COLORADO
Department of Higher Education

Long Range Financial Plan FY 2024-25
November 1, 2023

Section 1: Financial Structure

Department Baseline Forecast

This section complies with the requirements of Section 2-3-209 (2)(e), C.R.S. which states the Long Range Financial Plan may include components which discuss the anticipated trends, conditions or events that could impact the Department's ability to meet its goals and objectives. Specifically, agencies should show their baseline fund forecasts and call out trends related to the following: (1) shifting demographics (e.g. aging population); (2) specific components of inflation and other price-related cost drivers (e.g. wage/salary growth); and (3) policy changes at the state or federal level, as well as any other relevant factors. Please note that all forecast numbers are preliminary based on the Department's and OSPB's analysis and non-caseload operating assumes 2% growth in FY 2024-2025 and 0% growth thereafter.

	General Fund (Caseload-Driven)	General Fund Non-Caseload / Other (includes RF covered by indirect cost recovery)	Cash Funds	Reapprop. Funds (not covered by indirect cost recovery)	Federal Funds	Total Funds
FY 2023-24	$1,435.1	$68.8	$3,035.4	$1,159.2	$187.96	$5,789.6
FY 2024-25	$1,492.5	$69.3	$3,126.5	$1,194.0	$54.68	$5,907.3
FY 2025-26	$1537.3	$69.3	$3,220.3	$1,229.8	$49.68	$6,108.5
FY 2026-27	$1,583.4	$69.3	$3,316.9	$1,266.7	$49.68	$6,245.0
FY 2027-28	$1,630.9	$69.3	$3,416.4	$1,304.7	$0.00	$6,385.4

**All values are in millions of dollars*

Caseload General Fund Growth

4.0 percent increase in caseload General Fund growth in FY 2024-25 as provided by OSPB.

3.0 percent growth in caseload General Fund in FY 2025-26 through FY 2027-28 due to consistent state investment in the ongoing operations of our public institutions of higher education, local district colleges, area technical colleges, and student financial aid. This supports the increased operating costs of governing board operations due to inflation, labor market pressures, and other factors discussed in other sections of this report.

Reappropriated funds use the same assumption as for the General Fund, since this is the bulk of the General Fund (outside of financial aid, which receives a proportional increase).

Major Cost Drivers

The story for higher education in Colorado does not differ greatly from the rest of the nation. Enrollment pressures, cost drivers, and shifting demographics continue to push postsecondary institutions toward more innovative ways to support the workforce needs of the population. During the COVID-19 pandemic, higher education institutions were buttressed by large investments of federal stimulus funding, even in the face of significantly decreased tuition revenues and a decline in state appropriations in fiscal year 2021. As federal funds diminish, with all stimulus funding required to be obligated by June 2024, some institutions may find it difficult to maintain their current financial positions. With forecasts indicating the current reduction in student enrollment continuing due to a much-discussed upcoming enrollment cliff, institutions will not simply be able to recruit their way out of any upcoming financial declines.

Success in facing these budgetary challenges while continuing the important work of the Colorado Commission on Higher Education's strategic plan, Building Skills in an Evolving Economy, will depend heavily on the implementation of innovative policies at the state and institutional level. The State will need to make bold investments in higher education policies that move the needle toward alignment with and support of workforce needs. Institutions will need to develop creative policies to deliver instruction to students in a more cost-effective manner, in addition to the many cost-saving measures already in place. Additionally, the value of college has become a question mark for most Americans. A recent survey conducted by the Wall Street Journal revealed that 56 percent of Americans believe a four-year degree is no longer worth the financial burden.

The primary cost drivers, as highlighted below, for Colorado's public institutions of higher education are enrollment pressures, changing student demographics, and inflation. Resource prioritization remains necessary, particularly as institutions continue to serve greater proportions of students of color, first-generation students, and non-traditional aged students, even as overall enrollment struggles to return to pre-pandemic levels.

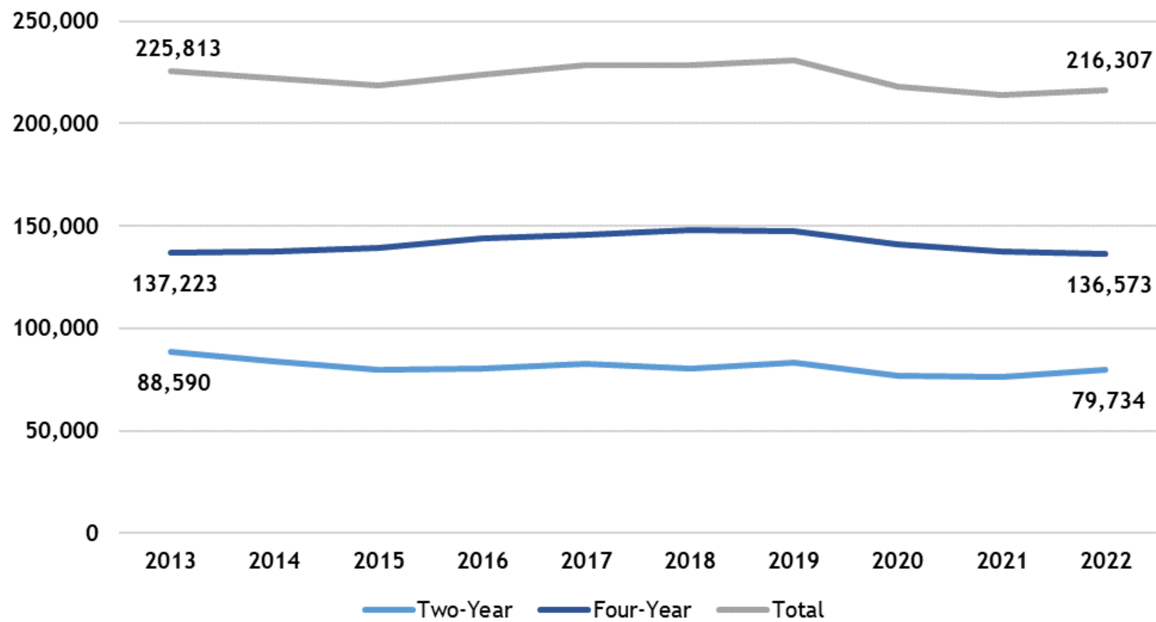
Cost Driver	Driving Factors	Forward-Looking Considerations	Caseload?
Student enrollment	Tuition costs, financial assistance, degree offerings, job openings and wages	Likely to decrease slowly going forward, dependent on tuition costs, financial assistance availability, relative job market attractiveness	Yes
Programmatic expansion	Demand for new degrees, certificates, classes	Likely to continue to expand/grow in specificity in response to federal and state policies for workforce development in specific arenas, e.g. semiconductor manufacturing, renewables	No
Financial aid support	Student count and demand, available resources, state and federal policy	Dependent on student demand/number of students qualifying for aid, available resources	Yes

