click Nucleic Acid IRGs \$400,000 per year/6 years	0.00	0.00	400,000.00
	legal costs	0.00	0.00	0.00
	audit cost	4,000.00	4,000.00	8,250.00
	Total Disbursements	\$ 879,000	\$ 2,304,000	\$ 1,908,250
Balance Available at December 31		\$ 3,770,293	\$ 4,404,600	\$ 4,992,034

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 2015-16, 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.

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

Recommendation: Staff recommends the request for a continuation level of funding of \$285,000 total funds, including \$153,900 from indirect cost recoveries.

Enrollment/Tuition and Stipend Contingency

This line item previously provided spending authority that CCHE could transfer to any of the governing boards in the event that enrollment increases above projected levels, resulting in greater revenue than expected. The line item was included in the past because the statutes specified that the cash fund appropriations to the governing boards in the Long Bill represent a cap on the revenue higher education institutions may raise. If cash revenues reached the appropriation cap and there was no contingency, schools could be forced to either refund tuition or stop enrolling additional students.

Pursuant to S.B. 10-003, higher education governing boards are not bound by tuition appropriations in the Long Bill for five years, starting in FY 2011-12. **This line item is neither requested nor recommended for FY 2015-16 but may be required for FY 2016-17 when the General Assembly will once again appropriate tuition, based on current law.**

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.

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 it will likely take more time until there is any significant integration between the two entities.

- The CGS physically moved from Denver in September 2013 to a temporary location in Golden and then into a new permanent location just outside the main Mines campus in May 2014.
- Some staff chose to retire or leave during the transition, so several new staff were hired over the last year. Karen Berry, who had been serving as interim director, became the new State Geologist.

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 second of these required reports on December 1, 2014.

- The report confirmed that the CGS was continuing work in all areas identified in the MOU between the Department of Natural Resources and the Colorado School of Mines. These included work on geologic hazards, including assistance to local governments on such hazards, and related mapping activities.
- In addition, the report indicated that, due to the additional General Fund support initially provided in S.B. 13-230 and continued in H.B. 14-1336 (Long Bills), CGS was also engaged in activities related to mineral, energy, and water resources, including assisting local governments on mineral and energy issues, preparing related maps and bulletins, assisting the Oil and Gas Conservation Commission as needed, and conducting scientific studies of how geology affects and controls water resources.

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 declined 70 percent. (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 2014-15 budget was \$2.1 million, including \$1.5 million from the Operational Account and \$300,000 from the General Fund.)

Cash, reappropriated, and federal fund support also comes from the Colorado Departments of Public Safety and Transportation, the Colorado Water Conservation Board, the US Geological Survey, fees from local governments, and the US Department of Energy. The report identified a number of collaborating organizations, in addition to those above, including various cities, town, counties, and school districts, the State Engineer, the School of Mines, the University of Arizona, and NASA.

Request: The Department of Higher Education requests \$2,229,824 and 15.5 FTE, including \$411,494 General Fund and \$1,342,243 from the Operational Account of the Severance Tax Trust Fund for the Geological Survey at the Colorado School of Mines. The request includes an increase of \$101,477 General Fund and 1.0 FTE for R4 Geologic Hazard Mitigation FTE.

R4 Geologic Hazard Mitigation FTE

Request: The Department requests an increase of \$105,494 General Fund and 1.0 FTE to improve assistance to local governments and agencies on geologic hazard maps, providing post-disaster response and recovery technical assistance, and the provision of hazard planning technical assistance.

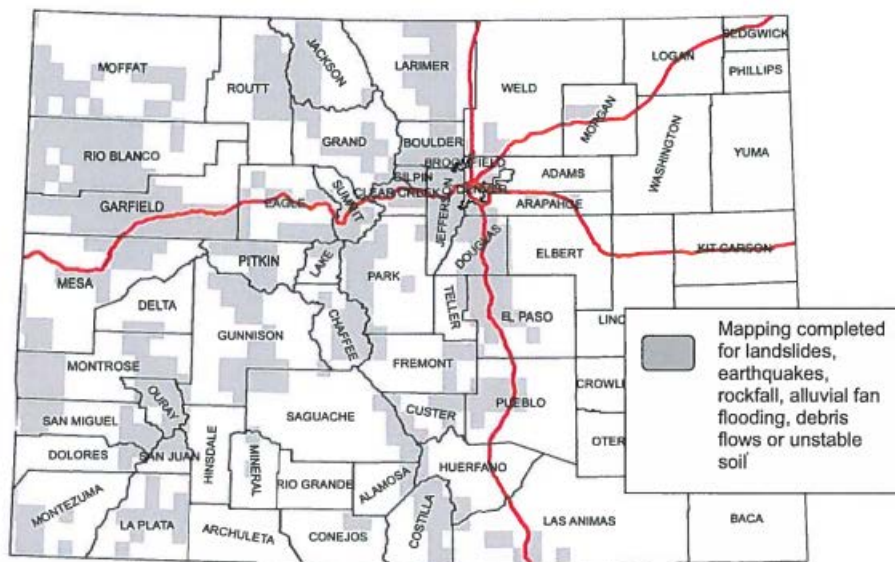
Background: One of the key statutory missions of the Colorado Geological Survey is to assess the vulnerability of people, state assets, and property to natural hazards and help reduce those risks. Approximately \$28 million in state assets are vulnerable to landslide, \$18.9 million of

assets are vulnerable to rock fall, \$87.4 million are at risk from potentially unstable soil, and \$2.3 billion in state assets are vulnerable to debris flow. In recent years, CGS disaster response and recovery work has taken over 2,000 hours per year.

Key Issues: The request focuses on several issues:

Need to map additional areas of the state at a detail level useful for hazard planning and mitigation: Geologic hazards are present throughout the State. As population increases in hazard prone areas, communities are more vulnerable to loss of life and economic damages from hazards. The map below, taken from the request, shows the status of planning level geologic hazard mapping. These maps are used by state emergency managers in responding to disasters and by local communities working to mitigate community risks.

Figure 1A: Status of Planning Level Geologic Hazard Mapping



Most hazard mapping was done prior to 2010 when CGS staffing levels ranged from 29.7 to 20 FTE, as opposed to the current 14.5 FTE. Only 30,000 acres were mapped in FY 2013-14. Resources to map additional areas have been limited by: (1) the increasing demands on staff to respond to disasters (see below); and (2) insufficient resources to pursue grants, which exacerbates lower levels of state funding.

Disaster response staffing: There has been an increase in demand for disaster response and recovery support. From 2006 to 2010, CGS responded to two disasters with geological hazards. Since 2010, CGS has responded to 12 disasters, including five Presidential Disasters. The

majority of CGS response relates to wildfires, which have been increasing. Flash flooding, landslides, debris flows and rockfall occur in the aftermath of fire.

- CGS was closely involved in response to the September 2013 flooding disaster. Emergency surveys indicated that soils, fractured bedrock, and boulders on many slopes were loosened by the rainfall. CGS evaluated the susceptibility of Boulder and Larimer to landslides and debris flows using new mapping and modeling techniques, and these maps are now being used by federal, state and local recovery and land use planners.
- CGS was also deeply engaged in responding to the May 2014 landslide in the West Salt Creek Valley in Mesa County that resulted in three fatalities. There are significant ongoing risks from earth deposits that have obstructed creek flows and resulted in the formation of a lake. The CGS provides ongoing mapping, monitoring, evaluation to the county on these threats.
- However, CGS has been unable to respond to more than one disaster at a time. Thus, it was unable to promptly assist Chaffee county regarding a rock slide when CGS staff were responding to the Boulder county flooding emergency.

Sufficient staff to work with local communities on risk mitigation planning: CGS receives 10-20 requests per year from city and county officials to help them create or update natural hazard elements of their land use and emergency plans. Before recent cuts, CGS provided some technical support for these activities, but it now has very limited resources to do so. Most counties with significant private and public investment in housing are also located in areas with significant geologic hazards. Building disaster resilience into land use plans will help limit losses and protect public safety.

Staff analysis and recommendation: **Staff recommends the requested increase.** Pursuant to Section 23-41-202 (2), C.R.S.:

“It is the intent of the General Assembly that the Colorado Geological Survey place primary emphasis on the statutory objectives of recognition of geologic risks affecting public health and safety....”

Amounts from the Operational Account of the Severance Tax Trust Fund, transferred with the CGS to the School of Mines, were intended to support the geologic hazard mapping function on the grounds that this was the most important public service provided by the CGS. However, given the recent uptick in natural disasters in the State, it seems that the resources transferred may not have been sufficient. The chart below compares the current and previous geologic hazard resources at the CGS and reflect the loss of mapping staff related to the overall downsizing of CGS.

The table below provides an overall comparison of the size of CGS before and after the transfer to the School of Mines.

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	Total	General Fund	Cash Funds		Reappropriated Fees from state agencies	Federal Funds
			Severance	Other CF		
Department of Natural Resources (FY 2012-13)*	\$4,428,639	\$0	\$2,203,056	\$791,544	\$457,235	\$976,804
Colorado School of Mines (FY 14-15)	2,124,330	306,000	1,342,243	135,542	50,000	290,545
	(2,304,309)	306,000	(860,813)	(656,002)	(407,235)	(686,259)

*Excluding double-counted indirect costs

The vast majority of staff transferred to the School of Mines were focused on hazard activities, and this continues to CGS's primary focus. However, the FTE able to focus on hazard mapping dropped disproportionately as the overall operation downsized.

	FTE Equivalents Engaged in Geological Hazard Work (includes mapping) or Related Tasks	FTE Equivalents Engaged in Hazard Mapping or Related Tasks
FY12 Prior to CGS Transfer	15.5	8.5
CGS Transferred to Mines	10.5*	2.5
*50% or more of tasks related to geologic hazards		

It might be most appropriate to increase funding from the Operational Account to support the CGS. This is a Tier I Operational Account program—the only one now outside the Department of Natural Resources. However, given the extreme variability of Severance Tax resources, and the likelihood that revenue will plunge in FY 2015-16, the request to instead fund 1.0 additional FTE from the General Fund seems reasonable.

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

Colorado Commission on Higher Education, Special Purpose, Colorado Geological Survey at the Colorado School of Mines						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Personal Services						
FY 2014-15 Appropriation	\$1,713,684	\$300,000	\$1,157,948	\$43,000	\$212,736	14.5
R4 Geologic Hazard Mitigation FTE, CGS at Mines	99,841	99,841	0	0	0	1.0
Subtotal - Personal Services	\$1,813,525	\$399,841	\$1,157,948	\$43,000	\$212,736	15.5
Operating Expenses						
FY 2014-15 Appropriation	\$410,646	\$6,000	\$319,837	\$7,000	\$77,809	0.0
R4 Geologic Hazard Mitigation FTE, CGS at Mines	5,653	5,653	0	0	0	0.0
Subtotal - Operating Expenses	\$416,299	\$11,653	\$319,837	\$7,000	\$77,809	0.0
Total Recommended FY 2015-16 Appropriation	\$2,229,824	\$411,494	\$1,477,785	\$50,000	\$290,545	15.5
FY 2015-16 Executive Request	\$2,229,824	\$411,494	\$1,477,785	\$50,000	\$290,545	15.5
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Staff also notes that, in a change from FY 2014-15, the Department has included “pots” for CGS in its overall pots calculations. Thus, despite the move to the School of Mines, this program is being treated more like a typical state-operated program than like a part of a higher education institution. *Staff believes this is appropriate* given that much of the focus of CGS involves serving the public and working with local officials in a way that is quite different from a typical university research group. *Staff continues to hope that, in the future, CGS becomes better integrated into the School of Mines. However, this currently seems likely to be a rather slow process.*

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.

Position	FTE
Pre-Collegiate Advisors	25.5
College Advisors	8.0
Management Team	5.0
Data Staff Support	0.6
Total GEAR-UP FTE	39.1

Request: The Department requests \$5,052,318 federal funds and 39.1 FTE shown for informational purposes. This includes annualizing FY 2014-15 salary and merit amounts

Recommendation: Staff recommends a continuation of \$5,000,000 federal funds and 39.1 FTE shown for informational purposes. Staff anticipates that salary increases will need to be absorbed within the base grant amount; the requested adjustments do not reflect a true increase in the overall \$5.0 million grant.

Colorado Opportunity Scholarship Initiative Fund

This program was added through H.B. 14-1384. The Department's requested the funding in this section of the Long Bill. However, staff believes it is more appropriately located in the Financial Aid section below. For ease of comparison, staff has moved both the request amount and the staff recommendation to the CCHE Financial Aid, Special Purpose section.

(3) Colorado Commission on Higher Education Financial Aid

Of the state General Fund appropriations for higher education in FY 2014-15, \$152.7 million (20.0 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 there are also a number of smaller, special purpose financial aid programs. The General Assembly appropriates financial aid funds to the CCHE, 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.

State appropriations represent only a fraction of the total financial aid available. 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 \$5,645 per eligible student in FY 2013-14 and up to \$5,730 in FY 2014-15. **In FY 2013-14, 35% of Colorado resident student FTE received a Pell grant.** 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. The chart below, from the Department’s 2014 Financial Aid report shows total aid awarded in the State. (Note that this includes awards at some non-public institutions.)

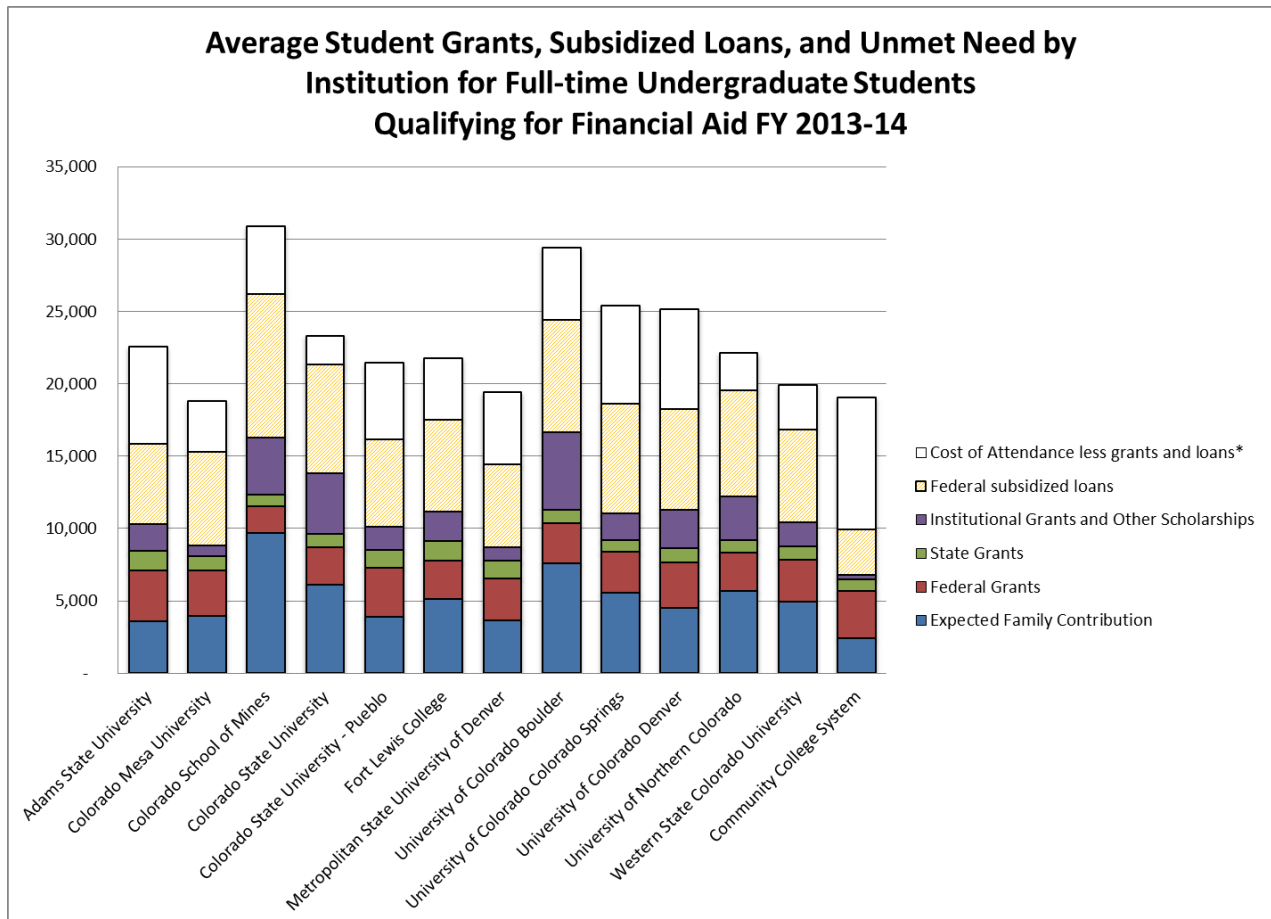
<i>Type of Aid</i>	<i>Amount</i>
Institutional	518,170,233
Federal	394,016,729
State	112,350,187
Loans	1,107,743,367
Other	86,852,890
Total	2,219,133,406

Students may also receive grants from the higher education institutions they attend. Some institutions make significant funds available from their operating budgets and donated funds, while others offer far less, based on moneys available and the number of students who qualify for institutional aid. **More than two-thirds of institutional aid is directed to merit-based aid and about half of this is for non-residents.** In FY 2013-14, 35 percent of all institutional aid was merit-based aid for non-resident students and an additional 2 percent was need-based aid for non-residents, while 37 percent was merit-based aid for resident student and 25 percent was need-based aid for resident students.

Financial aid pays for expenses related to room, board, transportation, student fees, and learning materials, in addition to tuition. Depending on the institution, these other costs of attendance may dwarf the price of tuition. The total cost of attendance for a resident student in FY 2013-14, including room and board and fees, ranged from just over \$17,000 at some rural community colleges to over \$30,000 at the Colorado School of Mines.

In order to fill the gap between cost of attendance and available grant funds, students typically rely on loans. In addition to grant funds, the federal government provides low-interest guaranteed loans and tax credits and deductions for tuition. **Seventy percent of students completing a bachelor’s degree from a public institution graduated with debt in FY 2013-14, and the average debt at graduation was \$26,057. Sixty-five percent of students completing an associate’s degree from a public institution graduated with debt in FY 2013-14, and the average debt at graduation was \$14,344.**

The following chart compares grants awarded in FY 2013-14 to full-time students and loans taken out by these students versus the average cost of attendance at each governing board.



*Unmet need as calculated by federal formula. 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 formula calculates, by additional earned income or savings, or by private unsubsidized loans taken out by the student or family.

FY 2013-14 Percentage FTE Pell Eligible (New Methodology)*		
	Pell Eligible Resident FTE	Percentage of Total Resident Undergrad FTE
Adams State University	809	53.3%
Colorado Mesa University	2,644	39.7%

FY 2013-14 Percentage FTE Pell Eligible (New Methodology)*		
	Pell Eligible Resident FTE	Percentage of Total Resident Undergrad FTE
Colorado School of Mines	602	20.8%
Colorado State University	4,267	26.3%
Colorado State University - Pueblo	1,533	45.7%
Fort Lewis College	664	31.2%
Metropolitan State University of Denver	6,087	37.9%
University of Colorado Boulder	3,354	22.4%
University of Colorado Colorado Springs	2,379	34.5%
University of Colorado Denver	2,683	36.7%
University of Northern Colorado	2,634	34.9%
Western State Colorado University	448	33.4%
Community College State System	20,409	38.7%
Aims Community College	1,460	43.8%
Colorado Mountain College	669	22.8%
Total	50,641	34.7%

*Note that Department has changed its methodology to more precisely compare Pell-eligible FTE hours with total FTE hours. Therefore, figures shown are not comparable to prior years

For FY 2014-15, the General Assembly provided a substantial increase in state funding for financial aid: \$41.3 million General Fund (37.0 percent). This increase will have a significant impact for some students, although the overall demand for aid will still far outstrip available funding.

During the 2014 session, the General Assembly also adopted H.B. 14-1384, creating the Colorado Opportunity Scholarship Initiative Fund (COSI). The bill provided a \$33.4 million transfer to the Fund from the CollegeInvest Financial Need Scholarship Fund and a \$1.0 million appropriation. Amounts in the Fund are continuously appropriated to COSI. The goals of COSI are to award scholarships or grants using a method that emphasizes student commitment to academic achievement, develop the connections and community partnerships to ensure Colorado students have the support necessary to enter a postsecondary opportunity, and to match non-profit and private contributions to COSI.

Statutory Guidance on 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.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Colorado Commission on Higher Education Financial Aid						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$112,093,098	\$111,747,922	\$0	\$345,176	\$0	0.0
Other legislation	<u>41,000,000</u>	<u>41,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$153,093,098	\$152,747,922	\$0	\$345,176	\$0	0.0
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$153,093,098	\$152,747,922	\$0	\$345,176	\$0	0.0
Increase need based financial aid	22,000,000	22,000,000	0	0	0	0.0
R2 Colorado Opportunity Scholarship Initiative	5,000,000	5,000,000	0	0	0	0.0
R5 Fort Lewis Native American Tuition Waiver	1,315,637	1,315,637	0	0	0	0.0
Indirect cost adjustment	<u>0</u>	<u>(179,193)</u>	<u>0</u>	<u>179,193</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$181,408,735	\$180,884,366	\$0	\$524,369	\$0	0.0
Increase/(Decrease)	\$28,315,637	\$28,136,444	\$0	\$179,193	\$0	0.0
Percentage Change	18.5%	18.4%	0.0%	51.9%	0.0%	0.0%
FY 2015-16 Executive Request:	\$184,262,213	\$183,917,037	\$0	\$345,176	\$0	0.0
Request Above/(Below) Recommendation	\$2,853,478	\$3,032,671	\$0	(\$179,193)	\$0	0.0

Issue Descriptions

Increase need based financial aid: The recommendation includes an increase of \$22.0 million for need based financial aid. This exceeds the \$17.2 million required to comply with Section 23-3.3-103, C.R.S., which requires increases in annual appropriations for student financial assistance at least consistent with increases for the governing boards. Staff recommends this higher figure, given the large gap between financial aid available and student need.

Colorado Opportunity Scholarship Initiative: The request included \$30.0 million for this initiative created in H.B. 14-1384. Staff has recommended \$5.0 million to reflect ongoing interest in this initiative. However, staff believes a further increase is premature, given that this is a new initiative which does not yet have a track-record.

R3 Fort Lewis College Native American Tuition Waiver: The recommendation includes an increase of \$1,315,637 General Fund for the Fort Lewis College Native American tuition waiver. This 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.

Indirect cost and fund source adjustments: The recommendation includes adjustments for anticipated indirect cost collections, resulting in a decrease in General Fund required. This amount may be subject to further adjustments pending Committee decisions on some centrally-appropriated line items.

INITIATIVES AFFECTING OVERALL STATUTORY COMPLIANCE FOR FINANCIAL AID APPROPRIATIONS

➔ Staff Recommendation: Increased Financial Aid for Colorado students

Section 23-3.3-103, C.R.S., requires annual financial aid increases aligned with increases in funding for the governing boards.

23-3.3-103 (1) The annual appropriations for student financial assistance under this article shall increase by at least the same percentage as the aggregate percentage increase of all general fund appropriations to institutions of higher education.

Student financial assistance codified in Article 3.3 of Title 23 includes: need-based aid, merit-based aid, work-study, assistance to national guard members and to dependents of deceased or disabled national guard members and first-responders), and the Colorado Opportunity Scholarship Initiative Fund.

The executive request proposed that the JBC provide a statutory waiver of Section 23-3.3-103, C.R.S., for FY 2015-16 only. Staff brought this proposal to the Committee in early February and Committee indicated it was not interested in sponsoring a bill to this effect.

In light of this, staff anticipates that the Committee will make *appropriations* for financial aid at least consistent with the requirements of statute. The chart below shows the increase recommended, based on the staff recommendation for the governing boards. **Note that the calculations below reflect amounts BEFORE any increases for financial aid are applied.**

Financial Aid Funding Required by 23-3.3-103 (1), C.R.S.		
	FY 2014-15 Appropriation	FY 2015-16 Recommend
Governing Board GF appropriations		
Stipends for students at public institutions	\$294,582,047	\$294,582,047
Stipends for students at private institutions	1,506,375	1,506,375
Fee-for-service contracts	287,712,437	350,754,641

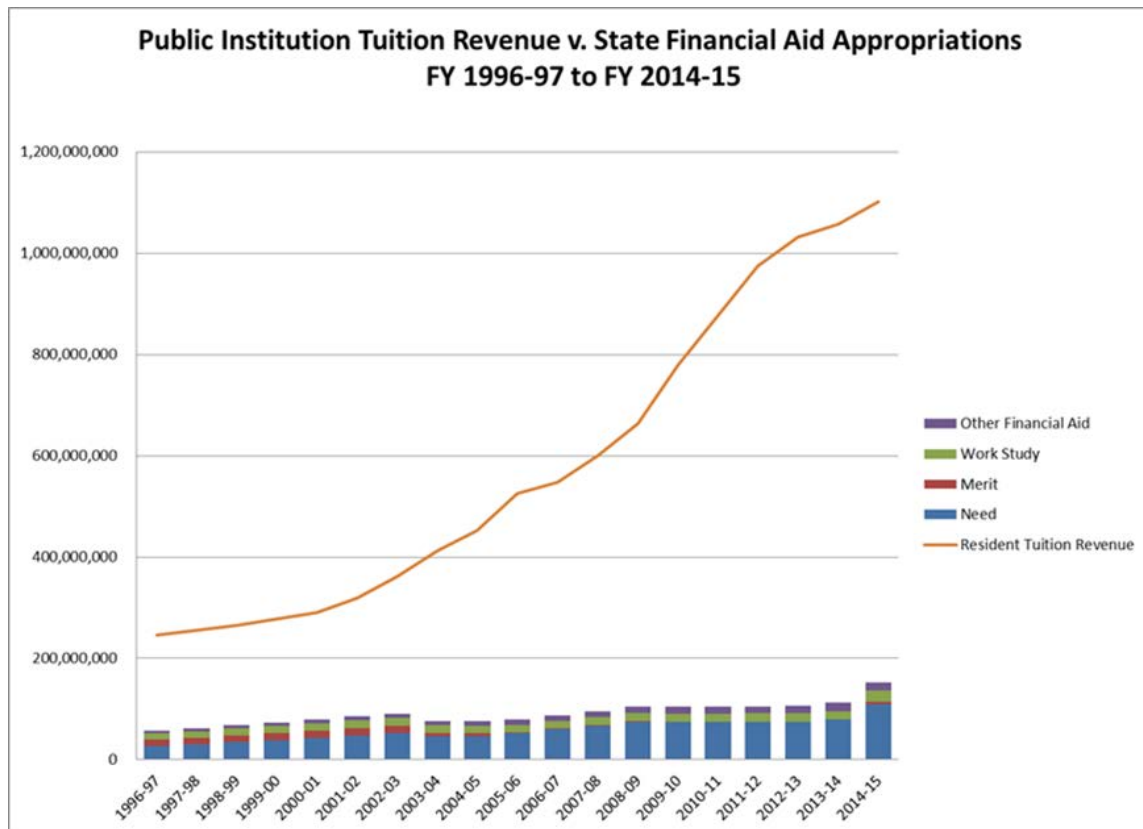
Financial Aid Funding Required by 23-3.3-103 (1), C.R.S.		
	FY 2014-15 Appropriation	FY 2015-16 Recommend
Strategic Performance Investment Program (S-PIP)*		10,000,000
Local district junior colleges	14,044,591	15,590,490
Area vocational schools	8,983,694	9,972,536
Total	\$606,829,144	\$682,406,089
Increase over prior year		\$75,576,945
Percentage Increase in Gov Board GF appropriations		12.45%
Financial Aid (authorized in article 3.3 of Title 23)		
Need based	\$109,346,789	\$109,346,789
Work study	21,432,328	21,432,328
Merit based	5,000,000	5,000,000
Veterans/Law Enforcement/POW	672,000	672,000
National Guard	800,000	800,000
Colorado Opportunity Scholarship Initiative (COSI)	1,000,000	1,000,000
Total	\$138,251,117	\$138,251,117
Increase over prior year (as requested)		0
Percentage Increase required by 23-3.3-103 (1) if Gov Board Rec. approved		12.45%
Additional Dollar Increase Required for Financial Aid per 23-3.3-103		\$17,218,351
Background: Requested Transfer for COSI		\$30,000,000
<i>Reserve required on \$30.0 million if appropriate to COSI or other financial aid instead</i>		<i>\$1,950,000</i>

* Could be excluded depending upon S-PIP language. If so, only \$14,940,096 required.

The required increase for financial aid could be applied to a number of different programs, *including* the Colorado Opportunity Scholarship Initiative. However, **because staff does not anticipate that COSI will provide any scholarships until the spring of 2016, and it is unclear how large any such scholarships would be, staff feels it is more consistent with the spirit of Section 23-3.3-103 to provide an increase for the kinds of financial aid programs historically supported by the General Assembly. [Additional information on the COSI request is included in a discussion of that request, below.]**

Staff recommends a \$22,000,000 increase for Need Based Aid. Need based aid is allocated by CCHE using a formula based on the number of Pell-eligible individuals at each institution and provides an increasing level of funding depending upon whether the student is a freshman, sophomore, junior, etc., with a reduced amount for “super-seniors”. While institutions have flexibility in how they apply the funds among needy students, but this helps provide an institutional incentive to move students through the educational pipeline.

- The cost-of-attendance has increased substantially at state institutions over the last ten years. Tuition and fees at public higher education institutions have more than doubled, increasing by an average of 8 to 12 percent per year at four year institutions and at an average of 6.2 percent per year at state system community colleges. This is far faster than the Denver-Boulder-Greeley consumer price index of about 2.3 percent per year.
- 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. As indicated in the Department’s financial aid report, seventy percent of students completing a bachelor’s degree from a public institution graduated with debt in FY 2013-14, and the average debt at graduation was \$26,057. Student loan debt for students at two year institutions is also high, and loan default rates exceeding 30 percent at some community colleges (Lamar, Otero, and Pueblo) have threatened these institutions’ accreditation.² Costs of higher education and resulting student debt-loads (now at \$1.2 trillion) have prompted widespread concern about the implications both for students and the economy as a whole.³



- As reflected in the charts at the beginning of this section, even for students who qualify for need-based aid, the average net cost of attendance at Colorado public institutions are exceeds

² See federal website: http://www.nsls.ed.gov/nsls_SA/defaultmanagement/search_cohort_3yr2010.cfm

³ See, for example, *Consumer Financial Protection Bureau, Student Loan Affordability: Analysis of Public Input on Impact and Solutions*, May 8, 2013. <http://www.consumerfinance.gov/reports/student-loan-affordability/>

assistance provided. After grant assistance, most students qualifying for aid typically face costs of \$10,000 per year or more, much of which is met through loans.

- 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.⁴ Further, studies have shown that providing need-based aid increases the odds of enrollment, retention, and graduation of lower-income students in higher education.⁵
- 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 populations. As indicated in the Master Plan, Colorado has historically done a poor job of supporting this population, which is disproportionately minority, through the educational pipeline.⁶
- Although institutional aid has grown along with tuition, the majority of institutional aid is directed to merit-based aid, which disproportionately benefits wealthier students.⁷ In Colorado, two-thirds of institutional aid awarded is for merit aid, with about half of this amount going to non-resident students.
- Staff considered recommending an increase for work study. However, *according to the Department, it would be difficult for institutions to absorb an additional increase in work study jobs after last year's increase.*

R2 Colorado Opportunity Scholarship Initiative

Request: The Department requests a \$30,000,000 General Fund increase to **transfer** to the Colorado Opportunity Scholarship Initiative (COSI) Fund, created in H.B. 14-1384. This initiative seeks to build a funding corpus composed of public and private funds that will fund scholarships for gifted low-income students who might not otherwise pursue or complete higher education. The scholarships will link the funding to programs and organizations that provide support services for these students.

The request emphasizes:

⁴ 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>

⁵ See for example, http://gseacademic.harvard.edu/~longbr/Castleman_Long_-_Looking_Beyond_Enrollment_-_draft_Oct2012.pdf

⁶ http://higher.ed.colorado.gov/Publications/General/StrategicPlanning/MasterPlan2012/Master_Plan_Final.pdf

⁷ 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

- Increases in costs for postsecondary education, growing student debt loads, and concern that, **without additional support, gifted low-income students will be deterred from seeking postsecondary education.**
- **Unlike regular student aid, COSI holds the hope of leveraging private dollars.** The request indicates that it will “instill additional confidence in the State’s commitment to this program and leverage tens of millions of dollars from the non-profit and private communities consistent with the legislative intent of H.B. 14-1384.”
- Given the volatility of state revenues, **“the Department believes that a certain portion of General Fund should be used to seed a corpus that could be sustainable through the down years.”** The initiative’s financial projections rely upon sizeable annual investment to reach a goal of a \$500 million corpus by 2024. According to the request’s calculations and assumptions:
 - Starting in 2016, the program seeks to grow the amount of tuition assistance available to entering students by \$12.0 million. By 2020, this would grow the total scholarship distribution to nearly \$60 million to all participating student cohorts.
 - **The proposal assumes the legislature will put up \$30.0 million each year to incentivize and leverage \$30.0 million to \$50.0 million in private commitments to postsecondary education scholarships.** *[Note this clarification to previous staff statements; it does appear that the Executive hopes to ask for amounts on this scale on an annual basis]*
 - In the current fiscal year, incentivized private contributions are projected to be in the \$15 to \$20 million range.

Recommendation: Staff recommends an increase of \$5.0 million for COSI to reflect the General Assembly’s ongoing interest in the program and to replenish the Fund from amounts spent in FY 2014-15 for grants to programs that assist and encourage students in the transition to postsecondary education.

- Additional funding should allow the Department to cover administrative costs and to provide grants to organizations in FY 2015-16 at approximately the same level as in FY 2014-15.
- **While staff appreciates the grand vision behind this initiative, staff is uncomfortable recommending more than this, in light of the program’s lack of a track record.** If the program is able to demonstrate, by next year, that it has been able to bring major new donors to the table for scholarships, ongoing, significant funding may seem more appropriate.
- The Department has emphasized that moneys directed to COSI may be viewed as a kind of “reserve” that will not be spent unless matching donations are forthcoming, but it’s not clear to staff that it’s reasonable to further grow this reserve until there is some indication of significant private support. *A recent program update indicates that The Colorado Quarterly Forum has made the first financial commitment to the initiative in the amount*

of \$1 million over the next ten years and “we are confident that we will soon report similar initiatives and commitments.”

- Because this is a new initiative, it is too early to determine the initiative’s likelihood of success or long-term sustainability. The bill requires the COSI board submit to the director any recommendations the board has for the General Assembly by May 30, 2015, and that the director of the initiative report these recommendations to the Education Committee of the House and Senate by June 30, 2015—after the end of the 2015 legislative session. While the program has already launched in FY 2014-15, it is still in its infancy.
- In general, **staff believes there is great value to the kinds of student success programs the initiative plans to support.**
- **Staff is more skeptical that the State will be able to build an effective corpus for scholarships that will be maintained over the long term.** This is for several reasons:
 - **Staff is doubtful that private philanthropy will fill the COSI coffers based on the state’s difficulty raising private funds to renovate the Capitol dome** and various other initiatives that were expected to be supported with “gifts, grants, and donations”. State support may certainly help stimulate private investment and may draw some matching private funds for scholarships; however staff is uncertain whether private donors will be willing to contribute directly to a state-controlled scholarship fund. *In general, raising substantial private funds requires significant institutional capacity.* Staff is uncertain whether the State can muster this.
 - In recessions, the General Assembly has typically transferred cash fund balances to the General Fund. Unless an effective mechanism is put in place that will prevent this happening to COSI funds, there is a risk that the State will make long-term scholarship commitments it is unable to keep.

Additional Background: *Because this initiative is not well known or understood, staff has included additional background, below.*

House Bill 14-1384: House Bill 14-1384 (Pettersen & McNulty/Ulibarri & Crowder) created the Colorado Opportunity Scholarship Initiative. Staff understands that this 2014 legislation was the product of the Governor’s interest in programs that support high achieving low-income students and bipartisan negotiations to shape a program that would receive support from both parties.

The bill included a significant amount of initial funding--\$34.6 million--and rather broad statutory guidelines.

As outlined in the legislative declaration, the goals of the bill were to:

- “**Award scholarships or grants** based upon a rigor-based method that emphasizes student commitment to academic achievement and successful placement in the workforce and ensuring that participating students and institutions be held accountable through measurable outcomes; and
- “**Develop the connections and community partnerships necessary to ensure that every Colorado student has the support needed** to enter a postsecondary opportunity, persist and succeed, and enter his or her desired position in the workforce.”
- “**Match non-profit and private financial contributions** to the Colorado opportunity scholarship initiative with annual contributions from the general fund so that a sustainable corpus is created to fund scholarship awards in future years.”

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 Colorado Opportunity Scholarship Initiative (COSI) Fund, created by the bill, received an **appropriation of \$1.0 million General Fund for FY 2014-15 and a transfer of \$33.4 million from the CollegeInvest Financial Need Scholarship Fund** (where these moneys had been sitting for some time). Moneys in the COSI Fund are continuously appropriated to the Department. The bill required:

- 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 identifies multiple criteria for evaluating the effectiveness for the initiative in improving higher education outcomes, ranging from reductions in remediation rates to fulfillment of local workforce needs.

Evolving Plans for COSI as Reflected in Project Activities to-date

Phase I: Improve and Grow Student Success Programs. In December 2014, COSI awarded \$3.4 million (ten percent of the FY 2014-15 corpus, as permitted in the legislation) for 28 proposals to increase the availability and implementation of effective student support services and associated programming to ensure success for Colorado students in postsecondary education and degree attainment.

Combined, the programs expected to serve 20,000 students. Programs selected included a variety of models existing and new initiatives sponsored by government and nonprofit entities located throughout the State (about half outside the Denver metro area). Some are targeted at high school students and helping them orient toward college, including through concurrent enrollment, others focus on assisting students who are new to college and helping them retain; many are focused on both of these and helping students on both sides of the transition from high school to college, with assistance including mentoring, scholarships, and summer programs. Programs were selected out of 76 applications requesting a total of \$18.5 million,

Phase 2: Leverage public dollars and savings to build a sustainable corpus that can award scholarships to Colorado residents. The program indicates that it will be targeting students with incomes up to 150 percent of Pell eligible and who participate in a rigor-based student success program (such as those that will be funded through the grant programs above). The Department reports that assuming financial goals are met, the first scholarships will be awarded in spring 2016. The program currently hopes to stimulate private contributions by offering a 30 percent match for each private dollar contribution. It has projected that, at its peak, the program could award 3,000 students with scholarships covering about 15 percent of their costs.

Some Inspirations for H.B. 14-1384:

Retention Literature, Denver Scholarship Foundation, GEAR UP

Colorado and other states continue to struggle to bring low-income, first-generation, and minority students into higher education and to successfully retain and graduate them from higher education institutions. Research shows that to successfully help such students, a multi-pronged approach is needed:

- Middle- and high-school students whose parents did not attend college need to understand that college *can* be for them. They need appropriate academic preparation, but they also need to understand how to apply to college and how to seek scholarships and financial aid.

- Even after students have been admitted to college, special programs are often needed to keep them there. This includes helping to integrate into campus life, getting them to seek help when they face academic challenges, and ensuring that they have access to sufficient financial assistance so that the financial demands of work and family don't cut their college aspirations short. Studies have shown that a combination of academic and non-academic factors support drive college retention, including factors such as academic self-confidence and social support.⁸

There are a variety of programs in Colorado and the nation designed to help students who might not otherwise seek a postsecondary education to pursue and persist in college. The Denver Scholarship Foundation's (DSF) program and GEAR UP are two examples of such programs.

GEAR UP is a federally-funded program operating out of the Colorado Department of Higher Education. The program is located in over 30 middle and high schools throughout the state and targets low-income students whose parents did not attend college. Students who are accepted into the program receive on-site counseling services, "early remediation" classes which eliminate the need for remedial classes in college, concurrent enrollment classes in high school, college scholarships, and mentoring support once in college. These students graduate high school (87%), enroll in college (84%) and persist in college (81%) at much higher rates than peers who don't receive these services. The program costs about \$4,000 per student per year, about half of which goes to scholarships.

The Denver Scholarship Foundation is a private, non-profit organization which assists Denver Public School students to achieve their postsecondary goals. The program places staff in Denver high schools to mentor students, provides scholarships, and works closely with postsecondary institutions to ensure that they provide services to meet the needs of DSF students. This includes special orientation programs, learning communities, peer tutor-mentors, and faculty mentors, all of whom help keep DSF students on-track to graduate college.

COSI staff note that while there are multiple programs to support students in Colorado, such programs do not exist in all parts of the state. Furthermore, there is no good central repository with information on these kinds of programs that might help students learn where to get assistance and might help the state understand which kinds of programs are most effective. This is something COSI hopes to remedy.

⁸ Lotkowski, Robbins, and Noeth, "The Role of Academic and Non-Academic Factors in Improving College Retention, ACT Policy Report, 2004.

(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 FY 2014-15 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 2013-14, the program serviced 59,696 students with an average award of \$1,324.*

Request: The Department requests a continuation level of \$109,346,789 including \$109,009,613 General Fund and \$345,176 in indirect cost recoveries that offsets General Fund otherwise required.

Recommendation: As discussed above, the staff recommendation includes a General Fund increase for Need Based Aid and a \$179,193 adjustment to further offset General Fund with indirect costs.

Colorado Commission on Higher Education Financial Aid, Need Based Grants, Need Based Grants					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	79,346,789	79,001,613	0	345,176	0.0
Other legislation	30,000,000	30,000,000	0	0	0.0
TOTAL	\$109,346,789	\$109,001,613	\$0	\$345,176	0.0
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$109,346,789	\$109,001,613	\$0	\$345,176	0.0

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Colorado Commission on Higher Education Financial Aid, Need Based Grants, Need Based Grants					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
Increase need based financial aid	22,000,000	22,000,000	0	0	0.0
Indirect cost adjustment	0	(179,193)	0	179,193	0.0
TOTAL	\$131,346,789	\$130,822,420	\$0	\$524,369	0.0
Increase/(Decrease)	\$22,000,000	\$21,820,807	\$0	\$179,193	0.0
Percentage Change	20.1%	20.0%	0.0%	51.9%	0.0%
FY 2015-16 Executive Request:	\$109,346,789	\$109,001,613	\$0	\$345,176	0.0
Request Above/(Below) Recommendation	(\$22,000,000)	(\$21,820,807)	\$0	(\$179,193)	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 2013-14, the program served 7,361 students with an average amount of \$2,332 per student.*

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.

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.

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**. Current funding is based on an FY 2013-14 estimate of 66 students at an average \$10,167 per student. Historically, funding for this program has run short, and it is possible that this could occur again in FY 2015-16. However, pursuant to the financial aid statute, 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 have been authorized through the Governor's transfer authority (for like-purposes, up to \$5.0 million; Section 24-75-108, C.R.S.). The Department does not anticipate any shortfall will exceed the 10 percent transfer authority.

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.

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.

Request: The Department requests an appropriation of \$16,011,096 General Fund for this line item, including an increase of \$1,169,115 for R5 (Fort Lewis College Native American Tuition Waiver).

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

Colorado Commission on Higher Education Financial Aid, Special Purpose, Native American Students/Fort Lewis College	Total Funds	General Fund	Reappropriated Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	14,841,981	14,841,981	0	0.0
TOTAL	\$14,841,981	\$14,841,981	\$0	0.0
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$14,841,981	\$14,841,981	\$0	0.0
R5 Fort Lewis Native American Tuition Waiver	1,315,637	1,315,637	0	0.0
TOTAL	\$16,157,618	\$16,157,618	\$0	0.0
Increase/(Decrease)	\$1,315,637	\$1,315,637	\$0	0.0
Percentage Change	8.9%	8.9%	0.0%	0.0%
FY 2015-16 Executive Request:	\$16,011,096	\$16,011,096	\$0	0.0
Request Above/(Below) Recommendation	(\$146,522)	(\$146,522)	\$0	0.0

➔ R5 Fort Lewis College Native American Tuition Waiver

Request: As of November 1, 2014, Resident student tuition growth and Native American enrollment growth at Fort Lewis were projected to drive a need for an additional \$1,169,115 General Fund in FY 2015-16. Funding is made one year in arrears. Thus, the FY 2015-16 request was based on the FY 2014-15 estimate.

Recommendation: The staff recommendation for R5 is for an increase of \$1,315,647 General Fund, for a total \$16,157,618. The higher recommendation is based on an updated projection from Fort Lewis.

- Consistent with past practice, the staff recommendation is based on the projected current year (FY 2014-15) Native American Tuition Waiver cost. The higher staff figure is based on revised estimates of the FY 2014-15 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 95 percent of costs for the Native American Tuition Waiver are due to costs associated with non-resident students. **For FY 2014-15, funding requested includes just \$865,582 related to resident students and \$15,232,114 for non-resident students.** The reason for this year's increase (like others in recent years) is thus, overwhelmingly, an *increase in the number of non-resident Native American students from FY 2013-14 to FY 2014-15*. Tuition for non-residents has continued to be held flat. About 5.4 percent of the increase related to resident students, who received a **6.0** percent tuition increase in FY 2014-15.
- Fort Lewis has worked 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.
- **While staff is not proposing any changes related to the Native American Tuition Waiver this year, staff finds the rate of growth in the program very concerning**, particularly as it is driven so completely by increasing enrollment from **nonresident students**. This year's increase is almost 9 percent, and Fort Lewis receives more General Fund support related to the waiver program than from the College Opportunity Fund Program. **Staff expects the College to continue to hold non-resident tuition flat and to lobby for relief from Washington.** *Staff has some other ideas that could be explored further if the Committee is interested.* The chart below shows Fort Lewis' planned tuition and fees for FY 2015-16. As shown, there is a slight increase in non-resident fees, but non-resident tuition is again being held flat for FY 2015-16. The waiver does not cover room and board.

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

	2014-15	2015-16	
Resident			
Tuition	5,544	5,856	
Fees	1,709	1,745	
Room (suites)	2,540	2,610	
Board (12 meal plan)	2,110	2,180	
	11,903	12,391	4.1%
Non-Resident			
Tuition	16,072	16,072	
Fees	1,709	1,745	
Room (suites)	2,540	2,610	
Board (12 meal plan)	2,110	2,180	
	22,431	22,607	0.8%

GEAR-UP

Description: The federal GEAR-UP program is a precollegiate program designed to provide services at high-poverty middle and high schools to help students to be college ready. These funds are also used to provide college scholarships to low income students. Funding in this line item was moved to the Colorado Commission on Higher Education Special Purpose section for FY 2014-15.

Request/Recommendation: The Department does not request, and staff does not recommend, any funding in this line item in FY 2015-16.

(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 hired the National Center for Higher Education Management Systems to develop an on-line model consistent with the requirements of H.B. 14-1319 outlined above. Members may access the website and explore the model if they wish. The staff recommendation uses the model settings submitted in the Department’s request with a change to the starting-point appropriation data. However, staff will prepare alternative “runs” of the model as requested by the Committee and expects to provide some under separate cover.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

College Opportunity Fund Program						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$525,674,494	\$525,674,494	\$0	\$0	\$0	0.0
Other legislation	<u>58,126,365</u>	<u>58,126,365</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$583,800,859	\$583,800,859	\$0	\$0	\$0	0.0
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$583,800,859	\$583,800,859	\$0	\$0	\$0	0.0
R1/BA1 Operating Increase for Public Colleges and Universities	73,042,204	73,042,204	0	0	0	0.0
BA2 Alzheimer’s disease center	250,000	250,000	0	0	0	0.0
Net \$0 technical adjustment	0	0	0	0	0	0.0
Annualize prior year actions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$657,093,063	\$657,093,063	\$0	\$0	\$0	0.0
Increase/(Decrease)	\$73,292,204	\$73,292,204	\$0	\$0	\$0	0.0
Percentage Change	12.6%	12.6%	0.0%	0.0%	0.0%	0.0%
FY 2015-16 Executive Request:	\$657,899,059	\$657,899,059	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$805,996	\$805,996	\$0	\$0	\$0	0.0

R1/BA1 Operational funding increase for public colleges and universities: The recommendation includes an increase of \$65,576,945 General Fund (10.8 percent) for public institutions of higher education. Of this amount, \$60,532,276 is allocated through the new funding model authorized pursuant to H.B. 14-1319, and \$5,044,669 is allocated to ensure all state governing boards receive increases of at least 10 percent and local district junior colleges and area vocational schools receive an additional 1 percent to align their increase with additional moneys available for state institutions. The request is associated, in part, with continuing the 6.0 percent or lower cap on tuition increases for FY 2015-16 imposed by S.B. 14-001. The recommendation also includes \$10,000,000 for a new Strategic Performance Investment Program to enable CCHE to provide grants to institutions to assist them with improving efficiency and performance as they transition to the new H.B. 14-1319 funding model. This would require new legislation. The recommendation restores state funding for the governing boards to \$681.1 million if the S-PIP is included--about \$25 million short of the FY 2008-09 peak.

B2 Alzheimer’s disease center: The recommendation includes an increase to support a proposed new Alzheimer’s disease center at the University of Colorado Health Sciences Center.

Net \$0 technical adjustment: The recommendation includes an adjustment to the line item structure for this section to break-out fee-for-service appropriations provided for specialty education programs and to align the appropriation structure with the requirements of Sections 23-18-303 and 304, C.R.S..

Annualize one-time supplemental increase: The request proposed annualization of FY 2013-14 increases associated with the S.B. 13-033 (ASSET) for **\$562,500 General Fund**. **Staff has not included this**, given that staff does not generally believe adjustments based on estimated new enrollment needs should be annualized so many years out: new enrollment estimates should capture these adjustments. Furthermore, there is no evidence that the number of students enrolled who are not lawfully present has continued to increase despite rough estimates included in the fiscal note. **This annualization is the primary difference between the request and recommendation.**

REQUESTS/ISSUES AFFECTING MULTIPLE LINE ITEMS

➔ R1/BA1 Operational Funding Increase for Public Colleges and Universities

- The Department requests an increase of \$75.6 million General Fund for higher education institutions, including: (1) an increase of at least 10 percent for each governing comprised of: (a) allocations based on the new H.B. 14-1319 model; and (b) additional adjustments to bring any institution receiving less than 10 percent up to a 10 percent increase. The Department ties the 10 percent proposal to the S.B. 14-001 provision that restricts resident tuition increases to 6.0 percent or lower in FY 2015-16.
- Of the total, \$10.2 million is proposed for a new Strategic Performance Investment Program to allocate grant funds to institutions to assist them in improving their performance.
- Staff recommends the request, with slight adjustments related to how annualization was incorporated and a reduction of S-PIP to an even \$10.0 million.

Request: The Department requests an increase of \$75,558,527 General Fund over the FY 2014-15 appropriation for an operational increase for public colleges and universities. Consistent with the requirements of H.B. 14-1319, the total funding request was submitted November 1, 2014, as R1 but was subsequently refined in a January 15, 2015 submission as BA1, which included detailed allocations to the governing boards. The request includes:

- **An overall 10.0 percent increase in funding for the governing boards (\$60.6 million), allocated through the new allocations model authorized pursuant to H.B. 14-1319.**

- **\$15.0 million proposed as Guard-rail/Performance Transition Funding for H.B. 14-1319 that “may be requested for up to five years”.** The request notes that while H.B. 14-1319 includes guard rails that limit the level of an institution’s funding increase or decrease in comparison to the average funding change, it does not include a phase in period for the new funding model. The timing of the model creation makes it impossible for governing boards to make adjustments to practices that may result in better performance in the first year. As a result, *the funding model could potentially create a downward spiral for some institutions, in which institutions that perform poorly under the new model lose funding in the first year and this, in turn, further drives down performance and state funding for future years.* The request notes that other states that have implemented performance funding have phased in the funding method over multiple years, with a smaller share of their budget tied to performance and non-recurring “hold harmless” funds offered during the phase-in period.

- **A portion of the \$15.0 million is used for adjustments to ensure that each governing board receives an increase of at least 10.0 percent.** This is described as necessary to **enable institutions to operate at the capped 6.0 percent tuition increase required by S.B. 14-001 in FY 2015-16.** Senate Bill 14-001 provided an 11.0 percent General Fund increase for the public institutions in FY 2014-15 and imposed a hard cap on tuition increases for resident students of 6.0 percent in FY 2014-15 *and* FY 2015-16. **All governing boards thus receive an increase of between 10 percent and 15 percent. The Department’s final figure for bringing all governing boards up to 10 percent is \$4,595,175.** The Department has clarified that it proposes that this amount be permanently built into base higher education funding—but that this amount NOT be treated as part of an institution’s “base” funding for purpose of H.B. 14-1319 calculations and thus would not be related to where institutional “guard rails” are set for FY 2016-17.

- **The balance (\$10,404,825) is proposed to be used for a grant program called the Strategic Performance Investment Program (S-PIP) to assist institutions in improving their performance and would require new legislation.** This is a one-year request, although staff assumes the Governor’s Office may request funding for this program in future years also.

Details of the request amounts are outlined in the Department table below.

Table 5. Summary of Proposed FY 2015-15 Appropriations by Governing Board (w/ Affordability and 1319 Opportunity Funding)

Governing Board	FY 2014-15 General Fund ¹	FY 2014-15 General Fund ²	FY 2015-16 Total General Fund -- Results from Model w/ Guardrails ²	One Time Funding Required for 10% Increase	Percent Change	FY 2015-16 Total Allocation Request
Adams State University	\$12,839,538	\$14,123,492	\$13,961,407	\$162,085	10.0%	\$14,123,492
Colorado Mesa University	\$22,036,251	\$24,239,876	\$24,402,736	\$0	10.7%	\$24,402,736
Metropolitan State University	\$43,835,318	\$48,218,850	\$50,353,372	\$0	14.9%	\$50,353,372
Western State Colorado University	\$10,587,697	\$11,646,467	\$11,487,064	\$159,403	10.0%	\$11,646,467
Colorado State University	\$122,007,733	\$134,208,506	\$133,191,630	\$1,016,877	10.0%	\$134,232,736
Fort Lewis College	\$10,597,979	\$11,657,777	\$11,956,065	\$0	12.8%	\$11,956,065
University of Colorado	\$167,136,060	\$183,849,666	\$182,483,559	\$1,366,107	10.0%	\$183,849,666
Colorado School of Mines	\$18,672,831	\$20,540,114	\$20,517,825	\$22,289	10.0%	\$20,540,114
University of Northern Colorado	\$37,368,277	\$41,105,105	\$39,236,691	\$1,868,414	10.0%	\$41,105,105
Colorado Community College System	\$137,775,300	\$151,552,830	\$153,552,335	\$0	11.5%	\$153,552,335
Local District Junior Colleges	\$14,044,591	\$15,449,050	\$15,449,050	\$0	10.0%	\$15,449,050
Area Vocational Schools	\$8,983,694	\$9,882,063	\$9,882,063	\$0	10.0%	\$9,882,063
Total -- with 10% increase	\$605,885,269	\$666,473,796	\$641,142,684	\$4,595,174	10.8%	\$671,093,201

¹ FY 2014-15 General Fund amount includes appropriations from HB14-1336, SB14-001, SB14-211, and a SB 13-033 base adjustment as per the SB 13-033 Legislative Council fiscal note.

² Includes \$60.6 million in requested base funding.

- **As part of the request, the Department also requested the Committee sponsor a bill to waive the statutory requirement to increase specialty education programs, local district junior colleges and the area vocational schools at the same rate of increase from the previous fiscal year’s total state appropriations for:**
 - the \$4.6 million in one-time funding allocations to the governing boards to bring institutions’ increases up to at least 10%; and
 - any allocations made to a governing board from the \$10.4 million Strategic Performance Investment Program.
- **The Department request is calculated assuming that the number of students eligible for the COF stipend will remain unchanged from the estimates included in the FY 2014-15 Long Bill.** The request also leaves the COF stipend at its current level of \$2,250 per SFTE.

Recommendation:

Staff recommends the request with modest adjustments. Specifically:

- The Department included annualization related to S.B. 13-033 in the base amount on which it calculated institutional increases in the H.B. 14-1319 model. **Staff does not recommend the**

requested annualization. As a result, the final adjustments recommended by differ slightly from the request figures.

- **Staff has rounded down the requested increase for S-PIP to an even \$10,000,000.**
- **Staff recommends an additional 1.0 percent increase (11.0 percent total) for the local district junior colleges and area vocational schools.** This is because staff recommends including the portion of the request associated with increasing funding for all the state governing boards up to 10.0 percent in the calculation of the average increase for the state operated governing boards and recommends increasing the local districts and area vocational schools consistent with this.
- **Staff’s overall recommendation for this request is \$75,826,945** and slightly higher than the request for \$75,558,527 due to the additional 1.0 percent recommended for the area vocational schools and local district junior colleges.
- **Staff anticipates that all amounts associated with the “transitional” funding will be carried in a separate bill**—rather than the Long Bill—because the S-PIP does not yet exist in statute and must be authorized there and because the Department wishes some elements of H.B. 14-1319 requirements to be “waived” for the portion of funding to bring all governing boards up to a 10.0 percent increase. Staff calculations are reflected below.

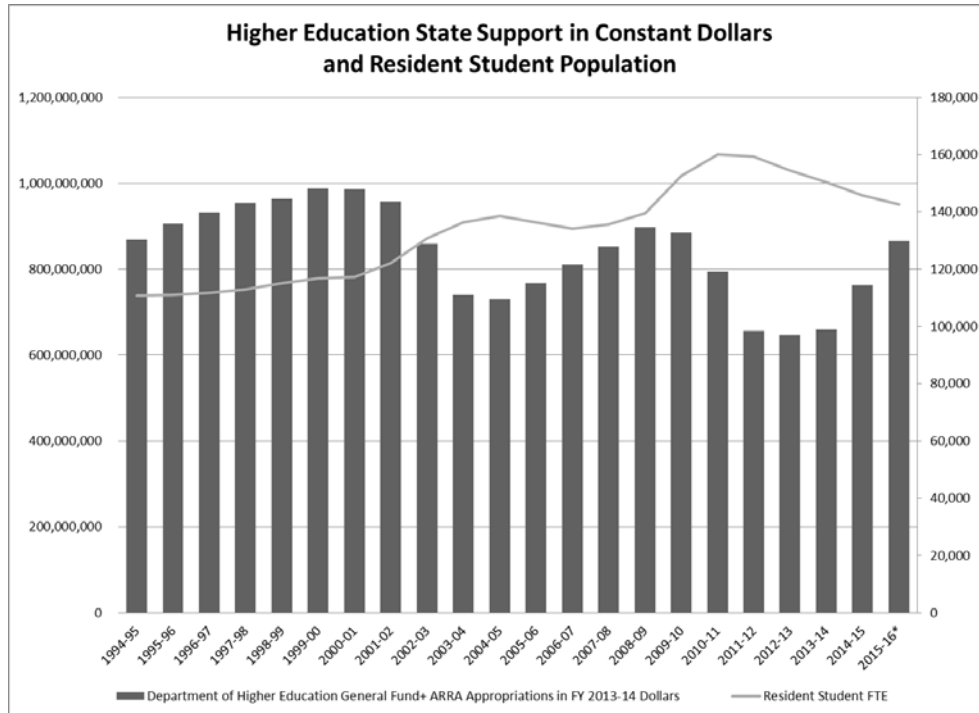
JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Staff Recommendation: R1/BA1 Operating Increase from Public Colleges and Universities						
	Fee-for-service Contracts pursuant to Section 23-18-303	Fee-for-service Contracts and Grants per Section 304 (specialty education, LDJCs, AVS)	Adjustments to bring all institutions to a 10.0% increase/ add 1.0% for LDJCs & AVS (separate bill)	SUBTOTAL State Funds	Strategic Performance Investment Program	Total Rec. R1/BA1
Adams State University	\$1,109,665	\$0	\$174,064	\$1,283,729		
Colorado Mesa University	2,350,406	0	0	2,350,406		
Metro State University of Denver	6,490,294	0	0	6,490,294		
Western State Colorado University	888,890	0	169,655	1,058,545		
Colorado State University System	6,268,963	4,598,229	1,080,656	11,947,848		
Fort Lewis College	1,344,519	0	0	1,344,519		
University of Colorado System	9,642,331	5,841,941	1,475,509	16,959,781		
Colorado School of Mines	1,821,926	0	45,020	1,866,946		
University of Northern Colorado	1,867,851	0	1,867,852	3,735,703		
Community College System	<u>16,004,433</u>	<u>0</u>	<u>0</u>	<u>16,004,433</u>		
Subtotal - State Governing Boards	\$47,789,278	\$10,440,170	\$4,812,756	\$63,042,204	\$10,000,000	\$73,042,204
Colorado Mountain College	0	643,528	64,808	708,336		
Aims Community College	0	760,931	76,632	837,563		
Area Vocational Schools	<u>0</u>	<u>898,369</u>	<u>90,473</u>	<u>988,842</u>		
All Public Governing Boards	\$47,789,278	\$12,992,998	\$5,044,669	\$65,826,945	\$10,000,000	\$75,826,945

Analysis:

- Broadly speaking, the request is consistent with historic patterns in which funding for higher education is restored when revenue is available. The chart below shows the long-term trend for public higher education funding and students in Colorado, adjusted for inflation.

