

Joint Budget Committee



Staff Figure Setting FY 2025-26

Department of Higher Education (Governing Boards and Financial Aid)

JBC Working Document - Subject to Change

Staff Recommendation Does Not Represent Committee Decision

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How to Use this Document: The Department Overview contains a table summarizing the staff recommended incremental changes followed by brief explanations of each incremental change. A similar overview table is provided for each division, but the description of incremental changes is not repeated, since it is available under the Department Overview. More details about the incremental changes are provided in the sections following the Department Overview and the division summary tables.

Decision items, both department-requested items and staff-initiated items, are discussed either in the Decision Items Affecting Multiple Divisions or at the beginning of the most relevant division. Within a section, decision items are listed in the requested priority order, if applicable.

In some of the analysis of decision items in this document, you may see language denoting certain 'levels of evidence', e.g. theory-informed, evidence-informed, or proven. For a detailed explanation of what is meant by 'levels of evidence', and how those levels of evidence are categorized, please refer to Section 2-3-210 (2), C.R.S.

Department Overview

The public higher education system served 188,568 full-time equivalent students (FTE) in FY 2023-24, including 148,463 Colorado residents.¹ Most students attend one of the 27 state institutions that are overseen by ten state governing boards, but about seven percent attend local district colleges, which receive regional property tax revenues in addition to state funding, and area technical colleges, which offer occupational certificates and serve both secondary and postsecondary students. Approximately one-third of student FTE attend community colleges, local district colleges, and area technical colleges, which focus primarily on two-year degrees, technical certificates, and other applied training.

The Colorado Commission on Higher Education (CCHHE) coordinates the higher education delivery system, including requests for state funding. The CCHHE has some regulatory authority over the public higher education institutions in areas such as role and mission, degree programs, the transfer of credits, and performance reporting. However, each institution has a governing board that makes policy and budget decisions for the institution.

The General Assembly has delegated significant budgetary control to the governing boards of the higher education institutions. The members of the governing boards are generally appointed by the Governor, except at the University of Colorado, which has an elected Board of Regents. Within broad parameters, the governing boards are allowed to determine how to spend the revenue they earn, and they can retain unspent funds at the end of each fiscal year for future initiatives.

The Department includes the following divisions and programs:

- **Colorado Commission on Higher Education**, including staff, operating expenses, and special purpose programs. The executive director of CCHHE is also the executive director of the Department. The **Department Administrative Office** includes centrally-appropriated amounts for CCHHE and History Colorado.
- **Financial aid** programs, which fall under the purview of CCHHE. The director of CCHHE also appoints the directors of College Assist and CollegeInvest, which are both statutorily authorized state enterprises with responsibilities related to student loans and college savings programs. Both of these programs are off budget.
- The **College Opportunity Fund** Program, which provides stipend for undergraduate resident students to attend public colleges and participating private colleges in Colorado. The section also includes appropriations for fee-for-service contracts with public higher education institutions for graduate education and other educational services not covered by the stipends.

¹ About 40 percent of Colorado high school graduates attend Colorado postsecondary public institutions the fall after they graduate from high school. About 15 percent attend private and out-of-state institutions.

- Appropriations for each of the higher education **Governing Boards**. Tuition, stipend, and fee-for-service spending authority for public higher education institutions is provided in the Governing Boards section.
- The **Division of Occupational Education** oversees Colorado Vocational Act programs, the Area Vocational Schools, federal Perkins technical training programs, and resources for the promotion of job development, job training, and job retraining.
- State subsidies for **Local District Junior Colleges; History Colorado;** and the **Auraria Higher Education Center**, which maintains the single shared campus of the Community College of Denver, Metropolitan State College of Denver, and the University of Colorado at Denver and Health Sciences Center.

Summary of Staff Recommendations

Department of Higher Education						
Item	Total Funds	General Funds	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$6,242,497,351	\$1,664,318,129	\$3,231,817,454	\$1,319,354,348	\$27,007,420	27,547.5
LB Supp Tuition	53,081,050	0	53,081,050	0	0	0.0
LB Supp Fees	21,021,949	0	21,021,949	0	0	0.0
LBsup Financial aid and COF private stipend	0	0	0	0	0	0.0
LBsup Educator stipends	-920,000	0	0	-920,000	0	0.0
S.B. 25-094 (Supplemental)	453,984	5,944	448,040	0	0	0.0
Total	\$6,316,134,334	\$1,664,324,073	\$3,306,368,493	\$1,318,434,348	\$27,007,420	27,547.5
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$6,316,134,334	\$1,664,324,073	\$3,306,368,493	\$1,318,434,348	\$27,007,420	27,547.5
R1 State funding and tuition for higher ed	115,999,710	-12,663,566	140,818,152	-12,154,876	0	0.0
R2 Fort Lewis Native American Tuition Waiver	-720,972	-720,972	0	0	0	0.0
R3 Financial aid staff	87,555	87,555	0	0	0	1.0
R4 COF statute realignment	0	0	0	0	0	0.0
R5 PSEP optometry program roll-off	-84,850	0	0	-84,850	0	0.0
R6 DTAP realignment	0	0	0	0	0	0.0
R7 Reduce limited purpose FFS funding	-6,526,000	-3,263,000	0	-3,263,000	0	0.0
R9 Discontinue limited gaming support CHECRA	0	0	0	0	0	0.0
R10 Inclusive higher ed grants	-450,000	-450,000	0	0	0	0.0
R11 Reduce teacher mentor grants	0	0	0	0	0	0.0
R12 CUSOM refinance	0	0	0	0	0	0.0
R13 AHEC enterprise	399,242	0	0	399,242	0	0.0
BA2 DPOS spending authority	126,000	0	126,000	0	0	0.0
HC1 CENT and HSMO spending authority	239,168	0	239,168	0	0	3.0

Department of Higher Education						
Item	Total Funds	General Funds	Cash Funds	Reapprop. Funds	Federal Funds	FTE
HC2 Cumbres and Toltec RR operations	1,365,000	1,365,000	0	0	0	0.0
HC3 Historic tax credit spending authority	50,000	0	0	50,000	0	0.0
HC4 Community museum refinance	0	-20,410	20,410	0	0	0.0
Impacts driven by other agencies	-11,360,024	-8,523,844	-2,836,180	0	0	0.0
Annualize FY 21-213 FMAP adjustment	4,391,812	2,195,906	0	2,195,906	0	0.0
Centrally appropriated line items	3,679,863	2,488,790	1,311,963	132,572	-253,462	0.0
SI student fee adjustments	2,510,808	0	2,510,808	0	0	0.0
SI Higher Ed limited gaming adjustment	1,793,824	0	1,793,824	0	0	0.0
Technical adjustments for COPs	201,658	200,000	-198,342	200,000	0	0.0
CO Geological Survey inflation	85,526	85,526	0	0	0	0.0
SI IHE employee FTE adjustments	0	0	0	0	0	488.7
SI Financial aid adjustments	0	0	0	0	0	0.0
SI Fitzsimons COP adjustment	-9,457,802	-4,358,109	-5,099,693	0	0	0.0
Annualize prior year legislation	-8,431,331	-2,645,480	-1,516,483	-4,269,368	0	-3.3
Annualize prior year budget actions	-3,358,509	-2,062,122	-1,208,387	-88,000	0	-0.6
SI Tobacco MSA revenue adjustment	-1,426,342	0	-1,426,342	0	0	0.0
SI General Fund reductions	-606,496	-606,496	0	0	0	0.0
Tech. adj. capitol complex lease	0	0	0	0	0	0.0
Total	\$6,404,642,174	\$1,635,432,851	\$3,440,903,391	\$1,301,551,974	\$26,753,958	28,036.3
Changes from FY 2024-25	\$88,507,840	-\$28,891,222	\$134,534,898	-\$16,882,374	-\$253,462	488.8
Percentage Change	1.4%	-1.7%	4.1%	-1.3%	-0.9%	0.0
FY 2025-26 Executive Request	\$6,216,770,585	\$1,632,951,550	\$3,294,138,863	\$1,262,926,214	\$26,753,958	27,323.6
Staff Rec. Above/-Below Request	\$187,871,589	\$2,481,301	\$146,764,528	\$38,625,760	\$0	712.7

Description of Incremental Changes

Note: Only items that are highlighted above are addressed in this packet.

Long Bill Supplementals: The recommendation includes:

- Adjustments to higher education tuition and fee revenue estimates for FY 2024-25, reflecting increased revenue for the institutions of \$74.1 million, including \$53.1 million in tuition and \$21.0 million in mandatory fees above the estimates in the FY 2024-25 Long Bill.
- Adjustments to the appropriations for the College Opportunity Fund stipend for students attending private institutions, Need Based Grants, and financial aid programs for students who were in foster care or homeless while in high schools. The combined impact of these adjustments is \$0.
- A reduction of \$920,000 for educator stipends that originate as State Education Fund money in the Department of Education based on underexpenditures and the use of one-time federal ARPA funds that were used in lieu of these dollars.

R1 State funding and tuition for higher education [legislation requested]: *General Fund:* The recommendation is for a **reduction** of \$12,663,566 General Fund (a 1.0 percent decrease) in support for the higher education institutions, with no adjustment for financial aid, to help address balancing the State’s General Fund budget. On a statewide basis, this reduction is more-than-offset by a projected increase in tuition revenue.

The request included an **increase** of \$12,099,999 General Fund for public higher education institutions and financial aid, representing a 0.8 percent General Fund increase. This included an increase of \$9.8 million General Fund (0.8 percent) for the public institutions of higher education and \$2.3 million General Fund for Need Based Grants (aligned financial aid).

In both the request and recommendation, funding for the institutions is allocated using the funding formula established by H.B. 20-1366. Both versions use solely the Performance section of the model, which compares institutions' performance changes over time with the performance changes of other institutions in eight areas: resident FTE enrollment, credential production, Pell eligible enrollment, underrepresented minority enrollment, retention rate, graduation rate in 100% of time, graduation rate in 150% of time, and first generation enrollment. This portion incorporates base funding for the state institutions plus (or minus) the adjustment, with specific percentages varying by institution. The local district colleges, and the area technical colleges receive the average increase or decrease.

Both the request and recommendation leave the College Opportunity Fund (COF) stipend at the current \$116 per credit hour or \$3,480 per year for a full time, full year (30 credit hour) student.

Tuition: The recommendation includes an increase of \$140.8 million for tuition, which incorporates 4.5 percent increase for resident students and a 3.0 percent increase for nonresident students. The request included \$64.8 million, with a requested tuition increases of 2.3 percent for in-state undergraduates and 2.4 percent for other students at the state-operated governing boards (and did not incorporate enrollment changes, due to timing). Statute specifies that tuition rate assumptions are identified in Long Bill footnotes.

Legislation: The request also includes a request for the JBC to sponsor “transparency” legislation to facilitate more consistent collection of data from institutions through a statutory requirement. Staff recommends that the institutions, OSPB, and the Department be requested, through an RFI, to collaborate over the summer to present a version of this proposal on which all agree.

R2 Fort Lewis Native American Tuition Waiver: The recommendation is for a decrease of \$720,972 General Fund for the Fort Lewis College Native American tuition waiver, bringing total waiver payments to \$21,307,918. This compares to a requested reduction of \$189,037 General Fund that was based on earlier data. Waiver payments are mandated by Section 23-52-105 (1)(b)(I), C.R.S., which requires the General Assembly to fund 100 percent of the tuition obligations for qualifying Native American students attending Fort Lewis College. Funding for the tuition waiver is made one year in arrears and is calculated based on prior year enrollment estimates. Almost all funds support nonresident tuition payments for Native American students who are not Colorado residents; however, the majority of these students are from tribes with historical ties to the State.

R4 COF statute realignment [legislation requested]: The request proposed a decrease of \$4,009,595 General Fund related to a proposal to reduce the current credit hour cap for students who claim the College Opportunity Fund (COF) student stipend from the current 145 credit hours. The proposal would reduce this cap to 140 credit hours for current students and 135 credit hours for new students and eliminate the authority for institutions to waive this restriction, leaving such authority with the Colorado Commission on Higher Education. As submitted, the request did not include institution-specific data (the request is structured as an equal reduction for each state governing board). It also did not identify additional tuition revenue institutions might earn from students as a result. *JBC Staff does not recommend this request.*

R6 DTAP realignment [legislation requested/option]: The Department requests that the JBC sponsor legislation to refine the Dependent Tuition Assistance Program (DTAP). The request indicates an expectation that there may be future savings from the proposed changes, but no dollar reduction is included in the request for FY 2025-26. The annual appropriation for the program is \$1,643,700, though actual expenditures have been lower in recent years.

JBC staff does not recommend sponsoring legislation that results in no savings in the current fiscal environment. However, staff has identified options for trimming this program that, if adopted, would result in savings.

This program pays tuition and room and board for the dependents of Colorado law enforcement officers, firefighters, national guard personnel, and backcountry search and rescue personnel who were killed or permanently disabled in the line of duty. It also offers a benefit for dependents of prisoners of war or service personnel listed as missing in action. The educational benefits provided vary depending upon the type of school a student attends (in-state public, versus in-state private, versus out-of-state).

The Department requests legislation to: eliminate funding to study abroad or attend out-of-state institutions and specify that room and board amounts must be tied to the published cost of attendance at the institution, among other components.

The staff option would eliminate both room and board payments for in-state students and funding to attend out-of-state institutions, but would apply only to students newly entering the program. Staff anticipates that this would generate savings of approximately \$250,000 General Fund in FY 2025-26 and \$500,000 General Fund in future years.

R7 Reduce limited purpose FFS funding [legislation requested]: The request proposes reductions of \$7.9 million General Fund associated with reducing or eliminate various programs currently funded based on limited purpose fee for service contracts with state institutions of higher education. The recommendation includes smaller reductions and corrects technical errors in the request, resulting in total savings \$3,263,000 General Fund if all are adopted.

Rural Healthcare Track (S.B. 22-172 and 24-221): The Department requests to discontinue this program, which it estimated would provide savings of \$2,001,667. This proposal double-counted over \$866,000 that had been provided on a one-time basis in FY 2024-25. Staff does not recommend eliminating the balance of \$1.1 million in funding for the program, which supports rural healthcare workforce initiatives at 10 governing boards across the State.

Substance Use Disorders/Recovery Friendly Workplace (S.B. 24-048): The request proposes, and staff recommends, discontinuing funding added in FY 2024-25 for the Center for Health, Work, and the Environment and the CU School of Public Health. Funding was expected to increase to \$412,577 in FY 2025-26. The funding is for staff who oversee the recovery friendly workplace program, including contracting with workplace advisors and conducting outreach. If the Committee wishes to remove this funding, *staff believes legislation is required.*

Cyber Coding Cryptology (S.B. 18-086): The request proposes to discontinue this program, saving \$5,100,000. The program includes funding for six governing boards, with the largest share (\$2.8 million) directed to CU. The staff recommendation does not eliminate funding but reduces it by 50.0 percent.

Food Systems Advisory Council (H.B. 19-1202/ S.B. 23-159): The request proposes to discontinue this program one year early, saving \$151,068, as the program is set to end in 2026. The funding is for staff support of the Council at Colorado State University. The staff recommendation instead reduces funding by 50.0 percent for the last year of the initiative.

Expanding Concurrent Enrollment Opportunities (S.B. 18-176): The request proposes, and staff recommends, eliminating \$105,000 for 1.0 FTE at the Colorado Community College System (CCCS) that supports concurrent enrollment efforts. CCCS would be expected to absorb the related costs within existing resources.

Supporting Educator Workforce (S.B. 21-185): The request is to discontinue \$239,778 directed to the CU system for supports provided to the teacher workforce statewide. The recommendation instead reduces funding by 50.0 percent for the last year of the initiative.

Other Programs: The request also proposes that three programs be continued but that they receive separate line items and sunset dates: Improve Healthcare Access for Older Coloradans (SB23-031) which adds \$1.9 million for CU; Career and Technical Education and Apprenticeship Alignment (S.B. 24-104), which includes \$95,245 for CCCS; and Career Pathways (H.B. 15-1274), which includes \$86,960 for CCCS. Staff does not recommend the JBC sponsor legislation at this time to make this change.

R8 New cash fund for IHE capital expenses: The request proposes transferring a portion of the state reserve to a cash fund to a state higher education governing board that is a TABOR enterprise, so that interest earned on these funds does not count under the TABOR cap. This interest would then be used to support controlled maintenance at the institutions of higher education, in lieu of General Fund transfers for institutions' controlled maintenance. Staff does not recommend this initiative for reasons described in a memo presented by Director Harper to the Committee and attached to this packet.

R12 CUSOM refinance: The request is for a reduction of \$20.0 million General Fund to Specialty Education Program support for the University of Colorado School of Medicine (CUSOM) that is provided through the higher education funding formula. Most of these funds are transferred to the Department of Health Care Policy and Financing on behalf of the School of Medicine. The funds are used to draw down matching federal funds that support both increased physician payments for school of medicine faculty and various targeted initiatives at CU and HCPF. The funds originally transferred to HCPF are then "returned" to support medical education at

CUSOM. The request proposes that CU work with HCPF’s CHASE enterprise to pull down some of the federal Medicaid match that would be lost as a result of the reduced General Fund support. *Staff does not recommend this request but notes that **not** taking this reduction may require alternative budget cuts, including to the higher education funding formula.*

Annualize FY 21-213 FMAP adjustment: The recommendation includes the final annualization of SB21-213, an adjustment to the CU School of Medicine that temporarily reduced funding due to an enhanced federal Medicaid match rate received during the pandemic. Annualizing this was projected to drive a \$2,195,906 increase for CU in FY 2025-26. The request did not include it, which staff considers an error, based on current law.

SI (Staff Initiated) student fee adjustments: The recommendation includes adjustments to mandatory fees paid by students, based on current estimates. Fees are shown for informational purposes.

SI (Staff Initiated) Higher Ed limited gaming adjustment: The recommendation includes an increase of \$1.8 million cash funds for community college and other designated institutions’ revenue from limited gaming funds. These funds are received based on Constitutional and statutory provisions and are shown for informational purposes only. This increase reflects the overall increase in receipts received in August 2024 compared to August 2023.

SI (Staff Initiated) IHE employee FTE adjustments: The recommendation includes a net increase of 488.7 FTE for the governing boards and the Auraria Higher Education Campus. These FTE are shown for informational purposes only.

SI (Staff Initiated) financial aid adjustments: The recommendation includes adjustments related to an FY 2024-25 supplemental to adjust appropriations for financial aid and the College Opportunity Fund stipend for students attending private institutions. Changes include restoring a one-time reduction to an appropriation for a program for youth who were homeless in high school and a related reduction in funding for Need Based Grants to balance this increase.

SI Financial aid adjustments			
Item	Total Funds	General Fund	FTE
FY 24-25 LB supplemental for financial aid	\$1,110,975	\$1,110,975	0.0
SI Balancing adjustment for financial aid and COF private stipend	-1,110,975	-1,110,975	0.0
Total	\$0	\$0	0.0

Annualize prior year legislation: The recommendation includes a net decrease of \$8.0 million total funds for the impact of bills passed in previous sessions. Items that affect the governing board and financial aid line items addressed in this section are highlighted below. The recommendation includes technical corrections to the request.

Annualize prior year legislation					
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	FTE
SB24-048 Substance use disorders recovery	\$217,650	\$108,825	0	\$108,825	0.2
HB24-1392 cap schls in early HS graduation	30,958	30,958	\$0	\$0	0.3

Annualize prior year legislation					
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	FTE
SB24-104 Career & tech education apprenticeships	30,948	15,474	\$0	15,474	0.0
SB24-143 Credential quality apprenticeships	14,397	14,397	0	0	0.3
HB24-1314 Historic preservation tax cred.	7,112	7,112	0	0	0.1
HB24-1290 Student educator stipends	-3,277,000	0	0	-3,277,000	-1.0
SB24-221 Rural healthcare workforce	-1,733,344	-866,677	0	-866,667	0.0
SB23-005 Forestry and wildfire mitigation	-1,266,418	-1,016,418	0	-250,000	0.0
HB21-1149 SPARC Program	-893,378	0	-893,378	0	0.0
HB24-1006 Assist rural community wildfire grants	-300,000	-300,000	0	0	-0.4
FY25 supp for FY 2023-24 overexpenditure	-243,424	-243,424	0	0	0.0
SB22-007 Wildfire risk mitigation	-203,473	-203,473	0	0	0.0
HB23-1069 Biochar study	-175,065	0	-175,065	0	-1.5
HB23-1220 Republican River groundwater	-71,121	-71,121	0	0	0.0
SB22-192 Stackable credentials	-61,849	-61,849	0	0	-1.5
HB24-1024 Extended outreach campaigns	-40,000	-40,000	0	0	0.0
HB24-1403 Homeless youth	-13,340	-13,340	0	0	0.2
Total	-\$7,977,347	-\$2,639,536	-\$1,068,443	-\$4,269,368	-3.3

Annualize prior year budget actions: The request includes adjustments for the out-year cost of prior year budget actions. Of the \$3.4 million reduction shown in this category in the table, only one item is relevant to this briefing packet: a reduction of \$88,000 to annualize funding for online training modules at the CU School of Medicine that was added through an FY 2024-25 Long Bill floor amendment and retained by the conference committee on the Long Bill.

SI Tobacco MSA revenue adjustment: The recommendation includes a decrease of \$1.5 million for the projected change in revenue to the Tobacco Settlement Health Education Fund appropriated to the Regents of the University of Colorado for programs on the medical campus.

Major Differences from the Request

Major differences in the recommendation for amounts in the Long Bill include:

For FY 2024-25:

- The staff recommendation includes updates to FY 2024-25 tuition and fee amounts that were not formally requested. This increases cash funds amounts by \$74.1 million. The recommendation also includes net \$0 changes to financial aid funding and funding for College Opportunity Fund stipends for students attending private institutions and a reduction to educator stipend appropriations authorized in FY 2024-25.

For FY 2025-26:

- The staff recommendation for R1 includes a decrease of 1.0 percent General Fund (a reduction of \$12.7 million), rather than the 0.8 percent increase included in the Executive request. The recommendation is also calculated to include an increase of 4.5 percent for

resident tuition and 3.0 percent for nonresident tuition, resulting in an increase of \$154.4 million cash funds above the adjusted FY 2024-25 base. The request was based on tuition increases of 2.3 percent for resident students and 2.4 percent for nonresident students.

- The recommendation does not include amounts related to reducing funding for the CU School of Medicine by \$20.0 million or sponsoring legislation to reduce the number of credit hours for which College Opportunity Fund stipends can be used. Staff has also recommended smaller cuts to limited purpose fee-for-service contracts than requested. Limited purpose fee-for-service contracts support various legislative initiatives, such as cybersecurity training programs.
- The recommendation corrects technical errors in the request and includes updates to cash funds amounts based on tobacco common policy projections, as well as gaming revenues, student fees, and FTE shown for informational purposes.

Decision Items Affecting Multiple Divisions

→ Request R1/BA Increase Operating Support for Public Institutions of Higher Education and Financial Aid

Governor's Request

The R1 request combines both the request for General Fund increases for operating support for the institutions of higher education and financial aid and the request for tuition spending authority.² Through the budget amendment process, the executive branch removed one component of the request—a proposal to eliminate an increase provided for rural institutions in FY 2024-25—so that is no longer a component. As amended:

- The request includes an increase of \$12,099,999 General Fund for public higher education institutions and financial aid, representing a *0.8 percent General Fund increase*.
- Of the increase, \$9.8 million is for the institutions of higher education. The Executive Request states that the intent is to put the entire request through the Performance Funding portion of the H.B. 20-1366 funding model and does not include either an Ongoing Additional Funding or a Temporary Additional Funding component. (Notably, the request, as submitted in the budget schedules and shown below, does not appear to have applied adjustments to individual governing boards consistent with the model.)
- The request adds \$2.3 million for Need Based Grants
- The request limits *resident undergraduate tuition increases to 2.3 percent for in-state undergraduates*, while assuming that nonresident tuition will increase across-the-board by 2.4 percent. Based on these assumptions, the request includes an increase of \$64.8 million in cash funds spending authority for tuition revenue. If approved, the limits on tuition

² In prior years, the request for tuition spending authority was “R2”.

increases would be incorporated in Long bill footnotes that express the General Assembly’s assumptions in setting tuition spending authority.

- The request also includes a *proposal that the JBC sponsor “transparency” legislation to improve the reporting structure from the institutions to the Department and from the Department to the General Assembly.*

Request R1 as Submitted in Budget Schedules				
Line Item	TOTAL	General Fund	Cash Funds	Reappropriated Funds
Need Based Grants	\$2,300,000	\$2,300,000	\$0	\$0
Fee-for-service Contracts with State Institutions Pursuant to Section 23-18-303, C.R.S.	7,795,800	7,795,800	0	0
Fee-for-service Contracts with State Institutions for Specialty Education Programs	1,608,283	1,608,283	0	0
Trustees of Adams State College	1,368,369	0	588,789	779,580
Trustees of Colorado Mesa University	2,599,503	0	1,819,923	779,580
Trustees of Metropolitan State College of Denver	3,280,984	0	2,501,404	779,580
Trustees of Western State College	1,349,067	0	569,487	779,580
Board of Governors of the Colorado State University System	14,371,219	0	12,831,398	1,539,821
Trustees of Fort Lewis College	1,800,655	0	1,021,075	779,580
Regents of the University of Colorado	33,066,306	0	31,438,684	1,627,622
Trustees of the Colorado School of Mines	5,828,631	0	5,049,051	779,580
University of Northern Colorado	2,508,108	0	1,728,528	779,580
State Board for Community Colleges and Occupational Education State System Community Colleges	8,063,397	0	7,283,817	779,580
Colorado Mountain College	98,979	98,979	0	0
Aims Community College	98,979	98,979	0	0
Area Technical College Operating Support	197,958	197,958	0	0
	\$86,336,238	\$12,099,999	\$64,832,156	\$9,404,083

Request from Higher Education Institutions

On December 6, 2024, the higher education institutions submitted a request for **\$80.2 million General Fund**, including \$65.1 million in state operating funding + \$15.1 million in financial aid and authority for a 2.7 percent tuition rate increase for resident undergraduates, based on forecasted inflation at that time. The calculation reflected a “base core minimum” cost calculation of **\$137.0** million. All of the institutions signed on to this request, except Colorado Mesa University, which does not agree with the proposal to use only “Step 2” of the funding model.

On February 4, 2025, the institutions provided a revised version of their “base core minimum” funding calculation, reflecting the tuition increases that they would seek at varying levels of state support. This calculation revises downward their cost increase calculation.

The revised assumptions assume a 2.5 percent salaries increase, a 4.6 percent blended benefits increase (which incorporates health/life/dental, salary benefits and other benefits), and a 2.3 percent increase on the balance (operating expenses at CY 2024 inflation). **The result is a blended inflationary request for 2.8 percent, or \$111.7 million, to be divided between tuition and General Fund.**

Staff’s understanding is that, rather than specify a specific General Fund “ask”, the institutions have indicated that they would like the JBC to consider the interaction in the model between tuition and available state funding at whatever level of funding is provided.

- **The current version of the institutions’ model indicates that to maintain a tuition rate increase of 2.3 percent, the institutions request a state funding increase of 4.0 percent (\$61.9 million, including aligned financial aid).**
- **At the level of the Governor’s request (0.8 percent General Fund or \$12.2 million total), they would seek to be able to increase resident tuition by up to 5.0 percent.**

Updated
02/04/25

FY 2025-26 Base Core Costs State Funding and Tuition Interaction

Base Core Minimum Costs		\$111.7	\$111.7	\$111.7	\$111.7	\$111.7	\$111.7	\$111.7	\$111.7	\$111.7
Resident Tuition Rates (Non-resident at CPI)	Resident	0.0%	1.0%	2.0%	2.3%	3.0%	3.5%	4.0%	4.5%	5.0%
	Dollar Amount	\$30.5	\$44.9	\$59.2	\$63.5	\$73.5	\$80.7	\$87.9	\$95.0	\$102.2
Statutorily Required Increase for SEPs		\$3.4	\$2.8	\$2.2	\$2.0	\$1.6	\$1.3	\$1.0	\$0.7	\$0.4
Step 2 State Funding	Percent	6.7%	5.5%	4.3%	4.0%	3.1%	2.5%	2.0%	1.4%	0.8%
	Dollar Amount	\$84.6	\$69.6	\$54.7	\$50.2	\$39.8	\$32.3	\$24.8	\$17.4	\$9.9
Total State Funding	Percent	6.7%	5.5%	4.3%	4.0%	3.1%	2.5%	2.0%	1.4%	0.8%
	Dollar Amount	\$84.6	\$69.6	\$54.7	\$50.2	\$39.8	\$32.3	\$24.8	\$17.4	\$9.9
Statutorily Required Financial Aid Increase		\$19.6	\$16.2	\$12.7	\$11.6	\$9.2	\$7.5	\$5.8	\$4.0	\$2.3
Total State Funding with Financial Aid		\$104.2	\$85.8	\$67.4	\$61.9	\$49.0	\$39.8	\$30.6	\$21.4	\$12.2

Recommendation

The staff recommendation takes into account the limitations on state resources and the fact that a number of reduction components in the overall higher education request do not appear to staff to be workable. Given this, the staff recommendation includes:

- **A General Fund reduction of 1.0 percent to the institutions, providing savings of \$12,663,566 General Fund;**
- No change to financial aid;

- Tuition increases based on the Legislative Council Staff tuition and enrollment model, applying an assumed nonresident rate increases of 3.0 percent and a **4.5 percent resident tuition increase** (which would translate to a resident undergraduate tuition cap). These calculations result in an **increase of \$140.8 million in tuition revenue**, including an additional \$83.7 million in resident tuition revenue and \$57.1 million in nonresident tuition revenue.³
- Consistent with the request from the Department and the institutions, at this level of reduction staff is recommending using “step 2” (the performance/base funding component) of the higher education funding model.
- Consistent with the requirements of the HB 20-1366 funding model, the total funding is divided between College Opportunity Fund student stipends and fee-for-service contracts. The COF stipend amount is based on maintaining the current stipend rate at \$116 per credit hour and using the FY 2023-24 actual use of the COF stipend by students. The balance of funding is allocated through fee-for-service contracts.

R1 Staff Recommendation – 1.0% General Fund Reduction/4.5% Resident Tuition and 3.0% Nonresident Tuition Increase				
Line Item	TOTAL	General Fund	Cash Funds (Tuition)	Reappropriated Funds (double count originating as GF)
Need Based Grants	\$0	\$0	\$0	\$0
Stipends for eligible full-time equivalent students attending state institutions	14,658,456	14,658,456	0	0
Fee-for-service Contracts with State Institutions Pursuant to Section 23-18-303, C.R.S.	-24,834,946	-24,834,946	0	0
Fee-for-service Contracts with State Institutions for Specialty Education Programs	-1,978,386	-1,978,386	0	0
Trustees of Adams State College	261,691	0	1,248,852	-987,161
Trustees of Colorado Mesa University	6,755,996	0	7,281,069	-525,073
Trustees of Metropolitan State College of Denver	1,515,793	0	1,624,603	-108,810
Trustees of Western State College	561,283	0	906,469	-345,186
Board of Governors of the Colorado State University System	25,074,232	0	27,865,600	-2,791,368
Trustees of Fort Lewis College	186,460	0	338,501	-152,041
Regents of the University of Colorado	58,882,271	0	62,268,127	-3,385,856
Trustees of the Colorado School of Mines	14,350,553	0	14,546,115	-195,562
University of Northern Colorado	1,288,747	0	2,106,327	-817,580

³ Pursuant to an annual RFI, institutions submit their actual and forecast tuition and enrollment data to Legislative Council Staff, and LCS develops an independent forecast informed by this information. In recent years, including in FY 2023-24, LCS tuition projections have been better than the institutions’. For FY 2024-25, LCS’ forecast is 23.7 percent higher than the institutions’ (a variance of 0.9 percent) and, for FY 2025-26, LCS’ forecast is \$13.7 million higher (0.5 percent).

R1 Staff Recommendation – 1.0% General Fund Reduction/4.5% Resident Tuition and 3.0% Nonresident Tuition Increase				
Line Item	TOTAL	General Fund	Cash Funds (Tuition)	Reappropriated Funds (double count originating as GF)
State Board for Community Colleges and Occupational Education State System Community Colleges	19,786,250	0	22,632,489	-2,846,239
Colorado Mountain College	-130,368	-130,368	0	0
Aims Community College	-154,799	-154,799	0	0
Area Technical College Operating Support	-223,523	-223,523	0	0
	\$115,999,710	-\$12,663,566	\$140,818,152	-\$12,154,876

The analysis below focuses primarily on funding for the institutions and tuition. The discussion of whether and how to assign financial aid increases (or any decreases) is included in the financial aid section of this write-up.

Analysis

Basis for the staff recommendation:

- The public institutions emphasize that, like other sectors of state government, they must address **inflationary increases**. They typically provide a model of their “base core minimum costs” that identifies these inflationary needs.
- Components of the institutions’ “base core minimum” cost calculation and their assumptions about tuition revenue have changed from year-to-year, while the concept has remained stable. This year, they recognized that their benefits calculation has been overstated.
- **Staff concurs with the general concept that institutions face inflationary pressures** like other components of state government. Further, **staff considers the current proposal to recognize inflationary pressures at a 2.8 percent level to be reasonable. Staff simply emphasizes that this is a model** used by the institutions to discuss inflationary pressures and is not necessarily predictive of needs at an individual institution level.
- The institutions’ model is built around assuming a stable enrollment, that all costs are fixed, and that they must provide salary and benefits commensurate with the rest of state government. **In reality:** (1) Enrollment is not stable. Resident student enrollment declined for an extended period at most institutions, though it now stabilizing or increasing again at most. At the same time large research institutions have seen an increase in nonresident enrollment, which supports their bottom line. (2) Particularly at institutions that rely heavily on adjunct faculty, not all costs are fixed. (3) For most of their employees, institutions are not required to provide increases commensurate with the rest of state government. Salary and benefits for non-classified will not go up at the same level as increases for state statewide, because institutions that are relying heavily on cash funds from tuition may not have sufficient resources to provide larger salary increases. While model does not represent reality, it does reflect the spending pressures the institutions

face, particularly with respect to staff compensation and maintaining employment levels (even when student enrollment may be falling).

- **The tables below provide ways to look at the situation from a state government and institutional perspective.** Note that this is different from a student perspective, which legislators must also keep in mind. The tables below are built on the staff recommendation assumptions: a 1.0 percent decrease in General Fund support, a 4.5 percent increase in resident tuition, and a 3.0 percent increase in nonresident tuition, and reflect enrollment and tuition expectations within these parameters, based on the Legislative Council Staff forecast. As noted, these totals are the result of various factors, but enrollment is a key component.
- Legislative Council Staff forecasts for Resident and Nonresident students are shown below. As shown, at most institutions’ enrollment is now projected to be increasing, after an extended decline. However, as reflected in tables below, there is considerable variation among institutions which, in turn, results in different results from percentage changes in resident or nonresident tuition.
- **Staff encourages legislators to explore how modifying assumed tuition versus General Fund support, as well as the portion of the funding formula used, change institutions’ projected revenue picture. The model may be accessed here, on the General Assembly’s website: https://co-lcs.shinyapps.io/co_higher_ed_finance/**

Supporting Tables

FY 2024-25 v. FY 2025-26 <u>General Fund</u> Funding Formula at 1.0% Decrease in Performance Section of Model (“Step 2”)				
	FY 2024-25	FY 2025-26	Change	Percentage Change
Adams State University	\$28,009,295	\$27,022,134	-\$987,161	-3.5%
Colorado Mesa University	48,852,113	48,327,040	-525,073	-1.1%
Metropolitan State University	102,212,951	102,104,141	-108,810	-0.1%
Western Colorado University	24,677,246	24,332,060	-345,186	-1.4%
Colorado State University System	244,573,710	241,782,342	-2,791,368	-1.1%
Fort Lewis College	23,123,891	22,971,850	-152,041	-0.7%
University of Colorado System	345,453,960	342,068,103	-3,385,857	-1.0%
Colorado School of Mines	37,054,876	36,859,314	-195,562	-0.5%
University of Northern Colorado	68,939,345	68,121,765	-817,580	-1.2%
Community College System	292,590,037	289,743,798	-2,846,239	-1.0%
Colorado Mountain College	13,036,832	12,906,464	-130,368	-1.0%
Aims	15,479,910	15,325,111	-154,799	-1.0%
Area Technical Colleges	22,352,277	22,128,754	-223,523	-1.0%
TOTAL	\$1,266,356,443	\$1,253,692,876	-\$12,663,567	-1.0%

FY 2024-25 and FY 2025-26 Recommended Tuition Cash Funds Appropriation (4.5 percent tuition increase for residents, 3.0 percent nonresident)				
	FY 2024-25 (revised for LB supplemental)	FY 2025-26	Change	Percentage Change
Adams State University	\$24,093,039	25,341,891	1,248,852	5.2%
Colorado Mesa University	82,978,422	90,259,491	7,281,069	8.8%
Metropolitan State University of Denver	109,848,100	111,472,703	1,624,603	1.5%
Western State Colorado University	22,065,671	22,972,140	906,469	4.1%
Colorado State University System	553,548,320	581,413,920	27,865,600	5.0%
Fort Lewis College	47,288,543	47,627,044	338,501	0.7%
University of Colorado System	1,359,224,761	1,421,492,888	62,268,127	4.6%
Colorado School of Mines	214,801,528	229,347,643	14,546,115	6.8%
University of Northern Colorado	73,484,560	75,590,887	2,106,327	2.9%
Community College System	326,826,193	349,458,682	22,632,489	6.9%
Total Tuition Revenue	\$2,814,159,137	\$2,954,977,289	\$140,818,152	5.0%

FY 2024-25 Tuition Cash Funds Components (Used for FY 2025 supplemental adjustment & base for FY 2026 Estimates)		
	Resident	Nonresident
Adams State University	\$13,447,403	\$10,645,636
Colorado Mesa University	64,635,199	18,343,223
Metropolitan State University	98,615,356	11,232,744
Western Colorado University	11,724,080	10,341,591
Colorado State University System	247,373,137	306,175,183
Fort Lewis College	9,738,463	37,550,080
University of Colorado System	592,164,086	767,060,675
Colorado School of Mines	80,859,410	133,942,118
University of Northern Colorado	54,475,951	19,008,609
Community College System	301,718,224	25,107,969
Total	\$1,474,751,309	\$1,339,407,828

Staff Recommendation: Total Amount Reflected in the Long Bill from State Support, Tuition, Fees, Other Sources FY 2025-26: Staff Recommendation of 4.5% resident and 3.0% nonresident increases and 1.0 percent General Fund reduction

	FY 2024-25 Revenue Estimate (revised)	FY 2025-26 Revenue Estimate	Change	Percentage Change
Adams State University	\$56,088,274	56,357,927	\$269,653.32	0.5%
Colorado Mesa University	141,178,402	148,018,908	6,840,506	4.8%
Metropolitan State University	249,630,332	250,996,125	1,365,793	0.5%
Western Colorado University	52,329,474	52,913,153	583,679	1.1%
Colorado State University System	887,792,173	913,125,229	25,333,056	2.9%
Fort Lewis College	76,947,525	77,133,985	186,460	0.2%

Staff Recommendation: Total Amount Reflected in the Long Bill from State Support, Tuition, Fees, Other Sources FY 2025-26: Staff Recommendation of 4.5% resident and 3.0% nonresident increases and 1.0 percent General Fund reduction

	FY 2024-25 Revenue Estimate (revised)	FY 2025-26 Revenue Estimate	Change	Percentage Change
University of Colorado System	1,803,657,857	1,856,830,727	53,172,870	2.9%
Colorado School of Mines	275,326,657	292,991,630	17,664,973	6.4%
University of Northern Colorado	159,169,637	160,762,462	1,592,825	1.0%
Community College System	669,338,106	689,605,835	20,267,729	3.0%
TOTAL	\$4,371,458,437	4,498,735,981	\$127,277,544	2.9%

LCS Higher Education Enrollment Forecast

	FY 2024-25 (revised)		FY 2025-26		FY 25 to FY 26		
	Resident	Nonresident	Resident	Nonresident	% Change Resident	% Change Nonresident	% Change Total
Adams	1,483.0	838.8	1,501.4	845.5	1.2%	0.8%	1.1%
Mesa	7,037.8	1,167.7	7,396.3	1,185.6	5.1%	1.5%	4.6%
Metro	11,527.0	472.5	11,589.7	509.5	0.5%	7.8%	0.8%
Western	1,704.9	533.1	1,724.5	527.9	1.2%	-1.0%	0.6%
CSU System	18,892.2	9,744.9	19,077.3	9,901.9	1.0%	1.6%	1.2%
Fort Lewis	1,310.0	1,679.4	1,349.3	1,614.8	3.0%	-3.8%	-0.8%
CU System	40,926.9	19,844.0	41,268.8	19,957.8	0.8%	0.6%	0.7%
Mines	4,280.1	3,305.0	4,360.2	3,432.2	1.9%	3.8%	2.7%
UNC	5,147.6	833.1	5,079.5	827.2	-1.3%	-0.7%	-1.2%
Community Colleges	48,834.0	1,960.2	50,106.9	1,968.4	2.6%	0.4%	2.5%
Total	141,143.5	40,378.6	143,453.8	40,770.7	1.6%	1.0%	1.5%

Institution Viewpoint: Total Revenue per Student
FY 2025-26 Long Bill (with Staff Recommendation)

	FY 2024-25 Revenue per SFTE	FY 2025-26 Revenue per SFTE	% Change
Adams State University	\$24,158	\$24,014	-0.6%
Colorado Mesa University	17,205	17,248	0.2%
Metropolitan State University	20,803	20,745	-0.3%
Western State Colorado University	23,382	23,491	0.5%
Colorado State University System	31,002	31,510	1.6%
Ft. Lewis College	25,740	26,023	1.1%
University of Colorado System	29,680	30,327	2.2%
Colorado School of Mines	36,298	37,600	3.6%
University of Northern Colorado	26,614	27,217	2.3%
Community College System	13,177	13,242	0.5%
Total or Weighted Avg.	\$24,082	\$24,420	1.4%

Student Viewpoint: FY 2025-26 Projected Tuition and Mandatory Fee Revenue per Student FTE at 4.5% Resident & 3.0% Nonresident Tuition Increase			
	Resident Tuition	Nonresident Tuition	Fees (All Students)
Adams State University	\$9,533	\$13,046	\$1,665
Colorado Mesa University	9,603	16,220	864
Metropolitan State University	8,694	21,029	3,075
Western Colorado University	7,181	20,056	2,417
Colorado State University System	13,676	32,370	3,044
Fort Lewis College	7,772	23,000	2,183
University of Colorado System	15,093	40,015	1,181
Colorado School of Mines	19,740	41,746	3,437
University of Northern Colorado	11,054	23,504	2,876
Community College System	6,456	13,193	380

How Much Funding?

In determining funding for the institutions, the Committee must address the questions both of **how much funding** to provide and then **how to allocate it**.

