DEPARTMENT OF HIGHER EDUCATION
FY 2020-21 JOINT BUDGET COMMITTEE HEARING AGENDA (3 OF 3)

Wednesday, January 15, 2020
1:30 pm – 4:30 pm

1:30-3:30 UNIVERSITY OF COLORADO SYSTEM, COLORADO STATE UNIVERSITY SYSTEM, COLORADO SCHOOL OF MINES, UNIVERSITY OF NORTHERN COLORADO

Main Presenters:
- Mark Kennedy, President, University of Colorado System
- Dr. Tony Frank, Chancellor, Colorado State University System
- Dr. Paul Johnson, President, Colorado School of Mines
- Andy Feinstein, President, University of Northern Colorado

INTRODUCTIONS AND OPENING COMMENTS

QUESTIONS FOR PANEL DISCUSSION

- Higher Education Funding Model: Page 1, Questions 1-4 in the packet
- Requests R1 and R2 General Fund Support and Tuition Limits for Public Institutions of Higher Education: Page 11, Question 5 in the packet
- Impact of Enrollment and Funding Trends: Page 12, Questions 6-8 in the packet
- Cost Drivers: Page 18, Questions 9-10 in the packet
- Master Plan Goals and Institutional Efficiency: Page 22, Questions 11-12 in the packet

3:30-3:45 BREAK

3:45-4:30 HISTORY COLORADO

Main Presenters:
- Steve Turner, Executive Director
- Cathey Finlon, Chair, Board of Directors
- Daniel Ritchie, Chancellor Emeritus, University of Denver

Supporting Presenters:
- Dawn DiPrince, Chief Operating Officer
- Lynne Winchell, Chief Administrative Officer
- Tonya Covarrubias, Chief Financial Officer

Topics:
- Strategic Plan and Funding Needs: Page 1, Questions 1-2 in the packet
- Marketing and Outreach Efforts: Page 9, Questions 4-5 in the packet
- History Colorado Business Operations and TABOR Cap: Page 11, Question 6 in the packet

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PANEL QUESTIONS

HIGHER EDUCATION FUNDING MODEL

1. Do you support the November 12, 2019 Department proposal for a new funding allocation model? What are the strengths and weaknesses of the Department's proposal? Do you have any recommendations for eliminating, adding, or modifying components? Should all funding flow through a model or only a portion? Should the State explore a different kind of model? Stop using a model altogether? Consider a "hybrid" approach that includes both model components and base changes determined through decision items (e.g., to ensure minimum base increases or address inequities), as recommended by JBC staff?

University of Colorado System

The University of Colorado (CU) supports the November 12, 2019, new funding model for allocating incremental funding increases in FY 2020-21, provided there is an adequate amount of state funding to cover institutions base core minimum costs assuming the 3 percent tuition increase included in the November request. CU does not support the policy concept of the ten percent reallocation of the base funding component in the request. Colorado has a base funding issue related to the overall level of state funding for higher education (according to the most recent SHEEO SHEF survey, Colorado currently ranks 48th in state funding in the country). These funding shortfalls should be addressed by increasing base funding with new dollars, instead of redistributing funds from other underfunded institutions.

The current proposal's strength is that it is simple and can effectively deploy annual funding increases tied to the Colorado Commission on Higher Education's (CCHE) master plan goals. The discussion of a funding model, while important, does not change the fundamental weakness confronting public higher education in Colorado which is the lack of adequate state funding. Despite CU's ongoing efforts to find efficiencies and contain costs, the absence of adequate state funding is its challenge. Since FY 2000-01, the CU has experienced a 52.8 percent decrease in state funding per resident student, adjusted for inflation.

CU is neutral on the idea of adding first-generation students to a funding model, but it needs to be applied in a consistent manner. CU also believes it is critical to maintain Specialty Education Program status for the CU Anschutz Medical Campus which is discussed in subsequent responses.

A funding model that allocates the entire base budget is necessarily more complicated than a model that allocates incremental increases. Base funding models often become overly complicated in order to achieve a result that is viable and able to meet both the state's policy goals and the operating realities at public institutions of higher *education. If a primary goal of a new funding model is simplicity and transparency, allocating the entire base budget may not meet these objectives.*

CU is open to exploring different funding models, whether that is the November 12, 2019 proposal, the JBC staff proposal included in the JBC briefing thought exercise, or other ideas that may be developed over the coming months. The importance of the funding model cannot be minimized; however, the overall lack of adequate state funding is our biggest challenge. Given the lack of state funding and the need to operate as efficiently as possible, institutions must look at ways to meet the educational needs of their students and state workforce through academic and operational innovations and partnerships.

Colorado State University System

The CSU System believes the policy goals of addressing funding that is needed for under-represented minorities, smaller schools, and Pell Scholarship recipients are laudable. With respect to total funding, the current proposal does not cover minimum cost increases for the Colorado State University System.

We believe the most important way to improve the current proposal is to create a guardrail that acknowledges minimum cost pressures for all IHE's. For example, in non- recession years, the historical balance of tuition policy and State fund support should be included in the model as it relates to the mandatory costs that are funded in other State departments. This policy is essential to sustain current initiatives, improve student supports, and maintain affordability.

The current proposal inherently moves resources from programs that have a higher percentage of higher-cost programs (such as Engineering, Business, Computer Science) to those with proportionately lower-cost programs. While this approach achieves certain policy goals, it comes at a cost to quality and sustainability in others, and seems to run counter to the State's long-term interest in STEM education and preparing students for economically competitive careers.

The CSU System believes a performance funding model should be maintained and adopted this year, with FY 2020-21 as the base year and then the next four years outlined statutorily. Because the performance tracking cycle for degree production is measured in several-year increments, rather than quarters or even single years, it is important to establish a framework that balances predictability for operations and measurement for accountability.
We believe elements of both the proposal and suggestions from the JBC Staff can be accommodated in a new or revised model. Furthermore, it may be advantageous for the new statutory model to include the four tenets of the current CCHE Master Plan.

University of Northern Colorado

In general, a funding model of some kind is an equitable and reliable way to distribute Colorado's higher education funding. Predictability and consistency are important for all institutions to manage limited resources in a way that most benefits students. Since the implementation of the H.B. 14-1319 model, time-consuming revisions have been made annually. This is problematic for two reasons. First, substantial CDHE and college and university staff time is spent extracting and analyzing data, developing and testing models, and discussing the results. This is time that could be invested elsewhere, such as on conducting data analysis to design or enhance programs that result in improved student outcomes or finding ways to deliver services more efficiently. Second, the lack of predictability makes it challenging for institutions to engage in multi-year financial planning and tuition setting.

UNC supports the policy intent embedded in the November 12, 2019 model. However, a 2.5% overall increase is not sufficient to cover base cost increases, let alone invest in improved outcomes. As shown in the JBC briefing document, UNC benefits more from the H.B. 14-1319 model than the November 12, 2019 model, but is not *fundamentally opposed to the November 12, 2019 model. Both models are relatively complex, causing unexpected results when factors in the model are changed. So, UNC would recommend simplifying whichever model is adopted. Importantly, any model (and overall funding) needs to ensure that base cost increases are covered through some sort of guardrail mechanism and that annual increases are adequate. For FY 2020-21, UNC supports a minimum overall 5% increase in higher education funding assuming a 2% classified salary compensation pool.*

It is possible that a model cannot completely address the differences among institutions in funding state priorities. It may be the case that a hybrid approach would be more effective. A hybrid approach might include 1) a base allocation, 2) resident undergraduate volume funding (i.e. COF stipends) 3) a performance model that is simple to understand and is calibrated to peer institutions, and 4) support of specialized programs that are valuable to Coloradans (e.g., SEP) through decision items.

Colorado School of Mines

Mines supports the Department's November 12, 2019 funding allocation model as it includes funding Mines as a Specialty Education Program (SEP). Recognizing Mines as an SEP is consistent with how the State has provided funding for specialized statutory roles and missions of other Governing Boards and institutions, especially when those specialized roles and missions dominate how the institution provides service to the State. As the Department noted in its prepared memo, over 84% of Mines' degrees are in engineering. When factoring in applied science degrees this concentration increases to 98%. Mines' statutory role and mission language is most similar in Colorado to the University of Colorado's Health Sciences Center. Both institutions are charged to offer specialized baccalaureate and graduate degrees. The Health Sciences Center is charged to specialize in health-related disciplines and professions, and Mines is charged to specialize in "energy, mineral, and material science and engineering and associated engineering and science fields."

A strength of the department's model is recognition that the State should include a significant component for base operational support. This language is consistent with early draft models of HB14-1319 and is also mirrored in the JBC staff's recommendation for "base" funding. The difficulty is deciding how much and in what manner to allocate that base operational support. The Department's main differentiating factor is location of non-system campuses. We feel that more consideration should be given to role, mission, and purpose or value to the State that each institution provides, as well as the expectation the State has for that institution. So, for some institutions, this might mean that the base funding would make up a significant portion of its overall state funding. This approach helps make the model better address the diversity of institutions the state has and makes the model take less of a "one-size fits all" philosophy that it currently does under existing statute.

Similarly, the concept of providing for "base operational support" also conveys the importance for the State providing support for increases in mandatory or core costs incurred by institutions on an annual basis whenever possible. In most years, the increase in state support falls short of covering increased costs in employee benefits, mandated salary increases, utilities, facility repair and maintenance, and financial aid. Achieving the ambitious goals of the State's master plan will require investment in support programs and services that cannot be made if institutions are struggling to keep up with core cost increases. With this in mind, we would advocate that the selected allocation model include some sort of "guardrail" provision to help institutions cover as much of their core cost increases as possible. The significant investment the State has made in recent years has allowed many institutions, including Mines, to mitigate tuition increases. An investment greater than the proposed 2.5% aggregate increase would be needed, under any allocation model, to provide the necessary funding for all institutions to cover core cost increases as well as have funding to incentivize and support key institution-specific investments needed to ensure overall progress towards statewide goals.

We also feel that any model should try to eliminate any features that create negative "zero sum game" situations that can happen when distributing funding from a budget that does not increase sufficiently with time to cover both increasing base costs and increasing state-wide student numbers. The department has proposed to achieve this by applying gains to future funding increases. A similar performance approach was once adopted by the State in SB11-052. We would advocate for the State setting aside funding to reward institutions for success in increasing opportunities at their campuses rather than basing funding on what's happening in comparison to other institutions. We recognize this may not be possible given State budget constraints or processes, but it may be worth exploring.

We advocate for increasing weight for completions; otherwise the model is too focused on inputs. From a policy perspective, attending college without earning a degree may be worse than no college at all given the financial costs of attending college. In fact national data shows the impact of student debt to be worse on those students who leave college without completing a degree.

2. Should statute continue to require that funding for certain types of entities--local district colleges, area technical colleges, and specialty education programs--continue to increase/decrease at the state average? Why not determine increases/decreases through annual policy decisions?

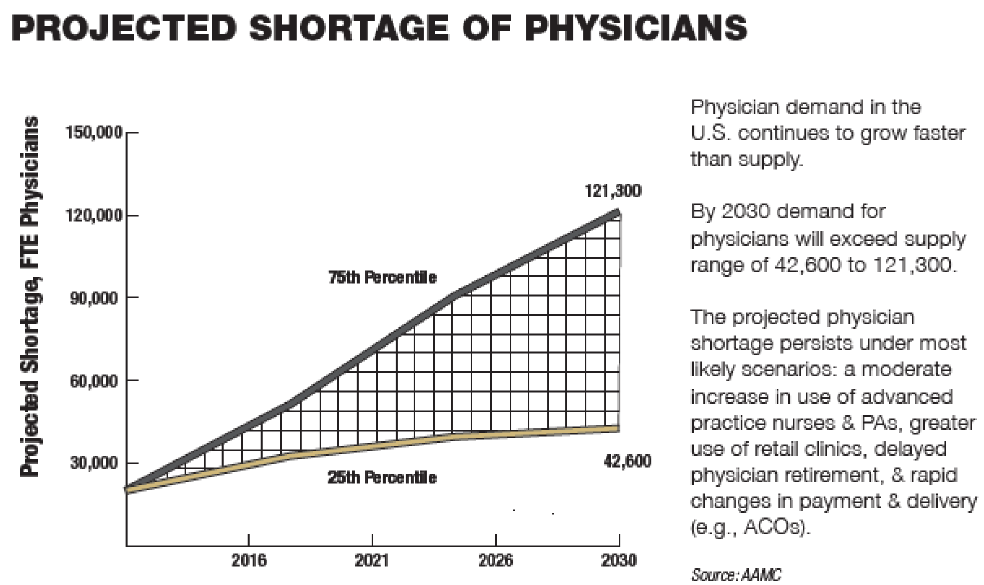
<u>*University of Colorado System*</u>

It is critical that funding for the CU Anschutz Medical Campus (CU Anschutz) be no less than the statewide average. Current statute provides that Specialty Education Programs (SEPs) are funded at the statewide average change, except that CU Anschutz can get funded at a higher rate recognizing its programs are high cost and low enrollment – see Section 23-18-304, (1)(a)(II), C.R.S. (2019). This should be maintained.

State funding accounts for approximately 31.4 percent of the annual operating budget (E&G budget) at CU Anschutz in FY 2019-20, with the remaining mostly coming from student tuition and fees. Due to accreditation standards with student to faculty ratios as well as the limits associated with the number of preceptor placements (locations for internships) for medical students, CU Anschutz, generally does not experience large swings in enrollment. Additionally, since tuition and fee prices for medical students and medical student debt load is a factor for accreditation, state funding is incredibly important to the educational mission at CU Anschutz as the state's only public medical school.

In the most recent year, CU Anschutz healthcare providers served over 593,949 individual patients, of these over 94 percent were Colorado residents. CU Anschutz trains the next generation of healthcare professional across Colorado communities through clinics, training sites and with public health partners.

There are healthcare shortages in the nation as well as in rural parts of Colorado. It is critical that the state maintain this statutory funding status to CU Anschutz in order to better address medical service needs in the future.



Colorado State University System

We support a general policy to keep these programs sustainable and close to average funding for higher education. For the SEP programs at Colorado State University (Veterinary Medicine, Forest Service, Agriculture and Cooperative Extension), an average funding policy reflects these unique programs and supports their roles and missions.

University of Northern Colorado

Because each governing board varies in the proportion of state funding that is "special," it does not make sense for local district colleges, area technical colleges, and specialty education programs to be increased at the statewide *average. Currently 100% of UNC's state funding is driven by the formula and the results can vary meaningfully from the statewide average. Given funding formula variability, "special" funding ought to be increased by annual policy decisions.*

Colorado School of Mines
Given current statutory constraints to the funding model and the diversity of higher education providers, it makes most sense to strive for as much simplicity as possible in the model. Separating out specialty education programs, area technical colleges, and local district colleges allows for that. It is possible to modify this approach so that each has specific long-term policy-driven performance goals that must be met to receive the state average increase.

3. Should the State still be trying to develop a new model for use in the FY 2020-21 budget? (JBC staff has recommended that the General Assembly use the existing H.B. 14-1319 statute, adjusted to ensure a funding "floor" for institutions, for setting the FY 2020-21 budget and that any statutory changes apply to the FY 2021-22 budget.)

University of Colorado System
It is possible for both approaches to be successfully implemented for FY 2020-21. If a funding model that included statutory changes for FY 2021-22 and the future is developed in time for the FY 2020-21 budget cycle, it could be considered as a full replacement to the existing funding model and statute in FY 2020-21. Regardless of the funding model, CU agrees with the idea that the state funding increase allocated through any model, combined with projected tuition revenue must be sufficient to cover every institution's mandatory base costs.

While the 1319 model used over the last five years has significant shortcomings, the fundamental problem is not the funding model itself, but inadequate overall state funding. Any model that is ultimately used by the state in FY 2020-21, or in the future, should include a framework that recognizes the common policy costs that exist at institutions of higher education, just like those at state agencies. If the state's policy goal for tuition is to be set at a 3.0 percent rate increase, an adequate amount of state funding should be included in future funding models to allow institutions to meet their costs as a result of annual inflation and common policies (e.g. 2.0 percent salary pool, 7.9 percent HLD increase, PERA employer share cost, etc.). If this is not done, institutions will have to cut their budgets in order to balance and it will negatively impact CCHE master plan goals.

Colorado State University System
Yes, please see the caveats to this in the response to Question 1 above.

University of Northern Colorado
It is clear from the JBC briefing that there is not consensus around the proposed model. In order to stop revisiting the model each year, there must be broad support for a model. UNC is willing to engage in a process to develop a model that would have a five-year commitment, assuming that an adequate amount of new funding would be added to the model each year. UNC is supportive of using the existing HB 14-1319 model as a floor.

Colorado School of Mines
Given that the current model (HB14-1319) is not supported by many institutions in the system it makes sense for higher education to continue working with the General Assembly and Governor's office to develop a funding model that better aligns with Statewide and institutional goals.

4. First generation students: Is the methodology used by different institutions to collect information on first generation students different? Could it be subject to "gaming"? What number/percentage of Colorado resident students are first generation in their families to attend college at your

institution(s) based on the common definition adopted by the Department[1] and your methodology? If you look only at data collected through the FAFSA (federal student aid application), what number/percentage of students at your institution(s) are "first generation"?

