

# STATE OF COLORADO

## OFFICE OF STATE PLANNING AND BUDGETING

111 State Capitol Building  
Denver, Colorado 80203  
(303) 866-3317



Bill Ritter Jr.  
Governor  
Todd Saliman  
Director

October 31, 2008

Dear Members of the Joint Budget Committee,

The Schedule 13 titled "General Fund Placeholder for DI-1 and DI-3" seeks a placeholder of \$40,000,000 General Fund to the Department of Higher Education in FY 2009-10. This Schedule 13 doesn't allocate the \$40,000,000 General Fund. Rather, the full request will be delivered and this amount will be allocated to various parts of the Department of Higher Education's FY 2009-10 budget. The full request will be delivered one week following the November 2008 election (to be submitted on November 11, 2008).

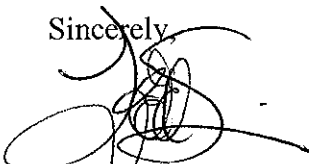
The November 11, 2008 submission will include:

- Funding allocation requests for institutions of higher education in FY 2009-10 (DI-1); and
- Request for changes to financial aid funding in FY 2009-10 (DI-3).

The October 31, 2008 Schedule 13 does not include a total request for increases in reappropriated funds for FY 2009-10 as this will not be determined until the allocation is complete. These request amounts will be provided on November 11, 2008 in their respective change requests for FY 2009-10.

Please note that because the General Fund allocation has not been determined at the time of this submission, there has been no allocation to any of the line items in the Schedule 3. The General Fund Placeholder is only reflected as a bottom line adjustment on the Schedule 2 and the Reconciliation table as the date of this submission.

Sincerely,



Todd Saliman

**Scher' 13**  
**Change Request for FY 2010 Budget Request Cycle**

Decision Item FY 2009-10  Base Reduction Item FY 2009-10  Supplemental FY 2008-09  Budget Amendment FY 2009-10

Request Title: Tuition and Fee Spending Authority  
 Department: Higher Education  
 Priority Number: DI - 2

Dept. Approval by: *Drew [Signature]*  
 OSPB Approval: *[Signature]*

Date: 10-24-08  
 Date: 10-24-08

Fund	1	2	3	4	5	6	8	9	10
	Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
<b>Total of All Line Items</b>	<b>Total</b> 1,701,671,917	1,839,803,095	0	1,839,803,095	1,839,803,095	75,150,799	0	1,914,953,894	75,150,799
	FTE	19,481.7	0.0	19,481.7	19,481.7	0.0	0.0	11,365.6	0.0
	GF	0.0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0
	CFE/RF	1,701,671,917	681,247,787	681,247,787	681,247,787	0	0	681,247,787	0
	FF	0	0	0	0	0	0	0	0
<b>(5) GOVERNING</b>	<b>Total</b>	20,973,320	0	22,862,997	22,862,997	488,929	0	23,351,926	488,929
<b>BOARDS</b>	FTE	271.5	0.0	285.3	285.3	0.0	0.0	285.3	0.0
<b>(A) Trustees of Adams State College</b>	GF	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0
	CFE/RF	20,973,320	14,608,449	14,608,449	14,608,449	488,929	0	8,743,477	488,929
	FF	0	0	0	0	0	0	14,608,449	0
<b>(5) GOVERNING</b>	<b>Total</b>	44,916,476	0	49,474,411	49,474,411	1,647,006	0	51,121,417	1,647,006
<b>BOARDS</b>	FTE	452.2	0.0	474.8	474.8	0.0	0.0	474.8	0.0
<b>(B) Trustees of Mesa State College</b>	GF	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0
	CFE/RF	44,916,476	24,005,607	24,005,607	24,005,607	1,647,006	0	27,115,810	1,647,006
	FF	0	0	0	0	0	0	24,005,607	0
<b>(5) GOVERNING</b>	<b>Total</b>	93,623,775	0	103,011,292	103,011,292	3,552,448	0	106,563,740	3,552,448
<b>BOARDS</b>	FTE	1,056.3	0.0	1,124.0	1,124.0	0.0	0.0	1,124.0	0.0
<b>(C) Trustees of Metropolitan State College of Denver</b>	GF	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0
	CF	0	0	0	0	0	0	0	0
	CFE/RF	93,623,775	49,713,412	49,713,412	49,713,412	3,552,448	0	56,850,328	3,552,448
	FF	0	0	0	0	0	0	49,713,412	0

**Sched' 13  
Change Request for FY 2006 Budget Request Cycle**

Decision Item FY 2009-10  Base Reduction Item FY 2009-10  Supplemental FY 2008-09  Budget Amendment FY 2009-10

