Higher Education Performance Funding: Past, Present, Future
General Fund Budget for FY 19-20
Includes State Education Fund

- K-12 Education: 37%
- Health Care Policy and Financing: 22%
- Public Safety and Courts: 12%
- Human Services: 7%
- Higher Education: 8%
- Other: 8%
- Capital Construction: 2%
- TABOR Refund: 2%
- Transportation: 2%
Revenue Breakdown by Higher Education Institution

- Adams State University
- Western State Colorado University
- Metropolitan State University of Denver
- University of Northern Colorado
- Colorado Mesa University
- Fort Lewis College
- Colorado State University System
- Colorado Community College System
- University of Colorado System
- Colorado School of Mines

![Graph showing revenue breakdown by higher education institution with General Fund and Tuition categories.](image)
The Higher Education Funding Allocation Model’s Structure

STATE OPERATING FUNDS FOR PUBLIC INSTITUTIONS OF HIGHER EDUCATION

LOCAL DISTRICT COLLEGES  SPECIALTY EDUCATION PROGRAMS  AREA TECHNICAL COLLEGES

TOTAL STATE APPROPRIATIONS

COF STIPEND  ROLE & MISSION  PERFORMANCE
## The Details

<table>
<thead>
<tr>
<th>COF Stipend</th>
<th>Role and Mission</th>
</tr>
</thead>
</table>
| • Must be at least 52.5% of Total State Appropriations | • Mission Differentiation (Base-like)  
• Weighted Student Credit Hours (Capped at $20 million)  
• Pell (Percentage of COF Stipend Rate) |
|                                                  | Outcomes                                                                 |
|                                                  | • Completion  
• Retention  
• Institutional Productivity (Capped at $10 million) |
Colorado's Higher Education Funding Allocation Formula

**Policy Variables (Levers)**

**College Opportunity Fund (COF)**

**COF STIPEND**
Calculated as the number of credits at X dollars per credit.

- The stipend amount can be adjusted, however must be at least 52.5% of "Total State Appropriations" running through the model.

**PELL-ELIGIBLE**
A bonus provided for each credit hour completed by a Pell-eligible student. This is calculated as the number of credit hours completed by "X" percent of the COF Stipend rate.

- This percentage could be increased or decreased based on policy decisions.

**Role & Mission**

**MISSION DIFFERENTIATION**
This amount is provided to offset the cost of providing programs based on the unique role and mission of the individual institution.

- The amount can be modified as desired based on policy priorities: fixed, adjusted by the change in overall funding, changes specific to a governing board, etc.

**Outcomes/Performance**

**COMPLETION & TRANSFER:**
Rewards each completion and transfer of a student based on weights for different academic award levels.

- Additional bonuses are provided for Pell and STEM+H completions.
  - The weights and bonus amount can be modified.

**RETENTION**
Rewards each student who makes academic progress, measured and weighted by the level of progress – 25%, 50%, 75%.

- The weights can be modified.

**INSTITUTIONAL PRODUCTIVITY**
Funding carved out to reward institutions for their performance relative to their size - measured by indexing "Awards per SFTE''.

- The total amount of this carve-out can be adjusted.
General Fund as a Percentage of Combined State Support & Tuition Revenue

- **Adams State University**: 46%
- **Western State Colorado University**: 42%
- **Metropolitan State University of Denver**: 34%
- **University of Northern Colorado**: 30%
- **Colorado Mesa University**: 29%
- **Fort Lewis College**: 27%
- **Colorado State University System**: 26%
- **Colorado Community College System**: 25%
- **University of Colorado System**: 17%
- **Colorado School of Mines**: 13%

**Source**: DHE Calculations
Allocation Formula Evaluation

• Meetings with Governing Boards
• Required by SB19-095
• Working Group of CCHE
• Changes Submitted with November Budget Request
Funding Allocation Formula Revisions
What We Heard:

