



# Affordability and Return on Investment Of Higher Education

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# Colorado Rises **66% ATTAINMENT BY 2025**

## **STRATEGIC GOAL #1**

Increase  
Completion

## **STRATEGIC GOAL #2**

Erase Equity  
Gaps

## **STRATEGIC GOAL #3**

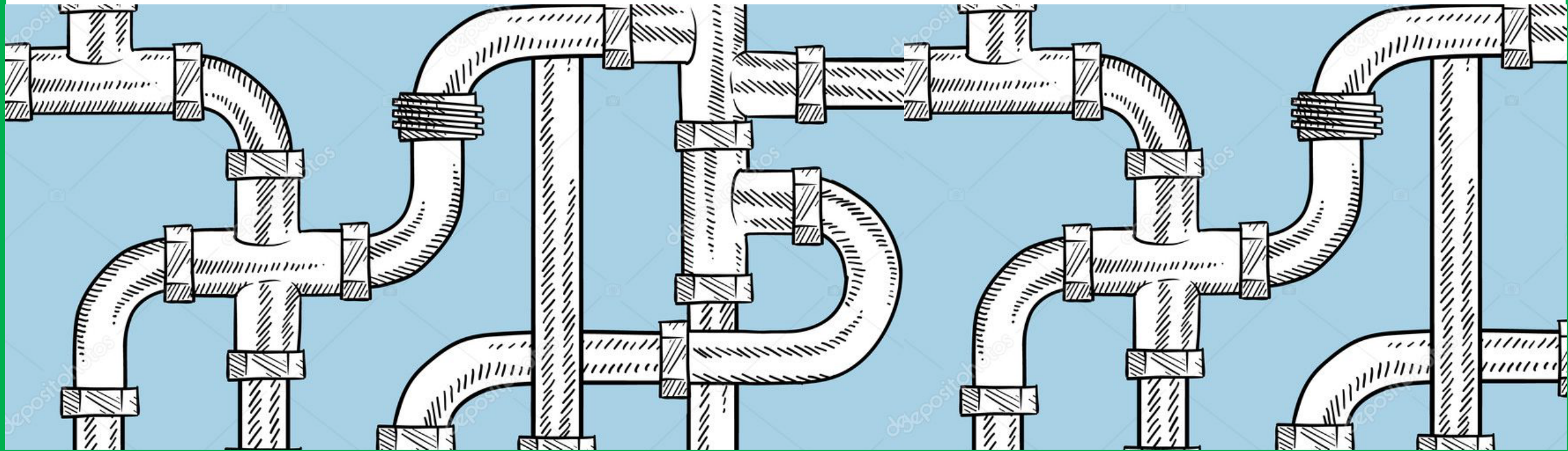
Improve Student  
Success

## **STRATEGIC GOAL #4**

Invest in Affordability  
and Innovation

# Dignity in All Pathways

“Higher Education” means ***all postsecondary credentials***: high-value certificates, two-year degrees, four-year degrees and advanced degrees.





