

MEMORANDUM

TO: Joint Budget Committee

FROM: Eric Kurtz, JBC Staff (303-866-4952)

SUBJECT: Department of Higher Education
Staff Comebacks

DATE: March 18, 2010

The JBC tabled a decision, and thus still needs to vote, on the following Governor's request:

PROPOSED LEGISLATION:

Request: On February 18, 2010 the Governor submitted a request for legislation to transfer \$29.8 million from the CollegeInvest Early Achievers Scholarship Trust Fund to the General Fund, and refinance \$15.4 million General Fund for Need Based Grants with cash funds from the same Early Achievers Scholarship Trust Fund, for a total of \$45.2 million toward addressing the General Fund shortfall.

Senate Bill 05-003 (Tapia/Hall) authorized CollegeInvest to operate a scholarship program to promote a precollegiate curriculum. CollegeInvest contributed approximately \$50 million to set up the Trust Fund. CollegeInvest accumulated the money during unusually favorable market conditions and federal rules for the guaranteed loan program. If not used for the Trust Fund, the money would otherwise have been used to make more loans, or reduce interest rates and fees on existing loans. After the initial seed money, another \$25 million was deposited in the Trust Fund from the sale of student loan servicing activities within College Assist to Nelnet.

Students apply for the scholarship in 7th, 8th, or 9th grade and commit to doing well in high school and attending college. There are currently 400 students receiving the scholarship, with an estimated 625 additional eligible students in FY 2010-11 and another 625 in FY 2011-12. The FY 2010-11 scholarship amount is \$1,000 per student. The Governor proposes that the FY 2011-12 cohort would be the last one funded. So, students who applied for the scholarship who are now between 7th and 10th grades would not receive the scholarship on graduation.

In FY 2009-10 the General Assembly transferred \$15 million from the Trust Fund to the General Fund. After that transfer, market gains and losses, and program expenses, the current market value of the fund is estimated at \$60.9 million. The Governor proposes holding back \$15.7 million to cover the student cohorts through the one beginning in FY 2011-12 for the four-year period of their eligibility, administrative expenses, and a 10 percent contingency for market fluctuations. The remaining \$45.2 million would be used to address the General Fund shortfall.

Not all of the money can be transferred to the General Fund. Federal rules require that the \$25 million deposited in the Trust Fund from the sale of student loan servicing activities must be used for financial aid. OSPB estimates that \$9.6 million of the \$25 million can be spent on the remaining cohorts of students, but the remaining \$15.4 million must be appropriated for financial aid. Thus,

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the request includes a one-time refinance of General Fund for Need Based Grants with cash funds from the Early Achievers Scholarship Fund. There are no strings attached to the \$50 million deposited from CollegeInvest's earnings, and so OSPB proposes a simple transfer to the General Fund for money from that source.

Recommendation: **Staff recommends the Committee sponsor the proposed legislation.** The impacted students will still be eligible for federal Pell grants, federal loans, and state financial aid. The proposed transfer is from money intended for students who would begin college in FY 2012-13. It's possible that state financial aid appropriations could increase by then to assist this population.

In addition, staff recommends that the legislation include a one-year exception to the financial aid maintenance of effort requirement in Section 23-3.3-104, C.R.S. This statute requires that the annual percentage increase in appropriations for financial assistance must be at least as great as the aggregate annual percentage increase in General Fund appropriations for the institutions of higher education. After the one-time refinancing of General Fund for the higher education institutions with federal funds in FY 2009-10, General Fund appropriations for the higher education institutions must increase by 71.4 percent to comply with ARRA. The letter of Section 23-3.3-104, C.R.S. would say financial aid appropriations must also increase by 71.4 percent, or \$75.6 million. However, the combined state and ARRA funds for the higher education institutions are decreasing, and so staff believes maintaining, or even reducing, appropriations for financial aid would not violate the spirit of Section 23-3.3-104, C.R.S. Because Section 23-3.3-104 C.R.S. is so specific in referring to General Fund appropriations for the higher education institutions, it must be changed to avoid the need for a \$75.6 million increase in appropriations for financial aid.

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**FY 2010-11 STAFF FIGURE SETTING
DEPARTMENT OF HIGHER EDUCATION**

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

**Prepared By:
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February 23, 2010**

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FY 2010-11 Joint Budget Committee Figure Setting
Department of Higher Education

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11		Staff Rec.	Notes	
				Governor Request	CCHE Request		Governor	CCHE

For FY 2008-09 the JBC approved eliminating the cash funds exempt category of appropriations and replacing it with reappropriated funds. Reappropriated funds are those moneys that are appropriated for a second or more time in the same fiscal year. Moneys that were previously categorized as cash funds exempt that are not reappropriated funds are characterized in the new budget format as cash funds, regardless of the TABOR status of the funds.

DEPARTMENT OF HIGHER EDUCATION
Executive Director: D. Rico Munn

(1) Department Administrative Office

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

Health, Life, and Dental	<u>683,910</u>	<u>882,911</u>	<u>827,863</u>		<u>920,276</u> A	<u>852,879</u>	<i>Pending</i>
General Fund	0	0	0		0	0	
Cash Funds	243,084	667,459	625,844		634,865	584,622	
RF/CFE - Indirect	426,498	186,410	174,788		194,130	174,525	
Federal Funds	14,328	29,042	27,231		91,281	93,732	
Short-term Disability	<u>9,793</u>	<u>10,878</u>	<u>10,821</u> S		<u>13,232</u> A	<u>12,196</u>	<u>12,428</u>
General Fund	0	0	0		0	0	0
Cash Funds	3,409	7,626	7,711		9,361	8,072	8,611
RF/CFE - Indirect	5,525	2,185	2,470		2,521	2,611	2,471
Federal Funds	859	1,067	640		1,350	1,513	1,346
S.B. 04-257 Amortization Equalization							
Disbursement	<u>90,581</u>	<u>134,611</u>	<u>147,974</u> S		<u>204,868</u> A	<u>196,939</u>	<u>192,422</u>
General Fund	0	0	0		0	0	0
Cash Funds	31,473	94,577	105,283		144,941	133,086	133,323
RF/CFE - Indirect	51,177	26,894	33,325		39,031	40,426	38,255
Federal Funds	7,931	13,140	9,366		20,896	23,427	20,844
S.B. 06-235 Supplemental Amortization							
Equalization Disbursement	<u>18,904</u>	<u>63,042</u>	<u>92,121</u> S		<u>149,383</u> A	<u>143,604</u>	<u>193,643</u>
General Fund	0	0	0		0	0	0
Cash Funds	6,557	44,277	65,802		105,686	97,044	134,544
RF/CFE - Indirect	12,347	18,765	26,319		28,697	29,477	38,255

FY 2010-11 Joint Budget Committee Figure Setting
Department of Higher Education

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11		Staff Rec.	Notes	
				Governor Request	CCHE Request		Governor	CCHE
Federal Funds	1,653	6,159	5,854	15,237	17,083	20,844		
Salary Survey and Senior Executive Service	<u>258,113</u>	<u>387,536</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
General Fund	0	0	0	0	0	0		
Cash Funds	79,165	253,197	0	0	0	0		
RF/CFE - Indirect	150,482	86,694	0	0	0	0		
Federal Funds	28,466	47,645	0	0	0	0		
Performance-based Pay Awards	<u>123,924</u>	<u>122,241</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>		
General Fund	0	0	0	0	0	0		
Cash Funds	34,645	83,177	0	0	0	0		
RF/CFE - Indirect	75,954	25,182	0	0	0	0		
Federal Funds	13,325	13,882	0	0	0	0		
Worker's Compensation	<u>17,542</u>	<u>22,492</u>	<u>31,450</u> S	<u>35,038</u>	<u>35,038</u>	<u>Pending</u>		
General Fund	0	0	0	0	0	0		
Cash Funds	5,756	16,596	26,400	29,413	29,413			
RF/CFE - Indirect	11,786	5,896	5,050	5,625	5,625			
Legal Services	<u>93,783</u>	<u>33,644</u>	<u>33,770</u>	<u>33,770</u>	<u>33,770</u>	<u>Pending</u>		
# of Hours (non-add)		448	448	448	448	448		
General Fund	61,514	0	0	0	0	0		
Cash Funds	26,447	9,284	9,319	9,319	9,319			
RF/CFE - Indirect	5,822	24,360	24,451	24,451	24,451			
Purchase of Services from Computer Center	<u>120,097</u>	<u>94,110</u>	<u>89,561</u> S	<u>241,836</u>	<u>241,836</u>	<u>Pending</u>	NP - IT consolidation	
General Fund	74,732	0	0	0	0	0		
Cash Funds	27,485	14,101	13,480	230,467	230,467			
RF/CFE - Indirect	17,880	80,009	76,081	11,369	11,369			
Multiuse Network Payments	<u>0</u>	<u>0</u>	<u>0</u>	<u>61,749</u>	<u>61,749</u>	<u>Pending</u>	NP - IT consolidation	
General Fund			0	0	0	0		
Cash Funds			0	61,749	61,749			
RF/CFE - Indirect			0	0	0			
Management and Administration of OIT	<u>0</u>	<u>0</u>	<u>0</u>	<u>100,074</u>	<u>100,074</u>	<u>100,074</u>	NP - IT consolidation	

FY 2010-11 Joint Budget Committee Figure Setting
Department of Higher Education

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11		Staff Rec.	Notes	
				Governor Request	CCHE Request		Governor	CCHE
General Fund			0	0	0	0		
Cash Funds			0	100,074	100,074	100,074		
RF/CFE - Indirect			0	0	0	0		
Payment to Risk Management/ Property Funds	<u>28,376</u>	<u>46,140</u>	<u>37,322</u>	<u>3,484</u>	<u>3,484</u>		<i>Pending</i>	
General Fund	0	0	0	0	0			
Cash Funds	755	44,346	35,866	3,011	3,011			
RF/CFE - Indirect	27,621	1,794	1,456	473	473			
Leased Space	<u>362,265</u>	<u>507,150</u>	<u>514,210</u>	<u>514,210</u>	<u>514,210</u>	<u>514,210</u>		
General Fund	0	0	0	0	0	0		
Cash Funds	362,265	96,149	102,842	102,842	102,842	102,842		
RF/CFE - Indirect	0	411,001	411,368	411,368	411,368	411,368		
TOTAL - (1) Administrative Office	<u>1,807,288</u>	<u>2,304,755</u>	<u>1,785,092</u>	<u>2,277,920</u>	<u>2,195,779</u>	<u>1,012,777</u>		
General Fund	136,246	0	0	0	0	0		
Cash Funds	821,041	1,330,789	992,547	1,431,728	1,359,699	479,394		
RF/CFE - Indirect	783,439	863,031	749,454	717,428	700,325	490,349		
Federal Funds	66,562	110,935	43,091	128,764	135,755	43,034		

(2) Colorado Commission on Higher Education

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

(A) Administration	2,390,137	2,357,969	2,779,386	2,791,519	2,839,581	2,789,293	NP-PERA, NP-Mail
FTE	<u>30.1</u>	<u>31.1</u>	<u>31.1</u>	<u>31.1</u>	<u>31.1</u>	<u>31.1</u>	
General Fund	0	0	0	0	0	0	
FTE	0.0	0.0	0.0	0.0	0.0	0.0	
Cash Funds	1,905,869	147,502	159,735	159,735	159,735	207,245	
FTE	26.5	0.0	0.0	0.0	0.0	0.0	
RF/CFE	215,615	1,895,016	2,242,589	2,255,726	2,295,260	2,205,990	
FTE	0.0	27.5	27.5	27.5	27.5	27.5	
Federal Funds	268,653	315,451	377,062	376,058	384,586	376,058	

FY 2010-11 Joint Budget Committee Figure Setting
Department of Higher Education

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11		Staff Rec.	Notes	
				Governor Request	CCHE Request		Governor	CCHE
FTE	3.6	3.6	3.6	3.6	3.6	3.6		
(B) Div. of Private Occupational Schools								
Cash Funds	484,585	514,776	626,603	\$ 631,465	640,555	640,555	NP-PERA	
FTE	6.0	7.8	7.8	7.8	7.8	7.8		
(C) Special Purpose								
WICHE (Annual Dues)	<u>116,000</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>		
General Fund	0	0	0	0	0	0		
Cash Funds	116,000	0	0	0	0	0		
RF/CFE	0	120,000	120,000	120,000	120,000	120,000		
WICHE Optometry	<u>395,644</u>	<u>381,516</u>	<u>399,000</u>	<u>399,000</u>	<u>399,000</u>	<u>399,000</u>		
General Fund	0	0	0	0	0	0		
Cash Funds	395,644	0	0	0	0	0		
RF/CFE	0	381,516	399,000	399,000	399,000	399,000		
Distribution to the Higher Education								
Competitive Research Authority	<u>901,854</u>	<u>330,000</u>	<u>1,330,000</u>	<u>1,330,000</u>	<u>1,330,000</u>	<u>1,330,000</u>		
Cash Funds	0	330,000	1,330,000	1,330,000	1,330,000	1,330,000		
RF/CFE	901,854	0	0	0	0	0		
Veterinary School Program Needs	<u>285,000</u>	<u>285,000</u>	<u>285,000</u>	<u>285,000</u>	<u>285,000</u>	<u>285,000</u>		
General Fund	0	0	0	0	0	0		
Cash Funds	285,000	122,600	122,600	122,600	122,600	122,600		
RF/CFE	0	162,400	162,400	162,400	162,400	162,400		
Enrollment/Tuition and Stipend Contingency	<u>13,998,159</u>	<u>11,038,000</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>		
Cash Funds	0	11,038,000	20,000,000	20,000,000	20,000,000	20,000,000		
RF/CFE	13,998,159	0	0	0	0	0		
Subtotal - (C) Special Purpose	15,696,657	12,154,516	22,134,000	22,134,000	22,134,000	22,134,000		
TOTAL - (2) CCHE								
FTE	<u>36.1</u>	<u>38.9</u>	<u>38.9</u>	<u>38.9</u>	<u>38.9</u>	<u>38.9</u>		
General Fund	0	0	0	0	0	0		

FY 2010-11 Joint Budget Committee Figure Setting
Department of Higher Education

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11		Staff Rec.	Notes	
				Governor Request	CCHE Request		Governor	CCHE
Cash Funds	3,187,098	12,152,878	22,238,938	22,243,800	22,252,890	22,300,400		
RF/CFE	15,115,628	2,558,932	2,923,989	2,937,126	2,976,660	2,887,390		
Federal Funds	268,653	315,451	377,062	376,058	384,586	376,058		

(3) Financial Aid

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

(A) Need Based Grants	<u>66,981,729</u>	<u>74,193,958</u>	<u>74,144,146</u>	<u>74,144,146</u> A	<u>74,144,146</u>	<u>74,144,146</u>	BA #4
General Fund	66,981,729	74,193,958	74,118,734	58,744,146	74,144,146	58,744,146	
Reappropriated Funds	0	0	25,412	15,400,000	0	15,400,000	
(B) Merit Based Grants - GF	1,494,744	1,499,975	0	0	0	0	
(C) Work Study - GF	14,821,314	16,572,778	16,612,357	15,509,263	16,612,357	16,612,357	#3
(D) Special Purpose							
Precollegiate Programs - GF	804,952	1,541,722	0	0	0	0	
Required Federal Match	<u>2,412,920</u>	<u>2,411,952</u>	<u>3,026,350</u>	<u>3,026,350</u>	<u>3,026,350</u>	<u>3,026,350</u>	
General Fund	1,524,898	1,539,413	1,726,350	1,726,350	1,726,350	1,726,350	
Federal Funds	888,022	872,539	1,300,000	1,300,000	1,300,000	1,300,000	
Veterans'/Law Enforcement/POW Tuition Assistance							
General Fund	390,469	427,331	364,922	364,922	364,922	364,922	
National Guard Tuition Assistance - GF	649,319	650,000	800,000	800,000	800,000	800,000	
Native American Students/Fort Lewis College							
General Fund	8,063,560	8,359,421	9,622,969	10,726,063	9,622,969	10,726,063	#3
Nursing Teacher Loan Forgiveness Pilot							
General Fund	161,600	161,600	161,600	161,600	161,600	161,600	
GEAR - UP - FF	404,834	472,797	600,000	600,000	600,000	600,000	

FY 2010-11 Joint Budget Committee Figure Setting
Department of Higher Education

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11		Staff Rec.	Notes	
				Governor Request	CCHE Request		Governor	CCHE
Teacher and Principal Training Grants - FF	0	0	0	0	0	0		
Teach Colorado Grant (SB 08-133) - GF	0	482,995	500,000	500,000	500,000	0		
FTE	0.0	0.2	0.2	0.2	0.2	0.0		
Subtotal - (D) Special Purpose	12,887,654	14,507,818	15,075,841	16,178,935	15,075,841	15,678,935		
TOTAL - (3) Financial Aid	96,185,441	106,774,529	105,832,344	105,832,344	105,832,344	106,435,438		
FTE	0.0	0.2	0.2	0.2	0.2	0.0		
General Fund	94,892,585	105,429,193	103,906,932	88,532,344	103,932,344	89,135,438		
RF/CFE	0	0	25,412	15,400,000	0	15,400,000		
Federal Funds	1,292,856	1,345,336	1,900,000	1,900,000	1,900,000	1,900,000		
(4) College Opportunity Fund Program								
<i>(Provides General Fund for student stipend payments and for fee-for-service contracts between the Colorado Commission on Higher Education and state higher education institutions)</i>								
Stipends - State	<u>329,696,192</u>	<u>261,617,888</u>	<u>175,672,200</u>	<u>\$ 247,538,100</u>	<u>247,538,100</u>	<u>267,475,440</u>	ES-1	
General Fund	326,660,516	261,617,888	175,672,200	247,538,100	247,538,100	267,475,440		
Cash Funds Exempt	3,035,676	0	0	0	0	0		
<i>Eligible Students (non-add)</i>	<i>123,481.7</i>	<i>128,244.1</i>	<i>133,085.0</i>	<i>133,085.0</i>	<i>133,085.0</i>	<i>143,804.0</i>		
<i>Rate per 30 Credit Hours (non-add)</i>	<i>\$2,670</i>	<i>\$2,040</i>	<i>\$1,320</i>	<i>\$1,860</i>	<i>\$1,860</i>	<i>\$1,860</i>		
Stipends - Private								
General Fund	1,065,330	832,401	589,380	\$ 830,490	830,490	830,490	ES-1	
<i>Eligible Students (non-add)</i>	<i>798.0</i>	<i>816.1</i>	<i>893.0</i>	<i>893.0</i>	<i>893.0</i>	<i>893.0</i>		
<i>Rate per 30 Credit Hours (non-add)</i>	<i>\$1,335</i>	<i>\$1,020</i>	<i>\$660</i>	<i>\$930</i>	<i>\$930</i>	<i>\$930</i>		
Supplement to Private Stipends - FF	0	0	80,370	0	0	0		
Subtotal - Stipends	330,761,522	262,450,289	176,341,950	248,368,590	248,368,590	268,305,930		
College Opportunity Fund Balance - GF	1,201,366	0	0	0	0	0		

