

JOINT BUDGET COMMITTEE



STAFF BUDGET BRIEFING FY 2023-24

DEPARTMENT OF HIGHER EDUCATION

JBC WORKING DOCUMENT - SUBJECT TO CHANGE
STAFF RECOMMENDATION DOES NOT REPRESENT COMMITTEE DECISION

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ADDITIONAL RESOURCES

Brief summaries of all bills that passed during the 2020 and 2021 legislative sessions that had a fiscal impact on this department are available in Appendix A of the annual Appropriations Report:

https://leg.colorado.gov/sites/default/files/fy21-22apprept_0.pdf

The online version of the briefing document, which includes the Numbers Pages, may be found by searching the budget documents on the General Assembly's website by visiting leg.colorado.gov/content/budget/budget-documents. Once on the budget documents page, select the name of this department's *Department/Topic*, "Briefing" under *Type*, and ensure that *Start date* and *End date* encompass the date a document was presented to the JBC.

DEPARTMENT OF HIGHER EDUCATION

DEPARTMENT OVERVIEW

RESPONSIBILITIES

Distributes state appropriations for governing boards consistent with decisions of the General Assembly:

State General Fund appropriations are provided for:

- The College Opportunity Fund Program that provides stipends to students for undergraduate education
- Fee-for-service contracts with state institutions to support other higher education activities, such as graduate and professional education, and to provide performance incentives
- State subsidies for governing boards that are not subdivisions of state government, such as Local District Colleges and Area Technical College
- Financial aid programs

The Department also monitors cash funds tuition spending authority provided to each state governing board and has authority to reallocate certain spending authority based on end-of-year enrollment and revenue received.

Coordinates and establishes statewide policies under CCHE: Establishes policy and provides central coordination for state-supported higher education programs under the authority of the Colorado Commission on Higher Education (CCHE). This includes ensuring institutional degree programs are consistent with institutional missions, establishing statewide enrollment policies and admissions standards, determining allocation of financial aid among institutions, and coordinating statewide higher education operating and capital construction budget requests, including tuition policy requests. CCHE is also responsible for proposing the model for the allocation of higher education operating funds consistent with the provisions of H.B. 20-1366.

Data collection, research and reports: Develops reports on the higher education system as needed or directed by the General Assembly, and, as part of this function, provides a central repository for higher education data with links to P-12 and employment data;

Vocational education: Oversees and allocates funding from various sources for vocational and occupational education programs provided in both higher education and K-12 settings.

Private occupational schools: Regulates private occupational schools under the oversight of Colorado State Board of Private Occupational Schools.

CollegeInvest and CollegeAssist: Oversees statutorily-authorized state enterprises with responsibilities related to college savings and student loan programs. These programs are off-budget.

Colorado Opportunity Scholarship Initiative (COSI) board: Under oversight of the COSI board, allocates grants to nonprofits and other entities to increase the availability of pre-collegiate and postsecondary student support and provides associated student scholarships. New appropriations for COSI are on-budget, but COSI spends from a fund balance transferred to it in prior years by the General Assembly. Expenditures from this fund are not subject to appropriation.

Federal and private grants administration: Administers various programs supported through federal and private grants. This includes, among others, the federally-funded Gear Up program (on-budget), which provides services beginning in middle school that are designed to increase higher education participation for youth who might not otherwise attend college.

History Colorado: Collects, preserves, exhibits, and interprets items and properties of historical significance through the State Historical Society. History Colorado is overseen by a separate appointed board and is funded through Constitutionally-authorized limited gaming revenues, among other sources.

DEPARTMENT STRUCTURE

Overall Department Structure: Authority over Colorado's higher education system is fairly decentralized. Individual governing boards of higher education institutions have substantial independent authority over the management of their institutions. The Governor appoints, with consent of the Senate, most members of these governing boards (with the exception of the regents of the University of Colorado, who are elected), the members of the Colorado Commission on Higher Education, members of the State Board of Private Occupational Schools, members of the CollegeInvest Board, and members of the Board of Directors of the State Historical Society. The Governor also appoints the members of the Colorado Opportunity Scholarship Initiative Board.

Department divisions include the Department Administrative Office (centrally-appropriated line items), Colorado Commission on Higher Education and Higher Education Special Purpose Programs, Colorado Commission on Higher Education Financial Aid, College Opportunity Fund Program, Governing Boards, Local District Colleges, the Division of Occupational Education, the Auraria Higher Education Center, and History Colorado, as described below.

Colorado Commission on Higher Education and Higher Education Special Purpose Programs: The executive director of CCHE is also the executive director of the Department. The appropriation for CCHE funds the Commission's central administrative staff of approximately 30.0 FTE, the Division of Private Occupational Schools, and various special-purpose line items. This section is largely supported through indirect cost recoveries.

College Opportunity Fund Program and Governing Boards: The majority of state General Fund appropriations to the Department are for the College Opportunity Fund (COF) Program, with amounts reappropriated to each of the governing boards in consolidated line items in the Governing Boards section. The COF Program provides stipends for undergraduate resident students to attend public colleges and participating private colleges in Colorado and also supports fee-for-service contracts with public higher education institutions for educational performance and services not covered by the stipends.

Colorado Commission on Higher Education Financial Aid: State support for higher education financial aid, which has historically comprised about 20.0 percent of General Fund appropriations to the Department, is appropriated to CCHE for allocation to the Governing Boards.

Other Higher Education Divisions: The Division of Occupational Education oversees Colorado Vocational Act programs, the Area Technical Colleges, federal Perkins technical training programs, and resources for the promotion of job development, job training, and job retraining. Separate divisions provide state subsidies for Local District Colleges and reappropriated funds for 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.

History Colorado: The Department budget includes appropriations for the Colorado History Museum and regional community museums and facilities, as well as preservation grant programs. Funding includes state Limited Gaming revenues deposited to the State Historical Fund, earned revenue, and state General Fund. History Colorado is considered a state educational institution. However, it is overseen by its own Board, and CCHE has no administrative authority over the organization.

DEPARTMENT BUDGET: RECENT APPROPRIATIONS

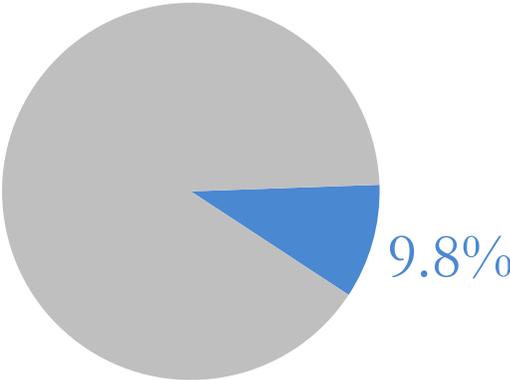
FUNDING SOURCE	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 ¹
General Fund ²	\$612,749,705	\$1,220,319,540	\$1,362,604,354	\$1,445,298,079
Cash Funds	2,688,703,080	2,955,319,451	3,042,988,057	3,048,681,051
Reappropriated Funds	431,543,250	980,048,751	1,082,471,349	1,149,629,275
Federal Funds	25,850,476	25,411,388	25,849,820	26,552,011
TOTAL FUNDS	\$3,758,846,511	\$5,181,099,130	\$5,513,913,580	\$5,670,160,416
Full Time Equiv. Staff	26,733.3	26,566.2	26,489.2	26,484.7

¹Requested appropriation.

²Includes General Fund Exempt.

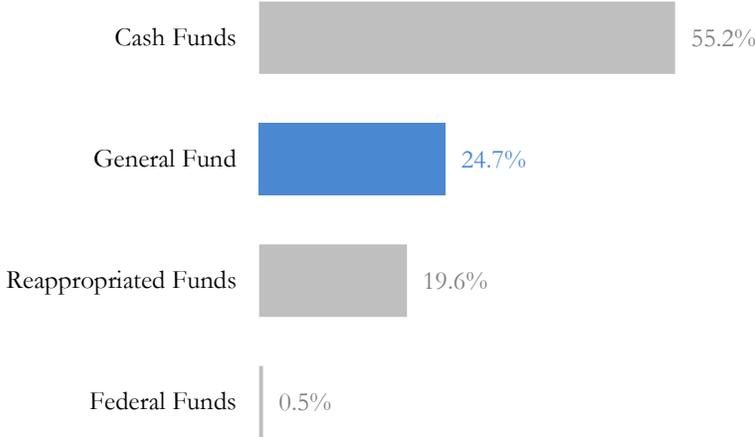
DEPARTMENT BUDGET: GRAPHIC OVERVIEW

Department's Share of Statewide General Fund



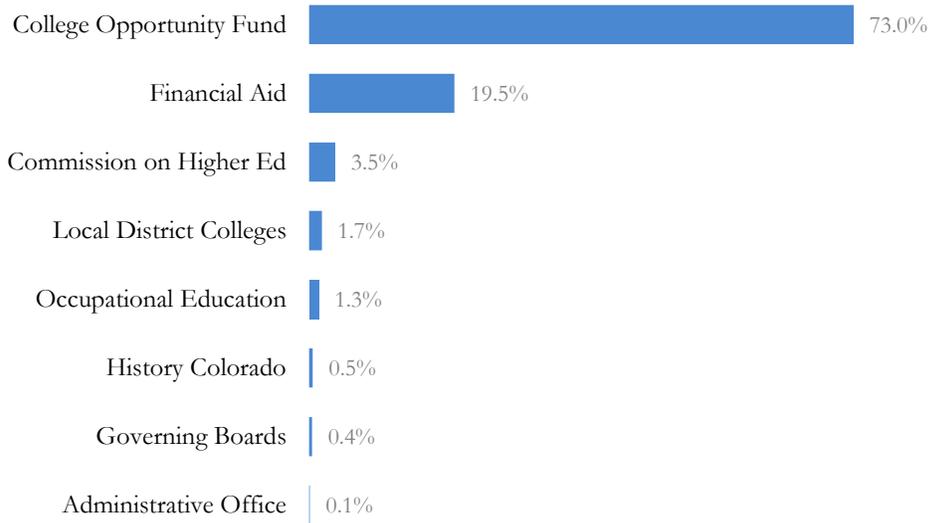
Based on the FY 2022-23 appropriation.

Department Funding Sources



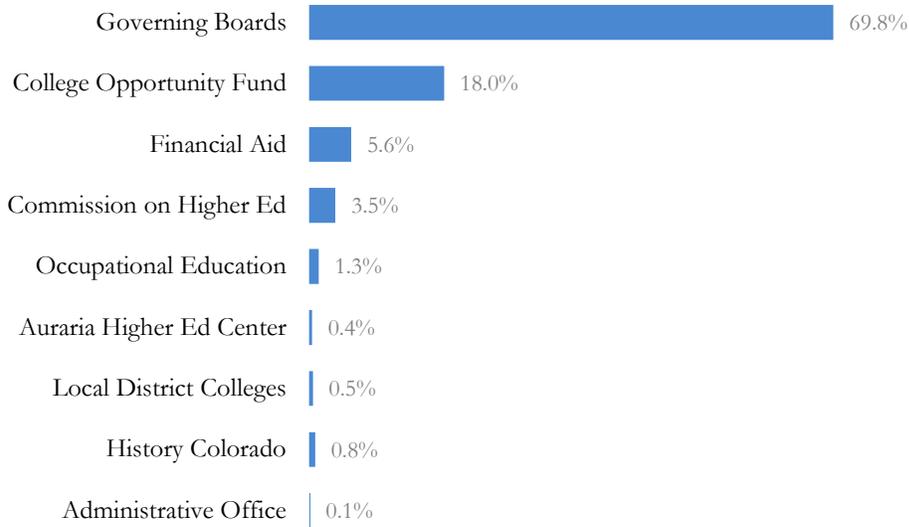
Based on the FY 2022-23 appropriation.

Distribution of General Fund by Division



Based on the FY 2022-23 appropriation.

Distribution of Total Funds by Division



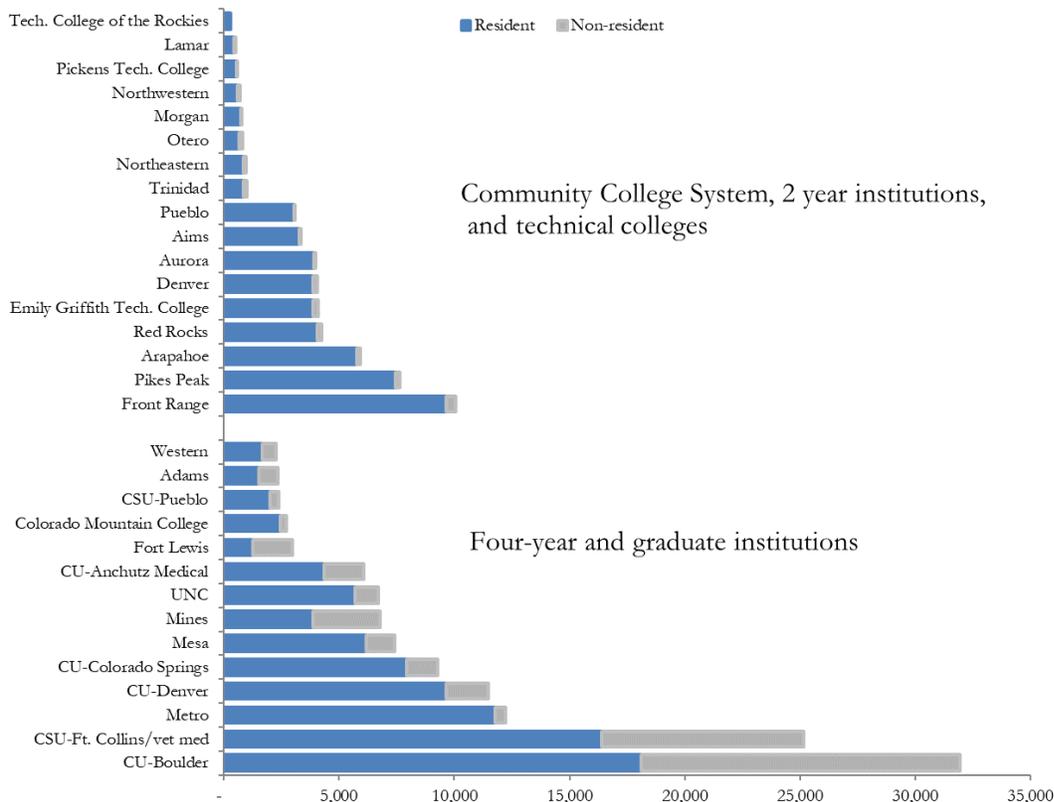
Based on the FY 2022-23 appropriation.

GENERAL FACTORS DRIVING THE BUDGET

The public higher education system served 182,162 full-time equivalent students (FTE) in FY 2021-22, including 143,177 Colorado residents.¹ Of the total, 170,704 students attended one of the 27 institutions overseen by 10 state governing boards. The remaining 11,458 student FTE attended local district colleges, which receive regional property tax revenues in addition to state funding, or area technical colleges, which offer occupational certificates and serve both secondary and post-secondary students. Of the total, 28.3 percent of SFTE attended institutions in the community college system, area technical colleges, and local district colleges, which have historically focused on two-year and certificate programs.² Students attending institutions that offer baccalaureate and higher degrees are concentrated at the University of Colorado, Colorado State University, and Metropolitan State University of Denver. Enrollment declined 4.4 percent in FY 2020-21, following the onset of the COVID-19 pandemic. In FY 2021-22, total enrollment fell by a further 2.4 percent.

The Colorado Commission on Higher Education (Commission) coordinates the higher education delivery system, including requests for state funding. However, each institution has a governing board that makes policy and budget decisions for the institution.

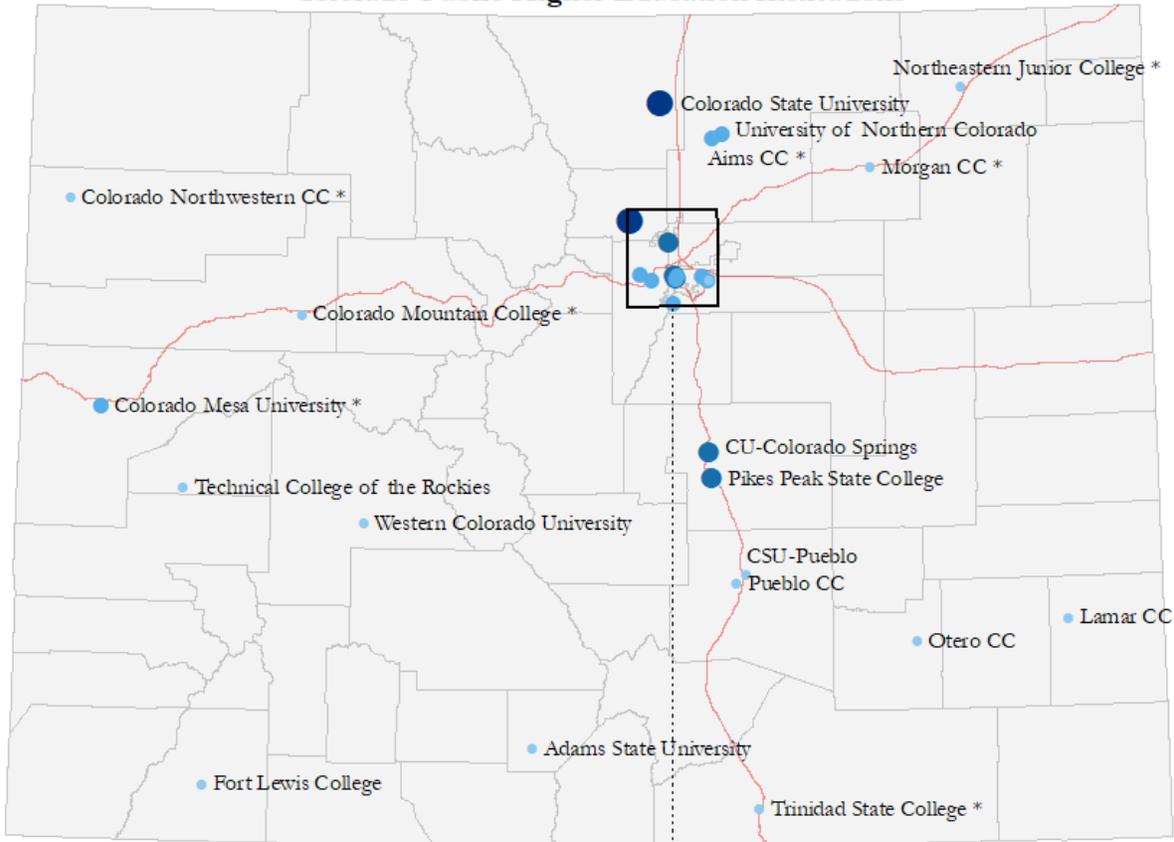
STUDENT FULL-TIME-EQUIVALENT ENROLLMENT 2021-22



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 institutions out of state.

² Many institutions in the community college system, as well as one of the local district colleges (Colorado Mountain College) now offer 4-year degrees, often focused on applied areas.

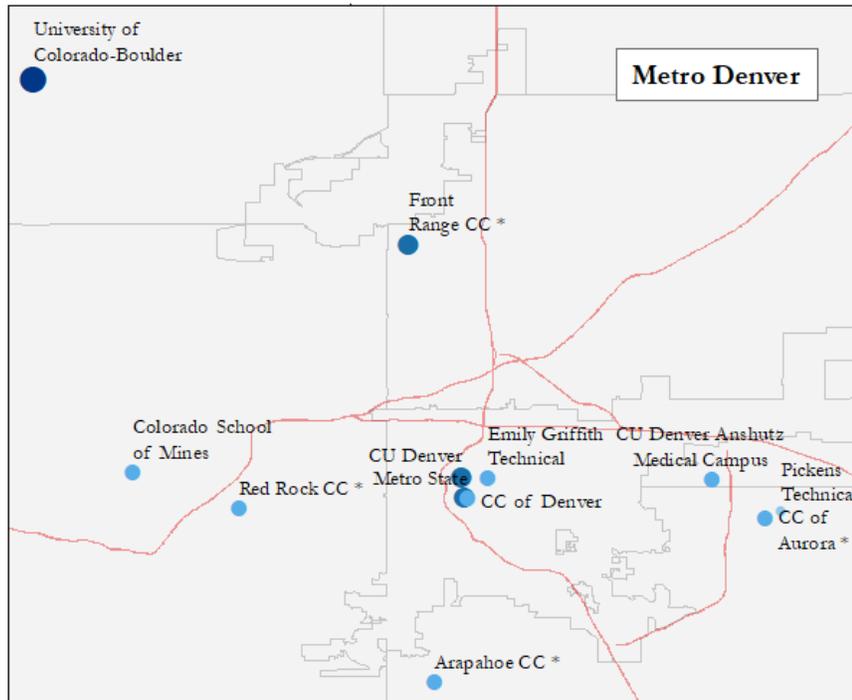
Colorado Public Higher Education Institutions



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.



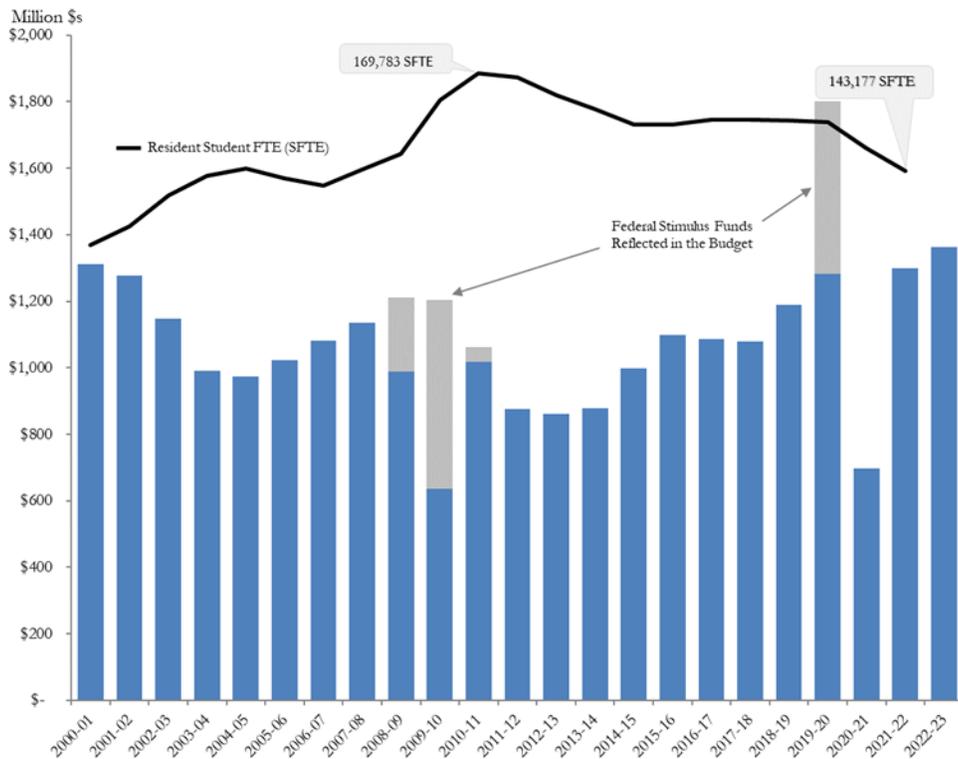
Source: Joint Budget Committee Staff

IMPACT OF THE STATEWIDE BUDGET OUTLOOK

The state has historically subsidized higher education at state institutions based on the public benefits of providing educational access to all citizens and promoting a more educated population. While there are many potential benefits to supporting higher education, there are no statutes, constitutional provisions, or federal guidelines requiring specific amounts of state funding per student. As a result, this is one of the budget areas most affected by the availability of state funds.

The chart below shows how statewide General Fund support for higher education has declined during economic downturns and rebounded under stronger economic conditions. General Fund appropriations for higher education were cut sharply in FY 2020-21 in response to the COVID-19 pandemic and resulting declines in available state revenue, but federal funds allocated by the Governor assisted the public higher education system in addressing the disaster emergency. For FY 2021-22, the General Assembly restored the FY 2020-21 General Fund cut and increased funding above the FY 2019-20 level. After further increases in FY 2022-23, the Department's \$1.36 billion General Fund appropriation is now 18.4 percent above its FY 2019-20 General Fund appropriation.

DEPARTMENT OF HIGHER EDUCATION STATE GENERAL FUND
APPROPRIATIONS IN CONSTANT DOLLARS AND RESIDENT STUDENT FTE



Note: Includes federal American Recovery and Reinvestment Act and Coronavirus Relief Fund money shown in the budget for informational purposes.

The majority of the higher education budget is allocated directly to the public higher education institutions. The table below shows the General Fund allocated in FY 2021-22 and FY 2022-23.³

HIGHER EDUCATION GENERAL FUND APPROPRIATIONS FY 2021-22 AND FY 2022-23 ¹				
	FY 2021-22	FY 2022-23	CHANGE	PERCENTAGE CHANGE
Adams State University	\$19,067,430	\$21,074,471	\$2,007,041	10.5%
Colorado Mesa University	35,977,002	40,508,534	4,531,532	12.6%
Metropolitan State University	72,489,051	82,862,655	10,373,604	14.3%
Western Colorado University	16,694,441	18,385,398	1,690,957	10.1%
Colorado State University System	184,714,063	203,776,559	19,062,496	10.3%
Fort Lewis College	15,375,659	17,176,407	1,800,748	11.7%
University of Colorado System ²	253,293,150	279,345,564	26,052,414	10.3%
Colorado School of Mines	27,577,460	30,209,496	2,632,036	9.5%
University of Northern Colorado	51,724,570	57,049,728	5,325,158	10.3%
Community College System	214,474,605	242,393,515	27,918,910	13.0%
Colorado Mountain College	9,668,008	10,831,151	1,163,143	12.0%
Aims Community College	11,483,011	12,787,311	1,304,300	11.4%
Area Technical Colleges	14,989,723	18,392,334	3,402,611	22.7%
Subtotal-Governing Boards/Institutions	\$927,528,173	\$1,034,793,123	\$107,264,950	11.6%
Financial Aid	235,593,061	266,038,203	30,445,142	12.9%
Lease Purchase Payments/Capital-related for Higher Education Buildings	26,918,926	28,627,184	1,708,258	6.3%
History Colorado	6,676,959	6,722,085	45,126	0.7%
Other	23,602,421	26,423,759	2,821,338	12.0%
TOTAL	\$1,220,319,540	\$1,362,604,354	\$142,284,814	11.7%

¹Includes College Opportunity Fund stipends and fee-for-service contracts reappropriated to state governing boards, grants to local district colleges and area technical colleges, and all other appropriations in enacted bills.

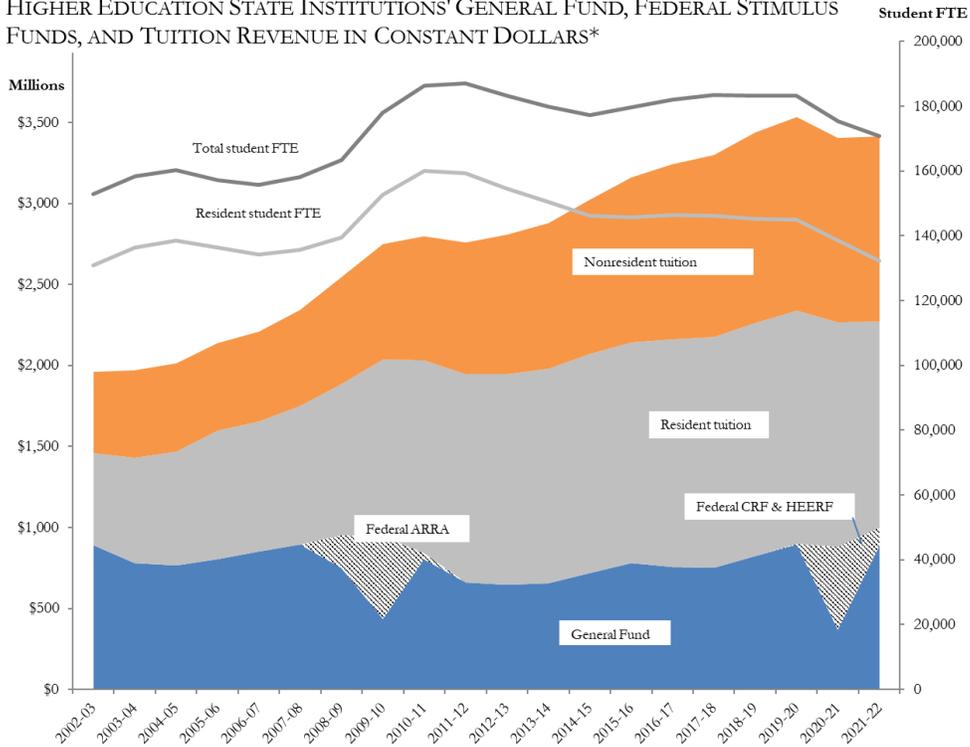
² Includes temporary reductions in FY 2021-22 and FY 2022-23 related to increased federal Medicaid payments for University of Colorado Health Sciences Center medical services.

INSTITUTIONAL REVENUE AND REVENUE PER STUDENT FTE

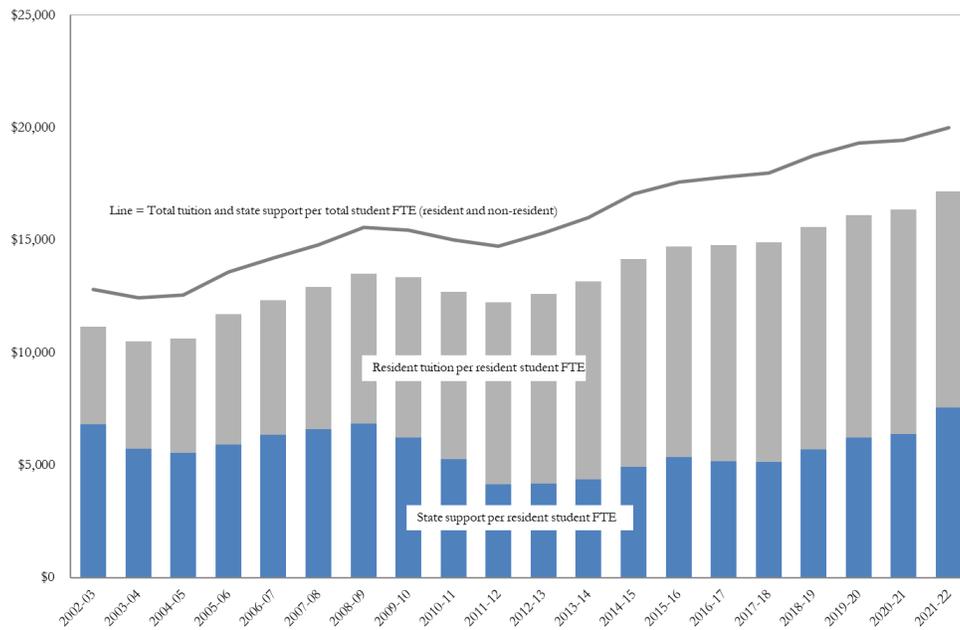
Colorado and other states have historically addressed state budget constraints by increasing the share of higher education costs borne by individuals and families. The charts below illustrate how tuition, including nonresident tuition, as well as federal funds, have augmented General Fund revenues for the higher education institutions over time. The first chart shows total funding, while the second shows funding on a per-student basis.

³ In addition to the General Fund support shown, in FY 2021-22, the General Assembly also appropriated \$61.5 million for higher education from one-time federal Coronavirus Fiscal Recovery Funds deposited into the Workers, Employers and Workforce Centers Cash Fund.

HIGHER EDUCATION STATE INSTITUTIONS' GENERAL FUND, FEDERAL STIMULUS FUNDS, AND TUITION REVENUE IN CONSTANT DOLLARS*



HIGHER EDUCATION STATE INSTITUTIONS' GENERAL FUND, FEDERAL STIMULUS FUNDS, AND TUITION PER STUDENT FTE IN CONSTANT DOLLARS*



*Notes: Charts include revenue and student FTE reported by the ten state governing boards. Amounts shown include federal American Recovery and Reinvestment Act Funds (FY 2007-08 to FY 2010-11), federal Coronavirus Relief Funds (FY 2019-20 and FY 2020-21), and federal Higher Education Emergency Relief Funds that institutions reported spending for educational activities in FY 2020-21 and FY 2021-22.

As shown:

- Total revenue to the state institutions from tuition and government sources combined has generally remained on an upward trajectory, but fell in real (constant) dollars between FY 2010-11 and FY 2011-12 and again between FY 2019-20 and FY 2020-21.
- Based on the combination of revenue and enrollment trends, revenue per student FTE has increased steadily since FY 2011-12.

Some key drivers behind statewide institutional revenue trends include the following.

Government support: As noted previously, state funding for higher education has typically been reduced in recessions, when state revenue is scarce. The federal government has historically helped fill the gap, but the amount of federal support is variable. In the case of the Great Recession, it was not sufficient to fully compensate for state funding declines after FY 2010-11. Similarly, it was not sufficient to fully compensate for declines in state funding and tuition revenue in FY 2020-21. As a result total revenue declined.

Enrollment: Historically, youth and adults have returned for additional training when jobs are scarce, driving higher education enrollment and tuition revenue up during recessions. The coronavirus pandemic was different. Enrollment fell in response to the pandemic and related lockdowns. However, employment recovered quickly, and many people entered or returned to the workforce rather than pursuing education. Enrollment has not fully rebounded post-pandemic, and this has affected tuition revenue.

Revenue per Student FTE: Despite periodic decreases in total revenue, revenue per student FTE has been increasing for the last decade for reasons that include the following:

- **Where students attend college.** Ongoing increases in the share of resident students who attend expensive research institutions rather than less expensive institutions such as community colleges drives increases in the *average* cost per student statewide.
- **Increases in nonresident enrollment.** Nonresident students are concentrated in a small number of research institutions, but contribute a disproportionate share of the revenue at these institutions. The share of revenue from nonresidents has increased over time and is an important driver in overall revenue per student FTE statewide.
- **Tuition rate increases to stabilize revenue, combined with declining enrollment.** Less expensive institutions, such as community colleges, have generally maintained flat revenue, based on increasing tuition rates as well as state support. Since their enrollment has declined, revenue per FTE has increased even at these institutions.

With 31 different public institutions, there is considerable variation in enrollment, tuition rates, revenue, and cost-drivers. Some of these differences are explored further below.

TUITION AND FEES

Tuition and fee rates have a significant impact on public access to higher education: high rates may discourage participation or may result in high debt loads for those who do participate. Nonetheless,

Colorado and other states have often used tuition increases to substitute for higher education General Fund support due to the multiple demands on state General Fund revenue.

National data from the State Higher Education Officers on average tuition and fees by state and the Hanover study completed by the Department indicate that many (though not all) Colorado public institutions have tuition and fee rates that exceed those of their peers nationwide, after adjusting for grant aid.⁴ From an institutional operations perspective, this compensates for the low levels of state support provided in Colorado compared to other states.

The General Assembly has provided more flexibility for institutions to increase tuition revenue in times of state General Fund cuts and has restricted tuition growth when more state revenue is available for higher education.

- Prior to FY 2011-12, the General Assembly appropriated tuition revenue to the institutions and set forth its assumptions about tuition increases in a Long Bill footnote.
- For the five-year period from FY 2011-12 through FY 2015-16, the General Assembly delegated tuition-setting authority to the higher education governing boards within specified statutory limits. From FY 2011-12 through FY 2013-14, governing boards could increase resident undergraduate tuition rates up to 9.0 percent per year, and could submit a plan to ensure access and affordable tuition for low- and middle-income students to the Commission for permission to implement larger rate increases. In FY 2014-15 and FY 2015-16, the General Assembly paired increases in state funding with a 6.0 percent "hard" cap on undergraduate resident tuition increases.
- Beginning in FY 2016-17, the General Assembly again began to appropriate tuition and set limits on tuition through the Long Bill for all institutions except the Colorado School of Mines.⁵ The tuition increases used to derive the total spending authority for each governing board are detailed in a footnote to the Long Bill.⁶ The General Assembly typically imposes higher or lower limits on resident undergraduate tuition increases based on the General Fund appropriations authorized for the year. Specific limits may differ by institution.
- For FY 2020-21 and FY 2021-22, Long Bill footnotes and tuition spending authority restricted resident undergraduate tuition to an increase of 3.0 percent at most institutions. For FY 2022-23, resident undergraduate increases were generally restricted to 2.0 percent. Actual increases adopted by the governing boards are reflected in the table below.

RESIDENT UNDERGRADUATE TUITION INCREASES AT STATE BOARDS				
	FY 2020-21	FY 2021-22	FY 2022-23	NOTES
Max Allowed (Most Institutions*)	3.0%	3.0%	2.0%	*Footnotes identify exceptions
Actual Increases:				
Adams State University	2.1%	2.0%	2.0%	
Colorado Mesa University	0.0%	3.0%	3.0%	CMU is in violation of the FY 2022-23 Long Bill footnote for students on the main campus.

⁴ See the State Higher Education Finance Report, 2021, <https://shf.shceo.org/> and Memo on Hanover Resource Analysis Project, November 2020, https://cdhe.colorado.gov/sites/highered/files/documents/2020-11-09%20Hanover%20Memo%20Findings%20to%20IHEs_revenue%20only_final.pdf

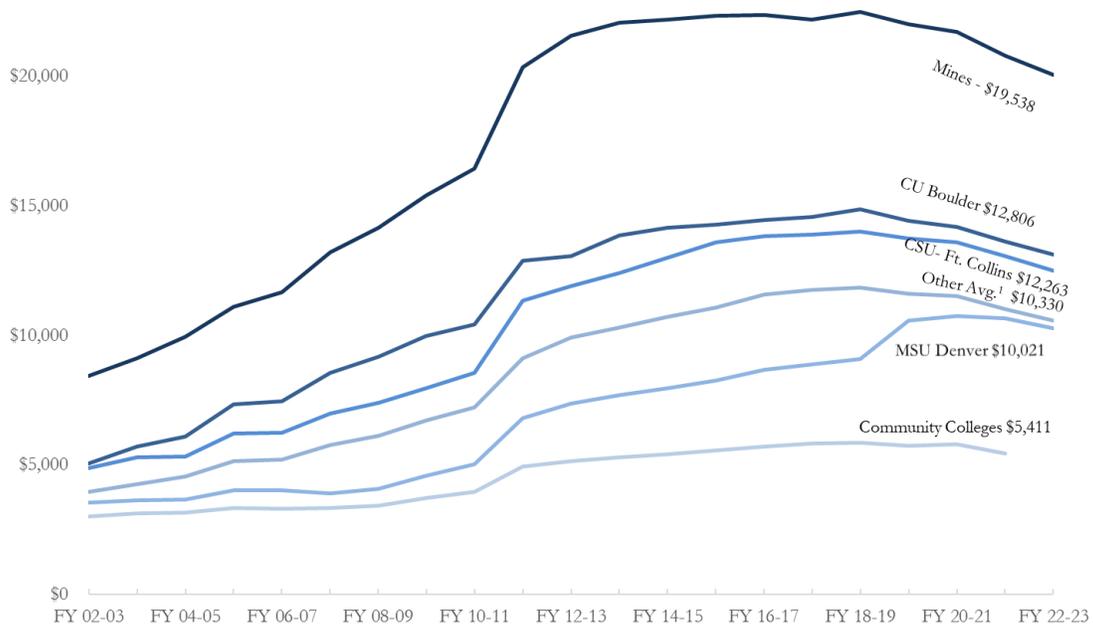
⁵ Sections 23-1-104 (1)(b) and 23-41-104.6 (5)(c)(I)(A), C.R.S.

⁶ Section 23-18-202 (3)(b)(I), C.R.S.

