DEPARTMENT OF HIGHER EDUCATION
FY 2017-18 JOINT BUDGET COMMITTEE HEARING AGENDA

Tuesday, January 3, 2017
9:00 am – 12:00 noon

9:00-10:15 DEPARTMENT OF HIGHER EDUCATION

Introductions and opening comments

Budget request, Cost of higher education and tuition increases

1 Please discuss your budget priorities.

2 How has tuition increased compared to inflation over the last 20 years? Compare this with the increase in student loan debt over the same period.

3 How much of the increase in tuition is driven by declining General Fund support? (the "inverted smiley-face" picture)

4 Are factors in addition to the decline in General Fund contributing to tuition increases?

5 Review the key findings from the NCHEMS report examining Colorado's higher education costs.

6 How do Colorado's General Fund support and current tuition levels compare with surrounding states?

7 Since the consumer price index is virtually flat, what is the justification for an FY 2017-18 inflation rate beyond that amount in both your General Fund and tuition increase requests (R1 and R2)?

8 How much General Fund would be required for Higher Education to keep tuition flat?

9 Why, in your request, are you proposing a non-resident tuition increase that is lower than the resident tuition increase?

10 Is the "scholarship expense" in the budget data books the same as discounted tuition? What is the eligibility for such scholarships? Who benefits from the scholarships reflected in the "scholarship expense" (e.g., resident/non-resident/need/merit)?

11 What can be done to reduce the costs of higher education? To reduce the burden of debt on students?

12 How have initiatives in the following areas affected student retention, completion, and time-to-degree/credential? What other initiatives is the State exploring or implementing to help students complete as efficiently as possible?

a. Changes in remedial policies

b. Dual/concurrent enrollment programs

c. Policies related to transfer (e.g., transferrable core-requirement courses and associates degrees)

13 Are students shifting from four-year to two-year institutions for their first two years to reduce costs? Do you foresee more of this?

Funding model used for R1

14 Have any factors or weights in the model been changed from last year?

15 Why did each university end up where they did based on the impact of the model?

16 Are the institutions and the Department comfortable with the model in its current form?

Transfer and Dual Enrollment

[Background: Initial data from the transfer study and related submissions indicate large numbers of credits are lost in the transfer process but that much of this is due to students' changing fields. Responses from institutions will be submitted through the end of December.]

17 What does the Department see as the key reason courses are not transferring, based on the survey responses it has seen? Is course "rigor" a significant factor? Do any of the responses raise concerns for the Department or suggest areas for further investigation?

18 JBC staff has made various recommendations on transfer policy to address dissemination of information, concurrent enrollment policy, career and technical education courses, and degree pathways options (p. 90-91 of the briefing packet). Please respond to these recommendations. Does the Department have other recommendations at this point for policy changes, legislation, or next steps?

19 Isn't it mandatory that all credits transfer between Colorado higher education institutions? Why not?

20 Some of the data collected indicated that concurrent enrollment credit may not always transfer. Why does the Department believe this occurs and what should be done about it? Did last year's bill on informing families about dual enrollment go far enough?

21 One staff suggestion was a work group on the cross-over/dual listing of CTE and "academic" credit. Are there existing work-groups that could be extended to incorporate this issue?

Open access materials:

22 What do you think of the staff proposal for a grant program to develop and disseminate open access (freely available) gtPathways course materials, with particular focus on concurrent enrollment course materials?

23 What do you think of the staff recommendation to consider requiring all research publications produced by faculty at state institutions be made freely available and deposited to institutional archives after no more than a 12 month embargo? Do you anticipate intellectual property problems? Can Colorado do this alone?

Higher Education Master Plan

24 Discuss the Master Plan goals and potential changes to the goals.

25 How is the State performing against the current goals?

26 If the State is not achieving its goals, what kinds of changes may be needed to state policy or practice?

27 Provide a copy of the Annual Performance Plan (that was due November 1).

10:15-10:30 BREAK

10:30-12:00 PANEL 1: COMMUNITY COLLEGES, LOCAL DISTRICT COLLEGES, AREA TECHNICAL COLLEGES

Tuition, General Fund, Institutional Financial Health, and the Executive Request

1 What are the primary drivers behind tuition increases at your institution(s)? How much is driven by state General Fund cuts versus other factors? Do educational costs for your institution(s) increase faster than inflation? If so, why?

2 Discuss the resident tuition increase proposed for your governing board in the Executive request. *[Note: this question applies primarily to the Colorado community college system, as tuition increases for the other governing boards are not appropriated. However, other boards are requested to respond to parts a, c, and d to the extent feasible.]*

a) How much of an increase in education and general *revenue* do you anticipate needing in FY 2017-18? If this is greater than the projected increase in the Boulder-Denver-Greeley CPI, explain why.
b) Does the maximum undergraduate resident tuition rate increase proposed for your governing board accurately reflect your tuition need if R1 General Fund support is approved? Why or why not?
c) How much of a General Fund increase would you need to keep tuition flat?
d) How much of a resident tuition rate increase would you seek if the State could not provide a General Fund increase?

3 If applicable, how much do you hope to increase non-resident tuition? Is this less than your proposed resident tuition increase? If so, why? How much of your tuition revenue is from non-residents?

4 Are you comfortable with the funding allocation model as submitted? Why or why not*? [Note: this question applies primarily to the Colorado community college system, as adjustments for the other boards are based on the overall change in General Fund support.]*

5 How healthy is your institution financially? If you've had ongoing challenges or you've recently seen a significant improvement or decline, please discuss your situation.

<u>Institutional Efficiency/Efficiency to Degree/Debt Burden/Transfers</u>

6 What can be done to reduce the cost of education for students and the burden of student debt?

7 Can higher education institutions be more efficient? Do we need new educational models?

8 How have initiatives in the following areas affected student retention, completion, and time-to-degree/credential at your governing board? What other initiatives are you exploring or implementing to help students complete as efficiently as possible?
   a. Changes in remediation policies
   b. Dual/concurrent enrollment programs
   c. Policies related to transfer (e.g., transferrable core-requirement courses and associates degrees)

9 What are the primary reasons credits are lost when students transfer to your institution(s), based on the data your staff collected for JBC staff? Are there steps that should be considered to address credit-loss at the institutional level? At the State level? Do you have input on JBC staff's recommendations on this?

10 JBC staff has recommended a grant program to develop and disseminate open access educational materials for gtPathways courses, with a particular focus on concurrent enrollment

courses. The goal would be to reduce student (and K-12 system) costs. Do you have any feedback?

Financial aid

11 Does your institution award institutional financial aid? If so, what are the criteria? What are your goals in awarding the aid?
   a. What percentage of your resident student population receives an institutional aid scholarship based on need? Based on merit?
   b. How much of your "education and general" tuition revenue is used for scholarships? What is the break-down of the expense between residents and non-residents and the proportion used for need-based versus merit-based aid in each category?

12 If applicable, what share of revenue from an increase in resident tuition would you expect to use for scholarships? Why?

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED - DEPARTMENT OF HIGHER EDUCATION

1 Provide a list of any legislation that the Department has: (a) not implemented, or (b) partially implemented. Explain why the Department has not implemented or has only partially implemented the legislation on this list. Please explain any problems the Department is having implementing any legislation and any suggestions you have to modify legislation.

2 If the Department receives federal funds of any type, please respond to the following:
   a. Please provide a detailed description of any federal sanctions or potential sanctions for state activities of which the Department is already aware. In addition, please provide a detailed description of any sanctions that MAY be issued against the Department by the federal government during FFY 2016-17.
   b. Are expecting any changes in federal funding with the passage of the FFY 2016-17 federal budget? If yes, in which programs, and what is the match requirement for each of the programs?

3 Does the Department have any HIGH PRIORITY OUTSTANDING recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office and dated June 30, 2016 (link below)? What is the department doing to resolve the HIGH PRIORITY OUTSTANDING recommendations?

   http://leg.colorado.gov/sites/default/files/documents/audits/1667s_annual_report_-_status_of_outstanding_recommendations_1.pdf

4 Is the department spending money on public awareness campaigns? What are these campaigns, what is the goal of the messaging, what is the cost of the campaign? Please distinguish between paid media and earned media. Do you have any indications or metrics regarding effectiveness?

How is the department working with other state or federal departments to coordinate the campaigns?

5 Based on the Department's most recent available record, what is the FTE vacancy and turnover rate by department and by division? To what does the Department attribute this turnover/vacancy?

6 For FY 2015-16, do any line items in your Department have reversions? If so, which line items, which programs within each line item, and for what amounts (by fund source)? What are the reasons for each reversion? Do you anticipate any reversions in FY 2016-17? If yes, in which programs and line items do you anticipate these reversions occurring? How much and in which fund sources do you anticipate the reversion being?

7 [Background Information: For FY 2017-18, the Department of Law has submitted a request to change the calculation of legal services appropriations as well as the monthly billing system for legal services provided to state agencies. Specifically, the proposal would: 1) calculate the number of budgeted legal services hours for each agency as the average of actual usage in the prior three years; 2) include a two-year average of "additional litigation costs" such as court reporting, travel for depositions, expert witness costs, etc., in the appropriation for legal services (these costs are not currently included in the appropriation and are often absorbed from other personal services and operating expenses line items); and 3) convert from monthly billing based on the actual hours of service provided to monthly billing based on twelve equal installments to fully spend each client agency's appropriation.]

Please discuss your agency's position on the Department of Law's proposed changes to the legal services system, including the potential impacts of the changes on your agency budget. That is, does your department support the proposed changes? How would you expect the changes to positively or negatively impact your department? Please explain.

8 What is the expected impact of Amendment 70 (minimum wage increase) on Department programs? Please address impacts related to state personnel, contracts, and providers of services.

9 Please provide an update on the Department's status, concerns, and plans of action for increasing levels of cybersecurity, including existing programs and resources. How does the Department work with the Cybersecurity Center in the Office of Information Technology?

10 Is the SMART Act an effective performance management and improvement tool for your Department? What other tools are you using? Do your performance tools inform your budget requests? If so, in what way?

11 Please identify how many rules you have promulgated in the past two years. With respect to these rules, have you done any cost-benefit analysis pursuant to Section 24-4-103 (2.5), C.R.S., regulatory analysis pursuant to Section 24-4-103 (4.5), C.R.S., or any other similar analysis? Have you conducted a cost-benefit analysis of the Department's rules as a whole? If so, please provide an overview of each analysis.

12 What has the department done to decrease red tape and make the department more navigable/easy to access?

13 What is the number one customer service complaint the department receives? What is the department doing to address it?

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED - GOVERNING BOARDS

1 Provide a list of any legislation that the governing board has: (a) not implemented, or (b) partially implemented. Explain why the governing board has not implemented or has only partially implemented the legislation on this list. Please explain any problems the governing board is having implementing any legislation and any suggestions you have to modify legislation.

2 Are you expecting any substantial changes in federal funding for your governing board with the passage of the FFY 2016-17 federal budget?

3 Does the governing board have any HIGH PRIORITY OUTSTANDING recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office and dated June 30, 2016 (link below)? What is the department doing to resolve the HIGH PRIORITY OUTSTANDING recommendations?

http://leg.colorado.gov/sites/default/files/documents/audits/1667s_annual_report_-_status_of_outstanding_recommendations_1.pdf

4 What is the expected impact of Amendment 70 (minimum wage increase) on the governing board? Please address impacts related to state personnel, contracts, and providers of services.

Capital Construction

5 Do your institutions provide for controlled maintenance projects (not annual repairs and maintenance, but projects that replace building systems or subsystems intended for facility renewal and intended to provide benefits longer than a year) in addition to (if applicable) state funded controlled maintenance for academic buildings? If so, does your institution have a formalized process for budgeting and funding these projects? If yes, generally describe the plan or process. If no, describe how a project would be accommodated with funding on either a planned or emergency basis. Briefly describe how your institution provides controlled maintenance for auxiliary buildings and how that differs from academic buildings.

6 Please provide an actual amount or estimate of institution-funded controlled maintenance spending annually for FY11-12 through FY15-16 for academic buildings. Include as much additional detail, regarding types of projects, that might be tracked as a part of your capital renewal efforts (no need to provide detail that isn't tracked - no need to provide project details).

7 Please provide the following data for your institution: number of academic buildings and auxiliary buildings; square footage of academic buildings and auxiliary buildings; total campus area; current replacement value of academic buildings and auxiliary buildings; annual facility management operating expenses for FY11-12 through FY15-16 (please clarify if the total includes or excludes all campus grounds maintenance and upkeep).

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Introductions and opening comments

Budget request, Cost of higher education and tuition increases

1 Please discuss your budget priorities.

The Department's budget request consists of the following priorities:

1) *Operating funding for Public Institutions of Higher Education*
The Department is requesting a total of $20.5 million in General Fund to cover the state's share (21.6 percent) of minimum base cost increases to Education and General expenditures. This would cover a $16.7 million increase to operating for the institutions of higher education and a corresponding $3.8 million increase to need-based financial aid.

If the General Assembly funds the Department's request, the state will be able to hold the line on the share it contributes to a resident student's cost of higher education, thus reducing the potential impact of annual minimum cost increases to students and families. Without this increase, the share of higher education costs – current and minimum base increases – that must be picked up by students and families will grow.

The estimated FY 2018 minimum base cost increase is built using the Office of State Planning and Budgeting (OSPB) September 2016 forecasted FY 2018 CPI of 2.2 percent. Minimum base cost increases also include an estimate of annual growth on employer contributions to employee health benefits from the Centers for Medicare and Medicaid Services of 6.4 percent for 2018. The additional increase on health benefits was calculated only on the actual amount of Education and General health insurance expenses for FY 2016.

The requested State share of minimum base cost increases of $16 million for governing boards was run through the funding allocation model approved by the General Assembly for FY 2017 using the most recent actual data available - academic year 2016. The results are shown below.

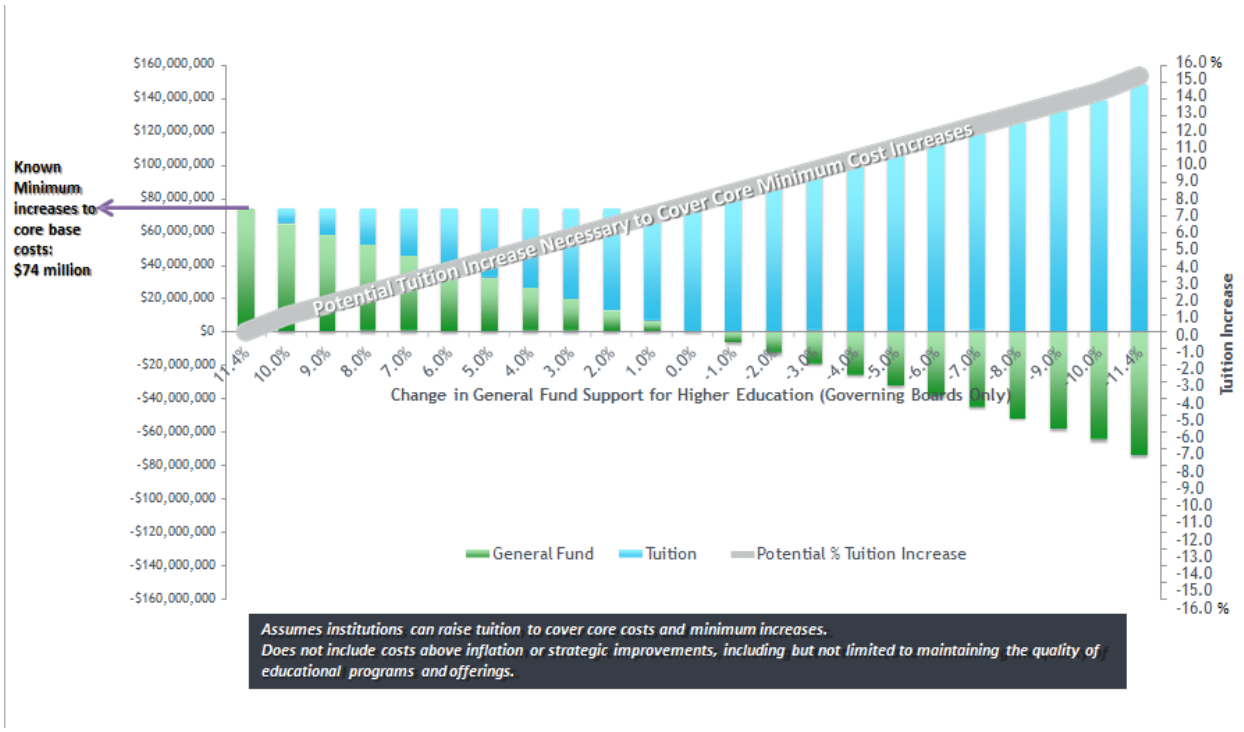
Change in Governing Board Allocations: FY 2017 to FY 2018 Request

Governing Board	COF Stipend	23-18-203 FFS	Specialty Education Program FFS	Limited Purpose FFS	Total	Change
ASU	-$61,463	$245,066	$0	$0	**$183,603**	1.30%
CMU	$939,904	$730,528	$0	$0	**$1,670,432**	6.88%
MSU Denver	-$311,550	$523,152	$0	$0	**$211,602**	0.41%
WSCU	$128,779	$158,191	$0	$0	**$286,970**	2.49%
CSU	$1,034,576	$1,522,405	$1,335,238	$0	**$3,892,219**	2.89%
FLC	-$112,365	$416,104	$0	$0	**$303,739**	2.65%
CU	$2,513,323	$3,719,069	$1,553,149	$0	**$7,785,541**	4.17%
Mines	$127,123	$718,533	$0	$0	**$845,656**	4.10%
UNC	$36,240	$447,934	$0	$0	**$484,174**	1.24%
CCCS	-$2,397,600	$2,776,668	$0	$0	**$379,068**	0.25%
TOTAL	**$1,896,967**	**$11,257,650**	**$2,888,387**	**$0.00**	**$16,043,004**	2.48%

2) *Tuition Spending Authority*
The Department is requesting $116.3 million in cash funds spending authority for institutions of higher education's tuition revenue increases in FY 2018. This request is broken into two parts, the Department's requested spending authority for each governing board, and more importantly, the requested resident undergraduate tuition rate limit for each governing board.

The Department's methodology and assumptions behind the requested resident undergraduate limit are described in more detail below. As non-resident tuition rates have not traditionally been limited by assumptions in the Long Bill, the Department used a tuition rate limit assumption of 5.0 percent, which is the most recent tuition assumption for non-resident students in statute. An assumption of a 5.0 percent tuition rate increase for non-residents is also what was used in the Financial Accountability Plans and in various historical JBC footnotes.

The Department calculated the requested resident undergraduate tuition increase limit by first creating a cost sharing matrix, similar to last year. The matrix looks at the average amount of tuition increases State institutions need to meet minimum base cost increases (described earlier) based on the amount of General Fund they receive.



Next, the Department ran the requested $16 million increase of General Fund through the Higher Education Funding Allocation Model. The Department cross-referenced the results from the model with the matrix to determine each individual governing boards' potential needed increase in tuition rates to meet the remaining minimum base cost increases not picked up by General Funds. The tables below show each governing board's General Fund allocation from the model, the Department's tuition increase model based on General Fund allocation, and the corresponding tuition increase limit for each governing board.

FY 2017-18 Requested General Fund Increase

	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines	UNC	CCCOES
Increase	114,648	1,604,697	66,481	255,743	3,462,149	268,830	7,125,731	767,148	371,257	42,409
Percent Increase	1.01%	6.61%	0.13%	2.22%	2.57%	2.34%	3.82%	3.72%	1.00%	0.03%

% Change in GF Appropriations	$ Change General Fund	$ Change Tuition	Potential % Tuition Increase
11.4%	74,123,160	$0	0.0
10.0%	64,836,506	$9,286,654	1.0
9.0%	58,352,856	$15,770,304	1.6
8.0%	51,869,205	$22,253,955	2.3
7.0%	45,385,554	$28,737,606	3.0
6.0%	38,901,904	$35,221,256	3.6
5.0%	32,418,253	$41,704,907	4.3
4.0%	25,934,603	$48,188,557	5.0
3.0%	19,450,952	$54,672,208	5.6
2.0%	12,967,301	$61,155,859	6.3
1.0%	6,483,651	$67,639,509	7.0
0.0%	-	$74,123,160	7.7
-1.0%	(6,483,651)	$80,606,811	8.3
-2.0%	(12,967,301)	$87,090,461	9.0
-3.0%	(19,450,952)	$93,574,112	9.7
-4.0%	(25,934,603)	$100,057,763	10.3
-5.0%	(32,418,253)	$106,541,413	11.0
-6.0%	(38,901,904)	$113,025,064	11.7
-7.0%	(45,385,554)	$119,508,714	12.3
-8.0%	(51,869,205)	$125,992,365	13.0
-9.0%	(58,352,856)	$132,476,016	13.7
-10.0%	(64,836,506)	$138,959,666	14.3
-11.4%	(74,123,160)	$148,246,320	15.3

FY 2017-18 Tuition Revenue Limit Assumption

	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines	UNC	CCCOES
Resident	7.0%	6.0%	7.0%	6.0%	6.0%	6.0%	5.0%	5.0%	7.0%	7.7%
Non-resident	5.0%	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%

For additional details on tuition assumptions, please see the requested footnotes and appendix in the Governor's Nov. 1 budget request.

3) *Fort Lewis Native American Waiver*
The Department is requesting $88,300 in General Fund for the Fort Lewis Native American Tuition Waiver financial aid line item. Colorado is required via Federal agreement and state law to provide full tuition assistance to any qualified Native American student who attends Fort Lewis College. The Federal agreement with Colorado applies to all Native American students throughout the United States. Therefore, the appropriation must cover both resident and non-resident tuition for participating students. Current funding would fall short of the program cost by $88,300 General Fund in FY 2017-18.

4) *WICHE Professional Student Exchange Program Restoration*
The Department is requesting $44,125 in reappropriated funds to restore funding to the WICHE Professional Student Exchange Program.

As a member of the Western Interstate Commission on Higher Education (WICHE), Colorado participates in a reciprocal program called the Professional Student Exchange Program. This student exchange program allows Colorado resident students to pursue professional degrees in optometry at designated out-of-state institutions at a tuition rate comparable to an instate tuition rate through payment of a "support fee" which is appropriated by the Colorado General Assembly. The program has not received an appropriation increase since FY 2007-08. The support fee amount, however, has risen by an average of 2 percent per year since the last appropriation increase in FY 2007-08. This mismatch between available funding and the funding need has resulted in a decreasing number of spots available for qualified students. The current funding level of $399,000 allows for 22 funded spots based on a support fee amount of $17,425 – leaving the program funding short of the student demand. With this request, three additional students will be able to be served through the program.

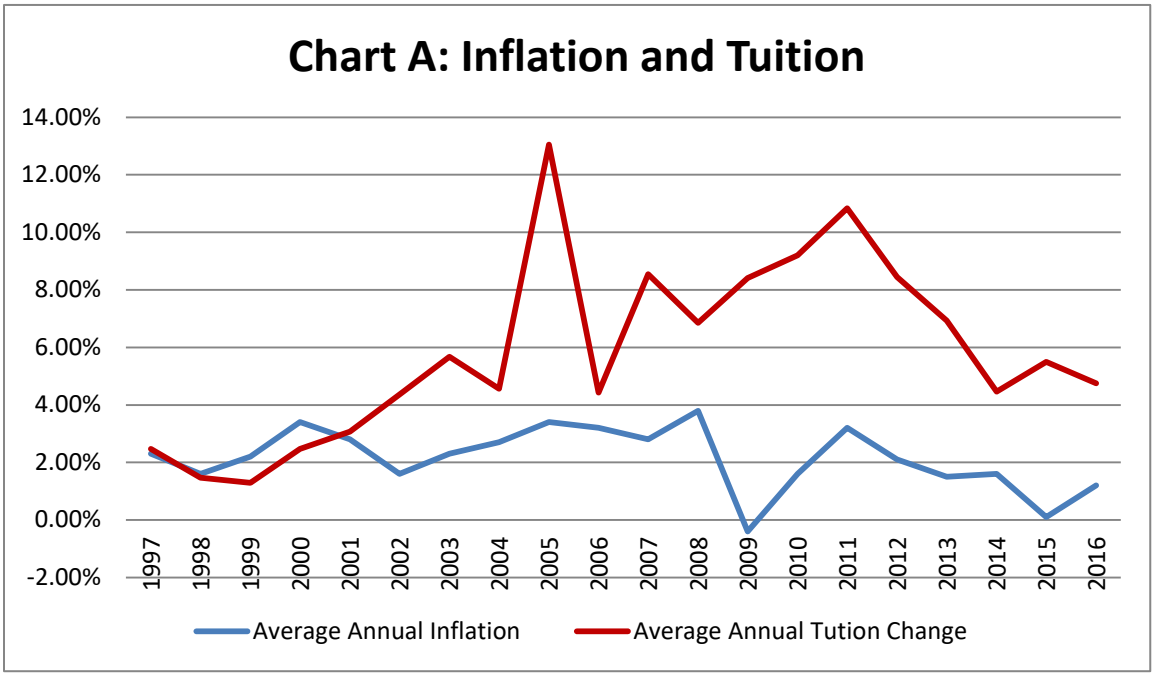
Qualified students will be denied access to this program, if the appropriation for the Professional Student Exchange Program is not increased. In 2016-17, five qualified students were eligible to receive funding, but because of the stagnant appropriation, rising support fee amount and cyclical nature of available spots, only two eligible students were accepted into the program.

5) *WICHE Dues Increase*
The Department is requesting an increase of $4,000 reappropriated funds to pay for the annual dues increase for the Western Interstate Commission for Higher Education (WICHE) in FY 2017-18. WICHE membership allows Colorado higher education institutions to participate in the Western Undergraduate Exchange program whereby students can pay 150 percent of resident tuition to attend the out-of-state institutions. WICHE has increased its participation dues for FY 2017-18, from $145,000 to $149,000.

2 How has tuition increased compared to inflation over the last 20 years? Compare this with the increase in student loan debt over the same period.

The average annual percent tuition change in Colorado outpaced the national average consumer price index over the 20 year span from 1997 to 2016 as demonstrated in Chart A.

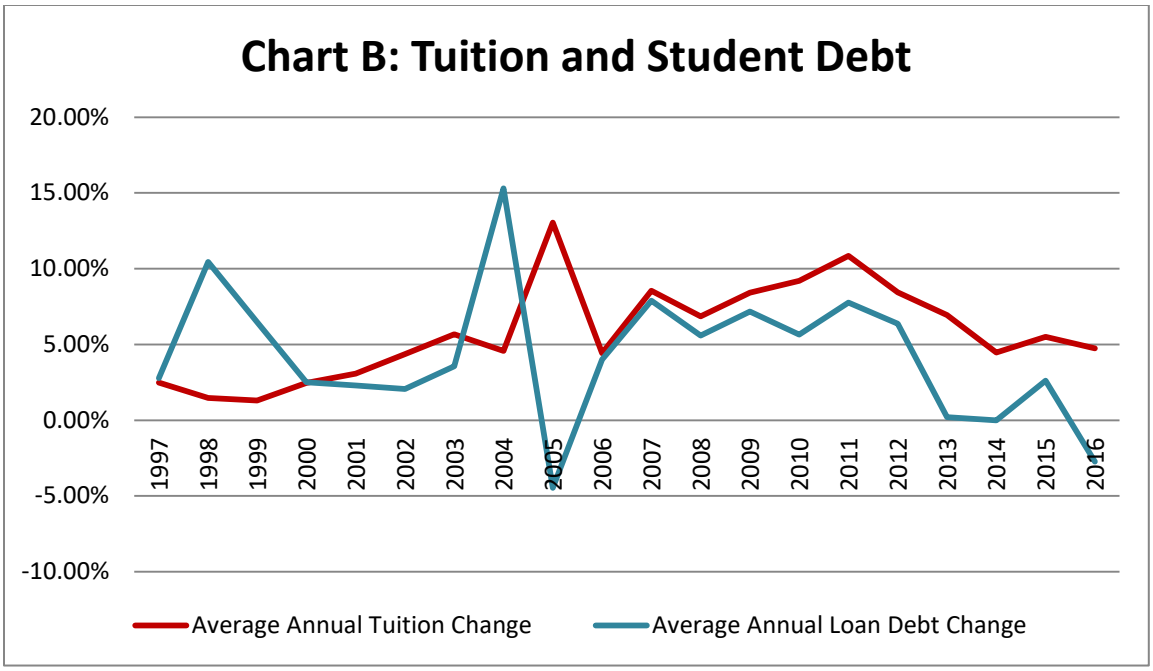
It is important to understand that while tuition increases are outpacing inflation, there are other driving factors at play for individual institutions in making their tuition decisions that go beyond this comparison. While the relationship appears clear that tuition experiences larger annual changes than inflation, the chart is unable to capture the context around tuition pricing decisions. There is no reflection of costs that rise beyond inflation, such as personnel or health care costs. Institutional market pressures and conscientious quality improvements or programmatic changes also are not reflected in Chart A.



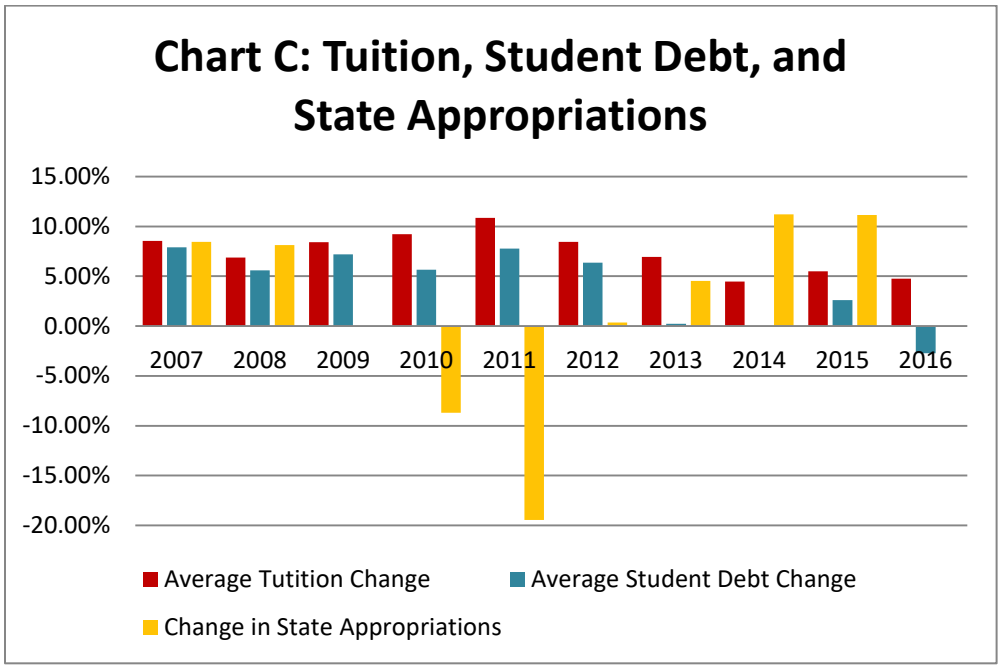
**Note on charts: The data in all charts provided reflects the percent change from the prior year, so for the year labeled 1997, the percentage corresponds to the change from 1996 to 1997.*

The relationship between the average annual percent change in tuition and the average annual percent change in student loan debt, Chart B, is also influenced by additional factors. In recent years, the trends for both average annual tuition rates and average annual loan debt are similar. However, debt tends to be more volatile as it is also related to total enrollment fluctuations, student living conditions, the cost of attendance, and individual circumstances and choices regarding course of study and amount of debt to take annually.

Students are allowed to take out debt to cover the "cost of attendance", which includes on and off-campus living expenses, meals, and course materials. While federal loans are capped at specific dollar amounts, students may seek loans from additional sources to cover their "cost of attendance" or costs beyond that as based on their individual circumstances.



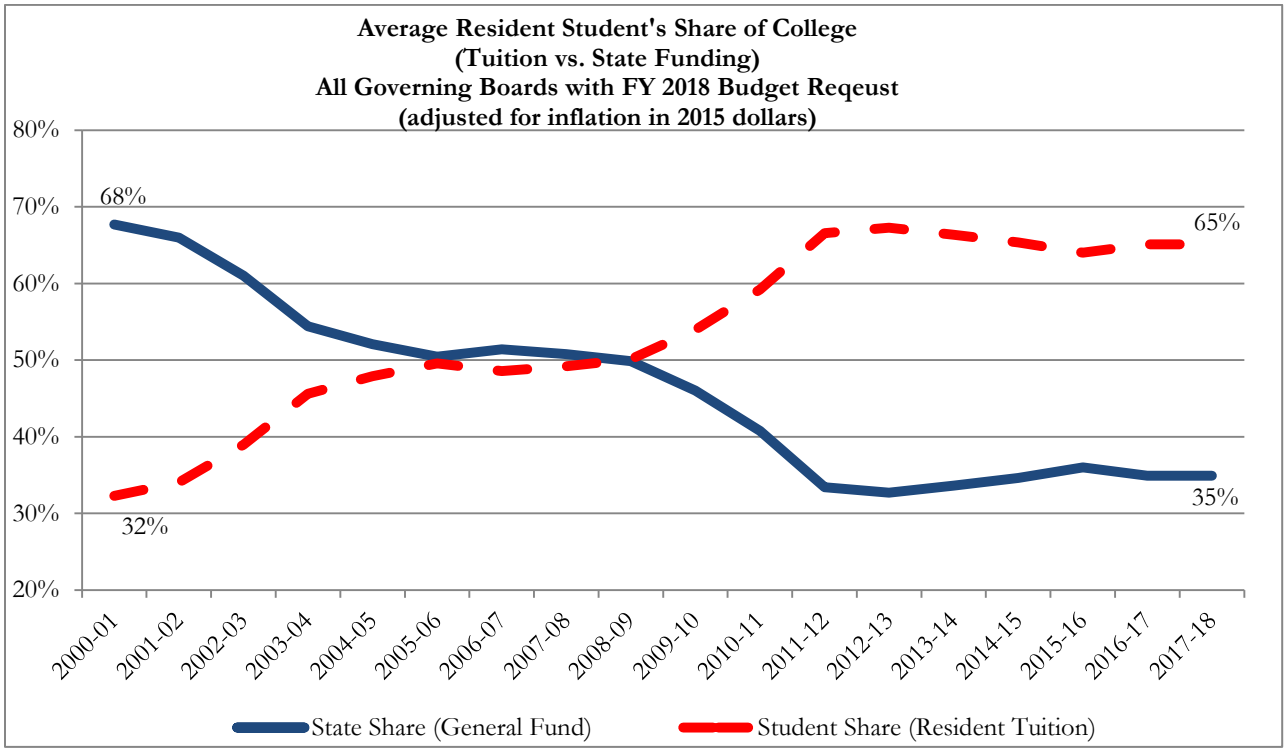
The final chart, Chart C, presented below captures the changes in tuition, student debt, and state appropriations over the last ten years. The chart illustrates that, in years with decreases or limited state support, annual tuition changes are larger. As reflected in the Department's Fiscal Year 2017-18 budget request, institutions face annual cost pressures, and their main sources to finance these costs are tuition revenue or state appropriations. A reduction in one funding source puts stress on the other to bear the burden of the increasing costs.



* Note, there was no change in annual state appropriations in FY 2009 and 2016

3 How much of the increase in tuition is driven by declining General Fund support? (the "inverted smiley-face" picture)

The increase in tuition at public institutions of higher education is primarily a result of the decline in the share of higher education costs the State pays for (General Fund) since FY 2001. As illustrated in the chart below, in FY 2001, the State paid for about 68 percent of a resident student's total higher education costs while students and families were responsible for the remaining 32 percent of costs in the form of tuition and fees. As described in more detail below, those shares have reversed, with the state now paying for 35 percent of higher education costs and the student paying 65 percent.



The State was able to hold the line on higher education costs during the early years of the Great Recession because it filled the gap in General Funded appropriations to higher education using federal monies from the American Recovery and Reinvestment Act of 2009 (ARRA). When those funds ran out in FY 2012, the State funded portion of higher education costs went from 41 percent in FY 2011 to 33 percent in FY 2012. In order to ensure institutions had revenue to continue serving students, the General Assembly passed SB 10-003, which created a five-year window of tuition-setting flexibility for higher education governing boards in response to reduced state funding. This gave governing boards the authority to raise tuition rates for resident undergraduate students up to 9 percent. A mechanism was also provided to allow for institutions to request increases above 9 percent, if needed, by submitting a Financial Accountability Plan for the governing board and having it approved by CCHE. This effectively pushed the cost of higher education on to the student.

While the State has been able to generously invest in higher education over the last few budget cycles due to a stronger economy, the impact of the Great Recession is still visible in that the State share of a resident students cost has continued to hover around 35 percent. It would take the State multiple years of major investments in higher education to get back to the

share it paid pre-Recession. This is because during the Recession, the State's divestment from Higher Education was multiplied by its inability to pick up minimum core base costs increases over that time. For example, in FY 2018, the Department estimates costs will increase at institutions of higher education by about $74 million due to inflation and health benefit cost increases. During the recession, institutions had to use tuition to pick up these annual minimum increased costs from inflation and personnel, as well as make up for reduced State funding. The result is that in any given year, a $100 million investment in higher education buys down the previous year's tuition rate by about $25 million.

According to an article on the website FiveThirtyEight, "Fancy Dorms Aren't the Main Reason Tuition Is Skyrocketing", all of Colorado's increase in tuition is due to the decline in state funding.

Changes in Funding and Tuition at Public Universities

		CHANGE FROM 2000-2014		
STATE	CURRENT TUITION	INCREASE IN TUITION	STATE FUNDING PER STUDENT	SHARE OF TUITION HIKE EXPLAINED BY CUTS
Colorado	$15.8k	+$7.7k	-$7.8k	101.3%

Source: FiveThirtyEight, http://fivethirtyeight.com/features/fancy-dorms-arent-the-main-reason-tuition-is-skyrocketing/?ex_cid=538fb

4 Are factors in addition to the decline in General Fund contributing to tuition increases?

Affordable tuition rates are directly linked to the level of state investment. Colorado has reduced its support for higher education by nearly 69.4 percent, from $10.52 per $1,000 of state personal income in fiscal year 1980 (and a peak of $13.85 per $1,000 of state personal income in fiscal year 1971) to $3.22 per $1,000 of state personal income by fiscal year 2011.[1]

With regard to the factors driving costs in Colorado, in 2015 the Colorado Commission on Higher Education (CCHE) authorized a Cost Driver Analysis Team, a group of subject matter experts, to work with the National Center Higher Education Management (NCHEMS) to study the factors that (1) explain costs and the factors that (2) determine prices charged to students. The results of this work were published by NCHEMS in a report titled "Why Higher Education Costs are What They Are", which provided information on how costs at Colorado research, 4-year, and 2-year higher education sectors compare to the nation and why costs may differ across different types of institutions.

Some of the key takeaways from the report include: (1) all sectors of Colorado public higher education reside in the lowest quintile of total revenues in the nation; (2) costs at Colorado public higher education governing boards are lower than their peers across the board; and (3) employee salary and benefits are the major driver of costs across all higher education sectors. Institutions spend well more than half of their funds on employee compensation while the balance is devoted to supplies, and operating expenses (utilities, insurance, office and laboratory supplies, etc.), interest, and depreciation.

[1] Mortenson, T. G. (Winter, 2012.). State Funding: A Race to the Bottom. Retrieved December 15, 2016, from http://www.acenet.edu/the-presidency/columns-and-features/Pages/state-funding-a-race-to-the-bottom.aspx

It is important to note that the NCHEMS study stressed that the explanation of college costs starts with a recognition that higher education is a people-intensive industry. Its key assets are faculty and the other highly educated staff that are required to teach students, conduct research, and manage complicated, multi-million (billion) dollar enterprises. The data in these charts show that all types of institutions spend well more than half of their funds on employee compensation.

A 2014 study by the American Institutes for Research titled "Trends in College Spending: 2003–2013" showed that nationally State and local funding per FTE student remains well below prerecession levels. The largest recession related declines occurred at public research universities, where funding was 28 percent lower in 2013 than in 2008, reflecting a loss of $2,900 per student in revenue. At public non-research colleges, state and local revenue per student declined by at least 20 percent, on average, with revenue declines averaging $1,600 to $2,000 per student. These severe and sustained losses of public funding contributed to the rapid increase in net tuition revenue observed since the recession. Despite cuts in funding, student services—including career counseling, academic advising and mental health treatment—ranked among the fastest growing spending categories in higher education with spending per student in these services increased by 20 percent between 2003 and 2013.

5 Review the key findings from the NCHEMS report examining Colorado's higher education costs.

The 2015 study conducted by the National Center for Higher Education Management Systems (NCHEMS) identified the real cost drivers of the increase in cost to students attending Colorado state institutions of higher education as:

- *The compensation of the highly trained personnel i.e. faculty (this type of technical, knowledge-based work consumes a significant portion of overall expenditure in Colorado.) and around the nation. This is the same for institutions of higher education across the nation.*

- *The revenue per student available to finance costs is substantially less than revenues available to similar institutions in most other states. Colorado institutions receive significantly less state support than many similar institutions around the country. As a result, institutions must rely on tuition revenue to cover expenses resulting in increased cost to students. However, Colorado public institutions charge average or below average tuition. Hence, the overall lower total revenue available to Colorado institutions.*

In addition, the NCHEMS cost driver study concluded that Colorado institutions:

- *Operate on fewer resources to support basic operations than do similar institutions in other states*

- *Have reduced costs and are already far more efficient than similar systems and institutions in other states*

- *Spend less than what would be expected, relative to peer institutions across the country.*

The Colorado Department of Higher Education (CDHE) contracted with NCHEMS to undertake an extensive cost driver analysis of state public institutions of higher education in Colorado, as the Department and the Colorado Commission on Higher Education (CCHE) engaged in the process of drafting a new tuition policy, as required by H.B. 14-1319.

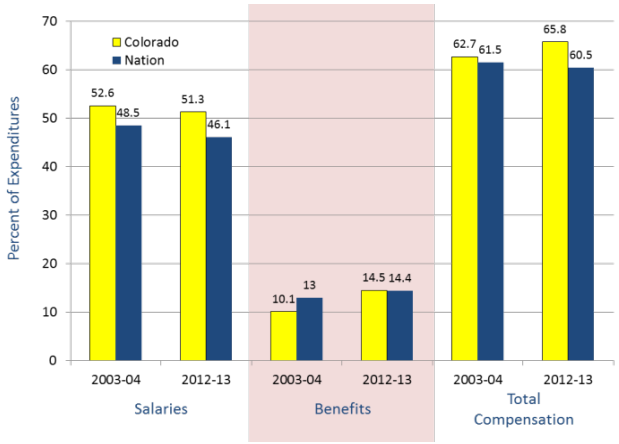
The NCHEMS study was conducted with the help of the Cost Driver and Analysis Expert Team - comprised of individuals from Colorado's 10 governing boards, the Colorado Commission on Higher Education, and the Office of State Planning and Budgeting - to advise, provide feedback, review, and work with NCHEMS throughout their analysis process.

The group produced two reports: "Why Higher Education Costs are What They Are" and "Tuition-Setting Practices in Colorado's Public Colleges and Universities," which are available by request.

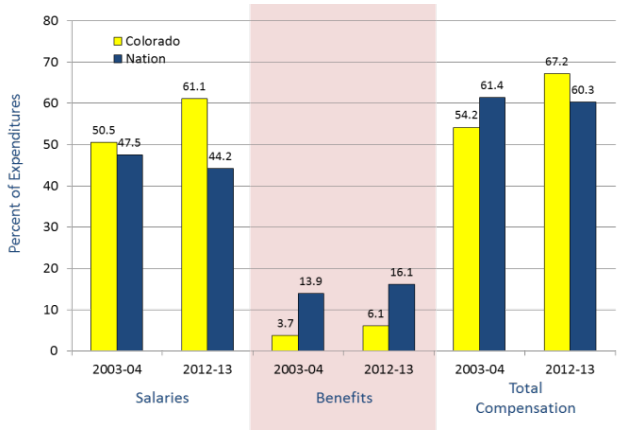
Among other things, the results of this study identified that the revenue-per-student available to Colorado institutions is substantially less than revenues available to similar institutions in most other states. Meaning, Colorado institutions receive significantly less state support than many similar institutions around the country. As a result, institutions are forced to rely increasingly on tuition revenue to cover operating expenses. Tuition rates and access are inextricably linked to the state investment in higher education. When costs rise, but state funding does not, tuition is the primary source of needed revenue. In these situations, institutions are forced to balance how to increase efficiencies while not impacting quality with tuition increases – all while remaining competitive.

The NCHEMS study acknowledged faculty as fundamental to higher education, and further acknowledged that technical, knowledge-based work demands relatively inelastic compensation and consumes a significant portion of overall expenditures in Colorado and around the nation.

Compensation as a Percent of Expenditures, 2003-04 Compared to 2012-13, Research Universities (Includes Medical)



Compensation as a Percent of Expenditures, 2003-04 Compared to 2012-13, Public 4-year



Compensation as a Percent of Expenditures, 2003-04 Compared to 2012-13, Public 2-Year

Source: NCES, IPEDS 2003-04 Finance Files; f0304_f1a and f0304_f2 Final Release Data Files. NCES, IPEDS 2012-13 Finance Files; f1213_f1a and f1213_f2 Final Release Data Files.

As evidenced by the above charts, over half of institutional expenditures are for employee compensation. The remaining balance is devoted to supplies and operating expenses (utilities, maintenance, etc.), interest, and depreciation. Because state divestment has forced institutions to rely more heavily on tuition revenue, many institutions have transitioned to using more part-time faculty as a cost-cutting measure. This is much harder at research universities because full-time faculty are necessary to carry out the intensive research mission of the institution. The reliance on part-time faculty is more prevalent and viable at those institutions that have undergraduate instruction as their primary mission, such as community colleges and urban four-year schools.

Colorado's public institutions of higher education employ 56 percent of all state employees and 25 percent of all state classified employees. A modest one-percent salary increase for state employees would equate to $27 million for institutions of higher education. For comparison, a one-percent increase in tuition would generate only $9.2 million in additional revenue.

In terms of salary competitiveness, Colorado's research universities have managed to remain broadly competitive, although the other public four-year and two-year institutions have not. A research university's ability to hire highly qualified faculty is a major factor in their ability to garner research funds. Should they fail to remain competitive, their standing in the research community - and associated contribution to the state's economy - would be jeopardized. This is a major difference between research universities and other four-year and two-year institutions.

