

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2014-15 STAFF FIGURE SETTING
DEPARTMENT OF HIGHER EDUCATION**

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

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TABLE OF CONTENTS

Department Overview	5
Department request and recommendation summary.....	6
Executive Request.....	6
Committees of Reference Recommendations and S.B. 14-001	6
Staff Recommendation.....	9
General Notes about this Packet	16
Adjustment affecting multiple divisions.....	17
➔ Indirect Cost Adjustments.....	17
(1) Department Administrative Office.....	20
Division Request and Recommendation Summary	20
Line item detail	21
(2) Colorado Commission on Higher Education	30
Division Request and Recommendation Summary	30
(A) Administration.....	31
(B) Division of Private Occupational Schools.....	35
(C) Special Purpose.....	36
➔ Colorado Geological Survey Adjustment	43
➔ Reflect federal GEAR –UP grant.....	46
(3) Colorado Commission on Higher Education Financial Aid	48
Division Request and Recommendation Summary	50
Initiatives Affecting Multiple Line items	51
➔ R1 Increased Financial Aid for Colorado students.....	51
(A) Need Based Grants	61
(B) Work Study.....	63
(C) Merit Based Grants [request to reinstate subsection]	63
(D) Special Purpose	64
➔ R4 Dependent Tuition Assistance Program.....	65
➔ R3 Fort Lewis College Native American Tuition Waiver	67
(4) College Opportunity Fund Program.....	70
Division Request and Recommendation Summary	72
request affecting multiple line items.....	73
➔ R2 Operational Funding Increase for Public Colleges and Universities	73

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

(A) Stipends	80
(B) Fee-for-service Contracts with State Institutions	82
(5) Governing Boards	84
Division Request and Recommendation Summary	84
recommendations affecting all line items – FY 2013-14.....	85
recommendations affecting all line items – FY 2014-15.....	88
Line Item Detail – recommendation tables.....	93
(6) Local District Junior Colleges.....	103
(7) Division of Occupational Education	104
Division Request and Recommendation Summary	104
(A) Administrative Costs	105
(B) Distribution of State Assistance for Career and Technical Education pursuant to Section 23-8-102, C.R.S.	105
➔ NP6 Constitutionally Required Increase for K-12 Categorical Programs.....	106
(C) Area Vocational School Support	106
(D) Sponsored Programs.....	107
(E) Colorado First Customized Job Training.....	107
(8) Auraria Higher Education Center.....	108
➔ Increase AHEC Spending Authority.....	109
(9) History Colorado.....	110
Division Request and Recommendation Summary	110
Statewide Audit – History Colorado.....	111
Request affecting multiple line items	111
➔ HC1 Increasing the Future Stability of History Colorado	111
(A) Cumbres-Toltec Railroad Commission	114
(B) Sponsored Programs	117
(C) Auxiliary Programs.....	117
(D) Gaming Revenues.....	118
➔ History Colorado Gaming Revenue.....	120
Long Bill Footnotes and Requests for Information	124
Appendix: Indirect Cost Assessment Methodology	130

Appendix A: Numbers Pages

(1) Department Administrative Office	133
(2) Colorado Commission on Higher Education	137
(3) Colorado Commission on Higher Education Financial Aid	140
(4) College Opportunity Fund Program	143
(5) Governing Boards	145
(6) Local District Junior Colleges	151
(7) Division of Occupational Education.....	152
(8) Auraria Higher Education Center	155
(9) History Colorado	156

Appendix B – FY 2013-14 and FY 2014-15 Adjustments to Institutions	159
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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 \$3,395,568,175 including \$760,889,619 General Fund, representing an increase of \$162.4 million total funds (5.0 percent) and \$101.8 million General Fund (15.5 percent) over the FY 2013-14 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:

- R2: an increase of \$60.1 million General Fund over the FY 2013-14 appropriation, allocated among state higher education institutions for College Opportunity Fund fee-for-service contracts and student stipends. Of the total, \$60,000,000 provides an 11.052 percent increase to each governing board, with the balance of \$51,510 provided for an associated increase for COF stipends for students attending private institutions.
- R1: an increase of \$40.0 million General Fund for need-based, merit-based and work-study financial aid, including \$30,000,000 for need-based aid, and \$5,000,000 each for merit-based aid and work-study.
- An increase of \$1.1 million General Fund for other financial aid programs, including \$836,855 for the Fort Lewis Native American tuition waiver and \$252,000 for the Dependent Tuition Assistance Program.
- An increase of \$544,964 cash funds for a History Colorado request.
- Other increases for common policy adjustments and requests originating in other departments, including \$1.4 million to annualize prior year actions and \$1.1 million for centrally appropriated line items, among other adjustments.

Committees of Reference Recommendations and S.B. 14-001

Pursuant to H.B. 13-1299, committees of reference are no longer required to make recommendations to the Joint Budget Committee on department funding requests. The House and Senate Education Committees have not provided recommendations regarding funding for the Department of Higher Education; however, the Senate Education Committee has adopted S.B. 14-001, described below.

Senate Bill 14-001 includes all of the funding requested by the Executive in R1 and R2 (\$100.1 million).

The title of S.B. 14-001 is as follows:

Concerning making college education more affordable by imposing further restrictions on tuition increases, increasing financial aid, and increasing operating support for each governing board of a state-supported institution of higher education by eleven percent, and, in connection therewith, making an appropriation.

As passed out of the Senate Education Committee, S.B. 14-001 includes the following statutory changes:

- Inserts a hard cap on tuition increases at public state institutions of higher education of 6.0 percent for FY 2014-15 and FY 2015-16. This cap does *not* allow the Colorado Commission on Higher Education to waive the cap.

The bill, as amended, also includes the following appropriations, which are based entirely on the amounts included in the Governor’s R1 and R2 requests for increases for Higher Education in the Long Bill with the following amendments:

- Assumes that student stipends will increase from the current \$64 per credit hour to \$72 per credit hour (the request was based on an increase to \$66 per credit hour). COF fee-for-service amounts are reduced to compensate for the increase in the COF stipend, so the net increase to the public higher education institutions (\$60.0 million) remains identical to R2, with an identical allocation of the additional funds among the governing boards.
- Due to the adjustment to the COF stipend at public institutions, increases the appropriation for COF stipends at private institutions. Statute requires that these be 50 percent of the public stipend amount. *This change increases the total appropriation in the bill by \$110,970 General Fund above the total included in R2.*

Appropriation in S.B. 14-001 as amended by Senate Education Committee

<u>CCHE Financial Aid - Request R-1</u>	General Fund
Need-based Aid	\$30,000,000
Work-study	5,000,000
Merit-based Aid	<u>5,000,000</u>
Subtotal	\$40,000,000

<u>College Opportunity Fund Program, Grants to LDJCs and AVS's - Request R2</u>	General Fund
Student stipends @ public institutions*	33,325,200
Student stipends @private institutions*	162,480

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Fee-for-service Contracts @ public institutions*	24,388,685
Local District Junior Colleges	1,394,266
Area Vocational Schools	<u>891,849</u>
Subtotal	60,162,480

Total - General Fund **\$100,162,480**

*Student stipends at private institutions represent the only substantive dollar change from the R2 request. Request R2 includes \$51,510 for this line item, or \$110,970 less. In addition, R2 as submitted includes \$25.0 million less for student stipends at public institutions but \$25.0 million more for fee-for-service contracts.

Allocation of College Opportunity Fund Moneys Among Governing Boards - Request R2 as Amended in S.B. 14-001 by Senate Education Committee*

	Reappropriated Funds (total)	Stipends	Fee-for-service contracts
Adams State University	\$1,274,227	\$367,680	\$906,547
Colorado Mesa University	2,186,000	1,654,320	531,680
Metro State University of Denver	4,323,770	3,919,680	404,090
Western State Colorado University	1,050,678	298,560	752,118
Colorado State University System	12,106,921	5,021,040	7,085,881
Fort Lewis College	1,051,494	516,000	535,494
University of Colorado System	16,560,551	6,571,680	9,988,871
Colorado School of Mines	1,853,119	644,400	1,208,719
University of Northern Colorado	3,707,667	1,897,200	1,810,467
Colorado Community College System	<u>13,599,458</u>	<u>12,434,640</u>	<u>1,164,818</u>
	\$57,713,885	\$33,325,200	\$24,388,685

*Total allocations to each institution match R2; however the break-down between fee-for-service and stipend amounts differs from the original request. The amended version includes \$25.0 million more for stipends and \$25.0 million less for fee-for-service contracts (in total) than the original. Calculation assumptions: stipend amounts based on: (1) FY 2013-14 Long Bill student FTE enrollment projections; (2) Increasing student stipend from \$64 to \$72 per SFTE; (3) all governing boards receive an increase of 11.032 percent.

- Because S.B. 14-001 has only passed through one legislative committee, because the appropriation in S.B. 14-001 is not required by the statutory changes in the bill, and because the Executive did not change its Long Bill request after the introduction of S.B. 14-001, **the staff recommendations incorporated in this figure setting packet DO NOT assume the adoption of S.B. 14-001.**
- However, as part of the figure setting process, staff also recommends that the JBC adopt one of the following two options to coordinate Long Bill appropriations with appropriations included in S.B. 14-001:

Option 1: Incorporate S.B. 14-001 into the JBC’s budget package and set Long Bill figures assuming that the dollars appropriated in S.B. 14-001 will be enacted. If the Committee wishes to use this approach, it would vote:

- Adopt the staff recommendation *less any amounts associated with Executive Request R1 and R2* for inclusion in the Long Bill.
- Authorize staff to draft an amendment to S.B. 14-001 for the Senate Appropriation Committee to align stipend and fee-for-service amounts with updated student enrollment figures and whatever assumptions the Committee wishes to adopt regarding the student stipend amount per credit hour. Such an amendment would not change the total funding allocated to any governing board from the amounts included in S.B. 14-001 as introduced but would ensure that the Long Bill and S.B. 14-001 reflect the same assumptions.
- At the Committee’s discretion:
 - instruct staff to draft any other amendments to the appropriation in S.B. 14-001 the Committee desires; **or**
 - adopt changes to base funding in the Long Bill that, when combined with amounts appropriated in S.B. 14-001 provide the total level of funding the Committee deems appropriate.

Option 2: Assume appropriation amounts will be stripped from S.B. 14-001 or that the bill will not survive. Elect to fund R1 and R2 in the Long Bill without regard to appropriation amounts in S.B. 14-001. All appropriations currently included in S.B. 14-001 could be included in the Long Bill based on existing statutory authorization for funding higher education. Alternatively, these amounts could be included in S.B. 14-001. Arguably, the title of S.B. 14-001 requires that the bill include various appropriations; however, funding (or a portion of funding) could potentially be stripped from the bill, depending upon a ruling from the chair of the committee considering the bill as to what amendments fit within the title of S.B. 14-001.

Staff Recommendation

The staff recommendation for total funding (whether in the Long Bill or the Long Bill + S.B. 14-001) is summarized in the table below, followed by brief description of each item listed.

Significant differences between the request and recommendation include the following:

- Staff recommends that the portion of R1 designated for merit-based financial aid (\$5.0 million) instead be directed to need-based financial aid. *[If the Committee adopts this recommendation and chooses to assume that R1 will be funded through S.B. 14-001, approving this recommendation would require an amendment to S.B. 14-001.]*
- The recommendation includes an increase in the student stipend per credit hour to \$75 (rather than the \$66 requested or the \$72 currently in S.B. 14-001). This does not change the total funding recommended for public institutions.
- The recommendation adjusts tuition and fee amounts shown for informational purposes for both FY 2013-14 and FY 2014-15, based on recent projections. Higher education staff FTE shown for informational purposes are also adjusted for FY 2014-15.
- The recommendation adjusts College Opportunity Fund (COF) fee for service and stipend amounts based on updated projected enrollment data for COF-eligible students in FY 2013-14 and FY 2014-15. The adjustments net to \$0 (General Fund and total funds) as, consistent with historic practice, staff has offset decreases in the projected number of students receiving COF stipends with increases in fee-for-service funding for the institutions. *[If R2 is funded through S.B. 14-001, an amendment will be required to change the portion of funding in the bill from stipends versus fee-for-service revenue].*
- The Fort Lewis Native American Tuition waiver amount has been reduced to reflect new data.
- Staff recommends various adjustments to amounts shown for informational purposes. Among other changes, staff recommends putting the federal GEAR UP program “on budget”.
- Staff also recommends eliminating various appropriations and spending authority that staff does not anticipate will be used.

Staff also recommends:

- The Committee move forward on the proposal for cleaning up financial aid statutes during the 2014 session;
- The Committee consider a minor structural change to increase the Department’s flexibility in closing out fee-for-service/stipend allocations.

Clean-up of financial aid statutes

The Committee previously referred this matter to the Education committees, which have not thus far moved forward. Staff believes this proposal could move forward in FY 2014-15, particularly to the extent it is focused on clean-up, rather than making substantive changes to the roles of various entities. **Staff has circulated an early, JBC-staff prepared draft for feedback and staff would like authorization from the Committee to develop a more refined draft in collaboration with the Office of Legislative Legal Services, the Department, and the institutions.** Additional information is included in the financial aid section of this packet.

Minor or major changes to funding structure for governing boards

Minor change option: Staff believes that the current mechanisms for COF funding are unwieldy. Even if the Committee is not interested in pursuing a major change in the higher education funding structure, staff believes it could consider the following statutory that would reduce the number of supplemental changes required each year to the higher education

appropriation. Staff believes that this change could easily be adopted during the 2014 legislative session.

- **Allow the Department greater flexibility in close-out of the COF stipend/fee-for-service mix.** Specifically, allow the Department to reallocate up to 5.0 percent of the total appropriation to an institution from stipends to fee-for-service contracts or from fee-for-service contracts to stipends, based on the final count of students eligible for COF student stipends in the fiscal year.

Background: Current statute (Section 23-18-202 (1) (c), C.R.S.) authorizes the Department to make close-out adjustments to transfer up to 3.0 percent of funds appropriated for student stipends *from* COF stipends to COF fee-for-service contracts at the same institution. However, it does not allow funds to be transferred from fee-for-service contracts to COF stipends and it does not allow any transfers in excess of 3.0 percent of stipend appropriations.

Under the current structure, the General Assembly has typically adjusted the mix of COF stipend and fee-for-service funding at each institution twice through supplemental bills, without changing total allocations to institutions. After setting the Long Bill based on projections of COF stipend-eligible students (e.g., using February 2012 estimates of FY 2012-13 enrollment), the JBC:

- Runs a Long Bill supplemental to update COF stipend versus fee-for-service estimates, with a net \$0 dollar change (e.g., using February 2013 revised estimate of FY 2012-13 enrollment); and
- Adopts a further revision as a late interim supplemental to update COF stipend versus fee-for-service amounts based on the year-end close-out, with a net \$0 dollar change (e.g., June 2013 interim action, followed by a supplemental bill in February 2014 to close-out FY 2012-13).

This proposal would be designed to eliminate the second supplemental—the final year-end adjustment—as long as the Department, the institutions, and staff do a credible job when projecting COF enrollment numbers mid-year. The tables below show the year-end adjustments in the number of COF-eligible students and the final budget adjustments that were required in FY 2011-12 and FY 2012-13.

FY 2012-13 Close-out Adjustments to Governing Boards	Stipends	Fee-for-Service
Adams State University	(\$150,691)	\$150,691
Metropolitan State University of Denver	(1,260,306)	1,260,306
Colorado State University System	(1,324,458)	1,324,458
University of Colorado System	77,384	(77,384)
Colorado School of Mines	157,713	(157,713)
Community College System	2,875,156	(2,875,156)
Total	\$374,798	(\$374,798)

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FY 2011-12 Close-out Adjustments to Governing Boards	Stipends	Fee-for-Service
Western State College	\$29,357	(\$29,357)
Fort Lewis College	(298,654)	298,654
Colorado School of Mines	64,945	(64,945)
Total	(\$204,352)	\$204,352

The table below compares the final adjustments for FY 2012-13 with the base FY 2012-13 appropriations. As shown, the adjustments in FY 2012-13 came in well below 5.0 percent of total appropriation threshold. This was also the case in FY 2011-12.

Governing Boards		Base approp	Change	New amount	Change as % Base
Adams State University	Stipends	\$ 2,823,480	(150,691)	2,672,789	
	Fee-for Service	\$ 8,224,375	150,691	8,375,066	
	Total	\$ 11,047,855	\$ -	\$ 11,047,855	-1.4%
Metropolitan State University of Denver	Stipends	\$ 30,072,480	(1,260,306)	28,812,174	
	Fee-for Service	\$ 7,396,713	1,260,306	8,657,019	
	Total	\$ 37,469,193	\$ -	\$ 37,469,193	-3.4%
Colorado State University System	Stipends	\$ 38,485,260	(1,324,458)	37,160,802	
	Fee-for Service	\$ 67,015,262	1,324,458	68,339,720	
	Total	\$ 105,500,522	\$ -	\$ 105,500,522	-1.3%
University of Colorado System	Stipends	\$ 50,863,560	77,384	50,940,944	
	Fee-for Service	\$ 92,978,481	(77,384)	92,901,097	
	Total	\$ 143,842,041	\$ -	\$ 143,842,041	0.1%
Colorado School of Mines	Stipends	\$ 4,988,520	157,713	5,146,233	
	Fee-for Service	\$ 11,095,611	(157,713)	10,937,898	
	Total	\$ 16,084,131	\$ -	\$ 16,084,131	1.0%
Community College System	Stipends	\$ 95,330,580	2,875,156	98,205,736	
	Fee-for Service	\$ 22,389,713	(2,875,156)	19,514,557	
	Total	\$ 117,720,293	\$ -	\$ 117,720,293	2.4%

Major change option: Staff has repeatedly expressed concern about the College Opportunity Fund funding structure, which has never been implemented as intended. Staff would like to see the General Assembly move forward with a new funding model. Staff believes that any such model should be developed with substantial input from the department and governing boards and using the expertise of consultants with experience in this area. Staff will work with the Committee in pursuing this issue further, to the extent the Committee is interested.

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Department of Higher Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$3,230,541,694	\$658,479,148	\$1,978,070,473	\$574,701,773	\$19,290,300	22,840.8
Other legislation	2,648,216	583,706	68,790	1,995,720	0	1.5
Recommended Long Bill Supplemental	<u>(44,741,413)</u>	<u>0</u>	<u>(44,741,413)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,188,448,497	\$659,062,854	\$1,933,397,850	\$576,697,493	\$19,290,300	22,842.3
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$3,188,448,497	\$659,062,854	\$1,933,397,850	\$576,697,493	\$19,290,300	22,842.3
R2 Operational funding increase for public colleges and universities	117,920,420	60,206,535	0	57,713,885	0	0.0
Projected tuition and fee revenue	92,473,723	0	92,473,723	0	0	0.0
R1 Increased financial aid for Colorado students	40,000,000	40,000,000	0	0	0	0.0
Reflect federal GEAR - UP	3,985,637	0	0	0	3,985,637	35.5
Increase AHEC spending authority	1,629,748	0	0	1,629,748	0	0.0
Annualize prior year actions	1,411,340	686,400	35,000	689,940	0	11.5
Centrally appropriated line items	994,388	0	443,905	169,935	380,548	0.0
HC1 Increase the future stability of History Colorado	544,964	0	544,964	0	0	0.0
NP6 Constitutionally required increase for categorical programs	419,708	0	0	419,708	0	0.0
R3 Fort Lewis College Native American Tuition Waiver	375,751	375,751	0	0	0	0.0
Higher education gaming revenue	309,287	0	309,287	0	0	0.0
Colorado Geological Survey adjustment	260,929	6,000	18,384	50,000	186,545	0.0
R4 Additional funding for Dependent Tuition Assistance Program	252,000	252,000	0	0	0	0.0
OIT requests (NP1-NP5)	47,611	0	46,974	637	0	0.0
Reflect projected FTE	0	0	0	0	0	562.9
Indirect cost and fund source adjustments	0	(642,573)	17,786	624,787	0	0.0
Mineral impact grant spending authority	(2,375,531)	0	0	(2,375,531)	0	0.0
History Colorado gaming revenue	(2,101,237)	0	(2,101,237)	0	0	0.0
Occupational education federal funds	(1,383,784)	0	0	0	(1,383,784)	0.0
Tobacco settlement revenue adjustment	<u>(524,444)</u>	<u>0</u>	<u>(524,444)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,442,689,007	\$759,946,967	\$2,024,662,192	\$635,620,602	\$22,459,246	23,452.2
Increase/(Decrease)	\$254,240,510	\$100,884,113	\$91,264,342	\$58,923,109	\$3,168,946	609.9
Percentage Change	8.0%	15.3%	4.7%	10.2%	16.4%	2.7%
FY 2014-15 Executive Request	\$3,395,568,175	\$760,889,619	\$1,979,282,215	\$635,694,785	\$19,701,556	22,853.8
Request Above/(Below) Recommendation	(\$47,120,832)	\$942,652	(\$45,379,977)	\$74,183	(\$2,757,690)	(598.4)

Issue Descriptions

Recommended Long Bill Supplemental: The recommendation: (1) adjusts higher education tuition and fee revenue estimates; (2) adjusts College Opportunity Fund (COF) fee for service and stipend amounts based on updated projected enrollment data for COF-eligible students.

R2 Operational funding increase for public colleges and universities: The recommendation includes an increase of \$60,000,000 General Fund (11.0 percent) for public institutions of higher education. The requested increase is allocated proportionately among the institutions, so that each governing board receives an 11.0 percent increase to its FY 2013-14 funding base. The institutions indicate they have agreed to a hard cap of no more than 6.0 percent growth in resident tuition rates associated with this General Fund increase. (This would be codified in S.B. 14-001, if enacted.) The recommendation incorporates a COF student stipend of \$75 per credit hour (\$2,250 per SFTE) and thus incorporates an increase of \$38,169,914 for College Opportunity Fund Program stipends for students attending public institutions, \$19,543,971 in College Opportunity Fund Program fee-for-service contracts with the governing boards of public institutions, \$2,286,115 in General Fund appropriations for the local district junior colleges and area vocational schools, and \$206,535 for College Opportunity Fund Program stipends for eligible students attending private institutions.

Projected tuition and fee revenue: The recommendation adjusts higher education tuition and fee revenue estimates reflected in the Long Bill for informational purposes. Budget assumptions provide for resident tuition increases of 6.0 percent or less.

R1 Increased financial aid for Colorado students: The recommendation includes an increase of \$40,000,000 General Fund (41.8 percent) for financial aid programs. This includes \$35,000,000 for need based grants and \$5,000,000 for work study. Staff does not recommend the \$5.0 million request for merit based grants and has instead added \$5.0 million to the amount originally requested for need based grants. Financial aid funding is distributed among governing boards based on policies adopted by the Colorado Commission on Higher Education (CCHE). The CCHE currently allocates need-based aid based on the number of Pell-eligible students at each public higher education institution, with per-student amounts increasing from freshman through senior year and decreasing for fifth-year seniors. CCHE will determine the allocation methodology for additional work-study funds. Although allocations are determined by CCHE, institutions have flexibility in adopting and applying their own financial aid policies.

Reflect federal GEAR-UP: The recommendation places fully “on-budget”, for informational purposes, the federally-funded GEAR-UP program. The majority of the \$5.0 million grant, including associated FTE, had previously been managed through the Governor’s Office, where it was off budget.

Increase AHEC spending authority: 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.

Annualize prior year actions: The recommendation annualizes the impact of FY 2013 new legislation, including S.B. 13-033 (In state classification at institutions of higher education) which requires an increase of \$930,000, including \$465,000 General Fund and S.B. 13-1165 (Manufacturing career pathway) which requires an increase of \$442,800 including \$221,400 General Fund and 11.5 FTE. The recommendation also annualizes FY 2013-14 requests R7 (data and research positions at DHE), R6 (WICHE dues), and HC1 (Cumbres and Toltec railroad operations).

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.

HC1 Increase the future stability of History Colorado: The recommendation is for \$544,964 cash funds for operation of the History Colorado Center and regional museums from museum earned revenue to be used for business development and public outreach and for electric utility costs at regional museums.

NP6 Constitutionally required increase for categorical programs: The request includes an increase of \$419,708 reappropriated funds (transfer from the Department of Education) for secondary career and technical education programs. The reappropriated funds originate as General Fund or State Education Funds in the Department of Education. This item is pending figure setting in the Department of Education.

R3 Fort Lewis College Native American Tuition Waiver: The recommendation includes an increase of \$375,751 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. Funding for the tuition waiver is made one year in arrears and is calculated based on the prior year enrollment estimates.

Higher education gaming revenue: The recommendation adjusts estimates of limited gaming funds received by some higher education institutions. These amounts are shown in the Long Bill for informational purposes as funding is based on Constitutionally-mandated distributions.

Colorado Geological Survey adjustment: The recommendation provides increases for the Colorado Geological Survey (CGS) based on estimated increases for personal services and projected grant-funding.

R4 Additional funding for Dependent Tuition Assistance: The recommendation includes an increase of \$252,000 General Fund (60 percent) for the Dependent Tuition Assistance

Program. Under this program, the State pays tuition and room and board costs for qualified dependents of deceased or permanently disabled national guardsmen, law enforcement officers, or firefighters. The increase was requested to accommodate a projected increase in the number of eligible students and per-student costs. In FY 2012-13, the program served 52.5 students at an average cost of \$9,328 per student.

OIT requests (NP1 through NP5): The request includes the Department’s share of requests for the Governor’s Office of Information Technology (OIT), including NP1 Secure Colorado Phase II to improve cyber-security, NP2 Eliminate redundant applications, NP3 Network resiliency to augment and upgrade the state’s aging wide area network (the multi-use network), NP4 IT service management ecosystem for costs for a comprehensive enterprise service management system, and NP5 IT technical development for IT technical training and certification for OIT staff. The recommendation on these items is pending figure setting for the Governor’s Office of Information Technology.

Reflect projected FTE: The recommendation adjusts the number of higher education staff FTE reflected in the Long Bill for informational purposes.

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.

Mineral impact grant spending authority: The recommendation removes unused spending authority for Mineral Impact Grants from the Department of Local Affairs.

History Colorado gaming revenue: 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.

Occupational Education federal funds: The recommendation reduces amounts shown for informational purposes based on reductions in federal support.

Tobacco Settlement revenue adjustment: The recommendation includes a reduction based on the statutory allocation of revenue anticipated to be available from the Tobacco Master Settlement Agreement.

GENERAL NOTES ABOUT THIS PACKET

Personal Services Common Policy Annualization

The Department’s request reflects building all funds approved for FY 2013-14 salary survey and anniversary into base personal services funding for FY 2014-15. Common policy with respect to FY 2013-14 merit pay involved *not* annualizing merit pay for individuals at the top of the pay

range. However, because most staff employed in the Department of Higher Education are not classified staff, pay ranges are not clear. Further, the few staff that are within the classified system appear to have mid-range salaries. Thus, the Department treated all of the merit pay increase approved in FY 2013-14 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 recommends the Department’s allocation plan and recommends indirect cost adjustments in several department line items**, based on the total revenue generated by departmental and statewide indirect cost collections the amount required to support line items typically funded through indirect cost collections. Final adjustments are possible related to pending Committee decisions for some centrally-appropriated line items.

Indirect Cost Plan - Request: The table below shows The Department’s requested indirect cost allocation plan. As reflected in the table, increases in indirect cost collections, primarily due to the Department’s share of statewide indirect cost collections allows for an additional offset of \$808,184 General Fund in FY 2014-15. The Department’s total indirect cost collection for FY 2014-15 includes \$2,561,985 from statewide indirect cost collections and \$2,476,417 from departmental indirect cost collections. These figures represent an increase of \$547,925 for statewide collections and \$260,259 for departmental indirect cost collections, respectively.

	Indirect Cost Recovery Summary		
	FY 2014-15	FY 2013-14	Difference
University of CO	\$1,665,299	\$1,143,600	\$521,700
CSU System	759,855	643,279	116,576
Ft. Lewis	79,895	97,915	(18,020)
Adams State	60,217	70,766	(10,549)
Colorado Mesa	141,990	109,180	32,810
Western State	58,683	81,538	(22,854)
Metro State	358,487	335,730	22,757
Community Colleges	1,176,571	1,115,240	61,331
U. of Northern CO	254,297	226,199	28,099

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

	Indirect Cost Recovery Summary		
	FY 2014-15	FY 2013-14	Difference
School of Mines	175,536	145,273	30,263
Auraria Higher Ed Ctr	15,222	15,236	(14)
SUBTOTAL	4,746,053	3,983,955	762,098
CCHE	0	0	0
HISTORICAL	195,404	160,489	34,915
Private Occupational Schools	6,155	4,283	1,871
Vet. Medicine	292	278	14
SUBTOTAL	4,947,904	4,149,005	798,898
CollegeInvest	24,171	20,721	3,450
CollegeAssist	66,327	60,491	5,836
TOTAL	\$5,038,402	\$4,230,217	\$808,184

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 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 approval of the Department's indirect cost recovery plan. Staff also recommends funding adjustments throughout the Department, as outlined below. **In total, the FY 2014-15 indirect cost collection plan provides for a General Fund offset of \$5,038,402 in this department in FY 2014-15, representing an increase of \$808,184 above the FY 2013-14 General Fund offset.**

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 refinancing of \$642,573 of FY 2013-14 General Fund appropriations. This is reflected in the staff recommendation, which refinances General Fund in the Division of Occupational Education, Administration line item and 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.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Indirect Cost Line Item Adjustments FY 2014-15		
Colorado Commission on Higher Education, Administration		
CF from CollegeInvest indirect cost collections		\$9,286
RF from statewide indirect cost collections		(9,286)
Division of Occupational Education, Administration		
General Fund		(316,298)
RF from departmental indirect cost collections		-
RF from statewide indirect cost collections		316,298
CCHE Financial Aid , Need Based Grants		
General Fund		(326,275)
RF from departmental indirect cost collections		74,903
RF from statewide indirects		251,372
TOTAL Indirect Cost Adjustments		
General Fund		(642,573)
CF from CollegeInvest/CollegeAssist		9,286
RF from departmental indirect cost collections		74,903
RF from statewide indirect cost collections		558,384
Changes absorbing available additional indirect cost revenue		
Increases to centrally appropriated line items		99,819
CCHE administration (annualization adjustments)		65,793
Refinance General Fund (Occup. Ed & Financial Aid)		<u>642,573</u>
Total indirect cost change from FY 2013-14		808,185

(1) Department Administrative Office

This division includes funding for centrally appropriated items for the Colorado Commission on Higher Education, 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.

Note: During the last two months of FY 2012-13, the Governor transferred full administration of the federally-funded GEAR UP program to the Department of Higher Education. As a result, “pots runs” calculations that were based on filled FTE as July 25, 2013 incorporated these additional federally-funded staff. This change drives substantial increases in the federal-funds portion of the Department’s centrally-appropriated line items.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Department Administrative Office						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$3,431,110	\$0	\$2,240,228	\$874,026	\$316,856	0.0
TOTAL	\$3,431,110	\$0	\$2,240,228	\$874,026	\$316,856	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$3,431,110	\$0	\$2,240,228	\$874,026	\$316,856	0.0
Centrally appropriated line items	616,091	0	179,566	99,182	337,343	0.0
OIT requests (NP1-NP5)	47,611	0	46,974	637	0	0.0
TOTAL	\$4,094,812	\$0	\$2,466,768	\$973,845	\$654,199	0.0
Increase/(Decrease)	\$663,702	\$0	\$226,540	\$99,819	\$337,343	0.0
Percentage Change	19.3%	0.0%	10.1%	11.4%	106.5%	0.0%
FY 2014-15 Executive Request:	\$4,189,845	\$0	\$2,538,877	\$977,032	\$673,936	0.0
Request Above/(Below) Recommendation	\$95,033	\$0	\$72,109	\$3,187	\$19,737	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.

OIT requests (NP1 through NP5): The request includes the Department’s share of requests for the Governor’s Office of Information Technology (OIT), including NP1 Secure Colorado Phase II to improve cyber-security, NP2 Eliminate redundant applications, NP3 Network resiliency to augment and upgrade the state’s aging wide area network (the multi-use network), NP4 IT service management ecosystem for costs for a comprehensive enterprise service management system, and NP5 IT technical development for IT technical training and certification for OIT staff. The recommendation on these items is pending figure setting for the Governor’s Office of Information Technology.

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, it appears that the cost of the plans to State are similar (*e.g.*, state medical contribution of \$413 per individual per month at the community colleges versus \$434.10 for state employees; employee + family of \$913.50 at the community colleges versus a range from \$762.60 to \$1,080.90 for the state plan, depending upon the size of the family). However, the cost of the community college plan to the employee and the benefit provided appears generally better than the standard state plan.

Request: The Department requests an appropriation of \$1,748,557 total funds for this line item, including an OSPB common policy adjustment.

Recommendation: *The staff recommendation differs significantly from the request due to a number of errors staff found in the Department calculations.* The staff recommendation is calculated consistent with common policy and is reflected in the table below.

JBC Staff Figure Setting – FY 2014-15
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 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$1,247,031</u>	<u>\$0</u>	<u>\$893,372</u>	<u>\$190,396</u>	<u>\$163,263</u>	<u>0.0</u>
TOTAL	\$1,247,031	\$0	\$893,372	\$190,396	\$163,263	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$1,247,031	\$0	\$893,372	\$190,396	\$163,263	0.0
Centrally appropriated line items	<u>230,238</u>	<u>0</u>	<u>(8,366)</u>	<u>65,925</u>	<u>172,679</u>	<u>0.0</u>
TOTAL	\$1,477,269	\$0	\$885,006	\$256,321	\$335,942	0.0
Increase/(Decrease)	\$230,238	\$0	(\$8,366)	\$65,925	\$172,679	0.0
Percentage Change	18.5%	0.0%	(0.9%)	34.6%	105.8%	0.0%
FY 2014-15 Executive Request:	\$1,748,577	\$0	\$1,063,967	\$289,250	\$395,360	0.0
Request Above/(Below) Recommendation	\$271,308	\$0	\$178,961	\$32,929	\$59,418	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 \$23,266 total funds for this line item, including an OSPB common policy adjustment.

Recommendation: The recommendation is based on JBC common policy.

Department Administrative Office, Short-term Disability						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$18,973</u>	<u>\$0</u>	<u>\$12,997</u>	<u>\$3,357</u>	<u>\$2,619</u>	<u>0.0</u>
TOTAL	\$18,973	\$0	\$12,997	\$3,357	\$2,619	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$18,973	\$0	\$12,997	\$3,357	\$2,619	0.0
Centrally appropriated line items	<u>4,402</u>	<u>0</u>	<u>1,336</u>	<u>334</u>	<u>2,732</u>	<u>0.0</u>
TOTAL	\$23,375	\$0	\$14,333	\$3,691	\$5,351	0.0
Increase/(Decrease)	\$4,402	\$0	\$1,336	\$334	\$2,732	0.0
Percentage Change	23.2%	0.0%	10.3%	9.9%	104.3%	0.0%
FY 2014-15 Executive Request:	\$23,266	\$0	\$14,266	\$3,674	\$5,326	0.0
Request Above/(Below) Recommendation	(\$109)	\$0	(\$67)	(\$17)	(\$25)	0.0

JBC Staff Figure Setting – FY 2014-15
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 \$431,496 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.