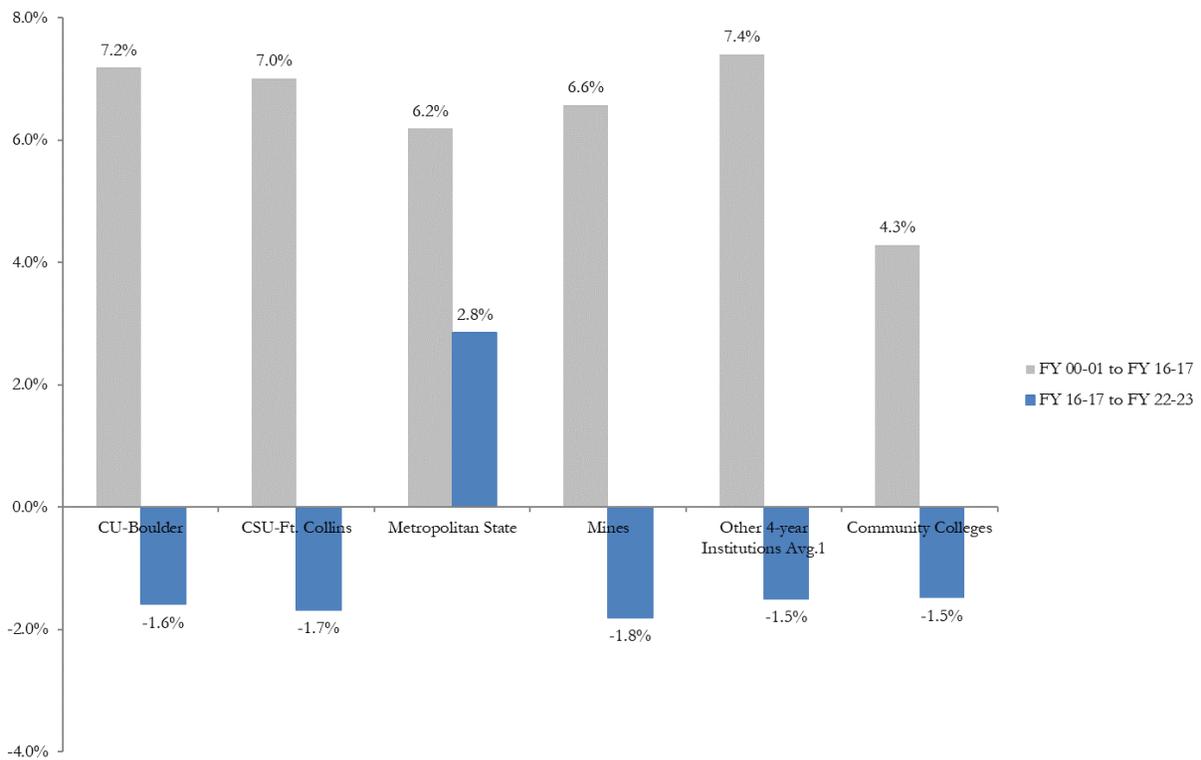
RESIDENT UNDERGRADUATE TUITION INCREASES AT STATE BOARDS				
	FY 2020-21	FY 2021-22	FY 2022-23	NOTES
Metropolitan State University	3.0%	11.1%	2.0%	MSU violated the footnote in FY 2021-22 for students attending more than 12 credit hours. As a result, the G.A. reduced its GF funding for the year by \$50,000.
Western Colorado University	2.9%	0.0%	1.8%	
Colorado State University System	0.0%	3.0%	2.0%	
Fort Lewis College	0.0%	0.0%	2.0%	
University of Colorado System	0.0%	3.0%	2.0%-4.3% (but up to 32.2% for some students)	CU had a FY 23 footnote that allowed for larger increases for new students at CU Boulder of up to 4.3% (continuing students are guaranteed the same tuition for 4 years). This footnote also included a provision that allowed them to move students in some tuition tiers to higher tiers (such as moving natural science costs up to the cost of engineering). UCCS and UCD were authorized to fold some existing fees into tuition.
Colorado School of Mines	0.0%	3.1%	2.1%	Not restricted, per statute
University of Northern Colorado	0.0%	7.0%	2.0%	
Community College System	3.0%	0.0%	2.0%	

Tuition rates are affected by the General Assembly's decisions but also reflect institutions' assessments of what the market will bear. The chart below shows the rapid growth in tuition and mandatory fee rates through FY 2016-17 for full-time (30 credit hour) resident undergraduate students with the lowest rates: those taking liberal arts and sciences courses. As reflected in the chart below, most of the state's institutions' posted tuition and fees for liberal arts students are now lower than they were in FY 2016-17, after adjusting for inflation. However, the cost for the least expensive 4-year institution, the Metropolitan State University of Denver, has been on a steep upward trajectory.

COLORADO RESIDENT ANNUAL TUITION AND MANDATORY FEES
(FULL-TIME FRESHMAN/SOPHMORE LIBERAL ARTS)
IN CONSTANT FY 2022-23 DOLLARS
\$25,000



AVERAGE ANNUAL GROWTH IN PUBLISHED TUITION AND FEES FOR COLORADO RESIDENTS (FULL-TIME FRESHMAN/SOPHOMORE LIBERAL ARTS) AFTER ADJUSTING FOR INFLATION

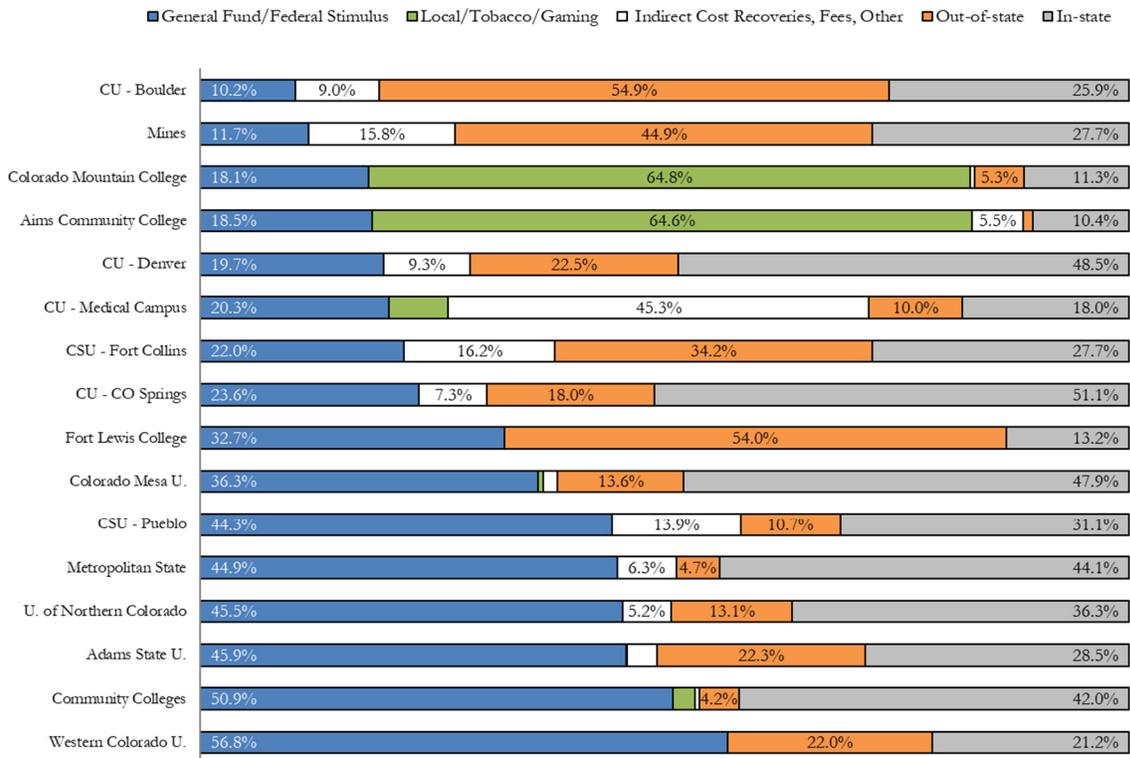


¹CSU-Pueblo, Fort Lewis College, University of Northern Colorado, Adams State University, Colorado Mesa University, Western Colorado University, University of Colorado-Colorado Springs, University of Colorado-Denver

SOURCES OF FUNDS

Institutions have different abilities to bring in out-of-state student tuition revenue or to raise tuition above that of other institutions based upon their individual missions and the populations they serve. The chart below compares the revenue mix at various state institutions for educational expenditures reported to the General Assembly in FY 2021-22. This excludes revenue and expenditures for research grants and auxiliary facilities such as dormitories and dining halls.

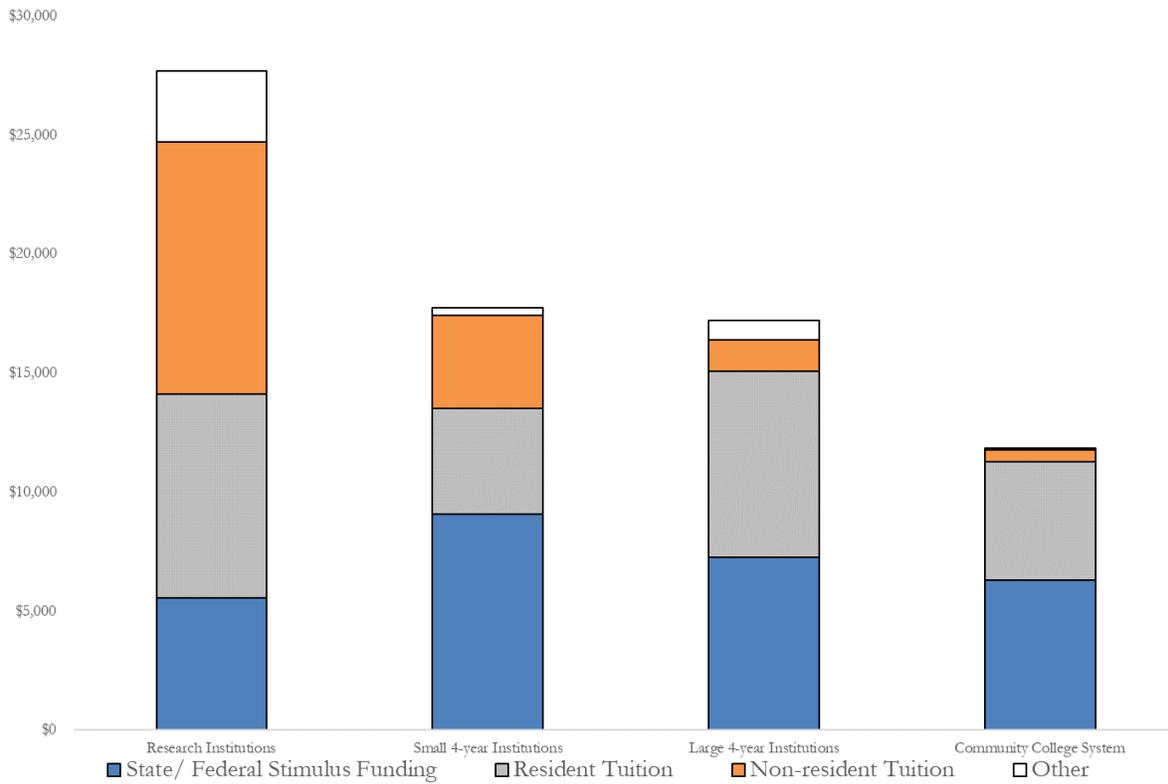
PROPORTION OF FUNDING FROM THE STATE VERSUS STUDENTS FY 21-22



Note: The majority of Fort Lewis College out-of-state tuition revenue originates as state General Fund, due to the Native American Tuition Waiver. Amounts shown as General Fund/federal stimulus include state General Fund, federal Coronavirus Relief Funds (CRF) and a portion of federal Higher Education Economic Relief Funds (HEERF) used for "education and general" activities. Please note also that an earlier version of this chart, included when the document was first published, reflected FY 2020-21, rather than FY 2021-22 data.

An institution's ability to access resources in addition to state General Fund and resident tuition revenue also has a large impact on the *total* educational revenue available to the institution per student. The following chart groups several types of governing boards into categories to highlight these differences in resources.

REVENUE PER STUDENT FTE BY FUNDING SOURCE FY 2021-22



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

ENROLLMENT

Enrollment is both a workload and performance measure for campuses, and it affects tuition and fee revenue, as well as state support. For some institutions, nonresident enrollment is important because nonresident tuition helps subsidize resident education. Increases in enrollment also drive costs for faculty, advising, and general operating. Enrollment has historically been counter-cyclical: when the economy slows, higher education enrollment usually grows more rapidly. This affects most institutions to some extent but is particularly notable for the community college system. See the briefing issue on Higher Education enrollment for longitudinal charts.

PERSONNEL

Higher education governing boards are allowed by statute to determine the number of employees they need, but the Long Bill reflects estimates provided by the governing boards of the numbers of employees at their institutions. In FY 2021-22, the state institutions, including the Auraria Higher Education Center, employed 25,444.1 FTE, excluding employees of self-supporting auxiliary programs such as food services, bookstores, or housing. Higher education remains the largest employer of state FTE by a wide margin. Figures on the number of employees working at state higher education institutions in auxiliary enterprises is not routinely collected by the State. However, federal Bureau of Labor Statistics data that captures state government higher educational services

employment in Colorado reported 79,000 employees in the sector in CY 2019. That figure fell to 70,000 during CY 2021, during the pandemic, though it has been rebounding.

Of the amount state-operated institutions spend on education, approximately two-thirds is spent on salaries and benefits, and most of this is spent on instructional faculty. Some higher education FTE such as administrative support, and maintenance staff, are classified staff for whom salaries and benefits are defined by the state personnel system and the policies of the General Assembly. However, the majority of FTE and personal services expenditures are for exempt staff such as faculty for whom governing boards have control of compensation.

Increases in benefit costs have been a consistent cost driver at state institutions. Staff salary trends, however, have varied by institution in response to a range of internal and external factors.

- Four-year institutions that employ tenure-track faculty in high-demand fields have typically felt the need to offer compensation to professors competitive with peer institutions in other states and, in some cases, the private sector. Community colleges may also have difficulty finding individuals with technical expertise in fields such as nursing where pay is competitive. However, salary pressure is not consistent across all academic fields. At two-year institutions, the vast majority of staff are adjunct faculty who carry part-time teaching loads and receive modest compensation.
- During previous recessions when institutions faced enrollment increases and state funding cuts, both 4-year and 2-year institutions increased the number of lower-paid, often part-time staff, thus reducing average compensation costs.
- In years when the economy has been stronger and state funding has increased, institutions have faced pressure from their employees to improve compensation and have often done so.
- In response to the COVID-19 pandemic, many institutions contained costs by imposing furloughs on both faculty and staff.

FINANCIAL AID

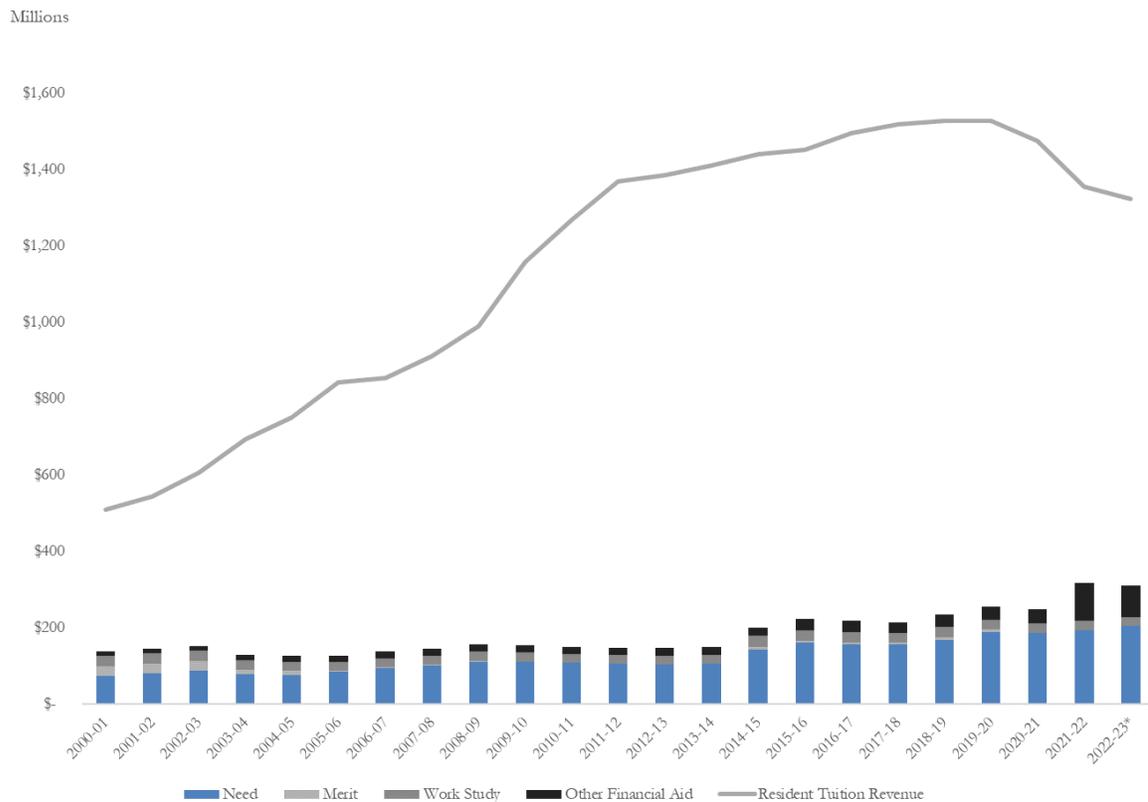
Of state General Fund appropriations for higher education in FY 2022-23, \$266.0 million or 19.5 percent is for financial aid. While Colorado provides less funding than most states for higher education overall, it provides more than most for financial aid. Most Colorado state financial aid is for need-based 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.

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. A total of 53,443 students received a state-supported need-based grant in FY

2021-22, and the average award was \$3,183. A total of 7,057 students received Colorado work study funding, and the average award was \$3,096.

Section 23-3.3-103, C.R.S., requires that most state-funded financial aid increase at no less than the increase for the governing boards, and 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. 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 2021-22 this figure was 23.1 percent. In FY 2020-21, this figure was 16.8 percent. However, in both FY 2021-22 and FY 2022-23, the General Assembly used federal funds to provide significant one-time financial aid, at the same time enrollment and resident tuition revenue declined.

PUBLIC INSTITUTION RESIDENT TUITION REVENUE V. STATE FINANCIAL AID APPROPRIATIONS (CONSTANT FY 2022-23 DOLLARS)



*Tuition revenue reflects Long Bill estimate.

INSTITUTIONAL FINANCIAL HEALTH

As state institutions become more dependent upon tuition revenue, their survival has become more dependent upon their performance as businesses. While the governing boards have considerable operating autonomy and independent responsibility for their financial well-being, they are components of state government, employ large numbers of state staff, and play a critical role in the state economy.

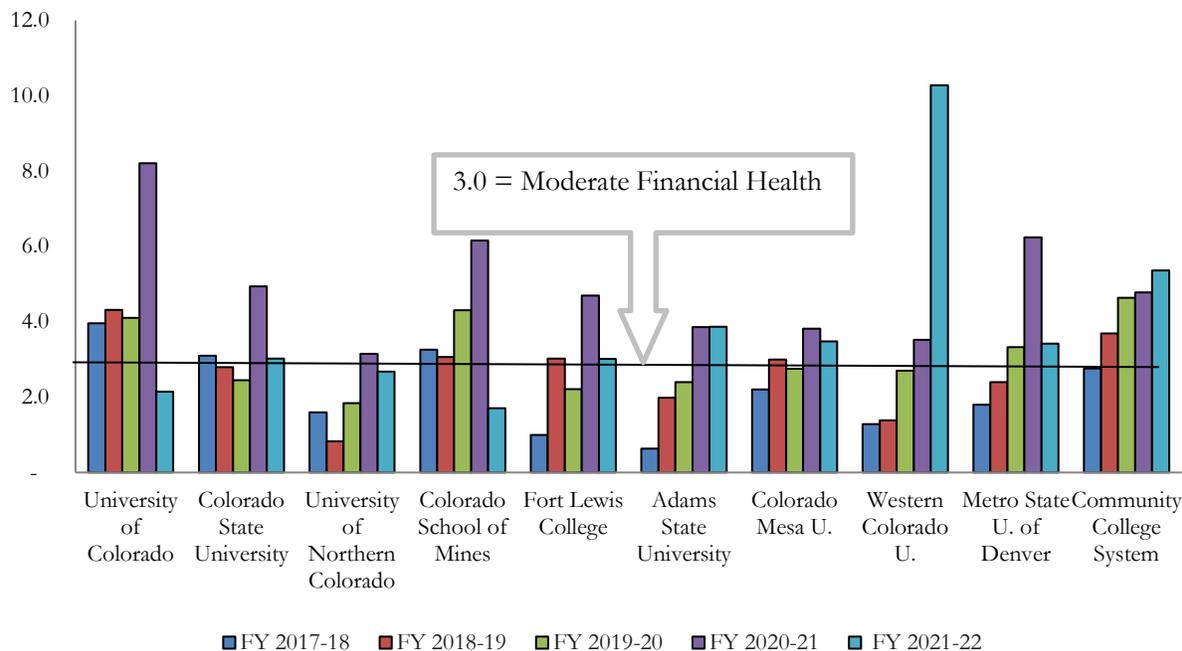
Thus, the General Assembly has an active interest in how well or poorly the institutions are performing financially.

In addition, the State provides a financial backstop for bonds issued by most of the state institutions. For bonds issued under the higher education revenue bond intercept program (Section 23-5-139, C.R.S.), loan rates are based on the state's credit rating rather than the institution's, and the State agrees to make bond payments if the institution is unable to do so. Under statutory provisions amended in S.B. 16-204 (Higher Education Revenue Bond Intercept), the Capital Development Committee and Joint Budget Committee must approve requests that increase a governing board's debt under the program.

COMPOSITE FINANCIAL INDEX: JBC Staff has been collecting data from the state governing boards for a tool known as the “composite financial index” (CFI) since FY 2011-12. This tool combines several financial ratios to provide an indication of the overall financial health of higher education institutions. The ratio, though an imperfect tool, is used at the federal level and is the only metric of higher education institutional financial health that is in wide use nationally. (See appendix for how the CFI is constructed.)

As shown in the chart below, most institutions were in an extraordinarily strong financial position at the end of FY 2020-21 as reflected by the CFI, due primarily to the impact of one-time federal Higher Education Emergency Relief (HEERF) funds on their budgets, as well as other factors such as strong investment returns. By the end of FY 2021-22 this funding had been expended by most institutions, leaving them in a more typical and challenging financial situation. One exception was Western Colorado University which realized the receipt of an \$80 million engineering building and other donations from philanthropist Paul Rady. Some institutions that are typically stronger performers—the Colorado School of Mines and the University of Colorado—reflected sharper declines in financial position than JBC staff anticipated. This may largely reflect stock market returns that affected both institutions' net assets and non-operating revenues. However, neither institution had responded to JBC Staff questions about this when this document went to print.

COMPOSITE FINANCIAL INDEX SCORES FOR HIGHER EDUCATION
GOVERNING BOARDS FY 2017-18 TO FY 2021-22



CREDIT RATINGS AND TREASURER REPORT: As part of S.B. 16-204, the Treasurer is required to provide an annual report on higher education institutions’ borrowing a debt profiles. The report notes that during the 2022 legislative session, the General Assembly enacted S.B. 22-121, which now permits all of the public higher education boards to pledge up to 100% of their tuition revenue to bond holders. As also reflected in the report, all of the institutions now have at least an “A” rating from ratings agencies. This includes Western Colorado University, which recently moved up from a “B” category. Moody’s ratings shown go from a high of Aa1 (the CU System) to a low of A3 (UNC, Western, Adams, Fort Lewis College).⁷

Changes in S.B. 22-121 were expected to reduce the institutions’ borrowing costs by providing more pledged revenue. The changes may also allow for additional institutional indebtedness, which could present risks to the State. Among other factors, the expanded pledge allowed greatly increases the pledged revenue to debt service ratios that serve as one of the statutory limits on the amounts institutions may borrow. Based on data provided by the Treasurer’s Office, **state institutions have outstanding principal and interest obligations of \$5.8 billion. This includes \$2.0 billion in obligations issued under the higher education revenue bond intercept program, which are issued based on the State’s Aa2 rating, rather than the underlying bond rating of the institution.**

⁷ <https://treasury.colorado.gov/sites/treasury/files/State%20of%20Colorado%20-%20Higher%20Education%20Annual%20Report%20North%20Slope%20Proposal%20-%202017-5-2022vFINAL.pdf>

While all institutions now have reasonably strong credit ratings, many have obligations that exceed their annual revenue, and annual payments due for some of the smaller institutions require a substantial portion of their annual receipts.

DEBT PROFILE AND CREDIT RATINGS					
	CREDIT RATING MOODY'S	TOTAL OUTSTANDING PRINCIPAL AND INTEREST (OBLIGATIONS)	PERCENT INTERCEPT DEBT (STATE-BACKED)*	TOTAL OBLIGATIONS/TOTAL ANNUAL REVENUE	ANNUAL PAYMENT/TOTAL ANNUAL REVENUE
U. of CO System	Aa1 (stable)	\$2,433,349,148	None	47.2%	2.8%
CO State U System	Aa3 (stable)	1,898,391,743	54.6%	118.0%	3.6%
U. Northern CO	A3 (stable)	177,466,730	95.7%	76.4%	4.4%
CO School of Mines	A1 (stable)	390,584,473	37.1%	108.8%	5.1%
Fort Lewis College	A3 (stable)	61,658,308	74.1%	63.5%	4.4%
Adams State University	A3 (stable)	83,184,753	95.5%	139.7%	5.0%
Colorado Mesa U	A2 (stable)	295,880,727	93.3%	148.4%	7.1%
Western CO U	A3 (stable)	125,410,097	96.1%	150.8%	8.7%
Metro State U	A1 (stable)	182,797,709	62.5%	57.0%	3.0%
Community College System	Aa3 (stable)	125,737,169	26.0%	14.5%	0.9%

*The University of Colorado does not use the intercept program, as its Aa1 rating is higher than the State's Aa2 rating.

Sources: Colorado Treasurer's 7th Annual Report on State Institutions of Higher Education (debt profile information) combined with annual revenue information provided by institutions as part of the Composite Financial Index calculation (adjusted to exclude the impact of pension and similar obligations).

APPENDIX – COMPOSITE FINANCIAL INDEX METHODOLOGY

The method used follows the approach outlined in *Strategic Financial Analysis for Higher Education (Seventh Edition)* by KPMG, Praeger, Sealy and Co., KPMG, and Attain, 2010 now in its seventh edition, which includes the same calculations. The ratios and composite financial index outlined in this report are used by many higher education institutions, as well as accrediting bodies, to assess institutions’ fiscal health.

In this approach, four key ratios are used to measure the public institution’s financial resources, debt, and financial performance. These are outlined in the table below. The ratios incorporate the performance of institutions’ foundations, as well as the institutions themselves.

RATIO NAME	WHAT IT MEASURES	CALCULATION	AS DESCRIBED IN <i>STRATEGIC FINANCIAL ANALYSIS FOR HIGHER EDUCATION, SIXTH EDITION</i>
Primary Reserve Ratio	Resource Sufficiency	expendable assets/ annual expenses	“Expendable net assets represent those assets that the institution can access relatively quickly and spend to satisfy its debt obligations. This ratio provides a snapshot of financial strength and flexibility by indicating <i>how long the institution could function using its expendable reserves</i> without relying on additional net assets generated by operations.” (p. 56)
Viability Ratio	Debt Management	expendable assets/ debt	“The Viability Ratio measures one of the most basic determinants of clear financial health: the <i>availability of expendable net assets to cover debt</i> should the institution need to settle its obligations as of the balance sheet date.” (p. 63)
Return on Assets Ratio	Net Asset Performance	change in net assets/ total net assets	“This ratio determines <i>whether the institution is financially better off than in previous years</i> by measuring total economic return. This ratio furnishes a broad measure of the change in an institution’s total wealth over a single year and is based on the level and change in total net assets, regardless of asset classification.” (p. 73)
Net Operating Revenues Ratio	Operating Results	Net income or loss/ total annual revenues	“This ratio is a primary indicator, explaining how the surplus from operating activities affects the behavior of the other three core ratios. <i>A large surplus or deficit directly impacts the amount of funds an institution adds to or subtracts from net assets...</i> ” (p. 84)

To arrive at the CFI, each of the four ratios is converted to a strength factor along a common scale. Then, each of the strength factors is weighted to provide a total index score. Note that the CFI weighs resource sufficiency and debt management more heavily than operating results.

	Conversion to common scale "strength factors" (divide raw ratio by value below)	Weight factors for CFI (weights allocated to each scaled value to produce the composite CFI)
Resource Sufficiency: Primary Reserve Ratio	0.133	35.0%
Debt Management: Viability Ratio	0.417	35.0%
Asset Performance: Return on Net Assets Ratio	0.020	20.0%
Operating Results: Net Operating Revenues Ratio	0.013	10.0%

Strength factors and the CFI are numbers are on a 10 point scale, described as follows:

1.0 = very little financial health

3.0 = the “threshold value”, a relatively stronger position

10.0 = the top score within range for an institution

The CFI calculations were developed before GASB 68 and 75, which requires pension liabilities be reflected on institutional financial statements. As a result, since FY 2014-15 staff relied on figures provided by the higher education institutions for CFI figures. Figures provided by the institutions include adjustments that show ratios as though without the GASB adjustments.

SUMMARY: FY 2022-23 APPROPRIATION & FY 2023-24 REQUEST

DEPARTMENT OF HIGHER EDUCATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
FY 2022-23 APPROPRIATION:						
FY 2022-23 Long Bill	5,391,847,404	1,346,465,080	2,938,660,565	1,080,866,631	25,855,128	26,474.1
Other legislation	122,066,176	16,139,274	104,327,492	1,604,718	(5,308)	15.1
TOTAL	\$5,513,913,580	\$1,362,604,354	\$3,042,988,057	\$1,082,471,349	\$25,849,820	26,489.2
FY 2023-24 REQUESTED APPROPRIATION:						
FY 2022-23 Appropriation	\$5,513,913,580	1,362,604,354	\$3,042,988,057	\$1,082,471,349	\$25,849,820	26,489.2
R1 State funding increase for higher education	152,990,043	85,990,045	0	66,999,998	0	0.0
R2 Tuition spending authority	112,663,268	0	112,663,268	0	0	0.0
R3 Fort Lewis Native American tuition waiver	(2,608,020)	(2,608,020)	0	0	0	0.0
R4 Increase support for cannabis research at ICR	1,139,828	0	1,139,828	0	0	0.9
HC1 History Colorado strategic initiatives	1,500,000	0	1,500,000	0	0	0.0
T1 WICHE dues	5,000	0	0	5,000	0	0.0
T2 Auraria Higher Education Center	100,000	0	0	100,000	0	0.0
T3 Depreciation Lease Equivalent	3,578,050	3,578,050	0	0	0	0.0
T4 Colorado Geological Survey	31,727	31,727	0	0	0	0.0
T5, T6 Lease purchase payment adjustments	(204,893)	6,754,346	(6,760,176)	(199,063)	0	0.0
NP OIT budget request package	32,215	0	18,076	14,139	0	0.0
NP DPA COE common policy	3,541	0	2,735	806	0	0.0
Centrally appropriated line items	1,898,910	287,392	672,281	237,046	702,191	0.0
Annualize prior year budget actions	0	0	0	0	0	0.0
Annualize prior year legislation	(114,882,833)	(11,339,815)	(103,543,018)	0	0	(5.4)
TOTAL	\$5,670,160,416	\$1,445,298,079	\$3,048,681,051	\$1,149,629,275	\$26,552,011	26,484.7
INCREASE/(DECREASE)	\$156,246,836	\$82,693,725	\$5,692,994	\$67,157,926	\$702,191	(4.5)
Percentage Change	2.8%	6.1%	0.2%	6.2%	2.7%	(0.0%)

R1 STATE FUNDING INCREASE FOR HIGHER EDUCATION: The request includes an increase of \$85,990,665 General Fund for public higher education institutions and financial aid. This includes an increase of \$69,850,373 General Fund (6.8 percent) for the public institutions of higher education, including \$66,999,999 for stipends and fee-for-service contracts reappropriated to the ten state governing boards and \$2,850,374 for grants to local district colleges and area technical colleges. Consistent with statutory requirements for aligned funding increases, it also includes a total of \$16,027,824 for financial aid, including \$12,527,824 General Fund for Need Based Grants, \$3,000,000 for the Colorado Opportunity Scholarship Initiative, and \$500,000 for Veterans'/Law Enforcement/POW tuition assistance, as well as \$111,848 to increase stipends for students attending private institutions.

Funding for the institutions is allocated using the new funding formula established by H.B. 20-1366. The request uses the Performance and Ongoing Additional Funding sections of the model, consistent

with the General Assembly's actions in FY 2022-23. The Performance component 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 of the request incorporates base funding for the state institutions plus 3.5 percent and is designed to provide a relatively stable funding base. The balance of the request (\$27.0 million) is distributed through the Ongoing Additional Funding section of the model, which provides a mechanism for providing more targeted increases consistent with higher education master plan and other policy goals. Using all model components, the request includes increases ranging from a low of 6.1 percent to a high of 8.7 percent by governing board from all components of the model. The local district colleges, and the area technical colleges receive the average increase of 6.8 percent.

The request incorporates increasing the College Opportunity Fund (COF) stipend from \$104 per credit hour to \$116 per credit hour or \$3,480 per year for a full time, full year (30 credit hour) student. The balance of increases would be covered through fee-for-service contracts with the institutions.

The request indicates that the portion of the request directed to the Colorado Opportunity Scholarship Initiative (\$3.0 million) reflects a proven practice.

R2 TUITION SPENDING AUTHORITY: The request is to limit resident undergraduate tuition increases to 4.0 percent. This takes into account institutions' reliance on tuition to sustain their operations, rising personnel costs, and a projected 8.3 percent inflation rate for Colorado in 2022. The request also assumes a 5.5 percent increase in nonresident tuition, although this does not reflect a limit. Based on these assumptions, the request includes an increase of \$112.7 million in cash funds spending authority for tuition revenue. JBC Staff anticipates that, consistent with statute and past practice, amounts in the FY 2023-24 Long Bill will be based on additional information about FY 2022-23 tuition revenue and FY 2023-24 enrollment estimates, as well as the final assumptions the Committee adopts about tuition rates. Tuition rate assumptions will be identified in Long Bill footnotes.

R3 FORT LEWIS NATIVE AMERICAN TUITION WAIVER: The request includes a decrease of \$2,608,020 General Fund (10.2 percent) for the Fort Lewis College Native American tuition waiver. This will bring total waiver payments to \$22,955,945 General Fund. 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. This figure is expected to be adjusted based on information received later in the fiscal year.

R4 INCREASE SUPPORT FOR CANNABIS RESEARCH AT ICR: The request includes an increase of \$1,139,829 from the Marijuana Tax Cash Fund for the Institute of Cannabis Research (ICR) for FY 2023-24 and ongoing. The request would increase the current \$2.8 million funding to a total of \$3,939,829 cash funds. The ICR was launched in 2016 at Colorado State University-Pueblo. Initially its activities were focused on research and education at CSU Pueblo and hosting an annual cannabis research conference. In 2019, the mission evolved to a pure research focus, engaging researchers throughout Colorado. The ICR's current grant funding model launched in 2021 and is based on the

process used by the National Institutes of Health for research funding. There is significant demand for this research funding, with approximately \$25 million in research requests submitted in response to the last two funding competitions. The request would add \$800,000 to support cannabis-related medical and clinical research, public health research, economic and policy research, and research into new cannabis applications. The request also includes \$236,208 to support a new senior researcher with background in analytical chemistry research, preclinical and clinical medical research and/or public health research (\$119,744), base research funding for this researcher (\$83,130), and grant writing support for both the new researcher and the ICR’s existing senior scientist.

HC1 HISTORY COLORADO STRATEGIC INITIATIVES: Senate Bill 22-216 (Reallocation of Limited Gaming Revenues) included a one-time transfer of \$3.0 million to History Colorado’s Strategic Initiatives Fund. The transfer was from limited gaming funds that would otherwise have gone to the General Fund. The Strategic Initiatives Fund was to be used “for programs and activities that strengthen the [historical] society's financial position and expand its impact on the people of the state.” History Colorado received spending authority for the first \$1,500,000 in FY 2022-23 and is requesting spending authority for the balance of money in the fund, an additional \$1,500,000, for FY 2023-24.

The table below summarizes History Colorado’s current and proposed use of the funds.

STRATEGIC INITIATIVES FUND				
TOTAL INVESTMENT	PROGRAM	FY 2022-23	FY2022-24	
\$500,000	Hands-On History Expansion – Expand K-8 fifth-school-day in school districts with 4 day weeks and shortages of childcare	\$160,000	\$340,000	
250,000	Museum of Memory – work with Colorado communities to co-author shared history	160,000	90,000	
70,000	Kids Free Admission at statewide museums – pilot to build capacity to make free admission permanent at History Colorado museums for youth under age 18	70,000	0	
250,000	Colorado History Comprehensive Curriculum – pilot in San Luis Valley to develop curriculum based on local history. Plan is to replicate statewide.	100,000	150,000	
300,000	Preservation access, traditionally marginalized communities – Few Colorado sites on National Register relate to traditionally marginalized communities. Investment would support labor, consultation, and research to add sites representative of these groups	200,000	100,000	
368,000	Affiliates Program – support history related programming by local organizations with tools, services, programs, exhibits; similar to Smithsonian Affiliates program	100,000	268,000	
300,000	A/V Upgrades for Accessible, Hybrid Events – equipment upgrades to enable hybrid meetings and programs in History Colorado museum spaces	300,000	0	
230,000	Licensing <i>What's Your Story?</i> This exhibit helps middle school students connect with the lives of significant Coloradans. To enable museums in other states to license it, Colorado will create a version with custom-built interactive technological components	155,000	75,000	
500,000	Marquee Exhibition – Funds blockbuster exhibitions, including marketing, to attract new patrons	100,000	400,000	
232,000	Section 106 Compliance to support Infrastructure Bill – Funds initial costs of employees needed for three years to provide required historic preservation reviews associated with new federal infrastructure grants and projects	155,000	77,000	
\$3,000,000		\$1,500,000	\$1,500,000	

T1 WICHE DUES: The request includes an increase for fees paid to the Western Interstate Commission on Higher Education, which provides research services and runs inter-state student exchange programs used by the department and public institutions of higher education.

T2 AURARIA HIGHER EDUCATION CENTER: The request increases spending authority for the Auraria Higher Education Center by \$100,000 for funds received from the institutions operating on the Auraria campus (University of Colorado – Denver, Metropolitan State University of Denver, and the Community College of Denver).

T3 DEPRECIATION LEASE EQUIVALENT ADJUSTMENT: The request includes a \$3,578,050 General Fund increase to the annual depreciation lease equivalent payment for higher education, bringing the total for higher education to \$10,984,897 General Fund. This mechanism for supporting capital construction is based on the depreciation of new construction and renovations funded by the General Assembly since FY 2015-16. Most of the appropriation is credited to the Capital Construction Fund, with 1.0 percent credited to the Controlled Maintenance Trust Fund.

T4 COLORADO GEOLOGICAL SURVEY: The request includes an increase of \$31,727 General Fund for a 1.4 percent inflationary increase on base severance tax and General Fund support for the Colorado Geological Survey.

T5, T6 LEASE PURCHASE PAYMENT ADJUSTMENTS: The request includes annual technical adjustments to lease purchase obligations appropriated in this department: the University of Colorado Health Sciences Center at Fitzsimons lease purchase authorized by H.B. 03-1256; and the Higher Education Federal Mineral Lease Revenues lease purchase that supported the construction of various higher education capital construction projects in 2008. The FY 2022-23 request does not include adjustments related to the lease purchase for the new History Colorado Center authorized in 2008.

NP OIT BUDGET REQUEST PACKAGE: The request includes the Department's share of the Governor's Office of Information Technology's budget package adjustments.

