Department of Higher Education
Institutions of Higher Education

FY 2026-27 Joint Budget Committee Hearing Agenda

Friday, January 9, 2026

10:30 a.m. – 11:30 a.m., 1:30 p.m. – 3:30 p.m.

10:30 – 11:30 Adams State University, Fort Lewis College, Western Colorado University

Main Presenters:

- David A. Tandberg, President, Adams State University
- Heather Shotton, President, Fort Lewis College
- Brad Baca, President, Western Colorado University

Topics:

- Institution Funding
- CCHE Funding Formula Recommendations
- General Factors

1:30 – 2:50 University of Colorado System, Colorado State University System, Colorado School of Mines, University of Northern Colorado

Main Presenters:

- Todd Saliman, President, University of Colorado
- Tony Frank, Chancellor, CSU System
- Paul C Johnson, President, Colorado School of Mines
- Andy Feinstein, President, University of Northern Colorado

Supporting Presenters:

- Callie Rennision, Chair, CU Board of Regents

- Kimberly Slavsky, Co-Chair, CU Staff Council
- Jorge Chavez, Chair, CU Faculty Council
- Camden Sharkey, External Affairs Student Body President, CU Boulder

Topics:

- Institution Funding
- CCHE Funding Formula Recommendations
- General Factors

2:50 – 3:30 Metropolitan State University of Denver and Colorado Mesa University

Main Presenters:

- Janine Davidson, President, Metropolitan State University of Denver
- John Marshall, President, Colorado Mesa University

Topics:

- Institution Funding
- CCHE Funding Formula Recommendations
- General Factors

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FY 2026-27 Joint Budget Committee Hearing

Thursday, January 8, 2026	Friday, January 9, 2026
3:30 p.m. – 4:45 p.m.	10:30 a.m. – 11:30 a.m.
	1:00 p.m. – 4:30 p.m.

Institution Funding (for Hearing)

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.

Adams has 93 total classified employees. The number of classified full time equivalent (FTE) staff in our education and general fund total 60. For these 60 FTE classified employees, a 3.1% compensation adjustment and 0.4% step adjustment total $137K. As mandated by Equal Pay for Equal Work, any similarly qualified and employed exempt staff would be mandated to be paid the same.

While not mandated as the classified increases except for the Equal Pay for Equal Work requirements, we do strive to provide similar adjustments to our faculty and exempt employees. This is required in order for us to be able to maintain competitiveness and internal staff morale and to attract and retain our workforce. We have 199 exempt employee FTE, of which 102 are in our education and general fund. We also have 140 full time benefits eligible faculty. If we were to provide the same 3.1% compensation adjustment to our faculty and education and general exempt staff, the salary increase would be $506K. Assuming we also did something similar to the step adjustment, it would add another $65K in salary cost.

In addition to salary increases, retirement and Medicaid are a percentage of salary and those costs would also increase with the additional salary costs. At this level of salary increases, we estimate an additional $135K would also be needed to cover those benefit costs.

[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.

Adams State currently receives special purpose funding for Colorado Rural Healthcare Workforce Initiative. For FY2025-2026, the $65K we received in the past was reduced to $32,500. This money primarily goes to fund scholarships for our Nursing students who commit to work in a rural area for two years after graduation. We currently have 10 students enrolled in our Nursing program as part of the Colorado Rural Healthcare Workforce Initiative. While it is difficult to say whether the scholarship provided by this program is the entire reason these students are in the program, we do serve a lower income population which tends to be more price sensitive. Furthermore, 75% of our graduating class in nursing is hired by our local hospital, who has reported that we have helped them close 75% of their nursing gap.

The current year reduction in the Governor's Executive Order also resulted in a reduction to our funding of $209,102 for FY2025-2026. We used one time funding to cover the reduction for the current year. However, if it becomes base, we will need to make base reductions of that amount going into FY2026-2027.

[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 agree with the joint institutions' letter and the methodology of illustrating our costs.

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 stakeholdering and process components for developing recommendations.

CCHE convened a working group as part of their process to develop recommendations on the funding formula. The group included representatives from each higher education governing board, governmental representation, and agency representatives. The funding formula working group met several times over the course of the past year, including one in person meeting. Adams State Chief Financial Officer Heather Heersink represented Adams State as part of this group. Throughout the process we were engaged and had opportunities to provide input.

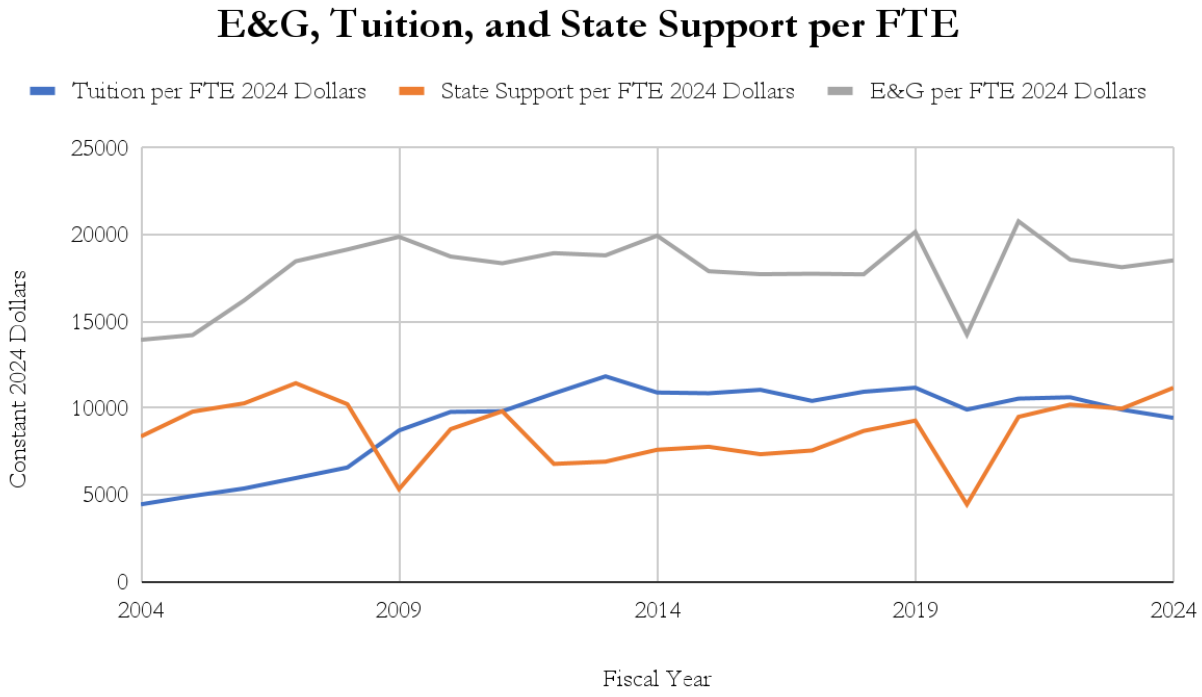
General Factors (for Hearing)

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.

The changes in revenue composition as well as overall costs are shown in the below graph. In 2004, Adams received substantially more revenue per student full time equivalent (FTE) from the state than we did from tuition (a difference of $3909 per FTE in 2024 dollars). There was a dip in 2009 and 2010, but this was actually backfilled by America Reinvestment and Recovery Act (ARRA) funds during that recession. This was followed by years in which the state struggled to provide additional funding to higher education. During these years, tuition per FTE increased to make up the difference, while state support stayed relatively flat. The next recession (COVID driven) in 2021 and 2022 saw a drop in state funding that was also offset with federal stimulus funding. The State was then able to invest more in higher education in 2023 and 2024, so that once again, state funding per FTE is greater than tuition revenue per FTE (a difference of $1731 per FTE).

We serve a price sensitive student population and have attempted to limit our tuition increases so as to not price-out students from receiving an education. As such, for many years our tuition rate increases remained below the tuition authority granted.



Our education and general costs have increased some over the past 20 years. This is driven by increases in technology related costs and infrastructure, as well as an increase in regulatory mandates.

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Fort Lewis College

FY 2026-27 Joint Budget Committee Hearing

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10:30 a.m. – 11:30 a.m.

Institution Funding (for Hearing)

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.

Fort Lewis College has approximately 90 classified employees. The total base budgeted salary level in FY 2025-26 for these employees is $4,532,450. The estimated cost for the provision of statewide compensation policy adjustments for the FY 25-26 appropriation was $178,200 including benefits. The 3.1% compensation increase for FY 2026-27 is estimated at $140,506, and the 0.4% step increase is estimated at $18,130. With associated benefits, this is estimated to cost Fort Lewis College $212,254.

The College's current budget process prioritizes annual salary increases to faculty and non-classified staff that align with classified increases. The estimated costs to provide the same level of salary increase for other non-classified employees at FLC in FY 2026-27 are $1.12 million or $1.5 million with benefits. The Governor's proposed higher education appropriation and tuition increases will not cover salary increases, let alone the core minimum cost escalation.

[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 noted above, the Governor's request for formula funding is insufficient to cover base cost increases for Colorado's higher education institutions. Given the proposed level of funding, Fort Lewis College will be challenged in implementing new initiatives consistent with the Board of Trustees recently approved 2025-30 Strategic Plan - Braided by Purpose, Rooted in Place.

Fort Lewis College receives additional special-purpose funding under the Colorado Rural Healthcare Workforce Initiative to support the new nursing collaborative with CU Anschutz. Half of this funding was cut ($32,500) with the Governor's FY 2025-26 Executive Order. Further cuts to this program could significantly reduce financial aid and access for nursing students, directly affecting our ability to serve rural communities and maintain program quality.

In the statewide FY 2025-26 Executive Order spending-reduction plan sent to the Joint Budget Committee, Fort Lewis College's appropriation was reduced by $174,006. This reduction resulted in the need to reassess priority initiatives that were previously funded through the College's FY 2025-26 budget process. Previously approved funding was withdrawn for programs addressing both basic needs and student support structures, both of which are critical for our most at risk students.

[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.

Fort Lewis College supports the joint institutions' funding letter to the Joint Budget Committee and is in alignment with the recommendations.

The purpose of the letter is to show the associated cost factors that are major drivers of institutions' operations, consistent with other state agencies, and in accordance with common policy.

Fort Lewis College understands that those cost drivers may not be met due to State budgetary constraints. However, it is important for JBC members to understand the impact these common policy items have on Colorado's institutions of higher education.

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 stakeholdering and process components for developing recommendations.

The process undertaken by CCHE and CDHE for reviewing the formula funding, while well intentioned, had several key flaws.

First, the formula was implemented during COVID and has only been in place for four years at the time of the first review. Given the volatility of the pandemic and related state and federal funding upheaval, Fort Lewis College does not believe there is enough data to reach any solid conclusions about the efficacy of the formula. Recognizing that Colorado Revised Statute § 23-18-306(2)(a) requires the Colorado Commission on Higher Education (CCHE) to conduct a formal review of the higher education funding formula every five years beginning in 2026, it would have been prudent to gather an additional year of data prior to the formula review.

Second, as budgetary constraints on the State have prevented the Legislature from sufficiently funding core minimum cost increases, a performance funding model cannot have as much impact as intended. Colorado currently lacks the resources to adequately fund higher education, creating significant challenges in achieving desired outcomes through the funding mechanism. That is, an insufficient overall funding amount passing through the model limits its ability to effectively reward performance in ways stakeholders may desire.

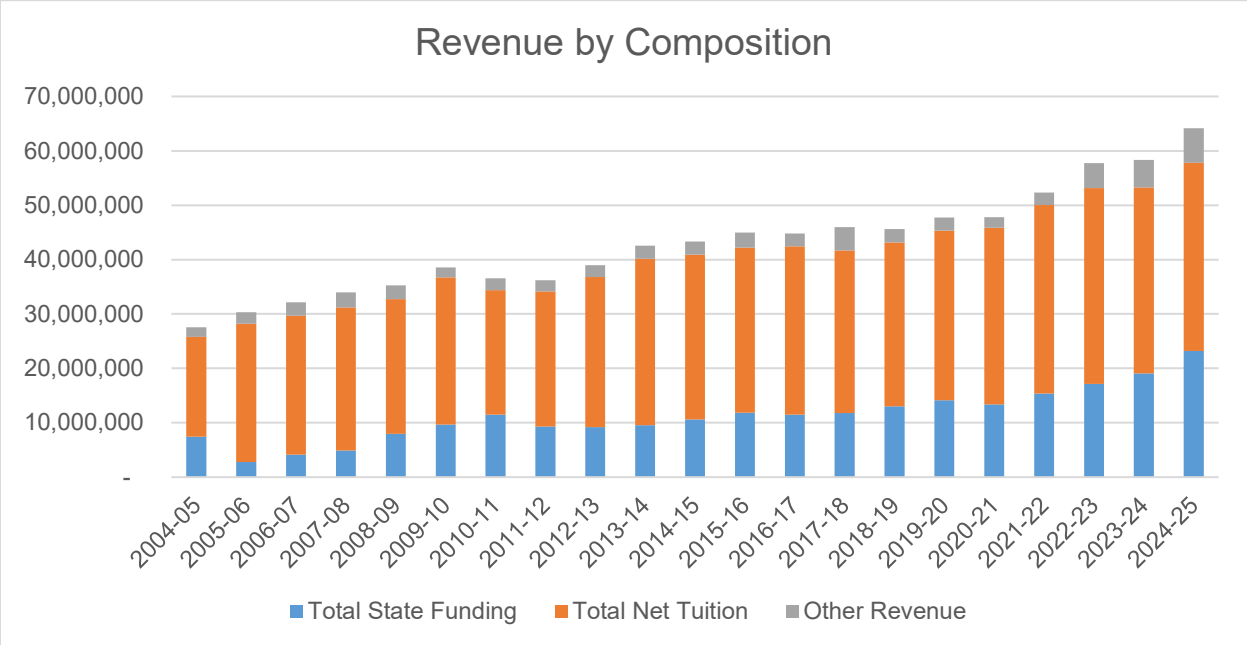
Third, a survey sent out and used in the conversations as a rationale for broader stakeholder engagement did not achieve a high enough response rate or yield statistically representative responses. Ultimately, however, Fort Lewis College is generally supportive of the recommendations that emerged from the overall process and believes that the few suggested modifications to the model make sense. At this point, the model generally functions effectively as designed and is not in need of any large-scale changes.

General Factors (for Hearing)

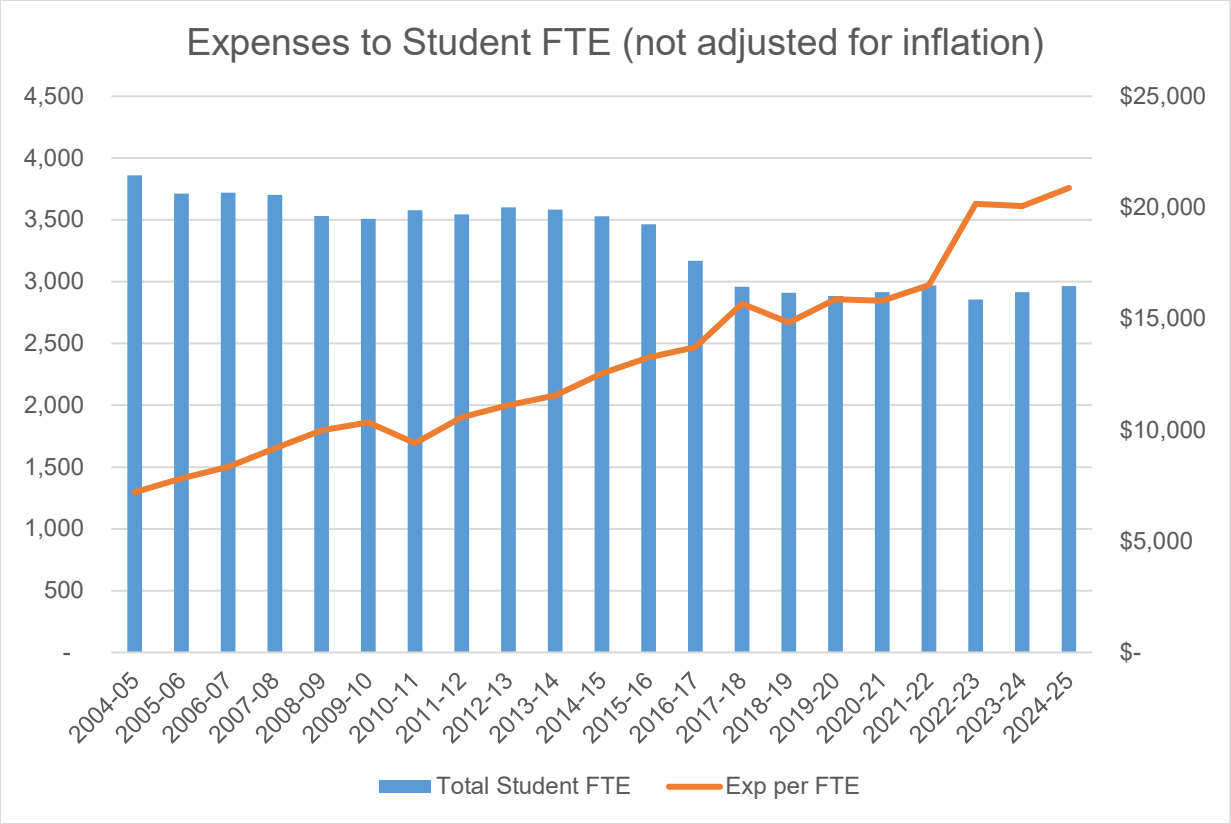
General Factors

[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.

Fort Lewis College's Education and General (E&G) revenues have grown substantially between FY 2004-05 and FY 2024-25—approximately 133 percent in nominal terms, or 36 percent in real (inflation-adjusted) terms, equating to roughly 1.8 percent annual growth above inflation. This growth reflects both increased State support and changes in tuition and fee revenue. Concurrently, E&G expenditures per student FTE have increased as the institution expanded services and responded to changing student needs. Notably, E&G spending patterns shifted away from salaries and benefits (83% in FY 2004-05 declining to 73% by FY 2024-25) toward a broader mix of student services, capital transfers, and other fixed operating costs.



Total operating revenues have grown faster than enrollment when viewed on a per-student FTE basis. The proportionate share of State funding in the College's operating budget has increased over the period. However, annual fluctuations reflect state budget conditions and higher education funding policy, giving State appropriations a somewhat larger role in supporting the E&G budget relative to FY 2004-05.



Fort Lewis College's small enrollment, fewer than 5,000 students, limits the institution's ability to achieve economies of scale. Fixed operating costs such as insurance, facility operations, and core administrative functions are spread across a relatively small FTE base, resulting in higher E&G revenue and cost per student than would be observed at larger institutions.

The cost per FTE student has increased over the 20 years, even after inflation adjustment. The decline in salaries and benefits as a percentage of total spending indicates a relative shift toward non-compensation categories. Transfers have grown significantly, accounting for about 11 percent of total FY 2024-25 spending, driven by capital outlay needs funded from institutional reserve balances.

The College has substantially expanded student-facing services—including basic needs support, housing assistance, and mental and physical health services—all of which raise per-student E&G costs but are essential to student success and retention in the current environment.

Several key factors are driving changes in revenues and costs relative to enrollment, as outlined below.

Growth in State Support and Policy Changes. The increasing share of E&G revenue from state funding has enabled FLC to invest in services and capital needs that would

be difficult to support solely from tuition. However, it has also introduced volatility as state funding levels fluctuate.

Shift in Student Demographics and Needs. Today's Fort Lewis College students come from different socio-economic backgrounds than those in FY 2004-05, and a larger share requires comprehensive support services. The College has invested in a Basic Needs department (including food pantry and housing assistance) and significantly expanded on-campus mental and physical health services.

Housing Market Pressures. Extreme local housing pressures over the last five years have substantially increased the proportion of students who must live on campus. In FY 2004-05, the campus housed approximately 200 fewer beds, with most students departing after a one-year requirement; by FY 2024-25, the campus can house roughly 50 percent of students but still faces a shortfall of 200-250 beds relative to demand.

Capital and Infrastructure Needs. Increased transfers from the E&G budget in FY 2024-25 reflect growing needs for capital improvements and campus infrastructure, funded by institutional reserves. These essentially fixed capital outlays do not scale with enrollment in the short run, contributing to higher per-student E&G costs when FTE is stable or declining.

Native American Tuition Waiver (for Hearing)

FLC Native American Tuition Waiver Resident/Non-resident Enrollment

[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?

As of Fall 2025, approximately 37.3% (1,290) of FLC's student population – undergraduate and graduate - is Native American or Alaska Native, representing 170 Tribal Nations and Alaska Native villages and receive the tuition waiver. Of those students, 810 (62.8%) are citizens of Tribal Nations with historical connections to Colorado; 109 students are residents and 701 are non-residents. Fort Lewis College awards more degrees to Native American students than any baccalaureate institution in the United States.

The table below provides a historical breakdown of Fort Lewis College Native American Fall Headcount for Undergraduate only students.

Native American	Fall Headcount - Undergraduate

Fiscal Year	Resident	Non-Resident	Total
FY 05-06	126	567	693
FY 06-07	121	573	694
FY 07-08	129	587	716
FY 08-09	128	606	734
FY 09-10	130	608	738
FY 10-11	118	668	786
FY 11-12	135	725	860
FY 12-13	143	801	944
FY 13-14	163	917	1,080
FY 14-15	158	965	1,123
FY 15-16	162	1,004	1,166
FY 16-17	166	963	1,129
FY 17-18	162	983	1,145
FY 18-19	147	1,087	1,234
FY 19-20	147	1,176	1,323
FY 20-21	162	1,347	1,509
FY 21-22	171	1,422	1,593
FY 22-23	165	1,277	1,442
FY 23-24	164	1,142	1,306
FY 24-25	169	1,080	1,249
FY 25-26	167	1,051	1,218

The current undergraduate only enrollment breakdown for Fort Lewis College includes 1,620 total non-resident students. Of that total, 35.12% are non-resident non-Native American and 64.8% are non-resident Native American. At the high point of non-resident Native American enrollment in 2021, the mix was 28.9% non-resident non-Native American and 71.1% non-resident Native American students, for a total non-resident enrollment of 2,000 students.

To provide further context and information regarding the Fort Lewis College's Native American tuition program, the Colorado Native American Tuition Waiver (NATW) has been in place since 1911 as the result of a contract enacted between the federal government and the State of Colorado to provide post-secondary education to displaced tribal citizens and descendants.

The history of the NATW is based on agreements between various sovereigns – federal government, state government, and Tribal Nations. The land on which Fort Lewis (the Old Fort) was built is land that was ceded by the Ute people to the federal government by treaty (sovereign-to-sovereign), that land was later transferred by the federal government to the state of Colorado (government-to-government) by an act of Congress.

CRS 23-52-105 requires all academically qualified Native American students, regardless of residency, to be admitted to Fort Lewis College *"free of charge for tuition and on terms of equality with other students."* Further, the statute *requires the General Assembly to appropriate 100% of the cost of tuition* for such qualified Native American student.

Current statute reads:

Section 23-52-105: On and after September 1, 2002, the board of trustees shall fix tuition in accordance with the level of cash fund appropriations set by the general assembly for Fort Lewis college pursuant to section 23-1-104 (1)(b)(I), subject to the restriction that all qualified Native American students must at all times be admitted to such college free of charge for tuition and on terms of equality with other students. The general assembly shall appropriate from the state general fund one hundred percent of the money required for tuition for such qualified Native American students.

The Native American Tuition Waiver is a shining example of how Colorado has honored its commitment and treaty obligations to Tribal Nations. In fact, at the signing of HB 22-1327, Governor Polis said that *the waiver is one of the most important programs in Colorado higher education.* It is also a critical tool for Indigenous students to gain access to postsecondary education.

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Institution Funding (for discussion)

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Western appreciates the Governor's request for increased base funding for classified employees but does not believe that the distribution of funds accurately represents classified staffing levels across governing boards. Western currently has 54.5 classified FTE. Salary increases for these employees in FY2025-26 cost $71,144 and are estimated to cost an additional $97,723 in FY2026-27. These figures are strictly salary costs and do not account for payroll related benefits (PERA contributions, Medicare, FAMLI). When factoring in payroll-related benefits, these figures increase by $16,722 and $22,970 respectively.

Western has historically aligned non-classified staff increases with the across-the-board increases provided for classified staff. This year Western received the results of a comprehensive compensation study and will be working to move non-classified staff towards the midpoint of their salary ranges when funding is available. In the current year, this was not possible, so Western once again aligned non-classified staff salary increases with classified staff increases.

To provide a 3.1% increase to non-classified staff that are funded by E&G in FY2026-27, it would cost Western an estimated $581,373 for salaries alone, and an additional estimated $74,852 for payroll related benefits. Most non-classified staff are not in PERA, so the estimates were calculated using retirement contributions for non-PERA employees. Actual costs will increase for non-classified staff that are in PERA.

[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.

In FY2025-26, Western's fee for service funding was reduced by $184,314, and limited purpose fee for service funding was reduced by $82,500 via the Governor's Executive Order. Reductions to fee for service allocations after tuition rates have been set and communicated to students are extremely difficult for an institution to absorb without an impact on operations. In FY2025-26 Western changed the timing for non-classified staff salary adjustments from July to January, to ensure sufficient revenue via tuition and state appropriations is available to support salary increases. With the results of the comprehensive compensation study showing that on average staff compensation is 10% below the market median, and average faculty compensation is 16.5% below the market median Western had intended to make progress in moving non-classified faculty and staff towards the midpoint of their individual salary ranges. Unfortunately, the reduction in fee for service funding put this goal out of reach for the current fiscal year.

Rural Healthcare Workforce Initiative (SB22-172)

SB22-172 has been a vital source of support for Western's Master of Behavioral Science program, which prepares students for non-clinical behavioral health roles in rural Western Slope communities. This funding provided scholarship support to 12 students who otherwise would not have been able to enroll. These students are now delivering essential behavioral health and prevention services, including veteran support, suicide prevention, health navigation, peer and recovery support, and juvenile diversion and prevention programming. Such services are especially critical in isolated and under-resourced communities such as Gunnison, Lake City, and Durango.

In addition to direct student support, SB22-172 funding enabled Western to develop new academic programming in Community Counseling and Restorative Facilitation, skill

sets that are increasingly needed in rural communities, and to strengthen career pathways with regional employers. Recent reductions to this funding have already had immediate consequences. Two students slated to enroll in Spring 2026 are no longer able to afford higher education due to scholarship reductions. Full elimination of this funding would further limit access to career advancement in behavioral health fields and significantly impair Western's ability to respond to evolving rural healthcare needs.

Over the past two decades, Western has observed that when students must leave their communities to obtain required credentials, many do not return, particularly given rising costs of living and limited housing availability. Continued investment in SB22-172 allows Western to educate and retain local talent and strengthen a sustainable, place-based behavioral health workforce for rural Western Colorado.

Educator Recruitment and Retention (ERR) Program and Center for Rural Education (CRE)

Continued funding for the Educator Recruitment and Retention Program and the Center for Rural Education represents a strategic investment in educational quality and rural community vitality. These programs directly support Western's work to prepare effective educators capable of meeting the academic and social-emotional needs of students across Colorado, with a particular emphasis on rural and underserved areas.

ERR stipends and CRE support reduce financial barriers for students pursuing careers in education, helping address persistent teacher shortages while increasing the likelihood that graduates remain in rural communities. Educators supported through these programs enter the workforce with less debt, allowing them to live, work, and invest in the communities they serve. Each new, well-prepared educator contributes to student success, workforce readiness, and long-term community stability. Rural school districts across the state are leading innovative efforts in postsecondary and workforce alignment and sustained ERR and CRE funding is essential to supporting this work.

As a rural institution, Western is not only an educational provider but also a major regional employer and economic anchor. Reductions to ERR and CRE funding would impact educator preparation, access to higher education, and the economic health of the rural regions Western serves.

Cyber Coding and Cybersecurity Workforce Development (SB 18-086)

Western has strategically used SB 18-086 cyber coding funds to strengthen cybersecurity workforce preparation, expand access for rural students, and leverage additional external investment in support of high-demand, high-wage career pathways.

In FY25, Western received a $200,000 SB 18-086 appropriation, all of which was fully expended. Of this amount, $117,000 was allocated directly to student scholarships, resulting in 31 scholarships awarded, well above the required scholarship earmark. Scholarship support increased from $95,000 in the prior year to $117,000, significantly reducing financial barriers for students pursuing cybersecurity and information security careers.

SB 18-086 funding also supported key instructional and workforce-aligned investments, including 0.5 FTE faculty support, the creation of five student internships, and the awarding of two degrees or certificates connected to funded programming. Additional uses include student laptops, Security+ certification training, modest student engagement costs such as food during hacking competitions, and travel support to attend the National Security Agency conference. Western also hosted a multi-week Security+ certification training led by an external expert, offering both in-person and online instruction aligned with industry-recognized credentials.

Importantly, SB 18-086 funding enabled Western to leverage $128,718 in additional matching and external funds, significantly amplifying the State's investment. Program outcomes supported by this funding include designation as a National Security Agency Center of Academic Excellence in Cyber Defense, faculty participation in national cybersecurity symposia, and long-term stability in the core computer science curriculum supporting the Information Security program.

At this time, Western is not aware of federal funds that would be immediately placed at risk by the elimination of state cyber coding funding. However, reductions or elimination would substantially weaken the university's ability to sustain cybersecurity workforce development, compete for future external funding, and provide rural students with access to industry-aligned training in a field of growing statewide and national importance.

Institutional Perspective on Rural Workforce and Pipeline Investments

Western serves as a critical workforce pipeline for rural Colorado, preparing professionals in behavioral health, education, and cybersecurity, fields that are essential to the long-term vitality of rural communities. State investments in these areas have produced measurable outcomes for students, employers, and the regions Western serves.

Western respectfully encourages continued investment in rural behavioral health, educator preparation, and cybersecurity workforce programs. These targeted, cost-effective investments have demonstrated clear returns in student access, workforce development, and rural community sustainability. Further reductions or eliminations

would disproportionately affect rural regions at a time when workforce needs across healthcare, education, and cybersecurity are growing more urgent throughout Colorado.

[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.

Western has signed the IHE collective ask letter and supports fully funding base core minimum cost needs for all institutions, similar to the automatic adjustments state agencies receive. If the State is unable to fully fund core minimum costs, we ask that the committee ensures that the three small rural four-year governing boards receive a minimum of the average percentage increase of the other public institutions.

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.

Western appreciated the opportunity to provide feedback during the CCHE discussions related to the funding formula and feels that all universities were provided with an ample opportunity to raise their concerns and have open dialogue about how to move forward.

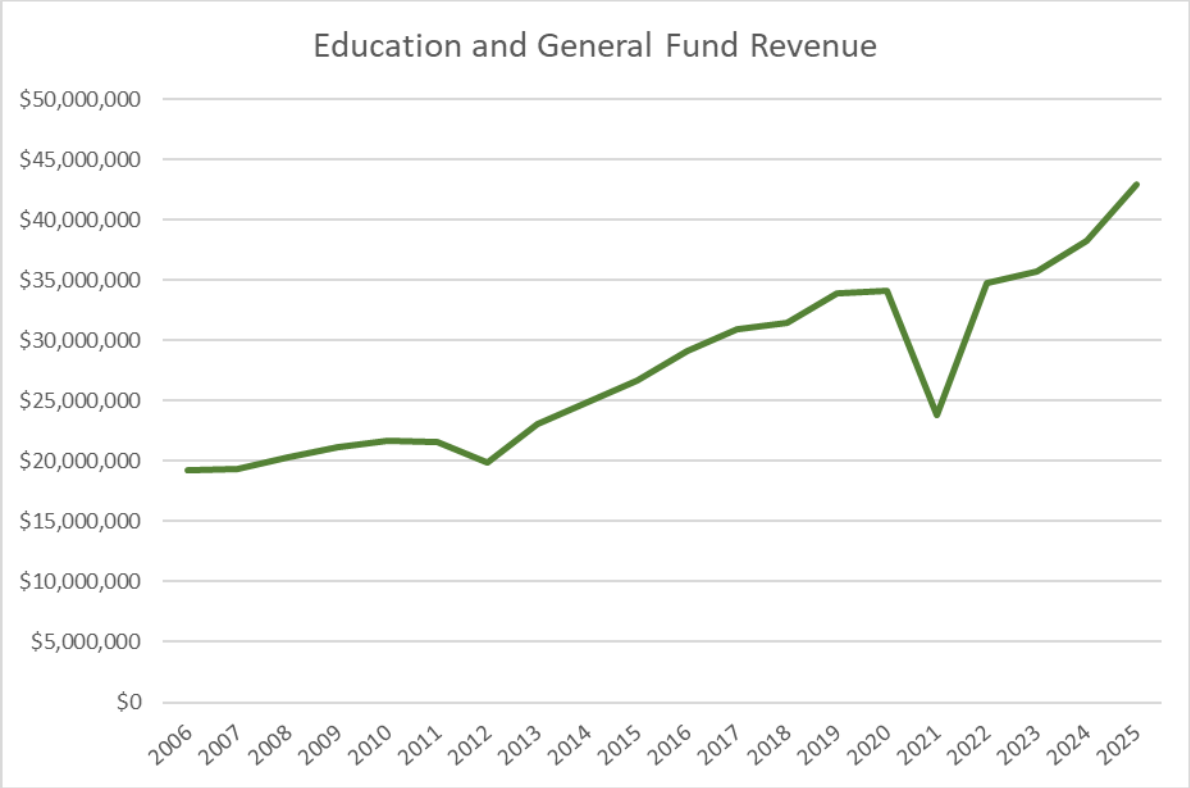
In general, Western agrees with CCHE's recommendations. Of particular importance for Western is recommendation #11 – Remove partnership program students from the first-time graduation rate cohorts. Western currently has an engineering partnership program with CU Boulder in which Western recruits students to come to our campus for all four years, but they are counted as Western students in only their first two years and CU students in their final two years, and graduate with a CU degree. Since the students come into the programs with the intention of transferring to CU halfway through, Western strongly believes we, and other institutions with partnership programs, should not be penalized for this transfer. Removing these students from the graduation rate cohorts, and all other metrics in which they are counted, effectively removes the penalization.

