



COLORADO

Department of
Higher Education

The Roadmap to Containing College Costs and Making College Affordable

The Challenge

Today more than ever, our Colorado economy demands an educated workforce. Estimates suggest that nearly three in four jobs in Colorado and as many as 97 percent of top jobs—in-demand jobs that pay a living wage—require a postsecondary credential, whether a certificate, two-year, or four-year degree. Yet 43 percent of Colorado's adult population currently lacks education beyond high school. The costs of college also continue to rise: Over the last ten years tuition at public colleges and universities in Colorado has increased more than 65 percent. As the need for postsecondary credentials increases, the growing costs of higher education hinder access for too many Coloradans and threaten the state's economic vitality.

The Vision

To address this challenge, Governor Jared Polis and Colorado Department of Higher Education (CDHE) Executive Director Dr. Angie Paccione have an ambitious plan to advance affordability through institutional cost containment and innovative practices. These practices range from reducing debt to additional supports that help students complete higher education to institutional practices that save costs, such as comprehensive reviews and more transparency for return on investment and outcomes. In addition, saving students money on higher education is not just about education—it will take reforms from healthcare to renewable energy to allow higher education institutions to invest in what matters most to students.

Overview

For the state to meet its workforce needs, all Coloradans must have access to affordable postsecondary education. The department's guiding document, *Colorado Rises: Advancing Education and Talent Development*, sets an ambitious goal to reach 66 percent postsecondary attainment by 2025. To get there, *Colorado Rises* outlines four bold goals designed to dramatically increase attainment and improve outcomes at public colleges and universities.

Strategic Goal 1: Increase Credential Completion

Strategic Goal 2: Erase Equity Gaps

Strategic Goal 3: Improve Student Success

Strategic Goal 4: Commit to Affordability and Innovation

For More Information

Colorado Department of Higher Education <https://highered.colorado.gov/>

Colorado Rises: Advancing Education and Talent Development <http://masterplan.highered.colorado.gov/>

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Affordability Framework

In conjunction with CDHE’s first return on investment report, [Maximizing Value for Students and Our State](#), the Colorado Commission on Higher Education (CCHE) released an **affordability framework** in July 2019.

The principles put forth in the framework—Cost Containment, Equal Opportunity, Reasonable Debt, Accelerating Time, and Public Investment—guide the priorities of this roadmap.

Affordability Framework

A postsecondary education is affordable when all Coloradans can access financial resources that cover the costs of earning a credential of their choice, and institutions, the state, the federal government, students and families work together to put that opportunity in reach. On top of federal, state, and institutional aid, resources may include student and family contributions, including savings; private grants and scholarships; income from reasonable work expectations while in school; and a manageable debt load relative to the value of the student’s course of study and overall higher education experience. While students and families can make choices that impact what they pay, the decisions and policies of institutions, the state, and federal government have a responsibility to contain costs.

Guiding Principles



Cost Containment

To reduce the burden on students, Colorado institutions commit to containing costs and operating as efficiently as possible while maintaining quality.

Equal Opportunity

Multiple postsecondary pathways should be accessible to all Coloradans regardless of age, income, race and zip code.

Reasonable Debt

Student debt can be a tool to achieve affordability, depending on total cost of credential, student loan terms and potential future earnings.

Accelerating Time

Student’s educational choices—such as course selection in college, prior learning, and participation in precollegiate programs like Concurrent Enrollment, Advanced Placement and International Baccalaureate—can reduce the cost and time it takes to earn a credential.

Public Investment

State investment in higher education provides Coloradans access to the skills and knowledge they need to thrive, yielding social, civic and economic returns for our state and advancing the public good.

DEFINITIONS

Cost: The listed cost to attend a higher education program, commonly referred to as the “sticker price.” This includes tuition and fees as well as room and board, books and other education related expenses.

Price: The final amount paid by the student, subtracting financial aid, scholarships and additional resources.

Reasonable Debt: Students can repay the debt they must incur to complete their educational programs within a 10-year period based on a reasonable expectation of earnings they receive from completing their program without undue burden or hardship.