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision



- Even a total increase at the level recommended by staff for both institutional support and student aid only restore inflation-adjusted funding per resident FTE to the level in place in FY 2006-07 and below the last peak in FY 2008-09. This is well below the per-student funding in the 1990s. The table (like the chart above) is based on the overall state appropriation for the Department of Higher Education.

	Department of Higher Education General Fund+ ARRA Appropriations in FY 2013-14 Dollars	Resident Student FTE	General Fund + ARRA per SFTE	Change
1994-95	\$869,315,969	110,836	\$7,843	
1995-96	905,139,550	110,886	8,163	4.1%
1996-97	930,909,639	111,696	8,334	2.1%
1997-98	954,016,554	112,845	8,454	1.4%
1998-99	964,467,168	115,010	8,386	-0.8%
1999-00	988,418,570	116,739	8,467	1.0%
2000-01	986,796,984	117,235	8,417	-0.6%
2001-02	957,232,503	122,060	7,842	-6.8%
2002-03	859,381,168	130,755	6,572	-16.2%
2003-04	740,729,639	136,458	5,428	-17.4%
2004-05	729,850,294	138,619	5,265	-3.0%

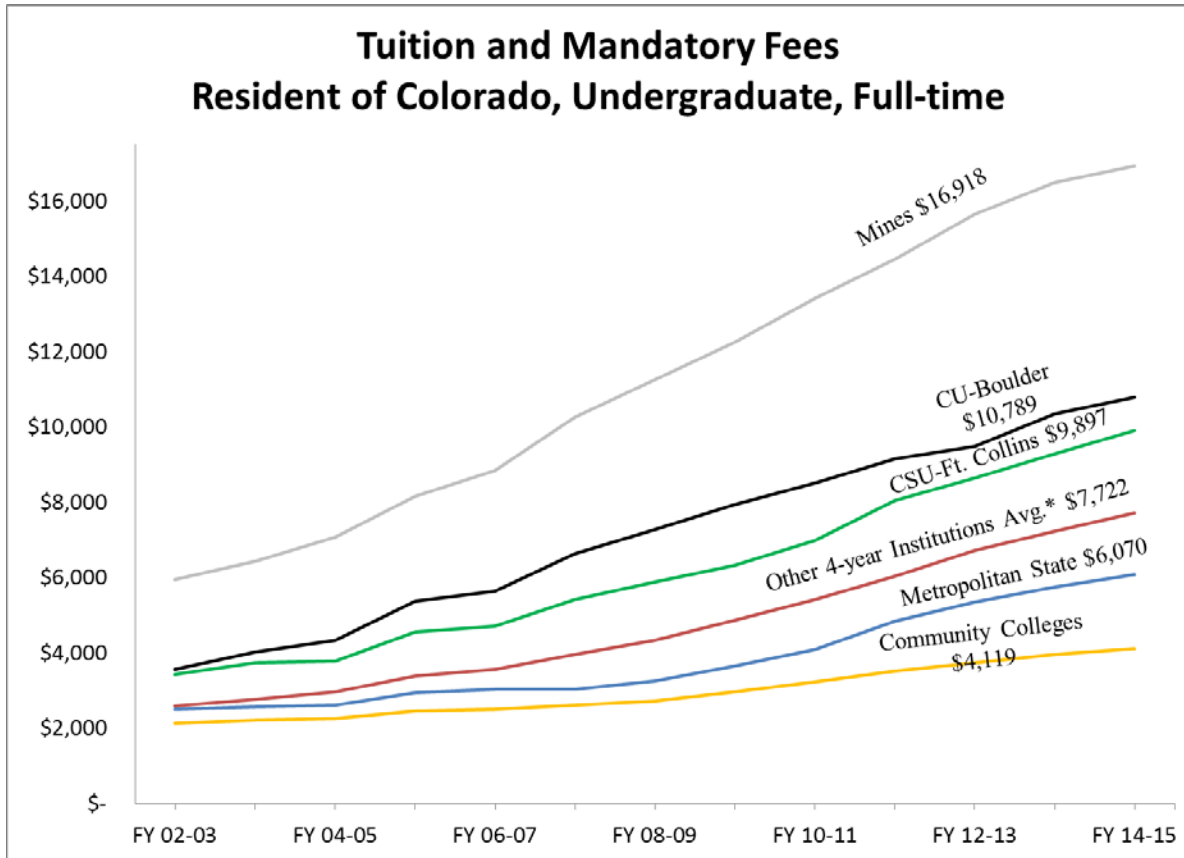
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	Department of Higher Education General Fund+ ARRA Appropriations in FY 2013-14 Dollars	Resident Student FTE	General Fund + ARRA per SFTE	Change
2005-06	767,153,579	136,311	5,628	6.9%
2006-07	811,065,265	134,172	6,045	7.4%
2007-08	852,193,147	135,635	6,283	3.9%
2008-09	897,510,723	139,403	6,438	2.5%
2009-10	885,512,000	152,604	5,803	-9.9%
2010-11	793,975,028	160,107	4,959	-14.5%
2011-12	656,149,813	159,230	4,121	-16.9%
2012-13	646,326,234	154,543	4,182	1.5%
2013-14	659,108,061	150,479	4,380	4.7%
2014-15	761,983,052	145,769	5,227	19.3%
2015-16*	865,386,946	142,724	6,063	16.0%

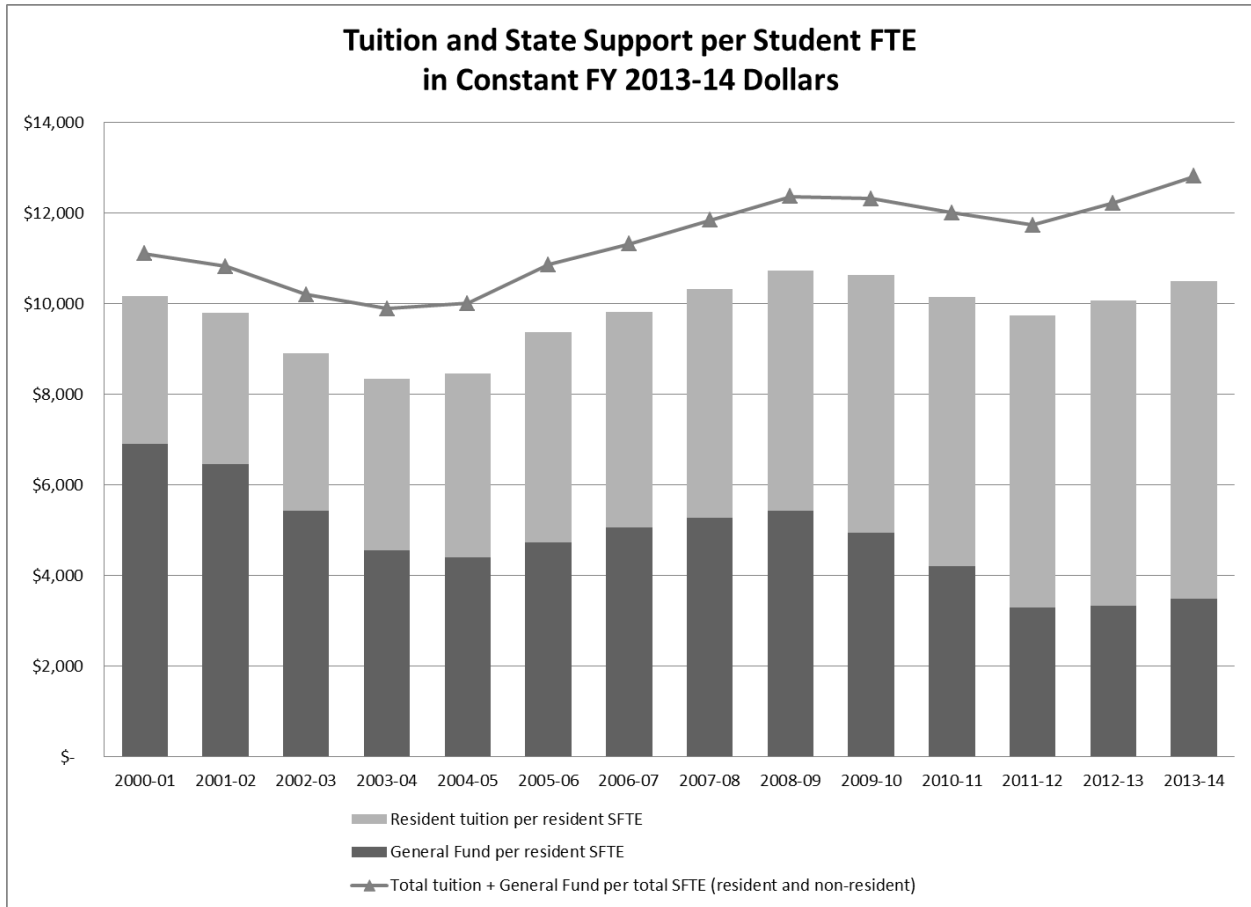
*Not adjusted for inflation for FY 2014-15 or FY 2015-16. FY 2015-16 is the recommendation. LCS FTE forecast reflected for FY 2014-15 and FY 2015-16. FTE numbers do not include local district junior colleges or area vocational schools

- With all the adjustments recommended for FY 2015-16, total support for the governing boards, including the Local District Junior Colleges and Area Vocational Schools (but excluding financial aid), will be \$671,149,714. This is still \$34.9 million *below* the last nominal high point of support in FY 2008-09, when the governing boards received \$706 million in General Fund and federal ARRA moneys.
- Staff appreciates that additional funding for the institutions is tied to a restriction on tuition growth and that increases in state support have helped to moderate tuition increases. While a 6.0 percent tuition limit is still far above inflation and still higher than staff would like, it is better than the alternative that students have experienced in recent years. As reflected in the charts below:

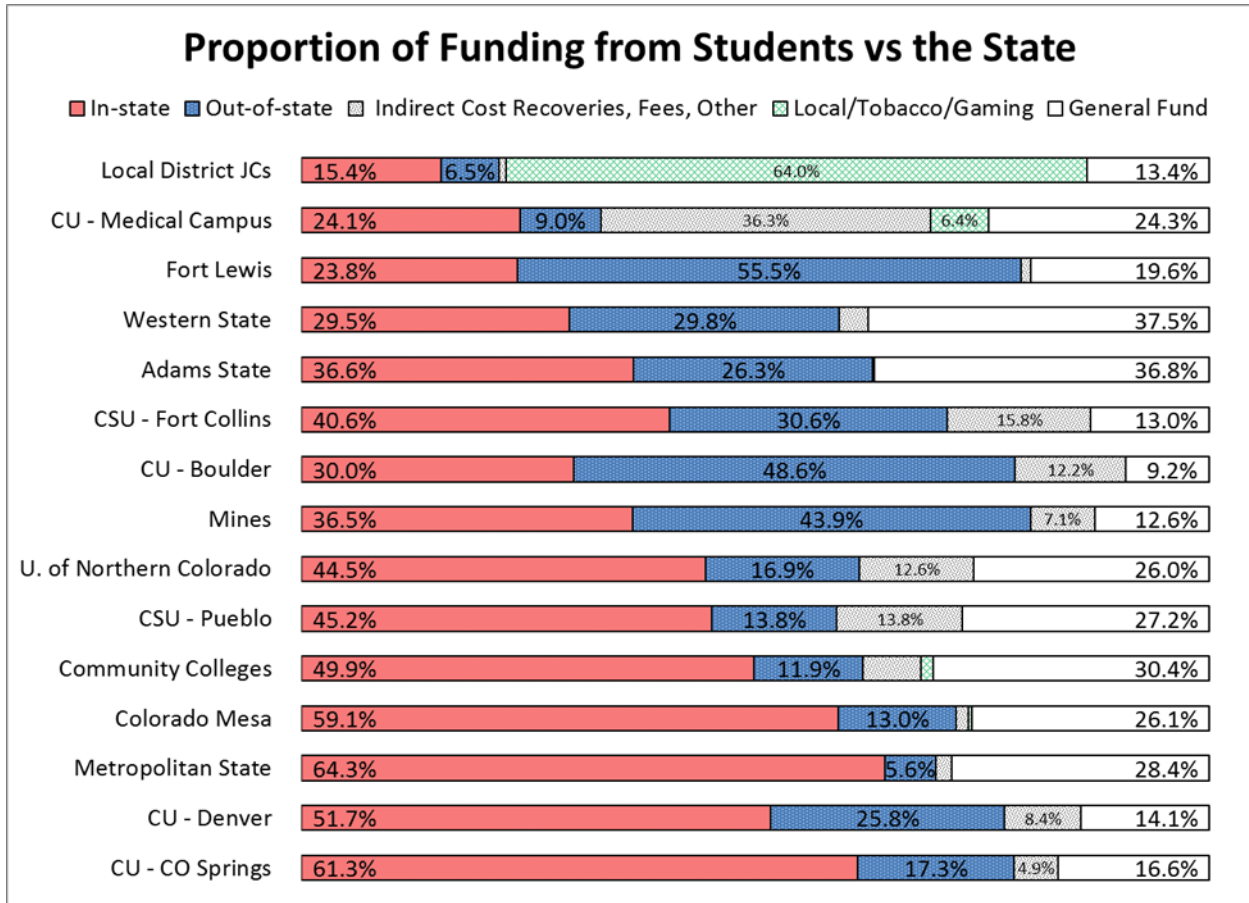
Tuition at Colorado higher education has been increasing at rapid rate in recent years.



- These increases have been driven in large part by reductions in state aid. The chart below shows how the relationship between state support per student and tuition support per student has changed. The bars demonstrate the average tuition plus state support per resident FTE and the line represents total tuition plus state support per total FTE (resident and non-resident). As shown: (1) state support has declined from about two-thirds of the total cost per resident to about one-third on average; (2) even after adjusting for inflation, revenue per student figures have grown significantly.



- Staff would prefer to see much smaller institutional tuition increases, given the large General Fund increase this year. Many institutions will, in fact, increase less than 6.0 percent, based on recent Board decisions. However, staff also acknowledges that the relative significance of General Fund support in many institutions’ budgets has shrunk to a degree that, even a large increase such as that recommended will have only a modest impact on the institution’s overall budget. The chart below is based on FY 2013-14 actual data (before the large FY 2014-15 and proposed FY 2015-16 increases).



Source: Institutional “data books” FY 2013-14. Reflects revenue for “education and general” (i.e., excludes research, grant, and auxiliary student service revenues and cost).

Staff also recognizes that institutions, uncertain of the future of state funding, aware of historic variability, and currently managing declines in student enrollment, are reluctant to restrict tuition increases too much. *The weighted average increase in institutional revenue for FY 2014-15 is projected at approximately 6.0 percent, with individual institutions ranging from a reduction of 0.6 percent (UNC) to an increase of 8.35 percent (CSU).*

- **Staff is pleased to see the new H.B. 14-1319 funding model in active use.** While staff recognizes that the model has imperfections, staff believes it is a step in the right direction and looks forward to the development of version 2.0. **Staff has recommended (approximately) the allocation of resources among governing boards as requested, including the 10.0 percent minimum increase, given that:**
 - This is the first year of attempting to use the model
 - To the extent the model is intended to incentive certain kinds of outcomes, it is not realistic to expect institutions to have achieved these outcomes the year before the model was implemented. For most institutions, effectively implementing strategies to improve outcomes will take years.

- Staff concurs with the Department that there is a risk of creating a downward spiral for some institutions that could contribute to destabilizing them. For example, the model results in a reduction in UNC funding at the same time the institution is experiencing a decline in enrollment and associated revenue. While, in light of enrollment and other factors it may be appropriate to reduce funding, reduced funding is unlikely to promote better outcomes.
- **Staff also concurs with the Department that the S-PIP could be used to help push institutional performance, providing the support and “carrot” to the “stick” provided by the new funding model.** Staff believes the Department has done a reasonable job of outlining some key components of the S-PIP.

Process

- CCHE would issue a request for proposals centering on helping institutions improve performance in the policy areas highlighted in the H.B. 14-1319 funding model. The RFP would be issued in March 2015 with proposals due in May.
- An advisory committee composed of interested stakeholders including legislators, CCHE members, and community members would evaluate the proposals and award one-time funding on July 1, 2015.
- In this first year, moneys would be targeted to institutions for which model results dictated an increase of less than 10.0 percent.
- The Department would include a final report on the program with the submission of the November 1, 2016 budget request, documenting best practices and lessons learned.

Criteria

- Each application would need to address one of the following three areas and would need to provide an explanation of how outcomes would be measured using data.
 - Student Success:* improving retention and degree/certificate completion
 - Closing Achievement Gaps:* Programs that help close achievement gaps among students from underrepresented ethnic, racial and income groups in all areas of educational progress (Pell-eligible/Underrepresented minorities)
 - Operational Efficiencies:* Assessing institutional capacity to better allocate resources that improve performance: infrastructure improvements, consolidation of administrative functions, etc.

Program Examples

- Efforts to streamline administrative tasks, e.g. through shared business center models.
- Expanding or implementing programs that support entering students with a need for remedial English/math coursework in order to aid their progress.
- Implementing an online data-driven advising support system to notify advisers when students are not able to complete critical courses or when a student’s performance indicates the student needs additional help.
- Marketing to enhance the recruitment of students.

As discussed in staff’s earlier briefing on this topic, if the Committee chooses to sponsor legislation to create the S-PIP, staff recommends that it consider the following specific issues:

Advisory Committee structure: The Department has indicated that awards related to this program would be reviewed by an advisory committee that would include legislators. **If the JBC has strong feelings about the composition of such a committee it could specify this in the related legislation.**

Use over time: Staff recommends that funds that are allocated pursuant to this program be allowed to be expended by institutions over multiple years. There are some short-term investments that may yield improved performance under the model; however, in general, staff believes that it takes time to “turn” higher education institutions, given their size and complexity. Staff therefore believes that any funds allocated be allowed to be used over a period of up to three years.

Best practices: Staff recommends that, to the extent feasible, programs funded through this grant program should build on “best practices”. For example, a program designed to improve student retention should be reasonably structured to achieve this based on evidence from other, similar programs nationwide. Staff recognizes that this expectation cannot be applied to all initiatives—some because they are truly unique and experimental and some because of the type of initiative proposed, e.g., funding for a publicity campaign.

Accountability: The request proposes a report on the first-year impact of the program. **Staff recommends that, if the JBC and General Assembly authorize spending over time, they should require regular reporting from the grantees to the CCHE and from the CCHE to the General Assembly over multiple years.** This could include a preliminary report in November 2017 (after the first full year of funding) *and subsequent reports* if funding is used or appropriated in future years.

Sunset: Staff suggests that this program sunset in 2020, with the final authority for grant allocations June 30, 2020 and a final report on the program by November 2020.

➔ BA2 Alzheimer’s Disease Center at the University of Colorado

Request: S.B. 14-211 created the Alzheimer’s Disease Center at the University of Colorado School of Medicine. The bill appropriated \$250,000 General Fund for this purpose. This additional request will bring the total funding for this purpose up to \$500,000 General Fund.

- The request notes that Alzheimer’s is the sixth leading cause of death nationwide and is the only disease among the top ten causes of death in the United States for which there is currently no cure. Nationally, 5.4 million Americans live with Alzheimer’s disease, and this figure is expected to triple by 2050. Colorado is expected to see the largest increase in any of the lower 48 states.

- The National Institutes of Health has established and funded Alzheimer’s Disease Research Centers at major medical institutions across the U.S. These centers serve to translate research into improved diagnosis and treatment in the short-term and explore options for curing and preventing Alzheimer’s in the long term. Having a center in Colorado will help patients and families of patients obtain help with obtaining a diagnosis and medical management, access to clinical trials, and other support services.
- Designation as a Center may take a number of years but will have important benefits, including the ability to leverage additional federal grants.
- Funding from the state demonstrates strong community support and will help draw additional grants and donations in support of the center and improve the state’s chances for being designated. Governor Hickenlooper as sent a letter to the National Institutes of Health committing to seek \$500,000 per year in General Fund support for a center for each year for the next five.

Recommendation: Staff recommends the requested \$250,000 General Fund increase for this initiative. Pursuant to Section 23-21-703, C.R.S., the Center was created:

- to establish programs for the care and treatment of people suffering from Alzheimer’s Disease and
- to assist those suffering from the disease who are unable to pay for treatment, even with medical insurance, Medicare, Medicaid, and private charitable assistance.

The program offers important benefits for the citizens of Colorado with respect to access to clinical assistance for people with Alzheimer’s. In response to staff questions, staff from the Center reported that the Alzheimer’s Disease Research and Clinical Center is already providing diagnosis and treatment for over 1,000 patients a year and hopes to double that number in the next year. This has been supported by the state’s General Fund contribution as well as funds committed by the University and private donors. It hopes to double this figure over the next year.

The investment requested from the State appears relatively modest given the potential clinical and economic benefits to the State of becoming federally-designated. The State support is sought as seed money: a total of \$500,000 per year (including base funding) for five years. Federal funding, if received, is about \$750,000 per year and would increase the program’s anticipated budget to \$3.5 to \$4.1 million per year. Probably more importantly, designation creates important opportunities for additional research support.

In the near-term, the odds do not seem extremely high that Colorado will receive the federal designation it is pursuing. A total of 30 centers are designated nationwide and to receive designation, Colorado will need to “take” the designation from another center. However, Dr. Huntington Potter, recruited to direct the Center, was successful at obtaining the federal designation at his previous post in Florida, and he is confident that, if the Center continues to develop its activities, the odds will be far stronger in 2018, when the State could next apply if it is not immediately successful. Even prior to any federal designation, the Center is expected to

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provide services to thousands of patients, based on a budget of \$2 to \$3 million per year, including the requested state support.

➔ Long Bill Supplemental – NOT Recommended for FY 2014-15

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 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 2014-15 stipend enrollment, staff is not recommending a true-up this year.**

An additional reason for avoiding a true up is that the Executive Request and staff recommendation for FY 2015-16 stipends is based on the FY 2014-15 Long Bill stipend estimates. It would seem bizarre to apply a true up to the FY 2014-15 appropriation and then leave the FY 2015-16 appropriation based on the original FY 2014-15 Long Bill stipend figures.

	Stipend-eligible student FTE used FY 2014-15 enacted	FY 2014-15 stipend appropriations	FY 2014-15 Total Gov Board Approps	NEW FY 2014-15 stipend-eligible student FTE projection	Variance from LB Estimate	Stipend amount with new enrollment	Dollar change resulting from stipend enrollment change	Change as % of Total Approp
Adams State University	1,339.9	3,014,742	12,837,288	1,372.0	2.4%	3,087,000	72,258	0.56%
Colorado Mesa University	6,493.1	14,609,398	22,027,251	6,054.0	-6.8%	13,621,500	(987,898)	-4.48%
Metropolitan State University	14,050.3	31,613,068	43,681,193	14,404.0	2.5%	32,409,000	795,932	1.82%
Western State Colorado University	1,232.3	2,772,617	10,585,447	1,324.0	7.4%	2,979,000	206,383	1.95%
Colorado State University System	19,562.3	44,015,134	121,978,483	19,379.0	-0.9%	43,602,750	(412,384)	-0.34%
Ft. Lewis College	2,020.4	4,545,816	10,594,604	1,987.0	-1.7%	4,470,750	(75,066)	-0.71%
University of Colorado System	27,170.9	61,134,606	167,097,810	27,869.0	2.6%	62,705,250	1,570,644	0.94%
Colorado School of Mines	2,796.3	6,291,590	18,669,456	2,630.0	-5.9%	5,917,500	(374,090)	-2.00%
University of Northern Colorado	7,634.5	17,177,543	37,357,027	6,800.0	-10.9%	15,300,000	(1,877,543)	-5.03%
Community College System	48,625.6	109,407,533	137,465,925	47,154.0	-3.0%	106,096,500	(3,311,033)	-2.41%
TOTAL	130,925.4	294,582,047	582,294,484	128,973.0	-1.5%	290,189,250	(4,392,797)	-0.75%

It is not yet resolved how stipends will be budgeted in future years pursuant to H.B. 14-1319, i.e., what COF stipend figures the Department will use in the FY 2016-17 budget request: Actuals? Estimates? From what timeframe? Staff recommends that the Committee request that the Department submit its initial proposal on how it would like to incorporate stipends actuals or estimates in the H.B. 14-1319 model by the end of the first week in June 2015, so

that staff can brief the Committee on the proposal, and the Committee can provide the Department direction if needed, during the Committee’s meeting on or around June 20.

➔ Line Item Changes: Fee-for-service Contracts

In light of the funding changes included in H.B. 14-1319, staff recommends breaking the previous Fee-for-service Contracts with State Institutions into two line items:

- Fee-for-service Contracts with State Institutions Pursuant to Section 23-18-303, C.R.S. [representing amounts included in the “total state appropriation” model calculation]; and
- Fee-for-service Contracts with State Institutions for Specialty Education Programs.

(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 2014-15 rate is \$75 per credit hour or \$2,250 per student FTE.

Request: The Department request is for continuation funding for stipends, i.e., the Department requests using the FY 2014-15 Long Bill estimates for numbers of students (130,925) and the current rate of \$2,250.

Recommendation: For both the FY 2014-15 (current year) and the FY 2015-16 Long Bill, staff recommends keeping the stipends at the amounts originally estimated in the FY 2014-15 Long Bill. *The decision to use an FY 2014-15 stipend enrollment estimate for building the current funding allocations is not ideal.* It’s possible this will drive supplemental adjustments in FY 2015-16 to “true up” enrollment figures (i.e., to make net \$0 adjustments in the Department’s budget to adjust stipend amounts with compensating adjustments in fee-for-service amounts). Staff had hoped to limit this process in future, given increased Department authority to make final adjustments through end-of-year transfers, but it likely cannot be avoided in many years.

It is not yet clear if a true-up will ultimately be needed. If current FY 2015-16 figures were to remain stable, adjustments might remain within the Department’s statutory authority to transfer up to 10 percent of the total appropriation for each governing board between stipends and fee for service amounts.

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	16 LCS projection			are accurate				Projected Difference as % of Total Req. Approp
	Stipend-eligible student FTE used FY 2014-15 enacted	NEW FY 16 stipend-eligible student FTE projection	Difference from FY 2014-15 LB stipend-eligibles	Stipend amounts from FY 2014-15	Stipend amount with new enrollment projection for FY 2015-16	Projected Change from Stipend Amounts Requested	Total Gov. Board Budget Request for FY 16	
Adams State University	1,339.9	1,376.0	2.7%	3,014,742	3,096,000	81,258	14,123,492	0.6%
Colorado Mesa University	6,493.1	6,102.0	-6.0%	14,609,398	13,729,500	(879,898)	24,402,736	-3.6%
Metropolitan State University	14,050.3	13,990.0	-0.4%	31,613,068	31,477,500	(135,568)	50,353,372	-0.3%
Western State Colorado University	1,232.3	1,332.0	8.1%	2,772,617	2,997,000	224,383	11,646,467	1.9%
Colorado State University System	19,562.3	19,038.0	-2.7%	44,015,134	42,835,500	(1,179,634)	134,208,507	-0.9%
Ft. Lewis College	2,020.4	1,749.0	-13.4%	4,545,816	3,935,250	(610,566)	11,956,065	-5.1%
University of Colorado System	27,170.9	28,079.0	3.3%	61,134,606	63,177,750	2,043,144	184,099,666	1.1%
Colorado School of Mines	2,796.3	2,624.0	-6.2%	6,291,590	5,904,000	(387,590)	20,540,114	-1.9%
University of Northern Colorado	7,634.5	6,400.0	-16.2%	17,177,543	14,400,000	(2,777,543)	41,105,105	-6.8%
Community College System	48,625.6	45,110.0	-7.2%	109,407,533	101,497,500	(7,910,033)	153,552,335	-5.2%
TOTAL	130,925.4	125,800.0	-3.9%	294,582,047	283,050,000	(11,532,047)	645,987,859	-1.8%

Regardless, it will be prudent to enact further statutory changes to allow amounts to be “trued up” mid-year without violating the H.B. 14-1319 allocation requirements. This is one of a number of interrelated issues staff hopes to address in a second H.B. 14-1319 “clean up” bill staff is working on with OLLS staff.

The recommendation is reflected in the table below. As shown, staff is recommending a continuation amount in this line item. As previously discussed the staff recommendation does NOT include further annualization of S.B. 13-033 (ASSET) amounts.

College Opportunity Fund Program, Stipends, Stipends for eligible full-time equivalent students attending state institutions						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	259,232,202	259,232,202	0	0	0	0.0
Other legislation	35,349,845	35,349,845	0	0	0	0.0
TOTAL	\$294,582,047	\$294,582,047	\$0	\$0	\$0	0.0
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$294,582,047	\$294,582,047	\$0	\$0	\$0	0.0
R1/BA1 Operating Increase for Public Colleges and Universities	0	0	0	0	0	0.0
Annualize prior year actions	0	0	0	0	0	0.0
TOTAL	\$294,582,047	\$294,582,047	\$0	\$0	\$0	0.0
Increase/(Decrease)	\$0	\$0	\$0	\$0	\$0	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2015-16 Executive Request:	\$294,582,047	\$294,582,047	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	0.0

Stipends for students attending participating private institutions

Students who qualify for the federal need-based Pell grant and attend a participating private institution are eligible for a stipend equal to half of the stipend for students attending a state operated institution.

Request: The Department requests a continuation level of funding of \$1,506,375 General Fund.

Recommendation: Staff recommends the request for \$1,506,375 General Fund, which is based on an estimate of 1,334 FTE using the program x \$1,125 (50 percent of the student stipend recommended for students attending public institutions). 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. The Department indicates the estimate of the number of students has not changed significantly from last year.

(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.

Request: The Department requests \$351,405,812, including the requested increase for R1/BA1.

Recommendation: The staff recommendation reflects building a single line item and then breaking it into two new line items to clearly separate the 23-18-303 and 23-18-304 amounts. The staff recommendations for R1/BA1 and BA2 are discussed at the beginning of this section.

College Opportunity Fund Program, Fee-for-service Contracts with State Institutions, Fee-for-service Contracts with State Institutions	Total Funds	General Fund	FTE
FY 2014-15 Appropriation			
HB 14-1336 (Long Bill)	265,098,397	265,098,397	0.0
Other legislation	22,614,040	22,614,040	0.0
TOTAL	\$287,712,437	\$287,712,437	0.0
FY 2015-16 Recommended Appropriation			
FY 2014-15 Appropriation	\$287,712,437	\$287,712,437	0.0
R1/BA1 Operating Increase for Public Colleges and Universities	63,042,204	63,042,204	0.0
BA2 Alzheimer’s disease center	250,000	250,000	0.0

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College Opportunity Fund Program, Fee-for-service Contracts with State Institutions, Fee-for-service Contracts with State Institutions	Total Funds	General Fund	FTE
Net \$0 technical adjustment	(351,004,641)	(351,004,641)	0.0
TOTAL	\$0	\$0	0.0
Increase/(Decrease)	(\$287,712,437)	(\$287,712,437)	0.0
Percentage Change	(100.0%)	(100.0%)	0.0%
FY 2015-16 Executive Request:	\$351,405,812	\$351,405,812	0.0
Request Above/(Below) Recommendation	\$351,405,812	\$351,405,812	0.0

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

The staff recommendation is as follows. Additional detail on allocations to the governing boards is included in an appendix.

College Opportunity Fund Program, Fee-for-service Contracts with State Institutions, Fee-for-service Contracts with State Institutions Pursuant to Section 23-18-303, C.R.S.	Total Funds	General Fund	FTE
Net \$0 technical adjustment	235,912,773	235,912,773	0.0
TOTAL	\$235,912,773	\$235,912,773	0.0
Increase/(Decrease)	\$235,912,773	\$235,912,773	0.0
Percentage Change	0.0%	0.0%	0.0%
Request Above/(Below) Recommendation	(\$235,912,773)	(\$235,912,773)	0.0

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

The staff recommendation is as follows. Additional detail on allocations to the governing boards is included in an appendix.

College Opportunity Fund Program, Fee-for-service Contracts with State Institutions, Fee-for-service Contracts with State Institutions for Specialty Education Programs	Total Funds	General Fund	FTE
Net \$0 technical adjustment	115,091,868	115,091,868	0.0
TOTAL	\$115,091,868	\$115,091,868	0.0
Increase/(Decrease)	\$115,091,868	\$115,091,868	0.0
Percentage Change	0.0%	0.0%	0.0%

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College Opportunity Fund Program, Fee-for-service Contracts with State Institutions, Fee-for-service Contracts with State Institutions for Specialty Education Programs	Total Funds	General Fund	FTE
Request Above/(Below) Recommendation	(\$115,091,868)	(\$115,091,868)	0.0

Strategic Performance Investment Program

The amount shown reflects a proposed new initiative that would enable the CCHE to provide grants to institutions to help them improve outcomes and efficiency. This item would need to be included in new legislation if the Committee wishes to implement it.

College Opportunity Fund Program, Strategic Performance Investment Program, Strategic Performance Investment Program	Total Funds	General Fund	FTE
FY 2014-15 Appropriation			
Other legislation	0	0	0.0
TOTAL	\$0	\$0	0.0
FY 2015-16 Recommended Appropriation			
FY 2014-15 Appropriation	\$0	\$0	0.0
R1/BA1 Operating Increase for Public Colleges and Universities	10,000,000	10,000,000	0.0
TOTAL	\$10,000,000	\$10,000,000	0.0
Increase/(Decrease)	\$10,000,000	\$10,000,000	0.0
Percentage Change	0.0%	0.0%	0.0%
FY 2015-16 Executive Request:	\$10,404,825	\$10,404,825	0.0
Request Above/(Below) Recommendation	\$404,825	\$404,825	0.0

(5) Governing Boards

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

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Governing Boards						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$2,512,026,982	\$0	\$1,987,696,383	\$524,330,599	\$0	23,022.7
Other legislation	57,963,885	0	0	57,963,885	0	0.0
Long Bill supplemental	<u>24,702,343</u>	<u>0</u>	<u>24,702,343</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,594,693,210	\$0	\$2,012,398,726	\$582,294,484	\$0	23,022.7
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$2,594,693,210	\$0	\$2,012,398,726	\$582,294,484	\$0	23,022.7
R1/BA1 Operating Increase for Public Colleges and Universities	63,042,204	0	0	63,042,204	0	0.0
Tuition and fee adjustments	96,189,900	0	96,189,900	0	0	0.0
BA2 Alzheimer's disease center	250,000	0	0	250,000	0	0.0
Amendment 50 gaming revenue adjustment	63,098	0	63,098	0	0	0.0
FTE adjustment	0	0	0	0	0	389.8
Net \$0 technical adjustment	0	0	0	0	0	0.0
Tobacco adjustment	(847,125)	0	(847,125)	0	0	0.0
Annualize prior year actions	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,753,391,287	\$0	\$2,107,804,599	\$645,586,688	\$0	23,412.5
Increase/(Decrease)	\$158,698,077	\$0	\$95,405,873	\$63,292,204	\$0	389.8
Percentage Change	6.1%	0.0%	4.7%	10.9%	0.0%	1.7%
FY 2015-16 Executive Request:	\$2,635,082,354	\$0	\$1,989,094,495	\$645,987,859	\$0	23,022.7
Request Above/(Below) Recommendation	(\$118,308,933)	\$0	(\$118,710,104)	\$401,171	\$0	(389.8)

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.

Long Bill Supplemental: The recommendation reflects adjustments to projected tuition and fee revenue for FY 2014-15.

R1/BA1 Operational funding increase for public colleges and universities: This recommendation provides an increase to the governing boards for reappropriated funds from COF stipend and fee-for-service contracts, as discussed above.

Tuition and fee adjustments: The recommendation incorporates projected tuition and fee revenue for each institution, based on the Legislative Council Staff projection (for tuition) and institutional projections (for fee revenue).

BA2 Alzheimer’s Disease Center: As discussed above, staff recommends the requested increase for this initiative at the University of Colorado Health Sciences Center.

Amendment 50 gaming revenue adjustment: The recommendation adjusts amounts shown for informational purposes based on the FY 2013-14 actual gaming revenue received by two-year institutions pursuant to Constitutional provisions.

Annualize one-time supplemental increase: The recommendation includes an adjustment to governing board revenue from the Tobacco Master Settlement Agreement.

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 2014-15). FTE figures are shown for informational purposes only.

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.

Annualize prior year actions: The request included amounts associated with the potential third-year impact of S.B. 13-033 (ASSET). As previously discussed, staff does not recommend this adjustment.

RECOMMENDATIONS AFFECTING ALL LINE ITEMS – FY 2014-15

Request: The Department did not submit a request for adjustments to stipends, fee-for-service contracts, or tuition or fee revenue after its January 15, 2015 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.

Recommendation:

COF Stipends and Fee-for-service Contracts: Staff does NOT recommend adjusting the estimates of COF stipend eligible students in the FY 2014-15 Long Bill. 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.

	FY 2014-15 Appropriations - Current			Change to FY 2014-15 Projection				Change as % of Total Approp
	Stipend-eligible student FTE used FY 2014-15 enacted	FY 2014-15 stipend appropriations	FY 2014-15 Total Gov Board Approps	NEW FY 2014-15 stipend-eligible student FTE projection	Variance from LB Estimate	Stipend amount with new enrollment	Dollar change resulting from stipend enrollment change	
Adams State University	1,339.9	3,014,742	12,837,288	1,372.0	2.4%	3,087,000	72,258	0.56%
Colorado Mesa University	6,493.1	14,609,398	22,027,251	6,054.0	-6.8%	13,621,500	(987,898)	-4.48%
Metropolitan State University	14,050.3	31,613,068	43,681,193	14,404.0	2.5%	32,409,000	795,932	1.82%
Western State Colorado University	1,232.3	2,772,617	10,585,447	1,324.0	7.4%	2,979,000	206,383	1.95%
Colorado State University System	19,562.3	44,015,134	121,978,483	19,379.0	-0.9%	43,602,750	(412,384)	-0.34%
Ft. Lewis College	2,020.4	4,545,816	10,594,604	1,987.0	-1.7%	4,470,750	(75,066)	-0.71%
University of Colorado System	27,170.9	61,134,606	167,097,810	27,869.0	2.6%	62,705,250	1,570,644	0.94%
Colorado School of Mines	2,796.3	6,291,590	18,669,456	2,630.0	-5.9%	5,917,500	(374,090)	-2.00%
University of Northern Colorado	7,634.5	17,177,543	37,357,027	6,800.0	-10.9%	15,300,000	(1,877,543)	-5.03%
Community College System	48,625.6	109,407,533	137,465,925	47,154.0	-3.0%	106,096,500	(3,311,033)	-2.41%
TOTAL	130,925.4	294,582,047	582,294,484	128,973.0	-1.5%	290,189,250	(4,392,797)	-0.75%

Tuition and Fees: Staff recommends updating tuition and fee amounts to match new projections from Legislative Council Staff. These amounts are shown solely for informational purposes in FY 2014-15. The increases in the projected tuition revenue are primarily attributable to enrollment adjustments and increases in graduate and nonresident rates. The Legislative Council Staff forecast projects that the governing boards will earn a total of \$23,141,551 more in tuition than estimates reflected in the Long Bill, a correction of 1.3 percent to the forecast. There are, in addition, adjustments to fee amounts totaling \$1,560,792. Adjusting the FY 2014-15 base tuition amounts to match the projection will make it easier for the JBC to explain tuition assumptions for FY 2015-16.

- Tuition adjustments for FY 2014-15 are based on the Legislative Council Staff projection. The LCS rate increase estimates are reflected below. The figures below represented weighted averages from the tuition and fee survey for each school.

	Resident	Nonresident
Regents of the University of Colorado	5.6%	4.8%

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

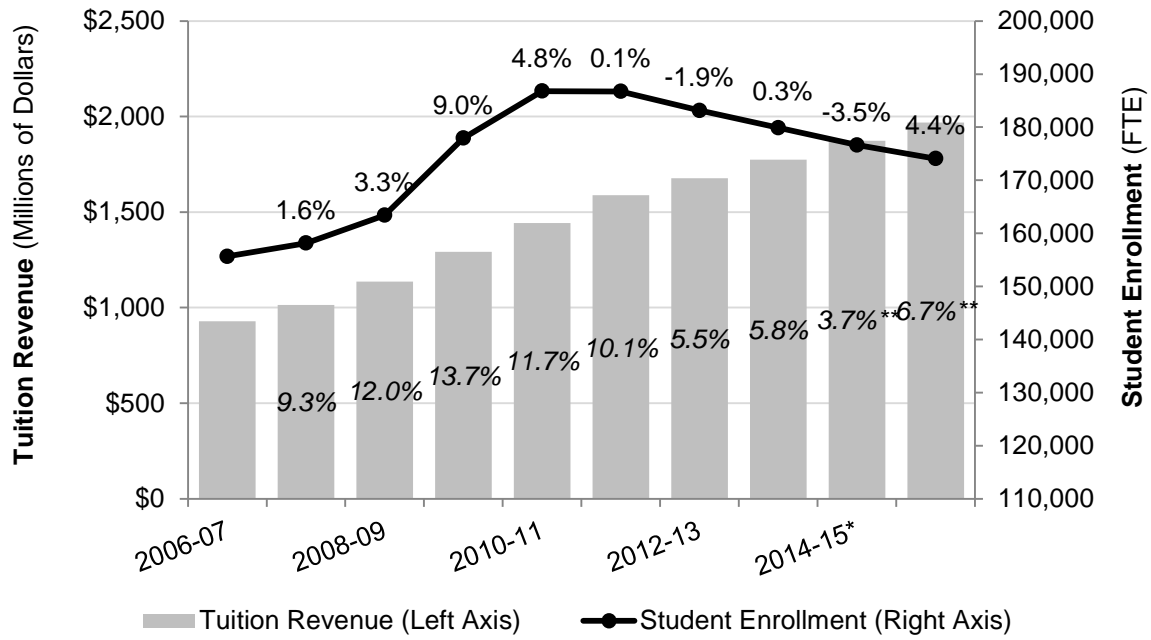
	Resident	Nonresident
Colorado State University	5.1%	3.3%
Fort Lewis College	6.0%	0.0%
University of Northern Colorado	4.7%	1.6%
Colorado School of Mines	2.7%	0.8%
Adams State University	4.9%	2.0%
Colorado Mesa University	5.8%	5.8%
Western State College	5.0%	5.0%
Metro State University of Denver	6.0%	6.0%
Community College System	4.5%	4.5%

- Fee adjustments are based on data provided by the Department, as this information is not included in Legislative Council staff forecast.

These adjustments in fee spending authority represent changes in enrollment. **All of the staff recommended changes to FY 2014-15 appropriations are detailed in an appendix at the end of this document. The Legislative Council Staff *preliminary* enrollment and tuition forecast is also attached.**

The chart below summarizes the Legislative Council Staff tuition revenue and enrollment projection, as updated for FY 2014-15 and FY 2015-16. As shown, student enrollment is projected to continue to decline, although overall tuition revenue is expected to continue to increase, based on tuition rate adjustments and increases in the share of non-resident enrollment.

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision



RECOMMENDATIONS AFFECTING ALL LINE ITEMS – FY 2015-16

Request: The Department’s sole request affecting this section was R1/BA1 the operational funding increase for public colleges and universities.

Recommendation: The line item tables associated with the adjustments described below follow the description of changes, as these changes apply to all, or virtually all, of the line item tables.

Base state support and BA/R1 Operational funding increase for public colleges and universities: Staff recommends a total of \$671,149,714 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, \$645,336,688 is reflected as reappropriated funds in this section, including an increase of \$63,042,204 pursuant to this request. Note that, of the total increase, staff anticipates that \$5,044,669, including \$4,812,756 that applies to this Long Bill section, will not be appropriated in the Long Bill but will instead be appropriated in separate legislation. This represents the requested amount to bring all governing boards up to a total increase of at least 10 percent.

Projected tuition and fee revenue - tuition: For three years beginning from FY 2011-12 to FY 2013-14, pursuant to S.B. 10-003, governing boards could increase resident undergraduate tuition rates by up to 9.0 percent without outside review or approval and could increase resident undergraduate tuition rates by more than 9.0 percent if CCHE approved a financial accountability plan submitted by the governing board ensuring access and accountability. As amended by S.B. 14-001, this tuition cap was reduced to 6.0 percent, without possibility of a CCHE waiver, for FY 2014-15 and FY 2015-16. There are no statutory limits on graduate and nonresident tuition rate increases. Throughout this period, the General Assembly does not appropriate tuition and instead shows it in the Long Bill for informational purposes only. Effective **FY 2016-17**, under current law, tuition is again subject to appropriation.

The Department did not request adjustments for tuition revenue for FY 2015-16. However, staff has included tuition estimates for informational purposes, based on the Legislative Council Staff February forecast. **In total, staff recommends reflecting \$1,968,020,905 for estimated FY 2015-16 tuition revenues to the institutions. This includes an increase of \$94,181,673 (5.0 percent) for FY 2015-16. Staff has attached a copy of the preliminary Legislative Council Staff Tuition and Enrollment forecast, as well as an appendix including further detail on the particular resident tuition, non-resident tuition, and institutional fee amounts recommended to be shown for informational purposes, as an appendix to this packet.**

Legislative Council Staff tuition projections incorporate actual tuition increases approved (when they are known) or 6.0 percent for resident students. The assumptions used are shown below.

	Resident	Nonresident
Regents of the University of Colorado	6.0%	4.5%

*JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision*

	Resident	Nonresident
Regents of the University of Colorado	6.0%	4.5%
Colorado State University	6.0%	3.9%
Fort Lewis College	5.6%	0.0%
University of Northern Colorado	6.0%	4.5%
Colorado School of Mines	3.5%	2.5%
Adams State University	5.6%	4.5%
Colorado Mesa University	6.0%	4.5%
Western State College	5.4%	5.5%
Metro State University of Denver	6.0%	6.0%
Community College System	6.0%	6.0%

The following is a comparison to the tuition revenue estimates submitted by the institutions. The overall variance between the two estimates is small, although differences are surprisingly large for some institutions. ***Based on further information, staff anticipates that LCS will be reducing its estimate for Adams State. Staff requests the Committee’s permission to adjust this amount, and any informational tuition amounts, consistent with changes to the LCS projection.***

	LCS	Institutions	Variance
Adams State University	\$21,782,551	\$19,599,000	-10.0%
Colorado Mesa University	57,890,353	59,321,335	2.5%
Metropolitan State University	105,025,368	105,097,320	0.1%
Western State Colorado University	16,391,093	16,608,283	1.3%
Colorado State University System	363,149,064	384,016,206	5.7%
Ft. Lewis College	39,085,680	39,625,207	1.4%
University of Colorado System	873,721,252	856,401,278	-2.0%
Colorado School of Mines	112,868,945	126,014,405	11.6%
University of Northern Colorado	79,982,916	85,224,140	6.6%
Community College System	251,944,787	258,340,650	2.5%
TOTAL	1,921,842,009	1,950,247,824	1.5%

Given the expectation that tuition will again be appropriated, staff proposes to coordinate meetings during the summer between LCS and institutional staff to better understand differences in projection methodologies and, staff hopes, improve the quality of future projections.

Projected tuition and fee revenue - academic and facility fees: For Academic and Academic Facility Fees, staff recommends an appropriation equal to the revenue projected by the higher education institutions. For the same reasons staff recommends an informational

appropriation for tuition, staff also recommends an informational appropriation for Academic and Academic Facility Fees. **As detailed in an appendix, the total recommendation includes \$121,408,803 for academic fees, including an increase of \$2,008,228 for FY 2015-16.**

BA2 Alzheimer’s Disease Center: As previously discussed, the recommendation includes an increase for a proposed Alzheimer’s Disease Center, reflected in the appropriation to the University of Colorado.

Amendment 50 gaming revenue adjustment: Staff recommends modifying estimated distributions of limited gaming funds reflected in the Long Bill to align with the FY 2013-14 actual distributions of \$5,874,216 (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). This is a small adjustment from the \$5,811,118 reflected in the FY 2014-15 Long Bill.

Full-time Equivalent (FTE) adjustment: The staff recommendation on FTE to be reflected in the Long Bill is based on FY 2014-15 estimated FTE in the budget data books submitted by the Department. 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 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 23,412.5, including an increase of 389.8 for FY 2015-16.

	FTE			
	FY 2014-15	FY 2015-16	Recommended	
	Appropriation	(FY 2014-15 Data Books Estimates)	Change	Percent
Adams	327.1	330.0	2.9	0.9%
Mesa	657.9	695.3	37.4	5.7%
Metro	1,347.6	1,362.6	15.0	1.1%
Western	234.8	241.4	6.6	2.8%
CSU System	4,324.7	4,587.2	262.5	6.1%
Fort Lewis	392.1	415.0	22.9	5.8%

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

	FTE		Recommended	
	FY 2014-15	FY 2015-16	Change	Percent
Appropriation	(FY 2014-15 Data Books Estimates)			
CU Regents	7,402.3	7,825.2	422.9	5.7%
Mines	848.6	878.5	29.9	3.5%
UNC	1,247.1	1,141.9	(105.2)	-8.4%
Community Colleges	6,240.5	5,935.4	(305.1)	-4.9%
AHEC	177.8	188.0	10.2	5.8%
TOTAL	23,200.5	23,600.5	400.0	1.72%

Net \$0 technical adjustments – Specialty Education Programs: The staff recommendation includes adjustments within the CLIMBS system to more clearly break-out appropriations for specialty education programs. In addition, staff recommends breaking out a separate line item for selected CSU programs in light of current statute. This adjustment is not yet reflected in the numbers pages.

Tobacco adjustment: Staff recommends reflecting funding from Tobacco Settlement revenue for the University of Colorado of \$12,500,677, a reduction of \$847,125, 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.

Annualize prior year actions: The Department's request included a proposed third-year annualization of appropriations originally included in S.B. 13-033 (ASSET). As previously discussed, the staff recommendation does not include this adjustment.

LINE ITEM DETAIL – RECOMMENDATION TABLES

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.

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Governing Boards, Trustees of Adams State College, Trustees of Adams State College					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	35,958,192	0	24,395,131	11,563,061	327.1
Other legislation	1,274,227	0	0	1,274,227	0.0
Long Bill supplemental	(839,881)	0	(839,881)	0	0.0
TOTAL	\$36,392,538	\$0	\$23,555,250	\$12,837,288	327.1
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$36,392,538	\$0	\$23,555,250	\$12,837,288	327.1
R1/BA1 Operating Increase for Public Colleges and Universities	1,283,729	0	0	1,283,729	0.0
Tuition and fee adjustments	1,618,981	0	1,618,981	0	0.0
Amendment 50 gaming revenue adjustment	879	0	879	0	0.0
FTE adjustment	0	0	0	0	2.9
Annualize prior year actions	0	0	0	0	0.0
TOTAL	\$39,296,127	\$0	\$25,175,110	\$14,121,017	330.0
Increase/(Decrease)	\$2,903,589	\$0	\$1,619,860	\$1,283,729	2.9
Percentage Change	8.0%	0.0%	6.9%	10.0%	0.9%
FY 2015-16 Executive Request:	\$38,525,625	\$0	\$24,402,133	\$14,123,492	327.1
Request Above/(Below) Recommendation	(\$770,502)	\$0	(\$772,977)	\$2,475	(2.9)

Governing Boards, Trustees of Colorado Mesa University, Trustees of Colorado Mesa University					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	78,715,069	0	58,873,818	19,841,251	657.9
Other legislation	2,186,000	0	0	2,186,000	0.0
Long Bill supplemental	(3,260,620)	0	(3,260,620)	0	0.0
TOTAL	\$77,640,449	\$0	\$55,613,198	\$22,027,251	657.9
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$77,640,449	\$0	\$55,613,198	\$22,027,251	657.9
R1/BA1 Operating Increase for Public Colleges and Universities	2,350,406	0	0	2,350,406	0.0
Tuition and fee adjustments	3,710,083	0	3,710,083	0	0.0
Amendment 50 gaming revenue adjustment	20,213	0	20,213	0	0.0
FTE adjustment	0	0	0	0	37.4
Annualize prior year actions	0	0	0	0	0.0
TOTAL	\$83,721,151	\$0	\$59,343,494	\$24,377,657	695.3
Increase/(Decrease)	\$6,080,702	\$0	\$3,730,296	\$2,350,406	37.4
Percentage Change	7.8%	0.0%	6.7%	10.7%	5.7%
FY 2015-16 Executive Request:	\$83,304,630	\$0	\$58,901,894	\$24,402,736	657.9

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Governing Boards, Trustees of Colorado Mesa University, Trustees of Colorado Mesa University	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
Request Above/(Below) Recommendation	(\$416,521)		(\$441,600)	\$25,079	(37.4)

Governing Boards, Trustees of Metropolitan State College of Denver, Trustees of Metropolitan State College of Denver	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	147,263,314	0	107,905,891	39,357,423	1,347.6
Other legislation	4,323,770	0	0	4,323,770	0.0
Long Bill supplemental	2,559,996	0	2,559,996	0	0.0
TOTAL	\$154,147,080	\$0	\$110,465,887	\$43,681,193	1,347.6
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$154,147,080	\$0	\$110,465,887	\$43,681,193	1,347.6
R1/BA1 Operating Increase for Public Colleges and Universities	6,490,294	0	0	6,490,294	0.0
Tuition and fee adjustments	4,666,423	0	4,666,423	0	0.0
FTE adjustment	0	0	0	0	15.0
Annualize prior year actions	0	0	0	0	0.0
TOTAL	\$165,303,797		\$115,132,310	\$50,171,487	1,362.6
Increase/(Decrease)	\$11,156,717	\$0	\$4,666,423	\$6,490,294	15.0
Percentage Change	7.2%	0.0%	4.2%	14.9%	1.1%
FY 2015-16 Executive Request:	\$158,661,647	\$0	\$108,308,275	\$50,353,372	1,347.6
Request Above/(Below) Recommendation	(\$6,642,150)		(\$6,824,035)	\$181,885	(15.0)

Governing Boards, Trustees of Western State College, Trustees of Western State College	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	27,923,531	0	18,388,762	9,534,769	234.8
Other legislation	1,050,678	0	0	1,050,678	0.0
Long Bill supplemental	370,030	0	370,030	0	0.0
TOTAL	\$29,344,239	\$0	\$18,758,792	\$10,585,447	234.8
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$29,344,239	\$0	\$18,758,792	\$10,585,447	234.8
R1/BA1 Operating Increase for Public Colleges and Universities	1,058,545	0	0	1,058,545	0.0
Tuition and fee adjustments	1,371,499	0	1,371,499	0	0.0
FTE adjustment	0	0	0	0	6.6

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Governing Boards, Trustees of Western State College, Trustees of Western State College					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
Annualize prior year actions	0	0	0	0	0.0
TOTAL	\$31,774,283		\$20,130,291	\$11,643,992	241.4
Increase/(Decrease)	\$2,430,044	\$0	\$0	\$0	6.6
Percentage Change	8.3%	0.0%	7.3%	10.0%	2.8%
FY 2015-16 Executive Request:	\$30,041,182	\$0	\$18,394,715	\$11,646,467	234.8
Request Above/(Below) Recommendation	(\$1,733,101)		(\$1,735,576)	\$2,475	(6.6)

Governing Boards, Board of Governors of the Colorado State University System, Board of Governors of the Colorado State University System					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	481,905,090	0	372,033,528	109,871,562	4,324.7
Other legislation	12,106,921	0	0	12,106,921	0.0
Long Bill supplemental	2,818,603	0	2,818,603	0	0.0
TOTAL	\$496,830,614	\$0	\$374,852,131	\$121,978,483	4,324.7
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$496,830,614	\$0	\$374,852,131	\$121,978,483	4,324.7
R1/BA1 Operating Increase for Public Colleges and Universities	12,197,848	0	0	12,197,848	0.0
Tuition and fee adjustments	20,578,865	0	20,578,865	0	0.0
FTE adjustment	0	0	0	0	262.5
Net \$0 technical adjustment	0	0	0	0	0.0
Annualize prior year actions	0	0	0	0	0.0
TOTAL	\$529,607,327		\$395,430,996	\$134,176,331	4,587.2
Increase/(Decrease)	\$32,776,713	\$0	\$20,578,865	\$12,197,848	262.5
Percentage Change	6.6%	0.0%	5.5%	10.0%	6.1%
FY 2015-16 Executive Request:	\$506,364,164	\$0	\$372,155,657	\$134,208,507	4,324.7
Request Above/(Below) Recommendation	(\$23,243,163)		(\$23,275,339)	\$32,176	(262.5)

Governing Boards, Trustees of Fort Lewis College, Trustees of Fort Lewis College					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	51,334,722	0	41,791,612	9,543,110	392.1
Other legislation	1,051,494	0	0	1,051,494	0.0
Long Bill supplemental	(1,833,639)	0	(1,833,639)	0	0.0

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Governing Boards, Trustees of Fort Lewis College, Trustees of Fort Lewis College					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
TOTAL	\$50,552,577	\$0	\$39,957,973	\$10,594,604	392.1
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$50,552,577	\$0	\$39,957,973	\$10,594,604	392.1
R1/BA1 Operating Increase for Public Colleges and Universities	1,344,519	0	0	1,344,519	0.0
Tuition and fee adjustments	1,629,430	0	1,629,430	0	0.0
FTE adjustment	0	0	0	0	22.9
Annualize prior year actions	0	0	0	0	0.0
TOTAL	\$53,526,526		\$41,587,403	\$11,939,123	415.0
Increase/(Decrease)	\$2,973,949	\$0	\$1,629,430	\$1,344,519	22.9
Percentage Change	5.9%	0.0%	4.1%	12.7%	5.8%
FY 2015-16 Executive Request:	\$53,756,152	\$0	\$41,800,087	\$11,956,065	392.1
Request Above/(Below) Recommendation	\$229,626		\$212,684	\$16,942	(22.9)

Governing Boards, Regents of the University of Colorado, Regents of the University of Colorado					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	1,018,675,773	0	868,388,514	150,287,259	7,402.3
Other legislation	16,810,551	0	0	16,810,551	0.0
Long Bill supplemental	46,932,991	0	46,932,991	0	0.0
TOTAL	\$1,082,419,315	\$0	\$915,321,505	\$167,097,810	7,402.3
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$1,082,419,315	\$0	\$915,321,505	\$167,097,810	7,402.3
R1/BA1 Operating Increase for Public Colleges and Universities	16,709,781	0	0	16,709,781	0.0
Tuition and fee adjustments	49,447,514	0	49,447,514	0	0.0
BA2 Alzheimer's disease center	250,000	0	0	250,000	0.0
FTE adjustment	0	0	0	0	422.9
Net \$0 technical adjustment	0	0	0	0	0.0
Tobacco adjustment	(847,125)	0	(847,125)	0	0.0
Annualize prior year actions	0	0	0	0	0.0
TOTAL	\$1,147,979,485		\$963,921,894	\$184,057,591	7,825.2
Increase/(Decrease)	\$65,560,170	\$0	\$0	\$16,959,781	422.9
Percentage Change	6.1%	0.0%	5.3%	10.1%	5.7%
FY 2015-16 Executive Request:	\$1,052,678,628	\$0	\$868,578,962	\$184,099,666	7,402.3
Request Above/(Below) Recommendation	(\$95,300,857)		(\$95,342,932)	\$42,075	(422.9)

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Governing Boards, Trustees of the Colorado School of Mines, Trustees of the Colorado School of Mines					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	137,365,558	0	120,549,221	16,816,337	848.6
Other legislation	1,853,119	0	0	1,853,119	0.0
Long Bill supplemental	(4,958,723)	0	(4,958,723)	0	0.0
TOTAL	\$134,259,954	\$0	\$115,590,498	\$18,669,456	848.6
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$134,259,954	\$0	\$115,590,498	\$18,669,456	848.6
R1/BA1 Operating Increase for Public Colleges and Universities	1,866,946	0	0	1,866,946	0.0
Tuition and fee adjustments	6,899,279	0	6,899,279	0	0.0
FTE adjustment	0	0	0	0	29.9
Annualize prior year actions	0	0	0	0	0.0
TOTAL	\$143,026,179	\$0	\$122,489,777	\$20,536,402	878.5
Increase/(Decrease)	\$8,766,225	\$0	\$0	\$1,866,946	29.9
Percentage Change	6.5%	0.0%	6.0%	10.0%	3.5%
FY 2015-16 Executive Request:	\$141,112,246	\$0	\$120,572,132	\$20,540,114	848.6
Request Above/(Below) Recommendation	(\$1,913,933)	\$0	(\$1,917,645)	\$3,712	(29.9)

Governing Boards, University of Northern Colorado, University of Northern Colorado					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	126,679,807	0	93,030,447	33,649,360	1,247.1
Other legislation	3,707,667	0	0	3,707,667	0.0
Long Bill supplemental	(7,545,275)	0	(7,545,275)	0	0.0
TOTAL	\$122,842,199	\$0	\$85,485,172	\$37,357,027	1,247.1
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$122,842,199	\$0	\$85,485,172	\$37,357,027	1,247.1
R1/BA1 Operating Increase for Public Colleges and Universities	3,735,703	0	0	3,735,703	0.0
Tuition and fee adjustments	2,215,606	0	2,215,606	0	0.0
FTE adjustment	0	0	0	0	(105.2)
Annualize prior year actions	0	0	0	0	0.0
TOTAL	\$128,793,508	\$0	\$87,700,778	\$41,092,730	1,141.9
Increase/(Decrease)	\$5,951,309	\$0	\$2,215,606	\$3,735,703	(105.2)
Percentage Change	4.8%	0.0%	2.6%	10.0%	(8.4%)
FY 2015-16 Executive Request:	\$134,172,615	\$0	\$93,067,510	\$41,105,105	1,247.1
Request Above/(Below) Recommendation	\$5,379,107		\$5,366,732	\$12,375	105.2

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Governing Boards, State Board for Community Colleges and Occupational Education State System Community Colleges, State Board for Community Colleges and Occupational Education State System Community Colleges	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	406,205,926	0	282,339,459	123,866,467	6,240.5
Other legislation	13,599,458	0	0	13,599,458	0.0
Long Bill supplemental	(9,541,139)	0	(9,541,139)	0	0.0
TOTAL	\$410,264,245	\$0	\$272,798,320	\$137,465,925	6,240.5
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$410,264,245	\$0	\$272,798,320	\$137,465,925	6,240.5
R1/BA1 Operating Increase for Public Colleges and Universities	16,004,433	0	0	16,004,433	0.0
Tuition and fee adjustments	4,052,220	0	4,052,220	0	0.0
Amendment 50 gaming revenue adjustment	42,006	0	42,006	0	0.0
FTE adjustment	0	0	0	0	(305.1)
Annualize prior year actions	0	0	0	0	0.0
TOTAL	\$430,362,904		\$276,892,546	\$153,470,358	5,935.4
Increase/(Decrease)	\$20,098,659	\$0	\$4,094,226	\$0	(305.1)
Percentage Change	4.9%	0.0%	1.5%	11.6%	(4.9%)
FY 2015-16 Executive Request:	\$436,465,465	\$0	\$282,913,130	\$153,552,335	6,240.5
Request Above/(Below) Recommendation	\$6,102,561		\$6,020,584	\$81,977	305.1

(6) Local District Junior Colleges

This division, comprised of one line item, provides funding for grants to Aims Community College and Colorado Mountain College. The source of cash funds is limited gaming revenue distributed to higher education institutions with a 2-year mission.

