



## WHY IT MATTERS?

### The outcome of this project will:

- Represent a major change in the allocation methodology of state funding to public institutions of higher education.
- Articulate what it costs to attend higher education in Colorado, along with how much is subsidized by the state and why.
- Build on a key goal – trust and confidence in Colorado’s higher education system.
- Help Coloradans understand the state goals outlined in *Colorado Competes! A Completion Agenda for Higher Education* and how state funding of higher education is tied to these goals.
- Highlight higher education as an economic and civic engine for our state.
- Emphasize higher education as a public good.

## Higher Education Performance Funding

HB 14-1319, signed into law in May 2014, requires the Colorado Commission on Higher Education (CCHE) to develop a new base funding formula to allocate state general fund dollars among the state’s public institutions of higher education.

This new funding model will be implemented in the 2015-16 fiscal year and will include allocation of the Colorado Opportunity Fund (COF) stipends and new Fee-for-Service contracts.

The components of the new funding model will include:

**COF Stipends** – Amount and percentage of the formula.

**Role and Mission of the Institutions** - Selectivity, number of campuses, rural or urban location, low student enrollment, high cost undergraduate programs, research, Pell eligible and underserved students, types of graduate programs, and cost for remedial courses.

**Performance** - Number of degrees and transfers completed, within certain parameters; and, number of students who make academic progress.

In consultation with key stakeholders, the CCHE must also submit to the Legislature tuition policies that ensure both accessible and affordable higher education for residents.

Across the country, many other states are having this same important discussion: What are our priorities regarding higher education? What are the needs of our economy? How do we best invest in the future of our workforce? How do we best invest in the future of our state?

According to a recent study, 25 other states have engaged in a similar discussion around performance funding for higher education and five states - including Colorado - are currently in the midst of developing performance funding models.

See our webpage for more information:

<http://highered.colorado.gov/Publications/General/1319/default.html>

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