Enrollment

Enrollment is the primary driver of fiscal viability for institutions of higher education. The number of students a college or university serves determines the majority of the institution's expenses while also accounting for a large portion of an institution's revenue. Figure 1 shows the enrollment trends over the last ten years in total, disaggregated by institutional type.

Figure 1

10-year Headcount Enrollment at Colorado Public Institutions of Higher Education, Overall and Disaggregated by Institution Type



Source: Integrated Postsecondary Education Data System

In the years leading up to the COVID-19 pandemic, Colorado's institutions of higher education experienced relatively flat enrollment, the plateauing of a net gain of 100,000 students in the nearly twenty years from 2001 through 2019. The onset of the pandemic, however, led to impactful enrollment declines, including a 9.4 percent decline nationally through Spring 2022, that states are still struggling to recover from. Colorado's fate has been no different. Enrollment across the state's 10 public governing boards declined 7.4 percent from over 231,000 in Fall 2019 to just under 214,000 in Fall 2021, equivalent to over 17,000 students. Two-year institutions have faced the greatest declines, losing 8.6 percent of their student population between Fall 2019 and Fall 2021, equivalent to just over 7,000 students.

Enrollment trends remain mixed across Colorado as the state exits the pandemic response. Enrollment declines at the community colleges appear to have been arrested, with a reported 4.4 percent year-over-year increase in headcount in 2022. However, early conversations with institutions indicate that the tide might be turning. Many four-year universities in Colorado believe that the enrollment declines of recent years may finally be arresting, with early enrollment indicators for academic year 2023-2024 showing flat overall headcount compared to the previous year. This trend is not affecting each governing board equally. Community colleges remain the hardest hit institution type across the country, with double digit declines from pre-pandemic levels.

Changes in the economy can also have a lasting effect on enrollment in postsecondary education. When the economy is good, fewer people choose to participate in postsecondary education. And Colorado's economy is booming, with more open jobs than there are unemployed workers, per OSPB's September 2023 forecast. Many businesses are providing on the job training for unskilled or middle skilled workers to help fill their employment needs immediately, rather than waiting for those potential employees to complete a credential or training at a postsecondary institution.

Some of these workers are being paid more in minimum wage jobs, as discussed in a new working paper from the National Bureau of Economic Research, which found that community colleges lose students when a state's minimum wage increases. In Colorado, the minimum wage constitutionally increases annually based on cost of living increases as calculated by the Consumer Price Index (CPI). In 2017, the minimum wage increased from $6.85 per hour to $9.30 per hour. As of 2023, the minimum wage in Colorado is now $13.65, nearly twice the federal minimum wage of $7.25. Asking a recent high school graduate or working adult to forego this potential income to pursue postsecondary education becomes a harder sell as the amount they are being asked to give up increases.

In the Colorado Commission on Higher Education's strategic plan Building Skills in an Evolving Economy, the Commission identifies a "minimum economic threshold", which asserts that at minimum, all Colorado learners should reliably expect their lifetime earnings to increase by more than the full cost of their education (inclusive of foregone wages). As the economy in Colorado continues to thrive and the wages for the most basic entry level jobs continue to increase, it becomes more difficult for postsecondary institutions to effectively make the argument that college is worth the short-term costs. This attendance calculus is pushing many students to the workforce instead of postsecondary institutions.

Finally, a decline in traditional-aged college students has been projected for many years and has been a looming threat to enrollment levels at institutions. This so-called "enrollment cliff" can generally be attributed to a drop in the fertility rate during the years of the Great Recession. Between the years of 2008 and 2011, the birth rate in the United States decreased precipitously and has yet to bounce back. Institutions are just now seeing the edge of this enrollment cliff, with declines in the number of students enrolled in college in the United States dropping from 19.9 million in 2017 to 18.2 million in 2022. This forecasted enrollment cliff has potentially been exacerbated by the impacts of the COVID-19 pandemic, in which most high schools moved to remote instruction for some time, resulting in an estimated additional 1.1 million high school dropouts.

Institutions will need to rethink how they market the benefits of postsecondary education to potential students to compete with both a strong economy and the lasting effects of the pandemic. Along with messaging, institutions will need to identify enterprise efficiencies to ensure financial viability in the face of these continued pressures on enrollment. Institutions better prepared for these economic realities will be in the best position to thrive.

