



December 11, 2014

The Honorable Kent Lambert
Chair, Joint Budget Committee
Colorado General Assembly
200 E. 14th Avenue, Third Floor
Legislative Services Building
Denver, CO 80203

Dear Senator Lambert:

As you know, for the past six months Colorado's public system of higher education has diligently worked to develop a new funding formula for allocating state operating funds for higher education pursuant to House Bill 14-1319. A robust and transparent process has included extensive statewide public outreach and thousands of hours of work of various subcommittees including the participation of you and several of your legislative colleagues as members of the Funding Allocation Model Expert Team (FAMET) and the Executive Advisory Group (EAG).

As the leaders of public higher education in Colorado we unanimously endorse the FY 2015-16 funding model that was approved by CCHS on December 4th. We respectfully request that the JBC adopt the model and use of transition funding as recommended.

We also unanimously endorse the Governor's budget request, which included a 10.0 percent base funding increase of \$60.6 million. In addition, we all recognize the importance of the \$15.0 million in transitional funding and believe that it is critical that this funding remain for at least five years to support a smooth transition to the House Bill 14-1319's model. This significant requested operating increase was the key to reaching agreement on the model.

The model reflects House Bill 14-1319 and uses a transparent funding methodology that is tied to actual data that can be tracked. After incorporating the Governor's budget request, the new model results in base operating increases that range from approximately 2.9 to 16.4 percent by governing board. The guardrail provisions of House Bill 14-1319 result in this range being adjusted to a 5.0 percent increase on the low end and a 15.0 percent increase on the high end. After implementation of the guardrail, the

recommendation then uses a portion of the \$15.0 million transition funding pot, which results in no single governing board receiving less than a 10.0 percent increase over its FY 2014-15 appropriation.

Using a portion of the transition funding this way will allow all governing boards to comply with the second year of the 6 percent undergraduate resident tuition cap required by law. How the remaining portion of the \$15 million will be allocated is yet to be determined. This first year consensus adjustment and allocation is important because it will help keep a quality postsecondary credential within reach for all Colorado students attending any one of our public colleges or universities.

We recognize that no funding model is perfect and that we can anticipate adjustments and refinements in future years. Nevertheless, a recommendation that can be supported unanimously this year allows for institutional planning and is ultimately a positive result for Colorado families and students. Therefore we strongly encourage the Joint Budget Committee and members of the General Assembly to join us in supporting this collective recommendation.

We deeply appreciate the assistance of the Committee in this effort in addition to the work on the FY 2015-16 request and look forward to a productive legislative session.

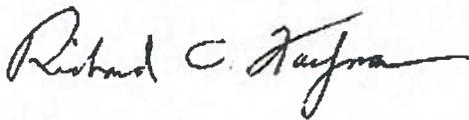
Thank you,



Lt. Gov. Joseph A. Garcia, Executive Director
Colorado Department of Higher Education



Bruce D. Benson, President
University of Colorado System



Richard Kaufman, Chairman
Colorado Commission on Higher Education



Dr. Nancy J. McCallin, President
Colorado Community College System



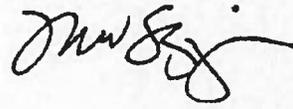
Tim Foster, President
Colorado Mesa University



Kay Norton, President
University of Northern Colorado



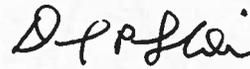
Dr. Steven M. Jordan, President
Metropolitan State University at Denver



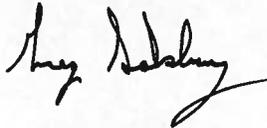
Dr. M. W. Scoggins, President
Colorado School of Mines



Dr. Michael V. Martin, Chancellor
Colorado State University System



Dr. David Svaldi, President
Adams State University



Dr. Greg Salsbury, President
Western State Colorado University



Dr. Dene Kay Thomas, President
Fort Lewis College

Cc: Representative Millie Hamner, Joint Budget Committee, Vice-chair
Representative Dave Young, Joint Budget Committee
Representative Bob Rankin, Joint Budget Committee
Senator Kevin Grantham, Joint Budget Committee
Senator Pat Steadman, Joint Budget Committee
Ms. Amanda Bickel, Chief Legislative Analyst, Joint Budget Committee
Mr. Henry Sobanet, Director, Governor's Office of State Planning and Budgeting
Ms. Alexis Senger, Chief Analyst, Governor's Office of State Planning and Budgeting
Ms. Donna Lynne, Co-Chair, House Bill 14-1319 Executive Advisory Group