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COLORADO UNIVERSITY



CSU SYSTEM

COLORADO STATE UNIVERSITY



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ADAMS STATE UNIVERSITY
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Great Stories Begin Here



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METROPOLITAN
STATE UNIVERSITY
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TECHNICAL COLLEGE



PICKENS
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Education That Works.

Aims
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House Education Committee and Public Institutions of Higher

February 1, 2024

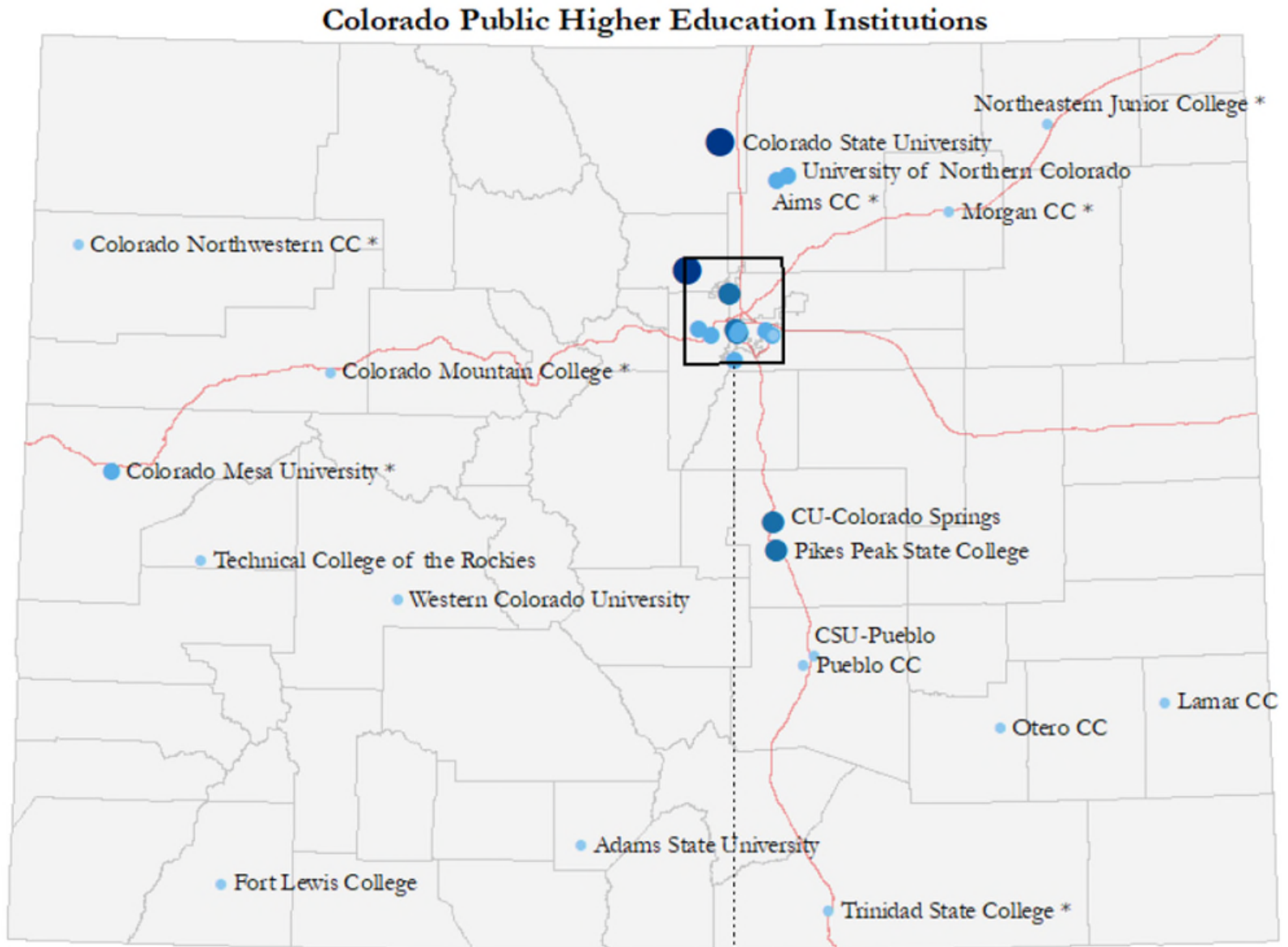
Thank you, Colorado General Assembly

- Grateful for General Assembly and state's support for higher education funding increases over the past few years
- Makes a difference in the lives of our students, their families as well as our faculty and staff...the low tuition growth of the last few years is directly the result of that support
- Also makes a difference to our economy and the state as a whole

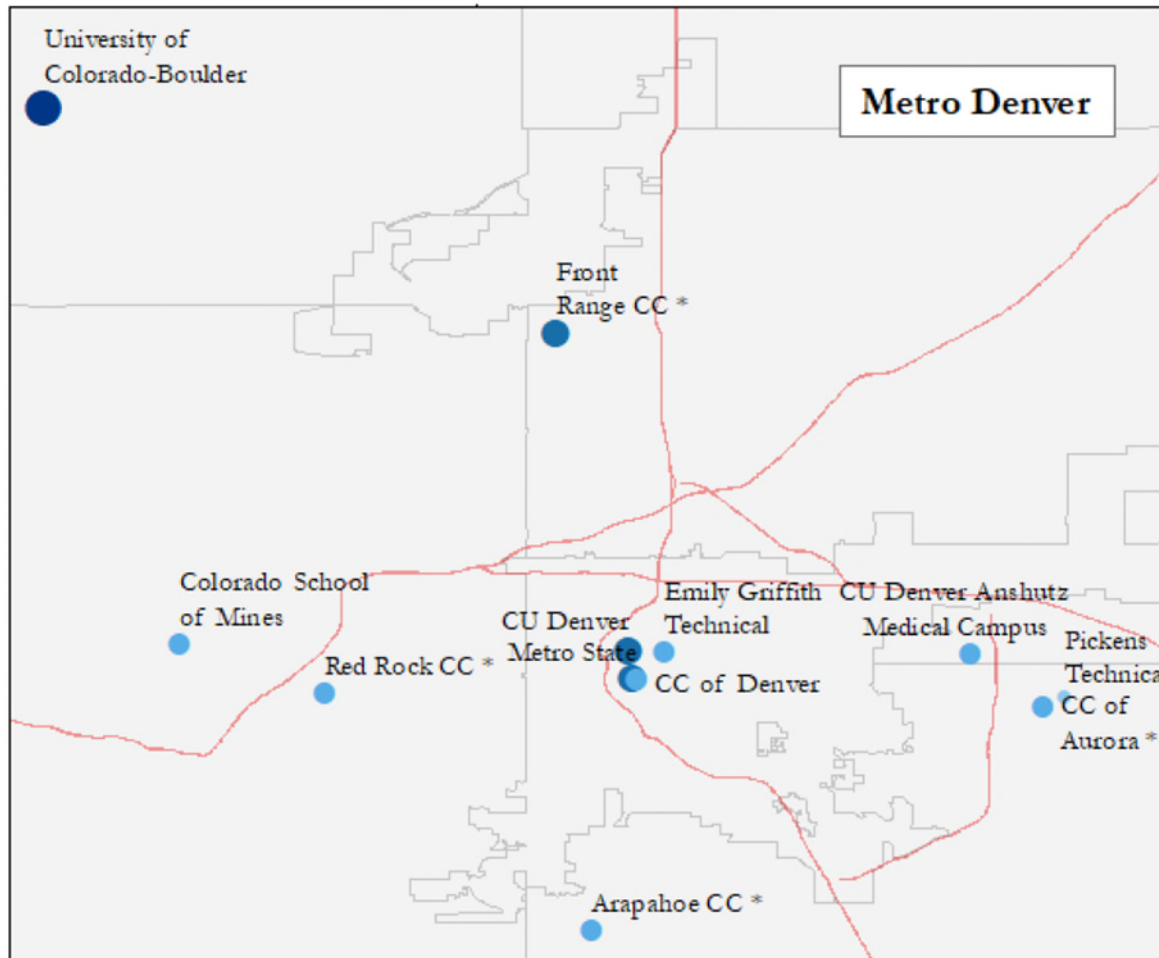
Outline of Topics

- Where are Colorado Public Institutions of Higher Education
- Value of Higher Education to student and the state
- Higher Education Funding History
- Statewide Common Policies vs. Higher Ed's Base Core Minimum Costs
- Policy and performance goals in the model funding model

Location Public Institutions of Higher Education



Location Public Institutions of Higher Education (Metro Denver only)



