

Department of Higher Education
FY 2026-27 Joint Budget
Committee Hearing Agenda

Thursday, January 8, 2026

1:30 pm – 3:45 pm

1:30 – 1:35 DHE/CCHE Introductions and Opening Comments

Presenter: Dr. Angie Paccione, Executive Director, JB Holston, Executive Director

1:35 – 1:45 General Factors and Summary of Request

Main Presenters:

- Zach Cartaya, Chief Financial Officer
- Dr. Angie Paccione, Executive Director
- Dr. Sophia Laderman, Chief Policy and Research Officer

Supporting Presenters:

- n/a

Topics:

- General Factors and Summary of Request: Pages 4-16, Slides 8-14

1:45 – 2:00 Budget Reductions, LPFFS Reductions, Previously Requested Reductions, and MTCF Adjustments

Main Presenters:

- Zach Cartaya, Chief Financial Officer
- Dr. Angie Paccione, Executive Director
- Jennifer Walmer, Chair Colorado Commission on Higher Education

Supporting Presenters:

- n/a

Topics:

- Budget Reductions: Page 21, Slides 16-20
- LPFFS Reductions: Page 23, Slide 18
- Teacher Mentor Grant Program: Pages 24-26, Slide 20
- PSEP Roll-off: Pages 26-27, Slide 19
- CHECRA Funding: Page 27, Slide 20
- MTCF Adjustments: Pages 27-28, Slide 20

2:00 – 2:15 Requests for Formula Funding

Main Presenters:

- Jennifer Walmer, Chair Colorado Commission on Higher Education
- Zach Cartaya, Chief Financial Officer

Supporting Presenters:

- Dr. Sophia Laderman, Chief Policy and Research Officer

Topics:

- Requests for Formula Funding: Pages 16-20, Slides 22-26

2:15 – 2:30 Notable Items

Main Presenters:

- Jennifer Walmer, Chair Colorado Commission on Higher Education

Supporting Presenters:

- Dr. Sophia Laderman, Chief Policy and Research Officer

Topics:

- CCHE Funding Formula Recommendations: Pages 28-30, Slides 28-30

Common question For Department Hearings (Written-only Response)

(PLEASE RETAIN THE NUMBERING IN ORDER TO MAINTAIN CONSISTENT LABELING ACROSS DEPARTMENTS.)

1. Please provide a breakdown of your department's total advertising budget for the current and prior fiscal year. Specifically:

a. What is the total amount budgeted and expended on advertising and media placement type? The Department budgeted \$172,500 for advertising in Fiscal Years 2023-24 and 2024-25. There has been no money budgeted for the current fiscal year.

In FY 2023-24, the Department spent \$84,500 on the first phase of a digital campaign for the Free Application for Federal Student Aid (FAFSA) and Colorado Application for State Financial Aid (CASFA). In FY 2024-25, the Department spent \$88,000 on Phase II of the campaign. The Department received the funds from the Federal CRSSA EANS I Grant Award allocated to the Governor's Emergency Education Relief (GEER II) Fund to the Colorado Department of Higher Education (CDHE). The intent is to increase FAFSA completion rates for primarily low-income and first-generation students impacted by the COVID-19 pandemic.

The Department launched a digital campaign that ran from June 20 to July 31, 2024. The goal of the campaign was to drive students to start or finish their FAFSA/CASFA which are financial aid applications. Display ads and videos were featured on YouTube, Meta, Snapchat, and TikTok. The Department launched a second phase of its digital campaign from Dec. 15, 2024, to March 15, 2025. The goal of the campaign was to drive students to start or finish their FAFSA/CASFA. Display ads and videos were featured on Meta, YouTube, Snapchat and TikTok.

b. How are those advertising dollars allocated across different media types (e.g., television (national/local/cable), radio (terrestrial vs streaming), SEM, digital (display, YouTube), connected TV, social media, print, outdoor, etc.)?

Dollars were split nearly evenly among the five channels (Meta, Display, Snapchat, Tiktok, YouTube). Display and TikTok ended up spending slightly less with the other three channels spending slightly more, but it's still very close to 20% of budget per channel. The Department and vendor used this rationale to determine the best channels. Snapchat has a high number of teen users, skews female; TikTok has a high number of teen users, including a hispanic demographic; YouTube has a high number of both teen and adult users, skews male; Meta (Facebook) targets adults/parents and has a high hispanic demographic and Display targets adults/parents (reached them on the apps & websites they visit most frequently).

- c. How much of that spending is directed to Colorado-based or local media outlets? How is the media currently purchased?

No dollars were used for media placements in Colorado-based or local media outlets.

- d. What performance metrics or evaluation tools does the department use to measure the effectiveness of these advertising campaigns? What are the goals of the campaigns, and what key performance indicators are measured for success?

The goal of the campaign was to drive students to start or finish their FAFSA/CASFA which are financial aid applications. Following substantial changes to the application, the 2024-25 FAFSA opened three months later than usual on December 31, 2023, and had technical difficulties from January until May of 2024. As a result, FAFSA completion lagged nationally and in Colorado. Just over 22% of Colorado high school seniors had completed a FAFSA by March 2024, 39.6 percentage points less than March 2023. Since March of 2024, Colorado has increased the FAFSA completion rate to 42.9%, only 8 percentage points less than in 2023. Currently 49.1% of high school seniors have completed the 2025-26 FAFSA which closes on June 30, 2026. As outlined in our WIG below, the Department is very close to hitting our goal of 51% completion.

Phase I results of the digital campaign:

- i. 13,255 visitors came to the English FAFSA/CASFA webpage and 2,120 visitors to the Spanish FAFSA/CASFA webpage.
- ii. YouTube ads were shown to 408k people. Out of these impressions, nearly 60% watched the duration of the ad or clicked on the ad before it was complete.
- iii. Snapchat ads were shown to more than 467k people, and 9,389 people clicked through to the website.
- iv. TikTok ads were shown to more than 269k people. 6,246 people clicked through to the website.
- v. The majority of clicks were from iOS devices (75%).
- vi. Display ads were shown to 443k people, and 7,653 clicked through to the website.

Phase II results of the digital campaign:

- vii. The Meta campaign resulted in 8,287 clicks to the website at a clickthrough rate (CTR) of 1.03%. The group with the highest CTR was Spanish-speaking students.
- viii. YouTube ads served 823,099 impressions during the campaign duration. Out of these impressions, 63.24% watched the duration of the ad or clicked on the ad before it was complete. The view rate was higher for parents than for students. The highest number of

views originated in Denver, followed by Colorado Springs, and Aurora.

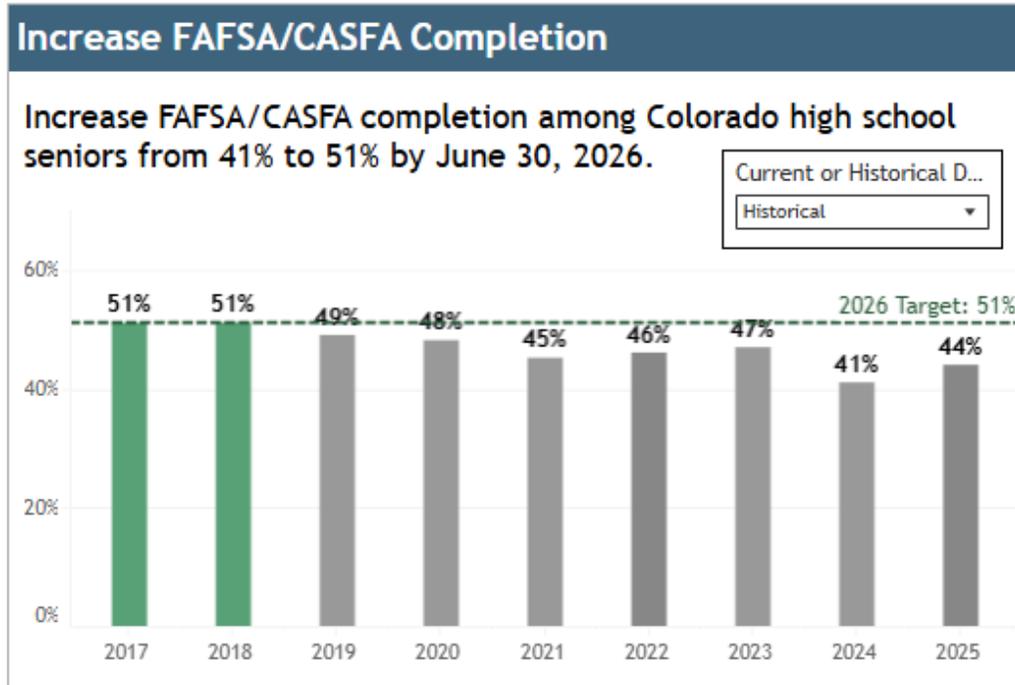
- ix. Snapchat ads were shown to 475,553 people during this time frame. There were 11,806 clicks to the website at a CTR of 2.48%. These ads were targeted at current high school students and potential higher ed students. The audience skewed 55% female.
 - x. Despite the short lapse in TikTok service during January, 1,153,264 ads were served during the campaign duration. 14,315 people clicked through to the website at a CTR of 1.24%. The majority of those who clicked on the ads share an interest in games and social apps.
 - xi. During the date range, there were 16,019 visitors to the English FAFSA/CASFA webpage. 12.41% of sessions were highly engaged.
 - xii. There were 1,728 users to the Spanish FAFSA/CASFA webpage during the date range. Engagement rate was 14.41%.
 - xiii. Display ads - There were 544,290 ad impressions served during this time frame. 2,944 people clicked through to the website at a CTR of 0.54%. The demographic with the highest CTR was English-speaking parents. The highest-performing placements were on news and magazine, and mobile game apps.
- e. If any portion of advertising is managed through third-party vendors (or 'partners';) or media buying firms, please provide any available data or reporting from those companies on campaign performance and spending. How often do the departments discuss media placements with these vendors?

The Department worked with Cultivator Advertising on the campaign creation, resource development and execution. Performance is outlined in the question above. During the two campaign phases, the Department met monthly with the vendor to discuss metrics and performance and made adjustments based on goals and performance outcomes.

- f. Monthly or quarterly reporting - how is reporting delivered?

Monthly reporting and a cumulative report at the end of the campaign period. Department also reports on FAFSA/CASFA reporting monthly, below is a graph/information on FAFSA/CASFA completion trends. Following substantial changes to the application, the 2024-25 FAFSA opened three months later than usual on December 31, 2023, and had technical difficulties from January until May of 2024. As a result, FAFSA completion lagged nationally and in Colorado. Just over 22% of Colorado high school seniors had completed a FAFSA by March 2024, 39.6 percentage points less than March 2023. Since March of 2024, Colorado has increased the FAFSA completion rate to 42.9%, only 8 percentage points less than in 2023. Currently 49.1% of high school seniors have completed

the 2025-26 FAFSA which closes on June 30, 2026. As outlined in our WIG below, the Department is very close to hitting our goal of 51% completion.



General Factors and Summary of Request (for discussion)

General Factors and Summary of Request

[Rep. Brown] Please describe the factors that contributed to revenue and cost change for institutions of higher education since FY 2004-05.

Revenue Factors

Public institutions have the following primary revenue sources:¹

- State and local appropriations, including operating dollars and state financial aid,
- Tuition and fees (not including institutional aid and tuition discounts)
- Federal funds (student aid, federal grants and contracts, and episodic relief like HEERF during the pandemic),
- Auxiliary revenues (housing/dining, athletics, parking, bookstores), and
- Gifts and endowment distributions and other income.

¹ State Higher Education Executive Officers Association. (2025). State higher education finance: FY 2024. <https://shef.sheeo.org/report/>

For most public institutions, a combination of state and local appropriations and tuition and fees comprise the majority of their revenue. Institutions vary greatly in the amount of per-student state funding they receive and the amount of tuition revenue they are able to collect. In general, the institutions that are the most reliant on state funding (meaning they collect fewer tuition dollars and other revenues) are those that serve the most underrepresented students, including first-generation, low-income, and students of color.²

Since FY 2004-05, revenue changes in Colorado reflect changes to state funding policy, economic cycles, enrollment swings, federal interventions, and increased reliance on tuition revenue and out-of-state students.

Policy shifts in Colorado: In 2004 the state adopted the College Opportunity Fund (COF), a per-credit stipend paid on behalf of eligible residents, which moved a large share of undergraduate operating support from lump-sum institutional appropriations to student-linked payments and fee-for-service/performance contracts. That change affects how revenue flows to campuses and how students experience resident tuition, since they must apply for COF to receive in-state tuition rates.

State support cycles: State funding for higher education was relatively stable in the 1980s and 1990s and declined sharply following the tech bust in the early 2000s and the great recession in 2008. At the same time, enrollment spiked to a record high. Following these historic cuts and record low state funding, the state allowed institutions flexibility in increasing their tuition rates. Institutions that were able to attract more out-of-state students increasingly turned to those students as an alternative revenue source. Institutions without that non-resident student appeal had fewer levers to stabilize revenue and often constrained services.³

Since that time, both nationally and in Colorado, state funding has increased, often reaching similar levels to those pre-recession decades.

Tuition and financial aid: Over the last two decades, Colorado has worked to ensure that financial aid to students remains a priority. In Colorado, state financial aid per FTE has increased 73% since 2001. In 2024-25, state financial aid reached a record \$316 million, a 12.5% increase from 2023-24.⁴ In Colorado, financial aid must increase by the same percentage as the average increase in operating support for institutions of higher education.

Recent investments in state support have allowed institutions to minimize tuition rate increases, and tuition on average has increased at or below the rate of inflation over the last six fiscal years.⁵

Enrollment: Enrollment shapes both revenues and costs for an institution. When enrollment rises, tuition and auxiliary revenues grow but institutions must fund additional sections, staffing,

² Cummings, K., Laderman, S., Lee, J., Tandberg, D., & Weeden, D. (2021). Investigating the impacts of state higher education appropriations and financial aid. State Higher Education Executive Officers Association.

https://sheeo.org/wp-content/uploads/2021/05/SHEEO_ImpactAppropriationsFinancialAid.pdf

³ Cummings et al., 2021

⁴ SHEEO, 2025

⁵ Tuition Revenue Spending Authority is set every year by the legislature based on anticipated enrollment trends.

student support, and space; when enrollment falls, costs rarely drop proportionally because colleges still must offer the same degree pathways, meet accreditation standards, and cover fixed costs.

Cost Drivers

Faculty and staff salaries account for roughly 60-75% of college and university expenditures, which is in line with other state agencies and entities.⁶ Increases in compensation and benefits, which help institutions remain competitive in the labor market, account for a substantial portion of the rise in the total cost to educate students.⁷

Other reasons for increased costs include a rise in compliance and administrative capacity needed for state and federal reporting and mandates, an increase in student support services to ensure students receive the advising and mental health supports they need, deferred maintenance which raises operating costs, and greatly increased costs for digital learning infrastructure, cybersecurity, and IT over the last two decades.

Since 2020, mental-health demand, IT/cybersecurity, hybrid/online teaching infrastructure, regulatory compliance, and facility O&M have been the most common drivers of cost growth (outside of enrollment changes), requiring ongoing investment to sustain student success.⁸

***[Sen. Amabile, Rep. Sirota, Rep. Brown]* Please describe the factors that may be contributing to an increase in resident students attending research universities relative to other institutions in the State: What are the benefits to students? Is it more economically viable for students? What are the underlying dynamics at play in the growth in enrollment at research institutions? Are there any effects on resident student enrollment from the growth in non-resident student enrollment? How does student support and financial aid affect the increase in enrollment despite the increased tuition cost at research universities? What is the correlation between state support and increased tuition over time and its impact on enrollment changes?**

⁶ State Higher Education Executive Officers Association. (2020). The Higher Education Cost Adjustment (HECA). https://shef.sheeo.org/wp-content/uploads/2020/04/SHEEO_SHEF_FY17_Technical_Paper_HECA.pdf; Baum, S., Blagg, K., Cohn, J., Cook, B. J., & Colin, E. (2024, December 10). How higher education revenues and expenditures changed from 2004 to 2019. Urban Institute. https://www.urban.org/sites/default/files/2024-12/How_Higher_Education_Revenues_and_Expenditures_Changed_from_2004_to_2019.pdf

⁷ Desrochers, D. M., & Kirshstein, R. (2014, February). Labor-intensive or labor-expensive? Changing staffing and compensation patterns in higher education. Delta Cost Project at American Institutes for Research. <https://files.eric.ed.gov/fulltext/ED558470.pdf>

⁸ Commonfund Institute. (2024). Commonfund Higher Education Price Index (HEPI): 2024 update. Commonfund. <https://www.commonfund.org/hubs/00%20Commonfund.org/04-Institute/HEPI/Reports/2024-Commonfund-Higher-Education-Price-Index.pdf>; EDUCAUSE. (2024). 2024 EDUCAUSE Horizon Report: Cybersecurity and privacy edition (J. Robert, N. Muscanell, N. Arbino, M. McCormack, & J. Reeves, Authors). EDUCAUSE. <https://library.educause.edu/resources/2024/9/2024-educause-horizon-report-cybersecurity-and-privacy-edition>; Global Health Education and Learning Incubator (GHELI). (2025). Center for Collegiate Mental Health 2024 annual report [Resource listing]. Harvard University. <https://repository.gheli.harvard.edu/repository/collection/resource-pack-college-students-and-mental-health/resource/12372/>

Students pick colleges for a mix of practical and personal reasons. These could include: whether the institution offers the programs and majors they want; a focus on particular areas like research or strong teaching and advising; a sense of community or belonging; perceived or actual costs; perceived or actual post-college outcomes such as employment opportunities and networking; distance from home; sports; mental health and tutoring supports; flexibility of class schedules; and reputational considerations.

Importantly, each institution and institution type has different strengths, offerings, and benefits: community colleges often provide flexible schedules, lower costs, and clear transfer paths; public four year research universities offer breadth, research, and strong earnings outcomes; other public four-year institutions offer smaller classes with a strong teaching focus and economic mobility; technical colleges offer efficient job-specific training at a low cost.

Economic viability: Almost all bachelor’s degrees are economically viable for students. CDHE recently released Colorado’s Minimum Value Threshold (MVT), which measures whether postsecondary credentials yield earnings that exceed the costs of the program, including foregone wages. This work found that 93% of bachelor’s degree programs, serving 97% of bachelor’s degree students, met or exceeded the MVT, providing a positive return on investment to Colorado’s students.⁹ Importantly, these percentages include students who did not complete their credential. Students can also access earnings outcomes by program and institution;¹⁰ these data highlight that economic outcomes depend heavily on the program a student completes.

Enrollment growth at research institutions: Enrollment growth at Colorado’s research institutions may be driven by a few forces.

1. Colorado just posted its highest 4-year high-school graduation rate in more than a decade, with 58,318 graduates in the Class of 2024,¹¹ so the pipeline of recent high-school graduates is strong.
2. Selective institutions (which overlap with research institutions) are less sensitive to ups and downs in statewide student enrollment, college-going rates, and economic trends that impact student enrollment. This is because they can manage their “yield” by accessing broader applicant pools and admitting a larger percentage of students.
3. Institutional promise programs and other efforts to increase and market their affordability may have driven an increase in applications.

The reasons behind recent enrollment growth at each research institution may vary, and the institutions could provide more comprehensive and specific information about their own trends and efforts to increase enrollment.

⁹ Colorado Department of Higher Education. (2025). Colorado minimum value threshold: Fact sheet. <https://cdhe.colorado.gov/sites/highered/files/documents/Colorado%20Minimum%20Value%20Threshold%20-%20fact%20sheet.pdf>; see also <https://cdhe.colorado.gov/postsecondary-student-success-data-system-hb22>

¹⁰ See <https://cdhe.colorado.gov/postsecondary-degree-earnings-outcomes-tools>

¹¹ Colorado Department of Education. (2025). 2023–24 graduation and completion data release summary. https://www.cde.state.co.us/cdereval/2024graduation_releasesummary

Nonresident effects on resident enrollment: There may be a relationship between resident student enrollment and nonresident student enrollment at institutions, but it is hard to say what the specific effects are. On one hand, there can be capacity constraints, where resident students are “crowded out” if an institution relies more heavily on non-residents to draw in more revenue. On the other hand, nonresident students can also “crowd in” if institutions use nonresident tuition revenue to expand instruction, fund institutional aid, or increase student supports for resident students. Institutions carefully consider the enrollment mix of their students and could provide more detailed information about their specific, and often unique, resident and nonresident enrollment trends.

