

STATE OF COLORADO
JOINT BUDGET COMMITTEE



APPROPRIATIONS REPORT:
Fiscal Year 2014-15

Representative Crisanta Duran, Chair

Representative Jenise May

Representative Cheri Gerou

Senator Pat Steadman, Vice-Chair

Senator Mary Hodge

Senator Kent Lambert

DEPARTMENT OF HIGHER EDUCATION

The Department is responsible for higher education and vocational training programs in the State. The Colorado Commission on Higher Education (CCHE) serves as the central policy and coordinating board for the Department. The Commission is responsible for negotiating performance contracts with public higher education institutions. Financial aid programs also fall under the purview of CCHE. The executive director of CCHE is also the executive director of the Department and appoints the directors of College Assist and CollegeInvest, which are both statutorily authorized state enterprises with responsibilities related to student loans and college savings programs.

The College Opportunity Fund Program provides stipends for undergraduate resident students to attend public colleges and participating private colleges in Colorado. The section also includes appropriations for fee-for-service contracts with public higher education institutions for graduate education and other educational services not covered by the stipends. Tuition, stipend, and fee-for-service spending authority for public higher education institutions is provided in the Governing Boards section.

The Division of Occupational Education oversees Colorado Vocational Act programs, the Area Vocational Schools, federal Perkins technical training programs, and resources for the promotion of job development, job training, and job retraining.

The Department also includes: state subsidies for Local District Junior Colleges; History Colorado; and the Auraria Higher Education Center, which maintains the single shared campus of the Community College of Denver, Metropolitan State College of Denver, and the University of Colorado at Denver and Health Sciences Center.

Department Budget: Recent Appropriations

Funding Source	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
General Fund ^{/1}	\$623,962,700	\$628,569,790	\$659,108,061	\$761,983,052
Cash Funds	1,720,379,975	1,835,273,931	1,933,397,850	2,023,919,592
Reappropriated Funds	550,656,940	552,186,789	576,697,493	634,406,378
Federal Funds	<u>19,014,815</u>	<u>19,113,229</u>	<u>19,290,300</u>	<u>22,433,607</u>
Total Funds	\$2,914,014,430	\$3,035,143,739	\$3,188,493,704	\$3,442,742,629
Full Time Equiv. Staff	21,490.8	21,458.9	22,842.3	23,455.2

/1 Includes General Fund Exempt

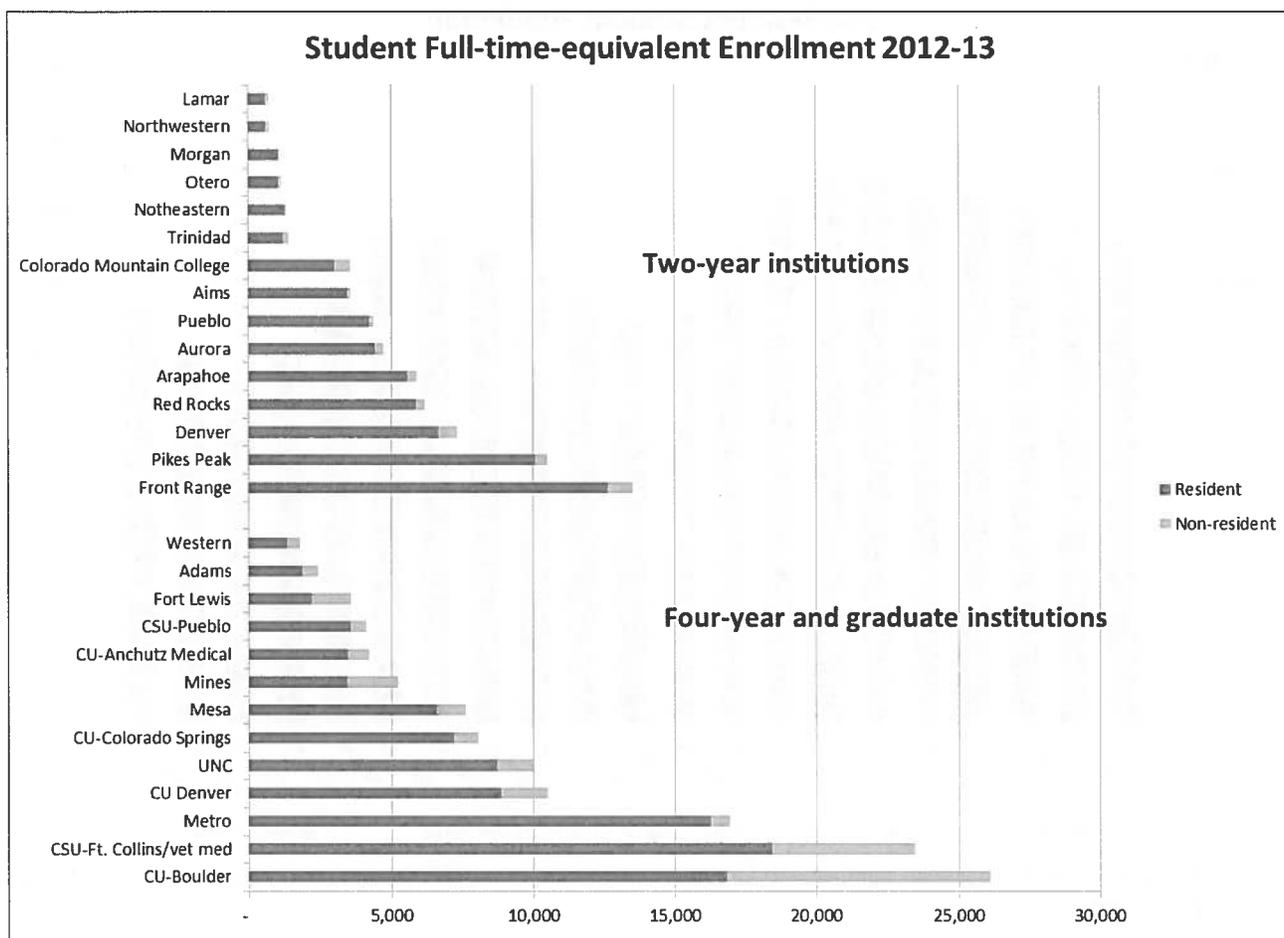
General Factors Driving the Budget

Funding for this department consists of 22.1 percent General Fund, 58.8 percent cash funds, 18.4 percent reappropriated funds, and 0.7 percent federal funds. Some of the major factors driving the Department's budget are discussed below.

Overview and Organization

The public higher education system served about 190,000 full-time equivalent students (FTE) in FY 2012-13, representing about 250,000 individuals. About 35 percent of student FTE attend 2-year and certificate institutions. These include state-operated community colleges, local district junior colleges that receive regional property tax revenues in addition to state funding, and area vocational schools that offer occupational certificates and serve both secondary and post-secondary students. Students attending institutions that offer baccalaureate and higher degrees are concentrated at the University of Colorado, Colorado State University, and Metropolitan State University of Denver. About 15 percent of all students attending Colorado public higher education institutions are not Colorado residents, although the percentage is much greater at some institutions.

The Colorado Commission on Higher Education (Commission) coordinates the higher education delivery system, including requests for state funding. However, each institution has a governing board that makes policy and budget decisions for the institution.