Action Steps

The Colorado Department of Higher Education (CDHE) will work with public institutions of higher education, students, and other partners to contain costs and broaden access to high-quality, quicker, lower-cost degree and credential options. The short-term approaches focus on increasing transparency; reducing institutional and student costs; and decreasing time-to-degree or credentials. Mid- and long-term approaches prioritize bold policies and systemic changes that will put college in reach for all Coloradans.

THE ROADMAP

TO CONTAINING COLLEGE COSTS

AND MAKING

COLLEGE AFFORDABLE



COLORADO

Department of
Higher Education

3

IN THE LONG TERM

We will review systemwide designs and structures that make it difficult for institutions to cut costs and work with institutions to increase innovation and improve outcomes for students.

- Be bold with the future of higher education
- Pursue innovation that fosters new delivery models
- Build and strengthen industry partnerships

2

IN THE MEDIUM TERM

We will work with institutions to address underlying structural issues that perpetuate a higher education system that is out of reach for many Coloradans.

- Implement comprehensive institutional reporting on costs and outcomes
- Promote and scale institutional energy management initiatives
- Integrate more cost containment considerations into CCHÉ's capital request process
- Accurately identify and count credentials of value
- Restructure degree programs to include work-based learning experiences
- Lower health care costs by making insurance and prescription drugs more affordable

1

IN THE SHORT TERM

We are taking immediate steps in partnership with institutions to contain costs and support students.

- Increase transparency, accountability, and efficiency of institutional costs
- Work with institutions to set affordability and outcome goals without sacrificing quality
- Lower textbook and course material costs
- Reduce cost and time-to-degree or credential through expanding access to Concurrent Enrollment and other programs
- Support investments in need-based financial aid and wraparound supports that can improve student outcomes
- Support institutional efforts to connect students to public benefits
- Work with school districts and local communities to broaden access to existing federal student aid
- Help students manage debt while transitioning into the workforce
- Explore opportunities to reduce health care costs

Action Steps

IN THE SHORT TERM

In partnership with institutions of higher education, we are taking immediate steps to contain costs and support students.

- 1. Increase transparency, accountability, and efficiency of institutional costs** through a statewide, online postsecondary education dashboard that provides robust information to students and their families, helping them make better financial decisions.
- 2. Help institutions contain costs for students and families** by regularly convening institutions to define clear targets and accountability measures without sacrificing quality.
- 3. Lower textbook and course material costs** by creating open educational resources (OER) and promoting adoption through the statewide grant programs and initiatives, including the Governor's "Z-Degree" Challenge.
- 4. Reduce cost and time-to-degree or credential** by expanding Concurrent Enrollment opportunities; strengthening transfer agreements; promoting accelerated one- and three- year degree options; making smart use of data to support students and keep them on track to graduation; and creating stronger career pathways.
- 5. Reduce student costs and improve outcomes** by supporting investments in need-based financial aid and wraparound support programs that encourage completion (e.g., GEAR UP and COSI).
- 6. Provide students with additional college-paying resources** by supporting efforts to connect students to federal public benefits, such as nutrition and housing assistance.
- 7. Broaden access to existing federal student aid** by working with school districts and local communities to improve statewide FAFSA completion rates and recapture tens of millions in grants, work study, and scholarships historically left on the table.
- 8. Help students manage debt while transitioning into the workforce** by piloting debt relief for recent graduates enrolled in income-based repayment programs.
- 9. Explore opportunities to reduce health care costs** by partnering with regional and statewide purchasing alliances to negotiate directly with health care providers to lower overall costs.

Action Steps

IN THE MEDIUM TERM

We will work with institutions to address underlying structural issues that perpetuate a higher education system that is out of reach for many Coloradans.

1. **Implement comprehensive institutional reporting** to address unnecessary duplication of offerings and services; increase efficiencies; optimize use of faculty and staff; and demonstrate cost savings on a five-year cycle.
2. **Promote and scale institutional energy management initiatives** that reduce operational costs and put public institutions on the path to 100 percent renewable energy by 2040.
3. **Integrate more cost containment considerations into CCHE's capital request process** to ensure students are not unduly burdened by capital investments.
4. **Accurately identify and count credentials of value**, including those awarded by private and occupational schools.
5. **Restructure degree programs to include work-based learning experiences** and award credit for prior work and learning experiences, reducing cost and time-to-credential for students.
6. **Lower health care costs by making insurance and prescription drugs more affordable**, so that students can spend less of their budget on health care and focus on their education.