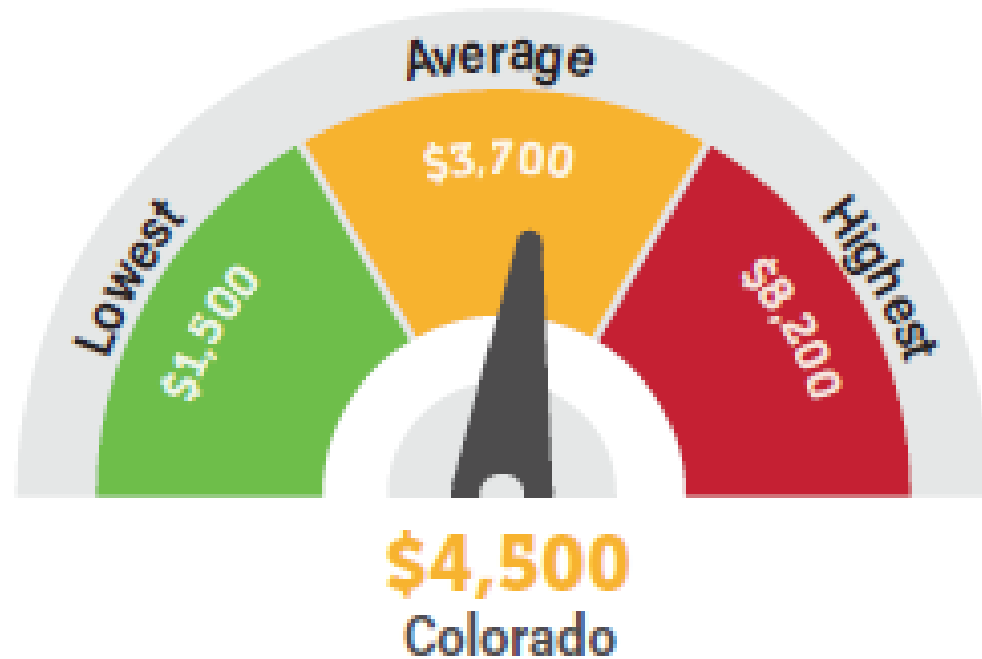


# Colorado's Institutions of Higher Education

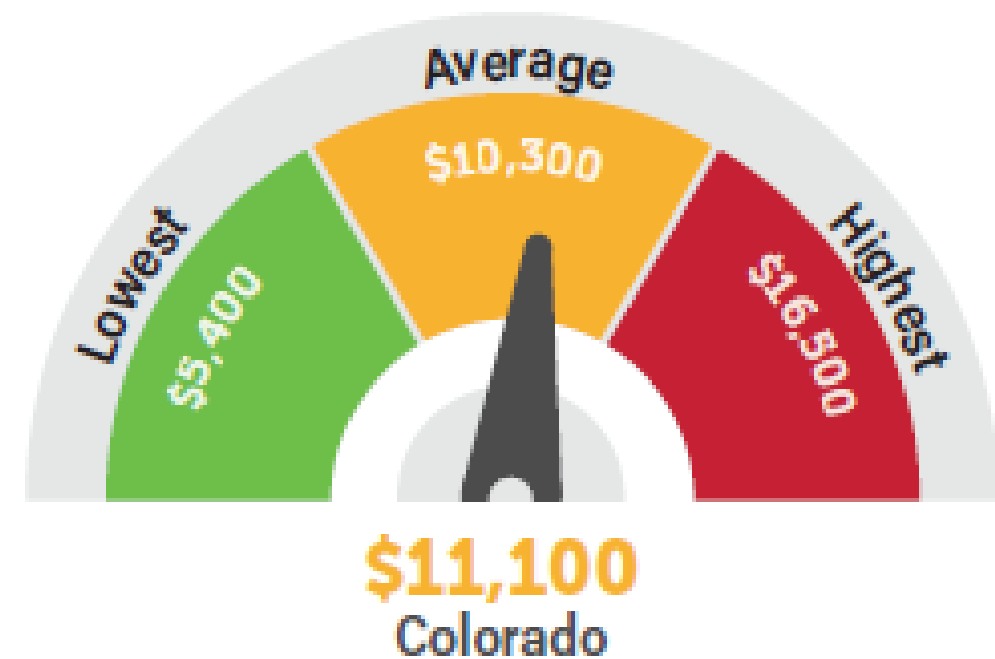
- 13 four-year Institutions
- 15 two-year Institutions
- 3 Area Technical Colleges
- 291 Private Occupational Schools
- 84 Private Institutions

## Tuition and fees charged by Colorado institutions fall close to the national average

Two-Year Colleges



Four-Year Colleges and Universities



## Attending college includes many expenses

### Total Cost of Attendance



Computer	\$1,100
Personal Expenses	\$1,400
Transportation	\$1,700
Books and Other Expenses	\$1,800