Request Title: Tuition and Fee Spending Authority

Department: Higher Education

Priority Number: DI - 2

Dept. Approval by: \_\_\_\_\_ Date: \_\_\_\_\_

OSPB Approval: \_\_\_\_\_ Date: \_\_\_\_\_

Fund	1		2	3	4	5	6	7	8	9	10
	Prior-Year Actual FY 2007-08	Fund									
(5) GOVERNING BOARDS (D) Trustees of Western State College	Total	20,121,469	21,506,439	0	21,506,439	21,506,439	559,467	22,065,906	0	22,065,906	559,467
	FTE	230.9	241.5	0.0	241.5	241.5	0.0	241.5	0.0	241.5	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	9,333,422	0	9,333,422	9,333,422	559,467	9,892,889	0	9,892,889	559,467
CFE/RF	20,121,469	12,173,017	0	12,173,017	12,173,017	0	12,173,017	0	12,173,017	0	
FF	0	0	0	0	0	0	0	0	0	0	
(5) GOVERNING BOARDS (E) Board of Governors of the Colorado State University System	Total	325,188,981	357,312,938	0	357,312,938	357,312,938	14,640,465	371,953,403	0	371,953,403	14,640,465
	FTE	3,852.4	4,070.7	0.0	4,070.7	4,070.7	0.0	4,070.7	0.0	4,070.7	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	210,280,038	0	210,280,038	210,280,038	14,640,465	224,920,503	0	224,920,503	14,640,465
CFE/RF	325,188,981	147,032,900	0	147,032,900	147,032,900	0	147,032,900	0	147,032,900	0	
FF	0	0	0	0	0	0	0	0	0	0	
(5) GOVERNING BOARDS (F) Trustees of Fort Lewis College	Total	35,960,375	38,530,861	0	38,530,861	38,530,861	1,401,371	39,932,232	0	39,932,232	1,401,371
	FTE	432.3	449.3	0.0	449.3	449.3	0.0	449.3	0.0	449.3	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	25,746,531	0	25,746,531	25,746,531	1,401,371	27,147,902	0	27,147,902	1,401,371
CFE/RF	35,960,375	12,784,330	0	12,784,330	12,784,330	0	12,784,330	0	12,784,330	0	
FF	0	0	0	0	0	0	0	0	0	0	
(5) GOVERNING BOARDS (G) Regents of the University of Colorado	Total	718,050,892	777,917,970	0	777,917,970	777,917,970	37,537,023	815,454,993	0	815,454,993	37,537,023
	FTE	6,441.1	6,507.6	0.0	6,507.6	6,507.6	0.0	6,507.6	0.0	6,507.6	0.0
	GF	0	0	0	0	0	0	0	0	0	0
	GFE	0	0	0	0	0	0	0	0	0	0
	CF	0	568,160,990	0	568,160,990	568,160,990	37,537,023	605,698,013	0	605,698,013	37,537,023
CFE/RF	718,050,892	209,756,980	0	209,756,980	209,756,980	0	209,756,980	0	209,756,980	0	
FF	0	0	0	0	0	0	0	0	0	0	

**Scher' 13**  
**Change Request for FY 2010 / Budget Request Cycle**

Decision Item FY 2009-10		Base Reduction Item FY 2009-10		Supplemental FY 2008-09		Budget Amendment FY 2009-10				
Request Title: Tuition and Fee Spending Authority		Dept. Approval by: Higher Education		Date:		Date:				
Priority Number: DI - 2		OSPAP Approval:								
	1	2	3	4	5	6	7	8	9	10
	Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
Fund										
(5) GOVERNING										
BOARDS	71,704,980	78,776,644	0	78,776,644	78,776,644	3,986,727	82,763,371	0	82,763,371	3,986,727
(H) Trustees of the Colorado School of Mines	629.4	653.6	0.0	653.6	653.6	0.0	653.6	0.0	653.6	0.0
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	0	55,539,258	0	55,539,258	55,539,258	3,986,727	59,525,985	0	59,525,985	3,986,727
	71,704,980	23,237,386	0	23,237,386	23,237,386	0	23,237,386	0	23,237,386	0
	0	0	0	0	0	0	0	0	0	0
(5) GOVERNING										
BOARDS	95,696,590	97,282,524	0	97,282,524	97,282,524	4,164,338	101,446,862	0	101,446,862	4,164,338
(I) University of Northern Colorado	1,015.0	954.9	0.0	954.9	954.9	0.0	954.9	0.0	954.9	0.0
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	0	53,196,213	0	53,196,213	53,196,213	4,164,338	57,360,551	0	57,360,551	4,164,338
	95,696,590	44,086,311	0	44,086,311	44,086,311	0	44,086,311	0	44,086,311	0
	0	0	0	0	0	0	0	0	0	0
(5) GOVERNING										
BOARDS	275,435,059	293,127,019	0	293,127,019	293,127,019	7,173,025	300,300,044	0	300,300,044	7,173,025
(J) State Board for Community Colleges and Occupational Education State System	4,576.4	4,720.0	0.0	4,720.0	4,720.0	0.0	4,720.0	0.0	4,720.0	0.0
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	0	149,306,236	0	149,306,236	149,306,236	7,173,025	156,479,261	0	156,479,261	7,173,025
	275,435,059	143,820,783	0	143,820,783	143,820,783	0	143,820,783	0	143,820,783	0
	0	0	0	0	0	0	0	0	0	0

**Sched' 13  
Change Request for FY 2009-10 Budget Request Cycle**

<b>Decision Item FY 2009-10</b>	<input checked="" type="checkbox"/>	<b>Base Reduction Item FY 2009-10</b>	<input type="checkbox"/>	<b>Supplemental FY 2008-09</b>	<input type="checkbox"/>	<b>Budget Amendment FY 2009-10</b>	<input type="checkbox"/>
<b>Request Title:</b>	Tuition and Fee Spending Authority						
<b>Department:</b>	Higher Education						
<b>Priority Number:</b>	DI - 2						
<b>Date:</b>							
<b>Date:</b>							

	1	2	3	4	5	6	7	8	9	10
	Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
<b>Non-Line Item Request:</b>	None									
<b>Letternote Revised Text:</b>	(A) Trustees of Adams State College a. Of this amount, \$8,300,477 shall be from the students' share of tuition and \$443,000 shall be from academic fees and academic facility fees.									
<b>Letternote Revised Text:</b>	(B) Trustees of Mesa State College a. Of this amount, \$26,690,810 shall be from the students' share of tuition and \$425,000 shall be from academic fees and academic facility fees.									
<b>Letternote Revised Text:</b>	(C) Trustees of Metropolitan State College of Denver a. Of this amount, \$55,950,328 shall be from the students' share of tuition and \$900,000 shall be from academic fees and academic facility fees.									
<b>Letternote Revised Text:</b>	(D) Trustees of Western State College a. Of this amount, \$9,866,889 shall be from the students' share of tuition and \$26,000 shall be from academic fees and academic facility fees.									
<b>Letternote Revised Text:</b>	(E) Board of Governors of the Colorado State University System a. Of this amount, \$219,905,503 shall be from the students' share of tuition and \$5,015,000 shall be from academic fees and academic facility fees.									
<b>Letternote Revised Text:</b>	(F) Trustees of Fort Lewis College a. Of this amount, \$26,147,902 shall be from the students' share of tuition and \$1,000,000 shall be from academic fees and academic facility fees.									
<b>Letternote Revised Text:</b>	(G) Regents of the University of Colorado a. Of this amount, \$564,255,917 shall be from the students' share of tuition, \$22,498,380 shall be from academic fees and academic facility fees, and \$18,943,716 shall be from the Tobacco Litigation Settlement Moneys Health Education Fund pursuant to Section 24-75-1104.5 (1.5) (a) (i), C.R.S.									
<b>Letternote Revised Text:</b>	(H) Trustees of the Colorado School of Mines a. Of this amount, \$59,375,985 shall be from the students' share of tuition and \$150,000 shall be from academic fees and academic facility fees.									
<b>Letternote Revised Text:</b>	(I) University of Northern Colorado a. Of this amount, \$56,563,214 shall be from the students' share of tuition and \$797,337 shall be from academic fees and academic facility fees.									
<b>Letternote Revised Text:</b>	(J) State Board for Community Colleges and Occupational Education State System Community Colleges a. Of this amount, \$150,633,521 shall be from the students' share of tuition and \$5,845,740 shall be from academic fees and academic facility fees.									

