

The Colorado Higher Education Landscape

A Report to Inform the 2024 CCCS Strategic Planning Process



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Introduction

The higher education landscape has shifted over the past decade and external factors, including the COVID-19 pandemic and wage stagnation, have caused significant disruptions in long-held beliefs about education and changes in how we educate learners of today. Like their counterparts across the country, institutions in Colorado face changing student demographics and declining enrollment; declining public confidence in higher education along with increased competition from nontraditional providers; changing demands from employers; and pressure to better articulate and deliver outcomes beyond completion. At the same time, learners of all ages are asking—indeed, demanding—better and more comprehensive support services, more flexible programs, and guarantees of value for their investment.

Community colleges are at the center of many of these shifts. Community colleges in Colorado and across the United States have for decades been considered the leaders in open access and affordability: preparing students for the workforce, providing a gateway to a four-year degree, and engaging closely with the communities in which they are located. Their fundamental purpose and their strengths and attributes relative to four-year institutions and other providers remain constant. Today more than ever, community colleges are key to economic and social mobility for learners of all ages and backgrounds.

Statistics and Trends

Enrollment

Nationwide, community colleges enroll approximately 38 percent of undergraduate students.¹ In Colorado, according to the Colorado Department of Higher Education (CDHE), 37 percent of Colorado's undergraduate students who were enrolled in public institutions in 2021 were at community colleges. This percentage has changed little over the past decade. This data does not include students enrolled at private occupational schools due to different regulatory bodies and historical differences in data collection; however national data suggests that while for-profit colleges were the fastest growing sector nationally in the 1990s and 2000s, their share of enrollment has since declined.²

Today, Colorado's community colleges serve a student demographic that is 38 percent students of color, 58 percent female, and 59 percent under 25 years of age. Colorado residents are almost 95 percent of the student FTE, with three fourths of students attending part-time. These numbers, too, are little different than a decade ago, though students of color are a slightly higher percentage today.

Enrollment was on a slow decline after 2015 for several years due mostly to the counter-cyclical nature of enrollment relative to the economy, with students opting to enter the workforce when the economy is strong and seeking career advancement when the economy slows. After a brief uptick, enrollment declined precipitously in 2020 with the onset of COVID. Enrollment has begun to recover, with growth strongest at community colleges both nationally and in Colorado, however changing demographics are making enrollment more challenging (see next section) and the flawed

¹ Community College Research Center Fast Facts

² Center for Analysis of Postsecondary Education and Analysis, For-Profit Colleges by the Numbers

roll-out of the new FAFSA application, intended to streamline the process for students of applying for federal student aid, instead threatens to deter significant numbers of potential students from enrolling in the immediate future.

Already by 2015 when the CCCS adopted its Bold Solutions strategic plan, higher education policy and goals in Colorado and across the nation had shifted from a focus on increasing enrollment to ensuring student retention, completion, and success. Of course, to a large degree, credential completion follows and trails enrollment: the number of credentials awarded in Colorado reached a peak in 2018-19 but has been decreasing since. This number can be expected to increase as enrollment recovers post-COVID.

The Enrollment Cliff

Even with the increased focus on completion, enrollment numbers matter—for financial sustainability of the colleges, statewide educational attainment rates, and the many economic and social benefits that increased postsecondary attainment brings.

Much has been written about the shrinking college-going population nationally—the so-called enrollment cliff—and how increased competition for students will impact institutions and their budgets. Others suggest that the enrollment cliff is not really a cliff, rather a decline in White students and an increase in Hispanic, Asian/Pacific Islander, and other minority students, some of whom have traditionally been less likely to go to college.