CRS 23-1-113.5 outlines various thresholds for required resident enrollment at Colorado institutions of higher education:

- For fall incoming freshman, at least 55% of the incoming class must be resident.
- For the total student population as calculated by FTE (full-time equivalent), at least 66% of the student population must be resident.
- Up to 15% of fall enrollment can be foreign students.

CRS 23-1-113.5 also allows for various student populations to be excluded from these calculations and for institutions to receive added resident counts when calculating resident percentages related to these thresholds. For example, a student identified by Colorado public postsecondary institutions as a Colorado Scholar defined by CRS 23-1-113.5 (5)(e)(I) is counted as two resident students. Any student given in-state tuition classification in statute is considered a resident for this requirement. Several Colorado institutions of higher education are exempted from these thresholds if other conditions are met (as outlined in CRS 23-1-113.5). These institutions include Adams State University, Colorado Mesa University, Fort Lewis College, and Western Colorado University. Additionally, Colorado School of Mines has lower thresholds for resident students than other Colorado public institutions.

Support and aid impacts on enrollment: Research shows that while students in the application stage are sensitive to the published cost of an institution (the “sticker price”), once they receive financial aid information, they make informed decisions about where to enroll based on the net price that they will actually pay after considering all financial aid available to them.¹²

While research institutions may have a higher sticker price, for some students who receive need-based or merit-based financial aid, the net price may be lower. In general, research universities have more diversified revenue sources and have higher total revenues per student, allowing them the opportunity to provide more institutional financial aid to students. CDHE’s

¹² Hoxby, C., & Turner, S. (2013, March). Expanding college opportunities for high-achieving, low-income students (SIEPR Discussion Paper No. 12-014). Stanford Institute for Economic Policy Research. <https://eml.berkeley.edu/~saez/course131/Hoxby-Turner13.pdf>; Levine, P. B., Ma, J., & Russell, L. C. (2020, March). Do college applicants respond to changes in sticker prices even when they don't matter? National Bureau of Economic Research. https://www.nber.org/system/files/working_papers/w26910/w26910.pdf

annual financial aid report¹³ shows that four-year institutions generally provide larger amounts of institutional aid to their students. At some research institutions, more than half of all student financial aid comes from institutional grants, whereas at less-resourced institutions, the vast majority of grant aid comes from federal and state sources. While all of Colorado's four-year public institutions (and some two-year institutions) now offer a promise program that ensures free tuition for a subset of students,¹⁴ the existence of promise programs at research institutions may have helped spread the word that college is affordable for low-income students.

Correlation between state support and tuition: Research broadly shows that there is a correlation between state support and tuition, but it depends on the institution type and broader context. Overall, on a national level, roughly one third of the rise in tuition can be accounted for by previous declines in state support.¹⁵ In determining the total level of appropriation each year there is a trade off between general fund state support and increases in tuition and finding the balance between the two.

When state funding increases, there is a correlation with higher enrollment, and improved student outcomes, particularly among low-income and historically underserved groups. This is true for both state operating appropriations and state financial aid.¹⁶ However, other factors like demographics, perception of higher education, and the economy also impact enrollment.

[Sen. Amabile] How many and what is the percentage or share of Colorado students that attend institutions of higher education out-of-state rather than in-state?

CDHE calculates this measure (and others) in its report on the progress and success of recent Colorado high school graduates.¹⁷ Data going back to the Colorado High School Class of 2010 is provided with disaggregation by K-12 school district/high school, gender, race/ethnicity, and Free and Reduced Lunch (FRL) status. One measure provided in this report shows the percentage of Colorado high school graduates who attend postsecondary education (in-state or out-of-state) the Fall following their high school graduation. This percentage has ranged from nearly 58% to 50% over the past 12 years (more recent years demonstrate aftereffects of COVID-19 impacts on postsecondary education).

¹³ Colorado Department of Higher Education. (2025). Financial aid: Creating affordability, equitable access, and student success across Colorado. <https://cdhe.colorado.gov/colorado-higher-education-financial-aid-landscape>

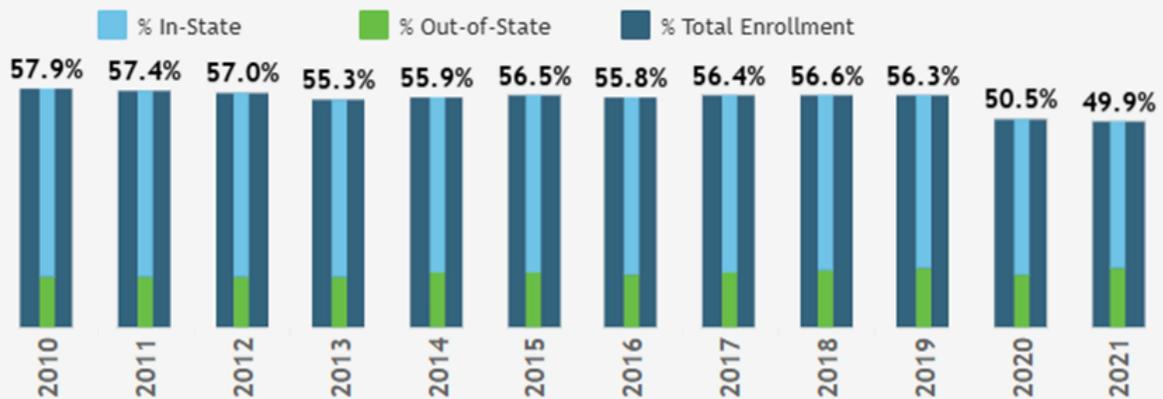
¹⁴ Colorado Department of Higher Education. (2024). Additional institutional affordability programs. <https://cdhe.colorado.gov/additional-institutional-affordability-programs>

¹⁵ Webber, D. A. (2017). State divestment and tuition at public institutions. *Economics of Education Review*, 60, 1–4. <https://doi.org/10.1016/j.econedurev.2017.07.007>

¹⁶ Cummings, K., Laderman, S., Lee, J., Tandberg, D., & Weeden, D. (2021, May). Investigating the impacts of state higher education appropriations and financial aid. State Higher Education Executive Officers Association. https://sheeo.org/wp-content/uploads/2021/05/SHEEO_ImpactAppropriationsFinancialAid.pdf

¹⁷ Colorado Department of Higher Education. (2023, May 1). Pathways to Prosperity: Postsecondary access and success for Colorado's high school graduates (Data through the class of 2021). https://cdhe.colorado.gov/sites/highered/files/2023_CDHE_Postsecondary_Report_0.pdf

Postsecondary Enrollment

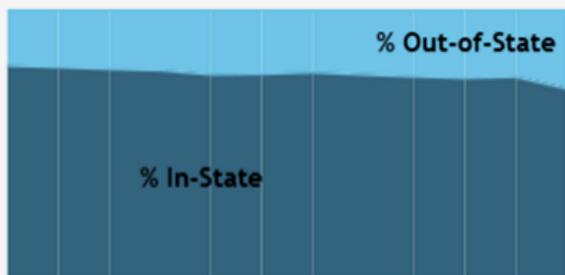


Includes all students who graduated from a Colorado public high school.

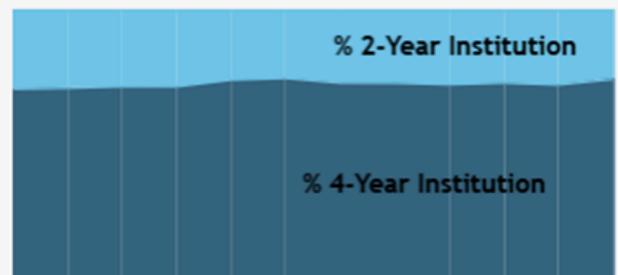
CDHE also provides data on where Colorado high school graduates enroll and the states of that enrollment.

Enrollment Characteristics

In-State / Out-of-State



Enrollment by Sector



2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021

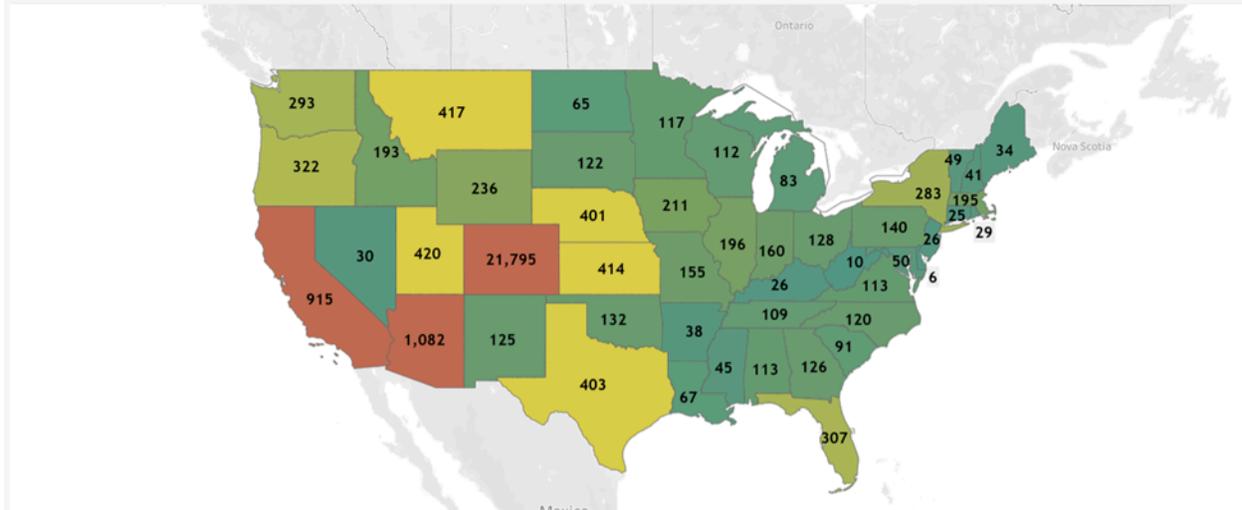
Graduates from a CO public high school who enrolled in a postsecondary institution.

Where Do Enrollees Go?

HS Class: 2021
District: (All)

Data for this report are collected using the SURDS database, which includes information from all public colleges and universities in the state and the University of Denver, Regis University and Colorado Christian University. The National Student Clearinghouse database is used to collect information on enrollment and retention rates for Colorado high school graduates who attend out-of-state institutions or private institutions currently not included in SURDS.

Continental US



Looking at the Colorado High School Class of 2021, 49.9% went onto postsecondary education, and of those 29.2% of them went out-of-state (approximately 9,000 students). Looking at the trend of these data over the past several years, the postsecondary-going rate for Colorado high school graduating classes has declined while the percentage of Colorado high school graduates enrolling in postsecondary education out-of-state has slightly increased. These data reflect enrollment in public and/or private nonprofit institutions of higher education and do not include enrollment in private occupational schools, WIOA programs, or apprenticeships (due to data limitations).

The decline in postsecondary-going rate for Coloradans mirrors national trends during the COVID-19 pandemic. Nationally, the high school classes of 2022, 2023, and 2024 had higher postsecondary-going rates, showing a recovery and stabilization that may be present in Colorado too.¹⁸

Newer data for the Colorado High School Class of 2022 will be available in the coming weeks. Due to continued navigation with CDE on updates to the CDE-CDHE data sharing agreement and availability of data for CDHE, data for the Colorado High School Classes of 2023 and 2024 is not currently available. CDHE hopes to update these data for those classes by Summer 2026. Additionally, CDHE and CDE are working collaboratively with OIT to report similar measures via the Colorado Statewide Longitudinal Data System (SLDS) with their first report/dashboard due in September 2026.

¹⁸ National Student Clearinghouse Research Center. (2021–2025). High School Benchmarks reports and Enrollment Insights series. National Student Clearinghouse. <https://nscresearchcenter.org>

[Rep. Taggart] Please explain the unusual enrollment data points for resident and non-resident students in the Native American Tuition Waiver program. Why are there so many more non-resident students?

The table below shows enrollment data for FY 2024-25:

	Student Count	Percentage
Graduate	62	4.6%
In-State	7	11.3%
Out-of-State	55	88.7%
Undergraduate	1293	95.4%
In-State	146	11.3%
Out-of-State	1147	88.7%
Total	1355	100%

The Native American tuition waiver is available to both in-state and out-of-state students. The FLNAW draws in a greater number of out of state students from various tribal regions around the country due to its central location, primarily tribal lands and the four corners area. . New Mexico and Arizona are neighboring states with higher tribal communities, making it easier for these students to attend Fort Lewis College. There are also large tribal communities in South Dakota and Alaska whose students attend Fort Lewis College to take advantage of the Native American Tuition waiver.

[Sen. Amabile, JBC Staff] For R5 Additional Staff Support, how does this request for an increase in staff fit with the Governor’s proposed reorganization plan for the Department? Please describe the request and detail the need for additional staff and training resources.

R-05 Additional Staff Support Request:

The Department takes the findings from the audit and the concerns raised by JBC staff very seriously.

The Department is actively taking steps to address these including:

- Bill trackers with ends dates for programs and roll-forward information
- Fiscal note tracker and one-pagers of programs
- Desktop manuals and calendars
- Increased collaboration with OSPB and OSC
- Increased collaboration on the CDHE finance team and across CDHE teams
- Evaluating finance team structure to ensure specialization and cross training for institutional knowledge

While identifying, creating, and implementing these efforts the Department also identified a staffing need which is reflected in the Department's R-05 Additional Staff Request.

To help address staff workloads and to ensure the Department has the proper staff in place to address current audit findings and prevent future ones, the Department is requesting funding for five new positions. This includes two compliance specialists, a budget worklead, and two accountants. To help ensure the current and future staff are properly trained and have a common understanding of processes, the Department also requests one-time funding to contract to create and implement a budget and finance staff training program.

The Department's request includes \$0.4M GF and 4.0 FTE in FY27 and \$0.5M GF and 5.0 FTE in FY28 and on-going. The Department requests \$0.06M GF in FY26-27 one-time for training costs.

The request includes two compliance managers. One the compliance managers would focus on fiscal compliance and the other would focus on regulatory compliance. This will ensure there is dedicated staff within the Department to ensure that fiscal rules are followed and that there is a proper understanding about program spend timelines and statutory requirements. The Department does not currently have any permanent compliance staff when other departments almost all have at least one compliance related staff.

The other part of the request includes staff for the budget and finance teams. This includes a request for a budget worklead. This position would still be a budget analyst with a portfolio that would be able to assist in the day to day work needed on the budget team. However, this position would also have additional knowledge and expertise to help organize and track deliverables for the budget team.

The request for the budget and finance teams also includes two accountants. This will help right-size the budget and finance teams more between accountants and budget analysts. It will also ensure that the Department has more accountants in place to help with accounting entries, year end close, and making sure there are proper accounting entries for the large amount of institutional and financial aid funding that runs through the Department. This is in line with other Department's budget and finance teams' makeups.

This will also allow the budget and finance teams to create portfolios allowing for increases in institutional knowledge and expertise.

Position	Portfolio
1 Budget Analyst/Accountant	Capital and Central Appropriations - Oversee capital/IT capital requests, central administration section COPs and lease section, and Indirect costs (Section 1. 2D, and 2F of LB)
1 Budget Analyst/Accountant	Special Purpose Programs - Oversee administration line and CCHE Special Purpose Program Section (Sections 2A and 2C of LB)
1 Budget Analyst/Accountant	Financial Aid - Oversee all financial aid (section 3 of the LB)
1 Budget Analyst/Accountant	DPOS - Oversee Division of Private Occupation Schools (section 2B and 7 of long bill)
1 Budget Analyst/Accountant	IHE Funding - Oversee all major pass through funding to the IHEs (section 4, 5, 6, 7C, and 8 of long bill)

R-05 Request and Workforce Executive Order:

These resources and additional staff request are necessary to meet the Department’s **current** statutory requirements. The additional staff and training resources are necessary to improve the department’s operational responsibilities and to more consistently deliver on current statutory requirements.

Regarding the proposed reorganization: One of the goals is to improve the operational efficiency of all agencies involved. To do this, experts from the agencies must work together to identify best practices, shared needs, and develop a future-facing set of standard operating procedures. These staff and training resources will help us improve our operations in critical areas now while ensuring the Department is properly staffed and trained for any future reorganizations.. Without the additional resources, our capacity to help and set the future agency up for success will be limited.

The R-05 request is necessary to resolve challenges today, while the report suggests additional strategies to support adult learners and jobseekers long-term.

[JBC Staff] Please describe the plan for legislation for continuing Open Ed Resources including any anticipated changes in the current policy.

The legislative plan for the Open Educational Resources program is comprised of five statutory changes:

- (1) Changing the report deadline from a specific date to “annual” so DHE can align this report submission with our other annual reporting requirements. This will allow DHE to create efficiencies by allowing reporting timelines to be in alignment.
- (2) Increasing the OER Council from 12 to 15 to be more inclusive of schools’ interest in serving on the Council as well as making it higher education-specific in the call for position types. This is reflective of an ask directly from the OER Council.
- (3) Extending the program an additional five years.
- (4) Update the metric that institutions report to the number of courses that are zero textbook costs instead of courses that use open education resources in some form. This allows the state to track towards the goal of more zero textbook cost degrees. This update is in line with the 2025 Commission on Higher Education guidelines for informing students of OER materials at course registration. Additionally, this metric is simpler for institutions to report by reporting all courses with \$0 cost of course materials instead of separating out only openly licensed materials.

Representative Taggart is a prime sponsor of this bill. The Department saw this as an important program that has saved students \$59.7M since 2018 and it was important for it to continue.

[Sen. Amabile, JBC Staff] Please describe the Department’s organizational relationship structure with the Governor’s Office of Information Technology (OIT) and the non-prioritized requests for Department FTE through the non-prioritized request items from OIT for AI compliance and IT accessibility.

While the Department is not under OIT, the Department adheres to the State-established OIT common policies and guidelines to ensure secure and efficient operation and management of state information technology resources. This includes both OIT and internal Department acceptable use policies and the treatment of confidential information as these policies are updated annually. .

The 0.2 FTE are for ensuring compliance with 24-205. The Department does not currently utilize AI in any decision making process, this is the minimum amount required to comply with 24-205’s disclosure and other requirements. The Department received a small amount of funds (\$20,000) to continue it’s work on IT accessibility and ensure that documents are properly updated. The staff request for CDHE and all departments is department staff, not OIT staff in the department.

[Rep. Taggart] Please provide a status update on the June 2023 cybersecurity breach and data incident. Please describe the systems affected and the timeline and efforts to reconstruct damaged systems and increase security through today.

On June 19, 2023, the Colorado Department of Higher Education (CDHE) experienced a cybersecurity incident that affected the systems supporting our Student Unit Record Data System (SURDS) and several program-level environments that store and process sensitive data. In the immediate aftermath, CDHE executed incident notifications to impacted parties and relevant authorities, engaged in rapid database recovery to restore essential operations, and undertook comprehensive hardening of server, endpoint, identity, and network configurations. To stabilize operations and align with industry best practices, CDHE retained a managed service provider to collaboratively oversee infrastructure and security. By November 2023, we reopened aggregate SURDS data collections to maintain continuity of statewide reporting while we rebuilt and validated student-level systems.

CDHE has continued to make substantial progress in reconstructing damaged systems and strengthening data security. We resumed student-level data collection in June 2024 and are following a collaboratively developed timeline with institutions to ensure that catch-up submissions were feasible for institutional research divisions. As of September 2025, we are up to date and on our normal schedule for collecting financial aid, enrollment, course, and degree data. These collections have enabled the release of multiple updated reports and dashboards. The final two remaining student-level data collections and associated reports will be completed and released in mid-2026.

The Department's increased data and IT capacity, enabled by the 2024–25 budget supplemental and budget amendment provided by the General Assembly, added four FTE, all hired in summer 2024, to support IT, data security, data infrastructure, and data governance across CDHE. As of December 2025, we have completed an assessment and established plans for continuous improvement across data collection, storage, and use.