Department Administrative Office, S.B. 04-257 Amortization Equalization Disbursement						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$363,955</u>	<u>\$0</u>	<u>\$247,115</u>	<u>\$66,142</u>	<u>\$50,698</u>	<u>0.0</u>
TOTAL	\$363,955	\$0	\$247,115	\$66,142	\$50,698	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$363,955	\$0	\$247,115	\$66,142	\$50,698	0.0
Centrally appropriated line items	<u>68,313</u>	<u>0</u>	<u>17,588</u>	<u>2,244</u>	<u>48,481</u>	<u>0.0</u>
TOTAL	\$432,268		\$264,703	\$68,386	\$99,179	0.0
Increase/(Decrease)	\$68,313	\$0	\$17,588	\$2,244	\$48,481	0.0
Percentage Change	18.8%	0.0%	7.1%	3.4%	95.6%	0.0%
FY 2014-15 Executive Request:	\$431,496	\$0	\$264,598	\$68,066	\$98,832	0.0
Request Above/(Below) Recommendation	(\$772)		(\$105)	(\$320)	(\$347)	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 \$404,528 total funds for this line item, including an OSPB common policy adjustment.

Recommendation: The recommendation is based on JBC common policy.

JBC Staff Figure Setting – FY 2014-15
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 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$328,570	\$0	\$223,090	\$59,711	\$45,769	0.0
TOTAL	\$328,570	\$0	\$223,090	\$59,711	\$45,769	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$328,570	\$0	\$223,090	\$59,711	\$45,769	0.0
Centrally appropriated line items	76,681	0	25,069	4,401	47,211	0.0
TOTAL	\$405,251	\$0	\$248,159	\$64,112	\$92,980	0.0
Increase/(Decrease)	\$76,681	\$0	\$25,069	\$4,401	\$47,211	0.0
Percentage Change	23.3%	0.0%	11.2%	7.4%	103.2%	0.0%
FY 2014-15 Executive Request:	\$404,528	\$0	\$248,061	\$63,812	\$92,655	0.0
Request Above/(Below) Recommendation	(\$723)		(\$98)	(\$300)	(\$325)	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 \$176,446 total funds for this line item, consistent with the OSPB common policy request for a 1.5 percent increase.

Recommendation: The recommendation is based on the JBC common policy increase of 3.0 percent.

Department Administrative Office, Salary Survey						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$215,193	\$0	\$145,257	\$39,592	\$30,344	0.0
TOTAL	\$215,193	\$0	\$145,257	\$39,592	\$30,344	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$215,193	\$0	\$145,257	\$39,592	\$30,344	0.0
Centrally appropriated line items	135,471	0	69,765	15,779	49,927	0.0
TOTAL	\$350,664	\$0	\$215,022	\$55,371	\$80,271	0.0
Increase/(Decrease)	\$135,471	\$0	\$69,765	\$15,779	\$49,927	0.0
Percentage Change	63.0%	0.0%	48.0%	39.9%	164.5%	0.0%
FY 2014-15 Executive Request:	\$176,446	\$0	\$108,600	\$26,406	\$41,440	0.0
Request Above/(Below) Recommendation	(\$174,218)		(\$106,422)	(\$28,965)	(\$38,831)	0.0

Merit Pay

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

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Request: The Department requests an appropriation of \$173,743 total funds for this line item, consistent with OSPB common policy.

Recommendation: The recommendation is based on the JBC common policy for a 1.5 percent increase.

Department Administrative Office, Merit Pay						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$174,977	\$0	\$119,653	\$31,161	\$24,163	0.0
TOTAL	\$174,977	\$0	\$119,653	\$31,161	\$24,163	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$174,977	\$0	\$119,653	\$31,161	\$24,163	0.0
Centrally appropriated line items	(781)	0	(13,042)	(4,052)	16,313	0.0
TOTAL	\$174,196		\$106,611	\$27,109	\$40,476	0.0
Increase/(Decrease)	(\$781)	\$0	(\$13,042)	(\$4,052)	\$16,313	0.0
Percentage Change	(0.4%)	0.0%	(10.9%)	(13.0%)	67.5%	0.0%
FY 2014-15 Executive Request:	\$173,743	\$0	\$106,451	\$26,969	\$40,323	0.0
Request Above/(Below) Recommendation	(\$453)		(\$160)	(\$140)	(\$153)	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 \$113,355 total funds for this line item consistent with OSPB common policy.

Recommendation: The recommendation is to follow the JBC's common policy, which was pending at the time this document was prepared. Workers' compensation premiums are calculated based on claims history. When the JBC makes a common policy decision, staff will apply the policy to this line item.

Legal Services for 448 hours

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

Request: The Department requests a continuation level of funding of \$40,804 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.

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 an appropriation of \$2,501 total funds for this line item pursuant to OSPB's budget instructions.

Recommendation: The staff recommendation is to follow the JBC's common policy, which was **pending** at the time this document was prepared. When the JBC makes a common policy decision, staff will apply the policy to this line item.

Purchase of Services from Computer Center

This line item provides funding for the Department's share of statewide computer services provided by the Governor's Office of Information Technology.

Request: The Department has requested that this line item be eliminated, 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.

Multiuse Network Payments

This line item provides for the Department's contribution to the Multiuse Network. Funding for this line item was discontinued in FY 2012-13. **The Department does not request, and staff does not recommend, an appropriation for this line item.**

Management and Administration of OIT

This line item pays for the management and administration costs of the Governor's Office of Information Technology.

Request: The Department has not requested an appropriation 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.

COFRS Modernization

Supports the development and implementation of a new state accounting and budgeting system. Appropriations in department operating budgets will be reappropriated in the capital construction budget for FY 2014-15.

Request: The Department requests a continuation appropriation of \$39,461 total funds for this line item pursuant to OSPB's budget instructions.

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

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: The Department has not requested an appropriation 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.

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 \$141,132 total funds for this line item pursuant to OSPB's budget instructions.

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

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 \$362,022 total funds for this line item, corresponding to requested adjustments in the Office of Information Technology. The table below shows the request components.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Department Administrative Office, Payments to OIT					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
NP1 Secure Colorado Phase II	18,296	0	17,747	549	0.0
NP2 Eliminate redundant applications	11,698	0	11,698	0	0.0
NP3 Network resiliency	2,945	0	2,857	88	0.0
NP4 IT service management ecosystem	13,654	0	13,654	0	0.0
NP5 IT technical development	1,018	0	1,018	0	0.0
Centrally appropriated line items	314,411	0	305,255	9,156	0.0
TOTAL - REQUEST	\$362,022		\$352,229	\$9,793	0.0

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 \$535,514 total funds for this line item based on the terms of the lease. 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 of \$10,652 is based on the increase in the lease.

Recommendation: Staff recommends the Department's request of \$535,514 total funds 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 2014-15 is set at a rate of \$28.88 per square foot for 21,034 square feet, with a total payment due of \$615,153. 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 2013-14 payment.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Total Lease Per Contract FY 13-14	\$ 604,501
Additional Operating Expenses	\$ 9,330
Parking Costs	\$ 11,100
Additional Electric Costs	\$ 6,960
Total Leased Space Costs FY 13-14	\$ 631,891
DHE Leased Space Appropriation (RF)	\$ (419,890)
DPOS Leased Space Appropriation (CF)	\$ (104,972)
Total FY 13-14 Leased Space Appropriation	\$ (524,862)
Remaining FY 13-14 Leased Space Costs	\$ 107,029
Property Tax Deduction (credit provided by bulding management)	\$ (33,251)
Sub-lease payment from CollegeInvest	\$ (51,843)
GEAR-UP payment	\$ (25,000)
Total Supplemental Income/Credits	\$ (110,094)
Balance of Total Leased Space Costs	\$ (3,065)

This is an expensive lease in a relatively high-end downtown building. For 2014-15, the cost is consistent with average market rates. According to one Denver real-estate analysis, prices per square foot of downtown Denver office space fell as low as \$20.23 per square foot in 2011, but were expected to rise to \$32 per square foot by the end of 2013.¹ Staff’s understanding is that the Department is locked into this 10-year lease through FY 2017-18.

¹ http://www.denverpost.com/breakingnews/ci_24305584/denver-office-space-leasing-rebounds-led-by-trendy

(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.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

Colorado Commission on Higher Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$8,825,630</u>	<u>\$300,000</u>	<u>\$5,240,587</u>	<u>\$2,796,457</u>	<u>\$488,586</u>	<u>52.8</u>
TOTAL	\$8,825,630	\$300,000	\$5,240,587	\$2,796,457	\$488,586	52.8
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$8,825,630	\$300,000	\$5,240,587	\$2,796,457	\$488,586	52.8
Reflect federal GEAR - UP	4,585,637	0	0	0	4,585,637	35.5
Annualize prior year actions	3,540	0	0	3,540	0	0.0
Centrally appropriated line items	124,531	0	24,001	70,753	29,777	0.0
Colorado Geological Survey adjustment	260,929	6,000	18,384	50,000	186,545	0.0
Indirect cost and fund source adjustments	<u>0</u>	<u>0</u>	<u>17,786</u>	<u>(17,786)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$13,800,267	\$306,000	\$5,300,758	\$2,902,964	\$5,290,545	88.3
Increase/(Decrease)	\$4,974,637	\$6,000	\$60,171	\$106,507	\$4,801,959	35.5
Percentage Change	56.4%	2.0%	1.1%	3.8%	982.8%	67.2%
FY 2014-15 Executive Request:	\$8,953,701	\$300,000	\$5,264,588	\$2,870,750	\$518,363	52.8
Request Above/(Below) Recommendation	(\$4,846,566)	(\$6,000)	(\$36,170)	(\$32,214)	(\$4,772,182)	(35.5)

Issue Descriptions

Reflect federal GEAR-UP: The recommendation places fully “on-budget”, for informational purposes, the federally-funded GEAR UP program. The majority of the \$5.0 million grant, including associated FTE, had previously been managed through the Governor’s Office, where it was off budget.

Annualize prior year actions: The recommendation annualizes FY 2013-14 requests R7 (data and research positions at DHE) and R6 (WICHE dues).

Centrally appropriated line items: The recommendation annualizes prior year appropriations for salary survey and merit increases.

Colorado Geological Survey adjustment: The recommendation provides increases for the Colorado Geological Survey (CGS) based on estimated increases for personal services and projected grant-funding.

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.

(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:

- 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
- Adopt a statewide enrollment plan
- 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 [23-1-108 (1) (d), (e), 113, 113.5, 113.7]
- Set tuition and fee policies based on roll and mission [23-1-108 (12)]
- Approve fixed tuition policies [23-5-131]
- Establish service areas and designate regional education providers [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]
- 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]
- 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]
- performance [23-5-129, 23-13-105, 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]
- Regulate tuition and fees
- Establish policies for determining student residency status within statutory guidelines [23-1-105, 23-7-101 et seq.]
- 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]
- 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]
- Negotiate performance contracts with state-operated institutions [23-5-129]
- Reward performance [23-13-107]
- Recognize and reward (the latter is not currently funded) programs of excellence and improvement initiatives [23-1-118, 120]
- Approve the acceptance of gifts, if they require on-going state expenditures [23-5-112]
- Prepare fiscal notes to help the legislature assess the impact of legislation
- 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
- 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
- Establish and enforce transfer agreements and common course numbering, and resolve disputes [23-1-108 (7), 108.5]

- 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]
- 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]
- Standardize assessments of basic skills, ensure students needing remedial work are notified of the available options, and report to the General Assembly [23-1-113, 113.3]
- Approve public and private academic and degree programs and investigate complaints [23-1-107, 101 through 105]
- 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]
- Administer financial aid programs [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]
- Oversee CollegeInvest [23-3.1-205.7]
- Distribute financial aid to institutions and create policies governing how they use it to support students [23-3.3-101 et seq.]
- 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]
- Perform outreach to potential students [23-1-119.1, 23-1-119.2, 23-13-106, 23-15-110.5, 23-18-205]
- Adopt statewide affirmative action policies [23-1-108 (1) (f)]
- Ensure academic credit for American sign language courses [23-1-128]

Request: The Department requests \$2,811,745, including annualization of FY 2013-14 R-7.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Recommendation:

Colorado Commission on Higher Education, Administration, Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Personal Services						
FY 2013-14 Appropriation	\$2,114,735	\$0	\$75,500	\$1,654,649	\$384,586	30.5
Centrally appropriated line items	100,530	0	0	70,753	29,777	0.0
GEAR - UP	<u>(414,363)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(414,363)</u>	<u>(3.6)</u>
Subtotal - Personal Services	\$1,800,902	\$0	\$75,500	\$1,725,402	\$0	26.9
Operating Expenses						
FY 2013-14 Appropriation	\$409,354	\$0	\$0	\$409,354	\$0	0.0
Annualize prior year actions	(2,460)	0	0	(2,460)	0	0.0
Technical base adjustment	<u>189,586</u>	<u>0</u>	<u>158,818</u>	<u>30,768</u>	<u>0</u>	<u>0.0</u>
Subtotal - Operating Expenses	\$596,480	\$0	\$158,818	\$437,662	\$0	0.0
Other						
FY 2013-14 Appropriation	\$189,586	\$0	\$149,532	\$40,054	\$0	0.0
Indirect cost adjustments	0	0	9,286	(9,286)	0	0.0
Technical base adjustment	<u>(189,586)</u>	<u>0</u>	<u>(158,818)</u>	<u>(30,768)</u>	<u>0</u>	<u>0.0</u>
Subtotal - Other	\$0	\$0	\$0	\$0	\$0	0.0
Total Recommended FY 2014-15						
Appropriation	\$2,397,382	\$0	\$234,318	\$2,163,064	\$0	26.9
FY 2014-15 Executive Request	\$2,811,745	\$0	\$225,032	\$2,172,350	\$414,363	30.5
Request Above/(Below) Recommendation	\$414,363	\$0	(\$9,286)	\$9,286	\$414,363	3.6

Centrally appropriated line items: The recommendation annualizes (builds into the base) FY 2013-14 appropriations for salary survey and merit increases.

GEAR-UP: The recommendation moves current appropriations for federally-funded staff and grants for the GEAR UP program to a new line item which includes all staff and grants associated with the program. This initiative is described in more detailed in the Special Purpose section.

Annualize prior year actions: The annualization of FY 2013-14 Request R7 eliminates one-time costs for two computers, consistent with the original request, which added 2.0 FTE. *Additional Note:* The Department has hired the 2.0 FTE approved in FY 2013-14. The request was for 2.0 non-classified research data analysts, including 1.0 “research analyst” and 1.0 “research communications analyst”. The argument for the additional positions focused largely on the fact that the Department had only 1.0 FTE research analyst, was responsible for managing an increasing quantity of data and reports, and needed to be able to make the resulting reports accessible to the public and legislators. Of the 2.0 FTE hired, 1.0 FTE (a Ph.D.) was assigned to the Department’s data analysis section and has played a significant role in producing new reports. The second position does not presently appear to be working on writing Department data analysis or reports but is involved in developing brief report summaries and press releases.

The person hired has a journalism background and is filling a position entitled “Communications Officer”.

Technical base adjustment: The recommendation reclassifies the portion of the appropriation (\$189,586) previously identified as “other” as “operating expenses” based on a review of the Department’s actual expenditures in this line item. Because this is a program line item, this does not restrict the Department’s use of the funds.

Indirect cost adjustments: As discussed above, the staff recommendation includes various adjustments based on the Department’s indirect cost plan.

(B) DIVISION OF PRIVATE OCCUPATIONAL SCHOOLS

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

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

Request: The Department requests a continuing appropriation of \$633,554 cash funds and 7.8 FTE for this line item.

Recommendation: The recommendation is calculated consistent with Committee common policy.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

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 2013-14 Appropriation	\$459,746	\$0	\$459,746	7.8
Centrally appropriated line items	<u>24,001</u>	<u>0</u>	<u>24,001</u>	<u>0.0</u>
Subtotal - Personal Services	\$483,747	\$0	\$483,747	7.8
Operating Expenses				
FY 2013-14 Appropriation	\$173,808	\$0	\$173,808	0.0
Centrally appropriated line items	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Subtotal - Operating Expenses	\$173,808	\$0	\$173,808	0.0
Other				
FY 2013-14 Appropriation	\$0	\$0	\$0	0.0
Centrally appropriated line items	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Subtotal - Other	\$0	\$0	\$0	0.0
Total Recommended FY 2014-15 Appropriation	\$657,555	\$0	\$657,555	7.8
FY 2014-15 Executive Request	\$657,555	\$0	\$657,555	7.8
Request Above/(Below) Recommendation	\$0	\$0	\$0	0.0

Centrally appropriated line items: The recommendation annualizes (builds into the base) FY 2013-14 appropriations for salary survey and merit increases.

(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.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

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 \$137,000 reappropriated funds for this line item, including an increase of \$6,000 to annualize FY 2013-14 R6 (Increased Dues for Participation in WICHE). The source of reappropriated funds is indirect cost recoveries.

Recommendation: Staff recommends the request, as outlined below. 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. Prior to FY 2013-14, the equally-apportioned dues had remained flat for three years.

Colorado Commission on Higher Education, Special Purpose, Western Interstate Commission for Higher Education (WICHE)				
	Total Funds	General Fund	Reappropriated Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	<u>\$131,000</u>	<u>\$0</u>	<u>\$131,000</u>	<u>0.0</u>
TOTAL	\$131,000	\$0	\$131,000	0.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$131,000	\$0	\$131,000	0.0
Annualize prior year actions	<u>6,000</u>	<u>0</u>	<u>6,000</u>	<u>0.0</u>
TOTAL	\$137,000		\$137,000	0.0
Increase/(Decrease)	\$6,000	\$0	\$6,000	0.0
Percentage Change	4.6%	0.0%	4.6%	0.0%
FY 2014-15 Executive Request:	\$137,000	\$0	\$137,000	0.0
Request Above/(Below) Recommendation	\$0		\$0	0.0

Centrally appropriated line items: The recommendation annualizes (builds into the base) FY 2013-14 appropriations for salary survey and merit increases.

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. 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 repeals 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 FY 2014-15 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 program made no new commitments in 2013 as federal awards on a number of previously-approved projects were still pending.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

		Calendar Year		
		2011	2012	2013
Balance Available January 1		\$ 1,565,866	\$ 2,299,401	\$ 3,376,541
Revenues				
	Subtotal Waste Tire fee	378,744	393,752	411,108
	Limited Gaming Fund	1,680,376	1,546,919	2,100,000
	interest earnings	24,608	15,468	16,091
	Total Revenues	\$ 2,083,729	\$ 1,956,140	\$ 2,527,199
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	\$ 400,000		\$ 400,000
	NSF Center for Multiscale Modeling of Atmospheric Processes (CMMAP) \$150,000 per year/5 years	150,000	0	300,000
Colorado School of Mines				
	Renewable Energy Materials Research Science and Engineering Center \$400,000 per year/6 years		400,000	400,000
	Engineering Research Center - Reinventing America's Urban Water Infrastructure \$400,000 per year/5 years	400,000	400,000	400,000
	NSF WSC Category 2 Collaborative \$75,000 per year/5 years		75,000	
University of Colorado - Boulder				
	Soft Materials Research Center/Materials Research Science and Engineering Center \$400,000 per year/6 years	400,000	0	800,000
	legal costs	193	0	0
	audit cost	0	4,000	4,000
	Total Disbursements	\$ 1,350,193	\$ 879,000	\$ 2,304,000
Balance Available at December 31		\$ 2,299,401	\$ 3,376,541	\$ 3,599,740

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 2014-15, 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 2013-14 appropriation includes \$122,600 from WICHE cash funds (which are provided directly to CSU, rather than through the Department) and \$162,400 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:

Colorado Commission on Higher Education, Special Purpose, Veterinary School Program Needs					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	<u>\$285,000</u>	<u>\$0</u>	<u>\$122,600</u>	<u>\$162,400</u>	<u>0.0</u>
TOTAL	\$285,000	\$0	\$122,600	\$162,400	0.0
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$285,000	\$0	\$122,600	\$162,400	0.0
Fund source adjustment	<u>0</u>	<u>0</u>	<u>8,500</u>	<u>(8,500)</u>	<u>0.0</u>
TOTAL	\$285,000		\$131,100	\$153,900	0.0
Increase/(Decrease)	\$0	\$0	\$8,500	(\$8,500)	0.0
Percentage Change	0.0%	0.0%	6.9%	(5.2%)	0.0%
FY 2014-15 Executive Request:	\$285,000	\$0	\$122,600	\$162,400	0.0
Request Above/(Below) Recommendation	\$0		(\$8,500)	\$8,500	0.0

Fund source adjustment: The recommendation incorporates updated fund source information from Colorado State University, based on the ratio between resident and non-resident students. This adjustment reduces the state's share (General Fund/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 2013-14.**

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.

State funding provided for the Survey supports the following functions:

- **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).

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.

Report Required: 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 required report on December 1, 2013. 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 provided in S.B. 13-230 (the Long Bill), 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 did not comment on the sufficiency of Severance Tax moneys.

Update on the Move to the Colorado School Mines: Both CGS and Mines representatives have indicated that they believe the move of CGS to Mines will ultimately be good for both entities. However, *JBC staff also understands that, as would be expected with a move of this kind, the transition been challenging.*

- The CGS physically moved from Denver in September 2013 to a temporary location in Golden. It will be moving again to a permanent location in May 2014.
- Because the agency moved from the Department of Natural Resources during the middle of the 2012-13 fiscal year, there were challenges related to changing accounting systems.
- The CGS website still appears within the Department of Natural Resources as of February 13, 2014. Staff understands that this is because of difficulties with transitioning the system by which the public pays for Survey publications. The transition is expected to be completed in the next month.
- Some staff chose to retire or leave during the transition. The CGS is therefore currently in the process of hiring 3.0 new FTE, including a new State Geologist, and will hire an additional 1.0 to 2.0 FTE over the coming fiscal year. This should bring it back to staffing in the 14.5 FTE range reflected in the appropriation.

Request: The Department of Higher Education requests a continuing appropriation of \$1,863,401 and 14.5 FTE, including \$300,000 General Fund and \$1,295,601 from the Operational Account of the Severance Tax Trust Fund for the Geological Survey at the Colorado School of Mines.

Recommendation: Staff recommends \$2,124,330, including \$306,000 General Fund, \$1,477,785 cash funds including \$1,342,243 from the Operational Account of the Severance Tax Trust Fund. This incorporates a staff-recommended increase described below.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

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 2013-14 Appropriation	\$0	\$0	\$0	\$0	\$0	14.5
Colorado Geological Survey adjustment	0	0	0	0	0	0.0
Technical base adjustment	<u>1,713,684</u>	<u>300,000</u>	<u>1,157,948</u>	<u>43,000</u>	<u>212,736</u>	<u>0.0</u>
Subtotal - Personal Services	\$1,713,684	\$300,000	\$1,157,948	\$43,000	\$212,736	14.5
Operating Expenses						
FY 2013-14 Appropriation	\$0	\$0	\$0	\$0	\$0	0.0
Colorado Geological Survey adjustment	0	0	0	0	0	0.0
Technical base adjustment	<u>410,646</u>	<u>6,000</u>	<u>319,837</u>	<u>7,000</u>	<u>77,809</u>	<u>0.0</u>
Subtotal - Operating Expenses	\$410,646	\$6,000	\$319,837	\$7,000	\$77,809	0.0
Other						
FY 2013-14 Appropriation	\$1,863,401	\$300,000	\$1,459,401	\$0	\$104,000	0.0
Colorado Geological Survey adjustment	260,929	6,000	18,384	50,000	186,545	0.0
Technical base adjustment	<u>(2,124,330)</u>	<u>(306,000)</u>	<u>(1,477,785)</u>	<u>(50,000)</u>	<u>(290,545)</u>	<u>0.0</u>
Subtotal - Other	\$0	\$0	\$0	\$0	\$0	0.0
Total Recommended FY 2014-15 Appropriation	\$2,124,330	\$306,000	\$1,477,785	\$50,000	\$290,545	14.5
FY 2014-15 Executive Request	\$1,863,401	\$300,000	\$1,459,401	\$0	\$104,000	14.5
Request Above/(Below) Recommendation	(\$260,929)	(\$6,000)	(\$18,384)	(\$50,000)	(\$186,545)	0.0

Colorado Geological Survey adjustment: This adjustment (shown in the “Other” category) is a staff-recommended adjustment described further below.

Technical base adjustment: This adjustment classifies portions of the appropriation as personal services and operating expenses, rather than “other”, for JBC records. The net impact of the technical base adjustment is \$0 on the total line item appropriation. Further, because this is a program line item, this does not restrict program expenditures.

➔ Colorado Geological Survey Adjustment

The staff recommendation includes an increase to the appropriation for the Colorado Geological Survey. The Department did not submit a request for FY 2014-15. However, in response to a staff request, the CGS submitted a budget estimate that included increases in Severance Tax and General Fund support for personal services, as well as adjustments to cash, reappropriated, and federal funds amounts that are based, respectively, on sale of CGS materials, contracts with other government agencies for CGS services, and potential federal grants.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

	General Fund	Cash Funds - Severance Tax	CF - Publication sales & fee for service to local governments	RF - Fees for services to state agencies	Federal funds - grants	Total
CGS Estimated Budget						
FY 2013-14						
Approp.	\$300,000	\$1,295,601	\$163,800	\$0	\$104,000	\$1,863,401
FY 2014-15						
Estimate	<u>306,000</u>	<u>1,342,243</u>	<u>135,542</u>	<u>50,000</u>	<u>290,545</u>	<u>2,124,330</u>
Change	6,000	46,642	(28,258)	50,000	186,545	260,929
% Change	2.0%	3.6%	-17.3%	n/a	179.4%	14.0%

Staff recommends a budget adjustment consistent with the estimated budget submitted by the CGS for FY 2014-15. The staff recommendation is based on the following:

- Pursuant to Section 23-41-202 (1), C.R.S., “It is the intent of the general assembly that sufficient funds be provided to cover the direct costs of a base staff and their operating expenses to ensure functional continuity of the Colorado geological survey as provided by statute and as determined pursuant to any memorandum of understanding entered into pursuant to section 23-41-201 [concerning the Memorandum of Understanding between the Colorado School of Mines and the Department of Natural Resources]”.
- When the JBC set the funding level for the CGS for FY 2013-14, it chose to add General Fund to the requested appropriation to ensure that the CGS could maintain core functionality in all of the key areas described above.
- If the General Assembly does not establish a mechanism for routinely increasing CGS funding, the value of state support for the CGS will erode over time. While staff anticipates that the CGS will be able to expand grants and contracts over time, certain key functions that serve local governments and the general public are unlikely to ever be fully supported with grant or fee moneys.
- Although the Colorado School of Mines did not submit a request for a funding increase for the CGS for FY 2014-15, historically the CGS would have received annual increases in Severance Tax support as part of the normal process of providing “common policy” increases for CGS staff.
- The portion of the estimate that relies on state moneys (General Fund and Severance Tax) reflects a modest increase that is generally consistent with the level of increases being provided for state staff under common policy for FY 2014-15. The combined estimate for funding from the General Fund and Severance Tax is \$52,642, which represents an overall increase of 3.3 percent from base funding amounts. Approximately 80 percent of cash and

General Fund amounts at the CGS are dedicated to personal services and this year's approved increases for merit and salary survey increases average 4.5 percent. Thus, the estimated increase of 3.3 percent for support from state sources seems reasonable.

- The balance of the estimated increases are based on moneys that will only be realized if grants, contracts, and sales proceed as anticipated. However, if these estimates are sound, the budget will more accurately reflect the scale of the CGS at the Colorado School of Mines. Prior to the move to the Colorado School of Mines, the CGS Long Bill appropriation (excluding the Avalanche Information Center) was about \$3.9 million.
- Under normal circumstances, staff would be unlikely to recommend a funding increase for this program in the absence of an Executive request. However, staff recognizes that the move to the Colorado School of Mines has resulted in considerable disruption, which staff believes explains the lack of a request for a funding increase for FY 2014-15.

Additional Background – Statutory Issue for JBC Consideration

- The CGS receives a significant amount of its support from the Operational Account of the Severance Tax Trust Fund. The Severance Tax request for the program was historically submitted as part of the Department of Natural Resources' request for "Tier I" Severance Tax programs pursuant to Section 39-29-109.3 (1). Tier I supports a wide range of Department of Natural Resources divisions. Amounts the General Assembly does not appropriate for Tier I programs spill over, pursuant to 39-29-109.3 (2), C.R.S., to the Tier II programs.
- All Tier I programs, now with the exception of the Colorado Geological Survey, are programs located within the Department of Natural Resources.
- Pursuant to Section 39-29-109.3 (1), C.R.S., the Executive Director of the Department of Natural Resources submits, with the Department's budget request, "a list and description of the programs the Executive Director recommends funding from the Operational Account of the Severance Tax Trust Fund" (39-29-109 (2) (b), C.R.S.). This is the Tier I request.
- The Department of Natural Resources did not submit a proposed funding level for CGS, assuming that CGS's funding level would be based on decisions of the General Assembly and funding requests from the Colorado School of Mines. However, the Department of Natural Resources' estimates for statewide use of Severance Tax did assume an increase for the CGS.
- *The language in Section 39-29-109.3 (1), C.R.S., concerning the Executive Director of the Department of Natural Resources should probably be modified when the opportunity arises (i.e., when there is another bill that makes changes to Severance Tax provisions in which this change could be inserted). Instead of requiring the Executive Director of the Department of Natural Resources to recommend funding for Tier I programs, statute could simply authorize use of Severance Tax moneys for Department of Natural Resources programs and the CGS. Staff does not believe there is any statutory prohibition against using Operational Account moneys for the CGS, so *this is an optional clean-up*, rather than a required change.*

GEAR-UP [NEW LINE ITEM RECOMMENDED]

➔ Reflect federal GEAR –UP grant

Staff recommends creating a new line item in the Colorado Commission on Higher Education, Special Purpose section where all funding for the federal GEAR UP grant will be consolidated. The recommended changes are shown below by line item, with **\$5,000,000 federal funds and 39.1 FTE** now reflected in the Colorado Commission on Higher Education, Special Purpose, GEAR UP line item, and federal GEAR UP funds removed from other line items.

	Federal Funds	FTE
CCHE, Administration	(414,363)	-3.6
CCHE, Special Purpose, GEAR-UP	5,000,000	39.1
CCHE Financial Aid, Special Purpose, GEAR-UP	<u>(600,000)</u>	
Net Change	3,985,637	35.5

The Department did not request this change but agrees that placing the program on-budget for informational purposes will increase transparency.

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

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

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

Previously, some GEAR UP administrators were included in the CCHE budget, as was \$600,000 of student grant funding, but the balance of funding for the program was located in the Governor's budget and was off-budget, although the program is longstanding and in its second 7-year grant cycle. The full program was moved the Department of Higher Education at the end of FY 2012-13.

(3) Colorado Commission on Higher Education Financial Aid

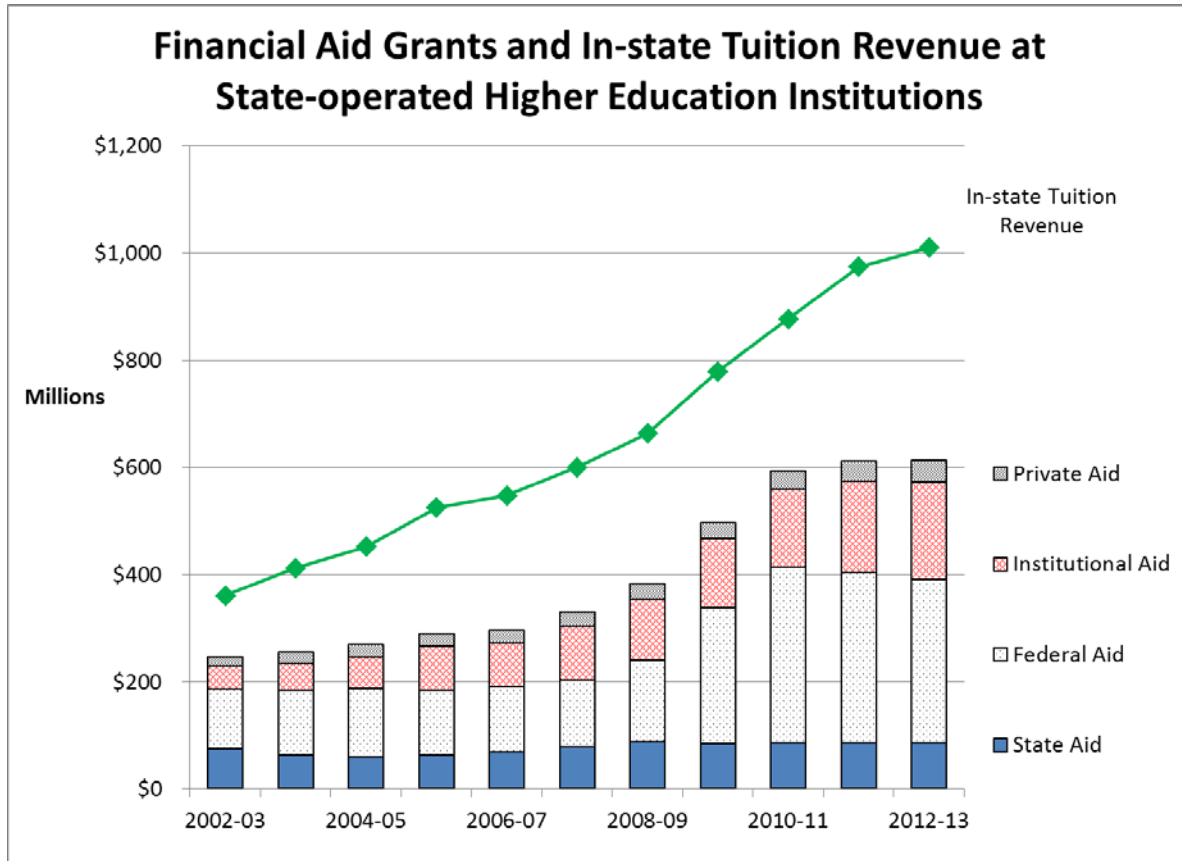
Of the General Fund appropriations for higher education in FY 2013-14, \$111.5 million (16.9 percent) are for financial aid. The majority of the money goes for need based aid and work study. There are also a number of smaller, special purpose financial aid programs. Financial aid funds are appropriated to the CCHE and then allocated to the institutions, including approximately \$6.7 million in FY 2012-13 for private institutions, based on formulas that consider financial need at the schools, total student enrollment, and program eligibility criteria.

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) increase, in total, by at least the same percentage as the aggregate percentage increase of all general fund appropriations to institutions of higher education.

The financial aid funding identified in state appropriations is only a fraction of the total financial aid available. The federal government provides a significant amount of financial aid for students, the vast majority of which is not reflected in the state budget. The majority of federal grants come through the Pell program for the neediest students. Federal legislation increased the maximum Pell grant for a full-time student to \$5,550 in FY 2010-11 and expanded Pell eligibility, resulting in a substantial increase in overall federal funding. However, while the maximum award has been flat since FY 2010-11, eligibility was reduced in FY 2011-12, when year-round Pell grants were eliminated, and FY 2012-13 when the total number of semesters of eligibility was reduced from 18 to 12, access for students who had not yet completed a GED or high school diploma was eliminated, and the income cut-off for assuming a \$0 family contribution was reduced.

