

Schedule 13

Department of Higher Education

Funding Request for The FY 2020-21 Budget Cycle

Request Title

HC-01 Financial Sustainability for Historic Preservation

Dept. Approval By: Joseph V. Coan _____ Supplemental FY 2019-20OSPB Approval By: Aaron Ray _____ Budget Amendment FY 2020-21

X

Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$10,416,646	\$0	\$10,572,736	\$999,970	\$1,000,000
FTE		63.0	0.0	63.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$10,222,930	\$0	\$10,378,405	(\$30)	\$69,368
	RF	\$0	\$0	\$0	\$1,000,000	\$930,632
	FF	\$193,716	\$0	\$194,331	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$1,212,229	\$0	\$1,248,802	\$649,970	\$650,000
FTE		10.0	0.0	10.0	0.0	0.0
09. History Colorado, (A) Central Administration,	GF	\$0	\$0	\$0	\$0	\$0
(1) Central Administration - Central Administration	CF	\$1,095,887	\$0	\$1,132,460	\$649,970	\$650,000
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$116,342	\$0	\$116,342	\$0	\$0

Total		\$1,497,666	\$0	\$1,515,065	\$200,000	\$200,000
FTE		8.0	0.0	8.0	0.0	0.0
09. History Colorado, (A) Central Administration,	GF	\$0	\$0	\$0	\$0	\$0
(1) Central Administration - Facilities Management	CF	\$1,497,666	\$0	\$1,515,065	\$200,000	\$200,000
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$3,021,543	\$0	\$3,021,605	\$0	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
09. History Colorado, (A) Central Administration,	GF	\$0	\$0	\$0	\$0	\$0
(1) Central Administration - Lease Purchase of Colorado History Museum	CF	\$3,021,543	\$0	\$3,021,605	(\$1,000,000)	(\$930,632)
	RF	\$0	\$0	\$0	\$1,000,000	\$930,632
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$4,685,208	\$0	\$4,787,264	\$150,000	\$150,000
	FTE	45.0	0.0	45.0	0.0	0.0
09. History Colorado, (B) History Colorado Museums, (1) History Colorado Museums - History Colorado Center	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$4,607,834	\$0	\$4,709,275	\$150,000	\$150,000
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$77,374	\$0	\$77,989	\$0	\$0

Auxiliary Data	
Requires Legislation?	YES
Type of Request?	Department of Higher Education Prioritized Request
Interagency Approval or Related Schedule 13s:	No Other Agency Impact



Department Priority: HC-01
Request Detail: Financial Sustainability for Historic Preservation

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$1,000,000	\$930,632
FTE	0.0	0.0	0.0
General Fund	\$0	\$0	\$0
Cash Funds	\$0	\$(30)	\$69,368
Reappropriated Funds	\$0	\$1,000,000	\$930,632
Federal Funds	\$0	\$0	\$0

Summary of Request:

History Colorado requests \$1,000,000 Reappropriated Funds in FY 2020-21, \$930,632 in FY 2021-22 and \$1,000,000 in FY 2022-23 and ongoing, to provide relief for its annual Certificates of Participation (COP) payments. Due to the financing structure established in 2009, History Colorado’s COP payments are scheduled to increase in stepwise fashion from approximately \$3 million currently to \$4.9 million by 2040, and refinancing the COPs would impose substantial costs on the State.

The original forecasts on which History Colorado’s COP payment schedule was based in 2009 have not materialized, resulting in a structural imbalance between the agency’s revenues and expenses. Additionally, Amendment 50 substantially reduced gaming tax revenues, History Colorado’s primary revenue source.

The funds would be reappropriated via a transfer to History Colorado from the remaining balance of an historic and cultural preservation investment for the National Western Center Trust Fund (NWTCF), after annual COP payments for the National Western Center and Colorado State University have been made, pursuant to Section 23-31-901, C.R.S., et seq. This request would require a statutory change to 1) establish an ongoing transfer to History Colorado from the NWTCF, like that specified in Section 24-75-307, C.R.S., and 2) clarifying the amounts to be transferred from the NWTCF to the Capitol Complex Master Plan Implementation Fund within that same section. COP relief would help History Colorado to attain financial sustainability over the long term while preventing reductions to statewide programs that diversify its current revenue streams and support the Governor’s education, economic development, and sustainability goals without increasing General Fund obligations.

Current Program:

History Colorado has made significant improvements in management and financial position since its restructure and employee layoffs in calendar year 2015. Since then, History Colorado has operated with a balanced budget and increased its earned revenues by 62 percent from FY 2016 to FY 2018. However, thin operating surpluses leave History Colorado vulnerable to potential adverse impacts, such as a recession, that could lead to a drop in the agency’s key revenue sources. Aside from the risks associated with an economic downturn, the agency faces three financial challenges:

- 1) escalating annual COP payments scheduled until 2045;
- 2) increases in building operating expenses for the new History Colorado Center ; and
- 3) heavy dependence on a single, volatile source of funding

Certificates of Participation (COPs)

In July 2009, the State undertook its largest long-term financing transaction ever when it sold \$338.79 million of COPs to finance construction of the Ralph L. Carr Justice Complex and the new History Colorado Center (completed in 2012). History Colorado, through its obligation to make lease payments to the State on the History Colorado Center, is indirectly responsible for approximately 26% or \$88 million of the total COP package.¹ As the State’s obligation, any default on the COPs would pose a significant risk to the State’s credit rating. The repayment schedule for History Colorado’s COPs calls for stepwise increases in the level of annual payment over the 35-year life of the instruments, as follows:

Schedule of History Colorado COP payments (\$ in millions)			
Fiscal Years	Annual Payment	Increase in Annual Payment	Cumulative Increase in Annual Payments
2012-20	3.042		
2021-25	3.525	0.483	0.483
2026-30	3.827	0.302	0.785
2031-35	4.029	0.202	0.987
2036-38	4.532	0.503	1.490
2039-44	4.998	0.466	1.956
2045-46	4.848	(0.150)	1.806

COP payments are currently made from History Colorado’s operating revenues, including cash funds (earned revenue) and the minority share of its limited gaming revenues. Fluctuations in these revenue sources directly affect the agency’s ability to meet its obligations while continuing to fulfill its federal and state requirements as the state historical society.

Increases in Building Operating Expenses

Prior to the completion of the new History Colorado Center, the agency was responsible for operating 135,273 square feet of space, including the costs of utilities, maintenance and janitorial services. The new building, finished in 2012, expanded total operating space by 53,433 square feet, a 50% increase. The increase in space entailed an increase in building operating costs that was not considered in the initial forecast for the History Colorado Center COP issue. The average cost of building maintenance and repair, utilities, and janitorial services is \$4.55 to \$5.80 per square foot, resulting in additional operating costs of \$243,120 to

¹ While the COPs are the direct obligation of the State, the COPs are secured by History Colorado’s obligation to make lease payments to the State on the History Colorado Center.

\$315,711. These increased building operating costs without increased resources create an additional barrier to long-term financial sustainability.

Reliance on Gaming Taxes

Gaming tax revenue has historically made up 60% to 68% of the agency's Museums and Operations revenues. Gaming tax revenues are highly sensitive to the overall health of the economy, as the Great Recession demonstrated. From 2007 to 2008, overall gaming tax revenues dropped 15.3%. A comparable one-year drop of 15% today would likely place History Colorado back into a negative cash flow position. In addition to the volatility of gaming tax revenues, modifications to the State's gaming laws could have an adverse impact on the portion of those revenues flowing to History Colorado, similar to the effect of the implementation of Amendment 50.

Problem or Opportunity:

In 2015, the Judicial Branch found the court fee revenue projections on which its COP payments for the new Carr Justice Center had been significantly overstated. Judicial requested and received \$5 million in supplemental funding to address this shortfall, and cover increase building operating costs associated with a larger space. The State's projections for the Minority Share of State Historical Fund made in conjunction with the COP issuance were similarly unduly optimistic. Furthermore, Amendment 50's changes to the gaming tax distribution formula were not factored into the COP projections, resulting in a structural imbalance. Support for History Colorado's COP payments would address the agency's financial challenges in a manner consistent with the resolution to the Judicial Branch's shortfall.

Additionally, the financing structure established in 2009 for History Colorado's COPs create a unique challenge. Escalating payments mean that History Colorado must dedicate an increasing portion of its revenues to debt service, regardless of what happens to its revenues. Moreover, unique provisions in the COP issue resulting from their issuance as Build America Bonds mean that refinancing the COPs, even at historically low rates, imposes substantial costs on the State, estimated recently at \$30 million above the present value of the instruments.

Reducing History Colorado's COP burden would enable the agency to avoid reductions to historic preservation and education. In turn, History Colorado's cultural and economic impact will continue, consistent with its mission and the Governor's bold goals for education, rural economic development, and sustainability. In this way, reallocating excess funds designated for the National Western Center project remains consistent with the intent and goals of that project, which sought to preserve cultural and historic identity, grow economic impact, and promote sustainability.

Proposed Solution:

History Colorado requests \$1 million reappropriated funds in FY 2020-21 to relieve a portion of the agency's annual COP payment. In addition to supporting History Colorado's COP payments, and thereby contributing to the organization's financial sustainability, reappropriating funds from the NWTCF in excess of what is allocated to repay COPs associated with the National Western Center and Colorado State University, avoids increasing General Fund obligations. In short, the solution is budget neutral from a statewide perspective.

History Colorado's mission and operations reflect much of the legislative intent behind state support for the financing of the National Western Center, as expressed in Section 23-31-901, C.R.S. The National Western Center received state support through HB 15-1344 in part because it "helps preserve the rural western

lifestyle,” serves as a “hub for year-round, creative P-20 experiential education” and research, and generates economic impact for the state. Indeed, History Colorado is named as part of the National Western Center partnership, largely due to these synergies and shared interests.

HB 15-1344 established the NWTCTF and the mechanism by which it receives, and from which can be drawn, General Fund. Section 23-31-902 (3), C.R.S. states:

If, in order to contribute to the financing of the phased development of the national western center, the state enters into one or more lease-purchase agreements as authorized by section 23-31-903, on July 1 of any fiscal year commencing on or after July 1, 2019, for which money is due to a lessor under such a lease-purchase agreement, the state treasurer shall transfer from the general fund to the national western center trust fund the lesser of twenty million dollars or the amount due to any lessor during the fiscal year.

Further, Section 24-75-307 (2), C.R.S. states:

On July 1, 2019, and on July 1 of each succeeding fiscal year, the state treasurer, upon the request of the capital development committee, may make a transfer from the general fund to the capitol complex master plan implementation fund in an amount equal to twenty million dollars less the amount transferred to the national western center trust fund pursuant to section 23-31-902 (3), C.R.S., subject to the following limitations:

- (a) If the state has not entered into one or more lease-purchase agreements as authorized by section 23-31-903, C.R.S., and no transfer is made to the national western center trust fund pursuant to section 23-31-902, C.R.S., ten million dollars may be transferred to the capitol complex master plan implementation fund and ten million dollars may be transferred to the controlled maintenance trust fund created in section 24-75-302.5 (2)(a); and
- (b) The total amount transferred to the capitol complex master plan implementation fund pursuant to this subsection (2) shall not exceed eighty million dollars.

History Colorado proposes a statutory change to Section 24-75-307, C.R.S. to reduce the amount of General Fund for transfer from the NWTCTF to the Capitol Complex Master Plan Implementation Fund by \$1 million in FY 2020-21, \$930,632 in FY 2021-22, and \$1 million in FY 2022-23 and ongoing. New statutory language would be added to establish transfers in those amounts to History Colorado from the NWTCTF on an annual basis, modeled after the language in Section 24-75-307, C.R.S. A detailed illustration of the proposed transfers over the life of the NWTCTF is provided in Assumptions and Calculations.

Anticipated Outcomes:

Partial relief of History Colorado’s COP payments will provide financial flexibility to avoid reductions to programming and enable targeted investments to continue to improve the agency’s financial position. If this request is not funded, History Colorado will continue to use an increasing portion of earned revenues to make COP payments. For History Colorado to achieve financial sustainability and continue to preserve the historical and cultural legacy of Colorado, it is imperative the agency maintain cash flow flexibility to invest in earned revenue building programs.

Assumptions and Calculations:

The table below illustrates the annual General Fund transfer made to the NWTCTF pursuant to Section 23-3-903, C.R.S., as well as the projected COP payments made for the National Western Center (NWC) and the proposed transfers of the remaining balance to the Capitol Complex Master Plan Implementation Fund and History Colorado.

Fiscal Year	Total Budgeted	NWC Debt Service	Capitol Complex	History Colorado	Total Allocated
FY2020	\$ 20,000,000	\$ 14,047,870	\$ 5,952,130	\$ -	\$ 20,000,000
FY2021	\$ 20,000,000	\$ 18,696,574	\$ 303,426	\$ 1,000,000	\$ 20,000,000
FY2022	\$ 20,000,000	\$ 19,069,368	\$ 0	\$ 930,632	\$ 20,000,000
FY2023	\$ 20,000,000	\$ 18,097,791	\$ 902,209	\$ 1,000,000	\$ 20,000,000
FY2024	\$ 20,000,000	\$ 18,096,915	\$ 903,085	\$ 1,000,000	\$ 20,000,000
FY2025	\$ 20,000,000	\$ 18,097,517	\$ 902,483	\$ 1,000,000	\$ 20,000,000
FY2026	\$ 20,000,000	\$ 18,097,127	\$ 902,873	\$ 1,000,000	\$ 20,000,000
FY2027	\$ 20,000,000	\$ 18,098,072	\$ 901,928	\$ 1,000,000	\$ 20,000,000
FY2028	\$ 20,000,000	\$ 18,099,161	\$ 900,839	\$ 1,000,000	\$ 20,000,000
FY2029	\$ 20,000,000	\$ 18,098,917	\$ 901,083	\$ 1,000,000	\$ 20,000,000
FY2030	\$ 20,000,000	\$ 18,095,857	\$ 904,143	\$ 1,000,000	\$ 20,000,000
FY2031	\$ 20,000,000	\$ 18,098,270	\$ 901,730	\$ 1,000,000	\$ 20,000,000
FY2032	\$ 20,000,000	\$ 18,099,241	\$ 900,759	\$ 1,000,000	\$ 20,000,000
FY2033	\$ 20,000,000	\$ 18,098,660	\$ 901,340	\$ 1,000,000	\$ 20,000,000
FY2034	\$ 20,000,000	\$ 18,095,538	\$ 904,462	\$ 1,000,000	\$ 20,000,000
FY2035	\$ 20,000,000	\$ 18,095,176	\$ 904,824	\$ 1,000,000	\$ 20,000,000
FY2036	\$ 20,000,000	\$ 18,097,305	\$ 902,695	\$ 1,000,000	\$ 20,000,000
FY2037	\$ 20,000,000	\$ 18,097,899	\$ 902,101	\$ 1,000,000	\$ 20,000,000
FY2038	\$ 20,000,000	\$ 18,099,732	\$ 900,268	\$ 1,000,000	\$ 20,000,000
FY2039	\$ 20,000,000	\$ 18,096,650	\$ 903,350	\$ 1,000,000	\$ 20,000,000
TOTAL	\$ 400,000,000	\$ 359,473,640	\$ 21,595,728	\$ 18,930,632	\$ 400,000,000

Schedule 13

Department of Higher Education

Funding Request for The FY 2020-21 Budget Cycle

Request Title

HC-02 Community Museum Cash Funds for Earned Revenue

Dept. Approval By: *Jonny V. Carrasquillo* _____

Supplemental FY 2019-20

OSPB Approval By: *Aaron Ray* _____

Budget Amendment FY 2020-21

X

Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$3,074,751	\$0	\$2,807,525	\$121,895	\$121,895
FTE		20.5	0.0	20.5	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$1,465,198	\$0	\$1,090,955	\$0	\$0
	CF	\$1,607,561	\$0	\$1,713,553	\$121,895	\$121,895
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$1,992	\$0	\$3,017	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$3,074,751	\$0	\$2,807,525	\$121,895	\$121,895
FTE		20.5	0.0	20.5	0.0	0.0
09. History Colorado, (B)	GF	\$1,465,198	\$0	\$1,090,955	\$0	\$0
History Colorado	CF	\$1,607,561	\$0	\$1,713,553	\$121,895	\$121,895
Museums, (1) History Colorado Museums -	RF	\$0	\$0	\$0	\$0	\$0
Community Museums	FF	\$1,992	\$0	\$3,017	\$0	\$0

Auxiliary Data			
Requires Legislation?	NO		
Type of Request?	Department of Higher Education Prioritized Request	Interagency Approval or Related Schedule 13s:	No Other Agency Impact



Department Priority: HC-02
Request Detail: Community Museum Cash Funds for Earned Revenue

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$121,895	\$121,895
FTE	0	0	0
General Fund	\$0	\$0	\$0
Cash Funds	\$0	\$121,895	\$121,895
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of Request:

History Colorado requests \$121,895 cash fund spending authority from the Community Museum Cash Fund to support the implementation of community museum programming to build earned revenue. Additional spending authority will replace an equal amount of General Fund reduced through an annualization in FY 2020-21.

Current Program:

History Colorado received \$1,589,044 General Fund in FY 2017-18 for core costs in community museums and to support the growth of self-sustaining operations at community museums in future years. In FY 2020-21, \$121,895 in General Fund will be reduced from the community museum line item that was allocated for sustainability programs. Those funds were utilized to help create revenue building programs at the community museums and in FY 2017-18, the community museums increased their earned revenue by almost \$300,000. Successful programs include: rental programs (one of two largest earning programs), gift shops (second of two largest earning programs), out-of-state tourism promotion, and marketing & engagement.

Problem or Opportunity:

Without increased spending authority, the annualization of \$121,895 General Fund in FY 2020-21 would force History Colorado to halt some of its earned revenue programs at the community museums, despite having a sufficient cash fund balance to continue supporting those programs. In addition, the museums would likely have to reduce accessibility to their sites, including the reinstatement of seasonal closures and limited weekend hours.

Proposed Solution:

History Colorado is requesting \$121,895 in cash fund spending authority from the Community Museum Cash Fund to support the current sustainability earned revenue programs at the community museums to backfill the reduced General Fund.

Anticipated Outcomes:

If History Colorado receives increased spending authority, the community museums can continue to thrive by creating meaningful relationships with their communities and enhancing financial sustainability by growing earned revenue.

Assumptions and Calculations:

This request assumes the annualization of History Colorado's FY 2017-18 General Fund request for its community museums and continued growth in earned revenues at the community museums, as evidenced by the previous two fiscal years.

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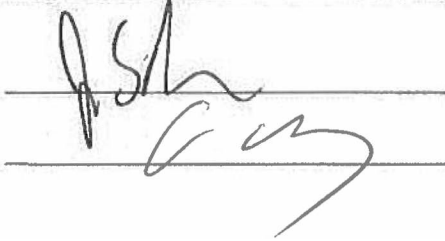
Department of Higher Education

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-01 State Funding Increase for Public Higher Education

Dept. Approval By: _____



Supplemental FY 2019-20

OSPB Approval By: _____

Budget Amendment FY 2020-21

X

Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$4,584,770,962	\$0	\$4,564,505,566	\$46,716,223	\$0
	FTE	25,862.5	0.0	25,862.6	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$1,015,158,971	\$0	\$1,015,151,273	\$26,297,478	\$0
	CF	\$2,728,634,671	\$0	\$2,726,634,671	\$0	\$0
	RF	\$822,977,320	\$0	\$822,719,622	\$20,418,745	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$163,314,446	\$0	\$163,314,446	\$4,996,241	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
03. Colorado Commission on Higher Education Financial Aid, (A) Need Based Grants, (1) Need Based Grants - Needs Based Grants	GF	\$162,994,186	\$0	\$162,994,186	\$4,996,241	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$320,260	\$0	\$320,260	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$356,159,349	\$0	\$356,159,349	\$3,411,257	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
04. College Opportunity Fund Program, (A) Stipends, (1) Stipends - Stipends for Public Students	GF	\$356,159,349	\$0	\$356,159,349	\$3,411,257	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$1,725,840	\$0	\$1,725,840	\$43,146	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
04. College Opportunity Fund Program, (A) Stipends, (1) Stipends - Stipends Eligible FTE Students - Private Institutions	GF	\$1,725,840	\$0	\$1,725,840	\$43,146	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$312,774,708	\$0	\$312,767,010	\$13,309,212	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
04. College Opportunity Fund Program, (B) Fee-for-Service Contracts with State Institutions, (1) Fee-for-Service Contracts with State Institutions - Fee-for-Service Contracts With State Institutions	GF	\$312,774,708	\$0	\$312,767,010	\$13,309,212	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$147,931,042	\$0	\$147,931,042	\$3,698,276	\$0
	FTE	0.0	0.0	0.0	0.0	0.0
04. College Opportunity Fund Program, (B) Fee-for-Service Contracts with State Institutions, (1) Fee-for-Service Contracts with State Institutions - Fee-for-Service Contracts/State Institutions/Specialty Educ.	GF	\$147,931,042	\$0	\$147,931,042	\$3,698,276	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$43,220,403	\$0	\$43,220,403	\$443,713	\$0
	FTE	315.7	0.0	315.7	0.0	0.0
05. Governing Boards, (A) Trustees of Adams State University, (1) Trustees of Adams State University - Trustees of Adams State College	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$25,940,146	\$0	\$25,940,146	\$0	\$0
	RF	\$17,280,257	\$0	\$17,280,257	\$443,713	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$112,290,543	\$0	\$112,290,543	\$906,694	\$0
	FTE	764.4	0.0	764.4	0.0	0.0
05. Governing Boards, (B) Trustees of Colorado Mesa University, (1) Trustees of Colorado Mesa University - Trustees of Colorado Mesa University	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$79,805,584	\$0	\$79,805,584	\$0	\$0
	RF	\$32,484,959	\$0	\$32,484,959	\$906,694	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$202,744,885	\$0	\$202,744,885	\$3,695,074	\$0
05. Governing Boards, (C) Trustees of Metropolitan State College of Denver, (1) Trustees of Metropolitan State College of Denver - Trustees of Metropolitan State College of Denver	FTE	1,373.8	0.0	1,373.8	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$138,775,743	\$0	\$138,775,743	\$0	\$0
	RF	\$63,969,142	\$0	\$63,969,142	\$3,695,074	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$41,248,040	\$0	\$41,248,040	\$326,657	\$0
05. Governing Boards, (D) Trustees of Western State College, (1) Trustees of Western State College - Trustees of Western State College	FTE	273.2	0.0	273.2	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$26,012,661	\$0	\$26,012,661	\$0	\$0
	RF	\$15,235,379	\$0	\$15,235,379	\$326,657	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$752,086,999	\$0	\$751,844,301	\$1,752,322	\$0
05. Governing Boards, (E) Board of Governors, Colorado State University System, (1) Board of Governors, Colorado State University System - Board of Governors of the Colorado State University System	FTE	4,958.4	0.0	4,958.5	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$579,708,463	\$0	\$579,708,463	\$0	\$0
	RF	\$172,378,536	\$0	\$172,135,838	\$1,752,322	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$60,880,637	\$0	\$60,880,637	\$808,324	\$0
05. Governing Boards, (F) Trustees of Fort Lewis College, (1) Trustees of Fort Lewis College - Trustees of Fort Lewis College	FTE	425.7	0.0	425.7	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$46,744,200	\$0	\$46,744,200	\$0	\$0
	RF	\$14,136,437	\$0	\$14,136,437	\$808,324	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$1,487,413,728	\$0	\$1,487,413,728	\$4,105,080	\$0
05. Governing Boards, (G) Regents of the University Of Colorado, (1) Regents of the University Of Colorado - Regents of the University Of Colorado	FTE	9,471.3	0.0	9,471.3	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$1,243,139,802	\$0	\$1,243,139,802	\$0	\$0
	RF	\$244,273,926	\$0	\$244,273,926	\$4,105,080	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$193,594,366	\$0	\$193,594,366	\$289,246	\$0
05. Governing Boards, (H) Trustees of the Colorado School of Mines, (1) Trustees of the Colorado School of Mines - Trustees of the Colorado School of Mines	FTE	1,078.4	0.0	1,078.4	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$168,223,101	\$0	\$168,223,101	\$0	\$0
	RF	\$25,371,265	\$0	\$25,371,265	\$289,246	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$158,563,300	\$0	\$158,563,300	\$1,417,847	\$0
05. Governing Boards, (I) University of Northern Colorado, (1) University of Northern Colorado - University of Northern Colorado	FTE	1,370.2	0.0	1,370.2	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$111,483,836	\$0	\$111,483,836	\$0	\$0
	RF	\$47,079,464	\$0	\$47,079,464	\$1,417,847	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$495,689,960	\$0	\$495,674,960	\$6,673,788	\$0
05. Governing Boards, (J) State Board for Comm Colleges and Occupational Ed System, (1) State Board for Comm Colleges and Occupational Ed System - State Board for Comm. Colleges and Occupational Ed System	FTE	5,831.4	0.0	5,831.4	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$305,242,265	\$0	\$305,242,265	\$0	\$0
	RF	\$190,447,695	\$0	\$190,432,695	\$6,673,788	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$9,722,892	\$0	\$9,722,892	\$225,251	\$0
06. Local District Junior College Grants, (A) Local District Junior College Grants, (1) Local District Junior College Grants - Colorado Mountain College	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$9,010,042	\$0	\$9,010,042	\$225,251	\$0
	CF	\$712,850	\$0	\$712,850	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$11,499,803	\$0	\$11,499,803	\$266,345	\$0
06. Local District Junior College Grants, (A) Local District Junior College Grants, (1) Local District Junior College Grants - Aims Community College	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$10,653,783	\$0	\$10,653,783	\$266,345	\$0
	CF	\$846,020	\$0	\$846,020	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$13,910,021	\$0	\$13,910,021	\$347,750	\$0
07. Division of Occupational Education, (C) Area Vocational School Support, (1) Area Vocational School Support - Area Technical Colleges	FTE	0.0	0.0	0.0	0.0	0.0
	GF	\$13,910,021	\$0	\$13,910,021	\$347,750	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Higher Education
Prioritized Request

Interagency Approval or Related Schedule 13s:

No Other Agency Impact



Department Priority: R-01
Request Detail: State Funding Increase for Public Higher Education

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$46,716,223	\$46,716,223
FTE	0	0	0
General Fund	\$0	\$26,297,478	\$26,297,478
Cash Funds	\$0	\$0	\$0
Reappropriated Funds	\$0	\$20,418,745	\$20,418,745
Federal Funds	\$0	\$0	\$0

Summary of Request:

The Department of Higher Education (Department) requests \$46,716,223 total funds and \$26,297,478 General Fund in FY 2020-21 and ongoing to provide operating support for state-funded institutions of higher education (\$21.3 million) and the statutorily required financial aid increase (\$5.0 million). Of the \$46.7 million total funds, \$20.4 million is reappropriated funds to the governing boards from the General Fund appropriations to the Department.