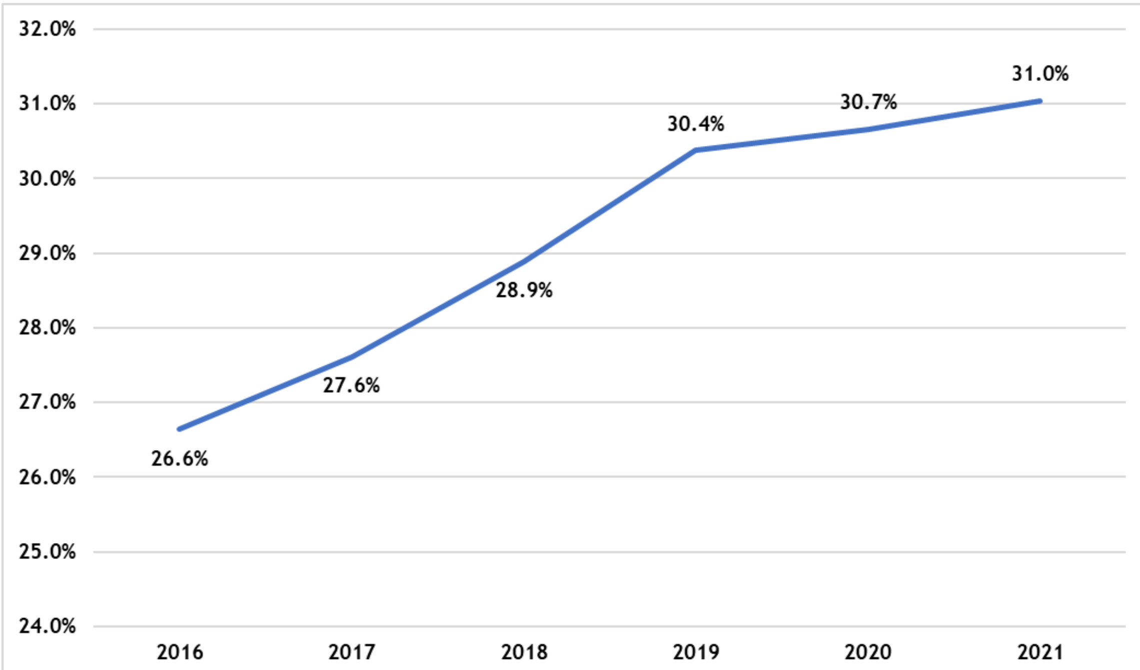
Student Characteristics

In addition to general enrollment pressures, the characteristics of the students who are participating in postsecondary education continue to affect institutional finance decisions. Figure 2 shows the percentage of resident enrollment that is attributable to historically underrepresented minority groups (Hispanic/Latinx, Black/African American, Native American/American Indian, or two or more races with one being in the listed categories) at Colorado's 10 public governing boards.

The proportion of students of color served by Colorado institutions of higher education continues to increase, though the rate of this growth is slowing. Of note, the enrollment of students of color was disproportionately affected by the COVID-19 pandemic, especially at community colleges. In Fall 2021, Black, Hispanic, and Native Hawaiian students' enrollment declined by 15 percentage points each in community colleges nationally. In Colorado, the proportion of resident two-year enrollment attributable to students from underrepresented minority groups has plateaued, holding steady at about 34 percent since Fall 2019. Coupled with the decline in enrollment, this means fewer students of color are enrolling at Colorado community colleges since the onset of the pandemic.

Figure 2

Percent of Resident Headcount Enrollment Represented by Students in Underrepresented Minority Groups at Colorado Public Institutions of Higher Education



Source: Colorado Department of Higher Education Student Unit Record Data System

Increasing access for students of color is only the first step in addressing disparity in ensuring all students have equal opportunities to benefit from postsecondary education. Even with higher rates of enrollment for students from underrepresented minority groups, completion for these students still trails their white and Asian American peers. Students of color, but specifically Black students, continue to experience lower retention and persistence rates, higher dropout rates, and the highest borrowing rates and largest debt burdens. Institutions may need to invest additional resources to assist students from underrepresented minority groups across the finish line to degree completion, including increased academic and career coaching, mental health services, and financial aid support.

Institutions of higher education will also need to work harder to ensure all students have equal access to programs that result in a positive return on investment (ROI). The Colorado Commission on Higher Education (CCHE) recently released an updated strategic plan, Building Skills in an Evolving Economy, that prioritizes economically viable educational pathways by focusing on two strategic initiatives: identify and improve pathways with a negative ROI and enable more learners to succeed in programs and pathways that offer a positive ROI. The strategic plan states that not all learners have equitable access to positive ROI programs and urges institutions to identify "equity, belonging, and other barriers that keep potential learners" from enrolling in and successfully completing positive ROI programs.