<u>University of Colorado System</u>

The methodology used for determining first generation status varies by institution based on the wording of the question. The CDHE SURDS definition defines first generation as "an individual both of whose parents did not complete a baccalaureate degree." For Spring 2019, the most recent term with final end-of-term data reported in SURDS, CU reported over 11,000 first generation students, which is approximately 23 percent of all undergraduate enrollment.

Spring 2019 End-of-Term Enrollment	Boulder	UCCS	Denver & Anschutz	Total
# of First Generation	4,714	2,195	4,344	11,253
# of Undergraduates	27,979	9,673	11,022	48,674
% First Generation	16.8%	22.6%	39.4%	23.1%

A determination of first generation status depends on a combination of data sources, including the FAFSA and institutional instruments such as an application. The source used as ultimate guide depends on campus procedures. For example, if a student indicates they are first generation based on the FAFSA, but does not make this indication on a campus application, does the campus use the FAFSA or the application? Many students do not complete a FAFSA, leaving only a campus application for making this consideration. There is not an official rule on how to apply conflicting indicators.

The most universal source for first generation status is the FAFSA, which asks about "College or beyond," but does not specifically ask about a degree—associates, bachelors, or graduate. Here is the question used on the FAFSA:

Some states and colleges offer aid based on the level of schooling your parents completed.

24. Highest school completed by Parent 1	Middle school/Jr. high ○ 1	High school ○ 2	College or beyond ○ 3	Other/unknown ○ 4
25. Highest school completed by Parent 2	Middle school/Jr. high ○ 1	High school ○ 2	College or beyond ○ 3	Other/unknown ○ 4

If an institution uses only the FAFSA for determining first generation, they can only conclude that a student is first generation if they select the "middle school" or "high school" options. If they select "College or beyond," the parent may have taken one college course or have a Ph.D.—it can't be known without additional information.

[1] An individual both of whose parents did not complete a baccalaureate degree or, in the case of any individual who regularly resided with and received support from only one parent, an individual who's only such parent did not complete a baccalaureate degree.

Colorado State University System

There is general agreement that a first-generation student is someone who does not have a parent who has received a bachelor's degree. We have recently learned that there is some variation across CO institutions when only one parent is included on the application for admission and that parent does not have a four-year degree. Our institutions submit data to CDHE each term as part of its SURDS enrollment file that indicate which undergraduate students are first generation. In accordance with CDHE documentation, CSU-Fort Collins and CSU-Pueblo define "first generation" as a student for whom neither parent completed a baccalaureate degree. FAFSA narrowly defines "parents" as birth or adoptive parents, while CDHE provides clear guidance that the definition of "parent" can be determined by the institution.

We are unaware of any gaming; students self-report on both admissions applications and FAFSA, so it seems that inaccurate reporting would be equally likely on either source. In both cases, students are relied upon to self-report the information, and there are additional data elements – including parents' employment and school profile – that are useful in evaluating the accuracy of their first-generation status. In addition, not all students complete a FAFSA, particularly students with substantial financial means and non-degree seeking students who are ineligible for financial aid. Therefore, FAFSA-based data likely underrepresents the true number of first-generation students enrolled.

CSU-Fort Collins: 5,137 of 18,110 resident, undergraduate students identify as first-generation, or 28.3% of the resident, undergraduate enrollment.

CSU-Pueblo: 35% of our resident, undergraduate students identify as first-generation.

CSU-Global: Our current methodology is to consider both the self-reported data on the application as well as the FAFSA data, when available. Based on this, 34% of our Colorado residents report as being first-generation.

CSU-Fort Collins: 2,699 of 12,399 resident, undergraduate students who submitted a FAFSA identify as first-generation or 21.8% of the resident, undergraduate enrollment. It is important to note that the FAFSA's options to report parent level of education differ from the generally agreed upon definition of first-generation.

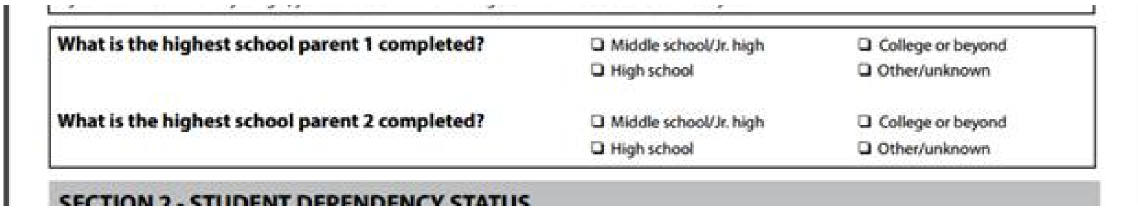
CSU-Pueblo: Using the FAFSA, 978 of 4,385 (22%) undergraduate students reported meeting the definition for first-generation. However, only 2,701 students completed the FAFSA and responded to that item.

University of Northern Colorado

Is the methodology used by different institutions to collect information on first generation students different? To an extent, yes. There are two primary factors driving this:

1. *Not all institutions have the same data available. Generally, the two sources of first-generation data that an institution might have are data collected on a FAFSA and data that the institution is collecting independently (typically on an admissions application). Concerns about the data collected by institutions are that 1) not all institutions have been collecting this information and 2) not all institutions who are collecting these data are wording their question(s) the same way. It stands to reason that an institution's methodology for reporting first-generation information will be heavily influenced by what information they have available.*
2. *Without formalized standards on how to source this data and how to use available data, institutions are making independent decisions about how to report. Based on past CDHE Data Advisory Group (DAG) conversations, it sounds like some institutions are only using FAFSA information, some institutions are only using the information that they are collecting directly, and many institutions are building logic around data from both of those sources. The FAFSA information is not in the context of the generally accepted*

definition of first-generation, which is based on whether either parent has earned a bachelor's degree. The available student responses on the FAFSA for each parent are:



What is the highest school parent 1 completed?	❑ Middle school/Jr. high ❑ High school	❑ College or beyond ❑ Other/unknown
What is the highest school parent 2 completed?	❑ Middle school/Jr. high ❑ High school	❑ College or beyond ❑ Other/unknown

SECTION 2 - STUDENT DEPENDENCY STATUS

A response of College or beyond does not explicitly tell us whether the parent has earned a bachelor's degree; we will have students who select College or beyond because their parent has completed an associate's degree. If we only use FAFSA information, we would have to report all students who have at least one College or beyond response as not being first-generation.

While having an agreed upon definition of first-generation is an important first step, we could argue that we also need to have consistent guidelines about what data sources should be used and how institutional data should be collected. What question(s) should be asked on the institution's application? How (specifically) should the question(s) be worded? If institutions will report utilizing data from both sources (their application and the FAFSA), it would be helpful to have explicit guidelines including how institutions handle instances where the FAFSA data and the data collected by the institution do not appear to agree and how institutions should handle cases where student responses have changed over time.

Could it be subject to "gaming"? Potentially, yes. In the absence of formalized standards regarding what data sources should be used, how data should be collected (i.e., how to word the question), what assumptions can be made, how to handle discrepant information, etc., institutions will have to make independent decisions about how to report. Without explicit definitions, it stands to reason that institutions may lean toward reporting decisions that they believe will result in more favorable outcomes in the context of their own data.

What number/percentage of Colorado resident students are first generation in their families to attend college at your institution based on the common definition adopted by the Department and your methodology?

Fall 2019 UG Degree-Seeking CO Resident Students that are First-Generation (Current Methodology):
Number: 3,230
Percentage: 44.9%

Our current methodology involves examining data that are self-reported by students on their undergraduate admissions application and using data collected from the FAFSA. UNC asks a first-generation question on its application that is specific to the completion of a Bachelor's degree:

Do one or both of your parents have a bachelor's (4-year) degree?
There is a dropdown menu—the possible responses are: No; Both; Mother; Father

If a student responds to this question and indicates the neither of their parents has a Bachelor's degree, we will report them as first-generation. If the self-reported information does not indicate that the student is first-generation either because the student did not provide a response or they indicated that one or both of their parents do have a bachelor's degree, we check the data collected on the FAFSA. In cases where there are discrepancies (i.e., data from the two different sources does not agree or a student's response has changed over *time) our logic defers to the answer that indicates that the student is first-generation. In other words, when determining if a student is first-generation, we take any "yes" for an answer.*

If you look only at data collected through the FAFSA (federal student aid application), what number/percentage of students at your institution(s) are "first generation"? PLEASE NOTE: This methodology has some significant limitations. This information is only available for students who file a FAFSA; FAFSA filer rates vary by institution. All students who do not file a FAFSA are reported as not first-generation, which may not be accurate. Further, the wording of the questions on the FAFSA is not specific to the completion of a bachelor's degree. As such, we would have to make assumptions about how to treat responses of College or beyond.

Fall 2019 UG Degree-Seeking CO Resident Students that are First-Generation (Using FAFSA Info Only):

*Number: 2,016**
*Percentage: 30.0%** (Calculated based on FAFSA filers only)*

This is significantly fewer students classified as first-generation than our current methodology. If we use FAFSA only, we only count students who 1) filed a FAFSA* ***and* *2) answered the question for at least one parent* ***and*** *3) only provided responses of "Middle school/Jr. high" or "High school." These figures are significantly lower than the methodology we currently use because:*

- *Any students who did not file a FAFSA are excluded—even though our institutional data indicates that some of them are first generation*
- *Students who are undocumented (DACA/ASSET students) do not file a FAFSA, although data indicates some of them are first generation*
- *Any students that provided at least one response that was "College or beyond" or "Other/unknown" would not be counted as first generation—even though we know some of these students select "College or beyond" because a parent completed an associate's degree.*

***Since this is calculated based only on data collected through the FAFSA, we adjusted the denominator so that it is limited to only CO resident students who filed a FAFSA. Essentially, this rate is calculated based on a sample of our overall UG population (degree-seeking UG students who are CO residents and filed a FAFSA).*

Colorado School of Mines

Mines uses two ways to identify a student as first generation: data from financial aid FAFSA and a question that is asked on the undergraduate application. If a student meets either criteria, they are coded as first generation. Once a student is coded as first generation, they will always be first generation. This is an ongoing process. Fall 2018 is the first complete year we have data using this method. Prior to this time, we only have first generation coded from the FAFSA data. This is a self-reported data item and it is unlikely institutions can verify parental information. This isn't much different than many other elements of a student's admission application, however. It is hard to predict whether this data can or will be "gamed". Certainly, by including it in the model, institutions will be encouraged to survey students to ensure it has accurately recorded all first-generation students.

The question that appears on the Mines admissions' application is as follows:

Question: Did your parents or the parent with whom you regularly reside and receive support from complete a bachelor's degree? Y or N
This is based on the Federal definition that appears in the Higher Education Reauthorization Act. That definition is as follows:
Definition: (A) An individual both of whose parents did not complete a baccalaureate degree; or (B) in the case of any individual who regularly resided with and received support from only one parent, an individual who's only such parent did not complete a baccalaureate degree.
In the Fall of 2018, 190 of Mines' 1199 (15.8%) incoming freshmen class were identified as being first generation. The fall 2019 currently has 190 of Mines' 1282 (14.8%) incoming freshmen. The chart below provides additional detail:

Residency	All	First Gen	% First Gen	By FAFSA	ByAdmission App
Resident	583	111	19%	60	110
Non-Resident Paying Res Tuition	15	2	13.3%	1	2
Non-Resident	601	77	12.8%	31	76
Total	**1199**	**190**	**15.8%**		

REQUESTS R1 AND R2 GENERAL FUND SUPPORT AND TUITION LIMITS FOR PUBLIC INSTITUTIONS OF HIGHER EDUCATION

5. What level of General Fund increase and/or tuition increase is needed for you to cover your institutional base funding needs? Would the combination of 3.0 percent resident tuition increase, the General Fund amount included in the Department's November 1 request (under H.B. 14-1319), and other revenue sources available to you (nonresident tuition, indirect cost recoveries, fees etc.) cover your base costs? Would the combination of a 3.0 percent resident tuition increase, the funding provided based on the Department's November 12 proposed new funding model, and other available revenue cover your base costs?

University of Colorado System

Based on the 3 percent tuition assumption combined with the state's common policy of a 2.0 percent salary pool in FY 2020-21, a 5 percent statewide funding increase for higher education would ensure coverage of all institution base cost increases. This is based on increasing institutions current year appropriation in the Long Bill by the common policies in the November budget request (2.0 percent salary pool on base salaries, 7.9 percent HLD on base benefits, 1.9 percent CPI on other base expenses, and employer increases for PERA). These costs for CU in FY 2020-21 are estimated to be $40.6 million, which are not covered with a 2.5 percent state funding increase and 3 percent tuition cap.
If the JBC adopts a 3.0 percent salary pool, as was the case last year, a 7 percent statewide funding increase for higher education would ensure coverage of all institution base cost increases.

Colorado State University System

With respect to base costs, there are some methodological and forecasting issues that can affect this calculation.

In the request, the methodology and assumed future costs leave CSU short of core minimum base costs by $2.15 million. Separately, using the current year's base and the common policy assumptions in the November 1, 2019, request for the broader State government (2.0% salary survey, 7.9% percent HLD growth, PERA costs, and 2.1% overall CPI), the shortfall is closer to $3.85 million.

The proposed allocation would result in stopping or curtailing several initiatives that are currently underway, bringing the combined shortfall at CSU-FC and CSU-P to $12.5 million.

With the proposed model, after consulting with other IHEs, a 5% increase in General Fund would cover mandated cost increases for all institutions, with the 3% tuition policy and a 2% salary survey. In this case, some institutions receive resources above mandated costs, but this achieves coverage for all IHEs.

University of Northern Colorado

The 2.5% General Fund increase is not sufficient. UNC supports a minimum overall 5% increase to higher education because, as discussed separately, cost drivers for UNC exceed the rate of inflation. A 5% General Fund increase and a 3% resident tuition increase would cover UNC's base funding needs. Notably, other sources of revenue are minimal. The combination of tuition from nonresidents and indirect cost recoveries is only about 7% of UNC's Education & General revenue and is not an area of significant growth. UNC's nonresident tuition rate cannot be increased above inflation without losing nonresident enrollment and the educational grants that UNC is typically awarded have an 8% indirect cost recovery rate which is much lower than is typical for research in STEM fields.

Colorado School of Mines

Mines supports the Department's November 12th proposed new funding model, which includes Mines becoming a Specialty Education Program. While the Mines Board of Trustees has statutory authority to set its own tuition rates, Mines supports and plans to honor the proposed 3.0 percent resident tuition increase. However, the proposed state budget increase from the Department's November 1 submission for higher education in combination with the proposed tuition increase may not be sufficient to address our cost increases associated with modelled salary increases, utility increases, and investments in curriculum delivery. Mines notes that through pursuit of opportunities for efficiency and cost-savings, we have maintained modest tuition increases in recent years and continue to be ranked nationally as one of the top universities for return-on-investment, when comparing cost of education and post-graduation salaries.

IMPACT OF ENROLLMENT AND FUNDING TRENDS

6. Discuss the enrollment trends for your institution(s). When in declining enrollment, how do you sustain operations and balance the budget?

University of Colorado System

All of the CU campuses have experienced enrollment growth over the past several years. From Fall 2014 to Fall 2019, CU has seen the following percent increases in students, by campus:

CU Boulder = 18.8% (increase)
CU Anschutz = 10.0% (increase)
UCCS = 9.4% (increase)
CU Denver = 4.0% (increase)

In the current year, Denver and UCCS have experienced minor declines, but all campuses have grown over time.

With enrollment declines, the impact depends on the severity of the decline. While campuses will attempt to find efficiencies to manage budget shortfalls, options to balance budgets may include the following:

- *Reducing operating budgets;*
- *Hiring freezes;*

- *Elimination of vacant positions;*
- *Foregoing compensation pool (except for classified staff);*
- *Utilize one-time funds;*
- *Reduce professional development and training opportunities for staff;*
- *Reduce part-time faculty and support staff budgets; and,*
- *Capital improvements are delayed.*

Colorado State University System

CSU-Fort Collins: CSU has had steadily increasing enrollments for the past decade, and as a result, we have not had to adjust for declining enrollments. As we've done in the past when budgets have declined due to State funding reductions, we would work across all units to determine where to cut costs with minimum impact on the classroom and other core functions. Employees make up by far the largest share of our expense budget, so it would be difficult to avoid reductions of personnel and service levels to both students and employees. Past periods of budget reduction required us to make such reductions. Should future reductions become necessary, we will focus on areas experiencing the greatest declines in student enrollment, with the intent of maintaining current retention and time-to-graduation statistics as well as retention of key employees.

CSU-Pueblo: Enrollment trends have declined over the past few fiscal years, and CSU-Pueblo has implemented various measures to sustain operations and balance the budget, which included some reductions in personnel this past year. Through a shared governance model, our process has been to put all the variables on the table, develop a set of priorities, and align the financial resources around our set of priorities.

CSU-Global: CSU-Global's enrollment is on par with expectations, and we have continued to see steady enrollment with slight increases in Hispanic student enrollment and graduate student enrollment. The university uses a per-credit model for all of its expenses to keep its costs tied to the number of credits in which students are enrolled during each month and trimester (as the institution only charges students on a per-credit basis for classes they are enrolled in and does not charge student fees). Therefore, if the university encounters scenarios in which it has fewer students taking classes, or students decide to take fewer credits than originally projected, the university's costs decrease in tandem to maintain operating margins in accordance with Board-approved projections.