NP DPA COE COMMON POLICY: The request includes the Department's share of a request from the Department of Personnel (DPA) for additional funding for the Center for Organizational Effectiveness (COE).

CENTRALLY APPROPRIATED LINE ITEMS: The request includes adjustments to centrally appropriated line items including: salary survey; health, life, and dental; short-term disability; supplemental payments to the Public Employees Retirement Association (PERA); payments to the Governor's Office of Information Technology (OIT); workers' compensation; risk management and property adjustment; legal services; and CORE accounting system operations.

ANNUALIZE PRIOR YEAR BUDGET ACTIONS The request includes the net-zero FY 2023-24 impact of salary survey funds added in FY 2022-23. Salary survey is appropriated in single line item in the department administration section in the first year it is appropriated. The total is then built into personal services and program line items throughout the department in the second year.

ANNUALIZE PRIOR YEAR LEGISLATION The request includes a net reduction of \$114.9 million total funds, including \$11.3 million General Fund, to reflect the FY 2023-24 impact of bills passed in previous legislation sessions, summarized in the following table. Among other adjustments, this includes eliminating General Fund appropriations and cash funds originating as federal Coronavirus State Fiscal Recovery Funds that were appropriated on a one-time basis in FY 2022-23.

ANNUALIZE PRIOR YEAR LEGISLATION						
	TOTAL FUNDS	GENERAL FUND	CASH FUNDS	REAPPROPRIATED FUNDS	FEDERAL FUNDS	FTE
HB 22-1012 Wildfire risk mitigation and recovery	\$7,248	\$7,248	\$0	\$0	\$0	0.2
SB 22-011 America 250-Colorado 150	2,604	2,604	0	0	0	0.1
HB 22-1220 Removing barriers to educator preparation	(52,000,000)	0	(52,000,000)	0	0	(1.0)
SB 22-226 Programs to support healthcare workforce	(26,000,000)	0	(26,000,000)	0	0	0.0
SB 22-181 Behavioral healthcare workforce	(15,193,018)	0	(15,193,018)	0	0	(1.0)
HB 22-1323 State Forest Service tree nursery	(5,000,000)	(5,000,000)	0	0	0	0.0
SB 22-147 Behavioral healthcare services for children	(4,600,000)	0	(4,600,000)	0	0	0.0
HB 22-1349 Postsecondary student success data system	(3,000,000)	0	(3,000,000)	0	0	0.0
SB 22-192 Opportunities for credential attainment	(2,800,000)	(1,800,000)	(1,000,000)	0	0	0.0
HB 22-1393 Displaced Aurarian scholarship	(2,000,000)	(2,000,000)	0	0	0	0.0
SB 22-216 Gaming allocation	(1,500,000)	0	(1,500,000)	0	0	0.0
HB 22-1366 Improving students' postsecondary options	(1,000,000)	(1,000,000)	0	0	0	(2.0)
SB 22-007 Increase wildfire risk mitigation outreach	(800,000)	(800,000)	0	0	0	0.0
HB 22-1327 Native American boarding school research	(618,611)	(618,611)	0	0	0	(1.0)
HB 22-1302 Healthcare practice transformation	(250,000)	0	(250,000)	0	0	0.0
SB 22-182 Economic mobility program	(126,000)	(126,000)	0	0	0	0.0
SB 22-008 Higher education support for foster youth	(5,056)	(5,056)	0	0	0	0.3
TOTAL	(\$114,882,833)	(\$11,339,815)	(\$103,543,018)	\$0	\$0	(4.4)

REQUESTS R1 AND R2 - STATE SUPPORT FOR HIGHER EDUCATION AND TUITION SPENDING AUTHORITY

The FY 2023-24 higher education request includes a 6.8 percent increase in state support for the governing boards and aligned increases for financial aid. It also includes a proposed 4.0 percent cap on increases in resident undergraduate tuition.

SUMMARY

- The FY 2023-24 higher education request includes an average 6.8 percent increase in state support for the governing boards and financial aid.
- It also includes a proposed 4.0 percent cap on increases in resident undergraduate tuition.
- The request allocates funding through the H.B. 20-1366 funding model using model settings that are consistent with those used by the General Assembly for the FY 2022-23 Long Bill. This results in adjustments by governing board ranging from 6.1 to 8.7 percent.
- The financial aid portion of the request, which must increase in total at the same rate as funding for the governing boards, is allocated between three programs: Need Based Aid, the Colorado Opportunity Scholarship Initiative, and a scholarship program for dependents of deceased or permanently disabled law enforcement, first responders, and members of the national guard.

DISCUSSION

BACKGROUND –STRUCTURE OF THE HIGHER EDUCATION FUNDING REQUEST

Due to statutory provisions and historic practice, annual operating funding⁸ requests for public higher education typically include the following core components:

- A request for funding for the public governing boards which is allocated among the institutions based on a statutory funding model. The current funding model, created pursuant to H.B. 20-1366, is extremely flexible and gives the General Assembly discretion in dividing the funding pie based on institutional performance and policy considerations.
- An aligned increase for financial aid, because statute requires that financial aid increase at the same rate as funding for the institutions.
- A request for tuition spending authority that provides a mechanism by which the General Assembly can establish limits on tuition increases. The combination of General Fund and tuition supports most of the institutions' core educational operating expenses. Thus, the tuition authorized is typically related to the General Fund the General Assembly allocates. To-date, the General Assembly has only applied restrictions to tuition increases for Colorado resident undergraduate students.

In recent years, an official budget request submission from the Governor has sometimes been followed by an unofficial request from the higher education institutions, which have proposed more

⁸ Capital construction requests are addressed separately from the operating budget request, but higher education capital construction typically represents a large share of the overall capital construction budget.

funding and different distribution of funds, as well as less restrictive tuition caps. For the last two years, the JBC and General Assembly’s final action has differed from both the official and unofficial requests but has still incorporated the core components described above: governing board support allocated using the H.B. 20-1366 model, an aligned increase for financial aid, and an undergraduate resident tuition cap.

GOVERNOR'S REQUEST

REQUEST R1 (STATE OPERATING FUNDING FOR HIGHER EDUCATION): The request includes an increase of \$85,990,045 General Fund for public higher education institutions and financial aid. As summarized in the table below, the request provides an average increase of 6.8 percent for the public institutions of higher education, with variation by institution, and an aligned increase for financial aid and student stipends at private institutions.

TABLE 1: R1 INCREASE FOR PUBLIC HIGHER EDUCATION AND FINANCIAL AID

	BASE FUNDING FOR STUDENT STIPENDS, FEE-FOR-SERVICE CONTRACTS UNDER 23-18-303.5, SPECIALTY EDUCATION, AND GRANTS FOR LOCAL DISTRICT AND AREA TECHNICAL COLLEGES, AND ALIGNED FINANCIAL AID BASE (FY 22-23 APPROPRIATION+ annualizations) ¹	FY 22-23 REQUEST: STUDENT STIPENDS, FEE-FOR-SERVICE CONTRACTS UNDER 23-18-303.5, SPECIALTY EDUCATION, AND GRANTS FOR LOCAL DISTRICT AND AREA TECHNICAL COLLEGES, AND ALIGNED FINANCIAL AID	R1 INCREASE REQUESTED	PERCENTAGE INCREASE IN FUNDING
Adams State University	\$21,009,471	\$22,559,678	\$1,550,207	7.4%
Colorado Mesa University	40,143,534	43,056,212	2,912,678	7.3%
Metropolitan State University	82,497,655	89,654,071	7,156,416	8.7%
Western State Colorado University	18,120,398	19,344,395	1,223,997	6.8%
Colorado State University System	202,360,491	215,018,693	12,658,202	6.3%
Fort Lewis College	17,111,407	18,261,618	1,150,211	6.7%
University of Colorado System	275,755,786	293,210,048	17,454,262	6.3%
Colorado School of Mines	30,209,496	32,291,289	2,081,793	6.9%
University of Northern Colorado	56,984,728	60,559,548	3,574,820	6.3%
Community College System	241,771,555	259,008,968	17,237,413	7.1%
Sub-total, State Governing Boards	985,964,521	1,052,964,520	\$66,999,999	6.8%
Colorado Mountain College	10,831,151	11,562,751	731,600	6.8%
Aims Community College	12,787,311	13,656,257	868,946	6.8%
Area Technical Colleges	18,392,334	19,642,162	1,249,828	6.8%
Total	\$1,027,975,317	\$1,097,825,690	\$69,850,373	6.8%

TABLE 1: R1 INCREASE FOR PUBLIC HIGHER EDUCATION AND FINANCIAL AID

	BASE FUNDING FOR STUDENT STIPENDS, FEE-FOR-SERVICE CONTRACTS UNDER 23-18-303.5, SPECIALTY EDUCATION, AND GRANTS FOR LOCAL DISTRICT AND AREA TECHNICAL COLLEGES, AND ALIGNED FINANCIAL AID BASE (FY 22-23 APPROPRIATION+ annualizations) ¹	FY 22-23 REQUEST: STUDENT STIPENDS, FEE-FOR-SERVICE CONTRACTS UNDER 23-18-303.5, SPECIALTY EDUCATION, AND GRANTS FOR LOCAL DISTRICT AND AREA TECHNICAL COLLEGES, AND ALIGNED FINANCIAL AID	R1 INCREASE REQUESTED	PERCENTAGE INCREASE IN FUNDING
Financial aid programs aligned with funding for governing boards*	236,654,884	252,682,708	16,027,824	6.8%
Student stipends at private institutions aligned with public institutions	1,655,048	1,766,896	111,848	6.8%
Total	\$1,266,285,249	\$1,352,275,294	\$85,990,045	

¹The request did not include annualization of S.B. 21-213 (Use of Increased Medicaid Match). Once the additional federal Medicaid Match adjustment is fully eliminated, an estimated \$11,166,420 will need to be restored to the CU budget. The discount is applied one year in arrears, so continuation of the enhanced FMAP through at least part of FY 2022-23 will reduce the annualization required in FY 2023-24.

²The Department does not appear to have included a new financial aid program for foster care youth in the base.

The funding request uses the funding model created in H.B. 20-1366. The statutory provisions include three possible components:

- Performance Funding
- Ongoing Additional Funding
- Temporary Additional Funding

The model as used in FY 2021-22 and FY 2022-23, as well as in the FY 2023-24 request, incorporates *Ongoing Additional Funding* and *Performance Funding* components. The Temporary Additional Funding option has not been used thus far.

Performance Funding: In the H.B. 20-1366 model, **most funding—including base funding—is expected to be allocated through the Performance Funding section of the model.** The performance funding portion of the model allocates funds over time based on an institution's change in performance. If an institution's performance has improved more (or decreased less) than the performance of other boards, its funding will increase. However, because the performance portion of the model uses multiple measures and averages over time, comparing a four year average (FY 2018-19 to FY 2021-22) to a three year average (FY 2018-19 to FY 2020-21), and is “calibrated” to existing funding levels, change is relatively slow and variation among the institutions is limited. Although the

weights for different components can be modified by the General Assembly, they were set at the following levels in FY 2021-22, FY 2022-23, and in the FY 2023-24 request.

PERFORMANCE FUNDING MODEL STATUTORY COMPONENTS	
CATEGORY	WEIGHT (DISCRETIONARY)
Resident Enrollment	10%
Credential Production	5%
Pell (Low Income) Enrollment	20%
Race/Ethnicity Enrollment	20%
Retention Rate	20%
Grad. Rate - 100%	10%
Grad Rate - 150%	10%
1st Generation Enrollment	5%
Total	100%

- As noted above, this portion of the model is designed to be **quite stable** and shift only gradually over time.
- Institutional requests have usually focused on this portion of the model as the vehicle for funding inflationary increases.
- Specialty education programs such as the medical school and veterinary school, and funding for the local district colleges and area technical colleges must increase by no less than the percentage funding increase for the Performance Funding portion of the model.
- The Executive Request puts **base funding plus 3.5 percent (an increase of \$36.2 million) through the Performance Funding portion of the model.** This results in base increases ranging from 3.5 percent to 5.1 percent, depending upon the governing board.

Ongoing Additional Funding: This portion of the model **enables the General Assembly to add funding in ways that focus on particular issues or higher education institutions, consistent with state Master Plan goals or other policy objectives. Amounts that are added as Ongoing Additional Funding in one year become part of the next year’s base and are then allocated through the Performance Funding section of the model.**

- This portion of the model is **intended to be extremely flexible.** Statute includes one optional measure (distribution based on headcount of first-generation students) but does not mandate the use of any particular measure. Specialty education, local district and areas technical colleges are not required to receive increases that match the state governing board increases—but they may do so.
- **For the last two years, the General Assembly has provided Ongoing Additional Funding, including \$41.8 million in FY 2021-22 and \$50.0 million in FY 2022-23.** In both years, the Long Bill included a footnote in each indicating that it is “the General Assembly's intent that this funding be used to prioritize retention of first generation, underrepresented minority, and low income students...consistent with the goals of Colorado's Higher Education Master Plan, including the development, enhancement, and expansion of programs to recruit and retain such

students as well as steps to reduce the cost of higher education through tuition rate freezes, reductions, and need-based scholarships for Colorado resident students.”

ONGOING ADDITIONAL FUNDING COMPONENTS (ALL DISCRETIONARY; REFLECTS PRIOR YEAR ACTION & CURRENT REQUEST)	
CATEGORY	WEIGHT
First-generation student FTE	20%
First-generation student headcount (described in statute)	20%
URM Race/Ethnicity headcount calibrated to GF Share	20%
Pell (low income) headcount calibrated to GF Share	20%
Retention of underrepresented minority students	20%
Total	100%

- **The request adds an additional 3.3 percent (an increase of \$33.6 million) in ongoing additional funding to the Performance Funding model results, with matching increases for specialty education programs, local district colleges, an area technical colleges. The funds are equally allocated among the same five metrics used in FY 2021-22 and FY 2022-23.** This provides additional increases ranging from 1.7 percent to 4.9 percent for the state institutions, excluding specialty education, and provides 3.3 percent for specialty education programs (e.g., medical and veterinary schools), local district colleges, and area technical colleges.

The table below shows the portion of the requested increase that is derived from the Performance Funding portion of the model versus the Ongoing Additional Funding components.

FUNDING MODEL COMPONENTS			
OVERALL INCREASE	PERFORMANCE COMPONENT	ONGOING ADDITIONAL FUNDING	TOTAL % CHANGE EXCLUDING SPECIALTY EDUCATION
All Institutions - Total	Base +3.5%	3.3%	6.8%
Adams State University	4.4%	3.0%	7.4%
Colorado Mesa University	3.6%	3.7%	7.3%
Metropolitan State University	3.7%	4.9%	8.7%
Western State Colorado University	5.1%	1.7%	6.8%
Colorado State University System*	3.5%	2.4%	5.9%
Fort Lewis College	4.3%	2.4%	6.7%
University of Colorado System*	3.8%	2.4%	6.1%
Colorado School of Mines	5.0%	1.9%	6.9%
University of Northern Colorado	3.6%	2.7%	6.3%
Community College System	2.8%	4.3%	7.1%

*In addition to the percentage increase from the Performance and Ongoing Additional Funding sections that are applied to the majority of their base, these two governing boards receive an increase of 6.8 percent on the portion of their base that relates to specialty education, including the CU medical school, the CSU veterinary school, and the forest service, agriculture experiment and agricultural extension programs at CSU.

The model submitted as part of the Executive Request is attached. Appendix A includes additional background and detail on the construction and components of the higher education funding model.

REQUEST R2 (TUITION SPENDING AUTHORITY): The Executive request includes limiting resident undergraduate tuition increases to 4.0 percent. This takes into account institutions’ reliance on tuition to sustain their operations, rising personnel costs, and a projected 8.3 percent inflation rate for

Colorado in 2022. The request also assumes a 5.5 percent increase in nonresident tuition, although this does not reflect a limit. Based on these assumptions, the request includes an increase of \$112.7 million in cash funds spending authority for tuition revenue. If approved, the limits on tuition increases would be incorporated in Long bill footnotes that express the General Assembly’s assumptions in setting tuition spending authority.

The table below shows the combined impact of the tuition assumptions included in the Governor’s request and the proposed General Fund increase in R1. As shown, **if FY 2022-23 budget tuition assumptions were to hold and enrollment did not change, the request would provide for total increases from General Fund and tuition of 5.1 percent to 6.1 percent for FY 2023-24, depending upon the institution.**

IMPACT OF FY 24 GOVERNING BOARD FUNDING REQUEST WITH 4.0% RESIDENT & 5.5% NONRESIDENT TUITION INCREASE ¹									
BASE FY 2022-23 FUNDING					INCREASE WITH 4.0% RESIDENT AND 5.5% NONRESIDENT ²				
	GENERAL FUND	RESIDENT TUITION	NONRESIDENT TUITION	TOTAL	GENERAL FUND	RESIDENT TUITION	NONRESIDENT TUITION	TOTAL	% CHG
Adams	\$21,074,471	12,691,695	9,945,499	43,711,665	1,550,207	507,668	547,002	2,604,877	6.0%
Mesa	40,508,534	57,380,584	15,052,961	112,942,079	2,912,678	2,295,223	827,913	6,035,814	5.3%
Metro	82,862,655	97,776,227	10,014,762	190,653,644	7,156,416	3,911,049	550,812	11,618,277	6.1%
Western	18,385,398	8,865,694	9,253,404	36,504,496	1,223,997	354,628	508,937	2,087,562	5.7%
CSU System	203,776,559	224,684,292	279,469,371	707,930,222	12,658,201	8,987,372	15,370,815	37,016,388	5.2%
Fort Lewis ²	17,176,407	8,925,054	37,400,721	63,502,182	1,150,211	357,002	2,057,040	3,564,253	5.6%
CU System	279,345,564	543,019,377	679,459,845	1,501,824,786	17,454,262	21,720,775	37,370,291	76,545,328	5.1%
Mines	30,209,496	68,529,125	117,790,569	216,529,190	2,081,793	2,741,165	6,478,481	11,301,439	5.2%
UNC	57,049,728	54,700,971	19,157,166	130,907,865	3,574,820	2,188,039	1,053,644	6,816,503	5.2%
Community Colleges	242,393,515	246,052,389	27,617,193	516,063,097	17,237,413	9,842,096	1,518,946	28,598,455	5.5%
TOTAL	992,782,327	1,322,625,408	1,205,161,491	3,520,569,226	66,999,998	52,905,017	66,283,881	186,188,896	5.3%

¹Staff has calculated tuition increases based on the resident and nonresident tuition amounts assumed in FY 2022-23 based on JBC staff records. The Department’s request appears to reflect some differences in the base, resulting in a somewhat lower total estimated impact from the policy outlined.

It is important to note that FY 2022-23 tuition estimates will change from those in the FY 2022-23 Long Bill and that FY 2023-24 enrollment will not be flat. However, at this stage in the year, better figures are not available. Staff will present revised estimates as part of the figure setting process.

JBC STAFF OBSERVATIONS ABOUT THE REQUEST

BASE COST ESTIMATES

The institutions—and sometimes the Department—have typically included a “base cost estimate” model to attempt to show how state level policy decisions and inflationary expectations affect the institutions’ need for General Fund and tuition increases. This was not included in this year’s request. However, the Department provided a spreadsheet similar to those in the past but did not include assumptions related to personnel salary increases. For purposes of the exercise below, staff has

assumed a 5.0 percent average salary increase, a 5.0 percent increase for Health/Life/Dental benefits, and an 8.3 percent increase for other costs, based on inflation.

In previous years, the Department and the institutions have calculated a need for "base cost increases" that should be covered by either the General Fund or tuition. Staff has often objected to the calculation because the institutions have used a base for the calculation that includes nonresident tuition. Nonetheless, staff believes the concept is helpful when thinking about institutional needs.

PRELIMINARY BASE CORE COSTS CALCULATION: GENERAL FUND AND TUITION								
	FROM FY23 LONG BILL, \$S IN MILLIONS			INCREASE ON SALARIES (53.0% OF TOTAL EXPENSES)	INCREASE ON HLD BENEFITS (16% OF TOTAL EXPENSES)	INCREASE ON OTHER EXPENSES (32% OF TOTAL EXPENSES)	FY 23 TOTAL BASE COST INCREASE	SUMMARY PERCENTAGE INCREASE TO COVER "BASE CORE COSTS"
	FY 2022-23 STATE GENERAL FUND	TOTAL TUITION	TOTAL	5.0%	5.0%	8.3%		
Adams State University	\$21.0	\$22.0	\$43.0	\$0.9	0.3	\$1.5	\$2.7	6.4%
Colorado Mesa University	40.1	73.0	113.1	2.8	0.8	3.3	7.0	6.2%
Metropolitan State University - Denver	82.5	107.8	190.3	5.1	1.5	4.9	11.5	6.0%
Western Colorado University	18.1	17.7	35.8	1.1	0.3	0.7	2.1	5.8%
Colorado State University System	202.4	473.2	675.6	16.4	4.3	21.7	42.4	6.3%
Fort Lewis College	17.1	48.8	65.9	1.8	0.5	1.7	4.0	6.0%
University of Colorado System	275.8	1132.6	1408.4	37.7	12.6	33.5	83.7	5.9%
Colorado School of Mines	30.2	181.9	212.1	5.9	1.5	5.3	12.7	6.0%
University of Northern Colorado	57.0	70.8	127.8	3.7	1.0	2.7	7.5	5.8%
Colorado Community College System	241.8	264.8	506.6	13.4	4.0	13.4	30.8	6.1%
Total	\$986.0	\$2,392.5	\$3,378.4	\$88.8	\$26.8	\$88.7	\$204.4	6.0%

As shown in the chart above, **high level estimates suggest that overall the institutions are likely to need to increase their base funding by 6.0 percent to keep up with inflationary pressures, including salary increases averaging 5.0 percent. As shown, the 6.0 percent average figure exceeds the 5.3 percent revenue increase calculated based on the General Fund and assumed tuition increases.**

Staff notes the difference is less than 1.0 percentage point and these figures will continue to shift over time.

Some considerations:

- **Institutions face a complex array of factors affecting revenue and have a variety of tools for managing expenditures. Many of these components are outside of the General Assembly's control.** For example, while the tables above include nonresident and graduate tuition and make related assumptions about these tuition rates, the General Assembly has not generally chosen to control these revenue components.
- **Institutions' actual total revenue growth in FY 2023-24 will be heavily affected by enrollment growth and decline, including growth and decline for particular categories of students (e.g., nonresident versus resident).** These factors often have a far greater impact on total institutional revenue than tuition rates or state General Fund support changes. Such adjustments are not part of the calculations at this stage.
- **While institutions face inflationary pressures similar to the rest of state government, they have some flexibility in how they respond to those pressures.** Even if the General Assembly adds 5.0 percent for salary increases, non-classified staff might receive no increases or 10.0 percent increases, depending upon enrollment trends and other factors. Institutions are required to comply with salary requirements for classified staff, but classified staff represent less than 10.0 percent of institutional employees.
- **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.

OTHER OBSERVATIONS ABOUT STATE SUPPORT FOR HIGHER EDUCATION

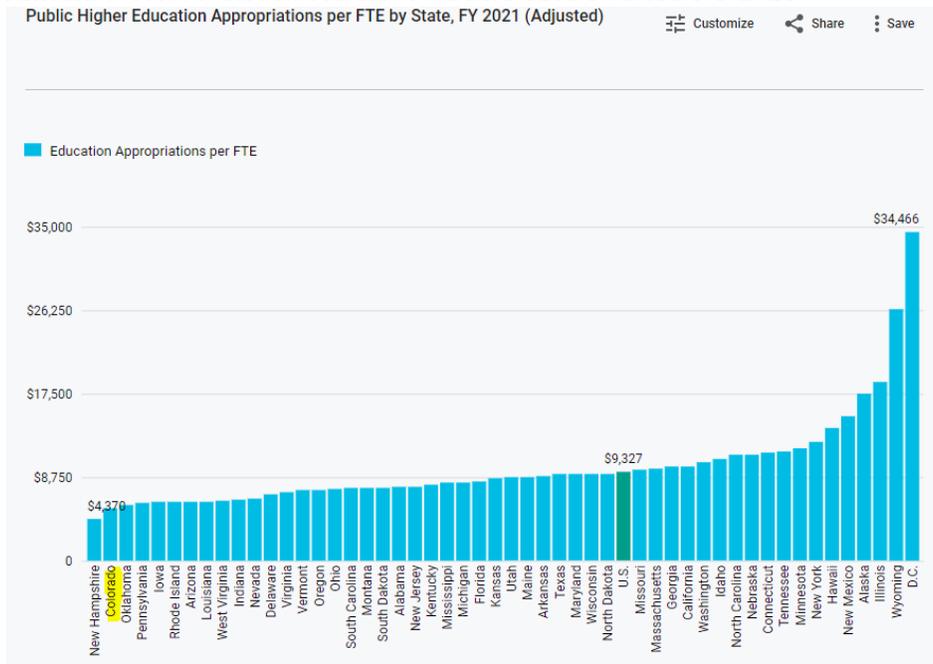
COLORADO SUPPORT FOR HIGHER EDUCATION IS STILL LOW

Colorado is 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 Association⁹, in FY 2020-21, even after including the impact of federal stimulus funding allocated by the Governor, Colorado had one of the lowest levels of state support per student FTE in the country, at **\$5,462 per student FTE** using the SHEF methodology. **To get to the U.S. average, the Colorado would need to increase funding by 70.8 percent.**¹⁰

⁹ All charts and data at: <https://shef.shceo.org/>

¹⁰ Colorado does, however, provide more support for financial aid than many other states.

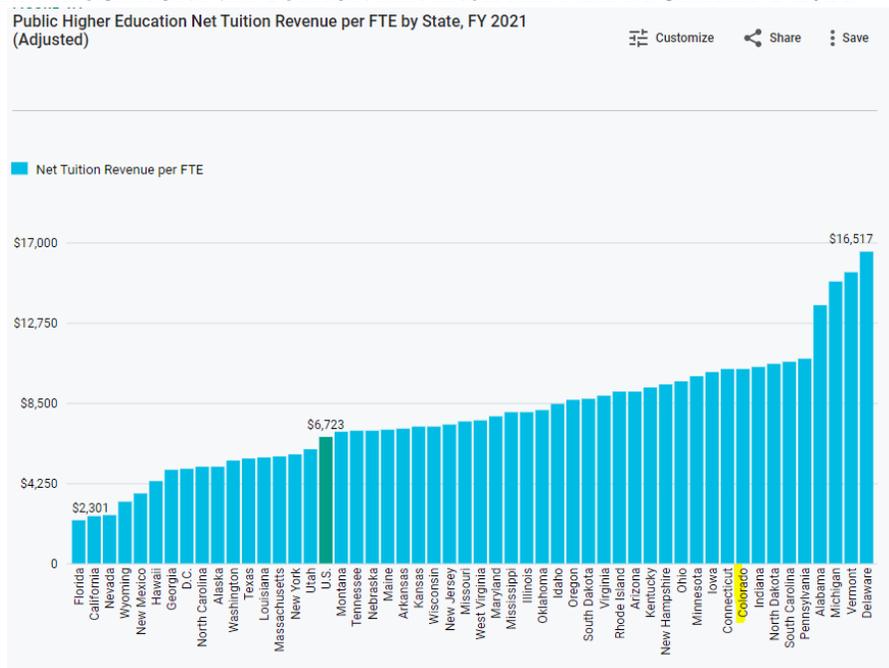
PUBLIC HIGHER EDUCATION APPROPRIATIONS PER FTE BY STATE FY 2021



Source: SHEF Report, FY 2021

To compensate for low state support, public institutions rely heavily on net tuition revenue, with **average net tuition revenue of \$10,310 per FTE**. Some of this is derived from nonresident students.

PUBLIC HIGHER EDUCATION NET TUITION REVENUE PER FTE BY STATE FY 2021

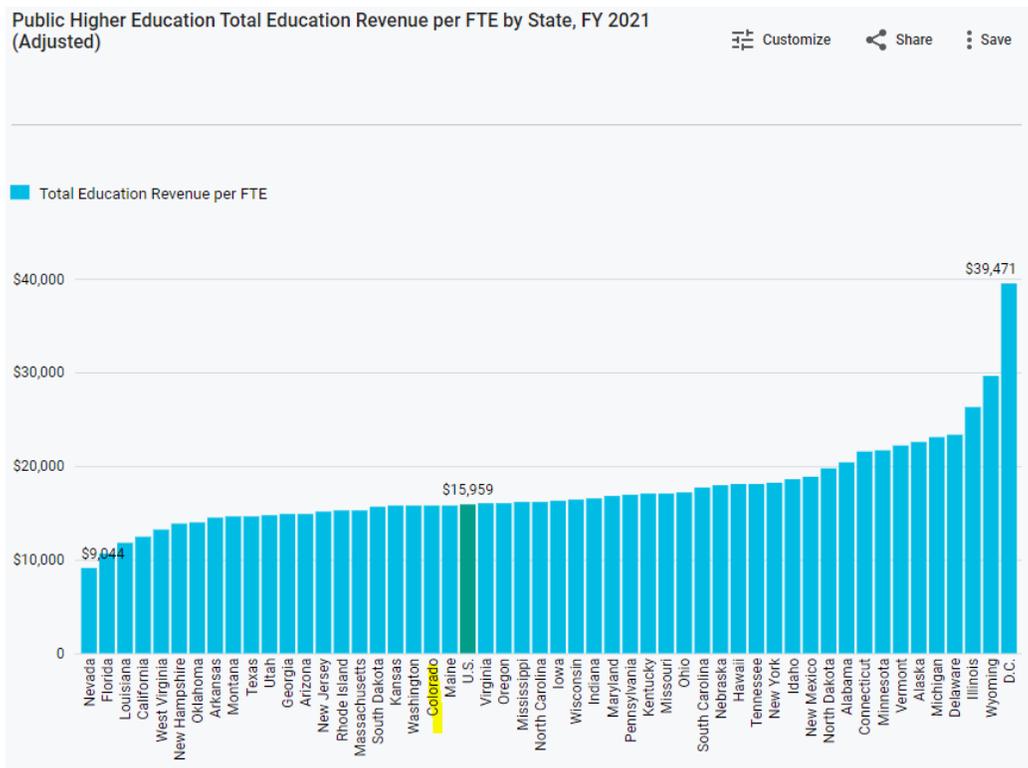


Source: SHEF Report, FY 2021

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.**¹¹

EFFICIENCY OF COLORADO INSTITUTIONS

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 at \$15,772 total revenue per student Colorado is now similar to the national average of \$15,959 for total revenue (tuition and state support) per student FTE.



¹¹ Dr. Angie Paccione, Executive Director, Colorado Department of Higher Education, *Memo to Higher Education Presidents and CFOs about Hanover Resource Analysis Project*, November 10, 2020.

https://cdhe.colorado.gov/sites/highered/files/documents/2020-11-09%20Hanover%20Memo%20Findings%20to%20IHEs_revenue%20only_final.pdf

Despite this, the Hanover Analysis found that, with the exception of the Colorado School of Mines, total revenue per student for Colorado public institutions is below that of peers. Although these findings appear to contradict the SHEF Report assessment of average revenue per FTE, they do not. Instead, increasing costs and revenue per student are closely tied to where students are attending postsecondary education. 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.

DIRECTING RESOURCES

Given limited state resources, **staff continues to support directing as much as possible to the students with greatest needs and the institutions with fewest financial resources for serving these students.** "Access" institutions are most dependent on either General Fund or resident student tuition because they do not have substantial access to nonresident tuition. As enrollment has declined over time, these institutions have filled financial holes in part by increasing resident tuition rates. **This places a severe burden on the students with the fewest resources. "Access" institutions also need to improve their performance in helping students to successfully complete their educations, but this is difficult to accomplish with very limited resources.**

In the last two years, about half of the funding increases have been allocated through Ongoing Additional Funding instead of the Performance section of the model. This is the portion of the model that can be used to for targeted distribution of resources based on state policy goals.

The charts below demonstrate how the various components used for Ongoing Additional Funding operated and compares the resulting funding distributions with the incremental distribution from the FY 2023-24 Performance Portion of the model. **The color coding reflects how each governing board would view model results. A "green" result means that the particular model component was better for that governing board. A "red" result means that the model component was worse for that board.** Color gradations reflect the relative benefits of various components of "Step 1".

FY 2023-24 SHARE OF TOTAL GENERAL FUND ALLOCATION BY GOVERNING BOARD IN PERFORMANCE VERSUS ONGOING ADDITIONAL FUNDING COMPONENTS		
	PERFORMANCE FUNDING	ONGOING ADDITIONAL FUNDING
Adams	2.6%	2.3%
Mesa	4.9%	5.5%
Metro	10.0%	15.1%
Western	2.2%	1.1%
CSU System	14.8%	10.9%
Fort Lewis	2.1%	1.5%
CU System	23.7%	17.2%
Mines	3.7%	2.2%
UNC	6.9%	5.6%
Community Colleges	29.1%	38.6%
Total	100%	100%

FY 2023-24 SHARE OF TOTAL GENERAL FUND ALLOCATION BY GOVERNING BOARD IN PERFORMANCE VERSUS ONGOING ADDITIONAL FUNDING COMPONENTS - ADDITIONAL DETAIL

	PERFORMANCE FUNDING	ONGOING ADDITIONAL FUNDING "STEP 1"				
		FIRST GENERATION BY FTE	FIRST GENERATION ALLOCATION FY 2021-22 (HEADCOUNT, PER STATUTE)	URM DISTRIBUTION - HEADCOUNT CALIBRATED TO GF	PELL DISTRIBUTION - HEADCOUNT CALIBRATED TO GF	URM RETENTION
Adams	2.6%	1.2%	0.7%	3.7%	3.4%	2.6%
Mesa	4.9%	7.0%	6.0%	4.2%	5.7%	4.6%
Metro	10.0%	19.1%	18.3%	13.9%	13.9%	10.3%
Western	2.2%	0.5%	0.2%	1.9%	1.3%	1.7%
CSU System	14.8%	6.5%	5.7%	12.3%	14.8%	15.1%
FLC	2.1%	1.0%	0.7%	1.9%	2.2%	1.9%
CU System	23.7%	11.3%	9.4%	20.1%	20.6%	24.7%
Mines	3.7%	0.8%	0.5%	2.0%	2.7%	4.8%
UNC	6.9%	4.9%	3.7%	6.5%	7.6%	5.5%
Community Colleges	29.1%	47.7%	54.9%	33.6%	27.9%	28.8%
Total	100%	100%	100%	100%	100%	100%

IMPACT OF ADDITIONAL RESOURCES PROVIDED THROUGH ONGOING ADDITIONAL FUNDING

Beginning in FY 2021-22, additional funding increases provided under the Ongoing Additional Funding component of the funding model were specifically called out in a Long Bill footnote, with an associated request for information about how the funds were used. Language for FY 2022-23 is shown below.

- 1 Department of Higher Education, Colorado Commission on Higher Education and Special Purpose Programs, Administration; College Opportunity Fund Program Fee-for-service Contracts with State Institutions; Governing Boards; Local District College Grants Pursuant to Section 23-71-301, C.R.S.; and Division of Occupational Education, Area Technical Colleges -- Of the total funding allocated to the Higher Education institutions for FY 2022-23, \$50,000,000 allocated to institutions is based on institutions' share of first generation, underrepresented minority, and Pell-eligible students in FY 2019-20 and their improvement in retaining underrepresented minority students in FY 2019-20 compared to prior years. The General Assembly has expressed its intent that this funding be used to prioritize retention of first generation, underrepresented minority, and low income students in FY 2022-23 and future years consistent with the goals of Colorado's Higher Education Master Plan. It has indicated that this may include the development, enhancement, and expansion of programs to recruit and retain such students as well as steps to reduce the cost of higher education through tuition rate freezes, reductions, and need-based scholarships for Colorado resident students. The General Assembly anticipates that the Colorado Commission on Higher Education may incorporate conditions in fee-for-service contracts with state institutions and grants with local district colleges and area technical colleges to ensure that the additional \$50.0 million in funding allocated to the institutions is used to supplement and not supplant existing institutional efforts to recruit and retain first generation, underrepresented minority, and low-income students, including reducing

the financial barriers to students pursuing higher education through tuition rate freezes, reductions, and need-based scholarships for Colorado resident students. The Commission is requested to coordinate and submit a report to the Joint Budget Committee by November 1, 2022 that describes how these funds will be used for FY 2022-23 and future years. The institutions are requested to provide the information to the Department by a date and in a format specified by the Department, and the Department is requested to forward this information to the Joint Budget Committee with an executive summary developed by the Department. The report should specifically address the steps institutions will take with these funds to reduce and eliminate the retention rate gap and increase enrollment, and ultimately successful completion, of the targeted student groups.

The report was submitted and includes a range of information about the programs implemented by institutions. Staff believes that in many cases institutions simply highlighted the portion of their activities that were already targeted to the populations discussed in the request. In some cases, the institutions noted that this was already their primary mission, so separating out activities was particularly challenging. **Staff believes that the footnote probably changed some institutional decisions about how to spend funding, but this is difficult (if not impossible) to demonstrate.** See the summary of the footnote report for further detail.

APPENDIX A: HIGHER EDUCATION FUNDING MODEL

BRIEF HISTORY OF FUNDING ALLOCATION MODELS IN COLORADO

Colorado, like other states, needs a mechanism for dividing funds among its higher education institutions. Colorado has gone through numerous higher education funding models over the decades. Funding has been based on “mandated cost increases”, inflationary adjustments, and various “base plus” (or minus) approaches. With the advent of S.B. 04-189 it launched the student stipend/ “money follows the student” method; however for practical purposes, funding for each governing board through FY 2014-15 was usually determined using a “base plus” allocation model, with allocations in the 2000s often shaped by negotiations among the governing boards.

In 2014, the General Assembly adopted H.B. 14-1319 (Outcomes-based Funding for Higher Education), under which all funding was required to be allocated based on specific metrics using the most recent actual data available. This included factors such as the number of undergraduate resident students who qualified for a student stipend and the number degrees and certificates earned. The model was quite prescriptive and complex, with weighting related to factors such as Pell-eligibility.

The H.B. 14-1319 model was also significantly affected by enrollment. During the period when it was in effect, most of the state’s higher education institutions were shrinking in enrollment, while enrollment at the state’s larger, wealthier research institutions was growing. Unhappiness with the results of the H.B. 14-1319 model led the Department and General Assembly to adjust it repeatedly over the years to better support institutions facing declining enrollment. Dissatisfaction with this pattern led to a study over the 2019 interim and several competing proposals for how to reform the model.

The Joint Budget Committee sponsored H.B. 20-1366 (Concerning a Higher Education Funding Allocation Model), and this was adopted with broad support by the General Assembly. The bill was proposed, negotiated and supported by the governing boards and the Governor’s Office with extensive stakeholder input. It creates a funding mechanism that ties most funding to performance but also to the prior year’s base funding. It also provides the General Assembly more transparent flexibility to adjust funding for individual boards or groups of boards.

HOUSE BILL 20-1366 (SECTIONS 23-18-301 THROUGH 306, C.R.S.)

House Bill 20-1366 required the Department of Higher Education submit a budget request for FY 2021-22 consistent with the model created by the bill, and FY 2021-22 will be the first year the model is in effect. Under the model, funding for institutions is based on 3 components:

- Performance funding;
- Ongoing additional funding;
- Temporary additional funding.

Performance funding is calculated based on an institution's change over time in performance on each performance funding metric compared to other institutions' change in performance and adjusted based on each institution's share of funding in the previous state fiscal year. This portion of the model includes all base funding for the institutions as well as any desired increases or decreases to the overall base.

STATUTORY PERFORMANCE FUNDING METRICS

- Resident student full-time equivalent enrollment;
- Credential completion;
- Resident Pell-eligible student population share;
- Resident underrepresented minority student population share;
- Retention rate;
- One-hundred-percent-of-time graduation rate;
- One-hundred-fifty-percent-of-time graduation rate; and
- Resident first-generation undergraduate student population share.