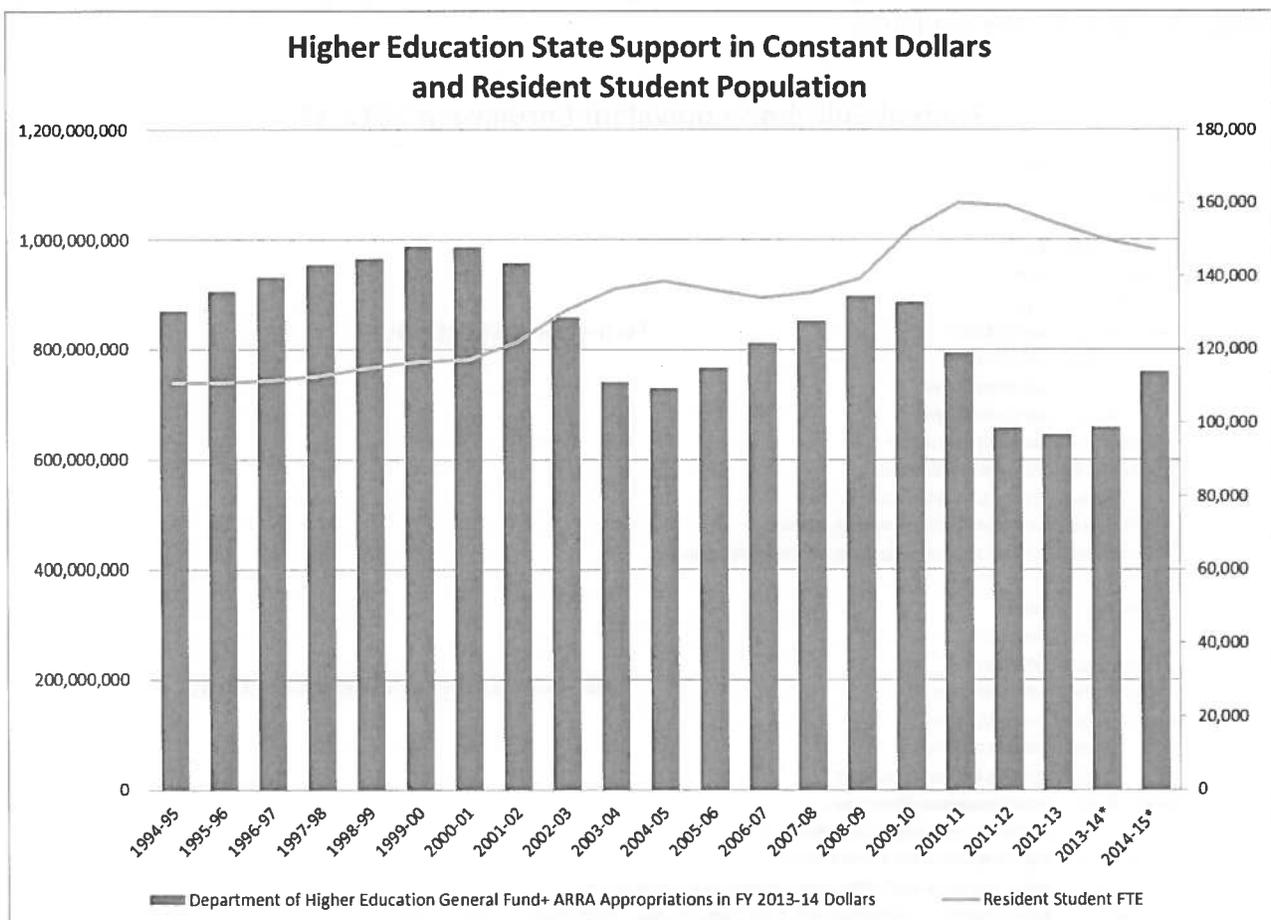


Impact of the Statewide Budget Outlook

The State has historically subsidized higher education at state institutions based on the public benefits of providing educational access to all citizens and promoting a more educated population. An educated population is associated with higher wages, lower unemployment, and lower dependence on public resources. Higher education may also be part of strategies to fill unmet needs in the community, such as nurses or teachers or engineers. Finally, subsidizing higher education is frequently described as a form of economic development for the community, as it attracts business and cultural resources.

While there are many potential benefits to supporting higher education, there are no statutes, constitutional provisions, or federal guidelines requiring specific amounts of state funding per student. As a result, this is one of the budget areas most affected by the availability of state funds.

The chart below shows how statewide General Fund support for higher education has declined during economic downturns in FY 2002-03 through FY 2004-05 and again in FY 2008-09 through FY 2011-12. The decreases in General Fund appropriations for higher education were disproportionately larger than decreases for other state agencies during the same time frames. As the economy has improved, funding has increased, including a substantial \$102.9 million General Fund increase for FY 2014-15. As also reflected in the chart, student demand for higher education tends to be higher during recessions and lower as the economy improves.



*For FY 2013-14 and FY 2014-15, reflects nominal appropriations; resident student FTE for these two years are based on Legislative Council Staff projections.

The chart below shows the allocation of the overall increase in General Fund support from FY 2013-14 to FY 2014-15 by governing board and funding category.

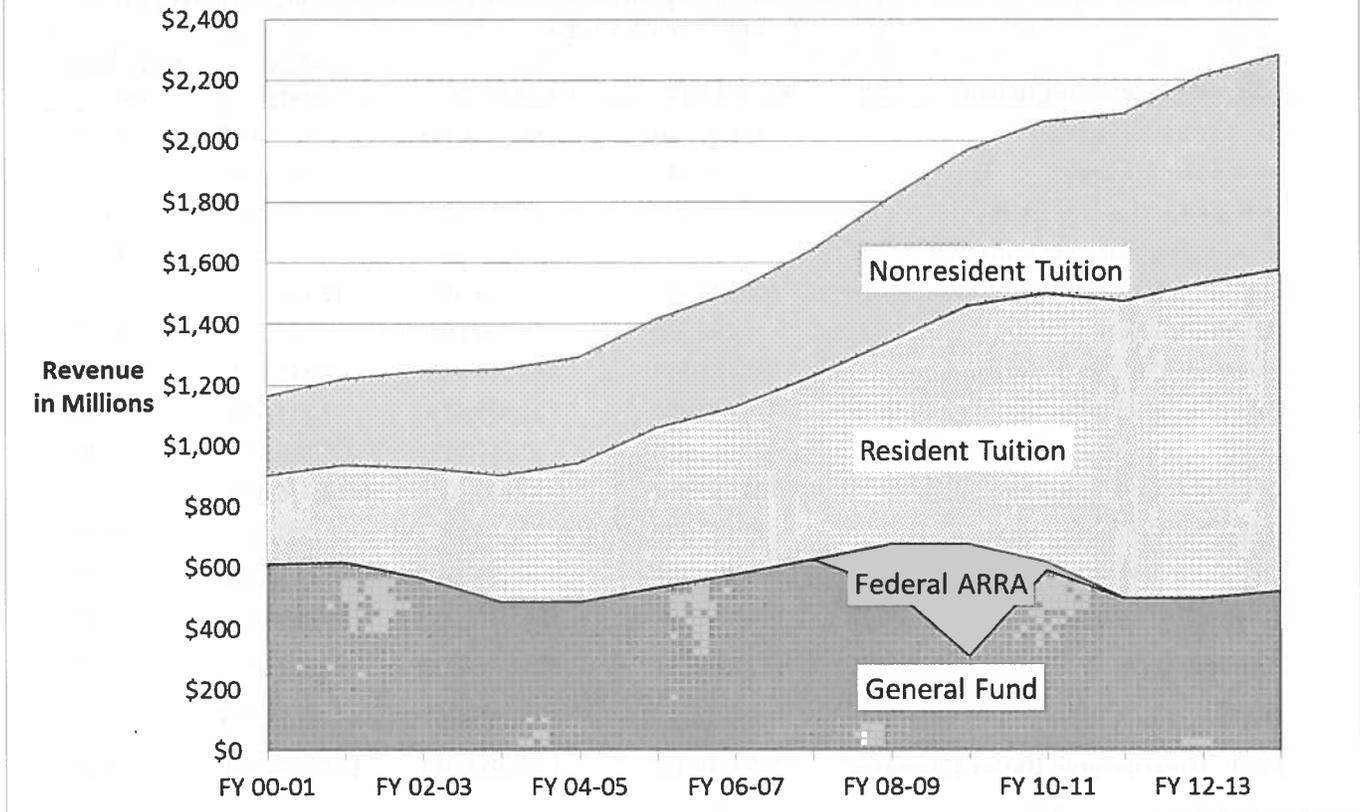
Department of Higher Education General Fund Appropriations Increases by Category and Governing Board FY 2013-14 to FY 2014-15				
Governing Boards/Institutions*	FY 2013-14	FY 2014-15	Amount Change	Percentage Change
Adams State University	\$11,561,201	\$12,837,288	\$1,276,087	11.0%
Mesa State University	19,833,811	22,027,251	2,193,440	11.1%
Metropolitan State University	39,230,013	43,681,193	4,451,180	11.3%
Western State Colorado University	9,532,909	10,585,447	1,052,538	11.0%
Colorado State University System	109,847,382	121,978,483	12,131,101	11.0%
Ft. Lewis College	9,540,320	10,594,604	1,054,284	11.1%
University of Colorado System	150,255,639	167,097,810	16,842,171	11.2%
Colorado School of Mines	16,813,547	18,669,456	1,855,909	11.0%
University of Northern Colorado	33,640,060	37,357,027	3,716,967	11.0%
Community College System	123,389,317	137,465,925	14,076,608	11.4%
Local District Junior Colleges	12,650,325	14,044,591	1,394,266	11.0%
Area Vocational Schools	<u>8,091,845</u>	<u>8,983,694</u>	<u>891,849</u>	11.0%
Subtotal - Governing Boards/Institutions	\$544,386,369	\$605,322,769	\$60,936,400	11.2%
Financial Aid	\$111,465,347	\$152,747,922	41,282,575	37.0%
Other	<u>\$3,256,345</u>	<u>\$3,912,361</u>	<u>\$656,016</u>	20.1%
Total - Department of Higher Education	\$659,108,061	\$761,983,052	\$102,874,991	15.6%