Action Steps

IN THE LONG TERM

We will review systemwide designs and structures that make it difficult for institutions to cut costs and work with institutions to increase innovation and improve outcomes for students.

1. **Be bold with the future of higher education**, including changing how higher education is delivered; unbundling degrees; creating shorter, stackable credential options; and building stronger industry partnerships.
2. **Pursue innovation that fosters new delivery models**, reduces costs, and improves student outcomes.
3. **Build and strengthen industry partnerships** to help institutions better align with industry needs and aim for all Colorado students to participate in a high-quality, compensated work-based learning experience.

How to Get There

IN THE SHORT TERM

In partnership with institutions of higher education, we are taking immediate steps to contain costs and support students.

1
SHORT TERM

Increase transparency, accountability, and efficiency of institutional costs

Information on educational costs and outcomes helps both consumers and policymakers make better decisions about higher education investments. CDHE is primed to improve transparency; it houses state-level information on its [Master Plan Dashboard](#); school district-level information on [District at a Glance](#), which traces postsecondary progress among high school students; and institutional and program-level information on its [Postsecondary Degree Earning Outcomes Tool](#), which looks at the economic benefits of postsecondary credentials.

Building on these projects, CDHE will collaborate with institutions and other stakeholders to identify key institutional measures related to cost, price, debt, and return on investment to display on an accountability dashboard. This information will help both consumers and policymakers make more informed decisions about higher education.

2
SHORT TERM

Help institutions contain costs for students and families

When institutions pool services, they save students money. CDHE regularly brings together institutional stakeholders to incubate ideas.

Launching a cost-saving initiative, CDHE will lead cross-institution discussions across functional groups. This initiative will ask institutions to identify barriers, share existing cost-saving actions and develop future strategies. CDHE will keep track of cost-saving programs and measure how they impact students and families.

3
SHORT TERM

Lower textbook and course material costs

Over the last century, the prices of textbooks and educational resources have increased at an unparalleled rate compared to all consumer goods. The average cost of college textbooks has risen four times faster than the rate of inflation, and in a recent survey, more than 89 percent of students said textbook costs were a serious barrier to affordability. The department estimates that students spend anywhere from \$900 to \$1,800 for course materials, books, and supplies each academic year.

Through statewide grant programs, initiatives, and long-term policy changes, CDHE plans to dramatically increase the number of courses offering Open Education Resources and the number of institutions offering zero textbook cost degrees, including through the statewide grant program and the Governor's "Z-Degree" Challenge.

OER Council

In 2019 the Colorado's Open Education Resource (OER) Council, coordinated by CDHE, awarded \$500,000 in grants to help colleges develop new OER resources. Early estimates suggest this investment will save students more than \$3.4 million.



4

SHORT TERM

Reduce cost and time-to-degree

Reducing the time and money it takes to earn a credential is an effective way to lower costs for students and families. Colorado is already a national leader in Concurrent Enrollment and statewide transfer agreements; these programs can be improved and expanded.

CDHE will work with Colorado Department of Education, school districts, and higher education institutions to expand opportunities for high school students to earn transferable college credit. To encourage transferring, CDHE launched an initiative to renew and improve statewide transfer agreements, which will improve the transfer process. Leveraging technology platforms, namely a new Concurrent Enrollment website and [My Colorado Journey](#), the state can continue to improve pathways and support students in making choices that reduce time-to-degree. Finally, the state will explore new delivery models, including accelerated three-year options, while working to ensure that there is sufficient required course availability for students to stay on track and graduate on time.

S.B. 19-176

[Expanding Concurrent Enrollment Opportunities](#) helps more students access high-quality Concurrent Enrollment opportunities and ensure all credits earned transfer to every state public institution.



5

SHORT TERM

Reduce student costs and improve outcomes

For students to make the most of postsecondary education, they must complete. Almost a quarter of students (24 percent) who do not graduate default on their student loans, setting up long-term financial challenges. Colorado supports need-based aid and wraparound support programs that help students finish what they start.