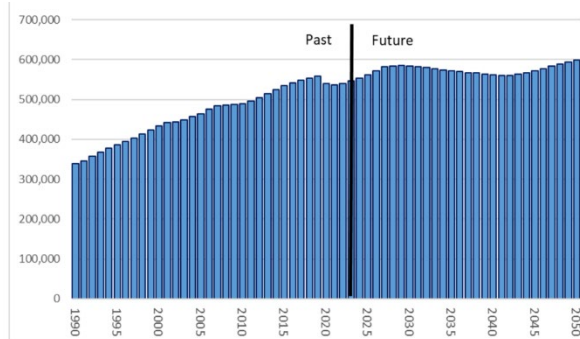
Forecasts by the Colorado state demographer suggest that Colorado’s college-age (18-24) population will continue to increase over the next five years, albeit at a slower pace than the previous decade. It is expected to peak in 2029 and then decline (See Figure 1).

K-12 enrollment had increased annually for decades; 2023 was the first year that enrollment was down, 2 percent from the previous year. The decline, according to the state demographer, is due to decreasing birth rates and a slowdown in migration and mobility and is forecast to continue for the next five years. Broken down by race, White students had the largest decreases, while Hispanic students had the largest increases.

In addition, the share of high school graduates who enroll at a postsecondary institution immediately after high school has been trending down nationally, contributing to concerns about enrollment declines. The news may be somewhat better for community colleges going forward, as adults over 25 represented about one third of all students enrolled in higher education in 2021 and continue to increase. Adult learners are much more likely to seek the flexibility, affordability, and faster time to degree offered by community colleges.

Thus, whether or not a true cliff, Colorado and CCCS face enrollment challenges and changing demographics.

Figure 1: Colorado Population Age 18-24 1990-2050



Source: Colorado Demographer's Office

The So-Called Colorado Paradox

Also of note, and particularly relevant to the education attainment discussion, is what was referred to for many years as the Colorado paradox: that Colorado has among the most educated adult population but does poorly at educating individuals born in the state. Indeed, in 2024 the Lumina Foundation cited Colorado as leading the nation in postsecondary education attainment.³ Despite high attainment, college-going rates are more than 10 percentage points below the 2021 national average.⁴ Policy makers coined the phrase Colorado Paradox to suggest that Colorado's high education attainment is due to in-migration of highly educated workers, and that we need to do better at educating our own.

While it is true that Colorado has long attracted educated individuals from other states, the state demographer's office points out that no real paradox exists, not only because cross-state mobility is generally correlated with higher education attainment, but because the share of Coloradans with a college degree—both native and non-native—is higher than the national average.⁵

As with the argument over whether Colorado faces an enrollment cliff or not, the argument over the term “paradox” may be a distinction without a difference, as all agree that we must do more to increase educational attainment among Coloradans.

Alternative Education Providers

Among the most visible shifts in the higher education landscape in the past several decades has been the increase in alternative providers—from for-profit schools to boot camps to MOOCs to apprenticeships and other industry-driven training, and more. These providers vary greatly in approach, delivery, cost, quality of services, and almost every other facet of their operations, but all are riding a wave of public skepticism about the value of traditional higher education. A recent Gallup poll showed that public confidence in higher education has fallen to 36 percent, down from 48 percent in 2018 and 57 percent in 2015.⁶ In addition, students are increasingly demanding programs with shorter time-to-degree, more flexibility, built in “earn and learn” opportunities, and better career advancement outcomes.

Whether or not the alternative providers deliver on their promises (some do and some do not, as evidenced by regular for-profit school and other closures), the attention to innovative training approaches by the business and philanthropic sectors is likely to lead to continued growth of these alternative providers and approaches.

Online and Hybrid Education

Online education, associated in the 1990s with the University of Phoenix and then popularized even more with the rise of MOOCs, had become mainstream by the 2010s. Reflecting this increasing popularity, CCCS included the key performance measure “increase online and hybrid share of enrollment annually...” in its 2015 Plan. By 2022-23, almost one half of CCCS course offerings and

³ <https://www.luminafoundation.org/news-and-views/a-stronger-nation-new-federal-data-show-more-adults-earning-college-degrees/>

⁴ https://cdhe.colorado.gov/sites/highered/files/2023_CDHE_Postsecondary_Report_0.pdf

⁵ <https://webdoc.agsci.colostate.edu/bspm/DUMC/Paradox.pdf>

⁶ <https://news.gallup.com/poll/508352/americans-confidence-higher-education-down-sharply.aspx>

over 40 percent of enrollments were through hybrid or distance/online delivery, reflecting a similar increase across the nation.