FY 2010-11 Joint Budget Committee Figure Setting
Department of Higher Education

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11		Staff Rec.	Notes	
				Governor Request	CCHE Request		Governor	CCHE
Fee-for-service Contracts - GF	297,958,166	272,563,654	136,621,997	S	287,756,816	287,756,816	265,940,766	ES-1
TOTAL - (4) College Opportunity Fund								
Program	<u>629,921,054</u>	<u>535,013,943</u>	<u>312,963,947</u>		<u>536,125,406</u>	<u>536,125,406</u>	<u>534,246,696</u>	
General Fund	626,885,378	535,013,943	312,883,577		536,125,406	536,125,406	534,246,696	
Cash Funds Exempt	3,035,676	0	0		0	0	0	
Federal Funds	0	0	80,370		0	0	0	
†General Fund Exempt	294,300,000	800,000	0		0	0	Pending	

(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	20,843,396	23,827,138	24,306,315		23,747,957	23,634,463	27,969,137	
FTE	<u>271.5</u>	<u>281.2</u>	<u>271.2</u>		<u>271.2</u>	<u>271.2</u>	<u>274.4</u>	
College Opportunity Fund	<u>13,624,080</u>	<u>12,149,322</u>	<u>7,276,999</u>	S	<u>12,149,322</u>	<u>12,149,322</u>	<u>12,690,479</u>	ES-1
Student Stipend Payments	3,667,925	2,760,206	1,718,640		2,421,720	2,656,080	2,869,980	
Fee-for-service Contracts	9,956,155	9,389,116	5,558,359		9,727,602	9,493,242	9,820,499	
Federal Stimulus	0	2,459,127	7,331,450	S	1,298,623	A 2,459,127	1,135,360	#1
Tuition	<u>7,123,291</u>	<u>7,826,753</u>	<u>7,946,868</u>		<u>8,549,014</u>	<u>8,549,014</u>	<u>12,392,300</u>	#2
Resident	4,457,230	4,933,031	5,120,070		5,580,876	5,580,876	7,919,836	
Nonresident	2,666,061	2,893,722	2,826,798		2,968,138	2,968,138	4,472,464	
Academic Fees	96,025	1,391,936	1,750,998	S	1,750,998	A 477,000	1,750,998	
(B) Trustees of Mesa State College	44,750,687	49,318,613	52,167,630		52,561,806	54,480,361	58,116,106	
FTE	<u>452.2</u>	<u>465.8</u>	<u>508.9</u>		<u>508.9</u>	<u>508.9</u>	<u>519.2</u>	
College Opportunity Fund	<u>22,376,340</u>	<u>19,888,392</u>	<u>12,099,298</u>	S	<u>19,888,392</u>	<u>19,888,392</u>	<u>19,906,126</u>	ES-1
Student Stipend Payments	11,701,293	9,183,975	5,833,080		8,219,340	9,014,760	9,962,160	
Fee-for-service Contracts	10,675,047	10,704,417	6,266,218		11,669,052	10,873,632	9,943,966	

FY 2010-11 Joint Budget Committee Figure Setting
Department of Higher Education

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11		Staff Rec.	Notes		
				Governor Request	CCHE Request		Governor	CCHE	
Federal Stimulus	0	4,117,215	11,906,309	S	2,198,660	A	4,117,215	2,426,726	#1
Tuition	<u>21,963,026</u>	<u>24,890,256</u>	<u>27,732,023</u>		<u>30,044,754</u>		<u>30,044,754</u>	<u>35,267,185</u>	#2
Resident	18,048,806	20,801,315	23,153,239		25,237,031		25,237,031	29,625,825	
Nonresident	3,914,220	4,088,941	4,578,784		4,807,723		4,807,723	5,641,360	
Academic Fees	411,321	422,750	430,000		430,000		430,000	516,069	
(C) Trustees of Metropolitan State College									
FTE	<u>93,351,476</u>	<u>104,097,048</u>	<u>119,905,601</u>		<u>119,528,702</u>		<u>121,474,972</u>	<u>123,957,622</u>	
FTE	<u>1,056.3</u>	<u>1,160.3</u>	<u>1,196.9</u>		<u>1,196.9</u>		<u>1,196.9</u>	<u>1,266.1</u>	
College Opportunity Fund	<u>44,644,910</u>	<u>39,778,568</u>	<u>24,531,075</u>	S	<u>39,778,568</u>		<u>39,778,568</u>	<u>41,384,992</u>	ES-1
Student Stipend Payments	40,888,137	32,764,054	22,374,000		31,527,000		34,578,000	33,176,820	
Fee-for-service Contracts	3,756,773	7,014,514	2,157,075		8,251,568		5,200,568	8,208,172	
Federal Stimulus	0	9,934,844	25,182,337	S	4,289,163	A	9,934,844	4,930,086	#1
Tuition	<u>47,865,187</u>	<u>53,360,025</u>	<u>61,493,135</u>		<u>66,761,917</u>		<u>66,761,917</u>	<u>68,943,554</u>	#2
Resident	42,780,232	47,764,600	54,853,147		59,789,930		59,789,930	62,228,828	
Nonresident	5,084,955	5,595,425	6,639,988		6,971,987		6,971,987	6,714,726	
Academic Fees	841,379	1,023,611	8,699,054	S	8,699,054	A	4,999,643	8,698,990	
(D) Trustees of Western State College									
FTE	<u>19,977,535</u>	<u>20,923,615</u>	<u>21,546,488</u>		<u>21,249,480</u>		<u>22,187,616</u>	<u>21,351,779</u>	
FTE	<u>230.9</u>	<u>242.7</u>	<u>242.3</u>		<u>242.3</u>		<u>242.3</u>	<u>243.2</u>	
College Opportunity Fund	<u>11,355,691</u>	<u>9,892,147</u>	<u>5,876,752</u>	S	<u>9,892,147</u>		<u>9,892,147</u>	<u>10,585,484</u>	ES-1
Student Stipend Payments	3,731,330	2,914,486	1,890,240		2,663,520		2,921,280	2,568,660	
Fee-for-service Contracts	7,624,361	6,977,661	3,986,512		7,228,627		6,970,867	8,016,824	
Federal Stimulus	0	2,280,870	6,296,265	S	1,316,734	A	2,280,870	939,755	#1
Tuition	<u>8,621,844</u>	<u>8,724,598</u>	<u>9,347,471</u>		<u>10,014,599</u>		<u>10,014,599</u>	<u>9,800,540</u>	#2
Resident	4,170,064	4,607,258	4,993,872		5,443,320		5,443,320	5,291,719	
Nonresident	4,451,780	4,117,340	4,353,599		4,571,279		4,571,279	4,508,821	

FY 2010-11 Joint Budget Committee Figure Setting
Department of Higher Education

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11		Staff Rec.	Notes		
				Governor Request	CCHE Request		Governor	CCHE	
Academic Fees	0	26,000	26,000	S	26,000	A	0	26,000	
(E) Colorado State University System	329,972,259	369,958,763	388,544,328		390,195,988		405,027,240	392,913,047	
FTE	<u>3,852.4</u>	<u>4,257.6</u>	<u>4,228.0</u>		<u>4,228.0</u>		<u>4,228.0</u>	<u>4,136.9</u>	
College Opportunity Fund	<u>133,789,929</u>	<u>113,620,029</u>	<u>65,687,854</u>	S	<u>113,620,028</u>		<u>113,620,028</u>	<u>119,176,007</u>	ES-1
Student Stipend Payments	51,120,902	40,387,109	26,868,600		37,860,300		41,524,200	38,987,460	
Fee-for-service Contracts	82,669,027	73,232,920	38,819,254		75,759,728		72,095,828	80,188,547	
Federal Stimulus	0	33,271,484	81,203,658	S	18,440,232	A	33,271,484	16,406,452	#1
Tuition	<u>183,781,827</u>	<u>206,363,756</u>	<u>229,249,116</u>		<u>245,732,028</u>		<u>245,732,028</u>	<u>244,926,888</u>	#2
Resident	96,136,104	108,463,588	125,511,413		136,807,440		136,807,440	136,600,516	
Nonresident	87,645,723	97,900,168	103,737,703		108,924,588		108,924,588	108,326,372	
Academic Fees	12,080,503	11,953,494	12,233,700		12,233,700		12,233,700	12,233,700	
Appropriated Grants - CF	150,000	4,750,000	0		0		0	0	
Appropriated Grants - RF/CFE	170,000	0	170,000		170,000		170,000	170,000	
(F) Trustees of Fort Lewis College	35,398,842	38,239,706	41,390,482		40,879,664		41,729,935	42,301,152	
FTE	<u>432.3</u>	<u>379.7</u>	<u>461.9</u>		<u>461.9</u>		<u>461.9</u>	<u>418.2</u>	
College Opportunity Fund	<u>11,653,935</u>	<u>8,757,822</u>	<u>4,900,228</u>	S	<u>8,757,822</u>		<u>8,757,822</u>	<u>9,704,093</u>	ES-1
Student Stipend Payments	6,775,801	4,790,249	3,045,240		4,291,020		4,706,280	4,238,940	
Fee-for-service Contracts	4,878,134	3,967,573	1,854,988		4,466,802		4,051,542	5,465,153	
Federal Stimulus	0	3,978,508	7,836,102	S	2,745,449	A	3,978,508	1,794,961	#1
Tuition	<u>22,784,772</u>	<u>24,649,839</u>	<u>27,606,152</u>	S	<u>28,328,393</u>	A	<u>27,945,605</u>	<u>29,754,098</u>	#2
Resident	7,415,269	7,402,523	7,714,704		8,436,945		8,747,145	8,624,857	
Nonresident	15,369,503	17,247,316	19,891,448		19,891,448		19,198,460	21,129,241	
Academic Fees	912,135	853,537	1,000,000		1,000,000		1,000,000	1,000,000	
Appropriated Grants - RF/CFE	48,000	0	48,000		48,000		48,000	48,000	
(G) Regents of the University of Colorado	716,966,486	808,840,078	853,891,931		868,870,067		881,269,591	900,061,943	

FY 2010-11 Joint Budget Committee Figure Setting
Department of Higher Education

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11		Staff Rec.	Notes	
				Governor Request	CCHE Request		Governor	CCHE
FTE	<u>6,441.1</u>	<u>6,883.5</u>	<u>6,914.5</u>	<u>6,914.5</u>	<u>6,914.5</u>	<u>6,920.9</u>		
College Opportunity Fund	<u>194,986,340</u>	<u>159,103,983</u>	<u>88,211,092</u>	<u>159,103,982</u>	<u>159,103,982</u>	<u>148,416,058</u>	ES-1	
Student Stipend Payments	73,652,240	57,163,715	38,210,040	53,841,420	59,051,880	55,346,160		
Fee-for-service Contracts	121,334,100	101,940,268	50,001,052	105,262,562	100,052,102	93,069,898		
Federal Stimulus	0	49,995,467	120,888,357	33,361,538	49,995,467	35,922,101	#1	
Tobacco Settlement Distribution	8,511,345	17,997,300	17,150,000	17,150,000	17,150,000	17,150,000	#2	
Tuition	<u>490,388,093</u>	<u>550,777,678</u>	<u>596,692,241</u>	<u>628,304,306</u>	<u>628,304,306</u>	<u>666,395,809</u>		
Resident	254,141,636	278,471,993	311,656,933	339,706,057	339,706,057	351,864,510		
Nonresident	236,246,457	272,305,685	285,035,308	288,598,249	288,598,249	314,531,299		
Academic Fees	22,423,177	30,308,119	30,292,710	30,292,710	26,058,305	31,520,444		
Appropriated Grants - RF/CFE	657,531	657,531	657,531	657,531	657,531	657,531		
(H) Colorado School of Mines	71,964,514	82,841,518	92,696,585	95,638,117	96,790,770	99,071,912		
FTE	<u>629.4</u>	<u>669.0</u>	<u>667.5</u>	<u>667.5</u>	<u>667.5</u>	<u>684.2</u>		
College Opportunity Fund	<u>21,737,271</u>	<u>18,793,625</u>	<u>10,594,313</u>	<u>18,793,625</u>	<u>18,793,625</u>	<u>16,471,585</u>	ES-1	
Student Stipend Payments	7,079,257	5,525,943	3,575,880	5,038,740	5,526,360	5,327,040		
Fee-for-service Contracts	14,658,014	13,267,682	7,018,433	13,754,885	13,267,265	11,144,545		
Federal Stimulus	0	4,443,761	12,643,073	2,662,620	4,443,761	4,005,079	#1	
Tuition	<u>49,668,163</u>	<u>58,536,372</u>	<u>66,680,711</u>	<u>71,403,384</u>	<u>71,403,384</u>	<u>75,816,760</u>	#2	
Resident	27,232,248	30,463,174	34,715,919	37,840,352	37,840,352	38,835,915		
Nonresident	22,435,915	28,073,198	31,964,792	33,563,032	33,563,032	36,980,845		
Academic Fees	559,080	1,067,760	2,778,488	2,778,488	2,150,000	2,778,488		
Appropriated Grants - CF	0	0	0	0	0	0		
Appropriated Grants - RF/CFE	0	0	0	0	0	0		
(I) University of Northern Colorado	92,681,279	99,408,134	104,191,654	105,192,913	107,605,468	113,659,678		
FTE	<u>1,015.0</u>	<u>983.4</u>	<u>983.4</u>	<u>983.4</u>	<u>983.4</u>	<u>986.9</u>		

FY 2010-11 Joint Budget Committee Figure Setting
Department of Higher Education

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11		Staff Rec.	Notes	
				Governor Request	CCHE Request		Governor	CCHE
College Opportunity Fund	<u>41,156,170</u>	<u>35,176,878</u>	<u>20,515,779</u>	S	<u>35,176,878</u>	<u>35,176,878</u>	<u>36,257,627</u>	ES-1
Student Stipend Payments	22,126,286	16,007,646	10,194,360		14,364,780	15,754,920	15,646,320	
Fee-for-service Contracts	19,029,884	19,169,232	10,321,419		20,812,098	19,421,958	20,611,307	
Federal Stimulus	0	8,909,433	23,570,532	S	5,447,212	A	8,909,433	4,634,263 #1
Tuition	<u>50,733,637</u>	<u>54,432,163</u>	<u>56,013,623</u>		<u>60,477,103</u>	<u>60,477,103</u>	<u>68,334,451</u>	#2
Resident	37,654,429	39,134,502	41,569,972		45,311,269	45,311,269	50,769,853	
Nonresident	13,079,208	15,297,661	14,443,651		15,165,834	15,165,834	17,564,598	
Academic Fees	791,472	889,660	4,091,720	S	4,091,720	A	3,042,054	4,433,337
(J) State Board for the Community Colleges and Occupational Education								
State System Community Colleges	268,206,594	299,735,038	323,443,661		325,968,705	337,789,945	357,975,644	
FTE	<u>4,576.4</u>	<u>5,192.1</u>	<u>5,089.0</u>		<u>5,089.0</u>	<u>5,089.0</u>	<u>5,584.0</u>	
College Opportunity Fund	<u>132,329,692</u>	<u>117,020,778</u>	<u>72,600,807</u>	S	<u>118,134,152</u>	<u>118,134,152</u>	<u>118,823,755</u>	ES-1
Student Stipend Payments	108,195,901	90,120,506	61,962,120		87,310,260	95,759,640	99,351,900	
Fee-for-service Contracts	24,133,791	26,900,272	10,638,687		30,823,892	22,374,512	19,471,855	
Federal Stimulus	0	25,300,005	71,186,390	S	13,831,805	A	25,653,045	14,777,343 #1
Tuition	<u>131,613,363</u>	<u>149,056,274</u>	<u>171,765,547</u>		<u>186,111,831</u>	<u>186,111,831</u>	<u>214,432,398</u>	#2
Resident	108,724,465	123,747,433	143,950,164		156,905,679	156,905,679	178,055,092	
Nonresident	22,888,898	25,308,841	27,815,383		29,206,152	29,206,152	36,377,306	
Academic Fees	4,263,539	6,857,981	6,390,917		6,390,917	6,390,917	8,442,148	
Appropriated Grants - RF/CFE	0	1,500,000	1,500,000		1,500,000	1,500,000	1,500,000	
TOTAL - (5) Governing Boards	1,694,113,068	1,897,189,651	2,022,084,675		2,043,833,399	2,091,990,361	2,137,378,020	
FTE	<u>18,957.5</u>	<u>20,515.3</u>	<u>20,563.6</u>		<u>20,563.6</u>	<u>20,563.6</u>	<u>21,034.0</u>	
College Opportunity Fund	<u>627,654,358</u>	<u>534,181,544</u>	<u>312,294,197</u>		<u>535,294,916</u>	<u>535,294,916</u>	<u>533,416,206</u>	
Student Stipend Payments	328,939,072	261,617,889	175,672,200		247,538,100	271,493,400	267,475,440	
Fee-for-service Contracts	298,715,286	272,563,655	136,621,997		287,756,816	263,801,516	265,940,766	

FY 2010-11 Joint Budget Committee Figure Setting
Department of Higher Education

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11		Staff Rec.	Notes	
				Governor Request	CCHE Request		Governor	CCHE
Tuition	<u>1,014,543,203</u>	<u>1,138,617,714</u>	<u>1,254,526,887</u>	<u>1,335,727,329</u>	<u>1,335,344,541</u>	<u>1,426,063,983</u>		
Resident	600,760,483	665,789,417	753,239,433	821,058,899	821,369,099	869,816,951		
Nonresident	413,782,720	472,828,297	501,287,454	514,668,430	513,975,442	556,247,032		
Federal Stimulus	0	144,690,714	368,044,473	85,592,036	145,043,754	86,972,126		
Tobacco Settlement Distribution	8,511,345	17,997,300	17,150,000	17,150,000	17,150,000	17,150,000		
Academic Fees	42,378,631	54,794,848	67,693,587	67,693,587	56,781,619	71,400,174		
Appropriated Grants - CF	150,000	4,750,000	0	0	0	0		
Appropriated Grants - RF/CFE	875,531	2,157,531	2,375,531	2,375,531	2,375,531	2,375,531		

TOTAL - (6) Local District Junior								
College Grants	<u>14,823,001</u>	<u>15,890,257</u>	<u>15,890,257</u>	<u>14,631,390</u>	<u>15,890,257</u>	<u>14,868,080</u>	#1, ES-1	
General Fund	14,823,001	12,601,934	7,350,751	12,601,934	12,601,934	13,385,171		
Federal Funds		3,288,323	8,539,506	2,029,456	3,288,323	1,482,909		

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

(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	870,261	857,406	900,000	900,000	900,000	900,000		
FTE	<u>7.3</u>	<u>7.1</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>		

