



# *Overview of Colorado Higher Ed Finance*

Executive Advisory Committee Meeting

July 17, 2014



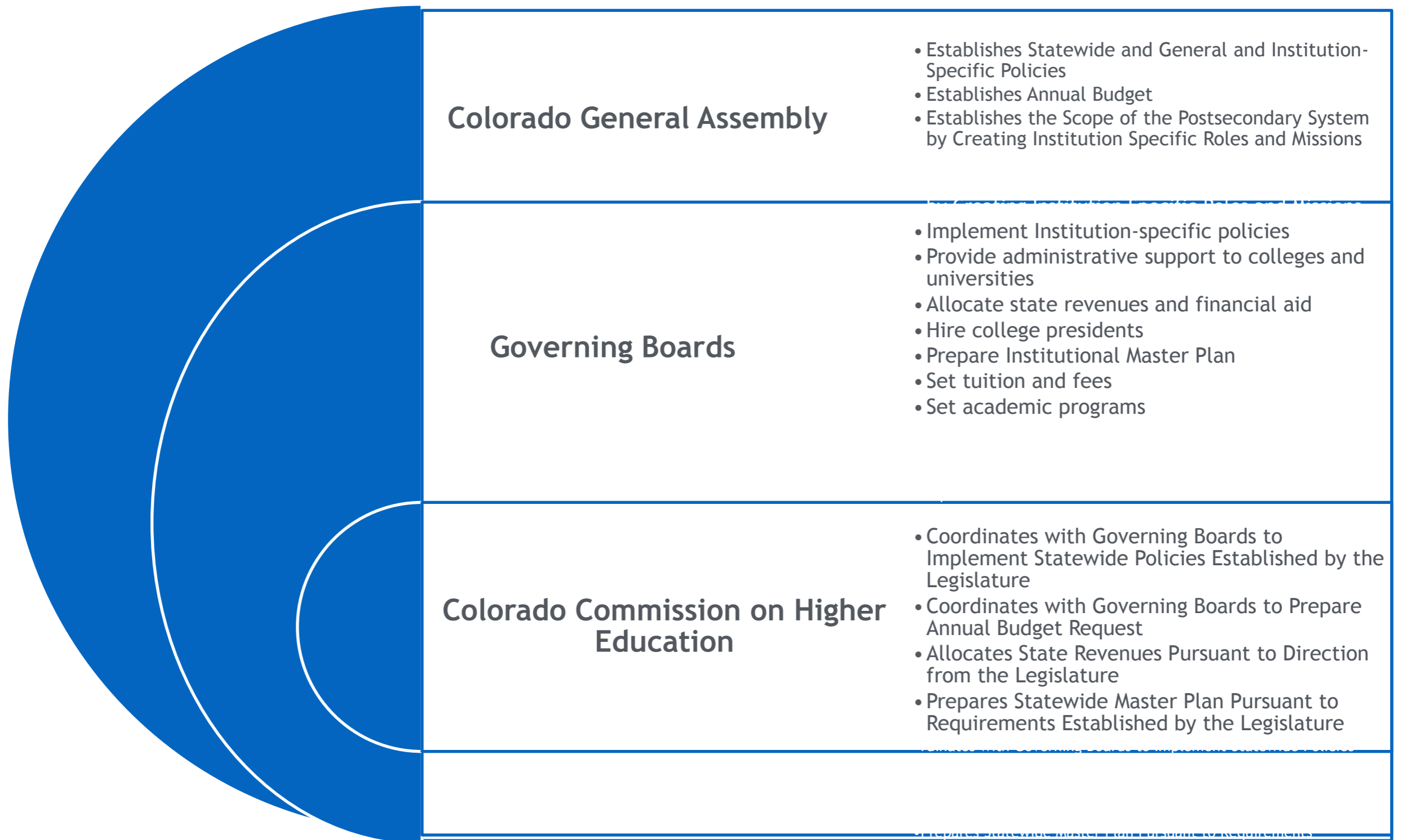
**COLORADO**  
Department of  
Higher Education



# *Agenda*

- Strategic Planning and the CCHE Master Plan goals
- Higher Education Finance in Colorado
- Outcomes-based funding formula

# Higher Education Policy in Colorado



# *Higher Education in Colorado: Students*

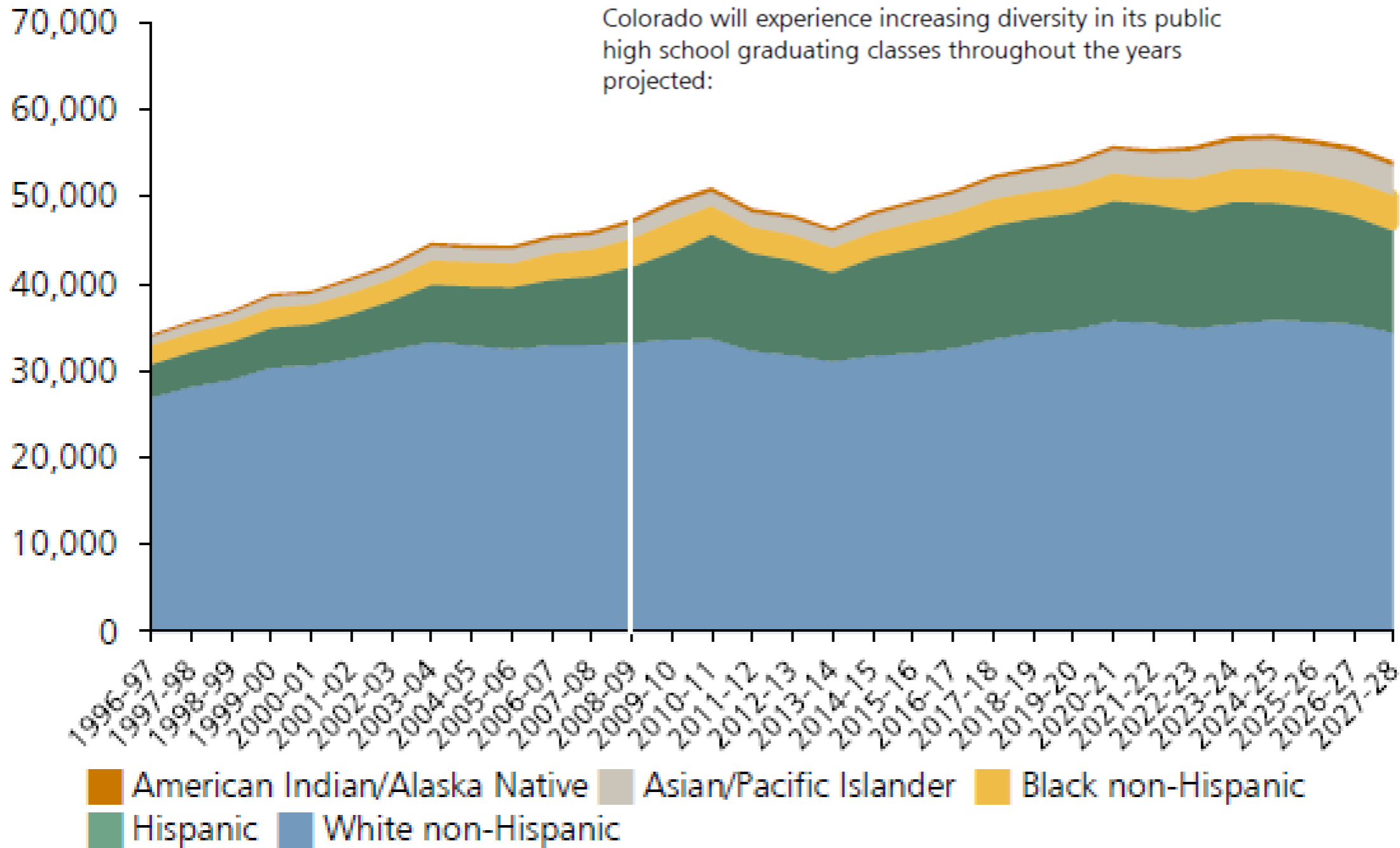
## FY 2012-13 Student Enrollment in Colorado public institutions