**Cash or Federal Fund Name and COFRS Fund Number:** N/A

**Reappropriated Funds Source, by Department and Line Item Name:** None

**Approval by OIT?** Yes:  No:  N/A:

**Schedule 13s from Affected Departments:** None

**CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE**

Department:	Department of Higher Education
Priority Number:	DI - 2
Change Request Title:	Tuition and Fee Spending Authority

**SELECT ONE (click on box):**

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

**SELECT ONE (click on box):**

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department of Higher Education requests a total increase of \$75,150,799 in cash funds (formerly cash funds exempt) spending authority to support the anticipated increase in tuition revenue in FY 2009-10. Of this amount, \$53,051,220 is projected for tuition rate increases for resident undergraduate and graduate students, and \$22,099,579 is for nonresident undergraduate and graduate student tuition rate increases. Based on this request the total spending authority for tuition revenue in FY 2009-10 would be \$1,177,690,546 cash funds and \$1,177,661,934 cash funds after adjusting for S.B. 08-166's negative \$28,612 cash funds impact in FY 2008-09.

The Department requests the following tuition rate increases for FY 2009-10:

- Research Institutions (University of Colorado System, Colorado State University System, Colorado School of Mines, and the University of Northern Colorado) – 9 percent rate increase for resident undergraduate students

- State Institutions (Adams State College, Fort Lewis College, Mesa State College, Metropolitan State College of Denver, and Western State College) – 7 percent rate increase for resident undergraduate students
- Colorado Community College System – 5 percent rate increase for resident undergraduate students

Further, the Department recommends that effective tuition rate increases for resident undergraduate Level I and Level II students (students with an expected family contribution within 150 percent and 200 percent, respectively, of the amount needed to qualify for a Federal Pell grant) be held to 5 percent through increases to their financial aid packages awarded at the institutional level. Because financial aid is awarded at the institutional level and institutions can only provide aid to those students who apply for aid, governing boards need the full tuition spending authority allowed with the rate increases described above. Students qualifying for the reduced tuition would be charged the full tuition rate, which would then be “bought down” with additional financial aid. The requested spending authority does not factor or estimate the reduced revenue from buying down tuition for Level I and II students.

Although the Department’s request does not place any rate or revenue limits on allowable increases for resident graduate students and nonresident students, for budgeting purposes, the Department has assumed that governing boards will increase resident graduate rates by the same rate as the requested undergraduate rate increase and all nonresident rates by five percent to estimate the spending authority needed in FY 2009-10. It is likely that adjustments through the supplemental process will be required once governing boards set tuition rates in 2009 for the 2009-10 academic year.

Finally, this request recommends continuation cash fund spending authority for appropriated and academic facility fee revenue at each governing board at a total of \$37,100,457 cash funds in FY 2009-10.

Background and Appropriation History: The following chart shows the FY 2007-08 and FY 2008-09 total tuition cash fund spending authority for each governing board:

**Appropriated Tuition Spending Authority**

Governing Board	FY 2007-08	FY 2008-09
Adams State College	\$7,253,000	\$7,811,548
Mesa State College	\$21,825,869	\$25,043,804
Metro State College	\$47,567,973	\$52,397,880
Western State College	\$8,739,778	\$9,307,422
CSU System	\$186,829,052	\$205,265,038
Fort Lewis College	\$23,108,440	\$24,746,531
CU System	\$485,133,363	\$526,718,894
CO School of Mines	\$49,817,709	\$55,389,258
UNC	\$49,973,000	\$53,398,876
CCCS	\$133,487,341	\$143,460,496
<b>Total</b>	<b>\$1,013,735,525</b>	<b>\$1,102,539,747</b>
S.B. 08-166	\$0	<\$28,612>
<b>Total</b>	<b>\$1,013,735,525</b>	<b>\$1,102,511,135</b>

*Source: FY 2008-09 JBC Appropriations Report (H.B. 08-1375 + S.B. 08-079)*

*Additionally, S.B. 08-166 reduced tuition cash fund spending authority to the Governing Boards by \$28,612. There is no way of determining which specific institution or Governing Board this affected so a bottom line adjustment has been identified in the table above.*



The chart below shows the FY 2007-08 and FY 2008-09 cash fund spending authority from academic and academic facility fees for each governing board:

**Appropriated Academic and Academic Facility Fees**

Governing Board	FY 2007-08	FY 2008-09
Adams State College	\$430,000	\$443,000
Mesa State College	\$397,502	\$425,000
Metro State College	\$870,807	\$900,000
Western State College	\$26,000	\$26,000
CSU System	\$4,800,000	\$5,015,000
Fort Lewis College	\$1,000,000	\$1,000,000
CU System	\$22,332,584	\$22,498,380
CO School of Mines	\$150,000	\$150,000
UNC	\$777,890	\$797,337
CCCS	\$5,816,657	\$5,845,740
<b>Total</b>	<b>\$36,601,440</b>	<b>\$37,100,457</b>

*Source: FY 2008-09 JBC Appropriations Report (H.B. 08-1375)*

During the 2008 legislative session, the Joint Budget Committee limited undergraduate resident tuition rate increases to 9.5 percent, 7.5 percent, and 5.5 percent at the research institutions, four year institutions, and Colorado Community College System institutions, respectively. No limits were placed on resident graduate and nonresident tuition increases in the Long Bill footnotes (H.B. 08-1375). The footnotes also further limited effective tuition rate increases for all resident undergraduate students with documented financial need to 5 percent through increased financial aid.