FY 2010-11 Joint Budget Committee Figure Setting
Department of Higher Education

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11		Staff Rec.	Notes	
				Governor Request	CCHE Request		Governor	CCHE
General Fund	118,522	0	105,405	243,936	243,936	105,405		
Cash Funds	751,739	0	0	0	0	0		
RF/CFE	0	857,406	794,595	656,064	656,064	794,595		
(B) Colorado Vocational Act Distributions								
RF/CFE	21,208,319	21,672,472	23,189,191	23,296,092	23,296,092	<i>Pending</i>	NP - transfer from K-12	
(C) Area Vocational School Support	<u>10,450,136</u>	<u>11,202,546</u>	<u>9,736,132</u> S	<u>8,964,761</u>	<u>9,736,132</u>	<u>9,226,691</u>	#1, ES-1	
General Fund	10,450,136	8,505,528	4,311,868	7,392,154	7,392,154	8,487,627		
Federal Funds		2,697,018	5,424,264	1,572,607 A	2,343,978	739,064		
(D) Sponsored Programs								
(1) Administration								
Federal Funds	1,945,725	1,902,038	2,220,227	2,220,227	2,220,227	2,220,227		
FTE	21.8	22.6	23.0	23.0	23.0	23.0		
(2) Sponsored Programs								
Federal Funds	15,000,036	14,292,642	14,737,535	14,737,535	14,737,535	14,737,535		
Subtotal - (D) Sponsored Programs	16,945,761	16,194,680	16,957,762	16,957,762	16,957,762	16,957,762		
(E) Colorado First Customized Job Training								
RF/CFE	2,725,022	2,725,022	2,725,022	2,725,022	2,725,022	<i>Pending</i>		
TOTAL - (7) Occupational Education	52,199,499	52,652,126	53,508,107	52,843,637	53,615,008	27,084,453		
FTE	<u>29.1</u>	<u>29.7</u>	<u>32.0</u>	<u>32.0</u>	<u>32.0</u>	<u>32.0</u>		
General Fund	10,568,658	8,505,528	4,417,273	7,636,090	7,636,090	8,593,032		
Cash Funds	751,739	0	0	0	0	0		
RF/CFE	23,933,341	25,254,900	26,708,808	26,677,178	26,677,178	794,595		
Federal Funds	16,945,761	18,891,698	22,382,026	18,530,369	19,301,740	17,696,826		
(8) Auraria Higher Education Center								
(Primary Functions: Coordinate administration of the Auraria campus. The reappropriated funds represent payments from the resident institutions.)								
Administration	15,545,113	16,625,772	17,670,252	17,670,252	17,670,252	17,670,252		

FY 2010-11 Joint Budget Committee Figure Setting
Department of Higher Education

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11		Staff Rec.	Notes	
				Governor Request	CCHE Request		Governor	CCHE
FTE	<u>123.6</u>	<u>195.2</u>	<u>191.3</u>	<u>191.3</u>	<u>191.3</u>	<u>166.3</u>		
Cash Funds	15,545,113	0	0	0	0	0		
RF/CFE	0	16,625,772	17,670,252	17,670,252	17,670,252	17,670,252		
Auxiliary Enterprises - CF	100,000	0	0	0	0	0		
TOTAL - (8) AHEC	15,645,113	16,625,772	17,670,252	17,670,252	17,670,252	17,670,252		
FTE	<u>123.6</u>	<u>195.2</u>	<u>191.3</u>	<u>191.3</u>	<u>191.3</u>	<u>166.3</u>		
Cash Funds	15,645,113	0	0	0	0	0		
RF/CFE	0	16,625,772	17,670,252	17,670,252	17,670,252	17,670,252		

(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

General Fund	100,000	100,000	202,500	S	202,500	202,500	202,500	ES-2
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(B) Sponsored Programs

FTE	<u>1.5</u>	<u>1.5</u>	<u>3.5</u>		<u>3.5</u>	<u>3.5</u>	<u>3.5</u>	
Cash Funds	0	0	20,000		20,000	20,000	20,000	
RF/CFE	0	0	0		0	0	0	
Federal Funds	136,328	221,127	230,000		230,000	230,000	230,000	

(C) Auxiliary Programs

FTE	<u>9.8</u>	<u>8.6</u>	<u>14.5</u>	S	<u>14.5</u>	<u>14.5</u>	<u>14.5</u>	
Cash Funds	723,182	458,085	1,555,933		1,551,313	1,551,313	1,551,313	NP-PERA
RF/CFE	272,686	383,951	0		0	0	0	

(D) Gaming Revenue

Gaming Cities Distribution	<u>5,955,976</u>	<u>5,633,135</u>	<u>4,721,360</u>		<u>4,721,360</u>	<u>4,721,360</u>	<i>pending</i>	
Cash Funds	0	5,633,135	4,721,360		4,721,360	4,721,360		
Cash Funds Exempt	5,955,976	0	0		0	0		

FY 2010-11 Joint Budget Committee Figure Setting
Department of Higher Education

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11		Staff Rec.	Notes	
				Governor Request	CCHE Request		Governor	CCHE
Statewide Preservation Grant Program	17,847,403	17,758,341	10,430,311	S 10,421,464	A 10,421,464	<i>pending</i>	NP-PERA	
FTE	<u>15.2</u>	<u>15.7</u>	<u>0.0</u>	<u>18.0</u>	<u>18.0</u>	<u>0.0</u>		
Cash Funds	0	17,758,341	10,430,311	10,421,464	10,421,464			
Cash Funds Exempt	17,847,403	0	0	0	0			
Society Museum and Preservation								
Operations	6,204,765	6,391,478	6,934,666	S 6,757,329	A 6,861,382	6,762,023	NP-IT Consolidation	
FTE	<u>83.6</u>	<u>86.6</u>	<u>92.9</u>	<u>89.9</u>	<u>89.9</u>	<u>89.9</u>	NP-PERA	
Cash Funds	692,748	5,720,539	6,247,016	6,064,933	6,168,986	6,069,627		
Cash Funds Exempt	4,858,910	0	0	0	0	0		
Federal Funds	653,107	670,939	687,650	692,396	692,396	692,396		
Subtotal - (D) Gaming Revenue	12,160,741	29,782,954	22,086,337	21,900,153	22,004,206	6,762,023		
TOTAL - (9) Historical Society	31,240,340	30,946,117	24,094,770	23,903,966	24,008,019	8,765,836		
FTE	<u>110.1</u>	<u>112.4</u>	<u>110.9</u>	<u>125.9</u>	<u>125.9</u>	<u>107.9</u>		
General Fund	100,000	100,000	202,500	202,500	202,500	202,500		
Cash Funds	1,415,930	29,570,100	22,974,620	22,779,070	22,883,123	7,640,940		
CFE/RF	28,934,975	383,951	0	0	0	0		
Federal Funds	789,435	892,066	917,650	922,396	922,396	922,396		
TOTAL - Dept. of Higher Education	2,556,409,741	2,672,424,411	2,579,369,433	2,822,675,298	2,872,941,562	2,873,025,400		
FTE	<u>19,256.4</u>	<u>20,891.7</u>	<u>20,936.9</u>	<u>20,951.9</u>	<u>20,951.9</u>	<u>21,379.1</u>		
General Fund	747,405,868	661,650,598	428,761,033	645,098,274	660,498,274	645,562,837		
Cash Funds	21,970,921	1,259,213,629	1,385,576,579	1,467,025,514	1,455,771,872	1,545,034,891		
CFE/RF	1,767,669,685	582,025,661	362,747,643	601,072,431	585,694,862	573,034,323		
Federal Funds	19,363,267	169,534,523	402,284,178	109,479,079	170,976,554	109,393,349		
†General Fund Exempt	<i>294,300,000</i>	<i>800,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>		

Key:
ITALICS = non-add figure, included for informational purposes

FY 2010-11 Joint Budget Committee Figure Setting
Department of Higher Education

	FY 2007-08 Actual	FY 2008-09 Actual	FY 2009-10 Approp	FY 2010-11		Staff Rec.	Notes	
				Governor Request	CCHE Request		Governor	CCHE

A = impacted by a budget amendment submitted after the November 1 request
S = impacted by a supplemental appropriation approved by the Joint Budget Committee

1) DEPARTMENT ADMINISTRATIVE OFFICE

The Department Administrative Office includes funding for the centrally appropriated costs for the Colorado Commission on Higher Education (CCHE); the Division of Private Occupational Schools; and the State Historical Society. Funding for the governing boards is contained in the governing board line items.

Health, Life, and Dental

Description: Provides for health, life, and dental premiums.

Request: The Department requested funding pursuant to OSPB's budget instructions.

Recommendation: **The staff recommendation is to follow the JBC's common policy.** When the JBC makes a common policy decision, staff will apply the policy to this line item.

Short-term Disability

Description: Provides for short-term disability premiums.

Request: The Department requested funding pursuant to OSPB's budget instructions.

Recommendation: **The staff recommendation is based on the JBC's common policy.**

Amortization Equalization Disbursements

Description: Pays for increasing the effective PERA rate pursuant to S.B. 04-257.

Request: The Department requested funding pursuant to OSPB's budget instructions.

Recommendation: **The staff recommendation is based on the JBC's common policy.**

Supplemental Amortization Equalization Disbursements

Description: Pays for increasing the effective PERA rate pursuant to S.B. 06-235.

Request: The Department requested funding pursuant to OSPB's budget instructions.

Recommendation: **The staff recommendation is based on the JBC's common policy.**

Salary Survey and Senior Executive Service

Description: Provides for salary survey and senior executive service pay increases.

Request: The Department requested funding pursuant to OSPB's budget instructions.

Recommendation: **The staff recommendation is based on the JBC's common policy.**

Performance-based Pay Awards

Description: Provides for performance-based pay increases.

Request: The Department requested funding pursuant to OSPB's budget instructions.

Recommendation: **The staff recommendation is based on the JBC's common policy.**

Worker's Compensation

Description: Provides for workers' compensation premiums.

Request: The Department requested funding pursuant to OSPB's budget instructions.

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

Description: Provides for legal services needs.

Request: The Department requests continuation level funding according to OSPB's budget instructions.

Recommendation: **Staff recommends funding for 448 legal services hours. The amount 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.

Purchase of Services from Computer Center

Description: Provides for purchase of services from GGCC.

Request: The Department requests continuation level funding according 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.

Multiuse Network Payments

Description: Provides for the Department's contribution to the Multiuse Network

Request: The Department requests continuation level funding according 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.

Management and Administration of OIT

Description: Pays for the management and administration costs of OIT.

Request: This line item is part of the Department's OIT consolidation request.

Recommendation: **The staff recommendation is based on the JBC's common policy.**

Payment to Risk Management and Property Funds

Description: Provides for risk management and property premiums

Request: The Department requests continuation level funding according 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.

Leased Space

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

Request: The Department requests continuation funding based on the terms of the lease.

Recommendation: **Staff recommends the Department request based on the cost of the lease.**

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.

A) Administration

Administration

Description: 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 S.B. 08-167. 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 to achieve statewide expectations and goals [23-1-108, 23-13-104, 108]
 - 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]
 - 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 later 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 continuation level funding according to OSPB's budget instructions. This line is impacted by the statewide PERA and mail equipment requests.

Recommendation: **Staff recommends continuation funding according to the JBC's common policies.** There are over 250 statutory references to the Commission on Higher Education. To perform the myriad functions assigned in statute to CCHE, the Department Administration needs resources. There are some duties that the legislature could consider eliminating. For example, the legislature might decide that the governing boards can define their own role and mission, and/or that CCHE isn't very effective at enforcing the roles and missions anyway, and so the function can be eliminated outright. But, staff would recommend making a change like that through a bill.

The calculations are detailed in the table below. There is a small amount of indirect cost recoveries from CollegeInvest and College Assist that are not appropriated elsewhere in the budget that are categorized as cash funds. The fund source adjustment reflects the portion of indirect cost recoveries from CollegeInvest and College Assist relative to indirect cost recoveries from other agencies in the Department's 2010-11 indirect cost assessment plan.

Department Administration							
Item	TOTAL	Indirect			Transfer from Education	Federal Funds	FTE
		Private Fees	College Invest, College Assist	Indirect All Other			
FY 2009-10 Appropriation	\$2,779,386	\$31,500	\$128,235	\$2,137,409	\$105,180	\$377,062	31.1
One-time Furlough Adjustment	57,969	0	0	50,445	0	7,524	0.0
2.5% PERA Reduction	(48,377)	0	0	(39,849)	0	(8,528)	0.0
Mail equipment upgrade	315	0	0	315	0	0	0.0
Fund source adjustment	0	0	47,510	(47,510)	0	0	0.0
Total	\$2,789,293	\$31,500	\$175,745	\$2,100,810	\$105,180	\$376,058	31.1

B) Division of Private Occupational Schools

Description: This program is responsible for reviewing the curriculum and establishing standards for private occupational schools in Colorado. The source of cash funds is fee revenue from the individual schools and the students. Pursuant to statute, the Division reports to the executive director of the Department, rather than to the Division of Occupational Education within the Community College System.

Request: The Department requests continuation level funding according to the OSPB budget instructions. This line is impacted by the statewide PERA request.

Recommendation: **Staff recommends continuation level funding pursuant to the JBC's common policies.** Having an agency to ensure that private occupational schools meet minimum standards provides protection to consumers who make a considerable sacrifice of time and money to obtain their education. These consumers often justify the expense based on an expected improvement in their economic status, which may never materialize if the educational standards of the teaching institution are not adequate. The Division of Private Occupational Schools also benefits legitimate schools by preventing "fly by night" operations from competing.

The components of the staff recommendation for continuation level funding are summarized in the table below.

Division of Private Occupational Schools		
Item	Dollars	FTE
FY 2009-10 Appropriation	\$626,603	7.8
One-time Furlough Adjustment	13,952	
2.5% PERA Reduction	(9,090)	
Total	\$631,465	7.8

C) Special Purpose

Western Interstate Commission on Higher Education (WICHE)

Description: The line provides funding for Colorado's dues to support WICHE. This coalition of Western States works to benefit each other through sharing research data and the development of reciprocity and student exchange programs. WICHE provides the following main services:

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

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

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

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

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

The 15 member states of WICHE all pay the same dues. Member dues represent approximately a third of WICHE's budget, with the remainder coming primarily from grants and contracts. The source of reappropriated funds is indirect cost recoveries.

Request: The Department requested continuation level funding.

Recommendation: **Staff recommends the requested funding.** Colorado's participation in WICHE benefits both the state and neighboring region. Failure to pay the dues would mean Colorado could not join in the veterinary medicine professional exchange program, among other things.

WICHE - Optometry

Description: 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.

Request: The Department requests continuation level funding.

Recommendation: **Staff recommends continuation funding.** The exact number of participants is not known until they enroll. The last few years about 25 students have enrolled per year.

Distribution to the Higher Education Competitive Research Authority

Description: Pursuant to S.B. 07-182, approximately \$0.10 of each \$1.50 fee on the disposal of waste tires gets deposited in the Innovative Higher Education Research Fund and is subject to annual appropriation by the General Assembly for use by the Higher Education Research Authority to provide matching funds for federal research grants. In addition, S.B. 09-052 allocated \$1.0 million from limited gaming funds that would otherwise be transferred to the General Fund to the Innovative Higher Education Research Fund, contingent on sufficient General Fund revenues.

Request: The Department requested continuation funding based on anticipated revenues.

Recommendation: **Staff recommends the request.** House Bill 10-1339 increases the transfer from limited gaming funds to the innovative Higher Education Research Fund by \$1.0 million. The bill includes an appropriation clause providing another \$1.0 million cash funds spending authority in FY 2010-11, in addition to the appropriation in the Long Bill.

Veterinary School Program Needs

Description: This line represents the WICHE cash funds (currently 43 percent) and state funds (57 percent) 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 2009-10 appropriation includes \$122,600 from WICHE cash funds and \$162,400 from indirect cost recoveries that are offsetting the need for General Fund.

Request: The request is for a continuing level of funds.

Recommendation: **Staff recommends continuation level funding.** The JBC has a common policy for no inflationary increase for standard capital outlay and operating expenses.

Enrollment/Tuition and Stipend Contingency

Description: This line provides spending authority that CCHE can 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.

With the passage of S.B. 04-189, all of the higher education institutions have been designated as enterprises and so their revenue is exempt from TABOR. However, Section 23-5-129 (10), C.R.S., stipulates that while a state institution of higher education operates pursuant to a performance contract with CCHE (which is a condition of participation in the College Opportunity Fund program) the General Assembly, "retains the authority to approve tuition spending authority for the governing board of the institution." Thus, the line item remains relevant to tuition spending authority in the current funding environment.

The line item can also provide additional spending authority for stipends if an institution has more eligible students than assumed in the appropriation.

This line item represents spending authority only. There is no revenue behind it to support expenditures. If CCHE transfers the spending authority to a governing board, it increases the cap on how much revenue that school can raise, but the school has to be earning the revenue to take advantage of the increased spending authority.

The line item is accompanied by a footnote indicating that the spending authority may not be used to support tuition or fee increases.

Request: The Department requests continuation level funding.

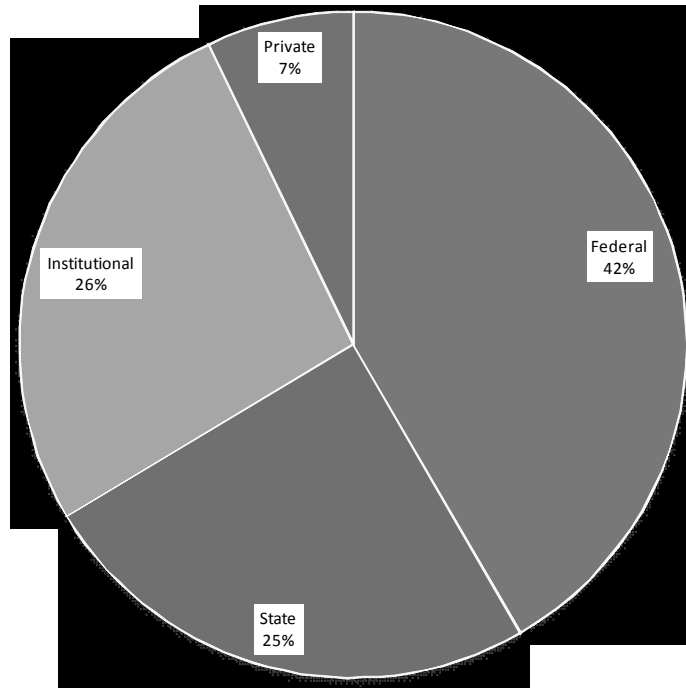
Recommendation: **Staff recommends continuation level funding.** Staff believes that dealing with the possibility that the forecasts of tuition revenue and stipend authorizations are too low would be better accomplished through a statutory change. This line item provides phantom spending authority in the Long Bill and artificially inflates the appropriation. There is also potential for abuse of this line item, because the purpose of the line, including the prohibition on using it to support tuition or fee increases, is described in a footnote that could be vetoed. However, unless and until legislation is introduced, the line item is required.

3) COLORADO COMMISSION ON HIGHER EDUCATION FINANCIAL AID

This section funds the CCHE-operated financial aid programs. There are also federally funded, institution-based, and private financial aid programs that do not appear in the Long Bill.

The pie chart below summarizes the grants available at public 4-year institutions from various sources in FY 2008-09 to provide a sense of the state contribution relative to other sources.

Sources of Grant Aid FY 2008-09
Resident, undergraduates, enrolled at least half time, public 4-year



Policies and capacity regarding institutional aid vary widely, but generally institutional aid is a much more significant factor at 4-year institutions than 2-year institutions. At two year institutions an average of 4.6 percent of grant aid for resident students attending at least part time comes from institutional sources (there are a few outliers, mostly those with local district revenue sources, where institutional aid is much more significant). State aid represents 27.5 percent and federal aid 64.8 percent of total aid at 2-year institutions.

