

Cover Story: Colorado Faces Collision Course Over Higher Education

Employers want educated, trained workers. But they often have to find them out of state, thanks to years of tight funding of Colorado's public colleges and universities. Higher education will get a \$100 million boost in the coming year. But some business leaders say that isn't enough. Here's what's being done about it, and what experts say we still need to do.



Kathleen Lavine | Denver Business Journal

Red Rocks Community College instructor Robert Jones with students during an "Electricity for HVAC" class.



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As economic-development leader [Tom Clark](#) works to convince companies to expand operations in Colorado, he gets lots of questions about roads, regulations and the general business atmosphere — queries he can answer positively. But, more often than he'd like, Clark gets another comment that stops him in his tracks.

"I've had companies tell me, 'I think you're systematically dismantling your higher education system,'" said Clark, CEO of the Metro Denver Economic Development Corp. "I think this thing is deeply hurting us."

The battle over dollars flowing to public higher education in Colorado has been underway since the economic downturn of 2001, when state legislators needed to find funding cuts but couldn't reduce money to growing prison and Medicaid populations and constitutionally were unable to roll back funding for K-12 education.

So they went after the next-largest available pot — higher education — and did so again during the Great Recession, requiring colleges to cut budgets and to shift more of the funding burden to tuition hikes and student fees. Finally, Colorado's colleges and universities will get a roughly \$100 million boost from the Legislature for the budget year that starts July 1.

But business leaders and observers of the higher-education system say that's just a drop in the bucket. Colorado, they argue, needs to look hard at what it's spending to train the next generation of its workforce and whether it's preparing future workers adequately for the new types of high-paying jobs that state leaders are trying to attract.

One consequence of not shoring up higher education is the potential to fall behind other states in academic reputation, which would make it less likely that companies would look to expand or relocate in Colorado, economic developers agree.

But another result is more immediate and tangible: Companies already in Colorado are reporting difficulty in finding enough properly educated and trained workers inside the state to staff their workforces, even as unemployment remains above 6 percent.

[Noel Ginsburg](#), CEO of Denver-based **Intertech Plastics Inc.**, estimated his company lost \$1 million in sales in 2013 because he could not find enough workers who are qualified to man its machines.

[Samantha Schreiner](#), who oversees human relations for fast-growing Denver digital-health firm iTriage, said her company has had some luck hiring from within Colorado but has imported a lot of its talent from other states, partly because Colorado has a limited pool of computer-science graduates that its universities are producing. Her company is working with other businesses in the digital-health sector to try to increase the number of such graduates. They also want to ensure those students leave college with both academic abilities and practical experience in areas like developing mobile applications that business leaders see students from other states presenting.

“iTriage really wants to ... keep our offices in Colorado. We know other companies that have relocated offices to New York or Austin or San Francisco to be closer to talent,” Schreiner said. “We think Colorado should be able to produce enough people to keep our technology team right here ... We’ve been able to find a good number of local workers, but we’ve had to relocate a number of people to Colorado, too. And we’d really like to find more local talent.”

As with the funding issue, there has been some movement on the issue of what courses colleges are offering to help businesses.

In recent years, community colleges have worked more closely with industry groups to offer classes on subjects ranging from advanced manufacturing to renewable energy.

And four-year schools recently have gotten into that game, too. For example, Prime Health Collaborative — an initiative of the Denver South Economic Partnership that spun off on its own — has worked with companies like iTriage and with the University of Colorado, which will launch a digital-health curriculum this fall focusing on integrating health-care education with the ability to use technology to keep people healthier.

Close To Last

Such funding and industry-focused improvements are a good step, most everyone watching the situation agrees. And Colorado, which has the second most educated workforce in America and continues to attract 25- to 34-year-old entrepreneurs and workers at a pace-setting rate, so far hasn’t felt too many effects from its consistent cuts to higher-ed funding made during the economic downturns of the past 13 years.

But the fact that the state ranks 48th in public college and university funding per enrolled student, down from 13th in 1982, is catching the attention of more and more executives nationwide.

In 2010, according to the U.S. Census Bureau, Colorado spent \$4,511 per full-time student — less than half of what neighbor Wyoming spent and less than one-third of that contributed by Alaska, which ranks tops among the states. The extra money going to higher ed this year isn’t tamping down the discussion about what the state can do to improve its college system. In fact, the debate is ramping up over what needs to be done next to ensure that Colorado’s economic growth will not be limited by the inability of its institutions to meet the demand of its companies.

“I know this: If we don’t take seriously the situation and change the current trajectory, we will in 20 years begin experiencing a very serious impact on our economy,” said [Kelly Brough](#), president and CEO of the **Denver Metro Chamber of Commerce**. “We should all feel a tremendous sense of urgency.”

For many years, the state has experienced what is known as the “Colorado Paradox” — a fairly low level of educational attainment from residents who grew up in the state but heavy importation of graduates with bachelor’s or master’s degrees earned elsewhere.

The Legislature has made several attention-getting efforts in the past five years to improve its K-12 school system, including increasing funding and reforming the way that teachers are evaluated and given tenure.

