

STATE BOARD FOR COMMUNITY COLLEGE AND OCCUPATIONAL EDUCATION

April 10, 2024

TOPIC: FY 2024-25 Tuition and Fees

PRESENTED BY: Mark Superka, Vice Chancellor for Finance and Administration

RELATIONSHIP TO THE STRATEGIC PLAN:

Redefine our value proposition through accessibility, affordability, quality, accountability, resource development, and operational excellence.

EXPLANATION:

Resident and Non-Resident Tuition

Staff discussed at the March Board meeting that setting tuition levels typically revolves around balancing the need to keep up with rising operating costs at the campuses, accounting for changes in state funding, keeping tuition costs reasonable for resident students given our access mission, and assessing the potential impact of tuition increases on our enrollment. In addition to (and embedded within) these issues are short-term considerations—mandated and other potential operating costs, salaries and benefits, and state funding changes for next year—as well as long-term considerations like the overall outlook of state funding for higher education over the next 5 years, the prospects for federal financial aid over the next several years, and needed/desired investments in our people, programs, and students.

With the March economic forecast and the introduction of the Long Bill (the state budget bill), staff now has a much clearer view of General Fund appropriations, tuition constraints, and cost-drivers for FY 2024-25. Governor Polis' November 1 budget request and subsequent budget amendment proposed a 3.4 percent increase in funding for higher education, which equated to a \$7,762,189 increase in General Fund appropriations to CCCS. His budget request also sought to limit resident undergraduate tuition increases to 2.5 percent and non-resident undergraduate tuition increases to 6.5 percent.

However, during their March figure-setting, the Joint Budget Committee (JBC) approved an average increase of 10.2 percent for higher education and an 8.8 percent increase specifically for CCCS, which amounts to \$23,696,552 for CCCS—in an effort to both cover mandatory costs and to provide funding for key investments. The Joint Budget Committee also capped resident undergraduate tuition rate increases at 3.0 percent for FY 2024-25 for CCCS. Please note that the JBC does not place any limitations or caps on non-resident tuition increases. The Joint Budget Committee also set classified salary increases for state employees at 3.0 percent in FY 2024-25. Please note that these appropriation levels for higher education are not final, as the Long Bill still has to make its way through both the Senate and House and to the Governor for signature.

Staff Recommendations on Tuition

The Board has the authority to raise resident tuition by as much as 3.0 percent, and staff is recommending that resident tuition rates be allowed to increase by 3.0 percent for FY 2024-25. For reference, the FY 2023-24 base resident tuition rate is \$164.20 per credit hour or \$4,926 for a full-time, 30 credit hour student. This would represent a \$4.90 per credit hour increase and a \$147 increase for a full-time student. Appendix A outlines the summary of base in-person resident tuition and mandatory fee recommendations for FY 2024-25.

Staff is also recommending a corresponding 3.0 percent increase in the non-resident tuition rates. In addition, staff is recommending a 3.0 percent increase to the in-person resident and non-resident Bachelor of Applied Science (BAS) rates and a 3.0 percent increase for resident and non-resident online BAS tuition rates, with the exception of the WUE BAS Water Quality Management and WUE BAS Secure Software Development rates, which are being reduced to align with the WUE requirement of being 1.5 times the resident tuition rate (including COF).

There are a number of revenue and cost factors that drive staff's FY 2024-25 tuition rate recommendations:

Revenue Factors

- Based on current estimates, the staff's 3.0 percent tuition rate increase recommendation will result in approximately \$11.1 million more in net additional tuition revenue after taking into account forecasted enrollment in FY 2024-25.
- The Long Bill increases FY 2024-25 General Fund appropriations to CCCS by approximately \$23.7 million when compared to the prior year Long Bill.
- Current Amendment 50 tax revenue forecasts show that revenue being flat in FY 2024-25.

As a result, net additional revenue from tuition, General Fund, and Amendment 50 sources for FY 2024-25 is estimated to be approximately \$34.8 million.

Cost Factors

- Salary increase pools of 3.0 percent for admin/pro-tech, classified employees, and full-time faculty equaling \$9.7 million, which mirrors the JBC figure-setting.
- Estimated increase for the classified step adjustments of \$3.8 million.
- Projected increases in general operating expenses across all colleges at the actual CPI for calendar year 2023 of 5.2 percent are estimated to be \$6.7 million.
- Required increases to PERA, due to adjustments required by S.B. 18-200, and required increases due to the Paid Family and Medical Leave Insurance Act, which became effective January 1, 2023, at 0.45 percent of total payroll annually for admin/pro-tech, full-time faculty, and instructors and 0.45 percent of total payroll annually for classified employees, are estimated to be \$0.2 million.
- An increase in health, life, and dental benefit costs of \$1.6 million due to a combination of premium costs and employer-share increases.