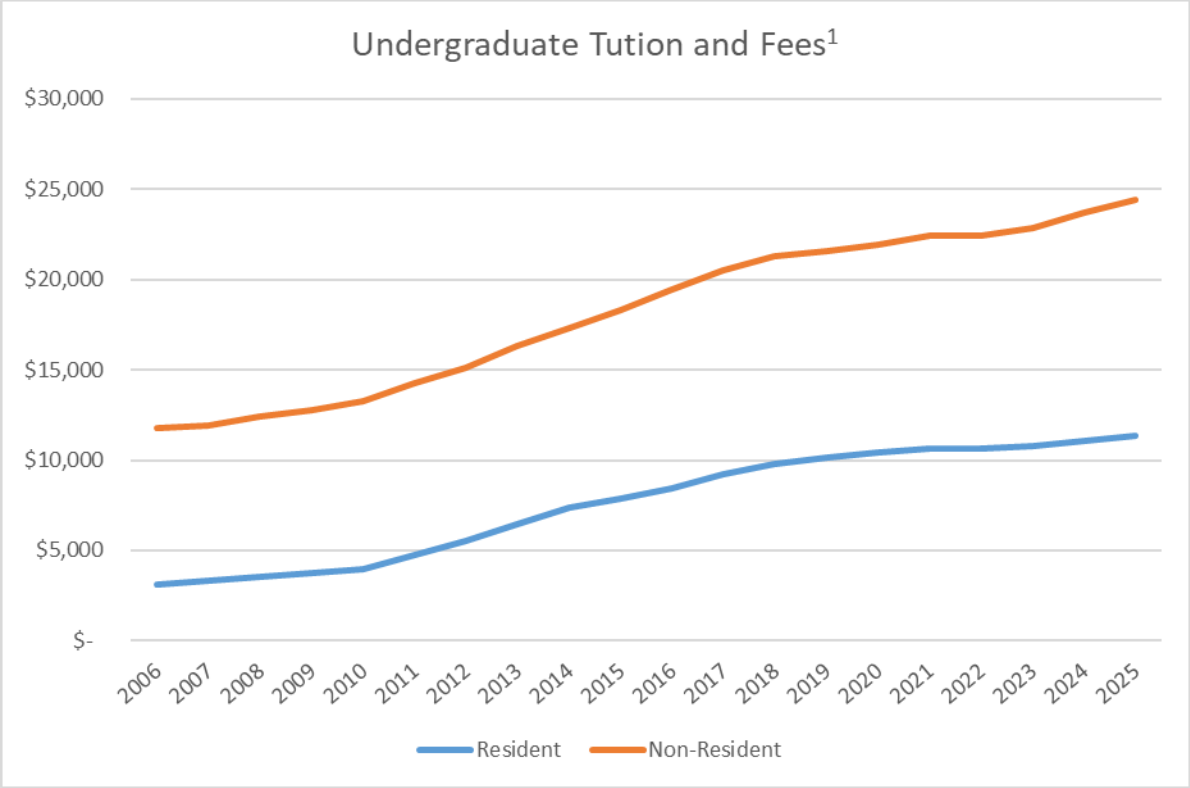
General Factors (for discussion)

General Factors

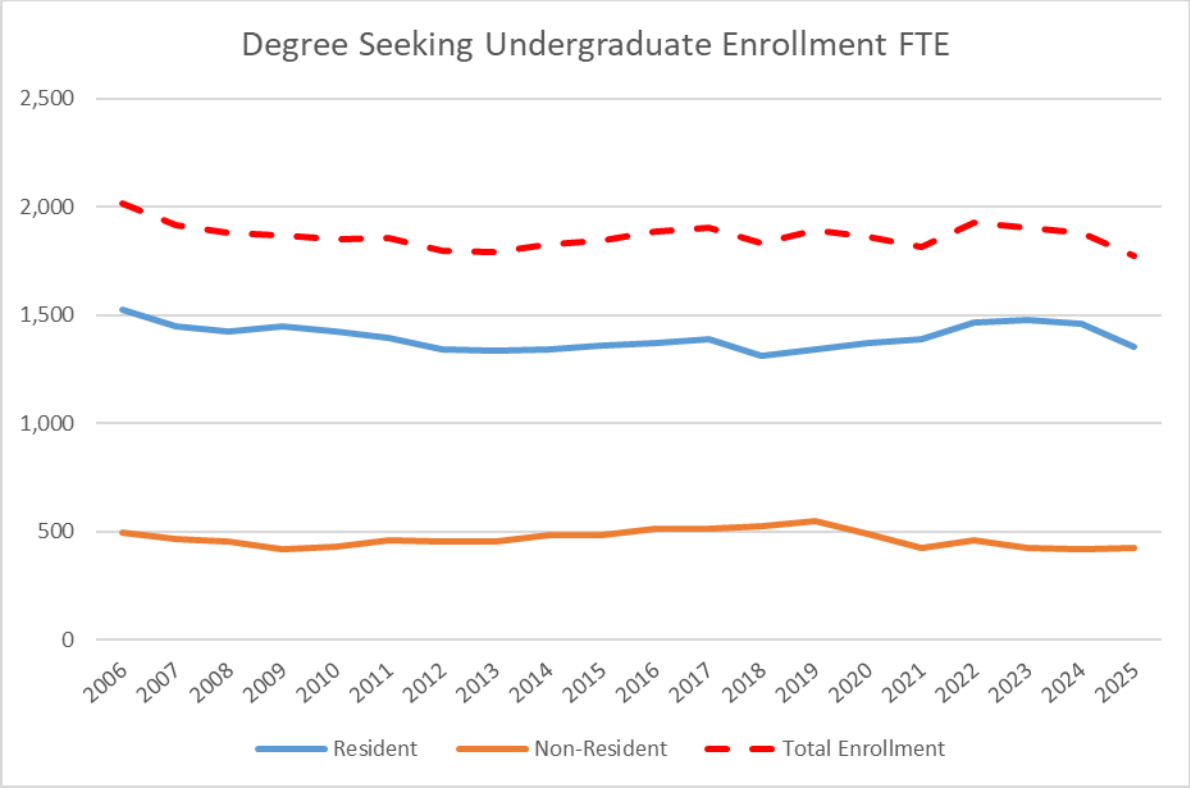
[Rep. Brown] Please provide data points for your institution's changes in revenue and cost relative to enrollment since FY 2004-05. Please describe the factors that contributed to revenue and cost change since FY 2004-05.

The tables below show changes in revenue, tuition and fee, and enrollment beginning with FY2005-06. Western recently switched from using Banner to WorkDay as its ERP, and during implementation historical data from 2006 forward was migrated.





[1] Full time student for a full academic year



The main factors contributing to revenue change are State funding and enrollment.

Similarly, one of the main factors contributing to changes in undergraduate tuition and fees is the amount of State funding provided on an annual basis. Western receives a high percentage of funding via State appropriations, and as such, a small percentage change in either direction has a large impact on the University's overall budget. As a small, rural institution, Western continually looks for efficiency, and works to keep expenses down in all areas across campus. On an annual basis, Western must review and reduce projected expenditures in comparison to anticipated revenues to ensure it has a balanced budget. Repeating this process has resulted in a highly efficient operating budget. Outside of mandatory increases (expenses that are out of the University's control, i.e. utility costs, critical software contracts, risk management premiums, etc.) Western has not increased standard operating budgets in many years. While Western does everything in its power to keep costs down, when base core minimum costs increases are not covered by State funding, tuition must be increased to ensure a balanced budget. To Western, it is imperative for the State to continue to prioritize funding for post-secondary education, as it allows us to better serve our students and contribute to creating an educated workforce which is the foundation of economic stability for Colorado and social mobility for our citizens.

ADAMS STATE UNIVERSITY
COLORADO
Great Stories Begin Here
FLC
FORT LEWIS
COLLEGE
WESTERN
COLORADO UNIVERSITY

COLORADO'S SMALL RURAL FOUR-YEAR GOVERNING BOARDS

Adams State University, Fort Lewis College, and Western Colorado University

DRIVERS OF ECONOMIC DEVELOPMENT & COMMUNITY VITALITY

- Serve nearly 9,000 students (50%+ CO residents)
- Graduates boost economic, health, & safety sectors
- Pivotal cultural and economic catalysts

NAVIGATING CHALLENGES & TRANSITION

- Challenged by demographic shifts
- Crucial in transitioning economies (Coal, agriculture, energy, tourism)

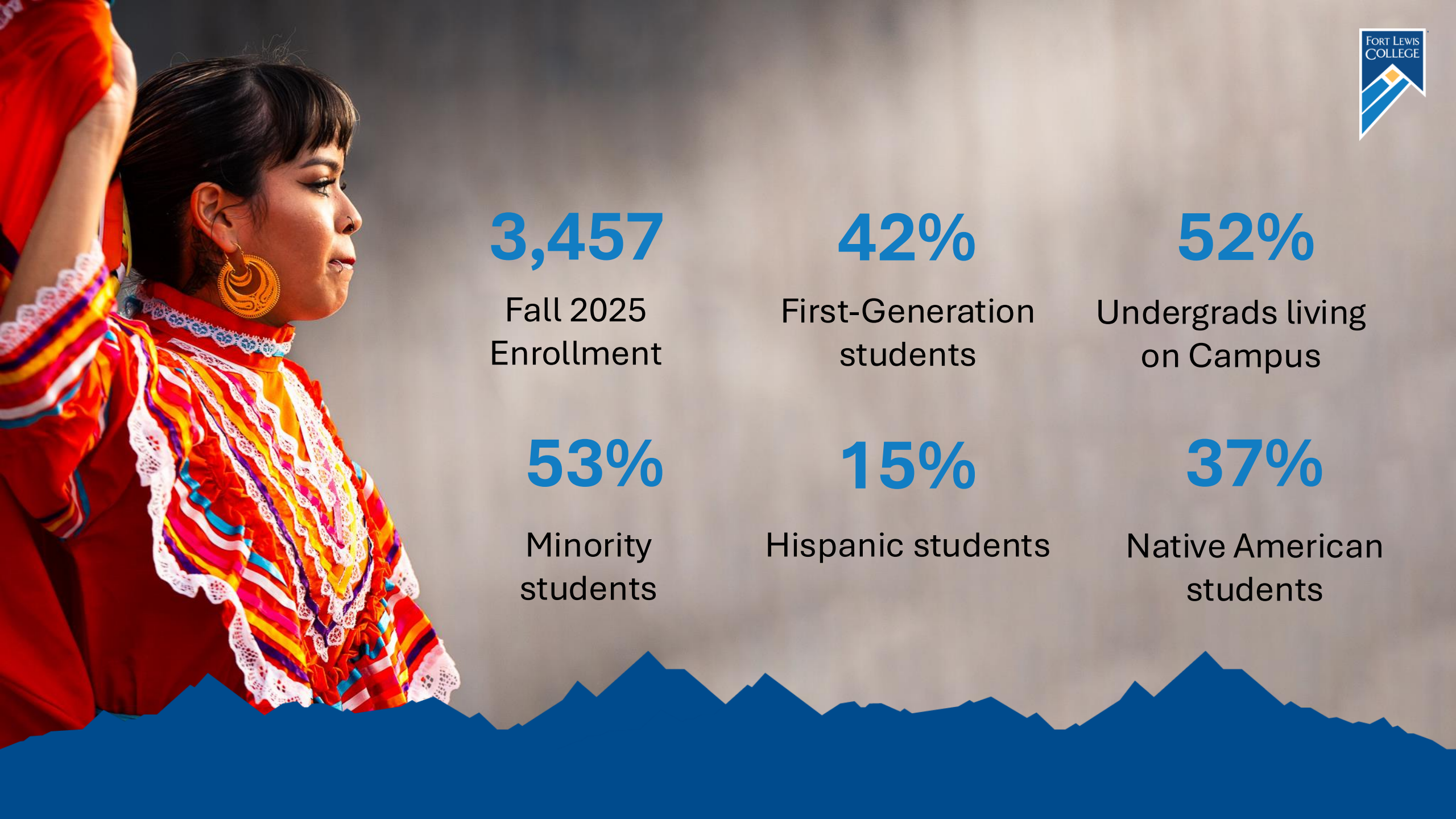
FUELING STUDENT SUCCESS & RURAL ROI

- 60% of CO students choose local colleges
- Ensures economic mobility for rural areas
- Rural Return on Investment: 400% ROI ($1 in → $4 out)

FORT LEWIS COLLEGE®

DURANGO, COLORADO

Students are at the center of Fort Lewis College



3,457
Fall 2025 Enrollment

42%
First-Generation students

52%
Undergrads living on Campus

53%
Minority students

15%
Hispanic students

37%
Native American students

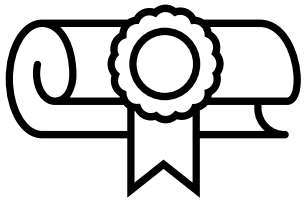
Native American Tuition Waiver

Honoring Colorado's commitment to our Tribal Nations

U.S. News & World Report

TOP 30

Performers on
Social Mobility



Princeton Review

BEST

Regional
Colleges

U.S. News & World Report

TOP 5

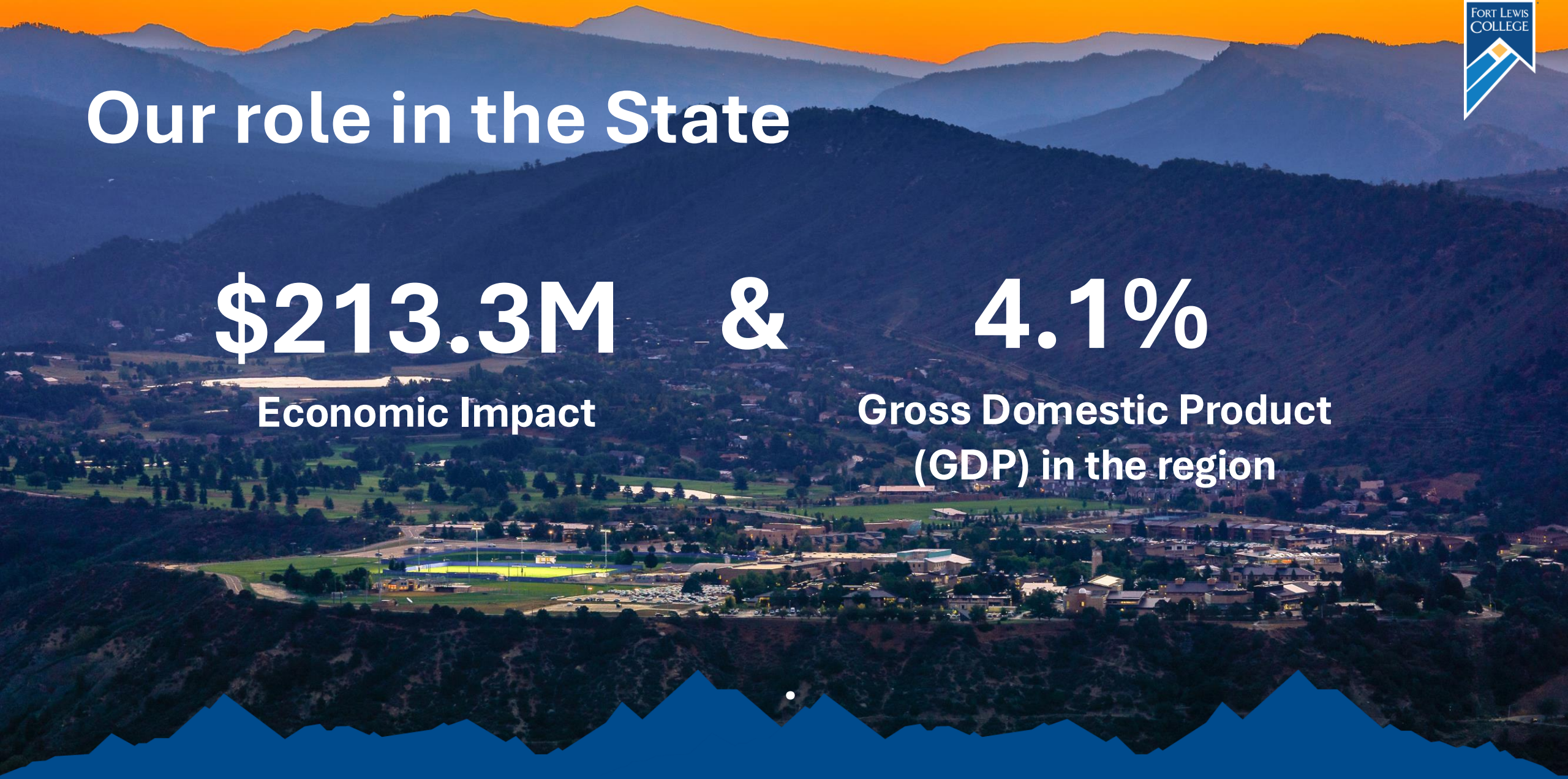
Public
Schools

Our role in the State

$213.3M Economic Impact

&

4.1% Gross Domestic Product (GDP) in the region



Philanthropy – we are doing the work

$21M

Raised

4th

Record-breaking year in a row

The 2025-2030 Strategic Plan

Fort Lewis College

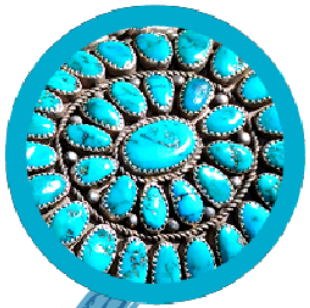
Basic Needs

Reconciliation

Community Connections

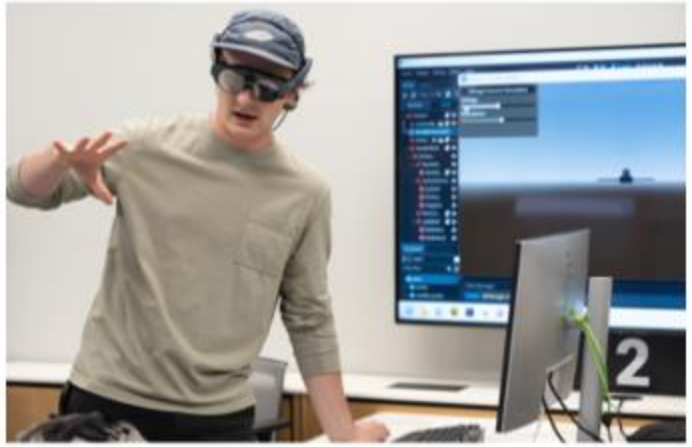
Student-Ready

Academics



Academics

Equitable & Exceptional Education



Student-Ready

Student Success & Graduation Outcomes

Basic Needs

Community of Care

Reconciliation

Healing & action

Community Connections

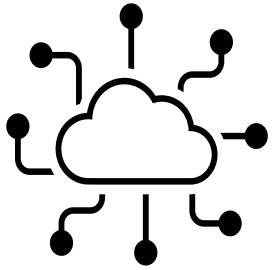
Engagement & Workforce

Capital Funding Request

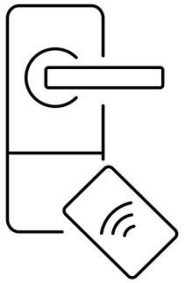
Southwest Campus Renewal

- Second floor: 1,297 ft^2 non-weight bearing flooring - currently unusable space.
- Entire second floor has ADA accessibility concerns.

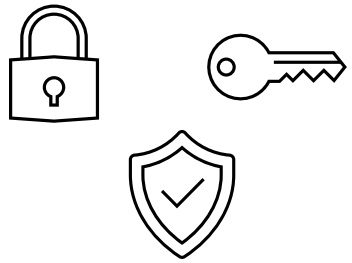
Technology Project overview



Upgrade Current Door Access Control due to end of support for current hardware and software



Expand Door Access Control to 22 academic buildings (100 doors)



Upgraded system enables rapid lockdowns, efficient access, and improved campus security

Project Cost - $1,061,023

FLC FORT LEWIS COLLEGE®

Thank you!

OUR SIDE OF THE MOUNTAINS

Joint Budget Committee Hearing
January 9, 2026
Brad Baca, President

WESTERN
COLORADO UNIVERSITY

DEDICATED TO EDUCATION, ENRICHED BY OUR COMMUNITY

Courage, Inclusivity, Integrity, Growth, Stewardship

University Stats

3,668 TOTAL STUDENT HEAD COUNT

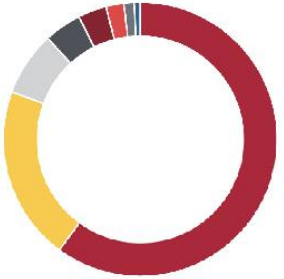
STUDENT ENROLLMENT

- **43%** Undergraduate Degree Seeking
- **39%** Concurrent Enrollment
- **10%** Graduate Degree Seeking
- **8%** Non-Degree Seeking

Western students are from almost every county in **Colorado**

80% of Western Students Receive Some Form of Financial Aid

ETHNIC DIVERSITY



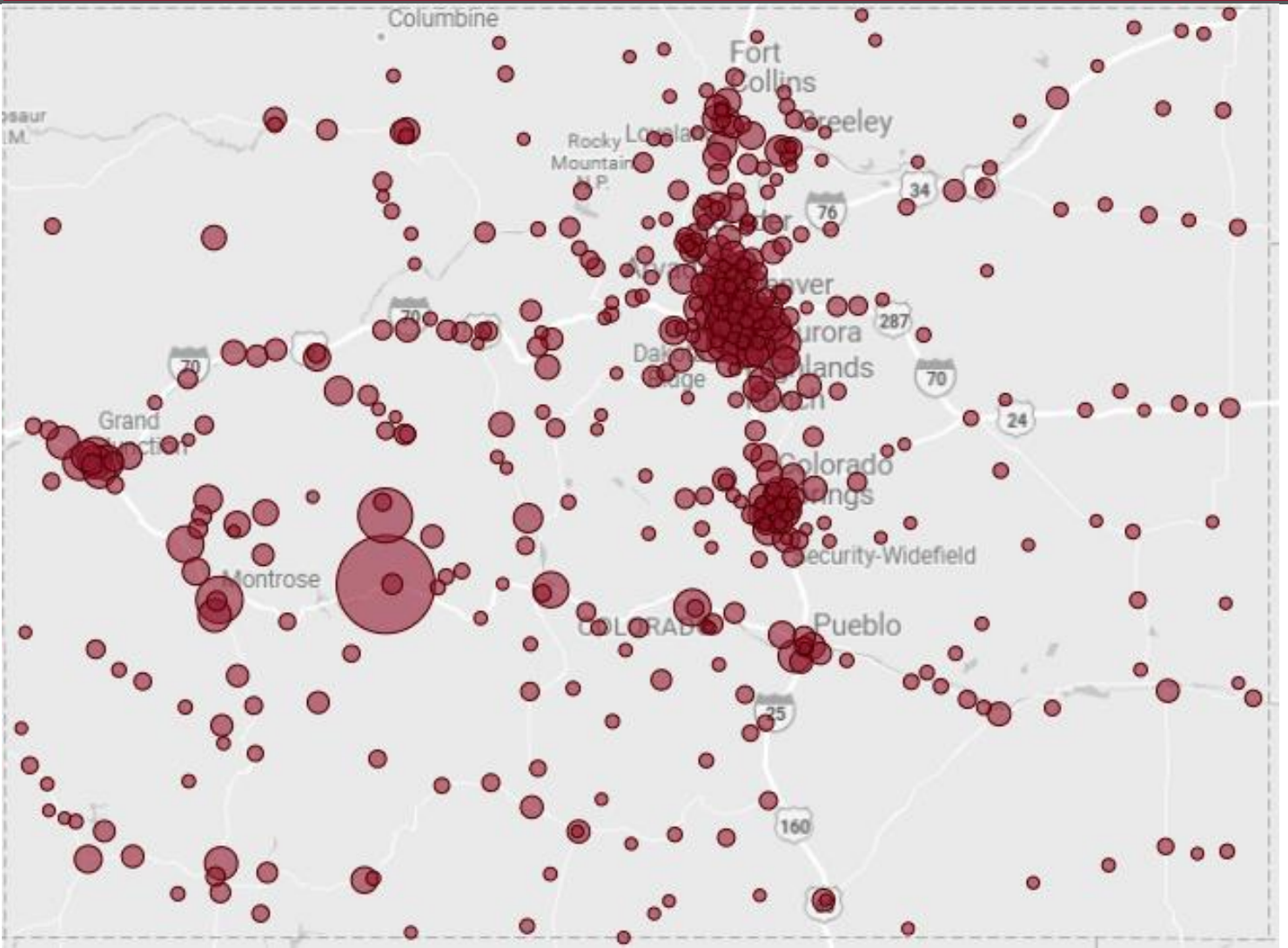
- **61%** White
- **20%** Hispanic
- **8%** Unknown/Other
- **4%** Black or African American
- **4%** Multi-Race
- **2%** Asian
- **1%** American Indian or Alaska Native
- **>1%** Native Hawaiian or Other Pacific Islander

FIRST GENERATION STUDENTS

77%	23%
Non-First-Generation Students	First Generation Students

73% Retention Rate for First-Year Students

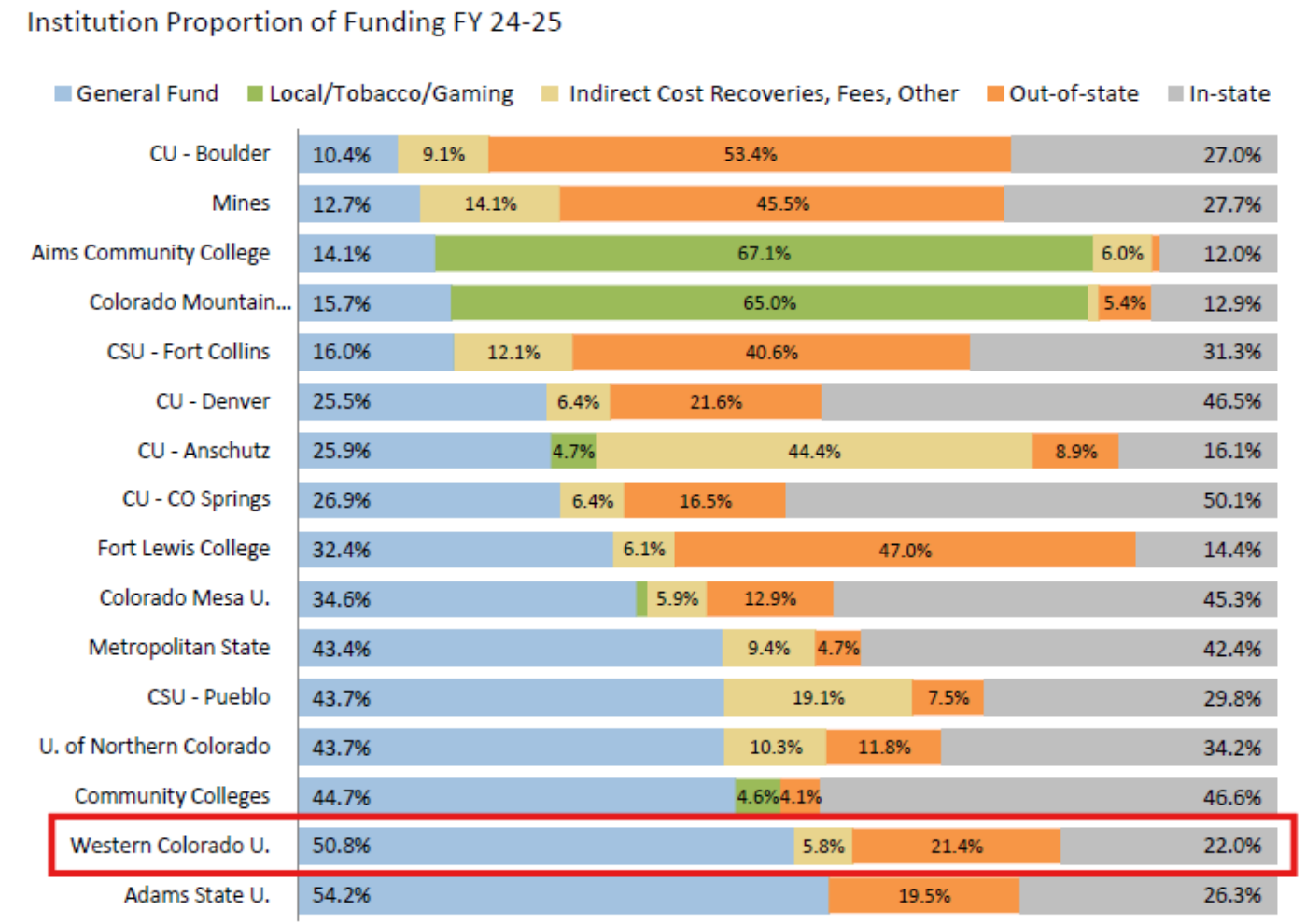
Alumni Across the State



Top Regions

- Gunnison – 1,779
- Colorado Springs – 1,049
- Denver – 1,019
- Grand Junction – 777
- Littleton - 542

Reliance on State Funding[1]



Note: Most of Fort Lewis College out-of-state tuition revenue originates as General Fund from the Native American Tuition Waiver.

[1]Joint Budget Committee Staff Budget Briefing FY 2026-27 Department of Higher Education

Rural Funding: Student-Facing Support

Scholarships for recruitment and retention

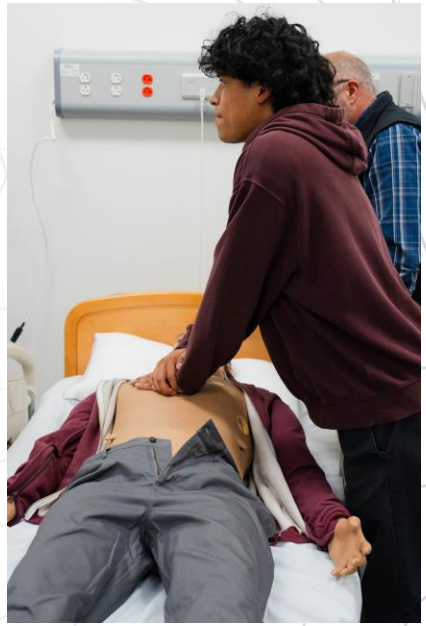
Improved career connectedness and workforce preparation

Improved student wellness access

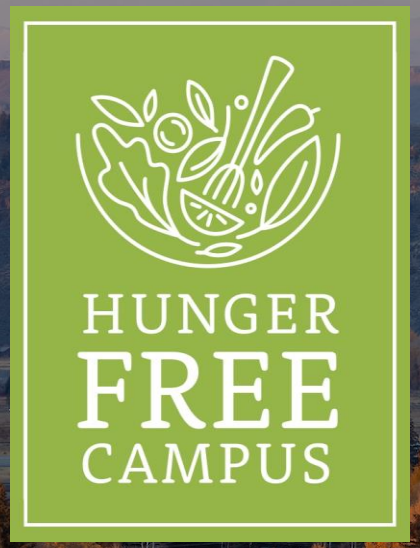
Comprehensive academic advising

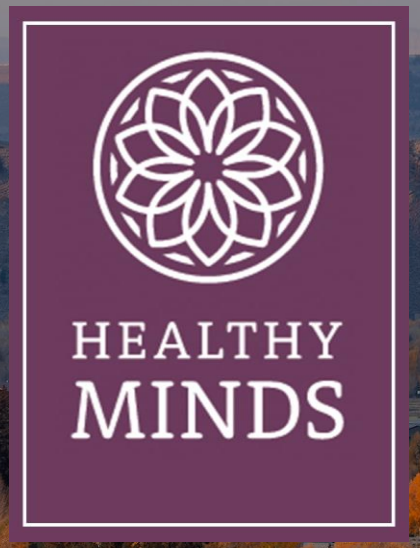
Increased support for students with disabilities

Innovative technology advancements



CDHE Major Designations





Strategic Plan Updates

Faculty and Staff Housing

Comprehensive Compensation Plan

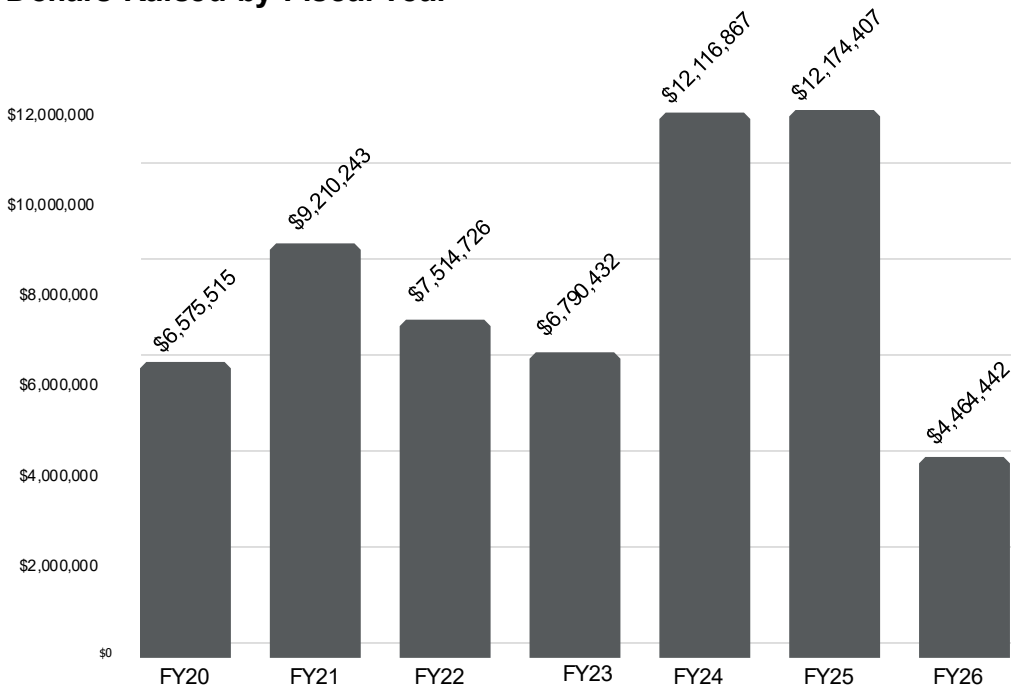
Western Watershed GE Program

Private Scholarship Support

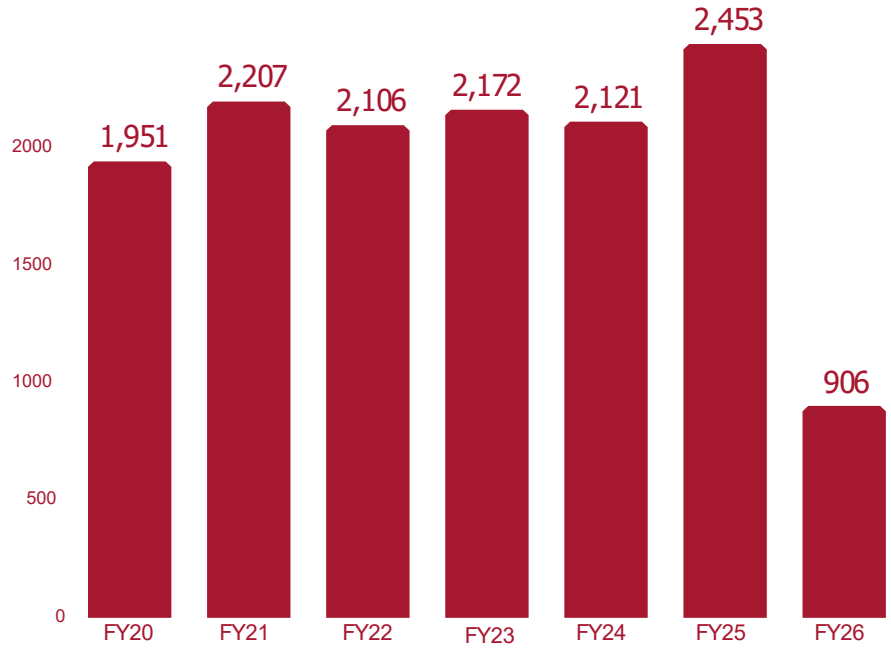
Nursing Program

Campaign Dashboard

Dollars Raised by Fiscal Year



Donor Count by Fiscal Year



8,533
Donors Contributed
$102,590,709

FY2025
$2,249,403
scholarship $ awarded

$49,642,486
WCUF Endowment

125
— years of —
1901
WESTERN
2026
WESTERN - COLORADO - UNIVERSITY
CELEBRATING
125
YEARS
1901 - 2026
GUNNISON

Capital Construction Request

Leslie J. Savage Library Renovation

Total ask: $45,576,953

Leslie J. Savage Library Renovation

Controlled Maintenance Requests

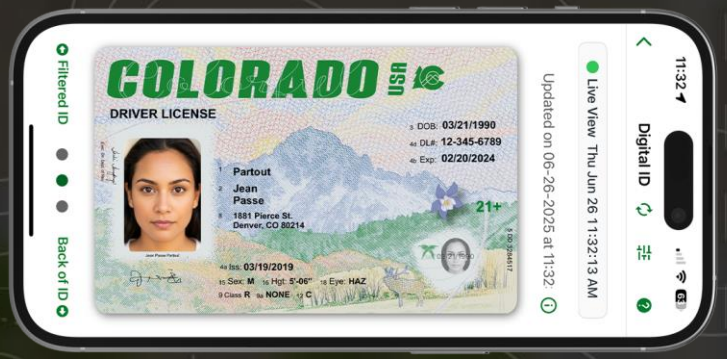
#1 Exterior Lighting Efficiency and Security Upgrades Phase 2