Request: The Department requests an appropriation of \$16,098,319 total funds for this section, including \$15,449,050 General Fund. The request includes an increase pursuant to R1/BA1 Operational funding increase for public colleges and universities.

Recommendation: Staff recommends total funding for this division as reflected below.

Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S.						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$13,299,594	\$12,650,325	\$649,269	\$0	\$0	0.0
Other legislation	<u>1,394,266</u>	<u>1,394,266</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$14,693,860	\$14,044,591	\$649,269	\$0	\$0	0.0
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$14,693,860	\$14,044,591	\$649,269	\$0	\$0	0.0
R1/BA1 Operating Increase for Public Colleges and Universities	1,545,899	1,545,899	0	0	0	0.0
Amendment 50 gaming revenue adjustment	12,135	0	12,135	0	0	0.0
Net \$0 technical adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$16,251,894	\$15,590,490	\$661,404	\$0	\$0	0.0
Increase/(Decrease)	\$1,558,034	\$1,545,899	\$12,135	\$0	\$0	0.0
Percentage Change	10.6%	11.0%	1.9%	0.0%	0.0%	0.0%
FY 2015-16 Executive Request:	\$16,098,319	\$15,449,050	\$649,269	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$153,575)	(\$141,440)	(\$12,135)	\$0	\$0	0.0

R1/BA1 Operational funding increase for public colleges and universities: The adjustments shown are consistent with the adjustments previously discussed pursuant to R1/BA1.

Amendment 50 gaming revenue adjustment: The staff recommendation is based on the FY 2013-14 limited gaming moneys received by the Local District Junior Colleges pursuant to Amendment 50 (of 2008).

Net \$0 technical adjustment: Staff recommends break-out separate line items for Colorado Mountain College and Aims Community College.

➔ Separate Line Items for Aims & Colorado Mountain College

H.B. 15-1224 (State Moneys Received by Local District Jr. Colleges), sought by these two institutions, clarifies that adjustments to the two institutions for purposes of H.B. 14-1319 should be calculated separately for each. As there is nothing currently in statute requiring grants for the two institutions be combined in a single line item, staff recommends separating them in the Long Bill. The new line items are reflected below, based on the FY 2014-15 allocation of funds between the two institutions, an 11.0 percent increase for each, consistent with the staff recommendation on R1/BA1, and prior-year gaming revenue received by each institution.

Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S., Colorado Mountain College				
	Total Funds	General Fund	Cash Funds	FTE
Net \$0 technical adjustment	7,453,410	7,143,622	309,788	0.0
TOTAL	\$7,453,410	\$7,143,622	\$309,788	0.0
Increase/(Decrease)	\$7,453,410	\$7,143,622	\$309,788	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
Request Above/(Below) Recommendation	(\$7,453,410)	(\$7,143,622)	(\$309,788)	0.0

Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S., Aims Community College				
	Total Funds	General Fund	Cash Funds	FTE
Net \$0 technical adjustment	8,798,484	8,446,868	351,616	0.0
TOTAL	\$8,798,484	\$8,446,868	\$351,616	0.0
Increase/(Decrease)	\$8,798,484	\$8,446,868	\$351,616	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
Request Above/(Below) Recommendation	(\$8,798,484)	(\$8,446,868)	(\$351,616)	0.0

(7) Division of Occupational Education

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

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Division of Occupational Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$52,274,633	\$8,091,845	\$0	\$28,608,810	\$15,573,978	32.0
Other legislation	<u>891,849</u>	<u>891,849</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$53,166,482	\$8,983,694	\$0	\$28,608,810	\$15,573,978	32.0
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$53,166,482	\$8,983,694	\$0	\$28,608,810	\$15,573,978	32.0
R1/BA1 Operating Increase for Public Colleges and Universities	988,842	988,842	0	0	0	0.0
NP1 Colorado First/Existing Industry Job Training	<u>1,774,978</u>	<u>0</u>	<u>0</u>	<u>1,774,978</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$55,930,302	\$9,972,536	\$0	\$30,383,788	\$15,573,978	32.0
Increase/(Decrease)	\$2,763,820	\$988,842	\$0	\$1,774,978	\$0	0.0
Percentage Change	5.2%	11.0%	0.0%	6.2%	0.0%	0.0%
FY 2015-16 Executive Request:	\$55,839,829	\$9,882,063	\$0	\$30,383,788	\$15,573,978	32.0
Request Above/(Below) Recommendation	(\$90,473)	(\$90,473)	\$0	\$0	\$0	0.0

R1/BA1 Operational funding increase for public colleges and universities: The recommendation includes an 11.0 percent increase for the Area Vocational Schools, as previously discussed pursuant to this request.

NP1 Colorado First/Existing Industry Job Training: This item corresponds to a request in the Governor’s Office to increase funding for this program to \$4.5 million. The program is a collaboration between the Governor’s Office of Economic Development and International Trade (OEDIT) and the community college system. It provides matching funds for employee training to help retain and recruit employers to the State. The request will be discussed during figure setting for the Governor's Office. **The amount shown is the request. Staff will apply any**

increase approved for this program during figure setting for the Governor’s Office to this line item.

(A) Administrative Costs

These FTE, located in the community college system, are responsible for approving the programs and distributing funds. The source of reappropriated funds is indirect cost recoveries.

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.

Request: The Department requests a continuation level of \$24,948,012 reappropriated funds.

Recommendation: Staff recommends the request for continuation funding of \$24,948,012 reappropriated funds from the Department of Education. In the event the Committee chooses to adjust this amount during figure setting for the Department of Education, staff will apply the adjustment to this line item.

(C) Area Vocational School 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.

Request: The Department requests an appropriation of \$9,882,063 General Fund for this line item, including an adjustment for R1/BA1 Operating Increase for Public Colleges and Universities.

Recommendation: As previously discussed pursuant to R1/BA 1, staff recommends an 11.0 percent increase for the area vocational schools, as well as the local district junior colleges.

Division of Occupational Education, Area Vocational School Support, Area Vocational School Support	Total Funds	General Fund	FTE
FY 2014-15 Appropriation			
HB 14-1336 (Long Bill)	8,091,845	8,091,845	0.0
Other legislation	891,849	891,849	0.0
TOTAL	\$8,983,694	\$8,983,694	0.0
FY 2015-16 Recommended Appropriation			
FY 2014-15 Appropriation	\$8,983,694	\$8,983,694	0.0
R1/BA1 Operating Increase for Public Colleges and Universities	988,842	988,842	0.0
TOTAL	\$9,972,536	\$9,972,536	0.0
Increase/(Decrease)	\$988,842	\$988,842	0.0
Percentage Change	11.0%	11.0%	0.0%
FY 2015-16 Executive Request:	\$9,882,063	\$9,882,063	0.0
Request Above/(Below) Recommendation	(\$90,473)	(\$90,473)	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.

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.

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. It appears that FY 2013-14 spending fell below this level, based on available federal funds. If FY 2014-15 actual spending continues to reflect a lower amount, staff will reduce the appropriation next year.

(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.

Request: The Department requests \$4,500,000 reappropriated funds for this line item, including an increase of \$1,774,978 for NP1 Colorado First/Existing Industry Job Training.

Recommendation: The staff recommendation is pending figure setting for the Governor's Office, from which these funds are transferred. Staff will reflect the Committee's decision in the Long Bill.

(8) Auraria Higher Education Center

Administration

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.

Request: The Department requests \$19,879,000 reappropriated funds and a continuation level of 188.0 FTE for this line item.

Recommendation:

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Auraria Higher Education Center						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	<u>\$19,300,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$19,300,000</u>	<u>\$0</u>	<u>177.8</u>
TOTAL	\$19,300,000	\$0	\$0	\$19,300,000	\$0	177.8
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$19,300,000	\$0	\$0	\$19,300,000	\$0	177.8
AHEC adjustment	579,000	0	0	579,000	0	0.0
FTE adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10.2</u>
TOTAL	\$19,879,000	\$0	\$0	\$19,879,000	\$0	188.0
Increase/(Decrease)	\$579,000	\$0	\$0	\$579,000	\$0	10.2
Percentage Change	3.0%	0.0%	0.0%	3.0%	0.0%	5.7%
FY 2015-16 Executive Request:	\$19,879,000	\$0	\$0	\$19,879,000	\$0	177.8
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	\$0	(10.2)

AHEC Adjustment: As described further below, the request and recommendation include a 3.0 percent increase in spending authority at AHEC.

Adjust for projected FTE: Consistent with the approach used for other higher education institutions, staff recommends adjusting FTE based on AHEC’s estimated FTE for FY 2014-15 as reported in its data book submission.

➔ 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 FY 2015-16, the Department incorporated a 3.0 percent increase to account for inflationary adjustments. 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.

(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.

The majority of funding for History Colorado (\$23.5 million in revenue for FY 2013-14 and nearly 80 percent of the budget) is derived from limited gaming revenue deposited to the State Historical Fund and appropriated to the agency by the General Assembly. The 1990 Constitutional amendment that legalized limited stakes gaming in Black Hawk, Central City and Cripple Creek, specified that, after administrative expenses, 28 percent of the revenue generated would be deposited to the State Historical Fund to be used for historic preservation efforts. The General Assembly has authorized History Colorado to administer these funds, subject to annual appropriation.

History Colorado						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2014-15 Appropriation						
HB 14-1336 (Long Bill)	\$30,163,038	\$1,295,000	\$27,927,514	\$0	\$940,524	131.4
Long Bill supplemental	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$30,163,038	\$1,295,000	\$27,927,514	\$0	\$940,524	131.4
FY 2015-16 Recommended Appropriation						
FY 2014-15 Appropriation	\$30,163,038	\$1,295,000	\$27,927,514	\$0	\$940,524	131.4
Gaming cities revenue estimate	500,000	0	500,000	0	0	0.0
Annualize salary survey	130,082	0	104,879	0	25,203	0.0
Annualize merit pay	83,620	0	74,897	0	8,723	0.0
History Colorado budget reorganization	0	0	0	0	0	(0.0)
History Colorado budget reductions	(2,520,510)	0	(2,520,510)	0	0	0.0
Annualize prior year actions	<u>(15,000)</u>	<u>0</u>	<u>(15,000)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$28,341,230	\$1,295,000	\$26,071,780	\$0	\$974,450	131.4
Increase/(Decrease)	(\$1,821,808)	\$0	(\$1,855,734)	\$0	\$33,926	(0.0)
Percentage Change	(6.0%)	0.0%	(6.6%)	0.0%	3.6%	(0.0%)
FY 2015-16 Executive Request:	\$30,361,740	\$1,295,000	\$28,092,290	\$0	\$974,450	131.4
Request Above/(Below) Recommendation	\$2,020,510	\$0	\$2,020,510	\$0	\$0	0.0

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Gaming cities revenue estimate: The staff recommendation includes an adjustment to reflect a revised estimate of the 20 percent share of State Historical Fund receipts that must be directed to the gaming cities, consistent with the Constitution. Staff requests permission to further update this figure based on the March revenue forecast.

Annualize FY 2014-15 salary survey: The recommendation moves FY 2014-15 centrally appropriated amounts for salary survey to CCHE Administration and History Colorado.

Annualize FY 2014-15 merit pay: The recommendation moves FY 2014-15 centrally appropriated amounts for merit pay to CCHE Administration and History Colorado.

History Colorado budget reorganization: The recommendation modifies the History Colorado budget structure (net \$0 budget impact).

History Colorado budget reductions: The recommendation reduces spending authority for limited gaming funds deposited to the State Historical Fund pursuant to Constitutional allocations. There is insufficient revenue to support the current level of appropriations. The reductions include \$695,408 from line items that support the operation of History Colorado museums and facilities, including cuts of 11.5 percent from this fund source in most operating line items. The recommendation also includes a reduction of \$1,825,102 to appropriations associated with State Historical Fund statewide preservation grants, based on anticipated revenue and expenditures to the Fund.

Annualize prior year actions: The recommendation annualizes the impact of FY 2013-14 request HC1 (Cumbres and Toltec railroad operations) based on the original request.

UPDATE: HISTORY COLORADO GOVERNANCE AND FINANCIAL MANAGEMENT

The *FY 2012-13 Statewide Financial Audit* raised significant concerns about History Colorado and identified **material weaknesses (the highest level of problem) in its financial management.**⁹ Among the key findings:

- History Colorado had not implemented adequate internal controls to ensure the proper preparation of accounting entries, timely reconciliations, year-end reporting, and segregation of duties.
- It did not have adequate internal written procedures in place for recording periodic transactions, such as debt service payments and reimbursements.

⁹

[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)

- There were a range of examples that appeared to reflect lack of familiarity with basic accounting principles and practices and the state accounting system.

In light of the above concerns, the auditors initiated a performance audit of History Colorado in early 2014. The *History Colorado Performance Audit* was released in June 2014. This audit confirmed the previously-identified financial management issues and raised new issues. Some of the key findings from the new audit:

- History Colorado used State Historical Fund (gaming) moneys reserved for grants to pay for all indirect costs from the Department of Higher education without an accepted methodology.
- Almost half of History Colorado official 5,202 official function transactions were for amounts less than or equal to \$50, and many appeared to reflect program costs, rather than official functions, e.g., costs for individual employees to eat at Quizno's.
- There were one or more problems with 95 percent of procurement card transactions tested.

In response to the initial findings from the FY 2012-13 Statewide Financial audit, the agency hired new accounting and budgeting staff. It expected to implement most corrections by January 2015.

The June 2014 audit also raised more fundamental concerns about History Colorado governance. As described in the audit, as a 501 (c) (3), History Colorado has been governed by a large board of directors, with members nominated and appointed by the board itself. No board members are appointed by the Governor or confirmed by the General Assembly. Although History Colorado is considered a higher education institution, the Department of Higher Education has no substantive administrative oversight over the organization, since it is a “Type 1” agency. The Governor and General Assembly have budget oversight, as pursuant to Section 24-80-202.5, C.R.S., the president of the society is required to make budget recommendations to the Governor and the General Assembly, and funding for the agency is subject to annual appropriation. However, this is different from functional *administrative* oversight.

In light of the lack of administrative oversight, the **June 2014 audit recommended a review of the History Colorado governance structure.** Based on negotiations with the Governor's Office, the History Colorado board adopted a resolution expressing its support of legislation that would reorganize History Colorado's governance structure. **The Legislative Audit Committee voted at its February 10, 2015 meeting to carry the legislation.** The revised governance structure is expected to include the following components:

- A 9 member Board of Directors responsible for and authorized to exercise powers and fulfill obligations of History Colorado under state law.
 - **The Governor to appoint 5 members of the Board**, subject to confirmation by the Senate.
 - History Colorado to appoint 4 members, subject to approval by the Governor and confirmation by the Senate.
- There will also be a Directors' Council, established by the Board and elected from the membership, to provide advice, service and assistance to the Board.

- Some details still to be determined. History Colorado proposes an effective date of **January 1, 2016**, to facilitate the development of new bylaws and procedures.
-

GAMING REVENUE OVERVIEW AND HISTORY COLORADO REVENUE CHALLENGES

Background – The State Historic 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 50¹⁰, and after deductions for administrative expenses, the Limited Gaming Fund proceeds are distributed as follows:

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

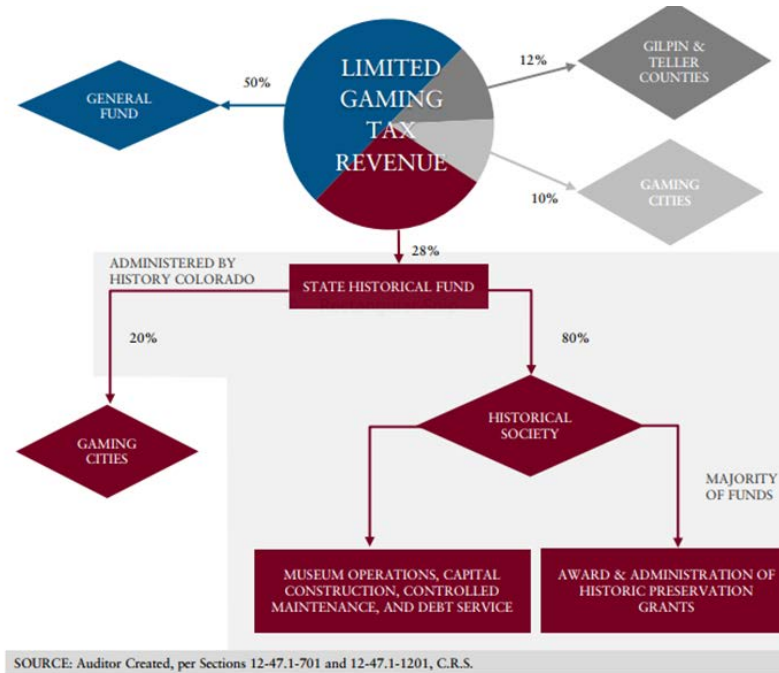
The Constitution further specifies that, of the amount distributed to the State Historical Fund:

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

The 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.

¹⁰ Amendment 50 provided for bets up to \$100 and provides distributions to higher education institutions.



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

The History Colorado budget is based on the *prior year's* revenue to the State Historic Fund. Thus, FY 2015-16 moneys available will be determined largely by FY 2014-15 gaming receipts. The table below summarizes actual recent year revenue and the projected revenue included in the Department's November 2014 budget submission (OSPB September 2014 forecast).

Limited Gaming Fund Allocations based on Prior FY Actual Receipts (FY 16 estimate = projected receipts FY 2014-15)				
	FY 13	FY 14	FY 15	FY 16 estimate*
Majority share - Statewide Grant Program (50.1% of 80%)	\$9,269,444	\$9,472,185	\$9,408,902	\$9,819,600
Minority share - Museum Operations & Capital (49.9% of 80%)	9,232,440	9,434,371	9,371,341	9,780,400
Gaming City Direct Distributions (20%)	4,625,471	4,726,639	4,695,062	4,900,000
Total	23,127,355	23,633,195	23,475,305	24,500,000
*Included in request based on OSPB September 2014 forecast				

The most recent forecasts (December 2014) bracket the estimate used for the request:

- Legislative Council Staff estimates total revenue to the State Historical Fund for FY 2014-15 at \$23.6 million
- OSPB projects \$24.8 million for FY 2014-15.

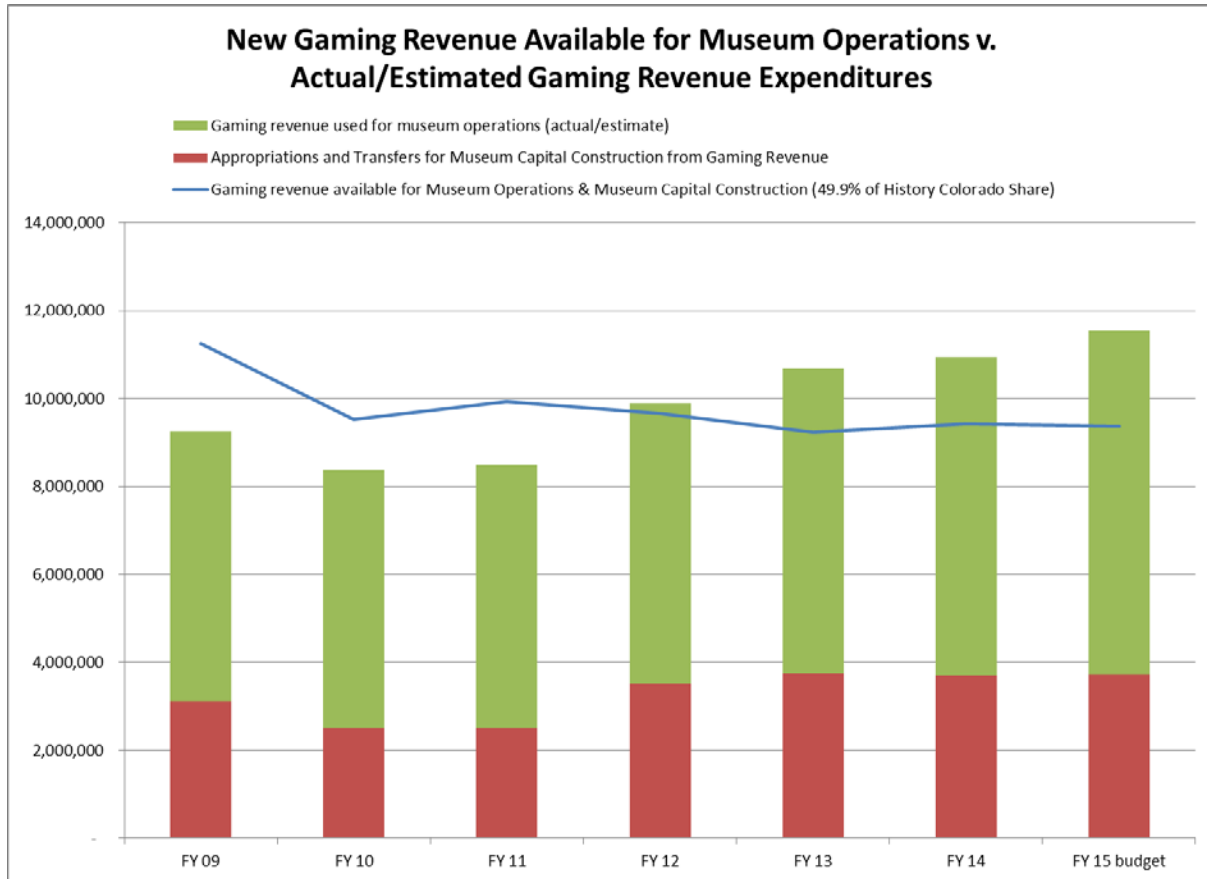
Current Revenue Challenges for History Colorado Operations/ “Minority Share”

History Colorado has struggled financially since taking on the expenses associated with the new History Colorado Center.

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

Gaming Revenue Trends

The chart below shows actual reported expenditure of gaming money activities counted in the 49.9 percent share allowed for museum and historic Colorado operations versus the moneys annually available from gaming revenue for this purpose. As shown, expenditures now significantly exceed annual gaming revenue, indicating that History Colorado has been spending down its gaming moneys reserves. These reserves are now almost exhausted.



The table below summarizes the recent revenue and expenditure situation reflecting all unrestricted fund sources, and not just gaming revenue. As shown, History Colorado has been spending down its fund balance over the last few years and although earned revenue has increased, it has not been sufficient to fill the gap between expenditures and gaming moneys.

Earned Revenue Trends

As outlined in FY 2014-15 figure setting, History Colorado had established the following goals for the fiscal year:

- By the end of FY 2014-15, the goal is to have created a base of 154,075 annual visitors to the History Colorado Center, of which 126,875 are paid visitors. History Colorado also anticipates 78,994 paid visitors to its regional museums.
- Overall, History Colorado hoped to increase earned revenue from \$3,694,485 in actual FY 2012-13 to \$4,187,044 in FY 2014-15 and staff incorporated a further increase to fund a decision item for a total earned revenue budget of \$4,401,579 for FY 2014-15.

For FY 2014-15, the General Assembly approved an increase of \$544,964 from earned revenue, largely for marketing and public outreach, with the understanding that, in the absence of adequate marketing, visitation and earned revenue was likely to fall.

Updated projections suggest that History Colorado may not achieve these goals: Specifically, **as of early February 2015, it appeared that History Colorado had earned only \$1,865,245 in earned revenue to-date, suggesting it was on track to earn only \$3,197,563 for the year (based on annualizing 7 months of revenue)—a decline, rather than an increase from FY 2013-14 earnings. The FY 2014-15 appropriation anticipated \$4.4 million in revenue. It now appears the agency could fall as much as \$1.2 million short of this goal.**

Museum Operations Revenue, Expenditure, and Fund Balance Projection

The chart below reflects History Colorado’s financial situation for the “minority share” of the operation, i.e., museum operations.¹¹ Annual shortfalls began with the COP payments, after History Colorado was unable to make up for the additional financial burden with sufficient earned revenue (the museum opened, and COP payments began, in mid-FY 2012-13). **History Colorado reports a starting fund balance of \$4,325,565 for FY 2014-15 for the minority share. Assuming spend-down of \$2-\$2.5 million during FY 2014-15, the balance of funds by the beginning of FY 2015-16 will be approximately \$2.1 to \$2.6 million. By FY 2016-17, the Fund will be in deficit.**

¹¹ Note that this analysis reflects a hybrid between appropriations (for capital) and actual expenditures (for operations). History Colorado’s internal analysis appears to indicate that it was not operating in significant deficit until the current year (FY 2014-15), possibly due to the different treatment of capital expenditures.

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Minority Share Gaming Analysis	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Starting Balance-minority gaming /4	6,069,936	5,852,804	4,425,565	2,081,063
Revenue				
Minority share gaming revenue	9,232,440	9,434,371	9,371,341	9,780,400
Majority share cost share			382,778	387,180
Interest - minority share	<u>137,538</u>	<u>84,821</u>	<u>64,137</u>	<u>40,253</u>
Gaming Revenue	9,369,978	9,519,192	9,818,256	10,207,833
Expenses				
Operational budget (excluding staff-rec'd cuts)	8,925,950	9,308,025	10,391,024	10,510,521
COP Payment	1,919,648	3,021,000	3,021,734	3,021,835
Regional Museum capital construction	598,102	528,172	600,000	600,000
Internal Grants /1	134,978	129,689	150,000	150,000
Total	<u>11,578,678</u>	<u>12,986,886</u>	<u>14,162,758</u>	<u>14,282,356</u>
Revenue less expenses prior to Earned Revenue	(2,208,700)	(3,467,694)	(4,344,502)	(4,074,523)
Earned revenue / 2, 3	<u>1,991,568</u>	<u>2,040,455</u>	<u>2,000,000</u>	<u>2,474,856</u>
Loss after Earned Revenue	(217,132)	(1,427,239)	(2,344,502)	(1,599,667)
Ending Balance	5,852,804	4,425,565	2,081,063	481,396
Federal and Cash Revenue and Expenditures Not Included Above				
Federal Grants	722,642	643,187	710,524	724,734
Auxilliary Revenues (additional cash)3	1,685,910	1,757,535	1,757,535	1,757,535
1/Internal grants are not reflected in state budget figures				
2/ Department budget reflects \$2,474,856; however, actual earning to date suggests \$1.7-\$2.0 million for FY 2014-15, as shown				
3/ Starting in FY 2015-16, auxilliary revenue and expenditures will be combined with earned revenue above in the budget.				
Total History Colorado earned revenue represents the sum of these two figures.				
4/ Because staff assumes lower earned revenue in FY 2014-15 than estimated by History Colorado, FY 2015-16 starting balance is also lower.				

RECOMMENDATIONS AFFECTING MULTIPLE LINE ITEMS

➔ Reductions to Align Gaming Appropriations to Available Revenue

History Colorado has been spending down its fund balance of “minority share” gaming revenue. Earned revenue is not coming in at the level anticipated and staff is also unaware of any major donations that might fill the gap. **Staff believes that if proactive action is not taken now, History Colorado will be an untenable financial position a year from now.** History Colorado continues to work on mechanisms to increase earned revenue, but these efforts will not change whether or not gaming moneys are available for the program.

The tables below show how the request compares to projected funds available for the “majority” versus “minority” share, based on current estimates.

*JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision*

FY 2015-16 Gaming Revenue Museum Operations ("Minority Share") Base Appropriations (before adjustments) v. Projected Revenue	
Appropriations Requested	
Department administration/"pots" line items	\$2,165,699
Central Administration & Museums line items	5,890,921
Cost allocation of central administration to minority share	(382,778)
Estimated share of AED/SAED/HLD/STD/salary&merit @ 15% based on FTE	(248,112)
<i>Capital:</i>	
COP Payments	3,121,835
Regional Museum Projects	600,000
Total	\$11,147,565
Sept OSPB Revenue Projection	9,780,400
Shortfall	(1,367,165)
Dec. OSPB Revenue Projection	9,900,160
Shortfall	(1,247,405)
Dec LCS Revenue Projection	9,421,120
Shortfall	(1,726,445)

FY 2015-16 Gaming Revenue Preservation Operation ("Majority Share") Base Appropriations (before adjustments) v. Projected Revenue	
Appropriations Requested	
State Historical Fund Program Administration	\$1,703,303
State Historical Fund Program Grants	11,325,102
Cost allocation of central administration to minority share	382,778
Estimated share "pots" for benefits to minority share @ 15% based on FTE	248,112
Total	\$13,659,295
Sept OSPB Revenue Projection	9,819,600
Shortfall	(3,839,695)
Dec. OSPB Revenue Projection	9,939,840
Shortfall	(3,719,455)
Dec LCS Revenue Projection	9,458,880
Shortfall	(4,200,415)

“Minority Share” Reduction: In light of this variance staff recommends budget reductions to align gaming revenue appropriations with available funds for museum operations.

*JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision*

FY 2015-16 Gaming Revenue Museum Operations ("Minority Share") Reduction to Appropriations Recommended (includes capital construction)				
	Base/Request	With Reduction	Total Reduction	Percentage Chg
Department administration/"pots"	\$2,165,699	2,165,699	\$0	0.0%
Central Administration, Museums, Historic Preservation	5,890,921	5,195,513	(695,408)	-11.8%
COP Payments	3,121,835	3,121,835	\$0	0.0%
Regional Museum Projects	600,000	600,000	\$0	0.0%
Total	\$11,778,455	\$11,083,047	(\$695,408)	-5.9%

Based on consultation with History Colorado, staff has recommended applying 12.5 percent reductions to gaming revenue in the new Central Administration, Facilities Management, History Colorado Center, and Office of Archeology and Historic Preservation line items. Based on feedback from History Colorado and OSPB, as well as statutory considerations, the staff recommendation would NOT apply reductions to: regional museum operations or regional museum capital construction line items or Certificate of Participation payments for the History Colorado Center.

- Staff notes that the proposed cuts **still will not fully align appropriations with gaming revenue. Thus, the adjustments still provide the agency with some ability to spend from reserves if necessary and available. Additional reductions may well be necessary next year.**
- Although these amounts will be reduced in specific line items, *the agency will have considerable flexibility to manage the cuts.* Staff is also recommending a footnote, associated with the recommended budget reorganization, to provide History Colorado with flexibility to transfer up to 10 percent of the appropriations in all of the line items that were previously combined into a single line item. Thus, if History Colorado determines that the amounts would be better allocated differently, they will have that capacity.
- **Ultimately, this adjustment is intended to draw further attention to the serious budget problems facing History Colorado.** History Colorado is facing an imminent funding crisis if it is not able to increase its earned revenues at least up to the level appropriated.
- **Staff recognizes that the reductions reflected will be painful.** It is possible that even after significant actions to bring revenue and spending in alignment, this may not be sufficient to keep History Colorado's museum operations solvent. **Staff is not prepared to recommend anything but cuts at present, but believes the Committee should be aware of the gravity of the problem.**
- Staff is also recommending a request for information and a Long Bill footnote that will provide the Committee with an opportunity to revisit this issue in November 2015 and possibly January 2016.

Staff recommends the following **new request for information**:

N 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.

Staff also recommends the following **new footnote**:

N 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.

“Majority Share” Reduction: The agency has fewer challenges with the “majority share” of revenue as it is largely devoted to grants and may increase or decrease more easily than museum operations. However, staff also recommends an adjustment to the majority share. Specifically, recommends:

(1) Reducing the appropriation to the anticipated level of expenditures. This currently appears to be about \$9.5 million in grants.

(2) Providing a **new annotation on the appropriation** specifying an amount based on new revenue that is an appropriation provided for three years (like a capital appropriation) while indicating that the balance of the appropriation is to expend amounts for projects encumbered in prior years.

FY 2015-16 Gaming Revenue Preservation Operation ("Majority Share") Reduction to Appropriations Recommended				
	Request	Recommend	Reduction	Percentage Chg
State Historical Fund Program Administration	\$1,703,303	1,703,303	\$0	0.0%
State Historical Fund Program Grants	<u>11,325,102</u>	9,500,000	(1,825,102)	-16.1%
Total	\$13,028,405	11,203,303	(1,825,102)	-14.0%
Letternote indicating est. portion from new revenue:*		<i>9,850,000</i>		
*May adjust based on updated March revenue forecast and any capital construction transfers				

➔ Staff-recommended Budget Reorganization and Fund Clean-up Bill

Budget Reorganization

History Colorado’s budget structure and fund management has some unusual features:

- It appears to be organized largely around funding sources, rather than functional responsibilities, with subsections for “Auxiliary Programs” and “Sponsored Programs”

and with most line items grouped within the “Gaming Revenue” section, including the Society Museum and Preservation Operations line item.

- The “Gaming Revenue” section includes multiple revenue sources other than gaming revenues that are used to support the Society Museum and Grant Programs.
- Earned revenue appears both in the Society Museum line item and in the Auxiliary line item, with no functional basis for placement in one line item or the other.
- The Agency’s two cash funds are similarly confused: The State Historic Fund, as currently managed, includes revenue from multiple sources including both earned revenue and gaming revenue, while a separate fund includes a portion of earned revenue. Pulling apart the various funding components now deposited to the State Historic Fund is possible but not straight-forward and can easily lead to tracking errors.

Because of the configuration of the budget and the agency’s funds, it can be surprisingly complex to track:

- how much of the agency’s actual funding is derived from earned revenue versus gaming funds and how this has changed over time;
- what share of the agency’s gaming revenue is going to museum operations versus statewide preservation grants;
- how much funding is being directed to the History Colorado Center versus the various regional museums or the Office of the State Archeologist and other statewide preservation programs.

In light of this staff recommends restructuring the agency’s budget. History Colorado has worked with staff to develop the proposal below, which staff recommends.

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

FY 2014-15 Budget Format		FY 2015-16 Budget Format (FY 2014-15 base budget amounts)	
(9) HISTORY COLORADO		(9) HISTORY COLORADO	
(A) Cumbres and Toltec Railroad Commission	2,180,000	(A) Administration	
General Fund	1,295,000	Central Administration	1,357,500
Cash Funds	885,000	FTE	12.0
Reappropriated Funds	0	Cash Funds	Historic Fund (minority gaming)
		Cash Funds	Earned revenue
		Federal Funds	110,000
(B) Sponsored Programs	250,000		
FTE	3.5	Facilities Management	2,087,416
Cash Funds	20,000	FTE	7.5
Federal Funds	231,906	Cash Funds	Historic Fund (minority gaming)
(C) Auxiliary Programs	1,926,723	(B) History Colorado Museums	
FTE	14.5	History Colorado Center	4,794,459
Cash Funds	1,926,723	FTE	58.4
		Cash Funds	Historic Fund (minority gaming)
(D) Gaming Revenue		Cash Funds	Earned revenue
Gaming Cities Distribution	4,804,000	Federal Funds	80,000
Cash Funds	4,804,000		
		Community Museums	1,182,296
Statewide Preservation Grant Program	14,786,302	FTE	14.5
FTE	18.0	Cash Funds	Historic Fund (minority gaming)
Cash Funds	14,777,237	Cash Funds	Earned revenue
Federal Funds	9,065		
Society Museum and Preservation Operations	8,947,815	(C) Office of Archeology and Historic Preservation	
FTE	95.4	FTE	1,702,867
Cash Funds	8,237,291	Cash Funds	Historic Fund (minority gaming)
Federal Funds	710,524	Cash Funds	Earned revenue
		Federal Funds	770,524
		(D) State Historical Fund	
		Administration	Historic Fund (majority gaming)
			1,703,303
			FTE
			18.0
		Grants	Historic Fund (majority gaming)
		Gaming Cities Distribution	4,900,000
		(E) Cumbres and Toltec Scenic Railroad Commission	
		General Fund	1,295,000
		Cash Funds	New Mexico & Commission
			343,500

Because the new structure breaks what were formerly single line items into multiple line items, staff also recommends two footnotes to provide the agency with some flexibility in the first year to move funds among line items.

N 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.

N Department of Higher Education, History Colorado, State Historical Fund, Administration and Grants – History Colorado may transfer up to 10.0 percent of the total amount appropriated in the Administration line item to or from the Grants line item.

Improve Fund Management and Tracking – Bill Recommended

- At present, some earned revenue is deposited to the State Historical Fund and some to an auxiliary fund, complicating fiscal oversight. **In a change from the current approach, all letter-notes concerning cash funds earned from museum operations and auxiliary programs should specify:**

“This amount shall be from the History Colorado enterprise services fund created pursuant to Section 24-80-209, C.R.S.”

This should help to ensure that, for the future, all earned cash funds revenue is deposited into and spent from one fund, while gaming moneys ONLY are deposited to the State Historical Fund.

- **In order to further improve fiscal management, staff suggests that the JBC sponsor a bill that would require that gaming funds that are deposited into the State Historical Fund are separated into two sub-accounts: a “majority share” and a “minority share” representing: (1) amounts that may be used for museum operations and COPs; and (2) amounts that may be used for preservation activities. This, too, should make it easier to track finances and statutory compliance. Further, **if the Committee chooses to run such a bill, staff also recommends a statutory clean-up to: (1) clarify that the State Historical Fund is intended only for gaming revenue; and (2) more formally create the “Enterprise Services Cash Fund” consistent with current statutory norms for earned revenue.****
- Historically, the budget has provided sufficient spending authority to enable History Colorado to spend as needed for its grant program. Actual spending is driven heavily by prior year gaming allocations, as it can take time for new grants to be spent down. As described above, to increase accountability, **staff recommends that appropriations related to the majority share for statewide preservation activities be based on the total new majority share funds actually available, based on gaming moneys received in the prior year.** Appropriations made on this basis for grants should specify that the appropriation is available for three years (like a capital construction amount). *To the extent that the Department requires additional spending authority related to prior-year grants, staff would add additional spending authority indicating that this represents spend-down of amounts appropriated in prior years.* **Staff will work with History Colorado and the Controller’s Office on the language for an appropriate footnote and bring it back to the Committee during comebacks.**

LINE ITEM RECOMMENDATIONS

Note: The staff recommendation is presented in the order of the NEW Long Bill structure recommended by staff. Old line items reflecting the Department request are included below except for two line items moved to the new structure in their entirety.

(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 State Historical Fund (“minority share”) and cash funds including museum admission fees and user charges deposited to the Enterprise Services Cash Fund.

History Colorado, Central Administration, Central Administration	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2014-15 Appropriation					
Long Bill supplemental	0	0	0	0	0.0
TOTAL	\$0	\$0	\$0	\$0	0.0
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$0	\$0	\$0	\$0	0.0
History Colorado budget reorganization	1,377,438	0	1,261,096	116,342	12.0
History Colorado budget reductions	(142,771)	0	(142,771)	0	0.0
TOTAL	\$1,234,667	\$0	\$1,118,325	\$116,342	12.0
Increase/(Decrease)	\$1,234,667	\$0	\$1,118,325	\$116,342	12.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2015-16 Executive Request:					
Request Above/(Below) Recommendation	(\$1,234,667)	\$0	(\$1,118,325)	(\$116,342)	(12.0)

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 State Historical Fund (“minority share”).

History Colorado, Central Administration, Facilities Management	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2014-15 Appropriation					
Long Bill supplemental	0	0	0	0	0.0
TOTAL	\$0	\$0	\$0	\$0	0.0
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$0	\$0	\$0	\$0	0.0
History Colorado budget reorganization	2,095,914	0	2,095,914	0	7.5
History Colorado budget reductions	(261,989)	0	(261,989)	0	0.0
TOTAL	\$1,833,925	\$0	\$1,833,925	\$0	7.5
Increase/(Decrease)	\$1,833,925	\$0	\$1,833,925	\$0	7.5

JBC Staff Figure Setting – FY 2015-16
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History Colorado, Central Administration, Facilities Management	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2015-16 Executive Request:	\$0	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$1,833,925)		(\$1,833,925)	\$0	(7.5)

(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 State Historical Fund (“minority share”) and cash funds including museum admission fees and user charges deposited to the Enterprise Services Cash Fund.

History Colorado, History Colorado Museums, History Colorado Center	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2014-15 Appropriation					
Long Bill supplemental	0	0	0	0	0.0
TOTAL	\$0	\$0	\$0	\$0	0.0
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$0	\$0	\$0	\$0	0.0
History Colorado budget reorganization	4,890,490	0	4,816,513	73,977	58.4
History Colorado budget reductions	(178,631)	0	(178,631)	0	0.0
TOTAL	\$4,711,859		\$4,637,882	\$73,977	58.4
Increase/(Decrease)	\$4,711,859	\$0	\$4,637,882	\$73,977	58.4
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2015-16 Executive Request:	\$0	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$4,711,859)		(\$4,637,882)	(\$73,977)	(58.4)

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 State Historical Fund and cash funds including museum admission fees and user charges deposited to the Enterprise Services Cash Fund.

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History Colorado, History Colorado Museums, Community Museums				
	Total Funds	General Fund	Cash Funds	FTE
FY 2014-15 Appropriation				
Long Bill supplemental	0	0	0	0.0
TOTAL	\$0	\$0	\$0	0.0
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$0	\$0	\$0	0.0
History Colorado budget reorganization	1,205,725	0	1,205,725	14.5
TOTAL	\$1,205,725		\$1,205,725	14.5
Increase/(Decrease)	\$1,205,725	\$0	\$1,205,725	14.5
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2015-16 Executive Request:	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$1,205,725)		(\$1,205,725)	(14.5)

(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.

History Colorado, Office of Archeology and Historic Preservation, Program Costs					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2014-15 Appropriation					
Long Bill supplemental	0	0	0	0	0.0
TOTAL	\$0	\$0	\$0	\$0	0.0
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$0	\$0	\$0	\$0	0.0
History Colorado budget reorganization	1,740,268	0	956,137	784,131	21.0
History Colorado budget reductions	(112,017)	0	(112,017)	0	0.0
TOTAL	\$1,628,251		\$844,120	\$784,131	21.0
Increase/(Decrease)	\$1,628,251	\$0	\$844,120	\$784,131	21.0
Percentage Change	0.0%	0.0%	0.0%	0.0%	0.0%
FY 2015-16 Executive Request:	\$0	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$1,628,251)		(\$844,120)	(\$784,131)	(21.0)

(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. Funding is from the "majority share" of gaming revenue deposited to the State Historic Fund.

History Colorado, State Historical Fund Program, Administration				
	Total Funds	General Fund	Cash Funds	FTE
History Colorado budget reorganization	1,731,708	0	1,731,708	18.0
History Colorado budget reductions	(28,405)	0	(28,405)	0.0
TOTAL	\$1,703,303		\$1,703,303	18.0
Increase/(Decrease)	\$1,703,303	\$0	\$1,703,303	18.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2015-16 Executive Request:	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$1,703,303)		(\$1,703,303)	(18.0)

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.

History Colorado, State Historical Fund Program, Grants				
	Total Funds	General Fund	Cash Funds	FTE
History Colorado budget reorganization	11,296,697	0	11,296,697	0.0
History Colorado budget reductions	(1,796,697)	0	(1,796,697)	0.0
TOTAL	\$9,500,000		\$9,500,000	0.0
Increase/(Decrease)	\$9,500,000	\$0	\$9,500,000	0.0
Percentage Change	0.0%	0.0%	0.0%	0.0%
FY 2015-16 Executive Request:	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$9,500,000)	n/a	(\$9,500,000)	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.

Request: History Colorado requests a continuing appropriation of \$4,804,000 cash funds for this line item, which represents the anticipated gaming revenue to be allocated to the State Historical Fund.

Recommendation: The staff recommendation is pending the March revenue forecast. As a place-holder, staff is reflecting \$4,900,000, based on recent OSPB forecasts. This amount is included in the Long Bill for informational purposes, since the allocation is constitutional. *Staff requests permission to use the March forecast—either OSPB or Legislative Council, depending upon which forecast the JBC adopts for the General Fund--to update the figure for the Long Bill.*

History Colorado, State Historical Fund Program, Gaming Cities Distribution				
	Total Funds	General Fund	Cash Funds	FTE
FY 2014-15 Appropriation				
HB 14-1336 (Long Bill)	4,400,000	0	4,400,000	0.0
TOTAL	\$4,400,000	\$0	\$4,400,000	0.0
FY 2015-16 Recommended Appropriation				
FY 2014-15 Appropriation	\$4,400,000	\$0	\$4,400,000	0.0
Gaming cities revenue estimate	500,000	0	500,000	0.0
TOTAL	\$4,900,000		\$4,900,000	0.0
Increase/(Decrease)	\$500,000	\$0	\$500,000	0.0
Percentage Change	11.4%	0.0%	11.4%	0.0%
FY 2015-16 Executive Request:	\$4,400,000	\$0	\$4,400,000	0.0
Request Above/(Below) Recommendation	(\$500,000)	n/a	(\$500,000)	0.0

(A) (E) Cumbres-Toltec Railroad Commission

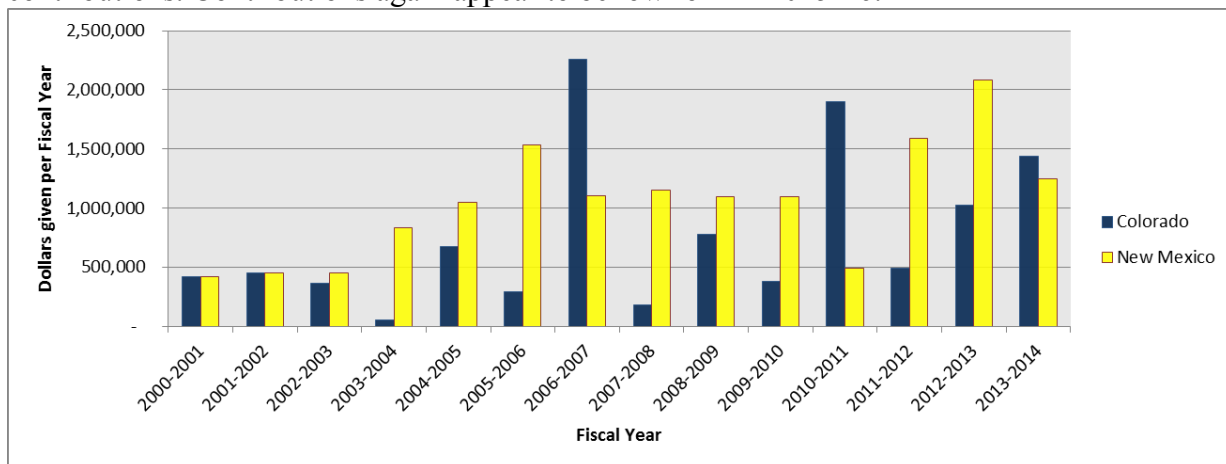
This line item funds the state's portion of a cooperative agreement with New Mexico to operate the Cumbres and Toltec Scenic Railroad, pursuant to Section 24-60-1901, C.R.S. The railroad is jointly owned by the two states and represents the last remaining portion of an 1880 Denver and Rio Grande line 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.

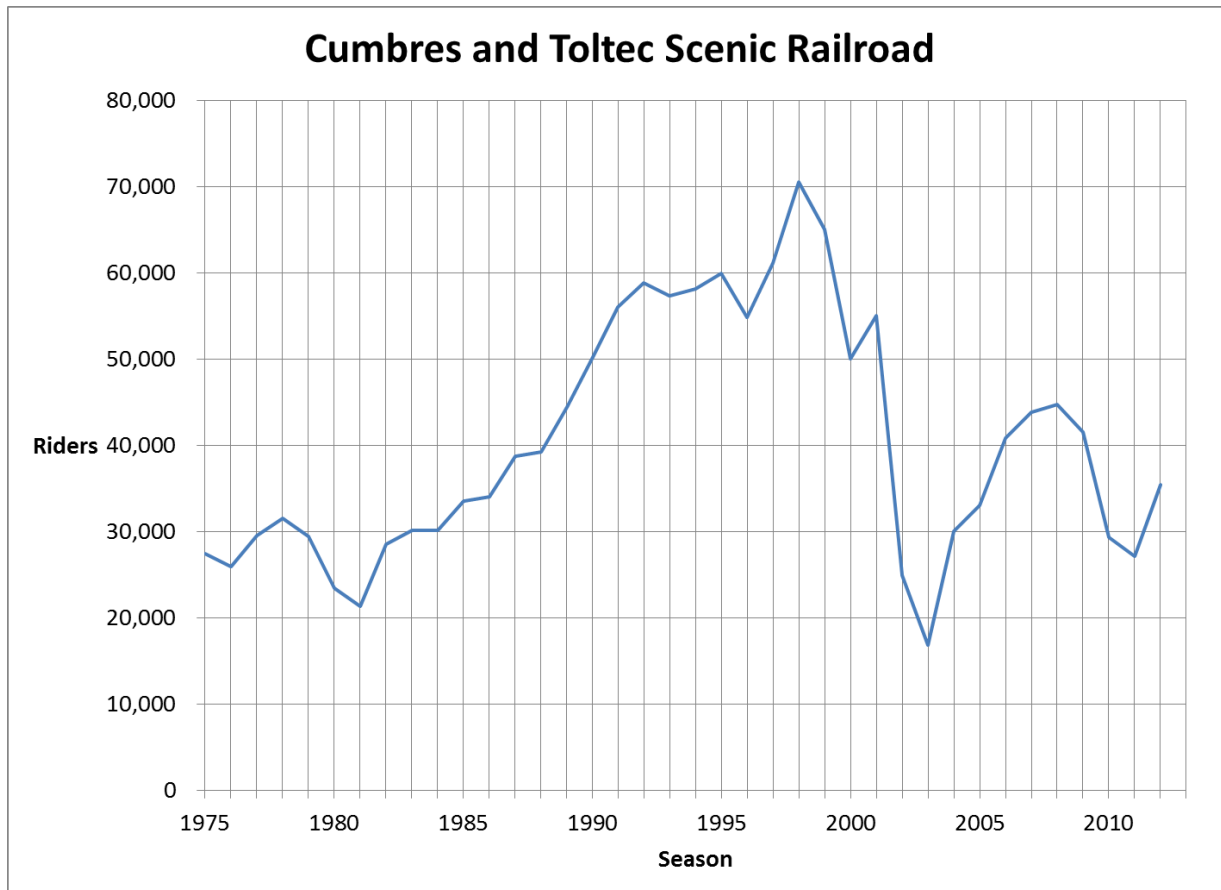
The railroad has undergone a variety of management changes. It has just completed two years of operation under a new model, where it is operated by an LLC formed by the Railroad Commission rather than through a third party operating company. The Railroad reports that the new structure and a strong management 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** (about \$900,000 per year from each state). This share was expected to increase, based on state budget requests. In the past, 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. The chart below compares historic contributions. **In FY 2014-15 New Mexico reduced its contributions to just \$308,500**, eliminating its capital contributions. Contributions again appear to be low for FY 2015-16.



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%

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

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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).

The table below reflects the spending plan submitted related to the FY 2013-14 request item.

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	Total
	Estimated	Request	Request	Request	FY 13 to FY 16
<i>Capital</i>					
Locomotive Boiler Repair	\$0	\$250,000	\$250,000	\$0	\$500,000
Passenger Car Upgrades	250,000	250,000	150,000		650,000
Track, Bridge and Tunnel Upgrade	400,000	350,000	350,000	350,000	1,450,000
Locomotive Running Gear	112,500	-	120,000	130,000	362,500
Historic Car Rehabilitation	-	100,000	100,000	150,000	350,000
Construct Premium Class Cars				250,000	250,000
Replace Shop Machines				60,000	60,000
<i>Controlled Maintenance</i>					
Building Rehabilitation/Upgrades	168,000	-	150,000	160,000	478,000
Antonito Building Addition	-	80,000			80,000
Antonito Parking Lot Rehabilitation		60,000			60,000
<i>Operating</i>					
Commision Operating	90,000	115,000	120,000	125,000	450,000
Property and Liability Insurance	-	90,000	90,000	90,000	270,000
Total	\$1,020,500	\$1,295,000	\$1,330,000	\$1,315,000	\$4,960,500
General Fund	1,020,500	1,295,000	1,295,000	1,295,000	4,905,500
Cash Funds (additional NM contribution)	0	-	35,000	20,000	55,000

Request: The Department requests funding of \$2,180,000, including \$1,295,000 General Fund, with the balance of \$885,000 representing cash funds from New Mexico.

Recommendation: Staff recommends the request for a continuation amount of \$1,295,000 from the General Fund. Staff is mindful of the footnote added in FY 2013-14 to describe the use of the funds and General Assembly’s expectation that *funding levels will be reassessed for FY 2016-17*. The level of funding from New Mexico for FY 2015-16 is not yet clear. **In the event there is firm information on the level of funding approved by New Mexico prior to finalization of the Long Bill, staff requests permission to adjust the amount shown from this source for informational purposes.** Staff has been told that \$1,000,000 is anticipated, but, as in Colorado, this amount is not certain until the appropriations process concludes.

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History Colorado, Cumbres and Toltec Railroad Commission, Cumbres and Toltec Railroad Commission	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2014-15 Appropriation					
HB 14-1336 (Long Bill)	1,638,500	1,295,000	343,500	0	0.0
TOTAL	\$1,638,500	\$1,295,000	\$343,500	\$0	0.0
FY 2015-16 Recommended Appropriation					
FY 2014-15 Appropriation	\$1,638,500	\$1,295,000	\$343,500	\$0	0.0
Annualize prior year actions	(15,000)	0	(15,000)	0	0.0
TOTAL	\$1,623,500	\$1,295,000	\$328,500	\$0	0.0
Increase/(Decrease)	(\$15,000)	\$0	(\$15,000)	\$0	0.0
Percentage Change	(0.9%)	0.0%	(4.4%)	0.0%	0.0%
FY 2015-16 Executive Request:	\$1,623,500	\$1,295,000	\$328,500	\$0	0.0
Request Above/(Below) Recommendation	\$0	\$0	\$0	\$0	0.0

(B) Sponsored Programs

This line item provides spending authority for a variety of programs supported through restricted donations, federal funds and other dedicated sources. Examples of activities include special exhibits, and artifact conservation and processing.