Another source of funding for financial aid is money set aside by the institutions from fundraising and the operating budgets of the schools (largely tuition revenue). There is significant variation in the amount of money available by institution and how students qualify for institutional aid, based on differences in school policies and fundraising. The majority of institutional aid is directed to merit-based aid.

The following table shows financial aid grants from various sources awarded to students attending state-operated higher education institutions. As an indication of the buying power of financial aid grants, the chart also provides information on total resident tuition revenues collected.



DIVISION REQUEST AND RECOMMENDATION SUMMARY

Colorado Commission on Higher Education Financial Aid						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$111,977,361	\$111,377,361	\$0	\$0	\$600,000	0.0
Other legislation	<u>87,986</u>	<u>87,986</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$112,065,347	\$111,465,347	\$0	\$0	\$600,000	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$112,065,347	\$111,465,347	\$0	\$0	\$600,000	0.0
R1 Increased financial aid for Colorado students	40,000,000	40,000,000	0	0	0	0.0
R3 Fort Lewis College Native American Tuition Waiver	375,751	375,751	0	0	0	0.0
R4 Additional funding for Dependent Tuition Assistance Program	252,000	252,000	0	0	0	0.0
Reflect federal GEAR - UP	(600,000)	0	0	0	(600,000)	0.0
Indirect cost and fund source adjustments	<u>0</u>	<u>(326,275)</u>	<u>0</u>	<u>326,275</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$152,093,098	\$151,766,823	\$0	\$326,275	\$0	0.0
Increase/(Decrease)	\$40,027,751	\$40,301,476	\$0	\$326,275	(\$600,000)	0.0
Percentage Change	35.7%	36.2%	0.0%	0.0%	(100.0%)	0.0%
FY 2014-15 Executive Request:	\$153,154,202	\$152,554,202	\$0	\$0	\$600,000	0.0
Request Above/(Below) Recommendation	\$1,061,104	\$787,379	\$0	(\$326,275)	\$600,000	0.0

Issue Descriptions

R1 Increased financial aid for Colorado students: The recommendation includes an increase of \$40,000,000 General Fund (41.8 percent) for financial aid programs. This includes \$35,000,000 for need based grants and \$5,000,000 for work study. Staff does not recommend the \$5.0 million request for merit based grants and has instead added \$5.0 million to the amount originally requested for need based grants.

R3 Fort Lewis College Native American Tuition Waiver: The recommendation includes an increase of \$375,751 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.

R4 Additional funding for Dependent Tuition Assistance: The recommendation includes an increase of \$252,000 General Fund (60 percent) for the Dependent Tuition Assistance Program. Under this program, the State pays tuition and room and board costs for qualified dependents of deceased or permanently disabled national guardsmen, law enforcement officers, or firefighters.

Reflect federal GEAR-UP: The recommendation moves amounts previously in this section of the Long Bill to a line item in the Colorado Commissions on Higher Education section.

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.

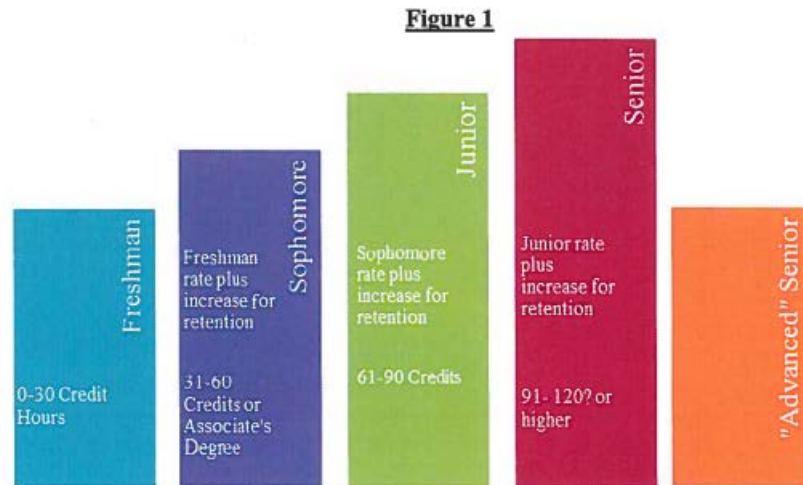
INITIATIVES AFFECTING MULTIPLE LINE ITEMS

R1 Increased Financial Aid for Colorado students

- The request is for \$40,000,000, including \$30,000,000 for need based grants, \$5,000,000 for merit based grants, and \$5,000,000 for work study
- The recommendation is for \$35,000,000 for need based grants and \$5,000,000 for work study.
- If the Committee adopts the staff recommendation or another option that differs from the request, but wishes to fund R1 through S.B. 14-001, it will need to propose an amendment to S.B. 14-001, as this bill currently includes an appropriation clause that matches the request for R1.
- The Committee should also consider adding a footnote to the Long Bill (or language in S.B. 14-001) reflecting legislative intent that additional financial aid appropriations be used to supplement, rather than supplant, existing institutional financial aid for resident students.

Request: The Executive Request R1 increases need based grants by \$30,000,000 (37.8 percent) and work study by \$5,000,000 (30.4 percent) and restores \$5,000,000 for merit based grants (last funded in FY 2008-09).

Need-based Aid: The request notes that financial aid is an important factor in providing access to college. The request indicates that the need-based portion of the request will be allocated based on the new allocation formula implemented by CCHE for FY 2013-14. The formula is 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.. The Department now also proposes a reduced amount of funding for “advanced seniors” (seniors with an excess amount of credits). The formula is designed to incentivize institutions in their efforts both to retain needy students and help them to graduate promptly.



Work-study: The request references research showing that work study has a positive impact on retention and graduation rates. The request indicates that CCHE will determine the allocation methodology for new work-study funds, as this has yet to be determined.

Merit-based aid: The request notes that proposed funding would restore one-third of the funds eliminated when merit funding was discontinued in FY 2009-10. Merit base aid has been used to leverage institutional aid as an additional avenue to assist middle income families that fall just outside the restriction of need based aid parameters. The request highlights the importance of merit-based aid in convincing Colorado students to remain in-state. The request indicates that CCHE will determine the allocation methodology for new merit-based funds, as this has yet to be determined.

Distribution update: Pursuant to Article 2.2 of Title 23, C.R.S., state funding for financial aid is distributed to institutions by the Colorado Commission on Higher Education (CCHE) based on CCHE guidelines, but institutions then administer financial assistance according to policies and procedures established by the governing boards.

As of the February 14, 2014 CCHE meeting, CCHE had not reached decisions regarding how the proposed new funding might be allocated. However, the following topics were discussed, reflecting staff proposals and institutional feedback:

- One institution suggested that the Commission consider all types of aid “holistically” to support the goals of the Master Plan, given statutory flexibility in institutional use of financial aid. The balance of discussion/comment related to separate allocation of the three funding categories (need, work-study, and merit).
- Need-based options discussed were variants on the FY 2013-14 allocation model. One applied the need-based allocations without hold-harmless provisions, resulting in some substantial swings, including reduced funding at one institution, while another option ensured that all institutions received at least a 2.6 percent increase and no institution increased

funding by more than 50 percent. The Commission requested further modeling of options, particularly to address the concerns of institutions that would be held flat or lose funding under the proposed models.

- Work-study options all built on the existing base of work-study funding. One option would distribute new moneys based on total financial need by campus (cost of attendance minus total expected family contribution). A second option would allocate funds based on the total number of resident undergraduate FTE at each institution. The first option would direct a larger share of total funding to the two-year institutions than the second option. One institutional representative suggested that a portion of the funding should be set aside to pilot and test the impact of work-study on student retention for targeted populations.
- Merit-based options discussed included: (1) proportionate distribution to all institutions based on student FTE; (2) allocation based on demonstrated need for full-time, full-year students from the upper-end of Pell eligibility to students with any demonstrated need; and (3) allocation based on demonstrated need for full-time, full-year students who are not fully Pell-eligible to those with incomes at 300 percent of Pell-eligibility. These last two options would direct a substantially larger share of funding to four-year institutions than the first option.

***Funding Recommendation:* Staff recommends the request for \$40,000,000 additional General Fund for financial aid, but recommends that the \$5,000,000 requested for merit-based grants be directed instead to additional need-based grants, so that the total recommendation is for \$35,000,000 General fund for need-based grants and \$5,000,000 General Fund for work-study funds.**

Analysis: The cost-of-attendance has increased substantially at state institutions over the last ten years, due in large part to reductions in state support.² 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. Nearly 69 percent of students graduating with a bachelor’s degree had student loan debt, with an average debt of \$25,672.³ 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.⁴ Costs of higher education and resulting student debt-loads have prompted widespread concern about the implications both for students and the economy as a whole.⁵

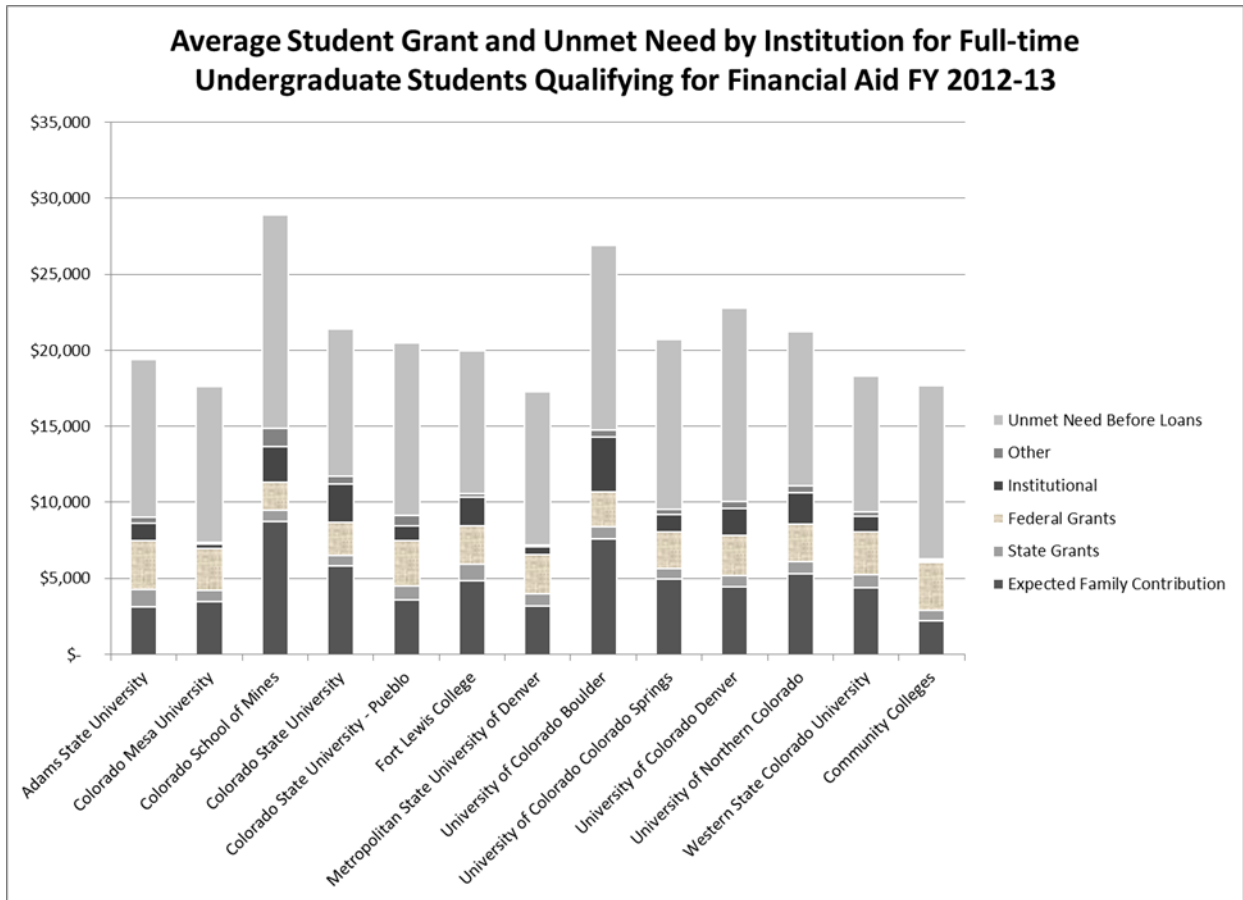
The chart below shows the extent to which “expected family contribution” and grant funds met the financial needs of students who qualified for need-based financial aid in FY 2012-13 at Colorado public institutions. The “unmet need” is often met through student loans.

² Based on IPEDS data from the National Center for Education Statistics, at Colorado’s most-prestigious public institutions, the cost of attendance for resident students typically doubled from FY 2002-03 to FY 2012-13, while the consumer price index increased 24 percent. See staff briefing document dated December 3, 2013 for additional detail.

³ http://higher.ed.colorado.gov/Publications/Reports/FinancialAid/FY2013/201213_FAReport_rel120513.pdf

⁴ See federal website: http://www.nsls.ed.gov/nsls_SA/defaultmanagement/search_cohort_3yr2010.cfm

⁵ 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/>



The number of students qualifying on the basis of need is substantial. The subsequent chart below shows the percentage of students at each institution who are eligible for a federal Pell grant. Based on data from the Department, in FY 2012-13, the families of dependent students receiving a full Pell grant had an average adjusted gross income of \$17,094, while the average for students receiving any Pell award was \$30,384.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

2012-2013	Pell Recipient FTE 12-13	Undergrad Res FTE 12-13	Percentage Pell FTE
Adams State University	1,061	1,578	67.24%
Colorado School of Mines	628	2,938	21.37%
Colorado State University	5,275	16,496	31.98%
Colorado State University - Pueblo	2,108	3,480	60.56%
Fort Lewis College	780	2,227	35.02%
Colorado Mesa University	3,550	6,562	54.10%
Metropolitan State University of Denver	8,707	16,266	53.53%
University of Colorado Boulder	3,880	14,948	25.96%
University of Colorado Colorado Springs	2,709	6,492	41.72%
University of Colorado Denver	3,443	7,450	46.22%
University of Northern Colorado	3,249	8,077	40.23%
Western State Colorado University	558	1,336	41.77%
Community College (CCCS) TOTALS	31,701	55,475	57.14%
Grand Total	70,970	149,849	47.36%

Source: Colorado Department of Higher Education

Staff recommends that additional funds be directed to need-based aid, rather than merit-based aid for the following reasons:

- 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.⁶ Further, studies have shown that providing need-based aid increases the odds of enrollment, retention, and graduation of lower-income students in higher education.⁷
- Demographic changes could threaten the state’s long-term economic health, unless it is able to more effectively meet the educational needs of low-income minority populations. The share of Colorado’s population that identifies as being from a minority racial or ethnic groups is expected to increase from about 29 percent in 2010 to 45 percent in 2040, with most of this growth attributable to growth in the Hispanic population.⁸ Colorado has historically done a poor job of supporting this population through the educational pipeline.⁹ *Unless Colorado improves educational outcomes for its low-income, traditionally under-served populations, it*

⁶ 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>

⁷ See for example, http://gseacademic.harvard.edu/~longbr/Castleman_Long_-_Looking_Beyond_Enrollment_-_draft_Oct2012.pdf

⁸ <http://www.colorado.gov/cs/Satellite?blobcol=urldata&blobheadername1=Content-Disposition&blobheadername2=Content-type&blobheadervalue1=inline%3B+filename%3D%22Forecasts+by+Race+and+Ethnicity.pdf%22&blobheadervalue2=application%2Fpdf&blobkey=id&blobtable=MungoBlobs&blobwhere=1251904894046&ssbinary=true>

⁹ http://higher.ed.colorado.gov/Publications/General/StrategicPlanning/MasterPlan2012/Master_Plan_Final.pdf

runs the risk that the State will become, on average, poorer and less well-educated and that Colorado will lose its current position as one of the best-educated and highest income states in the country.

- As reflected in the chart below, for students at the lowest end of the economic spectrum, with incomes below \$30,000, average net cost of attendance at public institutions of higher education still substantially exceeds assistance provided. “Net price” is the cost to the student of tuition, fees and living costs, after accounting for federal, state, and institutional grants. Such high net prices may discourage students from pursuing higher education altogether or push them to attend part-time, which has been shown to lead to poorer outcomes. As detailed in staff December 3, 2013 budget briefing, Colorado’s largest and wealthiest institutions have imposed some of the largest financial increases on their low-income students over the last four years.

Institution Name	Average net price (income \$0-30 000)-students receiving Title IV Federal financial aid 2011-12	Total cost of attendance for in-state students 2011-12*	Average net price for (\$0-30,000) as a percentage of total cost
Adams State University	\$9,163	\$17,237	53%
Colorado Mesa University	13,895	20,471	68%
Colorado School of Mines	19,089	26,748	71%
Colorado State University-Fort Collins	9,147	20,482	45%
Colorado State University-Pueblo	10,035	19,446	52%
Fort Lewis College	9,777	18,966	52%
Metropolitan State University of Denver*	8,240	17,532	47%
University of Colorado Boulder	13,934	27,236	51%
University of Colorado Colorado Springs	11,008	22,598	49%
University of Colorado Denver	12,936	21,774	59%
University of Northern Colorado	13,601	19,663	69%
Western State Colorado University	9,182	17,937	51%
Community College Average*	10,595	17,790	60%

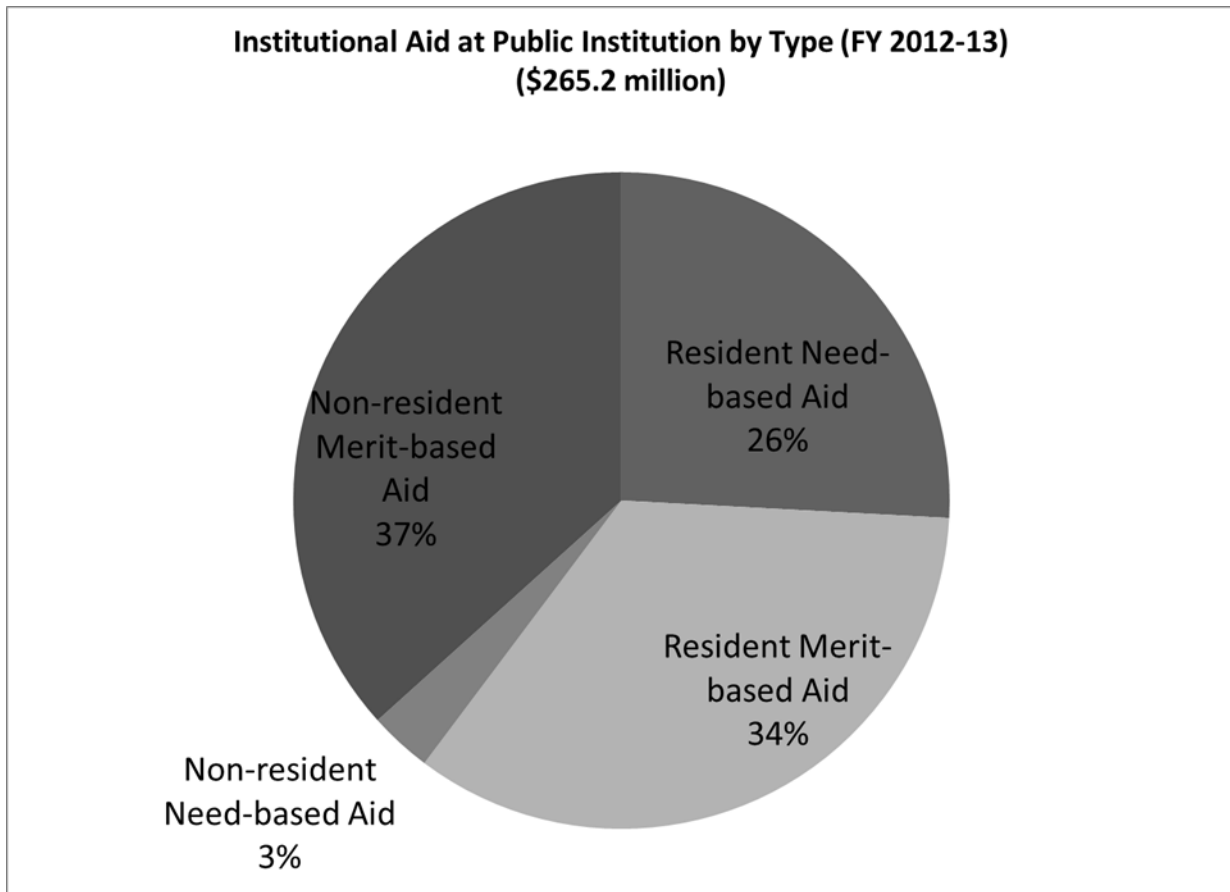
*Cost of attendance is based on full-time on-campus resident undergraduate cost, except for starred entities for which costs reflect off-campus, living independently.

Source: National Center for Education Statistics, IPEDS Data Center

- Although institutional aid has grown along with tuition, the vast majority of institutional aid is directed to merit-based aid. Colorado’s larger institutions offer standard merit-based tuition reductions for resident students: the University of Colorado offers an “esteemed scholars” program that provides merit aid of \$2,500 to \$5,000 per year and CSU Fort Collins offers reductions of \$1,000 to \$4,000 per year based, in each case, on GPA and standardized test scores. The institutions note that these kinds of programs help to keep gifted Colorado students in-state. However, *merit-based aid disproportionately benefits better-off students, who are likely to be better-prepared than less wealthy students*. Researchers have pointed out that institutions have increasingly directed institutional aid to merit-based aid. This reflects a competitive environment among institutions in which institutions actively recruit students by offering them tuition discounts. Nationally, the share of high income students

receiving grants has grown, while the share of low-income students receiving grants has declined.¹⁰

- Public institutions are already directing millions per year to merit-based aid through institutional financial aid. Adding \$5.0 million to this figure does not appear to staff to be the best use of limited public dollars.



Recommendations for Statutory Changes

- Consistent with the recommendation presented during the staff budget briefing, **staff recommends that the Committee sponsor legislation to clarify, modernize and update financial aid statutes.** During the briefing presentation, staff presented three options for this.

Option 1: Add statutory language requiring that funds be spent by the institutions consistent with the purposes specified by Long Bill line item titles, footnotes and the definitions

¹⁰ 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

in the article. Then, add definitions to the statute for “Need-based Grants”, “Work Study” and “Merit Based Grants”. Such definitions could be extremely broad, leaving institutions with substantial flexibility.

Option 2: Add language to clarify the Commission’s authority to establish broad parameters for institutions’ use of appropriated financial aid. This might include, for example, clarifying Section 23-3.3-102 (1), C.R.S., to specify that the Commission may establish, in consultation with the institutions, general guidelines within which institutionally-administered programs must operate.

Option 3: *[Could be combined with Options 1 or 2]* Provide the Commission authority to review/approve financial assistance program policies and procedures established by the governing boards. Staff recognizes that this might be controversial, but it would restore a mechanism by which CCHE could “smell test” institutional policies to ensure they are consistent with legislative intent as expressed in Long Bill line item titles and footnotes.

- The Committee proposed that the Education committees should take up this issue, but they have not thus far done so.
- To develop a better sense of institutional response to the proposal, staff developed an early JBC staff draft and circulated it to the institutions and department for comment.
- Based on this feedback staff believes that there is an option that falls somewhat between Options 1 and 2 that might be generally acceptable to the institutions and CCHE. The key features of this are outlined below.
- **Staff recommends that the Committee vote to have a financial aid “clean up” bill drafted that the Committee authorize staff to work further with OLLS, the institutions, and the Department to prepare language for the Committee’s review.**
- During the briefing, staff also recommended that the Committee consider adding language to statute (e.g., S.B. 14-001) or otherwise seek an institutional commitment that institutions would not reduce institutional financial aid funding in response to the large increase in state financial aid funding. **Based on institutional feedback, staff believes a statutory change requiring financial aid “maintenance of effort” is not likely to be workable. However, staff does recommend a footnote (or non-statutory addition to language in S.B. 14-001) that would express legislative intent that additional state funding supplement and not supplant institutional support for financial aid.**

Background – Need to Clarify and Modernizing Statutes

[This background is drawn from staff’s December 3, 2013 briefing]

In light of the large increases requested for financial aid, staff recommends that the Committee consider legislation to modernize and clarify financial aid statutes. Financial aid statutes are found in Section 23-3.3-101 through 901, C.R.S. Portions of these statutes have not been modified since 1979 and appear outdated, while other portions were substantially modified by

S.B. 10-003. In general, the original statutes gave CCHE substantial authority. As that authority has been pulled back to the General Assembly and the institutions over time, the statutes do not appear to have been consistently modified.

Issue #1 – Who defines what constitutes “Need Based Grants” or “Merit Based Grants”?

Prior to the passage of S.B. 10-003, the Colorado Commission on Higher Education was responsible for administering the financial assistance program with the assistance of institutions “according to policies and procedures established by the Commission”. Senate Bill 10-003 replaced this with the following language:

Section 23-3.3-102. Assistance program authorized – procedure – audits. (1)

The general assembly hereby authorizes the commission to establish a program of financial assistance, to be operated during any school sessions, including summer sessions for students attending institutions.

(2) The commission shall determine, by guideline, the institutions eligible for participation in the program and shall annually determine the amount allocated to each institution.

(3) Each state institution shall administer a financial assistance program according to policies and procedures established by the governing board of the institution.

The bill made no changes to the much older section of statute that effectively authorizes need-based and merit-based aid.

23-3.3-501. Scholarship and grant program- funding. The commission shall use a portion of any moneys remaining after meeting the requirements of parts 2 and 3 of this article [related to the Dependent Tuition Assistance Program and Work Study] to provide other programs of financial assistance based upon financial need, merit, talent, or other criteria established by the commission for students enrolled at institutions.

Staff finds the resulting statutes confusing with respect to who has authority to define “Need Based Grants” or “Merit Based Grants”. Neither term is currently defined in statute (definitions for the financial aid article are found at Section 23-3.3-101, C.R.S.).

- Does the Commission have authority to define what is meant by “Need Based Grants” or “Merit Based Grants” if the General Assembly chooses to appropriate into those line items?
- Does it have authority to make any other demand of institutions, such as requiring that state financial aid be directed only to students eligible for in-state funding (residents and ASSET-eligible students)?

Based on conversations with the Department and OLLS, there appears to be consensus that the changes included in S.B. 10-003 were intended to strip CCHE of such authority.

- Yet, if the answers to the above questions are “no”, who does have authority to define these terms? May the institutions use any financial aid funds they receive in any manner they

choose without regard to the line item titles reflected in the Long Bill? Could they direct the funds to students who are not residents? Establish eligibility for “Need Based Grants” based on anyone with a household income below \$100,000? Provide “Merit Based Grants” to a person with a GPA of 1.0?

- If the institutions have flexibility to use the funds but some basic restrictions apply, e.g., if “Need Based Grants” appropriations may only be used by the institutions for people with an expected family contribution that is lower than the institution’s cost of attendance, shouldn’t statute say this?

Issue #2 – Archaic language/authority of CCHE to transfer funds

23-3.3-102 (7). Each annual budget request submitted by the commission shall provide information on the proposed distribution of the moneys among the programs developed under this article. Subsequent to final appropriation, the commission shall provide to the joint budget committee an allocation proposal specifically identifying the distributions among programs for the coming year. Expenditures in any program shall not exceed the allocation for that program by more than ten percent of such allocation, and the total appropriation for all student aid programs shall not be exceeded.

The language in the statute is somewhat confusing and no longer conforms to current practice or terminology.

- The Commission submits a budget request for appropriations to certain line items—as opposed to a “proposed distribution of moneys among programs”.
- It submits an annual report on financial aid actually distributed after a year has closed out. It has also responded to staff questions about distribution of current-year funds, but staff is not aware of an “allocation proposal” submitted subsequent to final appropriation.
- In FY 2012-13, it used different statutory authority to transfer \$190,510 from the appropriation for Need Based Grants to an appropriation for College Opportunity Fund stipends for students attending private institutions, authorized pursuant to Section 23-18-202 (2) (e), C.R.S. It did this on the basis of authorization from the Governor’s Office and on the basis that COF private stipends are based on Pell-eligibility and thus constitute financial aid and an appropriation for a “like purpose”. While this approach may be used in the future, it might also be reasonable to modify statute to specifically allow such a transfer under the financial aid statute.¹¹

Recommended Statutory Changes [Incorporating Recent Feedback]

Staff recommends that the Committee sponsor legislation to update this statute.
Recommended changes include:

- Placing statute very broad definitions of terms, e.g. “Need-based assistance” means financial aid awarded to students to offset demonstrated need as defined by the policy of the Colorado

¹¹ Note: the Department originally indicated that the transfer was authorized under the financial aid statute, but subsequently corrected its analysis.

Commission on Higher Education” and “Merit-based assistance means financial aid awarded to students based on academic, artistic, athletic or other special accomplishments”. This would not include efforts to place specific formulas in statute;

- Requiring that expenditures of state moneys be consistent with the purposes specified by appropriation line item titles as defined by statute *and Colorado Commission on Higher Education policy*. This would not include authorizing the General Assembly to establish definitions/guidelines via footnote;
- Specifying that the General Assembly may appropriate funds for the purposes specified in the article;
- Providing the Department authority to transfer funds among financial aid line items at the same level currently allowed (line item spending may be increased by up to 10 percent);
- Specifying that the Department’s authority to transfer funds extends to College Opportunity Fund stipends to private institutions;
- Making some changes to the Dependent Tuition Assistance program requested by the Department (e.g., clarifying that the program is for dependents of national guardsmen and first responders *employed within Colorado* and clarifying existing statutory limits on the length of time/number of academic semesters individuals may participate in the DTAP program. Also making some other technical fixes to existing definitions and terms, e.g., “state institution”.

The key challenge in drafting the legislation is to find language that again enables the Colorado Commission on Higher Education to establish financial aid definitions and broad policy guidelines while not unduly restricting institutions’ use of financial aid resources. Staff would like to make an attempt to find language that works for this purpose but believes assistance from OLLS (as well as the department and institutions) would be helpful in this effort.

(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’

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

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 2013-14 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.

Request: The Department requests \$109,346,789 General Fund, including an increase of \$30,000,000 General Fund for request R1.

Recommendation:

Colorado Commission on Higher Education Financial Aid, Need Based Grants, Need Based Grants					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	\$79,258,803	\$79,258,803	\$0	\$0	0.0
Other legislation	<u>87,986</u>	<u>87,986</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$79,346,789	\$79,346,789	\$0	\$0	0.0
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$79,346,789	\$79,346,789	\$0	\$0	0.0
R1 Increased financial aid for Colorado students	35,000,000	35,000,000	0	0	0.0
Indirect cost adjustments	<u>0</u>	<u>(326,275)</u>	<u>0</u>	<u>326,275</u>	<u>0.0</u>
TOTAL	\$114,346,789	\$114,020,514	\$0	\$326,275	0.0
Increase/(Decrease)	\$35,000,000	\$34,673,725	\$0	\$326,275	0.0
Percentage Change	44.1%	43.7%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$109,346,789	\$109,346,789	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$5,000,000)	(\$4,673,725)	\$0	(\$326,275)	0.0

R1 Increased financial aid for Colorado students: As previously discussed, the staff recommendation reallocates financial aid increases requested to increase need based aid by \$5.0 million.

Indirect cost adjustments: As previously discussed, the staff recommendation applies statewide indirect cost assessments to offset General Fund otherwise required in this line item.

(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.

Request: The Department requests \$21,432,328 General Fund for this line item, including an increase of \$5,000,000 for R1.

Recommendation: Staff recommends the Department's request.

Colorado Commission on Higher Education Financial Aid, Work Study, Work Study			
	Total Funds	General Fund	FTE
FY 2013-14 Appropriation			
SB 13-230 (Long Bill)	<u>\$16,432,328</u>	<u>\$16,432,328</u>	<u>0.0</u>
TOTAL	\$16,432,328	\$16,432,328	0.0
FY 2014-15 Recommended Appropriation			
FY 2013-14 Appropriation	\$16,432,328	\$16,432,328	0.0
R1 Increased financial aid for Colorado students	<u>5,000,000</u>	<u>5,000,000</u>	<u>0.0</u>
TOTAL	\$21,432,328	\$21,432,328	0.0
Increase/(Decrease)	\$5,000,000	\$5,000,000	0.0
Percentage Change	30.4%	30.4%	0.0%
FY 2014-15 Executive Request:	\$21,432,328	\$21,432,328	0.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

R1 Increased financial aid for Colorado students: As previously discussed, staff recommends this component of the Department’s request. 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.

(C) Merit Based Grants [request to reinstate subsection]

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.

Request: The Department requests reinstating this line item at the level of \$5,000,000 General Fund pursuant to request R1.

Recommendation: As discussed above, **staff does not recommend reinstating funding for Merit Based Grants.**

(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 \$672,000 General Fund for this line item, including an increase of \$252,000 (60 percent) for R4 (Dependent Tuition Assistance Program).

Recommendation:

Colorado Commission on Higher Education Financial Aid, Special Purpose, Veterans'/Law Enforcement/POW Tuition Assistance			
	Total Funds	General Fund	FTE
FY 2013-14 Appropriation			
SB 13-230 (Long Bill)	<u>\$420,000</u>	<u>\$420,000</u>	<u>0.0</u>
TOTAL	\$420,000	\$420,000	0.0
FY 2014-15 Recommended Appropriation			
FY 2013-14 Appropriation	\$420,000	\$420,000	0.0
R4 Additional funding for Dependent Tuition Assistance Program	<u>252,000</u>	<u>252,000</u>	<u>0.0</u>
TOTAL	\$672,000	\$672,000	0.0
Increase/(Decrease)	\$252,000	\$252,000	0.0
Percentage Change	60.0%	60.0%	0.0%
FY 2014-15 Executive Request:	\$672,000	\$672,000	0.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

➔ R4 Dependent Tuition Assistance Program

Request: The Department requests an increase of \$252,000 General Fund to ensure adequate appropriations to serve eligible students in the Dependent Tuition Assistance Program. Need for this program has historically outstripped available funding. Increases in spending have been driven by tuition increases and the increased cost of residence living at institutions in general.

In response to multiple years of over-expenditures, the Department requested and received an increase of \$55,078 for FY 2013-14, but the number of students enrolled for Fall 2013 is the largest group ever, and the Department therefore anticipates that FY 2013-14 expenditures will again exceed appropriations.

The Department’s actual costs in recent years and estimated FY 2013-14 expenditures are shown below. The FY 2013-14 estimate is based on: (1) 66 students enrolling for fall 2013; and (2) assumed 9.0 percent cost increase per student from the FY 2012-13 actual per-student amount. The FY 2014-15 request is based on the FY 2013-14 estimated need, rounded to \$252,000 with no additional adjustment.

Dependent Tuition Assistance Program			
	Students	Expenditures	Avg. Cost per Student
FY 2008-09	49	\$427,331	\$8,721
FY 2009-10	40	379,625	9,491
FY 2010-11	37	387,936	10,485
FY 2011-12	41	447,121	10,905
FY 2012-13	52.5	489,700	9,328
FY 2013-14 (estimated)	66	671,029	10,167
FY 2013-14 appropriation		<u>\$420,000</u>	
Difference estimate-approp		251,029	

Recommendation: Staff recommends the requested increase of \$252,000. Pursuant to Section 23-3.3-202, C.R.S., the Department is required to fund this program before funding any other financial aid program.

