

**Higher Education Strategic Planning
Sustainability Subcommittee Recommendations**

- 1. *Colorado’s economic future depends on maintaining a robust system of colleges and universities. Creating and sustaining a dedicated funding source for higher education must become a top state priority.***
 - a. Colorado is next to last in per student spending on our colleges and universities behind states like Mississippi and Arkansas.
 - b. Since 1980, Colorado has reduced the investment to colleges and universities compared to other state services by 70 percent – far more than any other state,
 - c. Colorado colleges and universities are persistently at risk of extinction because they have no reliable source of revenue,
 - d. Colorado’s relative total tax burden is low, but compared to most states we have a strong economy and enough wealth to improve our position nationally and demand greater performance from our colleges and universities. Today, Mississippi invests three times more in their colleges and universities than Colorado. Arkansas invests over two times more.
 - e. Our colleges and universities must work as a system with leaders across the state on strategies to set aside a sustainable and dedicated funding source for basic operations and improved performance.

- 2. *\$760 million is recommended as a minimum, subsistence level of support necessary for sustaining basic operations and to allow low and middle income students basic access to Colorado’s colleges and universities.***
 - a. FY 2008-09 General Fund (\$706M) plus FY 2010-11 Financial Aid (\$104M) = \$810M, minus ongoing cost savings and efficiencies (\$50M) = \$760M,
 - b. The minimum level identified includes restoring recent cuts of \$150 million and represents a very lean funding level relative to other states. At \$760 million of state funding, Colorado would still place 49 of 50 states relative to personal income,
 - c. The \$760 million estimate assumes a reasonable growth factor to address increased costs going forward,
 - d. Potential dedicated revenue sources are outlined on the attachment to these recommendations.

- 3. *If Colorado wants colleges and universities that can perform and compete globally in terms of excellence, quality, performance and reputation, we need to invest beyond a bare minimum funding level.***
 - a. Doing more costs more. If high quality colleges and universities are a top priority for Colorado’s citizens it will take an investment beyond subsistence funding for basic operations,
 - b. The margin of additional investment beyond basic operations need not be large but if leveraged properly the return on a relatively small investment can be significant.

- 4. *At any sustainable funding level, funding for higher education should be leveraged to create incentives for measurable performance at Colorado colleges and universities.***
 - a. Colorado’s higher education system should reward measurable outcome achievements at colleges and universities that further statewide educational and economic priorities such as:

- i.* Meeting Colorado’s current and future workforce needs,
 - ii.* Better student retention, course completion and degree/certificate completion,
 - iii.* Increasing opportunities for Colorado’s low and middle income students,
 - iv.* Addressing Colorado’s growing achievement gap.
 - b. Linking monetary rewards to measurable progress will spur innovation at Colorado colleges and universities to use state investments to further state priorities,
 - c. The state’s investment in higher education should be focused on state-wide priorities even at a subsistence level of support.
- 5. ***Colorado’s colleges and universities are doing a good job reducing costs and are already far more efficient than most states. Colorado institutions should continue to seek ways to operate more efficiently so that more funding is directed to our classrooms and labs.***
 - a. Colorado colleges and universities are already very efficient – our state investment per certificate and degree is second lowest in the nation,
 - b. Colorado colleges and universities are actively seeking ways to do more with less and create long-term savings,
 - c. Colorado’s higher education system must leverage administrative efficiencies across the system, such as:
 - i.* Coordinating purchases from system-wide price lists result in economies of scale and lower prices,
 - ii.* Consolidating administrative operations,
 - d. Beyond administrative savings and efficiencies, Colorado institutions should actively seek and implement innovations such as online course delivery to meet diverse student’s needs at lowest cost while maintaining quality,
 - e. As a goal, the system should be able to demonstrate at least \$50 million in ongoing savings and efficiencies annually.
- 6. ***Local communities that benefit socially and economically from higher education institutions in the community have an obligation to help financially support those institutions.***
 - a. The state should create a matching fund where local voters’ financial commitment to a local college or university can be matched with state assistance. Such a local commitment would be “equalized” to account for local revenue capacity variances.
- 7. ***Colorado’s system of financing colleges and universities should be coherent and unified.***
 - a. State financing should not be a series of unconnected decisions. The totality of the Colorado higher education finance system should be considered when setting policy and making allocation decisions while appreciating the unique role and mission of our institutions and varying program delivery costs.

[RECOMMENDATION #7 IS UNAPPROVED AND UNDER REVIEW]