*Includes College Opportunity Fund Stipends, Fee-for-Service Contracts, and Grants to Local District Junior Colleges and Area Vocational Schools in all enacted bills

One reason this budget area is more subject to state-funding adjustments than some others is that there is an alternative funding source: individual tuition payments. Colorado has always expected that individuals and families who benefit from higher education will bear at least some portion of the cost. Policymakers differ in the extent to which they believe higher education should be an individual versus a public responsibility. However, limited state funds and the ability to increase tuition have, together, pushed Colorado (and other states) toward a funding model in which the share of higher education costs borne by individuals and families has increased dramatically while state funding has declined.

The chart below illustrates how tuition, as well as temporary federal American Recovery and Reinvestment Act (ARRA) funds, have augmented and substituted for General Fund revenues for the higher education institutions. As shown, tuition revenue increases have more-than-compensated for declines in General Fund support since FY 2007-08. This chart does not, however, include adjustments for changes in the number of students served or inflationary factors impacting the cost of providing services.

Higher Education Institutions General Fund + Tuition Revenue



As available state funding has again increased, the General Assembly has sought to tie the additional funding to tuition restrictions. For FY 2014-15, the General Assembly paired increases in state funding with a 6.0 percent cap on undergraduate resident tuition increases for FY 2014-15 and FY 2015-16, through S.B. 14-001.

Tuition and Fees

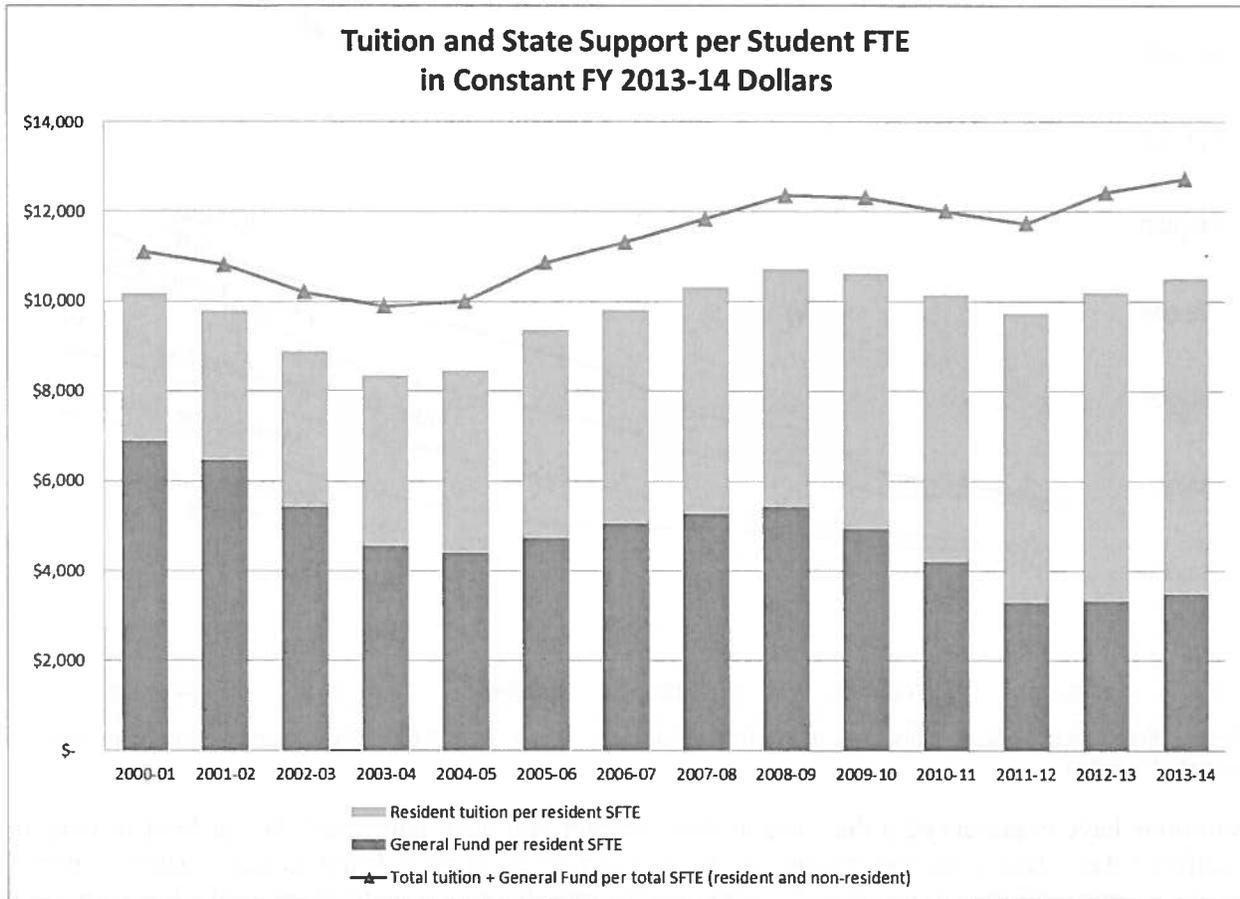
As indicated by the chart above, over time, the share of higher education revenue derived from tuition and fees has increased, while the General Fund share has decreased. Overall public access to higher education is significantly influenced by tuition and fee rates: high rates may discourage participation or may result in high debt loads for those who do participate. Nonetheless, Colorado and other states have often used tuition increases to substitute for higher education General Fund support due to the multiple demands on state General Fund revenue.