Through HB24-1402, as part of the OIT evaluation of consolidating CDHE within the OIT environment, OIT concluded that “at this time, major risks have been mitigated for CDHE and there is a managed service vendor in place providing high-quality IT services.” This affirmation reflects the results of our remediation and upgrades since the incident.

Requests for Formula Funding (for discussion)

Requests for Formula Funding

[Rep. Taggart, JBC Staff] Please provide the number of classified staff at each institution of higher education. Please explain the methodology used to allocate requested appropriations across systems and institutions of higher education for the Department's request for \$10.6 million for classified employees at institutions. Please explain any other policy choice assumptions built into the allocation. Does \$10.6 million

completely pay for compensation adjustments determined through the partnership agreement for classified employees at institutions of higher education?

Number of Classified Staff:

Each year, CDHE collects data from the public Institutions of Higher Education in a format called the Budget Data Books (BDB). The BDB are completed by the IHE's. The data regarding this question was pulled from these reports for FY2024-25 actuals.

Institution	Number of Classified Employees in FY25
Adams State University	76
Colorado Mesa University	77
Colorado School of Mines	196
Fort Lewis College	60
Metropolitan State University	37
University of Northern Colorado	234
Western Colorado University	49
Colorado Community College System	613
Colorado State University System	827
CU System	1,033

Below is the share of classified staff costs metrics for each IHEs in recent years that were used for the Step 1 calculations. FY24-25 were projected at the time of submission as the Budget Data Books with FY24-25 actuals were finalized after November 1.

Institution	FY2021-22	FY2022-23	FY2023-24	FY2024-25 (Projected)
Adams	18.7%	17.3%	16.8%	21.3%
Mesa	7.1%	8.0%	7.4%	8.3%
Metro	3.8%	3.0%	3.4%	2.8%

Institution	FY2021-22	FY2022-23	FY2023-24	FY2024-25 (Projected)
Western	10.3%	10.7%	8.4%	8.4%
CSU System	9.5%	14.5%	13.2%	22%
Fort Lewis	10.8%	10.4%	9.6%	10%
CU System	7.3%	6.9%	6.6%	6.5%
Mines	20.2%	19.6%	19.7%	19.4%
UNC	20%	20.6%	20.8%	20.7%
CCCS	12.5%	11.2%	10.9%	11.7%

Operating Support Total:

The total amount of \$10.6M for operating support was determined by the amount needed to cover the classified staff costs at institutions. A 57% General Fund split was applied to the total amount which is the average General Fund split amount for the state. This keeps the allocation in line with other agencies where other cash funds and revenue streams help cover the costs.

	Total Fund COWINS Increase	General Fund Split (57%)
Classified Salaries	\$9,791,088	\$5,580,920
POTS	\$2,344,966	\$1,336,630
HLD	\$6,538,168	\$3,726,756
Total	\$18,674,222	\$10,644,306

Allocation Methodology:

Per statute, the Colorado Commission on Higher Education (CCHE) is asked to annually recommend changes in the amount of performance funding for institutions, including allocation weights among the metrics currently included in Step 2.

CCHE was presented with scenarios of no funding or little funding going through the formula and saw that it resulted in our rural institutions receiving an additional cut in funding.

Outcomes of Running \$10.6M through Step 2

Insitution	Incremental Funding
Adams	-\$237,246
Mesa	\$957,150
Metro	\$703,442
Western	-\$26,680
CSU System	\$1,683,663
FLC	-\$162,637
CU System	\$2,838,029
Mines	\$744,808
UNC	\$780,384
CCCS	\$3,366,410
Total	10,647,321

The Commission recommended the below for FY25-26 funding:

- Avoids harm to institutions showing performance improvements
- Recognizes the limitations of the current formula
- Utilizes step 1 if necessary to ensure equitable outcomes
- Maintains a commitment to the recognition of performance gains while acknowledging current structural flaws

In response to the Commission’s recommendation the Department’s request is for the additional funds to go through Step 1. To incorporate CCHE’s recommendation the same metrics were used in the Step 1 allocation as the Step 2. But the calculations took out the “Role and Mission” calculation that tied the funding allocation to the share of previous year funding. Another metric of share of classified staff was added and weighted at 5% to acknowledge the total funding number was based on classified staff needs.

Outcome with Requested Step 1 Allocation

Insitution	Step 2 Allocation (Base)	Step 1 Allocation (Incremental)	Total Incremental Funding
Adams	-\$534,929	\$1,047,776	\$512,847
Mesa	\$421,481	\$1,076,974	\$1,498,455
Metro	-\$248,931	\$1,064,966	\$816,035
Western	-\$291,005	\$1,055,490	\$764,485
CSU System	\$88,169	\$1,068,549	\$1,156,718
FLC	-\$410,724	\$1,049,306	\$638,582
CU System	\$385,481	\$1,069,723	\$1,455,204
Mines	\$336,094	\$1,077,372	\$1,413,466
UNC	\$31,334	\$1,068,390	\$1,099,724
CCCS	\$223,031	\$1,068,776	\$1,291,807
Total	\$0	\$ 10,646,413	\$10,646,413

[Rep. Taggart] Please explain the correlation between the requested 2.6 percent tuition increase for resident undergraduate students and 3.0 percent for all other students and the requested 3.5 percent salary increase for state employees, not including increases for benefits (the statewide compensation policy request includes a 7.2 percent increase for state agencies). Please explain why the tuition cap is not proposed to be in alignment with proposed increases in statewide compensation?

The 2.6% and 3% rates were determined to keep costs contained for students and to ensure that any increases were not well beyond IHEs ability to increase considering market conditions. 2.6% for in-state students keeps the increase at inflation for these students and 3% for out-of-state students just slightly above inflation.

These increases total \$82M in cash fund spending authority for the institutions which more than cover the total \$18.6M needed to cover classified staff or \$8M needed to cover classified staff after the \$10.6M GF support.

Budget Reductions, LPFFS Reductions, Previously Requested Reductions, and MTCF Adjustments (for discussion)

Budget Reductions

[Rep. Brown] Please provide more information about the source of funds and where the funds originated that are intended to be transferred from CollegenInvest?

CollegenInvest was established in 1979 and is a state enterprise. CollegenInvest runs Colorado's 529 college savings program with over \$12 billion in Assets. As part of their work CollegenInvest also runs the First Step Program that offers a free \$118 gift for every newborn or adopted child in Colorado on or after January 1, 2020 to help with savings. There is also a matching grant program that helps qualifying middle and low income families save for higher education.

Over the years CollegenInvest has seen many changes in programming. The program started as the State's student loan program. SB05-003 directed CollegenInvest to use a portion of its student loan origination fees to create the Colorado Achievement Scholarship Program, later called CollegenInvest Early Achievers Scholarship (CEAS). The legislation also created the College Achievement Scholarship Trust Fund. This was a scholarship for pell eligible students to help increase college attainment.

In 2009, SB 09-279 transferred \$15M from the CollegenInvest Scholarships Trust Fund to the General Fund to address revenue shortfalls that year. HB 10-1383 also created the opportunity to transfer a certain amount to the General Fund based on the June 2010 economic forecast. Elements of the program were further refined in 2016 and 2017 legislation.

In 2019, HB19-1280 the College Kickstarter Program was created. This created the master account and required funds be sufficient to pay for kickstarter funding transfers to private 529 accounts. The master account was funded through transfers from the CollegenInvest Scholarship Fund or grants via CollegenInvest's matching grant program.

There is \$9.2M that was transferred from the CollegenInvest Scholarship fund to the Master account that is not needed for the Kickstarter program or 529 savings accounts.

[Rep. Taggart] Please provide more information on the history, results, and effectiveness of the Rural Teacher Recruitment and Retention program elimination.

The Rural Teacher Recruitment and Retention Program is run by the University of Northern Colorado (UNC). The program was first created in SB 16-104. This bill included a coordinator at UNC, stipends for teachers, support for a teacher cadet program, and funding for professional development for rural teachers. Subsequent bills also impacted the program. This includes SB18-085 that added stipends for additional teachers to pursue additional qualifications.

SB20-158 changed the funding structure of the program. It combined the program with the Rural Teaching Fellowship program. It also determined that of the grants funds remaining after the fellowships 50% would be available for teachers pursuing other licenses, 25% for student teachers who teach in rural areas, and 25% for continuous education stipends.

The program has supported 1,400 teachers since 2016 with an average retention rate of 85% for at least one year. Fifteen institutions of higher education that offer undergraduate online teacher preparation programs for rural teacher candidates.

This proposal is one of the proposals submitted to ensure we have a balanced budget. The Department believes that the elimination of this program will have a minimal impact on rural teacher recruitment and retention. During the 2024 Legislative session, the Colorado legislature passed HB24-1448 which put in place a New School Finance formula for the state creating a formula that diverts more funding to smaller rural districts. The new formula prioritizes funding for rural and small school districts by introducing a locale factor which provides additional funding for rural districts. This additional funding aims to support districts to help provide higher salaries along with other efforts to keep teachers in classrooms.

CDE also administers the Teacher Recruitment Education Program (TREP). The program is meant to strengthen the state's teacher pipeline and 35% of TREP students are from rural areas which could lead to more rural teachers.

[Sen. Amabile] Please provide more information on the history, results, and effectiveness of the various rural funding efforts included in the Department's request. What are the ongoing needs for these programs or funding efforts?

There are two rural funding efforts in the Department's requests this year. One is the Rural Teacher Recruitment and Retention program. This program's history, results, and Department request are discussed in the above question.

The other rural funding effort in the Department's request is the Colorado Rural Healthcare Workforce Initiative in S-02/R-06 LPFFS Reductions. The Colorado Rural Healthcare Workforce Initiative was created and amended in SB22-172 and SB24-221 respectively. This program provided funding to CU to incentivize growing the rural healthcare workforce. Funding could be used for compensating staff providing assistance for students, or creating new curriculum. SB 24-221 built upon this and provided additional funding for CU to create a funding formula that allocates dollars to institutions operating a rural track program.

In the Department's R-06 request the Department requests eliminating this program. This proposal is one of the proposals submitted to ensure we have a balanced budget. CU could continue to provide technical assistance through the Rural Office to participating initiative institutions instead of through state support.

LPFFS Reductions

[Sen. Amabile, Rep. Taggart] Please detail the actions taken on the cyber coding funding over the last year and in the request. Are there federal funds at risk in eliminating the cyber coding funding?

The funding for the “Cyber Coding Cryptology for State Record” program created by SB18-086 has been cut twice this fiscal year. The first time was during figure setting, in which the program was cut by 50% across each participating institution. That led to the decreases below:

	Mesa	Metro	Western	CSU System	CU System	CCCS
Original Amounts	\$300,000	\$300,000	\$200,000	\$1,200,000	\$2,800,000	\$300,000
Figure Setting Cuts	\$150,000	\$150,000	\$100,000	\$600,000	\$1,400,000	\$150,000

The program was then cut again by 50% in the August Executive Order:

	Mesa	Metro	Western	CSU System	CU System	CCCS
Original Amounts	\$300,000	\$300,000	\$200,000	\$1,200,000	\$2,800,000	\$300,000
Figure Setting Cuts	\$150,000	\$150,000	\$100,000	\$600,000	\$1,400,000	\$150,000
August EO Cuts	\$75,000	\$75,000	\$50,000	\$300,000	\$700,000	\$75,000

In the annual cybersecurity report, the participating institutions did not indicate any federal funding matches they were involved in or that they were pursuing. There are no federal funds at risk by eliminating this program.

Teacher Mentor Grant Program

[Rep. Brown, Sen. Amabile, JBC Staff] If we cut the Teacher Mentor Grant Program by 50 percent, what does that mean in terms of the number of students the program can serve? What are the program capacity impacts? Please explain the need for and the effect of the statutory provision directing \$100,000 General Fund for administration? Please explain the need for and the effect of the statutory provision that appears to provide perpetual spending authority for this statutorily-required administration appropriation. Please provide an expenditure history for this item since FY 2024-25

This proposal is one of the proposals submitted to ensure we have a balanced budget. In general, if there is a 50% reduction to the budget for this program, then the program would serve fewer candidates and mentors. The Department would work to mitigate these impacts by working with institutions on their proposals and use a scoring rubric to determine which programs might be the most effective.

Table: Teacher Mentor Grant Program Implementation, 2021-2025-

Educator Preparation Program	2021-25 Total Funding Received	2025-26 Funding Received	Current Award Duration	Mentors Trained/Mentees Served 2021-25
Adams State University	\$384,170	\$85,340	1 Year	63 Mentors/76 Mentees
Colorado Mountain College	\$323,953	\$135,540	1 Year	78 Mentors/135 Mentees
University of Colorado Colorado Springs	\$159,980	\$100,000	1 Year	40 Mentors/41 Mentees

Educator Preparation Program	2021-25 Total Funding Received	2025-26 Funding Received	Current Award Duration	Mentors Trained/Mentees Served 2021-25
University of Colorado Denver	\$606,955	\$180,540	1 Year	87 Mentors/Approx. 325 Mentees ¹
Western Colorado University	\$513,749	\$113,700	1 Year	75 Mentors/87 Mentees
Total	\$1,988,807	\$615,120		343 Mentors/Approx. 665 mentees

HB24-1376 added \$100,000 to the funding level of this program as it expanded the program to expand mentorship to novice teachers. The legislation stated “The General Assembly shall appropriate one hundred thousand dollars to the Department of Higher education for the teacher mentor grant program to fund direct administrative costs incurred by the department, grant awards, and direct administrative costs...” The \$100,000 General Fund described in statute for the awarding of grants in addition to administration. These additional dollars do not go toward the program’s administration. Rather this is funding that directly serves the number of mentors that can be trained on an annual basis. The statute also allows for rollforward authority on up to \$100,000 each year to continue to support participating programs and mentors. This has allowed for the programs to deliver their mentorship trainings at full capacity and provides knowledge that rollover funding could act as a small buffer if the next year’s funding would have to be reduced for any reason.

Expenditure History 2024-25 to 2025-26:

- FY24-25 Total: \$590,101 to five programs (Adams State University, Colorado Mountain College, UCCS, UCD, Western Colorado University)
- ASU: \$114,000
- CMC: \$112,680
- UCCS: \$84,960
- UCD: \$152,072
- WCU: \$126,389

FY25-26 Awarded: \$615,120 (included some rollover funds from 24-25 to expand programs' capacity; same five participants)

ASU: \$85,340

CMC: \$135,540

UCCS: \$100,000

UCD: \$180,540

WCU: \$113,700

Admin:

2024-25 Administration Costs- \$49,966

2025-26 Administration Costs- \$51,215

PSEP Roll-off

[JBC Staff, Rep. Taggart, Rep. Brown] Please provide information on the current and historical need for optometrists in the state. Please explain what the Department is requesting of the JBC related to debt collection for the PSEP program. Please respond to the staff suggestions for handling debt collection for current and old debt of the program, and if the Department disagrees please explain the disagreement. Please explain where debt payment revenue is deposited and how it is disbursed or expended. Please provide disbursement or expenditure detail for FY 2024-25.

A report conducted last year reflects CO Optometrists exceed that of the national average. An average area of this size would have 940 employees, while there are 1,145 in Colorado. Therefore Colorado reflects above average supply of Optometrists. Colorado reflects a 21% increase over the past five years.

Additionally, CO is on pace towards 7% projected growth which is above the national average from 2023-2028 therefore reflecting the program is no longer necessary to fulfill workforce shortages in this area.

In FY2024-25, the state paid \$370,350.00 to WICHE for 18 students to participate in the program. Of which 4 students graduated; 3 returned to Colorado and one student is currently participating in a residency Program

The Department is requesting that the Professional Student Exchange Program (PSEP) be eliminated through a step-down process. This step down process will allow two important things to happen: a) a step-down process will hold harmless students currently enrolled in an optometry program, ensuring they can complete their degree under the current terms of the program; and b) the Department will continue to collect debt incurred by the students currently in active repayment through Fiscal Year 2027-28, reducing the amount of funds identified for potential forgiveness.

The Department's November 1 request identified \$326,145 as the total outstanding debt for active students currently in repayment. Since submission, this amount has declined to about \$289,540 due to payments received from these students. The Department estimates it will collect an additional \$268,900 through Fiscal Year 2027-28, leaving less than \$20,000 estimated outstanding at the time of full program closure, assuming all students currently in repayment remain in good standing.

Additionally, the Department is aware of outstanding debt attributable to students who are not actively in repayment, most of which accrued between 1992 and 2013. The Department does not operate as a collection agency. As thus, the original request included the forgiveness of outstanding debt when the program was discontinued. If the program is discontinued but debt collection remains, the Department can look into debt collection proposals discussed by the committee.

Current debt repayments are deposited into the General Fund and are part of General Fund revenue.

CHECRA Funding

[Rep. Sirota] What was the effect on CHECRA when transfers were suspended for FY 2020-21 and FY 2021-22?

Prior to 2020, CHECRA maintained a balance of \$4-6M. This was done in order to have flexibility with occasional larger grant opportunities and also because federal grants operate on different cycles. Over the two years that funding was suspended, the balance was able to pay all our existing commitments. But with no new revenue, utilized the balance and today there is a minimal remaining balance. Additionally, in FY21 and FY22 any new commitments were stopped.

MTCF Adjustments

[JBC Staff] Please describe the MTCF adjustments included in the budget request and the reasons for the adjustments.

Within the Governor's Statewide MTCF balancing request (S-01/R-07), there are two adjustments to the CDHE budget.

The first is a budget balancing measure to Eliminate the Appropriation for the CU School of Public Health MTCF appropriation (CDHE NP-09). In FY 2025-26, this program was appropriated \$2 million, while this proposal would eliminate that appropriation from MTCF entirely for FY 2026-27. This program was initially funded through House Bill 21-1317, *Regulating Marijuana Concentrates*. It initially increased state expenditures by \$4 million in FY 2021-22 and \$1 million per year in FY 2022-23 and FY 2023-24. The remaining \$1 million a

year was intended to review existing research, support the scientific review council, and conduct required research. This program has received \$12 million in funding from the MTCF since FY 2021-22. The Governor's Office recognizes this is a significant commitment from the MTCF over multiple years for this program. The MTCF dollars within the CU School of Public Health Program utilized for marketing and outreach should be reallocated to other agencies, such as CDPHE, that can more efficiently do this work. The Governor's proposal within the Statewide MTCF DI aims to partially restore CDPHE funds for a public awareness campaign. Additionally, the funds within this program currently going toward research could be appropriated to a program, such as the Institute for Cannabis Research - referenced below, which has become an international leader within this space. This adjustment to the MTCF budget is an effort to remove duplicative funding and allocate resources to programs where they can be utilized more effectively.

The second adjustment to the CDHE budget from the MTCF is a restoration to the funding of the Institute of Cannabis Research (ICR) appropriation at CSU Pueblo (CDHE NP-08). This would restore the ICR Appropriation from MTCF back to \$3.8 million, a \$725,000 increase. Beginning in 2017, the role and mission of the ICR has been to conduct and fund research related to cannabis and publicly disseminate the results. The program has been successful in funding and conducting crucial research related to cannabis, becoming an international leader within the space. Increasing this funding will allow ICR to continue the important work in research at funding levels seen in previous years. The Governor believes this is a crucial, but prudent investment in a successful program which consistently utilizes the full appropriation to conduct and fund research. Additionally, the rescheduling of marijuana to a schedule 3 substance federally will open new doors and possibilities for critical research that can occur through the ICR.

This request is organized by the Governor's Office and they would be happy to handle any additional questions about the MTCF statewide balancing requests.

Notable Items (for discussion)

CCHE Funding Formula Recommendations

[Rep. Sirota, Sen. Amabile, Rep. Brown, Rep. Taggart] Please explain why the legislation to amend the funding formula is happening outside of the JBC process. Please describe the CCHE recommendations.

Colorado's higher education funding allocation formula is established in statute (C.R.S. 23-18-301). CCHE is statutorily charged to review the funding formula and report recommended changes to the Governor, JBC, and Education Committees once every five years. The 2024-2025 review used a working group model with institutional representatives and governmental partners. JBC staff participated as a technical advisor, ensuring alignment with the budget process.

