

**DRAFT - HESP SUSTAINABILITY SUBCOMMITTEE
RECOMMENDATIONS STATUS SHEET - DRAFT 6/21/10**

Recommendation	Rationale	Implementation	Supporting Data	Best Practices/ Examples
<p>1. Currently, Colorado's system of higher education is more at risk than any major state service. Higher Education as a system must work with state leaders on strategies to earmark a sustainable and dedicated funding source for basic operations and improved performance.</p>	<p>Colorado's state tax burden is low, compared to other states. Colorado's relative economic strength and wealth has the capacity to adequately fund higher education and drive increased performance.</p>	<p>Develop communication and other strategies with leaders across the state to support reasonable and viable dedicated fund sources earmarked for higher education.</p>	<p>State tax data, Legislative Council documents, NCHEMS reports/data etc.</p>	
<p>2. \$760M is the initial amount recommended by the Sustainability Subcommittee as the public support level necessary and reasonable for the maintenance of basic operations at Colorado's public system of higher education. This estimate assumes a reasonable growth factor moving forward.</p>	<p>FY 2008-09 General Fund (\$706M) plus FY 2010-11 Financial Aid (\$104M) = \$810M minus cost savings and efficiencies (\$50M) = \$760M</p>	<p>N/A</p>	<p>FY 2008-09 fund level, comparison to other states, funding per degree/certificate, funding per student FTE etc.</p>	<p>See funding scenarios attachment.</p>

June 21, 2010

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<p>3. Part of a sustainable revenue stream earmarked for higher education should be dedicated to outcome-based (performance-based) funding measures to create incentives for institutions to further Colorado's higher education priorities.</p>	<p>When a reasonable level of funding to cover basic operating costs has been determined, monetary incentives can drive outcome-based performance across the system. Performance-based priorities can be implemented using a percentage of available state funding and that amount should increase over time.</p>	<p>Outcome-based recommendation in the HESP report. Link performance outcomes to any proposal requiring voter approval.</p>	<p>Performance factors such as graduation, course completion, improved access etc.</p>	<p>Ohio, Indiana, West Virginia, Kentucky etc.</p>
<p>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.</p>	<p>Specifically, Colorado higher education as a system should be able to demonstrate at least \$50 million in ongoing savings and efficiencies.</p>	<p>Count ongoing savings and efficiencies already underway at the institutions. Recommend proven savings concepts such as procurement-purchasing efficiencies.</p>		

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<p>5. Consistent with the HESP short-term recommendation, Governing Boards should continue to have flexibility in setting tuition and fees, but must also demonstrate that low and middle income students have continued access.</p>	<p>Because of significantly reduced state funding, Governing Boards have the authority to raise tuition above 9% during the period outlined by Senate Bill 10-003. Finance and Accountability plans will demonstrate how the Governing Board intends to protect Colorado's low and middle income students.</p>	<p>Institutions should report on income categories of students, student contribution, state and federal financial aid, institutional and private financial aid and other metrics as outlined in the Finance and Accountability Plans (FAPs)</p>		
<p>6. As part of a sustainable revenue stream for higher education, Colorado should support initiatives that would provide local support for state and community colleges.</p>	<p>Local communities that benefit socially and economically from higher education institutions in the community have an obligation to help financially support those institutions.</p>	<p>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.</p>		