The chart below shows the change in General Fund and tuition revenue to the institutions per student since FY 2000-01 after adjusting for inflation (years prior to FY 2013-14 are reflected in FY 2013-14 dollars, based on the Denver-Boulder-Greeley consumer price index/CPI). As shown:

- Overall revenue to the institutions per student (the line on the chart) has increased more rapidly than CPI inflation: there was an increase in per-student revenue of about 15 percent from FY 2000-01 to FY 2013-14

after adjusting for inflation. Total revenue per student is greater than resident revenue per student (the bars on the chart) due to the impact of non-resident tuition revenue. The share of non-resident students has increased over time, effectively subsidizing resident tuition at some institutions.

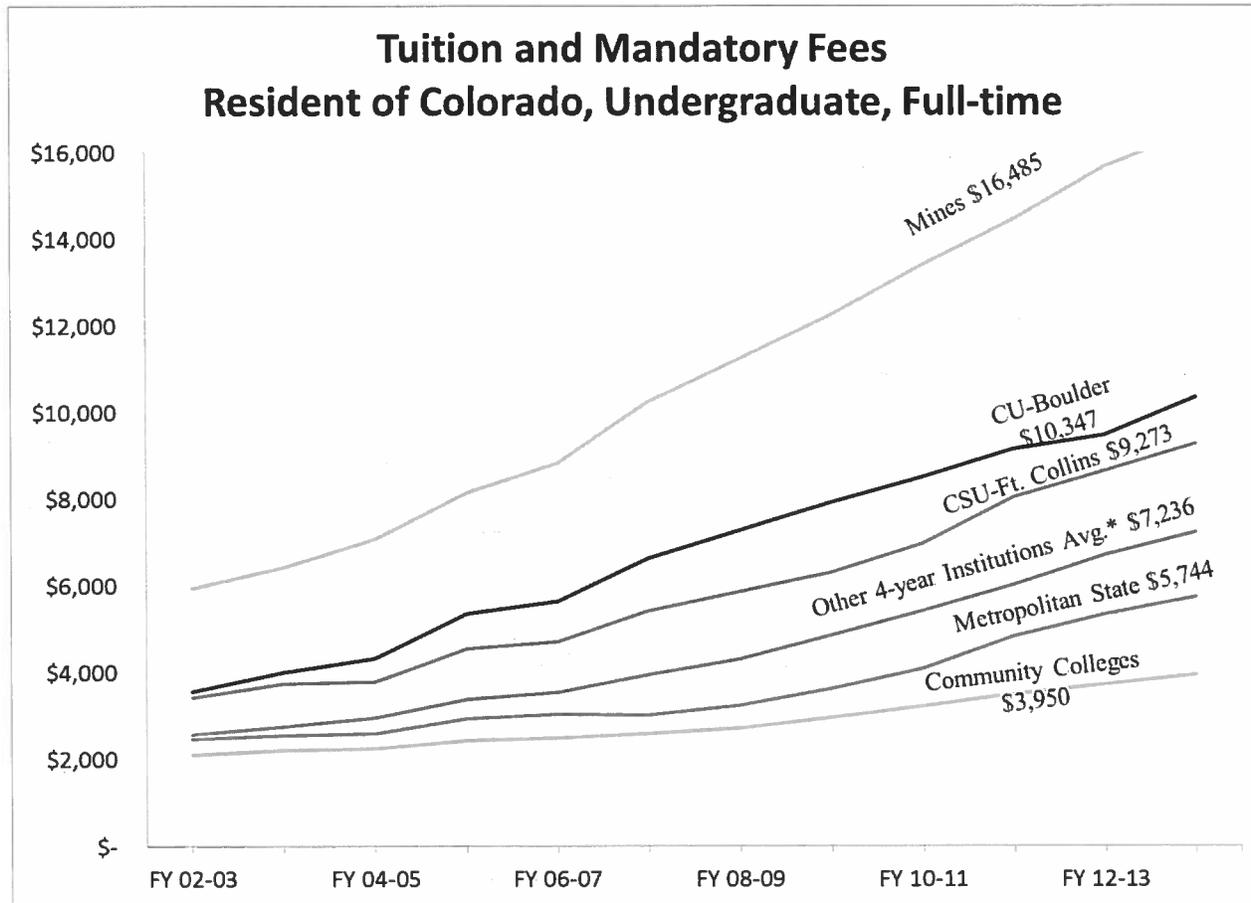
- Projected revenue to the institutions per *resident* student (bars on the chart) increased about 3 percent from FY 2000-01 to FY 2013-14, after adjusting for inflation, but the share covered by the student—as opposed to the General Fund—has changed substantially. In FY 2000-01, the General Fund provided about two-thirds of the revenue per resident student; in FY 2013-14, it provided about one-third.



Senate Bill 10-003 temporarily delegated tuition authority to higher education governing boards from FY 2011-12 through FY 2015-16 (five years). From FY 2011-12 through FY 2013-14, governing boards could increase resident undergraduate tuition rates up to 9.0 percent per year, and could submit a plan to ensure access and affordable tuition for low- and middle-income students to the Commission for permission to implement larger rate increases.

Based on the provisions of S.B. 14-001, for FY 2014-15 and FY 2015-16, institutions are restricted to a 6.0 percent “hard cap” on resident undergraduate tuition rate increases. Beginning in FY 2016-17, the responsibility to set tuition spending authority reverts to the General Assembly [Section 23-5-129 (10), C.R.S.], and the tuition increases used to derive the total spending authority for each governing board will be detailed in a footnote to the Long Bill [Section 23-18-202 (3) (b), C.R.S.].

The chart below shows rates through FY 2013-14. All rates are for students who are full-time (30 credit hours per year), beginning their studies, Colorado resident, undergraduate, and taking liberal arts and sciences courses.

