

Department of Higher Education FY 2021-22 RFI #7 on Tuition Contingency Fund

Department of Higher Education, Colorado Commission on Higher Education, Special Purpose, Tuition/Enrollment Contingency -- The Department is requested to provide information on the amount of Tuition Enrollment Contingency funds distributed to any governing board and whether the governing board complied with CCHE tuition policy and intended limits on UG rates expressed in Long Bill footnotes. The information, as it applies to actual expenditures in FY20-21 should be provided by Nov 1, 2021, and as it applies to actual expenditures in FY21-22 should be provided by Nov 1, 2022.

Beginning in Fiscal Year 2016-17, the General Assembly reclaimed the authority to appropriate tuition spending authority for institutions, except the Colorado School of Mines, [Section 23-5-129 (10), C.R.S.] in the Long Bill. The tuition spending authority increase is derived using a rate, and the total spending authority for each Governing Board is detailed in a footnote to the Long Bill [Section 23-18-202 (3) (b), C.R.S.].

As part of the Figure Setting process for FY 2016-17, JBC staff recommended a \$60 million Tuition Contingency line item be added to the Long Bill, enabling the Department to address institutional needs for additional tuition spending authority. This was to keep institutions from having to submit an emergency budget supplemental to spend revenue that was already received but was beyond the appropriated amount. The tuition contingency line has remained at \$60 million every fiscal year since its creation in FY 2016-17. When the Legislature granted this spending authority to the Department, the intent was clearly stated. The Department could transfer spending authority from that line in the event of an institution's tuition revenue increasing beyond the appropriated amount if the increased need for spending authority was not related to a tuition rate increase, up to \$60 million.

The process by which these funds were distributed is outlined in the attached Appendix A which outlines the distribution timeline and requirements. Appendices B, C, D, E, F, and G are the actual applications submitted by Adams State University, the Colorado Community College System, the Colorado State University System, the University of Colorado System, Metropolitan State University of Denver, and the University of Northern Colorado, respectively.

The Department began by allocating the \$60 million contingency fund to each individual Governing Board respective to their proportion of the most recently appropriated tuition totals. The Colorado State University System and the University of Colorado System were the only Governing Boards that received tuition contingency funds that were not within their tuition contingency fund proportion due to higher than projected enrollment. Since not all institutions requested the full allocation of their contingency fund spending authority, the remainder of the \$60 million was allocated to the two institutions requesting spending authority above their allocation. In total, \$60 million spending authority was provided to the institutions.

Tuition Contingency Fund Distribution Process

- By early June: Governing Boards needing additional spending authority may apply for Tuition Contingency Fund using CCHE application including:
 - the amount of Tuition Contingency Fund requested;
 - undergraduate resident tuition rate for the year;
 - the reason for needing additional cash tuition spending authority; and
 - a variation analysis from the most recent tuition appropriation.
- Any Governing Board that needs an amount of cash spending authority equal to or less than their proportion of the tuition contingency pot – calculated using each Governing Board’s proportion of most recently appropriated tuition amount of total appropriated tuition – and has complied with the tuition limit set forth in the Long Bill footnote will be automatically granted the requested spending authority increase. Increases will not be granted if the tuition rate is higher than the Long Bill footnote.
- If a Governing Board needs cash spending authority over their proportion of the tuition contingency pot, CDHE staff will determine if there is spending authority remaining in the Tuition Contingency Fund to approve the request.
- After the July 9th deadline has passed, if a Governing Board discovers that it needs additional spending authority, or if a Governing Board has earned revenue above its capped amount, please contact the Department with all possible haste so that additional contingency fund authority can potentially be made available.

Governing Board	ASU	CMU	MSU Denver	WSCU	CSU Sys	FLC	CU Sys	UNC	CCCS	Total
FY 2021 Tuition Spending Authority	21,183,079	72,043,336	111,343,670	16,563,599	435,367,948	41,909,810	1,070,573,330	88,012,913	273,474,970	2,120,156,031
Percentage of Total	1.00%	3.40%	5.25%	0.78%	20.53%	1.98%	50.50%	3.66%	12.90%	100.00%
Contingency Fund Available Immediately	599,477	2,038,812	3,151,004	468,747	12,320,828	1,186,039	30,297,015	2,198,790	7,739,288	60,000,000