The Joint Budget Committee determines the amount of funding allocated to each performance funding metric for a fiscal year after considering recommendations from the commission and department that are developed in collaboration with the institutions.

The calculations for the performance section of the model are outlined below. As shown, the calculation is based on:

- The governing board’s own *change* in performance compared to itself - Specifically, its average performance on a metric over the most recent 4 year period divided by its average performance over the 3-year period that began the same year (rows 2-4 below)
- How the governing board’s change in performance *compared* to the change in the average performance of other boards. In the chart below, all institutions improved their performance, but Board C improved less than the others, so it loses funding under the model.
- The institution’s percentage share of total funding for the prior fiscal year (row 1).

	A	B	C	D	
	Board A	Board B	Board C	TOTAL	
1	Governing Board’s share of total funding in prior fiscal year (e.g., FY 2022-23) ¹	10.0%	20.0%	70.0%	100.0%
<u>Calculate governing board change compared to itself</u>					
2	Average enrollment for 3 years actual years (FY 2018-19 to FY 2020-21)	100	500	900	1,500
3	Average enrollment over 4 actual years(FY 2018-19 to FY 2021-22)	105	550	910	1,565
4	4 year average as a percent of 3 year average	105.0%	110.0%	101.1%	104.3%
<u>Calibrate to FY 2022-23 share of funding</u>					
6	Multiply Row 1 x Row 4 for each column	10.5%	22.0%	70.8%	103.3%
7	Adjust so that total is 100% (e.g., A6/G6, B6/G6, etc.) = New share of funding for FY 2023-24	10.2%	21.3%	68.5%	100.0%

¹For FY 2021-22 only, statute requires use of the FY 2019-20 share of funding, skipping FY 2020-21. However, those shares were ultimately the same for FY 2019-20 and FY 2020-21. The table thus shows the fiscal years that would be used under normal circumstances.

Ongoing additional funding is base building and may be awarded to an institution to make progress toward the commission's higher education master plan goals.

- The statute includes a formula that may be used to recognize an institution's additional costs associated with educating and providing services to first-generation undergraduate students.
- Other mechanisms for distributing ongoing additional funding may also be used.

Temporary additional funding which is not base building, may be awarded to an institution for a specified period of time to address Commission master plan goals or other areas the commission identifies. This component has not been used thus far.

Specialty Education Programs, Local District and Area Technical colleges: Under both the prior model and the new model, minimum funding for specialty education programs (medical school, veterinary school, agricultural extension programs and forest service), as well as funding for local district colleges (Colorado Mountain College and Aims Community College), and the three area technical colleges is based on their previous year's funding, increased or decreased by the average percentage change in state funding for all institutions.

In the H.B. 20-1366 model (different from the prior model) this average percentage change does not include amounts newly awarded to institutions for Ongoing Additional Funding or Temporary Additional Funding. However, funding for these entities may be further adjusted if desired.

Colorado Opportunity Fund Student Stipends: In a change from the prior model, which based a significant share of total funding on the number of undergraduate resident students enrolled at each governing board who received a student stipend, the new funding structure is essentially unrelated to the number of student stipends. Instead, after funding is allocated to the boards, the JBC is to determine a share of the total that can be allocated as stipends, and the balance is incorporated into institutional “fee-for-service” contracts.

Process: The Colorado Commission on Higher Education, in conjunction with the Department of Higher Education and in collaboration with the institutions, is required to make funding recommendations to the Joint Budget Committee for these components as part of the annual budget request process.

- The Joint Budget Committee may adjust the amounts allocated through the various portions of the model and determines the amount allocated to each performance funding metric. The Joint Budget Committee uses this to develop the higher education funding in the Long Bill.
- By July 1, 2022, the Commission, in conjunction with the department and in collaboration with the institutions, was to identify and make recommendations to the Joint Budget Committee concerning ways to better measure success for students who are not first-time, full-time students. The Department submitted a memo dated June 6, 2022 from the Colorado Commission on Higher Education that included the following proposal to delay a related submission.

“First-time, full-time student cohorts have been used in the graduation rate metrics thus far because the federal database only reports on timely graduation rates for this subset of students. The [Department] collects and manages its own data which could be used to derive variable for time completion of all students, including part-time students, transfer students and returning students. However, it will take more time for the Department staff to create this variable...The Commission...requests the

Department work to generate a more inclusive variable as part of a comprehensive review process beginning this July....The Commission plans to develop initial recommendations by July 2023. The Department and institutions are supportive of the Commission's recommendation..."

How Was the Model Expected to be Used? How Has it Been Used?

- Based on copies of the model provided to legislative staff working on the bill, staff anticipated that the largest share of funding would be allocated through the **performance funding portion** of the model. Under most circumstances, funding shares will change over time, but only gradually, so this section of the model supports institutions' base funding needs. The institutions have typically included inflationary adjustments in requests for the performance funding portion of the model. **While the model appears focused on funding increases, it can be used for decreases**, as the total funding allocated in the performance section of the model can be reduced below the existing base.
- The **ongoing additional funding** and **temporary additional funding** components were expected to be used to provide disproportionate increases to certain institutions over others. This was expected to be used to help the State achieve its Master Plan goals and address individual institution needs.

The model has been used largely as expected thus far for increases:

- For FY 2021-22, the Joint Budget Committee used a version of the funding model that directed all base funding and a 4.7 percent increase in funding through the Performance portion of the model. It also directed a 4.9 percent increase through the Ongoing Additional Funding section.
- For FY 2022-23, the JBC used a model that directed all base funding and a 6.0 percent increase through the Performance portion of the model and an additional 5.4 percent from the Ongoing Additional Funding section. In both years, the following components were included in Ongoing Additional Funding.

ONGOING ADDITIONAL FUNDING COMPONENTS FY 2021-22 AND FY 2022-23 BUDGETS

- First-generation student headcount (as defined in statute)
- First generation student FTE enrollment
- Underrepresented Minority (URM) distribution - Headcount calibrated to current General Fund allocations
- Pell distribution – Headcount of low-income students eligible for a Pell grant calibrated to current General Fund allocations
- URM Retention - Allocation based on improvement over time in retention of Underrepresented Minority students

Outcome Results

Performance outcomes do not shift funding in this model very much. However, having a model based on outcomes ensures that outcomes data is available, comparable, and "clean". Performance Results for Fall 2022 – Funding Model Data

The table below shows the raw 4 year average data (FY 2018-19 through FY 2021-22) used for the model. This is helpful for understanding characteristics of the governing boards. For example, it shows which institutions serve the most resident students who are Pell-eligible, underrepresented minorities, and "first generation" students (community colleges, Metropolitan State University of Denver, Colorado Mesa University, and Adams State University), and the poor graduation rates for "first-time full-time" students at these institutions. The data also show the relatively poor graduation rates at almost all institutions, including those that serve more affluent traditional students.

4 year averages for Performance FY 2018-19 to FY 2021-22										
	Adams	Mesa	Metro	Western	CSU System	FLC	CU System	Mines	UNC	CCCS
Resident Enrollment	1,520	6,357	13,388	1,596	19,247	1,305	36,895	3,640	6,586	44,627
Credential Production	588	2,046	3,398	364	5,830	328	11,566	1,070	2,405	19,522
PELL	41.4%	34.0%	40.6%	21.4%	27.7%	30.7%	29.7%	21.5%	31.1%	29.6%
Race/Ethnicity	43.2%	25.6%	41.2%	25.8%	24.1%	26.2%	25.2%	15.8%	27.9%	34.1%
Retention Rate	57.9%	73.9%	64.0%	68.8%	82.2%	61.5%	81.5%	91.7%	70.9%	56.0%
Grad. Rate - 100%	17.8%	9.8%	31.9%	27.3%	43.3%	23.2%	41.2%	63.3%	19.8%	22.3%
Grad. Rate - 150%	33.1%	29.5%	50.8%	49.4%	65.7%	43.2%	63.6%	82.6%	35.9%	30.3%
1st Generation*	523	3,810	9,982	353	6,001	562	10,362	655	2,925	35,523

*1st Generation data is based on 2022 headcount only, due to data limitations

The following chart shows how institutions' performances have changed in comparison to other institutions based on the most recent data. It uses the performance model to show how the higher education governing boards performed once the impact of budget "calibration" is excluded, i.e., if funding were related solely to each institution's performance against itself in comparison to the performance of other governing boards, using 4 year performance through 2022 versus 3 year performance through 2021. The table was created as if funding for all the institutions were equal in FY 2022-23 and thus each of the ten governing boards would receive 10.0% of total funding if their performance was equal. In this scenario, once performance is incorporated into the FY 2023-24 model, Adams State University would receive 10.04 percent of funding (an improvement of 0.04 percent), Colorado School of Mines would receive 0.10 percent of funding (an improvement of 0.10 percent), and the community college system would receive 9.89 percent (a reduction of 0.11 percent of funding). As shown, **smaller schools have been performing well, with Western and the Colorado School of Mines demonstrating particularly strong performances. The community college system is performing poorly, and other schools fall somewhere in the middle.**

		FY 2023-24 Performance Model Results WITHOUT Calibration to Current Budget									
Weights		Adams	Mesa	Metro	Western	CSU System	FLC	CU System	Mines	UNC	CCCS
10.0%	Resident Enrollment	10.14%	10.03%	9.73%	10.25%	9.89%	9.97%	10.01%	10.35%	9.70%	9.92%
5.0%	Credential Production	9.98%	9.83%	10.02%	10.26%	9.95%	9.88%	10.06%	10.42%	9.80%	9.81%
20.0%	PELL	9.86%	10.06%	10.07%	9.52%	10.18%	10.14%	10.03%	10.10%	10.16%	9.88%
20.0%	Race/Ethnicity	9.86%	9.77%	9.99%	10.61%	9.82%	10.14%	9.88%	10.12%	9.96%	9.86%
20.0%	Retention Rate	10.11%	9.95%	9.97%	10.27%	10.06%	9.65%	10.08%	10.01%	9.95%	9.94%
10.0%	Grad. Rate - 100%	10.51%	10.05%	10.06%	9.92%	9.74%	10.32%	9.88%	9.84%	9.83%	9.84%
10.0%	Grad. Rate - 150%	9.98%	9.97%	10.01%	9.83%	9.92%	10.10%	10.02%	9.97%	10.19%	10.00%
5.0%	1st Generation	10.26%	10.15%	9.76%	10.26%	9.76%	10.26%	9.76%	10.26%	9.76%	9.76%
	Weighted Total	10.04%	9.96%	9.98%	10.11%	9.95%	10.03%	9.98%	10.10%	9.96%	9.89%

HIGHER EDUCATION ENROLLMENT TRENDS

Higher education enrollment declined significantly during the pandemic and continues to face headwinds.

SUMMARY

- Colorado institutions are highly dependent upon student tuition to sustain their operations, so changes in enrollment have significant financial implications for them.
- Higher education enrollment typically increases during recessions, driven primarily by increases in the community college sector, as adults return for training when unemployment is high. It then typically declines during better economic times, when jobs are more plentiful.
- While the economy was growing over the last decade, higher education enrollment declined overall, consistent with historic patterns. However, this overall decline incorporated multiple trends:
 - There was growth at the University of Colorado, Colorado State University, and the Colorado School of Mines reflecting a combination of a larger share of the CO population attending these schools, additional students entering graduate school, and greater numbers of non-resident students.
 - There was decline at the Metropolitan State University of Denver, the University of Northern Colorado, and many of the small institutions.
 - There was substantial decline in adult enrollment at the community colleges, but this was partially offset by large increases in concurrent enrollment.
 - There were more Coloradans going out of state to study (and more non-residents coming to Colorado to study).
- The COVID period has been unprecedented – driving steep declines in enrollment and without the typical bump in enrollment that usually comes with a recession. Drops have been particularly severe among traditionally disadvantaged groups. This is true nationwide.
- Even before COVID, institutions had been expressing concern about projected numbers of “traditional” high school graduates. These trends could be alleviated through increased enrollment of “nontraditional” students, including adults, first generation and underrepresented minority students, but this will require focused effort and involves many factors outside of institutions’ control. Public skepticism about the value of higher education appears to be having an impact as well, even though broad national data continues to confirm this value of postsecondary training.
- Institutions serving traditionally disadvantaged populations received exceptionally large federal support from federal COVID relief funds, which will help carry some of them through FY 2022-

23. However, if enrollment trends continue, many institutions may face struggles in the coming years.

DISCUSSION

WHY DOES ENROLLMENT MATTER? According to the higher education Master Plan, nearly three in four jobs in Colorado require some education beyond high school, but almost one-third of Colorado's adult population lacks education beyond high school.¹² Ensuring Coloradans have the training they need benefits the individuals receiving the training as well as the economy as a whole. This includes not only education in 4-year institutions but also 2-year degrees and technical certificates.

In addition, Colorado institutions are highly dependent upon student tuition to sustain their operations, so changes in enrollment have significant financial implications for them.

LONG-TERM STATEWIDE ENROLLMENT TRENDS

Enrollment has historically been counter-cyclical: when the economy slows and jobs are less available, higher education enrollment typically grows more rapidly. This affects most institutions to some extent, but is particularly notable for the community college system. Statewide enrollment increased significantly during the Great Recession. However, as the economy strengthened between FY 2010-11 and FY 2019-20, enrollment fell—by 11.2 percent for resident undergraduates and 2.0 percent overall, including nonresident and graduate students.

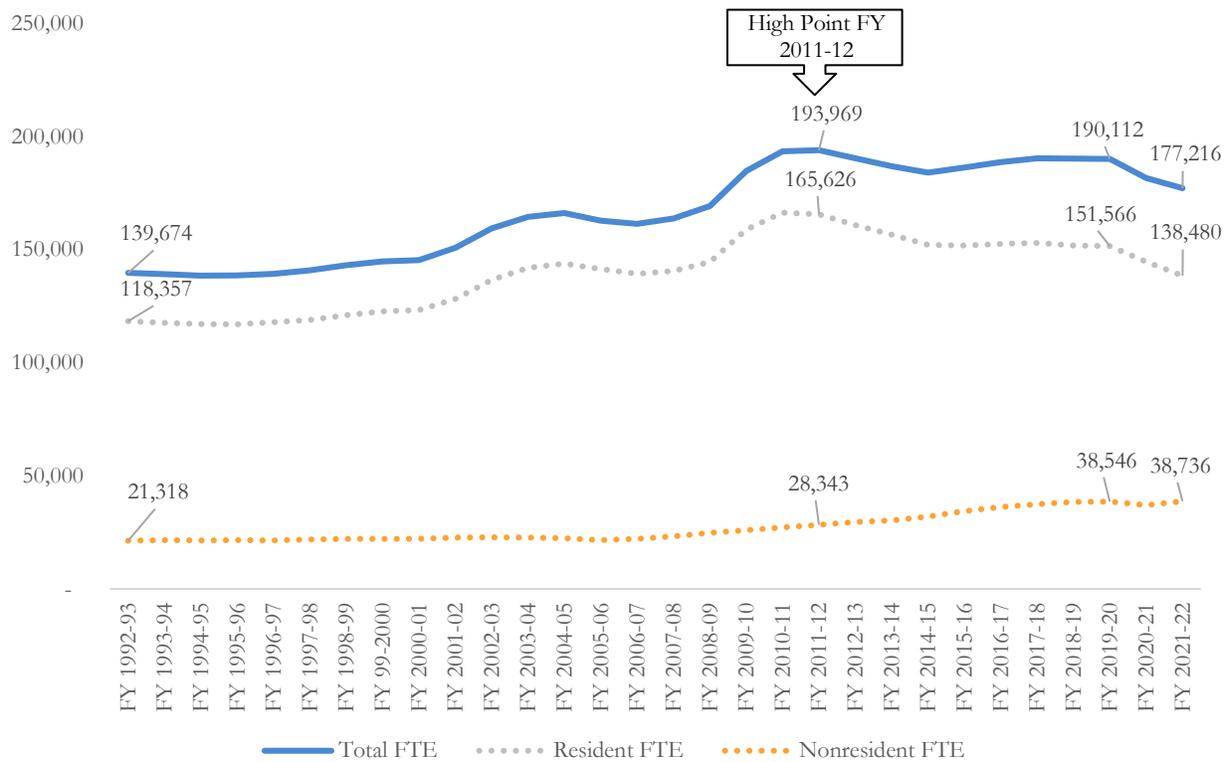
Following the onset of the COVID-19 pandemic, statewide enrollment fell by 4.4 percent in FY 2020-21 and by an additional 2.4 percent in FY 2021-22. Declines were steeper among resident undergraduates, for whom enrollment fell by 5.7 percent in FY 2020-21 and an additional 3.1 percent in FY 2021-22.

The chart below provides a 30 year history of full-time equivalent enrollment. As shown:

- The most recent enrollment high point was FY 2011-12, with 193,969 student FTE. As of FY 2021-22 total enrollment had fallen to 177,216.
- Resident student enrollment has declined almost every year since FY 2011-12, while nonresident enrollment has helped compensate for much of this decline.
- Nonresident enrollment fell in FY 2020-21, but was at its 30 year peak of 38,736 in FY 2021-22.

¹² <http://masterplan.highered.colorado.gov/>

COLORADO PUBLIC HIGHER EDUCATION FTE ENROLLMENT FY 1992-93 TO FY 2021-22



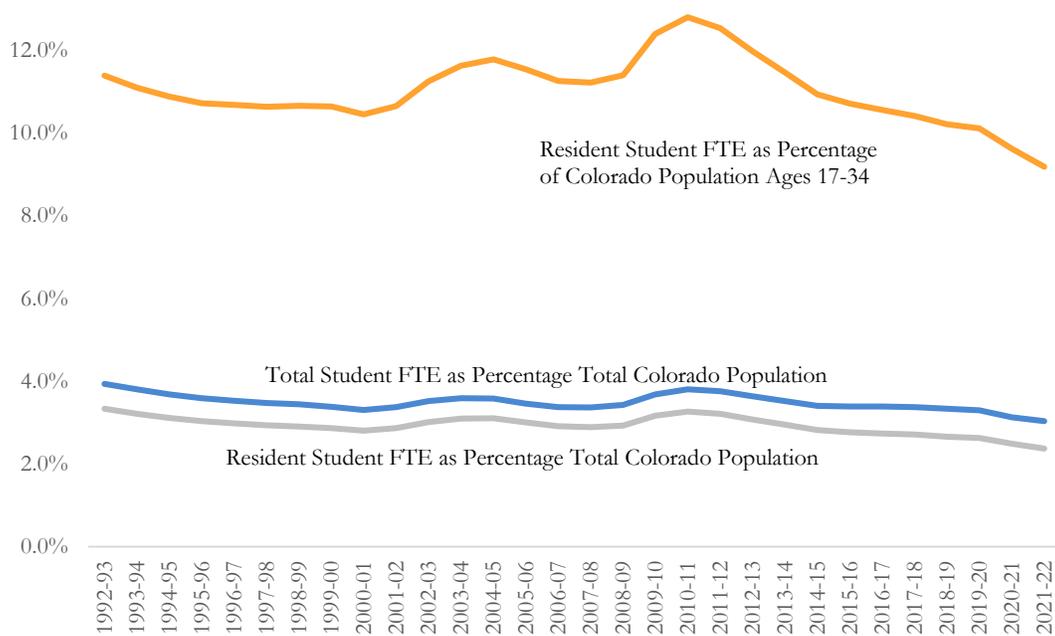
Source: Colorado Department of Higher Education SURDS enrollment database.

Notes: (1) Excludes enrollment in area technical colleges, as data for these institutions is not included in department databases prior to FY 2007-08; (2) Graduate FTE were calculated at 30 hours per FTE prior to FY 2015-16 and are based on 24 hours per FTE thereafter.

The chart below show the population enrolled in public higher education as a percentage of the state population, including a more narrow focus on the population ages 17 to 34, who are most likely to be enrolled. As shown, enrollment in public higher education has declined over time as a share of the state population, including as a share of the state population within particular age ranges. This does not correspond to fewer individuals in the U.S. obtaining postsecondary education overall. Educational attainment in the United States has continued to increase.¹³ However, it does **reflect how many residents choose to attend Colorado public institutions in an environment in which individuals—and particularly young adults—are quite mobile.** This partially reflects the in-migration to Colorado of individuals who have already completed their education. However, it also captures declines in post-secondary participation among those raised in Colorado, as well as increases in the numbers of Colorado residents attending private institutions and out-of-state institutions instead of the state’s public institutions.

¹³ <https://nces.ed.gov/fastfacts/display.asp?id=27>

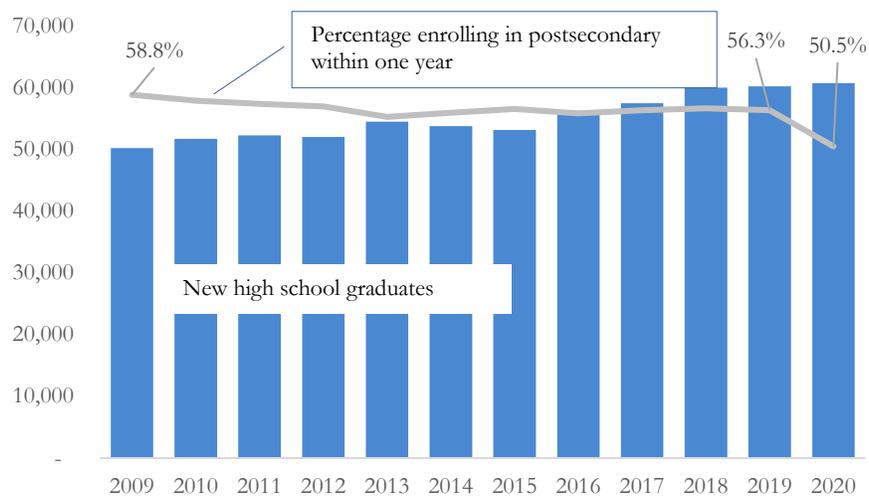
STUDENT FTE AT PUBLIC INSTITUTIONS AS PERCENTAGE OF COLORADO POPULATION



Source: Colorado Department of Higher Education SURDS enrollment data and Colorado State Demographer population estimates.

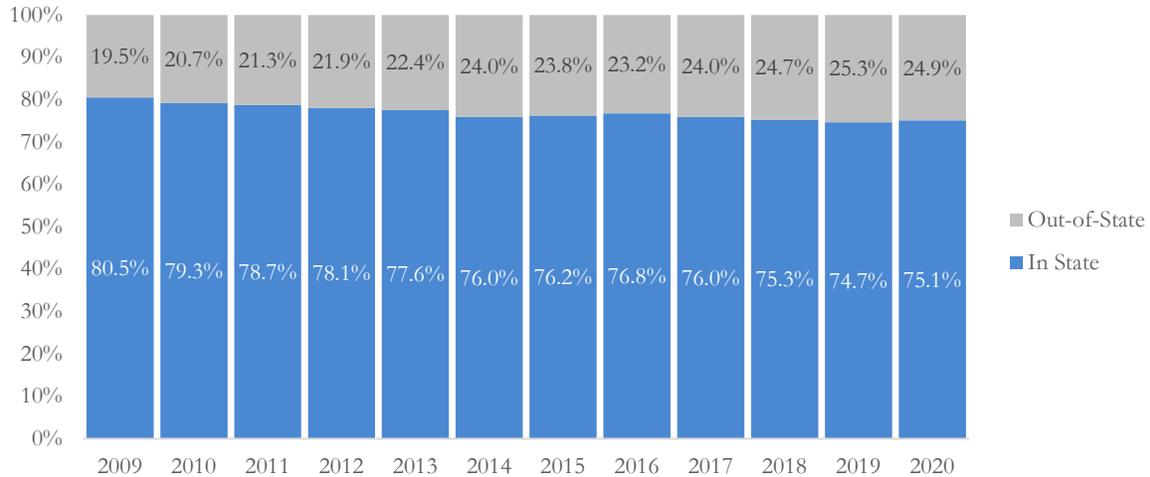
The charts below shows the trend in high school graduates' college enrollment, as well as the trend in the share of these students attending postsecondary education out-of-state.

COLORADO NEW HIGH SCHOOL GRADUATES ENROLLING IN COLLEGE



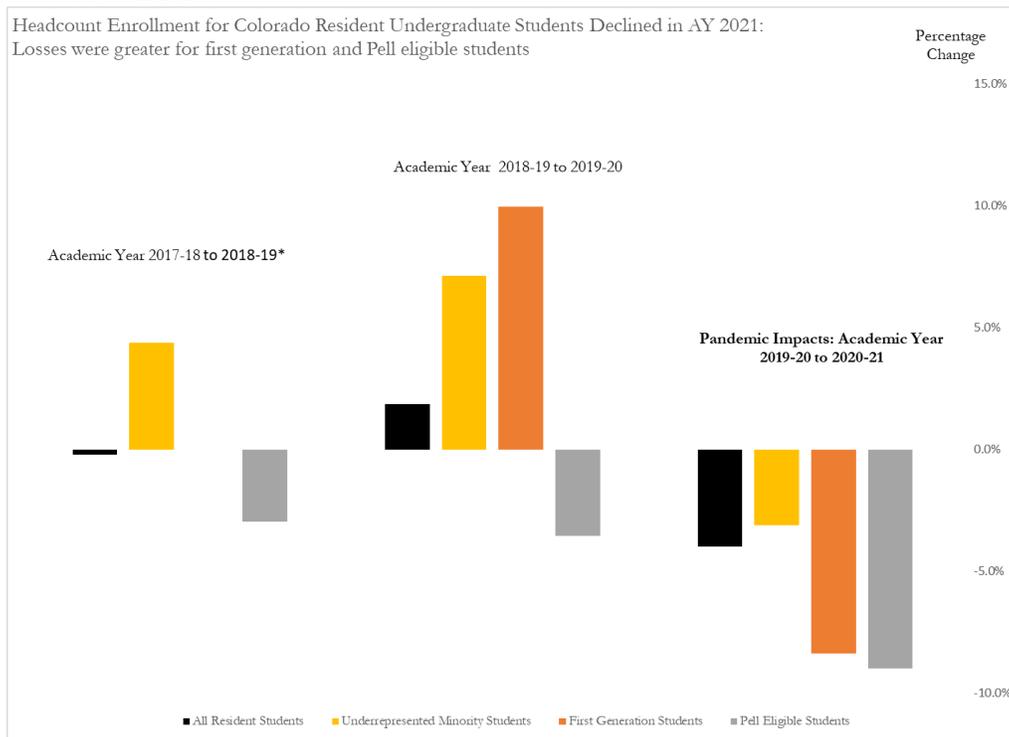
Source: Colorado Department of Higher Education, Post Secondary Progress and Success of High School Graduates, <https://higherred.colorado.gov/data-and-research/tools/data-tools/pathways-to-prosperity-postsecondary-access-and-success-for>

PERCENTAGE OF NEW COLORADO HIGH SCHOOL GRADUATES ENROLLING IN-STATE VERSUS OUT-OF-STATE WITHIN ONE YEAR OF GRADUATION



Source: Colorado Department of Higher Education, Post Secondary Progress and Success of High School Graduates, <https://higherred.colorado.gov/data-and-research/tools/data-tools/pathways-to-prosperity-postsecondary-access-and-success-for>

Enrollment trends for underrepresented groups are a particular concern. Creating an educated population requires the State to address equity gaps. While enrollment—and completions—for many underrepresented groups were on an upward trend prior to the pandemic, the pandemic impacts for low-income students and first-generation students, as well as some underrepresented minority students was substantial.

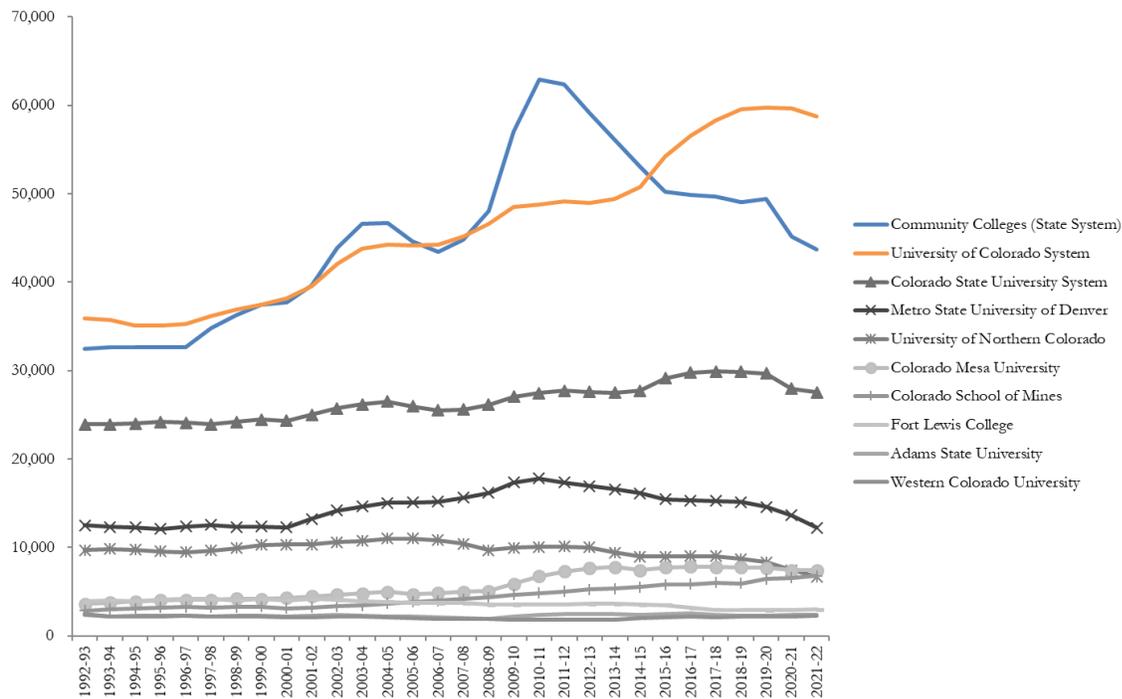


ENROLLMENT BY GOVERNING BOARD 1992-93 TO FY 2021-22

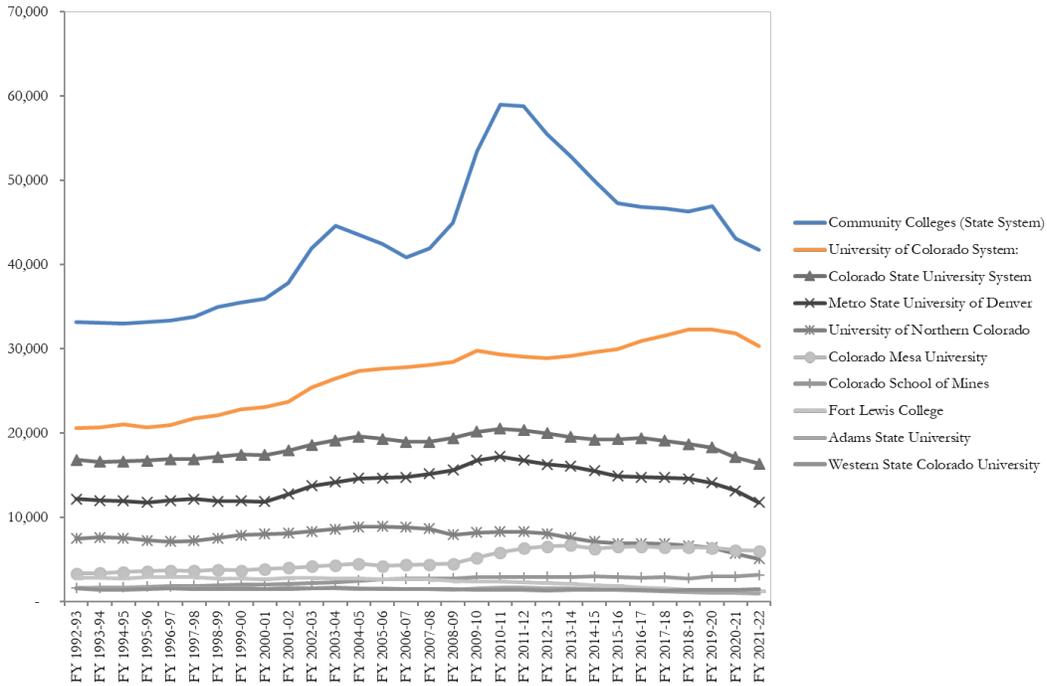
As noted above, as the economy strengthened between FY 2010-11 and FY 2019-20, statewide enrollment fell—by 11.2 percent for resident undergraduates and 2.0 percent overall. But these trends mask wide variation in increases and declines by institution. Between FY 2010-11 and FY 2019-20, enrollment increased at the state’s most prominent research institutions--the University of Colorado at Boulder, Colorado State University at Fort Collins, and the Colorado School of Mines—but fell at the state community college system and most other institutions.

As also noted above, following the onset of the COVID-19 pandemic, statewide enrollment fell by 4.4 percent in FY 2020-21 and by an additional 2.4 percent in FY 2021-22, but some of the greatest losses were at the community college system, where enrollment dropped by 8.2 percent in FY 2020-21 and a further 3.0 percent in FY 2021-22, reflecting the disproportionately large declines in undergraduate resident enrollment and at institutions serving historically disadvantaged populations.

TOTAL STUDENT FTE
(RESIDENT & NONRESIDENT, UNDERGRADUATE & GRADUATE)
HIGHER EDUCATION STATE INSTITUTIONS

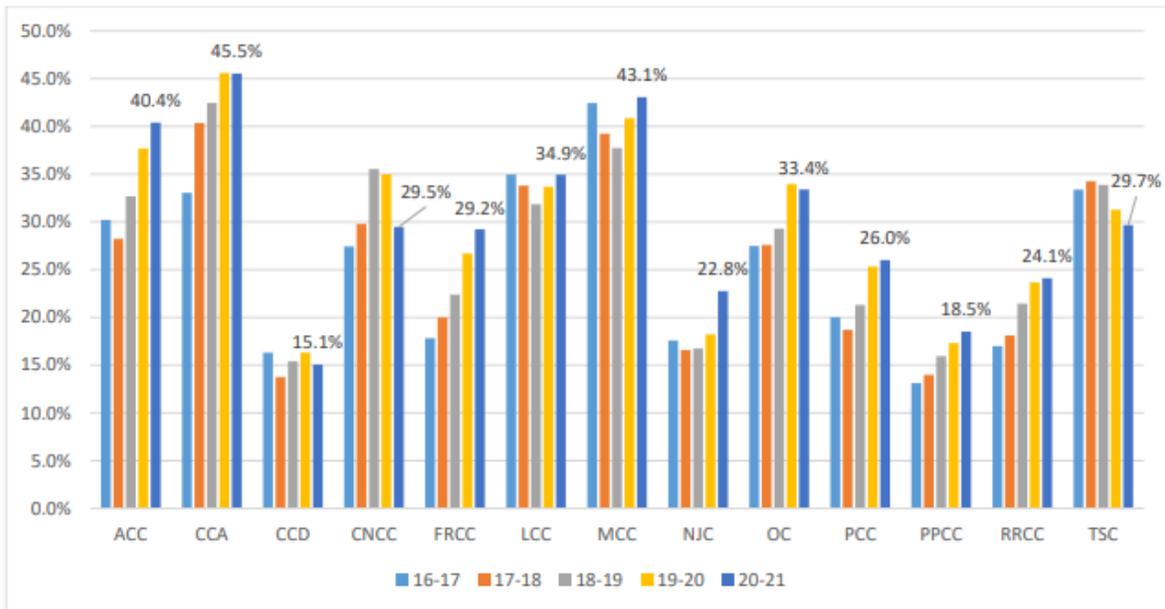


RESIDENT UNDERGRADUATE STUDENT FTE
HIGHER EDUCATION STATE INSTITUTIONS



Note that **community college enrollment would have been even lower without the growth of concurrent enrollment. As of 2020-21, high school students represented 29.2 percent of overall headcount and 23.2 percent of total FTE enrollment at the Colorado Community College System.** As shown in the chart below, excerpted from a Community College System report, concurrent enrollment is a significant component of headcount enrollment at almost every college in the system.

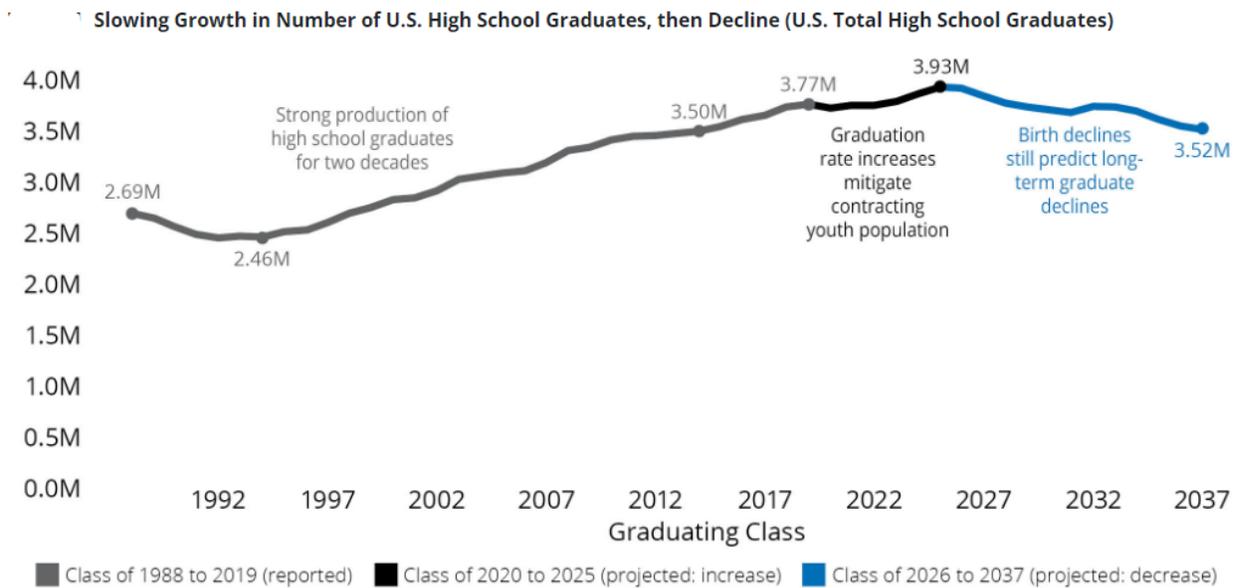
HS Students as a Percentage of Overall Enrollment



Source: Colorado Community College System, Academic Year 2020-2021 High School Students attending CCCS Colleges. <file:///H:/2023%20session/HED/HS%20to%20college/Concurrent%20Enrollment%20Report%20AY%202021.pdf>

LOOKING FORWARD

The COVID-19 pandemic has had unprecedented impacts on the postsecondary environment, and future enrollment trends still feel uncertain. Colleges and universities were anticipating headwinds even before the pandemic, based on projected declines in the number of high school graduates starting in 2025.¹⁴ For example, the CU System required all of its institution to prepare a “gap analysis” to address the projected enrollment declines after 2025, including through efforts to further increase CU’s share of total statewide enrollment.¹⁵



Source: Western Interstate Commission for Higher Education, *Knocking at the College Door*, 10th edition, 2020. See *Technical Appendix* for detailed sources of data through the Class of 2019; WICHE projections, Class of 2020 through 2037. ([View states or regions](#))

<https://knocking.wiche.edu/report/>

However, the educational interruptions and changes in student expectations caused by the pandemic are still rippling through the system. For example, **enrollment even for FY 2021-22 came in lower than the mid-year forecast. Final enrollment of 170,704 total FTE at the 10 state governing boards, including 132,309 resident FTE, for FY 2021-22 is below the 173,312 total FTE (by 1.7 percent), including 134,046 resident FTE (by 1.4 percent) that was used for the mid-year FY 2021-22 budget adjustments.**

Fall enrollment comparisons are shown below.