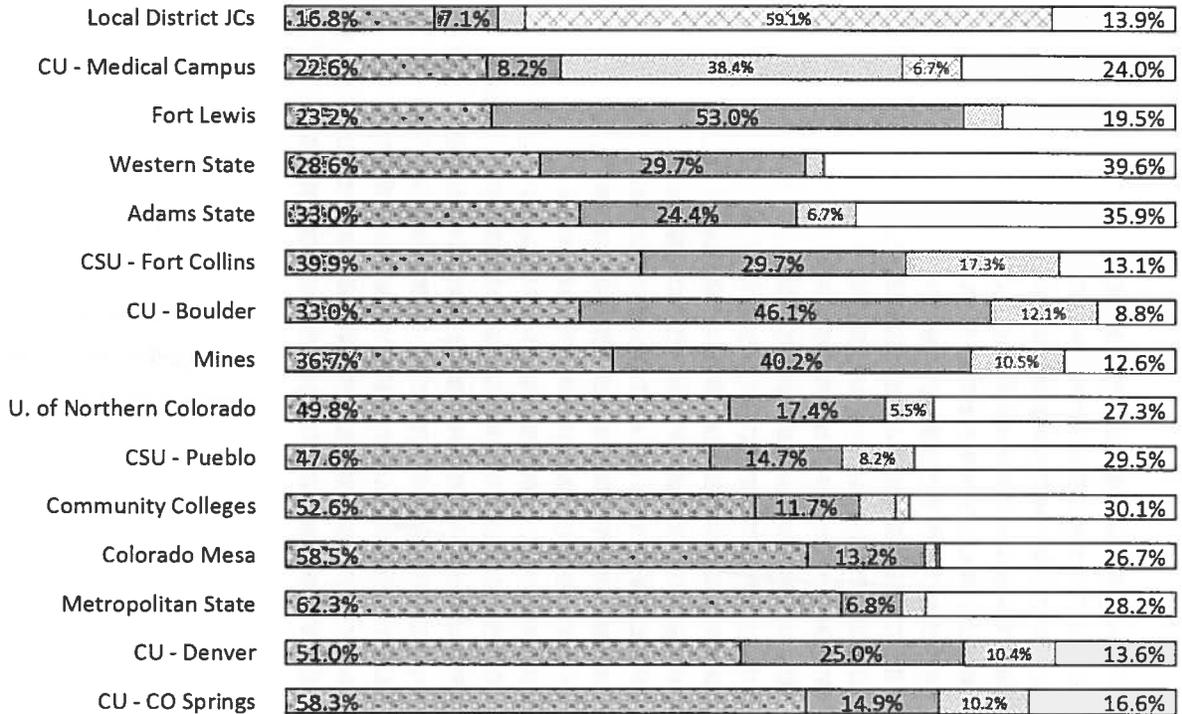


*CSU-Pueblo, Fort Lewis College, University of Northern Colorado, Adams State University, Colorado Mesa University, Western State Colorado University

All institutions have experienced a decrease in state support and have addressed this, at least in part, through higher tuition rates. However, the institutions have different abilities to bring in out-of-state student tuition revenue or to raise tuition above that of other institutions based upon their individual missions and the populations they serve. The chart below compares the revenue mix at various state institutions for educational expenditures reported to the General Assembly in FY 2012-13. Note that this excludes revenue and expenditures for research grants and auxiliary facilities such as dormitories and dining halls.

Proportion of Funding from Students vs the State

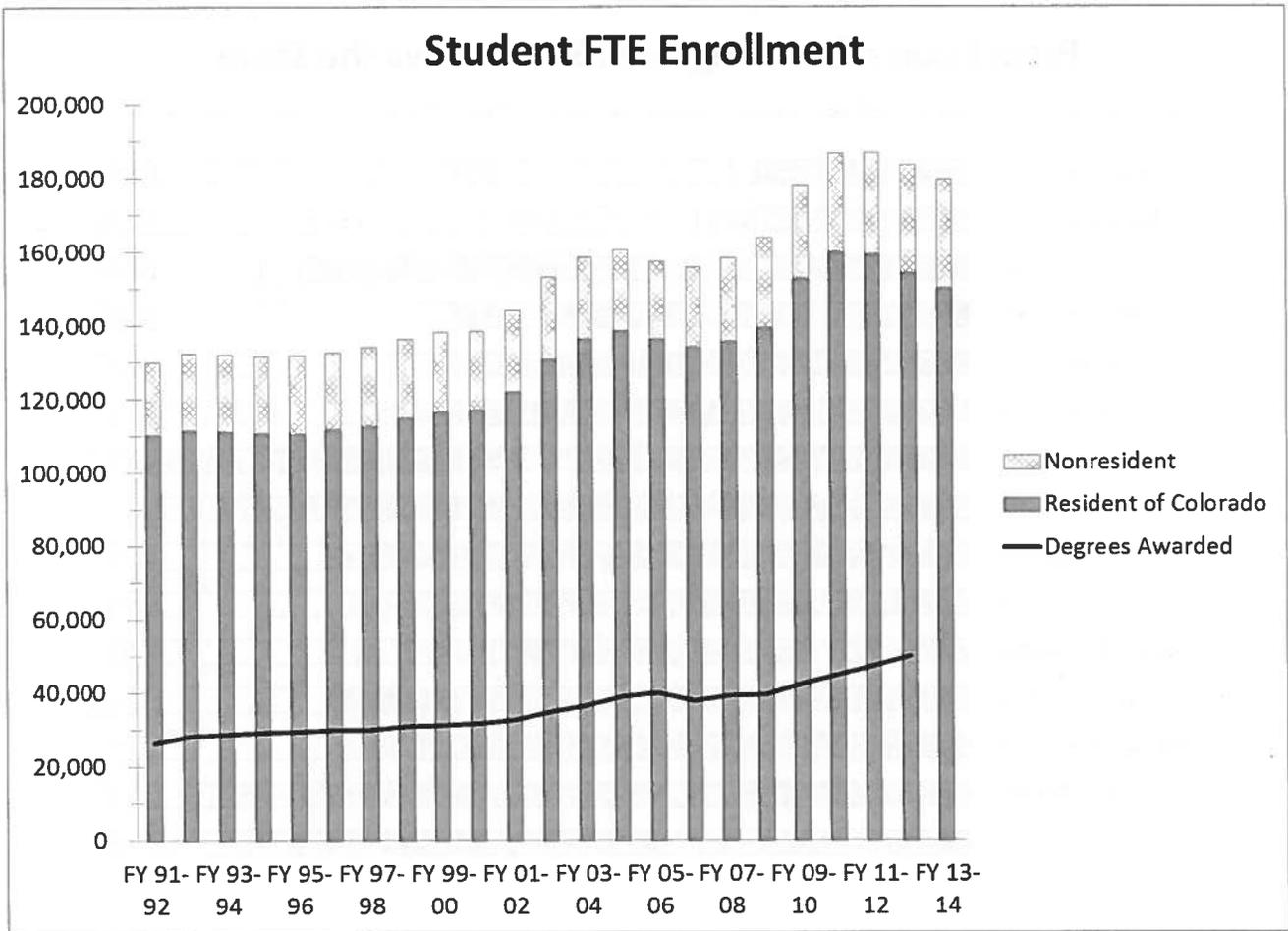
In-state
 Out-of-state
 Indirect Cost Recoveries, Fees, Other
 Local/Tobacco/Gaming
 General Fund



Enrollment

Enrollment is both a workload and performance measure for campuses, and it affects tuition and fee revenue. For some institutions, nonresident enrollment is important because nonresident tuition helps subsidize resident education. Increases in enrollment also drive costs for faculty, advising, and general operating.

Enrollment tends to be counter-cyclical: when the economy slows, higher education enrollment grows more rapidly. The following chart reports student FTE since FY 1991-92 (excluding Local District Junior College and Area Vocational School data). Thirty credit hours in a year equals one full-time-equivalent student. The chart also includes a trend line for degrees awarded through the most recent year of data (FY 2011-12). This is an unduplicated count of graduates. The relatively modest enrollment growth in the 1990's and significant growth in the 2000's correlate closely with the economic circumstances of the state during those time frames. As the economy began to improve in FY 2012-13 resident enrollment began to decline. Although enrollment is projected to continue to fall in FY 2014-15, overall enrollment levels are unlikely to decline to pre-recession levels.



Personnel

Higher education governing boards are allowed by statute to determine the number of employees they need, but the appropriations reflect estimates provided by the governing boards of the number of employees at their institutions, which for FY 2013-14 are estimated at 22,022.7 FTE. This doesn't include employees of self-supporting auxiliary programs such as food services, book stores, or housing.

