

MEMORANDUM

TO: Joint Budget Committee

FROM: Amanda Bickel, JBC Staff

SUBJECT: Higher Education Supplemental Increase – Recommended Change to Allocation

DATE: January 18, 2013

On January 15, 2013, the JBC voted to provide a supplemental increase of \$9,307,882 General Fund for the higher education institutions. The Committee's original action restored funding to those institutions which had received a net funding cut in FY 2012-13 and made no change to the funding of those institutions that had received a net increase in FY 2012-13.

On January 16, 2013, the Committee revisited the prior day's action and voted to provide the same funding increase but to allocate the funds among institutions consistent with the FY 2012-13 higher education allocation formula. For this purpose, it used a spreadsheet provided by staff.

Based on consultation with the Department of Higher Education, staff believes that the allocation of the \$9.3 million should include an increase for the Local District Junior Colleges (LDJCs) and the Area Vocational Schools (AVSs). The FY 2012-13 allocation formula to which all the institutions agreed last year included:

- a percentage adjustment to the LDJCs at the same level as the Governing Board average for proportional budget increases/cuts; and
- a percentage adjustment to the AVSs at the same level as the community colleges for proportional budget increases/cuts.

In the FY 2012-13 Long Bill, the LDJCs and AVSs received neither increases nor cuts. However, given that the JBC's most recent action provides a net increase for the higher education institutions of \$3.5 million over FY 2011-12, it seems appropriate to include the LDJCs and AVSs in the allocation of the additional dollars.

As shown on the next page, the recommended adjustment provides the LDJCs with an increase of \$216,467 (1.8 percent increase over the FY 2012-13 Long Bill) and the AVSs with an increase of \$118,919 (1.6 percent increase over the FY 2012-13 Long Bill). To achieve this, the allocations to all other institutions have been proportionately reduced from the amounts approved by the JBC on January 16.

1/18/13 Staff Comeback - Allocation of Higher Education Funds Restored

	Gov. Boards	Adams	Mesa	Metro	Western	CSU Sys	Ft. Lewis	CU	Mines	UNC	CCs	LDJC	AVS	Institutions
\$9.3 million Restoration for Higher Education Governing Boards - Staff Comeback on Allocation of Funds														
Base amounts:														
FY 2012-13 Enacted - State Funding	\$ 493,665,872	\$ 10,909,111	\$ 18,630,850	\$ 36,982,005	\$ 9,114,442	\$ 103,979,597	\$ 9,058,839	\$ 141,171,344	\$ 15,772,582	\$ 31,857,095	\$ 116,190,007	\$ 11,909,951	\$ 7,664,871	\$ 513,240,694
FY 2012-13 Enacted - State/Tuition/Fees/Grants	2,311,220,034	34,471,996	73,265,398	128,971,863	23,751,446	421,567,311	45,045,006	946,571,892	113,224,565	124,405,052	399,945,505	11,909,951	7,664,871	2,330,794,856
Proposed increase:														
Change in Fee-for-service Contracts														
JBC 1/16/13 Action: Allocation Model Distribution provided by Staff*	9,307,882	169,549	319,520	595,355	135,379	1,858,607	155,687	3,263,655	380,720	559,363	1,870,047	-	-	9,307,882
Staff Comeback: Adjustment to include LDJCs and AVS institutions**	8,972,496	163,440	308,006	573,904	130,502	1,791,637	150,078	3,146,057	367,001	539,208	1,802,663	216,467	118,919	9,307,882
Difference	(335,386)	(6,109)	(11,514)	(21,451)	(4,877)	(66,970)	(5,609)	(117,598)	(13,719)	(20,155)	(67,384)	216,467	118,919	-
Percent Increase in State Funding from FY 2012-13 Enacted Using 1/16/13 JBC Action	1.9%	1.6%	1.7%	1.6%	1.5%	1.8%	1.7%	2.3%	2.4%	1.8%	1.6%	0.0%	0.0%	1.8%
Percent Increase in State Funding from FY 2012-13 Enacted Using Staff Comeback Allocation	1.8%	1.5%	1.7%	1.6%	1.4%	1.7%	1.7%	2.2%	2.3%	1.7%	1.6%	1.8%	1.6%	1.8%

*Modified amounts for two of three portions of the FY 2012-13 allocation formula: 'state funds proportional reduction' and 'total funds proportional reduction'. Each of these were previously reduced by \$7.9 million and are instead reduced by \$3,246,059. Made no change to the portion of the formula that provided a \$10.0 million increase for enrollment increases.