Changes to the formula therefore require amending substantive law, which is handled via policy bills heard by the House and Senate Education Committees and then the full General Assembly. This route allows the education committees to consider changes to the policy architecture (metrics, structure, and definitions) to guide how allocations occur, while JBC will determine the total funding for higher education each year. As described below, the recommended changes are policy in nature and include modifications to naming conventions, data sources, and metric adjustments to better include Colorado’s student population.

Colorado has historically handled formula design and revisions through stand-alone education bills:

- HB14-1319 created the original outcomes-based funding approach and charged CCHE to develop a base funding formula after extensive engagement with “interested parties.” It moved through House Education and Senate Education committees.
- HB20-1366 established the current three-component model (ongoing additional funding, performance funding, temporary funding). The bill was heard in House Education and then advanced as a separate policy measure, not as part of the Long Bill.

Overview of CCHE Recommendations:

The current statutory legislative declaration sets the goals for Colorado’s formula, including to:

- Increase the number of Coloradans earning a high-quality credential;
- Increase participation of low-income and underrepresented minority students;
- Incentivize institutions to achieve GA and CCHE policy goals;
- Fund in a manner that is transparent and understandable; and
- Establish performance metrics that are consistent, predictable, and focused on improved performance.

CCHE’s recommendations focus on transparency, stability, and clearer alignment between metrics and performance.

1. Rename and reorder the formula components to “Levers” for clarity
 - **Lever 1: Results-informed funding** (renamed from “Step 2 – Performance Funding”). Maintains the existing stability features (multi-year averaging, “previous share” normalization) to reflect results while keeping year-over-year predictability.
 - **Lever 2: Performance-based funding.** Allows policymakers to reward exemplary performance and address strategic priorities without the stabilizers used in Lever 1, so true performance can move base-building resources as desired by the General Assembly.
 - **Lever 3: One-time investments** (renamed from “temporary additional funding”). Preserves flexibility for innovation without creating ongoing base.
2. Terminology change

- Rename the “Role & Mission” adjustment to “Previous Share” to better reflect what the calculation does (stabilizes allocations based on prior-year shares).
3. Metric and definitional tune-ups
- Maintain the results-informed metric set (resident enrollment, first-generation headcount, Pell and URM shares, retention, 100% and 150% time-to-degree graduation rates, credential completion) with some adjustments to data sources/definitions to improve transparency and usability.
 - Recommended changes include removing reliance on federal datasets that are also available through CDHE, ensuring part-time and transfer students are better reflected throughout metrics, and revising the Pell metric following changes to the federal methodology and FAFSA.

These recommendations directly reflect the legislature’s intent to use a formula that is transparent, predictable, and focused on improved performance while furthering equity and attainment goals statewide.

Department of Higher Education Budget Hearing

Joint Budget Committee
January 8th, 2026

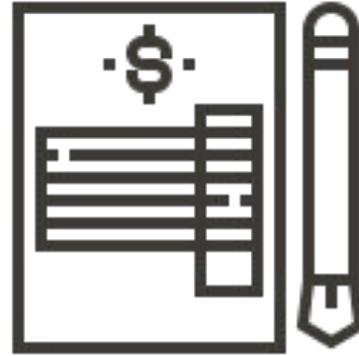


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Department of
Higher Education

Agenda

- 1:30-1:35 Introductions and Opening Comments
- 1:35-1:45 General Factors and Summary of Request
- 1:45-2:00 Budget Reductions, LPFFS Reductions, Previously Requested Reductions, and MTCF Adjustments
- 2:00-2:15 Requests for Funding Formula
- 2:15-2:30 Notable Items: CCHE Funding Formula Recommendations

Higher Education System Overview



400k+

Students Served

32

Public Institutions

354

Private Institutions

10 Institutional Governing Boards | 2 Local District Colleges | 3 Area Technical Colleges

Department Overview

- The Department Consists of **Seven Primary Divisions**
 - Funded through a mixture of general funds, federal funds, and cash funds
- The Department has received **two grants to fully fund and implement HB25-1186 to advance more work based learning options** in the state through a pilot program
- The Department recently received a **7 year federal GearUp award (\$35M)** to to increase the number of low-income students who are prepared to enter and succeed in postsecondary education
 - Colorado was **one of only a few states to receive the award**
- The Department secured **\$8.4M in funding for COSI to implement the successful CUNY ASAP model in Colorado**

Executive Director Transition



The Department is Celebrating 7 Years with Dr. Angie Paccione

- Dr. Paccione is stepping down and Executive Director JB Holston is stepping up
- Executive Director Holston has joined the Department 4 weeks in advance of Dr. Paccione's departure
- Executive Director Holston brings a wealth of experience and enthusiasm to the role



Department Progress and Improvements

- **The Department takes the findings from the audit and the concerns raised by JBC staff very seriously.**
- The Department is actively taking steps to address these including:
 - Bill trackers with ends dates for programs and roll-forward information
 - Fiscal note tracker and one-pagers of programs
 - Desktop manuals and calendars
 - Increased collaboration with OSPB and OSC
 - Increased collaboration on the CDHE finance team and across CDHE teams
 - Evaluating finance team structure to ensure specialization and cross training for institutional knowledge
- The Department has been able to **hire key positions** in its Finance Division including a Controller, Director of Accounting, and Budget Director.
- **Going forward, the Department is committed to continuing to identify, create, and implement more financial controls, processes, and procedures.**

General Factors and Summary of Requests

The background of the slide features a silhouette of a large group of graduates standing on a hill, celebrating at sunset. Many graduates have their arms raised, and several graduation caps are seen flying through the air, creating a parabolic arc above the group. The sky is a mix of purple, orange, and blue, with some light clouds. The overall mood is one of triumph and achievement.

CDHE FY 2026-27 Budget Requests:

- R-01/S-01 - State Operating Support and Tuition Spending Authority
- R-02 - Fort Lewis College Native American Tuition Waiver
- R-03 - Financial Aid Caseload Adjustments
- R-04 - FY 2023-24 Funding Formula Data Adjustments
- R-05 - Additional Staff Support
- R-06/S-02 - Limited Purpose Fee For Service (LPFFS) Funding Reductions
- R-07 - Rural Teacher Recruitment and Retention and Online Platform for Public Benefits
- Statewide R-06 - PSEP and CHECRA

Institution Revenue, Costs, Enrollment Factors

Revenue and Cost Change for Institutions

Revenue Drivers:

- State support
- Tuition
- Federal funding (student aid, research, etc)
- Auxiliary revenue (athletics, housing, etc)

Cost Drivers:

- Faculty and staff salaries
- Compliance and administrative capacity
- State and federal reporting and mandates
- Increase in IT and student support services

Increase in Resident Enrollment at Research IHEs

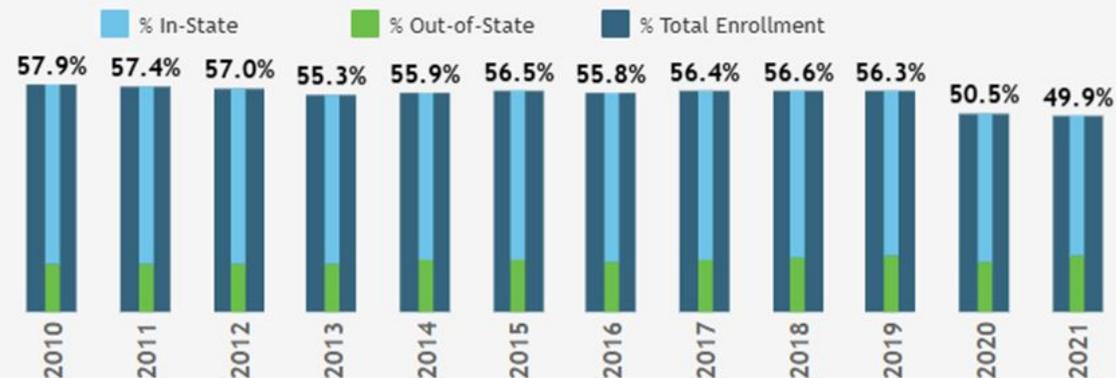
Enrollment Growth:

- High school pipeline
- IHE sensitivity to economic drivers
- Institutional promise programs

Enrollment Drivers:

- Support and aid impacts on enrollment
- State support and tuition
- Nonresident effects on resident enrollment

Postsecondary Enrollment



Includes all students who graduated from a Colorado public high school.

Fort Lewis Native American Tuition Waiver

FY 2024-25 Enrollment

	Student Count	Percentage
Graduate	62	4.6%
In-State	7	11.3%
Out-of-State	55	88.7%
Undergraduate	1293	95.4%
In-State	146	11.3%
Out-of-State	1147	88.7%
Total	1355	100%

- Out of state students are eligible for this scholarship and states like New Mexico, Arizona, Alaska, and South Dakota are regions with greater tribal communities.

Additional Staff Support Request (R-05)

- The Department takes the findings from the audit very seriously and has started to put in place new processes to address them.
- The Department requests 5.0 FTE
 - 2 accountants, 2 compliance specialists, and a budget work lead
 - Will allow for portfolios among staff
- Since FY 2018-2019, appropriations have grown, **and this growth has occurred without corresponding increases in FTE.**

Position	Portfolio
1 Budget Analyst/Accountant	Capital and Central Appropriations
1 Budget Analyst/Accountant	Special Purpose Programs
1 Budget Analyst/Accountant	Financial Aid
1 Budget Analyst/Accountant	Division of Private Occupational Schools
1 Budget Analyst/Accountant	IHE Funding

While identifying, creating, and implementing improvement efforts the Department also identified a staffing need to meet statutory requirements.

Additional Staff Support Request (R-05) and Workforce EO

- CDHE is committed to operational excellence. The R-05 request reflects the Department's analysis of our **current** responsibilities and workload, and what we believe is necessary to deliver operational excellence.
- **The additional staff and training resources are necessary to improve the Department's operational responsibilities and more consistently deliver on current statutory requirements.**
- The report from Executive Order 25-006 analyzed Colorado's postsecondary ecosystem and found that Coloradans must navigate an overwhelming set of options. **The report argues that we need to streamline, not separate, skills-building pathways for Coloradans to better access opportunity.** The report identifies strategies to improve the operational efficiency of all agencies involved in supporting adult learners.

The R-05 request is necessary to **resolve challenges today**, while the report suggests additional strategies to **support adult learners and jobseekers long-term.**

Open Education Resources

- **Currently, the program sunsets at the end of the current fiscal year. CDHE is partnering with the General Assembly to extend for another 5 years.**
- **Additionally, the legislation will include:**
 - Changing the report to an annual report
 - Expanding the OER council
- **This program helps make college more affordable for students, reduces debt for graduates, and has saved students \$59.7M since 2018.**

OIT Request and Department Cybersecurity

OIT Request

- The Department adheres to the State-established OIT common policies and guidelines to ensure secure and efficient operation and management of state information technology resources.
- The 0.2 FTE in the non-prioritized request is for ensuring compliance with SB 24-205.
- CDHE has taken appropriate measures, including working with a managed service provider, to harden IT infrastructure and strengthen cybersecurity.

Department Cybersecurity

- CDHE continues to make substantial progress in reconstructing damaged data collection systems.
 - We resumed student-level data collection in June 2024 and are following a collaboratively developed timeline with institutions.
- **As of September 2025, we are up to date and on our normal schedule for collecting financial aid, enrollment, course, and degree data.**
- **The final two remaining student-level data collections and associated reports will be completed and released in mid-2026.**

Budget Reductions

A silhouette of a group of graduates celebrating at sunset. They are standing on a hill, and many of them have their arms raised, with their graduation caps flying into the air. The sky is a mix of orange, yellow, and purple, suggesting a sunset or sunrise. The overall mood is one of triumph and achievement.

CollegInvest

- These funds will be transferred from CollegInvest's College Kickstarter Account Program
- HB19-1280 created the College Kickstarter Program
 - Funded through transfers from the CollegInvest Scholarship Fund or grants via CollegInvest's matching grant program
 - The \$9.2M is unused funds from the amount originally transferred

Rural Funding

- The Rural Teacher Recruitment and Retention Program was first created in SB 16-104.
 - Supported 1,400 teachers since 2016 with an average retention rate of 85% for at least one year
 - 15 institutions of higher education that offer undergraduate online teacher preparation programs for rural teacher candidates
- The only other request specifically related to rural areas is the Limited Purpose Fee For Service Funding and the Colorado Rural Healthcare Workforce Initiative.
 - The Department requests to discontinue this funding.

LPFFS Reductions (Limited Purpose Fee-For-Service)

Cyber Coding

- Actions taken over the past year
 - FY 2025-26 figure setting decreased the appropriation by half
 - Special Session Balancing Executive Order reduced the appropriation by half again in FY 2025-26
- The Department publishes the annual cybersecurity report
 - Institutions did not indicate federal funding matches were being pursued
- A YOY comparison of each institution's reported data can be found [here](#)

PSEP/WICHE Optometry Roll Off

Colorado Commission on Higher Education Role

- The Commission could take action to end this program first and are happy to put it on an agenda
 - Brought through the budget process to the JBC first as the Commission did not want to make a unilateral decision on a funding item

A 2024 Report Concluded that Colorado Optometrists Exceeded the National Average

- An average state the size of Colorado would require 940 optometrists
 - Colorado currently has 1,145 optometrists
 - This reflects a 21% increase in the last 5 years

PSEP Roll-off

- While the original request included forgiveness of debt, if the program is discontinued, the Department can look into debt collection proposals discussed by the committee
- Payments collected from students are returned to General Fund

Budget Reductions

MTCF Adjustments

CU School of Public Health:

- Proposal eliminates appropriation
- Funds would be reallocated to other agencies
 - Partial restoration of CDPHE campaign

Institute of Cannabis Research (ICR):

- Restores the funding of ICR
- Appropriation of \$3.8M
- Research program has been successful

CHECRA Funding

FY21 and FY22 Suspension:

- In 2020 CHECRA has a \$4-6M balance
 - Used to pay all existing commitments when funding was reduced
 - Fully utilized the balance

Teacher Mentor Grant Program

50% Reduction:

- Program would serve fewer candidates and mentors
- Department would work on proposal reviews and with partners to mitigate the impact

Administrative Funding:

- Language in statute is for the \$100K to be for administration and grant awards
- The majority of that is used for grant awards

A group of graduates in silhouette are standing on a hill, celebrating at sunset. They are throwing their caps into the air, and the caps are captured in mid-air, forming a semi-circle above the group. The sky is a mix of purple, orange, and blue, with some clouds. The overall mood is celebratory and hopeful.

Requests For 2026-27 Funding Formula (Operating Support)

Requests for Formula Funding

Per C.R.S 23-18-306, the Commission is asked to annually recommend changes in the amount of performance funding for institutions including allocation weights among the metrics currently included in Step 2.

Recommendations for FY 2025-26 that any new revenue be distributed in a way that:

- Avoids harm to institutions showing performance improvements
- Recognizes the limitations of the current formula
- Utilizes step 1 if necessary to ensure equitable outcomes
- Maintains a commitment to the recognition of performance gains while acknowledging current structural flaws

Requests for Formula Funding

Outcome of Running \$10.6M through Step 2

Institution	Incremental Funding
Adams	-\$237,246
Mesa	\$957,150
Metro (MSU-D)	\$703,442
Western	-\$26,680
CSU System	\$1,683,663
FLC	-\$162,637
CU System	\$2,838,029
Mines	\$744,808
UNC	\$780,384
CCCS	\$3,366,410
Total	10,647,321

Requests for Formula Funding

- **The Department took CCHE’s recommendation when formulating the Step 1 allocation**
 - The Step 1 allocation took the same metrics and calculation as Step 2 but took out the “Role and Mission” calculator that tied the funding allocation to the share of previous year funding.
- **Another metric of share of classified staff was added and weighted at 5%** to acknowledge the total funding number was based on classified staff needs.
- COWINS Increase and General Fund Split for Classified FTE

	Total Fund COWINS Increase	General Fund Split (57%)
Classified Salaries	\$9,791,088	\$5,580,920
POTS	\$2,344,966	\$1,336,630
HLD	\$6,538,168	\$3,726,756
Total	\$18,674,222	\$10,644,306

Requests for Formula Funding

Outcomes with Requested Step 1 Allocation

Institution	Step 2 Allocation (Base)	Step 1 Allocation (Incremental)	Total Incremental Funding
Adams	-\$534,929	\$1,047,776	\$512,847
Mesa	\$421,481	\$1,076,974	\$1,498,455
Metro (MSU-D)	-\$248,931	\$1,064,966	\$816,035
Western	-\$291,005	\$1,055,490	\$764,485
CSU System	\$88,169	\$1,068,549	\$1,156,718
FLC	-\$410,724	\$1,049,306	\$638,582
CU System	\$385,481	\$1,069,723	\$1,455,204
Mines	\$336,094	\$1,077,372	\$1,413,466
UNC	\$31,334	\$1,068,390	\$1,099,724
CCCS	\$223,031	\$1,068,776	\$1,291,807
Total	\$0	\$ 10,646,413	\$10,646,413

Requests for Formula Funding

- **The 2.6% and 3% tuition rates were determined to keep costs contained for students** and to ensure that any increases were not well beyond IHEs ability to increase considering market conditions.
- **2.6% for in-state students keeps the increase at inflation** for these students and 3% for out-of-state students just slightly above inflation.
- **These increases total \$82M in cash fund spending authority for the institutions which more than cover the total \$18.6M needed to cover classified staff or \$8M needed to cover classified staff after the \$10.6M GF support.**

A group of graduates in silhouette stands on a hill against a sunset sky. Many have their arms raised, and several graduation caps are seen flying through the air in a parabolic path above the group. The text 'CCHE Funding Formula Recommendations' is overlaid in white on the scene.

CCHE Funding Formula Recommendations

Funding Formula Review Process

Colorado's Higher Education Funding Allocation Formula is Established in C.R.S 23-18-301

Statute requires CCHE review the funding formula every five years. The review was launched in September of 2024 with the creation of a Formula Review Working Group. The group consisted of 13 institutional representatives, seven government representatives and five agency representatives.

Public Input: Survey informed working group scope. Key themes:

- Better value for part-time and transfer students
- Update metrics for current data landscape
- Balance stability vs. performance

Engagement:

- 8 working group meetings (Dec 2024–Oct 2025)
- Institutions provided feedback at CCHE meetings
- Multiple consultations with institutional Data Advisory Group
- Final meeting for feedback before recommendations finalized

CCHE Funding Formula Recommendations

Structure and Naming Conventions

- Rename all steps to levers
- Rename step 2 – performance funding to Lever 1 – results informed funding
- Utilize Lever 2 – to recognize Performance-Based Funding
- Preserve Lever 3 – for one-time investments
- Rename “Role and Mission factor” to “Previous Share”

Data Sources and Definitions

- Move from IPEDS to SURDS for Retention and Graduation Rates
- Add Native Hawaiian Pacific Islander to URM Enrollment Share

CCHE Funding Formula Recommendations

Metric Adjustments

- Exclude Concurrent Enrollment from Pell Calculations
- Move to Pell-Received vs. Pell-Eligible Enrollment and Share
- Inclusion of all qualifying transfers in credential completions
- Remove Partnership Program Students from First-Time Graduation Rate Cohorts
- Include Consideration of Part-Time Student Retention in the Retention Rate

CCHE submitted recommendations in a report published in November, 2025

Contact Info

Presenters CDHE and CCHE

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Thank You!