Of the amount state-operated institutions spend on education, approximately two-thirds is spent on salaries and benefits and most of this is spent on instructional faculty. Some higher education FTE such as administrative support and maintenance staff are classified staff for whom salaries and benefits are defined by the state personnel system and the policies of the General Assembly. However, the majority of FTE and personal services expenditures are for exempt staff such as faculty for whom governing boards have control of compensation. Four-year institutions that employ tenure-track faculty in high-demand fields may need to offer compensation to professors that is competitive with peer institutions in other states and, in some cases, the private sector. This is a significant cost driver at some institutions. However, four-year institutions have increasingly relied on less-expensive adjunct faculty to limit associated cost increases. At two year institutions, the vast majority of staff are adjunct faculty who carry part-time teaching loads and receive modest compensation.

College Opportunity Fund Program and the Higher Education Funding Model

Colorado uses a method for distributing higher education funding that differs from other states. Instead of appropriating General Fund directly to the institutions for their day-to-day operations, the General Assembly appropriates money into a fund that provides stipends to eligible undergraduate students. In addition, the General Assembly appropriates money for differences in the cost of programs at each institution. This second appropriation for cost differentials gets to the institutions through what are called fee-for-service contracts between the Commission and the governing boards. The sum of stipends and fee-for-service contracts is the state General Fund support provided to each institution for their operations.

The bill that authorized stipends and fee-for-service contracts (S.B. 04-189) also provided a mechanism for designating qualifying state higher education institutions as enterprises under Article X, Section 20 of the Colorado Constitution (TABOR). Revenue, such as tuition, that is generated by enterprises is exempt from the limits imposed by TABOR and has no impact on any refund that may be due pursuant to TABOR. To achieve enterprise status under TABOR, a program must: (1) be a government-owned business; (2) have authority to issue revenue bonds; and (3) receive less than 10 percent of annual revenue from state and local grants. Stipends and fee-for-service contracts are defined in statute as different from a state grant. All of the institutions have been designated as TABOR enterprises.

While there are clear benefits to designating institutions as TABOR enterprises, other benefits of Colorado's funding model have been less certain. Therefore, during the 2014 legislative session, the General Assembly adopted H.B. 14-1319 (Outcomes-based Funding for Higher Education) which modifies the higher education funding structure. This bill requires a substantial portion of total funding still be used for stipends for eligible undergraduate students. However, starting with FY 2015-16, the balance of funding will be allocated through a formula that takes into account institutional roles and missions and performance on outcomes such as student retention and completion. The Colorado Commission on Higher Education will develop the funding model and present it to the General Assembly during the 2015 legislative session.

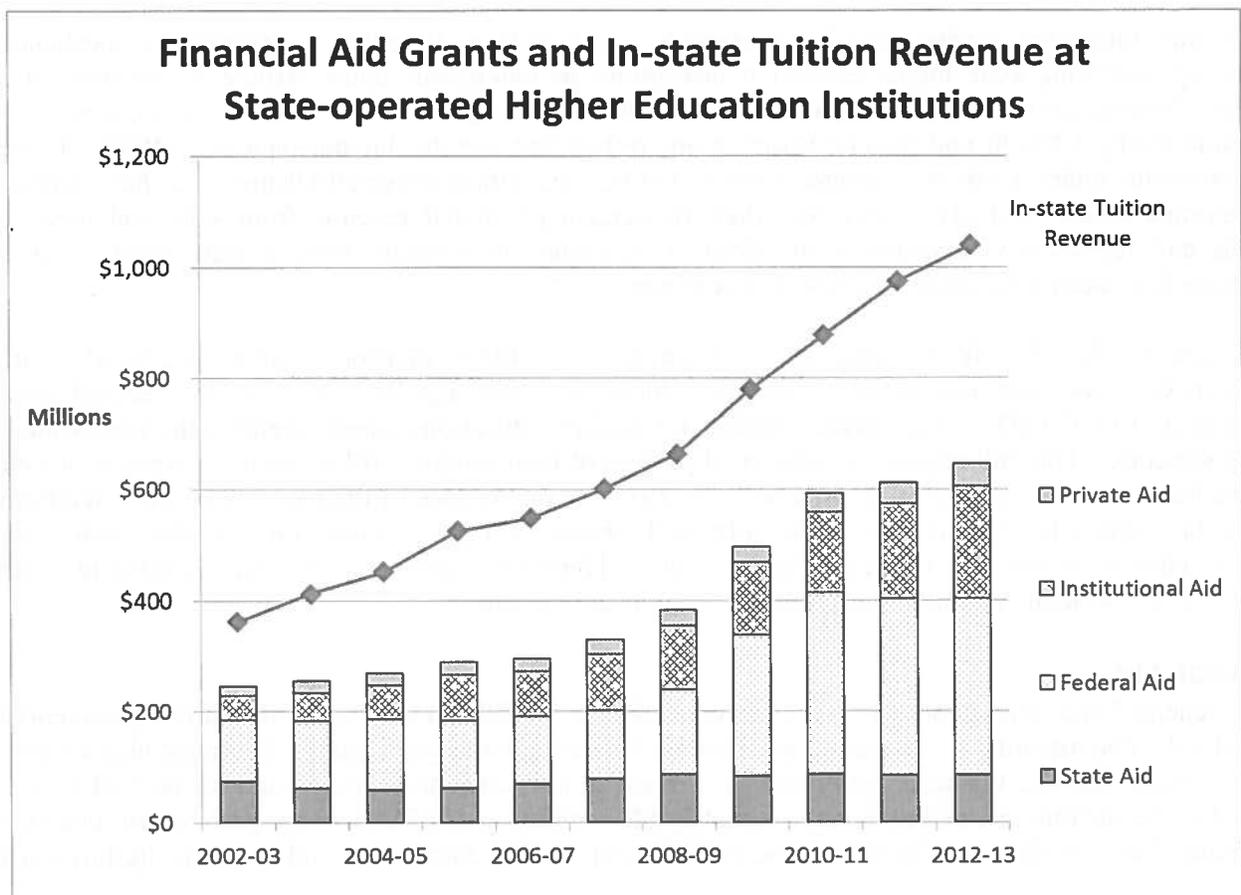
Financial Aid

Of the General Fund appropriations for higher education in FY 2014-15, \$152.7 million (20.0 percent) is for financial aid. The majority of the money goes for need based aid and work study. There are also a number of smaller, special purpose financial aid programs. Financial aid funds are appropriated to the CCHE and then allocated to the institutions, including approximately \$6.7 million in FY 2012-13 for private institutions, based on formulas that consider financial need at the schools, total student enrollment, and program eligibility criteria.

The financial aid funding identified in state appropriations is only a fraction of the total financial aid available. The federal government provides a significant amount of financial aid for students, the vast majority of which is not reflected in the state budget. The majority of federal grants come through the Pell program for the neediest students. Federal legislation increased the maximum Pell grant for a full-time student to \$5,550 in FY 2010-11 and expanded Pell eligibility, resulting in a substantial increase in overall federal funding. However, while the maximum award has been flat since FY 2010-11, eligibility was reduced in FY 2011-12, when year-round Pell grants were eliminated, and FY 2012-13 when the total number of semesters of eligibility was reduced from 18 to 12, access for students who had not yet completed a GED or high school diploma was eliminated, and the income cut-off for assuming a \$0 family contribution was reduced. In FY 2012-13, the families of dependent students receiving a full Pell had an average adjusted gross income of \$17,094 while the average for students receiving any Pell award was \$30,384.