Appendix B

FY 2021 Application for Tuition Contingency Funds			
<1>	Governing Board Name	Adams State University	
<2>	FY 2021 Tuition Spending Authority	\$	21,183,079
<3>	Requested Tuition Contingency Fund	\$	723
<4>	Total Requested Tuition Spending Authority for FY 2021	\$	21,183,802
<5>	Allotted Tuition Contingency Fund	\$	599,477
<6>	Within allotted amount of Tuition Contingency Fund	Yes	
<7>	Resident Undergraduate Tuition in Long Bill Footnote	3.0%	
<8>	Actual Tuition Rate increase Adams State University	0.0%	
<9>	Within tuition limit in Long Bill Footnote	Yes	
<10>	Actual Tuition Rate	0.0%	
<11>	Within tuition limit in Long Bill Footnote	Yes	
<12>	Actual Tuition Rate	0.0%	
<13>	Within tuition limit in Long Bill Footnote	Yes	
<14>	Explanation of variance (please include information on changes to enrollment mix and program choice that resulted in the need for additional spending authority)		

Appendix C

FY 2021 Application for Tuition Contingency Funds			
<1>	Governing Board Name	Colorado Community College System	
<2>	FY 2021 Tuition Spending Authority	\$	273,474,970
<3>	Requested Tuition Contingency Fund	\$	2,000,000
<4>	Total Requested Tuition Spending Authority for FY 2021	\$	275,474,970
<5>	Allotted Tuition Contingency Fund	\$	7,739,288
<6>	Within allotted amount of Tuition Contingency Fund	<input type="text" value="Yes"/>	
<7>	Resident Undergraduate Tuition in Long Bill Footnote		3.0%
<8>	Actual Tuition Rate increase Colorado Community College System		3.0%
<9>	Within tuition limit in Long Bill Footnote	<input type="text" value="Yes"/>	
<10>	Actual Tuition Rate		0.0%
<11>	Within tuition limit in Long Bill Footnote	<input type="text" value="Yes"/>	
<12>	Actual Tuition Rate		0.0%
<13>	Within tuition limit in Long Bill Footnote	<input type="text" value="Yes"/>	
<14>	Explanation of variance (please include information on changes to enrollment mix and program choice that resulted in the need for additional spending authority) Higher than expected enrollment has driven tuition revenue above the spending authority in the Long Bill.		

Appendix D

FY 2021 Application for Tuition Contingency Funds			
<1>	Governing Board Name	Colorado State University System	
<2>	FY 2021 Tuition Spending Authority	\$	435,367,948
<3>	Requested Tuition Contingency Fund	\$	19,630,221
<4>	Total Requested Tuition Spending Authority for FY 2021	\$	454,998,169
<5>	Allotted Tuition Contingency Fund	\$	12,320,828
<6>	Within allotted amount of Tuition Contingency Fund	No	
<7>	Resident Undergraduate Tuition in Long Bill Footnote	3.0%	
<8>	Actual Tuition Rate increase Colorado State University - Fort Collins	0.0%	
<9>	Within tuition limit in Long Bill Footnote	Yes	
<10>	Actual Tuition Rate	0.0%	
<11>	Within tuition limit in Long Bill Footnote	Yes	
<12>	Actual Tuition Rate	0.0%	
<13>	Within tuition limit in Long Bill Footnote	Yes	
<14>	Explanation of variance (please include information on changes to enrollment mix and program choice that resulted in the need for additional spending authority) FY21 Original Spending Authority Allocation was 513,161,483 and then reduced in March during figure setting.		

