

**TOPIC:                   FY 2011-12 COMMISSION BUDGET REQUEST**

**PREPARED BY:       ANDREW CARLSON**

**I.       SUMMARY AND BACKGROUND**

This action item presents the proposed FY 2011-12 budget request submission to the Joint Budget Committee (JBC) from the Colorado Commission on Higher Education as provided by statute: “The funding recommendation made by the commission for state-supported institutions of higher education and by the executive director for the divisions of the department of higher education shall be made to the governor and the general assembly as part of the budget request for the department of higher education...” (C.R.S. 23-1-105 (8)).

At their September 2010 meeting the Commission approved a funding formula that allocates about \$550 million in state General Fund support to the governing boards, local district colleges, and area vocational schools in FY 2011-12. In prior years, the Commission has submitted a budget that includes: the General Fund allocation to the governing boards, local district colleges, and the area vocational schools; allocations to the state’s financial aid programs; and a recommendation on tuition policy. Due to the provisions of SB10-003, tuition rate setting authority is now administered through the Commission’s review of governing boards Financial Accountability Plans, meaning there is no need to submit to the JBC a recommendation on tuition rates through the traditional budget process in November 2010. Instead, the Commission’s tuition recommendations will be made through the Financial Accountability Plan review with approval anticipated at the December 2010 Commission meeting. The Commission, however, does need to provide a recommendation to the JBC for FY 2011-12 overall funding levels for the state’s financial aid programs.

**II.       STAFF ANALYSIS**

Staff recommends that the state’s financial aid be held to FY 2010-11 appropriated levels in FY 2011-12 for need-based, work-based, and most of the categorical financial aid programs. The only change staff recommends is an increase of \$937,624 to fund increased participation in the Fort Lewis College Native American Tuition Waivers program. Under Colorado law, the General Assembly is required to fully fund this program which provides free tuition to Native American resident and non-residents at Fort Lewis College. Specifically, C.R.S. 23-52-105 (1) (b) states: “The general assembly shall appropriate one hundred percent of the monies required for tuition for such qualified Indian pupils.” The funding for this program is in arrears, such that this FY 2011-12 recommendation would cover the prior year’s actual waivers granted in FY 2010-11. The recommended funding level is based on Fort Lewis College staff’s current estimate of waivers in FY 2010-11.

Despite the strong budget pressures created by the economic downturn, the state has maintained

its investment in financial aid by protecting funding for need-based, work-based and most of the categorical financial aid programs in FY 2009-10 and FY 2010-11. In FY 2009-10, the General Assembly eliminated a total of \$3.1 million in state support for merit aid (\$1.5 million) and for the Academic Competitiveness Grant match program (\$1.6 million). Otherwise, financial aid programs have received continuation funding thus far throughout the downturn. (Note: the General Assembly has fully funded the Fort Lewis College Native American Tuition Waivers program each year during the downturn as required.)

Under this recommendation, FY 2011-12 funding for the state's financial aid programs would be as follows:

• Need-Based Grants -	\$74,144,146
• Work Study -	\$16,612,357
• Required Federal Match -	\$1,726,350
• Veteran's/Law Enforcement/POW Tuition Assistance -	\$364,922
• National Guard Tuition Assistance Fund -	\$800,000
• Native American Students/Fort Lewis College -	\$11,367,995
• <u>Nursing Teacher Loan Forgiveness Program -</u>	<u>\$500,000</u>
<b>TOTAL</b>	<b>\$105,515,770</b>

Once the FY 2011-12 funding for these programs is set in the long appropriations bill, the Commission will determine the allocation of these funds to the participating public and private institutions of higher education. Historically, the Commission takes action on the distribution of state financial aid in May or June of each year.

### **III. STAFF RECOMMENDATIONS**

**That the Commission approve the recommended state funding levels for need-based, work-based, and categorical financial aid programs and submit to the Joint Budget Committee as part of their FY 2011-12 budget recommendation.**

### **STATUTORY AUTHORITY**

C.R.S. 23-1-105 Duties and powers of the commission with respect to appropriations