This request reflects a 2.5% increase in General Fund support to higher education institutions. Along with the companion request, R-02 Tuition Spending Authority, this increase covers the statewide increase in institutions' core operating costs for FY 2020-21. The requested increase in General Fund is sufficient to cap resident undergraduate tuition growth at an average statewide rate of 3%.

Combined with last year's unprecedented investment, this request would provide \$147 million over the last two years in state support for higher education, offsetting institutions' operating costs and increasing financial aid for students. But ever-increasing contributions from the General Fund are not sustainable. This request seeks to ensure affordability and value for students by building on last year's investment while requiring that institutions align their costs with available revenues, including those from tuition and non-tuition sources.

State funding that supports public higher education is allocated to the state's institutions through a funding formula pursuant to HB 14-1319. The Colorado Commission on Higher Education and Department of Higher Education have been engaged in a process of evaluating revisions to the funding formula. The Department plans to submit a proposal for a revised formula by November 12, 2019.

Current Program:

Colorado’s public higher education system includes 27 colleges and universities under 10 governing boards. The state also provides funding to two local district colleges and three area technical colleges. For FY 2019-20, General Fund appropriations to the 10 governing boards were \$822.2 million. These General Fund appropriations are reappropriated to the governing boards under the Department of Higher Education’s budget. In addition to these funds, the governing boards have \$2.7 billion in cash funds in the state budget for FY 2019-20, most of which represents tuition spending authority; a smaller portion of these funds are fees and gaming revenue that are shown in the budget for informational purposes only. FY 2019-20 General Fund appropriations to the state’s two local district colleges amounts to \$21.2 million; these institutions also receive gaming revenue that is shown in the budget for informational purposes only. The state’s three area technical colleges received \$13.9 million in General Fund appropriations in FY 2019-20.

Figure 1. Distribution of Operating Revenues for Governing Boards

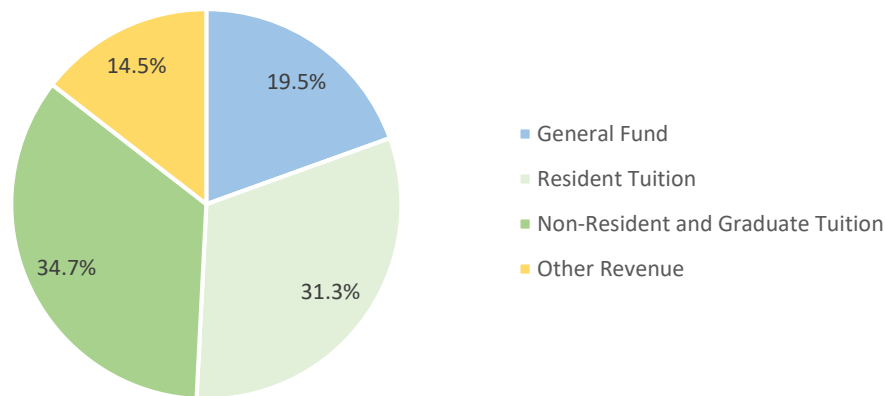


Figure 1 illustrates the sources of operating revenue for Colorado’s ten governing boards. General Fund makes up about one-fifth of operating revenue, while tuition makes up two-thirds of total operating revenue. In recent years, General Fund increases have covered significantly more than their share of governing boards’ increasing expenditures. It is important to note that the relative share of these sources of revenue differ at each institution.

The student financial aid packaging process in Colorado is decentralized. Each year, state aid resources are appropriated to the Department of Higher Education via the Long Bill. The Department then allocates the various types of student financial aid to individual governing boards based on CCHE approved methodology. The types of student financial aid include: undergraduate and graduate need-based aid (colloquially referred to as the Colorado Student Grant, and the Graduate Grant, respectively), state work-study aid, and merit aid. Statute (Section 23-3.3-103, C.R.S.) requires, at a minimum, proportional increase for categorical financial aid programs when operating funding for institutions increases. For FY 2019-20, General Fund appropriations to the categorical financial aid programs subject to this statutory requirement amount to \$199.8 million.

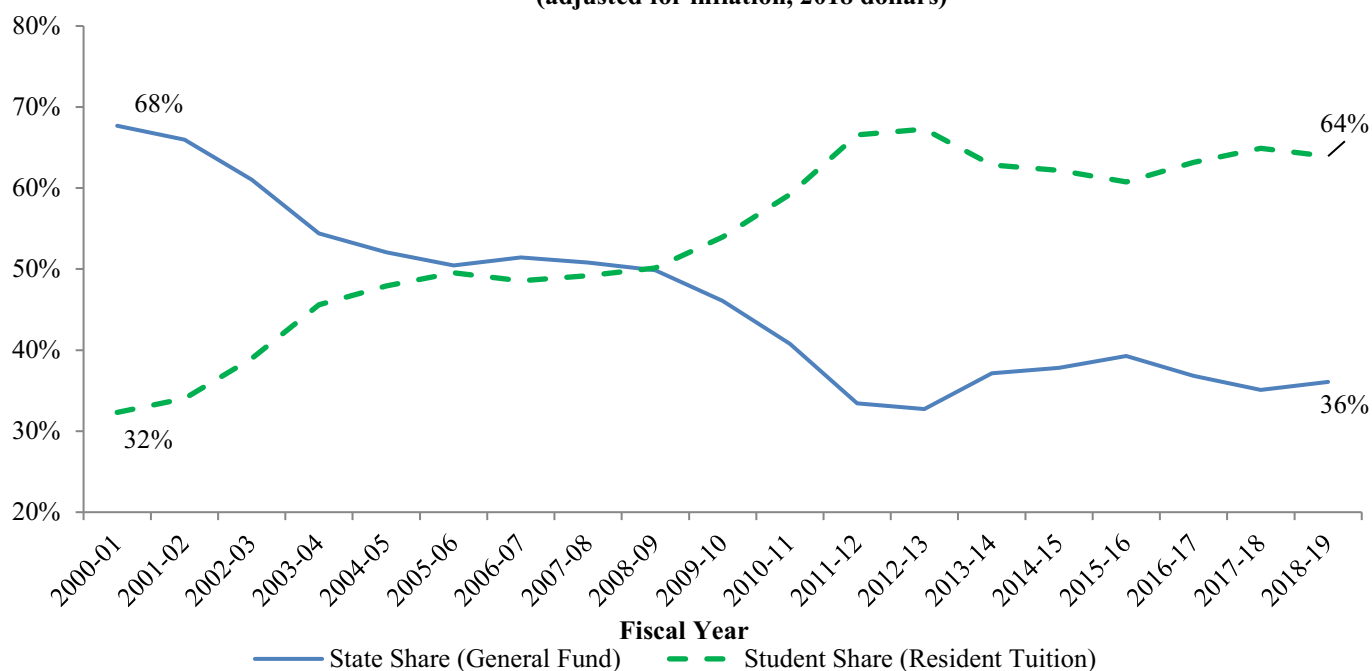
Problem or Opportunity:

Last year, the state made an unprecedented investment of \$121 million, the majority of which helped to offset operating costs for public institutions of higher education. But ever-increasing contributions from the General

Fund are not sustainable. Ensuring affordability and value for students is critical to the development of a skilled and educated workforce, and requires that institutions align costs with all available resources, including not only state support and resident tuition but also non-resident tuition and other revenues.

Two recessions and state fiscal constraints led to a decline in state support for higher education over the past two decades. Along with this change in state support, the share paid by students and families through tuition increased substantially over this time period. As shown in Figure 2, in FY 2000-01, the state covered 68 percent of the cost of college, while students and families picked up 32 percent. By FY 2011-12, those numbers had reversed.

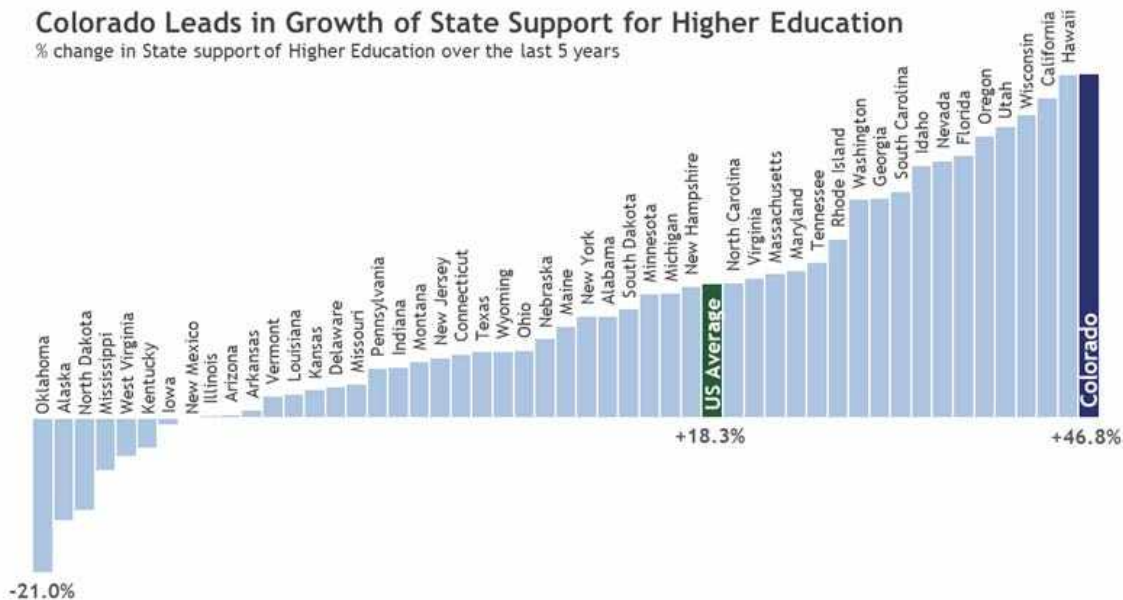
Figure 2. Average Resident Student's Share of College (Tuition vs. State Funding), All Governing Boards (adjusted for inflation, 2018 dollars)



However, in recent years this trend changed as a result of significant state investments in public higher education. Substantial General Fund support limited resident tuition growth to 3 percent in FY 2018-19 and held it flat in FY 2019-20. As the chart below illustrates, state support for public higher education has grown faster in Colorado than any other state over the past five full fiscal years – before taking into account the state’s historic \$121 million investment in FY 2019-20. During the same period, resident tuition at Colorado’s public institutions rose 29 percent.

Colorado Leads in Growth of State Support for Higher Education

% change in State support of Higher Education over the last 5 years



Source: Illinois State University, College of Education Grapevine: https://education.illinoisstate.edu/downloads/grapevine/tables/GPV_Table1_FY19.pdf

State support for Colorado’s public higher education institutions comes through General Fund appropriations. These funds are used to help support institutions’ education and general expenses (E&G), a subset of higher education expenses that includes education and directly-related expenses, plus state-funded research. The state generally funds about 20 percent on average of these costs for its public institutions. The remainder is primarily funded by students and families through tuition. Other, auxiliary costs, such as parking, athletics, and student living are funded through separate revenue streams.

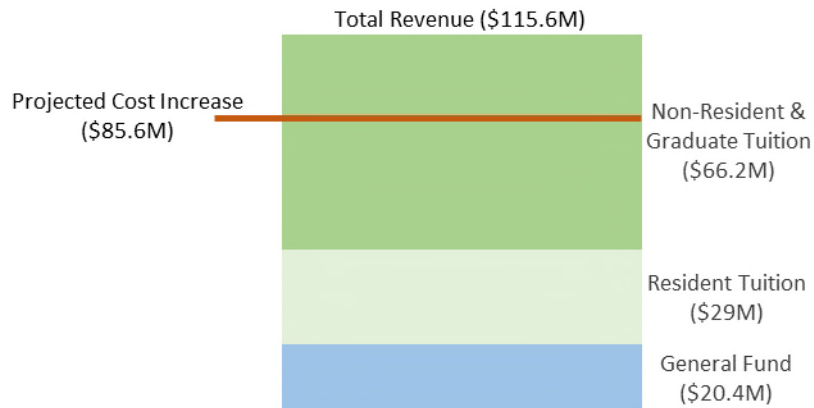
The Department uses its Core Minimum Cost Build-Up model to estimate institutions’ education and (E&G) expenses for its annual budget request. The Department’s R-02 companion decision item provides more information on tuition spending authority for governing boards in coordination with this R-01 decision item.

Proposed Solution:

The Department requests \$26.3 million General Fund in FY 2020-21 and ongoing for state-funded institutions of higher education (colleges, universities, local district colleges, and area technical colleges) operating budgets (\$21.3 million), and the statutorily required financial aid increase (\$5.0 million). Including reappropriated funds to governing boards, the total funds increase is \$46.6 million.

Coupled with the companion request, R-02 Tuition Spending Authority, this request for General Fund support covers the full projected statewide increase in institutions’ education and general (E&G) expenditures in FY 2020-21. The requested increase in General Fund is sufficient to cap resident undergraduate tuition at a statewide average growth rate of 3%, given a 5% average increase in non-resident and graduate tuition. Figure 3 illustrates the revenue increases that enable institutions to cover increased costs in FY 2020-21.

Figure 3. FY 2020-21 Governing Board Revenues
Per R-01 and R-02



The request for General Fund is comprised of the following components:

Table A: FY 2020-21 Summary

Total Requested for Governing Boards	20,418,745
Percentage Increase for Governing Boards	2.5%
LDJC and AVS Operating Increase	839,346
Total Requested Operating Increase	21,258,091
Total Operating Percentage Increase	2.5%
Financial Aid Calibration	4,996,241
Private COF Stipend (Estimated at 2.5% Increase)	43,146
Total Request Increase	26,297,477

Governing Boards (\$20.4 million General Fund). The requested \$20.4 million General Fund for governing board operating costs is a 2.5 percent increase above FY 2019-20's appropriations. The Department's R-02 companion decision item provides more information on tuition spending authority for governing boards in coordination with this decision item.

Governing Board Distribution

As previously stated, the Colorado Commission on Higher Education and the Department have been engaged in a process of evaluating revisions to the funding formula initially enacted under HB 14-1319. The Department plans to submit a proposed revised formula with updated allocations to each of the institutions for FY 2020-21 by November 12, 2019. For this November 1 decision item, the Governing Boards' distribution of the requested \$20.4 million General Fund runs through the current law HB 14-1319 higher education funding model. The allocations from the current law model are shown for informational purposes only as the Department is requesting that the allocations from the forthcoming proposed revised formula be used for FY 2020-21.

Money that runs through the current law funding model is distributed to one of three buckets: 1) College Opportunity Fund stipend (COF), 23-18-303, C.R.S.; 2) Fee-for-Service contracts (FFS): comprised of Role & Mission and Performance Funding; and 3) Specialty Education Program Fee-for-Service contracts (SEP FFS). Additionally, funding can be provided to institutions outside of the funding model through Limited Purpose Fee-for-Service Contracts for specific legislated programs. The distribution of the \$20.4 million to governing boards amongst these four categories of funding is shown in the table below.

Long Bill Item	FY 2019-20 Appropriation	FY 2020-21 Requested Change	FY 2020-21 Requested Appropriation
COF Stipend	\$356,159,349	\$3,411,257	\$359,570,606
23-18-303, C.R.S FFS	\$312,659,391	\$13,309,213	\$325,968,604
SEP FFS	\$147,931,042	\$3,698,276	\$151,629,318
Governing Board Total	\$816,749,782	\$20,418,746	\$837,168,528

The table below reflects limited purpose fee for service contract totals for governing boards that have received funding through this mechanism. These funds are directed to governing boards through legislation and are not allocated through the funding allocation model, thus they are captured separately from the COF and Fee-for-Service contract amounts that are allocated through the model.

Limited Purpose Fee for Service Contracts

CMU	\$300,000
MSU-Denver	\$300,000
WSCU	\$200,000
CSU	\$1,200,000
CU	\$2,900,000
UNC	\$75,000
CCCS	\$581,960
Total	\$5,556,960

The Department allocated the \$20.4 million through the funding allocation model using the FY 2019-20 model with several modifications. The Department adjusted the COF per-credit hour stipend amount to \$96 to meet the statutory requirement that 52.5 percent of funds be allocated via COF. Other changes were made in both the Role and Mission and the Performance components of the model.

In Role and Mission, institutions now receive a bump equivalent to 15 percent of the COF stipend for each credit hour generated by a resident underrepresented minority student – this mirrors a similar bump for credits generated by Pell-eligible students. The Weighted Student Credit Hours component of Role and Mission was decreased from \$20 million to \$10 million. Further, certain institutions received additional funding amounts as adjustments to help ensure tuition stability for students.

In Performance, changes include: removing non-resident student completions (previously weighted at 30 percent of a resident completion), weighting completions of underrepresented minority students in the same manner as completions of Pell-eligible students, weighting educator preparation credentials at 1.5 to mirror

the treatment of STEM-H credentials, and increasing the institutional productivity metric from \$15 million to \$25 million. For more details on the funding allocation model metrics and weights, please see Appendix C. The table below includes the governing board distribution of funds under the current law model for FY 2020-21.

FY 2020-21 Governing Board Allocations under Current Law Formula

Governing Board	COF Stipend	23-18-203 FFS	SEP FFS	Total*	Change
ASU	\$2,785,267	\$14,938,703	-	\$17,723,969	2.6%
CMU	\$17,905,495	\$15,186,158	-	\$33,091,653	2.8%
MSU Denver	\$39,181,918	\$28,182,298	-	\$67,364,216	5.8%
WCU	\$3,773,374	\$11,588,662	-	\$15,362,036	2.2%
CSU	\$52,526,359	\$49,365,636	\$70,688,546	\$172,580,541	1.0%
FLC	\$3,701,280	\$11,243,481	-	\$14,944,761	5.7%
CU	\$84,864,282	\$79,673,952	\$80,940,772	\$245,479,006	1.7%
Mines	\$8,059,989	\$17,600,522	-	\$25,660,511	1.1%
UNC	\$18,704,882	\$29,717,429	-	\$48,422,312	3.0%
CCCS	\$128,067,760	\$68,471,763	-	\$196,539,523	3.5%
TOTAL	\$359,570,606	\$325,968,604	\$151,629,318	\$837,168,528	2.5%

Local District Colleges/Area Technical Colleges (\$0.8 million General Fund). This decision item provides an additional \$0.8 million, a 2.5 percent increase, to fund the Local District Colleges and Area Technical Colleges. Under statute, the percentage change in these institutions’ appropriations are equal to the same overall percentage change as the governing boards, unless the Colorado Commission on Higher Education recommends a different percentage change (Section 23-18-304 C.R.S.).

Financial Aid (\$5.0 million General Fund). Statute (Section 23-3.3-103, C.R.S.) requires, at a minimum, proportional increase for categorical financial aid programs when operating funding for institutions increases. The 2.5 percent operating increase for Governing Boards, Local District Colleges, and Area Technical Colleges results in a corresponding increase to state financial aid in the amount of \$5.0 million. For the proportional increase to financial aid calculations, see Appendix B.

Anticipated Outcomes:

The 2.5 percent increase in state funds allocated to institutions will continue the state’s investment in higher education after last year’s 12.9 percent increase. Further, the resident undergraduate tuition 3 percent increase cap under the Department’s R-02 companion decision item will help maintain affordability for students and families.

Assumptions and Calculations:

Various assumptions have been used to calculate the request. The Department utilized the Core Minimum Cost Build-Up used in past budget requests as the basis for this request. To build out the cost estimates for FY 2020-21, the Department used the following cost inflators:

- An estimated CPI of 2.1 percent on the FY 2019-20 base to determine the amount of inflationary cost increases the institutions will likely experience in FY 2020-21;
- A health benefits employer contribution growth rate of 3.8 percent (5.9 percent growth less 2.1 percent inflation);

- A 0.5 percent automatic adjustment in PERA employer contributions pursuant to the provisions of SB 18-200. Total PERA salaries utilized for the estimated cost of the increases were calculated based on actual FY 2017-18 data in Budget Data Book submissions and data collected from institutional controllers.

CPI estimates are derived from the Governor's Office of State Planning and Budgeting inflation forecasts, issued in September 2019. The health care benefit growth is taken from the February 2019 Centers for Medicare and Medicaid Services National Health Expenditure Projections.

Appendix A includes detailed calculations for the request.

Education and Related (E&G) costs are derived from institutional 2018 Budget Data Book submissions, FY 2017-18 actuals. Health care benefit payments are the actual payments extracted from CORE InfoAdvantage.

Appendix B includes the Section 23-3.3-103, C.R.S. financial aid calibration calculations.

Appendix A: FY 2020-21 Minimum Cost Increase Calculations

A.1 FY 2020-21 E&G Increase due to Health Benefits

FY 2021 Healthcare Percent Increase ¹		3.8%
Governing Board	2020 Estimated Health Benefits Total ²	2020 Estimated Health Benefits Increase
Adams	\$2,493,721	\$94,761
Mesa	\$4,623,828	\$175,705
Metro	\$8,647,018	\$328,587
Western	\$2,580,868	\$98,073
CSU	\$37,170,760	\$1,412,489
Ft. Lewis	\$3,800,519	\$144,420
CU	\$80,145,596	\$3,045,533
Mines	\$11,902,761	\$452,305
UNC	\$9,570,862	\$363,693
CCC	\$29,167,408	\$1,108,361
TOTAL	\$190,103,340	\$7,223,927

¹ 2020 (applicable to FY 2021) health benefits increase taken from the Centers for Medicare and Medicaid Services' "Table 16 National Health Expenditures, Amounts and Average Annual Growth From Previous Year Shown, by Type of Sponsor, 2018-2027";
State and Local Government employer contributions to private health insurance premiums, less projected CPI.