Room and Board Living at Home	\$4,400
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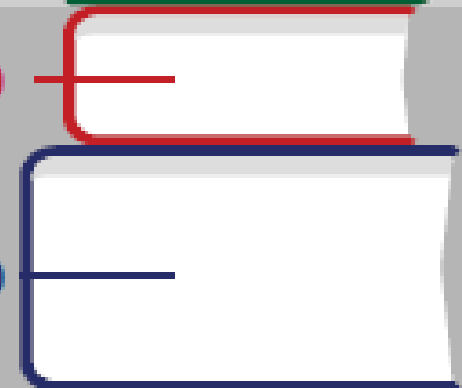
Room and Board for Independents	\$10,300
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Room and Board On Campus	\$10,800
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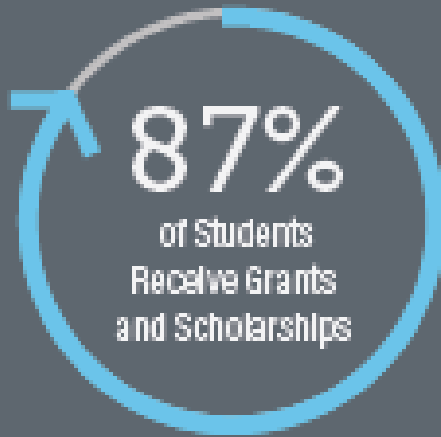


Two-Year Institution Tuition and Fees	\$4,510
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Four-Year Institution Tuition and Fees	\$11,140
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Two-Year Institutions



Four-Year Institutions



## *Most Students DO NOT Pay the Full Cost of Attendance*

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They Receive Grants and Scholarships  
from:

- The Federal Government
- The State of Colorado
- The Institutions they are Attending
- Outside Sources