From FY 2008-09 through FY 2012-13, appropriations were fixed at \$365,922 and fell consistently short of actual expenditures. It now appears that, even after the increase provided for FY 2013-14, the appropriation will be insufficient. The Department has covered shortfalls in recent years using its transfer authority. 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 were authorized through the Governor’s transfer authority (for like-purposes, up to \$5.0 million; Section 24-75-108, C.R.S.).

While the requested increase is large and may ultimately be more than is required for FY 2013-14, it seems plausible that funds needed could reach the requested level for FY 2014-15. Further, given the flexibility in financial aid statutes, if this funding is excessive, the Department could transfer the excess to one of the other financial aid line items.

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 \$15,303,085 General Fund for this line item, including an increase of \$836,855 for R3 (Fort Lewis College Native American Tuition Waiver).

Recommendation:

Colorado Commission on Higher Education Financial Aid, Special Purpose, Native American Students/Fort Lewis College				
	Total Funds	General Fund	Reappropriated Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	<u>\$14,466,230</u>	<u>\$14,466,230</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$14,466,230	\$14,466,230	\$0	0.0
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$14,466,230	\$14,466,230	\$0	0.0
R3 Fort Lewis College Native American Tuition Waiver	<u>375,751</u>	<u>375,751</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$14,841,981	\$14,841,981	\$0	0.0
Increase/(Decrease)	\$375,751	\$375,751	\$0	0.0
Percentage Change	2.6%	2.6%	0.0%	0.0%
FY 2014-15 Executive Request:	\$15,303,085	\$15,303,085	\$0	0.0
Request Above/(Below) Recommendation	\$461,104	\$461,104	\$0	0.0

➔ R3 Fort Lewis College Native American Tuition Waiver

Request: As of November 1, 2013, Resident student tuition growth and Native American enrollment growth at Fort Lewis were projected to drive a need for an \$836,855 General Fund in FY 2014-15. Funding is made one year in arrears. Thus, the FY 2014-15 request was based on the FY 2013-14 estimate.

Recommendation: The staff recommendation for R3 is for an increase of \$375,751 General Fund, for a total \$14,841,981. The lower 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 2013-14) Native American Tuition Waiver cost. The higher staff figure is based on revised estimates of the FY 2013-14 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. Thus, the primary reason for this year's increase is an increase in the number of non-resident Native American students from FY 2012-13 to FY 2013-14 (tuition for non-residents did not increase from FY 2012-13). About 12 percent of the increase related to resident students, who received a 9.0 percent tuition increase in FY 2013-14.
- 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.
- In some prior years, increases for the Native American Tuition waiver have been funded through reductions in the Need Based Grants line item. As outlined under the Need Based Grants line item, the Department's current request for Financial Aid exceeds the increase that would be required by statute, so this line item could be used as an offset if desired. This is not a part of the staff recommendation.

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.

Request: The Department requests a continuation level of funding of \$600,000 federal funds for this line item. Amounts are shown for informational purposes only.

Recommendation: Staff recommends eliminating this line item, as this amount will now be consolidated with the balance of the GEAR-UP program in the Colorado Commission on Higher Education section.

(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.

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.
- If an institution that doesn't earn the entire stipend payments authorized in the Long Bill, up to three percent of the spending authority appropriated for stipends may be converted to spending authority for fee-for-service contracts, if the Department approves an amendment to the fee-for-service contract.
- 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

The General Assembly may appropriate money to the Department to purchase the following services from state operated higher education institutions:

- educational services in rural areas or communities in which the cost of delivering education services is not sustained by the amount received in student tuition;
- educational services required for reciprocal agreements with other states;
- graduate services;
- educational services that may increase economic development opportunities; and

- specialized education and professional degrees.
- Fee-for-service contracts are not considered a state grant for purposes of determining the enterprise status of higher education institutions.

Fee-for-service contracts reimburse institutions on a per-credit-hour basis for services in these categories, to the extent available funding allows.

General Observations

As staff has discussed previously, studies by the Western Interstate Commission on Higher Education, as well as a recent State Auditor’s Office Performance Audit, indicate that **the College Opportunity Fund structure, as implemented, has not functioned as intended**. It has primarily been useful in removing higher education tuition and fee revenue from the limitations on total state revenue and expenditures imposed by Article X, Section 20 of the state Constitution (the Taxpayers Bill of Rights). In other respects, the system has had little if any impact on state funding decisions or institutional behavior. It also drives substantial bureaucracy. The COF was not implemented as intended in part because the State has not been in a financial position to adjust funding for the institutions based on the population of students or inflation. However, because higher education enrollment is counter cyclical and tends to increase during recessions, the State may never be in a position to guarantee the consistent per-student funding envisioned when the COF was created.

Staff continues to believe that the General Assembly should explore options for a new higher education funding structure that continues to exempt higher education tuition revenue from TABOR, eliminates the excess bureaucracy created by the COF, and provides more clear long-term incentives for whatever institutional behavior the General Assembly deems desirable, be it tuition-reductions or graduation rates. Staff also continues to believe that a referred measure to clearly exempt tuition revenue from TABOR calculations would be the cleanest solution, though the chances of such a proposal moving forward in the near-term are slim. Staff also notes that, since the State Auditor’s Office classifies fee-for-service contracts (in addition to student stipends) as revenue that does not count as a state grant to the institution under TABOR, it might be possible to convert all higher education funding to a fee-for-service model, if the General Assembly wished. Staff assumes that this is the approach that would be used if the General Assembly wished to pay for particular institutional performance, such as graduation rates.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

College Opportunity Fund Program						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$24,448,319	\$24,448,319	\$0	\$0	\$0	0.0
Other legislation	495,720	495,720	0	0	0	0.0
Recommended Long Bill Supplemental	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$524,944,039	\$524,944,039	\$0	\$0	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$24,944,039	\$24,944,039	\$0	\$0	\$0	0.0
R2 Operational funding increase for public colleges and universities	57,920,420	57,920,420	0	0	0	0.0
Annualize prior year actions	<u>686,400</u>	<u>686,400</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$583,550,859	\$583,550,859	\$0	\$0	\$0	0.0
Increase/(Decrease)	\$58,606,820	\$58,606,820	\$0	\$0	\$0	0.0
Percentage Change	11.2%	11.2%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$583,395,834	\$583,395,834	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$155,025)	(\$155,025)	\$0	\$0	\$0	0.0

Recommended Long Bill Supplemental: The recommendation reflects adjustments to the portion of the total appropriation allocated for COF stipends versus COF fee-for-service contracts with public institutions. Based on changes to the enrollment forecast, appropriations for stipends are reduced by \$10.2 million and appropriations for fee-for-service contracts are increased by the same amount.

R2: Operational funding increase for public colleges and universities: This division incorporates the vast majority of the \$60.0 million General Fund requested and recommended for this decision item. This includes increases for public institutions of higher education, as well as a corresponding increase for COF stipends for eligible students attending private institutions.

Annualize one-time supplemental increase: The recommendation annualizes FY 2013-14 increases associated with the S.B. 13-033 (ASSET) and H.B. 13-1165 (Manufacturing Career Pathway).

REQUEST AFFECTING MULTIPLE LINE ITEMS

➔ R2 Operational Funding Increase for Public Colleges and Universities

- The Department requests an increase of \$60.0 million General Fund for higher education institutions, allocated so that each governing board receives an increase of 11.0 percent to its base. In return, the institutions have agreed to restrict resident tuition increases to 6.0 percent or lower.
- Staff recommends the request, with adjustments to the share of the total allocated to student stipends versus fee-for-service contracts and the enrollment forecast.
- The staff recommendation is based on increasing the student stipend to \$2,250 (\$75 per credit hour). For comparison, the FY 2013-14 student stipend is \$1,920, the Executive request was based on \$1,980, and S.B. 14-001 as amended by the Senate Education Committee is based on \$2,160.
- The recommended adjustments have no fiscal impact on the total General Fund provided for public higher education institutions or how the moneys are allocated. However, it does drive an increase in the funding required for private COF stipends (\$155,025 above the Executive request).

Request: The Department requests an increase of \$60,000,000 General Fund (11.02 percent) over the FY 2013-14 Long Bill appropriation for an operational increase for public colleges and universities, with an associated increase of \$51,510 for stipends at private institutions.

- The allocation of the funds requested is based on a proportional allocation based on the FY 2013-14 allocation of General Fund among the governing boards, so that each governing board (including local district colleges and area vocational schools) receives an 11.0 percent increase on the base. The request indicates that, in return, the governing boards have agreed to cap tuition increases for resident students at 6.0 percent for FY 2014-15. Governing boards confirmed this during their budget hearings.
- Consistent with past practice, the request allocates a total funding level for each institution, and the allocation of this amount between College Opportunity Fund stipends and fee-for-service amounts is a secondary calculation. The request includes a \$2 increase in the COF stipend per credit hour (from \$64 to \$66).
- This adjustment to the COF stipend amount results in an associated increase for the nonprofit private institutions that participate in the COF stipend program. (For these schools, the COF stipend is half of the amount at public institutions and is available only for youth who also qualify for Pell Grants.)

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

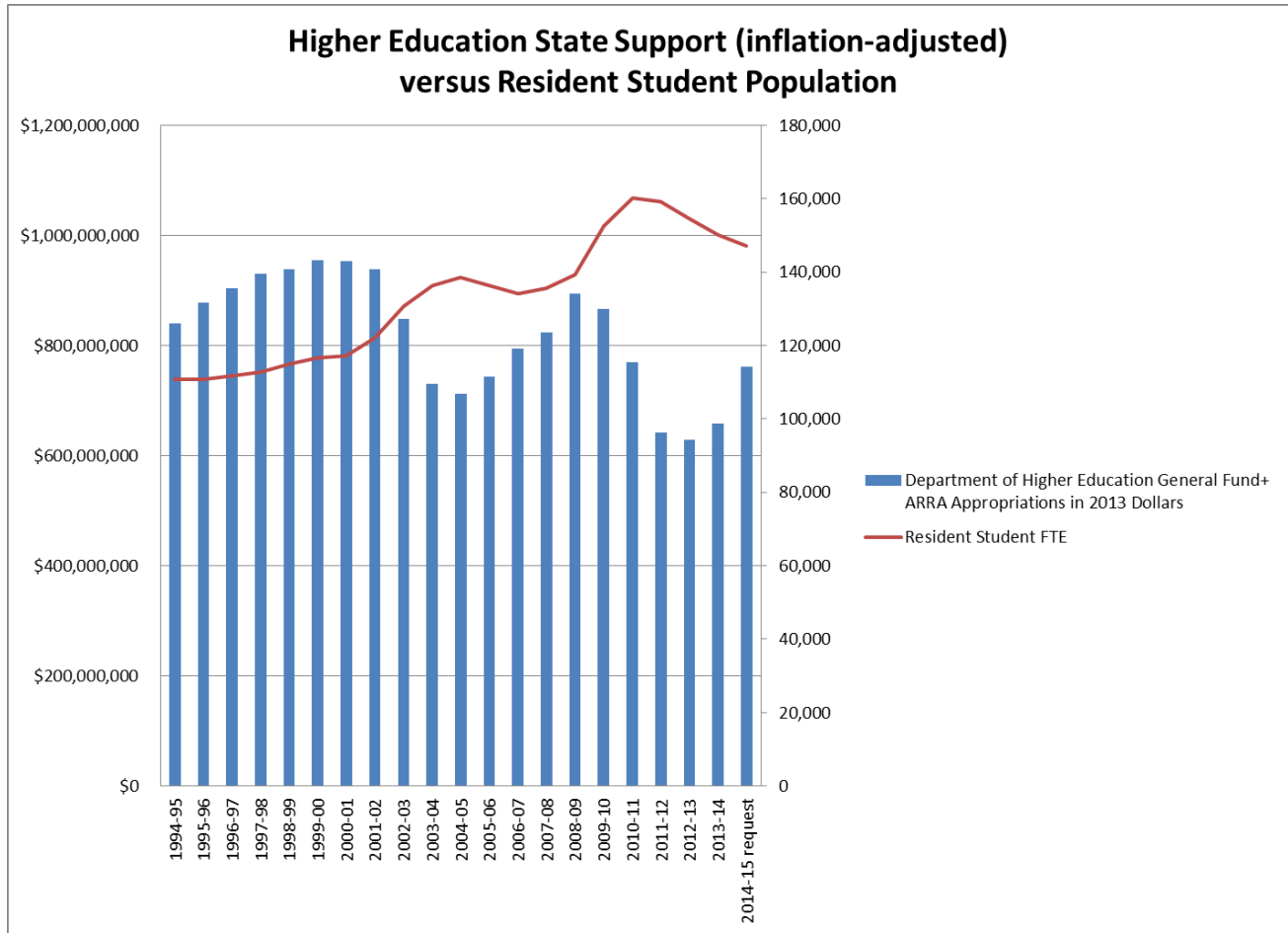
Recommendation:

- Staff recommends the requested increase of \$60,000,000 General Fund for public institutions, with the total General Fund allocated as requested to the public institutions, including the governing boards, local district junior colleges, and area vocational schools.
- Of the \$57,713,885 allocated to the state governing boards, staff recommends that \$38,169,914 be classified as student stipends, based on increasing the stipend rate to \$75 per credit hour (\$2,250 per student FTE; an increase of \$330 per student over the base) and total projected student FTE of 130,925.4 (a decrease in FTE from FY 2013-14). The balance of would be for fee-for service contracts.

Recommendation - Request R-2 - Operational Support					
	Recommendation			Request	Difference
	Student Stipends	Fee-for Service Contracts/Grants to LDJCs & AVS's	Total		
Adams	\$357,249	\$916,978	\$1,274,227	\$1,274,227	\$0
Mesa	2,124,458	61,542	2,186,000	\$2,186,000	0
Metro	3,316,495	1,007,275	4,323,770	4,323,770	0
Western	407,978	642,700	1,050,678	1,050,678	0
CSU Sys	6,129,371	5,977,550	12,106,921	12,106,921	0
Ft. Lewis	605,534	445,960	1,051,494	1,051,494	0
CU	8,879,164	7,681,387	16,560,551	16,560,551	0
Mines	998,017	855,102	1,853,119	1,853,119	0
UNC	2,443,547	1,264,120	3,707,667	3,707,667	0
CCs	<u>12,908,101</u>	<u>691,357</u>	<u>13,599,458</u>	<u>13,599,458</u>	0
Subtotal: Governing Boards	38,169,914	19,543,971	57,713,885	57,713,885	<u>0</u>
Local District JC's	0	1,394,266	1,394,266	1,394,266	0
Area Vocational Schools	<u>0</u>	<u>891,849</u>	<u>891,849</u>	891,849	0
Public Institutions	\$38,169,914	\$21,830,086	\$60,000,000	60,000,000	0
COF Stipends for students attending private institutions	\$ 206,535		\$ 206,535	\$51,510	\$155,025
Total			\$60,206,535	\$60,051,510	\$155,025

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.



- Even a total increase at the level requested by the Governor and recommended by staff for both institutional support and student aid will barely restore inflation-adjusted funding per resident FTE to the level in place ten years ago (FY 2004-05/ the end of the previous recession). The table (like the chart above) is based on the overall state appropriation for the Department of Higher Education.

Fiscal Year	Higher Education General Fund & Federal ARRA Appropriation (2013 Dollars)	Total Resident Student FTE	Total Funding Per Resident Student FTE	Percent Change per FTE
1994-95	\$840,838,492	108,580	\$7,744	n/a
1995-96	877,811,597	108,667	8,078	4.3%
1996-97	904,145,982	109,385	8,266	2.3%
1997-98	930,456,510	112,077	8,302	0.4%
1998-99	938,361,083	114,269	8,212	-1.1%
1999-00	955,355,155	116,739	8,184	-0.3%
2000-01	952,826,076	117,236	8,127	-0.7%

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

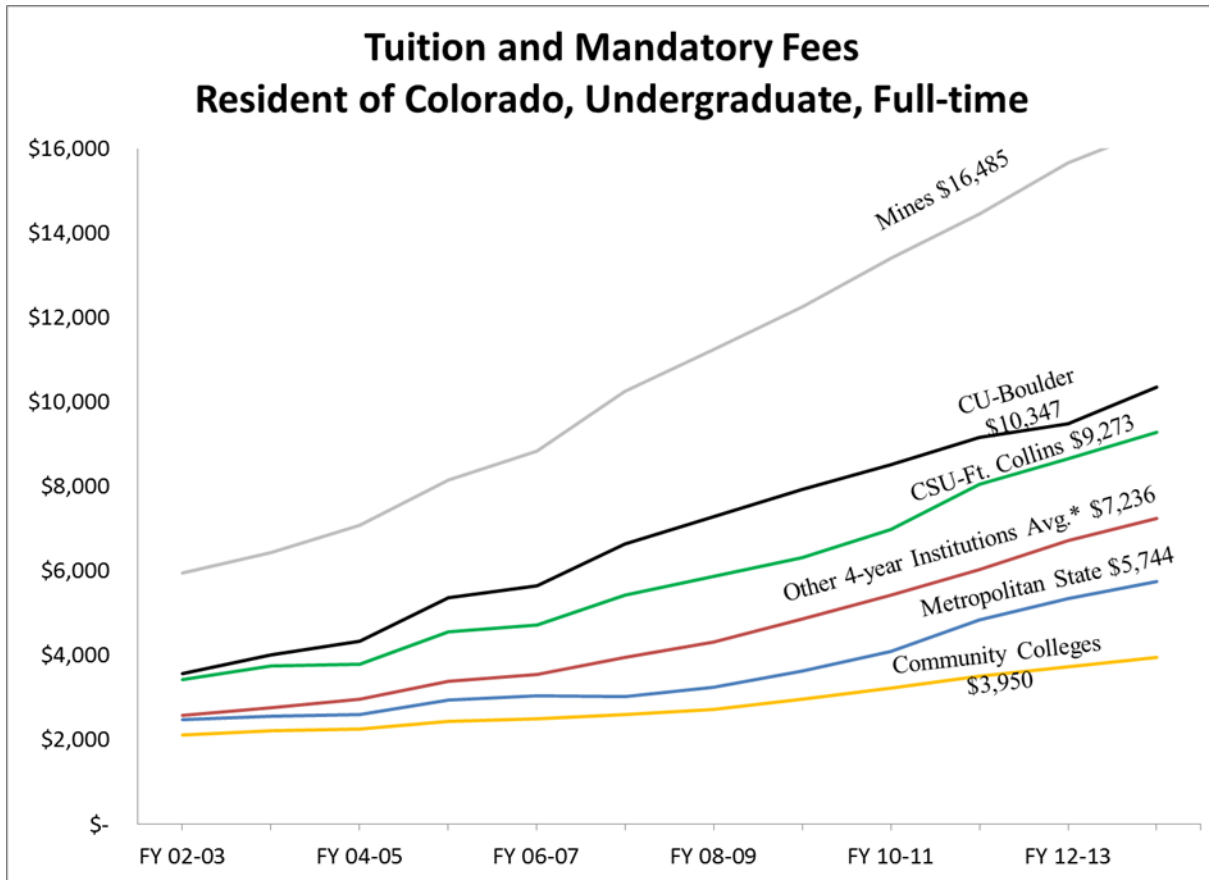
Fiscal Year	Higher Education General Fund & Federal ARRA		Total Resident Student FTE	Total Funding Per Resident Student FTE	Percent Change per FTE
	Appropriation (2013 Dollars)				
2001-02	937,866,812		122,062	7,684	-5.5%
2002-03	848,034,112		130,789	6,484	-15.6%
2003-04	730,820,685		136,489	5,354	-17.4%
2004-05	711,730,373		138,580	5,136	-4.1%
2005-06	743,954,083		136,348	5,456	6.2%
2006-07	793,963,458		134,209	5,916	8.4%
2007-08	823,169,373		135,675	6,067	2.6%
2008-09	893,822,198		139,382	6,413	5.7%
2009-10	866,051,785		152,604	5,675	-11.5%
2010-11	768,973,869		160,107	4,803	-15.4%
2011-12	642,057,618		159,229	4,032	-16.0%
2012-13	628,569,790		154,455	4,070	0.9%
2013-14*	659,062,854		150,073	4,392	8.0%
2014-15 rec*	760,889,619		147,261	5,161	17.5%

*FY 2013-14 and FY 2014-15 are not inflation-adjusted and reflect the LCS student forecast. FTE numbers do not include LDJC's and AVS's

- The General Assembly has broad discretion in how it chooses to allocate additional funds to higher education. The General Assembly could choose to allocate this funding in a variety of ways. *However staff believes the proposal put forward by the Governor represents a reasonable collection of budget adjustments for rebuilding higher education funding.* This includes the requested \$60.0 million increase for the governing boards in R2.
- With all the adjustments recommended for FY 2014-15, total support for the governing boards, including the Local District Junior Colleges and Area Vocational Schools (but excluding financial aid), will be \$605,072,769. This is still \$100 million *below* the last nominal high point of support, when the governing boards received \$706 million in General Fund and federal ARRA moneys, although a healthy increase over the FY 2011-12 low-point of \$519 million.
- Staff has recommended increasing the stipend to \$75 per credit to emphasize the “tuition buy-down” provided by the 11.0 percent increase for the institutions. This is the largest stipend increase staff could provide while also providing some increase (as opposed to a decrease) in fee-for-service funding at all institutions. The Senate Education Committee increased the stipend in S.B. 14-001 to \$72 per credit hour on the same basis, but when the Senate Education Committee was meeting, the enrollment assumption was based on the previous FY 2013-14 Long Bill enrollment assumption. Because enrollment has fallen, the stipend can be further increased.
- Staff appreciates that additional funding for the institutions is tied to a restriction on tuition growth. While a 6.0 percent tuition limit is still far above inflation and still higher than staff

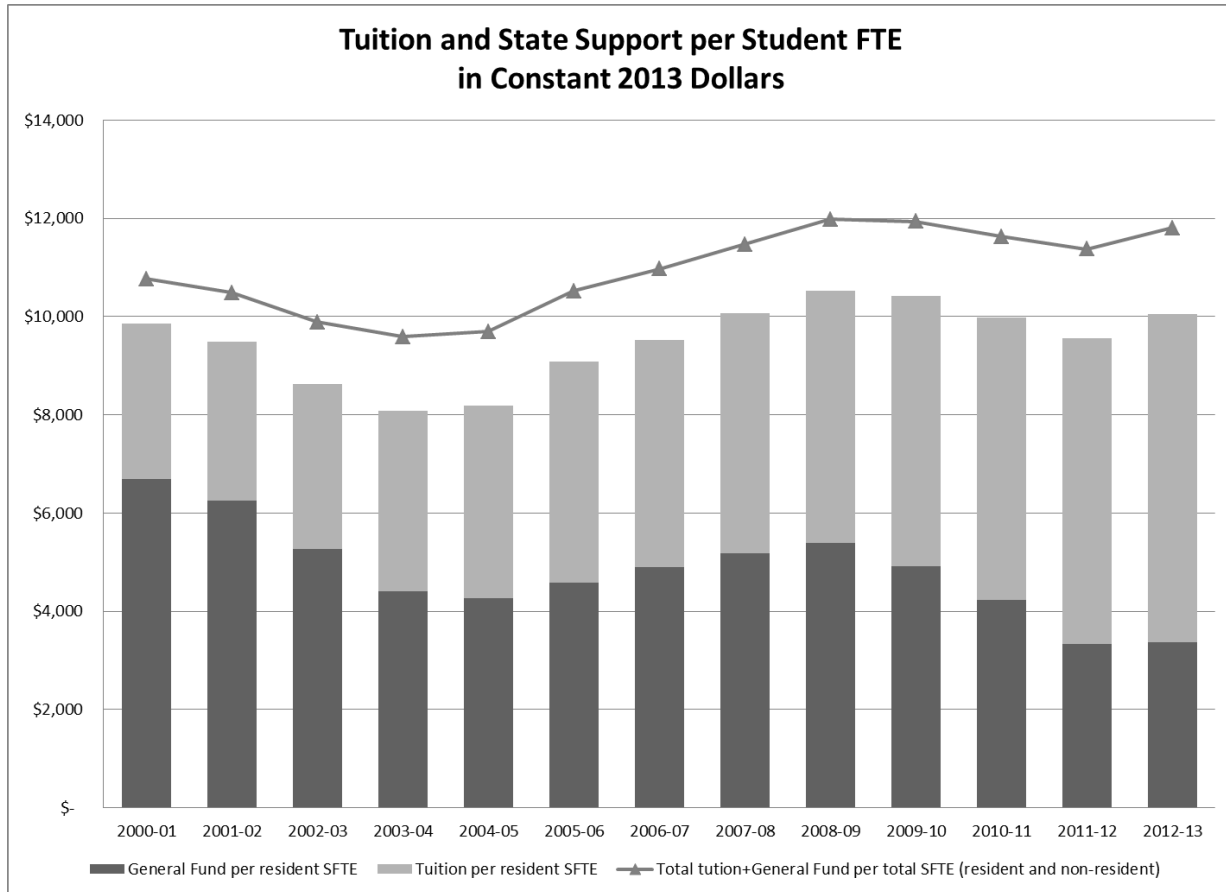
would like, it is better than the alternative that students have experienced in recent years (and the 9.0 percent that would be permitted under current law without CCHE review). As reflected in the charts below:

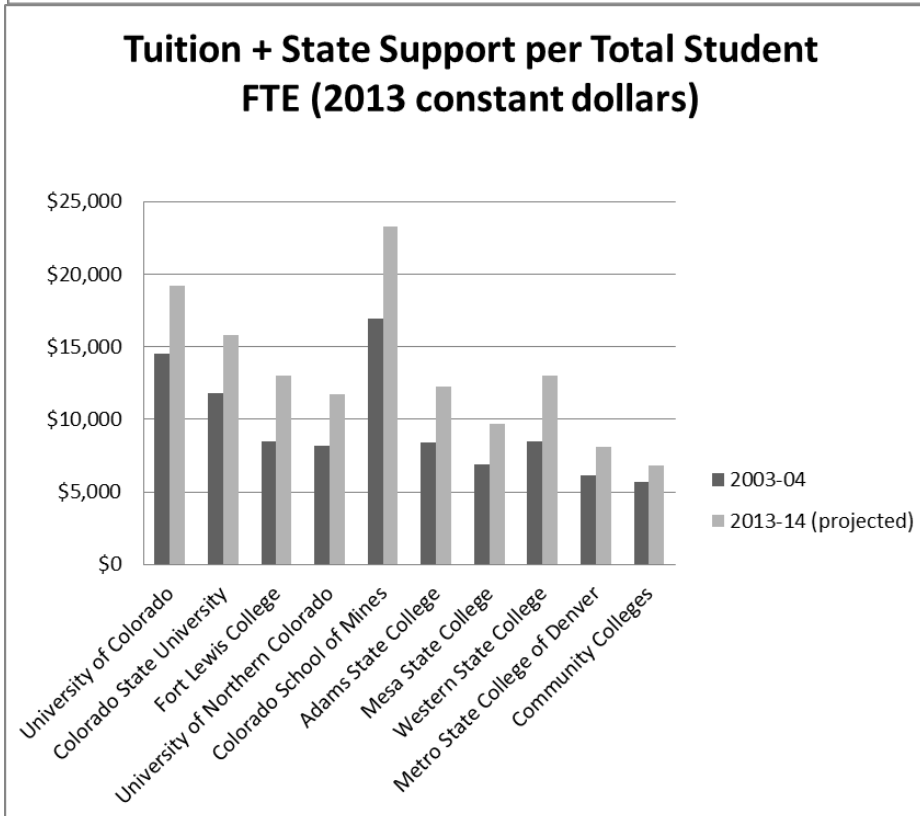
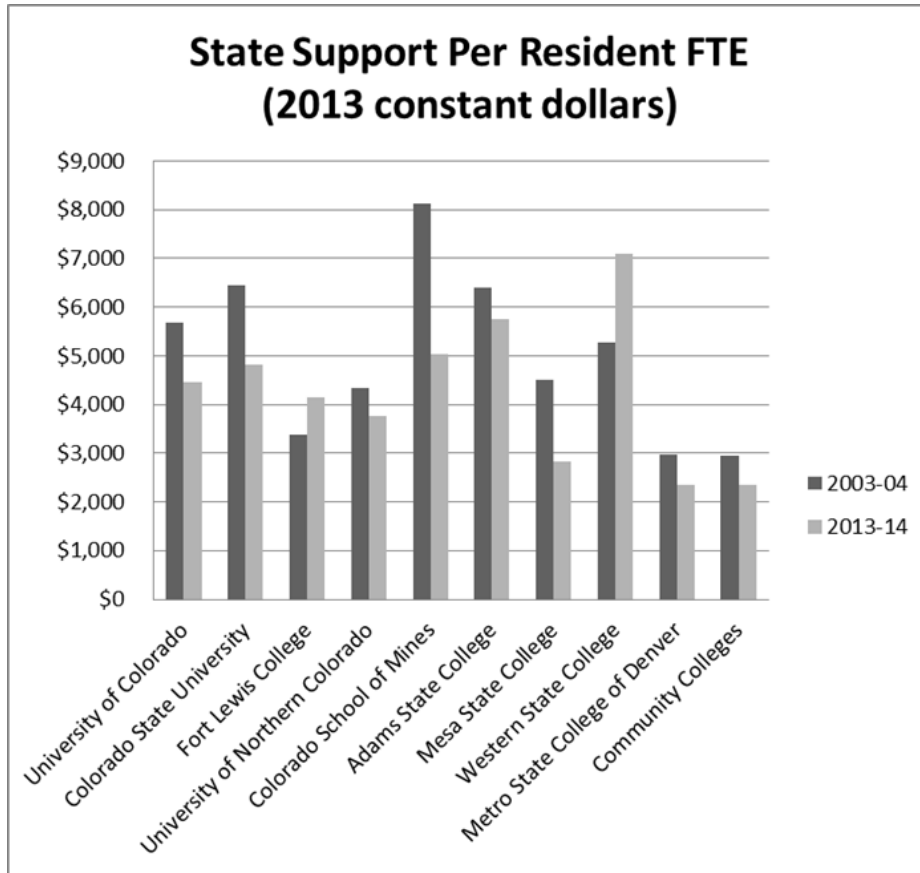
Tuition at Colorado higher education has been increasing at rapid rate in recent years.



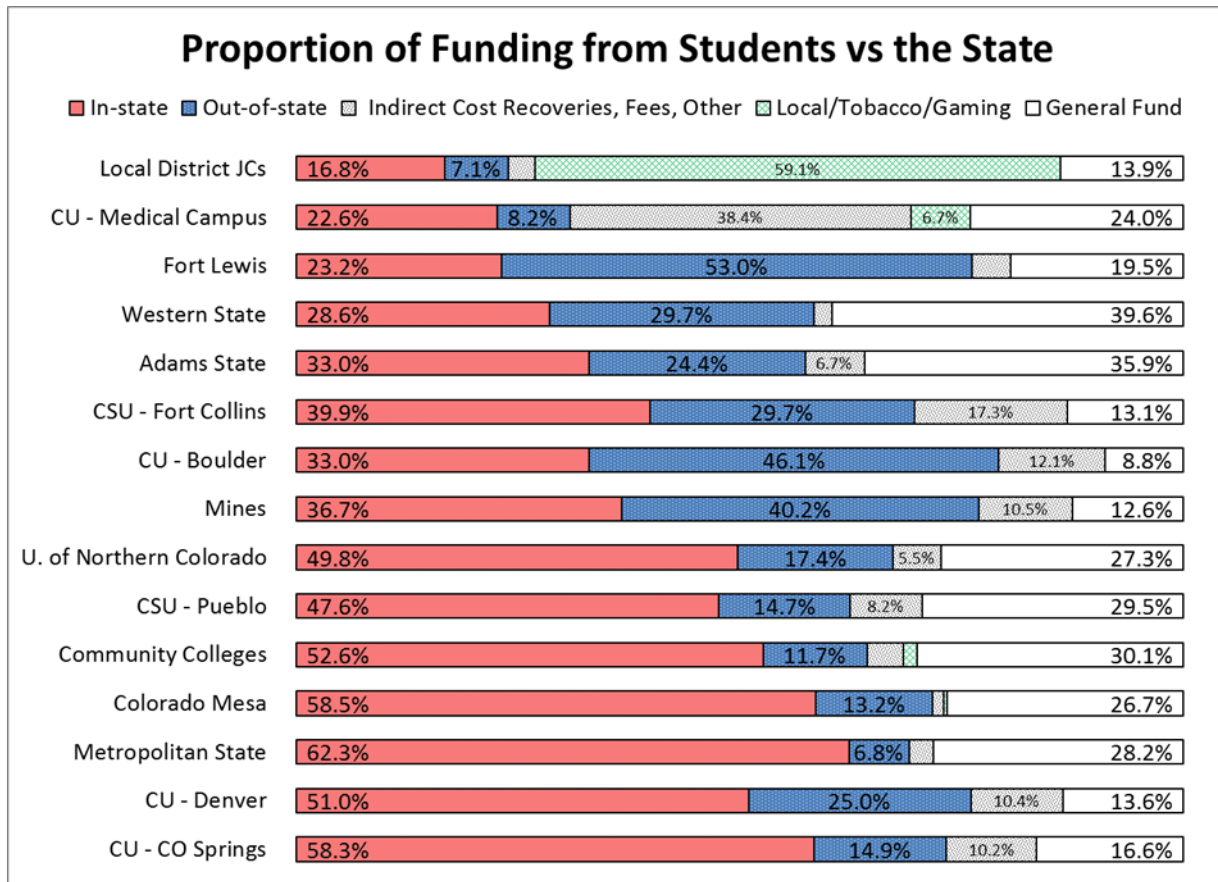
- Staff believes it is reasonable for the General Assembly to expect that, as state funding is restored, tuition increases will moderate. Much—but not all—of this increase for resident students has been driven by a decline in state support over the last decade, as shown in the chart below. The bars demonstrate 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; (2) even after adjusting for inflation, revenue per student figures have grown significantly. The charts below show the trends from both a statewide and institution-specific perspective.

JBC Staff Figure Setting – FY 2014-15
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- 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.



Source: Institutional “data books” FY 2012-13. Reflects revenue for “education and general” (i.e., excludes research, grant, and auxiliary student service revenues and cost).

(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 2013-14 rate reflected in the Long Bill is \$1,920 per student FTE.

Request: The Department requests \$275,419,680 General Fund, including \$8,331,960 for request R2 and \$465,000 to annualize increases related to S.B. 13-033.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Recommendation:

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 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$266,601,600	\$266,601,600	\$0	\$0	\$0	0.0
Other legislation	21,120	21,120	0	0	0	0.0
Recommended Long Bill Supplemental	<u>(10,210,587)</u>	<u>(10,210,587)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$256,412,133	\$256,412,133	\$0	\$0	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$256,412,133	\$256,412,133	\$0	\$0	\$0	0.0
R2 Operational funding increase for public colleges and universities	38,169,914	38,169,914	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	\$294,582,047	\$294,582,047	\$0	\$0	\$0	0.0
Increase/(Decrease)	\$38,169,914	\$38,169,914	\$0	\$0	\$0	0.0
Percentage Change	14.9%	14.9%	0.0%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$275,419,680	\$275,419,680	\$0	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$19,162,367)	(\$19,162,367)	\$0	\$0	\$0	0.0

Recommended Long Bill Supplemental: The recommendation includes an adjustment based on an updated projection of the number of stipend-eligible FTE.