**Adjusts allocation model to increase Local District Junior Colleges by the same percentage as the Governing Boards and to increase Area Vocational Schools by the same percentage as the Community College system. As in the 1/16/13 version, modifies amounts for two of three portions of the FY 2012-13 allocation formula: 'state funds proportional reduction' and 'total funds proportional reduction' and makes no change to the portion of the formula that provided a \$10.0 million increase for enrollment increase. Overall, the \$9.3 million supplemental increase changes the overall funding for Higher Education from a net decrease of \$5,800,000 from FY 2011-12 to a net increase from FY 2011-12 of \$3,507,882.

Staff Comeback - Allocation of Higher Education Funds Restored

	Rate	Gov. Boards	Adams	Mesa	Metro	Western	CSU Sys	Ft. Lewis	CU	Mines	UNC	CCs	LDJC	AVS	Institutions
FY 2011-12 Appropriation with Supplemental Adjustments															
Stipend-eligible SFTE		142,309.0	1,515.0	6,187.0	16,803.0	1,240.0	21,096.0	2,298.0	27,306.0	2,689.0	8,067.0	55,108.0			142,309.0
State-operated Stipends @ \$1,860	\$	264,694,740	\$ 2,817,900	\$ 11,507,820	\$ 31,253,580	\$ 2,306,400	\$ 39,238,560	\$ 4,274,280	\$ 50,789,160	\$ 5,001,540	\$ 15,004,620	\$ 102,500,880	\$ -	\$ -	\$ 264,694,740
Fee-for-service Contracts	\$	234,771,132	\$ 8,372,515	\$ 6,992,755	\$ 5,707,899	\$ 7,037,847	\$ 67,237,973	\$ 5,048,837	\$ 94,986,572	\$ 11,252,702	\$ 17,801,986	\$ 10,332,046	\$ 11,909,951	\$ 7,664,871	\$ 244,999,454
SUBTOTAL State Funds	\$	499,465,872	\$11,190,415	\$18,500,575	\$36,961,479	\$9,344,247	\$106,476,533	\$9,323,117	\$145,775,732	\$16,254,242	\$32,806,606	\$112,832,926	\$11,909,951	\$7,664,871	\$519,040,694
Resident	\$	955,431,092	\$ 10,679,657	\$ 37,982,874	\$ 67,248,770	\$ 5,812,808	\$ 155,611,218	\$ 9,663,278	\$ 358,717,300	\$ 42,241,973	\$ 58,485,781	\$ 208,987,433			
Nonresident	\$	619,525,667	\$ 7,061,518	\$ 8,726,756	\$ 7,013,162	\$ 6,254,742	\$ 121,936,578	\$ 23,298,287	\$ 339,958,007	\$ 43,114,849	\$ 21,137,647	\$ 41,024,121			
Tuition	\$	1,574,956,759	\$ 17,741,175	\$ 46,709,630	\$ 74,261,932	\$ 12,067,550	\$ 277,547,796	\$ 32,961,565	\$ 698,675,307	\$ 85,356,822	\$ 79,623,428	\$ 250,011,554			
State/Tuition	\$	2,074,422,631	\$ 28,931,590	\$ 65,210,205	\$ 111,223,411	\$ 21,411,797	\$ 384,024,329	\$ 42,284,682	\$ 844,451,039	\$ 101,611,064	\$ 112,430,034	\$ 362,844,480			
Tobacco	\$	14,546,727	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,546,727	\$ -	\$ -	\$ -			
Gaming	\$	5,937,813	\$ 23,892	\$ 210,791	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,703,130	\$ 596,473	\$ -	\$ 6,534,286
Academic Fees	\$	90,065,776	\$ 2,951,165	\$ 487,114	\$ 11,491,744	\$ 1,423,275	\$ 16,753,193	\$ 1,096,815	\$ 37,070,092	\$ 4,203,414	\$ 5,363,000	\$ 9,225,964			
Appropriated Grants	\$	2,375,531	\$ -	\$ -	\$ -	\$ -	\$ 170,000	\$ 48,000	\$ 657,531	\$ -	\$ -	\$ 1,500,000			
TOTAL	\$	2,187,348,478	\$ 31,906,647	\$ 65,908,110	\$ 122,715,155	\$ 22,835,072	\$ 400,947,522	\$ 43,429,497	\$ 896,725,389	\$ 105,814,478	\$ 117,793,034	\$ 379,273,574			