University of Northern Colorado

From 2014 – 2016, UNC's new first-time classes grew by 11%, buoyed by an increase in the discount rate for first-year students from 38% to 47%. A discount rate of 47% was unsustainable and indicated both the price sensitivity of our market and that UNC was overspending for headcount. Since 2017, UNC has reduced the discount rate to 39% and subsequently experienced a 15% decline in first-year enrollment over this period. This decline in headcount coupled with large graduating classes has resulted in an overall decrease of 6% in Undergraduate FTE since 2017.

Demographic representation among undergraduate students has remained similar while the incoming class has shrunk. UNC remains a top option for historically-underserved populations including low-income/PELL, first-generation, and students of color as compared to other residential research institutions in the state. As of fall 2019, overall undergraduate resident students are 45% first-generation, 33% PELL eligible, and 33% students of color. UNC remains committed to social mobility and providing access to an affordable and high-quality education.

UNC has shifted focus from increasing the headcount of the first-year class to improving student outcomes. From 2013 to 2018, the retention rate of the first-year class has improved from 69.8% to 72.3% while the 4- and 6-year graduation rates have improved from 28.2% (2011) to 35% (2015) and 47.7% (2011) to 52.2% (2013)

respectively. Over the past year we have created a Strategic Enrollment and Student Success (SESS) plan to recruit and retain students at the institution.
From FY 2014-15 through FY 2017-18 UNC intentionally invested reserves in a variety of initiatives to stabilize and grow our enrollment. Ultimately, enrollment goals had to be moderated, along with revenue expectations. Since FY19, UNC has been making difficult decisions to reduce costs. For FY 2019-20, UNC cut $10 million from its budget and in FY 2020-21 further cost savings measures will be implemented.

Colorado School of Mines
Please see response to question #7.

7. Discuss the cyclical nature of state funding and enrollment and how your institution responds to these fluctuations in terms of making personnel decisions. How did you manage state funding cuts and enrollment increases during the last recession? Did you have layoffs? Would you expect to see the same pattern during the next economic downturn?

University of Colorado System
In the Great Recession, there was significant impact in FY 2009-10 and FY 2010-11 at CU. The impact resulted in $51 million in budget cuts and the elimination of 338 FTE over that time frame.

During an economic downturn, state funding has historically declined when enrollments increase. During the last recession, the campuses managed state funding cuts by eliminating vacant positions, instituting a hiring freeze, offering voluntary furloughs, and laying off positions. In some cases, campuses offered retirement incentives to faculty and staff.

The annual efficiencies that the campuses identify allow CU to improve the quality of education and lower costs to students (such as the elimination of student course and program fees at CU Boulder). The University is serving more students today, so it will become more challenging to insulate future cuts from directly impacting CU students in their academic experience. This is compounded by the number of students that are increasingly Pell eligible, first-generation or from underrepresented minority populations where financial aid and student support services are critical to improving student success and degree completion.

The CU Board of Regents is responsible for ensuring that the university remain fiscally sound and financially stable. In the current funding environment, minor fluctuations in state funding and enrollment are manageable. However, it's important to keep in mind that the cuts made in the prior recession, paired with CU's continuing effort to find annual efficiencies (see link: https://www.cu.edu/doc/fy18-efficiencies-presentationpdf), mean that if and when future state funding cuts hit, CU has already used many of the tools in its toolbox to balance the budget.

An extended downturn would create significant financial pressures, especially against the backdrop of state and federally mandated compensation changes, such as the State Equal Pay Act, new minimum wage requirements, and new overtime rules. After assessing options for one-time cuts, any cost saving options are on the table. Examples include forgoing investments in our facilities so deferred maintenance backlog would grow. Eventually this action has a negative impact on educational quality and student success (hurting retention and graduation rates). It also means that campuses may have to limit other types of strategic investments like additional institutional financial aid or additional student support and mental health services that could negatively impact recruitment, retention and degree completion. In a severe downturn, reserves could be depleted, student services could be reduced, and programs could be limited or eliminated.

Colorado State University System

CSU-Fort Collins: We have had steadily increasing enrollments for the past decade, so our revenue fluctuations have been mostly due to those coming from state funding. We have attempted to make the case that when state funding is weaker, tuition increases need to be higher; and when state funding is stronger, it is appropriate to constrain tuition increases as much as possible given our access mission. When total revenue increases are insufficient to maintain operations at the level necessary to deliver on our academic mission, we try to first leave vacant positions unfilled, and only after that do we begin looking at a reduction in FTE or foregoing salary increases.

During the last recession we implemented a hiring freeze, eliminating hundreds of positions (starting in the President's Office). We implemented a salary freeze for several years, and imposed layoffs in selected areas, always attempting to preserve our ability to deliver on our core academic mission. Certainly, those tools are still available in case of another downturn.

CSU-Pueblo: The cyclical nature of state funding along with enrollment continues to be a challenge for CSU-Pueblo. Through a shared-governance model called the President's Budget Advisory Council. we have focused on the following approaches:

- *Ensure all employees are working at the appropriate load level.*
- *Implement technology solutions to increase efficiencies.*
- *Continue to restructure work units to ensure optimal efficiency without reducing service levels.*
- *Increase enrollment by targeting new student markets, including on-line and adult learners.*
- *Increase retention through the development of new student learning and support systems.*
- *Work to diversify and increase our revenue streams through various third-party contracts (ex. Department of Corrections) and external funding due to our HSI status.*
- *Incentivize retirement.*

With the support of the Board of Governors, CSU-Pueblo has implemented a plan to support fiscal sustainability over the long term. Vision 2028 has the full support of the Colorado State University System, which has committed long-term funding beginning with an initial two-year investment of $7.8 million. There is strong focus on external partnerships and new revenue streams, along with a heightened focus on student support and success. We have new enrollment initiatives that include a new tuition structure and financial aid model, as well as new academic programs. With this redefined focus, we will be in better shape to withstand an economic decline.

University of Northern Colorado

UNC has planning tools in place to help us anticipate and respond to revenue fluctuations regardless of the source. Since personnel costs account for 70% of our expenses, they are a foundational element in all of our work, from multi-year financial planning to our annual budget and student success planning processes. Specific tools we are using to respond to the fluctuations are the annual staffing plan process and recommendations identified by recent campus-wide organizational and structural assessments of administrative functions to deliver service more effectively and efficiently.

These revenue fluctuations are very disconcerting to our faculty and staff and have led to a feeling of employment uncertainty. Specifically, we are currently experiencing an uptick in turnover as a result of frustration with the lack of consistent pay increases, and additional workloads based on the elimination of positions that have occurred in the past two years.

Below is our turnover data since 2014:

Faculty and Staff Turnover %

2014	2015	2016	2017	2018	2019
8.3%	9.7%	8.7%	9.1%	11.4%	15.4%

*Data reflects only 11 months of 2019.

With regard to personnel, we managed the last recession and accompanying state funding cuts by:
1. Relying on reserves created by thoughtful financial planning
2. Implementing a hiring freeze
3. Three years with no pay increases for faculty and staff

All were short-term solutions with corrosive effects on serving our students as well as faculty/staff morale. We eliminated vacant positions during this timeframe but did not layoff any employees.

Apart from any economic downturn, we are currently experiencing a decline in enrollment that required a $10 million reduction in our FY 2019-20 budget and additional reductions for FY 2020-21. The personnel impact of the FY2019-20 reductions was:

1. *Second year of no faculty and staff pay increases*
2. *Reduction of the employer contribution to health insurance from 65% to 60%*
3. *Reduction of the tuition waiver benefit*
4. *The elimination of 96 positions, including 85 vacant positions and 11 layoffs*
5. *Implementation of a 60-day hold on all vacant positions prior to consideration being given to fill the position.*

Preliminary work on our FY 2020-21 budget indicates the need to continue our 60-day hold on all open positions to maximize the flexibility created by our current vacant positions ($4.6 million) to prepare for necessary measures to meet our anticipated $5.0 million revenue shortfall. The 60-day hold results in a position being vacant for an average of approximately 120 days since it takes about 60 days to complete the hiring process from posting to the actual start date of a new employee. Any economic downturn or reduction in state funding would exacerbate the existing financial pressures.

Colorado School of Mines

Mines has experienced stable, moderate undergraduate enrollment growth over the past decade with minimal fluctuations between the residency populations. Graduate enrollment, though more cyclical and market-driven than undergraduate, has slightly increased over the same time period with ups and downs from year to year.

During times of enrollment decline, recession, and/or state funding cuts, Mines prioritizes its resource allocation on baseline operational needs such as curriculum delivery, critical student support functions, compliance, and essential facility usage. Mines assesses cost efficiency measures on an annual basis as part of the annual budget development process. A prescribed inflationary increase is **not** *part of this process. Any budget increase is allocated for new strategic initiatives, new technology, or critical needs after the existing budget is evaluated through the lens of a zero-based methodology. Examples of cost efficiency measures used in the past during financial uncertainty which would be used in a future enrollment decline, recession, and/or state funding cut scenario include, but are not limited to, the following:*

- *Realignment of existing resources to fund baseline operational needs,*
- *Hold on hiring of vacant positions and freeze of current salaries,*
- *Suspension of strategic and operational investments used for new program and curriculum development,*

- *Delay of investment in capital and deferred maintenance on non-essential facilities.*

The measures noted above are temporary in nature and are not sustainable in the long-term. A sustained decline in enrollment, prolonged recession, and/or permanent state funding cut would require that Mines restructure funding for curriculum delivery, critical student support services, compliance, and essential facilities.

8. How well prepared are you to weather the next downturn?

__University of Colorado System__
See prior response to question #7.

__Colorado State University System__
CSU-Fort Collins: Of course, it depends on its length and severity. A mild recession affecting the budget in a slightly negative way for one year could probably be absorbed with standard prudent fiscal oversight. A deep recession lasting several years at dramatic dollar levels would likely require actions (like layoffs, tuition increases, contractions in our ability to deploy financial aid, etc.) that would certainly result in backsliding on our student success metrics (retention, graduation rates, degree completion statistics). Such actions would exacerbate stressors for students and staff and require more resources to deal with mental health and other co-curricular support structures. And we would likely struggle to retain faculty in critical programs, many of whom already struggle with the cost of living in Colorado.

CSU-Pueblo: We continue to look for opportunities to increase revenue and control expenses. With the enhancements previously implemented, along with the incentivized retirement program, any economic downturn would result in further cost-reduction measures along with program eliminations and reduction of services.

CSU-Global: Based on its per-credit model for all its expenses, CSU Global is prepared to weather any downturns in overall enrollment and/or students who choose to take fewer classes per year than originally projected.

__University of Northern Colorado__
We are well prepared because we have already started discussions by eliminating a $10 million structural deficit in FY20 and addressing an anticipated shortfall in FY 2020-21, in part to provide raises to employees. Last fall, about 800 staff, faculty and students attended Budget 101 discussions and over 300 participated in open forums to offer feedback on cost-saving options. We received over 4,000 comments that informed which university-wide cost-saving options we decided to pursue (listed above). In addition, we have created and begun implementing a Strategic Enrollment and Student Success plan, a separate 10-year strategic plan that identifies our university's vision with measurable goals, and the aforementioned organizational design work. These efforts are intended to stabilize our financial situation and help us weather future economic downturns. That said, UNC has spent down university reserves as part of an intentional enrollment strategy over the last few years and has minimal cash balances available to ameliorate the effects of unforeseen financial impacts. UNC will have to continue to implement serious cuts to services and personnel to weather the next downturn depending on the severity.

__Colorado School of Mines__
Mines has been and continues to prepare for the next downturn through the development and execution of our strategic plan which provides the framework to mitigate financial risks via new academic programs and delivery options. Specifically, Mines has invested resources into the development of innovative and high-demand programs to attract both undergraduate and graduate students from across the state and the country. Mines is also working

to diversify tuition revenue through online course delivery for both undergraduate and graduate courses, post-baccalaureate certificate programs, and professional short courses designed with industry partners.

COST DRIVERS

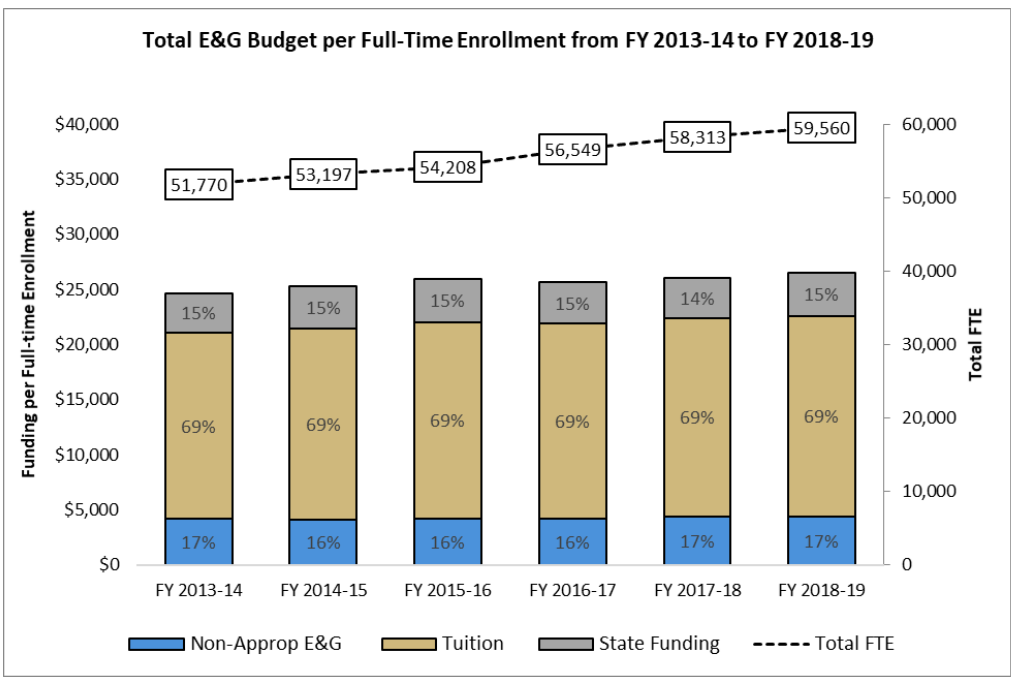
9. How much have posted tuition and fees and total educational and general revenue per student FTE increased at your institution(s) since FY 2013-14, when state funding began to rebound?

<u>University of Colorado System</u>

Tuition and fees rates are calculated based on funding assumptions from enrollment and state funding to cover anticipated costs. At CU, the base resident tuition and fee rates combined have increased at an average annual rate of roughly 3.8 percent since FY 2013-14. Tuition increases have remained below the cap set by the legislature each year since FY 2013-14. Over this period CU has made efforts to improve affordability through transparency.

For example, in FY 2016-17, the Boulder campus implemented a four year resident guaranteed tuition rate and in FY 2017-18 the campus eliminated course and program fees, saving students over $10 million per year. This resulted in the majority of students seeing a real reduction on their student billing. In FY 2019-20, CU institutions kept tuition and fees flat for resident undergraduate students as a result of the state's funding increase.

As the chart below indicates, state funding as a percent of total E&G has remained stable over time as student full-time enrollment has increased.



Colorado State University System

CSU E&G							
	UG Res FTE	GF/FTE	% Increase	Res UG Tuit & Fees	% Increase	Total GF,Tuit & Fees	% Increase
FY 13-14	17,499	$3,026		$9,313		$12,339	
FY 14-15	17,307	$3,452	14.1%	$9,897	6.3%	$13,349	8.2%
FY 15-16	17,777	$3,669	6.3%	$10,558	6.7%	$14,227	6.6%
FY 16-17	17,892	$3,644	-0.7%	$11,052	4.7%	$14,696	3.3%
FY 17-18	17,791	$3,718	2.0%	$11,519	4.2%	$15,237	3.7%
FY 18-19	17,533	$4,224	13.6%	$11,831	2.7%	$16,055	5.4%
FY 19-20 Est.	17,533	$4,709	11.5%	$11,902	0.6%	$16,611	3.5%
CSU-Pueblo							
	UG Res FTE	GF/FTE	% Increase	Res UG Tuit & Fees	% Increase	Total GF,Tuit & Fees	% Increase
FY 13-14	3,475	$3,674		$7,327		$11,001	
FY 14-15	3,276	$4,304	17.2%	$7,834	6.9%	$12,138	10.3%
FY 15-16	3,209	$4,877	13.3%	$8,282	5.7%	$13,159	8.4%
FY 16-17	3,213	$4,871	-0.1%	$8,409	1.5%	$13,280	0.9%
FY 17-18	3,052	$5,442	11.7%	$10,090	20.0%	$15,532	17.0%
FY 18-19	2,804	$6,758	24.2%	$10,408	3.2%	$17,166	10.5%
FY 19-20 Est.	2,804	$7,437	10.0%	$10,445	0.4%	$17,882	4.2%

University of Northern Colorado

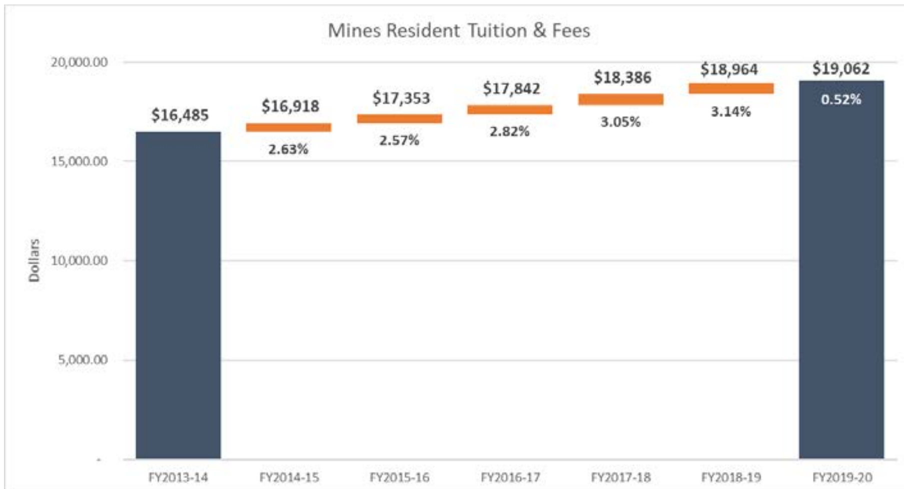
The sticker price for tuition and mandatory fees for undergraduate resident students increased by an annual average of 7.7% from FY 2013-14 to FY 2018-19. UNC's resident undergraduate sticker price is $9,918 but we offer institutionally-funded grants and scholarships that discount the price. The institutional discount rate has increased since FY 2013-14 and currently averages 39% for incoming resident full-time students.