JBC Hearing Presentation

January 8th, 2026



COLORADO
Department of
Higher Education

Department of Higher Education
FY 2026-27 Joint Budget
Committee Hearing Agenda

Thursday, January 8, 2026

2:45 pm – 3:45 pm

**2:45 – 3:20 Community College System and Local District
Colleges (Colorado Mountain College and Aims Community College)**

Main Presenters:

- Dr. Marielena DeSanctis, CCCS Chancellor
- Matt Gianneschi, President, Colorado Mountain College
- Mr. Chuck Jensen, Vice President of Administrative Services/CFO, Aims CC

Supporting Presenters:

- Yesenia Silva Estrada, VP of Planning and Chief of Staff, Colorado Mountain College
- Mary Boyd, CP of Finance and Administration and CFO, Colorado Mountain College
- Kara Berg, Controller, Aims CC

Topics:

- Institution Funding
- CCHE Funding Formula Recommendations
- General Factors

3:20 – 3:45 Area Technical Colleges

Main Presenters:

- Randy Johnson, Executive Director, Emily Griffith Technical College
- Randal Palmer, Executive Director, Technical College of the Rockies
- Brett Johnson, Chief Financial Officer, Pickens Technical College

Topics:

- Institution Funding: Slide 11
- CCHE Funding Formula Recommendations: Page 3, Question 4 in the packet, Slide 9
- General Factors: Slides 1-8, 12-20

**Department of Higher Education
Institutions of Higher Education**

Colorado Community College System

**FY 2026-27 Joint Budget
Committee Hearing**

Thursday, January 8, 2026

2:45 p.m. – 3:20 p.m.

Institution Funding (for discussion)

Governor's Request, Classified Staff, and Institution Funding

[Rep. Taggart, JBC Staff] Please provide your Institution's perspective on the Governor's request for increased base funding for classified employees. For your institution, please provide the number of classified FTE and the estimated cost for the provision of statewide compensation policy adjustments for the FY 2025-26 appropriation and for the FY 2026-27 request. Please explain if and how your institution provides equivalent compensation adjustments for non-classified staff and the estimated costs associated with those adjustments.

Including estimated step adjustments, the salary and associated benefits (PERA, Medicare, etc.) cost for CCCS's 654 classified staff is \$1.63 million. CCCS provides equivalent compensation percentage increases as the General Assembly approved for classified staff for our non-classified staff and faculty/instructors, who make up 89% of our total headcount. These salary and associated benefits costs (PERA, Medicare, etc.) for non-classified staff and faculty/instructors total \$11.7 million. In addition, CCCS also will incur increased health, life and dental costs for both classified and non-classified staff/faculty which are estimated to be \$3.0 million using the Governor's office total compensation increase estimates.

[JBC Staff] Please provide your Institution's perspective on the other items included in the Governor's request, including formula funding and LPFFS reductions and other special purpose reductions (Rural Teacher Recruitment and Retention program, CHECRA funding, Colorado Rural Healthcare Workforce Initiative, Cyber Coding, Food Systems Advisory Council, MTCF adjustments) that impact your institution. Also address the current year reductions included in the Governor's Executive Order and Department supplemental requests.

Governor's Formula Allocation Funding – The Colorado Community College System appreciates the Governor's proposed investment in higher education and recognizes the fiscal constraints under which the Joint Budget Committee and the Administration are operating. However, CCCS does not support the allocation methodology that the OSPB/Governor's Office employed in its November 1 budget request for FY 2026-27.

Specifically, the approach to distributing new formula funding largely evenly across governing boards does not sufficiently account for material differences in enrollment scale, student demographics, program mix, or statewide workforce impact. Under the proposed methodology, governing boards serving comparatively fewer students receive substantially higher funding increases on a per-student FTE basis than institutions and systems educating tens of thousands of learners. This includes those institutions responsible for serving the largest share of Colorado residents, low-income and first-generation students, and workforce-seeking learners

Specialty FFS Funding – CCCS supports the specialty FFS funding received by several of its colleges and believe these programs have been effective in advancing their intended outcomes. At the same time, CCCS recognizes the difficult tradeoffs required in the current budget environment. To the extent that limited state resources require prioritization, CCCS would prefer that available funds be directed toward unavoidable and system-wide cost drivers, including employee compensation, health-life-dental benefits, and inflationary impacted operating costs.

*Governor's Executive Order Reductions -- As noted in Mr. Kemm's briefing, the Community College System would receive an **overall reduction** in funding of \$902,940 from the original FY25-26 state funding level to the FY26-27 request when factoring in the executive order reductions and the November 1 request. In contrast, all other governing boards would receive an increase under the Governor's proposal.*

This outcome is particularly concerning given that CCCS serves the largest number of undergraduate students in Colorado, including a disproportionate share of low-income students, first-generation students, and students of color. CCCS also operates with average operating costs per student FTE that are less than half of the statewide governing board average. From both an equity and cost-effectiveness perspective, the resulting allocation does not appear to align with the Department of Higher Education's stated strategic priorities or the State's broader workforce and economic mobility objectives.

[JBC Staff] Please provide your Institution's perspective on the joint institutions' funding letter to the JBC and whether your institution is in alignment with the recommendations.

The funding levels outlined in the joint higher education proposal represent the necessary mix of General Fund investment and tuition spending authority to ensure we can address mandatory costs while keeping tuition increases reasonable for students. We view our colleges as not a competing interest with other state priorities, but rather as a foundational strategy that supports them. Investments in colleges and universities reduce long-term pressure on public assistance

programs, strengthen the tax base, and ensure that Coloradans can access opportunity without leaving the state. These graduates fuel the State's talent pipeline in healthcare, education, advanced manufacturing, energy, technology, public safety, and skilled trades – sectors that are critical to the State's economic competitiveness and to the sustainability of other public systems, including Medicaid and human services.

At the same time, CCCS recognizes the significant challenges the Joint Budget Committee faces in balancing the FY 2026-27 budget. We are committed to working collaboratively with the Committee to identify solutions that reflect fiscal responsibility while preserving educational quality, essential student support services, and reasonable tuition levels. This balance is especially important given the demographics of the students served by CCCS, which include a high proportion of low-income students, first generation students, and students of color.

CCHE Funding Formula Recommendations (for discussion)

CCHE Funding Formula Recommendations

[Rep. Taggart, JBC Staff] Please provide your Institution's perspective on the CCHE funding formula recommendations. Please provide feedback on CCHE's stakeholdering and process components for developing recommendations.

The Colorado Community College System is generally supportive of the overarching concepts in Colorado Commission on Higher Education's funding formula recommendations. CCCS appreciates the Department's efforts to modernize the formula and align it more closely with statewide priorities.

CCCS found the stakeholder engagement and process used to develop the recommendations to be inclusive and transparent. The Department provided multiple opportunities for input and dialogue, and CCCS was engaged throughout the development of the conceptual framework.

However, due to data limitations and compressed timelines, CCCS notes that there was no modelling of the impact of the recommendations, particularly those involving changes to data definitions or the introduction of new data/metrics. As a result, CCCS believes it is prudent to reserve full endorsement for any recommendations that still require modeling until detailed modeling can be conducted and the resulting impacts reviewed. This additional analysis will be important to ensure the recommendations achieve their intended objectives without unintended consequences, particularly for governing boards serving large numbers of high-need and workforce-focused learners.

General Factors (for discussion)

General Factors

[Rep. Brown] Please provide data points for your institution's changes in revenue and cost relative to enrollment since FY 2004-05. Please describe the factors that contributed to revenue and cost change since FY 2004-05.

From FY 2005-06 to FY 2024-25, the Colorado Community College System total Education and General (E&G) operating costs per student FTE increased at an average annual rate of approximately 4.4 percent. E&G revenue per student FTE over this period has closely aligned with E&G cost growth.

Throughout this period, changes in costs have been driven primarily by personnel and benefit expenses, which consistently account for more than 70 percent of CCCS's total operating expenditures. In addition to labor-related costs, CCCS has experienced sustained growth in expenditures related to information technology and infrastructure. These investments reflect the expanding need for centralized back-office operations, enterprise technology platforms, online learning delivery, and modernized instructional environments--including classroom, laboratory, and simulation technologies across our 35 campuses.



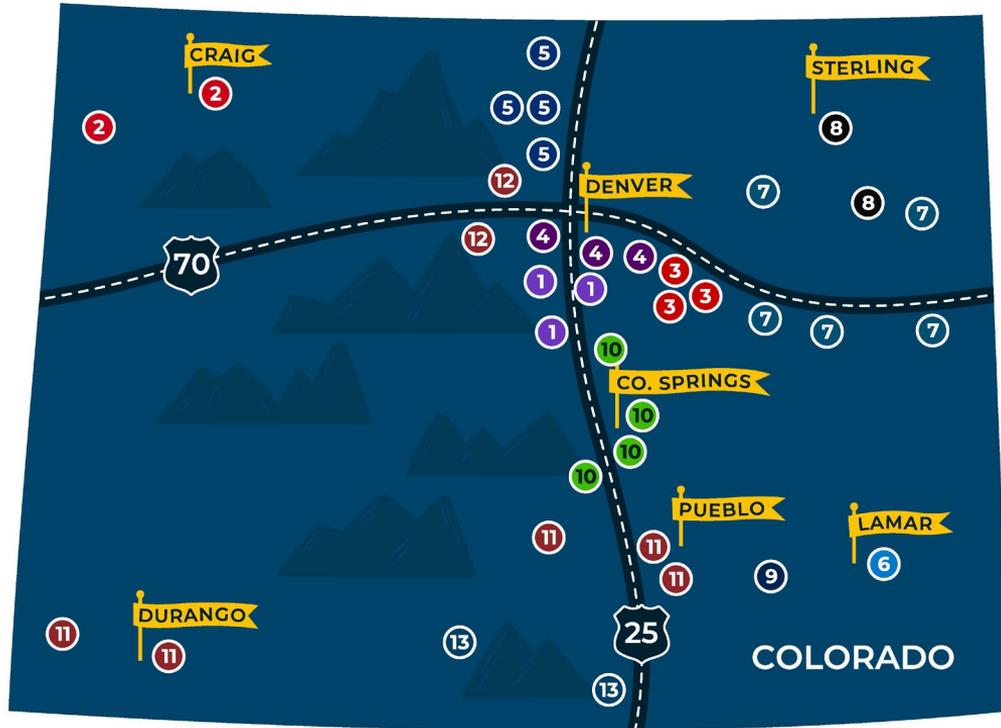
COLORADO
COMMUNITY COLLEGE SYSTEM

Joint Budget Committee Briefing

Chancellor Marielena DeSanctis | January 8, 2026

www.cccs.edu

13 Colleges. 35 Locations. Online Everywhere.



- 1** Arapahoe Community College
Littleton Campus
Legacy Campus
Castle Rock Campus
- 2** Colorado Northwestern Community College
Rangely Campus
Craig Campus
- 3** Community College of Aurora
CentreTech Campus
Lowry Studios
Centennial Campus for Healthcare and First Responders
- 4** Community College of Denver
Auraria Campus
Lowry Campus
Denver Advanced Manufacturing Center
- 5** Front Range Community College
Westminster Campus
Larimer Campus
Boulder County Campus
Center for Integrated Manufacturing
- 6** Lamar Community College
Lamar Campus
- 7** Morgan Community College
Fort Morgan Campus
Bennet Center
Burlington Center
Limon Center
Wray Center
Bloedorn Center
- 8** Northeastern Junior College
Sterling Campus
Yuma Campus
Applied Technology Campus
- 9** Otero College
La Junta Campus
- 10** Pikes Peak State College
Centennial Campus
Downtown Campus
Rampart Range Campus
Center for Healthcare Education and Simulation
- 11** Pueblo Community College
Pueblo Campus
Fremont Campus
Mancos Campus
Durango Site
Nursing and Allied Health
Teaching and Learning Center
- 12** Red Rocks Community College
Arvada Campus
Lakewood Campus
- 13** Trinidad College
Trinidad Campus
Valley Campus



Who We Serve

130,000+ Learners Served Annually

Demographics

97% Colorado Residents

44% First Generation

49% Financial Aid Recipients

8% Military-Related Students

25% Full-time (12+ credits)

75% Part-time (<12 credits)

34% Teens (<18)

40% Young Adults (18-24)

26% Adults (25-54)



Operational Efficiencies

Fiscal stewardship through systemwide shared services

- **Centralized** IT Infrastructure
- **Shared** legal services
- **Colorado Online**: a first-in-nation systemwide model





*A **Vision** Focused on People and Opportunity*

Connecting education, skills, and economic mobility across Colorado

- **Skills-based**, outcome-focused education
- **Faster, more flexible pathways** to economic mobility
- **Stronger alignment** between education and workforce needs



Funding decisions should reflect where Colorado's students are—and where Colorado's workforce is headed.



FY 2026–27 Operating Request

CCCS Perspective

- **Aligned with joint higher education operating request**
- Governor's proposed allocation methodology produces uneven per-student outcomes
- CCCS experiences a net reduction under Governor's proposal
- Aligning funding with student scale, cost efficiency, and workforce impact strengthens statewide outcomes.





*Together, We Prepare
Colorado's Workforce*



COLORADO
COMMUNITY COLLEGE SYSTEM

Department of Higher Education
FY 2026-27 Joint Budget
Committee Hearing Agenda

Thursday, January 8, 2026

1:30 pm – 3:45 pm

**2:45 – 3:20 Community College System and Local District
Colleges (Colorado Mountain College)**

Main Presenters:

- Matt Gianneschi, President

Supporting Presenters:

- Yesenia Silva Estrada, VP of Planning and Chief of Staff (In-Person)
- Mary Boyd, VP of Finance & Administration and CFO (Virtual)

Topics:

- Institution Funding: Page 2, Questions 1-3 in the packet, Slides 2, 5-8
- CCHE Funding Formula Recommendations: Page 4, Questions 4 in the packet, Slides 7
- General Factors: Page 5, Questions 5 in the packet, Slides 9-12

**Department of Higher Education
Institutions of Higher Education**

**FY 2026-27 Joint Budget
Committee Hearing**

Thursday, January 8, 2026

3:30 p.m. – 4:45 p.m.

Friday, January 9, 2026

10:30 a.m. – 11:30 a.m.

1:00 p.m. – 4:30 p.m.

Institution Funding (for discussion)

Governor’s Request, Classified Staff, and Institution Funding

[Rep. Taggart, JBC Staff] Please provide your Institution’s perspective on the Governor’s request for increased base funding for classified employees. For your institution, please provide the number of classified FTE and the estimated cost for the provision of statewide compensation policy adjustments for the FY 2025-26 appropriation and for the FY 2026-27 request. Please explain if and how your institution provides equivalent compensation adjustments for non-classified staff and the estimated costs associated with those adjustments.

Colorado Mountain College is a local college district, and therefore a “local government,” and thus has no classified staff. In the FY 2026-27 fiscal year, CMC expects to increase staff compensation in a manner aligned with inflation, likely 3%, which is nearly three times more than the Governor’s 2026-27 request for the college (1.1%). The difference in this mandatory expense would be addressed through a combination of local property taxes and tuition revenue. This also means that, if the Governor’s request is maintained, classified positions at public colleges will receive raises more than 300% greater than comparable public positions, albeit not “classified” ones, at CMC and among all local governments throughout the state.

[JBC Staff] Please provide your Institution’s perspective on the other items included in the Governor’s request, including formula funding and LPFFS reductions and other special purpose reductions (Rural Teacher Recruitment and Retention program, CHECRA funding, Colorado Rural Healthcare Workforce Initiative, Cyber Coding, Food Systems Advisory Council, MTCF adjustments) that impact your institution. Also

address the current year reductions included in the Governor's Executive Order and Department supplemental requests.

While CMC is the college that originally conceived the rural teacher fellowship program, a bill that was successfully carried by former JBC members Rep. Rankin and Rep. Hamner, the college understands that the Governor's FY 2026–27 request reflects difficult balancing decisions in a constrained fiscal environment. The following comments are provided to describe how several proposed special-purpose reductions intersect with CMC's rural workforce pipelines.

Rural Teaching Fellowship

CMC's teacher preparation program operates in our rural and rural-resort communities where student teaching and residency requirements present structural financial barriers. Since 2018, **78 CMC students** have received **\$10,000 Rural Teaching Fellowship stipends**, representing **\$780,000 in total direct student aid**, supported through a **50/50 state and institutional match**. These stipends function as finish-line support during the final residency year, a period when candidates are typically working full-time in classrooms and are unable to maintain outside employment. Historically, a high proportion of these candidates are hired by their placement districts, particularly in Eagle County Schools, Roaring Fork School District, Garfield RE-2 School District and Summit County School District. Reductions to this support may reduce the number of candidates able to complete rural residencies over time and will limit the number of teacher candidates "secured" by rural school districts through this partnership program.

Teacher Mentor Grant

CMC relies on trained mentor teachers to provide clinical supervision across traditional licensure, alternative licensure, and the registered Teacher Apprenticeship pathway. The Teacher Mentor Grant has supported mentor stipends and completion of the CDE-recognized Mentor Teacher Endorsement, enabling CMC to maintain placement capacity across geographically dispersed rural districts. Annually, **150–200 CMC teacher candidates** rely on mentor-supported placements. State-supported training and stipends have contributed to mentor retention and district participation. Reductions to the Teacher Mentor Grant may affect mentor availability in rural and high-cost regions and **could influence the pace at which apprenticeship models can scale**.

Rural Nursing Support

CMC's nursing programs serve a large rural geographic region and require extensive clinical hours and travel. Through rural nursing stipends and scholarships associated with **S.B. 22-172**, CMC has received **\$227,500**, supporting **48 nursing students**. Participants in this program demonstrate higher rural employment rates than the overall nursing graduate population. These funds reduce students' reliance on outside

employment during a full-time program with significant clinical requirements and travel demands. Reductions to rural nursing support may influence students' ability to complete programs in a timely manner and their likelihood of remaining in rural practice settings.

[JBC Staff] Please provide your Institution's perspective on the joint institutions' funding letter to the JBC and whether your institution is in alignment with the recommendations.

Yes, CMC supports the joint institutions' funding letter to the JBC and is in alignment with the recommendations. We understand that each institution is balancing its own operational challenges and that we all share a responsibility to maintain affordable tuition levels. We feel the letter presents practical, reasonable opportunities to maintain Colorado's public higher education system. The plan was developed collaboratively by the governing boards. It is anchored in the day-to-day realities of delivering postsecondary education in 2025.

Again, we in higher education are intimately familiar with the challenges and very difficult decisions facing the JBC and the General Assembly. All Colorado institutions value sound fiscal stewardship and expect to be part of the solution in delivering a responsible FY2026-27 budget.

CCHE Funding Formula Recommendations (for discussion)

CCHE Funding Formula Recommendations

[Rep. Taggart, JBC Staff] Please provide your Institution's perspective on the CCHE funding formula recommendations. Please provide feedback on CCHE's stakeholdering and process components for developing recommendations.

CMC is generally supportive of the CCHE's recommendations, particularly the emphasis on flexibility, stability, and equity. The stakeholder process was inclusive and transparent, with meaningful opportunities for input.

The formula's multi-lever structure is sensible - clarifying the difference in results-informed funding, performance-based funding, and one-time investment funding through the new lever terminology enhances transparency and provides some legislative flexibility. Moving retention and graduation rate calculations from IPEDS to SURDS will improve accuracy and ensure consistency across institutions. Adding part-time students to retention calculations acknowledges the evolving nature of student pathways and supports a more inclusive funding approach.

General Factors (for discussion)

General Factors

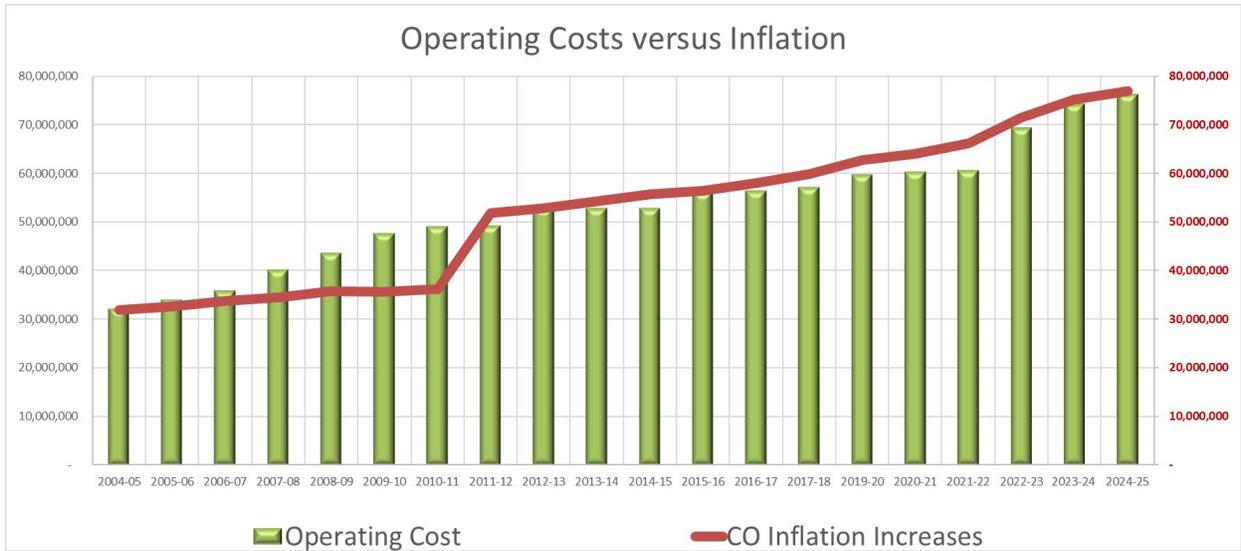
[Rep. Brown] Please provide data points for your institution's changes in revenue and cost relative to enrollment since FY 2004-05. Please describe the factors that contributed to revenue and cost change since FY 2004-05.