Current year ask - $2,627,507

#2 Campus Roadway Rehabilitation

Total Project Budget - $4,477,193

Capital Construction Request



Digital ID

+

Security

+

Access

Information Technology

Total ask - $6,928,000

THANK YOU
WESTERN
COLORADO UNIVERSITY

Adams State University

The Acequia Culture: Stronger Together

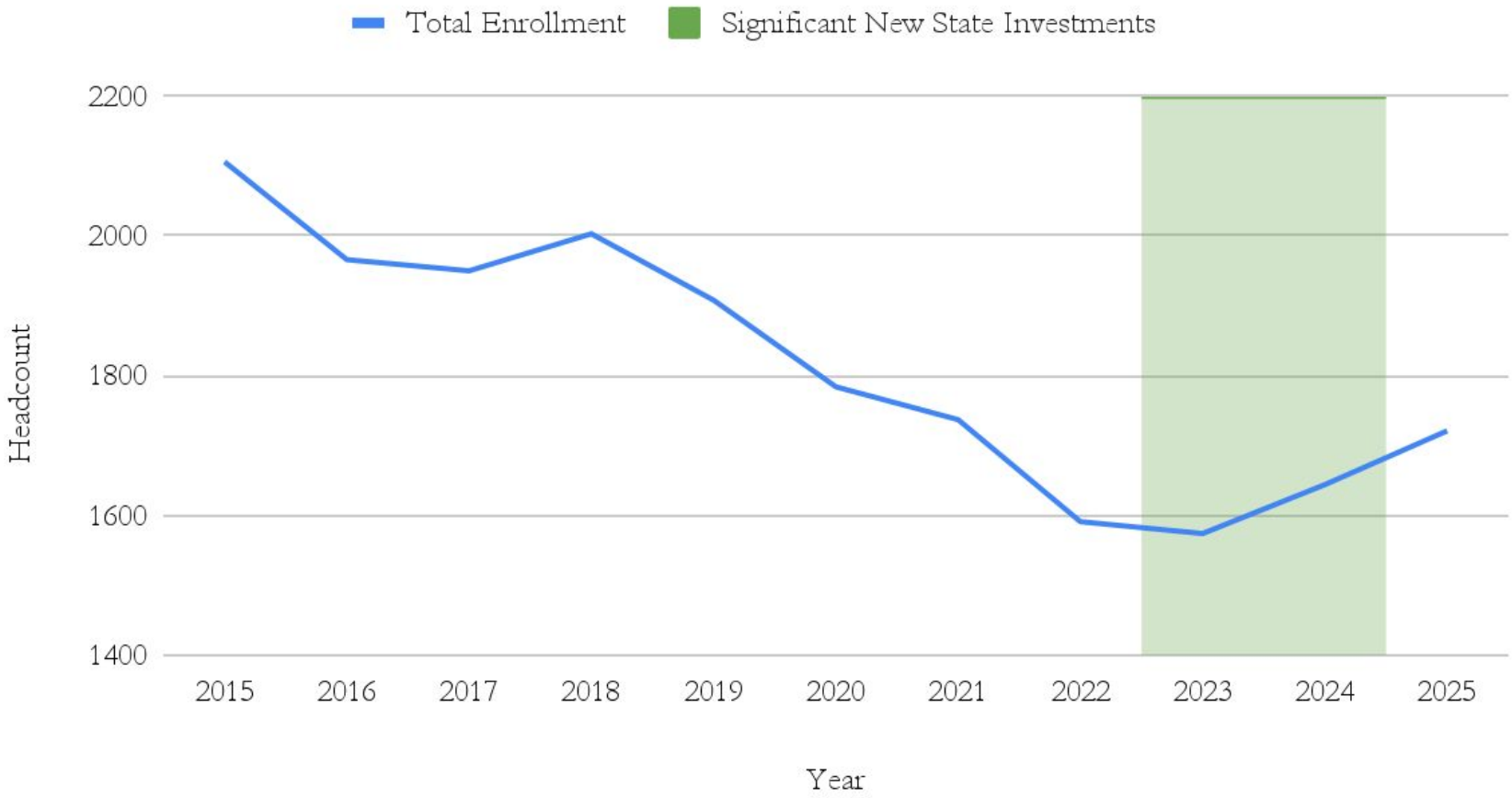
The Acequia Culture of the San Luis Valley

A History of a Coming Together - *Juntos*

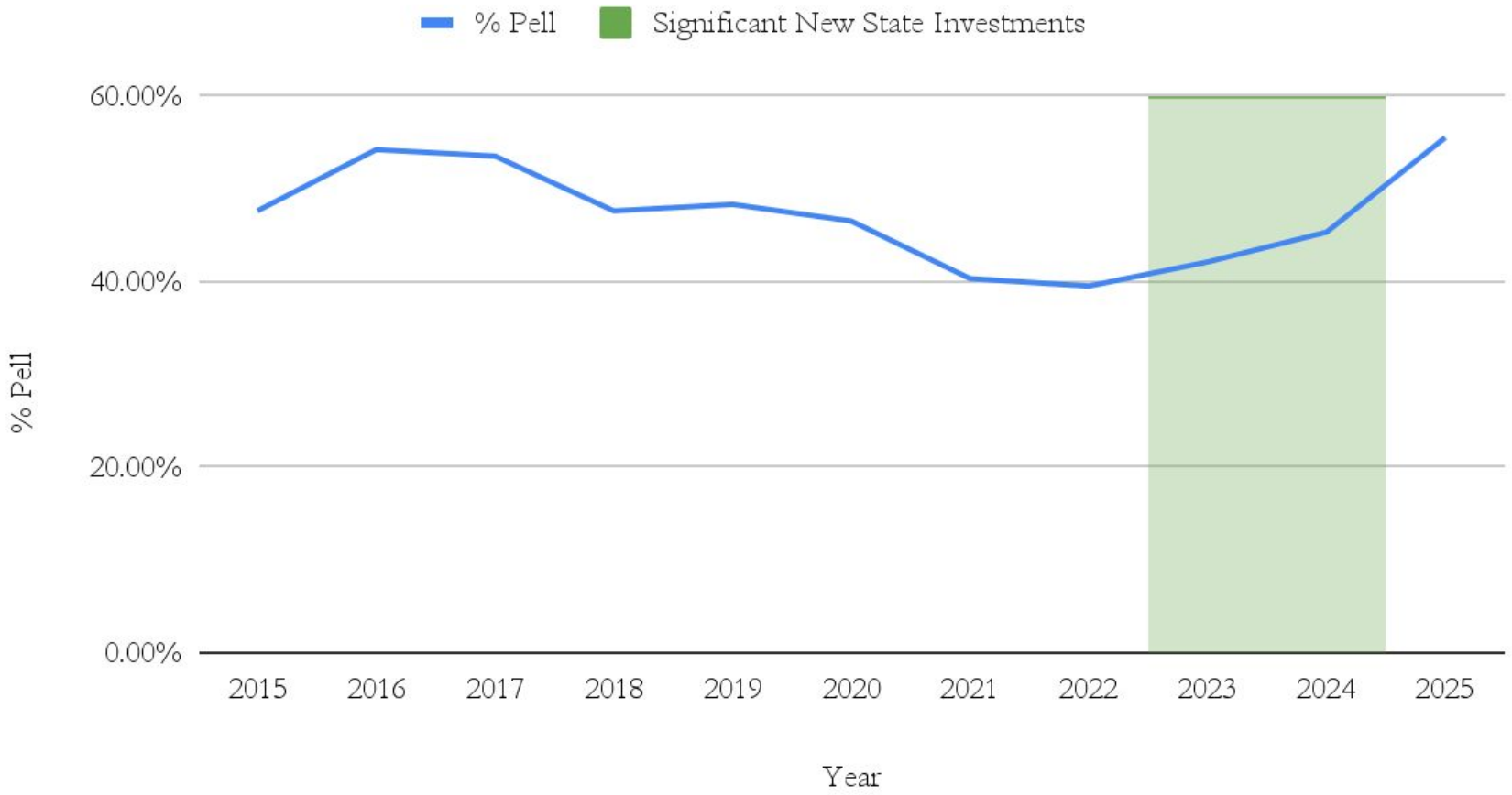
Deepening the Acequia:

Our Shared Investment, Our Collective Success

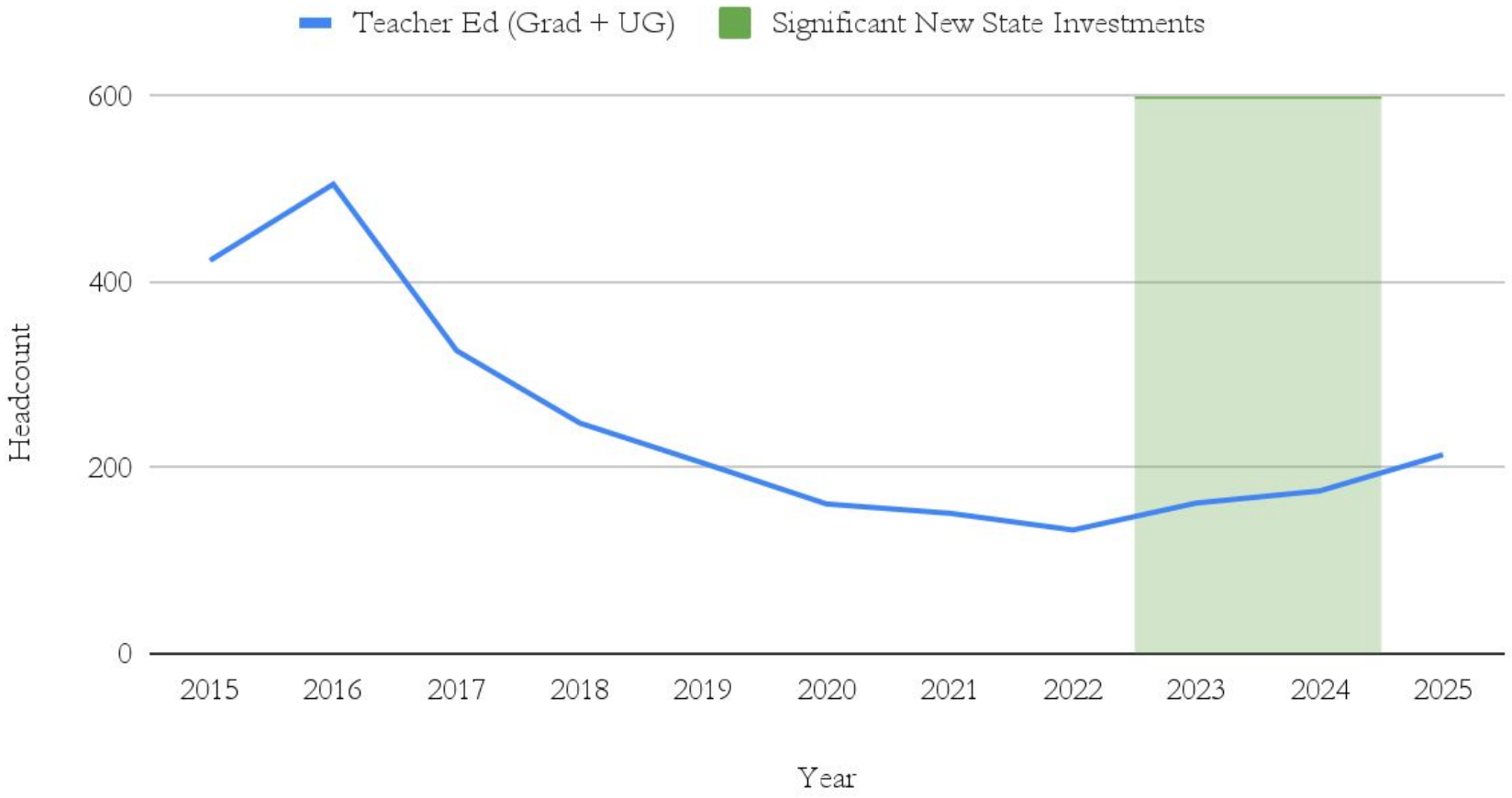
Total Undergraduate Enrollments and State Investments



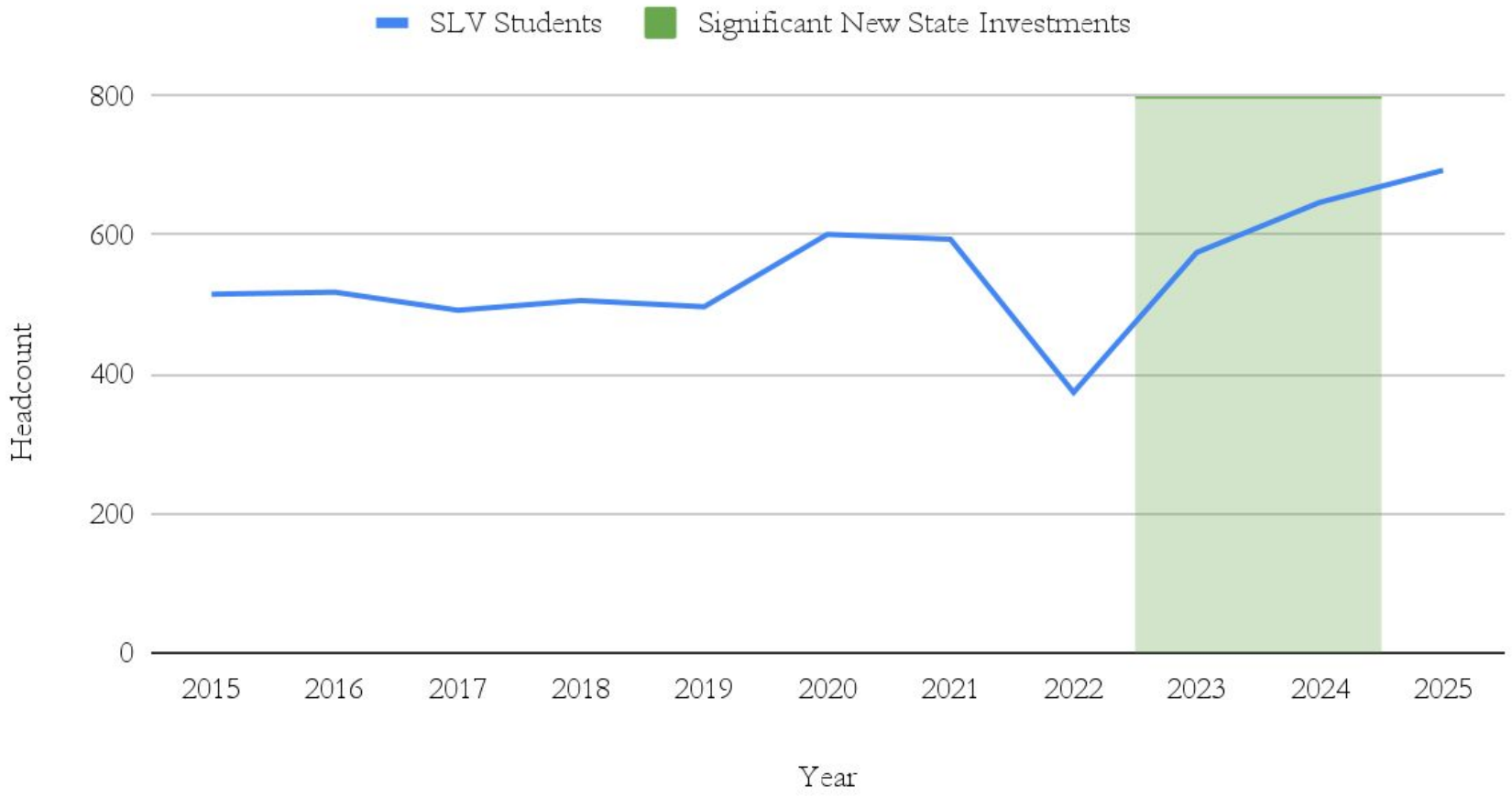
Pell Eligible Share and State Investments



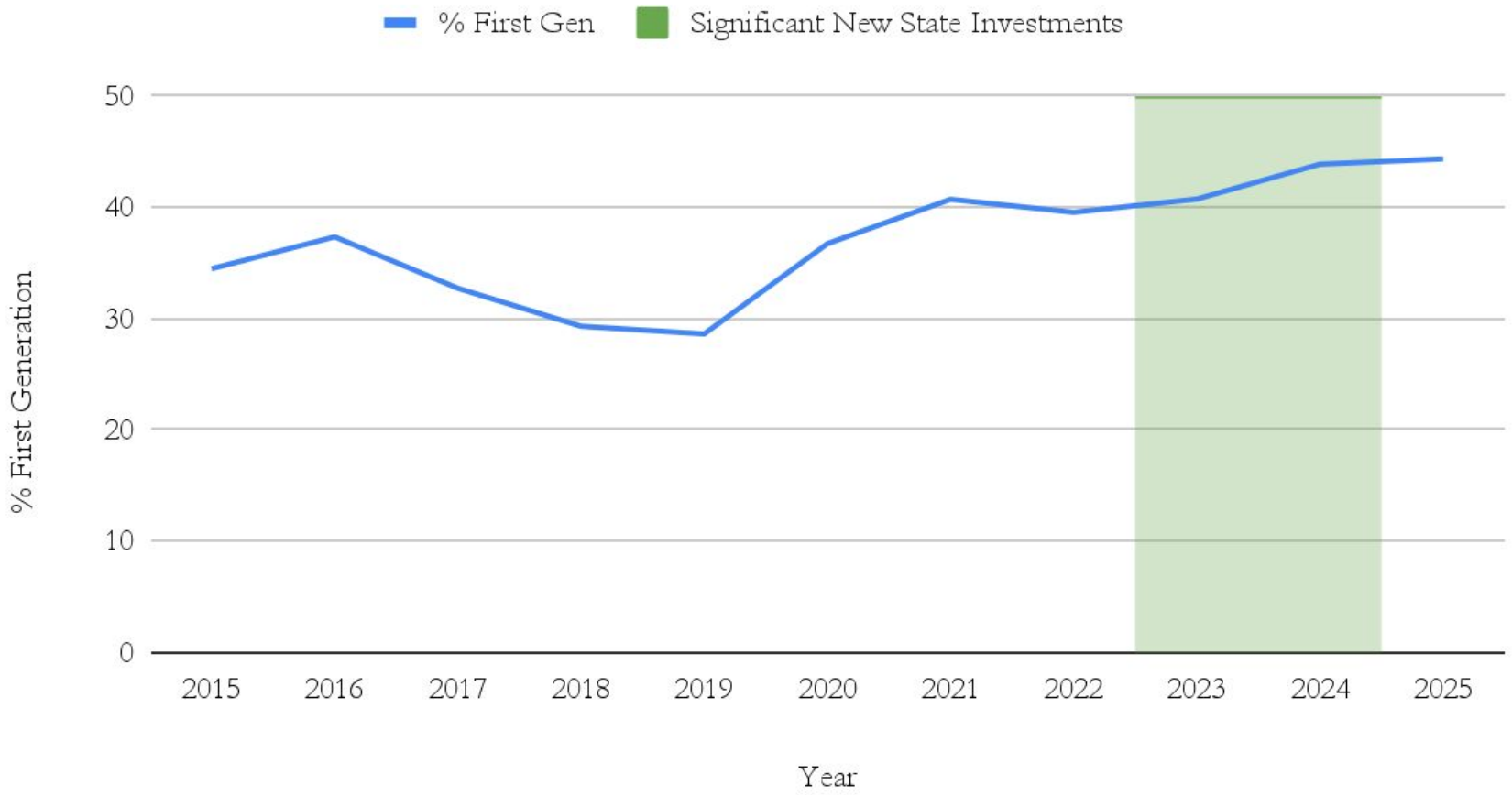
Teacher Education Enrollments and State Investments



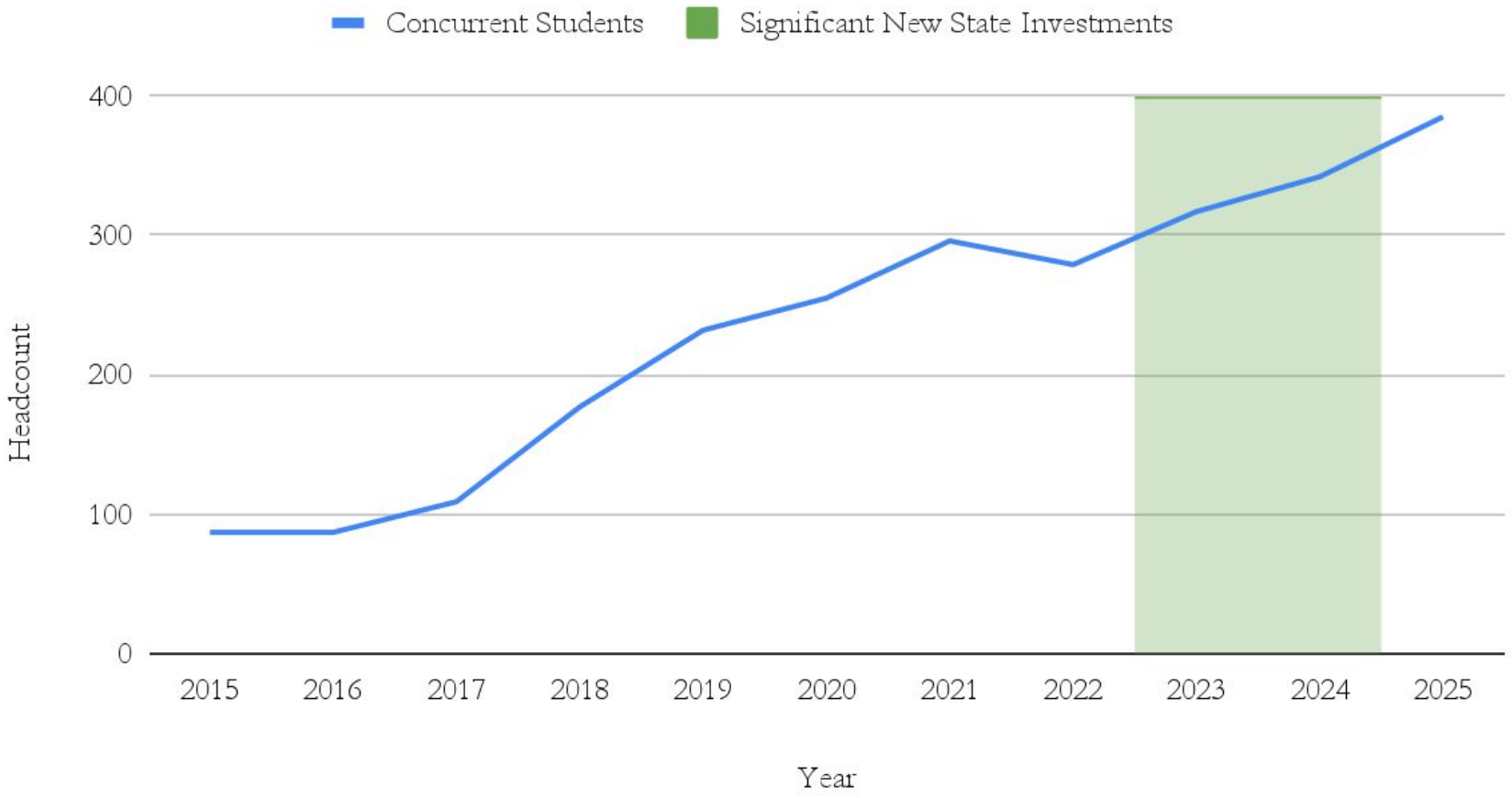
SLV Enrollments and State Investments



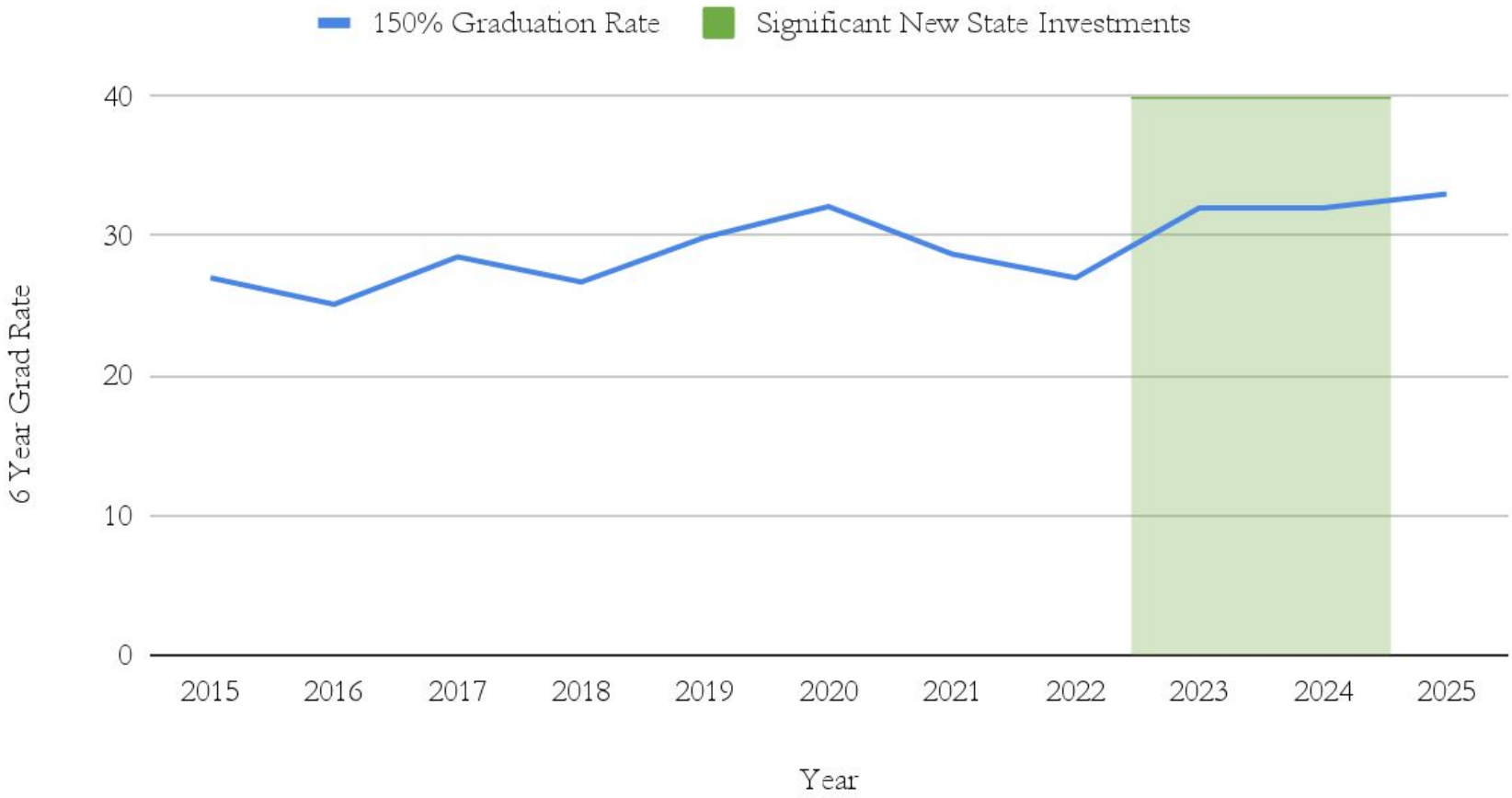
First Generation Share and State Investments



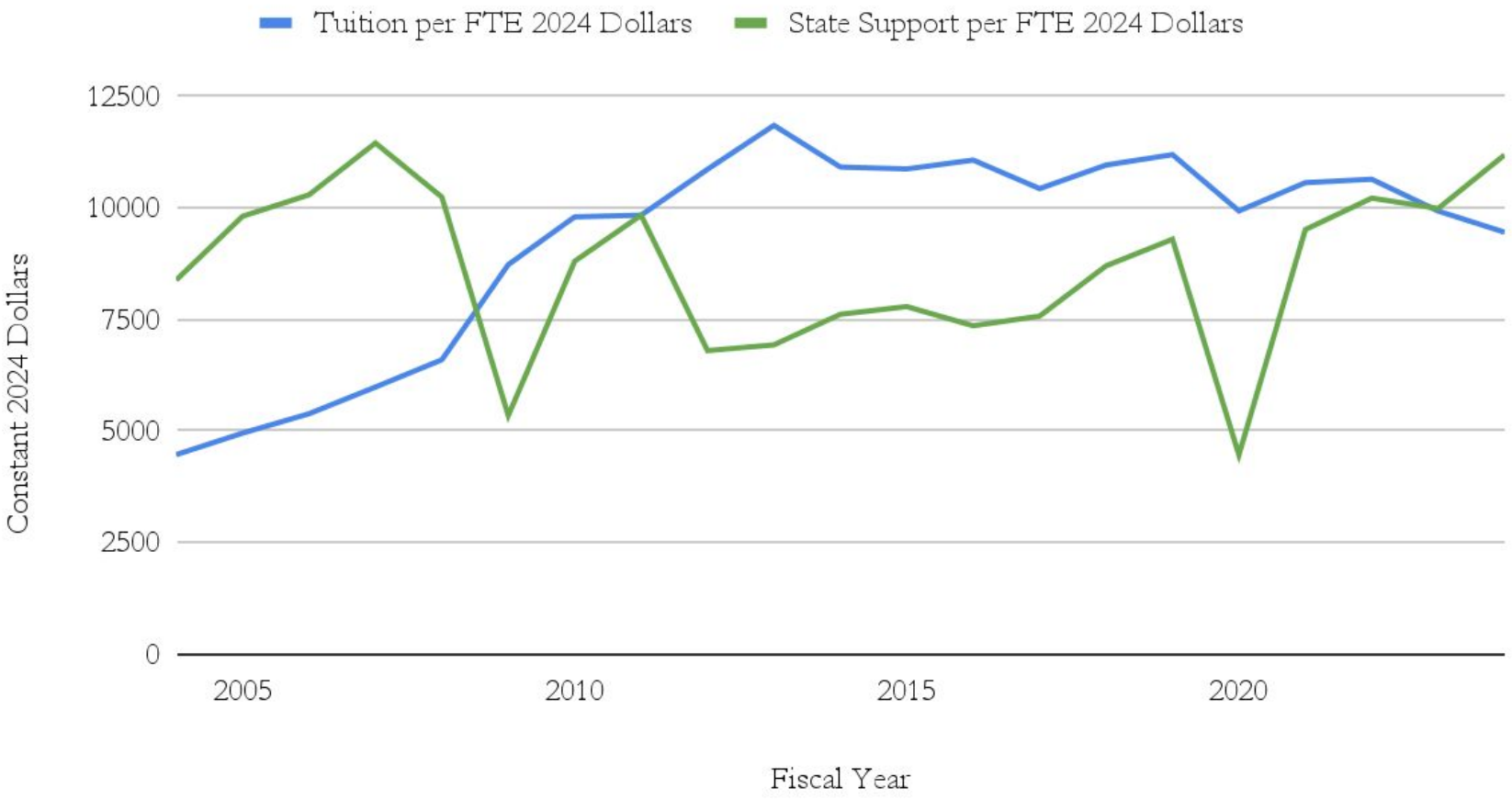
Concurrent Enrollments and State Investments



Adams State 6-Year Graduation Rate and State Investments



Tuition and State Support per FTE



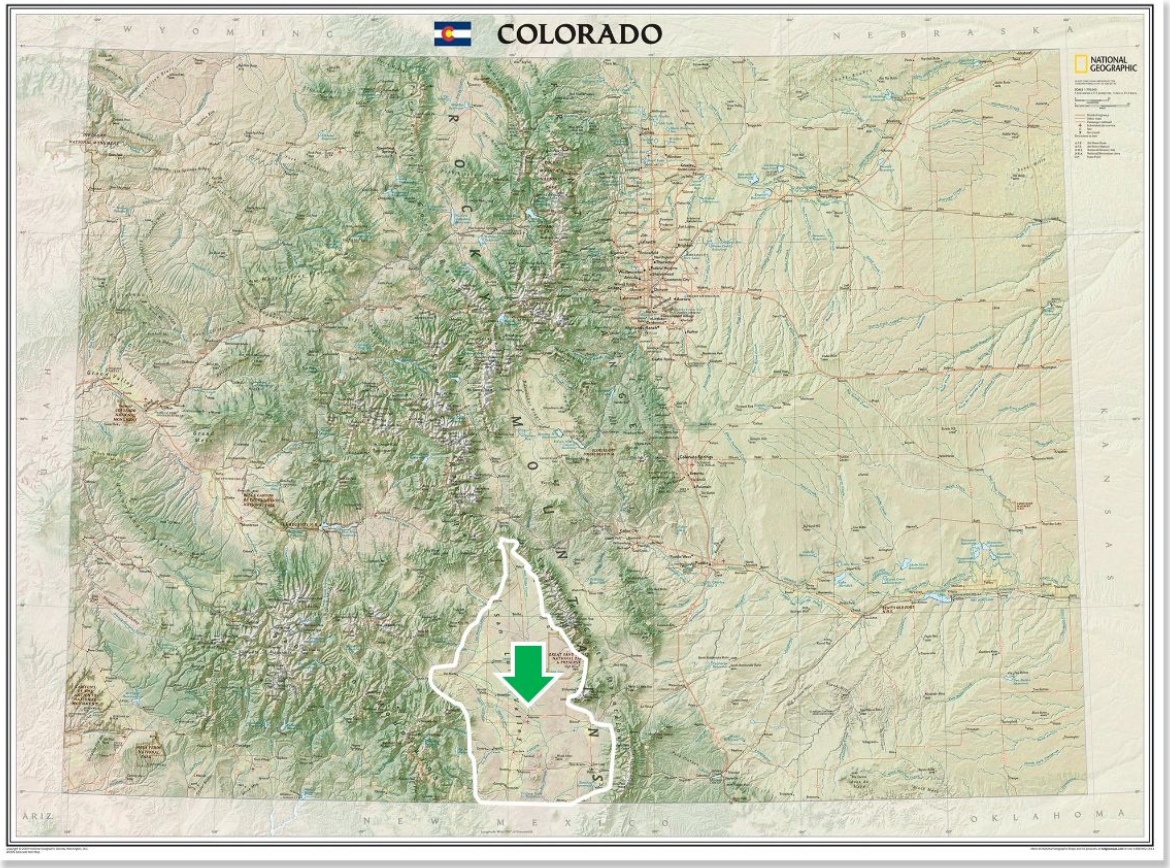
We Can't Go Back

The San Luis Valley:

A Place Like No Other

Where Colorado Meets the Southwest

- 8000 square miles
- Surrounded by the Sangre de Cristo and San Juan Mountain Ranges
- Headwaters of the Rio Grande
- First European settlements in Colorado



© BIG RIVER COLLECTIVE

Persons per Square Mile

San Luis Valley 5.6

Colorado 55.7

Colorado's population density is *10x greater* than the SLV

Hispanic Population

San Luis Valley 44.6%

Colorado 22.7%

Median Household Income

San Luis Valley $50,680

Colorado $92,470

SLV income is 54.8% of Colorado's

Poverty Rate

San Luis Valley 16.4%

Colorado 8.2%

SNAP Usage

San Luis Valley 23.3%

Colorado 10%

Medicaid

San Luis Valley 38.4%

Colorado 21.1%

© BIG RIVER COLLECTIVE

Educational Attainment*

San Luis Valley 21.6%

Colorado 35.9%

A 14.3 percentage point difference

***% of population 25-plus with a bachelor's degree or higher**

A Rural Anchor Institution:

Serving as a Steward of Place in the San Luis Valley

Deepening the Acequia Culture: Adams State's Impact

Annual Regional Economic Impact

- ~11% of Valley GDP
- 787 Jobs Created
- 356% ROI on State Investments

$107M

Annual Economic Impact

Deepening the Acequia Culture

A Vital Community Partner:

The Teacher Pipeline

- **73%** of Educators and Administrators are Adams State Alumni
- **+60.9%** Increase in School of Education Enrollments Since 2022

A Vital Community Partner:

The Healthcare Pipeline

- **<u>3 CONSECUTIVE YEARS:</u>**
  - **100%** Nursing Licensure Exam Pass Rate
- **Partnerships with Local Hospitals:**
  - **75%** of Nursing Graduates Employed at SLV Health
  - Cut Nursing Gap by **75%**

Deepening the Acequia Culture

A Vital Community Partner:

Convening the Valley Around Critical Issues

- Water and the environment
- Education
- Economic and business development
- Culture, art, and history
- Language preservation
- Current, and future, Valley-wide headwinds and ways to collaborate

Deepening the Acequia Culture

Our Students:

Our Next Great Stories

Writing New Great Stories

Enrollments and Success

- **1721** Undergraduate Students
  + 8.2% since 2022
- **1355** Graduate Students
  +6.9% since 2022
- **+22%** Graduation Rate since 2022

Steward of Place

Valley Enrollments

- 693 Undergraduate Students
  - 40.3% of total

Since 2022:

- **+85.3%** SLV Students
- **+38%** in Concurrent Enrollments

Colorado's Premier Hispanic Serving Institution

Majority Minority

- **58.7%** Students of Color
- **32.9%** Hispanic

Overcoming Structural Barriers

First Generation

- **44.3%** of students are First Generation
- **+21.3%** since 2022

Pell Eligible

- **55.5%** of students are Pell Eligible
- **+40.5%** since 2022

Our Greatest Story

Social Mobility

According to Raj Chetty *et al* (2020) we are the ***Best*** university in Colorado at generating upward social mobility

+$50,000 annual income

The Stories of the Acequia:

Rooted in Resilience,

Inspired by Gratitude,

Infinite through Support

Nick Pieper
Sophomore/Wildlife Biology
ADAMS STATE

Our Acequia Culture:
Bringing Life to Adams State and The Valley

Great Stories Begin Here

STATE FUNDING IS *CRITICAL* TO COLORADO'S SMALL RURAL FOUR-YEAR GOVERNING BOARDS

THE CHALLENGE: DEPENDENCY & IMPACT

We are **MORE DEPENDENT** on state investment in higher education than other public institutions in Colorado.

CUTS to the three small rural four-year governing boards would have a **DRAMATIC IMPACT** on meeting student needs for access, affordability, and success.

THE ASK: STRATEGIC INVESTMENT

We support the Collective Ask for state investment to meet **CORE MINIMUM COST** increases, similar to the automatic adjustments other state agencies receive.