- Enrollment:
  - ± 190,362 Student FTE
  - ± 257,040 Student headcount
- Student Characteristics
  - Degree seeking 90%; Non-Degree 10%
  - Undergraduate 90%; Graduate 10%
  - Resident 86%; Out-of-State 14%
  - Male 46%; Female 54% (consistent trend over past decade)
- Degrees and Certificates awarded in FY2012-13:
  - Degrees: 42,579
  - Certificates 10,136

# Planning for Demographic Changes

## Public High School Graduates by Race/Ethnicity

Colorado will experience increasing diversity in its public high school graduating classes throughout the years projected:

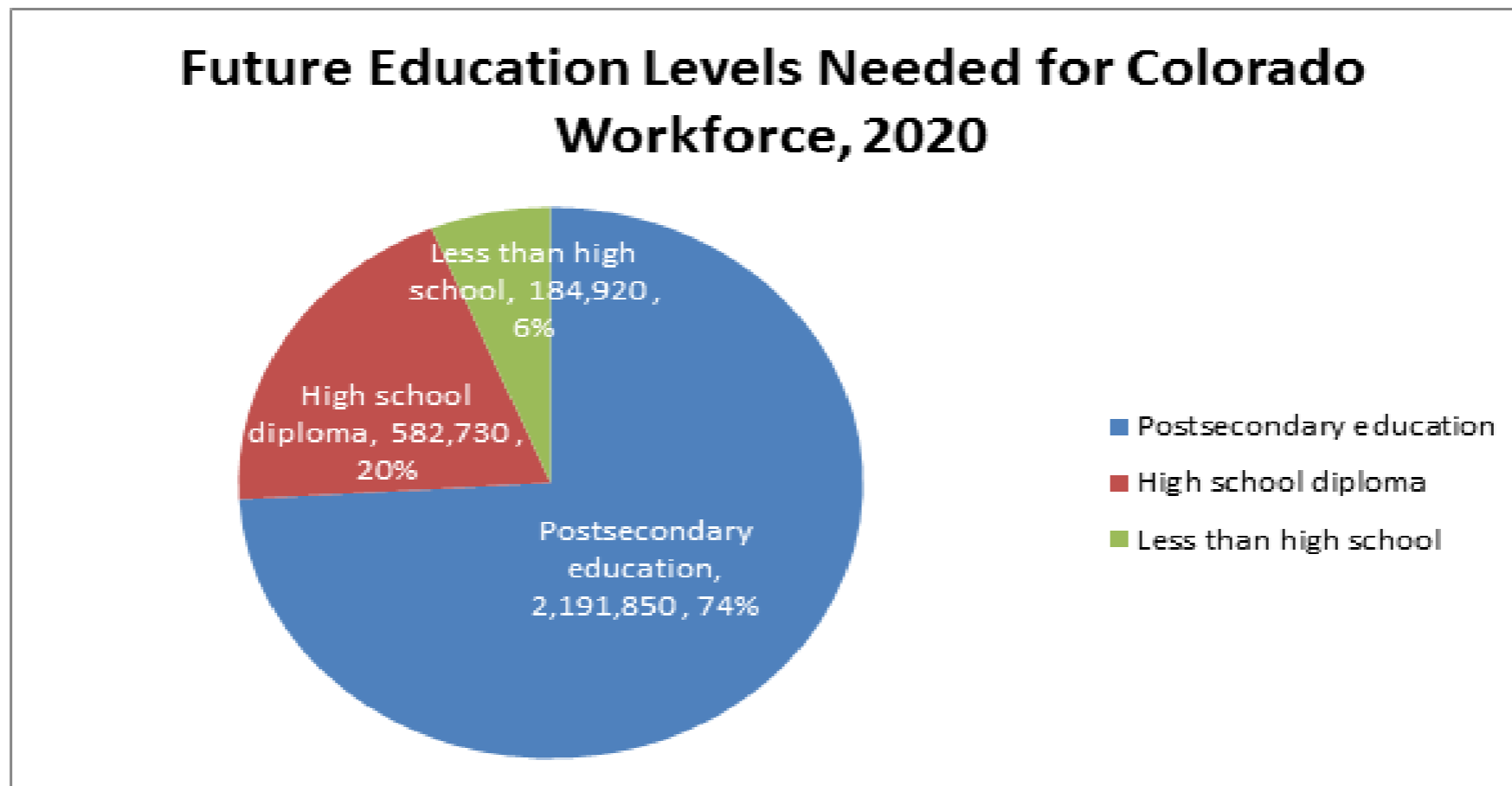


# Future Labor Market in Colorado

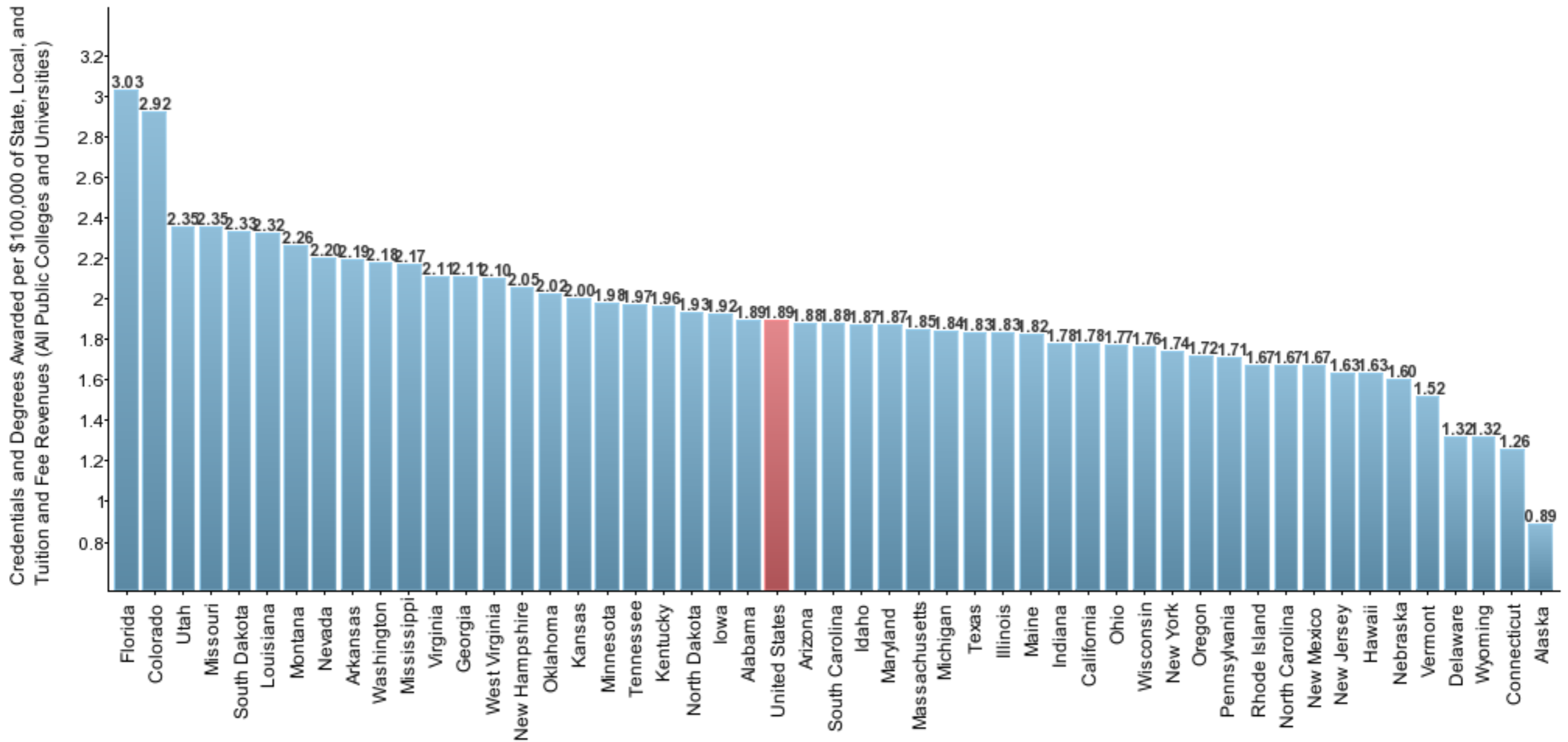
The most recent projections indicate that by 2020, 74% of all of the jobs in Colorado will require some level of postsecondary education (3<sup>rd</sup> highest in the nation).

In contrast, the demand for high school trained adults in Colorado is the second weakest in the nation (49<sup>th</sup> in the nation).

Unemployment rates are considerably lower for postsecondary degree holders demonstrating the demand for this level of education.



# Higher Education productivity



Source: NCES, IPEDS Completions and Finance Surveys; U.S. Census Bureau, American Community Survey (Public Use Microdata Samples)

# *CCHE Master Planning: Statewide Goals*

**Goal 1: Increasing Attainment:** Increase the attainment of high-quality postsecondary credentials across the academic disciplines and throughout Colorado by at least 1,000 new degrees and certificates each year to meet anticipated workforce demands by 2025.

**Goal 2: Improving Student Success:** Improve student success through better outcomes in basic skills education, enhanced student support services and reduced average time to credential for all students.