Request: History Colorado requests \$256,786 total funds and 3.5 FTE for this line item, including \$20,000 cash funds and \$236,786 federal funds. The request includes amounts to annualize prior year salary survey and merit increases.

Recommendation: Staff recommends that this line item be eliminated and associated amounts moved to other line items.

(C) Auxiliary Programs

This line item provides spending authority for various self-supporting activities of the Historical Society. Included in this line are the museum shop, public education and membership/publications. There are 14.5 FTE associated with this line item.

Request: History Colorado requests \$1,949,608 cash funds and 14.5 FTE for this line item, including common policy adjustments.

Recommendation: Staff recommends that this line item be eliminated and associated amounts moved to other line items.

(D) Gaming Revenues

Gaming Cities Distribution

This line item is moved in its entirety to the new State Historical Fund Program subsection. Please refer to the description above.

Statewide Preservation Grant Program

This line item includes funds for the preservation and restoration of historical sites and municipalities throughout the state, as well as a program administration.

Request: History Colorado requests an appropriation of \$13,028,405 cash funds and 18.0 FTE for this line item. The increase represents annualization of prior year salary survey and merit funds.

Recommendation: Staff recommends that this line item be eliminated and associated amounts moved to other line items.

Society Museum and Preservation Operations

This line item funds the administrative staff for the division and the staff for the museums and associated operating expenses. The sources of cash funds include museum admission fees, user charges, and gaming revenues deposited in the State Historical Fund.

Request: History Colorado requests an appropriation of \$9,103,411 total funds, including \$5,890,921 from limited gaming revenue, with the balance from earned cash and federal sources.

Recommendation: Staff recommends that this line item be eliminated and associated amounts moved to other line items.

Long Bill Footnotes and Requests for Information

Long Bill Footnotes

FY 2014-15 Footnote amendment:

- 25 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 2014 higher education enrollment and tuition forecast. Consistent with commitments made by the higher education governing boards to 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 4.8 4.5 percent to 6.0 percent for resident students and ~~0.0~~ 0.8 percent to 6.0 percent for nonresident students, based on information available at the time of the forecast.

Comment: Expresses legislative intent, consistent with current statute, and explains forecast assumptions. These are adjusted consistent with the revised forecast.

FY 2015-16 Footnotes:

Staff recommends the following **new footnotes:**

- N 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.
- N 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.

N Department of Higher Education, History Colorado, State Historical Fund, Administration and Grants – History Colorado may transfer up to 10.0 percent of the total amount appropriated in the Administration line item to or from the Grants line item.

N Department of Higher Education, History Colorado, State Historical Fund, Grants – Of this amount, \$7,000,000, estimated to be the new “majority share” gaming revenues available in FY 2015-16 after administration and transfers, remains available until June 30, 2018. The balance of moneys in the line item reflects spending authority for amounts encumbered in prior years. *[Note: language for this footnote is anticipated to be modified after further consultation with the Controller’s Office]*

Comment: These footnotes are all related to the recommended reorganization and budget reductions in History Colorado. For further background, see the discussion in that section.

Staff recommends the following footnotes be **continued**:

22 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. Department budget schedules indicate that \$328,647 was rolled forward from FY 2013-14 to FY 2014-15.

25 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 2014 higher education enrollment and tuition forecast. Consistent with commitments made by the higher education governing boards to 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 4.8 3.5

percent to 6.0 percent for resident students and 0.0 percent to 6.0 percent for nonresident students, based on information available at the time of the forecast.

Comment: Expresses legislative intent, consistent with current statute, and explains forecast assumptions.

Staff recommends the following footnotes be **eliminated**:

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

Comment: The footnote also provides flexibility for the Department to transfer unused funds to other need based financial aid programs. However, this flexibility does not appear to have been used in FY 2011-12, FY 2012-13 or FY 2013-14 and therefore does not appear to be useful.

- 24 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; and Auraria Higher Education Center --** The FTE reflected in these line items are shown for informational purposes and are not intended to be a limitation on the budgetary flexibility allowed by Section 23-1-104 (1) (a) (I), C.R.S.

Comment: Staff believes it is now well understood that FTE are shown only for informational purposes in all departments. Thus, a special footnote specifying this for the Department of Higher Education no longer seems useful.

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

Comment: Pursuant to the provisions of H.B. 14-1319, appropriations for the Local District Junior Colleges are required to increase at at least the same rate as other governing board appropriations. Thus, this footnote no longer appears useful.

Expression of Legislative Intent in S.B. 14-001(College Affordability Act)

“It is the intent of the general assembly in making this appropriation that additional moneys appropriated from the general fund in paragraphs (a) and (b) of subsection (1) of this section [*providing an additional \$35.0 million General Fund for need based grants and \$5.0 million General Fund for work study*] be used to supplement, rather than supplant, institutional need-based financial aid for resident students.”

Comment: Expresses legislative intent with regard to the use of new financial aid amounts. No information on whether institutions complied will be available until FY 2015-16. Staff does feel that this footnote needs to be continued indefinitely unless there is evidence of supplantation.

Requests for Information

Staff recommends the following **new** request for information, requested in the priority order shown:

1. Department of Higher Education, Colorado Commission on Higher Education, Administration – The Joint Budget Committee requests that, by November 1, 2015, the Department incorporate the following functionality into the automated tool that supports the funding model developed pursuant to H.B. 14-1319:
 - Ability to download model settings and funding results into an Excel spreadsheet format for any given “run” of the model. This tool should allow anyone using the model to test the impact of various model settings without excessive data entry.
 - To the extent feasible, ability 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. This would enable the General Assembly to increase or decrease support for services to Pell-eligible students or masters degrees awarded without simultaneously *reducing* funding to other model components.
 - Ability to weight funding associated with resident students and non-resident students differently.
 - Capacity for all concerned parties to examine data used by the model and to consider how model results would change with different underlying data, e.g., data from prior years.

Comment: This represents some initial improvements to the higher education funding allocation tool that staff believes would be useful for the General Assembly and its staff.

The Committee should consider if there are particular improvements it would like to see incorporated in the model, so that they can be requested through the RFI process.

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.

Comment: In light of Committee concerns about the impact of mandatory fees on the sticker-price of higher education, staff recommends that this analysis be included in a report already due November 1, 2015.

3. 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: As outlined in the text, History Colorado faces serious budget challenges. Staff believes a report on how it is addressing these would be useful for the Committee.

Staff recommends the following request be **continued**:

1. 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 1 of each year an evaluation of financial aid programs, which should include, but not be limited to: 1) an estimate of the amount of federal, institutional, and private resources (including tax credits) devoted to financial aid; 2) the number of recipients from all sources; 3) information on typical awards; and 4) the typical debt loads of graduates. To the extent possible, the Department should differentiate the data based on available information about the demographic characteristics of the recipients. To the extent that this information is not currently available, the Department is requested to provide a reasonable estimate, or identify the additional costs that would be associated with collecting the data.

Comment: The Department submitted its most recent report in December 2014. The report is available on the Department’s website. Staff believes this report is valuable for staff and the General Assembly.

Staff recommends the following request be **eliminated**:

2. Department of Higher Education, Colorado Commission on Higher Education, Special Purpose, GEAR UP – The Department is requested to provide a report by November 1, 2014, on the GEAR UP program, including how funds provided are used and the program’s impact on students.

Comment: The Department submitted the requested report and additional information on the program is available on the Department’s website. In light of this, staff does not believe another formal report is necessary.

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

NOTE: The following discussion reflects the data used for FY 2014-15 figure setting. The methodology has not changed, but staff has not updated figures in light of differences between the Department and staff on indirect cost amounts for FY 2015-16.

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.

Table 1		
Department of Higher Education Indirect Cost Pool		
Division	Line Item	FY 2013-14 Approp.
Department Administrative Office		
	Centrally-appropriated for CCHE	\$954,944
Colorado Commission on Higher Education		
	Administration	2,397,382
	Adjustments (reversions, supplemental adjustments)	0
Total Indirect Cost Pool		\$3,352,326
	Reduce for nonpublic schools	<u>-62,331</u>
	Subtotal	3,289,995
Cash and Reappropriated Share of Total (77.58%)		\$2,552,364

The *Indirect Cost Base* is comprised of the FY 2014-15 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 (\$62,331 in FY 2014-15). 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 (77.58 percent of the FY 2014-15 total), are further allocated to the divisions, programs, and governing boards (in aggregate) based on FY 2014-15 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.

Table 2 Department of Higher Education Departmental Indirect Cost Assessments	
University of CO	\$676,595
CSU System	\$379,965
Ft. Lewis	\$49,299
Adams State	\$33,645
Colorado Mesa	\$104,129
Western State	\$24,847
Metro State	\$233,247
Community Colleges	\$814,557
U. of Northern CO	\$135,447
School of Mines	\$71,650
Auraria Higher Ed Ctr	\$0
SUBTOTAL	\$2,523,380
CCHE	\$0
HISTORICAL	\$27,421
Private Occupational Schools	\$646
Vet. Medicine	\$280
SUBTOTAL	\$2,551,726
CollegeInvest	\$0
CollegeAssist	\$0
TOTAL	\$2,551,726

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 2015-16 (which is then allocated to the governing boards) is shown below in **Table 3**.

JBC Staff Figure Setting – FY 2015-16
Staff Working Document – Does Not Represent Committee Decision

Table 3	
Department of Higher Education	
Statewide	
Indirect Cost Assessments	
University of CO	\$1,066,665
CSU System	\$419,929
Ft. Lewis	(\$9,525)
Adams State	\$9,674
Colorado Mesa	\$52,542
Western State	\$11,014
Metro State	\$71,026
Community Colleges	\$271,091
U. of Northern CO	\$129,213
School of Mines	\$123,378
Auraria Higher Ed Ctr	\$66,702
SUBTOTAL	\$2,211,709
CCHE (re-allocated to gov. boards)	\$65,377
HISTORICAL	\$136,426
Private Occupational Schools	\$6,264
Vet. Medicine	
SUBTOTAL	\$2,419,776
CollegeInvest	\$26,048
CollegeAssist	\$82,496
TOTAL	\$2,528,320

JBC Staff Figure Setting - FY 2015-16
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Appendix B: Number Pages

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
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DEPARTMENT OF HIGHER EDUCATION
Joseph Garcia, Executive Director/Lt. Governor

(1) DEPARTMENT ADMINISTRATIVE OFFICE

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

Health, Life, and Dental	<u>1,123,166</u>	<u>1,247,031</u>	<u>1,477,269</u> 0.0	<u>2,032,273</u> 0.0	<u>1,875,770</u> 0.0 *
General Fund	0	0	0	72,108	0
Cash Funds	768,119	893,372	885,006	1,184,741	1,144,173
Reappropriated Funds	197,183	190,396	256,321	322,668	323,085
Federal Funds	157,864	163,263	335,942	452,756	408,512
Short-term Disability	<u>14,120</u>	<u>18,973</u>	<u>23,373</u>	<u>25,965</u>	<u>25,965</u>
General Fund	0	0	0	959	0
Cash Funds	9,810	12,997	14,332	16,856	16,856
Reappropriated Funds	2,507	3,357	3,691	3,360	4,319
Federal Funds	1,803	2,619	5,350	4,790	4,790
S.B. 04-257 Amortization Equalization					
Disbursement	<u>292,914</u>	<u>363,955</u>	<u>432,278</u>	<u>534,843</u>	<u>534,843</u>
General Fund	0	0	0	19,695	0
Cash Funds	189,165	247,115	264,719	347,174	347,174
Reappropriated Funds	60,046	66,142	68,381	69,261	88,956
Federal Funds	43,703	50,698	99,178	98,713	98,713

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
S.B. 06-235 Supplemental Amortization					
Equalization Disbursement	<u>251,723</u>	<u>328,570</u>	<u>405,261</u>	<u>516,610</u>	<u>516,610</u>
General Fund	0	0	0	19,024	0
Cash Funds	162,564	223,090	248,174	335,338	335,338
Reappropriated Funds	51,602	59,711	64,107	66,900	85,924
Federal Funds	37,557	45,769	92,980	95,348	95,348
Salary Survey	<u>0</u>	<u>215,193</u>	<u>226,207</u>	<u>133,092</u>	<u>133,092</u>
General Fund	0	0	0	4,915	0
Cash Funds	0	145,257	118,595	86,399	86,399
Reappropriated Funds	0	39,592	45,302	17,223	22,138
Federal Funds	0	30,344	62,310	24,555	24,555
Merit Pay	<u>0</u>	<u>174,977</u>	<u>149,056</u>	<u>123,247</u>	<u>123,247</u>
General Fund	0	0	0	3,107	0
Cash Funds	0	119,653	101,034	79,317	79,317
Reappropriated Funds	0	31,161	17,765	17,163	20,270
Federal Funds	0	24,163	30,257	23,660	23,660
Workers' Compensation	<u>47,940</u>	<u>179,422</u>	<u>108,732</u>	<u>82,126</u>	<u>86,336</u>
Cash Funds	41,024	170,416	99,427	75,242	76,811
Reappropriated Funds	6,916	9,006	9,305	6,884	9,525
Legal Services	<u>32,247</u>	<u>40,804</u>	<u>62,572</u>	<u>42,340</u>	<u>42,340</u>
General Fund	0	0	18,216	0	0
Cash Funds	9,550	11,260	12,240	11,684	11,684
Reappropriated Funds	22,697	29,544	32,116	30,656	30,656

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Administrative Law Judge Services	<u>684</u>	<u>1,454</u>	<u>2,654</u>	<u>0</u>	<u>0</u>
Cash Funds	684	1,454	2,654	0	0
Purchase of Services from Computer Center	<u>185,984</u>	<u>156,837</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	170,775	151,485	0	0	0
Reappropriated Funds	15,209	5,352	0	0	0
Multiuse Network Payments	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	0	0	0
Management and Administration of OIT	<u>65,636</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	65,636	0	0	0	0
CORE Operations	<u>36,461</u>	<u>36,461</u>	<u>166,006</u>	<u>95,720</u>	<u>95,720</u>
General Fund	0	0	99,353	36,453	0
Cash Funds	19,614	19,614	49,806	41,812	78,265
Reappropriated Funds	16,847	16,847	16,847	17,455	17,455
Federal Funds	0	0	0	0	0
Information Technology Security	<u>0</u>	<u>1,559</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	0	1,503	0	0	0
Reappropriated Funds	0	56	0	0	0
Payment to Risk Management and Property Funds	<u>30,818</u>	<u>139,297</u>	<u>131,534</u>	<u>89,775</u>	<u>93,987</u>
Cash Funds	29,561	138,040	128,964	86,944	90,535
Reappropriated Funds	1,257	1,257	2,570	2,831	3,452

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Payments to OIT	<u>0</u>	<u>0</u>	<u>358,208</u>	<u>318,295</u>	<u>318,295</u>
General Fund	0	0	120	0	0
Cash Funds	0	0	347,961	309,383	309,383
Reappropriated Funds	0	0	10,127	8,912	8,912
Leased Space	<u>522,579</u>	<u>524,862</u>	<u>535,514</u>	<u>546,166</u>	<u>546,166</u>
Cash Funds	116,661	104,972	107,102	109,232	109,232
Reappropriated Funds	405,918	419,890	428,412	436,934	436,934
Colorado State Network	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	0	0	0
TOTAL - (1) Department Administrative Office	2,604,272	3,429,395	4,078,664	4,540,452	4,392,371
<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	117,689	156,261	0
Cash Funds	1,583,163	2,240,228	2,380,014	2,684,122	2,685,167
Reappropriated Funds	780,182	872,311	954,944	1,000,247	1,051,626
Federal Funds	240,927	316,856	626,017	699,822	655,578

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
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(2) COLORADO COMMISSION ON HIGHER EDUCATION

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

(A) Administration

Administration	<u>2,995,488</u>	<u>7,141,652</u>	<u>3,184,152</u>	<u>2,947,147</u>	<u>2,902,937</u> *
FTE	19.6	27.3	29.9	29.9	29.9
General Fund	0	45,207	786,770	326,376	139,997
Cash Funds	187,681	165,433	234,318	234,318	252,364
Reappropriated Funds	1,913,395	2,068,570	2,163,064	2,386,453	2,510,576
Federal Funds	894,412	4,862,442	0	0	0

SUBTOTAL - (A) Administration	2,995,488	7,141,652	3,184,152	2,947,147	2,902,937
FTE	<u>19.6</u>	<u>27.3</u>	<u>29.9</u>	<u>29.9</u>	<u>29.9</u>
General Fund	0	45,207	786,770	326,376	139,997
Cash Funds	187,681	165,433	234,318	234,318	252,364
Reappropriated Funds	1,913,395	2,068,570	2,163,064	2,386,453	2,510,576
Federal Funds	894,412	4,862,442	0	0	0

(B) Division of Private Occupational Schools

Division of Private Occupational Schools	<u>596,538</u>	<u>460,029</u>	<u>657,555</u>	<u>676,094</u>	<u>676,094</u>
FTE	7.8	7.3	7.8	7.8	7.8
Cash Funds	596,538	460,029	657,555	676,094	676,094

SUBTOTAL - (B) Division of Private Occupational Schools	596,538	460,029	657,555	676,094	676,094
FTE	<u>7.8</u>	<u>7.3</u>	<u>7.8</u>	<u>7.8</u>	<u>7.8</u>
Cash Funds	596,538	460,029	657,555	676,094	676,094

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
(C) Special Purpose					
Western Interstate Commission for Higher Education (WICHE)	<u>125,000</u>	<u>131,000</u>	<u>137,000</u>	<u>137,000</u>	<u>137,000</u>
Reappropriated Funds	125,000	131,000	137,000	137,000	137,000
WICHE - Optometry	<u>386,731</u>	<u>393,976</u>	<u>399,000</u>	<u>399,000</u>	<u>399,000</u>
General Fund	62,261	0	0	0	0
Reappropriated Funds	324,470	393,976	399,000	399,000	399,000
Distribution to Higher Education Competitive Research Authority	<u>1,949,310</u>	<u>2,534,000</u>	<u>2,800,000</u>	<u>2,800,000</u>	<u>2,800,000</u>
Cash Funds	1,949,310	2,534,000	2,800,000	2,800,000	2,800,000
Veterinary School Program Needs	<u>162,400</u>	<u>162,400</u>	<u>285,000</u>	<u>285,000</u>	<u>285,000</u>
Cash Funds	0	0	131,100	131,100	131,100
Reappropriated Funds	162,400	162,400	153,900	153,900	153,900
Colorado Geological Survey at the Colorado School of Mines	<u>878,775</u>	<u>1,863,401</u>	<u>2,124,330</u>	<u>2,229,824</u>	<u>2,229,824</u> *
FTE	4.6	10.0	14.5	15.5	15.5
General Fund	0	300,000	306,000	411,494	411,494
Cash Funds	767,708	1,459,401	1,477,785	1,477,785	1,477,785
Reappropriated Funds	0	0	50,000	50,000	50,000
Federal Funds	111,067	104,000	290,545	290,545	290,545
GEAR-UP	<u>0</u>	<u>0</u>	<u>5,000,000</u>	<u>5,052,318</u>	<u>5,000,000</u>
FTE	0.0	0.0	39.1	39.1	39.1
Federal Funds	0	0	5,000,000	5,052,318	5,000,000

JBC Staff Staff Figure Setting - FY 2015-16
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	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Colorado Opportunity Scholarship Initiative Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u> *
General Fund	0	0	0	0	0
SUBTOTAL - (C) Special Purpose	3,502,216	5,084,777	10,745,330	10,903,142	10,850,824
<i>FTE</i>	<u>4.6</u>	<u>10.0</u>	<u>53.6</u>	<u>54.6</u>	<u>54.6</u>
General Fund	62,261	300,000	306,000	411,494	411,494
Cash Funds	2,717,018	3,993,401	4,408,885	4,408,885	4,408,885
Reappropriated Funds	611,870	687,376	739,900	739,900	739,900
Federal Funds	111,067	104,000	5,290,545	5,342,863	5,290,545
TOTAL - (2) Colorado Commission on Higher Education	7,094,242	12,686,458	14,587,037	14,526,383	14,429,855
<i>FTE</i>	<u>32.0</u>	<u>44.6</u>	<u>91.3</u>	<u>92.3</u>	<u>92.3</u>
General Fund	62,261	345,207	1,092,770	737,870	551,491
Cash Funds	3,501,237	4,618,863	5,300,758	5,319,297	5,337,343
Reappropriated Funds	2,525,265	2,755,946	2,902,964	3,126,353	3,250,476
Federal Funds	1,005,479	4,966,442	5,290,545	5,342,863	5,290,545

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 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. The source of reappropriated moneys is funding transferred from the Department of Human Services for the Early Childhood Professional Loan Repayment program.

(A) Need Based Grants

Need Based Grants	74,941,339	79,271,758	109,346,789	109,346,789	131,346,789
General Fund	74,941,339	79,271,758	35,959,253	35,959,253	57,780,060
General Fund Exempt	0	0	73,042,360	73,042,360	73,042,360
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	345,176	345,176	524,369
SUBTOTAL - (A) Need Based Grants	74,941,339	79,271,758	109,346,789	109,346,789	131,346,789
<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	74,941,339	79,271,758	35,959,253	35,959,253	57,780,060
General Fund Exempt	0	0	73,042,360	73,042,360	73,042,360
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	345,176	345,176	524,369

(B) Work Study

Work Study	16,047,244	16,012,141	21,432,328	21,432,328	21,432,328
General Fund	16,047,244	16,012,141	5,000,000	5,000,000	5,000,000
General Fund Exempt	0	0	16,432,328	16,432,328	16,432,328
SUBTOTAL - (B) Work Study	16,047,244	16,012,141	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	16,047,244	16,012,141	5,000,000	5,000,000	5,000,000
General Fund Exempt	0	0	16,432,328	16,432,328	16,432,328

JBC Staff Staff Figure Setting - FY 2015-16
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	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
(C) Merit Based Grants					
Merit Based Grants	<u>0</u>	<u>0</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
General Fund	<u>0</u>	<u>0</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
SUBTOTAL - (C) Merit Based Grants	0	0	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	<u>0</u>	<u>0</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>

(D) Special Purpose

Veterans'/Law Enforcement/POW Tuition Assistance	<u>489,699</u>	<u>591,309</u>	<u>672,000</u>	<u>672,000</u>	<u>672,000</u>
General Fund	<u>489,699</u>	<u>591,309</u>	<u>672,000</u>	<u>672,000</u>	<u>672,000</u>
National Guard Tuition Assistance Fund	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
General Fund	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>
Native American Students/Fort Lewis College	<u>12,773,557</u>	<u>14,466,230</u>	<u>14,841,981</u>	<u>16,011,096</u>	<u>16,157,618</u>
General Fund	<u>12,773,557</u>	<u>14,466,230</u>	<u>0</u>	<u>1,169,115</u>	<u>1,315,637</u>
General Fund Exempt	<u>0</u>	<u>0</u>	<u>14,841,981</u>	<u>14,841,981</u>	<u>14,841,981</u>
Reappropriated Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
GEAR - UP	<u>842,681</u>	<u>792,862</u>	<u>0</u>	<u>0</u>	<u>0</u>
Federal Funds	<u>842,681</u>	<u>792,862</u>	<u>0</u>	<u>0</u>	<u>0</u>
Colorado Opportunity Scholarship Initiative Fund	<u>0</u>	<u>0</u>	<u>1,000,000</u>	<u>31,000,000</u>	<u>6,000,000</u>
General Fund	<u>0</u>	<u>0</u>	<u>1,000,000</u>	<u>31,000,000</u>	<u>6,000,000</u>

JBC Staff Staff Figure Setting - FY 2015-16
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	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
SUBTOTAL - (D) Special Purpose	14,905,937	16,650,401	17,313,981	48,483,096	23,629,618
<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	14,063,256	15,857,539	2,472,000	33,641,115	8,787,637
General Fund Exempt	0	0	14,841,981	14,841,981	14,841,981
Reappropriated Funds	0	0	0	0	0
Federal Funds	842,681	792,862	0	0	0
TOTAL - (3) Colorado Commission on Higher Education Financial Aid	105,894,520	111,934,300	153,093,098	184,262,213	181,408,735
<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	105,051,839	111,141,438	48,431,253	79,600,368	76,567,697
General Fund Exempt	0	0	104,316,669	104,316,669	104,316,669
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	345,176	345,176	524,369
Federal Funds	842,681	792,862	0	0	0

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 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>255,106,603</u>	<u>255,770,284</u>	<u>294,582,047</u>	<u>294,582,047</u>	<u>294,582,047</u>
General Fund	17,377,700	255,770,284	35,349,845	35,349,845	35,349,845
General Fund Exempt	237,728,903	0	259,232,202	259,232,202	259,232,202
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Stipends for eligible full-time equivalent students

attending participating private institutions	<u>1,269,310</u>	<u>1,295,102</u>	<u>1,506,375</u>	<u>1,506,375</u>	<u>1,506,375</u>
General Fund	1,269,310	1,295,102	162,480	162,480	162,480
General Fund Exempt	0	0	1,343,895	1,343,895	1,343,895

SUBTOTAL - (A) Stipends	256,375,913	257,065,386	296,088,422	296,088,422	296,088,422
<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	18,647,010	257,065,386	35,512,325	35,512,325	35,512,325
General Fund Exempt	237,728,903	0	260,576,097	260,576,097	260,576,097
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
(B) Fee-for-service Contracts with State Institutions					
Fee-for-service Contracts with State Institutions	245,866,000	267,873,915	287,712,437	351,405,812	0 *
General Fund	31,461,570	267,873,915	22,614,040	86,307,415	0
General Fund Exempt	214,404,430	0	265,098,397	265,098,397	0
Fee-for-service Contracts with State Institutions Pursuant to Section 23-18-303, C.R.S.	0	0	0	0	235,912,773
General Fund	0	0	0	0	85,906,244
General Fund Exempt	0	0	0	0	150,006,529
Fee-for-service Contracts with State Institutions for Specialty Education Programs	0	0	0	0	115,091,868
General Fund Exempt	0	0	0	0	115,091,868
SUBTOTAL - (B) Fee-for-service Contracts with State Institutions					
	245,866,000	267,873,915	287,712,437	351,405,812	351,004,641
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	31,461,570	267,873,915	22,614,040	86,307,415	85,906,244
General Fund Exempt	214,404,430	0	265,098,397	265,098,397	265,098,397
(C) Strategic Performance Investment Program					
Strategic Performance Investment Program	0	0	0	10,404,825	10,000,000 *
General Fund	0	0	0	10,404,825	10,000,000
SUBTOTAL - (C) Strategic Performance Investment Program					
	0	0	0	10,404,825	10,000,000
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	10,404,825	10,000,000

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
TOTAL - (4) College Opportunity Fund					
Program	502,241,913	524,939,301	583,800,859	657,899,059	657,093,063
<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	50,108,580	524,939,301	58,126,365	132,224,565	131,418,569
General Fund Exempt	452,133,333	0	525,674,494	525,674,494	525,674,494
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 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 College

Trustees of Adams State College	28,817,994	31,601,536	36,392,538	38,525,625	39,296,127
FTE	314.6	317.0	327.1	327.1	330.0
General Fund	0	0	0	0	0
Cash Funds	17,770,139	20,040,335	23,555,250	24,402,133	25,175,110
Reappropriated Funds	11,047,855	11,561,201	12,837,288	14,123,492	14,121,017
Federal Funds	0	0	0	0	0

SUBTOTAL - (A) Trustees of Adams State College	28,817,994	31,601,536	36,392,538	38,525,625	39,296,127
FTE	<u>314.6</u>	<u>317.0</u>	<u>327.1</u>	<u>327.1</u>	<u>330.0</u>
General Fund	0	0	0	0	0
Cash Funds	17,770,139	20,040,335	23,555,250	24,402,133	25,175,110
Reappropriated Funds	11,047,855	11,561,201	12,837,288	14,123,492	14,121,017
Federal Funds	0	0	0	0	0

(B) Trustees of Colorado Mesa University

Trustees of Colorado Mesa University	70,398,781	75,299,707	77,640,449	83,304,630	83,721,151
FTE	591.6	626.8	657.9	657.9	695.3
Cash Funds	51,506,463	55,465,896	55,613,198	58,901,894	59,343,494
Reappropriated Funds	18,892,318	19,833,811	22,027,251	24,402,736	24,377,657

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
SUBTOTAL - (B) Trustees of Colorado Mesa					
University	70,398,781	75,299,707	77,640,449	83,304,630	83,721,151
<i>FTE</i>	<u>591.6</u>	<u>626.8</u>	<u>657.9</u>	<u>657.9</u>	<u>695.3</u>
Cash Funds	51,506,463	55,465,896	55,613,198	58,901,894	59,343,494
Reappropriated Funds	18,892,318	19,833,811	22,027,251	24,402,736	24,377,657

(C) Trustees of Metropolitan State College of Denver

Trustees of Metropolitan State College of Denver	<u>130,345,566</u>	<u>136,971,040</u>	<u>154,147,080</u>	<u>158,661,647</u>	<u>165,303,797</u>
<i>FTE</i>	<u>1,258.3</u>	<u>1,275.5</u>	<u>1,347.6</u>	<u>1,347.6</u>	<u>1,362.6</u>
Cash Funds	92,876,373	97,741,027	110,465,887	108,308,275	115,132,310
Reappropriated Funds	37,469,193	39,230,013	43,681,193	50,353,372	50,171,487

SUBTOTAL - (C) Trustees of Metropolitan State College of Denver					
State College of Denver	130,345,566	136,971,040	154,147,080	158,661,647	165,303,797
<i>FTE</i>	<u>1,258.3</u>	<u>1,275.5</u>	<u>1,347.6</u>	<u>1,347.6</u>	<u>1,362.6</u>
Cash Funds	92,876,373	97,741,027	110,465,887	108,308,275	115,132,310
Reappropriated Funds	37,469,193	39,230,013	43,681,193	50,353,372	50,171,487

(D) Trustees of Western State College

Trustees of Western State College	<u>22,790,855</u>	<u>24,597,255</u>	<u>29,344,239</u>	<u>30,041,182</u>	<u>31,774,283</u>
<i>FTE</i>	<u>237.5</u>	<u>234.7</u>	<u>234.8</u>	<u>234.8</u>	<u>241.4</u>
Cash Funds	13,565,630	15,064,346	18,758,792	18,394,715	20,130,291
Reappropriated Funds	9,225,225	9,532,909	10,585,447	11,646,467	11,643,992

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
SUBTOTAL - (D) Trustees of Western State					
College	22,790,855	24,597,255	29,344,239	30,041,182	31,774,283
<i>FTE</i>	<u>237.5</u>	<u>234.7</u>	<u>234.8</u>	<u>234.8</u>	<u>241.4</u>
Cash Funds	13,565,630	15,064,346	18,758,792	18,394,715	20,130,291
Reappropriated Funds	9,225,225	9,532,909	10,585,447	11,646,467	11,643,992

(E) Board of Governors of the Colorado State University System

Board of Governors of the Colorado State

University System	<u>458,818,240</u>	<u>442,861,398</u>	<u>496,830,614</u>	<u>506,364,164</u>	<u>529,607,327</u>
FTE	4,488.6	4,729.4	4,324.7	4,324.7	4,587.2
Cash Funds	353,627,763	343,014,016	374,852,131	372,155,657	395,430,996
Reappropriated Funds	105,190,477	99,847,382	121,978,483	134,208,507	134,176,331

SUBTOTAL - (E) Board of Governors of the Colorado State University System					
	458,818,240	442,861,398	496,830,614	506,364,164	529,607,327
<i>FTE</i>	<u>4,488.6</u>	<u>4,729.4</u>	<u>4,324.7</u>	<u>4,324.7</u>	<u>4,587.2</u>
Cash Funds	353,627,763	343,014,016	374,852,131	372,155,657	395,430,996
Reappropriated Funds	105,190,477	99,847,382	121,978,483	134,208,507	134,176,331

(F) Trustees of Fort Lewis College

Trustees of Fort Lewis College	<u>46,142,649</u>	<u>49,367,991</u>	<u>50,552,577</u>	<u>53,756,152</u>	<u>53,526,526</u>
FTE	365.8	372.7	392.1	392.1	415.0
Cash Funds	36,956,409	39,827,671	39,957,973	41,800,087	41,587,403
Reappropriated Funds	9,186,240	9,540,320	10,594,604	11,956,065	11,939,123

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
SUBTOTAL - (F) Trustees of Fort Lewis					
College	46,142,649	49,367,991	50,552,577	53,756,152	53,526,526
<i>FTE</i>	<u>365.8</u>	<u>372.7</u>	<u>392.1</u>	<u>392.1</u>	<u>415.0</u>
Cash Funds	36,956,409	39,827,671	39,957,973	41,800,087	41,587,403
Reappropriated Funds	9,186,240	9,540,320	10,594,604	11,956,065	11,939,123

(G) Regents of the University of Colorado

Regents of the University of Colorado	<u>925,546,083</u>	<u>982,379,472</u>	<u>1,082,419,315</u>	<u>1,052,678,628</u>	<u>1,147,979,485</u>
<i>FTE</i>	<u>7,288.0</u>	<u>7,713.4</u>	<u>7,402.3</u>	<u>7,402.3</u>	<u>7,825.2</u>
Cash Funds	781,704,042	832,123,833	915,321,505	868,578,962	963,921,894
Reappropriated Funds	143,842,041	150,255,639	167,097,810	184,099,666	184,057,591

SUBTOTAL - (G) Regents of the University of Colorado					
Colorado	925,546,083	982,379,472	1,082,419,315	1,052,678,628	1,147,979,485
<i>FTE</i>	<u>7,288.0</u>	<u>7,713.4</u>	<u>7,402.3</u>	<u>7,402.3</u>	<u>7,825.2</u>
Cash Funds	781,704,042	832,123,833	915,321,505	868,578,962	963,921,894
Reappropriated Funds	143,842,041	150,255,639	167,097,810	184,099,666	184,057,591

(H) Trustees of the Colorado School of Mines

Trustees of the Colorado School of Mines	<u>118,244,824</u>	<u>128,547,431</u>	<u>134,259,954</u>	<u>141,112,246</u>	<u>143,026,179</u>
<i>FTE</i>	<u>825.6</u>	<u>832.7</u>	<u>848.6</u>	<u>848.6</u>	<u>878.5</u>
General Fund	0	0	0	0	0
Cash Funds	102,160,692	111,733,884	115,590,498	120,572,132	122,489,777
Reappropriated Funds	16,084,132	16,813,547	18,669,456	20,540,114	20,536,402

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
SUBTOTAL - (H) Trustees of the Colorado					
School of Mines	118,244,824	128,547,431	134,259,954	141,112,246	143,026,179
<i>FTE</i>	<u>825.6</u>	<u>832.7</u>	<u>848.6</u>	<u>848.6</u>	<u>878.5</u>
General Fund	0	0	0	0	0
Cash Funds	102,160,692	111,733,884	115,590,498	120,572,132	122,489,777
Reappropriated Funds	16,084,132	16,813,547	18,669,456	20,540,114	20,536,402

(I) University of Northern Colorado

University of Northern Colorado	<u>117,185,843</u>	<u>118,413,262</u>	<u>122,842,199</u>	<u>134,172,615</u>	<u>128,793,508</u>
FTE	1,208.6	1,125.7	1,247.1	1,247.1	1,141.9
Cash Funds	84,871,013	84,773,202	85,485,172	93,067,510	87,700,778
Reappropriated Funds	32,314,830	33,640,060	37,357,027	41,105,105	41,092,730

SUBTOTAL - (I) University of Northern Colorado					
Colorado	117,185,843	118,413,262	122,842,199	134,172,615	128,793,508
<i>FTE</i>	<u>1,208.6</u>	<u>1,125.7</u>	<u>1,247.1</u>	<u>1,247.1</u>	<u>1,141.9</u>
Cash Funds	84,871,013	84,773,202	85,485,172	93,067,510	87,700,778
Reappropriated Funds	32,314,830	33,640,060	37,357,027	41,105,105	41,092,730

(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>389,892,743</u>	<u>395,285,155</u>	<u>410,264,245</u>	<u>436,465,465</u>	<u>430,362,904</u>
FTE	6,066.8	5,906.4	6,240.5	6,240.5	5,935.4
Cash Funds	272,172,449	271,895,839	272,798,320	282,913,130	276,892,546
Reappropriated Funds	117,720,294	123,389,316	137,465,925	153,552,335	153,470,358

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
SUBTOTAL - (J) State Board for Community Colleges and Occupational Education State System Community Colleges					
<i>FTE</i>	389,892,743	395,285,155	410,264,245	436,465,465	430,362,904
Cash Funds	<u>6,066.8</u>	<u>5,906.4</u>	<u>6,240.5</u>	<u>6,240.5</u>	<u>5,935.4</u>
Reappropriated Funds	272,172,449	271,895,839	272,798,320	282,913,130	276,892,546
	117,720,294	123,389,316	137,465,925	153,552,335	153,470,358
TOTAL - (5) Governing Boards					
<i>FTE</i>	2,308,183,578	2,385,324,247	2,594,693,210	2,635,082,354	2,753,391,287
General Fund	<u>22,645.4</u>	<u>23,134.3</u>	<u>23,022.7</u>	<u>23,022.7</u>	<u>23,412.5</u>
Cash Funds	0	0	0	0	0
Reappropriated Funds	1,807,210,973	1,871,680,049	2,012,398,726	1,989,094,495	2,107,804,599
Federal Funds	500,972,605	513,644,198	582,294,484	645,987,859	645,586,688
	0	0	0	0	0

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 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.

Local District Junior College Grants	<u>12,742,980</u>	<u>13,300,325</u>	<u>14,693,860</u>	<u>16,098,319</u>	<u>0</u> *
General Fund	12,093,711	12,650,325	1,394,266	2,798,725	0
General Fund Exempt	0	0	12,650,325	12,650,325	0
Cash Funds	649,269	650,000	649,269	649,269	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Colorado Mountain College	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>7,453,410</u>
General Fund	0	0	0	0	2,940,165
General Fund Exempt	0	0	0	0	4,203,457
Cash Funds	0	0	0	0	309,788
 Aims Community College	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>8,798,484</u>
General Fund	0	0	0	0	0
General Fund Exempt	0	0	0	0	8,446,868
Cash Funds	0	0	0	0	351,616

TOTAL - (6) Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S.	12,742,980	13,300,325	14,693,860	16,098,319	16,251,894
<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	12,093,711	12,650,325	1,394,266	2,798,725	2,940,165
General Fund Exempt	0	0	12,650,325	12,650,325	12,650,325
Cash Funds	649,269	650,000	649,269	649,269	661,404
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 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>900,000</u>	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>
FTE	8.6	9.0	9.0	9.0	9.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	900,000	900,000	900,000	900,000	900,000
SUBTOTAL - (A) Administrative Costs	900,000	900,000	900,000	900,000	900,000
FTE	<u>8.6</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	900,000	900,000	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>24,218,052</u>	<u>24,528,304</u>	<u>24,983,788</u>	<u>24,983,788</u>	<u>24,983,788</u>
Reappropriated Funds	24,218,052	24,528,304	24,983,788	24,983,788	24,983,788
SUBTOTAL - (B) Distribution of State Assistance for Career and Technical Education pursuant to Section 23-8-102, C.R.S.	24,218,052	24,528,304	24,983,788	24,983,788	24,983,788
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Reappropriated Funds	24,218,052	24,528,304	24,983,788	24,983,788	24,983,788

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
(C) Area Vocational School Support					
Area Vocational School Support	<u>7,765,822</u>	<u>8,091,845</u>	<u>8,983,694</u>	<u>9,882,063</u>	<u>9,972,536</u> *
General Fund	7,765,822	8,091,845	891,849	1,790,218	1,880,691
General Fund Exempt	0	0	8,091,845	8,091,845	8,091,845
SUBTOTAL - (C) Area Vocational School					
Support	7,765,822	8,091,845	8,983,694	9,882,063	9,972,536
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	7,765,822	8,091,845	891,849	1,790,218	1,880,691
General Fund Exempt	0	0	8,091,845	8,091,845	8,091,845
(D) Sponsored Programs					
Administration	<u>2,192,979</u>	<u>1,804,779</u>	<u>2,220,227</u>	<u>2,220,227</u>	<u>2,220,227</u>
FTE	22.6	17.3	23.0	23.0	23.0
Federal Funds	2,192,979	1,804,779	2,220,227	2,220,227	2,220,227
Programs	<u>13,353,751</u>	<u>12,414,710</u>	<u>13,353,751</u> 0.0	<u>13,353,751</u> 0.0	<u>13,353,751</u> 0.0
Federal Funds	13,353,751	12,414,710	13,353,751	13,353,751	13,353,751
SUBTOTAL - (D) Sponsored Programs					
FTE	<u>22.6</u>	<u>17.3</u>	<u>23.0</u>	<u>23.0</u>	<u>23.0</u>
Federal Funds	15,546,730	14,219,489	15,573,978	15,573,978	15,573,978
(E) Colorado First Customized Job Training					
Colorado First Customized Job Training	<u>2,725,022</u>	<u>4,225,022</u>	<u>2,725,022</u>	<u>4,500,000</u>	<u>4,500,000</u> *
Reappropriated Funds	2,725,022	4,225,022	2,725,022	4,500,000	4,500,000

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
SUBTOTAL - (E) Colorado First Customized					
Job Training	2,725,022	4,225,022	2,725,022	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	2,725,022	4,225,022	2,725,022	4,500,000	4,500,000
TOTAL - (7) Division of Occupational					
Education	51,155,626	51,964,660	53,166,482	55,839,829	55,930,302
<i>FTE</i>	<u>31.2</u>	<u>26.3</u>	<u>32.0</u>	<u>32.0</u>	<u>32.0</u>
General Fund	7,765,822	8,091,845	891,849	1,790,218	1,880,691
General Fund Exempt	0	0	8,091,845	8,091,845	8,091,845
Cash Funds	0	0	0	0	0
Reappropriated Funds	27,843,074	29,653,326	28,608,810	30,383,788	30,383,788
Federal Funds	15,546,730	14,219,489	15,573,978	15,573,978	15,573,978

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
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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>16,904,618</u>	<u>17,679,311</u>	<u>19,300,000</u>	<u>19,879,000</u>	<u>19,879,000</u> *
FTE	177.8	181.9	177.8	177.8	188.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	16,904,618	17,679,311	19,300,000	19,879,000	19,879,000
Federal Funds	0	0	0	0	0

TOTAL - (8) Auraria Higher Education Center	16,904,618	17,679,311	19,300,000	19,879,000	19,879,000
<i>FTE</i>	<u>177.8</u>	<u>181.9</u>	<u>177.8</u>	<u>177.8</u>	<u>188.0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	16,904,618	17,679,311	19,300,000	19,879,000	19,879,000
Federal Funds	0	0	0	0	0

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 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>0</u>	<u>0</u>	<u>1,234,667</u>
FTE	0.0	0.0	0.0	0.0	12.0
Cash Funds	0	0	0	0	1,118,325
Federal Funds	0	0	0	0	116,342
Facilities Management	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,833,925</u>
FTE	0.0	0.0	0.0	0.0	7.5
Cash Funds	0	0	0	0	1,833,925
Federal Funds	0	0	0	0	0

SUBTOTAL - (A) Central Administration	0	0	0	0	3,068,592
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>19.5</u>
Cash Funds	0	0	0	0	2,952,250
Federal Funds	0	0	0	0	116,342

(B) History Colorado Museums

History Colorado Center	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,711,859</u>
FTE	0.0	0.0	0.0	0.0	58.4
Cash Funds	0	0	0	0	4,637,882
Federal Funds	0	0	0	0	73,977

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Community Museums	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,205,725</u>
FTE	0.0	0.0	0.0	0.0	14.5
Cash Funds	0	0	0	0	1,205,725
SUBTOTAL - (B) History Colorado Museums	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,917,584</u>
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>72.9</u>
Cash Funds	0	0	0	0	5,843,607
Federal Funds	0	0	0	0	73,977
(C) Office of Archeology and Historic Preservation					
Program Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,628,251</u>
FTE	0.0	0.0	0.0	0.0	21.0
Cash Funds	0	0	0	0	844,120
Federal Funds	0	0	0	0	784,131
SUBTOTAL - (C) Office of Archeology and Historic Preservation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,628,251</u>
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>21.0</u>
Cash Funds	0	0	0	0	844,120
Federal Funds	0	0	0	0	784,131
(D) State Historical Fund Program					
Administration	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,703,303</u>
FTE	0.0	0.0	0.0	0.0	18.0
Cash Funds	0	0	0	0	1,703,303
Grants	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,500,000</u>
Cash Funds	0	0	0	0	9,500,000

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
Gaming Cities Distribution	<u>0</u>	<u>4,726,639</u>	<u>4,400,000</u>	<u>4,400,000</u>	<u>4,900,000</u>
Cash Funds	0	4,726,639	4,400,000	4,400,000	4,900,000
SUBTOTAL - (D) State Historical Fund					
Program	0	4,726,639	4,400,000	4,400,000	16,103,303
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>18.0</u>
Cash Funds	0	4,726,639	4,400,000	4,400,000	16,103,303

(E) Cumbres and Toltec Railroad Commission

Cumbres and Toltec Railroad Commission	<u>1,870,500</u>	<u>1,295,447</u>	<u>1,638,500</u>	<u>1,623,500</u>	<u>1,623,500</u>
General Fund	1,020,500	445,447	1,295,000	1,295,000	1,295,000
Cash Funds	850,000	850,000	343,500	328,500	328,500
Reappropriated Funds	0	0	0	0	0

SUBTOTAL - (E) Cumbres and Toltec Railroad					
Commission	1,870,500	1,295,447	1,638,500	1,623,500	1,623,500
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	1,020,500	445,447	1,295,000	1,295,000	1,295,000
Cash Funds	850,000	850,000	343,500	328,500	328,500
Reappropriated Funds	0	0	0	0	0

Sponsored Programs

Sponsored Programs	<u>157,632</u>	<u>73,580</u>	<u>250,000</u>	<u>256,786</u>	<u>0</u>
FTE	1.6	0.9	3.5	3.5	0.0
Cash Funds	0	0	20,000	20,000	0
Federal Funds	157,632	73,580	230,000	236,786	0

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
SUBTOTAL - Sponsored Programs	157,632	73,580	250,000	256,786	0
<i>FTE</i>	<u>1.6</u>	<u>0.9</u>	<u>3.5</u>	<u>3.5</u>	<u>0.0</u>
Cash Funds	0	0	20,000	20,000	0
Federal Funds	157,632	73,580	230,000	236,786	0
Auxiliary Programs					
Auxiliary Programs	<u>1,685,910</u>	<u>1,757,535</u>	<u>1,926,723</u>	<u>1,949,608</u>	<u>0</u>
FTE	14.0	12.4	14.5	14.5	0.0
Cash Funds	1,685,910	1,757,535	1,926,723	1,949,608	0
SUBTOTAL - Auxiliary Programs	1,685,910	1,757,535	1,926,723	1,949,608	0
<i>FTE</i>	<u>14.0</u>	<u>12.4</u>	<u>14.5</u>	<u>14.5</u>	<u>0.0</u>
Cash Funds	1,685,910	1,757,535	1,926,723	1,949,608	0
Gaming Revenue					
Statewide Preservation Grant Program	<u>12,196,760</u>	<u>7,483,277</u>	<u>13,000,000</u>	<u>13,028,405</u>	<u>0</u>
FTE	16.7	15.1	18.0	18.0	0.0
Cash Funds	12,196,760	7,483,277	13,000,000	13,028,405	0
Federal Funds	0	0	0	0	0
Society Museum and Preservation Operations	<u>8,336,577</u>	<u>8,185,210</u>	<u>8,947,815</u>	<u>9,103,441</u>	<u>0</u>
FTE	93.7	83.8	95.4	95.4	0.0
Cash Funds	7,496,436	7,505,167	8,237,291	8,365,777	0
Federal Funds	840,141	680,043	710,524	737,664	0
SUBTOTAL - Gaming Revenue	20,533,337	15,668,487	21,947,815	22,131,846	0
<i>FTE</i>	<u>110.4</u>	<u>98.9</u>	<u>113.4</u>	<u>113.4</u>	<u>0.0</u>
Cash Funds	19,693,196	14,988,444	21,237,291	21,394,182	0
Federal Funds	840,141	680,043	710,524	737,664	0

JBC Staff Staff Figure Setting - FY 2015-16
Staff Working Document - Does Not Represent Committee Decision

	FY 2012-13 Actual	FY 2013-14 Actual	FY 2014-15 Appropriation	FY 2015-16 Request	FY 2015-16 Recommendation
TOTAL - (9) History Colorado	24,247,379	23,521,688	30,163,038	30,361,740	28,341,230
<i>FTE</i>	<u>126.0</u>	<u>112.2</u>	<u>131.4</u>	<u>131.4</u>	<u>131.4</u>
General Fund	1,020,500	445,447	1,295,000	1,295,000	1,295,000
Cash Funds	22,229,106	22,322,618	27,927,514	28,092,290	26,071,780
Reappropriated Funds	0	0	0	0	0
Federal Funds	997,773	753,623	940,524	974,450	974,450
TOTAL - Department of Higher Education	3,031,069,128	3,144,779,685	3,467,576,248	3,618,489,349	3,731,117,737
<i>FTE</i>	<u>23,012.4</u>	<u>23,499.3</u>	<u>23,455.2</u>	<u>23,456.2</u>	<u>23,856.2</u>
General Fund	176,102,713	657,613,563	111,349,192	218,603,007	214,653,613
General Fund Exempt	452,133,333	0	650,733,333	650,733,333	650,733,333
Cash Funds	1,835,173,748	1,901,511,758	2,048,656,281	2,025,839,473	2,142,560,293
Reappropriated Funds	549,025,744	564,605,092	634,406,378	700,722,423	700,675,947
Federal Funds	18,633,590	21,049,272	22,431,064	22,591,113	22,494,551

Appendix B: FY 2014-15 Adjustments to Institutions

	Rate	Gov. Boards	Adams	Mesa	Metro	Western	CSU Sys	Ft. Lewis	CU	Mines	UNC	CCs
FY 2014-15 TOTAL SB 14-001 + HB 14-1336 + SB 14-211	\$ 75											
Stipend-eligible SFTE assumption	30	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
Fee-for-service Contracts		<u>287,712,437</u>	<u>9,822,546</u>	<u>7,417,853</u>	<u>12,068,125</u>	<u>7,812,830</u>	<u>77,963,349</u>	<u>6,048,788</u>	<u>105,963,204</u>	<u>12,377,866</u>	<u>20,179,484</u>	<u>28,058,392</u>
SUBTOTAL State Funds		\$ 582,294,484	\$ 12,837,288	\$ 22,027,251	\$ 43,681,193	\$ 10,585,447	\$ 121,978,483	\$ 10,594,604	\$ 167,097,810	\$ 18,669,456	\$ 37,357,027	\$ 137,465,925
Resident	\$	1,101,278,683	12,442,776	47,076,510	89,399,792	8,047,808	201,569,775	12,214,975	402,013,767	53,519,813	64,045,258	210,948,209
Nonresident	\$	749,418,998	9,374,974	11,063,258	8,006,895	8,094,387	150,760,536	28,324,203	397,447,873	62,587,810	23,833,889	49,925,173
Tuition		\$1,850,697,681	\$21,817,750	\$58,139,768	\$97,406,687	\$16,142,195	\$352,330,311	\$40,539,178	\$799,461,640	\$116,107,623	\$87,879,147	\$260,873,382
State/Tuition	\$	2,432,992,165	\$ 34,655,038	\$ 80,167,019	\$ 141,087,880	\$ 26,727,642	\$ 474,308,794	\$ 51,133,782	\$ 966,559,450	\$ 134,777,079	\$ 125,236,174	\$ 398,339,307
Tobacco	\$	13,347,802	0	0	0	0	0	0	13,347,802	0	0	0
Gaming	\$	5,811,118	19,381	276,504	0	0	0	0	0	0	0	5,515,233
Academic Fees	\$	117,839,782	2,558,000	457,546	10,499,204	2,246,567	19,703,217	1,252,434	55,579,072	4,441,598	5,151,300	15,950,844
Appropriated Grants	\$	-	0	0	0	0	0	0	0	0	0	0
TOTAL	\$	2,569,990,867	\$ 37,232,419	\$ 80,901,069	\$ 151,587,084	\$ 28,974,209	\$ 494,012,011	\$ 52,386,216	\$ 1,035,486,324	\$ 139,218,677	\$ 130,387,474	\$ 419,805,384
FY 2014-15 Revised Totals (2015 Session Recommendation)												
Stipend-eligible SFTE		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 @	\$2,275	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
Fee-for-service Contracts		<u>287,712,437</u>	<u>9,822,546</u>	<u>7,417,853</u>	<u>12,068,125</u>	<u>7,812,830</u>	<u>77,963,349</u>	<u>6,048,788</u>	<u>105,963,204</u>	<u>12,377,866</u>	<u>20,179,484</u>	<u>28,058,392</u>
SUBTOTAL State Funds		582,294,484	12,837,288	22,027,251	43,681,193	10,585,447	121,978,483	10,594,604	167,097,810	18,669,456	37,357,027	137,465,925
Resident		1,087,125,901	12,159,229	44,168,481	90,933,960	7,930,664	199,886,977	11,019,634	415,262,134	48,508,836	56,739,387	200,516,599
Nonresident		786,713,331	8,862,640	10,699,194	10,067,473	7,982,422	155,195,615	27,788,339	431,938,832	62,508,484	23,059,885	48,610,447
Tuition		1,873,839,232	21,021,869	54,867,675	101,001,433	15,913,086	355,082,592	38,807,973	847,200,966	111,017,320	79,799,272	249,127,046
State/Tuition		2,456,133,716	33,859,157	76,894,926	144,682,626	26,498,533	477,061,075	49,402,577	1,014,298,776	129,686,776	117,156,299	386,592,971
Tobacco		13,347,802	0	0	0	0	0	0	13,347,802	0	0	0
Gaming		5,811,118	19,381	276,504	0	0	0	0	0	0	0	5,515,233
Academic Fees		119,400,574	2,514,000	469,019	9,464,454	2,845,706	19,769,539	1,150,000	54,772,737	4,573,178	5,685,900	18,156,041
Appropriated Grants		0	0	0	0	0	0	0	0	0	0	0
TOTAL		2,594,693,210	36,392,538	77,640,449	154,147,080	29,344,239	496,830,614	50,552,577	1,082,419,315	134,259,954	122,842,199	410,264,245
FY 2014-15 Amendment Required (2015 Session Supplemental Recommendation)												
Stipend-eligible SFTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
State-operated Stipends @		-	-	-	-	-	-	-	-	-	-	-
Fee-for-service Contracts		-	-	-	-	-	-	-	-	-	-	-
SUBTOTAL State Funds		-	-	-	-	-	-	-	-	-	-	-

	Rate	Gov. Boards	Adams	Mesa	Metro	Western	CSU Sys	Ft. Lewis	CU	Mines	UNC	CCs
<i>NOTE: all CF approps were in LB ONLY</i>												
Resident		(14,152,782)	(283,547)	(2,908,029)	1,534,168	(117,144)	(1,682,798)	(1,195,341)	13,248,367	(5,010,977)	(7,305,871)	(10,431,610)
Nonresident		37,294,333	(512,334)	(364,064)	2,060,578	(111,965)	4,435,079	(535,864)	34,490,959	(79,326)	(774,004)	(1,314,726)
Tuition		23,141,551	(795,881)	(3,272,093)	3,594,746	(229,109)	2,752,281	(1,731,205)	47,739,326	(5,090,303)	(8,079,875)	(11,746,336)
State/Tuition		23,141,551	(795,881)	(3,272,093)	3,594,746	(229,109)	2,752,281	(1,731,205)	47,739,326	(5,090,303)	(8,079,875)	(11,746,336)
Tobacco		13347802	0	0	0	0	0	0	13,347,802	0	0	0
Gaming		5811118	19381	276504	0	0	0	0	0	0	0	5515233
Academic Fees		1,560,792	(44,000)	11,473	(1,034,750)	599,139	66,322	(102,434)	(806,335)	131,580	534,600	2,205,197
Appropriated Grants		-	-	-	-	-	-	-	-	-	-	-
TOTAL		2,594,693,210	(820,500)	(2,984,116)	2,559,996	370,030	2,818,603	(1,833,639)	60,280,793	(4,958,723)	(7,545,275)	(4,025,906)
S.B. 14-1336 if amended with required change												
Stipend-eligible SFTE		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 @		259,232,202	2,652,973	12,856,270	27,819,500	2,439,903	38,733,318	4,000,318	53,798,454	5,536,599	15,116,238	96,278,629
Fee-for-service Contracts		<u>265,098,397</u>	<u>8,910,088</u>	<u>6,984,981</u>	<u>11,537,923</u>	<u>7,094,866</u>	<u>71,138,244</u>	<u>5,542,792</u>	<u>96,488,805</u>	<u>11,279,738</u>	<u>18,533,122</u>	<u>27,587,838</u>
SUBTOTAL State Funds		524,330,599	11,563,061	19,841,251	39,357,423	9,534,769	109,871,562	9,543,110	150,287,259	16,816,337	33,649,360	123,866,467
Resident		1,087,125,901	12,159,229	44,168,481	90,933,960	7,930,664	199,886,977	11,019,634	415,262,134	48,508,836	56,739,387	200,516,599
Nonresident		<u>786,713,331</u>	<u>8,862,640</u>	<u>10,699,194</u>	<u>10,067,473</u>	<u>7,982,422</u>	<u>155,195,615</u>	<u>27,788,339</u>	<u>431,938,832</u>	<u>62,508,484</u>	<u>23,059,885</u>	<u>48,610,447</u>
Tuition		1,873,839,232	21,021,869	54,867,675	101,001,433	15,913,086	355,082,592	38,807,973	847,200,966	111,017,320	79,799,272	249,127,046
State/Tuition		2,398,169,831	32,584,930	74,708,926	140,358,856	25,447,855	464,954,154	48,351,083	997,488,225	127,833,657	113,448,632	372,993,513
Tobacco		26,695,604	0	0	0	0	0	0	26,695,604	0	0	0
Gaming		11,622,236	38,762	553,008	0	0	0	0	0	0	0	11,030,466
Academic Fees		119,400,574	2,514,000	469,019	9,464,454	2,845,706	19,769,539	1,150,000	54,772,737	4,573,178	5,685,900	18,156,041
Appropriated Grants		0	0	0	0	0	0	0	0	0	0	0
TOTAL		2,555,888,245	35,137,692	75,730,953	149,823,310	28,293,561	484,723,693	49,501,083	1,078,956,566	132,406,835	119,134,532	402,180,020