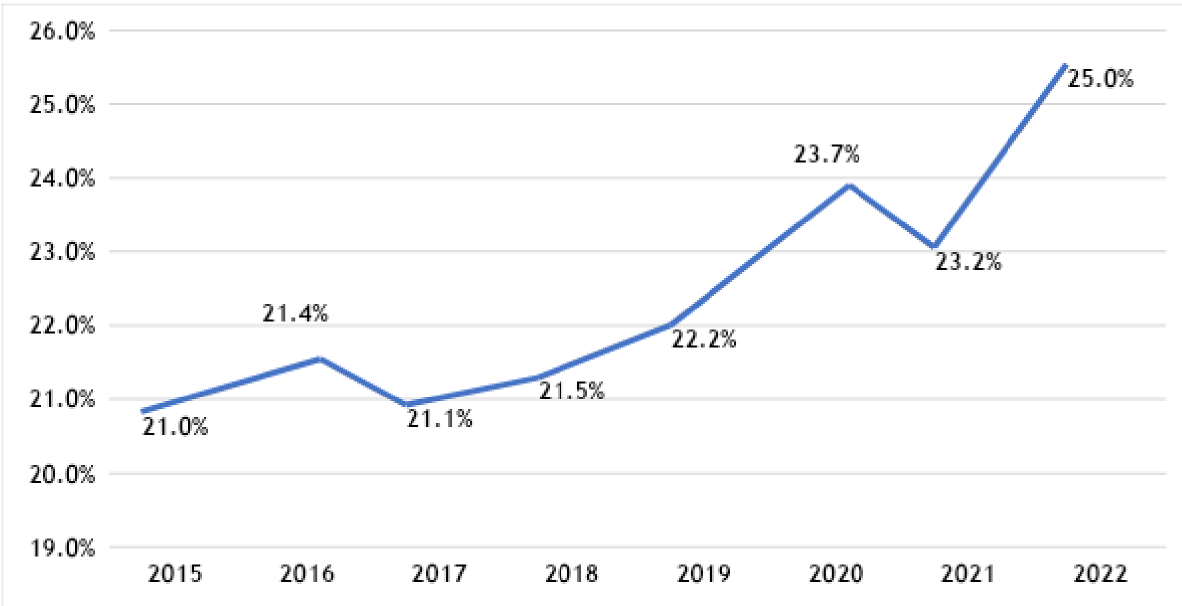
Types of Degrees and Credentials

Increased collaboration between postsecondary education institutions and the workforce remains a driving force in the types of programs offered and credentials awarded to college students. While focusing on programs that lead to jobs in high-demand fields and offer the best opportunities for higher wages is important, often these programs are high cost for institutions to offer. Health care programs and those in the science, technology, engineering, and mathematics fields are in high demand but due to the nature of the program requirements (small class sizes, highly skilled instructors, heavily technology dependent, requiring highly specialized equipment, etc.), these degrees are more expensive for institutions to provide. Often, this results in institutions charging differentiated tuition and fee levels for these programs.

The proportion of students enrolling in STEM fields continues to grow in Colorado public higher education. In 2015, just over 1 in 5 degrees awarded at the 10 public governing board institutions were in STEM programs. In the most recent year, that number has increased to 1 in 4 degrees. Figure 3 shows the increase in the proportion of all degrees and credentials awarded in STEM fields over the last eight years.

Figure 3

Proportion of Degrees and Certificates Awarded in STEM Fields at Colorado Public Institutions of Higher Education

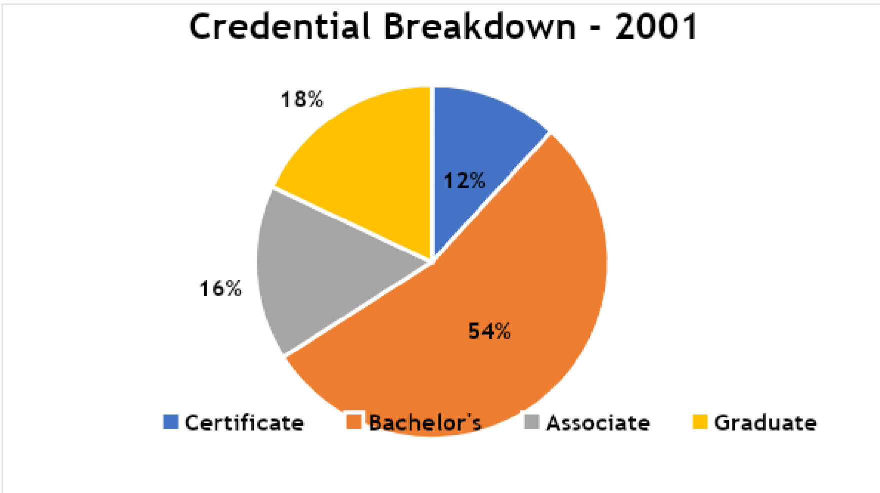


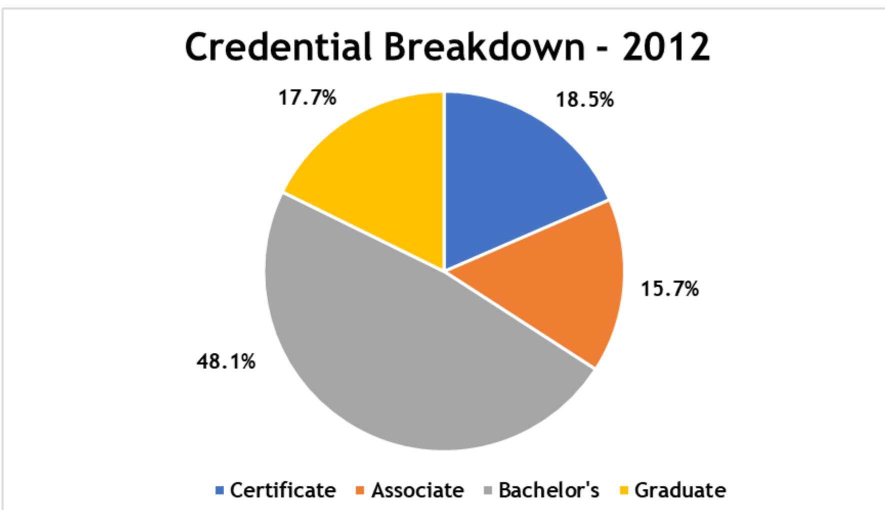
While this increase in STEM degrees is a direct reflection of workforce needs, it also represents continued expenditure pressures on the institutions offering these programs and awarding these degrees. The 2022 Colorado Talent Pipeline Report lists 70 occupations classified as Tier 1 (those providing a living wage threshold that can support a family of three with two adults—one working—with one child). The majority of these jobs are assignable to major occupational profiles within STEM and healthcare fields, including computer and mathematical occupations; architecture and engineering; farming, fishing, and forestry operations; and life, physical, and social sciences occupations. Additionally, 91.4 percent of Tier 1 jobs will require some type of postsecondary education, with 76.5 percent requiring a bachelor's degree. The workforce will continue to demand that institutions provide skilled laborers in these program fields.