R2: Operational funding increase for public colleges and universities: As previously discussed, the recommendation increases the stipend rate to \$2,250 per student FTE and is based on funding for 130,925.4 FTE in FY 2014-15. Both the base and the adjustment also differ from the request due to updated projections of the number of stipend-eligible FTE in FY 2013-14 and FY 2014-15.

Annualize prior year actions: Staff has included adjustments for annualizing prior year actions in the fee-for-service line item, even if the original appropriation (and executive request for annualization) was associated with increases in student stipends. Although the location has changed, staff has recommended the executive request for annualization of new legislation with respect to overall increases. Staff, like the Executive, has assumed that the fiscal notes represented the General Assembly’s funding assumptions for FY 2014-15 when authorizing the new legislation.

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 an appropriation of \$1,351,350 General Fund for this line item, based on an estimated 1,365 eligible student FTE at a rate of \$990 per full-time student. This figure includes an increase of \$51,510 for R2.

Recommendation:

College Opportunity Fund Program, Stipends, Stipends for eligible full-time equivalent students attending participating private institutions			
	Total Funds	General Fund	FTE
FY 2013-14 Appropriation			
SB 13-230 (Long Bill)	<u>\$1,299,840</u>	<u>\$1,299,840</u>	<u>0.0</u>
TOTAL	\$1,299,840	\$1,299,840	0.0
FY 2014-15 Recommended Appropriation			
FY 2013-14 Appropriation	\$1,299,840	\$1,299,840	0.0
R2 Operational funding increase for public colleges and universities	<u>206,535</u>	<u>206,535</u>	<u>0.0</u>
TOTAL	\$1,506,375	\$1,506,375	0.0
Increase/(Decrease)	\$206,535	\$206,535	0.0
Percentage Change	15.9%	15.9%	0.0%
FY 2014-15 Executive Request:	\$1,351,350	\$1,351,350	0.0
Request Above/(Below) Recommendation	(\$155,025)	(\$155,025)	0.0

R2: Operational funding increase for public colleges and universities: The staff recommendation is for \$1,507,375 and is based on the most recent estimate of student FTE using the program in FY 2013-14 (1,339) 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.

(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.

Request: The Department requests \$306,524,804, including an increase of \$49,381,925 for request R2 and \$221,400 to annualize funding in H.B. 13-1165 (Manufacturing Career Pathways).

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Recommendation:

College Opportunity Fund Program, Fee-for-service Contracts with State Institutions, Fee-for-service Contracts with State Institutions			
	Total Funds	General Fund	FTE
FY 2013-14 Appropriation			
SB 13-230 (Long Bill)	\$256,546,879	\$256,546,879	0.0
Other legislation	474,600	474,600	0.0
Recommended Long Bill Supplemental	<u>10,210,587</u>	<u>10,210,587</u>	<u>0.0</u>
TOTAL	\$267,232,066	\$267,232,066	0.0
FY 2014-15 Recommended Appropriation			
FY 2013-14 Appropriation	\$267,232,066	\$267,232,066	0.0
R2 Operational funding increase for public colleges and universities	19,543,971	19,543,971	0.0
Annualize prior year actions	<u>686,400</u>	<u>686,400</u>	<u>0.0</u>
TOTAL	\$287,462,437	\$287,462,437	0.0
Increase/(Decrease)	\$20,230,371	\$20,230,371	0.0
Percentage Change	7.6%	7.6%	0.0%
FY 2014-15 Executive Request:	\$306,624,804	\$306,624,804	0.0
Request Above/(Below) Recommendation	\$19,162,367	\$19,162,367	0.0

Recommended Long Bill Supplemental: The recommendation includes an adjustment to the stipend appropriation based on an updated projection of the number of stipend-eligible FTE and an offsetting adjustment to the fee-for-service contract amount.

R2: Operational funding increase for public colleges and universities: The recommendation provides for a total adjustment to fee-for-service and stipend amounts commensurate with the request, but the FY 2013-14 base amounts and FY 2014-15 allocation of funding between stipend and fee-for-service line items differ from the request due to updated projections of the number of COF-eligible student FTE and the staff recommendation for the COF stipend rate for FY 2014-15.

Annualize prior year actions: The recommendation includes annualization, as reflected in fiscal notes, for S.B. 13-033 and H.B. 13-1165.

(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 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$2,465,671,494	\$0	\$1,940,147,484	\$525,524,010	\$0	22,451.7
Other legislation	564,510	0	68,790	495,720	0	1.5
Recommended Long Bill Supplemental	<u>(44,741,413)</u>	<u>0</u>	<u>(44,741,413)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,421,494,591	\$0	\$1,895,474,861	\$526,019,730	\$0	22,453.2
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$2,421,494,591	\$0	\$1,895,474,861	\$526,019,730	\$0	22,453.2
R2 Operational funding increase for public colleges and universities	57,713,885	0	0	57,713,885	0	0.0
Projected tuition and fee revenue	92,473,723	0	92,473,723	0	0	0.0
Annualize prior year actions	686,400	0	0	686,400	0	11.5
Higher education gaming revenue	272,243	0	272,243	0	0	0.0
Reflect projected FTE	0	0	0	0	0	558.0
Mineral impact grant spending authority	(2,375,531)	0	0	(2,375,531)	0	0.0
Tobacco settlement revenue adjustment	<u>(524,444)</u>	<u>0</u>	<u>(524,444)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$2,569,740,867	\$0	\$1,987,696,383	\$582,044,484	\$0	23,022.7
Increase/(Decrease)	\$148,246,276	\$0	\$92,221,522	\$56,024,754	\$0	569.5
Percentage Change	6.1%	0.0%	4.9%	10.7%	0.0%	2.5%
FY 2014-15 Executive Request:	\$2,524,636,289	\$0	\$1,940,216,274	\$584,420,015	\$0	22,464.7
Request Above/(Below) Recommendation	(\$45,104,578)	\$0	(\$47,480,109)	\$2,375,531	\$0	(558.0)

Recommended Long Bill Supplemental: The recommendation reflects adjustments to projected tuition and fee revenue for FY 2013-14. It also includes adjustments to the portion of reappropriated funds allocated for COF stipends versus COF fee-for-service contracts at each institution.

R2 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.

Projected tuition and fee revenue: 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).

Annualize prior year actions: The recommendation annualizes FY 2013-14 increases, based on the fiscal notes for H.B. 13-1165 and S.B. 13-033.

Higher education gaming revenue: The recommendation adjusts amounts shown for informational purposes based on the FY 2012-13 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.

Reflect projected FTE: The recommendation adjusts the *employee* FTE shown in the Long Bill for each governing board to reflect the most recent estimates available. FTE figures are shown for informational purposes only.

Mineral impact grant spending authority: The recommendation eliminates unused spending authority for mineral impact grants.

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.

RECOMMENDATIONS AFFECTING ALL LINE ITEMS – FY 2013-14

Request: The Department has not submitted a formal request for FY 2013-14 adjustments to stipends, fee-for-service contracts, or tuition or fee revenue. Pursuant to Section 23-18-202 (2) (a) (I), C.R.S., the Department is required to annually estimate the number of undergraduate full-time equivalent students eligible for COF stipends and report the numbers by February 15 to the Governor and the Joint Budget Committee. The Department provided estimates of tuition, fee, and COF revenue submitted by the institutions.

Recommendation:

COF Stipends and Fee-for-service Contracts: Staff recommends an adjustment to the FY 2013-14 COF stipend appropriation to each institution based on Legislative Council Staff's February 2014 forecast of COF-eligible students. Staff also recommends corresponding adjustments in fee-for-service contracts with each governing board, resulting in a \$0 net change in total funds. This adjustment changes the amount of each governing board's reappropriated funds that is identified in Long Bill letter notes as coming from COF stipend

payments as opposed to COF fee-for-service payments, but it does not change the total reappropriated funds appropriated to each governing board.

The Legislative Council Staff enrollment projection indicates a net decrease in the stipend-eligible population for FY 2013-14 of student FTE from the appropriated level. This corresponds to a decrease in the forecast from 136,866 FTE to 133,548 FTE, or a 3.8 percent correction to the forecast. Appendix B to this packet provides the resulting detailed calculations by governing board.

The recommendation for a net \$0 change to reappropriated funds is based on past practice, as well as institutional expectations for stable funding. It has been the practice of the General Assembly since virtually the inception of the College Opportunity Fund to adjust fee-for-service and stipend COF allocations to the Governing Boards so that mid-year adjustments net to a \$0 impact, both to the governing boards and the General Fund.

- Staff does not believe it would be reasonable to change this practice without warning the governing boards in advance.
- Staff is not certain that there would be a public benefit to adjusting funding to the institutions mid-year, based on enrollment. If the adjustment to stipend funding were applied without an associated fee-for-service increase for FY 2012-13, the result would be a \$10.2 million mid-year funding reduction.
- Staff assumes that if no adjustment to fee-for-service contracts and stipends is included as an FY 2013-14 supplemental add-on, the Department will request such adjustments through a late supplemental in June 2014.
- Section 23-18-202, C.R.S., authorizes transfer of up to 3.0 percent of a governing board's allocation for stipends to its fee-for-service contract, but this transfer authority is unlikely to be sufficient.

Tuition and Fees: Staff also recommends updating tuition and fee amounts to match new projections. 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 \$53.8 million less than the FY 2013-14 estimates reflected in the Long Bill -- a correction of 2.9 percent to the forecast. This is partially offset by a net increase of \$9,043,929 for academic fees. The majority of the fee adjustment reflects capturing some student fee categories that were not included in the original FY 2013-14 department estimate. Adjusting the FY 2013-14 base tuition amounts to match the projection will make it easier for the JBC to explain tuition assumptions for FY 2014-15.

- Tuition adjustments for FY 2013-14 are based on the Legislative Council Staff projection. The LCS rate increase estimates are reflected below.

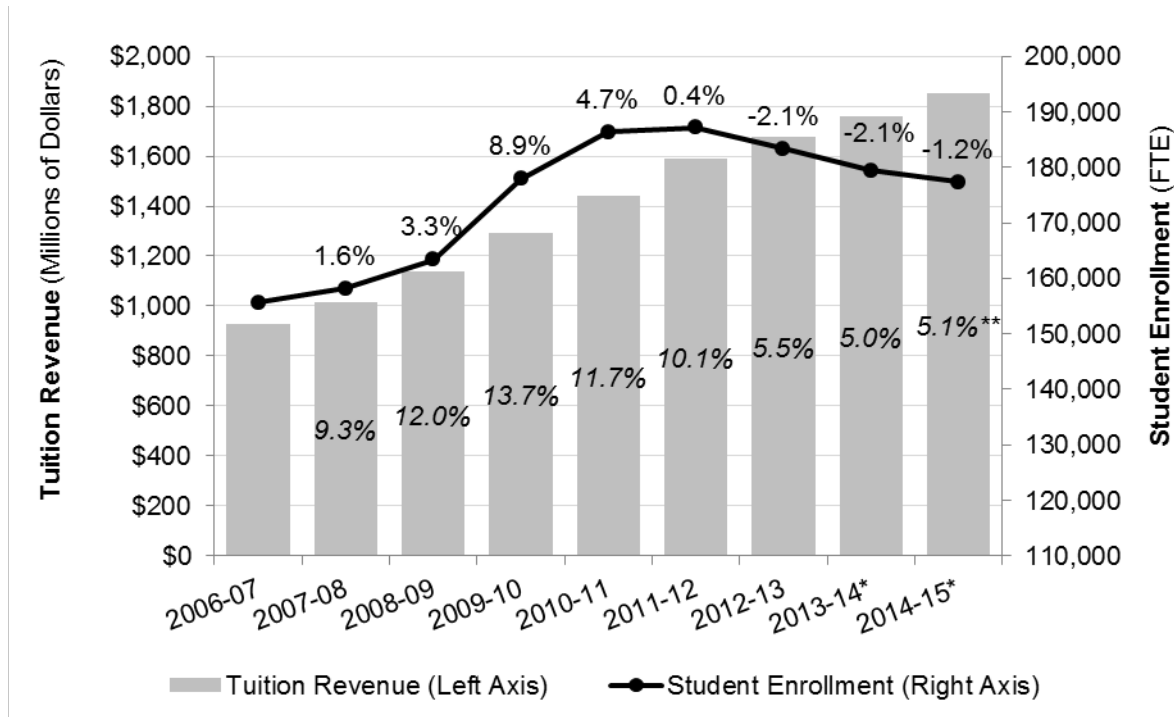
JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

FY 2013-14 Tuition Rate Increase Projection**		
	Resident	Nonresident
Regents of the University of Colorado	5.2%	3.2%
Colorado State University	8.6%	5.6%
Fort Lewis College	9.0%	0.0%
University of Northern Colorado	5.1%	1.8%
Colorado School of Mines	6.0%	5.0%
Adams State University	24.0%	4.2%
Colorado Mesa University	5.5%	5.5%
Western State College	14.0%	5.0%
Metro State University of Denver	9.0%	9.0%
Community College System	6.0%	4.0%
**Tuition increases are based on weighted averages from the tuition and fee survey for each school		
Weighted averages account for program-specific tuition increases and graduate versus undergraduate student tuition increases.		

- 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 2013-14 appropriations are detailed in Appendix B at the end of this document.**

The chart below summarizes the Legislative Council Staff tuition revenue and enrollment projection, as updated for FY 2013-14 and FY 2014-15. As shown, student enrollment is projected to continue to decline at a modest rate, although overall tuition revenue is expected to continue to increase, based on tuition rate adjustments.



RECOMMENDATIONS AFFECTING ALL LINE ITEMS – FY 2014-15

Request: The Department’s sole request affecting this section was R2 -- 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 R2 Operational funding increase for public colleges and universities: Staff recommends a total of \$605.1 million General Fund for the higher education institutions, including the Local District Junior Colleges and Area Vocational Schools, distributed according to the CCHE formula. Amounts for the governing boards, including the increase recommended pursuant to request R2, are reflected as reappropriated funds in the appropriation for each governing board.

Projected tuition and fee revenue - tuition: For five years beginning in FY 2011-12, pursuant to S.B. 10-003, governing boards may increase resident undergraduate tuition rates by up to 9.0 percent without outside review or approval. Governing boards may increase resident undergraduate tuition rates by more than 9.0 percent if CCHE approves a financial accountability plan submitted by the governing board ensuring access and accountability. There are no statutory limits on graduate and nonresident tuition rate increases. [S.B. 14-001, as amended by the Senate Education Committee, would modify existing statute to place a hard cap for FY 2014-15 and FY 2015-16 of 6.0 percent on resident tuition (i.e., CCHE would not have authority to approve higher levels based upon financial accountability plans).]

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

The Department did not request adjustments for tuition revenue for FY 2014-15. However, pursuant to request R2, the Department reported that the public institutions had agreed to limit resident tuition increases to no more than 6.0 percent for FY 2014-15.

In light of this agreement, 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.

FY 2014-15 Tuition Rate Increase Assumptions		
	Resident	Nonresident
Regents of the University of Colorado	6.0%	3.0%
Colorado State University	6.0%	4.0%
Fort Lewis College	6.0%	0.0%
University of Northern Colorado	4.8%	2.0%
Colorado School of Mines	6.0%	6.0%
Adams State University	6.0%	3.0%
Colorado Mesa University	6.0%	5.0%
Western State College	5.0%	5.0%
Metro State University of Denver	6.0%	6.0%
Community College System	6.0%	4.0%

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 larger for some institutions.

	FY 2014-15 ESTIMATED
Resident Tuition	Total
Schools	\$1,089,927,110
LCS	\$1,101,278,683
Difference	\$11,351,573
% Difference	1.0%
Nonresident Tuition	Total
Schools	\$761,609,696
LCS	\$749,418,997
Difference	(\$12,190,699)
% Difference	-1.6%

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.

Higher education gaming revenue: Staff recommends modifying estimated distributions of limited gaming funds reflected in the Long Bill to align with the FY 2012-13 actual distributions. In December, Legislative Council Staff estimated approximately \$6.5 million limited gaming funds would flow to two-year higher education institutions in FY 2014-15 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 similar to the \$6.5 million allocated in actual FY 2012-13. These amounts are shown for informational purposes, as actual distributions are dictated by Constitutional formulas (Article 18, Section 9 (7) (c) (III) (A)).

Estimated Distribution of Limited Gaming Funds (Amendment 50)					
	Adams	Mesa	Community College System	Local District JCs	Total
FY 2013-14 Appropriation	\$21,704	\$243,895	\$5,273,276	\$612,225	\$6,151,100
FY 2012-13 Actual	<u>19,381</u>	<u>276,504</u>	<u>5,515,233</u>	<u>649,269</u>	<u>\$6,460,387</u>
Difference	(2,323)	32,609	241,957	37,044	\$309,287

Mineral impact grant spending authority: Staff recommends eliminating unused spending authority for appropriated grants because no related grants have been received in multiple years. Previous Long Bills included appropriations for grants from the mineral energy impact program administered by the Department of Local Affairs. The appropriations were provided because statutes require that state agencies have an appropriation in order to spend a grant from the Department of Local Affairs. An appropriation did not guarantee that a governing board would receive a grant: governing boards had to apply and be selected through the competitive process. Historically, a few institutions applied and received grants; however, none of the institutions have received grants since 2010, and the institutions and the Department of Local Affairs do not anticipate grants in the near future. However, if the Committee adopts this change and an institution receives a grant from the Department of Local Affairs during FY 2014-15, a supplemental appropriation would be required.

Tobacco Settlement revenue adjustment: Staff recommends reflecting tobacco funding for the University of Colorado of \$13,347,802, a reduction of \$524,744. 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.

Reflect projected Full-time Equivalent (FTE) staff: The staff recommendation on FTE to be reflected in the Long Bill is based on FY 2013-14 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

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

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.

	FTE		Recommended	
	FY 2013-14 Appropriation	FY 2014-15 (FY 2013-14 Data Books Estimates)	Change	Percent
Adams	327.0	327.1	0.1	0.0%
Mesa	623.6	657.9	34.3	5.5%
Metro	1,350.7	1,347.6	(3.1)	-0.2%
Western	237.7	234.8	(2.9)	-1.2%
CSU System	4,204.6	4,324.7	120.1	2.9%
Fort Lewis	401.9	392.1	(9.8)	-2.4%
CU Regents	6,998.0	7,402.3	404.3	5.8%
Mines	815.3	848.6	33.3	4.1%
UNC	1,049.9	1,247.1	197.2	18.8%
Community Colleges	6,443.0	6,227.5	(215.5)	-3.3%
TOTAL	22,451.7	23,009.7	558.0	2.49%

Annualize prior year actions: The recommendation annualizes prior year legislative action. Funding associated with annualizing S.B. 13-033 is reflected below by governing board. The total associated with this annualization is \$465,000. This figure was based on the assumption that an additional 250 students who qualify under ASSET would pursue higher education in FY 2014-15 at the rate of \$1,860 per student FTE (the previous stipend rate). The FTE were distributed consistent with the original distribution of S.B. 13-033 funds as included in the Long Bill (S.B. 13-230).

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

SB 13-033 Annualization	SFTE	amount
Adams	1.0	1,860
Mesa	4.0	7,440
Metro	68.5	127,410
Western	1.0	1,860
CSU System	13.0	24,180
Ft. Lewis	1.5	2,790
CU	17.0	31,620
Mines	1.5	2,790
UNC	5.0	9,300
Community Colleges	137.5	<u>255,750</u>
Total	250.0	\$ 465,000

Annualization of H.B. 13-1165 (Manufacturing Career Pathway) affects only the community college system, which receives an associated increase of \$221,400 and 11.5 FTE.

Additional note: Although staff incorporated annualization adjustments associated with the S.B. 14-033 fiscal note in FY 2014-15, staff does not expect to make additional adjustments in this manner in future years. Instead, staff assumes that the natural growth of the student population pursuant to the ASSET program, and the associated costs, will be incorporated in the annual request for COF student stipends.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

LINE ITEM DETAIL – RECOMMENDATION TABLES

Governing Boards, Trustees of Adams State College, Trustees of Adams State College						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$34,832,929	\$0	\$23,271,728	\$11,561,201	\$0	327.0
Recommended Long Bill Supplemental	<u>(191,902)</u>	<u>0</u>	<u>(191,902)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$34,641,027	\$0	\$23,079,826	\$11,561,201	\$0	327.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$34,641,027	\$0	\$23,079,826	\$11,561,201	\$0	327.0
R2 Operational funding increase for public colleges and universities	1,274,227	0	0	1,274,227	0	0.0
Projected tuition and fee revenue	1,317,628	0	1,317,628	0	0	0.0
Annualize prior year actions	1,860	0	0	1,860	0	0.0
Higher education gaming revenue	(2,323)	0	(2,323)	0	0	0.0
Reflect projected FTE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.1</u>
TOTAL	\$37,232,419	\$0	\$24,395,131	\$12,837,288	\$0	327.1
Increase/(Decrease)	\$2,591,392	\$0	\$1,315,305	\$1,276,087	\$0	0.1
Percentage Change	7.5%	0.0%	5.7%	11.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$36,109,016	\$0	\$23,271,728	\$12,837,288	\$0	327.0
Request Above/(Below) Recommendation	(\$1,123,403)	\$0	(\$1,123,403)	\$0	\$0	(0.1)

JBC Staff Figure Setting – FY 2014-15
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
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	\$79,114,177	\$0	\$59,280,366	\$19,833,811	623.6
Recommended Long Bill Supplemental	<u>(3,941,260)</u>	<u>0</u>	<u>(3,941,260)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$75,172,917	\$0	\$55,339,106	\$19,833,811	623.6
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$75,172,917	\$0	\$55,339,106	\$19,833,811	623.6
R2 Operational funding increase for public colleges and universities	2,186,000	0	0	2,186,000	0.0
Projected tuition and fee revenue	3,502,103	0	3,502,103	0	0.0
Annualize prior year actions	7,440	0	0	7,440	0.0
Higher education gaming revenue	32,609	0	32,609	0	0.0
Reflect projected FTE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>34.3</u>
TOTAL	\$80,901,069		\$58,873,818	\$22,027,251	657.9
Increase/(Decrease)	\$5,728,152	\$0	\$3,534,712	\$2,193,440	34.3
Percentage Change	7.6%	0.0%	6.4%	11.1%	5.5%
FY 2014-15 Executive Request:	\$81,307,617	\$0	\$59,280,366	\$22,027,251	623.6
Request Above/(Below) Recommendation	\$406,548		\$406,548	\$0	(34.3)

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

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 2013-14 Appropriation					
SB 13-230 (Long Bill)	\$150,711,862	\$0	\$111,483,769	\$39,228,093	1,350.7
Other legislation	7,491	0	5,571	1,920	0.0
Recommended Long Bill Supplemental	<u>(6,254,126)</u>	<u>0</u>	<u>(6,254,126)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$144,465,227	\$0	\$105,235,214	\$39,230,013	1,350.7
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$144,465,227	\$0	\$105,235,214	\$39,230,013	1,350.7
R2 Operational funding increase for public colleges and universities	4,323,770	0	0	4,323,770	0.0
Projected tuition and fee revenue	2,670,677	0	2,670,677	0	0.0
Annualize prior year actions	127,410	0	0	127,410	0.0
Reflect projected FTE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3.1)</u>
TOTAL	\$151,587,084	\$0	\$107,905,891	\$43,681,193	1,347.6
Increase/(Decrease)	\$7,121,857	\$0	\$2,670,677	\$4,451,180	(3.1)
Percentage Change	4.9%	0.0%	2.5%	11.3%	(0.2%)
FY 2014-15 Executive Request:	\$155,170,533	\$0	\$111,489,340	\$43,681,193	1,350.7
Request Above/(Below) Recommendation	\$3,583,449		\$3,583,449	\$0	3.1

JBC Staff Figure Setting – FY 2014-15
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
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	\$25,349,418	\$0	\$15,816,509	\$9,532,909	237.7
Recommended Long Bill Supplemental	<u>1,763,481</u>	<u>0</u>	<u>1,763,481</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$27,112,899	\$0	\$17,579,990	\$9,532,909	237.7
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$27,112,899	\$0	\$17,579,990	\$9,532,909	237.7
R2 Operational funding increase for public colleges and universities	1,050,678	0	0	1,050,678	0.0
Projected tuition and fee revenue	808,772	0	808,772	0	0.0
Annualize prior year actions	1,860	0	0	1,860	0.0
Reflect projected FTE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2.9)</u>
TOTAL	\$28,974,209		\$18,388,762	\$10,585,447	234.8
Increase/(Decrease)	\$1,861,310	\$0	\$808,772	\$1,052,538	(2.9)
Percentage Change	6.9%	0.0%	4.6%	11.0%	(1.2%)
FY 2014-15 Executive Request:	\$26,401,956	\$0	\$15,816,509	\$10,585,447	237.7
Request Above/(Below) Recommendation	(\$2,572,253)		(\$2,572,253)	\$0	2.9

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

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 2013-14 Appropriation					
SB 13-230 (Long Bill)	\$464,364,572	\$0	\$354,351,030	\$110,013,542	4,204.6
Other legislation	21,262	0	17,422	3,840	0.0
Recommended Long Bill Supplemental	<u>(1,665,560)</u>	<u>0</u>	<u>(1,665,560)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$462,720,274	\$0	\$352,702,892	\$110,017,382	4,204.6
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$462,720,274	\$0	\$352,702,892	\$110,017,382	4,204.6
R2 Operational funding increase for public colleges and universities	12,106,921	0	0	12,106,921	0.0
Projected tuition and fee revenue	19,330,636	0	19,330,636	0	0.0
Annualize prior year actions	24,180	0	0	24,180	0.0
Reflect projected FTE	0	0	0	0	120.1
Mineral impact grant spending authority	<u>(170,000)</u>	<u>0</u>	<u>0</u>	<u>(170,000)</u>	<u>0.0</u>
TOTAL	\$494,012,011	\$0	\$372,033,528	\$121,978,483	4,324.7
Increase/(Decrease)	\$31,291,737	\$0	\$19,330,636	\$11,961,101	120.1
Percentage Change	6.8%	0.0%	5.5%	10.9%	2.9%
FY 2014-15 Executive Request:	\$476,516,935	\$0	\$354,368,452	\$122,148,483	4,204.6
Request Above/(Below) Recommendation	(\$17,495,076)		(\$17,665,076)	\$170,000	(120.1)

JBC Staff Figure Setting – FY 2014-15
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
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	\$48,545,268	\$0	\$38,956,948	\$9,588,320	401.9
Recommended Long Bill Supplemental	<u>1,123,306</u>	<u>0</u>	<u>1,123,306</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$49,668,574	\$0	\$40,080,254	\$9,588,320	401.9
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$49,668,574	\$0	\$40,080,254	\$9,588,320	401.9
R2 Operational funding increase for public colleges and universities	1,051,494	0	0	1,051,494	0.0
Projected tuition and fee revenue	1,711,358	0	1,711,358	0	0.0
Annualize prior year actions	2,790	0	0	2,790	0.0
Reflect projected FTE	0	0	0	0	(9.8)
Mineral impact grant spending authority	<u>(48,000)</u>	<u>0</u>	<u>0</u>	<u>(48,000)</u>	<u>0.0</u>
TOTAL	\$52,386,216		\$41,791,612	\$10,594,604	392.1
Increase/(Decrease)	\$2,717,642	\$0	\$1,711,358	\$1,006,284	(9.8)
Percentage Change	5.5%	0.0%	4.3%	10.5%	(2.4%)
FY 2014-15 Executive Request:	\$49,599,552	\$0	\$38,956,948	\$10,642,604	401.9
Request Above/(Below) Recommendation	(\$2,786,664)		(\$2,834,664)	\$48,000	9.8

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Governing Boards, Regents of the University of Colorado, Regents of the University of Colorado					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	\$997,529,576	\$0	\$846,620,246	\$150,909,330	6,998.0
Other legislation	25,646	0	21,806	3,840	0.0
Recommended Long Bill Supplemental	<u>(19,089,165)</u>	<u>0</u>	<u>(19,089,165)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$978,466,057	\$0	\$827,552,887	\$150,913,170	6,998.0
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$978,466,057	\$0	\$827,552,887	\$150,913,170	6,998.0
R2 Operational funding increase for public colleges and universities	16,560,551	0	0	16,560,551	0.0
Projected tuition and fee revenue	41,360,071	0	41,360,071	0	0.0
Annualize prior year actions	31,620	0	0	31,620	0.0
Reflect projected FTE	0	0	0	0	404.3
Mineral impact grant spending authority	(657,531)	0	0	(657,531)	0.0
Tobacco settlement revenue adjustment	<u>(524,444)</u>	<u>0</u>	<u>(524,444)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$1,035,236,324	\$868,388,514	\$166,847,810	7,402.3	
Increase/(Decrease)	\$56,770,267	\$0	\$40,835,627	\$15,934,640	404.3
Percentage Change	5.8%	0.0%	4.9%	10.6%	5.8%
FY 2014-15 Executive Request:	\$1,014,147,393	\$0	\$846,642,052	\$167,505,341	6,998.0
Request Above/(Below) Recommendation	(\$21,088,931)		(\$21,746,462)	\$657,531	(404.3)

JBC Staff Figure Setting – FY 2014-15
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 2013-14 Appropriation					
SB 13-230 (Long Bill)	\$124,691,466	\$0	\$107,877,919	\$16,813,547	815.3
Recommended Long Bill Supplemental	<u>2,193,252</u>	<u>0</u>	<u>2,193,252</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$126,884,718	\$0	\$110,071,171	\$16,813,547	815.3
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$126,884,718	\$0	\$110,071,171	\$16,813,547	815.3
R2 Operational funding increase for public colleges and universities	1,853,119	0	0	1,853,119	0.0
Projected tuition and fee revenue	10,478,050	0	10,478,050	0	0.0
Annualize prior year actions	2,790	0	0	2,790	0.0
Reflect projected FTE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>33.3</u>
TOTAL	\$139,218,677	\$0	\$120,549,221	\$18,669,456	848.6
Increase/(Decrease)	\$12,333,959	\$0	\$10,478,050	\$1,855,909	33.3
Percentage Change	9.7%	0.0%	9.5%	11.0%	4.1%
FY 2014-15 Executive Request:	\$126,547,375	\$0	\$107,877,919	\$18,669,456	815.3
Request Above/(Below) Recommendation	(\$12,671,302)	\$0	(\$12,671,302)	\$0	(33.3)

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Governing Boards, University of Northern Colorado, University of Northern Colorado					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	\$123,713,695	\$0	\$90,075,555	\$33,638,140	1,049.9
Other legislation	9,079	0	7,159	1,920	0.0
Recommended Long Bill Supplemental	<u>(1,014,413)</u>	<u>0</u>	<u>(1,014,413)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$122,708,361	\$0	\$89,068,301	\$33,640,060	1,049.9
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$122,708,361	\$0	\$89,068,301	\$33,640,060	1,049.9
R2 Operational funding increase for public colleges and universities	3,707,667	0	0	3,707,667	0.0
Projected tuition and fee revenue	3,962,146	0	3,962,146	0	0.0
Annualize prior year actions	9,300	0	0	9,300	0.0
Reflect projected FTE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>197.2</u>
TOTAL	\$130,387,474		\$93,030,447	\$37,357,027	1,247.1
Increase/(Decrease)	\$7,679,113	\$0	\$3,962,146	\$3,716,967	197.2
Percentage Change	6.3%	0.0%	4.4%	11.0%	18.8%
FY 2014-15 Executive Request:	\$127,439,741	\$0	\$90,082,714	\$37,357,027	1,049.9
Request Above/(Below) Recommendation	(\$2,947,733)		(\$2,947,733)	\$0	(197.2)

JBC Staff Figure Setting – FY 2014-15
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					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	\$416,818,531	\$0	\$292,413,414	\$124,405,117	6,443.0
Other legislation	501,032	0	16,832	484,200	1.5
Recommended Long Bill Supplemental	<u>(17,665,026)</u>	<u>0</u>	<u>(17,665,026)</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$399,654,537	\$0	\$274,765,220	\$124,889,317	6,444.5
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$399,654,537	\$0	\$274,765,220	\$124,889,317	6,444.5
R2 Operational funding increase for public colleges and universities	13,599,458	0	0	13,599,458	0.0
Projected tuition and fee revenue	7,332,282	0	7,332,282	0	0.0
Annualize prior year actions	477,150	0	0	477,150	11.5
Higher education gaming revenue	241,957	0	241,957	0	0.0
Reflect projected FTE	0	0	0	0	(215.5)
Mineral impact grant spending authority	<u>(1,500,000)</u>	<u>0</u>	<u>0</u>	<u>(1,500,000)</u>	<u>0.0</u>
TOTAL	\$419,805,384	\$0	\$282,339,459	\$137,465,925	6,240.5
Increase/(Decrease)	\$20,150,847	\$0	\$7,574,239	\$12,576,608	(204.0)
Percentage Change	5.0%	0.0%	2.8%	10.1%	(3.2%)
FY 2014-15 Executive Request:	\$431,396,171	\$0	\$292,430,246	\$138,965,925	6,456.0
Request Above/(Below) Recommendation	\$11,590,787		\$10,090,787	\$1,500,000	215.5

(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 \$14,656,816 total funds for this line item, including \$14,044,591 General Fund. The request includes an increase pursuant to R2 (Operational funding increase for public colleges and universities).

Recommendation:

Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S.						
	Total Funds	General Fund	Cash Funds	Re appropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$13,262,550</u>	<u>\$12,650,325</u>	<u>\$612,225</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0</u>
TOTAL	\$13,262,550	\$12,650,325	\$612,225	\$0	\$0	0.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$13,262,550	\$12,650,325	\$612,225	\$0	\$0	0.0
R2 Operational funding increase for public colleges and universities	1,394,266	1,394,266	0	0	0	0.0
Higher education gaming revenue	<u>37,044</u>	<u>0</u>	<u>37,044</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$14,693,860	\$14,044,591	\$649,269	\$0	\$0	0.0
Increase/(Decrease)	\$1,431,310	\$1,394,266	\$37,044	\$0	\$0	0.0
Percentage Change	10.8%	11.0%	6.1%	0.0%	0.0%	0.0%
FY 2014-15 Executive Request:	\$14,656,816	\$14,044,591	\$612,225	\$0	\$0	0.0
Request Above/(Below) Recommendation	(\$37,044)	\$0	(\$37,044)	\$0	\$0	0.0

R2 Operational funding increase for public colleges and universities: The staff recommendation, consistent with the request, increases state support to all governing boards by 11.0 percent.

Higher education gaming revenue: The staff recommendation is based on the FY 2012-13 limited gaming moneys received by the Local District Junior Colleges pursuant to Amendment 50 (of 2008).