# Total Cost of Attendance for the Average Student In Colorado



## Average cost of attendance

Tuition and Fees  
+ Other Costs  
= Total Cost of Attendance

## Two-Year Institution

\$4,500  
+ \$14,500  
= \$19,000

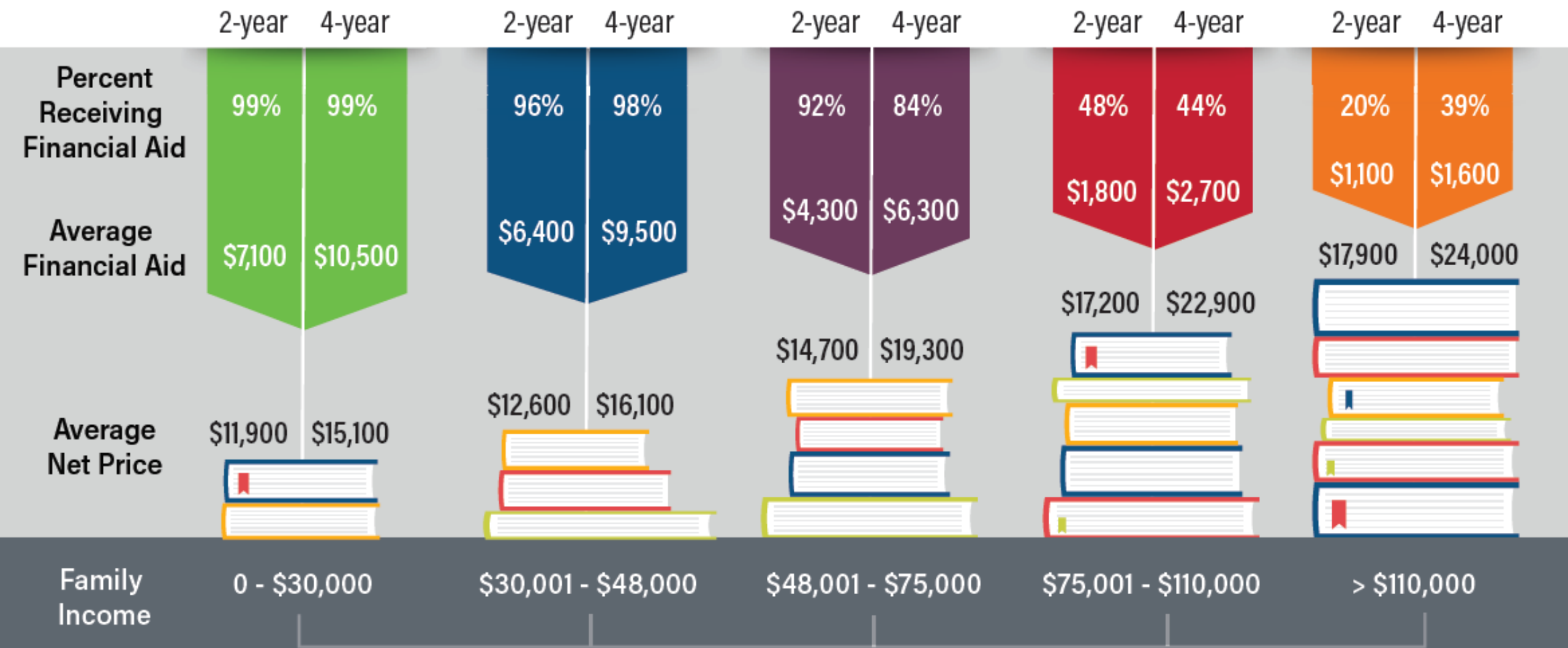
## Four-Year Institution

\$11,100  
+ \$14,500  
= \$25,600

Financial aid impacts cost of attendance



# Financial Aid Helps Change the Cost Equation



# Still Many Students Still Graduate with Student Loan Debt

## 2-Year

**56%**

of In-state Degree  
Completers

**\$13,300**

Average Student  
Loan Amount at  
Graduation

## 4-Year

**69%**

of In-state Degree  
Completers

**\$25,500**

Average Student  
Loan Amount at  
Graduation

# Student Loan Debt of Colorado Resident Completers at 2-Year Institutions

## Certificate or Associate Graduate

2014	2016	2018
Percent of Graduates with Debt		
65%	60%	56%
Average Debt		
\$14,900	\$14,300	\$13,300



# Student Loan Debt of Colorado Resident Completers

## Bachelor's Graduate

2014	2016	2018
Percent of Graduates with Debt		
69%	71%	69%
Average Debt		
\$26,900	\$27,200	\$25,500

Although taking on debt feels daunting for many, it's a tool to make college affordable—as long as students finish what they start:

*Just* **9%**

of college graduates  
default on their loans

*compared  
to*

**24%**

of students who don't  
complete their degree



Two-thirds of people who  
default on their student loan  
debt accrue less than \$10,000.

# Colorado Rises


## Affordability Framework



A postsecondary education is affordable when all Coloradans can access financial resources that cover the costs of earning a credential of their choice, and institutions, the state, the federal government, students and families work together to put that opportunity in reach. On top of federal, state, and institutional aid, resources may include student and family contributions, including savings; private grants and scholarships; income from reasonable work expectations while in school; and a manageable debt load relative to the value of the student's course of study and overall higher education experience. While students and families make choices that impact what they pay, institutions, the state, and the federal government have a responsibility to contain costs.




# Guiding Principles




## Cost Containment

To reduce the burden on students, Colorado institutions commit to containing costs and operating as efficiently as possible while maintaining quality.




## Equal Opportunity

Multiple postsecondary pathways should be accessible to all Coloradans regardless of age, income, race and zip code.




## Reasonable Debt

Student debt can be a tool to achieve affordability, depending on total cost of credential, student loan terms and potential future earnings.



## Accelerating Time

Student's educational choices—such as course selection in college, prior learning, and participation in precollegiate programs like Concurrent Enrollment, Advanced Placement and International Baccalaureate—can reduce the cost and time it takes to earn a credential.



## Public Investment

State investment in higher education provides Coloradans access to the skills and knowledge they need to thrive, yielding social, civic and economic returns for our state and advancing the public good.

## Definitions

### Price

The listed price to attend a higher education program, commonly referred to as the "sticker price." This price includes tuition and fees as well as room and board, books and other education related expenses.

### Cost

The final amount paid by the student, subtracting financial aid, scholarships and additional resources.

### Reasonable Debt

Students can repay the debt they must incur to complete their educational programs within a 10-year period based on a reasonable expectation of earnings they receive from completing their program without undue burden or hardship.

# Linking credential completion data to earnings outcomes

- For the past several years, CDHE has worked with various national organizations around linking credential completion and unemployment insurance (UI) data to show the earnings outcomes of individuals who obtain credentials from Colorado institutions of higher education (IHEs).
- Credential completion data comes from each Colorado public IHE. A data sharing partnership with the Colorado Department of Labor and Employment (CDLE) allows CDHE to access the UI data.
- This work began in 2013 based on a partnership with the American Institutes for Research (AIR) and College Measures.