If the State is unable to meet that need, we ask that the JBC ensure the three small rural four-year governing boards receive a minimum of the average percentage increase of the other public institutions.

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.

University of Colorado System Reponses

Institution Funding (for discussion)

Governor's Request, Classified Staff, and Institution Funding

2. [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.

Of CU's almost 25,000 employee FTEs, 1,162, or 4.6%, are classified staff. Per the WINS agreement, classified staff will receive a compensation increase of 3.1% in FY 2026-27 and the step adjustment is anticipated to cost employers an additional 0.4%. At CU, the E&G share of this total classified staff increase in compensation, and associated expenses, will cost approximately $2.5 million. Based on the Governor's request, CDHE R-1, CU's total increase from state funding allocated through the funding formula is approximately $2.7 million. Importantly, this does not reflect the reality of covering the additional cost of compensation increases for the remaining 95.4% of CU's employees in a manner consistent with the classified employee increase.

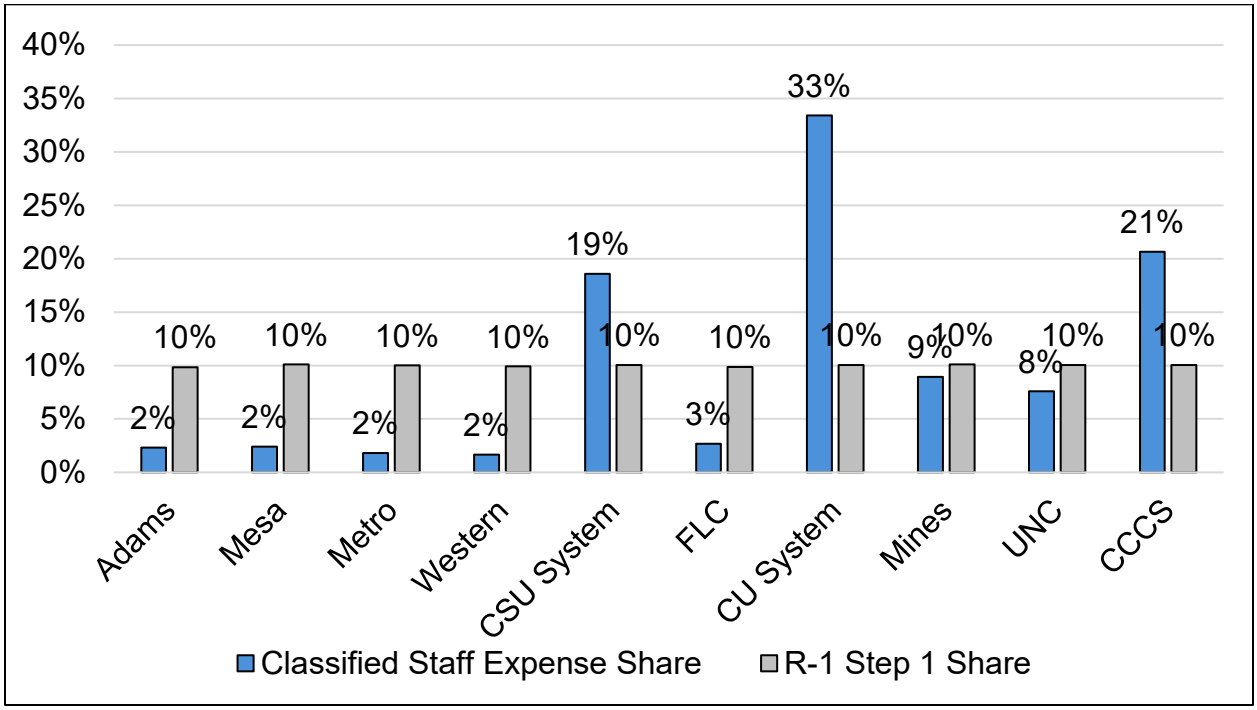
The estimated cost to provide equivalent compensation adjustments for ~23,300 non-classified employees in FY 2026-27 is $27.4 million. The University strives to provide equivalent compensation adjustments to classified and non-classified employees, but

the ability to provide the same increase to non-classified employees as classified staff directly correlates to state funding and revenue from tuition.

In addition to the direct cost of implementing the WINS agreement, there will also be costs to address equity issues created among non-classified staff when they are in the same or similar positions as classified staff. These positions include, but are not limited to: accountants, cashiers, campus police, and facilities, custodial, and grounds staff. There will also be compression issues created among classified and non-classified staff supervisors of affected employees.

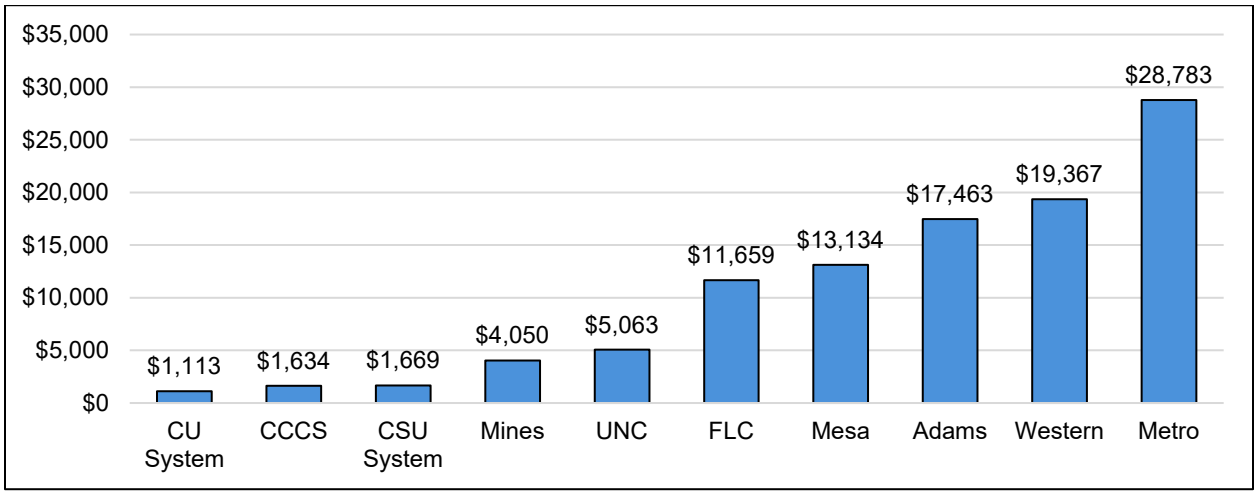
It is important to point out that the Governor's request through R-1 uses the funding model in a way that allocates additional new funding though Step 1 in a manner where each governing board gets approximately the same dollar amount and share of the new funding requested in FY 2026-27, with no consideration of classified salary expense. Figure 1 below shows the difference between the R-1 allocation and the share of classified expenses by governing board.

Figure 1: Percent Shares
Classified Staff Expense Share vs. R-1 Step 1 Request



Additionally, the R-1 Step 1 model distribution is disproportionate to the number of classified staff employed at each institution. Figure 2 shows the R-1 Step 1 funding request divided by the number of classified staff at each IHE. This results in a variance of the highest funded institution receiving more than twenty-five times the amount of funding of the lowest funded institution, on a per classified employee basis.

Figure 2: R-1 Step 1 Funding Request per Classified Employee



Classified salary increases are a small share of total compensation. One of the primary components of pay for non-classified employees is reflected in the January 2026 institutions of higher education (IHE) base core minimum cost request (3.1% compensation increase for all employees). The Governor's request for every other state department includes a 3.1% salary increase for both classified and non-classified employees. However, for higher education, the Governor's request does not include an increase for non-classified IHE employees, including those at CU. This is discussed further in the response to question 6.

3. [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.

The Governor's request does not provide sufficient funding to address IHE base core minimum cost increases (see response #6); furthermore, the funding increase included in the Governor's higher education funding formula is inequitable on a per student basis.

Additionally, the LPFFS and other special purpose reductions included in the Governor's request (and the Governor's FY 2025-26 balancing plan) jeopardize the continuity of important programs that benefit the state of Colorado.

a. Funding formula

CU supports the budget agreement points as described in the January 2026 letter to the JBC and does not agree with the allocation proposed in R-1. As discussed in detail in the response #6, the amount of funding included in the Governor's request falls far short of the amount needed to address base core minimum cost increases at CU for FY 2026-27.

b. LPFFS reductions and other special purpose reductions

The Governor's FY 2025-26 balancing plan and FY 2026-27 request make cuts to LPFFS and special purpose programs at all four CU campuses. The cuts are shown in Table 1 and described below.

Table 1: Cuts to CU's Budget Included in Governor's FY 2025-26 Balancing Plan and FY 2026-27 Request
-$5.3 million Total Cut

Campus		Program	FY 2025-26	FY 2026-27
R-06 LPFFS Reductions				
1	Anschutz	Colorado Rural Healthcare Workforce	(242,500)	(242,500)
2	UCCS	Colorado Rural Healthcare Workforce	(32,500)	(32,500)
3	UCCS	Cyber Coding Cryptology	(700,000)	(700,000)
Special Purpose Reductions (R-08 Previously Requested Reductions)				
4	Denver UCCS	NP-01 Reduce Teacher Mentor Grants	0	TBD
5	Boulder	NP-03 Reduce Limited Gaming Transfer to CHECRA*	0	(1,381,000)
Other Reductions (R-09 Decisions on MTCF Adjustments)				
6	Anschutz	NP-09 MTCF Balancing NP-09	0	(2,000,000)
		Totals	**($975,000)**	**($4,356,000)**

*#5, NP-03 calculated based on 2024 actuals reported in March 2025 report: https://cdhe.colorado.gov/sites/highered/files/02282025_CHECRA%20Report.pdf

Note: Supporting Educator Workforce (SB 21-085) is scheduled to sunset in FY 2026-27, so the Governor's cut is not included above.

1. CU Anschutz – Rural Healthcare Workforce (SB 22-172 and SB 24-221)

The Rural Health-Care Workforce Initiative (CORHWI) was established to expand the number of health-care professionals practicing in rural or frontier counties. The Rural Program Office is housed at CU Anschutz and provides reporting and institutional support for IHEs operating a rural track. SB 24-221 continued funding for the program in FY 2024-25, with roll-forward spending authority through FY 2025-26. The Governor's balancing plan eliminated -$242,500 in FY 2025-26 and CDHE R-06 proposes elimination of the remaining -$242,500 of program funding for FY 2026-27 and states, "CU could continue to provide technical assistance through the Rural Office to participating initiative institutions instead of through state support." This statement is inaccurate because there isn't an alternative funding source to maintain the program. The CORHWI supports the work of 15 new or established "rural tracks" in institutions of higher learning across Colorado. These institutions train students to become nurses, physicians, physician assistants, dentists, public health professionals, and behavioral health professionals with the goal that many graduates will locate in rural and frontier counties. State funding supports direct-to-student aid in the form of scholarships and rural housing assistance and faculty salaries for teaching in the program.

2. UCCS – Rural Healthcare Workforce (SB 22-172 and SB 24-221)

The Rural Health-Care Workforce Initiative (CORHWI) was established to expand the number of health-care professionals practicing in rural or frontier counties. SB 24-221 continued funding for the program in FY 2024-25, with roll-forward spending authority through FY 2025-26. The Governor's balancing plan eliminated -$32,500 in FY 2025-26 and CDHE R-06 proposes elimination of the remaining -$32,500 of program funding for FY 2026-27. The proposed cut will eliminate state funding support for direct-to-student aid for at least seven low-income students. Eliminating state support is expected to reduce the number of students with need who graduate from nursing programs and go on to practice in rural areas, particularly in Southern Colorado, further exacerbating the shortage of healthcare providers in rural areas of the state.

3. UCCS – Cyber Coding Cryptology for State Record (SB 18-086)

The cybersecurity initiative at UCCS supports scholarships, student internships, and faculty positions. In 2024, the most recent reporting available, state funding supported 460 scholarships ($689,000), 14 faculty, and 30 student internships. Additionally, in AY 2023-24 the campus gave 126 presentations on cybersecurity and awarded 366 cyber degrees and certificates. State support was used to leverage $1.5 million in new matching funds and grants. Enrollment in cybersecurity programs, currently available in

five of six of UCCS' colleges, has grown 42.3% since Spring 2020 (through AY 2025), while overall enrollment at UCCS declined over the same period.

The Governor's balancing plan eliminated -$700,000 in FY 2025-26 and CDHE R-06 proposes elimination of the remaining -$700,000 of program funding for FY 2026-27. CDHE R-06 proposes elimination of all program funding noting, "now that the program has been established and the equipment and facility resources have been dedicated, institutions seeing benefits from the program can maintain it through existing resources." This statement is inaccurate because there is no alternative funding source to provide the scholarships and faculty support that have made this program successful.

Eliminating funding will have a negative impact on program enrollment, retention, and graduation rates. As part of the FY 2026-27 planning process, the campus will reassess the sustainability of continuing to fund these programs. Because the state funding supports on-going program expenses and not one-time fixed costs, eliminating the funding will eliminate the activities funded by these dollars, negatively impacting the state's cybersecurity initiatives for years to come. More importantly, this funding supports national security through advanced research and trains students to meet the state's growing cybersecurity workforce demands.

4. CU Denver and UCCS – Reduce Teacher Mentor Grants (SB 19-190)

The Teacher Mentor Grant program trains and pays experienced teachers to mentor new educators through partnerships between state colleges and universities and school districts. The program is intended to address teacher shortages in rural areas. There are five participating state colleges and universities, including CU Denver and UCCS. As detailed in the 12/15/2025 JBC staff briefing, *"Between 2021 and 2024, the five programs have collectively trained about 250 new mentors across the state and estimate that over 500 early career mentees have been served by their mentors."* CDHE NP-01 proposes cutting program funding by -$300,000, or half of the total program funding for FY 2026-27, which will significantly reduce the number of people served by the program.

CU Denver offers teacher mentor grants through the Mentoring for Excellence in Equity Grant (MEEG). The MEEG program trains mentor teachers to become leaders. Participants earn a CDE Mentor Teacher Added Endorsement, often through graduate credits. CU Denver has produced the most mentors and served the most mentees in the life of the state's SB 19-190 program across the dozens of schools that are a part of their partner school network.

UCCS trained its first mentors under the program in AY 2023-24. The campus is working to gather retention data for is initial mentor cohorts to determine the program's impact.

To date, the participants of the program at CU Denver and UCCS have reported high value and support through the mentoring process.

5. CU Boulder – Reduce Limited Gaming Transfer for CHECRA

CHECRA, established in 2008, provides a state cost share for IHE federal research funding proposals, totaling $2.1 million annually from the Limited Gaming Cash Fund. CDHE NP-03 proposes eliminating support from the Limited Gaming Cash fund for the program.

On average, CU receives $1.0 million per year in matching funds from CHECRA. These funds have helped the campus and the state secure millions of dollars in federal grant funding, such as the $20.0 million National Quantum Nanofab award (which supports the construction of a new research facility and Colorado's rapidly growing quantum economy and workforce needs), and the $8.0 million Advancing Sustainability through Powered Infrastructure for Roadway Electrification award.

Commitments from CHECRA are critical to demonstrating state support for research funding proposals. Furthermore, state fiscal support is often a requirement of the funding proposals, particularly for National Science Foundation grants. According to a white paper published by CHECRA in 2023, the projects supported by the authority had an estimated 1:32 direct economic benefit to the state. Discontinuing the source of funding for CHECRA would eliminate a crucial tool used by research universities to seek federal support for research funding proposals. The elimination of this funding source would have a negative economic impact on the research IHEs and the state.

6. CU Anschutz – MTCF Balancing (HB 21-1317)

HB 21-1317 directed the Colorado School of Public Health at CU Anschutz to:

- Conduct a systematic review of research on the physical and mental health effects of high-potency THC marijuana and concentrates;
- Establish a scientific review council to make recommendations to the Colorado General Assembly about evidence-based regulatory changes and funding of additional research; and

- Create a public education campaign on the health effects of high-potency THC marijuana.

Following passage of the bill, the School of Public Health established the Colorado Cannabis Education, Research & Policy Project team (CO-CERP). Through the CO-CERP, the team researches how cannabis affects health, develops and shares policy insights, and works to ensure Coloradans stay informed with clear, evidence-based information through active outreach and public awareness. Work funded through HB 21-1317 has leveraged the public health research, academic and implementation expertise at all three affiliated institutions (CU, CSU, and UNC). More than 12 researchers and staff are currently funded through these state dollars. Cuts would not only jeopardize these positions, but doing so would cease critical research and education efforts already underway.

Colorado has become a national leader in cannabis policy, research, and public education because of this program. Eliminating funding could erode that leadership and the state's competitive advantage in this space. As states like Rhode Island, New York, and Hawaii seek to engage Colorado for its thought leadership in this area, suspending funding would diminish our school's capacity to continue to inform state efforts and bring our expertise to the national landscape.

In addition to the body of scientific research generated through this funding, the public awareness campaign has reached millions of Coloradans, outperforming older, more robustly funded programs like Good to Know, Responsibility Grows Here, and DARE, in engagement and information.

CO-CERP regularly reports its findings to the General Assembly. The FY 2024-25 annual report and 2025 legislative briefing document can be found here: CO-CERP Project. NP-09 proposes eliminating support for this program.

c. Current year reductions included in the Governor's Executive Order and Department supplemental requests

The FY 2025-26 Governor's balancing plan resulted in -$4.6 million in cuts across the four CU campuses. The balancing plan included cuts made through the funding formula (-$2.6 million, or -30.4%) and cuts made to programs funded through LPFFS (-$1.8 million, or -50.0%). For individual campuses, the total cut amounts ranged from -$0.9 million to -$2.1 million.

Each CU campus treated the funding formula reductions in a different manner based on their circumstances. The CU Anschutz campus continued a hiring chill and travel restrictions put in place earlier in the year in anticipation of financial challenges at the

federal level. Other campuses treated these as one-time reductions, but the November request annualized the reduction into FY 2026-27, which will have an ongoing negative impact on the ability of CU to cover additional expenses headed into the coming year. The ongoing nature of these cuts will require additional balancing as the campuses develop their budgets for next year with less revenue. Finally, as discussed in the prior section, the cuts to the LPFFS programs, including those made through the Governor's balancing plan, have put most of these programs at risk of termination.

4. [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.

CU supports identifying the FY 2026-27 base core minimum costs as outlined in the letter and covering those expenses through a combination of state funding and tuition rate increases. CU supports using the performance section of the model (currently Step 2) to distribute all available state funding and is in alignment with the agreement points accompanying the letter.

CCHE Funding Formula Recommendations (for discussion)

CCHE Funding Formula Recommendations

5. [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.

CU supports the architecture of the current funding formula. The CCHE recommended changes to the model preserve the core mechanics and architecture of the model and are broken into two sections: (1) Structure and Naming Conventions and (2) Data Sources and Definitions. CU is generally comfortable with the changes outlined in both sections, but would like to note that recommendation 12, "Include Consideration of Part-Time Student Retention in the Retention Rate" is challenging. This recommendation would be difficult to implement due to its complexity, and CU cautions policy makers about this change. The funding formula recommendations also encourage that model changes be made in statute to keep it simple. CU supports any statutory changes to the model being run through the Joint Budget Committee as a committee bill.

Additionally, the use of data in SURDs is appropriate, but policy makers should consider how to make data more transparent between the IHEs and the Department of Higher

Education, meaning data sharing should be a two-way street. If IHEs provide data on the institutions' own students to the Department, then IHEs should have access to student data in a de-identified way, in order to conduct analyses that can help the IHEs fulfill their statutory role and mission of serving and educating students.

CU had robust participation in the stakeholder meetings, but did not have an opportunity, and is not aware of any opportunity provided to other IHEs, to review the recommendations that the CCHE had developed until they were finalized and submitted.

General Factors (for discussion)

General Factors

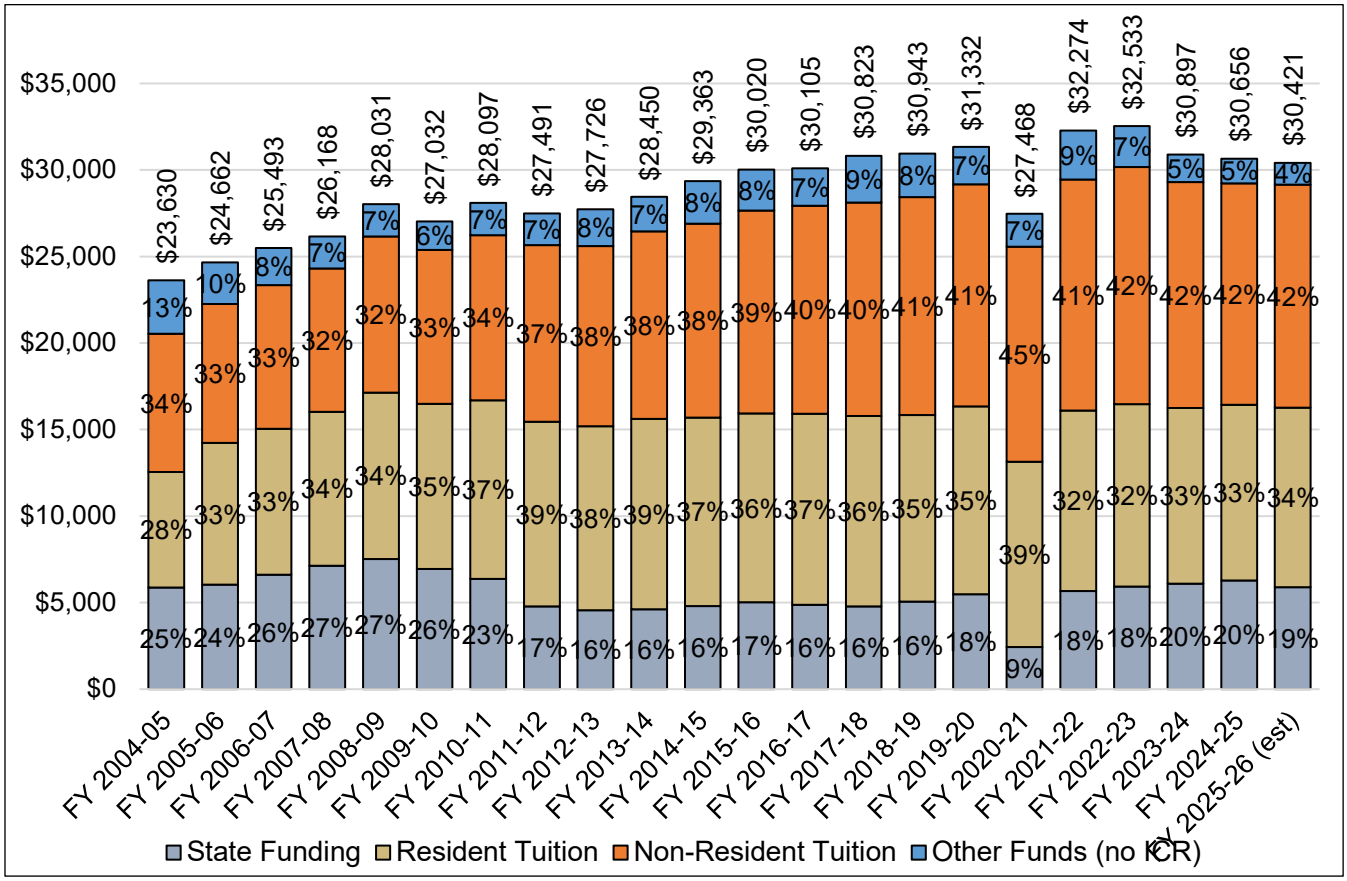
6. [Rep. Brown] Please provide data points for your institution's changes in revenue and cost relative to enrollment since FY 2004-05. Please describe the factors that contributed to revenue and cost change since FY 2004-05.

At the University of Colorado, the focus is to offer an excellent education and meet the needs of all students, while keeping costs affordable for Colorado students. Continued investment in public higher education is critical in order to keep resident tuition in check and to continue making progress toward meeting the state's workforce demand. CU spends the largest percentage of its operating (E&G) budget on instruction and student services. The remainder goes to things like facilities, maintenance, and institutional support.

a. Changes in revenue and cost relative to enrollment since FY 2004-05

Figure 3 illustrates education and general (E&G) revenue, by major revenue categories, per student FTE at CU from FY 2004-05 to present day in 2024 dollars. After adjusting for inflation, the revenue sources per SFTE have shifted. At CU, tuition revenue makes up the majority of E&G funding. In FY 2004-05, 62 percent of CU's revenue was generated through tuition. Tuition revenue as a share of total revenue has increased over time to approximately 76 percent of revenue in FY 2025-26. At the same time, state funding as a share of E&G revenue at CU has decreased from 25 percent to 19 percent of total revenue. The cost per student FTE rate has increased over this time period as student need and higher education has evolved.

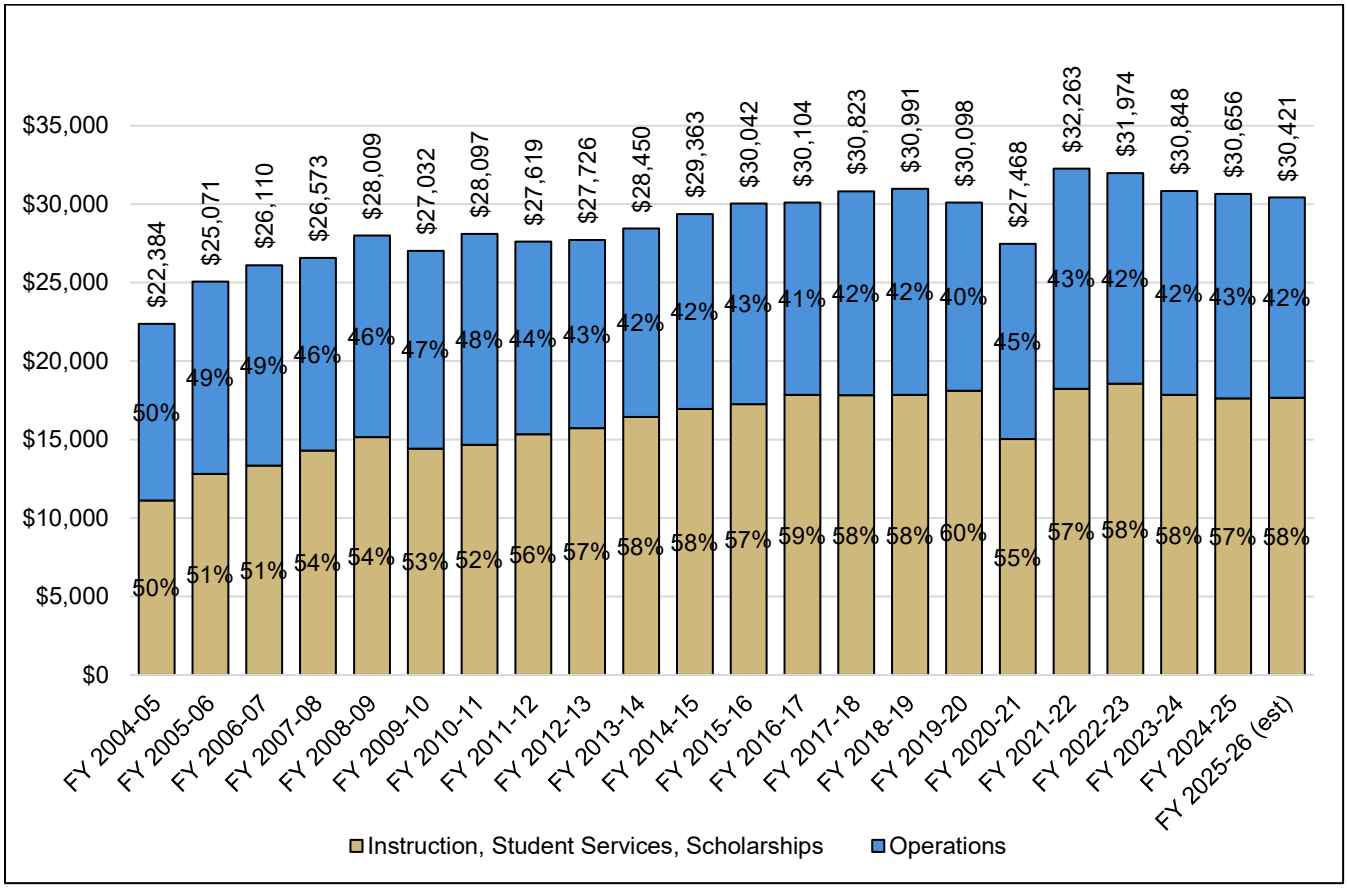
Figure 3: CU System Revenue per SFTE (in 2024 dollars)



Source: Budget Data Books, excluding ICR

The change in cost per student FTE between FY 2004-05 and present day is shown in Figure 4. Over time, costs for instruction, student services, and scholarships has grown to represent a larger share of the expense than operating costs.

Figure 4: CU System Expenses per SFTE (in 2024 dollars)



Source: Budget Data Books

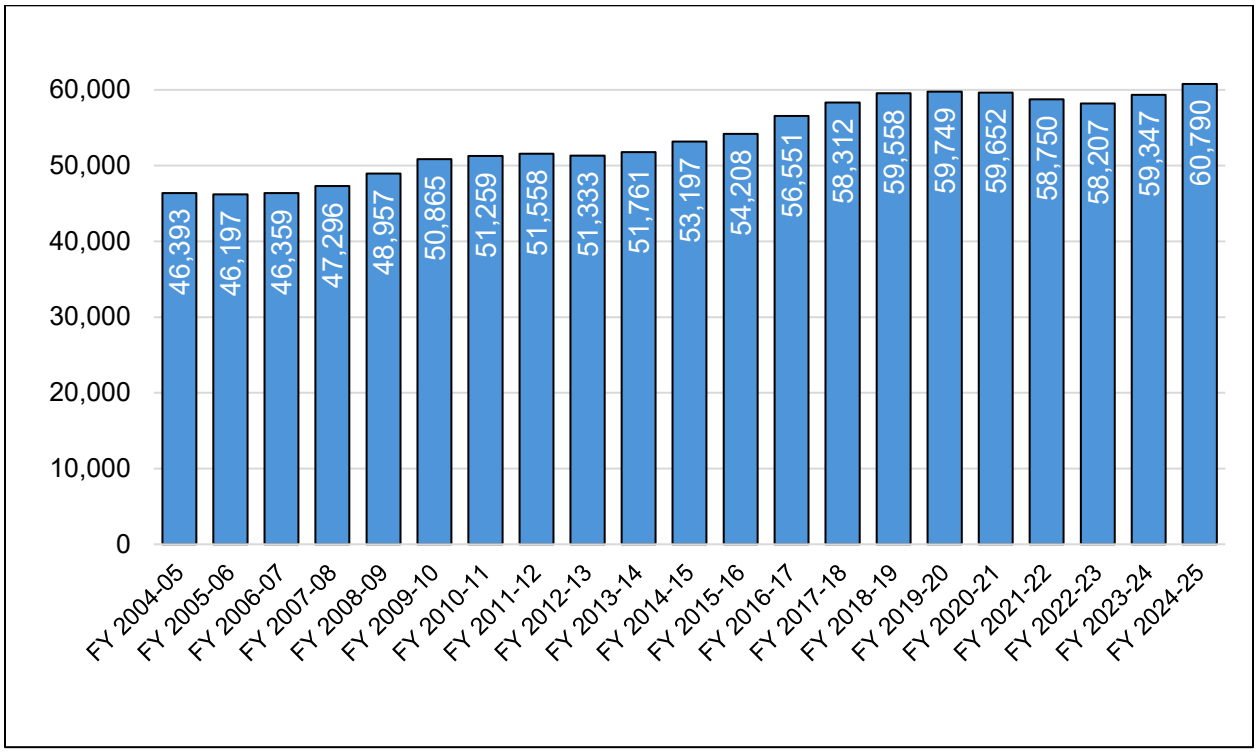
b. Factors that contributed to revenue and cost change since FY 2004-05

A number of factors have contributed to revenue and cost changes since FY 2004-05, including changes to enrollment; state funding support; student support services; operational expenses; the types of degree programs students pursue; and inflationary cost increases necessary to support CU's workforce.

Enrollment

The University of Colorado's enrollment (based on student full-time equivalents or SFTE) has increased by approximately 31 percent between FY 2004-05 and FY 2024-25, as illustrated in Figure 5. Additionally, CU's year-over-year fall census head count between FY 2024-25 to the current FY 2025-26 is increasing by 2.4 percent. As enrollment has increased at CU, there has been an increase in both revenue due to increased tuition revenue and a corresponding increase in costs related to the services needed to provide instruction, student services, and scholarships to additional students.

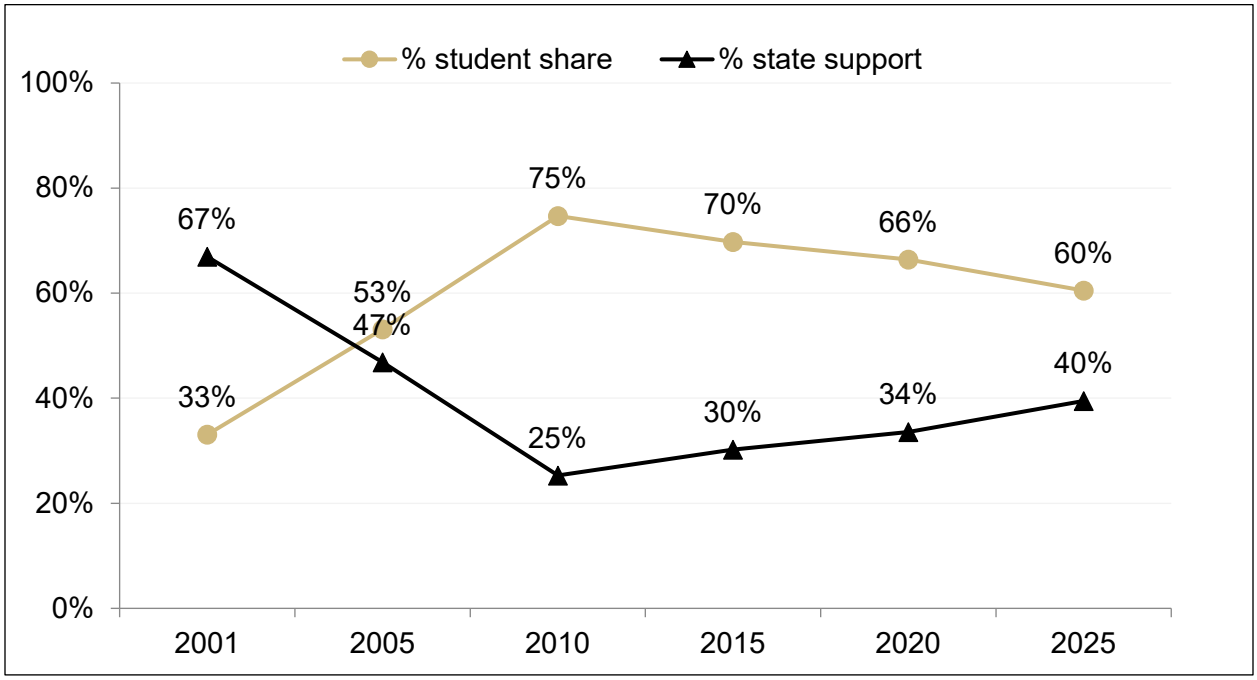
Figure 5: CU System SFTE Enrollment Over Time



State Funding Support

State funding per resident student at CU has declined over the past two decades. CU appreciates the efforts that the committee and the state have made in recent years to address the decline in state support; however, consistent, predictable state support is required to keep tuition in check. Figure 6 illustrates the change in state support over time. It shows the change since FY 2000-01, rather than FY 2004-05, because this time frame better illustrates the shift in a resident student's share of the cost of tuition vs. the state's share of the cost of resident tuition, relative to when Amendment 23 was passed supporting public K-12 in higher education.

Figure 6: History of CU State Funding and Resident Tuition Revenue



Additionally, from FY 2000-01 to FY 2025-26, Colorado resident students attending CU have seen a reduction in state funding of over 37 percent from $13,888 to $8,739 (after adjusting for inflation). This decline in state support has been one of the primary drivers of tuition rate increases over time.

Student Support Services

The demand for the types of services students require has changed since FY 2004-05. Specifically, the demand for mental health and wellness services has grown significantly over the last decade. Mental health services are now available online, over the phone, in person, and virtually. For instance, the TELUS Health App used by the CU Denver and CU Anschutz campuses provides 24/7 counseling services via video, phone, or text. Additionally, student advising has been enhanced to support students while in school and career services have been further developed to support students as they enter the workforce.