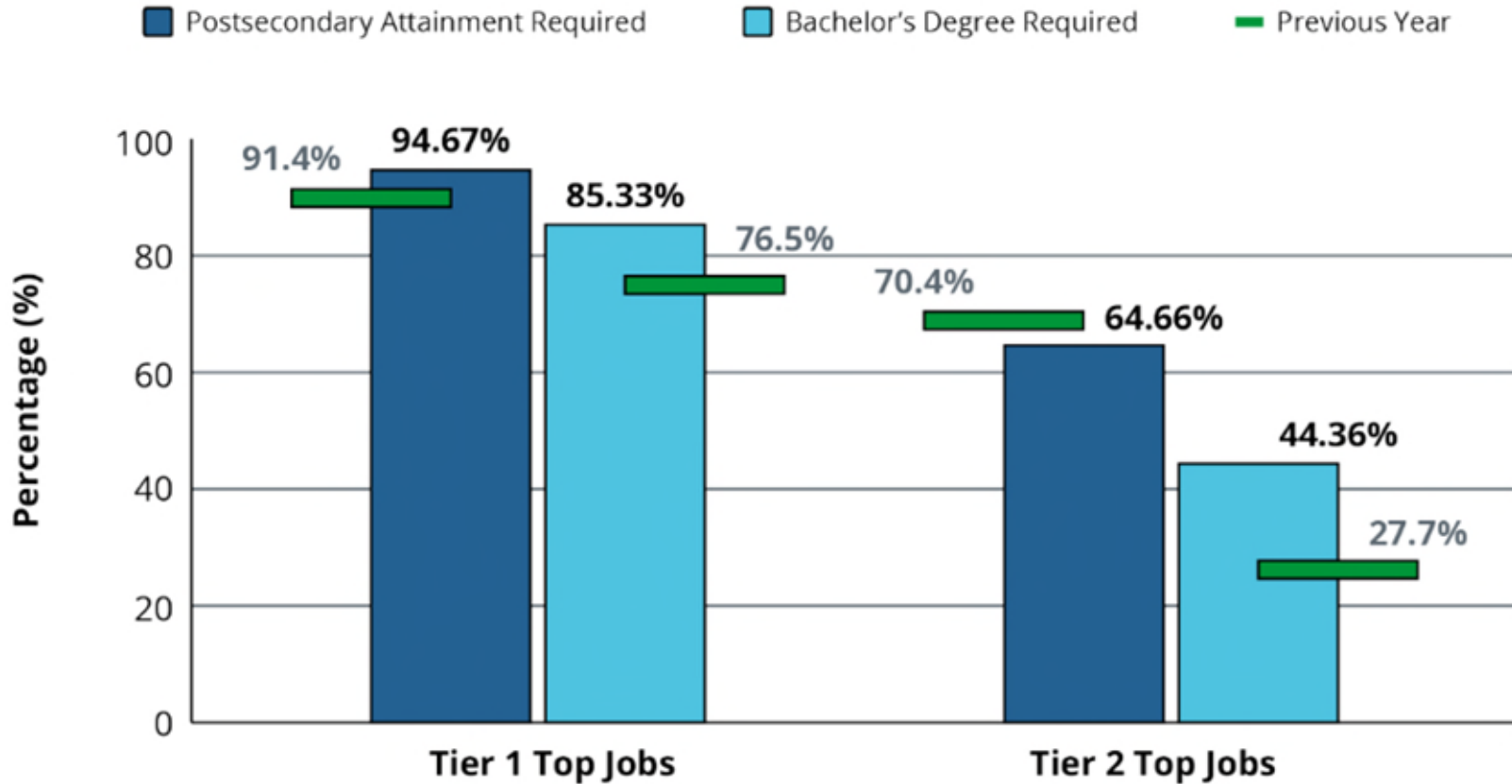
Student FTE Served FY 2021-22

- 3,600 and fewer
- 3,601 to 7,500
- 7,501 to 15,000
- Greater than 15,000

* This institution has additional campuses that are not reflected on the map. Symbol size at the primary location is based on total student FTE for the institution across all campuses.