The rapid increase in online and hybrid delivery during COVID has not quelled the controversy and questions over their effectiveness compared to traditional in-person (face-to-face) delivery. With COVID having provided almost limitless research opportunities, studies abound and will no doubt continue. In the meantime, the flexibility and access that online/hybrid education offers for at least some students suggests at least moderate continued growth.

The Big Blur

Jobs for the Future defines the Big Blur as “erasing the boundaries between high school, college, and careers, and creating one new system that works for everyone.”⁷ This means aligning systems (curriculum, expectations, and support services and even governance and staffing) so that learners can move smoothly between different education levels and the workplace.

Colorado has been viewed as a leader nationally, with a “Blur Taskforce” having developed recommendations and the state having funded numerous initiatives that contribute to “blurring,” such as the Opportunity Now program. Since 1967, the State Board for Community Colleges and Occupational Education (SBCCOE) has administered all Career Technical Education (CTE) programs, both secondary and postsecondary, contributing to the blurring between secondary and postsecondary systems and provided an integrated view of CTE programs that Colorado school districts, technical and community colleges offer to meet workforce demands. Colorado has seen a significant increase in concurrent enrollment—a priority for CCCS under its current strategic plan—and other programs that enable high school students to earn college credits. CCCS also has pioneered programs that streamline transfer to four-year institutions. At the same time, CCCS and other two-year institutions have increased the number of bachelor’s programs they offer, blurring lines between community colleges and four-year institutions.

The blur between education and the workforce is even more pronounced. CCCS and other postsecondary providers are increasingly enabling and encouraging students to take advantage of earn-and-learn models and other work-based learning opportunities including internships, co-ops, and apprenticeships. CDHE has formalized credit for prior learning in policy, which recognizes learning outside the classroom (e.g., workplace training, military training, industry-recognized certifications); and CDHE is currently working with CCCS and other partners on stackable credentials, which recognize incremental achievements on the way to a degree and seek to thereby increase student access to employment. In this policy environment, CCCS launched its Colorado Skills Institute, which will offer non-credit short-term workforce development training and education for in-demand occupations. All courses will utilize the credit for prior learning policy to allow for transfer of credit to programs, thus further promoting easy entry and re-entry into the workforce.

Some question the unintended consequences of “blurring” too much—for example that the value of a postsecondary credential will be diluted if students can get a degree without ever setting foot on a campus. Those risks of focusing on credential attainment must be balanced with the benefits

⁷ <https://www.jff.org/idea/big-blur/>

of erasing arbitrary lines and increasing students' chances of success along their academic and career pathway.

Equity Gaps and Politicization of DEI

The Colorado statewide strategic plan prioritized eliminating equity gaps in 2010 and since then, almost every institution in the state has included some aspect of DEI in their strategic plan and/or had equity as a focus area. While some progress has been made, significant attainment gaps persist. In its most recent postsecondary access and success report, the CDHE notes that while there has been a slight increase in college-going rates for African American or Black students, other equity groups have seen a decline. More specifically, while 63 percent of Asian or Pacific Islander and 54 percent of White Coloradans earned a college degree or certificate, the attainment rates for American Indian or Alaska Native (36 percent) Black or African American (40 percent), and Hispanic or Latinx (28 percent) are much lower.⁸

Responding to deeper research and policy discussions around equity, Colorado institutions have generally strengthened their commitments to not only enrolling more minority students, but to changing systems and structures that have promoted the inequities. While Colorado has so far avoided the attacks on diversity that have triggered anti-DEI laws and resignations in other states, colleges and universities will have to remain proactive in promoting all aspects of equity.