Recommended changes - FY 2012-13 as modified by JBC supplemental

State Percent	100.0%	2.2%	3.7%	7.4%	1.9%	21.3%	1.9%	29.2%	3.3%	6.6%	22.6%	<i>Note: Based on the original FY 11-12 appropriations less \$11,785,002 tuition for Ft. Lewis Native American Aid</i>			
State/Tuition Percent	100.0%	1.4%	3.2%	5.4%	1.0%	18.6%	1.5%	40.9%	4.9%	5.5%	17.6%				
Res. SFTE Inc. FY05-06 to FY 10-11	24,604.0	16.0	1,655.0	2,537.0		1,619.0		2,302.0	405.0		16,070.0				
State Proportional Reduction	\$ (3,413,752)	\$ (76,484)	\$ (126,448)	\$ (252,624)	\$ (63,866)	\$ (727,746)	\$ (63,722)	\$ (996,349)	\$ (111,095)	\$ (224,227)	\$ (771,191)	\$ -	\$ -	\$ -	\$ (3,413,752)
Total Funds Proportional Reduction	\$ (3,413,752)	\$ (47,883)	\$ (107,926)	\$ (184,079)	\$ (35,437)	\$ (635,576)	\$ (50,478)	\$ (1,397,602)	\$ (168,171)	\$ (186,076)	\$ (600,524)	\$ -	\$ -	\$ -	\$ (3,413,752)
Enrollment Adjustment	\$ 10,000,000	\$ 6,503	\$ 672,655	\$ 1,031,133	\$ -	\$ 658,023	\$ -	\$ 935,620	\$ 164,607	\$ -	\$ 6,531,459	\$ -	\$ -	\$ -	\$ 10,000,000
Local District JCs and AVS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 216,467	\$ 118,919	\$ 335,386
Total Targeted State Change	\$ 3,172,496	\$ (117,864)	\$ 438,281	\$ 594,430	\$ (99,303)	\$ (705,299)	\$ (114,200)	\$ (1,458,331)	\$ (114,659)	\$ (410,303)	\$ 5,159,744	\$ 216,467	\$ 118,919	\$ -	\$ 3,507,882
Percent State Change	0.6%	-1.1%	2.4%	1.6%	-1.1%	-0.7%	-1.2%	-1.0%	-0.7%	-1.3%	4.6%	1.8%	1.6%		0.7%
Stipend-eligible SFTE	(404.0)	42.0	320.0	(18.0)	38.0	125.0	(60.0)	9.0	(49.0)	(18.0)	(793.0)				
Stipends	\$ (751,440)	\$ 78,120	\$ 595,200	\$ (33,480)	\$ 70,680	\$ 232,500	\$ (111,600)	\$ 16,740	\$ (91,140)	\$ (33,480)	\$ (1,474,980)	\$ -	\$ -	\$ -	\$ (751,440)
Fee-for-service Contracts	\$ 3,923,936	\$ (195,984)	\$ (156,919)	\$ 627,910	\$ (169,983)	\$ (937,799)	\$ (2,600)	\$ (1,475,071)	\$ (23,519)	\$ (376,823)	\$ 6,634,724	\$ 216,467	\$ 118,919	\$ -	\$ 4,259,322
Resident	\$ 84,716,780	\$ 1,309,911	\$ 5,513,150	\$ 5,975,310	\$ 717,427	\$ 14,980,670	\$ 592,369	\$ 31,853,480	\$ 3,214,954	\$ 5,031,256	\$ 15,528,253				
Nonresident	\$ 43,164,717	\$ 1,166,705	\$ 1,666,146	\$ 428,065	\$ 302,522	\$ 7,633,459	\$ 1,232,577	\$ 21,367,433	\$ 4,676,793	\$ 2,369,383	\$ 2,321,634				
Tuition	\$ 127,881,497	\$ 2,476,616	\$ 7,179,296	\$ 6,403,375	\$ 1,019,949	\$ 22,614,129	\$ 1,824,946	\$ 53,220,913	\$ 7,891,747	\$ 7,400,639	\$ 17,849,887				
State/Tuition	\$ 131,053,993	\$ 2,358,752	\$ 7,617,577	\$ 6,997,805	\$ 920,646	\$ 21,908,830	\$ 1,710,746	\$ 51,762,582	\$ 7,777,088	\$ 6,990,336	\$ 23,009,631				
Percent State/Federal/Tuition Change	6.3%	8.2%	11.7%	6.3%	4.3%	5.7%	4.0%	6.1%	7.7%	6.2%	6.3%				
Tobacco	\$ (623,527)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (623,527)	\$ -	\$ -	\$ -				
Gaming	\$ (398,938)	\$ (2,188)	\$ 33,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (429,854)	\$ 15,752	\$ -	\$ -	\$ (383,186)
Academic Fees	\$ 2,812,524	\$ 372,225	\$ 14,613	\$ (167,193)	\$ 126,230	\$ 502,596	\$ 54,841	\$ 1,853,505	\$ -	\$ 160,890	\$ (105,183)				