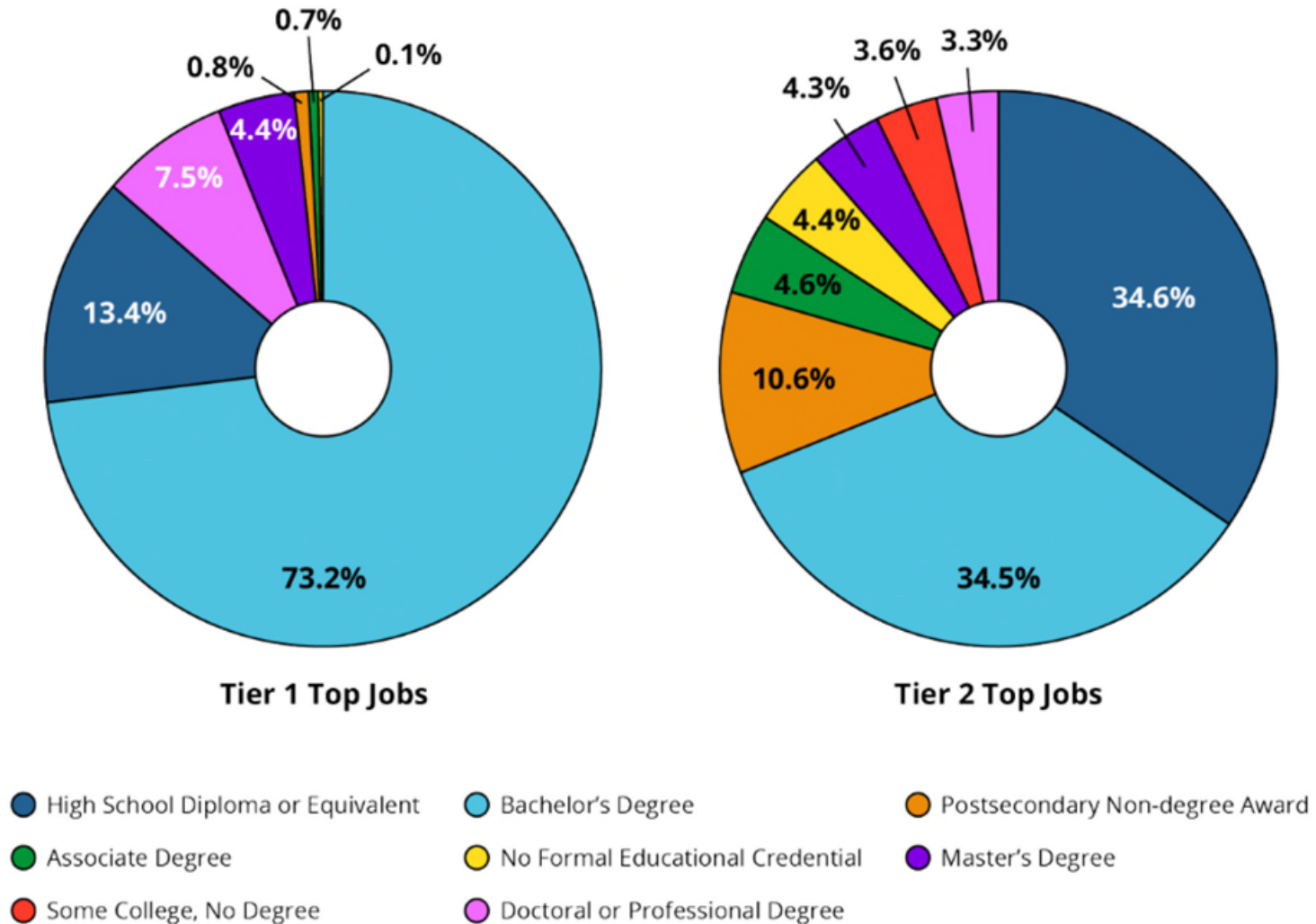
Meeting Colorado's Workforce Demand

2023 Colorado Talent Pipeline Report Findings

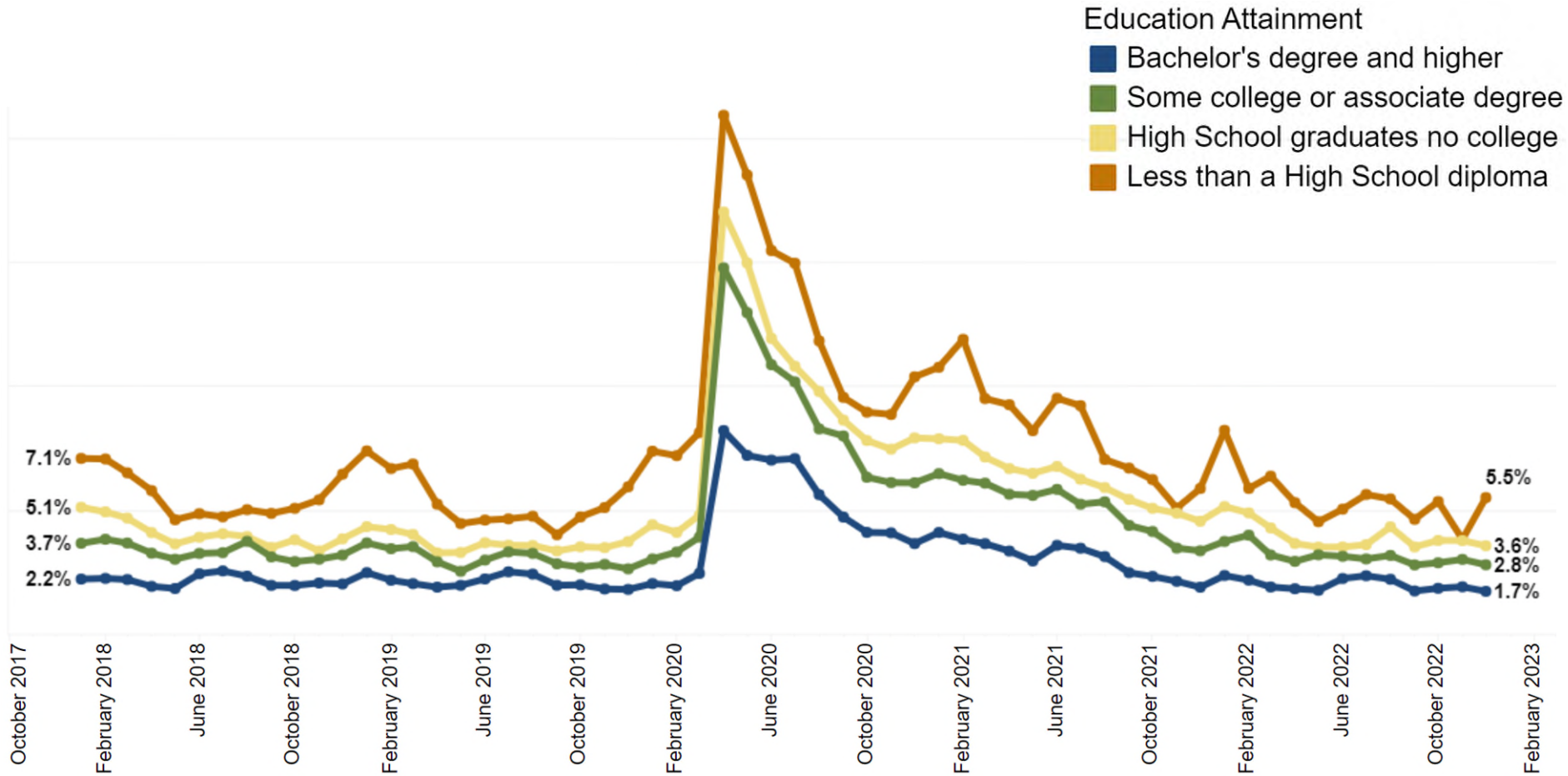


Meeting Colorado's Workforce Demand

2023 Colorado Talent Pipeline Report Findings



U.S. Unemployment Rate by Educational Attainment

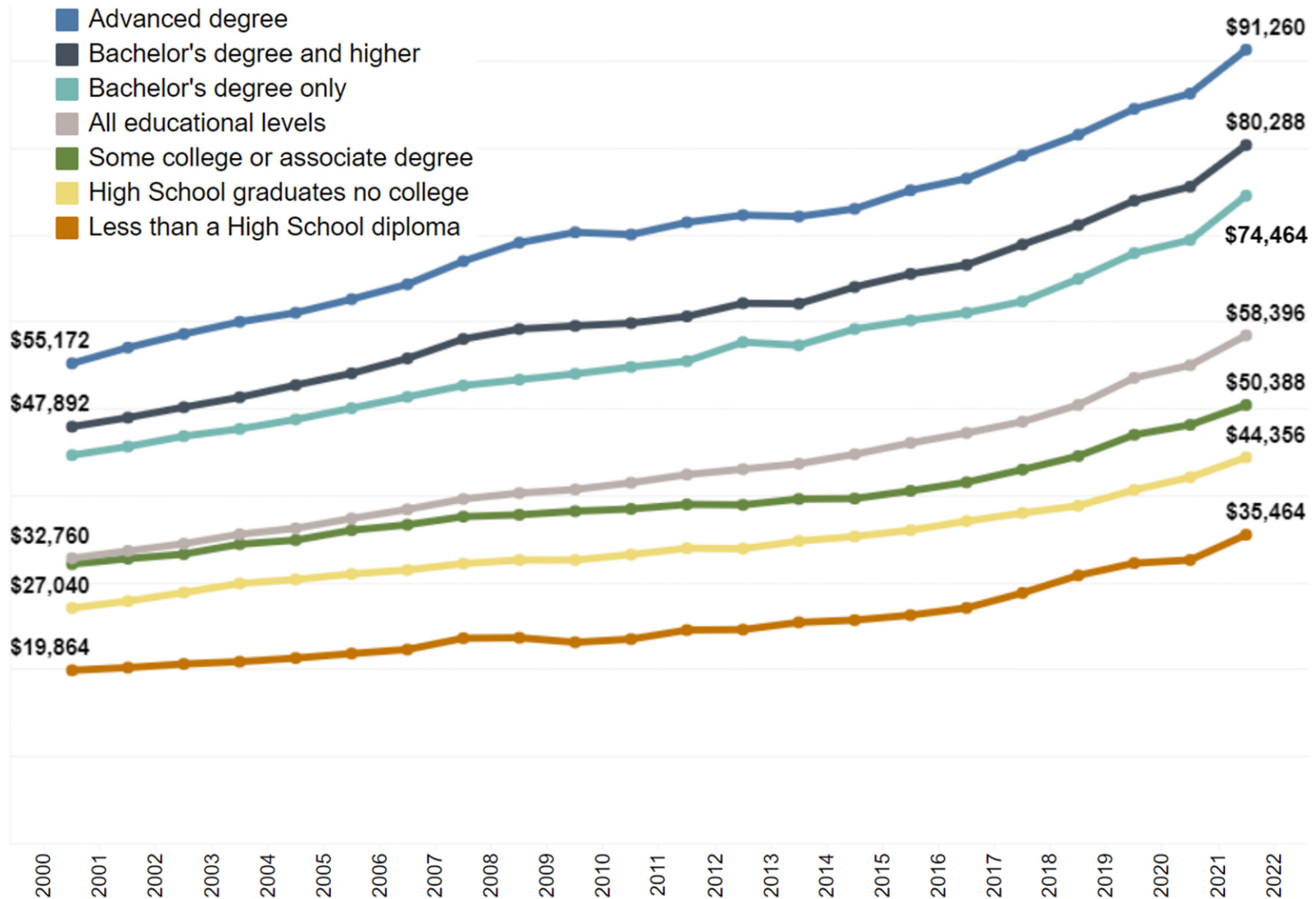


Source: U.S. Bureau of Labor Statistics (BLS). U.S. Unemployment Rate is the number of unemployed divided by the sum of employed and unemployed.

<https://www.bls.gov/webapps/legacy/cpsatab4.htm>

Visualization created by CU System Office of Institutional Research, <https://www.cu.edu/cu-alumni-outcomes>

U.S. Annual Earnings by Educational Attainment

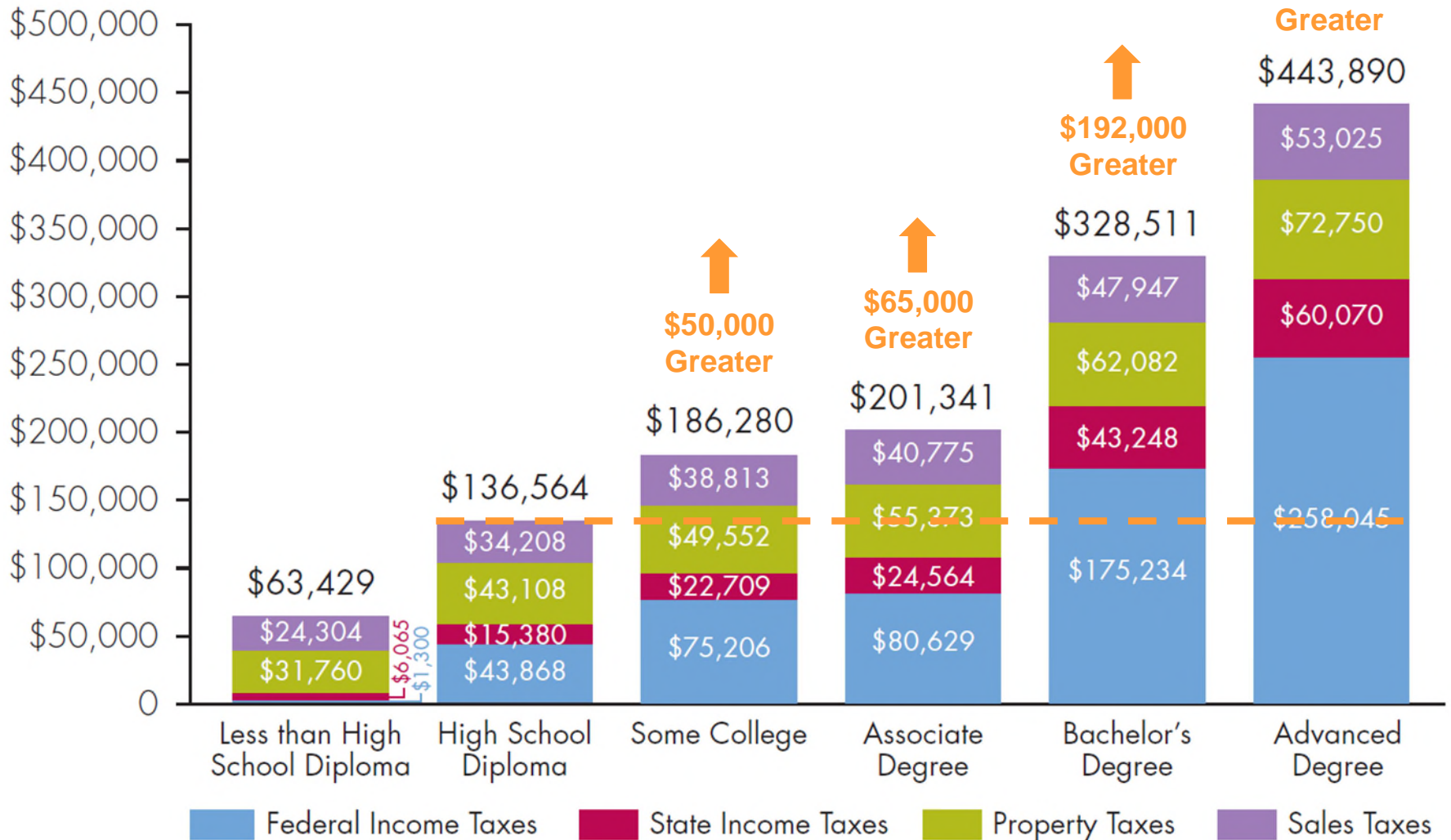


Source: U.S. Bureau of Labor Statistics (BLS), series ID=LEU025288770 (All education levels). Median weekly earnings (second quartile), Employed full time, Wage and salary workers, 25 years and over. Annualized using 52 weeks, unadjusted dollars.

Visualization created by CU System Office of Institutional Research, <https://www.cu.edu/cu-alumni-outcomes>

Tax Revenue by Educational Attainment

Public's Return on Investment



Bottom line: It's worth it!

Value Index Dimensions and Variables

The **Value Index** is a qualitative and quantitative measure with five **dimensions** – each of which have four **variables** – that indicate value relative to educational attainment