Among 4-year schools, there are four institutions where institutional aid is less than 25 percent of total aid, and the total allocated to institutional aid is less than \$600 per resident student FTE: Metro, Mesa, Adams, and CSU-Pueblo. At CU Boulder and Colorado School of Mines institutional aid approaches 45 percent of total grant aid. According to the Department, most institutional aid is awarded on the basis of need, but approximately 67 percent is targeted to students above the Pell eligibility threshold. Institutional aid has grown significantly faster than other sources of grant aid. One of the provisions of the legislation implementing the College Opportunity Fund (COF) requires that institutions set aside 20 percent of any increase in undergraduate resident tuition revenue above inflation for need-based financial aid. This may have contributed to an increase in institutional aid. However, Colorado institutions are also mimicking national pricing trends, and some of the increase in institutional aid is to compensate for the lack of increases in federal and state grants.

The table below shows the number of students served and the average award for the three major state aid programs over time.

Year	Need Based Aid		Merit Aid		Work-study	
	Students	Ave. Award	Students	Ave. Award	Students	Ave. Award
2000	38,603	\$1,051	10,364	\$1,125	8,027	\$1,806
2001	30,617	\$1,439	11,653	\$1,228	8,439	\$1,743
2002	30,040	\$1,659	12,306	\$1,205	8,468	\$1,903
2003	30,842	\$1,756	10,552	\$1,410	8,887	\$1,974
2004	26,811	\$1,491	5,415	\$1,273	8,278	\$1,992
2005	25,508	\$1,476	5,363	\$1,205	7,875	\$1,995
2006	28,832	\$1,536	1,383	\$1,083	8,247	\$1,832
2007	32,504	\$1,605	1,211	\$1,188	7,629	\$2,071
2008	47,985	\$1,393	1,158	\$1,294	7,433	\$2,170
2009	51,768	\$1,354	1,127	\$1,325	8,360	\$2,160

In addition to grants, federally guaranteed loans are a significant form of financial aid to students, but their value is: a) providing access to loans that might not otherwise be available to young people with no income or credit history; and b) providing repayment terms that are in some cases below prevailing market conditions (this is especially true for loans where interest payments are subsidized while the student is in school). Measuring the value of federal loans to students requires analysis of the other available options and is a complicated process. In FY 2008-09 \$972.4 million in federal loans were provided in Colorado.

The Department provided data on the average debt load on federal student loans carried by students graduating with federal student loans:

Average Student Debt Loan at Graduation-Associates Degree						% Change since 2005
Institution	2005	2006	2007	2008	2009	
Adams State College	6,244	8,488	14,259	9,334	8,945	43.3%
Aims Community College	8,305	8,784	9,056	10,324	9,936	19.6%
Arapahoe Community College	9,149	9,955	11,806	11,587	12,984	41.9%
Colorado Mountain College	8,613	8,573	8,118	10,463	9,181	6.6%
Colorado Northwestern Community College	9,950	11,482	13,423	13,372	15,081	51.6%
Community College of Aurora	9,194	10,254	9,073	10,134	11,005	19.7%
Community College of Denver	9,385	11,260	10,462	10,877	12,051	28.4%
Front Range Community College	9,863	10,408	10,241	9,899	10,660	8.1%
Lamar Community College	6,194	7,582	6,333	9,704	11,538	86.3%
Mesa State College	8,651	9,681	11,481	11,181	13,232	53.0%
Morgan Community College	7,873	7,549	10,461	14,389	11,657	48.1%
Northeastern Junior College	5,135	6,077	6,480	6,919	9,179	78.8%
Otero Junior College	7,805	8,191	8,539	9,690	12,651	62.1%

Average Student Debt Loan at Graduation-Associates Degree						% Change since 2005
Institution	2005	2006	2007	2008	2009	
Pikes Peak Community College	8,241	7,847	8,821	8,925	10,554	28.1%
Pueblo Community College	10,538	10,984	11,539	11,818	12,847	21.9%
Red Rocks Community College	8,591	8,706	9,687	10,529	12,102	40.9%
Trinidad State Junior College	6,387	8,293	8,392	8,217	10,475	64.0%
LOANS INCLUDED: Federal Stafford Loans Unsubsidized; Federal Perkins Loan; Federal Stafford Loans Subsidized; Federal Health Profession Loans; Other Loans						

Average Student Debt Loan at Graduation-Baccalaureate Degree						% Change since 2005
Institution	2004	2006	2007	2008	2009	
Adams State College	15,646	16,699	17,832	18,634	20,013	27.9%
Colorado School of Mines	15,591	16,103	18,653	22,453	21,503	37.9%
Colorado State University	16,570	17,623	18,536	18,948	19,854	19.8%
Colorado State University - Pueblo	18,746	20,485	21,750	21,855	22,393	19.5%
Fort Lewis College	15,963	15,925	16,496	17,891	18,039	13.0%
Mesa State College	17,047	17,763	19,754	18,028	20,672	21.3%
Metropolitan State College of Denver	19,502	19,636	20,480	21,475	22,650	16.1%
University of Colorado - Boulder	19,607	18,105	18,887	21,642	19,961	1.8%
University of Colorado - Colorado Springs	17,793	16,525	18,379	18,168	19,487	9.5%
University of Colorado at Denver	21,719	21,552	23,945	23,327	24,224	11.5%
University of Northern Colorado	15,905	16,744	16,778	17,967	18,539	16.6%
Western State College	18,872	15,956	16,596	20,613	18,229	-3.4%
LOANS INCLUDED: Federal Stafford Loans Unsubsidized; Federal Perkins Loan; Federal Stafford Loans Subsidized; Federal Health Profession Loans; Other Loans						

These tables do not include information on private loans used to finance higher education, such as 2nd mortgages, 401k borrowing, and credit cards. The College Board estimates that nationally private loans account for 22 percent of higher education loan volume.

Another significant source of financial aid is federal tax credits and tuition and fee deductions. The Department did not report Colorado-specific data, and the data is from 2007, but nationally approximately 60 percent of the benefit from tax credits went to people making more than \$50,000, with a typical benefit of a little more than \$1,000. Sixty percent of the tuition and fee deductions went to people making more than \$100,000 with a typical benefit of \$615. Recent changes to the tax credits made them partially refundable, which will increase the benefit to people with little or no income tax liability, and changed caps on who can claim the credits. In 2009 the Hope credit, for first and second year undergraduates, is available to joint filers making less than \$180,000 and the Lifetime Learning credit, for any student, is available to joint filers making less than \$120,000.

Per statute, the annual percentage increase in appropriations for financial assistance must be at least as great as the aggregate annual percentage increase in General Fund appropriations for the institutions of higher education.


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**PROPOSED LEGISLATION:**

*Request:* On February 18, 2010 the Governor submitted a request for legislation to transfer \$29.8 million from the CollegeInvest Early Achievers Scholarship Trust Fund to the General Fund, and refinance \$15.4 million General Fund for Need Based Grants with cash funds from the same Early Achievers Scholarship Trust Fund, for a total of \$45.2 million toward addressing the General Fund shortfall.

Senate Bill 05-003 (Tapia/Hall) authorized CollegeInvest to operate a scholarship program to promote a precollegiate curriculum. CollegeInvest contributed approximately \$50 million to set up the Trust Fund. CollegeInvest accumulated the money during unusually favorable market conditions and federal rules for the guaranteed loan program. If not used for the Trust Fund, the money would otherwise have been used to make more loans, or reduce interest rates and fees on existing loans. After the initial seed money, another \$25 million was deposited in the Trust Fund from the sale of student loan servicing activities within College Assist to Nelnet.

Students apply for the scholarship in 7th, 8th, or 9th grade and commit to doing well in high school and attending college. There are currently 400 students receiving the scholarship, with an estimated 625 additional eligible students in FY 2010-11 and another 625 in FY 2011-12. The FY 2010-11 scholarship amount is \$1,000 per student. The Governor proposes that the FY 2011-12 cohort would be the last one funded. So, students who applied for the scholarship who are now between 7th and 10th grades would not receive the scholarship on graduation.

In FY 2009-10 the General Assembly transferred \$15 million from the Trust Fund to the General Fund. After that transfer, market gains and loses, and program expenses, the current market value of the fund is estimated at \$60.9 million. The Governor proposes holding back \$15.7 million to cover the student cohorts through the one beginning in FY 2011-12 for the four-year period of their eligibility, administrative expenses, and a 10 percent contingency for market fluctuations. The remaining \$45.2 million would be used to address the General Fund shortfall.

Not all of the money can be transferred to the General Fund. Federal rules require that the \$25 million deposited in the Trust Fund from the sale of student loan servicing activities must be used for financial aid. OSPB estimates that \$9.6 million of the \$25 million can be spent on the remaining cohorts of students, but the remaining \$15.4 million must be appropriated for financial aid. Thus, the request includes a one-time refinance of General Fund for Need Based Grants with cash funds from the Early Achievers Scholarship Fund. There are no strings attached to the \$50 million deposited from CollegeInvest's earnings, and so OSPB proposes a simple transfer to the General Fund for money from that source.

*Recommendation:* **Staff recommends the Committee sponsor the proposed legislation.** The impacted students will still be eligible for federal Pell grants, federal loans, and state financial aid. The proposed transfer is from money intended for students who would begin college in FY 2012-13. It's possible that state financial aid appropriations could increase by then to assist this population.

**In addition, staff recommends that the legislation include a one-year exception to the financial aid maintenance of effort requirement in Section 23-3.3-104, C.R.S.** This statute requires that the annual percentage increase in appropriations for financial assistance must be at least as great as the aggregate annual percentage increase in General Fund appropriations for the institutions of higher education. After the one-time refinancing of General Fund for the higher education institutions with federal funds in FY 2009-10, General Fund appropriations for the higher education institutions must increase by 71.4 percent to comply with ARRA. The letter of Section 23-3.3-104, C.R.S. would say financial aid appropriations must also increase by 71.4 percent, or \$75.6 million. However, the combined state and ARRA funds for the higher education institutions are decreasing, and so staff believes maintaining, or even reducing, appropriations for financial aid would not violate the spirit of Section 23-3.3-104, C.R.S. Because Section 23-3.3-104 C.R.S. is so specific in referring to General Fund appropriations for the higher education institutions, it must be changed to avoid the need for a \$75.6 million increase in appropriations for financial aid.

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

*Description:* This line 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. In FY 2009-10 the total includes \$25,412 reappropriated funds that offset the need for General Fund.

*Request:* In total the Department requests continuation funding. The request assumes the indirect previously applied to this line item will instead be used on the Administration line item for the cost of restoring the one-time furlough adjustment, and so more General Fund is needed for this line item. In addition, the Governor proposes legislation for a one-time refinance of \$15.4 million of the line item with cash funds from the CollegeInvest Early Achievers Scholarship Trust Fund as described above. CCHE has not considered the proposed refinancing.

*Recommendation:* **Staff recommends the Governor's request.** Please note that the proposed refinance requires legislation. The Long Bill would include all General Fund for the line item based on current law, and the refinance would occur in the appropriations clause of the proposed bill, if the JBC decides to carry it.

#### **B) Merit Based Grants**

*Description:* 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 did not request funding.

*Recommendation:* **Staff recommends no funding.** The program was eliminated in FY 2009-10.

### **C) Work Study**

*Description:* 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 Governor requests transferring \$1,103,094 General Fund from this line item for increased costs of Native American tuition waivers at Fort Lewis College identified after CCHE approved it's budget request. CCHE has not considered the additional costs of the Native American tuition waivers and how to pay for them.

*Staff Recommendation:* **Staff recommends continuation funding.** Staff doesn't see a policy connection between the Native American tuition waivers and work study grants. Staff recommends making up the additional cost of the Native American tuition waivers from budget reductions statewide, rather than confining the options to other financial aid programs within the Department of Higher Education.

A minimum of 75 percent of work study funds must be used for need based students. The Governor's request and the staff recommendation already include a significant reduction in need based grants from the CollegeInvest Early Achievers Scholarship Fund and this proposed reduction compounds the impact on low-income students.

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, but the regulated hours and locations ensure that employment doesn't interfere with study. Based on the performance reported by the Department and the broad population served by the program, staff recommends that the JBC attempt to maintain current funding levels.

### **D) Special Purpose**

#### Precollegiate Programs

*Description:* Prior to FY 2009-10 this program provided supplemental grants of up to \$1,000 for low-income students who also qualified for a federal Academic Competitiveness Grant, with priority given to students who participated in a CCHE-approved precollegiate program. Funding was eliminated in FY 2009-10 to address the budget shortfall.

*Request:* The Department did not request funding.

*Recommendation:* **Staff recommends no funding.**

### Required Federal Match

*Description:* This line provides the federally required state match for the Perkins Student Loan Program, the Colorado Leveraging Education Assistance Partnership, and the Student Leveraging Education Assistance Partnership grant. These programs help very low-income students. Most of the federal funds drawn down through this match go directly to the students or institutions, and so do not appear in the Long Bill, but a small portion flow through the Department.

*Request:* The Department requested continuation funding based on the federal matching requirements.

*Recommendation:* **Staff recommends the requested amount based on federal matching requirements.**

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

*Description:* This line 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. By statute 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.

*Request:* The Department requested continuation level funding.

*Recommendation:* **Staff recommends continuation level funding.**

### National Guard Tuition Assistance

*Description:* House Bill 04-1347 required that the first priority of any funds appropriated for financial aid in the Department of Higher Education be providing tuition assistance to national guard members, up to \$650,000. This put the National Guard Tuition Assistance on the same footing with the Veterans'/Law Enforcement/POW Tuition Assistance. H.B. 09-1290 increased the cap to \$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 requested continuation funding.

*Recommendation:* **Staff recommends the requested continuation level funding.** Demand for the program currently exceeds the \$800,000 cap. 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. The JBC could appropriate General Fund directly to the Department of Military Affairs for this purpose without a change in statute.

Native American Students/Fort Lewis College

*Description:* To comply with a federal treaty and the contract that granted the Fort Lewis property to the state, 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 Governor requested an increase of \$1,103,094 General Fund, based on estimated waivers in the current fiscal year. CCHE did not consider the increased cost of the waivers in the request.

*Recommendation:* **Staff recommends the Governor's request.** The state's obligation to waive tuition for Native Americans has been challenged and upheld in court. The state subsidy of Native American tuition represents approximately 35 percent of all the tuition collected by Fort Lewis. Nonresident tuition from Native Americans is over 50 percent of all nonresident tuition collected by Fort Lewis. When the General Assembly approves tuition increases for Fort Lewis, a portion of that increase becomes a General Fund obligation in the following year for tuition waivers granted to Native Americans.

Nursing Teacher Loan Forgiveness Pilot Program

*Description:* This program, created by S.B. 06-136 (Tapia/Butcher), allows payments of up to \$20,000 for all or part of the principal and interest on a loan for persons who teach courses in nursing at a state institution of higher education for at least 5 consecutive academic years after receipt of an advanced nursing degree. Each year that the teacher is employed in a qualified position, the lesser of one-fifth or \$4,000 shall be paid or forgiven.

*Request:* The Department requested continuation level funding.

*Recommendation:* **Staff recommends continuation funding.**

GEAR-UP

*Description:* The federal GEAR-UP scholarships are a type of precollegiate program.

*Request:* The Department requested continuation level funding based on anticipated federal funds.

*Recommendation:* **Staff recommends continuation level funding based on anticipated federal funds.**

Teach Colorado Grant

*Description:* This program, authorized by S.B. 08-133 (Schaffer, Kerr A.), provides scholarships to reduce financial barriers to the teaching profession for students in state institution teacher preparation programs who excel academically in high-need content areas.

*Request:* The Department requested continuation level funding.

*Recommendation:* **Staff recommends eliminating funding.** It is not clear to staff that students would make the decision to teach based on the availability of this grant. Funding for other grant programs, such as Work Study, also reduce financial barriers to the teaching profession. Similarly, funding for the State's Share of Per Pupil Funding in the Department of Education impacts the financial barriers to the teaching profession. Staff believes these broader based programs should have a higher priority than this narrowly targeted grant program. Eliminating this program is consistent with the General Assembly's decision to eliminate other merit based funding last year. Institutions apply for a grant from the Department to award these scholarships and could choose to continue awarding the scholarships with institutional aid if the institutions find the scholarships are effective.

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#### 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. Following are some key statutes related to the College Opportunity Fund Program:

##### 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 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 or Regis) 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.

The staff recommendations for stipends for students attending state-operated institutions, and for fee-for-service contracts, are discussed in the Governing Boards section.

#### Stipends for students attending participating private institutions

*Description:* As noted above, 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 \$830,940, based on an estimated 893 eligible student FTE at a rate of \$930 for a full-time student.

*Recommendation:* **Staff recommends the requested amount.** Legislative Council Staff does not forecast the eligible student FTE at private institutions, and so the only source for a population projection is the Department's request. The requested rate is consistent with the rate recommended by staff below for students attending state-operated institutions.

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## (5) GOVERNING BOARDS

*Description:* 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.

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**FY 2009-10 Enrollment Adjustment:**

*Request:* The Office of State Planning and Budgeting sent a letter February 19, 2010 requesting that in adjusting for enrollment based on the Legislative Council Staff projection the Joint Budget Committee maintain the same net funds from stipends and fee-for-service contracts for each governing board as in the Governor's request for both FY 2009-10 and FY 2010-11.

*Recommendation:* The Legislative Council Staff enrollment projection indicates a net increase in the stipend-eligible population for FY 2009-10 of 6,876 student FTE over the appropriated level. At the FY 2009-10 stipend rate of \$1,380 per SFTE, funding the net increase would cost \$9,076,320 General Fund. Consistent with the Governor's February 19, 2010 letter, **staff recommends increasing the stipend appropriation and decreasing the fee-for-service contract appropriation to maintain the same net funds for each governing board.** This approach is also consistent with the General Assembly's practice the last few years.

Over the summer the Department issued a report to comply with the five-year statutory evaluation of the College Opportunity Fund program. The Department commissioned the Western Interstate Commission on Higher Education to prepare the report. This report found that the practice of adjusting stipends and fee-for-service contracts to maintain the same level of funding for each governing board undermined some of the stated purposes of the College Opportunity Fund program, including the purpose of increasing market incentives for enrollment.

However, staff would note that the FY 2009-10 appropriation was not based on independent analysis of the amounts needed for stipends and fee-for-service contracts. Instead, it was based on targeted net amounts from combined stipends and fee-for-service contracts. Had the forecast used for the appropriation been more accurate in predicting the stipend-eligible population, the General Assembly would have adjusted the stipends and fee-for-service contracts in the appropriation. To provide increases and decreases in stipends now without adjusting the fee-for-service contracts could be arbitrary based on how close the forecast was to the actual mark, rather than rewarding the initiative of institutions that brought in more students and penalizing those that didn't. To make the stipends work as an incentive for enrollment, the General Assembly would need to determine a basis for the fee-for-service contracts that is independent of the stipends.