In prior years, the state legislature has held governing boards to overall revenue limits instead of rate limits. While still a restriction on how much institutions charge for attendance, this type of limit provides flexibility to implement varying market-based rate increases as long as the overall revenue generated from these increases falls within the overall revenue limit established in the Long Bill footnotes. The state legislature

approved this type of a limit in the FY 2007-08 Long Bill, which was passed during the 2007 General Assembly.

General Description of Request:

Tuition is one of two main sources of revenue available to institutions of higher education, the other being state General Fund appropriations to the College Opportunity Fund. Annual tuition increases are necessary in order to continue progress toward reaching parity with peer institutions' funding levels and more importantly increasing revenues at institutions so that they are able to provide a good education to students. Due to differences in the ability of certain institutions to increase tuition rates because of their current tuition levels, statutory role and mission, and type of student population served, the Department requests the following rate increases for resident undergraduate students:

- Research Institutions (University of Colorado System, Colorado State University System, Colorado School of Mines, and the University of Northern Colorado) – 9 percent rate increase
- State Institutions (Adams State College, Fort Lewis College, Mesa State College, Metropolitan State College of Denver, and Western State College) – 7 percent rate increase
- Colorado Community College System – 5 percent rate increase

Further, the Department recommends that effective tuition rate increases for resident undergraduate Level I and Level II students (students with an expected family contribution within 150 percent and 200 percent, respectively, of the amount that qualifies the student for a Federal Pell grant) be held to 5 percent rate increase through increases to the financial aid packages awarded to students at the institutional level.

Although the Department does not recommend any limit on the tuition rates institutions may charge to resident graduate and all nonresident students, for budgeting purposes the Department has assumed that governing boards will increase resident graduate rates by the same rate as the undergraduate rate increase and all nonresident tuition rates by five percent (5.0%) in order to request the total tuition spending authority budget need in FY

2009-10. As needed, governing board spending authority will be adjusted through the supplemental process during FY 2009-10; however, in the event a governing board's tuition policy results in a loss of revenue for the institution, no supplemental for state General Fund will be in order to cover the loss.

This request recommends continuation cash fund spending authority for appropriated and academic facility fee revenue at each governing board. At the request of the General Assembly, the Department conducted a thorough review of its fee policies and made changes to better define appropriated and non-appropriated fees. Changes to this request through a future budget amendment may be necessary to reconcile the policy changes to the requested fee spending authority.

Projected FY 2009-10 tuition revenue is shown in the charts under the Calculations for Request section of this budget request.

Below is the requested footnote language for FY 2009-10:

*Research Institutions:*

**It is the intent of the General Assembly that any increase in the resident undergraduate tuition rate not exceed 9% per student or 9% per credit hour at the University of Colorado System, the Colorado State University System, the Colorado School of Mines, and the University of Northern Colorado, provided that resident undergraduate students with documented financial need (i.e., Levels I and II) receive sufficient financial aid to limit their effective tuition rate increases to 5 percent. It is the intent of the General Assembly that the institutions may increase resident graduate and all nonresident tuition rates to reflect market conditions and that any additional spending authority necessary to cover resident graduate and nonresident tuition rate increases will be addressed through a supplemental appropriation during the 2010 legislative session. The General Assembly will not back-fill for nonresident tuition revenue lost if a nonresident tuition increase results in a net reduction in nonresident tuition revenues.**

Four-year State Colleges:

**It is the intent of the General Assembly that any increase in the resident undergraduate tuition rate not exceed 7% per student or 7% per credit hour at Adams State College, Mesa State College, Metropolitan State College of Denver, Fort Lewis College, and Western State College, provided that resident undergraduate students with documented financial need (i.e., Levels I and II) receive sufficient financial aid to limit their effective tuition rate increases to 5 percent. It is the intent of the General Assembly that the institutions may increase all nonresident tuition rates to reflect market conditions and that any additional spending authority necessary to cover resident graduate and nonresident tuition rate increases will be addressed through a supplemental appropriation during the 2010 legislative session. The General Assembly will not back-fill for nonresident tuition revenue lost if a nonresident tuition increase results in a net reduction in nonresident tuition revenues.**

Community College System:

**It is the intent of the General Assembly that any increase in the resident tuition rate not exceed 5% at the Colorado Community College institutions. It is the intent of the General Assembly that the institutions may increase all nonresident tuition rates to reflect market conditions and that any additional spending authority necessary to cover nonresident tuition rate increases will be addressed through a supplemental appropriation during the 2010 legislative session. The General Assembly will not back-fill for nonresident tuition revenue lost if a nonresident tuition increase results in a net reduction in nonresident tuition revenues.**

Consequences if Not Funded:

No increase in tuition spending authority will result in Colorado's institutions of higher education being funded at an even lower level relative to their national peers. A 2006 analysis conducted by the National Center for Higher Education Management Systems (NCHEMS), a well-established private non-profit organization, estimated that Colorado institutions are funded at a level over \$800 million less than the average level of funding given to their peer institutions annually. This funding gap included both state General

Fund support and support from resident and nonresident tuition and fees, the two primary revenue sources available to institutions of higher education.