Economic Related

Earnings
Employment Status
Labor Force Status
Poverty Status



Health Related

Age of Death
Health Insurance Status
Food Security
Access to Vehicles



Home related

Housing Mobility
Doubled-up Household Status
Home Ownership
Access to Internet



Civic/Social Related

Voter Participation
Voter Registration
Attended Movies
General Happiness



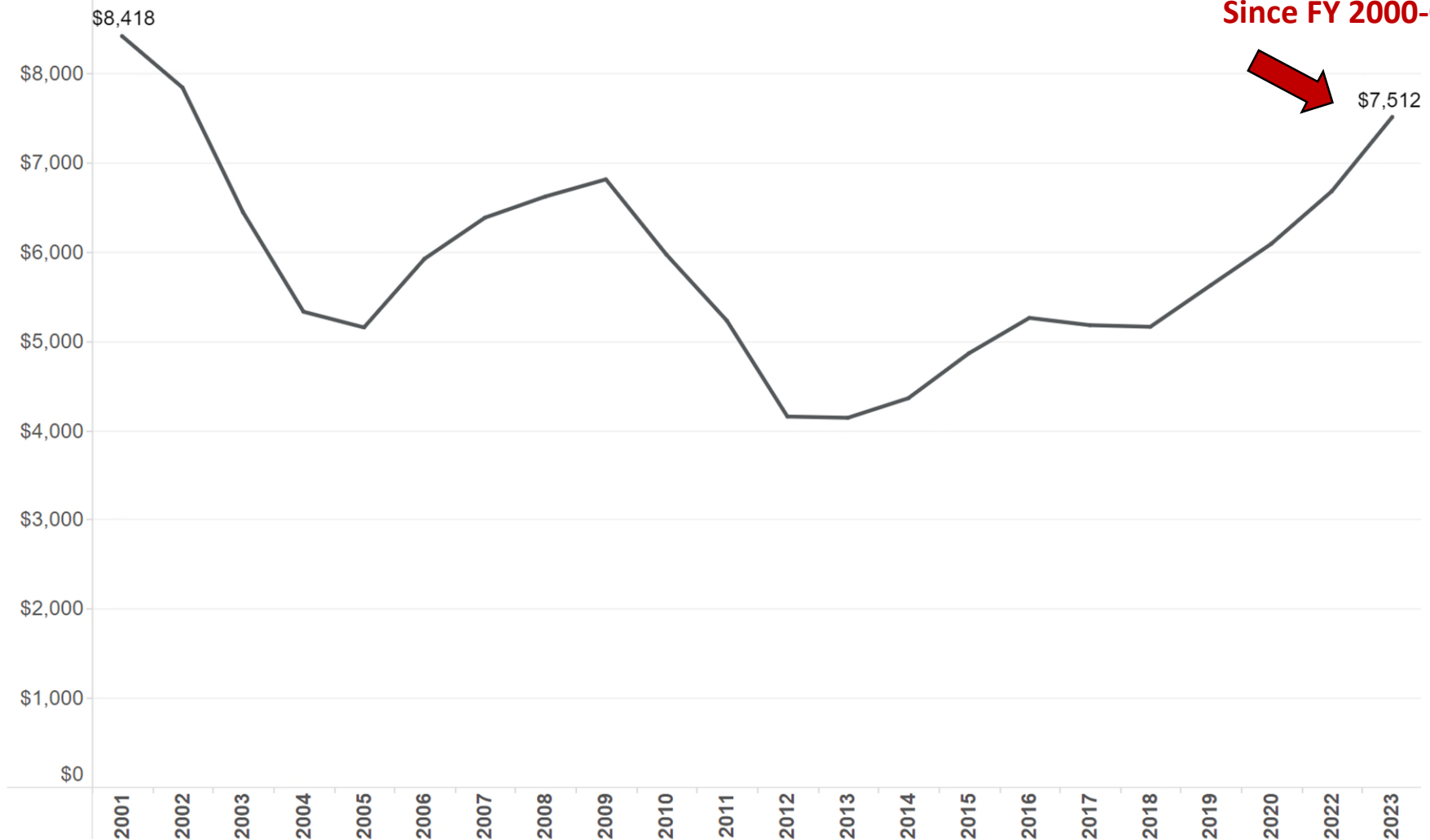
Professional Related

Occupational Prestige
Job Tenure
Career Satisfaction
Travel Time to Work

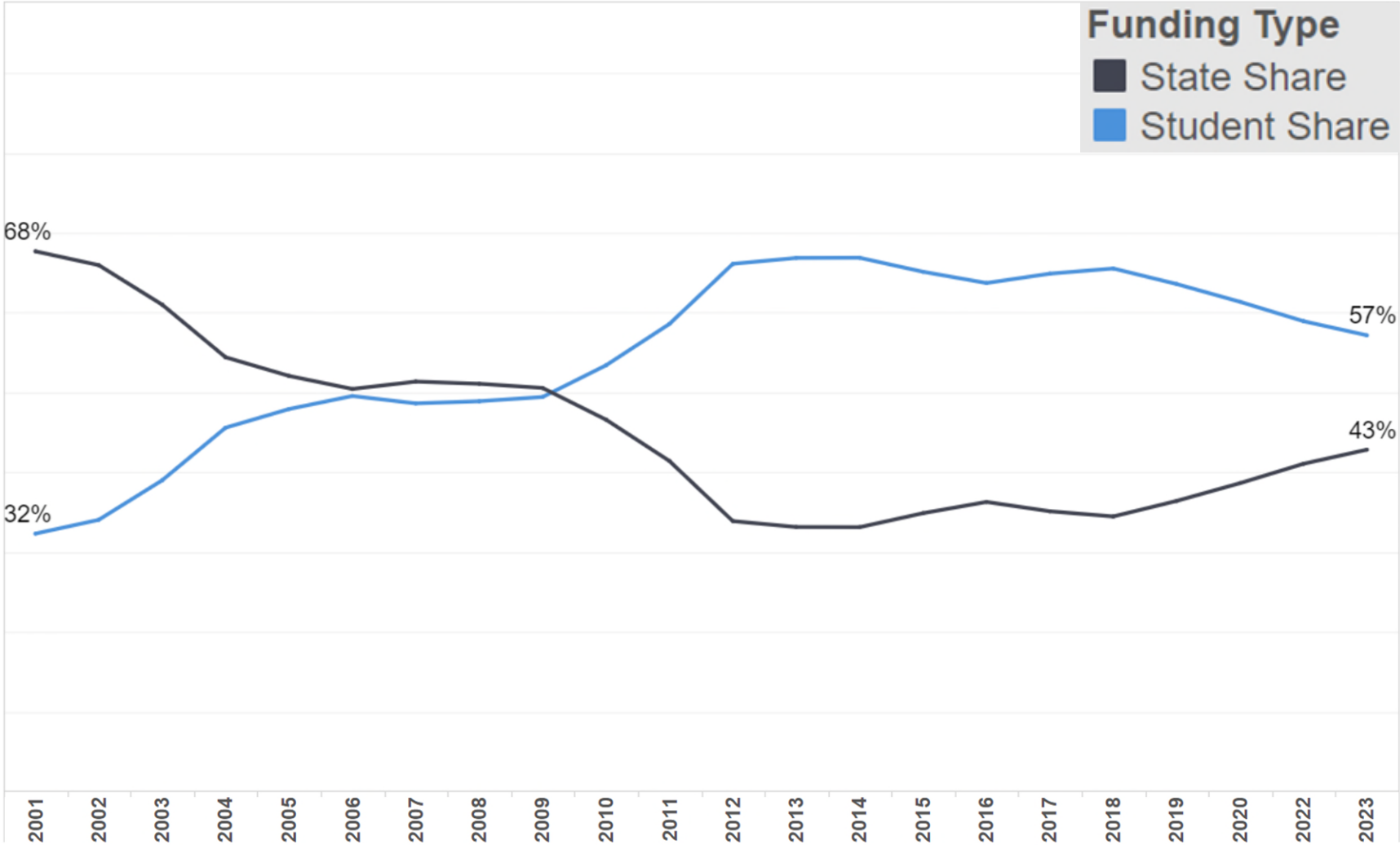
Average State Funding Per Colorado Resident Student

State Funding Per Full-Time Colorado Resident Student
FY 2001 to Present | (Adjusted for inflation)

Statewide Average
-10.8% Decline
Since FY 2000-01



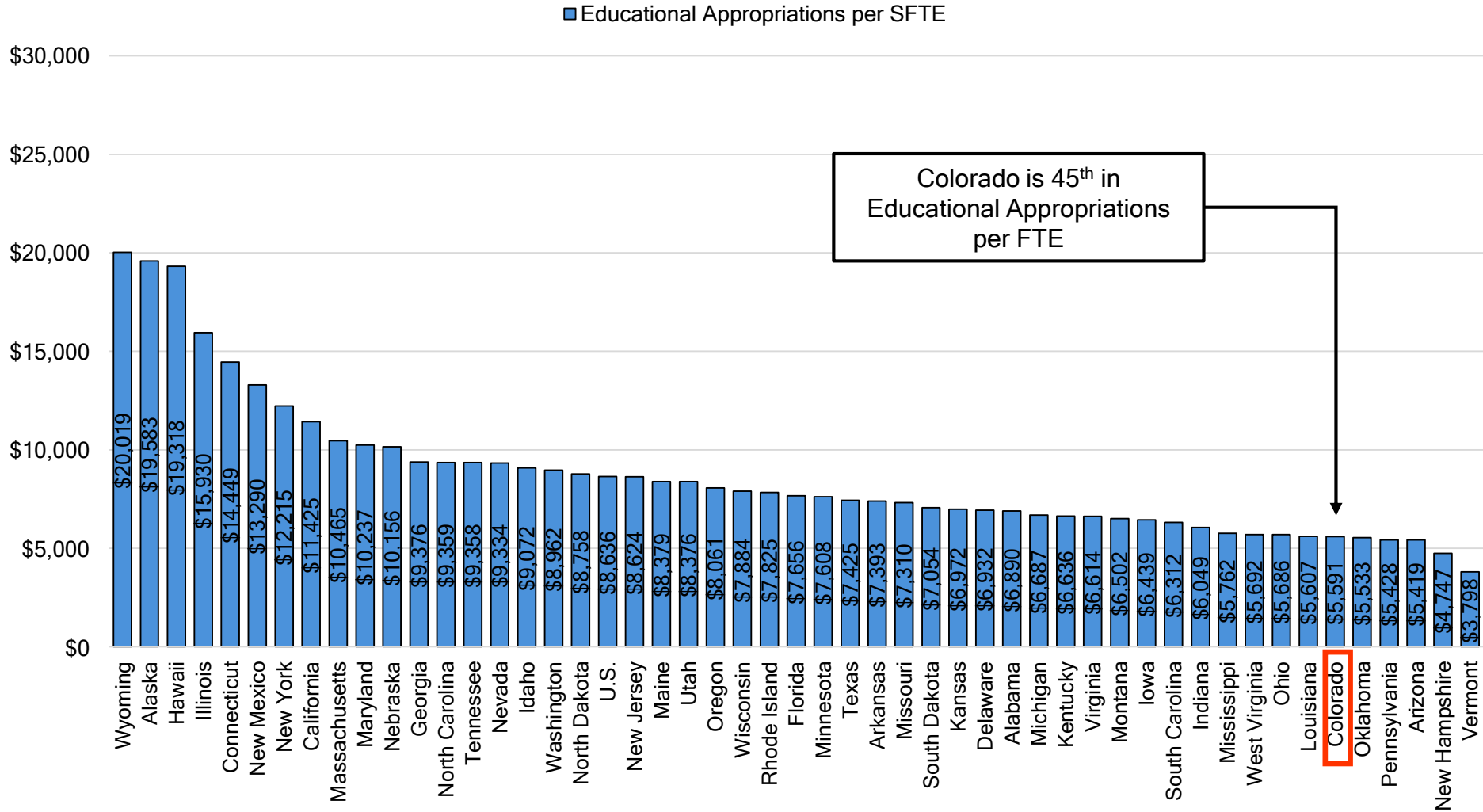
Average Resident Student's Share of College (Tuition vs. State Funding) All Governing Boards



Source: JBC Appropriations Report and Legislative Council Enrollment Forecast, adjusted for inflation. Visualization created by CU System Office of Budget and Finance

State Funding National Comparison

Colorado 45th at \$5,591 per SFTE (Prior 2020 Report)