Increased Mental Health and Other Non-Academic Needs

Among the more worrisome challenges facing higher education today is the increased demand for mental health services, along with meeting basic student needs including housing, food, healthcare, transportation, and childcare. Dubbed the social determinants of student success, colleges have recognized that students who are hungry, homeless, or suffering from mental stress or illness will not succeed academically. Community colleges and other institutions are engaging in innovative partnerships to help students meet these basic needs.

Measuring Value

The CCHE's 2023 Strategic Plan broke ties with previous statewide plans that had focused on student success, credentials, and equity and evolved its focus to return on investment (ROI), encouraging institutions across the state to ensure that all programs provide economic value for students. The statewide plan acknowledges that there are both tangible and intangible benefits to postsecondary education, however the plan's definition of ROI focuses on anticipated lifetime earnings being greater than the cost of education. Critics note that focusing exclusively on the monetary aspects of education ignores the many other reasons that students pursue a particular academic pathway, the other benefits that accrue to the learner and the state, and that shutting down programs that do not meet the narrow ROI criteria is both unreasonable and unhelpful.

While Colorado may have been among the first states to make ROI the focus of its strategic plan, there is increased attention nationally to the need for institutions to measure outcomes beyond

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https://higher.ed.colorado.gov/publications/Reports/Legislative/PostSecondary/2023_CDHE_Postsecondary_Report.pdf

credential completion, recognizing that economic mobility is the primary reason students choose to pursue postsecondary education. With lower tuition and strong education and training pathways in high growth fields, along with lower cost programs, CCCS is well-positioned to respond to the ROI challenge.

AI and Other Technologies

Higher education, like almost every other sector, is grappling with the rapid rise of artificial intelligence (AI) and in particular generative AI. Not unlike the introduction of calculators, the internet, and many other technologies—all of which were initially resisted as being detrimental to learning—much of the initial response to AI in the education sector was one of fear and focused on AI being a tool for academic dishonesty. Education leaders now are recognizing the potential benefits of integrating and leveraging AI to improve education and student learning as well as research and other campus operations. A recent report from Stanford notes that immersive technologies, including augmented reality and virtual reality, are similarly expected to surge in the classroom.⁹

The Stanford report notes that the technologies do not come without pitfalls. The growing use of technology is producing massive amounts of data and enabling more personalized learning, but also leading to increased cybersecurity and privacy concerns. Moreover, just as technology is increasing flexibility and access to learning, the digital divide remains a big concern.

Going forward, just as has been the case with other technologies, the benefits of AI must be discussed alongside the need to evaluate and update policies, recognize ethical considerations, balance implementation challenges, and navigate potential forthcoming regulation hurdles.

Costs of Higher Education and Rise of “Free” Community College

Affordability is a hallmark of Colorado’s community colleges. With base tuition at less than \$160 per credit hour, tuition and fees at community colleges in Colorado average less than half of those at most public four-year universities. Nonetheless, the cost has been and remains a barrier to many students.

In Colorado, public higher education institutions have lobbied for years for increased funding, noting that Colorado perpetually falls among the lowest among all states in public higher education appropriations per FTE.¹⁰ While the state legislature has been relatively supportive of education in recent years, the 2023 State Higher Education Finance (SHEF) report by the State Higher Education Executive Officers Association again has Colorado third from the bottom among states. Funding challenges are even more pronounced at the community college level, due to these institutions having fewer other sources of revenue and receiving far less philanthropic support than four-year institutions.