- **Every 1.0 percent increase in General Fund for the higher education funding model, which must include an aligned financial aid adjustment, costs \$15.6 million** (assuming a statutory change to authorize certain FY 2024-25 financial aid decreases). This includes **\$12.7 million** for the governing boards and \$2.9 million for financial aid. If a reduction is taken, the reduction to financial aid is optional.
- **Every 1.0 percentage change in resident tuition is anticipated to provide \$14.7 million in additional revenue for the institutions overall.** Every 1.0 percent change in nonresident tuition provides approximately \$13.4 million in revenue, but this is unevenly distributed among institutions and those that are more reliant on nonresident revenue feel they are constrained by market forces.
- **Funding for higher education has historically been driven by the revenue available to the General Assembly.** The Committee could establish the minimum General Fund it wishes to provide for higher education during the figure setting process, but staff anticipates that both the final amount and the allocation plan may not be settled immediately.
- **It will be difficult for students to bear cost increases at the 4.5 percent level.** Even if the JBC chooses to take deeper cuts in institutional funding, staff does not recommend allowing resident tuition to rise above 4.5 percent at the most. If rates are too high, fewer students will enroll, particularly among lower income students who are most price sensitive.
- **If the JBC has sufficient revenue available to go higher than this amount of General Fund, and to reduce the student tuition figure, staff would support that.** There is ample

evidence that the state higher education system is “underfunded” in comparison to other states, and staff is supportive of additional increases for the institutions to the extent the General Assembly has sufficient resources. However, **the JBC may want to see where it stands with the March revenue forecast before making final decisions about higher education funding.** The public higher education institutions are an industry with nearly \$11.1 billion in combined annual revenues and over \$8.3 billion in expendable net assets at the end of FY 2023-24. Particularly the large research institutions rely far more heavily on tuition and other cash revenues than the General Fund. Thus, a 1.0 percent General Fund decrease will have modest impacts from the perspective of many of the institutions, though it represents a large amount from a state budget perspective.

- **Ultimately, institutions will ensure that their expenditures align with their revenue.** Staff believes it is appropriate to recognize inflationary pressures on institutional budgets but also recognizes that the General Assembly will not be able to fully compensate for some trends, like declining enrollment, and institutions may need to do some related retrenching.

Considerations in Determining Higher Education Funding

As discussed during staff’s budget briefing (supporting materials attached here also):

- Higher Education Funding as a share of State General Fund is close to a 20 year high at **10.7 percent.**
- Since FY 2018-19, state General Fund for the Department has increased by \$660.4 million (65.8 percent; or 31 percent after adjusting for inflation).
- **State support is important to institutions, but looks less significant in the context of overall institutional operations.** Consider these three numbers from FY 2023-24:

	FY 2023-24
State General Fund	\$1,110,636
Education and General Revenue (GF+Tuition+Select Other Sources)	\$4,389,473
Total Revenues from Adjusted Financial Statements with auxiliary operations*	\$11,092,447

*The University of Colorado System is a major driver of this amount, but most institutions have revenue that exceeds their “educational and general” budgets by 30-100 percent.

- **Most institutions are currently in strong financial shape,** with significant reserves and liquidity. **Expendable assets (a way of thinking about reserves) were \$8.3 billion** in FY 2018-19 or about 35 percent greater than reserves in FY 2018-19.
- Institutions are not required to follow state funding decisions for most of their staff, although they may attempt to do so. In many cases, institutional increases for faculty and staff are greater or lower than state policy/Colorado WINS agreements, based on the combination of available revenue available to them.
- **Colorado’s Support for Public Higher Education is low compared to other states.** The state was ranked **47th in state support per student FTE in FY 2023** compared to other states in the annual State Higher Education Finance (SHEF) report. In FY 2022-23, Colorado provided \$6,603 per student FTE using the SHEF methodology. **To get to the U.S. average in FY**

2022-23 of \$11,040 per student FTE, Colorado would have needed to increase funding by 67.2 percent.

- **High costs borne by students have short and long term consequences for students.** As staff has highlighted in the past:
 - Studies indicate that student participation is inversely related to higher education cost.
 - About 36 percent of students graduating from Colorado public institutions graduated with student loans. Loan payments have long-term implications for students' ability to make other investments in their future.

How to Allocate Available Funds Among Institutions?

Allocation Method Requested

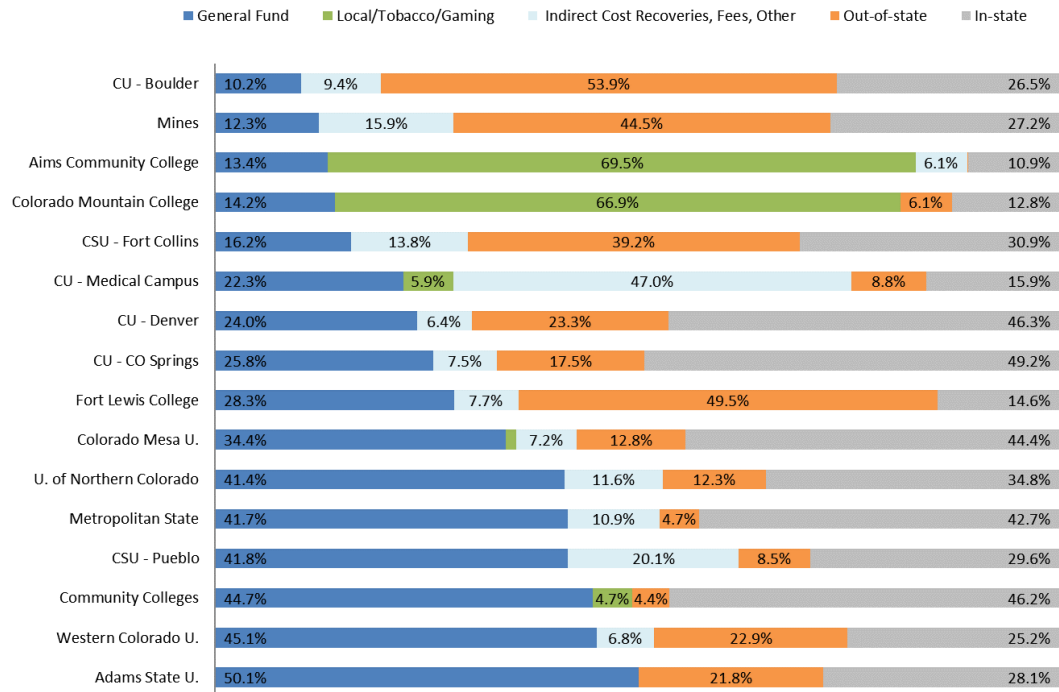
Additional background on the higher education funding model is provided in the staff budget briefing and in an attachment to this packet.⁴

- This year, **the Governor's Office and the institutions requested that funding in the model passes through what is called "Step 2" or "Performance Funding". This portion of the model functions as base funding for the institutions.** It shifts with calculated performance outcomes, but only very slowly over time and in very small increments. When funding is added into the Performance Funding" model, it is largely distributed consistent with the current shares of funding for the higher education institutions. However, the impact of even small variations are quite visible this year when considering how institutions will address inflationary increase.
- **"Step 1" of the model, also known as "Ongoing Additional Funding" is a mechanism available to the General Assembly if it wishes to target funding toward particular types of institutions and particular state needs, based on higher education Master Plan goals.** For the last three years, the General Assembly has used five different components for allocating Step 1 funds (First-generation student FTE; First-generation student headcount as described in statute; underrepresented minority (URM) Race/ethnicity; Pell headcount; and retention of URM students. Most of these components direct larger shares of funding to community colleges and other institutions serving disadvantaged populations.) **While staff has not included use of these components this year in the staff recommendation, the Committee should note that this portion of the model provides the Committee with significant flexibility, even at the level of assisting particular institutions that appear to be struggling with additional support.**

⁴ /https://leg.colorado.gov/sites/default/files/fy2025-26_hedbrf1_0.pdf

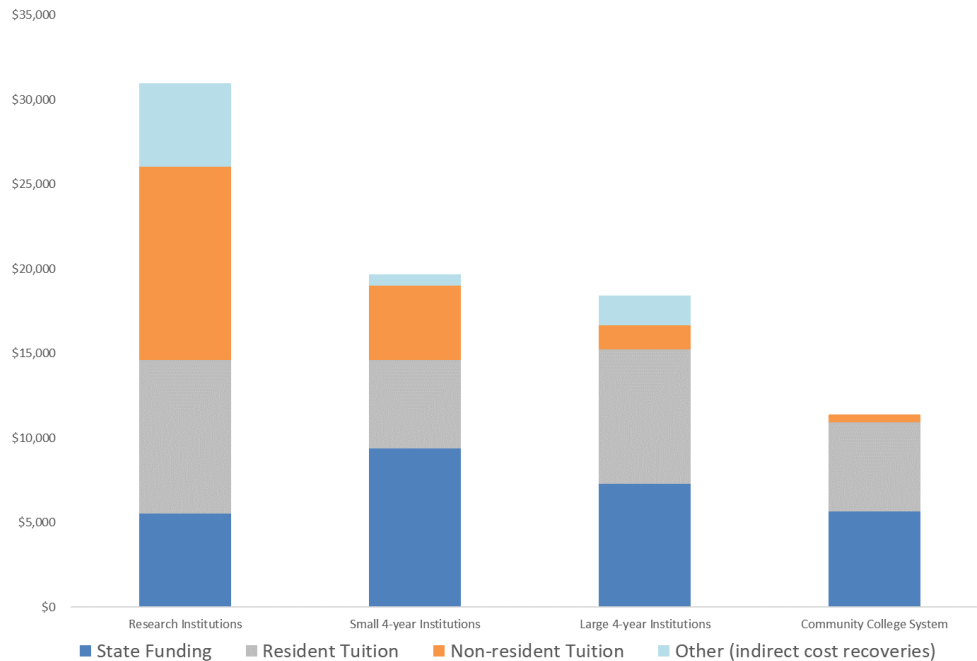
The following charts highlight the differences in both amount and sources of funding for the state institutions.

Proportion of Funding from the State versus Students FY 23-24



Note: The majority of Fort Lewis College out-of-state tuition revenue originates as state General Fund, due to the Native American Tuition Waiver.

REVENUE PER STUDENT FTE BY FUNDING SOURCE FY 2023-24



Notes: For purposes of chart, research institutions include the four campuses of the University of Colorado, Colorado State University at Fort Collins, the University of Northern Colorado, and the Colorado School of Mines; small 4-year institutions include Adams State University and Western Colorado University; large 4-year institutions include Metropolitan State University at Denver and Colorado Mesa University.

Staff is happy to work with members on alternative distribution scenarios. JBC staff and Thomas Rosa, the General Assembly’s data scientist who developed the data visualization tool for higher education funding, are available to work with JBC Members to explore options, if desired.

→ Transparency Bill Proposal – R1 Component (Legislation Requested)

Request

Department Request R1 included a general request that the JBC sponsor legislation related to increased transparency. The request provided relatively little detail, although OSPB has since provided additional information about its proposal, which staff has included below. Meanwhile many of the institutions are also interested in “transparency” legislation, although with a different focus. They are interested in formalizing the role of an existing institutional data advisory group, in ensuring that they have appropriate access to datasets and models created by the Department that are derived from institutional data, and in allowing for the secure exchange of data. Their interest includes access to fiscal note responses.

Recommendation

JBC Staff believes there is value in both sets of proposals but remains concerned about whether the institutions, Department, and OSPB are in sufficient agreement about this legislation that it can be rapidly and easily drafted at this point in the legislative session. In staff’s opinion, many of the concerns from both the institutions and the Department could be resolved by a better working relationship. Whether new legislation can adequately solve this problem remains unclear, though staff is supportive in concept.

Given that a functional working relationship is apparently at the heart of the current problem, the staff suggestion would be that the Committee develop a Request for Information that requires a **joint legislative proposal** from the institutions, the Department, and OSPB that would be due by October 1, 2025. Based on this, the JBC could have legislation drafted and ready to adopt early in the 2026 legislative session.

- Staff agrees that the Department/OSPB should have the ability to request various data sets in standardized formats, including (but not necessarily limited to): (1) data on institutional revenues and expenditures both “education and general” and related to overall financial health; (2) data on tuition and fees; (3) data on financial aid; and (4) data on institutional policies such as salary pools.

- Much of this data described above is already submitted in response to annual RFIs. **Ensuring the Department has authority to collect this data through statute seems reasonable, but the level of detail in statute needs to be carefully considered** (e.g., staff would not reference the “composite financial index” in statute, given that appropriate data sets and tools can change over time). In some situations, staff believes the Department’s capacity to clean and analyze any data submitted may be greater problem than institutional willingness to submit data.
- Staff agrees that not all the data that is submitted in RFI responses is necessarily structured for ease of use (e.g., the budget data books), although staff has certainly found ways to extract data that makes this easier. **Both the Departments and institutions, as well as other interested parties, have an interest in ensuring that data that is collected is accurate and comparable across institutions and that there are effective tools for this.** Institutional research departments can likely make as good (or better) use of such data as Department, OSPB, or JBC Staff. Thus *it is critical that any changes in the format of data that is collected—including for the budget data books—needs to closely involve the institutions.*
- Staff certainly concurs that institutions should have full access to data submitted for fiscal notes. Pending any new legislation, staff recommends that the JBC express its expectation to the Department that fiscal note material developed by the Department that relate to institutional impacts be shared with the institutions prior to submission.

Analysis

Additional Detail from Department/OSPB

In response to Committee questions, the Department provided the following information (summarized for length)

“The Department requests legislation to ensure the year over year easily usable and in a standardized format, collection of the information currently contained in the budget data books and CFIs. Legislation will ensure that there is a process for defining metrics so the data is reported in a standardized format across institutions.

The request includes two aspects for data collection: (1) the data currently collected through the budget data book RFIs and (2) the data currently collected by JBC staff that builds a Composite Financial Index (CFI).

The intent of the request is to not increase workload for the department or institutions. The intent is instead to standardize some financial reporting that institutions already do to ensure it is easily accessible for CDHE, JBC, and OSPB staff.

1. Data From Budget Data Book RFI

Currently, institutions report information to CDHE and JBC on expenses and revenue through the Budget Data Books RFIs. However, much of the data provided is not standardized across institutions. The Budget Data Book RFI was expanded this past year to include information on policy decisions but each institution interpreted the request differently. This indicates a need

for standardizing definitions and data formats, for the data to be comparable across institutions and usable for statewide policy deliberations. Additionally, further information could be collected and in a standardized format to ensure the State has a clear, comparative picture of an institution's financial health, costs, and revenues.

The Department requests legislation to ensure the year over year collection of the information currently contained in the budget data books. Legislation will ensure that there is a process for defining metrics so that all data is reported in a standardized format across institutions. Right now this is not consistently done.

The Department also requests that metrics be added to this information and that the information be collected in a standardized format to ensure easy analyses by CDHE, OSPB, and JBC. Additional metrics to capture would include additional revenue streams for the institutions such as donations, athletics revenue and federal funds. This is information that institutions already report federally. The Department also requests to capture information on year over year percentage changes in these financial metrics, rationale from IHEs on what may have caused a large percentage change, and policies around salary and HLD increases. We believe this additional information will allow DHE, OSPB, and JBC to analyze the data more effectively.”

Specific elements identified by the Department/OSPB include:

- Presentation in a manner that makes year-over-year comparisons easier
- Additional requirements to ensure submissions are standardized
- Additional detail on additional revenue sources.

2. Data Currently Collected by JBC Staff that builds a Composite Financial Index (CFI)

The request states that “Currently JBC staff collects data that is used to build a CFI but this data is not provided to CDHE or OSPB.”

[JBC staff notes that this is inaccurate. Staff has specifically requested that the Department coordinate this response with the institutions to help ensure that the Department and OSPB have access to this information.] Regardless, the Department goes on to state that:

“As part of the legislation, the Department requests codifying the collection of financial data that are used to calculate the components of the Composite Financial Index (CFI). They illustrate a measure known as the “Composite Financial Index (CFI)” as well as the net financial positions of the institutions. A 0 on the CFI would indicate the institution is not financially viable, while a 10 would indicate the strongest possible financial health. The CFI considers primary reserve ratio (net expendable assets to total expense), viability ratio (net assets to debt), return on net assets and net operating ratio (proportion of total income not expended) with emphasis on availability of liquid expendable funds. This will ensure that all of CDHE, OSPB, and JBC have access to this information while making decisions year over year.

This legislation will ensure that data on institutional financial health, revenue, and expenditures is in one easily usable, standardized format for CDHE, OSPB, and JBC to access and analyze when making funding decisions.

It is the hope that standardizing the information as described above with help the Department, OSPB, and JBC more easily answer the following questions:

- How do funding disparities impact student access and student outcomes?
- Are there best practices we can learn from institutions operating with high efficiency and strong student outcomes?
- Could a financial downturn jeopardize some IHEs more than others?
- What are the staffing costs at institutions for classified and non-classified staff, and how do they change year over year as a result of state support?
- How have previously approved state funding been deployed and what has changed in the institutions' overall budget on various expenditures such as salaries, benefits, other operating costs in different categories such as classified/non-classified staff, academic/non-academic staff etc.as a result of prior state support?....

This legislation will ensure that data on institutional financial health, revenue, and expenditures is in one easily usable, standardized format for CDHE, OSPB, and JBC to access and analyze when making funding decisions.”

Additional Detail from University of Colorado

CU has submitted its own proposal for what “transparency” legislation should include, which staff has excerpted below.

“Higher Education Data Access and Transparency

The Department of Higher Education (DHE) and public institutions of higher education (IHEs) need to collaborate when making decisions about the collection and use of IHE data.

This bill would require DHE to formalize institutional data governance and to provide access to de-identified student level statewide data reported by governing boards and state supported of institutions of higher education to reporting institutions.

The legislation is needed to:

- Formalize role of public IHE data advisory group with regard to making decisions on data collections, data sharing, and data publishing standards
- Provide analysis needed for effective implementation of new legislation, such as:
 - HB 22-1349, Postsecondary Student Success Data System (Sponsors: Rep. Duran and Will; Sen. Bridges and Priola)
 - HB 24-1340, Incentives for Post-Secondary Education (Sponsors: Rep. Bird and Taggart; Sen. Kirkmeyer and Zenzinger)
 - SB 24-164, Institution of Higher Education Transparency Requirements (Sponsors: Sen. Buckner and Lundeen; Rep. McCluskie and Pugliese)
- Verify datasets and models created by DHE derived from sources of institutional data

- Investigate trends in in student enrollment, completions, financial aid awards, and demographic changes
- Allow for the secure exchange of data between DHE and participating public IHEs

Fiscal Note Transparency

Data transparency in fiscal note responses is essential to ensure the accurate estimation of the cost of proposed legislation. This bill would require DHE to share the compiled DHE and IHE fiscal note response with all public IHEs that submitted an estimated fiscal impact. The legislation is needed to:

- Increase consistency and accuracy in DHE and IHE cost estimates, due to the earlier detection of potential errors and oversights
- Ensure all costs are accurately reported to the legislature
- Because 33 public IHEs may differ on the fiscal impact of potential legislation, sharing responses helps to make certain the general assembly receives a unified response, without inherent contradictions.”

→ R4 COF Statute Realignment [Legislation Requested]

Request

The request proposes a decrease of \$4,009,595 General Fund related to a proposal to reduce the current credit hour cap for students who claim the College Opportunity Fund (COF) student stipend from the current 145 credit hours. The proposal would reduce this cap to 140 credit hours for current students and 135 credit hours for new students and eliminate the authority for institutions to waive this restriction, leaving such authority with the Colorado Commission on Higher Education.

Recommendation

Staff does not recommend the request.

Analysis

The request does not explain, and staff does not understand, how this request can be integrated with the existing statutory structure for funding state institutions of higher education.

- ***Under the current funding model, changes to credit hours that qualify for the COF student stipend do not affect the total funding provided to a public institution of higher education.*** Currently, statute at 23-18-303.5, C.R.S., requires that funding for the governing boards is allocated through the H.B. 24-1366 funding model. Pursuant to Section 23-18-303.5(1)(b), C.R.S., institutions receive fee-for-service contract funding for the total calculated, minus the amount allocated for College Opportunity Fund student stipends. In other words, the number of students stipends awarded does not affect each governing board’s total funding. Further, at year end, the Department is authorized by statute to

move up to 10.0 percent of an institution’s appropriation from student stipends and fee-for-service contracts between the two funding sources, based on the number of students /credit hours qualifying for the stipend. *Reducing credit hours that qualify for the COF stipend will not affect the state funding provided to institutions in the absence of a much more significant change to how state support is calculated and distributed to institutions of higher education.*

- While changes to COF credit hours do not affect state funding for institutions, **this change could allow institutions to charge undergraduate students additional tuition revenue.** Last year, the General Assembly adopted legislation to ensure that students did *not* face additional tuition charges late in their postsecondary education careers based on their enrollment in concurrent enrollment, which is a qualified use of the COF stipend.
- **The Department and OSPB have not been able to provide any analysis of how this change would affect funding at an institutional level, either with respect to state funding or student tuition.** *As submitted, the request is structured as an equal reduction for each state governing board, although some have fewer than 3,000 students and some serve more than 60,000 and the institutions receive state funding amounts that reflect these differences. No explanation has been provided for why equal reductions would represent a reasonable allocation of cuts. The request likewise does not identify additional tuition revenue that institutions might earn from students as a result of the proposed change.*

→ R7 Reduce Limited Purpose FFS Funding [Legislation Requested/Recommended]

Request

The request proposes a reduction of \$7.9 million General Fund associated with reducing or eliminating various programs currently funded based on limited purpose fee-for-service contracts with state institutions of higher education. The proposal includes the following:

Rural Healthcare Track (S.B. 22-172 and 24-221): Request to discontinue, saving \$2,001,667.

This program provides distributions of \$65,000 or more to each of the governing boards to support rural healthcare workforce initiatives. Some of the funding is allocated to the University of Colorado (CU) for distribution to other institutions. The request states that CU’s Rural Office could provide technical assistance to other institutions without the additional state support.

Cyber Coding Cryptology (S.B. 18-086): Request to discontinue, saving \$5,100,000. The program includes funding for six governing boards, with the largest share (\$2.8 million) directed to CU.

The request notes that now that the programs have been established, institutions seeing benefits from their cybersecurity and related programs can maintain them through existing resources.

Substance Use Disorders/Recovery Friendly Workplace (S.B. 24-048): Request to discontinue funding of \$303,752 added in FY 2024-25 for the Center for Health, Work, and the Environment and the CU School of Public Health. The funding is for staff who oversee the recovery friendly

workplace program, including contracting with workplace advisors and conducting outreach. [Staff note: appropriation is scheduled to increase by \$108,825 in FY 2025-26.]

Supporting Educator Workforce (S.B. 21-185): Request to discontinue \$239,778 directed to the CU system. The request notes that the program was primarily in response to the pandemic and is scheduled to end in 2026.

Expanding Concurrent Enrollment Opportunities (S.B. 18-176): Request to discontinue \$105,000 for 1.0 FTE at the Colorado Community College System (CCCS) that supports concurrent enrollment efforts. The request states that CCCS should be able to support the position within its own resources.

Food Systems Advisory Council (H.B. 19-1202/S.B. 23-159): Request to discontinue one year early, saving \$151,068, as the program is set to end in 2026. The funding is for staff support of the Council at Colorado State University.

Other Programs: The request also proposes that three programs be continued but that they receive separate line items and sunset dates: Improve Healthcare Access for Older Coloradans (SB23-031) which adds \$1.9 million for CU; Career and Technical Education and Apprenticeship Alignment (S.B. 24-104), which includes \$95,245 for CCCS; and Career Pathways (H.B. 15-1274), which includes \$86,960 for CCCS.

Recommendation

The staff recommendation is summarized in the table below. Each General Fund amount has a matching reappropriated funds amount associated with it.

R7 Reduce limited purpose FFS funding		
Item	General Fund	Notes
R7 Rural Healthcare Track	\$0	No reduction at this time - Funding is \$1.1 million (not \$2.0M)
R7 Cybercoding Cryptology (SB 18-086)	-2,550,000	Reduce 50%
R7 Substance Use Disorder Recovery (SB24-048)	-412,577	Eliminate
R7 Supporting Educator Workforce (SB 21-185)	-119,889	Reduce 50% for last year of program
R7 Expanding Concurrent Enrollment (SB 19-176)	-105,000	Eliminate
R7 Food Systems Advisory Council (SB 23-159)	-75,534	Reduce 50% for last year of program
Total	-\$3,263,000	

Due to technical errors, staff believes that the request included an over-estimate of potential savings of \$757,842.

Analysis

General Comments

Staff finds it difficult to weigh the value of each of the programs listed in comparison to the overall funding provided in the higher education funding model, as well as other state needs. Very little information was provided to support the request, and in response to staff requests

for statutorily-required reports, the Department and OSPB often responded that they did not receive them. JBC Staff has provided additional information where readily available.

- From a legislative perspective, these are programs created by the General Assembly for a specific purpose. This is something that cannot be done through the regular higher education funding model. Thus, ***the question for the JBC and members of the General Assembly is how legislators value these specific programs in comparison to the more general funding provided through the higher education funding model, as well as other state needs.***
- Staff had anticipated that institutions would express a preference for cuts to targeted programs, instead of the funding model, but anecdotally that has not proven to be the case.

The table below summarizes all of the limited purpose fee-for-service programs funded for FY 2024-25 as adjusted (annualized) to reflect the base funding for FY 2025-26. Those highlighted are the ones staff recommends for reduction or elimination. On highlighted in pink is requested, but not recommended, for elimination. Additional information on each of the programs proposed for reduction/elimination is provided below.

Limited Purpose Fee-for-Service Programs FY 2025-26 Base Funding Before R7 Adjustments										
	Adams	Mesa	Metro	Western	CSU System	Fort Lewis	CU System	UNC	CC System	Total
Career Pathways (H.B. 15-1274)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	86,960	86,960
Cyber Coding Cryptology (S.B. 18-086)	0	300,000	300,000	200,000	1,200,000	0	2,800,000	0	300,000	5,100,000
Food Systems Advisory Council (S.B.23-159)*	0	0	0	0	151,068	0	0	0	0	151,068
Expanding Concurrent Enrollment (S.B. 19-176)	0	0	0	0	0	0	0	0	105,000	105,000
Supporting Educator Workforce CO (S.B. 21-185)**	0	0	0	0	0	0	239,778	0	0	239,778
Rural Healthcare Track (S.B. 22-172+SB24-221)***	65,000	65,000	65,000	65,000	65,000	65,000	550,000	65,000	130,000	1,135,000
Improve Healthcare Older Coloradans (S.B. 23-031)	0	0	0	0	0	0	1,949,697	0	0	1,949,697
Substance Use Disorder (SB24-048)	0	0	0	0	0	0	412,577	0	0	412,577
Career and Technical Apprenticeships (SB24-104)	0	0	0	0	0	0	0	0	110,719	110,719
FY 2025-26 Base	\$65,000	\$365,000	\$365,000	\$265,000	\$1,416,068	\$65,000	\$5,952,052	\$65,000	\$732,679	\$9,290,799

*Repeals Sept 1, 2026

**Repeals July 1, 2026

***Colorado Mountain College also receives a \$65,000 Grant Allocation from S.B. 22-172

Requested Change to Legislative Structure for Remaining Programs

The “limited purpose fee-for-service” structure enables legislators to direct funds to specific institutions, as well as specific purposes. The result is not transparent in the Long Bill, because the funding is still included in the single line items for each institution. Staff includes a table of these programs in the annual figure setting write-up, but a legislator or member of the public would need to know where to look for this information.

Thus, as suggested by the Governor’s Office, this structure could potentially be reconsidered. However, **staff does not believe such restructuring is critical and sees positives and negatives to the approach.** Staff concurs that sunset dates on remaining programs should be considered, but also does not believe a bill on this topic must occur immediately, as staff assumes that out-year cuts will also be needed. **Given the many other bills the JBC is currently carrying, staff is not recommending the proposal to modify the funding structure for those programs that remain.**

Cybercoding Cryptology

\$5.1M total; Request-Eliminate; Recommendation-50% Cut

Key Considerations: Statute requires a review by Joint Business Affairs and Labor every three years. On January 25, 2024, the Joint Business Affairs and Labor Committee sent a letter to the JBC stating that the Joint Business Affairs and Labor Committee had heard presentations about the program and voted unanimously to recommend that the JBC continue funding for the program in the base budget for the next three years (through FY 2026-27). The program, which has been funded since FY 2018-19, has helped put Colorado on the map in the cybersecurity field, particularly in Colorado Springs, and supported the development of cybersecurity programs at institutions throughout the State. Ultimately the programs this initiative helped to create throughout the State should be able to stand on their own. However, staff supports continuing funding at a reduced level for at least the next two years.

Additional Background: Six of the state governing boards receive funding through this program, though the largest share of funds goes to the University of Colorado at Colorado Springs related to its collaboration with the National Cybersecurity Center.

Smaller Programs: Mesa, Metro, and the Community College System each receive \$300,000 per year from this program, and Western receives \$200,000. These institutions indicated that the funds were used to employ cybersecurity program managers and faculty, including student interns, as well as to provide scholarships for students studying cybersecurity. The funding has helped these institutions to develop programs in cybersecurity and to develop and award degrees in the field. *These programs all identified some additional funds that were raised; however, it is not clear to staff whether the programs will be sustainable long-term without the added state support.*

Colorado State University: CSU receives \$1.2 million per year from this program. The money has funded 8 faculty and 73 student interns, and scholarships have been awarded to 69 students. CSU reports raising \$2.85 million to match the state investment.

University of Colorado at Colorado Springs and National Cybersecurity Center: UCCS receives \$2.8 million per year from the program. UCCS reports that in FY 2023-24 it awarded \$561,500 for 312 student scholarships, including for graduate and undergraduate studies in engineering, business, and education fields, as well as summer programs for middle and high school students. The program supports 20 faculty in multiple fields including engineering, a cybersecurity program office, the college of business and the college of public service. The program also supports 8 ongoing staff at the nonprofit National Cybersecurity Center.

The program supported dozens of student internships, and led to 313 degrees and certificates awarded. Hundreds of students are currently enrolled in the various academic programs supported by this initiative. Faculty produced 276 seminars and publications in the cybersecurity field in FY 2023-24 alone.

UCCS reports that it has received \$12.7 million in grants in this field, seeded by the State support. It is clear to JBC staff that Colorado Springs has become an important center for the cybersecurity industry, due in part to this state funding.

Food Systems Advisory Council

\$151K and 2.0 FTE - Request-Eliminate; Recommend-50%

Key Considerations: Following a sunset review process in 2022, the council was reauthorized with statutory modifications through S.B. 23-159. Although the bill as introduced proposed a much longer extension, the sunset date was only extended until September 1, 2026. Staff recommends continuing to support the Council to at least some degree until the legislatively mandated sunset.

Additional Background: The Colorado Food Systems Advisory Council within Colorado State University (CSU) is charged with increasing access to healthy food and assisting with the growth of local food systems in the agricultural sector. The Council was first created in S.B. 10-106. It is made up of 22 members and typically meets quarterly. The program funds staff support for the council, which has representation from multiple state agencies, nonprofit organizations, and academia to study and make recommendations on food systems in the state.

Functions include:

- Examining best practices to advance or improve distribution systems and develop new markets for Colorado agricultural producers,
- Conducting research regarding national best practices regarding food and nutrition assistance, direct and intermediated market development, institutional procurement, and farm-to-school programs, and
- Serving as a resource for research and support at the request of the governor, members of the general assembly, or any state agency in connection with the council's purpose and duties.

As reflected in the legislative declaration for the program, the federal Centers for Disease Control has recommended food systems advisory councils as the first strategy in helping to improve what people eat by addressing the food environment and economies at the local, regional, and state level.

Expanding Concurrent Enrollment

\$105K – Request and Recommend to Eliminate

Key Considerations: This program funds 1.0 FTE at the Colorado Community College System Office to support CCCS' concurrent enrollment work. The request anticipates that CCCS can take responsibility for this cost.

Additional Background: S.B. 19-176 made various changes to state law to better define and support concurrent enrollment, including requiring that all high schools offer some concurrent enrollment. The bill requires that the Colorado Community College System manage and coordinate concurrent enrollment within the system including eliminating administrative barriers.

Given the state's ongoing work on the "big blur" staff believes this function is still important and must continue. However, staff also notes that concurrent enrollment has become such a large component of the community college system's enrollment that it is reasonable to expect that the system can direct some internal resources toward this function. Staff also notes that there are two other positions being funded at the community college system for other components of the "big blur" work that will continue to be supported through limited purpose fee-for-service contracts.

Supporting Educator Workforce

\$239,778 - Request-Eliminate; Recommend 50%

Key Considerations: This program was created during the pandemic to support the educator workforce. The program is scheduled to sunset at the end of FY 2025-26. Staff does not know if legislators would seek to extend it beyond that time, given the services provided for educators.

Additional Background: S.B. 21-185 instructed the University of Colorado Health Sciences Center to establish and operate an educator well-being and mental health program to provide support services for educators serving students in Colorado's public elementary and secondary schools during the pandemic.

In its hearing document, CU noted that it does not have internal funding to continue the program...."the proposed cut will remove a valuable mental health support to educators across the state. If the program is ended, it will exacerbate the teacher burnout rate, which remains one of the highest rates among any profession, leading to turnover and negatively impacting student success. This is one of the few programs that can offer immediate support across the entire state, including rural communities. Program employees have responded to community events impacting schools, including providing immediate response and ongoing recovery following two school shootings. Since its start in 2020, the program has served over 5,000 educators across 70 different school districts, provided 1,500 therapy sessions, and facilitated over 100 workshops." <https://coloradoeducatorsupport.com/>

The FY 2023-24 legislative report for the program includes the following information:

- "This year, we served ~1600 educators from 48 different school districts or programs. All services remain 100% free to all educators.

- The website had 15,879 views from 7,587 unique visitors. We added three new modules and a monthly blog to the website.
- The Well-Being Support Line had ~500 contacts from 325 unique individuals. The call line had 288 call/text contacts from 192 different educators.
- There were also 199 email-initiated contacts from 133 individuals.
- We completed 467 individual mental health sessions with 142 different educators. Satisfaction with this service was high with 91% of the educators reporting the service helped them better manage their mental health.
- We provided 40 workshops/group sessions to 1109 educators Workshops included educator resilience, work/life balance, managing burnout, and secondary trauma.
- Educators found the workshop helpful, with 96% of participants stating the workshop met their goals and 97% stating they would refer it to others.
- Workshops were provided around the state including half-day workshops in Montrose, Lamar, and Durango.
- We received an award from Great Education Colorado CEA nominated the program as an Educator Wellness Champion.
- We are receiving national recognition including: Scholarly Article in Journal of Workplace Behavioral Health
- Presentation at a national School Mental Health Conference in Baton Rouge
- Presentation at Association of Clinical Social Workers Conference in Pittsburg
- Featured story in the national newspaper *Christian Science Monitor*
- Educators continue to report high levels of burnout and stress. On the Burnout Inventory, 42% of the educators scored moderate to high levels of burnout. This is lower than we had seen in previous years.
- A majority of the educators (89%) reported feeling supported by their coworkers. However, they felt less support from administration (54%).
- Educators continue to look other kinds of work, with 51% reporting actively looking for a new job. “

Rural Healthcare Track

\$1.1M Request – Eliminate; Recommend – Retain for now

Key Considerations: This program supports the development of a healthcare workforce for rural areas through networking between state institutions to support “rural track” education. The program provides modest funding at multiple state institutions (\$65K each), and additional funding at CU for this purpose. The Executive Request notes that “work may continue without additional state funding”. JBC staff notes that there are significant shortages of healthcare workers in rural areas.

Additional Background: The Rural Health-Care Workforce Initiative (CORHWI) was established in S.B. 22-172 to expand the number of health-care professionals practicing in rural or frontier counties. The Rural Program Office is housed at CU Anschutz and provides reporting and institutional support for IHEs operating a rural track. Senate Bill 24-221 added one-time funding of \$867,000 in FY 2024-25, with roll-forward spending authority through FY 2025-26.

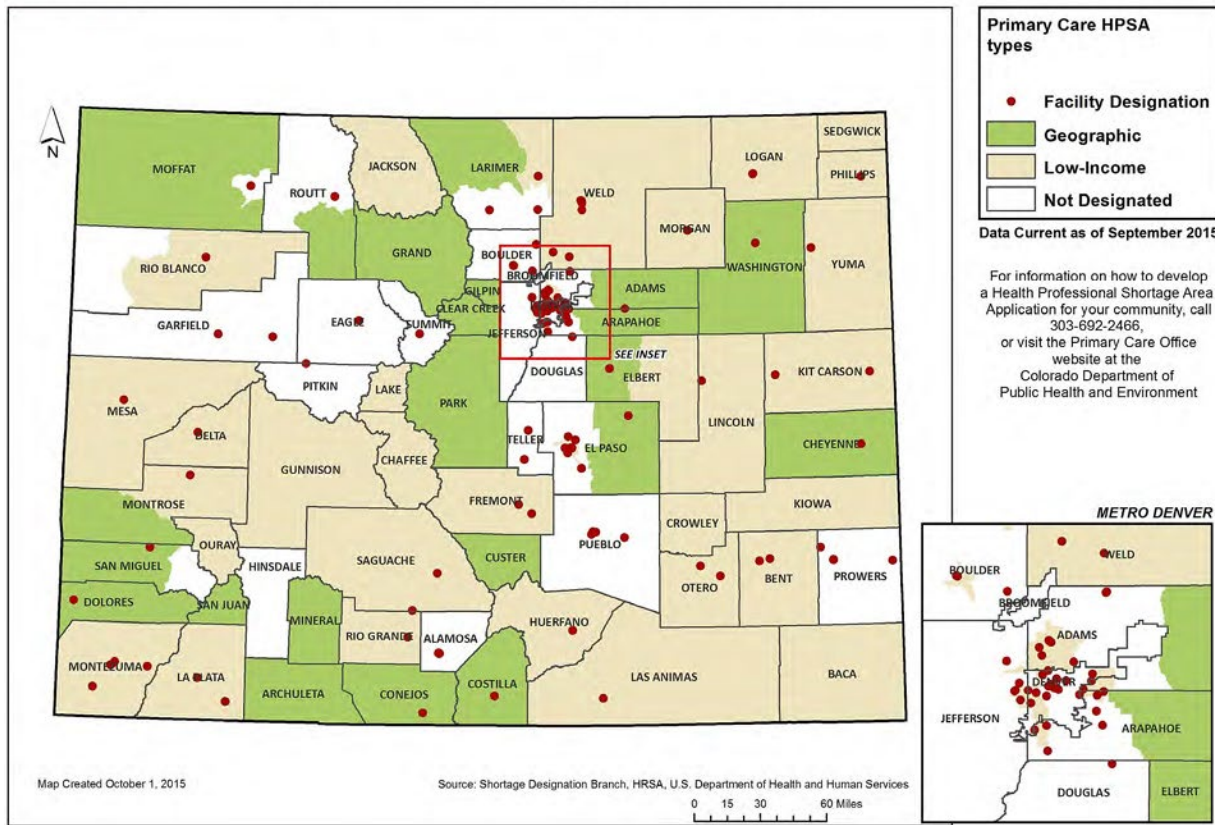
In its hearing response CU noted that there isn't an alternative funding source to maintain the program. The CORHWI supports the work of 15 new or established "rural tracks" in institutions of higher learning across Colorado. These institutions train students to become nurses, physicians, physician assistants, dentists, public health professionals, and behavioral health professionals with the goal that many graduates will locate in rural and frontier counties. State funding supports direct-to-student aid in the form of scholarships and rural housing assistance and faculty salaries for teaching in the program.

JBC Staff notes that the Department of Public Health and Environment identifies significant health professional shortages in rural areas.



Primary Care Health Professional Shortage Areas (HPSAs)

Map Prepared By:
Colorado Department
of Public Health
and Environment GIS



Substance Use Disorder

\$412,577 – Request and Recommend to Eliminate [legislation required]

Key Considerations: This is a new program that the General Assembly could consider repealing. The request states that “work may continue without additional state funding”, but CU states that this is not true. Regardless, JBC staff recommends that the Committee consider whether the \$413,000 per year for this program outweighs other needs for state expenditures. *Given the specific requirements in the bill, staff would recommend repealing the relevant statutory provisions if the JBC wishes to end the program.*

Additional Background: S.B. 24-048 establishes a voluntary program for employers to become recovery-friendly workplaces within the Center for Health, Work, and Environment at the University of Colorado School of Public Health. The center must develop program rules, create training materials and resources for employers, provide documentation that verifies an employer’s status as a recovery-friendly workplace, and create a program website. The program repeats September 1, 2028.

In its hearing response, CU notes that “the program promotes strategies to reduce Colorado’s overdose rates such as fostering employment for individuals in recovery, reducing dependence on public welfare systems, and enhancing public health outcomes. This program provides high-risk industries with tools to adopt recovery-supportive policies and practices,...By maintaining steady employment, individuals in recovery can remain productive, strengthen Colorado’s workforce, and reduce recidivism – saving employers an average of \$8,500 annually per employee in recovery through reduced turnover, absenteeism, and healthcare costs.

→ R8 New Cash Fund for IHE Capital Expenses

Request

The request proposes transferring a portion of the state reserve to a cash fund to a state higher education governing board that is a TABOR enterprise, so that interest earned on these funds does not count under the TABOR cap. This interest would then be used to support controlled maintenance at the institutions of higher education, in lieu of General Fund transfers for institutions’ controlled maintenance.

Recommendation

Staff does not recommend this initiative due to concerns described in a memo presented by Director Harper to the Committee and attached to this packet.

Staff remains concerned about any legislative steps that will limit rapid access to the General Fund reserve. Among other considerations, threats to federal funding seem more acute than they did just a few months ago. Any rapid changes to the health of the economy or the flow of federal funds could have dramatic impacts on state finances and require a nimble response.

→ R12 CUSOM Refinance

Request

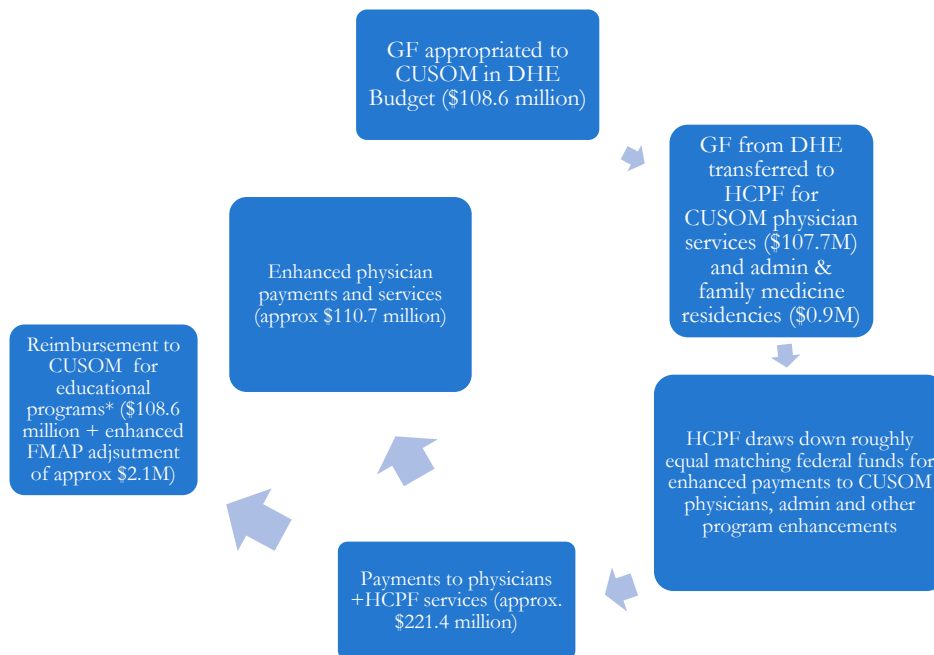
The request is for a reduction of \$20.0 million General Fund to Specialty Education Program support for the University of Colorado School of Medicine (CUSOM) that is provided through the higher education funding formula. Most of these funds are transferred to the Department of Health Care Policy and Financing on behalf of the School of Medicine.