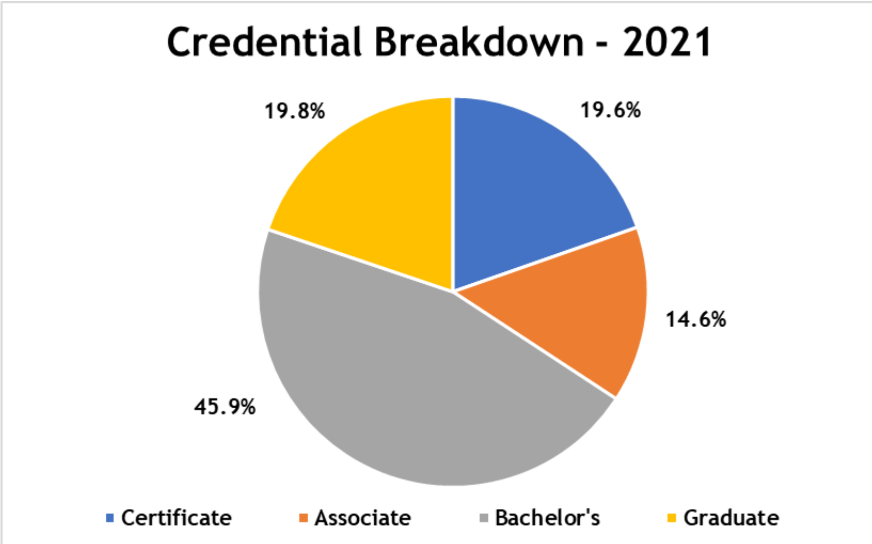
As enumerated by the Governor in recent appearances, education-to-career pathways remain a top priority. Institutions have been tasked with being more responsive to both the needs of those seeking a more traditional path to a college education and those looking for quicker upskilling or reskilling opportunities. As discussed in previous versions of this report, postsecondary education students have increasingly chosen certificates as the quickest path to a well-paying job. While certificates accounted for just over 1 in 10 credentials in 2001, these awards now account for nearly 1 in 5. This change in the types of credentials awarded by colleges and universities provides evidence of institutions' ability to adapt to meet the changing workforce needs.

Figure 4

Credential Breakdown by Type, Academic Years 2001, 2012 and 2021







Inflation

Inflation continues to have a lasting effect on higher education in Colorado and across the country. Since the onset of the pandemic, the country has experienced the highest sustained inflation seen in the last 40 years. This time last year, the seasonally adjusted Consumer Price Index (CPI) for the previous 12 months for all items was 8.3 percent, with the largest cost-driver attributable to energy costs, with an unadjusted inflation rate of nearly 24 percent. From 2010 through 2020, the CPI increased an average of less than 2 percent annually. Then in 2021, the CPI jumped to nearly 5.5 percent, and has continued that historical increase with reported inflation of over 8 percent for all items one year later. Notably, inflation has lowered in the last several months, with the August CPI report (for inflation through July 2023) showing an all-items index of 3.2 percent.

While inflation has largely resolved and is expected to continue to come down going forward, recent inflationary pressures have had various effects on students participating in postsecondary education. One of the most direct impacts is on tuition and fees. As the general price level increases, institutions may find it necessary to raise tuition and fees to cover rising costs, including faculty salaries (where the dip in buying power due to increasing inflation has the most direct impact), administrative expenses, and facility maintenance (leading to increased deferred maintenance). Increased tuition and fee levels also reduce affordability, especially for low-income students if not offset by additional need-based financial aid options. Further, increased inflationary pressures, leading to increased tuition and fee levels and reduced affordability, can push more students to rely on student loans to afford college.

In addition to the effects on students, institutions also face the inflationary impacts on operational costs (e.g., higher utility, supplies, and technology costs), availability of research funding (either due to less funding available or reduction in the buying power of available resources), and institutions' ability to invest in infrastructure needs (with institutions needing to allocate more resources to capital construction and renewal projects due to cost pressures in materials and labor). Institutions and policymakers should work together to manage the impacts of inflationary pressures to ensure that higher education remains accessible and of high quality for all students.

Revenue Drivers (Including Inflows of Federal Funds)

Revenue Source	Driving Factors	Forward-Looking Considerations
Tuition	Student enrollment, tuition costs, program offerings	Dependent on enrollment trends and tuition rates. Tuition rates will most likely continue to moderately increase. While enrollment has begun to rebound at many institutions, steady overall enrollment levels are most likely on the average.
College Savings Program; Direct Portfolio College Savings Plan	Public-private partnerships (PPP) with selected financial institutions	Dependent on PPP contributions, student withdrawals, portfolio performance
College Opportunity Fund	Commission and annual budget requests	Dependent on Commission priorities and available funds
Federal Funds Clearinghouse Account	Loan servicing revenues, federal reserve requirements	Dependent on number and costs of student loan services, federal policies. The revenue generated by loan servicing through College Assist will likely continue to decline over the next 8-10 years.
Federal Funds	Federal research funding priority and availability, grant application success, federal financial aid policies	Dependent on institutions' application success, federal policies on research and student aid funding

The primary source of cash funds in the higher education budget is tuition spending authority for the 10 governing boards for public institutions of higher education. Three percent growth is projected, primarily due to regular tuition and fee increases attributable to cost pressures and an anticipated modest rebound in enrollment. Smaller cash funded line items include the Colorado Geological Survey, the Institute of Cannabis Research, the Division of Private Occupational Services, the Office of Private Postsecondary Education, WICHE (Western Interstate Commission for Higher Education) dues, and lease purchase agreement payments for certain capital projects.

No large swings in these line items are anticipated, but their impact is minimal as they are dwarfed by tuition spending authority in the cash fund category. The following table shows the appropriation to each of the 10 Governing Boards.