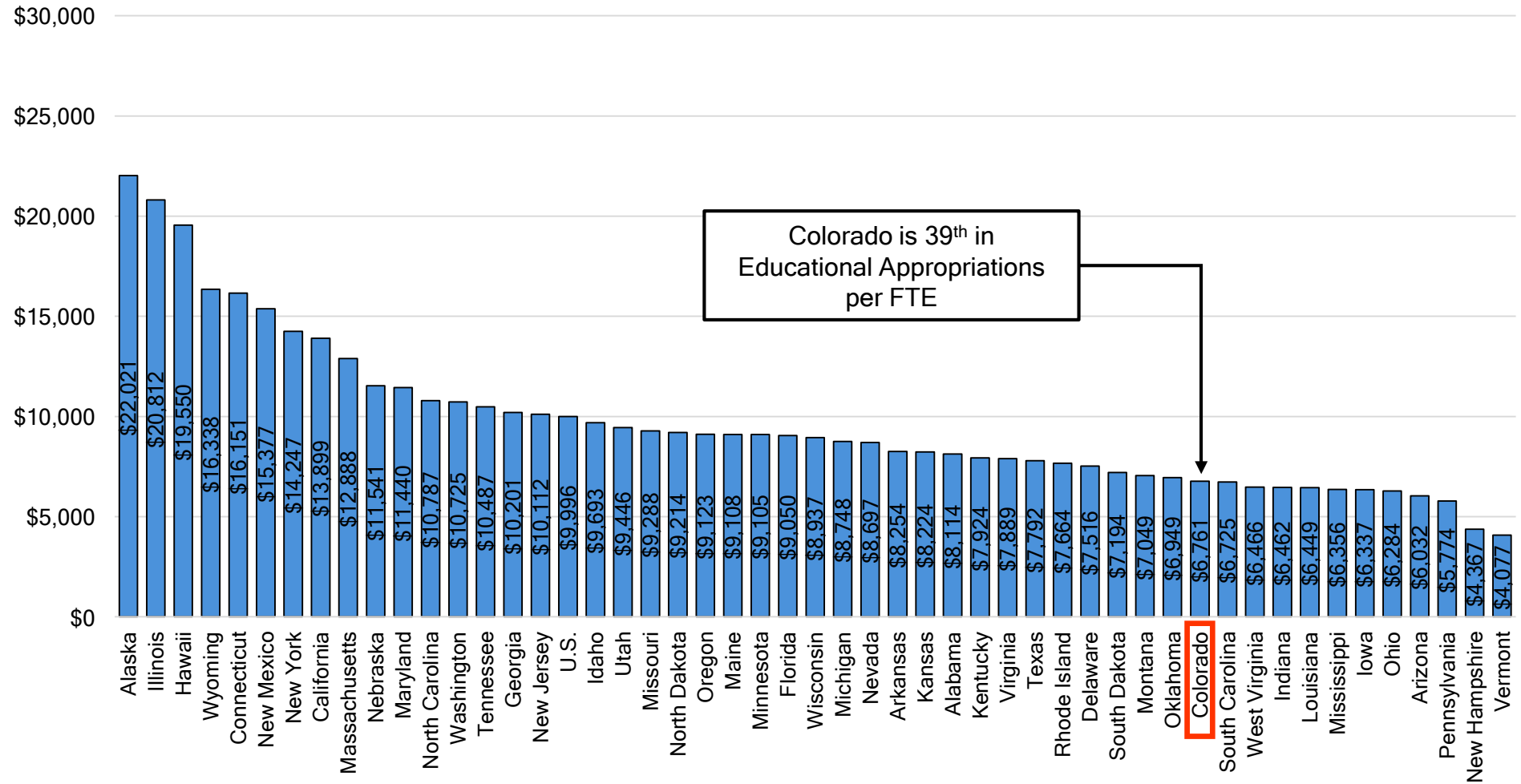


Source: SHEEO 2020 SHEO Report, excludes District of Columbia; <https://shef.sheeo.org/>

State Funding National Comparison

Colorado 39th at \$6,761 per SFTE (Current 2022 Report)

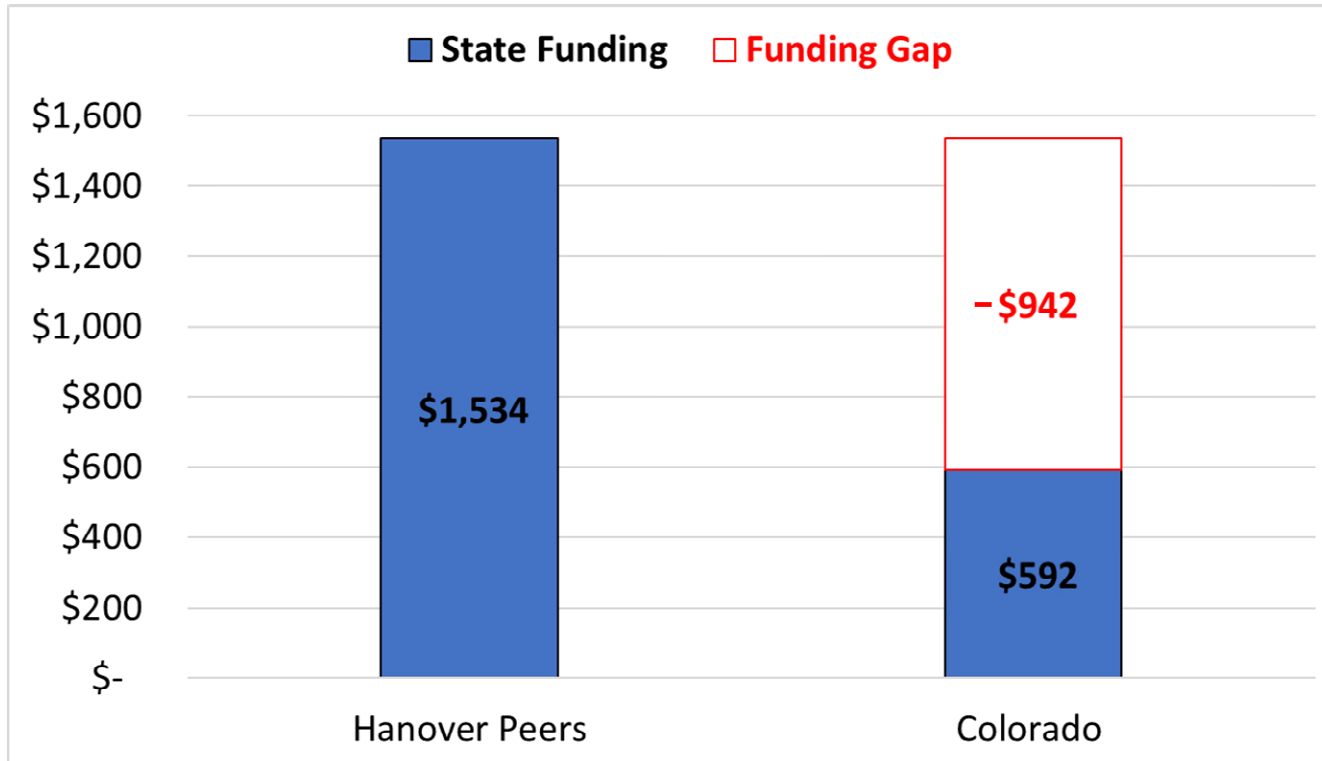
■ Educational Appropriations per SFTE



Source: SHEEO 2022 SHEF Report, unadjusted dollars, excludes District of Columbia; Excludes Federal Stimulus and Financial Aid allocation. <https://shef.sheeo.org/>

Colorado Higher Education System -\$942 million Below Hanover Peers from 2020

(State Funding comparison, in millions)



Total based on state support dollars per student below peer average, multiplied by student FTE

Source & Methodology: Revenue data from IPEDS Finance Survey, 2016-2018; Calculations per SFTE are based on average amounts per institution divided by average student FTE (12-month full-time equivalent enrollment). For Colorado institutions, state funding includes Fee For Service, COF, tobacco settlement, and marijuana research reported in Budget Data Books actuals. Peer list based on CDHE's 2020 peer selections. Analysis by the CU System Office of Budget and Finance.

FY 2024-25 Salary Related Common Policy Impact

3.0% increase for salary survey

+ Step and Range increases:

- *Additional 5.0% base pay increase for years in job series (3 years, 5 years, 8 years)*
- *Midpoint, year 10 in job series*
- *Additional 2.0% base pay increase for years in job series (12 years, 15 years, 20 years, 25 years)*

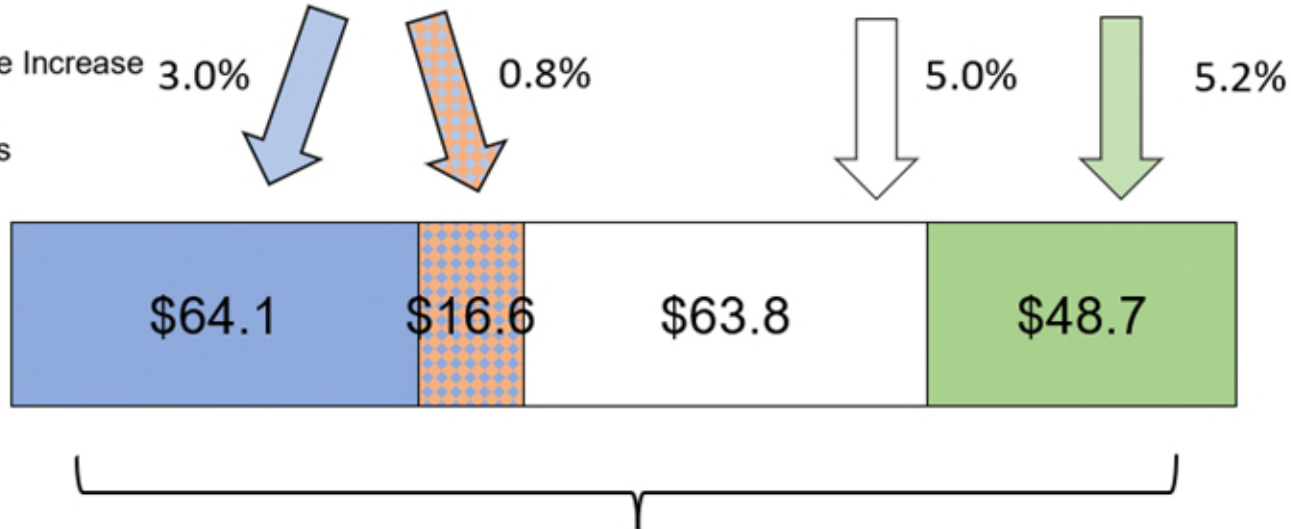
What is driving costs?