Recommendation

Staff does not recommend this request.

Analysis

The request includes a reduction of \$20.0 million General Fund to Specialty Education Program support for the University of Colorado School of Medicine (CUSOM) that is provided through the higher education funding formula. Most of these funds are transferred to the Department of Health Care Policy and Financing on behalf of the School of Medicine. The funds are used to draw down matching federal funds that support both increased physician payments for school of medicine faculty and various targeted initiatives at CU and HCPF. The funds originally transferred to HCPF are then “returned” to support medical education at CUSOM. The chart below shows how this mechanism works (uses FY 2024-25 figure).



- **Setting aside the current use of the funds to match money in HCPF, the request is a reduction to funding for the CU School of medicine of \$20.0 million.** The structure of the current arrangement, as staff understands it, is that the CU School of Medicine is kept “whole” after all of the funding match is completed and receives the same funding it would have received from the higher education funding model without the matching structure.
- *The request proposes that CU work with HCPF’s CHASE enterprise (the hospital provider fee enterprise to pull down the federal Medicaid match that would be lost as a result of the reduced General Fund support. At this point, staff is uncertain whether or not this is a viable alternative to drawing down the matching funds.*
 - The Governor’s Office believes this is feasible.

- CU states that it has not been able to determine feasibility because its partners at UHealth, which operates University Hospital and other hospitals where the faculty of the school of medicine work, have not responded to its inquiries. On this basis, CU staff conclude that UHealth would be unwilling to provide matching funds, even if this were technically feasible.

Additional Background: Based on approval from federal CMS that first occurred in July 2017, CUSOM and HCPF have an interagency agreement to improve access to primary and specialty care using the additional federal funds from this arrangement. The table below shows how expenditures from this arrangement were used in FY 2023-24. As shown, over half of the total additional federal funds (53.8 percent) supported enhanced payments to physicians, but the balance was used for an array of targeted projects to improve medical care. See the briefing for the Department of Health Care Policy and Financing and the annual RFI response on this topic for additional information.⁵

FY 2023-24 Use of CUSOM Match	Amount (Million \$s)
Enhanced Clinical payments	\$49.2
Expand Access Using Evidence-based Health Care Models (50 projects)	25.1
Expand Rural Patient Access (19 projects)	6.9
Expand Telemedicine & econsults (10 projects)	1.3
Improve transition care (6 projects)	1.6
Support FQHCs	2.1
HCPF research	0.5
Rural and diversity programs (rural scholarships, rural track program)	1.2
Collaborative initiatives	1.9
Administration	2.0
Total	\$91.9

JBC Staff Observations:

- While there may be good reasons to reduce funding for the School of Medicine, the **Executive Branch has not provided supporting data or analysis**, despite repeated requests from JBC Staff.
- OSPB has asserted that CU should be able to pull down the federal match for medical services that would be lost through this reduction using other sources of funds. CU denies that this is feasible. **Staff does not have a basis for determining the accuracy of either position.**
- **The JBC should note that by choosing not to apply this reduction, the JBC will be short \$20.0 million General Fund** that the Executive Branch had proposed for budget balancing. In part because of this, staff has recommended an overall reduction of 1.0 percent to formula funding for the higher education institutions.

⁵ https://hcpf.colorado.gov/sites/hcpf/files/2024%20OCT_HCPF%20CUSOM%20LRFI%20Multi%23%20_FINAL.pdf

- **If the Committee wishes to apply a reduction targeted to CUSOM, even a reduction of a smaller amount, staff would recommend legislation for this purpose.** The legal structure in the higher education funding model requires that specialty education programs, such as CUSOM, increase by no less and are reduced by no more than the average change for institutions provided in Step 2 of the higher education funding model. Staff could potentially find a way to manipulate the existing higher education funding model to make this reduction without a statutory change, but this appears inconsistent with legislative intent.

→ Annualization for S.B. 21-213 FMAP Adjustment

Request

The Department’s request did not address annualization of adjustments for S.B. 21-213 (Use of Increased Medicaid Match) which phases out in FY 2024-25. The Governor’s Office did not explain this omission, but this also occurred last year.

Recommendation

Staff recommends restoring \$2,195,906, based on last year’s calculation of the final amount to be restored in the CU base. This restoration does not require an aligned financial aid increase, based on legislation sponsored by the JBC last year.

Background

The General Assembly adopted S.B. 21-213 as a mechanism for “capturing” the additional federal Medicaid match participation (FMAP) that was provided by the federal government in response to the pandemic. Through S.B. 21-213, the University of Colorado was able to maintain its prior revenue level, including a federal Medicaid match obtained through mechanisms described below, but the *additional* funding that resulted from the enhanced federal match rate went to the State. In the case of this program, this amount was “captured” by the State by reducing the appropriation to the University of Colorado for its specialty education program (the School of Medicine, which is part of the University of Colorado Health Sciences Center/Anschutz campus). In the absence of the enhanced federal match and without restoration of its previous General Fund support, the program will simply have less funding.

Transfer of Specialty Education Funding to HCPF: As described pursuant to R8, above, the vast majority of the appropriation for specialty education fee-for-service contracts for the University of Colorado, representing funding for medical education, is transferred to the Department of Health Care Policy and Financing to draw down federal Medicaid match funds.

S.B. 21-213 (Use of Increased Medicaid Match): This bill was adopted to ensure that the State obtains the full benefit of the increased federal medical assistance percentage (FMAP) that has been available to the State as part of the federal response to the Coronavirus Pandemic. This including the match provided related to transferring funds from the Department of Higher

Education for the CU School of Medicine. The statutory provisions ensure that when the federal match rate is enhanced (exceeding 50 percent), state General Fund contributions are reduced by the amount of the additional federal support received.

For FY 2023-24, a total of \$11,858,968 General Fund was reduced from the appropriation for the University of Colorado for its specialty education fee-for-service contract due to the provisions of S.B. 21-213. Much of this General Fund was restored in FY 2024-25, but the final benefit of the enhanced match on this component of the budget continued into part of FY 2024-25, so final annualization occurs in FY 2025-26.

The Long Bill will include a footnote addressing the amount to be transferred to the School of Medicine. Staff will bring in information on the related amounts once the Committee has made its final budgeting decisions. The FY 2024-25 version is included in the list of footnotes for continuation.

→ “Free College” Initiative

Recommendation

Staff recommends that the Committee sponsor legislation to clarify in statute that at public institutions in Colorado, low income students may attend college without paying tuition. Staff recognizes that this initiative will be most appealing if the JBC is able to provide some increases for the institutions and not solely cuts, but staff wishes to ensure that this issue remains on the JBC’s radar.

- Staff recommends that the JBC sponsor legislation to tie together existing institutional “promise” programs to provide a unified message: students from households with incomes of \$60,000 or less who qualify for federal grant aid will not pay tuition or fees if they attend a public 4 year institution full time or a public 2 year institution at least half time.
- Staff does not believe that such an initiative requires additional funding, though some funding for coordination and publicity would be helpful.
- Institutional programs generally guarantee at least this much and staff believes that the few that do not (the Colorado School of Mines) can absorb the additional cost. If the JBC provides an increase in funding for the institutions, any aligned financial aid associated with institutional increases could be included in this new legislation as a “sweetener”, but staff does not believe this would be *required*.
- Staff is not envisioning an expensive ad campaign but rather a coherent, coordinated effort focused on ensuring K-12 administrators, teachers, and counselors, as well as higher education institutions, are conveying a consistent message to students. To make a difference for FY 2025-26, or even FY 2026-27, this effort should launch as soon as feasible.

Analysis

As described at length in staff’s budget briefing:

- Both the real cost of college and the perceived cost of college are significant obstacles to postsecondary education for low and middle income students.
 - Most low-income students who are eligible for the federal Pell grant have had to pay little or nothing out-of-pocket for tuition and fees at most public institutions for the last decade—but most have also not been aware of this.
 - For students from families with incomes that are above the threshold for federal grants but who are not wealthy, tuition and fee costs have been significant obstacles. And both low-and moderate income students need to cover housing and food costs, which state and federal grant aid has never been sufficient to cover.
- Many potential college-goers never get as far as even applying for financial aid, in part because they anticipate that college is too expensive to consider. *In many cases this is based on over-estimating college costs.* Colorado has one of the lowest completion rates in the nation for the Free Application for Federal Student Aid (FAFSA). As of summer 2023, the FAFSA completion rate was 46.8 percent for high school seniors, ranking Colorado 46th in the nation. In order to thrive, Colorado institutions need to recruit—and effectively serve—students from a range of economic backgrounds.
- *The institutions of higher education and the State have made remarkable progress in the last two years in guaranteeing that low- and moderate income students can attend postsecondary institutions without paying tuition and, in most cases, fees.*
 - Almost every 4 year public institution in the state has now launched a “promise” program that guarantees free tuition (and often more) for most full-time students with incomes below \$65,000-\$70,000. Most low-income students attending community colleges at least half time already have their tuition and fees fully covered by state and federal grant aid.
 - H.B. 24-1340 (Incentives for Postsecondary Education) provides for refundable income tax credits to cover tuition and fees that are not covered by grant aid for resident students in households with incomes up to \$90,000 who are new high school graduates.
- What remains now is to *tie together existing institutional free tuition programs for low income students under a single statewide program message, address any technical issues related to the tax credit program, and **publicize.***

As of December 2024, all but one of Colorado’s public four-year institutions guaranteed free tuition (and sometimes fees and other benefits) for students with incomes of \$60,000 or less who are first-time freshmen attending full time. Based on the response to last year’s RFI on this topic, all institutional promise programs provided *at least* the following components.

- Colorado resident (in-state tuition eligible)
- Applied and admitted to an institution
- Completed a FAFSA or CASFA and eligible for federal grant aid
- First-time degree
- Enrollment intensity of 12+ credit hours per semester at 4-year institutions

6+ credit hours per semester at community colleges, local district colleges, and area technical colleges

- All incoming and currently enrolled undergraduate students
- Must maintain satisfactory academic progress
- Last dollar after all other aid is applied

Staff’s analysis in the budget briefing was that the state could probably offer a somewhat more generous guarantee without any additional funding, such as agreeing to also cover fees. In response to staff questions, Department staff have noted that the data they provided has some limitations. Given this—as well as the state’s constrained financial position—**it seems most prudent to simply align with the minimum that is currently promised by any institution, i.e., \$60,000 AGI guarantees free tuition (along with the other factors above)**. Further—again given the state’s current financial situation—staff recommends that any related legislation:

- Authorize the JBC to suspend the requirement that all institutions provide this guarantee in the event of significant economic downturn, large cuts to institutional funding, or significant reductions to federal financial aid.
- Incorporates a provision for a review of the threshold income every three years, with periodic automatic adjustment based on inflation.

Staff notes that during the budget hearings, institutional leaders have consistently supported this idea—often with enthusiasm. Given this, staff would like to see the General Assembly take the next step toward implementation.

Staff also notes that efforts in this area could be combined with a “clean up” bill associated with H.B. 24-1390 which authorizes refundable income tax credits for higher education. Staff is providing related information under separate cover.

→ Staff Initiated Statutory Change Proposal - School of Mines Performance Contract

Recommendation

Staff recommends that the Committee sponsor legislation to eliminate statutory provisions related to a School of Mines Performance Contract. The Department did not formally request this, but staff’s understanding is that the School of Mines, the Department of Higher Education, and the Governor’s Office all support this change as a statutory clean-up.

Analysis

Statutory Provisions

Section 23-41-104.6(4), C.R.S., specifies that the School of Mines shall negotiate and sign a performance contract with the Department of Higher Education, subject to approval by the Colorado Commission on Higher Education. Subsection (5) of 23-41-103.6 also specifies that, **while operating under a performance contract, the School “Shall have sole authority to**

establish resident and nonresident tuition rates for the Colorado school of mines so long as the school continues to meet the goals specified in the performance contract and to comply with the provisions of section 23-41-104.7”.

Section 23-41-104.6 (4), C.R.S., includes the following language about when the contract is in effect:

(4)(c) The school of mines shall operate pursuant to the performance contract that is approved by joint resolution passed during the 2002 regular session beginning on the date the performance contract is approved and continuing through the date on which the governor signs the joint resolution passed during the 2013 regular legislative session that approves the next performance contract. The school of mines shall operate pursuant to the performance contract that is approved by joint resolution passed during the 2013 regular session beginning on the day after the date on which the governor signs the joint resolution and continuing through the date on which the governor signs the joint resolution passed during the 2023 regular legislative session that approves the next performance contract.

Implementation

Through FY 2022-23, JBC Staff operated on the understanding the Colorado School of Mines was exempt from having its tuition subject to appropriation by the General Assembly because it operated under a performance contract. This contract had been approved through a joint resolution passed by the General Assembly during the 2013 legislative session, and staff understood the contract was in effect until the 2023 legislative session, when it would be renewed. However, despite staff inquiries in 2022 and 2023, no action was taken to approve a new contract or arrange for a new legislative resolution.

Therefore, beginning with the FY 2023-24 Long Bill, staff’s understanding was that the contract had lapsed and that tuition at the School was again subject to appropriation. This was based on the (confusing) statutory language, as well as information that the School of Mines had not submitted performance reports for multiple years.

Based on this, staff changed tuition footnotes in the Long Bill to specify that Mines tuition was no longer shown solely for informational purposes.

In the summer of 2024, staff learned from OSPB that they and the School of Mines had concluded that the former contract was still in operation, and the School of Mines sent a performance report in June 2024. JBC Staff consulted with Office of Legislative Legal Services, which confirmed that, based on the existing language in statute, the performance contract was likely still in operation.

Since that time, staff understands that OSPB, the Department, and the Colorado School of Mines have reached agreement that the Performance Contract concept no longer serves a useful function and that a statutory clean-up to eliminate the related provisions is the preferred path forward. Staff recommends the JBC sponsor this legislation.

(3) Colorado Commission on Higher Education Financial Aid

This section includes all appropriations for financial aid in the Higher Education budget. This includes appropriations for need based aid, work study, merit based aid, and various special purpose programs. Financial aid is representing nearly 20 percent of the Department of Higher Education’s General Fund budget. The table below summarizes the recommended changes to the Division appropriation for FY 2024-25.

Colorado Commission on Higher Education Financial Aid					
Item	Total Funds	General Fund	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation					
FY 2024-25 Appropriation	\$320,261,917	\$314,787,635	\$5,474,282	\$0	7.5
LBSup Financial aid and COF private stipend	-\$1,079,942	-\$1,079,942	\$0	\$0	0.0
LBSup Educator stipends	-\$920,000	\$0	-\$920,000	\$0	0.0
Total FY 2024-25	\$318,261,975	\$313,707,693	\$4,554,282	\$0	7.5
FY 2025-26 Recommended Appropriation					
FY 2024-25 Appropriation	\$318,261,975	\$313,707,693	\$4,554,282	\$0	7.5
R1 State funding and tuition for higher ed	0	0	0	0	0.0
R2 Fort Lewis Native American Tuition Waiver	-720,972	-720,972	0	0	0.0
R6 DTAP realignment	0	0	0	0	0.0
Annualize FY 21-213 FMAP adjustment	0	0	0	0	0.0
SI Financial aid adjustments	0	0	0	0	0.0
Annualize prior year legislation	-3,259,382	17,618	-3,277,000	0	-0.5
Annualize prior year budget actions	-20,472	-20,472	0	0	0.0
Total FY 2025-26	\$314,261,149	\$312,983,867	\$1,277,282	\$0	7.0
Changes from FY 2024-25	-\$4,000,826	-\$723,826	-\$3,277,000	\$0	-0.5
Percentage Change	-1.3%	-0.2%	-72.0%	0.0%	-6.7%
FY 2025-26 Executive Request	\$317,656,068	\$316,378,786	\$1,277,282	\$0	6.7
Staff Rec. Above/-Below Request	-\$3,394,919	-\$3,394,919	\$0	\$0	0.3

Additional Program Background

Of state General Fund appropriations for higher education in FY 2024-25, over 18.5 percent is for financial aid. While Colorado provides less funding than most states for higher education overall, it provides more than most for financial aid.

State financial aid: For most of the financial aid programs, the General Assembly appropriates state financial aid funds to the Colorado Commission on Higher Education, which allocates them to institutions, including to some private institutions, based on formulas that consider financial need at the schools, total student enrollment, student retention, and program eligibility

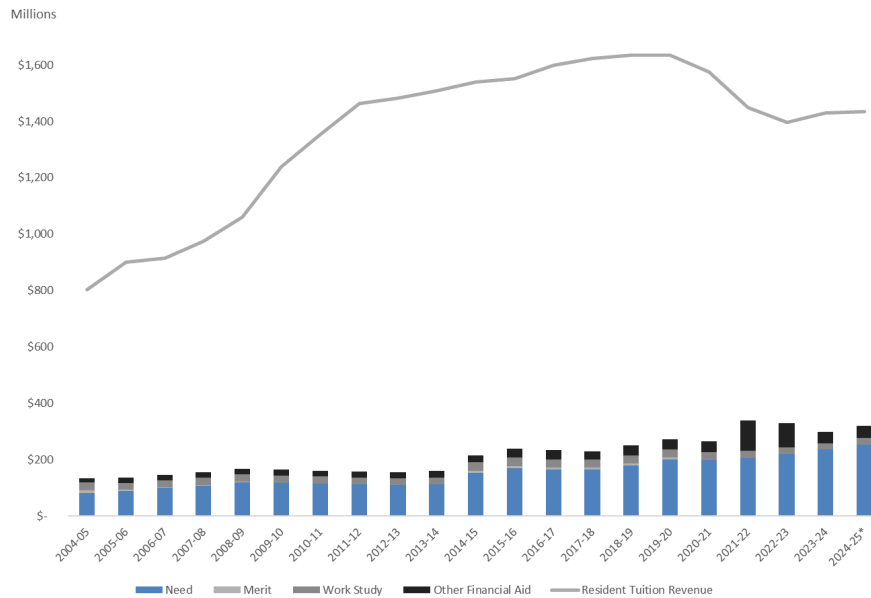
criteria. Private institutions also receive some of this aid for their students, although most funds go to public institutions for distribution to their students with need.

Most Colorado state financial aid is for need-based aid and work-study. There are also a number of smaller, special purpose financial aid programs. These include the Fort Lewis College Native American tuition waiver, which covers tuition for any Native American student attending Fort Lewis College pursuant to a treaty obligation, and the Colorado Opportunity Scholarship Initiative, which funds services and scholarships for high achieving low-income students in collaboration with private funders and agencies.

A total of 53,548 students received a state-supported need-based grant in FY 2023-24, and the average award was \$3,959. A total of 6,386 students received Colorado work study funding, and the average award was \$3,630.

There have been significant General Fund increases in recent years, including \$20.8 million (9.7 percent) in FY 2021-22 and \$30.5 million (12.9 percent) in FY 2022-23, \$21.5 million (8.0 percent) in FY 2023-24, and \$26.6 (9.2 percent) in FY 2024-25. The General Assembly appropriated significant one-time financial aid funds during the 2020, 2021, and 2022 legislative sessions, including both cash funds and General Fund. Nonetheless, overall demand for aid continues to outstrip available funding. In FY 2000-01, total state financial aid disbursements equaled 27.0 percent of resident tuition revenue at state institutions; for FY 2024-25 this figure was estimated to be 22.3 percent of resident tuition revenue.

Public Institution Resident Tuition Revenue v. State Financial Aid Appropriations (Constant FY 2024-25 Dollars)

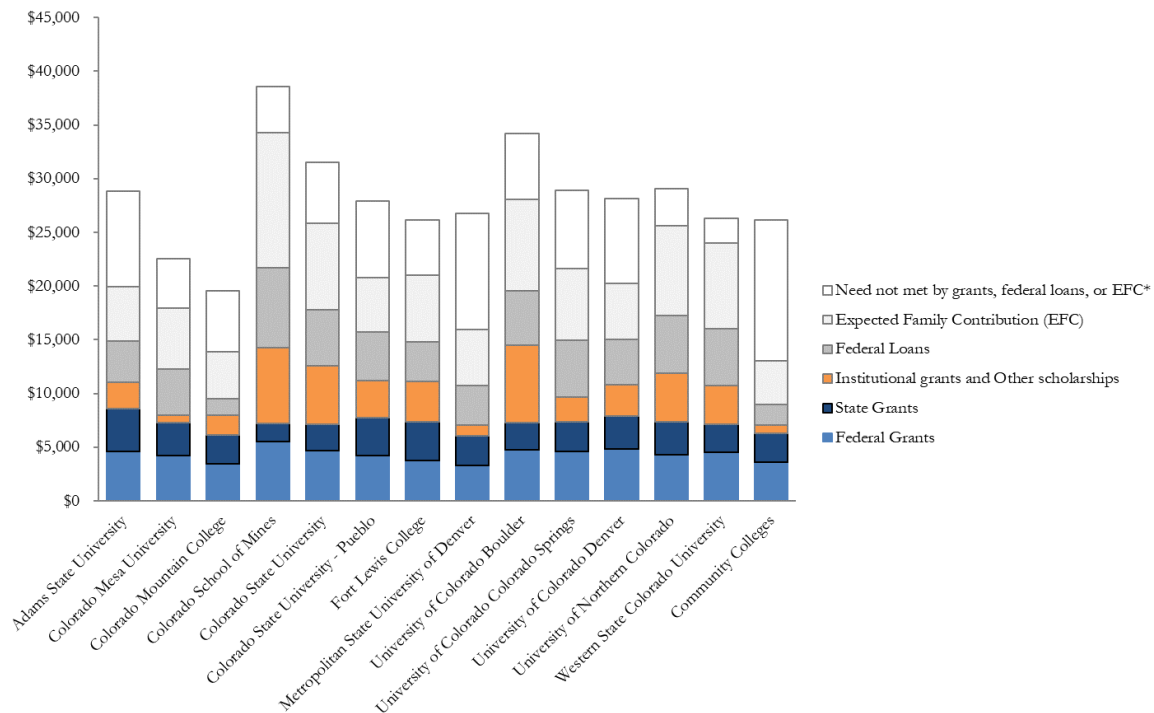


Statutory Guidance on State Financial Aid Funding: Section 23-3.3-103, C.R.S. requires that the annual appropriations for student financial assistance (need-based, work-study, and assistance to national guard members and to dependents of deceased or disabled national guard members and first-responders), and the Colorado Opportunity Scholarship Initiative in addition

to several other programs, increase, in total, by at least the same percentage as the aggregate percentage increase of all General Fund appropriations to institutions of higher education.

Student Need and Other Sources of Support: Most sources of student financial aid are not reflected in the state budget. Yet even when these other funding sources are included, financial aid support is far less than the cost of higher education, particularly once room and board are included. The following chart compares grants and loans awarded in FY 2021-22 to full-time resident undergraduate students with financial need (calculated based on federal formulas) and the average cost of attendance for a resident student at various institutions. The average cost of attendance includes the cost of room, board, transportation, and learning materials, in addition to tuition and fees. Depending on the institution, these other costs of attendance may dwarf the price of tuition.

AVERAGE GRANTS, FEDERAL LOANS, AND UNMET NEED BY INSTITUTION FOR FULL-TIME RESIDENT UNDERGRADUATE STUDENTS QUALIFYING FOR FINANCIAL AID FY 2021-22



*This shortfall may be addressed by the student by reducing their out-of-pocket costs, e.g., by living with family or in less expensive accommodation than the cost of attendance formula calculates, by additional earned income or savings, or by private unsubsidized loans taken out by the student or family.

State Funding as a Share of Grants: State need-based grants comprised 29.7 percent of grant-aid awarded to resident undergraduate students with a financial aid application on file at public institutions in FY 2023-24. State support was 40.2 percent at two-year public institutions and 26.6 percent at 4-year public institutions.

Federal Grants: The largest source of need-based aid is the federal government. The federal Pell grant program provided up to \$7,395 per eligible student in FY 2023-24, with an average grant of \$4,512 in Colorado. Pell-eligible students have historically comprised about one-third of

students enrolled at public institutions. Federal grants comprised 33.5 percent of aid awarded to resident undergraduates at Colorado public institutions with a financial aid form on file in FY 2023-24, and represented 50.7 percent of grant-aid awarded at two-year public institutions and 28.0 percent of grant-aid awarded at four-year public institutions.

Institutional Grants: Public institutions in Colorado awarded \$221.2 million in institutional awards in FY 2023-24 for resident undergraduate students enrolled at least half-time with a financial aid application on file. Institutional grants comprised 29.7 percent of grant-aid awarded to resident undergraduate students in FY 2023-24, including just 3.6 percent at two-year public institutions and 38.0 percent the state’s four-year institutions.

Federal Student Loans: In order to fill the gap between cost of attendance and available grant funds, students typically rely on student loans. In addition to grant funds, the federal government provides guaranteed loans and tax credits and deductions for tuition. At Colorado higher education institutions, 43.2 percent of student financial assistance was in the form of loans in FY 2023-24.

- The average student loan debt of resident loan recipients graduating from a public institution with a baccalaureate degree ranged from \$11,679 to \$37,410 in FY 2021-22. Of all resident students graduating with a baccalaureate degree, 36.7 percent graduated with loans.
- The average student loan debt for associates graduates ranged from \$9,410 to \$18,364 in FY 2021-22. Among those resident students graduating with associates degree, 36.7 percent graduated with loans.

Other Sources: There is a substantial gap between the calculated cost of attendance for students with need and known sources of student support. A portion of this gap may be filled with additional unsubsidized student or family loans, which are not included in these figures.

Program Administration: The state financial aid structure is built around the federal financial aid structure. It nonetheless gives institutions a high level of autonomy in managing their financial aid programs. State financial aid statutes, in Article 3.3, 3.5, and 3.7 of Title 23 generally date back to 1977 or 1979 and provides little guidance around program structure. Historically, the Colorado Commission on Higher Education established state financial aid policies. However, in 2010, the General Assembly adopted changes in S.B. 10-003 specifying that “each state institution shall administer a financial assistance program according to the policies and procedures established by the governing board of the institution” (Section 23-3.3-102 (3), C.R.S. As a result, the Department now *allocates* funds among the governing boards, but the governing boards are able to adopt their own administrative policies.

Because institutions must comply with *federal* rules to obtain federal need-based financial aid for their students, they still all follow certain procedures and comply with certain reporting requirements. For example, any student applying for federal financial aid, whether a grant or loan, must complete the “FAFSA” or free application for federal student assistance., a detailed questionnaire that considers a family’s income and various other factors to identify an amount that the student’s household should be able to contribute to the student’s higher education. This was previously known as the “expected family contribution”; under recent changes in

federal law, the tool for determining the amount of federal support is known instead as the “student aid index”. Some public higher education institutions may ask students and families to complete an additional questionnaire to determine if the family has other assets that may help cover a student’s educational costs, even if the FAFSA indicates that the student is eligible for financial aid. Students not eligible for federal financial aid who are eligible for state financial based on living and graduating from a Colorado high school complete a FAFSA-like application (the Colorado Application for State Financial Aid or CASFA).

The Colorado Department of Higher Education distributes funds to the higher education institutions based on the number of students eligible for the federal Pell grant at each institution. Institutions predominantly use the state funds to support students on the lower-end of the income range, (particularly students who are eligible for the Pell grant but not the full Pell grant). However, they may also choose to use the state funds to serve students higher up the income scale, so long as the student has a gap between the calculated cost of attendance and the student’s expected family contribution.

Higher Education Affordability: Because institutions “package” both institutional and state financial aid following their own policies, it can be difficult to predict what any particular student will pay at any particular higher education institution. Based on previous staff research, at state public institutions, approximately 60 percent of all students receive need-based aid, with the percentage is as high as 94 percent at some institutions; approximately 42 percent receive merit based aid, with as many as 82 percent receiving aid at some institutions. A student with the same economic profile may receive a different level of funding at the same institution depending upon factors such as when he or she applies. Data on affordability at Colorado institutions has generally indicated that tuition is covered by grant aid for students who qualify for a Pell grant at most public institutions. However, families with incomes below the median may be faced with unaffordable debt at all institutions due to the full cost of attendance. Low-income students who attend regional comprehensive institutions often receive less support than the same student would at a research institution that has more resources.

Decision Items – Colorado Commission on Higher Education Financial Aid

→ R1/BA Financial Aid Components

Request

The request includes an aligned increase of \$2,300,000 General Fund for Need Based Grants as part of the R1 Request

Recommendation

Section 23-3.3-103, C.R.S. requires that the annual appropriations for student financial assistance created in Article 3.3 of Title 23, which includes need-based aid and work-study, among other components, increase, in total, by at least the same percentage as the aggregate percentage increase of all General Fund appropriations to institutions of higher education. As a result, every annual request for funding for the institutions includes a calculation for “aligned” financial aid.

- **The staff recommendation does not include an increase or a decrease to financial aid as part of the recommendation for an overall cut pursuant to R1/BA1.** Statute requires aligned increases. Associated with this, staff assumes that decreases should not exceed decreases for the governing boards but that decreases would be allowed, rather than required.
- The recommendation not to change financial aid takes into consideration the following considerations:
 - *The staff recommendation already includes reducing financial aid in FY 2024-25, in net, by \$1,079,942, which requires a related statutory change to authorize a deviation from the aligned financial aid requirement. Staff is continuing this cut in the base for FY 2025-26*
 - The staff recommendation also includes additional adjustments for FY 2025-26 that **reduce support for Need Based Grants** by a further \$1,131,447 to offset the restoration of funding for students who were homeless in high school and an increase in costs for the foster youth financial assistance program.
 - The staff recommendation includes an option for reducing the cost of the Dependent Tuition Assistance Program, which is estimated to reduce financial aid support by approximately \$250,000 in FY 2025-26, if adopted.

Analysis

Aligned Financial Aid Calculation

The table below shows the aligned financial aid calculation, with the recommended FY 2024-25 supplemental adjustments to financial aid, that will be used to calculate aligned financial aid based on the JBC’s R1 decisions.

Base for Aligned Financial Aid Increase, including FY 2024-25 Long Bill Supplemental Change		
		Share of Total
Base FY 2024-25 Governing Board Support (proportionate financial aid increase for any amount above this) Includes: College Opportunity Fund program (except COF stipends at private institutions) and General Fund grants for the local district colleges and area technical colleges. Excludes some certain limited purpose appropriations per 23-3.3-103.	\$1,272,744,442	81.3%
Base FY 2024-25 Financial Aid. Includes all appropriations for programs authorized in Article 3.3 of Title 23. This currently includes Need Based Aid, Work Study, the Dependent Tuition Program, the Colorado Opportunity Scholarship Initiative, Career	292,956,085	18.7%

Base for Aligned Financial Aid Increase, including FY 2024-25 Long Bill Supplemental Change		Share of Total
and Technical Education scholarships, Fourth Year Innovation Pilot, Foster Youth and Homeless Youth Financial Assistance; amounts are adjusted in the Long Bill		
Total		\$1,565,700,527

Based on the total increase approved for R1, different amounts will be required for financial aid, based on financial aid alignment. Once the total amount for aligned financial aid is determined, the Committee may decide how that additional funding is allocated within the budget. The Executive Request is to place all funding in the Need Based Grants line item. That is also staff’s recommendation, along with a footnote expressing legislative intent regarding prioritization of students.

As discussed separately below, however, the JBC could choose a different existing line item or could create a new, more restrictive line item name, e.g. Need Based Grants for Colorado Undergraduate Resident Students at Public Institutions if it wishes to impose greater control over CCHE’s use of funds. The relevance of such a change will depend on final funding amounts.

➔ **OSPB Informal Request for Supplemental Adjustments for Financial Aid and the Private COF Stipend; Staff Initiated Adjustments to FY 2025-26 Funding [Legislation Required]**

Request

The Department did not submit a request for a supplemental adjustments to financial aid programs or the COF stipend for students at private institutions within statutory timeframes. However, in responses to questions submitted to JBC staff the week of March 3, OSPB/the Department informally requested multiple adjustments to FY 2024-25 appropriations. These adjustments have a net-\$0 General Fund impact.

- Increase College Opportunity Fund (COF) stipends for students attending private institutions by \$1,079,942 General Fund to a total of \$2,618,367.
- Increase appropriations for the Foster Ed program by \$356,944. The new appropriation would be \$2,962,463. This is a program that covers the balance of cost-of-attendance for postsecondary students who were formerly in foster care.
- Decrease the Need-Based Grant appropriation by \$325,908. The new appropriation would be \$255,962,118
- Amend the appropriation for H.B. 24-1403, which created a new program to cover the cost-of-attendance for postsecondary students who were homeless while in high school. Decrease the appropriation by \$1,110,975, leaving an appropriation of \$589,520.

Recommendation

- Staff recommends the net \$0 informal supplemental request adjustments listed in the request above (with minor adjustments for rounding. For the record, however, **staff**

objects to the timing. *Staff believes the Department and OSPB should have been able to foresee these issues and should have submitted a timely supplemental request.*

- In requesting its net \$0 adjustment, *OSPB did not take into account the fact that its proposal reduces the financial aid for FY 2024-25 that is calculated pursuant to 23-3.3-103 (1), C.R.S., which requires that “the annual appropriation for student financial assistance provided [under article 3.3] shall increase by at least the same percentage as the aggregate percentage increase of all general fund appropriations to institutions of higher education”.* The COF stipend provided at private institutions is not included in this calculation. Since the request makes a net reduction of \$1,079,942 to the three other line items above which are created in Article 3.3, making these adjustments would put the General Assembly’s actions out of compliance with current law. **Staff is therefore recommending a bill to specify that the requirement for aligned financial aid will not apply to mid-year FY 2024-25 supplemental adjustments adopted during the 2025 legislative session.**
- Staff also recommends net \$0 adjustments to financial aid funding for FY 2025-26 related to the trends visible in FY 2024-25. **Staff is disappointed that the Department/OSPB made no attempt to modify the budget request to address these trends.**
 - Given the Foster Ed projected overexpenditure of \$356,943 in FY 2024-25, staff is retaining this increase for FY 2025-26. This is likely to be insufficient, but staff will not recommend a further adjustment in the absence of a request.
 - Given the Private COF overexpenditure of \$1,079,941 projected for FY 2024-25, staff will base enrollment for FY 2025-26 at the FY 2024-25 estimated level of 1,589.0 FTE, which is almost double the original 884.2 forecast. Assuming no change to the COF stipend rate, this will continue the FY 2024-25 increase into FY 2025-26.
 - Since funding needs for the program for students who were homeless in high school are uncertain for FY 2025-26, staff recommends restoring funding for the Homeless Youth program for FY 2025-26 to the level of the original FY 2024-25 appropriation.
 - **In order to balance the above adjustments, the staff recommendation includes a reduction of \$1.1 million to the FY 2025-26 appropriation for Need Based Grants.**

FY 2024-25 Supplemental and FY 2025-26 Budget Adjustments Recommended				
Net \$0 Impact				
	FY 2024-25 Long Bill Supplemental	FY 2024-25 revised base*	FY 2025-26 rec**	FY 2025-26 Change from Revised BY 2025-26 Base
COF Stipend at Private Institutions*	\$1,079,942	\$2,618,369	\$2,618,369	\$0
HiEd for Foster Care Students	356,944	2,962,463	2,962,463	\$0
HiEd for Homeless Students	(1,110,975)	557,406	1,668,381	1,110,975
Need Based Grants (balance)	(325,911)	253,688,723	252,577,748	(1,110,975)
Total	\$0	\$259,826,961	\$259,826,961	\$0

*FY 25 base for the COF private stipend excludes FY 25 funding of \$243,424 related to an FY 24 over-expenditure

**FY 26 rec excludes other adjustments to these line items for FY 2025-26

Analysis

In January 2025, the Department/OSPB submitted a supplemental request for additional FY 2024-25 funding for the College Opportunity Fund stipend for students attending private institutions of \$243,424 General Fund. The request addressed an error in the *FY 2023-24* forecast of program expenditures, which had led to an overexpenditure and a restriction.⁶ At the time, staff noted that the Department also appeared to be projecting an FY 2024-25 shortfall, but it had not requested an adjustment. *Because of this, staff indicated that staff anticipated that the Department and Governor's Office would use their existing statutory authority to transfer funds for financial aid and within the Governor's authority to address the problem.* Section 23-3.3-102 (7), C.R.S., is interpreted to mean that the spending in any financial aid line item authorized under Article 3.3 of Title 23 may exceed the appropriation by up to 10.0 percent, so long as total spending remains within the total appropriation for line items under Article 3.3. Staff also anticipated that OSPB might use its existing authority to transfer up to \$10.0 million statewide.

The Department and OSPB have now indicated that the scale of adjustments are too large for them to address internally. At the same time, *OSPB and the Department have NOT attempted to identify or address the impact of these financial trends on FY 2025-26 funding needs, leaving this to JBC staff.*

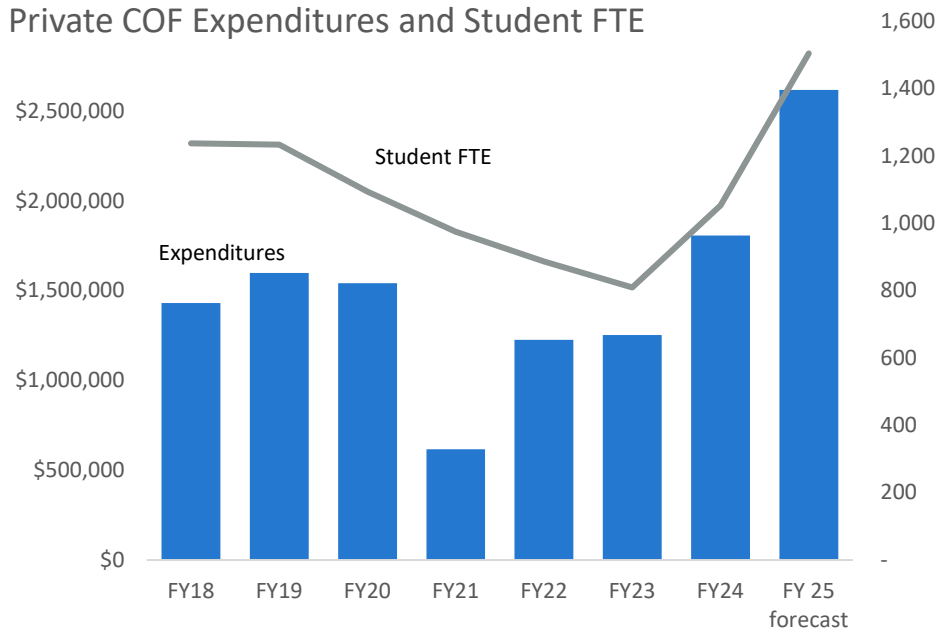
Background on Affected Programs

College Opportunity Fund Stipend at Private Institutions: Students who qualify for the federal need-based Pell grant and attend a participating private institution are eligible for a stipend equal to half of the College Opportunity Fund stipend for students attending a state operated institution, pursuant to Sections 23-18-201 (2) and 23-18-202 (2)(e), C.R.S. Three institutions currently participate in this program: Colorado Christian University, the University of Denver, and Regis University. Institutions are authorized to participate based on entering into a performance contract with the Department.

The FY original 2024-25 appropriation for the program was based on 884.2 student FTE at a stipend rate of \$1,740 per FTE (one FTE=30 credit hours; \$1,740 is half the public COF stipend rate of \$3,480), although the total was adjusted through a supplemental to address a FY 2023-24 problem.

The JBC has authorized drafting for a bill that would change how this program is managed from a mechanical perspective, so that insufficient or excess funding could be moved between this line item and the financial aid line items authorized under Article 3.3 of Title 23.

⁶ For additional information, see the FY 2024-25 supplemental write-up.



Staff finds the degree of growth projected for FY 2024-25 to be surprising. OSPB has indicated that the private schools participating in this program explain recent growth in enrollment as follows:

- The new FAFSA included changes to the way Pell grant eligibility is determined which expanded the number of Pell eligible students.
- Recruitment and enrollment strategies have focused more on in-state students, first generation students, and other minority students that are more likely to be COF eligible students.
- There has been an increase in the overall student population but the COF eligible increase is likely more due to a change in the admitted student population.

Based on current law, this program is an entitlement at the three institutions where it operates. Thus, staff’s recommendation for both supplemental adjustments and and the Long Bill will be to fund the program based on current law, with any possible modifications addressed in separate legislation. **Funding will therefore be based on 1,505.0 student FTE in both years, with a per-student rate of \$1,740 in FY 2024-25, adjusted as the Committee directs for FY 2025-26.**

Program for Students Who Were Previously in Foster Care: Senate Bill S.B. 22-008 (Higher Education Support for Foster Youth; Section 23-3.3-1401) required that Starting in the 2022-23 academic year, the state must provide financial assistance in excess of any financial aid to cover the **total cost of attendance** at a higher education institution for students who have been:

- placed in foster care in Colorado before their 13th birthday;
- placed in non-kinship care after their 13th birthday; or
- adjudicated neglected or dependent at any time.

The bill requires the General Assembly to appropriate an amount to the Colorado Commission on Higher Education (CCHE) within the Department of Higher Education (DHE) that covers half the cost of providing financial assistance to foster children, with institutions of higher education covering the other half from financial aid allotments. Foster students are eligible for aid for the first 132 semester credit hours.

The fiscal note was based on a state-funds cost of \$2,328,035 for the state funds portion of the financial aid, with institutions covering the balance. The bill also added 4.0 FTE and related funds to the Department for navigator positions.

As discussed above, the Department/OSPB estimates that the cost of the benefit in FY 2024-25 will require an additional \$356,943, for a total cost of **\$2.7 million** (excluding staff costs) to serve approximately 250 students, with full-year costs (fall, spring, and summer) averaging \$10,707 per student FTE for the state share (i.e., total costs that are double this amount).

Program for Students who were Homeless in High School: House Bill 24-1403 (Higher Education Support Homeless Youth; Section 23-3.3-1501 through 1503, C.R.S.), a JBC bill, created a financial aid program for postsecondary students who experienced homelessness while they were in high school. Eligible youth must have been identified by designated K-12 school personnel as homeless pursuant to the McKinney-Vento Homeless Assistance Act between ninth and 12th grades and must be between the ages of 17 and 27.

Beginning in the 2024-25 academic year, public institutions of higher education must provide financial assistance to qualifying students for the remaining balance of the student's total cost of attendance, minus financial aid received, for the student's first 132 semester hours. The General Assembly is required to appropriate money to the Colorado Commission on Higher Education (CCHE) to cover 50 percent of the cost of providing the remaining balance of financial assistance, which must be allocated to the schools. For FY 2024-25, the bill included \$1,500,000 to cover 50.0 percent of the balance of the cost of attendance for students and additional funding to support 2.0 FTE at the department. Based on OSPB's informal request, and reflecting first-year utilization, the appropriation for financial support is reduced by \$1.1 million in FY 2024-25; however, funding at the original level may still be required in FY 2025-26.

Need Based Grants Adjustment for FY 2025-26

Due to the changes related to FY 2024-25, as well as growth in the Foster Youth Financial Assistance Program, **the staff recommendation for Need Based Grants is \$1,457,358 lower than the amount included in the FY 2024-25 appropriation as enacted during the 2024 legislative session.**

Need Based Grant funding is the largest single component of Colorado's financial aid programs. The line item receives an appropriation of \$253,688,723 in FY 2024-25, after recommended Long Bill supplemental adjustments.