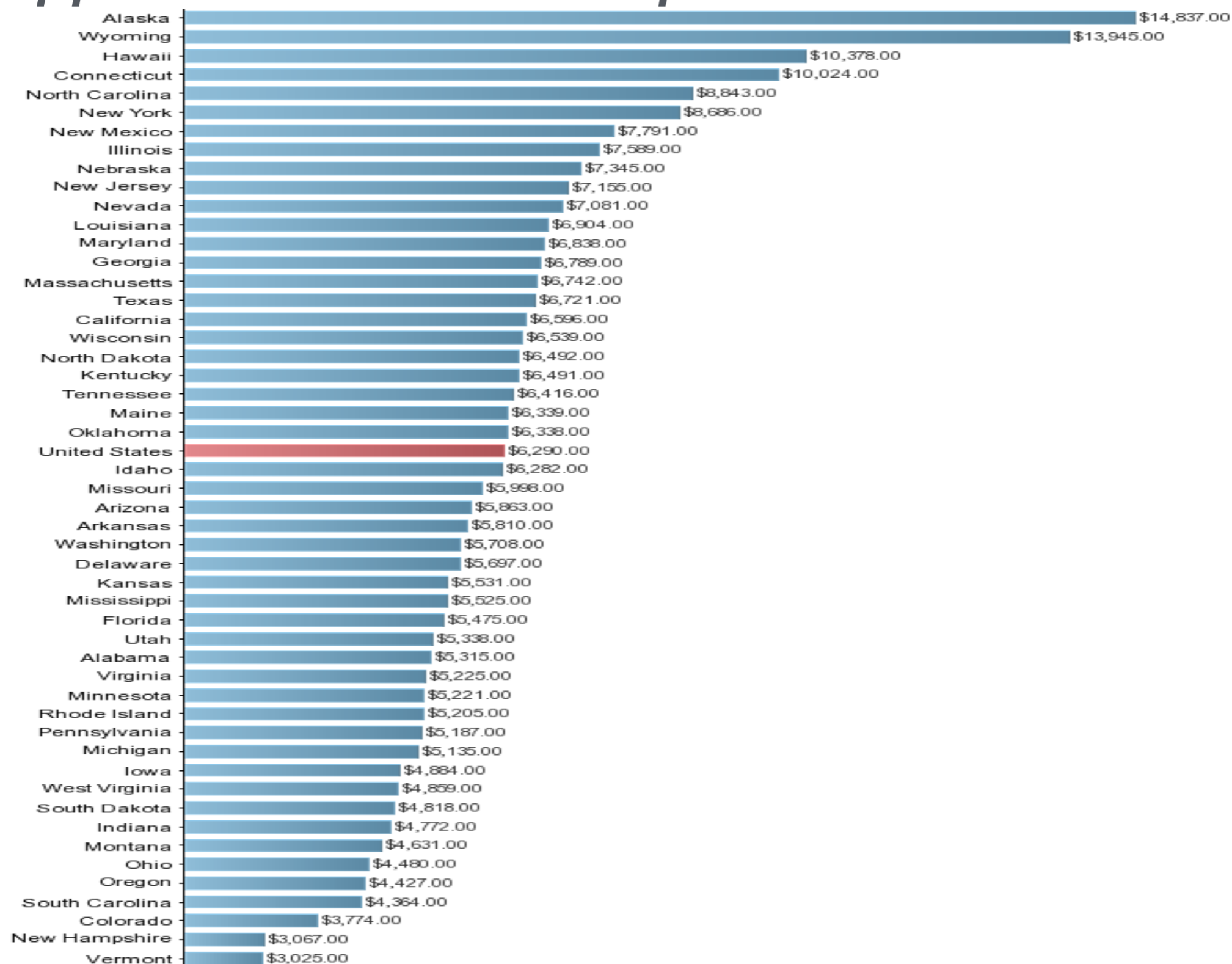
**Goal 3: Reducing Gaps:** Enhance access to, and through, postsecondary education to ensure that the system reflects the changing demographics of the state while reducing attainment gaps among students from underserved communities.

**Goal 4: Restoring Fiscal Balance:** Develop resources, through increases in state funding, that will allow public institutions of higher education to meet projected enrollment demands while promoting affordability, accessibility and efficiency.