(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 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$53,202,933	\$8,408,143	\$0	\$27,837,028	\$16,957,762	32.0
Other legislation	<u>1,500,000</u>	<u>0</u>	<u>0</u>	<u>1,500,000</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$54,702,933	\$8,408,143	\$0	\$29,337,028	\$16,957,762	32.0
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$54,702,933	\$8,408,143	\$0	\$29,337,028	\$16,957,762	32.0
R2 Operational funding increase for public colleges and universities	891,849	891,849	0	0	0	0.0
NP6 Constitutionally required increase for categorical programs	419,708	0	0	419,708	0	0.0
Indirect cost and fund source adjustments	0	(316,298)	0	316,298	0	0.0
Occupational education federal funds	<u>(1,383,784)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,383,784)</u>	<u>0.0</u>
TOTAL	\$54,630,706	\$8,983,694	\$0	\$30,073,034	\$15,573,978	32.0
Increase/(Decrease)	(\$72,227)	\$575,551	\$0	\$736,006	(\$1,383,784)	0.0
Percentage Change	(0.1%)	6.8%	0.0%	2.5%	(8.2%)	0.0%
FY 2014-15 Executive Request:	\$56,014,490	\$9,299,992	\$0	\$29,756,736	\$16,957,762	32.0
Request Above/(Below) Recommendation	\$1,383,784	\$316,298	\$0	(\$316,298)	\$1,383,784	0.0

R2 Operational funding increase for public colleges and universities: The recommendation includes an 11.0 percent increase for the Area Vocational Schools.

NP6 Constitutionally Required Increase for K-12 Categorical Programs: The amount shown is the request. The recommendation is pending figure setting in the Department of Education.

Indirect cost and fund source adjustments: The recommendation includes adjustments based on the Department's indirect cost plan.

Occupational education federal funds: the recommendation reflects a reduction in federal funds shown for informational purposes based on recent declines in federal support.

(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:

Division of Occupational Education, Administrative Costs, Administrative Costs					
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	FTE
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	\$900,000	\$316,298	\$0	\$583,702	9.0
TOTAL	\$900,000	\$316,298	\$0	\$583,702	9.0
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$900,000	\$316,298	\$0	\$583,702	9.0
Indirect cost adjustments	0	(316,298)	0	316,298	0.0
TOTAL	\$900,000	\$0	\$0	\$900,000	9.0
Increase/(Decrease)	\$0	(\$316,298)	\$0	\$316,298	0.0
Percentage Change	0.0%	(100.0%)	0.0%	54.2%	0.0%
FY 2014-15 Executive Request:	\$900,000	\$316,298	\$0	\$583,702	9.0
Request Above/(Below) Recommendation	\$0	\$316,298	\$0	(\$316,298)	0.0

Indirect cost adjustment: Staff recommends all General Fund in this line item be refinanced with indirect cost collections, based on the Department’s indirect cost plan.

(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 \$24,948,012 reappropriated funds, including an increase of \$419,708 reappropriated funds pursuant to NP6.

➔ NP6 Constitutionally Required Increase for K-12 Categorical Programs

The Department requests an increase of \$419,708 reappropriated funds related to the constitutionally required increase for categorical programs in the Department of Education. This request will be discussed in more detail during the figure setting presentation for the Department of Education.

Recommendation: The staff recommendation for this request is pending figure setting for the Department of Education. Staff requests permission to include an amount in the Long Bill consistent with the Committee decision for that Department.

(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 \$8,893,604 General Fund for this line item. The request includes an increase for R2, as discussed above.

Recommendation:

Division of Occupational Education, Area Vocational School Support, Area Vocational School Support			
	Total Funds	General Fund	FTE
FY 2013-14 Appropriation			
SB 13-230 (Long Bill)	<u>\$8,091,845</u>	<u>\$8,091,845</u>	<u>0.0</u>
TOTAL	\$8,091,845	\$8,091,845	0.0
FY 2014-15 Recommended Appropriation			
FY 2013-14 Appropriation	\$8,091,845	\$8,091,845	0.0
R2 Operational funding increase for public colleges and universities	<u>891,849</u>	<u>891,849</u>	<u>0.0</u>
TOTAL	\$8,983,694	\$8,983,694	0.0
Increase/(Decrease)	\$891,849	\$891,849	0.0
Percentage Change	11.0%	11.0%	0.0%
FY 2014-15 Executive Request:	\$8,983,694	\$8,983,694	0.0
Request Above/(Below) Recommendation	\$0	\$0	0.0

R2: Operational funding increase for public colleges and universities: The staff recommendation is based on funding the request for an 11.0 percent increase for all governing boards.

(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.

The Department requests a continuation level of funding of \$14,737,535 federal funds for this line item.

Recommendation: Staff recommends reflecting the Department's actual FY 2012-13 expenditures of \$13,353,751 as an estimate for this line item. Federal funding was affected by sequestration, and the impact of recent budget deals is uncertain. The Department has projected FY 2014-15 receipts ranging from \$12.5 million to \$13.9 million. Given this range, staff has used the FY 2012-13 actual as an approximation of moneys to be received. This line item is shown for informational purposes, so appropriations do not constrain spending.

(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 a continuation level of funding of \$4,225,022 reappropriated funds for this line item.

Recommendation: The staff recommendation is pending figure setting for the Governor's Office, from which these funds are transferred. 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 a continuation level of funding of \$17,670,252 reappropriated funds and 172.9 FTE for this line item.

Recommendation:

Auraria Higher Education Center, Administration						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	<u>\$17,670,252</u>	<u>\$0</u>	<u>\$0</u>	<u>\$17,670,252</u>	<u>\$0</u>	<u>172.9</u>
TOTAL	\$17,670,252	\$0	\$0	\$17,670,252	\$0	172.9
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$17,670,252	\$0	\$0	\$17,670,252	\$0	172.9
Reflect projected FTE	0	0	0	0	0	4.9
Increase AHEC spending authority	<u>1,629,748</u>	<u>0</u>	<u>0</u>	<u>1,629,748</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$19,300,000	\$0	\$0	\$19,300,000	\$0	177.8
Increase/(Decrease)	\$1,629,748	\$0	\$0	\$1,629,748	\$0	4.9
Percentage Change	9.2%	0.0%	0.0%	9.2%	0.0%	2.8%
FY 2014-15 Executive Request:	\$17,670,252	\$0	\$0	\$17,670,252	\$0	172.9
Request Above/(Below) Recommendation	(\$1,629,748)	\$0	\$0	(\$1,629,748)	\$0	(4.9)

Increase AHEC Spending Authority: As described further below, the recommendation is based on projected AHEC expenditures for FY 2014-15 plus approximately 3.0 percent.

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 2013-14 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 AHEC expenses, to which participating institutions must agree, are projected to increase above the appropriation level by \$1.1 million. In response to staff questions, AHEC and the Department provided the table below, showing the cost-driver components. **The staff recommendation is based on the increase below plus 3.0 percent to allow AHEC and the institutions some flexibility in managing AHEC’s budget.**

In recent years, spending for AHEC has been constrained due to the broader constraints on State and institutional budgets. In particular, because there were no classified salary increases awarded for several years, funding required for AHEC’s relatively fixed staffing levels did not increase substantially, and spending fit within appropriated levels. The Department and AHEC therefore did not realize, until late in the budget cycle, that an increase for FY 2014-15 would be required.

The staff recommendation adds approximately \$500,000 above the estimate, because there appears to be broad agreement that institutions’ willingness to pay for AHEC services constrains the AHEC budget. Further, the figures below represent estimates, and AHEC and the institutions are still in negotiations on the FY 2014-15 budget. In light of this, staff does not believe the Long Bill appropriation needs to be unduly restrictive.

FY14 Classified Range Adjustments (was not funded in our current budget due to late rollout)	\$104,445
FY15 Classified HLD (est 12.5%)	\$151,457
FY15 Exempt HLD (est 12.5%)	\$16,563
FY14 Board-directed comp increase	\$17,618
FY15 Classified Salary (est. 4.5%)	\$412,298
FY15 Classified PERA AED/SAED	\$35,973
FY15 Exempt Salary (est. 3.5%)	\$98,596
FY15 Exempt PERA AED/SAED	\$12,360
FY15 Operating (2.5%)	\$71,005
FY15 (4) Custodial 1 Positions	\$140,000
Total Estimated Increase	\$1,060,315

(9) History Colorado

History Colorado collects, preserves, exhibits and interprets properties and artifacts of historical significance. In addition to operating museums and historical sites throughout the state, the Society distributes gaming funds for preservation projects.

DIVISION REQUEST AND RECOMMENDATION SUMMARY

State Historical Society						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation						
SB 13-230 (Long Bill)	\$32,052,045	\$1,295,000	\$29,829,949	\$0	\$927,096	131.4
TOTAL	\$32,052,045	\$1,295,000	\$29,829,949	\$0	\$927,096	131.4
FY 2014-15 Recommended Appropriation						
FY 2013-14 Appropriation	\$32,052,045	\$1,295,000	\$29,829,949	\$0	\$927,096	131.4
Centrally appropriated line items	253,766	0	240,338	0	13,428	0.0
HC1 Increase the future stability of History Colorado	544,964	0	544,964	0	0	0.0
Annualize prior year actions	35,000	0	35,000	0	0	0.0
History Colorado gaming revenue	(2,101,237)	0	(2,101,237)	0	0	0.0
TOTAL	\$30,784,538	\$1,295,000	\$28,549,014	\$0	\$940,524	131.4
Increase/(Decrease)	(\$1,267,507)	\$0	(\$1,280,935)	\$0	\$13,428	0.0
Percentage Change	(4.0%)	0.0%	(4.3%)	0.0%	1.4%	0.0%
FY 2014-15 Executive Request:						
Request Above/(Below) Recommendation	\$2,112,208	\$0	\$2,101,237	\$0	\$10,971	0.0

Centrally appropriated line items: The recommendation annualizes (builds into the base) prior year appropriations for salary survey and merit increases.

HC1 Increase the future stability of History Colorado: The recommendation is for \$544,964 cash funds for operation of the History Colorado Center and regional museums from museum earned revenue to be used for business development and public outreach and for electric utility costs at regional museums.

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

History Colorado gaming revenue: 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.

STATEWIDE AUDIT – HISTORY COLORADO

The FY 2011-12 statewide audit raised significant concerns about the financial management of History Colorado.¹² Among the key findings:

- History Colorado has not implemented adequate internal controls to ensure the proper preparation of accounting entries, timely reconciliations, year-end reporting, and segregation of duties.
- It does not have adequate internal written procedures in place for recording periodic transactions, such as debt service payments and reimbursements.
- These problems are considered a material weakness.

For example, *the audit found that History Colorado staff had recorded its Certificate of Participation payment twice and then unsuccessfully attempted to correct the error (again twice)*. There were a range of other examples that appeared to reflect lack of familiarity with basic accounting principles and practices and the state accounting system.

The previous controller is now gone and a new controller (who is currently the Controller for the Governor’s Office) will be coming on board in March. A new budget manager has also been hired. Given the scope of problems uncovered by the audit, JBC staff anticipates that financial problems could surface as the new controller digs into History Colorado’s accounts. Based on the audit findings, it seems likely that a significant amount of data may have been incorrectly entered into accounting systems or not entered timely and that there was no routine reconciliation process that would have uncovered such errors.

As also discussed further below, staff has some concerns about History Colorado’s ability to meet earned revenue targets, particularly in light of projected declines in Gaming Revenue. However, it is also difficult to reach clear conclusions about the organization’s financial status when revenue and expenditure data may not have been properly entered into the accounting system.

REQUEST AFFECTING MULTIPLE LINE ITEMS



HC1 Increasing the Future Stability of History Colorado

- The Department requests an increase of \$499,964 from museum earned revenue for business development and public outreach. It also requests \$45,000 for electric utility costs at regional museums.
- Staff recommends \$544,964 be appropriated from museum earned revenue.

¹²

[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)

Department Request: History Colorado seeks an increase of \$499,964 cash funds from museum earned revenue to invest in business development and public outreach. It also requests \$45,000 limited gaming cash funds to address increased electric utility cost increases at regional museums.

Business development: History Colorado has created a series of new core and traveling exhibits at the History Colorado Center and regional museums. 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. *To achieve this goal, it believes it must invest in communication initiatives/public outreach, guest services to help build a base of returning visitors, and a membership fulfillment program.*

Total earned revenue has almost doubled since the opening of the new Denver facility from \$1,914,566 in FY 2008-09 to \$3,694,485 in FY 2012-13. The agency anticipates that the proposed new expenditures for business development and public outreach will be fully covered by an increase in admissions revenues of at least \$534,000.

In 2010, History Colorado retained a consulting firm to develop a 5-year strategic business plan. The plan has since been modified to reflect History Colorado's evolving activities. For FY 2014-15 the plan is built around the launch of three traveling exhibits and a statewide event celebrating Colorado's birthday. To achieve History Colorado's attendance and income goals for the year, it must raise public awareness of the programs.

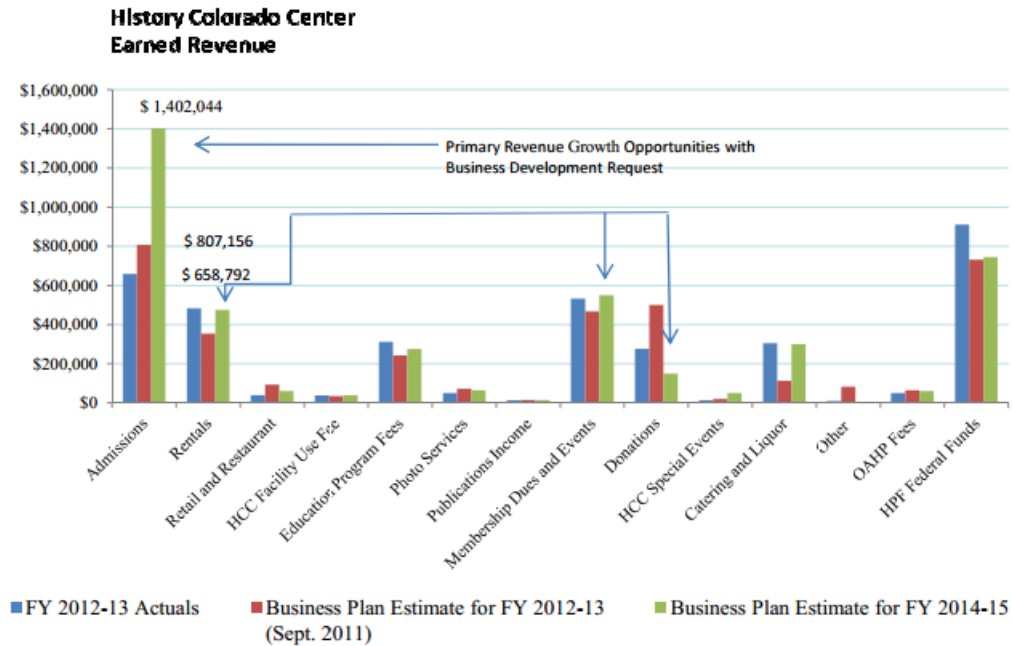
The request includes: \$206,053 for public outreach (cost of \$1.34 per total visitor base of 154,075); \$130,338 for membership outreach and services; and \$40,000 for "point of sale" technology for guest ambassadors.

Utility costs: The request also includes \$45,000 in limited gaming cash funds to address increases in utility costs at regional museums. Between FY 2009-10 and FY 2012-13, electric utility costs for the museums have increased from \$70,885 to \$106,293 and they are projected to be \$116,000 by FY 2014-15.

Staff Recommendation: Staff recommends the requested appropriation increase with respect to total dollars, but staff recommends that all related funding be drawn from earned revenue generated by History Colorado instead of assigning \$45,000 to gaming moneys. The recommendation is based on the following considerations:

- As described in the request, History Colorado has concluded that a significant marketing effort is required to ensure the museum continues to bring in visitors and revenue. Staff believes it would be far more risky not to spend funds on marketing than to do so. History Colorado clearly needs to bring in visitors, both to achieve its core mission of serving the public and to bring in additional earned revenue. The long-term success of the Center—and its financial viability—will rely on adequate visitation.
- History Colorado's projections indicate that the net additional revenue generated by the requested outreach activities (\$534,000) will barely cover costs, but it calculates the net

“return on investment” for promotional activities at \$1,149,572. In effect, *History Colorado believes that if the State does not invest in outreach, revenue and visitation are likely to fall.* The chart below compares actual FY 2012-13 earned revenue to FY 2012-13 and FY 2014-15 business plan estimates.



- Overall, History Colorado hopes to increase earned revenue from \$3,694,485 in actual FY 2012-13 to \$4,187,044 in FY 2014-15. *History Colorado will need to maintain—and increase—earned revenue in the coming years to cover increases in the cost of doing business. The majority of the History Colorado operating budget is covered by limited gaming funds, but this source is “maxed out” unless gaming revenues grow.* The staff recommendation for museum operations and COP payments reflects \$11,040,659 from gaming revenues in FY 2014-15—or just under 50 percent of the Historical Society’s share of projected gaming revenue. This is the statutory maximum, since the majority of gaming revenue is supposed to be directed to the preservation grant program.
- Staff has not recommended funding any of the request from gaming revenues in light of projected declines in these revenues (described below) and what appears to be an over-commitment of limited gaming funds in the History Colorado budget. Staff anticipates that there will be substantial increases in the appropriation from gaming revenues in FY 2014-15 related solely to centrally-appropriated line items and personal services increases approved by the Committee. It is not clear whether ongoing increases on this scale will be sustainable. (Staff hopes to work further with History Colorado on this issue once the new Controller is in place and acclimatized.)

- As outlined by state financial audit, History Colorado has had some serious problems in its accounting management. Under these circumstances, staff would generally be hesitant to recommend an increase. However, staff is comfortable recommending an increase consisting entirely of earned revenue, because staff assumes that History Colorado will only be able to spend the additional moneys if it is able to earn them.

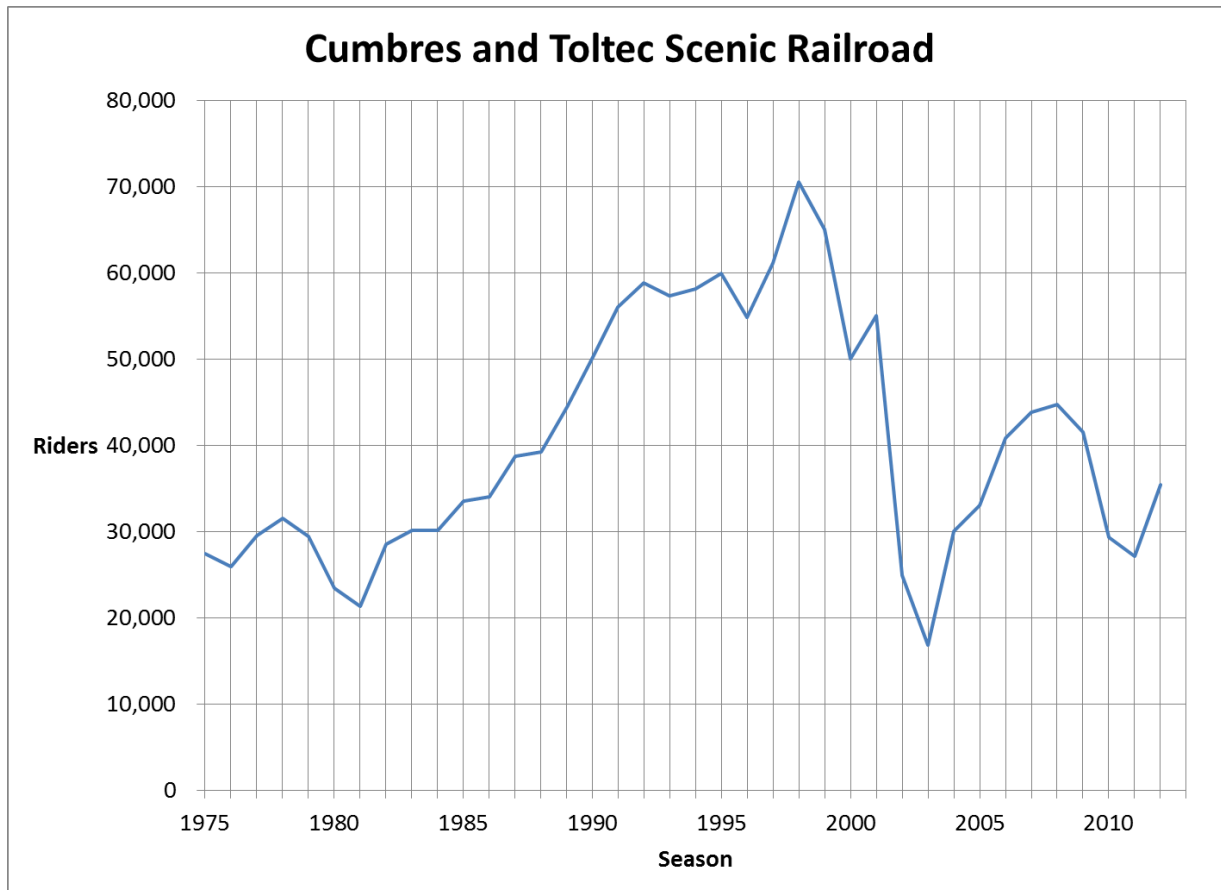
(A) Cumbres-Toltec Railroad Commission

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 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.

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. Ridership is now improving (up 19 percent in 2013), but is still not near its late 1990s peak.

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, Colorado Historical Society 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 clarifies that the portion of the funding associated with capital construction (\$1.1 million of the total) is 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.

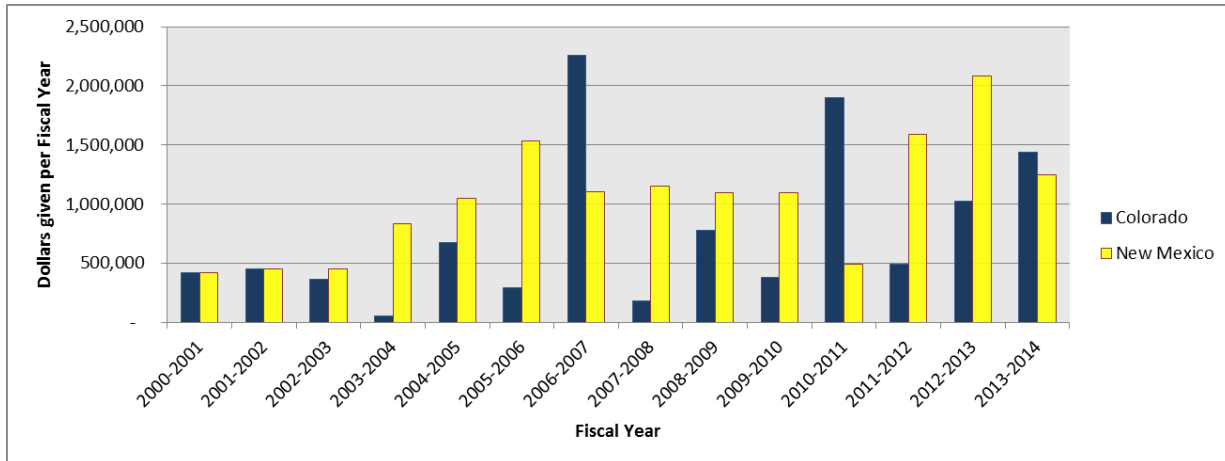
JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

	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 also recommends continuation of Footnote 19 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.

Staff recently received communication from Commission staff indicating that at the end of the New Mexico legislative session, capital funding for the Railroad was eliminated for FY 2014-15. They indicate that what remains from New Mexico for FY 2014-15 is \$308,500 for Commission operations and two small construction projects. In light of this, **staff also recommends reducing the cash funds shown from New Mexico to show \$308,500. This adjustment is not yet reflected in staff numbers pages.** Commission staff note that New Mexico funding for the railroad was higher than Colorado’s during the recession, as shown below and, over the last 14 years has exceeded Colorado’s by \$3.9 million in total.



(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 \$251,906 total funds and 3.5 FTE for this line item, including \$20,000 cash funds and \$231,906 federal funds. The request includes \$1,906 federal funds to annualize prior year salary survey and merit increases.

Recommendation: Staff recommends a continuation level of \$250,000 and 3.5 FTE for this line item. Staff has *not* included the requested annualization of prior-year federal funds salary survey and merit pay because the federal funds in this line item are shown for informational purposes and the line item was substantially under-spent in the prior two years.

(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 \$1,926,723 cash funds and 14.5 FTE for this line item, including \$130,388 cash funds requested for HC1 (Increasing the Future Stability of History Colorado) and common policy adjustments.

Recommendation: Staff recommends the request, as reflected below.

*JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision*

State Historical Society, Auxiliary Programs, Auxiliary Programs				
	Total Funds	General Fund	Cash Funds	FTE
FY 2013-14 Appropriation				
SB 13-230 (Long Bill)	<u>\$1,757,535</u>	<u>\$0</u>	<u>\$1,757,535</u>	<u>14.5</u>
TOTAL	\$1,757,535	\$0	\$1,757,535	14.5
FY 2014-15 Recommended Appropriation				
FY 2013-14 Appropriation	\$1,757,535	\$0	\$1,757,535	14.5
HC1 Increase the future stability of History Colorado	130,388	0	130,388	0.0
Centrally appropriated line items	<u>38,800</u>	<u>0</u>	<u>38,800</u>	<u>0.0</u>
TOTAL	\$1,926,723	\$0	\$1,926,723	14.5
Increase/(Decrease)	\$169,188	\$0	\$169,188	0.0
Percentage Change	9.6%	0.0%	9.6%	0.0%
FY 2014-15 Executive Request:	\$1,926,723	\$0	\$1,926,723	14.5
Request Above/(Below) Recommendation	\$0		\$0	0.0

(D) Gaming Revenues

Note: Although this Long Bill section is entitled “Gaming Revenues”, moneys appropriated in this section include other funding sources, including earned income from museum operations and federal funds. Staff believes that some changes to the Long Bill structure for History Colorado may be appropriate. Staff will explore this further with new department accounting and budget staff in the coming year.

Gaming Revenues: The voter-approved amendment to Colorado's constitution that permitted limited gaming included a formula allocation of the tax revenues generated from gaming activities. This constitutional formula provides a portion to the State Historical Fund to support activities of the State Historical Society. 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.

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 50¹³, 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;

¹³ Amendment 50 provided for bets up to \$100 and provides distributions to higher education institutions.

- 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:

- Of the amount distributed to the State Historical Fund, twenty percent shall be used for the preservation and restoration of Central City, Black Hawk, and Cripple Creek.

Gaming Revenue Projections and allocations: In actual FY 2012-13, the Colorado Historical Society received \$23,622,195 from Limited Gaming funds, of which 20 percent (\$4,726,639) was distributed to gaming cities per Constitutional formulas. The total represented an increase over the FY 2011-12 receipts of \$23.1 million for the Historical Society

The December 2013 revenue forecasts from both Legislative Council Staff and the Office of State Planning and Budgeting reflect declines in receipts from Limited Gaming:

- The OSPB projects that the Historical Society will receive \$21.6 million in FY 2013-14 and \$22.4 million in FY 2014-15.
- The LCS forecast reflects receipts of \$22.4 million in FY 2013-14 and \$22.9 million in FY 2014-15.

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

- To direct a portion of the State Historical Fund limited gaming revenue that is not allocated to gaming cities and counties to provide funding for the operations of the State Historical Society, while directing the majority to grants to government entities and nonprofit organizations for historic preservation purposes. Pursuant to statute, the costs for the grant program may include administration for the program. (Specific dollar amounts or percentages to grants versus operations are not specified.)
- To direct a portion of the funds allocated for operations of the State Historical Society 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 \$3.0 million per year.
- To transfer a portion of the moneys for the statewide grant program to the Capitol Dome Restoration Fund. Specifically: FY 2010-11 through FY 2012-13: \$4.0 million in each year, reduced dollar-for-dollar in each year by the amount deposited into the Capitol Dome Restoration Trust Fund from fund-raising activities. (A further \$5.0 million originally allocated for FY 2013-14 was repealed, based on a JBC decision to instead appropriate General Fund moneys for Dome restoration.)

➔ History Colorado Gaming Revenue

Staff recommends that the Committee reduce the Preservation Grants appropriation to begin to align appropriations from limited gaming funds with projected revenue and expenditures from this source. Specifically, **staff recommends that the appropriation for Preservation Grants be reduced by \$1.8 million to a total appropriation of \$13,000,000.** This staff-initiated adjustment represents an initial step: staff anticipates that further alignment will be required in the future. The recommendation is based on the following:

- **Gaming revenue, expenditures and appropriations are out of alignment.** History Colorado is spending substantially more gaming revenue than it is bringing in each year. It is also spending below appropriated levels in the Preservation Grants line item. If it were to spend at the levels presently included in the appropriation, the deficit would be far greater.
- The reduction recommended will not bring the appropriation down to the likely expenditure level. However, the Department has indicated in the past that spending associated with prior year revenue and commitments may drive up annual expenditures in the Preservation Grants line item, so staff has, for the moment, left some excess spending authority in the line item.
- Staff believes the mismatch between revenues and expenditures has been generated in large part by the addition of \$3.1 million in annual Certificate of Participation payments for the new Colorado History Center. The additional appropriation required to cover the COP payment was never offset by a reduction in the History Colorado operating appropriation budget. Meanwhile, total gaming revenues have been relatively flat (or declining) and personal services costs have increased.

Projected Gaming Revenue and Expenditures: The Executive request includes amounts from State Historical Fund gaming funds in the capital construction request, as well as the operating budget request. The table below summarizes actual request, and recommendation amounts for limited gaming moneys. **As reflected in the table, based on actual and requested appropriations and the OSPB revenue forecast, the agency is spending far more limited gaming revenue than it is likely to bring in.** The staff recommendation reflects trimming the appropriation shown for the statewide museum preservation program and denying the gaming increase included in HC1. However, **even with these adjustments, revenue is projected to fall \$6.9 million short of recommended FY 2014-15 appropriations.**

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Limited Gaming - State Historical Fund				
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2014-15
	Actual Expenditures/ Prior year revenue	Appropriated/ Prior year Revenue	Approp. Request/ Projected prior year Revenue	Approp. Recommend/ Projected prior year Revenue
Actual/Projected Gaming Revenue (OSPB - Dec 2013)	\$24,195,009	\$23,633,195	\$21,600,000	\$21,600,000
Expenditures/Appropriations of Gaming Revenue				
<i>Operating Budget:</i>				
Department administrative office (centrally appropriated line items)	\$1,433,291	\$1,911,430	\$2,246,210	\$2,157,224
Gaming cities distribution	4,625,470	4,804,000	4,804,000	4,480,000
Statewide preservation program	12,196,760	14,758,933	14,777,237	13,000,000
Society Muesum and Operations	5,537,189	5,579,201	5,807,435	5,762,435
<i>Capital budget - COP Payment (CDC recommendation)</i>	<u>3,021,000</u>	<u>3,101,000</u>	<u>3,021,000</u>	<u>3,121,000</u>
Actual/Appropriated Expenditures	\$26,813,710	\$30,154,564	\$30,655,882	\$28,520,659
Revenue - Expenditures	(\$2,618,701)	(\$6,521,369)	(\$9,055,882)	(\$6,920,659)
Sources: Revenue - OSPB December 2013 forecast; Actual expenditures and request - budget "schedule 3s"				

The following table is drawn from the Department’s Cash Funds report (Schedule 11) for the Limited Gaming Fund and also indicates a revenue shortfall. **In this table, the Department shows its plans for mitigating the problem by reducing projected expenditures for Preservation Grants. However, as shown:**

- The Department projects less than 50 percent of its 80 percent share of FY 2013-14 gaming revenues will be directed to the preservation grant program. Staff understands that the Department will adjust spending to address this, as Section 12-47.1-1201 (5) (d) (II), C.R.S, requires that “the majority of the eighty percent portion of the state historical fund administered by the society shall continue to be used for the statewide grants for historic preservation purposes...and may also be used to pay the administrative cost of the society in administering the grant program.” However, *this demonstrates how close History Colorado is to its 49.9 percent limit on using gaming funds for museum operations.*
- Even with History Colorado’s changes, annual projected expenditures from gaming funds appear to exceed revenue by a significant amount. The Department carries a substantial balance in the affected Fund (\$15.6 million in net cash assets at the end of FY 2012-13), so this may not be an immediate problem. However, *if gaming revenue continues to decline, spending levels remain where projected, and cash revenues from museum operations do not rise to fill the gap, History Colorado faces a serious problem.*
- *The most recent quarterly report from History Colorado on its earned revenue raises significant concern.* This indicates that both visitation and earnings are coming in well below expectations for FY 2013-14. Staff hopes that with new staff and outreach initiatives, the agency will be able to turn this situation around.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Gaming Funds for Historic Preservation	Actual	Estimated*	Requested
	FY 2012-13	FY 2013-14	FY 2014-15
Actual/Projected (Department schedules)	\$23,127,355	\$23,633,195	\$24,700,000
Actual/Projected Expenditures of Gaming Revenue			
<i>Preservation Grants</i>			
Preservation Grants*	6,876,952	9,359,734	10,332,365
Capitol Dome	3,907,255	-	-
Administration	1,412,553	1,398,266	1,425,635
<i>Museum Operations</i>			
Museum Operations	6,949,951	7,453,977	7,695,639
Internal Grants/Capital Construction	768,786	725,000	725,000
COP Payments for museum	1,919,648	3,021,000	3,021,710
<i>Allocations to Gaming Cities (20 percent/Constitutional)</i>	4,625,470	4,804,000	4,804,000
TOTAL - Actual/Estimated Expenditures	\$26,460,615	\$26,761,977	28,004,349
Revenue less Expenditures (Cash Flow - Gaming Funds only)	(\$3,333,260)	(\$3,128,782)	(\$3,304,349)
Percentage of state 80 percent share to preservation program	56%	49%	51%

Source: Department Schedule 9 Cash Funds Report: Fund 401 – Limited Gaming Fund

*Estimated and requested amounts in this schedule are lower than amounts requested for appropriation. Staff assumes museum operation spending will be further adjusted to remain within required limits.

**The COP payment was below the appropriated amount due to a one-time offset.

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.

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 \$4,480,000, based on the December 2013 OSPB forecast. 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.*

Statewide Preservation Grant Program

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. These administrative costs come off the top and the remainder is to be used for grants through this line item.

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

Request: History Colorado requests an appropriation of \$14,786,302 and 18.0 FTE for this line item, including \$14,777,237 cash funds and \$9,065 federal funds. The increase represents annualization of prior year salary survey and merit funds.

Recommendation:

State Historical Society, Gaming Revenue, Statewide Preservation Grant Program					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	\$14,758,933	\$0	\$14,758,933	\$0	18.0
TOTAL	\$14,758,933	\$0	\$14,758,933	\$0	18.0
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$14,758,933	\$0	\$14,758,933	\$0	18.0
Centrally appropriated line items	18,304	0	18,304	0	0.0
History Colorado gaming revenue	(1,777,237)	0	(1,777,237)	0	0.0
TOTAL	\$13,000,000		\$13,000,000		18.0
Increase/(Decrease)	(\$1,758,933)	\$0	(\$1,758,933)	\$0	0.0
Percentage Change	(11.9%)	0.0%	(11.9%)	0.0%	0.0%
FY 2014-15 Executive Request:	\$14,786,302	\$0	\$14,777,237	\$9,065	18.0
Request Above/(Below) Recommendation	\$1,786,302		\$1,777,237	\$9,065	0.0

Centrally appropriated line items: Staff does not include the request to annualize prior-year salary survey and merit increases supported through federal funds. This line item has not historically included base funds from federal sources, and staff believes federal salary survey and merit increases should be applied in the same location as the federally-funded positions.

History Colorado gaming revenue: As previously discussed, staff recommends an adjustment to bring appropriations more in line with available revenue.

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 \$8,947,815 total funds, including \$5,807,435 from Limited Gaming revenues, and 95.4 FTE for this line item, including \$414,576 for HCII (Increasing the Future Stability of History Colorado; \$45,000 of this is from Limited Gaming Funds).