Total education and general revenue per student per FTE increased by an annual average of 5.2% from FY 2013-14 to FY 2018-19 and is currently $12,075 per FTE.

UNC Revenue per FTE	FY14	FY15	FY16	FY17	FY18	FY19
E&G Revenue (Tuition + State Funding)	111,889,771	113,212,113	116,132,270	126,565,038	132,509,945	134,374,351
Institutional Discounting	(16,355,321)	(17,989,756)	(19,840,773)	(24,572,586)	(35,513,103)	(29,413,191)
Net E&G Revenue	**95,534,450**	**95,222,357**	**96,291,497**	**101,992,452**	**96,996,842**	**104,961,160**
Student FTE	9,979	9,402	8,936	8,990	8,989	8,693
Revenue Per FTE	*9,574*	*10,128*	*10,775*	*11,345*	*10,791*	*12,075*

Colorado School of Mines

Posted tuition and fees for resident students has increased at a compound annual growth rate of 2.45% unadjusted for inflation since FY2013-14 when state funding began to rebound. See the chart below for more details:



Education and general revenue per student FTE has increased at a compound annual growth rate of 3.83% since FY2013-14 when state funding began to rebound.

10. What are the major cost drivers impacting your governing board? Is there a difference between the general inflation rate (CPI) and the inflation rate experienced by your institution(s) of higher education? Why?

University of Colorado System

Major cost drivers include expenses that are a result of state policy decisions like the salary pool, HLD, and one-time expenses such as additional employer contributions to PERA. As discussed in the response to question #5, CU's initial estimates for these costs is around $40.6 million for FY 2020-21 (salary pool 2.0 percent, HLD 7.9 percent, and PERA adjustment).

Costs drivers are also a result of serving more students. The reality is it takes people to educate people, and over the past several years, CU is serving more total students who are increasingly enrolling in high cost STEM programs, require student support services and mental health services, and who are increasingly students that are first generation, Pell and/or underrepresented. As Colorado's flagship institution, CU is committed to providing educational opportunities to any Colorado student that is academically qualified to attend, regardless of their background or income.

Enrollment trends are likely to continue as the pipeline of students from K-12 is increasingly comprised of more diverse and low-income students. Additionally, the labor market continues to demand more high-skill STEM workers. While institutions are responding to these challenges by developing more cost-effective ways to serve students, efficiencies alone will not be adequate to cover the cost of these emerging challenges. If additional investments in institutional financial aid and student support services do not keep pace with changes in student demographics it is likely there will be a negative impact on enrollment, retention rates, graduation rates, completions and other measures of student success.

While some costs at CU grow faster than inflation, CU is revenue constrained by available state funding as well as tuition revenues that are a result of tuition rate and student enrollment changes. This means that CU must make hard choices amidst offering high cost, in demand workforce relevant degree programs in conjunction with meeting the increasing need for student support and mental health services. CU continues to annually review its operations to look for ongoing efficiencies. Over the last four years (FY 2015 thru FY 2018), CU has identified over $154 million in cost savings to the university or its students.

Colorado State University System

The level of support needed by our students – and the economic success of Colorado that has led to significant increases in the cost of living – are by far our largest cost drivers for the CSU System. The changing demographics of our student body drive increased costs for academic, social, and health-related support services:

Changing demographics of the student body are notable in the following areas:

- *More students are diverse.*
- *More students are first-generation.*
- *More students are falling slightly above Pell eligibility, which impacts institutional aid.*
- *More students are coming to campus with varied levels of preparation (dual/concurrent enrollment).*
- *More students exhibit mental-health issues.*
- *More students have a variety of other 'risk factors' for retention/persistence/completion.*

Increasing competition for faculty/staff is notable in the following ways:

- *Faculty are being constantly recruited by other institutions nationally.*
- *Salary competition is heightened in specific areas (most notably Business and Computer Science, where the cost of faculty greatly outstrips regular inflation).*
- *In some cases, these challenges apply to staff, as well, especially in more technical areas (HR, accounting, IT).*

Housing costs in Colorado are driving up costs, and attracting faculty and staff requires higher salaries as a result.

University of Northern Colorado

Personnel represents roughly 70% of our operating expenses. We have made necessary investments in response either to unfunded mandates or because of growing student demand central to our mission in areas such as Title IX, counseling, and advising. UNC's faculty and staff salaries are below the average of research universities nationally and UNC faculty and exempt staff have not had raises since July 2017. In order to attract and retain faculty and staff, UNC's salaries will need to catch up to our competitors at a rate greater than inflation. Additionally, fringe benefits, including health insurance and PERA contributions, are increasing at a rate greater than inflation.

On the non-personnel front, the most significant cost drivers are utilities (about 2.5% of our operating expenses) and technology (about 3.5% of our operating expenses). We have controlled utility costs through energy conservation measures. From July 2016 through June 2019, UNC reduced energy use by 33% and saved $2.3 million. However, there are upward pressures on electric and natural gas prices that could exceed inflationary increases. Technology costs are a challenge due to increasing demands for bandwidth and wireless access and software costs, which increase at a rate greater than inflation (about 5% per year).

Colorado School of Mines

Although budget projections at Mines are still in development, the following are high level estimates using basic assumptions:

Any anticipated increase in revenue over CPI is due to moderate enrollment growth, the corresponding resources to support that growth, and investment in new academic programs. The major cost drivers include:

- *New investments in facilities and technology to improve the delivery of curriculum, develop innovative learning facilities, and to diversify revenue streams (e.g. online programs)*
- *Operations of new on-campus housing facilities for freshman and sophomores that provide affordable and convenient options for students, improve upon on the student experience, and facilitate higher retention rates between the first and second year*
- *Increases in financial aid*
- *A potential salary increase for classified staff and exempt faculty as well as increased benefit costs*
- *Operational costs of academic space and the associated technology resources used in curriculum delivery*
- *Additional teaching need due to increased enrollment*
- *Expansion of student support services due to student need*

Mines experiences a higher price inflation than the general CPI due to continual investment in improving the academic curriculum and delivery, the demand to support dedicated and ever-changing technological support services, specialized student support services, and costs required for compliance with federal and state regulations.

MASTER PLAN GOALS AND INSTITUTIONAL EFFICIENCY

11. Discuss the graduation rates for your institutions (graduation within 100-150 percent of time). Should the State be concerned about these? Why/why not?

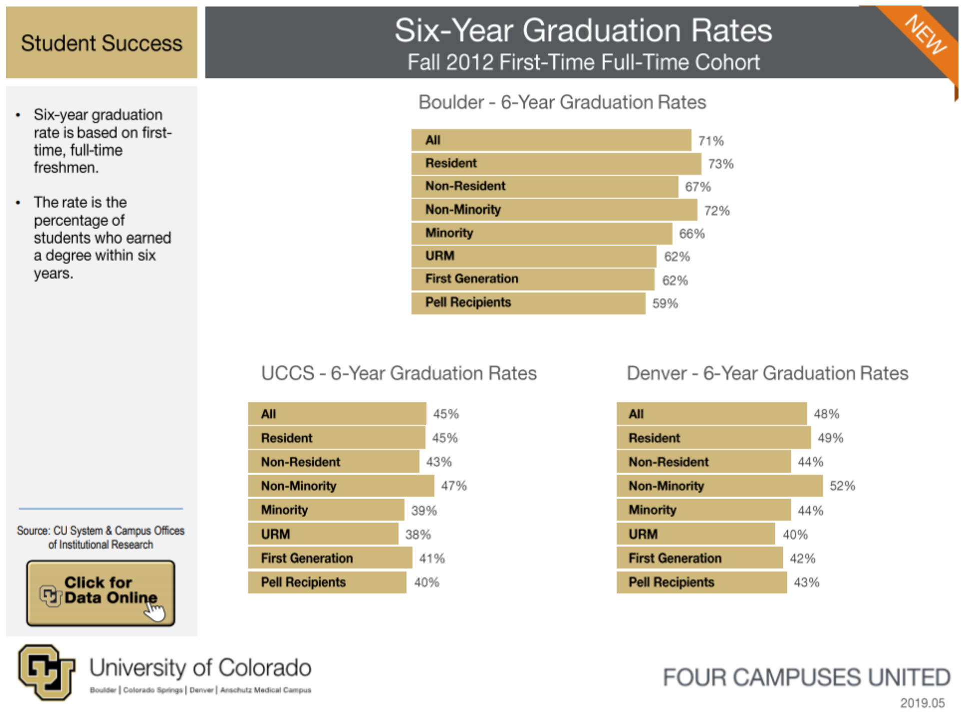
University of Colorado System

Improving graduation rates is one of the most effective ways to ensure affordability and the value of a college degree. Higher graduation rates increase the value CU delivers to its students and their families, making CU more attractive to current and prospective students. It is the role of institutions of higher education to graduate students and increasing graduation rates is a top priority for CU, President Mark Kennedy, and campus leadership.

President Kennedy created a strategic planning working group dedicated to increasing graduation and retention rates. While graduation rates have improved compared to prior years, there is still room for improvement.

The six-year graduation rates for first-time, full-time freshmen in the fall 2012 cohort at CU's campuses are: 71 percent at CU Boulder, 48 percent at CU Denver, and 45 percent at UCCS. The four-year graduation rates are: 47 percent at CU Boulder, 22 percent at CU Denver, and 24 percent at UCCS.

Coupled with the CU system strategic planning process, each campus has an action plan to increase graduation rates among all groups. The following chart shows six-year graduation rates disaggregated by key demographics that are one of the CU Metrics tied to student success (see below).



Increasing graduation rates at all Colorado institutions is a priority for the state, as well as individual institutions. Unfortunately, with limited resources and constrained state funding, institutions struggle to offer students the support they need to improve outcomes.

Colorado State University System

CSU-Fort Collins: Overall retention increased almost two full points from last year, and the 4-year, 5-year, and 6-year graduation rates were the second highest in CSU-FC history. Retention across subgroups increased, and gaps in retention and graduation decreased between racially minoritized (RM) and non-RM students. Gaps between first-generation and continuing-generation students also declined. Pell Grant recipients had a record high 4-year graduation rate while first generation, RM, and resident students had a record high 5-year graduation rate.

Significant institutional investments are at the core of gains in retention and graduation rates, including the following:

1. *Beginning in 2006, the university shifted from faculty academic advising to professional academic advisors. At the time, the six-year graduation rate was 64.9%. A substantial investment in the hiring of 78 professional Academic Success Coordinators has been the biggest factor in a graduation rate now exceeding 70%.*
2. *We launched a campus-wide initiative to increase contact with students in the first four weeks, including relevant content in Ram Welcome orientation; institutional communications to students, parents and families, and social media; early performance feedback (in the form of graded work) to help students self-identify the need for additional support in time to impact their semester performance; focus on early contact from academic support coordinators and scholar contacts; and strategic engagement and training with colleges and units to support students' transition into their academic programs, creating a sense of belonging and confidence.*
3. *Faculty and staff participate in professional development focused on student engagement in the classroom and teaching effectiveness.*
4. *We have focused on increasing student readiness in foundational skills by hiring additional faculty and delivering more effective composition and mathematics courses.*
5. *We have renewed the general education curricula to meet state learning outcomes and create cohesion across the first-year experience for new students.*

With these intentional investments in student success, our retention and graduation statistics are all moving in the right direction. It is critical to note that forecasts for population growth in Colorado suggest we can continue to expect more students with lower economic capacity to pay for college, more first-generation students, and more racially minoritized students, all populations that have historically (locally and nationally) come to college with greater need for support. We will need to continue to expand student success initiatives to ensure that success gaps remain at or below current rates.

	Retention		4-Yr. Grad.		5-Yr. Grad.		6-Yr. Grad.	
	FA17	FA18	FA14	FA15	FA13	FA14	FA12	FA13
Overall	83.2%	85.1%	46.6%	45.9%	65.7%	66.4%	70.9%	69.1%
Pell	78.4%	79.4%	36.8%	38.9%	58.1%	54.8%	64.2%	62.0%
Non-Pell	84.5%	86.6%	49.2%	47.7%	67.8%	69.5%	72.9%	71.1%
First Generation	77.6%	82.0%	38.1%	40.3%	58.6%	56.4%	62.5%	61.9%
Continuing Generation	84.9%	85.9%	49.3%	47.8%	68.0%	69.6%	73.9%	71.5%
Male	82.4%	83.3%	36.7%	37.5%	61.2%	63.8%	68.7%	65.5%
Female	83.9%	86.5%	54.7%	53.3%	69.5%	68.6%	72.6%	72.2%
Racially Minoritized	79.5%	82.0%	44.1%	41.4%	59.7%	63.2%	63.5%	63.4%
Non-Racially Minoritized	84.6%	86.3%	47.2%	47.1%	67.3%	67.3%	72.7%	70.6%
Non-Resident	80.4%	82.6%	43.1%	43.0%	63.1%	61.7%	67.7%	65.8%
Resident	84.6%	86.5%	47.9%	47.2%	66.6%	68.2%	72.0%	70.3%

CSU-Pueblo: Graduation rates are an important outcome for all involved in higher education, and CSU-Pueblo recognizes there is room for improvement within its outcomes. As a regional comprehensive university, CSU-Pueblo has moderate admissions selectivity, which is designed to increased college access for disadvantaged groups, including *first-generation, minoritized, and lower-income students. In addition to the typical challenges faced by college students, these students may struggle to navigate the unfamiliar system without the guidance of experienced parents, to make connections with peers and faculty, to seek the support services available to help them succeed, and to meet the financial burden of college. CSU-Pueblo is working to bolster the supports necessary for our unique student population to be fully successful. Historically, fewer than 19% of CSU Pueblo students graduate within 100% of time. However, rates have ranged from 19.5% to 21.1% for the last three years. Six-year graduation rates (150% of normal time) have been trending upward over time as well, with our most recent cohort at 36% completion. Student outcomes, including graduation, are a significant focus of the work the campus is undertaking with the re-visioning of our advising and support systems. The State of Colorado and its public institutions of higher education should be concerned with current credential completion, and they should work collaboratively to become a leader in the nation.*

CSU-Global: For cohorts between Fall 2012 and Spring 2015, CSU Global's nontraditional student body has 4-year and 6-year graduation rates that are 53% and 56% respectively, with an additional 11% still retained and actively taking classes at the end of their 6th year. While CSU Global continually strives to increase its graduation and retention rates, its rates are significantly higher than the national average for nontraditional students. Additionally, per the Federal Government Dept. of Higher Education, the national official four-year graduation rate for traditional students attending public colleges and universities is 33.3% and the six-year rate is 57.6%, which are aligned with CSU Global's rates for its nontraditional students. Based on this industry data comparison, we do not believe the State should be worried about CSU Global graduation rates.

University of Northern Colorado

As we initiated a Strategic Enrollment and Student Success plan, UNC's 4- and 6-year graduation rates have improved to reach historic record highs — from 28.2% (2011 cohort) to 35% (2015 cohort) and 47.7% (2011 cohort) to 52.2% (2013 cohort) respectively. It is reasonable for the state to have concerns regarding student outcomes, but when put into context, UNC provides a high-quality education to a diverse student body that is not reflected at other Colorado research institutions. The best predictor of student success in college is prior performance in high school. When UNC is compared to Colorado institutions with similar pre-college academic characteristics, UNC is performing at a high level. We remain committed to recruiting, enrolling, and graduating a diverse student population that will contribute to Colorado workforce needs.

Colorado School of Mines

83% of freshman who started at Mines in Fall 2013 completed a degree at Mines within 6 years -- and nearly all of those actually completed within 5 years. 66% of the freshman who started in Mines in Fall 2015 have completed a degree at Mines within 4 years, and we anticipate this cohort will exceed the 6-year graduation rate of the Fall 2013 class reported earlier. These high numbers are significant because Mines students do not have the option to transfer to non-engineering or non-applied science degree programs. They are also significant because we are approaching best-in-class graduation rates for our top peers in the nation.

Graduation rates are important because completion of a degree is even more critical given the cost of higher education. As stated earlier, national data suggest that student loan default rates are higher for students who do not complete a degree. That said, each institution is different and the types of students they service impacts graduation rates or even how they might measure graduation rates. For an institution like Mines, first-time, full-time students dominate our 1st year cohort and that is the measure we are compared against by students and families. Other institutions who service more non-traditional students would use a different measurement.