*“Colorado Competes: A Completion Agenda for Higher Education” - Master Plan*

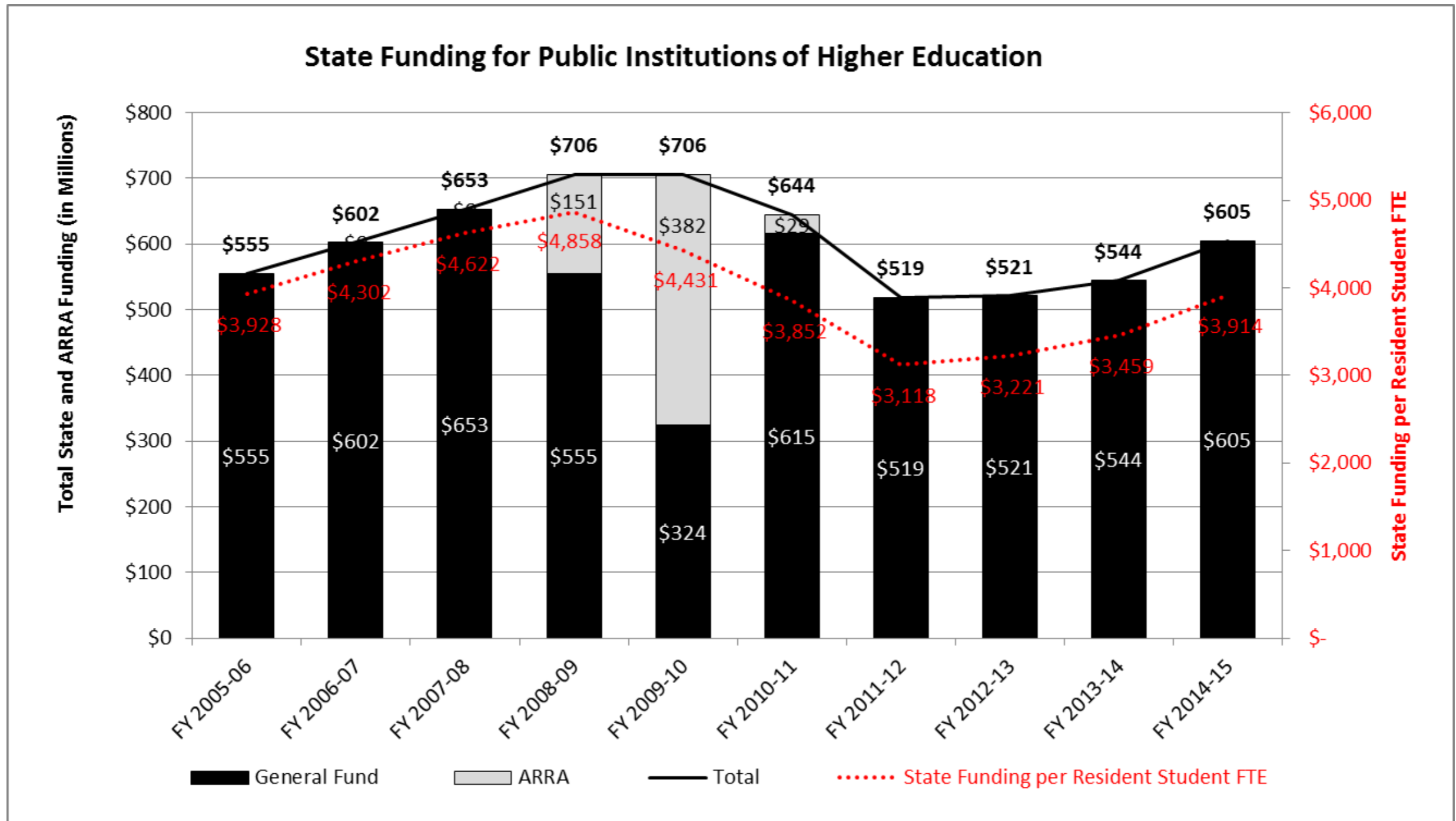


# 2011 State and Local Public Higher Education Support Per Full-Time Equivalent Student

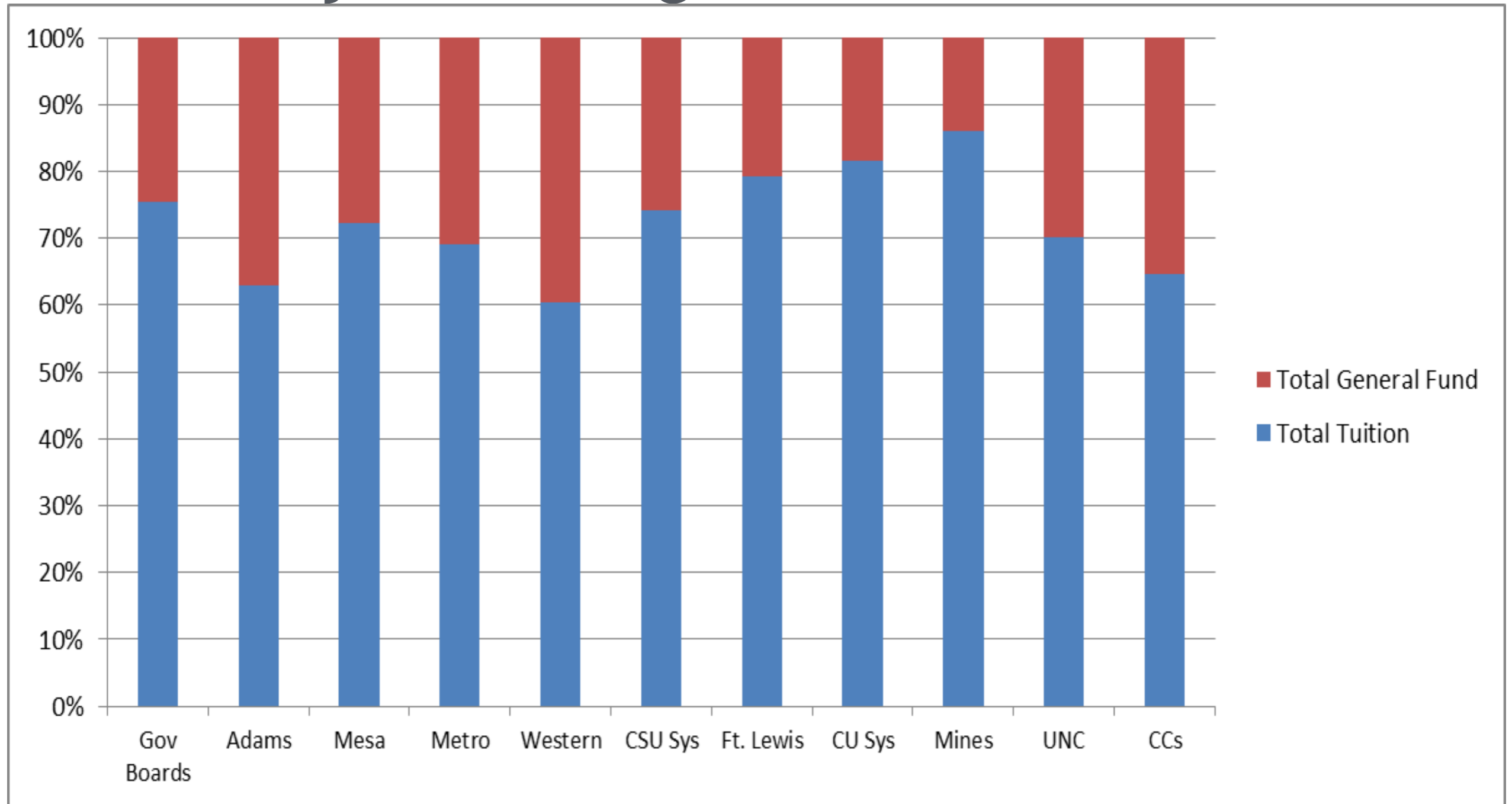


Source: State Higher Education Executive Officers (SHEEO)