Since the study was completed, updated data shows that the average funding level across all peers has increased approximately 6.75 percent from FY 2005-06 to FY 2006-07, the most recent data available. In order to make progress towards closing the NCHEMS funding gap, increased state support and tuition rate increases are needed. In addition, according to a recent survey from the State Higher Education Executive Officers (SHEEO) using FY 2006-07 data, Colorado is now ranked last nationally in total revenues per student FTE. Without this increase in tuition spending authority, institutions will fall further behind their peers in terms of total funding and will be less likely to reach average peer funding parity in any reasonable timeframe.

Calculations for Request:

<b>Summary of Request FY 2009-10 and FY 2010-11</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Total Request	\$75,150,799	\$0	\$75,150,799	\$0	\$0	0.0
(5) GOVERNING BOARDS (A) Trustees of Adams State College	\$488,929	\$0	\$488,929	\$0	\$0	0.0
(5) GOVERNING BOARDS (B) Trustees of Mesa State College	\$1,647,006	\$0	\$1,647,006	\$0	\$0	0.0
(5) GOVERNING BOARDS (C) Trustees of Metropolitan State College of Denver	\$3,552,448	\$0	\$3,552,448	\$0	\$0	0.0
(5) GOVERNING BOARDS (D) Trustees of Western State College	\$559,467	\$0	\$559,467	\$0	\$0	0.0

<b>Summary of Request FY 2009-10 and FY 2010-11</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
(5) GOVERNING BOARDS (E) Board of Governors of the Colorado State University System	\$14,640,465	\$0	\$14,640,465	\$0	\$0	0.0
(5) GOVERNING BOARDS (F) Trustees of Fort Lewis College	\$1,401,371	\$0	\$1,401,371	\$0	\$0	0.0
(5) GOVERNING BOARDS (G) Regents of the University of Colorado	\$37,537,023	\$0	\$37,537,023	\$0	\$0	0.0
(5) GOVERNING BOARDS (H) Trustees of the Colorado School of Mines	\$3,986,727	\$0	\$3,986,727	\$0	\$0	0.0
(5) GOVERNING BOARDS (I) University of Northern Colorado	\$4,164,338	\$0	\$4,164,338	\$0	\$0	0.0
(5) GOVERNING BOARDS (J) State Board for Community Colleges and Occupational Education State System Community Colleges	\$7,173,025	\$0	\$7,173,025	\$0	\$0	0.0

The following chart shows how the Department estimated the requested tuition spending authority broken out by resident and nonresident tuition and by governing board. As mentioned earlier, the Department is requesting that appropriated academic and academic facility fees will remain constant in FY 2009-10:

STATE OF COLORADO FY 2009-10 BUDGET REQUEST CYCLE: Department of Higher Education

		FY 2008-09 Total Tuition Spending Authority from JBC Appropriations Report (H.B. 08-1375 and S.B. 08-079)	Requested FY 2009-10 Rate Increase	FY 2009-10 Projected Total Tuition Spending Authority	FY 2009-10 Tuition Spending Authority Increase
ASC	Resident	4,917,565	7%	5,261,795	344,230
	Nonresident	2,893,983	5%	3,038,682	144,699
	<b>Total</b>	<b>7,811,548</b>		<b>8,300,477</b>	<b>488,929</b>
MSC	Resident	19,740,816	7%	21,122,673	1,381,857
	Nonresident	5,302,988	5%	5,568,137	265,149
	<b>Total</b>	<b>25,043,804</b>		<b>26,690,810</b>	<b>1,647,006</b>
MSCD	Resident	46,627,706	7%	49,891,645	3,263,939
	Nonresident	5,770,174	5%	6,058,683	288,509
	<b>Total</b>	<b>52,397,880</b>		<b>55,950,328</b>	<b>3,552,448</b>
WSC	Resident	4,704,785	7%	5,034,120	329,335
	Nonresident	4,602,637	5%	4,832,769	230,132
	<b>Total</b>	<b>9,307,422</b>		<b>9,866,889</b>	<b>559,467</b>
CSU Sys	Resident	109,430,319	9%	119,279,048	9,848,729
	Nonresident	95,834,719	5%	100,626,455	4,791,736
	<b>Total</b>	<b>205,265,038</b>		<b>219,905,503</b>	<b>14,640,465</b>
FLC	Resident	8,202,221	7%	8,776,376	574,155
	Nonresident	16,544,310	5%	17,371,526	827,216
	<b>Total</b>	<b>24,746,531</b>		<b>26,147,902</b>	<b>1,401,371</b>
CU Sys	Resident	280,026,965	9%	305,229,392	25,202,427
	Nonresident	246,691,929	5%	259,026,525	12,334,596
	<b>Total</b>	<b>526,718,894</b>		<b>564,255,917</b>	<b>37,537,023</b>
CSM	Resident	30,431,603	9%	33,170,447	2,738,844
	Nonresident	24,957,655	5%	26,205,538	1,247,883
	<b>Total</b>	<b>55,389,258</b>		<b>59,375,985</b>	<b>3,986,727</b>
UNC	Resident	38,609,871	9%	42,084,759	3,474,888
	Nonresident	13,789,005	5%	14,478,455	689,450
	<b>Total</b>	<b>52,398,876</b>		<b>56,563,214</b>	<b>4,164,338</b>
CCCS	Resident	117,856,313	5%	123,749,129	5,892,816
	Nonresident	25,604,183	5%	26,884,392	1,280,209
	<b>Total</b>	<b>143,460,496</b>		<b>150,633,521</b>	<b>7,173,025</b>
Totals	Resident	660,548,164		713,599,384	53,051,220
	Nonresident	441,991,583		464,091,162	22,099,579
	<b>Total</b>	<b>1,102,539,747</b>		<b>1,177,690,546</b>	<b>75,150,799</b>
S.B. 08-166		(28,612)	(28,612)	N/A	
Reconciliation with S.B. 08-166		1,102,511,135		1,177,661,934	N/A

Assumptions for Calculations

Instead of projecting enrollment and estimating FY 2008-09 tuition rates for the various types of students and for differential programs, the Department assumes flat enrollment growth between the FY 2008-09 enrollment projected by the Joint Budget Committee and the Legislative Council and FY 2009-10 in this request. To arrive at the total projected spending authority in the request, the Department applied the appropriate requested tuition policy and rate increase to the base resident and nonresident tuition revenue in the appropriations report for each governing board (e.g., Adams State College FY 2008-09 projected resident tuition revenue multiplied by 7 percent, FY 2008-09 projected nonresident tuition revenue multiplied by 5 percent). The sum of these two amounts plus the FY08-09 base is the total amount requested for each governing board in FY 2009-10).