Other major differences in the types of costs institutions incur are:

- *Medical or other programs that prepare health care practitioners (doctors, dentists, veterinarians) are more expensive than most higher education programs of study. This is due to the cost associated with individualized training and clinical experience, as well as that faculty must be relatively well-paid, so they do not leave for more lucrative careers outside of academe.*

- *Research faculty are generally expected to earn revenue that pays for the time they spend on research activities. The academic discipline, as well as the reputation and success of professors, drives the salary required to recruit and retain faculty; top researchers are highly sought. The demand for these competitive salaries drives the cost of teaching and other non-research related activities. Research plays a crucial role in the economic health and economic stability of Colorado.*

- *Institution's with an emphasis on science and engineering programs will also see significant costs for these expensive programs - expensive laboratory equipment and professional support staff to prepare, maintain, and teach laboratory sections. It is important to note that faculty in these disciplines often have greater access to external research funds, however also have options for highly-paid jobs in the private sector.*

- *The prevalence of students who need extra help to succeed. This cost driver is found in community colleges and open access four-year institutions. Many students in these types of institutions come to college ill-prepared for college-level work. In order for them to succeed they frequently need extra tutoring or additional student support services. These services drive up the cost of education.*

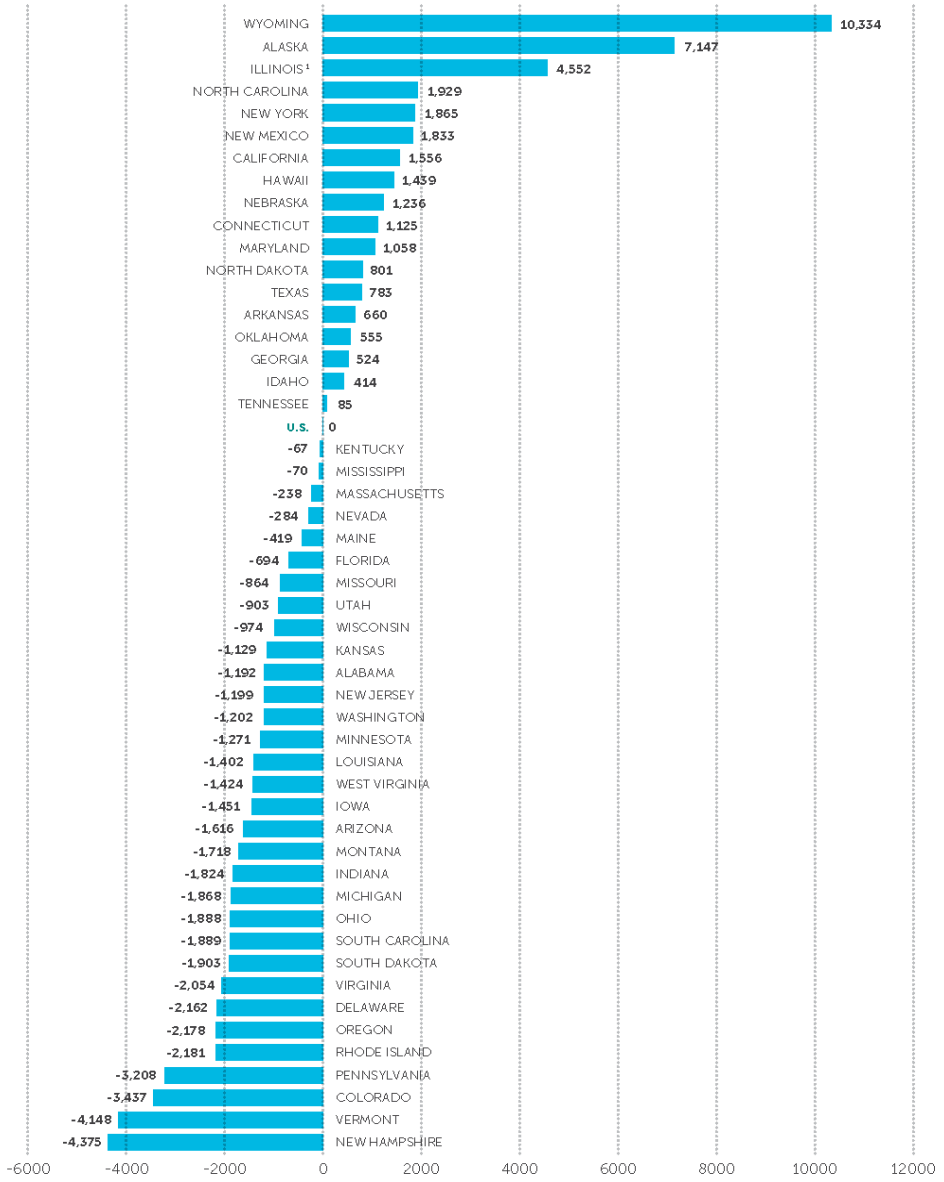
6 How do Colorado's General Fund support and current tuition levels compare with surrounding states?

To understand tuition rates, it is essential to understand the General Fund support each state provides to its institutions. The following charts were compiled as part of the annual State Higher Education Finance (SHEF) Report (2015 is the

latest year of available data). As the charts demonstrate, by any measure, Colorado consistently provides some of the lowest levels of state support to institutions of higher education. As a result, Colorado institutions of higher education have been forced to become as efficient as possible in order to maximize their limited share of General Fund revenues. These efficiencies are examined in great detail in the NCHEMS Cost Driver Analysis and highlighted in Question #5. However, the lack of General Fund support also forces institutions to rely more heavily on tuition revenue, both resident and non-resident, as a funding source.

The figure below demonstrates how little Colorado appropriates per FTE compared to the national average. Only Vermont and New Hampshire, two traditionally high tuition states, appropriate General Fund on a per-FTE basis lower than Colorado. In 16 states, educational appropriations per FTE are within $1,000 of the U.S. average and a majority of states are within $2,000. Colorado appropriates general fund on a per-FTE basis $3,437 below the national average.

EDUCATIONAL APPROPRIATIONS PER FTE (ADJUSTED) – DIFFERENCE FROM U.S. AVERAGE, FY 2015



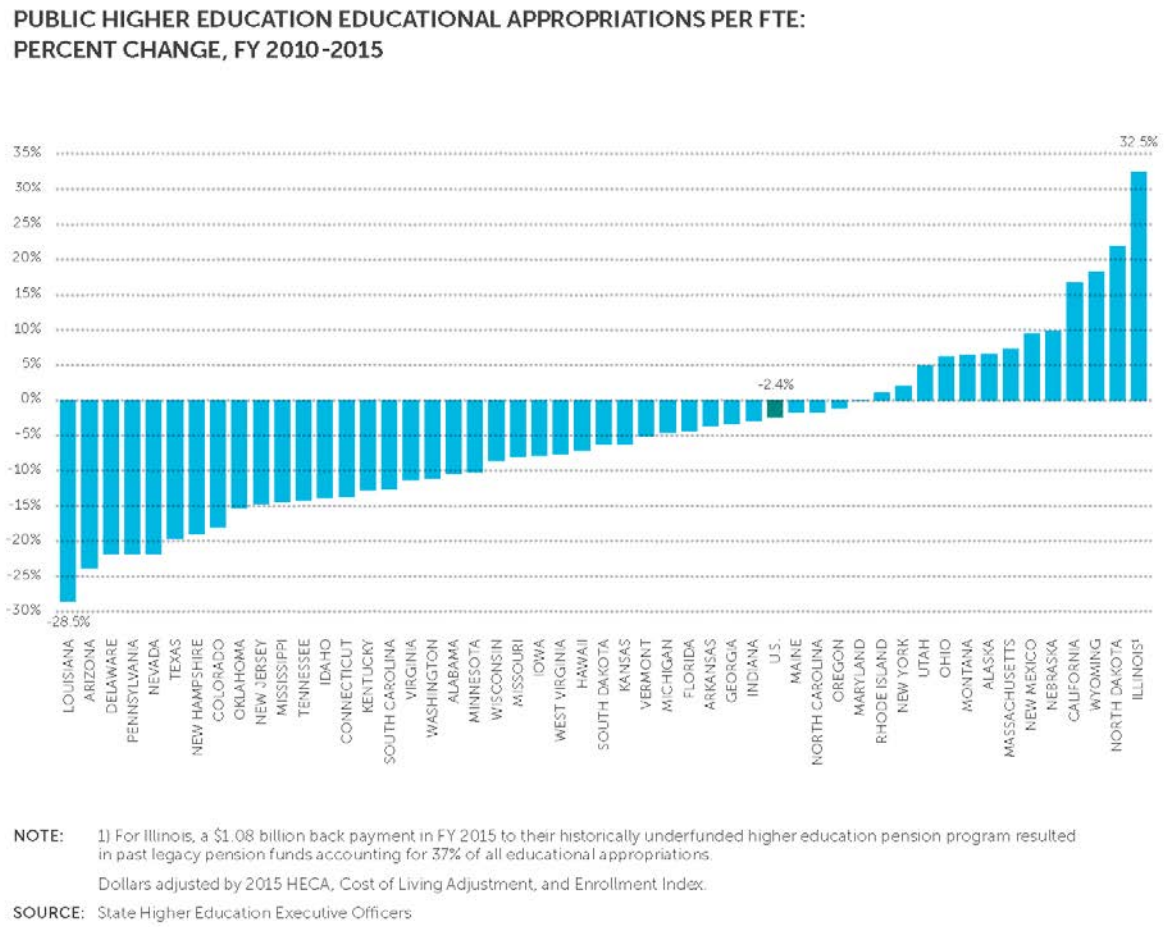
NOTE: 1) For Illinois, a $1.08 billion back payment in FY 2015 to their historically underfunded higher education pension program resulted in past legacy pension funds accounting for 37% of all educational appropriations

Dollars adjusted by Cost of Living Adjustment and Enrollment Index

Educational appropriations are a measure of state and local support available for public higher education operating expenses including ARRA funds, and exclude appropriations for independent institutions, financial aid for students attending independent institutions, research, hospitals, and medical education.

SOURCE: State Higher Education Executive Officers

The figure below illustrates the percent change in per-FTE appropriations from 2010-2015. Once again, Colorado is on the low end of the funding spectrum, having decreased per-FTE funding by nearly 20 percent since 2010.



According to the State Higher Education Executive Officer's (SHEEO) annual State Higher Education Finance (SHEF), Colorado is among the lowest in every measure of state support.

Because of this, Colorado's institutions of higher education must be and are especially cognizant of the risk of pricing themselves out of the market by setting tuition rates too high. The chart below, published as part of the Western Interstate Commission on Higher Education (WICHE) Annual Tuition and Fees Report, compares the average cost of resident and nonresident undergraduate tuition and fees across WICHE member states.

Historical Resident Undergraduate Tuition and Fees at Public Four-Year Institutions in the WICHE Region: State Averages

	Fiscal Year				Percent Change		
STATE	2016-17	2015-16	2011-12	2006-07	2015-16 to 2016-17	2011-12 to 2016-17	2006-07 to 2016-17
ALASKA	$7,223	$6,806	$5,448	$4,445	6.1%	32.6%	62.5%
ARIZONA	10,891	10,639	9,601	4,575	2.4%	13.4%	138.1%

STATE	Fiscal Year 2016-17	2015-16	2011-12	2006-07	Percent Change 2015-16 to 2016-17	2011-12 to 2016-17	2006-07 to 2016-17
CALIFORNIA	8,754	8,680	8,396	4,220	0.9%	4.3%	107.4%
COLORADO	9,983	9,525	7,398	4,404	4.8%	34.9%	126.7%
HAWAII	8,941	8,549	6,730	3,472	4.6%	32.8%	157.5%
IDAHO	6,847	6,670	5,642	4,110	2.7%	21.4%	66.6%
MONTANA	5,793	5,748	5,397	4,869	0.8%	7.3%	19.0%
NEVADA	6,445	6,198	5,495	3,302	4.0%	17.3%	95.2%
NEW MEXICO	6,097	5,823	4,456	3,323	4.7%	36.8%	83.5%
NORTH DAKOTA	7,118	6,948	6,320	5,173	2.5%	12.6%	37.6%
OREGON	9,114	8,813	7,789	5,498	3.4%	17.0%	65.8%
SOUTH DAKOTA	8,504	8,475	7,254	5,129	0.3%	17.2%	65.8%
UTAH	6,301	6,084	5,090	3,568	3.6%	23.8%	76.6%
WASHINGTON	8,537	9,535	8,631	5,400	-10.5%	-1.1%	58.1%
WYOMING	5,055	4,892	4,125	3,515	3.3%	22.5%	43.8%
AVERAGE	**$8,211**	**$8,081**	**$7,169**	**$4,402**	**1.6%**	**14.5%**	**86.6%**

Historical Non-resident Undergraduate Tuition and Fees at Public Four-Year Institutions in the WICHE Region: State Averages

STATE	Fiscal Year 2016-17	2015-16	2011-12	2006-07	Percent Change 2016-17	2016-17	2016-17
ALASKA	$21,893	$20,786	$17,088	$12,815	5.3%	28.1%	70.8%
ARIZONA	27,704	26,470	22,724	15,176	4.7%	21.9%	82.6%
CALIFORNIA	24,279	23,650	22,852	16,971	2.7%	6.2%	43.1%
COLORADO	24,643	23,235	19,911	14,791	6.1%	23.8%	66.6%
HAWAII	24,925	23,637	19,034	10,296	5.4%	30.9%	142.1%
IDAHO	20,554	19,783	16,564	12,258	3.9%	24.1%	67.7%
MONTANA	19,784	19,219	17,030	14,033	2.9%	16.2%	41.0%
NEVADA	19,581	19,033	17,906	12,388	2.9%	9.4%	58.1%
NEW MEXICO	15,710	15,383	13,279	10,256	2.1%	18.3%	53.2%
NORTH DAKOTA	13,224	12,916	12,497	11,250	2.4%	5.8%	17.6%
OREGON	25,424	24,673	20,261	15,487	3.0%	25.5%	64.2%
SOUTH DAKOTA	11,732	11,354	8,969	10,316	3.3%	30.8%	13.7%

	Fiscal Year				Percent Change		
STATE	2016-17	2015-16	2011-12	2006-07	2016-17	2016-17	2016-17
UTAH	18,485	17,825	15,377	11,076	3.7%	20.2%	66.9%
WASHINGTON	24,990	24,516	20,419	16,015	1.9%	22.4%	56.0%
WYOMING	16,215	15,632	12,855	10,055	3.7%	26.1%	61.3%
	$21,739	$21,014	$18,743	$14,190	3.4%	16.0%	53.2%

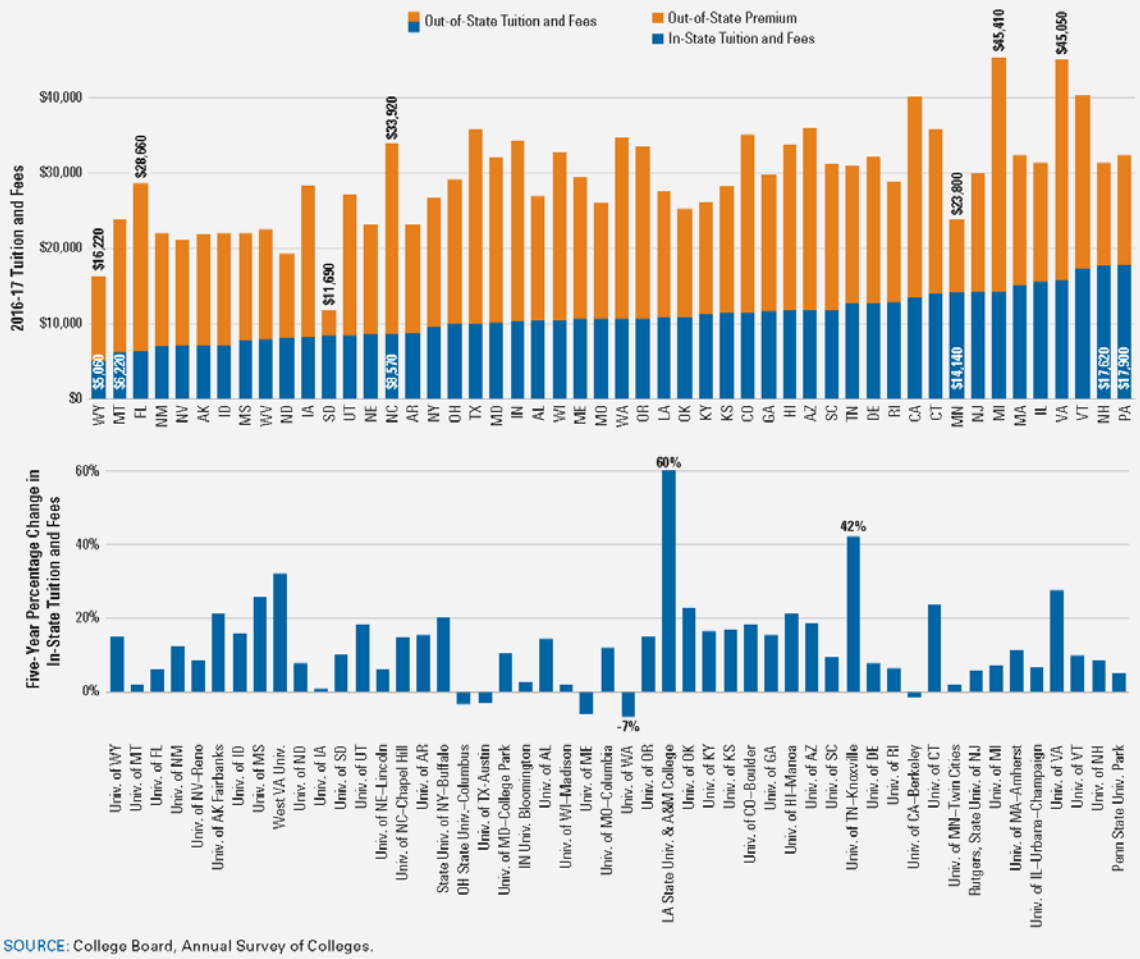
Source: WICHE Tuition and Fee Report 2016 (Table 3a)

On an institutional level, Colorado's flagship institution, University of Colorado Boulder falls near the middle in both resident and nonresident undergraduate tuition. University of Colorado Boulder has also maintained a relatively stable tuition rate in the past five years, despite large swings in state appropriations.

Tuition and Fees by State: Flagship Universities

In 2016-17, published tuition and fees for full-time first-year in-state students at flagship universities range from $5,060 at the University of Wyoming and $6,220 at the University of Montana to $17,620 at the University of New Hampshire and $17,900 at Penn State, University Park.

FIGURE 8 2016-17 Tuition and Fees at Flagship Universities and Five-Year Percentage Change in Inflation-Adjusted Tuition and Fees



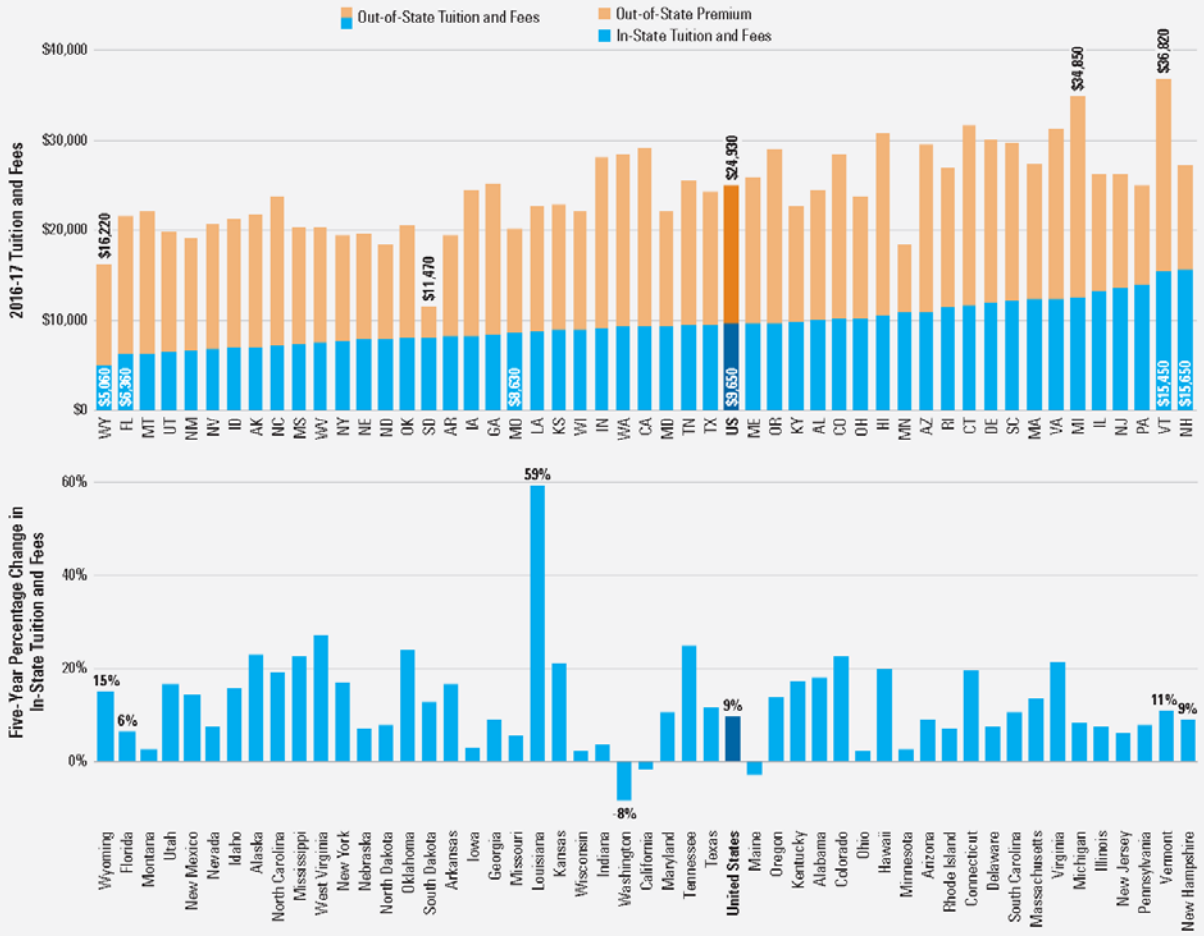
SOURCE: College Board, Annual Survey of Colleges.

The chart below similarly demonstrates the average resident and non-resident tuition rate at all of Colorado's four-year institutions, which falls just above the national average. Similarly, Colorado's resident rate for public two year institutions is near the median, but note the national average rate is somewhat skewed by California and New Mexico's low rates.

Tuition and Fees by State: Public Four-Year

In 2016-17, average published tuition and fee prices for in-state students at public four-year institutions range from $5,060 in Wyoming and $6,360 in Florida to $15,450 in Vermont and $15,650 in New Hampshire.

FIGURE 7 Average 2016-17 In-State and Out-of-State Tuition and Fees at Public Four-Year Institutions by State and Five-Year Percentage Change in Inflation-Adjusted In-State Tuition and Fees

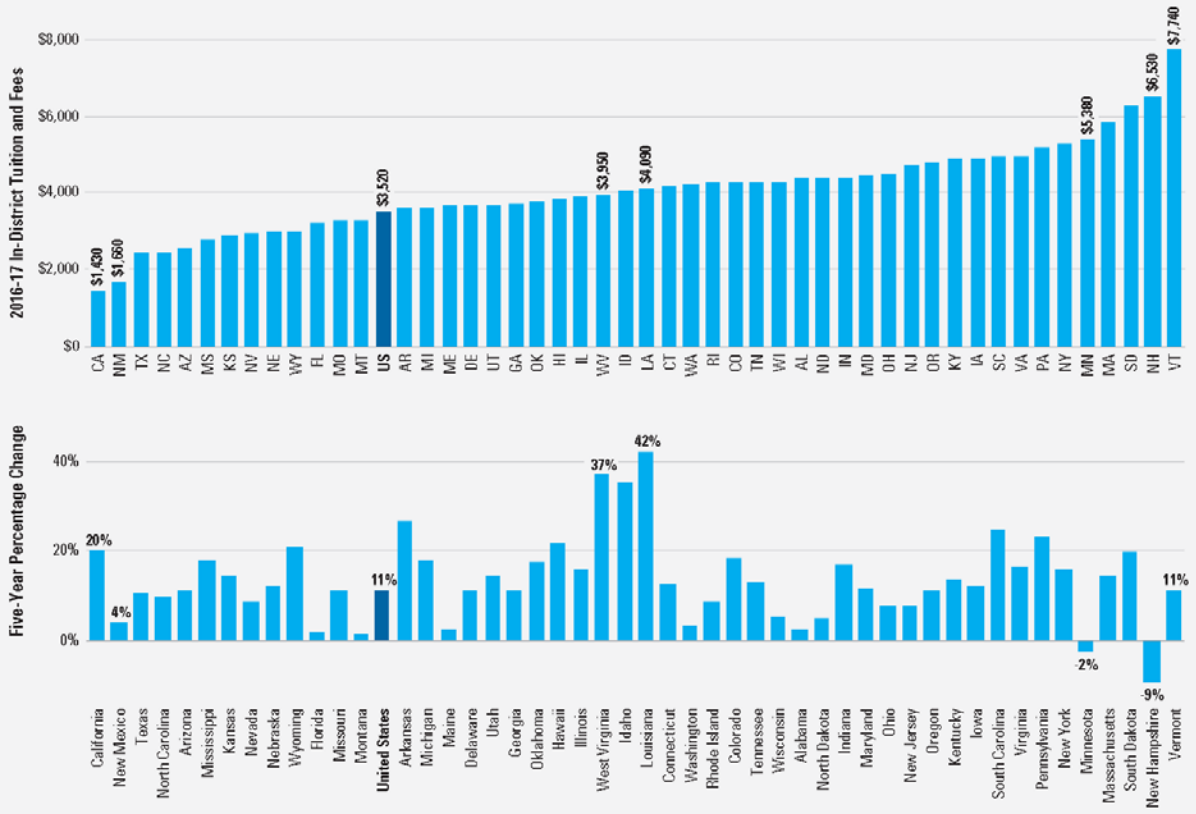


SOURCE: College Board, Annual Survey of Colleges.

Tuition and Fees by State: Public Two-Year

In 2016-17, average published tuition and fee prices for in-district students at public two-year institutions range from $1,430 in California and $1,660 in New Mexico to $6,530 in New Hampshire and $7,740 in Vermont.

FIGURE 6 Average 2016-17 In-District Tuition and Fees at Public Two-Year Institutions by State and Five-Year Percentage Change in Inflation-Adjusted Tuition and Fees



NOTE: Alaska is not included in Figure 6 because it does not have a separate community college system.

SOURCE: College Board, Annual Survey of Colleges.

7 Since the consumer price index is virtually flat, what is the justification for an FY 2017-18 inflation rate beyond that amount in both your General Fund and tuition increase requests (R1 and R2)?

The table below illustrates the Department's methodology for calculating the total FY 2018 minimum base cost increase for Colorado's public institutions of higher education. The Department started with a 2017 estimated base of all Education & General expenditures, which includes all expenditures related to an institution's role and mission, less auxiliary expenses like those for dorms or bookstores. An estimated CPI of 2.2 percent, from the Office of State Planning and Budget's September 2016 revenue forecast, was used to determine minimum base cost increases.

As personnel costs are the vast majority of institutions' expenditures, the Department also calculated the estimated increases to health insurance contributions for higher education employees. The Department believes this is an important addition to the methodology because institutions of higher education do not receive common policy appropriations through the Long Bill like most other State agencies.

Methodology for Minimum Base Cost Increase in Request

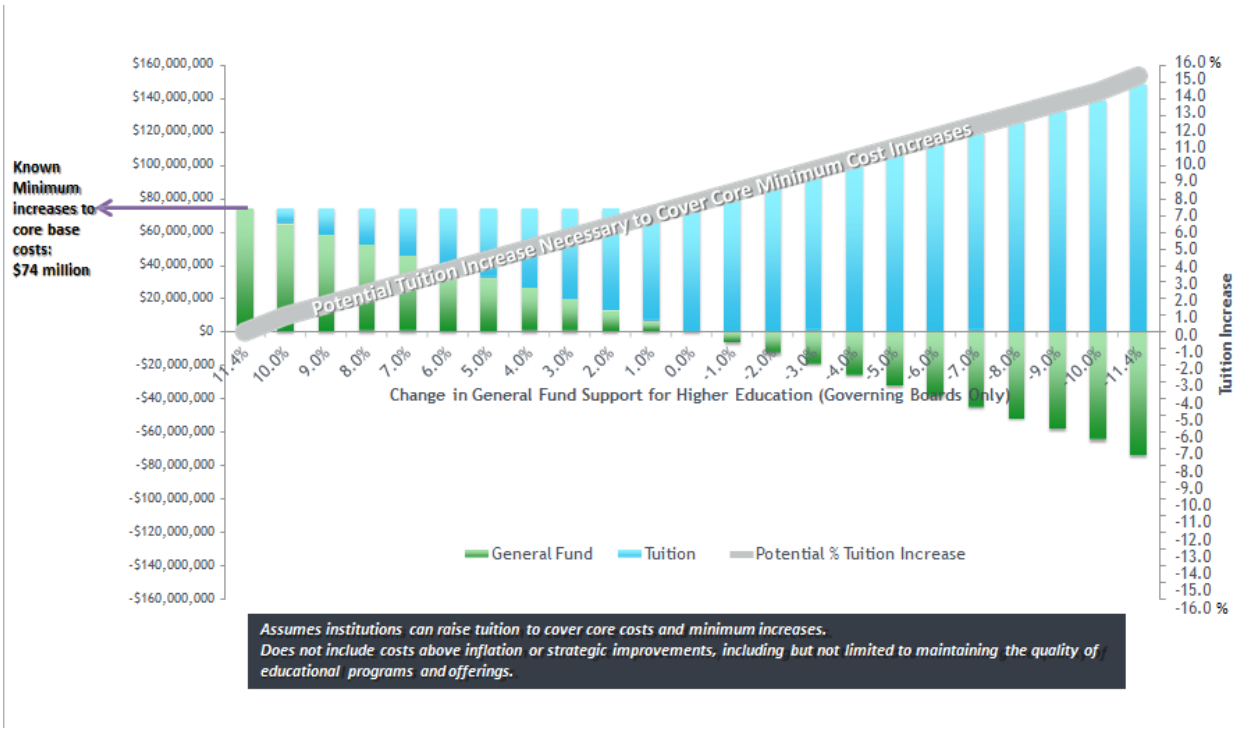
Expenditure Type	Estimated 2017 Base	Requested Increase Rate	Estimated Minimum Base Cost Increase Amount	Rate Increase Source
Education and General Funds	$3,077,570,979	2.20%	$67,706,562	2018 estimated CPI, OSPB September Revenue Forecast
Employee Health Benefits	$152,776,161	4.20%	$6,416,599	Centers for Medicaid Services, "National Health Expenditure Projections", 2018 estimate for State and Local Government employer contributions; Increase rate is the difference between the CMS estimate and inflationary estimate (6.4% – 2.2% = 4.2%)
Total			**$74,123,160**	

The Department has requested the State funded portion, 22.6 percent, of the minimum base cost increases in General Funds. By contributing 22.6 percent (the State funded portion of minimum base cost increases), the State can continue to provide some stability in funding for higher education costs, which would otherwise be picked up by students and families.

8 How much General Fund would be required for Higher Education to keep tuition flat?

The Department has calculated the higher education Governing Boards' Core Base cost increases for FY 2017-18 at $74.1 million based on an inflationary increase of 2.2 percent on Education and General Expenses (E&G) and a 6.4 percent inflationary increase on employee health benefits (E&G includes instruction; student services; research; public service; academic support; instructional support; operation & maintenance costs; net scholarships/fellowships but does not include auxiliary enterprises, hospitals or independent operations). Based on constant assumptions and this mathematical calculation, should the State increase the higher education budget by $74.1million, no tuition rate increases could be expected, although there are other factors that could impact a Governing Board's decision regarding tuition rate increases

Below is the Department's General Fund/Tuition Cost Sharing Matrix, which illustrates estimated potential tuition rates based on General Fund investment.



9 Why, in your request, are you proposing a non-resident tuition increase that is lower than the resident tuition increase?

Below are the FY 2018 tuition rate limit assumptions requested by the Department for residents and non-resident students. It is important to note that the General Assembly has not historically limited non-resident tuition in the Long Bill footnote assumptions, which are what limits tuition rate increases, not necessarily the spending authority amount. For non-resident tuition, the Department used a tuition rate limit assumption of 5.0 percent, the most recent tuition assumption for non-resident students in statute. An assumption of a 5.0 percent tuition rate increase for non-residents is what was used in the Financial Accountability Plans and in various historical JBC footnotes.

FY 2017-18 Tuition Revenue Increase Assumption (Upper Tuition Limit)

	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines*	UNC	CCCOES
Resident	7.00%	6.0%**	7.00%	6.00%	6.00%	6.00%	5.0%**	5.00%	7.00%	7.70%
Non-Resident	5.00%	6.0%**	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

* Colorado School of Mines is not subject to appropriated tuition.
**Requested tuition different from matrix. CU has a guaranteed tuition for incoming resident undergraduate freshman. CMU has requested flexibility due to unknowns, such as regional healthcare benefit increases.

While the requested percent increase limit assumption may be larger for resident students than non-resident students, the total maximum dollar increase for resident students would be significantly smaller than non-resident students under the

Department's request. This is because the base tuition that the increase is built on is larger for non-resident students than resident students, or in other words, non-resident tuition is higher than resident tuition.

For example, under the Department's request, a full-time resident student at Colorado State University (CSU) would see a maximum increase of 6 percent to their tuition in academic year 2018, or $523. A non-resident student at CSU would see a maximum increase of 5 percent to their tuition in academic year 2018, or $1,301.

CSU Example: Maximum 2018 Tuition Increases under Request

Student Type	2017 Tuition	2018 Requested Increase	Maximum Tuition under Request
Resident	$8,716	$523	$9,239
Non-resident	$26,010	$1,301	$27,311

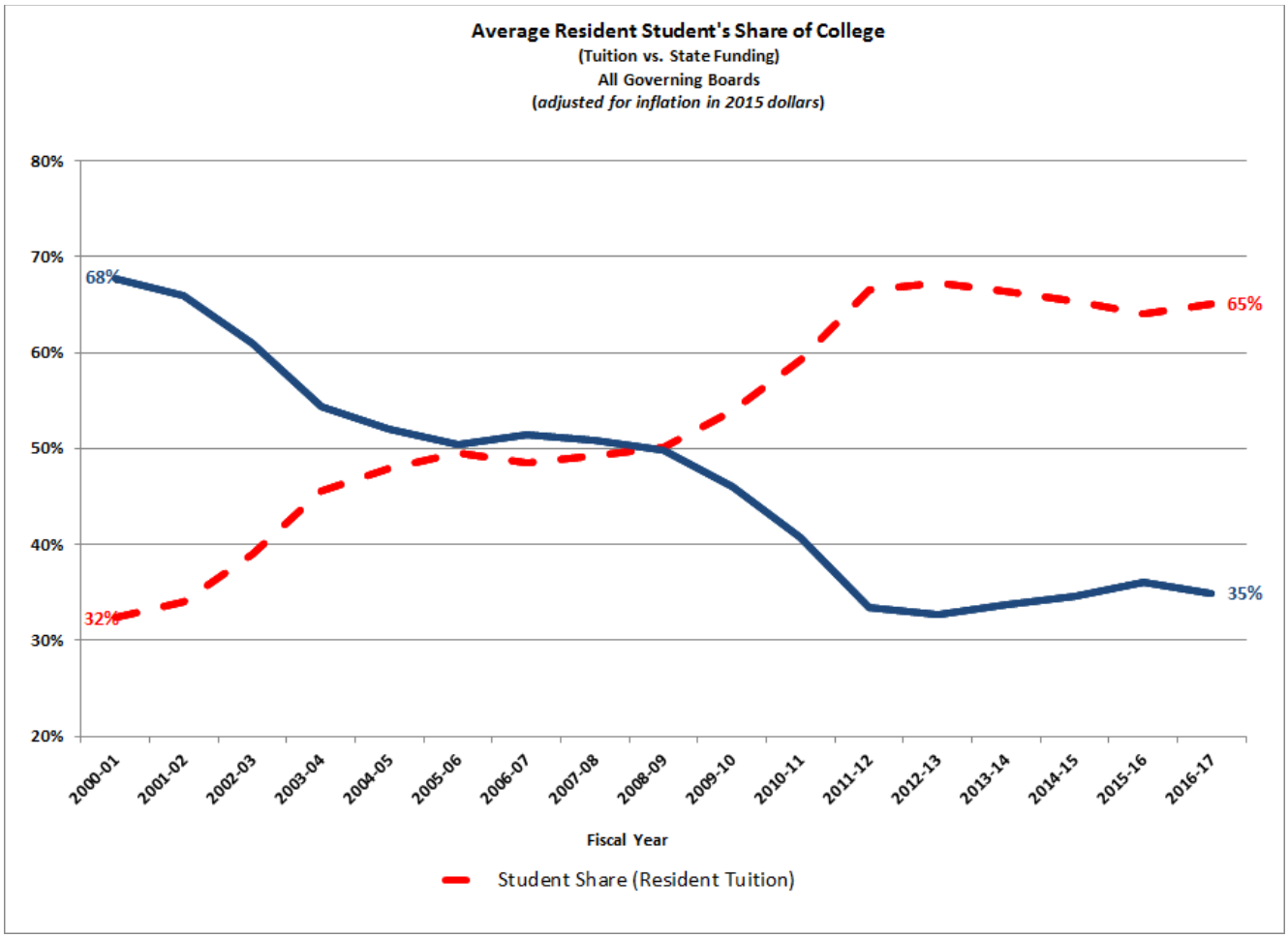
10 Is the "scholarship expense" in the budget data books the same as discounted tuition? What is the eligibility for such scholarships? Who benefits from the scholarships reflected in the "scholarship expense" (e.g., resident/non-resident/need/merit)?

The scholarship expense reported in the Budget Data Books is not tuition discounting. The scholarship expense shown in the Budget Data Book is the amount of Education & General fund investment made by the institution in the form of institutional scholarships during that fiscal year.

Institutions generally have an institutional scholarship policy that governs the amount and type of awards able to be offered. The scholarship policy is often designed to address institutional initiatives such as increasing access based on need, improving retention, or other initiatives important to the institution. Institutional scholarships are generally awarded based on an application process, using criteria outlined in the specific scholarship program; they are not awarded to every student. Although, institutions have a varying amount of resources available to invest in institutional scholarships, no institution is awarding institutional scholarships to all or most of their students, as is the practice in tuition discounting.

11 What can be done to reduce the costs of higher education? To reduce the burden of debt on students?

The amount of General Fund investment in higher education is the single most significant factor affecting cost and potential debt burden for resident students. As the chart below demonstrates, the primary funding source for higher education has fundamentally shifted over the past 15 years. In FY 2000-01, 68 percent of the costs associated with higher education were funded by the state General Fund investment, while students paid 32 percent. In FY 2016-17, the majority of the cost share, 65 percent, is paid by students, while the state's share has shrunk to 35 percent.



Colorado's institutions of higher education continue to be acutely aware of the risk of pricing themselves out of the market and further out of reach for low-income students. To remain competitively priced, institutions have been forced to identify efficiencies and do more with less. This fact is corroborated the National Center for Higher Education Management Systems (NCHEMS) finding that Colorado institutions are highly efficient compared to other institutions. This means that cost reduction in higher education is not a matter of low hanging fruit.

The Colorado Department of Higher Education and the Colorado Commission on Higher Education both recognize that time to degree is a very important factor contributing to a student's overall costs. The longer it takes to complete a credential, the larger the cost to the student. For many students there is significant value in programs such as concurrent enrollment and Guaranteed Transfer Pathways. These programs are examined in greater depth in the Department's answers to Questions #17-21, but in short provide avenues to shortening time to completion.

Graduating with a credential a semester early or a year early can represent substantial savings for individual students. However, a 2014 report published by Complete College America found that, "At most public universities, only 19 percent of full-time students earn a bachelor's degree in four years. Even at state flagship universities — selective, research-intensive institutions — only 36 percent of full-time students complete their bachelor's degree on time." (http://completecollege.org/wp-content/uploads/2014/11/4-Year-Myth.pdf) This means that while a small subset of the total student population may manage to earn a baccalaureate credential in seven semesters or fewer, the vast majority of students need longer to graduate. Reducing the time to degree is an important factor in reducing the overall cost faced by

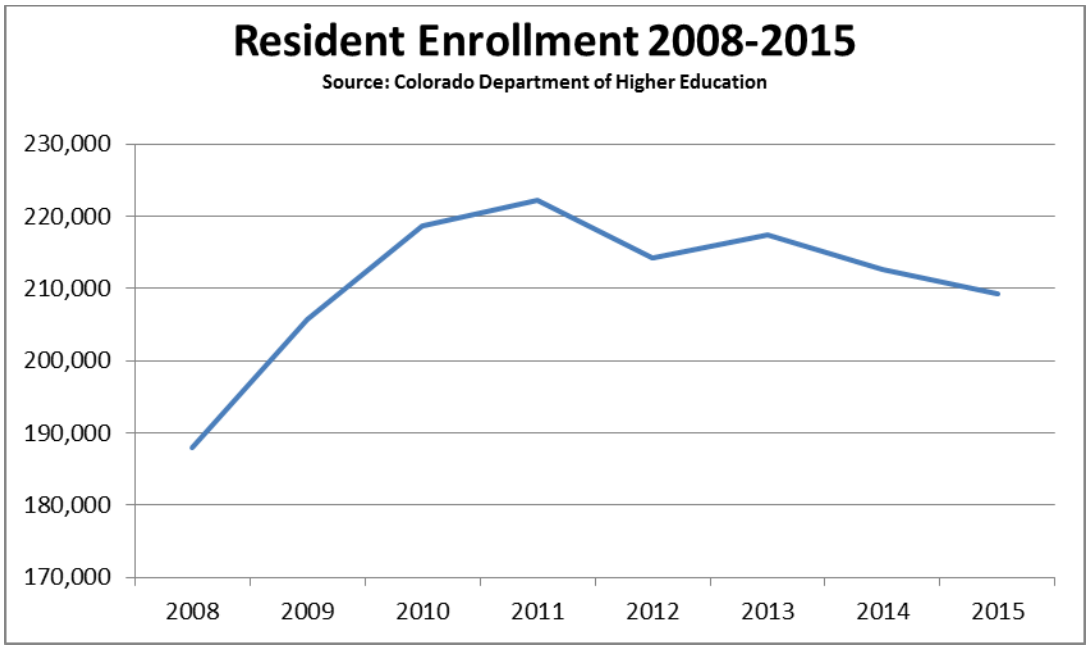
students, but it does not solve the systemic problem of state divestment and the transference of the cost of higher education onto students.

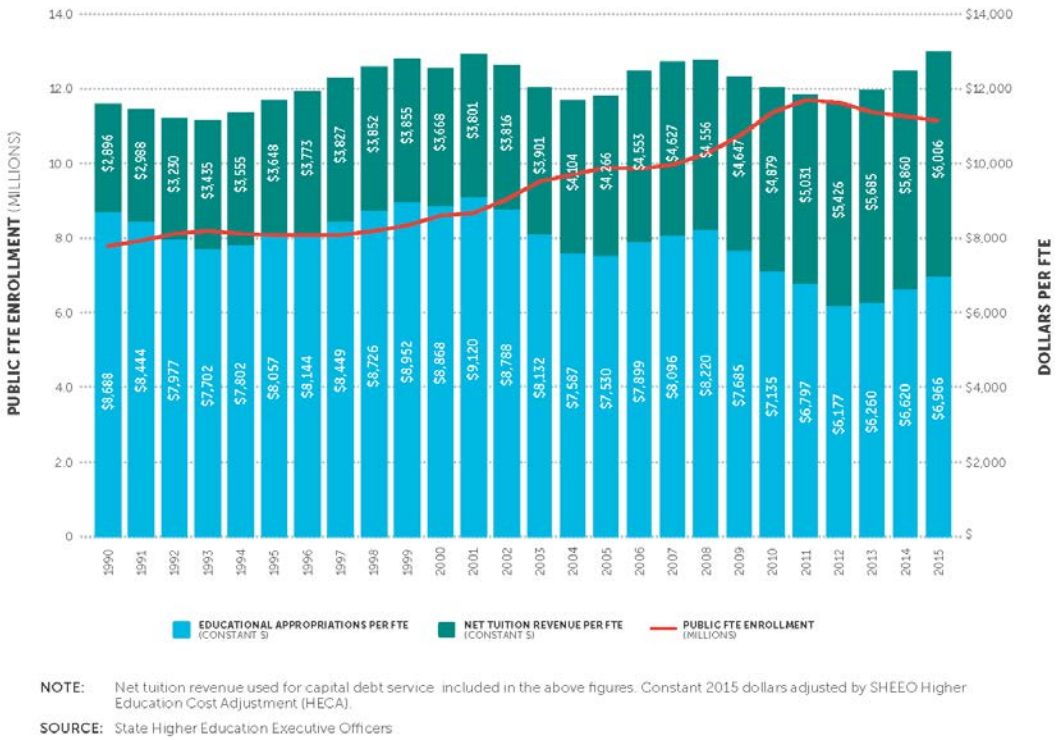
Some Colorado institutions have developed methods of cost predictability in light of rising tuition costs. Both Adams State University and the University of Colorado Boulder have tuition guarantee programs in place for both resident and nonresident undergraduate students. While guaranteed tuition programs offer stability and predictability in light of fluctuating state investment, guaranteed tuition is often criticized as a "guaranteed increase", underscoring the lack of a long-term cost solution. Public institutions in other states have also developed programs to combat the rising cost of higher education. Notably, each institution highlighted below is located in a state that provides significantly greater appropriations per FTE student than Colorado (see the Department's answer to question six for a more detailed comparison of Colorado's General Fund support to other states):

- *Ball State University has "Degree in 3", a program which allows students to choose from more than 30 approved majors and potentially graduate in three years.*
- *In Michigan, some universities are offering a spring/summer semester tuition discount of 30 percent for students who take at a total of at least 24 credits in the prior fall and winter semesters.*
- *Purdue University is expanding summer program offerings as a first step toward implementing a full-summer trimester, which can help students, graduate in as little as 3 years.*
- *University of Florida is considering "block tuition"- rather than paying per credit hour, students would pay a flat rate, encouraging a larger credit load and potentially a quicker path to graduation.*

In pushing the majority burden of cost onto students, a significant disparity has emerged between the price of higher education and students' ability to pay. Often this gap cannot be bridged by grant aid (federal, state and institutional) and student loans are the only option, in fact, many students would be barred from higher education if student loans were not available. This is largely a factor of the growth in the cost of higher education and the subsequent transference of that cost from the state General Fund investment onto the student. The Department's answer to Question #2 examines the rate of Colorado student debt in greater detail.

To understand the current cost of higher education in Colorado, it is essential to understand the correlation between state investment and enrollment in higher education. In Colorado and across the nation, when the Great Recession hit and jobs began to evaporate, a significant portion of the working age population enrolled in institutions of higher education to retrain or continue on to a more advanced degree, in order to become competitive in the changing economy. This created a counter-cyclical boom in the demand for higher education through increased enrollment.

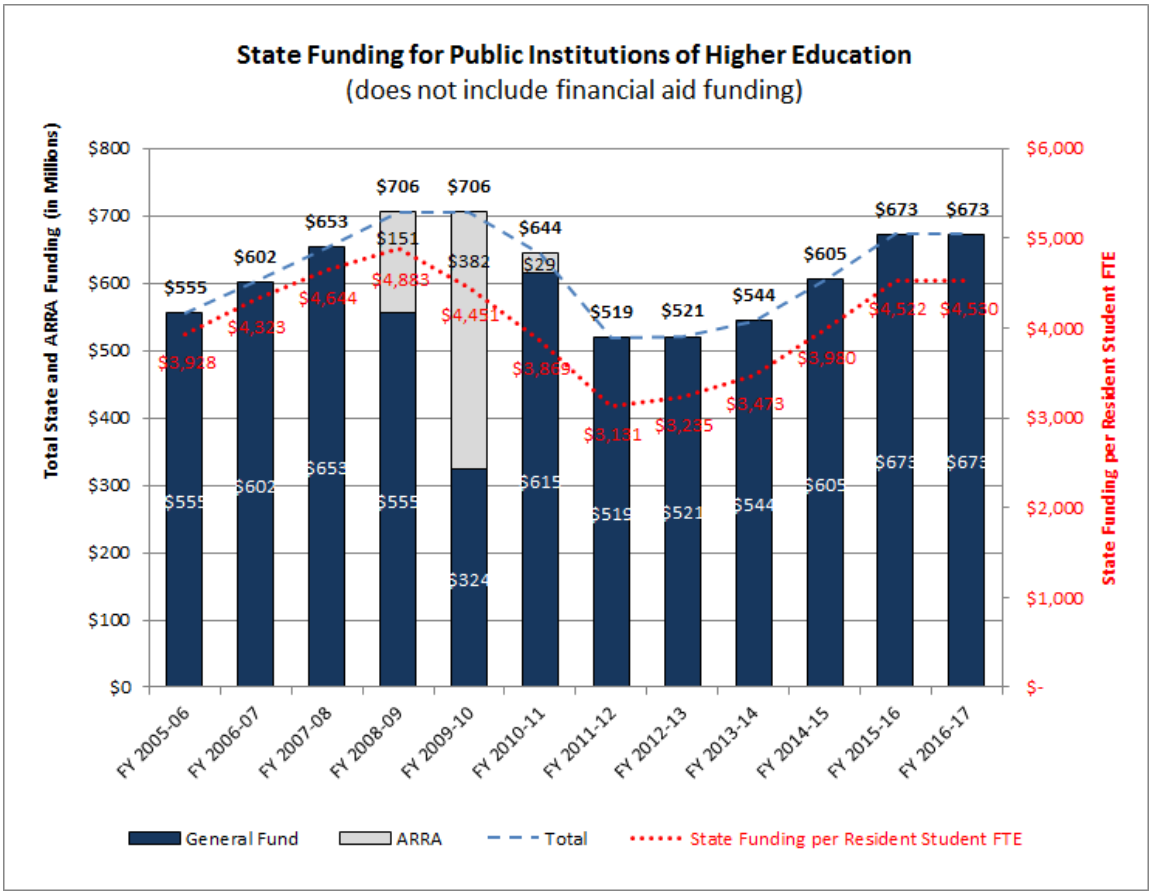




Because the business of higher education is a people-based industry, institutions had to expand by hiring more people to meet the demand for programs, classes, degrees, and the various needs and services associated therein. The types of costs associated with a people-based industry, like higher education, are examined in detail in the Department's R1 Budget Request and the

NCHEMS Cost Driver Study. See the Department's answer to question number five for more details on the NCHEMS Study and the Department's answer to question number one for more details on the R1 Budget Request.