Staff Comeback - Allocation of Higher Education Funds Restored

	Rate	Gov. Boards	Adams	Mesa	Metro	Western	CSU Sys	Ft. Lewis	CU	Mines	UNC	CCs	LDJC	AVS	Institutions
FY 2012-13 TOTAL - revised with \$9.3 mil increase	\$ 62														
	30														
Stipend-eligible SFTE		141,905.0	1,557.0	6,507.0	16,785.0	1,278.0	21,221.0	2,238.0	27,315.0	2,640.0	8,049.0	54,315.0			141,905.0
State-operated Stipends @ \$1,860		\$ 263,943,300	\$ 2,896,020	\$ 12,103,020	\$ 31,220,100	\$ 2,377,080	\$ 39,471,060	\$ 4,162,680	\$ 50,805,900	\$ 4,910,400	\$ 14,971,140	\$ 101,025,900	\$ -	\$ -	\$ 263,943,300
Fee-for-service Contracts		\$ 238,695,068	\$ 8,176,531	\$ 6,835,836	\$ 6,335,809	\$ 6,867,864	\$ 66,300,174	\$ 5,046,237	\$ 93,511,501	\$ 11,229,183	\$ 17,425,163	\$ 16,966,770	\$ 12,126,418	\$ 7,783,790	\$ 258,605,276
SUBTOTAL State Funds		\$ 502,638,368	\$ 11,072,551	\$ 18,938,856	\$ 37,555,909	\$ 9,244,944	\$ 105,771,234	\$ 9,208,917	\$ 144,317,401	\$ 16,139,583	\$ 32,396,303	\$ 117,992,670	\$ 12,126,418	\$ 7,783,790	\$ 522,548,576
Resident		\$ 1,040,147,872	\$ 11,989,568	\$ 43,496,024	\$ 73,224,080	\$ 6,530,235	\$ 170,591,888	\$ 10,255,647	\$ 390,570,780	\$ 45,456,927	\$ 63,517,037	\$ 224,515,686			
Nonresident		\$ 662,690,384	\$ 8,228,223	\$ 10,392,902	\$ 7,441,227	\$ 6,557,264	\$ 129,570,037	\$ 24,530,864	\$ 361,325,440	\$ 47,791,642	\$ 23,507,030	\$ 43,345,755			
Tuition		\$ 1,702,838,256	\$20,217,791	\$53,888,926	\$80,665,307	\$13,087,499	\$300,161,925	\$34,786,511	\$751,896,220	\$93,248,569	\$87,024,067	\$267,861,441			
State/Tuition		\$ 2,205,476,624	\$ 31,290,342	\$ 72,827,782	\$ 118,221,216	\$ 22,332,443	\$ 405,933,159	\$ 43,995,428	\$ 896,213,621	\$ 109,388,152	\$ 119,420,370	\$ 385,854,111			
Tobacco		\$ 13,923,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,923,200	\$ -	\$ -	\$ -			
Gaming		\$ 5,538,875	\$ 21,704	\$ 243,895	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,273,276	\$ 612,225	\$ -	\$ 6,151,100
Academic Fees		\$ 92,878,300	\$ 3,323,390	\$ 501,727	\$ 11,324,551	\$ 1,549,505	\$ 17,255,789	\$ 1,151,656	\$ 38,923,597	\$ 4,203,414	\$ 5,523,890	\$ 9,120,781			
Appropriated Grants		\$ 2,375,531	\$ -	\$ -	\$ -	\$ -	\$ 170,000	\$ 48,000	\$ 657,531	\$ -	\$ -	\$ 1,500,000			
TOTAL		\$ 2,320,192,530	\$ 34,635,436	\$ 73,573,404	\$ 129,545,767	\$ 23,881,948	\$ 423,358,948	\$ 45,195,084	\$ 949,717,949	\$ 113,591,566	\$ 124,944,260	\$ 401,748,168			\$ -