Also, the General Assembly would need to state this policy at the beginning of a fiscal year, so that governing boards could react to the policy. For FY 2009-10 governing boards are operating under the assumption that stipends and fee-for-service contracts will be adjusted for enrollment to net to the same amount. Staff suspects that institutions still pursue enrollment because of the tuition benefits, and because it is part of their mission, but it is possible that some institutions don't pursue it as vigorously because they assume the stipend revenue increases will be offset by fee-for-service decreases. At the other end of the spectrum, there may be institutions that aren't cutting expenses



as deeply as they should with declining enrollment, because they assume that fee-for-service contract dollars will be increase to compensate for the loss in stipends. To change the General Assembly's historic practice mid-fiscal-year could be unfair to institutions operating under different assumptions.

From a pragmatic perspective, setting fee-for-service contract amounts independent of stipends would be a challenging task at best, because the stipends pay for a varying amount of the actual cost of undergraduate education at each institution. For some institutions, the stipend more than covers the cost of undergraduate education, and the remainder can be used to subsidize graduate education, or rural education, or any of the other fee-for-service purposes. At other institutions, the stipend covers only a fraction of the cost of undergraduate education. Accounting for tuition complicates the formula even further.

For these reasons, the staff recommendation is to continue the General Assembly's prior practice of adjusting stipends for enrollment and then adjusting fee-for-service contracts to net to the same total appropriation. This is beneficial this year, because the mid-year projection calls for an increase in stipends and the state doesn't have General Fund to pay for that increase unless it takes the money out of the fee-for-service contracts. If the General Assembly changed the way it deals with stipends, there could be years where then mid-year projection would show a net decrease in stipend expenditures that would benefit the General Fund.

In addition to adjusting stipends to match the projection and adjusting fee-for-service contracts to net to the same total funds for each governing board, **staff recommends updating the tuition appropriations to match the projections.** The tuition footnote last year indicated that spending authority for increases in graduate and nonresident rates would be provided through a supplemental appropriation. The increases in the projected tuition revenue are primarily attributable to increases in graduate and nonresident rates, along with enrollment adjustments. There is a \$20 million contingency line in the Department Administration division, discussed earlier, that is intended to address variations in actual tuition revenue, but the LCS forecast suggests that the variation from the appropriation will be \$44.6 million. Also, adjusting the FY 2009-10 base tuition appropriation to match the projection will make it easier for the JBC to explain proposed changes in tuition policy proposed for FY 2010-11. The recommended changes in tuition spending authority by governing board can be found n the appendix at the end of this document.

Finally, **staff recommends the following adjustments to FY 2009-10 fee spending authority:**

|                    |             |
|--------------------|-------------|
| Mesa               | \$86,069    |
| CU                 | \$1,227,734 |
| UNC                | \$341,617   |
| Community Colleges | \$2,051,231 |

According to the institutions, these increases in fee revenue are primarily attributable to unexpected enrollment growth. Portions of the increases for Mesa, UNC, and the Community Colleges are

attributable to inflationary increases and new courses fees. The institutions did not submit an official request for spending authority for these fees, or any explanation for why these fees were implemented without legislative authorization. However, the JBC approved similar "true up" supplemental adjustments for other institutions. Staff does not know why these institutions didn't submit supplemental requests like the other institutions. Staff hopes this is the last of the fee adjustments and that making this supplemental change will provide a good base for whatever inflationary increases or other policy adjustments the JBC decides to approve for FY 2010-11

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FY 2010-11:

Request: For FY 2010-11 the Governor proposes:

- ▶ **General Fund:** The Department proposes a net increase of \$231.3 million for the higher education institutions to comply with federal maintenance of effort requirements contained in the American Recovery and Reinvestment Act (ARRA). The higher education institutions include Local District Junior Colleges and Area Vocational Schools, which are appropriated direct grants rather than stipends and fee-for-service contracts, and are administratively located in different divisions from the Governing Boards. The amount of the total just for stipends and fee-for-service contracts for governing boards is \$211.3 million.

The Governor proposes these funds be allocated to the governing boards so that each receives the same combined stipends and fee-for-service contracts as in FY 2005-06. ARRA requires states to maintain support for higher education at least at FY 2005-06 levels, and so this allocation is consistent with the ARRA maintenance of effort requirement. However, ARRA applies to higher education appropriations in aggregate. The General Assembly could choose to change the allocation by institution and still meet the ARRA maintenance of effort requirement.

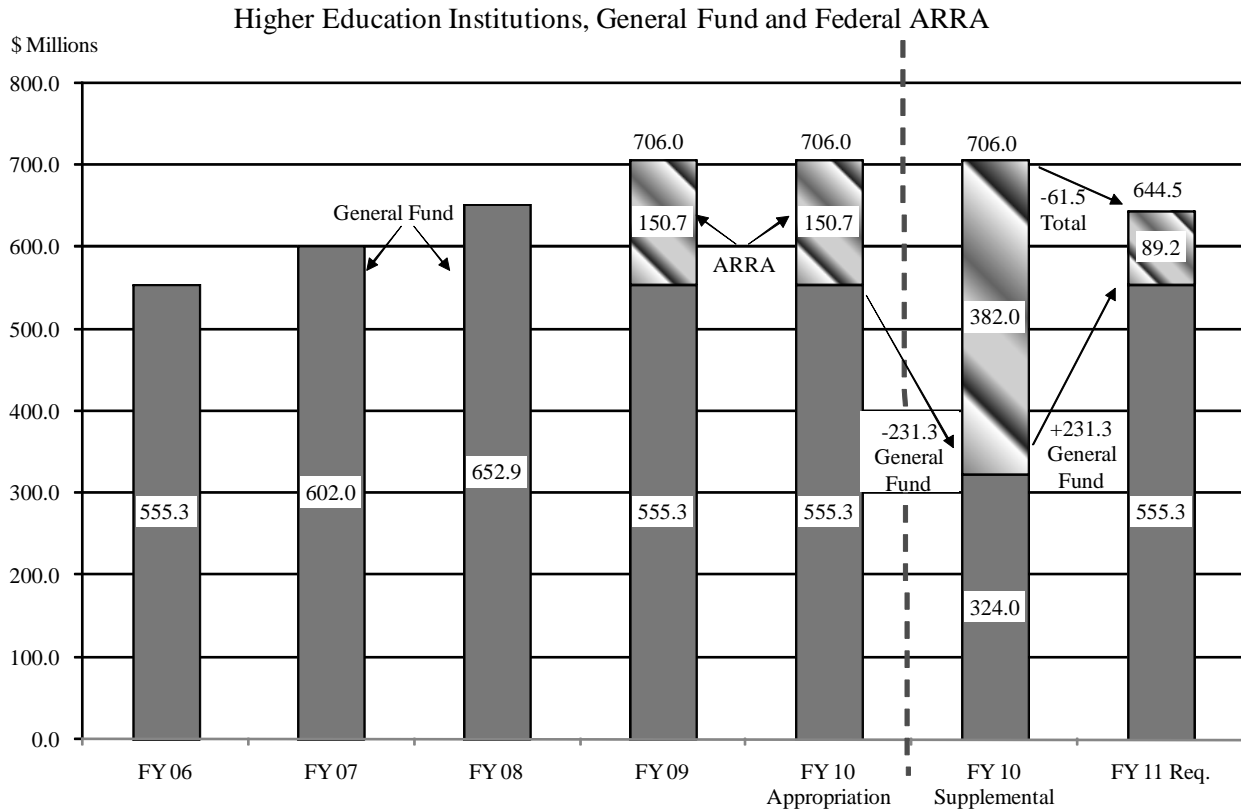
CCHE's request for General Fund is consistent with the Governor's request.

- ▶ **Federal Funds:** The Governor proposes a net reduction of \$292.8 million federal ARRA funds for the higher education institutions. The reduction for the governing boards is \$282.1 million. This reflects the use of the majority of the ARRA funds in FY 2009-10 and the remainder available for expenditure in FY 2010-11. The net impact of the General Fund increase and the ARRA funds decrease is a reduction of \$61.5 million for the higher education institutions (\$59.3 million for the governing boards). The Governor proposes that the reduction in federal funds be applied in the reverse order of General Fund increases since FY 2005-06. This, too, would be consistent with the provisions of ARRA, but not strictly necessary to comply with ARRA.

CCHE's request for federal funds did not anticipate all of the federal funds the Governor proposed and the JBC approved using in FY 2009-10. CCHE's request allocated a smaller reduction in federal funds consistent with the Governor's request, but CCHE has not

considered how to allocate the larger reduction of federal funds necessitated by the Governor's and JBC's actions regarding the FY 2009-10 budget.

The table below summarizes the increase in General Fund and decrease in federal funds.



- ▶ **Tuition:** The Governor proposes limiting resident undergraduate tuition rate increases to 9.0 percent or less for all governing boards. Resident graduate tuition rates are assumed to increase 9.0 percent in the request and nonresident rates are assumed to increase 5.0 percent, but the Governor proposes granting flexibility for governing boards to set these rates according to the market, except at Fort Lewis. For Fort Lewis, the Governor proposes no increase in nonresident tuition, because over 50 percent of Fort Lewis' nonresident tuition comes from Native American students and the state will have to pay, in the next fiscal year, for tuition waivers granted to these students.

The CCHE request for tuition is consistent with the Governor's request, except that CCHE didn't propose capping nonresident tuition at Fort Lewis. The CCHE request looks lower than the Governor's request, because CCHE didn't account for changes to the Fort Lewis tuition base approved as part of the supplemental.

- ▶ **Allocation of funding between stipends and fee-for-service contracts:** The Governor proposes increasing the stipend rate from \$1,320 to \$1,860. This is still below the original FY 2009-10 rate of \$2,040 and the FY 2005-06 (the base year for everything else in the Governor's request) rate of \$2,400. The FY 2010-11 proposed stipend rate is based on the August iteration of a proposed stipend rate for FY 2009-10 that would preserve sufficient fee-for-service contract dollars for Metro to continue participating in the higher education intercept program. The intercept program allows higher education institutions to piggy-back on the state's bond rating by guaranteeing investors that the State Treasurer will intercept fee-for-service contracts if necessary to make bond payments.

Recommendation: Staff recommends the following:

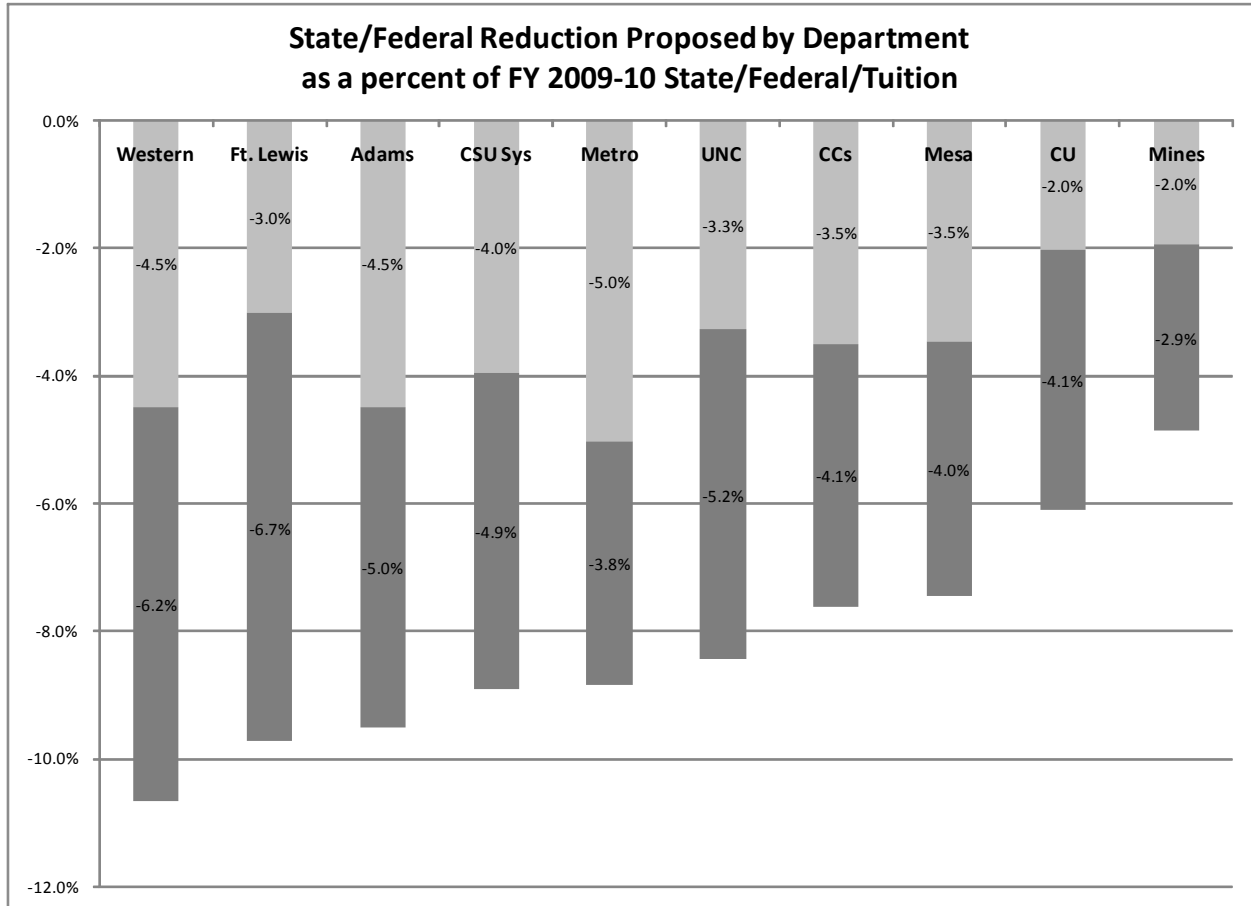
1. **Staff agrees with the total General Fund requested by the Governor as necessary to meet the federal maintenance of effort requirement of ARRA, but staff has concerns about the allocation of both the General Fund increase and federal funds decrease by institution.** The proposed General Fund and federal funds are based on FY 2005-06 appropriations and peeling back increases since those appropriations. Staff sees two potential benefits to this approach. First, it is possible that the most recently appropriated funds have the least entrenched uses and constituencies, and so an allocation policy that the last dollars in should be the first dollars out may cause the least pain to long-standing, established programs. Second, the allocation formula is supported by the Governor and consistent with the ARRA maintenance of effort requirement, and so if the JBC adopted this plan it would be hard to argue that JBC members were acting out of parochial interests. This may be an important consideration, as no allocation plan will please everyone.

However, the choice of FY 2005-06, while consistent with the ARRA maintenance of effort requirement, results in some governing boards experiencing greater percentage cuts relative to others than if FY 2006-07 or FY 2004-05 had been chosen as the baseline year. These differences by governing board appear arbitrary, rather than based on definable policy objectives.

Furthermore, between FY 2005-06 and the present the General Assembly's allocation of higher education funding by institution was based at least in part on bringing institutions closer to their peers using the NCHEMS peer gap analysis. The legislature intentionally provided some institutions with a greater percentage of fund increases, because the institutions were perceived as suffering competitively relative to peers. Simply peeling back increases since FY 2005-06 erodes any progress the legislature made in addressing peer gaps.

Finally, the allocation doesn't take into account the different capacities of the institutions to raise money from tuition. The table below summarizes the proposed FY 2010-11 and FY 2011-12 reductions in state and federal ARRA funds (assuming General Fund remains the same in FY 2011-12 as in FY 2010-11) as a percentage of FY 2009-10 General Fund, federal ARRA funds, and tuition for each governing board. General Fund, federal ARRA funds, and

tuition are the primary sources of revenue each institution has to work with to pay professor salaries and other expenses associated with the academic program of the institution.



The differences by institution are attributable to a combination of who received the largest General Fund increases between FY 2005-06 and the present (and thus the largest decreases in the Governor's proposal) and the different tuition bases for each institution relative to the size of the proposed state and federal funds decrease. Based on this chart, Western would need to reduce academic expenses 10.7 percent over two years, while Mines would need to reduce expenses only 4.9 percent. Alternatively, Western and Mines could increase tuition revenue to offset the decrease in state and federal funds. Using the Legislative Council Staff February tuition forecast, and assuming no enrollment growth in FY 2011-12, Western would need to increase tuition almost 25 percent while Mines would need to increase tuition only 6.3 percent over the two year period to fully offset the lost state and federal funds.

2. **Instead of the Governor's plan, staff recommends a reduction for each governing board in proportion to FY 2009-10 General Fund, federal ARRA funds, and tuition.** The principal behind the staff recommendation is that no institution should have to make a bigger

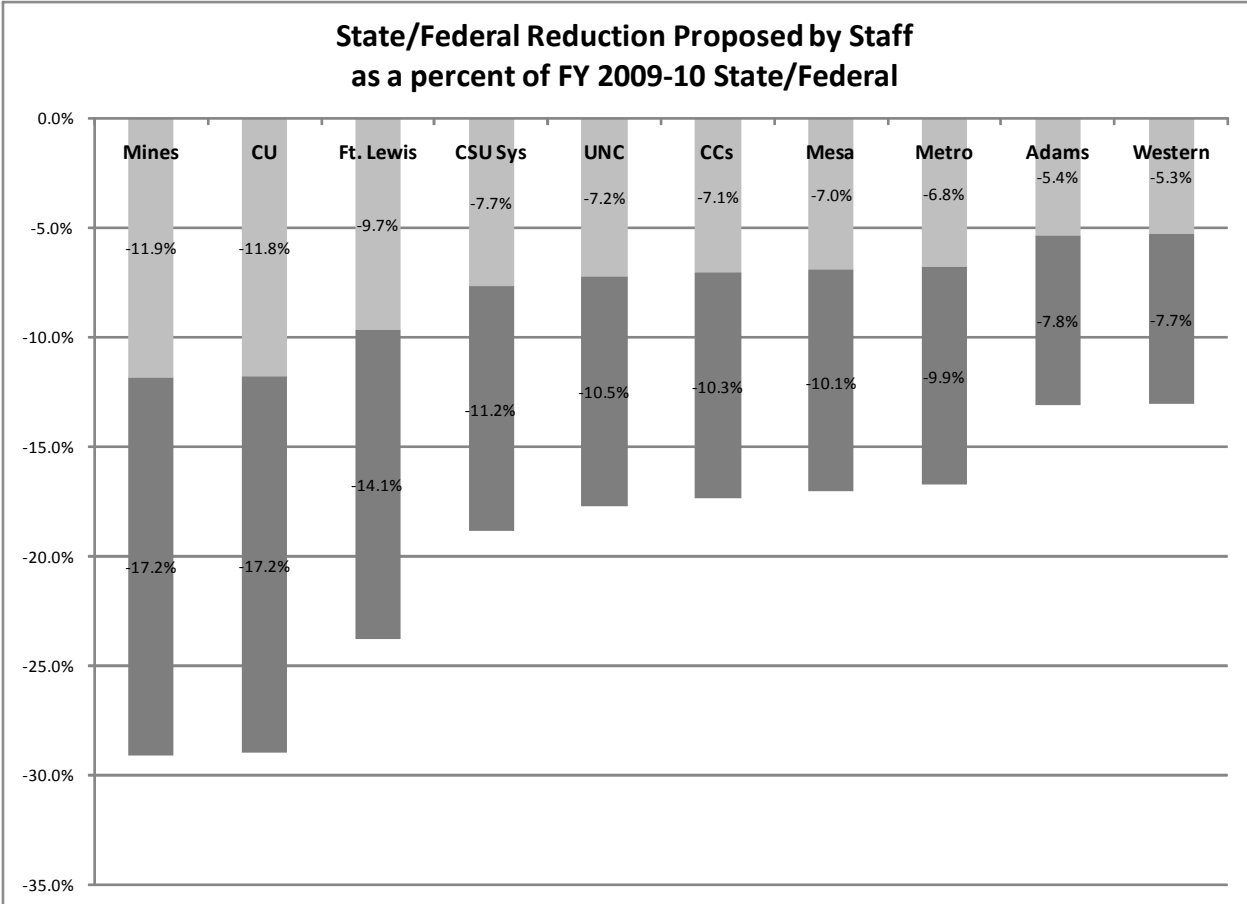
percentage reduction in academic operating expenditures to absorb the decreases than another. The recommendation by governing board can be seen in the appendix at the end of this document.