Because there is no annually mandated amount of state investment in higher education, this portion of the budget is highly fungible. As a result, during the Recession when state revenue collection was bleak and the budget was tight, higher education received General Fund appropriations well below that of previous years. Unlike most other states, Colorado chose to significantly backfill the cuts made to the higher education budget using federal monies from the American Recovery and Reinvestment Act of 2009 (ARRA). When ARRA funds were longer available in FY 2011-12, there was no General Fund available to fill the void, so budget cuts had to be made.



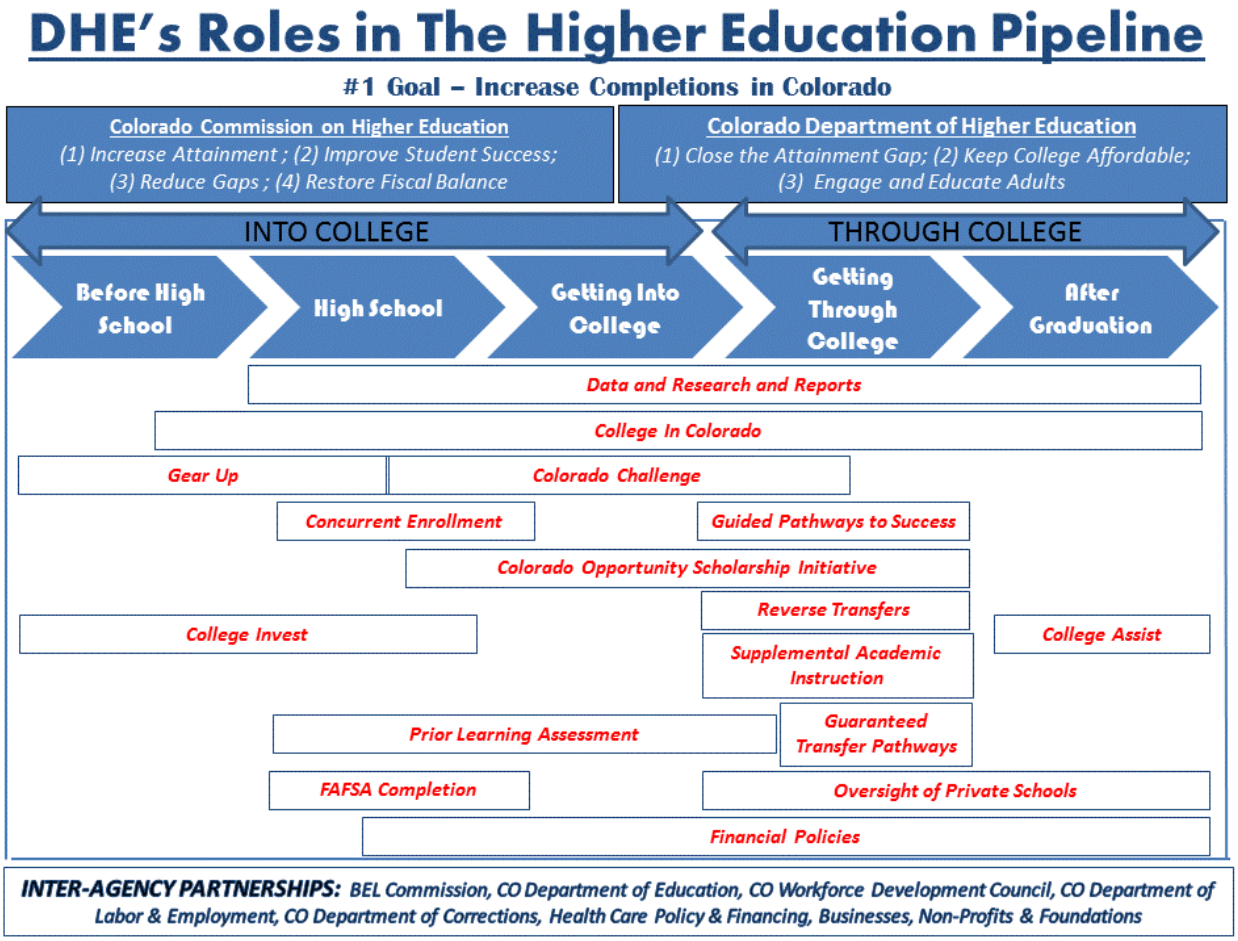
During this time, the General Assembly recognized that enrollment was growing and there was significantly diminished state support available so in order to meet the service demands spurred by student enrollment, without the historical level of state support per Full-Time Equivalent Student, institutions were forced to raise tuition. As a result the General Assembly passed SB 10-003, which created a five-year window of tuition-setting flexibility for higher education governing boards in response to reduced state funding. This gave governing boards the authority to raise tuition rates for resident-undergraduate students up to 9 percent. A mechanism was also provided to allow for institutions to request increases above 9 percent, by submitting a Financial Accountability Plan for the governing board and having it approved by CCHE. This effectively pushed the cost of higher education on to the student.

As Colorado's state budget began to recover and reinvest in higher education, tuition rate growth was capped at 6 percent and the funding allocation model for Higher Education was adopted with the passage of HB 14-1319. However, despite the

economic recovery, the state's investment in higher education has not yet reached pre-recessionary levels, while more than 20,000 additional resident Full-Time Equivalent students were enrolled in 2015 than in 2008. This significant dilution of the state's investment in higher education is the primary driver of the growth in cost, and subsequent debt, for students.

12 How have initiatives in the following areas affected student retention, completion, and time-to-degree/credential? What other initiatives is the State exploring or implementing to help students complete as efficiently as possible?

The Colorado Department of Higher Education, the Colorado Commission on Higher Education, and our institutions of higher education recognize that these factors are critical to students accomplishing a credential program. It is for this reason that a number of innovative efforts and programs have been implemented to increase student success and help reduce students' time to credential . Below is chart demonstrating a sampling of those efforts:



a. Changes in remedial policies

The Colorado Commission on Higher Education approved a Supplemental Academic Instruction (SAI) policy in March 2013, as a result of the recommendations made by the Developmental Education Task Force, which was charged to review developmental education practices throughout the Colorado Community College System and make recommendations on what steps the system would take to become more streamlined and what programs could be offered to increase student success.

By way of this policy, institutions can place students with limited academic deficiencies directly into college-level, credit-bearing courses with co-requisite academic support. This policy permits these students to enroll directly into college-level courses at their home institution rather than placing them into remedial coursework at a local community college.

While the data regarding the success of these reforms is limited, the Department has worked with researchers to identify some preliminary findings. Student placed into SAI courses have higher pass rates than students placed into traditional remedial courses. Also, the rate of students passing their remedial coursework in English, math, and reading has increased over the past two years.

More time is needed to capture data related to students taking remedial coursework under the reformed system. Once those data are available, the Department will be able to measure the effect of those reforms on student postsecondary success. National data suggests that similar reforms around developmental education result in greater student success in postsecondary education.

b. Dual/concurrent enrollment programs

Dual/concurrent enrollment programs provide students an opportunity to acquire college credits while still in high school. The Department has done various analyses regarding Concurrent/dual enrollment participation on student success in postsecondary education.

In 2014, DHE conducted a robust multivariate analysis isolated and estimated the effect of dual enrollment participation. The study found that students who participated in a dual enrollment program have a higher first-year retention rate at 82 percent, on average, compared to a retention rate of 79 percent for students who did not take dual enrollment courses in high school. First-year retention has been shown to be a positive predictor of degree attainment. Additionally, the study found that college students who participated in a dual enrollment program had higher earned cumulative credit hours, on average 36 credit hours, by the end of their first year of college compared to approximately 27 credit hours earned for students who were not dually enrolled in high school. Although this finding may not be surprising since students begin earning college credits in high school, the accumulation of higher credit hours has been linked to retention and successful degree attainment.

DHE has also found that students who enroll in Concurrent Enrollment courses that are gtPathways courses have higher success rates than their peers. Using descriptive statistical analysis, this study found that participation in gtPathways results in higher rates of college success in terms of matriculation, first-year persistence, and credential attainment. gtPathways students were more successful, in these ways, than their concurrently enrolled peers. These findings suggest that gtPathways continues to advance the state's goal of getting more students to and through the college pipeline.

The following data comes from the most recent Concurrent Enrollment (CE) report (2014-15 academic year) – the data represents how students (including underrepresented minorities) are aided on their college path by being enrolled in CE:

- *Statewide, 35,713 students participated in dual enrollment programs of any type in the 2014- 2015 academic year. This represents nearly 30 percent of all 11th and 12th graders in public high schools in Colorado*
- *Compared to the prior year, participation in Concurrent Enrollment programs increased dramatically among Hispanic students (26 percent increase), African American students (30 percent increase), and Native American/Alaskan Native students (39 percent increase).*
- *More than 1,200 students in Concurrent Enrollment programs earned some type of postsecondary credential in 2014-15.*
- *According to previous DHE research, students who participated in dual enrollment programs in high school had higher college enrollment rates, first-year credit hour accumulation, grade point averages, and retention rates in college.*

c. Policies related to transfer (e.g., transferrable core-requirement courses and associates degrees)

Department staff believes Joint Budget Committee (JBC) staff analyst's Briefing analysis is the best so far. In this analysis, based on the recent transcript pull and analysis, the JBC analyst noted, "…over one-third of all credits accepted from all sources were gtPathways credits, and very few gtPathways credits were not accepted" in transfer.

As far as trying to measure GT Pathways' effect on retention, completion, and time-to-degree, there are many confounding variables, such as students' individual demographic differences or the advisor and faculty the student happened to get, which make this level of analysis difficult for staff to complete before the JBC Hearing.

Other data the Department has pulled on the Degrees with Designation program shows that students are increasingly using these statewide transfer agreements. However, these have not been in existence long enough for students to matriculate through the program, transfer to a 4-year institution, and graduate. The Department expects to have enough students who have completed a Degree with Designation and then matriculated through the corresponding bachelor's degree in 2-3 years. Until then, there is not a large enough data set collected to arrive at any conclusions.

13 Are students shifting from four-year to two-year institutions for their first two years to reduce costs? Do you foresee more of this?

It is difficult to discern whether students are choosing to attend two-year institutions rather than four-year institutions to reduce the cost of their postsecondary education. Looking at the enrollment data by institution type, two-year institutions have seen significant declines in enrollment over the past five years. In the last five years, two-year institutions have seen first-time undergraduate enrollment decline annually between 6 and 16 percent. The end of the recent recession could contribute to this decline in two-year enrollment since workforce opportunities have improved over that period of time.

Over the past five years, four-year institutions have seen slight annual increases and decreases in first-time undergraduate enrollment but overall, enrollment has kept fairly steady. Looking at total institutional enrollment (all students, not just first-time undergraduate) for two-years and four-years, these trends over the past five years are similar for each institution type.

Funding model used for R1

14 Have any factors or weights in the model been changed from last year?

No changes were made to the factors or weights in the model for the Fiscal Year (FY) 2017-18 Budget Request. The Colorado Department of Higher Education (DHE) utilized the model as adopted by the Joint Budget Committee (JBC) for the FY 2016-17 allocations.

Two small adjustments were made to dollar amounts within the model to reflect the total requested operating increase and to provide stability.

1) *The College Opportunity Fund (COF) stipend amount was increased by $2 per credit hour, from $75 to $77. This $2 increase reflects a 2.48 percentage point increase rounded to the nearest whole dollar, allowing the COF stipend rate to grow by the same amount as total operating.*
2) *The Special Factor Adjustment in the JBC's adopted model was adjusted allowing the Mission Differentiation amount awarded to each institution to also grow by 2.48 percentage points.*

15 Why did each university end up where they did based on the impact of the model?

The major factor driving model outputs is enrollment. The College Opportunity Fund (COF) stipend, the Pell student bump based on the COF stipend amount, and the weighted student credit hour factor on Role and Mission are all driven by student enrollment.

The dollar amount for weighted student credit hours is capped, and there was a small reduction in the number of Pell students. However, the largest factor in an institution's allocation is the COF stipend, as over 53 percent of total dollars are allocated through the stipend. The institutions with higher percentage increases generally maintained or increased their COF stipend enrollment.

The table below compares COF stipend amounts from 2016-17 to the 2017-18 request.

Governing Board	COF Stipend Amount 2016-17	COF Stipend Amount 2017-18	$ Difference	% Difference
Adams State Board	$2,890,626	$2,755,679	-$134,947	-4.67%
Colorado Mesa Board	$13,706,155	$14,265,642	$559,487	4.08%
Metro State University Board	$32,248,782	$31,107,694	-$1,141,088	-3.54%
Western State Board	$2,967,276	$3,015,638	$48,362	1.63%
Colorado State University Board	$43,047,716	$42,937,298	-$110,418	-0.26%
Fort Lewis College Board	$4,041,098	$3,826,688	-$214,410	-5.31%

Governing Board	COF Stipend Amount 2016-17	COF Stipend Amount 2017-18	$ Difference	% Difference
University of Colorado Board	$62,352,540	$63,181,036	$828,496	1.33%
Colorado School of Mines Board	$6,194,533	$6,157,457	-$37,076	-0.60%
University of Northern Colorado Board	$15,440,878	$15,075,115	-$365,763	-2.37%
Community College System Board	$106,473,273	$101,372,409	-$5,100,864	-4.79%
Total	**$289,362,876**	**$283,694,654**	**-$5,668,222**	-1.96%

The overall enrollment reduction allows for funding that was directed to the COF stipend in prior years to flow through the Performance Completions and Retentions metrics. This gives institutions with decreased enrollment an opportunity to make up some of their lost COF funding through the Completions and Retention metrics.

Governing Board	$ Awarded to Completion and Retention FY 16-17	$ Awarded to Completion and Retention FY 17-18	$ Difference	% Difference
Adams State University Board	$1,667,413	$1,740,956	$73,543	4.41%
Colorado Mesa Board	$3,479,637	$3,894,395	$414,758	11.92%
Colorado School of Mines Board	$3,527,776	$3,908,426	$380,650	10.79%
Colorado State University Board	$16,058,084	$16,725,411	$667,327	4.16%
Community College System Board	$19,480,811	$21,835,126	$2,354,315	12.09%
Fort Lewis College Board	$1,398,921	$1,559,998	$161,077	11.51%
Metro State University Board	$9,519,353	$9,849,930	$330,577	3.47%
University of Colorado Board	$28,149,829	$30,196,940	$2,047,111	7.27%
University of Northern Colorado Board	$6,421,087	$6,522,628	$101,541	1.58%
Western State Board	$911,853	$923,488	$11,635	1.28%
Grand Total	**$90,614,764**	**$97,157,298**	**$6,542,534**	7.22%

16 Are the institutions and the Department comfortable with the model in its current form?

The Colorado Department of Higher Education (CDHE) engaged in a collaborative and inclusive process with the impacted institutions of higher education and the legislature over the past few budget cycles since 2014 and the enactment of HB 14-1319. This work produced a more stable and intuitive model for the Fiscal Year (FY) 2017-18 request. CDHE and the institutions are generally supportive of the current model structure.

Transfer and Dual Enrollment

[Background: Initial data from the transfer study and related submissions indicate large numbers of credits are lost in the transfer process but that much of this is due to students' changing fields. Responses from institutions will be submitted through the end of December.]

17 What does the Department see as the key reason courses are not transferring, based on the survey responses it has seen? Is course "rigor" a significant factor? Do any of the responses raise concerns for the Department or suggest areas for further investigation?

The data indicates the key reasons for courses not transferring are students' individual choices, especially switching majors and self-advising into the wrong courses, as well as institutions' actions, specifically degree requirements that can vary widely inter- and intra-institutionally and confusing policies and practices. Rigor, as the Department understands it, is a measure of the depth or level of difficulty of the course content and skills. Defined as such, rigor is probably not a significant factor; rather, appropriateness of the course content and skills to the major is probably the significant factor. For instance, Career and Technical Education (CTE) coursework usually does not apply to associate and bachelor's degrees in the Liberal Arts & Sciences because the content of the coursework and the skills taught are different in content, not necessarily that one course is more difficult than another. The Department agrees with JBC staff's suggested areas for further investigation and commits to exploring them.

18 JBC staff has made various recommendations on transfer policy to address dissemination of information, concurrent enrollment policy, career and technical education courses, and degree pathways options (p. 90-91 of the briefing packet). Please respond to these recommendations. Does the Department have other recommendations at this point for policy changes, legislation, or next steps?

As stated above, the Department agrees with Joint Budget Committee (JBC) staff's suggested areas for further investigation and commits to exploring them. A response is provided below to each of the JBC Briefing recommended suggestions:

- ***Website**: The Department could establish a page on the Department's website that points to electronic databases and tools the institutions use and will work with the institutions to get their information for the site.*
- ***Filing Complaints with the Department**: The Department has already put a link on its website to the webpage where students can file a complaint on a document, transfer agreement, Degree with Designation, or policy that students would likely encounter. The Department commits to working with the institutions to advertise this link in more prominent places on their transfer websites and in their catalogs. Also, the Department recently began meeting regularly with 2-year advisors and they know to call Department staff when the students they advise experience possible violations of transfer policy. The few cases that have been reported to the Department thus far were resolved by Department staff within one day and turned out to be simple misunderstandings, and resulted in institutions clarifying their transfer information on their own websites.*
- ***Concurrent Enrollment**: The Concurrent Enrollment Advisory Board is finalizing a suggested template which school districts can borrow from to explain to families how CE courses offered through their schools can apply to areas of study (STEM, CTE, AA/AS/BA/BS, etc.) at Colorado institutions.*
- ***Career and Technical Education (CTE) Courses**: The Department is convening a working group to explore how to maximize the number of CTE credits that can apply to academic (Liberal Arts & Sciences) degrees. It likely will help identify sources of problems and possibly identify some "fixes."*
- ***Simpler Degree Pathways**: One item the Department already has on its "to do list" is to expand the current Degrees with Designations into meta-majors, which would create simplicity and flexibility for students who have not yet declared a major but know what their interests are. For instance, if a student is interested in natural and physical sciences, but not ready to commit to biology versus physics versus chemistry, then the state institutions can probably agree on a set of coursework (including a combination of general education and science) the student could take before committing to one of the science majors that would be guaranteed to transfer into any of the science*

majors. Note that it took years to develop the current Degrees with Designations and would likely take years to develop meta-majors, therefore the Department believes that if the Legislature concurs an expression of an expected deadline may expedite the process.

- ***Advising**: Improving advising and preventing students from self-advising incorrectly remains a challenge. The Department has begun meeting with advisors on a regular basis and created an email list serve it uses to communicate important information out to advisors so they can share it with students. This has already resulted in some successes and advisors report the information they get directly from the Department is very helpful. Also, the Department is planning a spring 2017 convening for advisors to address this issue.*

- ***Structured Schedules and "15 to Finish"**: This was not mentioned in the JBC Briefing but is a Complete College America "game changer" that messages to students that it will take 15 credits each semester in order to finish a four-year program in a timely manner. This initiative is backed up by national data and probably has the greatest ability to move the needle on certificate and degree completion, especially at the 2-year institutions. However, currently many students view 12 credits per semester as full-time because that's what the federal government defines as full-time for financial aid. The Department plans to begin work with the institutions in 2017 to implement the "15 to Finish" messaging.*

  Structured schedules are also helpful with timely completion as they take the guesswork out of selecting courses and lays out the courses students should take each semester in order to meet all the requirements and graduate. "15 to Finish" is a successful program that, quite simply, helps students understand that they need to take 15 credits per semester in order to graduate on time.

19 Isn't it mandatory that all credits transfer between Colorado higher education institutions? Why not?

No, it is not mandatory that all credits transfer between Colorado institutions of higher education. First, it's important to distinguish between transfer of credit and applicability of credit. The Department believes the issue the Joint Budget Committee staff Briefing is addressing is the application of credit to degree requirements, not the general transfer of credits.

Only college-level coursework included in the approximately 1,500 GT Pathways courses include a guarantee of transfer. It's important to remember that while these courses are guaranteed to transfer, they may not apply to degree requirements in the student's chosen major. Below are a few examples:

- *Example A: A high school student who knows she's going to college takes a college algebra Concurrent Enrollment course hoping to knock out the college's general education math requirement. When she gets to college she's told that for her major in criminal justice she should have taken Intro to Statistics. While her credits for college algebra might count as elective credit, she still has to "retake college math" because she needs Intro to Stats to meet the degree requirements for her major.*

- *Example B: A high school student who loves history takes AP History and IB History (and passes the exams with a high enough cut score to be worth college credit) and she takes a Concurrent Enrollment history course. She now has 9 credits of college-level history but only 3 of those are guaranteed to apply to degree requirements because GT Pathways (the general education core of most AA/AS/BA/BS degrees) only requires 3 credits of history. The remaining 6 might get applied as elective credit, but that is not guaranteed.*

20 Some of the data collected indicated that concurrent enrollment credit may not always transfer. Why does the Department believe this occurs and what should be done about it? Did last year's bill on informing families about dual enrollment go far enough?

The issues of transfer with concurrent enrollment courses are similar to those identified in the response to Question #19. This is further exacerbated by advising resources at the secondary and postsecondary levels are being limited in several areas of the state. Additionally, student choice significantly drives transferability in many cases. Individual student decisions, such as major/degree choice and institution they attend, impact the applicability of a course and thus its transferability.

Implementation of HB 16-1144 - which requires local education providers to inform students and families about their concurrent/dual enrollment options, what the different costs are, and the potential transferability of coursework - is in its infancy. Schools and districts are working with their college partners to message information around transferability and applicability to students and parents. DHE and CDE in partnership with the Concurrent Enrollment Advisory Board have provided sample communications for partners to utilize and discussed at Advisory Board meetings to reinforce awareness of the requirement to outline availability of program options.

21 One staff suggestion was a work group on the cross-over/dual listing of CTE and "academic" credit. Are there existing work-groups that could be extended to incorporate this issue?

The General Education Council, which convenes monthly by the Department, is probably the appropriate place to start. The Academic Council and Registrar Councils could likely also provide guidance. Given the workload and big agendas of these groups, however, an entirely separate work group would probably need to be created to make any headway on this issue.

<u>Open access materials:</u>

22 What do you think of the staff proposal for a grant program to develop and disseminate open access (freely available) gtPathways course materials, with particular focus on concurrent enrollment course materials?

The idea of a grant program to develop and disseminate open access gtPathways and concurrent enrollment course materials is a timely concept that has been gaining national momentum. Students would be the primary beneficiaries of an open access platform by lowering costs and potentially allowing students to take additional courses and/or work less to cover the increasing costs of earning a credential. Research has shown roughly a quarter of students had not registered for a class due to the high cost of the textbooks and materials. Additionally, an open access platform of course materials could reduce the burden of student debt and potentially increase the quality of the course by creating greater alignment between the materials, student and teacher interaction. The emphasis on concurrent enrollment courses is appropriate and in direct response to the need for a reduction in textbook and course material costs that emerged from the concurrent enrollment LEAN process. Additionally, beginning with gtPathways courses allows for a reasonable pilot that has scalable potential if successful.

Several states have implemented similar initiatives, with Florida being a best practice example. Lessons learned in these states would be beneficial. Additionally, several states are partnering on materials to create a shared open access system which would provide greater access to more materials.

The success of an open access initiative is dependent upon support by the academic community at our institutions. Deans, provosts, and faculty must recognize the value and quality an open access initiative. Institutions would need to recognize and value digital scholarship and ideally such work would be recognized by tenure committees and peers. This would require a fair amount of coordination work by the Department to create collaboration and alignment within and among institutions.

23 What do you think of the staff recommendation to consider requiring all research publications produced by faculty at state institutions be made freely available and deposited to institutional archives after no more than a 12 month embargo? Do you anticipate intellectual property problems? Can Colorado do this alone?

Assuming the institutional archives would be made available to the public - the idea improves access to research-based information and knowledge while promoting the public benefit arising from publically funded research through:

- *Enhanced transparency, openness, and accountability, and public engagement with research and information.*
- *Closer linkage between research, innovation and public policy.*
- *Improved efficiency in research efforts by having a well-organized and accessible information system.*
- *Creation of a new digital, research based model of scholarship.*

While there are benefits to creating institutional archives there are also several challenges. The 12-month embargo could be problematic for certain subject areas and journals, which have different guidelines. There also is the potential for intellectual property issues, again depending upon the subject matter and research. There appears to be highly substantial costs associated with releasing published work from research journals. Additionally, much like creating an open access system for textbooks and course materials, moving to a digital and open system would require a great deal of support from the institutions and academic leadership.

A lot of advancement in this area has occurred internationally, particularly in the United Kingdom. Learning from international and national examples would be very beneficial. Partnering with other states would seem ideal for efficiency, breadth, and effectiveness.

Higher Education Master Plan

24 Discuss the Master Plan goals and potential changes to the goals.

The Colorado Commission on Higher Education (CCHE) issued "Colorado Competes, a Completion Agenda for Higher Education", in 2012, setting goals and a vision for higher education in Colorado. The plan identifies a primary performance goal (referred to as Goal 1) of increasing the number of Coloradans who hold a postsecondary credential – certificates and degrees – to 66 percent. Currently, the Colorado rate is about 54 percent. The benefits (social, economic, civic) of increasing postsecondary attainment are well documented and growing in value. The Master Plan includes three complementary goals, as follows:

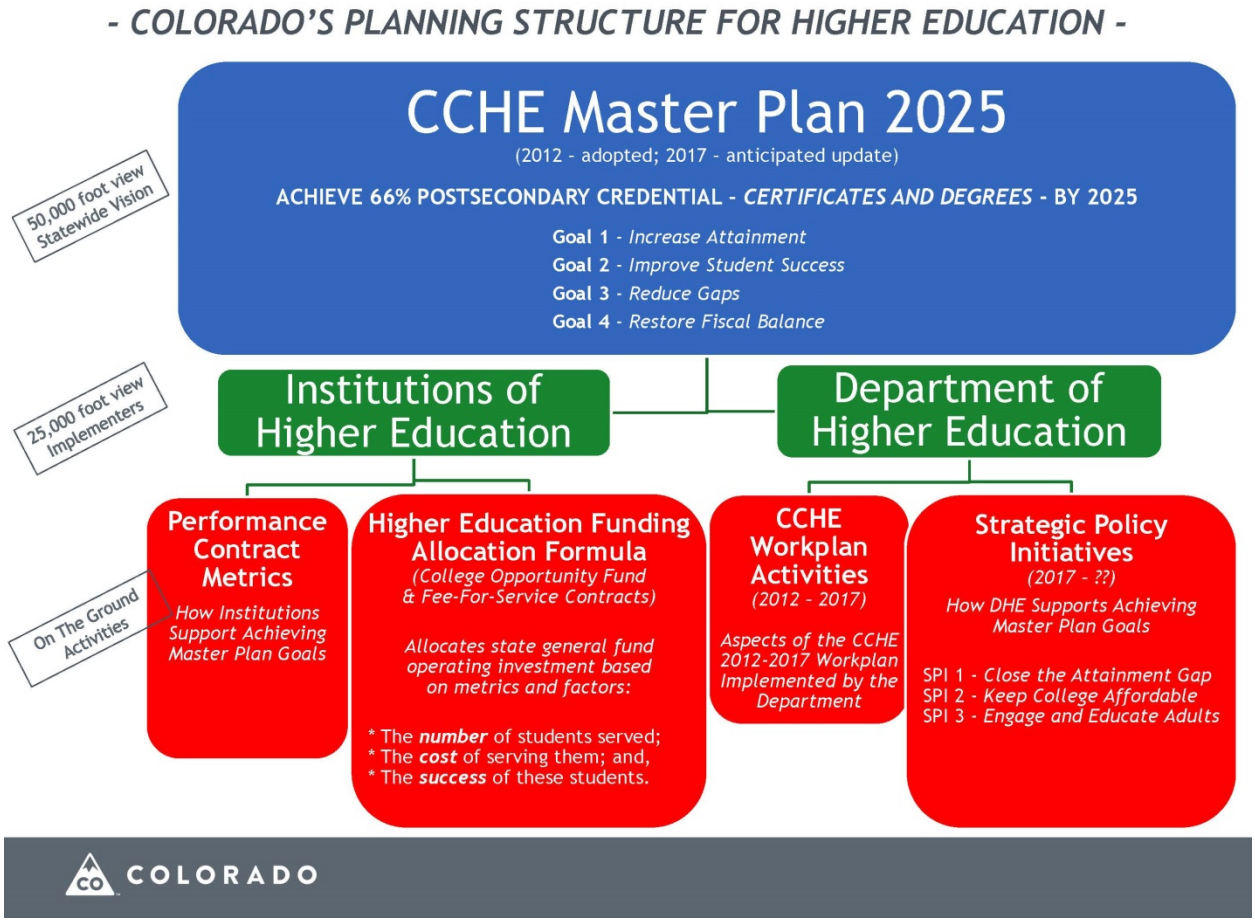
- ***Goal 2*** *- Improve Student Success – focused on improving student success through better outcomes in basic skills education, enhanced student support services and reduced average time to credential for all students.*

- ***Goal 3*** *- Reduce Gaps – focused on enhancing access to, and through, postsecondary education to ensure that the system reflects the changing demographics of the state while reducing attainment gaps among students from underserved communities.*
- ***Goal 4*** *- Restore Fiscal Balance – focused on develop enhanced resources for public institutions of higher education to meet projected enrollment demands while promoting affordability, accessibility and efficiency.*

CCHE and the Department of Higher Education (DHE) understand that by 2020 almost three-quarters of all jobs in Colorado will require some level of post-secondary credential (i.e. certificate, associate, bachelor's), according to a state projection of job growth conducted by the Georgetown University Center on Education and the Workforce, published in 2013.

Meeting this demand is critical to support Colorado's economy, fulfill the talent needs of our businesses, and provide all Coloradans the opportunity to be successful. Success with the imperative will mean that Colorado will be able to support our businesses and that all Coloradans will have the opportunity to realize the benefits of a college credential – as the Lumina Foundation describes "participate fully in the American life" and "hold a good job, participate as active citizens, raise a family, and contribute meaningfully to building safe and prosperous communities."

The graphic below shares the process through which the statewide goals are developed and implemented.



Commissioners continue to feel ownership of and a commitment to the existing goals. However, at this five-year mark, CCHE has begun revisiting the Master Plan to discuss its continued relevance and incorporate updated data and information. Much has been learned over the last four years and a number of innovative approaches have been implemented to realize our goals. These discussions are still in the early stages, and the Department is not sure what those updates might be at this point, but it is anticipated they will culminate with a May 2017 Discussion Item and June 2017 Action Item on the CCHE agendas to adopt any updates.

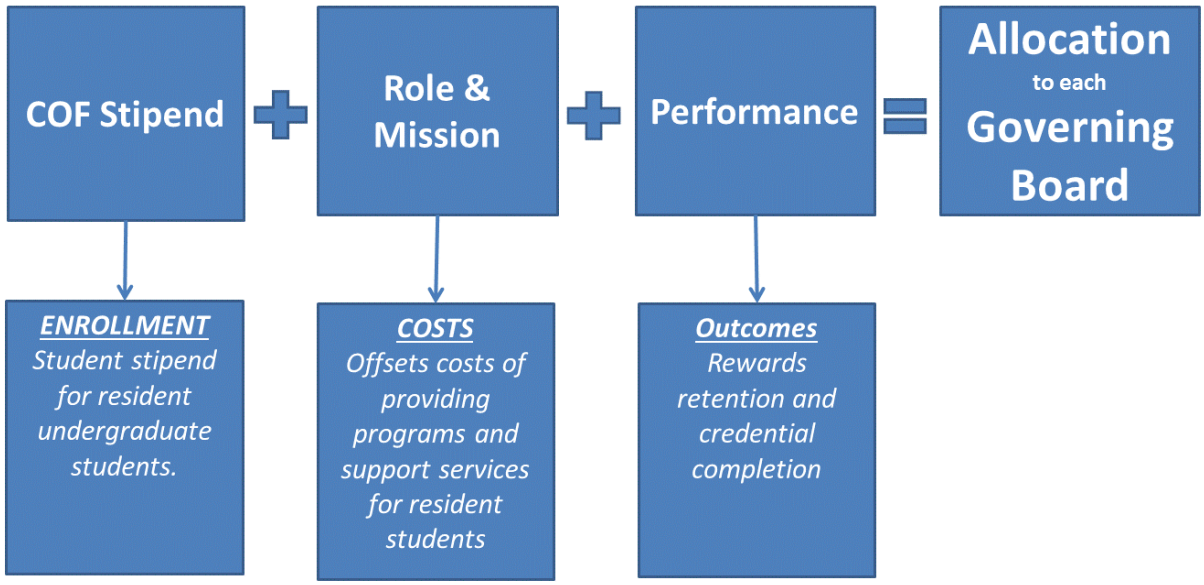
25 How is the State performing against the current goals?

The goals of the Colorado Commission on Higher Education's (CCHE) master plan are supported directly and indirectly by the higher education funding allocation model (created pursuant to Colorado Revised Statutes (CRS) 23-18-301 through CRS 23-18-307), which was developed in collaboration with the institutions and adopted, with certain modifications, by the Joint Budget Committee. The model provides greater transparency with how State general fund dollars are invested in higher education and distributes this funding based on (1) the number of students served (COF); (2) the costs associated with serving those students (role and mission); and, (3) the overall success with student retention and credential completion, along with a bonus for retention and credential completion of Pell-eligible (low income) students and STEM credentials.

The following chart provides a visual of the components of the model:

OUTCOMES BASED FUNDING FOR HIGHER EDUCATION

Created pursuant to HB 14-1319, establishing greater transparency and accountability in how state General Fund dollars are invested.



The Department and the Commission use the performance metrics included in the model to understand the performance of Colorado's state institutions of higher education with the statewide goals. These same metrics are also consistent with the accountability goals of the SMART Act (HB 13-1299, CRS 2-7-201 through CRS 2-7-205) and therefore are used in DHE's annual performance report. It is these metrics that provide the incentive to institutions to focus efforts on student success and completion.

Since implementation of the funding model, three years of annual data have been used to allocate the annual state appropriation. The Department will continue to collect data and allocate state resources based on the statutory requirements and continue to report progress annually through this SMART Act Report.

The charts below share the details on the completion metrics counted by the model that drive the objectives and progress with our Master Plan goals. It is these performance measures that are critical to meeting the needs of Colorado's businesses and supporting Colorado's economic vitality.

Typically, overall student enrollment declines when the economy is on the upswing, especially in the two-year sector. The reduction in COF enrollment is reflected in the allocation. However, during this same time, completions have continued to increase - with a 2.7 percentage point increase in overall credentials awarded in the most recent year. It is this continued increase in credential production that is critical to meet our overall attainment goal outlined in the Master Plan.

Institutional Completion Metrics

Credentials Awarded - Total					
Degree Level	*2014*	*2015*	*% Change '14-'15*	*2016*	*% Change '15-'16*
Certificate	1,946	2,086	7.2%	2,111	1.2%
Associates	7,575	7,964	5.1%	8,841	11.0%
Bachelors	22,799	22,958	0.7%	22,870	-0.4%
Post-Baccalaureate	7,385	7,659	3.7%	7,952	3.8%
All Degree Levels	*39,705*	*40,667*	2.4%	*41,774*	2.7%

Credentials Awarded – Pell-Eligible Students					
Degree Level	*2014*	*2015*	*% Change '14-'15*	*2016*	*% Change '15-'16*
Certificate	931	892	-4.2%	949	6.4%
Associates	3,405	3,565	4.7%	3,652	2.4%
Bachelors	8,011	8,209	2.5%	8,008	-2.4%
Post-Baccalaureate	2,456	2,593	5.6%	2,698	4.0%
All Degree Levels	*14,803*	*15,259*	3.1%	*15,307*	0.3%

Credentials Awarded - STEM					
Degree Level	*2014*	*2015*	*% Change '14-'15*	*2016*	*% Change '15-'16*
Certificate	141	139	-1.4%	177	21.5%
Associates	485	538	10.9%	578	6.9%
Bachelors	6,201	6,473	4.4%	6,600	1.9%
Post-Baccalaureate	2,394	2,482	3.7%	2,723	8.9%
All Degree Levels	*9,221*	*9,632*	4.5%	*10,078*	4.4%

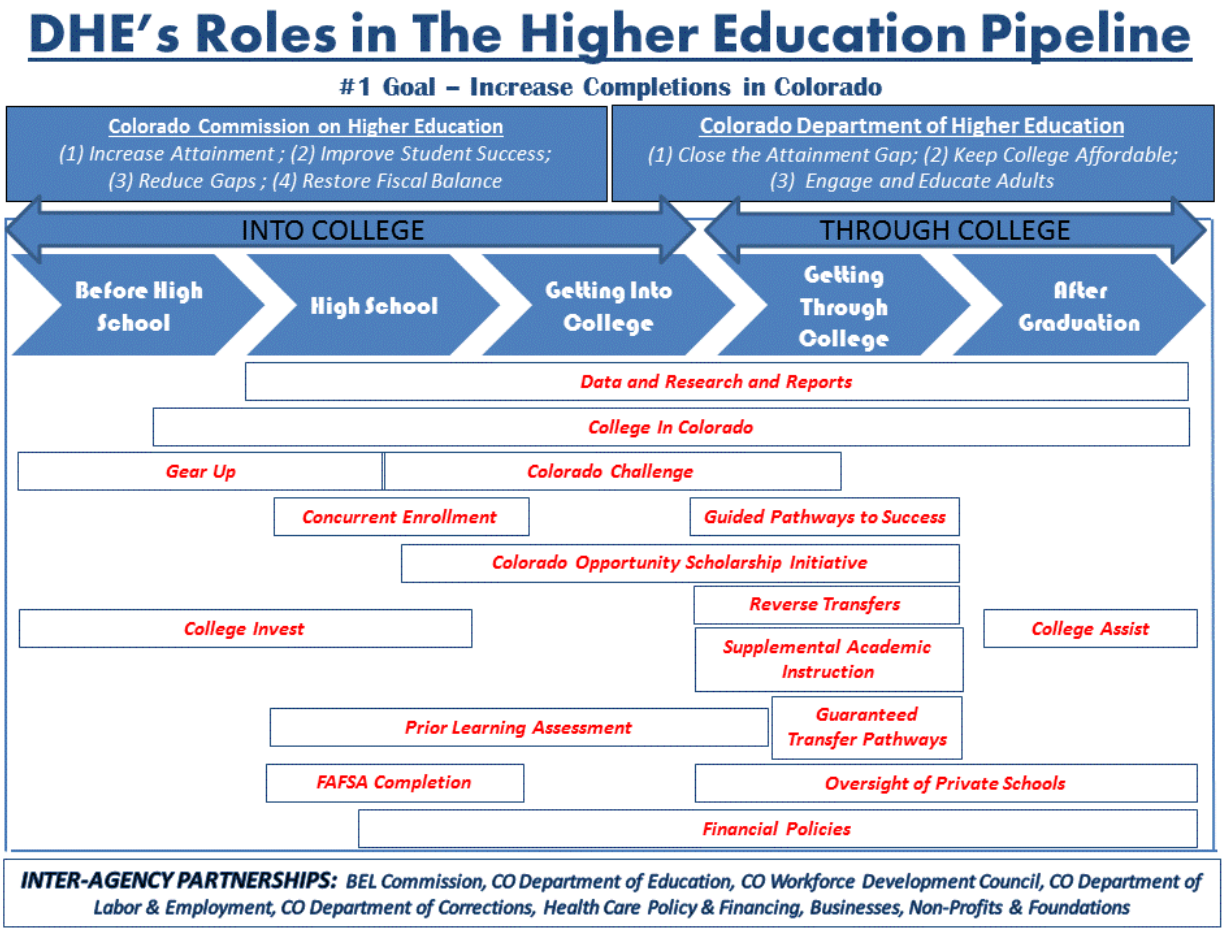
The enrollment of Colorado residents – especially our Pell-Eligible residents - in our public institutions of higher education is a critical factor to increasing performance and meeting the statewide goals. Enrollment is measured through the College Opportunity Fund (COF) stipend. The Department is engaged with the Governor's Cabinet Workgroup on Workforce and Education, which places closing the Attainment Gap as a priority. It is through this work, and a number of other innovative efforts by the Department and institutions, that we seek to increase enrollment of Colorado's resident Pell-Eligible students, help them be successful, and increase performance.

	2014	2015	% Change '14-'15	2016	% Change '15-'16
Student Enrollment ***(COF-Eligible Resident Undergraduates)***					
Total	130,925	128,606	-1.8%	126,086	-2%
Pell-Eligible Student Enrollment ***(COF-Eligible Resident Undergraduates)***					
Total	52,048	48,514	-7%	44,629	-8%

26 If the State is not achieving its goals, what kinds of changes may be needed to state policy or practice?

The progress of our state public institutions of higher education is positive and moving toward achieving the statewide goals. Certainly, increased state investment in higher education would have a significant impact on the resources available to dedicate to the programs and services needed to support student success and completion.

However, understanding the series of budget pressures that are pushing and squeezing our state budget for higher education., since the adoption of the Master Plan in 2012 the institutions of higher education and the Department have engaged in a number of innovative approaches to improving student success, and ultimately credential completion. Colorado is being watched nationally for its innovation and has been making significant progress. However, the impact of many of these activities will take time to fully realize the payoff. Below is a graphic demonstrating this work. The items listed in the red boxes are the programs and initiatives being implemented and where in the spectrum of a student's academic career they contribute.



As also shared in the answer to Question 24, the Commission has begun revisiting the Master Plan to discuss its continued relevance and incorporate updated data and information. While Commissioners continue to feel ownership of and a commitment to the existing goals, much has been learned over the last four years and a number of innovative approaches have been implemented. CCHE wants to be sure the Plan continues to be representative of the statewide needs and incorporate what is necessary to achieve the goals. These discussions are still in the early stages, but it is anticipated they will culminate with a May 2017 Discussion Item and June 2017 Action Item on the CCHE agendas to adopt any updates.

27 Provide a copy of the Annual Performance Plan (that was due November 1).

See an attached copy of the Annual Performance Plan.

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED - DEPARTMENT OF HIGHER EDUCATION

1 Provide a list of any legislation that the Department has: (a) not implemented, or (b) partially implemented. Explain why the Department has not implemented or has only partially implemented the legislation on this list. Please explain any problems the Department is having implementing any legislation and any suggestions you have to modify legislation.

The following legislation is in the process of being implemented:

HB 15-1274 Creation of Career Pathways for Students
The Department has been working with the Workforce Development Council (WDC) on the bill implementation. The WDC hired implementation staff recently and the pathways are in the process of being created. Once completed, College in Colorado will incorporate the information into the online resource.

15-1359 Savings Program with Persons with Disabilities
The Department is still waiting on Federal rules to be formalized, before it can start creating the Colorado program. The Department are hopeful that we can launch the program in Q1 or Q2 of 2017, but want to be thoughtful in the plan structure and management in doing so.

16-1100 Tuition Status of Unaccompanied Homeless Youth
There was an error in legislative language of the bill and the Department is seeking change in the Reviser's bill. The Department is moving forward with creating Colorado Commission on Higher Education Policy based on the anticipated wording correction.

16-104 Rural Teacher Preparation
A Request for Proposals has been issued and a vendor, University of Northern Colorado, has been chosen. The Department is now in the process of creating a memorandum of understanding with the vendor to finalize implantation.

2 If the Department receives federal funds of any type, please respond to the following:
   a. Please provide a detailed description of any federal sanctions or potential sanctions for state activities of which the Department is already aware. In addition, please provide a detailed description of any sanctions that MAY be issued against the Department by the federal government during FFY 2016-17.
   b. Are expecting any changes in federal funding with the passage of the FFY 2016-17 federal budget? If yes, in which programs, and what is the match requirement for each of the programs?

   The Department has not had nor does it expect federal sanctions for any of its state activities in FFY 2016 or FFY 2017.

3 Does the Department have any HIGH PRIORITY OUTSTANDING recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office and dated June 30, 2016 (link below)? What is the department doing to resolve the HIGH PRIORITY OUTSTANDING recommendations?

http://leg.colorado.gov/sites/default/files/documents/audits/1667s_annual_report_-_status_of_outstanding_recommendations_1.pdf

No, the Department does not have any high priority outstanding recommendations identified in the "Annual Report of Audit Recommendations Not Fully Implemented".

4 Is the department spending money on public awareness campaigns? What are these campaigns, what is the goal of the messaging, what is the cost of the campaign? Please distinguish between paid media and earned media. Do you have any indications or metrics regarding effectiveness? How is the department working with other state or federal departments to coordinate the campaigns?

College In Colorado (CIC) – the outreach arm of the Department of Higher Education (DHE) – is, in itself, a public awareness campaign. It was initiated by the DHE to play an integral role in promoting access to, affordability of, and success in higher education, as well as to discuss and present on college access to help change expectations about college for all Colorado students.

College In Colorado is funded federally through College Assist, the state guarantee agency, and no state general fund money is allocated to College In Colorado. The overall budget allocation from College Assist to College In Colorado for FY16-17 was $1.9M.

A cornerstone of the campaign, www.CollegeInColorado.org, offers a one-stop resource to help students and parents plan, apply and pay for college. Through this online outreach, CIC targets specific audiences including, middle-school and high-school students, adult learners, educators, parents, ex-offenders and homeless/foster youth. A great deal of what has been created for and added to CollegeInColorado.org was done at the request of and in conjunction with other state agencies, including CDE, CDLE, CWDC, DOC, CCCS and CDHE. Additionally, a number of other states use the same software platform for their postsecondary and career readiness sites, so there is constant communications about public awareness campaign successes, challenges and best practices. There are currently nearly 500,000 account holders on CollegInColorado.org.

Within CIC's strategic plan are two awareness campaigns, both of which will be in their 12th year in 2017. College Friday, which takes place in April, encourages all Coloradans to wear gear from their alma mater or favorite college to spark a dialog with young people about the importance of postsecondary education. CIC estimates that more than 1,000 businesses, schools and organizations statewide and more than 300,000 individuals participated in College Friday in 2016.

College Application Month has traditionally been the entire month of October; however, this year it was extended by two weeks – from the last week in September through the first week in November – to accommodate the new FAFSA opening date. College Application Month is held and promoted in conjunction with federal efforts and the First Lady's College Application Week campaign.

5 Based on the Department's most recent available record, what is the FTE vacancy and turnover rate by department and by division? To what does the Department attribute this turnover/vacancy?

The data was below was provided by DPA and includes turnover data for all classified higher education employees, including those at the institutions of higher education.

Summary of Classified Staff Turnover for FY 2015-16 by Department			
FY 2015-16 Separations By Department			
Department	**Separations**	**Employees in Class**	**Turnover Rate**
Higher Education	811	8,212	9.9%
Statewide Total*	**4,212**	**35,522**	**11.9%**

**The "Employees in Class" count is based on the number of unique employee/Department combinations plus Additional Separations for employees separating multiple times from a Department.*

6 For FY 2015-16, do any line items in your Department have reversions? If so, which line items, which programs within each line item, and for what amounts (by fund source)? What are the reasons for each reversion? Do you anticipate any reversions in FY 2016-17? If yes, in which programs and line items do you anticipate these reversions occurring? How much and in which fund sources do you anticipate the reversion being?