The following charts provide an answer to this question. Unfortunately, simply comparing revenue per FTE over the past 21 years does not capture the very significant changes in CMC's role and mission over this period.

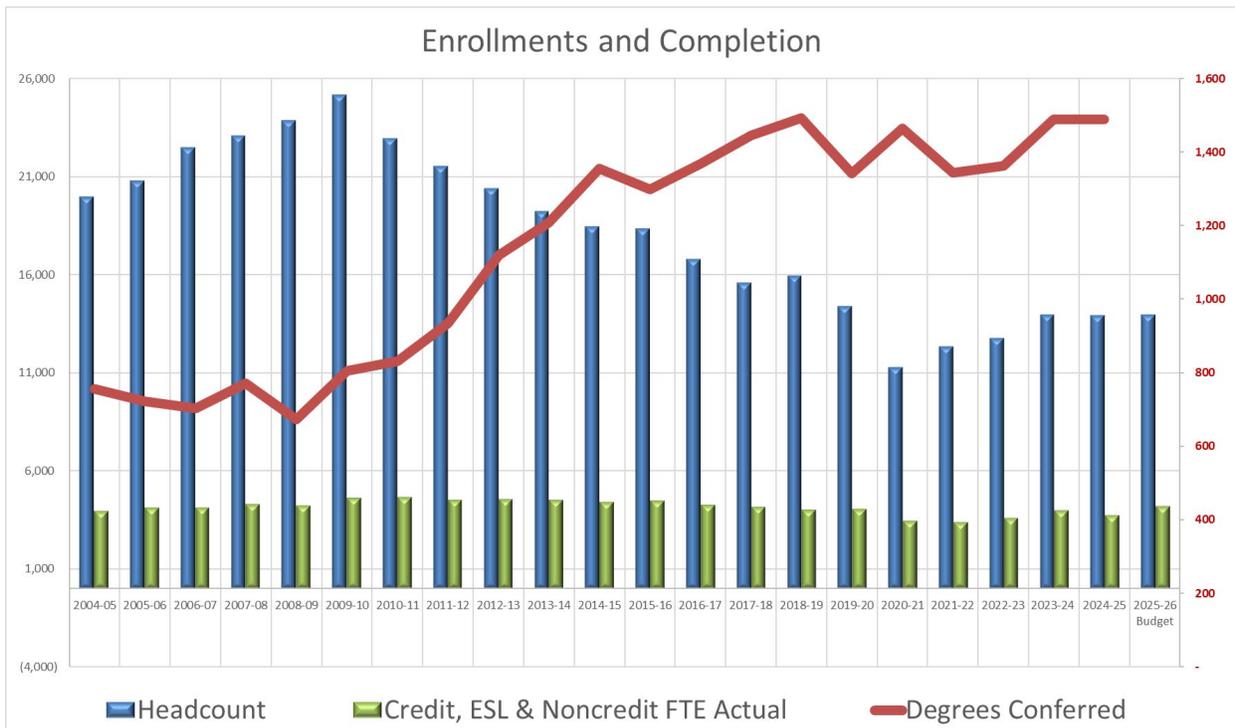
In 2004, CMC was described as a "junior college" in state statute. The college's enrollments primarily reflected a combination of "transfer-oriented" and non-credit students. In 2010, the General Assembly authorized CMC to deliver four bachelor's degree programs. In 2021, the General Assembly changed the college's role and mission to become a "Dual Mission College," reflecting the college's growth in bachelor's degree seeking students, and also permitted the college's Board of Trustees to authorize a "limited number" of bachelor's degrees. In the same year, the General Assembly created the Adult High School Diploma program, for which CMC was the first postsecondary institution in the state to implement the program. Finally, in 2019, the voters of the CMC tax district approved the annexation of the Salida School District into the college's district.

As a result of these changes, CMC's enrollments and outcomes have changed dramatically. Today, CMC offers 10 bachelor's degrees, enrollments in which are more than 90% local, rural students. The college now also graduates more than 300 Adult High School Diploma students each year, approximately equal to the annual number of high school graduates in the Garfield RE-2 School District. Importantly, CMC receives no additional supplemental funding for its students enrolled in bachelor's programs, those in its Adult High School Diploma Program, or those in Salida.

Very intentionally, CMC's performance reflects the prioritization of college completions over enrollments. That is, our focus is on increasing successful outcomes, not simply more students.



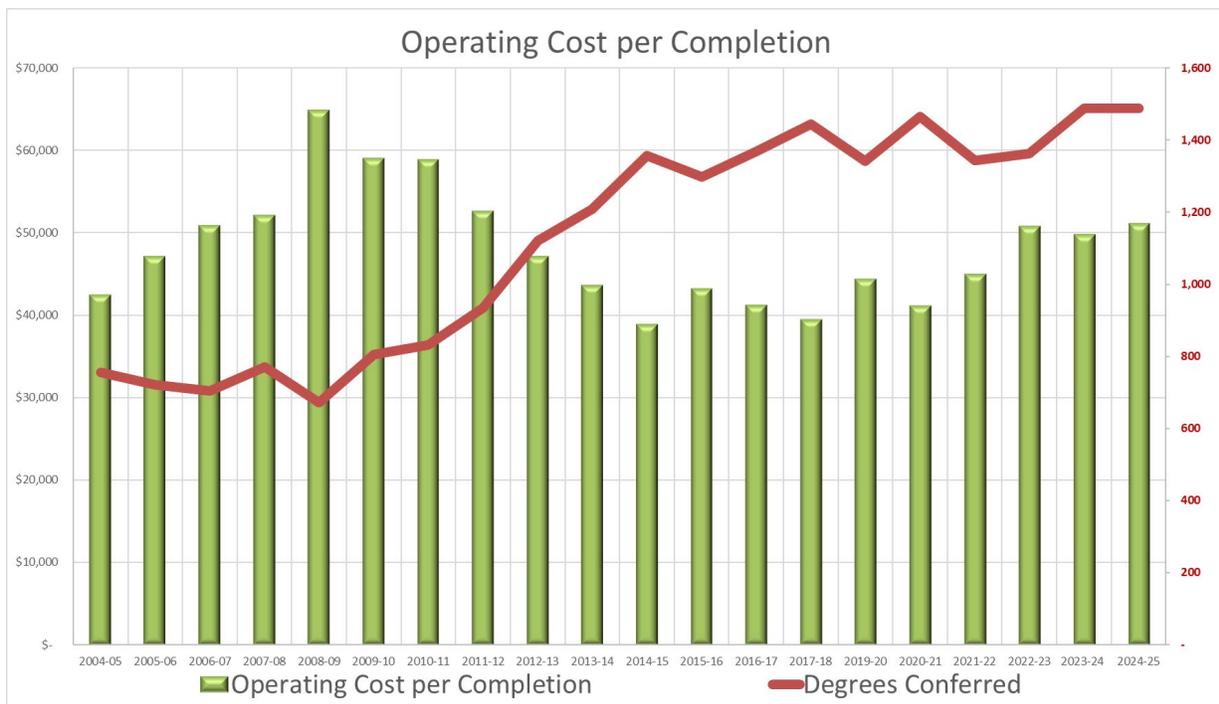
The chart below demonstrates that, even though CMC’s total student count has declined considerably since 2004, overall FTE is mostly stable and graduations have nearly doubled. These changes reflect the college’s changing role and mission over the past 21 years.



CMC’s strategic plan outlines an expectation that the college’s operating budget will not grow greater than inflation in any given year. While this presents difficult decisions each year, it also ensures that the college’s per-FTE operating expenses are predictable, sustainable and remain constant relative to overall economic conditions. For the past

12 years, the college’s overall output—i.e., degrees awarded—has increased while operating costs per FTE have remained below historical averages.

While we are proud of our performance, maintaining this environment is not as simple as the charts herein imply. Each year, the college must address significant increases in costs outside of its control, such as IT and technology, health care/insurance, and construction materials. Additionally, the college has had to navigate the constantly changing property tax environment caused by multi-year changes adopted by the General Assembly. In 2025, CMC was again successful in passing a local ballot question that restored the college’s authority to “float” its mill levy to address changes in ongoing operating realities. The measure passed with 72% support.





**COLORADO
MOUNTAIN COLLEGE**

JOINT BUDGET COMMITTEE PRESENTATION

January 8, 2026

Matt Gianneschi, Ph.D.
President

coloradomtn.edu
mgianneschi@coloradomtn.edu



THE CMC STORY

✓ How it Began

- Founded in 1965
- Multi-Community Effort
- Local District College
- Open Enrollment and Largest CE Provider on Western Slope
- Focused on the Needs of Mountain Communities

✓ College Operations

- 11 Campus Locations
- Serving 8 counties across 7,500 square miles
- Locally-controlled, property tax-supported college
- Governed by nine elected trustees
- \$84 million operating budget for 25-26
- \$176 million in capital investments since 2012
 - *CMC receives no CDC funding from state*





COLORADO
MOUNTAIN COLLEGE

DISTRICT & GEOGRAPHIC FOOTPRINT

- ☆ Residential Campuses
- ★ Community Campuses
- District



COLORADO MOUNTAIN COLLEGE

ACADEMICS AT A GLANCE



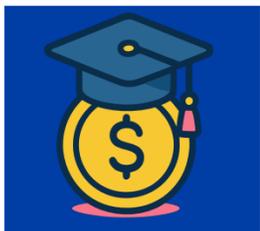
ABOUT CMC

Dual Mission
Hispanic-Serving Institution



ENROLLMENT

Approximately 14,000
(41% Hispanic or Latino, 26% First Generation)



TUITION

Lowest cost BA in the state of Colorado
Tuition rates at CMC follow inflation



SCHOLARSHIPS

Over \$1.75 million scholarships awarded

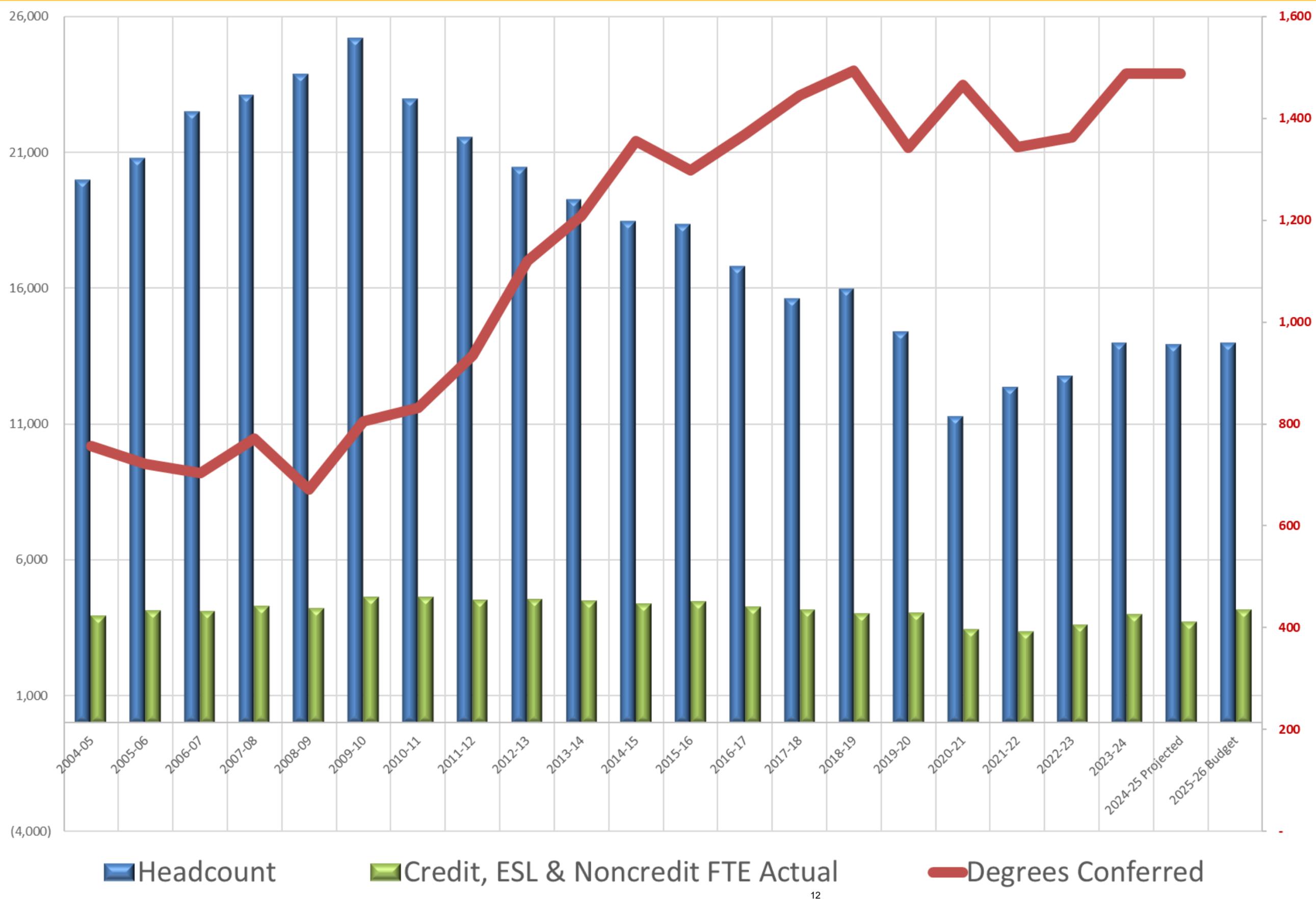
- 85% of students graduate with no student debt and overall debt is the lowest among all Colorado institutions

BACHELOR'S DEGREES

Biological Science, Business Administration, Ecosystem Science & Stewardship, Education, Human Services, Integrated Media, Integrated Sustainability, Leadership & Management, Nursing

SIGNATURE ASSOCIATE DEGREES & SPECIALIZED CERTIFICATES:

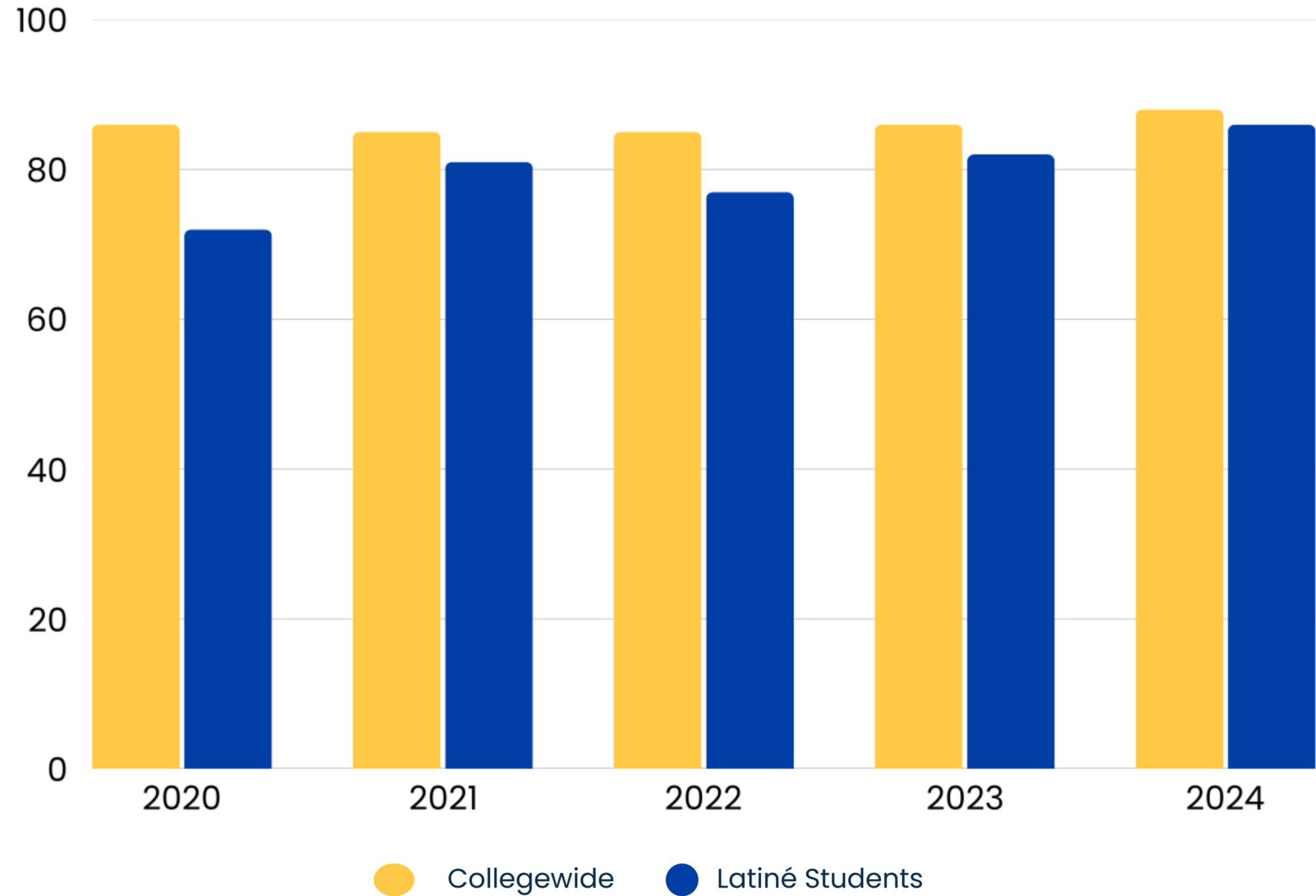
Addiction Studies, Chemistry, Culinary Arts, Dental Hygiene, Early Childhood Teacher Education, Digital Media, Emergency Medical Technician, Fire Science, Outdoor Education, Pharmacy Technician, Ski Area Operations, Ski & Snowboard Business, Surgical Technician, Veterinary Technology, Wilderness Medical Professional