¹⁴ Western Interstate Commission for Higher Education, “Knocking at the College Door”, 2020. <https://knocking.wiche.edu/report/>

¹⁵ [https://go.boarddocs.com/co/cu/Board.nsf/files/C8GQTY6A20F8/\\$file/M4.%20Closing%20Out-year%20Budget%20Gaps%20\(final\)%2011-5-21.pdf](https://go.boarddocs.com/co/cu/Board.nsf/files/C8GQTY6A20F8/$file/M4.%20Closing%20Out-year%20Budget%20Gaps%20(final)%2011-5-21.pdf)

FALL FTE ENROLLMENT TRENDS

	TOTAL ENROLLMENT		RESIDENT UNDERGRADUATE ENROLLMENT	
	CHANGE FALL 2020 TO FALL 2021	CHANGE FALL 2021 TO FALL 2022	CHANGE FALL 2020 TO FALL 2021	CHANGE FALL 2021 TO FALL 2022
CU System	-0.3%	-0.9%	-4.3%	-1.7%
CSU System	-1.0%	0.0%	-4.9%	-0.1%
CCCS	-12.9%	13.7%	-13.9%	14.6%
UNC	-10.6%	-7.5%	-11.5%	-9.7%
Mines	3.5%	1.3%	5.1%	2.7%
CMU	-2.4%	-0.4%	-3.6%	-0.5%
MSU-Denver	-10.4%	-6.0%	-9.9%	-6.3%
Western	6.1%	-2.4%	8.0%	-3.7%
Ft. Lewis	0.0%	1.4%	-4.9%	3.3%
Adams	2.6%	-7.2%	0.1%	-14.8%

As reflected:

- **Community college enrollment seems to have substantially rebounded**, based on this first look in the Fall.
- **Enrollment at Metropolitan State University of Denver and the University of Northern Colorado appears to have continued to fall significantly, causing concern. Enrollment at Adams State University is also of significant concern.**
- Other four-year institutions are reflecting more modest shifts—up and down. Given that it is still early in the year and figures will continue to evolve, these do not appear to be cause of either great celebration or concern.

COLLEGE AFFORDABILITY AND INCREASING AWARENESS ABOUT FINANCIAL AID

The actual cost of college is a barrier for many students, but the *perceived* cost of college is also a barrier that discourages potential students from applying, even when they would qualify for financial aid. Both the State and federal government have begun to focus more attention on how to address barriers of perception, including through simplification of the federal application for student aid and better outreach to K-12 students.

SUMMARY

- The cost of college is true barrier for many students; but the *perceived* cost of college is also a significant barrier that appears to discourage many students from pursuing a college credential.
- Colorado has a strikingly poor rate of college-going. It also has a strikingly poor record for the share of students who even apply for federal financial aid, resulting in over \$43 million in federal funding “left on the table”.
- Both the State and federal government have begun to focus more attention on how to address barriers of *perception*. The federal government has passed legislation to simplify the application for federal aid, which includes changes that will take full effect in FY 2024-25 and make it easier to communicate about the program.
- This is a good moment for the State to develop a statewide message about college affordability. The first step for a state message is determining how Colorado institutions are *alike* in their low (or no) tuition and fee rates for the very lowest income students.
- Staff raised this issue last year. Higher education institutions indicated during the budget hearing that they were supportive of taking action. The Department began work on it, but the effort apparently stalled. This was in part due to staff turnover at the Department. There were also obstacles because, as JBC staff expected, (1) institutions manage their financial aid in many different ways as part of their overall budget management strategy; (2) financial aid staff may view financial aid as a competitive tool vis-à-vis other institutions; and (3) institutions are cautious about promising something that they might not be able to deliver longer-term.

RECOMMENDATION

- Staff recommends that the Committee sponsor legislation requiring the Department, institutions, and representatives from the Colorado Opportunity Scholarship Initiative, to work together to identify a clear, consistent, and unified message about which students will not pay tuition or mandatory fees at state institutions. A report on the proposal should be due no later than November 1, 2023.
- To the extent that implementing and publicizing such a consistent message may require additional funding for financial aid, student supports, and outreach, the report should identify the additional cost. **Staff assumes such costs would be very limited, as the goal would be to capitalized on existing financial aid from federal and state sources to clarify a message.**
- Staff believes that at a minimum such a policy and related messaging should apply to students who are completing high school and beginning college and who are eligible for public assistance (food assistance and Medicaid). Such provisions could potentially also be applied at little additional cost

for students with adjusted gross incomes ranging as high as \$65,000 to \$75,000, particularly if an additional requirement of full-time attendance were added at 4-year institutions.

- This initiative would be intended as a **compliment** to efforts to enhance the “big blur” transition between high school and college which are currently under discussion. It also aligns with: (1) federal changes to the Pell Grant and state efforts to increase Pell applications; (2) state and institutional interests in correcting misperceptions about college costs; and (3) state and institutional interests in and promoting postsecondary enrollment among students who could benefit from postsecondary education and training.

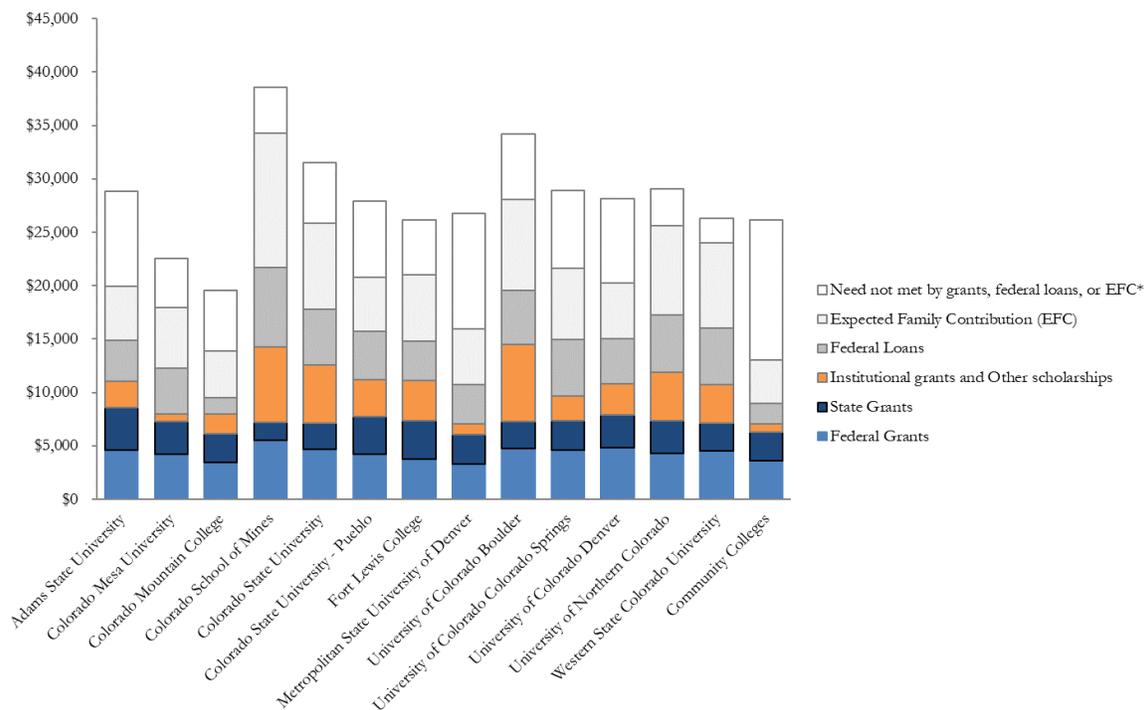
DISCUSSION

THE COLLEGE AFFORDABILITY PROBLEM: REAL AND PERCEIVED

The Real Affordability Problem: Cost of Attendance. The cost of college represents a real obstacle for low and middle-income students. In real (inflation adjusted) dollars, posted tuition and fees for resident students have remained flat (or even declined) in the last few years at some of Colorado's largest public institutions. However, the full cost of attendance for students also includes the cost of housing, food, transportation and incidentals. When these costs are included, even the costs of a community college can be daunting.

As shown in the chart, while federal, state, and institutional grants cover a significant portion of costs for students with financial need, many costs must be addressed by federal loans, and the largest share of costs is borne by students and their families. Federal formulas assume that students and families will cover a portion of educational costs (currently known as the "expected family contribution"), but students have financial needs even beyond this. Students address this by reducing living costs, working, or taking out private loans.

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



To work on the real affordability problem requires significant investments in financial aid, as well as spending on core institutional budgets to keep tuition increases under control. As noted in *Colorado Rises, Colorado's Higher Education Strategic Plan*, and follow-up reports, by 2020 nearly three quarters of jobs in Colorado were expected to require some postsecondary education, but only about 61 percent of Colorado adults age 25 to 64 now have a credential beyond high school.¹⁶ Studies have demonstrated that reducing costs can increase postsecondary participation.¹⁷

Perceived Cost is a Problem Too. Without minimizing the real financial challenges students face, perception is also a problem. A 2018 U.S. Department of Education publication, *What High Schoolers and Their Parents Know About 4-Year Tuition and Fees in Their State*, cites previous studies and new data demonstrating the degree of misperception.

"Most high school students and parents are unaware of the actual price of college, and those who offer their best approximations tend to overestimate rather than underestimate prices...Minority and low-socioeconomic-status families in particular are less knowledgeable."¹⁸

¹⁶ Colorado Department of Higher Education, *Colorado Rises*. <http://masterplan.highered.colorado.gov/> and Lumina Foundation tool, cited in May 4, 2021 Department press release <https://cdhe.colorado.gov/news-article/statewide-educational-attainment-continues-to-grow>

¹⁷ David Deming and Susan Dynarski, *Into College, Out of Poverty? Policies to Increase the Postsecondary Attainment of the Poor*, National Bureau of Economic Research, September 2009. [w15387.pdf \(nber.org\)](https://www.nber.org/papers/w15387)

¹⁸ Erin Dunlop Velez and Laura Horn, *What High Schoolers and Their Parents Know About Public 4-Year Tuition and Fees in Their State*, U.S. Department of Education Stats in Brief, October 2018 citing previous research.

The U.S. Department of Education study used federal longitudinal data from interviews with students in ten states. Students and parents were asked to estimate tuition and fees at a public 4-year university in their state. Only 11 percent of 9th graders in 2009 reported estimates that were close to the actual average tuition and fees. **Fifty-seven percent overestimated tuition and fees**, and 32 percent underestimated them.¹⁹

Such misperceptions contribute to real problems.

- **Colorado has a poor college-going rate. Among students who graduated in 2020 (during the pandemic) 50.5 percent enrolled in postsecondary education in the fall after graduation, a decline of over 5 percent from the prior year.**²⁰ **Even in 2019 (pre-pandemic), only 56.3 percent enrolled in postsecondary education the next fall.** This figure was 51.4 percent for rural students, 51.9 percent for Black students, and 45.9 percent for Latinx students. While some enroll later, for students who completed high school in 2017, **over one-third had not enrolled in postsecondary education two years after graduation.** Colorado is behind other states. **Nationally, even in 2020, 63 percent of high school graduates enrolled in a two-year or 4-year institution immediately.**²¹
- **Colorado has one of the lowest completion rates in the nation for the Free Application for Federal Student Aid (FAFSA). As of summer 2021, the FY 2020-21 FAFSA completion rate was 42.1 percent**, having fallen from the previous 44.4 percent.²² Thus, many students never learn about the financial aid for which they are eligible. According to a report developed for the Department of Higher Education, **almost half of student who do not complete the FAFSA are predicted to be eligible for a Pell grant.**²³ The Department of Higher Education currently estimates that **Colorado left \$43.3 million in federal Pell funding “on the table”** in 2020 due to students who did not complete the FAFSA.
- **Many of Colorado's postsecondary institutions are suffering from declining student enrollment.** This is particularly true at institutions that traditionally serve disadvantaged students. The pandemic has exacerbated these trends. Community colleges, Metropolitan State University of Denver, the University of Northern Colorado, and even Colorado State University have seen declining enrollment among resident students. **To thrive, Colorado public institutions need to enroll and retain students who have not historically attended college. If they can do this well, the institutions, the students they serve, and the State will benefit.**

<https://nces.ed.gov/pubs2019/2019404.pdf>

¹⁹ Velez and Horn, *What High Schoolers and Their Parents Know About Public 4-Year Tuition and Fees in Their State*.

²⁰ Colorado Department of Higher Education, Pathways to Prosperity: Postsecondary Access and Success for Colorado's High School Graduates, 2021 and 2022 Reports

https://highered.colorado.gov/Publications/Reports/Legislative/PostSecondary/2022_Postsecondary_Progress_rel20220503.pdf

and

https://highered.colorado.gov/Publications/Reports/Legislative/PostSecondary/2021_Postsecondary_Progress_rel20210415.pdf

²¹ National Center for Education Statistics, Immediate College Enrollment Rate.

<https://nces.ed.gov/programs/coe/indicator/cpa>

²² Department information for H.B. 21-1330 Financial Aid Working Group. <https://cdhe.colorado.gov/higher-education-student-success-legislation-hb21-1330-authorizes-federal-american-rescue-plan>

²³ Hanover Research, *Best Practices Analysis: FAFSA Completion Trends*, Prepared for the Colorado Department of Higher Education, October 2021.

Correcting misperceptions about cost for low-income students is not a silver bullet, but it is one element in increasing postsecondary attainment in the State.

MANY INSTITUTIONS—INCLUDING LOW-RESOURCED INSTITUTIONS—ALREADY PROMISE NO TUITION & FEES FOR STUDENTS WITH INCOMES BELOW A THRESHOLD

The following are examples of some of the existing programs being advertised by State institutions. Some of these are new or newly restructured.

MSU Denver Roadrunner Promise: MSU Denver will provide financial assistance to ensure you pay no tuition or mandatory fees if you are a first-time Colorado resident college student with a gross family income (AGI) of \$60,000 or less OR have an “EFC” of 2400 or less²⁴ AND complete the FAFSA or CAFSA by June 1, and enroll full-time (at least 12 hours per semester). The Promise is valid for students pursuing their first bachelor’s degree and is available for up to 10 semesters and covers up to 15 credit hours per semester.

CSU Pueblo Colorado Promise: CSU Pueblo will provide financial assistance to ensure you pay no tuition if you are a first-time Colorado resident college student or transfer student with a gross family income of up to \$70,000, complete the FAFSA (or CAFSA) by May 1, enroll full-time (at least 12 credit hours per semester), and, in future years, maintain a 3.0 cumulative GPA or higher. Eligibility is determined annually and covers up to 15 credit hours per semester for up to 4 years for freshmen and up to 2 years for transfer students. The Promise does not cover fees or housing.

CU Boulder Promise: CU Boulder will provide financial assistance to cover tuition and mandatory fees for students who are a Colorado resident, eligible for a federal Pell grant (or ASSET student with high financial need), for a first year student or new student transferring from any CU campus or Colorado community college, admitted into an undergraduate degree program, working a first bachelor’s degree, enrolled full time (at least 12 hours per semester). To retain the Promise in subsequent years, a student must make satisfactory academic promise, including maintaining a 2.0 GPA for most programs. The program is available for up to 10 semesters for new students, with lower amounts for transfer students.

CSU Commitment to Colorado: CSU’s main campus at Fort Collins provides Colorado students with an adjusted gross income of \$64,000 or less with grant funds to cover at least one-half the cost of tuition. In addition, students eligible for the federal Pell Grant will receive grant funds sufficient to cover 100 percent of tuition and standard fees. The grant is available for Colorado resident students attending full-time (12 or more credits, at least one on-campus course), have submitted a FAFSA by September 7 for students enrolling in the fall, and demonstrate financial need with the CSS profile (one time). To continue the grant, students must maintain satisfactory academic progress.

Adams State San Luis Valley Promise: Available to students from Alamosa and neighboring San Luis Valley counties. Pell grant eligible students pay no tuition or fees and receive a room and board discount. Students must complete the FAFSA and enroll full time by July 31, 2023

²⁴ Staff note: this would typically qualify for a partial federal Pell grant of approximately \$4,000.

STUDENTS WHO ARE ELIGIBLE FOR A FULL PELL GRANT TYPICALLY PAY NO TUITION OR FEES AT ANY COLORADO PUBLIC INSTITUTION

- Data provided by the Department in 2021 (last year) indicated that students coming out of high school who qualified for the maximum federal grant (**federal assistance of \$6,345 in FY 2020-21**) and attended full time did not pay tuition or mandatory fees at any public higher education institution in the state. This analysis is attached. Community college tuition and average mandatory fees of \$5,108 were lower than the federal grant. However, even at four-year institutions where the posted tuition and mandatory fees for resident students ranged from \$8,895 (Fort Lewis College) to \$19,538 (Colorado School of Mines), institutions used a combination of federal aid, state aid, and institutional aid to cover the balance. Additional data provided by the Department indicated that **financial aid exceeded estimated tuition and fees for almost any student who attended full time (at least 24 credit hours per year) and qualified for the maximum federal Pell grant, regardless of age.** This was true for 100.0 percent of students attending community college. This is also true for between 88.1 percent and 100.0 percent of students at the four year institutions, depending upon the institution. Those institutions where the total was not 100.0 percent generally conduct additional financial aid screening to determine if someone who appears to have a low income also has high assets. Further **Colorado students coming out of high school who qualified for a Pell grant of any size and attended full time were usually able to attend public institutions without paying tuition or mandatory fees.** Even students with household incomes up to \$75,000 who attended full time and qualified for financial aid but did not qualify for federal assistance paid very little in tuition and fees. See attachment with the 2021 tables.
- **This year, the Department applied a different methodology designed to incorporate part-time students** as well, since about 75 percent of students at the community college system are part-time, as are many students at urban 4-year institutions.²⁵ The Department explored multiple options, including the cost of covering tuition and fees not covered by other financial aid for all resident students at all public institutions, and this indicated that **there are multiple options under which tuition and fees are already largely covered for eligible students, including part-time students,** so that any balance required to cover remaining students would be very low. The chart below highlights some options targeted to new freshmen.

FRESHMAN IN FALL, AGE 19 AND UNDER ON 8/1/20, FULL-TIME AND PART-TIME STUDENTS WITH A BALANCE OF TUITION AND MANDATORY FEES NOT ALREADY COVERED BY GRANTS				
	2 YEAR STUDENTS – UNMET NEED	4 YEAR STUDENTS – UNMET NEED	2 YEAR STUDENTS WITH UNMET TUITION & FEES	4 YEAR STUDENTS WITH UNMET TUITION & FEES
(1) Full Pell/EFC=0	\$645,224	\$2,212,534	398	767
(2) Any Pell Eligible	1,708,888	6,058,110	1,025	1,909
(3) Adjusted gross income below \$60,000	1,666,705	6,911,009	950	1,899

²⁵ In this new methodology, the Department linked enrollment and financial aid files and assumed that financial aid for individual students was applied to the actual credit hours taken by students. Thus, the analysis did not rely on applying *average* aid to tuition and fees, since some students receive more aid than required to cover their tuition and fees and some students receive less.

FRESHMAN IN FALL, AGE 19 AND UNDER ON 8/1/20, FULL-TIME AND PART-TIME STUDENTS WITH A BALANCE OF TUITION AND MANDATORY FEES NOT ALREADY COVERED BY GRANTS

	2 YEAR STUDENTS – UNMET NEED	4 YEAR STUDENTS – UNMET NEED	2 YEAR STUDENTS WITH UNMET TUITION & FEES	4 YEAR STUDENTS WITH UNMET TUITION & FEES
(4) Adjusted gross income below \$75,000	2,588,178	11,232,367	1,386	2,692

- **"Tuition and fees" are not the same as the full cost of attendance.** There is no public institution that provides students sufficient funding to cover their full cost of attendance, including the cost of room and board. Low income students must either take our student loans or attend part-time and work to cover the costs of housing and food, particularly if they live in dorms, on their own, or must contribute to their family's household expenses. As a result, a large share of low income students only attend part-time.
- **Students who qualify for any Pell grant have very low incomes. Nonetheless, those qualifying for a Pell grant of any size comprised one-third of the Colorado resident headcount prior to the pandemic.** This was the case both for the University of Colorado System and the Colorado Community College System. At Adams State University and Metropolitan State University of Denver the figure was over 40 percent. *Pell-eligible students are the group for which enrollment declines have been particularly severe since the pandemic.*

DISTRIBUTION OF FEDERAL PELL GRANT RECIPIENTS BY INCOME FY 2017-18	
\$0-6,000	20.7%
\$6,001-15,000	19.0%
\$15,001-20,000	11.3%
\$20,001-30,000	17.1%
\$30,001-40,000	12.0%
\$40,001-50,000	8.7%
\$50,001-60,000	5.8%
\$60,001+	5.5%
TOTAL	100.00

Source: U.S. Department of Education Pell Grant Program Annual Data Report FY 2017-18 <https://www2.ed.gov/finaid/prof/resources/data/pell-data.html>

COMPETITION AMONG PUBLIC INSTITUTIONS DISCOURAGES UNIFIED MESSAGING

Postsecondary public institutions in Colorado compete with each other to attract students, who provide their largest source of revenue: tuition. As a result, they put substantial resources into attempting to differentiate themselves in various ways. Institutions use both merit and need based aid as tools for attracting potential students. They also manage their budgets in part by deciding how much institutional aid to award. At four year institutions, the result is complex, opaque pricing. At some institutions, the same student might pay a different amount depending upon if he or she applies early or late in the application cycle.

While this complexity may benefit individual institutions in the short-term, one result is that potential students are also unclear about costs. For the State as whole, the murky messaging is a problem, particularly for the lowest income students. These are the students who are most likely to receive generous aid, but who often fail to apply based on erroneous assumptions about cost. These are the same students that the Colorado postsecondary system has done a poor job attracting.

Staff does not expect institutions to stop competing. However, **staff believes it would be in the interest of all of the public institutions--and certainly in the State's interest--to have a clear overarching message that principals and counselors could use to help students in middle and high school see college as a realistic option.**

WHAT KIND OF MESSAGE?

Teachers, counselors, and school administrators need to help convey to parents and students, starting in middle school, messages like:

- If your family receives Medicaid or federal food assistance (SNAP), you won't have to pay tuition or fees at any public college or university in Colorado.
- If your family income is under \$65,000, you won't have to pay tuition or fees at any public college or university in Colorado, but you'll still have to pay for housing and food and other living costs. If you attend a 4-year institution, you'll need to attend full-time.
- Some financial aid directors have expressed doubt about whether there is any kind of consistent "base" message that will hold for all institutions; however, even if this is true, staff anticipates that relatively minor policy tweaks and possibly modest additional funding could make it true.
- Many of the state's largest institutions already make a commitment to cover tuition and fees for low income students, including for students with family incomes up to as high as \$70,000; and
- Last year, college presidents and chancellors consistently expressed support for the idea.

As reflected in the Institutional Program descriptions above, staff anticipates that, at a bare minimum the State could promise that full-time students who qualify for the full Pell grant—including all individuals on public assistance--will have their tuition covered at any institution. Such a guarantee does not apply to housing, food, transportation, and other costs of attendance, but it does apply to tuition and (in most cases) mandatory fees.

FEDERAL AND STATE INITIATIVES MAKE THIS THE RIGHT TIME TO THINK ABOUT MESSAGING

Staff does not know exactly what affordability message will be both accurate and compelling. However, given the large numbers of low income students who simply aren't pursuing postsecondary education, as well as new federal changes and state initiatives described below, this is a good moment to identify an effective, unified message for the State.

Federal FAFSA Simplification: The federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), signed December 27, 2020, included critical changes to simply the FAFSA, as well as make other changes to the federal financial aid program. reduced the number of FAFSA questions from 108 to a maximum of 36. This complemented changes in the 2019 FUTURE Act, which allowed for automating data imports from IRS tax forms into Pell application forms. The simplification provisions were supposed to take effect on July 1, 2023 and apply to award year 2023-

24. However, in March 2022, the FAFSA Simplification Act Technical Corrections Act (FSATCA) was enacted as part of the Consolidated Appropriations Act, 2022. The law pushed the general effective date for the FSA back one year, to July 1, 2024, coinciding with the beginning of the 2024-2025 award year.²⁶

An analysis by the Urban Institute concludes that the new policies do not appreciably change the distribution of Pell grant aid, but the share of students receiving the grant is estimated to increase from 42 to 45 percent, and **"the formula changes will make it much easier to communicate to students their likely eligibility for the maximum Pell award before they fill out a FAFSA."**²⁷ The changes include a new two factor formula based on adjusted gross income and the federal poverty level. Under the changes, families with income less than 175% of the Federal Poverty Guidelines (175%=\$60,704 for a family of four) and single parents with income less than 225% of the Federal Poverty Guidelines (225%=\$64,733 for a family of three) will qualify for a full grant (currently \$6,895). A minimum grant (about \$650) is expected to reach dependent students from a two-parent family of four that with income below \$73,000 or a one-parent family of four with income below \$86,000. The Urban Institute estimates that, under the new formula, **76 percent of Pell recipients will receive the maximum grant**, 16 percent will receive the minimum, and 8 percent will receive in between. Currently only about 60 percent receive the maximum.

Colorado is engaged in a continuing effort to increase its very low FAFSA participation rates.²⁸

A January 2022 State FAFSA Completion Report also lists both short- and longer term initiatives to promote FAFSA completion. During the 2022 session, the General Assembly enacted H.B. 22-1366 (Improving Students' Postsecondary Options), which added \$1.25 million in one-time funding in the Department of Higher Education, including staffing for an online financial aid toolkit and an outreach team, and \$1.625 million in the Department of Education, primarily for a grant program to improve completion of financial aid applications. This built on appropriations in other bills, including H.B. 19-1187 and H.B. 21-1330, both of which added funding intended to increase FAFSA completions.

WHERE TO START?

Staff believes that the State could benefit from clearer messaging about price for all potential higher education students. However, **if resources are added to provide a guarantee of free tuition and fees at a particular income level, staff would recommend beginning with students making the transition from high school to college.** This is for several reasons:

- 2 **Promoting the "Big Blur" in a way that is cost-effective:** There has been considerable interest in "blurring the lines" between high school and college. For many years, policy makers (and JBC staff) have been highlighting the fact that Colorado states that the majority of its population

²⁶ Congressional Research Services, *FAFSA Simplification Act*, Updated August 4, 2022. <https://crsreports.congress.gov/product/pdf/R/R46909>

²⁷ Kristin Blagg, Matthew Chingos, "How Will the New Pell Grant Formula Affect Students?", *Urban Wire, The Blog of the Urban Institute*, August 5, 2021. [How Will the New Pell Grant Formula Affect Students? | Urban Institute](https://www.urbaninstitute.org/blog/how-will-the-new-pell-grant-formula-affect-students/)

²⁸ See the Financial Aid Application Working Group Report, January 2022, at https://higher.ed.colorado.gov/Publications/Reports/Legislative/1330/2022_FA_WorkingGroup_Report.pdfonline and FAFSA completion tracking at <https://fafsa.highered.colorado.gov/Reports/Summary#>

should have postsecondary training,²⁹ including a degree or technical certificate, but free public education typically only goes through 12th grade. To address this problem, the General Assembly has promoted a variety of initiatives, including concurrent enrollment programs, which make postsecondary courses available to K-12 students free of charge. It has also supported other initiatives such as the ASCENT program and P-tech which effectively pay for a fifth or sixth year of high school while a student takes postsecondary courses.

Colorado cannot afford to make these kind of 5th and 6th year initiatives widely available if it relies solely on the State budget. Instead, particularly for low income students, it needs to make sure that federal funds (particularly the Pell Grant) are tapped as much as possible. **If the State could guarantee that all students transitioning from high school, up to a specified income level, can attend college free of tuition and fee charges (while also requiring FAFSA/CAFSA completion), it might make the “big blur” more affordable for the State to implement. *The State might still add additional resources for student support services and, in some cases, provide additional subsidies for students with higher incomes. However, it would not be leaving federal money on the table in the process.***

- 3 **Using existing channels to communicate to students:** School counselors, teachers principals, and school superintendents have ready access to students, and it should be far easier and less expensive to use existing school structures to communicate a simple college affordability message than to develop a public relations campaign targeted at a wider audience. *The State could even require that such information be disseminated as part of other existing school funding and grant programs, including COSI and the School Counselor Corps* There is clear evidence that high school students do not understand college pricing. A consistent statewide message can help address this over the long term.
- 4 **Limiting the Risk that the State cannot Keep its Promises:** Under recessionary conditions, postsecondary enrollment—particularly among adults—tends to increase significantly, but this is also typically the time at which the State cuts the higher education budget. The number of students graduating from high school is fairly defined, and the number of students completing high school and pursuing postsecondary can only increase by a modest amount, even in a recession. Thus, *if the State can implement a tuition and fee guarantee that relies primarily on federal funds targeted to low-income students, such a program is far more likely to endure, even during a recession.*

Note: For additional information on recent state "Big Blur" proposals, see the H.B. 22-1215 Report: https://drive.google.com/file/d/1iqWo6dlfriTd-RDwCRGluNgD_hjpPUe8/view

²⁹ Colorado Rises, Colorado 2017 Higher Education Master Plan, Colorado Rises, estimated that by 2020 almost three-fourths of jobs would require some education beyond high school. <https://masterplan.highered.colorado.gov/the-colorado-goal-66-percent-statewide-attainment/>

**BALANCE REQUIRED TO COVER TUITION AND MANDATORY FEES FOR FIRST-TIME RESIDENT FRESHMEN ENTERING FROM HIGH SCHOOL
AND ATTENDING FULL TIME (2021 ANALYSIS)**

	FY 2020-21 Tuition + Mandatory Fees Assumption	Max Pell Number of FTE	Current Avg. Scholarship	Additional Funds Required to Fully Cover Tuition and Fees*	Pell but not Maximum Pell Number of FTE	Current Avg. Scholarship	Additional Funds Required to Fully Cover Tuition and Fees*	Students with Need and income < \$75,000 Not Eligible for Pell Number FTE	Current Avg. Scholarship	Additional Funds Required to Fully Cover Tuition and Fees*
2-Year Public										
Aims Community College	\$2,270	25.0	\$11,553	-	101.0	\$8,365	\$0	8.0	\$1,609	\$5,285
Arapahoe Community College	4,949	4.0	8,595	-	41.0	6,328	-	14.0	-	69,291
Colorado Northwestern Community College	5,059	6.0	11,428	-	16.0	8,152	-	2.0	5,831	-
Community College of Aurora	4,877	12.0	10,345	-	94.0	5,058	-	10.0	1,788	30,891
Community College of Denver	5,775	22.0	9,408	-	132.0	5,394	50,250	14.0	2,512	45,680
Front Range Community College	4,985	34.0	10,429	-	197.0	5,981	-	31.0	1,453	109,482
Lamar Community College	5,037	13.0	12,007	-	34.0	8,662	-	4.0	2,675	9,448
Morgan Community College	4,746	2.0	10,462	-	13.0	6,339	-	1.0	4,100	646
Northeastern Junior College	5,206	11.0	12,005	-	48.0	8,616	-	6.0	4,406	4,800
Otero College	5,032	16.0	12,378	-	47.0	7,635	-	4.0	5,598	-
Pikes Peak Community College	4,957	37.0	10,008	-	241.0	5,812	-	43.0	2,098	122,933
Pueblo Community College	5,439	9.0	9,633	-	65.0	6,546	-	1.0	2,625	2,814
Red Rocks Community College	5,161	13.0	10,003	-	72.0	5,973	-	18.0	977	75,307
Trinidad State College	5,180	8.0	10,846	-	44.0	5,486	-	5.0	1,719	17,304
4-Year Public										
Adams State University	9,560	43.0	15,731	-	118.0	12,312	-	12.0	4,880	56,152
Colorado Mesa University	9,306	71.0	11,316	-	184.0	8,915	71,877	34.0	3,522	196,645
Colorado Mountain College	2,650	20.0	12,163	-	78.0	9,809	-	24.0	2,527	2,955
Colorado School of Mines	19,100	28.0	22,555	-	99.0	21,816	-	46.0	13,309	266,376
Colorado State University	11,939	156.0	19,067	-	422.0	17,442	-	89.0	7,382	405,563
Colorado State University - Pueblo	10,664	66.0	14,735	-	125.0	12,944	-	18.0	5,553	91,986
Fort Lewis College	8,895	17.0	14,047	-	71.0	10,088	-	13.0	7,715	15,346
Metropolitan State University of Denver	9,437	97.0	10,514	-	604.0	5,564	2,339,448	73.0	2,113	534,661
University of Colorado Boulder	12,466	145.0	20,616	-	402.0	18,451	-	77.0	7,836	356,508
University of Colorado Colorado Springs	10,480	98.0	13,469	-	255.0	12,446	-	39.0	4,294	241,260
University of Colorado Denver	11,537	107.0	13,268	-	274.0	11,586	-	33.0	3,788	255,708
University of Northern Colorado	10,062	89.0	13,890	-	205.0	12,586	-	70.0	9,611	31,560
Western Colorado University	10,646	17.0	13,533	-	35.0	11,839	-	6.0	6,152	26,965
Total		1,166.0	\$14,592	\$0	4,017.0	\$10,725	\$2,461,575	695.0	\$5,429	\$2,975,566

ONE-TIME FUNDING AUTHORIZED IN RECENT LEGISLATIVE SESSIONS

During the 2021 and 2022 legislative sessions, the General Assembly allocated significant one-time funding to the Department of Higher Education that included \$53.2 million originating as state General Fund and \$180.2 originating as federal Coronavirus State Fiscal Recovery funds (ARPA funds).

SUMMARY

- During the 2021, and 2022 legislative sessions, the General Assembly allocated \$233.4 million in one-time funding to the Department of Higher Education through appropriations and transfers. This includes funds managed by the Department, the Colorado Opportunity Scholarship Initiative, and institutions of higher education.
- Spending for some programs authorized during the 2021 legislative session has gotten off to a slow start. Many other programs were only authorized in 2022. Those involving federal ARPA funds will need to implement quickly to ensure the funds are obligated by December 30, 2024 and expended by December 31, 2026.

RECOMMENDATION

Staff recommends that the Committee seek updates from all departments during their budget hearings on the use of significant one-time allocations of federal and state funding. In this department, staff encourages the Committee to discuss with the affected agencies and institutions:

- The “Finish What You Started” and “Back to Work” initiatives (S.B. 21-232 and H.B. 21-1330) with both the Colorado Opportunity Scholarship Initiative and the institutions of higher education. Initial implementation has been slow.
- Fire mitigation initiatives being managed by the Colorado State Forest Services at Colorado State University (multiple bills). The Forest Service may be facing some implementation challenges, given the volume of programs and dollars it has received.
- Initial roll-out of workforce development initiatives being managed by the Colorado Community College System and the Department of Higher Education.
- Initial roll-out of teacher stipend and loan forgiveness programs being managed by the Department of Higher Education.

DISCUSSION

During the 2021 and 2022 legislative sessions, the General Assembly allocated \$233.4 million in one-time funding to the Department of Higher Education through appropriations and transfers. For many programs, authority was provided to expend the funds through FY 2023-24 or beyond. To assist the Committee in tracking the use of these funds, the tables below show the sum of allocations provided for FY 2020-21, FY 2021-22, and FY 2022-23 and expenditures through FY 2021-22 by the original source of the funds (General Fund and federal Coronavirus State Fiscal Recovery Funds).

ALLOCATION AND EXPENDITURE OF ONE-TIME GENERAL FUND

DEPARTMENT OF HIGHER EDUCATION ONE-TIME GENERAL FUND			
BILL NUMBER AND SHORT TITLE	APPROPRIATION/ TRANSFER OF FUNDS	ACTUAL EXPENDITURE OF FUNDS THROUGH FY 2022	BRIEF DESCRIPTION OF PROGRAM AND ANTICIPATED USE OF THE FUNDS
H.B. 21-1149 Energy Career Pathways ¹	\$0	\$600,000	Requires creation of an energy sector career pathway. Transfers \$5.0 million GF into the Strengthening Photovoltaic and Renewable Careers (SPARC) cash fund in CDLE to support related workforce development appropriations in multiple departments.
S.B. 21-109 Bond Payments for Auraria HED Center; continued in add-on sup for FY 22	6,769,486	6,769,486	For FY 2020-21 and FY 2021-22 only, allows payments on bonds for Auraria auxiliary facilities to be made from other sources, including the GF
H.B. 21-185 Supporting Educator Workforce	2,898,963	217,000	Appropriates \$2.5 million to the Educator Loan Forgiveness Fund. For loan repayments (continuously appropriated). Also appropriates \$329,963 to the DHE for administration with roll forward authority through FY 2025-26. Expenditure reported via email.
S.B. 21-054 Wildfire Mitigation	6,000,000	291,457	Transfers \$6.0M GF to the Forest Restoration and Wildfire Risk Mitigation CF administered by CSU and additional amounts to funds in other departments
S.B. 21-258 Wildfire Recovery & Risk Mitigation	7,500,000	424,401	Transfers \$25.0M GF and other funds for wildfire mitigation in several departments, including \$5.0M to the Health Forests and Vibrant Communities CF and \$2.5M to the Forest Restoration and Wildfire Risk Mitigation CF administered by CSU
S.B. 22-007 Wildfire Risk Mitigation Outreach	800,000	n/a	Requires the State Forest Service to conduct outreach efforts and appropriates \$800K to the Healthy Forests and Vibrant Communities Cash Fund for this purpose
H.B. 22-1011 Wildfire Mitigation Incentives Local Government	10,000,000	n/a	Creates the Wildfire Mitigation Incentives Local Government Grant Program in the CO State Forest Service at CSU and transfers \$10.0M to newly created Wildfire Mitigation Incentives Local Government Grant Program Fund.
H.B. 22-1012 Healthy Forests	5,295,407	n/a	Transfers \$3.0 million to the Healthy Forest and Vibrant Communities CF and \$2.2 million to the Forest Restoration and Wildfire Risk Mitigation CF at CSU
H.B. 22-1323 Tree Nursery	5,000,000	n/a	Appropriation to CSU for tree nursery
H.B. 22-1349 Postsecondary Student Success Data System	3,000,000	n/a	Total appropriated to the Department of Higher Education for the student success data system.
H.B. 22-1366 Improving Postsecondary Options	1,000,000	n/a	Appropriates \$680K for a financial aid toolkit, and \$320K for financial aid assessment tool improvements
H.B. 22-1393 Displaced Aurarian Scholarship	2,000,000	n/a	Appropriates \$2.0M GF to the DHE to be allocated to the 3 institutions on the Auraria campus, which must use it solely for scholarship & scholarship admin.
S.B. 22-182 Economic Mobility	171,000	n/a	Appropriates to HED for tool to connect postsecondary students to public assistance
S.B. 22-192 Credential Attainment	1,800,000	n/a	Appropriated to the Department for distribution to community colleges
S.B. 22-192 Stackable Credentials	1,000,000	n/a	Total appropriated to the Credentials to Support Colorado Jobs Cash Fund in the Department of Higher Education; \$475,275 is appropriated from the fund to the Department of Higher Education for FY 2022-23 to develop and implement stackable credentials.
Total	\$53,234,856	\$817,000	

¹Note: The Department of Higher Education has provided some additional data, shown in a table below, for programs highlighted in green.