The Department collects data throughout the academic year which will enable a better estimate of tuition cash funds spending authority in February 2009; thus, a budget amendment will be required to adjust this request that incorporates enrollment changes. Specifically, the Department collects:

- FY 2008-09 Tuition and Fee Survey – Submitted September 2008
- FY 2008-09 Tuition revenue estimates – Submitted late January 2009
- FY 2008-09 Spring Census – Submitted mid February 2009

Once institutions provide the Department with these submissions, the Department will be able to more accurately estimate the FY 2009-10 cash spending authority necessary to cover the requested rate increases. Since last year's tuition footnotes did not limit tuition increases for resident graduate and nonresident students and current FY 2008-09 estimates were based on governing boards applying a 5 percent increases on the tuition rates charged to these students, it is possible that the revenue estimates submitted in late January will exceed the current projections. The Department will use the data from the revenue estimates and the Spring Census as the basis for its final FY 2009-10 tuition spending authority projection to be submitted as a stand alone budget amendment.



The following chart shows resident student full time equivalent SFTE enrollment for each institution from FY 2000-01 to FY 2007-08, illustrating the lack of any discernible trend over time at most institutions. In fact, initial enrollment estimates at Colorado State University-Pueblo show significant increases that do not follow past enrollment trends:

**Final FTE Student Enrollment Report**

Governing Board / Institutions	Resident Student FTE							
	FY 2000-01	FY 2001-02	FY 2002-03	FY 2003-04	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
<b>Regents of the University of Colorado:</b>	<b>29,258</b>	<b>30,164</b>	<b>32,346</b>	<b>33,866</b>	<b>34,571</b>	<b>34,842</b>	<b>34,792</b>	<b>35,183</b>
University of Colorado-Boulder	15,692	16,007	16,934	17,759	18,109	18,020	17,805	17,785
University of Colorado-Colorado Springs	4,688	4,930	5,526	5,788	5,844	5,822	5,815	5,836
University of Colorado-Denver	6,783	7,065	7,637	7,909	8,110	8,057	8,206	8,484
University of Colorado-Health Sciences	2,096	2,162	2,249	2,410	2,508	2,944	2,966	3,078
<b>Board of Governors of Colorado State University System :</b>	<b>19,106</b>	<b>19,638</b>	<b>20,393</b>	<b>20,988</b>	<b>21,480</b>	<b>21,135</b>	<b>20,754</b>	<b>20,770</b>
Colorado State University-Education & General	15,597	16,174	16,931	17,406	17,779	17,550	17,328	17,270
Colorado State University-Professional Veterinary Medicine	422	419	432	424	435	422	424	420
Colorado State University - Pueblo	3,086	3,045	3,030	3,158	3,266	3,162	3,003	3,080
<b>Trustees of Fort Lewis College:</b>								
Fort Lewis College	2,672	2,800	2,784	2,727	2,733	2,656	2,644	2,621
<b>Trustees of Colorado School of Mines:</b>								
Colorado School of Mines	2,251	2,357	2,485	2,615	2,806	3,009	3,056	3,085
<b>Board of Trustees University of Northern Colorado:</b>								
University of Northern Colorado	9,041	9,088	9,421	9,596	9,878	9,881	9,658	9,362
<b>Trustees of Adams State College:</b>								
Adams State College	1,809	1,920	1,966	1,993	1,894	1,933	1,822	1,703
<b>Trustees of Mesa State College:</b>								
Mesa State College	3,883	4,030	4,209	4,334	4,481	4,229	4,411	4,459
<b>Trustees of Metropolitan State College:</b>								
Metropolitan State College of Denver	11,846	12,761	13,720	14,178	14,627	14,686	14,744	15,135
<b>Trustees of Western State College:</b>								
Western State College	1,432	1,499	1,550	1,618	1,545	1,522	1,452	1,428
<b>Community Colleges of Colorado:</b>	<b>35,938</b>	<b>37,805</b>	<b>41,914</b>	<b>44,573</b>	<b>44,564</b>	<b>42,454</b>	<b>40,876</b>	<b>41,887</b>
Arapahoe Community College	3,800	4,080	4,500	4,657	4,571	4,209	4,110	4,022
Colorado Northwestern Community College	666	796	843	907	895	699	623	663
Community College of Aurora	2,596	2,711	3,076	3,410	3,396	3,300	3,058	3,077
Community College of Denver	3,791	3,925	4,744	5,245	5,045	4,710	4,890	4,655
Front Range Community College	7,286	7,719	8,764	9,401	9,629	9,316	9,056	9,313
Lamar Community College	630	640	707	696	637	625	611	662
Morgan Community College	949	979	922	936	962	984	984	974
Northeastern Junior College	1,546	1,513	1,557	1,447	1,403	1,204	1,151	1,214
Otero Junior College	955	1,072	1,109	1,216	1,237	1,221	1,219	1,139
Pikes Peak Community College	5,208	5,507	6,147	6,461	6,717	6,781	6,413	7,102
Pueblo Community College	3,159	3,492	3,782	4,171	4,096	3,809	3,442	3,345
Red Rocks Community College	4,064	4,032	4,323	4,581	4,523	4,249	4,115	4,466
Trinidad State Junior College	1,288	1,340	1,440	1,443	1,454	1,347	1,204	1,255
<b>Local District Colleges:</b>	<b>6,021</b>	<b>6,157</b>	<b>5,845</b>	<b>5,456</b>	<b>5,231</b>	<b>5,041</b>	<b>5,085</b>	<b>4,969</b>
Aims Community College	3,576	3,745	3,505	3,171	2,954	2,848	2,930	2,856
Colorado Mountain College	2,445	2,412	2,340	2,285	2,277	2,193	2,155	2,113
<b>Governing Board Summary</b>	<b>117,235</b>	<b>122,061</b>	<b>130,788</b>	<b>136,489</b>	<b>138,580</b>	<b>136,346</b>	<b>134,210</b>	<b>135,634</b>
<b>District Summary</b>	<b>6,021</b>	<b>6,157</b>	<b>5,845</b>	<b>5,456</b>	<b>5,231</b>	<b>5,041</b>	<b>5,085</b>	<b>4,969</b>
<b>Public Summary</b>	<b>123,256</b>	<b>128,218</b>	<b>136,634</b>	<b>141,945</b>	<b>143,811</b>	<b>141,387</b>	<b>139,294</b>	<b>140,602</b>