# Historical State Investment



# *FY 2015 Student Share vs State Share of Tuition by Governing Board*

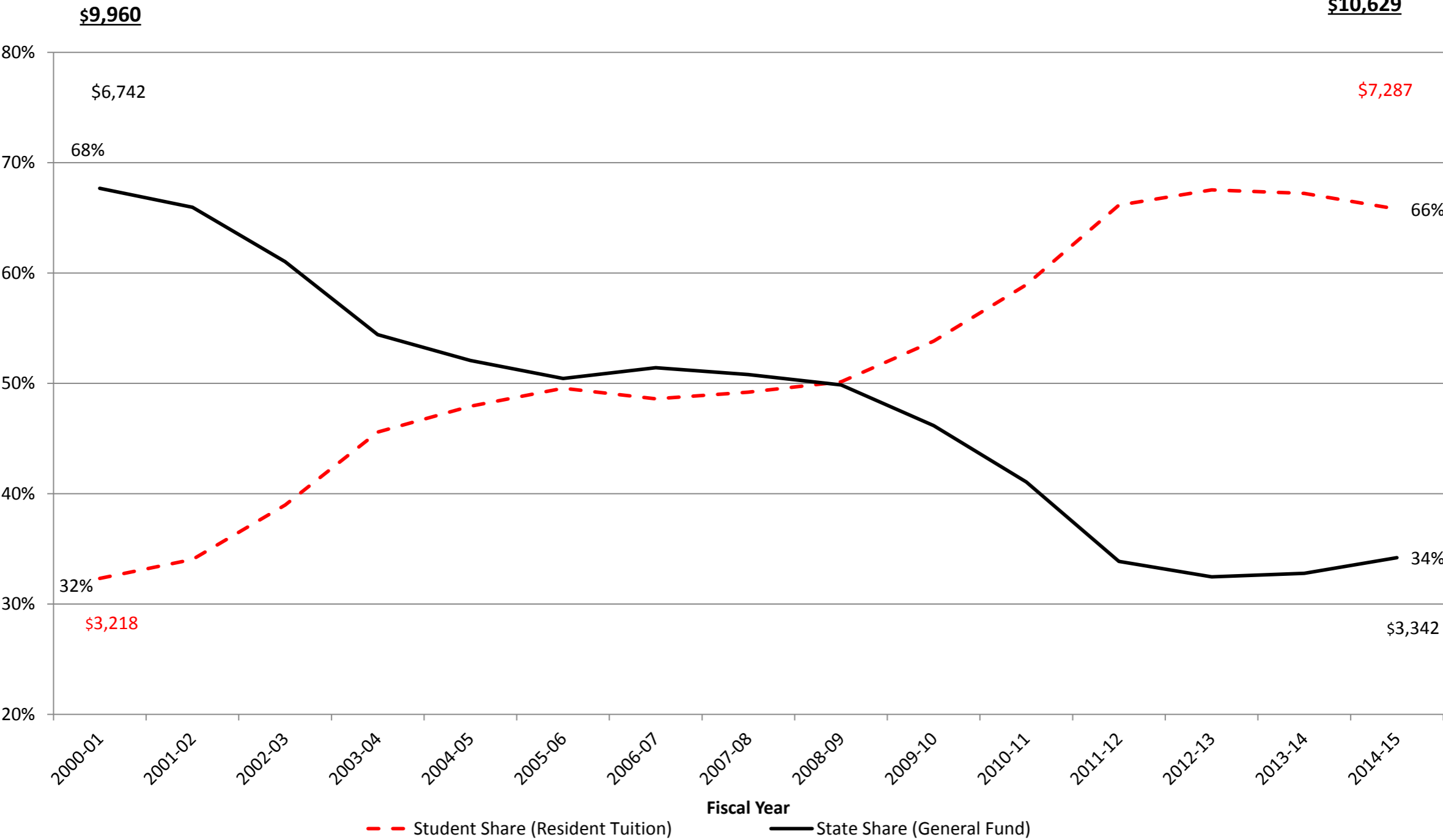




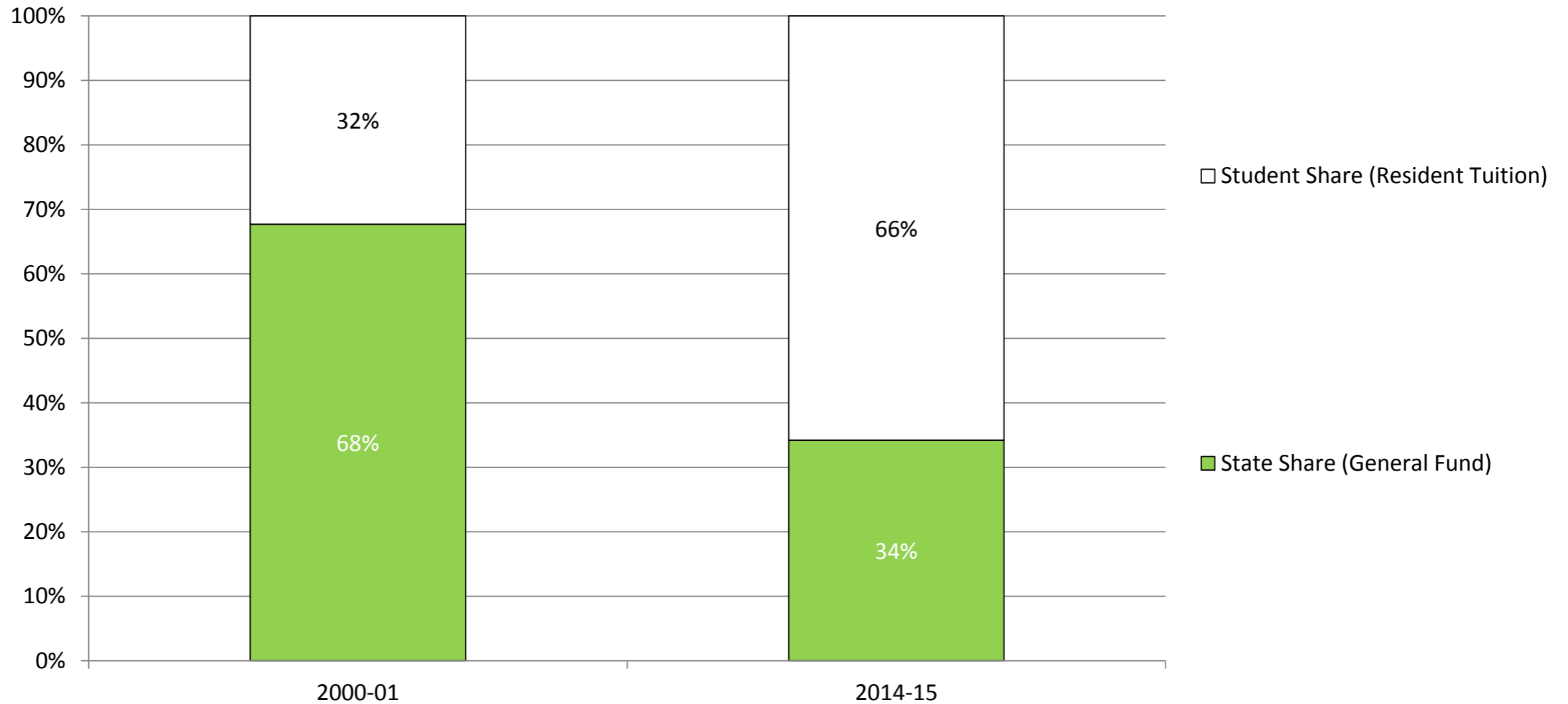
# Average Resident Student Share and State Share of college costs