ALLOCATION AND EXPENDITURE OF ONE-TIME FEDERAL CORONAVIRUS STATE
FISCAL RECOVERY FUNDS (ARPA FUNDS)

DEPARTMENT OF HIGHER EDUCATION ONE-TIME FEDERAL ARPA FUNDS			
BILL NUMBER AND SHORT TITLE	APPROPRIATION/ TRANSFER OF FUNDS	ACTUAL EXPENDITURE OF FUNDS THROUGH FY 2022	BRIEF DESCRIPTION OF PROGRAM AND ANTICIPATED USE OF THE FUNDS
H.B. 21-1264 Fund Workforce Dev. Increase Worker Skills ¹	\$10,000,000	\$507,135	Includes the following appropriations: \$10,000,000 to the Dept. of Higher Education for career and technical education equipment, facility, and instruction capacity funding;
H.B. 21-1330 Higher Ed Student Success	49,000,000	3,021,975	Includes the following appropriations to the Dept. of Higher Education: \$49,000,000 to the Colorado Opportunity Scholarship Initiative Fund for distribution to institutions of higher education for student scholarships and support services
H.B. 21-1330 Higher Ed Student Success	1,500,000	0	Appropriates \$1,500,000 to the Colorado Opportunity Scholarship Initiative Fund to implement a Student Aid Applications Completion Grant Program.
H.B. 21-1330 Higher Ed Student Success	1,000,000	64,737	Appropriates \$1,000,000 for the Colorado Re-engaged Initiative and the Associate Degree Completion Program in the Department of Higher Education.
S.B. 21-137 Behavioral Health Recovery Act	2,630,000	1,399,008	Dept. of Higher Education: Appropriates \$1,000,000 for the Center for Research into Substance Use Disorder, Prevention, Treatment, and Recovery Support Strategies at the University of Colorado Health Sciences Center for training and education for health-care professionals and other services; \$1,000,000 for the University of Colorado School of Medicine for the regional health connector workforce program; and \$630,000 for the University of Colorado School of Medicine for practice consultation services for health-care providers eligible to provide medication for opioid use disorder.
S.B. 21-232 COSI Displaced Workers, as amended H.B. 22-1192 Displaced Workers Grant	15,000,000	2,892,916	Total amount is appropriated to the Department of Higher Education for the Colorado Opportunity Scholarship Initiative's Displaced Workers Grant program.
H.B. 22-1220 Removing Barriers to Educator Preparation	52,000,000	n/a	Total is appropriated to the Department of Higher Education, including \$39.0 million for the Student Educator Stipend Program, \$3.0 million for the Educator Test Stipend Program, and \$10.0 million for the Temporary Educator Loan Forgiveness Program.
H.B. 22-1302 Primary Care Behavioral Health Integrations	250,000	n/a	Also appropriates \$250,000 to the Department of Higher Education for allocation to the Regents of the University of Colorado for a regional health connector workforce program.
H.B. 22-1379 Wildfire Prevention Watershed Restoration	3,000,000	n/a	Provides the following transfers: \$3,000,000 to the Healthy Forests and Vibrant Communities Fund, which is continuously appropriated to the Colorado State Forest Service at Colorado State University in the Department of Higher Education;
S.B. 22-147 Behavioral Healthcare Services for Children	4,600,000	n/a	Includes the following appropriations: \$4,600,000 to the Department of Higher Education for allocation to the University of Colorado for pediatric consultation;
S.B. 22-181 Workforce Investments	15,193,018	n/a	Includes the following appropriations: \$15,193,018 to the Dept. of Higher Education for department and community college system behavioral health care workforce development activities.
S.B. 22-226 Programs To Support Health-care Workforce	26,000,000	n/a	\$26,000,000 is appropriated to the Department of Higher Education for allocation to the community college system.
Total²	\$180,173,018	\$7,885,771	

Notes:

¹ The Department of Higher Education has provided some additional data, shown in a table below, for programs highlighted in green.

² H.B. 22-1350 (Regional Talent Collaborative Act) allocated an additional \$91.0 million from the Workers, Employers, and Workforce Centers Cash Fund, primarily originating as ARPA funds for a Regional Talent Development Initiative Grant Program Fund in the

Governor's Office of Economic Development. This initiative was an outgrowth of recommendations from the H.B. 21-1330 Task Force and staff assumes higher education institutions are involved. However, management is through the Governor's Office.

IMPLEMENTATION UPDATES AND ITEMS OF NOTE

ADDITIONAL DATA FROM DEPARTMENT OF HIGHER EDUCATION: In response to JBC staff questions, the Department of Higher Education provided the following update on expenditures *for those bills highlighted in green in the tables above*. This table breaks down the status of spending from the central Department perspective (when the Department is sometimes just a pass-through) versus when funds are expended at the institutions of higher education (IHEs). It also incorporates more up-to-date data. However, as shown, spending still appears slow for some programs.

STATUS OF SPENDING OF HIGHER EDUCATION AND WORKFORCE BILLS ENACTED IN THE 2021 SESSION AS OF NOVEMBER 2022					
BILL	PROGRAM DETAIL	TOTAL AWARDED ALLOCATION	IHE EXPENDED	CDHE TO IHE	CDHE EXPENDED
HB21-1149	SPARC Energy Career Pathways – Through 6/30/2026	\$4,500,000	\$960,000	\$4,500,000	\$4,500,000.00
HB21-1264	Career and Technical Education (funding for CTE construction projects at community colleges) – Through 12/31/2026	10,000,000	1,352,364	10,000,000	10,000,000
HB21-1330	Colorado Opportunity Scholarship Student Success – Through 12/31/2026	49,000,000	6,477,854	18,743,814	18,743,814
	Student Aid Application Completion – Through 12/31/2026	1,500,000	-	225,000	225,000
	Re-engaged Initiative and Associate Degree (amended HB 22-1174) – Through 6/30/2024	1,000,000	-	-	133,105
SB21-232	COSI Displaced Workers Grant – Through FY 2023-24	15,000,000	4,701,213	7,689,173	7,689,173
SB21-137	Health-Care Professionals Training on Opioid Risks and Alternatives – through FY 2022-23	633,000	598,984	633,000	633,000
	Regional Health Connector Support for Behavioral Health Recovery (Mental Health) – Through FY 2022-23	333,000	299,314	333,000	333,000
	Incentives and Support for Medication for Opioid Use Disorder (MOUD)- Through FY 22-23	333,000	309,869	333,000	333,000
	Regional Health Connector Support for Behavioral Health Recovery (Substance Use) - Through FY 2022-23	333,000	299,314	333,000	333,000
	Regional Health Connector Support - Behavioral Health Recovery (Other COVID-19) Through FY 2022-23	333,000	299,314	333,000	333,000
	Total	82,965,000	15,298,225	43,122,987	43,256,092

H.B. 21-1330 HIGHER ED STUDENT SUCCESS AND S.B. 21-232 (AS AMENDED H.B. 22-1192) COSI DISPLACED WORKERS GRANT: All of the funding in S.B. 21-232 (the COSI “Back to Work” Program) and most of the funds allocated in H.B. 21-1330 (the COSI “Finish What You Started” Program) are targeted toward helping individuals who left postsecondary education without a degree return to complete their educations. Additional information on these programs may be found in the recently released COSI Finish What You Started Report at:

https://higherred.colorado.gov/Publications/Reports/Legislative/1330/COSI_FinishWhatYouStart_ed_Report_2021-2022.pdf As reflected in the tables above, spending for both programs has been slow. Spending is authorized to continue through FY 2023-24 for the S.B. 21-232 funding and must be fully obligated by December 30, 2024 for the H.B. 21-1330 program. About half the S.B. 21-232 appropriation has been transferred to higher education institutions, but less than one-third has been spent about half-way through the three-year program. Only \$6.5 million of the \$49.0 million appropriation for H.B. 21-1330 has been spent 1.5 years into the program. All funds must be fully obligated within the next two years. **Staff encourage the Committee to ask the institutions of higher education about any concerns they may have about spending these funds for the intended purpose.**

COLORADO STATE FOREST SERVICE WILDFIRE MITIGATION BILLS (S.B. 21-054 Wildfire Mitigation; S.B. 21-258 Wildfire Recovery & Risk Mitigation; S.B. 22-007 Wildfire Risk Mitigation Outreach; H.B. 22-1011 Wildfire Mitigation Incentives Local Government; H.B. 22-1012 Healthy Forests; H.B. 22-1323 Tree Nursery; H.B. 22-1379 Wildfire Prevention Watershed Restoration): Over the last two legislative session, the General Assembly has made substantial commitments for a range of programs intended to mitigate wildfire risk. Many of the related appropriations and transfers are to the Colorado State Forest Service (CSFS), which is part of Colorado State University System. Further almost all of this funding was delivered by appropriation or transfer to two continuously appropriated cash funds: the Health Forests and Vibrant Communities Cash Fund and the Forest Restoration and Wildfire Risk Mitigation Cash Fund. In response to JBC Staff questions, the CSFS provided information on its activities and expenditures to-date.

COLORADO STATE FOREST SERVICE NEW FUNDING 2021 AND 2022 SESSIONS ¹				
	HEALTHY FORESTS & VIBRANT COMMUNITIES CF	FOREST RESTORATION & WILDFIRE RISK MITIGATION CF	OTHER APPROPRIATION/ FUND	TOTAL
2021 Session Bills				
S.B. 21-258 Wildfire Recovery	\$7,500,000	\$0	\$0	\$7,500,000
S.B. 21-054 Wildfire Mitigation	0	6,000,000	0	6,000,000
S.B. 21-205 (Long Bill)	2,000,000	8,000,000	0	10,000,000
Expenditure FY 2021-22	(424,401)	(342,408)	0	(766,809)
Balance start of FY 22-23	9,075,599	13,657,592	0	22,733,191
Spending FY 2022-23	(1,165,615)	(178,858)	0	(1,344,473)
Encumbered FY 2022-23	(5,909,984)	(5,816,409)	0	(11,726,393)
Unencumbered Balance as of December 2022	2,000,000	7,662,325	0	9,662,325
2022 Session Bills				
S.B. 22-007 Fire Risk Mitigation Outreach	800,000	0	0	800,000
H.B. 22-1323 Tree Nursery	0	0	5,000,000	5,000,000
H.B. 22-1011 Wildfire Mitigation Incentives Local Gov't			10,000,000	10,000,000
H.B. 22-1012 Healthy Forests	3,000,000	2,200,000	0	5,200,000
H.B. 22-1379 Wildfire & Watershed	3,000,000	0	0	3,000,000
H.B. 22-1329 (Long Bill)	2,000,000	8,000,000	0	10,000,000
Spending FY 2022-23	0	0	(10,224)	(10,224)
Encumbered FY 2022-23	0	0	(44,686)	(44,686)
Unencumbered Balance as of December 2022 (2021 & 2022 Session Bills)	\$10,800,000	\$17,862,325	\$14,945,090	\$43,607,415

¹Amounts shown do not include base forest service funding provided as part of the Colorado State University appropriation for specialty education programs (\$6,369,604 expended in FY 2021-22)

As reflected in the chart above, the CSFS had an unencumbered, unexpended balance of \$43.6 million, and many of its new appropriations have not been used as of the middle of FY 2022-23. It generally reports progress—though often few expenditures—on new bills. In addition, the CSFS indicates that it has spent or expects to spend all of the funds provided in S.B. 21-258 and S.B. 21-054. However, it has not thus far spent any of the total of \$4.0 million appropriated in the 2021 and 2022 Long Bills to the Health Forests and Vibrant Communities Fund “because of loss of staff and focus on the S.B. 21-258 funding”.

Staff encourages the Committee to discuss with the CSFS its capacity to implement and expend all the funds provided. Staff also notes that the Committee may wish to consider adding informational expenditure line items or a more substantive change to the appropriation structure for CSFS funding, given the volume of funds being deposited into continuously appropriated cash funds.

WORKFORCE DEVELOPMENT INITIATIVES (H.B. 21-1149, H.B. 21-1264, S.B. 22-181, S.B. 22-192, S.B. 22-226, H.B. 22-1350): A wide range of workforce initiatives were authorized and funded in the 2021 and 2022 legislative sessions. Many of these are being managed by the community college system, sometimes in **concert with the Department, the Governor’s Office, or the Department of Labor and Employment. While many initiatives are early in the process, it may be helpful to have an update from the community college system on the roll-out of some of the more significant workforce initiatives.** Staff also notes that H.B. 21-1264 included \$10.0 million for one-time investments in career and technical education programs, and that spending to date of \$1.4 million appears low. This program is being managed within of the occupational education section of the Colorado Community College System.

S.B. 21-185 SUPPORTING EDUCATOR WORKFORCE AND H.B. 22-1220 REMOVING BARRIERS TO EDUCATOR PREPARATION: *Student Teacher Stipends:* H.B. 22-1220 adds \$42.0 million primarily to support student teachers through stipends while they are student-teaching. As the program has just been authorized, staff would not expect expenditures thus far. However, given the scale of the investment, an update on the roll-out could be helpful.

Teacher Loan Forgiveness: S.B. 21-185 added \$2.9 million in FY 2021-22 for an educator loan forgiveness program. The Department has authority to roll-forward funds for five years, but only approximately \$217,000 has been spent thus far. An additional \$10.0 million for loan forgiveness was added in in H.B. 22-1220. The Committee may want to ask the Department for a status update given the low initial expenditures for S.B. 21-185.

WICHE PROFESSIONAL STUDENT EXCHANGE IN OPTOMETRY

Through the WICHE Professional Student Exchange Program in Optometry, Colorado funds optometry students to enroll in out-of-state institutions at subsidized rates. The program requires that students provide optometry services in Colorado upon their return but does not require or incentivize services to underserved populations.

SUMMARY

- The WICHE Professional Student Exchange Program in Optometry funds Colorado students to enroll in out-of-state institutions with optometry programs at subsidized rates through an exchange set up by the Western Interstate Commission on Higher Education (WICHE).
- The program receives an appropriation of \$385,000 General Fund, which currently supports 19 students at a cost of \$19,275 per student per year. At the end of their four years of optometry training, students are required to return to Colorado to work as optometrists for the length of time they were supported. If they do not do so, the funding provided converts to a loan.
- The JBC reduced the program in FY 2020-21 to help balance the budget, and the Executive Branch then proposed that it be phased out beginning in FY 2021-22. When budget conditions improved, the JBC chose not to do this, but asked for a report (through a Request for Information) on how the program could be modified to provide greater benefits to Coloradans.
- The Department submitted a response in Fall 2021, based on consultation with the Colorado Optometry Association and WICHE, and JBC Staff engaged in further discussions during the 2022 legislative session and interim with the Colorado Optometry Association and the Colorado Department of Public Health and Environment.

RECOMMENDATION

Staff recommends that the Committee consider sponsoring legislation to ensure that the WICHE Professional Student Exchange Program in Optometry provides additional benefits to Coloradans, consistent with recommendations included in a report submitted to the JBC in October 2021. Staff requests that the Committee provide authority to begin drafting legislation or indicates if it is not interested in pursuing this further.

DISCUSSION

BACKGROUND: The WICHE Professional Student Exchange Program (PSEP) in Optometry funds Colorado students to enroll in out-of-state institutions with optometry programs, including private institutions, at subsidized rates through an exchange set up by the Western Interstate Commission on Higher Education (WICHE). Colorado participates in the program under the statutory authority at

The FY 2022-23 appropriation was \$385,500, General Fund. The program currently supports 19 Colorado students. The exchange offers an alternative to establishing such a program in Colorado, as

there is currently no optometry school in the State.³⁰ In return for discounted tuition, participating students agree to return to Colorado to practice optometry for the same number of years as they were supported, or to repay the state for its investment inflated by the federal PLUS student loan rate. Of the 23 students currently in some form of repayment, three students are in cash repayment, meaning they are not practicing optometry in the state. WICHE data indicates that 85 percent of graduates who completed the program between 2007 and 2016 returned to Colorado.³¹

The FY 2021-22 state support fee (paid by all states per student) was \$19,275 per year, or about half of typical optometry school tuition. Since FY 2004-05, from 2 to 12 new students have been added to the Colorado program each year. Students are funded for their entire time in the multi-year program, so there are only a few students added each year, while others graduate (an O.D. program is typically 4 years). WICHE reports that 113 students from western states participated in the optometry PSEP program in FY 2021-22.

RECENT HISTORY: When the state budget has been under stress, this program has typically been on the table for reduction or elimination.³²

- Most recently, in FY 2019-20, as part of budget balancing, the Committee approved a reduction of \$74,025 based on not bringing new students into the program. The program was reduced by 4 slots.
- JBC Staff anticipated a further reduction in FY 2021-22, and the Department submitted an FY 2021-22 request to phase out the program. The Department request noted that there was not clear evidence that the State needed such a program to have an adequate supply of optometrists.
- However, by figure setting in spring 2021, it was clear that the state budget was in better shape than anticipated, so the Committee chose to maintain the program in FY 2021-22. The Committee also added a request for information asking the Department to explore whether the program could be modified to ensure more benefits for Coloradans. A report was submitted, based on discussions between the Department, WICHE, and the Optometry Association.
- Staff engaged the Department and the Colorado Optometry Association about the proposed program changes during the 2022 legislative session, but there remained too many questions at the point of FY 2022-23 figure setting to move forward with legislation. Staff then committed to working with interested parties to determine if there was a proposal that could be considered by the JBC for the 2023 legislative session.

PROPOSAL: Based on further work with the Department and the Department of Public Health and Environment, staff recommends that the JBC consider sponsoring a bill to improve the benefits of this program for Colorado residents. **This is a very small program, and staff does not believe this change is critical. However, in the interests of ensuring state funds are well used, staff encourages the Committee to consider sponsoring a related bill.** *If the Committee would like to*

³⁰ Colorado *receives* students from other states in its veterinary and medical programs, including 82 students receiving WICHE PSEP support totaling \$2,250,125 from other states in FY 2021-22. It only *sends* students to other states for optometry.

³¹ <https://www.wiche.edu/wp-content/uploads/2022/04/WICHE-BTN-AY2021-22.pdf>

³² Elimination was also proposed in FY 2012-13, but this was not approved. An increase of \$51,625 for inflation was then authorized in FY 2017-18.

consider such a bill, staff requests drafting authority. If the Committee is not interested, this would also be helpful to know.

The current statutory authority for this program is found in Section 24-60-601, C.R.S., which adds Colorado as a member of the Western Interstate Commission on Higher Education, and Section 23-23-1-108 (10), C.R.S., which authorizes the Colorado Commission on Higher Education (CCHE) to enter into agreements with another state or with the Western Interstate Commission on Higher Education on behalf of another state, for the granting of reciprocal full or partial tuition waivers for professional and postgraduate students. The optometry program per se is not mentioned in statute, so details have been established by CCHE under this broader authority and have been supported by legislative appropriations.

As described above, the current program subsidizes 19 students in professional optometry programs at the rate of \$19,275 per person per year on the condition that they then return to the state for as many years as they were supported (four, for a doctorate in optometry). Alternatively, the funding received is converted to a loan. If the Committee supports a statutory change, staff would recommend that the current broad statutory language be modified to include the following provisions.

- Require that if the Commission enters into a professional student exchange program through WICHE, subject to available appropriation, it will establish policies to maximize the benefit of the program to Colorado residents. These may include, but need not be limited, to the following:
- If the Commission continues to participate in a program for Colorado residents seeking postsecondary optometry degrees at institutions in other states, it will ensure that any students who enter the program beginning in the 2024-25 academic year and thereafter must, as part of their post-educational service commitment, agree to provide services to Coloradans enrolled in the Medicaid and ChP+ programs or their successor programs.
- The Commission shall also adopt policies to promote provision of services in underserved areas that may include reducing the service requirement for individuals who meet their post-educational service requirement by serving in areas that have insufficient access to services. To identify areas that are underserved in optometry or other medically related fields, the department shall collaborate with the Colorado Department of Public Health and Environment.

Other possible changes:

- The current WICHE PSEP program is not operated in exactly the manner anticipated in the original statute, since subsidies are available for students attending private institutions. The statute could be modified to align better with current practice.
- Existing statute already requires a report on the WICHE exchange programs every two years. This reporting could be refined, based on the new provisions, so that there is some reporting on the changes implemented and their impact.
- Other provisions could be added, but only if there is stakeholder support.

WHY THESE CHANGES? ADDITIONAL BACKGROUND

The conversation during FY 2021-22 figure setting included the following points:

- **Conflicting data over whether the program is necessary to ensure a sufficient supply of optometrists in Colorado.**
 - In proposing to eliminate the program, the Department noted that there is no evidence that the program is necessary for ensuring a sufficient supply of optometrists in Colorado.

- The labor market analysis firm EMSI projects 51 new optometrist jobs annually over the next decade (new and “replacement” when someone retires). This program, with 4-9 graduates each year helps fill some demand but may not meaningfully change where students work after graduation. A 2014 joint study by the American Optometric Association and the Association of Schools and Colleges of Optometry found that “there appears to be an adequate supply of eye doctors, optometrists and ophthalmologists, inclusive of projections of new doctors, to meet current and projected demand for eye care services through 2025”.
- In defense, the Colorado Optometry Association highlighted the aging of Colorado’s Optometry workforce, and that around 12 percent of currently practicing Colorado optometrists are either already at retirement or will reach retirement within 1-2 years, and there are projected to be about 51 job openings per year.
 - JBC Staff noted a publication from the National Academies of Sciences, Engineering, and Medicine had indicated that “A number of challenges make it difficult to assess whether current workforce levels, distribution patterns, and projected trends will be sufficient to meet the growing demand for eye and vision care services as the U.S. population ages.”³³
- **JBC Staff noted evidence from both national and Colorado studies that there are shortages in some areas, particularly rural areas.**³⁴

The RFI below was added in the FY 2021-22 Long Bill, associated with a decision to retain funding for the WICHE - Optometry line item.

- 4 Colorado Department of Higher Education, Colorado Commission on Higher Education and Higher Education Special Purpose Programs, Special Purpose, WICHE - Optometry -- The Department is requested to work with the Western Interstate Commission for Higher Education, the Colorado Optometric Association, and other stakeholders to explore how this program could be modified to ensure that funding for the program results in increased optometry services for underserved communities and locations, including rural areas. The Department is requested to report its findings to the Joint Budget Committee by October 1, 2021.

The statutory changes staff is now recommending stem directly from the Department’s response to this RFI, with a refinement based on work during the 2022 interim with the Colorado Department of Public Health and Environment.

"Over the [2021] interim, the Department held meetings with WICHE, the Colorado Optometric Association (COA), and optometrists who had previously participated in PSEP and now work in underserved areas to explore issues optometrists face in serving underserved communities and locations and to brainstorm solutions. Challenges faced by providers in underserved and rural areas include:

- low volume of patients;
- low reimbursements from vision plans;

³³ National Academies of Sciences, Engineering, and Medicine; Health and Medicine Division; Board on Population Health and Public Health Practice; Committee on Public Health Approaches to Reduce Vision Impairment and Promote Eye Health; Welp A, Woodbury RB, McCoy MA, et al., editors. Washington (DC): National Academies Press (US); 2016 Sep 15. <https://www.ncbi.nlm.nih.gov/books/NBK402365/>

³⁴ ³⁴ <https://pubmed.ncbi.nlm.nih.gov/25602911/>

- high cost of equipment; and
- lack of access to affordable housing and office space.

In addition to a shortage of optometrists due to these challenges, practitioners often do not remain in a rural/underserved area, creating a revolving door of optometrists that is challenging for the community.

The meetings resulted in a number of options for changes to the WICHE PSEP optometry program that could result in increased optometry services for underserved communities for consideration by the legislature. Below are the three changes the Department believes could be the most readily implemented:

- Require that participants accept Medicaid patients for the duration of their service repayment. Current practitioners indicated that this approach would not be overly administratively burdensome to program participants, and that prospective employers would likely be able to accommodate this requirement. Reimbursement for Medicaid patients is about 30% less than private insurance or self-pay patients.
- Shorten the amount of time PSEP graduates who practice in Colorado's underserved/rural areas are required to practice after graduation from 4 years to 2 or 3 years. This approach would give graduates choice in where to practice, recognizing that especially in rural areas there may not be enough jobs to accommodate a rural practice requirement. COA participants noted that this approach could incentivize graduates to "get their foot in the door" of practicing in a rural or underserved community, and that they may find they connect with the community and intend to stay.
- Increase outreach/marketing/mentoring opportunities for current and potential optometry students to discuss the opportunities and benefits associated with practicing in underserved/rural areas. Participants from the Colorado Optometry Association indicated they have organized an Equity Committee with the intent to work with STEM students at the undergraduate level who may be interested in health professions. By better targeting outreach to students from underserved/rural communities, students who want to return to their communities to practice optometry could become more aware of the availability of PSEP funding. COA has also organized volunteer opportunities and other days of service that could be integrated into PSEP requirements. Increased collaboration between the Department, WICHE, and COA could better highlight opportunities and benefits related to working in underserved/rural areas following graduation."

The report also identified several other options that might require additional resources or program administration to require or support students in rural areas. Staff also noted that the program could potentially "weight" applications from students who are from rural Colorado areas (and perhaps other underserved communities) more heavily in the application process.

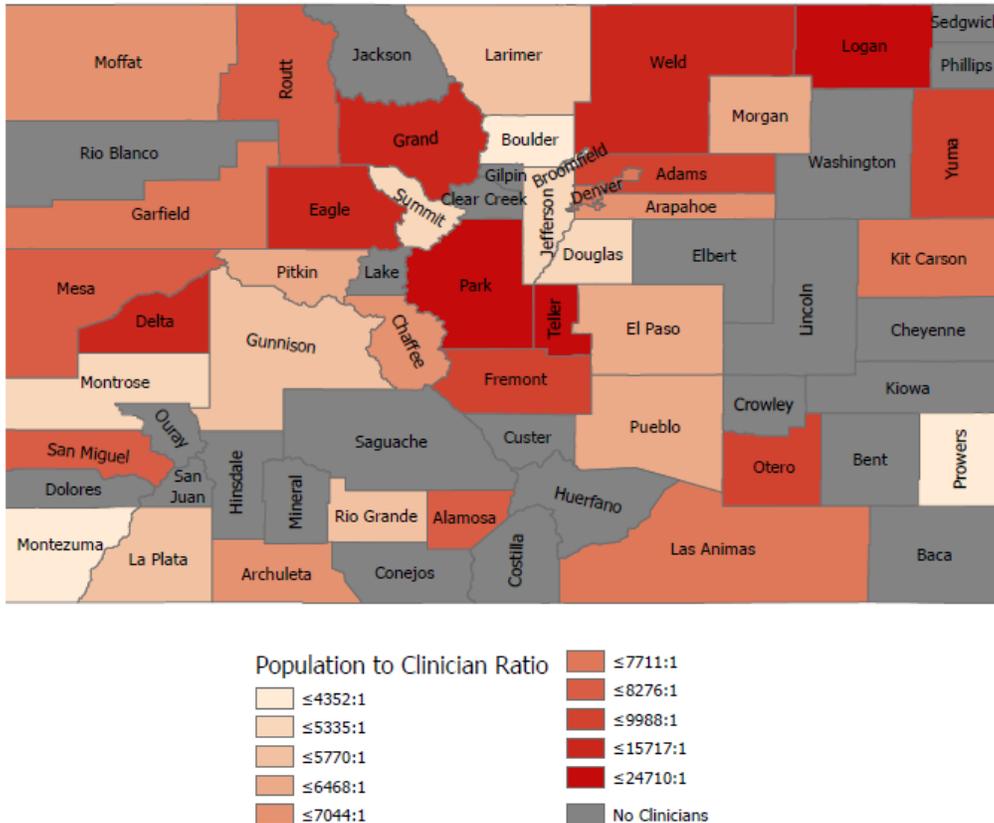
JBC Staff followed up with some additional questions. Responses collected during the 2022 legislative session and the 2022 interim indicated the following.

- Nearly all program participants who are currently in repayment live and work along the I-25 corridor, with the majority (16 of 21) in the Denver and Colorado Spring Metropolitan areas.

Given this, it seems possible that additional incentives (such as a shorter service requirement or preference for participants from rural areas) may be necessary if a program goal is to support service in rural areas.

- Most optometrists accept Medicaid, now that Medicaid rates have improved, but a requirement for program graduates would still be a reasonable addition to the program.
- Federal data on medically underserved areas does not provide data specifically on optometry, although some other measures might serve as proxies. Staff and the Department of Higher Education reached out to the Colorado Department of Public Health and Environment, which supports loan repayments for individuals providing medical services in underserved areas.
- In the last month, the CDPHE staff provided the following map of underserved areas for optometry in the State. The CDPHE staff indicated that, given its existing much larger portfolio of similar programs, developing maps of this type is not too onerous. The approach could be further refined, but this provides a “proof of concept” for targeting underserved areas. In light of this, staff feels comfortable that a program change could be implemented without too much cost or difficulty.

Decile Ranking of Colorado Counties by Population to Optometrist Ratio



APPENDIX A
NUMBERS PAGES
(DIGITAL ONLY)

Appendix A details actual expenditures for the last two fiscal years, the appropriation for the current fiscal year, and the requested appropriation for next fiscal year. This information is listed by line item and fund source. *Appendix A is only available in the online version of this document.*

Appendix A: Numbers Pages

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
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DEPARTMENT OF HIGHER EDUCATION
Angie Paccione, Executive Director

(1) DEPARTMENT ADMINISTRATIVE OFFICE

re not included in this section. Cash funds are primarily from the State Historical Fund. Reappropriated funds are from indirect cost recoveries.

Health, Life, and Dental	<u>1,182,675</u>	<u>2,229,056</u>	<u>2,529,583</u>	<u>3,179,488</u>
General Fund	85,156	193,876	357,979	387,714
Cash Funds	354,075	1,349,702	1,386,746	1,507,893
Reappropriated Funds	339,958	448,564	311,122	456,576
Federal Funds	403,486	236,914	473,736	827,305
Short-term Disability	<u>12,186</u>	<u>20,907</u>	<u>24,197</u>	<u>27,645</u>
General Fund	1,528	1,627	3,421	3,429
Cash Funds	3,663	13,046	13,220	13,990
Reappropriated Funds	3,911	4,292	3,877	4,421
Federal Funds	3,084	1,942	3,679	5,805
S.B. 04-257 Amortization Equalization Disbursement	<u>371,868</u>	<u>694,391</u>	<u>702,217</u>	<u>891,260</u>
General Fund	48,848	54,911	115,734	124,561
Cash Funds	116,562	443,336	345,027	414,852
Reappropriated Funds	115,027	134,794	123,491	148,448
Federal Funds	91,431	61,350	117,965	203,399

Appendix A: Numbers Pages

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
S.B. 06-235 Supplemental Amortization Equalization					
Disbursement	<u>371,868</u>	<u>694,391</u>	<u>702,217</u>	<u>891,260</u>	
General Fund	48,848	54,911	115,734	124,561	
Cash Funds	116,562	443,336	345,027	414,852	
Reappropriated Funds	115,027	134,794	123,491	148,448	
Federal Funds	91,431	61,350	117,965	203,399	
Salary Survey	<u>0</u>	<u>454,454</u>	<u>567,669</u>	<u>1,013,274</u>	
General Fund	0	35,936	148,115	145,468	
Cash Funds	0	290,148	226,814	455,723	
Reappropriated Funds	0	88,219	115,193	159,787	
Federal Funds	0	40,151	77,547	252,296	
PERA Direct Distribution	<u>0</u>	<u>478,077</u>	<u>404,354</u>	<u>77,267</u>	
General Fund	0	25,556	0	10,314	
Cash Funds	0	233,519	187,201	27,909	
Reappropriated Funds	0	152,559	119,488	18,047	
Federal Funds	0	66,443	97,665	20,997	
Workers' Compensation	<u>59,290</u>	<u>55,914</u>	<u>50,413</u>	<u>41,726</u>	
General Fund	0	0	0	0	
Cash Funds	37,588	36,117	31,023	24,963	
Reappropriated Funds	21,702	19,797	19,390	16,763	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
Legal Services	<u>131,281</u>	<u>188,360</u>	<u>151,211</u>	<u>161,956</u>	
General Fund	0	0	0	0	
Cash Funds	81,373	123,685	50,897	58,866	
Reappropriated Funds	49,908	64,675	100,314	103,090	
Federal Funds	0	0	0	0	
Administrative Law Judge Services	<u>0</u>	<u>0</u>	<u>322</u>	<u>0</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	322	0	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Payment to Risk Management and Property Funds	<u>162,244</u>	<u>278,935</u>	<u>321,508</u>	<u>294,092</u>	
General Fund	0	0	0	0	
Cash Funds	154,315	259,235	281,825	275,449	
Reappropriated Funds	7,929	19,700	39,683	18,643	
Federal Funds	0	0	0	0	
Leased Space	<u>424,927</u>	<u>424,927</u>	<u>424,927</u>	<u>424,927</u>	
General Fund	0	0	0	0	
Cash Funds	112,960	112,960	112,960	112,960	
Reappropriated Funds	311,967	311,967	311,967	311,967	
Federal Funds	0	0	0	0	
Payments to OIT	<u>359,245</u>	<u>163,961</u>	<u>403,907</u>	<u>660,925</u> *	
General Fund	85,073	151,167	151,306	235,519	
Cash Funds	215,544	12,794	166,844	317,046	
Reappropriated Funds	58,628	0	85,757	108,360	
Federal Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
CORE Operations	<u>274,875</u>	<u>237,213</u>	<u>257,323</u>	<u>239,484</u>	
General Fund	0	0	0	0	
Cash Funds	106,792	92,160	92,160	79,106	
Reappropriated Funds	168,083	145,053	165,163	160,378	
Federal Funds	0	0	0	0	
Statewide training	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,541</u> *	
General Fund	0	0	0	0	
Cash Funds	0	0	0	2,735	
Reappropriated Funds	0	0	0	806	
Federal Funds	0	0	0	0	
TOTAL - (1) Department Administrative Office	3,350,459	5,920,586	6,539,848	7,906,845	20.9%
<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	269,453	517,984	892,289	1,031,566	15.6%
Cash Funds	1,299,434	3,410,038	3,240,066	3,706,344	14.4%
Reappropriated Funds	1,192,140	1,524,414	1,518,936	1,655,734	9.0%
Federal Funds	589,432	468,150	888,557	1,513,201	70.3%

Appendix A: Numbers Pages

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
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(2) COLORADO COMMISSION ON HIGHER EDUCATION AND HIGHER EDUCATION SPECIAL PURPOSE PROGRAMS

s proprietary institutions, higher education lease purchase payments and capital-related outlays, and a large number of special purpose programs that rely on various funding sources.

(A) Administration

Administration	3,156,620	3,420,396	4,113,797	4,061,155	
FTE	30.6	30.6	34.0	33.0	
General Fund	0	132,400	250,000	275,183	
Cash Funds	39,698	139,545	395,100	202,082	
Reappropriated Funds	3,067,693	3,130,632	3,468,697	3,583,890	
Federal Funds	49,229	17,819	0	0	
SUBTOTAL - (A) Administration	3,156,620	3,420,396	4,113,797	4,061,155	(1.3%)
FTE	30.6	30.6	34.0	33.0	(2.9%)
General Fund	0	132,400	250,000	275,183	10.1%
Cash Funds	39,698	139,545	395,100	202,082	(48.9%)
Reappropriated Funds	3,067,693	3,130,632	3,468,697	3,583,890	3.3%
Federal Funds	49,229	17,819	0	0	0.0%

(B) Division of Private Occupational Schools

Division of Private Occupational Schools	836,310	882,169	1,069,500	1,092,842	
FTE	10.4	10.4	10.3	10.3	
Cash Funds	836,310	882,169	1,069,500	1,092,842	
SUBTOTAL - (B) Division of Private Occupational Schools	836,310	882,169	1,069,500	1,092,842	2.2%
FTE	10.4	10.4	10.3	10.3	0.0%
Cash Funds	836,310	882,169	1,069,500	1,092,842	2.2%

Appendix A: Numbers Pages

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
(C) Special Purpose					
Western Interstate Commission for Higher Education (WICHE)	<u>159,000</u>	<u>159,000</u>	<u>164,000</u>	<u>169,000</u>	*
Reappropriated Funds	159,000	159,000	164,000	169,000	
WICHE - Optometry	<u>376,600</u>	<u>376,600</u>	<u>385,500</u>	<u>385,500</u>	
General Fund	0	0	0	0	
Reappropriated Funds	376,600	376,600	385,500	385,500	
Distribution to Higher Education Competitive Research Authority	<u>1,748,478</u>	<u>990,909</u>	<u>2,800,000</u>	<u>2,800,000</u>	
Cash Funds	1,748,478	990,909	2,800,000	2,800,000	
Veterinary School Capital Outlay Support	<u>419,232</u>	<u>426,360</u>	<u>285,000</u>	<u>285,000</u>	
Cash Funds	285,000	285,000	143,640	143,640	
Reappropriated Funds	134,232	141,360	141,360	141,360	
Colorado Geological Survey at the Colorado School of Mines	<u>2,735,028</u>	<u>3,210,643</u>	<u>2,295,019</u>	<u>2,326,746</u>	*
FTE	15.5	15.5	15.5	15.5	
General Fund	567,208	622,086	634,528	666,255	
Cash Funds	1,744,091	2,061,267	1,660,491	1,660,491	
Reappropriated Funds	0	0	0	0	
Federal Funds	423,729	527,290	0	0	
Institute of Cannabis Research at CSU-Pueblo	<u>1,195,585</u>	<u>1,559,187</u>	<u>2,800,000</u>	<u>3,939,828</u>	0.9 *
Cash Funds	1,195,585	1,559,187	2,800,000	3,939,828	

Appendix A: Numbers Pages

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
GEAR-UP	<u>6,114,699</u>	<u>5,453,379</u>	<u>5,000,000</u>	<u>5,054,686</u>	
FTE	29.1	29.1	29.1	29.1	
Federal Funds	6,114,699	5,453,379	5,000,000	5,054,686	
Prosecution Fellowship Program	<u>0</u>	<u>356,496</u>	<u>356,496</u>	<u>356,496</u>	
General Fund	0	356,496	356,496	356,496	
Rural Teacher Recruitment, Retention, and Professional Development	<u>709,175</u>	<u>1,134,729</u>	<u>1,209,357</u>	<u>1,209,357</u>	
FTE	0.8	0.8	0.8	0.8	
General Fund	709,175	1,134,729	1,209,357	1,209,357	
Open Educational Resources Initiatives	<u>1,331,622</u>	<u>1,110,982</u>	<u>1,108,200</u>	<u>1,108,200</u>	
FTE	1.0	1.0	1.0	1.0	
General Fund	1,331,622	1,110,982	1,108,200	1,108,200	
Forest Restoration and Wildfire Risk Mitigation Grant Program Cash Fund at Colorado State University	<u>1,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>	<u>8,000,000</u>	
General Fund	1,000,000	8,000,000	8,000,000	8,000,000	
Healthy Forests and Vibrant Communities Fund at Colorado State University	<u>0</u>	<u>2,000,000</u>	<u>2,895,407</u>	<u>2,102,655</u>	0.2
General Fund	0	2,000,000	2,895,407	2,102,655	
Reappropriated Funds	0	0	0	0	
Federal Funds	0	0	0	0	
Colorado Student Leaders Institute Pilot	<u>148,912</u>	<u>275,583</u>	<u>218,825</u>	<u>218,825</u>	
FTE	1.0	0.0	1.0	1.0	
General Fund	148,912	275,583	218,825	218,825	

Appendix A: Numbers Pages

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
S.B. 21-185 Strategies for Educator Preparation Programs	<u>0</u>	<u>0</u>	<u>59,132</u>	<u>59,132</u>	
FTE	0.0	0.0	1.0	1.0	
General Fund	0	0	59,132	59,132	
Financial Aid Assessment Tool	<u>153,911</u>	<u>115,000</u>	<u>474,069</u>	<u>154,069</u>	
FTE	0.5	0.5	1.5	1.5	
General Fund	0	0	320,000	0	
Reappropriated Funds	153,911	115,000	154,069	154,069	
Growing Great Teachers - Teacher Mentor Grants	<u>0</u>	<u>499,112</u>	<u>548,477</u>	<u>548,477</u>	
FTE	0.0	0.0	0.5	0.5	
General Fund	0	499,112	548,477	548,477	
Center for Substance Use Disorder, Prevention, Treatment, and Recovery Support Strategies at the University of Colorado Health Sciences Center	<u>0</u>	<u>0</u>	<u>4,250,000</u>	<u>4,250,000</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	4,250,000	4,250,000	
Online Platform for Public Benefits for Higher Education Students	<u>0</u>	<u>0</u>	<u>171,000</u>	<u>45,000</u>	
General Fund	0	0	171,000	45,000	
Inclusive Higher Education Grant Program	<u>0</u>	<u>0</u>	<u>450,000</u>	<u>450,000</u>	
General Fund	0	0	450,000	450,000	
H.B. 22-1366 Financial Aid Toolkit	<u>0</u>	<u>0</u>	<u>680,000</u>	<u>0</u>	
FTE	0.0	0.0	2.0	0.0	
General Fund	0	0	680,000	0	