Colorado Need Based Grants are provided for full-time and part-time graduate and undergraduate students with demonstrated financial need attending eligible institutions in Colorado, which include some private institutions. Most funds are distributed as "Colorado Student Grants" for undergraduates at public institutions.

Determining Need: Financial need is determined by the formula of [cost of attendance] – [estimated family contribution (now the student aid index)] = need. The federal Pell grant formula determines the student aid index and thus the amount the family or student is expected to contribute before any aid (including low interest subsidized federal loans) can be offered. The State Auditor’s Office confirms that need-based aid, including both state and federal need-based aid, has been authorized consistent with this formula. The majority of resident students at Colorado public institutions qualify as having some amount of financial need.

Allocations to Institutions: Pursuant to Section 23-3.3-102, C.R.S., CCHE is responsible for determining the allocation of financial aid among the institutions. However, public institutions are authorized to administer their financial assistance program according to policies and procedures established by their governing boards. According to CCHE, some public institutions’ need-based aid policies authorize use of state-funded need based aid for individuals with estimated family contribution of up to 150 percent of Pell-grant eligibility. In FY 2023-24, 53,548 students (37.3 percent of resident undergraduate student FTE) received undergraduate state need based grants at an average rate of \$3,959.

The CCHE’s current formula for allocating need-based aid is based on the number of Pell-eligible, in state, at least 0.5-time student FTE at each institution, with amounts increasing for each grade level. The formula provides an increasing level of funding depending upon whether the student is a freshman, sophomore, junior, etc., to incentivize institutions in their efforts to retain students.

Committee and CCHE Options for Addressing the Net Reduction in Need Based Grants: Under the structure that has been in place for many years, the Colorado Commission on Higher Education may decide how the large Need Based Grants line item is allocated. However, the General Assembly could choose to assert more control through the name of the line item, e.g, breaking the line item into further components for undergraduate need based aid at public institutions, graduate aid and distributions to private institutions. As reflected in the table below, some of the grant funds are distributed to private proprietary institutions. **Staff suggests that such funding could be eliminated. Reductions targeted at financial aid at private nonprofit institutions and aid provided to public institutions for graduate financial assistance could also be considered for reductions.**

The table below shows the allocation of financial aid by institution for FY 2024-25.

Colorado Commission on Higher Education Allocation of Financial Aid by Institution FY 2024-25				
Institution	Undergraduate	Graduate	Work-study	Career & Technical
Public Four-Year Institutions				
Adams State University	\$ 2,680,679	\$ 113,991	\$ 410,707	\$ -
Colorado Mesa University	12,032,061	109,021	1,097,996	9,967
Colorado School of Mines	2,922,817	855,373	504,062	-
Colorado State University	20,863,147	1,799,452	2,463,970	-
Colorado State University - Pueblo	6,360,717	186,741	792,984	-
Fort Lewis College	2,174,712	2,886	322,973	-
Metropolitan State University of Denver	31,284,448	356,013	2,486,632	-

Colorado Commission on Higher Education Allocation of Financial Aid by Institution FY 2024-25					
Institution	Undergraduate	Graduate	Work-study	Career & Technical	
University of Colorado Boulder	18,627,605	1,969,189	2,218,066	-	
University of Colorado Colorado Springs	13,636,025	514,754	1,078,100	-	
University of Colorado Denver	19,082,500	8,879,738	1,336,044	-	
University of Northern Colorado	10,237,263	642,087	1,179,145	-	
Western Colorado University	1,828,625	34,802	257,300	-	
Public Two-Year Institutions					
Arapahoe Community College	\$ 4,605,929	\$ -	\$ 491,273	\$	16,983
Colorado Northwestern Community College	864,648	-	81,249		1,794
Community College of Aurora	5,882,046	-	437,395		9,909
Community College of Denver	8,443,258	-	860,184		13,714
Front Range Community College	13,526,981	-	1,256,362		163,034
Lamar Community College	852,516	-	118,536		2,647
Morgan Community College	977,671	-	131,109		3,718
Northeastern Junior College	1,127,170	-	183,172		9,316
Otero College	1,635,309	-	209,885		4,166
Pikes Peak Community College	17,681,114	-	1,239,332		62,132
Pueblo Community College	6,829,699	-	753,365		33,533
Red Rocks Community College	5,604,377	96,970	465,251		55,087
Trinidad State College	2,208,533	-	338,613		10,864
Local District Colleges					
Aims Community College	\$ 5,863,931	\$ -	\$ 432,639	\$	21,728
Colorado Mountain College	3,308,201	-	228,191		23,913
Non-Profit Private Institutions					
Colorado Christian University	\$ 3,154,564	\$ 126,141	\$ 300,483	\$	-
Colorado College	255,844	-	142,252		-
Naropa University	333,680	-	32,646		-
Regis University	3,039,283	1,493,804	493,550		-
University of Denver	2,217,022	690,472	490,900		-
Area Technical Colleges					
Technical College of the Rockies	\$ 324,763	\$ -	\$ 13,188	\$	3,761
Emily Griffith Technical College	1,738,723	-	119,728		3,732
Pickens Technical College	876,586	-	44,771		-
Proprietary Institutions					
Colorado Technical University	\$ 315,477	\$ -	\$ -	\$	-
ConCorde Career Institute	387,820	-	-		-
International Bty	100,097	-	-		-
IBMC	111,885	-	-		-
RMCAD	145,471	-	117,119		-
Totals	\$ 234,143,196	\$ 17,871,434	\$ 23,129,178	\$	450,000

→ R2 Fort Lewis College Native American Tuition Waiver

Request

As part of the November 2024 budget request, the Department submitted a request for a reduction of \$189,037 General Fund for the Fort Lewis College Native American Tuition Waiver. Funding is made one year in arrears. Thus, the FY 2025-26 request is based on the FY 2024-25 estimate.

Recommendation

The recommendation is for a *decrease* of \$720,972 General Fund for the Fort Lewis College Native American tuition waiver, bringing total waiver payments to \$21,307,918.

The recommendation is based on an updated projection from Fort Lewis received March 2, 2025 and represents a decrease from the original request. The recommendation includes the adjustments in this line item, consistent with past practice. Staff notes that this line item previously reflected significant increases, particularly during the pandemic, and more recently has included declines.

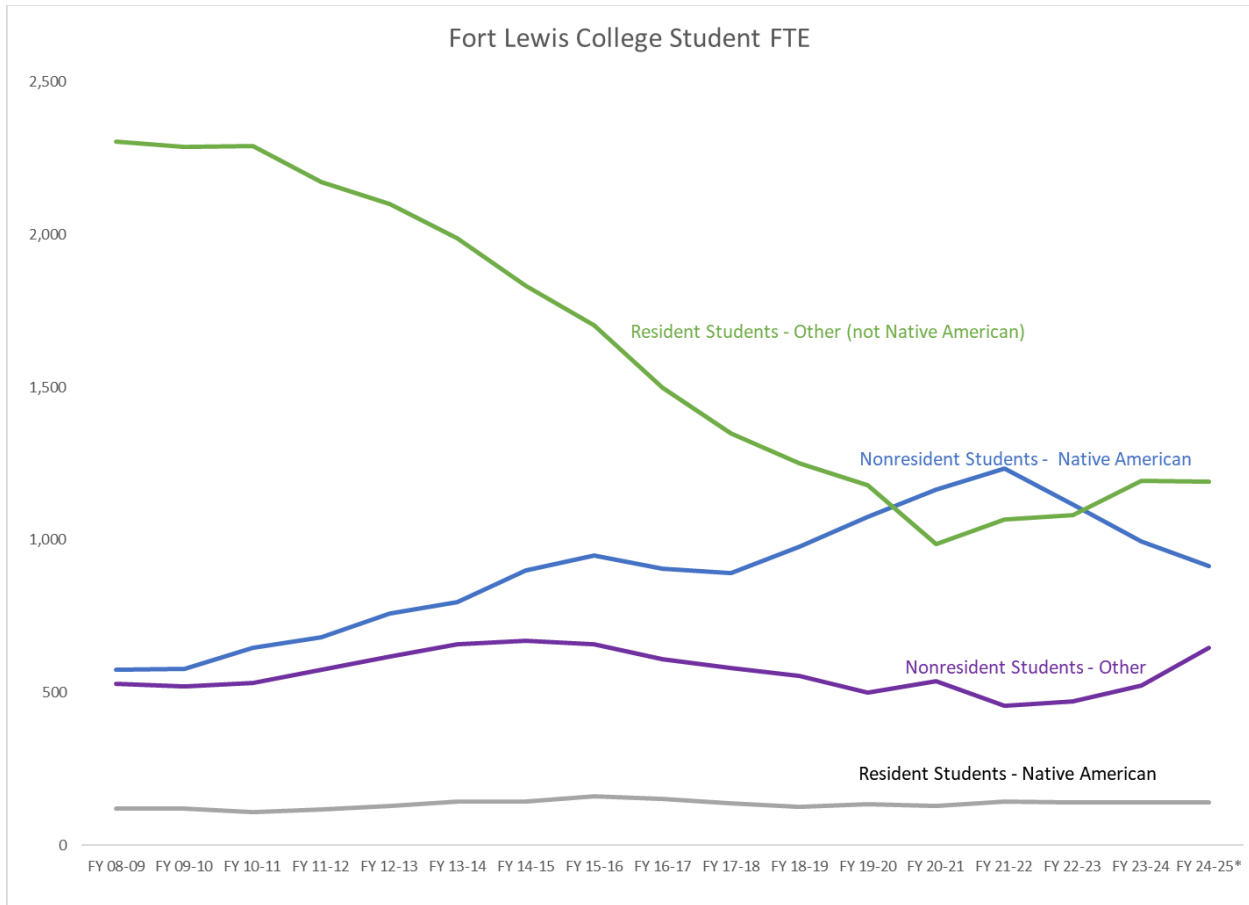
- To comply with a federal treaty and the contract that granted the Fort Lewis property to the state in 1911, Section 23-52-105, C.R.S. requires that the General Assembly appropriate funds to cover 100 percent of the cost of tuition for qualified Native Americans who wish to attend Fort Lewis College. The college waives tuition for these students up front, and then receives reimbursement in the following fiscal year.
- Consistent with past practice, the staff recommendation is based on the projected current year (FY 2024-25) Native American Tuition Waiver cost. The lower staff figure is based on revised estimates provided (as in prior years) just before figure setting. Each year's appropriation is based on the prior year's actual experience, including a "true up" component. Thus, the FY 2025-26 request is based on the FY 2024-25 actual to-date plus an estimated figure for 2025 summer enrollment and a "true-up" for the final FY 2023-24 actual enrollment.
- The state's obligation to waive tuition for Native Americans has been challenged and upheld in court. In 1971, Colorado passed legislation requiring Native American students at Fort Lewis who came from outside Colorado to pay tuition, while resident Native American students would be admitted free of charge. The federal government brought suit against the State, resulting in an injunction requiring that tuition be waived for all Native American students. The 1972 District Court ruling against the State was subsequently upheld by the federal Court of Appeals.
- As discussed further below, the vast majority of funding for the Fort Lewis College Native American Tuition Waiver goes to pay the posted tuition rate for nonresident students. Thus, increases in nonresident, as well as resident, tuition can have significant fiscal increases on the General Fund in subsequent years. In FY 2024-25, the General Assembly clarified its expectations for nonresident tuition at Fort Lewis College in the relevant Long Bill tuition footnote by specifying that: "any institution at which the state contributes a

share of nonresident tuition is based on the assumption that no student with nonresident classification will pay more tuition in FY 2024-25 than four percent over what a student would have paid in FY 2023-24 for the same credit hours and course of study.” Fort Lewis College restricted its FY 2024-25 increase to 3.5 percent, consistent with the restriction. Staff recommends continuing to be clear about the General Assembly’s expectations for FY 2025-26.

Additional Background and Analysis

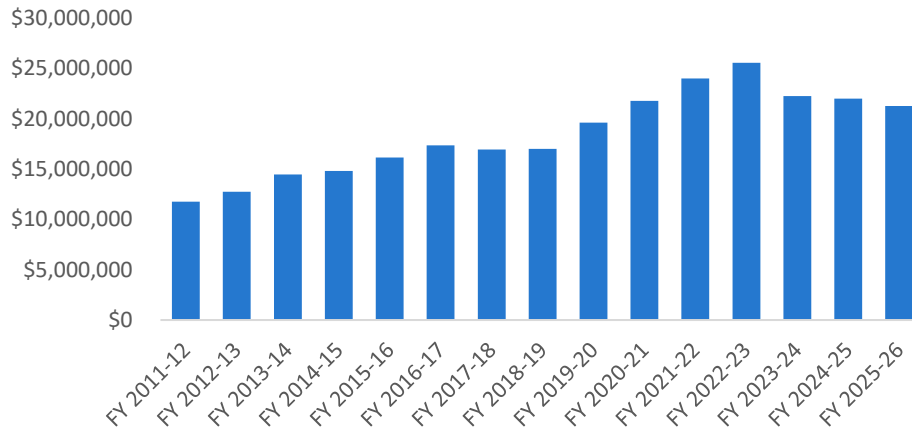
History of the Fort Lewis Native American Tuition Waiver: In 1882, the federal government set aside Fort Lewis in Hesperus for an Indian reservation school. The school remained in operation after the lands composing the reservation were released to the public domain. In 1910, the federal government included the property in a land grant to the State subject to the condition that “said lands and buildings shall be held and maintained by the State of Colorado as an institution of learning, and that Indian pupils shall at all times be admitted to such school free of charge for tuition and on terms of equality with white pupils.” The General Assembly accepted the land grant in 1911 with the condition. Fort Lewis College moved to Durango in 1956, but the State continued to uphold the terms of the original grant. In 1970, Colorado sought to limit the waiver to Colorado residents. The federal government and Indian students brought suit. In 1973, the Tenth Circuit Court of Appeals affirmed the federal district court decision in favor of the government and the Indian students (*Tahdooahnippah v. Thinnig*).

Fort Lewis College Student Population: In FY 2023-24, 39.8 percent of the school’s population was Native American, with most of these (35.0 percent of the total school population) non-resident Native American students. For these non-resident students, the State pays the full “sticker price” for non-resident tuition. The total Fort Lewis College student population has fallen significantly over the last 25 years: from over 4,000 students in FY 2000-01 to less than 3,000 today. Over much of this same period, the share of the population comprised of Native American students who are not Colorado residents has grown, peaking at 42.5 percent in FY 2021-22. This trend reversed in FY 2022-23 and the College anticipates that nonresident students who receive the Native American Tuition Waiver will fall to 31.2 percent of its population in FY 2024-25.



Growth in the Cost of Waiver: As reflected in the chart below, the Cost of the waiver to the State has largely tracked the growth of the nonresident Native American population in the prior year, but declines in enrollment have been softened by tuition increases. As shown, costs increased sharply from FY 2019-20 to FY 2022-23 and then began declining, mirroring a the trend in nonresident Native American enrollment. The very slight decline for FY 2024-25, despite sharp enrollment declines, reflected tuition increases compensated for the decline in enrollment (5.0% resident; 5.5% nonresident). For FY 2024-25, the enrollment has continued to decline, and a 3.5 percent increase in tuition rates has only partially compensated. The waiver amount is 3.3 percent below the prior year, though still above the FY 2019-20 cost.

Fort Lewis College Native American Tuition Waiver Appropriations



Significance of the Waiver to Fort Lewis College Budget: The State General Fund provided 64.0 percent of Fort Lewis College budget in FY 2023-24, once all state financial aid is included. This is substantially more than for any other school, including the other small institutions, though the percentage is lower than in FY 2019-20 (when it was over 68.0 percent). The Native American Tuition Waiver comprised about half of the State General Fund support for the college in FY 2023-24, with the other half coming primarily from the higher education funding formula allocation.

	Actual Governing Board Expenditures (Budget Data Book)	Native American Tuition Waiver	Other State Financial Aid for Students at FLC	Total after fund source adjustments	Percentage of College Budget
Resident tuition total	\$9,806,907	-\$1,192,411	\$2,300,824	\$6,313,672	9.4%
Nonresident tuition	33,305,023	-20,506,727	0	12,798,296	19.0%
IC Recoveries, fees, other	5,166,412		0	5,166,412	7.7%
State General Fund	19,069,629	21,699,138	\$2,300,824	43,069,591	64.0%
Total	\$67,347,971	0	0	\$67,347,971	100.00%

Nonresident Tuition Rate Impact on Waiver Cost: Currently 94.0 percent of costs for the Native American Tuition Waiver are due to costs associated with non-resident students. For FY 2024-25 (used for the FY 2025-26 request), funding requested includes \$1.3 million for resident students and \$20.2 million for non-resident Native American students, as reflected in the table below.

	FY 2023-24 Actual	FY 2024-25 Estimate*	Change
Enrollment			
Resident Native American Student FTE	139	140	1
Nonresident Native American SFTE	996	914	-82
Total	1,135	1,054	-81
Tuition Waiver Cost			
Resident Native American Student FTE	\$1,222,411	\$1,276,031	\$53,620
Nonresident Native American SFTE	20,506,727	20,151,841	-354,886
Total	\$21,729,138	\$21,427,872	-\$301,266
*Excludes adjustments for prior years that are part of the FY 2025-26 appropriation request.			

- The average tuition cost for each of the 914 nonresident Native American students enrolled in Fort Lewis College in FY 2024-25, including summer enrollment, is **\$22,048 per student**.
- **Every 1.0 percent increase in nonresident tuition will drive a General Fund increase of \$201,518 for Native American Tuition Waiver payments in the subsequent fiscal year excluding any change in enrollment.** This is equivalent to an increase/decrease of about 9 nonresident student FTE.

Also of Note:

- Fall 2024 tribal affiliations reported by the college indicate that the majority of students are Navajo (616), with additional large representation from other tribes in the four-corners area (Hopi, various Pueblo tribes). Of the total, 24 are affiliated with Ute, Ute Mountain, and Southern Ute tribes and 18 belong to Cheyenne-Arapaho, and Kiowa, and Comanche tribes (historically tied to Colorado).⁷
- President Stritikus of Fort Lewis College sent a letter to the Committee on February 21, 2022 providing a status update on the College’s efforts to secure federal funding. The letter notes that "given herculean challenges, along with increasing partisan gridlock, I do not feel it is prudent to spend further state or institutional resources at this time." Efforts have been unsuccessful in part because of opposition from the American Indian Higher Education Council, which represents Tribal Colleges and Universities.

⁷ In FY 2022-23, the college reported that of the non-resident students, 66.3 percent are from tribes with historical connections to Colorado. The percentage among resident Native American students was similar: 65.1% are from tribes with historical connections to Colorado.

→ R6 Dependent Tuition Assistance Program (DTAP) Realignment [legislation requested/option]

Request

The Department requests that the JBC sponsor legislation to refine the Dependent Tuition Assistance Program (DTAP). The request indicates an expectation that there may be future savings from the proposed changes, but no dollar reduction is included in the request for FY 2025-26. The annual appropriation for the program is \$1,643,700, although actual expenditures were \$1.3 million in FY 2024-25.

Recommendation

- Staff does *not* recommend that the JBC sponsor a bill that does not result in definite near-term savings.
- Data provided by the Department—if accurate—appears to indicate that demand for the program fell to \$1,245,425 in FY 2023-24 and is projected to be \$1,032,931 in FY 2024-25. Given this, **it is not clear to staff that further reducing this program is critical.**
- However, **if the JBC wishes to trim this program**, the staff recommendation would be to specify that effective FY 2025-26, for any student **newly enrolling** in the program, the program will only cover tuition and fees and will only do so at an institution within the state of Colorado.

Staff estimates that these changes will result in **out-year savings of about \$500,000 per year and possibly more. Staff estimates savings of \$250,000 in FY 2025-26.** If the JBC wishes to pursue this recommendation, staff will work with the Department to refine the estimate.

Analysis

Background

Pursuant to Sections 23-3.3-204 and 205, C.R.S., this program pays tuition and room and board for the dependents of Colorado law enforcement officers, firefighters, national guard personnel killed or permanently disabled in the line of duty, and for dependents of prisoners of war or service personnel listed as missing in action. The benefit was extended to the dependents of individuals permanently disabled during backcountry search and rescue in 2022.

The educational benefits for most of these dependents (except the POW/MIA dependents, who receive solely tuition assistance) vary depending upon the type of school a student attends.

- Students attending a public in-state institution of higher education receive free tuition and room and board.
- Students attending private in-state institutions receive the average cost of undergraduate instruction calculated for a student at a comparable public institution, as well as room and board.

- Students attending an out-of-state institution receive tuition assistance only, up to the average cost of undergraduate tuition at a comparable Colorado state institution. The program allows students attend for up to six years through completion of a first bachelor's degree or certificate of completion, so long as the student achieves a cumulative GPA of 2.5 or above. Statute requires that this program be the Department's *first priority* for any financial aid funding.

A total of 77 students benefitted from the program in FY 2023-24, and 73 are participating in FY 2024-25.

Request Details

The Department requests legislation to:

- eliminate funding to study abroad or attend out-of-state institutions;
- specify that room and board amounts must be tied to the published cost of attendance at the institution;
- require the student to be a current Colorado resident; and
- require the student to complete the CASFA/FASFA application for financial aid.

The request does not commit to any level of savings.

Recommendation Details

As described above, ***if the Committee wishes to scale back this program, the staff recommendation is to phase-out both provision of room-and-board and the ability to enroll out-of-state.*** Under the staff concept:

- Consistent with the current provisions, the program will pay tuition and fees based on the resident student rate at a public institution. Tuition and fees paid at a private institution would remain capped at the average rate for a resident student at a comparable public institution.
- Students who are currently enrolled in the program would still be covered for tuition out-of-state and room and board until the completion of their program (up to the four years allowed).
- A student who qualifies for the program but who has been residing out of state and would therefore normally be classified by institutions as a nonresident student will be charged the resident tuition rate. (Based on information from the Department, staff expects this to be an extremely rare occurrence, since all students who currently attend out-of-state are Colorado residents. However, staff would not want either a beneficiary student or the State to be faced with a bill at the Colorado nonresident student rate.)
- Clarify that a beneficiary must be a dependent of a first responder who was permanently disabled or died *while serving Colorado*. (There was one previous incident in which the AG indicated that the Department should pay for the program for a dependent of a first responder who died or was disabled in another state.)

As described above, staff estimates savings could ultimately be about \$500,000 General Fund per year, based on FY 2023-24 data, which looks similar to other years.

Estimated savings are based on data that indicate the program had \$427,067 in expenditures for room and board and \$172,371 for out-of-state tuition in FY 2023-24. Some students attending out-of-state might instead choose to attend in-state if required to enroll in the program, however, if 50 percent of students who currently attend out-of-state chose not to participate in the program, that would generate an additional \$86,171 in savings.

- As an *initial estimate*, staff is anticipating that half of current enrollees will remain in the program in FY 2025-26. Thus, if current students are exempted from the new restrictions, staff anticipates that about half of the ultimate savings will be realized in FY 2025-26.
- The Department indicates that, although applications for the program are open for next year, acceptances state only that the student qualifies for the program. The acceptances do not specify that the State will provide room and board, and Department staff thus believe that the program could be restricted to tuition and fees for new students as soon as FY 2025-26.

Different from the Department request, staff does not recommend a *statutory* prohibition against study abroad or similar programs that might temporarily take a student to another state. Staff would not wish to exclude a student who is a dependent of a person who died or was disabled in service to the State from an activity that might be a part of their normal course of study, so long as the cost does not exceed regular tuition and fees at their home institution and they receive appropriate college credit. However, *CCHE authority to adopt policies to address authorized costs for the program could be clarified*.

Staff also does not recommend a statutory requirement that the student be a Colorado resident, but, as reflected above, recommends that the student pay only resident tuition. While there are no current examples, staff can envision scenarios in which a person whose parent died or was permanently disabled must move out-of-state with a surviving parent/relative before attending college. Such students should not be barred from the program.

Finally, staff does not object to a requirement that students complete the FAFSA/CASFA, but notes that the program is not means-tested. Staff has some concern that requiring completion of financial aid forms in statute would imply an intent to means-test the program. *If CCHE authority to adopt related policy is clarified, this requirement could be addressed by rule*. Data provided by the Department indicates that the majority of students are low-income, but approximately 30 percent are middle-to-high income.

Other Staff Observations

- The purpose of this program is to provide a benefit for the families of individuals who have lost their lives or been permanently disabled serving the people of Colorado. Staff believes it is reasonable to implement some restrictions to contain costs. However, so long as the General Assembly wishes to provide a benefit for this population, staff does not recommend adding provisions that appear punitive or taking away benefits from those currently enrolled in the program.

- Staff believes ending support for room-and-board and limitations on out-of-state enrollment *should only be adopted for new students and should only be adopted in tandem*. Currently, students may receive room-and-board *only* if they attend in-state.
 - If restrictions are placed solely on out-of-state enrollment, costs could go up if students now attending out-of-state instead attend in-state and access room-and-board.
 - If room-and-board funding ends for students attending Colorado institutions, but the ability to attend out-of-state is retained, the program will eliminate the incentive to attend in-state. In-state enrollment provides economic benefits to the state and its institutions of higher education; it is also easier for the Department to administer.
- There are other options for modifying the program, e.g., continuing to provide room and board (or covering the full cost-of-attendance) for low-income beneficiaries. This would inject a means-tested element into *part* of the benefit. The savings related to such changes are uncertain. JBC Staff has focused on options that, if adopted, will result in state savings.

Additional Data

The table below summarizes enrollment by institution in FY 2023-24. Note that FY 2023-24 total program costs were lower than the appropriation.

In-State Schools	In-State: Tuition + Room & Board				Students Receiving Room & Board	Out-of-State: Tuition		
	Student Totals	Tuition and Fee's Total	Room & Board			Out-of-State Schools	Student Totals	Tuition and Fee's Total
CCU	1	\$10,786	\$13,846		1	Grand Canyon University	1	\$10,756
CMU	7	\$61,053	\$51,339		5	Lyons College	1	\$24,456
Colorado School of Mines	2	\$29,424	\$33,640		2	Ottawa University	1	\$6,072
CSU-G	1	\$11,424	\$0			Newman University	1	\$10,148
CSU-Fort Collins	14	\$151,754	\$108,672		8	Texas A&M	2	\$16,956
CSU Pueblo	2	\$12,870	\$11,748		1	Puget Sound University of South Dakota	1	\$9,900
Fort Lewis	1	\$7,560	\$0			University of South Florida	2	\$13,874
Front Range	1	\$3,612	\$0			University of Wisconsin	1	\$8,445
Pikes Peak State College	1	\$5,394	\$0			Lawrence University	1	\$8,006
Regis	1	\$7,596	\$9,902		1	University of Oregon	1	\$11,520
UCCS	9	\$78,574	\$36,284		3	Western Washington	1	\$20,204
UCD	2	\$22,740	\$0			Oregon State University	1	\$8,400
UNC	3	\$18,386	\$29,536		2	University of Arkansas	1	\$14,752
Western	1	\$7,128	\$11,292					

In-State Schools	In-State: Tuition + Room & Board				Out-of-State: Tuition		
	Student Totals	Tuition and Fee's Total	Room & Board	Students Receiving Room & Board	Out-of-State Schools	Student Totals	Tuition and Fee's Total
University of Colorado Boulder	14	\$212,353	\$117,528	8			
University of Denver	1	\$5,364	\$3,280	1			
Total	61	\$646,018	\$427,067	32	Total	16	\$172,341

- In response to staff questions, the Department reports that, out of students enrolled in the program in FY 2024-25: 15 of those students have an adjusted gross income (AGI) above \$90,000; 54 students have an AGI between \$0-\$60,000; 5 students have an AGI above \$250,000. The majority of the students earning between \$0-60,000 would be considered Pell eligible.
- In response to staff questions, the Department provided the following distribution of enrollment by student status. The program is heavily weighted toward Freshmen and Sophomores, but this includes students who will complete with an associate degree or not continue in college. Thus, staff anticipates that savings in the first year of a new policy that affects only new students will be greater than is implied by this distribution.

	Enrollment FY 23-24
Freshmen	25
Sophomore	29
Junior	11
Senior	8
Total	73

➔ Staff Initiated Reduce FY 2024-25 Appropriation for Educator Stipends

Recommendation

Staff recommends reducing the FY 2024-25 appropriation for Educator Stipends by \$920,000 reappropriated funds in the Department of Higher Education and reducing the cash funds appropriation in the Department of Education, which was for transfer to the Department of Higher Education, by the same amount.

Analysis

H.B. 24-1290: House Bill 24-1290 (Student Educator Stipend Program) provided a one-time appropriation in FY 2024-25 of \$4,197,000 from the State Education Fund to the Department of Education for transfer to the Department of Higher Education for student educator stipends.

Student Educator Stipend Program: The Student Educator Stipend Program was created in House Bill 22-1220 to award stipends to eligible students while placed as a student teacher. Student teachers may receive \$11,000 for a 16-week program or \$22,000 for a 32-week program, adjusted by inflation. Allocations were provided to both public and private institutions that train educators.

The program received a \$39 million appropriation from federal State and Local Fiscal Recovery Funds from the American Rescue Plan Act (ARPA funds) to be spent in FY 2022-23, FY 2023-24, and through December 30, 2024. In FY 2022-23, 831 stipends were awarded, totaling \$11.1 million. In FY 2023-24, preliminary estimates were that 1,323 students would receive stipends, totaling \$21.3 million.

Previous Underexpenditures/Reductions: During the 2024 legislative session, the deadline for expending the federal funds appropriated in H.B. 22-1220 was extended to June 30, 2025 and some of the funds were “swapped” for General Fund. However, during the 2025 legislative session, the Governor’s Office requested, and the JBC approved, reducing the H.B. 22-1220 appropriations for educator stipends by \$4.8 million federal ARPA funds, as the money was not fully expended.

The Department now indicates that nearly \$1.0 million appropriated for the same purpose in H.B. 24-1290 is not required. In response to staff questions, the Department has indicated that schools returned funds for mainly lower than anticipated enrollment and issues with eligibility (the Pell percentage did not capture all student teachers).

Line Item Detail – Colorado Commission on Higher Education Financial Aid

(A) Need Based Grants

This line item includes grants for full-time and part-time graduate and undergraduate students with demonstrated financial need attending eligible institutions in Colorado, which include some private institutions.

Determining Need: Financial need is determined by the formula of [cost of attendance] – [estimated family contribution (now known as the “student aid index”) = need. The federal Pell grant formula determines the estimated family contribution and is the amount the family is expected to contribute before any aid (including low interest subsidized federal loans) can be offered. The State Auditor’s Office confirms that need-based aid, including both state and federal need-based aid, has been authorized consistent with this formula.

Allocations to Institutions: Pursuant to Section 23-3.3-102, C.R.S., CCHE is responsible for determining the allocation of financial aid among the institutions. However, public institutions are authorized to administer their financial assistance program according to policies and procedures established by their governing boards. According to CCHE, some public institutions’ need-based aid policies authorize use of state-funded need based aid for individuals with estimated family contribution of up to 150 percent of Pell-grant eligibility.

The CCHE’s current formula for allocating need-based aid is based on the number of Pell-eligible individuals at each institution. It provides an increasing level of funding depending upon whether the student is a freshman, sophomore, junior, etc. The formula is designed to incentivize institutions in their efforts to retain students. *In FY 2022-23, the program served 53,813 students with an average award of \$3,504.*

Statutory Authority: Section 23-3.3-501, C.R.S.

Request: The Department requests an appropriation of \$255,808,162 total funds, including General Fund and indirect cost recovery amounts that substitute for General Fund otherwise required. The request includes an increase of \$2,300,000 General Fund for request R1, annualization of a one-time legislative increase of \$20,472, and a decrease of \$486,000 related to H.B. 24-1405 (Higher Ed Medicaid Match).

Recommendation: The staff recommendation is reflected in the table below and incorporates increases associated with the staff recommendation for request R1. The recommendation does not include the requested decrease of \$486,000, which was a technical error in the request, but does include an adjustment to ensure that changes in other financial aid line items have a net \$0 impact on the budget.

Colorado Commission on Higher Education Financial Aid, Need Based Grants, Need Based Grants						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$254,014,634	\$252,737,352	\$0	\$1,277,282	\$0	0.0
LBSup Financial aid and COF private stipend	-325,911	-325,911	0	0	0	0.0
Total FY 2024-25	\$253,688,723	\$252,411,441	\$0	\$1,277,282	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$253,688,723	\$252,411,441	\$0	\$1,277,282	\$0	0.0
Annualize FY 21-213 FMAP adjustment	0	0	0	0	0	0.0
R1 State funding and tuition for higher ed	0	0	0	0	0	0.0
SI Financial aid adjustments	-1,110,975	-1,110,975	0	0	0	0.0
Annualize prior year budget actions	-20,472	-20,472	0	0	0	0.0
Total FY 2025-26	\$252,557,276	\$251,279,994	\$0	\$1,277,282	\$0	0.0
Changes from FY 2024-25	-\$1,131,447	-\$1,131,447	\$0	\$0	\$0	0.0
Percentage Change	-0.4%	-0.4%	n/a	0.0%	n/a	n/a
FY 2025-26 Executive Request	\$255,808,162	\$254,530,880	\$0	\$1,277,282	\$0	0.0
Staff Rec. Above/-Below Request	-\$3,250,886	-\$3,250,886	\$0	\$0	\$0	0.0

Staff requests permission to adjust reappropriated funds from indirect cost collections to offset General Fund otherwise required in this line item, based on the final calculation included in the Higher Education Figure Setting for Department Administration and special programs. The fund split adjustment has no impact on program administration.

(B) Work Study

Work Study allows resident undergraduates to earn money to help pay for college. Students with financial need as well as students who can benefit from work experience are eligible, but statutes require that at least 70 percent of the funds be awarded based on need. Students may work at state-funded educational institutions, non-profit organizations, or government agencies.

The Department has indicated in the past that students receiving work study have better achievement and retention rates than both students who don't work and students who find work on their own, speculating that work study creates a sense of investment, while the regulated hours and locations ensure that employment doesn't interfere with study. *In FY 2023-24, the program served 6,386 students with an average amount of \$3,630 per student.*

Statutory Authority: Section 23-3.3-401, C.R.S.

Request: The Department requests a continuation amount of \$23,129,178 for this line item.

Recommendation: Staff recommends the Department's request for continuation funding of \$23,129,178 General Fund.

(C) Special Purpose

Veterans'/Law Enforcement/POW Tuition Assistance

This line item pays tuition, room, and board for Colorado dependents of deceased or permanently disabled members of the National Guard, law enforcement, firefighters, prisoners of war and military personnel missing in action. Pursuant to Section 23-3.3-202, C.R.S. this is the first priority of any state financial aid funds. If the appropriation in this line is insufficient to cover costs, CCHE must use money appropriated in other financial aid line items for this purpose.

Qualified dependents are eligible to pursue an undergraduate education leading to a first baccalaureate degree or a certificate of completion. The educational benefits provided vary depending upon the type of school a student attends. Students attending a public in-state institution of higher education receive free tuition, and if the institution has on-campus living, the room and board (half of double-occupancy) is also included. Students attending private in-state institutions receive the average cost of undergraduate instruction calculated for student at a comparable public institution. Students attending an out-of-state institution receive tuition assistance only, up to the average cost of undergraduate tuition at a comparable Colorado state institution.

Statutory Authority: Section 23-3.3-204 and 23-3.3-205, C.R.S.

Request: The Department requests \$1,643,700 General Fund for this line item, which is a continuation amount

Recommendation: The staff recommendation for the **Long Bill** is the continuation amount of \$1,643,700 for FY 2024-25.

Pursuant to the current interpretation of Section 23-3.3-102 (7), C.R.S., a funding shortfall of up to 10 percent may be addressed via transfers from other financial aid programs. (Transfers from money rolled forward in the work-study line item addressed shortfalls in prior years.) When the difference exceeded 10 percent in prior years, additional transfers have been authorized through the Governor's transfer authority (for like-purposes, up to \$10.0 million; Section 24-75-108 (8), C.R.S.). Recent data suggests that the funding need for FY 2025-26 is likely to be below this appropriation, which could lead funding to be transferred from this line item to other eligible financial aid line items.

As discussed elsewhere in this packet, staff has offered the Committee an option of legislation that would result in program cost decreases.

Native American Students/Fort Lewis College

To comply with a federal treaty and the contract that granted the Fort Lewis property to the state in 1911, Section 23-52-105, C.R.S. requires that the General Assembly appropriate funds

to cover 100 percent of the cost of tuition for qualified Native Americans who wish to attend Fort Lewis College. The college waives tuition for these students up front, and then receives reimbursement in the following fiscal year.

Statutory Authority: Section 23-42-105, C.R.S.

Request: The Department requests an appropriation of \$21,839,853 General Fund for this line item, including a decrease for request R2, based on data available as of November 1, 2024.

Recommendation: The staff recommendation is summarized in the table below and reflects updated data from Fort Lewis for request R4, as discussed at the beginning of this division.

Colorado Commission on Higher Education Financial Aid, Special Purpose, Native American Students/Fort Lewis College						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$22,028,890	\$22,028,890	\$0	\$0	\$0	0.0
Total FY 2024-25	\$22,028,890	\$22,028,890	\$0	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$22,028,890	\$22,028,890	\$0	\$0	\$0	0.0
R2 Fort Lewis Native American Tuition Waiver	-720,972	-720,972	0	0	0	0.0
Total FY 2025-26	\$21,307,918	\$21,307,918	\$0	\$0	\$0	0.0
Changes from FY 2024-25	-\$720,972	-\$720,972	\$0	\$0	\$0	0.0
Percentage Change	-3.3%	-3.3%	n/a	n/a	n/a	n/a
FY 2025-26 Executive Request						
Request	\$21,839,853	\$21,839,853	\$0	\$0	\$0	0.0
Staff Rec. Above/-Below Request	-\$531,935	-\$531,935	\$0	\$0	\$0	0.0

Colorado Opportunity Scholarship Initiative (COSI)

The Colorado Opportunity Scholarship Initiative promotes public/private partnerships to fund scholarships and support services for gifted low-income students who might not otherwise pursue or complete higher education. Created in H.B. 14-1384, it was initially seeded with a transfer of \$33.4 million from the CollegeInvest Financial Need Scholarship Fund and a \$1.0 million appropriation. In FY 2015-16 and FY 2016-17, the General Assembly appropriated \$5.0 million General Fund to the COSI Fund, from which the Department has continuous spending authority. In FY 2018-19, the Long Bill appropriation was increased to \$7.0 million. Senate Bill 20-006 modified the program to allow greater program flexibility. The appropriation was reduced by \$1.0 million in FY 2020-21 to assist in addressing the state budget shortfall related to the COVID-19 pandemic. This reduction was restored in FY 2021-22. For FY 2023-24, the

program received an increase of \$3.0 million General Fund, bringing the total appropriation to \$10.0 million.

- Student Support Services: Funds may be awarded to state agencies and nonprofit organizations to assist such agencies and organizations with ensuring that student-success and precollegiate, postsecondary student support services are available to students who are classified as Colorado residents for tuition purposes; increasing the capacity for student support services at postsecondary institutions; and developing connections between local employers, public schools, precollegiate organizations, and postsecondary institutions.
- Administration: Up to 7.5 percent of amounts expended in the prior fiscal year may be used for direct and indirect administrative costs. Allows for a larger amount to be used for administration if authorized in any fiscal year by a footnote in the Long Bill.
- Scholarships: Money not used for the purposes above must be used to build a financial corpus capable of providing tuition assistance to eligible Colorado students attending eligible Colorado higher education institutions. Such assistance may include direct awards; matching incentives to create or increase other scholarships; loans, or any combination of these.
- Eligible Students: To the extent practicable, tuition assistance must be awarded to students representing rural and urban areas and students attending all types of higher education institutions (vocational schools, community colleges, 4-year institutions, research institutions). Also, to the extent practicable, tuition assistance must be evenly distributed between students with an expected family contribution (EFC) of less than 100 percent of the annual federal PELL grant award and students with an EFC between 100% and 250% of the annual federal PELL grant award.

The program has an advisory board comprised of the executive committee of the State Workforce Development Council, and three Governor appointees to represent research institutions, four-year postsecondary institutions and community colleges and area vocational schools. It requires this board to establish:

- eligibility for state agencies, nonprofit organizations, and public institutions of higher education to participate in the initiative;
- criteria for eligibility of students to apply for and receive grants from the initiative; and
- rules establishing permissible uses of grant and scholarship moneys from the initiative.

The “regular” program provides several different kinds of grants, described below. In addition, the COSI Board was given authority to oversee allocations of one-time federal COVID recovery funds, including \$15.0 million pursuant to S.B. 21-232 (as amended by H.B. 22-1192; the Displaced Workers Grant Appropriation), and \$49.0 million pursuant to H.B. 21-1330 (Higher Education Student Success).

The program previously operated two types of grants: Community Partner Program grants to organizations that provided support services for students in the K-12 and postsecondary environment; and Matching Student Scholarships, intended to match local funds to provide student scholarships. Community Partner Programs served about 20 postsecondary programs and 40 rural high school programs with awards starting at \$75,000 to serve 1:150 counselors to

student ratio. Scholarship program partners have historically provided over 6,000 students scholarships each year averaging approximately \$2,000 per student per year in state and local funds, typically based on a 1:1 match rate.

COSI is currently in the process of moving to a unified program model at the postsecondary level which provides a combination of scholarship match and student support services for students attending Colorado public institutions. The COSI Achieve program was launched in February 2025. The table below summaries COSI’s actual and planned spending, which includes spend-down of the fund balance provided to the program when it was created. As shown, the program provides several targeted scholarship programs in addition to its signature primary ones.

	2023-24	2024-25	2025-26	2026-27
Revenue				
Fund Balance	\$ 13,609,080.04	\$ 13,271,675.07	\$ 6,532,744.16	\$ 6,099,562.96
Appropriation	\$ 10,000,000.00	\$ 10,000,000.00	\$ 10,000,000.00	\$ 10,000,000.00
Revenue Interest	\$ 290,202.00	\$ 213,138.47	\$ 105,315.58	\$ 98,384.68
Total Revenue	\$ 10,290,202.00	\$ 10,213,138.47	\$ 10,105,315.58	\$ 10,098,384.68
Expenses				
Salary & Benefits	\$ 753,359.80	\$ 645,000.00	\$ 664,350.00	\$ 684,280.50
Operating	\$ 168,794.88	\$ 148,359.58	\$ 607,055.20	\$ 106,106.76
Programs				
Traditional CPP (Pre & Post)	\$ 3,385,742.00	\$ 2,968,576.37	\$ 2,968,576.37	
Matching Student Scholarships	\$ 6,180,503.10	\$ 12,411,644.08	\$ 5,256,015.21	\$ 2,651,043.00
Second Chance Scholarship	\$ 5,202.78	\$ 3,684.35	\$ 30,000.00	\$ 30,000.00
Youth Mentorship Scholarship	\$ 13,500.00	\$ 32,500.00	\$ 10,000.00	
Career Launch	\$ 118,060.00	\$ 739,805.00	\$ 700,000.00	\$ 700,000.00
FMF Food Reimbursements	\$ 2,444.41	\$ 2,500.00	\$ 2,500.00	
COSI Achieve			\$ 300,000.00	\$ 8,100,000.00
TOTAL EXPENSES	\$ 10,627,606.97	\$ 16,952,069.38	\$ 10,538,496.78	\$ 12,271,430.26
TOTAL expected Roll Over	\$ 13,271,675.07	\$ 6,532,744.16	\$ 6,099,562.96	\$ 3,926,517.37
Numbers from CORE				
Predictions				
Spent/Encumbered				
Encumbered				

Requests from COSI have been highlighted as “Proven” on the S.B. 21-284 Evidence Continuum, based on its work with Colorado Evaluation and Action Lab at DU to conduct an annual qualitative and quantitative evaluation of the program using a quasi-experimental design. A "proven program or practice" means a program or practice that reflects a high or well-supported level of Confidence of effectiveness, ineffectiveness, or harmfulness as determined by one or more high-quality randomized control trials, multiple evaluations with strong comparison groups, or an equivalent measure. While COSI has only been evaluated by one organization so far as Staff is aware, the evidence that it has positive impacts appears strong. <https://cdhe.colorado.gov/about>.