12. How can the State obtain more high quality degrees while lowering students' cost per degree/certificate? Is this something your institution(s) are actively working on? How? What opportunities and obstacles do you face in achieving this?

University of Colorado System

CU is working to keep costs low for resident students. The primary driver of increased tuition costs for resident students over time has been inadequate state funding.

CU is actively working to lower student costs while increasing the number of high-quality degrees. CU works to inform potential resident students and their families about actual costs versus the advertised cost of attendance. In addition to traditional need and merit-based aid, campuses have developed and advertised new scholarship programs for resident students to help reduce the cost of a degree and recruit more Coloradans. Additionally, CU Boulder implemented the Undergraduate Resident Tuition and Fee Guarantee and eliminated course and program fees (saving students over $10 million annually) in the past several years.

CU is also investing in non-traditional delivery methods at scale has the potential to keep costs low. Offering online courses, encouraging concurrent and dual enrollment, offering credit for prior learning and apprenticeship programs, and helping students complete degree requirements on time are all proven strategies to reduce time to degree.

However, there are challenges to producing more high-quality degrees while keeping costs low. The CU system is experiencing additional costs due to changing demographics and increasing student support and mental health needs. Since 2010, CU's total enrollment has increased by roughly 10,000 students. Of this amount, 96 percent of the student growth is from students of color, underrepresented minority students, and Pell recipients. Additional investments in institutional financial aid and student support services are critical to improving student success and degree completion. Additionally, there is greater cost associated with educating students that are increasingly enrolling in high-cost STEM programs. These trends are likely to continue as the pipeline of students from K-12 is continuing to be comprised of a larger at-risk student population and as the labor market demands more STEM graduates.

While institutions are committed to cost containment and efficient educational delivery methods, the state is a critical partner and must consistently increase its investment in higher education to help contain and lower costs for students.

Colorado State University System

CSU-Fort Collins: CSU-Fort Collins is always looking for ways to be more efficient and effective in the delivery of our academic programs by taking advantage of technology. The low (on a relative basis) level of State funding per FTE certainly puts a greater burden on our students in covering the cost of their education.

With every degree earned at Colorado State University being high-quality, we focus on equity from the perspective of both a student's ability to pay for the degree and the support services that encourage student success. The following steps outline our process.

Step 1: Accurately Calculate Both Cost and Need

- *The cost of attendance (COA) varies based on factors like class level and program, so CSU calculates a COA based on the individual student.*
- *The FAFSA does not necessarily reflect a student's ability to pay for college, so CSU employs an institutional aid application that more accurately calculates need.*

- *More precision around cost and need allows the university to target limited resources where they are needed most.*

Step 2: Award Financial Aid Following Research-based Guidelines

- *Package financial aid in alignment with cost, need, and student success. Our data indicate that a minimum amount of gift aid can be correlated to student success.*
- *Challenge: Based on current federal, state and institutional grant funding levels, we are unable to award aid at the level needed to fully support student success.*

Step 3: Provide Quality, Targeted Student Support Services Proven to Reduce Gaps in Degree Attainment

- *CSU's Community for Excellence (C4E) connects first-generation and/or low-income and/or students of color with a mentor who is connected to support services across the university. The mentor supports the student far beyond academics to include areas like social, emotional, and financial needs.*
- *The Key Communities at CSU are living and learning communities for first-year, second-year, and continuing students designed to foster transition to and through the university. Key students live together on designated residence hall floors; enroll in 2-3 of their first semester courses in smaller cohorts; and have Key Mentors who serve as guides throughout their experience as students at CSU. The majority of students who opt into Key identify as students of color and/or first-generation.*

Challenge: Between Key and C4E, about 2,000 students are currently supported. The number of students who could benefit from these services is far greater.

CSU-Pueblo: To increase the number of high-quality degrees, while lowering the students' cost per degree or certificate, the state should consider support for the following:

- *Incentivizing institutions to increase the retention and 4-year graduation rates of students including academic resources, success coaching, and academic advising. It is particularly important to provide educational resources to regional-comprehensive institutions that serve student demographics that have traditionally low retention and graduation rates.*
- *Incentivizing institutions to improve coordination and collaboration among K-12 schools, community colleges, and 4-year institutions to make sure students are better prepared.*
- *Incentivizing institutions to support Open Education Resources (OER) as a way to reduce the cost of textbooks.*
- *Acknowledging there is an ongoing debate, continue to explore incentivizing institutions to support the utilization of Prior Learning Assessment (PLA) as a way to recognize prior work experience while maintaining rigor and quality.*

CSU-Pueblo has been working to attract external funding from sources such as the US Department of Education, the National Science Foundation, and private organizations such as the local hospital and private foundations. This external funding helps to support academic initiatives such as improved advising experiences for new and transfer students as well as academic scholarships for students. Moreover, CSU-Pueblo has utilized System resources to revamp academic curricula and add new programs that will positively impact Southern Colorado.

CSU-Global: As it pertains to CSU-Global's nontraditional students, speed-to-completion and cost-to-completion are ongoing challenges. Given the multiple responsibilities being managed by our students e.g., work, family responsibilities, community work etc., CSU Global works relentlessly to increase its student engagement and retention to keep up with the changing demographics and dynamic needs of nontraditional students. The university's data for engagement and retention are provided monthly for all staff and faculty leaders and managers to act upon, while ongoing committees explore and pilot different and new ways to increase those factors for varying student populations. The university also continually contacts and prompts students to enroll in classes, while also offering alternative credit pathways that can reduce student time and cost to completion. Since 2014 CSU Global has provided competency-based self-study and prior assessment options at an 80-85% cost-savings against its fixed tuition rate, and in 2020 it will pilot additional models. However, as the Federal Dept. of Education does not recognize competency-based programs for financial support, students must self-pay, making such options less accessible, so CSU Global continues to provide institutional support to help students who seek such support.

University of Northern Colorado

The level of investment that Colorado makes in higher education (Colorado ranks 48th in the country in per student funding for higher education) constrains the quality of education and results in students shouldering more of a financial burden. Greater investment by the state would contribute to more students obtaining degrees and would ensure that universities can provide high-quality programs that meet the state's current and future employment needs. The highest priority to support student success and address cost per degree should be to increase the state's investment in public colleges and universities.

UNC continuously monitors and seeks opportunities to ensure students have access to a high-quality education while being mindful of the cost of attaining a degree or credential. A recent initiative is the Aims2UNC program, which was implemented last fall. It has great promise for establishing different pathways to completion of high-quality baccalaureate degrees, while reducing the time and expense for students. Aims2UNC puts students on a path to a four-year degree from UNC the moment they arrive at Aims. Students are simultaneously admitted to Aims and UNC, and once they earn an associate's degree, they transition to UNC to complete a bachelor's degree. The key to the program is intentional advising that keeps students on track with the courses they take and the credits that they earn to graduate first with an associate's degree and ultimately the bachelor's degree. In many ways, this is an example of a high-quality, dual-enrollment program in a student's postsecondary education.
Traditional concurrent and dual-enrollment programs at the high school level also present an opportunity for students and colleges, but with certain caveats. While UNC supports the concept, there needs to be increased attention devoted to oversight of these educational experiences to ensure quality and integrity of the college-credit courses. That includes credentialing instructors of the courses and providing equitable opportunities for students in urban and rural areas. Universities need to take more responsibility to work with our K-12 partners who are delivering courses on behalf of the university. At UNC, we are working closely with our K-12 partners to ensure that the courses taught in dual-enrollment are equivalent to those taught on campus and to provide professional support for the teachers who provide the dual-enrollment instruction.

Colorado School of Mines

Mines has focused on decreasing time to completion as one strategy to lower a student's cost per degree. We estimate that the net financial benefit of moving from a 5-year to 4-year graduation time is more than $100,000 to our graduates when considering costs of education and earnings potential. The 4-year graduation rate has increased from 40% (2006 cohort) to 66% (2015 cohort). More recently we have seen an increase of student graduating before 4 years. In the Fall 2013 cohort 23 students graduated prior to 4 years. In the Fall 2016 cohort, 52 students graduated before 4 years. Decreasing time to completion is achieved through a variety of factors including, *eliminating course sequencing barriers (e.g., required courses only offered once a year), improving student advising (e,g. invested in centralized advising center), and greater acceptance of transfer credits.*

Similarly Mines continues to diversify pathways to earning a Mines degree, for example - improving and adding transfer agreements with Colorado Community Colleges. Our strongest partnership is with Red Rocks Community College. We also have agreements with Aurora, Arapahoe, Denver, and Front Range. We are working with Colorado Mountain College and also working closely with the Colorado Department of Higher Education as it develops a statewide transfer agreement in engineering. Beyond transfer agreements, our formal partnerships with community colleges are important because it ensures that our faculty and advisors are working with community college faculty and advisors to ensure courses are covering key principles and topics necessary to ease the transition to upper division courses at Mines.

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED. PLEASE RETAIN THE NUMBERING IN ORDER TO MAINTAIN CONSISTENT LABELING FOR COMMON QUESTIONS ACROSS DEPARTMENTS.

QUESTION SPECIFIC TO COLORADO STATE UNIVERSITY SYSTEM

13. For the following cash fund, please indicate whether the institution believes continuous spending authority is necessary, and if so, why. What consequences or challenges would the institution expect if the fund were annually appropriated rather than continuously appropriated? Food Systems Advisory Council Fund created in Section 23-31-1105,C.R.S.

Colorado State University System

Given that the continuous spending authority is only seven months old and the statute in question explicitly authorized the fund to be continuously appropriated, we should get two to three years of experience with the fund before recommending any changes.

QUESTIONS FOR ALL GOVERNING BOARDS

[Note: Numbers reflect JBC standard numbers for common questions]

1. Provide a list of any legislation that the governing board has: (a) not implemented, or (b) partially implemented. Explain why the governing board has not implemented or has only partially implemented the legislation on this list. Please explain any problems the Department is having implementing any legislation and any suggestions you have to modify legislation.

University of Colorado System

CU has and will continue to implement all legislation that is enacted.

Colorado State University System

None at this time.

University of Northern Colorado

UNC is not aware of any legislation that has not been implemented.

Colorado School of Mines

None that we are aware of.

2. Does the governing board have any HIGH PRIORITY OUTSTANDING recommendations as identified in the "Annual Report: Status of Outstanding Audit Recommendations" that was published by the State Auditor's Office and dated June 30, 2019 (link below)? What is the Department doing to resolve the HIGH PRIORITY OUTSTANDING recommendations? Please indicate where in the Department's budget request actions taken towards resolving HIGH PRIORITY OUTSTANDING recommendations can be found.

http://leg.colorado.gov/audits/annual-report-status-outstanding-audit-recommendations-june-30-2019

Summary Response:

The Governing Boards do not have any high priority outstanding recommendations at this time.

4. Is the governing board spending money on public awareness or advertising campaigns? If so, please describe these campaigns, the goal of the messaging, and the cost of the campaign.

University of Colorado System

CU System

CU System office spends $4 million annually on marketing/promotion. The funds are from earnings on CU investments (no state funds or tuition revenue is diverted to the project). The All Four: Colorado marketing campaign is delivered largely through paid media. The multimedia campaign uses TV, radio, print, social media, digital media, search engine marketing and billboards. CU also pursues non-paid communications strategies, including newspaper opinion pieces from the president and the president's monthly electronic newsletter that is distributed to nearly half a million alumni, donors, friends, parents, faculty, staff, and students.

The goals of the All Four: Colorado marketing campaign are to:

- *Promote the value and contributions of CU to targeted segments of key constituents;*
- *Leverage campus-based marketing efforts and provide connective tissue among them;*
- *Support fundraising activities.*

Effectiveness is assessed by annual research surveys to a geographically diverse and statistically significant number of Coloradans. Additionally, survey work done on campus-specific campaigns query the effectiveness of the All Four campaign.

The CU System also has a contract with RTD for naming the University of Colorado A line from Union Station to Denver International Airport for $1 million per year for five years (it will hit the four-year mark in April). CU does not work with other state or federal departments to coordinate the campaign.

CU Boulder:

The CU Boulder campus is continuing an integrated reputation campaign that demonstrates that CU Boulder is a bold, innovative community of scholars and learners who accelerate human potential to solve the humanitarian, social and technological challenges of our time. The campaign is directed to national and state audiences: peer institutions, government, elected officials, industry, general public, alums and employees. This is a multi-channel *effort utilizing Facebook and earned media, and is in addition to our overall recruitment paid media efforts. The campus anticipates spending an annual budget of approximately $120,000 in FY 2019-20 on its reputation campaign.*

CU Denver:

The CU Denver campus spends approximately $1 million for advertising and public awareness. This includes approximately $400,000 in production and $600,000 in paid media (ad buys) in support of the CU in the City advertising campaign. The goal of the campaign is to build overall awareness of the Denver campus, to establish our foothold as the only public research university in the heart of downtown, and to educate the Front Range community on our research efforts, academic quality and variety of degree programs. Success is measured via a biennial tracking study that measures advertising recall, overall image and awareness and likelihood to recommend CU Denver to others. Annual metrics include click-thru-rate and engagement rates on a variety of digital and social ads, video completion rate and website unique visits, time on site, bounce rate, among others.

CU Anschutz:

In the fall of 2018, the newly established marketing team at CU Anschutz focused on building a marketing, communications and earned media infrastructure to promote the research, education, innovation and patient care pillars of the campus. CU Anschutz engaged the local advertising agency Karsh Hagan and successfully executed an umbrella brand project with our hospital partners. With a unified brand established, CU Anschutz developed and launched our first-ever public awareness campaign in October 2019 designed to elevate the reputation of the Anschutz Medical Campus as a world-class medical destination, and amplify the recruitment and retention of the unparalleled talent that powers this campus and positions us at the forefront of life-changing medicine, science and healthcare. This multi-market, regional and national campaign includes detailed tracking to measure metrics and effectiveness specific to awareness and reputation across consumer, opinion leader and physician audiences utilizing metric tools including SMARI, Kantar, Nielsen Media Research, Stellar, Cision, Media Metrix, and Simmons.

Our "This Is Breakthrough" campaign - filmed entirely on our campus and featuring CU Anschutz faculty - includes placements in the NY Times, Wall Street Journal, Journal of American Medicine, New England Journal of Medicine, Scientific American, other outlets and prominent medical journals/conferences, and across the Denver and Colorado market at an initial cost of approximately $1M in production and marketing for the campaign during the Summer 2019, from funds provided by a donor specifically for this purpose.

UCCS:
In 2018, the UCCS fuels SUCCESS marketing campaign was launched with a primary goal of brand awareness. In 2017, market research revealed that UCCS was not a well-recognized brand outside of the southern Colorado region. In 2018 UCCS developed a media campaign to broaden awareness in Colorado as a whole to improve perceptions and awareness of the UCCS brand. Phase two of that campaign launched in August of 2019.

The pillars of the campaign remain: Affordability, Location, Career-focused Education, Small Class Sizes, Innovative Degrees and UCCS as part of the CU system.
The overall paid media budget for FY 2019-'20 was set at $450,000 with more than 50 percent of the budget dedicated to out-of-state efforts. All earned media is coordinated in-house.

Measurement:

Before launching the campaign in 2018, a benchmark survey was conducted within Colorado. A follow-up survey was done in the fall of 2019 to gauge changes in awareness and perception. Looking at changes since 2017, beginning with Unaided Awareness, college-bound students' awareness increased significantly since 2017. First mentions of UCCS among students gained a statistically significant eight points to 25 percent.

Parents expressed substantial gains in their Likelihood to Consider UCCS, with a 21-point improvement to 44 percent being "Very Likely" to consider UCCS, along with a two-fold increase in "Extremely Likely" ratings (from 9 percent to 20 percent). Notably, these gains came largely from outside of El Paso County, where communications efforts were focused.

Colorado State University System

Neither CSU-Fort Collins nor CSU Pueblo is currently involved in promotional or marketing campaigns.

CSU Extension strongly collaborated on a public awareness campaign addressing the mental health crisis across rural Colorado. With partners such as the Colorado Department of Agriculture, we instituted a public relations campaign to destigmatize seeking assistance with crisis services. The campaign did not cost CSU since partners covered the fees associated with the materials. The well-established crisis line that we used has increased staff by 24 people to meet the increased caseload after our campaign, which demonstrates more rural Coloradans seeking mental health assistance.

University of Northern Colorado

UNC does not spend money on general public awareness campaigns outside of marketing to prospective students.

Colorado School of Mines

Mines currently funds two major advertising / sponsorship initiatives:

1) *Advertising at Denver International Airport. -- $84,000. This is focused on student recruitment.*
2) *CBS4 Denver Future Leaders Campaign -- $132,000. This program recognizes outstanding high school students who are exceling in STEM and making an impact in their community. Many of the award winners have overcome obstacles to achieve their success and serve as role models for other young students to pursue their passion in math, science, engineering.*

DEPARTMENT OF HIGHER EDUCATION
FY 2020-21 JOINT BUDGET COMMITTEE HEARING AGENDA (3 OF 3)

Wednesday, January 15, 2020
1:30 pm – 4:30 pm

3:45-4:30PM: HISTORY COLORADO

STRATEGIC PLAN AND FUNDING NEEDS

1. Describe the results of your strategic planning process. Does the plan specify how much certificate of participation support is needed?

