



Summary of Higher Education Budget Measures in FY 2020-21 Budget Package

The Joint Budget Committee (JBC) finalized the FY 2020-21 budget package at the end of May for introduction to the full legislature. The updated state revenue forecast released on May 12 showed that the JBC needed to address a budget shortfall of \$3.5 billion, which represents a shortfall of around 25 percent. The JBC implemented significant funding reductions to programs and other budget balancing measures. Measures affecting the Department of Higher Education are discussed below.

Funding from State for Public Institutions' Operating Budgets – For FY 2020-21, state funding for public higher education institutions' operating budgets was reduced \$493.2 million, or 58 percent. This reduction was implemented proportionately so that each institution received a 58 percent reduction in their state funding.

On May 18, the Governor issued an executive order that allocated \$450 million of the federal funding assistance to Colorado through the Coronavirus Aid, Relief, and Economic Security (CARES) Act to the state's public higher education institutions. The amount of funds allocated to each institution is based on a per resident student FTE formula in proportion to the enacted FY 2019-20 General Fund appropriation. In effect, the federal funds represent a 53 percent increase above each institution's FY 2019-20 state funding amount. The federal money must be used for expenses associated with COVID-19-related public health measures and with the provision of economic support, including payments to help the economy by supporting Colorado's workforce through increased student retention and completions.

The below table shows the allocations of the federal funds from the CARES Act as well as the state funding reductions in the FY 2020-21 Long Bill. As shown, considering both the federal funds and state funding reductions, institutions' overall funding from the state is decreasing 5 percent from the FY 2019-20 base funding amount.



Federal Funds through CARES Act and State Funding Reduction by Institution, \$\$ in Millions

	Federal Funds through CARES Act*	FY 2020-21 State Funding Reduction	Overall Change from FY 2019- 20 Base State Funding
Adams	\$9.1	(\$10.0)	-5%
Mesa	\$17.0	(\$18.7)	-5%
Metro	\$33.7	(\$36.9)	-5%
Western	\$8.0	(\$8.7)	-5%
CSU	\$90.4	(\$99.1)	-5%
FLC	\$7.5	(\$8.2)	-5%
CU	\$127.7	(\$140.0)	-5%
Mines	\$13.4	(\$14.7)	-5%
UNC	\$24.9	(\$27.3)	-5%
CCCS	\$100.5	(\$110.1)	-5%
CMC	\$4.8	(\$5.2)	-5%
AIMS	\$5.6	(\$6.2)	-5%
ATCs	\$7.4	(\$8.1)	-5%
Total	\$450.0	(\$493.2)	-5%

* For expenses between March and December 2020.

State Funding for Capital Construction/Renewal/IT – The amount of funding for capital construction, renewal and IT projects at institutions of higher education varies widely from year to year. In February, the Capital Development Committee (CDC) and Joint Technology Committee (JTC) recommended the Joint Budget Committee (JBC) fund \$124.7 million for higher education capital construction/renewal, \$28.2 million for controlled maintenance, and \$23.4 million for IT. The budget shortfall resulting from COVID-19, however, led the JBC to act to eliminate all but \$2.0 million to fund the Emergency Controlled Maintenance Fund in the FY 2020-21 budget on May 4th.

However, on May 26th, the JBC introduced HB 20-1377 to provide additional capital and maintenance funding. This bill would require up to \$49 million (current projection) of the proceeds of the SB 17-267 lease-purchase agreements second tranche to be transferred to the capital construction fund to fund controlled maintenance and capital renewal projects. On June 1st, the CDC allocated the projected \$49 million to all Level 1 controlled maintenance projects including out years, Phase 2 of Adams State University’s Plachy Hall project, University of Northern Colorado’s Boiler Replacement project, and the balance going towards the Emergency Controlled Maintenance Fund.

Further, on June 1st, the CDC discussed using a certificate of participation financing program for \$65 million to fund Phase 3 of University of Colorado’s Anschutz Health Sciences Building project, Phase 3 of Colorado State University’s Shepardson Building Renovation and Addition project, and Phase 2 of Fort Lewis College’s Health Sciences Center.

Other Reductions

Educator Loan Forgiveness Program

Cut \$1,618,016 General Fund across the two years (\$500,000 in FY 2019-20 and \$1,118,016 and 1.5 FTE in FY 2020-21. Provided up to \$5000 loan forgiveness annually for up to 100 rural educators, exponential program growth over 5 years.

Growing Great Teachers Grant Program

Cut \$2,299,100 General Fund across the two years (\$1,125,000 in FY 2019-20 and \$1,174,100 and 0.5 FTE in FY 2020-21). Provided training and stipends for teachers who serve as mentors for teacher candidates participating in clinical practice.

Second Chance Scholarships Program

Cut \$560,227 General Fund across the two years (\$200,000 in FY 2019-20 and \$310,227 and 1.0 FTE in FY 2020-21). Provided scholarships and counseling to assist persons who were previously committed to the Division of Youth Services and are pursuing a postsecondary credential. \$50,000 of the program's FY 2019-20's appropriations were preserved to fund scholarships.

