

March 3, 2010

Members of the Colorado Commission on Higher Education
Mr. Jim Lyons and Mr. Dick Monfort, Co-Chairs, Colorado Higher Education Strategic Planning Group
Mr. D. Rico Munn, Executive Director, Colorado Department on Higher Education

Dear Commissioners, Mr. Lyons, Mr. Monfort, and Mr. Munn:

Thank you for your efforts to help higher education during these turbulent economic times. We very much appreciate your hard work and thoughtful approach in proposing solutions that assure opportunity for public higher education is preserved in the State of Colorado.

All colleges and universities in the State of Colorado have diligently worked to protect access to higher education and opportunity for our students. As a testament to these efforts, despite cuts in state higher education funding, public higher education institutions continue to serve over 200,000 students in the State of Colorado — a number that has grown dramatically over the last several years. We are committed to serve our students by being as efficient as possible: despite being close to last in the nation in state funding per student, Colorado higher education institutions are the second-most efficient and productive in the nation.

Unfortunately, we know that state funding will continue to decline over the next several years and are very concerned about the impact this will have on our students and the quality of our programs. This is especially concerning on the operating side as the federal stimulus dollars will no longer be available starting in FY 2011-12, as well as on the capital side where enrollment increases, the age of facilities, and looming construction needs are bumping up against a forecast of very little available funds from the state in the future. It will be increasingly difficult to continue to maintain access to high quality public higher education in the face of sustained and potentially deep reductions in state funding.

Public higher education is the only opportunity many Coloradans have to improve their standard of living and to acquire the necessary skills to compete in the 21st Century economy. We risk becoming the only generation in this State that will be less educated than previous generations. This comes at the very time that more and more jobs require a post secondary education and the retirement of the baby boom generation will cause businesses to have labor shortages 5 to 10 years from now. Investment in higher education is an investment in the future of Colorado's economy and for subsequent generations.

We know that you understand this difficult situation and thank you for bringing forward the proposal from the HESP Group and for considering the proposal at the Commission level. As higher education CEOs who are grappling daily with how best to serve the citizens of Colorado at a time when opportunities to higher education are needed most, we respectfully suggest some changes in this proposal. Attached, we have provided an edited copy of the HESP proposal for your consideration as an example of how these changes could be incorporated. The following outlines the reasoning behind some of the major changes:

- Year-to-year setting of tuition rate increases through a footnote within the budget bill (the Long Bill) does not provide sufficient time to allow higher education governing boards to plan for anticipated turbulent times ahead. As a result, we would advocate that the annual footnote be eliminated and that language allowing higher education institutions to raise resident tuition up to 9 percent per year be included in state statute.
- Institutions who want a tuition increase above 9% must develop and submit four-year financial plans to their Governing Boards. Governing Boards would then set tuition increases accordingly. If the Commission does not agree with the Governing Board's decision on the tuition increase, the Commission would then have the authority to evaluate and work with the Governing Board to modify the tuition increase. There are several reasons for this change in the proposal:
 - Governing Boards are charged with governing their respective institutions and as such will be most familiar with the needs, challenges, and affordability issues relating to their institutions and students. They should be provided with the authority to approve overall financial plans, including tuition increases, within the context of their institutions.
 - However, there do need to be checks and balances. These checks come in two forms: first, the Commission would have the authority to work with governing boards to modify their tuition increases if they deem them inappropriate; and, second, the Governor has the power to appoint Governing Board members and the Senate must approve these Board members, while the Board of Regents for the University of Colorado and the boards of the local district colleges are elected by the citizens of Colorado.
 - As a final matter of practicality, this would allow the Commission to focus its attention on those institutions with which the Commission has concerns about their tuition plans. This allows scarce Commission and Governing Board resources to be focused on the key areas of Commission and public concern.
- We advocate preserving accessibility and affordability for not only students defined as "need-based," but also for the working poor and low/middle income students. Current state statutes currently restrict the availability of institutional aid from tuition increases to a

narrow group of students. We believe it is important to be able to direct some of this institutional aid to a broader group of students who have minimal or no access to need-based aid.

- We believe that the operational flexibility contained in Senate Bill 10-003 should go forward separately from the HESP's proposal and be included directly in statute. In order to integrate the operational and financial components into the planning process, governing boards need to know what level of operational flexibility is allowed up front. It is imperative to move forward with operational flexibility irrespective of what happens in regard to tuition plans.
- In order to plan most effectively, we would prefer that the tuition proposal not sunset at all. Realizing that the Commission and HESP might be otherwise inclined, we would offer a sunset or a review in 2015 as an alternative.

Finally, we all believe it is important to recognize that, while the attached proposal is helpful in the short run, it is not the ultimate solution to Colorado's higher education funding problems. The attached proposal will provide short-term stability for many institutions, but is not a long-term solution. Even with this proposal, many, if not all, institutions will be challenged to raise tuition sufficiently to sustain their missions while balancing the impact to students. Moreover, if state funding cuts are particularly dramatic in scope and duration, the state may have to revisit expectations and assumptions about access, quality and affordability in Colorado higher education. We ask you to continue your efforts to strive for a long-term solution to preserve the opportunity for a quality higher education for all Coloradans who aspire to enrich their lives.

Thank you for your commitment to higher education.

Very Truly Yours,



Dr. Brad Bartel, President, Fort Lewis College



Mr. Bruce Benson, President, University of Colorado System



Mr. Joe Blake, Chancellor, Colorado State University



Mr. Tim Foster, President, Mesa State College



Dr. Jay Helman, President, Western State College

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Colorado Mountain College

Dr. Stan Jenson, President, Colorado Mountain College



Dr. Steve Jordan, President, Metropolitan State College



Dr. Marsi Liddell, President, Aims Community College



COLORADO COMMUNITY
COLLEGE SYSTEM

Dr. Nancy McCallin, President, Colorado Community College System

UNIVERSITY of
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Ms. Kay Norton, President, University of Northern Colorado



Dr. Bill Scoggins, President, Colorado School of Mines



Dr. David Svaldi, President, Adams State College

Attachment