With limited state dollars, tuition must increase to keep up with costs. Tuition increases across the U.S. have been outpacing inflation for the past decade and student loans are second only to

⁹ <https://news.stanford.edu/stories/2024/02/technology-in-education#:~:text=The%20use%20of%20immersive%20technologies,hit%20the%20marketplace%20in%202024.>

¹⁰ https://shef.sheeo.org/report-2/?report_page=enrollment-and-state-funding#education-appropriations

mortgages as a source of debt. In this environment of scarce funding, the calls for making college more affordable and/or free are getting louder and more persistent. A number of states now offer free community college, though “free” usually refers to tuition, with the student still having to pay for books, supplies, transportation, housing, and other costs. Those costs of attendance, in addition to having to forego income while learning, mean that free college does not entirely eliminate the cost barrier.

In Colorado, the Career Advance Colorado program has covered the costs of tuition, fees, course materials, and other costs for programs in high-demand fields, while Care Forward Colorado has covered costs for short-term healthcare programs. Colorado took an even bigger step in 2024 with the passage of a bill to provide a refundable income tax credit to cover tuition for two years for families earning less than \$90,000 per year. While not entirely free (and requiring students to have the funds to pay upfront), this new law is set to increase opportunities for many Coloradans.

Where Do We Go From Here?

Meeting Colorado Workforce Needs

Colorado has seen a robust recovery from the COVID-19 pandemic, including returning to pre-pandemic unemployment rate levels, but the demand for talent in the job market remains at historically high levels. Colorado’s Talent Pipeline Report points out that many employers are struggling to find the skilled workforce they need.¹¹ Moreover, the rapid pace of change in many occupations is making it difficult for workers to keep their skills relevant to the marketplace. CCCS too is facing increased competition for talent and may have to take additional steps to attract and retain its workforce, especially as lower salaried employees seek higher wages in the private sector.

Community colleges are at the nexus of education and workforce development leading to economic growth. A recent report from The Colorado Project (housed at the University of Denver’s Korbel School of International Studies) outlined a strategy for economic growth for Colorado. Among the strategies and recommendations contained in the report are many that are mentioned above, and approached at which community colleges excel, including flexibility, stackability of credentials, and strengthening the earn-and-learn ecosystem.¹²

Looking to the future of Colorado’s economy, advanced industries are considered a cornerstone and expected to grow. The Office of Economic Development and International Trade is working with partners across the state to promote the growth and sustainability of Colorado’s advanced industries. The fact that advanced industries are by definition engineering- and R&D-intensive does not preclude the community colleges from playing an important role in meeting the industries’ workforce needs. Alongside engineers and researchers, the industries need technicians, technical specialists, and “technologists,” a term MIT has applied to workers who bridge the gap between technicians and engineers.¹³

Community college leaders must navigate this landscape, responding to internal and external pressures that may not always be aligned. A challenge going forward will be determining an

¹¹ 2023 Talent Pipeline Report

¹² The Colorado Project: A Strategy for Sustainable and Inclusive Economic Growth

¹³ <https://news.mit.edu/2024/training-manufacturing-technologists-future-shop-floor-leaders-0402>

appropriate academic program balance that responds to student and employer needs and is simultaneously financially sustainable.

Conclusion

There is no doubt that the higher education landscape will continue to change. Student activism and social issues leading to disruptions in learning—present in higher education throughout history—have seemingly increased in number and impact, with COVID, Black Lives Matter, and war protestations being just the most visible and recent examples. These disruptions have helped create an environment that is open to change. Moreover, the growing skepticism in recent years about the value of postsecondary education and the degree to which it is meeting learner needs is leading to a new vision of education. That vision includes many of the concepts and trends noted above (e.g., the big blur and focus on ROI) and reflects the notion that our current system of postsecondary education is not serving students well and not leading to economic mobility and good career outcomes for far too many. Phrases such as “radical rethinking” and “paradigm shifts” reflect the degree of change called for by some policy makers and philanthropic organizations.

Whether radical restructuring or continued evolution, community colleges are and will remain an essential piece of the higher education landscape. As more and more students seek to understand the expected return on their education investment, community colleges’ strong ties to the community have made them the avenue through which learners of all ages can get educated and advance in the workforce. Community colleges’ greatest strength is, and will continue to be, promoting economic and social mobility.