Operational Expenses

Operational expenses continue to increase to keep pace with new technologies and the cost of software updates. Additionally, new reporting requirements, such as the federal regulatory changes to Title IV and Title IX continue to drive additional resources in order

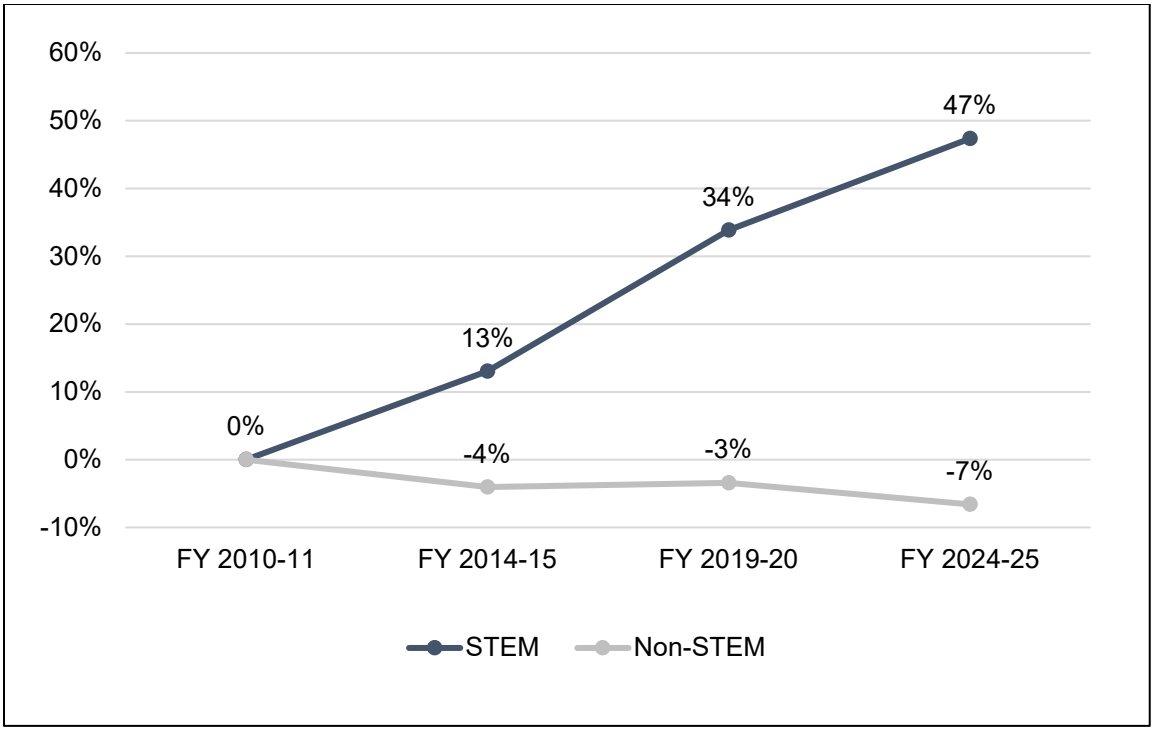
to keep up with expanded reporting and compliance requirements. Finally, the cost of maintaining aging infrastructure continues to increase faster than CU and the state can invest in deferred maintenance. CU has a deferred maintenance backlog of $1.6 billion across all four campuses.

Degree Programs

Since FY 2005-25, the higher education landscape has evolved to meet student and workforce demand. Degree programs have become more aligned with the needs of the workforce. The 2025 Talent Pipeline Report indicates that 92 percent of Tier 1 top jobs will require a Bachelor's degree or higher in the next ten years. Many of the Tier 1 top jobs are in STEM fields.

At CU, one of contributing factors to increased cost/revenue is tied to the shift in enrollment into STEM majors as shown in Figure 7. The cost to educate a student in a STEM field is more expensive than a non-STEM field.

Figure 7: Percent Change in STEM and Non-STEM Majors



Source: CU System Enrollment, degree-seeking only, all credit hours, STEM determination based on ICE and NSF program codes; From 2011 to 2025, majors in STEM fields grew 47%, non-STEM declined 7%

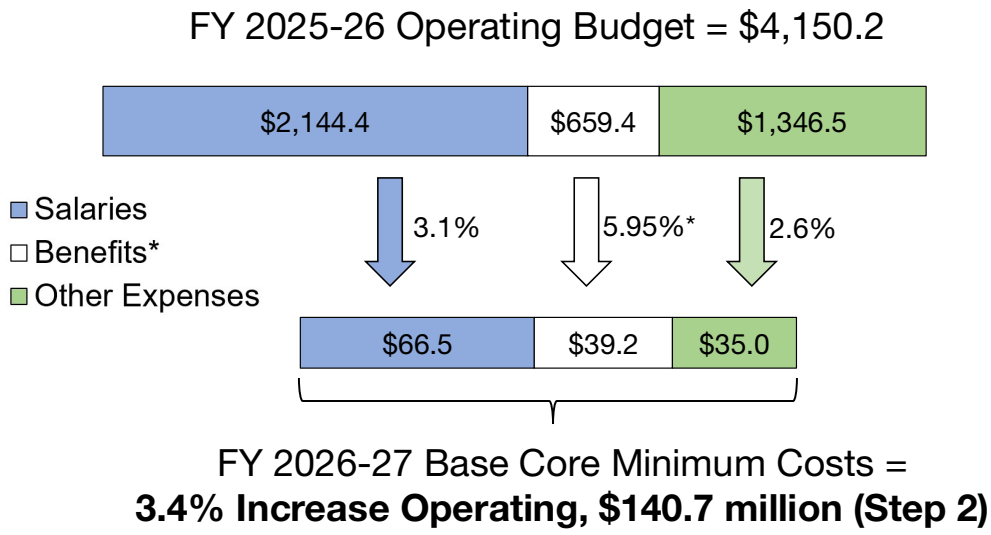
Inflationary Cost Increases and IHE Request for FY 2026-27 Base Core Minimum Cost Increase

Costs have also increased since FY 2004-05 to support CU's workforce. It takes people to educate people. CU employs almost 25,000 FTE. While CU believes in keeping costs in check for its students, it also believes in supporting its workforce through annual compensation and benefit increases to keep pace with inflation and recognizing talent.

In order to keep up with annual inflationary cost increases, the University collaborated with other IHEs to identify the base core minimum cost increase needed for FY 2026-27. These costs are consistent with the common policy cost increases that are included in the Governor's request for other state departments in FY 2026-27.

The FY 2026-27 base minimum core need for all of the institutions of higher education is estimated to cost $140.7 million. This is illustrated in Figure 8.

Figure 8: **FY 2026-27 Base Core Minimum Costs**



Note: Figures from revised FY 2025-26 base after mid-year cut to IHEs.

*Benefits = 5.95% blended rate (10.0% for HLD, 3.1% for associated salary benefits, and 2.6% for other benefits.)

This estimate assumes a 3.1% increase in salary for *all* employees, in line with the WINS agreement, health life dental (HLD) increases included in the Governor's request, and other inflationary expenses (i.e. software licenses, utilities, etc.) also included in the Governor's request. If any of these common policy assumptions change, the higher

education base core minimum cost calculations would be adjusted to reflect the adopted common policies.

If the JBC would like to keep resident tuition rate changes at inflation (2.6%, OSPB reported CPI from December 2025 Revenue Forecast), it would result in the need for $75.7 million General Fund ($61.2 million operating and $14.5 million financial aid). The interaction of state funding and resident tuition is illustrated in Figure 9.

Figure 9: Statewide Higher Education Base Core Minimum Costs
State Funding and Resident Tuition Interaction

1	Base Core Minimum Costs		$140.7	$140.7	$140.7	$140.7	$140.7	$140.7	$140.7
2	Resident Tuition Rates (Non-resident at CPI)	Resident	0.0%	1.0%	2.0%	2.6%	3.0%	4.0%	5.0%
3		Non-Resident	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
4		Dollar Amount	$41.1	$56.8	$72.5	$82.0	$88.3	$104.0	$119.8
5	Statutorily Required Increase for SEPs		$4.3	$3.6	$2.9	$2.5	$2.2	$1.6	$0.9
6	Total State Funding IHEs	Percent	8.3%	6.9%	5.6%	4.9%	4.3%	3.0%	1.7%
7		Dollar Amount	$103.9	$87.5	$71.1	$61.2	$54.7	$38.3	$21.8
8	Statutorily Required Financial Aid Increase		$24.6	$20.7	$16.8	$14.5	$13.0	$9.1	$5.2
9	Total State Funding with Financial Aid		$128.5	$108.2	$87.9	$75.7	$67.6	$47.3	$27.0
10	Governor's Request State Funding IHEs		$13.5	$13.5	$13.5	$13.5	$13.5	$13.5	$13.5
11	Governor's Request Financial Aid		$3.4	$3.4	$3.4	$3.4	$3.4	$3.4	$3.4
12	Governor's Request (R-01) Total		$16.9	$16.9	$16.9	$16.9	$16.9	$16.9	$16.9
13	Funding Gap - State Funding IHEs		-$90.4	-$74.0	-$57.6	-$47.8	-$41.2	-$24.8	-$8.4
14	Funding Gap - Finanical Aid		-$21.2	-$17.3	-$13.4	-$11.1	-$9.5	-$5.6	-$1.7
15	Funding Gap - Total		-$111.6	-$91.3	-$71.0	-$58.8	-$50.7	-$30.4	-$10.1

The University of Colorado understands the state is facing significant budget pressures as a result of Medicaid caseload, new funding obligations from recent legislation and voter-approved ballot measures, as well as federal policy changes. If policy makers are not able to make the requested level of state investment in higher education, CU would respectfully ask that more tuition rate setting authority be provided in order to help cover base core minimum costs. Note, however, that there are limits to how much additional revenue institutions will want to generate through tuition rate increases. It is unlikely that institutions would seek tuition rate increases up to a level to fully cover costs and will instead balance through a combination of tuition rate increases and budget cuts,

which harms affordability, compensation for employees, and the quality of education. Each governing board will ultimately determine what tuition rate increases would be appropriate for their institution. Depending on state funding levels, the University of Colorado would likely consider budget reductions to limit higher resident tuition rate increases.

Figure 9 also illustrates the difference between the Governor's November budget request versus the base core minimum request, and includes the expense from the statutorily required financial aid increase (rows 10-15). The total difference between the two requests, including state operating funds and financial aid, is approximately -$58.8 million (see row 15).

CU Base Core Minimum Cost Increase

As illustrated in Table 2, the University of Colorado systemwide combined E&G operating budget, which is primarily comprised of state funding and tuition, is approximately $1.76 billion in FY 2025-26. Just like any other state agency, CU has annual cost increases associated with common policy expenses, including salary, HLD, and other expenses (CPI). Assuming a 3.1% increase in salary (Governor's request), a 10.0% increase in HLD (Governor's request for health premium), and an inflationary increase of 2.6% (CPI from OSPB December 2025 Revenue Forecast), CU's anticipated base core minimum cost increase for FY 2026-27 is $61.0 million. The Governor's request is approximately $18.3 million short of CU's $61.0 million base core minimum cost (assuming a 2.6% resident and 3.0% non-resident tuition rate). Importantly, this shortfall does not reflect the other targeted cuts to some of the University of Colorado's campuses included in the Governor's request.

Table 2: University of Colorado Systemwide Base Core Minimum Costs

Base Expenses (in millions)	A	B	C = A * B
	FY 2025-26 E&G Expenses	% Increase	Estimated FY 2026-27 E&G Expense
Salary	$940.8	3.1%	$29.2
HLD	$314.6	10.0%	$18.7
Other Expenses (CPI)	$503.9	2.6%	$13.1
Base Core Minimum Costs	**$1,759.3**	**3.5%**	**$61.0**

Base Revenue (in millions)	D	E	F = D * E
	FY 2025-26 Tuition Revenue	Tuition Rate Assumption	Estimated FY 2026-27 Tuition Revenue
Resident Tuition	$627.9	2.6%	$16.3
Non-Resident Tuition	$789.5	3.0%	$23.7
Total Revenue	**$1,417.4**	**2.8%**	**$40.0**

C	F	G	H = C - F - G
CU's Estimated FY 2026-27 Base Core Minimum Cost	CU's Estimated FY 2026-27 Tuition Revenue	Governor's Request FY 2026-27 State Funding Increase	CU's Estimated FY 2026-27 Funding Gap
$61.0	$40.0	$2.7	$18.3

As shown above, CU is facing a total funding gap of approximately $18.3 million in FY 2026-27.

Department of Higher Education
Institutions of Higher Education

Colorado State University

FY 2026-27 Joint Budget Committee Hearing

Friday, January 9, 2026

1:00 p.m. – 2:20 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.

Colorado State University has 640.4 State Classified FTE funded in the Education & General (E&G) budget. Based on current statewide compensation policy assumptions, CSU estimates that approximately $1.8 million in additional E&G funding was required in FY 2025-26, with a $1.1 million increase estimated in FY 2026-27, to support State Classified compensation adjustments established through statewide policy. These adjustments represent mandatory compensation obligations for the institution.

For non-classified Administrative Professional and faculty employees, CSU works to provide compensation adjustments that are generally aligned with statewide compensation efforts and with compensation markets both regionally and nationally; however, these costs must be funded from institutional resources rather than dedicated state appropriations because state funding does not provide for the full core minimum costs each year. A 1% compensation increase for Administrative Professional and faculty employees results in approximately $5 million in additional annual ongoing cost,

and in recent years, compensation increases for these employees have typically been at or below 1% due to overall budget constraints.

Colorado State University Pueblo has 163 State Classified employees as of the start of fiscal year 2026 that are funded within the Education & General (E&G) budget. In FY26, a 2.5% increase was given to all State Classified personnel, equating to $180k in additional E&G cost. For FY27, a 3.1% increase for Classified personnel is estimated to cost an additional $240k.

For non-classified Administrative Professional and faculty employees, CSU Pueblo works to make market adjustments based upon state and national compensation data. Our ability to fund compensation adjustments for Administrative Professional and faculty employee groups will become more challenging based upon a tightening FY27 financial picture. A 1% in compensation for both Administrative Professional and faculty employee groups in FY27 would cost CSU Pueblo approximately $380k.

[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.

The Colorado State University System understands the fiscal headwinds that the State is facing. Further, we recognize that funding for higher education generally has been insulated from significant reductions in both the special session and in the November 1, 2025 budget request. The proposed reductions will affect meritorious and effective programs and we will work to minimize them. All else equal, CSU will not be able to sustain them independently and stakeholders should be prepared for that. Our administrators are preparing for such an outcome.

Overall, the funding request does not support the expected expenses we will incur in FY 2026-27. The current estimate of this shortfall is roughly $60 million for all of Colorado Higher Education. CSUS supports the proposed technical amendments to the formula.

In regard to the Cyber Coding program, since 2019 there have been 600 participants in the program. An average of 113 internships were awarded each year. Over $21m of other matching funds have leveraged the $6.7M state investment from FY19-24. The program has served both the Fort Collins and Pueblo campuses.

[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 Colorado State University System supports the current letter that has been sent to the Joint Budget Committee.

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.

Though the formula review process was initiated in advance of the original expected timeline and with some skepticism, the stakeholder process ultimately did allow our perspective to be voiced. We are appreciative that the Colorado Commission on Higher Education agrees that the current fiscal environment would not be conducive to a major overhaul of the formula. Additionally, we believe the process validated that the current framework allows for a wide range of policy options in the annual budget process. We believe the changes proposed will improve the overall structure of the model and have minimal, if any, impacts on our funding stability.

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.

CSUS (Fort Collins and Pueblo):

Our campuses are stretching internal resources to maintain affordability. Average institutional aid per FTE has increased by 50% while state aid has increased by 6%.

Institutional support per FTE is the fastest growing expense category largely driven by the replacement of legacy IT systems with modern ERPs (finance, HR, student records) and student engagement platforms which are more cost effective in the long-term, enable targeted student interventions, and allow campuses to meet cybersecurity demands.

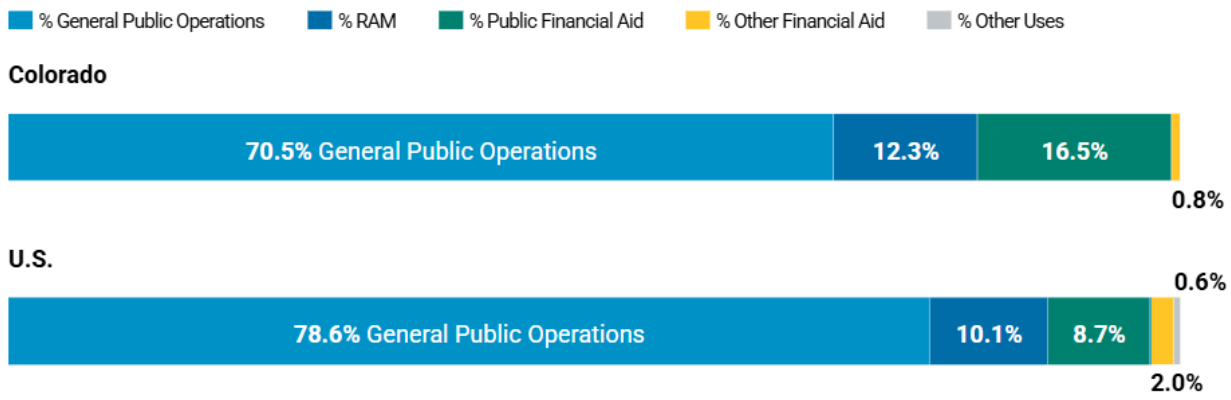
Direct instructional costs and academic support costs have increased by 43% and 18% respectively (after controlling for inflation) from FY05 to FY24 reflecting investments in faculty development and pedagogical innovation, expanded academic supports for students with varying academic preparation levels since COVID pandemic. Failure to make these investments would risk declines in reputation, enrollment, and outcomes.

Campuses are enrolling increasing numbers of first generation and Pell Grant recipients. These populations are more likely to leave prior to graduation requiring campuses to focus resources on student success initiatives. These are time and cost intensive because of their tailored nature.

Degrees awarded have increased by 49% since FY05. The 4-year graduation rate has increased dramatically, driving down the total cost of a degree. At the Fort Collins campus, the 4-year graduation rate has increased from 35.8% to 50.9% in the past 20 years.

National Comparisons (SHEEO SHEF):

In Colorado, 71% of higher education funding (state and local) is spent on operations compared to 79% nationally. Research, agriculture, and medical school (RAM) accounts for 12%; public financial aid accounts for 17%. This distribution differs from the U.S. overall where 79% is spent on operations, 10% on RAM, 11% on financial aid, and 1% on other uses.



SHEEO SHEF data for 2024 show that Colorado appropriations per FTE were $7,255, which lagged the national median by $4,428 (excluding RAM). With the 2024 FTE at 188,884, the total lag for Colorado is about $836.4M.

Colorado's public funding was 62% of the U.S. average in 2024 and 51% in 2004. The 2024 net tuition in Colorado was $12,247 per student FTE ($4,737 higher than the

national average), compensating for the appropriations lag. Total education revenue (public funding + net tuition) in Colorado was similar to the national average.

	Colorado			U.S. Average		
	2004	2024	Change	2004	2024	Change
Education Appropriations per FTE	$5,013	$7,255	44.7%	$9,886	$11,683	18.2%
Net Tuition Revenue per FTE	$7,297	$12,247	67.8%	$5,246	$7,510	43.1%
Total Education Revenue per FTE	$12,311	$19,502	58.4%	$15,088	$19,092	26.5%

Colorado (IPEDS data accessed 12/2025):

Comparing FY05 with FY24, students receiving aid have been partially insulated from rising prices. Institutions are using aid strategically to hold down net price growth relative to the much faster growth in total cost of attendance.

- Net price for aid recipients: +21%
- Total price for in-state, on-campus: +30%

Affordability has increasingly become an institutional responsibility, not a state-driven one. Colleges are reallocating internal resources to grant aid faster than the state is increasing student aid.

- Institutional grant aid: +41%
- State/local grant aid: +17%

The fastest growing costs are in student services, which increased by 75%. The number of students at the highest risk for attrition (first-generation and low-income) has increased in the past 20 years. As a result, spending has grown significantly in areas such as academic advising and degree planning, mental health and counseling services, disability and accessibility services, and career services. The average cost per FTE increased by $1,341.

Academic support, the infrastructure that enables teaching and learning but is not direct instruction, is the next fastest area of growth (+64%). This includes, but is not limited to, learning technologies, libraries, academic technology, tutoring, accreditation, faculty professional development, curriculum development, and educational assurance of program quality.

Bachelor’s degrees awarded, has increased by 49% with per-student net price rising far less at 21%. This indicates greater institutional efficiency with available resources and a concerted effort to contain costs for students.

Department of Higher Education
Institutions of Higher Education

FY 2026-27 Joint Budget Committee Hearing

Thursday, January 8, 2026	Friday, January 9, 2026
3:30 p.m. – 4:45 p.m.	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.

Mines Response:

The Step 1 model allocation in the Governor's funding request does not align with Mines or any other governing board's share of classified staff expenses and is done in a manner which provides nearly equal dollar amounts to each institution which the level and funding of classified by institution varies wildly.

Colorado School of Mines (CSM) has 268 classified FTE with 2025-2026 salary expense of $15,157,204. The 2026-2027 classified compensation (3.1%) and STEP (0.5%) increases are estimated to be $530,502. Non-classified general fund employees are 1,001 FTE with a 2025-2026 salary expense of $92,543,532. CSM annually seeks to match non-classified staff increases to the same percentage increase as classified staff. A 3.1% general fund non-classified increase would be $2,868,849. Non-classified fringe benefit increases are estimated to be 10%-15% higher in 2026-2027.

[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.

Mines Response:

Mines fully appreciates the difficult budget decisions the General Assembly and Governor's office will be making this year. We support prioritizing operating and financial aid funding for higher education governing boards ahead of other special purpose program funding. Should the General Assembly, however, consider maintaining some of the special purpose programs we would advocate for the Colorado Higher Education Competitive Research Authority (CHECRA)

During the 2025-26 Higher Education Budget Figure Setting, JBC staff recommended against cutting funding to CHECRA for the 2026 and 2027 fiscal years to allow existing commitments to projects to be completed, and we would ask for similar consideration for the upcoming fiscal year. Matching grants through CHECRA have been very effective in leveraging State dollars to attract significant federal dollars, generating 4-5 Federal dollars for every dollar invested by the State. Research grants support technical innovation that also attracts significant private investment and local economic development.

We support the incremental changes made to the funding formula by the CCHE. Any level of stability is beneficial during these turbulent times in higher education funding.

[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.

Mines Response:

Mines is in full alignment with the joint institution's letter to the JBC. We agree that in order to continue to deliver high quality services to students, it is necessary to meet base core minimum costs that align with the rest of state government. To achieve that goal, a combination of state funding and tuition rate increases would be needed to cover all the base core minimum cost increases for FY 2026-27 however note that Mines does not have the ability due to market and affordability considerations to raise tuition beyond a nominal amount.

Additionally, Mines agrees that the state funding amount in Step 2 of the model is intended to cover base core minimum costs increases but can be modified based on the tuition rate limit adopted by the JBC. Higher education is asked to cover its base core minimum costs through a combination of state funding and tuition rate increases as demonstrated in the chart. This model only works when (1) state appropriations cover a meaningful share of those base minimum costs, and (2) institutions have the market capacity to make modest tuition adjustments. As noted above, Mines cannot implement higher tuition rate increases without harming enrollment and affordability. When state funding falls short and tuition increases are not feasible due to affordability or market constraints, we must implement budget reductions which we are in the process now of doing. These reductions are directly affecting academic programs, student services, and operational capacity.

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.

Mines Response:

The process was robust and led well by CCHE Chair Walmer. It appeared that the Commission earnestly listened to the needs, opportunities and struggles of the universities which was reflected in the changes to the funding model. The changes were reasonable and did not negatively or positively impact any type of institution.

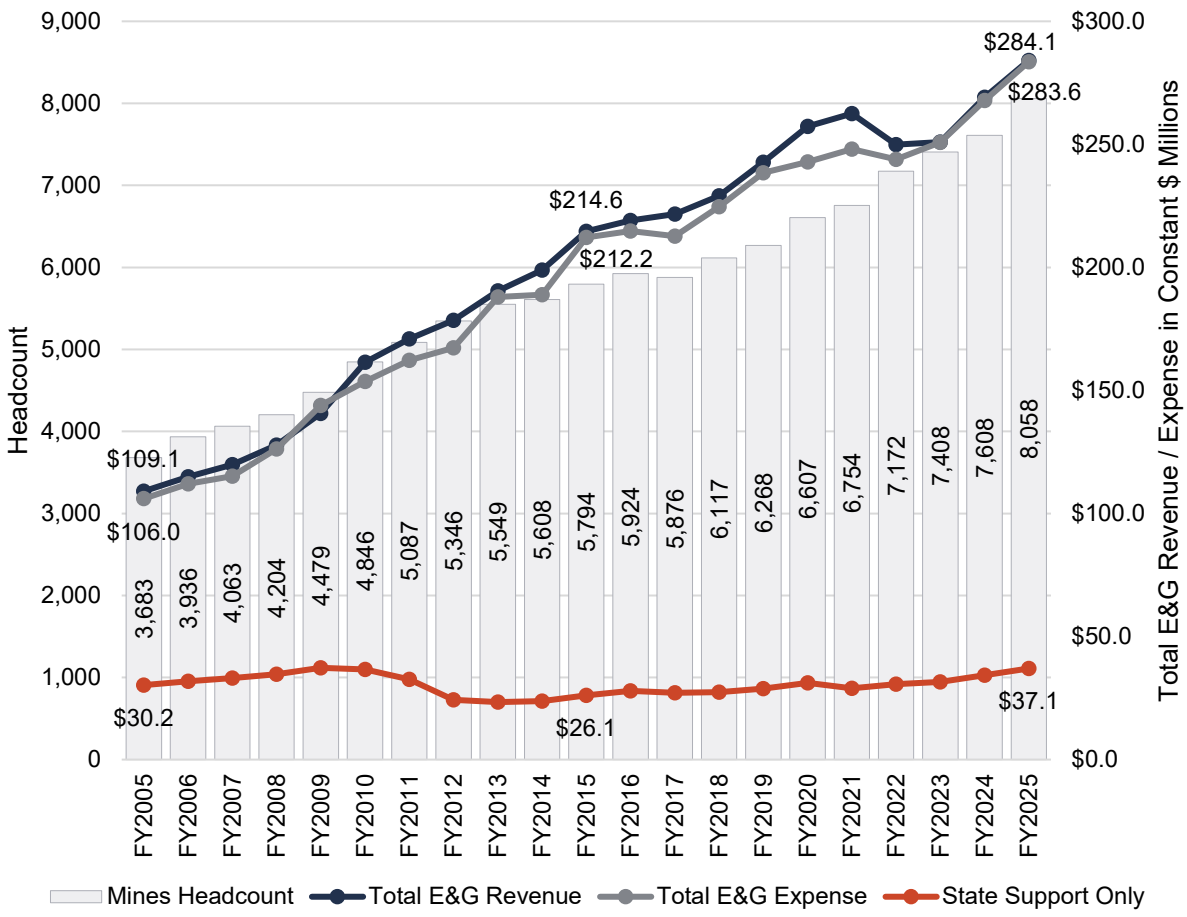
General Factors (for discussion)

General Factors

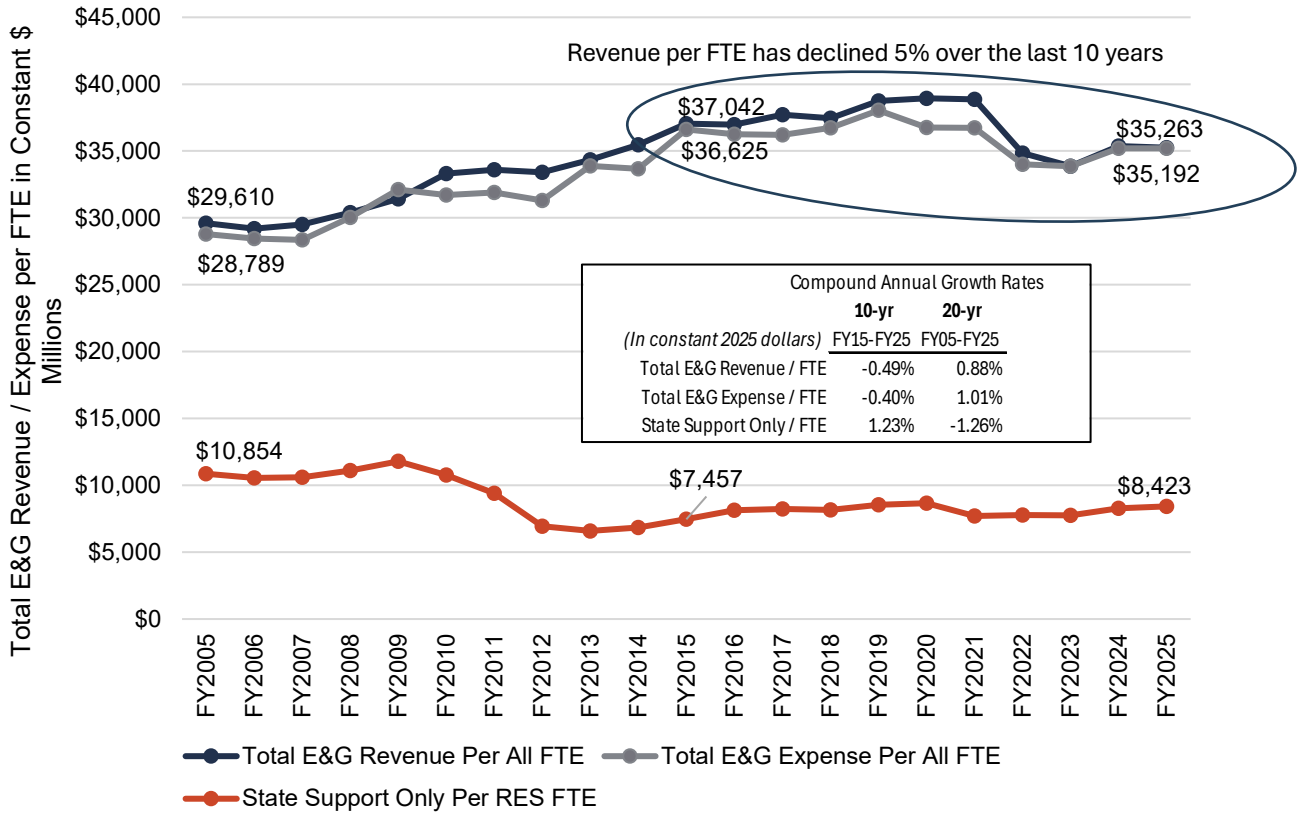
[Rep. Brown] Please provide data points for your institution's changes in revenue and cost relative to enrollment since FY 2004-05. Please describe the factors that contributed to revenue and cost change since FY 2004-05.

Mines Response:

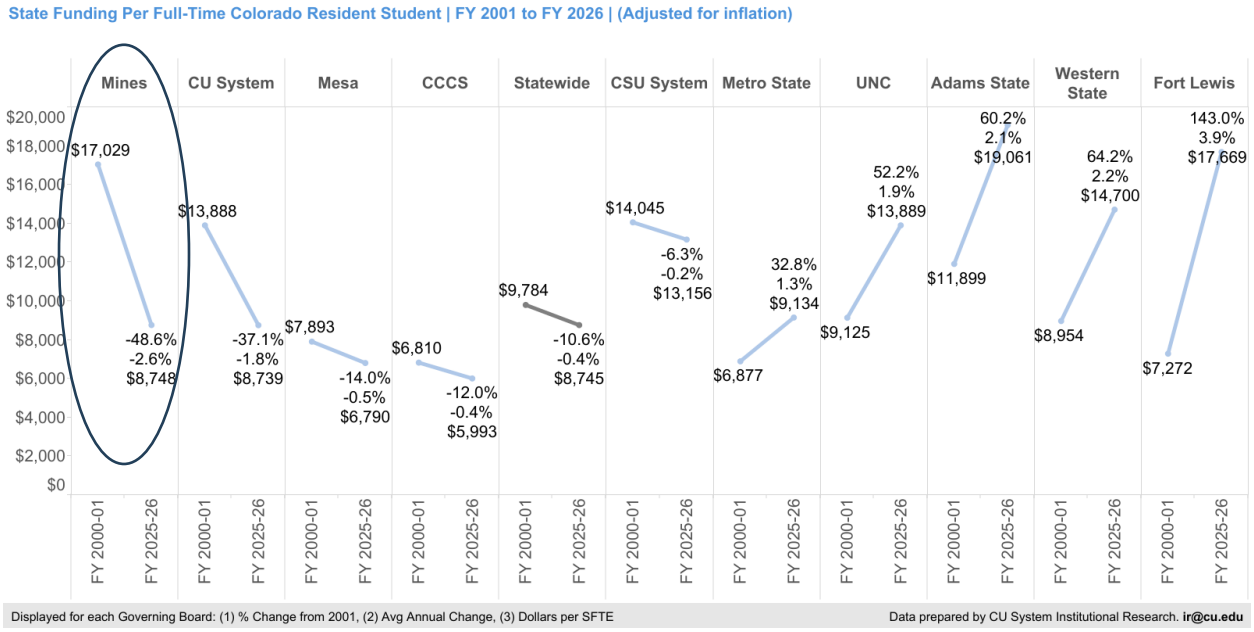
Mines enrollment, undergraduate in particular, has grown significantly since FY2004-2005. In this time, revenue and expense increases are directly attributable to this growth. Mines transitioned from being a commuter university where only a small portion of our students lived on campus to today, we are a full residential campus with half of our students living on campus. Since the fall of 2004, Mines has total enrollment has grown from 3,683 to 8,247 in the fall of 2025. When accounting for inflation in constant dollars, education and general (E&G) revenue (which includes tuition, state support, and other income) and expense changes track Mines headcount growth. During the same period, state support has seen a smaller inflation-adjusted increase. The following chart shows enrollment growth alongside adjusted-for-inflation all revenues, expenses, and state support only.


Headcount
Total E&G Revenue / Expense in Constant $ Millions
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
$300.0
$250.0
$200.0
$150.0
$100.0
$50.0
$0.0
$109.1
$106.0
$30.2
$214.6
$212.2
$26.1
$284.1
$283.6
$37.1
3,683
3,936
4,063
4,204
4,479
4,846
5,087
5,346
5,549
5,608
5,794
5,924
5,876
6,117
6,268
6,607
6,754
7,172
7,408
7,608
8,058
FY2005
FY2006
FY2007
FY2008
FY2009
FY2010
FY2011
FY2012
FY2013
FY2014
FY2015
FY2016
FY2017
FY2018
FY2019
FY2020
FY2021
FY2022
FY2023
FY2024
FY2025
Mines Headcount
Total E&G Revenue
Total E&G Expense
State Support Only

<u>When adjusted for inflation to constant dollars,</u> Mines total E&G revenue and per-student expense have been relatively flat since 2004-2005 and have declined since FY 2014-15. The following chart shows the per student change in E&G total revenues, expenses, and state support only.



Focusing on state support, the chart below shows inflation-adjusted state funding per student across all Colorado IHEs over the last 25 years. Mines saw the largest drop with support per student dropping about 49%. (Chart originated from the University of Colorado).



Department of Higher Education
Institutions of Higher Education

FY 2026-27 Joint Budget Committee Hearing

University of Northern Colorado

Main Presenter:
President Andy Feinstein

Institution Funding (for Hearing)

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.

Fundamentally, the governor's proposal covers classified staff increases for some institutions, it does not cover the increases for all. At UNC, based on current classified staff of 254 FTE, FY26 cost of compensation adjustments: $646,572 salary plus $168,109 fringe for a total of $814,681. For FY27 estimated cost of compensation adjustments (3.1% + 0.4% steps): $501,399 salary plus $130,364 fringe for a total of $631,763, based on 236 FTE.

For non-classified staff, historically, we have tried to provide similar increases as classified staff as well as cover the cost of medical insurance premium increases; however, in FY26, we delayed the 3% increase by 6 months as a cost-cutting measure. For FY27, we are initially planning a 3% increase and cost-sharing with employees a portion of the medical insurance premium increases as we attempt to further limit compensation costs for the institution. This translates to: FY26, the 3% mid-year

compensation adjustment causes annualized expenses of $2,240,095 salary plus $336,015 fringe, for a total impact of $2,576,110. For FY27 budget planning, we are using a 3% compensation adjustment which adds $2,307,197 salary plus $346,080 fringe, for a total impact of $2,653,277.