² FY 2020 Estimated health benefits total based on FY 2017-18 actuals from CORE, inflated to FY 2019-2020 using Centers for Medicare and Medicaid Services' projections.

A.2 FY 2021 Increase due to PERA Employer Contribution Increase under SB 18-200

FY 2021 PERA Contribution Increase ¹		0.5%
Governing Board	PERA Participating Salaries ²	2021 Estimated PERA Employer Contribution Increase
Adams	\$10,112,172	\$50,561
Mesa	\$13,340,577	\$66,703
Metro	\$41,694,098	\$208,470
Western	\$5,103,402	\$25,517
CSU	\$74,349,383	\$371,747
Ft. Lewis	\$7,607,794	\$38,039
CU	\$111,103,729	\$555,519
Mines	\$65,699,037	\$328,495
UNC	\$28,466,058	\$142,330
CCC	\$270,572,662	\$1,352,863
TOTAL	\$628,048,913	\$3,140,245

¹ Employer contribution rate increase of 0.5% for automatic adjustment under SB 18-200.

² Estimated salaries calculated based on actual FY 2017-18 data in Budget Data Book submissions and data collected from institutional controllers, inflated to FY 2020-21.

A.3 2021 Minimum Cost Increases Summary

2020 Inflationary Increase ¹		2.1%			
Governing Board	FY 2020 E&G Total ²	Inflationary Increase	Healthcare Benefits Increase ³	PERA Cost Increase ⁴	Total FY 2021 Increase
Adams	\$34,977,893	\$734,536	\$94,761	\$50,561	\$879,858
Mesa	\$102,647,718	\$2,155,602	\$175,705	\$66,703	\$2,398,010
Metro	\$174,090,997	\$3,655,911	\$328,587	\$208,470	\$4,192,968
Western	\$33,105,041	\$695,206	\$98,073	\$25,517	\$818,796
CSU	\$767,649,619	\$16,120,642	\$1,412,489	\$371,747	\$17,904,878
Ft. Lewis	\$56,042,365	\$1,176,890	\$144,420	\$38,039	\$1,359,348
CU	\$1,555,149,902	\$32,658,148	\$3,045,533	\$555,519	\$36,259,199
Mines	\$194,413,277	\$4,082,679	\$452,305	\$328,495	\$4,863,479
UNC	\$166,200,903	\$3,490,219	\$363,693	\$142,330	\$3,996,242
CCC	\$498,510,956	\$10,468,730	\$1,108,361	\$1,352,863	\$12,929,955
TOTAL	\$3,582,788,670	\$75,238,562	\$7,223,927	\$3,140,245	\$85,602,734

¹ Inflationary increase based on September 2019 OSPB 2020 inflation projection (2.1%), page 22.

² Estimated FY 2019-20 Education & General (E&G) total derived from FY 2017-18 actuals from the institutional 2018 Budget Data Book submissions, inflated to FY 2019-20 based on OSPB CPI projections and using Centers for Medicare and Medicaid Services' projections.

³ Estimated healthcare benefits increase derived from table A.1.

⁴ Estimated PERA cost increases derived from employer contribution rate increases in table A.2.

Appendix B: FY 2020-21 Financial Aid Calibration Calculations

General Fund Base Calculation		FY 2019-20 Financial Aid	
Governing Boards (Private Stipends)	823,912,582 (1,725,840)	Need Based	163,314,446
		Work Study	23,413,178
		DTAP	672,000
Other schools (AVS and LDC)	<u>33,573,846</u>	Merit Aid	5,000,000
		Tuition Assistance for Career and Technical Education Certificate Programs	<u>450,000</u>
Total	855,760,588	Colorado Opportunity Scholarship Initiative	7,000,000
		Total Financial Aid	199,849,624
Total Increase	<u>a</u> 21,258,091		
% Increase	2.5%	Total Increase for Financial Aid	<u>b</u> 4,996,241
<p>a = total requested increase of General Fund for Institutions of Higher Education per R-1 b = calculated percentage increase for financial aid per section 23-3.3-103, C.R.S.</p>			

Funding Allocation Model Definitions and Weights

College Opportunity Fund Stipend

Student stipends are authorized under the College Opportunity Fund Program (23-18-201, et.seq.); and must be at least 52.5 percent of “total state appropriation” Section 23-18- 305 (2) (a), C.R.S.

College Opportunity Fund (COF) Stipend		
Measurement in HB 14-1319 Model	Stipend Rate	% of TSA
Based on FY 2018-19 COF actuals.	\$96 (subject to change)	52.5

Role & Mission

The role and mission component of the funding allocation model includes factors based on the role, type, location, students served, and size of the institution [23- 18-303(3), C.R.S.]. Per the 2015-16 JBC Adopted Model, Weighted Student Credit Hours are also included, in order to offset the costs associated with delivering credits to resident students (non-residents are excluded).

Role & Mission Factor Definitions and Data Sources		
Factor	Definition	Date Source/Year
Mission Differentiation	A flat amount is allocated based on the institution’s size and type with a special factor adjustment for institutions that adjusts the base amount based on funding changes.	Based on JBC Adopted Model and adjusted based on funding changes.
Support Services for Pell-eligible Students	Credit hours for resident undergraduate Pell eligible students summed by institution. Use Pell-eligible credit hours as a percent of the College Opportunity Fund (COF) stipend (must never be less than 10 percent of COF). The weighting on this factor in the current model is 15% of the COF Stipend dollar amount.	Student Unit Record Data System (SURDS)/ Academic Year (AY) 2018-19 and COF Actuals for 2018-19
Support Services for Underrepresented Minority Students	Credit hours for resident undergraduate underrepresented minority students summed by institution. Use underrepresented minority student credit hours as a percent of the College Opportunity Fund (COF) stipend (must never be less than 10 percent of COF). The weighting on this factor in the current model is 15% of the COF Stipend dollar amount.	Student Unit Record Data System (SURDS)/ Academic Year (AY) 2018-19 and COF Actuals for 2018-19

Weighted Student Credit Hours	Provides funding based on the number of completed credit hours and the costs associated with delivering the credits (non-resident credit hours excluded). This metric is capped at \$10 million in the current model.	Student Unit Record Data System (SURDS)/ Academic Year (AY) 2018-19
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More on Mission Differentiation: The Mission Differentiation factor is a flat amount allocated based on the institutional size and type with adjustments for certain institutions. The dollar amounts allocated for Mission Differentiation are outlined in the table below. The special adjustments made are outlined in the model allocations for the Role and Mission Factors.

<u>Research institutions</u>	
Research institution cost of operations (comp amount + \$1.8 million)	6,600,000
Add-on for any stand-alone R institution smaller than 10,000	2,300,000
Add-on for any R institution larger than 20,0000	4,650,000
<u>Comprehensive institutions</u>	
Comp institution cost of operations	4,800,000
Add-on for any stand-alone institution smaller than 3,000	1,550,000
Add-on for any Comp institution larger than 15,000	300,000
<u>Community colleges</u>	
Community college cost of operations	1,000,000
Add-on for small rural institutions	600,000

Outcomes/Performance

The Performance metrics reward institutions for the number of credentials awarded and students transferred [23-18-303(4)(a), C.R.S.]; as well as academic progress/retention [23- 18-303(4)(b), C.R.S.]. These metrics are based on the student counts at each institution who are reaching these thresholds. In addition, starting with the FY 2016-17, the funding allocation model includes an additional metric pursuant to 23-18-303 (4)(c), C.R.S. that rewards performance in a manner that recognizes institutional performance in relation to their size and capacity.

As required in statute, the model includes specific weights related to the academic award level and identifies STEM, health care, and educator preparation as “high priority” subjects that receive a higher weight. Additional bonuses are provided for completions awarded to and transfers of Pell-eligible and underrepresented minority students. In a change from previous year models, non-resident student completions are no longer counted in the model; previously they were weighted at 30 percent of a resident completion.

Completion and Transfer weights are as follows:

Outcomes/Performance Metric Definitions and DataSources		
Metric	Definition	Data Source/ Year
Completion	<p>The number of certificates or degrees awarded an institution and the number of students who transfer from a community college to another institution after the completion of a minimum of 18 credit hours. The amount to be awarded for each certificate or degree is based on the subject and level of the credential.</p> <p>Certificates will be counted when issued for:</p> <ul style="list-style-type: none"> • Programs spanning one year (24 credit hours) or more; or • Programs less than one year (24 credit hours) and meeting the federal “gainful employment” definition, or representing the highest award earned at stop-out. When multiple certificates of less than one year are earned by a student then only one is counted. <p>Students earning multiple certificates in an academic year will have each earned certificate count as a separate outcome. A community college that receives an incentive for a transfer student cannot also receive a retention bonus for that student in the same year.</p> <p>The value shall be increased for each credential earned by or transfer of a Pell-eligible undergraduate student and an underrepresented minority student.</p>	Student Unit Record Data System (SURDS)/ AY 2018-19
Retention	<p>The number of students who make the following steps of academic progress:</p> <p>Four-year institutions –number of students who cross the threshold of completing:</p> <ul style="list-style-type: none"> • 30 credit hours • 60 credit hours • 90 credit hours <p>Two-year institutions - number of students who cross the threshold of completing:</p> <ul style="list-style-type: none"> • 15 credit hours • 30 credit hours • 45 credit hours <p>Concurrent enrollment will be included, and each student will be counted only once at each academic progress interval. Students crossing multiple progress intervals are counted in the highest interval.</p>	Student Unit Record Data System (SURDS)/ AY 2018-19

Outcomes/Performance Metric Definitions and DataSources		
Metric	Definition	Data Source/ Year
Institutional Productivity	Calculated by: <ol style="list-style-type: none"> 1. Dividing an institution’s Student Full- time Equivalent (SFTE) by total weighted degree total = “Awards per FTE” 2. Indexing individual institutions’ “Awards per FTE” to the state average “Awards per FTE” 3. Multiply “indexed awards per FTE” by total “awards per FTE” funding to get allocation by institution for this metrics 	Student Unit Record Data System (SURDS)/ AY 2018-19

Outcomes/Performance Metric Weights

Completion and Transfer Weights	
Credential Level	Weight
Transfer	0.25
Certificates	0.25
Associates	0.50
Bachelors	1.00
Graduate Certificate	0.25
Masters	1.25
Specialists	1.25
Doctoral	1.25

Additional Undergraduate Completion/Transfer Bonus for Priority Populations	
Type	Additional Bonus
Pell-Eligible	2.0
Underrepresented Minority	2.0
STEM, Health, Educator Preparation	1.5

Retention Weights (completed credit hours)	
Credit Hours Accumulated	CCHE Adopted Model Weight
15/30	0.25
30/60	0.50
45/90	0.75

After the points have been calculated for the completion and retention metrics, weights are then

uniformly applied to:

Completion and Retention Metric Weights	
Completion	85%
Retention	15%

Institutional Productivity
This metric functions as a “carve out” off the top of the amount allocated to the Performance component of the model.

Schedule 13

Department of Higher Education

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-02 Tuition Spending Authority

Dept. Approval By: _____

Supplemental FY 2019-20

OSPB Approval By: _____

Budget Amendment FY 2020-21

X

Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$3,547,732,861	\$0	\$3,547,475,163	\$94,223,846	\$0
	FTE	25,862.5	0.0	25,862.6	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$2,725,075,801	\$0	\$2,725,075,801	\$94,223,846	\$0
	RF	\$822,657,080	\$0	\$822,399,362	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$43,220,403	\$0	\$43,220,403	\$775,525	\$0
	FTE	315.7	0.0	315.7	0.0	0.0
05. Governing Boards, (A) Trustees of Adams State University, (1) Trustees of Adams State University - Trustees of Adams State College	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$25,940,146	\$0	\$25,940,146	\$775,525	\$0
	RF	\$17,280,257	\$0	\$17,280,257	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

	Total	\$112,290,543	\$0	\$112,290,543	\$2,487,671	\$0
	FTE	764.4	0.0	764.4	0.0	0.0
05. Governing Boards, (B) Trustees of Colorado Mesa University, (1) Trustees of Colorado Mesa University - Trustees of Colorado Mesa University	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$79,805,584	\$0	\$79,805,584	\$2,487,671	\$0
	RF	\$32,484,959	\$0	\$32,484,959	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$202,744,885	\$0	\$202,744,885	\$3,625,785	\$0
05. Governing Boards, (C) Trustees of Metropolitan State College of Denver, (1) Trustees of Metropolitan State College of Denver - Trustees of Metropolitan State College of Denver	FTE	1,373.8	0.0	1,373.8	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$138,775,743	\$0	\$138,775,743	\$3,625,785	\$0
	RF	\$63,969,142	\$0	\$63,969,142	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$41,248,040	\$0	\$41,248,040	\$786,558	\$0
05. Governing Boards, (D) Trustees of Western State College, (1) Trustees of Western State College - Trustees of Western State College	FTE	273.2	0.0	273.2	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$26,012,661	\$0	\$26,012,661	\$786,558	\$0
	RF	\$15,235,379	\$0	\$15,235,379	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$752,086,999	\$0	\$751,844,301	\$19,989,857	\$0
05. Governing Boards, (E) Board of Governors, Colorado State University System, (1) Board of Governors, Colorado State University System - Board of Governors of the Colorado State University System	FTE	4,958.4	0.0	4,958.5	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$579,708,463	\$0	\$579,708,463	\$19,989,857	\$0
	RF	\$172,378,536	\$0	\$172,135,838	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$60,880,637	\$0	\$60,880,637	\$1,852,659	\$0
05. Governing Boards, (F) Trustees of Fort Lewis College, (1) Trustees of Fort Lewis College - Trustees of Fort Lewis College	FTE	425.7	0.0	425.7	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$46,744,200	\$0	\$46,744,200	\$1,852,659	\$0
	RF	\$14,136,437	\$0	\$14,136,437	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$1,487,413,728	\$0	\$1,487,413,728	\$45,991,739	\$0
05. Governing Boards, (G) Regents of the University Of Colorado, (1) Regents of the University Of Colorado - Regents of the University Of Colorado	FTE	9,471.3	0.0	9,471.3	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$1,243,139,802	\$0	\$1,243,139,802	\$45,991,739	\$0
	RF	\$244,273,926	\$0	\$244,273,926	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$193,594,366	\$0	\$193,594,366	\$6,449,441	\$0
05. Governing Boards, (H) Trustees of the Colorado School of Mines, (1) Trustees of the Colorado School of Mines - Trustees of the Colorado School of Mines	FTE	1,078.4	0.0	1,078.4	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$168,223,101	\$0	\$168,223,101	\$6,449,441	\$0
	RF	\$25,371,265	\$0	\$25,371,265	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$158,563,300	\$0	\$158,563,300	\$3,309,578	\$0
05. Governing Boards, (I) University of Northern Colorado, (1) University of Northern Colorado - University of Northern Colorado	FTE	1,370.2	0.0	1,370.2	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$111,483,836	\$0	\$111,483,836	\$3,309,578	\$0
	RF	\$47,079,464	\$0	\$47,079,464	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0
	Total	\$495,689,960	\$0	\$495,674,960	\$8,955,033	\$0
05. Governing Boards, (J) State Board for Comm Colleges and Occupational Ed System, (1) State Board for Comm Colleges and Occupational Ed System - State Board for Comm. Colleges and Occupational Ed System	FTE	5,831.4	0.0	5,831.4	0.0	0.0
	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$305,242,265	\$0	\$305,242,265	\$8,955,033	\$0
	RF	\$190,447,695	\$0	\$190,432,695	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Higher Education
Prioritized Request

Interagency Approval or Related Schedule 13s:

No Other Agency Impact



Department Priority: R-02
Request Detail: Tuition Spending Authority

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$94,223,846	\$94,223,846
FTE	0	0	0
General Fund	\$0	\$0	\$0
Cash Funds	\$0	\$94,223,846	\$94,223,846
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of Request:

The Department of Higher Education (Department) requests \$94,223,846 million cash funds spending authority to reflect public institutions' of higher education increased tuition revenue from all students for FY 2020-21 and ongoing. The portion of the increase for resident undergraduate students is \$29.0 million and is made in conjunction with Department decision item R-01. The total requested spending authority for tuition revenue in FY 2020-21 would be \$2.5 billion cash funds.

This request caps resident undergraduate tuition growth to 3% statewide, on average. Along with the companion request, R-01 State Funding Increase for Public Higher Education, the total increase in tuition revenue covers the statewide increase in institutions' core operating costs.

Combined with last year's unprecedented General Fund investment, the companion R-01 request would \$147 million over the last two years in state support for higher education, offsetting institutions' operating costs and increasing financial aid for students. But ever-increasing contributions from the General Fund are not sustainable. Coupled with R-01, this request seeks to ensure affordability and value for students by building on last year's investment while requiring that institutions align their costs with available revenues, including those from tuition and non-tuition sources.

Current Program:

Under current law, tuition revenue is appropriated at all state institutions except the Colorado School of Mines. The total spending authority for tuition revenue in FY 2019-20 is \$2.4 billion cash funds. As a result of the state General Fund increase of 12.9 percent, all institutions, except for Metropolitan State University of Denver (MSU), kept their resident, undergraduate tuition rate flat for FY 2019-20.¹

Problem or Opportunity:

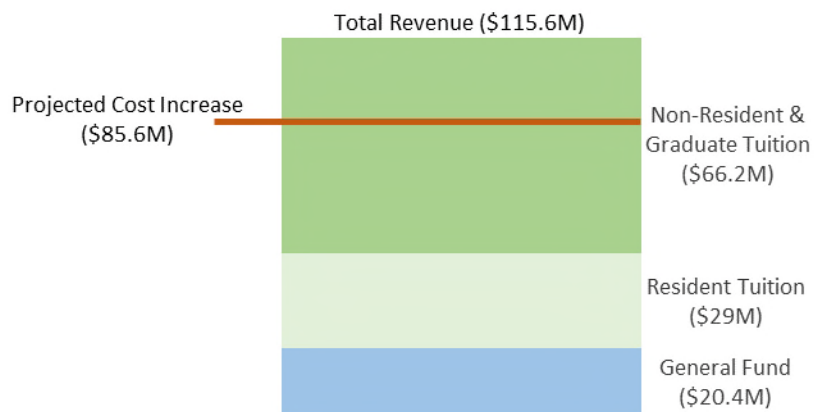
Public higher education institutions' education and General (E&G) costs, which include education and directly-related expenses plus state-funded research, are projected to increase 2.4 percent in FY 2020-21, based on the Department's Core Minimum Cost Build-Up. The state generally funds about 20 percent on average of these costs for its public institutions. The remainder is primarily funded by students and families through tuition. Other, auxiliary costs, such as parking, athletics, and student living are funded through separate revenue streams. Institutions must also manage their core operating costs to maximize available resources while ensuring affordability for Colorado students, families, and taxpayers.

Proposed Solution:

The Department requests an increase of \$94.2 million in cash funds spending authority in FY 2020-21 and ongoing to support the anticipated increase in tuition revenue. Based on this decision item, the total spending authority for tuition revenue in FY 2020-21 would be \$2.5 billion cash funds. Tuition rate increases for each governing board for resident undergraduate students is limited to meet the goal that the average increase at all the state's governing boards does not exceed 3.0 percent. There are no rate or revenue limits on allowable increases for resident graduate students and nonresident students. It is possible that adjustments will be required either through the Commission's appropriated contingency fund or through the supplemental process to offset enrollment increases.

This tuition rate increase is directly linked to the Department's R-01 decision item, which demonstrates the increase in institutions' core operating costs and provides a 2.5 percent increase General Fund support for institutions to offset those costs (for the cost and revenue estimates, please refer to R-01 and Figure 1).

Figure 1. FY 2020-21 Governing Board Revenues Per R-01 and R-02



¹ MSU was given spending authority to raise their resident tuition by 3.0 percent.

The following table provides recommended tuition spending authority figures by governing board assuming a 3.0 percent increase in resident tuition and a 5.0 percent increase in nonresident tuition.

	FY 2019-20 Tuition Revenue Estimate	FY 2020-21 Requested Tuition Spending Authority Increase Based on Rate Assumption	FY 2020-21 Total Tuition Revenue Estimate Based on Rate Assumption
ASU	20,230,385	775,524	21,005,909
CMU	73,257,086	2,487,671	75,744,757
MSU	114,596,033	3,625,785	118,221,818
WSCU	19,363,743	786,558	20,150,301
CSU	501,157,843	19,989,857	521,147,700
Ft. Lewis	41,545,266	1,852,659	43,397,925
CU	1,133,343,699	45,991,739	1,179,335,438
Mines**	152,799,763	6,449,441	159,249,204
UNC	91,859,771	3,309,578	95,169,349
CCCOES	273,251,338	8,955,033	282,206,371
Total	2,421,404,927	94,223,846	2,515,628,773

**Shown for informational purposes only.

The following table provides information on the tuition increase assumptions used to calculate the tuition spending authority. It is important to note that the assumed increases do not reflect official governing board action.

FY 2020-21 Tuition Revenue Increase Assumption										
	ASU	CMU	MSU	WSCU	CSU	Ft. Lewis	CU	Mines	UNC	CCCOES
Resident	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
Non-resident	5%	5%	5%	5%	5%	5%	5%	5%	5%	5%

In addition, the following is suggested footnote language based on the tuition analysis provided above:

Department of Higher Education, Governing Boards, Trustees of Adams State University -- The amount in this line item is calculated based on the assumption that the governing board will increase tuition rates for both resident and nonresident students based on its assessment of market conditions. However, the governing board should take reasonable measures to ensure that any increase in tuition for undergraduate students with in-state classification does not exceed a level that is necessary to meet the goal that the average increase for tuition for such students at all the state's governing boards in FY 2020-21 be more than three percent higher than what a student would have paid in FY 2019-20 for the same credit hours and course of study. The General Assembly intends to adjust the amount in this line item through supplemental action during FY 2020-21 based on updated enrollment estimates and tuition rate information.

Department of Higher Education, Governing Boards, Trustees of Colorado Mesa University -- The amount in this line item is calculated based on the assumption that the governing board will increase tuition rates for both resident and nonresident students based on its assessment of market conditions. However, the governing board should take reasonable measures to ensure that any increase in tuition for undergraduate students with in-state classification does not exceed a level that is necessary to meet the goal that the average increase for tuition for such students at all the state's governing boards in FY 2020-21 be more than three percent higher than what a student would have paid in FY 2019-20 for the same credit hours and course of study. The General Assembly

intends to adjust the amount in this line item through supplemental action during FY 2020-21 based on updated enrollment estimates and tuition rate information.

Department of Higher Education, Governing Boards, Trustees of Metropolitan State University of Denver – The amount in this line item is calculated based on the assumption that the governing board will increase tuition rates for both resident and nonresident students based on its assessment of market conditions. However, the governing board should take reasonable measures to ensure that any increase in tuition for undergraduate students with in-state classification does not exceed a level that is necessary to meet the goal that the average increase for tuition for such students at all the state's governing boards in FY 2020-21 be more than three percent higher than what a student would have paid in FY 2019-20 for the same credit hours and course of study. The General Assembly intends to adjust the amount in this line item through supplemental action during FY 2020-21 based on updated enrollment estimates and tuition rate information.

Department of Higher Education, Governing Boards, Trustees of Western State Colorado University-- The amount in this line item is calculated based on the assumption that the governing board will increase tuition rates for both resident and nonresident students based on its assessment of market conditions. However, the governing board should take reasonable measures to ensure that any increase in tuition for undergraduate students with in-state classification does not exceed a level that is necessary to meet the goal that the average increase for tuition for such students at all the state's governing boards in FY 2020-21 be more than three percent higher than what a student would have paid in FY 2019-20 for the same credit hours and course of study. The General Assembly intends to adjust the amount in this line item through supplemental action during FY 2020-21 based on updated enrollment estimates and tuition rate information.

Department of Higher Education, Governing Boards, Board of Governors of the Colorado State University System-- The amount in this line item is calculated based on the assumption that the governing board will increase tuition rates for both resident and nonresident students based on its assessment of market conditions. However, the governing board should take reasonable measures to ensure that any increase in tuition for undergraduate students with in-state classification does not exceed a level that is necessary to meet the goal that the average increase for tuition for such students at all the state's governing boards in FY 2020-21 be more than three percent higher than what a student would have paid in FY 2019-20 for the same credit hours and course of study. The General Assembly intends to adjust the amount in this line item through supplemental action during FY 2020-21 based on updated enrollment estimates and tuition rate information.