Appendix B: FY 2015-16 Adjustments to Institutions

	Rate	Gov. Boards	Adams	Mesa	Metro	Western	CSU Sys	Ft. Lewis	CU	Mines	UNC	CCs	D	CMC	Aims	AVS	Institutions
FY 2015-16 Governing Board Detail																	
FY 2014-15 TOTAL SB 14-001 + HB 14-1336	\$ - 75																
+ SB 14-211 + supplemental rec	30																
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					130,925.4
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				\$ -	\$ 294,582,047
Fee-for-service Contracts non-specialty ed		183,310,739	9,822,546	7,417,853	12,068,125	7,812,830	29,481,060	6,048,788	50,043,795	12,377,866	20,179,484	28,058,392					\$ 183,310,739
Specialty ed contracts		104,401,698					48,482,289		55,919,409					6,435,286	7,609,305	8,983,694	\$ 127,429,983
SUBTOTAL State Funds	\$	\$ 582,294,484	\$ 12,837,288	\$ 22,027,251	\$ 43,681,193	\$ 10,585,447	\$ 121,978,483	\$ 10,594,604	\$ 167,097,810	\$ 18,669,456	\$ 37,357,027	\$ 137,465,925	\$	\$ 6,435,286	\$ 7,609,305	\$ 8,983,694	\$ 605,322,769
Resident	\$	1,087,125,901	12,159,229	44,168,481	90,933,960	7,930,664	199,886,977	11,019,634	415,262,134	48,508,836	56,739,387	200,516,599					1,087,125,901
Nonresident	\$	786,713,331	8,862,640	10,699,194	10,067,473	7,982,422	155,195,615	27,788,339	431,938,832	62,508,484	23,059,885	48,610,447					786,713,331
Tuition	\$	\$1,873,839,232	\$21,021,869	\$54,867,675	\$101,001,433	\$15,913,086	\$355,082,592	\$38,807,973	\$847,200,966	\$111,017,320	\$79,799,272	\$249,127,046					1,873,839,232
State/Tuition	\$	2,456,133,716	33,859,157	76,894,926	144,682,626	26,498,533	477,061,075	49,402,577	1,014,298,776	129,686,776	117,156,299	386,592,971					2,456,133,716
Tobacco	\$	13,347,802	0	0	0	0	0	0	13,347,802	0	0	0					13,347,802
Gaming	\$	5,811,118	19,381	276,504	0	0	0	0	0	0	0	5,515,233	297,653	351,616	0	0	6,460,387
Academic Fees	\$	119,400,574	2,514,000	469,019	9,464,454	2,845,706	19,769,539	1,150,000	54,772,737	4,573,178	5,685,900	18,156,041					119,400,574
Appropriated Grants	\$	-	0	0	0	0	0	0	0	0	0	0					0
TOTAL	\$	\$ 2,594,693,210	\$ 36,392,538	\$ 77,640,449	\$ 154,147,080	\$ 29,344,239	\$ 496,830,614	\$ 50,552,577	\$ 1,082,419,315	\$ 134,259,954	\$ 122,842,199	\$ 410,264,245	\$	\$ 6,732,939	\$ 7,960,921	\$ 8,983,694	\$ 2,618,370,764

Recommended changes - FY 2015-16

State Funding																	
Stipend-eligible SFTE		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0					
Stipends	\$	-	-	-	-	-	-	-	-	-	-	-					-
Fee-for-service Contracts per 303	\$	47,789,278	1,109,665	2,350,406	6,490,294	888,890	6,268,963	1,344,519	9,642,331	1,821,926	1,867,851	16,004,433					47,789,278
Fee-for-service Contracts per Section 304 (specialty ed)	\$	10,690,170	-	-	-	-	4,848,229	-	5,841,941	-	-	-	643,528	760,931	898,369		12,992,998
Other Adjustments (separate bill)	\$	4,812,756	174,064	-	-	169,655	1,080,656	-	1,475,509	45,020	1,867,852	-	64,808	76,632	90,473		5,044,669
SUBTOTAL State Funds	\$	\$ 63,292,204	\$ 1,283,729	\$ 2,350,406	\$ 6,490,294	\$ 1,058,545	\$ 12,197,848	\$ 1,344,519	\$ 16,959,781	\$ 1,866,946	\$ 3,735,703	\$ 16,004,433	\$	\$ 708,336	\$ 837,563	\$ 988,842	\$ 65,826,945
Resident	\$	48,002,776	760,682	3,022,677	4,023,935	478,007	8,066,473	277,707	26,520,286	1,851,625	183,644	2,817,741					
Nonresident	\$	46,178,897	615,299	682,716	638,719	494,542	12,512,393	1,301,724	21,838,447	4,946,871	1,935,229	1,212,958					
Tuition	\$	94,181,673	1,375,981	3,705,393	4,662,654	972,549	20,578,865	1,579,430	48,358,733	6,798,495	2,118,873	4,030,699					
State/Tuition	\$	157,473,877	2,659,710	6,055,799	11,152,948	2,031,094	32,776,713	2,923,949	65,318,514	8,665,441	5,854,576	20,035,132	\$	708,336	837,563	988,842	65,826,945
% State/Tuition Change		6.4%	7.9%	7.9%	7.7%	7.7%	6.9%	5.9%	6.4%	6.7%	5.0%	5.2%					
Tobacco	\$	(847,125)	-	-	-	-	-	-	(847,125)	-	-	-					(847,125)
Gaming	\$	63,098	879	20,213	-	-	-	-	-	-	-	42,006	12,135	-	-	-	75,233
Academic Fees	\$	2,008,228	243,000	4,690	3,769	398,950	-	50,000	1,088,781	100,784	96,733	21,521					2,008,228

	Rate	Gov. Boards	Adams	Mesa	Metro	Western	CSU Sys	Ft. Lewis	CU	Mines	UNC	CCs	D	CMC	Aims	AVS	Institutions
FY 2015-16 TOTAL	\$ 75	30															
Model Results																	
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					130,925.4
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				\$ -	\$ 294,582,047
FFS for role and mission (section 303)	\$	-															\$ -
FFS for performance (section 303)	\$	-															\$ -
H.B. 14-1319 model results without annualization in base	\$	231,100,017	\$ 10,932,211	\$ 9,768,259	\$ 18,558,419	\$ 8,701,720	\$ 35,750,023	\$ 7,393,307	\$ 59,686,126	\$ 14,199,792	\$ 22,047,335	\$ 44,062,825					\$ 231,100,017
Total Gov Board Approp/Total State Approp		525,682,064	13,946,953	24,377,657	50,171,487	11,474,337	79,765,157	11,939,123	120,820,732	20,491,382	39,224,878	153,470,358					525,682,064
Reference: % Increase TSA w/guardrails		10.0%	8.6%	10.7%	14.9%	8.4%	8.5%	12.7%	8.7%	9.8%	5.0%	11.6%					
Other TSA-related adjustments- Increase 10%- Bill		4,812,756	174,064			169,655	1,080,656		1,475,509	45,020	1,867,852			64,808	76,632	90,473	5,044,669
Fee-for-service Contracts per Section 304		114,841,868					53,330,518		61,511,350					7,078,814	8,370,236	9,882,063	140,172,981
Other Specialty Ed adjustments		250,000							250,000								250,000
Total Specialty Ed Approp	\$	115,091,868					53,330,518		61,761,350					7,078,814	8,370,236	9,882,063	140,422,981
SUBTOTAL State Funds	\$	645,586,688	\$ 14,121,017	\$ 24,377,657	\$ 50,171,487	\$ 11,643,992	\$ 134,176,331	\$ 11,939,123	\$ 184,057,591	\$ 20,536,402	\$ 41,092,730	\$ 153,470,358		\$ 7,143,622	\$ 8,446,868	\$ 9,972,536	\$ 671,149,714
Resident		1,135,128,677	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		832,892,228	9,477,939	11,381,910	10,706,192	8,476,964	167,708,008	29,090,063	453,777,279	67,455,355	24,995,114	49,823,405					
Tuition	\$	1,968,020,905	\$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					1,968,020,905
State/Tuition	\$	2,613,607,593	\$ 36,518,867	\$ 82,950,725	\$ 155,835,574	\$ 28,529,627	\$ 509,837,788	\$ 52,326,526	\$ 1,079,617,290	\$ 138,352,217	\$ 123,010,875	\$ 406,628,103		\$ 7,143,622	\$ 8,446,868	\$ 9,972,536	2,639,170,619
Tobacco		12,500,677							12,500,677								12,500,677
Gaming		5,874,216	20,260	296,717	0	0	0	0	0	0	0	5,557,239		309,788	351,616	0	6,535,620
Academic Fees		121,408,803	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					121,408,803
TOTAL	\$	2,753,391,289	\$ 39,296,127	\$ 83,721,151	\$ 165,303,797	\$ 31,774,283	\$ 529,607,327	\$ 53,526,526	\$ 1,147,979,486	\$ 143,026,179	\$ 128,793,508	\$ 430,362,904		\$ 7,453,410	\$ 8,798,484	\$ 9,972,536	\$ 2,779,615,719
Reference: % Increase to Gov boards	10%	\$ 640,523,933	\$ 14,121,017	\$ 24,229,976	\$ 48,049,312	\$ 11,643,992	\$ 134,176,331	\$ 11,654,064	\$ 183,807,591	\$ 20,536,402	\$ 41,092,730	\$ 151,212,518		\$ 7,078,814	\$ 8,370,236	\$ 9,882,063	\$ 665,855,046
Reference: % Increase to TSA only	10%	\$ 525,682,065	\$ 14,121,017	\$ 24,229,976	\$ 48,049,312	\$ 11,643,992	\$ 80,845,813	\$ 11,654,064	\$ 122,296,241	\$ 20,536,402	\$ 41,092,730	\$ 151,212,518		\$ -	\$ -	\$ -	\$ -
Additional increase for TSA due to bringing all to 10%	1.0%																

**Table 1. Colorado Legislative Council Staff February 2015 Forecast
Colorado Public Higher Education Tuition by Governing Board**

Resident Tuition																						
Fiscal Year	Regents of the University of Colorado		Colorado State University		Fort Lewis College		University of Northern Colorado		Colorado School of Mines		Adams State University		Colorado Mesa University		Western State Colorado University		Metro State University of Denver		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.
2006-07	226,941,679		85,044,791		7,082,300		35,891,829		24,544,515		4,551,208		16,200,730		4,012,046		39,574,870		104,134,435		547,978,403	
2007-08	254,141,636	12.0%	96,136,104	13.0%	7,415,269	4.7%	37,654,429	4.9%	27,232,248	11.0%	4,457,230	-2.1%	18,048,806	11.4%	4,170,064	3.9%	42,780,232	8.1%	108,724,465	4.4%	600,760,483	9.6%
2008-09	276,392,613	8.8%	108,463,588	12.8%	7,404,323	-0.1%	39,134,501	3.9%	30,463,174	11.9%	4,933,031	10.7%	20,801,477	15.3%	4,607,258	10.5%	47,764,601	11.7%	123,747,439	13.8%	663,712,005	10.5%
2009-10	311,068,550	12.5%	123,291,999	13.7%	7,632,628	3.1%	45,821,514	17.1%	34,441,793	13.1%	7,613,713	54.3%	26,867,114	29.2%	4,861,398	5.5%	55,712,877	16.6%	162,377,008	31.2%	779,688,594	17.5%
2010-11	336,567,696	8.2%	138,738,156	12.5%	8,405,209	10.1%	50,501,293	10.2%	39,021,468	13.3%	8,972,619	17.8%	33,418,424	24.4%	5,280,354	8.6%	63,342,555	13.7%	193,917,635	19.4%	878,165,409	12.6%
2011-12	356,286,381	5.9%	166,267,624	19.8%	9,494,138	13.0%	57,144,483	13.2%	43,035,856	10.3%	9,335,684	4.0%	38,154,888	14.2%	5,716,168	8.3%	75,908,847	19.8%	213,155,843	9.9%	974,499,912	11.0%
2012-13	366,698,901	2.9%	180,003,822	8.3%	10,892,410	14.7%	58,922,934	3.1%	46,928,314	9.0%	10,135,332	8.6%	41,411,873	8.5%	6,645,435	16.3%	82,698,722	8.9%	205,984,162	-3.4%	1,010,321,905	3.7%
2013-14	390,401,904	6.5%	193,441,701	7.5%	11,592,365	6.4%	57,636,586	-2.2%	48,603,217	3.6%	11,495,183	13.4%	44,859,091	8.3%	7,498,951	12.8%	88,953,048	7.6%	202,612,446	-1.6%	1,057,094,492	4.6%
2014-15	415,262,134	6.4%	199,886,977	3.3%	11,019,634	-4.9%	56,739,387	-1.6%	48,508,836	-0.2%	12,159,229	5.8%	44,168,481	-1.5%	7,930,664	5.8%	90,933,960	2.2%	200,516,599	-1.0%	1,087,125,902	2.8%
2015-16	441,782,420	6.4%	207,953,450	4.0%	11,297,341	2.5%	56,923,031	0.3%	50,360,461	3.8%	12,919,911	6.3%	47,191,158	6.8%	8,408,671	6.0%	94,957,895	4.4%	203,334,340	1.4%	1,135,128,677	4.4%
CAAGR *		7.7%		10.4%		5.3%		5.3%		8.3%		12.3%		12.6%		8.6%		10.2%		7.7%		8.4%

Nonresident Tuition																						
Fiscal Year	Regents of the University of Colorado		Colorado State University		Fort Lewis College		University of Northern Colorado		Colorado School of Mines		Adams State University		Colorado Mesa University		Western State Colorado University		Metro State University of Denver		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.
2006-07	224,718,208		75,395,260		14,350,034		12,697,980		17,958,593		1,970,812		3,028,874		4,587,172		4,618,368		20,759,613		380,084,914	
2007-08	236,246,457	5.1%	87,645,723	16.2%	15,369,503	7.1%	13,079,208	3.0%	22,435,915	24.9%	2,666,061	35.3%	3,914,220	29.2%	4,451,780	-3.0%	5,084,955	10.1%	22,888,898	10.3%	413,782,720	8.9%
2008-09	272,305,685	15.3%	97,900,168	11.7%	17,247,316	12.2%	15,297,661	17.0%	28,073,198	25.1%	2,893,722	8.5%	4,088,776	4.5%	4,117,340	-7.5%	5,595,425	10.0%	25,308,840	10.6%	472,828,131	14.3%
2009-10	289,879,150	6.5%	100,721,891	2.9%	20,029,434	16.1%	16,299,951	6.6%	33,047,069	17.7%	4,259,450	47.2%	5,112,658	25.0%	4,242,634	3.0%	6,044,849	8.0%	32,579,754	28.7%	512,216,840	8.3%
2010-11	311,606,272	7.5%	111,928,572	11.1%	21,719,346	8.4%	18,625,749	14.3%	38,369,823	16.1%	5,519,690	29.6%	7,171,399	40.3%	4,646,558	9.5%	6,623,099	9.6%	39,021,140	19.8%	565,231,648	10.4%
2011-12	341,817,099	9.7%	121,526,529	8.6%	23,151,083	6.6%	18,793,626	0.9%	45,900,674	19.6%	6,437,324	16.6%	8,247,474	15.0%	4,508,223	-3.0%	6,942,603	4.8%	36,668,442	-6.0%	613,993,077	8.6%
2012-13	359,058,260	5.0%	131,786,125	8.4%	24,912,384	7.6%	20,652,007	9.9%	51,460,743	12.1%	7,507,540	16.6%	9,316,720	13.0%	6,920,195	53.5%	8,996,305	29.6%	45,710,464	24.7%	666,320,743	8.5%
2013-14	384,190,452	7.0%	143,657,599	9.0%	26,988,255	8.3%	21,935,467	6.2%	58,500,043	13.7%	8,262,135	10.1%	9,852,936	5.8%	7,565,395	9.3%	7,730,904	-14.1%	48,517,350	6.1%	717,200,536	7.6%
2014-15	431,938,832	12.4%	155,195,615	8.0%	27,788,339	3.0%	23,059,885	5.1%	62,508,484	6.9%	8,862,640	7.3%	10,699,194	8.6%	7,982,422	5.5%	10,067,473	30.2%	48,610,447	0.2%	786,713,332	9.7%
2015-16	453,777,279	5.1%	167,708,008	8.1%	29,090,063	4.7%	24,995,114	8.4%	67,455,355	7.9%	9,477,939	6.9%	11,381,910	6.4%	8,476,964	6.2%	10,706,192	6.3%	49,823,405	2.5%	832,892,228	5.9%
CAAGR *		8.1%		9.3%		8.2%		7.8%		15.8%		19.1%		15.8%		7.1%		9.8%		10.2%		9.1%

Total Tuition																						
Fiscal Year	Regents of the University of Colorado		Colorado State University		Fort Lewis College		University of Northern Colorado		Colorado School of Mines		Adams State University		Colorado Mesa University		Western State Colorado University		Metro State University of Denver		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.
2006-07	451,659,887		160,440,051		21,432,334		48,589,809		42,503,108		6,522,020		19,229,604		8,599,218		44,193,238		124,894,048		928,063,317	
2007-08	490,388,093	8.6%	183,781,827	14.5%	22,784,772	6.3%	50,733,637	4.4%	49,668,163	16.9%	7,123,291	9.2%	21,963,026	14.2%	8,621,844	0.3%	47,865,187	8.3%	131,613,363	5.4%	1,014,543,203	9.3%
2008-09	548,698,298	11.9%	206,363,756	12.3%	24,651,639	8.2%	54,432,162	7.3%	58,536,372	17.9%	7,826,753	9.9%	24,890,253	13.3%	8,724,598	1.2%	53,360,026	11.5%	149,056,279	13.3%	1,136,540,136	12.0%
2009-10	600,947,700	9.5%	224,013,890	8.6%	27,662,062	12.2%	62,121,465	14.1%	67,488,862	15.3%	11,873,163	51.7%	31,979,772	28.5%	9,104,032	4.3%	61,757,726	15.7%	194,956,762	30.8%	1,291,905,434	13.7%
2010-11	648,173,968	7.9%	250,666,728	11.9%	30,124,555	8.9%	69,127,042	11.3%	77,391,291	14.7%	14,492,309	22.1%	40,589,823	26.9%	9,926,912	9.0%	69,965,654	13.3%	232,938,775	19.5%	1,443,397,057	11.7%
2011-12	698,103,480	7.7%	287,794,153	14.8%	32,645,221	8.4%	75,938,109	9.9%	88,936,530	14.9%	15,773,008	8.8%	46,402,362	14.3%	10,224,391	3.0%	82,851,450	18.4%	249,824,285	7.2%	1,588,492,989	10.1%
2012-13	725,757,161	4.0%	311,789,947	8.3%	35,804,794	9.7%	79,574,941	4.8%	98,389,057	10.6%	17,642,872	11.9%	50,728,593	9.3%	13,565,630	32.7%	91,695,027	10.7%	251,694,626	0.7%	1,676,642,648	5.5%
2013-14	774,592,356	6.7%	337,099,300	8.1%	38,580,620	7.8%	79,572,053	0.0%	107,103,260	8.9%	19,757,318	12.0%	54,712,027	7.9%	15,064,346	11.0%	96,683,952	5.4%	251,129,796	-0.2%	1,774,295,028	5.8%
2014-15	847,200,966	9.4%	355,082,592	5.3%	38,807,973	0.6%	79,799,271	0.3%	111,017,321	3.7%	21,021,869	6.4%	54,867,675	0.3%	15,913,086	5.6%	101,001,434	4.5%	249,127,046	-0.8%	1,873,839,234	5.6%

**Table 1. Colorado Legislative Council Staff February 2015 Forecast
Colorado Public Higher Education Tuition by Governing Board**

2015-16	895,559,699	5.7%	375,661,457	5.8%	40,387,403	4.1%	81,918,145	2.7%	117,815,815	6.1%	22,397,850	6.5%	58,573,068	6.8%	16,885,635	6.1%	105,664,087	4.6%	253,157,745	1.6%	1,968,020,905	5.0%
CAAGR *		7.9%		9.9%		7.3%		6.0%		12.0%		14.7%		13.2%		7.8%		10.2%		8.2%		8.7%

* CAAGR: Compound Average Annual Growth Rate. All CAAGRs are calculated from FY 2006-07 through FY 2015-16.

**Table 1. Colorado Legislative Council Staff February 2015 Forecast
Colorado Public Higher Education Tuition by Governing Board
(Continued)**

Average Resident Per-Pupil Tuition

Fiscal Year	Regents of the University of Colorado		Colorado State University		Fort Lewis College		University of Northern Colorado		Colorado School of Mines		Adams State University		Colorado Mesa University		Western State Colorado University		Metro State University of Denver		Community College System	
	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.
2006-07	6,523		4,098		2,679		3,716		8,130		2,498		3,673		2,764		2,684		2,548	
2007-08	7,223	10.7%	4,629	13.0%	2,829	5.6%	4,022	8.2%	8,944	10.0%	2,617	4.8%	4,047	10.2%	2,919	5.6%	2,827	5.3%	2,593	1.8%
2008-09	7,744	7.2%	5,092	10.0%	3,052	7.9%	4,520	12.4%	9,689	8.3%	2,997	14.5%	4,581	13.2%	3,171	8.6%	3,058	8.2%	2,755	6.2%
2009-10	8,383	8.3%	5,576	9.5%	3,171	3.9%	5,146	13.9%	10,313	6.4%	4,101	36.8%	5,090	11.1%	3,418	7.8%	3,321	8.6%	3,041	10.4%
2010-11	9,061	8.1%	6,097	9.3%	3,505	10.6%	5,587	8.6%	11,547	12.0%	4,605	12.3%	5,680	11.6%	3,781	10.6%	3,678	10.7%	3,287	8.1%
2011-12	9,665	6.7%	7,400	21.4%	4,148	18.3%	6,369	14.0%	12,688	9.9%	4,725	2.6%	6,015	5.9%	4,256	12.6%	4,523	23.0%	3,625	10.3%
2012-13	10,075	4.2%	8,164	10.3%	4,891	17.9%	6,733	5.7%	13,593	7.1%	5,327	12.7%	6,277	4.4%	4,975	16.9%	5,084	12.4%	3,713	2.4%
2013-14	10,707	6.3%	8,957	9.7%	5,415	10.7%	7,062	4.9%	14,383	5.8%	6,273	17.8%	6,691	6.6%	5,591	12.4%	5,536	8.9%	3,838	3.4%
2014-15	11,306	5.6%	9,418	5.1%	5,740	6.0%	7,391	4.7%	14,771	2.7%	6,580	4.9%	7,076	5.8%	5,870	5.0%	5,868	6.0%	4,011	4.5%
2015-16	11,984	6.0%	9,983	6.0%	6,062	5.6%	7,834	6.0%	15,288	3.5%	6,948	5.6%	7,501	6.0%	6,187	5.4%	6,220	6.0%	4,251	6.0%
CAAGR *		7.0%		10.4%		9.5%		8.6%		7.3%		12.0%		8.3%		9.4%		9.8%		5.9%

Total Full-Time Equivalent Student Enrollment

Average Nonresident Per-Pupil Tuition

Fiscal Year	Regents of the University of Colorado		Colorado State University		Fort Lewis College		University of Northern Colorado		Colorado School of Mines		Adams State University		Colorado Mesa University		Western State Colorado University		Metro State University of Denver		Community College System	
	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.	Tuition	% chg.
2006-07	23,688		15,843		13,349		11,172		19,947		8,629		6,917		9,839		10,702		8,077	
2007-08	23,716	0.1%	18,197	14.9%	14,218	6.5%	12,360	10.6%	21,778	9.2%	9,707	12.5%	7,711	11.5%	9,939	1.0%	10,125	-5.4%	8,052	-0.3%
2008-09	24,679	4.1%	20,332	11.7%	15,623	9.9%	14,823	19.9%	23,771	9.1%	10,600	9.2%	7,909	2.6%	9,757	-1.8%	10,286	1.6%	8,206	1.9%
2009-10	25,420	3.0%	20,483	0.7%	18,204	16.5%	15,746	6.2%	24,736	4.1%	13,829	30.5%	8,327	5.3%	9,885	1.3%	11,063	7.6%	8,932	8.8%
2010-11	26,703	5.0%	23,932	16.8%	18,414	1.2%	17,595	11.7%	26,231	6.0%	14,827	7.2%	8,581	3.1%	10,149	2.7%	11,702	5.8%	8,943	0.1%
2011-12	27,914	4.5%	23,195	-3.1%	18,438	0.1%	16,614	-5.6%	27,551	5.0%	13,312	-10.2%	8,707	1.5%	9,901	-2.4%	12,614	7.8%	10,345	15.7%
2012-13	28,657	2.7%	23,755	2.4%	18,117	-1.7%	16,835	1.3%	28,805	4.5%	13,923	4.6%	9,067	4.1%	15,172	53.2%	13,626	8.0%	12,843	24.1%
2013-14	29,723	3.7%	24,379	2.6%	18,567	2.5%	17,277	2.6%	30,225	4.9%	13,835	-0.6%	9,210	1.6%	15,707	3.5%	15,570	14.3%	14,746	14.8%
2014-15	31,140	4.8%	25,190	3.3%	18,567	0.0%	17,549	1.6%	30,462	0.8%	14,112	2.0%	9,744	5.8%	16,493	5.0%	16,504	6.0%	15,410	4.5%
2015-16	32,541	4.5%	26,183	3.9%	18,567	0.0%	18,339	4.5%	31,224	2.5%	14,748	4.5%	10,183	4.5%	17,400	5.5%	17,494	6.0%	16,335	6.0%
CAAGR *		3.6%		5.7%		3.7%		5.7%		5.1%		6.1%		4.4%		6.5%		5.6%		8.1%

* CAAGR: Compound Average Annual Growth Rate. All CAAGRs are calculated from FY 2006-07 through FY 2015-16.

**Table 2. Colorado Legislative Council Staff February 2015 Forecast
Colorado Public Higher Education Enrollment Forecasts by Governing Board**

COF Full-Time Equivalent Student Enrollment

Fiscal Year	Regents of the University of Colorado		Colorado State University		Fort Lewis College		University of Northern Colorado		Colorado School of Mines		Adams State University		Colorado Mesa University		Western State Colorado University		Metro State University of Denver		CCCOES		TOTAL	
	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.
2006-07	27,369		19,071		2,563		8,761		2,659		1,436		4,358		1,426		14,943		34,389		116,975	
2007-08	27,596	0.8%	19,150	0.4%	2,540	-0.9%	8,287	-5.4%	2,652	-0.3%	1,375	-4.3%	4,381	0.5%	1,398	-2.0%	15,319	2.5%	40,526	17.8%	123,224	5.3%
2008-09	27,919	1.2%	19,764	3.2%	2,343	-7.7%	7,850	-5.3%	2,688	1.4%	1,352	-1.7%	4,502	2.8%	1,429	2.2%	16,014	4.5%	44,111	8.8%	127,973	3.9%
2009-10	28,656	2.6%	20,363	3.0%	2,406	2.7%	8,003	2.0%	2,792	3.9%	1,471	8.8%	5,228	16.1%	1,385	-3.1%	17,216	7.5%	52,248	18.4%	139,768	9.2%
2010-11	27,213	-5.0%	20,654	1.4%	2,395	-0.5%	8,081	1.0%	2,731	-2.2%	1,489	1.2%	5,728	9.6%	1,298	-6.3%	17,251	0.2%	56,248	7.7%	143,087	2.4%
2011-12	27,014	-0.7%	20,706	0.3%	2,137	-10.8%	7,895	-2.3%	2,723	-0.3%	1,505	1.1%	6,163	7.6%	1,256	-3.3%	16,304	-5.5%	54,835	-2.5%	140,538	-1.8%
2012-13	27,382	1.4%	19,965	-3.6%	2,288	7.0%	7,739	-2.0%	2,766	1.6%	1,439	-4.4%	6,398	3.8%	1,218	-3.0%	15,566	-4.5%	53,350	-2.7%	138,112	-1.7%
2013-14	27,511	0.5%	19,671	-1.5%	2,056	-10.2%	7,216	-6.8%	2,698	-2.5%	1,365	-5.1%	6,472	1.1%	1,264	3.8%	15,143	-2.7%	49,791	-6.7%	133,186	-3.6%
2014-15	27,869	1.3%	19,379	-1.5%	1,987	-3.3%	6,800	-5.8%	2,630	-2.5%	1,372	0.5%	6,054	-6.5%	1,324	4.8%	14,404	-4.9%	47,154	-5.3%	128,973	-3.2%
2015-16	28,079	0.8%	19,038	-1.8%	1,749	-12.0%	6,400	-5.9%	2,624	-0.2%	1,376	0.3%	6,102	0.8%	1,332	0.6%	13,990	-2.9%	45,110	-4.3%	125,801	-2.5%
CAAGR *		0.3%		0.0%		-4.2%		-3.4%		-0.1%		-0.5%		3.8%		-0.8%		-0.7%		3.1%		0.8%

Resident Full-Time Equivalent Student Enrollment

Fiscal Year	Regents of the University of Colorado		Colorado State University		Fort Lewis College		University of Northern Colorado		Colorado School of Mines		Adams State University		Colorado Mesa University		Western State Colorado University		Metro State University of Denver		CCCOES		TOTAL	
	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.
2006-07	34,792		20,754		2,644		9,658		3,019		1,822		4,411		1,452		14,744		40,876		134,172	
2007-08	35,184	1.1%	20,770	0.1%	2,621	-0.9%	9,362	-3.1%	3,045	0.9%	1,703	-6.5%	4,459	1.1%	1,428	-1.6%	15,135	2.7%	41,928	2.6%	135,635	1.1%
2008-09	35,692	1.4%	21,302	2.6%	2,426	-7.4%	8,658	-7.5%	3,144	3.3%	1,646	-3.3%	4,541	1.8%	1,453	1.7%	15,621	3.2%	44,920	7.1%	139,403	2.8%
2009-10	37,107	4.0%	22,110	3.8%	2,407	-0.8%	8,904	2.8%	3,340	6.2%	1,857	12.8%	5,279	16.2%	1,422	-2.1%	16,775	7.4%	53,405	18.9%	152,604	9.5%
2010-11	37,144	0.1%	22,754	2.9%	2,398	-0.4%	9,039	1.5%	3,379	1.2%	1,949	5.0%	5,884	11.5%	1,397	-1.8%	17,223	2.7%	58,994	10.5%	160,160	5.0%
2011-12	36,864	-0.8%	22,468	-1.3%	2,289	-4.5%	8,972	-0.7%	3,392	0.4%	1,976	1.4%	6,343	7.8%	1,343	-3.8%	16,783	-2.6%	58,796	-0.3%	159,227	-0.6%
2012-13	36,398	-1.3%	22,048	-1.9%	2,227	-2.7%	8,752	-2.5%	3,452	1.8%	1,903	-3.7%	6,598	4.0%	1,336	-0.6%	16,266	-3.1%	55,475	-5.6%	154,454	-3.0%
2013-14	36,463	0.2%	21,597	-2.0%	2,141	-3.9%	8,161	-6.7%	3,379	-2.1%	1,833	-3.7%	6,704	1.6%	1,341	0.4%	16,068	-1.2%	52,792	-4.8%	150,479	-2.6%
2014-15	36,730	0.7%	21,225	-1.7%	1,920	-10.3%	7,677	-5.9%	3,284	-2.8%	1,848	0.8%	6,242	-6.9%	1,351	0.7%	15,496	-3.6%	49,996	-5.3%	145,769	-3.1%
2015-16	36,864	0.4%	20,832	-1.9%	1,864	-2.9%	7,266	-5.4%	3,294	0.3%	1,859	0.6%	6,292	0.8%	1,359	0.6%	15,266	-1.5%	47,829	-4.3%	142,724	-2.1%
CAAGR *		0.6%		0.0%		-3.8%		-3.1%		1.0%		0.2%		4.0%		-0.7%		0.4%		1.8%		0.7%

Nonresident Full-Time Equivalent Student Enrollment

Fiscal Year	Regents of the University of Colorado		Colorado State University		Fort Lewis College		University of Northern Colorado		Colorado School of Mines		Adams State University		Colorado Mesa University		Western State Colorado University		Metro State University of Denver		CCCOES		TOTAL	
	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.
2006-07	9,486		4,759		1,075		1,137		900		228		438		466		432		2,570		21,492	
2007-08	9,961	5.0%	4,817	1.2%	1,081	0.6%	1,058	-6.9%	1,030	14.4%	275	20.2%	508	15.9%	448	-3.9%	502	16.4%	2,843	10.6%	22,522	4.8%
2008-09	11,034	10.8%	4,815	0.0%	1,104	2.1%	1,032	-2.5%	1,181	14.6%	273	-0.6%	517	1.9%	422	-5.8%	544	8.3%	3,084	8.5%	24,006	6.6%
2009-10	11,404	3.4%	4,917	2.1%	1,100	-0.3%	1,035	0.3%	1,336	13.1%	308	12.8%	614	18.8%	429	1.7%	546	0.4%	3,647	18.3%	25,338	5.5%
2010-11	11,669	2.3%	4,677	-4.9%	1,180	7.2%	1,059	2.3%	1,463	9.5%	372	20.9%	836	36.1%	458	6.7%	566	3.6%	4,363	19.6%	26,642	5.1%
2011-12	12,245	4.9%	5,239	12.0%	1,256	6.5%	1,131	6.9%	1,666	13.9%	484	29.9%	947	13.3%	455	-0.5%	550	-2.8%	3,544	-18.8%	27,518	3.3%
2012-13	12,530	2.3%	5,548	5.9%	1,375	9.5%	1,227	8.4%	1,787	7.2%	539	11.5%	1,028	8.5%	456	0.2%	660	20.0%	3,559	0.4%	28,708	4.3%
2013-14	12,926	3.2%	5,893	6.2%	1,454	5.7%	1,270	3.5%	1,935	8.3%	597	10.7%	1,070	4.1%	482	5.6%	497	-24.8%	3,290	-7.6%	29,412	2.5%
2014-15	13,871	7.3%	6,161	4.6%	1,497	3.0%	1,314	3.5%	2,052	6.0%	628	5.2%	1,098	2.6%	484	0.5%	610	22.9%	3,154	-4.1%	30,869	5.0%
2015-16	13,945	0.5%	6,405	4.0%	1,567	4.7%	1,363	3.7%	2,160	5.3%	643	2.3%	1,118	1.8%	487	0.7%	612	0.3%	3,050	-3.3%	31,350	1.6%
CAAGR *		4.4%		3.4%		4.3%		2.0%		10.2%	188	12.2%		11.0%		0.5%		4.0%		1.1%		4.3%

**Table 2. Colorado Legislative Council Staff February 2015 Forecast
Colorado Public Higher Education Enrollment Forecasts by Governing Board
(Continued)**

Total Full-Time Equivalent Student Enrollment

Fiscal Year	Regents of the University of Colorado		Colorado State University		Fort Lewis College		University of Northern Colorado		Colorado School of Mines		Adams State University		Colorado Mesa University		Western State Colorado University		Metro State University of Denver		CCCOES		TOTAL	
	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.
2006-07	44,279		25,513		3,719		10,795		3,919		2,050		4,849		1,918		15,175		43,446		155,664	
2007-08	45,145	2.0%	25,586	0.3%	3,702	-0.5%	10,420	-3.5%	4,075	4.0%	1,978	-3.6%	4,967	2.4%	1,876	-2.2%	15,637	3.0%	44,771	3.0%	158,157	1.6%
2008-09	46,726	3.5%	26,117	2.1%	3,530	-4.6%	9,690	-7.0%	4,325	6.1%	1,919	-3.0%	5,058	1.8%	1,875	-0.1%	16,165	3.4%	48,004	7.2%	163,409	3.3%
2009-10	48,511	3.8%	27,027	3.5%	3,508	-0.6%	9,939	2.6%	4,676	8.1%	2,165	12.8%	5,893	16.5%	1,852	-1.2%	17,321	7.2%	57,052	18.8%	177,942	8.9%
2010-11	48,813	0.6%	27,430	1.5%	3,577	2.0%	10,098	1.6%	4,842	3.6%	2,321	7.2%	6,719	14.0%	1,854	0.2%	17,789	2.7%	63,358	11.1%	186,802	5.0%
2011-12	49,109	0.6%	27,707	1.0%	3,545	-0.9%	10,103	0.1%	5,058	4.5%	2,460	6.0%	7,290	8.5%	1,799	-3.0%	17,333	-2.6%	62,341	-1.6%	186,745	0.0%
2012-13	48,928	-0.4%	27,596	-0.4%	3,602	1.6%	9,979	-1.2%	5,239	3.6%	2,442	-0.7%	7,625	4.6%	1,792	-0.4%	16,926	-2.4%	59,034	-5.3%	183,162	-1.9%
2013-14	49,389	0.9%	27,490	-0.4%	3,594	-0.2%	9,431	-5.5%	5,315	1.4%	2,430	-0.5%	7,774	2.0%	1,823	1.7%	16,564	-2.1%	56,082	-5.0%	179,892	-1.8%
2014-15	50,601	2.5%	27,386	-0.4%	3,416	-4.9%	8,991	-4.7%	5,336	0.4%	2,476	1.9%	7,340	-5.6%	1,835	0.7%	16,106	-2.8%	53,150	-5.2%	176,638	-1.8%
2015-16	50,809	0.4%	27,237	-0.5%	3,430	0.4%	8,629	-4.0%	5,454	2.2%	2,502	1.1%	7,409	0.9%	1,846	0.6%	15,878	-1.4%	50,879	-4.3%	174,074	-1.5%
CAAGR *		1.5%		0.7%		-0.9%		-2.5%		3.7%		2.2%		4.8%		-0.4%		0.5%		1.8%		1.2%

Local District College Full-Time Equivalent 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.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.	Enrollment	% chg.		
2006-07	2,930		2,155		5,085		120		561		681		3,050		2,716		5,766	
2007-08	2,856	-2.5%	2,113	-1.9%	4,969	-2.3%	106	-11.9%	563	0.4%	669	-1.8%	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%	119	12.3%	623	10.7%	742	10.9%	3,150	6.4%	2,766	3.4%	5,916	4.9%
2009-10	3,471	14.5%	2,543	18.7%	6,015	16.2%	113	-5.0%	610	-2.1%	723	-2.5%	3,584	13.8%	3,153	14.0%	6,738	13.9%
2010-11	3,562	2.6%	2,889	13.6%	6,451	7.3%	130	14.7%	623	2.1%	753	4.1%	3,692	3.0%	3,512	11.4%	7,203	6.9%
2011-12	3,611	1.4%	2,950	2.1%	6,561	1.7%	113	-13.0%	552	-11.4%	665	-11.6%	3,724	0.9%	3,503	-0.3%	7,226	0.3%
2012-13	3,486	-3.5%	3,040	3.0%	6,526	-0.5%	104	-7.5%	540	-2.2%	644	-3.1%	3,591	-3.6%	3,580	2.2%	7,171	-0.8%
2013-14	3,330	-4.5%	2,930	-3.6%	6,260	-4.1%	80	-23.5%	591	9.4%	671	4.0%	3,410	-5.0%	3,521	-1.7%	6,931	-3.3%
2014-15	3,167	-4.9%	2,783	-5.0%	5,950	-5.0%	72	-9.8%	599	1.4%	671	0.1%	3,239	-5.0%	3,382	-3.9%	6,621	-4.5%
2015-16	3,047	-3.8%	2,686	-3.5%	5,733	-3.6%	67	-7.2%	614	2.5%	681	1.5%	3,114	-3.9%	3,300	-2.4%	6,414	-3.1%
CAAGR *		0.4%		2.5%		1.3%		-6.3%		1.0%		0.0%		0.2%		2.2%		1.2%

* CAAGR: Compound Average Annual Growth Rate. All CAAGRs are calculated from FY 2006-07 through FY 2015-16.

MEMORANDUM

TO: Joint Budget Committee

FROM: Amanda Bickel, JBC Staff x4960

SUBJECT: Distribution Options for Higher Education Funding

DATE: March 2, 2015

Senator Lambert requested that I do some additional “runs” showing the impact of various changes to the higher education allocation model developed pursuant to H.B. 14-1319. Option #3 includes all of the changes Sen. Lambert requested. Options #1 and #2 represent some additional staff options for your consideration. I’ve also attached more detail on the Department request and the staff recommendation for reference. Please note that I have included screen shots from the model runs. However, the on-line model is not operating perfectly with respect to the guardrails, so for some of the calculations I did guardrail calculations separately and my calculations will not match the attached screen shots.

The attached options include the following:

Department request: Details outlined in the attached submission on H.B. 14-1319.

Staff Recommendation: Same settings as request except:

- excludes annualization of S.B. 13-033 (ASSET) in the FY 2014-15 base
- adds additional 1% for local district & area vocational schools
- reduces S-PIP (performance improvement grants) to \$10,000,000 total.

Option #1:

- excludes annualization of SB 13-033 in base
- increases total funding within the model to 12.5% increase (assumes no further adjustments to bring all to 10% increase and no S-PIP)

Option #2:

- excludes annualization of SB 13-033 in base
- no under-represented minority amounts (URM) in role and mission or performance
- adjusts Tuition Stability Factor in Role & Mission funding for School of Mines by \$250,000, down to \$2,000,000
- adjusts Tuition Stability Factor in Role & Mission funding for Western State Colorado U. by \$250,000 down to \$2,500,000
- Reduces S-PIP to \$10.0 million

Option #3:

- excludes annualization of SB 13-033 in base
- uses FY 2014-15 LCS COF stipend estimates
- increases total funding within the model to 12.5% increase (assumes no further adjustments to bring all to 10% increase and no S-PIP)
- \$0 for tuition stability factors
- no under-represented minority amounts (URM) in role and mission or performance
- Increase COF stipend to \$86 per credit hour/ \$2,580 per SFTE so the COF stipend as a percentage of total TSA remains about the same as in FY 2014-15 (61.9%; compared to 61.6% in FY 2014-15)
- Reverse role and mission/performance so becomes 40% role & mission and 60% performance
- Eliminate volume-adjusted performance metric

UPDATE - Mar. 3, 2015: Staff received late information that due to how the model treats a "0" in one element, model results for options 2 and 3 will need to be recalculated if there is interest in either option.

Summary - Comparison Various Options for H.B. 14-1319 Model Distribution

Comparison Request to Staff Recommendation																
· Recommendation excludes annualization of SB 13-033 in base, adds 1% to LDJCs & AVS, reduces S-PIP to \$10.0 million																
Request v. Rec.	Adams	Mesa	Mines	CSU	CCC	Ft. Lewis	Metro	CU	UNC	Western	Aims	CMC	voc ed	S-PIP	Grand total	
FY 2014-15 approp.	12,837,288	22,027,251	18,669,456	121,978,483	137,465,925	10,594,604	43,681,193	167,097,810	37,357,027	10,585,447	6,435,286	7,609,305	8,983,694		605,322,769	
Request	14,123,492	24,402,736	20,540,114	134,208,507	153,552,335	11,956,065	50,353,372	183,849,666	41,105,105	11,646,467	7,078,814	8,370,236	9,882,063	10,404,825	681,473,797	
Recommendation	14,121,017	24,377,657	20,536,402	134,176,331	153,470,358	11,939,123	50,171,487	183,807,591	41,092,730	11,643,992	7,143,622	8,446,868	9,972,536	10,000,000	680,899,714	
Recommend % above/(below) 14-15	10.0%	10.7%	10.0%	10.0%	11.6%	12.7%	14.9%	10.0%	10.0%	10.0%	11.0%	11.0%	11.0%		12.5%	
Recommend above/(below) request	(2,475)	(25,079)	(3,712)	(32,176)	(81,977)	(16,942)	(181,885)	(42,075)	(12,375)	(2,475)	64,808	76,632	90,473	(404,825)	(574,083)	

Comparison Option #1 to FY 2014-15 & Request																
· excludes annualization of SB 13-033 in base																
· increases total funding within the model to 12.5% increase (assumes no further adjustments to bring all to 10% increase and no S-PIP)																
Grand totals	Adams	Mesa	Mines	CSU	CCC	Ft. Lewis	Metro	CU	UNC	Western	Aims	CMC	voc ed	S-PIP	Grand total	
FY 2014-15 approp.	12,837,288	22,027,251	18,669,456	121,978,483	137,465,925	10,594,604	43,681,193	167,097,810	37,357,027	10,585,447	6,435,286	7,609,305	8,983,694		605,322,769	
FY 2015-16 Request	14,123,492	24,402,736	20,540,114	134,208,507	153,552,335	11,956,065	50,353,372	183,849,666	41,105,105	11,646,467	7,078,814	8,370,236	9,882,063	10,404,825	681,473,797	
FY 2015-16 Option #1	14,318,643	24,843,954	21,198,007	136,335,793	155,655,878	12,345,912	51,236,660	187,192,562	40,158,804	11,795,083	7,239,697	8,560,468	10,106,656	-	680,988,116	
Option #1 above/(below) 14-15	11.5%	12.8%	13.5%	11.8%	13.2%	16.5%	17.3%	12.0%	7.5%	11.4%	12.5%	12.5%	12.5%		12.5%	
Option 1 above/(below) request	195,151	441,218	657,893	2,127,286	2,103,543	389,847	883,288	3,342,896	(946,301)	148,616	160,883	190,232	224,593	(10,404,825)	(485,681)	

Comparison Option #2 to FY 2014-15 and Request																
· excludes annualization of SB 13-033 in base																
· no under-represented minority amounts (URM) in role and mission or performance																
· adjusts Tuition Stability Factor in Role & Mission funding for School of Mines by \$250,000, down to \$2,000,000																
· adjusts Tuition Stability Factor in Role & Mission funding for Western State Colorado U. by \$250,000 down to \$2,500,000																
· reduces S-PIP to \$10.0 million																
Grand totals	Adams	Mesa	Mines	CSU	CCC	Ft. Lewis	Metro	CU	UNC	Western	Aims	CMC	voc ed	S-PIP	Grand total	
FY 2014-15 approp.	12,837,288	22,027,251	18,669,456	121,978,483	137,465,925	10,594,604	43,681,193	167,097,810	37,357,027	10,585,447	6,435,286	7,609,305	8,983,694		605,322,769	
Request	14,123,492	24,402,736	20,540,114	134,208,507	153,552,335	11,956,065	50,353,372	183,849,666	41,105,105	11,646,467	7,078,814	8,370,236	9,882,063	10,404,825	681,473,797	
Option #2	14,121,017	24,465,979	20,536,402	134,176,331	153,465,753	11,654,064	50,129,857	183,807,591	41,092,730	11,643,992	7,143,622	8,446,868	9,972,536	10,000,000	680,656,742	
Option #2 % above/(below) 14-15	10.0%	11.1%	10.0%	10.0%	11.6%	10.0%	14.8%	10.0%	10.0%	10.0%	11.0%	11.0%	11.0%		12.4%	
Option 2 above/(below) request	(2,475)	63,243	(3,712)	(32,176)	(86,582)	(302,001)	(223,515)	(42,075)	(12,375)	(2,475)	64,808	76,632	90,473	(404,825)	(817,055)	

Comparison Option #3 to FY 2014-15 and Request

- excludes annualization of SB 13-033 in base
- uses FY 2014-15 LCS COF stipend estimates
- increases total funding within the model to 12.5% increase (assumes no further adjustments to bring all to 10% increase and no S-PIP)
- \$0 for tuition stability factors
- no under-represented minority amounts (URM) in role and mission or performance
- Increase COF stipend to \$86 per credit hour/ \$2,580 per SFTE so the COF stipend as a percentage of total TSA remains about the same as in FY 2014-15 (61.9%; compared to 61.6% in FY 2014-15)
- Reverse role and mission/performance so becomes 40% role & mission and 60% performance
- Eliminate volume-adjusted performance metric

Grand totals	Adams	Mesa	Mines	CSU	CCC	Ft. Lewis	Metro	CU	UNC	Western	Aims	CMC	voc ed	S-PIP	Grand total
FY 2014-15 approp.	12,837,288	22,027,251	18,669,456	121,978,483	137,465,925	10,594,604	43,681,193	167,097,810	37,357,027	10,585,447	6,435,286	7,609,305	8,983,694		605,322,769
Request	14,123,492	24,402,736	20,540,114	134,208,507	153,552,335	11,956,065	50,353,372	183,849,666	41,105,105	11,646,467	7,078,814	8,370,236	9,882,063	10,404,825	681,473,797
Option #3	13,800,085	24,805,767	20,069,665	138,035,204	156,163,072	11,727,682	49,622,401	189,209,440	40,158,804	11,379,356	7,239,697	8,560,468	10,106,656		680,878,297
Option #3 above/(below) 14-15	7.5%	12.6%	7.5%	13.2%	13.6%	10.7%	13.6%	13.2%	7.5%	7.5%	12.5%	12.5%	12.5%		12.5%
Option #3 above/(below) request	(323,407)	403,031	(470,449)	3,826,697	2,610,737	(228,383)	(730,971)	5,359,774	(946,301)	(267,111)	160,883	190,232	224,593	(10,404,825)	(595,500)

Comparisons - Various Options for HB 1319 Funding Model for FY 2015-16

Department of Higher Education Request

FY 2014-15 Appropriation - Calculation Base				FY 2015-16 Appropriation Calculations										
FY 2014-15 enacted approp plus 13-033 annualization							"Total State Appropriation" (TSA) Before		TSA After		Specialty education	Total Before Adjustments	Adjust to bring all to 10%	Total with All Adjustments
	TSA start	specialty ed		COF Stipends	Role & Mission	Performance	Guardrails	Guardrails	Guardrails	Guardrails		Outside of Model		
Adams	12,839,538	12,839,538		3,016,992	5,977,973	4,976,295	13,971,260	(9,853)	13,961,407			13,961,407	162,085	14,123,492
Mesa	22,036,251	22,036,251		14,618,398	5,068,594	4,736,528	24,423,520	(20,784)	24,402,736			24,402,736		24,402,736
Mines	18,672,831	18,672,831		6,294,965	8,300,619	5,938,445	20,534,029	(16,204)	20,517,825			20,517,825	22,289	20,540,114
CSU	122,007,733	73,525,444	48,482,289	44,044,384	21,762,988	14,109,382	79,916,754	(55,642)	79,861,112	53,330,518		133,191,630	1,016,877	134,208,507
CCC	137,775,300	137,775,300		109,407,533	28,952,632	15,330,730	153,690,895	(138,560)	153,552,335			153,552,335		153,552,335
Ft. Lewis	10,597,979	10,597,979		4,549,191	2,524,643	4,894,158	11,967,992	(11,927)	11,956,065			11,956,065		11,956,065
Metro	43,835,318	43,835,318		31,767,193	10,236,638	8,866,396	50,870,227	(516,855)	50,353,372			50,353,372		50,353,372
CU	167,136,060	111,216,651	55,919,409	61,172,856	38,485,538	21,399,492	121,057,886	(85,677)	120,972,209	61,511,350		182,483,559	1,366,107	183,849,666
UNC	37,368,277	37,368,277		17,188,793	13,475,708	7,708,791	38,373,292	863,399	39,236,691			39,236,691	1,868,414	41,105,105
Western	10,587,697	10,587,697		2,774,867	4,094,056	4,626,040	11,494,963	(7,899)	11,487,064			11,487,064	159,403	11,646,467
subtotal	582,856,984	478,455,286	104,401,698	294,835,172	138,879,389	92,586,257	526,300,818	(2)	526,300,816	114,841,868		641,142,684	4,595,175	645,737,859
Aims	6,435,286	0	6,435,286								7,078,814	7,078,814		7,078,814
CMC	7,609,305	-	7,609,305								8,370,236	8,370,236		8,370,236
voc ed	8,983,694	-	8,983,694								9,882,063	9,882,063		9,882,063
TOTAL w/ Dept S-PIP	605,885,269	478,455,286	127,429,983								140,172,981	666,473,797	4,595,175	671,068,972
Grand total-gov boards														10,404,825
														681,473,797

Staff Recommendation

FY 2014-15 Appropriation - Calculation Base				FY 2015-16 Appropriation Calculations										
FY 2014-15 enacted approp NO 13-033							"Total State Appropriation"		TSA After		Specialty education	Total Before Adjustments	Adjust to bring all to 10%	Total with All Adjustments
	TSA start	specialty ed		COF Stipends	Role & Mission	Performance	Guardrails	Guardrails	Guardrails	Guardrails		Outside of Model		
Adams	12,837,288	12,837,288		3,014,742	5,974,357	4,968,435	13,957,534	(10,581)	13,946,953			13,946,953	174,064	14,121,017
Mesa	22,027,251	22,027,251		14,609,398	5,061,624	4,729,046	24,400,068	(22,411)	24,377,657			24,377,657	-	24,377,657
Mines	18,669,456	18,669,456		6,291,590	8,288,100	5,929,064	20,508,754	(17,372)	20,491,382			20,491,382	45,020	20,536,402
CSU	121,978,483	73,496,194	48,482,289	44,015,134	21,722,702	14,087,095	79,824,931	(59,774)	79,765,157	53,330,518		133,095,675	1,080,656	134,176,331
CCC	137,465,925	137,465,925		109,407,533	28,908,913	15,306,514	153,622,960	(152,602)	153,470,358			153,470,358		153,470,358
Ft. Lewis	10,594,604	10,594,604		4,545,816	2,519,699	4,886,428	11,951,943	(12,820)	11,939,123			11,939,123		11,939,123
Metro	43,681,193	43,681,193		31,613,068	10,219,201	8,852,391	50,684,660	(513,173)	50,171,487			50,171,487		50,171,487
CU	167,097,810	111,178,401	55,919,409	61,134,606	38,412,376	21,365,689	120,912,671	(91,939)	120,820,732	61,511,350		182,332,082	1,475,509	183,807,591
UNC	37,357,027	37,357,027		17,177,543	13,461,576	7,696,614	38,335,733	889,145	39,224,878			39,224,878	1,867,852	41,092,730
Western	10,585,447	10,585,447		2,772,617	4,091,463	4,618,732	11,482,812	(8,475)	11,474,337			11,474,337	169,655	11,643,992
subtotal	582,294,484	477,892,786	104,401,698	294,582,047	138,660,011	92,440,008	525,682,066	(2)	525,682,064	114,841,868		640,523,932	4,812,756	645,336,688
Aims	6,435,286	0	6,435,286								7,078,814	7,078,814	64,808	7,143,622
CMC	7,609,305	-	7,609,305								8,370,236	8,370,236	76,632	8,446,868
voc ed	8,983,694	-	8,983,694								9,882,063	9,882,063	90,473	9,972,536
TOTAL w/ S-PIP	605,322,769	477,892,786	127,429,983								140,172,981	665,855,045	5,044,669	670,899,714
Grand total														10,000,000
														680,899,714

Option #1- same start point as staff, 12.5% increase (to capture the \$15 million). All adjustments consistent with model rules (including LDICs, speciality education)

12.50%

FY 2014-15 Appropriation - Calculation Base				FY 2015-16 Appropriation Calculations								
FY 2014-15 enacted approp NO 13-033 annualization	TSA start	specialty ed		"Total State Appropriation" (TSA) Before			TSA After Guardrails	Specialty education	Total Before Adjustments Outside of Model	Adjust to bring all to 10%	Total with All Adjustments	
				COF Stipends	Role & Mission	Performance						Guardrails
Adams	12,837,288	12,837,288		3,014,742	6,092,479	5,225,291	14,332,512	(13,869)	14,318,643		14,318,643	
Mesa	22,027,251	22,027,251		14,609,398	5,289,368	4,973,527	24,872,293	(28,339)	24,843,954		24,843,954	
Mines	18,669,456	18,669,456		6,291,590	8,697,187	6,235,582	21,224,359	(26,352)	21,198,007		21,198,007	
CSU	121,978,483	73,496,194	48,482,289	44,015,134	23,039,084	14,815,364	81,869,582	(76,364)	81,793,218	54,542,575	136,335,793	
CCC	137,465,925	137,465,925		109,407,533	30,337,484	16,097,824	155,842,841	(186,963)	155,655,878		155,655,878	
Ft. Lewis	10,594,604	10,594,604		4,545,816	2,681,234	5,139,044	12,366,094	(20,182)	12,345,912		12,345,912	
Metro	43,681,193	43,681,193		31,613,068	10,788,971	9,310,038	51,712,077	(475,417)	51,236,660		51,236,660	
CU	167,097,810	111,178,401	55,919,409	61,134,606	40,803,042	22,470,245	124,407,893	(124,666)	124,283,227	62,909,335	187,192,562	
UNC	37,357,027	37,357,027		17,177,543	13,923,358	8,094,510	39,195,411	963,393	40,158,804		40,158,804	
Western	10,585,447	10,585,447		2,772,617	4,176,197	4,857,509	11,806,323	(11,240)	11,795,083		11,795,083	
subtotal	582,294,484	477,892,786	104,401,698	294,582,047	145,828,404	97,218,934	537,629,385	-	537,629,385	117,451,910	655,081,295	
Aims	6,435,286	-	6,435,286						7,239,697	7,239,697	7,239,697	
CMC	7,609,305	-	7,609,305						8,560,468	8,560,468	8,560,468	
voc ed	8,983,694	-	8,983,694						10,106,656	10,106,656	10,106,656	
TOTAL w/ S-PIP	605,322,769	477,892,786	127,429,983						537,629,385	143,358,731	680,988,116	
Grand total											680,988,116	

Option #2 - remove URM; other adjustments to keep total per governing board approx at staff level: Pell role and mission increased to 15%, Mines and Western tuition stability each reduced to \$250K (to \$2,000,000 for Mines & \$2,500,000 for Western)

10.00%

FY 2014-15 Appropriation - Calculation Base				FY 2015-16 Appropriation Calculations								
FY 2014-15 enacted approp NO 13-033 annualization	TSA start	specialty ed		"Total State Appropriation" (TSA) Before			TSA After Guardrails	Specialty education	Total Before Adjustments Outside of Model	Adjust to bring all to 10%	Total with All Adjustments	
				COF Stipends	Role & Mission	Performance						Guardrails
Adams	12,837,288	12,837,288		3,014,742	5,959,434	4,688,490	13,662,666	(13,039)	13,649,627		14,121,017	
Mesa	22,027,251	22,027,251		14,609,398	5,192,223	4,703,504	24,505,125	(39,146)	24,465,979		24,465,979	
Mines	18,669,456	18,669,456		6,291,590	7,922,317	6,245,490	20,459,397	(28,279)	20,431,118	105,284	20,536,402	
CSU	121,978,483	73,496,194	48,482,289	44,015,134	21,556,000	14,364,256	79,935,390	(101,730)	79,833,660	53,330,518	133,164,178	
CCC	137,465,925	137,465,925		109,407,533	29,936,986	14,378,065	153,722,584	(256,831)	153,465,753		153,465,753	
Ft. Lewis	10,594,604	10,594,604		4,545,816	2,501,078	4,397,950	11,444,844	(13,433)	11,431,411	222,653	11,654,064	
Metro	43,681,193	43,681,193		31,613,068	10,327,510	8,456,702	50,397,280	(267,423)	50,129,857		50,129,857	
CU	167,097,810	111,178,401	55,919,409	61,134,606	37,992,407	21,915,473	121,042,486	(155,838)	120,886,648	61,511,350	182,397,998	
UNC	37,357,027	37,357,027		17,177,543	13,423,797	7,733,563	38,334,903	889,975	39,224,878		41,092,730	
Western	10,585,447	10,585,447		2,772,617	3,848,258	4,866,941	11,487,816	(14,256)	11,473,560		11,643,992	
subtotal	582,294,484	477,892,786	104,401,698	294,582,047	138,660,010	91,750,434	524,992,491	-	524,992,491	114,841,868	639,834,359	
Aims	6,435,286	0	6,435,286						7,078,814	7,078,814	64,808	
CMC	7,609,305	-	7,609,305						8,370,236	8,370,236	76,632	
voc ed	8,983,694	-	8,983,694						9,882,063	9,882,063	90,473	
TOTAL w/ S-PIP	605,322,769	477,892,786	127,429,983						524,992,491	140,172,981	665,165,472	
											5,491,270	
											670,656,742	
											10,000,000	