Governing Board	General Fund	Tuition	Total
University of Colorado System	$309,108,700	$1,257,503,128	$1,566,611,828
Colorado State University System	$225,061,952	$543,321,967	$768,383,919
Fort Lewis College	$19,069,629	$43,234,608	$62,304,237
University of Northern Colorado	$56,984,728	$73,858,137	$130,842,865
Adams State University	$23,568,197	$21,181,570	$44,749,767
Colorado Mesa University	$45,050,411	$76,031,920	$121,082,331
Metropolitan State University of Denver	$93,592,346	$104,675,985	$198,268,331
Western Colorado University	$20,443,587	$23,180,549	$43,624,136
Colorado School of Mines	$33,574,131	$187,886,989	$221,461,120
Colorado Community College System	$242,263,515	$273,669,582	$515,933,097
TOTAL	**$1,068,717,196**	**$2,604,544,435**	**$3,673,261,631**

Reappropriated funds in the higher education portion of the Long Bill are primarily reappropriations of General Fund allocations appropriated through the College

Opportunity Fund (COF) and Fee-For-Service (FFS) contracts for the operations of the 10 public governing boards and grow in parallel to these appropriations. There are some smaller programs receiving reappropriated funds including funds for career and technical education through the Department of Education, Colorado First Customized Job Training, and funding for the Auraria Higher Education Campus which is paid for by the three resident institutions. These programs have minimal impact on calculations since they are dwarfed by COF and FFS payments. Three percent is assumed in FY 2024-25 as provided by OSPB and the same percentage is assumed in all future years.

During the COVID-19 pandemic, higher education institutions were buttressed by large investments of federal stimulus funding in the face of significantly decreased tuition revenues and a decline in state appropriations in fiscal year 2021. Forecasts indicate the current reduction in student enrollment continuing due to a much-anticipated upcoming enrollment cliff, thus institutions may face financial difficulties as a result of reduced enrollment. As noted above in the section on cost drivers, institutions are diversifying their programming to meet other workforce demands which may also bolster enrollment against these declines.

The Department is currently in the middle of a federal application process to extend its GEAR-UP program for a fourth iteration. GEAR-UP is a federally funded pre-collegiate grant program designed to increase the number of low-income students who are prepared to enter and succeed in postsecondary education. The Department received $35 million dollars from the Federal Department of Education between 2018-2025. The Department will not know the exact amount of funding until it is approved.

Scenario Evaluation: Department-specific Contingency

Higher education has seen significant loss of enrollment in Colorado and across the nation. Institutions saw steep enrollment declines during COVID-19 with the disruption of in-person services and the overall health emergency. Many hoped enrollments would return to pre-pandemic levels as the pandemic dissipated, however, this has not been the case. Smaller declines in enrollment continue to persist at many institutions. Additionally, the favorable labor market has led potential students to enter the workforce in lieu of participating immediately in postsecondary education. Existing students have also been drawn away, attracted by higher wages and ample job openings. At the same time, more people are questioning the value of higher education.

Early discussions with higher education institutions indicate that the declines may have stopped. We expect to see flatter enrollment going into the Fall 2023 term, though more will become known after census date. If enrollment begins to decline again, institutions will face difficult decisions to balance their budgets, with some costs harder to scale down than others. For example, maintenance and operation of an institution's physical plant are not easily reduced.

As caseloads decrease, layoffs or hiring freezes may be used to right size staffing. Academic services and student support services may need to be cut to the detriment of outcomes such as retention and completion, particularly for students of color, low-income students, and first-generation students. Institutions may cut less profitable or low enrollment programs, limiting students' opportunities in their respective regions. More drastic measures could include reduction of an institution's physical footprint, mergers, or even closures. Given that many Colorado institutions are the only options for affordable higher education in their regions, and are sometimes the economic lifeblood of their communities, closures would be damaging to local communities.

Scenario Evaluation: Economic Downturn

According to OSPB's September 2023 economic forecast, the chance of a recession in the next year is estimated to be 33 percent. Business and consumer confidence are still above traditional recessionary levels. The labor market continues to exceed expectations with low unemployment, high job growth and a high job to unemployed person ratio. This has led to historically high average hourly wages. Thus, while OSPB's baseline forecast includes GDP growth slowing for the fourth quarter of 2023 and first quarter of 2024, they currently do not predict a full-blown recession. However, chances are elevated enough to prepare for a potential economic downturn. The COVID-19 pandemic was unique in that it caused a marked decline in enrollment across institutions of higher education. This was due primarily to the disruptions in in-person instruction, as well as the inability of families and students to work and pay for postsecondary education.

Likely, the next recession will be traditional. During a traditional recession, institutions, particularly community colleges, see increases in enrollment. When job opportunities are scarce, wages are low, and layoffs are occurring, students are more likely to choose postsecondary opportunities after graduating high school or return to postsecondary to reskill or upskill.

In Colorado, funding for higher education is often a balancing factor in tight budgets. With pressure on the General Fund, legally obligated spending takes precedent, and the “fungible” higher education budget may be cut severely.

Cuts to higher education funding combined with increases in enrollment lead to lower funding per student FTE. It will be difficult for institutions to cut or keep flat instruction costs with a higher caseload, so reductions will have to be found elsewhere. Academic services and student support are likely to be drastically cut. This will lead to poorer student postsecondary outcomes such as retention and completion, particularly among students of color, low-income students, and first-generation students.

It has been a budgetary principle of this administration to increase General Fund reserves. In the event of revenue dipping below the TABOR cap in a recession, the administration and legislature may elect to use such funds to avoid or reduce cuts to areas like higher education.

Capital Construction Funds & Projects

The below table shows controlled maintenance, capital renewal, capital construction, and capital IT projects over the past five years. In recent years, the state has made controlled maintenance a priority in the interest of protecting the state’s existing assets. Capital renewal projects have also had great success, as the new CCHE prioritization criteria places an emphasis on capital renewal and reducing deferred maintenance to align with state priorities.

Fiscal Year 2022-23 was a year of historical capital investments. Nearly all projects were funded by the Revenue Loss Restoration Cash Fund created in Section 24-75-227(2)(a), C.R.S. Capital appropriations decreased in Fiscal Year 2023-24, but remained at historically high levels. There is a heavy focus on controlled maintenance and capital renewal, with a very modest investment in capital constructions. Over the past two fiscal years, investments in capital IT have become substantial in contrast with historical appropriations.