• Need better recognition of equity goals
• Increased alignment with Master Plan goals
• Predictability, transparency, mitigate volume driven
• 52.5% of the appropriations flowing through the formula
  • Volume driven
  • Increases to the COF stipend amount also increase the Pell bump in Role and Mission
  • Increases here lower the amount of money going through the performance portion of the formula

• Flat amounts by institutional class
  • Weighted student credit hours (capped at 20k)
    • Recognizes cost of offering credits by subject and level
  • Pell bump as a % of COF
    • Directly impacts the amount of money flowing through performance -- any increases to the Pell bump decrease performance $$
  • Individual institutional adjustments
    • Also impacts the amount of money flowing through performance -- any increases here pull from performance

• Completions
  • Weighted by degree level
  • Extra weight for Pell and STEM-H
  • Transfers count as a completion at CCCS, Adams, Mesa
  • Lack of transparency around weighting calculation steps

• Retention
  • Funding at 25%, 50%, 75% retention
• Institutional productivity
• Volume-driven, institutions competing against each other – so a small school making improvement can still “lose” if they generate fewer completions than a large school

Final Model Distribution + SEPs at CU and CSU = Final Appropriations
Draft New Allocation Formula

All **new** investment made would be subject to performance metrics with particular emphasis on:

- Pell students
- URM students
- Existing Completions metrics
  - Degree level weight
  - STEM-H and Educators
  - Pell
  - URM
FY 2019-20 Model Allocations

Step One: 40% Operational Support
- Higher growth factor for non-system schools recognizes lack of efficiencies of scale

Step Two: 30% Performance Completions
- 1319 Outcome Metrics
  - Includes Pell, URM, Educator and STEM-H Bumps
  - Non-Residents excluded

Step Three: 30% Equity-Focused Enrollment
- Pell and URM enrollment as a proportion of statewide enrollment and of individual IHE student body

FY 2020-21 Model Allocations
• 52.5% of the appropriations flowing through the formula
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Final Model Distribution + SEPs at CU and CSU = Final Appropriations
## Outcomes by Governing Board

<table>
<thead>
<tr>
<th></th>
<th>Adams</th>
<th>Mesa</th>
<th>Metro</th>
<th>Western</th>
<th>CSU System</th>
<th>FLC</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$ 610,958</td>
<td>$ 966,364</td>
<td>$ 2,346,727</td>
<td>$ 394,531</td>
<td>$ 4,660,013</td>
<td>$ 425,936</td>
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<tr>
<td>Percentage</td>
<td>3.54%</td>
<td>3.00%</td>
<td>3.69%</td>
<td>2.62%</td>
<td>2.73%</td>
<td>3.01%</td>
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## SEP

<table>
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<tr>
<th></th>
<th>CU System</th>
<th>Mines</th>
<th>UNC</th>
<th>CCCS</th>
<th>CMC</th>
<th>Aims</th>
<th>ATC</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$ 6,784,703</td>
<td>$ 737,811</td>
<td>$ 1,343,813</td>
<td>$ 6,262,501</td>
<td>$ 262,017</td>
<td>$ 309,818</td>
<td>$ 404,512</td>
<td>$ 25,509,707</td>
</tr>
<tr>
<td>Percentage</td>
<td>2.81%</td>
<td>2.91%</td>
<td>2.86%</td>
<td>3.30%</td>
<td>2.91%</td>
<td>2.91%</td>
<td>2.91%</td>
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</tr>
</tbody>
</table>
• Award concurrent enrollment/dual enrollment credit hours
• Award improvement
• Award efficiency
Accountability Dashboard

• Master Plan dashboard goals at institutional level
• Tracking performance on key metrics outlined by the Governor and Legislature
• Data democratization: existing data publications become more public-facing and accessible
Innovation Fund:

• Grant fund administered by CCHE
• One-time investments to meet targets to make progress to Master Plan Goals, the Governor’s Bold Goals, and key goals identified by the Legislature
• Criteria to be developed similar to the CCHE Capital Prioritization criteria for prioritization of project proposals
Contact Info

Jason Schrock

jason.schrock@dhe.state.co.us

303-974-2674