

**NO COLLEGE
FOR YOU!**



**Colorado's higher education system
at the breaking point**

A special report by the Bell Policy Center on
Mesa State College
Colorado Northwestern Community College
Delta-Montrose Technical College

May 25, 2005



Bell Policy Center

The economic impact of Mesa State College

Mesa State College makes life better in Western Colorado.

The college offers more than 100 degree and certificate programs to residents of Grand Junction and neighboring communities. Nine out of 10 Mesa State graduates are Colorado residents, and eight out of 10 live and work in Colorado after graduation.

Mesa is an affordable, student-focused college offering a quality, hands-on college education. After graduation, 76 percent of Mesa's students find a job in their field of study and 58 percent report earning \$25,000 or more in their first year of work.

The college enriches the community's cultural life with fine arts shows and theater and music performances.

Mesa State College also carries weight in the regional economy.

A 2004 study shows that in FY 2003-04, the expenditures of Mesa State, its 1,200 employees, 5,700 students, and 131,000 visitors to college activities and events had a cumulative annual direct economic impact in excess of \$80 million and total economic impact of more than \$144 million (a multiplier of 1.8).



A Mesa State College education can increase lifetime earning power.

U.S. Census Bureau data show that the average annual income of a male 25 and older with a bachelor's degree is \$53,152, compared with the average annual income of \$29,958 for high school graduates.

Over a 40-year period, this difference totals nearly \$1 million more for the college graduate. And the holder of a professional degree earns \$3.2 million more than high school graduates.

— Mesa State College Web site

Expenditure Category	Direct Impact	Total Impact	Percent of Total
Capital	\$1,881,259	\$3,386,266	2.3%
Visitors	\$3,860,906	\$6,949,631	4.8%
Mesa State College	\$5,482,622	\$9,868,719	6.8%
Employees	\$13,883,262	\$24,989,872	17.3%
Students	\$55,008,090	\$99,014,562	68.7%
Total	\$80,116,906	\$144,209,049	100%

Source: Achieving a Higher Degree of Leadership in Western Colorado (Carol Futhey and Morgan Bridge, November 2004).

Higher education's funding crisis and Mesa State College



Annual General Fund appropriations to Mesa State College dropped by 10.2 percent from FY 2002 to FY 2003. The cuts were mostly restored in FY 2004 and state funding remained unchanged in FY 2005.

Fiscal Year	2001-02	2002-03	2003-04	2004-05
General Fund appropriations	\$15,865,136	\$14,245,693	\$15,775,165	\$15,775,165
Annual percent change		- 10.2%	10.7%	0%

Source: Joint Budget Committee

During the same period, Mesa State experienced significant enrollment growth, much like the entire public higher education system in Colorado. The college gained nearly 500 students from 2001 to 2004.

Fiscal Year	2001-02	2002-03	2003-04	2004-05
State-funded students (fall enrollment)	5,299	5,569	5,764	5,793
Annual percent change		5.1%	3.5%	0.5%

Source: Colorado Commission on Higher Education and Mesa State College

The combined effect of decreasing state funding and increasing enrollment means less state funding support for each student, especially when the change is adjusted for inflation.

Fiscal Year	2001-02	2002-03	2003-04	2004-05
General Fund \$ per student (nominal)	\$2,994	\$2,558	\$2,737	\$2,723
Annual percent change		- 14.6%	7%	- 0.5%
General Fund \$ per student (inflation-adjusted)	\$3,078	\$2,584	\$2,769	\$2,723
Annual percent change		- 16%	7.2%	- 1.7%

Source: Colorado Legislative Council, Colorado Commission on Higher Education, Mesa State College

In order to serve more students with less state funding, Like most institutions, Mesa State has partially filled the funding gap by raising tuition. Over four years, tuition climbed 25 percent.

	2001	2005	Percent Change
Average annual resident undergraduate tuition and fees	\$2,185	\$2,724	25%

Source: Western Interstate Commission for Higher Education



Bell Policy Center

At the same time, state-funded financial aid for students from low-income families has not kept pace with tuition increases. While the allocation of financial aid to Mesa State increased from FY 2002 to FY 2003, it fell over the next two years to an even lower level.

Fiscal Year	2001-02	2002-03	2003-04	2004-05
Financial aid allocation	\$2,602,716	\$2,964,257	\$2,669,503	\$2,582,006
Annual percent change		13.9%	- 9.9%	- 3.3%

Source: Colorado Commission on Higher Education

As a result, state-funded financial aid per student decreased significantly in the past two years.

Fiscal Year	2001-02	2002-03	2003-04	2004-05
Financial aid \$ per student	\$491	\$532	\$463	\$446
Annual percent change		8.4%	- 13%	- 3.7%

Source: Bell Policy Center analysis

Overall, between FY 2002 and FY 2005, General Fund and financial aid spending for Mesa State College decreased slightly, while enrollment increased by 9.3 percent. As a result, state funding and financial aid per student dropped significantly.