   History Colorado spent the last year engaging in a robust, inclusive strategic planning process. The agency worked with the generous and inspiring guidance of University of Denver chancellor emeritus Dan Ritchie, a Statewide Advisory Team of visionaries and business minds, including History Colorado's Board of Directors, to chart a bold path forward for History Colorado. The Strategic Plan recognizes the number-one priority for History Colorado must be to resolve its structural financial imbalance. The structural financial imbalance has occurred for a variety of reasons, with reduced Limited Gaming funding and the History Colorado Center certificates of participation (COP) being the largest factors.

   The Strategic Advisory Team worked in committees and met with key staff to develop baseline data, examinations of strengths and concerns, and creative possibilities for future growth. These planning meetings culminated with white papers that formed the foundation of the strategic plan. Planning committees included communications, collections, education & programs, preservation, finance, statewide impact, governance, and operations/staff development.

   History Colorado staff worked with Dan Ritchie to compile the core visions of the planning process into a four-page strategic plan, which was approved by the advisory committee in July 2019. The Strategic Planning Committee identified a number of important strategies for History Colorado to move boldly forward. In the second half of 2019, History Colorado staff took the strategic plan, engaged in goal-setting training provided by the Governor's office, and developed an action plan for implementing the vision of the strategic plan.

   The Plan's remedy for History Colorado's structural financial imbalance is increased state support for the COP payment, which will improve the agency's ability to operate from long-term financially sustainable position, meet its obligations to the state and increase its impacts on Colorado communities and residents. The Plan notes that the Judicial Center, which is on the same COP as History Colorado, has already received General Fund for its portion of the payment. Increased state support for the COP would enable the agency to correct its structural financial imbalance, maximize service to the state through full implementation of the Strategic Plan outlined in the table below and utilize its unique resources toward investing in rural prosperity, strengthening Colorado through education, and sharing the diverse stories of Colorado.

Engage 1 million people annually by 2025

Build Long-Term Sustainability

Ensure the ability to innovate by solving financial imbalance and enhancing capabilities in financial planning and forecasting.

Maximize impact of all programs, collections sharing and preservation activities by being one unified History Colorado.

Nurture and maintain top talent by ensuring living-wage compensation, work culture improvements, and professional development opportunities.

Improve data collection and evaluation to ensure data-driven analysis of success, audience, impact, and operational revisions.

Invest in Rural Prosperity

Exhibit a strong commitment to the importance and value of the entire state of Colorado through our budgeting, staffing, practices, and programs.

Increase the successful engagement of people, places, and communities so that our programs are the national leader in historic preservation services.

Build and implement a Rural Heritage Impact Program: a comprehensive program that mobilizes rural communities around their authentic assets of heritage and culture, with community liaison staff located across the state.

Strengthen Colorado Through Education

Harness the power of history, civics, and humanities education by enhancing our formal education programs.

Increase statewide replication of Hands-On History programs, including: fifth-day youth education in communities with four-day school weeks; summer camps; and urban after-school programs in partnership with metro Denver school districts.

Implement Colorado history classroom curriculum service, including: easy-to-use programs and learning activities; online support and supplemental resources; professional development to support teachers; and on-site instruction support.

Share the Diverse Stories of Colorado

Connect with diverse audiences through new forms of content creation, distribution, and engagement.

Maximize engagement and expand reach through compelling and relevant exhibits.

Create a new collecting plan that prioritizes a responsible, active approach to ensure both inclusiveness and the ability to tell relevant, contemporary stories.

Develop a long-term solution for improved and expanded collection storage.

Maximize impact with confidence and a grandness of scope.

2. Provide 5-year projections demonstrating the estimated impact on its visitation, earned revenue, and overall financial viability under the following scenarios: (1) no "relief" for certificate of participation payments; (2) the requested $1.0 million shift to the General Fund/reappropriated funds of certificate of participation payments; (3) $3.0 million shift to the General Fund of certificate of participation payments (i.e., the entire FY 2020-21 payment; though the $500,000 increase in FY 2021-22 and future increases would be absorbed by the organization).

Status Quo Forecast Assumptions:

- 1.0% on-going growth on Limited Gaming (minimal impact from sports betting)
- 2.0% on-going growth on earned revenues
- 2.0% on-going growth on Federal Funds
- History Colorado front loads transition out of OIT with a long transition timeline
- 3.0% on-going growth rate on expenses (no change in staffing/program support)
- 10.0% on-going growth rate on common policies (five-year actual: 14%)
- No change to Constitution, statute or regulatory structures.

$1 Million Support Forecast Assumptions:

- 1.0% on-going growth on Limited Gaming (minimal impact from sports betting)
- 3.0% on-going growth on earned revenues
- 2.0% on-going growth on Federal Funds
- History Colorado front loads transition out of OIT with a moderate transition timeline
- 3.0% on-going growth rate on expenses (minimal change in staffing/program support)
- 10.0% on-going growth rate on common policies (five-year actual: 14%)
- No change to Constitution, statute or regulatory structures.

$3 Million Support Forecast Assumptions:

- 1.0% on-going growth on Limited Gaming (minimal impact from sports betting)
- FY2021 4.0% growth on earned revenues and 5.0% on-going growth
- 2.0% on-going growth on Federal Funds
- History Colorado front loads transition out of OIT with a quick transition timeline
- FY2021 increase of $2.5 M and 3.0% on-going growth rate on expenses
- 10.0% on-going growth rate on common policies (five-year actual: 14%)
- No change to Constitution, statute or regulatory structures.

The following are budgetary uncertainties that may impact the forecasts:

- Personal services common policies, including employer contributions for health, life & dental insurance and PERA;
- Operating common policies costs;
- Limited gaming revenues, including the rate of growth, impact of sports betting and Gaming Commission administrative costs; and
- Federal revenues.

Table one includes the status quo forecast. This scenario assumes the agency keeps staffing and program support at its current level and the agency slowly moves its IT costs from the Governor's Office of Information Technology (OIT) *to its operating line (a result of a recent agreement between OIT and History Colorado). Based on these assumptions, History Colorado will face a budget deficit of $1,531,589 in FY 2021-22 and will have a negative fund balance of $1,021,782 in FY 2023-24 if it does not receive any support for the COP payment.*

Table two includes the one million dollar State support forecast and assumes the agency is able to invest additional funds ($250,000) in its earned revenue programs, which would result in an increase in earned revenue of 3.0%. This scenario also assumes the agency frontloads its move of IT support costs from OIT to the agency's operating budget in FY 2020-21 and includes a moderate timeline for transition off of OIT support. The scenario outlines an increase in surplus for FY 2020-21, for a total budget surplus of $413,801. The forecast shows the increased COP payment in FY 2021-2022 would create a budget deficit of $251,132, which would grow to $525,251 in FY 2023-24. As this scenario assumes additional earned revenue and spending, History Colorado's Board would likely consider cutting operating budgets in FY 2021-22 and beyond in order to avoid spending into its fund balance. Based on its experience in prior fiscal years, the agency has found it is difficult to grow its earned revenues without additional investment in its business centers. As a result, the agency would piecemeal the implementation of its strategic plan.

Table three includes the three million dollar State support forecast assumes the agency is able to invest significant additional funds ($2.4 million) in its earned revenue programs and strategic plan implementation, which would result in an increase in earned revenues of 4.0% in FY 2020-21 and 5.0% in out-years. The scenario assumes the agency frontloads its move of IT support costs from OIT to the agency's operating budget in FY 2020-21 and is transitioned off of OIT support in FY 2021-22. The forecast shows the agency would have a healthy fund balance to make it through the next recession while absorbing the increases to the COP payment.

Table 1: HISTORY COLORADO -- Status Quo Forecast
Museum Operations (Minority 49.9%)

	Approp/Actual			Forecast				
Funding Source/Revenue	FY-17	FY-18	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24
Federal Grant (Fund 100) Revenue(1)	$1,700,347	$1,480,086	$1,153,145	$1,176,208	$1,199,733	$1,223,727	$1,248,202	$1,273,166
Combined Earned Revenue from Operations(1)	$3,735,901	$4,405,386	$4,635,265	$4,614,615	$4,951,526	$5,050,556	$5,151,567	$5,254,599
Prior Year Revenue	$1,987							
Majority (SHF) Indirect Costs Transfer(2)	$382,778	$382,778	$325,734	$325,734	$325,734	$333,877	$333,877	$333,877
Interest	$86,271	$93,840	$131,376	$123,088	$124,155	$125,233	$126,322	$127,422
Gaming Revenue - Minority (49.9%)(3)	$10,185,860	$10,113,879	$10,605,239	$10,490,247	$10,595,149	$10,701,101	$10,808,112	$10,916,193
Curent General Fund		$1,305,719	$1,493,806	$2,099,733	$1,752,684	$1,787,737	$1,823,492	$1,859,962
Total Revenue	$ 16,093,144	$ 17,781,687	$ 18,344,565	$ 18,829,625	$ 18,948,981	$ 19,222,232	$ 19,491,572	$ 19,765,218

Expenses	FY-17	FY-18	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24
Combined Operational Budget(4)	$9,809,721	$9,680,538	$11,053,190	$11,018,217	$11,891,537	$12,248,283	$12,615,731	$12,994,203
HCC MCF/COP	$3,021,415	$3,021,835	$3,021,860	$3,021,543	$3,021,543	$3,525,209	$3,525,209	$3,525,209
Regional Museum Preservation (Controlled Maintenance Transfer to Fund 4610)	$508,943	$581,933	$500,000	$600,000	$600,000	$600,000	$600,000	$600,000
Current General Fund Expense		$1,305,514	$1,493,194	$2,041,925	$1,752,684	$1,787,737	$1,823,492	$1,859,962
Higher Education Indirect Costs	$140,168	$234,000	$216,287	$196,130	$196,130	$202,014	$208,074	$214,317
Unemployment and Contingency Plan	$67,599							
Common Policies (5)	$592,917	$925,771	$682,691	$672,757	$623,554	$685,909	$754,500	$829,950
Federal Grant (Fund 100) Expense	$1,700,347	$1,480,086	$1,153,145	$1,176,208	$1,199,733	$1,223,727	$1,248,202	$1,273,166
Total Expense	$15,841,110	$17,229,677	$18,120,367	$18,726,780	$19,285,180	$20,272,880	$20,775,209	$21,296,807

Annual Revenue to Expense Surplus /(Shortfall)	$252,034	$552,010	$224,198	$102,845	-$336,199	-$1,050,647	-$1,283,636	-$1,531,589

Beginning Minority Cash Balance - Combined	$2,049,203	$2,301,237	$2,853,247	$3,077,445	$3,180,290	$2,844,090	$1,793,443	$509,807
Ending Minority Cash Balance - Combined	$2,301,237	$2,853,247	$3,077,445	$3,180,290	$2,844,090	$1,793,443	$509,807	-$1,021,782

(1) Federal and earned revenues include actuals through FY19. FY20 and FY21 includes estimated actuals. An assumed 2.0% growth rate for earned and federal revenue begins in FY22.

(2) Indirect Costs Transfer from Majority includes actuals through FY19 and estimated actuals through FY21. In FY22, a 2.5% increase is assumed and remains flat through FY24.

(3) Gaming Revenue includes actuals through FY20 and Legislative Council's December 2019 forecast in FY21. For FY22 and beyond, a 1% annual increase is used.

(4) Operating expenses include actuals through FY19, period 13. FY20 and FY21 includes estimated actuals. An assumed 3% growth rate for expenses begins in FY22.

(5) Common Policies expenses include actuals through FY19, period 13. FY20 and FY21 includes estimated actuals. An assumed 10% growth rate for expenses begins in FY22, based on a five-year actuals average of 14%.

Table 2: HISTORY COLORADO -- HC-01 ($1M) Forecast

Museum Operations (Minority 49.9%)

	Approp/Actual			Forecast				
Funding Source/Revenue	FY-17	FY-18	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24
Federal Grant (Fund 100) Revenue(1)	$1,700,347	$1,480,086	$1,153,145	$1,176,208	$1,199,733	$1,223,727	$1,248,202	$1,273,166
Combined Earned Revenue from Operations(1)	$3,735,901	$4,405,386	$4,635,265	$4,614,615	$4,951,526	$5,100,072	$5,253,074	$5,410,666
Prior Year Revenue	$1,987							
Operating Transfer from DPA								
Majority (SHF) Indirect Costs Transfer(2)	$382,778	$382,778	$325,734	$325,734	$325,734	$333,877	$333,877	$333,877
Interest	$86,271	$93,840	$131,376	$123,088	$124,155	$125,233	$126,322	$127,422
Gaming Revenue - Minority (49.9%)(3)	$10,185,860	$10,113,879	$10,605,239	$10,490,247	$10,595,149	$10,701,101	$10,808,112	$10,916,193
Curent General Fund		$1,305,719	$1,493,806	$2,099,733	$1,752,684	$1,787,737	$1,823,492	$1,859,962
HC-01: $1M General Fund for COP					$1,000,000	$1,000,000	$1,000,000	$1,000,000
Total Revenue	$ 16,093,144	$ 17,781,687	$ 18,344,565	$ 18,829,625	$ 19,948,981	$ 20,271,747	$ 20,593,079	$ 20,921,285
Expenses	FY-17	FY-18	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24
Combined Operational Budget(4)	$9,809,721	$9,680,538	$11,053,190	$11,018,217	$12,141,537	$12,598,283	$13,065,731	$13,494,203
HCC MCF/COP	$3,021,415	$3,021,835	$3,021,860	$3,021,543	$3,021,543	$3,525,209	$3,525,209	$3,525,209
Regional Museum Preservation (Controlled Maintenance Transfer to Fund 4610)	$508,943	$581,933	$500,000	$600,000	$600,000	$600,000	$600,000	$600,000
Current General Fund Expense		$1,305,514	$1,493,194	$2,041,925	$1,752,684	$1,787,737	$1,823,492	$1,859,962
Higher Education Indirect Costs	$140,168	$234,000	$216,287	$196,130	$196,130	$202,014	$208,074	$214,317
Unemployment and Contingency Plan	$67,599							
Common Policies (5)	$592,917	$925,771	$682,691	$672,757	$623,554	$585,909	$554,500	$479,950
Federal Grant (Fund 100) Expense	$1,700,347	$1,480,086	$1,153,145	$1,176,208	$1,199,733	$1,223,727	$1,248,202	$1,273,166
Total Expense	$15,841,110	$17,229,677	$18,120,367	$18,726,780	$19,535,180	$20,522,880	$21,025,209	$21,446,807
Annual Revenue to Expense Surplus /(Shortfall)	$252,034	$552,010	$224,198	$102,845	$413,801	-$251,132	-$432,130	-$525,521
Beginning Minority Cash Balance - Combined	$2,049,203	$2,301,237	$2,853,247	$3,077,445	$3,180,290	$3,594,090	$3,342,958	$2,910,828
Ending Minority Cash Balance - Combined	$2,301,237	$2,853,247	$3,077,445	$3,180,290	$3,594,090	$3,342,958	$2,910,828	$2,385,307

(1) Federal and earned revenues include actuals through FY19. FY20 and FY21 includes estimated actuals. An assumed 2.0% growth rate for earned and federal revenue begins in FY 2022.

(3) Earned Revenues includes actuals through FY19. FY10 and FY21 includes estimated actuals. An assumed 2.5% growth rate on earned revenues begins in FY2022.

(2) Indirect Costs Transfer from Majority includes actuals through FY19 and estimated actuals through FY21. In FY22, a 2.5% increase is assumed and remains flat through FY 2024.

(4) Gaming Revenue includes actuals through FY20 and Legislative Council's December 2019 forecast in FY21. For FY22 and beyond, a 1% annual increase is used.

(5) Operating expenses include actuals through FY 19, period 13. FY20 and FY21 includes estimated actuals. An assumed 3% growth rate for expenses begins in FY 2022.

(6) Common Policies expenses include actuals through FY 19, period 13. FY20 and FY21 includes estimated actuals. An assumed 10% growth rate for expenses begins in FY 2022, based on a five-year actuals average of 14%. Forecast assumes History Colorado slowly moves off OIT support by in FY22 and the agency's IT costs move to the operational budget.