The Department's submitted Schedule 3 includes all reversion amounts for FY 2016. The table below outlines the reasons for the reversions listed in the Schedule 3

Line Item	**Reason for Reversion**	**Anticipated for 2017?**
Colorado Commission on Higher Education Administration	Cash Funds: The funds reverted are cash revenues not collected from private college and university fees paid pursuant to Section 23-1-125(5), C.R.S. and Section 23-2-104.5, C.R.S.	No
HED Competitive Research Authority	Cash Funds: The Higher Education Competitive Research Authority expends matching funds for federal grants on a quarterly basis as opportunities are available to Colorado's public research institutions. Cash funding spending authority expended reflects matching grant amounts awarded for federal grants to public research institutions in the given fiscal year.	No
GEAR UP	Federal Funds: Colorado Gear Up is awarded $5,000,000 in federal funds annually. A large portion of this annual funding is for out-year scholarships, thus not spent in the fiscal year it was awarded. The amount "reverted" is Gear Up's fund balance in the given year, which will be expending on out-year scholarships.	No

Line Item	Reason for Reversion	Anticipated for 2017?
COSI	Cash Funds: The adjustments to appropriation in FY 2015 and 2016 include the COSI cash fund balance continuously appropriated in HB14-1384, which created the COSI program and fund. The amount "reverted" is the COSI fund balance in the given fiscal year.	No
Career and Technical Education Tuition Assistance Program	House Bill 15-1275 created a tuition assistance program for low-income students enrolled in career and technical education programs that were too short to receive federal title IV funding. Some of the issues are common to the first year of a new program. However, the legislation required that a student be Pell-eligible to receive the state assistance. This specific provision made it difficult to identify students as these students are ineligible for federal aid so filing a FAFSA is uncommon. Even with available state aid, many students opted not to complete a FAFSA to demonstrate eligibility as they remain ineligible for federal assistance. The legislation provided no other means of demonstrating need, so institutions struggled to identify students.	If Departmental legislation is passed to fix the technical issues of demonstrating need, the issue should be greatly mitigated in FY 17 and hopefully eliminated in future fiscal years.

7 [Background Information: For FY 2017-18, the Department of Law has submitted a request to change the calculation of legal services appropriations as well as the monthly billing system for legal services provided to state agencies. Specifically, the proposal would: 1) calculate the number of budgeted legal services hours for each agency as the average of actual usage in the prior three years; 2) include a two-year average of "additional litigation costs" such as court reporting, travel for depositions, expert witness costs, etc., in the appropriation for legal services (these costs are not currently included in the appropriation and are often absorbed from other personal services and operating expenses line items); and 3) convert from monthly billing based on the actual hours of service provided to monthly billing based on twelve equal installments to fully spend each client agency's appropriation.]

Please discuss your agency's position on the Department of Law's proposed changes to the legal services system, including the potential impacts of the changes on your agency budget. That is, does your department support the proposed changes? How would you expect the changes to positively or negatively impact your department? Please explain.

The Department is supportive of the Department of Law's proposed changes to the legal services system. The changes will put legal services common policy methodology in line with other common policy line items. The impact on the Department of these changes is minimal.

8 What is the expected impact of Amendment 70 (minimum wage increase) on Department programs? Please address impacts related to state personnel, contracts, and providers of services.

The Department will not have an impact from Amendment 70 as its workforce is professional in nature and no current employees make less than Amendment 70 requires per hour. There will be a minimal impact to work-study students. The Department, in partnership with institutions, provides placement opportunities about three work-study students each semester. The Department and the institution split the wage payment, with DHE picking up roughly 25 percent of the total. Any impact from Amendment 70 to the Department's work-study students would be minimal and can be absorbed within current resources.

9 Please provide an update on the Department's status, concerns, and plans of action for increasing levels of cybersecurity, including existing programs and resources. How does the Department work with the Cybersecurity Center in the Office of Information Technology?

The Office of Information Security, within OIT, provides security governance, security architecture, risk management, compliance assessment support, and security operations functions for the Department of Higher Education.

The Office of Information Security has input into the 5-year plans for the Department and has worked to prioritize projects benefiting the Department such as: the Enterprise Firewall Refresh project, new quarterly security awareness trainings, and an enterprise security log collection and correlation engine. Additionally, OIT implemented a mandatory two-factor authentication for Google email users across the executive branch agencies, which is expected to reduce phishing attempts by 90 percent.

Also, the Office of Information Security, within OIT, produces a quarterly risk report card, in which they measure risk for the Department and have specific goals set for reducing risk.

10 Is the SMART Act an effective performance management and improvement tool for your Department? What other tools are you using? Do your performance tools inform your budget requests? If so, in what way?

The performance metrics included in the Higher Education Funding Allocation Model (created pursuant to HB 14-1319, CRS 23-18-301 through CRS 23-18-307) are consistent with the accountability goals of the SMART Act (HB 13-1299, CRS 2-7-201 through CRS 2-7-205).

For this reason, the performance metrics measured by the funding allocation model are used to demonstrate the performance of Colorado's state institutions of higher education in our annual performance report. It is these metrics that provide the incentive to institutions to focus efforts on student success and completion, and support both the Colorado Commission on Higher Education (CCHE) Master Plan and the intent of the SMART Act.

CCHE's master plan, Colorado Competes, A Completion Agenda for Higher Education, clearly specifies the goals the Department of Higher Education (DHE) shall work to achieve – with the primary focus on increasing access to, success with, and completion of postsecondary education. The Completion Agenda seeks to ensure that 66 percent of Coloradans will have a postsecondary credential (certificate or degree) by 2025.

The Commission set this attainment goal, adopted in 2012, after much analysis and deliberation about the economic and social needs of our state – noting studies that tell us by 2020 almost three-quarters of jobs in Colorado will need some level of a postsecondary credential. Meeting this demand is critical to support Colorado's economy, fulfill the talent needs of our businesses, and ensure all Coloradans have the opportunity to be successful.

The higher education funding allocation model provides greater transparency with State general fund investment in higher education and distributes funding based on (1) the number of students served (COF); (2) the costs associated with serving those students (role and mission); and, (3) the overall success with student retention and credential completion, along with a bonus for retention and credential completion of Pell-eligible (low income) students and STEM credentials.

The goals of CCHE's master plan are supported directly and indirectly by the funding allocation model, which was developed in collaboration with the institutions and adopted, with certain modifications, by the Joint Budget Committee.

11 Please identify how many rules you have promulgated in the past two years. With respect to these rules, have you done any cost-benefit analysis pursuant to Section 24-4-103 (2.5), C.R.S., regulatory analysis pursuant to Section 24-4-103 (4.5), C.R.S., or any other similar analysis? Have you conducted a cost-benefit analysis of the Department's rules as a whole? If so, please provide an overview of each analysis.

As described in the annual regulatory agenda submitted by the Department of Higher Education for 2014-2015 and 2015-2016 (attached), the department anticipated promulgating twenty-two rules. In regard to rules promulgated for Division of Private Occupational Schools (DPOS), requests for a cost-benefit analysis or regulatory analysis were not made and therefore they were not conducted. In regard to rules for the administration of the Colorado Opportunity Scholarship Initiative, requests for a cost-benefit analysis or regulatory analysis were not made and therefore they were not conducted. These Divisions have not conducted a cost-benefit analysis of their rules as a whole in the past two years.

12 What has the department done to decrease red tape and make the department more navigable/easy to access?

Student Success & Academic Affairs Division

- *Staff started meeting regularly with community college advisors who work directly with students and hear about transfer issues. Now the advisors alert the Department directly when there may be a transfer issue and Department staff address it immediately, rather than students having to file a complaint with the Department and wait to hear back.*
- *The Department revamped its webpage that contains transfer information (http://highered.colorado.gov/Academics/Transfers/Students.html) to make it simpler and easier to navigate, especially for high school students and school counselors.*
- *The Department convenes the Colorado Math Pathways Task Force, composed of math department chairs and senior math faculty, to help develop and communicate about to K12 "math pathways" to ensure the various programs an institution offers are aligned with the appropriate math course so that students are not default placed into college algebra, the one course that is the biggest stumbling block to retention and completion.*
- *The Department lists the link where students can file complaints on any form or transfer agreements that students might see.*

Colorado Opportunity Scholarship Initiative

The Colorado Opportunity Scholarship Initiative works to create a network of student support and scholarship programs throughout the state to nurture collaboration, provide support, and disseminate best practices. Through community grants,

the Initiative provides critical support, while allowing those communities and organizations the flexibility to customize, making their own program that uniquely addresses local needs. Through coordinated efforts, the Scholarship Initiative provides access for each of these communities to be part of a bigger network working toward system-wide solutions to address affordability and access for Colorado students -- ultimately leading to increased completion rates, and credentials necessary to enter the workforce.

- *Online Student Support Directory: The directory is an online platform allowing students, parents, counselors, and the public to find academic support programs and scholarship opportunities across Colorado: directory.coloradoscholarshipinitiative.org.*
- *Sharing of Resources/Best Practices: The network provides opportunities for partner building, and sharing of best practices and resources. This way communities are not duplicating efforts, but instead building and learning from one another while using proven strategies that work.*
- *Local Flexibility & Customization: Customized grants allow communities to design programs based on their own unique geographic, demographic, educational, and workforce needs.*
- *Accessible & Supportive Staff: The Initiative strives to make meaningful connections to truly understand the uniqueness of each community in Colorado. With customized technical assistance, our staff demonstrates that every community matters, and the only way to have one vision and one voice is to have everyone participating in a way that meets their unique community needs.*

GEAR Up

- *Colorado GEAR UP (CGU) established official partnerships with select institutions of higher education to create internal collaboration and access to admissions, financial aid, and first year programs. As a result, CGU is working closely with key contacts at each institution and select CGU students have received priority consideration for retention programs and match scholarship dollars.*
- *Colorado GEAR UP (CGU) was one of the first partners to utilize the Colorado Department of Higher Education's (DHE) FAFSA Completion Tool. The online tool allows CGU advisors to better advise students. Advisors can see if a student has filed a FAFSA, if it is complete or not and if they are flagged for verification. This tool has increased the efficacy of FAFSA completion.*

College In Colorado

- *College In Colorado (CIC) changed their website this year so that it no longer requires a log-in, allowing users to navigate the site without signing-in.*
- *CIC also revamped their event request from so it is now easier for educators throughout the state to request CIC come give a presentation or do a training.*
- *Partnered with LaunchMyCareerColorado.org – Colorado was an early adopter and one of four states to have all costs covered by a private foundation – $100,0000 value impact to Colorado.*
- *Implemented new College Admissions and middle school tools on the College in Colorado*

DPOS

- *Contracted with a digital credential service to handle the student records of several private postsecondary institutions that closed this year. The service allows students and employers to receive and share credentials in a simple and secure way.*
- *Expanded use of Colorado Interactive's pay port to further automate and make the fee collection process easier for private postsecondary institutions*

Colorado Challenge

- *Colorado Challenge completes an annual outcomes report to inform the public on the program's progress.*
- *Colorado Challenge is working to create snapshots of its semester program and updating its website navigation and information for easier citizen access and engagement.*

Policy Division

- *An internal process has been initiated to conduct a periodic review of all Commission and Department policy to ensure its continued applicability and that it is being implemented in the most efficient manner for all impacted, with an added focus on its ability to help meet statewide goals.*

13 What is the number one customer service complaint the department receives? What is the department doing to address it?

The Colorado Department of Higher Education (CDHE) does not receive many complaints about the services it specifically provides. Instead the CDHE serves as an ombudsman to assist students in resolving their complaints related to all aspects of higher education in Colorado. To accomplish this, CDHE diligently tracks customer service complaints through a database. The number one complaint is difficult to parse out as complaint topics and issues vary from questions about private occupation schools handled by the Division of Private Occupational Schools (DPOS), to questions about course withdrawals, to financial assistance questions, and complaints are not always predictable. Recently, the Department and DPOS have taken on transcript requests for institutions that have closed. This task has also involved addressing complaints as students work to obtain their transcripts. The Department and DPOS are receptive and responsive to the issues and work with the student's best interest at heart. In situations where the Department does not have the statutory authority to resolve an issue, staff works as an ombudsman for the student to facilitate a resolution by the institution or directs the student to the appropriate entity responsible for addressing the student's issue.

Capital Construction

14 Please provide an actual amount or estimate of institution-funded controlled maintenance spending annually for FY11-12 through FY15-16 for academic buildings. Include as much additional detail, regarding types of projects, that might be tracked as a part of your capital renewal efforts (no need to provide detail that isn't tracked - no need to provide project details).

Tracking of controlled maintenance projects by institutions is distinguished between Controlled Maintenance (maintenance driven projects under $2 million) and Capital Renewal (Maintenance driven projects over $2 million). Please find below the institutional data separated by dollar threshold.

CONTROLLED MAINTENANCE (Under $2 million)

Dollar Amounts and # of Projects by Category: FY 2011-12 through FY 2015-16

Reporting Category	*FY 2011-12*	*FY 2012-213*	*FY 2013-14*	*FY2014-15*	*FY2015-16*
Infrastructure Improvements	$9,304,955 (95 projects)	$15,880,454 (132 projects)	$22,185,558 (160 Projects)	$17,081,586 (118 Projects)	$14,833,807 (129 projects)
Remodel/Renovate /Modernize	$45,317,287 (346 projects)	$62,063,289 (414 projects)	$67,052,301 (413 Projects)	$45,437,792 (303 Projects)	$42,148,383 (312 projects)
Repair & Replacement	$15,866,510 (147 projects)	$17,234,181 (172 projects)	$12,303,179 (170 Projects)	$17,002,369 (198 Projects)	$20,651,730 (222 projects)
Site Improvements	$9,970,011 (92 projects)	$15,353,731 (121 projects)	$6,677,184 (69 Projects)	$10,555,559 (70 Projects)	$7,138,467 (80 projects)
TOTAL	**$80,458,763**	**$110,531,655**	**$108,218,222**	**$90,077,306**	**$84,772,387**

NOTE: Institutional spending on controlled maintenance projects below $2 million is not tracked by building type. The data provided includes institutional spending for both academic and auxiliary buildings.

Total Cost Comparison by Institution: FY 2011-12 through FY 2015-16

Institution	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Adams State University	$453,013	$0.00	$0.00	$0.00	$0.00
Auraria Higher Education Center	$1,819,675	$3,919,157	$664,847	$1,002,236	$2,169,875
Colorado Mesa University	$5,233,966	$8,173,792	$4,563,035	$6,714,965	$6,580,589
Colorado School of Mines	$4,981,974	$5,376,331	$665,113	$4,432,763	$3,084,904
Fort Lewis College	$1,974,544	$920,522	$813,605	$1,268,700	$378,308
Metropolitan State University of Denver	$486,467	$1,649,920	$1,976,489	$65,837	$857,377
University of Northern Colorado	$5,033,830	$3,298,174	$6,307,692	$196,456	$3,993,173
Western State Colorado University	$322,162	$173,872	$500,503	$1,088,598	$104,732
Colorado State University System					
Colorado State University - FC	$23,950,924	$22,233,721	$17,357,246	$18,279,560	$18,574,887
Colorado State University-Pueblo	$1,452,767	$1,635,349	$678,725	$324,103	$521,960
University of Colorado System					

Institution	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
CU - Boulder	$17,340,182	$47,187,286	$50,185,405	$44,332,998	$30,703,093
CU - Colorado Springs	$4,094,354	$542,806	$3,182,740	$2,786,108	$4,725,006
CU - Denver	$3,450,064	$5,822,145	$15,433,717	$4,455,631	$6,695,199
CU Systems Office	$0.00	$42,375	$0.00	$0.00	$18,437
Colorado Community College System					
Arapahoe Community College	$1,797,375	$3,238,535	$944,891	$0.00	$2,279,759
Colorado Community College and Occupational Ed/Sys	$866,840	$456,800	$585,285	$481,710	$598,452
Colorado Northwestern Community College	$0.00	$25,000	$0.00	$291,529	$99,650
Community College of Aurora	$63,994	$0.00	$10,426	$0.00	$351,575
Community College of Denver	$215,208	$195,982	$441,101	$0.00	$77,267
Front Range Community College	$1,268,631	$1,104,817	$1,452,887	$2,695,279	$908,625
Lamar Community College	$0.00	$16,889	$97,258	$0.00	$0.00
Lowry	$0.00	$0.00	$0.00	$0.00	$0.00
Morgan Community College	$0.00	$0.00	$0.00	$0.00	$0.00
Northeastern Junior College	$28,954	$511,807	$0.00	$0.00	$252,826
Otero Junior College	$129,957	$0.00	$1,004,157	$0.00	$137,933
Pikes Peak Community College	$4,311,849	$996,430	$1,353,100	$1,406,394	$1,310,750
Pueblo Community College	$989,042	$1,099,947	$197,492	$0.00	$130,736
Red Rocks Community College	$111,931	$1,722,605	$742,643	$254,439	$217,274
Trinidad State Junior College	$81,059	$187,394	$127,071	$0.00	$0.00
TOTALS	**$80,458,763**	**$110,531,655**	**$108,218,222**	**$90,077,306**	**$84,772,387**

NOTE: Institutional spending on controlled maintenance projects below $2 million is not tracked by building type. The data provided includes institutional spending for both academic and auxiliary buildings.

Controlled Maintenance Funding Comparison:
State Funds v. Institutional Funds

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Cash Funds (CF)	$80,458,763	$110,531,655	$108,218,222	$90,077,306	$84,772,387
CF Percent of Total	**97%**	**85%**	**81%**	**78%**	**90%**

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
State Funds (SF)	$2,300,000	$19,200,000	$25,347,215	$25,860,280	$9,980,671
SF Percent of Total	**3%**	**15%**	**19%**	**22%**	**10%**

CAPITAL RENEWAL ($2 million and above)

Cash Funded Projects by Reporting Category

Reporting Category	FY 2011-12		FY 2012-13		FY 2013-14		FY 2014-15		FY 2015-16	
Renovation	5	18%	20	34%	20	32%	23	32%	24	34%
Renovation & Expansion	12	41%	15	26%	12	19%	11	15%	12	17%
Total	**17**	**59%**	**35**	**60%**	**42**	**51%**	**34**	**47%**	**36**	**51%**

***Reflects only the total percentage for the two categories that constitute Capital Renewal (Renovation/Renovation & Expansion) from the cumulative institutional spending on projects of $2 million and above.*

Total Cost Comparison by Institution: FY 2011-12 through FY 2015-16

INSTITUTION	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Adams State University	$0.00	$3,026,260	$0.00	$0.00	$0.00
Auraria Higher Education Center	$0.00	$0.00	$0.00	$0.00	$0.00
Colorado Mesa University	$3,902,849	$9,103	$3,498,519	$13,866,317	$1,662,084
Colorado School of Mines	$30,000	$0.00	$76,686	$5,811,683	$10,591,881
Fort Lewis College	$0.00	$158,022	$3,046,441	$6,646,445	$7,237,773
Metropolitan State University of Denver	$0.00	$0.00	$0.00	$0.00	$0.00
University of Northern Colorado	$0.00	$0.00	$0.00	$0.00	$5,527,487
Western State Colorado University	$23,062,408	$22,186,749	$31,161,419	$0.00	$0.00
Colorado State University System					
Colorado State University	$30,794,033	$21,792,756	$76,223,599	$102,750,992	$17,196,556

INSTITUTION	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Colorado State University-Pueblo	$0.00	$0.00	$0.00	$1,022,549	$0.00
University of Colorado System					
CU - Boulder	$32,053,841	$106,745,164	$220,863,465	$248,715,147	$264,281,560
CU - Colorado Springs	$0.00	$15,386,071	$0.00	$15,038,285	$15,964,999
CU - Denver	$49,043,146	$47,938,437	$48,867,244	$4,511,975	$8,552,503
Colorado Community College System					
Colorado Northwest Community College	$0.00	$197,242	$3,440,053	$0.00	$0.00
Community College of Denver	$0.00	$0.00	$0.00	$0.00	$0.00
Front Range Community College	$9,555,195	$11,349,143	$19,786,952	$37,522,532	$51,848,962
Northeastern Junior College	$0.00	$0.00	$0.00	$0.00	$0.00
Pikes Peak Community College	$3,542,145	$3,524,915	$82,162	$147,377	$537,061
Pueblo Community College	$5,067,387	$11,015,903	$0.00	$0.00	$0.00
Red Rocks Community College	$0.00	$1,133,335	$1,657,072	$3,007,322	$15,418,101
*Total***	**$157,051,004**	**$244,463,100**	**$408,703,612**	**$439,040,624**	**$398,818,867**

NOTE: Amounts reflect current expenditures and not the total approved costs for the projects.
***Amounts reflect institutional expenditures on projects of $2 million and above for the Capital Renewal (Renovation/Renovation & Expansion) category only.*

Capital Renewal Spending by Building Type

Year	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
Spending Academic Buildings	**$61,418,108**	**$48,598,186**	**$87,468,469**	**$91,009,180**	**$117,900,162**
Spending on Auxiliary Buildings	**$95,632,896**	**$195864,914**	**$321,235,142**	**$348,031,444**	**$280,918,706**
TOTAL	**$157,051,004**	**$244,463,100**	**$408,703,612**	**$439,040,624**	**$398,818,867**

15 Please provide the following data for your institution: number of academic buildings and auxiliary buildings; square footage of academic buildings and auxiliary buildings; total campus area; current replacement value of academic buildings and auxiliary buildings; annual facility management operating expenses for FY11-12 through FY15-16 (please clarify if the total includes or excludes all campus grounds maintenance and upkeep).

Please see corresponding attachment.

10:30-12:00 PANEL 1: COMMUNITY COLLEGES, LOCAL DISTRICT COLLEGES, AREA TECHNICAL COLLEGES

Tuition, General Fund, Institutional Financial Health, and the Executive Request

1 What are the primary drivers behind tuition increases at your institution(s)? How much is driven by state General Fund cuts versus other factors? Do educational costs for your institution(s) increase faster than inflation? If so, why?

Colorado Community College System

The primary cost drivers behind tuition increases are personnel costs, required investments in technologies, strategic investments in support and other services to drive student success, and controlled maintenance of aging facilities. The relative share of tuition revenue necessary to cover these increases rises if the state does not make consistent investments of (or cuts in) General Fund operating as well as capital renewal and controlled maintenance funding. Given our reliance on highly educated personnel, the fact that these personnel make up over 70 percent of total operating costs, and the need to invest in technology to stay competitive, overall costs do tend to trend slightly higher than Denver Boulder Greeley CPI. However, we pride ourselves on maintaining affordable resident tuition for our students compared to other governing boards in the state, as evidenced by the chart of page 11 of the JBC Higher Education briefing document.

Aims Community College

Aims Community College Board of Trustees has held tuition rates flat for six years. The primary driver for tuition rate increases is associated with changes in general property tax revenue. State appropriation is an important source of funding but does not directly relate to tuition rate decision-making.

For the past ten years, Denver-Boulder-Greeley CPI has increased on average 2.3% each year. Educational costs over that same time period for Aims Community College have increased on average 7% each year, with increases higher than inflation due to improving salaries and benefits for employees to market averages, adding facilities and equipment, expanding programs, and subsequently adding staffing and operational expenses to support the expansion.

Colorado Mountain College

Personnel costs—salaries and benefits—account for nearly 82% of the expenditures at Colorado Mountain College. As a result, changes in personnel costs generally have the greatest impact on year-over-year changes in operating expenditures, all other things equal. Over the past three years, the college has provided base salary increases of between 1.9% - 2.5% (approximately equal to annual CPI inflation) as well as non-base-building merit increases.

In general, however, health and mandatory benefits costs have increased faster than inflation. A number of authorities have suggested that health care premiums in the central Colorado mountains are among the highest in the nation, and these rates have increased by 4.5% - 8.0% annually since 2012, far more than the increases in the college's operating budgets. In addition, recent mandatory increases in PERA employer contributions have driven personnel expenses up. Together, changes in health benefits, retirement (PERA) costs, and wages account for the majority of changes in annual operating expenditures.

Changes in state General Fund operating revenues have a modest impact on Colorado Mountain College's overall operating revenues. CMC receives a general operating allocation from the State that, according to Colorado law, is adjusted according to the overall increase or decrease in operating allocations to all higher education institutions in the state, but not adjusted according to enrollments. Overall, State general fund revenues comprise about 10.5% of all revenues to CMC. Local property taxes, however, comprise nearly 67% of all revenues. So, a 1% increase in State revenues would be equal to a .10% increase in operating revenues at CMC, a 3% increase in State revenues would be equal to a .30% increase in operating revenue, and so on.

In spite of the fact that most operating costs at the college are expected to increase at or above inflation, CMC's goal for the next five years is to manage overall operating expenditures at a level below projected inflation. This will be accomplished by a number of internal efficiencies including reducing expenses in administration, stabilizing minimum class sizes, and implementing an early retirement plan for long-term employees.

Area Technical Colleges

Career and Technical Education (CTE) is expensive to offer, given its capital intensive equipment needs and small staff to student ratios (as dictated by accrediting bodies and our own internal standards). Given this, the level of state higher education funding that we receive has a direct impact on our ability to keep tuition levels affordable for students. Health care and benefits costs also continue to be a large factor in our general operating expenses. We are held to high standards with our accrediting body (Council on Occupational Education), mandating we have at a minimum, a completion rate of 60%, placement rate of 70% and licensure rate, where applicable, of 70%. Given these very high standards, we are continually looking to invest in critical areas like student services support, technical infrastructure and capital improvements to continually attract, retain, complete and place students in/from our highly successful programs. As a note, for this past year, we completed 89% of students, placed 80% of students and licensed 99% of all students across our program portfolio. We keep very tight scrutiny on program spending, and always balance the needs of the programs/students with our ability to absorb the costs within the current higher ed funding and tuition levels. Given all of this, our educational cost increases are in line with Boulder-Denver-Greeley CPI.

2 Discuss the resident tuition increase proposed for your governing board in the Executive request. [Note: this question applies primarily to the Colorado community college system, as tuition increases for the other governing boards are not appropriated. However, other boards are requested to respond to parts a, c, and d to the extent feasible.]

a) How much of an increase in education and general *revenue* do you anticipate needing in FY 2017-18? If this is greater than the projected increase in the Boulder-Denver-Greeley CPI, explain why.

Colorado Community College System

Once we have Spring 2017 census figures, final decisions from the General Assembly on classified salaries/benefits, and final decisions on General Fund operating/Controlled Maintenance state funds allocated to CCCS, we will be able to provide more defined clarity on the question. However, based on the Governor's request and current enrollment projections, the total revenue increase necessary to cover anticipated operating and controlled maintenance costs are between 3.25 and 4.0 percent. FY 2016-17 Boulder-Denver-Greeley CPI is projected to be 2.8 percent. Given our reliance on highly educated personnel, the fact that these personnel make up over 70 percent of total operating costs, and the need to invest in technology to stay competitive, overall costs do tend to trend slightly higher than Denver Boulder Greeley CPI. However, we pride ourselves on maintaining affordable resident tuition for our students compared to

other governing boards in the state, as evidenced by the chart of page 11 of the JBC Higher Education briefing document.

Aims Community College

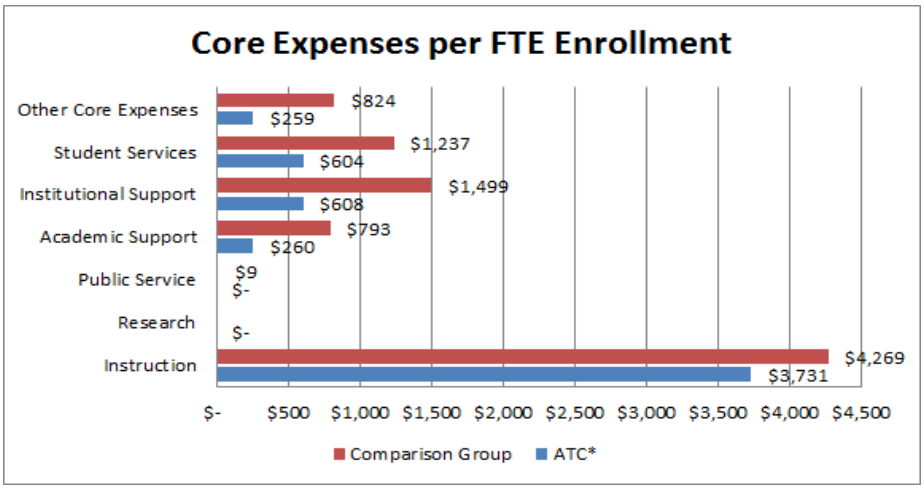
We anticipate needing revenue to support an increase in education and general expenses of 2.1% in FY 2017-18 which is in alignment with the Boulder-Denver-Greeley CPI.

Colorado Mountain College

CMC anticipates that the total revenue increase it will need in 2017-18 will be approximately 2.5%, which is roughly equal to the projected Boulder-Denver-Greeley CPI.

Area Technical Colleges

We anticipate needing an additional 6% in education and general revenue in FY 2017-18. This would cover increases in personnel/benefits, as well as critical infrastructure needs. We run very lean operations, with core expenses per FTE enrollment, as shown in the chart below, 58% less than our peer compare group. As a result of this diligent cost management, we are able to keep tuition rate increases between 0-4% per year. The level of state higher education funding plays a direct role in our ability to keep tuition increases in the 0-4% increase range.



b) Does the maximum undergraduate resident tuition rate increase proposed for your governing board accurately reflect your tuition need if R1 General Fund support is approved? Why or why not?

Colorado Community College System

The Department-requested resident tuition spending authority figure in the Governor's request would cover the range of need as specified above, if R1 is approved as allocated. Please see prior responses above for rationale.

Aims Community College

N/A

Colorado Mountain College

CMC is a local district college and, by law, is excluded from the CCHE's tuition formula.

Area Technical Colleges
Not applicable to the Area Technical Colleges

c) How much of a General Fund increase would you need to keep tuition flat?

Colorado Community College System
Once we have Spring 2017 census figures, final decisions from the General Assembly on classified salaries/benefits, and final decisions on General Fund operating/Controlled Maintenance state funds allocated to CCCS, we will be able to provide more defined clarity on the question. However, initial estimates would range from $13.0 to $16.5 million.

Aims Community College
Assuming cost of living increases of 2.1% in FY 2017-18, we estimate General Fund funding would need to increase by $370,000 to keep tuition flat ($180,000 for the state appropriation portion and $190,000 for the tuition portion).

Colorado Mountain College
CMC maintains base tuition rates that are among the lowest in Colorado and the nation. Additionally, net tuition revenue comprises only about 18% of the college's overall operating budget. All other things equal, keeping tuition flat at CMC while absorbing an increase in operating expenditures of approximately 2.5% would require an increase in state revenue of $1.2 million or 16% over that allocated to CMC in 2016-17, assuming local property taxes increase as currently projected.

Area Technical Colleges
To keep tuition flat, and offset increased benefits/personnel costs, in addition to critical infrastructure needs, we estimate we would need an increase of approximately 6% in FY17/18.

d) How much of a resident tuition rate increase would you seek if the State could not provide a General Fund increase?

Colorado Community College System
Based on the current allocation model, flat overall General Fund to higher education would translate into a $3.5 million reduction in General Fund appropriations for CCCS. As a result, this would likely drive an additional 1.5% to 2.0% tuition increase to generate the same total revenue.

Aims Community College
Tuition rate increases is currently under discussion by the Aims Community College Board of Trustees.

Colorado Mountain College
Note: CMC maintains three different tuition classifications for Colorado residents—In-state (for residents of the state outside of the college's service area), Service Area (for residents of the state in Grand, Jackson, and Chaffee counties), and In-district (for residents of the college's local tax district)—in addition to different tuition rates for lower division and upper division courses. Consequently, the foregoing is a general description of the impact of changes in state revenues across all Coloradans enrolled at the college, irrespective of specific classification or level.

The amount of the increase in state funding proposed in the budget for Colorado Mountain College is $175,000 or about .20% of the college's total revenues. In 2015-16, CMC served 3,213 resident FTE. The proposed $175,000 increase in state operating revenues is equal to about $55 per resident FTE, or about $1.82 per credit hour among all resident students at the college. College management cannot say whether the college's elected Board of Trustees would seek a tuition change equal to the proposed change in State funding, but the $1.82 per credit hour/$55 per FTE described herein is a reasonable benchmark for interpreting the impact of the proposed state revenue increase to Coloradans enrolled at CMC.

Area Technical Colleges

Similar to answer c, if the State cannot provide a General Fund increase, we would likely need to increase tuition rates approximately 6% for the FY17/18 year to cover our operational expenditures.

3 If applicable, how much do you hope to increase non-resident tuition? Is this less than your proposed resident tuition increase? If so, why? How much of your tuition revenue is from non-residents?

Colorado Community College System

Only 6 percent of our students are non-residents, so non-resident tuition plays a more limited role in revenue generation compared to many four-year colleges and universities in the state. Historically, we have increased non-resident tuition at the same rate as resident tuition.

Aims Community College

In FY 2015-16 approximately 10% of overall tuition revenue came from non-resident students. At the present time, there is not a recommendation to increase non-resident tuition.

Colorado Mountain College

The elected Board of Trustees will consider tuition changes in January 2017. For reference, CMC's enrollment is 82% in-district/service area; 8.5% in-state; and 9.7% non-resident. Sources of revenue to CMC are as follows: local property taxes account for 67% of all revenues; net tuition revenues contribute approximately 18%; state revenues account for 10.5%. In 2015-16 and 2016-17, CMC trustees increased non-resident tuition rates by an average of 16.5% each year. Non-resident tuition is now approximately equal to per FTE operating expenses, which was the college's goal. Non-resident tuition, $429 credit hour ($12,870/FTE), will likely increase at a rate equal to inflation for the 2017-18 fiscal year and beyond.

The current proposal from CMC management is to freeze in-state tuition—that is, no increase—at the 300- and 400-levels at $212 per credit hour ($6,360/FTE) and increase in-state tuition by $20 per credit hour for 100- and 200-level courses, from $127 per credit hour ($3,810/FTE) to $147 per credit hour ($4,410/FTE).

Note: Base in-district tuition rates are currently $62 per credit for 100/200 level courses ($1,860/FTE) and $99 per credit hour for 300/400 level courses ($2,970/FTE), which is the third lowest tuition for baccalaureate programs in the entire US, according to the US Department of Education. CMC management has presented a plan to its Board of Trustees that would freeze 300/400 level tuition in 2017-18 at $99 per credit hour (i.e., no increase) and raise 100/200 level tuition by $5 per credit hour to $67/credit ($2,010/FTE).

Area Technical Colleges

Non-resident students currently make up less than 5% of the total Area Technical College population. Given this, we do not differentiate tuition increases between resident and non-resident, since the non-resident impact is so small. Any resident tuition increase will be consistently applied to the non-resident tuition rate.

4 Are you comfortable with the funding allocation model as submitted? Why or why not? [Note: this question applies primarily to the Colorado community college system, as adjustments for the other boards are based on the overall change in General Fund support.]

Colorado Community College System

The allocation model has a number of positive attributes, but as we have maintained since its initial inception, there is room for improvement. There are three main areas that seem reasonable to consider addressing, if not this budget cycle then in future cycles: 1) the base funding component of the Role and Mission portion of the model makes little logical sense (see page 60 of the JBC Higher Education briefing document). For example, why does a 4-year small regional institution receive 4 to 5 times the base funding of a small rural community college? 2) The weighting of certificates/degrees/transfers in the Performance portion of the model needs closer examination regarding its appropriateness and alignment with state master plan goals. For example, why does CCCS annually produce 40 percent (23,201) of the credentials/degrees/transfers that drive the key master plan performance goal but the allocation model only gives credit for 20 percent (9,020) (see page 62 of the JBC Higher Education briefing document). 3) The model also presents some challenges around the best way to account for encouraging and incentivizing student-friendly initiatives, like the CCCS initiative to reduce the time and credit hours to get students college ready. The CCCS remedial redesign increased students' chances at success in college level courses while decreasing the time it takes students to reach college-level course work. This has saved the state $4.5 million annually in COF stipend payments and students $8.0 million in tuition payments. However, this initiative has impacted CCCS negatively in the allocation formula, both in the loss of stipend revenue and in the weighted credit hour portion of the role and mission section.

Aims Community College

We are comfortable with the funding allocation model as submitted. We receive the average increase or decrease in General Fund appropriation that all state funded higher education institutions receive and we feel that is fair.

Colorado Mountain College

Pursuant to Colorado law, CMC is to receive a fixed allocation of state funds, adjusted according to changes in the overall allocation to higher education. The proposed FY 2017-18 allocation for CMC satisfies state law and therefore, yes, the college is comfortable with its proposed allocation.

Area Technical Colleges

The specific funding allocation model would not directly apply to the Area Technical Colleges.

5 How healthy is your institution financially? If you've had ongoing challenges or you've recently seen a significant improvement or decline, please discuss your situation.

Colorado Community College System

CCCS received a green light in the Treasurer's report and has an AA3 bond rating.

Aims Community College

Our institution is financially healthy. Due to increases in oil and gas property tax revenues in the past few years, we have been able to support increases in E&G costs while holding tuition rates flat. However, as we anticipate this revenue stream to subside in future years, we are working to maintain reserves. The College does not have any long-term debt and has thus been able to maintain a healthy financial position, repair, improve, and construct facilities without paying high financing costs.

Colorado Mountain College

Colorado Mountain College is very healthy financially speaking. Although the college does not have an official, published financial rating, such as one from Moody's, the college's metrics match closest to peer institutions in the "A" category. Also, though enrollments have declined since the peak of the most recent recession in 2011, overall FTE at the college have been fairly stable for several years. Current enrollments are flat from the previous year, though the mix of students has changed with increases in resident enrollments and decreases in non-resident enrollments.

The most significant financial challenges for CMC are declining revenues from Oil & Gas production in Garfield County and increases in personnel expenditures that exceed annual inflation. In 2016-17, revenues from Oil & Gas decreased by 50%, a loss of about $4.0M to the college's operating revenues in one year. Revenues from Oil & Gas are again projected to decline by another 50% in 2017-18. For comparison purposes, the $4.0M loss in revenues was roughly equal to 6% of the college's total operating budget. If the $4.0M loss occurred in state general funds to the college, it would have been equal to a 58% reduction in one year. This loss in revenue is coupled with personnel expenditures, including health benefits and mandatory PERA contributions, that have increased faster than inflation.

To address these conditions, management at CMC plans to institute mandatory "deceleration" factors into the college's internal allocation formula. The purpose of these deceleration factors is to ensure that the college's overall operating budget grows at a rate less than inflation of mandatory costs. Additionally, the college is proposing annual reductions in college contributions, as a percentage, to family health premiums. Over a five-year period, college contributions toward family health premiums would be reduced by 20%, resulting in "flat" growth in this expenditure type (the result would be the shifting of nearly $5,000 in annual costs per plan to individual employees). This process, if pursued, will be very challenging for the college's employees, but represents a sincere effort to slow inflation in the college's expenditures. There are many goods and services that the College uses that will increase at rates that far outpace projected inflation, including technologies, building materials, and insurance costs. Thus, maintaining a growth rate of approximately 2.5% reflects the College's commitment to implementing operational efficiencies.

Area Technical Colleges

The overall financial health of the Area Technical Colleges are strong, as we continue to serve an important and growing sector of the education market. While we run our institutions in a lean manner, we continue to produce extremely impressive statistics with regards to enrollment, retention, completion, placement and licensure. The Area Technical Colleges do not offer student loans, rather we look to find solutions that do not burden the economic vitality of our students when they graduate. In addition to available federal, state and local aid, this also includes working closely with our foundations to raise dollars for scholarships and 360 degree, unrestricted funds for students in need. Given we do not offer student loans, we are very sensitive that any real cost increases have a direct impact on our students in the form of tuition increases. We appreciate the support of the Joint Budget Committee and its understanding of the critical role that state funding plays for our institutions. We are constantly looking at ways to increase our financial viability, and have included below a few examples:

1. *We committed to developing new programming to be more responsive to student and industry demands. This includes the development and roll-out of new programming, as well as leading industry round tables around economic development opportunities. This ensures that our institutions stay at the forefront of emerging trends and constant linkage with industry partners. Our most recent examples in this space include partnering with the Associated General Contractors (AGC) in developing a pre-apprenticeship program to build the skills pipeline into Colorado's burgeoning construction sector. This public-private partnership has served over 150 students since its inception only four months ago, with a solid projection of serving over 325 students in the first year. These students are being educated tuition free, and upon graduation enter directly into the workforce equipped with the skills they need to thrive. We are continually looking at additional public-private partnerships, with a culinary quick start program ready to launch in January that will serve the increasing need for qualified culinary professionals.*
2. *We are committed to investing in student support positions that positively impact our matriculation pipelines. This includes working with area school districts to raise awareness and participation in concurrent enrollment. This also includes offering robust adult basic education and GED testing services with the offering of career and technical education opportunities for graduates. In addition, English as a second language and refugee specific programs support not only language acquisition, but the opportunity for acquisition of career and technical education certificates in our programs. Over the past year, we have invested in additional student service specialists, instructional support, navigators and career placement specialists to meet the needs of our growing student enrollments.*
3. *We work close with our foundations to raise dollars to support student scholarships, capital construction projects, technology investments and funding for 360 degree support services, all designed to help reduce student burden and increase completion percentages.*

Institutional Efficiency/Efficiency to Degree/Debt Burden/Transfers

6 What can be done to reduce the cost of education for students and the burden of student debt?

Colorado Community College System

We have engaged in a number of initiatives to reduce the time and cost of higher education for our students. CCCS redesigned our remedial education delivery processes. This saves the state $4.5 million annually in COF stipend payments and students $8.0 million in tuition payments. We serve over 22,000 high school students through concurrent enrollment, which has saved families over $90 million in tuition payments. We offer 15 and 30 credit hour CTE certificates that offer short-term pathways to real world skills and access to job opportunities. We are also moving toward electronic content delivery (vs. textbooks), which saves students several hundred dollars in books costs per academic term.

Aims Community College

Aims Community College has addressed this issue by holding tuition rates flat for six consecutive years. Weld County Bright Futures scholarship covers the total cost of Aims's tuition which allows need-based funding, such as Pell, to be used for other educational and living expenses. Also, Aims has a substantial institutional scholarship fund to supplement a student's aid package. Together these strategies help to minimize or eliminate the burden of student debt.

Colorado Mountain College

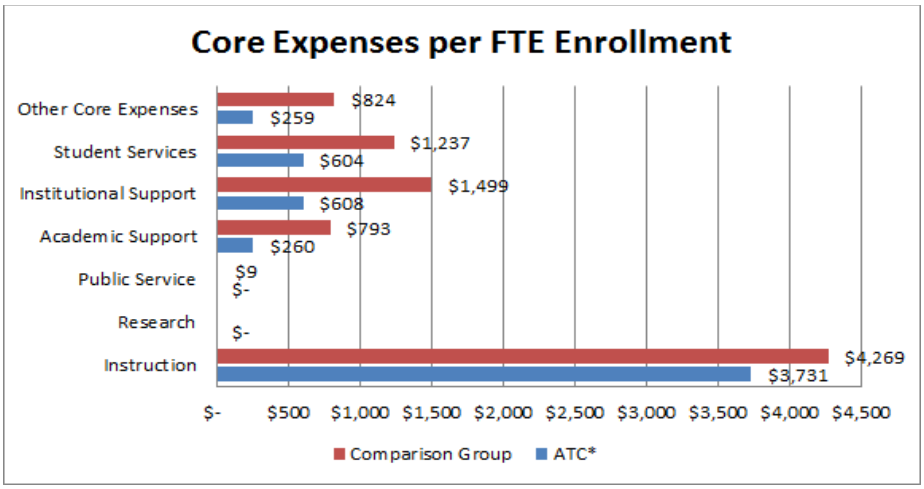
Local district colleges like CMC represent one small portion of the overall mix of colleges and universities in the state. Therefore, we will not comment on what other colleges in the state can or should do to reduce costs. At CMC, we have tried to address both the direct costs to students (e.g., net tuition) as well as indirect costs (e.g., time in college). It is our opinion that the indirect costs of attending college—that is, time out of the workforce while enrolled in college—are just as important as the direct ones. To address direct costs, CMC has improved operating efficiencies and invested in Coloradans through targeted financial aid as well as increasing concurrent enrollment programs in local high schools. The college is also exploring offering additional housing options to its students as a way to mitigate the extremely high costs of housing in mountain/resort communities. To address time to degree, CMC has created incentives for students to enroll full time as well as more robustly offering college courses and degree programs to students enrolled in high schools in the college's service area.

In general, in light of external constraints, including accreditation rules and federal requirements for financial aid, colleges often cannot dramatically change direct costs to students without changing the mix/type of revenues, services to students, or programs offered. However, colleges can more strategically cooperate to offer programs of study that reduce costs to students. Moreover, albeit more restricted, institutions can partner with other public entities, such as K-12 school districts and regional employers, to offer additional programming at reduced rates to students. Importantly, for many students at public colleges and universities, the most significant cost—and basis for student debt—is not tuition, but housing. There is no universal way to solve this challenge, but finding new ways to provide lower cost housing options should not be ignored when considering the overall financial impact on students.

Finally, it is important to appreciate that perhaps the most significant cost to students is time. The longer students are enrolled in college and not enjoying the earnings premium associated with a college degree or certificate, the more significant the cost to the individual and society. For example, if a typical first-year nurse earns, say, $55,000 per year, but a nursing student earns only $20,000 as a part-time nurse aide or similar hourly position, each year of college represents a $35,000 "loss" (i.e., earnings foregone) to the individual and $1,628 in income taxes foregone for the state. In general, these "costs" are nearly always greater than annual incremental changes in direct costs, such as tuition and fees. Ideas to reduce the average time it takes for an individual to earn a credential include, but are not limited to, increasing opportunities to enroll full time through strategic programming and financial incentives; reducing the number of credits earned above the minimum needed to graduate through intentional degree pathways/programming; limiting remedial courses; intrusive advising and career coaching; and providing more opportunities to earn credit though alternative means, such as enrolling year-round, compressing course sequences, and earning credit through work experiences or examination or both.

Area Technical Colleges

The Area Technical Colleges do not offer student loans, therefore we are proud and committed to not contributing to the trillion dollar student loan crisis. We run very lean operations, with core expenses per FTE enrollment, as shown in the chart below, 58% less than our peer compare group. As a result of this diligent cost management, we are able to keep tuition rate increases between 0-4% per year. We can continue to partner with industry to find ways to reduce the cost to students through public-private grants, industry contributions and diligent foundational networking. In addition, we will continue to seek out grant opportunities that allow us to offer reduced or free tuition to students in pathways programs, equipping them with the skills needed to enter employment or matriculate into our Career and Technical Education programs. We have also worked aggressively with our foundations to raise scholarships and 360 degree unrestricted funds for our students, all resulting in a 400% increase in student scholarship funding over the past three years.



As evidenced by the chart below, the Area Technical Colleges are extremely committed to offering a low cost education to all students. Over the past five years, we have kept average tuition increases below the area CPI, averaging a 2.2% tuition increase since 2011.

	2011	2012	2013	2014	2015	5 Year Average
CPI- All items*	3.7%	1.9%	2.8%	2.8%	1.2%	2.5%
ATC Tuition increase	3.8%	1.2%	3.5%	1.2%	1.3%	2.2%

* Sources - Bureau of Labor Statistics and Economic Analysis

7 Can higher education institutions be more efficient? Do we need new educational models?

Colorado Community College System

There is always room for improvement, but, based on national data, Colorado higher education institutions are very efficient compared to other public state higher education institutions. Over the years, CCCS has centralized information technology operations, payroll, and legal services in order to gain efficiencies. In terms of educational models, CCCS delivers nearly 20 percent of its credit hours on-line, one of our system's colleges has become an ipad college, and we are piloting on-boarding software that will make it easier for students to navigate the college application and enrollment process given our student demographics (often first generation, part-time, working, with families and day care needs). We have also started to roll out a limited number of BAS degrees, which will allow more students who receive AAS or CTE certificates the ability to complete a four year degree with less loss of credit hours.