Department of Higher Education, Governing Boards, Trustees of Fort Lewis College -- The amount in this line item is calculated based on the assumption that the governing board will increase tuition rates for both resident and nonresident students based on its assessment of market conditions. However, the governing board should take reasonable measures to ensure that any increase in tuition for undergraduate students with in-state classification does not exceed a level that is necessary to meet the goal that the average increase for tuition for such students at all the state's governing boards in FY 2020-21 be more than three percent higher than what a student would have paid in FY 2019-20 for the same credit hours and course of study. The General Assembly intends to adjust the amount in this line item through supplemental action during FY 2020-21 based on updated enrollment estimates and tuition rate information.

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 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 amount shown is based on the Colorado School of Mines' February 2020 tuition forecast. The General Assembly intends to adjust the amount in this line item through supplemental action during fiscal year 2020-21 based on updated enrollment estimates and tuition rate information.

Department of Higher Education, Governing Boards, University of Northern Colorado-- The amount in this line item is calculated based on the assumption that the governing board will increase tuition rates for both resident and nonresident students based on its assessment of market conditions. However, the governing board should take reasonable measures to ensure that any increase in tuition for undergraduate students with in-state classification does not exceed a level that is necessary to meet the goal that the average increase for tuition for such students at all the state's governing boards in FY 2020-21 be more than three percent higher than what a student would have paid in FY 2019-20 for the same credit hours and course of study. The General Assembly intends to adjust the amount in this line item through supplemental action during FY 2020-21 based on updated enrollment estimates and tuition rate information.

Department of Higher Education, Governing Boards, Regents of the University of Colorado-- The amount in this line item is calculated based on the assumption that the governing board will increase tuition rates for both resident and nonresident students based on its assessment of market conditions. However, the governing board should take reasonable measures to ensure that any increase in tuition for undergraduate students with in-state classification does not exceed a level that is necessary to meet the goal that the average increase for tuition for such students at all the state's governing boards in FY 2020-21 be more than three percent higher than what a student would have paid in FY 2019-20 for the same credit hours and course of study. The General Assembly intends to adjust the amount in this line item through supplemental action during FY 2020-21 based on updated enrollment estimates and tuition rate information. 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 2017-18, FY 2018-19 and FY 2019-20 shall have no increase in tuition through FY 2020-21, FY 2021-22, and FY 2022-23 respectively, and the tuition rate paid by each undergraduate resident student with in-state classification entering in FY 2020-21, in total shall not exceed an average annual three percent increase through FY 2023-24.

Department of Higher Education, Governing Boards, State Board for Community Colleges and Occupational Education State System Community Colleges-- The amount in this line item is calculated based on the assumption that the governing board will increase tuition rates for both resident and nonresident students based on its assessment of market conditions. However, the governing board should take reasonable measures to ensure that any increase in tuition for undergraduate students with in-state classification does not exceed a level that is necessary to meet the goal that the average increase for tuition for such students at all the state's governing boards in FY 2020-21 be more than three percent higher than what a student would have paid in FY 2019-20 for the same credit hours and course of study. The General Assembly intends to adjust the amount in this line item through supplemental action during FY 2020-21 based on updated enrollment estimates and tuition rate information.

Anticipated Outcomes:

The 2.5 percent increase in state funds allocated to institutions will continue the state's investment in higher education after last year's 12.9 percent increase. Further, the resident undergraduate tuition 3 percent increase cap under will help maintain affordability for students and families. Combined with increases in non-resident and graduate tuition rates, these increases are expected to offset the increase in statewide increase in institutions' core operating costs.

Assumptions and Calculations:

To derive the projected spending authority in this request, the Department utilized the tuition revenue figures in the FY 2019-20 Long Bill (S.B. 19-207) and assumed a 3.0 percent increase to resident tuition and 5.0 percent increase to nonresident. The sum of these two amounts, is added to the FY 2019-20 base, to arrive at the total amount requested for tuition revenue spending authority in FY 2020-21.

The Department collects its annual tuition and fee survey in mid-September. This survey will enable the calculation of actual base tuition rates and account for all differential rates. The Department collects the fall census enrollment report and the Budget Data Book submissions in mid-October, which combined, enable the most accurate enrollment and tuition revenue projections available. The Department anticipates using all of these reports to more accurately estimate tuition spending authority and will submit future budget amendments as necessary.

Schedule 13

Department of Higher Education

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-03 Fort Lewis Native American Tuition Waiver

Dept. Approval By:  _____ **Supplemental FY 2019-20**

OSPB Approval By:  _____ **Budget Amendment FY 2020-21**

_____ **X** _____ **Change Request FY 2020-21**

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$60,880,637	\$0	\$60,880,637	\$1,869,734	\$0
	FTE	425.7	0.0	425.7	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$1,869,734	\$0
	CF	\$46,744,200	\$0	\$46,744,200	\$0	\$0
	RF	\$14,136,437	\$0	\$14,136,437	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$60,880,637	\$0	\$60,880,637	\$1,869,734	\$0
	FTE	425.7	0.0	425.7	0.0	0.0
05. Governing Boards, (F) Trustees of Fort Lewis College, (1) Trustees of Fort Lewis College - Trustees of Fort Lewis College	GF	\$0	\$0	\$0	\$1,869,734	\$0
	CF	\$46,744,200	\$0	\$46,744,200	\$0	\$0
	RF	\$14,136,437	\$0	\$14,136,437	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Higher Education Prioritized Request Interagency Approval or Related Schedule 13s: No Other Agency Impact



Department Priority: R-03
Request Detail: Fort Lewis Native American Tuition Waiver

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$1,869,734	\$0
FTE	0	0	0
General Fund	\$0	\$1,869,734	\$0
Cash Funds	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of Request:

The Department of Higher Education (Department) requests an increase of \$1,869,733 General Fund to cover the anticipated cost of the Fort Lewis College Native American Tuition Waiver (Waiver) in FY 2020-21. This request would bring the total appropriation for the Waiver to \$21,495,777 million General Fund and total funds. With this increase, the state will be fully funding its federal and state requirements for paying student tuition associated with Native American student enrollment and tuition costs at Fort Lewis College, pursuant to Section 23-52-105 (1) (b), C.R.S.

Current Program:

Statutory Requirements

Section 23-52-105 (1) (b), C.R.S. states, “The general assembly shall appropriate from the state general fund one hundred percent of the money required for tuition for such qualified Indian pupils” at Fort Lewis College. Fort Lewis College waives tuition for these students upfront and receives reimbursement for these students from the state in the subsequent fiscal year. Thus, the funding for this program is in arrears, such that this FY 2020-21 request covers the prior year’s actual waivers which will be granted in FY 2019-20.

Background

In 1910, the United States Commissioner of Indian Affairs recommended that the property encompassing Fort Lewis College (which had been previously declared a federally owned Indian school) be transferred to Colorado if the state were willing to accept certain conditions. The Sixty-first Congress passed an Act which granted the State of Colorado the Fort Lewis property provided that: “...said lands and buildings shall be held and maintained by the State of Colorado as an institution of learning, and that Indian pupils shall at all times be admitted to such school free of charge for tuition and on terms of equality with white pupils...”

In 1911, Colorado Governor John P. Shafroth signed the Executive Order which accepted Fort Lewis under the conditions of the 1910 Act of Congress. By the 1960s, increasing numbers of Native American students were attending the school and the associated cost prompted the Colorado Legislature in 1971 to enact legislation that limited full tuition coverage to only Native American pupils who qualified for in-state tuition in Colorado. This legislation was challenged by the Federal government in 1972 as a breach of the contract created by the 1910 Acts and 1911 Executive Order. Chief Judge Alfred A. Arraj ruled in favor of the Federal Government that the Act and the acceptance of its terms by Colorado resulted in a contract that required Colorado to admit any Native American student to Fort Lewis College free of charge for tuition. This decision was further upheld by the United States Court of Appeals, Tenth Circuit. It is this legal precedent that directs state policy and budgetary action regarding the Fort Lewis Native American Tuition Waiver currently.

Problem or Opportunity:

An increase in the funding for the Fort Lewis College Native American Tuition Waiver is necessary to reflect anticipated enrollment shifts and tuition levels. The request incorporates an estimate of no change in resident Native American students and an increase of 8.2 percent for non-resident Native American students. This enrollment change coincides with flat resident and non-resident tuition rates in FY 2019-20.

Because non-resident Native American students comprise about 85 percent of the students served in the Fort Lewis Native American Tuition Waiver program, the projected increase in these students results in a needed increase in funding for the program. With this increase, the state will be in full compliance with state statutory and federal requirements.

Proposed Solution:

The Department requests an increase of \$1.9 million General Fund to account for the anticipated cost of the Fort Lewis College Native American Tuition Waiver in FY 2020-21. This increase would bring the total budget for this program to \$21.5 million General Fund and total funds.

The increase will ensure that the line item is appropriately calibrated to anticipated enrollment and tuition costs. With this increase, the state will be fully funding its federal and state requirements for paying student tuition associated with Native American student enrollment and tuition costs at Fort Lewis College.

Anticipated Outcomes:

The mission of the Colorado Department of Higher Education is to improve the quality of, ensure the affordability of, and promote access to postsecondary education for the people of Colorado. In fulfilling the terms of the Fort Lewis Native American tuition waiver, the Department not only ensures compliance with statute but also promotes access to postsecondary education for a significantly underserved minority population. If this request is not approved, the state will be under-funding the program and out of compliance with Colorado statute and the federal treaty.

Assumptions and Calculations:

Please see Attachment A for the detailed calculations used to arrive at this request submitted by Fort Lewis College. The following assumptions were used for these calculations:

- The FY 2020-21 budget request (\$21.5 million in total, an increase of \$1.9 million General Fund) is based on the FY 2019-20 estimate of actual waivers (as all funding is made in arrears, based on the prior year).
- The FY 2019-20 appropriation was based on FY 2018-19 estimates; however, this calculated amount is recalibrated in this request.

The request accounts for flat tuition rates in FY 2019-20 for both resident and non-resident students and an increase of 8.2 percent in non-resident students and no change in resident students. This is a preliminary estimate and will be updated in February 2020 for the actual FY 2020-21 funding needed.

FORT LEWIS COLLEGE
 NATIVE AMERICAN APPROPRIATION REQUEST
 FY 20-21 ESTIMATED APPROPRIATION REQUEST
 BASED ON FY 19-20 ESTIMATE OF ACTUAL WAIVERS

	FALL	WINTER	SUMMER SESSION I	PREVIOUS YEAR FUNDING ADJUSTMENT	TOTAL
Native American Appropriation FY 19-20 Request made in Feb 19 Based on FLC Estimate of 100% Tuition Waivers for FY 18-19	\$9,895,171	\$8,837,417	\$819,630	73,826	\$19,626,044
Actual Native American Tuition Waivers for FY 18-19 Source FGIBDST 5/31/19	9,895,171	8,837,252	1,072,036	n/a	19,804,460
FY 18-19 Funding Adjustment	0	(165)	252,406	n/a	252,242
Funding Required For FY 20-21 Funded in Arrears, FY 20-21 Funding is for FY 19-20 Waivers	10,660,652	9,510,847	1,072,036	252,242	21,495,777

**PROJECTED TUITION BY RESIDENCY STATUS
 BASED ON ASSUMPTIONS BELOW**

RESIDENT	502,769	417,323	61,703
NON-RESIDENT	10,157,883	9,093,524	1,010,333
TOTAL	10,660,652	9,510,847	1,072,036

ASSUMPTIONS:

RESIDENT BREAKDOWN PERCENTAGE	4.96%
NON-RESIDENT BREAKDOWN PERCENTAGE	95.04%

RESIDENT TUITION INCREASE	0.00%
NON-RESIDENT TUITION INCREASE	0.00%

PROJECTED NATIVE AMERICAN GROWTH (DECLINE) - BY TERM

Resident	0.00%	0.00%	0.00%
Non-Resident	8.15%	8.00%	0.00%

DOLLAR VALUE OF NATIVE AMERICAN WAIVERS

	RESIDENT	FY 2018-19 - Actual NON-RESIDENT	TOTAL	FY 2018-19 Waiver Est.	Diff \$
FALL - 2018	502,769	9,392,402	9,895,171	9,895,171	0
Spring - 2019	417,323	8,419,930	8,837,252	8,837,417	(165)
Summer - 2019	61,703	1,010,333	1,072,036	819,630	252,406
TOTAL	981,795	18,822,665	19,804,460	19,552,218	252,242
BREAKDOWN	4.96%	95.04%	100.00%		

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Attachment A October Estimate from Ft Lewis July 2017

Schedule 13

Department of Higher Education

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-04 College Credit for Work Experience

Dept. Approval By:



Supplemental FY 2019-20

OSPB Approval By:



Budget Amendment FY 2020-21

X

Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$3,302,135	\$0	\$3,434,851	\$204,180	\$144,620
	FTE	30.0	0.0	30.0	1.0	1.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$204,180	\$144,620
	CF	\$257,521	\$0	\$295,256	\$0	\$0
	RF	\$3,044,614	\$0	\$3,139,595	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$3,302,135	\$0	\$3,434,851	\$204,180	\$144,620
	FTE	30.0	0.0	30.0	1.0	1.0
02. Colorado Commission on Higher Education, (A) Administration, (1)	GF	\$0	\$0	\$0	\$204,180	\$144,620
Administration - Administration	CF	\$257,521	\$0	\$295,256	\$0	\$0
	RF	\$3,044,614	\$0	\$3,139,595	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? **YES**

Type of Request? Department of Higher Education Prioritized Request

Interagency Approval or Related Schedule 13s:

No Other Agency Impact



Department Priority: R-04
Request Detail: College Credit for Work Experience

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$204,180	\$144,620
FTE	0	1.0	1.0
General Fund	\$0	\$204,180	\$144,620
Cash Funds	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of Request:

The Department requests \$204,180 General Fund in FY 2020-21 and \$144,620 in FY 2021-22 to adopt and implement a plan for awarding academic credit for prior work-based learning experiences. This amount includes a one-time appropriation of \$60,000 to contract with a subject matter expert and \$144,620 in funding for one term-limited program manager FTE (through FY 2021-22) to coordinate work with the subject matter expert, institutions, and industry representatives. The Department will work to introduce stand alone legislation to support implementation of this request. Joint Budget Committee members and staff will be updated on the status of such legislation.

The most recent Colorado Talent Pipeline Report identified over 400,000 Colorado adults with some postsecondary education but no credential as a key population to engage in order to better align workforce supply and demand. Likewise, meeting the Colorado Commission on Higher Education’s (CCHE) statewide credential completion goal of 66 percent by 2025 will require reaching beyond “traditional” students by reengaging adult learners already in the labor force in higher education. By providing students with guaranteed-to-transfer college credit based on learning obtained in and outside the classroom, Prior learning assessment (PLA) can be a valuable means to help adult students successfully reenter the higher education system and complete a degree.

To expand access to PLA credits, the Department proposes engaging in an in-depth effort to create crosswalks linking a variety of work-based learning experiences to gtPathways and statewide transfer content areas, credits and credentials. The development of PLA for in-demand fields, as identified in the Talent Pipeline Report and by the Governor’s Office, would be prioritized. This solution makes higher education more accessible, affordable, and efficient for adults who may have significant and applicable work experience but no degree by allowing them to enter their chosen program with transfer credits.

Current Program:

The Colorado Talent Pipeline Report, published by the Colorado Workforce Development Council in collaboration with numerous other state agencies, assesses the state's economic demands, current top jobs, and talent supply to provide a comprehensive picture of Colorado's workforce and economy. Among the Talent Pipeline Report's key findings was the need to better align supply and demand within the talent pipeline. The report identified the over 400,000 Colorado adults with some postsecondary education but no credential as a key population to engage, noting that "connecting these individuals to training in high demand skills could put them on a path to the middle class while helping to close the skills gap for employers."¹

In 2015, the CCHE approved a policy for awarding postsecondary academic credit for prior learning. Learning obtained outside the classroom can be assessed and documented through a variety of modalities, as outlined in both statute and CCHE policy.² This prior learning can then be applied to the state's General Transfer Pathways (gtPathways) – a statewide general education curriculum that forms the core of most liberal arts and sciences degrees.³ A grade of C- or higher in any gtPathways course will always transfer and apply to gtPathways requirements in AA, AS, and most bachelor's degrees at every public Colorado college and university.

PLA is a way to provide students with guaranteed-to-transfer college credit from learning obtained in and outside the classroom. By expanding PLA options based on top jobs and CTE pathways identified in the Talent Pipeline Report, as this request seeks to do, the Department sees an opportunity to generate cost and time efficiencies, reengage adult students, and make meaningful contributions to the workforce needs of the state.

In 2017, the Colorado General Assembly passed HB17-1004, College Credit for Military Education and Training. This bill built upon the work the Department began in 2015 by requiring institutions to expand their PLA policies to award academic credit for college-learning acquired while in the military. Census data shows that 67 percent of veterans do not have a postsecondary degree or credential. The Department expects that HB 17-1004, and the resulting revised CCHE policy (which will take effect in Fall 2019), will have a substantial impact in bringing those 67 percent of veterans without a degree back into the classroom. Following HB17-1004, the Commission focused its efforts on assigning gtPathways crosswalks for military student experiences listed on a Joint Services Transcript. The resulting work created consistent transfer pathways for numerous military occupations and courses, college-level assessments, and language proficiency exams.⁴

Problem or Opportunity:

In its Master Plan, *Colorado Rises*, the Colorado Commission on Higher Education (CCHE) reaffirmed a statewide credential completion goal of 66 percent by 2025. In order to achieve this goal, the state needs to produce an additional 73,500 certificates and degrees by 2025. At the time of the Master Plan's publication

¹ https://www.colorado.gov/pacific/sites/default/files/2018_Talent_Pipeline_Report_Web.pdf

² <https://higherred.colorado.gov/Publications/Policies/Current/i-partx.pdf>

³ <https://higherred.colorado.gov/Academics/Transfers/gtPathways/Curriculum.html>

⁴ <https://higherred.colorado.gov/Academics/Transfers/Get%20Credit/Military-Course-and-Occupation-Credit.html>

in 2017, the Commission estimated this growth in completions would require an additional 9,200 credentials (above national growth) from 2018 through 2025 to achieve this goal.

This increase in credential completion cannot rely solely on “traditional” students – in order to successfully hit the 66 percent goal the state must also engage with adult students and help them reconnect with higher education. As noted in the Master Plan, “approximately 400,000 adults in Colorado are already in the labor force with some postsecondary education but no credential. Completing a credential will not only help the state’s attainment rate, but, in most cases, will also open up new career opportunities and pathways for these individuals.”⁵

Prior learning assessments and recognition of prior work-based learning can be a valuable means to help adult students successfully reenter the higher education system and complete a degree. According to research performed by the Council for Adult & Experiential Learning, over half (56 percent) of adult students receiving PLA earned a postsecondary credential within seven years, while only 21 percent of non-PLA students did so.⁶ Adult learners can have a wide variety of work-based experiences that can demonstrate successful learning. And yet that experience can create a barrier for adult students hoping to re-engage with the postsecondary education system if the experience is not recognized as prior learning or if the prior learning assessment is not standardized or transferable.

This request seeks to create a statewide, standardized process for awarding credit for work-based learning. From 2014 through 2018, the Department engaged in a process to standardize prior learning assessments by mapping demonstrated learning to GT content areas for specific exams (AP, IB, CLEP) and certain military exams, trainings, and occupations. Now, the Department sees an opportunity to expand its work in this area by mapping other forms of work-based learning to gtPathways and transfer content areas.

Furthermore, in the last legislative session, HB19-1252 was introduced with the bipartisan sponsorship of Representatives McLachlan and Geitner and Senators Lundeen and Bridges. With support from Governor Polis, the Department worked closely with the sponsors, higher education institutions, and business leaders in the state to draft the bill and advocate for its passage. Due to budget constraints, the bill was postponed indefinitely by House sponsors in the Appropriations committee.

Proposed Solution:

To expand access to PLA credits, the Department proposes engaging in an in-depth effort to create crosswalks linking a variety of work-based learning experiences to gtPathways and statewide transfer content areas, credits and credentials. The development of PLA for in-demand fields, as identified in the Talent Pipeline Report and by the Governor’s Office, would be prioritized. The Department requests \$204,180 General Fund in FY 2020-21 and \$144,620 in FY 2021-22 to carry out this work.

The Department requests one term-limited program management FTE (\$144,180 General Fund in year one, \$144,620 in year two) to support the work of the General Education Council and coordinate that work with industry partners and institutions of higher education to create, adopt, and implement a plan to determine

⁵ <https://higher.ed.colorado.gov/Publications/CDHE-Master-Plan-2017.pdf>

⁶

http://cdn2.hubspot.net/hubfs/617695/premium_content_resources/pla/PDF/PLA_Executive-Summary.pdf?_hstc=259760725.af5289da15da44b4442b09d060075fd8.1560885900150.1560885900150.1560888034874.2&_hssc=259760725.9.1560888034874

work-based credit and guaranteed credit transfer between schools. In the first year, the Department will also enter into a one-time contract to obtain subject matter expertise from a national policy organization at a cost of \$60,000 General Fund. This organization will advise the Department on best practices in work-based learning and assist in providing technical assistance to schools throughout the portfolio review process and assessments of the institution's work credit programs.

This solution makes higher education more accessible, affordable, and efficient for adults who may have significant and applicable work experience but no degree by allowing them to enter their chosen program with transfer credits. Transfer credits awarded through PLAs accelerate progress towards degrees and credentials by not requiring adult learners to take college courses for learning and competencies they have already acquired. In doing so, these students can see significant progress in the general education portions of their programs of study, providing momentum and accelerating their time to degree. This solution saves adult students two precious commodities: time and money.

Research suggests that adult students have a clearer idea of the types of credential they intend to pursue. As a result, they are less likely to switch majors or credential pathways than "traditional" students. Adult learners place more importance on affordability and a program's ability to help them gain directly relevant skill sets.⁷ Recognition of work-based PLA that is consistent across institutions can aid in both cost and time efficiency, as it allows students to move past general education requirements faster and helps them engage with relevant coursework sooner in their postsecondary career, saving them time and money and providing momentum as they move through their coursework.

The Department recently went through a process to create crosswalks for prior learning based on military experience. Since that policy takes effect in Fall 2019, data on efficacy does not yet exist, but each of the state's public higher education institution now has a structure to implement the new standards in their admissions/transfer processes. In addition, the Department has created a statewide assessment/evaluation framework that will measure the utilization and application of PLA on a statewide basis. The Department will present this framework and initial data to the Commission in December 2019. The Department seeks to continue its efforts in creating PLA crosswalks that may be more broadly applicable for other students seeking credentials in high-demand fields while there is momentum. The Department sees the creation of these crosswalks as a valuable means of reengaging the adult population with some credit but no degree and helping them complete in a timely and cost-effective manner.

Anticipated Outcomes:

The Talent Pipeline Report identifies approximately 510 top jobs and related CTE programs, as well as approximately 542 additional jobs and pathways. The Department anticipates this work will lead to the creation of PLA for many of the jobs and programs named in the report, with a priority placed on fields aligned with the Governor's priorities, such as early childhood education and green technology.

The Department anticipates this program will help the state make progress towards the CCHE's 66 percent attainment goal by reengaging the state's "some credit no degree" population. Giving these students the ability to enter a program with prior credits will serve to boost both their motivation and speed to degree. While initial program returns may be limited, the Department anticipates a larger impact as knowledge of the program spreads.

⁷ <https://kresge.org/sites/default/files/Is-College-Worth-It-For-Me-Public-Agenda-2013.pdf>

In addition to accelerating the time to completion for students with prior work experience, the recognition of prior learning creates momentum and encourages students to retain and persist. The Department anticipates seeing an increase in the number of adult students enrolling and successfully having transfer credits recognized based on their prior work-based learning that will expand in scope as more students become aware of the availability of PLA credits and further PLA mapping is completed.