Some institutions are experiencing significant inflationary pressures on current capital projects due to increasing costs of materials and labor. Some have submitted budget requests and supplementals for increased cash spending authority to fill this gap. Others have requested non-monetary supplementals to reduce project scope to stay within the current budget. The Department expects such requests to continue.

Department Capital and IT Capital Construction History					
	Total Funds	Controlled Maintenance	Capital Renewal	Capital Construction	IT Projects
FY2020	$104,028,212	$29,970,307	$31,971,478	$41,041,005	$1,045,422
FY2021	$69,298,682	$22,143,865	$6,599,002	$40,555,815	$0
FY2022	$156,233,473	$51,391,550	$98,653,48	$6,188,439	$0
FY2023	$259,490,671	$73,880,380	$53,165,75	$98,534,328	$33,910,21
FY2024	$189,929,348	$82,006,374	$88,816,103	$2,862,750	$16,244,121

Ongoing Debt Obligations

The state has executed four ongoing certificates of participation (COPs) for capital projects at institutions of higher education. Their debt schedules are included in Appendix A.

Section 2: Federal Funds

Rolloff of ARPA and/or Other Federal Stimulus Programs

The Department received $200 million in federal stimulus funding between fiscal years 2021-2022 and 2022-2023. These funds came from State and Local Fiscal Recovery Funds (SLFRF). The stimulus funding was a mixture of pass-through dollars and funds to stand-up internal programs. The Department is on track to spend down most of its allocated funding by the end of fiscal year 2023-2024, in which the majority of these program's spending authority will expire. By June 2024, the Department will have 20.0 FTE that will roll off because of the expiration of these programs. All funding ends June 30th, 2024 unless otherwise noted. The Department does not anticipate any significant programmatic hurdles in response to the rolloff of these one-time funds.

State and Federal Stimulus Funded Programs - Department of Higher Education:

1) $49 million for the Colorado Opportunity Scholarship Initiative (COSI) – Finish What You Started (H.B. 21-1330), which expanded the existing program, focusing on providing direct and indirect support to students with some college, no degree and/or those who applied in 2019-2020 or 2020-2021 but did not attend. This funding will end December 31st, 2026.
2) $1.4 million for the Student Aid Applications Completion Grant Program (H.B. 21-1330), which provides additional funding to create a program to assist local education providers, primarily high schools, in developing strategies to increase the number of students who complete the CASFA/FAFSA before high school graduation.
3) $1 million for the Colorado Re-Engaged (CORE) Initiative (H.B. 21-1330), which enables four-year institutions to award earned associate degrees to eligible students who have stopped-out from a baccalaureate program. It was amended with H.B. 23-1262, which limited the scope of the program to students who transferred in credits from Community Colleges and have received no more than 15 transfer credits.
4) $15 million for the COSI Displaced Workers Program – Back to Work (S.B. 21-232), which supports workers who were negatively impacted by COVID-19. This includes scholarships, advising services, and support in the transition back into the workforce.
5) $52 million for Removing Barriers to Educator Preparation (H.B. 22-1220), which provides a stipend to student educators during the student teaching experiences, as well as test stipends to cover the cost of taking exams required

to become licensed as an educator. Includes $10 million to forgive up to $5,000 of student loan debt for existing educators. It was amended with H.B. 23-1001 to expand eligibility of student educators to 300 percent of Pell award amounts and the loan forgiveness eligibility.

6) $3 million for Postsecondary Student Success Data Systems (H.B. 22-1349), which allowed the Department to develop student success measures and an interactive data system for postsecondary student success information. This legislation requires the Department to create and maintain a complex statewide data system with student success information that has the capability to become longitudinal and connect K-12, postsecondary, and workforce information. While the tool can be developed using stimulus funds, the Department is exploring resources to maintain the database when stimulus funds expire.
7) $2.8 million for Opportunities for Credential Attainments – Credentials to Support CO Jobs (S.B. 22-192), which allowed the Department to develop stackable credential pathways and non-degree credential programs at community colleges, technical colleges, and local district colleges. Stackable credential pathways must be in growing industries and include knowledge, skills, outcomes, and professional development. These funds end June 30th, 2025.

State and Federal Stimulus Funded Programs - Department of Higher Education Collaborations with or Pass-throughs to Institutions of Higher Education:

1) $2.63 million for Behavioral Health Recovery Act Programs (S.B. 21-137), which funds the Center for Research into SUD which provides training for healthcare professionals to promote use of evidence-based models, grant-writing assistance, and recovery programs. It also funds the Regional Health Connector Workforce Program as well as training on opioid use disorder medication. All of these programs will be run by the University of Colorado.
2) $10 million for the Career and Technical Education Grant (H.B. 21-1264), which funds technical education equipment, facilities, and instruction tools at CCCS (Colorado Community College System).
3) $0.25 million for the Regional Health Connector Workforce Program (H.B. 22-1302), which provides CU with $250k for their Regional Health Connector Workforce Program.
4) $4.6 million for Funding Behavioral Healthcare Services for Children (S.B. 22-147), which creates the Colorado Pediatric Psychiatry Consultation and Access Program at CU.

5) $15.1 million for Behavioral Healthcare Workforce Development (S.B. 22-181), which is a collaboration between Behavioral Health Administration, Colorado Department of Higher Education, and the institutions of higher education to provide job shadowing, internships, incentives, loan repayments, scholarships, and other programs to expand the behavioral health workforce.
6) $26 million for Healthcare Workforce: In-Demand Short Term Credentials (S.B. 22-226), which is run by CCCS and supports the education, training, recruitment, and retention of healthcare workers.
7) $4.5 million via SPARC/Colorado Recovery Plan for the Energy Sector Career Pathway in Higher Education (H.B. 21-1149), which is run by CCCS and creates an energy sector career pathway and establishes the Strengthening Photovoltaic and Renewable Careers Workforce Development Program.