Aims Community College

Higher education institutions can always focus on creating efficiencies and removing barriers to student success. A few of the biggest impacts that higher education can have on society is helping students achieve their goals, meeting the marketplace demand for skilled workers, and promoting higher order thinking and innovation. To do this, we must identify the students' purposes for attending higher education institutions. Many students are uncertain of their path and purpose. Higher education could invest in helping student explore career clusters prior to enrolling in programs. In addition, program relevancy should be assessed more regularly and mechanisms be designed to allow for more flexibility in creating and closing programs. For instance, the process to bring a program online at the college is extensive and can take over a year. With the pace of technology changes, our colleges need the ability to establish and change programs at a faster place requiring a more

streamlined process at the state and accreditation levels. In addition, creating a streamlined regulatory environment that allows for the flexibility in program design (i.e. competency based programs) is essential to being innovative in the higher education sector.

Colorado Mountain College

Of course, higher education, like any organization, public or private, can be more efficient. The challenge for higher education is not necessarily to identify simple operating efficiencies, but rather to prudently balance the college's official role and mission with the expectations of students and employers. Some of the most important—and costly—programs in higher education are those with high operating costs due to the costs of instructional equipment or intensity of human capital or both. For example, several high costs programs at CMC are in fields with significant employer demand, such as ski area operations, police officer training, nursing, and teacher education. Efficiencies in these areas can certainly be accomplished, but structural limits, such as OSHA training requirements or the need to place and observe teacher candidates in certain high quality classrooms, can result in noteworthy tradeoffs with costs. Also, if efficiencies in these programs result in a degradation of quality, students and employers will suffer.

Management at CMC believes that, as open enrollment institutions, community colleges can do just about anything, but must have the discipline to not try to solve everything. So, while simple efficiencies are always possible, it is just as important to prioritize institutional commitments and have the discipline to say "no" or identify professional partners when necessary.

CMC does not necessarily advocate for any particular "new" models of higher education, but does hope that the state continues to find ways to accommodate and support innovations in the delivery of education to Coloradans. Innovation in higher education is inevitable and occurs continuously. Though the structure of higher education appears to have nary changed in decades, the fact is that higher education is constantly evolving. At times, innovations in higher education are stalled due to conflicts with outmoded or non-existent laws and policies. Therefore, while CMC does not necessarily advocate for any particular "new" model of higher education, the college does hope that the legislature, the Department of Higher Education, and the Commission on Higher Education remain open to accommodating innovations and providing opportunities for Coloradans to pursue their educational goals in ways that are student-centered and implemented consistently.

Area Technical Colleges

Every institution and enterprise, both private and public, can operate more efficiently. One of our three core values is continuous improvement, and at the very core, it focuses on how we can operate more efficiently and effectively. First and foremost, our primary focus is on the completion, placement and licensure of our students. As evidenced in the below chart, the Area Technical Colleges are very committed, and successful, at completing, placing and licensing our students. We are bound by accreditation to complete 60% of our students, and for this past year, we achieved an 89% completion rate. In addition, placement and licensure are required to be at 70%, and we achieved 80% and 99% respectfully. At the intersection of value to the students and highly successful programs lies the efficiency of the Area Technical Colleges.

MINIMUM REQUIRED PERCENTAGES FOR ALL PROGRAMS		FY14/15	FY 15/16
Completion Rate	60%	85%	89%
Placement Rate	70%	78%	80%
Licensure Exam Pass Rate	70%	97%	99%

To highlight some examples of efficiency, we work to develop relationships with local industry to meet their employment needs and connect those to the labor force. We have recently worked with local restaurants and a respective association to develop a culinary quick start program that can be offered tuition free, through grants, to prepare culinary students with the skills they need to contribute to local restaurants, all at a starting position and living wage that rewards students for their successful participation. We successfully launched this program, with multiple public-private partnerships, including OED, in less than three months time. This has since been lauded by industry as a benchmark for efficiency, and our ability to be scalable and responsive are part of what make Area Technical Colleges so successful. We are constantly looking for pre-apprenticeship and apprenticeship opportunities, partnering across all sectors to meet student and industry demands that align with the Colorado Blueprint. In recognition of this need, we have expanded our staff in our Workforce Development department, and have committed resources to ensure we are meeting industry needs while balancing academic integrity and critical student services.

In addition, over the past year, we have gone through a restricting to reduce resources in areas that were not performing efficiently, or did not have direct impact on student success or industry needs. We then hired additional resources in our instructional departments to ensure academic consistency and performance. We also re-aligned our student services departments to have more cross functional roles, which allow us to meet all student needs across multiple positons.

As evidenced, the Area Technical Colleges place a very high priority on student success, meeting industry demand and offering scalable programs with minimal upfront investment. In addition, we look to keep tuition at a very affordable level, offering some of the lowest tuition and fee levels in the entire state. As evidenced below, over the past five years, we have been able to keep average tuition increases below the area CPI.

	2011	2012	2013	2014	2015	5 Year Average
CPI- All items*	3.7%	1.9%	2.8%	2.8%	1.2%	2.5%
ATC Tuition increase	3.8%	1.2%	3.5%	1.2%	1.3%	2.2%

* Sources - Bureau of Labor Statistics and Economic Analysis

As far as new educational models, the high completion and placement rates at Emily Griffith can somewhat be attributed to our initiating a "cohort" model where students enroll in a block of courses either part-time or full-time and each block consists of 4 or 8 hours of continuous instruction (part-time attend in the morning, afternoon, or evening block), while full-time students attend in a continuous 8 hour block, most often with the same instructor. Higher education is moving away from traditional seat time and towards more competency-based education (CBE) instructional models that also incorporate elements to award credits-for-prior-learning (CPL) which will accelerate time-to-completion.

8 How have initiatives in the following areas affected student retention, completion, and time-to-degree/credential at your governing board? What other initiatives are you exploring or implementing to help students complete as efficiently as possible?

a. Changes in remediation policies

Colorado Community College System

The CCCS remedial redesign increased students' changes at success in college level courses while decreasing the time it takes students to reach college-level course work. Students who need remedial education have nearly doubled their pass rates in the college level gateway course compared to the pre-redesign methodology. This has also saved the state $4.5 million annually in COF stipend payments and students $8.0 million in tuition payments.

Aims Community College

Aims modified its remediation sequence in Fall 2014. Our data since that time is limited; however, we show early results that more students are passing the college level course with the redesigned remedial education. Our early data also shows that we have a declining retention rate for students with remedial needs under the redesigned remedial education system. Due to the timing of the redesign, we do not have comparisons for time to degree. In sum, we have limited data and will need to wait until we can gather additional semester data to determine the success of the redesign of our remedial coursework. See attached.

Colorado Mountain College

Over the past five years, CMC dramatically modified its remedial offerings by limiting the number of developmental courses and pairing certain developmental courses with "credit" courses. Additionally, the college now actively monitors outcomes for students assigned to remedial courses, such as success in credit courses, retention/persistence, and credit accumulation. These results can be filtered by a student's gender, ethnicity, tuition status and location. Finally, CMC is partnering with a number of local high schools to address students' remedial needs while the students are still in high school.

Area Technical Colleges

Emily Griffith Technical College cannot offer Colorado Common Course Numbered prefixes for remedial education. Instead, the college offers a robust Adult Basic Ed (ABE) program that brings students up to desired TABE assessment levels to gain entrance into our CTE certificate programs. When Emily Griffith, Delta Montrose Technical College, and Pickens Technical College all moved under a new accreditation body, the Council on Occupational Education (COE), completion, placement, and licensure (CPL) came under more rigorous CPL rates. Every program offered at a technical college has to meet a 60% completion rate, a 70% placement rate, and a 70% licensure pass rate (for applicable programs). In this academic year, EGTC will examine our current assessment requirements to determine appropriate cut scores to enter into each of our CTE certificate programs. Revisions implemented should reduce time-on-task in remedial areas to accelerate students into chosen CTE certificate programs. Simultaneously enrolling in ABE and CTE coursework will engage students earlier in their chosen discipline, further assisting retention efforts.

b. Dual/concurrent enrollment programs

Colorado Community College System

We serve over 22,000 high school students through concurrent enrollment, which has saved families over $90 million in tuition payments and reduced the number of credit hours required to be taken in college.

Aims Community College

Concurrent enrollment has saved students time and money by allowing qualified students to simultaneously enroll in secondary and post-secondary courses. This has improved college access and time to completion by giving students a head start on college coursework.

Based on those concurrent students enrolled in Fall 2011, Fall 2012, and Fall 2013 about 26% earn some type of degree or certificate within 3 years. However, of those who earn credentials approximately 50% are earning the credential while they are concurrent and these students do not return to Aims after graduating high school.

The concurrent enrollment department at Aims is exploring additional strategies to improve student retention, completion, and time to degree/credential. Those strategies include:

- *Working to develop curricular pathways for our high school partners so that they understand a logical sequence of courses students might take within concurrent enrollment that would lead to a degree or certificate. This strategy moves away from a totally "open menu" of concurrent courses and attempts to help high schools create a more focused offering of courses that can be applied to degrees/certificates.*
- *Currently 40% (426 students out of a total concurrent enrollment of 1,067) of concurrent enrollment students take courses on the Aims campus. Additionally, these students take more courses than their peers who only take classes within the high school setting. In order to better support the success of students taking classes on our campus the concurrent enrollment department is exploring an orientation for these students and their families, as well as a mid-semester check in and an end of semester check in to assure students are maintaining passing grades and receiving strong advising around course selection and degree completion.*
- *Aims leadership is developing a concurrent enrollment communication plan in Spring 2017 to better support the matriculation of concurrent enrollment students into Aims upon their high school graduation.*

Colorado Mountain College

Very intentionally, concurrent enrollment registrations at CMC continue to grow. CMC is currently streamlining admissions and registration processes to provide better access and remove barriers caused by bureaucratic processes. In addition to improved access we are offering more CTE based courses including the ability for students to complete certificates while in high school. Finally, the college is assisting several districts in creating early college opportunities for enrolled students.

Area Technical Colleges

Emily Griffith Technical College is examining transportation models working with Denver Public Schools as part of the Mill/Bond levy, allowing greater access to EGTC campuses to complete concurrent enrollment coursework. Having concurrent enrollment students on campuses enhances the wraparound student services enhancing retention efforts.

c. Policies related to transfer (e.g., transferrable core-requirement courses and associates degrees)

Colorado Community College System

GT pathways and statewide articulation agreements have helped students save money and reduce time to completion. We also have a very active prior learning assessment (especially with our military service members and veterans) process that can articulate credit hours for demonstrated skills and life experience.

Aims Community College

GT Pathways has streamlined the pipeline by guaranteeing acceptance of community college courses towards a bachelor's degree at every Colorado public university. The "reverse transfer" program called Degree Within Reach has allowed students an opportunity to complete their associate's degree by combining community college and university credits.

Aims Community College requires a college AAA (Advancing Academic Achievement) success class in the first semester of enrollment for students who test into developmental level English or math. Students who complete the AAA course graduate at a rate 5% higher than students who do not take the exam. Due to this success, Aims is piloting a second and third semester program called Catalyst which continues to promote student retention and completion, while also developing leadership and workplace skills.

We are working on developing a common general education core for our Allied Health programs to help students retain as many credits when moving between Allied Health programs.

Colorado Mountain College

Colorado Mountain College participates in the state's gtPathways program and has fully implemented the state's credit by exam policy. Moreover, college faculty developed more than 60 institution-specific "credit by exam" options in 2016 and is actively working with local school districts to identify ways to prepare students for these exams. CMC participates in the state reverse transfer initiative. This program is still gaining momentum statewide and last spring we awarded our first two reverse transfer degrees.

Area Technical Colleges

Emily Griffith Technical College will work with the Colorado Community College System to develop more articulation MOU's (by both institution and statewide) for transfer of EGTC CTE certificate coursework into the A.A.S degree with an option to transfer into a B.S. degree pathway for some disciplines. Under current state statute, a minimum of 42 credit hours can transfer from a technical college CTE certificate program into an A.A.S. in Applied Technology.

9 What are the primary reasons credits are lost when students transfer to your institution(s), based on the data your staff collected for JBC staff? Are there steps that should be considered to address credit-loss at the institutional level? At the State level? Do you have input on JBC staff's recommendations on this?

Colorado Community College System

There are a number of reasons that a student's credit hours may not transfer (you really have to look student by student), but recognize that our colleges accept every credit hour that will help the student achieve their current educational goals. The most common reason a credit hour is not accepted (beyond that the credit hour is from a non-accredited institution) is that those credit hours will not help the student achieve their current educational goal. For example, we have students who decide that they want to go into a career and technical program. Those programs are very focused on delivering the skills that industry demands in a condensed time frame to get students into the workforce and programmatically only require

limited general education courses to achieve the credential. As a result, some credit hours earned at a previous institution are not needed to meet the new credential requirements and there is no reason to transfer them (e.g., there is no need to transfer French literature class for a student who is entering a welding certificate program).

The second most common reason is that two-year colleges offer primarily 30 and 60 credit hour programs. As a result, while the number cited in the JBC Higher Education briefing document appears high at first glance, when a former four-year college student wants to attend one of our colleges and has, for example, 75 existing credit hours, the maximum they will able to transfer will be 15 (for a 30 credit hour program) or 45 (for a 60 credit hour program) credit hours, since accreditation requirements state that in order to confer a certificate or degree, the student must attend a minimum of 15 credit hours at the granting institution. The college would have transferred-in the maximum number of credit hours possible, but the 60 or 30 credit hours, respectively, would have been "lost" under the definition staff used but are just not applicable to a community college certificate or degree. Moreover, if more than the required credit hours are transferred in, that could jeopardize a student's ability to obtain federal financial aid in their new program area, which many community college students depend on.

In terms of what can be done to address the issue, the key is for students not to accumulate un-usable credit hours in the first place. A certain amount of this is simply a product of students not knowing their educational focus right away and is difficult to address from a public policy standpoint. At CCCS, we have a number of initiatives that focus directly or indirectly on this issue, including: 1) moving toward "guided pathways" and understanding the impact of course choices in successfully and efficiently reaching educational goals; 2) implementing software at three pilot colleges to allow students to better navigate the college application and enrollment process, find career interest areas sooner, and provide a pathway of course offerings that best allow the student to succeed; and 3) reverse transfer, which allows students who have attended at least 15 credit hours at one of our institutions (and have stopped-out at an accredited four-year institution) to transfer back credit hours to instantly obtain an associate's degree.

Aims Community College

Aims follows a liberal policy related to transfer credit and considers the age of the course in relation to the program of study the student is entering to determine relevancy and transferability. For example, if student took a computer or software class 20 years ago it may no longer be relevant considering the speed at which technology moves for a current degree or certificate program. There are a few programs (e.g. Nursing) that have a relatively short window for transferability of coursework in to the college. For example, our Nursing program does not accept a biology course if the course was taken more than 7 years previously. (However, most programs do not have this short cutoff for transferring in coursework. Outside of the age of coursework, a primary reason a student may feel his/her credits were credits were "lost" would be applicability to the student's intended program. The college doesn't accept all transfer credits that have an equivalent at Aims unless the course(s) also apply to the student's intended program. For example, it's confusing and misleading to tell a student we accepted all 18 credits they had taken in Accounting and Business, if the student has switched gears and is intending to graduate from Aims in Nursing, and none of those courses would apply to their new chosen major.
Creating pathways for career clusters and common core general education requirements within clusters can help with increasing transferability. However, if a student changes career clusters, the transferability increases diminish. Another opportunity to help students from losing credits is to do career exploration and assessment with the students prior to enrolling in programs whereby credits may be lost if the student changes fields.

Colorado Mountain College

n a recent evaluation of over 100 transcripts received and evaluated at CMC we found the most common reason credits are not accepted is due to low grades. CMC policy follows CCHE policy in that is does not accept credits earned with a grade

below C-. Also, many students change majors/programs while enrolled in college, which can result in the inability to successfully apply all credits earned.

Grades and program changes aside, the biggest challenges related to credit transfer are clarity of information about courses and consistency in the application of statewide policies. Colorado has a very robust and generally very good credit transfer policy, called gtPathways. Not all courses are gtPathways qualified, however. This fact can be very confusing to students, especially those in K-12 settings. The JBC's idea to clarify what is and is not a transferable course is a good one. CMC would advocate, however, that any modifications to transfer policies focus on improving or clarifying the standards for transfer, but not impede on opportunities for students to earn credit in career oriented programs, participate in remedial courses if necessary, or stifle innovations concerning credit by exam.

Area Technical Colleges

Students transferring from a for-profit institution will often not receive credit due to the fact these institutions do not meet the course outline/competency requirements set forth in the Colorado Common Course Numbering (CCCN) system. Credits transferred in from a Colorado Community College meet these guidelines, as do credits from Emily Griffith Technical College. EGTC is developing a process to assess Credit-for-Prior-Learning (CPL) experiences, per Colorado Community College System guidelines. The CCCS process should alleviate transfer issues statewide, from at least a certificate and two-year level.

10 JBC staff has recommended a grant program to develop and disseminate open access educational materials for gtPathways courses, with a particular focus on concurrent enrollment courses. The goal would be to reduce student (and K-12 system) costs. Do you have any feedback?

Colorado Community College System

As mentioned in the JBC Higher Education Briefing document, CCCOnline currently offers 21 OER courses and plan to develop additional courses utilizing OER. The conversion to OER can take time, money and expertise on the front end, and will need to have a refresh/maintenance cycle built in so materials (and, particularly in the on-line space, the delivery of the materials) represent the latest scholarship.

Aims Community College

Aims is supportive of open access educational materials as a way to reduce costs to students. We have recently joined the Open Textbook Network (OTN) as the first community college member in the state of Colorado. OTN helps higher education institutions and systems advance the use of open textbooks and practices on their campuses. OTN maintains the Open Textbook Library, the premiere resource for peer-reviewed academic textbooks. All of the OTN textbooks are free, openly licensed, and complete; their adoption creates a measurable, positive impact on student success. By joining OTN, Aims will be holding on-campus faculty workshops led by OTN experts that will explain faculty adoption of open textbooks. Aims faculty will begin to evaluate the use of these open access educational materials and it is anticipated that rollout to gtPathways courses and concurrent enrollment will be explored.

Colorado Mountain College

Investing in open source instructional materials is a very good idea, especially in courses/disciplines with more homogeneous content, such as mathematics, natural/physical sciences, world languages, and certain social sciences (e.g., economics and psychology). By way of a grant from a local family foundation, CMC developed its own open source materials for developmental mathematics in 2016. The goal was to provide a free "textbook" to students enrolled in basic skills courses, especially those in local K-12 schools (note: high school students enrolled in colleges concurrently receive free tuition but often

must purchase their own books, which, at CMC, can be more expensive than tuition). Moreover, CMC has entered into conversations with other colleges throughout the US that are similarly developing these materials. It is a fact: all of the content needed to teach a college-level course can be found on the internet. The trick is to find ways to organize this information in ways that are accessible, comprehensible, that maintain academic fidelity, and are well-organized.

Single institutions can develop these materials on a case-by-case basis, but the opportunities to collaborate and coordinate efforts across dozens of public colleges presents a tremendous opportunity to move quickly, more effectively, and with more consistent quality. Keep in mind that the gtPathways process, which now oversees some 1,600 courses in Colorado, was organized by the DHE, but administered by faculty at the campuses. It was the involvement of the faculty that ensured the integrity of the process and the quality of its product.
Using open source materials could save students at CMC as much as $1,200 each year.

Area Technical Colleges
Emily Griffith Technical College, along with Delta Montrose Technical College, and Pickens Technical College, do not offer general education courses, as these institutions are certificate-granting institutions only, so gtPathways courses do not apply. Concurrent enrollment courses at the Area Technical Colleges are strictly CTE courses.

Financial aid

11 Does your institution award institutional financial aid? If so, what are the criteria? What are your goals in awarding the aid?

Colorado Community College System
Yes. The award criteria vary depending on the college in our system and the type of institutional aid available and its purpose. Need is clearly a significant criteria in award decisions given our student demographics, but the award criteria also can parallel college/program goals or requirements. Beyond financial need, examples of institutional aid use include: matching/supplementing recognition scholarships (e.g., PTK/Metro Mayors); encouraging students to enroll in non-traditional programs (e.g., women in welding/construction or men in nursing/child care programs); academic and athletic merit; and encouraging those who excel in their GED program to enroll in college. The overall goal of institutional aid is to help students achieve their educational goals.

Aims Community College
Yes, we award institutional financial aid based on both financial need and merit. Our goals in awarding the aid are not only to assist students with the financial costs of their education, but also to retain students and help them complete their program(s).

Colorado Mountain College
Yes. CMC provides approximately 12% of its gross tuition revenue in institutional discounts. In addition, the college awards more than $200,000 each year in operating revenues toward certain targeted scholarship programs. CMC has also been a very active partner in the Colorado Opportunity Scholarship Initiative (COSI), partnering with the state and local foundations to provide scholarships to students throughout the central mountains. Finally, in addition to financial aid awarded through the college's Office of Financial Aid, the CMC Foundation awards an average of $961,000 in scholarship support to 423 recipients each year.

The criteria for scholarships vary considerably. Most financial assistance at CMC is awarded to students with demonstrated financial need. However, recent initiatives have also focused on (a) increasing the number of credits earned each term, (b) promoting completion among working adults, and (c) encouraging the immediate matriculation of recent high school seniors.

Area Technical Colleges

Yes, the Area Technical Colleges award institutional financial aid awards. We utilize a scholarship application process for all institutional aid that is distributed. A core part of this process is to identify need, through a completed FAFSA, and to award to Colorado residents who demonstrate this need in their application. As some of our programs are not financial aid eligible, we also utilize institutional aid to cover eligible expenses for students in need. Our goals in awarding this aid are to address the financial needs of our students and to help students cover the cost of attendance.

a. What percentage of your resident student population receives an institutional aid scholarship based on need? Based on merit?

Colorado Community College System

On average across our colleges, approximately 2% of both our resident and non-resident students receive an institutional aid award (see question below for a description of the CCCS tuition and institutional aid philosophy).

Aims Community College

During FY 2015-16, 4% of the resident student population received aid based on need and 11% based on merit.

Colorado Mountain College

In addition to state and federal grant support, 39% of scholarships awarded are based on need alone while 61% also include a GPA requirement of more kind.

Area Technical Colleges

Based on the number of students enrolled in an eligible program, approximately 49% received institutional aid scholarships for the FY15/16 academic year, of which averaged $849 per award. We did not offer institutional merit dollars.

b. How much of your "education and general" tuition revenue is used for scholarships? What is the break-down of the expense between residents and non-residents and the proportion used for need-based versus merit-based aid in each category?

Colorado Community College System

On average, system-wide institutional awards are equal to approximately 2.8 percent of E&G tuition revenue. Around ¾ of institutional aid is allocated to resident students and ¼ to non-residents. 1/3 would be classified as need-based and 2/3 would be classified as merit based, although merit awards often fill and dual financial need as well given our student income demographics.

Aims Community College

In FY 2015-16 11% of the education and general tuition and fees revenue was used for institutional scholarships. Of that expense, 27% was used to support need-based scholarships and 73% for merit-based scholarships. 96% of the students who received institutional aid are residents.

Colorado Mountain College

Institutional "discounts" comprise about 12% of gross tuition revenue at CMC. Due to recent changes in the policies that govern these programs, it is too soon to tell what proportion of these discounts go to resident versus non-resident students. Nearly all of the changes to tuition discounting recently adopted by CMC have intended to target the funds toward resident versus non-resident students. For example, the college recently limited its Western Undergraduate Exchange (WUE) offerings to certain campuses and certain programs. Other recent programs, such as the "President's Scholarship," which guarantees a $1,000 scholarship to every single graduating senior in high schools in the CMC service area, or the "Finish What You Started" campaign, which provides a scholarship equal to 50% of in-district tuition for returning adults, are still in their "pilot" phases.

With the exception of the WUE program and certain discounts for the dependents of military veterans, all tuition discounts at CMC are targeted toward in-state or in-district students.

Area Technical Colleges

None of the Area Technical College education and general tuition revenue is used for scholarships. Outside of federal, state and local aid, we rely on our foundations to generate institutional scholarships for our students. In the past three years, we have seen a 400% increase in scholarship dollars from our foundational efforts.

12 If applicable, what share of revenue from an increase in resident tuition would you expect to use for scholarships? Why?

Colorado Community College System

We would expect to use a similar share of revenue as we currently use. Because of our student income demographics, we cannot effectively use the model that many four year colleges use where high income students significantly subsidize low income students—our colleges do not have enough high income students to make this an effective practice. Instead, we focus our efforts on keeping our resident tuition as low a reasonable for all students while covering on-going operating costs and investing to maintain quality.

Aims Community College

We do not anticipate the amount of financial aid to be adjusted for FY 2017-18 unless the number of eligible students and/or applicants were to increase significantly or tuition were to increase.

Colorado Mountain College

At this time, none of the new tuition revenue above current commitments is planned to be used directly for scholarships.

Area Technical Colleges

The Area Technical Colleges do not use resident tuition to fund institutional scholarships.

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED - GOVERNING BOARDS

1 Provide a list of any legislation that the governing board has: (a) not implemented, or (b) partially implemented. Explain why the governing board has not implemented or has only partially implemented the legislation on this list. Please explain any problems the governing board is having implementing any legislation and any suggestions you have to modify legislation.

Colorado Community College System
There are none.

Aims Community College
All legislation pertaining to Aims Community College has been fully implemented.

Colorado Mountain College
To the best of its knowledge, CMC has fully implemented all legislation.

Area Technical Colleges
This is not applicable to the Area Technical Colleges

2 Are you expecting any substantial changes in federal funding for your governing board with the passage of the FFY 2016-17 federal budget?

Colorado Community College System
No significant changes for FY 2016-17 federal budget cycle.

Aims Community College
In 2017, federal funding will be maintained through April 28, 2017 as a continuing resolution. The Aims Community College Board of Directors does not expect any significant changes in the current level of federal funding. However, we continue to advocate for year-around Pell funding to support the neediest students.

Colorado Mountain College
Proposed changes to federal expenditures will result in a modest increase in Pell grants, about $120 more in 2017-18. The college is unaware of any other changes to federal funding practices that will result in changes in the coming year. However, should funding for certain targeted programs, such as TRiO initiatives and Perkins technical education programs, remain flat or decrease in the future, the buying power of these programs will decrease relative to expected inflation.

Area Technical Colleges
This is not applicable to the Area Technical Colleges

3 Does the governing board have any HIGH PRIORITY OUTSTANDING recommendations as identified in the "Annual Report of Audit Recommendations Not Fully Implemented" that was published by the State Auditor's Office and dated June 30, 2016 (link below)? What is the department doing to resolve the HIGH PRIORITY OUTSTANDING recommendations?

http://leg.colorado.gov/sites/default/files/documents/audits/1667s_annual_report_-_status_of_outstanding_recommendations_1.pdf

Colorado Community College System

There are none.

Aims Community College

As a local district college, Aims Community College is not subject to review by the State Auditor's Office. As such the College has no high priority outstanding recommendations.

Colorado Mountain College

Colorado Mountain College was not included in the "Annual Report of Audit Recommendations Not Fully Implemented."

Area Technical Colleges

This is not applicable to the Area Technical Colleges

4 What is the expected impact of Amendment 70 (minimum wage increase) on the governing board? Please address impacts related to state personnel, contracts, and providers of services.

Colorado Community College System

Directly, the primary impact will be with our work study students. Given that this is a limited set of funds, our colleges are likely to reduce hours per student to accommodate the rising minimum wage. Indirectly, there could be an impact to the cost structures of our service providers, but the impact of this is difficult to quantify at this point in time.

Aims Community College

The time and effort to address the annual changes to the minimum wage will be significant over the next 5 years. The anticipated wage increase over the next four years to 2020 is estimated to cost a total of $3.1 million or $785,000 per year. Analysis of pay grades will need to be conducted to address any future compression within our pay tables. Impacted contracted services will include temporary positions, catering, custodial, and security services.

Colorado Mountain College

Raising the minimum wage beginning in 2017 until the wage reaches $12.00 in 2020 will have a minimal impact on Colorado Mountain College, should the college make no additional changes to the structure of its hourly wages. CMC has over 60 different types of part-time positions, 90% of which have a starting wage that is already above $12.00 per hour. Only seven positions at the college pay a wage less than $12.00 per hour. Changing these wages will cost the college approximately $40,000 per year.

Due to the very high costs of living in its communities and the prevalence of wages that exceed the state's minimum, CMC has historically maintained a "minimum wage" that is approximately 20% higher than the state's minimum wage. The college has not yet decided if it will continue to maintain this difference over the coming years.

Regarding other impacts of the minimum wage, the college expects contracts and providers of services to pass on some or all of their increased costs to the college as a result of the new minimum wage. However, many local service providers are already paying wages above the official state minimum wage due to the high costs of living associated with mountain/resort communities, the impact may be lesser than in other areas of the state. The amount of this impact is difficult to measure at this time.

Area Technical Colleges
This is not applicable to the Area Technical Colleges

Capital Construction

5 Do your institutions provide for controlled maintenance projects (not annual repairs and maintenance, but projects that replace building systems or subsystems intended for facility renewal and intended to provide benefits longer than a year) in addition to (if applicable) state funded controlled maintenance for academic buildings? If so, does your institution have a formalized process for budgeting and funding these projects? If yes, generally describe the plan or process. If no, describe how a project would be accommodated with funding on either a planned or emergency basis. Briefly describe how your institution provides controlled maintenance for auxiliary buildings and how that differs from academic buildings.

Colorado Community College System
In addition to state funds, the Colorado Community College System requires colleges to allocate $1.07 per student credit hour of tuition for Capital Asset Management (CAM) for non-auxiliary controlled maintenance. Controlled maintenance needs are identified using an annual facility audit. These audits include building system assessments, facility staff input and the compilation of work order data. The items discovered during these audits are ranked by priority and put into a list format.

The process for identifying controlled maintenance projects for auxiliary buildings is the same as for academic buildings. However, the revenues collected by the auxiliaries (dorms, bookstores, cafeterias, etc.) pay for auxiliary building controlled maintenance needs.

Aims Community College
N/A

Colorado Mountain College
N/A

Area Technical Colleges
N/A

6 Please provide an actual amount or estimate of institution-funded controlled maintenance spending annually for FY11-12 through FY15-16 for academic buildings. Include as much additional detail, regarding types of projects, that might be tracked as a part of your capital renewal efforts (no need to provide detail that isn't tracked - no need to provide project details).

Please see the compiled response to this question provided in the Department of Higher Education Common Questions Addendum.

7 Please provide the following data for your institution: number of academic buildings and auxiliary buildings; square footage of academic buildings and auxiliary buildings; total campus area; current replacement value of academic buildings and auxiliary buildings; annual facility management operating expenses for FY11-12 through FY15-16 (please clarify if the total includes or excludes all campus grounds maintenance and upkeep).

Please see the compiled response to this question provided in the Department of Higher Education Common Questions Addendum.

NCHEMS

National Center for Higher Education Management Systems

Why Higher Education Costs are What They Are

Submitted to

Colorado Department of Higher Education

June 30, 2015

Why Higher Education Costs are What They Are

As a part of its contract with the Colorado Department of Higher education (CDHE), the National Center for Higher Education management Systems (NCHEMS) undertook an extensive series of analyses of higher education costs. These analyses are intended to:

- Provide insights that could inform the deliberations regarding the development of tuition policy by the Colorado Commission on Higher Education.
- Help address the question of why higher education costs are what they are.
- Explain why costs differ across different types of institutions.

These analyses were not designed to explain or draw attention to the costs or cost patterns of individual institutions.

In order to interpret the findings of these analyses, it is necessary to understand two fundamental points. First, there is no "right" or "standard" way to deliver higher education programs and services. As a result there is no dollar amount that represents what it should cost. Analyses, therefore, are cast in terms of comparisons with industry practices, not industry standards. Second, the real determinant of higher education costs is higher education revenues. Howard Bowen, a distinguished higher education leader and researcher, noted that institutions raise all the money they can and spend all they raise, an observation that has become known as Bowen's Law. The validity of this claim has been reaffirmed by NCHEMS analyses; these analyses found that 97% of the variance in institutional expenditures is explained by available revenues.

The fact that Colorado has fewer resources in all sectors of higher education than most other states explains much of the cost information presented in this document.

As is shown in the following charts, the revenues per student available to Colorado institutions is substantially less than revenues available to similar institutions in most other states. Throughout this document Colorado institutions in each of the categories used are as follows:

Public Research

- University of Colorado Denver
- University of Colorado Boulder
- Colorado School of Mines
- Colorado State University Fort Collins
- University of Northern Colorado

Public Masters and Bachelors

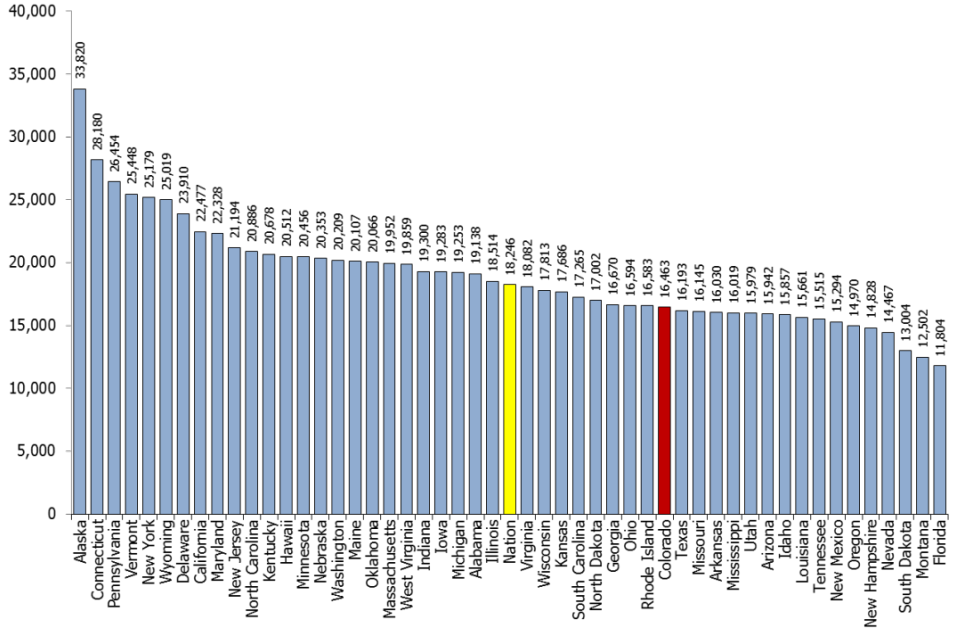
- Adams State University
- University of Colorado – Colorado Springs

- Fort Lewis College
- Colorado Mesa University
- Metropolitan State University of Denver
- Colorado State University – Pueblo
- Western State Colorado University

Community Colleges

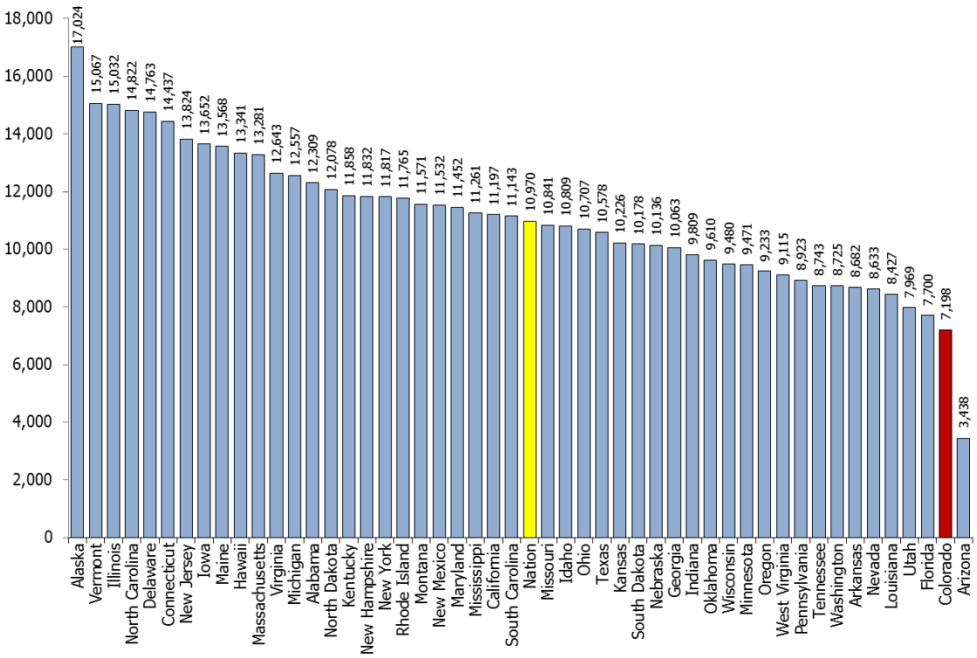
- Colorado Northwestern Community College
- Community College of Aurora
- Community College of Denver
- Front Range Community College
- Lamar Community College
- Morgan Community College
- Northeastern Junior College
- Otero Junior College
- Pikes Peak Community College
- Pueblo Community College
- Red Rocks Community College
- Trinidad State Junior College

Figure 1. Funding from Tuition & Fees and State Appropriations per FTE Student, Public Research (Includes Medical), 2012-13



Sources: NCES, IPEDS 2012-13 Provisional Release Finance Files; f1213_f1a, f1213_f2 GASB & FASB Finance Files; NCES, IPEDS 2012-13 Instructional Activity File; efia2013 Provisional Release Data File; NCES, IPEDS 2013-14 Institutional Characteristics File; hd2013 Provisional Release Data File. Colorado institutions included in the calculation include University of Colorado Denver, University of Colorado Boulder, Colorado School of Mines, Colorado State University Fort Collins, and University of Northern Colorado.

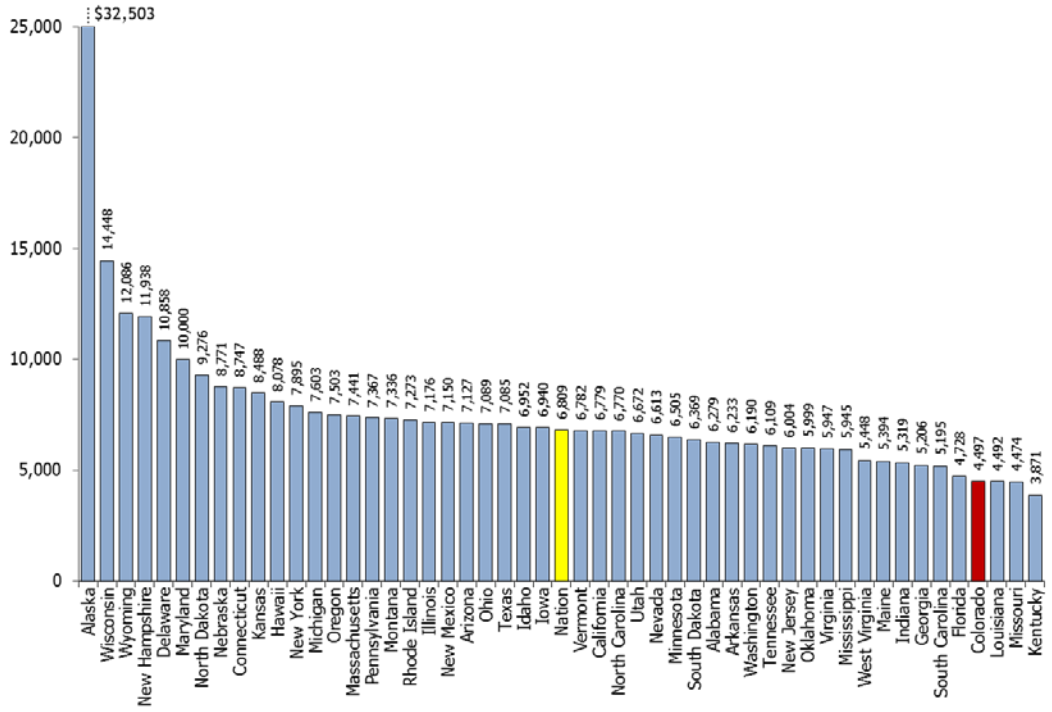
Figure 2. Funding from Tuition & Fees and State Appropriations per FTE Student, Public Masters, Bachelors, Other 4-Year, 2012-13



Sources: NCES, IPEDS 2012-13 Provisional Release Finance Files; f1213_f1a, f1213_f2 GASB & FASB Finance Files; NCES, IPEDS 2012-13 Instructional Activity File; efia2013 Provisional Release Data File; NCES, IPEDS 2013-14 Institutional

Characteristics File; hd2013 Provisional Release Data File. Colorado institutions in this category are Adams State University, University of Colorado – Colorado Springs, Fort Lewis College, Colorado Mesa University, Metropolitan State University of Denver, Colorado State University – Pueblo, Western State Colorado University.

Figure 3. Funding from Tuition & Fees and State Appropriations per FTE Student, Public Associates and Other 2-Year, 2012-13



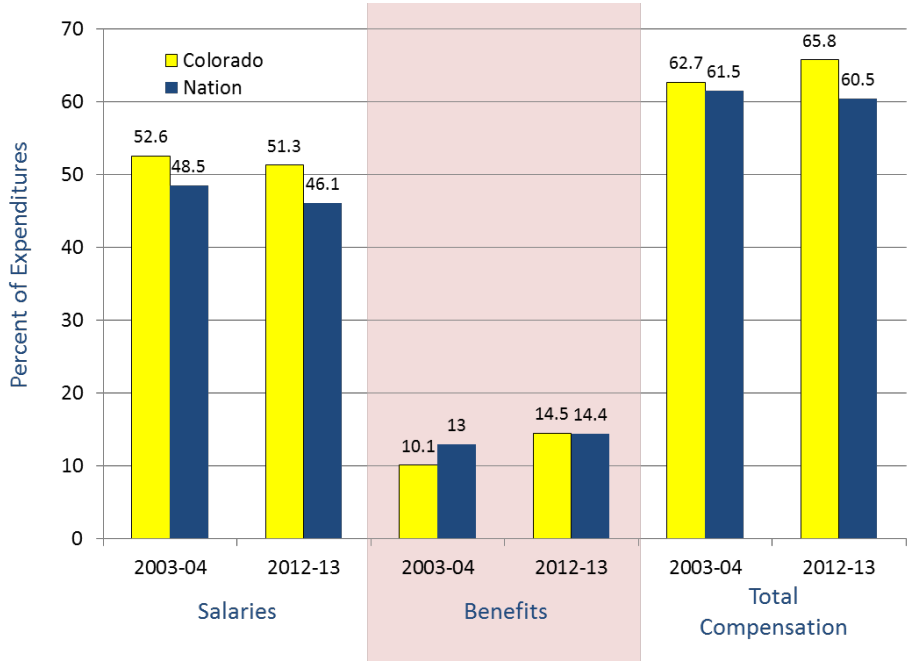
Sources: NCES, IPEDS 2012-13 Provisional Release Finance Files; f1213_f1a, f1213_f2 GASB & FASB Finance Files; NCES, IPEDS 2012-13 Instructional Activity File; efia2013 Provisional Release Data File; NCES, IPEDS 2013-14 Institutional Characteristics File; hd2013 Provisional Release Data File. Colorado institutions in this category are Colorado Northwestern Community College, Community College of Aurora, Community College of Denver, Front Range Community College, Lamar Community College, Morgan Community College, Northeastern Junior College, Otero Junior College, Pikes Peak Community College, Pueblo Community College, Red Rocks Community College, Trinidad State Junior College.

However strong the explanatory power of Bowen's Law, there are additional factors that must be considered in any attempt to understand the costs of higher education. To investigate these factors, NCHEMS undertook two very different kinds of analyses, one a simple look at some of the obvious cost drivers and the other a much more sophisticated series of statistical analyses. Together they help to shed light on the question of why the costs of operating colleges and universities are what they are.

The explanation of college costs starts with a recognition that higher education is a people-intensive industry. Its key assets are faculty and the other highly educated staff that are required to teach students, conduct research, and manage complicated, multi-million (billion) dollar enterprises.

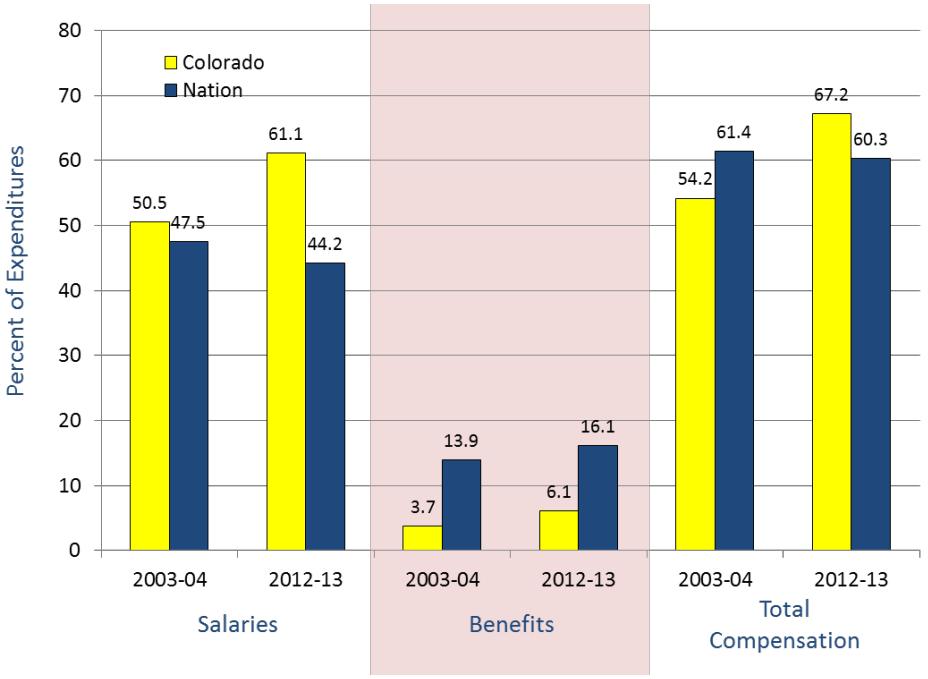
The following charts indicate the proportion of institutional expenditures devoted to salaries and benefits and the ways in which these expenditures have changed over the past decade.

Figure 4. Compensation as a Percent of Expenditures, 2003-04 Compared to 2012-13, Research Universities (Includes Medical)



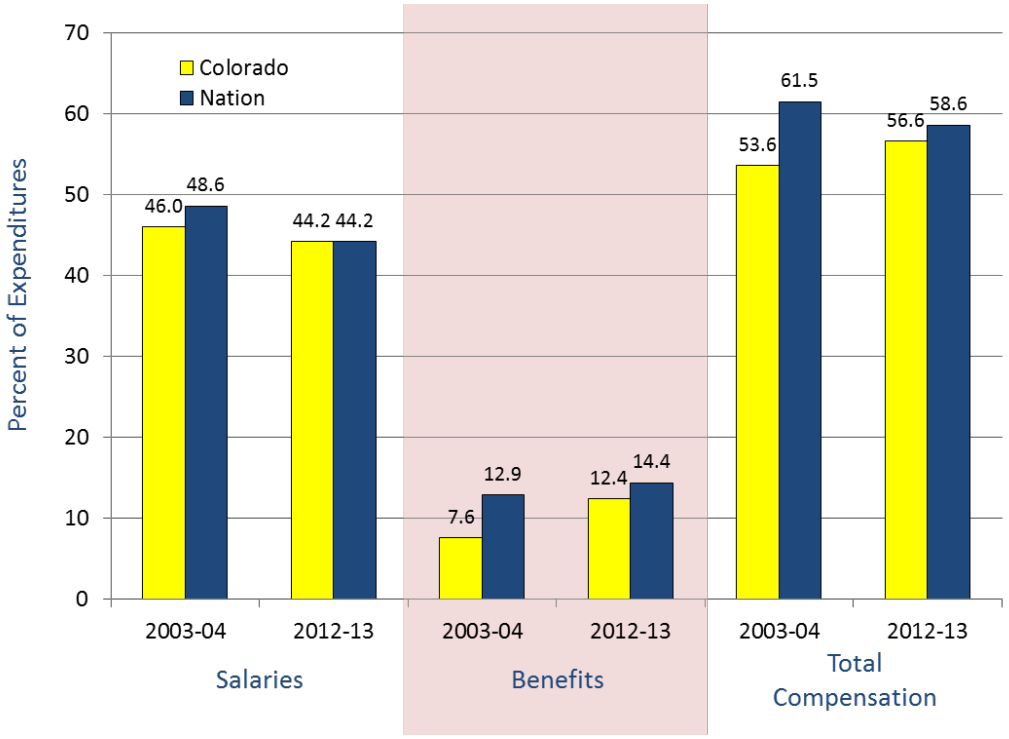
Source: NCES, IPEDS 2003-04 Finance Files; f0304_f1a and f0304_f2 Final Release Data Files. NCES, IPEDS 2012-13 Finance Files; f1213_f1a and f1213_f2 Final Release Data Files.