## All Governing Boards

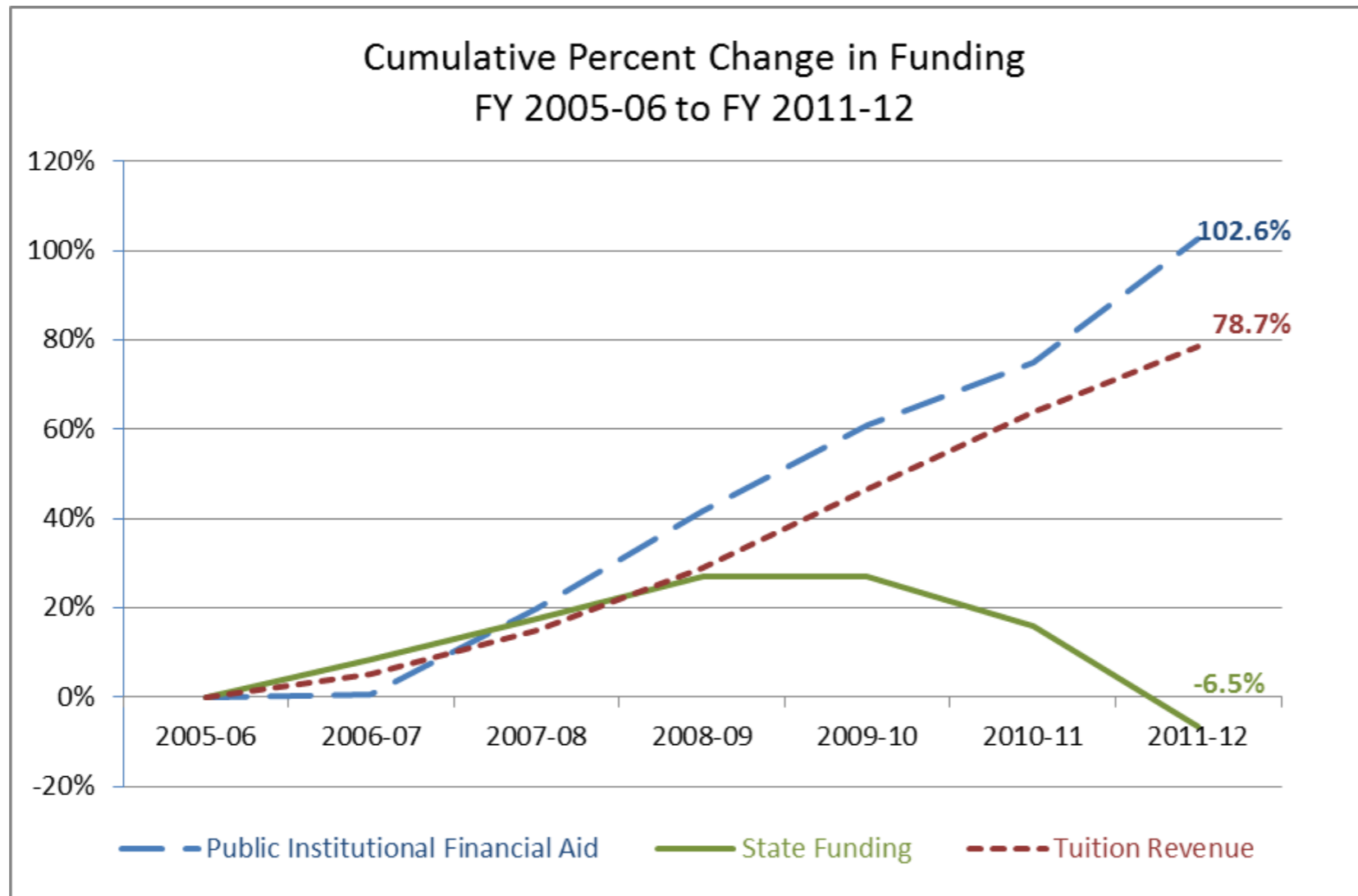
(adjusted for inflation in 2014 dollars and enrollment)



# Student Share and State Share of tuition Change from FY 01 - FY 15



# Change in Institutional Financial Aid at Public Institutions of Higher Education





# *Colorado Opportunity Fund (COF): Higher Ed Funding Mechanism*

- Created by SB04-189 during FY04 legislative session.
- Revised the way colleges were funded for in-state, undergraduate students from direct funding to the college based on institutional reporting to:
  - the student applying for the funding based on number of hours enrolled each term
  - The state purchasing specific services from the institutions.

# *Colorado Opportunity Fund (COF): Higher Ed Funding Mechanism*

## *COF Stipends*

- The College Opportunity Fund provides a stipend per credit hour for resident undergraduate students going to a public college in Colorado and for Pell eligible student attending a non-profit private school.
- Students see the stipend as a credit on their bill every semester they attend a COF eligible school and authorize COF.
- FY 2014-2015 Stipend per credit hour amount:
  - Publics: \$75
  - Pell eligible students attending participating private institutions: \$38

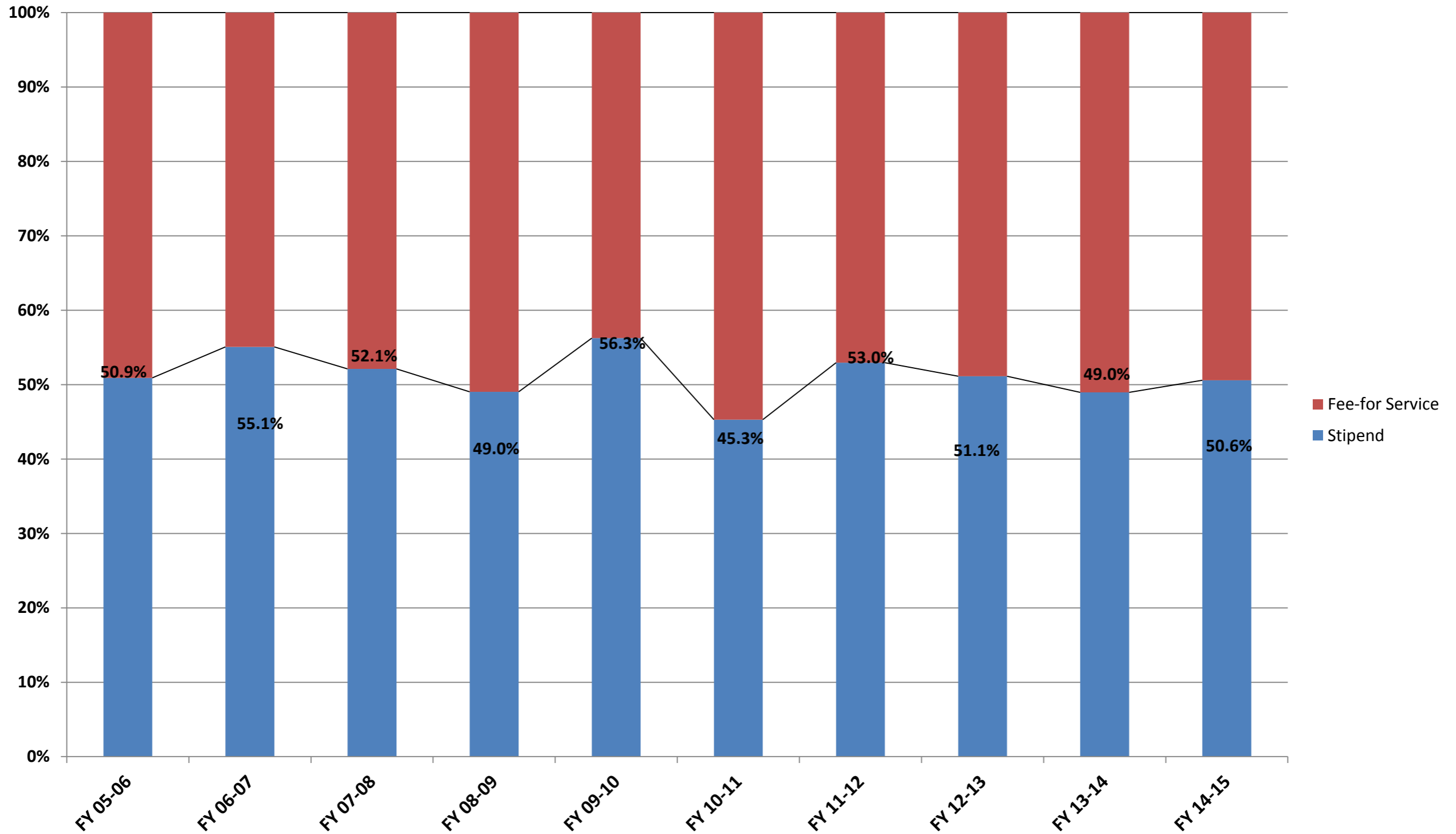
# *Colorado Opportunity Fund (COF): Higher Ed Funding Mechanism*

