



TABOR Issue Brief

The Taxpayer’s Bill of Rights (TABOR) restricts the amount of revenue that can be spent on state and local services—from health care to transportation to education. In the 1990s, TABOR forced reductions in many state services, and since 2000 the revenue situation has become especially dire. TABOR’s ratchet effect won’t let services recover, even when the economy rebounds, so the cuts caused by revenue shortages remain in place. Services will never be able to catch up or keep pace with real economic growth—and will, in fact, continue to shrink—unless we change TABOR’s spending limits and eliminate the ratchet effect.

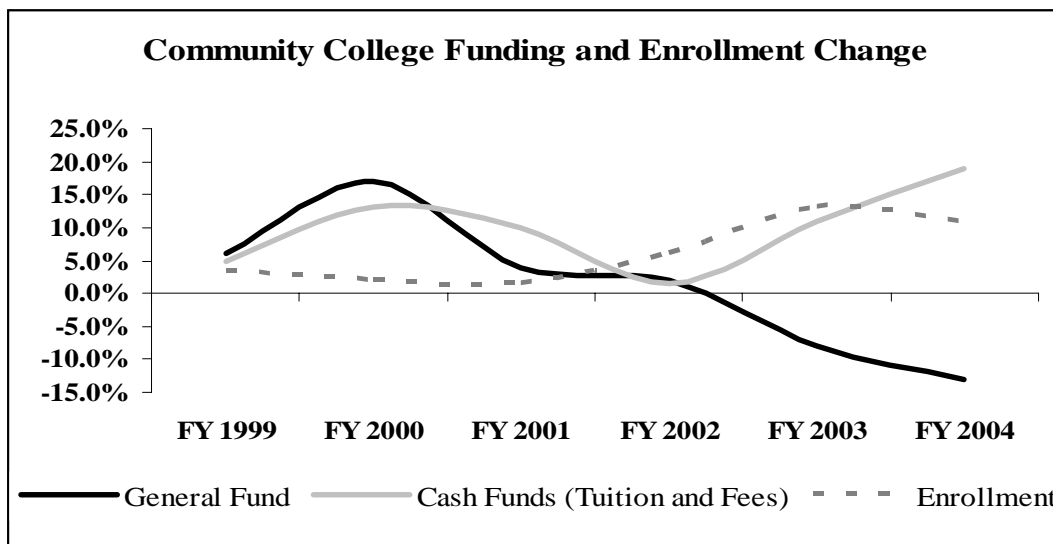
According to Legislative Council’s Dec. 2004 forecast, under current revenue projections, the General Assembly will have to reduce FY 2005-06 expenditures by \$244.9 million to accommodate allowable General Fund growth as prescribed by TABOR, while simultaneously giving back \$459.2 million in refunds. Colorado’s improving revenue environment means that programs supported by either General Fund or cash funds will compete against each other under TABOR spending restrictions.

TABOR Briefs:

- Agriculture
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- Colorado’s Economy
- Community Colleges
- Higher Education
- Judiciary
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- Mental Health
- Public Health
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Community Colleges

- From FY 2002 to FY 2005, reductions in state funding to our public colleges and universities totaled \$149.4 million; financial aid support was reduced \$9.1 million; state subsidies to local district colleges fell \$3.6 million; and \$3.0 million was eliminated in state support for area vocational schools.



- Community colleges received only partial funding for enrollment growth in 2003 and no increase in enrollment funding in 2004 and 2005. At the same time, total enrollment grew more than 10%. This equates to more than 11,000 unfunded students in the system by 2006. The majority of funding (52%) for colleges now consist of cash funds (tuition and fees)—up from 40% five years ago. As a result, total state support has declined to nearly the same level it was in 1998.

TABOR ISSUE BRIEF: COMMUNITY COLLEGES

- Colorado’s community college tuition rates were slightly above the national average in 2003 and considerably higher than member schools of the Western Interstate Commission on Higher Education. As our colleges are already relatively expensive, a greater reliance on tuition for funding in future years will endanger access to higher education for many students, as well as the quality and competitiveness of the state education system.
- Colorado’s community college faculty salary rates have not kept pace with economic growth, student enrollment or system demands over the past decade. In 2003, faculty salaries were 23% below the national average. More than \$11 million in additional funding would be required to raise the salaries for all 924 full-time faculty to the national average.
- In FY 2004, state funded need-based financial aid was reduced by \$3.5 million, and community colleges were forced to cut more than \$200,000 in need-based financial aid from their budgets. Community colleges enroll significantly more students eligible for financial aid than other state universities. But after years of budget cuts, they have the least resources (work-study programs, institutional grants, state financial aid, etc.) available for these high need students. For students with a family income of less than \$25,000—even after financial aid, student loans, etc.—a family must contribute an average of 30% of their income to help a student achieve a college education.
- Community colleges are awarded equal funding for all students, regardless of the differential costs of degree programs. In 2001, the average cost to educate a full-time student enrolled in a nursing program was \$7,315, while state funding per student was just \$5,215. In the current fiscal situation of most colleges, high-demand and high-cost programs such as nursing degrees will become increasingly difficult to continue.
- In 2001, the Rural Education Access Program was introduced to provide financial support for baccalaureate programs in education, business, and criminal justice through rural community colleges. In 2003, due to budget constraints, funding for the program was cut in half and in 2004 the entire program was eliminated.

STATE SUPPORT FOR INSTITUTIONS OF HIGHER EDUCATION

General Fund per Resident Student Full-Time Equivalent (FTE)

	FY 01-02	FY 04-05	Percent Change
<i>Community Colleges</i>	\$3,565	\$2,306	-35.3%
<i>State Colleges</i>	\$4,024	\$2,999	-25.2%
<i>System Wide</i>	\$5,365	\$3,511	-34.6%

General Fund + Tuition per Resident Student FTE

<i>Community Colleges</i>	\$5,493	\$4,578	-16.7%
<i>State Colleges</i>	\$6,281	\$5,462	-13.0%
<i>System Wide</i>	\$8,787	\$8,023	-8.7%

(SOURCES: “Colorado Community College System: Achieving Our Vision” Presentation by Joe D. May, Former President CCCS, October 8, 2003; “Fighting for Dollars” Presentation by CCCS VP of Finance, George Delaney, CCCS Budget Director, Geoff Barsch and CCCS Legislative Director, Gil Romero; State Board for Community Colleges and Occupational Education, Legislative Agenda 2005 and 2004, www.cccs.edu; Joint Budget Committee, Dept. of Higher Education, Briefing Document FY 05-06.)