The last evaluation was completed in FY 2021-22. Key findings were based on comparing COSI students to a control group from fall 2016 to spring 2022. The study found that COSI students persist at rates up to 28 percent higher than peers from similar socioeconomic and ethnic backgrounds. Students who received both support services and scholarships had even strong results.⁸

Statutory Authority: Section 23-3.3-1001 through 1005, C.R.S.

Request: The Department requests an appropriation of \$10,000,000 General Fund for this line item.

Recommendation: Staff recommends a continuation appropriation of \$10,000,000 General Fund for this line item.

Tuition Assistance for Career and Technical Education Certificate Programs

House Bill 15-1275 (Winter/Heath, Marble) directed the Colorado Commission on Higher Education to create a tuition assistance program for students enrolled in career and technical education certificate programs, subject to available appropriations. The program is for students who meet the income eligibility requirements for the federal Pell grant but do not qualify for the grant because the certificate program in which they are enrolled does not meet minimum credit hour requirements. The bill included a General Fund appropriation of \$450,000 for tuition assistance for such students attending community colleges, Colorado Mesa University, area vocational schools, and local district junior colleges.

Statutory Authority: Section 23-3.3-1101, C.R.S.

Request: The Department requests a continuing appropriation of \$450,000 General Fund for this line item.

Recommendation: Staff recommends the request for continuation funding of \$450,000 General Fund.

⁸ Colorado Opportunity Scholarship Initiative: Pre-Collegiate & Postsecondary 2021-2022 Outcome Evaluation. <https://cdhe.colorado.gov/cosi-about-us>

Fourth-year Innovation Pilot Program (Path4Ward)

The Fourth-year Innovation Pilot Program was created in S.B. 21-106 (Concerning Successful High School Transitions). The program was created in the Department of Higher Education, but the Department of Education has related statutory responsibilities. The program provides state funding for low-income students who graduate early from high school to use for postsecondary education tuition and fees and also provides incentives to the local education providers that graduate these students early. The Department of Higher Education is responsible for distributing the scholarship funds for students who graduate early in the school districts that are piloting the program. The Department of Education is responsible for distributing incentives to affected school districts.

According to a legislative report on the program, the Department of Higher Education selected five local education providers to participate in March 2022 and coordinated with four external partners to roll out the program. The data in 2022 reflected 61 eligible graduates; the Department estimates that no more than 50 percent will use the benefit available from this program, but the data was not yet available. The Department indicated it had identified three issues with the program:

- Students completing high school through an equivalency exam are ineligible despite fitting the program goals.
- Participating LEPs have concerns about the management of free and reduced lunch data, and CDE reports on these data are not aligned with the Path4Ward program schedule.
- Students have incurred costs of attendance earlier than the most rapid funds remittance timelines available to some of the postsecondary programs they have enrolled in.

Statutory Authority: Section 23-3.3-1301, C.R.S.

Request: The Department requests \$524,615 continuation funding.

Recommendation: The Department failed to include annualization for a JBC bill adopted in 2024 that required a study as the program wrapped up in FY 2025-26. The staff recommendation is shown in the table below.

State Aid for Foster Students Program

Senate Bill S.B. 22-008 (Higher Education Support for Foster Youth) requires that Starting in the 2022-23 academic year, the state must provide financial assistance in excess of any financial aid to cover the total cost of attendance at a higher education institution for students who have been:

- placed in foster care in Colorado before their 13th birthday;
- placed in non-kinship care after their 13th birthday; or
- adjudicated neglected or dependent at any time.

The bill requires the General Assembly to appropriate an amount to the Colorado Commission on Higher Education (CCHE) within the Department of Higher Education (DHE) that covers half the cost of providing financial assistance to foster children, with institutions of higher education

covering the other half from financial aid allotments. Foster students are eligible for aid for the first 132 semester credit hours or 198 quarter credit hours.

The bill requires the DHE to designate four full-time equivalent employees as foster care student navigators to assist foster students in applying for and enrolling in institutions of higher education. In addition, each higher education institutions must designate one employee as a liaison to assist qualified students with receiving assistance.

The fiscal note estimate of related costs is shown below. The institution of higher education share (50% of the financial aid) is not included in the appropriation.

Cost Components	FY 2022-23	FY 2023-24
Department of Higher Education		
Personal Services	\$217,180	\$236,924
Operating Expenses	\$5,400	\$5,400
Capital Outlay Costs	\$24,800	-
Aid to Foster Children	\$2,328,035	\$2,328,035
Travel Costs	\$20,160	\$20,160
Outreach Materials	\$15,000	\$15,000
Centrally Appropriated Costs ¹	\$56,536	\$61,312
FTE – Personal Services	3.7 FTE	4.0 FTE
DHE Subtotal	\$2,667,111	\$2,666,831
Institutions of Higher Education		
Aid to Foster Children	\$2,328,035	\$2,328,035
Institutions of Higher Education Subtotal²	\$2,328,035	\$2,328,035
Total	\$4,995,146	\$4,994,866
Total FTE	3.7 FTE	4.0 FTE

Statutory Authority: Section 23-3.3-1401, C.R.S.

Request: The Department requests an appropriation of \$2,605,519 General Fund and 4.0 FTE for FY 2025-26, based on the FY 2024-25 Long Bill amount and excluding subsequent adjustments.

Recommendation: The staff recommendation is shown below. The amount reflects continuation of an adjustment provided in FY 2024-25 as a Long Bill supplemental.

Colorado Commission on Higher Education Financial Aid, Special Purpose, State Aid for Foster Students Program

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$2,605,519	\$2,605,519	\$0	\$0	\$0	4.0
LBSup Financial aid and COF private stipend	\$356,944	\$356,944	\$0	\$0	\$0	0.0
Total FY 2024-25	\$2,962,463	\$2,962,463	\$0	\$0	\$0	4.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$2,962,463	\$2,962,463	\$0	\$0	\$0	4.0
Total FY 2025-26	\$2,962,463	\$2,962,463	\$0	\$0	\$0	4.0

Colorado Commission on Higher Education Financial Aid, Special Purpose, State Aid for Foster Students Program						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Percentage Change	0.0%	0.0%	n/a	n/a	n/a	0.0%
FY 2025-26 Executive Request	\$2,605,519	\$2,605,519	\$0	\$0	\$0	4.0
Staff Rec. Above/-Below Request	\$356,944	\$356,944	\$0	\$0	\$0	0.0

Postsecondary Assistance for Students who were Homeless in High School

House Bill 24-1403 (Higher Education Support Homeless Youth), a JBC bill, created a financial aid program for postsecondary students who experienced homelessness while they were in high school. Eligible youth must have been identified by designated K-12 school personnel as homeless pursuant to the McKinney-Vento Homeless Assistance Act between ninth and 12th grades and must be between the ages of 17 and 27.

Beginning in the 2024-25 academic year, public institutions of higher education must provide financial assistance to qualifying students for the remaining balance of the student’s **total cost of attendance**, minus financial aid received, for the student’s first 132 semester hours. The General Assembly is required to appropriate money to the Colorado Commission on Higher Education (CCHE) to cover **50 percent** of the cost of providing the remaining balance of financial assistance, which must be allocated to the schools. For FY 2024-25, the bill included \$1,500,000 to cover 50.0 percent of the balance of the cost of attendance for students and additional funding to support 2.0 FTE at the department (\$168,381), as well as \$26,055 to the Department of Education to coordinate data sharing with the Department of Higher Education and support local education providers in identifying qualified students.

Statutory Authority: Sections 23-3.3-1501 through 1503, C.R.S.

Request/Recommendation: The Department requests, and staff recommends, an appropriation of \$1,655,041 General Fund and 2.0 FTE, including annualization of the H.B. 24-1403 appropriation consistent with bill’s fiscal note. This figure *restores* reductions applied in FY 2024-25.

Line Items Included in Numbers Pages Due to Prior Year Appropriations

Displaced Aurarian Scholarship

H.B. 22-1393 creates the displaced Aurarian scholarship to fully fund scholarships to attend Metropolitan state university of Denver, the university of Colorado at Denver, or the

community college of Denver for descendants of people displaced by the development of the Auraria higher education center.

This bill includes an appropriation of \$2,000,000 General Fund for FY 2022-23 to support the scholarships at the three institutions.

Statutory Authority: Section 23-70-117, C.R.S.

Request/Recommendation: The Department did not request, and staff does not recommend, an appropriation for this line item for FY 2024-25. The FY 2022-23 appropriation was identified in the fiscal note as one-time only.

H.B. 22-1220 Student Educator Stipend Program

Among other provisions, H.B. 22-1220 (Removing Barriers to Educator Preparation) includes a student educator stipend program in the Department of Higher Education. The program will award stipends to eligible students to reduce the financial barriers to entering the workforce while placed as a student teacher. Educator preparation programs must distribute the stipends in monthly installments. An eligible student may receive a stipend of \$11,000 for a 16-week academic residency and \$22,000 for a 32-week academic residency. The bill requires and includes an appropriation of \$39,000,000 from the Economic Recovery and Relief Cash Fund from money originating as federal Coronavirus State Fiscal Recovery Funds (ARPA funds). Funds must be obligated by December 30, 2024 and expended by December 31, 2026.

Statutory Authority: Section 23-3.9-302, C.R.S.

Request/Recommendation: No appropriation is requested or recommended for FY 2024-25 in the Long Bill.

H.B. 22-1220 Educator Test Stipend Program

Among other provisions, H.B. 22-1220 (Removing Barriers to Educator Preparation) includes an educator test stipend program to award stipends to institutions of higher education to reduce student fees and costs associated with professional competency assessments required for licensure and license endorsements. The Colorado Commission on Higher Education (CCHE) must create a formula for calculating the amount of money awarded to each educator preparation program, based on the number of eligible students and the cost of assessments and endorsements. The bill requires and provides an appropriation of \$3,000,000 from the Economic Recovery and Relief Cash Fund from money originating as federal Coronavirus State Fiscal Recovery Funds (ARPA funds). Funds must be obligated by December 30, 2024 and expended by December 31, 2026.

Statutory Authority: Section 23-3.9-303, C.R.S.

Request/Recommendation: No appropriation is requested or recommended for FY 2024-25 in the Long Bill.

COSI Student Financial Aid and Support Services (Finish What You Started)- ARPA Money

House Bill 21-1330 created the Colorado Opportunity Scholarship Initiative (COSI) Student Financial Aid and Support Services program. The bill included a one-time FY 2021-22 appropriation of \$49,000,000 cash funds from the Workers, Employers, and Workforce Centers Cash Fund, from money originating as federal Coronavirus State Fiscal Recovery Funds, that is distributed to higher education institutions based on formulas and applications describing the use of the funds. Money will be available for several years based on the structure of the COSI Fund and the availability of the federal funds. Under current federal and state law, the funds must be obligated by December 30, 2024 and expended by June 30, 2026. As discussed earlier in this packet, staff recommends statutory changes to ensure the funds are fully used by the end of FY 2025-26.

Request/Recommendation: This was a one-time appropriation. The Department has not requested, and staff does not recommend, an appropriation for FY 2024-25.

S.B. 21-232 COSI Displaced Workers Program

S.B. 21-232 created the COSI Displaced Workers program. The bill included a one-time appropriation of \$15,000,000 for use by the Colorado Opportunity Scholarship Initiative (COSI) Advisory Board from the Workers, Employers, and Workforce Centers Cash Fund from money originating from federal Coronavirus State Fiscal Recovery Funds (ARPA Funds). H.B. 22-1192 codified the new displaced workers program and adjusted the appropriation to reflect \$1,950,000 used in FY 2020-21, and an appropriation of \$13,050,000 in FY 2021-22. Any money not expended may be rolled forward for expenditure in FY 2022-23 and FY 2023-24.

Request/Recommendation: This was a one-time appropriation. The Department has not requested, and staff does not recommend, an appropriation for FY 2024-255.

COSI Youth Mentorship Stipend Pilot Program

Senate Bill 23-149 (Higher Ed Student Financial Aid for Youth Mentors) created a one-time financial aid program to provide financial aid for college students who provide mentorship services through participating in youth mentorship organizations. Any program funding not used in FY 203-24 is available through FY 2025-26.

Statutory Authority: Section 23-3.3-1010, C.R.S.

Request/Recommendation: This was a one-time appropriation. Amounts appropriated in FY 2023-24 will be used over several years.

(4) College Opportunity Fund Program

The College Opportunity Fund Program section includes line items for stipends for students at state operated institutions, stipends for students at private institutions, and fee-for-service contracts with state supported institutions. The Governing Board section includes the reappropriated funds spending authority for the higher education institutions to receive and expend the stipend payments on behalf of students, and to receive and expend the fee-for-service contracts. Both fee-for-service and student stipend requirements codified in article 18 of Title 23. Provisions added in H.B. 14-1319 were significantly modified by H.B. 20-1366.

College Opportunity Fund Program						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$1,227,640,441	\$1,227,640,441	\$0	\$0	\$0	0.0
LBSup Financial aid and COF private stipend	\$1,079,942	\$1,079,942	\$0	\$0	\$0	0.0
Total FY 2024-25	\$1,228,720,383	\$1,228,720,383	\$0	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$1,228,720,383	\$1,228,720,383	\$0	\$0	\$0	0.0
R1 State funding and tuition for higher ed	-12,154,876	-12,154,876	0	0	0	0.0
R4 COF statute realignment	0	0	0	0	0	0.0
R7 Reduce limited purpose FFS funding	-3,263,000	-3,263,000	0	0	0	0.0
R12 CUSOM refinance	0	0	0	0	0	0.0
Annualize FY 21-213 FMAP adjustment	2,195,906	2,195,906	0	0	0	0.0
Annualize prior year legislation	-1,235,802	-1,235,802	0	0	0	0.0
Annualize prior year budget actions	-88,000	-88,000	0	0	0	0.0
Total FY 2025-26	\$1,214,174,611	\$1,214,174,611	\$0	\$0	\$0	0.0
Changes from FY 2024-25	-\$14,545,772	-\$14,545,772	\$0	\$0	\$0	0.0
Percentage Change	-1.2%	-1.2%	0.0%	0.0%	0.0%	0.0%
FY 2025-26 Executive Request						
FY 2025-26 Executive Request	\$1,203,809,862	\$1,203,809,862	\$0	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$10,364,749	\$10,364,749	\$0	\$0	\$0	0.0

Additional Program Background

Stipends

- With some exceptions, resident undergraduate students who attend a state operated higher education institution are eligible for a stipend per credit hour taken.
- The General Assembly annually sets the stipend rate through the Long Bill.
- Statutes express the intent of the General Assembly that the Department request at least inflation and enrollment growth for the stipends.

- Stipends are not considered a state grant for purposes of determining the enterprise status of higher education institutions.
- The General Assembly must appropriate spending authority to the higher education institutions for money received from stipends.
- Students that qualify for the federal need-based Pell grant that attend a participating private institution are eligible for a stipend equal to half of the stipend for students attending a state supported institution.

Fee-for-service contracts

- Provisions related to fee-for-service contracts were significantly changed pursuant to H.B. 20-1366. Statute specifies that each governing board's annual fee-for-service contract includes the amount of funding appropriated to the governing board pursuant to sections 23-18-303.5, 23-18-304, and 23-18-308, C.R.S. minus the amount of funding appropriated to the board for College Opportunity Fund stipends pursuant to Section 23-18-202, C.R.S.
- Section 23-18-303.5 includes provisions for performance funding that compare each institution's improvement in performance on metrics specified in statute versus the improvements of other boards. The results are then calibrated to the current appropriation for the board. This mechanism will adjust funding to boards gradually over time.
- Section 23-18-303.5 also provides statutory authorization for the General Assembly to add funding on an ongoing or temporary basis. Statute identifies a mechanism for adding ongoing additional funding based on the number of first generation students served by a board; however, the General Assembly has flexibility in decisions to add funds for ongoing additional funding or temporary additional funding.
- Section 23-18-304 provides for fee-for-service contracts for the delivery of specialty educational programs, defined as the CU health sciences center campus, the CSU veterinary school, and various CSU extension programs. Statute requires that funding for these fee-for-service contracts increase or decrease at the same rate as total funding for performance contracts under Section 23-18-303.5. (This requirement also applies to grants to the local district colleges and area technical colleges.)
- Section 23-18-308 provides for limited purpose fee-for-service contracts that fund boards for the specific activities identified in this part of statute.
- Fee-for-service contracts are not considered a state grant for purposes of determining the enterprise status of higher education institutions.

Decision Items – College Opportunity Fund Program

Multiple decision items affecting funding in this section are addressed in the Decision Items Affecting Multiple Divisions section. In addition, an item affecting College Opportunity Fund stipends for students enrolled in private institutions is addressed in the Financial Aid Section.

Line Item Detail – College Opportunity Fund Program

(A) Stipends

Stipends for eligible full-time equivalent students attending state institutions

COF stipend payments are made on behalf of eligible students to each of the governing boards.

Statutory Authority: Section 23-18-202, C.R.S.

Request/Recommendation: The table below compares the request and recommendation. Both are based on a rate \$116 per credit hour (\$3,480 per student FTE attending 30 credit hours per year) for 115,406.3 student FTE. However, there are policy differences related to the R1 and R4 requests and the Department’s budget schedules did not consistently reflect R1 funding adjustments in the correct line items.

- The FTE figure is based on the FY 2023-24 actual FTE using the COF stipend, and reflects an increase in utilization from the FY 2022-23 actual.
- The amount per student FTE is unchanged.
- Staff notes that actual student enrollment in FY 2025-26 may be higher or lower. However, following prior practice, the request and recommendation rely on actual COF stipend enrollment as an estimate for COF stipends in the upcoming year. The Department is authorized in statute to make end-of-year adjustments to increase or reduce COF stipend expenditures and make related adjustments to fee-for-service contracts so that total funding for each governing board does not change. Staff anticipates that any adjustments required will be below 10.0 percent of the total appropriation by governing board, which is within the adjustments that Department is authorized to implement to close the books at the end of the year. However, if necessary, the Department may request a supplemental adjustment. This would be accomplished by increasing or reducing amounts related to COF stipends and making the opposite adjustment to fee-for-service contracts.

College Opportunity Fund Program, Stipends, Stipends for eligible full-time equivalent students attending state institutions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$386,955,468	\$386,955,468	\$0	\$0	\$0	0.0
Total FY 2024-25	\$386,955,468	\$386,955,468	\$0	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						

College Opportunity Fund Program, Stipends, Stipends for eligible full-time equivalent students attending state institutions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation	\$386,955,468	\$386,955,468	\$0	\$0	\$0	0.0
R1 State funding and tuition for higher ed	14,658,456	14,658,456	0	0	0	0.0
R4 COF statute realignment	0	0	0	0	0	0.0
Total FY 2025-26	\$401,613,924	\$401,613,924	\$0	\$0	\$0	0.0
Changes from FY 2024-25	\$14,658,456	\$14,658,456	\$0	\$0	\$0	0.0
Percentage Change	3.8%	3.8%	n/a	n/a	n/a	n/a
FY 2025-26 Executive Request	\$382,945,873	\$382,945,873	\$0	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$18,668,051	\$18,668,051	\$0	\$0	\$0	0.0

Stipends for students attending participating private institutions

Students who qualify for the federal need-based Pell grant and attend a participating private institution are eligible for a stipend equal to half of the stipend for students attending a state operated institution. Three institutions currently participate in this program: Colorado Christian University, the University of Denver, and Regis University.

Statutory Authority: 23-18-202 (2) (e), C.R.S.

Request/Recommendation: As discussed previously, the staff recommendation reflects adjustments due to substantial increases in utilization in FY 2024-25, which staff assumes will continue in FY 2025-26. The calculation is based on 1,504.8 student FTE at a stipend rate of \$1,740 per FTE (one FTE=30 credit hours).

College Opportunity Fund Program, Stipends, Stipends for eligible full-time equivalent students attending participating private institutions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$1,781,851	\$1,781,851	\$0	\$0	\$0	0.0
LBsup Financial aid and COF private stipend	\$1,079,942	\$1,079,942	\$0	\$0	\$0	0.0
Total FY 2024-25	\$2,861,793	\$2,861,793	\$0	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$2,861,793	\$2,861,793	\$0	\$0	\$0	0.0
Annualize prior year legislation	-243,424	-243,424	0	0	0	0.0
Total FY 2025-26	\$2,618,369	\$2,618,369	\$0	\$0	\$0	0.0
Changes from FY 2024-25	-\$243,424	-\$243,424	\$0	\$0	\$0	0.0
Percentage Change	-8.5%	-8.5%	n/a	n/a	n/a	n/a
FY 2025-26 Executive Request	\$1,538,427	\$1,538,427	\$0	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$1,079,942	\$1,079,942	\$0	\$0	\$0	0.0

(B) Fee-for-service Contracts with State Institutions

Each governing board has a fee-for-service contract with the Department for services not supported through the COF stipend payment. These contracts are based on funding provisions specified in Section 23-18-303.5, C.R.S. or are based on specialty education programs (school of medicine, veterinary medicine, and agricultural extension programs) pursuant to Section 23-18-304, C.R.S. In addition, Section 23-18-308, C.R.S. authorizes fee-for-service contracts for limited purposes, e.g., a contract with a particular governing board for a specific service. As specified in Section 23-18-303.5 (1)(b), each governing board’s annual fee-for-service contract includes the amount appropriated pursuant to Section 23-18-303.5, 23-18-304, and 23-18-308, C.R.S., minus the amount appropriated for student stipends pursuant to Section 23-18-202, C.R.S.

Fee-for-service Contracts with State Institutions Pursuant to Section 23-18-303.5, C.R.S.

This line item includes funding for performance funding and additional ongoing and temporary funding as authorized in Section 23-18-303.5, C.R.S. The Department is required to submit a request for funding as part of its annual budget request, using a model that complies with statute.

Statutory Authority: 23-18-303.5, C.R.S.

Request/Recommendation: The request and recommendation are summarized below. Differences are due to decision items and technical errors in the request that have been previously discussed.

College Opportunity Fund Program, Fee-for-service Contracts with State Institutions, Fee-for-service Contracts with State Institutions Pursuant to Section 23-18-303.5, C.R.S.						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$621,981,415	\$621,981,415	\$0	\$0	\$0	0.0
Total FY 2024-25	\$621,981,415	\$621,981,415	\$0	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$621,981,415	\$621,981,415	\$0	\$0	\$0	0.0
Annualize prior year budget actions	0	0	0	0	0	0.0
R1 State funding and tuition for higher ed	-24,834,946	-24,834,946	0	0	0	0.0
Total FY 2025-26	\$597,146,469	\$597,146,469	\$0	\$0	\$0	0.0
Changes from FY 2024-25	-\$24,834,946	-\$24,834,946	\$0	\$0	\$0	0.0
Percentage Change	-4.0%	-4.0%	n/a	n/a	n/a	n/a
FY 2025-26 Executive Request	\$629,689,215	\$629,689,215	\$0	\$0	\$0	0.0

College Opportunity Fund Program, Fee-for-service Contracts with State Institutions, Fee-for-service Contracts with State Institutions Pursuant to Section 23-18-303.5, C.R.S.

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Staff Rec. Above/-Below Request	-\$32,542,746	-\$32,542,746	\$0	\$0	\$0	0.0

Fee-for-service Contracts with State Institutions for Specialty Education Programs

This line item provides funding for the School of Veterinary Medicine, agricultural extension, agricultural experiment station, and forest service programs at Colorado State University and provides funding for the University of Colorado Health Sciences Center.

Statutory Authority: 23-18-304, C.R.S.

Request/Recommendation: The request and recommendation are summarized below. Differences with respect to decision items and annualizations have been discussed previously.

College Opportunity Fund Program, Fee-for-service Contracts with State Institutions, Fee-for-service Contracts with State Institutions for Specialty Education Programs

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$206,638,540	\$206,638,540	\$0	\$0	\$0	0.0
Total FY 2024-25	\$206,638,540	\$206,638,540	\$0	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$206,638,540	\$206,638,540	\$0	\$0	\$0	0.0
Annualize FY 21-213 FMAP adjustment	2,195,906	2,195,906	0	0	0	0.0
R12 CUSOM refinance	0	0	0	0	0	0.0
R1 State funding and tuition for higher ed	-1,978,386	-1,978,386	0	0	0	0.0
Annualize prior year budget actions	-88,000	-88,000	0	0	0	0.0
Total FY 2025-26	\$206,768,060	\$206,768,060	\$0	\$0	\$0	0.0
Changes from FY 2024-25	\$129,520	\$129,520	\$0	\$0	\$0	0.0
Percentage Change	0.1%	0.1%	n/a	n/a	n/a	n/a
FY 2025-26 Executive Request						
Staff Rec. Above/-Below Request	\$188,246,823	\$188,246,823	\$0	\$0	\$0	0.0
Request	\$18,521,237	\$18,521,237	\$0	\$0	\$0	0.0

Limited Purpose Fee-for-Service Contracts

This line item provides funding for special purpose activities that may be contracted with specific governing boards. The table below lists the bills that authorized the associated funding

and the related appropriations by governing board as appropriated in FY 2024-25. Multiple possible changes are discussed in the R7 decision item.

FY 2024-25 Appropriation	FY 2024-25 Limited Purpose FFS									
	Adams	Mesa	Metro	Western	CSU System	Fort Lewis	CU System	UNC	CC System	Total
Career Pathways (H.B. 15-1274)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	86,960	86,960
Cyber Coding Cryptology (S.B. 18- 086)	0	300,000	300,000	200,000	1,200,000	0	2,800,000	0	300,000	5,100,000
Food Systems Advisory Council (S.B..23-159)*	0	0	0	0	151,068	0	0	0	0	151,068
Expanding Concurrent Enrollment (S.B. 19- 176)	0	0	0	0	0	0	0	0	105,000	105,000
Supporting Educator Workforce CO (S.B. 21-185)**	0	0	0	0	0	0	239,778	0	0	239,778
Rural Healthcare Track (S.B. 22- 172+SB24-221)***	65,000	65,000	65,000	65,000	65,000	65,000	1,416,667	65,000	130,000	2,001,667
Improve Healthcare Older Coloradans (S.B. 23-031)	0	0	0	0	0	0	1,949,697	0	0	1,949,697
Forestry Workforce (S.B. 23-005)****	0	0	0	0	0	0	0	0	250,000	250,000
Substance Use Disorder (SB24-048)	0	0	0	0	0	0	303,752	0	0	303,752
Career and Technical Apprenticeships (SB24-104)	0	0	0	0	0	0	0	0	95,245	95,245
Total FY 2024-25 appropriations	65,000	365,000	365,000	265,000	1,416,068	65,000	6,709,894	65,000	967,205	\$10,283,167

*Repeals Sept 1, 2026

**Repeals July 1, 2026

***Colorado Mountain College also receives a \$65,000 Grant Allocation from S.B. 22-172: \$866,667 through SB 24-221 for CU in FY 2024-25 only

Statutory Authority: 23-18-308, C.R.S.

Request/Recommendation:

College Opportunity Fund Program, Fee-for-service Contracts with State Institutions, Limited Purpose Fee-for-Service Contracts with State Institutions

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$10,283,167	\$10,283,167	\$0	\$0	\$0	0.0
Total FY 2024-25	\$10,283,167	\$10,283,167	\$0	\$0	\$0	0.0

College Opportunity Fund Program, Fee-for-service Contracts with State Institutions, Limited Purpose Fee-for-Service Contracts with State Institutions						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$10,283,167	\$10,283,167	\$0	\$0	\$0	0.0
R7 Reduce limited purpose FFS funding	-3,263,000	-3,263,000	0	0	0	0.0
Annualize prior year legislation	-992,378	-992,378	0	0	0	0.0
Total FY 2025-26	\$6,027,789	\$6,027,789	\$0	\$0	\$0	0.0
Changes from FY 2024-25	-\$4,255,378	-\$4,255,378	\$0	\$0	\$0	0.0
Percentage Change	-41.4%	-41.4%	n/a	n/a	n/a	n/a
FY 2025-26 Executive Request						
Staff Rec. Above/-Below Request	\$1,389,524	\$1,389,524	\$0	\$0	\$0	0.0
Staff Rec. Above/-Below Request	\$4,638,265	\$4,638,265	\$0	\$0	\$0	0.0

(5) Governing Boards

This division includes a single line item for each governing board that contains reappropriated funds spending authority for stipends, fee-for-service contracts, and appropriated grants, and cash funds spending authority for tuition, academic and academic facility fees, and revenue from the tobacco master settlement agreement.

Governing Boards						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$4,297,493,542	\$138,104	\$3,071,496,848	\$1,225,858,590	\$0	27,028.3
LB Supp Tuition	\$53,081,050	\$0	\$53,081,050	\$0	\$0	0.0
LB Supp Fees	\$21,021,949	\$0	\$21,021,949	\$0	\$0	0.0
Total FY 2024-25	\$4,371,596,541	\$138,104	\$3,145,599,847	\$1,225,858,590	\$0	27,028.3
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$4,371,596,541	\$138,104	\$3,145,599,847	\$1,225,858,590	\$0	27,028.3
R1 State funding and tuition for higher ed	128,663,276	0	140,818,152	-12,154,876	0	0.0
R4 COF statute realignment	0	0	0	0	0	0.0
R7 Reduce limited purpose FFS funding	-3,263,000	0	0	-3,263,000	0	0.0
R12 CUSOM refinance	0	0	0	0	0	0.0
Impacts driven by other agencies (MTCF change)	-1,000,000	0	-1,000,000	0	0	0.0
Annualize FY 21-213 FMAP adjustment	2,195,906	0	0	2,195,906	0	0.0
SI student fee adjustments	2,510,808	0	2,510,808	0	0	0.0
SI Higher Ed limited gaming adjustment	1,678,724	0	1,678,724	0	0	0.0
SI IHE employee FTE adjustments	0	0	0	0	0	483.7
Annualize prior year legislation	-2,131,932	-71,121	-1,068,443	-992,368	0	-1.3
Annualize prior year budget actions	-88,000	0	0	-88,000	0	0.0
SI Tobacco MSA revenue adjustment	-1,426,342	0	-1,426,342	0	0	0.0
Total FY 2025-26	\$4,498,735,981	\$66,983	\$3,287,112,746	\$1,211,556,252	\$0	27,510.7
Changes from FY 2024-25	\$127,139,440	-\$71,121	\$141,512,899	-\$14,302,338	\$0	482.4
Percentage Change	2.9%	-51.5%	4.5%	-1.2%	0.0%	1.8%
FY 2025-26 Executive Request						
Staff Rec. Above/-Below Request	\$4,337,492,362	\$66,983	\$3,135,153,939	\$1,202,271,440	\$0	27,027.0
Request	\$161,243,619	\$0	\$151,958,807	\$9,284,812	\$0	483.7

Note: All reappropriated amounts shown represent General Fund initially appropriated in the College Opportunity Fund Program section and reappropriated to the Governing Boards. Cash Funds amounts, with few exceptions, represent tuition and fee revenue.

Decision Items – Governing Boards

FY 2024-25 Adjustments

→ FY 2024-25 Supplemental: Tuition

The Department did not submit a request for mid-year adjustments to stipends, fee-for-service contracts, or tuition or fee revenue. Pursuant to Section 23-18-202 (2)(a)(I), C.R.S., the Department is required to annually estimate the number of undergraduate full-time equivalent students eligible for COF stipends and report the numbers by February 15 to the Governor and the Joint Budget Committee. Further, the Department provided estimates of tuition, fee, and COF revenue in February, consistent with the provisions outlined in an annual request for information.

As discussed earlier in this document (under R1), staff recommends updating tuition amounts for FY 2024-25, through a Long Bill supplemental, to match new projections from Legislative Council Staff.

FY 2024-25 Long Bill Supplemental - Tuition Forecast Revision				
	Original FY 25 Forecast	Revised FY 25 Forecast	Change	Percentage Change
Adams State University	\$25,115,630	\$24,093,039	-\$1,022,591	-4.1%
Colorado Mesa University	78,425,936	82,978,422	4,552,486	5.8%
Metropolitan State University of Denver	108,277,318	109,848,100	1,570,782	1.5%
Western Colorado University	24,274,889	22,065,671	-2,209,218	-9.1%
Colorado State University System	544,627,159	553,548,320	8,921,161	1.6%
Fort Lewis College	42,967,294	47,288,543	4,321,249	10.1%
University of Colorado System	1,333,891,592	1,359,224,761	25,333,169	1.9%
Colorado School of Mines	213,706,035	214,801,528	1,095,493	0.5%
University of Northern Colorado	74,324,378	73,484,560	-839,818	-1.1%
Community College System	315,467,856	326,826,193	11,358,337	3.6%
Total Tuition Revenue	\$2,761,078,087	\$2,814,159,137	\$53,081,050	1.9%

→ FY 2024-25 Long Bill Supplemental: Fee Adjustment

Fee amounts reflect mandatory fees charged to all students. These are not appropriated and are shown for informational purposes. However, staff recommends adjusting them for better comparison with FY 2025-26 recommended figures.

Staff recommends updating fee estimates for FY 2024-25 based on revised estimates provided by the institutions.

FY 2024-25 Revised Fee Revenue Estimate - Mandatory Fees				
	Original FY 25 Forecast	Revised FY 25 Forecast	Change	% Change
Adams State University	\$4,091,849	\$3,907,170	-\$184,679	-4.5%
Colorado Mesa University	6,419,868	7,316,677	896,809	14.0%
Metropolitan State University	33,129,853	37,204,281	4,074,428	12.3%
Western State Colorado University	5,915,171	5,321,557	-593,614	-10.0%
Colorado State University System	79,210,449	87,179,010	7,968,561	10.1%
Fort. Lewis College	6,245,246	6,470,091	224,845	3.6%
University of Colorado System	70,148,886	75,000,657	4,851,771	6.9%
Colorado School of Mines	22,406,053	23,470,253	1,064,200	4.7%
University of Northern Colorado	16,160,684	16,680,732	520,048	3.2%
Community College System	17,271,404	19,470,984	2,199,580	12.7%
Total	\$260,999,463	\$282,021,412	\$21,021,949	8.1%

FY 2025-26 Decision Items

The Department’s request included R1 State Funding Increase for Public Higher Education and Tuition Spending Authority Increase for FY 2025-26. The Department did not submit a request for FY 2024-25 tuition adjustments. Both R1 and additional staff recommendations for institutional funding and a tuition are discussed at the beginning of this packet.

→ NP MTCF Reduction for CU

Request

Statewide balancing proposals for the Marijuana Tax Cash Fund include a proposed \$1.0 million reduction for the appropriation for the CU School of Public Health for the Regulation of Marijuana Concentrates. This proposal is one of the proposals submitted to ensure there is a balanced Marijuana Tax Cash Fund.

Recommendation

Staff recommends the proposed reduction. The proposal would leave \$1.0 million for this program. As reflected in the request, House Bill 21-1317 (Regulating Marijuana Concentrates) originally anticipated time-limited funding at the \$1.0 million level. However, the JBC initiated an increase and extended funding for the program. Given the overall shortage of MTCF revenue, staff believes a \$1.0 million appropriation represents a reasonable compromise. However, staff has limited information about the program and the JBC’s original intent in increasing funding. *Staff believes it would be helpful to clarify statute and legislative intent regarding the purpose and anticipated outcomes of this funding.*

Analysis

Use of the Funds: This program was initially funded through House Bill 21-1317 (Regulating Marijuana Concentrates). Pursuant to Section 23-20-143, C.R.S., the School of Public Health was required to study the impact of high-potency THC. Based on the results of its research, the school was required to develop a public education campaign regarding the impact of high-potency THC on the developing brain and physical and mental health.

The provisions of the bill indicated that the \$1.0 million funding level related to developing and obtaining scientific approval on the public education campaign. That appeared to be a time-limited activity. A report on policy approaches to high concentration cannabis was presented to the House and Senate Finance and Human Services Committees during the 2024 session.⁹ The research noted extensive holes in the existing literature and thus recommended a precautionary approach for high risk populations.

Funding History: H.B. 21-1317 (Marijuana Concentrates) appropriated \$4 million in FY 2021-22 and \$1 million per year in FY 2022-23 and FY 2023-24 for the School of Public Health. The fiscal note indicated that the \$1.0 million was intended to be utilized to review existing research, support the scientific review council, and conduct required research.

An additional \$2.0 million for the program and related activities was added at the JBC's initiative in FY 2023-24, providing \$3.0 million in that year. Because this increase was initiated by JBC members during budget balancing, the purpose of the additional funding was not documented or entirely clear to staff. Staff's understanding was that the funding related to research and public outreach associated with high concentration THC and was being provided in lieu of an increase for the Department of Public Health and Environment.

In FY 2024-25, total funding for this program was reduced by \$1.0 million, based on the HB21-1317 fiscal note, but the \$2.0 million that had been added by the JBC was retained.

Given shortages in the MTCF, the Governor's Office is now requesting that the funding added by the JBC be reduced by 50.0 percent to \$1.0 million. The request notes that the program has received significant funding from MTCF to do this work in recent fiscal years. The request proposes ongoing funding at the \$1.0 million level to continue this work within the CU School of Public Health.

→ Estimated Fee Revenue - Mandatory Fees

Staff recommends including fee estimates for each of the governing boards based on their revenue from all mandatory fees. Fee revenue is shown for informational purposes only but does correspond to overall student costs. It is important to note that the "mandatory fees" shown are based on the Department's definition and include fees for student activities (e.g. student government, athletics), as well as fees for capital construction and fees related to

⁹ https://coloradosph.cuanschutz.edu/docs/librariesprovider151/default-document-library/policy-approaches-to-high-concentration-cannabis-and-thc-concentrates---march-27-2024.pdf?sfvrsn=c96cc8bb_1

academic programs. These fees are included because they are mandatory for all students, regardless of whether the student is enrolled in a particular program or course.

Staff notes that the decline shown for the University of Colorado system reflects institutional plans to fold some fee revenue into tuition.

FY 2025-26 Fee Revenue Estimate - Mandatory Fees				
	FY 2024-25 Adjusted Estimate	FY 2025-26 Estimate	Change	% Change
Adams State University	\$3,907,170	\$3,907,170	\$0	0.0%
Colorado Mesa University	7,316,677	7,417,281	100,604	1.4%
Metropolitan State University	37,204,281	37,204,281	0	0.0%
Western Colorado University	5,321,557	5,443,953	122,396	2.3%
Colorado State University System	87,179,010	88,221,450	1,042,440	1.2%
Fort Lewis College	6,470,091	6,470,091	0	0.0%
University of Colorado System	75,000,657	72,300,000	-2,700,657	-3.6%
Colorado School of Mines	23,470,253	26,784,673	3,314,420	14.1%
University of Northern Colorado	16,680,732	16,984,810	304,078	1.8%
Community College System	19,470,984	19,798,511	327,527	1.7%
Total	282,021,412	284,532,220	\$2,510,808	0.9%

→ Amendments 50 and 77 Gaming Revenue Adjustment

Staff recommends modifying estimated distributions of limited gaming funds reflected in the FY 2025-26 Long Bill to align with the limited gaming distributions in August 2024 (which are based on FY 2023-24 limited gaming revenue), including amounts allocated to the Local District Colleges. These amounts are shown for informational purposes only and are provided pursuant to Amendment 50 (passed in 2008 to modify limits on bets, hours, and games in Central City, Black Hawk, and Cripple Creek) and Amendment 77 (passed in 2020 to allow gaming communities to eliminate limits on bets and games). Receipts for FY 2019-20 (used in FY 2020-21) were exceptionally low due to casino closures. Receipts for actual FY 2020-21 (used in FY 2021-22) were closer to pre-pandemic levels. Adjustments included in S.B. 22-216 (Limited Gaming) helped to stabilize funding for extended gaming recipients that receive funding based on Amendment 50 and Amendment 77 at a higher level.

Amendments 50 & 77 Limited Gaming			
	Distribution in August 2023 (FY 25 Long Bill)	Distribution in August 2024 (FY 26 Long Bill)	Adjustment to reflect in FY 2025- 26 Long Bill
<u>State Institutions</u>			
State Community College System	\$28,590,309	\$30,127,165	\$1,536,856
Adams State University	13,770	21,732	7,962
Colorado Mesa University	1,666,190	1,800,096	133,906
<u>Local District Colleges</u>			
Colorado Mountain College	1,655,863	1,745,767	89,904
Aims Community College	2,499,285	2,524,481	25,196

Amendments 50 & 77 Limited Gaming			
	Distribution in August 2023 (FY 25 Long Bill)	Distribution in August 2024 (FY 26 Long Bill)	Adjustment to reflect in FY 2025- 26 Long Bill
Total	\$34,425,417	\$36,219,241	\$1,793,824

➔ Full-time Equivalent Faculty and Staff FTE adjustment

Staff recommends an adjustment to employee FTE shown in the Long Bill for informational purposes. In the past, this adjustment has been based on the estimated FTE for the current fiscal year that is included in the budget data books submitted by the Department. **For FY 2025-26, staff recommends following past practice of using the FY 2024-25 estimated FTE reported in the budget data books.**

Prior to FY 1999-00, FTE designations were not included in the Long Bill for Higher Education. In FY 1999-00 the JBC adopted a policy of reflecting FTE for all departments in the Long Bill to provide additional information about the number of state employees. Pursuant to statute, the governing boards may hire as many or as few employees as they see fit. Note that amounts in this section do not include the adjustment for the Auraria Higher Education Center, which is shown in a separate Long Bill section.

Note that the FTE reported for Western Colorado University has jumped dramatically from the figure shown in the FY 2024-25 budget data book; however its actual reported FTE for FY 2023-24 have also been revised. Thus the increase for this institution reflects a methodological change, rather than an actual increase in staff of this magnitude.

Governing Board Faculty and Staff FTE (Education and General Only - Excludes Research & Auxiliary)				
	FY2024-25 Long Bill (FY 2023-24 Data Book Estimates)	FY2025-26 Long Bill (FY 2024-25 Data Book Estimates)	Recommended	
			Change	Percent
Adams State University	374.8	418.0	43.2	11.5%
Colorado Mesa University	845.1	936.8	91.7	10.9%
Metropolitan State University	1,556.5	1,431.8	-124.7	-8.0%
Western Colorado University*	255.0	359.3	104.3	40.9%
Colorado State University System	5,356.9	5,221.6	-135.3	-2.5%
Fort Lewis College	457.9	460.6	2.7	0.6%
University of Colorado System	10,151.9	10,304.2	152.3	1.5%
Colorado School of Mines	1,180.0	1,229.4	49.4	4.2%
University of Northern Colorado	1,196.6	1,203.8	7.2	0.6%
Community College System	5,649.9	5,942.8	292.9	5.2%
Auraria Higher Education Center	226.7	231.7	5.0	2.2%
TOTAL	27,251.3	27,740.0	488.7	1.8%

*WSCU appears to have changed its methodology for identifying staff for purposes of the budget data book. The FY 2023-24 actual FTE are reported as 343.4. The institution has not increased staff by 40.9 percent

→ Tobacco Revenue Adjustment

Staff recommends reflecting funding from Tobacco Settlement revenue for the University of Colorado based on current tobacco settlement revenue estimates and allocation formulas and additional revenue anticipated to be available. The Department did not request this change, but it reflects the statutory allocation of money from the tobacco master settlement agreement, the projected tobacco revenues, and the JBC's action during figure setting for the tobacco-funded programs.