Figure 5. Compensation as a Percent of Expenditures, 2003-04 Compared to 2012-13, Public 4-year



Source: NCES, IPEDS 2003-04 Finance Files; f0304_f1a and f0304_f2 Final Release Data Files. NCES, IPEDS 2012-13 Finance Files; f1213_f1a and f1213_f2 Final Release Data Files.

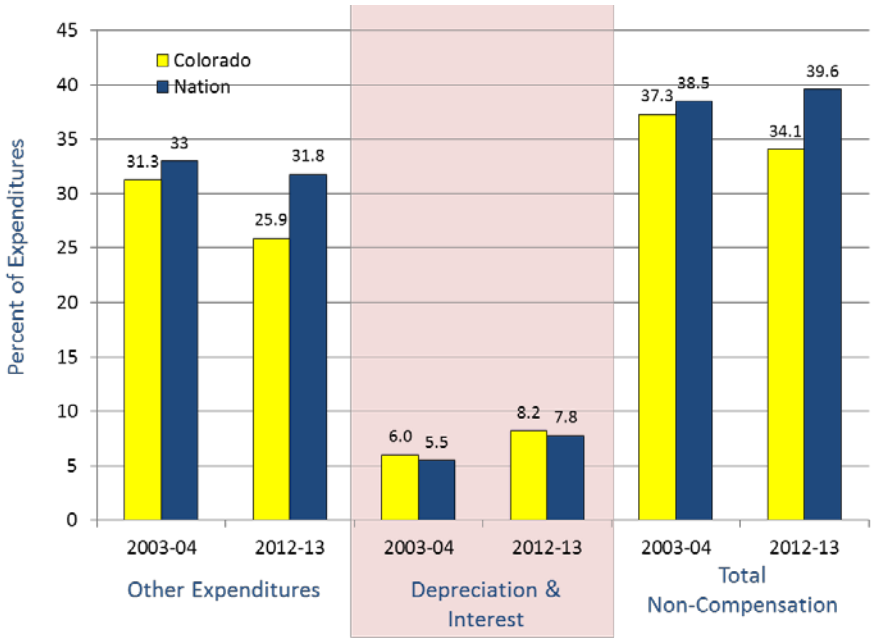
Figure 6. Compensation as a Percent of Expenditures, 2003-04 Compared to 2012-13, Public 2-Year



Source: NCES, IPEDS 2003-04 Finance Files; f0304_f1a and f0304_f2 Final Release Data Files. NCES, IPEDS 2012-13 Finance Files; f1213_f1a and f1213_f2 Final Release Data Files.

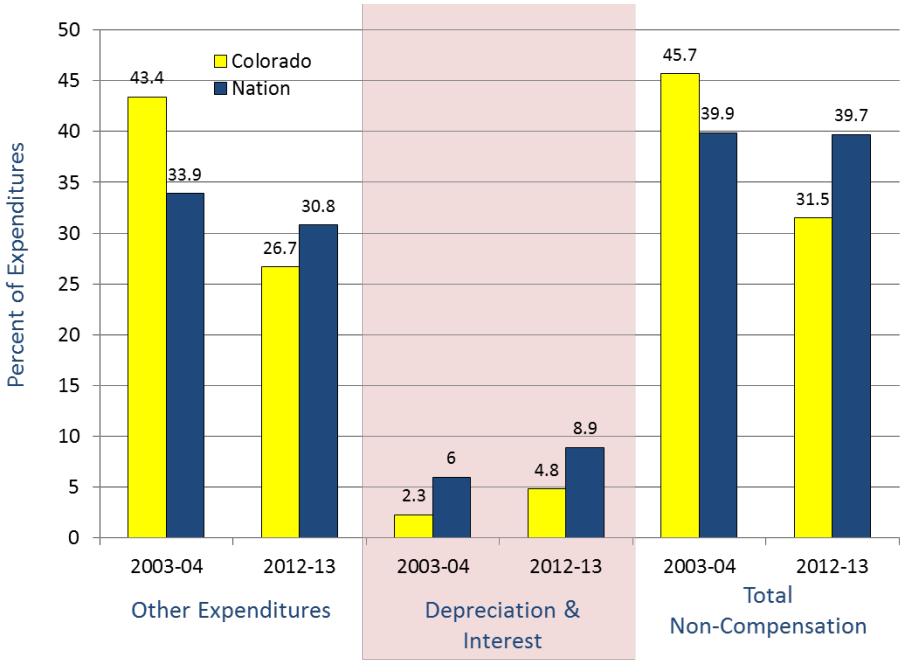
The data in these charts show that all types of institutions spend well more than half of their funds on employee compensation. The balance is devoted to supplies and operating expenses (utilities, insurance, office and laboratory supplies, etc.) interest, and depreciation. The following charts compare the expenditures of Colorado institutions with their counterparts elsewhere in the country.

Figure 7. "Other" and Depreciation & Interest as a Percent of Expenditures, 2003-04 Compared to 2012-13, Public Research (Includes Medical)



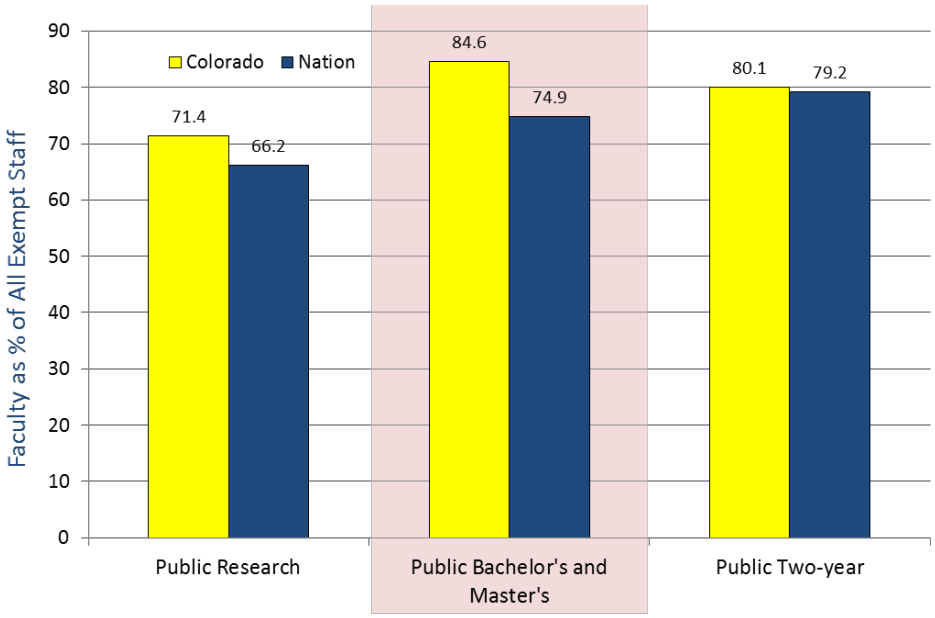
Source: NCES, IPEDS 2003-04 Finance Files; f0304_f1a and f0304_f2 Final Release Data Files. NCES, IPEDS 2012-13 Finance Files; f1213_f1a and f1213_f2 Final Release Data Files.

Figure 8. "Other" and Depreciation & Interest as a Percent of Expenditures, 2003-04 Compared to 2012-13, Public 4-Year



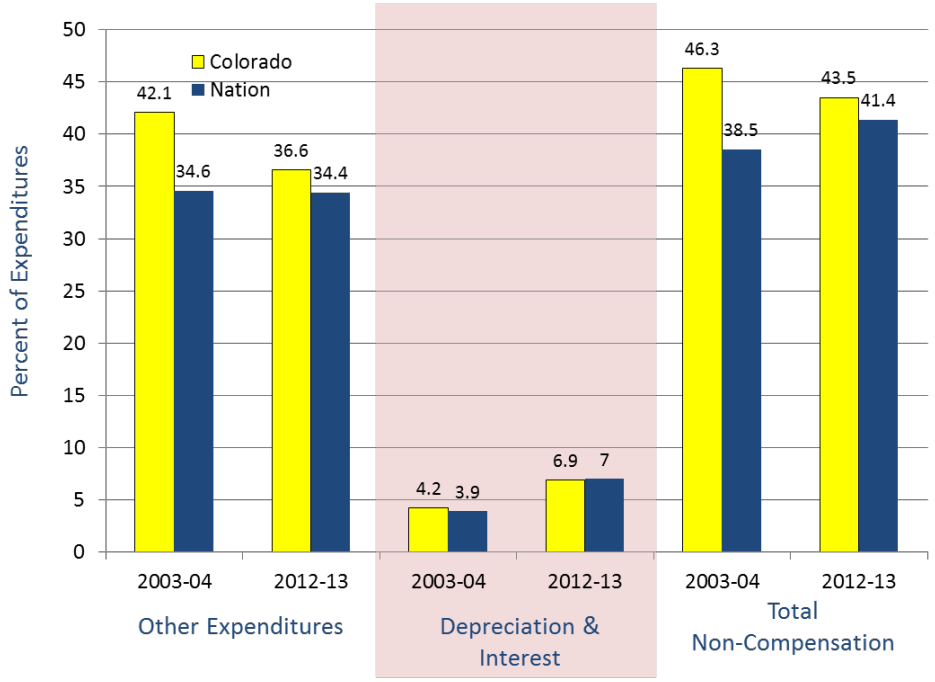
Source: NCES, IPEDS 2003-04 Finance Files; f0304_f1a and f0304_f2 Final Release Data Files. NCES, IPEDS 2012-13 Finance Files; f1213_f1a and f1213_f2 Final Release Data Files.

Figure 9. Faculty as a Percent of All Exempt Staff - Fall 2013



Source: NCHEMS NCES IPEDS EAP Survey, Fall 2013

Figure 10. "Other" and Depreciation & Interest as a Percent of Expenditures, 2003-04 Compared to 2012-13, Public 2-Year



Source: NCES, IPEDS 2003-04 Finance Files; f0304_f1a and f0304_f2 Final Release Data Files. NCES, IPEDS 2012-13 Finance Files; f1213_f1a and f1213_f2 Final Release Data Files.

All sectors in Colorado have increased spending on depreciation and interest over the past decade, but the share of the budget devoted to expenditures for items other than compensation has declined

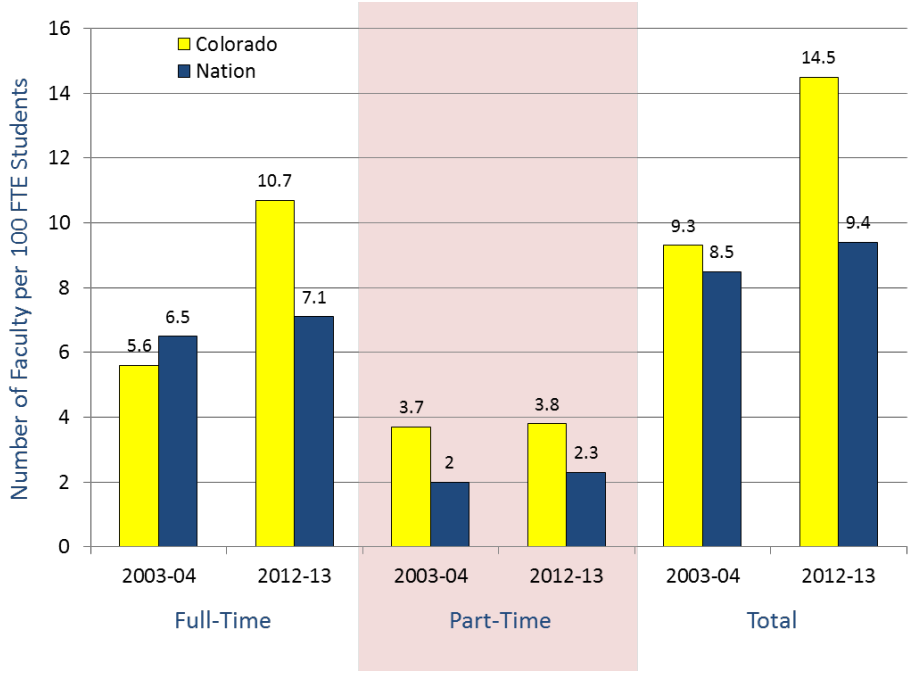
substantially in all sectors during this time period. Recognizing the importance of talented employees to their missions, Colorado institutions are spending more of their available resources on compensation.

Because higher education is labor intensive, the costs of higher education are largely determined by factors related to institutions' human assets, particularly

- The numbers of employees in each category – faculty, managers, non-managerial professionals, technical support, clerical support, etc.
- The conditions of their employment, e.g., full-time versus part-time
- Salary levels

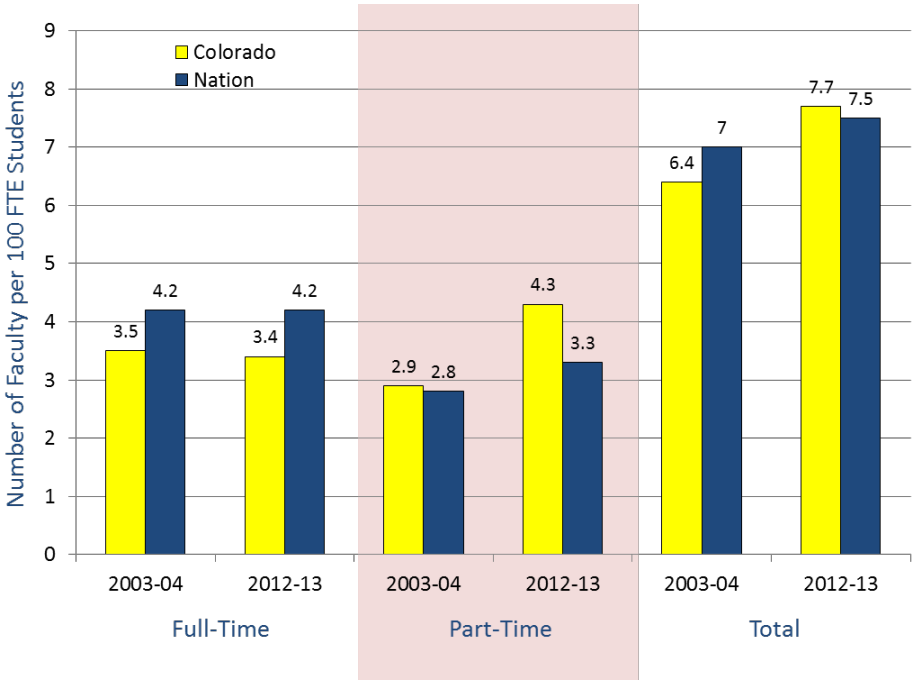
Individual institutions have enormous leeway in their staffing decisions; they can have a richer or leaner student to faculty mix, rely more or less heavily on part-time employees, have more or fewer student support staff, and pay their employees more or less well. All of these decisions ultimately affect the learning environment and student experience on campus as well as the likelihood that students will successfully complete a program of study. Faculty staffing levels and patterns at Colorado institutions vis-à-vis their national counterparts are shown in the following charts:

Figure 11. Faculty per 100 FTE Students, 2003-04 Compared to 2012-13, Public Research (Includes Medical)



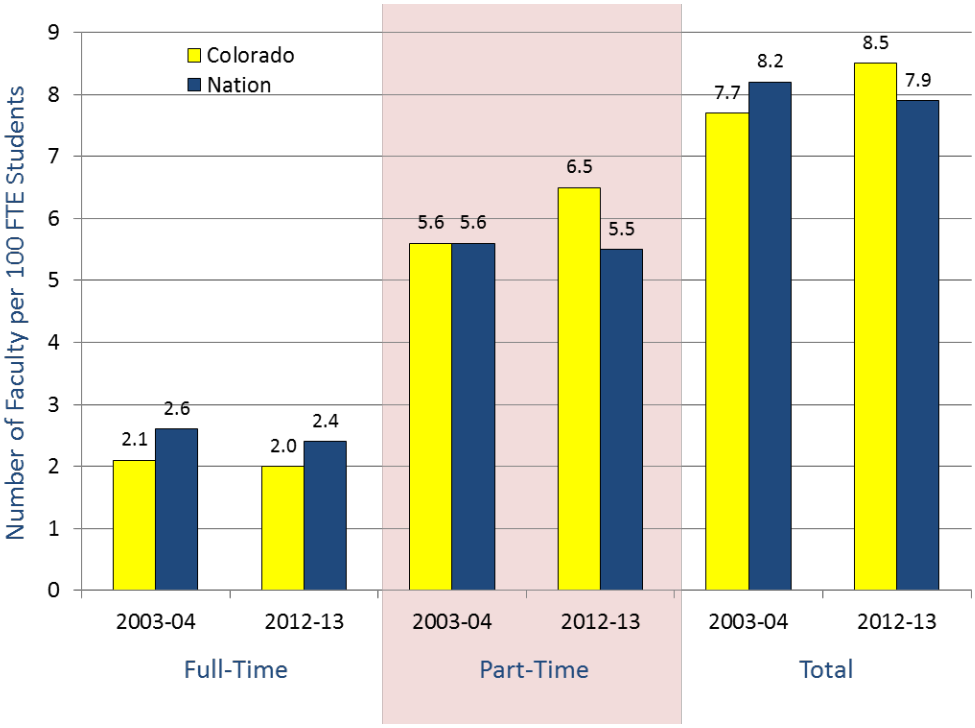
Source: NCES, IPEDS Fall 2003 Staff File; s2003_abd Final Release Data File. NCES, IPEDS Fall 2013 Staff File; s2013_oc Provisional Release Data File.

Figure 12. Faculty per 100 FTE Students, 2003-04 Compared to 2012-13, Public 4-Year



Source: NCES, IPEDS Fall 2003 Staff File; s2003_abd Final Release Data File. NCES, IPEDS Fall 2013 Staff File; s2013_oc Provisional Release Data File.

Figure 13. Faculty per 100 FTE Students, 2003-04 Compared to 2012-13, Public 2-Year



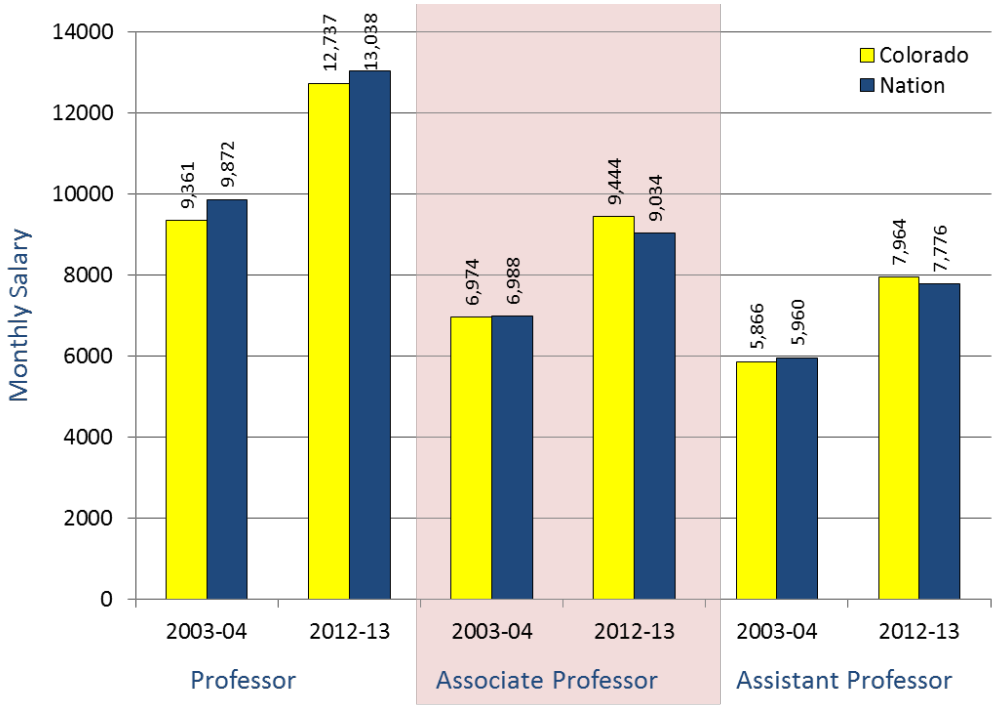
Source: NCES, IPEDS Fall 2003 Staff File; s2003_abd Final Release Data File. NCES, IPEDS Fall 2013 Staff File; s2013_oc Provisional Release Data File.

Of note are the relatively low numbers of full-time faculty and the heavy reliance on part-time faculty in those Colorado institutions that have instruction of undergraduate students as their primary mission.

The shift to part-time faculty is harder at research universities because of the necessity of full-time faculty to carry out the very important research missions at these institutions. The fact that Colorado institutions are very successful at attracting research funding largely explains the higher number of faculty per student at the state's research universities.

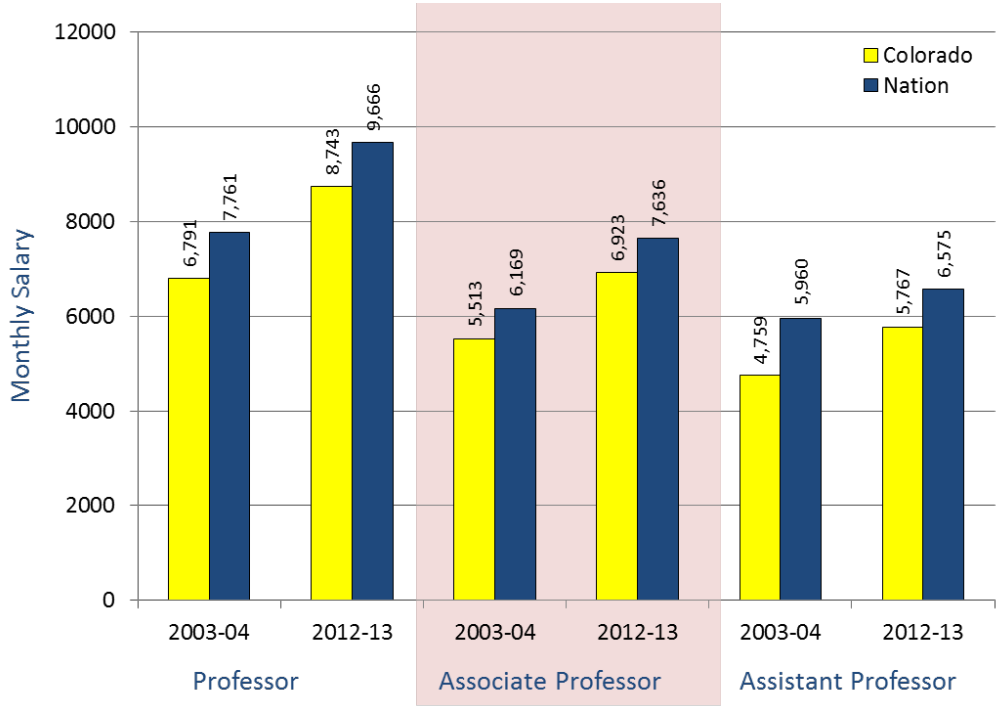
Salary comparisons are as follows:

Figure 14. Monthly Salary Comparisons, 2003-04 Compared to 2012-13, Public Research (Includes Medical)



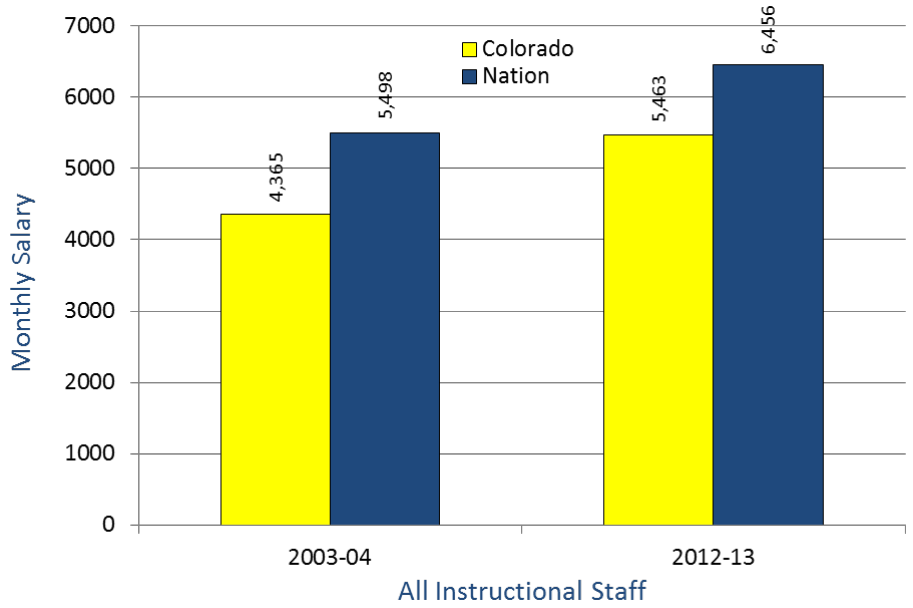
Source: NCES, IPEDS 2003-04 Faculty Salary File; sal2003_a Final Release Data File. NCES, IPEDS 2012-13 Faculty Salary File; sal2012_is Provisional Release Data File.

Figure 15. Monthly Salary Comparisons, 2003-04 Compared to 2012-13, Public 4-Year



Source: NCES, IPEDS 2003-04 Faculty Salary File; sal2003_a Final Release Data File. NCES, IPEDS 2012-13 Faculty Salary File; sal2012_is Provisional Release Data File.

Figure 16. Monthly Salary Comparisons, 2003-04 Compared to 2012-13, Public 2-Year



Source: NCES, IPEDS 2003-04 Faculty Salary File; sal2003_a Final Release Data File. NCES, IPEDS 2012-13 Faculty Salary File; sal2012_is Provisional Release Data File.

The research universities have managed to maintain salary competitiveness (as measured broadly, not necessarily against specific institutions they would select as their narrower peer group). The other institutions in the state have not. Maintenance of salary competitiveness is a necessity for research universities. They hire in a national market and their ability to hire highly qualified faculty is a major factor in their ability to garner research funds. Failure to maintain competitive salaries would threaten these universities' standings in the research community and the associated contribution to the state's economy.

While institutions have discretion as to staffing patterns and the results they yield, there are institutional factors, largely reflecting mission features, which significantly affect staffing patterns and the associated cost structures and explain many of the variations in cost patterns between types of institutions revealed in the charts presented above.

Costs vary by type of institution for some very explainable reasons. These include

- Whether or not the university has medical and/or other programs that prepare health care practitioners (doctors, dentists, veterinarians). These programs are extraordinarily expensive because of the costs associated with individualized training and the clinical experiences required as an essential part of the education program. Faculty in these programs are also highly paid; they can have lucrative careers outside academe.
- The research intensity of the university. Research faculty are generally expected to raise money that pays for the time they spend on research activities as well as for graduate students and others who work in their labs. The more renowned the researcher and the more successful at acquiring grants the higher the salary required to retain the individual; good researchers are hot commodities. The need to pay competitive salaries drives up the cost of their teaching and other non-research related activities.
- The institution's emphasis on science and engineering programs. These programs require expensive laboratory equipment and a support staff to set up, maintain, and teach laboratory sections. In addition, faculty in these disciplines also:
    - Have more access to external research funds
    - Have options for highly-paid jobs in the private sector

  As a consequence salaries of faculty in these disciplines tend to be (sometimes significantly) higher than salaries of faculty in disciplines that don't have these circumstances.

- The prevalence of students who need extra help to succeed. While the conditions that increase costs described above tend to be found most often in research universities; this cost driver is found in community colleges and open access four-year institutions. Many students in these types of institutions come to college ill-prepared for college-level work. In order for them to succeed they frequently need extra tutoring or additional student support services. These services drive up the cost of education.

To summarize, data presented in Figures 1 through 15 indicate that

- Colorado institutions have fewer resources to expend on activities designed to fulfill their missions than do similar institutions elsewhere in the country. The limitations are particularly severe at predominantly teaching institutions. (Figures 1-3)
- Colorado institutions spend a large and increasing proportion of their budgets on employee compensation. They spend a larger share on salaries and less on benefits. Two-year institutions spend a smaller share of their available resources on compensation than their national counterparts, likely a consequence of their heavy reliance on part-time faculty (as is revealed in later figures). (Figures 4-6)
- Colorado institutions are spending a decreasing proportion of their budgets on factors other than compensation. They are using an increasing share of their available resources on their key assets – faculty and staff. (Figures 7-9)
- Colorado institutions are more heavily reliant on part-time faculty than national counterparts. The predominantly teaching institutions have fewer full-time faculty than similar institutions elsewhere. The research universities have more, a reflection of their success in acquiring research funds that pay a significant share of the salaries for their faculties. (Figures 10-12)
- Colorado's research universities have managed to stay more-or-less competitive on faculty salaries, a basic necessity to maintain and improve their track record on research funding. The state's teaching institutions have been less able in this regard. (Figures 13-15)

To more rigorously examine the determinants of costs in higher education and to put Colorado's public postsecondary institutions in a broader context, NCHEMS conducted regression analyses to determine what factors explain institutional costs – both in Colorado and for public institutions across the U.S. The regression models enabled us to (1) determine the most significant factors that explain costs, and (2) based on these factors, ascertain whether Colorado's postsecondary institutions are spending more or less than predicted relative to these factors. The following is purposefully a brief report on our findings, in order to make it as understandable as possible. More detailed questions can always be directed to the staff at NCHEMS. As part of the project, NCHEMS delivered to the Department of Higher Education the detailed analysis and technical guide describing the methodology employed.

The analyses were conducted for all public four-year institutions in the U.S., in order to provide context for the expenditures in Colorado institutions. For this project, we were directed to consider the public two-year system (as opposed to individual community colleges) as the unit of analysis. NCHEMS was not able to run the analyses for public two-year systems in the U.S. because 50 (the number of states) is not enough to produce valid results in statistical models like these. Also, preliminary analyses conducted at the two-year college level (as opposed to systems) did not explain enough variance in costs to produce "predicted vs. actual" comparisons.

While NCHEMS has not conducted comprehensive analyses such as these in the past (and is not aware of any like them), it has been our experience through decades of work with colleges and universities that costs in higher education institutions are largely associated with:

- The number of faculty and staff, and how much they are paid.
- The allocation of faculty and staff to certain activities (what they are assigned to do), which is largely a function of institutional mission.
- The mission of institutions. For example, institutions that are more heavily involved in graduate-level education and research need to hire faculty that are priced more highly in the market.
- The characteristics of the students that institutions serve – their income levels, racial/ethnic composition, and the levels of academic preparation when they enter college.
- The complexity of academic programs offered at institutions. This includes the number of programs offered and the types of programs offered. Some programs are much more expensive than others to operate – e.g. engineering vs. English.

Based on these experiences, NCHEMS set out to determine how well many of these factors – in combination – explain costs in public four-year institutions, and whether Colorado's institutions are spending more than they should relative to like institutions across the U.S..

The data used for these analyses are from the National Center for Education Statistics (NCES). All U.S. colleges and universities that accept federal Pell Grant recipients are required to report data annually to NCES' Integrated Postsecondary Education Data System (IPEDS). They report detailed data on institutional characteristics, finance, enrollments, completions, student financial aid, faculty and staff, among other things. To learn more about IPEDS, visit https://nces.ed.gov/ipeds/. Also included are some weighting factors for the complexity of programmatic offerings. The State Higher Education Executive Officers conducted a four-state study on costs of program offerings in colleges and universities. The states (and public colleges and universities within them) included Florida, Ohio, Illinois, and Nevada. From the results of this study, different weights were applied to different types and levels of academic programs based on their costs. For example, more expensive programs like engineering and nursing were given more weight than less expensive programs like many of those in the arts and humanities. The number of completers in each program were "cost adjusted" based on these weights.

Cost-Driver Analyses

There were two analyses conducted to explain costs. The two cost variables are:

1. Total expenditures at public four-year institutions
2. Instructional expenditures at public four-year institutions

The variables used to explain costs were:

1. Median family income of the county in which each institution is located (a factor for cost of living/faculty salaries)
2. Total annual full-time equivalent students
3. Entering ACT and SAT scores (preparation levels of first-time students)
4. Percentage of students who attend part-time
5. Percentage of first-time full-time students receiving federal Pell Grants
6. Percentage undergraduate underrepresented minorities (Hispanic, Black, Native American)

7. Percentage of graduate enrollment
8. Number of undergraduate programs with completers (program breadth)
9. Number of graduate programs with completers
10. Research expenditures per full-time faculty
11. Whether the institution grants a medical degree
12. Whether the institutions has land grant status
13. Percentage of full-time faculty
14. The number of faculty as a percent of all employees
15. Weighted monthly salaries for instructional staff
16. Cost adjusted undergraduate degrees awarded relative to non-weighted undergraduate degrees awarded (cost adjustments were applied to completers in programs in different fields of study – trying to account for more and less expensive program offered at the institutions)
17. Cost adjusted graduate degrees awarded relative to non-weighted graduate degrees awarded (same method as described above)
18. Employee benefits as a percent of total expenditures
19. Physical plant depreciation per full-time equivalent student (the best measure we have for the size of the physical plant)
20. Operation and maintenance expenditures as a percent of total expenditures

Results of Cost-Driver Analyses

When taking all of the above factors into account, the following variables explained 80 percent of the variance in total institutional expenditures:

- Total annual full-time equivalent students
- Percentage of undergraduate underrepresented minorities (Hispanic, Black, Native American)
- Research expenditures per full-time faculty
- Whether the institution grants a medical degree
- Percentage of full-time faculty
- The number of faculty as a percent of all employees
- Weighted monthly salaries for instructional staff
- Cost adjusted undergraduate degrees awarded relative to non-weighted undergraduate degrees awarded
- Cost adjusted graduate degrees awarded relative to non-weighted graduate degrees awarded
- Employee benefits as a percent of total expenditures
- Physical plant depreciation per full-time equivalent student
- Operation and maintenance expenditures as a percent of total expenditures

In all cases but one the higher the value of these variables, the greater the expenditures at an institution. The exception is that the greater the number of annual full-time equivalent students the lower the overall expenditure.

These findings reinforce the a priori expectations that informed the simple analyses that presented in the earlier part of this document; in other words, institutional mission; faculty-size, full-time/part-time status and pay levels; and physical plant costs explain most of the costs associated with operating a college or university.

When taking all of the above factors into account, the following variables explained 65 percent of the variance instructional institutional expenditures:

- Entering ACT and SAT scores (preparation levels of first-time students)
- Percent undergraduate underrepresented minorities (Hispanic, Black, Native American)
- Percentage of graduate enrollment
- Whether the institution grants a medical degree
- Percent full-time faculty
- The number of faculty as a percent of all employees
- Weighted monthly salaries for instructional staff
- Cost adjusted undergraduate degrees awarded relative to non-weighted undergraduate degrees awarded (cost adjustments were applied to completers in programs in different fields of study – trying to account for more and less expensive program offered at the institutions)
- Cost adjusted graduate degrees awarded relative to non-weighted graduate degrees awarded (same method as described above)
- Employee benefits as a percent of total expenditures
- Physical plant depreciation per full-time equivalent student

From each of the two regression models above, "predicted" values for (1) total expenditures and (2) instructional expenditures were generated for each public four year institution in the U.S. (using the statistical software SPSS, a product of IBM). As a result, all of the *actual* total and instructional expenditures of Colorado's public four-year institutions are at or below what was predicted by the models – meaning they are not spending more (in total and on instruction) than institutions like them around the country). Below are the actual vs. predicted expenditures for Colorado's public four-year institutions – by sector. Clearly, universities in Colorado are not spending more than predicted based on the characteristics of the institution and the students they serve. In fact, they are below what is predicted.

Table 1. Actual Expenditures at Colorado Institutions Compared to Values Predicted by Statistical Analyses

Expenditures 2012-13	Postsecondary Education Sector	Actual Expenditures	Predicted Expenditures	Difference between Actual and Predicted Expenditures
Total Expenditures	Research Universities	28,075	29,034	(959)
	Bachelor's and Master's Universities	10,466	12,584	(2,117)
Instructional Expenditures	Research Universities	8,946	9,222	(275)
	Bachelor's and Master's Universities	4,320	4,672	(352)

Note: Research Universities include University of Colorado at Boulder, Colorado State – Fort Collins, Colorado School of Mines, and Northern Colorado University. The bachelor's and master's institutions include Adams State University, University of Colorado at Colorado Springs, Fort Lewis College, Colorado Mesa University, Metropolitan State University of Denver, Colorado State University – Pueblo, and Western State Colorado University. The University of Colorado-Denver is not included in the above analyses due to the IPEDS data not specifically segregating the four-year CU Denver campus from the CU Anschutz Medical Campus.

NCHEMS was not able to run the analyses for public two-year systems (the Colorado CC system was treated as a whole) in the U.S. because 50 (the number of states) is not enough to produce valid results in statistical models like these. Also, preliminary analyses conducted at the two-year college level (as opposed to systems) did not explain enough variance in costs to produce "predicted vs. actual" comparisons.

COLORADO
Department of Higher Education

1560 Broadway, Suite 1600
Denver, CO 80202

John Hickenlooper
Governor

Diane Duffy
Interim Executive Director

COLORADO DEPARTMENT OF HIGHER EDUCATION
SMART Act Report, 2016

December 16, 2016

This document reports on the performance metrics included in the Higher Education Funding Allocation Formula (created pursuant to HB 14-1319, CRS 23-18-301 through CRS 23-18-307), which are consistent with the accountability goals of the SMART Act (HB 13-1299, CRS 2-7-201 through CRS 2-7-205).

For this reason, the performance metrics measuring the ten governing boards in the formula are used to demonstrate the performance of Colorado's state institutions of higher education in our annual performance report. It is these metrics that provide the incentive to institutions to focus efforts on student success and completion, and support both the Colorado Commission on Higher Education (CCHE) Master Plan and the intent of the SMART Act.

Statewide Priorities for Higher Education – *The Imperative!*

CCHE's master plan, *Colorado Competes, A Completion Agenda for Higher Education*, clearly specifies statewide goals – with the primary focus on increasing access to, success with, and completion of postsecondary education. The Completion Agenda seeks to ensure that 66% of Coloradans will have a postsecondary credential (certificate or degree) by 2025.

The Commission set this attainment goal, adopted in 2012, after much analysis and deliberation about the economic and social needs of our state – noting studies that tell us that by 2020 almost three-quarters of jobs in Colorado will need some level of a postsecondary credential. Meeting this demand is critical to support Colorado's economy, fulfill the talent needs of our businesses, and ensure all Coloradans have the opportunity to be successful.

Understanding this imperative, the Governor established a Cabinet Workgroup on Workforce and Education as part of his Vision 2018 plan. This group is comprised of key Colorado executive-level agencies – higher education, education, human services, labor and employment, and economic development –working toward an overarching goal of "growing the middle class by helping people connect to jobs."

Colorado must have an infrastructure and supply of talent to fill the jobs that will keep our state attractive to both businesses and to Coloradans. In addition, changing demographics and mobility demand that we increase the postsecondary attainment levels of our population to at least 66% percent if Colorado is to maintain its position as one of the top state economies in the United States.

To this end, the Department's annual Performance Report focuses on the progress with the Completion Agenda.

Colorado Commission on Higher Education Master Plan – Colorado Completes

The master plan calls for all public colleges and universities and the State to focus their resources on meeting the overall attainment goal, discussed earlier in this report, as well as three additional and equally important goals that support the attainment goal:

Goal 2: Improving Student Success through better outcomes in basic skills education, enhanced student support services, and reduced average time to credential for all students.

Goal 3: Enhancing Access to, and Through, Postsecondary Education to ensure that the system reflects the changing demographics of the state while reducing attainment gaps among students from underserved communities.

Goal 4: Developing Resources through increases in state funding that will allow public institutions of higher education to meet projected enrollment demands while promoting affordability, accessibility, and efficiency.

Colorado's public institutions of higher education and the Department have been active with innovative approaches to achieve the statewide goals and to meet the needs of Colorado residents, businesses, and economy. In addition to these, the Department and CCHE, working with Colorado's public institutions and stakeholders, have aligned all three of Colorado's major state funding streams for public institutions to meet these goals.

Outcomes Based Funding for Higher Education - State general fund investment in higher education is allocated to public institutions based on the number of students served; the costs associated with serving those students; and, the overall successes with student retention and credential completion.

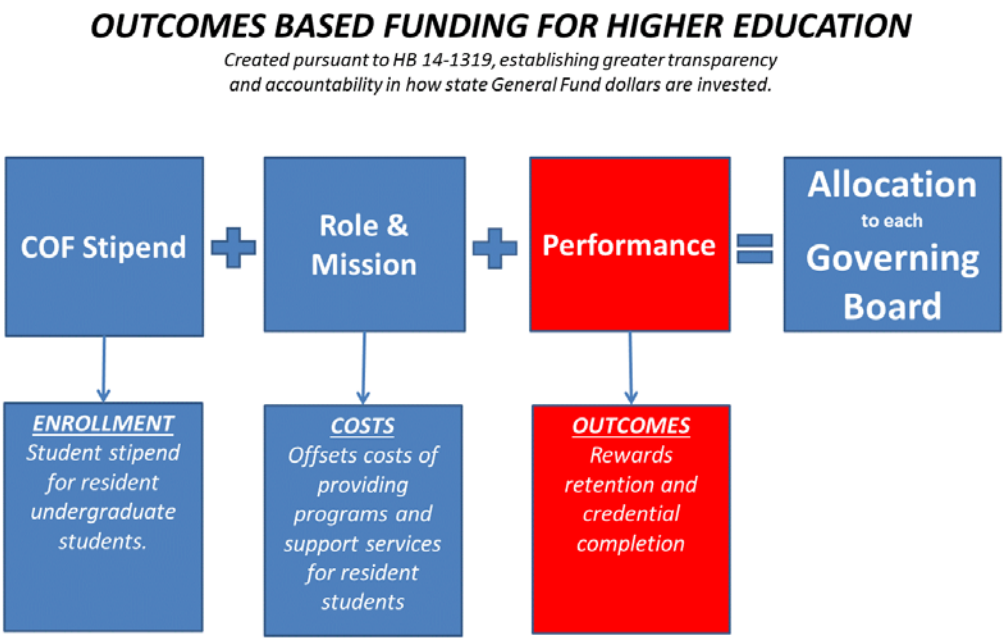
Tuition Policy - There is a direct link between tuition levels and state general fund investment in higher education. The Department now provides, in conjunction with the Department's annual budget request, an annual analysis with a statewide perspective demonstrating the impact different state investment levels have on tuition, as well as an institution specific tuition component.

State Financial Aid - State need-based financial aid is allocated to eligible institutions through a Completion Incentive Model, which provides an incentive for timely completion by providing a set funding amount to institutions for each PELL-eligible student; increasing this amount as students achieve each new grade level; and, then, reducing the allocation to the lower freshmen-student-level amount for students that exceed the standard number of credit hours.

Colorado's Outcomes Based Funding for Higher Education

The higher education funding allocation formula provides greater transparency with State General Fund investment in higher education and distributes funding to the ten public institution of higher education governing boards based on (1) the number of students served *(COF stipend)*; (2) the costs associated with serving those students *(role and mission)*; and, (3) the overall success with student retention and credential completion, along with a bonus for retention and credential completion of Pell-eligible (low income) students and STEM credentials *(performance)*.

The goals of CCHE's master plan – *increased student success* - are supported directly by the funding allocation formula, which was developed in collaboration with the institutions and adopted, with certain modifications, by the Joint Budget Committee.



Progress To-Date: What Does Our Data Tell Us?

Since implementation of the funding formula, three years of annual data have been used to allocate the annual state appropriation. The Department continues to collect data and allocate state resources based on the statutory requirements and will continue to report progress annually through this SMART Act Report.

The charts below share the details on the completion metrics for the ten governing boards that are counted by the formula which drive the objectives and progress with our Master Plan goals. It is these performance measures that are critical to meeting the needs of Colorado's businesses and supporting Colorado's economic vitality.

Typically, overall student enrollment declines when the economy is on the upswing, especially in the two-year sector. The reduction in COF enrollment is reflected in the allocation. However, during this same time, completions have continued to increase - with a 2.7% increase in overall credentials awarded in the most recent year. It is this continued increase in credential production that is critical to meet our overall attainment goal outlined in the Master Plan.

PERFORMANCE of COLORADO's STATE GOVERNING BOARDS

Credentials Awarded - Total					
Degree Level	***2014***	***2015***	***% Change '14-'15***	***2016***	***% Change '15-'16***
Certificate	1,946	2,086	7.2%	2,111	1.2%
Associates	7,575	7,964	5.1%	8,841	11.0%
Bachelors	22,799	22,958	0.7%	22,870	-0.4%
Post-Baccalaureate	7,385	7,659	3.7%	7,952	3.8%
All Degree Levels	***39,705***	***40,667***	2.4%	***41,774***	2.7%

Credentials Awarded – Pell-Eligible Students					
Degree Level	***2014***	***2015***	***% Change '14-'15***	***2016***	***% Change '15-'16***
Certificate	931	892	-4.2%	949	6.4%
Associates	3,405	3,565	4.7%	3,652	2.4%
Bachelors	8,011	8,209	2.5%	8,008	-2.4%
Post-Baccalaureate	2,456	2,593	5.6%	2,698	4.0%
All Degree Levels	***14,803***	***15,259***	3.1%	***15,307***	0.3%

Credentials Awarded - STEM					
Degree Level	***2014***	***2015***	***% Change '14-'15***	***2016***	***% Change '15-'16***
Certificate	141	139	-1.4%	177	21.5%
Associates	485	538	10.9%	578	6.9%
Bachelors	6,201	6,473	4.4%	6,600	1.9%
Post-Baccalaureate	2,394	2,482	3.7%	2,723	8.9%
All Degree Levels	***9,221***	***9,632***	4.5%	***10,078***	4.4%

COF Stipend Enrollment

The enrollment of Colorado residents – *especially our Pell-Eligible residents* - in our public institutions of higher education is a critical factor to increasing performance and meeting the statewide goals. The Department is engaged in with the Governor's Cabinet Workgroup on Workforce and Education, which places closing the Attainment Gap as a priority. It is through this work, and a number of other innovative efforts by the Department and institutions, that we seek to increase enrollment of Colorado's resident Pell-Eligible students, help them be successful, and increase performance.

	2014	***2015***	***% Change '14-'15***	***2016***	***% Change '15-'16***
Student Enrollment *(COF-Eligible Resident Undergraduates)*					
Total	130,925	128,606	-1.8%	126,086	-2%
Pell-Eligible Student Enrollment *(COF-Eligible Resident Undergraduates)*					
Total	52,048	48,514	-7%	44,629	-8%

Conclusion

The state budget for public institutions of higher education is directly tied to performance through the completion metrics included in the funding formula, which provides transparency about what state investment is buying. Knowing this, Colorado's institutions are working to increase student success and completions, which ultimately impacts their annual allocation of state funding. As the charts above demonstrate, progress is being made. With the innovative approaches recently employed by institutions and the Department, with impacts still yet to be realized, we expect this progress to continue.