The staff model could be improved if it took into account proposed tuition increases for FY 2010-11 and assumptions about tuition increases for FY 2011-12, but staff models accounting for proposed tuition increases have not been supported by the JBC in the past. In this model institutions with high tuition bases relative to state and federal funds will recover more quickly from the state and federal reductions than other institutions, if all institutions increase tuition rates by the same percentages. This undermines the staff objective that no institution should have to make a bigger percentage reduction in academic operating expenditures than another, but staff believes the model outcome is still a step closer to this objective than the Governor's request.

The model could also be changed to take into account academic fees, but staff is concerned that the data from institutions about academic fees may still be inconsistent. Also, portions of the academic fees at most institutions are dedicated to capital construction bond payments, rather than operating expenses.

The model intentionally does not take into account tobacco funds for the Health Sciences Center, limited gaming funds for the 2-year institutions, and appropriated grants from severance tax funds. These amounts are intended to supplement, rather than supplant, state funds, and so including them in the formula might run counter to the statutory purpose.

Compared to the Governor's request, the staff model provides every institution with more General Fund except CU and Mines. The differences for CU and Mines are significant, and will no doubt be pointed out to the JBC, and used to argue against adopting the staff model. To make it easier for those who want to defeat the staff model, staff prepared a variation of the chart showing state and federal fund reductions as a percentage of total funds in the Governor's request. If staff prepared exactly the same chart for the staff recommendation, it would show every institution with a 3.0 percent reduction in year one and a 4.4 percent reduction in year two (a chart of all equal sized bars). Instead, this variation changes the denominator to show the staff recommended state and federal funds as a percentage of FY 2009-10 state and federal funds, and clearly indicates Mines and CU would experience the largest percentage reductions in state and federal support



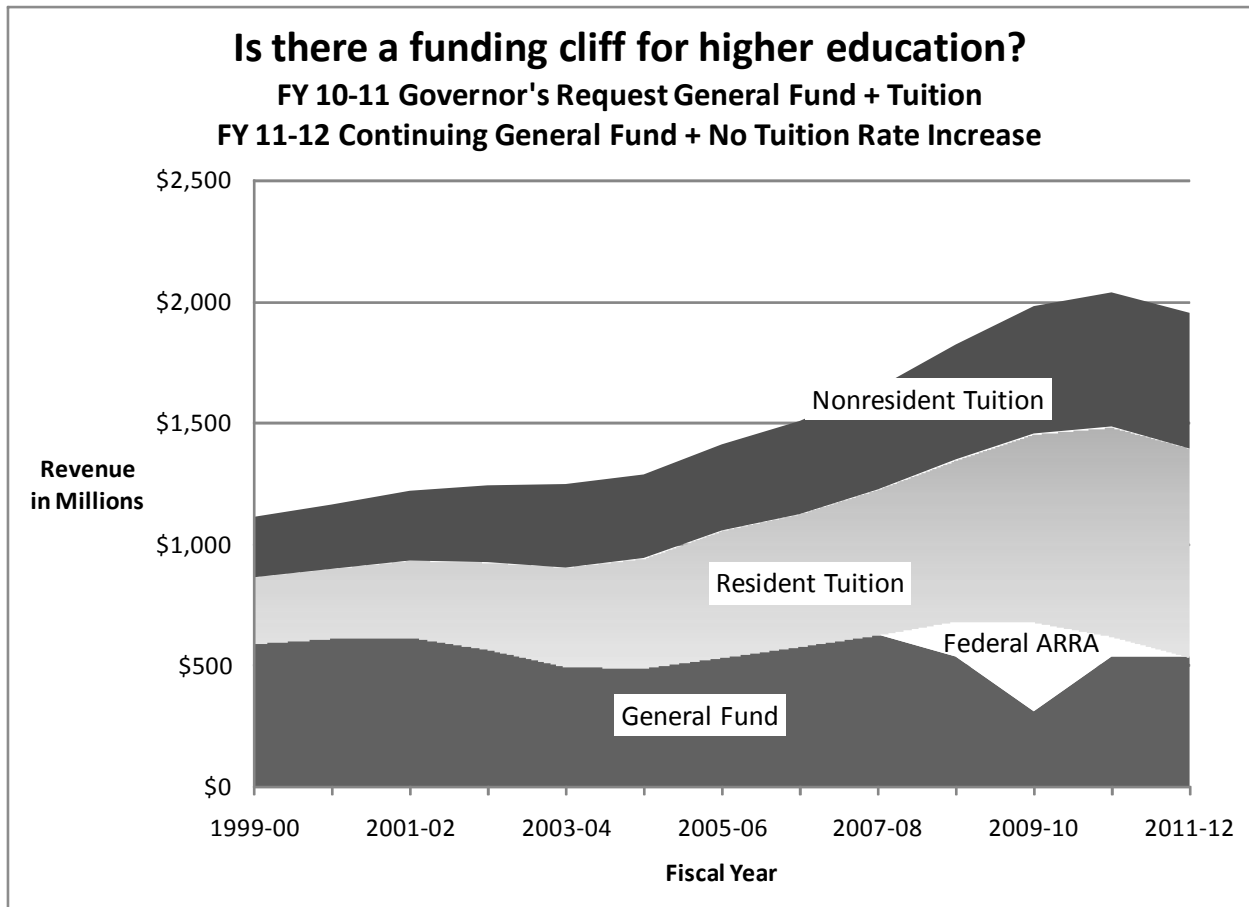
Staff argues that it is appropriate and reasonable for Mines and CU to have larger decreases in state and federal funds, because those institutions have larger tuition bases that can be used to make up the difference. In the staff model, Mines and CU still come out ahead in combined state, federal, and tuition dollars after applying the 9.0 percent increases proposed by the Governor, with Mines getting a 5.6 percent boost in total funding and CU a 4.1 percent boost. These increases are more than any other institution.

There are anomalies in the staff model, but staff does not view the reductions for Mines and CU as disturbing or unexpected given the objective of the model. Anomalies that do give staff pause include Fort Lewis taking such a large reduction relative to other 4-year institutions, because it has such a large amount of nonresident tuition revenue. Is Fort Lewis' proportion of tuition funds artificially inflated because of the Native American tuition waivers? Another governing board where the reduction looks odd is CSU, where the reduction is so much less than for Mines and CU. Part of that is attributable to including CSU-Pueblo in the total for CSU, but part of it is also attributable to CSU's tuition being \$1,624 lower than CU's, or 75 percent of CU's tuition. Should CSU's tuition be that much smaller than CU's? Finally, in the staff model the Community Colleges would have larger

percentage reductions in state and federal funds than Adams and Western. This is because, based on the Legislative Council Staff revenue forecast, in FY 2009-10 Adams and Western will get almost 57 percent of total operating funds (state/federal/tuition) from state and federal sources, while the Community Colleges will get under 43 percent. Are those appropriate percentages?

Staff doesn't have answers to these questions, except to say that they are historic artifacts of the way funding has been distributed in prior years. Hopefully the strategic plan the Department is undertaking will address some of these issues and realign funding. Until then, staff recommends spreading reductions so that any hardship associated with managing to the lower state and federal funds is distributed as equitably as possible.

As discussed during the staff briefing, the cost benefit analysis of proportional reductions versus systematic change, such as privatizing or closing institutions, may change based on the size of the reduction. The following table may help the Committee think about whether the reduction in state and federal funding is a cliff, a hill, a bump, a pothole, or nothing at all. The table assumes the Governor's request for tuition, and shows state and tuition funds remaining constant in FY 2011-12 with only a federal funds reduction. Resident and nonresident tuition would need to increase 5.5 percent in FY 2010-11 to completely backfill the lost state and federal funds. Of course, if the General Assembly needs to reduce General Fund for higher education in FY 2011-12 to balance the budget, this chart could change dramatically. Also, this chart looks at funding for the governing boards in aggregate. Individual institutions could experience more or less of a cliff, depending on the way funding is allocated. Finally, the chart is not adjusted for enrollment or inflation.

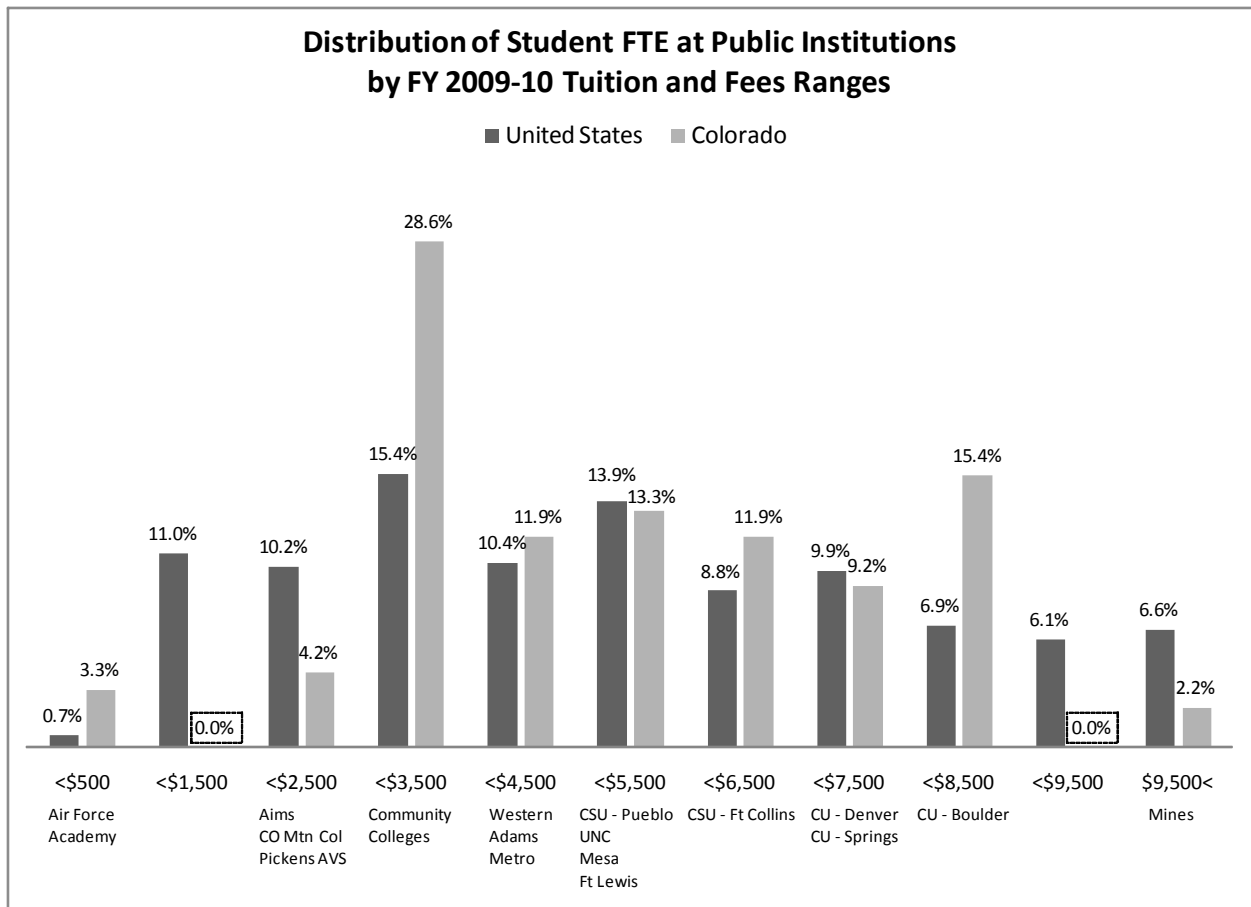


3. **For the portion of state funds from stipends and fee-for-service contracts, staff recommends the Governor's requested stipend rate of \$1,860 and the remainder from fee-for-service contracts.** Without guidance from the Department, staff has no basis for setting the stipend and fee-for-service amounts independent of each other. The staff allocation targets a combined stipend and fee-for-service amount for each institution. In the staff allocation model, staff treated the Governor's stipend rate as a fixed variable, added the Legislative Council Staff enrollment forecast, and then let the fee-for-service contract fill in the difference between the targeted total funds for each institution and the projected stipend revenue. The calculation of stipends and fee-for-service contracts for each governing board can be seen in the appendix at the end of this document.

4. **With regard to resident undergraduate tuition, staff recommends the requested cap of 9.0 percent.** Section 23-5-129 (10), C.R.S. indicates that the General Assembly retains the authority to approve tuition spending authority for the governing boards, and Section 23-18-202 (3) (b), C.R.S. requires the General Assembly to put in a footnote the tuition increases used to derive the total cash spending authority.

As illustrated in the table above, the Governor's requested tuition rate increases would result in a modest net increase in funds for the higher education institutions in FY 2008-09, after considering the loss of federal ARRA moneys. Given the JBC's expectations for other Departments, including the 2.5 PERA reduction, it doesn't appear that the tuition rates requested by the Governor are too small to address the operating needs of the higher education institutions. A case could be made that the tuition rate increases are too high, given the overall economic climate impacting students and families. However, staff would not recommend reducing the FY 2010-11 rate caps below the Governor's request, because significant additional tuition increases may be needed in FY 2011-12.

The table below compares the distribution of student FTE nationwide with Colorado by different tuition and fee ranges.



In the middle tuition ranges, Colorado's distribution looks fairly similar to the nation, but at the low end of the spectrum Colorado doesn't offer very many options under \$2,500 and at the high end of the spectrum Colorado doesn't have a comprehensive institution over \$8,500. This chart makes staff wonder if Colorado should offer a higher cost state-operated institution option. State operated institutions serve two sometimes contradictory missions

of providing access and quality. If there are insufficient resources to achieve both goals, and a school like CU Boulder failed to provide access for low income students, those low income students would have other options in the state. On the other hand, if the state's flagship institution, presumably the most academically rigorous, failed to provide quality, then the next option for students would be a private or out-of-state institution. The increase in tuition from CU Boulder to a private comprehensive school, or an out-of-state school, can be dramatic, especially for non-technical disciplines. The table below summarizes tuition and fees at private institutions in Colorado offering two- and four-year degrees.

Institution	Resident Tuition & Fees 09-10	Undergraduate Student FTE 08-09
Colorado College	37,478	2,162
University of Denver	35,481	5,220
Regis University	29,700	3,942
Platt College	27,300	223
Rocky Mountain College of Art and Design	24,840	541
The Art Institute of Colorado	24,596	2,201
Naropa University	23,520	415
Johnson & Wales University-Denver	23,490	1,512
Colorado Christian University	21,200	1,999
College America-Fort Collins	19,400	116
College America-Denver	19,220	637
Argosy University-Denver	18,732	62
ITT Technical Institute-Thornton	17,148	688
College America-Colorado Springs	15,180	233
Boulder College of Massage Therapy	14,960	151
DeVry University-Colorado	14,592	1,033
Westwood College-Denver North	13,958	666
Westwood College-Denver South	13,958	320
Remington College-Colorado Springs Campus	13,950	249
Everest College-Thornton	13,685	1,056
Everest College-Aurora	13,353	694
Everest College-Colorado Springs	12,600	555
Colorado School of Healing Arts	11,971	150
Jones International University	11,920	487
Teikyo Loretto Heights University	11,800	44
National American University-Colorado Springs	11,755	252
National American University-Denver	11,755	238
Colorado Technical University Online	11,660	17,759

Institution	Resident Tuition & Fees 09-10	Undergraduate Student FTE 08-09
Institute of Business and Medical Careers	10,800	443
Colorado Technical University	10,665	1,701
Colorado Technical University	10,665	637
Nazarene Bible College	9,600	504
Bel-Rea Institute of Animal Technology	9,094	792
University of Phoenix-Denver Campus	9,000	1,100
University of Phoenix-Southern Colorado Campus	9,000	288
Denver Academy of Court Reporting	8,650	157
Yeshiva Toras Chaim Talmudical Seminary	8,050	6

Twenty states, or 40 percent of all states, have at least one comprehensive institution costing over \$8,500. One way to look at this is that Colorado does a good job of keeping tuition low. Another way to look at it would be that Colorado doesn't offer an education option available in 40 percent of the other states for a higher cost education that is presumably higher quality.

The JBC could consider approving higher than 9.0 percent tuition rate increases for CU, but the justification for doing so would be to reposition the institution, rather than to backfill the loss of state and federal funds, or maintain current operations. If the JBC decides to pursue this approach, staff would recommend at least as great a reduction in state and federal funds as the staff recommendation, rather than the Governor's request. This would allow the whole higher education system to get some benefit from repositioning CU's tuition, not just CU.

5. **For resident graduate tuition, staff recommends assuming 9.0 percent in the appropriation, but providing the requested flexibility.** This may disadvantage institutions with little or no graduate programs. But, by letting graduate tuition adjust to the market, the priority of state funding will be containing costs for undergraduate students. This seems a reasonable way to prioritize limited state dollars.
6. **For nonresident tuition, staff recommends assuming 5.0 percent in the appropriation, but providing the requested flexibility for all institutions, including Fort Lewis.** If institutions can get more money from nonresidents it helps the state fund residents. The Governor's proposed restriction on Fort Lewis nonresident tuition is understandable, given the impact on Native American tuition waivers, but inequitable. Staff recommends Fort Lewis have the same opportunity to pursue nonresidents as other Colorado institutions. Not all nonresidents at Fort Lewis are Native Americans. If Fort Lewis' nonresident tuition is capped, then Fort Lewis' share of state and federal fund reductions should probably be less, because the institution is at a disadvantage to backfill those lost funds with tuition. Staff recommends the Committee continue to pursue other options with the Colorado congressional delegation for addressing the Native American waivers, such as billing sending states.

7. **Decrease tobacco funding for the University of Colorado by \$1,145,515.** 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.

8. **Include gaming funds in the Long Bill for informational purposes, and provide permission for staff to insert the formula amounts based on the March revenue forecast.** The total recommendation is pending the March forecast. In December, Legislative Council Staff estimated approximately \$5.3 million would flow to the institutions with a 2-year mission.

9. **Staff recommends an enrollment adjustment for academic fees and academic facility fees.** The Department did not request an increase in fees, but the institutions submitted revenue estimates that reflected changes in enrollment, rate increases, and new fees. The institutions provided minimal explanation regarding the fees. Some indicated that there are automatic escalators on recently implemented capital bond fees. Staff doesn't feel comfortable recommending these rate increases without an official request and justification. If the fee increases are unavoidable, as indicated by some institutions, then staff recommends the institutions limit tuition increases to ensure that they have sufficient total cash spending authority for combined tuition and fees. If the institutions implement the new or increased fees without spending authority, and without a compensating adjustment to tuition rates, then staff would recommend that General Fund for the institutions that do so be decreased the following fiscal year.