The Colorado Opportunity Scholarship Initiative (COSI) pairs financial support with evidence-based wraparound services that dramatically increase success. COSI also provides a model for increasing state, local, and even institutional investment. Serving largely students of color and first-generation students, the program also helps erase our equity gaps. Currently, the program is piloting a pay-for-success model that allows the program to leverage new funds and accelerate results by investing in successful outcomes. In addition, the state will look for ways to support institutional efforts to provide emergency grants to students for whom a small amount of money may make the difference between graduating and stopping out.

H.B. 19-1206

Higher Education Supplemental Academic Instruction requires developmental education placement policies to maximize student success and ensure all students have access to corequisite developmental education. This approach reduces costs by ensuring students receive credit and can access additional supports.



6

SHORT TERM

Provide students with additional college-paying resources

Given Colorado's advanced workforce demands, citizens who do not hold a postsecondary credential are far more likely to rely on public assistance. In fact, 86 percent of Coloradans receiving Medicaid have not earned a degree or credential. Postsecondary graduates are more self-sufficient; however, many students struggle to secure housing and food during their academic journey. Connecting students to public assistance, notably Supplemental Nutritional Aid Program can help them complete, lower the cost of college and stave off long-term reliance on public assistance.

CDHE is working with CDHS and institutions to streamline access to federal public benefits.

7

SHORT TERM

Broaden access to existing federal student aid

Students complete the Free Application for Federal Student Aid (FAFSA) to apply for federal and most state financial aid, and institutions use the FAFSA to determine institutional aid. Colorado is ranked 47th nationally for FAFSA completion, and as a result, CDHE estimates high school seniors missed out on nearly \$50 million in federal student aid last year. Previous funding allowed CDHE to assist students and families with FAFSA completion; as those resources diminished, so have FAFSA completion rates.

CDHE will continue to partner with CDE, school districts, and other outreach programs such as the state's new student loan ombudsman to investigate new policy solutions as well as increase outreach and ensure more Coloradans complete the FAFSA.

H.B. 19-1187

[Increase Student Aid Application Completion Rates](#)

replaces some of these resources and aims to increase the number of students who complete the FAFSA. Financial aid reduces the total cost of college.



8

SHORT TERM

Help students manage debt while transitioning into the workforce by piloting debt relief for recent graduates enrolled in income-based repayment programs

In the last five years, more than 66,000 students graduated from Colorado institutions with more than \$1.5 billion in student loan debt; many more failed to graduate but still incurred debt. This debt holds young people back from starting businesses, working in critical lower-paying careers, starting families, and contributing to our economy. It is particularly troubling for students who do not complete.

CDHE will work with legislators to explore opportunities to provide student loan relief for students who graduate from two- or four-year institutions and enroll in an income-based repayment program, helping them transition into the workforce without worrying about student loan payments.

9

SHORT TERM

Explore opportunities to reduce health care costs

As major state employers, colleges and universities can look to the Office of Saving People Money on Healthcare to reduce healthcare costs for institutions, employees, and students. In fact, as major hubs, many colleges and universities can lead this effort in their own communities. Most institutions provide health care through an existing consortium, the Colorado Higher Education Insurance Benefits Alliance (CHEIBA). This model, as well as existing student plans, provide a starting point to understand how institutions can save their employees and the state money on healthcare. Institutions may explore partnerships with regional and statewide purchasing alliances to save their employees money on health care by negotiating directly with health care providers to lower prices.

CDHE will work with institutions of higher education to understand how the ambitious approaches outlined in the Roadmap to Saving Coloradans Money on Health Care can be integrated into the higher education health care system and explore innovative approaches to expanding access to healthcare options for staff, students and possibly communities.

IN THE MEDIUM TERM

We will work with institutions to address underlying structural issues that perpetuate a higher education system that is out of reach for many Coloradans.

1

MEDIUM TERM

Implement comprehensive institutional reporting

Institutions internally conduct regular program reviews to prioritize funding and resources; the state, however, has little oversight over these processes. Although CDHE does not anticipate returning to direct oversight of new degree programs—as authorized before 2017—the state maintains a vested interest in optimizing the higher education system broadly.