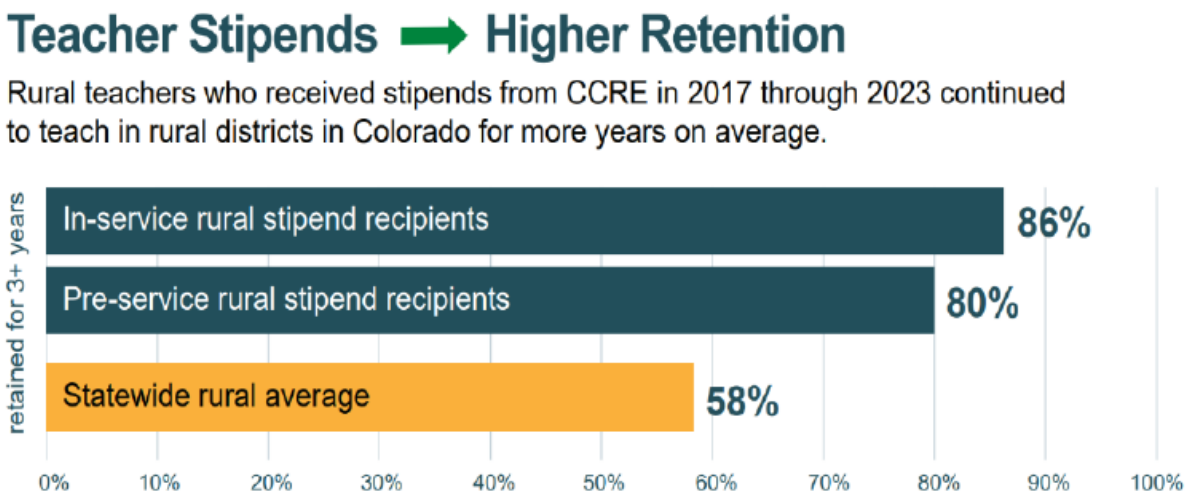
[JBC Staff] Please provide your Institution's perspective on the other items included in the Governor's request, including formula funding and LPFFS reductions and other special purpose reductions (Rural Teacher Recruitment and Retention program, CHECRA funding, Colorado Rural Healthcare Workforce Initiative, 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.

Of the items mentioned in the governor's request, with one exception they have little or no impact on UNC. Regarding the Rural Teacher Recruitment and Retention program (also known as R-07): The governor's proposal to reduce this program would defund the Colorado Center for Rural Education, Colorado Teacher Cadet, and Colorado Rural Teaching Fellowship programs (jointly referred to as the CCRE). Given the dire educator shortage in rural communities throughout the state, this proposal should be unacceptable to anyone who supports the education of Colorado's children. In fact, the elimination is in direct conflict with the governor's stated priorities of K-12 education, workforce development, and affordable college for all Coloradans.

The CCRE serves as the only statewide resource dedicated exclusively to supporting rural schools and districts. Collectively, they support 146 rural school districts, 16 rural BOCES organizations, and hundreds of school executives leading rural education systems that educate more than 135,000 Colorado students. The CCRE has been instrumental in addressing the unique challenges facing rural communities, including geographic isolation, limited resources, workforce shortages, and inadequate broadband infrastructure. Rural school districts comprise more than 80% of all districts in Colorado, yet they face disproportionate barriers in accessing technical assistance, professional development, and policy support.

The CCRE was established in 2016 to help individual schools, districts, and BOCES recruit, prepare, and retain rural teachers and special services provider candidates, including career changers and practicing educators. Since then, CCRE has awarded nearly $5.9 million in stipends (scholarships) to recruit teacher candidates and retain practicing rural educators. These stipends have led to more student teachers, alternative teacher licensure candidates, and advanced credential educators in rural Colorado. Importantly, the CCRE's stipends are correlated with higher educator retention in the field. In-service rural stipend recipients were retained for three or more

years at an 86% rate while pre-service rural stipend recipients were retained for three or more years at an 80% rate. Compared to Colorado's statewide rural average success rate of 58%, it is clear that this program benefits the state and, more importantly, Colorado's children.



For additional information on the benefits of the CCRE and the challenges faced by rural Colorado schools, the CCRE Annual Report to the Colorado Department of Higher Education (published September 30, 2025) has been provided.

While housed at the University of Northern Colorado (UNC), the CCRE provides administrative support and works collaboratively with 23 Colorado Institutions of Higher Education to recruit, prepare, place, and support educators for rural communities. This comprehensive partnership model is unique in Colorado and represents a coordinated, statewide approach to addressing rural educator shortages. To administer the program, UNC employs 1.5 FTE, for a cost of less than $180,000 annually, including salaries, benefits, supplies, technology, etc. If the program is eliminated as the governor suggests, this is the direct impact to UNC, along with approximately $200,000 provided to UNC students (stipend recipients). The remaining ~$830,000 annually directly impacts stipend recipients attending other IHEs across the state.

In conclusion, we recognize that budget decisions require difficult trade-offs. However, the relatively modest investment in the CCRE yields outsized returns by strengthening the capacity of districts serving over one-third of Colorado's geographic area and thousands of students in our most underserved communities. The cost of eliminating this support will be borne by rural students, families, and educators who already face significant systemic disadvantages. We strongly urge you to restore full funding for the CCRE in your revised budget proposal.

[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.

UNC agrees with and is in alignment with the recommendations in the joint institutions' funding letter to the JBC.

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 stakeholdering and process components for developing recommendations.

We appreciate the efforts led by CCHE to review and improve the funding formula. The working group sessions were effectively organized and led in a way that encouraged thoughtful conversations, both within and outside of the formal meetings. UNC agrees with the working group's recommendation that the fundamental structure of the funding formula remain intact as it works well in most cases. We have confidence that the proposed changes will provide some improved outcomes and considerations for IHEs.

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.

Factors contributing to UNC's increases in both revenue and costs are numerous. This includes maintenance and improvement of infrastructure, technology and system modernizations, increased needs for student support services and career preparation, faculty and staff compensation increases including extraordinary increases to medical premium costs, and other operating costs which have all been impacted by significant inflation. UNC's revenue has also increased both in response to increasing costs and decreasing state funding. Specific data points are listed below.

From fiscal year 2004-05 (FY05), UNC revenues and expenses have shifted significantly relative to enrollment. However, it is important to note that most expenses

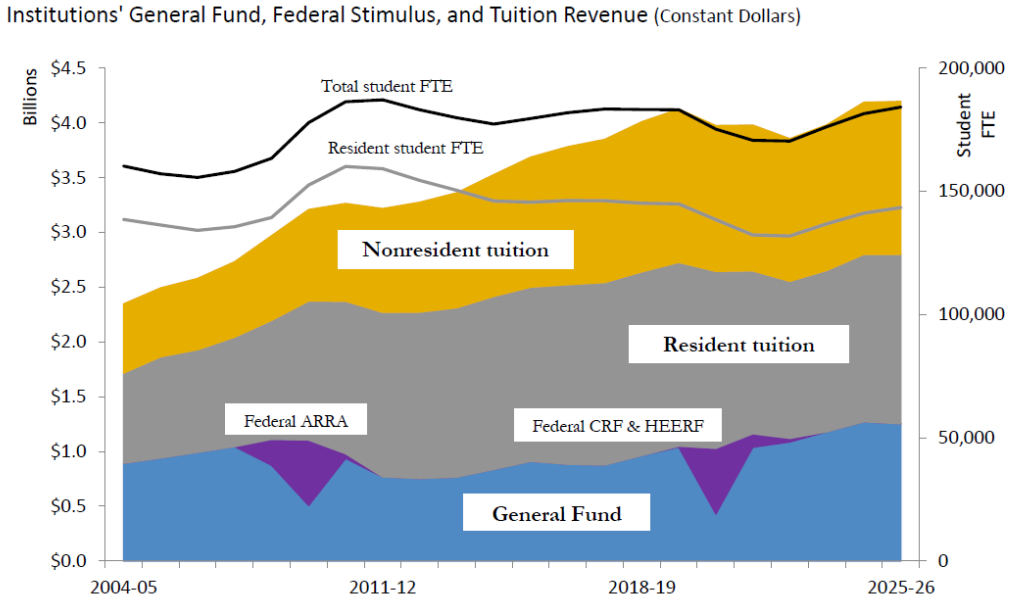
behave independently of enrollment. This results from cost increases, including mandated costs such as classified wages and fringe benefit expenses, as well as inflationary increases for goods and services, maintenance and improvement of facilities, non-classified staff and faculty compensation. Selected data includes:

Selected Data Points		2005	2025	$ Change	% Change
Enrollment					
	Student Full Time Equivalent (SFTE)	10,970	7,485	$ (3,485)	-31.8%
Revenues					
	Tuition/Fees, COF/FFS	$ 76,566,552	$ 141,192,275	$ 64,625,723	84.4%
	T&F and COF/FFS per SFTE	$ 6,980	$ 18,864	$ 11,885	170.3%
	Other Operating Revenues	$ 52,348,382	$ 72,581,925	$ 20,233,543	38.7%
	Total Operating Revenues	$ 128,914,934	$ 213,774,200	$ 84,859,266	65.8%
	Non-Operating Revenues	$ 2,159,380	$ 15,649,538	$ 13,490,158	624.7%
	Total Revenues	$ 131,761,512	$ 270,952,674	$ 139,191,162	105.6%
Expenses					
	Education & General Expenses	$ 96,514,044	$ 182,143,556	$ 85,629,512	88.7%
	E&G Expenses per SFTE	$ 8,798	$ 24,336	$ 15,538	176.6%
	Student Support Expenses	$ 15,143,766	$ 22,480,523	$ 7,336,757	48.4%
	Student Support Expenses per SFTE	$ 1,380	$ 3,004	$ 1,623	117.6%
	Auxiliary Expenses	$ 19,908,514	$ 39,752,302	$ 19,843,788	99.7%
	Depreciation	$ 11,092,760	$ 19,233,458	$ 8,140,698	73.4%
	Total Operating Expenses	$ 142,669,262	$ 263,637,178	$ 120,967,916	84.8%
	Non-Operating Expenses	$ 3,835,125	$ 5,070,466	$ 1,235,341	32.2%
	Total Expenses	$ 131,448,495	$ 245,545,540	$ 114,097,045	86.8%
Employee Compensation (2007 and 2025)		2007	2025	$ Change	% Change
	Salaries and Benefits	$ 90,790,174	$ 149,020,277	$ 58,230,103	64.1%
	Colorado Wages (hourly)	$ 23	$ 39	$ 17	73.9%
	Wages only	$ 76,739,863	$ 120,486,289	$ 43,746,426	57.0%
	Benefits only	$ 14,050,311	$ 33,040,543	$ 18,990,232	135.2%
	Employee Counts	1,712	1,157	$ (555)	-32.4%

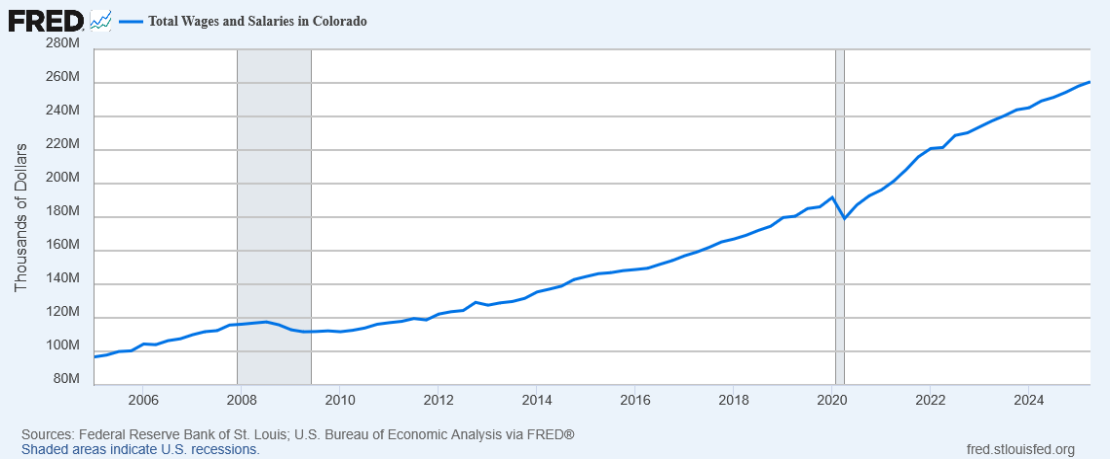
Additional narrative:

- Inflation: According to the Bureau of Labor Statistics, CPI Inflation from January 2005 to November 2025 has increased by 69.96% nationally (https://www.bls.gov/data/inflation_calculator.htm). Adjusting for inflation, the roughly $2.35 billion of general fund and tuition received by IHEs in FY05 equates to $4.0 billion in 2025 dollars. The December 2025 JBC briefing document referenced $4.25 billion received by IHEs in FY25. Adjusted for inflation, this represents a 6.25% increase over the last 20 years.
    - From 12/15/25 HE Briefing to JBC, pages 13-14: "Total revenue to state institutions of higher education from tuition and government sources has increased over the last 20 years, with temporary declines during the Great Recession and COVID-19 pandemic. Total revenue from these sources has increased by 78.7 percent in constant dollars since FY 2004-05, while

total enrollment has increased 15.0 percent." *(highlight added for emphasis)*

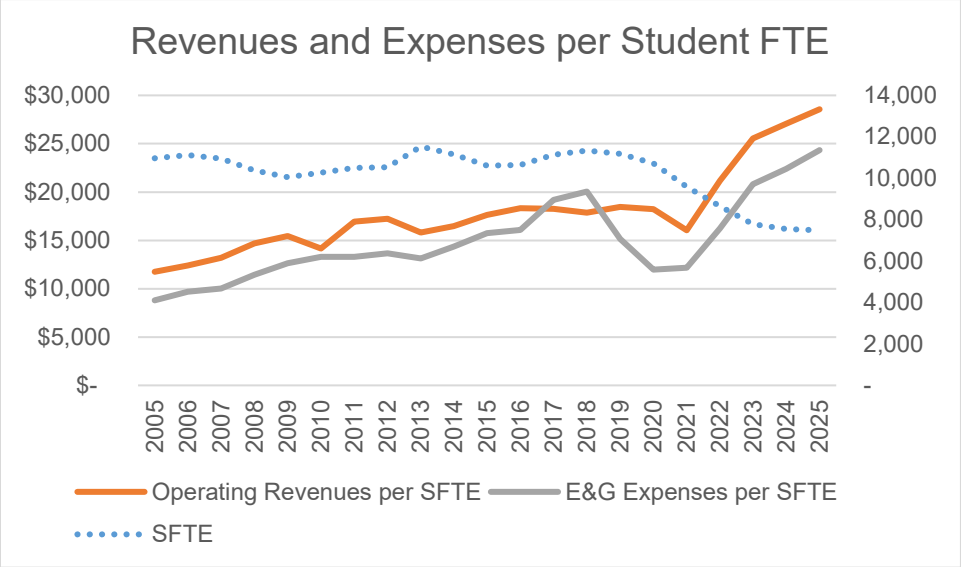


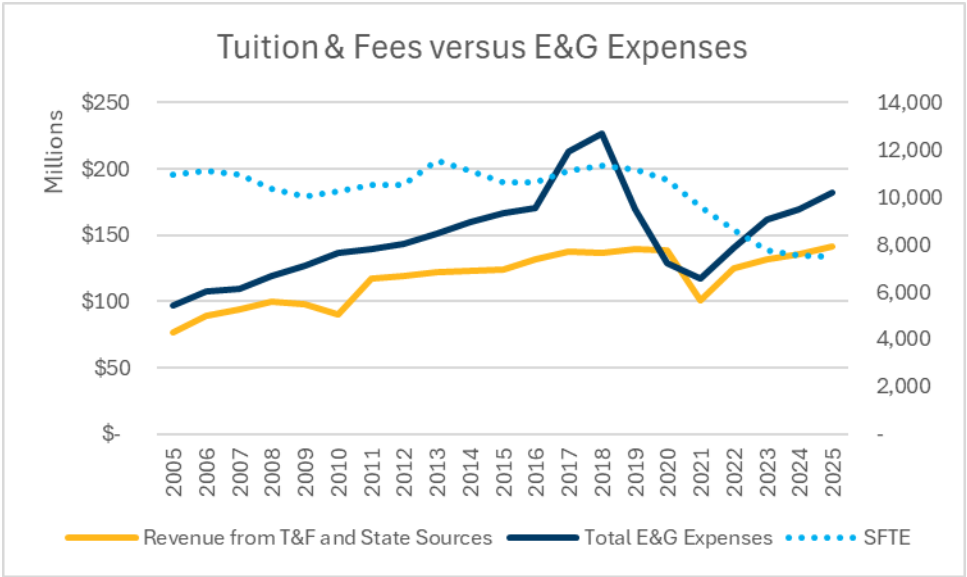
- Wage inflation: Colorado hourly wages from 2007 (earliest available) to November 2025 have increased by 74%. The cumulative increases in wages for UNC for the same time were only 57%. (source: Federal Reserve Bank of St. Louis at https://fred.stlouisfed.org/series/COWTOT#). However, costs related to medical insurance and employee retirement plans have increased by 135%, for a combined compensation increase of 64%



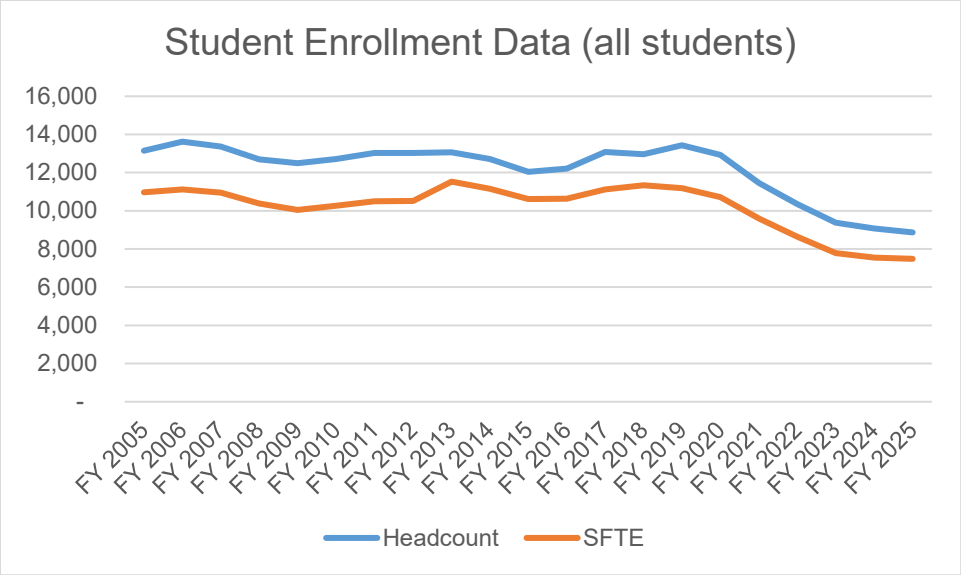
- Employee wages and counts: From 2007 to present, UNC has decreased the number of employees by 32%, from 1,712 in 2007 to 1,157 today, including the impacts of recent layoffs and position eliminations. This further emphasizes the impact of wage inflation mentioned above. Wages have increased 57% from $76.7 million in 2007 to $120.5 million in 2025. For those same employees, fringe benefits increased 135%.

- Change in operating revenues and education & general expenses:





- Enrollment: As with many Colorado institutions, UNC's student population has declined overall. However, from FY05 to FY19 enrollment actually increased by 2%. Starting in FY20, largely due to the pandemic, enrollment decreased by 30%. As we recover from that decline, UNC has experienced positive trends in new-first-time student enrollment, as well as historically high retention and matriculation rates. These indicators are encouraging for future enrollment numbers.



As demonstrated by the information above, total expenses have increased by 86.8%, which is only slightly higher than the national average inflation increase over the same time. We have increased tuition and other sources of revenue to help cover shortfalls, though we still rely on state sources of income to cover the gaps. With a mostly resident population of students, UNC is limited in its ability to generate additional revenue through nonresident tuition. Therefore, we rely heavily on other sources of income, such room & board, federal grants, donor support, and other auxiliary sources of income.

Colorado Center for Rural Education
Annual Report to the Colorado Department of Higher Education
September 30, 2025
Robert Fulton, PhD, Director

About the Center

In 2016, Senate Bill 16-104 was signed into law to help alleviate the acute educator shortage in rural Colorado. The resulting appropriation provides funds through the Colorado Department of Higher Education (CDHE) for the Colorado Center for Rural Education (CCRE) at the University of Northern Colorado (UNC). These funds are designated to provide incentives for the recruitment and retention of educators.

The CCRE creates and implements solutions to help rural districts find and support qualified teachers, leaders, and special service providers. The first goal of the CCRE is to improve rural student outcomes by connecting, convening, and building capacity to strengthen educator pathways. To do this, the Center collaborates with all 23 Colorado institutions of higher education teacher preparation programs, all 146 rural and small rural school districts, and a diverse group of rural stakeholders (Colorado Association of School Boards, Colorado Association of School Executives, Colorado Boards of Cooperative Educational Services Association, Colorado Rural Alliance, Colorado School of Public Health, Commissioner's Rural Education Council, etc.) The Center also helps individual schools, districts, and BOCES recruit, prepare, and retain rural teacher and special services provider candidates–including career changers and practicing educators.

The Center's vision is an excellent education for all Colorado's rural children. The primary vehicle supporting this overarching vision is a comprehensive system for professional development of educators focused on locating, preparing, and supporting effective educators in rural school districts. Following the Center's vision, its mission is to support the needs of Colorado's rural educators. This mission is accomplished through five primary and sustainable priorities: 1) expansion of educator pathway programs, 2) identification and support of rural teaching scholars from among junior and senior teacher candidates who commit to student teach in rural Colorado school districts, 3) facilitation of a rural teacher leaders program that prepares teachers for expanded professional roles, 4) development of a coordinated professional

development network for rural educators, and 5) cultivation of rural education advocacy, scholarship, and grant writing.

The Center partners with Marzano Research, the Colorado Department of Education (CDE), and the CDHE to evaluate the program's overall success. The evaluation process includes identification of highly effective recruitment and retention practices, data analysis regarding the effectiveness of CCRE's program, and reporting that helps to inform statewide legislative agendas.

The CCRE's primary outcomes since 2016 have been the awarding of nearly $5.9 million in stipends (scholarships) to recruit teacher candidates and retain practicing rural educators. These stipends have led to more student teachers, alternative teacher licensure candidates, and advanced credential educators in rural Colorado. Importantly, the CCRE's stipends are correlated with higher educator retention in the field. Rural teachers who received stipends from the CCRE in 2017 through 2023 (the most recent years of data) continued to teach in rural districts in Colorado for more years on average. In-service rural stipend recipients were retained for three or more years at an 86% rate while pre-service rural stipend recipients were retained for three or more years at an 80% rate (Figure 1: Retention of CCRE Stipend Recipients Compared to All Rural Teachers (2017-2023), Marzano Research).

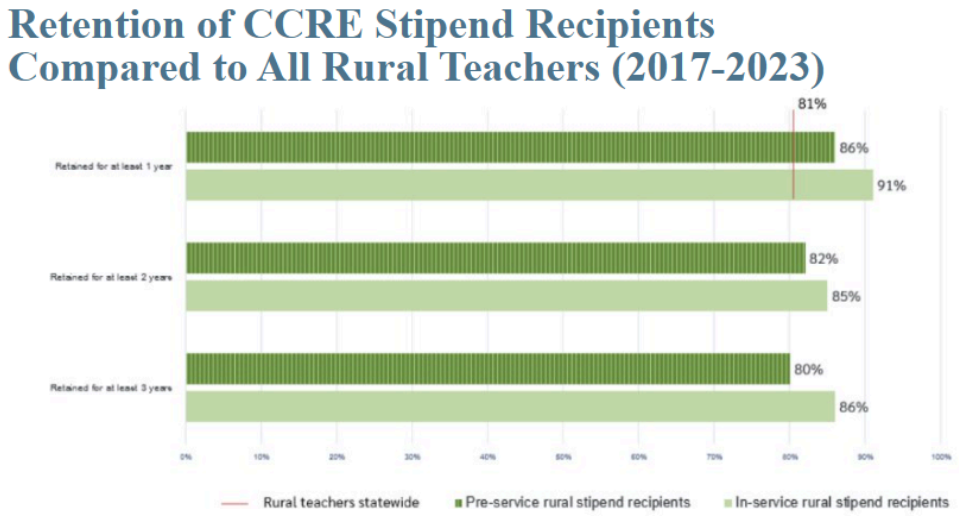


Figure 1: Retention of CCRE Stipend Recipients Compared to All Rural Teachers (2017-2023), Marzano Research

National Problem

The United States is experiencing a teacher shortage that has continued to worsen since the COVID-19 pandemic. The shortage affects K-12 schools nationwide, but some geographical areas have more challenges than others (GAO, 2022). The teacher shortage is worse in Western states, rural and urban communities, high-poverty communities, and certain subject areas like foreign languages, sciences, and special education (GAO, 2022).

Furthermore, teacher pay continues to decline with inflation compared to other college-educated careers (Allegretto, 2023). Per Allegretto, “Teacher pay has suffered a sharp decline compared with the pay of other college-educated workers. On average, teachers made 26.4% less than other similarly educated professionals in 2022 - the lowest level since 1960.” In 2022, teachers made 73.6 cents for every dollar other professionals made compared to 1996 when teachers made 93.9 cents for every dollar made (Allegretto, 2023).

According to Ingersoll and Tran (2023), teacher shortages affect rural communities, and rural schools have the greatest difficulty staffing some positions. They find, “The data shows that high poverty rural public schools have unusually high rates of turnover - almost 28% of their teachers depart annually (12% of rural public schools were in high-poverty communities)” (Ingersoll & Tran, 2023, p. 416). When schools do not have enough teachers, students may not receive the rigorous instruction, social emotional support, or targeted interventions they need to be successful (Duncan, 2022). High-poverty rural communities have high-need students who deserve high-quality teachers.

Duncan, in an article for The Education Trust, provides short- and long-term solutions for the national teacher shortage (2022). One short-term solution includes providing targeted incentives to recruit, retain, and develop teacher candidates and current teachers. Another solution includes stipends that address inequities for low-income and students of color. Other short-term solutions include changing licensure and certification policies, building long-term substitute pools, providing incentives to retired teachers, and building staff capacity to provide targeted support and high-quality instruction. Duncan (2022) reports that long-term solutions include a) collecting and publishing information on teacher vacancies and turnover, b) ensuring safe, responsive working conditions for teachers, c) providing high-quality and connected professional learning, and d) increasing teacher pay.

The US Government Accountability Office (GAO) also has solutions for the national teacher shortage, including recommendations to the US Department of Education for executive action. “The Secretary of Education should build on the department's efforts to raise public awareness about the value of teachers by developing and including in its Elevating Teachers strategy time frames, milestones, and performance measures to gauge results" (GAO, 2022, p. 41). Elevating

Teachers is the Secretary of Education's vision that includes recruiting diverse, highly qualified teachers, supporting educator professional development, and investing in strategies that retain high-quality educators. The GAO also recommends that "the Secretary of Education should direct Federal Student Aid and the Offices of Elementary and Secondary Education and Special Education and Rehabilitative Services to collect resources that address the key challenges contributing to teacher shortages, and share those resources with states and school districts in an easily accessible manner to help them address specific recruitment and retention challenges" (GAO, 2022, p. 41).

Darling-Hammond, DiNapoli Jr, and Kini, writing for the Learning Policy Institute, also report that there should be an increased federal role in addressing the teacher shortage (2023). They support: a) an increase in educators' net compensation through tax credits, housing subsidies, and salary incentives, b) strengthening recruitment by making teacher preparation debt-free, c) supporting high-quality preparation by expanding high-retention pathways into teaching, d) providing high-quality mentoring for all beginning teachers, e) increasing investments that enable educators to expand and share expertise, f) incentivizing the redesign of schools to support teaching and learning, g) and rethinking school accountability.

Colorado Problem

In Colorado, rural and small rural districts, along with the BOCES that serve them, continue to experience challenges recruiting qualified educators for classroom teachers, school leaders, and special services providers. Colorado's public school student population has increased to 881,065 students. In the state, 146 of 179 school districts are rural or small rural with 132,362 PK-12 students. Over the past ten years, Colorado's rural student enrollment increased nearly 4% while nonrural decreased 0.1%. Importantly, the percentage of Colorado's unfilled positions is two times higher in rural districts than it is in non-rural districts. During the 2024-25 academic year, 1,032.8 rural/small rural and BOCES positions were filled by shortage mechanisms, and 112.4 rural/small rural and BOCES positions were left unfilled for the entire year.

The national teacher shortage is especially prevalent in Western states and rural communities. Colorado checks both boxes. The CDE surveys the state's school districts and BOCES about employment of school professionals. Colorado's teacher shortage is acute in rural and small rural districts where they do not have enough teachers in all content areas (e.g., mathematics and science) and all special services provider areas (e.g., counselors and nurses).

Currently, Colorado colleges and universities do not graduate the number of educators needed each year. Colorado also has one of the lowest "teacher attractiveness" ratings in the US; the state is well below national averages for salaries, working conditions, and percent of experienced teachers. According to the Learning Policy Institute (2023), Colorado's average starting salary is

$36,070 compared to the average US starting salary of $42,850. Nationally, the "teacher wage penalty," which is the gap between weekly wages of teachers and weekly wages of college graduates in other professions, is greater than 25% in twenty states (Bell Policy Center). Colorado ranks lowest, with teachers making 38.5% less than other educated professions. Mentoring for early-career teachers, time for professional development, and perceptions of evaluation are also below national averages. Comparatively low pay and low support contribute to teaching becoming less desirable and to the teacher shortage.

The teacher shortage in Colorado is worse than the national shortage. The percentage of Colorado teachers who plan to leave teaching is at 11.8% compared to the US at 8.6%. 52.4% of Colorado vacancies are unfilled or hard to fill, while 46.9% of national vacancies are unfilled or hard to fill (Learning Policy Institute, 2023). According to the CDE's 2024-2025 educator shortage survey results, Colorado's rural and small rural districts and BOCES had 1,033 positions filled by shortage mechanisms, including long-term substitutes (304), retired educators (195), alternative candidates (297), and emergency/TEE candidates (237). Importantly, 112 rural and small rural district teaching positions were unfilled for the entire year. The need for alternative pathways has grown during each of the past seven years (Figure 2: Growing Need for Alternative Pathways).

Growing Need for Alternative Pathways

	Long-Term Sub	Retired	Alternative	Emergency, TEE, Other	Unfilled	Totals
2018-29	92	82	205	81	71	531
2019-20	120	93	208	42	72	535
2020-21	113	95	191	44	95	538
2021-22	159	128	284	81	295	947
2022-23	257	144	318	68	324	1111
2023-24	280	196	308	121	250	1155
2024-25	304	195	297	237	112	1145

Figure 2: Growing Need for Alternative Pathways

Strategies That Are Working

In 2024-2025, the Colorado Center for Rural Education awarded stipends to 170 educators (student teachers, in-service teachers, NBCT candidates, alternative licensure teachers, special service providers) for $863,500 (Figure 3: CCRE 2024-25 Stipend Awards).

CCRE 2024-25 Stipend Awards

2024-2025 Stipends	Number of Awards	Award Amount	Amount Available	Total Awarded
CRTS (Fall 2024)	19	$4,000	$173,300	$76,000
CRTS (Spring 2025)	23	$4,000	$259,950	$92,000
RIES	67	$6,000	$373,750	$402,000
NBCT	14	$4,250	$59,500	$59,500
RALS	32	$4,500	$0	$144,000
SSPS	15	$6,000	$0	$90,000
Totals	170	Variable	$866,500	$863,500

Figure 3: CCRE 2024-25 Stipend Awards

During the past nine years, the Center has contributed $5,857,250 to future and current educators (Figure 4: CCRE Stipends, 2016-2025). These stipends have been for alternative licensure candidates, student teachers at colleges and universities, in-service educators, National Board candidates, and special service providers. In addition, the CCRE has contributed almost $600,000 to nearly 2,000 substitute teachers in the field. The CCRE staff helps educators and those interested in the profession apply for and receive these stipends.

CCRE Stipends, 2016-2025

	Years 1-8 2016-2024	Year 9 2024-2025	Total To Date
Student Teachers (CRTS)	**1,393,000**	**168,000**	**1,561,000**
Inservice Educators (RIES & NBCT)	**2,062,750**	**461,500**	**2,524,250**
Alternative Licensure (RALS)	**1,388,000**	**144,000**	**1,532,000**
Special Service Providers (SSPS)	**150,000**	**90,000**	**240,000**
Total	**4,993,750**	**863,500**	**5,857,250**

Figure 4: CCRE Stipends, 2016-2025

The Center's stipends are designed to recruit and retain professional educators in strategic ways (Figure 5: Recruitment and Retention Strategies). For example, the Rural Alternative Licensure Stipend (RALS) helps schools and districts to hire community members who already hold bachelor's degrees to start teaching while they earn their teaching certification. The CCRE and CDHE encourage talented individuals interested in teaching to enroll in an alternative licensure program and work in a rural or small rural school district in Colorado. The RALS provides recipients with up to $6,000 to pay for a variety of program-related costs (e.g., program, exam, licensure, technology, and travel costs). Eligible educators must commit to teaching in a rural community for three years.

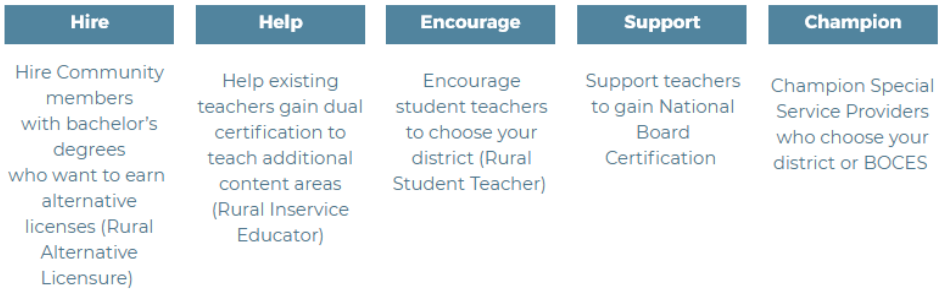


Figure 5: Recruitment and Retention Strategies

For existing teachers, the Rural Inservice Educator Stipend (RIES) helps practicing educators gain additional certifications (often called dual certification) so that they are qualified to teach additional content areas. The CCRE and CDHE encourage talented in-service PK-12 educators working in rural Colorado school districts to pursue the necessary qualifications to a) teach concurrent enrollment courses, b) add an additional endorsement, or c) fulfill a local faculty need. The RIES provides recipients with up to $6,000 to offset costs associated with a qualifying program provided by one of Colorado's institutions of higher education.

For future teachers, the Colorado Rural Teaching Stipend (CRTS) helps talented teacher candidates pay for their schooling during their clinical experiences. The value of the stipend is up to $4,000 for the semester of student teaching. Stipend recipients must complete student teaching in a Colorado rural school district and then apply to and work in a rural district.

The $10,000 Colorado Rural Teaching Fellowship offered through the CDHE is available to selected candidates who complete a year-long clinical experience in a rural school district during the final year of their teacher preparation programs and commit to teaching for two years in a rural district after completion. Candidates selected for this fellowship, Rural Teaching Fellows, receive $5,000 from their institution of higher education as a lump sum (taxable income) or as a scholarship. The year-long fellowships are created via partnerships between educator preparation programs (EPPs) and rural Colorado schools, districts, or BOCES schools.

For teachers seeking to gain national certification, the National Board Certified Teacher (NBCT) stipend pays for their costs to become certified. The CCRE and CDHE encourage talented K-12 educators in rural Colorado school districts to pursue NBCT certification. All stipend recipients receive support and mentorship from facilitators in a Colorado Rural National Board cohort. The value of the stipend is $4,250.00, which is the amount needed to a) enroll with the National Board, b) register for each of the four components of the National Board portfolio, and c) participate in the Rural National Board Cohort. Recipients must commit to remaining in a rural setting for three years after becoming a National Board candidate.

For special service providers, the CCRE provides a stipend to defray the costs of earning an additional degree. The CCRE and CDHE encourage talented individuals interested in Special Services Provider employment in rural and small rural schools in Colorado to apply for the Special Services Provider Stipend (SSPS). The SSPS provides recipients with up to $6,000 to pay for a variety of program-related costs (e.g., application fees, official transcripts, evaluation, tuition and fees, exams, fingerprinting, licensing, technology, and travel costs). The CDE recognizes these special services providers: school audiologists, school counselors, school nurses, school occupational therapists, school orientation and mobility specialists, school physical therapists, school psychologists, school social workers, and school speech-language pathologists.