The recommendation is to reflect the projected allocation for FY 2025-26 of \$13,754,244, which includes a reduction of \$1,426,342 from the FY 2024-25 appropriation.

Line Item Detail – Governing Boards

General Note: All reappropriated amounts shown represent General Fund initially appropriated in the College Opportunity Fund Program section and reappropriated to the Governing Boards. Cash Funds amounts, with few exceptions, represent tuition and fee revenue.

Differences between the request and recommendation in the tables below are due to:

- Differing recommendations for R1, including the level of state support (request for a 0.8 percent increase and recommendation for a 1.0 percent decrease), as well as tuition assumptions for FY 2024-25 (Long Bill supplemental) and tuition recommendations for FY 2025-26. The request assumed 2.3 percent resident student tuition growth and 2.4 percent nonresident tuition growth on the FY 2024-25 appropriation base with no change in enrollment. The staff recommendation is for a 4.5 percent increase for residents and a 3.0 percent increase for nonresidents in FY 2025-26.
- Updated fee estimates, based on estimates submitted by the institutions.
- For the University of Colorado, annualization adjustments for S.B. 21-213 (Medicaid Payments).
- Other staff-initiated adjustments to modify gaming revenue, fee revenue and FTE shown for informational purposes, as well as anticipated Tobacco MSA revenue.

Staff Working Document – Does Not Represent Committee Decision

Governing Boards, Trustees of Adams State University, Trustees of Adams State College

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$57,295,544	\$0	\$29,221,249	\$28,074,295	\$0	374.8
LB Supp Tuition	-1,022,591	0	-1,022,591	0	0	0.0
LB Supp Fees	-184,679	0	-184,679	0	0	0.0
Total FY 2024-25	\$56,088,274	\$0	\$28,013,979	\$28,074,295	\$0	374.8
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$56,088,274	\$0	\$28,013,979	\$28,074,295	\$0	374.8
R1 State funding and tuition for higher ed	261,691	0	1,248,852	-987,161	0	0.0
SI Higher Ed limited gaming adjustment	7,962	0	7,962	0	0	0.0
SI student fee adjustments	0	0	0	0	0	0.0
R4 COF statute realignment	0	0	0	0	0	0.0
Annualize prior year budget actions	0	0	0	0	0	0.0
SI IHE employee FTE adjustments	0	0	0	0	0	43.2
Total FY 2025-26	\$56,357,927	\$0	\$29,270,793	\$27,087,134	\$0	418.0
Changes from FY 2024-25	\$269,653	\$0	\$1,256,814	-\$987,161	\$0	43.2
Percentage Change	0.5%	n/a	4.5%	-3.5%	n/a	11.5%
FY 2025-26 Executive Request	\$58,262,954	\$0	\$29,810,038	\$28,452,916	\$0	374.8
Staff Rec. Above/-Below Request	-\$1,905,027	\$0	-\$539,245	-\$1,365,782	\$0	43.2

Governing Boards, Trustees of Colorado Mesa University, Trustees of Colorado Mesa University

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$135,729,107	\$0	\$86,511,994	\$49,217,113	\$0	845.1
LB Supp Tuition	\$4,552,486	\$0	\$4,552,486	\$0	\$0	0.0
LB Supp Fees	\$896,809	\$0	\$896,809	\$0	\$0	0.0
Total FY 2024-25	\$141,178,402	\$0	\$91,961,289	\$49,217,113	\$0	845.1
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$141,178,402	\$0	\$91,961,289	\$49,217,113	\$0	845.1
R1 State funding and tuition for higher ed	6,755,996	0	7,281,069	-525,073	0	0.0
SI Higher Ed limited gaming adjustment	133,906	0	133,906	0	0	0.0
SI student fee adjustments	100,604	0	100,604	0	0	0.0
R4 COF statute realignment	0	0	0	0	0	0.0
SI IHE employee FTE adjustments	0	0	0	0	0	91.7

Staff Working Document – Does Not Represent Committee Decision

Governing Boards, Trustees of Colorado Mesa University, Trustees of Colorado Mesa University

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
R7 Reduce limited purpose FFS funding	-150,000	0	0	-150,000	0	0.0
Total FY 2025-26	\$148,018,908	\$0	\$99,476,868	\$48,542,040	\$0	936.8
Changes from FY 2024-25	\$6,840,506	\$0	\$7,515,579	-\$675,073	\$0	91.7
Percentage Change	4.8%	n/a	8.2%	-1.4%	n/a	10.9%
FY 2025-26 Executive Request	\$137,627,651	\$0	\$88,331,917	\$49,295,734	\$0	845.1
Staff Rec. Above/-Below Request	\$10,391,257	\$0	\$11,144,951	-\$753,694	\$0	91.7

Governing Boards, Trustees of Metropolitan State College of Denver, Trustees of Metropolitan State College of Denver

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$243,985,122	\$0	\$141,407,171	\$102,577,951	\$0	1,556.5
LB Supp Fees	\$4,074,428	\$0	\$4,074,428	\$0	\$0	0.0
LB Supp Tuition	\$1,570,782	\$0	\$1,570,782	\$0	\$0	0.0
Total FY 2024-25	\$249,630,332	\$0	\$147,052,381	\$102,577,951	\$0	1,556.5
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$249,630,332	\$0	\$147,052,381	\$102,577,951	\$0	1,556.5
R1 State funding and tuition for higher ed	1,515,793	0	1,624,603	-108,810	0	0.0
SI student fee adjustments	0	0	0	0	0	0.0
R4 COF statute realignment	0	0	0	0	0	0.0
SI IHE employee FTE adjustments	0	0	0	0	0	-124.7
R7 Reduce limited purpose FFS funding	-150,000	0	0	-150,000	0	0.0
Total FY 2025-26	\$250,996,125	\$0	\$148,676,984	\$102,319,141	\$0	1,431.8
Changes from FY 2024-25	\$1,365,793	\$0	\$1,624,603	-\$258,810	\$0	-124.7
Percentage Change	0.5%	n/a	1.1%	-0.3%	n/a	-8.0%
FY 2025-26 Executive Request	\$246,565,147	\$0	\$143,908,575	\$102,656,572	\$0	1,556.5
Staff Rec. Above/-Below Request	\$4,430,978	\$0	\$4,768,409	-\$337,431	\$0	-124.7

Governing Boards, Trustees of Western State College, Trustees of Western State College

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$55,132,306	\$0	\$30,190,060	\$24,942,246	\$0	255.0
LB Supp Tuition	-2,209,218	0	-2,209,218	0	0	0.0

Staff Working Document – Does Not Represent Committee Decision

Governing Boards, Trustees of Western State College, Trustees of Western State College						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
LB Supp Fees	-593,614	0	-593,614	0	0	0.0
Total FY 2024-25	\$52,329,474	\$0	\$27,387,228	\$24,942,246	\$0	255.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$52,329,474	\$0	\$27,387,228	\$24,942,246	\$0	255.0
R1 State funding and tuition for higher ed	561,283	0	906,469	-345,186	0	0.0
SI student fee adjustments	122,396	0	122,396	0	0	0.0
R4 COF statute realignment	0	0	0	0	0	0.0
Annualize prior year budget actions	0	0	0	0	0	0.0
SI IHE employee FTE adjustments	0	0	0	0	0	104.3
R7 Reduce limited purpose FFS funding	-100,000	0	0	-100,000	0	0.0
Total FY 2025-26	\$52,913,153	\$0	\$28,416,093	\$24,497,060	\$0	359.3
Changes from FY 2024-25	\$583,679	\$0	\$1,028,865	-\$445,186	\$0	104.3
Percentage Change	1.1%	n/a	3.8%	-1.8%	n/a	40.9%
FY 2025-26 Executive Request	\$55,880,414	\$0	\$30,759,547	\$25,120,867	\$0	255.0
Staff Rec. Above/-Below Request	-\$2,967,261	\$0	-\$2,343,454	-\$623,807	\$0	104.3

Governing Boards, Board of Governors of the Colorado State University System, Board of Governors of the Colorado State University System						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$871,040,555	\$138,104	\$624,912,673	\$245,989,778	\$0	5,359.4
LB Supp Tuition	\$8,921,161	\$0	\$8,921,161	\$0	\$0	0.0
LB Supp Fees	\$7,968,561	\$0	\$7,968,561	\$0	\$0	0.0
Total FY 2024-25	\$887,930,277	\$138,104	\$641,802,395	\$245,989,778	\$0	5,359.4
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$887,930,277	\$138,104	\$641,802,395	\$245,989,778	\$0	5,359.4
R1 State funding and tuition for higher ed	25,074,232	0	27,865,600	-2,791,368	0	0.0
SI student fee adjustments	1,042,440	0	1,042,440	0	0	0.0
R4 COF statute realignment	0	0	0	0	0	0.0
SI IHE employee FTE adjustments	0	0	0	0	0	-135.3
R7 Reduce limited purpose FFS funding	-675,534	0	0	-675,534	0	0.0
Annualize prior year legislation	-246,186	-71,121	-175,065	0	0	-1.5
Total FY 2025-26	\$913,125,229	\$66,983	\$670,535,370	\$242,522,876	\$0	5,222.6
Changes from FY 2024-25	\$25,194,952	-\$71,121	\$28,732,975	-\$3,466,902	\$0	-136.8

Governing Boards, Board of Governors of the Colorado State University System, Board of Governors of the Colorado State University System

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Percentage Change	2.8%	-51.5%	4.5%	-1.4%	n/a	-2.6%
FY 2025-26 Executive Request	\$883,413,561	\$66,983	\$637,569,006	\$245,777,572	\$0	5,357.9
Staff Rec. Above/-Below Request	\$29,711,668	\$0	\$32,966,364	-\$3,254,696	\$0	-135.3

Governing Boards, Trustees of Fort Lewis College, Trustees of Fort Lewis College

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$72,401,431	\$0	\$49,212,540	\$23,188,891	\$0	457.9
LB Supp Tuition	\$4,321,249	\$0	\$4,321,249	\$0	\$0	0.0
LB Supp Fees	\$224,845	\$0	\$224,845	\$0	\$0	0.0
Total FY 2024-25	\$76,947,525	\$0	\$53,758,634	\$23,188,891	\$0	457.9
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$76,947,525	\$0	\$53,758,634	\$23,188,891	\$0	457.9
R1 State funding and tuition for higher ed	186,460	0	338,501	-152,041	0	0.0
SI student fee adjustments	0	0	0	0	0	0.0
Annualize prior year budget actions	0	0	0	0	0	0.0
R4 COF statute realignment	0	0	0	0	0	0.0
SI IHE employee FTE adjustments	0	0	0	0	0	2.7
Total FY 2025-26	\$77,133,985	\$0	\$54,097,135	\$23,036,850	\$0	460.6
Changes from FY 2024-25	\$186,460	\$0	\$338,501	-\$152,041	\$0	2.7
Percentage Change	0.2%	n/a!	0.6%	-0.7%	n/a	0.6%
FY 2025-26 Executive Request	\$73,801,127	\$0	\$50,233,615	\$23,567,512	\$0	457.9
Staff Rec. Above/-Below Request	\$3,332,858	\$0	\$3,863,520	-\$530,662	\$0	2.7

Governing Boards, Regents of the University of Colorado, Regents of the University of Colorado

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$1,773,472,917	\$0	\$1,421,221,064	\$352,251,853	\$0	10,153.1
LB Supp Tuition	\$25,333,169	\$0	\$25,333,169	\$0	\$0	0.0
LB Supp Fees	\$4,851,771	\$0	\$4,851,771	\$0	\$0	0.0
Total FY 2024-25	\$1,803,657,857	\$0	\$1,451,406,004	\$352,251,853	\$0	10,153.1

Staff Working Document – Does Not Represent Committee Decision

Governing Boards, Regents of the University of Colorado, Regents of the University of Colorado

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$1,803,657,857	\$0	\$1,451,406,004	\$352,251,853	\$0	10,153.1
R1 State funding and tuition for higher ed	58,882,271	0	62,268,127	-3,385,856	0	0.0
Annualize FY 21-213 FMAP adjustment	2,195,906	0	0	2,195,906	0	0.0
R4 COF statute realignment	0	0	0	0	0	0.0
R12 CUSOM refinance	0	0	0	0	0	0.0
SI IHE employee FTE adjustments	0	0	0	0	0	152.3
SI student fee adjustments	-2,700,657	0	-2,700,657	0	0	0.0
R7 Reduce limited purpose FFS funding	-1,932,466	0	0	-1,932,466	0	0.0
SI Tobacco MSA revenue adjustment	-1,426,342	0	-1,426,342	0	0	0.0
Impacts driven by other agencies	-1,000,000	0	-1,000,000	0	0	0.0
Annualize prior year legislation	-757,842	0	0	-757,842	0	0.2
Annualize prior year budget actions	-88,000	0	0	-88,000	0	0.0
Total FY 2025-26	\$1,856,830,727	\$0	\$1,508,547,132	\$348,283,595	\$0	10,305.6
Changes from FY 2024-25	\$53,172,870	\$0	\$57,141,128	-\$3,968,258	\$0	152.5
Percentage Change	2.9%	n/a	3.9%	-1.1%	n/a	1.5%
FY 2025-26 Executive Request	\$1,778,947,215	\$0	\$1,451,659,748	\$327,287,467	\$0	10,153.3
Staff Rec. Above/-Below Request	\$77,883,512	\$0	\$56,887,384	\$20,996,128	\$0	152.3

Governing Boards, Trustees of the Colorado School of Mines, Trustees of the Colorado School of Mines

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$273,166,964	\$0	\$236,112,088	\$37,054,876	\$0	1,180.0
LB Supp Tuition	\$1,095,493	\$0	\$1,095,493	\$0	\$0	0.0
LB Supp Fees	\$1,064,200	\$0	\$1,064,200	\$0	\$0	0.0
Total FY 2024-25	\$275,326,657	\$0	\$238,271,781	\$37,054,876	\$0	1,180.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$275,326,657	\$0	\$238,271,781	\$37,054,876	\$0	1,180.0
R1 State funding and tuition for higher ed	14,350,553	0	14,546,115	-195,562	0	0.0
SI student fee adjustments	3,314,420	0	3,314,420	0	0	0.0
R4 COF statute realignment	0	0	0	0	0	0.0
SI IHE employee FTE adjustments	0	0	0	0	0	49.4
Total FY 2025-26	\$292,991,630	\$0	\$256,132,316	\$36,859,314	\$0	1,229.4
Changes from FY 2024-25	\$17,664,973	\$0	\$17,860,535	-\$195,562	\$0	49.4
Percentage Change	6.4%	n/a	7.5%	-0.5%	n/a	4.2%

Staff Working Document – Does Not Represent Committee Decision

Governing Boards, Trustees of the Colorado School of Mines, Trustees of the Colorado School of Mines

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2025-26 Executive Request	\$278,594,636	\$0	\$241,161,139	\$37,433,497	\$0	1,180.0
Staff Rec. Above/-Below Request	\$14,396,994	\$0	\$14,971,177	-\$574,183	\$0	49.4

Governing Boards, University of Northern Colorado, University of Northern Colorado

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$159,489,407	\$0	\$90,485,062	\$69,004,345	\$0	1,196.6
LB Supp Fees	\$520,048	\$0	\$520,048	\$0	\$0	0.0
LB Supp Tuition	-839,818	0	-839,818	0	0	0.0
Total FY 2024-25	\$159,169,637	\$0	\$90,165,292	\$69,004,345	\$0	1,196.6
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$159,169,637	\$0	\$90,165,292	\$69,004,345	\$0	1,196.6
R1 State funding and tuition for higher ed	1,288,747	0	2,106,327	-817,580	0	0.0
SI student fee adjustments	304,078	0	304,078	0	0	0.0
R4 COF statute realignment	0	0	0	0	0	0.0
SI IHE employee FTE adjustments	0	0	0	0	0	7.2
Total FY 2025-26	\$160,762,462	\$0	\$92,575,697	\$68,186,765	\$0	1,203.8
Changes from FY 2024-25	\$1,592,825	\$0	\$2,410,405	-\$817,580	\$0	7.2
Percentage Change	1.0%	n/a	2.7%	-1.2%	n/a	0.6%
FY 2025-26 Executive Request	\$161,596,556	\$0	\$92,213,590	\$69,382,966	\$0	1,196.6
Staff Rec. Above/-Below Request	-\$834,094	\$0	\$362,107	-\$1,196,201	\$0	7.2

Governing Boards, State Board for Community Colleges and Occupational Education State System Community Colleges, State Board for Community Colleges and Occupational Education State System Community Colleges

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$655,780,189	\$0	\$362,222,947	\$293,557,242	\$0	5,649.9
LB Supp Tuition	\$11,358,337	\$0	\$11,358,337	\$0	\$0	0.0
LB Supp Fees	\$2,199,580	\$0	\$2,199,580	\$0	\$0	0.0
Total FY 2024-25	\$669,338,106	\$0	\$375,780,864	\$293,557,242	\$0	5,649.9
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$669,338,106	\$0	\$375,780,864	\$293,557,242	\$0	5,649.9

Governing Boards, State Board for Community Colleges and Occupational Education State System Community Colleges, State Board for Community Colleges and Occupational Education State System Community Colleges						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
R1 State funding and tuition for higher ed	19,786,250	0	22,632,489	-2,846,239	0	0.0
SI Higher Ed limited gaming adjustment	1,536,856	0	1,536,856	0	0	0.0
SI student fee adjustments	327,527	0	327,527	0	0	0.0
R4 COF statute realignment	0	0	0	0	0	0.0
SI IHE employee FTE adjustments	0	0	0	0	0	292.9
Annualize prior year legislation	-1,127,904	0	-893,378	-234,526	0	0.0
R7 Reduce limited purpose FFS funding	-255,000	0	0	-255,000	0	0.0
Total FY 2025-26	\$689,605,835	\$0	\$399,384,358	\$290,221,477	\$0	5,942.8
Changes from FY 2024-25	\$20,267,729	\$0	\$23,603,494	-\$3,335,765	\$0	292.9
Percentage Change	3.0%	n/a	6.3%	-1.1%	n/a	5.2%
FY 2025-26 Executive Request	\$662,803,101	\$0	\$369,506,764	\$293,296,337	\$0	5,649.9
Staff Rec. Above/-Below Request	\$26,802,734	\$0	\$29,877,594	-\$3,074,860	\$0	292.9

(6) Local District College Grants Pursuant to Section 23-71-301, C.R.S.

This division provides funding for grants to Aims Community College and Colorado Mountain College. These institutions also receive tax revenue from local taxing districts which provide the majority of their funding. The source of cash funds is limited gaming revenue distributed to higher education institutions with a 2-year mission. Pursuant to Section 23-18-304 (3), C.R.S., state support for these institutions increases or decreases at the same rate as the average change in funding for the state-operated governing boards that is included in the performance section of the higher education funding model outlined in Section 23-18-303.5; however, funding for the local district colleges may be adjusted to increase more or decrease less.

Local District College Grants Pursuant to Section 23-71-301, C.R.S.

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$32,736,890	\$28,581,742	\$4,155,148	\$0	\$0	0.0
Total FY 2024-25	\$32,736,890	\$28,581,742	\$4,155,148	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$32,736,890	\$28,581,742	\$4,155,148	\$0	\$0	0.0
R1 State funding and tuition for higher ed	-285,167	-285,167	0	0	0	0.0
SI Higher Ed limited gaming adjustment	115,100	0	115,100	0	0	0.0
Total FY 2025-26	\$32,566,823	\$28,296,575	\$4,270,248	\$0	\$0	0.0
Changes from FY 2024-25	-\$170,067	-\$285,167	\$115,100	\$0	\$0	0.0
Percentage Change	-0.5%	-1.0%	2.8%	0.0%	0.0%	0.0%
FY 2025-26 Executive Request						
FY 2025-26 Executive Request	\$32,934,848	\$28,779,700	\$4,155,148	\$0	\$0	0.0
Staff Rec. Above/-Below Request	-\$368,025	-\$483,125	\$115,100	\$0	\$0	0.0

Decision Items – Local District College Grants

This section includes the following adjustments discussed in previous sections:

- R1 to increase funding for public institutions of higher education
- Adjustment to Amendment 50 Gaming Revenue based on August 2024 disbursements.

No other adjustments are requested or recommended.

Line Item Detail – Local District College Grants

Colorado Mountain College

Colorado Mountain College serves the mountain communities in north-central Colorado, with 11 campus locations, including three residential campuses in Leadville, Glenwood Springs, and Steamboat Springs. The community college district was formed in 1967. In 2011, the General Assembly authorized it to begin offering selected baccalaureate degrees. In FY 2019-20, local tax district support and other miscellaneous sources of revenue provided 77.1 percent of the college’s education and general revenue, while state support provided 13.8 percent. In FY 2021-22, local tax district support and other miscellaneous sources provided 64.8 percent of education and general revenue, while General Fund support plus federal stimulus funds supported 18.1 percent.

Statutory Authority: Sections 23-71-301 and 302 and 23-18-304 (3), C.R.S.

Request/Recommendation: The request and recommendation are shown in the table. Differences are due to the R1 recommendation as well as the update to limited gaming revenue.

Local District College Grants Pursuant to Section 23-71-301, C.R.S., Colorado Mountain College						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$14,757,695	\$13,101,832	\$1,655,863	\$0	\$0	0.0
Total FY 2024-25	\$14,757,695	\$13,101,832	\$1,655,863	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$14,757,695	\$13,101,832	\$1,655,863	\$0	\$0	0.0
SI Higher Ed limited gaming adjustment	89,904	0	89,904	0	0	0.0
R1 State funding and tuition for higher ed	-130,368	-130,368	0	0	0	0.0
Total FY 2025-26	\$14,717,231	\$12,971,464	\$1,745,767	\$0	\$0	0.0
Changes from FY 2024-25	-\$40,464	-\$130,368	\$89,904	\$0	\$0	0.0
Percentage Change	-0.3%	-1.0%	5.4%	n/a	n/a	n/a
FY 2025-26 Executive Request						
Staff Rec. Above/-Below Request	\$14,856,674	\$13,200,811	\$1,655,863	\$0	\$0	0.0
Request	-\$139,443	-\$229,347	\$89,904	\$0	\$0	0.0

Aims Community College

Aims community college serves the northern Front Range, with campuses in Greeley, Windsor, Fort Lupton, and Loveland. In FY 2019-20, local tax district support and other miscellaneous sources of revenue provided 65.8 percent of Aims' education and general revenue, while state support provided 13.8 percent. In FY 2021-22, local tax district support and other miscellaneous sources provided 64.6 percent of education and general revenue, while General Fund support plus federal stimulus funds supported 18.5 percent.

Statutory Authority: Sections 23-71-301 and 302 and 23-18-304 (3), C.R.S.

Request/Recommendation: The request and recommendation are shown in the table. Differences are due to the R1 recommendation as well as the update to limited gaming revenue.

Local District College Grants Pursuant to Section 23-71-301, C.R.S., Aims Community College						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$17,979,195	\$15,479,910	\$2,499,285	\$0	\$0	0.0
Total FY 2024-25	\$17,979,195	\$15,479,910	\$2,499,285	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$17,979,195	\$15,479,910	\$2,499,285	\$0	\$0	0.0
SI Higher Ed limited gaming adjustment	25,196	0	25,196	0	0	0.0
R1 State funding and tuition for higher ed	-154,799	-154,799	0	0	0	0.0
Total FY 2025-26	\$17,849,592	\$15,325,111	\$2,524,481	\$0	\$0	0.0
Changes from FY 2024-25	-\$129,603	-\$154,799	\$25,196	\$0	\$0	0.0
Percentage Change	-0.7%	-1.0%	1.0%	n/a	n/a	n/a
FY 2025-26 Executive Request						
Staff Rec. Above/-Below Request	\$18,078,174	\$15,578,889	\$2,499,285	\$0	\$0	0.0
Request	-\$228,582	-\$253,778	\$25,196	\$0	\$0	0.0

(7) Division of Occupational Education (*Area Technical Colleges Only*)

The Division is administratively located within the State Board for the Community Colleges and Occupational Education State System Community Colleges and has responsibility for approving programs and maintaining standards for public vocational programs (the Division of Private Occupational Schools in CCHE oversees proprietary schools). The Division also distributes state and federal funds for occupational education. This figure setting packet addresses solely the Area Technical Colleges.

Division of Occupational Education						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$77,295,449	\$22,352,277	\$0	\$36,077,253	\$18,865,919	32.0
Total FY 2024-25	\$77,295,449	\$22,352,277	\$0	\$36,077,253	\$18,865,919	32.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$77,295,449	\$22,352,277	\$0	\$36,077,253	\$18,865,919	32.0
R1 State funding and tuition for higher ed	-223,523	-223,523	0	0	0	0.0
Total FY 2025-26	\$77,071,926	\$22,128,754	\$0	\$36,077,253	\$18,865,919	32.0
Changes from FY 2024-25	-\$223,523	-\$223,523	\$0	\$0	\$0	0.0
Percentage Change	-0.3%	-1.0%	0.0%	0.0%	0.0%	0.0%
FY 2025-26 Executive Request						
Request	\$77,493,407	\$22,550,235	\$0	\$36,077,253	\$18,865,919	32.0
Staff Rec. Above/-Below Request	-\$421,481	-\$421,481	\$0	\$0	\$0	0.0

Decision Items – Division of Occupational Education

This section includes the following adjustment discussed in previous sections:

- R1 to adjust funding for public institutions of higher education.

Line Item Detail – Division of Occupational Education

(C) Area Technical College Support

Area Technical College Support

This line provides state operating support for the three area technical colleges to provide post-secondary vocational training: Technical College of the Rockies, Emily Griffith Technical College, and Pickens Technical College. In addition to the General Fund shown in the Long Bill, the area technical colleges charge tuition and fees to students. These institutions operate within local school districts and provide vocational training to secondary students with funds from their local school districts, which may include Colorado Vocational Act dollars. The Division in consultation with the colleges determines the distribution of General Fund.

In FY 2022-23, the Committee approved a request for a temporary two-year increase of \$1,700,000 for Area Technical College support. The Committee moved to make this permanent in FY 2023-24.

As staff has noted repeatedly:

- Area technical colleges (driven by Emily Griffith) have expanded enrollment far more quickly than the community college system.
- Because of the above, funding per student at the ATCs has fallen well below the amount per student at the community college system.

Statutory Authority: Sections 23-71-303 and Section 23-18-304 (2), C.R.S.

Request/Recommendation: The request and recommendation are shown in the table. Differences are due to the R1 recommendation as well as the update to limited gaming revenue.

Division of Occupational Education, Area Technical College Support, Area Technical College Operating Support						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
FY 2024-25 Appropriation						
FY 2024-25 Appropriation	\$22,352,277	\$22,352,277	\$0	\$0	\$0	0.0
Total FY 2024-25	\$22,352,277	\$22,352,277	\$0	\$0	\$0	0.0
FY 2025-26 Recommended Appropriation						
FY 2024-25 Appropriation	\$22,352,277	\$22,352,277	\$0	\$0	\$0	0.0
R1 State funding and tuition for higher ed	-223,523	-223,523	0	0	0	0.0
Total FY 2025-26	\$22,128,754	\$22,128,754	\$0	\$0	\$0	0.0

Staff Working Document – Does Not Represent Committee Decision

Division of Occupational Education, Area Technical College Support, Area Technical College Operating Support						
Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Changes from FY 2024-25	-\$223,523	-\$223,523	\$0	\$0	\$0	0.0
Percentage Change	-1.0%	-1.0%	n/a	n/a	n/a	n/a
FY 2025-26 Executive Request	\$22,550,235	\$22,550,235	\$0	\$0	\$0	0.0
Staff Rec. Above/-Below Request	-\$421,481	-\$421,481	\$0	\$0	\$0	0.0

Long Bill Footnotes

Footnotes to be Continued or Continued as Amended – Other than Tuition Footnotes

Staff recommends **continuing and modifying** the following footnotes.

30 Department of Health Care Policy and Financing, Totals; Department of Higher Education, College Opportunity Fund Program, Fee-for-service Contracts with State Institutions, Fee-for-service Contracts with State Institutions for Specialty Education Programs; Governing Boards, Regents of the University of Colorado -- The Department of Higher Education shall transfer \$900,000 to the Department of Health Care Policy and Financing for administrative costs and family medicine residency placements associated with care provided by the faculty of the health sciences center campus at the University of Colorado that are eligible for payment pursuant to Section 25.5-4-401, C.R.S. If the federal Centers for Medicare and Medicaid services continues to allow the Department of Health Care Policy and Financing to make supplemental payments to the University of Colorado School of Medicine, the Department of Higher Education shall transfer the amount approved, up to **\$107,671,715**, to the Department of Health Care Policy and Financing pursuant to Section 23-18-304(1)(c), C.R.S. If permission is discontinued, or is granted for a lesser amount, the Department of Higher Education shall transfer any portion of the **\$107,671,715** that is not transferred to the Department of Health Care Policy and Financing to the Regents of the University of Colorado.

Comment: A version of this footnote has appeared in the Long Bill since FY 2017-18. It enables the University of Colorado to draw down additional federal Medicaid matching funds to raise payments to doctors for clinical services offered by University of Colorado School of Medicine faculty, to support family medicine residency placements, related administrative costs, and a range of services that are based on a memorandum of understanding between the University of Colorado and the Department of Health Care Policy and Financing. The response to an annual request for information is addressed in a Department of Health Care Policy and Financing briefing packet and in a related briefing issue in this packet. Amounts will be updated at a later date.

32 Department of Higher Education, Colorado Commission on Higher Education and Higher Education Special Purpose Programs, Tuition/Enrollment Contingency -- The Colorado Commission on Higher Education may transfer spending authority from this line item to the Governing Boards if tuition revenue increases beyond appropriated levels. The spending authority for this line item is in addition to the funds appropriated directly to the Governing Boards. It is the General Assembly's intent that the Colorado Commission on Higher Education transfer spending authority from this line item to allow institutions to receive and expend tuition revenue beyond appropriated levels that results from higher than expected enrollment and not to support tuition increases that exceed the assumptions outlined in the footnotes for each governing board.

Comment: This footnote, which is attached to a \$75.0 million cash funds line item, is associated with the General Assembly's authority to appropriate tuition. The legislative authority to appropriate tuition enables the General Assembly to limit tuition increases. This line item and footnote limits the risk of an unintended consequence in which spending authority is restricted based on an institution's enrollment, rather than a tuition rate that exceeds the amount approved by the General Assembly. Versions of this footnote have been included in many Long Bills. Between FY 2010-11 and FY 2015-16 the General Assembly suspended statutory provisions that authorized the General Assembly to appropriate tuition. The suspension was then allowed to lapse, and this footnote was included in the FY 2016-17 Long Bill and has been included in the Long Bill since that time.

33 Department of Higher Education, Colorado Commission on Higher Education Financial Aid, Need Based Grants -- It is the General Assembly's intent that additional funds added in this line item be targeted by institutions, first, toward ensuring that tuition costs are fully covered for Colorado resident student freshmen entering in the ~~2024-25~~ 2024-25 state fiscal year within two years of graduating high school who are Pell eligible and attending at least half-time at a two year institution or full-time at a four-year institution.

Comment: This footnote was added in FY 2024-25 as part of an effort to create a unified message about free tuition for students. The Department indicated it does not at this stage have data on whether institutions are complying. Nonetheless, if the General Assembly is interested in creating a statewide message related to affordable tuition for low-income undergraduates, staff recommends retaining this footnote.

34 Department of Higher Education, Colorado Commission on Higher Education Financial Aid, Work Study -- Two percent of the Work Study appropriation remains available for expenditure until the close of the ~~2025-26~~ 2026-27 state fiscal year.

Comment: This footnote has been included in the Long Bill for more than 10 years. It provides flexibility for the Department to roll forward work-study funds because employment by some students in the summer of the academic year may occur in the next state fiscal year.

Tuition Footnotes

Staff recommends **continuing this footnote with amendments** to dates and amounts to reflect final JBC action on tuition. Specific amendments are pending.

35 Department of Higher Education, Governing Boards -- Department of Higher Education, Governing Boards, Trustees of Adams State University, Trustees of Colorado Mesa University, Trustees of Metropolitan State University of Denver, Trustees of Western Colorado University, Board of Governors of the Colorado State University System, Trustees of Fort Lewis College, Regents of the University of Colorado, Trustees of the Colorado School of Mines, University of Northern Colorado, and State Board for Community Colleges and Occupational Education State System Community Colleges -- The amounts in these line items are calculated based on the assumption that no undergraduate student with in-state classification will pay more tuition in FY 2024-25 than three percent over what a student would have paid in FY 2023-24 for the same credit hours and course of study. These

amounts are also calculated based on the assumption that each governing board will increase tuition rates for graduate and nonresident students based on its assessment of market conditions, except that the calculation for any institution at which the state contributes a share of nonresident tuition is based on the assumption that no student with nonresident classification will pay more tuition in FY 2024-25 than four percent over what a student would have paid in FY 2023-24 for the same credit hours and course of study. The General Assembly intends to adjust the amounts in these line items through supplemental action during FY 2024-25 based on updated enrollment estimates and tuition rate information.

Comment: Statute authorizes the General Assembly to appropriate tuition and specify its tuition assumptions in a related footnote. Versions of this footnote have been included in the Long Bill for many years. Between FY 2010-11 and FY 2015-16 the General Assembly suspended statutory provisions that authorized the General Assembly to appropriate tuition. The suspension was then allowed to lapse, and versions of the footnote were included in the FY 2016-17 Long Bill and have been included in the Long Bill since that time.

Footnotes to Eliminate

Staff recommends **eliminating** the following footnotes.

34b Department of Higher Education, College Opportunity Fund Program, Fee-for-service Contracts with State Institutions, Fee-for-service Contracts with State Institutions for Specialty Education Programs; Governing Boards, Regents of the University of Colorado -- The appropriations in these line items are calculated to include an increase of \$88,000 General Fund reappropriated to the Regents of the University of Colorado for a one-time fee-for-service contract for the purpose of administering online training modules for continuing medical education for primary care providers.

Comment: This footnote was added in FY 2024-25 in conjunction with the Long Bill floor amendment and subsequent conference committee action to explain the purpose of a Long Bill amendment. The Department indicates that based on the process for funding the CU School of Medicine, it anticipates that these funds will be included in a payment to CU in June 2025.

35a Department of Higher Education, Governing Boards, Board of Governors of the Colorado State University System -- The appropriation in this line item includes the restoration of \$500,000 cash funds from the Marijuana Tax Cash Fund for the Agrability Project.

Comment: This footnote was added in FY 2024-25 in conjunction with the Long Bill floor amendment and subsequent conference committee action to explain the purpose of a Long Bill amendment.

Requests for Information

Requests Affecting Multiple Departments

Staff recommends **continuing** the following request for information.

- 3 Department of Higher Education, Governing Boards, Regents of the University of Colorado -
- Based on agreements between the University of Colorado and the Department of Health Care Policy and Financing regarding the use of Anschutz Medical Campus Funds as the State contribution to the Upper Payment Limit, the General Assembly anticipates various public benefits. The General Assembly further anticipates that any increases to funding available for this program will lead to commensurate increases in public benefits. The University of Colorado and the Department of Health Care Policy and Financing are requested to submit a report to the Joint Budget Committee about the program and these benefits by October 1 each year.

Comment: Staff recommends continuation, particularly in light of a request to reduce the appropriation to the University of Colorado for the School of Medicine.

Department of Higher Education Requests

An updated recommendation on the request below is **pending** a Committee decision on the “free college” initiative.

- 1 Department of Higher Education, Colorado Commission on Higher Education and Higher Education Special Purpose Programs, Administration; Governing Boards – The Department is requested to collaborate with the institutions of higher education and other interested individuals and entities to develop and begin to disseminate a statewide affordability message to help students, parents, and K-12 administrators better understand that that low income students are unlikely to pay tuition and fees at public institutions of higher education. The Department has received funding to support 1.0 FTE term-limited position for two years for this project, which may be used for several part-time individuals and contractors with appropriate skill-sets as the Department deems appropriate. The Department is requested to take the following steps.
 - (1) Convene a workgroup to help and inform the college affordability project described below. This should include representatives from postsecondary institutions, K-12 institutions, parents, students, community organizations, and other interested parties.
 - (2) Solicit financial aid and other data from higher education institutions, and convene higher education enrollment managers, financial aid managers, and other higher education leaders and financial aid experts to identify clear, consistent, and factually accurate information that describes the tuition and fees low income students pay at public institutions of higher education. This should include identifying which students pay no tuition or fees and should, at a minimum, apply to first-time students who are eligible for federal financial assistance. Information should be related to family

- income levels and familiar public benefits, such as Medicaid or food assistance, rather than the technical terminology used by financial aid professionals.
- (3) Work with institutions to identify changes to institutional financial aid policies that would further clarify such a message and, if relevant, determine the additional state funding that would be required to support changes to financial aid policies and thus strengthen the statewide message.
 - (4) Solicit input from students, parents, K-12 leaders, high school counselors, community organizations, postsecondary enrollment managers, public relations professionals, and other interested individuals to combine the information gathered under paragraphs (2) and (3) to identify the affordability message that students and families believe will be most effective, as well as to help identify the best mechanisms for disseminating this information.
 - (5) Develop a statewide affordability messaging toolkit for use by K-12 staff, as well as post-secondary institutions, community organizations, and other interested parties, that can be used over time across the state to further a common statewide understanding of college affordability.

The Department is requested to submit an update on its progress on this project by November 1, 2023 and November 1, 2024 and a final report on the project on November 1, 2025.

For the November 1, 2024, report, the JBC requests the following:

- (6) The report should include sufficient information and budget detail to enable the General Assembly to launch and publicize a statewide guarantee of tuition-free college for low income students statewide beginning no later than FY 2025-26.
- (7) The report should identify components to which all public institutions can be held with little or no additional resources, such as committing that graduates of Colorado high schools who are eligible for federal financial assistance and have household incomes under \$60,000, begin postsecondary education within two years of graduation, complete a FAFSA or CASFA application for financial aid, and attend at least half-time at a two-year institution or full-time at a four year institution will not pay tuition. Such a program should, at a minimum, be offered to students who begin as first-time freshmen in FY 2025-26 and cover each new freshman class in the subsequent years.
- (8) The report should also identify options and recommendations for expanding such a program to capture a larger share of potential students and costs, such as student fees and students with higher incomes. To the extent costs are not already covered by existing federal, state and institutional resources, the report should include a proposal for how any additional state funding will be allocated in order to limit financial risks to public institutions and the state. This may include both maintenance-of-effort and matching requirements for institutional aid, whereby institutions and the State have shared responsibility for covering additional costs. Any matching

requirements should take into account the different types of resources available to different types of public institutions.

- (9) Finally, the report should include a proposal, with related budget estimates for new state funding, for publicizing the program in a way that takes maximum advantage of existing institutional structures, such as K-12 superintendents, principals, counselors, teachers and postsecondary admissions and outreach staff.

Other Requests to Continue or Continue as Amended

Staff recommends that the following requests be continued or continued as amended, as these reflect annual data requests.

- 2 Department of Higher Education, Colorado Commission on Higher Education, Administration; and Governing Boards -- The Department is requested to coordinate the following annual data submissions to the Joint Budget Committee and Legislative Council Staff to support tuition, fee, and stipend revenue estimates used for appropriations and informational amounts included in the Long Bill.
- By November 10, ~~2024~~ 2025: Submit budget data books for each of the governing boards that provide detail on education and general revenue and expenditures for each institution for the most recent actual year (FY ~~2023-24~~ 2024-25) and the current estimate year (FY ~~2024-25~~ 2025-26).
 - Include estimate-year FY ~~2024-25~~ 2025-26 full time equivalent (FTE) enrollment data for resident undergraduate and graduate students and non-resident undergraduate and graduate students, in addition to actual year FY ~~2023-24~~ 2024-25 student FTE data. FY ~~2024-25~~ 2025-26 student FTE estimates should be those used to develop the FY ~~2024-25~~ 2025-26 revenue and expenditure estimates in the data books.
 - Identify actual-FY ~~2023-24~~ 2024-25 and budgeted FY ~~2024-25~~ 2025-26 student FTE eligible for the College Opportunity Fund (COF) stipend in the budget data book submission.
 - As part of the submission, the Department is requested to identify actual and estimated expenditures of federal stimulus funds used to support institutional operations, if applicable.
 - The Department is requested to provide separately the actual and estimated revenue from mandatory fees using the definitions established by the Department of Higher Education for mandatory fees.
 - To improve legislative understanding of the basis for amounts in the budget data books, as part of this submission the Department is also requested to coordinate an explanation of policies that undergird the budget data books, such as staff salary compensation pools, targeted compensation allocations (e.g., to particular staff), benefits, and special projects for actual year FY ~~2023-24~~ 2024-25 and budget year FY ~~2024-25~~ 2025-26. The Department is requested to collect this

information from the institutions in a consistent format that is coordinated with Joint Budget Committee Staff.

- By December 15, 2024: Submit fall ~~2024~~ 2025 student FTE census data. This should include resident undergraduate and graduate and non-resident undergraduate and graduate FTE figures for each governing board and institutional break-outs for those governing boards that oversee multiple institutions.
- By February 15, 2025: Submit revised estimate year FY ~~2024-25~~ 2025-26 and request year FY ~~2025-26~~ 2026-27 revenue and enrollment data for each governing board, along with the comparable FY ~~2023-24~~ 2024-25 actual data for context. Include data at the institutional level for the University of Colorado and Colorado State University Systems.
 - For each year, include FTE enrollment and revenue estimates for resident undergraduate and graduate students and non-resident undergraduate and graduate students. The data should clearly separate revenue associated with each of these four categories, where applicable.
 - Include annotations explaining assumptions, including tuition and fee rate and enrollment assumptions for the FY ~~2025-26~~ 2026-27 request year.
 - Consistent with the requirements of Section 23-18-202 (2)(a)(I), C.R.S., also include an update on the number of student FTE estimated to be eligible for COF stipends FY ~~2024-25~~ 2025-26 based on the most recent data available (different from the figures used to establish initial stipend appropriations).
 - Include actual and estimated expenditures of federal stimulus funds, if applicable., indicating the portion of such funds used for education and general purposes.
 - Include actual and estimated revenue from mandatory fees using the definitions established by the Department of Higher Education for mandatory fees.
 - To further improve the quality of the ~~2025-2026~~ session forecast, complete additional survey materials to be distributed by Legislative Council Staff addressing current year incoming, first-time student undergraduate fall resident and nonresident class size (FTE); estimated current year graduating (outgoing) undergraduate resident and nonresident class size (FTE); occurrence of tuition guarantees for current year and out-year and impacted student populations (undergrads and grads, resident and nonresident, and among campuses, as applicable); number of concurrent enrollment students in current year FTE estimate; and whether concurrent enrollment student tuition is reflected in current year tuition revenue estimates and in the forecast.