FY 2024-25 Base Core Minimum Costs

FY 2023-24 Operating Budget = \$3,710.7



- Salaries
- Step and Range Increase
- HLD Benefits
- Other Expenses



FY 2024-25 Base Core Minimum Costs = \$193.2 million (Step 2) **5.2% total increase**

More State Funding = Less Resident Tuition

State Funding and Tuition Interaction

Assumes 2.5% resident tuition rate cap from
Governor's January Budget Amendment



Base Core Minimum Costs		\$193.2	\$193.2	\$193.2	\$193.2	\$193.2	\$193.2	\$193.2
Resident Tuition Rates <i>(Non-Resident at 3.0% to 4.0%)</i>	Rates	0.0%	1.0%	2.0%	2.5%	3.0%	4.0%	5.0%
	Dollar Amount	\$44.0	\$57.6	\$71.2	\$77.9	\$84.7	\$98.3	\$111.9
Statutorily Required Increase for SEPs		\$6.3	\$5.8	\$5.2	\$4.9	\$4.6	\$4.0	\$3.5
Step 2 State Funding	Percent	13.6%	12.4%	11.1%	10.5%	9.9%	8.7%	7.4%
	Dollar Amount	\$155.5	\$141.4	\$127.2	\$120.1	\$113.1	\$98.9	\$84.8
Step 1 State Funding		-	-	-	-	-	-	-
Total State Funding	Percent	13.6%	12.4%	11.1%	10.5%	9.9%	8.7%	7.4%
	Dollar Amount	\$155.5	\$141.4	\$127.2	\$120.1	\$113.1	\$98.9	\$84.8
Statutorily Required Financial Aid Increase		\$36.4	\$33.1	\$29.8	\$28.2	\$26.5	\$23.2	\$19.9
Total State Funding with Financial Aid		\$192.0	\$174.5	\$157.0	\$148.3	\$139.6	\$122.1	\$104.6

Governor's Request vs. IHEs Consensus Request (Assuming 2.5% resident tuition rate)

Component	A	B	C = B - A
Base Core Minimum Costs	\$193.2	\$193.2	
<1> Resident Tuition (2.5%) Gov's Jan. 2 BA-02	\$33.9	\$33.9	
<2> Non-Resident Tuition (3.0% to 4.0%)	\$44.0	\$44.0	
State Funding	November Request	IHEs Request	Difference
Step 1	\$0.0	\$0.0	\$0.0
<1> Step 2	<u>\$39.1</u>	<u>\$120.1</u>	<u>\$81.1</u>
Operating	\$39.1	\$120.1	\$81.1
<1> Financial Aid	\$9.1	\$28.2	\$19.0
Total State Funding Increase (Operating + Financial Aid)	\$48.2	\$148.3	\$100.1

<1> Incorporates Governor's assumptions from January 2, 2024, BA-02:

2.5% Resident Tuition Rate

+\$5,682,756 operating funding (Step 2)

+\$1,328,743 need based financial aid

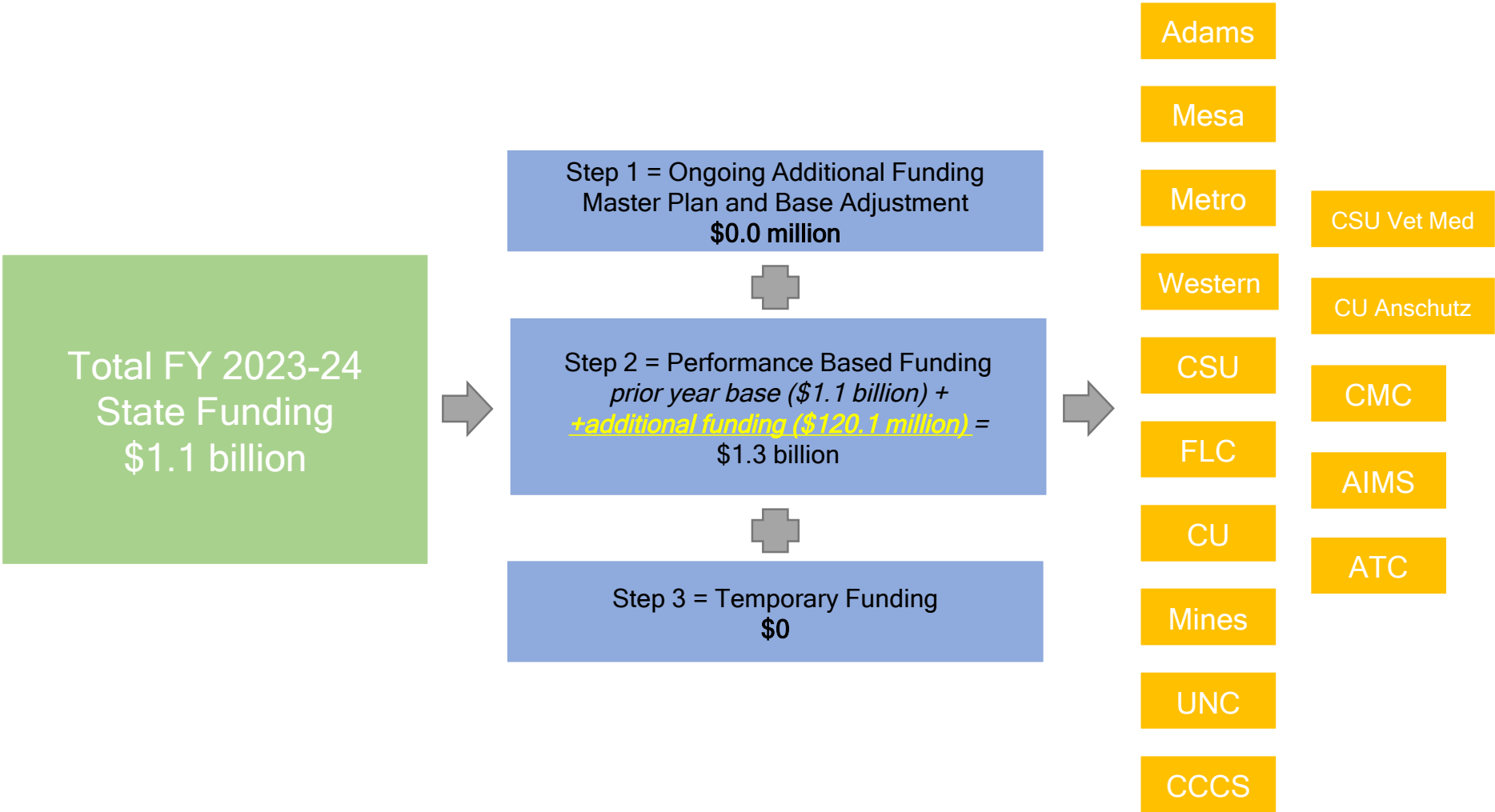
<2> Governing boards will adopt non-resident tuition policies consistent with their unique market position and is assumed at 3.5% (3.0% to 4.0%), versus 6.5% in the November request. Increasing non-resident tuition above this level would likely result in less revenue due to non-resident tuition rates already being priced near or over market.

Higher Education Funding Model

Resources to maintain and advance state's policy goals

- Funding model is designed to advance policy goals
- **Performance Funding (Step 2)**
 - ✓ (state funding + tuition increases)
- **Ongoing Additional Funding (Step 1)** = Invest in other priorities (examples, First-generation, URM Retention, Rural needs, Workforce, Research, etc.)

Higher Education Funding Model - December 2023 Institution of Higher Education Consensus Request

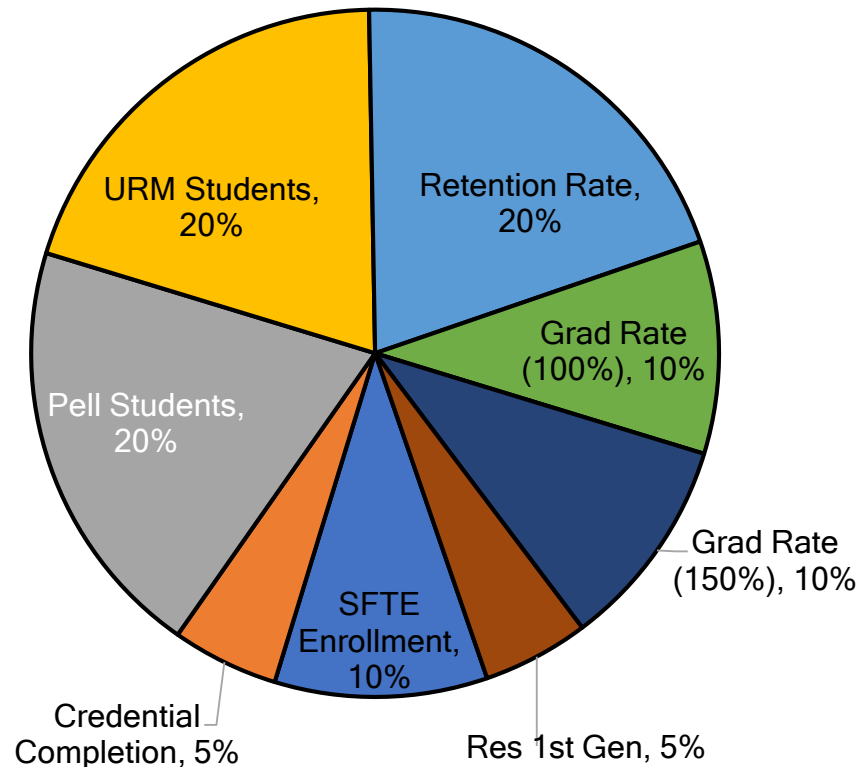


Funding flows from the state, through the funding model, and out to the IHEs.

Note: Dollar amounts in Step 2 reflect FY 2024-25 IHE consensus request to Joint Budget Committee (12-20-2023), with January 2024 adjustments.