As a result, the net increase in costs is estimated to be \$22.0 million, leaving a positive net gap between projected revenues and expenses of \$12.8 million. However, during the past few years, our colleges have had to use federal funds to support programs traditionally supported by other funding sources due to the reduced General Fund appropriations and the reduction of other revenue sources due to COVID. As a result, some colleges have additional revenue gaps to fill that are not reflected in the revenue numbers above. Moreover, many colleges are anticipating additional costs associated with the classified step adjustments due to compression pay adjustments to align similar position pay and supervisor pay. Specific details of balancing measures, along with details of specific investments, from colleges will be included in the colleges' individual budget submissions at the June 2024 Board meeting.

This recommendation on resident tuition applies to all resident and non-resident tuition rate categories as specified in Table 1. All resident and non-resident tuition rates in Table 1 will be effective beginning with the Fall 2024 term.

Fees

Statute and the Department of Higher Education authorize higher education governing boards to approve all mandatory student fees, as well as pass-through and course materials fees. Board policy limits any annual increase in mandatory student fees to the Denver-Aurora-Lakewood CPI. Any increases above CPI require a student vote. The calendar year 2023 Denver-Aurora-Lakewood CPI was 5.2 percent. As a result, staff is recommending a maximum of 5.2 percent increase to existing system-wide and college-specific fees contained in Table 2. There are two exceptions to this:

- Community College of Aurora (CCA) is proposing to change its student activity fee from \$23.62 per term to \$5.96 per credit hour. A student referendum took place April 1st – 5th, 2024, related to the fee increase. If CCA students pass the fee increase, staff will return in a subsequent Board meeting with a formal recommendation regarding the student-approved fee.
- Pikes Peak State College (PPSC) is proposing a student technology fee of \$4.85 per credit hour. A student referendum took place April 1st - 9th, 2024, related to the fee increase. If PPSC students pass the fee increase, staff will return in a subsequent Board meeting with a formal recommendation regarding the student-approved fee.

There are no new or extended systemwide mandatory fees being proposed for FY 2024-25, as outlined at the top of Table 4.

The Board also designates the Classification of Instruction Programs (CIP) categories for which the medium/high course fee can be applied. Staff is recommending that the Board approve the April 2024 Classification of Instructional Programs table (see Appendix B) as the basis for assigning medium and high course fees. The following changes were made to the index from last year: Natural Resources and Conservation

was increased from medium to high because this CIP family has seen increases in the cost of equipment for forestry and other extraction related activities; Family and Consumer Sciences/Human Sciences, Technology Education/Industrial Arts, and Technology Education/Industrial Arts Programs were increased from low to medium because this CIP family has seen increases in the safety requirements in the lab space; and Construction Trades and Mechanic and Repair Technologies/Technicians were increased from medium (with an exception for Aviation) to high because this CIP family has seen increases in the safety requirements in the lab space and also an increase in the costs of the accreditation and industry credentials.

Materials and Service Fees

Table 4 outlines the new fees of this type for all of the colleges for FY 2024-25, along with a brief explanation for why the new fee is requested. Table 5 outlines the changes to existing fees of this type for FY 2024-25, along with a brief explanation as to why the change occurred. New fees are typically the result of new programs/classes that are created and/or changes in curriculum that drive the need for the materials or service. Staff recommends the Board approve the new fees and changes to existing fees listed in Tables 4 and 5. In addition, the Board has previously approved existing fees of this type whose rates have NOT changed for FY 2024-25 and staff recommends this approval for these fees be extended. For your reference, Table 6 outlines the existing fees of these types. Table 7 outlines other changes for your reference. Also, staff recommends the Board allow for colleges to change mid-year existing pass-through materials and service fee rates if the vendor cost of the material and service fee changes mid-year and the college obtains approval for the change from the System Office's Vice Chancellor for Finance and Administration. In addition, staff recommends the Board allow for colleges to charge the approved Colorado Online pooled section fee for their home college sections if the college obtains approval from the System Office's Vice Chancellor for Finance and Administration.

Please note the Board will review the bulk of FRCC's course materials fees for approval at its May meeting, due to timing related to negotiations with its bookstore vendor.

Room and Board

Table 3 outlines the FY 2024-25 requests for room and board increases for the colleges that have dormitories. Most of the increases are based on covering the projected increase in costs from various contracted food service vendors utilized by colleges, as well as typical room increases. Staff recommends approval of the room and board increases listed in Table 3.

RECOMMENDATION:

Staff recommends the approval of the FY 2024-25 tuition, fee, and room and board rates per Tables 1-7 and Appendix B, as well as the recommended mid-year flexibility in regard to materials and services fees. This approval does NOT include the proposed fee change at CCA or the proposed fee at PPSC. If the student referenda related to these fees passes, staff will bring those specific fees back to the Board for consideration at the May Board meeting.

In addition, staff requests that the Board allow staff to adjust the FY 2024-25 COF Stipend and Final Total Resident Tuition line items in Table 1 to reflect any last-minute changes to the General Assembly's decisions on the COF stipend per credit hour amount.

SUPPLEMENTAL MATERIALS IN ONBOARD:

- III.B.a._Supplemental_FY25 Tuition and Fees Template (Tables 1-7)
- II.B.b._Supplemental_Appendix A – CCCS Base Resident Tuition and Fees (30 Credit Hours)
- III.B.c._Supplemental_Appendix B – CIP Index