Recommendation:

State Historical Society, Gaming Revenue, Society Museum and Preservation Operations					
	Total Funds	General Fund	Cash Funds	Federal Funds	FTE
FY 2013-14 Appropriation					
SB 13-230 (Long Bill)	<u>\$8,336,577</u>	<u>\$0</u>	<u>\$7,639,481</u>	<u>\$697,096</u>	<u>95.4</u>
TOTAL	\$8,336,577	\$0	\$7,639,481	\$697,096	95.4
FY 2014-15 Recommended Appropriation					
FY 2013-14 Appropriation	\$8,336,577	\$0	\$7,639,481	\$697,096	95.4
HC1 Increase the future stability of History Colorado	414,576	0	414,576	0	0.0
Centrally appropriated line items	<u>196,662</u>	<u>0</u>	<u>183,234</u>	<u>13,428</u>	<u>0.0</u>
TOTAL	\$8,947,815	\$0	\$8,237,291	\$710,524	95.4
Increase/(Decrease)	\$611,238	\$0	\$597,810	\$13,428	0.0
Percentage Change	7.3%	0.0%	7.8%	1.9%	0.0%
FY 2014-15 Executive Request:	\$8,947,815	\$0	\$8,237,291	\$710,524	95.4
Request Above/(Below) Recommendation	\$0		\$0	\$0	0.0

HC1 Increase the future stability of History Colorado: As previously discussed, staff recommends the request, with an adjustment to the funding source, because staff recommends funding the entire HC1 increase revenues from society museum and preservation operations.

Centrally appropriated line items: This reflects annualization of prior year salary survey and merit increases. Note that all cash funds annualized in this adjustment are from gaming revenue.

Long Bill Footnotes and Requests for Information

Long Bill Footnotes

Staff recommends the following **new footnote (or equivalent addition to S.B. 14-001)**

N **Department of Higher Education, Colorado Commission on Higher Education Financial Aid, Need Based Grants; and Work Study** – It is the intent of the General Assembly in making this appropriation that additional General Fund be used to supplement, rather than supplant, institutional need-based financial aid for resident students.

Comment: **If the associated appropriations for need-based aid are included in S.B. 14-001, staff recommends that in lieu of adding this footnote, similar legislative intent language be included in the appropriation clause or in the legislative declaration for the bill.** Like a footnote, such “intent” language would not change statute and thus would not be binding. However, it would serve as a reminder to the institutions that this is legislative concern and place the institutions on notice that the General Assembly will pay attention to how the new funds are used.

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

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

Comment: Expresses legislative intent with regard to rolling forward work study funds. 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 the Department has used this authority.

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

Comment: Expresses legislative intent with regard to National Guard Tuition Assistance. This footnote expresses legislative intent that the Department not automatically transfer the full appropriation to the Department of Military Affairs, but rather that the Department transfer only the funds necessary to comply with Section 23-5-111.4, C.R.S. 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 or FY 2012-13.

- 16 Department of Higher Education, Governing Boards, Trustees of Adams State University; Trustees of Mesa State 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: Expresses legislative intent with regard to FTE.

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

Comment: Expresses legislative intent with regard to General Fund appropriations for the Local District Junior Colleges.

Staff recommends the following footnote be **continued as modified:**

- 17 Department of Higher Education, Governing Boards, Trustees of Adams State University; Trustees of Mesa State 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. ~~The appropriation reflects the projected tuition if institutions increase Colorado resident tuition rates 9.0 percent and nonresident rates 5.0 percent.~~ 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, 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 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: The rate assumptions are reflected in the table below. These are based on information available at the time of the forecast. A 6.0 percent increase for resident students was assumed unless a governing board had already reached a decision concerning a lower rate. *A more detailed footnote including a table with assumptions could be included in the Long Bill if desired.*

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FY 2014-15 Tuition Rate Increase Assumptions		
	Resident	Nonresident
Regents of the University of Colorado	6.0%	3.0%
Colorado State University	6.0%	4.0%
Fort Lewis College	6.0%	0.0%
University of Northern Colorado	4.8%	2.0%
Colorado School of Mines	6.0%	6.0%
Adams State University	6.0%	3.0%
Colorado Mesa University	6.0%	5.0%
Western State College	5.0%	5.0%
Metro State University of Denver	6.0%	6.0%
Community College System	6.0%	4.0%

19 Department of Higher Education, History Colorado, Cumbres and Toltec Railroad Commission -- The amount in this line item is calculated based on the following assumptions: (1) This line item includes \$202,500 for annual Commission operating expenses and other routine ongoing costs including controlled maintenance; (2) the balance of this appropriation is for capital projects including locomotive boiler repair, passenger car upgrades, and track, bridge and tunnel upgrades; and (3) amounts above the \$202,500 ongoing operating support are based on an analysis of the Railroad's capital outlay needs over a three year period and are not assumed to continue after FY 2015-16. Amounts in this line item that are not expended by June 30, 2014 2015 may be rolled forward for expenditure in ~~FY 2014-15~~ FY 2015-16.

Comment: Allows expenditures for capital-related activities to be rolled to the next year, consistent with the approach used in capital construction appropriations.

Staff also recommends the following **supplemental modification to the FY 2013-14 Long Bill footnote** concerning tuition, based on the adjustments recommended to the associated appropriations.

17 Department of Higher Education, Governing Boards, Trustees of Adams State University; Trustees of Mesa State 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

JBC Staff Figure Setting – FY 2014-15
Staff Working Document – Does Not Represent Committee Decision

governing boards may set the tuition rates for the institutions they govern. ~~The appropriation reflects the projected tuition if institutions increase Colorado resident tuition rates 9.0 percent and nonresident rates 5.0 percent.~~ AMOUNTS SHOWN ARE BASED ON THE LEGISLATIVE COUNCIL STAFF FEBRUARY 2014 HIGHER EDUCATION ENROLLMENT AND TUITION FORECAST.

Comment: The rate assumptions are reflected in the table below and are generated based on projected revenue divided by projected enrollment.

FY 2013-14 Tuition Rate Increase Projection**		
	Resident	Nonresident
Regents of the University of Colorado	5.2%	3.2%
Colorado State University	8.6%	5.6%
Fort Lewis College	9.0%	0.0%
University of Northern Colorado	5.1%	1.8%
Colorado School of Mines	6.0%	5.0%
Adams State University	24.0%	4.2%
Colorado Mesa University	5.5%	5.5%
Western State College	14.0%	5.0%
Metro State University of Denver	9.0%	9.0%
Community College System	6.0%	4.0%
**Tuition increases are based on weighted averages from the tuition and fee survey for each school		
Weighted averages account for program-specific tuition increases and graduate versus undergraduate student tuition increases.		

Requests for Information

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 on December 6, 2012 (another report will be received soon). The report provides valuable information and is available on the Department's website.

Appendix: Indirect Cost Assessment Methodology

Description of Indirect Cost Assessment Methodology

There are two major components of the Department’s indirect cost methodology:

- A component for allocating departmental indirect costs; and
- A component for allocating statewide indirect costs, which are significant for this department.

Departmental Indirect Cost Methodology

The Department of Higher Education's indirect cost assessment methodology is calculated based on two components: an “*Indirect Cost Pool*”, and an “*Indirect Cost Base*.”

The *Departmental Indirect Cost Pool* is comprised of the FY 2013-14 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 2012-13 Approp.
Department Administrative Office		
	Centrally-appropriated for CCHE	\$874,026
Colorado Commission on Higher Education		
	Administration	2,329,089
	Adjustments (reversions, supplemental adjustments)	-19,617
Total Indirect Cost Pool		\$3,183,498
	Reduce for nonpublic schools	<u>-62,083</u>
	Subtotal	3,121,415
Cash and Reappropriated Share of Total (79.34%)		\$2,476,417

The *Indirect Cost Base* is comprised of the FY 2013-14 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 (\$62,083 in FY 2013-14). The balance of the indirect cost pool is allocated proportionately to each funding source. Next, the costs allocated to the cash and reappropriated funding sources (79.34 percent of the FY 2013-14 total), are further allocated to the divisions, programs, and governing boards (in aggregate) based on FY 2013-14 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	\$645,405
CSU System	\$363,616
Ft. Lewis	\$48,015
Adams State	\$31,745
Colorado Mesa	\$95,081
Western State	\$23,931
Metro State	\$228,751
Community Colleges	\$810,196
U. of Northern CO	\$132,641
School of Mines	\$66,540
Auraria Higher Ed Ctr	\$0
SUBTOTAL	\$2,445,922
CCHE	\$0
HISTORICAL	\$29,584
Private Occupational Schools	\$628
Vet. Medicine	\$283
SUBTOTAL	\$2,476,417
CollegeInvest	\$0
CollegeAssist	\$0
TOTAL	\$2,476,417

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 2013-14 (which is then allocated to the governing boards) is shown below in **Table 3**.

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Table 3	
Department of Higher Education	
Statewide	
Indirect Cost Assessments	
University of CO	\$968,657
CSU System	\$384,382
Ft. Lewis	\$30,314
Adams State	\$27,437
Colorado Mesa	\$43,809
Western State	\$33,972
Metro State	\$80,010
Community Colleges	\$326,154
U. of Northern CO	\$117,331
School of Mines	\$106,826
Auraria Higher Ed Ctr	\$101,482
SUBTOTAL	\$2,220,374
CCHE (re-allocated to gov. boards)	\$80,752
HISTORICAL	\$164,855
Private Occupational Schools	\$5,506
Vet. Medicine	\$0
SUBTOTAL	\$2,471,487
CollegeInvest	\$24,171
CollegeAssist	\$66,327
TOTAL	\$2,561,985

JBC Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Number Pages

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 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>1,028,168</u>	<u>1,123,166</u>	<u>1,247,031</u>	<u>1,748,577</u>	<u>1,477,269</u>
General Fund	0	0	0	0	0
Cash Funds	709,171	768,119	893,372	1,063,967	885,006
Reappropriated Funds	201,398	197,183	190,396	289,250	256,321
Federal Funds	117,599	157,864	163,263	395,360	335,942
Short-term Disability	<u>14,120</u>	<u>14,120</u>	<u>18,973</u>	<u>23,266</u>	<u>23,375</u>
Cash Funds	9,810	9,810	12,997	14,266	14,333
Reappropriated Funds	2,507	2,507	3,357	3,674	3,691
Federal Funds	1,803	1,803	2,619	5,326	5,351
S.B. 04-257 Amortization Equalization					
Disbursement	<u>223,346</u>	<u>292,914</u>	<u>363,955</u>	<u>431,496</u>	<u>432,268</u>
Cash Funds	155,179	189,165	247,115	264,598	264,703
Reappropriated Funds	39,652	60,046	66,142	68,066	68,386
Federal Funds	28,515	43,703	50,698	98,832	99,179

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Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
S.B. 06-235 Supplemental Amortization					
Equalization Disbursement	<u>179,475</u>	<u>251,723</u>	<u>328,570</u>	<u>404,528</u>	<u>405,251</u>
Cash Funds	124,698	162,564	223,090	248,061	248,159
Reappropriated Funds	31,863	51,602	59,711	63,812	64,112
Federal Funds	22,914	37,557	45,769	92,655	92,980
Salary Survey	<u>0</u>	<u>0</u>	<u>215,193</u>	<u>176,446</u>	<u>350,664</u>
Cash Funds	0	0	145,257	108,600	215,022
Reappropriated Funds	0	0	39,592	26,406	55,371
Federal Funds	0	0	30,344	41,440	80,271
Merit Pay	<u>0</u>	<u>0</u>	<u>174,977</u>	<u>173,743</u>	<u>174,196</u>
Cash Funds	0	0	119,653	106,451	106,611
Reappropriated Funds	0	0	31,161	26,969	27,109
Federal Funds	0	0	24,163	40,323	40,476
Workers' Compensation	<u>41,652</u>	<u>47,940</u>	<u>179,422</u>	<u>113,355</u>	<u>113,355</u>
Cash Funds	35,643	41,024	170,416	101,896	101,896
Reappropriated Funds	6,009	6,916	9,006	11,459	11,459
Legal Services	<u>33,918</u>	<u>32,247</u>	<u>40,804</u>	<u>40,804</u>	<u>40,804</u>
Cash Funds	9,360	9,550	11,260	11,260	11,260
Reappropriated Funds	24,558	22,697	29,544	29,544	29,544
Administrative Law Judge Services	<u>496</u>	<u>684</u>	<u>1,454</u>	<u>2,501</u>	<u>2,501</u>
Cash Funds	496	684	1,454	2,501	2,501

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Purchase of Services from Computer Center	<u>107,140</u>	<u>185,984</u>	<u>156,837</u>	<u>0</u>	<u>0</u>
Cash Funds	102,158	170,775	151,485	0	0
Reappropriated Funds	4,982	15,209	5,352	0	0
Multiuse Network Payments	<u>74,792</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	74,792	0	0	0	0
Management and Administration of OIT	<u>98,276</u>	<u>65,636</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Funds	98,276	65,636	0	0	0
COFRS Modernization	<u>0</u>	<u>36,461</u>	<u>36,461</u>	<u>36,461</u>	<u>36,461</u>
Cash Funds	0	19,614	19,614	19,614	19,614
Reappropriated Funds	0	16,847	16,847	16,847	16,847
Federal Funds	0	0	0	0	0
Information Technology Security	<u>0</u>	<u>0</u>	<u>1,559</u>	<u>0</u>	<u>0</u>
Cash Funds	0	0	1,503	0	0
Reappropriated Funds	0	0	56	0	0
Payment to Risk Management and Property Funds	<u>29,085</u>	<u>30,818</u>	<u>141,012</u>	<u>141,132</u>	<u>141,132</u>
Cash Funds	27,803	29,561	138,040	138,332	138,332
Reappropriated Funds	1,282	1,257	2,972	2,800	2,800
Payments to OIT	<u>0</u>	<u>0</u>	<u>0</u>	<u>362,022</u>	<u>362,022</u>
Cash Funds	0	0	0	352,229	352,229
Reappropriated Funds	0	0	0	9,793	9,793

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
Leased Space	<u>493,711</u>	<u>522,579</u>	<u>524,862</u>	<u>535,514</u>	<u>535,514</u>
Cash Funds	89,023	116,661	104,972	107,102	107,102
Reappropriated Funds	404,688	405,918	419,890	428,412	428,412
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	2,324,179	2,604,272	3,431,110	4,189,845	4,094,812
<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	0	0	0
Cash Funds	1,436,409	1,583,163	2,240,228	2,538,877	2,466,768
Reappropriated Funds	716,939	780,182	874,026	977,032	973,845
Federal Funds	170,831	240,927	316,856	673,936	654,199

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 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>2,593,850</u>	<u>2,995,488</u>	<u>2,713,675</u>	<u>2,811,745</u>	<u>2,397,382</u>
FTE	28.4	19.6	30.5	30.5	26.9
General Fund	0	0	0	0	0
Cash Funds	199,075	187,681	225,032	225,032	234,318
Reappropriated Funds	1,971,012	1,913,395	2,104,057	2,172,350	2,163,064
Federal Funds	423,763	894,412	384,586	414,363	0

SUBTOTAL - (A) Administration	2,593,850	2,995,488	2,713,675	2,811,745	2,397,382
<i>FTE</i>	<u>28.4</u>	<u>19.6</u>	<u>30.5</u>	<u>30.5</u>	<u>26.9</u>
General Fund	0	0	0	0	0
Cash Funds	199,075	187,681	225,032	225,032	234,318
Reappropriated Funds	1,971,012	1,913,395	2,104,057	2,172,350	2,163,064
Federal Funds	423,763	894,412	384,586	414,363	0

(B) Division of Private Occupational Schools

Division of Private Occupational Schools	<u>616,789</u>	<u>596,538</u>	<u>633,554</u>	<u>657,555</u>	<u>657,555</u>
FTE	7.7	7.8	7.8	7.8	7.8
Cash Funds	616,789	596,538	633,554	657,555	657,555

SUBTOTAL - (B) Division of Private Occupational Schools	616,789	596,538	633,554	657,555	657,555
<i>FTE</i>	<u>7.7</u>	<u>7.8</u>	<u>7.8</u>	<u>7.8</u>	<u>7.8</u>
Cash Funds	616,789	596,538	633,554	657,555	657,555

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
(C) Special Purpose					
Western Interstate Commission for Higher Education (WICHE)					
Reappropriated Funds	<u>125,000</u>	<u>125,000</u>	<u>131,000</u>	<u>137,000</u>	<u>137,000</u>
	125,000	125,000	131,000	137,000	137,000
WICHE - Optometry					
General Fund	<u>395,356</u>	<u>386,731</u>	<u>399,000</u>	<u>399,000</u>	<u>399,000</u>
Reappropriated Funds	0	62,261	0	0	0
	395,356	324,470	399,000	399,000	399,000
Distribution to Higher Education Competitive Research Authority					
Cash Funds	<u>2,139,494</u>	<u>1,949,310</u>	<u>2,800,000</u>	<u>2,800,000</u>	<u>2,800,000</u>
	2,139,494	1,949,310	2,800,000	2,800,000	2,800,000
Veterinary School Program Needs					
Cash Funds	<u>162,400</u>	<u>162,400</u>	<u>285,000</u>	<u>285,000</u>	<u>285,000</u>
Reappropriated Funds	0	0	122,600	122,600	131,100
	162,400	162,400	162,400	162,400	153,900
Colorado Geological Survey at the Colorado School of Mines					
FTE	<u>0</u>	<u>878,775</u>	<u>1,863,401</u>	<u>1,863,401</u>	<u>2,124,330</u>
General Fund	0.0	4.6	14.5	14.5	14.5
Cash Funds	0	0	300,000	300,000	306,000
Reappropriated Funds	0	767,708	1,459,401	1,459,401	1,477,785
Federal Funds	0	0	0	0	50,000
	0	111,067	104,000	104,000	290,545
GEAR-UP					
FTE	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5,000,000</u>
Federal Funds	0.0	0.0	0.0	0.0	39.1
	0	0	0	0	5,000,000

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
SUBTOTAL - (C) Special Purpose	2,822,250	3,502,216	5,478,401	5,484,401	10,745,330
<i>FTE</i>	<u>0.0</u>	<u>4.6</u>	<u>14.5</u>	<u>14.5</u>	<u>53.6</u>
General Fund	0	62,261	300,000	300,000	306,000
Cash Funds	2,139,494	2,717,018	4,382,001	4,382,001	4,408,885
Reappropriated Funds	682,756	611,870	692,400	698,400	739,900
Federal Funds	0	111,067	104,000	104,000	5,290,545
TOTAL - (2) Colorado Commission on Higher Education	6,032,889	7,094,242	8,825,630	8,953,701	13,800,267
<i>FTE</i>	<u>36.1</u>	<u>32.0</u>	<u>52.8</u>	<u>52.8</u>	<u>88.3</u>
General Fund	0	62,261	300,000	300,000	306,000
Cash Funds	2,955,358	3,501,237	5,240,587	5,264,588	5,300,758
Reappropriated Funds	2,653,768	2,525,265	2,796,457	2,870,750	2,902,964
Federal Funds	423,763	1,005,479	488,586	518,363	5,290,545

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 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	74,351,420	74,941,339	79,346,789	109,346,789	114,346,789
General Fund	74,259,868	74,941,339	79,346,789	109,346,789	114,020,514
Cash Funds	0	0	0	0	0
Reappropriated Funds	91,552	0	0	0	326,275
SUBTOTAL - (A) Need Based Grants	74,351,420	74,941,339	79,346,789	109,346,789	114,346,789
<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	74,259,868	74,941,339	79,346,789	109,346,789	114,020,514
Cash Funds	0	0	0	0	0
Reappropriated Funds	91,552	0	0	0	326,275

(B) Work Study

Work Study	16,255,513	16,047,244	16,432,328	21,432,328	21,432,328
General Fund	16,255,513	16,047,244	16,432,328	21,432,328	21,432,328
SUBTOTAL - (B) Work Study	16,255,513	16,047,244	16,432,328	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	16,255,513	16,047,244	16,432,328	21,432,328	21,432,328

(C) Merit Based Grants

Merit Based Grants	0	0	0	5,000,000	0
General Fund	0	0	0	5,000,000	0

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
SUBTOTAL - (C) Merit Based Grants	0	0	0	5,000,000	0
<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	0	5,000,000	0

(D) Special Purpose

Veterans'/Law Enforcement/POW Tuition Assistance	<u>443,410</u>	<u>489,699</u>	<u>420,000</u>	<u>672,000</u>	<u>672,000</u>
General Fund	443,410	489,699	420,000	672,000	672,000
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	800,000	800,000	800,000	800,000	800,000
Native American Students/Fort Lewis College	<u>11,785,002</u>	<u>12,773,557</u>	<u>14,466,230</u>	<u>15,303,085</u>	<u>14,841,981</u>
General Fund	11,347,562	12,773,557	14,466,230	15,303,085	14,841,981
Reappropriated Funds	437,440	0	0	0	0
GEAR - UP	<u>827,692</u>	<u>842,681</u>	<u>600,000</u>	<u>600,000</u>	<u>0</u>
Federal Funds	827,692	842,681	600,000	600,000	0
Nursing Teacher Loan Forgiveness Pilot	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General Fund	0	0	0	0	0
SUBTOTAL - (D) Special Purpose	13,856,104	14,905,937	16,286,230	17,375,085	16,313,981
<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	12,590,972	14,063,256	15,686,230	16,775,085	16,313,981
Reappropriated Funds	437,440	0	0	0	0
Federal Funds	827,692	842,681	600,000	600,000	0

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
TOTAL - (3) Colorado Commission on Higher Education Financial Aid	104,463,037	105,894,520	112,065,347	153,154,202	152,093,098
<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	103,106,353	105,051,839	111,465,347	152,554,202	151,766,823
Cash Funds	0	0	0	0	0
Reappropriated Funds	528,992	0	0	0	326,275
Federal Funds	827,692	842,681	600,000	600,000	0

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 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>261,370,727</u>	<u>255,106,603</u>	<u>256,412,133</u>	<u>275,419,680</u>	<u>294,582,047</u>
General Fund	159,708,490	17,377,700	18,683,230	37,690,777	56,853,144
General Fund Exempt	101,662,237	237,728,903	237,728,903	237,728,903	237,728,903
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>1,280,906</u>	<u>1,269,310</u>	<u>1,299,840</u>	<u>1,351,350</u>	<u>1,506,375</u>
General Fund	1,280,906	1,269,310	1,299,840	1,351,350	1,506,375

SUBTOTAL - (A) Stipends	262,651,633	256,375,913	257,711,973	276,771,030	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	160,989,396	18,647,010	19,983,070	39,042,127	58,359,519
General Fund Exempt	101,662,237	237,728,903	237,728,903	237,728,903	237,728,903
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 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
(B) Fee-for-service Contracts with State Institutions					
Fee-for-service Contracts with State Institutions	238,095,145	245,866,000	267,232,066	306,624,804	287,462,437
General Fund	23,690,715	31,461,570	77,560,969	116,953,707	97,791,340
General Fund Exempt	214,404,430	214,404,430	189,671,097	189,671,097	189,671,097
SUBTOTAL - (B) Fee-for-service Contracts with State Institutions					
	238,095,145	245,866,000	267,232,066	306,624,804	287,462,437
<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	23,690,715	31,461,570	77,560,969	116,953,707	97,791,340
General Fund Exempt	214,404,430	214,404,430	189,671,097	189,671,097	189,671,097
TOTAL - (4) College Opportunity Fund Program					
	500,746,778	502,241,913	524,944,039	583,395,834	583,550,859
<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	184,680,111	50,108,580	97,544,039	155,995,834	156,150,859
General Fund Exempt	316,066,667	452,133,333	427,400,000	427,400,000	427,400,000
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 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 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	<u>29,938,930</u>	<u>28,817,994</u>	<u>34,641,027</u>	<u>36,109,016</u>	<u>37,232,419</u>
FTE	294.7	314.6	327.0	327.0	327.1
General Fund	0	0	0	0	0
Cash Funds	18,748,515	17,770,139	23,079,826	23,271,728	24,395,131
Reappropriated Funds	11,190,415	11,047,855	11,561,201	12,837,288	12,837,288
Federal Funds	0	0	0	0	0

SUBTOTAL - (A) Trustees of Adams State College	29,938,930	28,817,994	34,641,027	36,109,016	37,232,419
FTE	<u>294.7</u>	<u>314.6</u>	<u>327.0</u>	<u>327.0</u>	<u>327.1</u>
General Fund	0	0	0	0	0
Cash Funds	18,748,515	17,770,139	23,079,826	23,271,728	24,395,131
Reappropriated Funds	11,190,415	11,047,855	11,561,201	12,837,288	12,837,288
Federal Funds	0	0	0	0	0

(B) Trustees of Colorado Mesa University

Trustees of Colorado Mesa University	<u>65,625,128</u>	<u>70,398,781</u>	<u>75,172,917</u>	<u>81,307,617</u>	<u>80,901,069</u>
FTE	534.5	591.6	623.6	623.6	657.9
Cash Funds	47,124,553	51,506,463	55,339,106	59,280,366	58,873,818
Reappropriated Funds	18,500,575	18,892,318	19,833,811	22,027,251	22,027,251

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
SUBTOTAL - (B) Trustees of Colorado Mesa					
University	65,625,128	70,398,781	75,172,917	81,307,617	80,901,069
<i>FTE</i>	<u>534.5</u>	<u>591.6</u>	<u>623.6</u>	<u>623.6</u>	<u>657.9</u>
Cash Funds	47,124,553	51,506,463	55,339,106	59,280,366	58,873,818
Reappropriated Funds	18,500,575	18,892,318	19,833,811	22,027,251	22,027,251

(C) Trustees of Metropolitan State College of Denver

Trustees of Metropolitan State College of Denver	<u>131,304,673</u>	<u>130,345,566</u>	<u>144,465,227</u>	<u>155,170,533</u>	<u>151,587,084</u>
FTE	1,299.0	1,258.3	1,350.7	1,350.7	1,347.6
Cash Funds	94,343,194	92,876,373	105,235,214	111,489,340	107,905,891
Reappropriated Funds	36,961,479	37,469,193	39,230,013	43,681,193	43,681,193

SUBTOTAL - (C) Trustees of Metropolitan State College of Denver					
State College of Denver	131,304,673	130,345,566	144,465,227	155,170,533	151,587,084
<i>FTE</i>	<u>1,299.0</u>	<u>1,258.3</u>	<u>1,350.7</u>	<u>1,350.7</u>	<u>1,347.6</u>
Cash Funds	94,343,194	92,876,373	105,235,214	111,489,340	107,905,891
Reappropriated Funds	36,961,479	37,469,193	39,230,013	43,681,193	43,681,193

(D) Trustees of Western State College

Trustees of Western State College	<u>20,991,913</u>	<u>22,790,855</u>	<u>27,112,899</u>	<u>26,401,956</u>	<u>28,974,209</u>
FTE	231.9	237.5	237.7	237.7	234.8
Cash Funds	11,647,666	13,565,630	17,579,990	15,816,509	18,388,762
Reappropriated Funds	9,344,247	9,225,225	9,532,909	10,585,447	10,585,447

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
SUBTOTAL - (D) Trustees of Western State					
College	20,991,913	22,790,855	27,112,899	26,401,956	28,974,209
<i>FTE</i>	<u>231.9</u>	<u>237.5</u>	<u>237.7</u>	<u>237.7</u>	<u>234.8</u>
Cash Funds	11,647,666	13,565,630	17,579,990	15,816,509	18,388,762
Reappropriated Funds	9,344,247	9,225,225	9,532,909	10,585,447	10,585,447

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

Board of Governors of the Colorado State

University System	<u>411,193,879</u>	<u>458,818,240</u>	<u>462,720,274</u>	<u>476,516,935</u>	<u>494,012,011</u>
FTE	4,037.8	4,488.6	4,204.6	4,204.6	4,324.7
Cash Funds	304,547,346	353,627,763	352,702,892	354,368,452	372,033,528
Reappropriated Funds	106,646,533	105,190,477	110,017,382	122,148,483	121,978,483

SUBTOTAL - (E) Board of Governors of the Colorado State University System					
	<u>411,193,879</u>	<u>458,818,240</u>	<u>462,720,274</u>	<u>476,516,935</u>	<u>494,012,011</u>
<i>FTE</i>	<u>4,037.8</u>	<u>4,488.6</u>	<u>4,204.6</u>	<u>4,204.6</u>	<u>4,324.7</u>
Cash Funds	304,547,346	353,627,763	352,702,892	354,368,452	372,033,528
Reappropriated Funds	106,646,533	105,190,477	110,017,382	122,148,483	121,978,483

(F) Trustees of Fort Lewis College

Trustees of Fort Lewis College	<u>43,113,153</u>	<u>46,142,649</u>	<u>49,668,574</u>	<u>49,599,552</u>	<u>52,386,216</u>
FTE	417.8	365.8	401.9	401.9	392.1
Cash Funds	33,742,036	36,956,409	40,080,254	38,956,948	41,791,612
Reappropriated Funds	9,371,117	9,186,240	9,588,320	10,642,604	10,594,604

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
SUBTOTAL - (F) Trustees of Fort Lewis					
College	43,113,153	46,142,649	49,668,574	49,599,552	52,386,216
<i>FTE</i>	<u>417.8</u>	<u>365.8</u>	<u>401.9</u>	<u>401.9</u>	<u>392.1</u>
Cash Funds	33,742,036	36,956,409	40,080,254	38,956,948	41,791,612
Reappropriated Funds	9,371,117	9,186,240	9,588,320	10,642,604	10,594,604

(G) Regents of the University of Colorado

Regents of the University of Colorado	<u>895,971,250</u>	<u>925,546,083</u>	<u>978,466,057</u>	<u>1,014,147,393</u>	<u>1,035,236,324</u>
<i>FTE</i>	<u>6,797.7</u>	<u>7,288.0</u>	<u>6,998.0</u>	<u>6,998.0</u>	<u>7,402.3</u>
Cash Funds	749,537,987	781,704,042	827,552,887	846,642,052	868,388,514
Reappropriated Funds	146,433,263	143,842,041	150,913,170	167,505,341	166,847,810

SUBTOTAL - (G) Regents of the University of Colorado					
Colorado	895,971,250	925,546,083	978,466,057	1,014,147,393	1,035,236,324
<i>FTE</i>	<u>6,797.7</u>	<u>7,288.0</u>	<u>6,998.0</u>	<u>6,998.0</u>	<u>7,402.3</u>
Cash Funds	749,537,987	781,704,042	827,552,887	846,642,052	868,388,514
Reappropriated Funds	146,433,263	143,842,041	150,913,170	167,505,341	166,847,810

(H) Trustees of the Colorado School of Mines

Trustees of the Colorado School of Mines	<u>109,394,186</u>	<u>118,244,824</u>	<u>126,884,718</u>	<u>126,547,375</u>	<u>139,218,677</u>
<i>FTE</i>	<u>766.6</u>	<u>825.6</u>	<u>815.3</u>	<u>815.3</u>	<u>848.6</u>
General Fund	0	0	0	0	0
Cash Funds	93,139,944	102,160,692	110,071,171	107,877,919	120,549,221
Reappropriated Funds	16,254,242	16,084,132	16,813,547	18,669,456	18,669,456

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
SUBTOTAL - (H) Trustees of the Colorado					
School of Mines	109,394,186	118,244,824	126,884,718	126,547,375	139,218,677
<i>FTE</i>	<u>766.6</u>	<u>825.6</u>	<u>815.3</u>	<u>815.3</u>	<u>848.6</u>
General Fund	0	0	0	0	0
Cash Funds	93,139,944	102,160,692	110,071,171	107,877,919	120,549,221
Reappropriated Funds	16,254,242	16,084,132	16,813,547	18,669,456	18,669,456

(I) University of Northern Colorado

University of Northern Colorado	<u>114,107,716</u>	<u>117,185,843</u>	<u>122,708,361</u>	<u>127,439,741</u>	<u>130,387,474</u>
<i>FTE</i>	1,003.1	1,208.6	1,049.9	1,049.9	1,247.1
Cash Funds	81,301,110	84,871,013	89,068,301	90,082,714	93,030,447
Reappropriated Funds	32,806,606	32,314,830	33,640,060	37,357,027	37,357,027

SUBTOTAL - (I) University of Northern Colorado					
Colorado	114,107,716	117,185,843	122,708,361	127,439,741	130,387,474
<i>FTE</i>	<u>1,003.1</u>	<u>1,208.6</u>	<u>1,049.9</u>	<u>1,049.9</u>	<u>1,247.1</u>
Cash Funds	81,301,110	84,871,013	89,068,301	90,082,714	93,030,447
Reappropriated Funds	32,806,606	32,314,830	33,640,060	37,357,027	37,357,027

(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>379,418,681</u>	<u>389,892,743</u>	<u>399,654,537</u>	<u>431,396,171</u>	<u>419,805,384</u>
<i>FTE</i>	5,736.6	6,066.8	6,444.5	6,456.0	6,240.5
Cash Funds	265,085,753	272,172,449	274,765,220	292,430,246	282,339,459
Reappropriated Funds	114,332,928	117,720,294	124,889,317	138,965,925	137,465,925

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
SUBTOTAL - (J) State Board for Community Colleges and Occupational Education State System Community Colleges					
	379,418,681	389,892,743	399,654,537	431,396,171	419,805,384
<i>FTE</i>	<u>5,736.6</u>	<u>6,066.8</u>	<u>6,444.5</u>	<u>6,456.0</u>	<u>6,240.5</u>
Cash Funds	265,085,753	272,172,449	274,765,220	292,430,246	282,339,459
Reappropriated Funds	114,332,928	117,720,294	124,889,317	138,965,925	137,465,925
TOTAL - (5) Governing Boards					
	2,201,059,509	2,308,183,578	2,421,494,591	2,524,636,289	2,569,740,867
<i>FTE</i>	<u>21,119.7</u>	<u>22,645.4</u>	<u>22,453.2</u>	<u>22,464.7</u>	<u>23,022.7</u>
General Fund	0	0	0	0	0
Cash Funds	1,699,218,104	1,807,210,973	1,895,474,861	1,940,216,274	1,987,696,383
Reappropriated Funds	501,841,405	500,972,605	526,019,730	584,420,015	582,044,484
Federal Funds	0	0	0	0	0

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 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>12,506,424</u>	<u>12,742,980</u>	<u>13,262,550</u>	<u>14,656,816</u>	<u>14,693,860</u>
General Fund	11,909,951	12,093,711	12,650,325	14,044,591	14,044,591
Cash Funds	596,473	649,269	612,225	612,225	649,269
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

TOTAL - (6) Local District Junior College Grants Pursuant to Section 23-71-301, C.R.S.	12,506,424	12,742,980	13,262,550	14,656,816	14,693,860
<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	11,909,951	12,093,711	12,650,325	14,044,591	14,044,591
Cash Funds	596,473	649,269	612,225	612,225	649,269
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 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	8.3	8.6	9.0	9.0	9.0
General Fund	0	0	316,298	316,298	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	900,000	900,000	583,702	583,702	900,000
SUBTOTAL - (A) Administrative Costs	900,000	900,000	900,000	900,000	900,000
FTE	<u>8.3</u>	<u>8.6</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>
General Fund	0	0	316,298	316,298	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	900,000	900,000	583,702	583,702	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>22,764,221</u>	<u>24,218,052</u>	<u>24,528,304</u>	<u>24,948,012</u>	<u>24,948,012</u>
Reappropriated Funds	22,764,221	24,218,052	24,528,304	24,948,012	24,948,012
SUBTOTAL - (B) Distribution of State Assistance for Career and Technical Education pursuant to Section 23-8-102, C.R.S.	22,764,221	24,218,052	24,528,304	24,948,012	24,948,012
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Reappropriated Funds	22,764,221	24,218,052	24,528,304	24,948,012	24,948,012