CCHE is also currently revisiting its master plan, to incorporate what has been learned since its adoption, as well as recast the number of credentials needed by 2025 based on historical patterns and forecasted state workforce needs.

For more information, please contact Kachina Weaver, Chief Policy Officer for the Colorado Department of Higher Education, at (303) 883-7076 or vial email kachina.weaver@dhe.state.co.us.

STATE OF COLORADO

DEPARTMENT OF HIGHER EDUCATION

John Hickenlooper
Governor

Lt. Gov. Joseph A. Garcia
Executive Director

Members of the Colorado General Assembly
c/o Mike Mauer, Director, Legislative Council Staff
State Capitol Building, Rm. 029
220 E. Colfax
Denver, CO 80203

Dear Legislative Counsel Staff and Mr. Mauer:

The Colorado Department of Higher Education ("Department") respectfully submits the following document in fulfillment of the statutory requirement set forth in HB12-1008 requiring all state departments to compile an annual regulatory agenda. For the Department of Higher Education the enclosed list of new rules or revisions to exiting rules proposed for the next Calendar Year relate exclusively to the Division of Private Occupational Schools (DPOS). Keep in mind that the proposed Regulatory Agenda below includes what is anticipated at this time and may be amended going forward based upon new federal or state requirements or other unforeseen future requirements. We will submit the same Department Regulatory Agenda to the Secretary of State for publication in the Colorado Register and will post the Regulatory Agenda on the Department website.

If you have questions about the 2015 Regulatory Agenda please contact Mark Cavanaugh, Legislative Policy Officer at (303) 866-4198 mark.cavanaugh@dhe.state.co.us or Lorna Candler, Director of the Division of Private Occupational Schools at (303) 866-4183 lorna.candler@dhe.state.us.

Thank you,

Mark

Mark Cavanaugh
Chief Legislative and Strategic Policy Officer

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2015 COLORADO DEPARTMENT OF HIGHER EDCUATION REGULATORY AGENDA

Below is the anticipated 2015 rulemaking by the Division of Private Occupational Schools within the Department of Higher Education as required by HB 12-1008

Title/Description Proposed Rule	Basis and/or Statutory Authority	Purpose of Proposed Rule	Estimated Rule-making Schedule 2015	Stakeholders/Persons/Parties that may be Affected Positively or Negatively by Adoption of Proposed Rule
Add under 8 CCR 1504-1, Section III – Minimum Standards, B. Approval of Education Services, 1. Programs and stand alone courses must have: b. a description of the components of education sufficient to allow students and DPOS to understand the course content and means of delivery, and c. programs and courses offered must be supplemented by 3 evaluator reports that comply with instructions provided by the Division to the school.	Section 12-59-105.3(1), C.R.S., of the "Private Occupational Education Act of 1981" (Act) – Powers and Duties of the Board. Specifically, the Board has the duty and authority to promulgate rules and to adopt procedures necessary or appropriate for the conduct of its work and the implementation of article 59 of Title 12.	The purpose of the proposed amendment is to clarify the content and quality of education offered so students can make an informed decision and will have the means to compare the offerings to other schools or programs; and the evaluator reports ensure qualified evaluators review the educational services to ensure they will adequately achieve the stated objectives, and will provide adequate facilities and equipment, instructional materials, instructional staff, and other personnel necessary to meet the stated objectives and minimum standards.	The Division will add this definition early in 2015.	Affected positively: Members of general public; residents of Colorado desiring to seek admission in an approved Private Occupational School; and approved private occupational school owners and staff who can be assured the standards of occupational education will be qualitatively improved and that necessary standards will be monitored and enforced. Affected negatively: Program providers who have been operating or intend to operate without authority.

Title/Description Proposed Rule	Basis and/or Statutory Authority	Purpose of Proposed Rule	Estimated Rule-making Schedule 2015	Stakeholders/Persons/Parties that may be Affected Positively or Negatively by Adoption of Proposed Rule
Clarify through revision that the educational service or value being conferred need not be limited to a "diploma" but may also include a "certificate" under 8 CCR 1504-1, S III. F. 1.	Section 12-59-105.3(1), C.R.S., of the "Private Occupational Education Act of 1981" (Act) – Powers and Duties of the Board. Specifically, the Board has the duty and authority to promulgate rules and to adopt procedures necessary or appropriate for the conduct of its work and the implementation of article 59 of Title 12.	The purpose of the proposed amendment is to clarify and revise definitions; improve language; correct technical errors and omissions; and reflect further development of Board policies regarding the conduct of its work and the implementation of the Act. Specifically, the Division wishes to clarify that the educational service being offered is not necessarily limited to a diploma.	The Division will amend this rule early in 2015.	Affected positively: Members of general public; residents of Colorado desiring to seek admission in an approved Private Occupational School; approved private occupational school owners and staff. Affected negatively: None
Clarify through revision that the cosmetology schools who have computed their programs and courses in credit hours will now be required to revert to the clock hour conversion that all other states use under revisions to the Office of Barbering and Cosmetology's regulations and under 8 CCR 1504-1, III. F. 9.	Section 12-59-105.3(1), C.R.S., of the "Private Occupational Education Act of 1981" (Act) – Powers and Duties of the Board. Specifically, the Board has the duty and authority to promulgate rules and to adopt procedures necessary or appropriate for the conduct of its work and the implementation of article 59 of	The purpose of the proposed amendment is to align the Division's rules with the Office of Barbering and Cosmetology who dictates the rules and regulations governing licensing standards for this industry; and reflect further development of our Sister Agencies policies and rules regarding the conduct of its work and the implementation of its Act. More specifically, the	The Division will amend this rule once the Office of Barbering and Cosmetology has finalized its regulations under its Sunset Review of 2015.	Affected positively: Members of general public; residents of Colorado and out of state residents desiring to seek clarification on calculating occupational educational hours. Occupational Schools may find this change simplifies calculations in state, across state lines and also with accrediting bodies and the USDOE. Affected negatively: Schools who are invested in maintaining the current method of calculating credit hours and all schools who have to make the initial changes to a new calculation method will need to resubmit their programs and stand alone courses to the Division to comport with new calculation method thus may

	Title 12.	Board intends to bring uniformity to the means of calculating hours in the schools.		incur an increase in workload a one-time cost to obtain re-approval.
Technical change under 8 CCR 1504-1, III. H. 1. r. to clarify that Agents are not licensed but are approved by the Board/Division of Private Occupational Schools.	Section 12-59-105.3(1), C.R.S., of the "Private Occupational Education Act of 1981" (Act) – Powers and Duties of the Board. Specifically, the Board has the duty and authority to promulgate rules and to adopt procedures necessary or appropriate for the conduct of its work and the implementation of article 59 of Title 12.	The purpose of the proposed amendment is to clarify and revise the rule to accurately reflect the process for authorizing agents; improve language; correct technical errors and omissions; and reflect further development of Board policies regarding the conduct of its work and the implementation of the Act.	The Division will amend this rule early in 2015.	Affected positively: Members of general public; residents of Colorado seeking clarification on the process for authorizing agents who are responsible for interacting with students and the only persons permitted to entering an enrollment agreement or binding contract with the students under the Private Occupational Schools Act. Affected negatively: this is a technical change that has no impact on the schools governed by the Private Occupational Schools Act and governing rules.
Title/Description Proposed Rule	**Basis and/or Statutory Authority**	**Purpose of Proposed Rule**	**Estimated Rule-making Schedule 2015**	**Stakeholders/Persons/Parties that may be Affected Positively or Negatively by Adoption of Proposed Rule**
Add under 8 CCR 1504-1, IV. E. 1. Specific language that clarifies that the Board has the authority and may use its discretion to file notice of claim upon or otherwise attach a school's surety or bond if the school fails to replace its surety or bond 15 days prior to the expiry date of the existing surety or bond.	Section 12-59-105.3(1), C.R.S., of the "Private Occupational Education Act of 1981" (Act) – Powers and Duties of the Board. Specifically, the Board has the duty and authority to promulgate rules and to adopt procedures necessary or appropriate for	The purpose of the proposed amendment is to clarify the powers of the Board and to make clear the consequences if a school fails to adequately maintain its surety or bond as it's required to do under the Private Occupational School Act. Furthermore, this rule is to help ensure that the schools	The Division will add this language clarifying the Division's duty in early in 2015.	Affected positively: Members of general public; students in private occupational schools, and other private occupational schools who would be adversely affected by a school or schools who allow their surety or bond to lapse such that the student's interests are not adequately protected. Residents of Colorado and Private Occupational School can be assured the standards and investments in occupational education will be safeguarded, monitored and enforced. Affected negatively: Unlawful actors who have or intend to

	the conduct of its work and the implementation of article 59 of Title 12.	understand the actions the Board/Division may take against a school's bond to safeguard the interests, educational investments and prepaid unearned tuition of students.		lapse the statutorily mandated surety or bond coverage.
Title/Description Proposed Rule	**Basis and/or Statutory Authority**	**Purpose of Proposed Rule**	**Estimated Rule-making Schedule 2015**	**Stakeholders/Persons/Parties that may be Affected Positively or Negatively by Adoption of Proposed Rule**
Rescind 8 CCR 1504-1, IV. F. 4. In order to be consistent with the removal of statutory language mandated by federal state authorization regulations.	Section 12-59-105.3(1), C.R.S., of the "Private Occupational Education Act of 1981" (Act) – Powers and Duties of the Board. Specifically, the Board has the duty and authority to promulgate rules and to adopt procedures necessary or appropriate for the conduct of its work and the implementation of article 59 of Title 12.	The purpose of the proposed rescission is to ensure compliance with federal regulations and state statutory revisions.	The Division will address this amendment early in 2015.	Affected positively: Members of general public; residents of Colorado desiring to ensure that all private occupational schools are treated similarly despite the differences between requirements for accredited institutions and unaccredited institutions. Affected negatively: Accredited institutions that must provide the same information to multiple agencies.
Title/Description Proposed Rule	**Basis and/or Statutory Authority**	**Purpose of Proposed Rule**	**Estimated Rule-making Schedule 2015**	**Stakeholders/Persons/Parties that may be Affected Positively or Negatively by Adoption of Proposed Rule**
Revise 8 CCR 1504-1, IV. E. 4. c. to omit the language "which is doing business in Colorado and" because it is not necessary that a bank or financial institution funding the surety/bond be located in or doing	Section 12-59-105.3(1), C.R.S., of the "Private Occupational Education Act of 1981" (Act) – Powers and Duties of the Board.	The purpose of the proposed revision is to ensure compliance with federal regulations and standards and state statutory requirements; and to revise rules to	The Division will address this amendment early in 2015.	Affected positively: Members of general public; residents of Colorado desiring to ensure that all private occupational schools are securing and maintaining surety or bond instruments that are backed by sound institutions but will not be hindered by the unnecessary and confusing

business in Colorado. The relevant and important consideration is that the financial institution must be insured by a federal depositor's corporation and otherwise demonstrate good standing and financial solvency.	Specifically, the Board has the duty and authority to promulgate rules and to adopt procedures necessary or appropriate for the conduct of its work and the implementation of article 59 of Title 12.	ensure that the legislative intent of the statute is carried out in the most efficient manner possible.		requirements that the bank be "doing business in Colorado." Affected negatively: None
Title/Description Proposed Rule	**Basis and/or Statutory Authority**	**Purpose of Proposed Rule**	**Estimated Rule-making Schedule 2015**	**Stakeholders/Persons/Parties that may be Affected Positively or Negatively by Adoption of Proposed Rule**
Rescind 8 CCR 1504-1, VII. T. & U. in order to be consistent with the statutory language that omitted flight schools from the purview of the Private Occupational School Act to reduce duplication of regulatory oversight; the Federal Aviation Administration oversees all flight schools.	Section 12-59-105.3(1), C.R.S., of the "Private Occupational Education Act of 1981" (Act) – Powers and Duties of the Board. Specifically, the Board has the duty and authority to promulgate rules only within its jurisdiction and because the FAA governs the flight schools only the FAA has the authority to adopt procedures necessary or appropriate such rules.	The purpose of the proposed rescission is to ensure compliance with federal regulations and state statutory revisions.	The Division will address this amendment early in 2015.	Affected positively: Members of general public; residents of Colorado, business owners and entrepreneurs who may not be otherwise aware that all flight schools are governed by the FAA and not under the Private Occupational School Act. Affected negatively: None
Title/Description Proposed Rule	**Basis and/or Statutory Authority**	**Purpose of Proposed Rule**	**Estimated Rule-making Schedule 2015**	**Stakeholders/Persons/Parties that may be Affected Positively or Negatively by Adoption of Proposed Rule**
Add 8 CCR 1504-1, XI. A. to clarify the process and	Section 12-59-105.3(1), C.R.S.,	The purpose of the proposed	The Division will address this	Affected positively: Members of general public; residents of

procedures the Board will follow to invoke its cease and desist power over institutions that fall under the jurisdictions of the Private Occupational School Act but are operating as an unauthorized or illegal private occupational school.	of the "Private Occupational Education Act of 1981" (Act) – Powers and Duties of the Board. Specifically, the Board has the duty and authority to promulgate rules and to adopt procedures necessary or appropriate for the conduct of its work and the implementation of article 59 of Title 12.	rescission is to ensure compliance with federal regulations and state statutory revisions.	amendment early in 2015.	Colorado desiring to ensure that all private occupational schools are treated similarly and to inform institutions that choose to act outside of the law that the Board will use available administrative powers swiftly and effectively. School owners and institutions operating legitimately will be protected from actors who refuse to follow applicable regulations yet continue to compete with legitimate operations that are disadvantaged and potentially harmed by actors who are not subject to swift and effective regulatory measures designed to ensure equity and compliance with the law. Affected negatively: Actors or institutions who have been operating without authorization will not be subject to regulations they and enforcement mechanisms.

STATE OF COLORADO

DEPARTMENT OF HIGHER EDUCATION

John Hickenlooper
Governor

Lt. Gov. Joseph A. Garcia
Executive Director

Colorado General Assembly
Mike Mauer, Director, Legislative Council Staff
State Capitol, Rm. 029
Denver, CO 80203

Dear Legislative Council Staff and Mr. Mauer:

The Colorado Department of Higher Education ("Department") respectfully submits the following document in fulfillment of the statutory requirement set forth in HB12-1008. For clarification, only the Division of Private Occupational School (DPOS) and the Colorado Opportunity Scholarship Initiative within the Department engages in rulemaking.

2015-2016 COLORADO DEPARTMENT OF HIGHER EDCUATION REGULATORY AGENDA

Below is the anticipated 2015-2016 rulemaking by the Division of Private Occupational Schools within the Department of Higher Education as required by HB 12-1008

Title/Description Proposed Rule	Basis and/or Statutory Authority	Purpose of Proposed Rule	Estimated Rule-making Schedule 2015	Parties Potentially Affected
Revise 8 CCR 1504-1, Section III – Minimum Standards, B. Approval of Education Services, (by adding 1. Programs and stand alone courses must have: b. a description of the components of education sufficient to allow students to understand the course content and means of delivery, and c. programs and courses offered must be supplemented by 3 evaluator reports that comply with instructions provided by the Division to the school).	Section 12-59-105.3(1), C.R.S.	To clarify the educational content and quality to better inform decisions and to compare offerings to other schools or programs; and evaluator reports ensure qualified evaluators verify adequacy of objectives, equipment, instructional materials, instructional staff, and other and standards.	January	Affected positively: Members of general public; residents of Colorado desiring to seek admission in an approved Private Occupational School; and approved private occupational school owners and staff who can be assured the standards of occupational education will be qualitatively improved and necessary standards enforced. Affected negatively: Unlawful actors who have or intend to conceal or compromise the clarity of or quality of occupational education in Colorado. There is no anticipated fiscal impact.

Title/Description Proposed Rule	Basis and/or Statutory Authority	Purpose of Proposed Rule	Estimated Rule-making Schedule 2015	Parties that may be Affected by Adoption of Proposed Rule
Revise 8 CCR 1504-1, S III. F. 1."	Section 12-59-105.3(1), C.R.S.,	To clarify educational service need not be limited to a "diploma" but may also include a "certificate	January	Affected positively: Persons desiring to seek admission in an approved Private Occupational School; approved private occupational school owners and staff. Affected negatively: None There is no anticipated fiscal impact.
Revise 8 CCR 1504-1, III. F. 9. (to state Clarify through revision that the cosmetology schools who have computed their programs and courses in credit hours will be required to revert to the clock hour conversion that all other states use under revisions to Office of Barbering and Cosmetology ("OBC") resulting from SB 15-106	SB 15-106	The purpose of the proposed amendment is to align the Division's rules with the Office of Barbering and Cosmetology who dictates the rules and regulations governing licensing standards for this industry; More specifically, the Board intends to bring uniformity to the means of calculating hours in the schools.	The Division will amend this rule once the OBC has finalized its regulations under its Sunset Review of 2015.	Affected positively: Persons needing clarification on calculating occupational educational hours. Occupational Schools may find this change simplifies calculations in state, across state lines and also with accrediting bodies and the USDOE. Affected negatively: Schools who are invested in maintaining the current method of calculating credit hours and all schools who have to make the initial changes to a new calculation method will need to revise and resubmit their programs and stand alone courses to the Division to comport with new calculation method as of July 1, 2015 thus may incur an increase in workload and a one-time cost to obtain re-approval. Anticipated fiscal impact on schools and Division due to increase workload initially.
Revise 8 CCR 1504-1, III. H. 1. r..	Section 12-59-105.3(1), C.R.S.	Technical change to clarify that Agents are not licensed but are "approved" by the Board/Division of Private	January	Affected positively: Persons seeking clarification on the process for authorizing agents, the only persons permitted to enter an enrollment agreement with the students Affected negatively: None.

		Occupational Schools.		There is no anticipated fiscal impact.
Title/Description Proposed Rule	**Basis and/or Statutory Authority**	**Purpose of Proposed Rule**	**Estimated Rule-making Schedule 2015**	**Stakeholders/Persons/Parties that may be Affected Positively or Negatively by Adoption of Proposed Rule**
Revise 8 CCR 1504-1, IV. E. 1. To clarifies that the Board has the authority and may use its discretion to file notice of claim upon or otherwise attach a school's surety or bond if the school fails to replace its surety or bond 15 days prior to the expiry date of the existing surety or bond.	Section 12-59-105.3(1), C.R.S. Powers and Duties of the Board.	Clarify the powers of the Board and explain the consequences of failing to adequately maintain its surety or bond to safeguard educational investments and prepaid unearned tuition of students.	January	Affected positively: Students who would be adversely affected by bond lapse; current bonds in good standing are necessary to safeguard student's interests are adequately protected. Affected negatively: Unlawful actors or school owners who do not timely renew the statutorily mandated surety or bond coverage; a claim on the bond may impact the school's/owner's ability to secure future bonds and/or may incur financial dealings.
Title/Description Proposed Rule	**Basis and/or Statutory Authority**	**Purpose of Proposed Rule**	**Estimated Rule-making Schedule 2015**	**Stakeholders/Persons/Parties that may be Affected Positively or Negatively by Adoption of Proposed Rule**
Rescind 8 CCR 1504-1, IV. F. 4. In order to be consistent with the removal of statutory language mandated by federal state authorization regulations.	34 CFR 600.9(a)(1) and all other regulations concerning state authorization and Section 12-59-105.3(1), C.R.S.	The purpose of the proposed rescission is to ensure compliance with federal regulations and state statutory revisions.	January	Affected positively: All stakeholders and Parties. There is no anticipated fiscal impact.
Title/Description Proposed Rule	**Basis and/or Statutory Authority**	**Purpose of Proposed Rule**	**Estimated Rule-making Schedule 2015**	**Stakeholders/Persons/Parties that may be Affected Positively or Negatively by Adoption of Proposed Rule**
Revise 8 CCR 1504-1, IV. E. 4. c. to omit the language "which is doing business in Colorado and"	Section 12-59-105.3(1), C.R.S.	To clarify that a bank or financial institution funding the surety/bond need not be located in or doing business in Colorado; the	The Division will address this amendment early in 2015.	Affected positively: All parties and persons benefit from the clarification and the facts that schools securing and maintaining surety or bond instruments that are backed by sound institutions. Affected negatively: None

		necessity is that the financial institution must be insured by a federal depositor's corporation and otherwise demonstrate good standing and financial solvency.		There is no anticipated fiscal impact.
Title/Description Proposed Rule	**Basis and/or Statutory Authority**	**Purpose of Proposed Rule**	**Estimated Rule-making Schedule 2015**	**Stakeholders/Persons/Parties that may be Affected Positively or Negatively by Adoption of Proposed Rule**
Rescind 8 CCR 1504-1, VII. T. & U	Section 12-59-105.3(1), C.R.S.	The purpose of the proposed rescission is to ensure compliance with federal regulations and state statutory revisions.	The Division will address this amendment early in 2015.	Affected positively: Members of general public; residents of Colorado, business owners and entrepreneurs who may be otherwise be clear that all flight schools are governed by the FAA and not under the Private Occupational School Act. Affected negatively: None There is no anticipated fiscal impact.
Title/Description Proposed Rule	**Basis and/or Statutory Authority**	**Purpose of Proposed Rule**	**Estimated Rule-making Schedule 2015**	**Stakeholders/Persons/Parties that may be Affected Positively or Negatively by Adoption of Proposed Rule**
Revise 8 CCR 1504-1, XI. A. to explain cease and desist power.	SB 15-171 And section 12-59-105.3(1), C.R.S.	To clarify the process and procedures the Board will follow to invoke its cease and desist power. over institutions that fall under the jurisdictions of the Private Occupational School Act but are operating as an unauthorized of illegal private occupational school.	January	Affected positively: Members of general public; residents of Colorado desiring to ensure that all private occupational schools are treated similarly and that those who choose to act outside of the law will be brought to justice swiftly and efficiently. School owners and institutions operating legitimately will be protected from actors who refuse to follow applicable regulations yet continue to compete with legitimate operations that are disadvantaged and potentially harmed by actors who are not subject to regulatory measures designed to ensure equity and compliance with the law.

				Affected negatively: Actors or institutions that have been operating without authorization. There is no anticipated fiscal impact.
Increase Fee Schedule posted under 8 CCR 1504-1, II.	Sections 12-59-116 and 12-59-105.3(1), C.R.S.	To adjust fee schedule so that the revenue geneated from fees approximates the direct and indirect costs of administering the Private Occupational Schools Act.	December	Affected positively: All persons relying on the continued Affected negatively: None. There will be a fiscal impact to the schools required to meet the increase in fees schedule.

Below is the anticipated 2015-2016 rulemaking by the Colorado Opportunity Scholarship Initiative within the Department of Higher Education as required by HB 12-1008.

Title/Description Proposed Rule	Basis and/or Statutory Authority	Purpose of Proposed Rule	Estimated Rule-making Schedule 2015	Parties Potentially Affected
8 CCR 1504-9: rules for the administration of the Colorado Opportunity Scholarship Initiative	HB 14-1384	Statute requires Colorado Opportunity Scholarship Initiative Board to promulgate rules for the administration of the initiative.	Notice Date: June – 2015 Hearing Date: August – 2015 Adoption Date: August - 2015	Members of the general public, residents of Colorado desiring to seek postsecondary education, Public Institutions of Higher Education, Local municipalities.
REVISE: CCR 8 CCR 1504-9 (Emergency Rules)	OLLS Review	Revisions are required to add additional criteria for the evaluation of students and the initiative.	Adoption Date: September – 2015	Members of the general public, residents of Colorado desiring to seek postsecondary education, Public Institutions of Higher Education, Local municipalities.
REVISE: CCR 8 CCR 1504-9	OLLS Review	Revisions are required to add additional criteria for the evaluation of students and the initiative.	Notice Date: October - 2015 Hearing Date: November - 2015 Adoption Date: November-15	Members of the general public, residents of Colorado desiring to seek postsecondary education, Public Institutions of Higher Education, Local municipalities.

Governing Board	Institution Name	# of Academic Buildings	# of Auxiliary Buildings	Total square footage of Academic Buildings	Total square footage of Auxiliary Buildings	Total campus area	Current Replacement Value of Academic Buildings	Current Replacement Value of Auxiliary Buildings	Facility management operating expenses for FY11-12	Facility management operating expenses for FY12-13	Facility management operating expenses for FY13-14	Facility management operating expenses for FY14-15	Facility management operating expenses for FY15-16
Board of Directors of the Auraria Higher Education Center	Auraria Higher Education Center	53	13	1,953,493	1,546,361	150 acres	$425,441,410	$132,907,401	$7,997,696	$8,178,872	$8,930,937	$9,057,500	$10,305,971
The total includes all campus grounds maintenance and upkeep.													
Adams State University Board of Trustees	Adams State University	19	19	670,253	523,534	N/P	$149,541,475	$112,902,991	$462,708	$454,713	$520,790	$650,314	$458,549
State Board for Community Colleges and Occupation Education (SBCCOE)	Colorado Community College System & Colleges	193	45	4,546,102	773,679	52,615,027	$908,282,536	$141,526,510	$30,190,405	$30,769,461	$32,532,764	$32,077,262	N/P
Board of Trustees of Colorado Mesa University	Colorado Mesa University	28	32	962,733	1,217,851	90 acres	$178,655,692	$214,803,773	$6,432,854	$7,454,350	$8,152,755	$8,748,639	$9,731,365
Amount includes grounds maintenance operating expenses but not necessarily upkeep and maintenance projects.													
Colorado School of Mines Board of Trustees	Colorado School of Mines	75	46	2,153,591	904,820	500 acres on main campus 400 acres on Edgar Mine in Idaho Springs	$407,455,653	$191,466,397	$10,424,452	$12,698,215	$13,321,119	$13,514,862	$13,956,561
Board of Governors for the Colorado State University System	Colorado State University - Fort Collins	501	204	6,502,908	4,139,633	4,633 acres	$2,131,661,385	$828,954,472	$15,123,620	$14,878,772	$16,276,756	$17,177,169	$18,578,522
Total campus area is in acres and includes: Main, South, Foothills, ARDEC, ELC, Mountain and Powerhouse campuses. ***Costs for Operating Expenses include grounds maintenance, snow removal and irrigation. No utility costs included.***													
Board of Governors for the Colorado State University System	Colorado State University - Pueblo	28	8	779,965	683,010	1,462,975	$115,155,110	$83,890,301	$6,320,931	$6,275,357	$5,749,345	$6,354,195	$6,505,642
Board of Trustees of Fort Lewis College	Fort Lewis College	23	24	590,896	586,052	247 acres	$236,191,571	$200,502,616	$3,523,265	$3,095,306	$3,013,163	$2,931,769	$2,865,594
MSU Denver Board of Trustees	MSU Denver	6		176,940	N/P	176940	$56,121,568	N/P	$0	$449,455	$761,876	$881,891	$931,691
The operating expenses do not include utilities.													
Board of Regents - University of Colorado	CU Boulder*	91	105	5,751,743	6,588,704	580 acres	$1,527,502,253	$1,209,303,746	$55,604,531	$57,850,117	$62,201,549	$64,835,155	$75,346,803
	UCCS	38	32	1,218,738	1,487,508	544 acres	$320,527,902	$248,130,756	$7,335,363	$8,281,417	$8,985,069	$9,819,850	$10,986,515
	Denver**	4	0	729,697	0	N/A	$248,283,715	$0	$9,515,217	$10,362,810	$9,589,103	$10,302,468	$10,446,443
	Anschutz	29	4	3,131,841	695,938	160 acres	$1,305,317,971	$144,675,934	$16,374,884	$17,487,409	$20,682,107	$18,648,408	$20,089,941
	CU System	1	0	177,072	0	N/A	$37,664,235	N/A	NA	NA	NA	NA	NA
	Total	163	141	11,009,091	8,772,150	1,284 acres	$3,439,296,076	$1,602,110,436	$88,829,995	$93,981,754	$101,457,828	$103,605,881	$116,869,701
Boulder Acreage excludes South Campus (310 acres vacant) and the Mountain Research Station (192 acres) ***CU Denver shares the Auraria campus with CCD and MSUD. CU owns three buildings north of Speer Blvd. proximate to the Auraria campus and one building on Auraria proper.*** ***Sources: Building data - OSA Building Inventory Report, Operating Expenses - Budget Data Books FY2013 - FY 2016 Actual Total Education & General Operation & Maintenance of Plant.***													
Board of Trustees of University of Northern Colorado	University of Northern Colorado	50	55	1,538,408	1,629,286	246 Acres	$340,981,540	$256,106,302	$4,547,852	$11,035,847	$11,123,637	$11,746,735	$11,596,694

Board of Trustees of Western State Colorado University	Western State Colorado University	23	11	711,028	579967	1,325 acres	$182,914,651	$85,149,571	$323,814	$296,819	$337,409	$320,302	$409,879

COLORADO™

Joint Budget Committee Hearing: Department of Higher Education

January 3, 2017

Monte Moses - *Chairman, Colorado Commission on Higher Education*
and
Diane Duffy - *Interim Executive Director*

COLORADO
Department of Higher Education

SUPPORTING COLORADO'S ECONOMIC VITALITY

The Imperative

- **By 2020 almost three-quarters of all jobs in Colorado will require some level of postsecondary credential** *(certificate, associate, bachelor's, etc.)*, according to a state projection of job growth conducted by the Georgetown University Center on Education and the Workforce, published in 2013.

This Impacts *ALL* Coloradans

- Meeting this demand is critical to **strengthen Colorado's economy**, fulfill the talent **needs of our businesses**, and provide all **Coloradans the opportunity to be self-sufficient.**

  Success with the imperative *will mean all Coloradans will have the opportunity* to realize the economic and social benefits of a postsecondary credential.

Efforts to Accomplish

- The Colorado Commission on Higher Education's master plan – *Colorado Competes: A Completion Agenda for Higher Education* – is focused on **increasing attainment, improving student success, reducing gaps,** and **maintaining affordability** specifically to meet this imperative.

MUST Be a Priority for Policy Makers and the Public

- Colorado needs state policy makers and the public to fully **understand the critical nature of meeting the talent needs** of our businesses and the consequences if we fail to do so. We need **partners in developing and employing solutions** and **championing the work and needs** of Colorado's public higher education system.

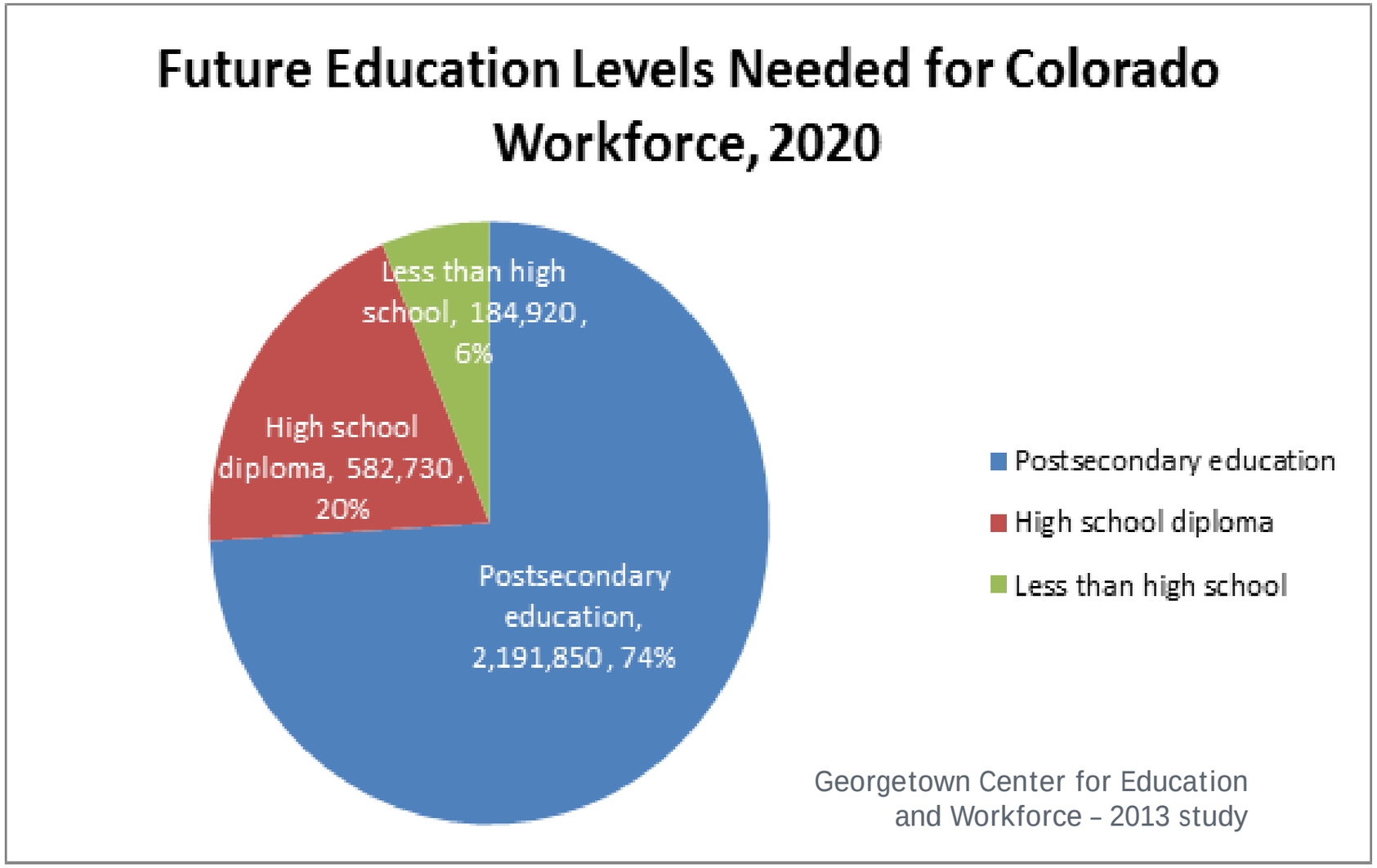
CHANGES IN THE LABOR MARKET

WHAT WE KNOW…

By 2020, ***74% of all of the jobs*** in Colorado will require some level of postsecondary education *(3rd highest in the nation).*

In contrast, the ***demand for high school-only trained*** adults in Colorado is the ***second weakest*** in the nation (*49th in the nation).*

Unemployment rates are ***considerably lower*** for individuals with some level of postsecondary completion, demonstrating the demand for this level of education.



HIGHER EDUCATION IN COLORADO

Colorado General Assembly	• Establish Statewide, General, and Institution-Specific Policies • Establish Annual State Budget and Funding Priorities • Establish the Scope of the Postsecondary System by Creating Institution Specific Roles and MissionS
Colorado Commission on Higher Education	• Coordinate with Governing Boards to Implement Statewide Policies Established by the Legislature • Coordinate with Governing Boards to Prepare Annual Budget Request and Corresponding Tuition Policy • Allocate State General Fund Investment pursuant to Funding Allocation Formula • Prepare and Implement Statewide Master Plan for Higher Education and Report on progress • Provide Research and Data to Evaluate Programs and Initiatives, Inform Policy Decisions, and Oversee Accountability Systems
Governing Boards	• Fiduciary Responsibility and Oversight of Financial Management • Implement Institution-Specific Policies • Allocate State Revenues and Financial Aid • Hire System/College President • Prepare Institutional Master Plan • Set Tuition and Fees • Set Academic Programs

THE COLORADO COMMISSION ON HIGHER EDUCATION (CCHE)

Colorado's Central Policy and Coordinating Board for Higher Education *(CCHE is not a central governing board)*

11 Commissioners

- Appointed by the Governor, confirmed by the Senate
- Four-year terms, with limit of two consecutive terms
- At least one member from each congressional district, and at least one from West of the continental divide

COMMISSIONERS

Monte Moses, Chair
Luis Colon, Vice Chair
John Anderson
Maia Babbs
Mary Beth Buescher
Renny Fagan
Cassie Gannett
Jeanette Garcia
Vanecia Kerr
Tom McGimpsey
Paula Sandoval

13 Member Advisory Committee

- **Includes 6 legislative members**, appointed by legislative leadership - *3 from each chamber, 2 from the majority party and one from the minority party*
- ***Plus:*** Faculty, Student, Non-profit Private, Institutional Finance, Academic Council, K-12, and Parent Advisory members – all appointed by their groups.

LEGISLATIVE ADVISORS

Senator Owen Hill, *Senate Majority*
Senator Chris Holbert, *Senate Majority*
Senator Nancy Todd, *Senate Minority*
Representative Jeni Arndt, *House Majority*
Representative Mike Foote, *House Majority*
Representative Kevin Priola, *House Minority*

COLORADO'S STATE-FUNDED SYSTEM OF HIGHER EDUCATION

- Governing Boards appointed by the Governor and confirmed by the Senate
- Constitutionally elected governing board
- Local governance

COLORADO
Colorado Commission on Higher Education
Department of Higher Education
Diane Duffy, Interim Executive Director

CCHE is responsible for coordinating, not regulating, statewide policy and general fund appropriations for the state system of higher education in Colorado

CCHE/DHE budget breakdown *(based on FY 2016-17 appropriations)*	
30.0	Total FTEs
$3,264,440	Total funds
$247,469.0	Cash funds
$0.0	General Funds
$3,016,971	Re-appropriated funds
$0.0	Federal Funds

Higher Education Governing Board, Local District Colleges and Area Technical Colleges Budget Breakdown *(based on FY 2016-17 appropriations)*	
24,235	Total FTEs
$3,016,523,004	Total funds
$0.0	General funds
$2,344,290,427	Cash funds
$672,232,577	Re-appropriated funds
$0.0	Federal funds

The College Opportunity Fund and Fee-for Service Contracts

are the mechanism by which Colorado's public institutions of higher education receive state support

Trustees of Metro State University of Denver
Dr. Steve Jordan
15,421 Student FTE

Trustees of Western State Colorado
Dr. Gregory Salsbury
2,099 Student FTE

Trustees of Colorado Mesa University
Tim Foster
7,752 Student FTE

Trustees of Adams State University
Dr. Beverly McClure
2,483 Student FTE

Trustees of Colorado School of Mines
Paul Johnson
5,809 Student FTE

Trustees of University of Northern Colorado
Kay Norton
8,941 Student FTE

Trustees of Fort Lewis College
Dr. Dene Kay Thomas
3,470 Student FTE

Community College System of Colorado
Dr. Nancy McCallin
50,247 Student FTE

Board of Colorado State University System
Dr. Tony Frank
29,116 Student FTE

Regents of the University of Colorado
Bruce Benson
54,208 Student FTE

Area Technical Colleges
John Jones, Jeff Barratt and Teina McConnell
4,006 Student FTE

Aims Community College
Dr. Leah Bornstein
3,356 Student FTE

Colorado Mountain College
Dr. Carrie Besnette Hauser
3,363 Student FTE

COLORADO'S PLANNING and ACCOUNTABILITY STRUCTURE FOR HIGHER ED

50,000 foot view
Statewide Vision

CCHE Master Plan 2025

(2012 – adopted; 2017 – anticipated update)

ACHIEVE 66% POSTSECONDARY CREDENTIAL – *CERTIFICATES AND DEGREES* - BY 2025

Goal 1 - *Increase Attainment*
Goal 2 - *Improve Student Success*
Goal 3 - *Reduce Gaps*
Goal 4 - *Restore Fiscal Balance*

25,000 foot view
Implementers

Institutions of Higher Education

Department of Higher Education

On The Ground
Activities

Performance Contract Metrics

How Institutions Support Achieving Master Plan Goals

Higher Education Funding Allocation Formula

(College Opportunity Fund & Fee-For-Service Contracts)

Allocates state general fund operating investment based on metrics and factors:

* The ***number*** of students served;
* The ***cost*** of serving them; and,
* The ***success*** of these students.

CCHE Workplan Activities

(2012 – 2017)

Aspects of the CCHE 2012-2017 Workplan Implemented by the Department

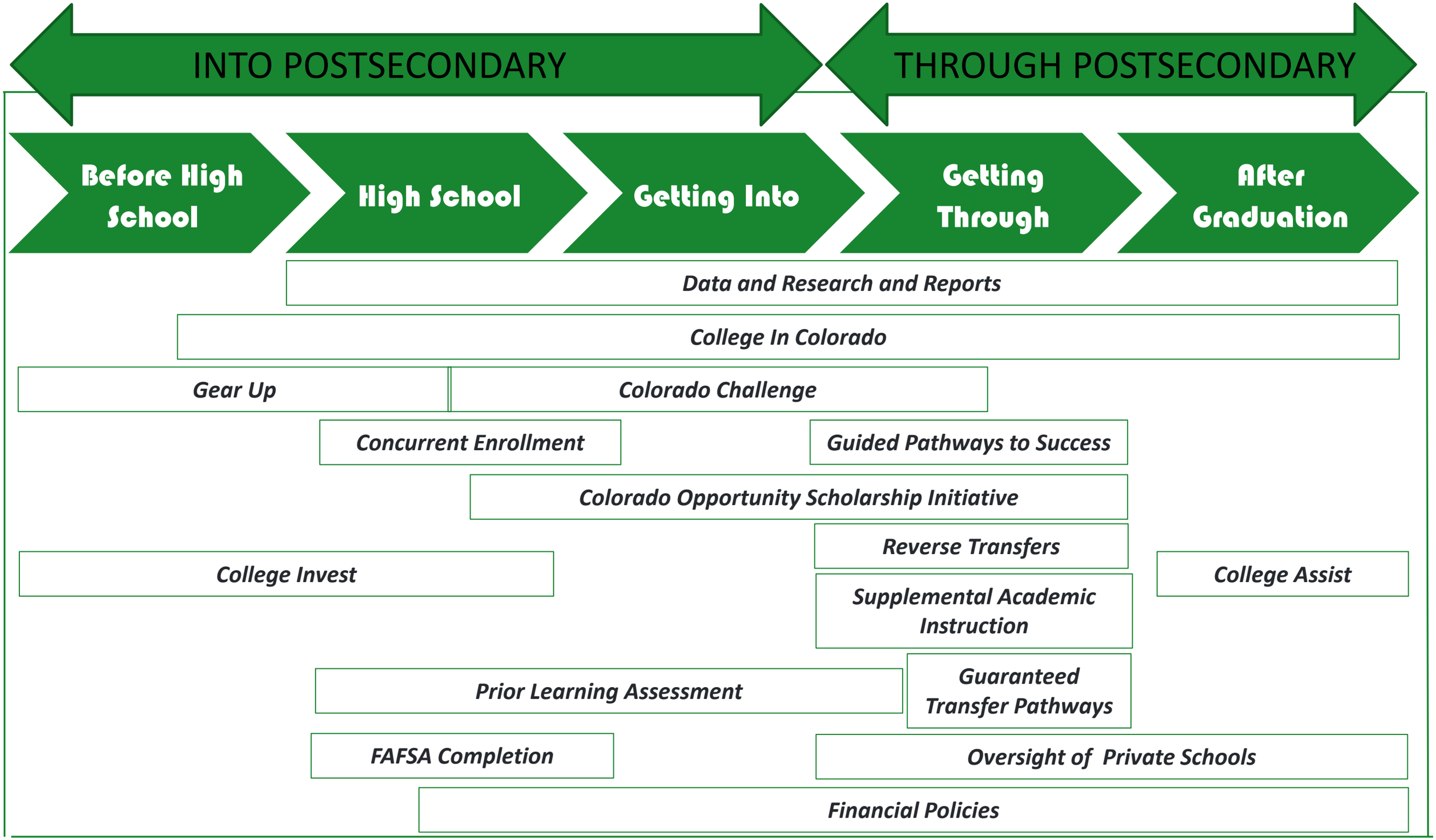
Strategic Policy Initiatives (*)

(2017 – 2018)

How DHE Supports Achieving Master Plan Goals

SPI 1 - *Close the Attainment Gap* (*)
SPI 2 - *Keep College Affordable*
SPI 3 - *Engage and Educate Adults*

THE DEPARTMENT'S ROLES IN THE HIGHER EDUCATION PIPELINE



FY 2017-18 Governor's Budget Request: ***$20.5 Million***

OPERATING:
$16.7 million

A 2.5% increase for public colleges and universities.

FINANCIAL AID:
$3.8 million

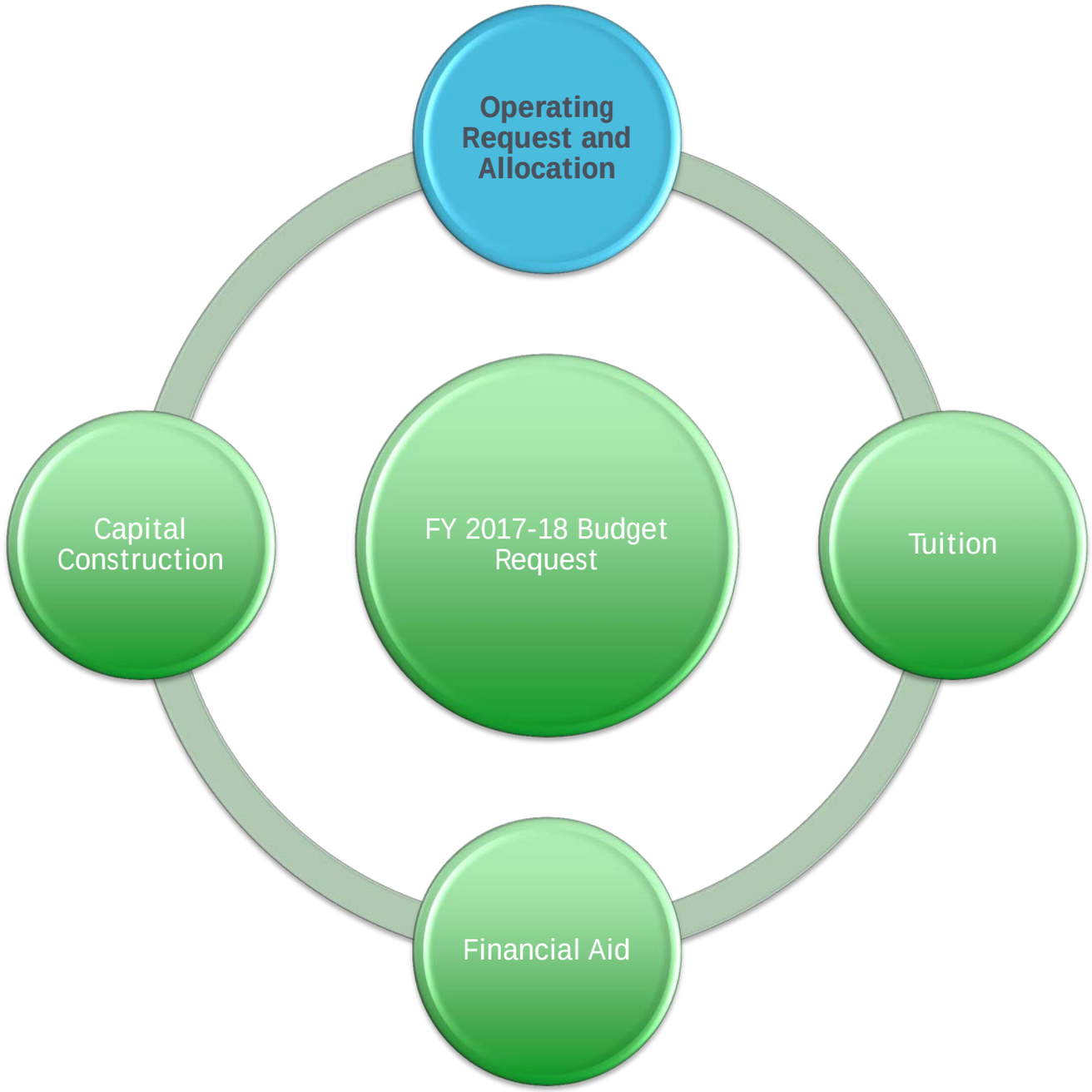
Statutory increase to Financial Aid

Linked Finance Policies

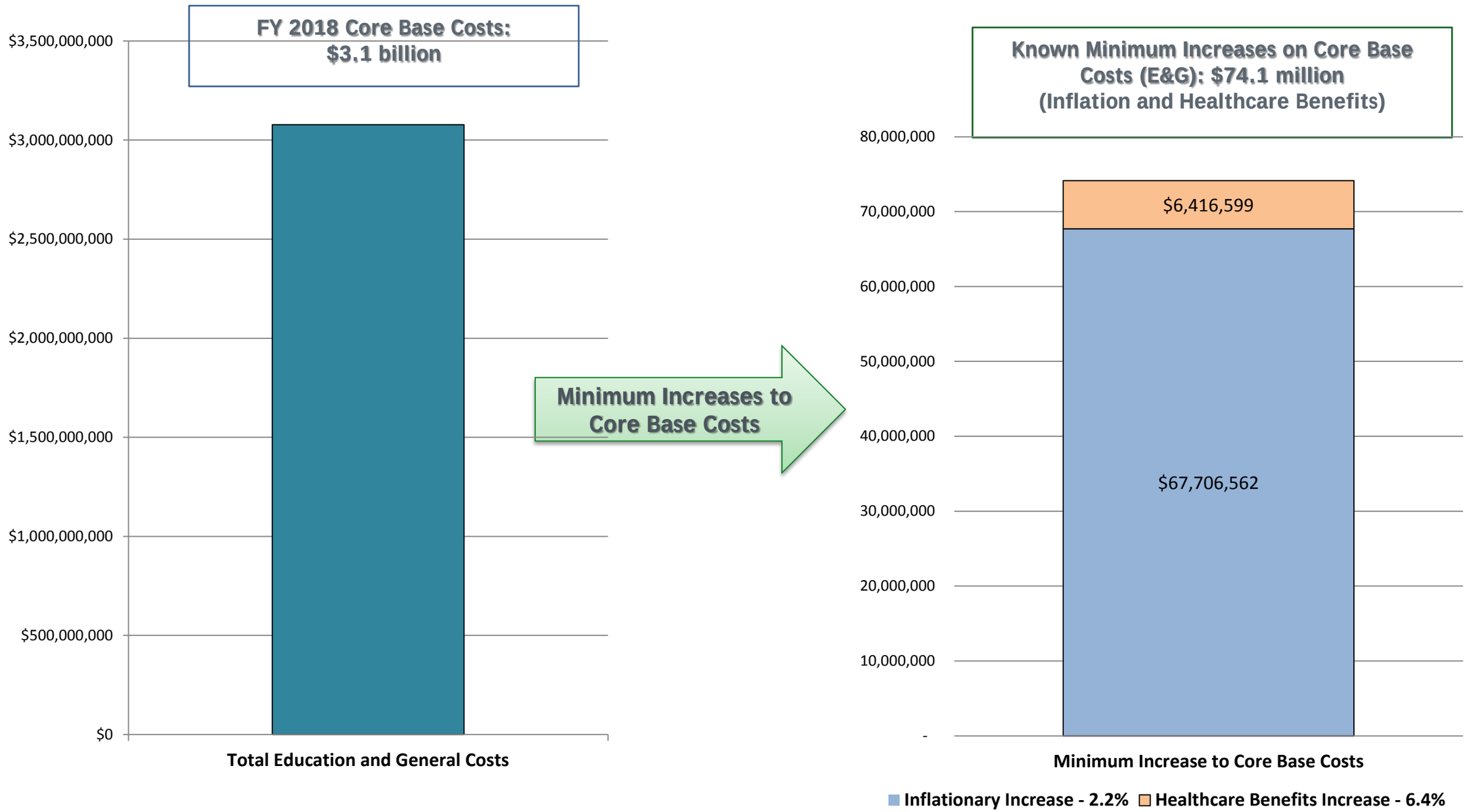
TUITION:

Governor's request links institutional tuition amounts to General Fund investment.