Table 3: HISTORY COLORADO -- $3M Forecast
Museum Operations (Minority 49.9%)

	Approp/Actual			Forecast				
Funding Source/Revenue	FY-17	FY-18	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24
Federal Grant (Fund 100) Revenue[(1)]	$1,700,347	$1,480,086	$1,153,145	$1,176,208	$1,199,733	$1,223,727	$1,248,202	$1,273,166
Combined Earned Revenue from Operations[(2)]	$3,735,901	$4,405,386	$4,635,265	$4,614,615	$5,199,102	$5,459,057	$5,732,010	$6,018,610
Prior Year Revenue	$1,987							
Operating Transfer from DPA								
Majority (SHF) Indirect Costs Transfer[(3)]	$382,778	$382,778	$325,734	$325,734	$325,734	$333,877	$333,877	$333,877
Interest	$86,271	$93,840	$131,376	$123,088	$124,155	$125,233	$126,322	$127,422
Gaming Revenue - Minority (49.9%)[(4)]	$10,185,860	$10,113,879	$10,605,239	$10,490,247	$10,595,149	$10,701,101	$10,808,112	$10,916,193
Curent General Fund		$1,305,719	$1,493,806	$2,099,733	$1,752,684	$1,787,737	$1,823,492	$1,859,962
HC-01: $1M General Fund for COP					$3,000,000	$3,000,000	$3,000,000	$3,000,000
Total Revenue	$ 16,093,144	$ 17,781,687	$ 18,344,565	$ 18,829,625	$ 22,196,557	$ 22,630,733	$ 23,072,015	$ 23,529,230
Expenses	FY-17	FY-18	FY-19	FY-20	FY-21	FY-22	FY-23	FY-24
Combined Operational Budget[(5)]	$9,809,721	$9,680,538	$11,053,190	$11,018,217	$14,291,537	$14,720,283	$15,161,891	$15,616,748
HCC MCF/COP	$3,021,415	$3,021,835	$3,021,860	$3,021,543	$3,021,543	$3,525,209	$3,525,209	$3,525,209
Regional Museum Preservation (Controlled Maintenance Transfer to Fund 4610)	$508,943	$581,933	$500,000	$600,000	$600,000	$600,000	$600,000	$600,000
Current General Fund Expense		$1,305,514	$1,493,194	$2,041,925	$1,752,684	$1,787,737	$1,823,492	$1,859,962
Higher Education Indirect Costs	$140,168	$234,000	$216,287	$196,130	$196,130	$202,014	$208,074	$214,317
Unemployment and Contingency Plan	$67,599							
Common Policies[(6)]	$592,917	$925,771	$682,691	$672,757	$623,554	$405,909	$300,909	$331,000
Federal Grant (Fund 100) Expense	$1,700,347	$1,480,086	$1,153,145	$1,176,208	$1,199,733	$1,223,727	$1,248,202	$1,273,166
Total Expense	$15,841,110	$17,229,677	$18,120,367	$18,726,780	$21,685,180	$22,464,880	$22,867,778	$23,420,402
Annual Revenue to Expense Surplus /(Shortfall)	$252,034	$552,010	$224,198	$102,845	$511,377	$165,853	$204,237	$108,828
Beginning Minority Cash Balance - Combined	$2,049,203	$2,301,237	$2,853,247	$3,077,445	$3,180,290	$3,691,667	$3,857,520	$4,061,757
Ending Minority Cash Balance - Combined	$2,301,237	$2,853,247	$3,077,445	$3,180,290	$3,691,667	$3,857,520	$4,061,757	$4,170,586

(1) Federal revenues include actuals through FY19, period 13. FY20 and FY21 includes estimated actuals. An assumed 2.0% growth rate for federal revenue begins in FY22.

(2) Earned revenues include actuals through FY19, period 13. FY20 and FY21 includes estimated actuals. An assumed 5.0% growth rate for earned revenue begins in FY22.

(3) Indirect Costs Transfer from Majority includes actuals through FY19 and estimated actuals through FY21. In FY22, a 2.5% increase is assumed and remains flat through FY24.

(4) Gaming Revenue includes actuals through FY20 and Legislative Council's December 2019 forecast in FY21. For FY22 and beyond, a 1% annual increase is used.

(5) Operating expenses include actuals through FY19, period 13. FY20 and FY21 includes estimated actuals. An assumed 3% growth rate for expenses begins in FY22.

(6) Common Policies expenses include actuals through FY19, period 13. FY20 and FY21 includes estimated actuals. An assumed 10% growth rate for expenses begins in FY22, based on a five-year actuals average of 14%. Forecast assumes History Colorado is no longer part of OIT by FY22 and the agency's IT costs move to the operational budget.

MARKETING AND OUTREACH EFFORTS

3. Given History Colorado's tight budget, how much is it able to devote to marketing?

   Through mostly earned revenue funds, donations and grants, plus some Limited Gaming and General Funds, History Colorado's spends about $428,000 annually to market museum and exhibitions across the state, perform educational outreach and support our rentals operations. This is significantly below the industry standard for cultural institutions in the metro area, but the agency is able to supplement through strategic partnerships in communities across the state as noted below.

4. What is History Colorado doing to coordinate marketing efforts with the Colorado Tourism Board and Denver Tourism Board?

   History Colorado has an ongoing relationship with the Colorado Tourism Office including providing content and images for both print and digital, to paid advertising and listings. It continues to reach out to the agency to strengthen the relationship in order to promote History Colorado's offerings. History Colorado recently applied for, and was awarded, a $25,000 Marketing Matching Grant from the Colorado Tourism Office for museum representatives to attend the National Tour Association motorcoach conference in Texas.

   History Colorado has had a long-standing relationship with Visit Denver (the Denver Metro Convention and Visitors Bureau). The agency has been members for over 20 years and participants in the Mile Culture Pass. The History Colorado Center is the host location for the Go the Extra Mile Hospitality Training and has been recognized twice since opening in 2012 for our outstanding contributions to tourism. The History Colorado Center and the Center for Women's History are annual Denver Arts Week participants as Night at the Museums locations.

   The agency purchases paid advertising in the bi-annual Denver Visitor Guides and in the Corporate/Out of Market Campaigns and the History Colorado Center and Grant-Humphreys Mansion are paid advertisers in the Destination Planning Guides and on the Visit Denver meeting and events site. The agency is fully integrated with all the free listing opportunities Visit Denver provides and works closely with the convention side of Visit Denver providing tickets for their client visits. In addition, the agency is a content & image provider for Visit Denver print publications and digital and has a presence at the Visit Denver welcome centers.

5. What sources of "free" marketing/outreach does History Colorado use? For example, does History Colorado cooperate with the Denver Public Library (e.g., kids reading programs) to increase visitation?

   History Colorado's marketing mix includes Paid, Earned, Shared and Owned media. While non-paid advertising is often seen as "free" the reality is that partnership marketing requires a considerable amount of resources to establish and manage relationships, but the effectiveness and long lasting return on these investments is significant. History Colorado relies heavily on its unpaid advertising resources to build awareness and engagement including:

   - *Statewide* ***story placement*** *across print, broadcast and digital media*
   - *A robust* ***social media strategy*** *including Facebook, Instagram and Twitter*
   - ***Access Partnerships:***
     - *Denver Public Library Summer Reading and Free Family Membership Programs*

- *Denver 5x5 Program: Free admission families of Early Head Start children (ages 0 - 3) and Denver Great Kids Head Start children (ages 3 - 5) with year-round access and educational opportunities at 22 of Denver's cultural venues.*
- *SNAP Program: Provides free admission to families enrolled in the Supplemental Nutrition Assistance Program.*
- *Blue Star Program: Provides free admission to military families*

- ***Cultural Partnerships:***
  - *Golden Triangle Creative District: First Fridays promotion*
  - *Visit Denver: Culture Pass*
  - *Greater Pueblo Chamber of Commerce*
  - *Montrose Office of Business and Tourism*
  - *Sangre De Cristo Heritage Area*
  - *Trinidad & Las Animas County Chamber of Commerce*
  - *El Corazon de Trinidad*
  - *Historic Pueblo*
  - *and many more in our museum communities*
- ***Partner cross-promotion:*** *Our exhibition and program sponsors provide promotional outreach to their networks and audiences, increasing the value of their sponsorship from just a financial donation to include in-kind marketing. Examples of this are:*
  - *Coors Brewing Company: As sponsors of the Beer Here! exhibition Coors has promoted the exhibit across their social media and internal communications channels. Additionally they have given out over 30K exhibit discount coupons to Coors Brewery Tour participants since the opening of the exhibition.*
- ***Community Partners:*** *One of our strongest marketing opportunities comes from the connections we are making in community. Building relationships with the many organizations, neighborhoods and communities we serve across the state, has given us an incredible network of voices to spread the work of the incredible work History Colorado is doing together with our fellow Coloradoans. Examples of this are:*
  - ***We Are Colorado*** *- An active group of over 1,100 community members are engaged in e-communications, and event participation:*
    - *900 attended the recent Year of La Chicana kick-off event at the History Colorado Center*
  - ***Women's Vote Centennial Colorado // 2020****: History Colorado was chosen to join the Colorado Women's Vote Centennial Commission in leading the 18 month commemoration of the 100th anniversary of the passage of the 19th Amendment with the goal of engaging 300K participants across all 64 counties. The marketing strategy for this initiative has relied heavily on unpaid advertising and relied on partnership cultivation and activation:*
    - ***Community Partners****: History Colorado's Center of Colorado Women's History is leading a grassroots effort to engage libraries, museums, art galleries, clubs, schools and theaters, to get involved by planning and hosting programs in their own community and by spreading the word.*
    - ***Program and Business Partners****: History Colorado is cultivating an array of program partners with women's groups and businesses to engage in the commemoration. In addition to building a network of groups who are developing programs to participate in the commemoration these groups provide promotional support for the Bold Women. Change History. speaker series. Recently the Gart Properties has joined in the support of the commemoration by donating promotional space in the windows of two of its properties along the 16th Street Mall.*

History Colorado frequently partners with local media to get the word out about events, programs and exhibits. A few of the partners with whom the agency has coordinated with include:

- *Univision*

- *Telemundo*
- *AARP*
- *El Semanario*
- *El Comercio*
- *La Voz*
- *KUVO*
- *Rocky Mountain PBS*

HISTORY COLORADO BUSINESS OPERATIONS AND TABOR CAP

6. How does the TABOR revenue cap affect History Colorado operations? Discuss History Colorado's thoughts on whether the State can identify an appropriate legal structure for removing most of its earned revenue from under the state's TABOR cap.

   History Colorado is open to exploring a legal structure for removing most of its earned revenue from under the state's TABOR cap. The TABOR cap affects the agency's ability to operate like a business in a multitude of ways, including effectively managing growth, new business opportunities, and its capacity to act nimbly to improve its financial position.

   As a result of its summer 2019 Strategic Planning process, History Colorado is exploring taking over portions of the business operations at the History Colorado Center, which are currently being contracted out to a third-party vendor, in order to diversify its revenue streams and increase the agency's profitability. The business operations are currently being operated by a third party vendor include the History Colorado Center cafe, gift shop, front desk, and the rentals & catering program. These services require complying with the Procurement Code, and issuing a Request for Proposal for these services. This process may impact History Colorado's revenue if a new vendor is selected and there are issues during the transition phase. For History Colorado to absorb some of these functions would require a significant increase in cash spending authority, which would likely face challenges getting funded, since any increase in cash revenue will result in General Funded TABOR refunds. If the agency's earned revenue was not subject to TABOR, History Colorado could begin taking on the additional business operations as it had the capacity and business plans in place to do so, rather than competing against General Funded requests to get the spending authority to so. The challenge with spending authority also applies to appropriated Full Time Equivalent employees.

   The agency's Joint Budget Committee analyst discussed the possibility of moving towards an enterprise status with History Colorado the Governor's Office of Strategic Planning and Budgeting in 2018 and 2019. As a result of these conversations, History Colorado reached out to the Attorney General's office on the possibility of moving its earned revenue activities to an enterprise status in late 2018, with a follow-up in late 2019. History Colorado believes it can split its Museum and Preservation Operations into two entities, one which would be funded with limited gaming funds and completes the purely mission based and statutorily required activities of the agency, and one which houses the earned revenue activities. An indirect cost model could be set up, and profits made by the enterprise entity could be transferred to the mission based entity to pay for increases personnel and operating expenses.

ADDENDUM: OTHER QUESTIONS FOR WHICH SOLELY WRITTEN RESPONSES ARE REQUESTED. PLEASE RETAIN THE NUMBERING IN ORDER TO MAINTAIN CONSISTENT LABELING FOR COMMON QUESTIONS ACROSS DEPARTMENTS.

QUESTIONS FOR HISTORY COLORADO

1 Provide a list of any legislation that the Department has: (a) not implemented, or (b) partially implemented. Explain why the Department has not implemented or has only partially implemented the legislation on this list. Please explain any problems the Department is having implementing any legislation and any suggestions you have to modify legislation.

History Colorado has implemented all signed legislation.

2 Does the Department have any HIGH PRIORITY OUTSTANDING recommendations as identified in the "Annual Report: Status of Outstanding Audit Recommendations" that was published by the State Auditor's Office and dated June 30, 2019 (link below)? What is the Department doing to resolve the HIGH PRIORITY OUTSTANDING recommendations? Please indicate where in the Department's budget request actions taken towards resolving HIGH PRIORITY OUTSTANDING recommendations can be found.

http://leg.colorado.gov/audits/annual-report-status-outstanding-audit-recommendations-june-30-2019

History Colorado had no recommendations from the "Annual Report: Status of Outstanding Audit Recommendations" that was published by the State Auditor's Office and dated June 30, 2019.

3 If the Department receives federal funds of any type, please respond to the following:

a. Are you expecting any changes in federal funding with the passage of the FFY 2020-21 federal budget? If yes, in which programs, and what is the match requirement for each program?

No, History Colorado is not expecting any changes in federal funding with the passage of the FFY 2020-21 federal budget.

b. Does the Department have a contingency plan if federal funds are eliminated?

Yes, History Colorado has a contingency plan if federal funds are eliminated. The biggest impact would be a delay in the Office of Archaeology and Historic Preservation's (OAHP's) Historic Preservation Fund grant, the distribution of which is often delayed. When shutdowns have happened in the past, OAHP staff worked on other, non-federally funded projects.

c. Please provide a detailed description of any federal sanctions or potential sanctions for state activities of which the Department is already aware. In addition, please provide a detailed description of any sanctions that MAY be issued against the Department by the federal government during FFY 2019-20 or 2020-21.

There are no current or expected future federal sanctions for any of History Colorado activities.

d. Compared to other states, Colorado ranks low in receipt of federal dollars. How can the Department increase the amount of federal money received?

History Colorado's largest Federal grant is from the Historic Preservation Fund. It is not possible for the *agency to increase the amount of federal funds received from this grant because the distribution methodology is based on the population of the state. The agency has dedicated philanthropy staff who are continually looking for new Federal funding opportunities. The agency applies for most Federal grants for which it is eligible for and grants which further the agencies mission and goals.*

e. What state funds are currently utilized to draw down (or match) federal dollars? What state funding would be required to increase the amount of federal funding received?

The agency utilizes limited gaming tax revenues from the Museum and Preservation Operations Account for the Historic Preservation Fund grant match. The distribution of this grant is based on the state's population, therefore, additional funding would not increase the amount of federal funding the agency receives from this grant.

4 Is the Department spending money on public awareness campaigns? If so, please describe these campaigns, the goal of the messaging, the cost of the campaign, and distinguish between paid media and earned media. Further, please describe any metrics regarding effectiveness and whether the Department is working with other state or federal departments to coordinate the campaign?

No, History Colorado is not spending any money on public awareness campaigns.

5 Based on the Department's most recent available record, what is the FTE vacancy and turnover rate: (1) by department; (2) by division; (3) by program for programs with at least 20 FTE; and (4) by occupational class for classes that are located within a larger occupational group containing at least 20 FTE. To what does the Department attribute this turnover/vacancy experience? Do the statewide compensation policies or practices administered by the Department of Personnel help or hinder the department in addressing vacancy or turnover issues?

History Colorado's turnover rate was thirteen percent (13%) in 2019. The agency does not have any departments with at least 20 FTE. The reasons for the 2019 turnover included increase salary opportunities, growth opportunities, relocation to another state and retirement

Most of History Colorado's is non-classified, and therefore outside of the statewide compensation policies and practices administered by the Department of Personnel. Due to revenue and budget constraints the majority of the staff at History Colorado are paid less than a state employee with Classified status. This has impacted History Colorado's retention of some key areas such as program managers, finance staff and facilities staff.

6 Please identify how many rules you have promulgated in the past two years (FYs 2017-18 and 2018-19). With respect to these rules, have you done any cost-benefit analyses pursuant to Section 24-4-103 (2.5), C.R.S., regulatory analyses pursuant to Section 24-4-103 (4.5), C.R.S., or any other similar analysis? Have you conducted a cost-benefit analysis of the Department's rules as a whole? If so, please provide an overview of each analysis.

House Bill 14-1311 required the establishment and promulgation of criteria and procedures by which rehabilitation of Qualified Residential Structures qualify for a tax credit. House Bill 18-1190, which amended and reauthorized the tax credit through December 31, 2029, directed the History Colorado to establish and promulgate criteria and *to promulgate rules for standards and reporting by Certified Local Governments acting as Reviewing Entities. The rules apply to the rehabilitation of historic residential structures under CRS § 39-22-514.5. There were no requests to complete a cost-benefit analysis of these rules pursuant to Section 24-4-103 (2.5), C.R.S., regulatory analyses pursuant to Section 24-4-103 (4.5), C.R.S. History Colorado provides Certified Local Governments annual sub-grants from its federal Historic Preservation Fund grant, a portion of which is for these their role as Reviewing Entities.*

7 What are the major cost drivers impacting the Department? Is there a difference between the price inflation the Department is experiencing compared to the general CPI? Please describe any specific cost escalations.

The major cost drivers impacting the Department are increases in personnel expenses (including benefits), other non-personnel associated common policies, and the escalating COP payments. Increases in PERA employer contribution rates over the last two years and increases to health, life and dental insurance have had a large impact on the agency because salaries and benefits make up over ninety percent (90%) of the Museum and Preservation Operations expenditures. Non-personnel associated common policies expenses have increased about forty-seven percent (47%) over the last five (5) years. Finally, the History Colorado Center COP payment is scheduled to increase by about $500,000 every five (5) years beginning in FY 2021-22, increasing from about three million dollars to about three and a half million dollars.

