

Higher Education Strategic Planning Sustainability Subcommittee Recommendations

- 1. *Higher Education as a system must work with state leaders on strategies to set aside a sustainable and dedicated funding source for basic operations and improved performance.***
 - a. Colorado's system of higher education is currently at risk and has no reliable source of revenue. Additionally, Colorado's total tax burden is low, compared to other states and our relatively strong economy and wealth has the capacity to adequately fund higher education and drive increased performance.
 - i. Colorado needs to develop communication and other strategies with leaders across the state to support reasonable and viable dedicated fund sources earmarked for higher education.

- 2. *\$760M is the amount recommended by the Sustainability Subcommittee as the amount of public support level necessary and reasonable for the maintenance of basic operations of Colorado's public system of higher education. This estimate assumes a reasonable growth factor going forward.***
 - a. FY 2008-09 General Fund (\$706M) plus FY 2010-11 Financial Aid (\$104M) = \$810M, minus cost savings and efficiencies (\$50M) = \$760M.

- 3. *Part of a sustainable revenue stream earmarked for higher education should be aligned to drive measurable statewide priorities. Colorado's higher education priorities can be furthered using outcome-based funding incentives for institutions.***
 - a. When a reasonable level of funding to cover basic operating costs has been determined, monetary incentives can drive outcome-based performance across the system. Outcome-based priorities can be implemented using a percentage of available state funding and that amount should increase over time.
 - i. Outcome-based recommendation in the HESP report. Link any performance outcomes to any proposal requiring voter approval.

- 4. *Colorado's institutions of higher education are already seeking ways to do more with less and create long-term savings. The Colorado system of higher education and the institutions that comprise the system must continue to seek savings and efficiencies.***
 - a. The system of higher education should be able to demonstrate at least \$50 million in ongoing savings and efficiencies.
 - i. Count ongoing savings and efficiencies already underway at the institutions. Recommend proven savings concepts such as procurement-purchasing efficiencies.

- 5. *As part of a sustainable revenue stream for higher education, Colorado should support initiatives that would provide local support for state and community colleges.***
 - a. Local communities that benefit socially and economically from higher education institutions in the community have an obligation to help financially support those institutions.

- i. Create a state matching fund where a local commitment to a higher education institution can be matched with state assistance. A formula would be used to “equalize” local revenues.

6. *CCHE should consider all available resources (General Fund, tuition, and financial aid) when making allocation decisions.*