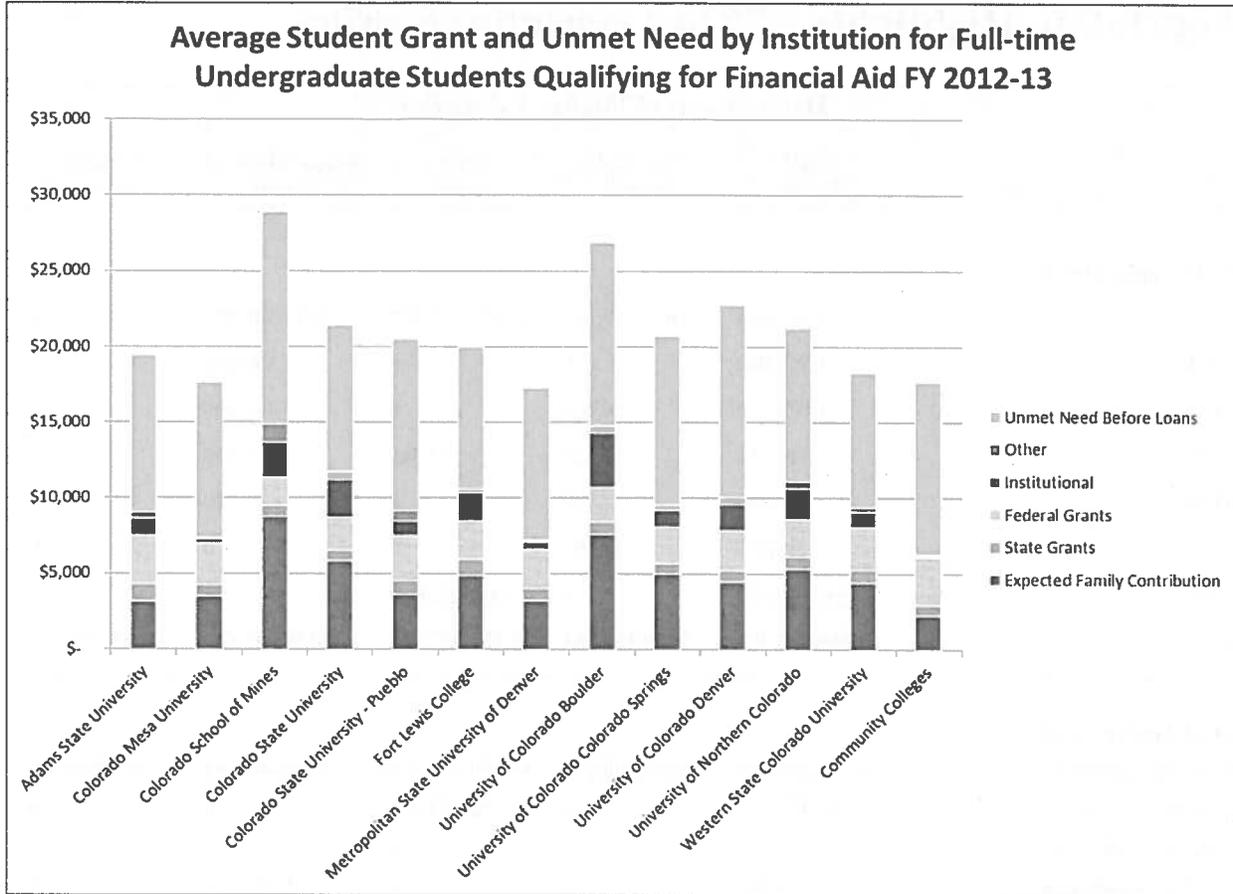
Another source of funding for financial aid is money set aside by the institutions from fundraising and the operating budgets of the schools (largely tuition revenue). There is significant variation in the amount of money available by institution and how students qualify for institutional aid, based on differences in school policies and fundraising. The majority of institutional aid is directed to merit-based aid.

The following graph shows financial aid grants from various sources awarded to students attending state-operated higher education institutions. As an indication of the buying power of financial aid grants, the chart also provides information on total resident tuition revenues collected.



Financial aid pays for expenses related to room, board, transportation, student fees, and learning materials, in addition to tuition. Depending on the institution, these other costs of attendance may dwarf the price of tuition. The total cost of attendance for a resident student in FY 2012-13, including room and board, ranged from \$16,975 at some rural community colleges to \$28,919 at the Colorado School of Mines.

In order to fill the gap between cost of attendance and available grant funds, students typically rely on loans. In addition to grant funds, the federal government provides low-interest guaranteed loans and tax credits and deductions for tuition. Sixty-nine percent of students graduating from public institutions graduated with debt in FY 2012-13. The average debt for students completing a bachelor's degree was \$25,672.



For FY 2014-15, the General Assembly provided a substantial increase in state funding for financial aid: \$41.3 million General Fund (37.0 percent). This increase will have a significant impact for some students, although the overall demand for aid will still far outstrip available funding.

Appropriation Highlights – 2014 Legislative Session

Department of Higher Education						
	Total Funds	General Fund¹	Cash Funds	Reappropriated Funds	Federal Funds	FTE
FY 2013-14 Appropriation:						
SB 13-230	\$3,230,541,694	\$658,479,148	\$1,978,070,473	\$574,701,773	\$19,290,300	22,840.8
HB 13-1004	1,500,000	0	0	1,500,000	0	0.0
HB 13-1165	1,033,765	559,165	0	474,600	0	1.5
HB 13-1194	110,611	22,621	68,790	19,200	0	0.0
HB 13-1230	3,840	1,920	0	1,920	0	0.0
HB 14-1319	45,207	45,207	0	0	0	0.0
HB 14-1336	<u>(44,741,413)</u>	<u>0</u>	<u>(44,741,413)</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,188,493,704	\$659,108,061	\$1,933,397,850	\$576,697,493	\$19,290,300	22,842.3
FY 2014-15 Appropriation:						
FY 2013-14 Appropriation	\$3,188,493,704	\$659,108,061	\$1,933,397,850	\$576,697,493	\$19,290,300	22,842.3
Tuition and fee revenue	92,473,723	0	92,473,723	0	0	0.0
Reflect federal GEAR - UP	3,985,637	0	0	0	3,985,637	35.5
Increase AHEC spending authority	1,629,748	0	0	1,629,748	0	0.0
Annualize prior year actions	1,376,340	686,400	0	689,940	0	11.5
Centrally appropriated line items	678,195	0	178,877	146,952	352,366	0.0
Increase History Colorado public outreach	544,964	0	544,964	0	0	0.0
Career and technical education programs	455,484	0	0	455,484	0	0.0
Fort Lewis Native American tuition waiver	375,751	375,751	0	0	0	0.0
Higher education gaming revenue	309,287	0	309,287	0	0	0.0
Colorado Geological Survey adjustment	260,929	6,000	18,384	50,000	186,545	0.0
Dependent Tuition Assistance Program	252,000	252,000	0	0	0	0.0
IT common policy adjustments	198,164	0	190,902	4,719	2,543	0.0
Adjust stipends at private institutions	44,055	44,055	0	0	0	0.0
Reflect projected FTE	0	0	0	0	0	562.9
Indirect cost and fund source adjustments	0	(661,474)	17,786	643,688	0	0.0
Stipend and fee-for-service adjustments	0	0	0	0	0	0.0
Mineral impact grant spending authority	(2,375,531)	0	0	(2,375,531)	0	0.0
History Colorado gaming revenue	(2,181,237)	0	(2,181,237)	0	0	0.0
Colorado First Customized Job Training	(1,500,000)	0	0	(1,500,000)	0	0.0
Occupational education federal funds	(1,383,784)	0	0	0	(1,383,784)	0.0
Tobacco settlement revenue	(524,444)	0	(524,444)	0	0	0.0
New Mexico funding for Cumbres and Toltec Scenic Railroad	(506,500)	0	(506,500)	0	0	0.0

Department of Higher Education						
	Total Funds	General Fund ¹⁾	Cash Funds	Reappropriated Funds	Federal Funds	FTE
Annualize H.B. 14-1319 prior year funds	(45,207)	(45,207)	0	0	0	0.0
HB 14-1336	\$3,282,561,278	\$659,765,586	\$2,023,919,592	\$576,442,493	\$22,433,607	23,452.2
SB 14-001	157,876,365	100,162,480	0	57,713,885	0	0.0
SB 14-211	500,000	250,000	0	250,000	0	0.0
HB 14-1319	804,986	804,986	0	0	0	3.0
HB 14-1384	<u>1,000,000</u>	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0</u>
TOTAL	\$3,442,742,629	\$761,983,052	\$2,023,919,592	\$634,406,378	\$22,433,607	23,455.2
Increase/(Decrease)	\$254,248,925	\$102,874,991	\$90,521,742	\$57,708,885	\$3,143,307	612.9
Percentage Change	8.0%	15.6%	4.7%	10.0%	16.3%	2.7%

¹⁾ Includes General Fund and General Fund Exempt.

