

Higher Education Funding Scenarios

Starting Point	Amount	Notes
FY08-09 state General Fund to GBs, to LDCs and AVSs	705,965,059	High point in state/Federal support
FY10-11 state funding for financial aid	103,948,595	High point in state support
SubTotal	809,913,654	
Less		
Cost savings from efficiencies	50,000,000	Placeholder amount
Mark	759,913,654	

The Sustainability Subcommittee recommends this amount as the minimum base state funding for higher education operating and for financial aid and that an earmark for this amount is necessary to provide a sustainable funding source for higher education. It is understood that an annual inflationary growth factor should be applied to this amount.

Scenario	Amount	Notes
1		
Restore state income tax rate to 5.0% and state sales tax rate to 3.0%	445,000,000	Requires voter approval. Could be earmarked for research and four year institutions
4-mill property tax increase state wide	350,000,000	Requires voter approval. Could be earmarked for community colleges or other access institutions
Total	795,000,000	
2		
Increase state income tax rate by 0.75% from 4.63% to 5.38%	770,000,000	Requires voter approval. Could be earmarked for state support for higher education
Total	770,000,000	

3		
Restore state income tax rate to 5.0% and state sales tax rate to 3.0%	445,000,000	Requires voter approval. Could be earmarked for state support for higher education
4-mill property tax increase in Denver Metro (Denver, Jefferson, Broomfield, Boulder, Adams, Arapahoe, Douglas Counties)	168,000,000	Requires voter approval. Could be earmarked for metro community colleges and access institutions
Implement 1% surcharge on extraction	150,000,000	Requires voter approval. Could be earmarked for institutions located in regions impacted by extraction.
Total	763,000,000	

4		
Restore state income tax rate to 5.0%	370,000,000	Requires voter approval. Could be earmarked for state support for higher education
Expand sales tax to specific services coupled with reduction in sales tax rate to 2.7%	400,000,000	Requires voter approval. Could be earmarked for specific programs, i.e., vet services for CSU PVM
Total	770,000,000	