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
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(C) Area Vocational School Support

Area Vocational School Support	<u>7,664,871</u>	<u>7,765,822</u>	<u>8,091,845</u>	<u>8,983,694</u>	<u>8,983,694</u>
General Fund	7,664,871	7,765,822	8,091,845	8,983,694	8,983,694

SUBTOTAL - (C) Area Vocational School Support	<u>7,664,871</u>	<u>7,765,822</u>	<u>8,091,845</u>	<u>8,983,694</u>	<u>8,983,694</u>
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	7,664,871	7,765,822	8,091,845	8,983,694	8,983,694

(D) Sponsored Programs

Administration	<u>2,220,227</u>	<u>2,192,979</u>	<u>2,220,227</u>	<u>2,220,227</u>	<u>2,220,227</u>
FTE	22.2	22.6	23.0	23.0	23.0
Federal Funds	2,220,227	2,192,979	2,220,227	2,220,227	2,220,227

Programs	<u>14,737,535</u>	<u>13,353,751</u>	<u>14,737,535</u>	<u>14,737,535</u>	<u>13,353,751 0.0</u>
Federal Funds	14,737,535	13,353,751	14,737,535	14,737,535	13,353,751

SUBTOTAL - (D) Sponsored Programs	<u>16,957,762</u>	<u>15,546,730</u>	<u>16,957,762</u>	<u>16,957,762</u>	<u>15,573,978</u>
<i>FTE</i>	<u>22.2</u>	<u>22.6</u>	<u>23.0</u>	<u>23.0</u>	<u>23.0</u>
Federal Funds	16,957,762	15,546,730	16,957,762	16,957,762	15,573,978

(E) Colorado First Customized Job Training

Colorado First Customized Job Training	<u>2,725,022</u>	<u>2,725,022</u>	<u>4,225,022</u>	<u>4,225,022</u>	<u>4,225,022</u>
Reappropriated Funds	2,725,022	2,725,022	4,225,022	4,225,022	4,225,022

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
SUBTOTAL - (E) Colorado First Customized					
Job Training	2,725,022	2,725,022	4,225,022	4,225,022	4,225,022
<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	2,725,022	4,225,022	4,225,022	4,225,022
TOTAL - (7) Division of Occupational					
Education	51,011,876	51,155,626	54,702,933	56,014,490	54,630,706
<i>FTE</i>	<u>30.5</u>	<u>31.2</u>	<u>32.0</u>	<u>32.0</u>	<u>32.0</u>
General Fund	7,664,871	7,765,822	8,408,143	9,299,992	8,983,694
Cash Funds	0	0	0	0	0
Reappropriated Funds	26,389,243	27,843,074	29,337,028	29,756,736	30,073,034
Federal Funds	16,957,762	15,546,730	16,957,762	16,957,762	15,573,978

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 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>17,670,252</u>	<u>16,904,618</u>	<u>17,670,252</u>	<u>17,670,252</u>	<u>19,300,000</u>
FTE	172.9	177.8	172.9	172.9	177.8
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	17,670,252	16,904,618	17,670,252	17,670,252	19,300,000
Federal Funds	0	0	0	0	0

TOTAL - (8) Auraria Higher Education Center	17,670,252	16,904,618	17,670,252	17,670,252	19,300,000
<i>FTE</i>	<u>172.9</u>	<u>177.8</u>	<u>172.9</u>	<u>172.9</u>	<u>177.8</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	17,670,252	16,904,618	17,670,252	17,670,252	19,300,000
Federal Funds	0	0	0	0	0

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
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(9) STATE HISTORICAL SOCIETY

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

(A) Cumbres and Toltec Railroad Commission

Cumbres and Toltec Railroad Commission	<u>202,500</u>	<u>1,870,500</u>	<u>2,145,000</u>	<u>2,180,000</u>	<u>2,180,000</u>
General Fund	202,500	1,020,500	1,295,000	1,295,000	1,295,000
Cash Funds	0	850,000	850,000	885,000	885,000
Reappropriated Funds	0	0	0	0	0

SUBTOTAL - (A) Cumbres and Toltec Railroad Commission	202,500	1,870,500	2,145,000	2,180,000	2,180,000
<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	202,500	1,020,500	1,295,000	1,295,000	1,295,000
Cash Funds	0	850,000	850,000	885,000	885,000
Reappropriated Funds	0	0	0	0	0

(B) Sponsored Programs

Sponsored Programs	<u>62,451</u>	<u>157,632</u>	<u>250,000</u>	<u>251,906</u>	<u>250,000</u>
FTE	1.2	1.6	3.5	3.5	3.5
Cash Funds	20,000	0	20,000	20,000	20,000
Federal Funds	42,451	157,632	230,000	231,906	230,000

SUBTOTAL - (B) Sponsored Programs	62,451	157,632	250,000	251,906	250,000
<i>FTE</i>	<u>1.2</u>	<u>1.6</u>	<u>3.5</u>	<u>3.5</u>	<u>3.5</u>
Cash Funds	20,000	0	20,000	20,000	20,000
Federal Funds	42,451	157,632	230,000	231,906	230,000

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
(C) Auxiliary Programs					
Auxiliary Programs	<u>1,119,502</u>	<u>1,685,910</u>	<u>1,757,535</u>	<u>1,926,723</u>	<u>1,926,723</u>
FTE	11.8	14.0	14.5	14.5	14.5
Cash Funds	1,119,502	1,685,910	1,757,535	1,926,723	1,926,723
SUBTOTAL - (C) Auxiliary Programs	1,119,502	1,685,910	1,757,535	1,926,723	1,926,723
FTE	<u>11.8</u>	<u>14.0</u>	<u>14.5</u>	<u>14.5</u>	<u>14.5</u>
Cash Funds	1,119,502	1,685,910	1,757,535	1,926,723	1,926,723
(D) Gaming Revenue					
Gaming Cities Distribution	<u>4,839,002</u>	<u>4,625,470</u>	<u>4,804,000</u>	<u>4,804,000</u>	<u>4,480,000</u>
Cash Funds	4,839,002	4,625,470	4,804,000	4,804,000	4,480,000
Statewide Preservation Grant Program	<u>15,597,326</u>	<u>12,196,760</u>	<u>14,758,933</u>	<u>14,786,302</u>	<u>13,000,000</u>
FTE	17.3	16.7	18.0	18.0	18.0
Cash Funds	15,597,326	12,196,760	14,758,933	14,777,237	13,000,000
Federal Funds	0	0	0	9,065	0
Society Museum and Preservation Operations	<u>6,826,049</u>	<u>8,336,577</u>	<u>8,336,577</u>	<u>8,947,815</u>	<u>8,947,815</u>
FTE	89.9	93.7	95.4	95.4	95.4
Cash Funds	6,186,346	7,496,436	7,639,481	8,237,291	8,237,291
Federal Funds	639,703	840,141	697,096	710,524	710,524
SUBTOTAL - (D) Gaming Revenue	27,262,377	25,158,807	27,899,510	28,538,117	26,427,815
FTE	<u>107.2</u>	<u>110.4</u>	<u>113.4</u>	<u>113.4</u>	<u>113.4</u>
Cash Funds	26,622,674	24,318,666	27,202,414	27,818,528	25,717,291
Federal Funds	639,703	840,141	697,096	719,589	710,524

JBC Staff Staff Figure Setting - FY 2014-15
Staff Working Document - Does Not Represent Committee Decision

	FY 2011-12 Actual	FY 2012-13 Actual	FY 2013-14 Appropriation	FY 2014-15 Request	FY 2014-15 Recommendation
TOTAL - (9) State Historical Society	28,646,830	28,872,849	32,052,045	32,896,746	30,784,538
<i>FTE</i>	<u>120.2</u>	<u>126.0</u>	<u>131.4</u>	<u>131.4</u>	<u>131.4</u>
General Fund	202,500	1,020,500	1,295,000	1,295,000	1,295,000
Cash Funds	27,762,176	26,854,576	29,829,949	30,650,251	28,549,014
Reappropriated Funds	0	0	0	0	0
Federal Funds	682,154	997,773	927,096	951,495	940,524
TOTAL - Department of Higher Education	2,924,461,774	3,035,694,598	3,188,448,497	3,395,568,175	3,442,689,007
<i>FTE</i>	<u>21,479.4</u>	<u>23,012.4</u>	<u>22,842.3</u>	<u>22,853.8</u>	<u>23,452.2</u>
General Fund	307,563,786	176,102,713	231,662,854	333,489,619	332,546,967
General Fund Exempt	316,066,667	452,133,333	427,400,000	427,400,000	427,400,000
Cash Funds	1,731,968,520	1,839,799,218	1,933,397,850	1,979,282,215	2,024,662,192
Reappropriated Funds	549,800,599	549,025,744	576,697,493	635,694,785	635,620,602
Federal Funds	19,062,202	18,633,590	19,290,300	19,701,556	22,459,246

	Rate	Gov. Boards	Adams	Mesa	Metro	Western	CSU Sys	Ft. Lewis	CU	Mines	UNC	CCs
FY 2013-14 2013 Session Appropriations												
Stipend-eligible SFTE		138,866.0	1,532.0	6,893.0	16,333.0	1,244.0	20,923.0	2,150.0	27,384.0	2,685.0	7,906.0	51,816.0
State-operated Stipends @	\$1,920	266,622,720	2,941,440	13,234,560	31,359,360	2,388,480	40,172,160	4,128,000	52,577,280	5,155,200	15,179,520	99,486,720
Fee-for-service Contracts		<u>257,021,479</u>	<u>8,619,761</u>	<u>6,599,251</u>	<u>7,870,653</u>	<u>7,144,429</u>	<u>69,675,222</u>	<u>5,412,320</u>	<u>97,678,359</u>	<u>11,658,347</u>	<u>18,460,540</u>	<u>23,902,597</u>
SUBTOTAL State Funds		523,644,199	11,561,201	19,833,811	39,230,013	9,532,909	109,847,382	9,540,320	150,255,639	16,813,547	33,640,060	123,389,317
Resident		1,122,207,921	11,724,734	49,064,381	92,437,502	7,375,885	198,584,997	11,916,305	402,954,569	50,177,739	64,241,957	233,729,852
Nonresident		<u>692,289,549</u>	<u>8,530,410</u>	<u>9,512,090</u>	<u>8,327,305</u>	<u>6,557,265</u>	<u>136,250,158</u>	<u>25,943,165</u>	<u>379,004,737</u>	<u>53,474,891</u>	<u>20,411,957</u>	<u>44,277,571</u>
Tuition		1,814,497,470	20,255,144	58,576,471	100,764,807	13,933,150	334,835,155	37,859,470	781,959,306	103,652,630	84,653,914	278,007,423
State/Tuition		2,338,141,669	31,816,345	78,410,282	139,994,820	23,466,059	444,682,537	47,399,790	932,214,945	120,466,177	118,293,974	401,396,740
Tobacco		13,872,246	0	0	0	0	0	0	13,872,246	0	0	0
Gaming		5,538,875	21,704	243,895	0	0	0	0	0	0	0	5,273,276
Academic Fees		106,307,683	2,994,880	460,000	10,724,533	1,883,359	19,533,297	1,097,478	50,810,500	4,225,289	5,428,800	9,149,547
Appropriated Grants		2,375,531	0	0	0	0	170,000	48,000	657,531	0	0	1,500,000
TOTAL		2,466,236,004	34,832,929	79,114,177	150,719,353	25,349,418	464,385,834	48,545,268	997,555,222	124,691,466	123,722,774	417,319,563
FY 2013-14 Revised Totals (2014 Session Recommendation)												
Stipend-eligible SFTE		133,548.0	1,384.1	6,502.6	14,737.8	1,231.6	19,732.2	2,052.2	27,216.4	2,757.1	7,674.0	50,260.1
State-operated Stipends @	\$1,920	256,412,133	2,657,493	12,484,940	28,296,573	2,364,639	37,885,763	3,940,282	52,255,442	5,293,573	14,733,996	96,499,432
Fee-for-service Contracts		267,232,066	8,903,708	7,348,871	10,933,440	7,168,270	71,961,619	5,600,038	98,000,197	11,519,974	18,906,064	26,889,885
SUBTOTAL State Funds		523,644,199	11,561,201	19,833,811	39,230,013	9,532,909	109,847,382	9,540,320	150,255,639	16,813,547	33,640,060	123,389,317
Resident		1,054,339,401	12,099,661	44,439,627	87,224,945	7,660,281	192,631,576	11,705,325	381,584,034	49,875,434	61,421,119	205,697,399
Nonresident		706,372,727	8,631,861	10,198,038	7,318,921	7,644,709	140,333,933	27,158,974	378,878,299	55,791,405	22,620,882	47,795,705
Tuition		1,760,712,128	20,731,522	54,637,665	94,543,866	15,304,990	332,965,509	38,864,299	760,462,333	105,666,839	84,042,001	253,493,104
State/Tuition		2,284,356,327	32,292,723	74,471,476	133,773,879	24,837,899	442,812,891	48,404,619	910,717,972	122,480,386	117,682,061	376,882,421
Tobacco		13,872,246	0	0	0	0	0	0	13,872,246	0	0	0
Gaming		5,538,875	21,704	243,895	0	0	0	0	0	0	0	5,273,276
Academic Fees		115,351,612	2,326,600	457,546	10,691,348	2,275,000	19,737,383	1,215,955	53,218,308	4,404,332	5,026,300	15,998,840
Appropriated Grants		2,375,531	0	0	0	0	170,000	48,000	657,531	0	0	1,500,000
TOTAL		2,421,494,591	34,641,027	75,172,917	144,465,227	27,112,899	462,720,274	49,668,574	978,466,057	126,884,718	122,708,361	399,654,537
FY 2013-14 Amendment Required (2014 Session Supplemental Recommendation)												
Stipend-eligible SFTE		(5,318.0)	(147.9)	(390.4)	(1,595.2)	(12.4)	(1,190.8)	(97.8)	(167.6)	72.1	(232.0)	(1,555.9)
State-operated Stipends @	(10,210,587)	(283,947)	(749,620)	(3,062,787)	(23,841)	(2,286,397)	(187,718)	(321,838)	138,373	(445,524)	(2,987,288)	
Fee-for-service Contracts		10,210,587	283,947	749,620	3,062,787	23,841	2,286,397	187,718	321,838	(138,373)	445,524	2,987,288
SUBTOTAL State Funds		-	-	-	-	-	-	-	-	-	-	-
Resident		(67,868,520)	374,927	(4,624,754)	(5,212,557)	284,396	(5,953,421)	(210,980)	(21,370,535)	(302,305)	(2,820,838)	(28,032,453)
Nonresident		<u>14,083,178</u>	<u>101,451</u>	<u>685,948</u>	<u>(1,008,384)</u>	<u>1,087,444</u>	<u>4,083,775</u>	<u>1,215,809</u>	<u>(126,438)</u>	<u>2,316,514</u>	<u>2,208,925</u>	<u>3,518,134</u>
Tuition		(53,785,342)	476,378	(3,938,806)	(6,220,941)	1,371,840	(1,869,646)	1,004,829	(21,496,973)	2,014,209	(611,913)	(24,514,319)
State/Tuition		(53,785,342)	476,378	(3,938,806)	(6,220,941)	1,371,840	(1,869,646)	1,004,829	(21,496,973)	2,014,209	(611,913)	(24,514,319)
Tobacco		0	0	0	0	0	0	0	0	0	0	0
Gaming		0	0	0	0	0	0	0	0	0	0	0
Academic Fees		9,043,929	(668,280)	(2,454)	(33,185)	391,641	204,086	118,477	2,407,808	179,043	(402,500)	6,849,293
Appropriated Grants		-	-	-	-	-	-	-	-	-	-	-
TOTAL		(44,741,413)	(191,902)	(3,941,260)	(6,254,126)	1,763,481	(1,665,560)	1,123,306	(19,089,165)	2,193,252	(1,014,413)	(17,665,026)

	Rate	Gov. Boards	Adams	Mesa	Metro	Western	CSU Sys	Ft. Lewis	CU	Mines	UNC	CCs
FY 2013-14 Appropriation as enacted 2013 session + recommended supplemental												
Stipend-eligible SFTE		133,548.0	1,384.1	6,502.6	14,737.8	1,231.6	19,732.2	2,052.2	27,216.4	2,757.1	7,674.0	50,260.1
State-operated Stipends @ \$1,920	\$	256,412,133	2,657,493	12,484,940	28,296,573	2,364,639	37,885,763	3,940,282	52,255,442	5,293,573	14,733,996	96,499,432
Fee-for-service Contracts		267,232,066	8,903,708	7,348,871	10,933,440	7,168,270	71,961,619	5,600,038	98,000,197	11,519,974	18,906,064	26,889,885
SUBTOTAL State Funds	\$	523,644,199	11,561,201	19,833,811	39,230,013	9,532,909	109,847,382	9,540,320	150,255,639	16,813,547	33,640,060	123,389,317
Resident		1,054,339,401	12,099,661	44,439,627	87,224,945	7,660,281	192,631,576	11,705,325	381,584,034	49,875,434	61,421,119	205,697,399
Nonresident		706,372,727	8,631,861	10,198,038	7,318,921	7,644,709	140,333,933	27,158,974	378,878,299	55,791,405	22,620,882	47,795,705
Tuition	\$	1,760,712,128	20,731,522	54,637,665	94,543,866	15,304,990	332,965,509	38,864,299	760,462,333	105,666,839	84,042,001	253,493,104
State/Tuition	\$	2,284,356,327	32,292,723	74,471,476	133,773,879	24,837,899	442,812,891	48,404,619	910,717,972	122,480,386	117,682,061	376,882,421
Tobacco		13,872,246	0	0	0	0	0	0	13,872,246	0	0	0
Gaming		5,538,875	21,704	243,895	0	0	0	0	0	0	0	5,273,276
Academic Fees		114,710,584	2,326,600	457,546	10,691,348	2,275,000	19,737,383	1,215,955	52,577,280	4,404,332	5,026,300	15,998,840
Appropriated Grants		2,375,531	0	0	0	0	170,000	48,000	657,531	0	0	1,500,000
TOTAL	\$	2,420,853,563	34,641,027	75,172,917	144,465,227	27,112,899	462,720,274	49,668,574	977,825,029	126,884,718	122,708,361	399,654,537
Recommended changes - FY 2014-15												
Percent of FY 14 State Funding		96.2%	2.1%	3.6%	7.2%	1.8%	20.2%	1.8%	27.6%	3.1%	6.2%	22.7%
State Share Proportional Increase												
60,000,000	\$		1,274,227	2,186,000	4,323,770	1,050,678	12,106,921	1,051,494	16,560,551	1,853,119	3,707,667	13,599,458
Annualization (fee for service)	\$		1,860	7,440	127,410	1,860	24,180	2,790	31,620	2,790	9,300	477,150
Total Targeted State Change	\$	58,400,285	1,276,087	2,193,440	4,451,180	1,052,538	12,131,101	1,054,284	16,592,171	1,855,909	3,716,967	14,076,608
Percent State Change		11.2%	11.0%	11.1%	11.3%	11.0%	11.0%	11.1%	11.0%	11.0%	11.0%	11.4%
Stipend-eligible SFTE		(2,622.6)	(44.2)	(9.5)	(687.5)	0.7	(169.9)	(31.9)	(45.4)	39.2	(39.5)	(1,634.6)
Stipends	\$	38,169,914	357,249	2,124,458	3,316,495	407,978	6,129,371	605,534	8,879,164	998,017	2,443,547	12,908,101
Fee-for-service Contracts	\$	20,230,371	918,838	68,982	1,134,685	644,560	6,001,730	448,750	7,713,007	857,892	1,273,420	1,168,507
Resident	\$	46,939,282	343,115	2,636,883	2,174,847	387,527	8,938,199	509,650	20,429,733	3,644,379	2,624,139	5,250,810
Nonresident	\$	43,046,271	743,113	865,220	687,974	449,678	10,426,603	1,165,229	18,569,574	6,796,405	1,213,007	2,129,468
Tuition	\$	89,985,553	1,086,228	3,502,103	2,862,821	837,205	19,364,802	1,674,879	38,999,307	10,440,784	3,837,146	7,380,278
State/Tuition	\$	148,385,838	2,362,315	5,695,543	7,314,001	1,889,743	31,495,903	2,729,163	55,591,478	12,296,693	7,554,113	21,456,886
% State/Federal/Tuition Change		6.5%	7.3%	7.6%	5.5%	7.6%	7.1%	5.6%	6.1%	10.0%	6.4%	5.7%
Tobacco	\$	(524,444)	-	-	-	-	-	-	(524,444)	-	-	-
Gaming	\$	272,243	(2,323)	32,609	-	-	-	-	-	-	-	241,957
Academic Fees	\$	3,129,198	231,400	-	(192,144)	(28,433)	(34,166)	36,479	3,001,792	37,266	125,000	(47,996)
Appropriated Grants	\$	(2,375,531)	-	-	-	-	(170,000)	(48,000)	(657,531)	-	-	(1,500,000)

	Rate	Gov. Boards	Adams	Mesa	Metro	Western	CSU Sys	Ft. Lewis	CU	Mines	UNC	CCs
FY 2014-15 TOTAL	\$ 75											
	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
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>287,462,437</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>105,713,204</u>	<u>12,377,866</u>	<u>20,179,484</u>	<u>28,058,392</u>
SUBTOTAL State Funds	\$	582,044,484	\$ 12,837,288	\$ 22,027,251	\$ 43,681,193	\$ 10,585,447	\$ 121,978,483	\$ 10,594,604	\$ 166,847,810	\$ 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		<u>749,418,998</u>	<u>9,374,974</u>	<u>11,063,258</u>	<u>8,006,895</u>	<u>8,094,387</u>	<u>150,760,536</u>	<u>28,324,203</u>	<u>397,447,873</u>	<u>62,587,810</u>	<u>23,833,889</u>	<u>49,925,173</u>
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	\$	2,432,742,165	\$ 34,655,038	\$ 80,167,019	\$ 141,087,880	\$ 26,727,642	\$ 474,308,794	\$ 51,133,782	\$ 966,309,450	\$ 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	0
TOTAL	\$	2,569,740,867	\$ 37,232,419	\$ 80,901,069	\$ 151,587,084	\$ 28,974,209	\$ 494,012,011	\$ 52,386,216	\$ 1,035,236,324	\$ 139,218,677	\$ 130,387,474	\$ 419,805,384

**Table 2. Colorado Legislative Council Staff February 2014 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%	2,288	-4.5%	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%	140,689	-1.7%
2012-13	27,388	1.4%	19,965	-3.6%	2,082	-9.0%	7,739	-2.0%	2,766	1.6%	1,439	-4.4%	6,398	3.8%	1,218	-3.0%	15,490	-5.0%	53,350	-2.7%	137,835	-2.0%
2013-14	27,216	-0.6%	19,732	-1.2%	2,052	-1.4%	7,674	-0.8%	2,757	-0.3%	1,384	-3.8%	6,503	1.6%	1,232	1.1%	14,738	-4.9%	50,260	-5.8%	133,548	-3.1%
2014-15	27,171	-0.2%	19,562	-0.9%	2,020	-1.6%	7,634	-0.5%	2,796	1.4%	1,340	-3.2%	6,493	-0.1%	1,232	0.1%	14,050	-4.7%	48,626	-3.3%	130,925	-2.0%
CAAGR *		-0.1%		0.3%		-2.9%		-1.7%		0.6%		-0.9%		5.1%		-1.8%		-0.8%		4.4%		1.4%

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	35,691	1.4%	21,303	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%	22,109	3.8%	2,407	-0.8%	8,904	2.8%	3,339	6.2%	1,857	12.8%	5,279	16.3%	1,422	-2.1%	16,775	7.4%	53,405	18.9%	152,604	9.5%
2010-11	37,143	0.1%	22,753	2.9%	2,398	-0.4%	8,988	0.9%	3,379	1.2%	1,949	5.0%	5,883	11.4%	1,397	-1.8%	17,223	2.7%	58,994	10.5%	160,107	4.9%
2011-12	36,864	-0.8%	22,468	-1.3%	2,289	-4.5%	8,972	-0.2%	3,392	0.4%	1,979	1.5%	6,343	7.8%	1,343	-3.9%	16,783	-2.6%	58,796	-0.3%	159,230	-0.5%
2012-13	36,488	-1.0%	22,048	-1.9%	2,227	-2.7%	8,752	-2.5%	3,452	1.8%	1,903	-3.8%	6,598	4.0%	1,336	-0.5%	16,266	-3.1%	55,473	-5.7%	154,543	-2.9%
2013-14	36,105	-1.1%	21,735	-1.4%	2,196	-1.4%	8,683	-0.8%	3,461	0.3%	1,832	-3.7%	6,711	1.7%	1,351	1.1%	15,740	-3.2%	52,260	-5.8%	150,073	-2.9%
2014-15	35,885	-0.6%	21,456	-1.3%	2,162	-1.6%	8,640	-0.5%	3,504	1.2%	1,777	-3.0%	6,707	-0.1%	1,352	0.1%	15,219	-3.3%	50,561	-3.3%	147,261	-1.9%
CAAGR *		0.4%		0.4%		-2.5%		-1.4%		1.9%		-0.3%		5.4%		-0.9%		0.4%		2.7%		1.2%

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%	1,052	1.6%	1,464	9.6%	372	20.8%	836	36.2%	458	6.7%	566	3.6%	3,945	8.2%	26,219	3.5%
2011-12	12,245	4.9%	5,239	12.0%	1,256	6.4%	1,131	7.5%	1,666	13.8%	484	30.0%	947	13.3%	455	-0.6%	550	-2.8%	3,946	0.0%	27,920	6.5%
2012-13	12,530	2.3%	5,548	5.9%	1,375	9.5%	1,227	8.5%	1,787	7.3%	539	11.5%	1,028	8.5%	456	0.1%	660	19.9%	3,589	-9.0%	28,739	2.9%
2013-14	12,806	2.2%	5,592	0.8%	1,499	9.0%	1,320	7.6%	1,845	3.3%	595	10.4%	1,067	3.8%	480	5.2%	493	-25.4%	3,608	0.5%	29,305	2.0%
2014-15	13,042	1.8%	5,777	3.3%	1,563	4.3%	1,364	3.3%	1,953	5.8%	627	5.4%	1,102	3.3%	484	0.8%	508	3.2%	3,624	0.4%	30,044	2.5%
CAAGR *		4.1%		2.5%		4.8%		2.3%		10.2%		13.5%		12.2%		0.5%		2.1%		4.4%		4.3%

* CAAGR: Compound Average Annual Growth Rate. All CAAGRs are calculated from FY 2006-07 through FY 2014-15.

**Table 2. Colorado Legislative Council Staff February 2014 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	46,725	3.5%	26,118	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	48,510	3.8%	27,027	3.5%	3,508	-0.6%	9,939	2.6%	4,675	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	48,812	0.6%	27,430	1.5%	3,578	2.0%	10,040	1.0%	4,843	3.6%	2,321	7.2%	6,719	14.0%	1,855	0.2%	17,789	2.7%	62,939	10.3%	186,326	4.7%
2011-12	49,109	0.6%	27,707	1.0%	3,545	-0.9%	10,103	0.6%	5,058	4.4%	2,463	6.1%	7,290	8.5%	1,799	-3.0%	17,333	-2.6%	62,742	-0.3%	187,150	0.4%
2012-13	49,018	-0.2%	27,596	-0.4%	3,602	1.6%	9,979	-1.2%	5,239	3.6%	2,442	-0.8%	7,626	4.6%	1,792	-0.4%	16,926	-2.4%	59,062	-5.9%	183,282	-2.1%
2013-14	48,911	-0.2%	27,327	-1.0%	3,695	2.6%	10,004	0.2%	5,306	1.3%	2,427	-0.6%	7,778	2.0%	1,831	2.2%	16,232	-4.1%	55,869	-5.4%	179,378	-2.1%
2014-15	48,927	0.0%	27,233	-0.3%	3,725	0.8%	10,004	0.0%	5,457	2.8%	2,404	-0.9%	7,809	0.4%	1,835	0.3%	15,727	-3.1%	54,185	-3.0%	177,305	-1.2%
CAAGR *		1.3%		0.8%		0.0%		-0.9%		4.2%		2.0%		6.1%		-0.5%		0.4%		2.8%		1.6%

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	-5.1%	610	-2.1%	723	-2.6%	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	15.1%	623	2.1%	753	4.1%	3,692	3.0%	3,512	11.4%	7,204	6.9%
2011-12	3,611	1.4%	2,950	2.1%	6,561	1.7%	113	-13.3%	552	-11.3%	665	-11.7%	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	-7.8%	540	-2.2%	644	-3.2%	3,590	-3.6%	3,580	2.2%	7,170	-0.8%
2013-14	3,486	0.0%	3,222	6.0%	6,708	2.8%	104	0.0%	483	-10.6%	587	-8.9%	3,590	0.0%	3,705	3.5%	7,295	1.7%
2014-15	3,506	0.6%	3,287	2.0%	6,793	1.3%	105	1.0%	503	4.1%	608	3.6%	3,611	0.6%	3,790	2.3%	7,401	1.5%
CAAGR *		2.3%		5.4%		3.7%		-1.7%		-1.4%		-1.4%		2.1%		4.3%		3.2%

* CAAGR: Compound Average Annual Growth Rate. All CAAGRs are calculated from FY 2006-07 through FY 2014-15.

**Table 1. Colorado Legislative Council Staff February 2014 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%	57,144,484	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%	974,499,913	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	381,584,034	4.1%	192,631,576	7.0%	11,705,325	7.5%	61,421,119	4.2%	49,875,434	6.3%	12,099,661	19.4%	44,439,627	7.3%	7,660,281	15.3%	87,224,945	5.5%	205,697,399	-0.1%	1,054,339,401	4.4%
2014-15	402,013,767	5.4%	201,569,775	4.6%	12,214,975	4.4%	64,045,258	4.3%	53,519,813	7.3%	12,442,776	2.8%	47,076,510	5.9%	8,047,808	5.1%	89,399,792	2.5%	210,948,209	2.6%	1,101,278,683	4.5%
CAAGR *		7.4%		11.4%		7.1%		7.5%		10.2%		13.4%		14.3%		9.1%		10.7%		9.2%		9.1%

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	378,878,299	5.5%	140,333,933	6.5%	27,158,974	9.0%	22,620,882	9.5%	55,791,405	8.4%	8,631,861	15.0%	10,198,038	9.5%	7,644,709	10.5%	7,318,921	-18.6%	47,795,705	4.6%	706,372,726	6.0%
2014-15	397,447,873	4.9%	150,760,536	7.4%	28,324,203	4.3%	23,833,889	5.4%	62,587,810	12.2%	9,374,974	8.6%	11,063,258	8.5%	8,094,387	5.9%	8,006,895	9.4%	49,925,173	4.5%	749,418,997	6.1%
CAAGR *		7.4%		9.0%		8.9%		8.2%		16.9%		21.5%		17.6%		7.4%		7.1%		11.6%		8.9%

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%	75,938,110	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%	1,588,492,990	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	760,462,333	4.8%	332,965,509	6.8%	38,864,299	8.5%	84,042,001	5.6%	105,666,839	7.4%	20,731,522	17.5%	54,637,665	7.7%	15,304,989	12.8%	94,543,865	3.1%	253,493,104	0.7%	1,760,712,127	5.0%
2014-15	799,461,641	5.1%	352,330,311	5.8%	40,539,178	4.3%	87,879,147	4.6%	116,107,622	9.9%	21,817,750	5.2%	58,139,768	6.4%	16,142,195	5.5%	97,406,687	3.0%	260,873,382	2.9%	1,850,697,680	5.1%
CAAGR *		7.4%		10.3%		8.3%		7.7%		13.4%		16.3%		14.8%		8.2%		10.4%		9.6%		9.0%

* CAAGR: Compound Average Annual Growth Rate. All CAAGRs are calculated from FY 2006-07 through FY 2014-15.

**Table 1. Colorado Legislative Council Staff February 2014 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%	5,091	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%	10,314	6.4%	4,101	36.8%	5,089	11.1%	3,418	7.8%	3,321	8.6%	3,040	10.4%
2010-11	9,061	8.1%	6,098	9.3%	3,505	10.5%	5,619	9.2%	11,548	12.0%	4,604	12.3%	5,681	11.6%	3,780	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	13.4%	12,688	9.9%	4,717	2.5%	6,015	5.9%	4,256	12.6%	4,523	23.0%	3,625	10.3%
2012-13	10,050	4.0%	8,164	10.3%	4,891	17.9%	6,733	5.7%	13,595	7.1%	5,326	12.9%	6,276	4.3%	4,974	16.9%	5,084	12.4%	3,713	2.4%
2013-14	10,569	5.2%	8,863	8.6%	5,331	9.0%	7,073	5.1%	14,410	6.0%	6,606	24.0%	6,622	5.5%	5,671	14.0%	5,542	9.0%	3,936	6.0%
2014-15	11,203	6.0%	9,395	6.0%	5,651	6.0%	7,413	4.8%	15,275	6.0%	7,002	6.0%	7,019	6.0%	5,954	5.0%	5,874	6.0%	4,172	6.0%
CAAGR *		7.0%		10.9%		9.8%		9.0%		8.2%		13.8%		8.4%		10.1%		10.3%		6.4%

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%	15,747	6.2%	24,734	4.1%	13,829	30.5%	8,327	5.3%	9,885	1.3%	11,063	7.6%	8,932	8.8%
2010-11	26,704	5.1%	23,932	16.8%	18,406	1.1%	17,705	12.4%	26,209	6.0%	14,838	7.3%	8,578	3.0%	10,145	2.6%	11,702	5.8%	9,891	10.7%
2011-12	27,914	4.5%	23,195	-3.1%	18,438	0.2%	16,614	-6.2%	27,551	5.1%	13,312	-10.3%	8,707	1.5%	9,901	-2.4%	12,614	7.8%	9,293	-6.1%
2012-13	28,656	2.7%	23,754	2.4%	18,118	-1.7%	16,831	1.3%	28,797	4.5%	13,929	4.6%	9,063	4.1%	15,176	53.3%	13,631	8.1%	12,736	37.1%
2013-14	29,587	3.2%	25,094	5.6%	18,118	0.0%	17,132	1.8%	30,237	5.0%	14,509	4.2%	9,561	5.5%	15,935	5.0%	14,858	9.0%	13,246	4.0%
2014-15	30,474	3.0%	26,098	4.0%	18,118	0.0%	17,474	2.0%	32,051	6.0%	14,945	3.0%	10,039	5.0%	16,731	5.0%	15,749	6.0%	13,776	4.0%
CAAGR *		3.2%		6.4%		3.9%		5.8%		6.1%		7.1%		4.8%		6.9%		4.9%		6.9%

* CAAGR: Compound Average Annual Growth Rate. All CAAGRs are calculated from FY 2006-07 through FY 2014-15.