Comment: The Department submitted the data due in November. The responses have been used to populate data throughout this document.

- 5 Department of Higher Education, Colorado Commission on Higher Education, Administration -- The Department should continue its efforts to provide data on the efficiency and effectiveness of state financial aid in expanding access to higher education for Colorado residents. The Department is requested to provide to the Joint Budget Committee by December 1 of each year an evaluation of financial aid programs, which

should include, but not be limited to: (1) an estimate of the amount of federal, institutional, and private resources (including tax credits) devoted to financial aid; (2) the number of recipients from all sources; (3) information on typical awards; and (4) the typical debt loads of graduates. The Department is requested to provide more in-depth data on the financial aid awarded at the state's public institutions, by institution. This should include further information on the use of institutional aid, including the extent to which such aid is awarded to residents versus non-residents, for financial need versus merit, and the extent to which merit-based aid is awarded to students who qualify on the basis of need, whether or not the aid was classified as merit-based.

Comment: The Department did not submit this request by the due date, but did ultimately submit it in February 2025. This is a longstanding data request.

- 7 Department of Higher Education, Colorado Commission on Higher Education, Special Purpose, Tuition/Enrollment Contingency -- The Department is requested to provide information on the amount of Tuition Enrollment Contingency funds distributed to any governing board and whether the governing board complied with Colorado Commission on Higher Education tuition policy and intended limits on undergraduate rates expressed in Long Bill footnotes. This information, as it applies to actual expenditures in ~~FY 2023-24~~ FY 2024-25 should be provided by November 1, ~~2024~~ 2025, and as it applies to actual expenditures in FY ~~2024-25~~ 2025-26 should be provided by November 1, ~~2025~~ 2026.

Comment: This request has been included since FY 2016-17, when the General Assembly again began to appropriate tuition and provide a tuition/enrollment contingency line item.

Additional Balancing Options

As part of staff budget briefings in November and December 2024, staff identified budget reduction options for each department that the JBC could consider in addition to or instead of the options presented in the budget request. **Items staff recommends and items that agencies have requested formally are addressed earlier in this packet.** Other items that could be considered, if needed to bring the budget into balance, are listed below.

A General Fund reduction of 5.0 percent to the sections of the budget covered in this figure setting packet equates to a reduction of \$____. The Staff recommendations included in this figure setting packet, if adopted by the JBC, provide budget reductions and revenue enhancements totaling \$____. Options from the table below, if adopted, increase that amount.

Items in the table are ordered from lowest impact on program operations to highest, based on staff’s understanding of the impact of the change. Staff has also **highlighted** in the table those options that Executive Branch has indicated that it supports, based on letters or other communication with the JBC staff, though it did not formally request these items.

The table below summarizes options identified by the JBC staff that the Committee could consider in addition to or instead of the options presented in the budget request. A General Fund reduction of 5.0 percent to the sections of the budget covered in this briefing would require a reduction of \$79.7 million. The options shown below reflect reductions of \$66.9 million but could be scaled in funding for the governing boards and financial aid to whatever level is needed.

Additional Options for General Fund Relief				
Option	General Fund	Other Funds	Bill? Y/N	Description
Expenditure Reductions				
Eliminate funding for financial aid at proprietary institutions	-1,177,869		?	CCHE has authority to allocate financial aid authorized by the General Assembly. The amount shown is the amount allocated to financial aid for students at proprietary institutions (e.g., Colorado Technical Institute)
Reduce funding for financial aid at private nonprofit institutions	-2,554,128	0	?	CCHE has authority to allocate financial aid authorized by the General Assembly. The amount shown represents a 20.0 percent reduction to the amount allocated to students at non-profit private institutions (e.g., Colorado Christian University, DU). The funding is part of the aligned financial aid calculation, so reducing funding would either need to align with a governing board funding changes, be paired with another financial aid increase, or be authorized by a statutory change.
Reduce funding formula for higher education governing boards (excludes financial aid)	-63,422,374	0	N	Reflects a 5.0 percent reduction to formula funding for the higher education governing boards.

Additional Options for General Fund Relief				
Option	General Fund	Other Funds	Bill? Y/N	Description
Reduce funding for the Colorado Opportunity Scholarship Initiative	-250,000	0	?	The Colorado Opportunity Scholarship Initiative provides funding for student scholarships and wrap-around support services. Funding was increased from \$7.0 million to \$10.0 million in FY 2023-24. The program is currently in the midst of a redesign which will award consolidated grants to IHEs for both scholarships and student supports. COSI is part of the aligned financial aid calculation, so reducing funding would either need to align with a governing board funding changes, be paired with another financial aid increase, or be authorized by a statutory change.
Subtotal - Expenditures	-\$66,904,371			
Net General Fund Relief	\$66,904,371			

Expenditure Reductions

Eliminate funding for financial aid at proprietary institutions

Description: The Colorado Commission on Higher Education determines the allocation of Need Based Grants financial aid funding to institutions of higher education. This includes funding for financial aid for students attending several proprietary institutions: Colorado Technical Institute, ConCorde Career Institute, International By, IBMC, and the Rocky Mountain College of Art and Design. This option would eliminate the \$1.2 million allocated for financial aid at these institutions.

Key Considerations: Colorado struggles to provide adequate support for students attending its public institutions of higher education. National data suggests that for-profit institutions have, in general, a poorer record for student completions than public institutions.

Additional background: Because appropriations for Need Based Grants are made to a single line item, reductions applied are not guaranteed to be applied by the Colorado Commission on Higher Education to the same institutions or programs anticipated by the General Assembly. That said, staff assumes the Commission will take the General Assembly’s intent into consideration. The Commission’s approach currently appears to be to provide equal increases for financial aid allocations in all categories, including for proprietary institutions. Staff is uncertain whether the Commission is rigorously scrutinizing the value of these allocations.

Reduce funding for financial aid at private nonprofit institutions

Description: The Colorado Commission on Higher Education determines the allocation of Need Based Grants financial aid funding to institutions of higher education. This includes funding for financial aid for students attending multiple private nonprofit institutions: Colorado Christian University, Colorado College, Naropa University, Regis University, and the University of Denver. The option identified would reduce funding for financial aid at these institutions by 20.0 percent (\$2.6 million)

Key Considerations: Colorado struggles to provide adequate support for students attending its public institutions of higher education. These nonprofit institutions provide valuable educational services, but state financial aid dollars may go farther and serve more students per dollar at public institutions, where resident tuition is already subsidized through direct support to the governing boards.

Additional background: Because appropriations for Need Based Grants are made to a single line item, reductions applied are not guaranteed to be applied by the Colorado Commission on Higher Education to the same institutions or programs anticipated by the General Assembly. That said, staff assumes the Commission will take the General Assembly's intent into consideration.

Reduce funding formula for higher education governing boards (excludes financial aid)

Description: Staff reflects a reduction of \$63.4 million, based on the impact of a 5.0 percent reduction to formula funding for the public institutions. This figure could be scaled up or down depending upon the funds required to balance. Depending upon the depth of cut needed, adjustments to protect more vulnerable institutions are an option.

Key Considerations: Higher Education is of the few sectors in state government with significant General Fund that is not constrained by Constitutional or federal restrictions. Higher education is therefore always a critical element of any effort to balance the budget. Increases for public higher education in recent years—no matter how deserved—are one component of balancing challenge currently facing the State: as noted above, the Department's share of state General Fund appropriations increased from 8.8 percent in FY 2018-19 to 10.7 percent in FY 2024-25. Public higher education is a large industry, and the state-operated governing boards had total revenues exceeding \$11.0 billion in FY 2023-24. Most institutions appear to be seeing increased enrollment and most have built reserves based on recent increases of state and federal funding that can help them weather some state funding reductions.

Additional background: See Factors Driving the Budget and the briefing issue on the governing boards for additional information.

Reduce funding for the Colorado Opportunity Scholarship Initiative

Description: This option would reduce funding for the Colorado Opportunity Scholarship Initiative Program by \$250,000 (2.5 percent).

Key Considerations: The program received a \$3.0 million increase in FY 2023-24. COSI supports effective support services and matching scholarships for students; however given the overall limitations on the state's budget, a modest reduction could be considered.

Additional background: Pursuant to Sections 23-3.3-1001 through 1005, C.R.S., the College Opportunity Scholarship Initiative (COSI) promotes public/private partnerships to fund scholarships and support services for gifted low-income students who might not otherwise pursue or complete higher education. Created in H.B. 14-1384, it was initially seeded with a transfer of \$33.4 million from the CollegInvest Financial Need Scholarship Fund and a \$1.0

million appropriation. General Fund support has increased over the years, including an increase from \$7.0 million to \$10.0 million General Fund in FY 2023-24. Program reserves are held in the COSI cash fund, which had a balance of \$12.4 million at the end of FY 2023-24.

The Initiative operates under the oversight of the COSI Board. In recent years the Board has also been tasked with overseeing a range of one-time student scholarship initiatives based on federal and state funds available on a temporary basis.

The organization's signature programs have historically included a matching student scholarship program, through which local programs distribute scholarships to Colorado students who attend Colorado public institutions of higher education, and a separate community partner program through which COSI provides multi-year funding toward programs that prepare students for postsecondary education. COSI is in the process of moving to a new funding structure in which pre-collegiate programs are phased out and collegiate support programs and scholarships are combined into a single postsecondary grant program.

At its September 2024 board meeting, the COSI board approved \$8.5 million annually for the new combined program. A total of \$6.1 million will be allocated to institutions of higher education based primarily on their Pell-eligible headcount. A \$2.0 million pool will be available for community based organizations, which receive \$1,000 per student for scholarships and \$500 per student for wraparound supports. Grantees are also eligible for supplemental administrative funding.

Requests from COSI have been highlighted as "Proven" on the S.B. 21-284 Evidence Continuum, based on its work with Colorado Evaluation and Action Lab at DU to conduct an annual qualitative and quantitative evaluation of the program using a quasi-experimental design. A "proven program or practice" means a program or practice that reflects a high or well-supported level of Confidence of effectiveness, ineffectiveness, or harmfulness as determined by one or more high-quality randomized control trials, multiple evaluations with strong comparison groups, or an equivalent measure. While COSI has only been evaluated by one organization so far as Staff is aware, the evidence that it has positive impacts appears strong. <https://cdhe.colorado.gov/about> . The last evaluation was completed in FY 2021-22.

The Executive Request included a proposed \$4.0 million General Fund increase for the program in FY 2024-25 which the Committee denied, given that COSI had received a \$3.0 million increase in FY 2023-24 and was is in the midst of program restructuring.

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

Appendix A: Numbers Pages

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
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DEPARTMENT OF HIGHER EDUCATION
Angie Paccione, Executive Director

(3) COLORADO COMMISSION ON HIGHER EDUCATION FINANCIAL AID

Financial aid programs assist students in covering the cost of higher education. This section includes state appropriations for need based grants, merit based grants, work study, and various special purpose financial aid programs.

(A) Need Based Grants

Need Based Grants	<u>206,176,170</u>	<u>232,379,200</u>	<u>253,688,723</u>	<u>255,808,162</u>	<u>252,557,276</u> *
General Fund	205,712,316	231,101,918	72,442,856	74,562,295	71,311,409
General Fund Exempt	0	0	179,968,585	179,968,585	179,968,585
Cash Funds	0	1,277,282	0	0	0
Reappropriated Funds	463,854	0	1,277,282	1,277,282	1,277,282
Federal Funds	0	0	0	0	0
SUBTOTAL - (A) Need Based Grants	206,176,170	232,379,200	253,688,723	255,808,162	252,557,276
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	205,712,316	231,101,918	72,442,856	74,562,295	71,311,409
General Fund Exempt	0	0	179,968,585	179,968,585	179,968,585
Cash Funds	0	1,277,282	0	0	0
Reappropriated Funds	463,854	0	1,277,282	1,277,282	1,277,282
Federal Funds	0	0	0	0	0

*Line item includes a decision item

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
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(B) Work Study

Work Study	<u>22,001,503</u>	<u>23,202,845</u>	<u>23,129,178</u>	<u>23,129,178</u>	<u>23,129,178</u>
General Fund	<u>22,001,503</u>	<u>23,202,845</u>	<u>23,129,178</u>	<u>23,129,178</u>	<u>23,129,178</u>
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (B) Work Study	<u>22,001,503</u>	<u>23,202,845</u>	<u>23,129,178</u>	<u>23,129,178</u>	<u>23,129,178</u>
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	<u>22,001,503</u>	<u>23,202,845</u>	<u>23,129,178</u>	<u>23,129,178</u>	<u>23,129,178</u>
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

(D) Special Purpose

Veterans'/Law Enforcement/POW Tuition Assistance	<u>1,170,254</u>	<u>1,327,030</u>	<u>1,643,700</u>	<u>1,643,700</u>	<u>1,643,700</u> *
General Fund	<u>1,170,254</u>	<u>1,327,030</u>	<u>1,643,700</u>	<u>1,643,700</u>	<u>1,643,700</u>
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Native American Students/Fort Lewis College	<u>25,563,965</u>	<u>22,264,858</u>	<u>22,028,890</u>	<u>21,839,853</u>	<u>21,307,918</u> *
General Fund	<u>25,563,965</u>	<u>22,264,858</u>	<u>22,028,890</u>	<u>21,839,853</u>	<u>21,307,918</u>
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
Colorado Opportunity Scholarship Initiative Fund	<u>18,974,548</u>	<u>20,551,623</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	7,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Cash Funds	11,974,548	10,551,623	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Tuition Assistance for Career and Technical Education Certificate Programs	<u>427,855</u>	<u>432,114</u>	<u>450,000</u>	<u>450,000</u>	<u>450,000</u>
General Fund	427,855	432,114	450,000	450,000	450,000
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
S.B. 21-106 Fourth-year Innovation Pilot Program	<u>162,999</u>	<u>270,917</u>	<u>524,615</u>	<u>524,615</u>	<u>555,573</u>
FTE	0.7	0.0	0.7	0.7	1.0
General Fund	162,999	270,917	524,615	524,615	555,573
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
State Aid for Foster Students Program	<u>900,787</u>	<u>2,117,497</u>	<u>2,962,463</u>	<u>2,605,519</u>	<u>2,962,463</u>
FTE	3.7	0.0	4.0	4.0	4.0
General Fund	900,787	2,117,497	2,962,463	2,605,519	2,962,463
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
H.B. 22-1220 Student Educator Stipend Program	0	0	<u>3,277,000</u>	0	0
FTE	0.0	0.0	1.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	3,277,000	0	0
Federal Funds	0	0	0	0	0
COSI Youth Mentorship Stipend Pilot Program	0	<u>10,000</u>	0	0	0
General Fund	0	10,000	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Postsecondary Assistance for Students who Were Homeless in High Schl	0	0	<u>557,406</u>	<u>1,655,041</u>	<u>1,655,041</u>
FTE	0.0	0.0	1.8	2.0	2.0
General Fund	0	0	557,406	1,655,041	1,655,041
H.B. 21-1330 COSI Student Financial Aid and Support Services at IHEs	0	0	0	0	0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
S.B. 21-232 COSI Displaced Workers Program	0	0	0	0	0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Displaced Aurarian Scholarship	<u>1,999,998</u>	0	0	0	0
General Fund	1,999,998	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
H.B. 22-1220 Educator Test Stipend Program	0	0	0	0	0
FTE	0.0	0.0	0.0	0.0	0.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (D) Special Purpose	49,200,406	46,974,039	41,444,074	38,718,728	38,574,695
FTE	<u>4.4</u>	<u>0.0</u>	<u>7.5</u>	<u>6.7</u>	<u>7.0</u>
General Fund	37,225,858	36,422,416	38,167,074	38,718,728	38,574,695
Cash Funds	11,974,548	10,551,623	0	0	0
Reappropriated Funds	0	0	3,277,000	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
TOTAL - (3) Colorado Commission on Higher Education Financial Aid	277,378,079	302,556,084	318,261,975	317,656,068	314,261,149
<i>FTE</i>	<u>4.4</u>	<u>0.0</u>	<u>7.5</u>	<u>6.7</u>	<u>7.0</u>
General Fund	264,939,677	290,727,179	133,739,108	136,410,201	133,015,282
General Fund Exempt	0	0	179,968,585	179,968,585	179,968,585
Cash Funds	11,974,548	11,828,905	0	0	0
Reappropriated Funds	463,854	0	4,554,282	1,277,282	1,277,282
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
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(4) COLLEGE OPPORTUNITY FUND PROGRAM

This section includes General Fund appropriations for student stipend payments and for fee-for-service contracts between the Colorado Commission on Higher Education and the governing boards that oversee the state higher education institutions.

(A) Stipends

Stipends for eligible full-time equivalent students

attending state institutions	<u>346,925,773</u>	<u>380,276,551</u>	<u>386,955,468</u>	<u>382,945,873</u>	<u>401,613,924</u>
General Fund	346,925,773	380,276,551	31,467,391	27,457,796	46,125,847
General Fund Exempt	0	0	355,488,077	355,488,077	355,488,077
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

Stipends for eligible full-time equivalent students

attending participating private institutions	<u>1,655,048</u>	<u>593,564</u>	<u>2,861,793</u>	<u>1,538,427</u>	<u>2,618,369</u>
General Fund	1,655,048	593,564	1,514,458	191,092	1,271,034
General Fund Exempt	0	0	1,347,335	1,347,335	1,347,335
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

SUBTOTAL - (A) Stipends	348,580,821	380,870,115	389,817,261	384,484,300	404,232,293
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	348,580,821	380,870,115	32,981,849	27,648,888	47,396,881
General Fund Exempt	0	0	356,835,412	356,835,412	356,835,412
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
(B) Fee-for-service Contracts with State Institutions					
Fee-for-service Contracts with State Institutions					
Pursuant to Section 23-18-303, C.R.S.	<u>474,407,719</u>	<u>536,336,380</u>	<u>621,981,415</u>	<u>629,689,215</u>	<u>597,146,469</u> *
General Fund	474,407,719	536,336,380	106,066,042	113,773,842	81,231,096
General Fund Exempt	0	0	515,915,373	515,915,373	515,915,373
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Fee-for-service Contracts with State Institutions for					
Specialty Education Programs	<u>161,220,794</u>	<u>179,073,609</u>	<u>206,638,540</u>	<u>188,246,823</u>	<u>206,768,060</u> *
General Fund	161,220,794	179,073,609	71,942,577	53,550,860	72,072,097
General Fund Exempt	0	0	134,695,963	134,695,963	134,695,963
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
Limited Purpose Fee-for-Service Contracts with					
State Institutions	<u>6,325,846</u>	<u>7,852,075</u>	<u>10,283,167</u>	<u>1,389,524</u>	<u>6,027,789</u> *
General Fund	6,325,846	7,852,075	10,283,167	1,389,524	6,027,789
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
SUBTOTAL - (B) Fee-for-service Contracts with State Institutions	641,954,359	723,262,064	838,903,122	819,325,562	809,942,318
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	641,954,359	723,262,064	188,291,786	168,714,226	159,330,982
General Fund Exempt	0	0	650,611,336	650,611,336	650,611,336
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
TOTAL - (4) College Opportunity Fund Program	990,535,180	1,104,132,179	1,228,720,383	1,203,809,862	1,214,174,611
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	990,535,180	1,104,132,179	221,273,635	196,363,114	206,727,863
General Fund Exempt	0	0	1,007,446,748	1,007,446,748	1,007,446,748
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
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(5) GOVERNING BOARDS

h funds are primarily from tuition and student fees. Reappropriated funds are initially appropriated as General Fund in the College Opportunity Fund Program section.

(A) Trustees of Adams State University

Trustees of Adams State College	<u>47,097,269</u>	<u>51,145,713</u>	<u>56,088,274</u>	<u>58,262,954</u>	<u>56,357,927</u> *
FTE	322.6	348.3	374.8	374.8	418.0
General Fund	0	0	0	0	0
Cash Funds	26,071,374	27,577,516	28,013,979	29,810,038	29,270,793
Reappropriated Funds	21,025,895	23,568,197	28,074,295	28,452,916	27,087,134

SUBTOTAL - (A) Trustees of Adams State University	47,097,269	51,145,713	56,088,274	58,262,954	56,357,927
FTE	<u>322.6</u>	<u>348.3</u>	<u>374.8</u>	<u>374.8</u>	<u>418.0</u>
General Fund	0	0	0	0	0
Cash Funds	26,071,374	27,577,516	28,013,979	29,810,038	29,270,793
Reappropriated Funds	21,025,895	23,568,197	28,074,295	28,452,916	27,087,134

(B) Trustees of Colorado Mesa University

Trustees of Colorado Mesa University	<u>120,849,566</u>	<u>128,270,208</u>	<u>141,178,402</u>	<u>137,627,651</u>	<u>148,018,908</u> *
FTE	762.0	828.7	845.1	845.1	936.8
Cash Funds	80,553,579	83,219,797	91,961,289	88,331,917	99,476,868
Reappropriated Funds	40,295,987	45,050,411	49,217,113	49,295,734	48,542,040

SUBTOTAL - (B) Trustees of Colorado Mesa University	120,849,566	128,270,208	141,178,402	137,627,651	148,018,908
FTE	<u>762.0</u>	<u>828.7</u>	<u>845.1</u>	<u>845.1</u>	<u>936.8</u>
Cash Funds	80,553,579	83,219,797	91,961,289	88,331,917	99,476,868
Reappropriated Funds	40,295,987	45,050,411	49,217,113	49,295,734	48,542,040

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
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(C) Trustees of Metropolitan State College of Denver

Trustees of Metropolitan State College of Denver	218,803,013	232,505,076	249,630,332	246,565,147	250,996,125 *
FTE	1,368.8	1,445.1	1,556.5	1,556.5	1,431.8
General Fund	0	0	0	0	0
Cash Funds	136,248,629	138,912,730	147,052,381	143,908,575	148,676,984
Reappropriated Funds	82,554,384	93,592,346	102,577,951	102,656,572	102,319,141
Federal Funds	0	0	0	0	0

SUBTOTAL - (C) Trustees of Metropolitan State College of Denver	218,803,013	232,505,076	249,630,332	246,565,147	250,996,125
FTE	<u>1,368.8</u>	<u>1,445.1</u>	<u>1,556.5</u>	<u>1,556.5</u>	<u>1,431.8</u>
General Fund	0	0	0	0	0
Cash Funds	136,248,629	138,912,730	147,052,381	143,908,575	148,676,984
Reappropriated Funds	82,554,384	93,592,346	102,577,951	102,656,572	102,319,141
Federal Funds	0	0	0	0	0

(D) Trustees of Western State College

Trustees of Western State College	40,454,447	47,806,836	52,329,474	55,880,414	52,913,153 *
FTE	268.4	343.4	255.0	255.0	359.3
General Fund	0	0	0	0	0
Cash Funds	22,115,435	27,363,249	27,387,228	30,759,547	28,416,093
Reappropriated Funds	18,339,012	20,443,587	24,942,246	25,120,867	24,497,060
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
SUBTOTAL - (D) Trustees of Western State College	40,454,447	47,806,836	52,329,474	55,880,414	52,913,153
<i>FTE</i>	<u>268.4</u>	<u>343.4</u>	<u>255.0</u>	<u>255.0</u>	<u>359.3</u>
General Fund	0	0	0	0	0
Cash Funds	22,115,435	27,363,249	27,387,228	30,759,547	28,416,093
Reappropriated Funds	18,339,012	20,443,587	24,942,246	25,120,867	24,497,060
Federal Funds	0	0	0	0	0

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

Board of Governors of the Colorado State

University System	<u>783,083,986</u>	<u>833,533,997</u>	<u>887,930,277</u>	<u>883,413,561</u>	<u>913,125,229</u> *
<i>FTE</i>	5,134.0	5,523.1	5,359.4	5,357.9	5,222.6
General Fund	175,000	0	138,104	66,983	66,983
Cash Funds	579,754,568	608,320,977	641,802,395	637,569,006	670,535,370
Reappropriated Funds	203,154,418	225,213,020	245,989,778	245,777,572	242,522,876

SUBTOTAL - (E) Board of Governors of the Colorado State University System	783,083,986	833,533,997	887,930,277	883,413,561	913,125,229
<i>FTE</i>	<u>5,134.0</u>	<u>5,523.1</u>	<u>5,359.4</u>	<u>5,357.9</u>	<u>5,222.6</u>
General Fund	175,000	0	138,104	66,983	66,983
Cash Funds	579,754,568	608,320,977	641,802,395	637,569,006	670,535,370
Reappropriated Funds	203,154,418	225,213,020	245,989,778	245,777,572	242,522,876

(F) Trustees of Fort Lewis College

Trustees of Fort Lewis College	<u>64,860,809</u>	<u>68,502,402</u>	<u>76,947,525</u>	<u>73,801,127</u>	<u>77,133,985</u> *
<i>FTE</i>	480.6	455.3	457.9	457.9	460.6
Cash Funds	47,746,137	49,432,773	53,758,634	50,233,615	54,097,135
Reappropriated Funds	17,114,672	19,069,629	23,188,891	23,567,512	23,036,850
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
SUBTOTAL - (F) Trustees of Fort Lewis College	64,860,809	68,502,402	76,947,525	73,801,127	77,133,985
<i>FTE</i>	<u>480.6</u>	<u>455.3</u>	<u>457.9</u>	<u>457.9</u>	<u>460.6</u>
Cash Funds	47,746,137	49,432,773	53,758,634	50,233,615	54,097,135
Reappropriated Funds	17,114,672	19,069,629	23,188,891	23,567,512	23,036,850
Federal Funds	0	0	0	0	0

(G) Regents of the University of Colorado

Regents of the University of Colorado	<u>1,583,269,303</u>	<u>1,690,138,482</u>	<u>1,803,657,857</u>	<u>1,778,947,215</u>	<u>1,856,830,727</u> *
<i>FTE</i>	<u>10,111.3</u>	<u>10,280.9</u>	<u>10,153.1</u>	<u>10,153.3</u>	<u>10,305.6</u>
General Fund	0	0	0	0	0
Cash Funds	1,305,196,753	1,378,683,013	1,451,406,004	1,451,659,748	1,508,547,132
Reappropriated Funds	278,072,550	311,455,469	352,251,853	327,287,467	348,283,595
Federal Funds	0	0	0	0	0

SUBTOTAL - (G) Regents of the University of Colorado	1,583,269,303	1,690,138,482	1,803,657,857	1,778,947,215	1,856,830,727
<i>FTE</i>	<u>10,111.3</u>	<u>10,280.9</u>	<u>10,153.1</u>	<u>10,153.3</u>	<u>10,305.6</u>
General Fund	0	0	0	0	0
Cash Funds	1,305,196,753	1,378,683,013	1,451,406,004	1,451,659,748	1,508,547,132
Reappropriated Funds	278,072,550	311,455,469	352,251,853	327,287,467	348,283,595
Federal Funds	0	0	0	0	0

(H) Trustees of the Colorado School of Mines

Trustees of the Colorado School of Mines	<u>209,846,036</u>	<u>249,178,222</u>	<u>275,326,657</u>	<u>278,594,636</u>	<u>292,991,630</u> *
<i>FTE</i>	<u>1,103.0</u>	<u>1,180.0</u>	<u>1,180.0</u>	<u>1,180.0</u>	<u>1,229.4</u>
Cash Funds	179,770,840	215,604,091	238,271,781	241,161,139	256,132,316
Reappropriated Funds	30,075,196	33,574,131	37,054,876	37,433,497	36,859,314
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
SUBTOTAL - (H) Trustees of the Colorado School of Mines	209,846,036	249,178,222	275,326,657	278,594,636	292,991,630
<i>FTE</i>	<u>1,103.0</u>	<u>1,180.0</u>	<u>1,180.0</u>	<u>1,180.0</u>	<u>1,229.4</u>
Cash Funds	179,770,840	215,604,091	238,271,781	241,161,139	256,132,316
Reappropriated Funds	30,075,196	33,574,131	37,054,876	37,433,497	36,859,314
Federal Funds	0	0	0	0	0

(I) University of Northern Colorado

University of Northern Colorado	<u>143,035,692</u>	<u>151,173,501</u>	<u>159,169,637</u>	<u>161,596,556</u>	<u>160,762,462</u> *
<i>FTE</i>	1,068.0	1,088.7	1,196.6	1,196.6	1,203.8
Cash Funds	86,159,793	88,052,869	90,165,292	92,213,590	92,575,697
Reappropriated Funds	56,875,899	63,120,632	69,004,345	69,382,966	68,186,765
Federal Funds	0	0	0	0	0
SUBTOTAL - (I) University of Northern Colorado	143,035,692	151,173,501	159,169,637	161,596,556	160,762,462
<i>FTE</i>	<u>1,068.0</u>	<u>1,088.7</u>	<u>1,196.6</u>	<u>1,196.6</u>	<u>1,203.8</u>
Cash Funds	86,159,793	88,052,869	90,165,292	92,213,590	92,575,697
Reappropriated Funds	56,875,899	63,120,632	69,004,345	69,382,966	68,186,765
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
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(J) State Board for Community Colleges and Occupational Education State System Community Colleges

State Board for Community Colleges and
Occupational Education State System Community
Colleges

	<u>594,762,352</u>	<u>622,350,207</u>	<u>669,338,106</u>	<u>662,803,101</u>	<u>689,605,835</u> *
FTE	5,322.3	5,719.7	5,649.9	5,649.9	5,942.8
General Fund	0	0	0	0	0
Cash Funds	322,916,012	352,330,393	375,780,864	369,506,764	399,384,358
Reappropriated Funds	241,372,358	270,019,814	293,557,242	293,296,337	290,221,477
Federal Funds	30,473,982	0	0	0	0

**SUBTOTAL - (J) State Board for Community
Colleges and Occupational Education State System
Community Colleges**

	594,762,352	622,350,207	669,338,106	662,803,101	689,605,835
FTE	<u>5,322.3</u>	<u>5,719.7</u>	<u>5,649.9</u>	<u>5,649.9</u>	<u>5,942.8</u>
General Fund	0	0	0	0	0
Cash Funds	322,916,012	352,330,393	375,780,864	369,506,764	399,384,358
Reappropriated Funds	241,372,358	270,019,814	293,557,242	293,296,337	290,221,477
Federal Funds	30,473,982	0	0	0	0

TOTAL - (5) Governing Boards

	3,806,062,473	4,074,604,644	4,371,596,541	4,337,492,362	4,498,735,981
FTE	<u>25,941</u>	<u>27,213.2</u>	<u>27,028.3</u>	<u>27,027.0</u>	<u>27,510.7</u>
General Fund	175,000	0	138,104	66,983	66,983
Cash Funds	2,786,533,120	2,969,497,408	3,145,599,847	3,135,153,939	3,287,112,746
Reappropriated Funds	988,880,371	1,105,107,236	1,225,858,590	1,202,271,440	1,211,556,252
Federal Funds	30,473,982	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
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(6) LOCAL DISTRICT COLLEGE GRANTS PURSUANT TO SECTION 23-71-301, C.R.S.

by boards elected by tax district residents. Students from the districts pay discounted tuition rates.

Colorado Mountain College	<u>12,541,748</u>	<u>13,586,160</u>	<u>14,757,695</u>	<u>14,856,674</u>	<u>14,717,231</u> *
General Fund	10,766,746	11,930,297	13,101,832	13,200,811	12,971,464
Cash Funds	1,775,002	1,655,863	1,655,863	1,655,863	1,745,767
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
 Aims Community College	 <u>15,396,193</u>	 <u>16,665,297</u>	 <u>17,979,195</u>	 <u>18,078,174</u>	 <u>17,849,592</u> *
General Fund	12,711,777	14,166,012	15,479,910	15,578,889	15,325,111
Cash Funds	2,684,416	2,499,285	2,499,285	2,499,285	2,524,481
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

TOTAL - (6) Local District College Grants Pursuant to Section 23-71-301, C.R.S.	27,937,941	30,251,457	32,736,890	32,934,848	32,566,823
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	23,478,523	26,096,309	28,581,742	28,779,700	28,296,575
Cash Funds	4,459,418	4,155,148	4,155,148	4,155,148	4,270,248
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
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(7) DIVISION OF OCCUPATIONAL EDUCATION

These funds consistent with state and federal law. Most reappropriated funds are from transfers from the Governor's Office of Economic Development and the Department of Education.

(A) Administrative Costs

Administrative Costs	962,309	1,176,957	1,062,309	1,062,309	1,062,309
FTE	9.0	0.0	9.0	9.0	9.0
General Fund	0	214,648	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	962,309	962,309	1,062,309	1,062,309	1,062,309
Federal Funds	0	0	0	0	0
SUBTOTAL - (A) Administrative Costs	962,309	1,176,957	1,062,309	1,062,309	1,062,309
FTE	<u>9.0</u>	<u>0.0</u>	<u>9.0</u>	<u>9.0</u>	<u>9.0</u>
General Fund	0	214,648	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	962,309	962,309	1,062,309	1,062,309	1,062,309
Federal Funds	0	0	0	0	0

(B) Distribution of State Assistance for Career and Technical Education pursuant to Section 23-8-102, C.R.S.

Distributions of State Assistance for Career and Technical Education	<u>28,244,361</u>	<u>30,372,603</u>	<u>30,514,944</u>	<u>30,514,944</u>	<u>30,514,944</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	28,244,361	30,372,603	30,514,944	30,514,944	30,514,944
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
SUBTOTAL - (B) Distribution of State Assistance for Career and Technical Education pursuant to Section 23-8-102, C.R.S.	28,244,361	30,372,603	30,514,944	30,514,944	30,514,944
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	28,244,361	30,372,603	30,514,944	30,514,944	30,514,944
Federal Funds	0	0	0	0	0

(C) Area Technical College Support

Area Technical College Operating Support	<u>18,392,334</u>	<u>20,455,069</u>	<u>22,352,277</u>	<u>22,550,235</u>	<u>22,128,754</u> *
General Fund	18,392,334	20,455,069	22,352,277	22,550,235	22,128,754
General Fund Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0
SUBTOTAL - (C) Area Technical College Support	18,392,334	20,455,069	22,352,277	22,550,235	22,128,754
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	18,392,334	20,455,069	22,352,277	22,550,235	22,128,754
General Fund Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
(D) Sponsored Programs					
Administration	2,290,474	4,038,725	2,709,888	2,709,888	2,709,888
FTE	26.2	23.0	23.0	23.0	23.0
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	0	0	0	0	0
Federal Funds	2,290,474	4,038,725	2,709,888	2,709,888	2,709,888
Programs	<u>19,154,552</u>	<u>19,635,459</u>	<u>16,156,031</u>	<u>16,156,031</u>	<u>16,156,031</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	1,458,600	0	0	0	0
Federal Funds	17,695,952	19,635,459	16,156,031	16,156,031	16,156,031
SUBTOTAL - (D) Sponsored Programs	21,445,026	23,674,184	18,865,919	18,865,919	18,865,919
FTE	<u>26.2</u>	<u>23.0</u>	<u>23.0</u>	<u>23.0</u>	<u>23.0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	1,458,600	0	0	0	0
Federal Funds	19,986,426	23,674,184	18,865,919	18,865,919	18,865,919

(E) Colorado First Customized Job Training

Colorado First Customized Job Training	4,500,000	4,176,642	4,500,000	4,500,000	4,500,000
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	4,500,000	4,176,642	4,500,000	4,500,000	4,500,000
Federal Funds	0	0	0	0	0

JBC Staff Figure Setting - FY 2025-26
Staff Working Document - Does Not Represent Committee Decision

	FY 2022-23 Actual	FY 2023-24 Actual	FY 2024-25 Appropriation	FY 2025-26 Request	FY 2025-26 Recommendation
SUBTOTAL - (E) Colorado First Customized Job					
Training	4,500,000	4,176,642	4,500,000	4,500,000	4,500,000
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
General Fund	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	4,500,000	4,176,642	4,500,000	4,500,000	4,500,000
Federal Funds	0	0	0	0	0
TOTAL - (7) Division of Occupational Education					
	73,544,030	79,855,455	77,295,449	77,493,407	77,071,926
<i>FTE</i>	<u>35.2</u>	<u>23.0</u>	<u>32.0</u>	<u>32.0</u>	<u>32.0</u>
General Fund	18,392,334	20,669,717	22,352,277	22,550,235	22,128,754
General Fund Exempt	0	0	0	0	0
Cash Funds	0	0	0	0	0
Reappropriated Funds	35,165,270	35,511,554	36,077,253	36,077,253	36,077,253
Federal Funds	19,986,426	23,674,184	18,865,919	18,865,919	18,865,919
TOTAL - Department of Higher Education					
	5,175,457,703	5,591,399,819	6,028,611,238	5,969,386,547	6,136,810,490
<i>FTE</i>	<u>25,980.6</u>	<u>27,236.2</u>	<u>27,067.8</u>	<u>27,065.7</u>	<u>27,549.7</u>
General Fund	1,297,520,714	1,441,625,384	406,084,866	384,170,233	390,235,457
General Fund Exempt	0	0	1,187,415,333	1,187,415,333	1,187,415,333
Cash Funds	2,802,967,086	2,985,481,461	3,149,754,995	3,139,309,087	3,291,382,994
Reappropriated Funds	1,024,509,495	1,140,618,790	1,266,490,125	1,239,625,975	1,248,910,787
Federal Funds	50,460,408	23,674,184	18,865,919	18,865,919	18,865,919

Forecast Summary

Tuition Rate Settings are Based on JBC Staff Recommendation

Legislative Council Staff Forecast

COF FTE	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines	UNC	CCCOES	Total
2024-25	728	6,461	10,936	1,422	16,135	1,127	28,710	3,258	4,312	47,533	120,623
2025-26	721	6,842	10,996	1,439	16,325	1,159	29,007	3,323	4,258	48,775	122,845

2024-25 Enrollment (FTE)	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines	UNC	CCCOES	Total
Resident	1,483	7,038	11,527	1,705	18,892	1,310	40,927	4,280	5,148	48,834	141,143
Undergraduate	818	6,707	11,527	1,482	16,722	1,276	31,500	3,484	4,563	48,717	126,795
Graduate	665	330	0	223	2,170	34	9,427	797	585	117	14,348
Nonresident	839	1,168	473	533	9,745	1,679	19,844	3,305	833	1,960	40,379
Undergraduate	252	1,098	473	422	7,983	1,632	15,468	2,676	672	1,915	32,590
Graduate	586	70	0	111	1,762	48	4,376	629	161	45	7,789
Total (Fee-Eligible)	2,322	8,205	11,999	2,238	28,637	2,989	60,771	7,585	5,981	50,794	181,522

2025-26 Enrollment (FTE)	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines	UNC	CCCOES	Total
Resident	1,501	7,396	11,590	1,725	19,077	1,349	41,269	4,360	5,079	50,107	143,454
Undergraduate	810	7,043	11,590	1,499	16,919	1,312	31,737	3,553	4,506	49,990	128,958
Graduate	692	354	0	225	2,158	37	9,532	807	574	117	14,495
Nonresident	845	1,186	509	528	9,902	1,615	19,958	3,432	827	1,968	40,771
Undergraduate	247	1,106	509	426	8,088	1,565	15,571	2,791	667	1,923	32,894
Graduate	598	79	0	102	1,814	50	4,387	641	160	45	7,877
Total (Fee-Eligible)	2,347	8,582	12,099	2,252	28,979	2,964	61,227	7,792	5,907	52,075	184,224

2024-25 Tuition Revenue	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines	UNC	CCCOES	Total
Resident	13,447,403	64,635,199	98,615,356	11,724,080	247,373,137	9,738,463	592,164,086	80,859,410	54,475,951	301,718,224	1,474,751,310
Undergraduate	5,789,335	59,476,823	98,615,356	8,258,603	210,908,401	9,413,258	429,642,650	64,539,798	44,228,856	300,112,500	1,230,985,580
Graduate	7,658,069	5,158,376	0	3,465,477	36,464,737	325,205	162,521,436	16,319,612	10,247,095	1,605,724	243,765,731
Nonresident	10,645,636	18,343,223	11,232,744	10,341,591	306,175,183	37,550,080	767,060,675	133,942,118	19,008,609	25,107,969	1,339,407,829
Undergraduate	3,751,441	16,862,716	11,232,744	8,603,743	246,143,472	37,059,680	632,560,150	108,961,911	14,356,977	24,454,608	1,103,987,444
Graduate	6,894,195	1,480,507	0	1,737,847	60,031,711	490,401	134,500,525	24,980,207	4,651,631	653,361	235,420,385

Institutions' Forecasts

2024-25 Enrollment (FTE)	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines	UNC	CCCOES	Total
Resident	1,557	7,024	11,271	1,517	18,921	1,338	40,839	4,279	5,130	48,575	140,451
Undergraduate	820	6,697	11,271	1,295	16,767	1,303	31,413	3,489	4,538	48,458	126,051
Graduate	737	327	0	222	2,154	34	9,426	791	592	117	14,400
Nonresident	910	1,166	446	509	9,735	1,728	19,545	3,297	826	1,961	40,124
Undergraduate	335	1,094	446	398	7,994	1,677	15,193	2,676	672	1,916	32,402
Graduate	575	72	0	111	1,741	51	4,352	621	154	45	7,722
Total (Fee-Eligible)	2,466	8,190	11,717	2,026	28,657	3,066	60,384	7,577	5,956	50,536	180,575

2025-26 Enrollment (FTE)	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines	UNC	CCCOES	Total
Resident	1,557	7,407	11,271	1,517	19,377	1,386	41,415	4,363	5,082	48,504	141,878
Undergraduate	820	7,065	11,271	1,295	17,232	1,340	31,695	3,541	4,490	48,387	127,136
Graduate	737	342	0	222	2,145	46	9,720	821	592	117	14,742
Nonresident	910	1,193	446	509	9,737	1,659	19,464	3,453	826	1,958	40,155
Undergraduate	335	1,114	446	398	7,908	1,609	15,103	2,806	672	1,913	32,304
Graduate	575	79	0	111	1,829	50	4,361	647	154	45	7,851
Total (Fee-Eligible)	2,466	8,600	11,717	2,026	29,114	3,045	60,879	7,815	5,908	50,462	182,033

2024-25 Tuition Revenue	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines	UNC	CCCOES	Total
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Prepared by Legislative Council Staff, February 2022.

Resident	13,606,864	65,057,649	95,596,526	10,998,538	243,362,584	10,939,957	593,399,209	82,814,350	54,696,832	301,199,521	1,471,672,030
Undergraduate	5,616,830	60,093,977	95,596,526	7,202,813	207,986,691	10,660,966	430,923,106	67,135,460	44,255,680	299,622,039	1,229,094,088
Graduate	7,990,034	4,963,672	0	3,795,724	35,375,893	278,991	162,476,103	15,678,890	10,441,152	1,577,482	242,577,941
Nonresident	10,590,156	18,677,962	7,952,746	10,473,881	301,352,290	33,438,722	760,165,613	132,480,091	18,485,586	26,565,699	1,320,182,746
Undergraduate	3,967,180	16,784,378	7,952,746	8,574,138	244,605,305	33,017,928	626,369,628	106,685,725	14,089,560	25,797,704	1,087,844,292
Graduate	6,622,976	1,893,584	0	1,899,744	56,746,985	420,794	133,795,985	25,794,366	4,396,026	767,995	232,338,455

USER-DEFINED ASSUMPTIONS

2025-26 Tuition Rate Increase Assumptions

(Rate Increase per FTE)	ASU	CMU	MSU	WSCU	CSU Ft. Collins	CSU Pueblo	Ft. Lewis	CU	Mines	UNC	CCCOES
Resident Undergrad	4.5%	4.5%	1.6%	4.5%	4.5%	4.5%	4.5%	4.3%	4.5%	4.5%	4.5%
Nonresident Undergrad	3.0%	3.0%	-11.5%	3.0%	3.0%	3.0%	3.0%	3.5%	3.0%	3.0%	3.0%
Resident Grad	4.5%	4.5%	1.6%	4.5%	4.5%	4.5%	4.5%	4.3%	4.5%	4.5%	4.5%
Nonresident Grad	3.0%	3.0%	-11.5%	3.0%	3.0%	3.0%	3.0%	3.5%	3.0%	3.0%	3.0%

2024-25 Tuition Revenue Base **Legislative Council** Choose Legislative Council or the institutions' tuition forecast.