Option #3- add the \$15 million, no URM in role and mission or performance, no adjustments to increase all to 10%, increase COF stipend to 61.6% (as in FY 2014-15 appropriation), no volume adjusted performance; role and mission @ 40%, LCS FY 2014-15 stipend eligibility estimate, no tuition stability factor

12.50%

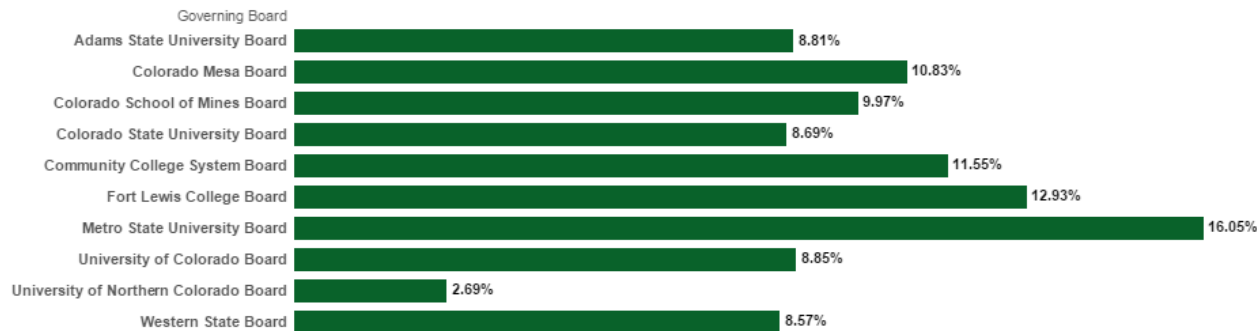
FY 2014-15 Appropriation - Calculation Base				FY 2015-16 Appropriation Calculations									
FY 2014-15 enacted approp NO 13-033	annualization	TSA start	specialty ed	FY 2014-15 enacted approp NO 13-033			"Total State Appropriation" (TSA) Before		TSA After	Specialty education	Total Before Adjustments Outside of Model	Adjust to bring all to 10%	Total with All Adjustments
				COF Stipends	Role & Mission	Performance	Guardrails	Guardrails	Guardrails				
Adams	12,837,288	12,837,288		3,539,760	1,340,254	1,681,189	6,561,203	7,238,882	13,800,085	-	13,800,085		13,800,085
Mesa	22,027,251	22,027,251		15,619,320	2,900,812	4,043,539	22,563,671	2,242,096	24,805,767	-	24,805,767		24,805,767
Mines	18,669,456	18,669,456		6,785,400	3,981,383	4,313,233	15,080,016	4,989,649	20,069,665	-	20,069,665		20,069,665
CSU	121,978,483	73,496,194	48,482,289	49,997,820	13,957,297	22,662,960	86,618,077	(3,125,448)	83,492,629	54,542,575	138,035,204		138,035,204
CCC	137,465,925	137,465,925		121,657,320	20,214,386	28,014,362	169,886,068	(13,722,996)	156,163,072	-	156,163,072		156,163,072
Ft. Lewis	10,594,604	10,594,604		5,126,460	1,696,377	2,176,026	8,998,863	2,728,819	11,727,682	-	11,727,682		11,727,682
Metro	43,681,193	43,681,193		37,162,320	7,134,487	11,038,741	55,335,548	(5,713,147)	49,622,401	-	49,622,401		49,622,401
CU	167,097,810	111,178,401	55,919,409	71,902,020	24,706,234	39,406,358	136,014,612	(9,714,508)	126,300,104	62,909,335	189,209,440		189,209,440
UNC	37,357,027	37,357,027		17,544,000	5,058,863	8,028,736	30,631,599	9,527,205	40,158,804	-	40,158,804		40,158,804
Western	10,585,447	10,585,447		3,415,920	917,597	1,496,392	5,829,909	5,549,447	11,379,356	-	11,379,356		11,379,356
subtotal	582,294,484	477,892,786	104,401,698	332,750,340	81,907,690	122,861,536	537,519,566	(0)	537,519,566	117,451,910	654,971,476		654,971,476
Aims	6,435,286	-	6,435,286							7,239,697	7,239,697		7,239,697
CMC	7,609,305	-	7,609,305							8,560,468	8,560,468		8,560,468
voc ed	8,983,694	-	8,983,694							10,106,656	10,106,656		10,106,656
TOTAL w/ S-PIP	605,322,769	477,892,786	127,429,983						537,519,566	143,358,731	680,878,297		680,878,297
Grand total													680,878,297

Department Request:

CCHE ADOPTED VERSION HB-1319 Model. Draft Model

User: Amanda Bickel

FUNDING BY GOVERNING BOARD									
Governing Board	Total Awarded from COF Stipend	Total Awarded from Role and Mission	Dollars Awarded to Performance	Total Allocation from Model	Total Allocation with SEP	Percentage Change (w/o SEP Included)	Percentage Change (with SEP Included)	Guardrail-Implemented Totals	Guardrail-Implemented Percentage Change
Adams State University Board	\$3,016,992	\$5,977,972	\$4,976,295	\$13,971,259	\$13,971,259	8.81%	8.81%	\$13,961,407	8.74%
Colorado Mesa Board	\$14,618,398	\$5,068,593	\$4,736,528	\$24,423,520	\$24,423,520	10.83%	10.83%	\$24,402,736	10.74%
Colorado School of Mines Board	\$6,294,965	\$8,300,619	\$5,938,444	\$20,534,029	\$20,534,029	9.97%	9.97%	\$20,517,825	9.88%
Colorado State University Board	\$44,044,384	\$21,762,988	\$14,109,382	\$79,916,754	\$133,247,272	8.69%	9.21%	\$79,861,112	8.62%
Community College System Board	\$109,407,533	\$28,952,632	\$15,330,730	\$153,690,895	\$153,690,895	11.55%	11.55%	\$153,552,335	11.45%
Fort Lewis College Board	\$4,549,191	\$2,524,642	\$4,894,158	\$11,967,992	\$11,967,992	12.93%	12.93%	\$11,956,065	12.81%
Metro State University Board	\$31,767,193	\$10,236,637	\$8,866,396	\$50,870,227	\$50,870,227	16.05%	16.05%	\$50,353,372	14.87%
University of Colorado Board	\$61,172,856	\$38,485,538	\$21,399,492	\$121,057,886	\$182,569,236	8.85%	9.23%	\$120,972,209	8.77%
University of Northern Colorado Board	\$17,188,793	\$13,475,708	\$7,708,791	\$38,373,291	\$38,373,291	2.69%	2.69%	\$39,236,691	5.00%
Western State Board	\$2,774,867	\$4,094,056	\$4,626,039	\$11,494,963	\$11,494,963	8.57%	8.57%	\$11,487,064	8.49%



Staff Recommendation – Same settings as request except:

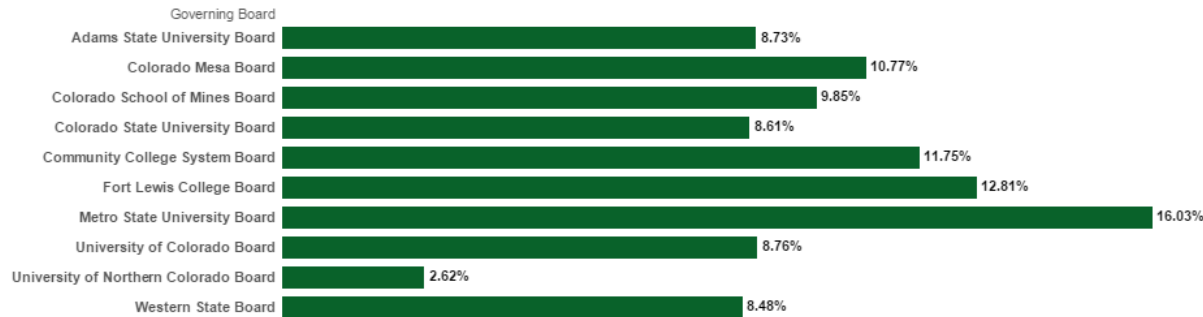
- excludes annualization of S.B. 13-033 (ASSET) in the FY 2014-15 base

ADJUSTED COF - ASSET NUMBERS EXCLUDED

HB-1319 Model. Draft Model

User: Amanda Bickel

FUNDING BY GOVERNING BOARD										
Governing Board	Total Awarded from COF Stipend	Total Awarded from Role and Mission	Dollars Awarded to Performance	Total Allocation from Model	Total Allocation with SEP	Percentage Change (w/o SEP Included)	Percentage Change (with SEP Included)	Guardrail-Implemented Totals	Guardrail-Implemented Percentage Change	
Adams State University Board	\$3,014,742	\$5,974,357	\$4,968,435	\$13,957,534	\$13,957,534	8.73%	8.73%	\$13,946,953	8.64%	
Colorado Mesa Board	\$14,609,398	\$5,061,624	\$4,729,046	\$24,400,068	\$24,400,068	10.77%	10.77%	\$24,377,657	10.67%	
Colorado School of Mines Board	\$6,291,590	\$8,288,100	\$5,929,064	\$20,508,754	\$20,508,754	9.85%	9.85%	\$20,491,382	9.76%	
Colorado State University Board	\$44,015,134	\$21,722,702	\$14,087,095	\$79,824,931	\$133,155,449	8.61%	9.16%	\$79,765,157	8.53%	
Community College System Board	\$109,407,533	\$28,908,913	\$15,306,514	\$153,622,960	\$153,622,960	11.75%	11.75%	\$153,470,358	11.64%	
Fort Lewis College Board	\$4,545,816	\$2,519,699	\$4,886,428	\$11,951,942	\$11,951,942	12.81%	12.81%	\$11,939,123	12.69%	
Metro State University Board	\$31,613,068	\$10,219,201	\$8,852,391	\$50,684,660	\$50,684,660	16.03%	16.03%	\$50,171,487	14.86%	
University of Colorado Board	\$61,134,606	\$38,412,376	\$21,365,689	\$120,912,671	\$182,424,021	8.76%	9.17%	\$120,820,732	8.67%	
University of Northern Colorado Board	\$17,177,543	\$13,461,576	\$7,696,614	\$38,335,732	\$38,335,732	2.62%	2.62%	\$39,224,878	5.00%	
Western State Board	\$2,772,617	\$4,091,463	\$4,618,732	\$11,482,812	\$11,482,812	8.48%	8.48%	\$11,474,337	8.40%	



Option #1 – Same settings as request except:

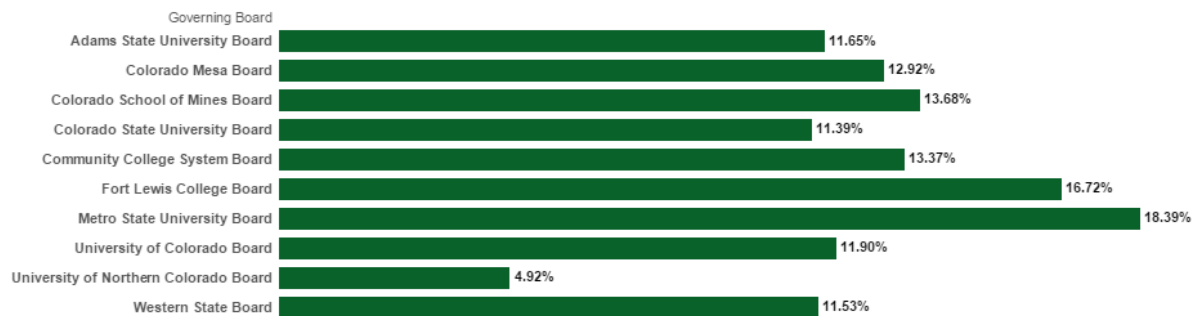
- excludes annualization of SB 13-033 in base
- increases total funding within the model to 12.5% increase (assumes no further adjustments to bring all to 10% increase and no S-PIP)

ADJUSTED COF - ASSET NUMBERS EXCLUDED

HB-1319 Model. Draft Model

User: Amanda Bickel

FUNDING BY GOVERNING BOARD									
Governing Board	Total Awarded from COF Stipend	Total Awarded from Role and Mission	Dollars Awarded to Performance	Total Allocation from Model	Total Allocation with SEP	Percentage Change (wo SEP Included)	Percentage Change (with SEP Included)	Guardrail-Implemented Totals	Guardrail-Implemented Percentage Change
Adams State University Board	\$3,014,742	\$6,092,479	\$5,225,291	\$14,332,511	\$14,332,511	11.65%	11.65%	\$14,332,511	11.65%
Colorado Mesa Board	\$14,609,398	\$5,289,368	\$4,973,527	\$24,872,293	\$24,872,293	12.92%	12.92%	\$24,872,293	12.92%
Colorado School of Mines Board	\$6,291,590	\$8,697,187	\$6,235,582	\$21,224,359	\$21,224,359	13.68%	13.68%	\$21,224,359	13.68%
Colorado State University Board	\$44,015,134	\$23,039,084	\$14,815,364	\$81,869,582	\$136,412,157	11.39%	11.83%	\$81,869,582	11.39%
Community College System Board	\$109,407,533	\$30,337,484	\$16,097,824	\$155,842,840	\$155,842,840	13.37%	13.37%	\$155,842,840	13.37%
Fort Lewis College Board	\$4,545,816	\$2,681,234	\$5,139,044	\$12,366,095	\$12,366,095	16.72%	16.72%	\$12,183,795	15.00%
Metro State University Board	\$31,613,068	\$10,788,971	\$9,310,038	\$51,712,078	\$51,712,078	18.39%	18.39%	\$50,233,372	15.00%
University of Colorado Board	\$61,134,606	\$40,803,042	\$22,470,245	\$124,407,892	\$187,317,227	11.90%	12.10%	\$124,407,892	11.90%
University of Northern Colorado Board	\$17,177,543	\$13,923,358	\$8,094,510	\$39,195,411	\$39,195,411	4.92%	4.92%	\$40,856,417	9.37%
Western State Board	\$2,772,617	\$4,176,197	\$4,857,509	\$11,806,323	\$11,806,323	11.53%	11.53%	\$11,806,323	11.53%



Option #2: Same settings as request except:

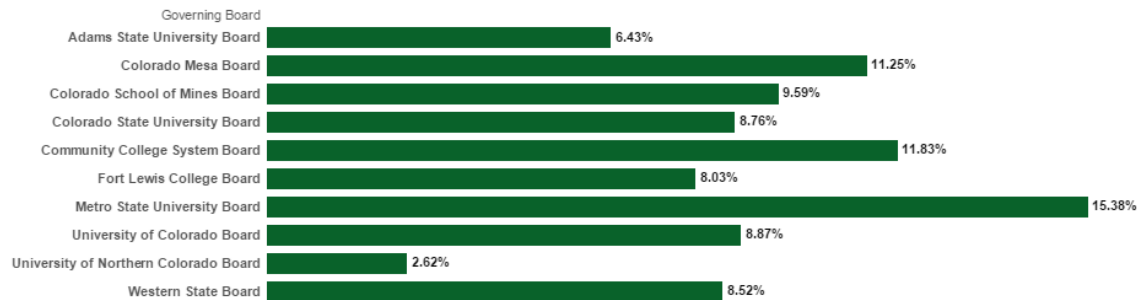
- excludes annualization of SB 13-033 in base
- no under-represented minority amounts (URM) in role and mission or performance
- adjusts Tuition Stability Factor in Role & Mission funding for School of Mines by \$250,000, down to \$2,000,000
- adjusts Tuition Stability Factor in Role & Mission funding for Western State Colorado U. by \$250,000 down to \$2,500,000
- Reduces S-PIP to \$10.0 million

ADJUSTED COF - ASSET NUMBERS EXCLUDED

HB-1319 Model. Draft Model

User: Amanda Bickel

FUNDING BY GOVERNING BOARD										
Governing Board	Total Awarded from COF Stipend	Total Awarded from Role and Mission	Dollars Awarded to Performance	Total Allocation from Model	Total Allocation with SEP	Percentage Change (w/o SEP Included)	Percentage Change (with SEP Included)	Guardrail-Implemented Totals	Guardrail-Implemented Percentage Change	
Adams State University Board	\$3,014,742	\$5,959,434	\$4,688,490	\$13,662,667	\$13,662,667	6.43%	6.43%	\$13,649,627	6.33%	
Colorado Mesa Board	\$14,609,398	\$5,192,223	\$4,703,504	\$24,505,126	\$24,505,126	11.25%	11.25%	\$24,465,979	11.07%	
Colorado School of Mines Board	\$6,291,590	\$7,922,317	\$6,245,490	\$20,459,396	\$20,459,396	9.59%	9.59%	\$20,431,118	9.44%	
Colorado State University Board	\$44,015,134	\$21,556,000	\$14,364,256	\$79,935,390	\$133,265,908	8.76%	9.25%	\$79,833,660	8.62%	
Community College System Board	\$109,407,533	\$29,936,986	\$14,378,065	\$153,722,584	\$153,722,584	11.83%	11.83%	\$153,465,753	11.64%	
Fort Lewis College Board	\$4,545,816	\$2,501,078	\$4,397,950	\$11,444,844	\$11,444,844	8.03%	8.03%	\$11,431,411	7.90%	
Metro State University Board	\$31,613,068	\$10,327,510	\$8,456,702	\$50,397,280	\$50,397,280	15.38%	15.38%	\$50,129,857	14.76%	
University of Colorado Board	\$61,134,606	\$37,992,407	\$21,915,473	\$121,042,486	\$182,553,836	8.87%	9.25%	\$120,886,648	8.73%	
University of Northern Colorado Board	\$17,177,543	\$13,423,797	\$7,733,563	\$38,334,902	\$38,334,902	2.62%	2.62%	\$39,224,878	5.00%	
Western State Board	\$2,772,617	\$3,848,258	\$4,866,941	\$11,487,817	\$11,487,817	8.52%	8.52%	\$11,473,560	8.39%	



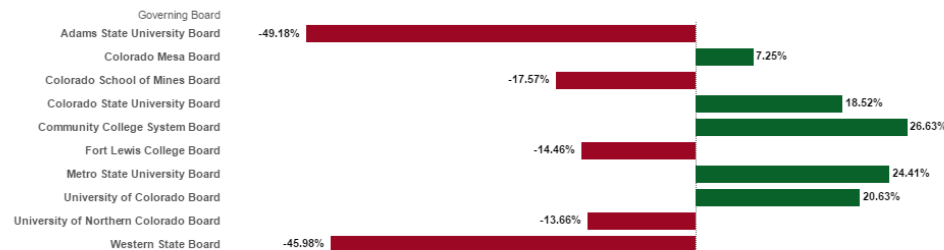
Option #3 (Sen. Lambert's) – Same settings as request except:

- excludes annualization of SB 13-033 in base
- uses FY 2014-15 LCS COF stipend estimates
- increases total funding within the model to 12.5% increase (assumes no further adjustments to bring all to 10% increase and no S-PIP)
- \$0 for tuition stability factors
- no under-represented minority amounts (URM) in role and mission or performance
- Increase COF stipend to \$86 per credit hour/ \$2,580 per SFTE so the COF stipend as a percentage of total TSA remains about the same as in FY 2014-15 (61.9%; compared to 61.6% in FY 2014-15)
- Reverse role and mission/performance so becomes 40% role & mission and 60% performance
- Eliminate volume-adjusted performance metric

HB-1319 Model. Draft Model

User: Amanda Bickel

FUNDING BY GOVERNING BOARD										
Governing Board	Total Awarded from COF Stipend	Total Awarded from Role and Mission	Dollars Awarded to Performance	Total Allocation from Model	Total Allocation with SEP	Percentage Change (w/o SEP Included)	Percentage Change (with SEP Included)	Guardrail-Implemented Totals	Guardrail-Implemented Percentage Change	
Adams State University Board	\$3,539,760	\$1,340,254	\$1,681,189	\$6,561,203	\$6,561,203	-49.18%	-49.18%	\$13,555,023	5.00%	
Colorado Mesa Board	\$15,619,320	\$2,900,812	\$4,043,539	\$22,563,671	\$22,563,671	7.25%	7.25%	\$22,576,050	7.30%	
Colorado School of Mines Board	\$6,785,400	\$3,981,383	\$4,313,233	\$15,080,016	\$15,080,016	-17.57%	-17.57%	\$20,844,491	13.93%	
Colorado State University Board	\$49,997,820	\$13,957,297	\$22,662,960	\$86,618,077	\$141,160,652	18.52%	16.12%	\$84,135,409	15.12%	
Community College System Board	\$121,657,320	\$20,214,386	\$28,014,362	\$169,886,068	\$169,886,068	26.63%	26.63%	\$154,441,547	15.12%	
Fort Lewis College Board	\$5,126,460	\$1,696,377	\$2,176,026	\$8,998,863	\$8,998,863	-14.46%	-14.46%	\$14,777,100	40.47%	
Metro State University Board	\$37,162,320	\$7,134,487	\$11,038,741	\$55,335,548	\$55,335,548	24.41%	24.41%	\$51,202,874	15.12%	
University of Colorado Board	\$71,902,020	\$24,706,234	\$39,406,358	\$136,014,612	\$198,923,947	20.63%	17.94%	\$129,798,747	15.12%	
University of Northern Colorado Board	\$17,544,000	\$5,058,863	\$8,028,736	\$30,631,598	\$30,631,598	-13.66%	-13.66%	\$37,253,458	5.00%	
Western State Board	\$3,415,920	\$917,597	\$1,496,392	\$5,829,909	\$5,829,909	-45.98%	-45.98%	\$11,580,200	7.31%	





COLORADO

**Colorado Commission on
Higher Education**

Department of Higher Education

HB 14-1319

Funding Allocation Model

Final Report

1560 Broadway, Suite 1600 • Denver, Colorado 80204 • (303) 866-2723
LT. GOVERNOR JOSEPH GARCIA, EXECUTIVE DIRECTOR

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January 15, 2015

Members of the Colorado General Assembly:

In May 2014, the Colorado General Assembly and Governor John Hickenlooper tasked the Colorado Commission on Higher Education (CCHE) and the Colorado Department of Higher Education (CDHE) with developing a new performance-based allocation model for the State's operational funding for public institutions of higher education. Given just over eight months to lead the efforts and accomplish this goal, the CCHE, all of the Governing Boards of the public institutions of higher education, and the CDHE deliver to you a completed, unanimously agreed-upon funding allocation model that reallocates base funding around three primary policy priorities:

- Fund enrollment through the College Opportunity Fund (COF) Stipend;
- Honor each institution's unique role and mission, including access to higher education in the rural areas of our state; and
- Reward performance - specifically retention and completion, including transfers from a community college to a 4-year institution.

We embarked on this project with optimism but also great trepidation. Colorado is near the bottom of the nation in its funding for higher education, so the stakes were incredibly high as we worked to build consensus and collaboration to reallocate base funding in a way that aligned with state policy goals. At CDHE, we committed ourselves to a public, transparent, inclusive process to create the new formula and agreed with our stakeholders to create a simple, clear formula that demonstrated direct links to the policies of the CCHE Master Plan and those identified in statute. Not only did we accomplish this goal but the public, transparent, and inclusive process developed for this project will continue as we further examine the funding allocation model and evaluate the need for future refinements but also its impact on meeting state goals and the work of the CCHE to develop tuition policy, as required by HB 14-1319.

Importantly, the process of creating this new model opened up difficult policy discussions. Across the nation, the higher education financial model is becoming unacceptable as reductions in state funding lead to high tuition which in turn leads to high levels of student debt. It is in this context that we must wrestle with and address difficult issues such as affordability, completion, closing the attainment gap, and creating better linkages to our K-12 and workforce partners. We all have the same aspiration - to create an affordable, accountable and high-quality public higher education system for the State of Colorado that is accessible to all Coloradans without regard to their geographic location or their financial means. Creating this system will help us reach the Master Plan goal that 66% of Coloradans have a postsecondary credential by 2025 to support our future workforce needs.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read 'Garcia'.

Lt. Gov. Joseph A. Garcia,
Executive Director of the Colorado Department of Higher Education

Executive Summary

In response to HB 14-1319, the Colorado Commission on Higher Education (CCHE) developed and recently adopted a new base funding formula to allocate state general fund dollars among the State's public institutions of higher education.

Through this model, which is unanimously supported by both CCHE and all of the affected governing boards, base funding will be allocated according to the following components:

- **College Opportunity Fund Stipend** - Provides funding for the number of Colorado resident students being served by an institution.
- **Role & Mission** - Helps to offset the costs incurred in providing undergraduate, graduate and remedial programs to students in a manner that recognizes who the institution serves, how it serves students and the environment in which it serves students.
- **Performance** - Rewards institutions for the number of students the institution transfers, retains, and confers degrees/certificates. In addition, rewards performance in a manner that recognizes institutional performance in relation to an institution's size and capacity.

Over the past eight months the Colorado Department of Higher Education (CDHE) and CCHE led an inclusive and transparent process to create and finalize a model that is **unanimously supported** by all affected governing boards. Included in this process and the decision making were legislators and members of the Joint Budget Committee; current and former higher education commissioners; business leaders; non-profit organizations; leaders of state higher education institutions; and advocates representing students, parents and faculty.

These individuals served as members of our Public Education & Outreach Team, Funding Allocation Model Expert Team (FAMET), Executive Advisory Group (EAG) and participated in a monumental effort to develop and implement a higher education funding model that is more transparent and understandable for Colorado taxpayers; improves predictability for institutions to engage in long-term financial planning and tuition setting, with a goal of ensuring both accessible and affordable higher education for residents; meets the directives of the legislation; and, harmonizes with the statewide goals for higher education as articulated in [CCHE's Master Plan - Colorado Competes, A Completion Agenda for Higher Education](#).

The new base funding allocation formula, adopted by CCHE on December, 4, 2014, is a balance of the policy goals of CCHE; the legislative directives of HB 14-1319; and the feedback from the public education and outreach activities conducted through the project process. Further, it is based upon national best practices in higher education financing.

Introduction

HB 14-1319 was passed by the Colorado General Assembly and signed by the Governor in May 2014. The bill eliminated the existing funding structure for how state General Fund dollars are allocated to public institutions of higher education as of Fiscal Year 2015-16, and directed the Colorado Commission on Higher Education (CCHE) to develop and adopt a new base funding allocation formula for these funds within specified parameters.

The legislation specifically required:

- (1) The project to be completed by January 1, 2015, less than eight months from the time it was signed into law;
- (2) CCHE to engage in a facilitated process with “interested parties” and to incorporate the feedback into the final product; and, ultimately,
- (3) Funding be awarded to the colleges and universities based on Role and Mission Factors - offsetting the costs of providing programs, while acknowledging the uniqueness of the individual institution - as well as Performance Metrics - number of students transferred, retained, and conferred.
- (4) CCHE provide tuition policy recommendations to the General Assembly by November 1, 2015.

This report provides a summary of the HB 14-1319 project and adopted model and includes:

- A History of Higher Education Funding in Colorado
- The HB 14-1319 Project Process
- An Overview of the CCHE Adopted Model
- Next Steps and Version 2.0

HB 14-1319 represents a significant change in how the State funds higher education. Previously, funding for institutions was based on historical allocations and available funds rather than specific state policy goals. HB 14-1319 dramatically changed that by requiring that the allocation of state funding be based on common, measurable, and updatable factors and metrics.

To develop and implement the model, the Colorado Department of Higher Education (CDHE) contracted with two vendors. The Keystone Center, in conjunction with Engaged Public, was selected for the public education and outreach facilitation. The National Center for Higher Education Management Systems (NCHEMS) was selected for the cost driver analysis and construction of the base funding allocation model. In addition, CDHE created an intentional project structure to implement the legislation that consisted of three subject matter expert teams. These teams worked with CDHE, CCHE and the vendors directly on the three essential aspects of this project: public

engagement and outreach; a study examining what is at the root of postsecondary costs; and, the funding model itself.

Over the past eight months CDHE and CCHE led an inclusive and transparent process to create and finalize a model that is unanimously supported by all affected governing boards. Comprised of three components – the College Opportunity Fund Stipend, Role & Mission and Performance – the ***CCHE Funding Allocation Model*** balances policy goals of CCHE, the legislative directives of HB 14-1319, and the feedback from the public education and outreach activities conducted by CDHE with Keystone and Engaged Public. Specifically, the new funding model will incent:

- **Increased postsecondary credential attainment** by rewarding institutions for the credentials granted, including a bonus for STEM and health care credentials;
- **Improved student success and outcomes** by allocating funds to offset the costs of providing basic skills education and rewarding student retention/progress;
- **Increased success for low-income and underrepresented minority students;** and
- **Continued access to affordable higher education in all geographic areas** of the state by rewarding the performance of smaller/rural institutions and the role and mission of all of the State’s institutions of higher education.

Moving forward, CDHE and CCHE, in consultation with the interested parties, will continue to refine and evaluate the model to ensure that the indicators, methodology, and funding allocation processes continue to align with the policy goals of CCHE, the Governor, and the General Assembly.

This report serves as an overview of the ***CCHE Funding Allocation Model***, which has the support of Colorado’s public college and university presidents. A letter expression support of the model from the CEOs of Colorado’s governing boards can be found in Appendix A. This report also provides a brief history of higher education funding in Colorado and outcomes/performance based funding for higher education across the states; details the process and guiding principles used to reform higher education funding; and, includes a detailed summary of the adopted model, and a discussion of a process to make any needed modifications to the model in future fiscal years.

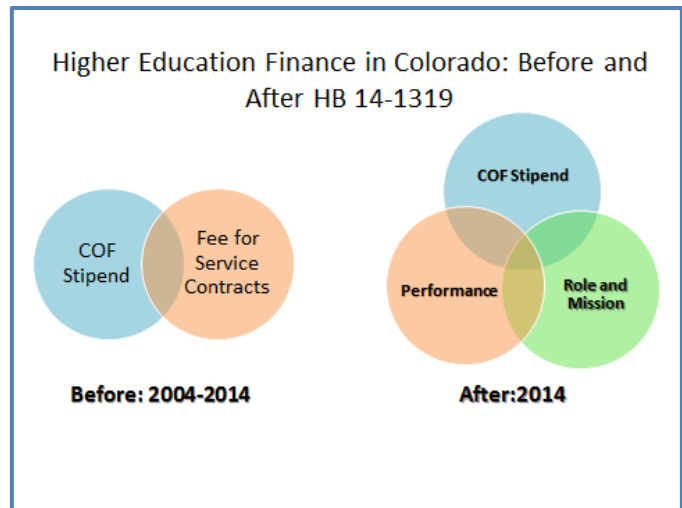
Higher Education Funding in Colorado

The passage and implementation of HB 14-1319 represented a significant change in how the State allocates funds to public institutions of higher education. Previously, funding for institutions was based on historical allocations, with annual adjustments based on available funds rather than specific state policy goals. The legislation dramatically changes this by requiring that funding be based on common, measurable, and updatable factors and metrics.

According to the Joint Budget Committee Higher Education Briefing Document, Colorado has gone through numerous higher education funding methods over the decades. At one time, funding was determined through detailed line items. By the early 1990s, appropriations for each governing board were consolidated into single line items. However, CCHE and the General Assembly still applied budget adjustments based on a mandated cost model, in which various costs and revenue components were analyzed for each governing board. By the mid-1990s, the methodology changed again to an inflation-based approach, in which governing boards received increases based on the Consumer Price Index (CPI) plus changes in enrollment. Additional adjustments were addressed through decision items or separate legislation including a performance based funding component added in the early 2000s.

In 2004, the General Assembly moved the State to the student stipend and fee for service model in effect through FY 2014-2015. Known as the College Opportunity Fund (COF), the intent of this model was for money to “follow the student” through a stipend payment, along with a mechanism for purchasing various services through Fee-For-Service (FFS) contracts. Higher education institutions no longer received direct state funding through General Fund appropriations. Annual reappropriated funds made in the Long Bill to the COF trust are designated with a split between stipend payments and FFS contract payments in the Long Bill letternote text. Staff and institutions have historically referred to stipends as COF and contract payments as FFS. For the last decade, this approach continued to focus on the total funding needed per institution through the combination of fee-for-service and stipend moneys. In effect, this has been a base plus/minus approach.

HB 14-1319 represents a significant change in how the State allocates funds to public institutions of higher education. The legislation eliminated the negotiated fee-for-service/COF approach and required it be replaced by a formula that funds the fee-for-service contracts based on achieving state goals, while working within the structure of the existing College Opportunity Fund. The COF stipend has been retained with the addition of the new fee-for-service contracts containing the role and mission and performance funding components.



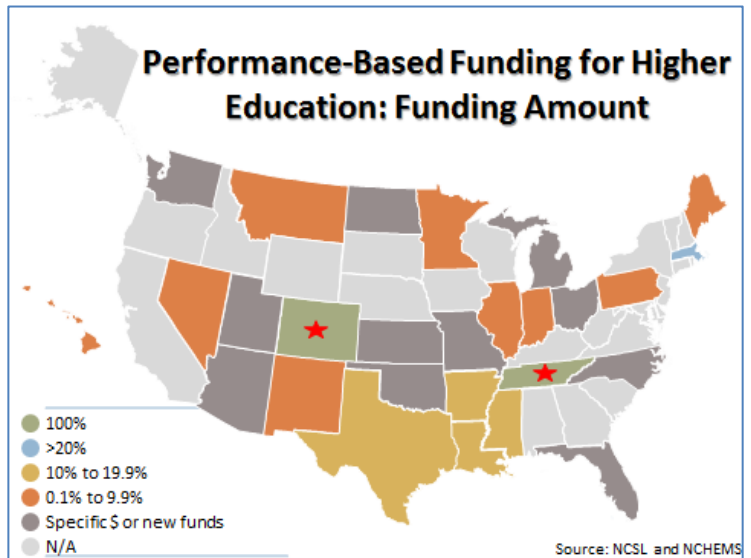
A National Shift in Higher Education Funding

Colorado is not the only state that has transitioned to an outcomes- or performance-based funding method. Funding formulas that allocate some amount of funding based on performance and outcomes indicators are gaining traction across the nation.

Although this idea is not new, states are seeking ways to tie institutional performance and outcomes to funding.

According to the National Conference of State Legislatures (NCSL), at least 25 states have funding allocation models in place disbursing state moneys for higher education, at least in part, based on performance. A handful of other states are currently in the process of developing models based on similar premises. However, there are differences in how the formulas are derived and applied in the various states. Among the states that have moved to some type of performance-based methodology, most allocate to both two-year and four-year institutions based on performance, while others tie performance funding only to a subset of institutions. For example, Massachusetts, Texas, and Washington only fund their two-year institutions through a performance-based formula. Further, Arizona, Florida, and Pennsylvania only fund their four-year institutions in this manner. Colorado will fund both two-year and four-year institutions through the new performance-based funding allocation model.

Additionally, Colorado will allocate the entire state appropriation for most state institutions of higher education through the new performance-based funding model with specialty education programs, such as medical and veterinary medicine, and local district junior colleges and area vocational schools being treated in a block grant fashion. In comparison, most states who have implemented a performance-based approach provide a base allocation and then distribute only between 5% and 25% through performance funding. The map to the right illustrates the percentage of money each state flows through their performance model. Some states identified certain dollar amounts or are allocating only the increase in state funds over the previous year based on performance.



Based upon the experiences of other states’ performance-based funding models, the Department and CCHE sought to align its work with best practices from around the country, from organizations including the National Conference of State Legislatures, National Governors Association Center for Best Practices, the Education Commission of the States, the National Center for Higher Education Management Systems (NCHEMS), HCM Strategists, and others.

HB 14-1319 Project Process

To successfully implement HB 14-1319, CDHE established a project structure and process with purpose and intent - to meet the directives of the bill; ensure that diverse Colorado voices are heard and incorporated into the conversation; *and* achieve a quality end product that can be embraced as a sound mechanism for state funding of public institutions of higher education while meeting the priorities and goals of Colorado.

PROJECT PRINCIPLES

CCHE’s July 2014 retreat was used as the launch for the HB 14-1319 Project. Members of the Executive Advisory Group (EAG) were invited to participate in the presentations and discussions during the first day.

Through a facilitated conversation, managed by The Keystone Center, EAG members formulated a set of project principles to guide the discussions and decisions throughout the project. These principles were further refined and then formally recommended by the EAG and adopted by the CCHE at subsequent meetings.

HB 14-1319 PROJECT PRINCIPLES

In order to ensure Colorado higher education is of value, affordable, accessible, and high quality; and, seen as a public good, all decisions regarding the development of this new funding formula should:

- Align project outcomes with Master Plan goals.
- Promote clarity, simplicity and predictability in the allocation of state funds to public institutions of higher education.
- Evaluate Colorado public institutions of higher education on accurate and comparable data.
- Respect the individual role and mission purposes of each Colorado public institution of higher education with regard to operational authority and flexibility.

The bill specifically required this to be done in a transparent manner in consultation with “Interested Parties”, which are defined in the bill as including but not limited to *“the governing boards of institutions, institution administrators, higher education advocates, students, faculty, nonprofit education organizations, and members of the business community.”*

CDHE underwent a very rigorous Request for Proposal (RFP) process to select the two vendors for the project, following the Department of Personnel and Administration rules and guidelines. The Keystone Center, in conjunction with Engaged Public, was selected for the public education and outreach facilitation. The National Center for Higher Education Management Systems (NCHEMS) was selected for the base funding allocation model construction.

In addition, the HB 14-1319 project structure consisted of three subject matter expert teams that worked with the CDHE and the vendors directly on the three essential aspects of this project: public engagement and outreach, a study examining what is at the root of postsecondary costs, and the funding allocation model itself. The following is a brief description of the subject matter expert teams:

Public Education & Outreach Team

The focus of this Team was to (1) help project participants and leaders understand the higher education priorities of the stakeholders across the state and how these priorities should impact how consideration is given to the weighting of the funding model metrics and factors within the formula, and (2) educate the public about the role of higher education and its importance to our state and our economy.

The Public Education and Outreach Team was made up of the following members:

- Luis Colon - Business Consultant, Xcelente Marketing - *Business Advocate and CCHE Representative*
- Wade Buchanan - President, Bell Policy Center - *Non-Profit Organization*
- Mike Martin - Chancellor, Colorado State University System - *Research Institutions*
- Greg Salsbury - President, Western State Colorado University - *Four-Year Institutions*
- Millie Hamner - State Representative, Chair House Education Committee, Colorado General Assembly - *Legislator*
- Taryn Flack - *Student Representative*
- Ruth Annette Carter - *Parent Representative*
- Jeff London - MSU, Denver - *Faculty Representative*
- Diane Hegeman - Arapahoe Community College - *Provost Representative*
- Inta Morris - Chief Advocacy & Outreach Officer, *CDHE*

Funding Allocation Model Expert Team (FAMET)

The heart of the charge in HB 14-1319 is the creation of a new funding allocation model. FAMET was charged with developing a funding allocation model that balanced the policy goals of CCHE, the legislative directives of HB 14-1319, and incorporated the feedback from the public education and outreach activities.

The Funding Allocation Model Expert Team was made up of the following members:

- Hereford Percy - Commissioner, CCHE - *Business Advocate and CCHE Representative*
- Nancy Todd - State Senator, Senate Education Committee, Colorado General Assembly - *Legislator*
- Alexis Senger - Chief Analyst, Office of State Planning and Budgeting - *Governor's Representative*
- Jeanne Adkins - President Strategic Options and Solutions, Colorado Mesa University
- Brad Baca - Executive Vice President, Chief Operating Officer, Western State Colorado University
- Ed Bowditch - Legislative Liaison, Fort Lewis University
- Steve Kreidler - Vice President of Administration, Finance and Facilities, Metropolitan State University of Denver
- Bill Mansheim - Vice President for Finance and Government Relations, Adams State University
- Michelle Quinn - Senior Vice President, Chief Financial Officer, University of Northern Colorado
- Todd Saliman - Chief Financial Officer, University of Colorado
- Rich Schweigert - Chief Financial Officer, Colorado State University

- Mark Superka - Chief Financial Officer, Colorado Community Colleges System
- Kirsten Volpi - Executive Vice President for Finance and Administration, Colorado School of Mines
- Dr. Beth Bean - Chief Research Officer, CDHE

Cost Driver Analysis Team

While not specifically called for in the legislation, this project was incorporated to inform the other aspects of the HB 14-1319 implementation and address future decisions to be made regarding funding and tuition policies. The Team is scheduled to conclude their work by June 2015.

The Cost Driver Analysis Team is comprised of:

- Patty Pacey - Commissioner, CCHE - *Business Advocate and CCHE Representative*
- Jessie Ulibarri - State Senator, Colorado General Assembly - *Legislator*
- Alexis Senger - Chief Analyst, Office of State Planning and Budget - *Governor's Representative*
- Jeanne Adkins - President Strategic Options and Solutions, Colorado Mesa University
- Julie Feier - Associate Vice President of Finance and Administration, Western State Colorado University
- Peter Han - Chief of Staff and Vice-President of External Relations, Colorado School of Mines
- Heather Heersink - Budget Director, Adams State University
- Chad Marturano - Senior Director of Budget and Strategic Planning, University of Colorado System
- George Middlemist - Associate Vice President of Administration and Finance and Controller, Metro State University
- Bridget Mullen - Director of Budget and Finance, Colorado State University System
- Steve Schwartz - Vice President of Finance and Administration, Fort Lewis College
- Mark Superka - Chief Financial Officer, Colorado Community College System
- Cindy Thill - Special Assistant to the Senior Vice President for Administration, University of Northern Colorado
- Diane Duffy - Chief Financial Officer, CDHE

Executive Advisory Group (EAG)

The subject matter expert teams worked at the granular level and reported to the Executive Advisory Group (EAG) - an advisory group comprised of legislators, current and former higher education commissioners, business leaders, leaders of state higher education institutions, and advocates for students, parents, faculty and provosts.

The EAG was charged with digesting the work that the Expert Teams had conducted; helping to resolve any conflicts that may have arisen through the granular process; providing guidance, as necessary, to the expert teams for additional issues to take into consideration; and, ultimately making a clear recommendation about what is best for Colorado to CCHE for consideration and action.

The final decision maker, and the body ultimately responsible for adopting the final funding allocation model, was the CCHE. CCHE was provided with regular reports on the progress of the project; helped to resolve any conflicts that were not able to be resolved at the EAG level; provided guidance, when necessary to the EAG for issues to take into consideration; and, ultimately, adopted the new funding model.

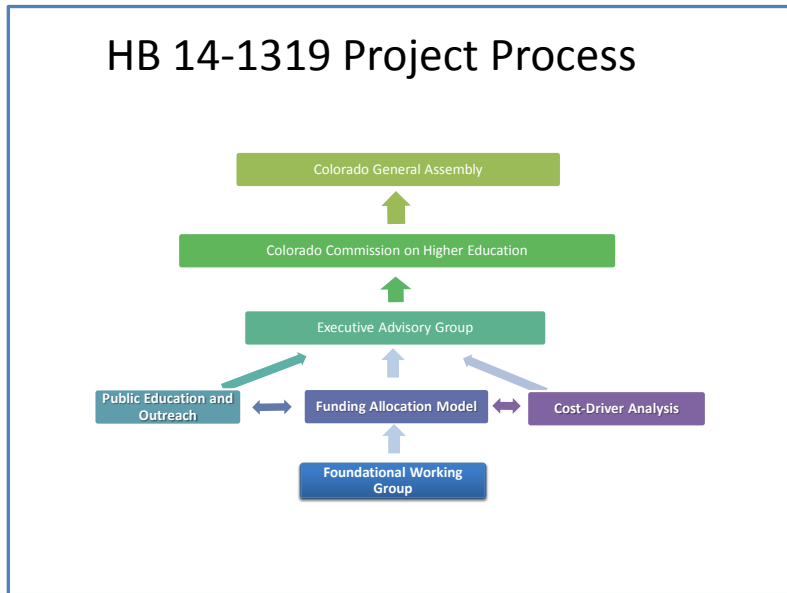
The Executive Advisory Group was comprised of the following members:

Co-Chairs

- Lt. Governor Joseph A. Garcia - Lt. Governor and Executive Director, CDHE - *representing CDHE and the Governor*
- Dr. Donna Lynne - Executive Vice President, Kaiser Permanente - *representing the business community*

Members

- Mr. Jim Chavez - Executive Director, Latin American Education Foundation - *representing students*
- Mr. Tim Foster - President, Colorado Mesa University - *representing four-year rural institutions*
- Mr. Russ George - President, Colorado Northwestern Community College - *representing access institutions and career and technical education (two-year and four-year)*
- Dr. Monte Moses - Commissioner, Colorado Commission on Higher Education - *representing CCHE*
- Dr. Pam Shockley-Zalabak - Chancellor, University of Colorado at Colorado Springs - *representing four-year research institutions*
- Mr. Greg Stevinson - President, Denver West Realty Inc. - *representing the intersection of business & higher education*
- The Honorable Pat Steadman - State Senator, Colorado General Assembly - *representing senate democratic caucus*
- The Honorable Kent Lambert - State Senator, Colorado General Assembly - *representing senate republican caucus*
- The Honorable Jenise May - State Representative, Colorado General Assembly - *representing house democratic caucus*
- The Honorable Jim Wilson - State Representative, Colorado General Assembly - *representing house republican caucus*



Public Education & Outreach Process

The focus of the public education and outreach efforts were to: (1) help project participants and leaders understand the higher education priorities of the stakeholders across the state, and how these priorities should impact what consideration is given to the calculation and weighting of the metrics and factors within the funding allocation model; and, (2) educate the public about the role of higher education and its importance to our state and our economy. The outreach process consisted of three components:

Key Informant Interviews

As a first step in the outreach process, Keystone and Engaged Public conducted 25 phone/in-person interviews with key stakeholders. The purpose of these interviews was to identify opportunities, concerns and provide a baseline understanding of perspectives in order to better inform the design of the subsequent community meetings.

Community Meetings

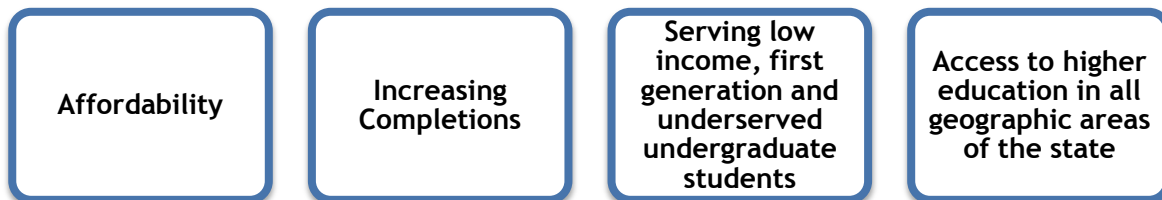
From September 17, 2014 to October 14, 2014, Keystone and Engaged Public conducted 16 meetings statewide with 425 attendees. These meetings were held at institutions as well as community locations which helped ensure a diversity of voices and sectors. Meetings were held in:

➤ Alamosa	➤ Aurora
➤ Boulder	➤ Colorado Springs
➤ Craig	➤ Denver
➤ Durango	➤ Fort Collins
➤ Glenwood Springs	➤ Golden
➤ Grand Junction	➤ Greeley
➤ Gunnison	➤ Pueblo
➤ Sterling	➤ Trinidad

Online Outreach

An online tool - Mind Mixer - was utilized to gather input from those who were unable to attend the meetings or preferred to be reached in a non-traditional manner using Mind Mixer, additional feedback was solicited from 135 students.

The following emerged as the top priority areas for participants in the public education and outreach process:



Key Policy Issues Considered Through the Process

The development of the new *CCHE Funding Allocation Model* was done using the project principles as guidance; incorporated the public education and outreach input; and, constructed upon the decision points recommended by FAMET and EAG, and ultimately approved by CCHE.

USING STUDENT UNIT RECORD DATA IN THE FUNDING MODEL

The implementation of the HB 14-1319 model is unique in the nation for its grounding in an individual Student Unit Record Data within a relational database. Data for the performance funding allocation model are based upon the official data collection system for postsecondary education in Colorado, the Student Unit Record Data Systems, known as SURDS.

SURDS has over 25 years of data collected from our public colleges and universities regarding admissions, enrollment, financial aid, remediation, course information and degree completion.

Using this rich data source and flexible database approach allows for scalability while increasing sustainability through a more efficient data structure which requires less data manipulation and maintenance. The ability to track a student record through the model improves data integrity, leading to a more reliable measurement of indicators. The individual student level data allows for more accurate measure of outcomes and progress over time versus snapshots of aggregate data.

Finally, the intent is that the database built for the model will complement the Cost Driver Analysis still to come, and allow both aspects of the project to work off of one another.

This monumental effort to develop and implement a new funding allocation model - that complied with the legislative directives outlined in HB 14-1319 *and* incentivized institutions to achieve the statewide goals for higher education - did not come easily. Important and very complicated policy issues were discussed and vetted by the FAMET and EAG, and resolved through collective agreement by those involved. Many of these conversations and resulting collaborative decisions were made with the help of professional facilitators. Each decision is inextricably linked to the others and was ultimately part of the compromise necessary to “make the model work.”

Of the many policy issues discussed, two issues stood out and were resolved through this iterative and very public process:

Student Count (Resident/Non Resident)

A robust discussion took place over several FAMET and EAG meetings before a final recommendation was developed and forwarded to CCHE for action. In these discussions a number of important policy issues were vetted - public perception; recognizing overall institutional performance; understanding the inability to separate programmatic costs offered to resident vs. non-resident; and, providing incentives to achieve statewide performance goals. After several discussions about the issues pertaining to student counts, both the

FAMET and EAG voted to recommend, and CCHE unanimously approved, including all students throughout the model with the exception of the additional funding provided for Pell-eligible and underrepresented minorities within the Role & Mission component - because both of these funding pools are based off of a percentage of COF stipend, for which only resident students are eligible.

Underrepresented Minorities

Through the public education and outreach process, the message was clear from across the state that Colorado needs to place an emphasis on meeting the needs of the “at risk” student population. In addition, the Colorado Commission on Higher Education’s Master Plan recognizes the significant attainment gap for these students and includes a goal to reduce this gap through increased postsecondary credentials.

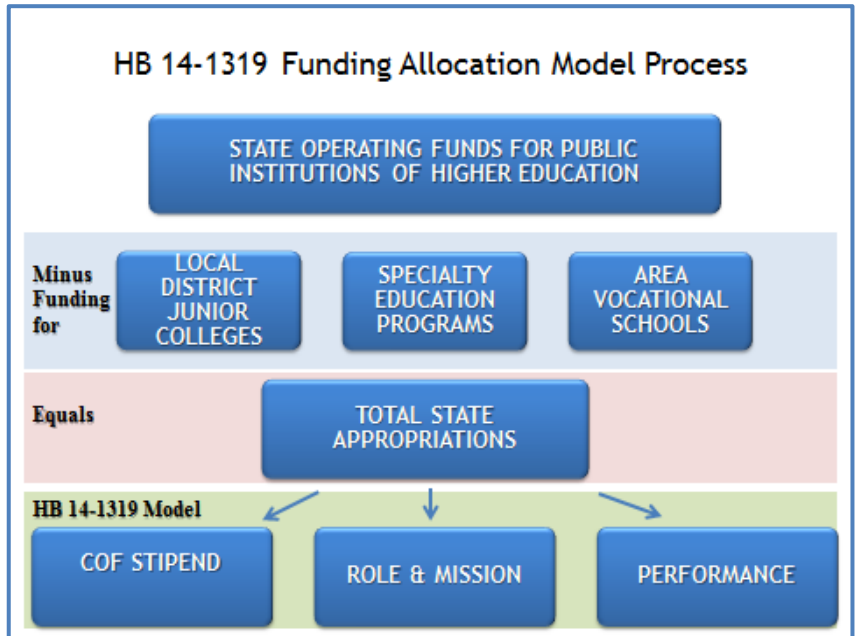
To meet the attainment goals in the Master Plan, emphasis on the success of underrepresented minorities is essential. Using Colorado data, the underrepresented minorities that have the greatest challenges with post-secondary credential attainment include Native Americans, Hispanics, and African Americans. Through the project process, it was decided that Pacific Islanders would also be captured within the definition of underrepresented minorities for the purpose of the funding model. The new funding allocation model acknowledges the importance of meeting the needs of these populations and provides increased funding to colleges and universities to support low-income and minority students.

Appendix B includes detailed issue briefs on student count and underrepresented minorities.

The CCHE Adopted Funding Allocation Model

As required by HB 14-1319, the *CCHE Funding Allocation Model* consists of three components: The College Opportunity Fund (COF) Stipend, Role & Mission factors, and Performance metrics. Each component has specific characteristics and parameters, which are driven in large part by the statutory requirements of HB 14-1319.

Further, the legislation specifies that only “Total State Appropriation”, not total state allocation, shall be distributed through the funding allocation



model. To calculate what constitutes “Total State Appropriation”, one starts with the total appropriation provided by the General Assembly for institutions of higher education and carves out funding for programs that will not receive their allocations through the model—Specialty Education Programs, Area Vocational Schools and Local District Junior Colleges (also excludes student financial aid and capital funds). “Total State Appropriations” is then run through the model and allocated to governing boards via the three model components.

Important Statutory Requirements for Appropriations

Total State Appropriation (TSA)

Total state appropriation means, for a state fiscal year, the sum of the total amount appropriated to the governing boards of the state institutions of higher education for fee-for-service contracts determined pursuant to section 23-18-303, C.R.S and the amount of the appropriation to the college opportunity fund established in section 23-18-202, C.R.S. for student stipends. *Section 23-18-302 (10), C.R.S.*

Appropriations for Specialty Education Programs (SEP), Area Vocational Schools (AVS) and Local District Junior Colleges (LDJC)

Funding must be equal to such contract for the preceding year, plus-or-minus the same change in the *total state appropriation* and allows for a funding increase for these programs in excess of the percentage increase in the *total state appropriation*, or a decrease less than percentage decrease in the *total state appropriation*. *Section 23-18-304, C.R.S.*

College Opportunity Fund Stipend

Student stipends authorized under the College Opportunity Fund Program (23-18-201, et.seq.); and must be at least 52.5 percent of “total state appropriation” *Section 23-18-305 (2) (a), C.R.S.*

Role & Mission Fee-for-service Contracts

Each fee-for-service contract must include both role and mission and performance funding, and 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. *Section 23-18-303 (2), C.R.S.*

Based on the statutory parameters, the ***CCHE Funding Allocation Model*** is broken down into four sequential worksheets (dashboards) that follow the model allocation method and are based on the statutory requirements set forth in HB 14-1319. The four dashboards are:

1. *Budget*
2. *Role & Mission*
3. *Performance*

4. Final Model Output

Each dashboard includes a set of adjustable policy levers. The following summarizes the components of the model with weights for each factor and metric. Additional details on the model components and weights can be found in Appendix C and the full model with each dashboard can be found in Appendix D.

1. Budget Dashboard

The budget dashboard contains the basic starting points for the model, including:

- The appropriation (state funding amount) for institutions of higher education;
- The option to provide an additional increase to “Specialty Education Programs (SEP),” “Area Vocational Schools (AVS)” and “Local District Junior Colleges (LDJC);”
- “Total state appropriation” (the amount to be distributed through the model)
- The COF stipend rate; and
- The percentage split between Role and Mission and Performance.

The following table includes the *Budget Dashboard* weights in the *CCHE Funding Allocation Model*.

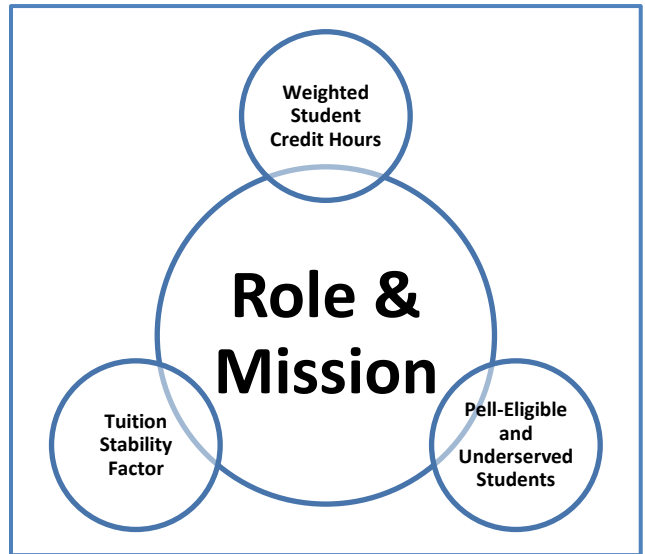
Budget Dashboard	
Model Component	Model Weight
Full Appropriation Amount	Assumes the 10% increase from the Governor’s requested budget for FY 2015-16.
Additional Increase for SEP/AVS/LDJC	As required by statute, funding must be equal to such contract for the preceding year, plus-or-minus the same change in the Total State Appropriation.
Total State Appropriation	Full appropriation to institutions of higher education less appropriations SEP, AVS and LDJC.
The COF Stipend Rate	COF stipend is set \$75 per credit hour and is equal to 56% of “total state appropriation.”
The split between Role & Mission and Performance	Role & Mission: 60% Performance: 40%

2. Role & Mission Dashboard

The Role & Mission factors are designed to help offset the costs incurred in providing undergraduate, graduate and remedial programs to students in a manner that recognizes who the institution serves, how it serves students and the environment in which it serves students. Specifically, HB 14-1319 requires that the Role & Mission factors be comprised of funding to offset the costs of providing programs - undergraduate [23-18-303(3)(a), C.R.S.]; graduate [23-18-303(3)(c), C.R.S.]; and remedial [23-18-303(3)(d), C.R.S.] This is accomplished by using completed courses as measured by completed student credit hours, called Weighted Student Credit Hours. Student credit hours are weighted by discipline cluster that is cost informed

and was developed by the National Center for Higher Education Management Systems (NCHEMS).

In addition, the legislation specifically requires dedicated funding for support services for Pell-eligible students, which must be funded at a level equal to at least 10% of the COF stipend [23-18-303(3)(b), C.R.S.] The CCHE adopted model also provides an additional amount of funding to offset the costs of support services for underrepresented minority students, which is also based on a percentage of the COF Stipend.



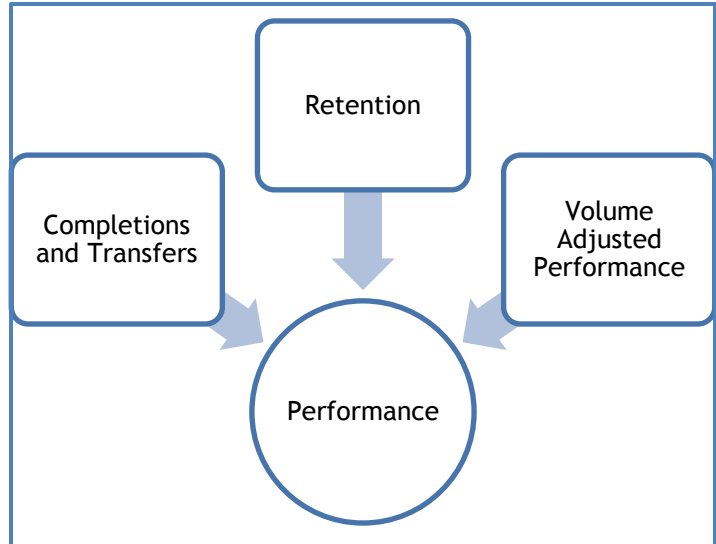
Finally, the model includes the Tuition Stability Factor, which is an additional Role & Mission factor pursuant to 23-18-303 (3)(e), C.R.S., and is a flat dollar amount to help ensure institutional affordability.