The Department plans to submit a report to OSPB by June 30 of each year of funding detailing the number of jobs, CTE programs, and other work-based experiences added to gtPathways crosswalk and credential pathways each year. The report will also include information on the occupations and credentials addressed by new PLA crosswalks, as well as the work being undertaken to standardize internal processes and practices to support the Department's continued work around the expansion of PLAs beyond the funding period.

Assumptions and Calculations:

A good benchmark for the amount of work required from this bill is the Department's recent work with prior learning assessment from 2014-2018, which involved mapping demonstrated learning to gtPathways competencies for a number of national exams (IP, AB, CLEP), and from several military experiences such as exams, trainings, and occupations. The CDHE Director of Academic Affairs devoted about 25 percent of his time to these activities each year over the four years of the project, an amount of time equivalent to one full FTE in total (spread out over four years), in order to map 170 credentials.

Looking to the Talent Pipeline Report, the Department identifies an estimated 510 top jobs and related CTE programs that would need to be analyzed for alignment with the potential Guaranteed Transfer or Statewide Articulation Competencies. This position would also need to develop a framework for evaluation and identification of competencies aligned with student learning outcomes, and then apply that framework to each item.

On top of that, the position would need to work with a contractor to engage with industry representatives, institution staff, and content experts across the state to convene a stakeholder engagement framework, an evaluation process, and to identify best practices. They will also work with the Governor's office to identify PLAs that can be developed in fields aligned with the Governor's priorities.

The Department estimates that approximately 100 programs can be evaluated in year one, with the potential for a higher volume of programs evaluated in year two when efficiencies are created as staff establishes an evaluation framework and grows more familiar with the process. The Department assumes that it will be able to rely on the foundation established with our PLA efforts to reduce the time necessary to evaluate these degrees and will share some of the work with the GE Council and other CDHE staff. The Department also assumes that the efficiencies created in years one and two will allow continued work in this area beyond the initial two years of funding, although that work may be more limited in scope.

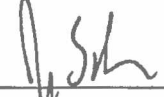
Schedule 13

Department of Higher Education

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-05 Accountability Dashboard

Dept. Approval By: 

Supplemental FY 2019-20

OSPB Approval By: 

Budget Amendment FY 2020-21

Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$3,302,135	\$0	\$3,434,851	\$165,436	\$156,691
	FTE	30.0	0.0	30.0	1.5	1.5
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$165,436	\$156,691
	CF	\$257,521	\$0	\$295,256	\$0	\$0
	RF	\$3,044,614	\$0	\$3,139,595	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$3,302,135	\$0	\$3,434,851	\$165,436	\$156,691
	FTE	30.0	0.0	30.0	1.5	1.5
02. Colorado Commission on Higher Education, (A) Administration, (1) Administration - Administration	GF	\$0	\$0	\$0	\$165,436	\$156,691
	CF	\$257,521	\$0	\$295,256	\$0	\$0
	RF	\$3,044,614	\$0	\$3,139,595	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Higher Education Prioritized Request

Interagency Approval or Related Schedule 13s:

No Other Agency Impact



Department Priority: R-05
Request Detail: Accountability Dashboard

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$165,436	\$156,691
FTE	0	1.5	1.5
General Fund	\$0	\$165,436	\$156,691
Cash Funds	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of Request:

The Department of Higher Education (Department) requests \$165,436 General Fund in FY 2020-21 and \$156,691 in FY 2021-22 to fund 1.5 term-limited FTE in the Department’s Data and Research division. These 1.5 FTE will be responsible for developing public-facing data metrics and accompanying tools in order to improve institutional accountability and make higher education data more accessible.

Currently, the Department annually publishes a performance dashboard tied to the Colorado Commission on Higher Education (CCHE) Master Plan goals. While a few data points are presented at the institutional level, much of the public-facing dashboard is only able to be viewed at the statewide level. Despite having much of the necessary data, the Department does not currently have the capability to provide public-facing information in a holistic or consumer-friendly platform. This means that neither students nor policymakers have a fast, easy way to access a comprehensive picture of the state’s higher education landscape in terms of cost metrics, accountability, or performance.

By providing a robust, accessible data analysis and visualization platform for students and families, policymakers, and the general public, the Department sees an opportunity to make these groups more fully aware of trends in cost, outcomes, and the return on investment of higher education in the state of Colorado. The Department further believes that this investment in data and research personnel will allow for better, more nimble assessment of leading indicators and place the Department in a better position to affect change within the higher education landscape. The Department will begin by opening a stakeholder engagement process where key constituencies including the Governor’s Policy Team, the Joint Budget Committee, the House and Senate Education Committees, in addition to student groups and institutional representatives will be engaged to ensure that the metrics and data visualizations included in this platform are valuable and meaningful to the decisions each group is making.

Current Program:

Currently, the Department annually publishes a performance dashboard tied to the Colorado Commission on Higher Education (CCHE) Master Plan goals. This dashboard provides information on the following accountability metrics at the statewide level:

- Overall credential completions, as well as completions for the following groups:
 - Hispanic, Native American, and African American students
 - Pell-eligible students;
- First to second year retention rate; and
- Student debt levels and the percentage of students graduating with debt.

While a few data points are presented at the institutional level, much of the public-facing dashboard is only able to be viewed at the statewide level. In addition to Master Plan goals, the Department engages in goal setting exercises with each public postsecondary institution in accordance with SB 17-297 requirements. These exercises yield information on institutional level goals and strategies employed by institutions to meet CCHE's master plan goals.

Additionally, the Department acts as a clearinghouse for student level data submissions from institutions, from which the Department produces a multitude of reports, metrics, graphics, and dashboards. These reports cover various postsecondary success metrics such as retention and graduation rates.

Additionally, through various pieces of legislation and ongoing requests for information, the Department is required to produce the following statutory reports:

- Tuition and fees by institution, program, and level;
- The postsecondary progress and success of high school graduates;
- FTE enrollment by level and residency status;
- Financial aid and student debt;
- Educator preparation;
- Concurrent enrollment; and
- Development education needs of high school students.

In order to produce these reports, data from postsecondary institutions is collected via the Department's Student Unit Record Data System (SURDS). These data cover several topics including enrollment, degree completion, course enrollment/success, and various other fields.¹

Currently, many of these reports are published as static PDFs. However, the data and metrics contained within these reports and other Department data collections offer valuable data that, if appropriated minimal additional resources, the Department could analyze to publish meaningful, public facing tools that would allow students and families to make better informed decisions about the costs and benefits of pursuing a postsecondary credential in Colorado. The Department has some experience in developing public-facing tools having already created interactive dashboards, such as those associated with [District at a Glance](#) and [Postsecondary Degree Earnings Outcomes Tools](#).

¹ A full list can be found here: <https://higher.ed.colorado.gov/Data/Docs.html>

As a result of the passage HB 18-1226, the Department currently has 0.5 FTE dedicated to data visualization. With this additional requested support, the Department was able to make minor improvements to existing dashboards. With an additional 1.5 FTE, the Department would be able to expand this work and support two full-time employees focused on data analysis, visualization and presentation with the goal of increasing data transparency, institutional accountability, and system-wide efficiency.

Problem or Opportunity:

The Department has for many years acted as a data clearinghouse for statewide higher education data in addition to fulfilling statutory reporting requirements. Despite not having the legislative or financial support necessary to perform the role of a statewide data clearinghouse, the Department continues to serve in this capacity because there is both need and value. If the Department were adequately resourced, it could capitalize on the vast amount of data currently housed (and continuously being collected) by the Department to give all stakeholders more accountability and transparency regarding the state system of higher education. Because the Department sees such value in providing this information, it continues to act as a clearinghouse even when critical resources are limited. Due to the small size of the Data and Research (D&R) division, the Department's capacity to engage in initiatives that provide public-facing data tools varies by year, largely dependent on staff time constraints.

Despite having much of the necessary data, the Department does not currently have the capability to provide public-facing information in a holistic or consumer-friendly platform. This means that neither students nor policymakers have a fast, easy way to access a comprehensive picture of the state's higher education landscape in terms of cost metrics, accountability, or performance. With a small amount of additional investment, the Department is poised to move boldly forward in our ongoing effort to help the students and policy makers of Colorado make rational, data-informed decisions about their futures and the future of the state.

It must be noted that a substantial amount of the data collected, housed, and produced by the Department is available for public download using either the "search data" tool or data and reports page. However, as previously noted all reports are submitted as static PDFs and the "search data" tool, while incredibly useful for certain purposes, yields raw counts that are generally not useful to the average consumer.

With minimal additional resources the Department would have the capacity to leverage the vast amount of data currently being collected, analyzed, and stored. By providing a robust, accessible data analysis and visualization platform for students and families, policymakers, and the general public, the Department sees an opportunity to make these groups more fully aware of trends in cost, outcomes, and the return on investment of higher education in the state of Colorado.

The Department further believes that this investment in data and research personnel will allow for better, more nimble assessment of leading indicators and place the Department in a better position to affect change within the higher education landscape. This request seeks to build additional capacity to enable the Department to shift its focus from data gathering and publication to true data analytics.

Proposed Solution:

The Department requests 1.5 FTE to enable the development of a public-facing, interactive data-analytics platform, at a cost of \$165,436 General Fund in FY 2020-21 and \$156,691 in FY 2021-22. The additional 1.5 FTE is critical to enabling the Department to expand its data analytical and visualization capacity and creating a stronger link between data and policy.

As part of the Department of Higher Education's Wildly Important Goals (WIGS), the Data and Research Division has specifically identified data democratization as a key goal. In terms of the higher education landscape in Colorado, data democratization means ease of access and the ability for a layperson to find meaning and value. The Department believes that data democratization will allow policymakers and consumers of higher education to make better-informed decisions and ultimately accelerate the Department's work towards reaching the CCHE Master Plan Goals and the gubernatorial Bold Goals for higher education.

Anticipated Outcomes:

If this request is funded, the Department will begin by opening a stakeholder engagement process where key constituencies including the Governor's Policy Team, the Joint Budget Committee, the House and Senate Education Committees, in addition to student groups and institutional representatives will be engaged to ensure that the metrics and data visualizations included in this platform are valuable and meaningful to the decisions each group is making.

After the stakeholder engagement process, the Department anticipates it will take approximately six months to build the initial platform upon which the new accountability dashboard will sit. Work to identify valuable metrics identified by stakeholders and develop data definitions around these metrics is critical to the success of this dashboard. It will be the responsibility of the 1.5 FTE associated with this request to carry out the initial data cleaning and formatting procedures, well as to work closely with various institutional research representatives to ensure that the data definitions being used are consistent and accurate. In order to maximize the time spent preparing and formatting the data, this process will likely not begin until after the metrics and definitions have been established through the stakeholder engagement process.

The first goal of this dashboard will be to consolidate much of the Department's existing data collection projects by designing metrics that can measure outcomes using data that the Department already has access to. The Department believes that in doing so, substantial value will be added to those projects by packaging the data in such a way that a student, policymaker, or member of the general public could understand the various highlighted metrics related to cost, efficiency, and outcomes. For these reasons the stakeholder engagement process will be especially important. The Department intends to use this engagement process to establish a list of focused, initial metrics that would be most useful to stakeholders and decision makers. Once that list has been established, the preparation of the appropriate datasets will begin using the SQL software system. The 1.5 FTE will be responsible for developing the appropriate methodology and analyses which will ultimately populate the established metrics, which will be carried out using SPSS. The 1.5 FTE will also be responsible for designing and developing the dashboard prototype. This dashboard will exist as a dynamic, interactive Tableau file, which will pull data from an underlying SQL database.

As part of the metric development process, the Department will seek to address the Governor's Bold Goals for higher education, including efficiency, cost containment, and value for students. With funding beginning in July 2020, the Department anticipates the stakeholder engagement process beginning in July and running through October. Upon completion of the stakeholder engagement process, work on the preliminary platform will begin in October with projected completion of this preliminary tool scheduled for the spring of 2021. After the initial unveiling of the dashboard prototype, the 1.5 FTE will work to refine the public-facing dashboard and underlying database so that new data can be easily uploaded, and the tool's relevance maintained after the term limit of the 1.5 FTE expires in FY 2021-22. If possible, the 1.5 FTE will begin the metric development process for a second round of metrics to be integrated into the dashboard. The Department will again attempt to maximize the time and expertise of the 1.5 FTE, given their term limitations.

Assumptions and Calculations:

The Department requests 1.5 FTE for FY 2020-21 and FY 2021-22 to fund the salaries for these positions, assuming the FTE are compensated at or near the range midpoint of a Data Management IV (1.0 FTE) and Data Management III (0.5) classified employee (see attached FTE Calculation Template). This amount also includes estimates of the software licenses required, specifically Tableau, SQL, and SPSS.

Schedule 13

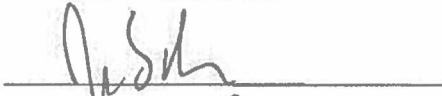
Department of Higher Education

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-06 Area Technical College Grant Program

Dept. Approval By: _____



Supplemental FY 2019-20

OSPB Approval By: _____



Budget Amendment FY 2020-21

X

Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$13,910,021	\$0	\$13,910,021	\$3,171,650	\$0
FTE		0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$13,910,021	\$0	\$13,910,021	\$3,171,650	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$13,910,021	\$0	\$13,910,021	\$3,171,650	\$0
FTE		0.0	0.0	0.0	0.0	0.0
07. Division of Occupational Education, (C) Area Vocational School Support, (1) Area Vocational School Support - Area Technical Colleges	GF	\$13,910,021	\$0	\$13,910,021	\$3,171,650	\$0
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? **NO**

Type of Request? **Department of Higher Education Prioritized Request**

Interagency Approval or Related Schedule 13s:

No Other Agency Impact



Department Priority: R-06
Request Detail: Area Technical College Grant Program

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$3,171,650	\$0
FTE	0	0	0
General Fund	\$0	\$3,171,650	\$0
Cash Funds ^{1,2}	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0
Federal Funds ^{1,2}	\$0	\$0	\$0

¹Area Technical Colleges do not need appropriations to spend cash and federal funds.

²General Fund investment will be matched by \$3,859,739 cash funds and \$59,700 federal funds in FY 2020-21, and \$347,775 cash funds in FY 2021-22.

Summary of Request:

The Department of Higher Education (Department) requests a one-time appropriation of \$3,171,650 General Fund for FY 2020-21 to complete two single-phase capital expansion projects at Technical College of the Rockies (TCR) and Emily Griffith Technical College (EGTC). State funding will be matched with \$4,267,214 institutional cash funds and federal funds, which do not require spending authority appropriations.

Over the past five years, the State’s ATCs have grown enrollment by 40 percent. At Emily Griffith Technical College, students line up at the admissions desk hours before registration opens. Many classes fill up in the first day. At Technical College of the Rockies located in rural Colorado, the Licensed Practical Nursing (LPN) program can only serve 38 students out of nearly 100 applicants. Many of the students served by the ATCs are adults who may not return if enrollment is delayed a semester or more. In order to keep up with the rapidly increasing demand for career and technical education, ATCs must both expand and maximize use of current space through capital investment.

This investment will fund the following two projects, listed in priority order: (1) Healthcare Education and Innovation Center at Technical College of the Rockies, (2) Outdoor Welding Space at Emily Griffith Technical College. These capital investments would expand the capacity and increase the quality of technical education at two of the three State ATCs. Waitlists for programs in the high demand professions of healthcare and welding would be reduced. With more students being served, these programs will produce more credentials and thus enhance the employment prospects of more Coloradans. Furthermore, the regional economies in the ATCs’ service areas would benefit from the increased number of skilled workers.

Current Program:

The state's three Area Technical Colleges (ATCs), designated in C.R.S. 23-60-103, offer approved postsecondary vocational programs for credit. Many of these credentials are in high demand, high wage fields such as welding and healthcare. Achieving the 66 percent attainment goal laid out in the Colorado Commission on Higher Education's 2017 master plan, Colorado Rises, Advancing Education and Talent Development, relies partly on the success of these programs, which serve a large number of low-income, non-traditional students.

S.B. 19-097 established a grant program whereby ATCs can submit applications to the Department of Higher Education (DHE) for capital funding. Grants are considered by DHE and may be included in its annual budget request. Together, the ATCs can request up to \$4 million per year. If DHE chooses to include multiple projects in their request, they must be prioritized. Prior to the passing of this legislation in 2019, ATCs did not have access to capital funding from the State, as they are not eligible to participate in the regular annual capital budgeting process.

Problem or Opportunity:

Over the past five years, the State's ATCs have grown enrollment by 40 percent. In order to keep up with the rapidly increasing demand for career and technical education, ATCs must both expand and maximize use of current space through capital investment. Programs across all three institutions have waitlists. At Emily Griffith Technical College, students line up at the admissions desk hours before registration opens. Many classes fill up in the first day. At Technical College of the Rockies located in rural Colorado, the Licensed Practical Nursing (LPN) program can only serve 38 students out of nearly 100 applicants.

Many of the students served by the ATCs are adults who may not return if enrollment is delayed a semester or more. These are missed opportunities to improve these individual's lives and enhance the economy throughout the state. Further, ATCs have strong relationships with local governments and businesses in their service areas. The project at Technical College of the Rockies, for example, has garnered support from the city, county, local school district, and industry partners in rural Montrose, Colorado. An investment in expansion of the ATCs is an investment in Colorado's present and future.

Proposed Solution:

Alongside matching institutional, community, and federal funds, provide \$3,171,650 in State funds to the ATCs for capital expansion. This investment will fund the following two projects, listed in priority order: (1) Healthcare Education and Innovation Center at Technical College of the Rockies, (2) Outdoor Welding Space at Emily Griffith Technical College. These projects will support the continued growth of career and technical education in Colorado. Project details can be found in the Appendix.

Anticipated Outcomes:

Specific anticipated outcomes of both capital projects supported by this request can be found in the Appendix. Broadly, these capital investments would expand the capacity and increase the quality of technical education at two of the three State ATCs. Waitlists for programs in the high demand professions of healthcare and welding would be reduced. With more students being served, these programs will produce more credentials and thus enhance the employment prospects of more Coloradans. Furthermore, the regional economies in the ATCs' service areas would benefit from the increased number of skilled

workers. Supporting this initiative would support all four Higher Education Master Plan goals of increasing credential completion, erasing equity gaps, improving student success, and investing in affordability and innovation.

Assumptions and Calculations:

Cost details for each project can be found in the Appendix.



APPENDIX
Department Priority: R-6
Request Detail: Area Technical College Grant Program

Priority 1: Healthcare Education and Innovation Center at Technical College of the Rockies

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$3,000,000	\$0
FTE	0	0	0
General Fund	\$0	\$3,000,000	\$0
Cash Funds ^{1,2}	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

¹Area Technical Colleges do not need appropriations to spend cash funds.

²General Fund investment would be matched by \$3,839,739 cash funds in FY2020-21 and \$347,775 cash funds in FY2021-22.

Summary: This project renovates a 26,000 sqft. vacant building in downtown Delta, Colorado. Technical College of the Rockies (TCR) would relocate their healthcare and emergency medical services programs to the building from their main campus three miles away in Montrose. TCR has already purchased and mitigated asbestos in the building but is unable to complete the project at this time without financial assistance.

This project has wide community support including the city of Delta, the county of Delta, Delta County Hospital, Delta County School District 50J, Delta County Economic Development, Small Business Development Center, the Western Colorado Area Health Education Center, and several foundations. Through these partnerships, TCR will be able to match the \$3 million state investment in this project with over \$4 million.

Impact: The new building will host TCR’s Licensed Practical Nurse (LPN), Certified Nursing Assistant (CNA), Medical Clinical Assistant, and Emergent Medical Technician (EMT) programs. Professionals with these credentials are in high demand in rural areas on the Western Slope. Having access to these programs in these areas makes it much more likely graduates will seek jobs there.

Healthcare programs at TCR have significant waitlists, which would be reduced with the new location. Further, the vacated space on the main campus would allow for the expansion of other high demand

programs like welding, cosmetology and computer aided design and drafting. Concurrent enrollment program growth and the addition of new programs will also be supported by this project.

CAPITAL CONSTRUCTION/CAPITAL RENEWAL PROJECT REQUEST- COST SUMMARY(CC_CR-C)*

(A)	(1) Funding Type (State Funded, or Institution and State Funded):	Institution and State Funded	(1) DHE Priority:		1 of 5			
(B)	(1) Institution:	Technical College of the Rockies	(2) Name & Title of Preparer:		Michael Klouser			
(C)	(1) Project Title:	Health Education and Innovation Center	(2) E-mail of Preparer:		michael.klouser@tcrc.edu			
(D)	(1) Project Phase (Phase __ of __):	2 of 3						
(E)	(1) Project Type (Capital Construction/Expansion or Capital Renovation):	Expansion / Capital Renovation						
(F)	(1) Year First Requested:	FY 2020						
(G)		(a) Total Project Costs	(b) Total Prior Appropriation	(c) Current Budget Year Request	(d) Year Two Request	(e) Year Three Request	(f) Year Four Request	(g) Year Five Request
		1018-2019		2020	NO GRANT REQUEST			
Land /Building Acquisition								
(7)	Land Acquisition/Disposition	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -
(8)	Building Acquisition/Disposition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(9)	Total Acquisition/Disposition Costs	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -
Professional Services								
(10)	Planning/Documentation	\$ 79,500	\$ 79,500	\$ -	\$ -	\$ -	\$ -	\$ -
(11)	Site Surveys, Investigations, Reports	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(12)	Architectural/Engineering/Basic Services	\$ 374,400	\$ 349,400	\$ 125,000	\$ -	\$ -	\$ -	\$ -
(13)	Code Review/Inspection	\$ 35,250	\$ -	\$ 35,250	\$ -	\$ -	\$ -	\$ -
(14)	Construction Management	\$ 120,000	\$ -	\$ 120,000	\$ -	\$ -	\$ -	\$ -
(15)	Advertisements	\$ 6,500	\$ -	\$ 6,500	\$ -	\$ -	\$ -	\$ -
(16)	Other (Specify) ASBESTOS ABATEMENT	\$ 150,000	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -
(17)	Inflation Cost for Professional Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(18)	Inflation Percentage Applied		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(19)	Total Professional Services	\$ 765,650	\$ 478,900	\$ 286,750	\$ -	\$ -	\$ -	\$ -
Construction or Improvement								
(20)	Infrastructure Service/Utilities	\$ 25,500	\$ -	\$ -	\$ 25,500	\$ -	\$ -	\$ -
(21)	Infrastructure Site Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(22)	Structure/Systems/Components:							
(23)	Cost for New (GSF):	\$ 225,000	\$ -	\$ 225,000	\$ -	\$ -	\$ -	\$ -
(24)	New at \$ _____ X _____ GSF							
(25)	Cost for Renovation (GSF):	\$ 5,347,149	\$ -	\$ 5,347,149	\$ -	\$ -	\$ -	\$ -
(26)	Renovation at \$ _____ X _____ GSF							
(27)	Other (Specify)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(28)	High Performance Certification Program	\$ 86,500	\$ -	\$ 86,500	\$ -	\$ -	\$ -	\$ -
(29)	Inflation for Construction	\$ 245,015	\$ -	\$ 245,015	\$ -	\$ -	\$ -	\$ -
(30)	Inflation Percentage Applied		0.00%	4.77%	0.00%	0.00%	0.00%	0.00%
(31)	Total Construction Costs	\$ 5,929,164	\$ -	\$ 5,908,664	\$ 25,500	\$ -	\$ -	\$ -
Equipment and Furnishings								
(32)	Equipment	\$ 125,000	\$ -	\$ 125,000	\$ -	\$ -	\$ -	\$ -
(33)	Furnishings	\$ 225,750	\$ -	\$ -	\$ 225,750	\$ -	\$ -	\$ -
(34)	Communications	\$ 95,000	\$ -	\$ -	\$ 95,000	\$ -	\$ -	\$ -
(35)	Inflation for Equipment & Furnishings	\$ 1,525	\$ -	\$ -	\$ 1,525	\$ -	\$ -	\$ -
(36)	Inflation Percentage Applied		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(37)	Total Equipment & Furnishings Cost	\$ 447,275	\$ -	\$ 125,000	\$ 322,275	\$ -	\$ -	\$ -
Miscellaneous								
(38)	Art in Public Places	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(39)	Relocation Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(40)	Other Costs [specify]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(41)	Other Costs [specify]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(42)	Other Costs [specify]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(43)	Other Costs [specify]	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(44)	Total Misc. Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Project Costs								
(45)	Total Project Costs	\$ 7,292,089	\$ 628,900	\$ 6,315,414	\$ 347,775	\$ -	\$ -	\$ -
Project Contingency								
(46)	5% for New	\$ 14,625	\$ -	\$ 14,625	\$ -	\$ -	\$ -	\$ -
(47)	10% for Renovation	\$ 509,700	\$ -	\$ 509,700	\$ -	\$ -	\$ -	\$ -
(48)	Total Contingency	\$ 524,325	\$ -	\$ 524,325	\$ -	\$ -	\$ -	\$ -
Total Budget Request								
(49)	Total Budget Request	\$ 7,816,414	\$ 628,900	\$ 6,839,739	\$ 347,775	\$ -	\$ -	\$ -
Funding Source								
(50)	General Fund	\$ 3,000,000	\$ -	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -
	PRE Design Grant	\$ 479,000	\$ 479,000	\$ -	\$ -	\$ -	\$ -	\$ -
	PRIVATE FUNDING	\$ 3,697,775	\$ -	\$ 3,500,000	\$ 197,775	\$ -	\$ -	\$ -
(51)	Institution Funds	\$ 639,639	\$ 349,900	\$ 339,739	\$ 150,000	\$ -	\$ -	\$ -
(52)	Federal Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	TOTAL	7,816,414	628,900	6,839,739	347,775	-	-	-

Priority 2: Outdoor Welding Space at Emily Griffith Technical College

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$171,650	\$0
FTE	0	0	0
General Fund	\$0	\$171,650	\$0
Cash Funds ^{1,2}	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0
Federal Funds ^{1,2}	\$0	\$0	\$0

¹Area Technical Colleges do not need appropriations to spend federal funds or institutional cash funds.

