



Colorado General Assembly  
Joint Budget Committee

# Joint Budget Committee Staff

## FY 2015-16 Budget Briefing Summary

### Department of Higher Education

The Department of Higher Education is responsible for higher education and vocational training programs in the state. The Department's FY 2014-15 appropriation represents 14.0 percent of statewide operating appropriations and 8.5 percent of statewide General Fund appropriations.

## FY 2014-15 Appropriation and FY 2015-16 Request

Department of Higher Education						
	Total Funds	General Fund	Cash Funds	Reappropriated Funds	Federal Funds	FTE
<b>FY 2014-15 Appropriation</b>						
HB 14-1336 (Long Bill)	\$3,282,561,278	\$659,765,586	\$2,023,919,592	\$576,442,493	\$22,433,607	23,452.2
SB 14-001 (College Affordability)	157,876,365	100,162,480	0	57,713,885	0	0.0
Other legislation	<u>2,304,986</u>	<u>2,054,986</u>	<u>0</u>	<u>250,000</u>	<u>0</u>	<u>3.0</u>
<b>TOTAL</b>	<b>\$3,442,742,629</b>	<b>\$761,983,052</b>	<b>\$2,023,919,592</b>	<b>\$634,406,378</b>	<b>\$22,433,607</b>	<b>23,455.2</b>
<b>FY 2015-16 Requested Appropriation</b>						
FY 2014-15 Appropriation	\$3,442,742,629	761,983,052	\$2,023,919,592	\$634,406,378	\$22,433,607	23,455.2
R1 Operating Increase for Public Colleges and Universities	75,588,527	75,588,527	0	0	0	0.0
R2 Colorado Opportunity Scholarship Initiative	30,000,000	30,000,000	0	0	0	0.0
R3 DHE Data and Research Personnel Shore Up	190,268	0	0	190,268	0	0.0
R4 Geologic Hazard Mitigation FTE, CGS at Mines	105,494	105,494	0	0	0	1.0
R5 Fort Lewis Native American Tuition Waiver	1,169,115	1,169,115	0	0	0	0.0
NP1 Colorado First/Existing Industry Job Training	1,774,978	0	0	1,774,978	0	0.0
Annualize prior year actions	1,998,187	83,890	1,361,798	558,882	(6,323)	0.0
Centrally appropriated line items	752,837	112,645	419,361	71,098	149,733	0.0
Auraria Higher Education Center adjustment	<u>579,000</u>	<u>0</u>	<u>0</u>	<u>579,000</u>	<u>0</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$3,554,901,035</b>	<b>\$869,042,723</b>	<b>\$2,025,700,751</b>	<b>\$637,580,544</b>	<b>\$22,577,017</b>	<b>23,456.2</b>
<b>Increase/(Decrease)</b>	\$112,158,406	\$107,059,671	\$1,781,159	\$3,174,166	\$143,410	1.0
Percentage Change	3.3%	14.1%	0.1%	0.5%	0.6%	0.0%

## Summary of Issues Presented to the Joint Budget Committee

**Overview of Higher Education Request:** The Department of Higher Education has requested a \$75.6 million General Fund increase for the governing boards of public institutions and a \$30.0 million General Fund transfer to the Colorado Opportunity Scholarship Initiative Fund. Staff recommends that a portion of the amounts in these requests be set aside for a grant program to assist institutions in achieving the goals outlined in the state Higher Education Master Plan and to increase funding for need based financial aid and work-study.

**House Bill 14-1319 and the New Funding Model:** The Colorado Commission on Higher Education has developed a proposed new funding model for higher education, as required pursuant to H.B. 14-1319. It engaged a large number of stakeholders in the process and is poised to approve a consensus model that provides a General Fund increase for each governing board of between 10.0 and 15.0 percent for FY 2015-16, once transitional funding is included.

**The Completion Agenda:** Colorado and the nation have struggled with high postsecondary drop-out rates, increasing time-to-completion, and poor participation and completion rates among low-income and minority populations. The Colorado Higher Education Master Plan outlines state goals for addressing these problems. House Bill 14-1319 represents an ambitious effort to more closely align state funding with the Master Plan goals.

**Financial Health of Colorado Public Higher Education Institutions:** The overall financial performance for state institutions over the last three years reflects a mixed bag: the state's two smallest governing boards are still in marginal condition but are likely to show improved results due to state capital construction investments. Enrollment declines have been driving down performance for some institutions, while enrollment increases, particularly among non-resident students, have had a positive impact at others.

**Colorado Opportunity Scholarship Initiative:** The executive requests that the General Assembly transfer \$30.0 million General Fund to the Colorado Opportunity Scholarship Initiative (COSI) Fund created by H.B. 14-1384. Amounts in the COSI Fund, including \$34.6 million deposited in FY 2014-15, are to be used for programs that help students access and succeed in college and for associated student scholarships. Because this is a new initiative, it is too early to determine the initiative's likelihood of success or long-term sustainability.

**Tuition and Fees:** Over the last ten years, tuition and fees at Colorado public higher education institutions have increased far faster than inflation. Once fees are included, undergraduate sticker-prices at public institutions increased from 2.6 to 7.9 percent in FY 2014-15. The General Assembly's authority to appropriate tuition returns in FY 2016-17, but authority to appropriate fees does not return in the absence of statutory change.

**History Colorado Performance Audit:** A recent SAO Performance Audit has highlighted significant financial management problems at History Colorado. The agency has hired new accounting and budget staff who are tackling these issues. The audit also recommends that the agency "reassess its governance and organizational structure," as History Colorado's legal structure provides for little executive branch oversight.

## For More Information

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**To read the entire briefing:** [http://www.tornado.state.co.us/gov\\_dir/leg\\_dir/jbc/2014-15/HEDbrf.pdf](http://www.tornado.state.co.us/gov_dir/leg_dir/jbc/2014-15/HEDbrf.pdf)