

STATE BOARD FOR COMMUNITY COLLEGE AND OCCUPATIONAL EDUCATION

April 8, 2025

TOPIC: FY 2025-26 Tuition and Fees

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

RELATIONSHIP TO THE STRATEGIC PLAN:
Education For All, Empowered Talent, Power of 13

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.

During the March board meeting, a board member asked for some context on the relative share of tuition, General Fund appropriations, and fees. In FY 2023-24, CCCS E&G revenue sources were relatively equal between resident tuition and general fund, each rounding to 43 percent of the total. Non-resident tuition accounts for approximately 4 percent and Amendment 50/77 gaming tax revenue is 4.5 percent. Fees reflect just over 3.5 percent in the aggregate, and several miscellaneous categories provide less than 1 percent each.

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 2025-26. Governor Polis' November budget request and subsequent budget amendment proposed a 0.8 percent increase in funding for higher education, which equated to a \$2,269,799 increase in General Fund operating appropriations to CCCS. His budget request also sought to cap resident undergraduate tuition increases to 2.3 percent and non-resident undergraduate tuition increases to 2.4 percent.

However, during their March figure-setting, the Joint Budget Committee (JBC) approved an average increase of 2.5 percent for higher education, equating to a 2.47 percent increase specifically for CCCS, which amounts to \$7,228,161 for CCCS—in an effort to better cover mandatory costs during a very tight budget year. The Joint Budget Committee also capped resident undergraduate tuition rate increases at 3.5 percent for FY 2025-26 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 2.5 percent in FY 2025-26. 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 3.5 percent, and staff is recommending that resident tuition rates be allowed to increase by 3.5 percent for FY 2025-26. For reference, the FY 2024-25 base resident tuition rate is \$169.10 per credit hour or \$5,073 for a full-time, 30 credit hour student. This would represent a \$5.90 per credit hour increase and a \$177 annual increase for a full-time student. Appendix A outlines the summary of base in-person resident tuition and mandatory fee recommendations for FY 2025-26.

Staff is also recommending a corresponding 3.5 percent increase in the non-resident tuition rates. In addition, staff is recommending a 3.5 percent increase to on-line resident and non-resident tuition rates, in-person resident and non-resident Bachelor of Applied Science (BAS) rates, and resident and non-resident online BAS tuition rates.

There are a number of revenue and cost factors that drive staff's FY 2025-26 tuition rate recommendations:

Revenue Factors

- Based on current estimates, the staff's 3.5 percent tuition rate increase recommendation will result in approximately \$11.5 million more in net additional tuition revenue after taking into account forecasted enrollment in FY 2025-26.
- The Long Bill increases FY 2025-26 General Fund appropriations to CCCS by approximately \$7.2 million when compared to the prior year Long Bill. For context, the FY 2023-24 to FY 2024-25 increase was about \$23.7 million.
- Current Amendment 50 tax revenue forecasts show gaming revenue being flat in FY 2025-26.

As a result, net additional revenue from tuition, General Fund, and Amendment 50 sources for FY 2025-26 is estimated to be approximately \$18.7 million.

Cost Factors

- Salary increase pools of 2.5 percent for admin/pro-tech, classified employees, and full-time faculty equaling \$9.2 million, which mirrors the JBC figure-setting.

- Projected increases in general operating expenses across all colleges at the actual CPI for calendar year 2024 of 2.3 percent are estimated to be \$3.6 million.
- An increase in health, life, and dental benefit costs of \$1.7 million due to a combination of premium costs and employer-share increases.

As a result, the net increase in costs is estimated to be \$14.6 million, leaving a positive net gap between projected revenues and expenses of \$4.1 million. This will allow some of our colleges to invest funds above their mandatory costs for strategic priorities. However, some of our colleges are still projecting to have to further balance their budgets to accommodate revenue projections. In addition, while it is very challenging to forecast the potential for a reduction of federal grant funds given the uncertain environment over the next fiscal year, this tuition recommendation would allow for some flexibility (albeit minor) for our colleges to hedge against future impacts. 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 2025 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 2025 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 2024 Denver-Aurora-Lakewood CPI was 2.3 percent. As a result, staff is recommending a maximum of 2.3 percent increase to existing system-wide and college-specific fees contained in Table 2. There are a couple of exceptions to this:

- Northeastern Junior College (NJC) is proposing to change its associated student government fee from \$3.00 per credit hour to \$3.50 per credit hour. A student referendum is being held, related to the fee increase. If NJC students pass the fee increase, staff will return in a subsequent Board meeting with a formal recommendation regarding the student-approved fee.
- Front Range Community College (FRCC) is proposing to consolidate several campus-specific fees into college-wide fees, including a student activity fee, building fee, and technology fee, as well as instituting a wellness fee.
- Morgan Community College (MCC) is proposing to charge \$6.00 per credit hour for a new Technology fee. A student referendum on this fee concluded February 25th, with results reported February 26th. Of the 47 students that voted, a little over 53% voted "yes" to instituting this fee.
- Arapahoe Community College is proposing to increase their student activity fee from \$4.99 per credit hour to \$7.00 per credit hour, both capped at 12 credit hours as well as proposing to assess a health and wellness fee of \$11.19 per semester to students taking classes exclusively online. Students will have the

opportunity to vote on these fees during the Student Government Association elections, held April 21-28, 2025.

There are no new or extended system wide mandatory fees being proposed for FY 2025-26, 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 2025 Classification of Instructional Programs table (see Appendix B) as the basis for assigning medium and high course fees. No changes have been made to this table for the current year.

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 2025-26 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.

Room and Board

Table 3 outlines the FY 2025-26 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 2025-26 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 FRCC, the proposed fee at NJC, or the proposed fees at ACC. 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 2025-26 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.

ATTACHMENTS:

FY26 Tuition and Fees Template (Tables 1-7)

Appendix A – CCCS Base Resident Tuition and Fees (30 Credit Hours)

Appendix B – CIP Index