# Postsecondary Degree Earnings Outcomes Tool

- Building off the work with AIR and College Measures, CDHE was able to continue similar data pulls and annually updated its Postsecondary Degree Earnings Outcomes Tool:  
<https://highered.colorado.gov/Data/Workforce/EdPays.html>
- Using the tool, an individual can select a specific IHE, program name, and/or credential level. The tool will then show the average 1-, 5-, and 10-year earnings data for those credentials.
- This work links credential completions in Colorado to Colorado wage outcomes (if a degree completer leaves the state after graduation their data are not included).



# HB18-1226

## Higher Education Review Degree Program Costs And Outcomes

- Directs CDHE to annually release data on the return on investment of postsecondary education by institution and (when available) by program
- First report will be released Tuesday, July 30<sup>th</sup>.
- This report will provide legislators and students with data on various postsecondary topics, including:
  - Price: How much education costs and how much students and families pay out-of-pocket
  - Debt: The number of students who take on loans and their average debt load
  - Choice: How students' chosen educational pathways impact their overall return
  - Value: The public and personal value of completing a postsecondary credential

# The Value of Postsecondary Education

- Some form of postsecondary education after high school completion can have a dramatic impact on an individual's earning potential over the course of their life.

<u>Credential Type</u>	<u>Median 1-year earnings</u>	<u>Median 5-year earnings</u>	<u>Median 10-year earnings</u>
Certificate	\$32,111	\$41,763	\$50,130
Associate's	\$39,223	\$47,558	\$54,595
Bachelor's	\$37,364	\$49,351	\$60,370

## 2019 CDHE Legislative Outcomes

We secured a historic \$121 million funding increase designed to hold tuition flat over the next academic year (2019-2020), sharing the dividends of a thriving economy to support Colorado students and families. See how these outcomes advance our strategic goals for higher education.



### Increasing Credential Completion



#### Educator Loan Forgiveness Program

To address the statewide teacher shortage, this bill creates a loan forgiveness program that will repay up to \$5,000 of qualified education loans for up to five years for 100 teachers in hard-to-fill positions.

**S.B. 19-003**

*Sponsored by Senators  
Zenzinger and Coram  
and Representatives  
McLachlan and Wilson*

#### Financial Aid for Students with In-State Tuition

This bill allows undocumented students who meet certain qualifications to access state financial aid, making college more affordable and equitable.

**H.B. 19-1196**

*Sponsored by  
Senator Moreno  
and Representative  
Gonzales-Gutierrez*



### Erase Equity Gaps



#### Higher Education Supplemental Academic Instruction

This bill phases in best practice approaches to remediating students by directly placing them in college-level courses paired with wraparound supports. By moving away from traditional remediation practices, we eliminate structural barriers that historically preclude students of color and adult students from a fair chance at succeeding in higher education.

**H.B. 19-1206**

*Sponsored by Senators  
Lundeen and Bridges  
and Representatives  
Larson and Coleman*



### Improve Student Success



#### Expanding Concurrent Enrollment Opportunities

This bill expands and improves concurrent enrollment for Colorado students by ensuring their courses are guaranteed to transfer to every public institution and establishes a grant program to help local partnerships build capacity.

**S.B. 19-176**

*Sponsored by Senators  
Lundeen and Bridges  
and Representatives  
Geitner and McCluskie*



### Invest in Affordability and Innovation



#### Five-Year Review of Higher Education Funding Formula

This bill requires the Colorado Commission on Higher Education to review the formula that allocates state funds to institutions of higher education every five years, improving transparency and aligning it more closely with the Master Plan goals.

**S.B. 19-095**

*Sponsored by Senators  
Todd and Holbert and  
Representatives Hansen  
and McKean*

#### Dependent Tuition Assistance Program Eligibility

This bill aligns statute with practice to make it easier for dependents of those killed or permanently injured in the line of duty to access tuition assistance funds.

**S.B. 19-174**

*Sponsored by Senators  
Garcia and Hill and  
Representatives Neville  
and Buentello*





**COLORADO**

Department of  
Higher Education

## For More Information

Colorado Department of Higher Education  
<https://highered.colorado.gov/>

Colorado Rises: Advancing Education and Talent Development  
<http://masterplan.highered.colorado.gov/>

# Q & A

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