Institution	FY 2009-10 Fees (With Recommended Supplemental)	LCS Enrollment Growth	FY 2010-11 Recommendation
Adams	1,750,998	2.6%	1,797,308
Mesa	516,069	4.3%	538,354
Metro	8,698,990	1.5%	8,832,728
Western	26,000	-0.9%	25,760
CSU System	12,233,700	1.6%	12,423,426
Fort Lewis	1,000,000	-0.4%	995,955
CU Regents	31,520,444	2.8%	32,387,627
Mines	2,778,488	3.6%	2,878,516
UNC	4,433,337	3.9%	4,605,826
Community Colleges	<u>8,442,148</u>	3.0%	<u>8,698,649</u>
TOTAL	71,400,174		73,184,149

10. **Provide continuation funding for appropriated grants, consistent with the Department's request.** These are from the mineral energy impact grant program administered by the Department of Local Affairs. An appropriation does not guarantee that a governing board will receive a grant. The governing board must apply and be selected

through the competitive process. Statutes require that state agencies have an appropriation in order to spend a grant from the Department of Local Affairs. A few institutions historically have applied and received grants. The recommendation would allow these institutions to apply and, if they receive a grant, expend the grant, without the need for a supplemental appropriation.

Reflecting FTE in the Long Bill

Description: 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 can hire as many or as few employees as they see fit.

Recommendation: **The staff recommendation on FTE in the Long Bill is based on FY 2009-10 estimated FTE in the budget request.** This is consistent with the historic practice of the JBC of using the current year estimate in the budget data books for each governing board.

	FY 2009-10 Long Bill	Estimate in FY 2010-11 Request	Difference	Percent
Adams	271.2	274.4	3.2	1.2%
Mesa	508.9	519.2	10.3	2.0%
Metro	1,196.9	1,266.1	69.2	5.8%
Western	242.3	243.2	0.9	0.4%
CSU System	4,228.0	4,136.9	(91.1)	-2.2%
Fort Lewis	461.9	418.2	(43.7)	-9.5%
CU Regents	6,914.5	6,920.9	6.4	0.1%
Mines	667.5	684.2	16.7	2.5%
UNC	983.4	986.9	3.5	0.4%
Community Colleges	5,089.0	5,584.0	495.0	9.7%
	20,563.6	21,034.0	470.4	2.3%

6) LOCAL DISTRICT JUNIOR COLLEGES

Description: This line item provides funding for grants to Aims Community College and Colorado Mountain College.

Request: The Governor requests a \$5.3 million increase in General Fund to restore the one-time reduction in state funding that occurred in FY 2009-10 and meet the ARRA maintenance of effort requirement. The Governor also requests a decrease of \$6.5 million federal funds to reflect the lower remaining available ARRA funds in FY 2010-11. The net impact is a \$1,258,867 reduction.

CCHE's request for federal funds did not anticipate all of the federal funds the Governor proposed and the JBC approved using in FY 2009-10. CCHE's request allocated a smaller reduction in federal funds consistent with the Governor's request, but CCHE has not considered how to allocate the larger reduction of federal funds necessitated by the Governor's and JBC's actions regarding the FY 2009-10 budget.

Recommendation: **Staff recommends a General Fund increase of \$6,034,420 and a federal funds decrease of \$7,056,597 for a net decrease of \$1,022,177.** The method for arriving at these amounts is the same as the method described above for the governing boards. Staff used estimated tuition from the budget data books submitted by the institutions in November to make the calculation.

ADVISORY COMMISSION ON FAMILY MEDICINE

This division was moved to the Department of Health Care Policy and Financing.

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.

A) Administrative Costs

Description: These FTE are responsible for approving the programs and distributing funds. The source of reappropriated funds is indirect cost recoveries.

Request: The Department requested continuation level funding.

Recommendation: **Staff recommends continuation level funding.** The administrative responsibilities of the Division are not changing. A fund source adjustment to reflect changes in the total available indirect cost recoveries and the amount of indirect cost recoveries left over after allocations to the Department Administration. Staff requests permission to adjust the fund sources in this line item to reflect the available indirect cost recoveries.

B) Colorado Vocational Act Distributions pursuant to Section 23-8-102, C.R.S.

Description: 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 requested an increase of \$106,901 in coordination with the Department of Education.

Recommendation: **The Staff recommendation is pending figure setting for the Department of Education.** Funding for this program will be discussed as part of the allocation of funds for categorical programs.

C) Area Vocational School Support

Description: This line provides state support for the three area vocational schools to provide post-secondary vocational training. In addition to the General Fund shown in the Long Bill, the AVS charge minimal 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 increase in General Fund of \$3,080,286 to restore the one-time reduction in state funding that occurred in FY 2009-10 and meet the ARRA maintenance of effort requirement. The Department also requests a decrease of \$3,851,657 federal funds to reflect the lower remaining available ARRA funds in FY 2010-11. The net impact is a \$771,371 reduction.

CCHE's request for federal funds did not anticipate all of the federal funds the Governor proposed and the JBC approved using in FY 2009-10. CCHE's request allocated a smaller reduction in federal funds consistent with the Governor's request, but CCHE has not considered how to allocate the larger reduction of federal funds necessitated by the Governor's and JBC's actions regarding the FY 2009-10 budget.

Recommendation: **Staff recommends a General Fund increase of \$4,175,759 and a federal funds decrease of \$4,685,200 for a net decrease of \$509,441.** The method for arriving at these amounts is the same as the method described above for the governing boards. Staff used estimated tuition submitted by the institutions to make the calculation.

D) Sponsored Programs

These are federally funded occupational education programs.

Administration

Description: The 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 requested continuation level funding based on expected revenues.

Recommendation: **Staff recommends the Department's request.**

Programs

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

Request: The Department requested continuation level funding based on expected revenues.

Recommendation: **Staff recommends the Department's request.**

E) Colorado First Customized Job Training

Description: These are 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's request is for continuation level funding.

Recommendation: **The staff recommendation is pending figure setting for the Governor's Office.** The appropriation for this line item will be discussed during figure setting for the Governor's Office and staff will reflect the amount of reappropriated funds based on the JBC's decision.

8) AURARIA HIGHER EDUCATION CENTER

Administration

Description: The Auraria Higher Education Center 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 cash funds is payments by enterprises and the source of cash funds exempt is payments by non-enterprises.

Request: The Department requests continuation funding.

Recommendation: **Staff recommends the requested continuation funding.** Funding for the tenant institutions will remain largely unchanged, with decreases in the combined state and federal funds offset by increases in tuition.

The staff recommendation on FTE, similar to the recommendation for the governing boards, is to reflect the FY 2009-10 estimated staffing level provided in the budget data book for informational purposes.

9) STATE HISTORICAL SOCIETY OF COLORADO

The State Historical Society 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.

(A) Cumbres-Toltec Railroad Commission

Description: This line item funds the state's portion of a cooperative agreement with New Mexico to operate the Cumbres-Toltec Railroad.

Request: The Department requests continuation funding.

Recommendation: **Staff recommends the requested funding.** The railroad is chronically underfunded for maintenance, but increasing capital outlay expenditures is not a priority in the current budget environment. The legislature has rejected staff recommendations in prior years to eliminate funding for the railroad altogether.

(B) Sponsored Programs

Description: 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: The Department requested continuation level funding based on projected revenues.

Recommendation: **Staff recommends the requested amount, based on expected revenues.**

(C) Auxiliary Programs

Description: 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: The Department requests continuation level funding according to OSPB's budget instructions. This line is impacted by the statewide PERA request.

Recommendation: **Staff recommends the Department's request.** The components of the staff recommendation are summarized in the table below.

Auxiliary Programs		
Item	Cash Funds	FTE
FY 2009-10 Appropriation	\$1,555,933	14.5
One-time Furlough Adjustment	6,246	0.0
2.5 Percent PERA Reduction	(10,866)	0.0
Total	\$1,551,313	14.5

(D) 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 the amount allocated for statewide grants and society operations, the General Assembly can influence how much is allocated for grants versus operations.

Gaming Cities Distribution

Description: A portion of the revenue generated from gaming is returned to the gaming cities as defined in Section 12-47.1-701, C.R.S.

Request: The Department requested continuation level funding. This line is impacted by the statewide PERA request.

Recommendation: **The staff recommendation is pending the March revenue 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 to update the figure for the Long Bill.

Statewide Preservation Grant Program

Description: The majority of the revenue generated from gaming is 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 used for grants through this line item.

Request: The Department requested continuation funding according to OSPB's budget instructions. This line is impacted by the statewide PERA request.

Recommendation: **The staff recommendation is pending the March revenue 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 and the JBC's actions on the Historical Society's administrative costs to update the figure for this line item for the Long Bill. Anything not spent on the Society Museum and Preservation Operations get granted out through this line item.

Society Museum and Preservation Operations

Description: 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: The Department requests continuation funding according to OSPB's budget instructions. This line is impacted by the statewide PERA and OIT consolidation requests.

Recommendation: **Staff recommends continuation funding according to the JBC's common policies.** This is slightly different than the request, because OSPB didn't submit a formal request to adjust the OIT transfer to reflect the lower PERA rate.

Department Administrative Office					
Item	TOTAL	Admission fees, user charges, and other cash revenue	State Historical Fund	Federal Funds	FTE
FY 2009-10 Appropriation	\$6,934,666	\$796,748	\$5,450,268	\$687,650	92.9
One-time Furlough Adjustment	165,909	0	147,978	17,931	0.0
PERA Adjustment	(117,238)	0	(104,053)	(13,185)	0.0
OIT Transfer	(221,314)	0	(221,314)	0	0.0
Total	\$6,762,023	\$796,748	\$5,272,879	\$692,396	92.9

Indirect Cost Recoveries

Description: 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.

Request: The table below shows how the Department will assess indirect costs.

	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>Difference</u>
Adams	76,982	72,549	(4,433)
Mesa	105,165	153,474	48,309
Western	48,430	69,397	20,967
Metro	308,437	342,397	33,960
CSU System	658,245	777,012	118,767
Fort Lewis	105,647	116,753	11,106
University of CO	1,130,320	1,282,829	152,509
Mines	127,585	141,607	14,022
Northern CO	279,153	285,268	6,115
Community Colleges	1,597,247	1,316,302	(280,945)
AHEC	24,125	23,198	(927)
Private Oc. Schools	7,271	5,926	(1,345)
CollegeInvest	41,683	60,580	18,897
College Assist	99,819	115,165	15,346
Historical	154,268	106,339	(47,929)
Other	<u>327</u>	<u>334</u>	<u>7</u>
TOTAL	4,764,704	4,869,130	104,426

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, and so it is necessary and appropriate that 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.

The allocation of indirect cost recoveries to offset General Fund is pending JBC decisions on several centrally appropriated pots. If the distribution of indirect cost recoveries within the Department of Higher Education needs to be adjusted after the common policies are set by the JBC, staff will apply the adjustment to the Division of Occupational Education, Administration line item to fit the available indirect collections. If the total indirect cost recoveries exceed the administration-related line items in the Department of Higher Education the excess will be applied to offset General Fund in the Department of Personnel.

Footnotes:

Staff recommends continuation of the following footnotes:

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

Comment: This footnote provides guidance on how the Department may use the appropriation.

- 15 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: The footnote provides flexibility for the Department to roll forward work study funds, since employment by some students in the summer of the academic year may occur in the next state fiscal year.

- 16 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: 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. In FY 2008-09 the Department transferred only the minimum funds necessary, but this was all of the appropriation.

- 17 Department of Higher Education, Governing Boards, Trustees of Adams State College; Trustees of Mesa State College; Trustees of Metropolitan State College of Denver; Trustees of Western State College; Board of Governors of the Colorado State University System; Trustees of Fort Lewis College; Regents of the University of**

Colorado; Trustees of the Colorado School of Mines; University of Northern Colorado; State Board for Community Colleges and Occupational Education State System Community Colleges; and Auraria Higher Education Center -- Notwithstanding the limitations set forth in subsection (3) of section 1 of this act, the FTE reflected in these line items are shown for informational purposes and are not intended to be a limitation on the budgetary flexibility allowed by Section 23-1-104 (1) (a) (I), C.R.S.

Comment: This footnote expresses legislative intent with regard to FTE.

- 19 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 for the Local District Junior Colleges.

Staff recommends **modifications in struck type and small caps** to the following footnotes:

- 18 Department of Higher Education, Governing Boards, Trustees of Adams State College; Trustees of Mesa State College; Trustees of Metropolitan State College of Denver; Trustees of Western State College; Board of Governors of the Colorado State University System; Trustees of Fort Lewis College; Regents of the University of Colorado; Trustees of the Colorado School of Mines; University of Northern Colorado; State Board for Community Colleges and Occupational Education State System Community Colleges** -- It is the intent of the General Assembly that NO RESIDENT UNDERGRADUATE STUDENT SHALL PAY IN FY 2010-11 MORE THAN 9.0 PERCENT OVER WHAT THEY WOULD HAVE PAID IN FY 2009-10 FOR THE SAME CREDIT HOURS AND COURSE OF STUDY. ~~any effective increase in the resident undergraduate tuition rate not exceed 9.0 percent per student or 9.0 percent per credit hour. In the event that reductions in funding from the stipends and fee-for-service contracts with higher education institutions exceed 9.0 percent of the appropriation for stipends and fee-for-service contracts in H.B. 08-1375, the institutions of higher education shall be allowed to increase tuition above the 9.0 percent limit up to the amount necessary to backfill the loss of funds, subject to the approval of the institutions's respective governing board. It is the intent of the General Assembly that any increases in spending authority necessary to cover the backfill of lost stipends and fee-for-service contracts will be addressed through a supplemental in the 2010 session. It is the intent of the General Assembly that the institutions may increase all graduate and nonresident tuition rates to reflect market conditions and that any additional spending authority necessary to cover graduate and nonresident tuition rate increase will be addressed through a supplemental appropriation during the 2010 session.~~

Comment: In FY 2009-10 the Governor vetoed this on the grounds that it attempts to administer the appropriation. He further argued that the footnote failed to account for federal ARRA moneys that backfilled institutions to FY 2008-09 funding levels, and that the footnote ran counter to ARRA instructions to mitigate tuition increases. The Governor instructed governing boards to limit per student and per credit hour resident undergraduate rate increases to 9 percent, and make efforts to offset tuition rate increases for low income students with institutional financial aid. All of the institutions except CU Denver and Colorado Springs implemented between 8.5 and 9.0 percent resident undergraduate tuition rate increases.

The General Assembly is required by Section 23-18-202 (3) (b), C.R.S. to include a footnote in the Long Bill explaining the tuition assumptions used to derive the appropriation. The proposed staff language is intended to be consistent with the Governor's request that resident undergraduate rate increases not exceed 9.0 percent.

Staff recommends **discontinuing** the following footnotes:

13a **Department of Higher Education, Colorado Commission on Higher Education, Administration, Administration; and College Opportunity Fund Program, Fee-for-service Contracts with State Institutions** -- It is the intent of the General Assembly that the Department of Higher Education reduce expenditures for the Department's administration line item by five percent. The Department should accordingly collect less in FY 2009-10 in indirect cost recoveries from the higher education agencies.

Comment: The Department made the reduction to administrative expenses. Staff assumes this reduction was made through a footnote rather than a decrease to the line item because it was intended as a one-time reduction.

18a **Department of Higher Education, Governing Boards, State Board for Community Colleges and Occupational Education State System Community Colleges** -- It is the intent of the General Assembly that administrative costs for the community college's system office be reduced by one hundred thousand dollars (\$100,000) and that the savings be allocated to the community college institutions under the control of the governing board.

Comment: The Community Colleges report they reduced administrative expenses as requested. Staff believes that this footnote administers the appropriation and is inconsistent with statutory directives that delegate to the governing boards the authority to set the budgets for individual institutions (within the total appropriation provided by the General Assembly).

Requests for Information:

Staff recommends **continuation** the following requests for information:

- 26 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: This is an on-going annual report that provides baseline data on financial aid programs.

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

Comment: This is an on-going annual report that provides baseline data on financial aid programs.

Staff recommends **discontinuing** the following information requests:

- 28 Department of Higher Education, Colorado Commission on Higher Education, Administration** -- The Department, in cooperation with the Colorado Commission on Higher Education, the higher education institutions, and the Office of State Planning and Budgeting, is requested to submit a report to the Joint Budget Committee by September 15, 2009, presenting options for how to measure and ensure access and affordability if governing boards are granted greater flexibility in setting tuition rates.

Comment: The Department did not submit the report by the date requested. The Governor instructed the Department to comply to the extent feasible, but to make it part of a review and update of the statewide higher education master plan. The review and update of the statewide higher education master plan is still underway, and so staff does not expect a final

report until the plan is complete. A draft report was presented to the Colorado Commission on Higher Education at its November meeting. This draft can be accessed from the Department's web site at:

<http://highered.colorado.gov/CCHE/Meetings/2009/nov/nov09index.html>

The draft reported three options, with no single recommendation. The first option predicts the number of Pell eligible students at each institution based on county of origin and then requires the institutions to meet or exceed this prediction in the number of Pell eligible students they admit and retain. The second option establishes baselines for the number of students in different income categories and requires institutions to maintain or improve the percentage of low-income students admitted and retained. The third option looks at graduation debt loads and requires institutions to keep those debt loads below 15 percent of expected post-graduation discretionary income. The draft report discusses pros and cons with each of these approaches.