Step 2 = Performance Based Funding

- Performance funding, core of the model
- Allocates 100% of prior year base through performance metrics
- Measures each governing board's performance over time against itself
- Annual changes have compounding effect over time



Institutions in partnership with the State can make progress on key policy goals

- Educating Colorado's growing workforce, where it's estimated that **3 out of 4 jobs will require some higher education**
- **91% of jobs require post-secondary education** (Tier 1 -- 2023 Talent Pipeline Report)
- Ensures institutions are able to continue to **erase equity gaps for our underserved students**
- Ensures that once enrolled, students are successfully retained
- Ensures institutions continue to find **efficiencies, innovate, and keep higher education accessible & affordable for Colorado students**
- Ongoing additional funding (Step 1) important area to invest in, in addition to covering base core minimum costs



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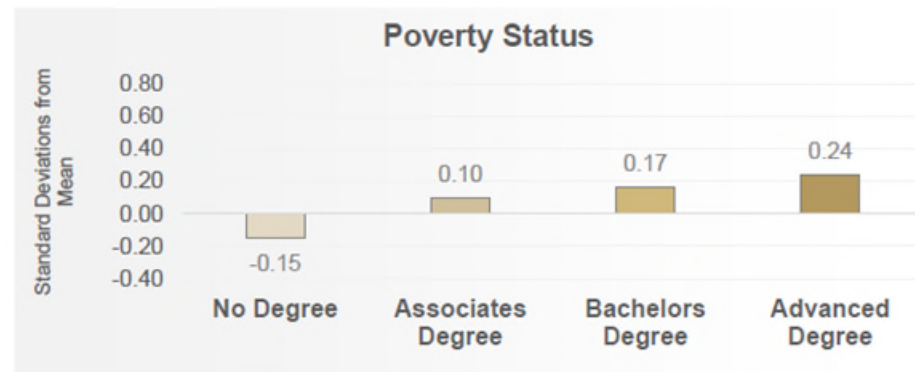
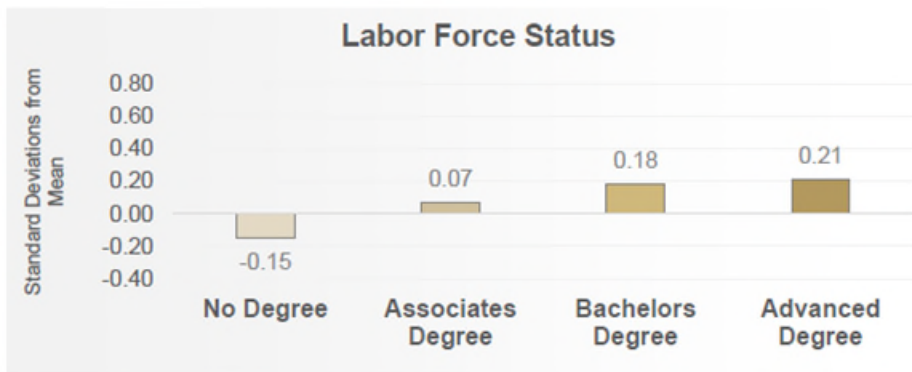
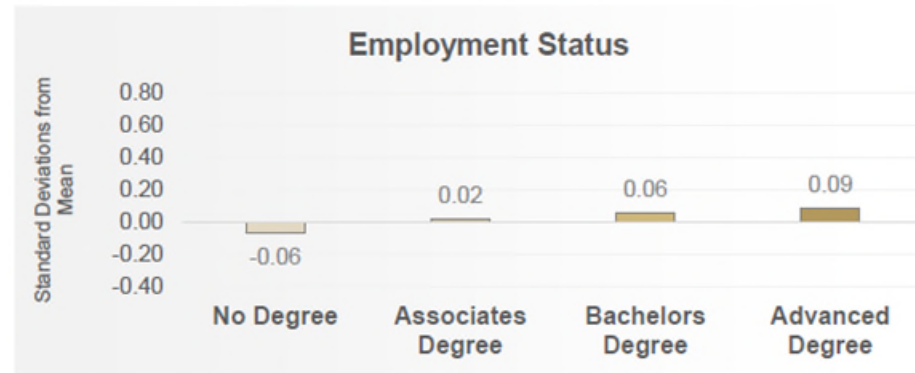
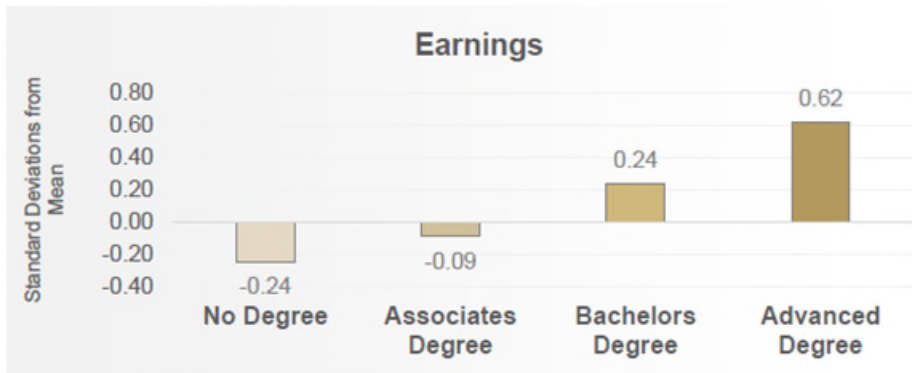


Aims
COMMUNITY COLLEGE

Reference Appendix

Value Index – Economic Related Variables


Economic by Individual Variables

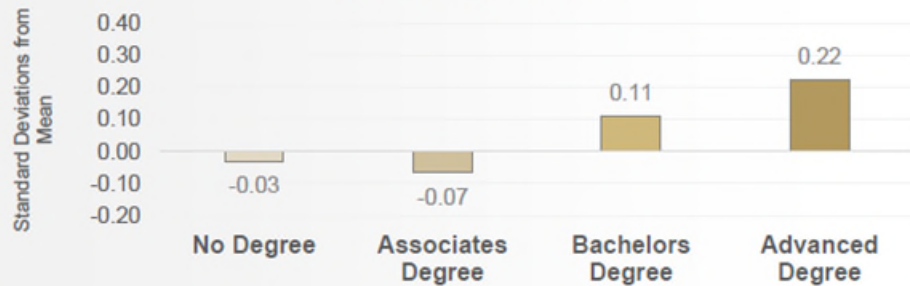


Wage and Salary Earnings; Employed or not; In the Labor Force or not; Above or below poverty line

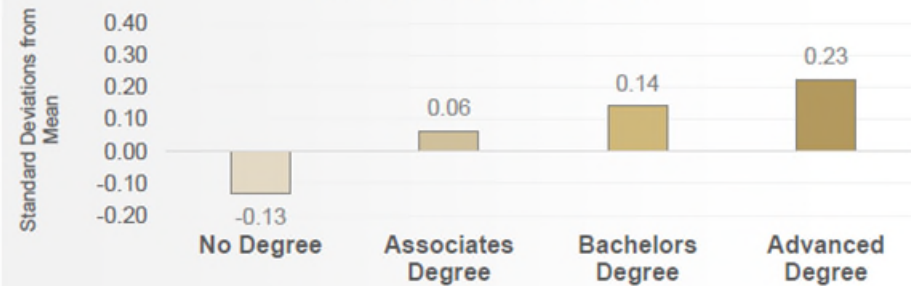
Value Index – Health Related Variables

Health by Individual Variables

Average age of Death



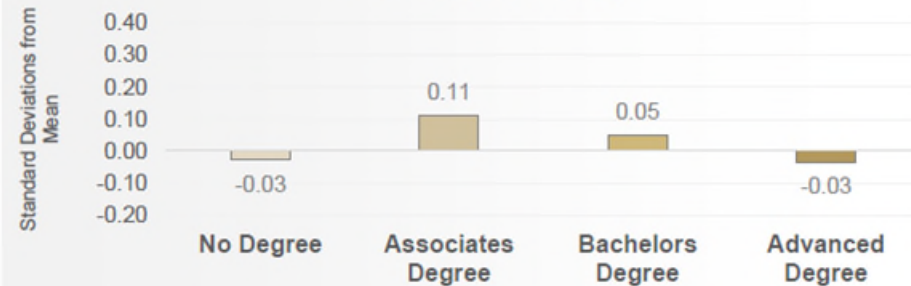
Health Insurance Status



Food Security



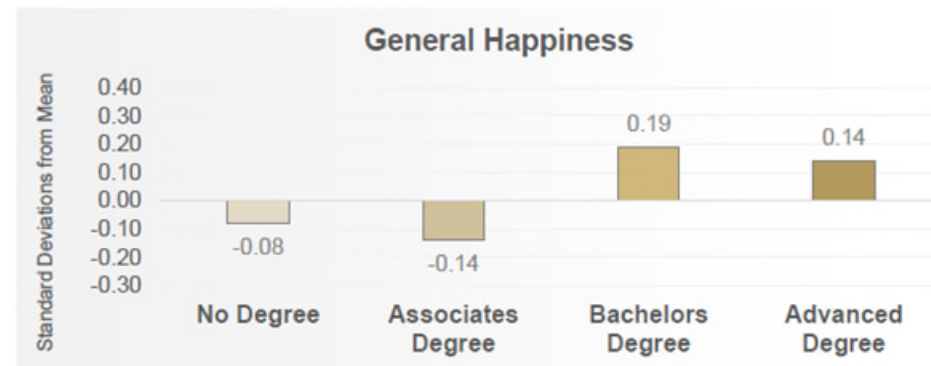
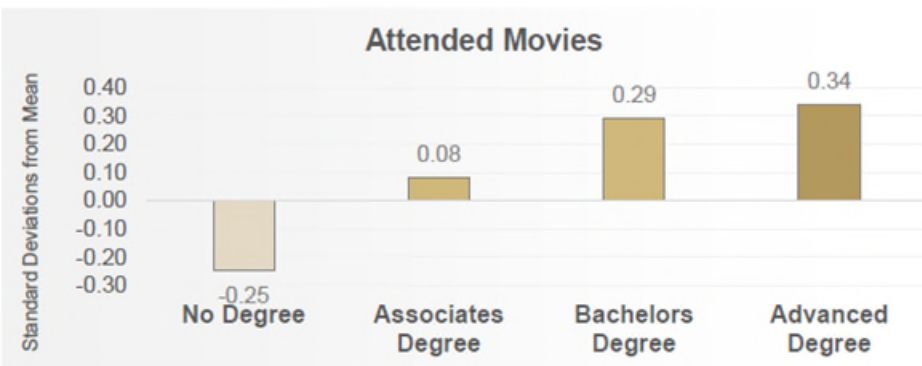
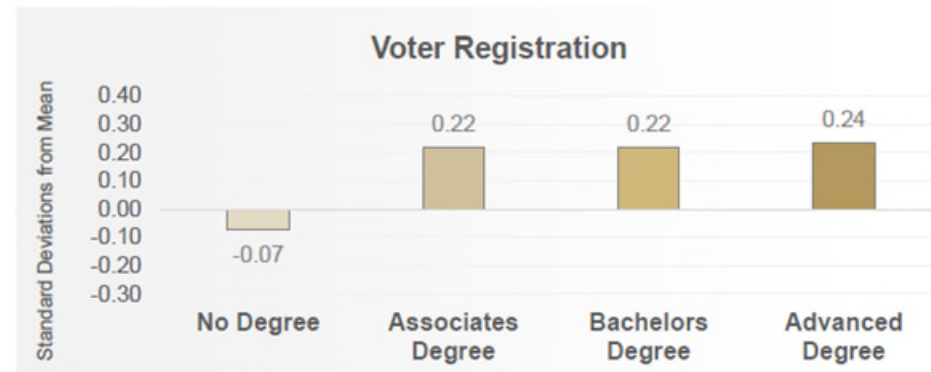
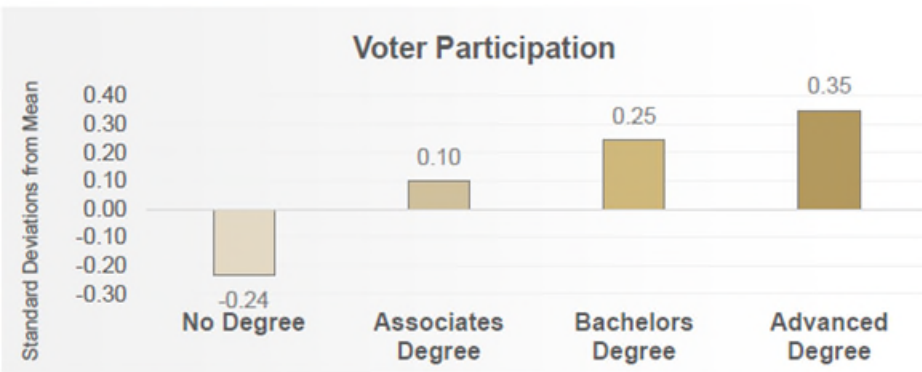
Access to vehicle(s)