The following provides a description of how each Role & Mission factor is calculated in the *CCHE Funding Allocation Model*:

Role & Mission		
Role & Mission Factor	Measurement in HB 14-1319 Model	Model Weight
Weighted Credit Hours	Allocates funding to institutions based upon completed courses as measured by completed student credit hours. Student credit hours are weighted by discipline cluster in an expanded matrix that is cost informed and was independently developed by the National Center for Higher Education Management Systems (NCHEMS).	See Appendix D
Support Services for Pell-eligible Students	Uses Pell-eligible and undergraduate student credit hours as a percent of the College Opportunity Fund Stipend (COF).	10% of COF Stipend
Underrepresented Minority Students	Uses underrepresented minorities (URM) undergraduate student credit hours as a percent of the College Opportunity Fund Stipend (COF).	5% of COF Stipend
Tuition Stability Factor	A flat dollar amount to help ensure institutions can continue to comply with the College Affordability Act, which includes a 6 percent tuition cap on resident tuition.	See Appendix D

3. Performance Dashboard

The Performance metrics reward institutions for the number of credentials awarded and students transferred [23-18-303(4)(a), C.R.S.]; as well as academic progress/retention [23-18-303(4)(b), C.R.S.]. These metrics are based on the student counts at each institution who are reaching these thresholds. In addition, **CCHE Funding Allocation Model** includes an additional metric pursuant to 23-18-303 (4)(c), C.R.S. that rewards performance in a manner that recognizes institutional performance in relation to their size and capacity.



As required in statute, the model includes specific weights related to the academic award level and identifies STEM and health care as “high priority” subjects that receive a higher weight. Additional bonuses are provided for completions awarded to and transfers of Pell-eligible (required by statute) and underrepresented minority student populations.

Completion and Transfer weights are as follows:

Completion and Transfer								
Demand Indication	Transfer (0.25)	Certificates (0.25)	Associates (0.50)	Bachelors (1.00)	Graduate Certificate (0.25)	Masters (1.25)	Specialists (1.25)	Doctoral (1.75)
STEM and Health (1.5)	n x .25	n x 1.5 x 0.25	n x 1.5 x 0.50	n x 1.5 x 1.0	n x 1.5 x 0.25	n x 1.5 x 1.25	n x 1.5 x 1.25	n x 1.5 x 1.75
All Others (1)		n x 1.0 x 0.25	n x 1.0 x 0.50	n x 1.0 x 1.0	n x 1.0 x 0.25	n x 1.0 x 1.25	n x 1.0 x 1.25	n x 1.0 x 1.75

Additional Undergraduate Completion/Transfer Bonus for Priority Populations	
Priority Population	CCHE Adopted Model Weight
Pell-Eligible	1.5
Underserved Populations	1.5

Retention is measured at each institution by assessing the numbers of students at 25%, 50%, and 75% momentum points toward a degree. For four-year institutions, this is the number of students who cross the threshold of completing 30 credit hours, 60 credit hours and 90 credit hours, while at two-year institutions, those thresholds are 15 credit hours, 30 credit hours and 45 credit hours. There are no additional population bonuses for the retention metric.

Retention Weights (completed credit hours)	
Credit Hours Accumulated	CCHE Adopted Model Weight
15/30	.25
30/60	.50
45/90	.75

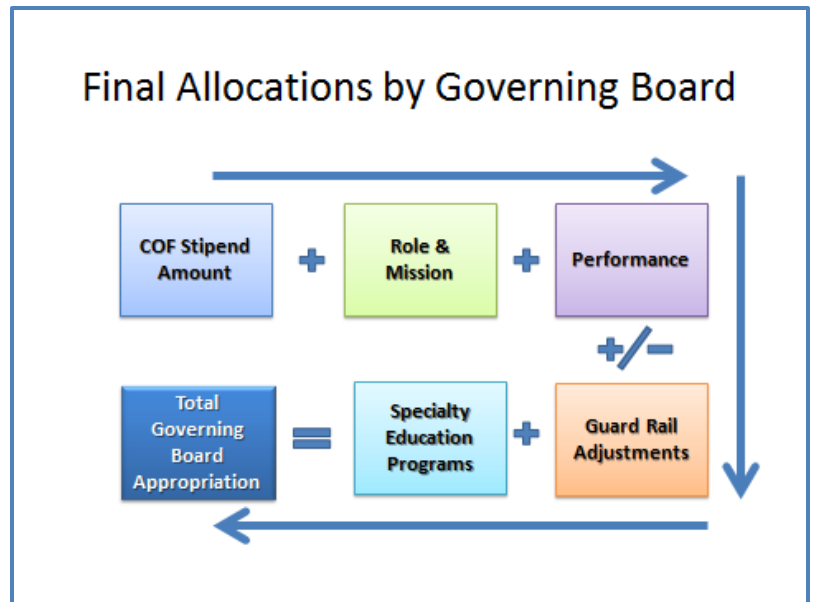
The Volume Adjusted Awards metric, is an additional metric (pursuant to (23-18-303 (4)(c), C.R.S.) that rewards performance in a manner that recognizes institutional performance in relation to their size and capacity. The Volume Adjusted Awards metric is calculated by taking an institution’s weighted award total divided by the number of Student Full-time Equivalent (SFTE) and then indexing it to the state average.

4. Final Output Dashboard

The Final Output Dashboard includes a summary of allocations to Governing Board from each of the model components: COF Stipend, Role & Mission, and Performance. This dashboard also demonstrates the impact of the “guardrail” provision applications and appropriations for “Specialty Education Programs” to produce the final allocation by governing board.

Guardrails - Transitioning to the New Model

To ease the transition into the new outcomes-based model for all institutions, allowing time to understand the impact of the model and adjust operations, HB 14-1319 includes the application of “guardrails”. The guardrails ensure that no institution receives a change in base funding from the previous year that is 5% less than or greater than the change in Total State Appropriation.



These guardrails are to be applied for the first five fiscal years, FY 2015-16 through FY 2019-20, after which, funding will be allocated based solely on the model calculations. Beginning in FY 2020-21, use of the guardrails is optional.

In the *CCHE Funding Allocation Model*, the “guardrails” are applied utilizing a three-pass methodology. The first pass brings down the allocation of all governing boards whose model allocation put them above the uppermost guardrail limit. The second pass allocates the “above guardrail funding” to those governing boards below the lowermost guardrail. In the third pass, if any governing boards remain below the lowermost guardrail, funding is taken proportionally from each governing board above the lowermost guardrail until all institutions are within the lower and upper guardrails parameters.

Next Steps & Version 2.0

The project process was created to ensure that all recommendations and decisions along the way were fully vetted and considered from diverse viewpoints. The intensely inclusive and collaborative process for implementing HB 14-1319 proved to be highly successful. It created great support and cultivated ownership for the recommendations that ultimately became the *CCHE Funding Allocation Model*. CDHE and CCHE will continue this inclusive approach as we monitor the implementation of the current model structure and move forward into future fiscal years.

Model Modifications - Development and Implementation Process

Prior to setting the allocations for the 2016-17 Fiscal Year, CDHE and CCHE will again engage in an open and transparent process with interested parties to discuss the development and implementation of any needed modifications. Currently, CDHE believes only minor adjustments are needed to the current funding allocation model to establish longitudinal measurements of performance rather than shifting funds each year based on changing criteria.

- **Funding Allocation Model Review Team**
The Department will continue a scaled down version of the original process by creating a Funding Allocation Model Review Team (FAMRT) comprised of expert representatives from our colleges and universities and staffed by CDHE. This team will meet quarterly, or as needed, to discuss any proposed recommended changes to the current model.
- **CCHE Subcommittee**
A subcommittee of the CCHE will also be created to review any recommendations from the FAMRT; provide feedback to the Team; and ultimately make final recommendations to the full CCHE for action.
- **Colorado Commission on Higher Education**
CCHE will again be the final decision making body for any recommended (1)

changes to the funding allocation model and/or (2) legislative changes needed to implement.

Lastly, the Department will continue to work closely and transparently with the Office of State Planning and Budget (OSPB) and Joint Budget Committee (JBC) analysts, who have been key partners in the current process.

Model Improvements

There were several proposed ideas that arose during the process that were not able to be fully vetted and potentially included in the initial model structure, due to the rapid implementation timeline of the model. These included, but are not limited to, the following concepts:

- **Successful Remediation**
The current model provides an incentive to colleges and universities for completed remedial courses. An additional “successful remediation” metric could be added to include an incentive for the actual successful completion of an English and/or math gateway course, within 30 credit hours.
- **Technology Transfer and Innovation**
An economic innovation metric had been discussed in the initial implementation, but in the end was recommended to be examined for possibly including this metric in later versions of the model once a metric definition could be created and agreed upon.
- **Adult Populations**
Including an additional financial incentive for retention and graduation of adult students was briefly discussed. Adding this incentive would align with targeting populations that are critical to Colorado meeting our current credential attainment and workforce goals.
- **Meeting CCHE Goals**
A thorough review of the alignment between the CCHE Master Plan goals - credential attainment, student success, and closing the attainment gap - and the performance funding model will occur. Among other things, a refinement of the weights for target populations will be explored as a method for advancing and meeting CCHE state goals.
- **College Opportunity Fund Stipends**
The *CCHE Funding Allocation Model* uses enrollment projections in the 2014-2015 Long Bill for the COF Stipend allocation to governing boards for the upcoming fiscal year. The Department, in consultation with the JBC and OSPB, will study alternatives for version 2.0 of the model and the 2016-2017 COF Stipend allocations to the governing boards.

Data Improvements

As stated earlier, Colorado's new funding allocation model is unique because of its underlying longitudinal and student level database platform. In order to create the most robust, dynamic and responsive model possible, it was decided to use Student Unit Record Data (SURDS) to feed the funding allocation model, as opposed to aggregate data. Colorado is the first state to base their funding model on such granular data, resulting in more than eight million total records in the funding allocation model database. Using SURDS allows CDHE to load and manage future year's data and allow for more dynamic and longitudinal analysis of trends in this data.

However, because of the short timeframe provided by the legislation, there were several components of the data that will continue to evolve and improve over time. These components include, but are not limited to, the following:

- **First Generation Students**
Currently, the Department is unable to collect information on first generation students. The Department will work with our higher education institutions to develop a common definition and collection method for this valuable variable.
- **Tracking Retention**
A more refined methodology for tracking retention at the 30-60-90 momentum points will be developed. While not a concern in this base year, this metric will become more challenging to measure over time and will benefit from a thoroughly revised methodology.
- **Weighting of Completed Credit Hours**
The Department will work with NCHEMS and the Data Advisory Group to ensure that course file reporting and how this data is applied within the model are fully aligned.

Appendix A. CEO Letter of Support



December 11, 2014

The Honorable Kent Lambert
 Chair, Joint Budget Committee
 Colorado General Assembly
 200 E. 14th Avenue, Third Floor
 Legislative Services Building
 Denver, CO 80203

Dear Senator Lambert:

As you know, for the past six months Colorado's public system of higher education has diligently worked to develop a new funding formula for allocating state operating funds for higher education pursuant to House Bill 14-1319. A robust and transparent process has included extensive statewide public outreach and thousands of hours of work of various subcommittees including the participation of you and several of your legislative colleagues as members of the Funding Allocation Model Expert Team (FAMET) and the Executive Advisory Group (EAG).

As the leaders of public higher education in Colorado we unanimously endorse the FV 2015-16 funding model that was approved by CCHS on December 4th. We respectfully request that the JBC adopt the model and use of transition funding as recommended.

We also unanimously endorse the Governor's budget request, which included a 10.0 percent base funding increase of \$60.6 million. In addition, we all recognize the importance of the \$15.0 million in transitional funding and believe that it is critical that this funding remain for at least five years to support a smooth transition to the House Bill 14-1319's model. This significant requested operating increase was the key to reaching agreement on the model.

The model reflects House Bill 14-1319 and uses a transparent funding methodology that is tied to actual data that can be tracked. After incorporating the Governor's budget request, the new model results in base operating increases that range from approximately 2.9 to 16.4 percent by governing board. The guardrail provisions of House Bill 14-1319 result in this range being adjusted to a 5.0 percent increase on the low end and a 15.0 percent increase on the high end. After implementation of the guardrail, the

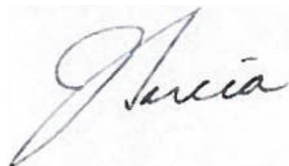
recommendation then uses a portion of the \$15.0 million transition funding pot, which results in no single governing board receiving less than a 10.0 percent increase over its FY 2014-15 appropriation.

Using a portion of the transition funding this way will allow all governing boards to comply with the second year of the 6 percent undergraduate resident tuition cap required by law. How the remaining portion of the \$15 million will be allocated is yet to be determined. This first year consensus adjustment and allocation is important because it will help keep a quality postsecondary credential within reach for all Colorado students attending any one of our public colleges or universities.

We recognize that no funding model is perfect and that we can anticipate adjustments and refinements in future years. Nevertheless, a recommendation that can be supported unanimously this year allows for institutional planning and is ultimately a positive result for Colorado families and students. Therefore we strongly encourage the Joint Budget Committee and members of the General Assembly to join us in supporting this collective recommendation.

We deeply appreciate the assistance of the Committee in this effort in addition to the work on the FY 2015-16 request and look forward to a productive legislative session.

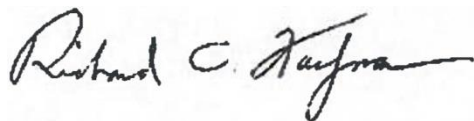
Thank you,



Lt. Gov. Joseph A. Garcia, Executive Director
Colorado Department of Higher Education



Bruce D. Benson, President
University of Colorado System



Richard Kaufman, Chairman
Colorado Commission on Higher Education



Dr. Nancy J. McCallin, President
Colorado Community College System



Tim Foster, President
Colorado Mesa University



Kay Norton, President
University of Northern Colorado



Dr. Steven M. Jordan, President
Metropolitan State University at Denver



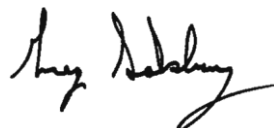
Dr. M. W. Scoggins, President
Colorado School of Mines



Dr. Michael V. Martin, Chancellor
Colorado State University System



Dr. David Svaldi, President
Adams State University



Dr. Greg Salsbury, President
Western State Colorado University



Dr. Dene Kay Thomas, President
Fort Lewis College

- Cc:**
- Representative Millie Hamner, Joint Budget Committee, Vice-chair**
 - Representative Dave Young, Joint Budget Committee**
 - Representative Bob Rankin, Joint Budget Committee**
 - Senator Kevin Grantham, Joint Budget Committee**
 - Senator Pat Steadman, Joint Budget Committee**
 - Ms. Amanda Bickel, Chief Legislative Analyst, Joint Budget Committee**
 - Mr. Henry Sobanet, Director, Governor's Office of State Planning and Budgeting**
 - Ms. Alexis Senger, Chief Analyst, Governor's Office of State Planning and Budgeting**
 - Ms. Donna Lynne, Co-Chair, House Bill 14-1319 Executive Advisory Group**

Appendix B. HB 14-1319 Issue Briefs: Student Count (Resident/Non Resident)

The Colorado Commission on Higher Education (CCHHE) adopted funding allocation model counts all students (residents and non-residents) throughout the model, with the exception of Pell-eligible and underrepresented minorities (URM) under the Role and Mission components. The reason for this is that they are tied to the College Opportunity Fund stipend, for which, only resident students will be counted.

BACKGROUND

Early in the HB 14-1319 project process, the question was raised about the students within the factors and metrics of the model - should the model count all students or resident students only? *The legislation was intentionally silent on this issue, purposefully leaving it to the project process to address.*

A robust discussion took place over several Funding Allocation Model Expert Team and Executive Advisory Group meetings before a final recommendation was developed and forwarded to CCHHE for action. In these discussions a number of important policy issues were vetted - public perception; recognizing overall institutional performance; understanding the inability to separate programmatic costs associated with resident and non-resident; and, providing incentives to achieve statewide performance goals.

The Colorado Commission on Higher Education's Master Plan - [Colorado Competes, A Completion Agenda for Higher Education](#) - focuses on the achievements of all students in Colorado. In addition, the legislation itself calls for recognizing the total number of students performing under "transfers", "retention", and "completions".

Further, after reviewing prior fee-for-service contracts there has not been a distinction between services provided to residents versus services provided to non-residents. On campuses, services are made available to all students and are not segregated by residency; and, classrooms have both residents and non-residents in courses studying alongside one another. Only the College Opportunity Fund (COF) stipend is specifically targeted to provide funding to governing boards based on the number of resident undergraduates.

WHAT DOES THE DATA TELL US?

A close examination of the Pell-eligible credit hour data shows that the ratio of resident to non-resident students is less than 10% statewide, with campuses near the border of the state having a larger concentration. In addition, while the overall percentage of non-resident completers statewide is not significant, there are higher concentrations of completers at some campuses. The data further indicates that at least 30% of the non-resident students remain in Colorado following graduation and contribute to our economy.

WHERE WILL THE MONEY GO?

All of the state funding provided through the CCHHE Adopted Funding Allocation Model will be provided to institutions to offset costs of providing undergraduate and graduate programs and reward outcomes under the Performance metrics. No funding is provided to any student, nor will any state funding offset the tuition or fees that are paid by non-resident students. Rather, all state funding provided to our colleges and universities helps support in-state students and keep resident tuition affordable.

THE DECISION

After several discussions about the issues pertaining to students counts, both the Funding Allocation Model Team and the Executive Advisory Group voted to recommend, and CCHHE unanimously approved, including all students throughout the model with the exception of the additional funding provided for Pell-eligible and Under Represented Minorities under the Role & Mission component.

Appendix B. HB 14-1319 Issue Briefs: Underrepresented Minorities

HB 14-1319 recognizes the increased costs associated with providing critical support services to our low-income and minority students. First, the legislation requires an increase in the funding allocation to colleges and universities within the new funding allocation model, in the Role and Mission component, to offset costs associated with providing needed services to Pell-eligible students. Second, it provides the option of providing a similar funding allocation based on the number of underserved/underrepresented minorities and first generation students being served.

Through the public education and outreach process, the message was clear from across the state that Colorado needs to place an emphasis on meeting the needs of the “at risk” student population. In addition, the Colorado Commission on Higher Education’s Master Plan - [Colorado Competes, A Completion Agenda for Higher Education](#) - recognizes the significant attainment gap for these students and sets as its goal the reduction of this gap through increased postsecondary credentials.

BACKGROUND

Research shows that underrepresented minorities do less well, even after correcting for income (and also “readiness”). - [Georgetown Center on Education and the Workforce](#)

- Race matters, controlling for readiness: High-scoring African Americans and Hispanics go to college at the same rates as similarly high-scoring whites, but drop out more often and are less likely to graduate with a Bachelor’s degree.
- Race matters, controlling for income: Lower income African-Americans and Hispanic students do not do as well as lower income whites.
 - White students in the lower half of family income distribution drop out of college much less frequently than African-Americans and Hispanics.
 - Lower income whites get Bachelor’s degrees at nearly twice the rate of African Americans and Hispanics and obtain fewer sub-baccalaureate degrees.

CCHE MASTER PLAN

In 2010, during the Master Planning process, several years of data were examined by CDHE staff to identify where Colorado has demographic gaps in post-secondary attainment. CDHE consulted with The National Center for Higher Education Management Systems (NCHEMS) to align the URM definition to national standards. Based upon the educational disparities of Hispanic, African American, Native American, and Pacific Islanders these minority groups were defined as URM because they have a significantly lower postsecondary retention and attainment rates.

INCORPORATING UNDERREPRESENTED MINORITIES INTO THE FUNDING ALLOCATION MODEL

To meet the attainment goals in the Master Plan, emphasis on the success of underrepresented minorities is essential. The new funding allocation model acknowledges the importance of meeting the needs of these populations and provides increased funding to colleges and universities as follows:

- an amount equal to **10%** of the College Opportunity Fund Stipend for each Pell-eligible student served, and
- an amount equal to **5%** of the College Opportunity Fund Stipend for each underrepresented minority student served.

Appendix C. Funding Allocation Model Definitions and Weights

Role & Mission Factor Definitions and Data Sources		
Factor	Definition	Date Source
Weighted Credit Hours	Utilizing a weighted credit hour taxonomy, this calculation accounts for the role and mission factors spelled out in the legislation, under Section 23-18-303(3). The weighted credit hour factor allocates funding to institutions based upon completed courses as measured by student credit hours. Student credit hours are weighted by discipline cluster in an expanded matrix that is cost informed and was independently developed by the National Center for Higher Education Management Systems (NCHEMS).	Student Unit Record Data System (SURDS)
Pell-eligible	Completed credit hours for resident undergraduate Pell eligible students summed by institution. Credit is given for this metric if a student has been Pell eligible at any time from academic years 2010 to academic year 2014. Use Pell-eligible credit hours as a percent of the College Opportunity Fund (COF) stipend (must never be less than 10 percent of COF).	Student Unit Record Data System (SURDS)
Underrepresented Minorities	Completed credit hours for Underrepresented minorities (URM) summed by institution. The underrepresented minority distinction is given to self-identified Hispanic, Black, Pacific Islander, and Native American as defined in the Colorado Commission on Higher Education’s Master Plan.	Student Unit Record Data System (SURDS)
Tuition Stability Factor	A flat dollar amount to help to ensure institutions can continue to comply with the College Affordability Act, which includes a 6 percent tuition cap on resident tuition.	N/A

Role & Mission Factor Weights	
Factor	Weight
Weighted Credit Hours	See chart below
Pell-eligible	10% of the COF Stipend
Underrepresented Minorities	5% of the COF Stipend
Tuition Stability Factor	N/A (flat dollar amount). For FY 2015-16, \$19.5 million (or 2% of the model total) is allocated through the tuition stability factor.

Weighted Credit Hour Taxonomy					
CIP CODE	Discipline Cluster	Lower Division	Upper Division	Masters	Doctoral/Pro.
Liberal Arts, Math, Social Science, Languages, and Others Cluster					
05	Area, Ethnic, Cultural & Gender Studies	1.0	2.0	4.0	5.0
09	Communication, Journalism	1.0	2.0	4.0	5.0
16	Foreign Languages, Literature & Linguistics	1.0	2.0	4.0	5.0
19	Family, Consumer, & Human Sciences	1.0	2.0	4.0	5.0
23	English Languages & Literature	1.0	2.0	4.0	5.0
24	Liberal Arts and Sciences, General Studies	1.0	2.0	4.0	5.0
25	Library Sciences	1.0	2.0	4.0	5.0
27	Mathematics & Sciences	1.0	2.0	4.0	5.0
28	ROTC	1.0	2.0	4.0	5.0
29	Military Technologies	1.0	2.0	4.0	5.0
30	Interdisciplinary Studies	1.0	2.0	4.0	5.0
38	Philosophy & Religious Studies	1.0	2.0	4.0	5.0
42	Psychology & Applied Psychology	1.0	2.0	4.0	5.0
45	Social Sciences	1.0	2.0	4.0	5.0
54	History	1.0	2.0	4.0	5.0
99	Honors Curriculum, Other	1.0	2.0	4.0	5.0
Basic Skills Cluster					
32	Basic Skills and Remediation (as flagged)	1.5	--	--	--
Business Cluster					
44	Public Administration and Social Services	1.0	2.0	4.0	6.0
52	Business Management, Marketing & Related	1.0	2.0	4.0	6.0
Education Cluster					
13	Education	1.5	2.0	2.5	5.0
Services Cluster					
31	Parks, Recreation, Leisure, Fitness Studies	1.5	2.0	3.0	4.0
12	Personal & Culinary Services	1.5	2.0	3.0	4.0
43	Security & Protective Services	1.5	2.0	3.0	4.0
Visual and Performing Arts Cluster					
50	Visual & Performing Arts	1.5	2.5	5.0	5.0
Trades and Technology Cluster					
46	Construction Trades	2.0	2.5	--	--
47	Mechanics Repair Technologies	2.0	2.5	--	--
48	Precision Production	2.0	2.5	--	--
49	Transportation & Materials Moving	2.0	2.5	--	--
Sciences Cluster					
01	Agricultural Sciences and Related Operations	2.0	3.0	5.0	8.0
03	Natural Resources & Conservation	2.0	3.0	5.0	8.0
11	Computer & Information Sciences	2.0	3.0	5.0	8.0
26	Biological & Biomedical Sciences	2.0	3.0	5.0	8.0
40	Physical Sciences	2.0	3.0	5.0	8.0
Law Cluster					
22	Legal Professions and studies	2.0	2.0	4.0	4.0
Engineering and Architecture Cluster					

Weighted Credit Hour Taxonomy					
CIP CODE	Discipline Cluster	Lower Division	Upper Division	Masters	Doctoral/Pro.
04	Architecture	2.0	3.0	5.0	8.0
14	Engineering	2.0	3.0	5.0	8.0
15	Engineering Technologies	2.0	3.0	5.0	8.0
Health Cluster					
51	Nursing & Allied Health Professions	2.0	2.0	5.0	6.0

Performance Metric Definitions and Data Sources		
Metric	Definition	Data Source
Completion	<p>The number of certificates or degrees awarded an institution and the number of students who transfer from a community college to another institution after the completion of a minimum of 18 credit hours. The amount to be awarded for each certificate or degree is based on the subject and level of the credential.</p> <p>Certificates will be counted when issued for:</p> <ul style="list-style-type: none"> • Programs spanning one year (24 credit hours) or more; or • If program is less than one year (24 credit hours) and meets the federal “gainful employment” definition, or represents the highest award earned at stop-out. <p>Students earning multiple certificates in an academic year will have each earned certificate count as a separate outcome. A community college that receives an incentive for a transfer student cannot also receive a retention bonus for that student in the same year.</p> <p>The value shall be increased for each credential earned or transfer of a Pell-eligible undergraduate student and/or an undergraduate student designated as “underserved”, as defined by the CCHE Master Plan.</p>	Student Unit Record Data System (SURDS)
Retention	<p>The number of students who make the following steps of academic progress:</p> <p>Four-year institutions -number of students who cross the threshold of completing:</p> <ul style="list-style-type: none"> • 30 credit hours • 60 credit hours • 90 credit hours <p>Two-year institutions - number of students who cross the threshold of completing:</p> <ul style="list-style-type: none"> • 15 credit hours • 30 credit hours • 45 credit hours <p>Concurrent enrollment will be included and each student will be counted only once at each academic progress interval.</p>	Student Unit Record Data System (SURDS)

Performance Metric Definitions and Data Sources		
Metric	Definition	Data Source
Volume Adjusted Awards	The Volume Adjusted Awards metric is calculated by: <ol style="list-style-type: none"> 1. Dividing an institutions total weighted degree total by SFTE = "Awards per FTE" 2. Indexing individual institutions' "Awards per FTE" to the state average "Awards per FTE" 3. Multiply "indexed awards per FTE" by total "awards per FTE" funding to get allocation by institution for this metrics 	Student Unit Record Data System (SURDS) Budget Data Book

Performance Metric Weights

Completion and Transfer (CCHE Adopted Model Weight)								
Demand Indication	Transfer (0.25)	Certificates (0.25)	Associates (0.50)	Bachelors (1.00)	Graduate Certificate (0.25)	Masters (1.25)	Specialists (1.25)	Doctoral (1.75)
STEM and Health (1.5)	n x .25	n x 1.5 x 0.25	n x 1.5 x 0.50	n x 1.5 x 1.0	n x 1.5 x 0.25	n x 1.5 x 1.25	n x 1.5 x 1.25	n x 1.5 x 1.75
All Others (1)		n x 1.0 x 0.25	n x 1.0 x 0.50	n x 1.0 x 1.0	n x 1.0 x 0.25	n x 1.0 x 1.25	n x 1.0 x 1.25	n x 1.0 x 1.75

Additional Undergraduate Completion/Transfer Bonus for Priority Populations	
Priority Population	CCHE Adopted Model Weight
Pell-Eligible	1.5
Underserved Populations	1.5

Retention Weights (completed credit hours)	
Credit Hours Accumulated	CCHE Adopted Model Weight
15/30	.25
30/60	.50
45/90	.75

After the points have been calculated for the completion and retention metrics, weights are then uniformly applied to the counts for each institution.

Completion and Retention Metric Weights	
Completion	85%
Retention	15%

Volume Adjusted Awards

This metric functions as a “carve out” off the top of the amount allocated to the Performance component of the model. In the adopted model, 40% of Performance funds are allocated via the Volume Adjusted Awards Metric.

Appendix D. Final Model Dashboards

Budget Dashboard

FUNDING ALLOCATIONS

Total Appropriations for Higher Education

Full Appropriations for Higher Education	\$666,473,827
Specialty Education Programs Amount	\$114,841,868
Local District Junior College Amount	\$15,449,050
Area Vocational Schools Amount	\$9,882,063
New Total State Appropriations for Model (TSA)	\$526,300,815

Budget Percentage Increase

10.00%

SEP Additional Increase

0.00%

COF Stipend

Total Awarded from COF Stipend	\$294,835,172
--------------------------------	---------------

Percent of Appropriation Dedicated to COF Stipend

	56.0%
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COF Stipend must be 52.5% or greater.

COF Stipend per Credit Hour

\$75

Role & Mission and Performance Allocations

Total in Role and Mission Allocation	\$138,879,386
Total: Performance	\$92,586,257

Role and Mission Split Percentage

80%

Performance Split Percentage

40%

Role and Mission Dashboard

ROLE AND MISSION

Governing Board	Dollars Awarded to Pell	Dollars Awarded to URM	Dollars Awarded to Tuition Stability Factor	Dollars Awarded to Weighted Credit Hours	Total Awarded from Role and Mission
Adams TSF \$4,000,000	\$211,403	\$76,041	\$4,000,000	1,690,529	5,977,972
Colorado Mesa Board	\$683,813	\$125,348	\$1,000,000	3,259,433	5,068,593
Community College TSF \$1,000,000	\$156,315	\$39,536	\$2,250,000	5,854,768	8,300,619
CSU TSF \$1,000,000	\$1,502,228	\$420,984	\$1,000,000	18,839,796	21,762,988
CU TSF \$1,500,000	\$6,049,651	\$1,457,566	\$1,000,000	20,445,425	28,952,632
Fort Lewis TSF \$0	\$170,085	\$42,894	\$0	2,311,894	2,524,642
Mesa TSF \$1,000,000	\$1,603,703	\$478,489	\$0	8,154,446	10,236,637
Metro State TSF \$0	\$2,168,768	\$802,025	\$1,500,000	34,214,745	38,485,538
Mines TSF \$2,250,000	\$688,858	\$197,914	\$6,000,000	6,608,936	13,475,708
Northern TSF \$6,000,000	\$113,426	\$17,936	\$2,750,000	1,212,694	4,094,056
Western TSF \$2,750,000	\$13,328,247	\$3,468,502	\$19,500,000	102,592,637	138,879,386
Grand Total					

Pell Carveout 10.0%

URM Carveout 5.0%

Performance Dashboard

PERFORMANCE				
Transfer Weight 0.25	Governing Board	Dollars Awarded to Completion and Retention	Dollars Awarded to Volume Adjusted Awards	Dollars Awarded to Performance
Certificate Weighting 0.25	Adams State University Board	\$884,907	\$4,091,388	\$4,976,296
Associate Weight 0.5	Colorado Mesa Board	\$1,773,358	\$2,983,170	\$4,736,528
Baccalaureate Weight 1	Colorado School of Mines Board	\$1,839,041	\$4,099,404	\$5,938,444
Grad. Certificate Weight 0.25	Colorado State University Board	\$10,083,649	\$4,025,733	\$14,109,382
Master Weight 1.25	Community College System Board	\$12,961,229	\$2,369,501	\$15,330,730
Specialist Weight 1.25	Fort Lewis College Board	\$1,115,203	\$3,778,955	\$4,894,158
Doctorate Weight 1.25	Metro State University Board	\$5,203,529	\$3,662,867	\$8,866,396
	University of Colorado Board	\$17,393,403	\$4,006,089	\$21,399,492
	University of Northern Colorado Board	\$3,666,591	\$4,042,200	\$7,708,791
	Western State Board	\$630,845	\$3,995,195	\$4,626,039

Total Weighted Completions		Volume Adjustment Factors	
Completion Weight	85%	Awards per SFTE	\$37,034,503
Retention Weight	15%	Completion & Retention	\$55,551,754
URM Bonus	1.5	Total: Performance	\$92,586,257
Pell Bonus	1.5	Two-Pass Total on SFTE	100.27307
Priority Bonus	1.5	Volume Adjustment	40%
		Volume Adjustment Total	100.27307

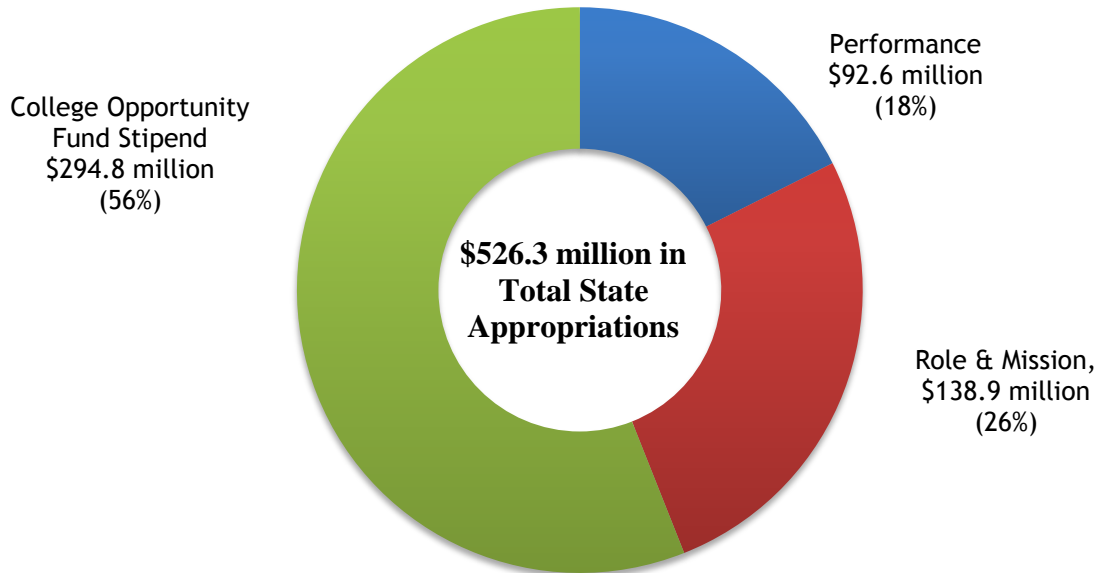
- Adams State University Board
- Colorado Mesa Board
- Colorado School of Mines Board
- Colorado State University Board
- Community College System Board
- Fort Lewis College Board
- Metro State University Board
- University of Colorado Board
- University of Northern Colorado Board
- Western State Board

Final Model Output Dashboard

FUNDING BY GOVERNING BOARD									
Governing Board	Total Awarded from COF Stipend	Total Awarded from Role and Mission	Dollars Awarded to Performance	Total Allocation from Model	Total Allocation with SEP	Percentage Change (w/o SEP Included)	Percentage Change (with SEP Included)	Guardrail-Implemented Totals	Guardrail-Implemented Percentage Change
Adams State University Board	\$3,016,992	\$5,977,972	\$4,976,295	\$13,971,259	\$13,971,259	8.81%	8.81%	\$13,961,407	8.74%
Colorado Mesa Board	\$14,618,398	\$5,068,593	\$4,736,528	\$24,423,520	\$24,423,520	10.83%	10.83%	\$24,402,736	10.74%
Colorado School of Mines Board	\$6,294,965	\$8,300,619	\$5,938,444	\$20,534,029	\$20,534,029	9.97%	9.97%	\$20,517,825	9.88%
Colorado State University Board	\$44,044,384	\$21,762,988	\$14,109,382	\$79,916,754	\$133,247,272	8.69%	9.21%	\$79,861,112	8.62%
Community College System Board	\$109,407,533	\$28,952,632	\$15,330,730	\$153,690,895	\$153,690,895	11.55%	11.55%	\$153,552,335	11.45%
Fort Lewis College Board	\$4,549,191	\$2,524,642	\$4,894,158	\$11,967,992	\$11,967,992	12.93%	12.93%	\$11,956,065	12.81%
Metro State University Board	\$31,767,193	\$10,236,637	\$8,866,396	\$50,870,227	\$50,870,227	16.05%	16.05%	\$50,353,372	14.87%
University of Colorado Board	\$61,172,856	\$38,485,538	\$21,399,492	\$121,057,886	\$182,569,236	8.85%	9.23%	\$120,972,209	8.77%
University of Northern Colorado Board	\$17,188,793	\$13,475,708	\$7,708,791	\$38,373,291	\$38,373,291	2.69%	2.69%	\$39,236,691	5.00%
Western State Board	\$2,774,867	\$4,094,056	\$4,626,039	\$11,494,963	\$11,494,963	8.57%	8.57%	\$11,487,064	8.49%

Governing Board	Percentage Change
Adams State University Board	8.81%
Colorado Mesa Board	10.83%
Colorado School of Mines Board	9.97%
Colorado State University Board	8.69%
Community College System Board	11.55%
Fort Lewis College Board	12.93%
Metro State University Board	16.05%
University of Colorado Board	8.85%
University of Northern Colorado Board	2.69%
Western State Board	8.57%

Appendix E. Summary of Model Components (FY 2015-16 Request)



College Opportunity Fund Stipend

\$294.8 million (56% of Total State Appropriations)

Resident student stipends authorized under the College Opportunity Fund Program 23-18-201, et.seq. The COF stipend is set at \$75 per credit hour and is based on enrollment projections included in the 2014-2015 Long Bill.

The COF stipend is set at \$75 per credit hour

Role & Mission

\$138.9 million (26% of Total State Appropriations)

Role and mission fee-for-service contracts authorized under Section 23-18-303 (3) and comprised of 3 metrics:

1. Weighted Credit Hours. **Completed** student credit hours multiplied by a weighted discipline cluster according to a recognized cost-informed matrix
2. Pell-Eligible and Underepresented Minority Students (URM). Based on a percentage of the COF stipend, provides funding support for resident low-income and underrepresented student populations
3. Tuition Stability Factor. Additional factor to help to ensure institutions can continue to comply with SB 1 and the 6% tuition cap.

Role & Mission Factors

(\$ in millions)

Tuition Stability Factor
\$19.5
(14%)



Pell-Eligible/URM,
\$18.8,
(13%)

Weighted Credit Hours
\$102.6
(73%)

Performance

\$92.6 million (18% of Total State Appropriations)

Performance funding fee-for-service contracts authorized under Section 23-18-303 (4) C.R.S. and is comprised of two metrics:

1. Completion and Retention. Rewards institutions for number of students they transfer, retain, and confer degrees/certificates (60% of Performance Funding).
2. Volume Adjusted Awards, rewards performance in a manner that recognizes institutional performance in relation to size and capacity (40% of Performance Funding).

Performance Metrics

(\$ in millions)

Volume Adjusted Awards
\$37.0
(40%)



Completion and Retention
\$55.6
(60%)

MEMORANDUM

TO: Joint Budget Committee

FROM: Amanda Bickel, JBC Staff

SUBJECT: Additional “runs” of higher education funding allocation model

DATE: March 10, 2015

Additional Options for Higher Education Funding Allocation

During figure setting for the Department of Higher Education on March 3, 2015, the Committee requested several additional “runs” of the higher education funding allocation model. Based on the Committee’s discussion, staff has attached the following three versions for the Committee’s consideration. Staff has called these options 4, 5, and 6 to differentiate from the versions included in the figure setting packet

OPTION 4: This version of the allocation model increases overall funding for the governing boards by 12.5 percent (an increase that includes the \$15 million in transitional funding requested by the Governor’s Office) allocated through the H.B. 14-1319 funding model, with an adjustment to ensure all institutions receive a minimum of 10%.

OPTION 5: This version allocates the full 12.5 percent increase among the governing boards, maintains the floor of 10% as in Option 4, but removes any funding for “under-represented minorities” (URM) from both the role and mission and performance funding components of the model.

OPTION 6: This version is based on a combination of #4 and #5. This version is **designed to provide total allocation amounts very similar to those that come from Option #4 but without any funding allocated based on URM (like Option #5)**. This version includes the following “tweaks” to the funding model originally submitted in the request:

- the Pell carve-out in role and mission funding (an add-on to COF stipends for Pell-eligible students) is increased from 10.0 percent to 13.0 percent; and
- the Pell bonus in the performance funding side of the model (the extra “points” for degrees earned and retention of Pell-eligible students) is increased from 1.5 to 1.6.

There are numerous ways in which the alternatives requested by the Committee could be developed. **In general, staff has attempted to provide options that are easy to explain and conform as much as possible to the allocation model settings that were originally submitted. In particular, staff has tried to avoid adjusting the “Tuition Stability Factor” within role and mission funding.** This part of the model is highly flexible and would allow the JBC to back into specific dollar figures. However, since staff would like to see the Department move away from this factor toward factors with more rationale, staff tried to avoid adjustments in this area.

For **Option 4**, staff considered three options. These included a version in which UNC was boosted to a ten percent increase via the Tuition Stability Factor (an option provided by the Department at staff's request) and another option in which final adjustments to bring UNC to 10.0 percent were done outside the NCHEMS-developed "machine". *All versions staff considered yielded similar, though not identical results. The version staff has included in this packet simply allocates the 12.5 percent through the funding model and then uses a guardrail adjustment (currently done on a spreadsheet outside the model) to squeeze the results between 10.0 percent and 17.5 percent—rather than the 7.5 percent and 17.5 percent established for the guardrails in H.B. 14-1319.* Staff believes the change between 7.5 percent and 10.0 percent on the floor can be considered additional role and mission funding authorized by the General Assembly.

For Option 6 staff also considered alternative approaches. For example, the Department developed a version at staff's request that adjusted the Tuition Stability Factor amounts so that the final allocations mirrored those in Option #4. However, since staff would like to avoid these kinds of adjustments, the adjustment to Pell settings appears to be a good alternative. It provides extremely similar results to Option 4 by focusing additional resources on economically disadvantaged students.

SENATOR STEADMAN OPTION: During the figure setting presentation, Senator Steadman indicated that he was interested in reducing funding to the Governing Boards in FY 2015-16 by the amount of indirect cost collections you chose **not** to collect in FY 2015-16 related to FY 2014-15 operating costs for H.B. 14-1319. The difference between the Department request (which you approved) and the staff recommendation for indirect cost collections was \$610,220. The Committee did not vote on this option. However, if the Committee wishes to pursue it, **staff could run any of the model runs described above, lowering the total allocation to a 12.4 percent increase over the FY 2014-15 base (instead of a 12.5 percent increase). This would yield a total allocation amount of \$680,382,792--\$605,324 below the 12.5 percent discussed this far.**

OTHER ALLOCATION AMOUNTS: The Committee has thus far expressed interest in a 12.5 percent increase in funding over the base (\$75,665,346 total increase). As the base funding for the governing boards in FY 2014-15 was \$605,322,769, **each 1.0 percent increase or decrease from the base will be an adjustment of \$6,053,228.**

Related Question – Future Model Improvements – Request for Information

During the figure setting presentation for the Department of Higher Education, the Committee approved a request for information drafted by staff related to future versions of the allocation model. *The staff version focused primarily on technical improvements, rather than the content of the model, with the expectation that the Committee might want to make additions related to content.*

Below is the version of the RFI approved thus far:

1. Department of Higher Education, Colorado Commission on Higher Education, Administration – The Joint Budget Committee requests that, by November 1, 2015, the Department incorporate the following functionality into the automated tool that supports the funding model developed pursuant to H.B. 14-1319:
 - Ability to download model settings and funding results into an Excel spreadsheet format for any given “run” of the model. This tool should allow anyone using the model to compare the impact of various model settings without excessive data entry.
 - To the extent feasible, ability 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. This would enable the General Assembly to increase or decrease support for services to Pell-eligible students or masters degrees awarded without simultaneously *reducing* funding to other model components.
 - Ability to weight funding associated with resident students and non-resident students differently.
 - Capacity for all concerned parties to examine data used by the model and to consider how model results would change with different underlying data, e.g., data from prior years.

Additional items that the Committee might wish to consider including:

- Ensure that the “Tuition Stability Factor” amounts have a rational basis and reflect legislative intent that similarly situated institutions receive similar treatment;
- To the extent feasible, take into account other sources of funding available to the institution, such as non-resident tuition and the Ft. Lewis Native American Tuition Waiver; and
- To the extent feasible, structure the model so that institutions that are supposed to be high performing, such as the University of Colorado and Colorado State University, are effectively rewarded for their performance and that small institutions are not disproportionately dependent on the performance elements of the model.

Summary - Comparison Various Additional Options for H.B. 14-1319 Model

Background: Comparison Request to Original Staff Recommendation (3/3/15)																
	Recommendation excludes annualization of SB 13-033 in base, adds 1% to LDJCs & AVS, reduces S-PIP to \$10.0 million															
Request v. Rec.	Adams	Mesa	Mines	CSU	CCC	Ft. Lewis	Metro	CU	UNC	Western	Aims	CMC	voc ed	S-PIP	Grand total	
FY 2014-15 approp.	\$12,837,288	\$22,027,251	\$18,669,456	\$121,978,483	\$137,465,925	\$10,594,604	\$43,681,193	\$167,097,810	\$37,357,027	\$10,585,447	\$6,435,286	\$7,609,305	\$8,983,694	10,404,825	\$605,322,769	
Request	14,123,492	24,402,736	20,540,114	134,208,507	153,552,335	11,956,065	50,353,372	183,849,666	41,105,105	11,646,467	7,078,814	8,370,236	9,882,063	10,404,825	681,473,797	
Recommendation	14,121,017	24,377,657	20,536,402	134,176,331	153,470,358	11,939,123	50,171,487	183,807,591	41,092,730	11,643,992	7,143,622	8,446,868	9,972,536	10,000,000	680,899,714	
Recommend % above/(below) 14-15	10.0%	10.7%	10.0%	10.0%	11.6%	12.7%	14.9%	10.0%	10.0%	10.0%	11.0%	11.0%	11.0%		12.5%	
Recommend above/(below) request	(2,475)	(25,079)	(3,712)	(32,176)	(81,977)	(16,942)	(181,885)	(42,075)	(12,375)	(2,475)	64,808	76,632	90,473	(404,825)	(574,083)	

Comparison Option #4 to FY 2014-15 & Request																
	excludes annualization of SB 13-033 in base															
	increases total funding within the model to 12.5% increase AND brings all to minimum 10% increase. No S-PIP.															
	Adams	Mesa	Mines	CSU	CCC	Ft. Lewis	Metro	CU	UNC	Western	Aims	CMC	voc ed	S-PIP	Grand total	
FY 2014-15 approp.	\$12,837,288	\$22,027,251	\$18,669,456	\$121,978,483	\$137,465,925	\$10,594,604	\$43,681,193	\$167,097,810	\$37,357,027	\$10,585,447	\$6,435,286	\$7,609,305	\$8,983,694	10,404,825	\$605,322,769	
FY 2015-16 Request	14,123,492	24,402,736	20,540,114	134,208,507	153,552,335	11,956,065	50,353,372	183,849,666	41,105,105	11,646,467	7,078,814	8,370,236	9,882,063	10,404,825	681,473,797	
FY 2015-16 Option #4	14,293,237	24,797,563	21,157,250	136,192,215	155,360,138	12,319,563	51,124,613	186,969,732	41,092,730	11,774,255	7,239,697	8,560,468	10,106,656		680,988,116	
Option #4 above/(below) 14-15	11.3%	12.6%	13.3%	11.7%	13.0%	16.3%	17.0%	11.9%	10.0%	11.2%	12.5%	12.5%	12.5%		12.5%	
Option #4 above/(below) request	169,745	394,827	617,136	1,983,708	1,807,803	363,498	771,241	3,120,066	(12,375)	127,788	160,883	190,232	224,593	(10,404,825)	(485,681)	

Comparison Option #5 to FY 2014-15 and Request																
	excludes annualization of SB 13-033 in base															
	no under-represented minority amounts (URM) in role and mission or performance															
	increases total funding within the model to 12.5% increase AND brings all to minimum 10% increase. No S-PIP.															
	Adams	Mesa	Mines	CSU	CCC	Ft. Lewis	Metro	CU	UNC	Western	Aims	CMC	voc ed	S-PIP	Grand total	
FY 2014-15 approp.	\$12,837,288	\$22,027,251	\$18,669,456	\$121,978,483	\$137,465,925	\$10,594,604	\$43,681,193	\$167,097,810	\$37,357,027	\$10,585,447	\$6,435,286	\$7,609,305	\$8,983,694	10,404,825	\$605,322,769	
FY 2015-16 Request	14,123,492	24,402,736	20,540,114	134,208,507	153,552,335	11,956,065	50,353,372	183,849,666	41,105,105	11,646,467	7,078,814	8,370,236	9,882,063	10,404,825	681,473,797	
Option #5	14,221,324	24,773,212	21,401,336	136,480,576	154,297,532	12,236,536	51,056,030	187,642,485	41,092,730	11,879,533	7,239,697	8,560,468	10,106,656		680,988,114	
Option #5 % above/(below) 14-15	10.8%	12.5%	14.6%	11.9%	12.2%	15.5%	16.9%	12.3%	10.0%	12.2%	12.5%	12.5%	12.5%		12.5%	
Option #5 above/(below) request	97,832	370,476	861,222	2,272,069	745,197	280,471	702,658	3,792,819	(12,375)	233,066	160,883	190,232	224,593	(10,404,825)	(485,683)	

Comparison Option #6 to FY 2014-15 and Request

- excludes annualization of SB 13-033 in base
- no under-represented minority amounts (URM) in role and mission or performance
- increases total funding within the model to 12.5% increase AND brings all to minimum 10% increase via guardrails. No S-PIP.
- increases Pell in role and mission to 13.0% and in performance to 1.6 bonus (goal of results similar to Option 4)

	Adams	Mesa	Mines	CSU	CCC	Ft. Lewis	Metro	CU	UNC	Western	Aims	CMC	voc ed	S-PIP	Grand total
FY 2014-15 approp.	\$12,837,288	\$22,027,251	\$18,669,456	\$121,978,483	\$137,465,925	\$10,594,604	\$43,681,193	\$167,097,810	\$37,357,027	\$10,585,447	\$6,435,286	\$7,609,305	\$8,983,694		\$605,322,769
FY 2015-16 Request	14,123,492	24,402,736	20,540,114	134,208,507	153,552,335	11,956,065	50,353,372	183,849,666	41,105,105	11,646,467	7,078,814	8,370,236	9,882,063	10,404,825	681,473,797
Option #6	14,213,888	24,885,533	21,215,828	136,183,357	155,344,549	12,198,956	51,107,501	186,970,851	41,092,730	11,868,098	7,239,697	8,560,468	10,106,656		680,988,112
Option #6 above/(below) 14-15	10.7%	13.0%	13.6%	11.6%	13.0%	15.1%	17.0%	11.9%	10.0%	12.1%	12.5%	12.5%	12.5%		12.5%
Option #6 above/(below) request	90,396	482,797	675,714	1,974,850	1,792,214	242,891	754,129	3,121,185	(12,375)	221,631	160,883	190,232	224,593	(10,404,825)	(485,685)

Comparison Option #4 and Options #6

Totals in Option #6 are intended to be close to Option #4

	Adams	Mesa	Mines	CSU	CCC	Ft. Lewis	Metro	CU	UNC	Western	Aims	CMC	voc ed	S-PIP	Grand total
FY 2015-16 Option #4	\$14,293,237	\$24,797,563	\$21,157,250	\$136,192,215	\$155,360,138	\$12,319,563	\$51,124,613	\$186,969,732	\$41,092,730	\$11,774,255	\$7,239,697	\$8,560,468	\$10,106,656		\$680,988,116
Option #6	14,213,888	24,885,533	21,215,828	136,183,357	155,344,549	12,198,956	51,107,501	186,970,851	41,092,730	11,868,098	7,239,697	8,560,468	10,106,656		680,988,112
Option #6 above/(below) Option #4	(79,349)	87,970	58,578	(8,858)	(15,590)	(120,606)	(17,112)	1,119	-	93,843	-	-	-	-	(4)
Variance	-0.6%	0.4%	0.3%	0.0%	0.0%	-1.0%	0.0%	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%

Option #4- 12.5% increase (to capture the \$15 million). All adjustments consistent with model rules (including LDJCs, speciality education). Set guard rails at 10% and 17.5%

12.50%

FY 2014-15 Appropriation - Calculation Base				FY 2015-16 Appropriation Calculations								
FY 2014-15 enacted appropriation NO 13-033 annualization	TSA start	specialty ed	COF Stipends	Role & Mission	Performance	"Total State Appropriation" (TSA) Before		TSA After Guardrails	Specialty education	Total Before Adjustments Outside of Model	Adjust to bring all to 10%	Total with All Adjustments
						Guardrails	Guardrails					
Adams	12,837,288	12,837,288	3,014,742	6,092,479	5,225,291	14,332,512	(39,275)	14,293,237		14,293,237		14,293,237
Mesa	22,027,251	22,027,251	14,609,398	5,289,368	4,973,527	24,872,293	(74,730)	24,797,563		24,797,563		24,797,563
Mines	18,669,456	18,669,456	6,291,590	8,697,187	6,235,582	21,224,359	(67,109)	21,157,250		21,157,250		21,157,250
CSU	121,978,483	73,496,194	48,482,289	44,015,134	23,039,084	14,815,364	81,869,582	(219,942)	81,649,640	54,542,575	136,192,215	136,192,215
CCC	137,465,925	137,465,925	109,407,533	30,337,484	16,097,824	155,842,841	(482,703)	155,360,138		155,360,138		155,360,138
Ft. Lewis	10,594,604	10,594,604	4,545,816	2,681,234	5,139,044	12,366,094	(46,531)	12,319,563		12,319,563		12,319,563
Metro	43,681,193	43,681,193	31,613,068	10,788,971	9,310,038	51,712,077	(587,464)	51,124,613		51,124,613		51,124,613
CU	167,097,810	111,178,401	55,919,409	61,134,606	40,803,042	22,470,245	124,407,893	(347,496)	124,060,397	62,909,335	186,969,732	186,969,732
UNC	37,357,027	37,357,027	17,177,543	13,923,358	8,094,510	39,195,411	1,897,319	41,092,730		41,092,730		41,092,730
Western	10,585,447	10,585,447	2,772,617	4,176,197	4,857,509	11,806,323	(32,068)	11,774,255		11,774,255		11,774,255
subtotal	582,294,484	477,892,786	104,401,698	294,582,047	145,828,404	97,218,934	537,629,385	-	537,629,385	117,451,910	655,081,295	655,081,295
							537,629,384					
Aims	6,435,286	-	6,435,286						7,239,697	7,239,697		7,239,697
CMC	7,609,305	-	7,609,305						8,560,468	8,560,468		8,560,468
voc ed	8,983,694	-	8,983,694						10,106,656	10,106,656		10,106,656
TOTAL w/ S-PIP	605,322,769	477,892,786	127,429,983						537,629,385	143,358,731	680,988,116	680,988,116
Grand total												680,988,116

Option #5- 12.5% increase (to capture the \$15 million). Include the UNC adjustment. Eliminate URM. All adjustments consistent with model rules (including LDJCs, speciality education). Set guard rails at 10% and 17.5%

12.50%

FY 2014-15 Appropriation - Calculation Base				FY 2015-16 Appropriation Calculations									
FY 2014-15 enacted approp NO 13-033 annualization	TSA start	specialty ed		"Total State Appropriation" (TSA) Before			Guardrails	Guardrails	TSA After Guardrails	Specialty education	Total Before Adjustments Outside of Model	Adjust to bring all to 10%	Total with All Adjustments
				COF Stipends	Role & Mission	Performance							
Adams	12,837,288	12,837,288		3,014,742	6,073,427	5,171,669	14,216,419		4,905	14,221,324			14,221,324
Mesa	22,027,251	22,027,251		14,609,398	5,273,899	4,975,260	24,772,140		1,072	24,773,212			24,773,212
Mines	18,669,456	18,669,456		6,291,590	8,855,021	6,348,052	21,408,433		(7,097)	21,401,336			21,401,336
CSU	121,978,483	73,496,194	48,482,289	44,015,134	23,253,228	14,917,019	81,920,171		17,830	81,938,001	54,542,575		136,480,576
CCC	137,465,925	137,465,925		109,407,533	29,569,163	15,837,615	154,284,807		12,725	154,297,532			154,297,532
Ft. Lewis	10,594,604	10,594,604		4,545,816	2,716,476	5,031,961	12,242,377		(5,841)	12,236,536			12,236,536
Metro	43,681,193	43,681,193		31,613,068	10,585,377	9,209,879	51,092,087		(36,057)	51,056,030			51,056,030
CU	167,097,810	111,178,401	55,919,409	61,134,606	41,354,430	22,659,051	124,721,707		11,443	124,733,150	62,909,335		187,642,485
UNC	37,357,027	37,357,027		17,177,543	13,948,238	8,120,966	41,092,730		(0)	41,092,730			41,092,730
Western	10,585,447	10,585,447		2,772,617	4,199,142	4,947,463	11,878,513		1,020	11,879,533			11,879,533
subtotal	582,294,484	477,892,786	104,401,698	294,582,047	145,828,401	97,218,935	537,629,384		(1)	537,629,383	117,451,910		655,081,293
							537,629,384						
Aims	6,435,286	-	6,435,286				0			7,239,697			7,239,697
CMC	7,609,305	-	7,609,305							8,560,468			8,560,468
voc ed	8,983,694	-	8,983,694							10,106,656			10,106,656
TOTAL w/ S-PIP	605,322,769	477,892,786	127,429,983							537,629,383	143,358,731		680,988,114
Grand total													680,988,114

Option #6- 12.5% increase (to capture the \$15 million). Eliminate URM. Increase Pell to 13% on role & mission and 1.6% on performance. All other adjustments consistent with model rules (including LDJCs, speciality education). Set guard rails at 10% and 17.5%

12.50%

FY 2014-15 Appropriation - Calculation Base				FY 2015-16 Appropriation Calculations									
FY 2014-15 enacted approp NO 13-033 annualization	TSA start	specialty ed		"Total State Appropriation" (TSA) Before			Guardrails	Guardrails	TSA After Guardrails	Specialty education	Total Before Adjustments Outside of Model	Adjust to bring all to 10%	Total with All Adjustments
				COF Stipends	Role & Mission	Performance							
Adams	12,837,288	12,837,288		3,014,742	6,070,961	5,168,577	14,254,280	(40,392)	14,213,888		14,213,888		14,213,888
Mesa	22,027,251	22,027,251		14,609,398	5,352,009	5,007,993	24,969,400	(83,867)	24,885,533		24,885,533		24,885,533
Mines	18,669,456	18,669,456		6,291,590	8,673,730	6,325,223	21,290,543	(74,715)	21,215,828		21,215,828		21,215,828
CSU	121,978,483	73,496,194	48,482,289	44,015,134	22,969,629	14,894,996	81,879,759	(238,977)	81,640,782	54,542,575	136,183,357		136,183,357
CCC	137,465,925	137,465,925		109,407,533	30,587,213	15,874,393	155,869,139	(524,590)	155,344,549		155,344,549		155,344,549
Ft. Lewis	10,594,604	10,594,604		4,545,816	2,677,398	5,022,817	12,246,031	(47,075)	12,198,956		12,198,956		12,198,956
Metro	43,681,193	43,681,193		31,613,068	10,748,674	9,236,481	51,598,223	(490,722)	51,107,501		51,107,501		51,107,501
CU	167,097,810	111,178,401	55,919,409	61,134,606	40,671,565	22,633,358	124,439,529	(378,013)	124,061,516	62,909,335	186,970,851		186,970,851
UNC	37,357,027	37,357,027		17,177,543	13,891,317	8,107,884	39,176,744	1,915,986	41,092,730		41,092,730		41,092,730
Western	10,585,447	10,585,447		2,772,617	4,185,906	4,947,210	11,905,733	(37,635)	11,868,098		11,868,098		11,868,098
subtotal	582,294,484	477,892,786	104,401,698	294,582,047	145,828,402	97,218,932	537,629,381	-	537,629,381	117,451,910	655,081,291		655,081,291
							537,629,384						
Aims	6,435,286	-	6,435,286				3			7,239,697	7,239,697		7,239,697
CMC	7,609,305	-	7,609,305							8,560,468	8,560,468		8,560,468
voc ed	8,983,694	-	8,983,694							10,106,656	10,106,656		10,106,656
TOTAL w/ S-PIP	605,322,769	477,892,786	127,429,983						537,629,381	143,358,731	680,988,112		680,988,112
Grand total													680,988,112

MEMORANDUM

TO: Joint Budget Committee

FROM: Amanda Bickel

SUBJECT: History Colorado Comebacks

DATE: March 13, 2015

Staff recommends four adjustments to the Committee's previous action for History Colorado

Continuous Spending Authority Issue and Grants Line Item

Staff has learned that the Controller's Office has been treating the History Colorado line item associated with State Historical Fund Grants, which through FY 2014-15 also included appropriations for administration of the grants, as continuously appropriated. This has apparently been occurring for many years—likely back to 1991. This surprised staff, since, based on conversations with the Office of Legislative Legal Services (OLLS) in 2013, staff had understood that all funding for History Colorado was subject to annual appropriation. History Colorado provided staff with a memo from the Attorney General's Office, dated December 17, 1991, interpreting statutory provisions at 12-47.1-701 (1) (b) [concerning establishment of the Limited Gaming Fund in the Department of Revenue] and 12-47.1-1201 (3) [concerning the Historical Society's use of the State Historical Fund] as providing continuous spending authority.