During that time, it has received a number of reports about what can be done to improve its higher-ed system. But some of the actions taken on those reports have been taken quietly. And others haven’t happened at all.

‘Alarming And Deteriorating’

A Higher Education Strategic Planning Committee appointed by then-Gov. [Bill Ritter](#) issued a report in 2010 with a four-part recommendation:

- Make college education in the state more affordable;
- Make it easier for the growing minority population to access degrees;
- Get students better prepared for college-level work when they arrive;
- Make colleges more accountable.

The current condition of higher education, it concluded, was “alarming and deteriorating,” and could get worse unless action was taken.

Another report from the National Skills Coalition, a Washington D.C.-based organization that advocates for greater training of workers across a range of industries, concluded in 2011 that Colorado is falling far short of preparing students to work “middle-skills jobs” such as nurses and auto-repair diagnosticians that require some education but not a four-year degree.

While 47 percent of all current jobs in the state fit into that category, just 36 percent of state workers have the educational credentials to fill those positions, the report said.

After Colorado voters overwhelmingly rejected a tax hike in 2011 that would have put more money into higher education, the Legislature waited until 2014 to make a big effort to tackle the funding issue. Through this year’s Senate Bill 1, it agreed to add \$101.6 million to the higher-education budget, about 60 percent for student financial aid and about 40 percent for university resources.

Denver attorney [Jim Lyons](#), co-chairman of Ritter’s strategic planning committee, said that while that amount of funding “moves the needle,” it doesn’t get Colorado anywhere close to the median state funding level in the country, let alone an upper-echelon position for which it should strive. That would take somewhere close to a \$1 billion investment, he said.

Lyons said that he found through meetings with Coloradans before the committee authored the report that many people felt that higher-education funding was a private concern, often for different reasons.

He said that minorities expressed the view that they already were paying too much for an education system they got little out of, retirees felt they had already paid their dues for themselves and their children, and middle-class families questioned why they should pay more money when their children were forced to pay rising tuition costs and were having a hard time getting jobs with their degrees.

‘What’s Wrong With Us?’

Until people view higher education as an investment that helps everyone, raising salaries and spurring the economy, Lyons said it will be hard to bring change to the system.

“I think that people look at it as ‘The Great Society came and went, and government became the problem’,” Lyons said, referring to President Lyndon Johnson’s sweeping expansion of federal social programs in the 1960s. “But there are also things that government can do. And publicly funded higher education is one of them. Having an educated population that can think critically is an idea that’s been around since the time of the Athenians. So, what’s wrong with us?”

But if there has been a general level of stagnation on increasing funding, Colorado institutions are beginning to pick up the ball and run with the idea of designing classes to fit the economy.

Community colleges have been the leaders in this area, several business officials have noted. Once viewed as schools that provided the early boost to students who then could go on and get their four-year degrees, several now offer programs designed to be the end degree for students seeking to work in certain industries, or even to retrain out-of-work Coloradans looking to modernize their skills.

Arvada-based **Red Rocks Community College**, for example, features a renewable energy technology program offering five Associate of Applied Science degrees and 10 certificates in renewable energy technology.

It’s offered workforce development training to companies ranging from the **National Renewable Energy Laboratory** to **Suncor Energy** to **Shell Oil** and has prepared more than 200 students for the industry certification exam required of workers wanting to install solar panels, said [Michele Haney](#), president of the college.

“Part of what community colleges do is prepare students for the workplace. And there are many opportunities for students in renewable energy,” said [Bill McGreevy](#), Red Rocks dean of instruction, in explaining why the school has invested in that area of specialty. “It’s imperative that we’re really aligned with industry and current changes in the field.”

Meanwhile, **Front Range Community College** two years ago re-launched a dormant manufacturing program, adding a focus on advanced manufacturing that economic-development officials have sought as the traditional blue-collar job has become more high-tech and required slightly higher levels of education — or the re-training of older machinists. But four-year universities recently started getting into the game as well.

After hearing repeatedly about the need for more health-care specialists below the levels of doctors and physician assistants, **Metropolitan State University of Denver** began working in 2011 with the Greater Metro Denver Healthcare Partnership to offer certificate programs training students for jobs such as surgical technicians and medical lab scientists. And Colorado Mesa University in Grand Junction will launch an online nursing degree program this summer to help meet the increasing need for nurses with baccalaureate degrees.

Officials at Prime Health Collaborative found in surveys that digital-health companies listed workforce needs as one of their top three needs. So, they spoke to University of Colorado officials, who have come up with the first digital-health-focused curriculum in the state, said [Jake Rishavy](#), Prime co-founder.

“We’ve been very pleased. We’re in the early days of this program. It will take years,” Rishavy said. “But we believe that when we brought that idea to the universities, we found them to be very receptive.”

Are targeted programs like those enough to make up for years of funding cuts to universities? Clark says that while they are helpful, there is still much more work to go in reassuring economic-development leaders of their choice of Colorado for a long-term project.

“We are largely lucky because we are still bringing in a lot of 25- to 34-year-olds who are starting their own businesses. Companies chase labor,” Clark said. “But it’s a gambler’s bet to see how long we can continue to import our talent.”