FY 2013-14 Appropriation - Mid-year Adjustments

House Bill 14-1336 adjusted FY 2013-14 tuition and fee cash fund amounts shown for informational purposes to reflect updated projections. It reduced the FY 2013-14 General Fund appropriation for College Opportunity Fund (COF) stipends by \$10,210,587 and increased the General Fund appropriation for COF fee-for-service contracts by the same amount based on updated enrollment data. It also adjusted General Fund exempt amounts. House Bill 14-1319 increased FY 2013-14 appropriations to cover the initial administrative costs for developing a new higher education funding model.

FY 2014-15 Appropriation Highlights

Tuition and fee revenue: The appropriation adjusts the estimated tuition and fee revenue for the governing boards. Tuition and fees are shown for informational purposes. The FY 2013-14 tuition revenue estimates are based on an assumed increase of up to 6.0 percent for resident students and a 6.0 percent increase for non-resident students, based on information available in February 2014.

Reflect federal GEAR-UP: The appropriation places fully “on-budget”, for informational purposes, the federally-funded GEAR-UP program. The majority of the \$5.0 million grant, including associated FTE, had previously been managed through the Governor’s Office, where it was off budget.

Increase AHEC spending authority: The appropriation increases spending authority for the Auraria Higher Education Center (AHEC) for moneys received for operating costs from the three institutions that share the AHEC campus: the University of Colorado at Denver, Metropolitan State University of Denver, and the Community College of Denver.

Annualize prior year actions: The appropriation includes the second-year impact of FY 2013 new legislation and budget actions, including the impact of S.B. 13-033 (In state classification at institutions of higher education), S.B. 13-1165 (Manufacturing career pathway), and several budget initiatives.

Centrally appropriated line items: The appropriation includes adjustments to centrally appropriated line items for the following: state contributions for health, life, and dental benefits; short-term disability;

supplemental state contributions to the Public Employees Retirement Association (PERA) pension fund; salary survey; merit pay; workers compensation; administrative law judges; payment to risk management and property funds; purchase of services from computer center; management and administration of OIT; information security technology; Colorado state network; and leased space. Centrally appropriated line items in this department support the operations of the Colorado Commission on Higher Education, Department of Higher Education central offices, and History Colorado but do not fund the higher education institutions.

Increase History Colorado public outreach: The appropriation includes an increase of \$544,964 cash funds for operation of the History Colorado Center and regional museums. The funds are from museum earned revenue to be used for business development and public outreach and for electric utility costs at regional museums.

Career and technical education programs: The appropriation includes an increase of reappropriated funds transferred from the Department of Education for secondary career and technical education programs. The reappropriated funds originate as General Fund or State Education Funds in the Department of Education and comply with Constitutional requirements for K-12 education funding increases.

Fort Lewis College Native American Tuition Waiver: The appropriation includes an increase of \$375,751 General Fund for the Fort Lewis College Native American tuition waiver. This increase is mandated by Section 23-52-105 (1) (b) (I), C.R.S., which requires the General Assembly to fund 100 percent of the tuition obligations for qualifying Native American students attending Fort Lewis College. Funding for the tuition waiver is made one year in arrears and is calculated based on the prior year enrollment estimates.

Higher education gaming revenue: The appropriation adjusts estimates of limited gaming funds received by some higher education institutions. These amounts are shown in the Long Bill for informational purposes as funding is based on Constitutionally-mandated distributions.

Colorado Geological Survey adjustment: The appropriation provides increases for the Colorado Geological Survey (CGS) based on estimated increases for personal services and projected grant-funding.

Dependent Tuition Assistance Program: The appropriation includes an increase of \$252,000 General Fund (60 percent) for the Dependent Tuition Assistance Program. Under this program, the State pays tuition and room and board costs for qualified dependents of deceased or permanently disabled national guardsmen, law enforcement officers, or firefighters. The adjustment reflects a projected increase in the number of eligible students and per-student costs. In FY 2012-13, the program served 52.5 students at an average cost of \$9,328 per student.

IT common policy adjustments: The appropriation includes adjustments to the payments made to the Governor's Office of Information Technology for the provision of information technology services.

Adjust stipends at private institutions: The Long Bill appropriation includes an adjustment for Pell-eligible students at participating private institutions who are projected to qualify for a College Opportunity Fund stipend. A further increase is provided in S.B. 14-001. Total funding in both bills provides stipend funding for 1,339 students at private institutions a rate of \$1,125 per student.

Reflect projected FTE: The appropriation adjusts the number of higher education FTE reflected in the Long Bill for informational purposes, based on data provided by the public higher education institutions.

Indirect cost and fund source adjustments: The appropriation includes various fund source adjustments, including adjustments to indirect cost collections, resulting in a decrease of \$661,474 in the General Fund required for this department.

Stipend and fee-for-service adjustments: The Long Bill appropriation increases the appropriation for stipends for students attending public institutions by \$2,820,069 and decreases the appropriation for fee-for-service contracts with public institutions by the same amount to incorporate the projected enrollment of stipend-eligible students. Total funding in the Long Bill and S.B. 14-001 combined provides stipend funding for 130,925 student FTE at a rate of \$2,250 per SFTE and provides funding increases of at least 11.0 percent for each governing board. However, net funding increases in stipend and fee-for-service amounts are included in S.B. 14-001, rather than the Long Bill. For the total General Fund increase by governing board, see Factors Driving the Budget.

Mineral impact grant spending authority: The appropriation removes unused spending authority for Mineral Impact Grants received from the Department of Local Affairs.

History Colorado gaming revenue: The appropriation reduces spending authority for limited gaming funds deposited to the State Historical Fund pursuant to Constitutional allocations.

Colorado First Customized Job Training: The appropriation includes a reduction to eliminate one-time support available in FY 2013-14.

Occupational Education federal funds: The appropriation reduces amounts shown for informational purposes based on reductions in federal support.

Tobacco Settlement revenue adjustment: The appropriation includes a reduction based on the statutory allocation of revenue anticipated to be available from the Tobacco Master Settlement Agreement.

New Mexico funding for Cumbres and Toltec Scenic Railroad: The appropriation reflects a reduction in the New Mexico contribution for the Cumbres and Toltec Scenic Railroad, based on appropriations adopted during the New Mexico legislative session.

Annualize H.B. 14-1319 prior year funds: The appropriation eliminates one-time FY 2013-14 appropriations.

Additional legislation: For additional information, see the “Recent Legislation” section at the end of Part III of this department.