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
H.B. 22-1349 Student Success Data System	<u>0</u>	<u>0</u>	<u>3,000,000</u>	<u>0</u>	
FTE	0.0	0.0	1.0	0.0	
Cash Funds	0	0	3,000,000	0	
S.B. 22-192 Allocations to IHEs for Student Access to Nondegree Credential Programs	<u>0</u>	<u>0</u>	<u>1,800,000</u>	<u>0</u>	
General Fund	0	0	1,800,000	0	
S.B. 22-192 Appropriation to Credentials to Support Colorado Jobs Cash Fund	<u>0</u>	<u>0</u>	<u>1,000,000</u>	<u>0</u>	
Cash Funds	0	0	1,000,000	0	
S.B. 22-192 Development and Implementation of Stackable Credentials	<u>0</u>	<u>0</u>	<u>475,275</u>	<u>475,275</u>	
FTE	0.0	0.0	1.5	1.5	
Reappropriated Funds	0	0	475,275	475,275	
H.B. 22-1220 Temporary Educator Loan Forgiveness Program	<u>0</u>	<u>0</u>	<u>10,000,000</u>	<u>0</u>	
Cash Funds	0	0	10,000,000	0	
Institute of Cannabis Research - Governing Board	<u>0</u>	<u>1,164,773</u>	<u>0</u>	<u>0</u>	
Cash Funds	0	1,164,773	0	0	
H.B. 21-1330 COSI FAFSA Completion Grant Program	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
General Fund	0	0	0	0	
Cash Funds	0	0	0	0	

Appendix A: Numbers Pages

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
H.B. 21-1330 Colorado Re-Engaged and Associate Degree Completion Programs	<u>0</u>	<u>64,737</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
Cash Funds	0	64,737	0	0	
H.B. 21-1264 Career and Technical Education Equipment, Facility, and Instruction Capacity Funding	<u>0</u>	<u>507,135</u>	<u>0</u>	<u>0</u>	
Cash Funds	0	507,135	0	0	
S.B. 21-185 Appropriation to the Educator Loan Forgiveness Fund	<u>0</u>	<u>2,500,000</u>	<u>0</u>	<u>0</u>	
General Fund	0	2,500,000	0	0	
S.B. 21-185 Educator Loan Forgiveness Program Administration	<u>0</u>	<u>102,440</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	0	102,440	0	0	
SUBTOTAL - (C) Special Purpose	16,092,242	30,007,065	50,425,757	33,938,246	(32.7%)
<i>FTE</i>	<u>47.9</u>	<u>46.9</u>	<u>54.9</u>	<u>53.0</u>	<u>(3.5%)</u>
General Fund	3,756,917	16,601,428	18,451,422	14,764,397	(20.0%)
Cash Funds	4,973,154	6,633,008	25,654,131	12,793,959	(50.1%)
Reappropriated Funds	823,743	791,960	1,320,204	1,325,204	0.4%
Federal Funds	6,538,428	5,980,669	5,000,000	5,054,686	1.1%

Appendix A: Numbers Pages

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
(D) Lease Purchase Payments and Capital-related Outlays					
University of Colorado, Lease Purchase of Academic Facilities at Fitzsimons	14,153,707	22,317,006	11,540,613	11,542,514	*
General Fund	0	5,157,255	4,589,105	11,542,514	
General Fund Exempt	7,653,707	0	0	0	
Cash Funds	6,500,000	17,159,751	6,951,508	0	
Appropriation to the Higher Education Federal Mineral Lease Revenues Fund for Lease Purchase of Academic Facilities	16,933,244	17,072,238	16,631,232	16,432,169	*
General Fund	0	17,072,238	16,631,232	16,432,169	
General Fund Exempt	16,933,244	0	0	0	
Lease Purchase of Academic Facilities Pursuant to Section 23-19.9-102	17,430,405	17,424,119	17,439,900	17,432,169	*
Cash Funds	497,161	360,000	808,668	1,000,000	
Reappropriated Funds	16,933,244	17,064,119	16,631,232	16,432,169	
Annual Depreciation-Lease Equivalent Payment	0	4,689,433	7,406,847	10,984,897	*
General Fund	0	4,689,433	7,406,847	10,984,897	
SUBTOTAL - (D) Lease Purchase Payments and Capital-related Outlays	48,517,356	61,502,796	53,018,592	56,391,749	6.4%
<i>FTE</i>	0.0	0.0	0.0	0.0	0.0%
General Fund	0	26,918,926	28,627,184	38,959,580	36.1%
General Fund Exempt	24,586,951	0	0	0	0.0%
Cash Funds	6,997,161	17,519,751	7,760,176	1,000,000	(87.1%)
Reappropriated Funds	16,933,244	17,064,119	16,631,232	16,432,169	(1.2%)

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
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(E) Tuition/Enrollment Contingency

Tuition/Enrollment Contingency	<u>60,000,000</u>	<u>150,000</u>	<u>75,000,000</u>	<u>75,000,000</u>	
Cash Funds	60,000,000	150,000	75,000,000	75,000,000	

SUBTOTAL - (E) Tuition/Enrollment Contingency	60,000,000	150,000	75,000,000	75,000,000	0.0%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
Cash Funds	60,000,000	150,000	75,000,000	75,000,000	0.0%

(F) Indirect Cost Assessments

Indirect Cost Assessments	<u>66,156</u>	<u>60,429</u>	<u>7,855,261</u>	<u>7,855,261</u>	
General Fund	0	0	0	0	
Cash Funds	66,156	60,429	424,628	424,628	
Reappropriated Funds	0	0	7,321,029	7,321,029	
Federal Funds	0	0	109,604	109,604	

SUBTOTAL - (F) Indirect Cost Assessments	66,156	60,429	7,855,261	7,855,261	0.0%
<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	0.0%
Cash Funds	66,156	60,429	424,628	424,628	0.0%
Reappropriated Funds	0	0	7,321,029	7,321,029	0.0%
Federal Funds	0	0	109,604	109,604	0.0%

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
TOTAL - (2) Colorado Commission on Higher Education and Higher Education Special Purpose Programs	128,668,684	96,022,855	191,482,907	178,339,253	(6.9%)
<i>FTE</i>	<u>88.9</u>	<u>87.9</u>	<u>99.2</u>	<u>96.3</u>	<u>(2.9%)</u>
General Fund	3,756,917	43,652,754	47,328,606	53,999,160	14.1%
General Fund Exempt	24,586,951	0	0	0	0.0%
Cash Funds	72,912,479	25,384,902	110,303,535	90,513,511	(17.9%)
Reappropriated Funds	20,824,680	20,986,711	28,741,162	28,662,292	(0.3%)
Federal Funds	6,587,657	5,998,488	5,109,604	5,164,290	1.1%

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
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(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	167,532,879	182,779,739	204,932,006	217,459,830	*
General Fund	0	181,922,854	23,803,408	36,331,232	
General Fund Exempt	166,213,358	0	179,968,585	179,968,585	
Reappropriated Funds	1,319,521	856,885	1,160,013	1,160,013	
SUBTOTAL - (A) Need Based Grants	167,532,879	182,779,739	204,932,006	217,459,830	6.1%
<i>FTE</i>	0.0	0.0	0.0	0.0	0.0%
General Fund	0	181,922,854	23,803,408	36,331,232	52.6%
General Fund Exempt	166,213,358	0	179,968,585	179,968,585	0.0%
Reappropriated Funds	1,319,521	856,885	1,160,013	1,160,013	0.0%

(B) Work Study

Work Study	18,560,939	20,931,058	23,129,178	23,129,178	
General Fund	0	20,931,058	23,129,178	23,129,178	
General Fund Exempt	18,560,939	0	0	0	
SUBTOTAL - (B) Work Study	18,560,939	20,931,058	23,129,178	23,129,178	0.0%
<i>FTE</i>	0.0	0.0	0.0	0.0	0.0%
General Fund	0	20,931,058	23,129,178	23,129,178	0.0%
General Fund Exempt	18,560,939	0	0	0	0.0%

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
(D) Special Purpose					
Veterans'/Law Enforcement/POW Tuition Assistance General Fund	<u>1,143,700</u> 1,143,700	<u>1,269,536</u> 1,269,536	<u>1,143,700</u> 1,143,700	<u>1,643,700</u> 1,643,700	*
Native American Students/Fort Lewis College General Fund General Fund Exempt	<u>21,790,595</u> 0 21,790,595	<u>24,045,076</u> 24,045,076 0	<u>25,563,965</u> 25,563,965 0	<u>22,955,945</u> 22,955,945 0	*
Colorado Opportunity Scholarship Initiative Fund FTE General Fund Cash Funds	<u>17,142,194</u> 0.0 6,000,000 11,142,194	<u>18,648,162</u> 0.0 7,000,000 11,648,162	<u>7,000,000</u> 0.0 7,000,000 0	<u>10,000,000</u> 0.0 10,000,000 0	*
Tuition Assistance for Career and Technical Education Certificate Programs General Fund	<u>339,035</u> 339,035	<u>398,467</u> 398,467	<u>450,000</u> 450,000	<u>450,000</u> 450,000	
S.B. 21-106 Fourth-year Innovation Pilot Program FTE General Fund	<u>0</u> 0.0 0	<u>27,958</u> 0.0 27,958	<u>368,792</u> 0.7 368,792	<u>368,792</u> 0.7 368,792	
Displaced Aurarian Scholarship General Fund	<u>0</u> 0	<u>0</u> 0	<u>2,000,000</u> 2,000,000	<u>0</u> 0	
State Aid for Foster Students Program FTE General Fund	<u>0</u> 0.0 0	<u>0</u> 0.0 0	<u>2,610,575</u> 3.7 2,610,575	<u>2,605,519</u> 4.0 2,605,519	

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
H.B. 22-1220 Student Educator Stipend Program	<u>0</u>	<u>0</u>	<u>39,000,000</u>	<u>0</u>	
FTE	0.0	0.0	0.5	0.0	
Cash Funds	0	0	39,000,000	0	
H.B. 22-1220 Educator Test Stipend Program	<u>0</u>	<u>0</u>	<u>3,000,000</u>	<u>0</u>	
FTE	0.0	0.0	0.5	0.0	
Cash Funds	0	0	3,000,000	0	
H.B. 21-1330 COSI Student Financial Aid and Support Services at IHEs	<u>0</u>	<u>3,021,975</u>	<u>0</u>	<u>0</u>	
Cash Funds	0	3,021,975	0	0	
S.B. 21-232 COSI Displaced Workers Program	<u>1,950,000</u>	<u>942,916</u>	<u>0</u>	<u>0</u>	
Cash Funds	1,950,000	942,916	0	0	
H.B. 18-1002 Rural Teaching Fellowship Program	<u>485,463</u>	<u>0</u>	<u>0</u>	<u>0</u>	
FTE	0.0	0.0	0.0	0.0	
General Fund	485,463	0	0	0	
SUBTOTAL - (D) Special Purpose	42,850,987	48,354,090	81,137,032	38,023,956	(53.1%)
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>5.4</u>	<u>4.7</u>	<u>(13.0%)</u>
General Fund	7,968,198	32,741,037	39,137,032	38,023,956	(2.8%)
General Fund Exempt	21,790,595	0	0	0	0.0%
Cash Funds	13,092,194	15,613,053	42,000,000	0	(100.0%)

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
TOTAL - (3) Colorado Commission on Higher Education Financial Aid	228,944,805	252,064,887	309,198,216	278,612,964	(9.9%)
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>5.4</u>	<u>4.7</u>	<u>(13.0%)</u>
General Fund	7,968,198	235,594,949	86,069,618	97,484,366	13.3%
General Fund Exempt	206,564,892	0	179,968,585	179,968,585	0.0%
Cash Funds	13,092,194	15,613,053	42,000,000	0	(100.0%)
Reappropriated Funds	1,319,521	856,885	1,160,013	1,160,013	0.0%

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
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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>138,734,896</u>	<u>309,684,418</u>	<u>360,947,808</u>	<u>382,541,574</u> *	
General Fund	1,102,960	309,684,418	5,767,444	27,361,210	
General Fund Exempt	137,631,936	0	355,180,364	355,180,364	

Stipends for eligible full-time equivalent students attending
participating private institutions

	<u>734,400</u>	<u>1,725,840</u>	<u>1,655,048</u>	<u>1,766,896</u> *	
General Fund	0	1,725,840	0	111,848	
General Fund Exempt	734,400	0	1,655,048	1,655,048	

SUBTOTAL - (A) Stipends	139,469,296	311,410,258	362,602,856	384,308,470	6.0%
<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	1,102,960	311,410,258	5,767,444	27,473,058	376.3%
General Fund Exempt	138,366,336	0	356,835,412	356,835,412	0.0%

(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>142,168,976</u>	<u>431,204,984</u>	<u>464,287,879</u>	<u>498,771,983</u> *	
General Fund	11,086,191	431,204,984	106,760,300	141,244,404	
General Fund Exempt	131,082,785	0	357,527,579	357,527,579	

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
Fee-for-service Contracts with State Institutions for Specialty Education Programs	<u>59,832,736</u>	<u>144,449,274</u>	<u>160,728,834</u>	<u>171,650,963</u> *	
General Fund	2,357,099	144,449,274	26,032,871	36,955,000	
General Fund Exempt	57,475,637	0	134,695,963	134,695,963	
Limited Purpose Fee-for-Service Contracts with State Institutions	<u>3,693,028</u>	<u>5,702,806</u>	<u>6,817,806</u>	<u>6,817,806</u>	
General Fund	1,193,028	5,702,806	6,817,806	6,817,806	
General Fund Exempt	2,500,000	0	0	0	
SUBTOTAL - (B) Fee-for-service Contracts with State Institutions	205,694,740	581,357,064	631,834,519	677,240,752	7.2%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	0.0%
General Fund	14,636,318	581,357,064	139,610,977	185,017,210	32.5%
General Fund Exempt	191,058,422	0	492,223,542	492,223,542	0.0%
TOTAL - (4) College Opportunity Fund Program	345,164,036	892,767,322	994,437,375	1,061,549,222	6.7%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	0.0%
General Fund	15,739,278	892,767,322	145,378,421	212,490,268	46.2%
General Fund Exempt	329,424,758	0	849,058,954	849,058,954	0.0%

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
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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>41,022,805</u>	<u>44,781,187</u>	<u>48,236,751</u>	<u>50,732,101</u> *	
FTE	326.2	307.5	353.8	353.8	
Cash Funds	24,569,860	25,658,833	27,162,280	28,107,423	
Reappropriated Funds	7,257,708	19,067,430	21,074,471	22,624,678	
Federal Funds	9,195,237	54,924	0	0	

SUBTOTAL - (A) Trustees of Adams State University	41,022,805	44,781,187	48,236,751	50,732,101	5.2%
<i>FTE</i>	<u>326.2</u>	<u>307.5</u>	<u>353.8</u>	<u>353.8</u>	0.0%
Cash Funds	24,569,860	25,658,833	27,162,280	28,107,423	3.5%
Reappropriated Funds	7,257,708	19,067,430	21,074,471	22,624,678	7.4%
Federal Funds	9,195,237	54,924	0	0	0.0%

(B) Trustees of Colorado Mesa University

Trustees of Colorado Mesa University	<u>108,362,250</u>	<u>115,642,455</u>	<u>118,051,596</u>	<u>123,986,469</u> *	
FTE	564.6	746.8	784.6	784.6	
Cash Funds	77,629,604	77,136,991	77,543,062	80,565,257	
Reappropriated Funds	13,700,035	35,977,002	40,508,534	43,421,212	
Federal Funds	17,032,611	2,528,462	0	0	

SUBTOTAL - (B) Trustees of Colorado Mesa University	108,362,250	115,642,455	118,051,596	123,986,469	5.0%
<i>FTE</i>	<u>564.6</u>	<u>746.8</u>	<u>784.6</u>	<u>784.6</u>	(0.0%)
Cash Funds	77,629,604	77,136,991	77,543,062	80,565,257	3.9%
Reappropriated Funds	13,700,035	35,977,002	40,508,534	43,421,212	7.2%
Federal Funds	17,032,611	2,528,462	0	0	0.0%

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
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(C) Trustees of Metropolitan State College of Denver

Trustees of Metropolitan State College of Denver	<u>212,649,144</u>	<u>211,363,883</u>	<u>217,284,554</u>	<u>229,316,882</u> *	
FTE	1,262.0	1,450.9	1,186.4	1,186.4	
Cash Funds	147,427,508	136,659,177	134,421,899	139,297,811	
Reappropriated Funds	26,923,391	72,489,051	82,862,655	90,019,071	
Federal Funds	38,298,245	2,215,655	0	0	

SUBTOTAL - (C) Trustees of Metropolitan State College of Denver	212,649,144	211,363,883	217,284,554	229,316,882	5.5%
FTE	<u>1,262.0</u>	<u>1,450.9</u>	<u>1,186.4</u>	<u>1,186.4</u>	0.0%
Cash Funds	147,427,508	136,659,177	134,421,899	139,297,811	3.6%
Reappropriated Funds	26,923,391	72,489,051	82,862,655	90,019,071	8.6%
Federal Funds	38,298,245	2,215,655	0	0	0.0%

(D) Trustees of Western State College

Trustees of Western State College	<u>39,834,590</u>	<u>43,895,243</u>	<u>42,671,637</u>	<u>44,699,782</u> *	
FTE	167.0	266.6	300.2	300.2	
Cash Funds	22,224,826	23,053,509	24,286,239	25,090,387	
Reappropriated Funds	6,436,427	16,694,441	18,385,398	19,609,395	
Federal Funds	11,173,337	4,147,293	0	0	

SUBTOTAL - (D) Trustees of Western State College	39,834,590	43,895,243	42,671,637	44,699,782	4.8%
FTE	<u>167.0</u>	<u>266.6</u>	<u>300.2</u>	<u>300.2</u>	0.0%
Cash Funds	22,224,826	23,053,509	24,286,239	25,090,387	3.3%
Reappropriated Funds	6,436,427	16,694,441	18,385,398	19,609,395	6.7%
Federal Funds	11,173,337	4,147,293	0	0	0.0%

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

Board of Governors of the Colorado State University System	<u>695,503,096</u>	<u>740,556,759</u>	<u>794,576,104</u>	<u>825,209,190</u> *	
FTE	5,534.2	4,829.2	4,902.6	4,902.6	
General Fund	0	0	5,175,000	175,000	
Cash Funds	536,757,369	552,356,417	585,624,545	608,599,430	
Reappropriated Funds	72,628,333	184,714,063	203,776,559	216,434,760	
Federal Funds	86,117,394	3,486,279	0	0	

SUBTOTAL - (E) Board of Governors of the Colorado State University System	695,503,096	740,556,759	794,576,104	825,209,190	3.9%
FTE	<u>5,534.2</u>	<u>4,829.2</u>	<u>4,902.6</u>	<u>4,902.6</u>	<u>(0.0%)</u>
General Fund	0	0	5,175,000	175,000	(96.6%)
Cash Funds	536,757,369	552,356,417	585,624,545	608,599,430	3.9%
Reappropriated Funds	72,628,333	184,714,063	203,776,559	216,434,760	6.2%
Federal Funds	86,117,394	3,486,279	0	0	0.0%

(F) Trustees of Fort Lewis College

Trustees of Fort Lewis College	<u>65,578,691</u>	<u>66,323,407</u>	<u>69,303,620</u>	<u>72,672,897</u> *	
FTE	421.0	440.9	448.4	448.4	
Cash Funds	47,332,361	50,139,954	52,127,213	54,346,279	
Reappropriated Funds	5,937,304	15,375,659	17,176,407	18,326,618	
Federal Funds	12,309,026	807,794	0	0	

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
SUBTOTAL - (F) Trustees of Fort Lewis College	65,578,691	66,323,407	69,303,620	72,672,897	4.9%
<i>FTE</i>	<u>421.0</u>	<u>440.9</u>	<u>448.4</u>	<u>448.4</u>	0.0%
Cash Funds	47,332,361	50,139,954	52,127,213	54,346,279	4.3%
Reappropriated Funds	5,937,304	15,375,659	17,176,407	18,326,618	6.7%
Federal Funds	12,309,026	807,794	0	0	0.0%

(G) Regents of the University of Colorado

Regents of the University of Colorado	<u>1,443,227,174</u>	<u>1,563,444,358</u>	<u>1,591,482,825</u>	<u>1,659,041,566</u> *
<i>FTE</i>	9,754.0	9,688.8	10,036.2	10,036.2
General Fund	0	39,578,805	0	0
Cash Funds	1,219,624,953	1,268,474,019	1,312,137,261	1,362,241,740
Reappropriated Funds	101,023,613	253,392,350	279,345,564	296,799,826
Federal Funds	122,578,608	1,999,184	0	0

SUBTOTAL - (G) Regents of the University of Colorado	1,443,227,174	1,563,444,358	1,591,482,825	1,659,041,566	4.2%
<i>FTE</i>	<u>9,754.0</u>	<u>9,688.8</u>	<u>10,036.2</u>	<u>10,036.2</u>	0.0%
General Fund	0	39,578,805	0	0	0.0%
Cash Funds	1,219,624,953	1,268,474,019	1,312,137,261	1,362,241,740	3.8%
Reappropriated Funds	101,023,613	253,392,350	279,345,564	296,799,826	6.2%
Federal Funds	122,578,608	1,999,184	0	0	0.0%

(H) Trustees of the Colorado School of Mines

Trustees of the Colorado School of Mines	<u>200,038,871</u>	<u>215,463,319</u>	<u>233,193,276</u>	<u>243,374,129</u> *
<i>FTE</i>	991.4	1,030.6	1,014.8	1,014.8
Cash Funds	175,956,206	187,885,859	202,983,780	211,082,840
Reappropriated Funds	10,655,931	27,577,460	30,209,496	32,291,289
Federal Funds	13,426,734	0	0	0

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SUBTOTAL - (H) Trustees of the Colorado School of Mines	200,038,871	215,463,319	233,193,276	243,374,129	4.4%
<i>FTE</i>	<u>991.4</u>	<u>1,030.6</u>	<u>1,014.8</u>	<u>1,014.8</u>	(0.0%)
Cash Funds	175,956,206	187,885,859	202,983,780	211,082,840	4.0%
Reappropriated Funds	10,655,931	27,577,460	30,209,496	32,291,289	6.9%
Federal Funds	13,426,734	0	0	0	0.0%

(I) University of Northern Colorado

University of Northern Colorado	<u>149,295,236</u>	<u>162,517,193</u>	<u>147,006,865</u>	<u>154,040,440</u> *	
<i>FTE</i>	<u>1,073.4</u>	<u>1,089.5</u>	<u>1,216.1</u>	<u>1,216.1</u>	
Cash Funds	97,086,971	92,864,054	89,957,137	93,415,892	
Reappropriated Funds	19,816,875	51,724,570	57,049,728	60,624,548	
Federal Funds	32,391,390	17,928,569	0	0	
SUBTOTAL - (I) University of Northern Colorado	149,295,236	162,517,193	147,006,865	154,040,440	4.8%
<i>FTE</i>	<u>1,073.4</u>	<u>1,089.5</u>	<u>1,216.1</u>	<u>1,216.1</u>	0.0%
Cash Funds	97,086,971	92,864,054	89,957,137	93,415,892	3.8%
Reappropriated Funds	19,816,875	51,724,570	57,049,728	60,624,548	6.3%
Federal Funds	32,391,390	17,928,569	0	0	0.0%

(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>517,849,677</u>	<u>575,194,771</u>	<u>585,814,643</u>	<u>573,361,681</u> *	
<i>FTE</i>	<u>5,672.0</u>	<u>5,384.2</u>	<u>5,752.2</u>	<u>5,752.2</u>	
Cash Funds	297,487,658	287,510,120	343,421,128	313,730,753	
Reappropriated Funds	82,214,681	214,474,605	242,393,515	259,630,928	
Federal Funds	138,147,338	73,210,046	0	0	

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
SUBTOTAL - (J) State Board for Community Colleges and Occupational Education State System Community Colleges	517,849,677	575,194,771	585,814,643	573,361,681	(2.1%)
<i>FTE</i>	<u>5,672.0</u>	<u>5,384.2</u>	<u>5,752.2</u>	<u>5,752.2</u>	0.0%
Cash Funds	297,487,658	287,510,120	343,421,128	313,730,753	(8.6%)
Reappropriated Funds	82,214,681	214,474,605	242,393,515	259,630,928	7.1%
Federal Funds	138,147,338	73,210,046	0	0	0.0%
TOTAL - (5) Governing Boards	3,473,361,534	3,739,182,575	3,847,621,871	3,976,435,137	3.3%
<i>FTE</i>	<u>25,765.8</u>	<u>25,235.0</u>	<u>25,995.3</u>	<u>25,995.3</u>	0.0%
General Fund	0	39,578,805	5,175,000	175,000	(96.6%)
Cash Funds	2,646,097,316	2,701,738,933	2,849,664,544	2,916,477,812	2.3%
Reappropriated Funds	346,594,298	891,486,631	992,782,327	1,059,782,325	6.7%
Federal Funds	480,669,920	106,378,206	0	0	0.0%

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
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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>11,091,138</u>	<u>10,420,958</u>	<u>11,584,100</u>	<u>12,315,700</u> *	
General Fund	0	9,668,008	10,831,151	11,562,751	
General Fund Exempt	3,784,218	0	0	0	
Cash Funds	742,699	752,950	752,949	752,949	
Federal Funds	6,564,221	0	0	0	
 Aims Community College	 <u>13,775,404</u>	 <u>14,167,427</u>	 <u>13,660,017</u>	 <u>14,528,963</u> *	
General Fund	0	11,483,011	12,787,311	13,656,257	
General Fund Exempt	4,474,589	0	0	0	
Cash Funds	917,534	2,684,416	872,706	872,706	
Federal Funds	8,383,281	0	0	0	

TOTAL - (6) Local District College Grants Pursuant to Section 23-71-301, C.R.S.	24,866,542	24,588,385	25,244,117	26,844,663	6.3%
<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	21,151,019	23,618,462	25,219,008	6.8%
General Fund Exempt	8,258,807	0	0	0	0.0%
Cash Funds	1,660,233	3,437,366	1,625,655	1,625,655	0.0%
Federal Funds	14,947,502	0	0	0	0.0%

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
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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	<u>962,309</u>	<u>962,309</u>	<u>962,309</u>	<u>962,309</u>	
FTE	9.0	9.0	9.0	9.0	
Reappropriated Funds	962,309	962,309	962,309	962,309	
SUBTOTAL - (A) Administrative Costs	962,309	962,309	962,309	962,309	0.0%
FTE	9.0	9.0	9.0	9.0	0.0%
Reappropriated Funds	962,309	962,309	962,309	962,309	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>27,778,242</u>	<u>28,244,361</u>	<u>28,244,361</u>	<u>28,244,361</u>	
Reappropriated Funds	27,778,242	28,244,361	28,244,361	28,244,361	
SUBTOTAL - (B) Distribution of State Assistance for Career and Technical Education pursuant to Section 23-8-102, C.R.S.	27,778,242	28,244,361	28,244,361	28,244,361	0.0%
FTE	0.0	0.0	0.0	0.0	0.0%
Reappropriated Funds	27,778,242	28,244,361	28,244,361	28,244,361	0.0%

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
(C) Area Technical College Support					
Area Technical College Operating Support	<u>15,203,037</u>	<u>14,989,723</u>	<u>18,392,334</u>	<u>19,642,162</u> *	
General Fund	0	14,989,723	18,392,334	19,642,162	
General Fund Exempt	5,842,209	0	0	0	
Federal Funds	9,360,828	0	0	0	
SUBTOTAL - (C) Area Technical College Support	15,203,037	14,989,723	18,392,334	19,642,162	6.8%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	0.0%
General Fund	0	14,989,723	18,392,334	19,642,162	6.8%
General Fund Exempt	5,842,209	0	0	0	0.0%
Federal Funds	9,360,828	0	0	0	0.0%
(D) Sponsored Programs					
Administration	<u>3,285,445</u>	<u>2,839,099</u>	<u>2,709,888</u>	<u>2,709,888</u>	
FTE	24.0	25.0	23.0	23.0	
Federal Funds	3,285,445	2,839,099	2,709,888	2,709,888	
Programs	<u>16,297,602</u>	<u>18,219,232</u>	<u>16,156,031</u>	<u>16,156,031</u>	
Reappropriated Funds	0	2,206,150	0	0	
Federal Funds	16,297,602	16,013,082	16,156,031	16,156,031	
SUBTOTAL - (D) Sponsored Programs	19,583,047	21,058,331	18,865,919	18,865,919	0.0%
<i>FTE</i>	<u>24.0</u>	<u>25.0</u>	<u>23.0</u>	<u>23.0</u>	0.0%
Reappropriated Funds	0	2,206,150	0	0	0.0%
Federal Funds	19,583,047	18,852,181	18,865,919	18,865,919	0.0%

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
(E) Colorado First Customized Job Training					
Colorado First Customized Job Training	<u>3,500,000</u>	<u>4,500,000</u>	<u>4,500,000</u>	<u>4,500,000</u>	
Reappropriated Funds	3,500,000	4,500,000	4,500,000	4,500,000	
SUBTOTAL - (E) Colorado First Customized Job Training					
Training	3,500,000	4,500,000	4,500,000	4,500,000	0.0%
<i>FTE</i>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0%</u>
Reappropriated Funds	3,500,000	4,500,000	4,500,000	4,500,000	0.0%
TOTAL - (7) Division of Occupational Education					
<i>FTE</i>	<u>33.0</u>	<u>34.0</u>	<u>32.0</u>	<u>32.0</u>	<u>0.0%</u>
General Fund	0	14,989,723	18,392,334	19,642,162	6.8%
General Fund Exempt	5,842,209	0	0	0	0.0%
Reappropriated Funds	32,240,551	35,912,820	33,706,670	33,706,670	0.0%
Federal Funds	28,943,875	18,852,181	18,865,919	18,865,919	0.0%

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
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(8) AURARIA HIGHER EDUCATION CENTER

olitan State University of Denver, and the University of Colorado at Denver. Reappropriated funds are from the three governing boards that share the AHEC campus.

Administration	<u>23,514,460</u>	<u>22,493,238</u>	<u>24,139,958</u>	<u>24,239,958</u> *	
FTE	200.4	209.1	211.4	211.4	
Reappropriated Funds	23,514,460	22,493,238	24,139,958	24,239,958	
Auraria Higher Education Center Bond Payments	<u>5,500,000</u>	<u>4,069,486</u>	<u>0</u>	<u>0</u>	
General Fund	2,750,000	4,069,486	0	0	
Cash Funds	2,750,000	0	0	0	
TOTAL - (8) Auraria Higher Education Center	29,014,460	26,562,724	24,139,958	24,239,958	0.4%
<i>FTE</i>	<u>200.4</u>	<u>209.1</u>	<u>211.4</u>	<u>211.4</u>	0.0%
General Fund	2,750,000	4,069,486	0	0	0.0%
Cash Funds	2,750,000	0	0	0	0.0%
Reappropriated Funds	23,514,460	22,493,238	24,139,958	24,239,958	0.4%

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
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(9) HISTORY COLORADO

ing revenues that are deposited to various State Historic Fund accounts, museum revenues, gifts, and grants.

(A) Central Administration

Central Administration	<u>1,236,555</u>	<u>1,790,518</u>	<u>2,259,185</u>	<u>2,259,185</u>	
FTE	10.0	14.0	12.0	12.0	
Cash Funds	1,162,460	1,790,518	2,142,843	2,142,843	
Federal Funds	74,095	0	116,342	116,342	
 Collections and Curatorial Services	<u>0</u>	<u>0</u>	<u>1,371,746</u>	<u>1,371,746</u>	
FTE	0.0	0.0	16.5	16.5	
Cash Funds	0	0	1,371,746	1,371,746	
Federal Funds	0	0	0	0	
 Facilities Management	<u>1,353,825</u>	<u>1,342,569</u>	<u>1,830,385</u>	<u>1,830,385</u>	
FTE	8.0	8.0	10.0	10.0	
Cash Funds	1,353,825	1,342,569	1,830,385	1,830,385	
 Historical Site Maintenance and Operations	<u>0</u>	<u>0</u>	<u>727,844</u>	<u>727,844</u>	
FTE	0.0	0.0	5.0	5.0	
Cash Funds	0	0	727,844	727,844	
 America 250 - Colorado 150 Commission	<u>0</u>	<u>0</u>	<u>148,889</u>	<u>151,493</u>	
FTE	0.0	0.0	0.9	1.0	
General Fund	0	0	148,889	151,493	
 Lease Purchase of Colorado History Museum	<u>3,017,481</u>	<u>3,525,209</u>	<u>3,525,209</u>	<u>3,525,209</u>	
General Fund	0	3,525,209	3,525,209	3,525,209	
Cash Funds	3,017,481	0	0	0	

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
History Colorado Strategic Plan Initiatives	<u>1,000,000</u>	<u>178,945</u>	<u>1,500,000</u>	<u>1,500,000</u> *	
FTE	0.0	0.0	0.0	0.0	
General Fund	1,000,000	178,945	0	0	
Cash Funds	0	0	1,500,000	1,500,000	
SUBTOTAL - (A) Central Administration	6,607,861	6,837,241	11,363,258	11,365,862	0.0%
FTE	<u>18.0</u>	<u>22.0</u>	<u>44.4</u>	<u>44.5</u>	0.2%
General Fund	1,000,000	3,704,154	3,674,098	3,676,702	0.1%
Cash Funds	5,533,766	3,133,087	7,572,818	7,572,818	0.0%
Federal Funds	74,095	0	116,342	116,342	0.0%

(B) History Colorado Museums

History Colorado Center	<u>4,219,425</u>	<u>5,658,509</u>	<u>1,053,793</u>	<u>1,257,265</u>
FTE	45.0	55.0	7.0	7.0
Cash Funds	3,616,419	4,136,601	650,804	854,276
Reappropriated Funds	0	0	325,000	325,000
Federal Funds	603,006	1,521,908	77,989	77,989
Community Museums	<u>2,156,508</u>	<u>2,354,906</u>	<u>2,828,402</u>	<u>2,951,334</u>
FTE	20.5	23.5	19.0	19.0
General Fund	1,450,707	731,481	1,064,376	1,187,308
Cash Funds	596,336	1,598,430	1,761,023	1,761,023
Federal Funds	109,465	24,995	3,003	3,003
Statewide Programming	<u>0</u>	<u>0</u>	<u>4,485,931</u>	<u>4,485,931</u>
FTE	0.0	0.0	34.5	34.5
Cash Funds	0	0	4,485,931	4,485,931

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
SUBTOTAL - (B) History Colorado Museums	6,375,933	8,013,415	8,368,126	8,694,530	3.9%
<i>FTE</i>	<u>65.5</u>	<u>78.5</u>	<u>60.5</u>	<u>60.5</u>	0.0%
General Fund	1,450,707	731,481	1,064,376	1,187,308	11.5%
Cash Funds	4,212,755	5,735,031	6,897,758	7,101,230	2.9%
Reappropriated Funds	0	0	325,000	325,000	0.0%
Federal Funds	712,471	1,546,903	80,992	80,992	0.0%

(C) Office of Archeology and Historic Preservation

Program Costs	<u>1,278,879</u>	<u>1,493,634</u>	<u>1,804,077</u>	<u>1,826,938</u>	
FTE	20.0	20.0	23.0	23.0	
Cash Funds	543,483	490,447	918,388	918,388	
Reappropriated Funds	90,852	96,427	97,283	97,283	
Federal Funds	644,544	906,760	788,406	811,267	
Native American Boarding School Research Program	<u>0</u>	<u>0</u>	<u>618,611</u>	<u>0</u>	
FTE	0.0	0.0	1.0	0.0	
General Fund	0	0	618,611	0	

SUBTOTAL - (C) Office of Archeology and Historic Preservation	1,278,879	1,493,634	2,422,688	1,826,938	(24.6%)
<i>FTE</i>	<u>20.0</u>	<u>20.0</u>	<u>24.0</u>	<u>23.0</u>	(4.2%)
General Fund	0	0	618,611	0	(100.0%)
Cash Funds	543,483	490,447	918,388	918,388	0.0%
Reappropriated Funds	90,852	96,427	97,283	97,283	0.0%
Federal Funds	644,544	906,760	788,406	811,267	2.9%

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
(D) State Historical Fund Program					
Administration	<u>1,066,402</u>	<u>1,300,665</u>	<u>1,767,493</u>	<u>1,767,493</u>	
FTE	17.0	17.0	17.0	17.0	
Cash Funds	1,066,402	1,300,665	1,767,493	1,767,493	
Grants	<u>8,112,130</u>	<u>5,950,172</u>	<u>8,690,000</u>	<u>8,690,000</u>	
Cash Funds	8,112,130	5,950,172	8,690,000	8,690,000	
Gaming Cities Distribution	<u>2,851,391</u>	<u>5,005,258</u>	<u>5,500,000</u>	<u>5,500,000</u>	
Cash Funds	2,851,391	5,005,258	5,500,000	5,500,000	
Indirect Cost Assessments for History Colorado					
Administration	<u>324,913</u>	<u>324,913</u>	<u>325,000</u>	<u>325,000</u>	
Cash Funds	324,913	324,913	325,000	325,000	
SUBTOTAL - (D) State Historical Fund Program	12,354,836	12,581,008	16,282,493	16,282,493	0.0%
FTE	<u>17.0</u>	<u>17.0</u>	<u>17.0</u>	<u>17.0</u>	0.0%
Cash Funds	12,354,836	12,581,008	16,282,493	16,282,493	0.0%
(E) Cumbres and Toltec Railroad Commission					
Cumbres and Toltec Railroad Commission	<u>317,627</u>	<u>767,151</u>	<u>5,847,800</u>	<u>5,847,800</u>	
General Fund	317,627	767,151	1,365,000	1,365,000	
Cash Funds	0	0	4,482,800	4,482,800	
SUBTOTAL - (E) Cumbres and Toltec Railroad Commission	317,627	767,151	5,847,800	5,847,800	0.0%
FTE	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	0.0%
General Fund	317,627	767,151	1,365,000	1,365,000	0.0%
Cash Funds	0	0	4,482,800	4,482,800	0.0%

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	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Appropriation	FY 2023-24 Request	Request vs. Appropriation
TOTAL - (9) History Colorado	26,935,136	29,692,449	44,284,365	44,017,623	(0.6%)
<i>FTE</i>	<u>120.5</u>	<u>137.5</u>	<u>145.9</u>	<u>145.0</u>	<u>(0.6%)</u>
General Fund	2,768,334	5,202,786	6,722,085	6,229,010	(7.3%)
Cash Funds	22,644,840	21,939,573	36,154,257	36,357,729	0.6%
Reappropriated Funds	90,852	96,427	422,283	422,283	0.0%
Federal Funds	1,431,110	2,453,663	985,740	1,008,601	2.3%
TOTAL - Department of Higher Education	4,327,332,291	5,136,556,507	5,513,913,580	5,670,160,416	2.8%
<i>FTE</i>	<u>26,208.6</u>	<u>25,703.5</u>	<u>26,489.2</u>	<u>26,484.7</u>	<u>(0.0%)</u>
General Fund	33,252,180	1,257,524,828	333,576,815	416,270,540	24.8%
General Fund Exempt	574,677,617	0	1,029,027,539	1,029,027,539	0.0%
Cash Funds	2,760,456,496	2,771,523,865	3,042,988,057	3,048,681,051	0.2%
Reappropriated Funds	425,776,502	973,357,126	1,082,471,349	1,149,629,275	6.2%
Federal Funds	533,169,496	134,150,688	25,849,820	26,552,011	2.7%

APPENDIX B FOOTNOTES AND INFORMATION REQUESTS

UPDATE ON LONG BILL FOOTNOTES

The General Assembly includes footnotes in the annual Long Bill to: (a) set forth purposes, conditions, or limitations on an item of appropriation; (b) explain assumptions used in determining a specific amount of an appropriation; or (c) express legislative intent relating to any appropriation. Footnotes to the 2021 Long Bill (S.B. 21-205) can be found at the end of each departmental section of the bill at <http://leg.colorado.gov/bills/hb22-1329>. The Long Bill footnotes relevant to this document are listed below.