²General Fund investment would be matched by \$59,700 federal funds and \$20,000 institutional cash funds

Summary: This project extends the west facing wall of Emily Griffith Technical College’s (EGTC) 1205 Osage campus to create an outdoor welding booth space. EGTC has used creative solutions to expand this high demand program. They have utilized outdoor engine driven welders, welding space in their Automotive Collision program, and even retrofitted a semi-trailer with eight additional booths. Despite these efforts, the program continues to have a significant wait list.

Impact: The new space would accommodate eight additional welding booths, reducing the program’s waitlist. There is currently a dearth of welding professionals in Colorado. EGTC’s welding program has over a 70 percent completion and placement rate. Students, many of whom are from underserved communities, easily find high wage jobs upon graduation. Waitlists can delay student enrollment in the program for a semester. Many non-traditional and working adult students never enroll after being waitlisted, a missed opportunity for these individuals to enhance their employment prospect and to make progress toward the Colorado Commission on Education’s goal of increasing credential completions in the state.

CAPITAL CONSTRUCTION/CAPITAL RENEWAL PROJECT REQUEST - COST SUMMARY (CC_CR-C)*

(A)	(1) Funding Type (State Funded, or Institution and State Funded):	State Funded	(1) DHE Priority: 2 of 5					
(B)	(1) Institution:	Emily Griffith Technical College	(2) Name & Title of Preparer: Zach Hermen - InterMED / CFO & COO					
(C)	(1) Project Title:	Ceage Welltime Project	(2) E-mail of Preparer: zach.hermen@emilgriffith.edu					
(D)	(1) Project Phase (Phase __ of __):	1 of 1						
(E)	(1) Project Type (Capital Construction/Expansion or Capital Renovation):	capital expansion						
(F)	(1) Year First Requested:	FY 2020-21						
(G)		(a) Total Project Costs	(b) Total Prior Appropriation	(c) Current Budget Year Request	(d) Year Two Request	(e) Year Three Request	(f) Year Four Request	(g) Year Five Request
Land/Building Acquisition								
(2)	Land Acquisition/Disposition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(3)	Building Acquisition/Disposition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(4)	Total Acquisition/Disposition Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Professional Services								
(5)	Planning Documentation	\$ 2,500	\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ -
(6)	Site Surveys, Investigations, Reports	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -
(7)	Architectural/Engineering/ Basic Services	\$ 2,000	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -
(8)	Code Review/Inspection	\$ 500	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -
(9)	Construction Management	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(10)	Advertisements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(11)	Other (Specify)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(12)	Inflation Cost for Professional Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(13)	Inflation Percentage Applied			3.50%	0.00%	0.00%	0.00%	0.00%
(14)	Total Professional Services	\$ 6,000	\$ -	\$ 6,000	\$ -	\$ -	\$ -	\$ -
Construction or Improvement								
(15)	Infrastructure Service/Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(16)	Infrastructure Site Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(17)	Structures/Systems/ Components:							
(18)	Cost for New (GSF):	\$ 97,500	\$ -	\$ 97,500	\$ -	\$ -	\$ -	\$ -
(19)	New at \$ ___ X ___ GSF							
(20)	Cost for Renovation (GSF):	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(21)	Renovation at \$215 ___ X ___ 450 ___ GSF							
(22)	Other (Specify)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(23)	High Performance Certification Program	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(24)	Inflation for Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(25)	Inflation Percentage Applied			0.00%	0.00%	0.00%	0.00%	0.00%
(26)	Total Construction Costs	\$ 97,500	\$ -	\$ 97,500	\$ -	\$ -	\$ -	\$ -
Equipment and Furnishings								
(27)	Equipment	\$ 125,000	\$ -	\$ 125,000	\$ -	\$ -	\$ -	\$ -
(28)	Furnishings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(29)	Communications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(30)	Inflation for Equipment & Furnishings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(31)	Inflation Percentage Applied			3.50%	0.00%	0.00%	0.00%	0.00%
(32)	Total Equipment & Furnishings Cost	\$ 125,000	\$ -	\$ 125,000	\$ -	\$ -	\$ -	\$ -
Miscellaneous								
(33)	Art in Public Places	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(34)	Relocation Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(35)	Other Costs (Specify)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(36)	Other Costs (Specify)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(37)	Other Costs (Specify)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(38)	Other Costs (Specify)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(39)	Total Misc. Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Project Costs								
(40)	Total Project Costs	\$ 228,500	\$ -	\$ 228,500	\$ -	\$ -	\$ -	\$ -
Project Contingency								
(41)	5% for New	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(42)	10% for Renovation	\$ 22,850	\$ -	\$ 22,850	\$ -	\$ -	\$ -	\$ -
(43)	Total Contingency	\$ 22,850	\$ -	\$ 22,850	\$ -	\$ -	\$ -	\$ -
Total Budget Request								
(44)	Total Budget Request	\$ 251,350	\$ -	\$ 251,350	\$ -	\$ -	\$ -	\$ -
Funding Source								
(45)	General Fund	\$ 171,850	\$ -	\$ 171,850	\$ -	\$ -	\$ -	\$ -
(46)	Institution Funds	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ -
(47)	Federal Funds	\$ 59,700	\$ -	\$ 59,700	\$ -	\$ -	\$ -	\$ -
	TOTAL	\$ 251,350	\$ -	\$ 251,350	\$ -	\$ -	\$ -	\$ -

Schedule 13

Department of Higher Education

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-07 Chief Educational Equity Officer

Dept. Approval By: _____

Supplemental FY 2019-20

OSPB Approval By: _____

Budget Amendment FY 2020-21

X

Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$3,302,135	\$0	\$3,434,851	\$150,950	\$150,950
	FTE	30.0	0.0	30.0	1.0	1.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$150,950	\$150,950
	CF	\$257,521	\$0	\$295,256	\$0	\$0
	RF	\$3,044,814	\$0	\$3,139,595	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$3,302,135	\$0	\$3,434,851	\$150,950	\$150,950
	FTE	30.0	0.0	30.0	1.0	1.0
02. Colorado Commission on Higher Education, (A) Administration . (1)	GF	\$0	\$0	\$0	\$150,950	\$150,950
Administration - Administration	CF	\$257,521	\$0	\$295,256	\$0	\$0
	RF	\$3,044,614	\$0	\$3,139,595	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? **NO**

Type of Request? Department of Higher Education
Prioritized Request

Interagency Approval or
Related Schedule 13s:

No Other Agency Impact



Department Priority: R-07
Request Detail: Chief Educational Equity Officer

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$55,020	\$150,950	\$150,950
FTE	1.0	1.0	1.0
General Fund	\$55,020	\$150,950	\$150,950
Cash Funds	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of Request:

The Department of Higher Education (Department) requests a supplemental appropriation of \$55,020 General Fund in FY 2019-20, annualizing to \$150,950 in FY 2020-21 and beyond for a new Chief Educational Equity Officer (CEEEO) position. The goal is to onboard the CEEEO in March 2020; therefore, the FY 2019-20 request is prorated and then annualized in FY 2020-21. The Department plans to submit a supplemental request for the FY 2019-20 appropriation in January.

While Colorado is known for its highly educated population, it has deep and persistent educational equity gaps. Colorado has the largest attainment gap between White and Latinx residents of any state. Only 46 percent of Latinx students who graduate from high school attend higher education institutions, and only 44 percent who enroll complete a college credential within six years. Among Black and African American students, 54 percent pursue college after high school, and only 38 percent of those who enroll complete a college credential within six years.

The CEEEO will build on the Department’s momentum toward addressing the educational equity gaps in Colorado. Immediately, this individual will be responsible for administering adiversity, equity and inclusion curriculum developed through a recent Lumina Foundation grant, while mobilizing existing networks of equity champions at institutions across the state. The CEEEO will also be instrumental in implementing new legislation designed to address equity gaps. Most importantly, the CEEEO will lead a statewide cultural shift, ensuring Colorado’s higher education system is accountable to making progress on eliminating equity gaps.

Similar positions exist in only two other states, putting Colorado at the forefront. The Department believes that without this funding, it will lose recent momentum in closing the state’s persistent equity gaps in

educational attainment. With grant funding winding down, the need for this position has become urgent so as not to impede progress.

Current Program:

This request is for the creation of a new Chief Educational Equity Officer (CEEEO) position within the Department. The CEEEO will build on the momentum already established through a grant from the Lumina Foundation and catalyzed by the state's Equity Champions Coalition to address the educational equity gaps in Colorado. In 2017, the Department received a \$500,000 Talent, Innovation and Equity (TIE) grant. Goals of the grant included (I) campus equity interventions, (II) building and disseminating equity professional development, (III) cultivating an Equity Champions Coalition, and (IV) statewide leadership and listening. A primary product of the TIE grant is a free online equity toolkit for inclusive teaching and learning released by the Department in September 2019. Getting an early start, subgrantee Community College of Aurora (CCA) has been successful in training its first cohort of professors and adjunct faculty on this inclusive teaching curriculum.

As grant funding winds down, the Department must maintain and strengthen its momentum. Taking the lead in the implementation of the equity toolkit throughout our institutions is just the start. The state must also advance a broader cultural shift if we aim to successfully address deep and persistent equity gaps in our public higher education system.

Problem or Opportunity:

Today, almost 57 percent of Coloradans aged 25-34 have a postsecondary degree or credential, making Colorado one of the most educated states. While Colorado is known for its highly educated population, it has deep and persistent educational equity gaps.

The attainment rate for the Latinx population, Colorado's largest and fastest growing ethnic population, is 28.6 percent. This gives us the largest attainment gap between White and Latinx residents of any state. Only 46 percent of Latinx students who graduate from high school attend higher education institutions, and only 44 percent who enroll complete a college credential within six years. Among Black and African American students, 54 percent pursue college after high school, and only 38 percent of those who enroll complete a college credential within six years.

The Higher Education Master Plan, *Colorado Rises*, sets forth a 66 percent attainment goal by 2025. For Colorado to meet current economic demands, an even higher 74 percent of residents need to have a postsecondary credential. Colorado cannot achieve its goals nor this economic imperative if we do not close the state's equity gaps.

Proposed Solution:

To address the equity gaps detailed above, the Department requests 1.0 FTE (\$55,020 General Fund in FY 2019-20, \$150,950 ongoing) for the creation of the Chief Educational Equity Officer (CEEEO) position. Similar positions exist in only two other states, putting Colorado at the forefront. Immediately, this individual will be responsible for administering the diversity, equity and inclusion curriculum developed through the TIE grant to faculty and staff at institutions across the state. Existing networks of equity champions at our institutions will be utilized in a coordinated effort to leverage the recently released equity toolkit. The CEEEO will be a recognized expert in culturally responsive curriculum and will assist institutions in assessing and transforming work on campuses.

The CEEO will also be instrumental in implementing new legislation designed to address equity gaps. Additionally, they will be working closely with the Department of Education and Workforce Development Council to align equity efforts across the education and workforce pipeline. Most importantly, the CEEO will lead a statewide cultural shift, ensuring Colorado's higher education system is accountable to making progress on eliminating equity gaps.

Anticipated Outcomes:

The Higher Education Master Plan, *Colorado Rises*, sets a goal of reaching 66 percent statewide attainment by 2025. One of the four key strategies outlined is erasing equity gaps. With our state's changing demographics, the goal of 66 percent is unattainable if we do not make major progress on racial disparities. *Colorado Rises* aims to raise African American, Hispanic and Native American students to 66 percent along with their white counterparts. The CEEO will lead this effort.

Assumptions and Calculations:

FTE calculations are appended to this request.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

This supplemental request is based upon new information resulting in changes in funding needs. The Department believes that without this funding, it will lose recent momentum in closing the state's persistent equity gaps in educational attainment. Along with other efforts, the Lumina Foundation's TIE grant has begun to address these gaps. With grant funding winding down, the need for this position has become urgent so as not to impede progress.

Schedule 13

Department of Higher Education

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-08 Division of Private Occupational Schools

Dept. Approval By: _____

Supplemental FY 2019-20

OSPB Approval By: _____

Budget Amendment FY 2020-21

X

Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$790,436	\$0	\$811,100	\$200,000	\$100,000
	FTE	9.8	0.0	9.8	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$790,436	\$0	\$811,100	\$200,000	\$100,000
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$790,436	\$0	\$811,100	\$200,000	\$100,000
	FTE	9.8	0.0	9.8	0.0	0.0
02. Colorado Commission on Higher Education, (B) Division of Private Occupational Schools, (1) Division of Private Occupational Schools - Division Of Private Occupational Schools	GF	\$0	\$0	\$0	\$0	\$0
	CF	\$790,436	\$0	\$811,100	\$200,000	\$100,000
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request?

Department of Higher Education
Prioritized Request

Interagency Approval or
Related Schedule 13s:

No Other Agency Impact



Department Priority: R-08
Request Detail: Division of Private Occupational Schools

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$200,000	\$100,000
FTE	0	0	0
General Fund	\$0	\$0	\$0
Cash Funds	\$0	\$200,000	\$100,000
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of Request:

The Department of Higher Education (Department) requests a \$200,000 increase in spending authority for the Private Occupational School Fund in FY 2020-21, annualizing to \$100,000 for the subsequent three fiscal years, to enable the Division of Private Occupational Schools (DPOS) to implement a comprehensive IT solution that will increase the quality and efficiency of the Division’s workflow both internally and with the schools that DPOS regulates.

The number of schools that DPOS oversees has increased significantly since the Division was established in 1981, and the oversight process has become more complex, due largely to federal requirements. However, the Division continues to collect school information mostly in paper format and maintain hundreds of records using outdated databases and paper files. This antiquated process is inefficient and cumbersome and it prevents the Division from accurately measuring and reporting school information and student outcomes. Unlike public universities and private degree granting institutions, most occupational schools are not accredited, which means that the Division is solely responsible for ensuring compliance with standards for quality education, financial stability and ethical business practices. Having reliable, accurate data is crucial for the Division to do its job.

With increased spending authority, DPOS will build and implement an online regulatory system for its 300+ schools. As of 2019, all schools (public and private) wishing to be eligible for tuition dollars through the federal Workforce Innovation and Opportunity Act (WIOA) must provide information and report on outcomes on the state’s Eligible Trainer Provider List (ETPL). DPOS proposes to link to and use the same technology as the ETPL, thereby reducing the burden on these private businesses.

Current Program:

The Division of Private Occupational Schools (DPOS) is a division within the Department of Higher Education with its own 7-member governor-appointed board, authorized under the Private Occupational School Act of 1981, Section 23-64-101 *et seq*, C.R.S. DPOS is statutorily charged with overseeing postsecondary private occupational schools and their delivery of occupational education to protect students from fraudulent or substandard education.

DPOS provides regulatory oversight for over 300 private occupational schools in Colorado and approximately 20 out-of-state schools. These schools, which deliver education and training in a wide variety of occupational and high-need workforce areas including technology and information, allied health, aviation, truck driving and cosmetology, provide an alternative path to the traditional two- or four-year degree. The Board and Division's rules, regulations, policies, and processes are all designed to ensure that schools meet and maintain minimum standards in three general categories: quality education, financial stability, and ethical business practices.

The FY 2019-20 Long Bill appropriated \$790,436 cash funds and 9.8 FTE to the Division for its management of the program (excluding centrally appropriated items).

Problem or Opportunity:

The number of schools that DPOS oversees has increased significantly since the Division was established in 1981, and the oversight process has become more complex, due largely to federal requirements. However, the Division continues to collect school information mostly in paper format and maintain hundreds of records using outdated databases and paper files. This antiquated process is inefficient and cumbersome and it prevents the Division from accurately measuring and reporting school information and student outcomes.

The Division's regulatory responsibilities require it to have regular interactions with all schools. These processes include receiving and reviewing issues for Board approval or action (See attachment A "Applications and Processes").

Documents and forms for these actions are currently collected in paper format. Staff must then enter the data into a database. Staff also must keep track of each school's submissions (new programs, financial information, new faculty, etc.) throughout the year. The sheer magnitude of paper, data-entry, and copying subsumes an inordinate amount of staff time and division resources. Moreover, because the limited databases that the Division is able to utilize do not connect with each other, the Division is not able currently to readily assess the number of enrollees in its schools and programs, nor is it able to evaluate schools' performance in such areas as completion data and student outcomes.

Occupational schools, like all postsecondary education providers, are facing an increasingly skeptical public and media; the Department is being asked to serve as an honest broker and provide transparency on costs and outcomes. Unlike public universities and private degree granting institutions, most occupational schools are not accredited, which means that the Division is solely responsible for ensuring compliance with standards for quality education, financial stability and ethical business practices. Having reliable, accurate data is crucial for the Division to do its job.

In 2016, DPOS issued an RFP for an information and tracking system that would manage its entire workflow process, including maintaining records and housing data provided by the schools in their applications. The bids that the Division received did not respond adequately to the Division's needs at the time and estimated costs were well above the Division's availability of funds. Then in 2018, the Division sought to utilize its limited resources to improve its in-house database. But the complexity of the regulatory process made that approach unworkable.

At the same time that the Division has been seeking a solution to its increasingly inefficient process, the Colorado Department of Labor and Employment (CDLE) has been working with the Department to help implement federal requirements to develop a more comprehensive Eligible Trainer Provider List (ETPL) that includes all post-secondary providers in Colorado. As of 2019, all schools (public and private) wishing to be eligible for tuition dollars through the federal Workforce Innovation and Opportunity Act (WIOA) must provide information and report on outcomes on the ETPL. Approximately one third of DPOS schools have signed on to the ETPL to date.

The online workflow application system that the Department has built for the ETPL provides an opportunity for DPOS. By starting with the ETPL system, the DPOS can build out the regulatory functions it requires to the existing system and automate most of its workflow; at the same time, this solution would eliminate the need for schools to register with DPOS and then separately with the ETPL.

Proposed Solution:

With increased spending authority of \$200,000 for FY 2020-21 and \$100,000 through the end of FY 2023-24, the Division proposes to build and implement an online regulatory system for its 300+ schools. The DPOS proposes to link to, and use the same technology as, the state's Eligible Trainer Provider List (ETPL), thereby reducing the burden on these private businesses.

Division staff have consulted with CDLE, Department staff and the vendor who is providing the ETPL system to get a full estimate of staff time and costs to build out the DPOS regulatory system from the base ETPL system. To maximize our investment, the Division's request for funding contemplates additional training for existing staff to gain competencies needed for fully utilizing the new system's capabilities.

Following are the estimated costs of building and maintaining an online system that encompasses all of DPOS's workflow:

Year 1

Payment Process Development: \$25,000-\$40,000
Training of staff to operate/modify system: \$20,000-\$25,000
Development Hours: \$70,000-\$125,000
Total: Not to exceed 200,000

Years 2-3

Enterprise Support: \$22,000
Professional Service Hours: \$17,500
Additional Training: \$10,000
Licensing Renewal Fees: \$40,000

Total: Not to exceed 100,000 per year

The Division is 100 percent cash funded with a carry-over balance capped at 16.5 percent of its expenditures. The Division anticipates it may reach its cap for FY 2019-20. With increased spending authority, DPOS will have the ability to spend its fund revenue to seed the technology solution and maintain the envisioned system as required.

Anticipated Outcomes:

The Division anticipates that the new online IT solution will result in time savings to Division staff and board members and increased efficiencies for schools; it will also enable more accurate data and improved reporting and information about schools and outcomes.

Time savings and efficiencies

Attachment A, “Cost-Benefit Analysis,” shows the average time spent by Division staff on each of the major regulatory functions of the Division, and the estimated time that will be saved with an automated system. Five Division personnel currently spend approximately 30 percent of their time doing data entry after receiving paper submissions from schools. The new IT solution will allow schools to directly input applications and data to a centralized system, thereby reducing the time required for staff to complete each review. The system will also provide immediate notifications that data is missing or incorrect so the back and forth between the school and Division is reduced dramatically.

Currently the approval process takes anywhere from two months to a year to reach the Board for approval (depending on the school’s ability to demonstrate compliance with the minimum standards and thoroughly complete the authorization process). DPOS anticipates that time for seeking approval can be reduced by up to 50 percent once the system is fully running and will likely reduce the application process by 70 percent once the schools are familiar with the new system.

Within the approval process referenced above, the Division anticipates that integration of a more rigorous financial stability tool in the new IT solutions will enable the Division and Board to reduce the time it spends on review of financial documents by 40 percent.

For the Division, time previously dedicated to data entry task will be re-allocated to activities intended to improve the quality of education services, including creation of training webinars, more direct outreach and site visits and regular proactive compliance checks. The Division believes that this additional outreach, training and technical assistance by staff will result in earlier intervention and reduction in the amount noncompliant schools – ultimately protecting students from harm.

Better information, data and reporting

Currently DPOS collection of outcome and benchmark data in annual reports are limited to approximate enrollment data, student graduate data, instructor information, and bond verification. While this data is important, it only tells a small portion of the story students, stakeholders and the public want to know about this important sector of the higher education landscape. The centralization and increased functions of the new system will allow the Division to more readily track completion times and will incorporate a more efficient means for categorizing data so that it can run more sophisticated reports and analytics. The Division will thereby be positioned to contribute its information and statistics to the Department’s overall credential attainment goals and tracking.

Furthermore, the system will improve consistency and quality of information that will inform predictive or lead measures to assess financial stability. Currently, the Division receives only lag measures that often come too late—after a school has been driven to closure. Earlier intervention and enforcement related to financial stability also will enhance student protection measures, as students will not continue to invest in financially unsound schools or programs.

In addition, noncompliance issues and school closures involve complex workflows and data collection that will be managed more efficiently through a centralized system. The system will help ensure safekeeping and productions of vital student records such as transcripts and records necessary to administer refunds.