Fiscal Year	FY 2001-02	FY 2004-05	Percent Change
General Fund appropriations	\$15,865,136	\$15,775,165	- 0.6%
State-funded students (fall enrollment)	5,299	5,793	9.3%
General Fund \$ per student (nominal)	\$2,994	\$2,723	- 9.1%
General Fund \$ per student (inflation-adjusted)	\$3,078	\$2,723	- 11.5%
Financial aid allocation	\$2,602,716	\$2,582,006	- 0.8%
Financial aid \$ per student	\$491	\$446	- 9.2%

Source: Bell Policy Center analysis

Higher education's funding crisis and Colorado Northwestern Community College



Community colleges also suffered a sharp decrease of state funding during the recent economic downturn. In FY 2005, Colorado's community college system received 14.6 percent less than it did four years ago and 19.3 percent less when adjusted for inflation.

Fiscal Year	2000-01	2001-02	2002-03	2003-04	2004-05
General Fund appropriations in millions (nominal)	\$124.5	\$125.7	\$117.3	\$106.3	\$106.3
Annual percent change		1%	-6.7%	-9.4%	0%
General Fund appropriations in millions (inflation-adjusted)	\$131.8	\$129.2	\$118.5	\$107.5	\$106.3
Annual percent change		-1.9%	-8.3%	-9.2%	-1.2%

Source: Joint Budget Committee and Colorado Legislative Council

While state funding for community colleges dropped, enrollment grew at high rates, and Colorado Northwestern Community College, with campuses in Rangely and Craig, was no exception.

Fiscal Year	2000-01	2001-02	2002-03	2003-04	2004-05
Fall enrollment	1,834	2,109	2,052	2,242	2,261
Annual percent change		15%	- 2.7%	9.3%	0.8%

Source: Colorado Commission on Higher Education

Although community colleges serve a large number of low-income and low-wealth students who are sensitive to tuition hikes, tuition at community colleges increased to keep up with swelling costs and enrollment and shrinking state support. Colorado Northwestern Community College raised tuition and fees by 15 percent in the past four years — one of the lowest hikes among Colorado's community colleges.

	2001	2005	Percent Change
Average annual resident undergraduate tuition and fees	\$1,558	\$1,784	15%

Source: Western Interstate Commission for Higher Education



Bell Policy
Center

While the cost of attending Colorado Northwestern Community College increased, state funding for financial aid was slashed during the FY 2002-2005 period.

Specifically, the college received 6.7 percent less in financial aid in FY 2005 than it did three years earlier. Since enrollment grew, state-funded financial aid per student fell. By FY 2005, state financial aid per student at CNCC was 15.7 percent less than in FY 2001.

Fiscal Year	2000-01	2001-02	2002-03	2003-04	2004-05
Financial aid allocation	\$291,948	\$309,436	\$364,080	\$324,772	\$302,936
Annual percent change		6%	17.7%	- 10.8%	- 6.7%
Financial aid dollars per student	\$159	\$147	\$177	\$145	\$134
Annual percent change		- 7.5%	20.4%	- 18%	- 7.6%

Source: Colorado Commission on Higher Education

Higher education's funding crisis and the Delta-Montrose Technical College



Not every good-paying job requires an academic college degree. Colorado's four area vocational colleges provide career and technical certificate programs and courses designed to train students for entry-level employment, and to provide retraining and job skills upgrading.

The four schools — in Denver, Aurora, Cortez and Delta — are operated by school districts, approved by the State Board for Community Colleges and Occupational Education and accredited by the North-Central Association of Secondary Schools and Colleges.



The Delta-Montrose Technical College in Delta and Paonia is a public institution governed by the Delta County Joint School District No. 50 and funded from federal, state, and local sources. The technical college provides post-high school vocational education for residents of Delta, Montrose, Ouray, Gunnison, Hinsdale and San Miguel counties.

Statewide, Colorado's vocational schools suffered dramatic cuts in state funding.

Fiscal Year	2000-01	2001-02	2002-03	2003-04	2004-05
General Fund appropriations	\$10,885,321	\$10,904,583	\$10,196,282	\$8,505,528	\$8,505,528
Annual percent change		0.2%	- 6.5%	- 16.6%	0%

Source: Joint Budget Committee

State-funded financial aid for area vocational schools also dropped considerably during the same period, with major cuts occurring in FY 2003 through FY 2005.

Fiscal Year	2000-01	2001-02	2002-03	2003-04	2004-05
Financial aid allocation	\$641,771	\$712,453	\$697,446	\$604,345	\$577,464
Annual percent change		11%	- 2.1%	- 13.3%	- 4.4%

Source: Colorado Commission on Higher Education

The Delta-Montrose Area Vo-Tech Center is severely impacted by the state financial aid budget cuts. In FY 2005 it received less financial aid than in FY 2001.

Fiscal Year	2000-01	2001-02	2002-03	2003-04	2004-05
Financial aid allocation	\$134,712	\$177,713	\$175,773	\$136,827	\$129,570
Annual percent change		31.9%	- 1.1%	- 22.2%	- 5.3%

Source: Bell Policy Center analysis



Bell Policy
Center



This report was prepared for a community forum held May 25, 2005, at Mesa State College in Grand Junction, Colo.

For more information about the effects of state funding on colleges and universities in Colorado, contact Spiros Protopsaltis, policy analyst for the Bell Policy Center, at spiros@thebell.org

Bell Policy Center
1801 Broadway, Suite 280
Denver, Colorado 80202

(303) 297-0456 metro Denver
(866) 283-8051 statewide
(303) 297-0460 fax

Summer Tour 2005

www.thebell.org