Impact on Other Government Agencies: Increased tuition spending authority should require no additional FTE or administrative costs to the Department of Higher Education, higher education institutions, or other state agencies/departments.

Cost Benefit Analysis: This request is intended to keep higher education affordable and accessible to all Colorado undergraduate resident students while allowing governing boards the flexibility to set their own graduate and nonresident tuition policies.

Implementation Schedule:

Task	Month/Year
Start-Up Date	7/09

Statutory and Federal Authority: Section 23-5-129 (10), C.R.S. (2008). *While a state institution is operating pursuant to a performance contract negotiated pursuant to this section, the general assembly retains the authority to approve tuition spending authority for the governing board of the institution.*

Section 23-1-104 (1) (a) (I), C.R.S. (2008). *The general assembly shall make annual appropriations of general fund moneys, of cash funds received from tuition income, and of cash funds exempt that are estimated to be received by an institution under the direction and control of the governing board, as stipends, as defined in section 23-18-102, as a single line item to each governing board for the operation of its campuses.*

Section 23-18-202 (3) (b), C.R.S. (2008). *The tuition increases from which the general assembly derived the total cash spending authority for each governing board shall be noted in a footnote in the annual general appropriations act.*

Performance Measures:

<i>DHE Objective</i>	<i>Key Measure: Outcomes</i>		<i>Benchmark/Actual</i>			
			<i>FY 06-07</i>	<i>FY 07-08</i>	<i>FY 08-09 Appropriated</i>	<i>FY 09-10 Request</i>
Achieve adequate funding for higher education over the next several years based upon the NCHEMS Peer Gap Analysis	Reach peer revenue parity in an agreed upon timeframe	<b>B</b>	100%	100%	100%	100%
		<b>A</b>				TBD in collaboration with governing boards
coordinated and coherent system; measures of performance and outcomes	double degrees and certificates	<b>B</b>	N/A	N/A	75,000	75,000
		<b>A</b>	40,300	40,482		

**Schedule 13  
Change Request for FY 2009-10 Budget Request Cycle**

Decision Item FY 2009-10:  Base Reduction Item FY 2009-10:  Supplemental FY 2008-09:  Budget Amendment FY 2009-10:   
 Request Title: Auraria Higher Education Center - Administration  
 Department: Higher Education  
 Priority Number: DI-6  
 Dept. Approval by: *Deborah M. [Signature]* Date: *10-8-08*  
 OSPB Approval: *[Signature]* Date: *10-9-08*

	1	2	3	4	5	6	7	8	9	10
	Prior-Year Actual FY 2007-08	Appropriation FY 2008-09	Supplemental Request FY 2008-09	Total Revised Request FY 2008-09	Base Request FY 2009-10	Decision/ Base Reduction FY 2009-10	November 1 Request FY 2009-10	Budget Amendment FY 2009-10	Total Revised Request FY 2009-10	Change from Base (Column 5) FY 2010-11
<b>Total of All Line Items</b>	Total FTE 15,545,113 GF 123.6 GFE 0 CF 0 CFE/R/F 0	16,627,252 123.6 0 0 0	0 0.0 0 0 0	16,627,252 123.6 0 0 0	16,627,252 123.6 0 0 0	1,706,549 0.0 0 0 0	18,333,801 123.6 0 0 0	0 0.0 0 0 0	18,333,801 123.6 0 0 0	1,706,549 0.0 0 0 0
(8) Auraria Higher Education Center Administration	Total FTE 15,545,113 GF 123.6 GFE 0 CF 0 CFE/R/F 0	16,627,252 123.6 0 0 0	0 0.0 0 0 0	16,627,252 123.6 0 0 0	16,627,252 123.6 0 0 0	1,706,549 0.0 0 0 0	18,333,801 123.6 0 0 0	0 0.0 0 0 0	18,333,801 123.6 0 0 0	1,706,549 0.0 0 0 0

Non-Line Item Request: Not Applicable  
 Letternote Revised Text: Not Applicable

Cash or Federal Fund Name and COFRS Fund Number: Not Applicable  
 Reappropriated Funds Source, by Department and Line Item Name:

Transfer from Higher Education, Governing Boards, (C) Trustees of Metropolitan State College of Denver, (G) Regents of the University of Colorado, (J) State Board of Community Colleges and Occupational Education State System Community Colleges

Approval by OIT? Yes:  No:  N/A:   
 Schedule 13s from Affected Departments: Not Applicable

**CHANGE REQUEST for FY 2009-10 BUDGET REQUEST CYCLE**

Department:	Higher Education
Priority Number:	DI - 6
Change Request Title:	Auraria Higher Education Center - Administration

**SELECT ONE (click on box):**

- Decision Item FY 2009-10
- Base Reduction Item FY 2009-10
- Supplemental Request FY 2008-09
- Budget Request Amendment FY 2009-10

**SELECT ONE (click on box):**

Supplemental or Budget Request Amendment Criterion:

- Not a Supplemental or Budget Request Amendment
- An emergency
- A technical error which has a substantial effect on the operation of the program
- New data resulting in substantial changes in funding needs
- Unforeseen contingency such as a significant workload change