Assumptions and Calculations:

The Division has obtained the following estimates for building the envisioned technology system. The requested spending authority increase is based on the following “not to exceed” estimates:

	Year One	Year Two	Year Three and Forward
System Build Out	\$125,000		
System Support (excludes configuration effort)	\$20,000	\$21,170	\$21,800
Professional Services Hours (changes, fixes, bugs)	140 hours @ \$179.00 = \$25,000	100 hours at 175.00 rate = \$17,500	\$17,500
Training (including travel)	\$25,000	\$10,000	NA
Licensing Renewal Fees	NA	\$40,000	\$40,000
Additional Licenses (if needed)	NA	\$3,600	\$3,600
Total	\$195,000	\$92,270	\$82,900

Attachment A

Applications	Processes
New School	Monthly Bond Audit
In-State Renewal	Quarterly Assessments
Out-of-State Renewal	Site Visit
New Program	Voluntary School Closure
New Course	Involuntary School Closure
Major Revision	Surety Cancellation Procedure
Minor Revision	Transcript Requests
Illegal School	Complaints
Change of Name	Board Actions
Change of Location	Mail
Change of Ownership	Attaching the Bond
Annual Filings	Eligible Trainer Provider List Approval
Instructor Changes	Late Fees for Student Assessments and Annual Filings
New Campus	Investigations
Agent Permits	Assessments
Exemption Requests	Accreditation Council Actions Tracking
	After Board Meeting Follow Up
	Refunds
	Custodian of Records for closed school records
	Rulemaking
	Financial Stability Measures
	Colorado Open Records Act Requests

Attachment A

DPOS Application/Process	Current System Estimate - Total Duration of Time that an App or Process is with DPOS	Current System Estimate - Hours/Minutes Spent for Review or Processing	New System Estimate - Hours/Minutes Spent for Review or Processing	Time Difference (Time Saved by Switching to New System)	Time Converted to Minutes	Quantity of Applications or Processes Completed (Per Year)	Hours Saved Per Year (Cost/Benefit Analysis)
New School	2-12 months	40 hours	30 hours	10 hours	600 minutes	22	220 hours
In-State Renewal	2-3 months	12 hours	2 hour	10 hours	600 minutes	97	970 hours
Out-of-State Renewal	1 month	3 hours	30 minutes	2 hours 30 minutes	150 minutes	19	47.5 hours
New Program/Stand Alone	2 months	5 hours	1 hour	4 hours	240 minutes	107	428 hours
Minor Revisions	1 month	2 hours	30 minutes	1 hour and 30 minutes	90 minutes	55	82.5 hours
Illegal Schools Process	6 months	10 hours	7 hours	3 hours	180 minutes	30	90 hours
Change of Name Application	3 weeks	1 hour	30 minutes	30 minutes	30 minutes	10	5 hours
Location Change Application	1 month	1 hour	30 minutes	30 minutes	30 minutes	28	14 hours
Ownership Change Application	6 months	7 hours	5 hours	2 hours	120 minutes	9	18 hours
Annual Filings	3 months	1 hour	10 minutes	50 minutes	50 minutes	300	250 hours
Monthly Bond Audit	1 month	1 hour	10 minutes	50 minutes	50 minutes	300	250 hours
Quarterly Assessments	1 year	30 minutes	10 minutes	20 minutes	20 minutes	80	27 hours
School Closure - Voluntary - Managing Student Records	1 year	3 hours	0 minutes	3 hours	180 minutes	29	87 hours
Mail	1-2 days	2 hours	10 minutes (for receipt of original bond docs as required)	1 hour 50 minutes	110 minutes	261	478.5 hours
Complaints	2 years	1 hour	5 minutes	55 minutes	55 minutes	89	82 hours
Agent Applications	2 days	30 minutes	15 minutes	15 minutes	15 minutes	234	58.5 hours
Exemption Request	2 months	1 hour 30 minutes	1 hour	30 minutes	30 minutes	10	5 hours
Deposits	3 hours	3 hours	10 minutes	2 hours 50 minutes	170 minutes	48	136 hours
						Total available hours for outreach	3,249 total hours--> converted to 8 hour work days = 406 days for outreach efforts

Schedule 13

Department of Higher Education

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-09 Early Childhood Talent Pipeline Scholarship

Dept. Approval By: _____

Supplemental FY 2019-20

OSPB Approval By: _____

Budget Amendment FY 2020-21

X

Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$0	\$0	\$0	\$4,311,785	\$3,923,543
	FTE	0.0	0.0	0.0	1.0	1.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$4,311,785	\$3,923,543
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$0	\$0	\$0	\$4,311,785	\$3,923,543
	FTE	0.0	0.0	0.0	1.0	1.0
03. Colorado Commission on Higher Education Financial Aid, (D) Special Purposes, (1) Special Purposes - Early Childhood Educator Scholarship Program	GF	\$0	\$0	\$0	\$4,311,785	\$3,923,543
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request?

Department of Higher Education
Prioritized Request

Interagency Approval or
Related Schedule 13s:

No Other Agency Impact



Department Priority: R-09
Request Detail: Early Childhood Talent Pipeline Scholarship

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$4,311,785	\$3,923,543
FTE	0	1.0	1.0
General Fund	\$0	\$4,311,785	\$3,923,543
Cash Funds	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of Request:

The Department of Higher Education (Department) requests \$4,311,785 General Fund in FY 2020-21 to fund scholarships to address early childhood educator workforce shortages. The Department also requests 1 FTE in FY 2020-21 and ongoing to lead quantitative and qualitative research of the impact this scholarship program has on the ECE workforce. Students pursuing ECE certificates, associate’s, and bachelor’s degrees at Colorado’s public institutions of higher education would be eligible. Depending upon an individual student’s level of need, and the availability of resources, the scholarship would be intended to cover any remaining portion of a student’s cost of attendance after federal and state need-based aid have been applied. This request is submitted in tandem with R-10, Loan Forgiveness for Early Childhood Educators, and decreases annually until FY 2024-25 in order to offset increases in the annual request for R-10.

Approximately 70% of Colorado child care center directors report that finding qualified educators is a top challenge they face.³ Unfortunately, these challenges are expected to worsen. The Colorado Department of Labor and Employment expects demand to grow 33-43% through 2025, assuming current early childhood care and education utilization remains at similar levels as today.⁴ Additionally, educators often cite lack of preparation as a reason for leaving the profession.⁵ In a 2017 early educator workforce study, respondents indicated they needed more instruction in working with English language learners, trauma-informed practices, and meeting the needs of children with special health, learning, and behavioral needs.³

Yet for many professionals in the field, pursuing any type of post-secondary education can be challenging. Seventy-five percent of respondents reported that they would require some type of tuition assistance to pursue higher education.³ Existing research suggests that when the financial benefit meaningfully offsets the cost of a teacher’s professional preparation, these programs can be successful in both recruiting and retaining teachers. Currently there are no programs funded or administered at the state level specifically designed to assist students seeking to become early childhood education (ECE) educators.

Current Program:

Currently there are no programs funded or administered at the state level specifically designed to assist students seeking to become early childhood education (ECE) educators.

The primary scholarship program for ECE educators in Colorado is known as the Teacher Education and Compensation Helps Early Childhood® (TEACH Early Childhood) Scholarship, which offers early childhood educators a way to pursue higher education and thus a professional career pathway. TEACH is administered by the Early Childhood Council Leadership Alliance (ECCLA) and is currently funded by private foundations, with no state or federal funding.

Problem or Opportunity:

Research shows that learning takes place from birth as infants, toddlers, and young children's brains develop rapidly during the early years. Education provides a significant contribution to the development of children. In addition to a safe and healthy environment in which to grow, young children benefit from early learning experiences to develop cognitive, social, and emotional skills. To provide these early learning experiences, Colorado needs a diverse and well-qualified workforce of early childhood educators.

Currently, Colorado is one of many states currently grappling with educator shortages. Sixty-three percent of children under six live in homes where all the adults work, yet many families struggle to find quality care.² Low early childhood educator wages and poor preparation result in high ECE workforce turnover. According to a recent study in Colorado, approximately 70% of child care center directors report that finding qualified educators is a top challenge they face.³ Unfortunately, these challenges are expected to worsen. The Colorado Department of Labor and Employment (CDLE) expects demand to grow 33-43% through 2025, assuming current early childhood care and education utilization remains at similar levels as today.⁴

Attracting and retaining staff with experience and higher levels of education is difficult given the low wages the field earns, often at or near poverty levels. Though poor compensation is one of the top reasons for high turnover, educators often cite preparation as another reason for leaving the profession.⁵ In a 2017 early educator workforce study, respondents indicated they needed more instruction in working with English language learners, trauma-informed practices, and meeting the needs of children with special health, learning, and behavioral needs.³ Yet for many professionals in the field, pursuing any type of post-secondary education can be challenging. Seventy-five percent of respondents reported that they would require some type of tuition assistance to pursue higher education.³

Financial incentives such as loan forgiveness and service scholarship programs have proven successful in both recruiting and retaining educators. Existing research suggests that when the financial benefit meaningfully offsets the cost of a teacher's professional preparation, these programs can be successful in both recruiting and retaining teachers. Research suggests that the following five design principles could guide the development of loan forgiveness and service scholarship programs:

- Covers all or a large percentage of tuition.
- Targets high-need fields and/or schools.

- Recruits and selects candidates who are academically strong, committed to teaching, and well-prepared.
- Commits recipients to teach with reasonable financial consequences if recipients do not fulfill the commitment (but not so punitive that they avoid the scholarship entirely).
- Bureaucratically manageable for participating teachers, districts, and higher education institutions.⁶

Proposed Solution:

The Department requests \$4,311,785 General Fund in FY 2021, annualizing to \$3,923,543 in FY 2021-22, to fund a scholarship program in partnership with the institutions of higher education, to reduce and in some cases pay in full the cost of attendance for individuals seeking ECE degrees and certificates. The Department intends for this scholarship to target students pursuing degrees associated with the CIP codes 13.1210, 13.1015, 13.1501, and 13.1206, all of which directly relate to the early childhood education workforce and the formal training to become qualified as an early childhood educator in a Department of Human Services licensed program or on a path toward Colorado Department of Education licensure. Students pursuing certificates, associate's, and bachelor's degrees within these CIP codes would be eligible. Depending upon an individual student's level of need, and the availability of resources, the scholarship would be intended to cover any remaining portion of a student's cost of attendance after federal and state need-based aid have been applied.

Based on the most recent available data, in FY 2018, 1,022 students were enrolled in ECE-related undergraduate credential programs and had a valid FAFSA on file. On average, the cost of attendance for these students was approximately \$23,000. Financial aid awards are calculated at the institutional level based on an individual student's cost of attendance and expected family contribution. The documented need of an individual student consists of the student's cost of attendance minus their expected family contribution. The average amount of need for the identified students was \$16,305 in FY 2018. If the average federal Pell award (\$ 2,379) and the average state-funded need-based aid award (\$1,028) are also applied, the average remaining need is \$12,898. If an additional \$4,311,785 in financial aid were made available, this money, in addition to other forms of financial aid, such as institutional aid, state-funded merit aid, and state-funded work study aid, could substantially reduce or eliminate the cost of attendance for the identified students.

The amounts cited above are **averages**, meaning they are not necessarily indicative of any single student's experience. Instead, these averages are used for illustrative purposes. There is a wide range of costs of attendance, expected family contributions, Pell awards, and state-need based aid awards. Therefore, the Department recommends a wide range of potential scholarship awards to ensure that the full appropriation can be spent. The Department recommends that institutions have the flexibility to make awards based on individual students' needs such that award amounts can vary from \$0 up to the full cost of tuition and fees. The Department also recommends that this award be made only after state and federal need-based aid have already been applied.

Based on current practice, the Department would allocate funds to institutions of higher education based on the current number of Pell-eligible student Full-Time Equivalents enrolled in the associated ECE CIP codes listed above. Institutions of higher education would be responsible for packaging aid to individual students in accordance with current financial aid law, policy, and practice.

Anticipated Outcomes:

Colorado is currently experiencing a shortage of early childhood educators to work in centers and school districts across the state. Potential educators feel more comfortable in their roles and are more likely to stay if they have been well prepared. Financial incentives have been found to attract potential educators to the field and encourage them to persist when those incentives significantly offset the cost of obtaining an education. A strong pipeline of well-prepared early childhood educators benefits the State in many ways, including preparing young children with academic, social, and emotional skills to promote academic achievement. Furthermore, a strong ECE pipeline allows parents to enter and remain in the workforce, contributing to Colorado’s economic success.

Providing scholarships to incentivize the recruitment and retention of early childhood educators aligns with the goals of both the Department of Human Services and CDHE. The *Early Childhood Colorado Framework*, with which the CDHS Office of Early Childhood (OEC) aligns itself, aims to provide families with high-quality learning environments. Financial incentives can also contribute to the success of the CDHE goals laid out in the Department’s master plan, *Colorado Rises*. Specifically, CDHE is committed to increasing the number of credentials completed by individuals to become educators to 3,280 by 2025. Efforts to recruit and retain educators are detailed in the Department’s strategic plan: *Colorado’s Teacher Shortages: Attracting and Retaining Excellent Educators*.

Strategic Goal 3: Attract Educator Talent in content Shortage Areas by Developing Targeted Programs in Areas of Need (To include ECE)	Objective 3: Prepare Teacher Candidates in Teacher Shortage Areas (To include ECE)	Strategy 1; Offer Scholarships for Content Teacher Shortage Areas to Complete Licensure Requirements and Enter Teaching (To include ECE)
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Research-based evidence supports the implementation of scholarships for recruiting and retaining educators. The federal government offers Public Service Loan Forgiveness and the TEACH grant program. TEACH offers up to \$16,000 in grants to prospective teachers who agree to work in high-needs schools for four years. Despite bureaucratic difficulties, recipients report that both are very valuable in order to offset the costs of living and preparation⁶.

More than 40 states offer financial incentives to pre- and in-service educators such as loan forgiveness and/or scholarships. The North Carolina Teaching Fellows Program is a scholarship program for high school graduates in exchange for a four-year teaching commitment. Findings suggest that 75% of recipients remain in the field for at least five years. Additionally, teacher effectiveness as measured by student test scores show gains of 22%.⁸

Success will be determined by tracking the recruitment and retention of early childhood educators. Data will be collected on scholarship recipients and those candidates will be tracked into educator positions. Additionally, scholarship recipients will be given the Financial Burden Survey developed by *Prepared to Teach*. This instrument will help the 1.0 FTE ECE Researcher understand candidates’ economic realities and document the kinds of financial barriers they face while pursuing certification.

Data will be collected annually to determine how the scholarship financial incentive effects, recruitment, retention, and self-perceived financial stress. The demographic information will include counts and proportions of candidates receiving scholarships and going on to teach in schools or child care centers, as well as persistence in education upon receiving loan forgiveness and survey data collection are all non-experimental methods.

If this request is not approved, potential early childhood educators may still have opportunities to take advantage of the current TEACH scholarships, and those who earn a bachelor's or higher and work in a rural school district may be eligible for the Educator Loan Forgiveness program. However, given current CDLE projections, early childhood educator shortages will likely worsen as the need for quality educators increases.

Assumptions and Calculations:

Based on the need for quantitative and qualitative measurements of the impact this scholarship program will have on the ECE workforce, the Department anticipates that 1.0 FTE would be required to carry out this research. The Department anticipates that this researcher would need to hold or be near completion of a PhD in Educator Preparation, Pedagogy or a related field. Further, the Department anticipates this researcher would be based at CDHE but would also serve as a conduit, working closely with the Department of Labor and Employment, the Department of Human Services, the Colorado Department of Education, and the institutions of higher education. One primary responsibility of this researcher would to prepare an annual report in which the impact of this proposed scholarship program is analyzed. This report would include a detailed analysis of the ECE workforce outlook by the age range of children served and region of the state, as well as policy recommendations for how to increase the number and quality preparation of early childhood educators.

Department staff will also be charged with creating a methodology by which amounts will be allocated to eligible institutions of higher education from the \$4,311,785 appropriation. The Department recommends that a new line item be created in the Long Bill for the ECE Scholarship. Institutions would then be responsible for packaging awards to individual students enrolled in programs associated with qualifying CIP codes from the institution's allocation. The Department recommends that this appropriation be made in conjunction with the existing financial aid appropriation lines. The allocation and awarding methodology outlined here aligns with current practice, especially as it pertains to the Graduate Need-Based aid program.

As noted in the companion request, R-10 Loan Forgiveness for Early Childhood Educators, the increasing annual General Fund request for loan forgiveness is offset by a commensurate reduction in the annual General Fund request for R-09. Together, the two requests are designed to offer multiple distinct incentives to attract and retain qualified early childhood educators without creating an increasing obligation of General Fund over time. The table below illustrates the total amount of funding (including administrative costs) requested for R-09 and R-10 through FY 2024-25, at which time the amount necessary for loan forgiveness stabilizes.

	<i>FY21</i>	<i>FY22</i>	<i>FY23</i>	<i>FY24</i>	<i>FY25</i>
R-09	\$4,311,785	\$3,923,543	\$3,523,543	\$3,123,543	\$2,873,543
R-10	\$544,358	\$937,303	\$1,337,303	\$1,737,303	\$1,987,303
Total	\$4,856,143	\$4,860,846	\$4,860,846	\$4,860,846	\$4,860,846

¹ Retrieved from <https://ecclacolorado.org/wp-content/uploads/2019/01/State-Profile-FY18-TEACH-CO.pdf> in October 2019

² Qualistar, Leading Colorado's Early Care and Education Workforce, April 2016; Retrieved from <https://www.qualistar.org/uploads/LeadingColoradosECEWorkforce.pdf>

³ Schaack, D. & Le, V. (2017). Colorado's Early Childhood Workforce Survey, 2017 final report. Denver, CO: University of Colorado Denver.

⁴ Colorado Workforce Development Council, 2016 Colorado Talent Pipeline Report; Retrieved from <https://www.colorado.gov/pacific/cwdc/colorado-talent-pipeline-report>

⁵ Colorado Department of Higher Education, 2017 Teacher shortages Across the Nation and Colorado: Similar Issues, Varying Magnitudes; Retrieved from https://higher.ed.colorado.gov/Publications/Reports/teachereducation/2017/TeacherShortages_Nation_Colorado_Dec2017.pdf

⁶ Podolsky, A. & Kini, T. (2016). How Effective Are Loan Forgiveness and Service Scholarships for Recruiting Teachers?

⁷ Li Feng and Tim R. Sass, "The Impact of Incentives to Recruit and Retain Teachers in 'Hard-to-Staff' Subjects," Working Paper 141, National Center for Analysis of Longitudinal Data in Education Research (2015).

⁸ Gary T. Henry, Kevin C. Bastian, and Adrienne A. Smith, "Scholarships to Recruit the 'Best and Brightest' Into Teaching: Who Is Recruited, Where Do They Teach, How Effective Are They, and How Long Do They Stay?," *Educational Researcher* 41, no. 3 (2012): 83–92.

Schedule 13

Department of Higher Education

Funding Request for The FY 2020-21 Budget Cycle

Request Title

R-10 Loan Forgiveness for Early Childhood Educators

Dept. Approval By: _____

Supplemental FY 2019-20

OSPB Approval By: _____

Budget Amendment FY 2020-21

X

Change Request FY 2020-21

Summary Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$0	\$0	\$0	\$544,358	\$937,303
	FTE	0.0	0.0	0.0	1.5	1.5
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$544,358	\$937,303
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2019-20		FY 2020-21		FY 2021-22
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
	Total	\$0	\$0	\$0	\$544,358	\$937,303
	FTE	0.0	0.0	0.0	1.5	1.5
02. Colorado Commission on Higher Education, (C) Special Purpose, (1) Special Purpose - Early Childhood Educator Loan Forgiveness Program	GF	\$0	\$0	\$0	\$544,358	\$937,303
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? YES

Type of Request?

Department of Higher Education
Prioritized Request

Interagency Approval or
Related Schedule 13s:

No Other Agency Impact



Department Priority: R-10
Request Detail: Loan Forgiveness for Early Childhood Educators

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$544,358	\$937,303
FTE	0	1.5	1.5
General Fund	\$0	\$544,358	\$937,303
Cash Funds	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of Request:

The Department of Higher Education (Department) requests \$544,358 General Fund in FY 2020-21 to fund loan forgiveness to address early childhood educator shortages. The Department also requests 1.5 FTE in FY 2020-21 and ongoing to administer the program. 50 Early Childhood Education associate’s degree holders and 50 bachelor’s degree holders currently employed as early childhood educators will be eligible for up to \$3,000 in loan forgiveness annually for up to four years and up to \$5,000 in loan forgiveness annually for up to five years, respectively. Accordingly, the request increases to \$937, 303 in FY 2021-22, \$1,337,303 in FY 2022-23, \$1,737,303 in FY 2023-24, and \$1,987,303 in FY 2024-25 and ongoing. The Department continues to work to identify the appropriate legislative route to accomplish the establishment of this program.

Approximately 70% of Colorado child care center directors report that finding qualified educators is a top challenge they face.³ Additionally, the Colorado Department of Labor and Employment expects demand to grow 33-43% through 2025, assuming current early childhood care and education utilization remains at similar levels as today.⁴ Additionally, educators often cite lack of preparation as a reason for leaving the profession.⁵ In a 2017 early educator workforce study, respondents indicated they needed more instruction in working with English language learners, trauma-informed practices, and meeting the needs of children with special health, learning, and behavioral needs.³

Yet for many professionals in the field, pursuing any type of post-secondary education can be challenging. Seventy-five percent of respondents reported that they would require some type of tuition assistance to pursue higher education.³ Existing research suggests that when the financial benefit meaningfully offsets the cost of a teacher’s professional preparation, these programs can be successful in both recruiting and retaining teachers. Currently there are no programs funded or administered at the state level specifically designed to assist students seeking to become early childhood education (ECE) educators.

Current Program:

Currently there are no programs funded or administered at the state level that make educational loan payments exclusively on behalf of early childhood education (ECE) educators.

During the 2019 legislative session, Senate Bill 19-003 was passed which recreated a loan forgiveness program for teachers, principals, and special service providers. The eligibility criteria for this program include educators who hold certain types of licensure and are employed in certain types of school districts or content areas. The law states that educators in rural districts who teach or serve in content shortage areas shall be funded first, followed by any educator from a rural district, followed by any educator in a content shortage area. Early childhood educators typically do not hold these specific qualifying licensure requirements, nor are they typically employed by school districts.

The authorizing statute further dictates that up to 100 educators may be accepted into the program each year and that up to \$5,000 in loan forgiveness may be paid per year, per eligible educator in the program for a maximum of five years. For the fiscal year (FY) 2019-20 \$500,000 was appropriated to the Educator Loan forgiveness Fund. Funding for future years is subject to available appropriations.

Problem or Opportunity:

Research shows that learning takes place from birth as infants, toddlers, and young children's brains develop rapidly during the early years. Education provides a significant contribution to the development of children. In addition to a safe and healthy environment in which to grow, young children benefit from early learning experiences to develop cognitive, social, and emotional skills. To provide these early learning experiences, Colorado needs a diverse and well-qualified workforce of early childhood educators.

Currently, Colorado is one of many states currently grappling with educator shortages. Sixty-three percent of children under six live in homes where all the adults work, yet many families struggle to find quality care.² Low early childhood educator wages and poor preparation result in high ECE workforce turnover. According to a recent study in Colorado, approximately 70% of child care center directors report that finding qualified educators is a top challenge they face.³ Unfortunately, these challenges are expected to worsen. The Colorado Department of Labor and Employment (CDLE) expects demand to grow 33-43% through 2025, assuming current early childhood care and education utilization remains at similar levels as today.⁴

Attracting and retaining staff with experience and higher levels of education is difficult given the low wages the field earns, often at or near poverty levels. Though poor compensation is one of the top reasons for high turnover, educators often cite preparation as another reason for leaving the profession.⁵ In a 2017 early educator workforce study, respondents indicated they needed more instruction in working with English language learners, trauma-informed practices, and meeting the needs of children with special health, learning, and behavioral needs.³ Yet for many professionals in the field, pursuing any type of post-secondary education can be challenging. Seventy-five percent of respondents reported that they would require some type of tuition assistance to pursue higher education.³

Financial incentives such as loan forgiveness and service scholarship programs have proven successful in both recruiting and retaining educators. Existing research suggests that when the financial benefit meaningfully offsets the cost of a teacher's professional preparation, these programs can be successful in

both recruiting and retaining teachers. Research suggests that the following five design principles could guide the development of loan forgiveness and service scholarship programs:

- Covers all or a large percentage of tuition.
- Targets high-need fields and/or schools.
- Recruits and selects candidates who are academically strong, committed to teaching, and well-prepared.
- Commits recipients to teach with reasonable financial consequences if recipients do not fulfill the commitment (but not so punitive that they avoid the scholarship entirely).
- Bureaucratically manageable for participating teachers, districts, and higher education institutions.⁶

Proposed Solution:

The Department requests \$544,358 General Fund in FY 2020-21, annualizing to \$937, 303 in FY 2021-22, to establish an Early Childhood Educator Loan Forgiveness Fund. This would require new legislation, which the Department suggests be modeled upon SB 19-003. This amount is calculated based on the assumption that 50 Early Childhood Education associate's degree holders, currently employed as early childhood educators will be eligible for up to \$3,000 in loan forgiveness annually for up to four years. This methodology aligns with methodology employed by the existing Educator Loan Forgiveness program with some slight variations to account for the lesser debt amounts held, on average, by associate's degree holders. In 2018 the average debt of an associate's degree graduate was \$13,484.