Summary of Staff Recommendation for FY 2009-10

	Rate	Governing Boards	Adams	Mesa	Metro	Western	CSU Sys	Ft. Lewis	CU	Mines	UNC	CCs	LDJC	AVS	Institutions	
FY 2009-10 Supplemental Adjusted Appropriation																
1		Stipend-eligible SFTE	133,085.0	1,302.0	4,419.0	16,950.0	1,432.0	20,355.0	2,307.0	28,947.0	2,709.0	7,723.0	46,941.0			
2	\$	State-operated stipends @ \$1,320	175,672,200	1,718,640	5,833,080	22,374,000	1,890,240	26,868,600	3,045,240	38,210,040	3,575,880	10,194,360	61,962,120	\$ -	\$ -	\$ 175,672,200
3	\$	Fee-for-service contracts	136,621,997	5,558,359	6,266,218	2,157,075	3,986,512	38,819,254	1,854,988	50,001,052	7,018,433	10,321,419	10,638,687	\$ 7,350,751	\$ 4,311,868	\$ 148,284,616
4	\$	Federal Stimulus	368,044,473	7,331,450	11,906,309	25,182,337	6,296,265	81,203,658	7,836,102	120,888,357	12,643,073	23,570,532	71,186,390	\$ 8,539,506	\$ 5,424,264	\$ 382,008,243
5	\$	SUBTOTAL State/federal	680,338,670	14,608,449	24,005,607	49,713,412	12,173,017	146,891,512	12,736,330	209,099,449	23,237,386	44,086,311	143,787,197	\$ 15,890,257	\$ 9,736,132	\$ 705,965,059
6	\$	Resident	753,239,433	5,120,070	23,153,239	54,853,147	4,993,872	125,511,413	7,714,704	311,656,933	34,715,919	41,569,972	143,950,164			
7	\$	Nonresident	501,287,454	2,826,798	4,578,784	6,639,988	4,353,599	103,737,703	19,891,448	285,035,308	31,964,792	14,443,651	27,815,383			
8	\$	Tuition	1,254,526,887	7,946,868	27,732,023	61,493,135	9,347,471	229,249,116	27,606,152	596,692,241	66,680,711	56,013,623	171,765,547			
9	\$	Tobacco	17,150,000	-	-	-	-	-	-	17,150,000	-	-	-			
10	\$	Academic Fees	67,693,587	1,750,998	430,000	8,699,054	26,000	12,233,700	1,000,000	30,292,710	2,778,488	4,091,720	6,390,917			
11	\$	Appropriated Grants	2,375,531	-	-	-	-	170,000	48,000	657,531	-	-	1,500,000			
12	\$	TOTAL	2,022,084,675	24,306,315	52,167,630	119,905,601	21,546,488	388,544,328	41,390,482	853,891,931	92,696,585	104,191,654	323,443,661			
Forecast Changes																
13		Stipend-eligible SFTE LCS forecast	6,876.0	210.0	711.0	619.0	(37.0)	181.0	(16.0)	(82.0)	98.0	355.0	4,837.0			
14	\$	State-operated stipends @ \$1,320	9,076,320	277,200	938,520	817,080	(48,840)	238,920	(21,120)	(108,240)	129,360	468,600	6,384,840	\$ -	\$ -	\$ 9,076,320
15	\$	Fee-for-service contracts	(9,076,320)	(277,200)	(938,520)	(817,080)	48,840	(238,920)	21,120	108,240	(129,360)	(468,600)	(6,384,840)	\$ -	\$ -	\$ (9,076,320)
16	\$	SUBTOTAL State/federal	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
17	\$	Resident	22,360,430	1,953,935	2,872,728	1,384,868	(89,478)	(2,647,648)	240,430	1,178,085	9,346	3,062,028	14,396,136			
18	\$	Nonresident	22,226,856	1,331,124	621,023	(384,510)	(42,538)	(88,308)	269,717	10,603,719	1,226,643	2,312,110	6,377,876			
19	\$	Tuition	44,587,286	3,285,059	3,493,751	1,000,358	(132,016)	(2,735,956)	510,147	11,781,804	1,235,989	5,374,138	20,774,012			
20	\$	Academic Fees	3,706,651	-	86,069	-	-	-	-	1,227,734	-	341,617	2,051,231			
21	\$	Total	48,293,937	3,285,059	3,579,820	1,000,358	(132,016)	(2,735,956)	510,147	13,009,538	1,235,989	5,715,755	22,825,243			

Summary of Staff Recommendation for FY 2010-11

	Rate	Gov. Boards	Adams	Mesa	Metro	Western	CSU Sys	Ft. Lewis	CU	Mines	UNC	CCs	LDJC	AVS	Institutions
FY 2009-10 Adjusted Funds															
1			139,961.0	1,512.0	5,130.0	17,569.0	1,395.0	20,536.0	2,291.0	28,865.0	2,807.0	8,078.0	51,778.0		
2	\$1,320	\$ 184,748,520	\$ 1,995,840	\$ 6,771,600	\$ 23,191,080	\$ 1,841,400	\$ 27,107,520	\$ 3,024,120	\$ 38,101,800	\$ 3,705,240	\$ 10,662,960	\$ 68,346,960	\$ -	\$ -	\$ 184,748,520
3		\$ 127,545,677	\$ 5,281,159	\$ 5,327,698	\$ 1,339,995	\$ 4,035,352	\$ 38,580,334	\$ 1,876,108	\$ 50,109,292	\$ 6,889,073	\$ 9,852,819	\$ 4,253,847	\$ 7,350,751	\$ 4,311,868	\$ 139,208,296
4		\$ 368,044,473	\$ 7,331,450	\$ 11,906,309	\$ 25,182,337	\$ 6,296,265	\$ 81,203,658	\$ 7,836,102	\$ 120,888,357	\$ 12,643,073	\$ 23,570,532	\$ 71,186,390	\$ 8,539,506	\$ 5,424,264	\$ 382,008,243
5		\$ 680,338,670	\$ 14,608,449	\$ 24,005,607	\$ 49,713,412	\$ 12,173,017	\$ 146,891,512	\$ 12,736,330	\$ 209,099,449	\$ 23,237,386	\$ 44,086,311	\$ 143,787,197	\$ 15,890,257	\$ 9,736,132	\$ 705,965,059
6		\$ 775,599,863	\$ 7,074,005	\$ 26,025,967	\$ 56,238,015	\$ 4,904,394	\$ 122,863,765	\$ 7,955,134	\$ 312,835,018	\$ 34,725,265	\$ 44,632,000	\$ 158,346,300	<i>Not appropriated Included for allocation formula only</i>		
7		\$ 523,514,310	\$ 4,157,922	\$ 5,199,807	\$ 6,255,478	\$ 4,311,061	\$ 103,649,395	\$ 20,161,165	\$ 295,639,027	\$ 33,191,435	\$ 16,755,761	\$ 34,193,259			
8		\$ 1,299,114,173	\$ 11,231,927	\$ 31,225,774	\$ 62,493,493	\$ 9,215,455	\$ 226,513,160	\$ 28,116,299	\$ 608,474,045	\$ 67,916,700	\$ 61,387,761	\$ 192,539,559			
9		\$ 1,979,452,843	\$ 25,840,376	\$ 55,231,381	\$ 112,206,905	\$ 21,388,472	\$ 373,404,672	\$ 40,852,629	\$ 817,573,494	\$ 91,154,086	\$ 105,474,072	\$ 336,326,756	\$ 33,750,440	\$ 16,820,823	\$ 2,030,024,106
10		\$ 17,150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,150,000	\$ -	\$ -	\$ -			
11		\$ 71,400,174	\$ 1,750,998	\$ 516,069	\$ 8,698,990	\$ 26,000	\$ 12,233,700	\$ 1,000,000	\$ 31,520,444	\$ 2,778,488	\$ 4,433,337	\$ 8,442,148			
12		\$ 2,375,531	\$ -	\$ -	\$ -	\$ -	\$ 170,000	\$ 48,000	\$ 657,531	\$ -	\$ -	\$ 1,500,000			
13		\$ 2,070,378,548	\$ 27,591,374	\$ 55,747,450	\$ 120,905,895	\$ 21,414,472	\$ 385,808,372	\$ 41,900,629	\$ 866,901,469	\$ 93,932,574	\$ 109,907,409	\$ 346,268,904			
Recommended Changes															
14		\$ (59,950,338)	\$ (782,610)	\$ (1,672,755)	\$ (3,398,334)	\$ (647,778)	\$ (11,309,053)	\$ (1,237,276)	\$ (24,761,290)	\$ (2,760,722)	\$ (3,194,421)	\$ (10,186,099)	\$ (1,022,177)	\$ (509,441)	\$ (61,481,956)
15		-8.8%	-5.4%	-7.0%	-6.8%	-5.3%	-7.7%	-9.7%	-11.8%	-11.9%	-7.2%	-7.1%	-6.4%	-5.2%	-8.7%
16		-3.0%	-3.0%	-3.0%	-3.0%	-3.0%	-3.0%	-3.0%	-3.0%	-3.0%	-3.0%	-3.0%	-3.0%	-3.0%	-3.0%
17		\$ (86,972,126)	\$ (1,135,360)	\$ (2,426,726)	\$ (4,930,086)	\$ (939,755)	\$ (16,406,452)	\$ (1,794,961)	\$ (35,922,101)	\$ (4,005,079)	\$ (4,634,263)	\$ (14,777,343)	\$ (1,482,909)	\$ (739,064)	\$ (89,194,099)
18		-12.8%	-7.8%	-10.1%	-9.9%	-7.7%	-11.2%	-14.1%	-17.2%	-17.2%	-10.5%	-10.3%	-9.3%	-7.6%	-12.6%
19		-4.4%	-4.4%	-4.4%	-4.4%	-4.4%	-4.4%	-4.4%	-4.4%	-4.4%	-4.4%	-4.4%	-4.4%	-4.4%	-4.4%
20		\$ (146,922,464)	\$ (1,917,970)	\$ (4,099,481)	\$ (8,328,420)	\$ (1,587,533)	\$ (27,715,505)	\$ (3,032,237)	\$ (60,683,391)	\$ (6,765,801)	\$ (7,828,684)	\$ (24,963,442)	\$ (2,505,086)	\$ (1,248,505)	\$ (150,676,055)
21		-21.6%	-13.1%	-17.1%	-16.8%	-13.0%	-18.9%	-23.8%	-29.0%	-29.1%	-17.8%	-17.4%	-15.8%	-12.8%	-21.3%
22		-7.4%	-7.4%	-7.4%	-7.4%	-7.4%	-7.4%	-7.4%	-7.4%	-7.4%	-7.4%	-7.4%	-7.4%	-7.4%	-7.4%
23		3,843.0	31.0	226.0	268.0	(14.0)	425.0	(12.0)	891.0	57.0	334.0	1,637.0			
24	\$1,320	\$ 5,072,760	\$ 40,920	\$ 298,320	\$ 353,760	\$ (18,480)	\$ 561,000	\$ (15,840)	\$ 1,176,120	\$ 75,240	\$ 440,880	\$ 2,160,840			
25	\$540	\$ 77,654,160	\$ 833,220	\$ 2,892,240	\$ 9,631,980	\$ 745,740	\$ 11,318,940	\$ 1,230,660	\$ 16,068,240	\$ 1,546,560	\$ 4,542,480	\$ 28,844,100			
26		\$ 82,726,920	\$ 874,140	\$ 3,190,560	\$ 9,985,740	\$ 727,260	\$ 11,879,940	\$ 1,214,820	\$ 17,244,360	\$ 1,621,800	\$ 4,983,360	\$ 31,004,940	\$ -	\$ -	\$ 82,726,920
27		\$ 138,395,089	\$ 4,539,340	\$ 4,616,268	\$ 6,868,177	\$ 3,981,472	\$ 41,608,213	\$ 3,589,045	\$ 42,960,606	\$ 4,255,472	\$ 10,758,488	\$ 15,218,008	\$ 6,034,420	\$ 4,175,759	\$ 148,605,268
28		\$ 221,122,009	\$ 5,413,480	\$ 7,806,828	\$ 16,853,917	\$ 4,708,732	\$ 53,488,153	\$ 4,803,865	\$ 60,204,966	\$ 5,877,272	\$ 15,741,848	\$ 46,222,948	\$ 6,034,420	\$ 4,175,759	\$ 231,332,188
29		\$ (281,072,347)	\$ (6,196,090)	\$ (9,479,583)	\$ (20,252,251)	\$ (5,356,510)	\$ (64,797,206)	\$ (6,041,141)	\$ (84,966,256)	\$ (8,637,994)	\$ (18,936,269)	\$ (56,409,047)	\$ (7,056,597)	\$ (4,685,200)	\$ (292,814,144)
30		\$ (59,950,338)	\$ (782,610)	\$ (1,672,755)	\$ (3,398,334)	\$ (647,778)	\$ (11,309,053)	\$ (1,237,276)	\$ (24,761,290)	\$ (2,760,722)	\$ (3,194,421)	\$ (10,186,099)	\$ (1,022,177)	\$ (509,441)	\$ (61,481,956)

Summary of Staff Recommendation for FY 2010-11

	Rate	Gov. Boards	Adams	Mesa	Metro	Western	CSU Sys	Ft. Lewis	CU	Mines	UNC	CCs	LDJC	AVS	Institutions
31	Resident	9.0%	\$ 94,217,088	\$ 845,831	\$ 3,599,858	\$ 5,990,813	\$ 387,325	\$ 13,736,751	\$ 669,723	\$ 39,029,492	\$ 4,110,650	\$ 6,137,853	\$ 19,708,792		
32	Nonresident	5.0%	\$ 32,732,722	\$ 314,542	\$ 441,553	\$ 459,248	\$ 197,760	\$ 4,676,977	\$ 968,076	\$ 18,892,272	\$ 3,789,410	\$ 808,837	\$ 2,184,047		
33	Tuition		\$ 126,949,810	\$ 1,160,373	\$ 4,041,411	\$ 6,450,061	\$ 585,085	\$ 18,413,728	\$ 1,637,799	\$ 57,921,764	\$ 7,900,060	\$ 6,946,690	\$ 21,892,839		
34	Tobacco		\$ (1,145,515)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,145,515)	\$ -	\$ -	\$ -		
35	Gaming		<i>Pending</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	<i>Pending</i>		
36	Academic Fees		\$ 1,783,975	\$ 46,310	\$ 22,285	\$ 133,738	\$ (240)	\$ 189,726	\$ (4,045)	\$ 867,183	\$ 100,028	\$ 172,489	\$ 256,501		
37	Appropriated Grants		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
38	TOTAL		\$ 66,999,472	\$ 377,763	\$ 2,368,656	\$ 3,051,727	\$ (62,693)	\$ 7,104,675	\$ 400,523	\$ 33,160,474	\$ 5,139,338	\$ 3,752,269	\$ 11,706,740		

FY 2010-11 Recommendation

39	Stipend-eligible SFTE		143,804.0	1,543.0	5,356.0	17,837.0	1,381.0	20,961.0	2,279.0	29,756.0	2,864.0	8,412.0	53,415.0			
40	State-operated stipends @ \$1,860		\$ 267,475,440	\$ 2,869,980	\$ 9,962,160	\$ 33,176,820	\$ 2,568,660	\$ 38,987,460	\$ 4,238,940	\$ 55,346,160	\$ 5,327,040	\$ 15,646,320	\$ 99,351,900	\$ -	\$ -	\$ 267,475,440
41	Fee-for-service contracts		\$ 265,940,766	\$ 9,820,499	\$ 9,943,966	\$ 8,208,172	\$ 8,016,824	\$ 80,188,547	\$ 5,465,153	\$ 93,069,898	\$ 11,144,545	\$ 20,611,307	\$ 19,471,855	\$ 13,385,171	\$ 8,487,627	\$ 287,813,564
42	SUBTOTAL State Funds		\$ 533,416,206	\$ 12,690,479	\$ 19,906,126	\$ 41,384,992	\$ 10,585,484	\$ 119,176,007	\$ 9,704,093	\$ 148,416,058	\$ 16,471,585	\$ 36,257,627	\$ 118,823,755	\$ 13,385,171	\$ 8,487,627	\$ 555,289,004
43	Federal Stimulus		\$ 86,972,126	\$ 1,135,360	\$ 2,426,726	\$ 4,930,086	\$ 939,755	\$ 16,406,452	\$ 1,794,961	\$ 35,922,101	\$ 4,005,079	\$ 4,634,263	\$ 14,777,343	\$ 1,482,909	\$ 739,064	\$ 89,194,099
44	SUBTOTAL State/federal		\$ 620,388,332	\$ 13,825,839	\$ 22,332,852	\$ 46,315,078	\$ 11,525,239	\$ 135,582,459	\$ 11,499,054	\$ 184,338,159	\$ 20,476,664	\$ 40,891,890	\$ 133,601,098	\$ 14,868,080	\$ 9,226,691	\$ 644,483,103
45	Resident		\$ 869,816,951	\$ 7,919,836	\$ 29,625,825	\$ 62,228,828	\$ 5,291,719	\$ 136,600,516	\$ 8,624,857	\$ 351,864,510	\$ 38,835,915	\$ 50,769,853	\$ 178,055,092			
46	Nonresident		\$ 556,247,032	\$ 4,472,464	\$ 5,641,360	\$ 6,714,726	\$ 4,508,821	\$ 108,326,372	\$ 21,129,241	\$ 314,531,299	\$ 36,980,845	\$ 17,564,598	\$ 36,377,306			
47	Tuition		\$ 1,426,063,983	\$ 12,392,300	\$ 35,267,185	\$ 68,943,554	\$ 9,800,540	\$ 244,926,888	\$ 29,754,098	\$ 666,395,809	\$ 75,816,760	\$ 68,334,451	\$ 214,432,398			
48	State/federal/tuition		\$ 2,046,452,315	\$ 26,218,139	\$ 57,600,037	\$ 115,258,632	\$ 21,325,779	\$ 380,509,347	\$ 41,253,152	\$ 850,733,968	\$ 96,293,424	\$ 109,226,341	\$ 348,033,496			
49	Tobacco		\$ 17,150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,150,000	\$ -	\$ -	\$ -			
50	Gaming		<i>Pending</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	<i>Pending</i>			
51	Academic Fees		\$ 71,400,174	\$ 1,750,998	\$ 516,069	\$ 8,698,990	\$ 26,000	\$ 12,233,700	\$ 1,000,000	\$ 31,520,444	\$ 2,778,488	\$ 4,433,337	\$ 8,442,148			
52	Appropriated Grants		\$ 2,375,531	\$ -	\$ -	\$ -	\$ -	\$ 170,000	\$ 48,000	\$ 657,531	\$ -	\$ -	\$ 1,500,000			
53	TOTAL		\$ 2,137,378,020	\$ 27,969,137	\$ 58,116,106	\$ 123,957,622	\$ 21,351,779	\$ 392,913,047	\$ 42,301,152	\$ 900,061,943	\$ 99,071,912	\$ 113,659,678	\$ 357,975,644			
54	% change state/federal		-8.8%	-5.4%	-7.0%	-6.8%	-5.3%	-7.7%	-9.7%	-11.8%	-11.9%	-7.2%	-7.1%	-6.4%	-5.2%	-8.7%
55	% change state/federal/tuition		3.4%	1.5%	4.3%	2.7%	-0.3%	1.9%	1.0%	4.1%	5.6%	3.6%	3.5%	N.A.	N.A.	N.A.

Staff Recommendation Higher/(Lower) than Governor's Request

56	State Funds		\$ (1,878,710)	\$ 541,157	\$ 17,734	\$ 1,606,424	\$ 693,337	\$ 5,555,979	\$ 946,271	\$ (10,687,924)	\$ (2,322,040)	\$ 1,080,749	\$ 689,603	\$ 783,237	\$ 1,095,473	\$ -
57	State/Federal		\$ (498,620)	\$ 377,894	\$ 245,800	\$ 2,247,347	\$ 316,358	\$ 3,522,199	\$ (4,217)	\$ (8,127,361)	\$ (979,581)	\$ 267,800	\$ 1,635,141	\$ 236,690	\$ 261,930	\$ -

Governor's Request

58	State Funds		\$ 535,294,916	\$ 12,149,322	\$ 19,888,392	\$ 39,778,568	\$ 9,892,147	\$ 113,620,028	\$ 8,757,822	\$ 159,103,982	\$ 18,793,625	\$ 35,176,878	\$ 118,134,152	\$ 12,601,934	\$ 7,392,154	\$ 555,289,004
59	State/Federal		\$ 620,886,952	\$ 13,447,945	\$ 22,087,052	\$ 44,067,731	\$ 11,208,881	\$ 132,060,260	\$ 11,503,271	\$ 192,465,520	\$ 21,456,245	\$ 40,624,090	\$ 131,965,957	\$ 14,631,390	\$ 8,964,761	\$ 644,483,103