Department Budget Request (R11) Colorado Opportunity Scholarship Initiative

Removed the \$3.0 million General Fund increase for COSI. Would have provided additional \$3 million to COSI for scholarships and support services, bringing total annual appropriation to \$10 million.

Colorado Opportunity Scholarship Initiative

Cut \$1,000,000 General Fund in FY 2020-21, \$6 million remaining appropriation for FY 2020-21.

COSI provides scholarships and wraparound support services to students around the state, this cut will impact operations but does not eliminate the program.

Department Budget Request (R6) Area Technical College Grant Program

Removed the previously approved \$3,171,650 General Fund appropriation for the Area Technical College Grant Program. Program would have provided grants to area technical colleges for identified capital construction and equipment purposes.

Department Budget Request (R5) Accountability Dashboard

Removed the funding for the new positions (\$123,802 General Fund and 1.4 FTE in FY 2020-21, annualizing to \$125,385 and 1.5 FTE for the second and final year of the positions). Request would have provided additional Data, Research, Policy FTE to allow for additional data analysis and data democratization

Department Budget Request (R7) Chief Educational Equity Officer

Removed the funding for the new position, \$123,892 General Fund and 0.9 FTE in FY 2020-21, annualizing to \$130,120 and 1.0 FTE plus centrally appropriated amounts in FY 2021-22. Staff position to advance statewide equity work.

Inflationary adjustment for Colorado Geological Survey

Removed the previously approved \$81,873 total funds inflationary adjustment for FY 21. The Colorado Geological Survey is housed at CSU Fort Collins and provides statewide geology research and service.

Dependent Tuition Assistance Program (DTAP)/Work Study

Reduced the work-study line item by \$284,000 to offset a previously approved increase of the same amount in the DTAP line. DTAP is an entitlement program providing tuition and room and board payments on behalf of dependents of police and firefighters killed or permanently disabled in the line of duty.

Rural Teaching Fellowships

The JBC previously approved an appropriation of \$1,209,354 General Fund and 0.8 FTE for the Rural Educator Recruitment, Retention, and Professional Development line item; this line item was subsequently reduced by \$500,000 General Fund for a total of \$704,354 General Fund. However, there is \$500,000 remaining of the FY 2019-20 appropriation that will rollforward for use in FY 2020-21. The overall line items supports multiple programs authorized under Sections 23-76-101 through 106, including funding for a rural education coordinator, funding for the high school teacher cadet program in rural schools, stipends for student teachers doing student teaching in rural areas, stipends for teachers in rural areas pursuing alternative teacher certification, and stipends for rural teachers who are pursuing National Board Certification and teachers pursuing other specified professional development activities.

Private COF Enrollment Increase

Removed the \$31,815 increase for private COF, with the intent to make further adjustments to the line item based on the final amount of the stipend. By statute, private COF must be 50% of the amount of the stipend at public institutions. College Opportunity Fund Stipend payments act as a voucher for resident undergraduates to reduce their overall tuition cost.

CO Higher Education Competitive Research Authority Gaming Revenue Allocation

Legislation has been introduced to temporarily suspend the \$2.1 million in gaming revenue transferred to the Colorado Higher Education Competitive Research Authority (CHECRA) and instead have the revenue credited to the state's General Fund. The gaming revenue helps support federally-funded research at select public higher education institutions. The legislation suspends the transfer for CHECRA for FY 2019-20 and FY 2020-21.

College Kickstarter Program

The program will continue to function but JBC took action to transfer \$6 million program funds to the General Fund. The Kickstarter program deposits \$100 into a new 529 college savings account for any child born or adopted in Colorado, if the parent applies for the program.

Institute for Cannabis Research

Reduced appropriation by \$800,000 General Fund. The Institute carries out scientific and social science research at CSU-Pueblo concerning marijuana and other matters that impact the state.

Opioid Awareness Campaign

Legislation has been introduced that will cause the \$750,000 that is currently statutorily required to be transferred from the Marijuana Tax Cash Fund to the Regents of the University of Colorado to instead be transferred to the General Fund. The program is tasked with improving public awareness about safe use, storage, and disposal of opioids.

Financial Aid - Merit Based Grants

Eliminated the \$5,000,000 General Fund appropriation for Merit Based Grants. This program provides allocation to institutions of higher education to award merit scholarships.

WICHE Optometry

Reduced the FY 2020-21 appropriation by \$74,025 General Fund, which will allow the program to support all current students but not enable any new students for FY 2020-21. This reduction will annualize to \$150,000 General Fund in FY 2021-22. Program provides money to students studying to be doctors of optometry.

Governing Boards Cybercoding Cryptology Program

Reduced by \$2,000,000, allocated proportionately across higher education institutions to current appropriation. Program provides resources to institutions of higher education to perform research, hire faculty, design programs and provide scholarships to students.