Additionally, 50 early childhood education bachelor's degree holders currently employed as early childhood educators will be eligible for up to \$5,000 in loan forgiveness annually for up to five years. Again, mirroring the structure of the Educator Loan Forgiveness program and allowing for the meaningful buy down of a bachelor's degree holder's average debt amount of \$26,278.

Similar to the eligibility parameters that exist in the Educator Loan Forgiveness program, eligibility for the Early Childhood Educator Loan Forgiveness program would be limited to early childhood educators serving in high-quality, high-needs sectors. As such, eligibility would be limited to educators in an early childhood position in a center, school district public school, or a licensed family child care home that is ranked at least a Level 2 program under the Colorado SHINES quality rating and improvement system. These eligibility parameters also align with the early childhood educator tax credit perimeters.

To be eligible for loan forgiveness, the educator must serve in one of three program types: (1) a program with fiscal agreements with the Colorado Child Care Assistance Program (CCCAP); (2) a program that meets the federal Early Head Start or Head Start standards; (3) a program funded as part of the Colorado Preschool Program. Given the high need and potentially large pool of eligible candidates, additional selection priority will be granted to candidates who are culturally and/or linguistically diverse, seeking positions in high-need geographic areas, or pursuing licensure in early childhood special education.

Anticipated Outcomes:

Colorado is currently experiencing a shortage of early childhood educators to work in centers and school districts across the state. Potential educators feel more comfortable in their roles and are more likely to stay if they have been well prepared. Financial incentives have been found to attract potential educators to the field and encourage them to persist when those incentives significantly offset the cost of obtaining an

education. A strong pipeline of well-prepared early childhood educators benefits the State in many ways, including preparing young children with academic, social, and emotional skills to promote academic achievement. Furthermore, a strong ECE pipeline allows parents to enter/remain in the workforce, contributing to the economic success of the State.

Providing loan forgiveness and scholarships to incentivize the recruitment and retention of early childhood educators aligns with the goals of both CDHS and CDHE. The *Early Childhood Colorado Framework*, with which the CDHS Office of Early Childhood aligns itself, aims to provide families with high-quality learning environments.

Financial incentives can also contribute to the success of the CDHE goals laid out in the Department’s master plan, *Colorado Rises*. Specifically, CDHE is committed to increasing the number of credentials completed by individuals to become educators to 3,280 by 2025. Efforts to recruit and retain educators are detailed in the Department’s strategic plan: *Colorado’s Teacher Shortages: Attracting and Retaining Excellent Educators*.

Strategic Goal 2: Retain and Attract Educator Talent by Increasing Compensation and Benefits	Objective 2: Create Compensation Incentives to Subsidize Cost of Living	Strategy 1: <i>Offer Student Loan Forgiveness</i>
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Research-based evidence supports the implementation of loan forgiveness and scholarships for recruiting and retaining educators. The federal government offers Public Service Loan Forgiveness and the TEACH grant program. TEACH offers up to \$16,000 in grants to prospective teachers who agree to work in high-needs schools for four years. Despite bureaucratic difficulties, recipients report that both are very valuable in order to offset the costs of living and preparation⁶.

More than 40 states offer financial incentives to pre- and in-service educators such as loan forgiveness and/or scholarships. Loan Forgiveness was found to contribute to educator retention in a recent study of the Florida Critical Teacher Shortage Program (FCTSP). Participants received \$2,500 per year for undergraduates and \$5,000 per year for graduates up to \$10,000. Results suggest that loan forgiveness “significantly reduces the probability of exit for teachers of middle- and high-school math, science, world languages, and English as a Second Language” – all high need content areas⁷.

Success will be determined by tracking the recruitment and retention of early childhood educators. Retention data will be collected on educators who accept loan forgiveness. Additionally, prior to receiving loan forgiveness, ECE candidates will be given the Financial Burden Survey developed by *Prepared to Teach*. This instrument will help the State understand candidates’ economic realities and document the kinds of financial barriers they face while pursuing certification including:

- The proportion of education majors experiencing food and housing insecurity, along with those living in financial distress or subject to insurmountable financial challenges
- The degree to which financial issues play into their educational decisions
- Actual living and loan burden expenses education majors face, linked to local labor market salaries for teachers

- How candidates pay for tuition and living expenses, including how much they work while attending school.

Data will be collected on candidates statewide annually to determine loan forgiveness effects, recruitment, retention, and self-perceived financial stress. Demographic information will also be collected, including counts and proportions of candidates receiving scholarships and going on to teach in schools or care centers, as well as persistence in education upon receiving loan forgiveness.

If this request is not approved, potential early childhood educators may still have opportunities to take advantage of the current TEACH scholarships, and those who earn a bachelor’s or higher and work in a rural school district may be eligible for loan forgiveness. However, given current CDLE projections, early childhood educator shortages will likely worsen as the need for quality educators increases.

Assumptions and Calculations:

Based on the administrative workload associated with SB 19-003, the Department anticipates that 1.5 FTE would be required to administer the Early Childhood Education Loan Forgiveness program. The existing Educator Loan Forgiveness program is intended, and has been appropriately staffed, to grow steadily each year, serving a total of 100 educators in FY 2019-20, a total of 200 in FY 2020-21, 300 in FY 2021-22, etc. For this reason, it is not reasonable to expect the existing Educator Loan Forgiveness program staff to absorb the workload impact associated with the Early Childhood Educator Loan Forgiveness program, which is similarly intended to grow at a consistent rate. The existing Educator Loan Forgiveness program staff consist of 1.0 FTE Program Coordinator and 0.5 Accounting Technician IV. The FTE structure should be similar for the Early Childhood Educators Loan Forgiveness Program.

Administrative costs associated with the 1.5 FTE are \$144,358 in FY 2020-21, annualizing to \$137,303 in FY 2021-22 and ongoing. The below tables illustrate how loan forgiveness amounts increase and stabilize over time for early childhood educators with associate’s degrees (Table 1) and bachelor’s degrees (Table 2). In both tables, the bottom right total indicates the ongoing annual cost for that credential type.

<i>Number of cohorts receiving benefit</i>	<i>FY21</i>	<i>FY22</i>	<i>FY23</i>	<i>FY24</i>
1 Cohort	\$150,000	\$150,000	\$150,000	\$150,000
2 Cohorts		\$150,000	\$150,000	\$150,000
3 Cohorts			\$150,000	\$150,000
4 Cohorts				\$150,000
Total Annual Cost	\$150,000	\$300,000	\$450,000	\$600,000

Table 2. Annual Loan Forgiveness Allocations for Eligible Educators with Bachelor’s Degree

<i>Number of cohorts receiving benefit</i>	<i>FY21</i>	<i>FY22</i>	<i>FY23</i>	<i>FY24</i>	<i>FY25</i>
1 Cohort	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
2 Cohorts		\$250,000	\$250,000	\$250,000	\$250,000
3 Cohorts			\$250,000	\$250,000	\$250,000
4 Cohorts				\$250,000	\$250,000
5 Cohorts					\$250,000
Total Annual Cost	\$250,000	\$500,000	\$750,000	\$1,000,000	\$1,250,000

As noted in the companion request, R-09 Early Educator Talent Pipeline Scholarship, the increasing annual General Fund request for loan forgiveness is offset by a commensurate reduction in the annual General Fund request for R-09.

¹ Retrieved from <https://ecclacolorado.org/wp-content/uploads/2019/01/State-Profile-FY18-TEACH-CO.pdf> in October 2019

² Qualistar, Leading Colorado’s Early Care and Education Workforce, April 2016; Retrieved from <https://www.qualistar.org/uploads/LeadingColoradosECEWorkforce.pdf>

³ Schaack, D. & Le, V. (2017). Colorado’s Early Childhood Workforce Survey, 2017 final report. Denver, CO: University of Colorado Denver.

⁴ Colorado Workforce Development Council, 2016 Colorado Talent Pipeline Report; Retrieved from <https://www.colorado.gov/pacific/cwdc/colorado-talent-pipeline-report>

⁵ Colorado Department of Higher Education, 2017 Teacher shortages Across the Nation and Colorado: Similar Issues, Varying Magnitudes; Retrieved from https://higher.ed.colorado.gov/Publications/Reports/teachereducation/2017/TeacherShortages_Nation_Colorado_Dec2017.pdf

⁶ Podolsky, A. & Kini, T. (2016). How Effective Are Loan Forgiveness and Service Scholarships for Recruiting Teachers?

⁷ Li Feng and Tim R. Sass, “The Impact of Incentives to Recruit and Retain Teachers in ‘Hard-to-Staff’ Subjects,” Working Paper 141, National Center for Analysis of Longitudinal Data in Education Research (2015).

⁸ Gary T. Henry, Kevin C. Bastian, and Adrienne A. Smith, “Scholarships to Recruit the ‘Best and Brightest’ Into Teaching: Who Is Recruited, Where Do They Teach, How Effective Are They, and How Long Do They Stay?,” *Educational Researcher* 41, no. 3 (2012): 83–92.

Schedule 13

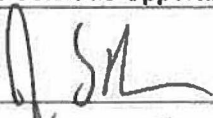
Department of Higher Education

Funding Request for The FY 2020-21 Budget Cycle

Request Title

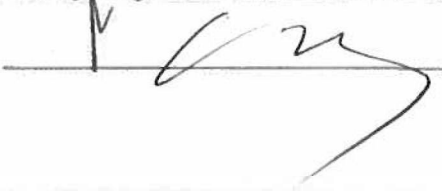
R-11 Colorado Opportunity Scholarship Initiative

Dept. Approval By: _____



Supplemental FY 2019-20

OSPB Approval By: _____



Budget Amendment FY 2020-21

X

Change Request FY 2020-21

Summary Information	Fund	FY 2019-20	Supplemental Request	FY 2020-21		FY 2021-22
		Initial Appropriation		Base Request	Change Request	Continuation
Total		\$7,000,000	\$0	\$7,000,000	\$3,000,000	\$3,000,000
FTE		0.0	0.0	0.0	6.0	6.0
Total of All Line Items Impacted by Change Request	GF	\$7,000,000	\$0	\$7,000,000	\$3,000,000	\$3,000,000
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Line Item Information	Fund	FY 2019-20	Supplemental Request	FY 2020-21		FY 2021-22
		Initial Appropriation		Base Request	Change Request	Continuation
Total		\$7,000,000	\$0	\$7,000,000	\$3,000,000	\$3,000,000
03. Colorado Commission on Higher Education Financial Aid, (D) Special Purposes, (1) Special Purposes - Colorado Opportunity Scholarship Initiative Fund	FTE	0.0	0.0	0.0	6.0	6.0
	GF	\$7,000,000	\$0	\$7,000,000	\$3,000,000	\$3,000,000
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$0	\$0
	FF	\$0	\$0	\$0	\$0	\$0

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Higher Education Prioritized Request

Interagency Approval or Related Schedule 13s:

No Other Agency Impact



Department Priority: R-11
Request Detail: Colorado Opportunity Scholarship Initiative

Summary of Incremental Funding Change for FY 2020-21			
	FY 2019-20	FY 2020-21	FY 2021-22
Total Funds	\$0	\$3,000,000	\$3,000,00
FTE	0	0	0
General Fund	\$0	\$3,000,000	\$3,000,000
Cash Funds	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0

Summary of Request:

The Department of Higher Education (Department) requests \$3 million in General Fund in FY 2020-21 and ongoing for the Colorado Opportunity Scholarship Initiative (COSI), to increase state and local community investment in Colorado students’ higher education attainment and enhance support services to students. The Department also requests that the 6 FTE that currently administer COSI be reflected in the COSI long bill line. The \$3 million increase will not directly fund the FTE, and the 6 FTE do not represent an increase in FTE, but rather a formal recognition of their program assignment.



In its first five years, COSI has served more than 74,000 students in 61 of 64 Colorado counties, awarding \$47 million of state funds and leveraging an additional \$28 million in local and private investment. Internal studies using the latest available data show that 87 percent of COSI students enrolled in CPP (TRIO-style support services)—persist in their education path. This is a significant outcome because the persistence rate of CPP students is 15 percentage points higher than that of peers in similar demographic groups. Students who receive COSI scholarships (MSS) perform even better: 89 percent continue in their second and third years, outpacing their non-COSI counterparts by 25 percentage points.

Increasing the annual appropriation by \$3 million to \$10 million will do more than allow COSI to serve additional students. This proposed solution will ensure that every COSI scholar will have access to the TRIO-like wraparound support services that the Office of State Planning and Budgeting (OSP) funded research has proven to be effective; it will also allow COSI to start funding these support services at each public institution in the state. This aligns with recommendations from the 2018 response to the Joint Budget Committee (JBC) request for information and is proven effective by research funded by an OSPB grant.

Current Program:

The Colorado Opportunity Scholarship Initiative (COSI) leverages state funds to provide matching grant funds (Matching Student Scholarships, MSS) that incent community investment in local students’ higher education attainment, while also providing research-backed, TRIO-like wraparound support services (Community Partner Program, CPP) for those students receiving matching grant funds. The term “grantees” refers to Community Partner Programs and awardees of Matching Student Scholarship (MSS) grants, to which COSI makes grants of money and technical support so that those local organizations can provide wraparound support services to COSI scholars in their communities and/or funds that are matched 1:1 by local philanthropic efforts to make scholarship awards. Students enrolled in a postsecondary program who are receiving MSS grants and/or CPP wraparound services are referred to as “students served by COSI” and “COSI scholars”.

COSI supports all four of the CCHE Master Plan goals, especially in terms of supporting students of color in credential completion. Sixty four percent of students receiving scholarship support through MSS grants were students of color in academic year 2017-18, as were 78 percent of students receiving wrap-around support through COSI’s CPP grants.¹

COSI was established in 2014 by C.R.S. 23-3.3-1001. COSI receives an annual appropriation of \$7 million. This annual General Fund investment in COSI contributes to a total program corpus of \$36 million, of which \$12 million is encumbered. COSI projects encumbering another \$13 million in the coming fiscal year based on upcoming grant cycles.



In its first five years, COSI has served more than 74,000 students in 61 of 64 Colorado counties, awarding \$47 million of state funds and leveraging an additional \$28 million in local and private investment. Internal studies² using the latest available data show that 87 percent of COSI students enrolled in CPP (TRIO-style support services)—persist in their education path. This is a significant outcome because the persistence rate of CPP students is 15 percentage points higher than that of peers in similar demographic groups. Students who receive COSI scholarships (MSS) perform even better: 89 percent continue in their second and third years, outpacing their non-COSI counterparts by 25 percentage points.

In 2017, COSI received a grant through OSPB³ to improve the alignment, efficacy, and evaluability of the CPP portion of COSI operations. Through this process COSI worked with a team of consultants to develop a rigorous evaluation process and plan for implementation. As a result, COSI has implemented a new

¹ COSI Outcomes Reports: <https://sites.google.com/a/state.co.us/cosi/about#TOC-Program-Reports>

² Ibid.

³ See note 3.

model for CPP grantees that provides greater structure and technical support and assistance and establishes more rigorous program metrics and evaluation. The technical support provided to CPP grantees is made possible through a partnership between COSI and the Colorado Challenge, a CDHE grant program.⁴

Fulfilling this request for additional funds would allow for the critical expansion of the CPP Grant portion of COSI from \$3.4 million to \$5.4 million by FY 2020-21. This funding would also enable COSI to maintain a fund balance that protects encumbered funds and provides a modest reserve fund. The maintenance of a reserve balance provides a crucial incentive for communities to invest private funds by demonstrating the state's commitment to the program's longevity.

Problem or Opportunity:

As COSI operates today, the program is lean, effective, and is a lever of change for the Governor's Bold Goals for higher education and the CCHE Master Plan Goals of completion and equity. With small technical statutory adjustments and additional investment, COSI can expand and improve its mission to serve students and address affordability, while intentionally aligning the CPP and MSS programs as outlined in the establishing statute.

The root of the issue addressed by this change stems from the statutory limitation on spending for CPP wraparound services and a decreasing fund balance. Given the recent OSPB-funded research⁵ showing that wraparound services like those provided via CPP have significant positive impact on student outcomes, the Department is seeking an increase to the annual COSI appropriation as well as a statutory change to allow an increased share of the fund to be spent on TRIO-like wraparound services. This expansion and standardization of wraparound support services is made possible through permanent FTE to provide technical support to grantees in operations and implementation. This change will have a direct, positive impact on the students COSI serves by increasing the likelihood that they will retain and complete a postsecondary credential.

COSI's statute does not make any FTE considerations for staff to administer the program. Since its inception, COSI has "borrowed" FTE from CDHE. For the first four years of the program, grant administration was coordinated by the equivalent of 3.25 FTE employees, of which only two were fully defined by CDHE as COSI-exclusive FTE. The remaining 1.25 FTE were split among other programs and/or CDHE administration. However, as COSI's impact has grown, so too has the need for alignment and standardization of the technical assistance provided to grantees.

One key result of the OSPB Result First Grant was a clear indication that expansion and alignment of the CPP wraparound services would have clear, measurable impacts on the persistence rate of COSI scholars. To help achieve this expansion and alignment, COSI partnered with the Colorado Challenge Grant Program. In doing so, an expanded customer service model was developed whereby COSI, in partnership with Colorado Challenge, provide robust technical assistance to the network of CPP and MSS grantees, thereby ensuring a universal quality of wraparound support services.

⁴ <https://highered.colorado.gov/cochallenge/>

⁵ See note 3.

In order to maintain this research-backed technical assistance model, COSI requests that the Long Bill reflect the true administrative need (and current staffing level) of the program of 6 FTE: Director, Program Director of Grants Management and Network Support, Student Success Network Manager, Student Success Network Coordinator, Application Developer, 0.5 Financial Assistant, 0.25 MSW Intern, and 0.25 Careerwise Apprentice. This request seeks to officially recognize the 6 FTE needed for successful administration of the expanded program by attributing them to the COSI program line in the Long Bill.

As a reference, private foundations that award grants of comparable sizes to COSI (approximately \$10 million annually) operate with a much larger reserve fund and staff. For example, Boettcher Foundation awards \$10.7 million per year, has a reserve fund of \$288 million and spends \$3.8 million on administrative costs.⁶ Morgridge Family Foundation awards \$10 million per year, has a reserve fund of \$167.5 million and has administrative costs of \$1.6 million.⁷

COSI currently has statutory authority for administrative costs up to 3 percent of the fund balance (C.R.S. 23-3.3-1001). COSI currently spends 40 percent (\$438,000) of its allotted administrative allowance. With this request and when funding from OSPB Results First and partnership with Colorado Challenge concludes (FY 2020-21), COSI would still only spend approximately 58 percent of its allotted administrative allowance. This means that while the impact and footprint of the COSI program is expanding, the administrative expenditures are still well within the statutory allowance and well below the administrative costs of similar charitable foundations.

Proposed Solution:

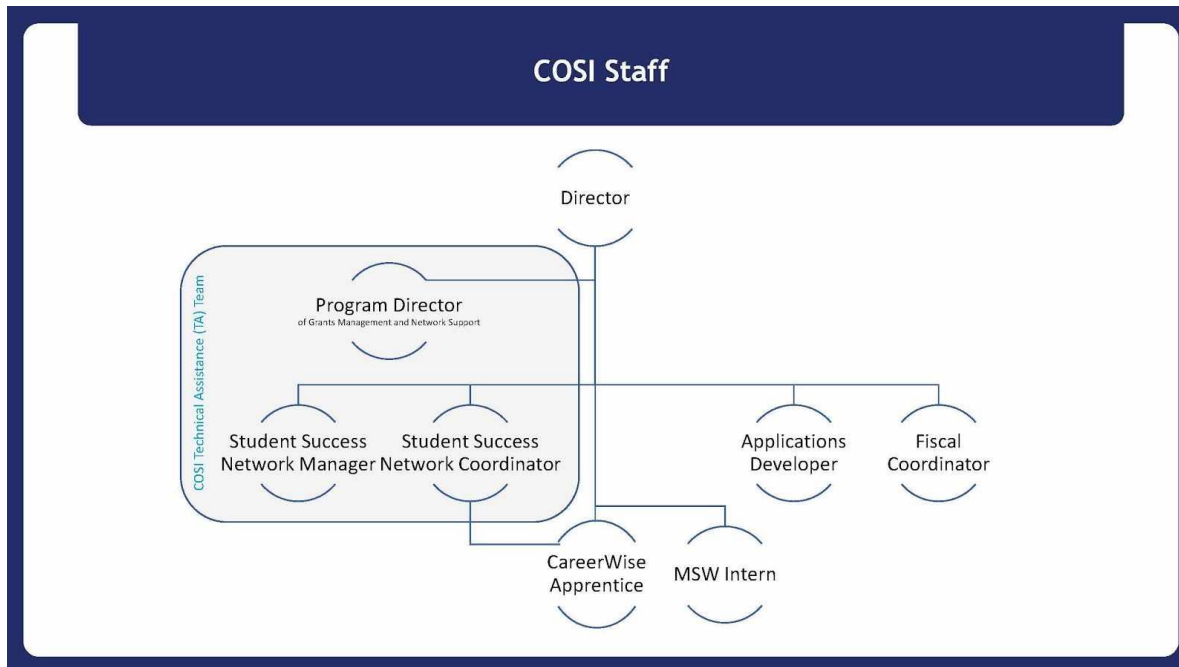
Increasing the annual appropriation by \$3 million to \$10 million will do more than allow COSI to serve additional students. This proposed solution will ensure that every COSI scholar will have access to the TRIO-like wraparound support services that the OSPB-funded research has proven to be effective; it will also allow COSI to start funding these support services at each public institution in the state. This aligns with recommendations from the 2018 response to the Joint Budget Committee (JBC) request for information and is proven effective by research funded by an OSPB grant.

Because ASSET students are not eligible to receive federal aid or federally-funded support programming, such as TRIO, changes authorized by HB 19-1196 allow COSI to serve this important population by offering a similar type of programming to help achieve state Master Plan Goals. The increased appropriation will also enable all COSI community partners to have access to robust, research-backed CPP support and resources.

The technical assistance COSI seeks to make a permanent part of its CPP offerings include fundraising assistance and design, site visits, regional summits, statewide trainings, budgeting and financial planning for the grant, program planning, assistance in marketing to students, and other grant management components. Assistance can be offered directly by a COSI staff member to assist in different areas of grant management or be offered through community partnerships built by the COSI technical assistance team. The figure below shows the COSI organizational structure.

⁶ Source: guidestar.org, 2018

⁷ Ibid.



Anticipated Outcomes:

An increased annual appropriation will allow COSI to serve more students better by improving and aligning current work. Permanent FTE for the program will ensure COSI grant dollars are accompanied by technical assistance to implement programming with fidelity. Aligning the CPP and MSS grants will allow COSI support programming to be accessible to every COSI scholar, ensuring persistence and completion of program participants and driving CDHE Master Plan goals around credential completion, especially for students of color.⁸

Assumptions and Calculations:

COSI is seeking a \$3 million annual General Fund increase to support \$10.5 million in grant expenses. This additional investment would allow COSI to provide \$10.5 million in grants annually, while maintaining a modest fund balance. Maintenance of the reserve fund is critical because it signals the state's unwavering support, a demonstrated requirement for continued philanthropic and community investment.

Even with the expanded FTE footprint, COSI will remain a lean organization, especially as compared with philanthropic organizations of similar annual distributions. As previously stated, COSI currently has statutory authority for administrative costs up to 3 percent of the fund balance. COSI currently only spends 40 percent of this allotted administrative allowance. While the additional funding requested will support ongoing program administration, it will *not* be supporting administrative expansion; the 6.0 FTE adjustment in this request is only to officially recognize the FTE necessary for program administration. Additional funding will directly fund grant programming, allowing COSI to continue to support students across the state.

⁸ COSI Outcomes Reports: <https://sites.google.com/a/state.co.us/cosi/about#TOC-Program-Reports>