Appendix E

FY 2021 Application for Tuition Contingency Funds			
<1>	Governing Board Name		University of Colorado System
<2>	FY 2021 Tuition Spending Authority	\$	1,070,573,330
<3>	Requested Tuition Contingency Fund	\$	34,478,052
<4>	Total Requested Tuition Spending Authority for FY 2021	\$	1,105,051,382
<5>	Allotted Tuition Contingency Fund	\$	30,297,015
<6>	Within allotted amount of Tuition Contingency Fund		<input type="text" value="No"/>
<7>	Resident Undergraduate Tuition in Long Bill Footnote		3.0%
<8>	Actual Tuition Rate increase University of Colorado - Boulder		0.0%
<9>	Within tuition limit in Long Bill Footnote		<input type="text" value="Yes"/>
<10>	Actual Tuition Rate University of Colorado - Colorado Springs		0.0%
<11>	Within tuition limit in Long Bill Footnote		<input type="text" value="Yes"/>
<12>	Actual Tuition Rate University of Colorado - Denver		0.0%
<13>	Within tuition limit in Long Bill Footnote		<input type="text" value="Yes"/>
<14>	<p>Explanation of variance (please include information on changes to enrollment mix and program choice that resulted in the need for additional spending authority)</p> <p>The tuition revenue estimate that was provided by the University of Colorado in February 2021 was submitted using the most current revenue estimates at the time. Following the submission of the revenue estimate to CDHE and Legislative Council, actual enrollments came in higher than projected. Actual tuition revenues are projected to be \$1,124,429,760 at year end FY 2020-21. As a result, the amount of tuition revenue collected exceeds the Long-Bill add-on (\$1,070,573,330) beyond the allotted Tuition Contingency share for CU (\$30,297,015) by \$4,181,037.</p>		

Appendix F

FY 2021 Application for Tuition Contingency Funds			
<1>	Governing Board Name	Metropolitan State University of Denver	
<2>	FY 2021 Tuition Spending Authority	\$	111,343,670
<3>	Requested Tuition Contingency Fund	\$	3,151,004
<4>	Total Requested Tuition Spending Authority for FY 2021	\$	114,494,674
<5>	Allotted Tuition Contingency Fund	\$	3,151,004
<6>	Within allotted amount of Tuition Contingency Fund	<input type="text" value="Yes"/>	
<7>	Resident Undergraduate Tuition in Long Bill Footnote	3.0%	
<8>	Actual Tuition Rate increase Metropolitan State University of Denver	3.0%	
<9>	Within tuition limit in Long Bill Footnote	<input type="text" value="Yes"/>	
<10>	Actual Tuition Rate	0.0%	
<11>	Within tuition limit in Long Bill Footnote	<input type="text" value="Yes"/>	
<12>	Actual Tuition Rate	0.0%	
<13>	Within tuition limit in Long Bill Footnote	<input type="text" value="Yes"/>	
<14>	<p>Explanation of variance (please include information on changes to enrollment mix and program choice that resulted in the need for additional spending authority)</p> <p>The variance in tuition revenue from the February estimate is predominantly related to the full year summer revenue which is higher than anticipated due to an enrollment increase in Summer 2020 and slightly better than anticipated decrease in 2021. This amount is still an estimate, as the University is still closing the year.</p>		

Appendix G

FY 2021 Application for Tuition Contingency Funds			
<1>	Governing Board Name	University of Northern Colorado	
<2>	FY 2021 Tuition Spending Authority	\$ 77,696,289	
<3>	Requested Tuition Contingency Fund	\$ 740,000	
<4>	Total Requested Tuition Spending Authority for FY 2021	\$ 78,436,289	
<5>	Allotted Tuition Contingency Fund	\$ 2,198,790	
<6>	Within allotted amount of Tuition Contingency Fund	Yes	
<7>	Resident Undergraduate Tuition in Long Bill Footnote	3.0%	
<8>	Actual Tuition Rate increase University of Northern Colorado	0.0%	
<9>	Within tuition limit in Long Bill Footnote	Yes	
<10>	Actual Tuition Rate University of Northern Colorado	0.0%	
<11>	Within tuition limit in Long Bill Footnote	Yes	
<12>	Actual Tuition Rate University of Northern Colorado	0.0%	
<13>	Within tuition limit in Long Bill Footnote	Yes	
<14>	Explanation of variance (please include information on changes to enrollment mix and program choice that resulted in the need for additional spending authority) There were two main factors that impacted the revenue that resulted in the requested tuition contingency. In March, when the forecast was provided to the State, the Colorado School of Public Health tuition revenue was inadvertently left out of the information submitted. This resulted in the Graduate tuition, and thus the overall tuition, to be understated by \$378,210. The remaining \$361,790 is due to enrollment fluctuations. At the 3rd Quarter, total tuition revenues were forecasted to be down by roughly 1%, or \$642,286 compared to the original budget projections. The overall enrollment, although still down, ended in a better position than anticipated in the 3rd Quarter forecast. FY21 ended the year being only \$281,888 below the original budget projections.		