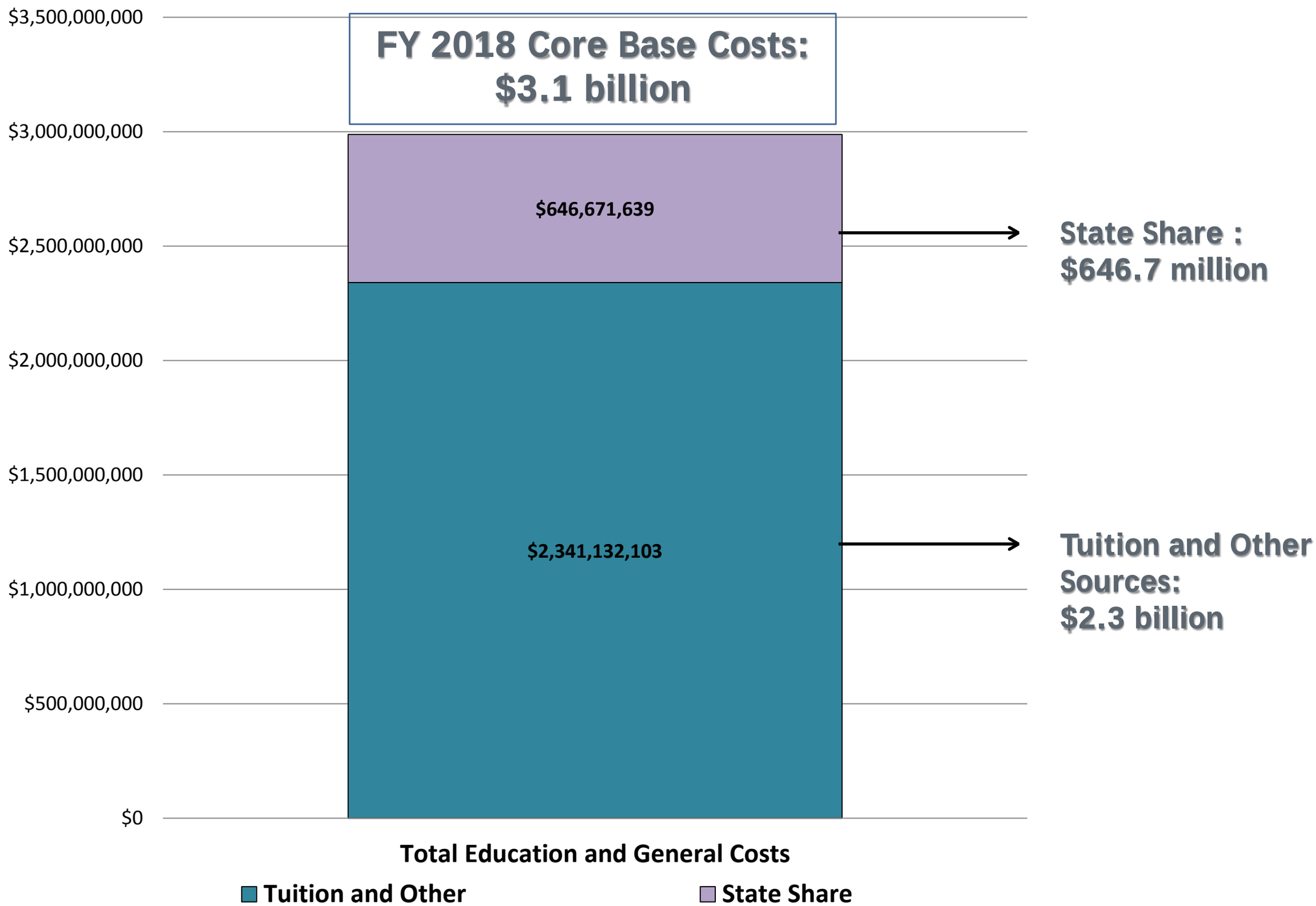
FY 2017-18 Governor's Budget Request: **State Operating**



Core Base Costs & Known Minimum Increases Requires Significant Annual Investment

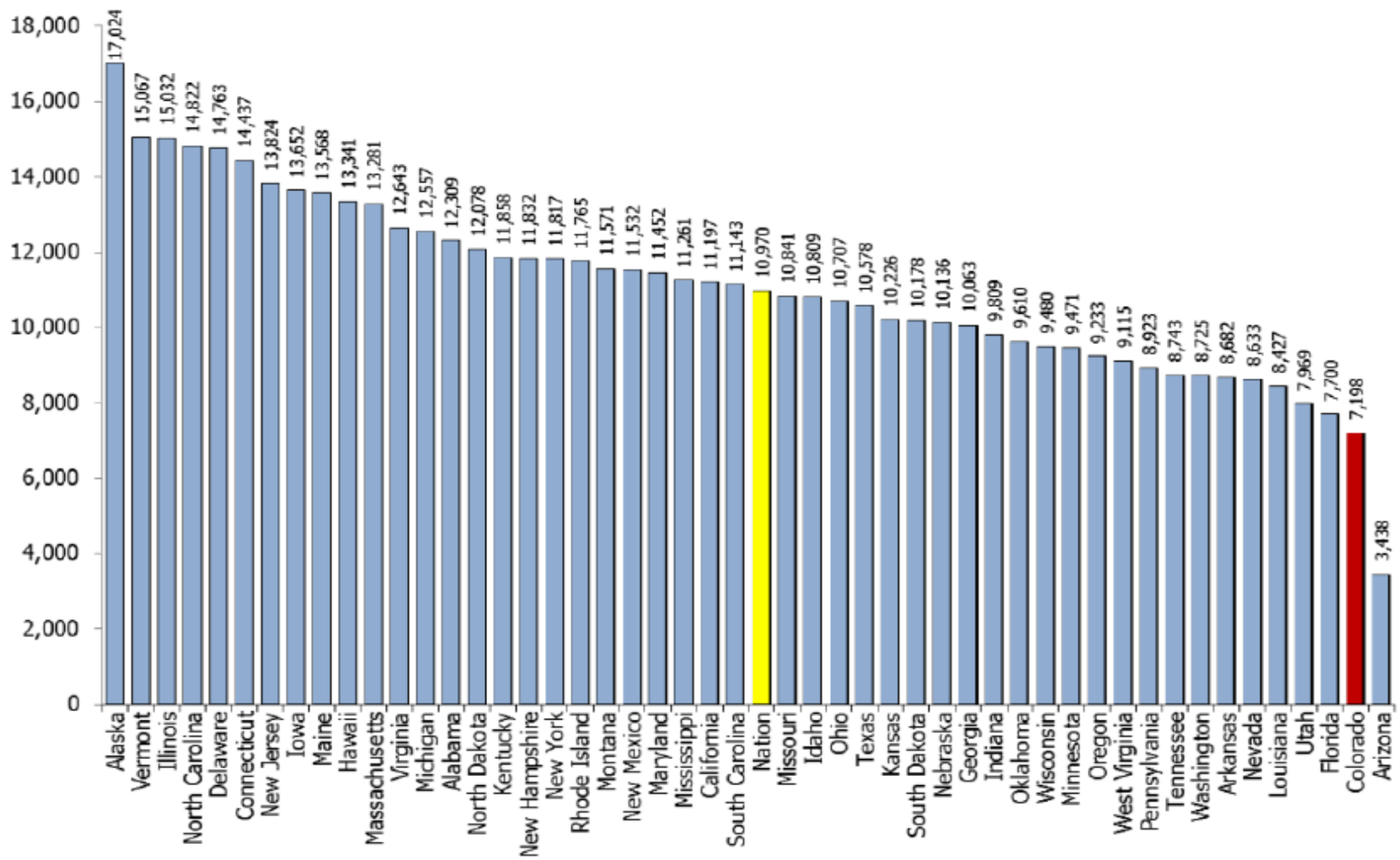


Revenue Sources: Financing of Core Base Costs



Colorado Costs are Lower than National Average

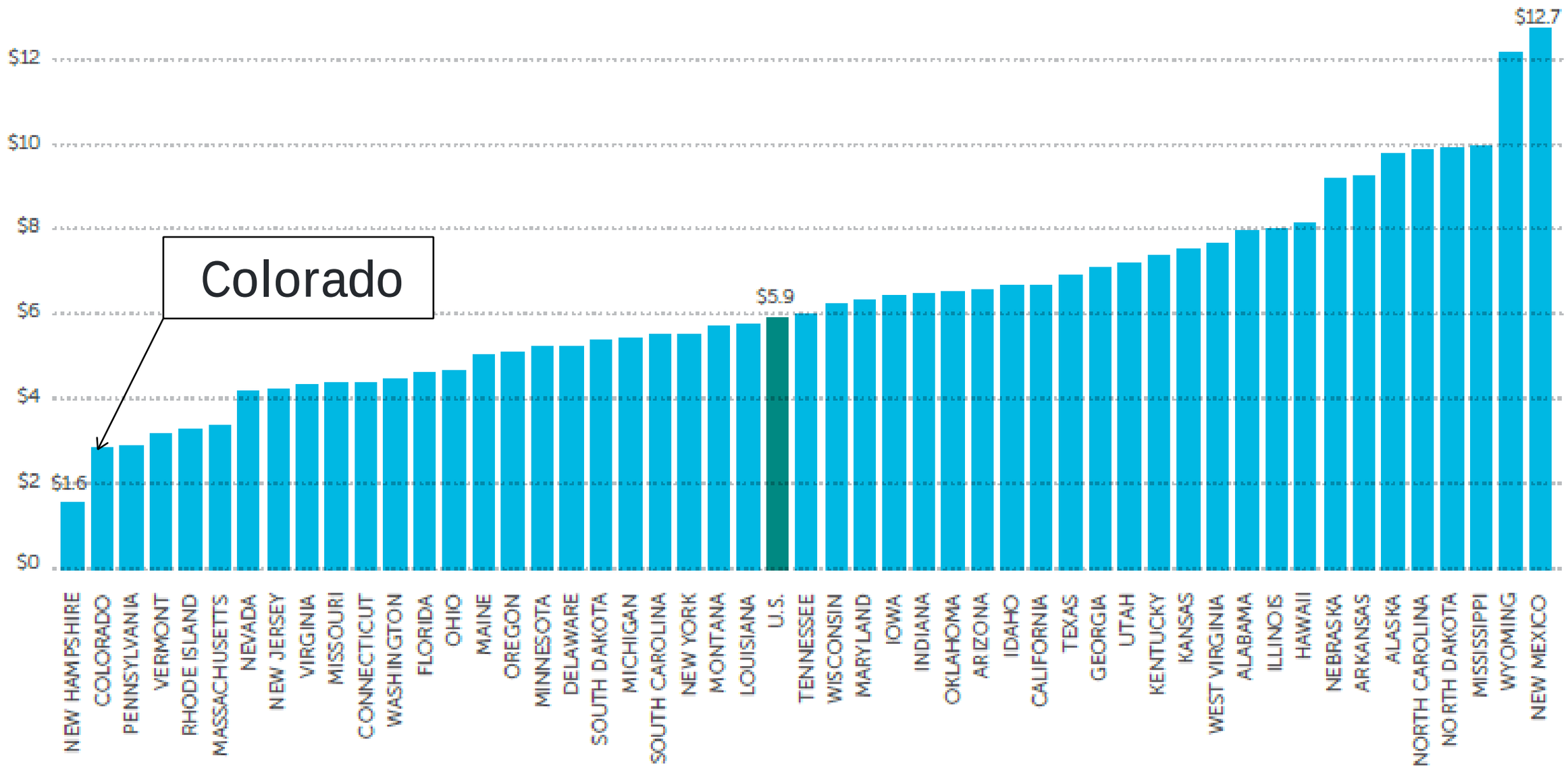
Figure 2. Funding from Tuition & Fees and State Appropriations per FTE Student, Public Masters, Bachelors, Other 4-Year, 2012-13



Sources: NCES, IPEDS 2012-13 Provisional Release Finance Files; f1213_f1a, f1213_f2 GASB & FASB Finance Files; NCES, IPEDS 2012-13 Instructional Activity File; efia2013 Provisional Release Data File; NCES, IPEDS 2013-14 Institutional

Colorado's funding, and therefore cost, per full time student is the ***second lowest in the nation***

HIGHER EDUCATION SUPPORT PER $1,000 OF PERSONAL INCOME BY STATE, FY 2014



NOTE: Higher education support is state and local tax and nontax support for public and independent higher education, including special purpose appropriations for research-agricultural-medical.

SOURCE: State Higher Education Executive Officers

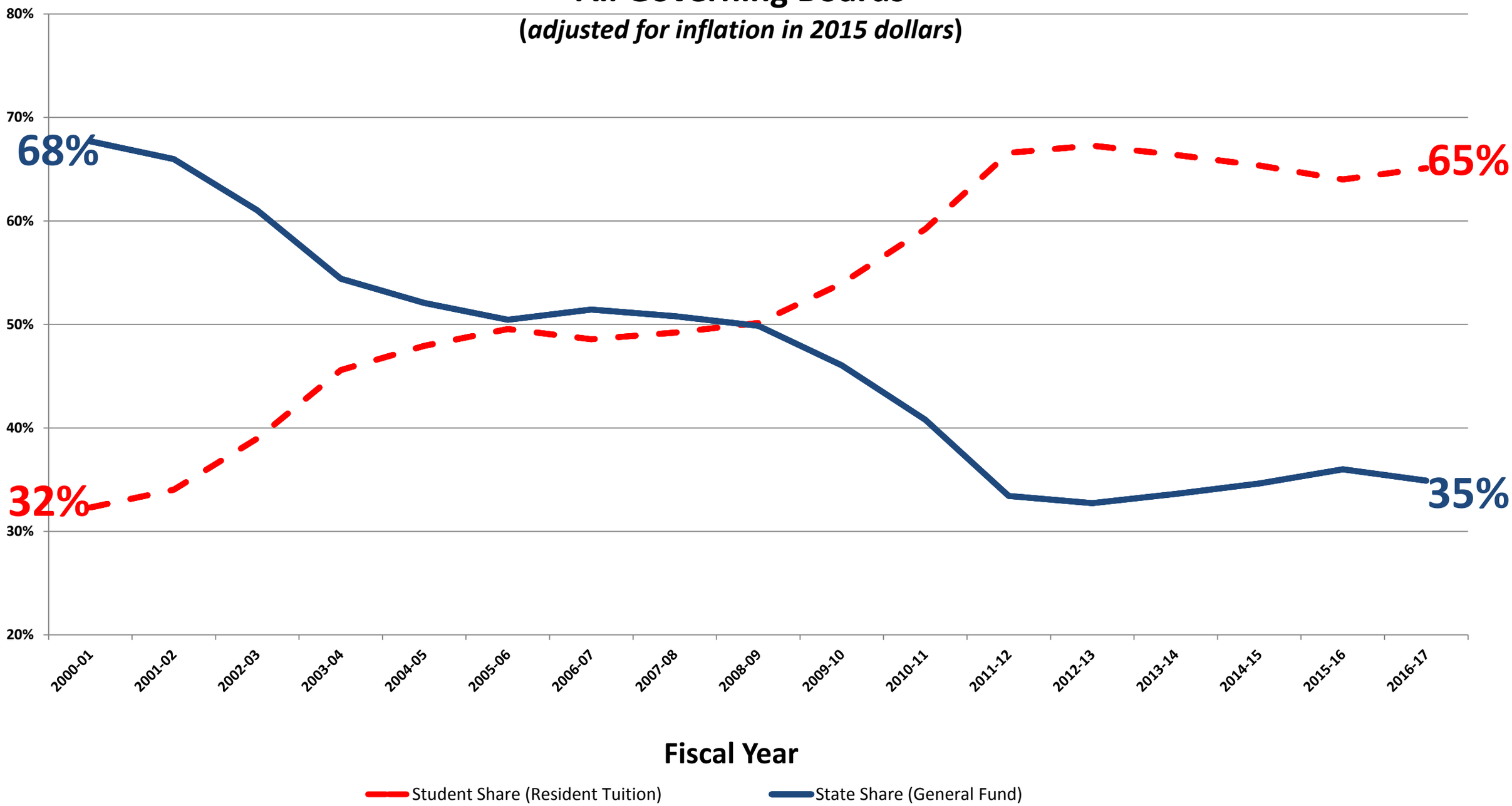
Population and personal income data is from U.S. Census Bureau and Bureau of Economic Analysis.

Average Resident Student's Share of College

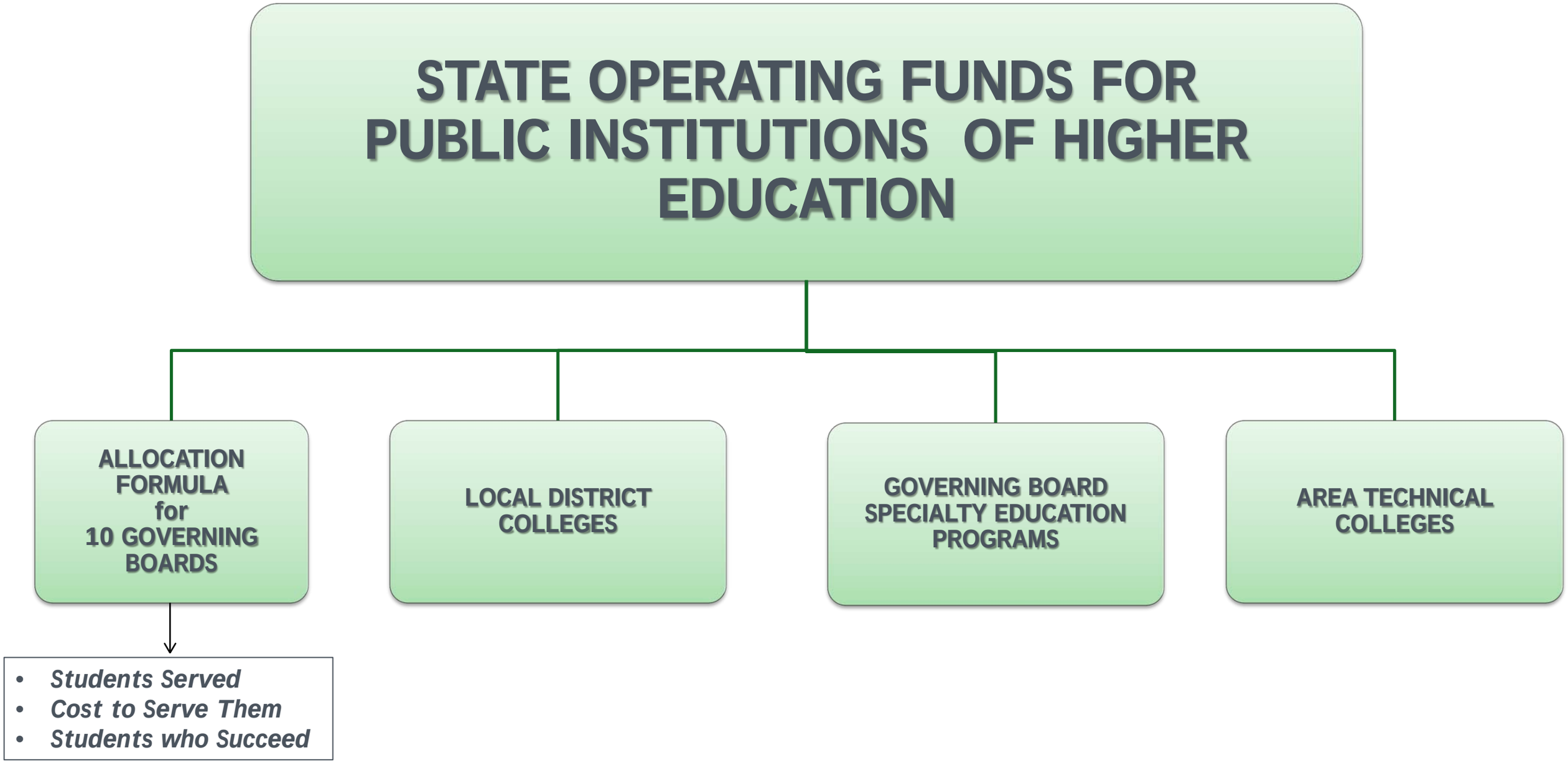
- Tuition vs. State Funding -

All Governing Boards

(*adjusted for inflation in 2015 dollars*)



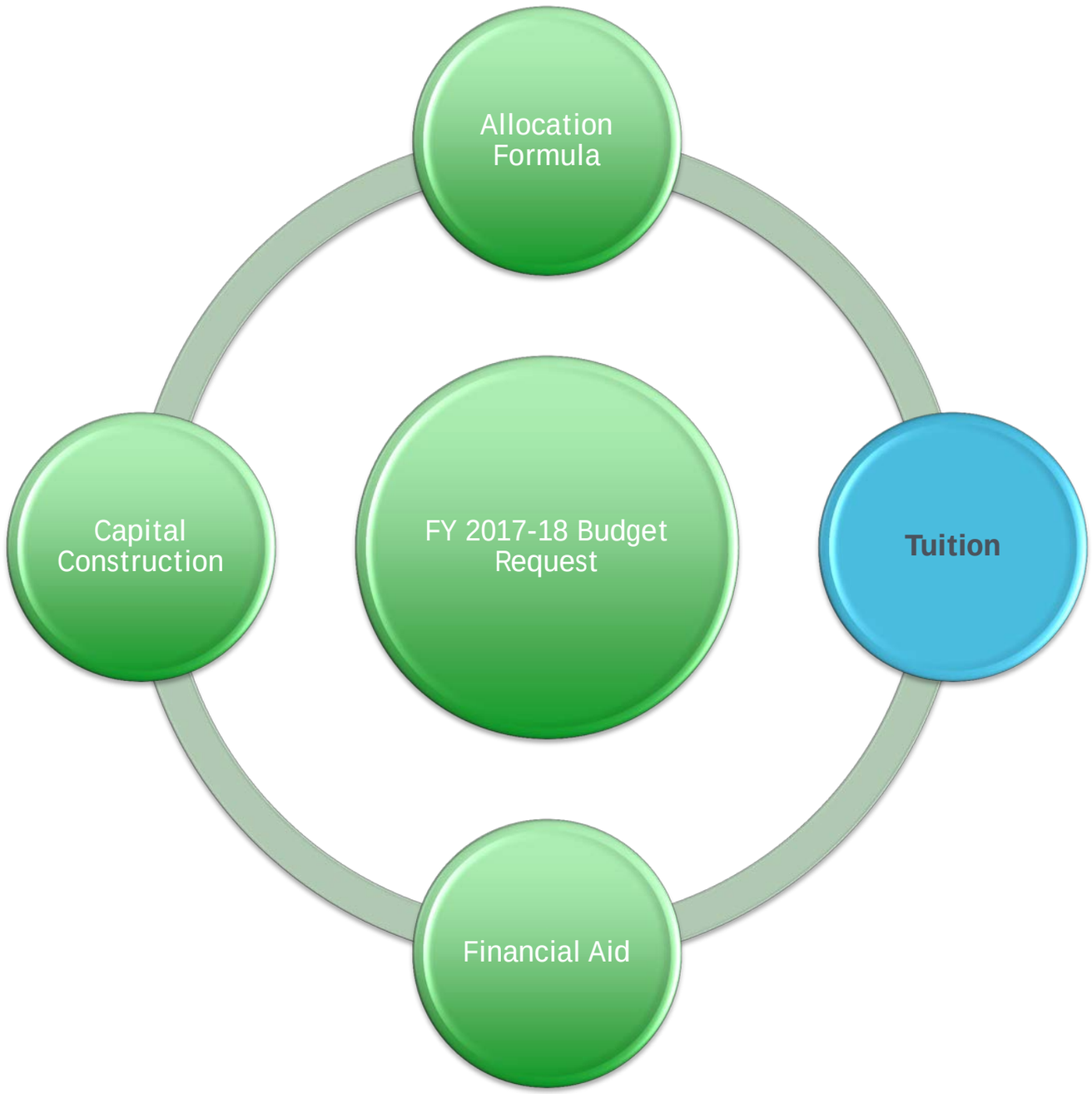
Allocation of Higher Education Funding



GOVERNOR'S BUDGET REQUEST: FY 2017-18 ALLOCATIONS

Governing Board	FY 16-17 Approps (w/SEP)	FY 17-18 Allocation	Percent Change from Prior Year	Change in $
Adams	14,076,360	$14,259,964	1.30%	183,603
Mesa	24,280,729	$25,951,161	6.88%	1,670,432
Mines	20,639,050	$21,484,706	4.10%	845,656
CSU	134,518,307	$138,410,526	2.89%	3,892,219
CCCOES	153,255,147	$153,634,215	0.25%	379,068
Ft. Lewis	11,481,200	$11,784,938	2.65%	303,739
Metro	51,415,001	$51,626,603	0.41%	211,602
CU	186,432,686	$194,218,227	4.18%	7,785,541
UNC	39,038,234	$39,522,408	1.2%	484,174
Western	11,534,927	$11,821,896	2.49%	286,970
				-
CMC	7,143,039	$7,319,484	2.47%	176,445
AIMS	8,446,176	$8,654,810	2.47%	208,634
Area Technical Colleges	9,971,721	$10,218,039	2.47%	246,318
* Total	672,232,577	688,906,977	2.4805%	$16,674,400*

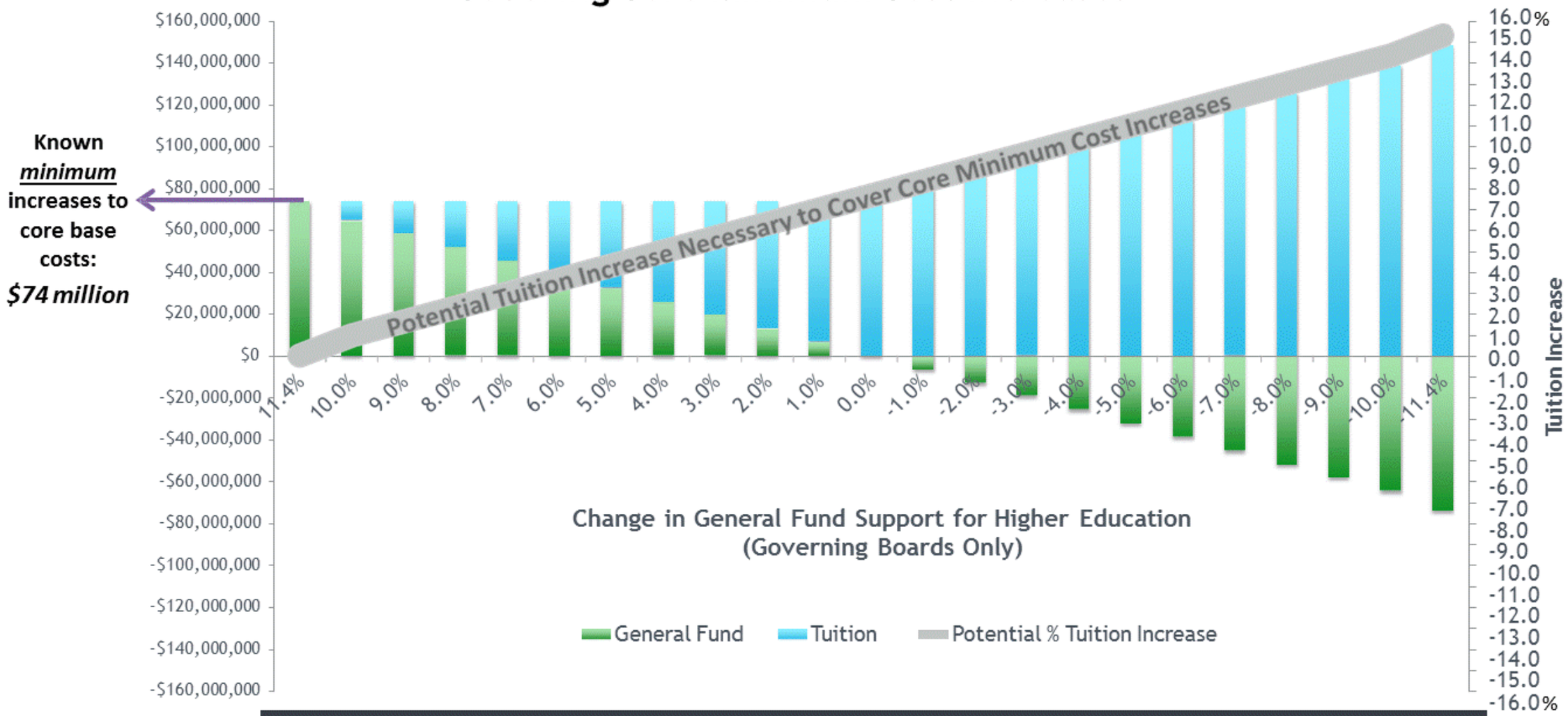
FY 2017-18 Governor's Budget Request: ***Tuition***



FY 2017-18 COST SHARING MATRIX

Linking the General Fund & Tuition

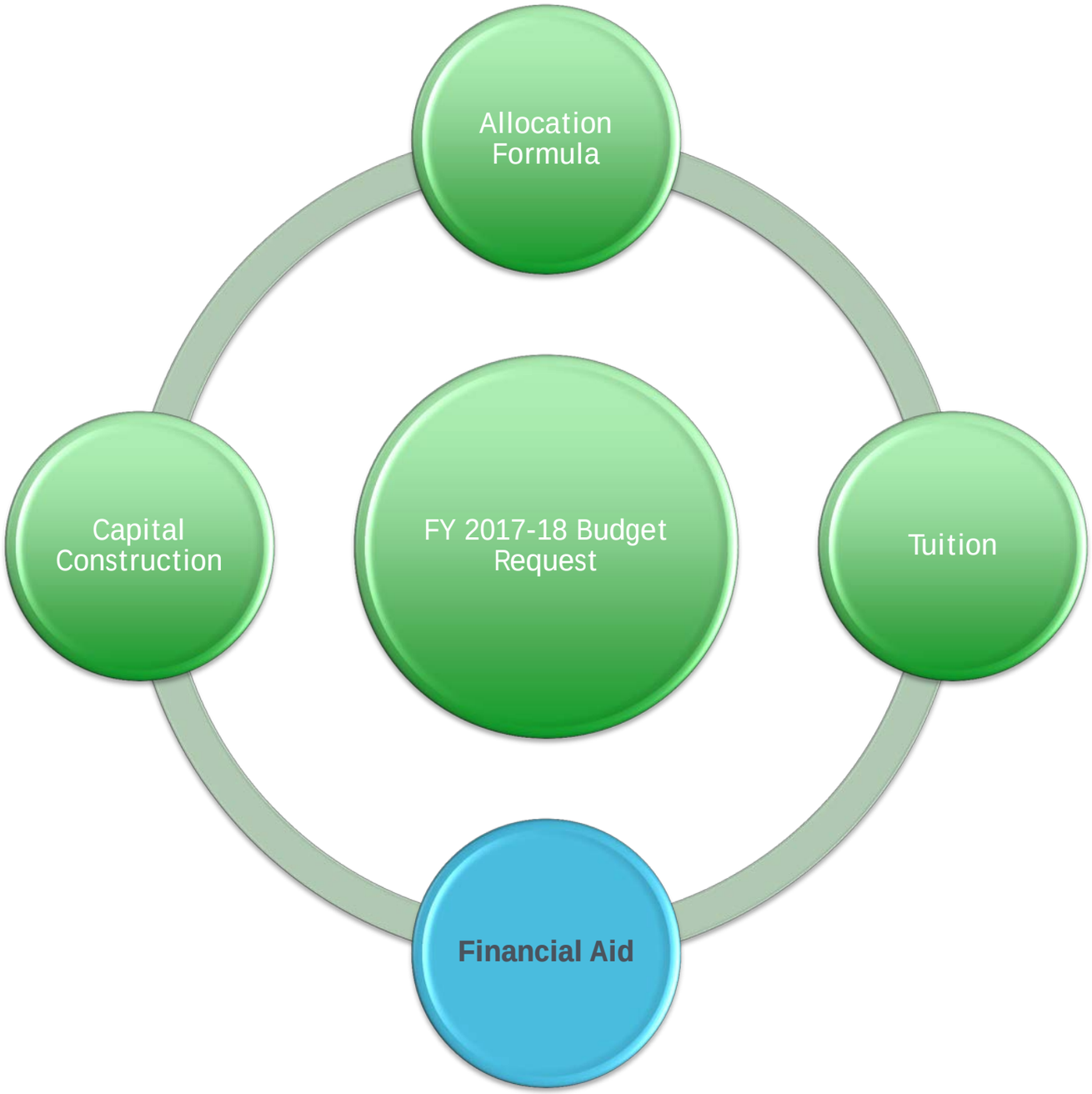
Covering Core Minimum Cost Increases



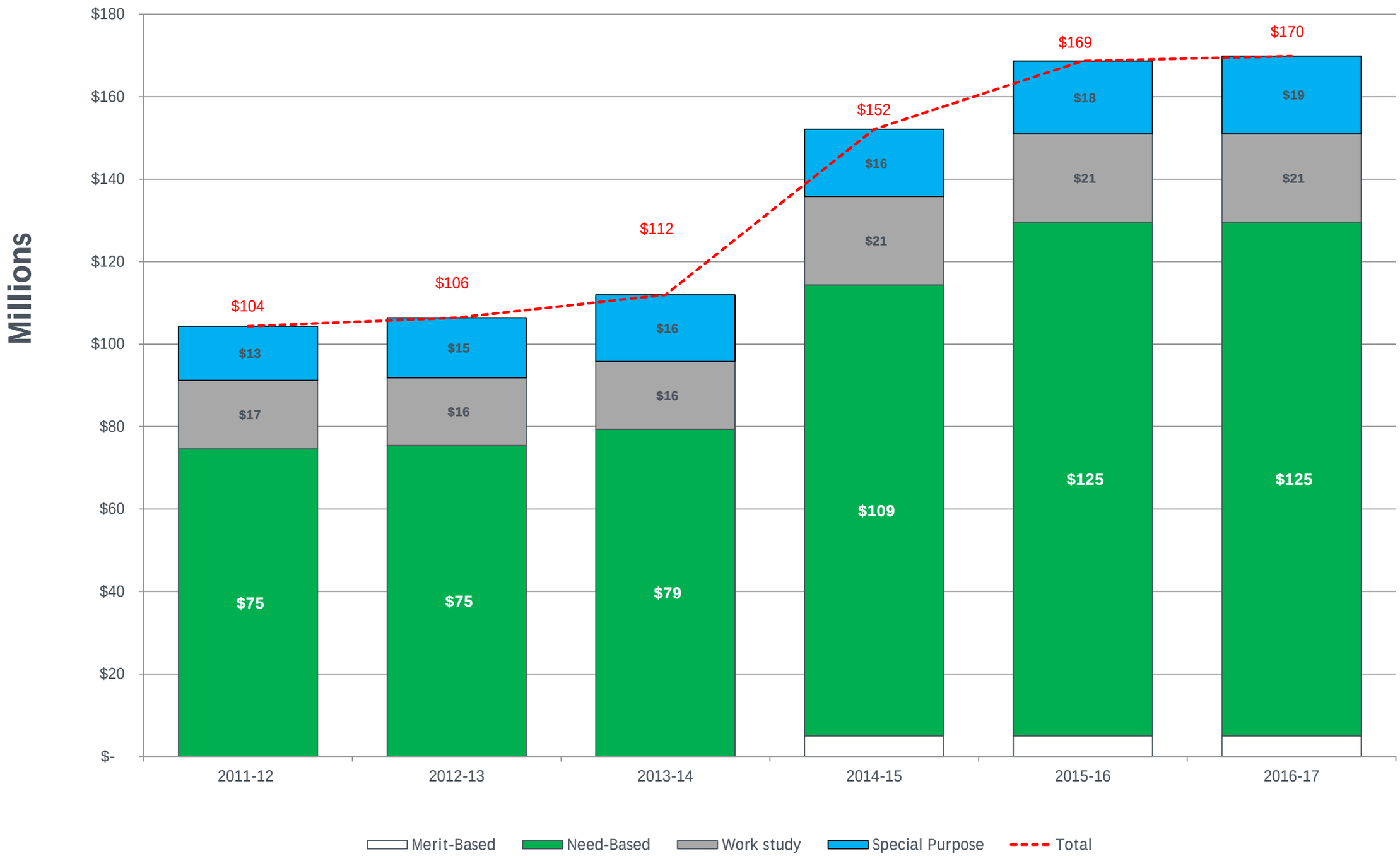
- *Assumes institutions can raise tuition to cover core costs and minimum increases.*
- *Does not include costs above inflation or strategic improvements, including but not limited to maintaining the quality of educational programs and offerings.*

FY 2017-18 Resident Undergraduate Upper Tuition Rate Limit Increase										
	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines	UNC	CCCOES
Resident	7.0%	6.0%*	7.0%	6.0%	6.0%	6.0%	5.0%*	5.0%	7.0%	7.7%

FY 2017-18 Governor's Budget Request: ***Financial Aid***



State Funded Financial Aid by Fiscal Year



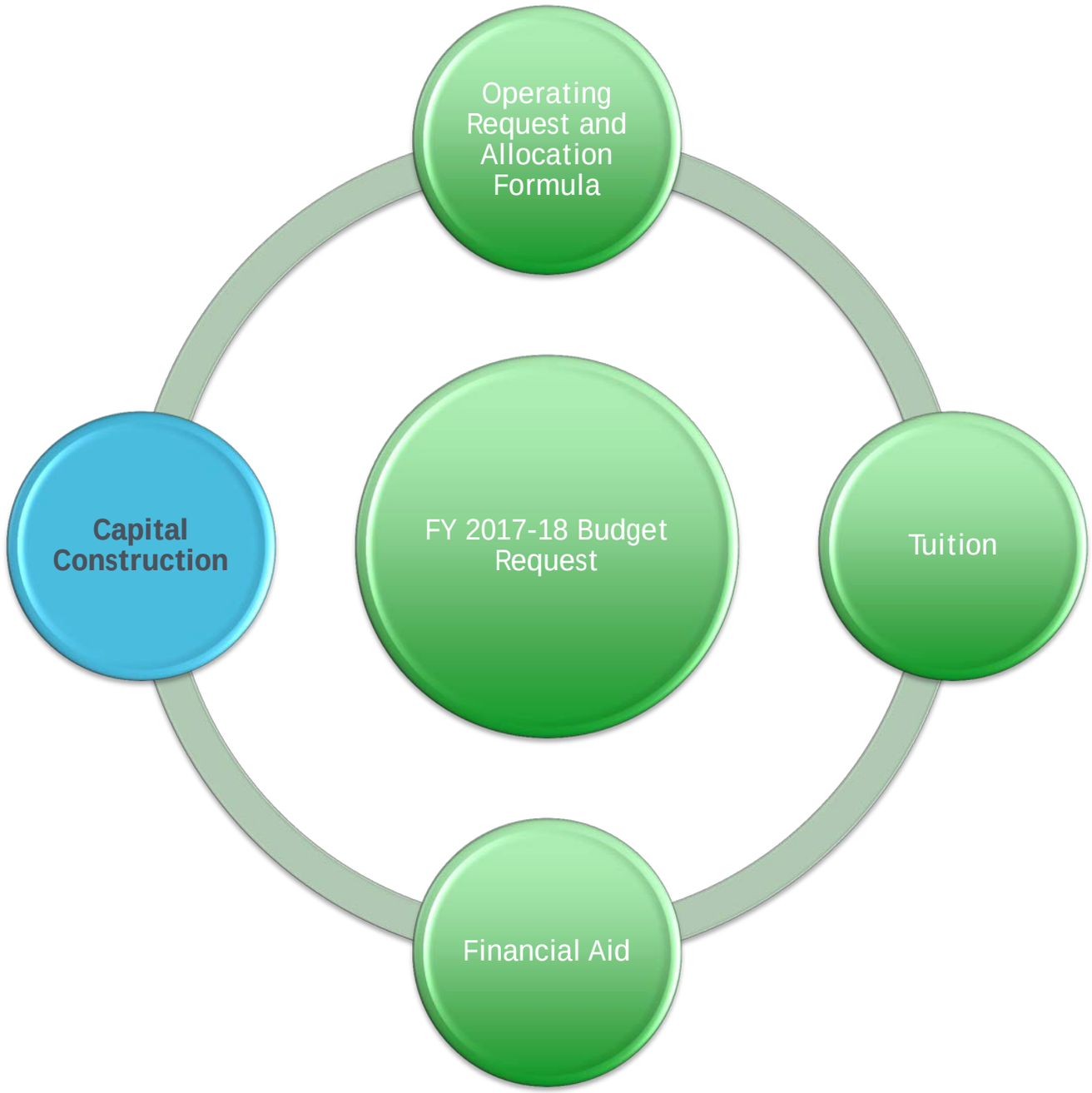
OTHER ITEMS IN GOVERNOR's BUDGET REQUEST

- **$88,300 General Fund for the Fort Lewis College Native American Tuition Waiver *(R-03)* -** *An increase of $88,300 General Fund is needed to fund the Fort Lewis College Native American Tuition Waiver in FY 2017-18. Colorado is required via Federal treaty and state law to provide full tuition assistance to any qualified Native American student who attends Fort Lewis College.*

- **$44,125 Reappropriated Funds to Fund the Western Interstate Commission on Higher Education Professional Student Exchange Program *(R-04)* -** *The Department requests that the Professional Student Exchange Program funding be increased to cover an additional three spots in FY 2017-18 ($44,125) for a total appropriation of $443,125. The appropriation needs to annually increase by 2 percent to keep up with the support fee increase.*

- **$4,000 Reappropriated Funds to Pay for the Annual Dues Increase for the Western Interstate Commission for Higher Education (WICHE) *(R-04)* -** *WICHE is a regional organization comprised of 15 western states, which provides interstate student and research benefits. Membership allows Colorado higher education institutions to participate in the Western Undergraduate Exchange program, whereby students can pay 150 percent of resident tuition to attend the out-of-state institutions. An increase of $4,000 reappropriated funds for the WICHE line item will allow the Department to pay the increased fees and maintain its membership in FY 2017-18.*

FY 2017-18 Governor's Budget Request: ***Capital***



Capital Construction

Governor's Budget Request for Higher Education:

- Colorado School of Mines Green Center: Two-year request ($17 million total, $8.5 million in Cash Funds).

- $20,013,721 Requested for Controlled Maintenance

Fiscal Year 2017-18 CCHE Prioritized List submitted to CDC and JTC:

- 32 total submissions ($353.3 million in state funds) ($116.0 million in cash funds)

- 26 capital construction projects; 6 IT projects.


Questions
COLORADO

COLORADO MOUNTAIN COLLEGE

do something MAJOR

LOW DEBT DEGREES

2016–2017 Annual Cost of Attending CMC

	In-District	In-State	Out-of-State
Associate Tuition	$1,860	$3,810	$12,870
Student Activity Fee	$180	$180	$180
Technology Fee*	$300	$300	$300
Room/Board	$8918	$8918	$8918
Books	$1200	$1200	$1200
TOTAL	**$12,458**	**$14,408**	**$23,468**
Bachelor's Tuition**	$2970	$6360	$12,870

**Technology fees for students who live off campus are only $100*
***Tuition for bachelor's courses (300-400 level)*

Special rates available for veterans and military families and other groups. Visit **www.coloradomtn.edu/tuition** for more information.

Financing Options:

- Payment Plan: Pay your tuition and fees in monthly payments
- Financial Aid: **www.coloradomtn.edu/financial_aid**
- Scholarships: **www.coloradomtn.edu/scholarships**

FAST FACTS

- Colorado Mountain College graduates include Fulbright Scholars, NASA researchers, and Pulitzer Prize winners.
- Eight athletes from the 2014 Sochi Winter Olympic Games studied here.
- 77% of full-time faculty hold advanced degrees.
- Third lowest cost bachelor's degree in US and lowest cost in Colorado.
- Google Reviews 4.7 ★★★★½

TO APPLY

- Get started, apply online: **www.ColoradoMtn.Edu**
- There is no fee to apply, and no general application deadline. Apply prior to March 1st to be considered for scholarships. Special program and financial aid deadlines are below.

APPLICATION DUE DATES

Financial Deadlines:

Mar 1.....CMC Foundation Scholarships Application
Mar 31.....Federal Financial Aid Priority Deadline

Program Deadlines:

Jun 15.....BSN: Fall Semester Start
Nov 15.....BSN: Spring Semester Start
Mar 1.....Culinary Apprenticeship
May 15.....Isaacson School for New Media (Digital Media, Graphic Design, Photography)
Feb 1.....Nursing (AAS)
Oct 31.....Paramedic: Spring Semester Start
May 15.....Veterinary Technology Priority Deadline

COLORADO MOUNTAIN COLLEGE

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