Short Summary of Request:

The Department of Higher Education requests an additional \$1,706,549 reappropriated funds (formerly categorized as cash funds exempt or cash funds) for the Auraria Higher Education Center's FY 2009-10 administration line item, increasing their total spending authority to \$18,333,801 reappropriated funds in FY 2009-10. The three tenant institutions on the Auraria Campus – Metropolitan State College of Denver, the University of Colorado Denver, and the Community College of Denver – receive common services such as maintenance, utilities, and operations from the Auraria Higher Education Center and will cover the costs of this request out of their operating budgets. Specifically, the request is broken out as follows:

• Metro State College	\$9,056,898
• University of Colorado Denver	\$6,361,829
• Community College of Denver	\$2,915,074
<hr/>	
Total	\$18,333,801 reappropriated funds

Background and Appropriation History:

Established by statute in 1974, the Auraria Higher Education Center is governed by a Board of Directors who oversee the centralized operations of the Auraria Campus centrally located in downtown Denver. The campus houses three tenant institutions – Metro State College, the University of Colorado Denver, and the Community College of Denver – each with unique roles and missions. As one campus supporting multiple campuses, Auraria is unique in the United States. The purpose of the center is to realize economies of scale and prevent the unnecessary duplication of the support functions needed to cover the operations of the three tenant institutions. Examples of these functions include, but are not limited to, maintenance and custodial services, grounds keeping, purchasing services, and utilities. In addition, the Auraria Higher Education Center manages all auxiliary functions on the campus.

The Auraria Campus was originally built for 15,000 students; however, currently, enrollment exceeds 38,000. While enrollment has increased by more than 250 percent, at the same time, assignable academic space on the campus has increased by only 15 percent. Given the clear need for space and heavy utilization of the campus, the role of the Auraria Higher Education Center is critical to allow for the efficient management of the three tenant institutions.

The following chart provides both the appropriations history and the actual expenditures transferred from the tenant institutions for FY02-03 through FY08-09:

Fiscal Year	Appropriation	Actual
FY02-03 (Cash Funds Exempt)	17,775,784	16,003,070
FY03-04 (Cash Funds Exempt)	17,553,070	13,473,601
FY04-05 (Cash Funds and Cash Funds Exempt)	13,477,601	13,473,601
FY05-06 (Cash Funds)	14,322,136	14,305,316
FY06-07 (Cash Funds)	14,814,761	14,814,761
FY07-08 (Cash Funds)	15,736,087	15,545,113
FY08-09 (Reappropriated Funds)	16,627,252	Not Available

General Description of Request:

The requested 10.26% increase on the FY 2008-09 base primarily seeks to help offset increasing mandated costs (salary and benefits increases for classified staff), and utility costs – from both increased utility costs and from the expansion/renovation of the existing Science Building. It is anticipated that this funding will also cover critical maintenance needs on the campus.

To continue to ensure a quality educational experience on campus the funding from the three tenant institutions needs to increase in order to continue to provide a clean and safe environment on the Auraria Campus. The three tenant institutions have agreed to the ten percent increase.

Consequences if Not Funded:

If this request is not approved, program and service delivery will be interrupted at the three tenant institutions which benefit from the Auraria Higher Education Center's centralized management of the Auraria Campus.



Calculations for Request:

<b>Summary of Request FY 2009-10 and FY 2010-11</b>	<b>Total Funds</b>	<b>General Fund</b>	<b>Cash Funds</b>	<b>Reappropriated Funds</b>	<b>Federal Funds</b>	<b>FTE</b>
Total Request	\$1,706,549	\$0	\$0	\$1,706,549	\$0	0.0
(8) Auraria Higher Education Center Administration	\$1,706,549	\$0	\$0	\$1,706,549	\$0	0.0

Assumptions for Calculations:

The increase of \$1,705,549 is derived from a four percent mandated cost increase of \$662,549 (includes salary, benefits, and utilities costs), \$500,000 to reduce the auxiliary reserve transfer for general fund support, and \$543,000 to cover increased utilities expense at the campus Science Building, which is undergoing a significant renovation and expansion. In total this works to a 10.26% increase over the FY 2008-09 base spending authority.

FY 2009-10 Budget

Tenant Institution	FY 2008-09 Base	% Increase	FY 2009-10 Request	FY 2009-10 Total
Metropolitan State College of Denver	8,210,437	10.31%	846,461	9,056,898
University of Colorado Denver	5,769,656	10.26%	592,173	6,361,829
Community College of Denver	2,647,159	10.12%	267,915	2,915,074
<b>Total Administration Line Item</b>	<b>16,627,252</b>	<b>10.26%</b>	<b>1,706,549</b>	<b>18,333,801</b>

Impact on Other Government Agencies:

If this request is not approved, program and service delivery will be interrupted at the three tenant institutions which benefit from the Auraria Higher Education Center's centralized management of the Auraria Campus.

Cost Benefit Analysis:

Not applicable. These costs are necessary to provide the needed services to Metro State College, the University of Colorado Denver, and the Community College of Denver.

Implementation Schedule:

<b>Task</b>	<b>Month/Year</b>
Start-Up Date	7/09

Statutory and Federal Authority:

Section 23-70-104 (b), C.R.S. (2008) To allocate among and assign to constituent institutions, in accordance with needs, suitable space within the center for the use of such institutions and for such joint or cooperative educational, vocational, and other activities and programs as may be provided by the constituent institutions;

Section 23-70-104 (c), C.R.S. (2008) To facilitate effective coordination and economies of operation of physical activities by designating joint facilities of the constituent institutions to include, but not be limited to, auxiliary facilities, as defined in section 23-5-101.5 (2) (a);

Section 23-70-104 (d) C.R.S. (2008) To determine and designate the nonacademic and nonvocational joint programs or joint activities of the constituent institutions, to include, but not be limited to, security and fire protection, maintenance, and purchasing.

Performance Measures:

Not applicable.