## *Fee-for-Service Contracts*

- Fee for service contracts are agreements between the state and public institutions of higher education in which the state pays for services the institutions provide to the residents of Colorado.
- These services include graduate education, meeting reciprocal agreement obligations, serving underserved populations, as well as operating in rural areas in the state.

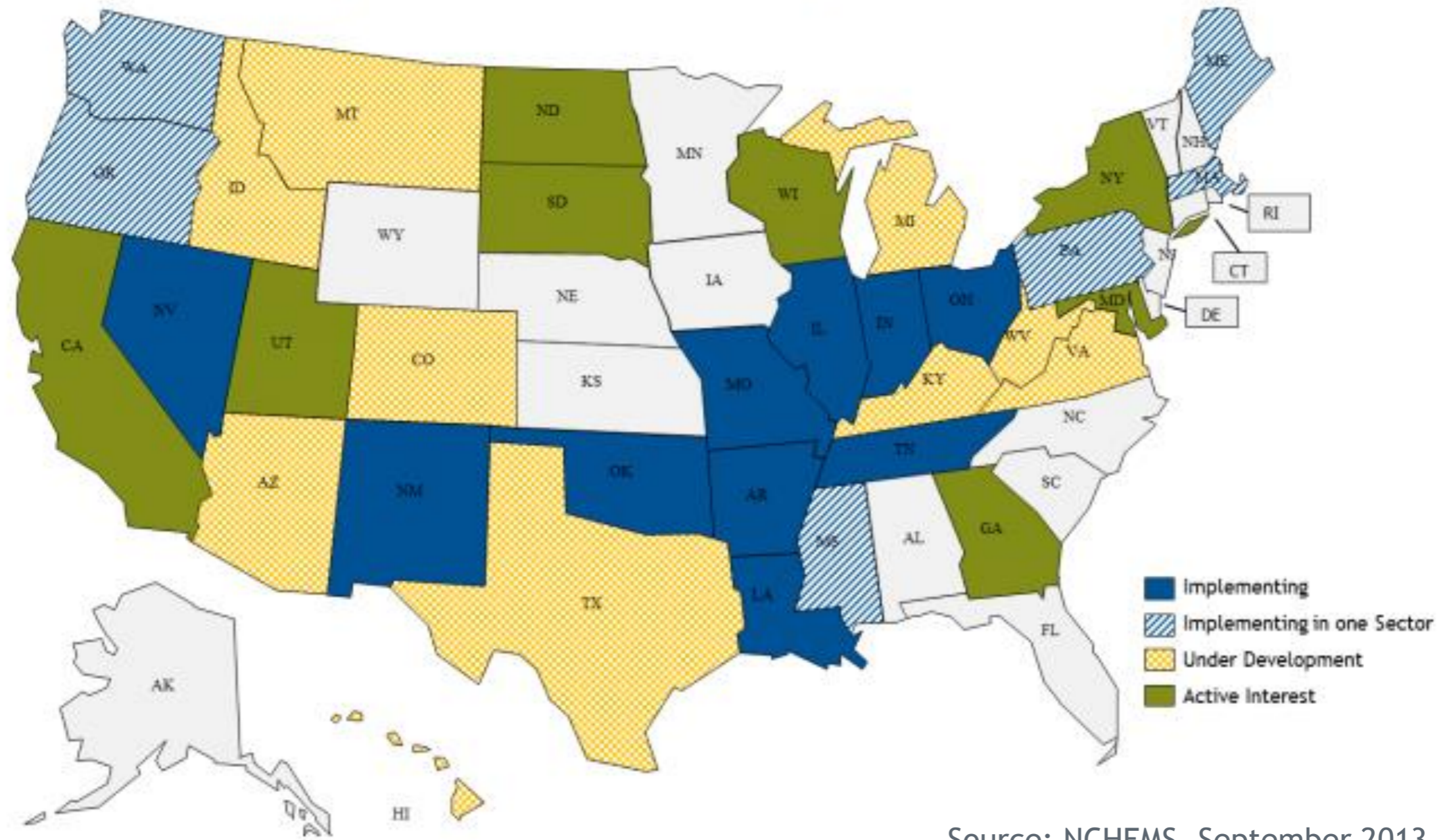


# Historical Stipend/FFS Split



# HB 14-1319: We are not alone

Figure 1. Outcomes-Based Funding Implementation



Source: NCHEMS, September 2013

# *Upcoming documentation*

We will separately provide you with packets of information with financial, student and outcomes data for Colorado's institutions and governing boards.