- 33 Department of Health Care Policy and Financing, Grand 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; and Governing Boards, Regents of the University of Colorado -- The Department of Higher Education shall transfer \$800,000 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 \$78,885,357, 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 \$78,885,357 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. Prior to FY 2020-21, this authority was limited to the amount transferred from the Department of Higher Education. In FY 2020-21, when state revenues and higher education appropriations declined, the amount available from the transfer was enhanced by an intergovernmental transfer.

- 34 Department of Higher Education, Colorado Commission on Higher Education and Higher Education Special Purpose Programs, Administration; College Opportunity Fund Program Fee-for-service Contracts with State Institutions; Governing Boards; Local District College Grants Pursuant to Section 23-71-301, C.R.S.; and Division of Occupational Education, Area Technical Colleges -- Of the total funding allocated to the Higher Education institutions for FY 2022-23, \$50,000,000 allocated to institutions is based on institutions' share of first generation, underrepresented minority, and Pell-eligible students in FY 2019-20 and their improvement in retaining underrepresented minority students in FY 2019-20 compared to

prior years. It is the General Assembly's intent that this funding be used to prioritize retention of first generation, underrepresented minority, and low income students in FY 2022-23 and future years consistent with the goals of Colorado's Higher Education Master Plan, including the development, enhancement, and expansion of programs to recruit and retain such students as well as steps to reduce the cost of higher education through tuition rate freezes, reductions, and need-based scholarships for Colorado resident students.

COMMENT: This footnote was first added in the FY 2021-22 Long Bill, associated with a funding increase provided under the new higher education funding model that took effect in FY 2021-22. Information about how the funds distributed were used was incorporated into an associated JBC request for information. The footnote and request are discussed as part of an issue brief about Department Requests R1 and R2.

35 Department of Higher Education, Colorado Commission on Higher Education and Higher Education Special Purpose Programs, Special Purpose, Institute of Cannabis Research Hosted at CSU - Pueblo -- Of the appropriation in this line item, \$500,000 remains available until the close of the 2023-24 fiscal year.

COMMENT: This footnote was first added in the FY 2021-22 Long Bill based on information from the institute indicating that it routinely faces a technical problem with spending for research, because research projects often extend beyond a year or may be temporarily delayed by any number of intervening factors. The institute noted that the federal National Institutes of Health allows roll-forward of up to 25.0 percent of research grants with little additional inquiry.

36 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.

37 Department of Higher Education, Colorado Commission on Higher Education and Higher Education Special Purpose Programs, Indirect Cost Assessments -- It is the General Assembly's intent that the Department of Higher Education adjusts its accounting procedures

for indirect cost collections from institutions of higher education so that reappropriated funds in this line item for indirect cost assessments are deducted from fee-for-service contract and grant amounts that are otherwise payable to institutions of higher education. The intent of this change is to eliminate a double-count of revenue under which the Department disburses funds to the institutions and then counts indirect cost assessments received from the institutions as revenue to the State's TABOR district. This change is expected to enable the State to retain an additional \$7,321,029 in General Fund revenue under the State's Referendum C cap.

COMMENT: Prior to the Long Bill, the Department of Higher Education provided written confirmation that it would be able to implement the change described in this footnote, with the desired effect. However, **during the legislative interim it notified staff that it would not be able to implement this change in a way that would have an impact on state revenue received under the Referendum C cap.** Specifically, the Department indicated that the accounting change described would not enable the State or the institutions to change how the revenue was recognized on their books: the \$7.3 million will still be counted as fee-for-service and grant amounts to the institutions, and the indirect cost payments will still be recognized as state revenue, effectively double-counting General Fund distributions to the institutions. **Because of this, staff expects to recommend more significant changes to financing for the Department of Higher Education. Specifically, as part of the supplemental and figure setting budget discussions, staff expects to recommend that the State changes the current method for funding the Department of Higher Education so that direct General Fund support, rather than indirect cost collections, supports more of its operations.**

38 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 2023-24 state fiscal year.

COMMENT: This footnote has been included in the Long Bill for at least 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.

39 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, 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 2022-23 than two percent over what a student would have paid in FY 2021-22 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. The General Assembly intends to adjust the amounts in these line items through supplemental action during FY 2022-23 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. **Colorado Mesa University is in violation of this footnote, as tuition for students on its main campus have been increased by 3.0 percent for FY 2022-23. Staff anticipates that the General Assembly will take some responsive action.** Based on tuition and fee data from the Department, all other institutions are in compliance. In FY 2021-22, Metropolitan State University of Denver's budget was reduced by \$50,000 General Fund because it closed its "tuition window" (which allowed students taking 15 credits to pay the same amount as those taking 12) and thus caused large tuition increases for some full-time students. It had not sought legislative approval in advance and was thus in violation of its tuition footnote.

39a Department of Higher Education, Governing Boards, Board of Governors of the Colorado State University System -- It is the General Assembly's intent that \$75,000 General Fund in this line item be spent for the Beef Sticks for Backpacks Program.

COMMENT: This program distributes beef sticks into kids backpack programs throughout Colorado. Colorado State University reports that the program has incurred roughly \$115,000 in expenses. The \$75,000 appropriation is on-track to be spent on personnel (administrative professional and hourly student staff) with CSU Ram Country Meats.

39b Department of Higher Education, Governing Boards, Board of Governors of the Colorado State University System -- It is the General Assembly's intent that \$100,000 General Fund in this line item be spent for the AgNext Climate Change Program

COMMENT: The AgNext program works to identify and scale innovations that foster the health of animals and ecosystems while promoting profitable agricultural industries. Colorado State University reports that the program has incurred roughly \$500,000 in expenses. The \$100,000 appropriation is on-track to be spent on personnel dedicated to the program involved in installation of equipment and increasing wifi capacity in a feedlot to get data to enhance the program's capability.

40 Department of Higher Education, Governing Boards, Regents of the University of Colorado -- The amount in this line item is calculated based on the following assumptions. In accordance with the resident tuition guarantee at the University of Colorado Boulder, each undergraduate resident student with in-state classification who entered in FY 2019-20, FY 2020-21, or FY 2021-22 is assumed to have no increase in tuition through FY 2022-23, FY 2023-24, and FY 2024-25, respectively, for the same credit hours and course of study. A new undergraduate student at the University of Colorado Boulder with in-state classification is assumed to pay no more than 4.3 percent over what a student would have paid in FY 2021-22 for the same credit hours and course of study, except as provided below for students in Natural Sciences and Environmental Design programs, and to pay the same tuition rate through FY 2025-26 so long as the student is continuously enrolled and making academic progress. A new undergraduate student enrolled in Natural Sciences at the University of Colorado Boulder campus is assumed to be assessed tuition at the same rate as a new student enrolled in Engineering, and a new undergraduate student enrolled in Environmental Design at the University of Boulder campus is assumed to be assessed tuition at the same rate as a new student enrolled in Media, Communication, and Information. The amount in this line item is also calculated based on the assumption that no undergraduate student with in-state classification enrolled at the University of Colorado Denver or the University of Colorado

Colorado Springs will pay more in tuition in FY 2022-23 than two percent over what a student would have paid in FY 2021-22 for the same credit hours and course of study; except that mandatory student fees of up to a total of \$420 for 30 credit hours at the University of Colorado Denver and \$240 for 30 credit hours at the University of Colorado Colorado Springs may be incorporated into resident tuition rates, with no resulting effective combined tuition and mandatory fee increase to any student, and any incorporated fees shall never be reestablished as a student fee. This amount is 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. The General Assembly intends to adjust the amount in this line item through supplemental action during FY 2022-23 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. The University of Colorado requested and received approval for multiple exceptions to the standard footnote for FY 2022-23. Based on a review of tuition and fee data for FY 2022-23, the System is in compliance with this footnote. Note that the footnote did allow for large increases in the tuition rates charged for students at CU Boulder who changed “tiers” (e.g., natural science students were moved to align with engineering costs, resulting a tuition increase of over 30 percent for affected students). However, under Boulder’s tuition guarantee program, increases only affect new students and students then pay the same amount for four years.

41 Department of Higher Education, Governing Boards, Trustees of the Colorado School of Mines -- The cash funds appropriation from tuition in this line item is for informational purposes only. Pursuant to the provisions of Section 23-41-104.6 (5)(c), C.R.S., the Board of Trustees has authority to establish resident and non-resident tuition rates for the Colorado School of Mines. The General Assembly intends to adjust the amount in this line item through supplemental action during FY 2022-23 based on updated enrollment estimates and tuition rate information.

COMMENT: Statute authorizes the General Assembly to appropriate tuition for most institutions. However, the Colorado School of Mines is exempted from this restriction so long as it is operating pursuant to a performance contract negotiated with the Department of Higher Education. As a result, since tuition footnotes were reinstated in FY 2016-17, the Colorado School of Mines has had a separate footnote indicating that tuition amounts reflecting the Long Bill for the school are for informational purposes only. The Colorado School of Mines is exempted only so long as it is operating under a performance contract negotiated with the Colorado Department of Higher Education that is approved by a majority of members of the Education Committees, a majority of members of the JBC, and signed by the Governor. **Statute requires that the performance contract be renewed during the 2023 legislative session to remain in effect. The Department of Higher Education states that it has not been receiving any reports on Colorado School of Mines performance under the prior performance contract and does not currently plan to pursue a performance contract renewal or a statutory change. Given this, JBC Staff anticipates that a footnote for the Colorado School of Mines that identifies tuition rate assumptions for FY 2023-24 will restrict the School of Mines tuition rates and will not be informational only.**

42 Department of Higher Education, History Colorado, Central Administration; History Colorado Museums; and Office of Archaeology and Historic Preservation -- In addition to the transfer authority provided in Section 24-75-108, C.R.S., History Colorado may transfer

up to 10.0 percent of the total amount appropriated in these sections between the sections and among the line items within the sections.

COMMENT: This footnote added flexibility in the History Colorado budget starting in FY 2015-16, associated with a reorganization at that time. History Colorado has requested that this flexibility continue.

UPDATE ON LONG BILL REQUESTS FOR INFORMATION

The Joint Budget Committee annually submits requests for information to executive departments and the judicial branch via letters to the Governor, other elected officials, and the Chief Justice. Each request is associated with one or more specific Long Bill line item(s), and the requests have been prioritized by the Joint Budget Committee as required by Section 2-3-203 (3), C.R.S. Copies of these letters are included as an Appendix in the annual Appropriations Report (Appendix H in the FY 2022-23 Report):

<https://leg.colorado.gov/publications/appropriations-report-fiscal-year-2022-23>

The requests for information relevant to this document are listed below.

REQUESTS AFFECTING MULTIPLE DEPARTMENTS

- 1 All Departments -- The Departments are requested to provide by November 1 of each fiscal year responses to the following:
 - Based on the Department's most recent available record, what is the FTE vacancy and turnover rate: (1) by department; (2) by division; (3) by program for programs with at least 20 FTE, and (4) by occupational class for classes that are located within a larger occupational group containing at least 20 FTE?
 - To what does the Department attribute this turnover/vacancy experience?
 - Do the statewide compensation policies or practices administered by the Department of Personnel help or hinder the department in addressing vacancy or turnover issues?
 - How much in vacancy savings has the Department had in each of the past five fiscal years? How has the Department utilized these funds (i.e. increasing salaries within the salary range, providing bonuses or additional pay for certain positions, hiring additional staff, etc.)? Please provide a breakdown of the expenditures from vacancy savings, including the amount and purpose, for the past five fiscal years.

COMMENT: The Department responses are as follows.

DEPARTMENT OF HIGHER EDUCATION:

“The most current annual FTE turnover rate for the Department is 21.74% percent. Due to the small size of the Department with only 85 total FTE, the turnover rate was calculated department wide. The majority of turnover is due to retirement and other employment opportunities. The Department currently has eight vacancies, though five of those are associated with new positions. The Department is exempt from the State Personnel System, but requests the same compensation increases that the Executive branch submits every year. The Department has lost employees to other state agencies where they can often get higher compensation for similar work.

The below table shows vacancy savings for the Department over the past four years. Data collection did not start until Fiscal Year 2018-19:

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Under/(Over) Expended	877,913	1,205,902	394,213	609,296

The Department does not have the data necessary to determine the breakdown of how those savings were used. When the Department has a vacant position, it sometimes provides temporary increases to the employees covering the additional work. The Department generally does not hire temporary employees or increase salaries permanently as a result of vacancy savings. Any unspent funds are reverted to the state.”

HISTORY COLORADO:

“*Turnover Rate:* The most recent FTE turnover rate for History Colorado is 27%, this is calculated using the total number of turnovers for FY22 divided by the average number of positions. Due to the small size of History Colorado, FTE turnover rate is calculated at the department level and this data is not available at the division level. This turnover rate is higher than prior years and is due to retirements and employees leaving the organization for other employment opportunities in the private industry.

Vacancy Rate: Due to manual record keeping and the turnover of positions tracking vacancies, vacancy rate information is not available. History Colorado currently has approximately 11.0 FTE that are vacant.

Statewide Compensation Policies and Practices: History Colorado is exempt from the State Personnel System.

Vacancy Savings: Vacancy savings is considered as the difference between the cost to fully fund all approved positions and what is spent for personal services because positions were not filled for the duration of the year. Vacancy savings are one-time in nature, and information regarding vacancy savings is not available on a systematic basis and cannot be quantified in available records as stipulated in the first bullet of this question. Bonuses or additional pay such as overtime are mechanisms that are often used to reallocate work on a temporary basis to existing staff. This information can be found in the annual burn report as well as the Schedule 14. Vacancy savings cannot be used to hire additional permanent staff, only temporary staff. This information can be found in the Schedule 14.

- 2 All Departments -- The Departments are requested to provide by November 1 of each fiscal year data concerning utilization of the paid family and medical leave benefit established by the State Personnel Director, including:
 - a. The number of employees utilizing the benefit each fiscal year and the total number of hours utilized by employees of the Department;
 - b. The job classes of employees utilizing the benefit in each fiscal year;
 - c. The number of temporary employees hired to fill essential positions vacated by employees on paid family and medical leave; and
 - d. The total fiscal impact of the utilization of the paid family and medical leave benefit by the Department’s employees, including but not limited to the cost salaries for and training of temporary employees.

COMMENT: The Department responses are as follows.

DEPARTMENT OF HIGHER EDUCATION: “In Fiscal Year 2021-22, two employees utilized the paid family medical leave benefit for a total of 24 hours. Both were in the job class 176000. The total cost was \$708.68. This cost represents the employees’ calculated hourly rates based on annual salary multiplied by the number of hours used. No temporary employees were hired to fill these positions given the small number of hours used by each employee.”

HISTORY COLORADO: “Data on the utilization of paid family medical leave is not available. Given the small size of History Colorado any such utilization is believed to be minimal and no temporary positions were hired to fill essential positions on paid family and medical leave.”

Note: Multiple Department Requests #4, 7, 8, and 9, which include the Department of Higher Education in addition to other departments, will be addressed in other department presentations. Specifically, staff anticipates that #4 will be addressed in the Capital Construction briefing, #7 will be addressed in the Education School Finance briefing, #8 will be addressed in a Health Care Policy and Financing briefing, and #9 will be addressed in the Tobacco Revenue briefing.

DEPARTMENT OF HIGHER EDUCATION REQUESTS

- 1 Department of Higher Education, Colorado Commission on Higher Education and Special Purpose Programs, Administration; College Opportunity Fund Program Fee-for-service Contracts with State Institutions; Governing Boards; Local District College Grants Pursuant to Section 23-71-301, C.R.S.; and Division of Occupational Education, Area Technical Colleges -- Of the total funding allocated to the Higher Education institutions for FY 2022-23, \$50,000,000 allocated to institutions is based on institutions' share of first generation, underrepresented minority, and Pell-eligible students in FY 2019-20 and their improvement in retaining underrepresented minority students in FY 2019-20 compared to prior years. The General Assembly has expressed its intent that this funding be used to prioritize retention of first generation, underrepresented minority, and low income students in FY 2022-23 and future years consistent with the goals of Colorado's Higher Education Master Plan. It has indicated that this may include the development, enhancement, and expansion of programs to recruit and retain such students as well as steps to reduce the cost of higher education through tuition rate freezes, reductions, and need-based scholarships for Colorado resident students. The General Assembly anticipates that the Colorado Commission on Higher Education may incorporate conditions in fee-for-service contracts with state institutions and grants with local district colleges and area technical colleges to ensure that the additional \$50.0 million in funding allocated to the institutions is used to supplement and not supplant existing institutional efforts to recruit and retain first generation, underrepresented minority, and low-income students, including reducing the financial barriers to students pursuing higher education through tuition rate freezes, reductions, and need-based scholarships for Colorado resident students. The Commission is requested to coordinate and submit a report to the Joint Budget Committee by November 1, 2022 that describes how these funds will be used for FY 2022-23 and future years. The institutions are requested to provide the information to the Department by a date and in a format specified by the Department, and the Department is requested to forward this information to the Joint Budget Committee with an executive summary developed by the Department. The report should specifically address the steps institutions will

take with these funds to reduce and eliminate the retention rate gap and increase enrollment, and ultimately successful completion, of the targeted student groups.

COMMENT: This RFI was first added in the FY 2021-22 Long Bill, associated with a funding increase provided under the new higher education funding model that took effect in FY 2021-22. The Department submitted a response as requested. Responses from the institutions generally indicated:

- Most institutions are implementing a range of initiatives intended to recruit and retain first generation, underrepresented minority, and low income. This includes both financial aid initiatives and student support initiatives.
- Institutions are not consistently separating out the expenditures for many of these initiatives and tying it to this funding as opposed to other institutional revenue from the State and tuition. Thus, JBC staff believes the responses may be helpful from the perspective of understanding the types of initiatives implemented by institutions, but not necessarily for understanding the costs of these initiatives.

The following information is excerpted from the response. Additional detail from the response is available for the Committee if desired.

“The allocation of Ongoing Additional Funds (“Step 1”) is shown below.

GOVERNING BOARD	FY 2022-23 STEP ONE FUNDING
Adams State University	\$918,800
Colorado Mesa University	2,101,496
Metropolitan State University of Denver	5,712,396
Western Colorado University	565,250
Colorado State University System	4,236,798
Fort Lewis College	585,882
University of Colorado System	7,128,914
Colorado School of Mines	758,810
University of Northern Colorado	2,323,421
Colorado Community College System	15,640,468
University of Colorado SEP	3,894,715
Colorado State University SEP	4,183,650
Colorado Mountain College	521,484
Aims Community College	619,384
Area Technical Schools	808,533
TOTAL	\$50,000,000

Each institution had to submit a report specifying how they were planning to spend the funds following the intention of the funding formula. The Department asked for a breakdown of the funding and asked questions on how the institutions plan to eliminate the retention gap and increase enrollment for targeted student groups, as well as the issues institutions have faced recently. These questions were intended to give the Department a better picture of current operations at the institutions and how they plan to move forward.

The breakdown of how institutions are planning to spend the funding is as follows:

- Adams State University: First Generation, URM, Pell, CU URM retention
- Colorado Mesa University: WCCC Vocational Programs, financial aid, enrollment software, student services, student and classroom technology, instruction operating, faculty compensation, facilities
- Metropolitan State University of Denver: Roadrunner Promise, Indigenous and Native Peoples Grant, Pathways to Possible, internships/experiential learning, advising enhancements, Dean's Grants, College Credit in High School
- Western Colorado University: Office of Inclusivity, Scholarship support and tuition buydown, targeted staff retention initiatives
- Colorado State University System: Targeted student group funding
- Fort Lewis College: Maymester, Jump Start for incoming freshmen, Academic Hub, Circle Back Program, Technology Rental program support
- University of Colorado System: Data evaluation, ongoing expansion of recruitment efforts, ongoing expansion of retention efforts
- Colorado School of Mines: Financial Aid for Resident, Pell-Eligible, Students of Color
- University of Northern Colorado: Continued support for additional staff and compensation increases for Academic Advising centers established in FY22, continued support for student-facing support positions in the Academic Colleges established in FY22, continued support for staffing and compensation increases in Student Academic Success and Tutoring Services Department (Student Wages) - initially provided in FY22, continued support for Cultural Center staffing (including compensation increases)
- Colorado Community College System: First Generation allocation based on student FTE, First Generation allocation based on student headcount, URM distribution based on headcount, Pell distribution based on headcount, URM retention allocation
- Colorado Mountain College: Colorado Mountain Promise, NCII Rural Pathways Group Travel and Project manager, Bilingual Marketing specialist, Canvas Initiative for Online Orientation (dual language)
- Aims Community College: Student financial aid, personal services
- Area Technical Colleges: HyFlex classrooms, mental health supports, Leads coordinator, Student Academic Success specialist, CPL specialist, contracted tutoring/mentoring, website support, Gap Student scholarships

The majority of institutions stated that a portion of the funding received from Step One would go towards financial aid, scholarships and grants or initiatives, and expansion of student services. Other uses of the funds include tutoring or mentoring services, wrap-around services, as well as recruitment and retention efforts.”

- 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, 2022: 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 2021-22) and the current estimate year (FY 2022-23).

- Include estimate-year FY 2022-23 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 2021-22 student FTE data. The FY 2022-23 student FTE estimates should be those used to develop the FY 2022-23 revenue and expenditure estimates in the data books.
- Identify actual FY 2021-22 and budgeted FY 2022-23 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. The submission should address: (1) Coronavirus Relief Funds and any other funds allocated through the State; (2) Higher Education Emergency Relief funds allocated directly by the federal government for institutional use; (3) the portion of such funds used for education and general purposes; and, separately, the portion used for other purposes that are not typically reflected in the state budget.
- 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.

By December 15, 2022: Submit fall 2022 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, 2023: Submit revised estimate year FY 2022-23 and request year FY 2023-24 revenue and enrollment data for each governing board, along with the comparable FY 2021-22 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 2023-24 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 in FY 2022-23 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 used to support institutional operations. The submission should address: (1) if applicable, Coronavirus Relief Funds and any other funds allocated through the State that were not fully expended prior to FY 2021-22; (2) Higher Education Emergency Relief funds allocated directly by the federal government for institutional use; (3) the portion of such funds used for education and general

purposes; and, separately, the portion used for other purposes that are not typically reflected in the state budget.

- Include actual and estimated revenue from mandatory fees using the definitions established by the Department of Higher Education for mandatory fees.

COMMENT: A version of this request has been included as a formal RFI since FY 2016-17 although the key elements of the request have been requested from the Department for many more years. The responses include data that is critical for figure setting. The Department submitted budget data books on November 10, as requested, and the data on federal expenditures on November 18. Other due dates are still pending.

- 3 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 JBC has requested this information since at least FY 2008-09. The Department submitted a draft of the report on December 1, 2022. The final version is not yet posted to the Department's website.

Report highlights were as follows.

- 28.6 percent of all students who received financial assistance in FY 2021-22 received a Pell Grant. (Note that this is a large decline from the 35.6% percent of all students who received financial assistance in Fiscal Year (FY) 2020-21 who received a Pell Grant.)
- In FY 2021-22, federal grant aid accounted for 21 percent of all grant aid in Colorado. Pell Grants alone accounted for approximately 17 percent of total aid, including loans.
 - For FY 2020-21, the maximum Pell Grant increased to \$6,495.
 - The average Pell Grant award was \$3,906, up \$24 from the prior year.
 - The number of Pell Grants reported in the Department's State Unit Record Data Base (SURDS) has steadily decreased since FY 2010-11. This decrease can be attributed to the decrease in enrollment due to more robust economic conditions. Postsecondary education enrollment generally runs counter-cyclical to the economy. COVID-19 bucked the historic trend, and most schools saw declines in enrollment of Pell eligible students.

- State funded financial aid comprised 15.3 percent of all grant aid and 8.3 percent of all aid, including federal loans.
 - Funding for state aid programs increased again after holding flat during the COVID-19 pandemic.
 - The number of recipients of state need-based grants decreased by 7.97 percent from FY 2016-17 to FY 2021-22. This is a result of enrollment decreases. The average award amount has grown by 49 percent in the same time period.
- Institutional grant aid comprised approximately 52.2 percent of all grant aid, or about 28.2 percent of all financial aid, including loans.
 - Institutional aid increased by 19.9 percent between FY 2017-18 and FY 2021-22.
 - Institutional investment in student aid is the greatest at four-year institutions, both public and non-profit private.
- 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. Of all resident students graduating with a baccalaureate degree, 36.6 percent graduated with loans. The average student loan debt for associates graduates ranged from \$9,410 to \$18,364. Among those resident students graduating with associates degree, 36.7 percent graduated with loans.
- Sources of grant aid are summarized in the table below. As shown, student loans continue to be an important source for financing higher education.

SOURCES OF GRANT AID IN FY 2021-22	
TYPE OF AID	TOTAL EXPENDITURES
Institutional Grants	\$794,948,462
Federal Grants	323,179,580
State Grants	232,684,919
Loans	1,296,887,446
Other Grant Aid	170,216,274
Total	\$2,817,916,681

- 4 Department of Higher Education, Colorado Commission on Higher Education, Administration -- The Department is requested to submit a report by November 1 of each year demonstrating that its annual funding request for centrally-appropriated amounts is similar to the amount that would be provided if Department staff were enrolled in state plans. The Department is further requested to submit, as part of the annual request for common policy benefits adjustments, templates that reflect the benefit selection for each member of the Department's staff in a manner that will enable health benefits for these staff to be calculated consistent with common policy. The templates are expected to contain July data on health benefits actually selected by Department staff and relate staff benefit elections to comparable state plan premiums.

COMMENT: A version of this RFI has been requested since FY 2016-17 because the Department's benefit structure differs from that of all other state departments. It has used the Colorado Community

College System's benefits for at least 20 years. The Department submitted the requested report as required. The table below shows this comparison. As can be seen, the Department pays the entire cost of health insurance for employees and families enrolled in some of its plans (Kaiser HMO and Anthem Blue Cross high deductible), which is not an option under any of the state plans. For other Department plans, costs to employees are often higher than state plans. The benefits associated with state and Department plans also differ, although the Department notes that differences in deductibles, copays, and out-of-pocket maximums generally "balance out".

Department of Higher Education				State of Colorado			
FY 22-23	Employer	Employee	Provider	FY 22-23	Employer	Employee	Provider
Emp Only	\$562.00	\$0.00	Anthem Blue Cross/Blue Shield HDHP	Emp Only	\$714.50	\$24.24	Cigna HDHP
Emp+Sp	\$1,236.00	\$0.00		Emp+Sp	\$1,278.04	\$145.72	
Emp+Ch	\$1,012.00	\$0.00		Emp+Ch	\$1,251.08	\$55.00	
Family	\$1,740.00	\$0.00		Family	\$1,757.42	\$232.22	
Emp Only	\$687.51	\$206.49	Anthem Blue Cross/Blue Shield Blue Advantage HMO	Emp Only	\$701.92	\$35.96	Cigna Co- Pay Basic
Emp+Sp	\$1,512.25	\$455.75		Emp+Sp	\$1,304.44	\$178.64	
Emp+Ch	\$1,233.35	\$376.65		Emp+Ch	\$1,288.96	\$66.10	
Family	\$2,128.58	\$642.42		Family	\$1,847.36	\$251.28	
Emp Only	\$642.24	\$161.76	Anthem Blue Cross/Blue Shield Blue Preferred	Emp Only	\$668.60	\$85.06	Cigna Co- Pay Plus
Emp+Sp	\$1,418.85	\$350.15		Emp+Sp	\$1,245.98	\$268.94	
Emp+Ch	\$1,185.63	\$232.37		Emp+Ch	\$1,236.34	\$147.82	
Family	\$1,999.90	\$491.10		Family	\$1,735.68	\$408.08	
Emp Only	\$642.24	\$99.53	Anthem Blue Cross/Blue Shield Blue Priority HMO	Emp Only	\$668.60	\$85.06	Cigna Co- Pay Plus
Emp+Sp	\$1,413.07	\$220.93		Emp+Sp	\$1,245.98	\$268.94	
Emp+Ch	\$1,152.64	\$184.36		Emp+Ch	\$1,236.34	\$147.82	
Family	\$1,989.37	\$311.63		Family	\$1,735.68	\$408.08	
Emp Only	\$602.52	\$0.00	Kaiser HMO	Emp Only	\$585.96	\$25.78	Kaiser HDHP
Emp+Sp	\$1,325.54	\$0.00		Emp+Sp	\$1,055.86	\$156.54	
Emp+Ch	\$1,084.53	\$0.00		Emp+Ch	\$1,052.26	\$51.32	
Family	\$1,867.80	\$0.00		Family	\$1,507.18	\$197.02	
Emp Only	\$602.52	\$0.00	Kaiser HMO	Emp Only	\$599.84	\$34.80	Kaiser Co- Pay Basic
Emp+Sp	\$1,325.54	\$0.00		Emp+Sp	\$1,152.74	\$172.24	
Emp+Ch	\$0.00	\$0.00		Emp+Ch	\$1,133.56	\$65.58	
Family	\$1,867.80	\$0.00		Family	\$1,606.48	\$284.12	
Emp Only	\$602.52	\$0.00	Kaiser HMO	Emp Only	\$616.02	\$54.42	Kaiser Co- Pay Plus
Emp+Sp	\$1,325.54	\$0.00		Emp+Sp	\$1,155.22	\$244.82	
Emp+Ch	\$0.00	\$0.00		Emp+Ch	\$1,150.82	\$116.24	
Family	\$1,867.80	\$0.00		Family	\$1,610.06	\$387.80	
Emp Only	\$42.53	\$0.00	Delta Dental I	Emp Only	\$33.16	\$4.44	Dental Basic Plus
Family	\$95.70	\$0.00		Family	\$79.50	\$27.98	
Emp Only	\$24.40	\$0.00	Delta Dental II	Emp Only	\$33.16	\$4.44	Dental Basic
Family	\$66.23	\$0.00		Family	\$79.50	\$27.98	

The Department provided an analysis that indicates that the Department pays overall about 10 percent more--\$46,806 per year--above what it would pay if its 39 employees were enrolled in state plans.

Employer Contribution Cost Comparison			
Difference between DHE & State Monthly Contribution	Number of Employees	Percent Share	
State Contribution greater than Department	6	15.4%	
Department Contribution Between \$0 and \$150 greater than State	17	43.6%	
Department Contribution Between \$150 and \$300 greater than State	16	41.0%	
Department Contribution Over \$300 greater than State	0	0.0%	
TOTAL	39	100.0%	
Department Monthly Contribution			\$ 44,665.03
Estimated State Monthly Contribution			\$ 40,764.56
Department Contribution greater than State per month			\$ 3,900.47
Percent greater than State Contribution per month			9.6%
Average Cost of DHE Contribution			\$ 1,116.63
Average Cost of State Contribution			\$ 1,019.11
Median Cost of DHE Contribution			\$ 723.68
Median Cost of State Contribution			\$ 741.37

- 5 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 2021-22 should be provided by November 1, 2022, and as it applies to actual expenditures in FY 2022-23 should be provided by November 1, 2023.

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. The Department has reported that by May 15, governing boards apply for tuition contingency funding with information on the tuition contingency fund requested, the undergraduate resident tuition rate for the year, the reason for needing additional spending authority, and a variation analysis from the most recent tuition appropriation. Any Board that has complied with the tuition limit in the Long Bill and that does not request more than its proportionate share of tuition contingency funding is automatically approved. If a governing board needs spending authority over their proportionate share, CDHE staff determine if there is spending authority remaining. As a last resort, a June 1331 supplemental may be submitted to the Joint Budget Committee.

In FY 2020-21, the previous \$60.0 million contingency appropriation was insufficient, but the Department failed to submit an interim supplemental request. The problem was ultimately addressed by adding FY 2021-22 supplemental tuition spending authority for the University of Colorado (\$22.4 million) and Colorado State University (\$10.3 million), and the Department indicated that it had

revised procedures so that it would in the future have information on interim supplemental spending authority required in time to make a June request. The General Assembly also took action through a FY 2021-22 supplemental and FY 2022-23 appropriation to increase the tuition contingency appropriation to \$75.0 million.

The Department submitted the required report on November 1, 2022 but then submitted a revision on November 14, 2022. The revision indicated that, for FY 2021-22, only \$552,800 of the tuition contingency line item was used. This is because revenue ultimately came in at a lower level than anticipated for most institutions. Final action added \$150,000 for Western Colorado University and \$402,800 for the University of Northern Colorado. In general, final tuition revenue was close to the estimates included in appropriation, as revised mid-year, with total spending 0.5 percent below the Long Bill estimates and the greatest variance being 3.4 percent below the estimates for Adams State University.

TUITION SPENDING AUTHORITY VERSUS REVENUE - FY 2021-22					
	FY 2021-22 APPROPRIATION AFTER LONG BILL ADD-ON (INCLUDES ADDITIONAL CU/CSU SPENDING AUTHORITY RELATED TO FY 2020-21)	PRELIMINARY CONTINGENCY DISTRIBUTION (NOT ALL USED)	FY 2021-22 SPENDING AUTHORITY AFTER \$75.0 MILLION IN CONTINGENCY FUNDS WERE DISTRIBUTED	FINAL TUITION REVENUE (BUDGET DATA BOOKS)	SPENDING ABOVE/(BELOW) FINAL SPENDING AUTHORITY
Adams State University	\$21,925,190	718,543	\$22,643,733	\$21,174,461	(\$1,469,272)
Colorado Mesa University	71,074,748	2,329,296	73,404,044	70,724,358	(2,679,686)
Metropolitan State University of Denver	109,576,243	3,591,085	113,167,328	108,845,881	(4,321,447)
Western Colorado University	17,036,282	558,321	17,594,603	17,166,203	(428,400)
Colorado State University System	487,126,600	16,301,813	503,428,413	484,419,478	(19,008,935)
Fort Lewis College	45,058,430	1,476,676	46,535,106	44,080,398	(2,454,708)
University of Colorado System	1,159,554,679	38,734,597	1,198,289,276	1,161,140,891	(37,148,385)
Colorado School of Mines	172,951,515	0	172,951,515	171,348,828	(1,602,687)
University of Northern Colorado	75,153,434	2,462,964	77,616,398	75,556,234	(2,060,164)
Colorado Community College System	269,332,866	8,826,705	278,159,571	261,375,738	(16,783,833)
Total	2,428,789,987	\$75,000,000	2,503,789,987	\$2,415,832,470	(\$87,957,517)

- 6 Department of Higher Education, Division of Occupational Education, Area Technical Colleges -- In collaboration with the Area Technical Colleges, the Department is requested to submit a report by November 1, 2023, on the impact of the additional funding of \$1,700,000 General Fund provided for the Area Technical Colleges for FY 2022-23 and FY 2023-24 as of the date the report was submitted.

COMMENT: This request was added in FY 2022-23, based on the addition of \$1.7 million General Fund for two years only. The report is not due until 2023.

UPDATE ON STATUTORY REQUEST FOR INFORMATION

S.B. 22-216 REALLOCATION OF LIMITED GAMING REVENUES REPORT

BACKGROUND: During the 2022 legislative session, the Joint Budget Committee sponsored S.B. 22-216 (Reallocation of Limited Gaming Revenues). This bill modified statute regarding the share of limited gaming tax revenues that go to the original limited gaming recipients (the General Fund, History Colorado, and gaming cities and counties) following the formula established in the 1990 State Constitutional measure, as opposed to the new/extended limited gaming recipients first identified in 2008 Constitutional Amendment 50 and continued as the recipients of 2020 Constitutional Amendment 77 tax revenue (the community colleges, gaming cities and counties). The details of this allocation have been determined by statute since Amendment 50 was adopted due to the lack of data available on how much revenue can be attributed to the original limited gaming activities (which included restricted bets, games, and hours), as opposed to new activities (in which bets, games, and hours are not restricted).

The JBC had previously adopted H.B. 20-1400 to address problems in the existing formula that were anticipated to result from the temporary closure of casinos in 2020. However, the provisions in H.B. 20-1400 had unintended consequences after the passage of Amendment 77 later in 2020 and a rapid rebound in gaming revenue. The JBC sponsored S.B. 22-216 to address these problems.

While S.B. 21-216 was moving through the legislative process, gaming communities raised concerns. While local communities receive 22.0 percent of gaming revenue, the allocations among the communities differ for revenue attributed to “original” limited gaming as opposed to “new” extended gaming. In addition, gaming cities receive historic preservation funds as part of the original limited gaming formula but not under the new extended gaming formula. In response to these concerns, a provision was added to the bill to provide \$1.25 million in “hold harmless” funding to limit impacts on communities that would lose money from funds reallocation for FY 2021-22.

WORK GROUP REPORT: The bill also added a provision to the bill creating a work group including the Director of the Division of Gaming, representatives from OSPB, the State Historical Society, the affected local government limited gaming recipients, and community college representatives. As specified in the bill, “the director shall convene a working group to study the attribution of limited gaming tax revenue between the limited gaming fund and the extended limited gaming fund by: (i) determining if there is data available to identify the limited gaming tax revenues attributable to the operation of section 9 (7) of article xviii of the state constitution; and (ii) if such data is available, collecting the data and comparing it with the current allocation required by law.” The work group was required to submit a report to the JBC by November 1, 2022.

The report was provided to all the November 1 JBC members and is available for any interested new members. The report explains the process in detail, but the conclusion is well summarized in the following paragraph.

"The conclusions by the workgroup didn't identify new data that would significantly change the way distributions are made between the Limited Gaming Fund and the

Extended Gaming Fund. It did however bring to light that over the thirty plus years of gaming in Colorado and through the different referendums that authorized and expanded gaming and gaming limits it may be the right time to evaluate and modernize the Constitutional language that refers to limited and extended gaming and the distributions of gaming revenue. There may be a path forward that eliminates limited and extended revenue designation in favor of simply "gaming revenue" without affecting current distribution percentages of the beneficiaries, including community colleges who were allocated funding in 2008 from voter passed initiative 50. It may however allow for a discussion of impacts on the gaming cities and counties that were not contemplated when gaming began."

Gaming communities have also sent letters advocating for additional hold-harmless funding and support.

COMMENT: JBC Staff appreciates the efforts of the Work Group and concurs with the Division that updated Constitutional language would be helpful. However, staff does not believe the JBC is the right entity to lead this effort, given its many other responsibilities. JBC members may, however, want to bring this report to the attention of leadership and other members with particular interest in gaming communities.

APPENDIX C

DEPARTMENT ANNUAL PERFORMANCE REPORT

Pursuant to Section 2-7-205 (1)(a)(II), C.R.S., the Office of State Planning and Budgeting (OSPB) shall prepare the section of the Annual Performance Report for the Department of Higher Education by reviewing the institutions of higher education's progress toward the outcomes of the recommended performance funding plan. This report for the previous fiscal year shall be published by the OSPB by November 1 of each year.

In addition, pursuant to Section 2-7-204 (3)(a)(II)(A), C.R.S., the Department of Higher Education shall satisfy the requirement to develop a Performance Plan for the *current fiscal year* through the master plan for postsecondary education maintained by the Colorado Commission on Higher Education (CCHE). Copies of such documents shall be submitted to the Joint Budget Committee and appropriate Joint Committee of Reference by July 1 of each year.

For consideration by the Joint Budget Committee in prioritizing the department's FY 2023-24 budget request, documents can be found at the following link. This site includes a links to the Department's website on its performance on Higher Education Master Plan goals, required by Section 23-1-108, C.R.S.

<https://www.colorado.gov/pacific/performancemanagement/department-performance-plans>

The data now includes performance at the institutional level. This may be directly accessed at the following link:

http://masterplan.highered.colorado.gov/dashboard_detail/