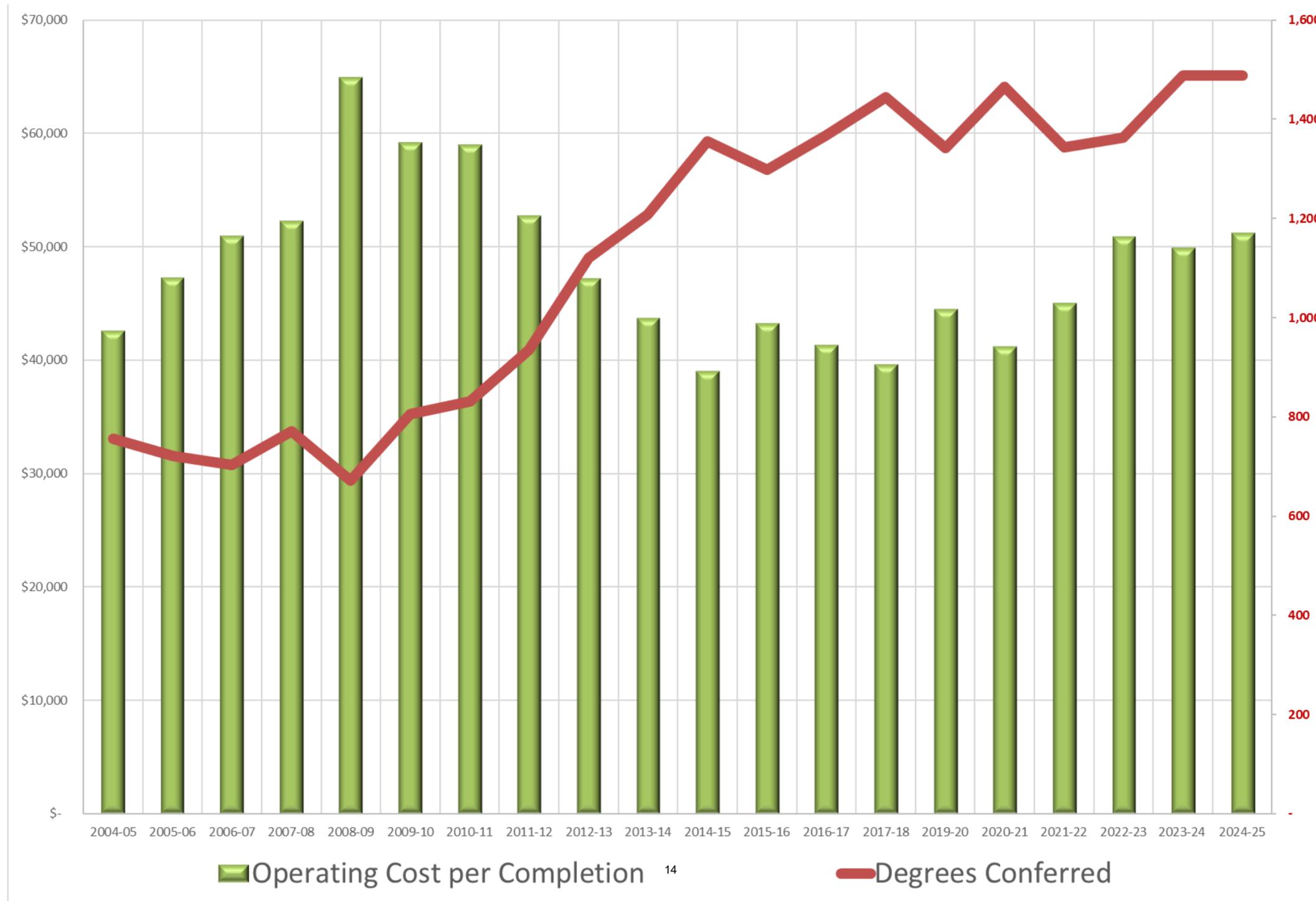
ENROLLMENTS & COMPLETION



CMC First Term Student Success



Operating Costs Per Completion



CMC'S GROWTH WITH ADULT HIGH SCHOOL DIPLOMAS



78

SP & SU 2023



235

AY 2023-2024



323

AY 2024-2025



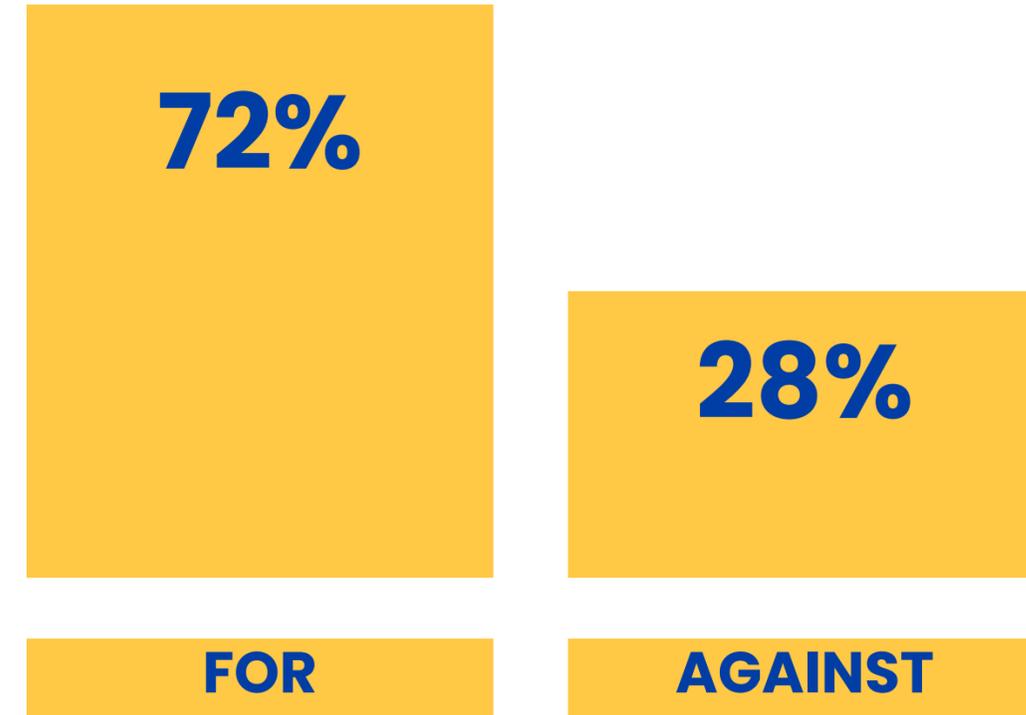
314%

Increase in Completion

LEGISLATIVE PRIORITIES

- State-level "Thriving Institution" designations
- Adult high school diploma funding (no impact on HIED \$\$; K-12 supplement)
- Salida annexation budget augmentation (request must come through the CCHE)
 - Estimate = \$272,635
- Support of the joint institution funding letter to the JBC

BALLOT MEASURE 7C ELECTION RESULTS



The passage of 7C returns local control and provides CMC the needed flexibility to create additional investments in areas such as skilled trades, housing, health and first responder trainings





NEW ACADEMIC CALENDAR:

To better aid students in their goals to completion, CMC has altered its academic calendar. This change will now allow faculty and students to offer courses in an 8 week or 16 week model - potentially doubling the number of courses students can take

Housing Partnerships

- CMC has partnered with towns and local governments to build and buy affordable housing for students, employees, and local workforce.
- The college now owns or operates nine apartment buildings and numerous “free market” dwellings.
- CMC actively seeking partnerships with other communities to co-develop affordable housing opportunities





COLORADO
MOUNTAIN COLLEGE

THANK YOU

**Department of Higher Education
Institutions of Higher Education**

**FY 2026-27 Joint Budget
Committee Hearing**

Thursday, January 8, 2026

3:30 p.m. – 4:45 p.m.

Friday, January 9, 2026

10:30 a.m. – 11:30 a.m.

1:00 p.m. – 4:30 p.m.

Institution Funding (for Hearing) – Aims Community College

Governor’s Request, Classified Staff, and Institution Funding

[Rep. Taggart, JBC Staff] Please provide your Institution’s perspective on the Governor’s request for increased base funding for classified employees. For your institution, please provide the number of classified FTE and the estimated cost for the provision of statewide compensation policy adjustments for the FY 2025-26 appropriation and for the FY 2026-27 request. Please explain if and how your institution provides equivalent compensation adjustments for non-classified staff and the estimated costs associated with those adjustments.

Because local district colleges are locally governed public bodies and not part of the Colorado Community College System, Aim Community College employees are generally hired under college district employment policies, not automatically as classified state employees. Some positions might be structured to align with state classification or benefit systems for pay/retirement convenience, but it’s not a statutory requirement under the local district statutes in Article 71.

Aims has taken intentional and sustained steps to ensure its compensation structures are fair, equitable, and competitive. In 2019, Aims completed a comprehensive restructuring of its compensation process to address internal equity, salary compression, and market alignment. This work established a more consistent, transparent, and sustainable framework for compensation decision-making.

Since that time, Aims has routinely conducted market analyses using nationally recognized best practices to assess positions, evaluate internal equity, and monitor competitiveness. These analyses inform leadership decisions and help ensure compensation practices remain aligned with both market conditions and institutional resources.

While Aims does not employ state-classified staff, we regularly benchmarks staff compensation against a national peer group, which includes several Colorado institutions. This approach ensures regional relevance while maintaining broader market awareness. Collectively, these efforts support Aim’s ability to attract and retain a qualified workforce while exercising responsible financial stewardship.

[JBC Staff] Please provide your Institution’s perspective on the other items included in the Governor’s request, including formula funding and LPFFS reductions and other special purpose reductions (Rural Teacher Recruitment and Retention program, CHECRA funding, Colorado Rural Healthcare Workforce Initiative, Cyber Coding, Food Systems Advisory Council, MTCF adjustments) that impact your institution. Also address the current year reductions included in the Governor’s Executive Order and Department supplemental requests.

As a local district college, Aims Community College is funded through property tax mill levies, similar to a school district. Accordingly, a significant portion of the Aims’s revenue is generated from assessed property valuations within its taxing district, including residential, commercial, industrial, and oil and gas properties. Assessed valuations have remained relatively stable, contributing to a stable funding outlook for FY 2026–27. We continue to closely monitor valuation trends, exercise fiscal prudence, and maintain adequate reserves to manage potential changes in economic conditions.

In Aims’ projected FY 2026–27 budget, tuition and fees account for approximately 16% of Education and General (E&G) expenditures, state appropriations support 11%, and 71% is derived from local mill levy revenue.

As one of only two local district colleges in Colorado, Aims receives the average percentage increase or decrease in General Fund appropriations as all state-funded higher education institutions. However, ongoing “core minimum cost” pressures—driven by inflation and rising labor costs—continue to impact institutions statewide. As a result, the Governor’s proposed funding level is unlikely to fully offset these cost increases across the sector.

Aims does not receive Local Program and Facility Funding Support (LPFFS), any special-purpose state funding, or capital construction funding.

The reduction to Aims resulting from the Governor’s Executive Order totaled \$116,151 and was managed through the College’s operational contingency reserve.

[JBC Staff] Please provide your Institution’s perspective on the joint institutions’ funding letter to the JBC and whether your institution is in alignment with the recommendations.

Aims Community College is generally aligned with the joint institutions’ funding letter to the Joint Budget Committee and supports the shared recommendations outlined in the correspondence. The letter appropriately emphasizes the importance of maintaining predictable and sustainable state support for higher education institutions in the context of continued cost pressures, including inflation, labor market competition, and rising core operating expenses.

As a local district college, Aims’ funding structure differs from that of many state-funded institutions, with a significant portion of our operating revenue derived from local property tax mill levies. This local funding model has provided relative stability in recent years; however, it does not insulate Aims from the same cost drivers affecting the broader higher education system. In particular, increases in compensation, benefits, utilities, insurance, and other non-discretionary expenses continue to place pressure on operating budgets.

Within this context, Aims is aligned with the joint institutions’ recommendation that state appropriations should, at a minimum, keep pace with core minimum cost increases across the system. Flat or insufficient increases in General Fund support limit colleges’ ability to maintain services, support students, and remain competitive in the labor market.

Aims also supports the collaborative approach reflected in the letter, recognizing the value of presenting a unified message from Colorado’s higher education institutions. Continued partnership between the state and institutions is essential to ensuring access, affordability, and institutional stability across the system.

CCHE Funding Formula Recommendations (for Hearing)

CCHE Funding Formula Recommendations

[Rep. Taggart, JBC Staff] Please provide your Institution’s perspective on the CCHE funding formula recommendations. Please provide feedback on CCHE’s stakeholder and process components for developing recommendations.

As one of the two local district colleges in Colorado, Aims Community College receives the average increase or decrease in General Fund appropriations that all

state funded higher education institutions receive. Aims continues to support this methodology

General Factors (for Hearing)

General Factors

[Rep. Brown] Please provide data points for your institution's changes in revenue and cost relative to enrollment since FY 2004-05. Please describe the factors that contributed to revenue and cost change since FY 2004-05.

Since fiscal year 2004–05, Aims Community College's revenue growth has been driven primarily by increases in assessed property valuations within the college's taxing district. As a local district college, property tax revenue now represents the majority of the college's operating resources and has provided a relatively stable funding base over time.

During this same period, expenditures have increased in alignment with institutional growth and service expectations. The primary cost drivers have been salaries and benefits, including rising health insurance and retirement costs; inflationary pressures on utilities, insurance, and technology; and the ongoing operation and maintenance of district-funded facilities. In addition, Aims has expanded student support services—including mental health and related supports—in response to increased student needs, which has further contributed to expenditure growth.

Collectively, these investments reflect intentional decisions to sustain operations, support students, and maintain facilities while managing costs for students.

AIMS COMMUNITY COLLEGE

PRESENTATION TO THE

JOINT BUDGET COMMITTEE

January 8, 2026

Mr. Chuck Jensen

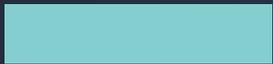
Vice President of Administrative Services/CFO

All in.

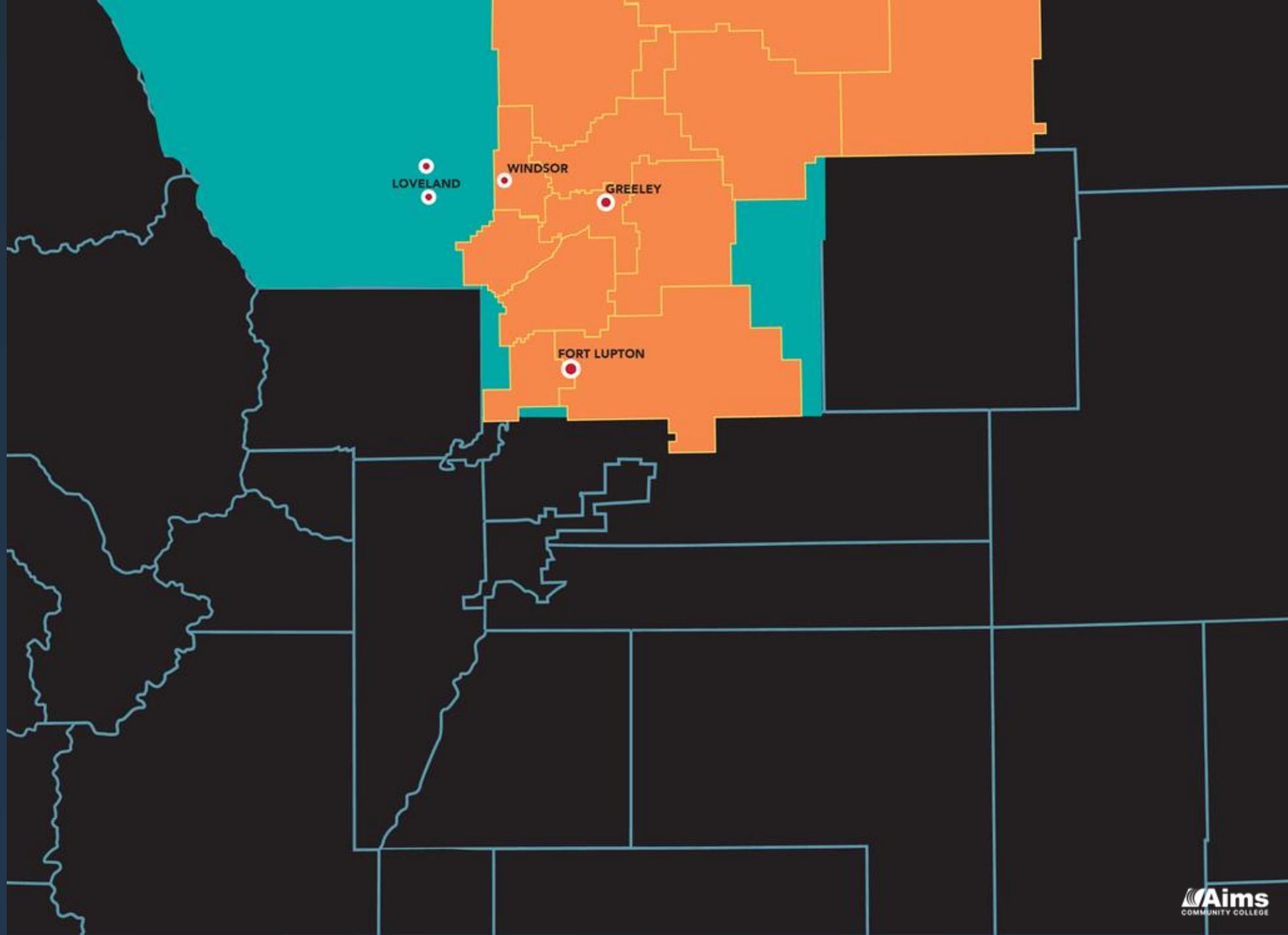
**Opening doors to enrich lives
for a better tomorrow!**

Taxing District

Service Area



Tax District



Our Students

70%

Students
Under the Age
of 21

40%

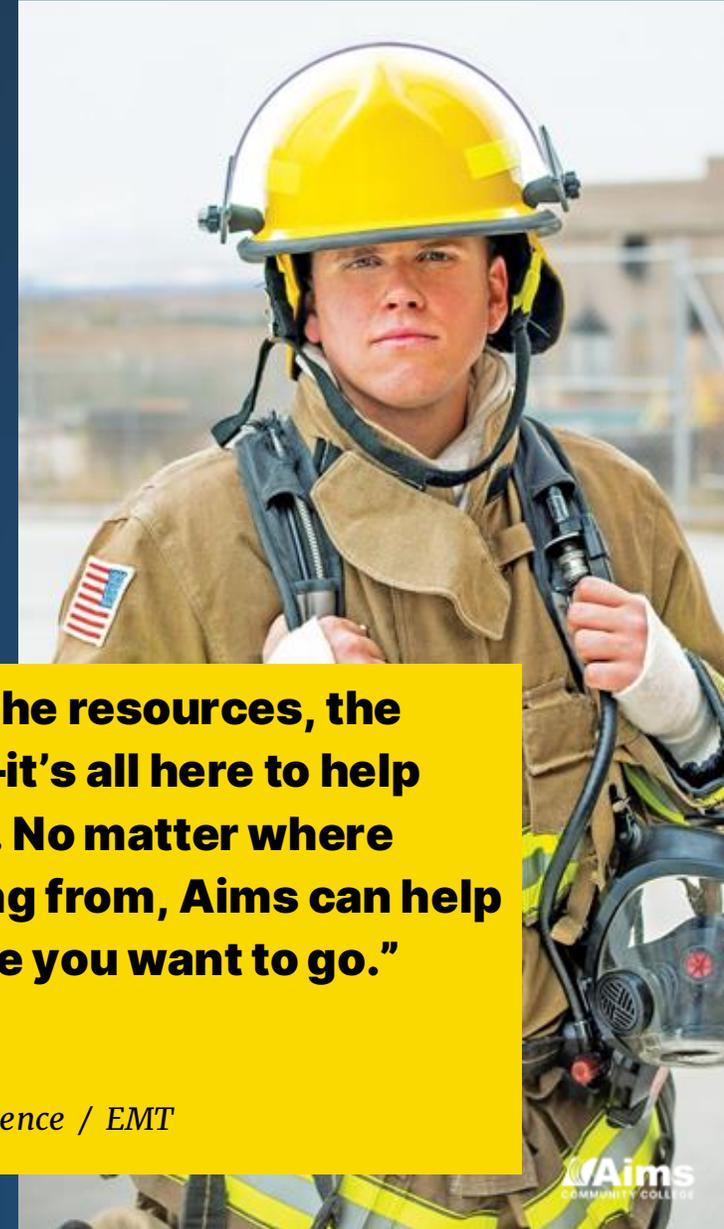
Identify as Racially
or Ethnically
Diverse

42%

First-Generation

60%

Career &
Technical



The faculty, the resources, the community—it's all here to help you succeed. No matter where you're starting from, Aims can help you get where you want to go."

TOBIAH HOWELL
Aims student, Fire Science / EMT

Enrollment Increases

20%

Increase
Fall 2024

11,372

Students Served
2024-25

\$87/credit for In-District Tuition



These increases are driven by Aims' affordable tuition rates and variety of pathways and program offerings.

Students

83%

In-District

16%

Out-of-District
(In-State)

1%

Out-of-State

All in.

Moving On

77%

Students
Employed After
Graduation

42%

Students
Employed in
Related Field

64%

Continue
Education

91%

Students
Graduate with
No Debt



Aims has given me more than an education; it's given me confidence, leadership skills, and a sense of community. It's been an incredible experience. I'm excited for what's next."