New Federal Funds Anticipated, e.g., IIJA and IRA

The Department is currently in the middle of a federal application process to extend our GEAR-UP program for a fourth iteration. GEAR-UP is a federal funded pre-collegiate grant program designed to increase the number of low-income students who are prepared to enter and succeed in postsecondary education. The Department received $35 million dollars from the Federal Department of Education between 2018-2025. The Department will not know the exact amount of funding until it is approved.

The Department does not anticipate receiving any funds from IRA or IIJA. Some of Colorado's institutions of higher education have discussed applying for funding from IIJA to increase broadband access on their campuses.

Changes to Ongoing Federal Funds Received by Department

No changes beyond the statutory changes listed above for H.B. 22-1220 and H.B. 21-1330 are anticipated.

Appendix A

COP Payment Schedule for Lease Purchase of Academic Facilities at Anschutz Medical Campus (Fitzsimons)

Fiscal Year Fiscal Year	General Fund Year	Fitzsimons Trust Fund	Total Payment
2006	-	$ 7,114,756	$ 7,114,756
2007	6,138,669	7,004,644	13,143,313
2008	-	13,145,713	13,145,713
2009	-	13,142,688	13,142,688
2010	5,142,063	8,000,000	13,142,063
2011	1,996,149	7,698,527	9,694,676
2012	5,912,536	7,231,814	13,144,350
2013	7,502,991	7,143,810	14,646,801
2014	7,137,966	7,151,809	14,289,775
2015	6,993,118	7,297,620	14,290,738
2016	7,204,931	7,085,007	14,289,938
2017	7,249,326	7,005,887	14,255,213
2018	5,461,775	8,800,000	14,261,775
2019	7,434,188	6,720,000	14,154,188
2020	7,289,678	6,860,760	14,150,438
2021	7,653,707	6,500,000	14,153,707
2022	7,708,437	6,441,663	14,150,100
2023	8,450,725	5,700,000	14,150,725
2024	8,284,763	5,700,000	13,984,763
2025	6,423,175	5,700,000	12,123,175
2026	6,957,300	5,700,000	12,657,300
2027	7,228,925	5,700,000	12,928,925
2028	7,230,150	5,700,000	12,930,150
2029	7,231,500	5,700,000	12,931,500
2030	7,235,125	5,700,000	12,935,125
2031	7,228,500	5,700,000	12,928,500

COP Payment Schedule for Lease Purchase of Academic Facilities (Federal Mineral Lease)

Fiscal Year	General Fund	Federal Mineral Lease Revenue Fundal Lease Revenue Fund	Federal Mineral Lease Reserve Fund	Total Payment
2009	-	$ 9,996,507	-	$ 9,996,507
2010	-	15,820,365	-	15,820,365
2011	-	8,877,550	-	8,877,550
2012	4,066,510	8,379,790	-	12,446,300
2013	420,184	18,165,191	-	18,585,375
2014	18,587,975	-	-	18,587,975
2015	18,584,997	-	-	18,584,997
2016	5,781,075	10,108,475	1,883,500	17,773,050
2017	12,125,175	5,650,000	-	17,775,175
2018	16,073,025	1,700,000	-	17,773,025
2019	17,035,263	650,000	-	17,685,263
2020	16,294,250	1,140,000	-	17,434,250
2021	16,933,244	400,000	-	17,333,244
2022	17,072,238	1,800,000	-	18,872,238
2023	16,439,900	1,000,000	-	17,439,900
2024	16,432,169	1,000,000	-	17,432,169
2025	16,437,100	1,000,000	-	17,437,100
2026	16,436,388	1,000,000	-	17,436,388
2027	16,106,213	1,000,000	-	17,106,213

COP Payment Schedule for Lease Purchase for National Western Center at Colorado State University

Fiscal Year	NWC Trust Fund	Total Payment
2020	$14,047,870	**$14,047,870**
2021	$12,127,642	**$12,127,642**
2022	$9,860,000	**$9,860,000**
2023	$17,496,791	**$17,496,791**
2024	$17,499,348	**$17,499,348**
2025	$17,501,131	**$17,501,131**
2026	$17,501,006	**$17,501,006**
2027	$17,496,631	**$17,496,631**
2028	$17,496,756	**$17,496,756**
2029	$17,499,881	**$17,499,881**
2030	$17,499,631	**$17,499,631**
2031	$17,499,631	**$17,499,631**
2032	$17,498,381	**$17,498,381**
2033	$17,499,256	**$17,499,256**
2034	$17,496,144	**$17,496,144**
2035	$17,499,694	**$17,499,694**
2036	$17,499,394	**$17,499,394**
2037	$17,498,238	**$17,498,238**
2038	$17,499,170	**$17,499,170**
2039	$17,499,898	**$17,499,898**

COP Payment Schedule for Lease Purchase for Capital Construction (S.B. 20-219)

Fiscal Year	General Fund	Total Payment
2022	$2,875,598	**$2,875,598**
2023	$4,746,375	**$4,746,375**
2024	$4,754,875	**$4,754,875**
2025	$4,753,000	**$4,753,000**
2026	$4,755,625	**$4,755,625**
2027	$4,752,500	**$4,752,500**
2028	$4,753,375	**$4,753,375**
2029	$4,752,875	**$4,752,875**
2030	$4,755,625	**$4,755,625**
2031	$4,751,375	**$4,751,375**
2032	$4,754,750	**$4,754,750**
2033	$4,752,000	**$4,752,000**
2034	$4,754,300	**$4,754,300**
2035	$4,751,200	**$4,751,200**
2036	$4,752,500	**$4,752,500**
2037	$4,752,900	**$4,752,900**
2038	$4,752,200	**$4,752,200**
2039	$4,755,100	**$4,755,100**
2040	$4,751,400	**$4,751,400**
2041	$4,750,900	**$4,750,900**
2042	$4,753,200	**$4,753,200**