To best reach potential educators, the Center participates in the following outreach and engagement efforts. The CCRE:

- Is a Regional Hub for the Rural Schools Collaborative. (New in 2025)
- Conducts daily social media marketing through LinkedIn: 12,000+ followers, 139,000 impressions, 19,500 members reached, and 2,700 engagements in 2024-2025.
- Hosts a website through UNC: 22,000 views, 13,500 active users, and 7,600 new users in 2024-2025.
- Partners with the CDE on the Educator Recruitment and District Supports document. (Revised SEP 2024)
- Partners with the Colorado Teacher Cadet program. (New in 2024)
- Created the widely distributed and referenced one-pager, “How Does a Coloradan Pay for College to Become a Teacher?” (Revised SEP 2025)
- Co-Hosts bimonthly webinars with CDE and TEACH Colorado. (New in 2024)
- Participates in future teachers conferences: UCCS Future Educator Conference–NOV 2025 and UNC Future Teacher Conference–FEB 2026.
- Writes and publishes research: *The Colorado Center for Rural Education: Mitigating the Teacher Shortage in Colorado* (AUG 2024) and *Growing Our Own for Urban Classrooms: The Paraprofessionals-to-Teachers Pipeline* (NOV 2023)
- Serves as a grantwriting clearinghouse (New in 2024)

- Publishes the quarterly Rural Centered Newsletter: 98% delivery rates, 70% opens, and 33% unique opens (2025 rates)
- Co-hosts the monthly Rural Public Health, Education, and Healthcare Initiative (85 Members in 2025)
- Participates in educator recruitment fairs
- Participates in 100+Site Visits and Presentations
- Hosts weekly open houses with CDE for paraprofessionals and in-service educators
- Hosts bi-monthly CCRE Strategic Initiatives Council (New in 2025)

Importantly, the Center participates with the following targeted network partners to maximize its reach and influence:

- Colorado Association of School Boards (CASB)
- Colorado Association of School Executives (CASE)
- Colorado Association of School Personnel Administrators (CASPA)
- Colorado BOCES Association (CBA)
- Colorado Council of Deans of Education (CCODE)
- Colorado Department of Education (CDE)
- Colorado Department of Higher Education (CDHE)
- Colorado Digital Learning Solutions (CDLS)
- Colorado Education Association (CEA)
- Colorado Institutions of Higher Education
- Colorado Learning
- Colorado Rural Alliance
- Colorado Rural Education Collaborative (CREC)
- Colorado School of Public Health: Rural Public Health, Education, and Healthcare
- Colorado Teacher Cadet
- Commissioner's Rural Education Council
- CoPeace
- Generation Schools Network
- Marzano Research
- National Board for Professional Teaching Standards
- Rocky Mountain Association of Educator Preparation (RMAEP)
- Rural Schools Collaborative
- TEACH Colorado

The Center also tracks stipend recipient demographics (Figure 6: CCRE Stipend Recipient Demographics, 2024-2025).

CCRE Stipend Recipient Demographics, 2024-2025

	NBCT FA 2024	RIES FA 2024	CRTS FA 2024	CRTS SP 2025	RALS SP 2025	SSP SP 2025
White	79%	84%	68%	61%	62%	76%
Hispanic or Latino	21%	10%	32%	30%	31%	19%
Black or African American	0%	0%	0%	0%	3%	0%
American Indian or Alaska Native	0%	3%	0%	9%	0%	5%
Asian	0%	3%	0%	0%	3%	0%
Other	0%	0%	0%	0%	0%	0%
Veterans	7%	1%	5%	4%	3%	10%
Qualified Disability	7%	1%	11%	4%	3%	5%

Figure 6: CCRE Stipend Recipient Demographics, 2024-2025

The CCRE also focuses on the profession's positives. Teachers in the US rate their lives better than all other occupation groups, trailing only physicians. The Center turns to getthefactsout.org for positive information to share with future and current educators. Get the Facts Out is a partnership among four national societies working to repair the reputation of the teaching profession. Their website includes resources for prospective teachers, those who prepare teachers, and the public.

Teacher Pathways

The Center also provides essential information to schools, districts, and BOCES employers on multiple teacher pathways available to help them with recruiting. For example, employers may hire a current student who has completed about three quarters of their educator preparation program as a "Teacher of Record" to immediately enter the classroom prior to completing their college or university program. Rural employers have also been hiring J-1 Visa exchange teachers to help alleviate their teacher shortage. Employers, increasingly since the start of the COVID-19 pandemic, have turned to online options like Colorado Digital Learning Solutions to fill immediate and hard-to-fill or out-of-the-ordinary needs.

Adjunct instructor authorization is also available to employers through the CDE. Employers may hire individuals with no college credits to teach if they have a strong background to support learning and content. For example, a practicing artist who has not earned a college degree may be hired to teach art. Originally created to recruit and support teachers for career and technical education (CTE), this authorization has been expanded to include all content areas, including core classes.

In addition, the Center partners with TEACH Colorado, an organization that provides free information to future teachers on traditional and alternative teacher preparation programs, one-to-one coaching from current educators, application fee reimbursement, scholarships, and guides for testing, resumes, and cover letters.

Another pathway helps those who are invested in the school community become licensed educators. The CCRE helps paraprofessionals who already work in rural school districts get the credentials they need through partnering community colleges and universities like Colorado Mountain College, Community Colleges of Colorado Online, and Western Colorado University's online degree completion program. Collaboration is key to CCRE's outreach and success. By collaborating with college and university partners, the Center connects educators to programs and people that help them gain initial certification, earn added endorsements, and receive the support they need for successful careers in education.

How does a person in Colorado pay for college to become a teacher?

Now is one of the most cost-effective times to become a teacher in the past sixty years (See Appendix A: How to Pay for College to Become a Teacher in Colorado). First, there are many options for high school students including: high school concurrent enrollment that allows high school students to earn up to 60 credit hours for free, TREP (Teacher Recruitment Education and Preparation) that allows high school students to earn up to 48 credit hours free, and ASCENT (Accelerating Students through Concurrent Enrollment) worth up to 39 credit hours free for high school students.

For students at Colorado institutions of higher education, there are many resources available to help them pay for college to become a teacher. First, students can earn money by serving as a paraprofessional and/or substitute teacher. Substitutes make an average of $26.45 per hour, and paraprofessionals make an average of $20.53 per hour. The Colorado Promise program offers complete reimbursement of any out-of-pocket tuition and fees to students with family incomes of $90,000 or less if they attend Colorado public institutions of higher education. Career Advance Colorado offers community college students up to 60 credit hours free. The Colorado College Opportunity Fund offers $116 per credit hour for public colleges and universities and $58 per credit hour for private institutions of higher education. For the 2024–25 award year, the maximum Pell Grant through FAFSA is $7,395. The CDE Educator Recruitment and Retention program offers up to $10,000 for alternative teacher candidates, educators on a TEE (temporary educator eligibility), aspiring CTE teachers, and paraprofessionals in an educator preparation program. The CCRE Student Teaching Stipend offers student teachers up to $4,000. The CDHE Rural Teaching Fellowship offers up to $10,000. The CDHE Educator Loan Forgiveness program offers up to $5,000 in loan forgiveness annually. The Colorado Department of Labor & Employment and local Colorado Workforce Centers offer free and/or supplemental educational

opportunities. The US Department of Education offers TEACH grants of up to $4,000 through the Teacher Education Assistance for College and Higher Education program. AmeriCorps, TutorCorps Reading Tutors, and Math Tutors provide a variable living stipend. TEACH Colorado provides variable scholarships and application fee reimbursements. And, private family foundations provide variable scholarships.

Teacher Testimonials

The Center for Rural Education has made a significant impact on teachers' lives. Kristen Esposito, a third-grade teacher in Weld County, says, "Trying to pay for a master's degree while helping my oldest child through college was going to be a huge burden on my family. This degree will help me ensure that all of my students, especially emergent bilingual students, have access to quality instruction." Stephanie Hileman, a teacher in the Fremont School District RE-2, received a stipend to help her cover the costs of an alternative licensure program. She says, "As a single mom of three, it also helped me provide for my household and make ends meet." Emily Barnett of Morgan County School District RE-3 felt that the stipend made it possible for her to pursue a master's degree.

Oftentimes, teaching is a difficult profession to go into because student teaching has historically required full-time, unpaid labor. The stipends provided by the CCRE have made this profession more of a possibility for many teachers. Alyssa Wenzel, a student teacher in Garfield School District RE-2, was grateful that the student teaching stipend could help her achieve her dream. Olivia Canadine, a student teacher in the Durango School District 9-R, said that the financial support allowed her to "fully focus on the amazing aspects of the student teaching experience."

Many teachers who have received stipends from the CCRE are grateful they were given the opportunity to become better teachers. Abigail Anderson, a first-grade teacher in Cheyenne County School District RE-5, says that she gained more knowledge that she can use with her students in her rural school district. Deserae Gruntorad, who teaches in Delta County School District, believes that because she was able to go back to school she is "able to apply more effective motivational strategies to daily lessons and pass those strategies onto other teachers."

In addition to teachers, school administrators are also thankful for the Center's work. Marsha Cody, Haxtun School District's superintendent, reports, "Through CCRE's support, we were able to staff multiple positions through various licensing pathways with people already connected to our community. This year, our district certified turnover rate decreased from 30% to 5%!"

Final Thoughts

In nine years, the Colorado Center for Rural Education has awarded nearly $5.9 million in stipends to teacher candidates and practicing rural educators, sponsored recruitment events for aspiring rural educators and professional development retention activities for practicing rural educators, and increased the number of student teachers, alternative teacher licensure candidates, and advanced credential educators in rural Colorado school districts.

The Center's highest impacts–listed in order of influence–seem to be the following:

- Daily conversations and weekly open houses with educators seeking advice, financial support, and IHE options
- Onsite and online presentations to groups of educators and future educators
- Colorado Teacher Cadet professional development
- Conversations with school districts and BOCES administrators
- Daily social media posts through LinkedIn
- Quarterly Rural Centered newsletters
- Conference presentations
- Public advocacy
- CCRE/UNC website
- Educator recruitment fairs
- Future rural teachers summits
- Grantwriting partnerships
- Research and publication

The CCRE partners with Marzano Research to better understand program outcomes. In 2023, Marzano Research analyzed data to report stipend retention and recruitment rates and found that CCRE's financial incentives help; the retention rates of teachers who received CCRE preservice or in-service stipends exceed the average retention rate for rural Colorado schools. The CCRE has renewed its partnership with Marzano for the 2024-2025 academic year through a generous grant from the Rural Schools Collaborative.

In addition to these program accomplishments, the CCRE-Marzano Research project evaluation reveals that there have been many unfunded applicants. Since 2017, only 65% of future teacher applicants have been awarded stipends, and only 73% of in-service teacher applicants have received stipends. There is a great unmet demand.

The Center is here to convene, connect, and build capacity for all of Colorado's educator preparation programs, rural alternative teacher licensure programs, rural school districts, and diverse rural education stakeholders to improve the recruitment and retention of Colorado's rural educators. Since the number of applications for these stipend programs exceeds available funds,

the Center's immediate goal is to fully fund existing stipend programs. The Center's long-term goal is to develop a sustainable system for recruitment, preparation, and retention of highly effective educators for all Colorado rural school districts.

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Appendix A: How to Pay for College to Become a Teacher in Colorado

How to Pay for College to Become a Teacher in Colorado

Updated 10.7.2025

Options for High School Students

- High School Concurrent Enrollment: up to 60 credit hours FREE
  - https://www.cde.state.co.us/postsecondary/concurrentenrollment
- TREP (Teacher Recruitment Education and Preparation): up to 2 years of college FREE
  - https://www.cde.state.co.us/postsecondary/trep
- ASCENT (Accelerating Students through Concurrent Enrollment)-sunsets June 30, 2026: up to 39 credit hours FREE
  - https://www.cde.state.co.us/postsecondary/ce_ascent

Options for College and University Students

- Earn money by serving as a paraprofessional and/or substitute teacher.
  - Colorado substitutes make an average of $26.45 per hour (Indeed).
  - Colorado paraprofessionals make an average of $20.53 per hour (Indeed).
- Career Advance Colorado: consult with your community college to receive up to 60 credit hours FREE
  - https://cccs.edu/new-students/explore-programs/zero-cost-training-programs/career-advance-colorado/
- Colorado Promise: Students who attend Colorado public institutions of higher education with family incomes of $90,000 or less are eligible for COMPLETE REIMBURSEMENT of any out-of-pocket tuition and fees they pay.
  - https://cdhe.colorado.gov/colorado-promise
- Colorado College Opportunity Fund: $116 per credit hour (public colleges) and $58 per credit hour (private colleges)
  - https://cdhe.colorado.gov/programs-services/the-college-opportunity-fund
- Pell Grant: For the 2025–26 award year, the maximum Pell Grant through FAFSA award is $7,395.
  - https://studentaid.gov/understand-aid/types/grants/pell
- CDE ERR (Colorado Department of Education Educator Recruitment and Retention): up to $10,000
  - https://www.cde.state.co.us/educatortalent/recruitmentoutline
- Colorado Center for Rural Education Student Teaching Stipend: $4,000
  - https://www.unco.edu/colorado-center-for-rural-education/stipends/student-teaching-stipend.aspx
- Colorado Center for Rural In-Service Educator Stipend: $6,000
  - https://www.unco.edu/colorado-center-for-rural-education/stipends/concurrent-enrollment-educator-qualification-scholarship.aspx
- CDHE (Colorado Department of Higher Education) Rural Teaching Fellowship: up to $10,000
  - https://cdhe.colorado.gov/rural-teaching-fellowship
- CDHE Educator Loan Forgiveness: up to $5,000 in loan forgiveness annually
  - https://cdhe.colorado.gov/colorado-educator-loan-forgiveness
- Colorado Department of Labor & Employment (CDLE) and local Colorado Workforce Centers: Free or supplemental educational opportunities
  - https://cdle.colorado.gov/jobs-training/workforce-centers
- USDOE TEACH Grant (Teacher Education Assistance for College and Higher Education): up to $4,000
  - https://studentaid.gov/understand-aid/types/grants/teach
- Serve Colorado: variable living stipends
  - https://servecolorado.colorado.gov/Education
- TEACH Colorado: variable scholarships and application fee reimbursements
  - ontch.org/financialaid

To learn more, join an upcoming virtual open house:
Robert W. Fulton, PhD
Director - Colorado Center for Rural Education
Email: robert.fulton@unco.edu

DEPARTMENT OF HIGHER EDUCATION
METROPOLITAN STATE UNIVERSITY OF DENVER
FY 2026-27 JOINT BUDGET COMMITTEE HEARING
Friday January 9, 2026
2:20 p.m. - 3:00 p.m.

Common Questions for Department Hearings (for Hearing)

Institution Funding
Governor's Request, Classified Staff, and Institution Funding

1. **[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.**

Metropolitan State University of Denver (MSU, MSU Denver, the Institution, or the University) has slowly and intentionally winnowed down the number of classified employees it has on staff. Since the transition away from the State College System, MSU has worked to invest in its people through strong benefits and competitive salaries. Part of this effort included transitioning away from the State Classified System allowing the University to develop its own total compensation approach to invest in talent that best meets the needs of our students, the University, and Colorado.

MSU estimates that matching the Governor's proposed 3.1% increase for all staff, regardless of classified status, would cost the institution an additional $3.5M to $4.0M. The Governor's proposed budget, despite linking the increases to compensation, only proposes to cover the cost associated with classified employees. The proposal does not cover the associated increase for all University employees, who are also state employees and are critical to delivering student success at MSU Denver. It should also be noted the State's Common Policies for compensation should be applied to all state employees, but in this context, they do not.

Currently, about 1% of MSU's employees are classified, or 37 employees out of 2,622. The proposed 3.1% compensation increase and the 0.4% Step increase will require MSU to pay roughly $151,000 in additional salaries and benefits to classified employees. Despite being linked to compensation, the Governor's proposal does not cover the necessary amount to match the 3.1% increase for all MSU Denver's employees.

The University is committed to hiring, retaining, and developing top-level talent to help serve Colorado students seeking an exceptional, in-state education. Shifting away from the classified system has allowed the institution more autonomy in its approach. However, since all university employees are state employees, MSU Denver uses the COWINS agreement as a starting point for compensation, thus mirroring what is in the Governor's proposed budget for all employees. This places additional stress on MSU's budget to match what is proposed for classified employees. The University has had to make hard tradeoffs in some years with constrained resources by providing an across-the-board increase for non-classified employees that is lower than the increase for classified. This stress is exacerbated through the Governor's proposal linking the increase in funding to higher education

solely to classified salaries.

2. [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.

MSU Denver was the direct recipient of two Limited Purpose Fee-for-Service items, the Cyber Coding and Rural Healthcare Workforce Initiative. Additionally, the University benefited from the Rural Teacher Recruitment stipends. In the current fiscal year, FY26, MSU's funding for Cyber Coding and Rural Healthcare Workforce was reduced by 50%. To execute these reductions in the current fiscal year, the University worked to ensure that no on-going operations were supported through either of these appropriations, shifting these funds solely into student support. The University has made a concerted effort to support all operations with existing resources.

The University appreciates the General Assembly's support for these programs and understands the State's difficult budget situation. Given our work to ensure that any operational impacts associated with our LPFFS funding are supported through University sources, MSU can absorb the reduction of these funds. While students are currently benefitting from these programs, via direct student support, MSU would explore other possible avenues to support them in the absence of these resources.

Given the challenging state funding environment that the JBC is faced with during this legislative session, MSU believes that if the LPFFS funding is eliminated for the specific purposes identified in their authorizing statutes that resulting savings should remain in higher education. By shifting these resources to operating support, MSU and other institutions can retain the flexibility to directly support student success. MSU is committed to continuing cyber coding, rural health care workforce development, and teacher development regardless of the funding constructs, and reinvesting the LPFFS funding will allow the Institution to support these goals and all student success work currently underway at MSU.

3. [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.

MSU Denver has signed on to the joint institutions' funding letter to the Joint Budget Committee. As stated in the letter, incremental state funding is critical for institutions to maintain affordability for students. MSU Denver's student body is 96% Colorado residents, so the investments that the State is able to make go toward supporting Colorado students who want a Colorado education.

The joint letter is also important in its explanation of costs associated with operating an institution in Colorado. Our employees are State employees, and our campuses are State assets. When utility costs increase or salary increases are mandated for classified employees, the University bears these costs and can offset them either through direct state investment or increases in tuition. MSU appreciates the collaboration with other institutions to articulate these costs, and the University is grateful for the State's recent investment.

While the joint letter effectively characterizes the on-going costs associated with higher education institutions, it does not capture the different levers available to institutions. MSU Denver serves low-income, first-generation Coloradans. Due to that mission, the University does not have non-resident tuition as a lever to pull, nor does MSU have the scale of outside support from grants, research, philanthropy, or other investments that some of our colleague institutions have. This places the University in a position where our fundamental revenue tradeoff is between state funding and charging resident students a higher tuition rate. While the costs as articulated in the letter are critical, the nuanced understanding of the available levers for MSU get lost.

CCHE Funding Formula Recommendations

4. [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.

MSU Denver appreciates the complexity associated with leading a comprehensive funding formula revision process. CDHE conducted an intentional process to evaluate the current formula, and the Department worked to engage all Governing Boards. Throughout the process, there were opportunities to engage in discussion and provide feedback. However, the process did not always result in data or recommendations being available for Governing Boards to review until the very end. The changes were also presented independently, with no modeling available of the practical impacts of the proposed changes. This made it difficult to assess the impact of the changes wholistically versus one single proposed change.

Many of the recommendations are technical in nature, for example changing the name of the "Steps" to "Levers" and ensuring that the flow of the model makes sense. MSU Denver is generally supportive of these technical adjustments. Specifically, MSU Denver is supportive of changing the language in the funding model from Role and Mission to Previous Share. The current model heavily links past funding to an institution's role and mission through the existing nomenclature, which assumes that past funding adequately supported each institution's role and mission. By statutory design, MSU Denver does not have the funding levels available that other Colorado institutions have. The University is here to teach Colorado students, thus our ability to leverage non-resident tuition, indirect cost recoveries, or other funding streams is limited. As other institutions have morphed in their ability to gain other resources, MSU remains committed to serving our student population, which in turn means MSU is heavily reliant on state funding to meet its role and mission. The acknowledgement that the Role and Mission piece in the model is linked to historical funding is critical in MSU's ability to raise awareness of our funding needs related to our focus to serve Colorado students.

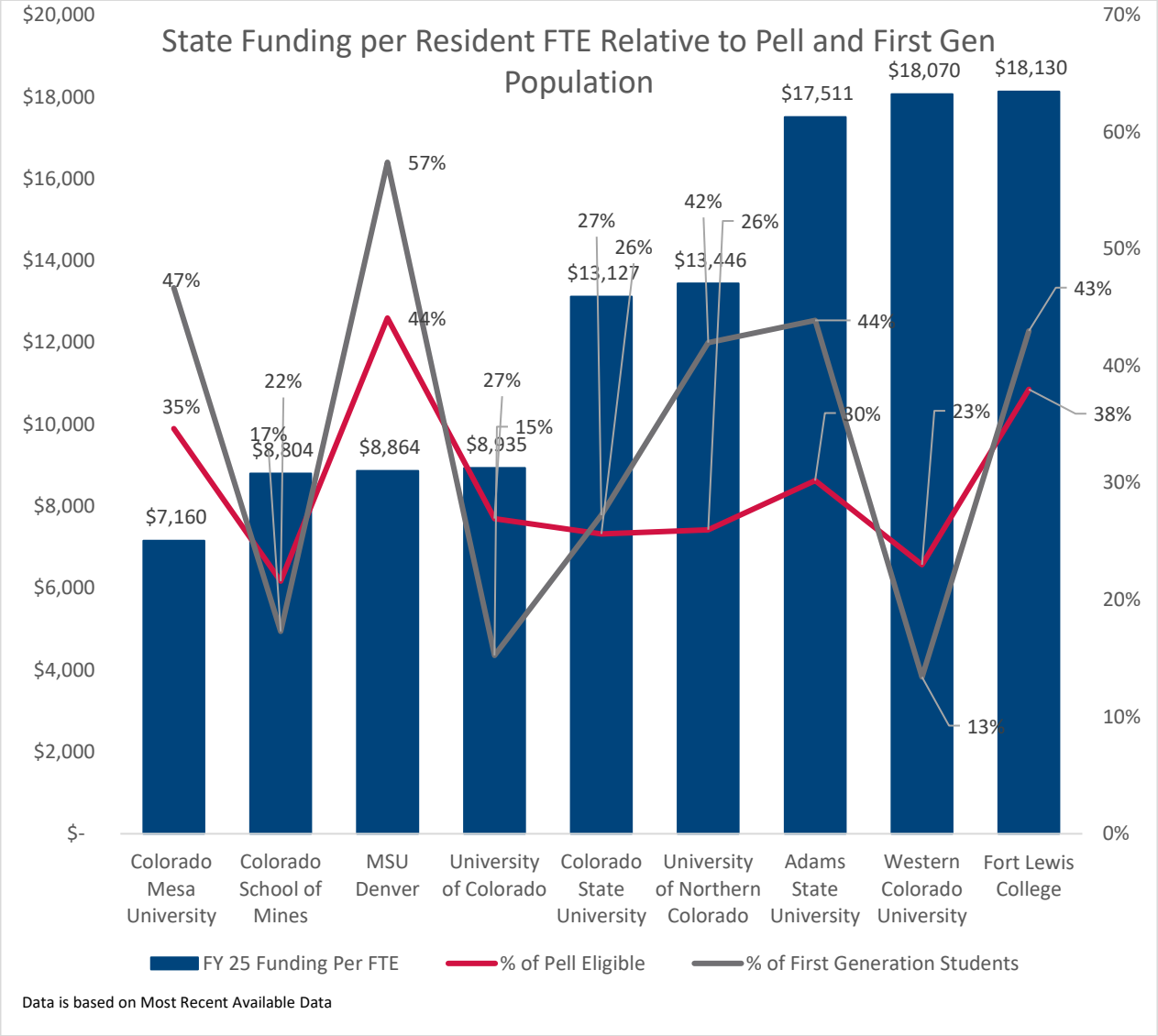
In addition, MSU believes that Recommendations 10 related to transfers and 12 related to part-time students reflect a consistent approach to incentivizing success of all students.

MSU Denver has consistently highlighted its role as a starting point for many Coloradans seeking a postsecondary education. Students enroll here, build a solid foundation, and sometimes move on to other institutions. Students may also start somewhere else and finish at MSU. Given MSU's role as an institution that receives and sends many transfer students, the University is supportive of Recommendation 10 to include all qualifying transfers in credential completion. As a key part of the State's higher education system, MSU believes that the more wholistic approach to transfer students outlined in the recommendations is a good start to addressing some of the challenges in the funding model.

MSU also supports recommendation 12 which includes part-time students in retention rates. Our students do not lead linear lives, so many of them enroll part time. MSU is committed to supporting these students through our academic and student support services. However, we do not currently get credit for retaining these students. Incorporating Recommendations 12 into the model would yield a more complete view of the academic journeys students take at MSU Denver.

However, MSU has some concerns about the switch from "Pell Eligible" to "Pell Received" and the elimination of partnership programs from the transfer metrics. The Institution's concerns are in how the data definitions for these two recommendations would be applied. MSU also has questions on the impact and potential unintended consequences of these changes.

Lastly, the University wants to stress these two final points because they directly relate to ensuring that ALL Colorado students can succeed. While supportive of the Department's efforts to engage institutions, MSU does not believe the formula is responsive to two significant factors. First, through the Role and Mission component, the funding formula bakes in historical funding levels. This makes the funding model slow to respond to changes in enrollment, performance, and student success. The Commission's analysis found that most funding each year was driven by the amount provided in prior years. This leaves MSU Denver swimming against the current historical factors that are independent of the current model. This is particularly notable given that MSU serves the highest share of Colorado resident students, First-Generation students and the highest share of Pell-Eligible students. The student groups MSU serves often require additional investments to be successful in their educational journey. By baking in historical inequities, the funding formula does not respond to the type of students MSU serves or to our commitment in ensuring their success. The chart below, which utilizes the most recently available data that could be found, highlights this challenge.



Second, the working group largely avoided the challenging discussions around funding levels for institutions that serve a high number of Coloradans. Having a formula that is more responsive to these needs would benefit students and drive a strong ROI for Colorado and its residents.

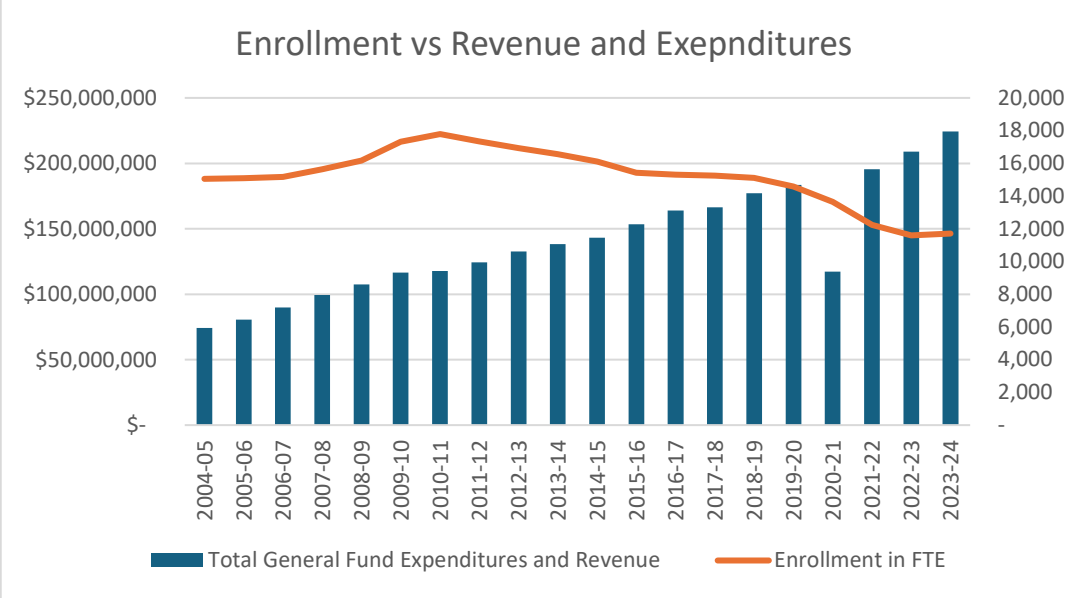
General Factors

5. [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.

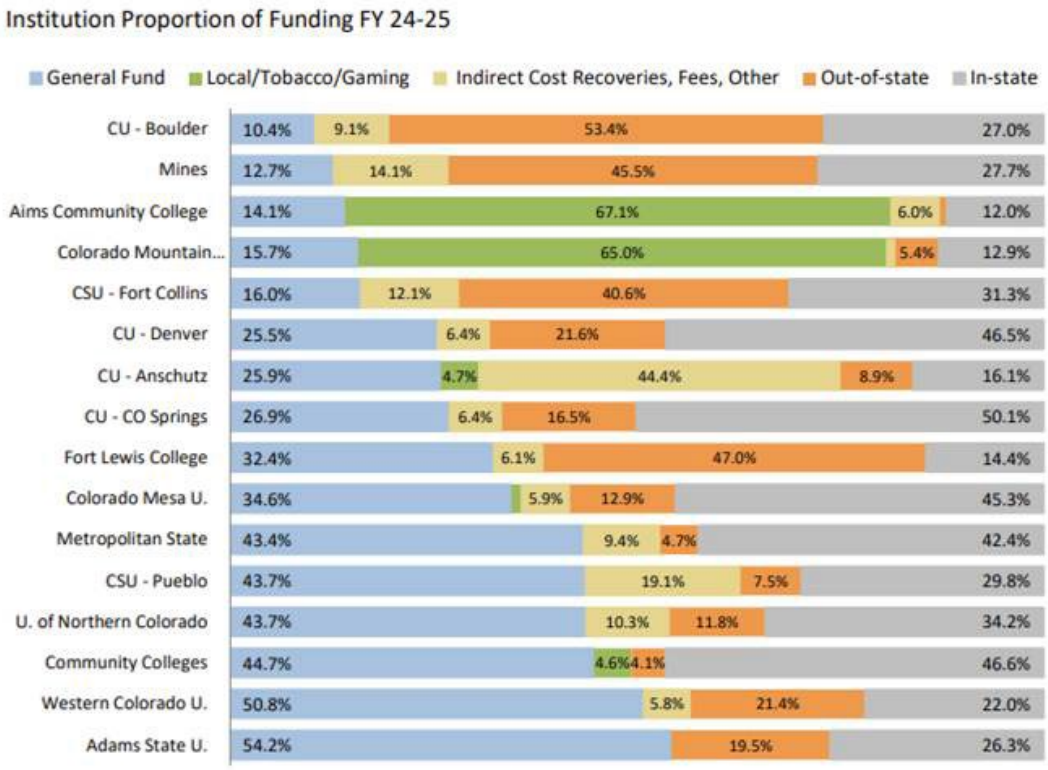
As a modified access institution, MSU Denver's enrollment trends and associated cost structures are not like other four-year institutions. MSU's enrollment very much ebbs and flows with the economy. The University sees faster enrollment growth during challenging economic conditions when the trade off to attend college becomes less costly. Conversely, MSU's enrollment is lower and slower during strong economic times. This can make the University's cost structure less predictable as MSU strives to serve the influx of students during a challenging

economic time.

The chart below shows how MSU's enrollment trends fluctuate with the economy. It should be noted that during the Great Recession, the State used federal funding to backfill higher education appropriations, so the University's revenue was offset through these resources despite reductions in State Funding. FY20-21 also appears to be an anomaly, and that is because the federal stimulus dollars disbursed to address the Pandemic are not reflected in that amount. Those dollars came in via two tranches, so the impact is shown in 2019-20 and 2021-22.



The graph above depicts total general fund revenue, which annually match expenditures. This graph does not disaggregate the revenue source. 96% of MSU's students are Colorado residents, and the University's tuition revenue follows suit. As an institution, MSU is modified access, meaning that essentially any student who wishes to attend the University can. As such, the Institution cannot change its admissions standards to increase enrollment, nor can the institution increase its non-resident enrollment given our historical, and mission aligned focus on Colorado residents. MSU also does not have the same ability to increase research funding to support our institution in the same manner that some of our peers can. The Institution understands its role in Colorado's higher education ecosystem, and it should be noted that MSU does not have the same levers to pull to generate revenue as some of our peer institutions.



The chart above, presented by JBC Staff during their briefing in December 2025, highlights the funding sources available to all institutions. 86% of MSU's funding last fiscal year came from the State or resident tuition. MSU Denver's Out-of-State funding is the lowest of all four-year institutions, reflecting our commitment to Colorado Residents, but also capturing the challenges MSU has in generating revenue from non-resident students. Additionally, MSU collects a low share from Indirect Cost Recovers, Fees, and other Revenue. Conversely, MSU is highly reliant on state funding and resident tuition to support our operations. This reliance limits MSU's flexibility to generate other revenue to support our critical role in Colorado's higher education landscape.

From a cost standpoint, a majority of MSU's costs are associated with personnel, with approximately 70% of the University's expenditures tied to salaries and benefits. Despite the relatively small number of classified employees at MSU, when the State increases salaries for that employee class, MSU must follow suit. This puts budgetary strain on the institution by defacto minimizing the University's ability to make a different compensation decision for all employees. When classified salaries increase by 3%, it puts pressure on the University to match that for all other employees. This increase is not met with additional funds from the State despite all MSU Denver employees being considered state employees.

MSU has invested in increases in funding in proven approaches that help students retain and complete. One notable effort has been in the area of financial aid, where MSU has implemented the Roadrunner Promise Program and the Indigenous and Native Peoples Grant. These two scholarships serve as last-dollar promise programs for students meeting the eligibility criteria. These programs allow MSU to make a financial commitment guaranteeing that eligible students will not pay tuition and fees during their tenure at the institution. MSU is also investing in a new Student Information System (SIS). The SIS is the front door for students, ensuring that they have a seamless transition to college life. The State has also supported this investment through IT Capital Funds, and the University is ensuring, through its own investment, that student needs are met when

the system is launched. MSU continues to invest in its people. We hear constantly from students that it's the connections that they make on campus to faculty and staff that help them on their journey to a diploma. By investing in our people by trying to keep pace with the State's WINS agreement and keeping pace with our employer share on insurance premiums, MSU directly invests in student success.

Due to the tri-institutional campus at Auraria and the shared services with the Auraria Campus, MSU does not have the same capital construction infrastructure and associated expenses as other Universities. Historically the University's funding has included the amount that is subsequently passed through to Auraria to support campus infrastructure, and MSU keeps a small, but growing amount to support the operations and maintenance of MSU's buildings. This campus arrangement means that MSU supports the campus infrastructure, and it also means that MSU does not have the same auxiliary revenue (e.g. parking, dining, or events) that other institutions have.

MSU Denver is making major investment in the Campus's infrastructure. Earlier this fall, the University broke ground on its first ever student housing project. This building will provide more than 500 beds for MSU students who want to live on campus. This investment was based on years of work to ensure that MSU students wanted this opportunity. The project will also house the University's Classroom to Career Hub (C2 Hub), which works to connect students seeking workplace experience with a wide variety of industry partners. The University also received funding from the State, via a Certificate of Participation, to construct a building focusing on meeting the State's healthcare workforce shortage. This building will house several critical programs like nursing, speech language pathology, behavioral health, and other that will help MSU expand pathways and meet the State's healthcare workforce demands that have been exacerbated coming out of the COVID-19 Pandemic.

Department of Higher Education
Institutions of Higher Education

FY 2026-27 Joint Budget Committee Hearing

Thursday, January 8, 2026	Friday, January 9, 2026
3:30 p.m. – 4:45 p.m.	10:30 a.m. – 11:30 a.m.
	1:00 p.m. – 4:30 p.m.

Institution Funding (for Hearing)

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.

In FY 2024-25, salary adjustments for CMU's 82 classified FTE cost approximately $129,000. The Governor's R1 request would increase funding to CMU by $1.1 million net of the FY26 rescission. This would cover the estimated $158,000 to increase base salaries for classified FTE but fall well short of the additional $1.8 million needed to make equivalent base salary adjustments for non-classified staff and faculty.

[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.

The State's north star in higher education is to increase educational attainment by supporting resident undergraduate students. Now more than ever it's critical to consider

every opportunity to prioritize limited funding for them. The Governor's reductions to special programs are an example of this prioritization and CMU stands ready to partner with the Committee to explore additional ways the State can reprioritize and repurpose existing resources to better serve students across Colorado.

[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.