BRYELLE RUMMINGS
Aims student, Biology / EMT / Med Prep

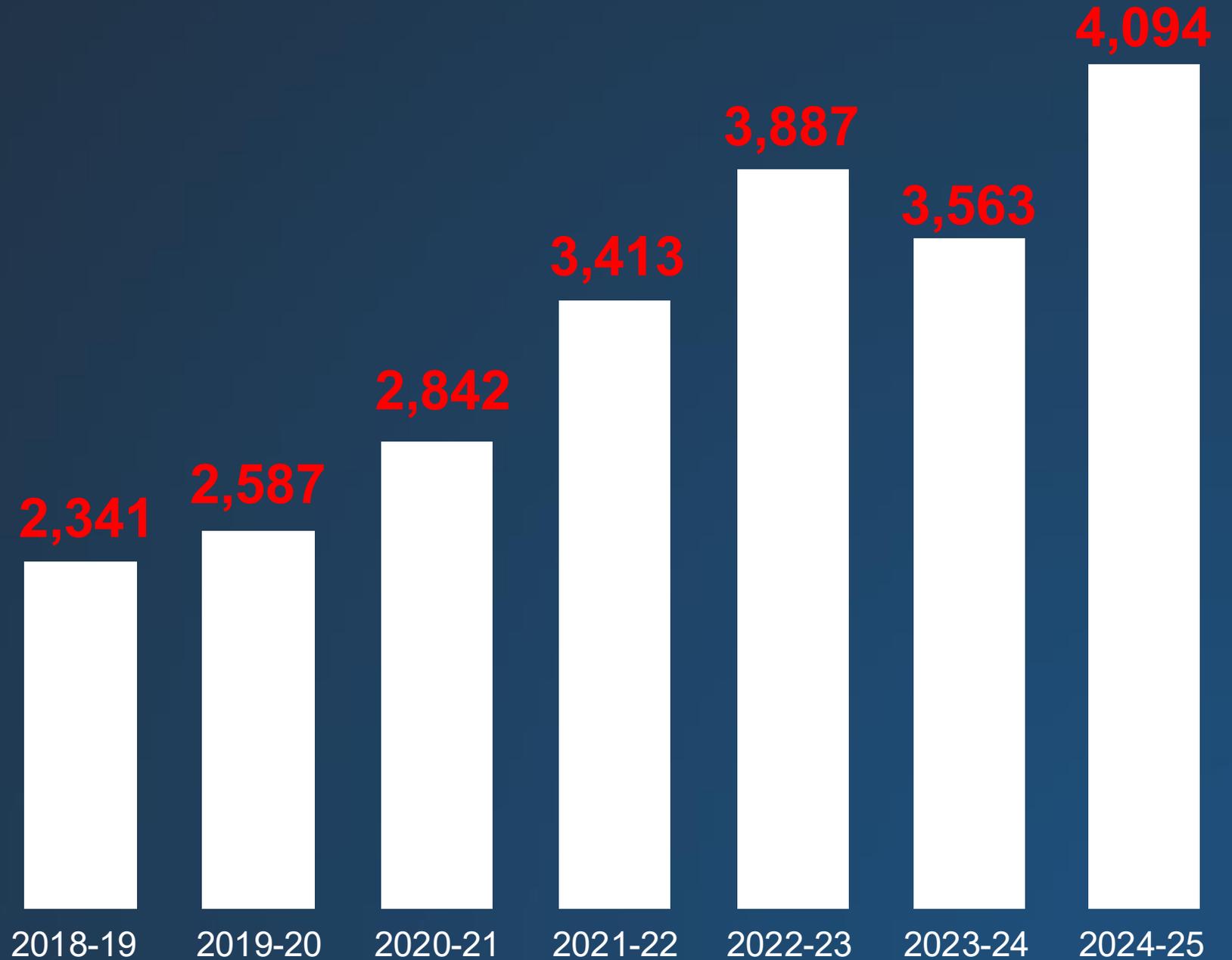


All in.

Concurrent Enrollment Students

2018-2025

Enrolled Headcount



All in.

Aims2UNC

348

Students
Transitioned
to UNC

14%

Increase in
New Program
Participants
AY25

64%

First-Generation

995

Students Have
Been Admitted
to the Program



All in.

College Operations

Local District College with an
Elected Board of Trustees



Funding

71%

Local

Employees

522

Full-Time

18%

Tuition

863

Part-Time

11%

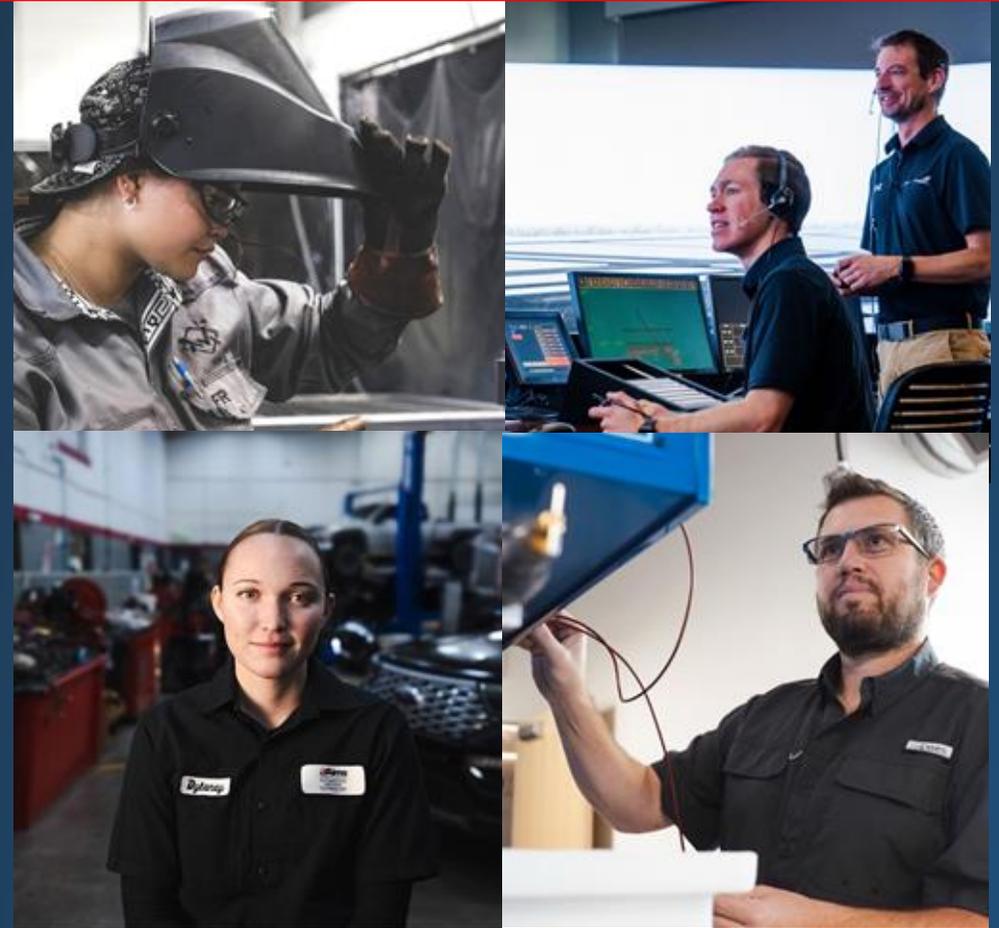
State
Appropriations

College Operations

Funding Formula

- Receive average % increase/decrease
- Do not receive any state funding for capital projects

Debt free



Coming This Fall 2026: Aims Workforce Innovation Center and
Aims Student Health and Wellness Center

Thank You

For your continued support of Higher Education in Colorado



Facebook, Twitter and Snapchat
@aimsc

Instagram and TikTok
@aims_cc



GREELEY
FORT LUPTON
LOVELAND
WINDSOR
ONLINE

aims.edu

Department of Higher Education
FY 2026-27 Joint Budget
Committee Hearing Agenda

Thursday, January 8, 2026

1:30 pm – 3:45 pm

3:20 – 3:45 Area Technical Colleges

Main Presenters:

- Randy Johnson, Executive Director of Emily Griffith Technical College
- Randal Palmer, Executive Director of Technical College of the Rockies
- Brett Johnson, Chief Financial Officer of Pickens Technical College

Topics:

- Institution Funding: Slide 11
- CCHE Funding Formula Recommendations: Page 3, Questions 4 in the packet, Slide 9
- General Factors: Slides 1-8, 12-20

**Department of Higher Education
Institutions of Higher Education**

**FY 2026-27 Joint Budget
Committee Hearing**

Thursday, January 8, 2026

3:30 p.m. – 4:45 p.m.

Friday, January 9, 2026

10:30 a.m. – 11:30 a.m.

1:00 p.m. – 4:30 p.m.

Institution Funding (for discussion)

Governor's Request, Classified Staff, and Institution Funding

[Rep. Taggart, JBC Staff] Please provide your Institution's perspective on the Governor's request for increased base funding for classified employees. For your institution, please provide the number of classified FTE and the estimated cost for the provision of statewide compensation policy adjustments for the FY 2025-26 appropriation and for the FY 2026-27 request. Please explain if and how your institution provides equivalent compensation adjustments for non-classified staff and the estimated costs associated with those adjustments.

We have no employees classified in the state system, but rather, they are employed through local school districts.

[JBC Staff] Please provide your Institution's perspective on the other items included in the Governor's request, including formula funding and LPFFS reductions and other special purpose reductions (Rural Teacher Recruitment and Retention program, CHECRA funding, Colorado Rural Healthcare Workforce Initiative, Cyber Coding, Food Systems Advisory Council, MTCF adjustments) that impact your institution. Also address the current year reductions included in the Governor's Executive Order and Department supplemental requests.

Students attending the Area Technical Colleges are not eligible for College Opportunity Fund Stipends. Additionally, we do not receive limited fee for service contracts. Recognizing the state's fiscal condition, if there are going to be reductions in Higher Education, we recommend the legislature consider reducing funding for separate programs rather than the line items supporting institutions.

We are not subject to LPFFS or the Opportunity Fund.

[JBC Staff] Please provide your Institution's perspective on the joint institutions' funding letter to the JBC and whether your institution is in alignment with the recommendations.

We were not involved with the letter. While we recognize the state's fiscal position, we hope that the state will prioritize providing additional funding to the ATCs to recognize our strong enrollment growth. This would allow us to decrease our waiting lists.

CCHE Funding Formula Recommendations (for discussion)

CCHE Funding Formula Recommendations

[Rep. Taggart, JBC Staff] Please provide your Institution's perspective on the CCHE funding formula recommendations. Please provide feedback on CCHE's stakeholdering and process components for developing recommendations.

We had one representative on the working group. Currently, the ATCs receive the average annual percentage change in funding. We are happy to consider any other funding model. Most importantly, we would appreciate a funding model that recognizes the importance of career and technical education, stackable credentials, and the modern economy. A new funding model should recognize our enrollment growth of 105% increase since FY 2012. We are currently turning many students away from our programs.

General Factors (for discussion)

General Factors

[Rep. Brown] Please provide data points for your institution's changes in revenue and cost relative to enrollment since FY 2004-05. Please describe the factors that contributed to revenue and cost change since FY 2004-05.

We have data starting from FY 2011-12.

	FY 2011-12	FY 2024-25	Percent Change
Resident FTE	3,047	6,256	105%
General Fund +Tuition Per FTE	\$4,793	\$6,028	26%



**EMILY
GRIFFITH**
TECHNICAL COLLEGE



**COLORADO AREA TECHNICAL
COLLEGES**

JANUARY 9, 2026



**EMILY
GRIFFITH**
TECHNICAL COLLEGE



RANDY JOHNSON



RANDAL PALMER



BRETT JOHNSON

WHO WE ARE



- The Area Technical Colleges are Nationally Accredited Public Institutions of Higher Education.
- Provide workforce readiness training and technical education to students in Colorado.
- Offer program certificates and a streamlined path to internships, apprenticeships, and job opportunities.
- Programs include but are not limited to: welding, automotive, cosmetology, EMT, CNA, accounting, culinary arts, dental, and more.

WHAT DO WE HAVE?



- The ***lowest tuition*** of any higher education institution in the state of Colorado.
- The ***highest student completion rates*** in the state of Colorado.
- **No student loans** – students leave our facilities debt free.

BACKGROUND

	EGTC	PTC	TCR
Average Cost	\$7,500	\$6,187	\$6,300
Average Out of Pocket Cost	\$1,783	\$2,080	\$3,328
Tuition Increase	Has only increased tuition 4% in the last 4 years.	Has only increased tuition 6% in the last 4 years.	Has only increased tuition 2.9% in 4 years.

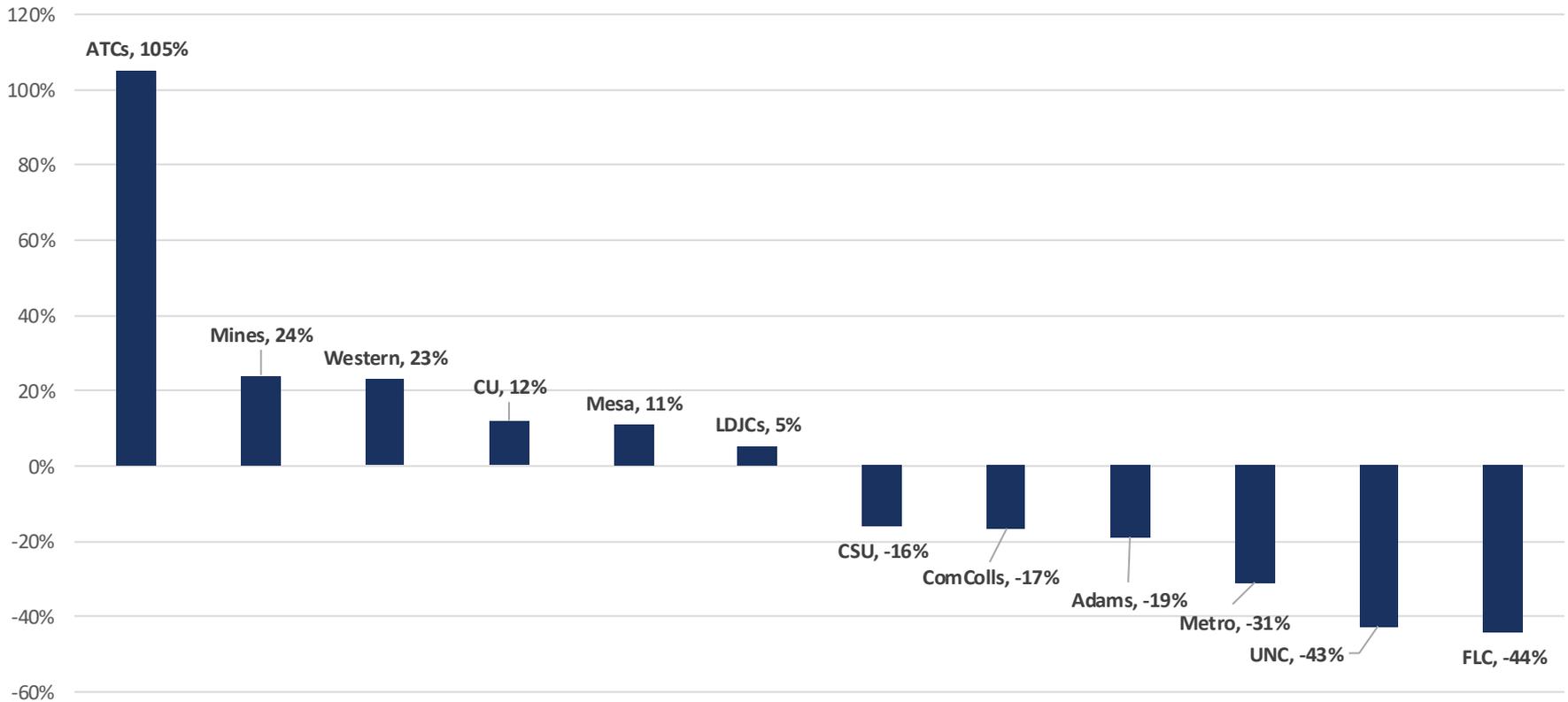
GOVERNOR'S BUDGET REQUEST

- Institution perspective on the Governor's request for increased base funding for classified employees:
 - ATCs have no employees classified in the state system, but rather, they are employed through local school districts.
- Institution perspective on the other items included in the Governor's request:
 - Students attending the ATCs are not eligible for College Opportunity Fund stipends. Additionally, ATCs do not receive limited fee for service contracts. Recognizing the state's fiscal condition, if there are going to be reductions in Higher Education, we recommend the legislature consider reducing funding for separate programs rather than the line items supporting institutions.

CCHE FUNDING FORMULA

- ATCs receive the average annual percentage change in funding.
- Happy to consider any other funding model.
- Would appreciate a funding model that recognizes the importance of career and technical education, stackable credentials, and the modern economy. A new funding model should recognize our enrollment growth of 105% increase since FY 2012.
- Currently turning many students away from our programs.

CHANGE IN RESIDENT FTE SINCE FY 12



FTE AND FUNDING CHANGES

	FY 2011-12	FY 2024-25	Percent Change
Resident FTE	3,047	6,256	105%
General Fund +Tuition Per FTE	\$4,793	\$6,028	26%

CHALLENGES



- Community Need:
 - ATCs do not have the bandwidth or capacity to serve every student. We do not have the funds to expand – our only sources of funding are through the GF and student tuition. (ATCs do not qualify for BEST grants or state capital funding)
 - In the last 14 years, the ATCs have ***increased resident student FTE by 105 percent.***
- Waitlists:
 - Students often wait upwards of one year to be placed in a program, and when space is available, their lives may have moved away from higher education.

KEY WAITLIST STATISTICS

	TCR	PTC	EGTC
Medical (nursing, medical assisting, EMT)	66	40	86
Welding	11	80	40
Cosmetology, Esthetician, Barbering	52	58	155

**statistics above do not include all programs offered.*

TOTAL WAITLIST STATISTICS ACROSS ALL PROGRAMS

TCR	PTC	EGTC
203	234	287

ATCS MEETING STATE'S GOALS



- Governor Polis is aiming to hit statutory targets of 50% greenhouse gas emissions cuts by 2030 and net-zero by 2050.
- *BUT*, the state is facing significant shortages of skilled trades workers, threatening the ability to meet these goals.
- The ATCs can help! We offer an education in “climate critical” occupations, such as:
 - HVAC
 - Water Quality Management
 - Registered Apprenticeships

WORKFORCE DEVELOPMENT

- Governor Polis and CDHE announced a new vision for higher education and workforce development in Colorado.
- This department will integrate higher education and workforce development – a “one stop shop” that the ATCs already operate.
- By 2031, 73% of all jobs in Colorado will require some postsecondary training beyond high school.
- Colorado businesses report labor shortages and workforce issues as their top challenge with an insufficient supply of skilled talent.



SUCCESSSES



- Throughout all programs, ATC students have an exceptional average placement rate post graduation.

EGTC	PTC	TCR
93%	78%	93.5%

- We also have very high program completion rates:

EGTC	PTC	TCR
85%	92%	94%

- The ATCs grant thousands of of certificates yearly.

EGTC	PTC	TCR
4,376	694	639

INSTITUTIONS WITH THE MOST CERTIFICATES AWARDED IN ACADEMIC YEAR 2022-23

Institution	Certificates Awarded	Share of Certificates
Emily Griffith	4,047	22.6%
Front Range	2,878	16%
Pikes Peak State College	1,516	8.5%
Red Rocks CC	1,436	8%
Pueblo CC	1,281	7.1%
Aims CC	1,049	5.8%
Arapahoe CC	785	4.4%
CO Mountain College	765	4.3%
CC of Denver	671	3.7%
Pickens Tech	669	3.7%
Statewide	17,938	100%

ATC FUTURE



- ATCs will continue to serve their students and meet community workforce demands – but it is essential to eliminate waitlists to properly do so. Ongoing need:
 - Increase instructional space
 - Hire more instructors
 - Implement new technologies
 - Expand programs
- EGTC, TCR, and PTC will continue to provide gold standard education and training to ***all students and meet community need.***

QUESTIONS OR COMMENTS?

THANK YOU!