Staff thinks it may be reasonable to provide History Colorado with continuous spending authority for the statewide grants program authorized by the Constitution. However, *staff does not believe grants administration should be treated as continuously appropriated and is very uncomfortable that the AG/Controller and OLLS can have such different interpretations of existing statute.* **Thus, staff believes the bill the JBC has already voted to carry to clean up the History Colorado fund structure should clearly articulate whether or not any of the funding for History Colorado in the State Historical Fund is subject to annual appropriation or not. In staff's opinion, these moneys should be subject to annual appropriation with the sole possible exception of amounts appropriated for grants. Staff requests permission to include associated changes in the bill draft being prepared for the Committee, using whichever approach the Committee prefers.**

Option 1: If the Committee is comfortable treating grants as continuously appropriated, staff recommends reducing the appropriation for the Historical Fund Program Grants line item to an amount based on new moneys anticipated to be available for FY 2015-16. This option would reduce the appropriation from \$9,500,000 to \$7,500,000 and include an "(I)" notation on the Grants line item, indicating it is shown for informational purposes only because it is continuously appropriated (the way the Controller has been treating it). The highest recent estimate for gaming revenue (OSPB December forecast) indicates a total of \$9,458,880 available for the grant program and related administration. Staff anticipates that, of this amount, about \$2.0 million would be used for administration.

Options 2: If the Committee is not comfortable treating grants as continuously appropriated and wishes to clarify this in statute, staff recommends keeping the total line item at the \$9.5 million level but including a footnote to clarify that, of the total, approximately \$7.5 million is anticipated to be from new funds available in FY 2015-16 and \$2.0 million is anticipated to be from amounts previously received and committed to projects but not yet spent.

The Committee previously approved a related footnote. This footnote reflects an expectation that grant appropriations might be appropriated in one year and then rolled forward for multiple years. *Based on further consultation with the Controller's Office, staff believes this may create unnecessary complications. Thus staff recommends one of the following two footnotes, depending upon whether the Committee wishes to use Option 1 or 2 described above.*

Option 1 Footnote:

N Department of Higher Education, History Colorado, State Historical Fund, Grants – ~~Of this amount, \$7,000,000, estimated to be the new “majority share” gaming revenues available in FY 2015-16 after administration and transfers, remains available until June 30, 2018. The balance of moneys in the line item reflects spending authority for amounts encumbered in prior years. [Note: language for this footnote is anticipated to be modified after further consultation with the Controller's Office]~~ 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.

Option 2 Footnote:

N Department of Higher Education, History Colorado, State Historical Fund, Grants – Of this amount, ~~\$7,000,000~~, \$7,500,000, is estimated to be the new “majority share” gaming revenues available in FY 2015-16. ~~after administration and transfers, remains available until June 30, 2018.~~ The balance of moneys in the line item reflects spending authority for amounts RECEIVED AND encumbered OR COMMITTED in prior years THAT ARE BEING SPENT OVER MULTIPLE YEARS. ~~[Note: language for this footnote is anticipated to be modified after further consultation with the Controller's Office]~~

Enterprise Services Cash Fund [Bill Drafting Question]

During meetings with History Colorado regarding the proposed History Colorado Fund Clean-up Bill, History Colorado requested that, as part of the bill, the Committee adjust the reserve cap for the Enterprise Services Cash Fund. Staff anticipates that the bill will more formally create this fund in statute and will require that all History Colorado earned revenue (e.g., from museum admissions and gift shop sales) be deposited to and spent from this fund. Current earned revenue appropriations for History Colorado are set at \$4.4 million, though it remains to be seen whether

History Colorado can earn that much. In FY 2013-14, History Colorado exceeded the 16.5 percent reserve cap on the fund and thus spent down some of the fund balance. **The agency proposes that the reserve cap for this fund be raised to 50 percent of annual appropriations. Given that this represents earned revenue—rather than fees—and that History Colorado must establish an effective business operation to be viable, staff believes this additional flexibility is appropriate and recommends this change be included in the bill now being drafted.**

Recommended Further Change to Previously Approved HC Long Bill Footnote

During figure setting for History Colorado, staff recommended cuts to FY 2015-16 spending authority based on gaming revenue anticipated to be received. As indicated in the presentation, the cuts were actually less than might be warranted by History Colorado ‘s revenue but were designed to give History Colorado some flexibility in ramping down its spending if it is unable to identify new revenue.

Staff did not include cuts to the FY 2014-15 budget, recognizing that the state budget represents a ceiling and not a floor. However, staff assumed that History Colorado would start working proactively to reduce spending. Staff has become increasingly concerned that History Colorado may be—incorrectly—viewing the lack of a cut in FY 2014-15 as implied approval of ongoing spending at current levels. **To ensure there is no misunderstanding on this point, staff recommends the following adjustment to the footnote previously approved.**

N 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.**

Technical Adjustment: FTE

History Colorado has requested that 2.0 FTE be moved from one line to another in its Long Bill reorganization. The table below shows the revision proposed. Staff recommends this.

	3/3/15 FTE approved	Proposed Change	Revised FTE
(B) History Colorado Museums			
History Colorado Center	58.4	(2.0)	56.4
(C) Office of Archeology and Historic Preservation			
	21.0	2.0	23.0

MEMORANDUM

TO: Joint Budget Committee

FROM: Amanda Bickel, JBC Staff

SUBJECT: Recommended additional RFI for Higher Education

DATE: March 13, 2015

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

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

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

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

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

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

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

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MEMORANDUM

TO: Joint Budget Committee

FROM: Amanda Bickel

SUBJECT: Lease Purchase Payment (COP) for Fitzsimons Fund Sources

DATE: March 17, 2015

The Committee has voted to move various lease purchase payment line items from the capital budget to the operating budget. One of the items it has elected to move is the University of Colorado Lease Purchase of Academic Facilities at Fitzsimons line item. This line item is supported through a combination of tobacco settlement and General Fund revenue.

The Committee previously approved \$14,289,937 for this line item, including \$7,000,000 from Tobacco Settlement funds with the balance from General Fund. **Based on FY 2015-16 Tobacco Settlement figure setting, staff recommends that the Tobacco Settlement moneys be increased to \$7,085,006 from this source, with the General Fund amount reduced to \$7,204,931 (a savings of \$85,006 General Fund).**

MEMORANDUM

TO: Joint Budget Committee

FROM: Amanda Bickel, JBC Staff

SUBJECT: Technical corrections to governing board allocation option spreadsheets

DATE: March 17, 2015

The Department brought to staff's attention two technical errors in the spreadsheet on Higher Education Governing Board allocation options presented on 3/13/2015.

Specifically: (1) Numbers in the "Option 5" model were slightly off due to a cut-and-paste error; and (2) the titles for Colorado Mountain College and Aims Community College were reversed. Replacement pages are attached below. The Committee has not acted on any option thus far, but staff wanted to ensure the Committee had the corrected spreadsheet for their decision-making. Changes from the original are highlighted.

Summary - Comparison Various Additional Options for H.B. 14-1319 Model

Background: Comparison Request to Original Staff Recommendation (3/3/15)

- Recommendation excludes annualization of SB 13-033 in base, adds 1% to LDJCs & AVS, reduces S-PIP to \$10.0 million

Request v. Rec.	Adams	Mesa	Mines	CSU	CCC	Ft. Lewis	Metro	CU	UNC	Western	CMC	Aims	voc ed	S-PIP	Grand total
FY 2014-15 approp.	\$12,837,288	\$22,027,251	\$18,669,456	\$121,978,483	\$137,465,925	\$10,594,604	\$43,681,193	\$167,097,810	\$37,357,027	\$10,585,447	\$6,435,286	\$7,609,305	\$8,983,694		\$605,322,769
Request	14,123,492	24,402,736	20,540,114	134,208,507	153,552,335	11,956,065	50,353,372	183,849,666	41,105,105	11,646,467	7,078,814	8,370,236	9,882,063	10,404,825	681,473,797
Recommendation	14,121,017	24,377,657	20,536,402	134,176,331	153,470,358	11,939,123	50,171,487	183,807,591	41,092,730	11,643,992	7,143,622	8,446,868	9,972,536	10,000,000	680,899,714
Recommend % above/(below) 14-15	10.0%	10.7%	10.0%	10.0%	11.6%	12.7%	14.9%	10.0%	10.0%	10.0%	11.0%	11.0%	11.0%		12.5%
Recommend above/(below) request	(2,475)	(25,079)	(3,712)	(32,176)	(81,977)	(16,942)	(181,885)	(42,075)	(12,375)	(2,475)	64,808	76,632	90,473	(404,825)	(574,083)

Comparison Option #4 to FY 2014-15 & Request

- excludes annualization of SB 13-033 in base
- increases total funding within the model to 12.5% increase AND brings all to minimum 10% increase. No S-PIP.

	Adams	Mesa	Mines	CSU	CCC	Ft. Lewis	Metro	CU	UNC	Western	CMC	Aims	voc ed	S-PIP	Grand total
FY 2014-15 approp.	\$12,837,288	\$22,027,251	\$18,669,456	\$121,978,483	\$137,465,925	\$10,594,604	\$43,681,193	\$167,097,810	\$37,357,027	\$10,585,447	\$6,435,286	\$7,609,305	\$8,983,694		\$605,322,769
FY 2015-16 Request	14,123,492	24,402,736	20,540,114	134,208,507	153,552,335	11,956,065	50,353,372	183,849,666	41,105,105	11,646,467	7,078,814	8,370,236	9,882,063	10,404,825	681,473,797
FY 2015-16 Option #4	14,293,237	24,797,563	21,157,250	136,192,215	155,360,138	12,319,563	51,124,613	186,969,732	41,092,730	11,774,255	7,239,697	8,560,468	10,106,656		680,988,116
Option #4 above/(below) 14-15	11.3%	12.6%	13.3%	11.7%	13.0%	16.3%	17.0%	11.9%	10.0%	11.2%	12.5%	12.5%	12.5%		12.5%
Option #4 above/(below) request	169,745	394,827	617,136	1,983,708	1,807,803	363,498	771,241	3,120,066	(12,375)	127,788	160,883	190,232	224,593	(10,404,825)	(485,681)

Comparison Option #5 to FY 2014-15 and Request

- excludes annualization of SB 13-033 in base
- no under-represented minority amounts (URM) in role and mission or performance
- increases total funding within the model to 12.5% increase AND brings all to minimum 10% increase. No S-PIP.

	Adams	Mesa	Mines	CSU	CCC	Ft. Lewis	Metro	CU	UNC	Western	CMC	Aims	voc ed	S-PIP	Grand total
FY 2014-15 approp.	\$12,837,288	\$22,027,251	\$18,669,456	\$121,978,483	\$137,465,925	\$10,594,604	\$43,681,193	\$167,097,810	\$37,357,027	\$10,585,447	\$6,435,286	\$7,609,305	\$8,983,694		\$605,322,769
FY 2015-16 Request	14,123,492	24,402,736	20,540,114	134,208,507	153,552,335	11,956,065	50,353,372	183,849,666	41,105,105	11,646,467	7,078,814	8,370,236	9,882,063	10,404,825	681,473,797
Option #5	14,216,419	24,772,140	21,408,433	136,462,746	154,284,807	12,242,377	51,092,087	187,631,042	41,092,730	11,878,513	7,239,697	8,560,468	10,106,656		680,988,114
<i>Comparison - uncorrected version</i>	<i>14,221,324</i>	<i>24,773,212</i>	<i>21,401,336</i>	<i>136,480,576</i>	<i>154,297,532</i>	<i>12,236,536</i>	<i>51,056,030</i>	<i>187,642,485</i>	<i>41,092,730</i>	<i>11,879,533</i>	<i>7,239,697</i>	<i>8,560,468</i>	<i>10,106,656</i>		
Option #5 % above/(below) 14-15	10.7%	12.5%	14.7%	11.9%	12.2%	15.6%	17.0%	12.3%	10.0%	12.2%	12.5%	12.5%	12.5%		12.5%
Option #5 above/(below) request	92,927	369,404	868,319	2,254,239	732,472	286,312	738,715	3,781,376	(12,375)	232,046	160,883	190,232	224,593	(10,404,825)	(485,683)

Comparison Option #6 to FY 2014-15 and Request

- excludes annualization of SB 13-033 in base
- no under-represented minority amounts (URM) in role and mission or performance
- increases total funding within the model to 12.5% increase AND brings all to minimum 10% increase via guardrails. No S-PIP.
- increases Pell in role and mission to 13.0% and in performance to 1.6 bonus (goal of results similar to Option 4)

	Adams	Mesa	Mines	CSU	CCC	Ft. Lewis	Metro	CU	UNC	Western	CMC	Aims	voc ed	S-PIP	Grand total
FY 2014-15 approp.	\$12,837,288	\$22,027,251	\$18,669,456	\$121,978,483	\$137,465,925	\$10,594,604	\$43,681,193	\$167,097,810	\$37,357,027	\$10,585,447	\$6,435,286	\$7,609,305	\$8,983,694		\$605,322,769
FY 2015-16 Request	14,123,492	24,402,736	20,540,114	134,208,507	153,552,335	11,956,065	50,353,372	183,849,666	41,105,105	11,646,467	7,078,814	8,370,236	9,882,063	10,404,825	681,473,797
Option #6	14,213,888	24,885,533	21,215,828	136,183,357	155,344,549	12,198,956	51,107,501	186,970,851	41,092,730	11,868,098	7,239,697	8,560,468	10,106,656		680,988,112
Option #6 above/(below) 14-15	10.7%	13.0%	13.6%	11.6%	13.0%	15.1%	17.0%	11.9%	10.0%	12.1%	12.5%	12.5%	12.5%		12.5%
Option #6 above/(below) request	90,396	482,797	675,714	1,974,850	1,792,214	242,891	754,129	3,121,185	(12,375)	221,631	160,883	190,232	224,593	(10,404,825)	(485,685)

Comparison Option #4 and Options #6

Totals in Option #6 are intended to be close to Option #4

	Adams	Mesa	Mines	CSU	CCC	Ft. Lewis	Metro	CU	UNC	Western	CMC	Aims	voc ed	S-PIP	Grand total
FY 2015-16 Option #4	\$14,293,237	\$24,797,563	\$21,157,250	\$136,192,215	\$155,360,138	\$12,319,563	\$51,124,613	\$186,969,732	\$41,092,730	\$11,774,255	\$7,239,697	\$8,560,468	\$10,106,656		\$680,988,116
Option #6	14,213,888	24,885,533	21,215,828	136,183,357	155,344,549	12,198,956	51,107,501	186,970,851	41,092,730	11,868,098	7,239,697	8,560,468	10,106,656		680,988,112
Option #6 above/(below) Option #4	(79,349)	87,970	58,578	(8,858)	(15,590)	(120,606)	(17,112)	1,119	-	93,843	-	-	-	-	(4)
Variance	-0.6%	0.4%	0.3%	0.0%	0.0%	-1.0%	0.0%	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%

Option #5- 12.5% increase (to capture the \$15 million). Include the UNC adjustment. Eliminate URM. All adjustments consistent with model rules (including LDJCs, speciality education). Set guard rails at 10% and 17.5%

12.50%

FY 2014-15 Appropriation - Calculation Base				FY 2015-16 Appropriation Calculations									
FY 2014-15 enacted appropriation NO 13-033 annualization	TSA start	specialty ed	COF Stipends	Role & Mission	Performance	"Total State Appropriation" (TSA) Before		Guardrails	TSA After Guardrails	Specialty education	Total Before Adjustments Outside of Model	Adjust to bring all to 10%	Total with All Adjustments
						Guardrails	Guardrails						
Adams	12,837,288	12,837,288		3,014,742	6,073,427	5,171,669	14,259,838	(43,419)	14,216,419		14,216,419		14,216,419
Mesa	22,027,251	22,027,251		14,609,398	5,273,899	4,975,260	24,858,557	(86,417)	24,772,140		24,772,140		24,772,140
Mines	18,669,456	18,669,456		6,291,590	8,855,021	6,348,052	21,494,663	(86,230)	21,408,433		21,408,433		21,408,433
CSU	121,978,483	73,496,194	48,482,289	44,015,134	23,253,228	14,917,019	82,185,381	(265,210)	81,920,171	54,542,575	136,462,746		136,462,746
CCC	137,465,925	137,465,925		109,407,533	29,569,163	15,837,615	154,814,311	(529,504)	154,284,807		154,284,807		154,284,807
Ft. Lewis	10,594,604	10,594,604		4,545,816	2,716,476	5,031,961	12,294,253	(51,876)	12,242,377		12,242,377		12,242,377
Metro	43,681,193	43,681,193		31,613,068	10,585,377	9,209,879	51,408,324	(316,237)	51,092,087		51,092,087		51,092,087
CU	167,097,810	111,178,401	55,919,409	61,134,606	41,354,430	22,659,051	125,148,087	(426,380)	124,721,707	62,909,335	187,631,042		187,631,042
UNC	37,357,027	37,357,027		17,177,543	13,948,238	8,120,966	39,246,747	1,845,983	41,092,730		41,092,730		41,092,730
Western	10,585,447	10,585,447		2,772,617	4,199,142	4,947,463	11,919,222	(40,709)	11,878,513		11,878,513		11,878,513
subtotal	582,294,484	477,892,786	104,401,698	294,582,047	145,828,401	97,218,935	537,629,383	-	537,629,383	117,451,910	655,081,293		655,081,293
							537,629,384						
Aims	6,435,286	-	6,435,286				1			7,239,697	7,239,697		7,239,697
CMC	7,609,305	-	7,609,305							8,560,468	8,560,468		8,560,468
voc ed	8,983,694	-	8,983,694							10,106,656	10,106,656		10,106,656
TOTAL w/ S-PIP	605,322,769	477,892,786	127,429,983						537,629,383	143,358,731	680,988,114		680,988,114
Grand total													680,988,114

DISTRIBUTED MARCH 20, 2015

Summary - Comparison Various Additional Options for H.B. 14-1319 Model Distribution for FY 2015-16 (includes 3/17 corrections)

Background: Comparison Request to Original Staff Recommendation (3/3/15)															
	· Recommendation excludes annualization of SB 13-033 in base, adds 1% to LDJCs & AVS, reduces S-PIP to \$10.0 million														
Request v. Rec.	Adams	Mesa	Mines	CSU	CCC	Ft. Lewis	Metro	CU	UNC	Western	CMC	Aims	voc ed	S-PIP	Grand total
FY 2014-15 approp.	\$12,837,288	\$22,027,251	\$18,669,456	\$121,978,483	\$137,465,925	\$10,594,604	\$43,681,193	\$167,097,810	\$37,357,027	\$10,585,447	\$6,435,286	\$7,609,305	\$8,983,694		\$605,322,769
Request	14,123,492	24,402,736	20,540,114	134,208,507	153,552,335	11,956,065	50,353,372	183,849,666	41,105,105	11,646,467	7,078,814	8,370,236	9,882,063	10,404,825	681,473,797
Recommendation	14,121,017	24,377,657	20,536,402	134,176,331	153,470,358	11,939,123	50,171,487	183,807,591	41,092,730	11,643,992	7,143,622	8,446,868	9,972,536	10,000,000	680,899,714
Recommend % above/(below) 14-15	10.0%	10.7%	10.0%	10.0%	11.6%	12.7%	14.9%	10.0%	10.0%	10.0%	11.0%	11.0%	11.0%		12.5%
Recommend above/(below) request	(2,475)	(25,079)	(3,712)	(32,176)	(81,977)	(16,942)	(181,885)	(42,075)	(12,375)	(2,475)	64,808	76,632	90,473	(404,825)	(574,083)

Comparison Option #4 to FY 2014-15 & Request															
	· excludes annualization of SB 13-033 in base														
	· increases total funding within the model to 12.5% increase AND brings all to minimum 10% increase. No S-PIP.														
	Adams	Mesa	Mines	CSU	CCC	Ft. Lewis	Metro	CU	UNC	Western	CMC	Aims	voc ed	S-PIP	Grand total
FY 2014-15 approp.	\$12,837,288	\$22,027,251	\$18,669,456	\$121,978,483	\$137,465,925	\$10,594,604	\$43,681,193	\$167,097,810	\$37,357,027	\$10,585,447	\$6,435,286	\$7,609,305	\$8,983,694		\$605,322,769
FY 2015-16 Request	14,123,492	24,402,736	20,540,114	134,208,507	153,552,335	11,956,065	50,353,372	183,849,666	41,105,105	11,646,467	7,078,814	8,370,236	9,882,063	10,404,825	681,473,797
FY 2015-16 Option #4	14,293,237	24,797,563	21,157,250	136,192,215	155,360,138	12,319,563	51,124,613	186,969,732	41,092,730	11,774,255	7,239,697	8,560,468	10,106,656		680,988,116
Option #4 above/(below) 14-15	11.3%	12.6%	13.3%	11.7%	13.0%	16.3%	17.0%	11.9%	10.0%	11.2%	12.5%	12.5%	12.5%		12.5%
Option #4 above/(below) request	169,745	394,827	617,136	1,983,708	1,807,803	363,498	771,241	3,120,066	(12,375)	127,788	160,883	190,232	224,593	(10,404,825)	(485,681)

Comparison Option #5 to FY 2014-15 and Request															
	· excludes annualization of SB 13-033 in base														
	· no under-represented minority amounts (URM) in role and mission or performance														
	· increases total funding within the model to 12.5% increase AND brings all to minimum 10% increase. No S-PIP.														
	Adams	Mesa	Mines	CSU	CCC	Ft. Lewis	Metro	CU	UNC	Western	CMC	Aims	voc ed	S-PIP	Grand total
FY 2014-15 approp.	\$12,837,288	\$22,027,251	\$18,669,456	\$121,978,483	\$137,465,925	\$10,594,604	\$43,681,193	\$167,097,810	\$37,357,027	\$10,585,447	\$6,435,286	\$7,609,305	\$8,983,694		\$605,322,769
FY 2015-16 Request	14,123,492	24,402,736	20,540,114	134,208,507	153,552,335	11,956,065	50,353,372	183,849,666	41,105,105	11,646,467	7,078,814	8,370,236	9,882,063	10,404,825	681,473,797
Option #5	14,216,419	24,772,140	21,408,433	136,462,746	154,284,807	12,242,377	51,092,087	187,631,042	41,092,730	11,878,513	7,239,697	8,560,468	10,106,656		680,988,114
<i>Comparison - uncorrected version</i>	<i>14,221,324</i>	<i>24,773,212</i>	<i>21,401,336</i>	<i>136,480,576</i>	<i>154,297,532</i>	<i>12,236,536</i>	<i>51,056,030</i>	<i>187,642,485</i>	<i>41,092,730</i>	<i>11,879,533</i>	<i>7,239,697</i>	<i>8,560,468</i>	<i>10,106,656</i>		
Option #5 % above/(below) 14-15	10.7%	12.5%	14.7%	11.9%	12.2%	15.6%	17.0%	12.3%	10.0%	12.2%	12.5%	12.5%	12.5%		12.5%
Option #5 above/(below) request	92,927	369,404	868,319	2,254,239	732,472	286,312	738,715	3,781,376	(12,375)	232,046	160,883	190,232	224,593	(10,404,825)	(485,683)

Comparison Option #6 to FY 2014-15 and Request

- excludes annualization of SB 13-033 in base
- no under-represented minority amounts (URM) in role and mission or performance
- increases total funding within the model to 12.5% increase AND brings all to minimum 10% increase via guardrails. No S-PIP.
- increases Pell in role and mission to 13.0% and in performance to 1.6 bonus (goal of results similar to Option 4)

	Adams	Mesa	Mines	CSU	CCC	Ft. Lewis	Metro	CU	UNC	Western	CMC	Aims	voc ed	S-PIP	Grand total
FY 2014-15 approp.	\$12,837,288	\$22,027,251	\$18,669,456	\$121,978,483	\$137,465,925	\$10,594,604	\$43,681,193	\$167,097,810	\$37,357,027	\$10,585,447	\$6,435,286	\$7,609,305	\$8,983,694		\$605,322,769
FY 2015-16 Request	14,123,492	24,402,736	20,540,114	134,208,507	153,552,335	11,956,065	50,353,372	183,849,666	41,105,105	11,646,467	7,078,814	8,370,236	9,882,063	10,404,825	681,473,797
Option #6	14,213,888	24,885,533	21,215,828	136,183,357	155,344,549	12,198,956	51,107,501	186,970,851	41,092,730	11,868,098	7,239,697	8,560,468	10,106,656		680,988,112
Option #6 above/(below) 14-15	10.7%	13.0%	13.6%	11.6%	13.0%	15.1%	17.0%	11.9%	10.0%	12.1%	12.5%	12.5%	12.5%		12.5%
Option #6 above/(below) request	90,396	482,797	675,714	1,974,850	1,792,214	242,891	754,129	3,121,185	(12,375)	221,631	160,883	190,232	224,593	(10,404,825)	(485,685)

Comparison Option #4 and Options #6

Totals in Option #6 are intended to be close to Option #4

	Adams	Mesa	Mines	CSU	CCC	Ft. Lewis	Metro	CU	UNC	Western	CMC	Aims	voc ed	S-PIP	Grand total
FY 2015-16 Option #4	\$14,293,237	\$24,797,563	\$21,157,250	\$136,192,215	\$155,360,138	\$12,319,563	\$51,124,613	\$186,969,732	\$41,092,730	\$11,774,255	\$7,239,697	\$8,560,468	\$10,106,656		\$680,988,116
Option #6	14,213,888	24,885,533	21,215,828	136,183,357	155,344,549	12,198,956	51,107,501	186,970,851	41,092,730	11,868,098	7,239,697	8,560,468	10,106,656		680,988,112
Option #6 above/(below) Option #4	(79,349)	87,970	58,578	(8,858)	(15,590)	(120,606)	(17,112)	1,119	-	93,843	-	-	-	-	(4)
Variance	-0.6%	0.4%	0.3%	0.0%	0.0%	-1.0%	0.0%	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%

Comparison Option #7 to FY 2014-15 and Request

- excludes annualization of SB 13-033 in base
- no under-represented minority amounts (URM) in role and mission or performance
- increases total funding within the model to 11.0% increase AND brings all to minimum 10% increase via guardrails. No S-PIP.
- increases Pell in role and mission to 13.0% and in performance to 1.6 bonus (goal of results similar to Option 4)

	Adams	Mesa	Mines	CSU	CCC	Ft. Lewis	Metro	CU	UNC	Western	CMC	Aims	voc ed	S-PIP	Grand total
FY 2014-15 approp.	\$12,837,288	\$22,027,251	\$18,669,456	\$121,978,483	\$137,465,925	\$10,594,604	\$43,681,193	\$167,097,810	\$37,357,027	\$10,585,447	\$6,435,286	\$7,609,305	\$8,983,694		\$605,322,769
FY 2015-16 Request	14,123,492	24,402,736	20,540,114	134,208,507	153,552,335	11,956,065	50,353,372	183,849,666	41,105,105	11,646,467	7,078,814	8,370,236	9,882,063	10,404,825	681,473,797
Option #7	14,121,017	24,532,758	20,750,733	134,661,154	153,428,979	11,884,876	49,793,103	184,394,294	41,092,730	11,687,232	7,143,167	8,446,329	9,971,900		671,908,273
Option #7 above/(below) 14-15	10.0%	11.4%	11.1%	10.4%	11.6%	12.2%	14.0%	10.4%	10.0%	10.4%	11.0%	11.0%	11.0%		11.0%
Option #7 above/(below) request	(2,475)	130,022	210,619	452,647	(123,356)	(71,189)	(560,269)	544,628	(12,375)	40,765	64,353	76,093	89,837	(10,404,825)	(9,565,524)

Comparison Option #8 to FY 2014-15 and Request

- excludes annualization of SB 13-033 in base
- no under-represented minority amounts (URM) in role and mission or performance
- increases Pell in role and mission to 13.0% and in performance to 1.6 bonus (goal of results similar to Option 4)
- increases total funding within the model to 10.0% increase with guardrails at 5% and 15%.
- Brings all to minimum 10% increase outside existing model at a cost \$4.7 million;
- Provides increase for LDJCs, area vocational, and specialty ed to correspond with the \$4.7 million (additional 1% increase)

	Adams	Mesa	Mines	CSU	CCC	Ft. Lewis	Metro	CU	UNC	Western	CMC	Aims	voc ed	S-PIP	Grand total
FY 2014-15 approp.	\$12,837,288	\$22,027,251	\$18,669,456	\$121,978,483	\$137,465,925	\$10,594,604	\$43,681,193	\$167,097,810	\$37,357,027	\$10,585,447	\$6,435,286	\$7,609,305	\$8,983,694		\$605,322,769
FY 2015-16 Request	14,123,492	24,402,736	20,540,114	134,208,507	153,552,335	11,956,065	50,353,372	183,849,666	41,105,105	11,646,467	7,078,814	8,370,236	9,882,063	10,404,825	681,473,797
Option #8	14,121,017	24,465,356	20,547,328	134,660,184	153,462,581	11,822,422	50,153,399	184,365,667	41,092,729	11,643,992	7,143,039	8,446,176	9,971,721		671,895,610
Option #8 above/(below) 14-15	10.0%	11.1%	10.1%	10.4%	11.6%	11.6%	14.8%	10.3%	10.0%	10.0%	11.0%	11.0%	11.0%		11.0%
Option #8 above/(below) request	(2,475)	62,620	7,214	451,677	(89,754)	(133,643)	(199,973)	516,001	(12,376)	(2,475)	64,225	75,940	89,658	(10,404,825)	(9,578,187)

MEMORANDUM

TO: Joint Budget Committee

FROM: Amanda Bickel, JBC Staff

SUBJECT: FY 2013-14 and FY 2014-15 General Fund Exempt Allocations for Higher Education

DATE: March 20, 2015

On March 19, 2015, the Committee approved adjustments to reduce General Fund appropriations and increase General Fund Exempt appropriations by a like amount for FY 2013-14, FY 2014-15, and FY 2015-16 in the Department of Higher Education.

FY 2013-14

There are insufficient General Fund appropriations in the Department of Higher Education operating budget to cover the GFE adjustment approved for FY 2013-14.

The table below compares current GF and GFE appropriations in the Department of Higher Education with the adjustment approved. Furthermore, pursuant to Section 24-77-104.5 (4), C.R.S., **only some operating appropriations in the Department of Higher Education may be counted in this GFE calculation.** This includes need-based aid, merit-based aid, College Opportunity Fund stipends and fee-for-service contracts, but it technically does not include grants to the local district junior colleges or area vocational schools or certain other (generally smaller) General Fund appropriations in the Department of Higher Education.

FY 2013-14 Appropriations		General Fund	General Fund Exempt
Long Bill and Supplemental LB Amendments	SB 13-230; HB 14-1336	\$76,345,815	\$582,133,333
Other Bills	HB 13-1165, HB 13-1194, 13-1230, 14-1319	628,913	0
Total Appropriations		76,974,728	582,133,333
3/19 Adjustment to GFE Approved		(84,639,619)	84,639,619
(Shortage)/Excess of GF to translate into GFE	All Bills/Appropriations	(7,664,891)	
	If Adjust Long Bill & Supplemental Only	(8,293,804)	

However, **Section 24-77-104.5 (4) does allow capital construction appropriations for higher education to be included in the General Fund Exempt amounts.** In FY 2013-14, the General Assembly appropriated \$112,542,840 from the Capital Construction Fund for higher education projects. Therefore, in lieu of further FY 2013-14 adjustments to GFE in the higher education operating budget, **staff recommends amending Sections 24-75-302 (2) (z) and 24-75-302 (2.5) (h), C.R.S., which provide for General Fund and General Fund Exempt transfers to the**

Capital Construction Fund (CCF) for FY 2013-14. These sections should be adjusted to increase the GFE transfer to the CCF by \$84,639,619 and reduce the GF transfer to the CCF by the same amount and to specify that the GFE increase is for appropriations for capital construction projects related to higher education, consistent with the provisions of Sections 24-77-104.5 (1) (b) (III) and (4) (a) (V), C.R.S. [Staff has attached the statutory sections below].

Staff also notes that some amounts currently designated as GFE for FY 2013-14 for the local district junior colleges and area vocational schools may not conform to the letter of the law (see discussion below for FY 2014-15).

FY 2014-15

Higher Education operating appropriations for FY 2014-15 will also approach the limit on General Fund available to translate into General Fund Exempt.

First, staff notes some GFE adjustments included in the FY 2014-15 Long Bill may not comply with the specific requirements in Sections 24-77-104.5 (4) (a), C.R.S. Specifically:

- It is not clear whether or not \$16,432,328 in work study appropriations currently classified as GFE conforms to the letter of the law, though it might be considered/defined as a form of need based or merit based aid, both of which are allowed.
- It is not clear whether \$14,841,981 in appropriations for the Ft. Lewis Native American Tuition Waiver currently classified as GFE conforms to the letter of the law (though it, too, could be considered/defined as need based or merit based aid.
- It is not clear whether \$12,650,325 for Local District Junior College Grants or \$8,091,845 for area vocational schools, currently appropriated as GFE fall under the requirements of the current statute since these are technically grants and not fee-for-service contracts, even though funding provided is clearly analogous to the funding provided via stipends and fee-for-service contracts with other higher education governing boards.

In light of the above:

- **Staff recommends that the JBC carry a bill to amend Section 77-104.5 (4) (a), C.R.S., to clarify that appropriations for the above purposes are considered funding for the benefit of students attending institutions of higher education and are eligible to be supported with GFE.** Staff has consulted with the Office of Legislative Legal Services about this issue, and OLLS staff concur that such a clarification is appropriate and does not raise any legal concerns.

Even if the above appropriations are considered a valid use of GFE, for FY 2014-15, adjustments to S.B. 14-001 appropriations will be required to accommodate the current FY 2014-15 changes and, after this adjustment, there will be virtually no room left for any further adjustments within the operating budget. For FY 2014-15 staff recommends:

- **Amend the appropriation clause for S.B. 14-001** to reclassify all General Fund appropriations in that bill as GFE (\$100,162,480); and

March 20, 2015

- **Provide the remainder of the adjustment (\$2,137,520) in the Need Based Grants line item, where there remains an appropriation of \$5.9 million General Fund in H.B. 14-1336 as amended by S.B. 15-148.**
- **If further adjustments are required next year based on the end-of-year actual for FY 2014-15, staff recommends that these be addressed through a change to the capital construction appropriation for higher education, consistent with the recommendation this year for FY 2013-14.** As there was nearly \$200 million in higher education appropriations from the CCF in FY 2014-15, this should provide adequate room for any late FY 2014-15 adjustment based on actual revenue.

FY 2014-15 Appropriations		General Fund	General Fund Exempt
Long Bill and Supplemental LB Amendments	HB 14-1336, SB 15-148	\$9,131,726	\$650,733,333
S.B. 14-001	SB 14-001	100,162,480	0
Other Bills	SB 14-211, HB 14-1319, HB 14-1384	2,054,986	
Total Appropriations		111,349,192	0
3/19 Adjustment to GFE Approved		(102,300,000)	102,300,000
(Shortage)/Excess of GF to translate into GFE			
	All Bills/Appropriations	9,049,192	
	Adjust Long Bill & S.B. 14-001 only	6,994,206	

FY 2015-16

For FY 2015-16, based on JBC action to-date, there should be sufficient General Fund available to make the proposed adjustments in General Fund Exempt. However, *as GFE amounts grow over time, staff anticipates higher education GFE challenges similar to those currently faced for FY 2014-15 and FY 2013-14.*

FY 2015-16 Appropriations		General Fund	General Fund Exempt
Current Long Bill Placeholder		\$217,302,474	\$650,733,333
3/19 Adjustment Required to Achieve Total GFE Approved		(137,266,667)	137,266,667
(Shortage)/Excess of GF to translate into GFE			
	Long Bill	80,035,807	

Statutory Language

Note that the statutory language below was not part of the referred measure but was instead included in a companion bill with a contingent effective clause, so that the bill became effective based on passage of Referendum C and (if applicable) Referendum D of 2005.

24-77-104.5. General fund exempt account - appropriations to critical needs fund - specification of uses for health care and education - definitions

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(1) The moneys in the general fund exempt account created in [section 24-77-103.6 \(2\)](#) shall be appropriated or transferred in the following manner:

(a) (I) If available, the amount set forth in subparagraph (II) of this paragraph (a) shall be used as follows:

(B) If the voters of the state do not approve referendum "D", if the principal and interest on notes issued pursuant to section 24-115-110 is less than the amount set forth in subparagraph (II) of this paragraph (a), or if the general assembly elects not to appropriate moneys to the critical needs fund to repay the principal and interest on notes issued pursuant to section 24-115-110, moneys in the account shall be used in a manner consistent with [section 24-77-103.6 \(2\)](#).

(II) The amount appropriated or transferred pursuant to this subsection (1) shall be fifty-five million dollars in the state fiscal year 2005-06, ninety-five million dollars in state fiscal year 2006-07, and one hundred twenty-five million dollars in each subsequent state fiscal year.

(b) If there are any moneys in the account after the appropriations or transfers required by paragraph (a) of this subsection (1) are made, then all moneys remaining in the account shall be split equally for the following three purposes:

(I) Funding for health care, which shall be limited to the uses set forth in subsection (2) of this section;

(II) Funding for preschool through twelfth grade education, which shall be limited to the uses set forth in subsection (3) of this section; and

(III) Funding for the benefit of students attending community colleges and other institutions of higher education, which shall be limited to the uses set forth in subsection (4) of this section.

(4) (a) Funding for the benefit of students attending community colleges and other institutions of higher education, as used in subparagraph (III) of paragraph (b) of subsection (1) of this section, shall be limited to funding for:

(I) Need-based financial aid;

(II) Merit-based financial aid;

(III) The college opportunity fund program created in parts 1 and 2 of article 18 of title 23, C.R.S.;

(IV) Fee-for-service contracts authorized pursuant to [section 23-18-303, C.R.S.](#); and

(V) Capital construction projects related to higher education.

(b) All of the uses set forth in paragraph (a) of this subsection (4) are permitted under [section 24-77-103.6 \(2\) \(b\)](#). The general assembly shall not be required to

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appropriate or transfer moneys from the account for all of the programs and services set forth in paragraph (a) of this subsection (4).

MEMORANDUM

TO: Joint Budget Committee

FROM: Amanda Bickel

SUBJECT: Revised version of RFI #23 (Higher Education – H.B. 14-1319 Model)

DATE: April 14, 2015

During the Committee's discussion on requests for information last month, the Committee approved the staff packet with the exception of RFI #23, which Representative Hamner requested be held out from the vote.

Representative Hamner subsequently asked staff to work with the Department of Higher Education to modify the original RFI language so that:

- the Department was comfortable with it; and
- it continued to accurately reflect JBC questions and concerns related to the H.B. 14-1319 model.

The proposed revised language is below. A comparison with the prior language is also attached at the back of this memo for reference. The primary difference between the two is that for most items, *the revised version asks the Department to provide an analysis related to a possible change to the H.B. 14-1319 model, rather than specifically requesting a change to the model. The Department may or may not make changes to the H.B. 14-1319 model based on the RFI; however, staff anticipates that it will provide a thorough analysis in response to the RFI.* Staff believes the language changes are reasonable, given that an RFI represents a request, rather than a legislative requirement.

23. 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 and 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 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.
- (i) Ensure the ability for all concerned parties to examine data used by the model.
 - (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.
- d) 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.
- e) 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.
- f) Examine the feasibility, cost, and benefit to incorporating total institutional revenue within the model.

ORIGINAL RFI LANGUAGE	CDHE SUGGESTED ALTERNATIVE LANGUAGE
<p>Department of Higher Education, Colorado Commission on Higher Education, Administration – The Joint Budget Committee requests that, by November 1, 2015, the Department incorporate the following functionality into the automated tool that supports the funding model developed pursuant to HB 14-1319.</p>	<p>Department of Higher Education, Colorado Commission on Higher Education, Administration – The Joint Budget Committee requests that, the during the annual review process of the new funding allocation model the Department consider the following policy issues and 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 any needed funding to implement.</p>
<p>a. Ensure that the “Tuition Stability Factor” amounts have a rational basis and reflect legislative intent that similarly situated institutions receive similar treatment.</p>	<p>a. Examine the role of the “Tuition Stability Factor” within the model and how it should be utilized in the future.</p>
<p>b. Ability to weight funding associated with resident students and non-resident students differently.</p>	<p>b. Examine the feasibility, cost, and benefit to weighting resident and non-resident students within the model.</p>
<p>c. Ability to download the model settings and funding results into spreadsheet format for any given “run” of the model. This toll should allow anyone using the model to test the impacts of various model settings without excessive data entry.</p>	<p>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.</p>
<p>d. Capacity for all concerned parties to examine data used by the model and to consider how model results would change with different underlying data, e.g. data from prior years.</p>	<p>d. (i) Ensure the ability for all concerned parties to examine data used by the model.</p>
	<p>d. (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.</p>
<p>e. To the extent feasible, ability to run the model so that an adjustment to any</p>	<p>e. Examine the feasibility, cost, and benefit to program a mechanism to run the model so that an adjustment to any particular model setting</p>

ORIGINAL RFI LANGUAGE	CDHE SUGGESTED ALTERNATIVE LANGUAGE
<p>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. This would enable the General Assembly to increase or decrease support for services to Pell-eligible students or masters degrees awarded without simultaneously reducing funding to other model components.</p>	<p>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 <i>reducing</i> funding to other model components.</p>
<p>f. To the extent feasible, structure the model so that institutions that are supposed to be high performing, such as the University of Colorado and Colorado State University, are effectively rewarded for their performance and that small institutions are not disproportionately dependent on the performance elements of the model.</p>	<p>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.</p>
<p>g. To the extent feasible, account for the other sources of funding available to the institution, such as non-resident tuition and the Ft. Lewis Native American Tuition Waiver.</p>	<p>g. Examine the feasibility, cost, and benefit to incorporating total institutional revenue within the model.</p>

MEMORANDUM

TO: Joint Budget Committee
FROM: Amanda Bickel, JBC Staff
SUBJECT: CSU Intercept Program Request
DATE: April 14, 2015

INTERCEPT BONDS AUTHORIZATION – COLORADO STATE UNIVERSITY (4 PROJECTS)

	Request	Recommendation
Total – Cash Funds Intercept Bonding Authorization	\$183,499,983	\$183,499,983

Request: Colorado State University (CSU) has requested, and the Capital Development Committee has approved, authority to proceed with bonds for four cash-funded CSU projects subject to the Higher Education Revenue Bond Intercept Program. The four projects are on the Fort Collins campus. They include:

- Biology Building - \$81,596,432
- Medical Center project - \$58,981,491
- University Square Parking Garage - \$37,522,060
- South Campus Parking Lot - \$5,400,000

CSU anticipates that \$13 to \$15 million of the total will be supported through donations, but the entire amount shown above has been requested under the intercept program.

Staff Recommendation: *Staff recommends that the Committee approve these requests, based on the analysis below. Staff is, however, concerned about CSU's overall level of debt, and staff believes CSU may be approaching the maximum that should be approved under the intercept program.* Higher education projects that are cash funded no longer require an appropriation by the General Assembly. However, pursuant to Section 23-1-106 (10) (b), C.R.S., any higher education cash funded project costing \$2.0 million or more which is subject to the Higher Education Revenue Bond Intercept Program must be reviewed and approved by the Colorado Commission on Higher Education (CCHE) and the Capital Development Committee (CDC). The CDC is then required to make a recommendation regarding the project to the JBC, which is required to refer its recommendations, with written comments to the CCHE. The CDC has already approved the requested projects. The attached draft letter from the JBC to the CCHE, if approved, would enable CSU to proceed with the projects and the associated bonding.

Staff Analysis: The CDC has approved these cash funded projects, and CSU available revenues are sufficient to comply with the statutory limits and guidelines for use of the intercept program. On this basis, staff recommends the requests. However, staff has provided some additional information below related to the projects and the statutory requirements for using the intercept program and CSU's current revenue and bonding capacity to provide additional context for the recommendation.

Project Information:

Biology Building: (\$81.6 million) The project constructs a five-story, 147,700 GSF biology teaching and research building on the main campus to address a growing deficiency in available space for biology laboratories, support spaces, and new faculty. This will enable an increase in the number of biology faculty from 31 to 40 FTE. The facility will include teaching and research labs, a large auditorium and classrooms, computer labs, student study spaces, and an academic advising center. The university expects to receive \$3.0 to \$5.0 million in donor funds and to support the rest with university funds and a student fee for capital improvements approved in May 2014 of \$5.51 per credit hour.

Medical Center Project: (\$59.0 million) 113,300 GSF new four-story medical center to house student health functions including exam rooms, office space, counseling, mental health services, pharmacy, and radiology. The center will also house a primary care clinic operated by UC Health and a Center for Healthy Aging, which is a new multidisciplinary program for research, outreach and education related to the biology of aging. CSU expects that about \$10 million of the total \$59.0 million will be raised from donations. The balance will be raised through bonds, which will be paid based on projected annual revenue of approximately \$460,000 from lease payments (UC Health and Center for Healthy Aging) and \$2.8 million in student health services revenue (student fees for health services and insurance payments).

University Square Parking Lot: (\$37.5 million) Four-story 1,555-space parking garage in the southeast section of the main campus to replace surface parking lost to recent construction projects. The cash funds project would be financed by bonds repaid through parking service fees.

South Campus Parking Lot: (\$5.4 million) Funds to construct surface parking on vacant land on the south campus to meet the needs of the Veterinary Medicine Center and growth on the South campus. Many parking lots on the main campus are targeted for demolition, with parking shifted to outer areas. The cash funds project would be financed by bonds repaid through parking service fees.

Statutory Guidance:

Pursuant to Section 23-11-106 (10) (b), C.R.S. (most recently modified in S.B. 13-099), to qualify for the Revenue Bond Intercept Program, an institution must have:

- (1) A credit rating in one of the three highest categories from a nationally recognized statistical rating organization

- (2) A debt service coverage ratio of at least 1.5x (net revenue available for debt service/annual debt service subject to this article)
- (3) Pledged revenues for the issue of not less than the net revenues of auxiliaries; 10% of tuition if an enterprise; indirect cost recovery revenues; facility construction fees designated for bond repayment; and student fees and revenues pledged to bondholders.

If it meets these requirements and participates in the Program, and if the institution indicates that it will fail to meet the required payment, the State Treasurer makes the payment, and the amount owed is then withheld from the institution's fee-for-service contract, from any other state support for the institution, and from any unpledged tuition moneys collected by the institution.

When analyzing requests under the intercept program, staff considers:

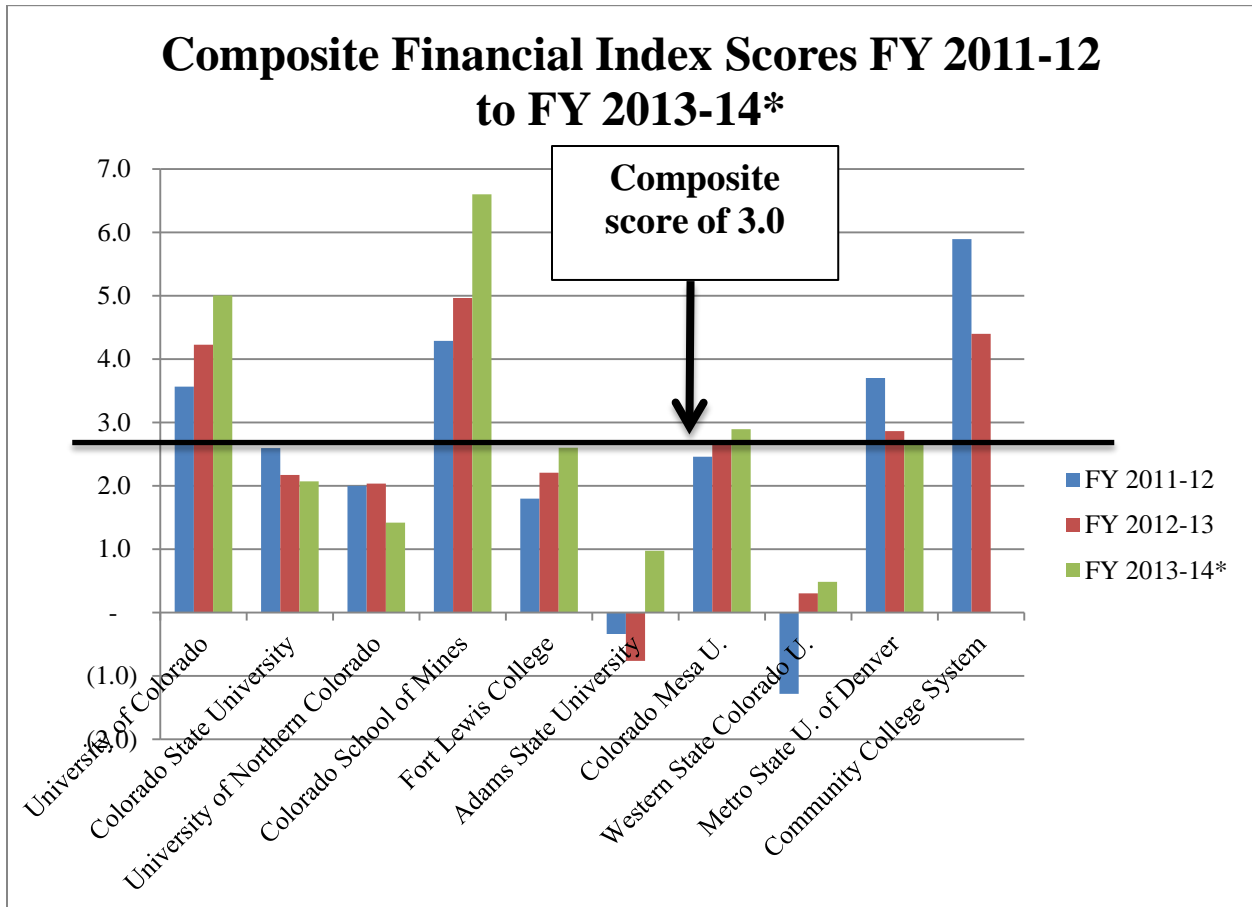
- **The Treasurer's analysis of the proposed issue and compliance with Section 23-5-139, C.R.S. (Revenue Bond Intercept Program)**
- **The institution's Composite Financial Index for FY 2012-13 and 2013-14, as a measure of its general financial health.**
- **The projected impact of the new bond and the associated payment on the CFI analysis.**
- **A comparison between the institution's most recent General Fund appropriation (FY 2015-16) and the existing and proposed annual payment obligations under the revenue bond intercept program.**

Treasurer's Statutory Analysis:

*The Treasurer has confirmed that CSU exceeds the minimum statutory requirements for the intercept program (1.5x coverage for bond payments and no lower than an "A" credit rating). According to CSU, its current coverage ratio (prior to this request) is (\$116,473,831 in pledged revenues)/(\$63,890,632 in annual debt service) = total coverage of 1.82. **Assuming an increase in debt of \$183.5 million (the maximum new amount that would be permitted under this request) and no change in pledged revenues from the figure above, it appears that total debt coverage under this request might fall to 1.58x. This does not exceed the threshold for the intercept program but appears to be coming very close to the limit.***

Composite Financial Index (CFI):

As reviewed in staff's budget briefing, CSU had a Composite Financial Index (CFI) in FY 2013-14 of 2.1, placing it below the threshold for moderate financial health of 3.0. CSU's financial health as reflected by the CFI has declined in recent years as it has become increasingly leveraged and has had somewhat negative net operating results based on modest enrollment declines. As of the close of FY 2013-14, the overall CSU system (including the foundation) reported annual revenues and expenditures about \$1.1 billion for services to 24,383 student FTE. *Although revenue to the system has continued to increase, in part based on an increasing proportion of out-of-state students, student enrollment has been flat or declining since FY 2011-12.*



*Reflected unaudited statements for FY 2013-14 for most institutions; CSU figures are now confirmed

Impact of New Bond on CFI:

The overall increase in debt represents an increase of over 20 percent on the FY 2013-14 base of \$828.2 million. CSU reports that the requested increase in bonding under the intercept program is expected to increase debt service by \$9.8 million annually. This represents an increase of over 40 percent compared to FY 2013-14 payments of \$24.0 million. Considering **solely the intercept projects requested and the system’s FY 2013-14 position, CSU’s CFI might decline from about 2.1 to 2.0, but this represents a rough estimate**, since it does not fully reflect other changes in CSU’s financials including new debt and new revenue since FY 2013-14.

More significantly, this new debt is in addition to debt for CSU’s new stadium (not requested under the intercept program) of \$220 million. Based on data provided by CSU, their current position (prior to this request) includes:

CSU System Bonds prior to this request	Annual payment	Debt total
Intercept Backed	\$46,207,652	\$676,135,000
Total bonds (FY15)	\$63,890,632	\$958,325,000

These figures are substantial when compared to the overall size of CSU’s operation of about \$1.1 billion in operating revenue and expenses in FY 2013-14.

Rating agency assessment:

In light of CSU’s \$220 million in additional bonds for the proposed new football stadium, **the rating agencies maintained CSU’s credit rating. However, Standard and Poor’s has revised CSU’s bond outlook to “negative”.** According to a recent news report, both ratings agencies have cautioned that CSU faces a bond rating downgrade in the future if it fails to meet certain financial objectives.¹

Current ratings:

Non-intercept: Moody’s: Aa3; S&P: A+
Intercept (state-backed): Moody: Aa2; S&P: AA-

Annual General Fund Appropriation versus Intercept Obligations:

Annual payments on the intercept bonds are \$46,207,653 in 2015 according to CSU. The table shows the 2016 projected payment, increased by \$9,800,000, and compares it to the FY 2015-16 appropriation for CSU as approved in both houses. As shown, **with this addition, total annual intercept payment obligations would be 41.6 percent of the anticipated FY 2015-16 General Fund appropriation for CSU.** The *General Fund appropriation still appears adequate to cover any potential bond-payment shortfall in a worst-case scenario in which the intercept would be applied.*

Estimated current intercept payment for 2015	\$46,207,653
Additional projected payment, new bonds	<u>9,800,000</u>
Total projected payment	56,007,653
General Fund appropriation FY 2015-16*	134,660,184
Projected payment as percentage GF approp.	41.6%

*Reflects amount in introduced Long Bill, which has been approved in both House and Senate

¹ Steve Lynn, “Rating agencies affirm CSU’s bond ratings, S&P changes outlook to negative, BizWest, March 19, 2015. <http://bizwest.com/moodys-sp-affirm-colorado-states-stadium-bond-rating/>

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DRAFT

April 14, 2015

Lt. Gov. Joseph A. Garcia
Executive Director
Colorado Commission on Higher Education
1560 Broadway, Suite 1600
Denver, CO 80202

Dear Lieutenant Governor Garcia:

Pursuant to the provisions of Sections 24-75-303 (3) and 23-1-106 (9) and (10), C.R.S., the Joint Budget Committee has reviewed the following higher education revenue bond intercept projects. All of these Colorado State University projects were previously approved by the Capital Development Committee and the Colorado Commission on Higher Education.

Biology Building: (\$81,596,432) The project constructs a five-story, 147,700 GSF biology teaching and research building on the main campus to address a growing deficiency in available space for biology laboratories, support spaces, and new faculty. The facility will include teaching and research labs, a large auditorium and classrooms, computer labs, student study spaces, and an academic advising center. The university expects to receive \$3.0 to \$5.0 million in donor funds and to support the rest with university funds and a student fee for capital improvements approved in May 2014 of \$5.51 per credit hour.

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University Square Parking Lot: (\$37,522,060) Four-story 1,555-space parking garage in the southeast section of the main campus to replace surface parking lost to recent construction projects. The cash funds project would be financed by bonds repaid through parking service fees.

South Campus Parking Lot: (\$5,400,000) Funds to construct surface parking on vacant land on the south campus to meet the needs of the Veterinary Medicine Center and growth on the South campus. The cash funds project would be financed by bonds repaid through parking service fees.

In total, CSU expects to finance \$164 million of the total with bonds authorized under the intercept program with estimated annual payments of approximately \$9.8 million per year.

After considering the information submitted by the Colorado Commission on Higher Education and the Capital Development Committee, the Joint Budget Committee approved these requests.

If you have any questions or concerns, please contact Amanda Bickel of our staff at 303-866-4960.

Sincerely,

Senator Kent Lambert
Chair
Joint Budget Committee

cc: Representative Edward Vigil, Capital Development Committee
Kori Donaldson, Capital Development Committee Staff
Diane Duffy, Department of Higher Education
Andrew Rauch, Department of Higher Education
Richard Schweigert, Colorado State University System
Lynn Johnson, Colorado State University
Shelly Carroll, Colorado State University
Erick Scheminske, Office of State Planning and Budgeting
Laura Blomquist, Office of State Planning and Budgeting
Jon Forbes, State Treasurer's Office
Bob Jaros, State Controller
John Ziegler, Staff Director, Joint Budget Committee