Despite the JBC's significant recent investments in higher education, CMU continues to fall further behind our peers in State funding per resident student. In FY 2004-2005, CMU received 86% of the statewide average for funding per resident FTE among four-year institutions; as of FY 2024-25, CMU received just 66% of the statewide average (Figure 1). Startlingly, CMU's share of the 4-year average funding per resident student has fallen 12% *in just the last five years* as our enrollment growth has far outpaced the State (Figure 2). Said succinctly, CMU is the lowest funded 4-year IHE in the state and falling fast, in part as a result of the across-the-board percentage-based increases advocated in the 'joint letter'. This raises a stark and troubling question: what public policy argument justifies funding college students in Grand Junction at two-thirds (or in some cases, much less) of the per-student amount allocated to other institutions?

Figure 1

CMU Resident FTE & State Funding per FTE v. 4-Year IHE Average: 2000-2020

Fiscal Year	CMU Resident FTE	4Y FTE Resident FTE	CMU Funding/FTE	4Y IHE Avg Funding/FTE	Difference Funding/FTE	CMU % of Avg
2000	3,703	81,264	$4,143	$5,809	**($1,666)**	**71%**
2010	5,279	99,390	$4,547	$5,398	**($851)**	**84%**
2020	6,470	97,870	$4,974	$6,405	**($1,431)**	**78%**

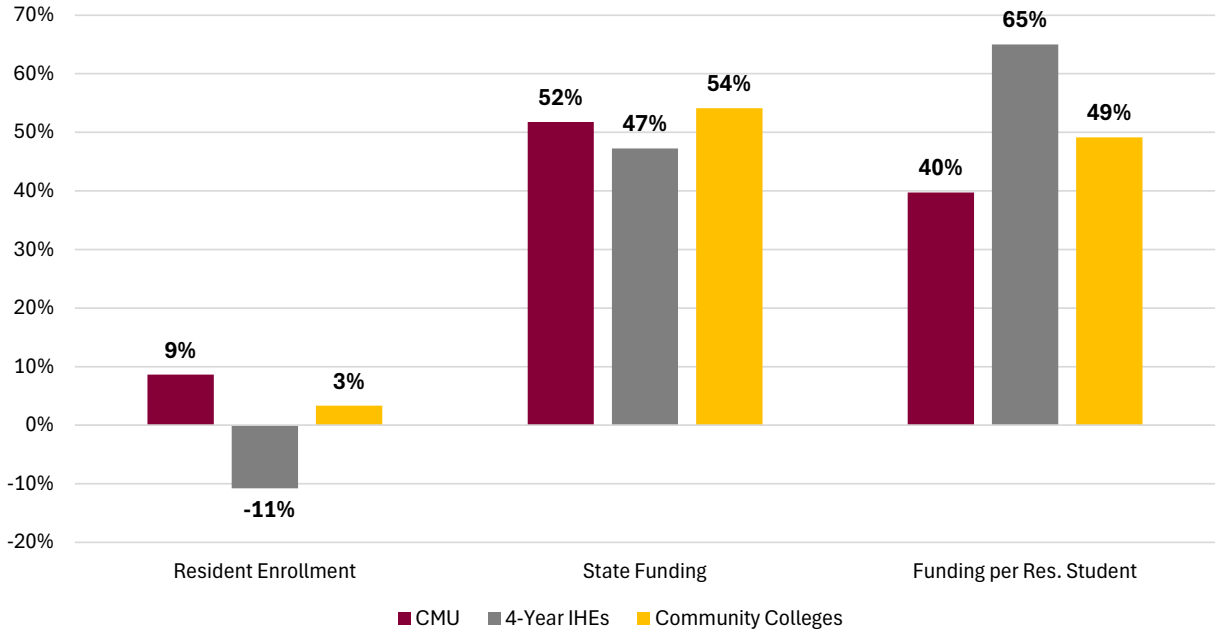
CMU Resident FTE & State Funding per FTE v. 4-Year IHE Average: 2021-2025

Fiscal Year	CMU Resident FTE	4Y FTE Resident FTE	CMU Funding/FTE	4Y IHE Avg Funding/FTE	Difference Funding/FTE	CMU % of Avg
2021	6,255	95,334	$4,884	$6,219	**($1,335)**	**79%**
2022	6,180	90,418	$5,773	$7,429	**($1,656)**	**78%**
2023	6,268	88,901	$6,371	$8,339	**($1,968)**	**76%**
2024	6,486	90,294	$6,890	$9,154	**($2,264)**	**75%**
2025	7,028	87,337	$6,951	$10,568	**($3,617)**	**66%**

Year after year, this historical inequity in base funding has grown even as we've signed on to the 'joint letter', tested multiple funding formulas, and pleaded with the Committee to have our core minimum costs covered. Our students – 47% of whom are first-generation and 49% of whom come from households making less than Colorado's median income of $97,113 – cannot afford for us to stand by in the name of maintaining a stable status quo in which State funding levels handicap their opportunities and bear

little resemblance to contemporary facts about enrollment, student success, and the changing landscape of postsecondary workforce development.

Figure 2: Percent Change in State Funding, Resident Enrollment & Funding per Resident Student since FY 2019-20



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 stakeholdering and process components for developing recommendations.

CCHE's recommendations reflect sensible technical changes to the funding formula; they would also ensure that nothing changes in the distribution of State funding among institutions. The model's core function is to mete out incremental increases each year on the basis of agreed-upon metrics while protecting previously allocated funding. The CCHE recommendations would maintain this stabilizing function. In this way, the funding formula will continue to contribute to the deepening historical inequity in base funding described above. That said, the model itself is not the problem; the problem is

the pre-existing distribution of funding baked into the model and our tacit acceptance of the resulting inequities.

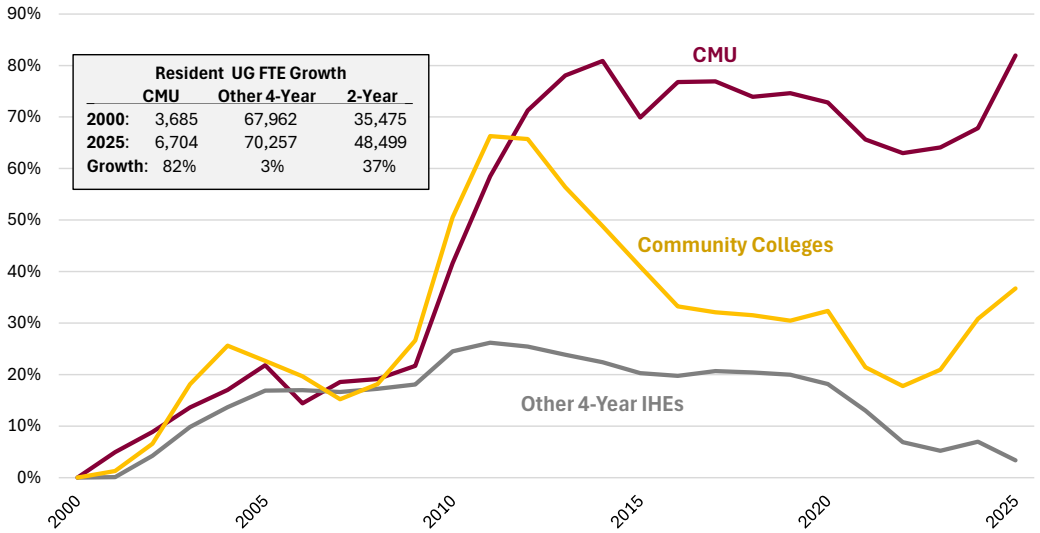
General Factors (for Hearing)

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.

CMU's recent history has been characterized by two wildly divergent trends. Since 2004, CMU has become a statewide leader on measures of access, affordability, efficiency, and student success. During the same time, however, our share of State funding per student has plummeted, threatening to undermine access and affordability.

Figure 3: Cumulative Percent Change in Resident Undergraduate Student FTE, FY 2000 to FY 2025



Since the turn of the century, our resident undergraduate enrollment has nearly doubled, with both recent and long-term growth rates outpacing other institutions (Figure 3). Student retention has dramatically improved for first-time students and key populations such as first-generation and Pell-eligible students (Figure 4). In 2004, Mesa State College was a small regional institution offering one graduate program and a little-known technical college serving mostly high school students. Since then, we've become Colorado Mesa University, embraced and expanded our dual mission as a 2- and 4-year institution, and developed a variety of technical, professional, and graduate

programs targeted to meet the unique workforce development needs of western Colorado, from early childhood to health care to social work (Figure 5).

Figure 4: First-Year Fall to Fall Retention Rates, 2005-2024
First-time, Full-time Baccaluareate Seeking Students

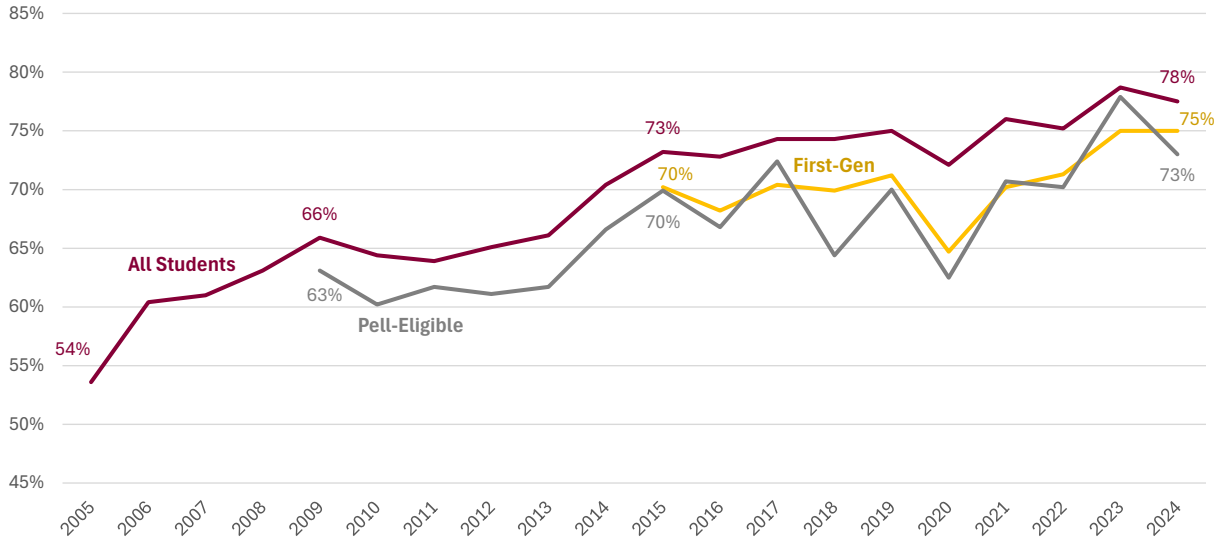
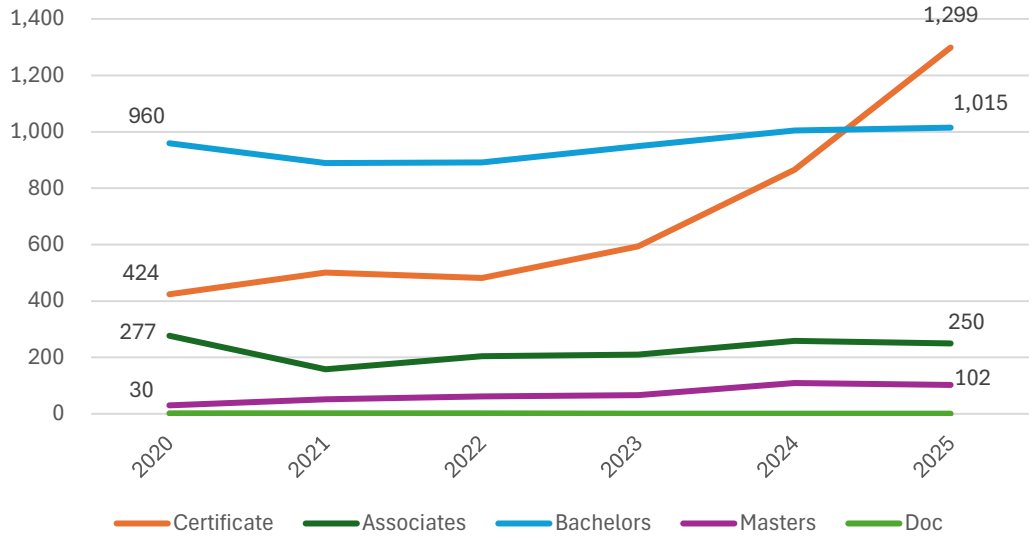


Figure 5: Credentials Awarded by Type, 2020-2025



At the same time, State disinvestment in higher education during the aughts rapidly increased institutions' reliance on tuition and fee increases to meet operating needs (Figure 6). CMU's commitment to affordability (Figure 7), in turn, has come to mean operating with significantly less revenue per student than our peers (Figures 8 & 9), even as the cost of providing a college education has risen dramatically in recent years, due in large part to the growing cost of services (Figure 10). Additionally, our first-

generation and low-income students often require additional investments in supports like intensive one-on-one advising to succeed.

Figure 6

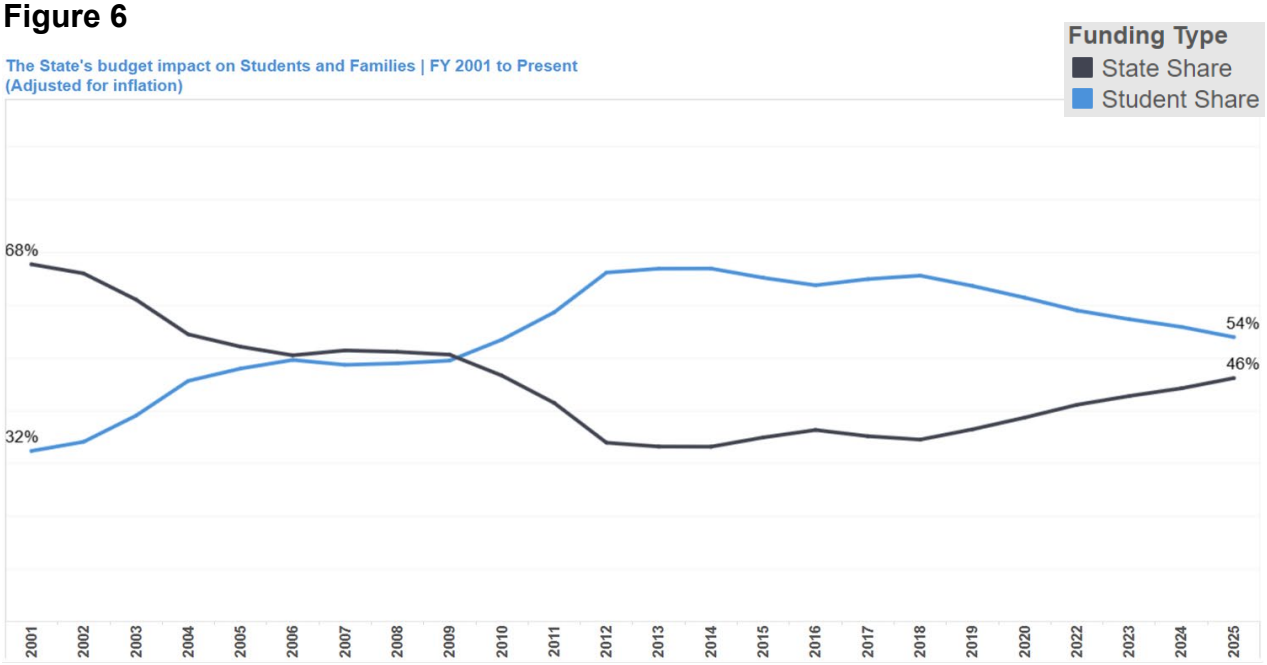


Figure 7: Fall 2025 Resident Undergraduate Tuition & Fees - Colorado 4-Year Public Institutions

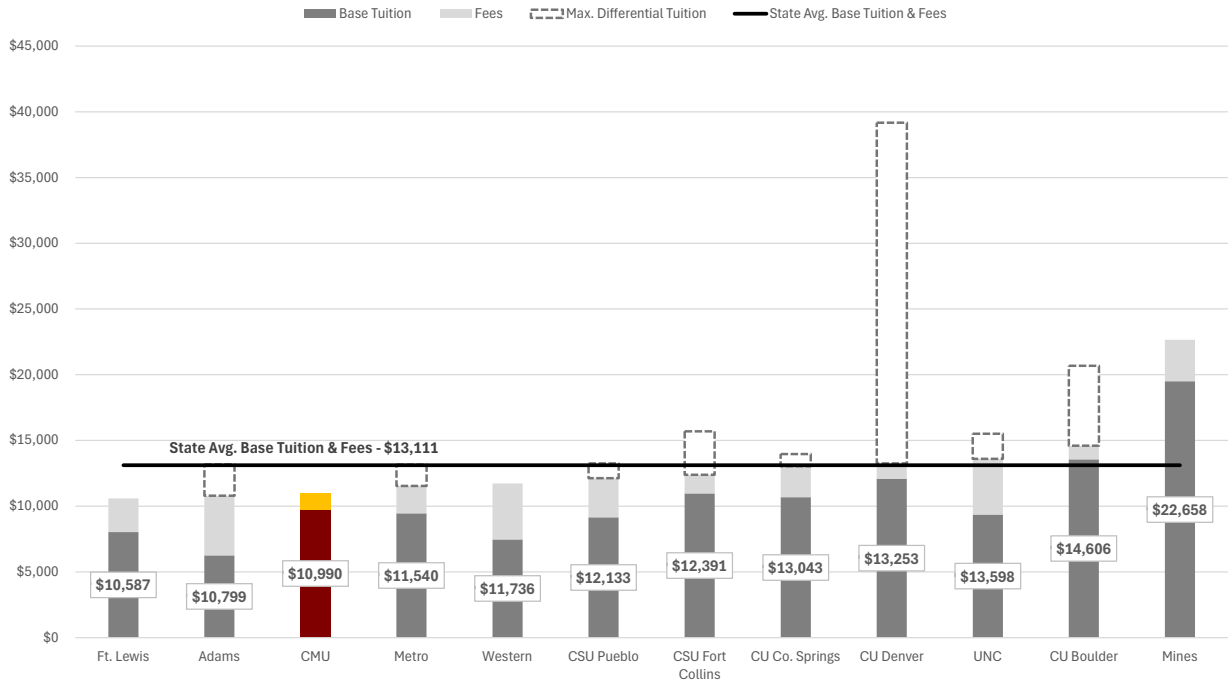


Figure 8: FY 2004-05 State Funding & Tuition Revenue per Resident Student

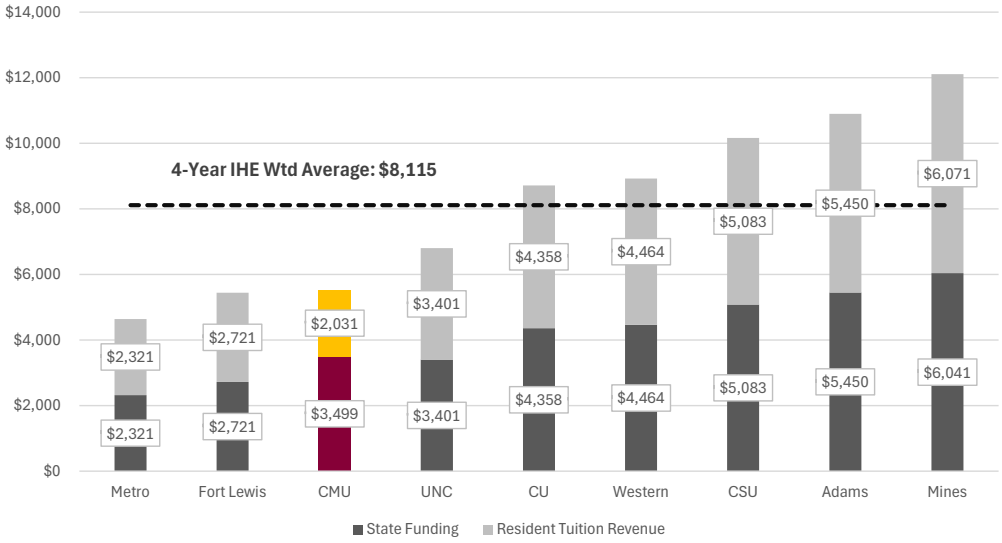
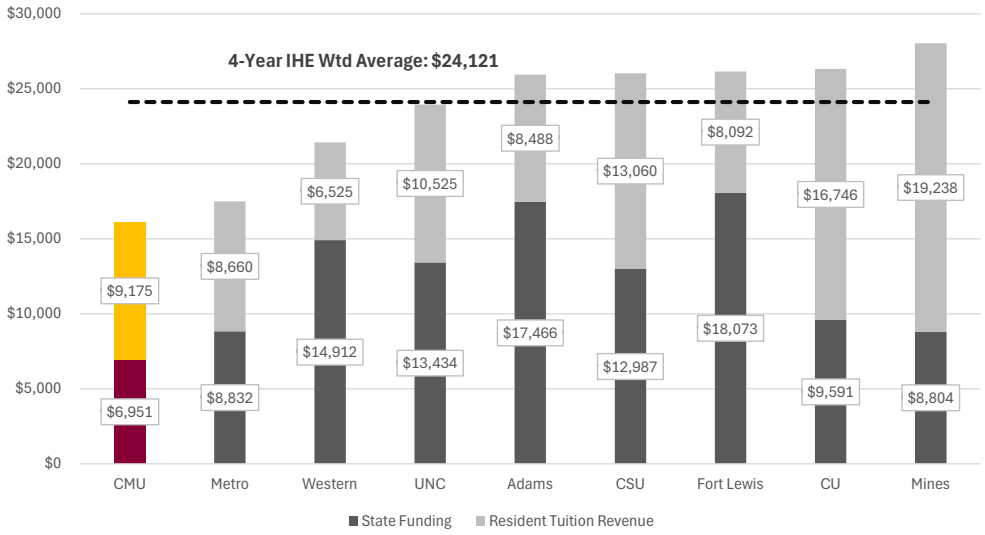


Figure 9: FY 2024-25 State Funding & Tuition Revenue per Resident Student



As our share of State funding per resident student fell from 86% in 2004 to just 66% in 2025, we developed a number of ways to control costs while improving quality for students. Our flat administrative structure enables us to have the fewest staff and faculty per full-time student among four-year institutions (Figure 11). We've also led the State, and perhaps nation, in the adoption of geothermal heating and cooling, which now provides 90% of the energy required to operate campus and saves approximately $1.6 million per year on utilities. As a result, a dollar invested in CMU goes significantly farther toward generating opportunity for a better life than at almost any other institution in the state. Yet there is a limit to efficiency, where cost saving measures undermine

value by reducing the quality of programs and services. Our fear is that, between the low absolute level of funding for higher education in Colorado and the historical base funding disparity that makes CMU students the lowest funded 4-year governing board in the State, we are approaching that limit to what we can squeeze from existing resources.

Figure 10

National Price Indexes for Goods & Services

Bureau of Economic Analysis, 2017=100

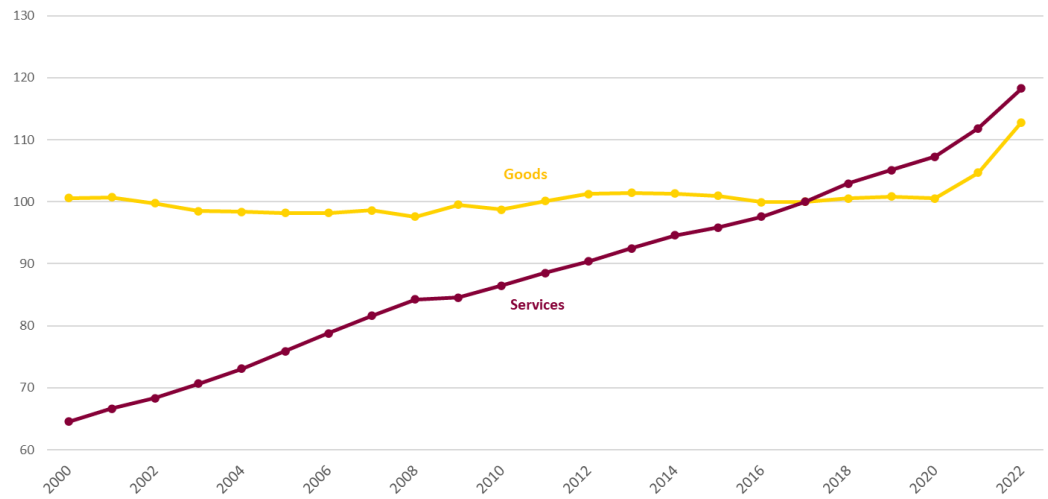


Figure 11

Institution	Staff/Faculty to Student Ratio
CMU	**1 : 8.7**
Metro*	1 : 7.9
CU Denver*	1 : 7.4
CSU Fort Collins	1 : 6.9
CU Colorado Springs	1 : 6.9
4-Year IHE Average	**1 : 6.5**
Fort Lewis	1 : 6.3
Western	1 : 6.1
Mines	1 : 6.1
CU Boulder	1 : 6.0
Adams	1 : 6.0
UNC	1 : 4.9
CSU Pueblo	1 : 4.2

**Includes pro rata share of AHEC FTE*

January 6, 2026

Dear Members of the Joint Budget Committee,

We continue to be grateful for the investments the state has made in higher education over the past several years. The JBC's commitment to funding public postsecondary education has strengthened our ability to meet Colorado's workforce needs and educate Colorado students.

Since FY 2018-19, Colorado institutions awarded over 450,000 post-secondary degrees and certificates.[1] Our graduates fuel the state's talent pipeline in healthcare, engineering, aerospace, education, advanced manufacturing, energy, technology, public safety and skilled trades – fields that are directly connected to Colorado economic competitiveness and to the sustainability of other state systems, including Medicaid and human services.

Our current Fall 2025 student enrollment is at record high levels, over 257,000 students statewide[2], which is a 3.3 percent year-over-year increase. Students are often first generation, low income, and for some institutions increasingly adults – spread out in the communities across every region of the state.

Additionally, state funding increases have enabled nearly all institutions to keep resident undergraduate tuition increases below the rate of inflation. In fact, since FY 2018-19, resident undergraduate student tuition rate limits set by the legislature are a cumulative 3.5 percentage points below inflation.

[1] Colorado Department of Higher Education, All Public Institutions of Higher Education, Degrees and Certificates Awarded reported to SURDS, 2024.
[2] Colorado Department of Higher Education, Fall census enrollment reported to SURDS, Fall 2025.

We write with appreciation for your continued stewardship of the state's finances and with a clear understanding of the significant budget pressures confronting Colorado due to Medicaid caseload, new funding obligations from recent legislation, and voter-approved ballot measures, as well as federal policy changes. Compounding these state-wide pressures, higher education is also confronting a number of other challenges.

Compared to other U.S. states, Colorado's support for higher education funding continues to be among the lowest in the nation. According to the Hanover Peer study, Colorado institutions are over $900 million below the average funding of their national peers. And while Colorado's relative position to other states improved because of your investment, Colorado's state funding per student is still ranked at 43rd in the country.[3] Increased state funding for higher education is critical to help ensure Colorado remains competitive in the national labor and economic landscape. FY 2026-27 costs identified below address increasing expenses like compensation, health/life/dental, and inflationary increases on our operations calculated in the same way as state-wide common policies. Critically, increases in state funding will enable us to keep tuition in check.

For FY 2026-27, the increase in base core minimum costs is calculated at $140.7 million. Considering these costs, with a 2.6% tuition rate increase for resident undergraduates and a 3.0% tuition rate increase for nonresident undergraduates, higher education needs a General Fund increase of $75.7 million ($61.2 million in state operating funding + $14.5 million in financial aid), or a 4.9% increase over current funding levels.[4]

If policy makers are not able to make this level of a state investment in higher education, institutions of higher education would respectfully ask that more tuition rate authority be provided in order to help cover our base core minimum costs. This too has limits because keeping tuition in check is always a top priority of presidents and their governing boards. Institutions cannot simply raise tuition to compensate for less state funding when in many cases tuition rates are at or above market. Depending on the level of state support and the tuition authority included in the Long Bill, institutions will be forced to balance through a combination of tuition rate increases and budget cuts, which can harm both affordability, the quality of a post-secondary education and our employees. The agreement points below provide additional information for the committee to consider for the FY 2026-27 higher education budget.

Public higher education is not a competing interest with other state priorities – it is a foundational strategy that supports them. State investment in higher education ensures that Coloradans can create and access high quality job opportunities.

[3] State Higher Education Executive Officers Association (SHEEO), "State Higher Education Finance (SHEF) FY 2024 Report" (May 2024).Based on SHEEO adjusted dollars by enrollment mix index (EMI) and cost of living index (COLI), excludes District of Columbia (FY 2024).

[4] The 2.6% resident and 3.0% non-resident tuition increases align with the Governor's budget proposal

We are committed to partnering with you to navigate this challenging budget cycle. Thank you for your leadership, your thoughtful consideration, and your continued service to the people of Colorado.

Sincerely,

David A. Tandberg, President, Adams State University
Leah Bornstein, President, Aims Community College
Marielena DeSanctis, Chancellor, Colorado Community College System
Matt Gianneschi, President and CEO, Colorado Mountain College
Paul C. Johnson, President and Professor, Colorado School of Mines
Tony Frank, Chancellor, Colorado State University System
Heather Shotton, President, Fort Lewis College
Janine Davidson, President, Metropolitan State University of Denver
Todd Saliman, President, University of Colorado
Andy Feinstein, President, University of Northern Colorado
Brad Baca, President, Western Colorado University

Budget Agreement Points: FY 2026-27

1. All higher education institutions need incremental state funding increases to maintain student affordability and educational quality. We encourage the state to avoid any scenario where a governing board receives less state funding than provided in the current fiscal year.

2. In order to continue to deliver high quality services to students, it is necessary to meet base core minimum costs that align with the rest of state government. To achieve that goal, a combination of state funding and tuition rate increases would be needed to cover all the base core minimum cost increases for FY 2026-27. If those costs were covered, we support the allocation of these dollars through Step 2 of the model (which will be modified to reflect updated inflation and JBC salary actions)

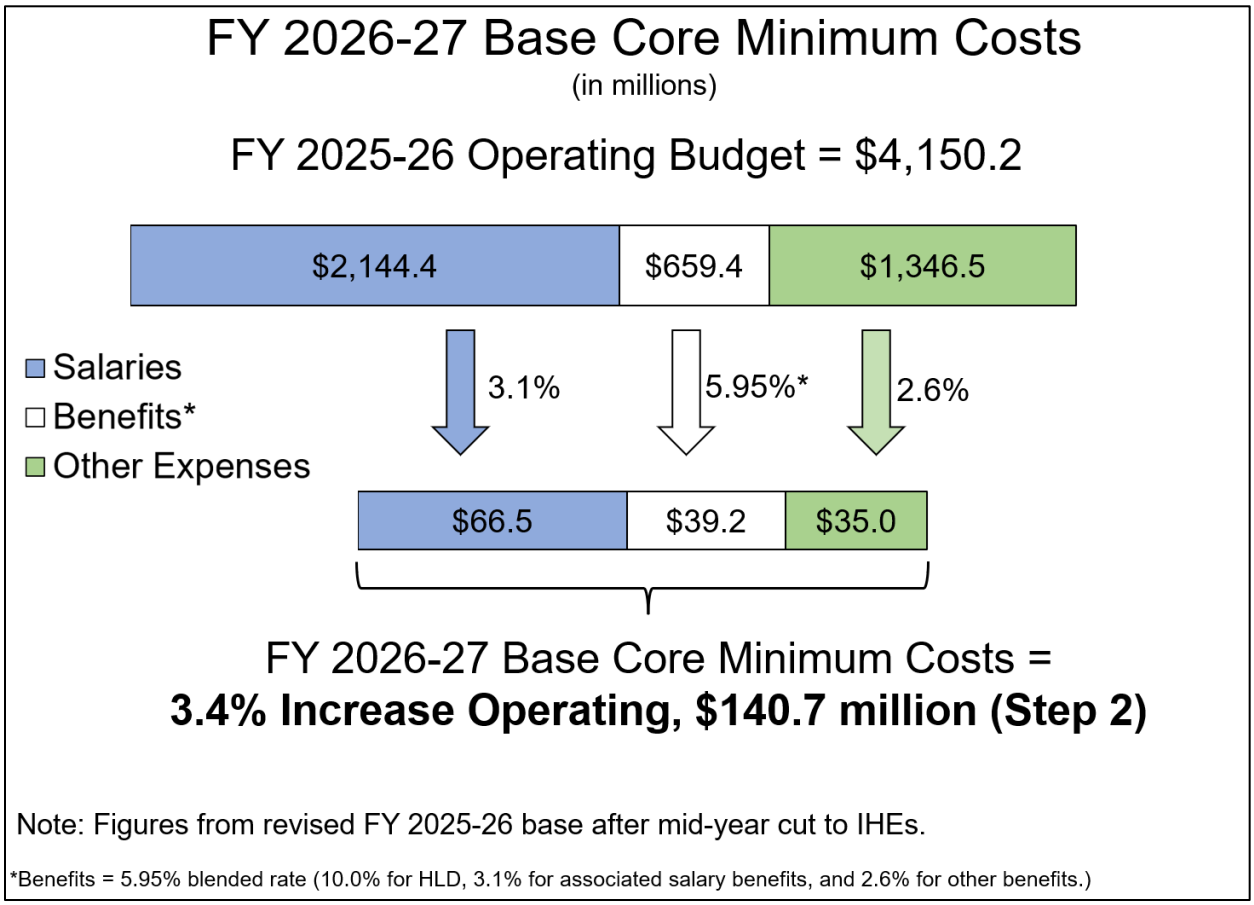
3. The state funding amount in Step 2 of the model is intended to cover base core minimum costs increases but can be modified based on the tuition rate limit adopted by the JBC. Higher education is asked to cover its base core minimum costs through a combination of state funding and tuition rate increases as demonstrated in the chart. This model only works when (1) state appropriations cover a meaningful share of those base minimum costs, and (2) institutions have the market capacity to make modest tuition adjustments. Many institutions cannot implement higher tuition rate increases without harming enrollment. When state funding falls short and tuition increases are not feasible due to affordability or market constraints, institutions must implement budget reductions. These reductions would directly affect academic programs, student services, and operational capacity, ultimately weakening institutional competitiveness and undermining future quality and enrollment.

4. The Step 1 model allocation in the Governor's funding request does not align with governing board's share of classified staff expenses and is done in a manner which provides nearly equal dollar amounts to each institution.

5. We support the use of Step 2 in the model as noted above when core minimum costs are covered. If there is flat or positive state funding, no governing board should be cut.

6. Institutions won't object to other governing boards seeking tuition flexibility beyond the adopted limit due to their circumstances and needs.

Base Core Minimum Costs: FY 2026-27



1	Base Core Minimum Costs		$140.7	$140.7	$140.7	$140.7	$140.7	$140.7	$140.7
2	Resident Tuition Rates (Non-resident at CPI)	Resident	0.0%	1.0%	2.0%	2.6%	3.0%	4.0%	5.0%
3		Non-Resident	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
4		Dollar Amount	$41.1	$56.8	$72.5	$82.0	$88.3	$104.0	$119.8
5	Statutorily Required Increase for SEPs		$4.3	$3.6	$2.9	$2.5	$2.2	$1.6	$0.9
6	Total State Funding IHEs	Percent	8.3%	6.9%	5.6%	4.9%	4.3%	3.0%	1.7%
7		Dollar Amount	$103.9	$87.5	$71.1	$61.2	$54.7	$38.3	$21.8
8	Statutorily Required Financial Aid Increase		$24.6	$20.7	$16.8	$14.5	$13.0	$9.1	$5.2
9	Total State Funding with Financial Aid		$128.5	$108.2	$87.9	$75.7	$67.6	$47.3	$27.0
10	Governor's Request State Funding IHEs		$13.5	$13.5	$13.5	$13.5	$13.5	$13.5	$13.5
11	Governor's Request Financial Aid		$3.4	$3.4	$3.4	$3.4	$3.4	$3.4	$3.4
12	Governor's Request (R-01) Total		$16.9	$16.9	$16.9	$16.9	$16.9	$16.9	$16.9
13	Funding Gap - State Funding IHEs		-$90.4	-$74.0	-$57.6	-$47.8	-$41.2	-$24.8	-$8.4
14	Funding Gap - Finanical Aid		-$21.2	-$17.3	-$13.4	-$11.1	-$9.5	-$5.6	-$1.7
15	Funding Gap - Total		-$111.6	-$91.3	-$71.0	-$58.8	-$50.7	-$30.4	-$10.1