Average of the ages of death reported on the death certificates; Had health insurance coverage or not; Level of food security; Number of cars available to household members


Value Index – Civic/Social Related Variables

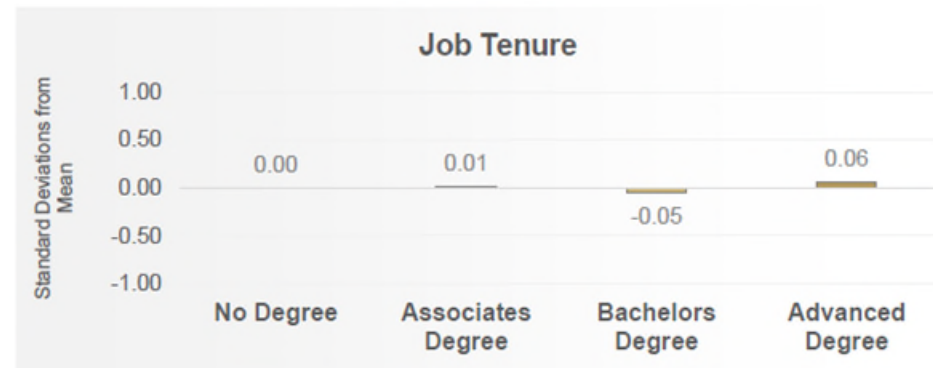
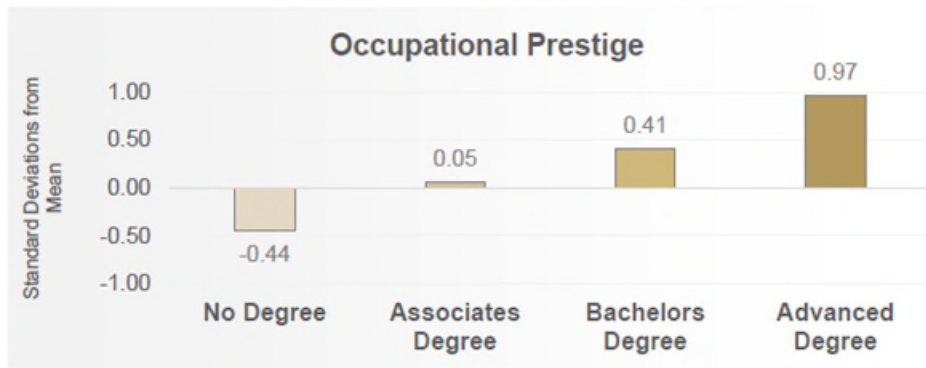
Civic/Social by Individual Variables



Voted in last election or not; Registered to vote or no; Attended movies in last year or not (proxy for recreational amenities); Self reported happiness scale


Value Index – Professional Related Variables

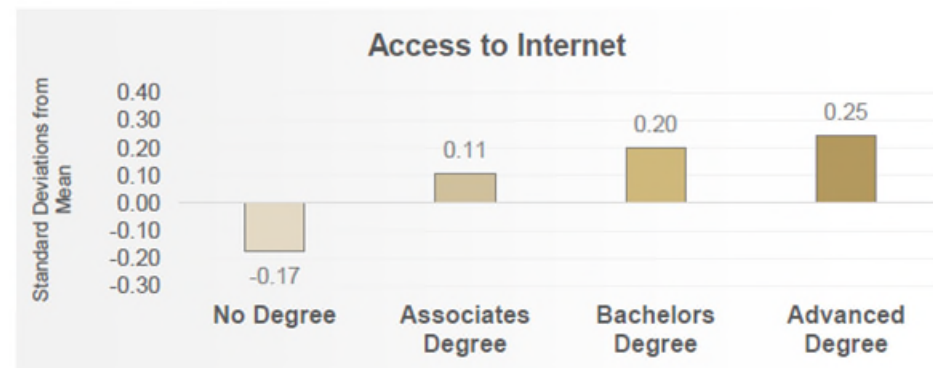
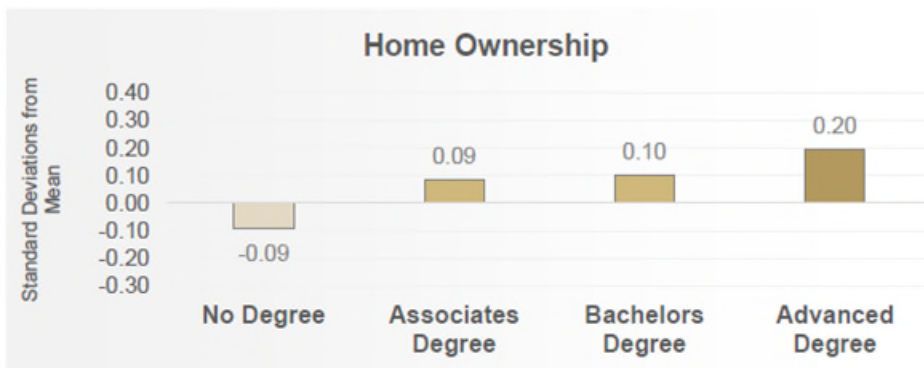
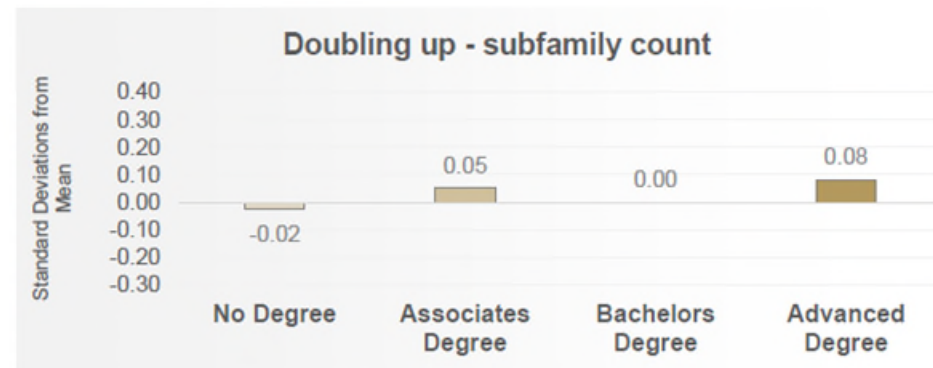
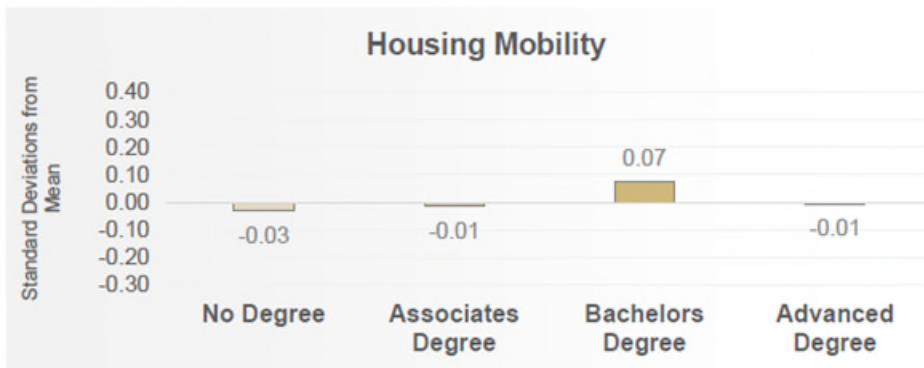

Professional by Individual Variables



A constructed variable that assigns a prestige score to each occupation using the occupational classification; Years at current job; Self reported career satisfaction scale; Minutes it takes to get to work

Value Index – Home Related Variables


Home by Individual Variables



Years at current address; Number of discrete subfamilies living with the primary family in the housing unit; Own your house or not?; Access to the internet or not?

Higher Education and Compensation Common Policies

Base core minimum cost calculations are Higher Education's reasonable proxy that calculate the impact of common policy expenses at other state agencies

“Compensation common policies generally apply to a subset of all compensation that excludes higher education institutions.

A large portion of positions at the higher education institutions are exempt from the constitutionally created State Personnel System, and so the compensation for those positions is not bound by the same job classes and pay ranges.

Nevertheless, there are still a significant number of positions at the higher education institutions that are part of the State Personnel System...***while the common policies are not developed to apply to the higher education institutions, it is important to consider that the common policy decisions will impact expenditures by the higher education institutions.***”

-JBC Staff Statewide Compensation Common Policies

COWINs Step Payment Plan Expense (estimate as of January 2024)

COWINs Step Plan Estimated Costs (as of January 2024) (in millions)				
Governing Board	<1> DPA provided COWINs Step Plan Expense	E&G Share of DPA provided COWINs Step Plan Expense	*E&G Indirect Expense due to pay equity and compression	Amount in Base Core Minimum Buildup
Adams State University	\$0.5	\$0.4	\$0.1	\$0.5
Colorado Mesa University	\$0.4	\$0.4	\$0.1	\$0.6
Metropolitan State University - Denver	\$0.4	\$0.4	\$0.1	\$0.5
Western Colorado University	\$0.2	\$0.2	\$0.1	\$0.3
Colorado State University System	\$5.0	\$4.0	\$1.3	\$5.2
Fort Lewis College	\$0.3	\$0.3	\$0.1	\$0.3
University of Colorado System	\$4.6	\$3.3	\$1.1	\$4.4
Colorado School of Mines	\$0.2	\$0.2	\$0.1	\$0.2
University of Northern Colorado	\$1.1	\$0.9	\$0.3	\$1.2
Colorado Community College System	\$2.8	\$2.6	\$0.8	\$3.5
Governing Board Total	\$15.5	\$12.6	\$4.0	\$16.6

<1> Amount provided to IHEs by DPA, December 2023

* Higher Education average is an additional 31.8% for associated indirect expense.