**COLORADO GENERAL ASSEMBLY
JOINT BUDGET COMMITTEE**



**SUPPLEMENTAL REQUESTS FOR FY 2012-13
and FY 2011-12**

DEPARTMENT OF HIGHER EDUCATION

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

**Prepared By:
Amanda Bickel, JBC Staff
January 15, 2013**

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Statewide and Tobacco Settlement Common Policy Supplemental Requests

These requests are not prioritized and are not analyzed in this packet. The JBC will act on these items when it makes decisions regarding common policies.

Department's Portion of Statewide/Tobacco Supplemental Request	Total	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Liability Premium Supplemental	\$2,415	\$0	\$2,415	\$0	\$0	0.0
Tobacco Settlement Funds: CU Health Sciences Center	<u>248,256</u>	<u>0</u>	<u>248,256</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
Department's Total Statewide Supplemental Requests	\$250,671	\$0	\$250,671	\$0	\$0	0.0

Staff Recommendation: This Liability Premium amount represents the Department's share of the *Liability Premiums Technical True-up* interim 1331 supplemental that was approved by the Committee on Friday, Jan. 4, 2013. **Staff recommends that this adjustment be included in the Department's supplemental bill.**

Staff does NOT recommend the request for the tobacco settlement supplemental, based on JBC action to sponsor a bill that would enable the CU Health Sciences Center to spend up to 5.0 percent more than its Tobacco Funds appropriation, based on actual dollars received. If this legislation is adopted, no supplemental will be required.

Previously-approved FY 2011-12 Interim Supplemental Requests

During the JBC's June 20, 2012 meeting, it approved an interim supplemental request from the Department of Higher Education to "true-up" FY 2011-12 College Opportunity Fund stipend and fee-for-service allocations to several higher educational institutions. Consistent with prior action, staff will include these FY 2011-12 adjustments as an add-on to the Higher Education supplemental bill. The adjustments have a net \$0 impact on funding.

Department of Higher Education			
	Total	Stipends	Fee-for-Service
Western State College	\$0	\$29,357	(\$29,357)
Fort Lewis College	0	(298,654)	298,654
Colorado School of Mines	0	64,945	(64,945)
Total	\$0	(\$204,352)	\$204,352