8 How is the Department's caseload changing and how does it impact the Department's budget? Are there specific population changes, demographic changes, or service needs (e.g. aging population) that are different from general population growth?

History Colorado's recently completed Strategic Plan directs the agency to ensure it provides services and value statewide. While History Colorado currently has Community Museums in various rural communities across the state, there are still many areas where the agency could have a broader impact, specifically through its Hands on History program. More than sixty percent (60%) of the state's school districts operate on a four (4) day school week, leaving parents across the state without childcare on the fifth day. Hands on History provides a unique fifth day educational opportunity for students through interactive activities that engage them in the wonder of the history of place. In order to scale this program up, the agency requires program support staff, for which it currently does not have available funding.

9 Please provide an overview of the Department's current and future strategies for the use of outward facing technology (e.g. websites, apps), the role of these technologies in the Department's interactions with the public and other state agencies, the Department's total spending on these efforts in FY 2018-19, and expected spending in FYs 2019-20 and 2020-21.

History Colorado has a variety of outward facing technologies to provide the public information about its museums and programs, allow for electronic access to the agencies collections, databases and digital badges, and to coordinate with its partners.

- *History Colorado Website: The agency's public facing website was fully redesigned in FY 2016-17 at a cost of $170,000. The website provides information on History Colorado's museums, programs, upcoming events and services. The redesign was planned so the site would require minimal costs for maintenance and updates. Since then the budget for the website consists of hosting fees, web design consulting fees and the salaries of the agency's web team, including a part-time Web Developer and a part-time Web Content*

Coordinator. In FY 2018-19 the fees, not including salaries were $46,500 and are anticipated to stay flat in FY 2019-20 and FY 2020-21.

- *Online Exhibits and Digital Badges: Multiple exhibits from both the History Colorado Center and the Community Museums are online so the public can interact with them no matter where they are located. The agency offers digital badges to measure and certify completion of the activities associated with each online exhibit, a tool that is specifically designed with teachers and the classroom in mind. Total costs in FY 2018-19 were $4,000 and are anticipated to be flat in FY 2019-20.*

- *Argus for Collections (cloud-based): An online portal to the History Colorado's collections. The agency is looking into the possibility of utilizing a similar solution as it is pursuing for the ePreservation project discussed below, as the two programs share similar needs. In FY 2018-19, the agency spent $22,159 and expects costs to remain flat for FY 2019-20. The agency anticipates it will add a database manager position in FY 2020-21, which will increase costs by $9,400 to add a report module to the system, but will end the need to pay for an outside vendor $30 an hour to fix or make new reports.*

- *Argus & Compass for Office of Archaeology and Historic Preservation (OAHP) (hosted): As the federal regulatory arm for the National Historic Preservation Act of 1966, OAHP provides consultation to governments and private entities on their proposed activities' effect on archaeological and historical resources. These systems are a subscription based portal to the agency's database that is utilized primarily by Cultural Resource professionals in state and federal agencies and private companies, as well as utilized by students, Certified Local Governments and others who need to access data regarding historic properties. The agency spent $36,250 in FY 2019-20 and expects to expend $16,250 in FY 2019-20 and FY 2020-21.*
  It will be replaced by "ePreservation", an information technology capital project funded in the FY 2019-20 Long Bill as "E-106". ePreservation is anticipated to go live in FY 2024-25. It will not only replace Argus and Compass for OAHP, but will also allow for the submission of electronic requests for consultation. ePreservation will provide OAHP's customers with a 21st century experience when interacting with the agency and will save OAHP staff time, allowing for a backlog of consultation applications and responses to be digitized and included in the application's database for retrieval. The capital information technology project was appropriated $483,026 in General and Cash Funds and the agency anticipates on-going costs of $93,570, which will be paid for by OAHP fees.

- *Salesforce for Tax Credits: The Office of Archaeology and Historic Preservation (OAHP) uses Salesforce as an electronic means for Certified Local Governments to submit reports on their activities as a Reviewing Entity for residential tax credit projects. In FY 2018-19, the agency expended $1,060 for this outward facing technology and anticipates an increase of five percent (5%) increase in costs for FY 2019-20 and FY 2020-21 as the agency intends to increase its number of users.*

- *State Historical Fund Grant and Project Management: The State Historical Fund (SHF) uses Blackbaud as its grant and project management platform. It is used by both the agency and grantees to manage grant funded projects . SHF costs for Blackbaud were $52,821 in FY 2018-19 and are anticipated to be $55,463 and $59,200 in fiscal years 2019-20 and 2020-21, respectively.*

10 There are many ways in which the Department may interact with internal or external customers, including the public and other departments. How is the Department gathering feedback and evaluating customer experience? Please address all interactions, e.g. technology, in-person, call

centers, as well as total spending on these efforts in FY 2018-19 and expected spending in FYs 2019-20 and 2020-21.

History Colorado utilizes a variety of tools to gather feedback and evaluate the customer experience, depending on the customer being served and the services being provided.

History Colorado Center Guest Services

The Guest Services division at the History Colorado Center is the front line for external customer interaction for the agency's Denver museum. The Guest Services division is responsible for the admissions/front desk and act as Guest Services Agents throughout the Center's exhibits and public spaces. To collect feedback from customers and visitors to the Center, the division collects comment cards that are put into a database for further analysis, and are working to implement a digital comment card. To collect more randomized data, the division also uses volunteers or staff to conduct in person surveys of the Center's guests. For group sales, the division utilizes an electronic survey tool, which is set out to the group after their visit. The division's cost to gather customer feedback includes the cost of printing the comment cards and a portion of the electronic survey software's licensing fee.

Office of Archaeology and Historic Preservation (OAHP)

The Office of Archaeology and Historic Preservation (OAHP) acts as the State Historic Preservation Office, which was created as the federal regulatory arm for the National Historic Preservation Act of 1966. Some of the division's responsibilities include surveying and recognizing historic properties, reviewing nominations for the National and State Registrars of Historic Places, and reviewing the impact of federal, state and local governments', as well as private sector's, undertakings on archaeological, historic and cultural resources. To solicit feedback and address ongoing issues, the division conducts regular meetings with state and federal agencies that utilize their services, such as the Colorado Department of Transportation and Bureau of Land Management. The Certified Local Government (CLG) Coordinator sends out regular electronic surveys to city and county historic commissions to assess their training needs and solicit feedback. The division also offers classes for the public on state curation and through the Program for Avocational Archaeological Certification (PAAC). Evaluation forms are regularly used for these programs and the division makes changes to future programs and activities based on the feedback they receive. The division's costs for evaluation and feedback are limited to their portion of the electronic survey software license and for printing evaluation forms.

Learning Experiences Education and Programs

The Learning Experiences department Education and Programs division utilizes electronic survey software and paper questionnaires to solicit feedback on its activities from the public. The division's department's educational programs and activities are almost all public facing including school tours, teacher professional development, Hands on History, programming for all ages and families, and the Tours and Treks program. This data is analyzed to help the division stay appraised of how they are serving their many audiences and to guide the planning of future programs. The division's evaluation and feedback costs are limited to their portion of the electronic survey software license and for printing evaluation forms. A more robust evaluation plan is in the planning stages, with a tentative implementation date in 2021.

Curatorial Services and Collections Access

The Curatorial Services and Collections Access departments use targeted electronic surveys, email feedback, and in-person interactions to evaluate how well they are serving the public in stewarding and providing access to the state's historical collections. The departments work with the public on a daily basis through a variety of mechanisms including community projects, donor relationships, and engagement with visitors and users of the Hart Research Center. In addition to verbally polling visitors to the Research Center about the quality of their visit, in February

2019 History Colorado conducted a member survey about the Research Center visitation and services, which was developed internally and emailed to more than 5500 members at no additional expense. Additionally, the online collection portal allows users to easily email staff with any feedback or questions about collections or services, allowing targeted feedback about digital collections. The departments also work on a variety of grants (current examples include federal grants from the National Endowment for the Humanities and the Institute for Museum and Library Services) that require evaluation to ensure that projects are successful. Any evaluation in such cases is paid for by grant funds.

<u>Exhibitions</u>
The Exhibition team at History Colorado conducts regular evaluation of exhibitions to continually improve offerings. Surveys assess visitor experiences and satisfaction with particular exhibitions. Recent surveys have focused on the Play Ball! (2018) and Beer Here! (2019) exhibitions, and have been conducted by the museum's Guest Service Agents and volunteers, with data collected electronically. Professional evaluators have provided the museum with pro bono assistance in crafting surveys and interview questions as well as in analyzing results, limiting costs to the department's portion of the electronic survey software license. The department is also working with an outside evaluator in the development of an exhibition focused on traditional Ute tribal knowledge and its relationship to contemporary STEM. This project and the evaluation is funded by the National Science Foundation. In addition to exhibit-specific evaluation, the History Colorado Center is a leader in the work of Denver Evaluation Network, which benchmarks visitor experiences across a dozen cultural institutions in the metropolitan area. This work is currently carried out by staff at no additional cost. In 2020, History Colorado is poised to leverage investments in building in-house evaluation capabilities over the past several years to implement a more robust evaluation plan for exhibitions and visitor experiences.

<u>Podcast</u>
History Colorado launched a new podcast this year called Lost Highways. As part of the planning process, the podcast team conducted market research using a targeted online survey. The team paid $3189 for the survey to be administered and evaluated. After the season concluded, the team fielded an online survey aimed at summative evaluation. That survey, which is currently still open, was created in-house and had no additional cost associated.

<u>State Historical Fund (SHF)</u>
The State Historical Fund (SHF) customer includes potential grant applicants, volunteer grant reviewers, volunteer State Historical Fund council and committee members, grant awardees, consultants who work on actively funded State Historical Fund projects, as well as the philanthropic non-profits and partner organizations with which the division regularly collaborate. SHF obtains helpful and relevant feedback by using SurveyMonkey, EventLeaf, and Emma. In total, these services averaged $906.00 per year for FY 2018-19 and FY 2019-20 and the division does not anticipate any changes to these activities or costs for FY 2020-21.

Some highlights of SHF's customer interactions for FY 2018-19 and FY 2019-20 are:

- *Ninety-three percent (93%) of SHF's overall customer interactions were through direct staff engagement including draft grant application review, face-to-face site visits, and regional training workshops.*
- *Staff facilitated conversations to provide support and feedback for reapplication to one-hundred percent (100%) of the division's applicants that did not receive funding during this period.*
- *An average of six (6) surveys were sent to our customers each year. These surveys obtained feedback concerning the grant applicant's experience, SHF's workshop training content, and the volunteer reviewer experience. Overall, the division had an above-average response rate of forty-five (45%).*

History Colorado Total Customer Service and Feedback Costs

Fiscal Year	Actual/Estimated Costs (Survey software & evaluation printing)
2018-19	$1,386
2019-20	$1,165
2020-21	$1,300

11 Please highlight the long-term financial challenges of fulfilling the mission of the Department with particular attention to any scenarios identified in the Department's Long Range Financial Plan involving an economic downturn, department-specific contingencies, emerging trends, or major anticipated expenses (Subsections 3-6 of Section 4 of the Long Range Financial Plan submitted pursuant to H.B. 18-1430).

History Colorado relies heavily on Limited Gaming Funds, which make up about seventy percent (70%) of the agency's revenue. The agency's portion of Limited Gaming Funds decreased by about two percent (2%) in the current fiscal year, despite an increase in total Gaming revenue. This was the result of Limited Gaming administrative costs increasing at a faster rate than the increase in Gaming revenue. The receipts for the FY 2020-21 Limited Gaming distribution are two percent (2%) below the previous year's receipts through October 2019. Since Limited Gaming makes up such a large portion of History Colorado's revenues, continuing reductions in this Fund's distributions are both a long- and short-term financial challenge to the agency's ability and capacity to fulfill its mission.

In addition, because the agency's portion of the Limited Gaming fund distribution is, generally speaking, capped at a three percent (3%) annual growth rate, when a significant reduction occurs to History Colorado's portion of the Limited Gaming funds distribution it takes many years to make up the loss. In other words, the agency's portion of Limited Gaming funds experiences a "ratchet effect" that lengthens the amount of years required for the agency to make up a significant loss in revenues. The 2008 recession resulted in a reduction in the agency's portion of Limited Gaming fund revenue in FY 2009, which the agency still has not returned to the 2008 levels. The reduction in Limited Gaming funds has kept History Colorado's operating budgets flat, despite a growth in earned revenues, as it requires the agency to supplement its Limited Gaming expenses increases with earned revenues.

The agency also has a COP payment on the History Colorado Center building, which escalates by $500,000 in FY 2021-22. The COP payment is paid for with Limited Gaming funds, creating further challenges for the agency if those funds continue to decrease.

12 In some cases, the roles and duties of existing FTE may have changed over time. For all FY 2020-21 budget requests that include an increase in FTE:

a. Specify whether existing staff will be trained to assume these roles or these duties, and if not, why;
b. Specify why additional FTE are necessary; and
c. Describe the evaluation process you used to determine the number of FTE requested.

History Colorado is not requesting any additional FTE for FY 2020-21.

13 Please describe the impact of Colorado's low unemployment rate on the Department's efforts to recruit and retain employees.

History Colorado has not had much difficulty in recruiting employees, as the majority of its employees are non-classified, the agency has the ability to accept applications from outside the state of Colorado. The low unemployment rate has had an impact on History Colorado's ability to retain employees because it is difficult for the agency to provide salaries that are competitive with the private sector, the federal government and other state agencies, due to the financial structural imbalances the agency continues to face.

14 ***NOTE: An example template for providing data for this question will be provided by the JBC Staff.***

State revenues are projected to exceed the TABOR limit in each of the next two fiscal years. Thus, increases in cash fund revenues that are subject to TABOR will require an equivalent amount of General Fund for taxpayer refunds. Please:

a. List each source of non-tax revenue (e.g., fees, fines, parking revenue, etc.) collected by your department that is subject to TABOR and that exceeds $100,000 annually. Describe the nature of the revenue, what drives the amount collected each year, and the associated fund where these revenues are deposited.

   Earned revenue from the History Colorado Center and Community Museums make up the agency's non-tax revenue that is subject to TABOR. Earned revenue is History Colorado's second largest source of revenue (about 25% of total revenue) and includes the proceeds from paid attendance at the museums, rental and catering revenue, gift shop and café sales, fees for access to the Office of Archaeology and Historic Preservation databases, collection reproduction fees, and education and program fees.

   As Limited Gaming Funds have been relatively flat over the past ten, History Colorado has been expected to supplement annual increases in mandatory costs, such as OIT common policy payments, from earned revenues. The agency recognizes that it must diversify its revenue sources if it expects to become financially sustainable over the long-term and weather future recessions. As such, it has focused on increasing earned revenues from all sources since the agency's new Board of Directors was appointed in 2015.

b. For each source, list actual revenues collected in FY 2018-19, and projected revenue collections for FY 2019-20 and FY 2020-21.

Non-Tax Revenues Collected by Department That Are Subject to TABOR (excluding sources that amount to less than $100,000/year)				
		Revenues Collected Annually		
Revenue Source	Associated Cash Fund	FY 2018-19 Actual	FY 2019-20 Projection	FY 2020-21 Projection
Earned revenue from the History Colorado Center's Museum and Preservation Operations	Enterprise Services Fund	$3,354,301	$3,466,523	$3,681,539
Earned revenue from History Colorado's Community Museums	Community Museums Cash Fund	1,076,177	1,148,092	1,269,987
TOTALS		**$4,430,479**	**$4,749,135**	**$4,591,526**

c. List each decision item that your department has submitted that, if approved, would increase revenues subject to TABOR collected in FY 2020-21.

   "HC-02: Community Museum Cash Funds for Earned Revenue" includes an increase of $121,895 in cash fund spending authority from the Community Museum Cash Fund. The Community Museums received General Funds through a FY 2017-18 budget request with the assumption that the Community Museums would eventually need less General Fund as they began to prosper. As a result, the Community Museums' General Fund is scheduled to reduce by $389,044 in FY 2020-21. The agency is requesting cash fund spending authority to fill the General Fund reduction so the Community Museums can continue along their projected earning trajectory and offer services to local communities.

15 Please describe the Department's current practice regarding employee parking and other transportation options (i.e. EcoPass). Please address the following:

a. Does the Department have adequate parking for all employees at all locations?
No, there is not parking available for employees located at the History Colorado Center in Denver.

b. If parking is limited, how are available spaces allocated?
The History Colorado Center has no parking associated with the building.

c. If free parking is not available, how is parking paid for, and who pays (employee or Department)? (e.g. stipends, subsidized parking, eco passes)
Employees pay for their own parking. The agency provides Eco Passes to all staff, free of charge.

d. If employees pay fees for parking, where is the revenue credited and how is it spent, and is it subject to TABOR?
History Colorado employees do not pay fees to the agency for parking at any of its locations.

e. Do parking and/or transportation benefits factor into Department compensation and/or retention efforts?
Parking around the History Colorado Center at 1200 Broadway in downtown Denver, can be expensive for employees. To assist in recruiting and retention challenges parking may cause, the agency offers Eco Passes to all Center staff, free of charge.

16 Please identify all continuously appropriated funds within the Department's purview with a fund balance or annual revenue of $5.0 million or more. Please indicate if these funds are reflected in the FY 2019-20 Long Bill.
History Colorado has no continuously appropriated funds with a balance or annual revenue of five million dollars or more.