To contain costs, prevent duplication, and use resources more efficiently, the department plans to implement a five-year reporting process that allows institutions and the state to monitor and maximize program efficacy and alignment.

2

MEDIUM TERM

Promote and scale institutional energy management initiatives

Institutions of higher education make up almost half of Colorado's capital holdings and represent a significant amount of energy use. Energy use costs students and taxpayers.

As Colorado commits to 100 percent renewable energy by 2040, CDHE will work with institutions to identify how they can shift to renewable resources and energy management that reduces operating costs.

3

MEDIUM TERM

Integrate more cost containment information into CCHE's capital request process

CCHE has authority to prioritize capital projects at colleges and universities to Colorado General Assembly's Capital Development Committee. The Commission has adopted criteria for prioritizing these projects based on several factors.

In 2020, the Fiscal Affairs and Audit Committee of the CCHE will examine the Capitol prioritization process to ensure that it supports cost containment and does not support projects that increase costs to students.

4

MEDIUM TERM

Accurately identify and count credentials of value

All credentials of value should count as we evaluate our state's workforce readiness; however, those most readily counted in Colorado, and in most states, are awarded by higher education institutions that receive federal financial aid. This count excludes the ecosystem of private and occupational schools, trade unions, and other providers that award postsecondary credentials.

CDHE will continue to work with the Colorado Workforce Development Council and other partners to identify credentials of value, find ways to count them, and eventually make data about their return on investment available to Coloradans.

5

MEDIUM TERM

Restructure degree programs to include work-based learning experiences

Much of the cost associated with a traditional higher education degree has to do with the traditional structures of higher education. Changing the standard costs for institutions and students requires rethinking traditional structures. One way to lower the cost is to find a way to recognize competencies gained through prior learning or work experience within a traditional degree program.

CDHE will work with institutions to explore ways to offer accelerated degree programs that allow students to complete in a reduced period of time, allowing them to realize the economic benefits of their degree sooner.

6

MEDIUM TERM

Lower health care costs by making insurance and prescription drugs more affordable so that colleges and universities can save money on health care and invest in what matters most for students. Health insurance is a major cost driver for colleges and universities, as it is for all large employers. Lowering health care costs frees up money so that colleges and universities can charge lower tuition and invest in wraparound supports and programming that helps students succeed. In addition, not all students can afford insurance; by reducing health insurance premiums in the individual market, developing a public option, and lowering the cost of prescription drugs, we can improve access to care for students.

Reinsurance takes effect this year, reducing insurance premiums by an average of 20%. The Department of Health Care Policy and Financing (HCPF) and Division of Insurance are proposing a public option to the legislature. HCPF is preparing an application to the federal government, to authorize Colorado to import prescription drugs from Canada.

IN THE LONG TERM

We will review systemwide designs and structures that make it difficult for institutions to cut costs and work with institutions to increase innovation and improve outcomes for students.

1

LONG TERM

Be bold with the future of higher education

Reimagining higher education demands a close look at how resources are prioritized and allocated. There is no doubt that higher education institutions bring significant value to the state economy and the individuals they serve; Colorado must lead the nation in finding bold new ways to deliver high-quality training and education to the next generation workforce.

The state must identify ways to reward competencies; unbundle degrees; create shorter, stackable credentials; and invest in strong industry partnerships that help meet the future workforce needs of the state.

2

LONG TERM

Pursue innovation that fosters new delivery models

Many of the short-term solutions noted above are made possible by innovative institutions committed to addressing the needs of students and the state's economy. To seed the kind of bold reforms necessary to transform the higher education business model, we must continue to support innovation.

CDHE, in partnership with our institutions of higher education, will continue to look for opportunities to support innovation in higher education, including by sharing best practices, providing support, and helping to remove barriers that stand in the way of a more nimble, student-focused higher education system.

3

LONG TERM

Build and strengthen industry partnerships

To prepare workers for the future of work, all students should benefit from strong industry partnerships. CDHE is committed to building and strengthening partnerships with major employers in top industries to forge affordable pathways into in-demand fields.

CDHE, in partnership with our institutions of higher education, will continue to seek public, private, non-profit and foundation partners to help deliver quality, industry-aligned, and affordable credential options that yield an economic benefit to individuals and the state.