2025-26 Enrollment Assumptions per FTE Grow tuition while accounting for prior year enrollment (per FTE) based on the Legislative Council forecast, or assume flat enrollment growth (Flat).

TUITION ASSUMPTIONS

2024-25 Tuition Revenue	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines	UNC	CCCOES	Total
Resident	13,447,403	64,635,199	98,615,356	11,724,080	247,373,137	9,738,463	592,164,086	80,859,410	54,475,951	301,718,224	1,474,751,310
Undergraduate	5,789,335	59,476,823	98,615,356	8,258,603	210,908,401	9,413,258	429,642,650	64,539,798	44,228,856	300,112,500	1,230,985,580
Graduate	7,658,069	5,158,376	-	3,465,477	36,464,737	325,205	162,521,436	16,319,612	10,247,095	1,605,724	243,765,731
Nonresident	10,645,636	18,343,223	11,232,744	10,341,591	306,175,183	37,550,080	767,060,675	133,942,118	19,008,609	25,107,969	1,339,407,829
Undergraduate	3,751,441	16,862,716	11,232,744	8,603,743	246,143,472	37,059,680	632,560,150	108,961,911	14,356,977	24,454,608	1,103,987,444
Graduate	6,894,195	1,480,507	-	1,737,847	60,031,711	490,401	134,500,525	24,980,207	4,651,631	653,361	235,420,385

2025-26 Tuition Revenue	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines	UNC	CCCOES	Total
Based on Legislative Council Enrollment Forecast and Assumed Rate Increases											
Resident	14,312,145	71,028,782	100,758,510	12,384,640	260,893,795	10,487,444	622,882,037	86,068,667	56,147,547	323,489,639	1,558,453,206
Undergraduate	5,989,356	65,260,944	100,758,510	8,734,107	222,991,926	10,113,621	451,497,308	68,792,971	45,639,953	321,811,658	1,301,590,352
Graduate	8,322,789	5,767,839	-	3,650,532	37,901,869	373,823	171,384,729	17,275,696	10,507,595	1,677,981	256,862,854
Nonresident	11,029,746	19,230,708	10,714,193	10,587,500	320,520,125	37,139,599	798,610,852	143,278,976	19,443,340	25,969,043	1,396,524,082

Supplemental Information for
FY 2025-26 Department of Higher Education
Budget Briefing
(Governing Boards and Financial Aid)

Supplemental Information..... 1

- Institutions’ Salary Adjustments Often Differ from the State’s for Non-Classified Staff ... 1
- Higher Education Funding as a Share of State General Fund is Close to the 20 year High 2
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Appendix – Background Charts by Governing Board

Institutions' Salary Adjustments Often Differ from the State's for Non-Classified Staff

Higher Education Institution Salary Increases (RFI Response) - Comparison with State Common Policy					
	FY 2023-24	Notes	2024-25	Notes	Special project/targeted spending
State common policy salary pool - Also applies to classified staff at all institutions	5.0%		3.0% + new step plan		
Nonclassified Staff Salary Pools - Listed by Institution Below					
Adams State University	No response		No response		No response
Colorado Mesa University	5.0%		5.0%		\$356,000 to launch CMU Promise
Metropolitan State University	4.0%		2.0%		\$11.1M for Roadrunner Promise and costs related to tuition lock
Western Colorado University	5.0%	Also targeted increase to bring lowest paid staff to \$48K minimum FT	3.0%	Estimate	Strategic investments for consultants re. IT and compensation, and controlled maintenance and equipment, student support strategic initiatives
<i>Colorado State University System</i>					
CSU (Fort Collins)	No response		No response		No response
CSU Pueblo	No response		No response		No response
Fort Lewis College	Unclear		3.0%		\$270K for new positions including an internship coordinator and Water Center Director
<i>University of Colorado System</i>					
Boulder	4.0%		4.0%		Initiatives for faculty retention, minimum wage adjustments for staff and student workers and support for affinity groups and mentoring
Denver	3.0%-5.0%	Reduced from 5.0% mid-year based on fall enrollment	2.0%	2.0% includes a reduction based on fall enrollment	Increases for financial aid to align with tuition and mandated minimum wage increases
Colorado Springs	4.0%		2.0%*	2.0% limited to salaries <=\$85K + select equity, compression based on fall enrollment	Initiatives for faculty retention, minimum wage adjustments for staff and student workers and targeted investments for new degree programs
Anschutz	8.0%	Combination merit & compression, retention equity	3.8%	Combination merit & compression, retention equity	Initiatives for compression, retention and equity pay and to increase minimum wage for students and staff
Colorado School of Mines	Unclear		Unclear		\$6.7M in FY 24 and \$1.9M in FY 2024-25 for reserve funding of multiple large construction projects
University of Northern Colorado	3.0%		3.0%		
Community College System	3.0%-5.0%	Faculty 3.0-5.0%, instructors 5.0%	3.0%		Up to an additional 5.0% increase for instructors to a total increase of 10.0% in FY 24 and up to additional 2.0% increase for instructors to a total of up to 5.0%

Higher Education Funding as a Share of State General Fund is Close to the 20 year High

History of Higher Education as Percentage of State General Fund Appropriations FY 2004-05 to FY 2024-25		
Fiscal Year	Percentage of General Fund	Notes
FY 2000-01	13.8%	
FY 2001-02	13.4%	
FY 2002-03	12.3%	
FY 2003-04	10.5%	
FY 2004-05	10.1%	
FY 2005-06	10.1%	
FY 2006-07	10.2%	
FY 2007-08	10.3%	
FY 2008-09	8.8%	Compensating federal subsidy support through state government
FY 2009-10	6.4%	Compensating federal subsidy support through state government
FY 2010-11	10.3%	
FY 2011-12	8.8%	
FY 2012-13	8.3%	
FY 2013-14	7.9%	
FY 2014-15	8.4%	
FY 2015-16	9.0%	
FY 2016-17	8.7%	
FY 2017-18	8.4%	
FY 2018-19	8.8%	
FY 2019-20	9.2%	
FY 2020-21	5.5%	Compensating federal subsidy support through state government
FY 2021-22	10.0%	
FY 2022-23	10.0%	
FY 2023-24	11.0%	
FY 2024-25	10.7%	

Prior to FY 2003-04, Higher Education had a larger share of state funding, but *the total has not exceeded 11.0 percent in over 20 years.*

State Support is Important – but Less Important in the Context of Overall Institutional Operations

State Higher Educations Institutions – Appropriations, Education & General Budgets, Total Budgets, And Expendable Assets

	FY 2023-24 General Fund Appropriations (Thousand \$s)	FY 2023-24 Education & General Expenditures (Thousand \$s)	FY 2023-24 Total Revenues (Adjusted Financial Statement) (Thousand \$s)
U. of Colorado System	\$311,455	\$1,947,989	\$6,675,739
Colorado State U. System	230,742	935,316	1,967,853
U. of Northern Colorado	63,121	152,616	232,900
Colorado School of Mines	33,574	272,660	477,324
Fort Lewis College	19,070	67,348	107,480
Adams State University	23,568	42,784	74,741
Colorado Mesa U.	45,050	130,921	224,753
Western State Colorado U.	20,444	45,289	79,844
Metro State U. of Denver	93,592	224,350	313,421
Community College System	270,020	570,201	938,392
TOTAL	\$1,110,636	\$4,389,473	\$11,092,447

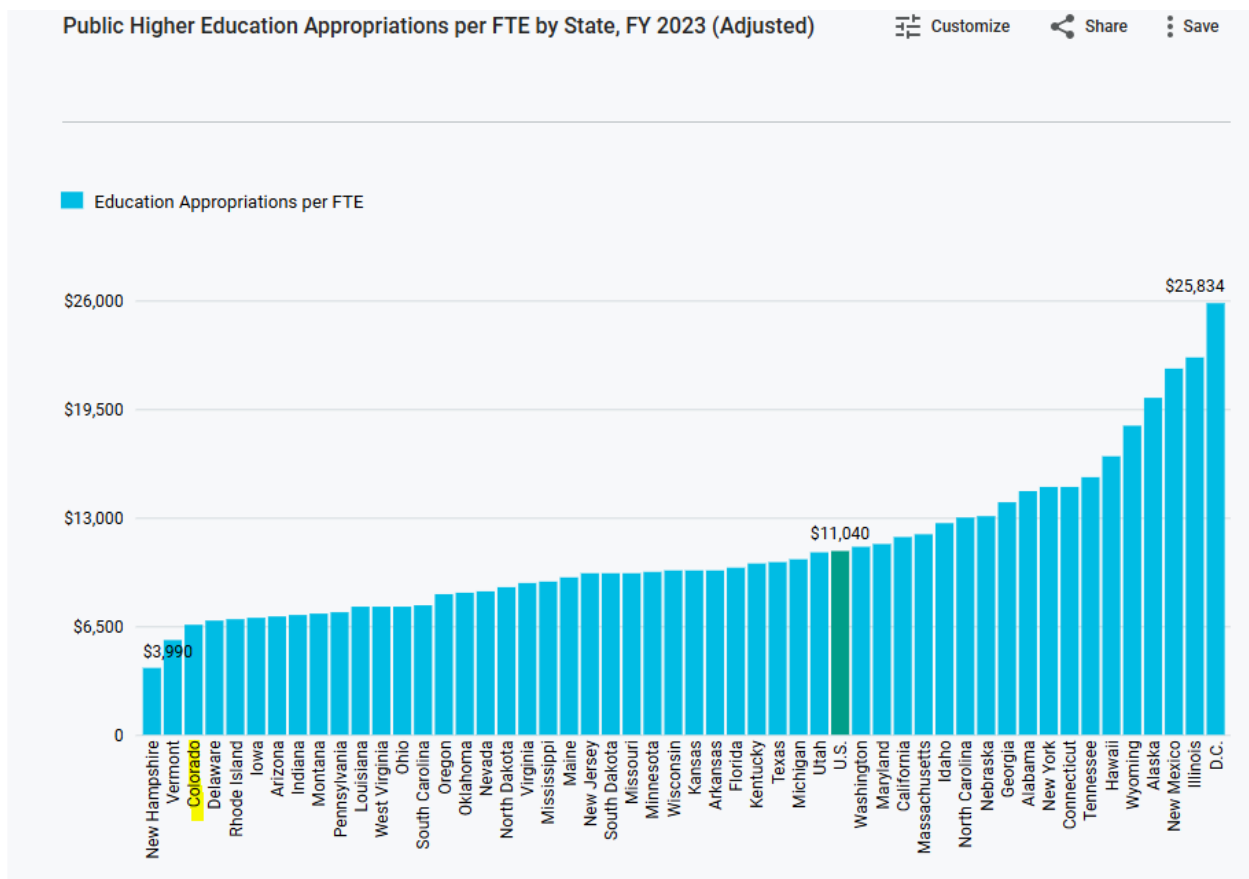
Institutional Liquidity Has Improved Since FY 2018-19

	Expendable Assets (Million \$s)			Change FY 2018-19 adjusted to FY 2023-24	Percent change FY 2018-19 to FY 2023-24 after Inflation
	FY 2018-19 Nominal	FY 2018-19 in FY 2023-24 Dollars	FY 2023-24		
University of Colorado System	\$3,150.7	\$3,882.2	\$5,494.5	\$1,612.3	41.5%
Colorado State University System	901.0	1,110.1	1,201.8	91.6	8.3%
University of Northern Colorado	62.7	77.3	128.5	51.2	66.2%
Colorado School of Mines	247.8	305.3	307.8	2.5	0.8%
Fort Lewis College	52.0	64.0	110.6	46.6	72.8%
Adams State University	30.7	37.8	103.6	65.8	174.2%
Colorado Mesa U.	81.2	100.1	141.3	41.2	41.2%
Western State Colorado U.	19.6	24.1	68.0	43.8	181.7%
Metro State U. of Denver	91.5	112.8	150.0	37.2	33.0%
Community College System	335.2	413.0	558.9	145.9	35.3%
Total	\$4,972.4	\$6,126.8	\$8,265.0	\$2,138.2	34.9%

Colorado’s Support for Public Higher Education is Low Compared to Other States

Despite significant increases in State funding for higher education in recent years, Colorado is still a low-state-support state and has been for decades. As reflected in the charts below from the State Higher Education Finance Report (SHEF) prepared by the State Higher Education Officer's Association, in FY 2022-23, Colorado provided \$6,603 per student FTE using the SHEF methodology. To get to the U.S. average in FY 2022-23 of \$11,040 per student FTE, Colorado would have needed to increase funding by 67.2 percent.

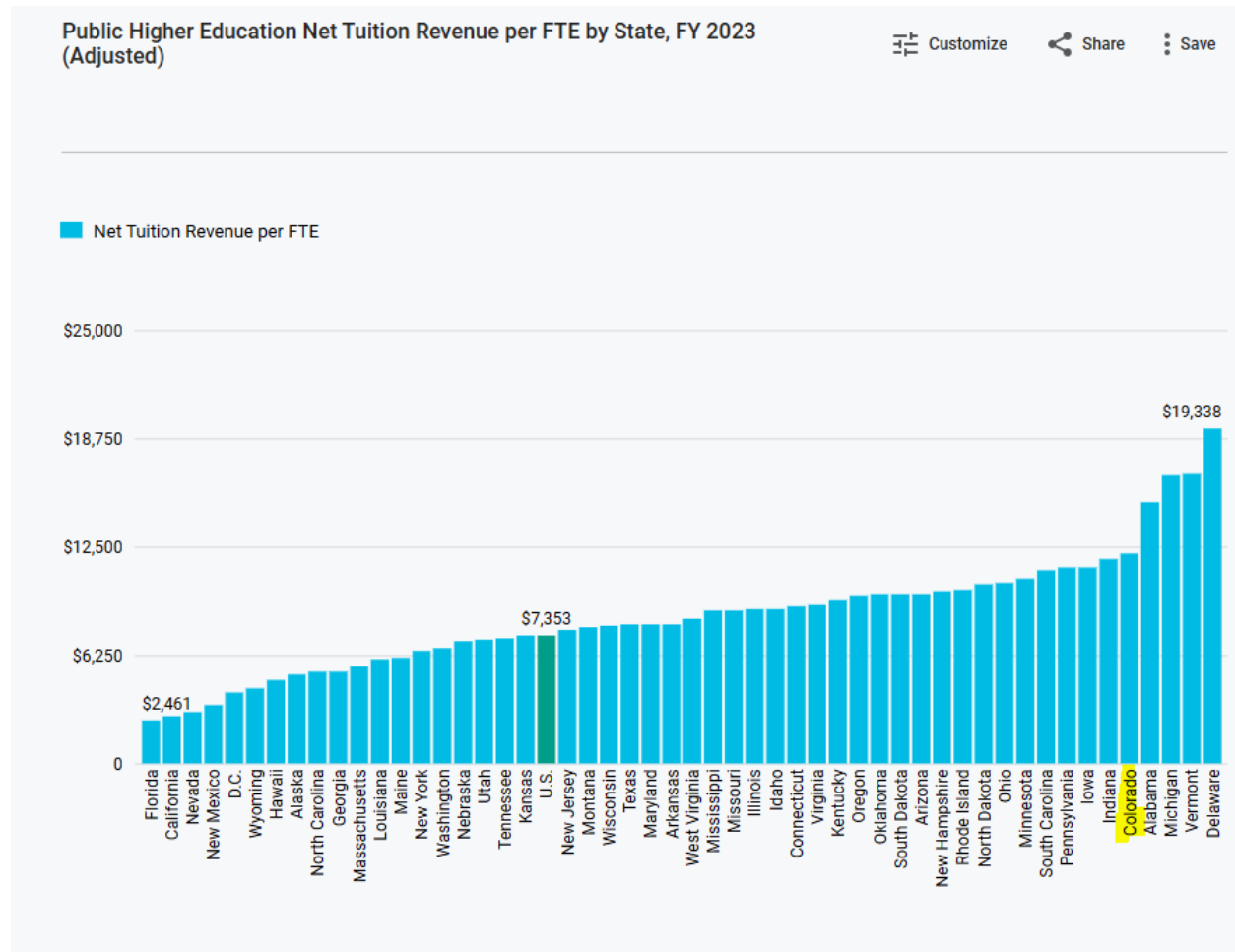
Public Higher Education Appropriations Per FTE By State FY 2023



Source: SHEF Report, FY 2023 <https://shef.sheeo.org/report/> - Graphic: https://shef.sheeo.org/report-2/?report_page=enrollment-and-state-funding#student-enrollment

To compensate for low state support, public institutions rely heavily on net tuition revenue, with average net tuition revenue of \$11,512 per student FTE. Some of this is derived from nonresident students.

Public Higher Education Net Tuition Revenue Per FTE By State FY 2023

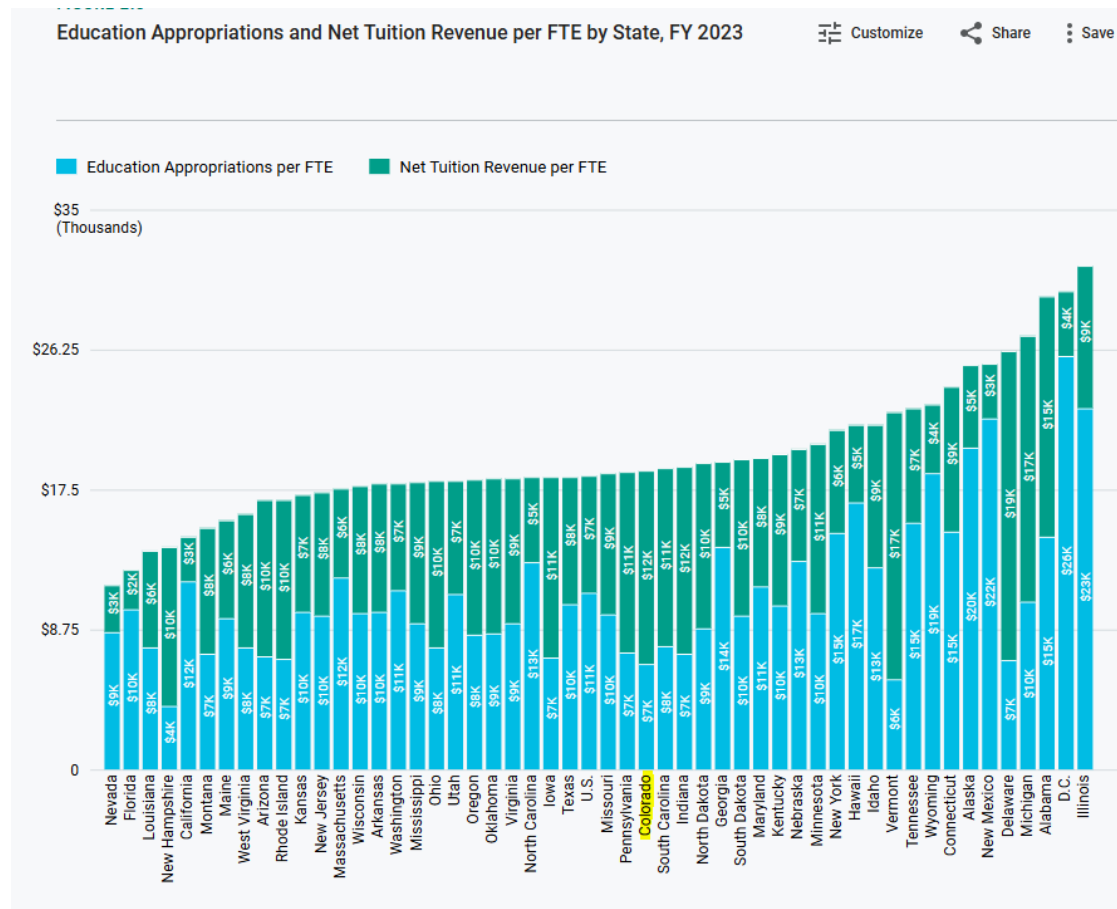


Source: SHEF Report, FY 2023 https://shef.sheeo.org/report-2/?report_page=net-tuition-and-total-education-revenue#net-tuition-revenue

In 2020, Colorado contracted with Hanover Research to study the revenue and expenditures of Colorado's public institutions. Rather than using a state average perspective, the Hanover study selected peer institutions in collaboration with the state's public institutions and then compared Colorado's institutions with their peers. JBC staff has noted that the results of this study at the individual institution level are highly sensitive to which peers are selected, which reduces the usefulness of the report as a basis for comparing state institutions to each other. However, this report further confirmed the SHEF report conclusion that *Colorado state and local appropriations are far lower than appropriations for peer institutions in other states and that net tuition and fees are higher than peers for most state institutions.*

Cost-Efficiency Of Colorado Institutions And System Is Average

At one time, Colorado was also toward the bottom of total educational revenue per FTE by state according to the SHEF report, i.e., it had a relatively low cost of education per student. However, that has changed in recent years, and total educational revenue per student FTE is above the national average. This in part reflects where students are attending postsecondary education (the type of institution). As more students attend more expensive institutions that draw in nonresident revenue, the average cost per student increases. As fewer students attend community colleges, but these colleges maintain the same fixed cost of operation, cost per student also increases.



Source: SHEF Report, FY 2023 https://shef.sheeo.org/report/?report_page=distribution-of-revenue#education-appropriations-and-tuition-revenue

MEMORANDUM



JOINT BUDGET COMMITTEE

To Members of the Joint Budget Committee
From Craig Harper, JBC Staff (303) 866-3481
Date December 17, 2024
Subject Department of Higher Education R8

Higher Education Request R8

Department of Higher Education request R8 asks the Committee to sponsor legislation to change the investment of a portion of the statutory General Fund reserve. The goal of the request is to make additional funds available to support controlled maintenance projects at institutions of higher education and free up General Fund for other uses. The Governor's Office estimates that the proposal would make an additional \$20.0 million General Fund available per year for the next five years. The proposal would:

- Transfer \$500 million from the General Fund to a TABOR-exempt account managed by an institution of higher education (IHE). The request frames this transfer as a loan to the IHE for a period of five years.
- Allow the IHE to invest the \$500 million and use the interest earnings to support controlled maintenance projects across all IHEs. The request assumes a 4.0 percent annual rate of return, resulting in the estimated \$20.0 million per year in interest.
- Interest earned on the existing General Fund reserve is TABOR revenue. In a time of TABOR refunds, that interest increases the TABOR refund. The IHEs are enterprises. As a result, interest earned on their investments is outside of the State's TABOR district (as long as it stays with the IHEs). As a result, the earnings would be available for expenditure rather than forcing additional TABOR refunds.
- The request is submitted as a budget balancing measure and assumes that the earnings would reduce the General Fund that the State would otherwise spend on IHE controlled maintenance, making that General Fund available for other uses.

The Take-home Message

JBC Staff understands the appeal of the proposal. It could generate additional revenue outside of the TABOR cap to support important state needs. However, staff questions whether the benefits would really outweigh the costs and potential negative impacts – at least without more risk than staff would recommend accepting for the General Fund reserve. Staff recommends that the Committee consider the following:

- Staff is not confident that the anticipated returns are feasible without additional risk and does not believe that adding real risk to the investment of the reserve is appropriate.
- Staff is concerned about the potential for unforeseen complications. Drafting a bill to implement this proposal (and implementing that bill) would require a lot of detail and

additional infrastructure and process, both to “tier” the reserve and to implement the mechanics of the bill. Staff worries that the complexity adds more risk.

- The request frames the proposal as a five-year loan, and staff’s understanding is that it requires a three- to five-year commitment to be confident in the return on investment. Staff questions whether the State is in any position to make a multi-year commitment that could lock up a significant portion of the reserve.
- Staff recommends considering the proposal in light of both the December 2024 revenue forecasts and the variety of available options to adjust the State’s TABOR refund obligation for balancing. For example, enterprising the nursing provider fees in HCPF could open far more budgetary space (\$65.2 million vs. the estimated \$20.0 million in this proposal) and may offer other benefits (e.g., allowing for a fee increase that would draw down additional funds). Staff believes these other alternatives may provide more “bang for the buck” at lower risk and notes that recent actions have reduced TABOR refund projections.

JBC Staff continues to strongly recommend maintaining the 15.0 percent General Fund reserve. Previous JBC Staff analyses demonstrate the need for that size of reserve and the need for it to be accessible.¹ Staff is also uncertain whether maintaining that reserve will be politically feasible given budgetary pressures. Staff would be even more concerned about locking up significant funds in a multi-year commitment if the General Assembly may consider reducing the statutory requirement.

Note: Staff will return to the Committee in January with a “stress test” that provides more extensive out-year projections and incorporates the December 2024 revenue forecasts and the January 2, 2025, budget requests. Staff is optimistic that the additional information will be helpful as the Committee considers balancing options going into the 2025 Session.

Recommendation 1: Topics for Discussion

Staff recommends that the Committee discuss the request with the institutions of higher education (specifically the University of Colorado and Colorado State University) and the Governor’s Office during their respective hearings in January.

Questions for IHEs

- The request assumes that the investment would earn 4.0 percent in interest each year, for a total of \$20.0 million annually. However, based on the annual reports from Treasury, 2024 and 2025 are the only years since at least 2016 in which the T-pool earned more than 3.0 percent (with 3.7 percent in 2024 and in 2025 year to date). The average return for 2016 through 2024 year was 1.9 percent.² Is 4.0 percent a reasonable assumption on an

¹ For a thorough discussion of the reserve requirement and the need for a 15.0 percent reserve, see the 2022 JBC Staff document available at: <https://leg.colorado.gov/sites/default/files/gfreserve-11-15-22.pdf>

² Staff notes that even the 1.9 percent average is heavily influenced by the inclusion of 2024. For 2016 through 2023, the average was 1.6 percent.

ongoing basis? If the portfolio would be more aggressive than the Treasurer's current investments then please discuss the potential risk. These funds would remain a part of the General Fund reserve and must remain available in the case of an economic downturn.

- Please discuss the additional infrastructure, oversight, and staff that would be necessary to manage the investment account. Would it require a separate investment committee? Would the IHE require more staff? What would that look like and how much would it cost each year? Please discuss all administrative and management costs that would be necessary – and whether they could be paid for from the earnings.
- The request proposes to have one institution of higher education manage the funds and then to use the interest earnings for controlled maintenance projects at all institutions. What process do you envision for the approval of projects and the distribution of funds among institutions? What infrastructure would need to be in place for one institution to manage the investments and allocate funds to the other institutions?

Questions for the Governor's Office and Others (Controller, Treasurer, Architect)

- How would removing \$500 million from the General Fund (by transferring it to an account with an institution of higher education) affect the State's ability to manage cash flow through the fiscal year? Would taking that amount out of the General Fund require additional short-term borrowing to meet cash flow needs? Please discuss the potential impact on the need to borrow and the potential borrowing costs.
- Proponents of the proposal recommend "tiering" the reserve so that this money would be the last piece of the reserve to be spent. How would taking these funds out of the pool and making it the last money available affect the State's investment strategies for the Treasury Pool (this question is likely best addressed to the Treasurer)? How would that change affect earnings on the State's other investments? Would it increase the risk of losses in other funds should the reserve become needed in a crisis?
- This money would remain part of the General Fund reserve and must remain available during a downturn, including when the General Assembly is not in session. What triggers would you recommend to ensure that the money would transfer back to the General Fund when needed? For example, should statute require such a transfer if the projected year-end reserve dipped below a certain percentage, a certain dollar amount, or based on another mechanism altogether? Please provide detail.
- Please outline the Executive Branch's vision of the role of the Office of the State Architect and the Office of the State Controller in this scenario. For example, other capital construction and controlled maintenance projects are paid on a reimbursement basis, with the Office of the State Architect overseeing much of the project evaluation, recommendations to OSPB and the CDC, and oversight of funds to ensure payment. Do you envision the same roles for this system? Does the location of the account (within an IHE) affect that process?

Recommendation 2: Mitigating Risk

Staff is not making a concrete recommendation on the proposal at this time and hopes that the hearing process will help inform the decision. However, looking toward the figure setting process and the recommendation, staff would recommend against moving forward with any plan that did not meet *all* of the following criteria:

- First, staff recommends that potential sponsors work closely with the Treasurer's Office to plan for an appropriate timeline for the transfer out of the General Fund. Treasury will have to plan for a transfer (or series of transfers) of that magnitude to both avoid losses *and* maintain sufficient liquidity to manage the State's cash flow. Staff does not believe that the transfer can happen quickly without significant impacts.
- Second, JBC Staff does not have the necessary expertise to identify appropriate diversification requirements that would increase returns (relative to the T-Pool) *and* keep risk to a minimum. However, JBC Staff asserts that the requirements must: (1) keep risk of losses to an absolute minimum (and be mindful that when the money is needed the economy is likely to be struggling) *and* (2) ensure that the money can be available quickly when needed. The pace of need would depend on the specific recession scenario but it is staff's understanding that the need was virtually *immediate* based on the impact of COVID-19 on revenue estimates in March 2020.
- Third, setting aside the amount of the returns, staff recommends that any appropriation of these earnings be in arrears. That is the only way that the General Assembly can be confident about the actual amount of interest available. In order to be certain of the amount available, staff would recommend only appropriating the earnings received through a date prior to the introduction of the Long Bill (e.g., the end of the previous calendar year). **As a result, there may not be any earnings that would be available for FY 2025-26 (depending on the date of the transfer and when the General Assembly elected to make the first appropriation).**
- Fourth, the bill must create a trigger that would initiate a process to return the money from the IHE to the General Fund when required for the reserve. Having never managed the state's cash flow or investments, JBC Staff does not have the expertise to define that trigger. However, any bill implementing this proposal should specify the conditions under which the Treasurer would be able to recall the money *without further action by the General Assembly and when the General Assembly is not in session.*

As noted above, JBC Staff understands the appeal of the proposal. If the request were just using other one-time funds to capitalize a trust fund for long term investments, then staff would have fewer concerns. However, the prospect of using the reserve requires more consideration of the risk and the necessary steps to mitigate that risk.

Background – General Fund Reserve

Current statute requires the General Assembly to balance the budget with a 15.0 percent reserve, with relatively minor adjustments pertaining to specific bills.³ The reserve is calculated as a percentage of *appropriations*, specifically appropriations that are subject to the reserve. It does not include *transfers* out of the General Fund or certain other expenditures that are addressed in the quarterly revenue forecasts and classified as “rebates and expenditures” (e.g., the homestead property tax exemption, among others).

Statute describes the reserve for each fiscal year as the “unrestricted general fund year-end balances” that must be retained as a reserve. That definition raises important points.

- The General Assembly balances the budget for each year based on *projections of the year-end balance*. However, the General Fund balance fluctuates throughout the year (with expenditures starting on July 1 and revenue collections weighted late in the year). In most years, when the State does not begin the year with a large *excess reserve*, the General Fund would inherently spend much of the year below that year’s reserve requirement.
- The Treasurer and the Executive Branch must balance investing the T-pool (which includes the General Fund and cash funds) against liquidity needs for cash flow purposes. When the reserve is inadequate to support cash flow needs, the General Fund balance may even be temporarily negative (as happened in June 2020). Inadequate liquidity can also force the Treasurer to borrow money to manage cash flow needs (at a cost).

For context, the current FY 2024-25 appropriation includes \$15.4 billion in General Fund appropriations that are subject to the reserve, and the reserve requirement equates to \$2.3 billion. Based on a 2.3 billion reserve, the proposed transfer represents 21.5 percent of the reserve. It would represent 20.7 percent of the required reserve for FY 2025-26 based on the Governor’s November 1 request.

JBC Staff continues to strongly recommend a General Fund reserve of at least 15.0 percent (see the 2022 JBC Staff document linked above). It is important to note that if the General Assembly reduced the reserve requirement, then the proposed \$500 million would represent an increasing share of the reserve, exacerbating the risks and concerns discussed below.

Interest Earnings and TABOR

The State Treasurer manages the State’s cash flow and invests the General Fund reserve as part of the “T-pool” (which includes the General Fund and many cash funds). Interest earned on the General Fund remains in the General Fund. Statute directs the disposition of interest earnings

³ Section 24-75-201.1 (1)(d)(XXIII), C.R.S., requires a fiscal-year-end General Fund reserve equal to 15.0 percent of appropriations from the General Fund for the fiscal year beginning in FY 2022-23. House Bill 24-1231 reduces the reserve requirement by \$41.25 million based on the estimated amount held in escrow in association with the College of Osteopathic Medicine at the University of Northern Colorado.

for each cash fund created in statute, although most bills creating cash funds specify that interest earnings remain in the cash fund.

In a period of TABOR refunds, interest earnings can be an important factor.

- Interest earned on revenues that are subject to TABOR (“regular” General Fund and many cash funds) are *also subject to TABOR*. Every dollar of such interest earnings adds to the TABOR refund obligation.
- For the General Fund, that means the interest earnings are not available for appropriation.
- For cash funds subject to TABOR, the interest earnings actually *reduce the amount of General Fund available* because current law pays all TABOR refunds from the General Fund.
- Conversely, interest earned on exempt funds is also exempt from TABOR. So, earnings on funds associated with enterprises and many funds approved by voters (e.g., marijuana taxes) are not subject to TABOR and do not have the same impact on the refund.

The crux of this request is to transfer a portion of the General Fund to an IHE to both (1) increase the rate of return relative to Treasury’s investments and (2) make the earnings available for appropriation (rather than adding to the TABOR refund) because the IHE is an enterprise.

How much would it earn? And at what risk?

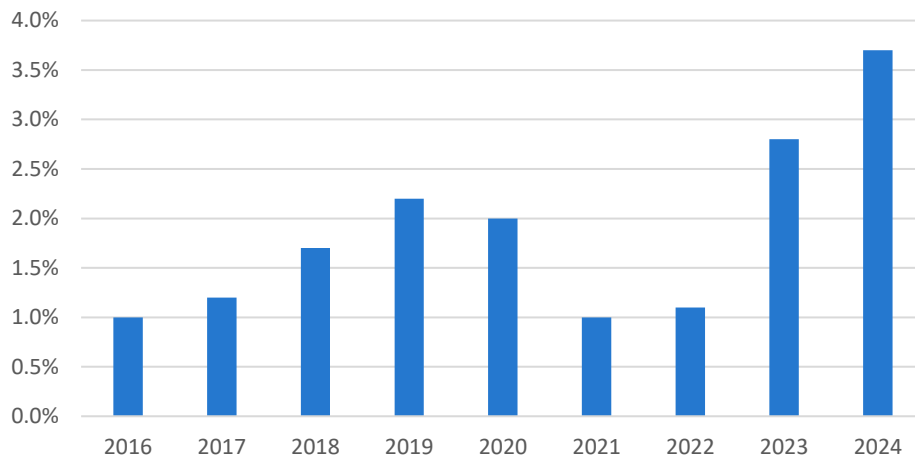
The request assumes that the proposal would generate 4.0 percent per year in interest earnings, equating to \$20.0 million per year. The Governor’s Office and other proponents of the proposal have indicated that they believe that this is a realistic (and possibly even conservative) scenario. Given current interest rates, that seems reasonable (staff understands that as of early December many Treasury Bills are paying more than 4.0 percent).

However, staff is uncertain whether a 4.0 percent return is a reasonable assumption on an ongoing basis – for example, if interest rates continue to fall. Staff is especially concerned because the investments should be relatively short in duration to ensure that money can be available when needed. As of December 13, 2024, the Treasury Bill yield curve is still inverted, with short-term bills earning a higher rate than longer-term bills, although all are above 4.0 percent. However, that is presumably a temporary scenario.

Staff notes that the Treasurer’s investment of the T-pool averaged 1.6 percent in returns for 2016 through 2023. Including 2024 pushes that average up to 1.9 percent – but that is because 2024 earned 3.7 percent. Most years over that period were below 2.0 percent (see graphic on the following page).

Staff assumes that the proposal would allow the IHE to invest somewhat more aggressively than the Treasurer. For example, the investments might include certain corporate bonds. Staff understands that diversification would likely increase returns. Staff also understands that expanding beyond the portfolio available to the Treasurer may still keep risk very low. However, staff worries that achieving a 4.0 percent return in a more normal environment may require more risk than staff would consider reasonable *for the General Fund reserve* (the Committee and the General Assembly may have a higher risk tolerance than staff).

T-pool yields have generally been below 2.0 percent since 2016 and have never exceeded 4.0 percent.



What would be the impact of a “tiered” reserve?

Request R8 does not discuss creating “tiers” for the General Fund reserve. However, other interested parties have told JBC Staff that the legislation should create tiers so that the corpus of this fund would be the last portion of the General Fund reserve to be spent, with a goal of leaving the principal untouched for at least three to five years. In effect, the bill would direct the Treasurer to use all of the rest of the reserve before accessing this money. Staff notes the following for the Committee’s consideration:

- Doing so would maximize the earnings on the trust fund by leaving it invested for longer and would reduce the risk of penalties for terminating the investments early.
- However, this also displaces both of those risks onto the funds invested by the Treasurer. Treasury may need to change the management of the T-Pool (and thus the main part of the General Fund reserve) to accommodate a separate tier of the reserve for this money.
- It is staff’s understanding that Treasury does not specifically invest/manage the “reserve” at this time. Rather, the General Fund reserve is part of the overall T-Pool. Creating tiers in the reserve could require them to change that practice, and could require additional resources to manage the reserve.

Obviously, the need to access this final tier would depend on the specifics of the situation. A minor recession may not force the State to dip into this account. However, it is staff’s understanding that the 2001 recession, the Great Recession in 2008-2009, and the COVID scenario would all have required the State to access these funds in order to sustain operations (with varying degrees of notice).

The nuts and bolts matter.

On its face, the proposal is straightforward. The IHE would invest the money and the State would benefit from having additional funds available for controlled maintenance. The sections

above summarize staff's concerns about potential returns, risk, and impacts on the State's other investments. However, staff also notes that legislation to implement this proposal would require many additional details. For example, capital construction and controlled maintenance are complicated processes, involving the State Architect, the State Controller, agencies with projects, and the contractors doing the work. The bill would need to detail the process for this fund source.

- Would it be another fund source for the existing process? If not, how would it change and who would be responsible for each component?
- What infrastructure would need to be in place at the IHE managing the fund? Would the other offices require more staff? What additional cost would be necessary?

What about a non-refund scenario?

Setting aside the risks outlined in the previous sections, staff notes that the proposal offers two types of benefits to the state.

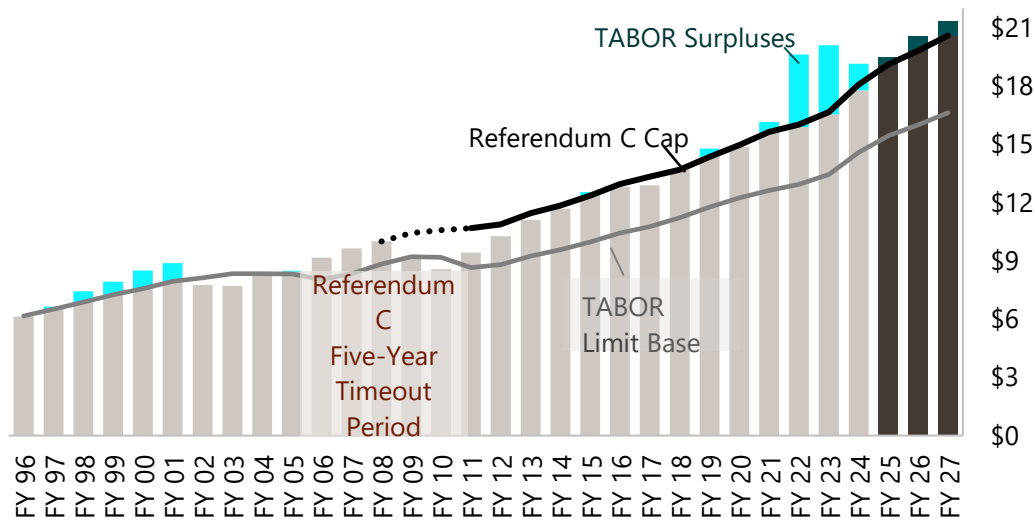
- First, the money could earn **greater returns** than the Treasury's more restricted investments. This is a tradeoff with risk that staff does not have the expertise to evaluate. But staff agrees that opening the investments up beyond the constraints on the Treasurer could increase returns relative to leaving the money in the T-pool.
- Second, as discussed at greater length above, in a TABOR refund environment, it makes **the earnings available** for use regardless of whether the return is higher because it would not push out refunds.

In light of the second bullet (TABOR refund), staff notes that the past few years have been quite anomalous. TABOR refunds have been far from the norm since TABOR's approval in 1992 (see graphic on following page created by Legislative Council Staff and reflecting their September 2024 revenue forecast). From FY 1995-96 through FY 2023-24, refunds occurred in only 11 of 29 years, with far fewer years with large refunds.

While revenue forecasts continue to anticipate refunds for the forecast period, that could easily change. On top of "normal" economic uncertainty, the General Assembly has taken a number of actions that have reduced projected TABOR refunds, and the magnitude of refunds is now within a modest level of forecast error. Outside of a TABOR refund scenario, staff suggests that the potential benefits of this proposal would not outweigh the risks and potential negative impacts discussed above.

Staff also notes that the Committee has received a number of requests and options that would impact the TABOR refund for balancing purposes (including requests in multiple departments as well as JBC Staff-generated options such as enterprising nursing provider fees). If projected TABOR refunds remain tight, then the Committee will want to prioritize the available balancing options, and others may offer more benefit and less risk.

TABOR refunds have been relatively uncommon since its adoption (\$ in billions)



Conclusions

Staff is concerned about the risk required to significantly increase return on investment (relative to current practice) and about the potential for complications that staff has not contemplated at all. In short, staff questions whether the benefits would really outweigh the costs and potential negative impacts – at least without more risk than staff would recommend accepting for the General Fund reserve.

On the other hand, staff appreciates that the Committee needs to consider all available options, and certainly understands the appeal of either making additional General Fund available or having more funding available for controlled maintenance. Staff also appreciates the benefit of “putting the reserve to work” in a way that would create an immediate benefit to sustaining the 15.0 percent reserve and an incentive to keep it. If legislation can mitigate the risks and the Committee is confident in the magnitude of the benefits then the proposal would be promising.

If the Committee intends to consider moving forward, then staff hopes that the upcoming revenue forecasts and the hearing process will provide additional information that would inform and improve the legislation. JBC Staff has neither the investment expertise nor the specific implementation background necessary to address staff’s concerns with the proposal, and the hearings will provide an important venue for discussion with people that do have more expertise in those areas.

Finally, staff is aware of discussions of a similar mechanism to allow PERA to invest a portion of the reserve. Staff has restricted this memorandum to Higher Education R8 because that is the request officially before the Committee. Staff notes that many of the same concerns would apply to the PERA scenario (except for the ones related to capital construction). Staff also understands that PERA’s status as a Special Purpose Authority would raise additional legal hurdles and would require additional discussion.